



Lockheed Martin Receives \$67 Million Contract for MK 41 Vertical Launching System

June 17, 2003

BALTIMORE, June 17 /PRNewswire-FirstCall/ -- Lockheed Martin (NYSE: LMT) has been awarded an initial \$67 million contract to continue production, delivery and installation of the MK 41 Vertical Launching System (VLS) for the U.S. Navy. The contract includes production of launchers for two Arleigh Burke-class (DDG 51) Aegis-equipped destroyers, as well as a major upgrade of five other destroyers already equipped with MK 41 VLS. An additional contract option of \$129 million for U.S. Navy and Foreign Military Sales requirements in support of Korea's KDX-III shipbuilding program could raise the contract's total value to \$196 million.

United Defense, L.P. of Aberdeen, SD, will be issued a major subcontract to produce major subassemblies for the MK 41 VLS, as will Metric Systems in Fort Walton Beach, FL.

The MK 41 VLS, a below deck missile launching system developed by the Naval Electronics & Surveillance Systems-Marine Systems unit of Lockheed Martin, was originally designed for the Navy's Aegis-equipped guided missile cruisers to provide air threat protection for naval battle groups. Today, the MK 41 VLS has revolutionized the way world navies think about naval warfare by evolving into a multi-missile, multi-mission launcher. No other naval missile launcher is capable of launching missiles for every threat in naval warfare, including anti-air, anti-submarine, ship self-defense, land attack, and missile defense. Of paramount importance to the U.S. Navy, according to Capt. Mick Outten, Program Manager for the MK 41 VLS, "is the fact that the MK 41 VLS is 99.6% reliable, and is proven in combat situations. Of the 750 MK 41 VLS missile firings in Operation Iraqi Freedom, not a single mission was lost or scrubbed due to the MK 41 VLS." Installed in 16 different ship classes of 11 navies, the MK 41 VLS is truly international in scope.

The contract provides for the upgrade to the new Baseline VII of launchers already aboard Aegis-equipped destroyers DDG 91 - 95. This upgrade to the newest baseline - the latest in a continuous evolution of capability and mission enhancements that have been implemented over the course of the MK 41 VLS program - is possible because of the system's open architecture and flexible design. These upgraded launchers will feature augmented electronics utilizing fiber optic communications, Ethernet switching and PowerPC processor technology.

"We are extremely proud to provide the U.S. Navy and all MK 41 VLS customers with a state-of-the-art launch system proven to be reliable and safe after more than 3,000 missile launches," said Marine Systems Vice President and General Manager Dale Bennett. Dan Heller, MK 41 VLS program director for Lockheed Martin, added, "We have understood the need for this launching system to be easily upgradeable, based on an open architecture design, since program inception more than 20 years ago. The only thing that today's launcher shares in common with the first launcher that entered service in 1983 is the same metal structure. Every other component of the launcher has been enhanced or modified over time."

Specializing in the MK 41 VLS, systems integration and advanced hull form technologies, Marine Systems is a unit of Lockheed Martin Corporation. Headquartered in Bethesda, MD, Lockheed Martin employs about 125,000 people worldwide and is principally engaged in the research, design, development, manufacture and integration of advanced technology systems, products and services. The corporation reported 2002 sales of \$26.6 billion.

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06/17/2003

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