

U.S. Government Releases \$1 Billion In Funding For Production Of Six Lockheed Martin F-35B STOVL Aircraft

The U.S. Department of Defense has released \$1 billion of funding to acquire six Lockheed Martin F-35B short takeoff/vertical landing (STOVL) aircraft as part of the second Low Rate Initial Production (LRIP) contract for the F-35.

The LRIP 2 contract, worth \$2.2 billion for a total of 12 aircraft, was awarded in May. At that time the government authorized six conventional takeoff and landing (CTOL) F-35As, with release of \$933 million, and gave provisional approval for the STOVL jets pending certain requirements. Those stipulations were met by the first flight of the initial F-35B test aircraft on June 11 and by completion of a propulsion system review on July 22. The government exercised the option for the STOVL aircraft and released the \$1 billion on July 22.

The government had previously released long-lead funding of \$158 million in July 2007 for the 12 LRIP 2 aircraft. An additional \$110 million of sustainment options remains to be authorized in the 4th quarter of 2008.

"Getting these STOVL aircraft into production quickly is critical to supporting the USMC's aviation recapitalization objectives," said Dan Crowley, Lockheed Martin executive vice president and F-35 program general manager. "The F-35 Fighter Production System now has all 19 SDD aircraft and the first two LRIP 1 aircraft in flow. We will continue to ramp-up until we reach a peak rate of one F-35 per working day in the middle of the next decade."

Long-lead funds of \$197 million for LRIP 3 were released on May 14 for 19 additional F-35s. The LRIP 1 contract for the first two F-35A production aircraft was finalized and issued in July 2007.

The U.S. Marine Corps is expected to operate about 340 F-35Bs. The United Kingdom's Royal Air Force and Royal Navy, and the Italian Air Force and Navy also will operate the STOVL variant, which will be the world's first STOVL aircraft to combine stealth with supersonic speed.

The first F-35A test aircraft has completed 45 flights and the first F-35B has flown nine times, with both planes demonstrating high reliability and exceptional performance. Nineteen other F-35s are in various stages of assembly, including the first two production-model jets scheduled for delivery to the U.S. Air Force in 2010.

The F-35 is a supersonic, multi-role, 5th generation stealth fighter. Three F-35 variants derived from a common design, developed together and using the same sustainment infrastructure worldwide will replace at least 13 types of aircraft for 11 nations initially, making the Lightning II the most cost-effective fighter program in history.

Lockheed Martin is developing the F-35 with its principal industrial partners, Northrop Grumman and BAE Systems. Two separate, interchangeable F-35 engines are under development: the Pratt & Whitney F135 and the GE Rolls-Royce Fighter Engine Team F136.

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. The Corporation reported 2007 sales of \$41.9 billion.

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First Call Analyst:
FCMN Contact: karen.l.hagar@lmco.com

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