

Five year summary

Directors' report – Business review

Directors' report – Governance

Financial statements

Shareholder information

	2007 IFRS £m	2006 IFRS £m	2005 IFRS £m	2004 IFRS £m	2003 UK GAAP ¹ £m
Income statement^{2,3,4,5,6}					
Sales including Group's share of equity accounted investments					
Electronics, Intelligence & Support	3,916	4,007	3,697	3,063	–
Land & Armaments	3,538	2,115	1,270	482	–
Programmes & Support	5,327	4,615	4,660	–	–
International Businesses	3,359	3,428	3,138	–	–
Programmes	–	–	–	2,219	2,374
Customer Solutions & Support	–	–	–	2,856	2,042
Integrated Systems & Partnerships	–	–	–	2,022	–
Commercial Aerospace ⁴	–	–	–	–	2,904
HQ & Other Businesses	243	295	471	464	281
Avionics ⁵	–	–	–	–	650
North America	–	–	–	–	2,636
International Partnerships	–	–	–	–	1,685
Intra-business group sales	(673)	(695)	(655)	(417)	–
	15,710	13,765	12,581	10,689	12,572
EBITA⁷					
Electronics, Intelligence & Support	429	429	324	256	–
Land & Armaments	312	168	42	(8)	–
Programmes & Support	456	342	261	–	–
International Businesses	435	415	400	–	–
Programmes	–	–	–	10	56
Customer Solutions & Support	–	–	–	497	411
Integrated Systems & Partnerships	–	–	–	95	–
Commercial Aerospace ⁴	–	–	–	–	204
HQ & Other Businesses	(155)	(147)	(118)	(50)	–
Avionics ⁵	–	–	–	–	12
North America	–	–	–	–	232
International Partnerships	–	–	–	–	65
	1,477	1,207	909	800	980
Amortisation and impairment of intangible assets	(297)	(139)	(122)	(110)	(518)
Exceptional items (UK GAAP only)	–	–	–	–	(9)
Finance costs including share of equity accounted investments	93	(174)	(196)	(132)	(220)
Profit before taxation	1,273	894	591	558	233
Taxation expense including share of equity accounted investments	(373)	(248)	(147)	(219)	(225)
Profit for the year from continuing operations	900	646	444	339	8
Profit/(loss) for the year from discontinued operations	22	993	111	(336)	–
Profit for the year	922	1,639	555	3	8
Balance sheet					
Intangible assets	9,559	7,595	8,217	6,115	6,000
Property, plant and equipment, and investment property	1,887	1,869	1,922	1,901	1,699
Non-current investments	787	678	1,730	1,535	1,710
Inventories	701	395	485	498	775
Payables (excluding cash on customers' account) less receivables	(5,373)	(4,298)	(4,596)	(3,891)	(3,126)
Other financial assets and liabilities	52	6	(7)	–	–
Retirement benefit obligations	(1,629)	(2,499)	(4,101)	(3,210)	362
Provisions	(809)	(695)	(718)	(491)	(749)
Net tax	63	648	1,012	876	(195)
Net cash/(debt)	700	435	(1,277)	(668)	(870)
Disposal groups held for sale	64	–	137	–	–
Minority interests	(36)	(17)	(16)	(10)	(15)
Total equity attributable to equity holders of the parent	5,966	4,117	2,788	2,655	5,591

	2007 IFRS £m	2006 IFRS £m	2005 IFRS £m	2004 IFRS £m	2003 UK GAAP ¹ £m
Movement in net cash/(debt) as defined by the Group					
Cash flow from operating activities	2,162	778	2,099	2,350	836
Net capital expenditure ⁸	(262)	(141)	(250)	(285)	(248)
Dividends from equity accounted investments	78	145	88	69	37
Operating business cash flow	1,978	782	1,937	2,134	625
Acquisitions and disposals	(2,112)	1,330	(1,836)	(630)	(62)
Finance costs	(65)	(207)	(152)	(179)	(117)
Tax and dividends	(509)	(431)	(342)	(312)	(227)
Other non-cash movements	57	(11)	(52)	9	121
Issue/(purchase) of equity shares	603	(71)	373	–	–
Preference share conversion	245	6	–	–	–
Exchange movements	36	323	(219)	129	72
Net increase/(decrease) in net funds	233	1,721	(291)	1,151	412
Movement in cash on customers' account	32	(9)	(35)	(13)	16
Movement in net cash/(debt)	265	1,712	(326)	1,138	428
Opening net cash/(debt)	435	(1,277)	(668)	(870)	(1,298)
Impact of IFRS adoption	–	–	(283)	(936)	–
Closing net cash/(debt)	700	435	(1,277)	(668)	(870)
Other information	2007	2006	2005	2004	2003
Basic earnings/(loss) per share – total	26.6p	50.7p	17.4p	(0.6)p	(0.5)p
Basic earnings per share – underlying ⁹	31.0p	23.8p	18.4p	13.6p	16.6p
Dividend per ordinary share	12.8p	11.3p	10.3p	9.5p	9.2p
Number of employees, excluding share of employees of equity accounted investments, at year end	88,000	79,000	80,000	73,300	68,400
Capital expenditure including leased assets	£341m	£538m	£347m	£359m	£243m
Order book including the Group's share of equity accounted investments	£38.6bn	£31.7bn	£30.8bn	£29.5bn	£46.0bn

1 for the year ended 31 December 2003, the information is presented on a UK GAAP basis

2 for the year ended 31 December 2003, the business group information presented under UK GAAP has not been restated to reflect the changes made to the business groups in 2005, 2006 and 2007

3 for the year ended 31 December 2004, the business group information presented under IFRS has not been restated to reflect the changes made to the business groups in 2005, 2006 and 2007

4 for the years ended 31 December 2004 to 2006, Airbus SAS is presented as a discontinued operation under IFRS and the remaining Commercial Aerospace business group is reported within HQ & Other Businesses

5 for the years ended 31 December 2004 and 2005, the Avionics business group is presented as a discontinued operation under IFRS

6 for the years ended 31 December 2005 and 2006, the business group information presented under IFRS has been restated to reflect changes made to the Group's organisational structure

7 for the years ended 31 December 2004 to 2007, this is defined as earnings before amortisation and impairment of intangible assets, finance costs and taxation expense. For the year ended 31 December 2003, this is defined as profit before interest and tax, excluding goodwill amortisation and impairment, and exceptional items.

8 includes expenditure on property, plant and equipment, investment property, intangible assets and other investments

9 for IFRS, underlying earnings is presented for continuing operations after adjusting for amortisation and impairment of intangible assets, non-cash finance movements on pensions and financial derivatives, and uplift on acquired inventories. For UK GAAP, underlying earnings is presented after adjusting for goodwill amortisation and impairment, and exceptional items.