

Boeing Air Traffic Management Leads Team to Pursue FAA Traffic Flow Management Modernization Program

The Boeing Company [NYSE: BA] announced today that its Air Traffic Management business unit has formed a team that has responded to a screening information request (SIR) released by the Federal Aviation Administration. The FAA is seeking bidders to design, produce and implement a new, fully integrated air traffic flow system that will maximize use of the capacity of the National Airspace System.

The current traffic flow management system has evolved over time from a number of subsystems and tools that are not fully interoperable. In addition, the constraints in capacity, performance and operational requirements the system now faces raise serious concerns at the FAA and among industry stakeholders about the overall future viability of the system.

The initial SIR, the first step in a two-step selection process, requests information about the bidder's technical capabilities regarding traffic flow management. The members of the Boeing-led team and the capabilities they bring to the effort to modernize the air traffic flow system are:

- **The Boeing Company** -- extensive experience with integration of large-scale systems and development of open-system architectures, along with advanced modeling and simulation tools such as the Total Airport and Airspace Modeller (TAAM), the National Flow Model (NFM) and the Regional Flow Model (RFM)
- **Raytheon Company, Air Traffic Management Systems** -- proven expertise in the design, development, integration, testing, deployment and support of FAA large-scale systems, including Integrated Terminal Weather System (ITWS), Standard Terminal Automation Replacement System (STARS) and Wide Area Augmentation System (WAAS)
- **Metron Aviation Inc.** -- developer and maintainer of collaborative decision-making and other tools used by the FAA, including core tools used to model and implement traffic management initiatives within the Enhanced Traffic Management System (ETMS), such as Flight Schedule Monitor (FSM)
- **KENROB** -- system administrator for the FAA's ETMS, including design, development, process improvement, and software maintenance for tools such as the fly.faa.gov website, the Operational Information System (OIS), and ETMS WatchDog, which is used to monitor each TFM site's communications status, software revision level and data feed status
- **RLM Software** -- domain knowledge and experience in current systems, including development and on-going support of the ETMS communications infrastructure, which provides and monitors data transfer across systems and applications
- **WSI Corporation** -- provider of weather data products and systems to the ETMS, developer of software to supply real-time weather data, imagery and value added products to the FAA, other government agencies, general aviation and 80% of the top U.S. airlines.

The Boeing Team capability statement was submitted to the FAA on June 25. The FAA expects to announce a down-selection decision in August, and to release the second SIR in late August or early September. The contract is currently expected to be awarded in June 2004.

Boeing established its Air Traffic Management unit in November 2000 to dramatically improve air traffic systems throughout the world. Its aims are to make flying even safer and more secure, significantly reduce delays, congestion and environmental impact, keep aviation affordable and accessible for commercial, military, business and general aviation users, and enable seamless global aviation operations.

Forward-Looking Information Is Subject to Risk and Uncertainty

Certain statements in this release may constitute "forward-looking" statements within the meaning of the Private Litigation Reform Act of 1995. Words such as "expects," "intends," "plans," "projects," "believes," "estimates," and similar expressions are used to identify these forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. As a result, these statements speak only as of the date they were made and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Our actual results and future trends may differ materially depending on a variety of factors, including the continued operation, viability and growth of major airline customers and non-airline customers (such as the U.S. Government); adverse developments in the value of collateral securing customer and other financings; the occurrence of any significant collective bargaining labor dispute; the Company's successful execution of internal performance plans, price escalation, production rate increases and decreases (including any reduction in or termination of an aircraft product), acquisition and divestiture plans, and other cost-reduction and productivity efforts; charges from any future SFAS 142 review; an adverse development in rating agency credit ratings or assessments; the actual outcomes of certain pending sales campaigns and U.S. and foreign government procurement activities, including the timing of procurement of tankers by the U.S. Department of Defense; the cyclical nature of some of the Company's businesses; unanticipated financial market changes which may impact pension plan assumptions; domestic and international competition in the defense, space and commercial areas; continued

integration of acquired businesses; performance issues with key suppliers, subcontractors and customers; factors that could result in significant and prolonged disruption to air travel worldwide (including future terrorist attacks); any additional impacts from the attacks of September 11, 2001; global trade policies; worldwide political stability; domestic and international economic conditions; price escalation; the outcome of political and legal processes, including uncertainty regarding government funding of certain programs; changing priorities or reductions in the U.S. Government or foreign government defense and space budgets; termination of government or commercial contracts due to unilateral government or customer action or failure to perform; legal, financial and governmental risks related to international transactions; legal proceedings; and other economic, political and technological risks and uncertainties. Additional information regarding these factors is contained in the Company's SEC filings, including, without limitation, the Company's Annual Report on Form 10-K for the year ended 2002 and the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003.

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