Boeing Reacts to Appeals Court Decision in A-12 case

Chicago, June 2, 2009 -- J. Michael Luttig, executive vice president and general counsel of The Boeing Company [NYSE:BA], today directed that an immediate appeal be made following a U.S. Court of Appeals for the Federal Circuit decision upholding the government's position in the long-running A-12 case.

"Today's decision, which awards no amount of damages to either the contractors or the government, is but the next step in this regrettable litigation that is now in its eighteenth year. The decision is fatally flawed under what has been the law governing this case from the outset. It creates out of whole cloth a new law that essentially requires the case to be tried anew from the beginning," Luttig said.

At issue in this litigation, which has been pending over a decade, is the manner in which the Defense Department terminated the A-12 military aircraft program and whether the government owed Boeing (then McDonnell Douglas) and General Dynamics Corporation money for work in progress when the contract was terminated, as well as certain other expenses. The trial court originally ruled in favor of the contractors, but various appeals over the years have delayed a final decision.

The A-12 was to have been the Navy's next-generation, carrier-based advanced tactical aircraft utilizing low observable "stealth" technology.

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