# Thales and Boeing Announce FRES Team

Thales UK and Boeing [NYSE: BA] have agreed to form an exclusive team, led by Thales UK, to jointly bid to deliver the System of Systems Integrator (SOSI) role for the planned Future Rapid Effect System (FRES) program. FRES is the UK Ministry of Defence (MoD) program to provide the British Army with a network-enabled and highly deployable medium-weight armored vehicle force, which will complement the UK's existing heavy and light forces and enable the UK to rapidly project warfighting capability world-wide.

The MoD recently announced its intention to form a Ministry of Defence / Industry Alliance for FRES. A key role in this Alliance is that of the SOSI.

If selected, Thales and Boeing will partner with the MoD to deliver a timely and coherent through-life capability to the British Army while generating a stronger UK industrial base and retaining key intellectual property rights for the MoD. A key factor in the development of a fully integrated solution will be an optimization of the through-life costs to maximize value for money throughout the life of the program.

"Thales has an excellent understanding of the Armored Fighting Vehicle domain and fully recognizes the importance of the SOSI role to the success of the FRES program, said Alex Dorrian, Thales UK Chief Executive Officer. "Our expertise in capability-based acquisition and strong track record in commercial innovation are underpinned by world-class systems integration skills and in-depth understanding of UK doctrine and concepts. We also have a strong partnering culture, which we consider essential to creating the industrial environment required to deliver FRES. With these qualities, combined with independence from FRES vehicle contenders, we believe we can offer an excellent technical and commercial solution to the MoD as the FRES SOSI contractor.

"We are delighted that Boeing has agreed to work with us on FRES," Dorrian continued. "Boeing will complement Thales' strengths by contributing world-class program management, system of systems integration and supply chain management skills to our team. In addition, Boeing will bring its expertise from the U.S. Army Future Combat Systems program to complement Thales UK capability in developing and delivering complex defense programs."

Dennis Muilenburg, Boeing vice president and general manager for Combat Systems, said, "We are very excited to team with Thales for the FRES program, which is vital to the UK's Armed Forces. We believe our proven experience and expertise in successfully executing system-of-systems integration programs will add significant value to the FRES program throughout its life cycle. Our recent establishment of facilities in Bristol and Farnborough reinforces our commitment to grow our in-country engineering capability through the company's wholly owned subsidiary, Boeing Defence UK, in support of the Defence Industrial Strategy."

## Notes to editors:

**About the FRES program**
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The FRES program will provide the British Army with a family of medium-weight, network-enabled, air-deployable armored vehicles to meet up to 16 battlespace roles. The key drivers are the need for a rapid effect land capability, the ability to meet a wide number of operational roles, maximum interoperability with other UK forces and allies, and addressing the obsolescence of existing vehicles.

**About Thales UK and Thales**
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Thales UK is a major electronics and systems group serving defense, aerospace, security and services markets. Thales employs 9,000 staff in the UK, based at more than 50 locations. In 2006, Thales UK's revenues were over £1 billion. Thales UK will be building on its experience with CVF, Watchkeeper, FIST and Self-Propelled HVM, as well as the FRES Technology Demonstrator work on Electronic Architectures and Integrated Survivability.
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Leveraging a global network of high-level engineers, Thales offers a capability unmatched around the world to develop and deploy mission critical systems. Thales employs 60,000 people in 50 countries and generated revenues of £7 billion in 2006, with a record order book of over £14 billion.
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Thales Group is a leading international electronics and systems group, serving defense, aerospace and security markets worldwide, supported by a comprehensive services offering. The group's civil and military businesses develop in parallel to serve a single objective: the security of people, property and nations.

**About Boeing**
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Boeing has a longstanding commitment to the United Kingdom and is the largest overseas commercial customer of the UK's aerospace and defense industries, purchasing on average £1 billion of quality British products and services annually from some 200 companies and sustaining around 30,000 high-tech jobs across the UK. With its partnerships and presence, including an in-country staff of more than 600 professionals in offices throughout the UK, Boeing supports the government's Defence Industrial Strategy through jobs and creation of UK Intellectual Property.
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Part of Boeing's Integrated Defense Systems business, Combat Systems is the Lead Systems Integrator for the Future Combat Systems program, which is developing the U.S. Army's networked medium-weight force of the future while spinning out new capabilities to today's warfighters.
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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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