\$357 Million U.S. Army Contract Extends HELLFIRE II Missile Production

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Lockheed Martin, under HELLFIRE Services Limited Liability Company (HSLLC), will produce additional combat-proven HELLFIRE(R) II precision-strike, laser-guided air-to-ground missiles for U.S. and international armed forces under a \$357 million contract with the U.S. Army. Delivery of missiles produced under this contract will begin in 2010.

The contract also provides options for major additional orders in 2009 and 2010. If exercised, the options will sustain full-rate production through 2013 in Lockheed Martin's Troy, AL, and Ocala, FL, facilities.

Options also include more than 200 training missiles and up to 1,200 missile variant conversions.

Lockheed Martin's Troy Operations performs all-up round assembly, while Ocala provides the missile seeker and electronics. Engineering, logistics and program management support are based in Orlando, FL.

"Precision and reliability are key to HELLFIRE's standing as the world's premier air-to-ground weapon system," said Ken Musculus, program director for Air-to-Ground Missile Systems at Lockheed Martin Missiles and Fire Control. "The battle-proven HELLFIRE II continues its legacy of high lethality with minimal collateral damage."

The modular semi-active laser HELLFIRE II missile includes four warhead variations: (1) the high-explosive antitank (HEAT) missile, or AGM-114K, which defeats all known and projected armored threats; (2) the AGM-114M blast fragmentation missile, which is effective against primary target sets such as boats, buildings, bunkers and light-armored vehicles; (3) the metal augmented charge (MAC) missile, or AGM-114N, which defeats enclosures, caves and enemy personnel housed therein; and (4) the recently introduced augmented HEAT warhead, or AGM-114KA, which adds blast fragmentation to the HEAT warhead's anti-tank capability, providing precision strike against soft targets in the open.

All four missile configurations have been used successfully by U.S. and coalition forces in Iraq and Afghanistan, with more than 6,800 rounds fired from multiple platforms.

With more than 22,000 rounds delivered since production began in 1994, HELLFIRE II has been successfully integrated with a wide array of platforms, including the U.S. Army's Apache and Kiowa Warrior helicopters; the U.S. Marine Corps' Cobra; the U.S. Navy's Seahawk helicopter; the UK's Apache attack helicopter; the Eurocopter Tiger and the U.S. Air Force's Predator and Reaper unmanned aerial vehicles. Norway and Sweden employ HELLFIRE missiles launched from tripods in a coastal defense mode.

HELLFIRE is approved for international sales both through the foreign military sales system and direct commercial sales. In addition to all four branches of the U.S. Armed Forces, the armed forces of 16 nations have selected HELLFIRE.

Lockheed Martin performs all work scope on behalf of HSLLC.

Headquartered in Bethesda, MD, Lockheed Martinis a global security company that 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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