

News

June 27, 2005

BAE SYSTEMS RECEIVES ORDERS WORTH \$1.127 BILLION TO REMANUFACTURE AND UPGRADE BRADLEY COMBAT SYSTEM VEHICLES

YORK, Pa., -- BAE Systems has been awarded a series of delivery orders and contract modifications worth \$1.127 billion from the U.S. Army Tank-Automotive and Armaments Command (TACOM) to remanufacture and upgrade more than 500 Bradley Combat System vehicles.

"We are pleased that the Army has asked us to provide additional Bradley Combat System vehicles to support the modular Army," said Andy Hove, director of Bradley Combat Systems for BAE Systems. "The Bradley A3 in particular is the most advanced digital combat system deployed today, and is most ready to integrate new technologies. Bradley A3 provides commanders with outstanding situational awareness in the harshest urban fights by providing the crew with two independent thermal sights, as well as proven mobility, survivability and lethality; we're looking forward to putting more of them into the hands of soldiers."

Under four delivery orders, BAE Systems will remanufacture and upgrade:

- 450 older Bradleys to Bradley A3 vehicles – the total value of this delivery order incorporates 55 vehicles and \$71.5 million awarded in March.
- 50 vehicles to Bradley A2 Operation Desert Storm (ODS) vehicles, plus provide kits to convert 100 additional vehicles to the A2 ODS configuration
- 33 vehicles to Bradley Fire Support Team (BFIST) vehicles
- Spares for Bradley A3 vehicles

Additionally, BAE Systems will provide 120 Commander's Independent Viewers for 120 Bradley vehicles ordered under a contract modification issued in February.

The Bradley Combat System has played a centerpiece role in Operation Iraqi Freedom and continues to provide outstanding survivability, mobility and lethality to U.S. soldiers in all types of close-combat urban scenarios or in open-combat terrain. The Bradley Combat System fulfills critical infantry, cavalry, fire support, battle command and engineer roles for the Army's heavy brigades.

Work on the remanufacture contract will begin immediately and will be performed at the company's facilities in York, Pa., Fayette County, Pa. and Aiken, S.C., in conjunction with the Public/Private Partnership between Red River Army Depot (RRAD) and BAE Systems. Disassembly and component overhaul work will be performed at RRAD and the company's facility in Fayette County. Various components will be supplied by BAE Systems in Aiken,

and final assembly and test will be conducted at the company's York facility. Vehicle deliveries are scheduled to begin in June 2006 and continue through January 2008.

With headquarters in Arlington, Va., BAE Systems Land & Armaments is a transatlantic weapons systems manufacturer and systems integrator and a global leader in the design, development, production and service support of armored combat vehicles, major and minor caliber naval guns and missile launchers, canisters, artillery systems and intelligent munitions. BAE Systems Land & Armaments employs 11,000 people at more than 30 locations in the U.S., U.K., Sweden and South Africa.

About BAE Systems:

BAE Systems is an international company engaged in the development, delivery, and support of advanced defense and aerospace systems in the air, on land, at sea, and in space. The company designs, manufactures, and supports military aircraft, combat vehicles, surface ships, submarines, radar, avionics, communications, electronics, and guided weapon systems. It is a pioneer in technology with a heritage stretching back hundreds of years and is at the forefront of innovation, working to develop the next generation of intelligent defense systems. BAE Systems has major operations across five continents and customers in some 130 countries. The company employs nearly 100,000 people and generates annual sales of approximately \$25 billion through its wholly owned and joint-venture operations.

For further information:

Herb Muktarian
BAE Systems
Tel: 717-225-8004

herb.muktarian@baesystems.com

www.na.baesystems.com