Boeing Receives Contract for Future Combat Systems Spin Out Production

ST. LOUIS, June 15, 2009 -- Boeing [NYSE: BA] announced today that it has received a contract from the U.S. Army for the procurement of long lead items and related tooling and test equipment to support the initial delivery of early Spin Out systems to the first infantry brigade combat team. The value of the contract, awarded in May, is for a base amount of $18.7 million.

Boeing, in coordination with its partner, Science Applications International Corp. [NYSE: SAI], will now procure the items required to produce the Class I Block 0 Unmanned Aerial Systems, Small Unmanned Ground Vehicles, Tactical and Urban Unattended Ground Sensors, and Network Integration Kits that are part of the incremental Spin Out effort. These early capabilities are scheduled to be fielded to the first infantry brigade combat team in 2011. The systems will enable soldiers at the squad, platoon and company level to exchange images and data across a shared mobile network for the first time.

"This contract award is a vote of confidence in the technological maturity of these Spin Out capabilities," said Gregg Martin, Boeing vice president and Future Combat Systems program manager. "These Spin Outs represent a system of systems, capabilities-based approach for delivering incremental and integrated brigade capabilities, including increased intelligence, surveillance and reconnaissance across the full spectrum of operations."

The early Spin Out capabilities are currently being evaluated and tested by the Army Evaluation Task Force at Fort Bliss, Texas, and White Sands Missile Range, N.M. These activities will culminate in a Limited User Test this fall, all serving to reduce program risk by involving the end user -- the soldier -- in the development process earlier than usual.

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