Boeing Completes CF-18 Hornet Modernization Project for Canada

ST. LOUIS, March 25, 2010 -- The Boeing Company [NYSE: BA] today delivered the 79th -- and final -- upgraded CF-18 Hornet aircraft to the Canadian Department of National Defence during a ceremony in Mirabel, Quebec, hosted by industry partner L-3 Communications MAS, who performed final upgrade installations. The delivery brings the nine-year, two-phased CF-18 Modernization Project to a close.

Phase 1 of the project, completed in 2006, upgraded the Canadian Hornet fleet's avionics, radar, radio and weapons capabilities. Phase 2 provided the following improvements:

- a data link system to ensure Canadian forces are interoperable with aircraft from the United States and other allied nations
- the Boeing Joint Helmet Mounted Cueing System to improve weapons targeting
- new color cockpit displays to increase situational awareness
- an upgraded, chaff-and-flare dispensing electronic warfare system to improve survivability.

Phase 1 was valued at US$436 million and Phase 2 at $150 million. Boeing designed the upgrades and completed two prototype aircraft. L-3 Electronic Systems, with locations in Halifax, Nova Scotia, and Toronto, developed and produced the upgraded crew station displays. L-3 Communications MAS installed the upgrades on the program's remaining 77 aircraft.

"Boeing's upgrades to Canada's CF-18 fleet will ensure that this fighter force will remain effective and operationally credible for many years to come," said Jim O'Neill, vice president and general manager, Boeing Integrated Logistics. "Nearly 30 years after the delivery of the first CF-18 Hornet, Canada's defense forces are better equipped than ever, with more capability and a fully modernized fleet, due to the innovative upgrades designed and installed by Boeing and our partner, L-3 Communications MAS."

"Across all four regions of Canada, Boeing worked with more than 25 Canadian suppliers and organizations through direct and indirect work packages that were an integral part of Boeing's Industrial and Regional Benefits program for CF-18 modernization," said Pete Peterson, country director and vice president in Canada for Boeing Defense, Space & Security. "All technical program milestones were completed on schedule and within budget, and we completed industrial and regional benefits commitments early, making this a truly successful program."

Boeing has been a major contributor to the Canadian economy since 1919, generating approximately $1 billion in business annually. The company employs highly skilled workers in Nova Scotia, Quebec, Ontario, Manitoba, Alberta and British Columbia in support of its commercial and defense business units. Canada also is home to one of Boeing's largest international supplier bases, with more than 200 suppliers in every region of the country, providing a diverse mix of high-value goods and services to Boeing and its customers.

A unit of The Boeing Company, Boeing Defense, Space & Security is one of the world's largest defense, space and security 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 Defense, Space & Security is a $34 billion business with 68,000 employees worldwide.

# # #

Contact:

Juliette Yancey
Boeing Integrated Logistics Communications
Office: 314-777-7863
Mobile: 314-691-8973
juliette.d.yancey@boeing.com

Amy Horton
BDS Communications
Office: 314-233-4368
Mobile: 314-705-0283
amy.e.horton@boeing.com