

Boeing Integrated Defense Systems consolidates P & L Centers

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Enhances customer focus

Accelerates capability-driven solutions

Reduces Cost

Improves execution and productivity

Jim Albaugh, President and CEO of Boeing [NYSE: BA] Integrated Defense Systems (IDS), announced today a significant restructuring of that unit in order to enhance customer focus and improve productivity.

"Since the creation of Boeing IDS more than three-and-a-half years ago, our team has enjoyed considerable success in growing our business by focusing on the enduring needs of our customers and providing innovative solutions," Albaugh said.

"The bold steps we're taking today will enable us to more effectively address future and evolving requirements for integrated, capability-driven solutions at reduced costs across the markets we serve. The announced organization will continue our customer focus, improve our ability to execute and position Boeing for sustainable, long-term growth and profitability in a changing market environment."

Over the next few weeks, operations will be consolidated into three business profit and loss centers organized around capabilities.

John Lockard is named President, Precision Engagement and Mobility Systems, which includes Global Strike, Mobility, Airborne ASW and ISR, and Rotorcraft for all military services.

Roger Krone is named President, Networks and Space Systems. Krone will have responsibility for Combat Systems, Space and Expendable Launches, Missile Defense Systems, C3 Networks, Space and Intelligence Systems and Space Exploration. Both Krone and Lockard will be located in Northern Virginia.

Pat Finneran is named President, Support Systems, which includes Maintenance Modification and Upgrades, Material Management, Training Systems, International Business Operations, and Advanced Logistics Systems. Finneran is based in St Louis, Mo.

In addition to the three consolidated businesses, Albaugh announced the formation of an Advanced Systems unit headed by George Muellner, who is also named President. The organization, reporting into IDS, will include all advanced programs, but will continue to be linked with Phantom Works to develop the technologies necessary to respond to the needs of our customers. Muellner will continue to be located in Southern California.

Business Development will be responsible for ensuring customer alignment across the enterprise and will continue to be led by Shep Hill.

"IDS is committed to delivering benefit to our customers. This organization is designed to ensure we continue to do so in the future," concluded Albaugh.

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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