

EANS-News: FACC AG expands its business in the growth region of China (with photo)

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Subtitle: Strategic partnership with AVIC in the manufacture of passenger cabins for civil aircraft

Joint Ventures/Cooperation/Collaboration

FACC AG and Aviation Industry Corporation of China (AVIC) have re-confirmed their plans to enter into a strategic partnership relating to the integration of aircraft passenger cabins in China. In this cooperation, FACC will consult the AVIC subsidiary Fesher Aviation Components, based in Zhenjiang, in industrialization and manufacturing of passenger cabins for civil aircraft destined for the Chinese market.

The contract was recently signed by Walter Stephan, FACC CEO, and Pang Zhen, Vice President Civil Aircraft of AVIC, witnessed by the Austrian Vice-Chancellor Reinhold Mitterlehner and the President of the Austrian Chamber of Commerce Christoph Leitl. The agreed cooperation follows an agreement between Airbus and AVIC, according to which AVIC will set up an A330 Completion and Delivery Center in Tianjin that will likely cover activities such as cabin installation, aircraft painting, engine runs and aircraft delivery.

"We have started our partnership with Chinese companies in early 2000. With the majority owner AVIC behind us, we were able to successfully expand it over the years," said Walter Stephan, FACC CEO. "The planned cooperation in the production of the A330 passenger cabins will significantly widen our footprint in China and allow us to participate in the region's rapid air traffic growth."

Within the scope of the cooperation, the proven experience of FACC in interior cabin development shall be combined with the industrial capabilities and manufacturing in China, whereas FACC shall act as a consultant for interior development, change management, installation of production capabilities, industrialization in China, establishment of the supply chain and the cabin integration. The production of the passenger cabins will be done in the composite manufacturing facility of Fesher Aviation Components in Zhenjiang, about 250 km northwest from Shanghai. The new plant, a subsidiary of AVIC, was designed by FACC and the construction was carried out in line with the instructions from FACC. It was audited by Airbus and went into operation mid-2014 acting as a strategic supply chain partner of FACC. The plant's resources are available to FACC and product relocations to ensure competitiveness were commenced simultaneously with the plant coming into service. FACC will fill most of the capacity of the plant with the production of FACC programs and support the plant through FACC on-site management.

Over the next years, FACC will relocate additional projects from Austria to China, both to secure the company's attractive earnings profile in the medium to long term, and also to free up capacities at the site in Austria to support future growth. Along with these relocations, FACC plans to reduce manufacturing costs, further decrease USD exposure, create production space for the manufacturing of high-tech products and further expand the global manufacturing network.

About FACC

FACC AG is one of the world's leading companies in the design, development and production of advanced fiber reinforced composite components and systems for the aviation industry. Their range of products reaches from structural components for the fuselage and wings to engine components to complete passenger cabins for commercial aircraft, business jets and helicopters. FACC is a supplier to all large aircraft manufacturers such as Airbus, Boeing, Bombardier, Embraer,

Sukhoi, and COMAC as well as for engine manufacturers and sub-suppliers of manufacturers. In the business year of 2013/14, FACC achieved a turnover of 547.4 million Euros. The company currently employs 3,100 employees. Further information can be found under www.facc.com.

Pictures with Announcement:

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Pictures with Announcement:

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