AVIC Aircraft and Nexcelle announce plans for a nacelle joint venture in China

Beijing, China, September 23, 2009

A MOU signed today by AVIC Aircraft Corporation and Aircelle/MRAS/Nexcelle creates the framework for a new joint venture that will design and manufacture engine nacelle and components for a full range of aircraft applications.

This MOU, which was signed in Beijing during Aviation Expo China 2009, marks the first step in establishing a long-term alliance focused on engine nacelle technology and the production of nacelle and components to be used on both new and existing aircraft.

The accord brings together key aviation industry leaders for collaboration on engine nacelle technology – which is one of the fundamental elements in an aircraft's performance, efficiency and environmental footprint. AVIC Aircraft is responsible for the development of medium/large transport, commercial aircraft and landing gear systems and nacelle in China, while Nexcelle is the nacelle joint venture company created by GE’s Middle River Aircraft Systems and Aircelle, a Safran group company.

"Our MOU is an important milestone for AVIC Aircraft as we establish new aviation capabilities in China," said Hu Xiaofeng, the president of AVIC Aircraft. "It is important to work with the best partners for crucial technologies such as engine nacelles."

AVIC Aircraft and Nexcelle will consider a broad range of nacelle and components manufacturing and design opportunities, including current production programs and for new aircraft. Categories could range from business jets to large airliners.

"We are extremely pleased to join with AVIC Aircraft for this long-term cooperation, which opens new prospects to meet evolving air transportation needs in China and elsewhere," stated Nexcelle President Steve Walters.

The joint venture will be a 50/50 shared company, and is backed by the resources of Nexcelle's two parent companies – Aircelle and Middle River Aircraft Systems – as well as their parent companies GE Aviation and Safran groups.

"This is a significant opportunity to rapidly develop new nacelle capabilities in China, and to work with AVIC Aircraft as it performs a vital role in building the country’s aviation sector," added Jean-Pierre Cojan, the Chairman and CEO of Aircelle.

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About AVIC Aircraft
AVIC Aircraft Corporation Ltd. is one of the major subsidiaries of AVIC. It owns seven member companies, including the First Aircraft Institute, Xi’an Aircraft Industry (Group) Corporation Ltd., Shannxi Aircraft Industry (Group) Co., Ltd., AVIC Landing Gear Advanced Manufacturing Co., Xi’an Aviation Brake Technology Co. Ltd. Shenfei Aircraft Commercial Co. and Chengfei Commercial Aircraft Co. The main business of AVIC Aircraft covers Design, production, marketing and services for large-and medium sized transport aircraft, civil passenger aircraft and aircraft landing gear systems; basic manufacturing technology research and transfer of achievements; contracting components design and production for domestic and overseas large passenger aircraft.

About Nexcelle
Nexcelle is creating smart nacelle systems for tomorrow's world travel. Headquartered in Evendale, Ohio, USA, the company is a joint venture of GE's Middle River Aircraft Systems and Aircelle (Safran group), which are leading suppliers of engine nacelles, thrust reverse and aerostructures. Through Nexcelle's relationship with CFM International, the company brings unparalleled expertise in the design, development, production and support of integrated propulsion systems for a wide range of aircraft.

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