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General Dynamics Awarded \$409 Million Contract to Build New DDG 51-Class Destroyer

BATH, Maine – On December 27 the U.S. Navy awarded a \$409 million contract modification to Bath Iron Works, a business unit of General Dynamics (NYSE: GD), to build DDG 106, an Arleigh Burke (DDG 51) Class destroyer, and for advance procurement for ships to be built in 2004-2005. Bath Iron Works is the lead designer and builder of the DDG 51-class destroyers.

This contract modification provides funding for a previously announced ship that was awarded to the company as part of a seven-ship multiyear contract in September 2002. Bath Iron Works has 14 DDG-51 Class destroyers in its backlog, including DDG 106.

Bath Iron Works of Bath, Maine, a leader in surface combatant design and construction, employs 6,700 people. It is a subsidiary of General Dynamics, headquartered in Falls Church, Virginia. General Dynamics employs approximately 54,000 people worldwide and anticipates 2002 revenues of approximately \$14 billion. The company has leading market positions in land and amphibious combat systems, mission-critical information systems and technologies, shipbuilding and marine systems, and business aviation. More information about General Dynamics can be found on the worldwide web at www.generaldynamics.com.