Derco Signs Contract Extension To Support Safair Fleet

Cost per Flight Hour Logistics Program Extension Provides Commercial Operator with Economical Availability and Thru-Life Support

PARIS, France, June 19, 2017 – Derco, a Lockheed Martin Company (NYSE:LMT), has signed a contract extension with Safair Operations for a Cost per Flight Hour (CpFH) program that provides aftermarket material and logistics support. This is extending a successful partnership that began in 2009.

Safair is a commercial L-100 operator with over 51 years of experience in offering specialized aviation services worldwide. Safair delivers specialized global operations, including humanitarian aid, endangered animal transport, search and rescue, and research missions. To support these operations, Derco and Safair developed a total maintenance support solution that continues to ensure Safair has the spare parts and components available to maintain flight availability and preserve the company's impeccable safety track record.

"Supporting a commercial fleet has influenced our logistics support to be more responsive, cost-effective, and efficient, and we will strive to better these services in the extension period," said Peter Winkler, executive vice president and general manager of Derco. "Safair's decision to continue teaming with us is testament to the success of our total fleet support and the strong relationship between our organizations."

"Over the past 8 years, partnering with Derco has supported our ability to operate effectively and ensure our fleet is available to our worldwide customers," said Safair CEO Elmar Conradie. "Given that Derco is the largest C-130/L-100 logistics provider in the world, we see them as well positioned to provide thru-life support for our L-100 fleet. Our confidence is bolstered by the new OEM [Lockheed Martin] shareholding structure which we anticipate will further enhance the services offered. With this extension we have a trusted partner to preserve our record as a world class transport organization and deliver the quality service that our customers deserve, and have come to expect from us."

About Safair

Safair is based in Johannesburg, South Africa, and has been at the forefront of delivering commercial and specialized aviation services across the world for over 51 years. From wet and dry leasing to special airlift operations, Safair promotes a culture of excellence and provides world-class solutions to every challenge.

About Derco

Founded in 1979, Derco, a Lockheed Martin Company based in Milwaukee, Wisconsin, is a recognized leader in providing aircraft spares distribution, logistics, component repair, and technical solutions to customers around the globe. Through solid relationships with premier original equipment manufacturers (OEMs), Derco maintains one of the largest and most diversified aircraft spares inventories in the world. Today, Derco is an integrator and full service logistics solutions provider supporting military and commercial fleets in 65 countries.

About Lockheed Martin

Headquartered in Bethesda, Maryland, Lockheed Martin is a global security and aerospace company that employs approximately 97,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services.