

APPENDIX 3.3
(referred to in paragraph 3.19)

BAe: historical financial information

TABLE 1 **BAe: summarized balance sheet as at 31 December, 1989 to 1994**

	<i>£ million</i>					
	1989	1990	1991	1992	1993	1994
Tangible fixed assets and equity accounted investments	3,063	3,425	3,673	3,688	3,531	2,168
Stocks and debtors less current creditors*	<u>1,192</u>	<u>1,019</u>	<u>1,379</u>	<u>2,042</u>	<u>1,805</u>	<u>1,476</u>
Net operating assets employed	4,255	4,444	5,052	5,730	5,336	3,644
Cash assets less borrowings	(817)	(807)	(437)	(591)	(693)	(159)
Provisions for liabilities and charges > 1 year	<u>(892)</u>	<u>(730)</u>	<u>(1,580)</u>	<u>(3,085)</u>	<u>(2,883)</u>	<u>(2,563)</u>
	<u>2,546</u>	<u>2,907</u>	<u>3,035</u>	<u>2,054</u>	<u>1,760</u>	<u>922</u>
Share capital and reserves†	2,426	2,585	2,768	1,816	1,539	912
Minority interests	<u>120</u>	<u>322</u>	<u>267</u>	<u>238</u>	<u>221</u>	<u>10</u>
	<u>2,546</u>	<u>2,907</u>	<u>3,035</u>	<u>2,054</u>	<u>1,760</u>	<u>922</u>

Source: MMC from BAe annual reports and accounts.

*Current creditors excludes borrowings, payments in advance and proposed dividends.

†Share capital and reserves includes proposed dividends.

TABLE 2 **BAe: summarized profit and loss accounts, 1989 to 1994**

	<i>£ million</i>					
	1989	1990	1991	1992	1993	1994
Turnover	9,085	10,540	10,562	9,977	10,760	7,153
Operating profit	320	287	215	(66)	229	261
Share of results of associates	<u>12</u>	<u>3</u>	<u>(3)</u>	<u>6</u>	<u>8</u>	<u>4</u>
Operating profit including share of associated companies	332	290	212	(60)	237	265
Exceptional items	40	(27)	(311)	(1,015)	(288)	106
Net interest receivable/(payable)	<u>(39)</u>	<u>113</u>	<u>(58)</u>	<u>(126)</u>	<u>(186)</u>	<u>(160)</u>
Profit/(loss) before tax	333	376	(157)	(1,201)	(237)	211
Taxation	<u>(95)</u>	<u>(98)</u>	<u>(26)</u>	<u>272</u>	<u>6</u>	<u>(71)</u>
Profit/(loss) after tax	238	278	(183)	(929)	(231)	140
Minority interests	(5)	(18)	51	41	17	-
Dividends	<u>(67)</u>	<u>(86)</u>	<u>(105)</u>	<u>(47)</u>	<u>(52)</u>	<u>(62)</u>
Retained profit/(loss)	<u>166</u>	<u>174</u>	<u>(37)</u>	<u>(935)</u>	<u>(266)</u>	<u>78</u>
Operating profit including associated companies as a percentage of turnover	3.6	2.7	2.0	(0.7)	2.2	3.7

Source: MMC from BAe annual reports and accounts.

TABLE 3 BAe: historical cost financial statistics, 1989 to 1994

	1989	1990	1991	1992	1993	1994
Average net operating assets employed in the business (£m)*	3,960	4,350	4,748	5,391	5,533	4,490
Operating profit (£m)	332	290	212	(60)	237	265
Return on average net operating assets (%)	8.4	6.7	4.5	(1.1)	4.3	5.9
Average shareholders' funds and minority interests* (£m)	2,404	2,727	2,971	2,545	1,907	1,341
Profit/(loss) on ordinary activities before tax (£m)	333	376	(157)	(1,201)	(237)	211
Return on average shareholders' funds and minority interests (%)	13.9	13.8	(5.3)	(47.2)	(12.4)	15.7
Earnings per ordinary share after exceptional items (p)	81.6	91.4	(54.0)	(240.9)	(62.2)	30.9

Source: MMC from BAe annual reports and accounts.

*The figures for net operating assets employed and shareholders' funds including provisions are simple averages of the beginning and end of each financial year (see Table 1).