Boeing to Reduce Work Force at Satellite Engineering Facilities in Southern California

ST. LOUIS, May 21, 2008 -- The Boeing Company [NYSE: BA] announced today that it plans to lay off approximately 750 employees in Southern California because of a downturn in its satellite assembly and integration business.

The reductions are primarily in the area of engineering, although all skills will be affected, and will affect workers mostly in El Segundo and Seal Beach, Calif. Boeing expects to issue 60-day notices in May for an initial group of 100 employees, with layoffs to occur in July. Another group of employees will be notified at the end of June with redeployment occurring in July and August. Boeing is trying to redeploy many of the affected workers in California and at other sites where the company has suitable job openings.

Craig Cooning, vice president and general manager of Boeing Space and Intelligence Systems (S&IS), said the division has made substantial progress in decreasing costs and operating more efficiently, but the delay in the award of several large government programs, coupled with other market conditions, are forcing the work force reduction.

"The stretching out of government contract awards, along with a continuing lighter demand in the commercial marketplace for large, high-power satellites, has created a surplus in the work force that must be addressed now so that we are competitive," Cooning said. "The loss of any Boeing employee is truly a loss, so we will do as much as possible to help our employees locate other opportunities within Boeing."

The company will help affected employees find positions at other Boeing locations and provide career-counseling and outplacement services, such as résumé writing and interviewing skills development.

"This is a difficult time for employees in our space systems organization, but we are committed to strengthening the business," said Cooning. "These reductions in force are necessary to accomplish that goal."

S&IS plans to have a work force of approximately 6,450 employees at the end of 2008, compared with its current count of 7,200.

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 $32.1 billion business with 71,000 employees worldwide.
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