Boeing Extends Region-Leading Contract Offer to SPEEA-represented Employees in Wichita

The Boeing Company [NYSE: BA] presented the Wichita Engineering Unit of the Society of Professional Engineering Employees in Aerospace (SPEEA) a best-and-final contract offer today that includes significant wage increases, a one-time lump-sum bonus, improvements in retirement benefits, and a first-ever annual incentive pay program that gives engineers a stake in the company's success.

"This is a region-leading contract that respects and values our employees' contributions and supports our plan to grow the business at Boeing Integrated Defense Systems (IDS) in Wichita," said Bruce Glaser, Director of Engineering for IDS-Wichita. "This is an excellent offer. We will be sharing the contract details with our SPEEA-represented employees and look forward to having an approval vote so that we can move forward together."

Key features of the offer that covers approximately 800 engineers in the bargaining unit include:

- *Wichita region-leading* average engineering salaries will *increase from* approximately $80,000 to more than $95,000 *over the life* of the *4-year contract*.
- *A one-time lump sum payment of 4.5 percent of* the employee's base wages for an average of over $3,600 payable in December 2005.
- *An Employee Incentive Plan that provides for up to 20 days of extra pay annually. This allows the Company's engineers to share in the company's success. The first potential payout of the plan will come in first quarter 2007, based on Boeing's 2006 performance.*
- *Enhanced health care coverage with no increase in employee cost share.*
- Pension benefits are enhanced with the *monthly basic benefit* formula increasing by 17 percent to an industry-leading *$70 per year of service*.
- *Increased company match to the 401(k) savings plan from 50 percent to 75 percent of employee contributions -- up to 8 percent of salary.*

The current contract expires on Dec. 5, 2005. Details of the contract offer are posted online at www.boeing.com/negotiations/wichita.

"We look forward to ratification of this contract and working with our engineering community to build a solid future for IDS-Wichita," Glaser said.

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.

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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For further information:
Forrest Gossett
316-210-7153