

private capital from other leading French aerospace firms including Thomson-CSF, Matra, and Dassault. The Airbus operational centre is currently headed by Mr. Gerard Blanc, who is also cited as a possible successor to Jean Pierson as Managing Director of AI. The three Airbus program families (wide body, narrow body, long range) and three programs under study (FLA, VLCT, and Supersonic) are supported by seven functional departments (Exhibit 16).

All purchasing activities related to the Aeronautical division are controlled through Toulouse. The purchasing departments of the Airbus (Exhibit 17) and Aerostructure (Exhibit 18) operating centres are responsible for vendor selection, contract negotiation, and complete logistical support up to final aircraft installation. Three factories located in Nantes, St. Nazaire, and Meaulte manufacture structural components and parts for Aerospatiale's work share in Airbus programs. These factories are directed and receive functional support including purchasing from the Aerostructure operational centre (Exhibit 19). Final assembly of the all Airbus aircraft, except the A321 and A319, takes place at Colomiers and St. Martin (Toulouse).

Internal biases exist with respect to the procurement of some avionics equipment through the company's part ownership in Sextant, however, Aerospatiale currently welcomes inquiries and proposals directly from prospective suppliers. The company has extensive industrial collaborations and interests in Canada.

(refer to Exhibit 33 for Aerospatiale contact names and coordinates)

British Aerospace Operations Ltd (UK) (Appendix 3)

British Aerospace (BAe) was formed as a nationalized group after the consolidation of British Aircraft Corp., Hawker Siddley, and other aerospace and defence state interests. In the early 80's, the UK government sold BAe over two stages and became a widely held public limited company. Soon after, the company diversified into areas including the automotive and construction sectors. Serious losses in the early 90's lead to a major restructuring and divestiture of its automotive activities to focus on its core business related to defense and commercial aerospace.

The Commercial Aerospace division operates autonomously from defense and is currently organized into 4 business units which include BAe Airbus, Regional Aircraft (Jetstream & AIR) and Aerostructures. BAe Operations Ltd is a separate legal entity with three business streams including Airbus business, Filton Aerostructures (separate legal entity and profit centre) and Aviation services.

The Airbus business unit is responsible for management of BAe's 20% interest in AI and executing its negotiated work share as well as for manufacturing wings and fuselage sections for the Hawker 800 and 1000 programs. Filton Aerostructures manufactures other structural components and parts for BAe's work share as well