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Bath Iron Works Awarded \$31 Million Contract for Destroyer Maintenance, Repair and Upgrades

BATH, Maine – The U.S. Navy has awarded Bath Iron Works, a subsidiary of General Dynamics (NYSE: GD), a \$30.9 million modification to a previously awarded contract to perform Post Shakedown Availability (PSA) maintenance, repair and upgrade work for two Arleigh Burke-class Aegis destroyers homeported in Norfolk, Va. The existing contract was originally awarded in March 2005.

Work will be performed on USS Bainbridge (DDG 96) and USS Forrest Sherman (DDG 98) by the Bath Iron Works-BAE PSA Team at the facilities of BAE Systems Norfolk Ship Repair in Virginia. Work on DDG 96 will commence in May and is expected to be completed in August 2006. The PSA for DDG 98 will begin in August and will complete in November 2006. Work will include engineering and management services; labor and procurement of material for system upgrades and correction of government-responsible deficiencies; performance of specified PSA work items, including tests and post-repair sea trials; and additional tasking to complete emergent repairs.

The team has previously performed two PSAs for Arleigh Burke-class destroyers homeported in Norfolk and three other PSAs for destroyers homeported in Pearl Harbor, Hawaii, and Everett, Wash.

Dugan Shipway, president of Bath Iron Works, said, “We are very pleased with this announcement and have already executed five homeport PSAs. Each has been completed on schedule and on budget with consistent high praise from our Navy customer. Bath Iron Works is excited about taking on these next two ships and continuing our pattern of outstanding performance. We take this award as a clear expression of confidence on the part of the U.S. Navy in our team’s ability to get the job done and get it done right.”

Bath Iron Works (Bath, Maine), a leader in surface combatant design and construction, employs approximately 5,600 people.

Bath Iron Works

A GENERAL DYNAMICS COMPANY

General Dynamics, headquartered in Falls Church, Virginia, employs approximately 72,200 people worldwide and had 2005 revenue of \$21.2 billion. The company is a market leader in mission-critical information systems and technologies; land and expeditionary combat systems, armaments and munitions; shipbuilding and marine systems; and business aviation. More information can be found online at www.generaldynamics.com

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