

Boeing Awarded \$31.2 Million C-17 Globemaster III Upgrade Contract

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The U.S. Air Force awarded Boeing [NYSE:BA] a \$31.2 million contract modification to upgrade 25 additional C-17s Globemaster IIIs with the Northrop Grumman Large Aircraft Infrared Countermeasures, or LAIRCM, defensive system.

Boeing is now on contract to upgrade a total of 56 C-17s with the LAIRCM system and has already delivered 25 upgraded aircraft. LAIRCM autonomously detects, tracks and jams infrared-seeking missiles by directing a high-intensity modulated laser beam into them.

This most recent award is a contract modification to the work Logistics Support Systems, a part of Boeing's Integrated Defense Systems, performs under the C-17 Globemaster III Sustainment Partnership. Through the C-17 GSP, Boeing has total system support responsibility for the aircraft, including materiel management and depot maintenance.

"The addition of LAIRCM on the C-17s provides added safety for aircrews that fly into harm's way," said Gus Urzua, vice president, product support and C-17 GSP program manager. "Through the continuation of this program and our other C-17 GSP efforts, we continue to significantly improve the overall operational capability of the C-17 fleet for the warfighter."

The contract covers installation of hardware and other associated labor. The work will be performed at Boeing facilities in Long Beach, Calif., and San Antonio, Texas, and will be complete by March 2007.

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 \$30.5 billion business. It provides network-centric system solutions to its global military, government, and commercial customers. It is a leading provider of intelligence, surveillance and reconnaissance systems; 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 sustainment solutions and launch services.

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