



Commonwealth of Kentucky
Office of the Governor

FOR IMMEDIATE RELEASE

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**Governor Beshear Announces Lockheed Martin to Secure Kentucky
Footprint, Add 224 Jobs in Lexington**

Company to invest \$26 million at Bluegrass Station to support new government contract

LEXINGTON, Ky. (March 2, 2011) – Gov. Steve Beshear today announced Lockheed Martin is reaffirming its commitment to Kentucky with a \$26 million investment at Lexington’s Bluegrass Station. The global security company was recently awarded a major contract for Logistics Support Services that will result in securing its statewide presence, as well as add 224 new, full-time jobs in Lexington over the length of the contract.

“This \$26 million investment by Lockheed Martin sends a strong and clear message that Kentucky is a true partner with its existing businesses,” said Gov. Beshear. “Not only will this project enhance Lockheed Martin’s existing footprint in Kentucky, it will add 224 new jobs in the Lexington community. This is a win-win situation for everyone.”

The logistics contract is supported by 1,856 full-time Lockheed Martin and partner company employees across Kentucky, including Bluegrass Station, Fort Campbell and the Blue Grass Army Depot in Richmond. Lockheed Martin’s investment will entail numerous improvements to existing state-owned facilities, as well as equipment costs that will increase the performance and longevity of the operations.

“This investment will improve the existing equipment, tools, and facility infrastructure as well the overall efficiency and quality of work to position us as a world-class sustainment

operation within the Commonwealth of Kentucky,” said Howard Yellen, Lockheed Martin vice president. “Our joint vision is to develop the existing workforce while making strategic investments in equipment and infrastructure for the long-term growth into a Sustainment Center of Excellence.”

The Kentucky Economic Development Finance Authority (KEDFA) preliminarily approved Lockheed Martin Corporation for tax incentives up to \$15 million through the Kentucky Business Investment program. The performance-based incentive will allow Lockheed Martin to keep a portion of its investment over a 10-year period through corporate income tax credits and wage assessments by meeting job and investment targets.

KEDFA also approved the company for tax benefits up to \$415,000 through the Kentucky Enterprise Initiative Act (KEIA). KEIA allows approved companies to recoup Kentucky sales and use tax on construction costs, building fixtures, equipment used in research and development and electronic processing equipment.

“Lockheed Martin is ranked 44th on the Fortune 500 list and is an international leader in the aerospace and defense industries,” said Lexington Mayor Jim Gray. “These are good jobs with a future. We’re extremely pleased that Lockheed Martin is remaining and growing jobs in our community.”

“Many people don’t realize it, but from an employment standpoint, the military’s impact is felt throughout the Bluegrass. Together, Bluegrass Station in Fayette County and Bluegrass Army Depot in Richmond account for an annual economic impact of more than \$400 million within our region,” said Bob Quick, president & CEO of Commerce Lexington Inc. “Lockheed Martin has certainly contributed to that figure, and we appreciate its commitment to our community by retaining and creating new jobs for our economy. We are excited about Lockheed Martin’s expansion effort, and we look forward to a great partnership for many years to come.”

For more information on Lockheed Martin, visit <http://www.lockheedmartin.com/>.

Information on Kentucky’s economic development efforts and programs is available at www.ThinkKentucky.com.

A detailed community profile for Lexington (Fayette County) can be viewed at <http://thinkkentucky.com/EDIS/cmnty/index.aspx?cw=053>.

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