Boeing Awarded $378 Million Contract for Accelerated JDAM Production

Boeing [NYSE:BA] has been awarded a $378 million contract for an additional 18,840 Joint Direct Attack Munition, or JDAM, kits by the JDAM Joint Program Office.

Boeing is expanding its production facility in St. Charles, Mo., to accommodate an increase in the number of kits built in production each month. The new contract will require Boeing to deliver kits to both the U.S. Air Force and U.S. Navy at a production rate of 2,800 kits per month by August 2003. The expanded facility will improve the process flow and allow for the higher rates.

The new contract is for a mix of GBU-31 (2,000 lb. warhead) kits and GBU-32 (1,000 lb. warhead) kits for both the U.S. Air Force and U.S. Navy to be delivered between October 2002 and March 2004.

JDAM is a low-cost guidance kit that converts existing unitary warheads into smart bombs. The kit consists of a tail section that contains a mission computer, inertial measurement unit, global positioning system receiver and battery-operated actuators to control the movable fins. Strakes are banded to the body of the warhead to provide aerodynamic stability in flight.

JDAM is a program selected by the U.S. Department of Defense to test methods for streamlining the acquisition process. By incorporating extensive use of commercial practices and off-the-shelf components, Boeing is able to produce the highly accurate and reliable JDAM at a low system cost.

The Boeing Company is the world's largest manufacturer of satellites, commercial jetliners and military aircraft. In terms of sales, Boeing is the largest exporter in the United States. Total company revenues for 2001 were $58 billion.

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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