Boeing and Terma A/S Enter Strategic Alliance

COPENHAGEN, March 18, 2009 -- The Boeing Company [NYSE: BA] and Terma A/S today signed a Memorandum of Agreement that aims to provide Terma a minimum of 30 percent of the industrial-cooperation investments outlined in Boeing's Super Hornet proposal to Denmark. The Super Hornet strike fighter is one of three finalists in Denmark's New Combat Aircraft competition.

"With Boeing's wide scope of business in the defense industry and as a leading producer of civilian and military aircraft, Boeing is an extremely attractive partner for Terma," said Terma CEO Jens Maaløe. "We are cooperating with Boeing on a number of projects, and are looking forward to developing our business further to the benefit of both companies."

As the first in a series of projects under this broad cooperation agreement, Boeing has selected Terma's Electronic Warfare Management System (EWMS) suite as a preferred advanced electronic warfare solution for a number of CH-47F Chinook helicopter offerings to international customers whose requirements extend beyond Boeing's baseline CH-47F offering.

Terma is also set to benefit in a number of other areas with Boeing, including aerostructures and composites. Additionally, Boeing will conduct a feasibility study for the integration of Terma's 3-D audio and Active Noise Reduction technology on the Super Hornet.

Tom Bell, vice president of Business Development for Boeing Military Aircraft, described the agreement as the next step in a broadening relationship between the two companies as Boeing seeks to expand its industrial cooperation with Danish industry.

"Terma is a respected advanced technology leader throughout the international defense and aerospace industries, and has been an important partner in delivering advanced capabilities to Boeing and its subcontractors on a number of Boeing programs, including electronic components and harnesses for the NATO AWACS [Airborne Warning and Control System] and EWMS for the P-8A, the U.S. Navy's newest maritime patrol aircraft," Bell said. "We look forward to additional opportunities to work with Terma, and to continue our strong history of investing for the long term in the regions where we do business."

Boeing's industrial cooperation proposal outlines other areas of industrial benefit to Denmark that leverage products and technologies from across the company and from key Boeing suppliers. Boeing has successfully implemented industrial cooperation programs totaling more than US$29 billion in more than 35 countries over the past 30 years. In Denmark, Boeing has previously executed industrial cooperation programs in support of Harpoon and Joint Direct Attack Munition weapons systems and NATO AWACS sales totaling nearly $34 million.

Hans Skov Christensen, director general and CEO of the Confederation of Danish Industry, commented on the agreement: "Denmark is facing an important decision regarding new fighter aircraft. It is a program with great opportunities for Danish defense industry. Therefore it is important that Boeing, since their DI-hosted conference last year, has been in dialogue with many Danish companies and today is signing a major cooperation agreement with Terma."

Terma, a leading Denmark-based defense and aerospace company, is a proven developer of electronic warfare systems, reconnaissance systems, and aerostructures for high-performance military aircraft. These systems include the ALQ-213 Electronic Warfare Management system, which is deployed on more than 1,700 aircraft worldwide. Other solutions include radar systems, command and control solutions and hardware and services for space applications.

Terma A/S is headquartered in Denmark and maintains operations in a number of European countries, Singapore, and in the United States. The company employs approximately 1,300 people worldwide, and realized 2007-2008 revenues of approximately US$200 million.

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 billion business with 70,000 employees worldwide.
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Contact Info:
Mary Ann Brett
Boeing Communications
+1 314-234-7111
mary.a.brett@boeing.com
Kasper Rasmussen
Terma Corporate Communications
+45 8743 6000
kar@terma.com