



Lockheed Martin has secured a satellite launch contract from a European communications company for the next 8 years. To land that contract, they invested €13M in a satellite tracking system. Of that amount, €8M was paid up front and the remaining €5M was paid during the first year of operation. The annual operating costs for the satellite tracking system are estimated at €0.9M per year (which includes the cost of personnel, electricity, maintenance, etc.). At the end of the contract, it is estimated that the equipment will have a salvage value of €0.5M. **How much must they charge the communications company each year to earn their MARR of 15% per year?**