Boeing Receives $106 Million Small Diameter Bomb Contract Extension

ST. LOUIS, Nov. 9, 2010 -- Boeing [NYSE: BA] today announced it has received a $106 million contract extension from the U.S. Air Force for nearly 2,700 Small Diameter Bomb Increment I (SDB I) munitions and approximately 380 BRU-61 carriages.

Boeing will deliver the munitions and carriages starting in January 2012. The Lot 7 production order is the seventh option exercised by the Air Force's Air Armament Center since 2003 and contains the most SDB I weapons ordered in a single lot. Lots 1 through 7 comprise a total of 12,379 munitions and 2,059 carriages. All the contracts resulted from options created under the 2003 SDB I System Development and Demonstration (SDD) contract.

"Boeing and the U.S. Air Force have worked together to expand SDB I's mission capability from a long-range standoff weapon into a weapon that also minimizes flight time to target -- a capability that is ideal for close air support in today's ever-changing battlefield," said Debbie Rub, Boeing Military Aircraft vice president of Missiles and Unmanned Airborne Systems. "Our team is ready to swiftly put more of these tools into the hands of U.S. warfighters."

Boeing has delivered approximately 7,000 munitions and 1,200 carriages to the Air Force under Lots 1 through 5. Production of the 2,613 munitions and 472 carriages in Lot 6 is more than three months ahead of schedule, with the first munitions delivery planned for later this month and the first carriage delivery planned for December.

"The Air Force's exercise of this Lot 7 contract option ensures SDB I's long-term availability and continued cost-effectiveness," said Dan Jaspering, Boeing program director for Direct Attack Weapons. "We will continue our track record of delivering this effective, accurate and battle-proven weapon on time and on price with Lot 7 in 2012."

SDB I is a 250-pound class, low-cost and low-collateral-damage precision strike weapon. It incorporates a steel case and penetrating blast-fragmentation warhead. The weapon's smaller size, coupled with its four-place carriage, enables more weapons to be carried on each aircraft to improve mission effectiveness and reduce the number of sorties required per mission. The Focused Lethality Munition (FLM) variant provides even lower collateral damage effects with the use of a composite case warhead.

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Contact:

Garrett Kasper
Boeing Military Aircraft
314-232-0199
garrett.d.kasper@boeing.com