Future Combat Systems (FCS) Successfully Completes Major Program Milestone

Boeing (NYSE: BA) and partner Science Applications International Corporation (SAIC), acting as Lead Systems Integrator (LSI) for the U.S. Army's Future Combat Systems (FCS) program, today announced successful completion of the System of Systems Functional Review, the program's most important technical milestone to date.

The review lasted five days and involved more than 35 briefings and dozens of demonstrations to an audience representing the Army, Department of Defense, Government Accountability Office and others assembled at 24 industry and government sites across the country. The review is the largest of more than 15 formal reviews, studies and audits of Future Combat Systems conducted so far this year.

The System of Systems Functional Review is a multi-disciplined technical review to ensure the system-of-systems requirements, design and functional baseline are at levels that warrant moving forward into the preliminary design phase of the program. This functional baseline included more than 11,000 system-of-systems engineering requirements derived and allocated through a rigorous systems engineering process. The event was conducted as a series of formal presentations and question and answer sessions, demonstrating that the program understands:

- The Army's requirements
- The application of those requirements across the system-of-systems down into the network and 18 manned and unmanned ground and air systems
- The performance of the design baseline to meet those requirements
- The approach to effectively manage program risks

The review included 202 specific closure criteria - 100% of which were met. The Future Combat Systems program is 26 months into its Systems Development and Demonstration Contract, which is valued at $20.9 billion. The program is meeting the cost, performance and schedule targets.

"Meeting these targets more than two years into the program is an enormous credit to the government-industry One Team comprised of more than 6,000 people across the country who have been working so hard and long to make this happen,"said Dennis Muilenburg, FCS vice president and general manager. "The program is widely recognized as vital to our Army customer, and represents an entirely new way of doing business. Results of this review prove the program is on track, and we remain focused on equipping our soldiers of the 21 st century with the world's best capability."

Army Program Manager Brigadier General Charles Cartwright said "This review is an important milestone for the program and the Army's initiative to achieve Department of Defense transformation goals. We feel confident that we have properly captured the warfighter's needs and established a functional baseline for Future Combat Systems. This is the Army's future and we're doing it right."

The next major program milestone event will be the Initial Preliminary Design Review scheduled for 2006.

With the System of Systems Functional Review complete, the program moves into Integration Phase 1 in which the platform and network teams initiate their sub-tier System Functional Reviews. As a part of Phase 1, the program will initiate its first major field experiment in 2006 and will deliver the first "spin-out"of FCS Capability to the current force in 2008. Continuing at two year intervals, these spin-outs will accelerate delivery of needed capabilities - such as networking, unattended munitions and sensors, and robotics - to soldiers in advance of fielding the first FCS-equipped Unit of Action in 2014. When fielded, FCS equipped Units of Action will enable soldiers with a robust network and 18 integrated manned and unmanned ground and air platforms, providing:

- Full spectrum, joint operations with networked battle command
- Significantly greater lethality and operational tempo
- Full 360 degree survivability
- Multi-modal deployability not available today
- Order of magnitude improvements in reliability and maintainability
- Embedded training
- Reductions from 30% to 50% in logistics footprint and O&M costs

"The FCS-equipped Brigade will empower the soldier with information and give him/her access to the full range of Army and Joint weapons," said FCS Deputy Program Manager Dan Zanini. "It will increase soldier lethality and survivability while dramatically reducing sustainment costs."

FCS is a networked "system-of-systems"combining advanced communications and technologies to link soldiers with both manned and unmanned ground and air platforms and sensors. As the basis for the Department of Defense's visionary transformation plan, FCS will significantly increase the Army's agility and reduce logistics requirements, allowing it to go

anywhere and to overcome any adversary. FCS is also designed from the ground up to enhance joint operations and coordination between U.S. and coalition forces.

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.

From science to solutions, SAIC engineers and scientists solve complex technical problems in national security, homeland security, energy, the environment, space, telecommunications, health care, and logistics. With annual revenues of $7.2 billion, SAIC is the largest United States ' employee-owned research and engineering company, with more than 42,000 employees at offices in more than 150 cities worldwide.

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