

Boeing Awarded Contract to Produce Components for Israeli Arrow Interceptor

Boeing [NYSE: BA] was recently awarded a \$78 million contract by Israel Aircraft Industries (IAI) to produce Arrow II interceptor components. The contract, effective immediately, runs through 2006 with options for additional production until second quarter 2008. The total contract value could exceed \$225 million if all options are exercised.

Arrow is a ground-based, ballistic missile defense system designed to protect Israel against ballistic missiles. Boeing and IAI signed a teaming agreement in 2002 to co-produce the interceptor for the Arrow weapon system.

Boeing is responsible for production of several Arrow interceptor components including the electronics section, the radome, motorcases for the booster and sustainer, and the canister that holds the interceptor in the missile launcher. IAI, the prime contractor of the Arrow system, is responsible for system integration and final interceptor assembly in Israel. Boeing production and program management will be conducted in Huntsville, Ala.

Boeing will manage several major subcontracts to support the Arrow interceptor production including Alliant-Techsystems in Iuka, Miss., and Clearfield, Utah; Manes Machine, in Fort Collins, Colo.; Ceradyne Thermo-Materials, Inc., in Scottsdale, Ga.; and Sanmina SCI, in Huntsville, Ala.

The Boeing Company is the largest aerospace company in Alabama. Today, the workforce of more than 3,000 employees work on the leading edge of key space and defense programs including the International Space Station, Ground-based Midcourse Defense, Avenger and PAC-3 Missile.

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 \$27 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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