## Boeing and U.S. Air Force Sign \$9.7 Billion C-17 Contract

Boeing [NYSE: BA] and the U.S. Air Force today announced the signing of a \$9.7 billion follow-on procurement contract for 60 C-17 Globemaster III transport aircraft.

Since its first flight in 1991, Boeing has delivered 89 C-17s to the U.S. Air Force, whose personnel have amassed more than 300,000 hours in the aircraft, flying global airlift in support of both combat and humanitarian missions. Most recently it has been used to ferry troops, equipment, supplies and humanitarian aid into the rugged terrain of Afghanistan. The high reliability, versatility, and flexibility of the C-17 have made it the transport aircraft of choice for the U.S. military. Recently, the United Kingdom Ministry of Defence chose the C-17 as its airlift flagship, with four now in service to Her Majesty's government.

"This contract defines the C-17 as the new global airlift standard -- it has proven itself time and again in service around the world, and will be the airlifter of choice well into the 21st Century," said George Muellner, vice president and general manager, Air Force Systems, a business unit of Boeing Integrated Defense Systems. "It is uniquely adapted to the challenges faced by today's transforming military, which needs to mobilize forces quickly and effectively -- whether against military adversaries or natural disasters." The additional aircraft will bring the total number of C-17s in the U.S. Air Force fleet to 180.

"The hard work and dedication of thousands of Boeing employees in Long Beach, Calif., St. Louis, Macon, Ga. and Mesa, Ariz., have made the C-17 program a success and this contract award possible," said Howard Chambers, vice president and general manager of Airlift and Tanker Programs. More than 30,000 men and women at 700 C-17 supplier locations throughout the United States and across the globe support the Boeing C-17 team.

A unit of The Boeing Company, Boeing Integrated Defense Systems, or IDS, is one of the world's largest space and defense businesses. Headquartered in St. Louis, Boeing Integrated Defense Systems is a \$23 billion business. It provides systems solutions to its global military, government and commercial customers. It is a leading provider of intelligence, surveillance and reconnaissance; the world's largest military aircraft manufacturer; the world's largest satellite manufacturer and a leading provider of space-based communications; the primary systems integrator for U.S. missile defense; NASA's largest contractor; and a global leader in launch services.

###

02-74

For further information: Rick Sanford (562) 593-7512 rick.sanford@boeing.com