Security of Supply, Industrial Linkages, and Globalization

DPAS 2000

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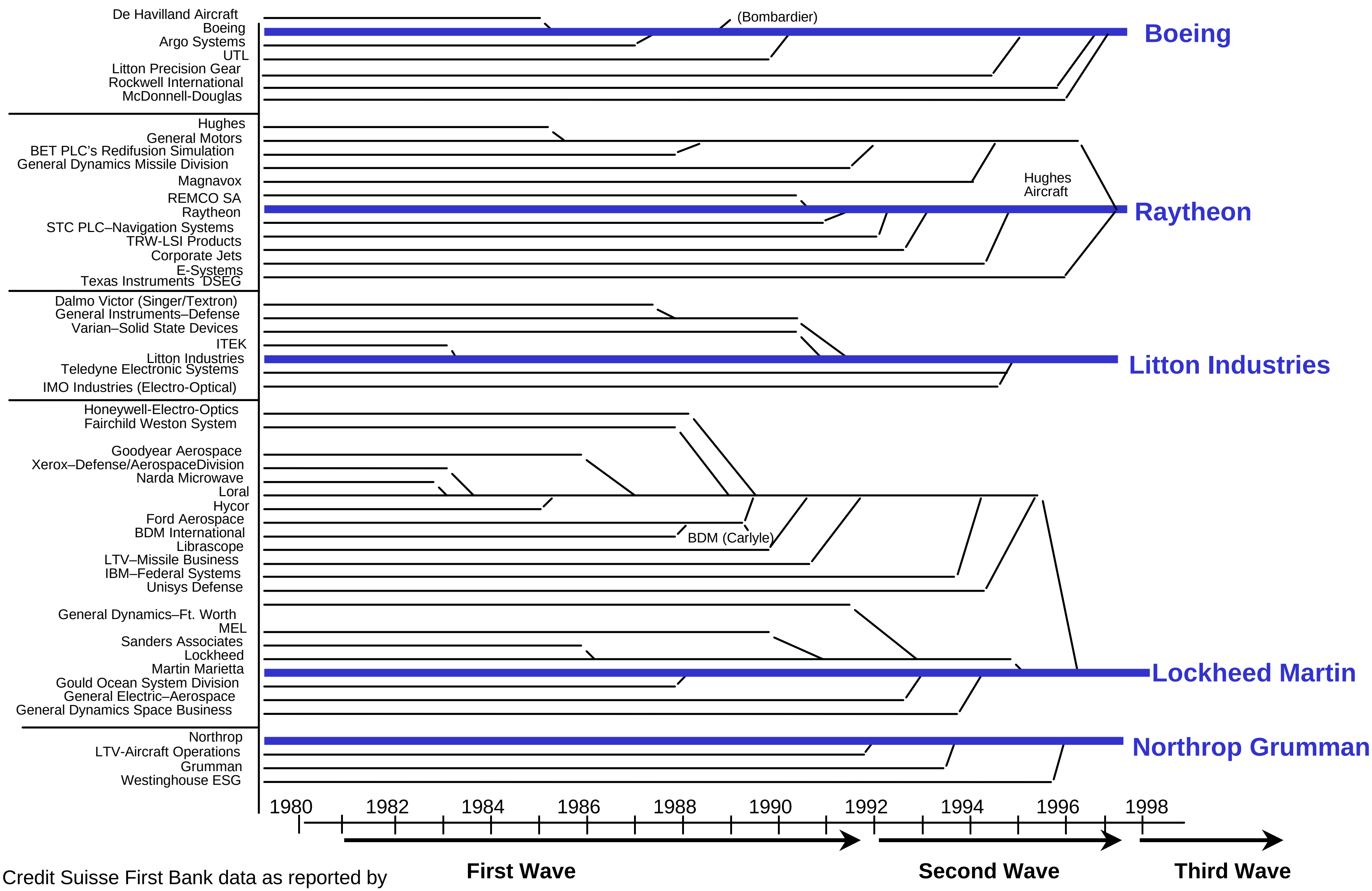
Consolidation in the Defense Industry



Source: Credit Suisse First Bank data as reported by Defense Science Board, May 1997

U.S. Contractor Presence for Selected U.S. Military Products (1990-1999)

Military Product	Companies[1] (1990)	Companies[1] (1999)
Ammunition[2]	9	9
Expendable Launch Vehicles	6	3
Fixed-wing	8	3
Rotorcraft	4	3
Satellites	8	6
Strategic Missiles	3	2
Submarines	2	2
Surface Ships	8	3
Tactical Missiles	13	4
Tactical Wheeled Vehicles	6	3
Torpedoes	3	2
Tracked Combat Vehicles	3	2

[1] Companies producing products in stated year. Not all companies produce all classes of products within a given product area.

[2] The number of munitions companies reflects government-owned assembly and explosive production facilities. DoD reduced the number of such facilities extensively prior to 1990 (there were 32 in 1978 and 17 in 1987) and is considering further reductions.

Europe's Interlocking Corporate Structures

Revision Z
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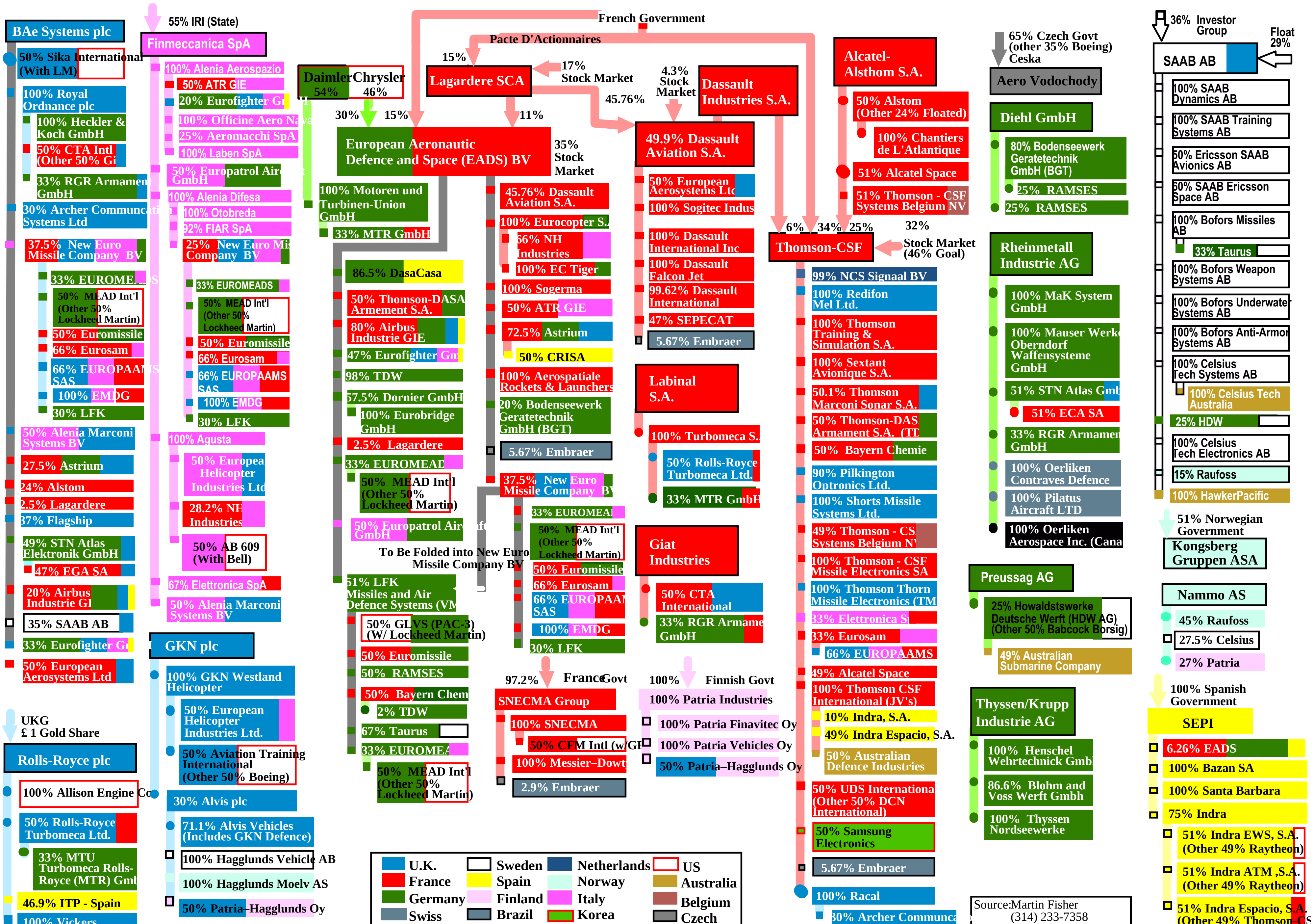

Source: Martin Fisher (314) 233-7358
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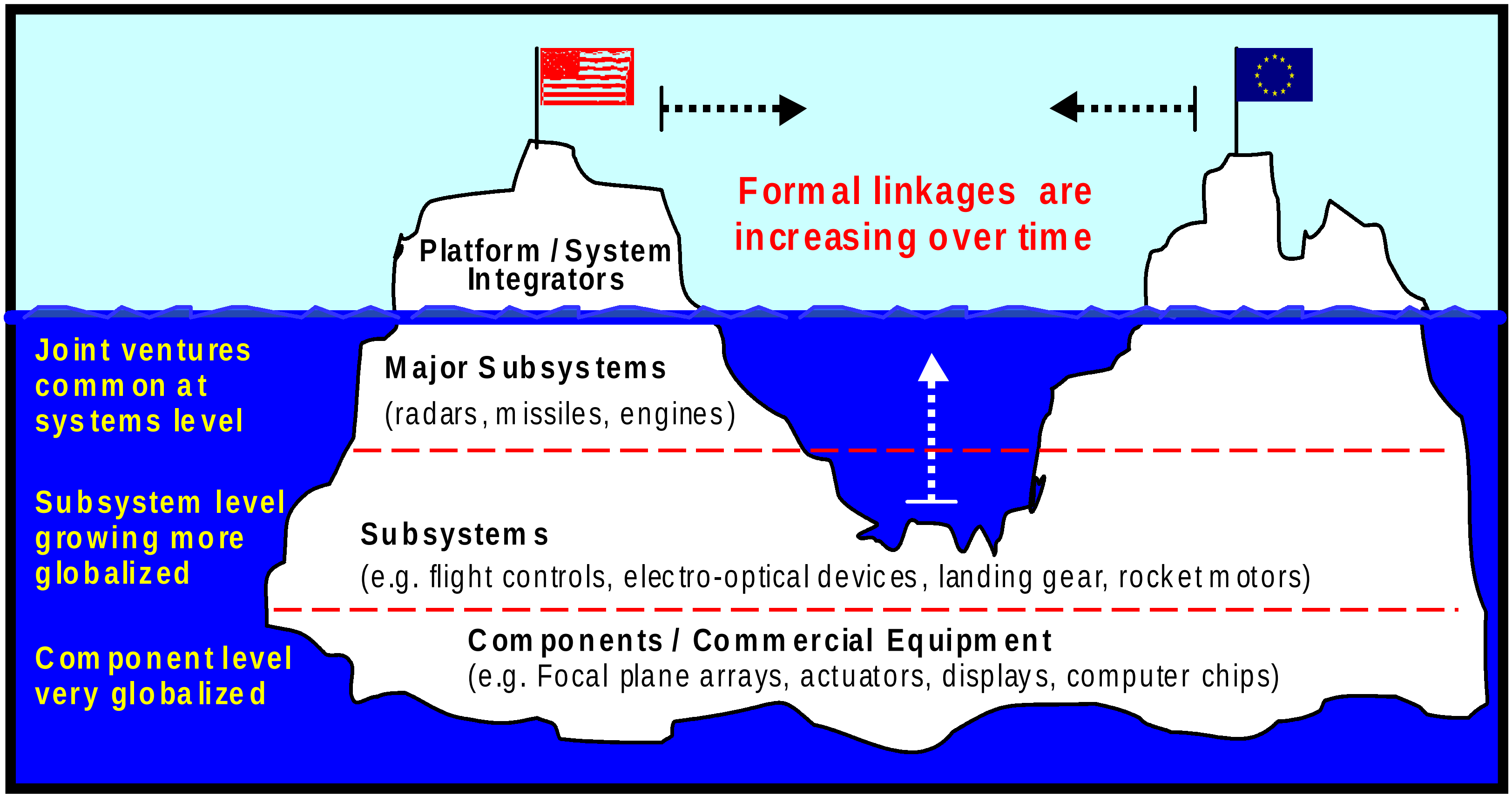
An Increasingly Integrated Industrial Foundation Among U.S. and European Allies



Strong foundation for future cross-border relationships already exists