Lockheed Martin Receives \$26 Million Contract For Laser-Guided Training Rounds

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Lockheed Martin has received a contract valued at approximately \$26 million to deliver laser- guided training rounds (LGTRs) to the U.S. Navy next year. The contract includes four one-year options for LGTRs each year through March 2009, totaling \$114 million if all options are exercised.

"Live-fire training with LGTR permits aircrews to practice delivery tactics in real-mission environments and experience actual weapon characteristics with today's range limitations," said Capt. David Dunaway, U.S. Navy program manager, Naval Air Systems Command (PMA-201), in Patuxent River, MD. "Lower unit cost leads to more training opportunities. Using the LGTR conserves the precision-guided weapon inventory for tactical missions. With increased training opportunities, proficiency is maintained in LGB tactics leading to warfighter mission success."

"Laser-guided training rounds are a categorical advancement in training practices for the Marine and Navy branches," stated U.S. Sen. Arlen Specter (R-PA). "With this new contract, Marine and Navy aviators can utilize the innovative technology of the laser-guided bombs, but at a lower cost to the military. I applaud the skilled men and women of the Lockheed Martin-Archbald facility for their innovative foresight, and for their commitment to equipping our service men and women with the tools they need to respond to worldwide threats."

"It is essential that our military forces be proficient and capable in their mission skills before deploying to a military conflict or wartime engagement," said U.S. Sen. Rick Santorum (R-PA). "These training rounds -- in partnership with flying training hours -- will allow our pilots to be well skilled and better able to conduct their missions in theaters like Iraq and Afghanistan. I salute the Lockheed Martin workers for their efforts and hard work that will enable our military personnel to meet our national security objectives and goals."

"The Laser-Guided Training Round is a great success story for the Navy and for Lockheed Martin," said U.S. Representative Don Sherwood (R-PA). "The people at the Archbald plant had the foresight more than a decade ago to develop the LGTR to help the Navy reduce training costs. That has led to not only the production of thousands of training rounds, but also to more than \$300 million in new work since 2002 to produce laser-guided bombs. The result is about 200 new jobs at the Archbald plant, and millions of dollars of savings for the military and for the taxpayers."

Since 1990, the Lockheed Martin facility in Archbald, PA, has delivered more than 45,000 LGTRs to the U.S. Navy and 12 other international customers. The LGTRs are used to train aircrews at a significantly reduced cost as compared to using laser-guided bombs. Lockheed Martin in Archbald supplies both the LGTRs and tactical laser-guided bomb (LGB) kits.

"We will continue to focus on providing the best value solution to the Navy through continued performance enhancements of the live-fire trainer while maintaining a very competitive price," said Cynthia Sailar, vice president and general manager at Lockheed Martin in Archbald, PA. "We are proud of our award-winning team's performance in meeting the warfighters' needs over the past 15 years and we look forward to our continued partnership with the Navy."

Lockheed Martin's facility in Archbald was awarded the 2005 Shingo Prize for Manufacturing Excellence last March. Referred to by BusinessWeek magazine as the "Nobel prize of manufacturing," the Shingo Prize for Excellence in Manufacturing is awarded annually to companies that demonstrate world-class business results through the implementation of Lean Manufacturing principles and practices. The prize is administered by The College of Business, Utah State University, in cooperation with several nonprofit and corporate organizations.

"The award validated our dedication to manufacturing excellence and our commitment to bringing the best quality and value to our customers," said Sailar. "We will continue and expand our culture of ongoing improvement to eliminate waste, drive profitability and maximize customer value. Our team is focused on serving our customers with quality products and solutions, delivered on time, at competitive prices."

In addition to LGTRs and LGB kits, Lockheed Martin's facility in Archbald produces specialized instrumentation and control systems, and manufacturing services such as state-of-the-art metal crafting and electrical assembly. The 350,000-square-foot facility, located in northeastern PA, designs, develops manufactures, tests and fields products

for the U.S. Department of Defense, allied nations and industrial customers.

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.

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