

Lockheed Martin Receives \$360 Million In Contracts To Support U.S. Navy MH-60R Helicopter Fleet

WASHINGTON, Jan. 12, 2011 /PRNewswire/ -- The U.S. Navy demonstrated its continued commitment to keeping its MH-60R Seahawk helicopter fleet at the forefront of anti-submarine and anti-surface warfare, awarding Lockheed Martin (NYSE: LMT) a variety of production and development contracts totaling \$360 million. The end-of-year awards cover a spectrum of systems aboard the MH-60R, built by Sikorsky Aircraft Corporation (NYSE: UTX).

"The Navy's investment in the MH-60R fleet ensures our pilots and aircrews have the best and most advanced equipment for every mission," said Capt. Dean Peters, U.S. Navy MH-60 program manager. "We are looking for reliable, modern aircraft upgraded efficiently and affordably, and that's why we have devoted these resources to the MH-60 fleet."

As Lockheed Martin prepares for its 300th cockpit delivery milestone in late February, the Navy exercised a \$38 million option under the current multi-year contract to cover production of the next lot of common cockpits for MH-60S and MH-60R helicopters. The bulk of the work will be performed at Lockheed Martin's facility in Owego, N.Y., and is scheduled for completion by April 2013.

Additionally, the Navy will provide MH-60R/S crews with improved situational awareness by incorporating Lockheed Martin's Situational Awareness Technology Insertion (SATI) aboard the aircraft under a \$35 million contract. The award covers a pre-development iteration of SATI, an eight-component package of upgrades and improvements to the helicopter's flight management system. Improvements include a new integrated digital map to give pilots a clear picture of their operating area, and an upgrade to the Identification Friend-or-Foe (IFF) system. The IFF upgrade will prevent interference during transmission and ensure interoperability with the Federal Aviation Administration and other agencies.

One of the most highly advanced systems aboard the MH-60R – Automatic Radar Periscope Detection and Discrimination (ARPDD) – will transition from system development and demonstration (SDD) to production under a \$36 million contract award. The Telephonics radar used in ARPDD is the latest iteration of the radar currently deployed with the MH-60R, but adds a new mode requiring improved radar performance and eight times the processing power of the previous version.

In October 2010, Lockheed Martin and the Navy successfully completed initial flight tests of the system aboard an MH-60R, marking the first time a helicopter has had the functionality for its on-board radar to automatically discriminate between a periscope and other small surface objects, significantly improving the probability of finding a submarine. This recent contract award covers the infrastructure required to meet full-rate production and the fielding of the ARPDD radar system aboard six MH-60R production aircraft to support Initial Operational Capability in 2013.

Construction of the next lot of 24 MH-60R mission avionics suites and 18 MH-60S cockpits will begin under a \$72 million Multi-Year II advanced acquisition contract award that covers long-lead items for the helicopters and cockpit systems. Lockheed Martin and partner Sikorsky Aircraft have delivered more than 85 MH-60R helicopters to date and are on track to reach the century mark early in 2011.

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 billion.

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