

Michelin Aircraft Tire Corp. Wins \$70 Million Contract To Provide Naval Aircraft Tires

Michelin and Lockheed Martin Team to Deliver Tires Anywhere in the World Within Four Days

PRNewswire
GREENVILLE, S.C.

Michelin Aircraft Tire Corp. (Michelin) has been awarded a five-year, \$70 million contract by the U.S. Navy to provide around-the-clock, worldwide, on-time delivery of 23 types of naval aviation tires. Lockheed Martin Naval Electronics & Surveillance Systems (NE&SS)-Surface Systems will work with Michelin to provide supply chain management services.

The contract, awarded by the Naval Inventory Control Point (NAVICP) -- Philadelphia, an organization in the Naval Supply Systems Command in Mechanicsburg, PA, contains options for the two five-year extensions. If the options were fully exercised, the contract would be worth \$266 million over 15 years.

Team leader and prime contractor Michelin will produce most of the tires at its aircraft tire production plant in Norwood, N.C. Subcontractor NE&SS-Surface Systems will provide comprehensive supply chain management services, including demand forecasting, inventory control, warehousing, distribution, delivery and requisitioning support. The NE&SS-Surface systems activity represents approximately 25 percent of the total contract value.

"Michelin Aircraft Tire Corp. is pleased to be selected by the U.S. Navy for this contract," said Bill Van Someren, vice president of marketing and sales worldwide for Michelin Aircraft Tire. "This contract confirms Michelin's reputation for quality, technology and innovation. It also confirms our ability to deliver products and services on a global scale."

"This contract represents the first competitive win for NE&SS-Surface Systems in an adjacent market," said NE&SS-Surface Systems President Fred P. Moosally. "Michelin's superior product complements perfectly Lockheed Martin's established record in supply chain management. We are pleased the Navy has recognized and selected this powerful combination of first-rate production capability and supply-chain management excellence to meet fleet naval aviation requirements."

During the first five years of the contract, the U.S. Navy expects to purchase 163,581 tires. Ninety percent of those purchases will support U.S. Navy fleet aviation requirements for Navy and Marine Corps aircraft. The remaining ten percent will support naval aviation requirements of the governments of Spain, Japan, Egypt, Taiwan, Malaysia, Kuwait, Italy and New Zealand under the U.S. Foreign Military Sales program. Under the terms of the contract, the team will deliver tires anywhere in the world within two to four days.

Michelin Aircraft Tire Corp. and Michelin North America, Inc. manufactures and sells tires for every type of vehicle, including airplanes, automobiles, bicycles, earthmovers, farm equipment, heavy-duty trucks, motorcycles and the space shuttle. The company also

publishes travel guides, maps and atlases covering Europe, Asia, Africa and North America. Headquartered in Greenville, S.C., Michelin North America, Inc. (<http://www.michelin.com/>) employs 26,500 and operates 21 plants in 19 locations.

Lockheed Martin NE&SS-Surface Systems, headquartered in Moorestown, N.J., is one of five major lines of business comprising the Lockheed Martin NE&SS business segment. NE&SS provides surface ship and submarine combat systems, antisubmarine warfare and ocean surveillance systems, missile launching systems, radar and sensor systems, ship systems integration services and other advanced systems and services to customers worldwide. NE&SS is an operating segment of the Lockheed Martin Systems Integration business area.

Headquartered in Bethesda, M.D., Lockheed Martin Systems Integration is one of four principal business areas within the Lockheed Martin Corporation . The other business areas are aeronautics, space and technology services.

SOURCE: Lockheed Martin Naval Electronics & Surveillance Systems

Website: <http://www.us.michelin.com/>

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Website: <http://www.michelin.com/aviation>

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