

E&IS NOW

"We Protect Those Who Protect Us"®

E&IS Forms New Line of Business

Electronics & Integrated Solutions (E&IS) last Monday stood down two lines of business (LoB's) and from their resources created a new LoB aimed at better serving the broad network systems market.

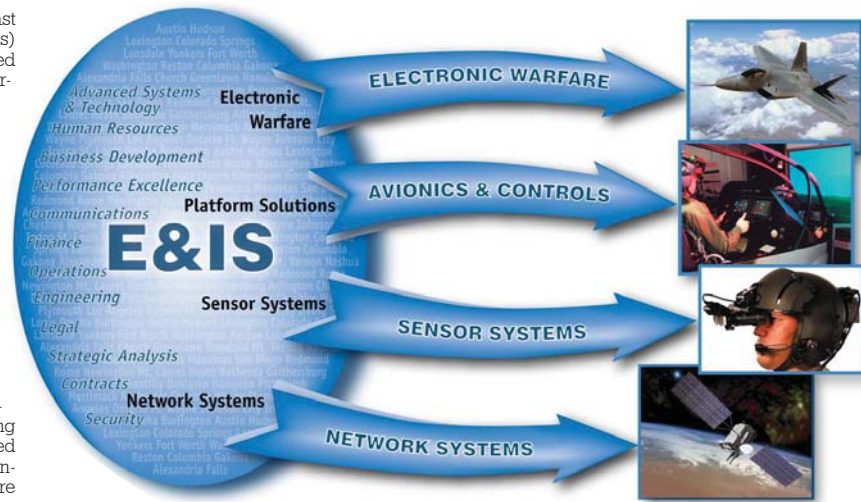
Most of the former Network Enabled Solutions (NES) and National Security Solutions (NSS) lines of business are now combined to make up the Network Systems (NS) line of business. Additionally, NES resources dedicated to identification and surveillance capabilities now become part of the Sensor Systems (S2) line.

"The changes are being made to more closely align E&IS with the foreseeable marketplace and to increase efficiency," said E&IS President Mike Heffron in a March 12 memo to all employees.

The reorganization is a result of the recent Strategic Thinking exercise by E&IS top leadership in late January, Heffron said. At that meeting each year the group's current and contemplated strategic objectives are reviewed and reconfirmed, or modified to adapt to the predicted future business environment.

At the January meeting, 50 group leaders assessed that several current objectives — specifically those dealing with Military Communications, Net-centric Operations, and Intelligence — are converging. The objectives were recast into two clear goals dealing with Tactical Network Systems and National Network Systems.

A leadership team from NES and NSS that studied the findings in detail in February further concluded that these two objectives are part of a



NEW BLUE — The newest "Big Blue Arrows" chart depicts E&IS' four major strategic thrusts, backed by the 3-D Concept of Operations (ConOps)-driven lines of business, functions, and sites.

Network Systems continuum, Heffron noted in his memo.

"Appointing one LoB to champion our growth in this arena is appropriate," Heffron said.

The new Network Systems LoB will be led by Bill Ballhaus, who had been president of NSS.

Jeff Markel, who had led NES, will now report to Heffron as the operating group's Vice President of Strategic Analysis. In this role, Markel will develop strategy and initiatives to pursue new products and new customers.

"The Strategic Analysis position is a vital area that flows from work done on Mission Capability Integrator concepts, and on E&IS' need to grow faster than the predicted market over the next five years," said Heffron.

The major business areas within the NS LoB will be led by Vice President Joe McCarthy for Communications and Tactical Networks (C&TN); Vice President John Jarman for the Command, Control, Computing & Intelligence (C3I) Systems; and Vice President Nils Sandell for the Advanced Information Technologies (AIT) business area.

In addition, an Advanced Network Systems area, formed from forward-looking development entities in both NSS and NES, will be led by Vice President Joanne Isham, who is also NS vice president and

What They're Saying ... E&IS leaders helped convey news of the changes last Monday. Excerpts:

"Organizations that now comprise Network Systems have strong legacies in satisfying our customers through outstanding performance and innovation. Combining our talented work force will increase our ability to excel in this area..." — NS President Bill Ballhaus

"The changes we are now making are intended to help us better achieve growth in our very competitive and ever changing markets, while better serving our customers as they adapt to the new threats they must deal with every day." — Vice President of Strategic Analysis Jeff Markel

"We know we can count on you to maintain your signature level of performance in meeting the many important commitments we've made to our customers and to each other." — S2 President Tom Arseneault

"The Communications and Tactical Networks organization will be focused on exceeding the warfighter's needs..." — C&TN Vice President Joe McCarthy

"The new I&S business will ... create an organization that is more competitive in the marketplace." — I&S Vice President Paul Markwardt

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Here Come the 2007 Chairman's Awards

BAE Systems' annual program to honor employees for technology innovations or business contributions — the Chairman's Awards — is officially under way.

BAE Systems Chairman Dick Olver announced the 2007 program's details March 5.

Nominations are due by June 1. Within Electronics & Integrated Solutions (E&IS), each line of business (LoB) will have its own process for collecting nominations. U.S. nominators should contact their line of business Chairman's Awards Lead (see list at right) for information on where to submit their nominations. U.K. nominators can use an online application form. Functional nominees should contact E&IS' Chairman's Awards Co-coordinator Shelli Britton (see list at right).

The 2007 Award ceremony is slated to occur at Hampton Court Palace at Surrey, U.K., Nov. 29.

Nominations are being accepted in three categories: Innovation, Transferring Best Practice, and Enhancing Customer Performance.

"This year I look forward to seeing even more nominations in the Transferring Best Practice category," said Olver in his March 5 statement. "When our best innovations, and our best models of excellence in

customer performance are shared ... we realize our fullest potential as a top performing global company."

Last year, Electronics & Integrated Solutions (E&IS) teams won three of the six worldwide Gold Awards.

"The Chairman's Awards are all about celebrating our employees and their achievements, and we're looking forward to a very successful process this year," said E&IS Vice President of Performance Excellence Susan Dong. Dong is the operating group's Chairman's Awards Champion for 2007.

Any BAE Systems employee or team of employees is eligible to be nominated for a Chairman's Award. Non-BAE Systems business members can be included on a team's nomination. Nominators, however, must be BAE Systems employees. The nomination category cannot be changed after the nomination is submitted.

"Nominations may only be submitted once and nominations can only receive an award in one category," said Dong.

U.S. employees can download the nomination form from the Chairman's Awards website at: http://econnections.bluelink.net/ca/CA_index.cfm. U.K. employees can be nominated from the website at: <http://ca.intranet.baesystems.com/>

E&IS LoB Leads

- **E&IS Lead Coordinator** - Michelle Ayres, Johnson City, N.Y., (607) 770-3273
- **E&IS Co-Coordinator** - Shelli Britton, San Diego, Calif., (858) 385-3176
- **Platform Solutions** - Lisa Albiston, Irving, Texas, (972) 659-2668
- **Electronic Warfare** - Bill Lenz, Nashua, N.H., (603) 885-5559 or Benson Ho, Nashua, N.H., (603) 885-5905
- **Sensor Systems** - Christine Miska, Lexington, Mass., (781) 863-3854
- **Network Systems** - Michelle Van Rhyn, San Diego, Calif., (858) 675-2959 or Amanda Wulff, San Diego, Calif., (858) 385-3283
- **Advanced Systems & Technology** - Paul Egbert, Merrimack, N.H., (603) 885-8268

Hawaii's 'Pueo' Sensor System Takes Flight

Innovating for the Warfighter

Electronics & Integrated Solutions (E&S) Sensor Systems (S2) facility in Honolulu, Hawaii, is currently upgrading its multi-spectral imaging "Pueo" sensor system with advanced infrared identification imaging capabilities for upcoming demonstrations.

The test flights, scheduled between April and June, will showcase the system's automatic recognition of intelligence, surveillance, and reconnaissance targets.

Pueo is a low-altitude system designed to perform real time detection of maritime surface vessels.

Additionally, the system, along with ground-based capabilities currently under development, will have the capability to detect mines and

find concealed targets under trees and camouflage.

Pueo successfully completed its maiden flight in July 2006 and a data collection flight in September. "Pueo" — Hawaiian for owl — provides image data for many of the imaging and surveillance products in S2.

"This system provides a state-of-the-art asset for the warfighter," said Ty Aldinger, S2's Honolulu site executive. "It will allow detailed investigation and understanding of complex phenomenology across multiple defense and homeland security domains."

The system is currently operational on a class III unmanned aerial vehicle and works alongside an air-cooled, long-wave infrared thermal imager from S2's Lexington, Mass., facility.



NIGHT OWLS — E&S engineers Danny Cook (left) and Miles Topping in Hawaii upgrade the multi-spectral imaging "Pueo" sensor system with advanced infrared identification imaging capabilities.

BAE Systems to Build Warners for USAF, Marines

GREENLAWN, N.Y. — BAE Systems has received a contract from the U.S. Air Force to produce 41 AN/ALR-56M radar warning receiver (RWR) systems. The systems will be used aboard new C-130J aircraft for the Air Force and Marine Corps.

"This is a good news story for our military," said Larry Deese, Air Force program manager for the ALR-56M. "By combining requirements, we

were able to take advantage of major cost savings, and provide the best defense for our warfighters."

The AN/ALR-56M detects a broad range of incoming radar signals, identifies and characterizes their origin as friend or foe. It alerts the pilot when it detects threats to the aircraft.

The Electronics & Integrated Solutions (E&S) operating group has produced more than 1,200

ALR-56M radar warning receivers for U.S. and international customers since original production in 1988. The receiver is used on multiple aircraft, including the F-16 and several models of the C-130 used by Italy, Canada, and the U.K.

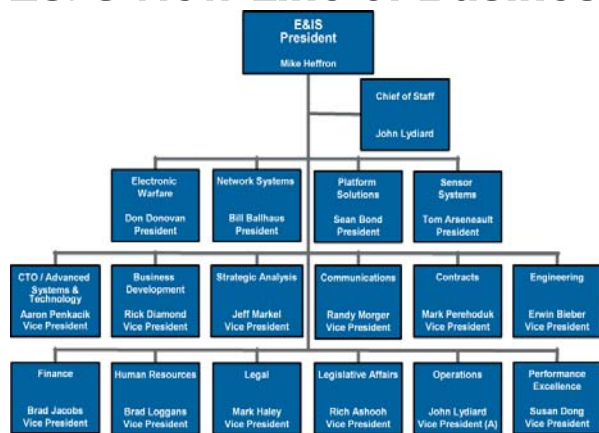
"This award is a testament to the confidence the Air Force and Marine Corps have demonstrated in our radar warning technology and the strong partnership between

BAE Systems and Warner Robins," said Ken Bond, E&S radar warning receiver program manager at Yonkers, N.Y.

Warner Robins Air Logistics Center, Ga., is the contracting agency.

All production, test, and delivery work will take place at the Greenlawn facility. The \$37 (£19.2) million contract will run through 2009.

E&S New Line of Business



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deputy general manager. The former Identification & Situational Awareness and Imaging & Surveillance businesses, headquartered at Greenlawn, N.Y., will come together as the Identification & Surveillance (I&S) business area, reporting into the S2 LoB. Paul Markwardt will lead that new business area.

Integration Continues

E&S functional leaders will determine the details of functional support as a result of the changes, Heffron stated. The functional leaders will coordinate with LoB leaders and employees to ensure a smooth and rapid transition to the new structure.

In addition, E&S Chief of Staff John Lydiard — in conjunction with the LoB presidents — will determine any required site lead changes. Lydiard will also continue to lead the integration of resources previously within NES to complete that transition into the OG-1 (IEWS) footprint on schedule this fall.

Heffron will discuss the group's strategic objectives and the realignment of the organization as he continues his President's Tour this month. The San Diego, Austin, Irving, Fort Worth, Mojave and Ontario sites will host the tour March 28-29. Employees will receive notices of the times and places from their local site leads.

Congressional Study



Congressman Kevin McCarthy (left), from the 22nd district of California, speaks with Mark Yoho, QF-4 Full-Scale Aerial Target program manager at Electronics & Integrated Solutions' (E&S) Mojave, Calif., facility Feb. 20.

McCarthy, one of the newest members of the House of Representatives, visited with Sensor Systems (S2) employees to learn about BAE Systems. He toured the QF-4 production line, learning how E&S converts F-4 fighter aircraft into drones, and also toured the Cooperative Avionics Test Bed (CATB). S2's Flight Systems team modified a 737 commercial airliner in support of the Joint Strike Fighter program.

The CATBird aircraft completed its initial test phase at Mojave March 2 and was flown to its home base at Lockheed Martin Aeronautics in Fort Worth, Texas, for the next phase of the program.

Around the OG: Start Appointed MD and GM of Defense Avionics



Andy Start

ROCHESTER, U.K. — Andy Start has been appointed managing director and deputy general manager of the Defense Avionics business area, effective April 2. Start will also serve as the Rochester, U.K., site executive. Clark Freise, Defense Avionics vice president and general manager, introduced Start to the Rochester staff and Platform Solutions LoB leadership in February.

Start, an electrical engineer, is currently managing director and chief executive officer of BAE Systems' joint venture partner IFS Defence Ltd. based in London.

Start joined BAE Systems in 2002 and worked in the Department of Trade and Industry helping develop the U.K.'s National Aerospace Strategy. From 2003 to 2005, Start was director of U.K.'s Corporate Strategy.

Mike Kennedy is IT Vice President

Gibson B. "Mike" Kennedy has been appointed Vice President, Information Technology (IT) for the Electronics & Integrated Solutions (E&IS) operating group. Kennedy was previously director of IT for the operating group since its inception in June 2005.

"Mike's appointment recognizes the size, complexity and importance of the IT function to the operating group in achieving its strategic goals, including the ongoing integration activity as well as the day-to-day operations," said John Lydiard, E&IS Chief of Staff.

Kennedy has held positions as Director, IT Plans and Programs with the Lockheed Martin Space and Strategic Missiles Sector, IT Director for the former Sanders business, and Chief Information Officer for the Information and Electronic Systems Integration Sector (IESI) sector in BAE Systems North America.



Mike Kennedy

E-mail Etiquette Reminder

Here is a list of e-mail "etiquette" tips courtesy of the E&IS Information Technology team in Johnson City, N.Y. Debra Saucke, who supports Platform Solutions IT, said the team compiled guidelines thought to be the most applicable to E&IS employees. They are:

- Be polite. Terseness can be misinterpreted.
- Make sure the message has a relevant subject line.
- Make sure you really intend to reply to the whole list before you hit "Reply All."
- Don't send large e-mail attachments if you can avoid it.
- Don't make personal remarks, or argue via email. E-mail messages last a long time and can show up anywhere.

BAE Systems Briefly: U.S. Army Unveils FCS NLOS Mortar Firing Platform

The U.S. Army unveiled the Future Combat Systems (FCS) Non-Line-of-Sight (NLOS) Mortar Firing Platform Mar. 2.

The NLOS Mortar, designed by BAE Systems, provides greater crew survivability and enhanced fire support for infantry forces. BAE Systems, as well as Boeing and SAIC who serve as the Future Combat Systems (FCS) Lead Systems Integrator (LSI) team, supported the Army in the roll-out.

The NLOS Mortar is one of eight manned ground vehicles being designed and built as part of FCS.



NLOS Mortar Firing Platform

FCS is the Army's premier modernization program. It will consist of a networked, fully integrated family of manned ground vehicles, unmanned ground and air vehicles, and sensors.

"Lessons from Operation Iraqi Freedom demonstrated the value of responsive mortar fire and the need to enhance the safety of mortar crews," said Jim Unterseher, vice president of Army Programs with the Land & Armaments Operating Group.

Unterseher added that the advanced armament and survivability equipment being designed into the NLOS Mortar will give mortar crews "unprecedented protection from enemy fire and enable soldiers to deliver critical fire support to troops on the front lines faster and more accurately than ever before."

Following successful testing at Camp Ripley, Minn., the firing platform will be upgraded with a prototype of the mission equipment suite, which will have 80 percent commonality with the NLOS Cannon. The mission module will then be tested at Yuma Proving Ground, Arizona.

For more information about the NLOS Mortar, see www.baesystemspresskits.com/NLOSMortar.

BAE Systems Signs Foundation for Long-Term Partner Agreement

BAE Systems and the U.K. Ministry of Defence signed a Long-Term Partnering Agreement (LTPA) Foundation Contract March 1. In a statement

Commanding Presence



E&IS

Rear Admiral Joel Whitehead, commander of the Eighth Coast Guard District responsible for operations in 26 states, shows Electronic & Integrated Solutions (E&IS) employees one of the HH-65C Coast Guard helicopters used to rescue thousands of people after Hurricane Katrina struck New Orleans, La., in August 2005.

Whitehead spoke at a BAE Systems-sponsored community lecture at the Frontiers of Flight Museum in Dallas, Texas, Feb. 27. BAE Systems also sponsors the museum's Living History Educational Program.

Brad Draper (left), E&IS' Electronic Warfare Aircraft Support Systems Product Line manager at Fort Worth; Tom Dudark, Platform Solutions director of Operations at Irving; and John Harlow, E&IS Business Development director at Fort Worth, were among the 150 people who heard Whitehead tell of heroic rescues performed by the Coast Guard during Katrina that saved or helped more than 33,000 people.

"I was blown away by the dedication and courage exhibited by the men and women of the Coast Guard who quickly took the lead during the one of the worst natural disasters in U.S. history," said Dudark. "They deserve our greatest thanks."

- Think before you begin typing. Would it be better — more efficient, or more friendly — to pick up the phone and call the person instead?

Correction

The E&IS Now published an incorrect photo in its Feb. 19 article about Mine Resistant Ambush Protected (MRAP) vehicles. The photo depicted a Force Protection version of the MRAP vehicle and not the BAE Systems' product. We regret the error.

issued to the U.K.'s Regulatory News Service, which goes to the financial community, BAE Systems called the initial contract "an important step towards a Long Term Partnering Agreement."

The contract provides a framework for detailed negotiations "aimed at signing a long-term full and legally binding LTPA before the end of this year," according to the statement. Such an agreement is a key target of the MoD's Defence Industrial Strategy (DIS) that was published in December 2005.

Ship Repair Business to Help Fit Out Amphibious Transport Ships

SAN DIEGO - BAE Systems' Ship Repair, part of the Customer Solutions operating group, has been awarded a contract by the Naval Sea Systems Command for work on two LPD-17 San Antonio-class amphibious transport dock ships.

The three-year \$11.3 (£5.8) million contract is for work on the USS New Orleans and the USS Green Bay. Total value of the contract with all options could be more than \$30 (£26) million.

"This award is a testament to the Navy's confidence in our company capabilities," said Al Krekich, president of Navy's BAE Systems Ship Repair. "Our program managers and tradespeople...are skilled at completing these important jobs on schedule and budget."

Sea trials will test the vessels under operational conditions. BAE Systems' contract includes engineering and management support, labor and procurement of materials to accomplish system upgrades and tests, post-sea trial and other needed repairs.

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L&A to Modify HERCULES

YORK, Pa. — BAE Systems' Land & Armaments operating group has been awarded a \$7 (£3.6) million contract modification from the U.S. Army TACOM Life Cycle Management Command to remanufacture and upgrade four M88A2 HERCULES recovery vehicles.

The modification is part of a contract award received last November worth \$251 (£130) million to remanufacture 113 vehicles. The contract has since been modified in January 2007 to include four additional vehicles at \$7 million, and when combined with the current modification brings the total value to \$265 (£137) million.

BAE Systems Sponsors FIRST Granite State Regional, Teams Across U.S.

Mentor the Young

BAE Systems sponsored the Granite State Regional FIRST Robotics competition for the fifth consecutive year at the Verizon Wireless Arena in Manchester, N.H., March 1-3.

More than 150 Electronics & Integrated Solutions (E&IS) employee-volunteers supported the event as thousands of high school students and their mentors competed their sophisticated robots with and against one another.

FIRST — For Inspiration and Recognition of Science and Technology — is a non-profit organization that encourages students to pursue science, math, and engineering, and emphasizes team work and innovation.

At the Granite State Regional, 46 high school teams from five New England states and Canada joined in this year's game — two three-team alliances attempting to gain points in a tic-tac-toe like scenario. E&IS helps sponsor 16 New Hampshire teams.

E&IS volunteers helped with judging, refereeing, and logistics. They also worked directly with many of the teams, conducted media services and coordinated event hospitality.

"I've had a number of teams, coaches, volunteers, and students approach

me and thank BAE Systems for hosting such a wonderful event," said FIRST Volunteer Committee member and E&IS Director of Mechanical Engineering Steven DiOrio.

More than 1,300 high school teams across the U.S. and six other countries are participating in 37 regional competitions this year.

E&IS employees across the country are involved in the international FIRST effort.

E&IS' Platform Solutions line of business (LoB) sponsored two high school teams and a portion of the Finger Lakes Regional Competition at Rochester, N.Y., March 8-10.

E&IS' Wayne, N.J., facility also sponsors two FIRST teams, and the Greenlawn, N.J., Manassas, Va., and Lansdale, Pa., facilities each sponsor a team.

The Sensor Systems' facility at Austin, Texas, sponsors a team and the San Diego, Calif., facility sponsors two teams. Golden State employees are also volunteering at the San Diego regional competition March 22-24.

Some E&IS employee volunteers will also travel to the national competition at Atlanta in April to support and mentor high school teams.

For more information on E&IS' FIRST involvement, visit: <http://www.baesystemsfirst.org/>



IT'S NOT HEAVY, IT'S MY ROBOT — Sam Neu (left), a junior at Pinkerton Academy in Derry, N.H., carries the "Astro Machine" with University of New England mentor Chris Connolly at the BAE Systems Granite State Regional competition, March 2.

NSS Hosts First of E&IS' Scheduled Alzheimer's Association 'Brown Bag' Lunches

Spotlight on ... alzheimer's association®

THE NUMBER OF PEOPLE WITH THE DISEASE WILL EXPLODE TO AS MANY AS 16 MILLION BY 2050, AS THE 77 MILLION BABY BOOMERS ENTER THE GREATEST RISK AGE RANGE.

The Alzheimer's Association is the BAE Systems U.S. Charity Challenge partner. E&IS employees are raising awareness and funds through activities across the E&IS Operating group.

Contact E&IS Charity Challenge coordinator Manette Brown, (512) 929-2138, or local coordinators to volunteer or help with fund-raising ideas.

Getting Involved

Electronics & Integrated Solutions (E&IS) employees "brown bagged" for Alzheimer's at San Diego, Calif., Feb. 21.

The "Living a Brain Healthy Lifestyle" event focused on discussing ways individuals can strengthen brain cells and neural connections through mentally stimulating activities, nutrition, and exercise. These actions may reduce risks for Alzheimer's disease or other dementia.

Employees asked Alzheimer's Association representatives about how they can help family members with Alzheimer's disease.

The presentation was the first in a series of Brown Bag luncheons sponsored by E&IS' Charity Challenge partner, the Alzheimer's Association.

E&IS Employees Graduate with Program Managers Master's Degrees

The first cohort of 19 program managers in Electronics & Integrated Solutions' (E&IS) Program Managers Masters Program (PMMP) graduated from the University of New Hampshire (UNH) March 3.

PMMP was developed in 2004 by the legacy IEWS Program Management Leadership Team

(PMLT) in cooperation with the Whittemore School of Management and Economics at UNH. The program helps develop project managers and other project leaders to support the goals of BAE Systems and its customers. Two other cohorts are currently in session.

"PMMP provides the academic training to enhance the current

project leadership of the company as we move forward to meet the needs of our customers and the nation," said Tom Fitzpatrick, vice president and deputy general manager of the Electronic Warfare line of business, at a certification ceremony for the first cohort students.

The program has been augmented with specific BAE Systems'

content, said John Creeden, project manager for the program. The program is available to all E&IS employees.

Students report they have been able to quickly use what they have learned and that PMMP has made a difference to program success.

For more information contact Creeden at (603) 885-4190.

STC Recognizes E&IS' Multimedia Services Artwork, Teams



BAE Systems' award winning tradeshow panel by E&IS' Multimedia Services artist Phil Fogg.

Tradeshow Panel Nominated for National Award Competition

Electronics and Integrated Solutions (E&IS) Communications' Multimedia Services won six awards Feb. 28 at the regional New England-level of the Society for Technical Communication (STCs or "Stacies").

An Award of Distinction recipient now goes forward for international judging.

The Stacies recognize technical communication achievements in online communication, technical art and technical publications. BAE Systems award winners from Merrimack and Nashua, N.H., at the regional competition included:

- The Award of Distinction went to Phil Fogg for his AUTOTESTCON Trade Show Panel. His entry will go to the international competition in April.

- Loui Welby received an Award of Merit for her Space News calendar illustration.

- An Award of Merit went to the team of Karen Sugalski, John Libby,

Janet Molinari, Grace Spampinato, and Bruce Flower for the design of the Hydrofluoric Acid Awareness Online Training Course.

- An Award of Merit was given to the team of Karen Sugalski, Joyce Campbell-Counts, John Libby, Janet Molinari, Loui Welby, and Bruce Flower for the PDM Intro Training Course they designed.

- Kris Jackson received an Award of Excellence for artwork he created for the operating group's Board Room at its headquarters in South Nashua, N.H.

- And an Award of Excellence was bestowed on the Multimedia Services team of Grace Spampinato, Jennifer Lee, Cheryl Egan, Kenneth Tyssen, Nick Sofalarides, Emma Strong, Dominic Romeo, and Greg Lowell for their design of the Welcome to Work Communications.It; ius. Lem.