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BAE SYSTEMS TO PURCHASE PRACTICAL IMAGINEERING, INC.

Hampshire, United Kingdom, July 8, 2004 - BAE Systems North America today reached a definitive agreement with Practical Imagineering, Inc., (PI) to purchase all of the stock of the company for \$8.3 million in cash.

PI, a privately held company based in Reston, Va., focuses on signal processing systems and software development. The 10-year-old company employs more than 30 engineers and scientists.

Galen Ho, president of BAE Systems Information & Electronic Systems Integration Sector, said, "We're excited that PI will be joining BAE Systems. Their strength in analysis and processing research and high-quality technical work force align well with BAE Systems' growth strategy in information operations."

Closing of the transaction is expected to occur within 45 days and is subject to completion of certain regulatory reviews and approvals.

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.

BAE Systems has major operations across five continents and customers in some 130 countries. The company employs more than 90,000 people and generates annual sales of more than \$20 billion through its wholly owned and joint-venture operations.

About The McLean Group

The McLean Group, LLC, is a national, middle market investment bank headquartered in McLean, VA providing merger and acquisition (M&A), capital formation, market intelligence, business valuation, litigation support and exit planning services. The firm serves domestic and international clients with a broad resume of successfully consummated financial transactions. Securities transactions are cleared through The McLean Group's affiliate, McLean Securities, LLC, a FINRA Registered Broker Dealer and Member FINRA/SIPC. For more information, visit www.mcleanllc.com.

If you would like more information about this transaction, please contact Katie Merchant at (703)752-9008 or e-mail Katie at kmerchant@mcleanllc.com.