



## **Luna Wins Ballistic Missile Defense Contracts Totaling \$1.6 Million with Missile Defense Agency and Raytheon**

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ROANOKE, Va., April 10 /PRNewswire-FirstCall/ -- Luna Innovations Incorporated (Nasdaq: LUNA) today announces the award of small business innovation research (SBIR) and SBIR enhancement - programs totaling \$1.6 million from the Missile Defense Agency (MDA) and Raytheon Missile Systems. Under these multi-year programs Luna will develop low cost common, sensor electronics for use in next-generation exoatmospheric interceptor kill vehicles for ballistic missile defense.

Kill vehicles are designed to intercept incoming ballistic missile warheads outside the earth's atmosphere (exoatmospheric) and destroy them by means of high speed collision, a practice commonly coined as "hit-to-kill."

"The development of antiballistic-missile systems is critical to the defense of our nation and it is Luna's mission to discover and advance innovative technologies that are designed to improve the way things get done," said Kent Murphy, Luna Innovations' Chairman and Chief Executive Officer. "Additionally, Luna's ability to serve the Missile Defense Agency and prime technology integrators working in kill vehicle technology is an important milestone for our Federal Systems group."

Doug Schaefer, Director of Producibility and Manufacturing Technology for MDA commented, "This is a perfect example of how Luna is able to take SBIR programs and fast track them to develop solutions that address real needs. This is in line with Luna's business model of moving applied research through the prototype phase and on to what will eventually become a product, bringing many benefits to the defense community."

"Currently, kill vehicles are expensive to design and manufacture due to the many customized components required for a particular mission to accommodate different sensors and non-standard subsystem interfaces," said Dave Kingma, Director of Federal Systems for Luna Innovations. "Our proposed solution offers common sensor electronics and data communications that consist of adaptive sensor electronics with a standard fiber optic communications interface that could substantially reduce integration and development costs."

The anticipated benefits of Luna's adaptive sensor technology using common fiber optic communications relative to existing technology include:

- less time to integrate new technology,
- reduced inventory due to having common components, and
- improved packaging and performance by reduced weight, electrical isolation, increased radiation hardness and decreased susceptibility to electromagnetic interference.

"The Luna team is experienced in designing military modules and systems," said Liz O'Keefe, Deputy Program Manager for Low Cost Kill Vehicles at Raytheon Missile Systems. "The Luna system will enable generic on-board processing."

Luna will participate in MDA's Next-Generation Sensor Producibility (NGSP) Flight Experiment Program to validate this technology.

About Luna Innovations:

Luna Innovations Incorporated develops and manufactures new-generation products for the healthcare, telecommunications, energy and defense markets. Our products are used to measure, monitor, protect and improve critical processes in the markets we serve. Through its disciplined commercialization business model, Luna has become a recognized leader in transitioning science to solutions. Luna is headquartered in Roanoke, Virginia. Additional information can be found at [www.lunainnovations.com](http://www.lunainnovations.com).

### **FORWARD LOOKING STATEMENTS**

This press release includes information that constitutes "forward-looking statements" made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995, including but not limited to statements about whether Luna's proposed solution will substantially reduce integration and development costs and Luna's participation in MDA's NGSP Flight Experiment Program. Actual events or results may differ materially from the expectations expressed in such forward-looking statements as a result of various factors, including risks and uncertainties, many of which are beyond the Company's control. Factors that may affect the future results of Luna Innovations are set forth in its Registration Statement on Form S-1, its quarterly reports on Form 10-Q and other filings with the Securities and Exchange Commission ("SEC"), which are available at the SEC's website at <http://www.sec.gov>, and at Luna Innovations' website at <http://www.lunainnovations.com>. The statements made in this press release are based on information available to the company as of the date of this release and Luna Innovations undertakes no obligation to update any of the forward-looking statements herein after the date of this press release.

### **DISTRIBUTION STATEMENT A.**

Approved for public release; distribution is unlimited. Approved for Public Release. 07-MDA-2371(3 APR 07)

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