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Boeing won a major space shuttle and expendable launch vehicle payload processing contract today from NASA/Kennedy Space Center, Fla.

The Checkout, Assembly, and Payload Processing Services (CAPPS) contract continues the Boeing [NYSE: BA] tradition of preparing NASA space flight payloads. Boeing Florida Operations has processed every space shuttle payload -- more than 100 flights -- since space shuttle Columbia's inaugural flight in 1981. In addition, Boeing processes NASA expendable launch vehicle payloads such as the scientific probes Mars Odyssey and Aqua. Both were launched aboard Boeing Delta II launch vehicles.

Boeing also held CAPPS predecessor, the Payload Ground Operations Contract.

CAPPS has a four-year basic period of performance with a potential total contract period of 10 years if NASA exercises all options for extensions. The value of the contract for the initial four-year period is \$332 million. There are two three-year priced options for a potential ten-year contract value of \$810 million.

"Boeing pioneered most of the techniques used today in payload processing," said Bruce Melnick, Boeing Florida Operations vice president. "Whether it's astronauts flying in the space shuttle or a scientific probe exploring the universe, safety and quality are paramount to the Boeing team."

Payload processing tasks include testing the payload, ensuring it is compatible with the launch vehicle and loading the payload inside the vehicle. Boeing Florida Operations uses specialized facilities including clean rooms and custom-built testing tools to process payloads safely and efficiently.

About 550 Boeing employees work on CAPPS at Kennedy Space Center and adjacent Cape Canaveral Air Force Station. An additional 300 are employed by nine subcontractors and partners: Alenia, All Points Logistics Inc., CMT Inc., Cimarron Software Services, Indyne Inc., PRHP, Spacehab Inc., Sverdrup Technologies and Yang Enterprises.

In addition to CAPPS, Boeing NASA Systems, with headquarters in Houston, is also prime contractor for the International Space Station (ISS) and responsible for design, development and operation of the space station. Boeing prepares ISS components for flight at Kennedy Space Center's Space Station Processing Facility.

A unit of The Boeing Company, Boeing Integrated Defense Systems 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.

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