

## Thales and Boeing Sign FRES Contract with UK Ministry of Defence

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**ST. LOUIS, Feb. 06, 2008** -- The UK Ministry of Defence (MoD) today announced the award of a contract to Thales UK in partnership with The Boeing Company [NYSE: BA] for the System-of-Systems Integrator (SOSI) role on the Future Rapid Effect System (FRES) program.

The initial six-month contract, valued at £4 million (US\$8 million), defines the framework for the SOSI's ongoing role in the subsequent phases of this key program, which will provide the British Army with a new family of medium-weight, network-enabled armored vehicles. The role of the SOSI is to drive the successful delivery of a coherent FRES capability.

The Thales UK-Boeing SOSI team will be integrated into the MoD's FRES project team to form an Integrated Customer Team that will manage the delivery of FRES. The SOSI will provide expertise in the following areas:

- Program management
- System-of-systems engineering and integration
- Through-life capability and technology management
- Alliance development and supply chain management
- Development of MoD's SOSI competence

"The rapid downselect and now contract award for the FRES SOSI reflects not only MoD's desire to inject pace into the program, but also our ability to work together effectively," said Alex Dorrian, CEO of Thales UK. "The SOSI role highlights Thales UK's position at the heart of UK land systems integration, alongside FIST and WATCHKEEPER."

Rick Baily, vice president and general manager, Boeing Combat Systems, added, "We look forward to working with the MoD and the entire FRES industry team to deliver the optimal capability for this important program for the British Army."

**About the FRES Program** 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.

The MoD announced on Oct. 5, 2007 that Thales UK, in partnership with Boeing through its Boeing Defence UK subsidiary, had been selected as the preferred bidder for the role of System-of-Systems Integrator for the FRES program.

**About Thales UK and Thales** 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 bn.

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.

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.

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 bn in 2006, with a record order book of over £14 bn.

**About Boeing** Boeing has a longstanding commitment to the United Kingdom and is the largest overseas commercial customer of the UK's aerospace and defence industries, purchasing up to \$3 billion of quality British products and services annually from some 250 companies and sustaining around 30,000 high-tech jobs across the UK. Boeing Defence UK Ltd., a subsidiary of The Boeing Company, currently has around 150 employees at 20 locations throughout the UK supporting Ministry of Defence and U.S. military programs. Boeing supports the UK government's Defence Industrial Strategy through jobs and creation of UK intellectual property.

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.

Boeing Integrated Defense Systems is one of the world's largest space and defence businesses specialising in innovative and capabilities-driven customer solutions. Headquartered in St. Louis, Boeing Integrated Defense Systems is a U.S. \$32.1 billion business with 72,000 employees worldwide.

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