

BAE Systems Wins U.S. Blast-Resistant Truck Order (Update3)

By Edmond Lococo

Feb. 15 (Bloomberg) -- BAE Systems Plc, Europe's largest defense company, won a \$55.4 million order from the U.S. Marine Corps to make blast-resistant trucks as the military ramps up efforts to get the armored vehicles to troops in Iraq.

BAE will make 90 trucks under the Mine Resistant Ambush Protected vehicle program, Marine Corps spokesman Bill Johnson- Miles said in an interview today. The vehicles will be delivered within 120 days.

The Marine Corps needs new trucks which can better protect troops from mine blasts and improvised explosives in Iraq, and may buy as many as 4,100 vehicles valued at \$2 billion. Nine companies, including BAE, were asked to deliver truck prototypes three weeks ago and today's award is the second given to a team which has already shown it can meet program requirements, Johnson-Miles said.

"The time constraints are weighing heavily on the Marines for this," said Dean Lockwood, a military vehicle market analyst at Newtown, Connecticut-based Forecast International. "This is for here and now. They are looking for something as quickly as they can get it in the field."

The award to London-based BAE follows yesterday's \$67.4 million contract to a joint venture between Falls Church, Virginia-based General Dynamics Corp. and Force Protection Inc., Johnson-Miles said.

"All nine of those companies are still in the running," Johnson-Miles said. "There could be more orders to any of them. This is just what we've issued so far."

Prototype

Shares of BAE rose 11.25 pence, or 2.5 percent, to 454 pence in London. They climbed 12 percent last year. Ladson, South Carolina-based Force Protection fell 20 cents to \$18 at 4 p.m. New York time in Nasdaq Stock Market composite trading. General Dynamics dropped 14 cents to \$79.49 in New York Stock Exchange composite trading.

BAE will supply four-wheeled and six-wheeled versions of the company's RG33 family of vehicles, BAE spokesman Doug Coffey said in a phone interview.

The company spent seven months last year to build a prototype and produce the first vehicle in the series at facilities in Santa Clara, California, and Benoni, South Africa, Coffey said. The first vehicle, the six-wheel RG33L, was unveiled last October at the Association of the U.S. Army Annual Meeting and Exhibition in Washington, he said.

Other companies which received prototype awards for the Mine Resistant Ambush Protected vehicle last month include Oshkosh Truck Corp. of Oshkosh, Wisconsin; Protected Vehicles Inc. in North Charleston, South Carolina; Armor Holdings Inc. in Jacksonville, Florida; Textron Inc. in Providence, Rhode Island; General Purpose Vehicles LLC in New Haven, Michigan, and International Military and Government LLC in Warrenville, Illinois.

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