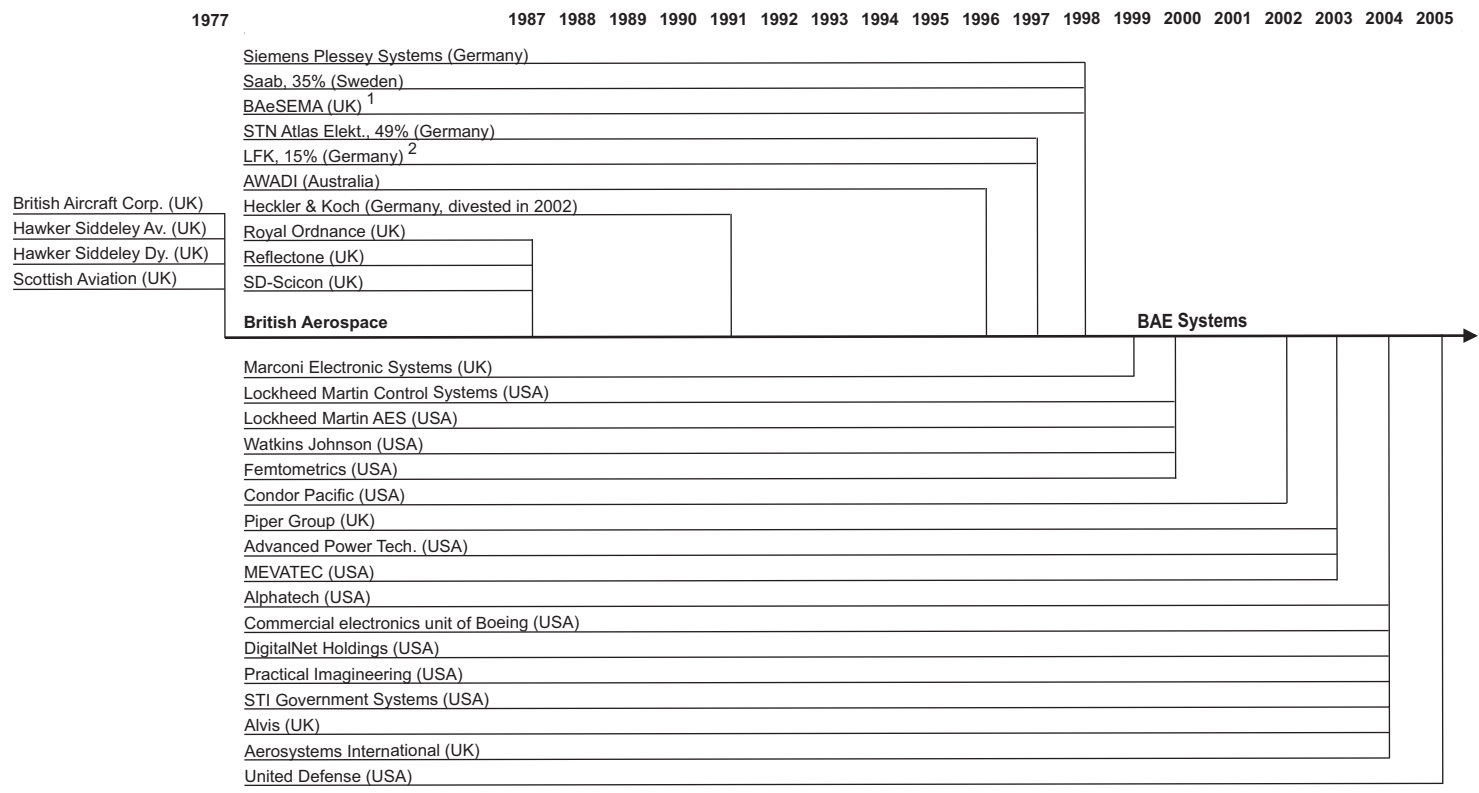


The formation and major acquisitions of BAE Systems, 1977–2005
 Company names are listed as they were at the time of the acquisition.



This diagram ignores BAE System's civil acquisitions of the 1980s and focuses on the path to defence specialism.

Company evolution:

British Aerospace was formed as a state-owned company through the merger of British Aircraft Corporation, Hawker Siddeley Aviation, Hawker Siddeley Dynamics and Scottish Aviation in 1977.

The company was partly privatized in 1981 (51.5%) and fully privatized in 1985 (the government maintained a special £1 'golden share'). The limit of foreign share holding was raised from 15% in 1981 to 29.5% in 1989 and 49.5% in 1998. In 2002 the limit on total foreign share holding was abolished (but the limit for individual foreign share holding of 15% was maintained).

In parallel with the process of acquisitions of arms producing activities in the 1990s the company divested a number of civilian activities, most importantly British Aerospace Corporate Jets in 1993 and the Rover Group in 1994.

In November 1999 British Aerospace was renamed BAE Systems following its acquisition of Marconi Electronic Systems. This acquisition put an end to long-standing negotiations among the aerospace companies of six West European countries (Aérospatiale of France, BAe of the UK, CASA of Spain, DaimlerChrysler Aerospace/DASA of Germany, Finmeccanica of Italy and Saab of Sweden) for the formation of a unified company, to be called European Aerospace and Defence Company (EADC). In reaction to the British concentration event DASA, Aérospatiale Matra, and CASA created EADS in July 2000.

Through the acquisition of Marconi Electronic Systems the company acquired significant arms-producing assets in the USA: in 1998 Marconi Electronics Systems had acquired a major US arms-producing company, Tracor, with arms sales amounting to more than \$900 million in 1998. BAE Systems' arms-producing activities in the USA were expanded in 2000 when the company acquired two major military electronics units of Lockheed Martin, Control Systems and AES, with combined total sales of roughly \$1.5 billion in 1999.

In June 2005 BAE Systems completed the acquisition of United Defense (USA) in a transaction valued at \$4.192 billion.

Notes:

¹ Through this acquisition British Aerospace became the sole owner of BAeSEMA.

² Matra BAe Dynamics, 50% owned by British Aerospace acquired a 30% share in LFK.