

# BAE Systems

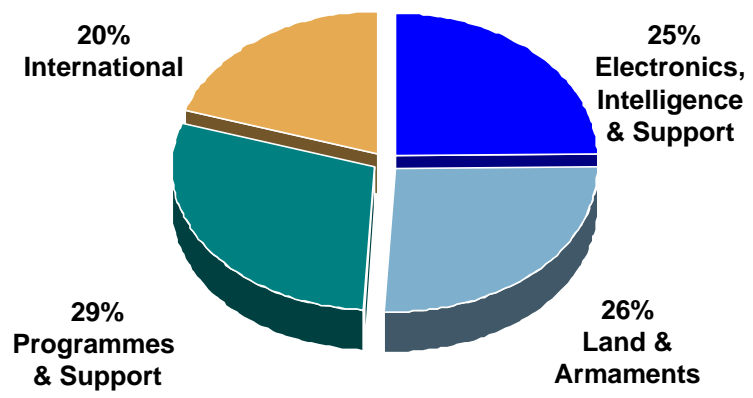
## Reporting Segment Changes

19 October 2011

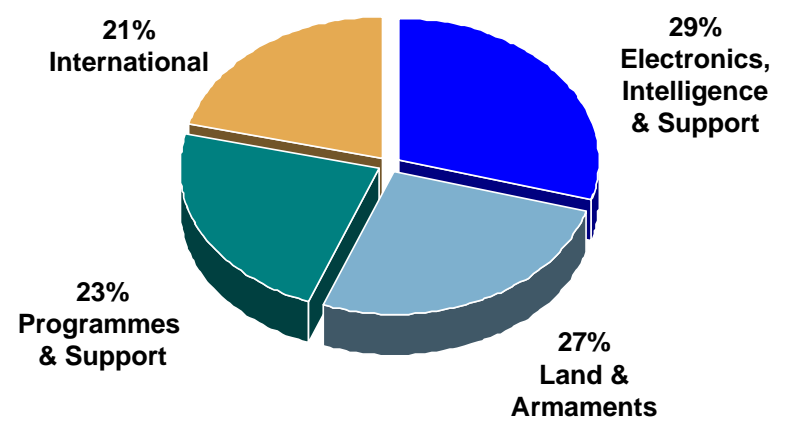


# Segments as previously reported

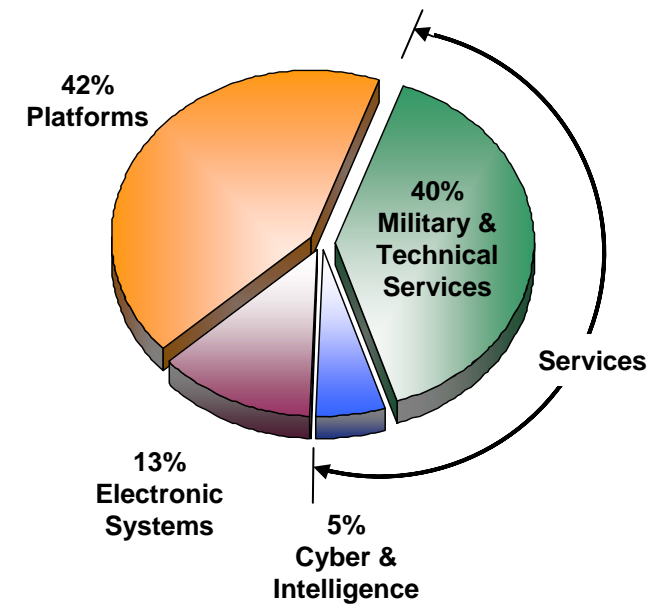
**Sales (1,2)**



**Underlying EBITA (1,3)**



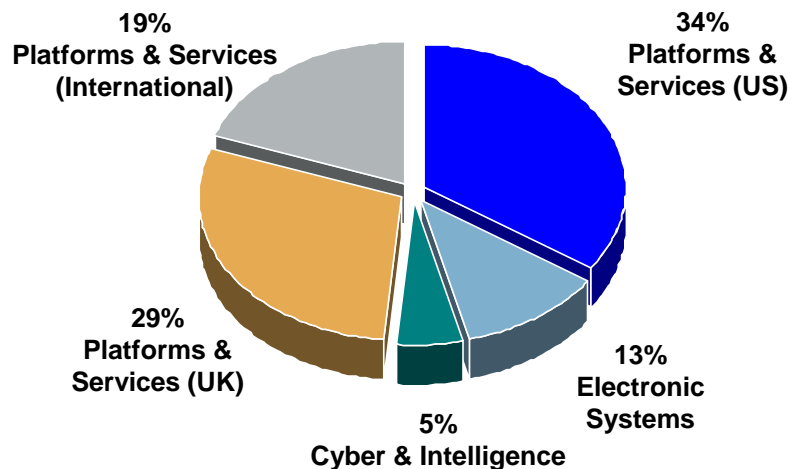
**Group sales by activity**



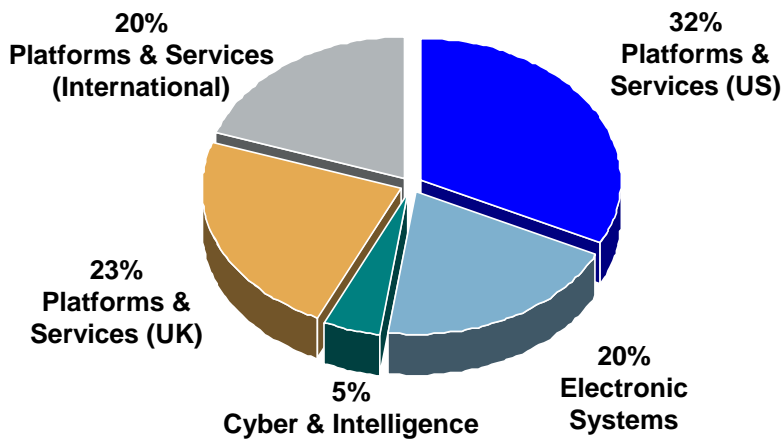
(1) FY10, excluding HQ & Other Businesses  
 (2) Before elimination of intra-group sales  
 (3) Earnings before amortisation and impairment of intangible assets, finance costs and taxation expense (EBITA) excluding non-recurring items

# New Segments

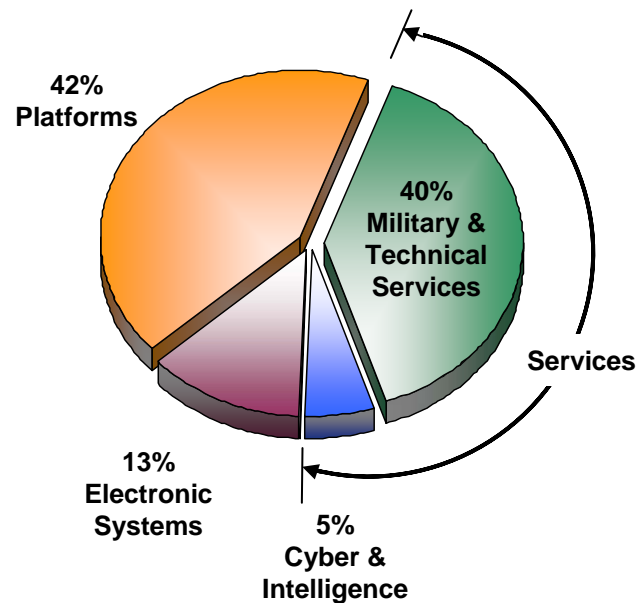
**Sales (1,2)**



**Underlying EBITA (1)**



**Group sales by activity**



(1) FY10, excluding HQ

(2) Before elimination of intra-group sales

## Segments as previously reported

|                                     | 2010<br>Full Year * |                     | 2011<br>Half Year |                     |
|-------------------------------------|---------------------|---------------------|-------------------|---------------------|
|                                     | Sales               | Underlying<br>EBITA | Sales             | Underlying<br>EBITA |
| Electronics, Intelligence & Support | 5,653               | 668                 | 2,573             | 298                 |
| Land & Armaments                    | 5,930               | 604                 | 1,846             | 180                 |
| Programmes & Support                | 6,680               | 529                 | 3,140             | 285                 |
| International                       | 4,534               | 478                 | 1,862             | 221                 |
| HQ & Other Businesses               | 150                 | (100)               | 78                | (16)                |
| Intra-group                         | (672)               |                     | (270)             |                     |
| <b>TOTAL</b>                        | <b>22,275</b>       | <b>2,179</b>        | <b>9,229</b>      | <b>968</b>          |

\* restated following the classification of the Regional Aircraft line of business as a discontinued operation

£ millions

## Segment Changes – 2010 Full Year Sales

| Old Segments                        | £m            | Movements                 |          |            |                 | £m            | New Segments                 |
|-------------------------------------|---------------|---------------------------|----------|------------|-----------------|---------------|------------------------------|
|                                     |               | Support Solutions and I&S | Detica   | Air Astana | Shared Services |               |                              |
| Electronics, Intelligence & Support | 5,653         | (2,684)                   | -        | -          | -               | 2,969         | Electronic Systems           |
|                                     |               | 979                       | 222      | -          | -               | 1,201         | Cyber & Intelligence         |
| Land & Armaments                    | 5,930         | 1,741                     | -        | -          | -               | 7,671         | Platforms & Services (US)    |
| Programmes & Support                | 6,680         | -                         | (222)    | -          | 71              | 6,529         | Platforms & Services (UK)    |
| International                       | 4,534         | -                         | -        | (209)      | -               | 4,325         | Platforms & Services (Int'l) |
| HQ & Other Businesses               | 150           | -                         | -        | 209        | (150)           | 209           | HQ                           |
| Intra-group                         | (672)         | (36)                      | -        | -          | 79              | (629)         | Intra-group                  |
| <b>TOTAL</b>                        | <b>22,275</b> | <b>-</b>                  | <b>-</b> | <b>-</b>   | <b>-</b>        | <b>22,275</b> | <b>TOTAL</b>                 |

## Segment Changes – 2010 Full Year Underlying EBITA

| Old Segments                        |              | Movements                 |          |            |                 | New Segments |                              |
|-------------------------------------|--------------|---------------------------|----------|------------|-----------------|--------------|------------------------------|
|                                     | £m           | Support Solutions and I&S | Detica   | Air Astana | Shared Services | £m           |                              |
| Electronics, Intelligence & Support | 668          | (213)                     | -        | -          | -               | 455          | Electronic Systems           |
|                                     |              | 89                        | 19       | -          | -               | 108          | Cyber & Intelligence         |
| Land & Armaments                    | 604          | 124                       | -        | -          | -               | 728          | Platforms & Services (US)    |
| Programmes & Support                | 529          | -                         | (19)     | -          | 12              | 522          | Platforms & Services (UK)    |
| International                       | 478          | -                         | -        | (29)       | -               | 449          | Platforms & Services (Int'l) |
| HQ & Other Businesses               | (100)        | -                         | -        | 29         | (12)            | (83)         | HQ                           |
| <b>TOTAL</b>                        | <b>2,179</b> | <b>-</b>                  | <b>-</b> | <b>-</b>   | <b>-</b>        | <b>2,179</b> | <b>TOTAL</b>                 |

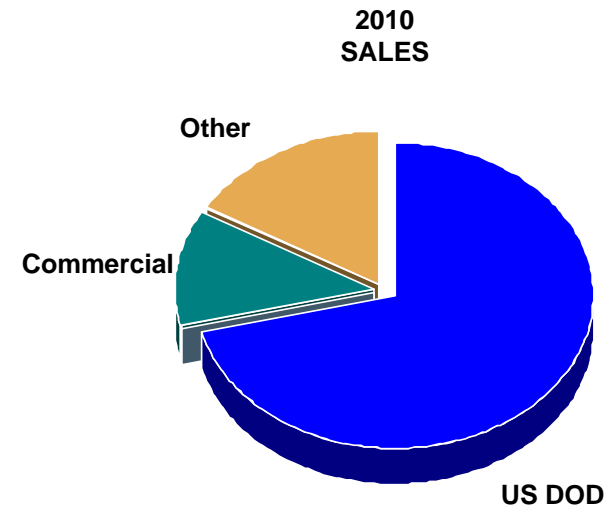
# Segment Changes – 2011 Half Year

| Old Segments                        |              |                  | New Segments |                  |                               |
|-------------------------------------|--------------|------------------|--------------|------------------|-------------------------------|
|                                     | Sales        | Underlying EBITA | Sales        | Underlying EBITA |                               |
| Electronics, Intelligence & Support | 2,573        | 298              | 1,221        | 172              | Electronic Systems            |
|                                     |              |                  | 651          | 55               | Cyber & Intelligence          |
| Land & Armaments                    | 1,846        | 180              | 2,685        | 256              | Platforms & Services (US)     |
| Programmes & Support                | 3,140        | 285              | 3,052        | 310              | Platforms & Services (UK)     |
| International                       | 1,862        | 221              | 1,756        | 211              | Platforms & Services (Int'nl) |
| HQ & Other Businesses               | 78           | (16)             | 106          | (36)             | HQ                            |
| Intra-group                         | (270)        |                  | (242)        |                  | Intra-group                   |
| <b>TOTAL</b>                        | <b>9,229</b> | <b>968</b>       | <b>9,229</b> | <b>968</b>       | <b>TOTAL</b>                  |

£ millions

# Electronic Systems

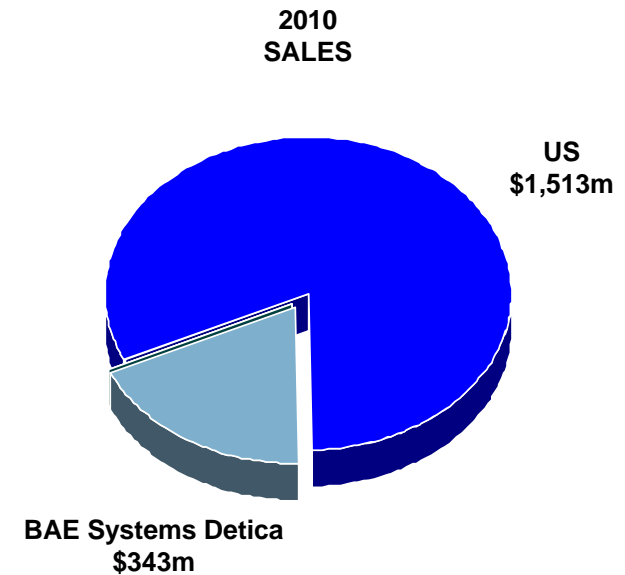
|                         | Full Year<br>2010 | Half Year<br>2011 |
|-------------------------|-------------------|-------------------|
| <b>Sales</b>            | <b>\$4,587m</b>   | <b>\$1,975m</b>   |
| <b>Underlying EBITA</b> | <b>\$703m</b>     | <b>\$278m</b>     |
| <b>Margin</b>           | <b>15.3%</b>      | <b>14.1%</b>      |
| <b>Cash Flow</b>        | <b>\$567m</b>     | <b>\$167m</b>     |





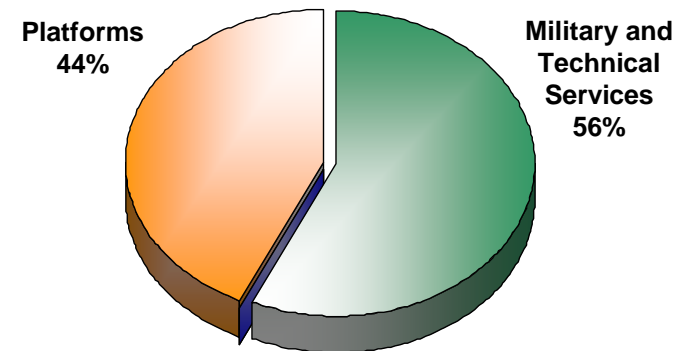
# Cyber & Intelligence

|                         | Full Year<br>2010 | Half Year<br>2011 |
|-------------------------|-------------------|-------------------|
| <b>Sales</b>            | <b>\$1,856m</b>   | <b>\$1,053m</b>   |
| <b>Underlying EBITA</b> | <b>\$167m</b>     | <b>\$89m</b>      |
| <b>Margin</b>           | <b>9.0%</b>       | <b>8.4%</b>       |
| <b>Cash Flow</b>        | <b>\$138m</b>     | <b>\$108m</b>     |

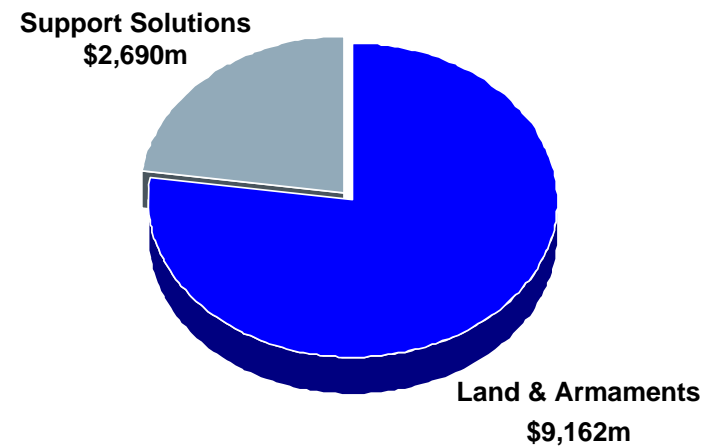


# Platforms & Services (US)

|                         | Full Year<br>2010 | Half Year<br>2011 |
|-------------------------|-------------------|-------------------|
| <b>Sales</b>            | <b>\$11,852m</b>  | <b>\$4,342m</b>   |
| <b>Underlying EBITA</b> | <b>\$1,125m</b>   | <b>\$414m</b>     |
| <b>Margin</b>           | <b>9.5%</b>       | <b>9.5%</b>       |
| <b>Cash Flow</b>        | <b>\$1,494m</b>   | <b>\$181m</b>     |

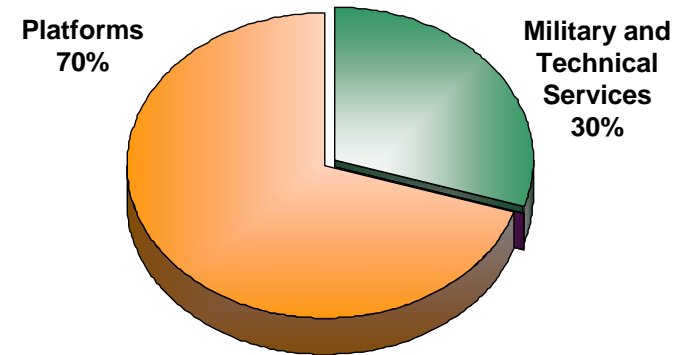


2010 SALES

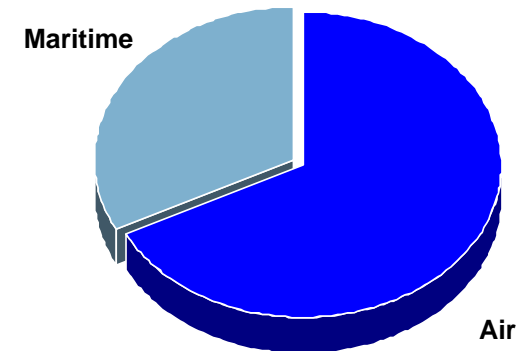


# Platforms & Services (UK)

|                         | <b>Full Year<br/>2010</b> | <b>Half Year<br/>2011</b> |
|-------------------------|---------------------------|---------------------------|
| <b>Sales</b>            | <b>£6,529m</b>            | <b>£3,052m</b>            |
| <b>Underlying EBITA</b> | <b>£522m</b>              | <b>£310m</b>              |
| <b>Margin</b>           | <b>8.0%</b>               | <b>10.2%</b>              |
| <b>Cash Flow</b>        | <b>£191m</b>              | <b>£3m</b>                |

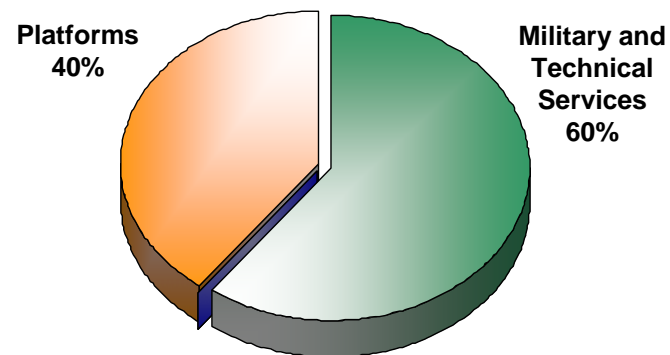


2010 SALES

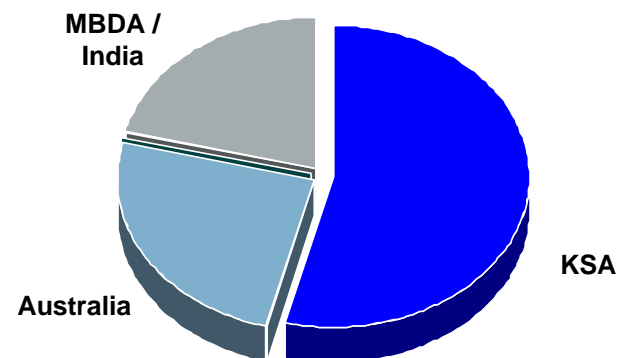


# Platforms & Services (International)

|                         | <b>Full Year<br/>2010</b> | <b>Half Year<br/>2011</b> |
|-------------------------|---------------------------|---------------------------|
| <b>Sales</b>            | <b>£4,325m</b>            | <b>£1,756m</b>            |
| <b>Underlying EBITA</b> | <b>£449m</b>              | <b>£211m</b>              |
| <b>Margin</b>           | <b>10.4%</b>              | <b>12.0%</b>              |
| <b>Cash Flow</b>        | <b>£190m</b>              | <b>£(175)m</b>            |



2010 SALES



# New Segments

|                                      | 2010 Full Year |                  |              | 2011 Half Year |                  |           |
|--------------------------------------|----------------|------------------|--------------|----------------|------------------|-----------|
|                                      | Sales          | U/lying<br>EBITA | OCF          | Sales          | U/lying<br>EBITA | OCF       |
| Electronic Systems                   | 2,969          | 455              | 367          | 1,221          | 172              | 103       |
| Cyber & Intelligence                 | 1,201          | 108              | 89           | 651            | 55               | 67        |
| Platforms & Services (US)            | 7,671          | 728              | 967          | 2,685          | 256              | 112       |
| Platforms & Services (UK)            | 6,529          | 522              | 191          | 3,052          | 310              | 3         |
| Platforms & Services (International) | 4,325          | 449              | 190          | 1,756          | 211              | (175)     |
| HQ                                   | 209            | (83)             | (671)        | 106            | (36)             | (122)     |
| Intra-group                          | (629)          |                  |              | (242)          |                  |           |
| Discontinued operations              |                |                  | 54           |                |                  | 23        |
| <b>TOTAL</b>                         | <b>22,275</b>  | <b>2,179</b>     | <b>1,187</b> | <b>9,229</b>   | <b>968</b>       | <b>11</b> |

£ millions

# Organisation

