Boeing Buys SBS International for Crew-Scheduling Expertise

Leader in airline crew scheduling complements Boeing aviation services portfolio

The Boeing Company (NYSE: BA) today announced it has acquired SBS International, the top supplier of crew-scheduling systems to the world's airlines. The move will add SBS International's unparalleled expertise to Boeing's growing portfolio of aviation services. Boeing did not disclose financial terms.

For nearly 30 years, SBS International has implemented flight-operations systems with numerous airlines. Since the mid-1990s, SBS International has expanded its product line to include planning services for ground-support personnel as well.

"SBS International is a natural fit with our move toward new frontiers in aviation information management," said Steve Gumley, vice president of Information Services for Boeing Commercial Aviation Services. "Boeing is building an integrated services portfolio that will allow us to provide customers with a complete range of global air transport solutions, and this acquisition fits that strategy precisely."

The purchase of SBS International complements other recent Boeing acquisitions, including The Preston Group for traffic management simulation and scheduling services in 1999 and Jeppesen for flight operations in 2000; and Continental Graphics and AeroInfo Systems in the maintenance area last year as well. SBS International's software modules will work with products and services from Jeppesen and The Preston Group to improve integrated information service offerings from Boeing. As such, the SBS International acquisition is another opportunity to leverage intellectual capital and technology as Boeing moves into new frontiers in aviation services.

Martin Wax, a Boeing executive named by Boeing as the new SBS International president, said Boeing and SBS International together can offer airlines the most advanced scheduling procedures solutions in the industry.

"SBS International products provide a powerful and flexible tool to manage in both regulated and deregulated environments, changing flight schedules, growing crew forces and complex logistic requirements," Wax said. "We believe SBS International systems are instrumental in increasing productivity, improving control and reducing operational costs, while maintaining or improving quality of service. In combination with the world's largest aerospace company, we can help more airlines and airports increase the efficiency of their scheduling functions."

SBS International's planning suite includes four key product areas:

Crew Planning: Schedules and assigns crews with speed, accuracy and cost-savings. Allows schedulers to generate rosters efficiently while adhering to legalities and coverage requirements, taking into account everything from crew contractual rules to crew preferences.

Crew Management: Monitors and maintains daily airline crew schedules, performing accurate trip and crew legality checks in real time as each individual flight is posted. It assembles and maintains detailed master records for all crew members.

Operations Control: Tracks and manages flights and aircraft on a day-to-day basis, offering accurate, up-to-the-minute data on every planned and actual aspect of a flight schedule. It monitors and displays aircraft and flight status maintenance, along with passenger connection information, on a single, easy-to-read screen.

Groundstar: t Provides airlines or ground-handling companies a full suite of products for efficient staffing, deployment and management of airport-staff resources.

In addition to these modules, SBS International offers installation, training, user support, maintenance, feasibility study, functional specification, system integration, project management, facility management and consulting services.

SBS International is based in New York City and has approximately 60 employees. Boeing will operate SBS International as a wholly owned subsidiary reporting to its Commercial Aviation Services business.

For more information on SBS International, see its World Wide Web site.

Forward-Looking Information Is Subject to Risk and Uncertainty

Certain statements in this release contain "forward-looking" information. That information involves risk and uncertainty, including projections for revenues, earnings, market growth, government and regulatory reviews, receipt of necessary government approvals, business goals, achievement of synergies and other trend projections. This forward-looking information is based on a number of assumptions, including assumptions regarding demand, internal performance, internal coordination, competitors, and government policies and actions. Actual future results and trends may differ materially depending on a variety of factors. These factors include the company's and its subsidiaries' successful execution of internal performance plans, research and development, suppliers' performances, the cyclical nature of the company's business, volatility of the market for certain

products, issues with key customers, product performance risks, regulatory agencies' actions and other regulatory uncertainties, labor issues and possible disputes, governmental export and import policies, global trade policies, worldwide political stability and economic conditions, competitors' resources and performance, changing priorities or reductions in U.S. Government and foreign government budgets, termination of government contracts due to unilateral government action or failure to perform, and legal proceedings. Additional information regarding these factors is contained in the company's Annual Report on Form 10-K for the year ended 2000 and Form 10-Q for the quarterly period ended June 30, 2001.

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For further information:
Brian Ames
Boeing
(206) 766-2905
Jennifer Ashley
SBS International
(212) 532-3230