

U.S. Postal Service Selects Lockheed Martin For Additional Automatic Tray Lidder And Tray Sleeving Systems

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Lockheed Martin [NYSE: LMT] has been awarded two contracts totaling nearly \$24 million to produce additional systems that automatically process mail containers and help achieve cost savings in dispatch operations.

(Photo: NewsCom: <http://www.newscom.com/cgi-bin/prnh/20041222/NYW019>)

Under a \$19.8 million contract, Lockheed Martin will produce 90 additional Automatic Tray Sleever (ATS) systems, adding to 125 units already deployed at U.S. Postal Service processing and distribution centers (P&DCs) throughout the nation. An ATS machine automates the manual task of taking managed mail, small managed mail, extended managed mail, and small extended managed mail trays from processing operations and sliding the trays into a collapsible sleeve for protection during transport. The original systems were deployed in 2000.

Under a separate \$3.95 million contract, Lockheed Martin will produce 50 additional Automatic Flats Tray Lidder (AFTL) systems, also for deployment to P&DCs. The AFTL systems automatically place lids on trays used to transport mail such as newspapers, magazines, large business envelopes, direct-mail catalogs, and advertising literature. Lockheed Martin has already built 120 AFTL machines under a contract awarded in April 2003. The performance of installed AFTL machines is exceeding specifications.

"The AFTL and ATS systems continue to enhance Postal Service efficiency. Our deployed systems are making a noticeable difference in the field, which has led to these new contracts," said Brian Tanton, vice president of Material Handling and Identification Solutions for Lockheed Martin Distribution Technologies. "We look forward to deploying the additional systems and to providing field support on this important modernization program."

USPS Vice President of Engineering Thomas G. Day said, "Both systems upgrade manual processes and are part of an overall dispatch modernization effort aimed at increasing throughput and performance during peak periods, while capturing sustainable labor savings." This is one of several automation related initiatives that are a part of the Transformation Plan, which includes strategies for taking cost out of the business while improving efficiency. (The Postal Service's Transformation Plan may be found at <http://www.usps.com/strategicplanning> .)

Work on both contracts will begin in spring 2005. Subassembly and prep work to ship the systems will be performed at Lockheed Martin's manufacturing facility in Apalachin, NY.

Headquartered in Bethesda, MD, Lockheed Martin employs about 130,000 people worldwide and is principally engaged in the research, design, development, manufacture

and integration of advanced technology systems, products and services.

For additional information, visit our website: <http://www.lockheedmartin.com/>

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