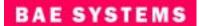
News Release



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BAE SYSTEMS JSOW UNITARY BROACH PROGRAM ENTERS OPERATIONAL TEST

WASHINGTON -- After two highly successful developmental flight tests, BAE Systems BROACH program has entered operational testing. The U.S. Navy gave the company approval to proceed following an Operational Test Readiness Review at Patuxent River Naval Air Station, Md., late last year.

Incorporating multi-stage warhead technology, BAE Systems BROACH system consists of a penetrating shaped-charge warhead in front of a standard conventional follow-through bomb. It provides blast/fragmentation effectiveness, as well as hardened target penetration capability. BROACH will be deployed on Navy Joint Standoff Weapon (JSOW-C) missiles.

The recent flight tests follow hours of captive flight-testing and successful free flights demonstrating the weapon's imaging infrared (IIR) terminal seeker and autonomous targeting acquisition (ATA) technology developed by Raytheon Missile Systems, Tucson, Ariz. The IIR seeker provides precision terminal accuracy of the JSOW-C. The tests also demonstrated "end to end" functionality of the fuzing system with live warheads, validating that the fuzing train and the JSOW-C system works as specified.

The Operational Test and Evaluation Force, an independent organization from the program office, will conduct the tests using operationally representative flight plans and targets over the next several months. The flight tests will demonstrate the functionality of the entire JSOW-C weapon system, including the effectiveness of the lethal package against both soft open targets and the ability to perforate specific hardened targets. During operational test, the Lethal Payload will be integrated into production representative JSOW-C missiles and launched from an F/A-18C at Naval Air Systems Test Ranges in California.

BROACH was developed after the 1991 Gulf War by Team BROACH (BAE Systems RO Defence, Thales Missile Electronics (TME) Ltd, and DERA) in the U.K., when it became apparent that the practice of having weapons specifically designed for defeating hardened, "intermediate," and/or soft ground targets placed stress on the long logistical chain, especially given the evolving nature of that war.

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The U.K. Ministry of Defence recently briefed the U.S. Department of Defense and industry on the successful use of the U.K. Storm Shadow missile equipped with the BROACH lethal package during Operation Iraqi Freedom. This was the first recorded wartime use of the BROACH lethal package technology.

The JSOW-C is the first U.S. weapon to integrate the BROACH warhead and completion of the developmental work marks the successful transition of the U.K. technology to the U.S.

TME Ltd, Basingstoke, U.K., designed and produced the complete operational fuzing system, which includes the contact switch and two Multi Application Fuze Initiation System (MAFIS) fuzes used to initiate the warheads.

The U.S. Navy awarded BAE SYSTEMS a \$4.2 million low rate initial production (LRIP) contract to provide its BROACH multi-stage warhead for the Navy's Joint Standoff Weapon Unitary variant (JSOW-C). Initial delivery of more than 3,000 total units will begin in early 2004. A second LRIP is scheduled for award in December of this year, with the first Full Rate Production contract scheduled for December of 2004.

Raytheon Missile Systems, Tucson, Ariz., integrates BROACH into the weapon system and is responsible for the development of Imaging Infrared Seeker hardware and Autonomous Targeting Acquisition (ATA) software, thus providing the Navy with a launch and leave weapon with standoff precision strike capability.

JSOW is a low cost family of glide-weapons using a common delivery vehicle for three different payloads. The JSOW-A is in production and delivers the BLU-97 Combined Effects Bomblets for area targets. It has been used successfully in Iraq and Kosovo. The JSOW-B variant carries the BLU-108 Sensor Fused Weapon bomblets for anti-armor capability and is ready for low rate production.

JSOW is currently deployed on Navy F/A-18 aircraft and U. S. Air Force F-16 and B-2 aircraft. The Air Force recently completed integration of JSOW on B-52 aircraft and continue integration efforts on B-1B and F-15E aircraft. Since 1999, JSOW has been proven in combat in Operation Southern Watch, NATO Operation Allied Force, Operation Enduring Freedom, and Operation Iraqi Freedom with more than 400 weapons employed.

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, 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. It is at the forefront of innovation, working to develop the next generation of intelligent defense systems.

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