



FOR IMMEDIATE RELEASE

LEIDOS AWARDED CONTRACT BY DEPARTMENT OF VETERAN AFFAIRS

Company to Provide Integration Services for VA's Consolidated Mail Outpatient Pharmacy

(Reston, Va.) May 5, 2014 – [Leidos](#) [NYSE: LDOS], a national security, health and engineering solutions company, was awarded a prime contract to provide systems integration support and services to the Department of Veterans Affairs' (VA) Consolidated Mail Outpatient Pharmacy (CMOP). The single-award firm-fixed-price (FFP) contract has a one-year base period of performance, two one-year options, and a total contract value of approximately \$12 million, if all options are exercised. Work will be performed primarily in Tucson, Ariz.

CMOP is a network of seven highly-automated production facilities that employ a mixture of robotic devices, conveyor systems, and human factors to accurately fill and ship nearly 117 million prescriptions per year for healthcare beneficiaries, including our nation's veterans, active duty service members, and patients eligible for care through Indian Health Service.

Under the contract, Leidos will provide systems integration support and software development, modification, documentation, and support services for the seven facilities, including: maintenance to all software at the individual CMOP facilities used to interface with local production equipment and processes; enhancement and integration support of software services that improve performance, control and documentation prior to and after the standard production system is implemented; and the development and execution of a long-term plan to provide standardization and stability to the production systems for all seven CMOPs.

"We are pleased to support the VA Consolidated Mail Outpatient Pharmacy operations," said Steve Comber, president of Leidos Health. "Leidos is excited to address the VA's initiatives to standardize and modernize the CMOP national and local operations, and help usher in the next-generation CMOP infrastructure that will deliver excellent service to many of our veterans, military service members, and their families."

About Leidos Health

As a leader for more than 25 years in the healthcare industry, Leidos Health fuses some of the world's most advanced technologies with the brightest minds in science, research, and consulting. Today, Leidos Health is

focused on developing next-generation solutions in areas such as biomedical research, public health, and health analytics to turn data into actionable information for clinicians and their patients. From leading groundbreaking medical research to fight diseases such as cancer, AIDS, and malaria, to implementing and optimizing electronic health records that enhance the research process and improve critical efficiencies – Leidos Health’s passion to improve patient care and reduce costs is helping to transform healthcare. For more information, visit www.Leidos.com/health.

About Leidos

Leidos is a science and technology solutions leader working to address some of the world’s toughest challenges in national security, health and engineering. The Company’s 22,000 employees support vital missions for our government and the commercial sector, develop innovative solutions to drive better outcomes and defend our Nation’s digital and physical infrastructure from ‘new world’ threats. Headquartered in Reston, Va., Leidos reported annual revenues of approximately \$5.77 billion for its fiscal year ended January 31, 2014 after giving effect to the spin-off of the company’s technical services and information technology business. For more information, visit www.Leidos.com.

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Statements in this announcement, other than historical data and information, constitute forward-looking statements that involve risks and uncertainties. A number of factors could cause our actual results, performance, achievements, or industry results to be very different from the results, performance, or achievements expressed or implied by such forward-looking statements. Some of these factors include, but are not limited to, the risk factors set forth in the company’s Annual Report on Form 10-K for the period ended January 31, 2014, and other such filings that Leidos makes with the SEC from time to time. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof.

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