Boeing: Brigade Combat Team Modernization Increment 1 to Enter Production

ST. LOUIS, Dec. 29, 2009 -- Boeing [NYSE: BA] today announced that Increment 1 of the U.S. Army's Brigade Combat Team Modernization program was approved to begin Low-Rate Initial Production early in 2010 as a result of the Milestone C production review by the Defense Acquisition Board (DAB) on Dec. 22.

As the prime contractor, Boeing, along with Science Applications International Corp. (SAIC) [NYSE: SAI], is responsible for the development and production of Increment 1. The capabilities are planned to be fielded to Infantry Brigade Combat Teams beginning in 2011.

The DAB Milestone C review culminated an intensive series of reviews by the Department of Defense and the Army, as well as a rigorous testing cycle of Increment 1 capabilities. The Army and its industry partners also conducted numerous design and production capability reviews in preparation for the Milestone C review.

"The decision to enter initial production demonstrates Boeing's commitment to develop and field the types of networked capabilities and technologies that our warfighters need today in Afghanistan," said Dennis Muilenburg, president and CEO of Boeing Integrated Defense Systems. "Boeing and our partners look forward to delivering the initial set of equipment to the Army."

A key element of the Army's Brigade Combat Team Modernization program, Increment 1 will provide soldiers with enhanced intelligence, surveillance, and reconnaissance capabilities, as well as increased survivability and lethality. Initial capabilities include:

- Small Unmanned Ground Vehicle: a robotic system capable of reconnaissance missions in dangerous or difficult situations such as entering buildings, caves and tunnels
- Class I Unmanned Air Vehicle (UAV): a small, soldier-operated UAV that can hover for reconnaissance and surveillance while providing target acquisition
- Unattended Ground Sensors: multi-mode surveillance sensors for target detection, location and classification, with an imaging capability for identification
- Non-Line-of-Sight Launch System: an unmanned missile system capable of extended range targeting and precision attack
- Network Integration Kit: an integrated computer system that hosts the latest communications and radio systems and battle command software, providing the initial network connectivity needed to transfer sensor and communication data.

SAIC is a FORTUNE 500® scientific, engineering, and technology applications company that uses its deep domain knowledge to solve problems of vital importance to the nation and the world, in national security, energy and the environment, critical infrastructure, and health. The company's approximately 45,000 employees serve customers in the U.S. Department of Defense, the intelligence community, the U.S. Department of Homeland Security, other U.S. government civil agencies and selected commercial markets. Headquartered in McLean, Va., SAIC had annual revenues of $10.1 billion for its fiscal year ended Jan. 31, 2009. For more information, visit www.saic.com. SAIC: From Science to Solutions®

A unit of The Boeing Company, Boeing Integrated Defense Systems is one of the world's largest space and defense businesses specializing in innovative and capabilities-driven customer solutions, and the world's largest and most versatile manufacturer of military aircraft. Headquartered in St. Louis, Boeing Integrated Defense Systems is a $32 billion business with 70,000 employees worldwide.

# # #

Contact:

Matthew P. Billingsley
External Communications Manager
Brigade Combat Team Modernization
The Boeing Company
703-203-9435
matthew.p.billingsley@boeing.com

Regen Wilson
Public Affairs Manager
Landforce Systems Operation
SAIC
202-246-3011
regen.wilson@saic.com