

U.S. Navy Awards Lockheed Martin Contract To Construct Up To 10 Littoral Combat Ships, Provides \$437 Million For First Ship

WASHINGTON, Dec. 29, 2010 /PRNewswire/ -- The U.S. Navy has awarded a Lockheed Martin (NYSE: LMT)-led industry team a fixed-price-incentive-fee contract to construct up to 10 Littoral Combat Ships (LCS).

The first of the 10 ships will be acquired in 2010, at a contract value of \$437 million, and the rest via options through 2015. If all options are exercised, the total value of the ship construction portion of the contract will reach approximately \$3.6 billion. Marinette Marine Corporation, a Fincantieri company, will construct the ships in Marinette, Wis., and naval architect Gibbs & Cox will provide engineering and design support.

"The Lockheed Martin team's Littoral Combat Ship is designed to confront rapidly changing global threats while providing a cost-effective solution in an era of tight budgets," said Lockheed Martin Chairman and CEO Bob Stevens. "This team's strong performance will enable the Navy to deploy a class of affordable, multi-mission combatants to address the nation's needs for decades to come."

Fincantieri CEO Giuseppe Bono said, "We are extremely proud to provide the U.S. Navy with our team's LCS. This contract highlights one of our firm's core beliefs: the answer to tough competition is to think and act globally, bringing the best together into a single offering."

Prior to this contract, the Lockheed Martin industry team designed and constructed the nation's first LCS, USS Freedom. USS Freedom's capabilities have been demonstrated since its commissioning in 2008. The ship successfully completed its first deployment earlier this year and also participated in the world's largest maritime exercise, the Rim of the Pacific Exercise, known as RIMPAC.

LCS 3, the Navy's future USS Fort Worth and Lockheed Martin's second LCS, is more than 80 percent complete and was recently christened and launched. The program remains on schedule and budget for delivery to the Navy in 2012. In constructing LCS 3, the team incorporated lessons learned from USS Freedom to reduce costs and improve efficiency.

About Lockheed Martin

Headquartered in Bethesda, Md., Lockheed Martin is a global security company that employs about 133,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. The Corporation's 2009 sales from continuing operations were \$44.0 billion.

About Fincantieri

Fincantieri-Cantieri Navali Italiani SpA (www.fincantieri.com) is one of the world's most prominent and diversified shipbuilding groups. World leader in the construction of cruise ships, reference operator in the large ferry sector, the company also boasts a considerable order book in the military sector. To encourage the group's growth, Fincantieri has developed a series of initiatives in fields close to its core business: ship repairs and conversion, marine systems and components and mega-yachts. Headquartered in Trieste, the company employs more than 10,500 people and has eight shipyards in Italy. In the United States, it operates through its subsidiary Fincantieri Marine Group (FMG), which builds ships for commercial and government customers, including the U.S. Navy and Coast Guard, at four facilities (Marinette Marine, Bay Shipbuilding, Cleveland Ship Repair, ACE Marine), in the Great Lakes region.

SOURCE Lockheed Martin