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Contracts awarded for 1st 3 work packages; others to be awarded this year

Industrial & Regional Benefits tied to CH-147F performance-based logistics program will bring Canada benefits of nearly US\$2 billion over 20 years

OTTAWA, Ontario, Jan. 30, 2012 -- Boeing [NYSE: BA] has selected three Canadian firms to receive the first group of work packages for in-service support of 15 Boeing CH-47F Chinook helicopters, designated CH-147F for the Canadian Forces. Following an open competition, Boeing chose the following suppliers:

- L-3 Communications MAS (Mirabel, Quebec): technical publications
- Raytheon Canada Limited (Calgary, Alberta): supply chain support
- L-3 Electronic Systems (Enfield, Nova Scotia): logistics support analysis.

"Boeing is working with companies across Canada to ensure the right infrastructure is in place to support the Canadian Forces' CH-147F fleet," said Jim O'Neill, vice president and general manager, Boeing Integrated Logistics. "We will support the operational readiness of these Chinooks while managing overall life-cycle cost and providing long-term opportunities for the Canadian aerospace industry and workforce."

Competitions are ongoing with Canadian firms for additional in-service support work packages, including support and test equipment; contractor maintenance support for the maintenance training suite; and engineering support services. Boeing expects to announce those selections later this year.

Through Canada's Industrial and Regional Benefits (IRB) Policy, Boeing's IRB commitments on the Medium-to-Heavy Lift Helicopter In-Service Support Program will bring benefits of approximately US\$2 billion to Canada over a 20-year period.

In August 2009, the government of Canada announced it would acquire 15 CH-47F Chinooks to address the Canadian Forces Medium-to-Heavy Lift Helicopter requirement. Production of the fleet is under way at Boeing's facility at Ridley Township, Pa. Delivery of CH-147Fs to the main operating base at Petawawa, Ontario, will begin in 2013.

The Canadian CH-147F Chinook is an advanced multi-mission helicopter that features a modernized airframe with a long-range fuel system, fully integrated digital cockpit management system, Common Avionics Architecture System cockpit, self-protection system, improved electrical systems and advanced cargo-handling capabilities.

Life-cycle support of these aircraft will be delivered through a long-term Performance Based Logistics (PBL) program that will provide full system logistics and training services. Boeing is a proven provider of performance-incentivized, integrated logistics solutions. The company has more than 15 PBL contracts with customers around the world and across multiple platforms, including the Chinook.

PBL is an alternative to the traditional transactional approach to purchasing supply and maintenance support for defense programs. With PBLs, customers buy agreed-to outcomes -- for example, a set mission readiness rate -- versus purchasing spares in a transactional arrangement. PBLs can be tailored to meet the customer's needs, from supply of spares and repairs to management of complex systems or full operational fleet support.

Boeing has been a major contributor to the Canadian economy since 1919, generating approximately US\$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 major 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, <u>Boeing Defense</u>, <u>Space & Security</u> 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 \$32 billion business with 63,000 employees worldwide. Follow us on Twitter: <u>@BoeingDefense</u>.

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