

## **General Electric-Rolls Royce Statement regarding the Defense Department's Notice of Termination of the F136 Engine for the F-35 Lightning II Stealth Fighter**

**Issued on April 25, 2011**

While we are deeply disappointed by the DoD's "Notice of Termination," GE and Rolls-Royce remain committed to the F136 and the significant benefits it brings to the American taxpayer and our fighting men and women.

For 14 years, the F136 team has developed F136 technologies and engine prototypes at a cost of \$3 billion to taxpayers. They contain some of the world's most advanced propulsion technologies. The intellectual property includes numerous patented technologies from both companies.

Over the coming weeks we will work with the US Government to comply with the Notice. Throughout that process, GE and Rolls-Royce will take all necessary steps to ensure that the F136 assets and intellectual property are protected.

More than \$200 million in F136 hardware is located in 17 facilities, including nine engines under various stages of assembly.

GE and Rolls-Royce will work closely with our Congressional supporters during the 2012 budget process in pursuit of incorporating the engine into the program, and preserving competition. We continue to be encouraged by the bi-partisan support for the engine on the merits of its performance and value. There is a significant willingness in Congress to revisit the F136 funding debate as the consequences of terminating the engine are being fully understood.

From a company personnel standpoint, the F136 termination notice has limited impact because of actions already underway at GE and Rolls-Royce.

Since the DoD "stop work" order in March, GE and Rolls-Royce have been in the process of realigning the GE Rolls-Royce Fighter Engine Team into a core technical team (about 100 people). The team is being sized in a manner consistent with overall JSF schedule slips.

The technical team seeks to protect, enhance, and advance the vital F136 propulsion technologies for JSF and future combat aircraft.

The F136 program has been called a "near model program" by the U.S. Senate. The F136 engine has met or exceeded performance expectations and demonstrated significant advantages over the Pratt & Whitney engine. The engine development has been under development since 1996 and is 80% complete with six development engines tested.

In addition to strong performance, the GE/RR F136 development program has been on or ahead of schedule.