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**BAE Systems surface ship build and naval support discussions**

14 December 2006

BAE Systems plc and VT Group plc announce that they are in early discussions regarding the combination of their surface ship build and naval support businesses into a joint venture. BAE Systems' submarines business is not included within the scope of these discussions. This initiative is in line with the Defence Industrial Strategy of the Ministry of Defence.

A further announcement will be made in due course.

Issued by:  
**BAE Systems plc**  
London

**SUPPL**

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**THOMSON  
FINANCIAL**

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