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## **AgustaWestland Awarded UK MoD Merlin Life Sustainment Programme and Apache Integrated Operational Support Contracts Valued at £760 Million**

AgustaWestland, a Finmeccanica company, is pleased to announce the award of two contracts by the UK Ministry of Defence (MoD), together valued at £760 million (approximately €910 million), to convert 25 AW101 Merlin helicopters for maritime operations under the Merlin Life Sustainment Programme (MLSP) and to provide the Apache AH Mk.1 Attack Helicopter fleet with comprehensive support and maintenance services for five years. The contracts were announced today by The Rt Hon Philip Hammond MP, Secretary of State for Defence, during a visit to AgustaWestland's facility in Yeovil, England.

Daniele Romiti, CEO of AgustaWestland, said "We are delighted to have been awarded these contracts by the UK Ministry of Defence to convert Merlin helicopters for the Royal Navy and to continue delivering the successful Apache Integrated Operational Support service for the UK's Attack Helicopter force. The Apache IOS contract will deliver further efficiencies over the next five years, demonstrating our commitment to service excellence while delivering the aircraft availability and capability the Army Air Corps require.

He added "The MLSP will ensure the Royal Navy Commando Helicopter Force's capability will be enhanced as a result of the AW101 Merlin's greater payload, range, speed as well as benefitting from commonality with the Merlin Mk2 platform."

Philip Hammond MP, Secretary of State for Defence, on a visit to AgustaWestland's facility in Yeovil, said: "Our £760m investment is vital in maintaining both the Apache Attack Helicopter and Merlin helicopter as a first class airpower assets for our Army and Navy for many years to come.

"This contract also demonstrates the strength and importance of the defence industry to the UK economy and how these programmes are supporting 1,000 highly skilled, UK based jobs whilst laying the foundations for long term growth throughout the sector via the supply chain."

### **Merlin Life Sustainment Programme**

Work on the £330 million (€400 million) MLSP design and manufacture contract will start immediately with seven interim "Phase 1" aircraft being delivered to the Royal Navy in 2015 and 2016 and all 25 "Phase 2" standard aircraft being delivered between 2017 and 2020. As part of the programme 25 Royal Air Force AW101 Merlin Mk.3 and Mk3A helicopters are being transferred to the Royal Navy to replace their fleet of Sea King Mk4 helicopters. The aircraft will undergo conversion at AgustaWestland's Yeovil facility in the UK and will be based at the nearby Royal Naval Air Station Yeovilton.

The seven "Phase 1" aircraft will provide the Royal Navy with an interim capability between the withdrawal of the Sea King Mk.4 in early 2016 and the Initial Operating Capability (IOC) of the full MLSP configured aircraft being achieved in mid-2018. These seven aircraft will feature several changes for maritime operations including the addition of lashing points, a powered folding main rotor head, undercarriage modifications and additional communications equipment.

The 25 "Phase 2" aircraft will be fully optimised for ship operations and include automatic main rotor blade folding and tail fold. The aircraft will also be fitted with the same cockpit as the Royal Navy's Merlin Mk.2 aircraft, giving the Merlin fleet a common cockpit featuring five 10" x 8" integrated display units, two touch screen units for controlling the aircraft's systems and mission equipment, as well as two cursor control devices for cursor control of the tactical displays.

The Merlin Mk4 and Mk4A aircraft will continue to be supported through the existing Integrated Merlin Operational Support (IMOS) contract, which has been in place since 2006 with AgustaWestland as prime contractor.

The MLSP contract will help sustain approximately 175 highly skilled jobs at AgustaWestland and more than 500 jobs in the supply chain, including many with SMEs.

Under the D&M contract AW will also manage a competition to deliver a synthetic whole crew training equipment and infrastructure for the Merlin Mk4/Mk4A, building on its experience of Merlin training and the delivery of the training infrastructure for the AW159 Wildcat.

### **Apache IOS**

The five-year Apache Integrated Operational Support (IOS) contract is valued at approximately £430 million (€510 million) and will continue to provide the Apache AH Mk.1 Attack Helicopter fleet with comprehensive support and maintenance services from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2019.

Under this second contract Apache IOS prime contractor AgustaWestland will continue to be supported by its industrial partners Boeing, Lockheed Martin, Longbow International and Selex ES to deliver complete spares provisioning, engineering, depth maintenance, repair & overhaul and technical support services for the UK MoD's fleet of Apache AH Mk1 helicopters.

At Wattisham Airfield, the British Army's main Apache AH Mk.1 operating base, AgustaWestland will continue to manage the Depth Support Unit and the associated workshops, ensuring the throughput of the facility matches the operational requirements of the Army Air Corps. At Army Aviation Centre Middle Wallop, AgustaWestland will continue to be responsible for the provision of Apache aircraft on the flight line at the School of Army Aviation, delivering the required number of flight hours to match the Army's training requirements.

The Apache IOS programme office, manned by industry and Ministry of Defence staff, located at AgustaWestland's Yeovil facility, will continue to manage the IOS contract. The Apache IOS contract will directly sustain around 360 jobs, mainly at Wattisham Airfield, Army Aviation Centre Middle Wallop and AgustaWestland's Yeovil facility.

The Apache IOS contract will deliver the required levels of aircraft availability whilst reducing through life costs. The contract is output-based, whereby AgustaWestland is incentivised to improve the levels of operational output whilst seeking continuous improvement to reduce through life costs.

The UK Apache AH Mk.1 fleet is fast approaching the 150,000 flying hour milestone and recently more than 40% of annual flying hours have been performed on operations in Afghanistan, providing protection for UK and allied forces.

AgustaWestland also provides support and training services for the UK MoD's AW159 Wildcat helicopter fleet under the Wildcat Integrated Support and Training (WIST) contract, for the Sea King fleet under the Sea King Integrated Operational Support (SKIOS) contract which continues to the expected out of service date of April 2016 and for the AW101 Merlins under the Integrated Merlin Operational Support (IMOS) contract.