Boeing Contracts Exceed $157 Million in Canada's Western Region

WINNIPEG, MANITOBA, Jan. 23, 2008 -- The Boeing Company [NYSE: BA] today announced that it has provided contracts worth more than $157 million to companies in Canada's Western provinces.

The announcement follows the Canadian government's 2007 order for four C-17 Globemaster IIIs, the first two of which already are in service with Canadian Forces.

Speaking today at an event hosted by Industry Canada in Winnipeg, Mark Kronenberg, Boeing Integrated Defense Systems vice president for International Business Development, explained that Boeing was well on track for meeting the Canadian government's Industrial Benefits (IB) policy.

"Boeing will match every dollar spent by the Canadian government in acquiring its C-17 fleet by partnering with and issuing contracts to companies in Canada," said Kronenberg. "This will result in long-term, high-value jobs for Canadians and will further embed Boeing as a long-term partner with Canadian industry, particularly with our partners here in the West."

As part of the C-17 acquisition contract, Boeing agreed to match the purchase price of the four aircraft with dollar-for-dollar investments back into the Canadian economy through a C-17 IB program coordinated by Industry Canada. Boeing already has identified more than 66 percent of its total C-17 IB program obligations.

Boeing will identify the remaining 34 percent of IB obligations over the next three years. Boeing also agreed to a collateral agreement that provides further industry benefits worth $750 million over 20 years for the in-service support of the C-17 fleet.

To date, Boeing has signed contracts with several partners based in Canada's Western provinces, including:

- **Avcorp:** 747 light sheet metal assemblies
- **Boeing Winnipeg:** 747 APU inlet door tooling and production
- **Boeing Winnipeg (subcontract from Vought):** 787 shear ties
- **CFER Technologies:** 787 specialized testing
- **Hydratech Ltd. (subcontract from Goodrich):** Direct work on C-17
- **SED:** Feeder link Earth stations and telemetry; tracking and control for MSV L-band ground station
- **Saskatchewan Indian Institute of Technology:** Investment for establishment of an Aircraft Maintenance Engineer (AME) program
- **UBC/S. Fraser University:** Investment for the visual analytics research of data for large and complex systems

These supplier agreements complement Boeing's already significant involvement in Western Canada. Over the years, Boeing has partnered with many suppliers in the region. These companies provide goods and services for the company's major business units -- Boeing Commercial Airplanes and Boeing Integrated Defense Systems. As the Canadian Forces continue to modernize their defense systems, through efforts such as the Medium-Heavy Lift Helicopter program, Boeing anticipates that it will sign additional contracts to further expand its supplier base in the region.

The C-17 Globemaster III provides Canada with a critical new airlift capability to meet its international commitments. The C-17's ability to fly long distances and land in remote airfields in land-locked regions make it the right airplane for Canadian humanitarian, peacekeeping and military missions, domestically and abroad. The aircraft already has been used to support Canadian Forces serving in Afghanistan.

Boeing is a major contributor to the Canadian economy, generating approximately $1 billion in business annually. Boeing employs more than 1,400 highly-skilled employees in Quebec, British Columbia and Manitoba who work in support of the company's major business units. Canada also is home to the third-largest international supplier base for Boeing, including many high-quality suppliers spanning every region of the country.

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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