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The Boeing Company [NYSE: BA] today announced that the Boeing/SAIC Lead Systems Integrator program office for Future Combat Systems, or FCS, will be headquartered in St. Louis, effective June 1, 2003. Approximately 150 new jobs are anticipated in St. Louis by September 2003 and that number will grow to 400-500 by the end of 2004, primarily in the areas of system and software engineering, and business management.

Boeing and Science Applications International Corporation (SAIC) of Arlington, Va. are the Lead Systems Integrator (LSI) for the U.S. Army's FCS program. The move is part of a strategic shift toward a distributed, virtual environment to better support customer interests as this key Army transformation program approaches the next critical phase of development.

"Selection of St. Louis as the headquarters site was based upon its strategic location, central to many customer, partner and Boeing facilities and co-located with Boeing IDS headquarters," said Jim Albaugh, president and CEO, Boeing Integrated Defense Systems. "The selection reflects the high priority we give this program. We share the Army's commitment to transformation success, and working with the customer, are poised to deliver an effective, sustainable system that will meet future battlefield requirements."

"This is a huge vote of confidence in St. Louis by Boeing," said Senator Christopher S. "Kit" Bond, a senior member of the Senate Defense Appropriations Subcommittee. "I have worked with Boeing for many years to chart a long-term plan for the company's continued presence in St. Louis, and this decision is the latest good news to flow from that effort."

FCS is a networked system of systems that is designed to leverage advanced communications and provide the U.S. Army with a more agile and revolutionary capability as part of a long-term transition plan to reach what it calls the "Objective Force." The Objective Force represents a rapidly deployable and lethal network-centric force capable of rapidly responding to the full spectrum of conflict anywhere in the world. As the Lead Systems Integrator, Boeing and SAIC are responsible for systems integration and development of architectures under the current concept and technology demonstration phase contract, which was awarded in March 2002. The Defense Advanced Research Projects Agency (DARPA), in concert with the Army, currently manages the program.

Boeing-SAIC program officials anticipate work and staffing opportunities will increase significantly over the next two years at several operational sites around the country, pending a favorable "Milestone B" decision as the program transitions into the system development and demonstration (SDD) phase in June. In addition to St. Louis headquarters, Boeing anticipates job growth at Houston, Texas; Huntsville, Ala.; Mesa, Ariz.; Philadelphia, Pa.; Puget Sound, Wash.; Southern California; and the Washington, D.C. metropolitan area. SAIC sites will include Detroit, Mich. and Orlando, Fla. Other industry sites around the country will also be impacted as contract awards are let and work is dispersed.

With approximately 15,000 people on site, St. Louis is currently headquarters for Boeing Integrated Defense Systems (IDS), a \$25 billion business that provides systems solutions to its global military, government and commercial customers; for Boeing Phantom Works, the advanced research and development unit and catalyst of innovation for the Boeing enterprise; and for Boeing IDS' military aerospace support business.

The Boeing Company is the world's leading aerospace company, with its heritage mirroring the history of flight. It is the largest manufacturer of satellites, commercial jetliners, and military aircraft. The company is also a global market leader in missile defense, human space flight, and launch services. Chicago-based Boeing has an extensive global reach with customers in 145 countries.

SAIC is the nation's largest employee-owned research and engineering company, providing information technology, systems integration and eSolutions to commercial and government customers. With annual revenues of \$6.1 billion, SAIC and its subsidiaries, including Telecordia Technologies, have more than 40,000 employees at offices in more than 150 cities worldwide.

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