

U.S. Navy Issues \$698.9 million Contract Modification to Lockheed Martin for FY14 Littoral Combat Ships

WASHINGTON, March 10, 2014 – The U.S. Navy has issued a Lockheed Martin-led industry team a \$698.9 million contract modification to add funding for construction of two Littoral Combat Ships (LCS) – the seventh and eighth in a 10-ship contract awarded in December 2010.

The contract modification is for construction of Indianapolis (LCS 17) and LCS 19, yet to be named. The first ship on this 2010 contract, the USS Milwaukee (LCS 5), was christened and launched in 2013, and is undergoing trials before delivery to the Navy. The future USS Detroit (LCS 7) will be christened and launched later this year. Little Rock (LCS 9), Sioux City (LCS 11) and Wichita (LCS 13) are all in various stages of construction, and Billings (LCS 15) will begin construction this year.

“Our industry team appreciates the U.S. Navy’s confidence in the LCS program as we continue down the learning curve to make these ships more capable and more affordable,” said Joe North, vice president of Littoral Ship Systems at Lockheed Martin’s Mission Systems and Training business. “We’ll continue to build best-in-class, cost effective ships for the Navy, supporting its need to defeat littoral threats and provide maritime access in critical waterways.”

Marinette Marine Corporation, a Fincantieri company, is building the ships in Marinette, Wis., with naval architect Gibbs & Cox of Arlington, Va., providing engineering support. Fincantieri has invested more than \$74 million in the Marinette facility on upgrades that have increased efficiency and minimized energy consumption, an expansion that will allow for construction of more than two ships at a time, and process improvements that will speed up production.

Nearly 900 suppliers across 43 states are contributing to the Freedom-class LCS program.

About Lockheed Martin:

Headquartered in Bethesda, Md., Lockheed Martin is a global security and aerospace company that employs approximately 115,000 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 net sales for 2013 were \$45.4 billion.

About Marinette Marine

Founded in 1942, Marinette Marine Corporation (MMC) is located on the Menominee River flowage into Green Bay. The largest shipyard in Wisconsin and the Midwest, MMC has delivered more than 1,300 vessels for the U.S. Navy, U.S. Coast Guard, and commercial customers, including the technologically advanced Littoral Combat Ship Freedom class for the U.S. Navy. In 2008, MMC along with several sister shipyards also based in the Great Lakes region, became part of FINCANTIERI SpA, the largest shipbuilder in the western Hemisphere and the fourth largest in the world. FINCANTIERI operates in the United States through its subsidiary Fincantieri Marine Group, serving both civilian and government customers. Over the past five years, FINCANTIERI invested more than \$100 million in both capital infrastructure and its resources to support MMC's transformation into what is now one of the best shipyards in the United States. Employing approximately 1,400 employees, today MMC is a state-of-the-art, full service new construction shipyard.

About Gibbs & Cox:

Gibbs & Cox, the nation's leading independent maritime solutions firm specializing in naval architecture, marine engineering and design, is headquartered in Arlington, Va. The company, founded in 1929, has provided designs for nearly 80 percent of the current U.S. Navy surface combatant fleet; approaching 7,000 naval and commercial ships have been built to Gibbs & Cox designs.

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