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BAE Systems, National Instruments and Phase Matrix Inc. Announce Plans to Develop PXI Express-Based Synthetic Instrument

ANAHEIM, Calif. – AUTOTESTCON - Sept. 20, 2006 – BAE Systems, National Instruments (Nasdaq: NATI) and Phase Matrix Inc. (PMI) today announced a joint initiative to develop a PXI Express-based synthetic instrument for military and commercial RF and microwave applications. PMI is currently developing a 100 KHz to 26.5 GHz family of downconverter modules in a 3U PXI Express-compatible format to support PXI RF and microwave applications. BAE Systems, a leader in synthetic instrument systems, plans to build a next-generation synthetic instrument based on the new downconverter module family, using National Instruments PXI Express chassis, controllers and intermediate frequency (IF) digitizer modules as well as National Instruments LabVIEW graphical development software for host and FPGA-based signal processing.

“After a long history of designing, developing and manufacturing VXI-based microwave instruments, we are using our expertise to take PXI Express synthetic instrumentation into a new era of powerful RF and microwave test and measurement systems,” said Pete Pragastis, PMI president. “PMI will develop a family of PXI Express-compatible 26.5 GHz RF/microwave downconverter modules to meet the performance requirements of both military and commercial applications.”

Synthetic instrumentation, a subset of virtual instrumentation, combines modular hardware such as upconverters, downconverters, digitizers and high-speed I/O with a software platform to create user-defined test and measurement systems. The synthetic instrument these three companies are developing, for example, makes it possible for engineers to stream high-bandwidth RF and microwave data across the high-speed PXI Express bus directly to a processor for application-specific analysis. Using a software-based approach with general-purpose hardware, synthetic instrumentation provides engineers and scientists with the flexibility to emulate multiple traditional instruments and add new functionality over time to support future needs and technologies.

“By working with National Instruments and PMI to build a synthetic instrument, we are giving engineers a faster and more cost-effective test and measurement solution,” said Robert Wade Lowdermilk, BAE Systems engineering fellow. “PXI Express is a critical part of this new solution because it provides the increased bandwidth needed for RF and microwave applications.”

The new PXI Express-compatible RF and microwave downconverter family complements the wide breadth of

PXI modules National Instruments has developed for RF and communications applications, including high-performance IF generators and digitizers that take advantage of the high bandwidth of the PXI backplane.

“PXI Express delivers the highest bandwidth and lowest latency of all mainstream commercial test and measurement bus technologies,” said Eric Starkloff, National Instruments director of test product marketing. “The power of PXI Express makes it possible for engineers and scientists to create robust, software-defined instruments. We are excited to work with BAE Systems and PMI to increase the capability of PXI in both military and commercial RF applications.”

About BAE Systems

BAE Systems is the premier trans-Atlantic defense and aerospace company, delivering a full range of products and services for air, land and naval forces, as well as advanced electronics, information technology solutions and customer support services. BAE Systems, with more than 100,000 employees worldwide, had 2005 sales that exceeded \$28 billion.

About National Instruments

National Instruments (www.ni.com) has been a technology pioneer and leader in virtual instrumentation for 30 years. Leveraging PCs and commercial technologies, virtual instrumentation increases productivity and lowers costs for test, control and design applications through easy-to-integrate software, such as NI LabVIEW, and modular measurement and control hardware for PXI, PXI Express, PCI, PCI Express, USB and Ethernet. Readers can obtain investment information by calling (512) 683-5090, e-mailing nati@ni.com or visiting www.ni.com/nati.

About Phase Matrix Inc.

Phase Matrix Inc. is a world-class ISO 9001:2000 certified developer and manufacturer of RF and microwave components and instruments including upconverters/frequency synthesizers, downconverters, local oscillators and microwave frequency counters. PMI is a private company based in San Jose, California, and was formed in June of 1999 upon acquisition of substantially all of the assets of EIP Microwave, a long and established manufacturer of microwave test equipment. More information on PMI can be obtained at www.phasematrix.com or by calling (408) 428-1000.

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