

Boeing, Xi'an Aircraft Company Mark Milestone Installation of 3,000th Next-Generation 737 Vertical Fin

Delivery highlights growing 30-year partnership

XAC performance earns expanded role on 737 MAX

SEATTLE, July 27, 2015 – Executives from Boeing [NYSE: BA] and Chinese supplier Xi'an Aircraft Company (XAC) gathered in Renton, Wash., to witness the milestone 3,000th installation of the Next-Generation 737 vertical fin manufactured by XAC. This highlights the increasing role of XAC and its parent company, Aviation Industries of China (AVIC), as a key supplier on every Boeing Commercial Airplanes program.

The two companies' 30-year history began with XAC supplying 600 vertical fins for the 737 Classic between 1984 and 1999. Next came a larger share of work on the Next-Generation 737, with XAC delivering its first vertical fin for that airplane in 1997. This month, XAC delivered its 3,000th to the Renton factory for installation on a Hainan Airlines 737.

"The 737 is the best-selling airplane in commercial aviation history and the most reliable single-aisle aircraft in the market today," said John Byrne, vice president, Airplane Materials and Structures, Supplier Management, Boeing Commercial Airplanes. "A key reason for that is the performance of suppliers like XAC. They have supported our 33 percent increase in production over the past four years while performing at the highest level, with quality and delivery levels that have earned them consecutive Boeing Performance Excellence Awards the past three years. In fact XAC has attained 100 percent on-time delivery five straight years."

In addition to their production performance, XAC was one of the first suppliers to support the Boeing Partnering for Success program, demonstrating their commitment to meeting market requirements for affordability, said Byrne.

"Today's installation marks an important milestone in the expanding partnership between XAC and Boeing, a partnership which dates back more than 30 years," said He Shengqiang, president of XAC. "We will further advance this partnership by keeping our commitments and high performance in meeting quality, schedule and affordability targets."

XAC will provide vertical fins and the inboard flap for the 737 MAX, scheduled to begin deliveries in 2017. XAC also supports the Boeing 747-8 program with trailing edge wing ribs and inboard flaps.

Today more than 8,000 Boeing airplanes fly throughout the world with parts and assemblies built by China. China has a role on every one of Boeing's commercial airplane models – 737, 747, 767, 777 and the newest and most innovative airplane, the 787 Dreamliner.

Boeing projects that China will need 6,020 new airplanes over the next 20 years, valued at \$870 billion, which is nearly 45 percent of the total demand for airplanes in the Asia Pacific region. Tourism in China and intra-Asia travel is supporting a strong demand for single-aisle airplanes, with total deliveries projected to reach 4,340 through 2033.

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