Boeing Awarded Contract to Continue Developing Mobile Laser Weapon

ST. LOUIS, Aug. 19, 2008 -- The Boeing Company [NYSE: BA] has been awarded a U.S. Army contract valued at approximately \$36 million to continue developing a truck-mounted, high-energy laser weapon system that will destroy rockets, artillery shells and mortar rounds.

Under the High Energy Laser Technology Demonstrator (HEL TD) Phase II contract, awarded Aug. 15, Boeing will complete the design of, then build, test and evaluate, a rugged beam control system on a Heavy Expanded Mobility Tactical Truck. Boeing also will develop the system-engineering requirements for the entire HEL TD laser weapon system. Boeing successfully completed the preliminary design of the beam control system earlier this summer.

"This contract award is an important win for Boeing because it supports a cornerstone of the Army's high-energy laser program," said Scott Fancher, vice president and general manager of Boeing Missile Defense Systems. "HEL TD will give warfighters a transformational capability to counter the difficult threats posed by rockets, artillery shells and mortar projectiles."

"Boeing spent the past year developing the preliminary design of the HEL TD beam control system, and we appreciate the confidence the Army has shown in our efforts by awarding us these contract options to continue working on the program," said Gary Fitzmire, vice president and program director of Boeing Directed Energy Systems.

The objective of the HEL TD program is to demonstrate that a mobile, solid-state laser weapon system can effectively counter rocket, artillery and mortar projectiles. The program will support the transition to a full-fledged Army acquisition program.

Boeing leads the way in developing high-energy laser systems for a variety of warfighter applications. These systems include the Airborne Laser, the Advanced Tactical Laser, the Tactical Relay Mirror System and Laser Avenger.

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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