

Insitu Boeing Acquisition Q & A

8/19/08

As most GTA members are aware, Insitu Inc. is in the process of being acquired by Boeing. As a member and sponsor of the GTA, and as an important business partner of many our members, we discussed several questions of potential interest and have provided them for you below. For the press release discussing this news, go to: <http://www.insitu.com/index.cfm?navid=20&cid=2820>

Q: What does the acquisition portend for Insitu's long-term growth in the Columbia Gorge, particularly as a the hub of a network of local tech companies?

A: The acquisition signifies that the Gorge is a an excellent place to do business, especially as our company evolves its structure in response to business and customer drivers. We have no plans to move Insitu out of The Gorge. In fact, we realize our location provides us with a number of advantages we hope to retain: 1) The Gorge lifestyle helps us attract top talent to our employee base; 2) Space/facilities are available, and affordable by industry standards, which helps keep our costs down; and 3) We enjoy significant political support/visibility as a major employer in an economically disadvantaged area. It is possible that Insitu will add locations to our "footprint" as we grow—much as we did with the recent addition of our Vancouver, WA office.

Q: Will Insitu continue to make local sourcing of supplies/services a priority as it has in the past?

A: Insitu has every intention of continuing to use as many local suppliers as possible; in fact we hope that more technology companies hear of our success in The Gorge and decide to move their businesses here. Approximately 60% of our supplier chain purchases are made within 50 miles.

Q: Are there any specific needs Insitu has (work space, people, materials, expertise) that are important to its continued growth here, and are there ways local companies can be a part of meeting those needs?

A: One of our main needs as we grow is to attract more talented employees; The Gorge lifestyle definitely helps us in doing that. Specifically The Gorge offers a wonderful place to raise a family; it also offers many activities to outdoor enthusiasts. We will also eventually need more buildings to house employees. So far we have had no problems finding space to lease. We also ask for the continued support of the local governments; organizations such as MCEDD have been instrumental in helping us to deliver our messages to the community.

Q: What's on the radar for the future that Insitu would like its partners to know about and understand?

A: As a company we will aspire to accomplish these key goals: 1) To win the joint US Navy-Marine Corps STUAS/Tier II (small tactical unmanned aerial system) Contract; 2) Successfully launch our newest product, the Integrator™ unmanned aircraft; and 3) Service our current ScanEagle™ customers to the best of our ability. In the longer term, there will be more opportunity to identify and aim for greater success as we strive to become a leader in Mobile Autonomous Information Systems Platforms, Technologies, and Services.