

# Contents

See overleaf for an overview of our business today



## Directors' report

Results in brief, highlights and outlook	1	Chairman's letter	2
		Executive leadership	4

## Business review

Chief Executive's review	6	Land & Armaments	30
Strategic overview	12	Programmes & Support	32
Implementing our strategy	14	International Businesses	34
Financial review	18	HQ & Other Businesses	36
Key Performance Indicators (KPIs)	25	Corporate responsibility review	37
Business group reviews	27	Risk management and principal risks	44
Electronics, Intelligence & Support	28	Resources	51

## Corporate governance

Board of directors	54	Other statutory and regulatory information, including statement of directors' responsibilities	84
Corporate governance	56		
Remuneration report	64		

## Financial statements

Index to the accounts	88	Company balance sheet	135
Independent auditors' report	89	Notes to the Company accounts	136
Consolidated financial statements	90	Five year summary	144
Notes to the Group accounts	94		

## Shareholder information

Shareholder information	146	Glossary	148
Financial calendar	147	Annual Report online	149
		Shareholder feedback	149

## Further information

The following symbols are used within this Report  
They point you towards further information either within the report or online.



Cross reference within report



For more information visit [www.baesystems.com](http://www.baesystems.com)

### Annual and Interim Reports in digital format online

To receive shareholder communications electronically in future, including your Annual Report, visit:

[www.baesystems.com/annualreport/](http://www.baesystems.com/annualreport/)



Cover image:  
RG33 Mine Resistant  
Ambush Protected vehicle

### Cautionary statement

All statements other than statements of historical fact included in this document, including, without limitation, those regarding the financial condition, results, operations and businesses of BAE Systems and its strategy, plans and objectives and the markets and economies in which it operates, are forward-looking statements. Such forward-looking statements which reflect management's assumptions made on the basis of information available to it at this time, involve known and unknown risks, uncertainties and other important factors which could cause the actual results, performance or achievements of BAE Systems or the markets and economies in which BAE Systems operates to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Nothing in this document shall be regarded as a profit forecast. BAE Systems plc and its directors accept no liability to third parties in respect of this report save as would arise under English law. In particular, section 463 Companies Act 2006 limits the liability of the directors of BAE Systems plc so that their liability is solely to BAE Systems plc.