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Boeing [NYSE: BA] has been awarded an \$80 million U.S. Air Force full-rate production contract for the Small Diameter Bomb I (SDB I) system.

The order calls for Boeing to deliver 1,600 weapons, 300 carriages and other equipment to the Air Force by 2008. This is the first full-rate production contract for the SDB I system.

Boeing will manufacture more than 24,000 SDB I weapons and 2,000 carriages for the Air Force, with deliveries planned beyond 2015.

The SDB I weapon system, which includes a four-bomb capacity pneumatic carriage, is the first of a new generation of weapons whose small size and robust performance greatly increase mission capability while reducing collateral damage in the target area.

"This action by the Air Force is the culmination of a gratifying last few months for the SDB team," said Boeing SDB Program Manager Dan Jaspering. "Not only was the weapon system declared operational on schedule, it also was successfully deployed in combat. Now, with a strong vote of confidence from our customer, the first full-rate production contract has been awarded."

An all-weather, 250-pound class weapon system, SDB I quadruples the number of weapons each aircraft can carry. At 71-inches long and with a standoff range of 60 nautical miles, the weapon is compatible with every U.S. fighter and bomber aircraft.

Boeing builds the GBU-39 weapon at its lean manufacturing facility in St. Charles, Mo. Sargent Fletcher, Inc., of El Monte, Calif., builds the BRU-61 carriages.

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.

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