

Blockbuster Deal of the Week

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BAE Systems Adding 1,000 Virginia Employees in \$51.6 Million Expansion

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RESTON, Va. -- UK-based BAE Systems North America (www.na.baesystems.com), a company whose business fortunes have soared since Sept. 11, has announced that it's adding 1,000 new jobs in a \$51.6 million expansion in Virginia.

The major job-generating jolt stems from the new business unit that BAE Systems is opening in Reston, Va. The Rockville, Md.-based defense and aerospace contractor will build a new 135,000-sq.-ft. (12,150-sq.-m.) office complex in Fairfax County that will house the company's newly created Integrated Systems business unit. The Integrated Systems unit will supply the U.S. defense and intelligence community with large-scale systems integration of information systems enterprise architectures.



The cataclysmic events of Sept. 11 have added both urgency and demand to the business of BAE Systems, the world's No. 4 defense and aerospace firm.

Virginia won out over several competing locations for BAE Systems' 1,000-employee expansion, company officials explained. The search radius, however, didn't stretch far, given the U.S. defense and intelligence community's epicenter in the nation's capitol. The other locations on the finalist shortlist included sites in Maryland, home to BAE Systems' headquarters, and Washington, D.C., company officials said.

Only some 400 of BAE Systems' 1,000 new jobs, however, will be located in the new facility in Reston (which will also house employees of other BAE Systems' business units). The company's some 600 other new employees will be based at customer sites in the North Virginia area, BAE Systems officials explained.

CEO: 'Ideal Location to Attract Talent'

Almost all of BAE Systems' 1,000 new employees will be high-end positions. The jobs will range from network and software engineers to systems integrators to development engineers. Given the nature of those jobs, Fairfax County's high-tech talent pool was a major factor in BAE Systems' decision, explained President and Chief Executive Officer Mark Ronald.

"We received excellent support from the county, and the Reston site is the ideal location to attract the talent we will need to staff this business, as well as be close to our customer base," Ronald said.

The new jobs will add to the already substantial cluster of tech-industry professionals working in Fairfax County. The county had 4,036 technology firms employing 129,323 workers in 2001, according to statistics from the Virginia Employment Commission (www.vec.state.va.us).

BAE Systems already had extensive experiential knowledge of the state's labor pool. Even before announcing its 1,000-employee expansion, BAE Systems employed 2,500 workers in Virginia. The company's role in the community, however, has exceeded simply providing employment, said Gerald Gordon, president and CEO of the Fairfax County Economic Development Authority (www.fairfaxcountyedda.org), which worked the project in tandem with the Virginia Economic Development Partnership (www.yesvirginia.org).

"BAE Systems has been in Fairfax County for more than 20 years and has made contributions to the community beyond the creation of jobs," Gordon noted. "It has been involved in every component of Fairfax County's extraordinary quality of life."

Aerospace, Defense Surge in Sept. 11's Wake

BAE Systems North America has carved out a long, strong niche in aerospace products and defense electronics. In its previous corporate incarnation as British Aerospace, for example, the company helped win the Battle of Britain with its Mosquito and Spitfire fighters. (The world's No. 4 defense and aerospace firm, the corporation became BAE Systems with the 1999 merger of British Aerospace and Marconi Electronic Systems.)

Not surprisingly, aerospace products and defense electronics have been business boom sectors in the wake of Sept. 11 and the resulting war in Afghanistan.



Said Gov. Jim Gilmore (pictured above) of the expansion announcement, "I am especially pleased to see a defense and aerospace company such as BAE Systems expanding at such a pertinent time for the commonwealth and the nation."

"I am especially pleased to see a defense and aerospace company such as BAE Systems expanding at such a pertinent time for the commonwealth and the nation," said Gov. Jim Gilmore. "This expansion was in part a result of the commonwealth's proactive economic development stance. Virginia's first meeting with BAE Systems was at the Paris Air Show -- a show that Virginia attends annually."

Added Virginia Secretary of Commerce Joshua Lief, "Aerospace and defense are two very important industries to this administration, even more so since September 11th. BAE Systems' expansion will continue to help Virginia's economy in this economic slowdown, and the company's products will boost our nation's safety."

North America Now 30 Percent Of BAE Systems' Business

BAE Systems' expansion efforts are getting a lift from several state incentives, which Gilmore announced in his final State of the State address in Richmond. Those incentives include a \$50,000 grant from the Governor's Opportunity Fund to assist Fairfax County with public infrastructure. In addition, the Virginia Dept. of Business Assistance (www.dba.state.va.us) will provide work-force training services, Gilmore said.

The Virginia expansion continues BAE Systems' strong growth in North America. The continent now accounts for more than 30 percent of BAE Systems' worldwide sales, 25 percent of the company's total work force, and more than 30 percent of its shareholders.

"BAE Systems has a strong U.S. heritage," said Ronald. "We have established an impressive record of growing our businesses, investing in jobs and new technologies and supporting the communities where our employees live and work. The state of Virginia is an excellent place to do business and Fairfax County provided the proper incentives and infrastructure for this new business opportunity."

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