Boeing Statement on Partial Termination Order for FCS Manned Ground Vehicle

ST. LOUIS, July 20, 2009 -- The Boeing Company received a partial termination order for the Manned Ground Vehicle element of the Future Combat Systems (FCS) program from the U.S. Army on July 17. Boeing today issued the following statement:

"As a result of the Acquisition Decision Memorandum issued by the Pentagon on restructuring the FCS program, we have received from the Army a Partial Termination for Convenience order for the Manned Ground Vehicle component of the FCS program. We will now begin notifying those partners and suppliers impacted by the order and initiate the termination proposal process with the Army. It would be premature to comment publicly on those discussions at this time. It is important to note that the Boeing FCS contract was not terminated. The order affects only the Manned Ground Vehicle element of the program.

“While this is disappointing, we are encouraged by the Army’s commitment to preserve key technologies and leverage the significant design and development work already accomplished. We are working closely with our customer to minimize the impact to the program as we restructure our contract to continue to support the Army as it transitions to its new Brigade Combat Team modernization plan. Our goal remains the same -- getting these networked systems and technologies into the hands of soldiers as soon as possible."

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Contact:

Matthew Billingsley
Boeing Future Combat Systems
703-647-1444
matthew.p.billingsley@boeing.com