Boeing Invests in Huneed Technologies for Command, Control and Communications Network Operations

The Boeing Company [NYSE: BA] has signed an agreement to invest in Huneed Technologies, a Korean company and leading supplier of communications network systems in the Korean market.

Boeing is making an equity investment for a minority interest in Huneed. Subject to regulatory approval, the transaction is expected to close in the third quarter of 2006.

"Huneed has a great reputation, and we are excited to partner on future command, control and communications (C3) and network-centric business," said Rick Baily, Boeing C3 Networks vice president. "Huneed has excellent customer knowledge and is well-positioned for strong growth in the network-centric operations arena."

Huneed has capabilities in the field of tactical communications (radios), Korean data links, Korean cryptographic equipment and cost-effective software development. Additionally, it is a successful Boeing partner in Korea on the 737 Airborne Early Warning & Control (AEW&C) team.

Boeing has more than 20 years of commercial aircraft and military equipment history with the Republic of Korea.

"This investment demonstrates Boeing's commitment to the Republic of Korea," said Bill Oberlin, president, Boeing Korea. "We are excited about enhancing our relationship with Huneed Technologies."

Boeing C3 Networks, a part of the Network & Space Systems business of Boeing Integrated Defense Systems, delivers revolutionary command, control and communications capabilities for interoperability, intelligence superiority, and rapid decision making within the integrated battlespace. Boeing C3 Networks delivers integrated capabilities ranging from ICBM guidance and sustainment expertise to strategic navigational and networking systems that have served the warfighter for more than 50 years.

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; a foremost developer of advanced concepts and technologies; 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.

Forward-Looking Information Is Subject to Risk and Uncertainty

Certain statements in this report may constitute "forward-looking" statements within the meaning of the Private Litigation Reform Act of 1995. Words such as "expects," "intends," "plans," "projects," "believes," "estimates," and similar expressions are used to identify these forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. As a result, these statements speak only as of the date they were made and the company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The company's actual results and future trends may differ materially depending on a variety of factors, including the continued operation, viability and growth of major airline customers and non-airline customers (such as the U.S. Government); adverse developments in the value of collateral securing customer and other financings; the occurrence of any significant collective bargaining labor dispute; its successful execution of internal performance plans including its company-wide growth and productivity initiatives, production rate increases and decreases (including any reduction in or termination of an aircraft product), availability of raw materials, acquisition and divestiture plans, and other cost-reduction and productivity efforts; charges from any future SFAS No. 142 review; ability to meet development, production and certification schedules for the 787 program; technical or quality issues in development programs or in the commercial satellite industry; an adverse development in rating agency credit ratings or assessments; the actual outcomes of certain pending sales campaigns and the launch of the 787 program and U.S. and foreign government procurement activities, including the uncertainty associated with the procurement of tankers by the U.S. Department of Defense (DoD) and funding of the C-17 program; the cyclical nature of some of its businesses; unanticipated financial market changes which may impact pension plan assumptions; domestic and international competition in the defense, space and commercial areas; continued integration of acquired businesses; performance issues with key suppliers, subcontractors and customers; significant disruption to air travel worldwide (including future terrorist attacks); global trade policies; worldwide political stability; domestic and international economic conditions; price escalation; the outcome of political and legal processes, changing priorities or reductions in the U.S. Government or foreign government defense and space budgets; termination of government or commercial contracts due to unilateral government or customer action or failure to perform; legal, financial and governmental risks related to international transactions; legal and investigatory proceedings; tax settlements with the IRS and various states; U.S. Air Force review of

previously awarded contracts; and other economic, political and technological risks and uncertainties. Additional information regarding these factors is contained in the company's SEC filings, including, without limitation, its Annual Report on Form 10-K for the year ended December 31, 2005 and its Quarterly Reports on Form 10-Q for the quarter ended March 31, 2006 and for the quarter ended June 30, 2006.
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