



Department of Justice

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U.S. DEPARTMENT OF JUSTICE ALLOWS UNC INC. TO PURCHASE CFC AVIATION SERVICES L.P.

Merger Approved Following UNC Divestiture of Jet Engine Heavy Maintenance Business

WASHINGTON, D.C. -- UNC Inc., an aviation maintenance services company based in Annapolis, Maryland, will be permitted to go ahead with its proposed \$150 million purchase of Phoenix-based CFC Aviation Services L.P. after UNC divested one of its jet engine heavy maintenance businesses to Sabreliner, the Department of Justice announced today.

The Department's Antitrust Division was investigating the deal as originally proposed to determine if it would lessen competition in the \$100 million market for heavy repair of Allied Signal's TFE 731 turbofan engines, the premier business jet engine being flown in the United States today.

The merger would have combined the only independent service centers in the United States authorized by Allied Signal to perform heavy maintenance on the TFE 731. Heavy maintenance on these engines can cost between \$60,000 and \$250,000.

"This divestiture will allow Sabreliner to become an effective competitor for heavy maintenance on TFE 731 engines, and preserve competition for this important service," said Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division.

UNC is an aviation services company that performs turbine engine overhaul, repair and maintenance for business jets and helicopters. In 1995, UNC had sales of \$108 million from overhaul services on all makes of engines.

CFC, doing business as Garrett Aviation Service provides avionics, airframe and engine repair at six locations in the United States. CFC's total sales in 1995 were approximately \$330 million.

UNC sold its complete TFE 731 heavy maintenance business, including its factory authorization from Allied Signal and related assets, to Sabreliner of St. Louis, Missouri. Sabreliner currently specializes in overhaul, repair, service and parts support for various makes of aircraft engines, and previously offered authorized mid-level repair service on Allied Signal engines. Sabreliner had total sales of approximately \$120 million in fiscal year 1995.

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