Boeing Announces 1st $25 Million in ScanEagle Reinvestments to Canadian Economy

OTTAWA, May 27, 2009 – The Boeing Company [NYSE: BA], with its wholly owned subsidiary Insitu, has announced the first U.S. $25 million in contracts to Canadian companies as part of a government order for small unmanned aerial vehicle (SUAV) services.

The Canadian government in April awarded a $30 million contract to Insitu, manufacturer of the ScanEagle SUAV, for services in support of the Canadian Forces' intelligence, surveillance and reconnaissance (ISR) operations in Afghanistan. Boeing agreed to match the contract value with dollar-for-dollar investments back into the Canadian economy through the Industrial and Regional Benefits (IRB) policy maintained by Industry Canada. If the Canadian government exercises additional contract options, the contract could provide a total of nearly $61 million in opportunities for Canadian industry and universities.

"The ScanEagle has proven itself as a long-endurance unmanned aircraft system, and Boeing continues to prove itself as a long-endurance partner to Canada," said Insitu SUAV Program Manager Greg Davis.

"The reinvestments we make as a part of the ScanEagle program will result in long-term business relationships for Canadian firms," said Gwen Kopsie, director of International Industrial Participation and Alliances for Boeing Integrated Defense Systems.

Boeing is on track to meet the Canadian government's IRB policy. To date, Boeing and Canadian businesses have signed several contracts tied to the ScanEagle program. Partners include:

- **ING Engineering Inc. (Ontario, Northern Ontario, Quebec and Alberta):**Unmanned vehicle systems field services
- **MKS (Ontario):** MKS Integrity software and consulting services for SUAV program life-cycle management
- **NovAtel (Alberta):** ScanEagle Global Positioning System.

These supplier agreements complement Boeing's already significant involvement in Canada. Boeing is a major contributor to the Canadian economy, generating approximately $1 billion in business annually. Canada is home to one of the company's largest international supplier bases, with industry and university partnerships in every region of the country that provide a diverse mix of high-value goods and services to Boeing and its customers. Boeing also employs more than 1,600 highly skilled workers in Ontario, Quebec, British Columbia and Manitoba who support the company's major business units -- Boeing Commercial Airplanes and Boeing Integrated Defense Systems.

Insitu Inc., a wholly owned subsidiary of The Boeing Company located in Bingen, Wash., designs, develops and manufactures unmanned aircraft systems (UAS) and associated services for commercial and military applications. With a small footprint and expeditionary focus for both land and sea operations, the company's family of UAS solutions is serving the needs of the global defense community while achieving more than 175,000 combat flight hours. Visit www.insitu.com for more information.

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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