Boeing Receives US Army Contract for Low Rate Initial Production of AH-64D Apache Block III

MESA, Ariz., Oct. 25, 2010 -- The Boeing Company [NYSE: BA] today announced it has received a $247 million contract to begin Low Rate Initial Production (LRIP) for the U.S. Army's AH-64D Apache Block III helicopter, the most advanced multi-role combat helicopter in the world. The contract, signed by the U.S. government on Oct. 22, covers production of eight Apache Block III helicopters in the Lot 1 configuration.

An Acquisition Decision Memorandum signed by the Department of Defense on Oct. 7 authorized the program to enter the LRIP phase to produce 51 aircraft. The first LRIP delivery is scheduled for October 2011.

The Apache Block III helicopter enhances the capabilities of the combat-proven AH-64D Apache by delivering superior flight performance and dramatically increased networked communications capabilities.

"The road map for the Apache Block III program has been clearly defined and the U.S. Army and Boeing are successfully working together to provide these advanced attack helicopters to soldiers in the field," said Lt. Col. Dan Bailey, Apache Block III product manager for the Army.

"Working together throughout the Apache Block III program's system development and demonstration phase since 2006, the Army, Boeing and our industry teammates have achieved our objectives on cost and on schedule," said Scott Rudy, Apache Block III program manager for Boeing. "I'm confident that the team will continue to effectively apply its collective expertise as the program moves into the production phase."

The current Army acquisition objective is for 690 AH-64D Apache Block III aircraft. The helicopters will be assembled, flight tested and delivered from the Boeing Global Strike facility in Mesa.

Key enhancements for aviators will include an improved drive system featuring the 701D engine, composite main rotor blades and a new split-torque face gear transmission, as well as increased networked communications capabilities.

The Apache Block III features open systems architecture and 26 advanced technology improvements, including level 4 unmanned aerial vehicle control for increased situational awareness. This helicopter configuration has already demonstrated the flexibility to rapidly integrate technology changes throughout its service life.

"The Apache Block III helicopter program is the cornerstone of our U.S. Army customer's plan of continued sustainment through modernization," said Tommy Filler, acting vice president, Boeing Apache and AH-6 Programs.

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Contact:

Carole Thompson
Boeing Global Strike Communications
Office: 480-891-2119
Mobile: 602-741-4802
carole.j.thompson@boeing.com