



NEWS RELEASE

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Stavatti Releases New Machete Development Program Plan

On August 2nd, Stavatti Aerospace released a new Development Program Plan for the Machete Family of Next Generation Close Air Support (CAS), Counter-Insurgency (COIN), Forward Air Control (FAC) Air Defense Fighter (ADF), Advanced Trainer (AT) and Advanced Pilot Trainer (APT) aircraft. The new development plan is summarized in the proprietary document SM-27 Machete, SM-28 Machete & SM-47 Super Machete Development Program Overview. The new Machete Family Development Program focuses upon the Demonstration and Full Scale Development of three Machete variants (the SM-27S/T Turbo-prop, SM-28S/T Turbofan and SM-47S/T Super Machete) over a comprehensive 60-month program. A privately funded, corporate initiative to address anticipated next generation military aircraft needs, this new Machete Development Program Plan calls for the roll-out of SM-27 and SM-28 series prototypes in 2018 with Low Rate Initial Production (LRIP) beginning in 2019. SM-47 series prototypes are expected to roll-out in 2019 with LRIP beginning in 2021. Full Rate Production (FRP) for the SM-27 Turbo-prop and SM-28 Turbofan Machete is expected to begin in 2020/2021 with SM-47 Super Machete FRP scheduled for 2021/2022.

The Machete Development Program has a total cost of approximately \$1.75 Billion over 60 months including \$400 million to develop the SM-27S/T, \$600 Million to develop the SM-28S/T and \$750 Million to develop the SM-47S/T. A modular airframe based upon a common core, significant cost sharing will be employed throughout the Development Program, thereby reducing total program costs. A commercial initiative, the Development Program will begin with a \$25 million Demonstrator Program whereby non-conformal prototypes of the SM-27 will be produced to validate the Machete series airworthiness and military utility. Similarly, the Demonstrator Programs for the SM-28 and SM-47 will cost \$50 Million and \$75 Million respectively. It is anticipated that throughout the Demonstrator Program Stavatti will receive sufficient orders from customers as to achieve a significant production backlog. The receivables associated with this backlog will ultimately allow Stavatti to secure the private sector capital necessary to complete Full Scale Development (FSD).

FSD will result in the production, flight-testing and qualification/certification of conformal Production Representative Test Vehicles. While a portion of Machete Development Program costs will be funded by private financial sources, Stavatti anticipates that principal Machete program costs will be financed through customer orders and direct program participation in the form of RDT&E contracts. Stavatti projects a potential market for 3,000 Machete aircraft over the next 20 to 30 years including: 1,000 SM-27S/T Turbo-prop Machetes for CAS/COIN/FAC/AT, 1,000 SM-28S/T Turbofan Machetes for CAS/FAC/AT and 1,000 SM-47S/T Super Machetes for ADF/APT.

Stavatti Aerospace is an innovative aerospace defense enterprise focused on the design, development, and production of next generation aerospace vehicles. Stavatti Aerospace is a division of Stavatti Corporation, a privately held American Corporation with a CAGE Code of 1DRG1.

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