Boeing Comments on Development in Hughes Deal

The following is a statement by Harry Stonecipher, Boeing president and chief operating officer, on FTC and EC approval of Boeing's acquisition of Hughes Electronics Corporation's space and communications businesses:

"We are pleased that our acquisition of Hughes' space and communications businesses has received approval from both the European Commission and the U.S. Federal Trade Commission. We plan to close the purchase of Hughes Space and Communications company, Electron Dynamics and Spectrolab from Hughes Electronics Corporation on Oct. 6, 2000.

"We are acquiring a world-class business - one that has tremendous intellectual capital and business acumen in its people and leadership team. Hughes' knowledge of the space-based communications environment is outstanding. Boeing has an impressive space and communications portfolio with a tremendous potential for growth. With Hughes onboard, we will be stronger and more prepared than ever to capitalize on the opportunities available in the marketplace.

"The Hughes acquisition is a natural fit within Boeing and supports our key business strategies of running healthy core businesses, leveraging core strengths into new products and new services, and opening up new frontiers."

Additional information: The new entity will be operated as a wholly owned subsidiary called Boeing Satellite Systems. Under agreements with the FTC and the EC, Boeing will establish certain firewalls to ensure both the confidentiality of launch vehicle information that is provided to Boeing Satellite Systems by various launch service providers and satellite information provided by various manufacturers to Boeing's Expendable Launch Systems unit.

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For further information:
Anne Eisele
(562) 797-1022