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SEATTLE, July 23, 2009 -- The Boeing Company [NYSE: BA] today announced that it has received a \$44 million Low-Rate Initial Production (LRIP) contract for the Block 40/45 upgrade of the U.S. Air Force Airborne Warning and Control System (AWACS) fleet. The contract, awarded by the Electronic Systems Center at Hanscom Air Force Base, Mass., marks the official beginning of the Block 40/45 production phase.

Boeing will provide shipset hardware, spare parts, ground systems installation, and delivery and logistic support for the first aircraft to undergo the upgrade. Air Force personnel will install the hardware at the Air Logistics Center at Tinker Air Force Base, Okla. Installation is scheduled for completion in the third quarter of 2011. The remaining five LRIP aircraft will be covered in a follow-on contract.

"Block 40/45 brings the AWACS mission system into the 21st century and enables rapid future upgrades, allowing the AWACS fleet to remain a key asset in air battle management for many years to come," said Paula Pielak, Boeing AWACS 40/45 and Advanced Projects program manager. "We look forward to putting this tremendous capability into production and delivering it to the warfighter."

Boeing met all key performance parameters for the upgraded Block 40/45 system during a flight test acceptance program, proving the system's reliability and stability. The program was completed in July 2008.

The Block 40/45 upgrade, which is the largest in the history of the AWACS program, dramatically enhances the system's potential for using network-enabled operations and increases AWACS mission execution capability, effectiveness and reliability while lowering life-cycle costs through a number of improved features, including:

- the primary AWACS display, which increases situational awareness through its intuitive mission displays and detailed map database
- higher processing power, which enables better operation of the fleet's advanced battle management tools, such as Automatic Air Tasking Orders and Airspace Coordination Order updates
- the capability to determine the most effective airborne weapon to pair against an identified target
- the Multi-Source Integration process (MSI), which automatically integrates data from on-and off-board sources, such as radar and Identification Friend or Foe, Electronic Support Measures and Link 16. The open system and lean architecture of the MSI enables rapid software upgrades and requires less hardware.

A unit of The Boeing Company, Boeing <u>Integrated Defense Systems</u> 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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