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ST. LOUIS, April 01, 2008 -- The Boeing Company [NYSE: BA] and two of its California-based suppliers, Pacific Contours and KAP Manufacturing, received Nunn-Perry Awards from the U.S. Department of Defense (DOD) last month in Daytona Beach, Fla., at the DOD Mentor-Protégé Conference. Pacific Contours is located in Anaheim, and KAP Manufacturing operates in San Dimas.

The Nunn-Perry Award, named in honor of former U.S. Sen. Sam Nunn and former Secretary of Defense William Perry, recognizes outstanding teamwork in the DOD Mentor-Protégé Program. Both men were instrumental in creating the program, which is designed to encourage DOD contractors to help diverse small businesses develop technical and business capabilities. Winners are selected based on the companies' success in creating cost efficiencies, enhancing the protégé company's capabilities and increasing business opportunities with DOD suppliers.

"The innovation and enterprising spirit that small and diverse suppliers bring is crucial to Boeing remaining the leader in aerospace," said Janell Bursac, director of Supplier Diversity for Boeing Integrated Defense Systems. "The tools and skills shared and the objectives met through programs such as Mentor-Protégé are essential to Boeing's focus on growth and productivity."

Pacific Contours, a woman-owned small business and a supplier to Boeing for more than 10 years, manufactures bulkheads, escape hatches, jettison cockpit doors, and upper and lower cabin doors for the CH-47 Chinook helicopter program. The company's mentor-protégé relationship with Boeing has focused on Lean manufacturing improvements and augmenting the skills of its craftsman machinists by providing technology training through California State University (CSU). Additionally, an internship for CSU students provided computer training to Pacific Contours employees and help with revamping the supplier's Web site. Since entering the mentor-protégé agreement, Pacific Contours has doubled its work force, increased its physical space and added equipment to support Boeing's growing business needs. As further indication of a successful partnership, Boeing recognized Pacific Contours as its 2006 Supplier of the Year in the Diversity/Boeing Protégé category.

KAP Manufacturing is a woman-owned small business specializing in custom machine parts and assemblies for the aerospace and defense industries. The company manufactures machine parts that support numerous Boeing programs, including F-15 and F/A-18 fighter aircraft, the AH-64 Apache attack helicopter and Airborne Laser. The mentor-protégé agreement with Boeing has focused on improving the company's capabilities and affordability. Training provided by Cerritos College and Florida International University as part of the program has reduced cycle time, increased capacity and efficiency, and improved quality and delivery performance.

"Helping suppliers like Pacific Contours and KAP Manufacturing develop is good for them, good for Boeing and good for our customers," Bursac said. "And the Mentor-Protégé Program is just one of many ways we foster mutually beneficial relationships with our suppliers. We feel honored that the Department of Defense once again has recognized our supplier-diversity successes."

Boeing, which has received 10 Nunn-Perry honors since the award's inception in 1995, currently has active DOD mentor-protégé agreements with 17 suppliers. The company also has seven Department of Homeland Security mentor-protégé agreements, one NASA mentor-protégé supplier relationship and many informal supplier-mentoring programs across the enterprise.

A unit of The Boeing Company, Boeing <u>Integrated Defense Systems</u> 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 \$32.1 billion business with 71,000 employees worldwide. ###

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