

FOR IMMEDIATE RELEASE

MARITIME SECURITY CUTTER PRODUCTION CONTRACT AWARDED COAST GUARD CUTTER MOVES CLOSER TO REALITY

June 28, 2004 – Rosslyn, VA –The U.S. Coast Guard today announced that they recently awarded Integrated Coast Guard Systems (ICGS) a contract to begin production and delivery work on the first Maritime Security Cutter, Large (WMSL, formerly the National Security Cutter), a new and highly capable high-endurance cutter, under the Deepwater program. This contract, valued at \$140 million, brings the effort to design and build the lead ship of the most advanced cutter class in the U.S. Coast Guard's fleet one step closer to delivery.

"The contract award for the Maritime Security Cutter, Large is a significant milestone in the Deepwater Program," said Rear Adm. Patrick M. Stillman, program executive officer for the Integrated Deepwater System. "It begins the process that will, in several years, culminate in the delivery of the Coast Guard's first 21st-century cutter--a highly capable ship designed to satisfy the Coast Guard's multi-mission responsibilities in homeland security, national defense, marine safety, and environmental protection. In addition to enabling the Coast Guard to fulfill its commitment to the National Fleet Policy, this class of cutters will play an important role in restoring the Coast Guard's operational readiness, capacity, and effectiveness at a time when the demand for its services has never been higher."

"Integrated Coast Guard Systems is very pleased to be developing this new ship, along with our capable partners on the ICGS team," said Jamie Anton, executive vice president of ICGS. "We are developing and delivering new systems and capabilities to the Coast Guard, so they can better perform the important work of guarding our coastlines and protecting the United States' maritime interests."

Northrop Grumman Ship Systems is leading the production effort, as a major partner in ICGS, a joint venture of Northrop Grumman and Lockheed Martin. Lockheed Martin will also receive work from this contract, primarily focused on the command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) capabilities. The ship will be manufactured in Pascagoula, Mississippi. Startfab for this first-in-class will occur in September 2004, with the keel laying to follow, in April 2005. The anticipated date of delivery for the lead ship will be the second quarter of 2007.

The WMSL will be a 421-foot vessel with a 4,112-ton displacement at full load when delivered, will be powered by a twin screw combined diesel and gas turbine power propulsion plant designed to travel at maximum speed of 28 knots. The cutter will include an aft launch and recovery area for two rigid hull inflatable boats, a flight deck to accommodate a range of rotary wing manned and unmanned aircraft and state of the art command and control electronics.

About Integrated Deepwater System

IDS is a critical multi-year, multi-billion dollar program to modernize and replace the Coast Guard's aging ships and aircraft, and improve command and control and logistics systems. It is the largest recapitalization effort in the history of the Coast Guard. When complete, the interoperable IDS system will include three classes of new cutters and their associated small boats, a new fixed-wing manned aircraft fleet, a combination of new and upgraded helicopters, and both cutter-based and land-based unmanned air vehicles (UAVs). All of these highly capable assets are linked with Command, Control, Communications and Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) systems, and are supported by a new and far-reaching integrated logistics system.

About Integrated Coast Guard Systems

ICGS is a joint venture of Lockheed Martin (NYSE: LMT) and Northrop Grumman (NYSE: NOC). ICGS was awarded the Deepwater contract in June, 2002. Headquartered in Rosslyn, VA, core leadership teams are co-located in Virginia, Louisiana, Mississippi, New Jersey, and Washington, DC.

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