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Contracts**General Dynamics Awarded Contract for Continued Stryker Production**

STERLING HEIGHTS -- The U.S. Army TACOM Lifecycle Management Command has awarded General Dynamics Land Systems, a business unit of General Dynamics, a contract for production and maintenance of 615 Stryker vehicles.

The contract has a total potential value of \$1.2 billion; initial funding in the amount of \$599 million was provided with the award.

Work will be performed in Anniston, Ala.; Sterling Heights, Mich.; Lima, Ohio; and London, Ontario, Canada. Work is expected to be completed by May 2011.

This award continues vehicle production under the Stryker program, which was initially awarded to General Dynamics in 2000. To date, General Dynamics has fielded 2,550 vehicles and trained 17,312 soldiers. Fielding is currently underway for the Pennsylvania Army National Guard's 56th Stryker Brigade Combat Team at Fort Indiantown Gap, PA.

Stryker Brigade Combat Teams have operated with "historically high" mission availability rates in Iraq since October 2003, demonstrating the value of a force that can move rapidly as a cohesive and networked combined-arms combat team. Stryker vehicles have logged a total of more than 19 million miles during six Operation Iraqi Freedom rotations.

Stryker is a family of eight-wheel drive combat vehicles that can travel at speeds up to 62 mph on highways, with a range of 312 miles. It is the Army's highest-priority production combat vehicle program and the centerpiece of the ongoing Army Transformation. Stryker operates with the latest C4ISR equipment and an integrated armor package protecting soldiers against improvised explosive devices, rocket propelled grenades, and a variety of infantry weapons.

General Dynamics, headquartered in Falls Church, Va., employs approximately 84,600 people worldwide and anticipates 2008 revenues of approximately \$29.5 billion. The company is a market leader in business aviation; land and expeditionary combat systems, armaments and munitions; shipbuilding and marine systems; and information systems and technologies.

Contracts**General Dynamics Awarded \$614 Million for Abrams Tank Upgrades**

STERLING HEIGHTS, Mich. -- The U.S. Army TACOM Lifecycle Management Command awarded General Dynamics Land Systems \$614 million on August 1 to upgrade 235 M1A1 Abrams main battle tanks to the M1A2 Systems Enhancement Package (SEP) Version Two (V2) configuration.

General Dynamics Land Systems is a business unit of General Dynamics.

The most technologically advanced digital tank, the M1A2 SEP V2 includes improved color displays, day and night thermal sights, auxiliary power and a tank-infantry phone. It can also accommodate future technology improvements for compatibility with the U.S. Army's Future Combat Systems.

The order was made under a multi-year contract awarded in February 2008 which authorized the modernization of 435 M1A1 tanks that have been in the Army's inventory for more than 20 years. An additional 180 tanks remain to be upgraded through the program, which will complete the conversion of all tanks in the Army's active component to the M1A2 SEP V2 configuration.

Work will be performed in Anniston, Ala.; Tallahassee, Fla.; Sterling Heights, Mich.; Lima, Ohio; and Scranton, Penn.

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Contracts**General Dynamics Awarded \$24 Million for USMC Light Armored Vehicles**

STERLING HEIGHTS, Mich. -- General Dynamics Land Systems has been awarded a \$24.2 million contract to produce 10 LAV-25 Light Armored Vehicles (LAVs), three LAV logistics vehicles and vehicle components for the United States Marine Corps (USMC) to meet anticipated war-loss requirements.

General Dynamics Land Systems is a business unit of General Dynamics.

The LAV-A2 is a mobile, agile and survivable system

for conducting offensive and defensive operations in support of the Marine Air-Ground Task Force. The eight-wheeled amphibious vehicle is equipped with enhanced armor protection and an automatic fire-suppression system for crew protection, as well as a robust suspension for mobility.



In February 2006, General Dynamics was awarded a contract by the USMC Systems Command to produce 157 LAV-A2s in six different variants, including the LAV-25, anti-tank, command and control, logistics, mortar and Nuclear, Biological and Chemical Reconnaissance System (NBCRS) configurations. General Dynamics delivered the first LAV-A2 to the Marines in October 2007.

Work on the vehicles will be performed at General Dynamics Land Systems - Canada, located in London, Ontario, and will be completed by December 2009. General Dynamics Land Systems - Canada is a business unit of General Dynamics Land Systems of Sterling Heights.



Defence Industry

Force Protection Rolls Out First Ridgback Vehicles for the British Ministry of Defence



LADSON, S.C. -- Representatives of Force Protection Industries, Inc., the U.S. Government and the British Ministry of Defence gathered today as Force Protection rolled out the first five new Ridgback vehicles developed specifically for the British Ministry of Defence (MOD).

The Ridgback is comparable to Force Protection's Cougar 4x4 vehicle.

"The delivery today of the first five Ridgback vehicles represents an important step in our continuing efforts to provide critical protection for the British forces. Through the efforts of many people within Force Protection, we are able to deliver these first Ridgback vehicles one month ahead of schedule," said Michael Moody, chief

executive officer.

The British Ministry of Defence has ordered 157 Ridgback vehicles for a total cost of approximately \$94 million. Although the British Ministry of Defence has used the Cougar 6x6 (Mastiff) since late 2006, this is the first Ridgback delivery to the United Kingdom.

Force Protection, Inc. is a leading American designer, developer and manufacturer of life saving survivability solutions, predominantly ballistic- and blast-protected wheeled vehicles currently deployed by the U.S. military and its allies to support armed forces and security personnel in conflict zones. The Company's specialty vehicles, the Cougar, the Buffalo and the Cheetah, are designed specifically for reconnaissance, forward command and control, and urban operations and to protect their occupants from landmines, hostile fire, and improvised explosive devices (IEDs, commonly referred to as roadside bombs). The Company is one of the original developers and primary providers of vehicles for the U.S. military's Mine Resistant Ambush Protected, or MRAP, vehicle program.



Defence Industry

ATK Successfully Demonstrates Precision Guidance Capabilities for 105mm Artillery

MINNEAPOLIS -- Alliant Techsystems Inc. announced today that it has successfully demonstrated the capability to divert a 105mm artillery round using its existing 155mm Precision Guidance Kit (PGK) with minimal modification to the current design.

ATK Successfully Demonstrates Precision Guidance Capabilities for 105mm Artillery

MINNEAPOLIS -- Alliant Techsystems Inc. announced today that it has successfully demonstrated the capability to divert a 105mm artillery round using its existing 155mm Precision Guidance Kit (PGK) with minimal modification to the current design.

ATK recently conducted tests of the PGK on M927 rounds at Yuma Proving Ground, Yuma, Ariz. The tests verified that the ATK-designed PGK provides more than twice the control authority necessary to meet 105mm performance requirements. The tests were funded internally by the company to demonstrate the robust design capability of the PGK.

Already proven on the 155mm Howitzer, the 105mm PGK incorporates 99 percent of the existing 155mm PGK design. The only difference is a single mechanical part. This approach maximizes the Army's investment in this technology. The high degree of commonality provides a low-risk approach that significantly reduces development and qualification costs, as well as the schedule to field a 105mm PGK. This commonality allows for a near-term affordable transformation of existing 105mm artillery rounds into precision weapons that improve combat effectiveness while reducing the

potential for collateral damage.

ATK competed for and won the system design and development (SDD) contract for the 155mm PGK in May 2007. The PGK is a low-cost, fuze-sized guidance kit intended to replace NATO standard height of burst, and point detonation fuzes. The kit improves projectile accuracy by coupling global positioning system (GPS) technology with ATK's fixed canard guidance system. The GPS technology provides location and time during flight and ATK's unique guidance, navigation, and control approach determines trajectory and makes in-flight corrections to the target.

ATK is a premier aerospace and defense company with more than 17,000 employees in 21 states and \$4.5 billion in revenue.

Defence Industry

TAK-4 Vehicle Suspension Developed and Tested for Northrop Grumman, Oshkosh Joint Light Tactical Vehicle

RESTON, Va. and OSHKOSH -- Northrop Grumman Corporation and Oshkosh Defense, a division of Oshkosh Corporation, have completed testing of a next-generation suspension for their Joint Light Tactical Vehicle (JLTV) family of vehicles.

Northrop Grumman and Oshkosh engineers have subjected their JLTV's independent suspension to performance testing at Oshkosh's test facilities in Wisconsin, proving the enhanced, lighter-weight JLTV suspension to be higher performing than what is available to the industry today. The design is an enhancement of Oshkosh's battle-tested and fully-fielded TAK-4(tm) independent suspension currently fielded on every Marine Corps Medium Tactical Vehicle Replacement (MTVR) truck. The MTVR truck is regarded as the most capable U.S. tactical vehicle in service today for severe duty and off-road operations.

"The team's engineers aggressively examined the performance on our proven TAK-4 independent suspension and developed design strategies and optimized approaches that will take suspension technologies to new levels," said Steve Zink, Oshkosh Corporation vice president, Defense. "Following rigorous testing of components and the vehicle, we are happy to report this next-generation of independent suspension will meet and exceed the extreme requirements needed by the JLTV family of vehicles."

The TAK-4 independent suspension has delivered payload and mobility advantages on- and off-road to Soldiers and Marines and has been proven in the field and in combat for more than 10 years. The technology also reduces wear and tear on vehicle components and improves vehicle handling and braking.

The Northrop Grumman-Oshkosh JLTV uses a high-performance diesel-electric drive system, which eliminates the need for a transmission and conventional drive train. This approach enables more design options for improved survivability and overall vehicle

optimization against the very tough JLTV requirements.

"Our team's paramount goal has been designing and building a JLTV that provides ultimate protection, payload and mobility for Soldiers and Marines," said Joe Gray Taylor, vice president of Ground Combat Systems for Northrop Grumman's Mission Systems sector. "A lighter-weight vehicle body, coupled with next-generation independent suspension and an advanced armor system, allows Northrop Grumman and Oshkosh to offer the best solution for our nation's warfighters."

The U.S. Department of Defense is expected to decide this fall which industry competitors will continue into the 27-month Technology Development phase for this \$40 billion program.

Contracts

General Dynamics Awarded \$37 Million Contract for Reactive Armor Production

CHARLOTTE, N.C. -- The U.S. Army Armament Research, Development and Engineering Center (ARDEC), in Picatinny, N.J., has awarded General Dynamics Armament and Technical Products a \$37 million contract for the qualification and production of reactive armor side skirt tiles for the Bradley Fighting Vehicle System. General Dynamics Armament and Technical Products is a business unit of General Dynamics.

The reactive armor system is comprised of tiles that fasten to the exterior of a vehicle allowing it to better withstand a direct hit from a variety of anti-armor munitions. In addition to manufacturing the reactive armor tiles for the Bradley Fighting Vehicle and the Abrams Tank, General Dynamics provides complete assembly, integration and storage capabilities.

"Our reactive armor technology provides an added level of vehicle protection against shape-charged threats, including rocket propelled grenades," said Russ Klein, vice president and general manager of weapon systems for General Dynamics Armament and Technical Products. "Designed specifically for the U.S. Army Bradley Fighting Vehicle, our reactive armor is saving lives and preventing severe damage to combat vehicles in Iraq."

Work under this contract will be performed at the General Dynamics' facility in McHenry, Miss., and is expected to be completed in November 2009. As a strategic partner, RAFAEL Armament Development Authority Ltd., Ordnance Systems Division, will share the production workload in Haifa, Israel. The program will be managed from General Dynamics' Burlington Technology Center, Burlington, Vt.

General Dynamics' site in McHenry, Miss., is the load, assemble and pack facility for the company's reactive armor tile program. General Dynamics manufactures reactive armor tiles for the Bradley Fighting Vehicle and Abrams Tank and provides complete assembly, integration and storage capabilities.

General Dynamics, headquartered in Falls Church, Va., employs approximately 84,600 people worldwide

and anticipates 2008 revenues of approximately \$29.5 billion. The company is a market leader in business aviation; land and expeditionary combat systems, armaments and munitions; shipbuilding and marine systems; and information systems and technologies.



Defence Industry

Northrop Grumman Awarded Major Security Delivery Order

RESTON, Va. -- Northrop Grumman Corporation has received a \$69 million delivery order to provide advanced technologies and systems for protecting military troops, facilities and assets at forward-operating bases throughout U.S. Central Command (CENTCOM), its sixty-ninth delivery order under the Integrated Base Defense Security System (IBDSS) contract.

Under this delivery order, Northrop Grumman's Mission Systems sector will provide detection, assessment and surveillance capabilities for the U.S. Air Force, Army and Marine Corps, primarily in support of Operation Iraqi Freedom and Operation Enduring Freedom.

The delivery order was awarded by the 642nd Electronic Systems Squadron, Air Force Electronic Systems Center at Hanscom Air Force Base, Mass. The Center manages the IBDSS contract, a multiple-award acquisition vehicle for meeting installation security requirements worldwide.

"Through this program, Northrop Grumman marks 12 years of near-continuous support for our fighting forces in the region, providing integrated force protection solutions," said Michael Danick, director of Air Force, Army and Marine Corps Programs for Northrop Grumman's Mission Systems sector. "Working with the Electronic Systems Center, the Army's C-RAM (Counter-Rocket, Artillery, Mortar) program office and the Marine Corps Central Command, we continue to enhance our systems to best meet warfighter demands and protect U.S. and allied people, facilities and assets."

The Northrop Grumman Integrated Base Defense Security System of Systems solution continues to serve as the force protection system of choice in the CENTCOM Area of Responsibility.

Northrop Grumman has developed and deployed fixed and relocatable security systems at military and federal installations in more than 18 countries.

Northrop Grumman Corporation is a global defense and technology company whose 120,000 employees provide innovative systems, products, and solutions in information and services, electronics, aerospace and shipbuilding to government and commercial customers worldwide.



Defence Industry

Antonov delivers first Ridgbacks to Brize

The first customised Cougar 4x4 vehicles arrived at

RAF Brize Norton this week, a month ahead of schedule, where the process of turning them into the new Ridgback protected vehicle will begin.



Arriving on a giant Antonov aircraft, the five Cougars rolled off the back of the transporter aircraft taking a step closer to being ready for use in Afghanistan. Once fully uparmoured and weaponised the Ridgback will join its bigger brother, the Mastiff, as the new protected vehicle on operations.

The MOD has ordered 157 customised Cougar 4x4 from the American company Force Protection Inc. as an urgent operational requirement (UOR). The UK will integrate additional protection, weapons, communications systems and specialist electronic counter-measures equipment onto the Cougar base vehicles in order to create the Ridgback vehicle.

Minister for Defence Equipment and Support, Baroness Taylor said:

"Mastiff has been a huge success, well liked by troops on patrol, offering high levels of protection against mines and roadside bombs and it has saved our soldiers lives on many occasions. As a smaller version of the Cougar 6x6 vehicle which underpins Mastiff, the Cougar 4x4 was the natural choice to become the Ridgback protected vehicle.

"Ridgback will give our troops a further boost continuing the significant improvements we have made to the protection of our forces in Afghanistan and Iraq."

The Mastiff is also manufactured by FPI and is based upon their Cougar 6x6 vehicle. In sharing the same basic platform and major components, Ridgback will benefit from the established support and training regimes already in place and proven for Mastiff.



The use of the Cougar 4x4 vehicle for Ridgback is specifically intended to provide greater protected accessibility in urban environments whilst Mastiff continues to operate in the urban fringe and rural environment.

The Prime Minister announced to Parliament in December 2007 plans to buy 150 additional specialist protected vehicles called Ridgback. Over £150 million of funding has been allocated for the Ridgback with

sufficient numbers procured to allow comprehensive pre-deployment training.

The Ridgback's weapons will include: Self-defence systems. A mixture of: 7.62 Heavy Machine Gun; General Purpose Machine Gun; Grenade Machine Gun mounted. Some will also be fitted with a remote weapons systems which will allow the user to operate the Ridgback's weapons using a camera and joystick from inside the vehicle.



Contracts

General Dynamics Awarded \$21 Million for Abrams Tank System Technical Support

STERLING HEIGHTS, Mich. – The U.S. Army TACOM Life Cycle Management Command has awarded General Dynamics Land Systems, a business unit of General Dynamics, a \$20.9 million contract for Abrams Tank Systems Technical Support (STS).

The award will fund engineering studies on Abrams main battle tanks to identify improvements and replace obsolete parts to maintain the tanks at high operational readiness rates. The work will be performed by existing General Dynamics Land Systems employees in Sterling Heights, Michigan. It is expected to be completed by December 31, 2011.

General Dynamics, headquartered in Falls Church, Va., employs approximately 84,600 people worldwide and anticipates 2008 revenues of approximately \$29.5 billion. The company is a market leader in business aviation; land and expeditionary combat systems, armaments and munitions; shipbuilding and marine systems; and information systems and technologies. More information about the company is available on the Internet at www.generaldynamics.com.



Contracts

General Dynamics Awarded Contract for Stryker Mobile Gun Systems



STERLING HEIGHTS, Mich. -- The U.S. Army TACOM Lifecycle Management Command has awarded General Dynamics Land Systems, a business unit of General Dynamics, a contract for the production of 62 Stryker Mobile Gun System (MGS) variant vehicles.

The contract has a total potential value of \$326.5

million including initial funding of \$145 million.

Work will be performed in Anniston, Ala.; Sterling Heights, Mich.; Lima, Ohio; Scranton, Pa.; Tallahassee, Fla., and London, Ontario, Canada, and is expected to be completed by February 2010.

The Stryker MGS variant is a direct-fire infantry assault platform with a 105mm cannon mounted in a low-profile, fully stabilized, “shoot-on-the-move” turret and integrated into the Stryker chassis. It carries 18 rounds of NATO-standard 105mm main gun ammunition; 400 rounds of .50 caliber ammunition; and 3,400 rounds of 7.62mm ammunition. It destroys vehicles, equipment and hardened positions with its bunker and wall-breaching capability.

Stryker is a family of eight-wheel-drive combat vehicles that can travel at speeds up to 62 mph on highways, with a range of 312 miles. It operates with the latest C4ISR equipment as well as detectors for nuclear, biological and chemical weapons. In addition to the MGS, Stryker vehicle configurations include: the nuclear, biological and chemical detection vehicle; anti-tank guided missile and medical evacuation vehicles; and carriers for mortars, engineer squads, command groups, and fire-support teams. The MGS has more than 70 percent common components with the rest of the 310 Strykers that comprise a brigade combat team, which eases the unit’s training and logistics burden.

Since being deployed to combat in 2007, the MGS vehicles have logged 79,000 miles, fired 600 main gun rounds, thousands of coax rounds and survived numerous insurgent attacks and improvised explosive device (IED) detonations.

The Army has seven Stryker Brigade Combat Teams. Stryker is the Army’s highest-priority production combat vehicle program and the centerpiece of the ongoing Army Transformation. Significantly lighter and more transportable than existing tanks and armored vehicles, Stryker fulfills an immediate requirement to equip a strategically deployable (C-17/C-5) and operationally deployable (C-130) brigade capable of rapid movement anywhere on the globe in a combat-ready configuration. Stryker Brigade Combat Teams have operated with “historically high” mission availability rates in Iraq since October 2003, demonstrating the value of a force that can move rapidly as a cohesive and networked combined-arms combat team.



Defence Industry

Turkey's National Main Battle Tank Project (ALTAY) started with the ceremony held at Otokar factory

The Undersecretariat for the Defence Industries of Turkey (SSM) has contracted Otokar with the designing of first National Main Battle Tank of Turkey. The signing ceremony for the ALTAY Project was realised at Otokar plant.

A Koc Group company Otokar, is contracted as prime contractor for ALTAY Project, conducted by SSM. The

Company shall be the exclusively responsible party to SSM regarding the design, development, integration, prototype production, testing, qualification of the first Turkish National Main Battle Tank (ALTAY Tank) and all activities contained in the Project.



Prime Minister Erdogan attended the ceremony

The signing ceremony was held with the attendance of Recep Tayyip Erdogan, the Turkish Prime Minister, M. Vecdi Gonul, the Turkish Minister of National Defence, Mustafa Koc, chairman of the Koc Holding, Kudret Onen, President of Koç Holding Defence Industry and Other Automotive Group and Chairman of Otokar, and Serdar Gökçen, General Manager of Otokar.

Sanghee Lee, the Minister of National Defence, representing the Republic of Korea, the country to provide technical support and assistance for the Project and the upper management representatives of Aselsan, Hyundai-Rotem, Makine ve Kimya Endüstrisi Kurumu and Roketsan were also present at the ceremony.

Mr Kudret Gökçen, President of Koç Holding Defence Industry and Other Automotive Group and Chairman of Otokar, stated that backed with its engineering power, R&D facilities, experiences and technical facilities, Otokar is ready to design new generation tank which will fully meet the requirements of the Turkish Armed Forces, and said: "We pride ourselves on being charged for such a large-scale national project of strategic importance. As it was always the case, we will work hard to deserve this confidence in our Company, in order to attain the result befitting our country. For 45 years, we have introduced many firsts to the automotive industry. We have designed the first military armoured vehicle and we realised export of armoured vehicles for the first time. Since 21 years we are operating in the defence industry. 25 thousand military vehicles we produced are being used by Armed Forces of more than 15 countries, primarily by the Turkish Armed Forces, and UN duty units in several regions of the world. With ALTAY Project, we will break new ground."

Mr Mustafa V. Koc, Chairman of Koç Holding, stated that he is pleased that an affiliate of the Koç Holding is preferred for the completion of ALTAY Project, which is of utmost importance for Turkey's national defence industry strategy, and said: "It is certain that this Project will bring enormous acceleration to the land platform development and production field of the defence industry. In order to become leader in its region, Turkey requires stable government, growing economy and strong armed forces. Considering the prevailing

threats and contemporary battle area conditions, it becomes evident that modern equipment, tools and devices which of hi-tech products and capable to dispose of potential threats must be available further to manpower in order to have contemporary and strong armed forces. We have to develop its own resources and capabilities and to develop our own technology also in this field. Only in this way we can cope with the modern era and attain sustainable growth in the national industry."

Murad Bayar, Undersecretary of SSM, talking at the ceremony, said that it's very important that the ALTAY Project reached to the contract signing phase. He also added that this Project will supply Turkish Armed Forces, the third generation modern main battle tank. He said further: "The studies on the modern tank project firstly started on 1996 and was targeted on a production under licence of an existing tank in the world. But this project stopped on 2004 because of the high costs. In 2005, we started working on Turkish National Main Battle Tank Project and in 2007 Otokar had been chosen as the prime contractor of the Project. And the project is called ALTAY. The first 7 years of the Project will enclose the prototype production and testing functions. After the prototype tanks completed the serial production will start for the first 250 tanks."

All intellectual and ownership rights of the ALTAY tank belongs to Turkey

As result of the contract signed, the ALTAY Tank to be developed under prime contractorship of Otokar will bring our country's dependency on external resources to end. The Republic of Turkey shall own all design and intellectual property rights vested on the ALTAY Tank.

The Technical Data Package, which contains all information and documents related with the design, development, integration, test and production of the ALTAY Tank and which will constitute the basis for mass production, shall be owned by the Republic of Turkey, without any restriction and with all rights pertaining there to.

The estimated budget for design, prototype production, tests and qualification of the ALTAY Tank, which will provide new technologies and skills to the Turkish defence industry, is declared to amount to US\$ 500 million. Design studies for ALTAY tank shall be initiated under the prime contractorship of Otokar. It is aimed to complete the project in 78,5 months.

Otokar will cooperate with subcontractors for the ALTAY Project

Being responsible to SSM for design, prototype production, testing, qualification of the ALTAY tank and the smooth management of the project, Otokar shall work together with the subcontractors mentioned hereinbelow. The subcontractors, named as ALTAY team and being involved in this project shall have the following responsibilities:

1. Sub-systems including but not limited to Fire Control System, Command Control Communication Information System shall be designed and developed by Aselsan, and Otokar and Aselsan shall conduct

integration studies in collaboration. 2. For certain areas, technical support and assistance shall be obtained from Hyundai-Rotem, Korea; and certain sub-systems of Korean origin shall be provided through Hyundai-Rotem. 3. 120 mm 55 calibre Main Gun System shall be produced by MKE. The Main Gun shall be integrated into the tank by Otokar and MKE. 4. The Modular Armour Package to be designed, developed and produced by Roketsan, shall be integrated into the tank by Otokar and Roketsan.

At later stages of the Project, further companies will join the ALTAY team.

to the LEAD direct annual payroll. It is estimated that the multiplier effect on the surrounding community could add as many as 80 to 90 additional jobs to the greater Chambersburg, Pennsylvania area economy.

BAE Systems manufactures three of the five MRAP variants: the Caiman, the RG31 and the RG33. The RG33 is manufactured in several configurations including the Category I 4x4, the Category II, the SOCOM variant and the HAGAs.

Contracts

US Marine Corps Orders 40 RG-33 6x6 Mine Resistant Ambush Protected Vehicles



YORK, Pennsylvania -- BAE Systems has received a \$43.5 million order from the U.S. Marine Corps for 40 RG33 Mine Resistant Ambush Protected (MRAP) vehicles: 36 Special Operations Command (SOCOM) variants, two RG33 MRAP Category II 6x6s, and two Category II Heavy Armored Ground Ambulances (HAGA).

The maximum contract value could total \$60 million once contract negotiations are complete.

The Company will work with Letterkenny Army Depot (LEAD) to deliver the vehicles. Vehicle hull production will occur at BAE Systems' York, Pennsylvania, facility while final assembly, integration, and test will occur at the depot in Chambersburg, Pennsylvania. Deliveries are scheduled to begin in January 2009 and run through May.

"The cooperative partnership allows BAE Systems and LEAD to draw upon the strengths of both organizations to produce the highly survivable MRAP vehicles in the most efficient manner," said Matt Riddle, vice president for Wheeled Vehicle Programs at BAE Systems.

"Through our combined efforts we are able to get the vehicles into the hands of those whose lives depend on them."

All three variants will be built to the MRAP Plus configuration with enhancements incorporated to improve performance and survivability. Engineering changes to improve the mobility and survivability capabilities of the SOCOM vehicles will be applied.

The BAE Systems/Letterkenny Army Depot Production Enterprise will add about 175 depot jobs resulting in a net increase of approximately \$10 million