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News Release

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Raytheon Aerospace Expands into Commercial Airlines Maintenance

Air Midwest Contract Represents New Direction for Company

MADISON, Miss. (August 22, 2001) – Raytheon Aerospace LLC has been awarded a 15-month aircraft maintenance contract with Air Midwest, a commuter airline based in Wichita, Kansas. The contract is valued at approximately \$10 million, with potential for additional years expected. The announcement launches an aggressive growth plan for the company into additional markets. The company formerly concentrated almost exclusively on technical services for military and other government customers.

“Our core government business is sound and growing, but we are thrilled to announce our venture into commercial airlines technical services with this Air Midwest agreement,” says Dan Grafton, Raytheon Aerospace President and CEO. Raytheon Aerospace will employ approximately 98 maintenance technicians, servicing Air Midwest’s fleet of Beech 1900D commuter aircraft at Panama City, Fla., Dubois, Pa., Reading, Pa., Farmington, N.M., New Orleans, La., and Tampa, Fla. The contract includes managing an FAA certified repair station at Panama City. Air Midwest is a subsidiary of Phoenix-based Mesa Air Group.

“This is just the beginning of our expansion into commercial airlines maintenance,” says Stan Patterson, program manager for Raytheon Aerospace. “We expect additional growth in this market segment and we are ready to meet those challenges,” he says. Raytheon Aerospace provides parts inventory services to two regional airlines, CommutAir and Gulfstream International Airlines, however, Air Midwest is the first aircraft maintenance support contract.

Raytheon Aerospace LLC oversees and manages more than 1,800 aircraft and other equipment at 281 sites worldwide, providing contract maintenance and training support for military, government and commercial customers. Raytheon Aerospace LLC has a total of

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5,300 employees, with 470 in the Madison, Miss., home office. Raytheon Aerospace LLC is a member of the Veritas Capital family of companies. Veritas Capital, Inc., is a private equity-investment firm based in New York.