Boeing, Safran Joint Venture to Start Operations

- Boeing and Safran secure regulatory approvals to begin their joint venture for designing, building and servicing Auxiliary Power Units

CHICAGO and PARIS, Nov. 9, 2018 /PRNewswire/ -- Boeing [NYSE: BA] and Safran [EPA: SAF] have received regulatory approvals for a joint venture so they can begin designing, building and servicing aircraft Auxiliary Power Units (APUs)—onboard engines that are primarily used to start the main engines and power aircraft systems while on the ground and, if necessary, in flight. The companies also named Etienne Boisseau as Chief Executive Officer of the joint venture.

The agreement establishes a partnership between two of the world's leading aerospace companies to work together on APU products and expanded service capabilities to benefit customers and industry. Both companies have a 50 percent stake in the joint venture. The initial team will perform design work in San Diego, Calif.

"Safran is proud to launch this joint venture with Boeing in order to offer state-of-the-art APUs and enhance customer value. Together, we are committed to delivering innovative, highly technological and cost-competitive solutions to global customers. We are confident this joint team will provide first-class products and services within the best integrated industrial organization," said Philippe Petitcolin, CEO of Safran.

The joint venture combines Boeing's customer and airplane knowledge and Safran's experience designing and producing complex propulsion systems.

"We are open for business and excited to offer even more value to our customers throughout the lifecycle of their investment. This joint venture strengthens Boeing's vertical capabilities as we continue to expand our services portfolio. By making strategic investments that accelerate our growth plans, we also are providing our customers with expanded, innovative services solutions," said Stan Deal, President and CEO of Boeing Global Services.

In addition to Etienne Boisseau, others nominated to the joint venture's leadership team include:

- Linda Hapgood, Chief Operating Officer
- Erin Morrissey, Chief Financial Officer
- Joan Inlow, Chief Technology Officer

The name of the joint venture as well as the location of the future headquarters and production and service facilities will be announced at a later date.

Safran currently supplies a wide range of components to Boeing commercial and defense programs, including as a partner to produce CFM's LEAP-1B engine for the 737 MAX (through CFM International, a 50/50 JV between Safran Aircraft Engines and GE). Boeing and Safran also are partners in MATIS, a joint venture in Morocco producing wiring products for several airframe and engine companies.

About Boeing

Boeing is the world's largest aerospace company and leading manufacturer of commercial airplanes and defense, space and security systems. Boeing is also the world leader in combined commercial airlines and government services with customers in more than 150 countries. The company's products and tailored services include commercial and military aircraft, satellites, weapons, electronic and defense systems, launch systems, advanced information and communication systems, and performance-based logistics and training. Boeing employs approximately 140,000 people across the United States and in more than 65 countries.

Operating as one of Boeing's three business units, Global Services is headquartered in the Dallas area. For more information, visit www.boeing.com/services.

About Safran

Safran is an international high-technology group, operating in the aircraft propulsion and equipment, space and defense markets. Safran has a global presence, with more than 58,000 employees and sales of 16.5 billion euros in 2017. Working alone or in partnership, Safran holds world or European leadership positions in its core markets. Safran undertakes Research & Development programs to meet fast-changing market requirements, with total R&D expenditures of around 1.4 billion euros in 2017. Safran is listed on the Euronext Paris stock exchange, and is part of the CAC 40 and Euro Stoxx 50 indices.

In February 2018, Safran took control of Zodiac Aerospace, significantly expanding its aircraft equipment activities. Together with Zodiac Aerospace, Safran has more than 91,000 employees and would have around €21 billion in adjusted revenue (pro forma 2016).

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