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The Boeing Company [NYSE: BA] today announced that it has reached a tentative agreement for a new three-year contract with the International Association of Machinists and Aerospace Workers District 837. Once ratified by the union membership, the contract will provide approximately \$24,000 in additional compensation over the term of the agreement.

The company's pay and benefits package provides an average of 9.5 percent in wage increases, significant improvements in retirement benefits, and a comprehensive and affordable health care program.

"This contract recognizes the contributions employees have made to the company's success and addresses today's business realities so that Boeing St. Louis can remain competitive in the years ahead," said Steve Jacques, IDS vice president of manufacturing and St. Louis lead for the negotiations. "We look forward to getting this contract approved so we can continue to meet the needs of our customers and deliver the amazing products and services they have come to expect from our team."

Key features of the contract offer to approximately 2,500 represented employees include:

- Lump-sum payments: \$2,500 in 2007; \$2,500 in 2008. Each payment represents an average of 3.5 percent in pay.
- General Wage Increases: 4 percent in 2007; 3 percent in 2009.
- Increased Retirement Benefits: A 17 percent increase in pension benefit to \$70 per month for each year of service for employees who retire on or after July 1, 2007.
- The contract offers a comprehensive range of health care options. Further details of the contract proposal are available online at <http://www.boeing.com/ids/2007negotiations/stl>

A unit of The Boeing Company, Boeing Integrated Defense Systems is one of the world's largest space and defense businesses specializing in innovative and capabilities-driven customer solutions. Headquartered in St. Louis, Boeing Integrated Defense Systems is a \$32.4 billion business with 72,000 employees worldwide.
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