MEADS International Signs \$3.4 Billion Design And Development Contract

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MEADS International (MI) formally signed a definitized contract to design and develop the tri-national Medium Extended Air Defense System (MEADS). The contract value is approximately \$2 billion plus Euro 1.4 billion for the program's design and development (D&D) phase.

The D&D contract extends the period of performance of a previous letter contract that was awarded to MI by the NATO MEADS Management Agency (NAMEADSMA) in September 2004. Award of the contract follows the German government's approval on April 20 of entry into the MEADS D&D phase, a step taken earlier by the governments of Italy and the United States.

MEADS International is a joint venture of MBDA Italia, EADS/LFK in Germany and Lockheed Martin in the United States.

"The MEADS program and its promise of unprecedented capability for the warfighter are moving forward," said Jim Berry, president of Lockheed Martin Missiles and Fire Control. "We will now complete development of the system and prepare it for production. That's important for our tri-national forces who have asked for greater mobility, interoperability and lethality. MEADS is a 21st Century air and missile defense system solution and another essential system to protect the lives of our soldiers and air crews."

Werner Kaltenegger, CEO of EADS/LFK added: "MEADS strengthens our long- standing experience in transatlantic co-operation as well as our capabilities in the field of air and missile defence. The MEADS development programme will secure hundreds of high-tech jobs in Germany -- and thus important national core competences mainly in the areas of system integration, radar technology and combat management software."

Marwan Lahoud, MBDA Chief Executive Officer, said "The design and development contract recognizes that MEADS is the model for successful transatlantic development of advanced weapon systems. It is also a critical milestone for MBDA which, through its Italian operations and with EADS/LFK of Germany, will realize the maximum European benefit from this strategically important program." Fabrizio Giulianini, MBDA Italia Managing Director and Multinational surface to air program Director, said: "The realization of this program confirms MBDA as the partner of choice for complex multinational development programs."

MEADS, under development by Germany, Italy and the United States, includes a lightweight launcher, 360-degree fire control and surveillance radars and plug-and-fight battle management command and control capabilities not found in current systems. With its enhanced mobility and advanced technologies, MEADS will offer Armed Forces significant improvements over existing systems.

MEADS is a mobile air and missile defense system designed to replace Patriot systems in the United States and Germany, and Nike Hercules systems in Italy. It also meets the requirements of Germany's "capabilities oriented" air and missile defense concept. MEADS incorporates the battle-proven hit-to-kill PAC-3 missile in a system that includes 360-degree surveillance and fire control sensors, netted-distributed battle management/communication centers and high-firepower launchers. The system combines superior battlefield protection with unprecedented flexibility, allowing it to protect maneuver forces and to provide homeland defense against tactical ballistic missiles, cruise missiles, unmanned aerial vehicles and aircraft.

During the MEADS design and development phase, MI will finalize designs for equipment and complete their integration into the 21st century air and missile defense system. The system's six major equipment items are: Multifunction Fire Control Radar; Surveillance Radar (MFCR); Battle Management, Command, Control, Communications, Computers and Intelligence (BMC41); Certified Missile Round (PAC-3 missile and canister); Launcher; and Reloader.

In Orlando, the MEADS program will significantly expand its technical employment as a result of the contract. The MEADS program will expand at EADS/LFK, Lockheed Martin, MBDA and MI locations that currently participate in development of the advanced air and missile defense system. Lockheed Martin will perform contract work at its locations in Orlando, FL; Dallas, TX; Huntsville, AL; and Syracuse, NY. EADS/LFK will perform work on the BMC4I, launcher, Surveillance Radar and MFCR elements at plants around Munich, Germany. MBDA's Italian operating company, MBDA Italia, will perform work on the BMC4I, MFCR and launcher/reloader elements in Rome, Italy. The

development work will be allocated in accordance with national funding. The United States funds approximately 58 percent of the MEADS program, and European partners Germany and Italy provide approximately 25 percent and 17 percent, respectively.

http://www.meads-amd.com/

SOURCE: MEADS International

Web site: http://www.lockheedmartin.com/

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