

Lockheed Martin Receives Contracts Totaling \$774 Million For The Combat-Proven PAC-3 Missile Program

First Sale Of PAC-3 Missiles To The United Arab Emirates

Lockheed Martin has received contracts totaling \$774 million from the U.S. Army Aviation and Missile Command for hardware and services associated with the combat-proven Patriot Advanced Capability-3 (PAC-3) Missile program. These contracts include Fiscal Year 2009 missile production for the U.S. Army as well as the first sale of the PAC-3 Missile Segment to the United Arab Emirates (UAE).

The UAE becomes the first Middle East customer and the fourth international customer for the PAC-3 Missile, joining The Netherlands, Germany and Japan in fielding the system. Lockheed Martin expects in excess of \$1.8 billion in PAC-3 Missile-related business over the life of the initial UAE program.

The FY09 contracts include production of 172 hit-to-kill PAC-3 Missiles, 42 launcher modification kits, spares and other equipment, as well as program management and engineering services. Production of all equipment will take place at Lockheed Martin manufacturing facilities in Dallas and Lufkin, TX, Chelmsford, MA, Ocala, FL, and the PAC-3 All-Up Round facility in Camden, AR. Deliveries on the contracts will be completed by July 2011.

"The PAC-3 Missile's proven hit-to-kill lethality provides an unprecedented level of protection to the Warfighter," said Mike Trotsky, vice president - Air & Missile Defense Programs at Lockheed Martin Missiles and Fire Control. "We continue to see interest in the PAC-3 Missile Segment around the world, and Lockheed Martin remains focused on producing this vital technology for our customers."

"The PAC-3 Missile offers the UAE combat-proven hit-to-kill lethality to protect critical capabilities and National assets," said Dennis Cavin, vice president - International Air & Missile Defense Strategic Initiatives at Lockheed Martin Missiles and Fire Control. "PAC-3 Missile Segment performance and lethality are the premier technologies available to provide defense against the threats facing our forces and allies today and well into the future."

As part of these contracts, Lockheed Martin will produce and deliver equipment to begin upgrading all U.S. Army Patriot fire units with the capability for firing the PAC-3 Missile. The U.S. Army initiatives, called "Pure Fleet" and "Grow the Army," were launched in 2006 and will provide consistency across the fleet for the user anywhere Patriot is deployed or trained.

Lockheed Martin is the prime contractor on the PAC-3 Missile Segment upgrade to the Patriot air defense system. The PAC-3 Missile Segment upgrade consists of the PAC-3 Missile, a highly agile hit-to-kill interceptor, the PAC-3 Missile canisters (which each hold four PAC-3 Missiles, with four canisters per launcher), a fire solution computer and an enhanced launcher electronics system.

The PAC-3 Missile is the world's most advanced, capable and powerful theater air defense missile, and currently is the only fielded pure kinetic energy air defense missile. It defeats the Patriot Air Defense System threat: tactical ballistic missiles, cruise missiles and fixed and rotary winged aircraft. PAC-3 Missiles significantly increase the Patriot system's firepower, with 16 PAC-3s loading out on a single Patriot launcher.

Lockheed Martin achieved the first-ever hit-to-kill intercept in 1984 with the Homing Overlay Experiment, using force of impact alone to destroy a mock warhead outside of the Earth's atmosphere. Further development and testing produced today's PAC-3 Missile, which won a competition in 1993 to become the first hit-to-kill interceptor produced by the U.S. government. The PAC-3 Missile has been the technology pathfinder for today's total conversion to kinetic energy interceptors for all modern missile defense systems.

Currently, the Lockheed Martin-developed Aegis Weapon System, PAC-3 Missile, the Terminal High Altitude Area Defense (THAAD) Weapon System, the Medium Extended Air Defense System (MEADS) and the Multiple Kill Vehicle (MKV) utilize this proven advanced technology to deliver lethality against today's most dangerous threats.

Lockheed Martin is a world leader in systems integration and the development of air and missile defense systems and technologies, including the first operational hit-to-kill missile. It also has considerable experience in missile design and production, infrared seekers, command and control/battle management, and communications, precision pointing and tracking optics, as well as radar and signal processing. The company makes significant contributions to all major U.S. missile defense systems and participates in several global missile defense partnerships.

Headquartered in Bethesda, MD, Lockheed Martin is 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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