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LONG BEACH, Calif., Nov. 30, 2009 -- Boeing [NYSE: BA] today announced it has received a \$23 million contract from the U.S. Air Force for Phase 2 of the B-1 Laptop Controlled Targeting Pod software upgrade. The upgrade will add additional capability to the B-1 bomber aircraft's targeting system by allowing it to more accurately identify both stationary and moving targets.

Boeing in April finished development on the contract's Phase 1, a \$28 million hardware and softwaredevelopment phase. The Air Force so far has updated 40 of its 66 B-1s with the software and hardware that allows the aircraft to use the 15 interchangeable Sniper pods and the associated laptops assigned to the fleet.

Phase 2 will complete the integration of the Sniper pod with the B-1 software to deliver single-moving-target kill capability using the Guided Bomb Unit-54 (GBU-54) Laser Joint Direct Attack Munition (Laser JDAM). Laser JDAM adds a precision laser guidance set to the standard JDAM tail kit to acquire, track and engage mobile targets. The Air Force fielded the Laser JDAM in May 2008 and has used it successfully in combat.

An additional improvement will enable the targeting pod to find stationary targets and automatically send the target GPS coordinates via the B-1's avionics system to the weapons. This removes the need to enter the coordinates manually, dramatically reducing both response time and the potential for error.

"The B-1 is a highly adaptable platform capable of contributing in all types of warfare," said Mahesh Reddy, Boeing B-1 program manager. "Continuing to upgrade the bomber and its tactics, such as the targeting pod, allows it to remain flexible and reliable."

Boeing will begin design and development of the Phase 2 software immediately. The software is expected to enter testing in February 2011.

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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