Boeing to File Protest of U.S. Air Force Tanker Contract Award

CHICAGO, March 10, 2008 -- The Boeing Company [NYSE: BA] will file a formal protest on Tuesday asking the Government Accountability Office (GAO) to review the decision by the U.S. Air Force to award a contract to a team of Northrop Grumman and European Aeronautic Defence and Space Company (EADS) to replace aerial refueling tankers.

"Our team has taken a very close look at the tanker decision and found serious flaws in the process that we believe warrant appeal," said Jim McNerney, Boeing chairman, president and chief executive officer. "This is an extraordinary step rarely taken by our company, and one we take very seriously."

Following a debriefing on the decision by the Air Force on March 7, Boeing officials spent three days reviewing the Air Force case for its tanker award. A rigorous analysis of the Air Force evaluation that resulted in the Northrop/EADS contract led Boeing to the conclusion that a protest was necessary.

"Based upon what we have seen, we continue to believe we submitted the most capable, lowest risk, lowest Most Probable Life Cycle Cost airplane as measured against the Air Force's Request for Proposal," McNerney said. "We look forward to the GAO's review of the decision."

Boeing said it would provide additional details of its case in conjunction with the protest filing on Tuesday.

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