

Army Guide monthly



6 (21) June 2006

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Defence Industry

Ceradyne Inc. Receives \$15.8M Ceramic Body Armor Orders for U.S. Marines

COSTA MESA, Calif. -- Ceradyne, Inc. received three ceramic body armor delivery orders from the U.S. Marine Corps, Quantico, Virginia, totaling over \$15.8 million.

Shipments are expected to commence early in 3rd Quarter 2006 and be complete by the end of this year.

Dave Reed, Ceradyne President North American Operations, commented: "These orders include both ESAPI and side plates. We are pleased that the U.S. Marines have continued to issue orders to our Company that meet their ceramic armor requirements. With our increasing capacity from Ceradyne's Lexington, Kentucky, armor facility, we anticipate that we will continue to deliver a quality part, on time."



Defence Industry

IVEMA Launches First New Generation APC



A new privately developed military vehicle was launched by the IVEMA company at the Gerotek test range outside Pretoria today (22 May 2006).

The Gila is a new generation mine protected armoured personnel carrier (APC) and is aimed at export clients around the world, as well as the domestic market for South African forces that face increasing deployments in missions aimed to ensure peace and security on the continent, according to IVEMA Marketing Director for Africa, Mr Mike Thusi.

"Given the requirements of rapid deployment combatants in asymmetric warfare, our high mobility 4x4 Gila vehicle presents state-of-the-art capabilities," explains IVEMA operational director, Andre Mouton. "Its South African designed V-shaped hull allows the Gila to exceed NATO basic specifications for mine protection levels. The ballistic protection meets NATO Level 1 specifications, but can be upgraded to Level 3 with up armour kits as a result of the high axle capacities."

According to Mouton, IVEMA's new C-130 air-transportable APC is based on battle-proven South African technologies complemented with the latest in modern dynamics. These include an advanced engine, automatic gearbox and high capacity axles. The standard Gila is also fitted with disc brakes, ABS, central tyre inflation system (CTIS), run-flat tyres, military-spec electric harness and air conditioner.

Design concepts used in the Gila ensured that the vehicle has high mobility and that the vehicle and crew

have a greater chance of surviving multiple mine blasts and improvised explosive devices. The standard use of run flat inserts in all tyres enables tactical mobility at critical times.

The standard Gila carries a crew of two plus nine troops. It is available in either left- or right-handed power-assist steering versions. Although the prototype model is powered by a Euro III Mercedes Benz engine, several other engine types could be fitted according to client specifications.

A light turret to accommodate any of several existing cannons in service around the world and machine guns is fitted on the top of the vehicle behind the driving crew station. Provision is made for a 7.62mm machinegun mount at the rear.

The spacious interior and use of modern seating provide greater comfort for the crew and troops. The available internal capacity will allow for the design and development of different variants to meet the needs of command & control, field ambulance, electronic warfare and communications.

The Gila design allows for easy maintenance and repair. The engine, gearbox and cooling system are mounted on a rail which allows for the engine to be removed and replaced within an hour in field conditions. Many of the components are available commercially "off-the-shelf".

After-detonation cost is exceptionally low and after blast repairs can be done in the field.

The Gila has a maximum combat weight of 13 600kg with a payload of 3 200kg.

"We believe the Gila is an APC with proven advanced capabilities for the African and international market," Andre Mouton said. "The Gila is designed to be used in Motorised Infantry and unconventional warfare roles, as well as for multi-mission tasks within peace support missions," he concluded.

A comprehensive technical specification sheet is attached.



Contracts

BAE Systems awards contract for Iraqi Light Armored Vehicles

BAE Systems Land & Armaments L.P., York, Pa., was awarded on May 30, 2006, a delivery order amount of \$180,503,000 as part of a \$445,439,000 firm-fixed-price contract for Iraqi Light Armored Vehicles (ILAV).

Work will be performed in Anniston, Ala. (50 percent), and Ladson, S.C. (50 percent), and is expected to be completed by Nov. 30, 2009. Contract funds will not expire at the end of the current fiscal year. There were an unknown number of bids solicited via the World Wide Web on May 5, 2006, and 16 bids were received. The U.S. Army Tank-Automotive and Armaments Command, Warren, Mich., is the contracting activity (W56HZV-06-D-VB01).



Defence Industry

GD Awarded \$31M Contract for RG-31 Mine Protected Vehicles for the Canadian Military



The Government of Canada has awarded a CAD \$31 million (US \$28 million) contract to General Dynamics Land Systems-Canada to provide 25 additional RG-31 Mine Protected Vehicles. General Dynamics Land Systems, the Canadian company's parent corporation, is a business unit of General Dynamics (NYSE: GD).

This order is an option to a contract originally awarded in November 2005 that called for the delivery of 50 RG-31 vehicles. Vehicle deliveries were completed in April 2006. Deliveries of the additional 25 vehicles will occur from September to November 2006.

Under this contract, General Dynamics Land Systems-Canada provides program management and engineering and logistics support while BAE Land Systems OMC of South Africa manufactures the vehicles. The vehicles incorporate a Kongsberg Protector M151 Remote Weapon Station equipped with a day and night sighting system, which allows the operator to fire the weapon while remaining protected within the vehicle.

The RG-31 tactical vehicle offers enhanced mine blast resistance as well as protection against both improvised explosive devices and ballistic threats. The vehicles, currently being used by the Canadian Forces in their operations in Afghanistan, have already proven their worth when an RG-31 survived a significant roadside bomb explosion earlier last month.

General Dynamics Land Systems-Canada has also completed deliveries of 148 RG-31 vehicles to the U.S. Army in fulfillment of a 2005 contract. In addition, the vehicles have been extensively used by NATO forces in the former Yugoslavia as well as by the United Nations in Lebanon, Georgia, Syria, Bosnia and Herzegovina, and Kosovo.



Future Technologies

FCS Manned Ground Vehicles Pass Key Army and Functional Review

ST. LOUIS -- The Future Combat System (FCS) family of Manned Ground Vehicles (MGVs) being developed by the LSI MGVT Team, including their major teammates General Dynamics and BAE Systems, successfully completed the U.S. Army and Lead Systems Integrator's (LSI) Systems Functional Review (SFR) event.

General Dynamics Land Systems, a business unit of General Dynamics, and BAE Systems formed an integrated design team in December 2003 to develop and demonstrate a family of eight Manned Ground Vehicles, sharing common components and subsystems. General Dynamics Land Systems has the lead responsibility for the overall MGVT Common Systems Engineering and Integration and the integration of the Command and Control Vehicle, the Mounted Combat System and the Reconnaissance and Surveillance Vehicle. BAE Systems is participating in the Common design and is responsible for integrating the FCS Recovery and Maintenance Vehicle, Infantry Carrier Vehicle, Medical Vehicle, the Non-Line-of-Sight-Cannon, and Mortar.

The purpose of the SFR is to confirm that the Army, LSI and GD/BAE Team understand the MGVT platform-level requirements as communicated from the System of System specifications, and have developed MGVT platform concepts that meet the requirements. The week-long review included a comprehensive examination of 16 areas. All issues identified during the process have been resolved or have approved closure plans in place.

The key SFR requirements met include completion of:

- Prime Item Development Specifications for each of the 8 MGVT variants
- Functional analysis and allocation of requirements
- Design data defining each of the variants
- Analyses, reports, trade studies, logistics, support analysis data, and design documentation
- Proposed system design configuration in terms of Technical Performance Measures (TPMs)
- Individual program and design plans

"Completion of the MGVT SFR represents an important accomplishment for the Army, LSI and our partners as we prepare for the next FCS technical milestone, the In-process Preliminary Design Review in August, and continue to focus on program execution," said Dennis Muilenburg, Boeing vice president-general manager and FCS program manager. "MGVs are a crucial element of the FCS system of systems, and we are pleased with the tremendous effort put forth by the MGVT design team of BAE and General Dynamics to ensure a successful SFR."

Successful completion of the MGVT SFR positions the program for the beginning of the MGVT Preliminary Design Phase, which will be started in steps as closure plans are completed. Here, platform hardware and software requirements at the subsystem and component level will be identified and defined, and designs will be developed that support moving to the next phase - detailed design.

The FCS MGVT Family of Vehicles

The FCS family of MGVs is a critical component of the FCS-equipped force. MGVs are expected to host more than 75 percent of the Future Combat System Brigade Combat Team [FCS(BCT)] lethality and nearly that same level of ground-sensor capability. MGVs are the cornerstone of the Army's FBCT.

FCS MGVs share a common architecture that focuses

on high performance, commonality and reliability. The family of vehicles will be in the 24-ton weight class and multi-mode transportable, while offering lethality and survivability equal to or better than that of today's heavy armored force. This will be achieved through a combination of enhanced situational awareness, assured communications within a network-centric force and use of technologies in the lethality and survivability arenas.

FCS is the centerpiece of the U.S. Army's transformation to a lightweight, rapidly deployable and lethal network-centric force. FCS is a "System of Systems" that includes 18 vehicle platforms plus an overarching network. Once completed, FCS will integrate soldiers with a new family of unmanned air platforms and sensors, together with both manned and unmanned ground platforms across the battlespace. FCS will equip tactical formations with an affordable and optimum set of net-centric combat capabilities required to fulfill the Army's "Future Force" vision.

General Dynamics, headquartered in Falls Church, Virginia, employs approximately 72,700 people worldwide and had 2005 revenue of \$21.2 billion. The company is a market leader in mission-critical information systems and technologies; land and expeditionary combat systems, armaments and munitions; shipbuilding and marine systems; and business aviation.

BAE Systems is the premier transatlantic defense and aerospace company delivering a full range of products and services for air, land and naval forces, as well as advanced electronics, information technology solutions and customer support services. With more than 100,000 employees worldwide, BAE Systems sales exceeded GBP 15.4 billion (US\$28 billion) in 2005.

Defence Industry

Swiss Army selects Tadiran Electronic Systems Tactical Communication Solution

Holon, Israel -- Tadiran Electronic Systems, a member of the Elisra Group and one of Israel's leading suppliers of state-of-the-art electronics and communications systems for land and naval applications, announced that its TCC/IP Tactical Communication Controller has been selected as a common platform for the integration of the Swiss Army's today tactical radios.

According to Itzhak Beni, Tadiran Electronic Systems President and CEO, "this success is proof of Tadiran's cutting-edge communication solutions that meet, and even exceed, the most challenging demands. We believe it will pave the way to future business from other advanced armies worldwide."

The contract for Tactical Communication Systems is not the first time that Tadiran has been the preferred choice of the Swiss Army. The company was previously selected for a major, large-scale contract to supply advanced C4I systems to the Swiss artillery, an ongoing project comprising totally integrated systems linking

different applications and levels of command to real time battle information.

The latest contract for TCC/IP Tactical Communication Controllers will equip the Swiss army with a common platform for wireless data connectivity services for all users and applications in the battlefield. The multicast system overcomes the constraints of narrow-band tactical communications while optimizing usage of radio media and offering automatic routing and relaying capabilities.

As a world leading C4I supplier, Tadiran Electronic Systems draws on decades of experience as well as proprietary technologies to create totally integrated systems. Key capabilities in software development, systems engineering, tactical data links and communication controllers are fused in a full spectrum of systems for battle management, surveillance, fire support, communications and data transfer.

With its broad experience and systems range, the Company is well positioned to take advantage of the virtually unlimited potential of today's and tomorrow's thriving tactical communications markets.

Defence Industry

A New 8x8 Armoured Personnel Carrier Developed in Ukraine



The State-owned Enterprise Kharkiv Morozov Machine Building Design Bureau (SOE KMDB) has unveiled its new development – BTR-4 8x8 armoured personnel carrier (APC) – at the Aviasvit'2006 exhibition held on a military aerodrome near Kyiv.

The BTR-4 was developed and manufactured as a private venture. The developers hope that the vehicle will be of interest to Ukraine's Ministry of Defence as well as to foreign customers.

The new Ukrainian APC has a conventional layout with the driver's and commander's compartment at the front part of the hull, the engine and transmission compartment in the middle, and the troop compartment at the rear. The troops enter and leave the vehicle either through the rear doors or the roof hatches, and the driver and the commander are provided with doors located on the sides of the hull.

The BTR-4 can operate in a wide range of ambient temperatures (-40 up to + 55 degrees Centigrade), as well as under dusty conditions, and can move on hard surface roads at a maximum speed of 110 km/h and cross water obstacles at a speed of 10 km/h. The vehicle is powered by a 3TD diesel engine developing 500 hp. At customers' request, the vehicle can be fitted with a Deutz engine

developing either 489 or 598 hp.

The BTR-4 can be a basis for development of various types of vehicles: fire support vehicle, command vehicle, ambulance, air defence vehicle, combat reconnaissance vehicle, and recovery vehicle.

In the standard configuration, the vehicle has a weight of 17 tonnes and provides protection against small arms fire and mine blasts. In the enhanced configuration (with the front armour being able of providing immunity against 30 mm gun rounds), the vehicle weight can reach 27 tonnes.

Apart from the BTR-4, the SOE KMDB also demonstrates at the exhibition an improved version of the Dozor-B 4x4 armoured personnel carrier.

Defence Industry

Plasan Sasa Wins Contract to Supply Personal Armor to Israel Defense Forces



Plasan Sasa Wins Contract to Supply Personal Armor to Israel Defense Forces The Company Will Supply Over 2000 Ergonomic Assault Vests in Multi-Million Dollar Project.

Eurosatory, June 11, 2006 - Plasan Sasa, a world leader in the design, development and manufacture of combat-proven ballistic armor solutions, announced that it has been awarded a contract to supply the Israel Defense Forces (IDF) with assault vests in one of the largest tenders issued in Israel for personal armor.

According to the contract, Plasan Sasa will supply the IDF with thousands of its ergonomic assault vests in a project valued at several million dollars. These sophisticated vests are made of exceptionally lightweight yet durable materials that provide full coverage for critical torso areas, while being unusually comfortable to wear, even in the most difficult climatic conditions.

"There has been an increasing awareness regarding the importance of personal armor. We have worked with the IDF over the years on many different projects involving various armored platforms, and are very pleased that the IDF has once again shown its confidence in our solutions and our technology, and has selected us for this important project, which will protect soldiers' lives and safety during their various missions and enable greater security and survival in the army", said Plasan Sasa's CEO, Dan Ziv.

Rapid Response to Market Needs Assures Ongoing Global Success

Recognizing the critical need for dependable,

cost-effective solutions to meet the significant challenges arising on the world's battlefields in the area of personal armor, Plasan Sasa has harnessed its considerable expertise and capabilities to provide cutting-edge products of the highest quality that meet the budgetary requirements of its global customer base. The company successfully competes in personal armor tenders in Israel and around the world, and recently won a multi-million dollar tender to supply personal armor to a country in Asia.

Field-Proven Solutions Based on Latest Technological Advances

Plasan Sasa's solutions utilize the most advanced materials, including next-generation ceramic armor - SMART (Super Multi-Hit Armor Technology). The company's Advanced Tactical Assault Vest, developed in cooperation with NATO's International Association of Police Forces, features an adjustable valve that enables real-time adaptation to changing threat levels. The vest meets the stringent requirements of Special Forces units, offering maximum protection against high velocity projectiles.

The company's High Density Polyethylene HD-PE Armor Panels and Ergonomic Armor Plates are made from the lightest existing protective material. Ergonomically designed and water-repellent, they provide full vital organ protection, high multi-hit capability, and optimal protection in even the most humid conditions.

Defence Industry

ATK Successfully Tests Advanced 155mm Projectile

Low-Cost Saber Flies More Than 48 Kilometers After Gun Launch Using a Zone-5 Charge Saber Designed for Block 1B Upgrade to Excalibur

Minneapolis -- Alliant Techsystems (NYSE: ATK) announced today that it successfully tested its advanced, 155mm precision projectile - Saber. Saber offers the U.S. Army a design capability and a low per unit cost for the Block 1B upgrade to the Excalibur program.

Saber was fired from a 155mm cannon, using a Zone-5 charge, the most powerful charge configuration used by U.S. forces. Saber will give artillery batteries a precision-fire capability with significantly more stand-off range than current 155mm artillery. It is designed for compatibility with all existing and future 155mm cannons. "The relatively simple design of Saber allows it to accurately fly to target with fewer moving parts; making the round highly reliable, very effective and importantly, lower-cost than the competition," said Dave Wise, General Manager, Advanced Weapons, ATK Mission Systems Group.

The test was conducted at the Yuma Proving Grounds, Yuma, Ariz. After exiting the barrel, the tail fin assembly deployed and latched as designed. After the fins were locked in place, the round's rocket motor ignited and

completed a full burn. The thrust provided by the rocket motor allowed the round to reach its 48- Kilometer objective. In previous tests, ATK has demonstrated the effectiveness of its INS/GPS guidance solution.

The increased range of Saber's boosted, ballistic trajectory flight path reduces the time from gun-launch to impact and supports the expanded responsibilities of Brigade Combat Teams. Combined with its proven guidance solution, Saber will significantly shrink the potential impact zone, reducing the possibility of collateral damage.



Future Technologies

DRS Technologies Awarded \$396 Million Contract to Produce Battlefield Digitization Systems for the U.S. Army

PARSIPPANY, N.J. -- DRS Technologies, Inc. (NYSE: DRS) announced today that it was awarded an Indefinite Delivery Indefinite Quantity (IDIQ) \$396 million contract to provide rugged Applique Computer Systems and peripheral equipment for the U.S. Army's Force XXI Battle Command, Brigade and Below (FBCB2) program.

Installed on over 40 vehicle platform types, including wheeled and tracked vehicles, as well as Tactical Operations Centers and other command post platforms, DRS's Applique Computer Systems support the Army's Blue Force Tracking requirements, which include beyond line-of-sight reporting and tracking, and significant improvements in vertical and horizontal information integration for incorporation into the military's overall battlefield visualization efforts.

The contract was awarded to DRS by the U.S. Army's Communication-Electronics Life Cycle Management Command (CELCMC) in Fort Monmouth, New Jersey. For this award, the company's DRS Tactical Systems unit in Melbourne, Florida, will provide rugged Applique Computer Systems, including processor, display and keyboard units, as well as rugged solid-state hard disk drives and mission data loaders. Under an initial \$79.9 million order, product deliveries will commence in October 2006 and continue through July 6, 2007.

"This milestone award reflects DRS's strong track record for innovative design, highly reliable performance, product quality and timely delivery on this key program," said Steven T. Schorer, president of DRS's C4I Group. "Thousands of DRS-built Applique Computer Systems have been fielded successfully under the FBCB2 program, and this contract ensures they will continue to serve as crucial assets for our forces as part of the Army's network-centric communications infrastructure."

The FBCB2 program is focused on developing a digital battle command information system designed to provide commanders, leaders and soldiers, from brigade to individual soldier and across all the battlefield functional areas, with improved information for command and control and enhanced situational awareness. Supporting the Army's overall battlefield

visualization efforts, the Applique Computer Systems provide a seamless flow of battle command information and interoperability with external command and control and sensor systems.

Incorporating the latest developments in digital information processing and networking, DRS-built FBCB2 systems provide improved combat support for lower-echelon battle command tactical mission requirements, including near real-time command and control capabilities, enhanced interoperability, situational awareness, and graphical combat area displays, throughout the force structure at the soldier, weapons and platform levels. These systems assure that U.S. armed forces keep pace with advanced technology developments of the 21st century. The situational awareness component collectively displays the geographical location of all weapons, platforms, soldiers, command posts and other facilities and is being used in conjunction with the Army's Tactical Internet (TI) and celestial communications, a seamless Internet connection, for ease in communication. The TI interfaces with the Army Battle Command Systems (ABCS), collects information from both the operation center and the individual units and disseminates the data through the FBCB2 computers for improved situational awareness.



Future Technologies

Patria launches a new mortar system Patria Nemo

Patria has today unveiled a new, in-house designed efficient single-barrel 120 mm mortar Patria Nemo at the Eurosatory Exhibition in Paris. Patria Nemo is an unmanned mortar turret suitable for a large variety of platforms available at the market today featuring superior accuracy and agility in all types of manoeuvres.

Nemo is a brilliant example of Patria's extensive product development work simultaneously as it is yet another proof of Patria's innovativeness and specialist know-how within weapon systems.

Patria Nemo is a mortar turret with excellent signature management and ballistic protection. As a modern and compact system, Patria Nemo can easily be mounted onto various tracked and wheeled chassis. Due to its low weight, only 1500 kg, Patria Nemo is also adaptable to lightweight, high-speed vessels.

Featuring exceptional accuracy and agility in all types of manoeuvres, Nemo is ready to fire in less than 30 seconds and enables immediate exit from firing position – true performance for an array of shoot & scoot tactics.

Patria Nemo provides both direct and indirect fire support for among others rapid deployment forces. It offers also excellent possibilities for harbour patrol and protection, coast guarding and infantry landing operations.

Patria Nemo is the newest member of Patria's 120 mm mortar system family filling the gap between traditional towed mortars and the twin-barrelled AMOS. The Nemo mortar turret is developed and designed by

Patria. It can fire indirect MRSI fire with 6 grenades hitting the target simultaneously. Nemo can also use direct fire in addition to conventional mortar trajectories. Efficient firing is provided by a semi-automatic loading system and a fully automatic laying system. Nemo can use any type of ammunition intended for 120 mm smoothbore mortars. It can also use guided PGMM ammunition currently under development.

Patria is a Defence and Aerospace Group with international operations. Its key business areas are armoured wheeled vehicles, mortar systems, helicopters and aircraft, and their life cycle support, as well as defence electronics systems. Patria delivers internationally competitive solutions to global markets based on own specialist know-how and partnerships. Patria is owned by the State of Finland and the European Aeronautic Defence and Space Company EADS N.V.

Defence Industry

Patria AMV chosen as the preferred vehicle in Slovenia



The Slovenian Ministry of Defence has on 12 June, 2006 announced that Patria AMV has been selected as the preferred vehicle for the Slovenian armoured vehicle program. Final contract negotiations will start immediately.

The scope of the deal covers 136 wheeled armoured personnel carriers in 4 different versions. The vehicles will be manufactured in Finland and in Slovenia together with Slovenian co-operation partners. The deliveries are scheduled for 2007 – 2011.

“We are extremely contented that the best vehicle was chosen. The Slovenian Ministry of Defence has made a professional and fast decision which was based on the excellent field test results in Slovenia and other countries together with our competitive offer. By choosing Patria AMV the customer will get the technologically most advanced product that is already in serial production and with over 100 AMV’s delivered up to date. In the longer term co-operation with Patria will offer new working opportunities for local partners and create success and new possibilities for the Slovenian industry.

We have already fulfilled 100% of our technology transfer in Poland. Our Polish part-ner WZM delivered its first Polish made AMV to the customer in the end of 2005 and local production is going on. In March the first two of the altogether 24 AMV/AMOS mortar vehicles were delivered to the Finnish Defence Forces”, states Mr Jorma Wiitakorpi, President and CEO of Patria.

Patria is a reliable partner with solid owners (the

Finnish State and EADS) and over 2000 armoured wheeled vehicles delivered. The 4th generation Patria AMV has been in serial production since 2004. The Group has received orders for around 800 Patria AMV 8x8/6x6, in Poland (690 vehicles) and in Finland (84 vehicles).

Defence Industry

Barco selected by Thales for VBL vehicle upgrade program of the French army

EUROSATORY, Paris, France -- Visualization specialist Barco has been selected by Thales Optronics, Guyancourt, France, for the supply of 200 10-inch vetronics displays to be used inside the VBL (Vehicule Blinde Leger) armored vehicles of the French army.

Operators of the VBL vehicle will use Barco's displays for observation and reconnaissance purposes. The contract fits into the VBL SOURCE program (Vehicule Blinde Leger dote d'un Systeme Optronique Unique de Renseignement), which provides for a complete upgrade of the vehicle's electro-optical observation and detection system.

Barco's 10-inch vetronics display was chosen by Thales because of its optimum image quality and high level of ruggedness. For this program, Barco adapted the display's I/O connectivity to meet the VBL vehicle's specific observation system requirements. The contract further includes Barco's easy-to-use HMI software toolbox ACTEV, which allows implementing the end-user's desired functionality into the vetronics display system.

Barco's vetronics display system has been designed for observation and visualization on board armored vehicles. The system combines a 10-inch SVGA (800 x 600) Panel Module (PM-1126) with a Video Control Module (VCM-1101), connected by means of a single cable, the VECTORLINK. Thanks to the split design, the VCM-1101 can be placed in a remote location, requiring less depth.

First deliveries for the VBL SOURCE program will take place in September 2006.

Defence Industry

BAE Systems Hands Off First M88A2 Hercules to Australian Army



YORK, Pa. -- BAE Systems recently conducted a hand off of the first M88A2 HERCULES to the Australian Army during a ceremony held at the company's York, Pa. facility.

The HERCULES presented represents the first of seven to be delivered under a contract awarded in 2004 and 2005 by the U.S. Army's Tank-automotive and Armaments Command to provide M88A2 HERCULES vehicles for Australia.

"We take great pleasure and pride to accept this very important and high-profile vehicle," said Brigadier Grant Cavenagh, Director General, Land Manoeuvre Systems for the Australian Army. "The combination of the M1A1 and the M88 will provide superior support to the Australian Defense Force."

"BAE Systems is proud to support the Australian Army with the world's best recovery vehicle, which will enable the safe recovery of Australia's 70-ton M1A1 AIM tanks," said Ron McCleaf, M88A2 program manager for BAE Systems.

HERCULES supports recovery efforts for recovering today's 70-ton combat vehicles and answers the need for cost-effective, self-supporting heavy recovery performance. Key upgrades from the M88A1 include improved power-assisted braking, improved steering, improved electrical system and increased engine horsepower. HERCULES delivers 25 percent more towing muscle, 40 percent more hoisting strength and 55 percent more winching power in meeting any mission requirement.



Future Technologies

BAE Systems And Camoplast Agree To Develop Segmented Track

ANNISTON, Ala. - BAE Systems and Camoplast Inc. have entered into a strategic alliance to jointly design, develop, and produce segmented band track for the Future Combat System Manned Ground Vehicle. Design and prototyping will be completed in 2006 with system demonstration planned in 2007.

BAE Systems is the primary track designer for the U.S. military with ongoing research projects for steel, aluminum, titanium, metal matrix and rubber track. Its facility in Anniston, Ala., also produces the majority of forged track and components for the U.S. inventory of tracked combat vehicles.

Camoplast Inc. is headquartered in Sherbrooke, Quebec, Canada and has 2,000 employees in 12 manufacturing sites located in the United States, Canada and Europe. The main activities of Camoplast are linked to the manufacturing of rubber tracks, composite and plastic components, aimed at heavy vehicles, recreational, agricultural, transportation, defense and industrial markets.

BAE Systems is contracted on the Future Combat System program for the development of the manned ground vehicle family in partnership with General Dynamics Land Systems. BAE Systems has the lead on

five ground vehicles including the Non Line of Sight Cannon. The company is also contracted to develop two Armored Robotic Vehicles providing reconnaissance and over-watch capabilities.



Contracts

Saab Training Systems (Huskvarna, Sweden) Awarded A Contract by the Austrian Army



Saab Training Systems of Sweden signed a contract with the Austrian Army for instrumented mobile training systems.

The order includes the highly mobile Gamer system and equipment for training in urban environments. The value of this order amounts to SEK 88 million.

The Austrian army has previously purchased simulation systems for tanks, anti-tank weapons, and soldiers. The new system provides increased scope for analysis and evaluation of exercises. The instrumentation allows the user to simulate artillery and minefields, and to follow the exercise in real time. The contract includes systems for tactical training, equipment for training in urban environments, and simulators for protective masks. Equipment that facilitates interoperability with other simulator systems is included to enable joint exercises with other nations.

Saab Training Systems develops, manufactures, and markets advanced military training materiel such as laser simulator systems, instrumented training systems, and services such as servicing and maintenance of supplied systems. Saab is one of the world's leading high-technology companies and focuses on defense, as well as aviation and space.



Contracts

Force Protection Announces Follow-On Order for Additional Cougar Vehicles

Ladson, SC - Force Protection, Inc. (OTCBB:FRPT) today announced a follow-on order by the U.S. Marine Corps for 15 additional Cougar Joint Explosive Ordnance Disposal Rapid Response Vehicles (JERRV). The order, which includes associated support items and services, is worth an estimated \$9.3 million.

The U.S. Department of Defense awarded Force Protection a contract for 79 Cougar JERRVs in May. This marks the second delivery order made under the contract in less than two months. All vehicles will be manufactured and delivered to the government this calendar year.



“The Joint IED Defeat Organization is funding these vehicles in a manner that leaves no question as to how urgently they are needed,” said Force Protection CEO Gordon McGilton. “We are responding in kind not only with this life-saving technology, but with the resources necessary to maintain the vehicles at the highest levels of performance.”

Force Protection has placed more than 30 Field Service Representatives (FSRs) in the field to assist the armed forces in training and vehicle maintenance in Iraq and Afghanistan.

“We have a proven solution to counter IEDs in the Cougar JERRV,” said Vice President for Marine Corps Programs Wayne Phillips. “It is being fielded in greater numbers every day, and with the support system created by the deployment of our FSRs, troops will continue to have the resources that ensure optimal use of these vehicles.”

About Force Protection

Force Protection, Inc. manufactures ballistic- and mine-protected vehicles through its wholly owned subsidiary. These specialty vehicles are protected against landmines, hostile fire, and Improvised Explosive Devices (IEDs, commonly referred to as roadside bombs). Force Protection's mine and ballistic protection technology is among the most advanced in the world. The vehicles are manufactured outside Charleston, S.C.

For more information on Force Protection and its vehicles, go to www.forceprotection.net.

This release contains forward-looking statements, including, without limitation, statements concerning our business, future plans and objectives and the performance of our products. These forward-looking statements involve certain risks and uncertainties ultimately may not prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Technical complications may arise that could prevent the prompt implementation of the strategic plan outlined above. The company cautions that these forward looking statements are further

qualified by other factors including, but not limited to, those set forth in the company's Form 10-KSB filing and other filings with the United States Securities and Exchange Commission (available at <http://www.sec.gov>). The company undertakes no obligation to publicly update or revise any statements in this release, whether as a result of new information, future events or otherwise, except as required by law.

Training And Simulators

KMW Presents New Truck Simulator



Munich -- Responding to the new professional driver training provisions specified throughout Europe, Krauss-Maffei Wegmann (KMW) has developed a mobile truck simulator.

This development involved the integration of a three-dimensional, mobile, real truck driver's cab as well as a classroom with six computer-based training stations in a truck semi-trailer measuring more than 13 meters in length. This semitrailer can be used for mobile and flexible training at various driver training schools and public institutions in the Federal Republic and Europe.

Latest simulation technology

The KMW driver training simulator is based on a truck driver's cab from MAN with fully operational control and display elements identical to the real vehicle. The system

is controlled via a computer network and realistically replicates a virtual world with all known road topographies and traffic situations. The core of the system is a graphical

user interface allowing driver training instructors to quickly and easily create complex driver training exercises with critical traffic situations. This also includes dangerous situations, such as blowing tires, nodding off, improper traffic behavior of pedestrians and cyclists, crosswind or a variety of different weather and road conditions.

Also available for training are variable own vehicles, such as different types of trailers and semi-trailers, touring coaches or public transport buses, load conditions, etc. Additionally, complex loading and docking maneuvers can be trained without any risk of damage on a specially developed virtual maneuvering course. Furthermore, the simulator offers a sophisticated module designed to evaluate driver proficiency as well as a "blue light" module to train drivers of fire fighting and task forces. Driving over snow-covered mountain passes or preparation for left-hand traffic in England at a training site in Berlin are but a few examples of this type of modern training.

New EU Directive

To improve traffic safety, the European Parliament and the European Council, with Directive 2003/59/EG, has ratified the future basic qualification and further training of drivers of specific motor vehicles for freight or passenger transport. The provisions contained in the directive must be translated into national law in the EU member states by September 2006. Effective that date, the further training measures to reduce the frequency of accidents and energy consumption for trucks will become mandatory.

Defence Industry

FN Herstal Awarded Major Contract for F2000 Assault Rifles

Leading manufacturer of small arms FN HERSTAL in Belgium is pleased to announce that the Ministry of Defence in Slovenia has recently adopted the F2000 Tactical Assault Rifle and Grenade Launcher for all its Armed Forces.

Deliveries will be completed in the course of next year.

The F2000 won the competition after one year of successful tests carried out according to NATO standards by the Slovenian MoD.

The F2000 Assault Rifle 5.56 calibre, which combines innovative features, modern technology and top quality components, is short in length, light in weight, modular and capable of taking a variety of accessories to meet the diverse operational requirements facing modern military units today and in the future.

Contracts

Cubic Awarded a Contract to Develop a New Variant of MILES Combat Training System

The defence branch of Cubic Corporation has received a \$25 million contract from an Asia Pacific customer for a new variant of Cubic's widely used laser-based combat training system, which features wireless technology.

Military trainers around the world use Cubic's Multiple Integrated Laser Engagement System (MILES) to track and record the performance of soldiers as they participate in force-on-force exercises. The system has two basic systems – man-worn and vehicle-installed. Man-worn systems include laser detectors worn on soldier's vests and helmets, and laser transmitters mounted to actual weapons. Vehicle systems comprise laser transmitters and detectors used when simulated battles are carried out.

Under the new contract, Cubic Defense Applications will develop new man-worn systems and vehicle-installed systems for both armoured and

soft-skinned vehicles. The new man-worn systems will feature smaller and lighter weight wireless technology that is universally configurable to fit on any army's vest to meet any training requirements.

Contracts

German Bundeswehr orders 149 DINGO 2 vehicles



On June 28, 2006 the German Parliament gave its consent for the procurement of 149 DINGO 2 all-protected transport vehicles made by Krauss-Maffei Wegmann. The contract totalling 109 million euros will be awarded shortly.

In addition to the 52 vehicles already procured in 2005, the German Armed Forces will thus receive further cross-country and air-portable wheeled vehicles meeting the requirements for maximum mobility and optimum crew protection on the battlefield.

The DINGO 2 is available in several mission versions. An NBC detector vehicle offers space for five crew members. Nuclear and chemical combat agents can be detected and analysed in the NBC protected large safety cell of the DINGO 2. As an ambulant emergency vehicle with its medical equipment on board, the DINGO 2 permits mobile initial medical treatment of patients under ballistic, mine and NBC protection.

It accommodates four crew and either two injured personnel or one contaminated patient in a personnel treatment chamber.

The DINGO 2 is a consistent upgrade of the DINGO 1 all-protected transport vehicle fielded in 2000 and used in many international missions. In its current patrol and security version, it offers space for up to eight crew and affords maximum protection against modern hand-held weapons, artillery fragments, anti-personnel and anti-tank mines as well as against NBC agents. The UNIMOG chassis of high cross-country mobility provides the vehicle with maximum speeds of more than 90 kph and a radius of action of roughly 1,000 km. Moreover, the DINGO 2 is air-portable on the C160 Transall, C130 Hercules and A400M transport aircraft.