Boeing, Oto Melara Sign Contract for SDB Co-production in Italy

ST. LOUIS, Jan. 19, 2010 -- The Boeing Company [NYSE: BA] has signed a $34 million contract with Italian defense company Oto Melara to co-produce the Small Diameter Bomb Increment I (SDB I) weapon system for the Italian Air Force.

"We are proud to team with Oto Melara to bring SDB and its precision, low-collateral-damage capabilities to the Italian Air Force," said Debra Rub, Boeing Weapons vice president. "SDB has the potential to be the weapon solution of choice for many of our friends and allies around the globe. This agreement lays the foundation for continued growth in the international marketplace."

Under the terms of the contract, Boeing will provide major SDB I mechanical and electrical components and test equipment for production of 500 tactical weapons, 50 four-place weapon carriages, and associated support equipment. In addition, Boeing will provide technical assistance in establishing a production facility in Italy. Oto Melara will provide various components and complete final weapon assembly and testing.

"With the SDB I program, we have the opportunity to support again the needs of the Italian Air Force with co-production in Italy. Our decennial relationship with Boeing has had and will have the scope to provide state-of-the-art precision weaponry and to manage directly in Italy all needs of our Italian customer," said Carlo De Rossi, head of Oto Melara's Breda Meccanica Bresciana unit.

The SDB I co-production project follows previous joint collaborations between Oto Melara and Boeing, including production of about 1,000 Joint Direct Attack Munition (JDAM) tail kits for the Italian Air Force.

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.

Oto Melara SpA is a company of the Finmeccanica Group, Italy's major defense industry player, and one of the world's biggest aerospace and defense groups with 73,000 employees and revenue of 15.1 billion euros.

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 $32 billion business with 70,000 employees worldwide.

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