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## **AeroVironment Awarded \$2.3 Million DARPA Concept Definition Contract for TERN Medium Altitude Long Endurance Unmanned Aircraft System Program**

- Three-phase development program aims to produce a low-cost, large-scale prototype vehicle

MONROVIA, Calif.--(BUSINESS WIRE)-- [AeroVironment, Inc.](http://www.aerovironment.com) (NASDAQ:AVAV) announced that it has been selected by the Defense Advanced Research Projects Agency (DARPA) to provide its market-leading expertise in unmanned aircraft systems (UAS) toward the development of a new category of this technology. AeroVironment will work as the prime contractor with DARPA on the Tactically Exploited Reconnaissance Node (TERN) Program to develop a medium-altitude, long-endurance (MALE) UAS designed to operate from small ships to provide persistent intelligence, surveillance, and reconnaissance (ISR) capabilities. Sierra Nevada Corporation will subcontract to AeroVironment on the project, which is valued at \$2.3 million

"We are excited to have been selected by DARPA and about what this signifies for the future of the UAS industry," said Roy Minson, AeroVironment senior vice president and general manager of the company's UAS business segment. "TERN represents an entirely new category of UAS that has the potential to meet the evolving needs of customers for ISR capabilities. We look forward to applying our extensive experience in creating unique, high-quality and battle-proven UAS solutions to develop a concept with the TERN team that addresses DARPA's requirements."

"AeroVironment's history of innovation has long been a strategic differentiator, and we believe this award from DARPA is a testament to our market-leading position and capabilities," said Tim Conner, AeroVironment's chief executive officer and chairman. "This is a time of significant opportunity and progress at AeroVironment as we execute on our fiscal 2014 plan. We look forward to building on our momentum, and important collaborations like this, as we continue to address new and unique customer challenges."

The intent of the TERN program is to produce a low-cost, large-scale TERN prototype vehicle over the course of three development phases that would demonstrate automatic launch and recovery and key technologies required by a TERN objective system. The mission performance goals for the operational TERN system are comparable to emerging land-based MALE UAV capabilities.

The ultimate goal for a TERN objective system air vehicle is to enable persistent ISR capabilities with payloads of 600 pounds while operating up to 900 nautical miles from a host vessel. The TERN objective system is intended to operate from multiple ship types, including Littoral Combat Ship 2 (LCS-2) class ships, and in elevated sea states.

The phase 1 concept definition contract was awarded on August 26, 2013. As part of the agreement, Sierra Nevada Corporation will subcontract to AeroVironment for ship integration.

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### **About AeroVironment's Family of Small UAS**

[RQ-11B Raven®](#), [RQ-12 Wasp AE™](#), [RQ-20A Puma A E™](#) and [Shrike VTOL™](#) comprise AeroVironment's Family of Small Unmanned Aircraft Systems. Operating with a [common ground control system \(GCS\)](#), this Family of Systems provides increased capability to the warfighter that can give ground commanders the option of selecting the appropriate aircraft based on the type of mission to be performed. This increased capability has the potential to provide significant force protection and force multiplication benefits to small tactical units and security personnel. AeroVironment provides logistics services worldwide to ensure a consistently high level of operational readiness and provides mission services for customers requiring only the information its small UAS produce. AeroVironment has delivered thousands of new and replacement small unmanned air vehicles to customers within the United States and to more than twenty international governments.

The [Qube™ small UAS](#) tailored to search and rescue, first response, law enforcement and other public safety missions. Small enough to fit easily in the trunk of a car, the Qube system can be unpacked, assembled and ready for flight in less than five minutes, giving the operator a rapidly deployable eye in the sky at a fraction of the cost of manned aircraft and large unmanned aircraft.

#### **About AeroVironment, Inc.**

AeroVironment is a technology solutions provider that designs, develops, produces, operates and supports an advanced portfolio of [Unmanned Aircraft Systems](#) (UAS) and electric transportation solutions. Agencies of the U.S. Department of Defense and allied military services use the company's electric-powered, [hand-launched unmanned aircraft systems](#) extensively to provide situational awareness to tactical operating units through real-time, airborne reconnaissance, surveillance and communication. Multiple government agencies helped to fund the development and demonstration of [Global Observer®](#), a hybrid-electric, stratospheric UAS designed to provide affordable, persistent reconnaissance and communication over any location on the globe. [Switchblade™](#) is a tactical missile system designed to provide a rapid, lethal, pinpoint precision strike capability with minimal collateral damage. AeroVironment's electric transportation solutions include a comprehensive suite of [electric vehicle \(EV\) charging systems, installation and data 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).

#### **About Sierra Nevada Corporation**

Sierra Nevada Corporation (SNC), headquartered in Sparks, Nev., is one of America's fastest growing private companies based on its significant expansion and reputation for rapid, innovative, and agile technology solutions in electronics, aerospace, avionics, space, propulsion, micro-satellite, aircraft, communications systems and solar energy. Under the leadership of CEO [Fatih Ozmen](#) and President [Eren Ozmen](#), SNC employs over 2,500 people in 30 locations in 16 states. SNC's six unique business areas are dedicated to providing leading-edge solutions to SNC's dynamic customer base.

SNC is also the Top Woman-Owned Federal Contractor in the United States. Over the last 30 years under the Ozmen's leadership, SNC has remained focused on providing its customers the very best in diversified technologies to meet their needs and has a strong and proven track record of success. The company continues to focus its growth on the commercial sector through internal advancements and outside acquisitions, including the emerging markets of [renewable energy](#), [telemedicine](#), nanotechnology, [cyber](#) and net-centric operations. For more information on SNC visit [www.sncorp.com](http://www.sncorp.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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