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BAE SYSTEMS Awarded \$7.8 Million Contract Modification to Manufacture Additional Iraqi Light Armored Vehicles

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YORK, Pa., Oct 23, 2006 (BUSINESS WIRE) -- BAE Systems has received a \$7.8 million Foreign Military Sales contract modification to manufacture 20 additional Iraqi Light Armored Vehicles from the U.S. Army Tank-automotive and Armaments Command.

BAE Systems, as prime contractor, along with subcontractors Force Protection, Inc., based in Ladson, S.C., and Spartan Chassis, Inc., headquartered in Charlotte, Mich., will manufacture, test and provide logistics support for the Iraqi Light Armored Vehicles (ILAVs).

"We are pleased to provide additional Iraqi Light Armored Vehicles to the U.S. Army destined for Iraqi military forces," said Joe Papapietro, ILAV program director for BAE Systems. "This is a survivable, mobile, capable light armored vehicle that will help protect allied troops in Iraq."

The 4x4 ILAV leverages proven designs and includes a V-shaped hull designed to deflect the force of explosions away from passengers. The contract modification follows an initial order for 378 vehicles issued in May.

The total value of the indefinite-delivery/indefinite-quantity contract could reach \$445.4 million and 1,050 vehicles, if all options are exercised. Work on the contract is ongoing with deliveries scheduled to continue through May 2007. The first ILAV's were delivered to Iraq 90 days after contract award.

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.

Spartan Chassis, Inc. (www.spartanchassis.com), a subsidiary of Spartan Motors, Inc. (Nasdaq:SPAR), is a leading developer and manufacturer of specialty chassis for recreational vehicles, fire trucks and military defense vehicles. Spartan Motors (theshyftgroup.com), which also manufactures emergency rescue vehicles under the brand names of Crimson Fire, Crimson Fire Aerials and Road Rescue, reported sales of \$343.0 million in 2005 and is focused on becoming the premier manufacturer of specialty vehicles and chassis in North America.

About BAE Systems

BAE Systems is the premier trans-Atlantic 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 86,000 employees worldwide, BAE Systems sales exceeded \$28 billion in 2005.

SOURCE: BAE Systems

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