Lockheed Martin Awarded $311 Million Arrowhead Modernized TADS/PNVS Production Contract

The U.S. Army awarded Lockheed Martin [NYSE: LMT] a follow-on production contract for Arrowhead(R), the new electro-optical system for AH-64 Apache combat helicopter pilots. The contract, valued at $311 million, was signed during a ceremony at the U.S. Army Aviation and Missile Command in Huntsville, AL on February 28.

The Lot 4 agreement authorizes production of 158 Arrowhead kits for some of the remaining U.S. Army and foreign military sales inventory, as well as wartime replacement Modernized Target Acquisition Designation Sight/Pilot Night Vision Sensor (M-TADS/PNVS) systems for new aircraft. The contract also includes spares for both. The Arrowhead kit modernizes the U.S. Army's TADS/PNVS -- known as the "eyes of the Apache" -- for the 21st century by upgrading the infrared sensors and associated electronics.

"The Lot 4 award continues our partnership with U.S. Army Aviation to expand the capabilities of Apache aviators with next-generation FLIR target acquisition/designation and night pilotage," said Bob Gunning, Apache Fire Control program director at Lockheed Martin Missiles and Fire Control. "These capabilities will significantly enhance flight safety and enable our Apache aviators to regain significant standoff with improved targeting capability. The pilots who have flown it are excited to get them, and the Army is fielding Arrowhead as fast as we can build them."

Lockheed Martin will produce Lot 4 in Orlando and Ocala, FL. The final deliveries for Lot 4 production will occur in December 2009.

Lockheed Martin signed the original TADS/PNVS production contract on April 30, 1982, and the first TADS/PNVS system was fielded in 1983. The first Arrowhead production contract award was awarded on November 11, 2003. Lockheed Martin rolled out the first Arrowhead system to the U.S. Army in May 2005, and completed integration on the first Apache helicopters in June 2005.

Headquartered in Bethesda, Md., Lockheed Martin employs about 140,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services.

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