

Boeing Teams with Phacil on Mentor-Protégé Agreement under U.S. Army Future Combat System Program

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The Boeing Company [NYSE: BA] today announced a mentor-protégé agreement with Phacil, Inc., as part of its commitment to promote small business participation on the U.S. Army's Future Combat System (FCS) program. Boeing and partner Science Applications International Corporation (SAIC) function as the Lead Systems Integrator (LSI) for FCS, a development program at the core of Army modernization with a contract value in excess of \$20 billion for a period of performance spanning 2003 through 2014.

The Department of Defense mentor-protégé program pairs large companies with eligible small businesses to enhance their capabilities and enable them to successfully compete for larger, more complex prime contract and subcontract awards. As mentor, Boeing will provide technical, business development and management support, and participate in technology transfers to help Phacil grow its revenues and client base.

"Boeing is excited about establishing a mutually beneficial relationship with Phacil," said Steve Marion, senior program director, FCS Supplier Management. "Investing time in mentor-protégé relationships will help shape and expand the FCS industrial base, while helping small businesses compete for other work as a result of their involvement with the FCS program."

Boeing selected Phacil following a competitive evaluation and down-select process to identify qualified companies with the right technology and desire to be an FCS protégé partner.

"Phacil's proposal is a good fit between the technology areas in which they can help FCS and the business areas in which Boeing can assist them," Marion added.

Phacil is a small disadvantaged business that provides information assurance/security and information technology, systems integration, engineering and logistics services to government and commercial clients. These capabilities are complementary to the FCS program's networked system of systems objective.

SAIC is the largest employee-owned research and engineering company in the United States, with more than 43,000 employees in over 150 cities worldwide. For the fiscal year ended Jan. 31, 2005, the company reported annual revenues of \$7.2 billion. SAIC engineers and scientists solve complex technical problems in national security, homeland security, energy, the environment, space, telecommunications, health care, and logistics. SAIC: FROM SCIENCE TO SOLUTIONS™

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 \$30.8 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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