

Boeing to Complete Production of C-17 Globemaster III in 2015

Boeing to Complete Production of C-17 Globemaster III in 2015

Support and maintenance of global C-17 fleet continues through Boeing's Globemaster III Integrated Sustainment Program

Production continues at 10 C-17s per year for 22 additional new aircraft

Boeing's 2013 financial guidance unchanged

LONG BEACH, Calif., Sept. 18, 2013 -- Boeing [NYSE: BA] will complete production of the C-17 Globemaster III and close the C-17 final assembly facility in Long Beach, Calif. in 2015.

"Ending C-17 production was a very difficult but necessary decision," said Dennis Muilenburg, president and chief executive officer of Boeing Defense, Space & Security. "We want to thank the highly skilled and talented employees who have built this great airlifter for more than two decades-- and those who will help us as we continue to build the remaining 22 aircraft and support and modernize the global fleet for decades to come. The C-17 remains the world's most capable airlifter with unmatched readiness and cost effectiveness."

Boeing will continue after-delivery support of the worldwide C-17 fleet as part of the C-17 Globemaster III Integrated Sustainment Program (GISP) Performance-Based Logistics agreement. The GISP "virtual fleet" arrangement provides the highest airlift mission-capable rate at one of the lowest costs per flying hour.

"Our customers around the world face very tough budget environments. While the desire for the C-17's capabilities is high, budgets cannot support additional purchases in the timing required to keep the production line open," Muilenburg added. "What's more, here in the United States the sequestration situation has created significant planning difficulties for our customers and the entire aerospace industry. Such uncertainty forces difficult decisions like this C-17 line closure. We will continue to make tough but necessary decisions to drive affordability and preserve our ability to invest for the future."

Boeing expects a charge of less than \$100 million, which will be recorded this quarter, as a result of this announcement. The charge will not impact financial guidance for the year.

Nearly 3,000 employees support the C-17 production program in Long Beach; Macon, Ga.; Mesa, Ariz. and St. Louis. Workforce reductions will begin in early 2014 and continue through closure. Boeing will provide employee assistance including job search resources, financial counseling, retirement seminars and help locating potential jobs within and outside of the company.

"We recognize how closing the C-17 line will affect the lives of the men and women who work here, and we will do everything possible to assist our employees, their families and our community," said Nan Bouchard, vice president and C-17 program manager.

Additionally, the C-17 industrial team includes more than 650 suppliers in 44 states. Boeing and its suppliers provide 20,000 jobs in support of C-17 production.

Since the first flight on Sept. 15, 1991, the C-17 has amassed more than 2.6 million flying hours supporting airlift of troops and large cargo, precision airdrop of humanitarian supplies and lifesaving aeromedical missions. Boeing has delivered 257 C-17s, including 223 to the U.S. Air Force, and a total of 34 to Australia, Canada, India, Qatar, the United Arab Emirates, the United Kingdom and the 12-member Strategic Airlift Capability initiative of NATO and Partnership for Peace nations.

Boeing has been a part of California and its rich aerospace legacy for more than 90 years. Today it occupies a diversified portfolio including commercial aviation; the largest satellite design and manufacturing factory in the world, and new markets such as cyber security. Boeing has approximately 20,000 employees in California and remains committed to defense and commercial business in the state.

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 \$33 billion business with 59,000 employees worldwide. Follow us on Twitter: [@BoeingDefense](#).

Related photos and site backgrounders are available to media through the contacts below.

Forward-Looking Information Is Subject to Risk and Uncertainty

Certain statements in this release may be "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "intends," "plans," "projects," "believes," "estimates," "targets," "anticipates," and similar expressions are used to identify these forward-looking statements.

Examples of forward-looking statements include, but are not limited to, statements relating to our future plans, business prospects, financial condition and operating results, as well as any other statement that does not directly relate to any historical or current fact. Forward-looking statements are based upon assumptions about future events that may not prove to be accurate. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. As a result, these statements speak to events only as of the date they are made and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by federal securities laws. Specific factors that could cause actual results to differ materially from forward-looking statements include, but are not limited to, the effect of economic conditions in the United States and globally and general industry conditions as they may impact us or our customers, as well as the other important factors disclosed previously and from time to time in our filings with the Securities and Exchange Commission.

Contact:

Cindy Anderson

Mobility, Surveillance and Engagement

Boeing Defense, Space & Security

Office: +1 562-593-4477

Mobile: +1 562-253-5818

cindy.a.anderson@boeing.com
