Boeing Contracts Exceed $166 Million in Ontario

OTTAWA, ONTARIO, Jan. 25, 2008 -- The Boeing Company [NYSE: BA] today announced that it has provided contracts worth more than $166 million to companies in Ontario.

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 Ottawa, Pete Peterson, vice president for Ottawa-based Boeing Aerospace Operations, Inc., 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 Peterson. "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 Ontario."

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 Ontario, including:

- **Arnprior Aerospace:** 777 oxygen racks
- **ComDev:** Passive microwave devices for communications satellites
- **EMS Technologies (subcontract from Honeywell):** Aerospace electronics
- **Fellfab:** 787 Interiors - curtains and fabric integrations
- **Goodrich:** C-17 landing gear overhaul and C-17 direct supplier
- **Goodrich (subcontracted work):** Goodrich has issued subcontracts for Boeing projects to several Ontario-based suppliers, including Acroturn Industries, Inc., Aerospace Precision Metals Inc., ASA Alloys, Brampton Processing, Cametoid Ltd., Cantwell Cullen and Company Inc., CFN Precision Machining Inc., Eagletronic Industries Inc., Interfast Inc., Metalstat, Sigco Industries Inc., Strite Industries and Vac Aero International Inc.
- **Honeywell Aerospace Canada:** C-17 direct supplier
- **MXI Goldcare:** 787 fleet maintenance and management software
- **MICAN:** C-17 direct supplier
- **L-3 Communications Electronic Systems:** C-17 direct supplier

These supplier agreements complement Boeing's already significant involvement in Ontario. Over the years, Boeing has partnered with many suppliers in the region to procure 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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Contact Info:
Damien Mills
Boeing Integrated Defense Systems

office: (562) 797-1053
damien.mills@boeing.com
Martin Sampson
Fleishman-Hillard Canada
office: (613) 238 -2090 x 351
martin.sampson@fleishman.ca
