

Lockheed Martin Receives \$117.6 Million For Additional Lot 3 F/A-22

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Crediting reduced costs from suppliers as a catalyst, the U.S. Air Force has exercised a contract option by awarding Lockheed Martin \$117.6 million to add one F/A-22 aircraft and associated equipment to the Lot 3 Low Rate Initial Production contract awarded earlier last month. This brings the number of F/A-22s to be procured in Lot 3 to 21 aircraft and moves the total number of production F/A-22s ordered thus far to 44 jets.

The opportunity to procure an additional aircraft in Lot 3 is the direct result of the Air Force's "Buy to Budget" acquisition strategy approved by the Department of Defense in September 2001, which is still in effect today. The Buy to Budget strategy permits the Air Force to maximize the total number of F/A-22s procured within the program's approved budget cap.

Specific funds for the 21st F/A-22 became available, in part, by recent gains in supplier confidence, which, in turn, led to reduced vendor cost quotes. The associated savings, when combined with funds remaining in the approved budget following the Lot 3 contract award, enabled the Air Force to procure an additional aircraft within the fiscal 2003 F/A-22 procurement budget.

"This addition to the Lot 3 contract clearly indicates that our efforts to reduce costs are starting to pay off," said Ralph Heath, Lockheed Martin Aeronautics executive vice president and F/A-22 program general manager. "I believe every additional aircraft order reaffirms the U.S. government's continuing commitment to the F/A-22 program."

In testimony before Congress on April 11, 2003, Dr. Marvin Sambur, assistant secretary of the Air Force for Acquisition, said, "The F/A-22 is meeting or exceeding all eight aircraft performance-related Key Performance Parameters (KPP). In addition to strong performance on the KPPs, the program successfully completed every calendar year 2002 exit criteria."

Previously, the U.S. Air Force purchased 23 F/A-22 Raptors during production Lots 1 (10 aircraft) and 2 (13 aircraft). In addition, nine developmental flight-test aircraft and eight operational test and tactics development aircraft were built prior to the program's production authorization in August 2001. To date, all nine developmental test and three operational test aircraft have been delivered to the U.S. Air Force.

The F/A-22 Raptor is built by Lockheed Martin in partnership with Boeing, powered by Pratt & Whitney engines, and made from parts and subsystems provided by approximately 1,000 subcontractors and suppliers in 40 states. Principal aircraft production activities take place at Lockheed Martin facilities in Marietta, Ga., Fort Worth, Texas, and Palmdale, Calif., as well as at Boeing's plant in Seattle, Wash. The engines are built in East Hartford, Conn.

Final assembly and initial flight-testing of the Raptor occurs at the Marietta factory, production headquarters for the F/A-22 program's contractor team. The Raptor's low-observable control surface edges, antennas and radomes are built in Palmdale, while its mid-fuselage is built in Fort Worth. Boeing builds the aircraft's aft-fuselage and wings, while Lockheed Martin is the program's principal systems integrator.

The Raptor, scheduled to become operational in 2005, has unprecedented fighter and attack capabilities with its balanced design of stealth, supercruise speed and extreme agility, along with advanced integrated avionics and a pilot-friendly cockpit. These attributes make the Raptor truly transformational and will support the goal of quick, decisive victory in future conflicts, saving American and allied lives.

Lockheed Martin Aeronautics Co., headquartered in Fort Worth, Texas, is a leader in the design, development, systems integration, production and support of advanced military aircraft and related technologies. Its customers include the military services of the United States and allied countries throughout the world. Products include the F-16, F/A-22, F-35 JSF, F-117, T-50, C-5, C-130, C-130J, P-3, S-3 and U-2.

Headquartered in Bethesda, Md., Lockheed Martin employs about 125,000 people worldwide and is principally engaged in the research, design, development, manufacture and integration of advanced technology systems, products and services. The corporation reported 2002 sales of \$26.6 billion.

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For more information on Lockheed Martin Aeronautics Co., visit: <http://www.lmaeronautics.com/>

For more information on the F/A-22 Raptor, visit: <http://www.fa22raptor.com/>

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