

## **Near-term Layoffs Balanced by Long-term Hiring -- Boeing Employment in Wichita Relatively Stable in 2006**

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Boeing [NYSE: BA] officials announced today that 60-day layoff notices would be issued to approximately 250 employees at its Wichita site on November 10, 2005. This includes the reductions in the Shared Services Group (SSG) and Information Technology (IT) operations that were previously announced.

Despite these layoff notices the Company expects that the overall job outlook for Boeing in Wichita will remain relatively stable due to the planned hiring of additional engineers and potential recalls to meet new business requirements throughout the year. Layoff notices reflect a change in a mix of skills to support future business.

Layoff notices will go to hourly, salaried and management employees within the company's Integrated Defense Systems (IDS) business unit as well as to employees in its SSG and IT operations. The layoff date for those receiving notices will be January 13, 2006.

Derek McLuckey, General Manager of the site, said that the layoffs announced today are a result of delays in major programs due to the recent work stoppage. The previously announced SSG and IT job reductions are the result of a decision to consolidate Boeing-wide enterprise services and this year's sale of Boeing's Commercial Airplanes operations in the region.

"We have experienced rapidly changing business conditions in our military support business that forced us to make this regrettable but necessary decision to ensure our competitiveness," McLuckey said. "However, we believe that overall, the job picture for Boeing in Wichita looks relatively stable and expect that the competitive advantage we will gain at the site will result in future job growth that could ultimately protect Wichita jobs. But in order to get to that point, we must proceed with this reduction and consolidation now."

Workers affected by the layoffs will be offered outplacement services by Boeing human resources professionals. Services include resume writing, job coaching, and assistance with identifying job opportunities both inside Boeing and in the local Wichita market.

Today Boeing has approximately 3,900 employees in Wichita who provide sophisticated engineering, design, logistics support and modifications for the nation's military aircraft fleet and international customers. The site is part of Logistics Support Systems, which is a business unit of Boeing Integrated Defense Systems. Wichita key programs include design and upgrades for the KC-135 tanker, 767 tankers, B-52 Stratofortress, the nation's executive fleet, Airborne Laser and international programs.

The Shared Services Group business unit of The Boeing Company provides the company's other business units and World Headquarters with innovative and effective common services that support the competitive design and manufacture of aerospace and defense products. The group, headquartered in Bellevue, WA, has nearly 11,000 employees in 51 cities and 7 countries worldwide. Services range from telecommunications and information management security to services including transportation, facilities, timekeeping and purchase of non-production goods and services. The group also directs safety, health and environmental planning; security and fire services; the hiring, training and motivation of the workforce; comprehensive travel services to all Boeing employees; companywide responsibility for disaster preparation and response; and manages Boeing Realty.

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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