

Lockheed Martin Receives \$2.1 Billion For Third Lot Of F-35 Low-Rate Production

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The United States Department of Defense has awarded Lockheed Martin a \$2.1 billion contract modification to produce 17 F-35 Lightning II stealth fighters in the third lot of low-rate initial production (LRIP). The buy also includes the first international orders - two F-35 operational test aircraft for the United Kingdom and one for the Netherlands.

The contract adds to a May 2008 award of \$197 million to fund LRIP 3 long-lead materials, and to a March 2009 contract modification award of \$320 million for tooling and test equipment, also beginning in LRIP 3.

Assembly of 14 aircraft in the first two LRIP lots is already under way, with initial F-35 deliveries to the U.S. Air Force scheduled to begin in 2010. Eight development aircraft have entered testing, and the remaining 11 are planned to roll out by year's end.

"As we move more deeply into F-35 production, we are seeing the steady increases in quality and efficiency that track to our target production rate of one aircraft per working day in the 2015 time frame," said Dan Crowley, Lockheed Martin executive vice president and F-35 program general manager.

In March and April, Lockheed Martin received additional contracts totaling \$306 million to prepare for the production of 32 additional F-35 Lightning II fighters in LRIP 4. The U.S. and eight nations partnering in the project plan to acquire 3,173 F-35 fighters.

The F-35 is maturing and retiring technical risk rapidly, with 70 percent of system software complete and on schedule, early production processes delivering aircraft with quality levels that surpass those of mature fighter programs, and flight-test aircraft that have recorded zero technical discrepancies in more than 80 percent of their missions.

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 nine 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 is a global security company that employs about 146,000 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 2008 sales of \$42.7 billion.

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