Boeing Launches Defense & Government Services Division for Market Growth

ST. LOUIS, Sept. 22 /PRNewswire-FirstCall/ -- The Boeing Company (NYSE: BA) today launched a new division within its Integrated Defense Systems (IDS) business designed to better serve customers in the vast services market.

The newly established Defense & Government Services will operate as a division of Boeing IDS's Global Services & Support business (formerly Support Systems) unit. Boeing estimates that the defense and government services market is worth approximately $400 billion over the next 10 years.

The 4,400-employee division will be led by Greg Deiter and will include current company subsidiaries Boeing Service Company and Boeing Aerospace Operations.

"We are confident that the Defense & Government Services division will add tremendous value for our customers and grow our business profitably," said Dennis Muilenburg, Global Services & Support president. "Our organization's design, and its services-market strategies, leverage our integration capabilities, our talented people, and the entire Boeing enterprise, with special emphasis on working with Commercial Aviation Services at Boeing Commercial Airplanes. We're already doing work in these markets very successfully, and we want to do more."

Boeing is performing in, or engaged in active proposals for, several service-market areas. Examples include networked technical services such as logistics command and control, satellite operations, launch support, and SBInet maintenance; managed network and communications services such as the Boeing Broadband Satellite Network for the U.S. executive fleet; energy management and integrated facilities management for the U.S. government; and other aviation and logistics services such as field maintenance and modifications, intelligence, surveillance and reconnaissance services, contractor logistics support, field service representatives, and fleet support.

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, and the world's largest and most versatile manufacturer of military aircraft. Headquartered in St. Louis, Boeing Integrated Defense Systems is a $32.1 billion business with 71,000 employees worldwide.

Forward-Looking Information Is Subject to Risk and Uncertainty

Certain statements in this report may constitute "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "intends," "plans," "projects," "believes," "estimates," and similar expressions are used to identify these forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Forward-looking statements in this press release include, among others, statements regarding future results as a result of our growth and productivity initiatives, our 2008 and 2009 financial outlook and the benefits of the IDS structure. Forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. As a result, these statements speak only as of the date they were made and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Our actual results and future trends may differ materially depending on a variety of factors, including the continued operation, viability and growth of major airline customers and non-airline customers (such as the U.S. Government); adverse developments in the value of collateral securing customer and other financings; the occurrence of any significant collective bargaining labor dispute; our successful execution of internal performance plans including our company-wide growth and productivity initiatives, production rate increases and decreases (including any reduction in or termination of an aircraft product), availability of raw materials, acquisition and divestiture plans, and other cost-reduction and productivity efforts; charges from any future SFAS No. 142 review; ability to meet development, production and certification schedules for the 787 program and the ability to meet scheduled deliveries of the 787 airplane; technical or quality issues in development programs (affecting schedule and cost estimates) or in the satellite industry; an adverse development in rating agency credit ratings or assessments; the actual outcomes of certain pending sales campaigns and U.S. and foreign government procurement activities, including the uncertainty associated with the procurement of tankers by the U.S. Department of Defense (DoD) and funding of the C-17 program; the cyclical nature of some of our businesses; unanticipated financial market changes which may impact pension plan assumptions; domestic and international competition in the defense, space and commercial areas; continued integration of acquired businesses; performance issues with key suppliers, subcontractors and customers; significant disruption to air travel worldwide (including future terrorist attacks); global trade policies; worldwide political stability; domestic and international economic conditions; price escalation; the outcome of political and legal processes, changing priorities or reductions in the U.S. Government or foreign government defense and space budgets; termination of government or commercial contracts due to unilateral government or customer action or failure to perform; legal, financial and governmental risks related to international transactions; legal and investigatory proceedings; tax settlements with the IRS and various states; U.S. Air Force review of previously awarded contracts; costs associated with the exit of the Connexion by Boeing business; and other economic, political and technological risks and uncertainties. Additional information regarding these factors is contained in our SEC filings, including, without limitation, our Annual Report on Form 10-K for the year ended December 31, 2007 and our Quarterly Report on Form 10-Q for the quarters ended March 31, 2008 and June 30, 2008.

SOURCE: The Boeing Company

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