

News Release

Canada's Combat Ship Team: BAE Systems, CAE, Lockheed Martin Canada, L3 Technologies, MDA and Ultra Electronics Join Forces to Deliver Canadian Surface Combatant Proposal



OTTAWA, Ontario, Nov. 28, 2017 /PRNewswire/ -- Two days prior to the procurement closure date, Lockheed Martin Canada (NYSE: LMT) has confirmed delivery of the proposal for the Canadian Surface Combatant (CSC) program signifying that the acquisition has moved to the next critical phase.

BAE Systems, CAE, Lockheed Martin Canada, L3 Technologies, MDA and Ultra Electronics are partnering as Canada's Combat Ship Team for the Royal Canadian Navy's future fleet of surface combatants. Canada's Combat Ship Team is offering the most advanced and modern warship design, the Type 26 Global Combat Ship (GCS), with high-tech platform innovations from prominent Canadian companies. The solution includes the internationally renowned Canadian-developed combat management system, CMS 330.

Canada's Combat Ship Team's approach to the CSC project exclusively parallels the Canadian Government's Defence Policy, which is the foundation for the offering: *Strong*, *Secure* and *Engaged*.

STRONG. Canada's Combat Ship Team's approach to the strategic objective *STRONG* is to provide the right ship for the Royal Canadian Navy that surpasses baseline requirements with minimal change. This solution represents the lowest development risk and is underpinned by Canadian doctrine; interoperability with five-eyes nations and other NATO allies; ability to achieve safety certification and security accreditation; ease of operation, maintenance and sustainment; and ease of upgradeability to address future capabilities.

SECURE. Under the pillar of *SECURE*, Canada's Combat Ship Team's offering focuses on ensuring successful program execution by bringing together a pan-Canadian team who have proven, demonstrated and current pedigree in performing complex defence contracts in Canada; who have well-established infrastructure, employees, security clearances and facilities in place today; who have demonstrated their commitment and reliability to successfully execute the project by their substantial investments in CSC and in meeting all procurement deadlines; and therefore who are poised to perform the CSC program, **Ready on Day One**.

ENGAGED. Embodied throughout Canada's Combat Ship Team's offering is our multifaceted approach to achieving the strategic pillar *ENGAGED*. The underlying principles implemented focus on partnership with all stakeholders and, equally important, maintaining sovereignty of the CSC solution in Canada, which can only be achieved by having the solution and capability developed "at home" by Canadians.

Canada's Combat Ship Team is living proof that capability investments made in Canada result in sustained jobs not only through long term sustainment of its system and products, but also extend to exports which leverage Canada's investments to other nations adding more jobs to Canadian industry. This team recognizes the significant benefits that Canada will receive with the implementation of Canada's Combat Ship Team's strategic objective to bring the jobs "home" to Canada and therefore collectively become the **Home Team**.

Quotes

"The Type 26 Global Combat Ship is a flexible, next generation warship design which offers a low risk and affordable solution for the Canadian Surface Combatant program. With the UK Type 26 program running ahead of CSC, our Canadian ship will benefit from lessons learnt on the UK program. This schedule also allows Type 26 the opportunity to be the most advanced Canadian Surface Combatant.

Canadian companies such as W.R. Davis Engineering in Ottawa, Rolls-Royce in Peterborough and L3 MAPPS in Montréal have already begun work on delivering high-technology systems for the UK's Type 26, demonstrating the skills and capability available from the Canadian supply chain." **Anne Healey, Country Director, Canada, BAE Systems**

"Building on our proud Canadian history of more than 70 years, we are honoured to join forces with this pan-Canadian team that has been assembled for CSC. CAE welcomes the opportunity to leverage the strengths of our combined organizations to support the Government of Canada and Irving Shipbuilding to deliver a modern, capable warship with an integrated training system that aligns with the Future Naval Training Strategy. CAE is dedicated to offering customers the most innovative training solutions to achieve the highest levels of operational readiness and performance." **Joe Armstrong, Vice President and General Manager - Canada, CAE**

"The Defence Policy released earlier this year announced the Government's new vision for the Canadian Armed Forces, and as a Pan-Canadian team, our approach to CSC implements these Defence Policy pillars where we are offering the right ship for the Navy to enable them to be STRONG; we are offering proven, Canadian pedigree of companies to ensure successful program execution is SECURE; and we are offering a solution that ensures sovereignty is maintained by bringing the direct jobs on CSC home to Canada so that we are ENGAGED and able to sustain the CSC ships throughout their lifespan.

Lockheed Martin Canada has been Canada's trusted Combat System Integrator for more than three decades, and our team can be counted on to deliver affordable solutions, sustained job creation, and technology development in Canada for export potential. We'll employ our proven collaborative partnership model to successfully manage the highly complex systems integration process – including integrating our CMS 330 Combat Management System with the Type 26 Global Combat Ship – and leverage the innovation and talent here at home which will ultimately result in unprecedented economic outcome for Canada." **Rosemary Chapdelaine, Vice President and General Manager, Lockheed Martin Canada Rotary and Mission Systems**

"We are proud to be a member of Canada's Combat Ship Team. With a strong Canadian footprint, we are in a unique position to leverage our established Canadian companies to deliver Canadian marine technologies, systems integration support, and through life in service support to the team in a number of areas including integrated communications, electro optic and infrared sensors, torpedo handling systems, and integrated platform management systems." **Mike Greenley, President, L3 WESCAM**

"As one of Canada's leading space and defence companies, MDA's participation in this team is very strategic. For MDA, in addition to providing world-class operational CSC capability to the Canadian Forces, this project will be a major enabler in achieving significant future MDA exports from Canada and the resulting growth in jobs and business in Canada – a continuous corporate strategy for MDA since 1969." **Dave Hargreaves, Vice President – Aerospace and Defence, Surveillance and Intelligence, MDA**

"As a long-time participant in Canada's defence community, Ultra Electronics is delighted to be a member of Canada's Combat Ship Team. It is truly a privilege to be able to provide our world-leading Canadian designed and developed underwater warfare products to this uniquely assembled team to deliver Canada's future surface combatant." **Ken Walker, President, Ultra Electronics Canada**

Quick Facts

- In June 2016, following Industry engagement, the Government of Canada announced that it would proceed with a procurement package based on a Total Ship Reference Point. For industry, this meant combining the efforts of a warship designer and combat systems integrator into a consolidated proposal.
- BAE's Type 26 has been selected by the Royal Navy and steel has been cut on the first of a planned eight ships. Due to its current stage in the lifecycle, there is no obsolescence in the design and it therefore offers the lowest risk to build in Canada.
- The Type 26 Global Combat Ship can undertake a wide range of roles from high intensity conflict to humanitarian assistance, including anti-submarine warfare and air defence. It is flexible, versatile and highly survivable with an extremely low acoustic signature.
- Built for the Royal Canadian Navy's doctrine, tactics and operations, Lockheed Martin Canada's innovative Combat Management System – CMS 330 – was developed in Canada as a result of 34 years' experience and knowledge of Canadian and NATO naval operations.
- Members of Canada's Combat Ship Team are currently delivering on the final stages of Canada's HALIFAX-class Modernization Project.
- Collectively, our team employs more than **9,000** Canadians in over **40** facilities across the country with an established presence on both coasts. Our collective Canadian supply chain consists of approximately **4,000** contracts Canada-wide.

About BAE Systems

BAE Systems is a world leading shipbuilding, support and maintenance company with the skills and expertise to design, build, integrate, test, commission and support complex warships. BAE Systems has a strong track record of collaboration with customers and industrial partners worldwide to share technology and skills - helping countries grow their naval and industrial capabilities. Canadian industry is already integral to the Type 26 Global Combat Ship program.

About CAE

As a globally-recognized training systems integrator, CAE is committed to providing defence and security forces world-class training centres, training services, and a comprehensive portfolio

of training solutions. CAE is headquartered in Canada and has employees in 15 locations across the country.

About Lockheed Martin Canada

Lockheed Martin Canada has a proud legacy of providing innovative naval systems and sustainment solutions for Canada and abroad. For more than three decades, Lockheed Martin Canada has demonstrated its capability and commitment to the Royal Canadian Navy as the Prime Contractor and Combat System Integrator for the HALIFAX Class Frigates.

About L3 Technologies

A leading provider of communication, electronic and sensor systems used on military, homeland security and commercial platforms, L3 Technologies is also a prime contractor in aerospace systems, security and detection systems, and pilot training. With over 50 years of business operations in Canada, L3 has a strong Canadian presence with L3 MAPPS, L3 MAS, L3 Communication Systems Canada and L3 WESCAM that each have experience working on technologies and projects for the Royal Canadian Navy.

About MDA

MDA's business provides technology solutions to commercial and government organizations worldwide. The Company's established global customer base is served by more than 6,500 employees operating from 21 locations in Canada, the United States and internationally. MDA focusses primarily in the Communications and the Surveillance and Intelligence sectors, and has supported the Royal Canadian Navy for over two decades.

About Ultra Electronics

Based in Dartmouth, Nova Scotia, Ultra Electronics is a part of the Ultra Electronics Group, an international electronics company. Ultra Electronics has been delivering sophisticated, cost-effective, and innovative solutions to the defence market for 70 years. Ultra Electronics has been extremely successful in transforming its research investment into the technologically advanced underwater battlespace sensor systems that it delivers to both Royal Canadian Navy and internationally. Today, Ultra Electronics is recognized worldwide for its expertise in hull mounted sonar, towed active and passive arrays, sonar sensors, and underwater acoustics.

For more information about our team, visit our website: www.canadascombatshipteam.com or follow us on Twitter @CSCHomeTeam.

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