



October 8, 2014

## **DARPA Awards AeroVironment Phase II Tern Contract to Develop New Class of Maritime Unmanned Aircraft System**

- Tern intended as next-generation, mid-altitude, long-endurance unmanned aircraft system (UAS)
- AeroVironment-led team of industry experts incorporating advanced technologies to develop new UAS for agile maritime operations
- Contract valued at \$19 million

MONROVIA, Calif.--(BUSINESS WIRE)-- [AeroVironment, Inc.](#) (NASDAQ:AVAV) announced the Defense Advanced Research Projects Agency (DARPA) has selected the company and its team of industry leaders to follow its successful phase I concept design effort with a phase II preliminary design for the Tactically Exploited Reconnaissance Node, or Tern. The 12-month, \$19,035,007 phase II effort seeks to conclude with subscale flight demonstrations prior to a planned phase III award decision.

AeroVironment selected industry partners with uniquely relevant experience and capabilities for the Tern program, including large aircraft avionics, ship integration and propulsion expertise. Advanced technologies form the basis of the team's unique approach to realizing DARPA's program objectives.

DARPA and the U.S. Office of Naval Research envision a new concept of operations using smaller ships as mobile launch and recovery sites for medium-altitude long-endurance (MALE) UAS. Tern aims to make it much easier, quicker and less expensive for the Navy and Marine Corps to deploy persistent intelligence, surveillance and reconnaissance (ISR) and strike capabilities almost anywhere in the world.

"Our team represents the best combination of relevant expertise and technology leadership to make Tern a reality," said Roy Minson, AeroVironment senior vice president and general manager of its UAS business segment. "Our innovative approach to achieving DARPA's objectives for Tern holds the promise of an entirely new category of unmanned aircraft system that could operate more quickly and effectively by deploying from smaller naval vessels for longer, more distant missions. We look forward to demonstrating this new capability to help protect our naval forces and those of our allies affordably and effectively."

### **About AeroVironment**

AeroVironment is a technology solutions provider that designs, develops, produces, supports and operates an advanced portfolio of [Unmanned Aircraft Systems](#) (UAS) and electric transportation solutions. The company's electric-powered, hand-launched unmanned aircraft systems generate and process data to deliver powerful insight, on-demand, to people engaged in military, public safety and commercial activities around the world. [Global Observer®](#) is a hybrid-electric, stratospheric UAS designed to provide affordable, persistent reconnaissance and communication over any location on the globe. The [Switchblade®](#) tactical missile system enables the infantry squad and other customers with increased lethality, reach and force protection through its rapid deployment, direct fire and collateral damage avoidance capabilities. AeroVironment's electric transportation solutions include a comprehensive suite of [electric vehicle \(EV\) charging systems, installation and network services](#) for consumers, automakers, utilities and government agencies, [power cycling and test systems](#) for EV developers and [industrial electric vehicle charging systems](#) for commercial fleets. More information about AeroVironment is available at [www.avinc.com](http://www.avinc.com).

### **Safe Harbor Statement**

Certain statements in this press release may constitute "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are made on the basis of current expectations, forecasts and assumptions that involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, strategy or actual results to differ materially from those expressed or implied. Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, our ability to perform under existing contracts and obtain additional contracts; our reliance on sales to the U.S. government; changes in the timing and/or amount of government spending; changes in the supply and/or demand and/or prices for our products and services; changes in the regulatory environment; the activities of competitors; failure of the markets in which we operate to grow; failure to expand into new markets; failure to develop new products or

integrate new technology with current products; and general economic and business conditions in the United States and elsewhere in the world. For a further list and description of such risks and uncertainties, see the reports we file with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and Quarterly Reports on 10-Q. We do not intend, and undertake no obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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