Boeing Defense Unit Realigns for Growth, Expansion Into New Markets

ST. LOUIS, Jan. 7, 2010 -- The Boeing Company [NYSE: BA] today announced organization and leadership changes within its Integrated Defense Systems unit that continue to reposition the company for growth in the current business environment. The realignment is effective immediately, and the unit will begin operating under a new name: Boeing Defense, Space & Security.

In announcing the changes, Boeing Defense, Space & Security President and CEO Dennis Muilenburg said the realignment is part of a continuing effort to successfully compete in a rapidly evolving global defense and security marketplace. Muilenburg said that reshaping the unit positions Boeing for further growth in new and adjacent markets while continuing to serve existing defense and space customers.

"Boeing anticipated flattening defense budgets and shifting customer priorities for the past few years and has been taking aggressive steps to position the company for profitable growth in a challenging economy," Muilenburg said. "In the past 18 months alone, we have acquired seven companies to enhance existing capabilities, expanded Boeing's services business, and created new divisions -- like Unmanned Airborne Systems -- to directly and rapidly respond to our customers' emerging priorities.

"With these latest strategic moves, we can extend our core programs even as we enhance Boeing-wide capabilities designed to capture business in promising markets in the United States and around the world, including cyber-security, energy, intelligence, C4ISR and logistics," Muilenburg said.

The scope of change in Boeing's business environment is further reflected in the decision to rename Integrated Defense Systems, a name the unit has carried since 2002, when the company consolidated its military aircraft and space businesses. Boeing Defense, Space & Security is a recognition that success in a highly competitive global arena will be determined by a company's ability to offer and deliver new capabilities, products and services to meet complex customer demands.

"As Boeing sustains and grows its core global defense business through solid execution, we are also playing a broader role in markets that go beyond Boeing's traditional strengths," Muilenburg said. "As we grow in these areas, it is important for us to send strong signals to our global customers that we are prepared to offer high-value Boeing solutions for all of their needs across defense, space and security domains."

While Boeing Defense, Space & Security will retain its current operating units -- Boeing Military Aircraft (BMA), Network and Space Systems (N&SS), and Global Services & Support (GS&S) -- the realignment consolidates some divisions and makes a number of leadership changes. Chief among the moves is consolidation of two divisions in N&SS: The Combat Systems division and the Command, Control & Communications (C3) Networks division will be unified as the new Network and Tactical Systems division.

Muilenburg also announced several key leadership assignments at the Boeing Defense, Space & Security level and throughout the business units that will help the company improve productivity, manage its cost structure and deliver on customer commitments:

- Rick Baily is named vice president, Engineering and Mission Assurance; prior to this, Baily was vice president/general manager of Combat Systems.
- Nan Bouchard is named vice president, Program Management; she previously served as vice president/general manager, C3 Networks.
- Dave Bowman is named BMA vice president/general manager, Global Mobility Systems and International Tankers; he previously served as vice president, Tanker Programs.
- Jean Chamberlin is named BMA vice president/general manager, U.S. Air Force Tanker Program; prior to this, she served as vice president, Global Mobility Systems.
- Steve Goo is named vice president, International Operations and Compliance; he adds international compliance to his responsibilities. He will oversee all BDS international legal entities in Australia, the United Kingdom and Saudi Arabia.
- Bill Schnettgoecke is named vice president, Operations and Supplier Management; Schnettgoecke previously served in a deputy role to this position, and succeeds John Van Gels.
- Torbjorn Sjogren is named GS&S vice president of the Boeing International Support Systems and Alsalam Aircraft Co. subsidiaries in Saudi Arabia; previously, he served as GS&S vice president, International Support Systems.
- Charles Toups is named N&SS vice president/general manager of Network and Tactical Systems; he had served as vice president, Engineering and Mission Assurance.
- John Van Gels is named vice president, Strategic Planning for Operations and Supplier Management; he previously was vice president, Operations and Supplier Management.

A number of structural changes complement these leadership moves:

- In BMA, the Weapons business becomes a division with a direct reporting relationship to BMA; it had been a subdivision of the BMA Global Strike Systems division.

- In N&SS, the Heath, Ohio, and Ogden, Utah, facilities will now report to the Missile Defense Systems division; previously, they reported to the N&SS C3 Networks division.
- GS&S operations in Australia will report to Jim O'Neill, vice president/general manager, Integrated Logistics division. Aviation Training International Ltd., a joint venture for Apache helicopter training with AgustaWestland in the United Kingdom, will report to Mark McGraw, vice president, Training Systems and Services division. Both entities previously reported to International Support Systems.

A unit of The Boeing Company, Boeing Defense, Space & Security is one of the world's largest defense, space and security 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 Defense, Space & Security is a $32 billion business with 70,000 employees worldwide.

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