Lockheed Martin Partnership Awarded Multi-Year Support Contract for Royal Air Force C-130 Fleet

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A team of Lockheed Martin, Marshall Aerospace and Rolls-Royce has been awarded a contract for the long term support of the United Kingdom's fleet of C-130 aircraft. The initial value of the contract to Lockheed Martin is approximately \$300 million with potential of over \$1.2 billion throughout the life of the program.

The Hercules Integrated Operational Support (HIOS) contract will ensure that the UK's C-130 fleet is maintained at a high level of readiness. The C- 130Ks (formally referred to as Hercules C. Mk 1 and 3) and C-130Js (Hercules C. Mk 4 and 5) are used to support and conduct airlift operations, deliver operational medical capability and ensure vital supplies are in place to support front line theaters of operations. The RAF's C-130s have also been at the forefront of humanitarian relief work across Africa and recently in support of earthquake relief missions in the mountains of Pakistan.

"The Royal Air Force has truly demonstrated to the world the irreplaceable value that the C-130 has in airlift operations. No other aircraft can achieve the range of operational missions that the Hercules can," says David Haines, Lockheed Martin vice president for C-130 programs. "The RAF has set the standard in many areas of C-130 operations, including pushing the performance envelope of the new C-130J. HIOS will transform the way the Hercules fleet is supported and will guarantee more aircraft ready to fly at all times. Lockheed Martin is committed to the long term support of the aircraft it delivers to operators around the world."

Marshall Aerospace, as prime contractor, will work in partnership relationship with Lockheed Martin and Rolls-Royce, which will support the engines. Lockheed Martin will be responsible for overall management of the supply chain and for provision of C-130J-peculiar items and serialized parts for both aircraft types. The goal of the partnership is aimed at keeping the RAF's C-130s available 24 hours a day, 365 days a year, worldwide.

This new contract follows the approach preferred by the United Kingdom Ministry Of Defence (MOD) to partner with industry on a value-for-money basis to support, maintain, operate and upgrade its major weapons systems and equipment. According to the UK, contracts such as this ensure that the UK can continue to incorporate new technology and respond rapidly to new challenges. The new contract is expected to save British taxpayers approximately 500 million dollars over the next 20 years.

Technical Support will be provided via an integrated team of Lockheed Martin, Marshall Aerospace, Rolls-Royce and RAF personnel forming a Technical Support Group at the Marshall facility in Cambridge, England. A similarly structured team at the main operating base will provide support for forward requirements. The partnering relationship also sees progressive transfer of responsibility for C-130J structural and non-integrated systems support from Lockheed Martin to Marshall Aerospace resulting in UK-centric, cost-effective support with a common approach across both aircraft fleets. Depth and forward aircraft maintenance will be supported by an integrated supply chain covering both aircraft types. Lockheed Martin will be responsible for overall management of the supply chain and for provision of C-130J peculiar items and serialized parts for both aircraft types.

Headquartered in Bethesda, Md., Lockheed Martin employs about 135,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. The corporation reported 2005 sales of \$37.2 billion.

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