

For more information contact:
Jeffrey Smith: 310-781-5542
David Iida: 313-202-3150

HONDA AERO, INC. (HAI)

Fact Sheet

Honda Aero, Inc. (HAI), a wholly-owned subsidiary of Honda Motor Co., Ltd., will establish its corporate headquarters and jet engine manufacturing operations with the construction of an all new facility in Burlington, North Carolina. The new plant will serve as the primary production* location for engines developed and marketed by GE Honda Aero Engines, LLC (a joint venture between Honda Aero and GE), beginning with the GE Honda HF120 turbofan engine, chosen to power two of the newest and most advanced products in the business jet market – the HondaJet** and Spectrum Freedom. HAI will employ approximately 70 associates when the plant reaches its initial production plan of 200 engines per year within about one year of its 2010 production start. Development of the facility represents a \$27 million capital expenditure by Honda, bringing the company's total North American capital investment to more than \$9 billion.

Location:	Burlington, North Carolina Adjacent to Burlington-Alamance County Regional Airport
Site Size:	Approximately 90 acres
Facility Size:	36,000 sq. ft. (office) 58,400 sq. ft. (manufacturing plant) 8,000 sq. ft. (test cell)
Production Start-up:	2010
Annual Production Capacity:	200 engines (initial production plan)
Employment:	70 associates (at start of production in 2010)
Capital Investment:	\$27 million

* Honda products are produced using domestic and globally-sourced parts

** HondaJet is manufactured by Honda Aircraft Company, Inc., a separately held subsidiary of Honda Motor Co., Ltd.

GE-Honda HF120 Turbofan Development History

- ◆ Honda R&D began research into aircraft jet engine technology at the Wako Research Center in Japan in 1986. Development efforts involved the creation of several prototype engines, including the HFX01 (1995), HFX20 (1996), HF118-1 (2000) and HF118-2 (2002).
- ◆ The HF118 powered the prototype HondaJet, developed by Honda, on its first flight in December 2003, and in all subsequent flights up to the present time.
- ◆ Honda Motor Co., Ltd., and GE announced on February 16, 2004, an alliance to develop and certify the HF118 turbofan jet engine.
- ◆ Honda Aero, Inc., a new Honda subsidiary, was established in July 2004 to manage Honda's aircraft engine activities in the U.S.
- ◆ In October 2004, Honda Aero, Inc., and GE established GE Honda Aero Engines, LLC, a 50-50 joint venture company responsible for certification, commercialization, establishment of manufacturing infrastructure, and support activities for the GE Honda HF120 turbofan engine and its derivatives in 1,000 to 3,500-pound thrust class.
- ◆ On October 16, 2006, GE Honda Aero Engines debuted the HF120 engine, a higher thrust successor to the HF118, at the National Business Aviation Association (NBAA) convention in Orlando, Florida, announcing that it had secured orders for the engine from Honda Aircraft Company, Inc., maker of the HondaJet advanced light jet; and Spectrum Aeronautical, maker of the Spectrum Freedom business jet.
- ◆ On July 17, 2007, Honda Aero announced plans to establish its headquarters and jet engine manufacturing facility in Burlington, North Carolina, beginning with production of the GE Honda HF120 turbofan engine in 2010.

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