

IV. The SIPRI Top 100 arms-producing and military services companies, 2010

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The SIPRI Top 100 lists the world's 100 largest arms-producing and military services companies (excluding Chinese companies), ranked by their arms sales in 2010. Sales of arms and military services by companies in the SIPRI Top 100 increased to \$411.1 billion in 2010. This was a 1 per cent real-terms increase over 2009 and a 60 per cent increase since 2002 (see table 5.1 above).

Companies based in the United States remained at the top of the SIPRI Top 100 for 2010, although the 44 US companies in the list increased their arms sales by only 1 per cent in real terms (see table 5.4). Even so, US-based companies made over 60 per cent of the arms and military services sales in the SIPRI Top 100 for 2010. Lower ranked US-based companies (e.g. ARINC and the Aerospace Corporation) left the Top 100 as other US companies moved in (e.g. Hawker Beechcraft and Triumph Group, the latter due to its 2010 acquisition of Vought Aircraft Industries). The number of West European companies in the Top 100 declined from 33 in 2009 to 30 in 2010, in part due to the slightly lower arms sales of Italy's Avio and Fiat (which thus both left the Top 100 in 2010) and because of the re-entry into the Top 100 of the Brazilian company Embraer.¹

Russia's continued arms industry consolidation added another parent corporation—United Shipbuilding Corporation—to its top arms producers, resulting in eight Russian arms producers in the SIPRI Top 100 for 2010.² Vertolety Rossii's sales increased by 135 per cent due in part to the sale of Mi-8/17 transport helicopters to the Russian armed forces and to Afghanistan, Azerbaijan and Iraq.³

The wars in Afghanistan and Iraq had mixed impacts on companies' arms sales, even with the drawdown in Iraq that started in 2010. The transition

¹ Although the number of Italian companies in the SIPRI Top 100 fell from 4 in 2009 to 2 in 2010, the increase in the arms sales of Finmeccanica and Fincantieri was great enough to increase Italy's total Top 100 arms sales.

² Jackson, S. T., 'The SIPRI Top 100 arms-producing companies, 2009', *SIPRI Yearbook 2011*, p. 253.

³ Vasilyev, D., 'Ranking of top Russian defense companies in 2010', *Moscow Defense Brief*, vol. 3, no. 25 (2011), p. 16.

* Arms industry data was supplied by the SIPRI Arms Industry Network: Vincent Boulanin (École des hautes études en sciences sociales, Paris), Gülay Günlük-Şenesen (Istanbul University), Shinichi Kohno (Mitsubishi Research Institute, Tokyo), Valerie Miranda (Istituto Affari Internazionali, Rome), Pere Ortega (Centre d'Estudis per la Pau J. M. Delàs, Barcelona) and Paek Jae Ok (Korea Institute for Defense Analyses, Seoul).

Table 5.4. Regional and national shares of arms sales for the SIPRI Top 100 arms-producing and military services companies, 2010 compared to 2009^a

Arms sales figures are in US\$ b., at current prices and exchange rates. Figures do not always add up to totals because of the conventions of rounding.

Number of companies	Region/ country ^b	Arms sales (\$ b.)		Change in arms sales, 2009–10 (%)		Share of total Top 100 arms sales, 2010 (%)
		2010	2009 ^c	Nominal ^d	Real ^e	
45	North America	250.2	243.7	3	1	60.9
44	United States	249.4	243.0	3	1	60.7
1	Canada	0.8	0.7	18	5	0.2
30	Western Europe	120.4	117.6	2	3	29.3
10	United Kingdom	49.7	48.4	3	0	12.1
6	France	23.0	23.0	0	3	5.6
1	Trans-European ^f	16.4	15.9	3	6	4.0
2	Italy	15.4	14.1	9	12	3.7
5	Germany	7.4	8.1	-8	-4	1.8
2	Spain	2.8	2.9	-5	-2	0.7
1	Sweden	2.8	2.6	5	-2	0.7
1	Norway	1.5	1.1	38	29	0.4
1	Switzerland	0.8	0.7	14	8	0.2
1	Finland	0.7	0.7	0	4	0.2
8	Eastern Europe	14.6	9.7	51	36	3.6
8	Russia	14.6	9.7	51	36	3.6
11	Other OECD	16.7	15.8	6	-2	4.1
5	Japan ^g	7.5	6.9	8	2	1.8
3	Israel	6.4	6.3	1	-7	1.6
2	South Korea	2.1	1.9	9	-4	0.5
1	Turkey	0.8	0.6	19	6	0.2
6	Other non-OECD	9.1	8.9	3	-9	2.2
3	India ^h	5.4	4.5	21	2	1.3
1	Kuwait	1.3	2.5	-47	-49	0.3
1	Singapore	1.8	1.5	21	10	0.4
1	Brazil	0.7	0.5	43	19	0.2
100	Total	411.1	395.7	4	2	100

OECD = Organisation for Economic Co-operation and Development.

^a Although it is known that several Chinese arms-producing enterprises are large enough to rank among the SIPRI Top 100, a lack of comparable and sufficiently accurate data makes it impossible to include them. There are also companies in other countries, such as Kazakhstan and Ukraine, that could be large enough to appear in the SIPRI Top 100 list if data were available, but this is less certain.

^b Figures for a country or region refer to the arms sales of the Top 100 companies headquartered in that country or region, including those in its foreign subsidiaries. They do not reflect the sales of arms actually produced in that country or region.

^c Arms sales figures from 2009 refer to companies in the SIPRI Top 100 for 2010 and not to the companies in the Top 100 for 2009.

^d This column gives the change in arms sales between 2009 and 2010 in current US dollars.

^e This column gives the change in arms sales between 2009 and 2010 in constant (2009) US dollars.

^f The company classified as trans-European is EADS.

^g Figures for Japanese companies are based on contracts with the Japanese Ministry of Defense.

^h Figures for India include a rough estimate for Ordnance Factories.

Source: Table 5.5.

from the sole-source contract for the third round of the Logistics Civilian Augmentation Program (LOGCAP III) to the multi-source contract for the fourth round (LOGCAP IV) contributed to KBR's decrease in sales in 2010 compared to 2009, while both Fluor's and ITT Corporation's revenues increased because of LOGCAP IV contracts (see also section II above). KBR's overall sales decreased by \$2 billion (17 per cent) and Fluor increased its government segment sales by 53 per cent in 2010.⁴ Navistar's sales decreased 16 per cent due to decreases in purchases of military vehicles.⁵ BAE Systems also experienced a decrease in sales of the Bradley Family of Medium Tactical Vehicles (FMTV).⁶ At the same time, Oshkosh's sales increased by 87.4 per cent in 2010, primarily due to winning a US contract to build the M-ATV mine-resistant ambush-protected (MRAP) vehicle.⁷

Some companies' arms sales increased significantly in 2010. Kongsberg's 37 per cent increase in sales was related in particular to major contracts from Finland, Norway, Poland and the USA.⁸ Hawker Beechcraft had a 29.3 per cent increase as a result of higher sales in trainer and attack aircraft.⁹ Lockheed Martin's F-35 (Joint Strike Fighter) contract contributed to its \$2.3 billion increase, as did deliveries and support activities in its C-130 Hercules transport aircraft programmes, support activities for the F-16 combat aircraft, and increases in its 'readiness and stability' oper-

⁴ KBR, *Form 10-K Annual Report under Section 13 or 15(d) of the Securities and Exchange Act of 1934 for the Fiscal Year Ended December 31, 2010* (US Securities and Exchange Commission: Washington, DC, 23 Feb. 2011), p. 26; and Fluor, *Form 10-K Annual Report under Section 13 or 15(d) of the Securities and Exchange Act of 1934 for the Fiscal Year Ended December 31, 2010* (US Securities and Exchange Commission: Washington, DC, 23 Feb. 2011), p. 36.

⁵ Navistar, *Form 10-K Annual Report under Section 13 or 15(d) of the Securities and Exchange Act of 1934 for the Fiscal Year Ended October 31, 2010* (US Securities and Exchange Commission: Washington, DC, 22 Dec. 2010), p. 28.

⁶ BAE Systems, *Annual Report 2010: Total Performance Across Our Markets* (BAE Systems: London, [2011]), p. 66.

⁷ Oshkosh, *Form 10-K Annual Report under Section 13 or 15(d) of the Securities and Exchange Act of 1934 for the Fiscal Year Ended September 30, 2010* (US Securities and Exchange Commission: Washington, DC, 18 Nov. 2010), p. 32.

⁸ Kongsberg, *2010 Annual Report* (Kongsberg Gruppen: Kongsberg, 2011), p. 8.

⁹ Hawker Beechcraft, *Form 10-K Annual Report under Section 13 or 15(d) of the Securities and Exchange Act of 1934 for the Fiscal Year Ended December 31, 2010* (US Securities and Exchange Commission: Washington, DC, 25 Feb. 2010), p. 27.

ations.¹⁰ Northrop Grumman's \$1.1 billion increase was attributed to increases across its businesses.¹¹

Acquisitions continue to contribute to large increases in arms and military services sales. Hewlett-Packard's acquisition of EDS in 2008 contributed to a 62.7 per cent increase in its military-related sales in 2010 due to on-going contracts that it absorbed through the acquisition.¹² The acquisition of VT Group in 2010 was a key factor in Babcock's 37.8 per cent sales increase in 2010.¹³ ManTech attributed its 28.9 per cent (\$2.6 billion) increase over 2009 to contracts that the company absorbed through the acquisition of Sensor Technologies Incorporated (STI) in January 2010.¹⁴ AgustaWestland's acquisition of PZL-Świdnik was one factor in Finmeccanica's increase of \$1.1 billion.

The SIPRI Top 100 for 2010 appears in table 5.5. The companies in the SIPRI Top 100 account for the majority of the global financial value of sales of military goods and services, in particular, high-technology systems and services. Because of a lack of comparable financial data, the SIPRI Top 100 does not cover all arms-producing countries. However, with a few exceptions, the volume of arms production in omitted countries is believed to be relatively small. Chinese companies would almost certainly appear in the Top 100 (and probably in the top 50) if satisfactory data were available. Apart from the omission of China, analysis of the companies in the Top 100 is sufficient to capture the major trends in the global arms industry.

¹⁰ Lockheed Martin, *2010 Annual Report* (Lockheed Martin: Bethesda, MA, 2011), p. 5.

¹¹ Northrop Grumman, *Form 10-K Annual Report under Section 13 or 15(d) of the Securities and Exchange Act of 1934 for the Fiscal Year Ended December 31, 2010* (US Securities and Exchange Commission: Washington, DC, 9 Feb. 2010), pp. 44, 47, 48.

¹² Hewlett-Packard, *2010 HP Annual Report* (Hewlett-Packard: Palo Alto, CA, 2011), p. 48.

¹³ Babcock International, *Trusted to Deliver: Annual Reports and Accounts 2011* (Babcock International: London, [2011]), p. 3.

¹⁴ ManTech, *Form 10-K Annual Report under Section 13 or 15(d) of the Securities and Exchange Act of 1934 for the Fiscal Year Ended December 31, 2010* (US Securities and Exchange Commission: Washington, DC, 25 Feb. 2011), p. 35.

Table 5.5. The SIPRI Top 100 arms-producing and military services companies in the world excluding China, 2010^a

Figures for arms sales, total sales and profit are in US\$ million. Dots (.) indicate that data is not available. Sector abbreviations are explained below.

Rank ^b	2010	2009	Company ^c	Country	Sector	Arms sales		Total sales, 2010	Arms sales as % of total sales, 2010	Total profit, employment,	
						2010	2009			2010	2010
1	1	1	Lockheed Martin	USA	Ac El Mi Sp	35 730	33 430	45 803	78	2 926	132 000
2	2	2	BAE Systems	UK	Ac A El Mi MV SA/A Sh	32 880	32 540	34 609	95	1 671	98 200
3	3	3	Boeing	USA	Ac El Mi Sp	31 360	32 300	64 306	49	3 307	160 500
4	4	4	Northrop Grumman	USA	Ac El Mi Sh Sp	28 150	27 000	34 757	81	2 053	117 100
5	5	5	General Dynamics	USA	A El MV SA/A Sh	23 940	23 380	32 466	74	2 624	90 000
6	6	6	Raytheon	USA	El Mi	22 980	23 080	25 183	91	1 879	72 400
7	7	7	BAE Systems Inc. (BAE Systems, UK)	USA	A El MV SA/A	17 900	19 280	17 903	100	1 966	46 900
8	8	8	EADS	Trans-Eur.	Ac El Mi Sp	16 360	15 930	60 599	27	732	121 690
9	9	9	Finmeccanica	Italy	Ac A El Mi MV SA/A	14 410	13 280	24 762	58	738	75 200
10	10	10	United Technologies	USA	El Ser	13 070	13 010	15 680	83	955	63 000
11	11	11	Thales	USA	Ac El Eng	11 410	11 110	54 326	21	4 711	208 220
12	12	12	SAIC	France	A El Mi MV SA/A Sh	9 950	10 200	17 384	57	60	63 730
13	13	13	Oshkosh Truck	USA	Ser Comp(MV)	8 230	8 030	11 117	74	618	43 400
14	14	14	Computer Sciences Corp.	USA	MV	7 080	2 770	9 842	72	790	12 400
15	15	15	Honeywell	USA	Ser	5 940	6 050	16 042	37	759	91 000
16	16	16	Safran	USA	El	5 400	5 380	33 370	16	2 022	130 000
17	17	17	Sikorsky (United Technologies)	France	El	4 800	4 740	14 252	34	673	54 260
18	18	18	Rolls-Royce	USA	Ac	4 530	3 980	6 684	68	..	18 000
19	19	19	General Electric	UK	Eng	4 330	4 260	16 794	26	839	38 900
20	20	20	Pratt & Whitney (United Technologies)	USA	Eng	4 300	4 700	150 211	3	11 644	287 000
21	21	21	ITT Corp.	USA	Eng	4 080	3 940	12 935	32	..	35 000
22	22	22	Almaz-Antei ^d	USA	El	4 000	4 730	10 995	36	654	40 000
23	23	23	MBDA (BAE Systems, UK/EADS, trans-European/Finmeccanica, Italy)	Russia	Mi	3 950	3 260	4 436	89	24	88 700
24	24	24		Trans-Eur.	Mi	3 710	3 610	3 709	100	219	10 010

Rank ^b	2010	2009	Company ^c	Country	Sector	Arms sales		Total sales, 2010	Arms sales as % of total sales, 2010	Total profit, 2010	Total employment, 2010
						2010	2009				
21	28		United Aircraft Corp. ^d	Russia	Ac	3 440	2 710	4 222	82	-639	95 900
22	21		DCNS	France	Sh	3 320	3 340	3 315	100	181	12 500
23	15		KBR ^e	USA	Ser	3 310	4 990	10 099	33	327	35 000
24	26		URS Corp.	USA	El	3 030	2 770	9 177	33	288	47 000
25	24		Mitsubishi Heavy Industries ^f	Japan	Ac Mi MV Sh	2 960	2 810	33 080	9	343	68 820
S	S		Eurocopter Group (EADS, trans-Eur.)	France	Ac	2 940	3 050	6 397	46	..	16 760
S	S		AgustaWestland (Finmeccanica)	Italy	Ac	2 920	2 800	4 827	61	273	13 570
26	23		Alliant Techsystems	USA	SA/A	2 870	2 810	4 842	59	313	15 000
27	33		Rockwell Collins	USA	El	2 860	2 580	4 665	61	561	20 000
28	31		Saab	Sweden	Ac El Mi	2 780	2 640	3 390	82	63	12 540
29	42		Babcock International Group	UK	Ser Sh Oth	2 770	2 010	4 475	62	162	27 340
30	34		Textron	USA	Ac El Eng MV	2 740	2 570	10 525	26	86	32 000
31	32		Rheinmetall	Germany	A El MV SA/A	2 660	2 640	5 283	50	230	19 980
32	51		Hewlett-Packard	USA	Ser	2 570	1 580	126 033	2	8 761	324 600
33	47		ManTech International Corp.	USA	Ser	2 490	1 920	2 604	96	125	10 100
34	38		Hindustan Aeronautics	India	Ac Mi	2 480	2 130	2 756	90	..	..
35	29		Elbit Systems	Israel	El	2 480	2 700	2 607	95	183	12 320
S	S		EADS Astrium (EADS, trans-Eur.)	France	Sp	2 450	2 400	6 626	37	..	15 340
36	25		Navistar	USA	MV	2 410	2 800	12 145	20	223	18 700
37	41		Israel Aerospace Industries	Israel	Ac El Mi	2 400	2 030	3 150	76	94	16 000
38	30		DynCorp International (Cerberus Capital) ^g	USA	Ser	2 390	2 650	3 387	71	-9	23 000
39	40		CACI International	USA	Ser	2 320	2 080	3 149	74	107	13 100
40	36		Cobham	UK	Comp(Ac El)	2 260	2 260	2 941	77	298	11 640
41	44		Goodrich	USA	Comp(Ac)	2 230	2 010	6 967	11	579	16 300
42	37		CEA	France	Oth	2 200	2 160	5 485	40	90	15 850
S	S		MBDA France (MBDA, trans-Eur.)	France	Mi	2 190	1 740	2 187	100	219	4 300
43	48		Harris	USA	El	2 130	1 900	5 206	41	562	15 800

44	39	Serco	UK	Ser	2 130	2 110	6 688	32	243	70 000
45	45	Navantia	Spain	Sh	2 010	1 980	2 402	96	-61	5 230
46	55	Indian Ordnance Factories ^h	India	A SA/A	1 960	1 440	2 451	80	..	..
S	S	Alenia Aeronautica (Fimmeccanica)	Italy	Ac	1 920	1 810	2 861	67	58	10 050
47	73	Vertolety Rossii (OPK Oboronoprom) ^d	Russia	Ac	1 910	810	2 677	71	204	38 490
48	20	AM General ⁱ	USA	MV	1 900	3 720	..	..	..	2 500
49	53	ST Engineering (Temasek)	Singapore	Ac El MV SA/A Sh	1 750	1 450	4 384	40	360	6 570
50	49	QinetiQ	UK	Ser	1 730	1 770	2 512	69	-98	13 080
51	-	United Shipbuilding Corp. ^d	Russia	Sh	1 650	..	2 359	70	..	71 280
52	50	Krauss-Maffei Wegmann ^j	Germany	MV	1 590	1 630	1 693	94	391	..
53	62	Kongsberg Gruppen	Norway	El Mi SA/A	1 500	1 090	2 564	58	248	5 680
54	53	Rafael	Israel	Ac Mi SA/A Oth	1 470	1 570	1 500	98	..	6 500
55	57	Nexter	France	A MV SA/A	1 430	1 230	1 425	100	217	2 700
S	S	BAE Systems Australia (BAE Systems, UK)	Australia	Ac Sh	1 380	1 090	1 376	100	..	6 500
S	S	Sukhoi (United Aircraft Corp.) ^d	Russia	Ac	1 360	1 440	1 466	93	53	26 900
56	44	ThyssenKrupp	Germany	Sh	1 340	1 980	56 452	2	1 228	177 350
S	S	Irkut Corp. (United Aircraft Corp.) ^d	Russia	Ac	1 330	1 060	1 548	86	56	14 030
57	-	IHI Group ^f	Japan	Eng Sh	1 330	280	13 526	10	339	26 040
58	36	Agility	Kuwait	Ser	1 310	2 480	5 596	23	87	22 000
59	89	Fluor ^k	USA	Ser	1 300	710	20 849	6	358	39 230
60	59	Samsung	S. Korea	A El Eng MV Sh	1 290	1 170	133 756	1	13 967	344 000
61	55	Gruppe Dassault	France	Ac	1 270	1 360	5 546	23	523	11 490
62	91	United Engine Corp. ^d	Russia	Eng	1 250	680	2 805	44	92	69 580
S	-	Sevmash (United Shipbuilding Corp.) ^d	Russia	Sh	1 240	530	1 381	90	-23	..
63	64	Diehl	Germany	Mi SA/A	1 210	1 070	3 609	34	29	13 570
64	46	Mitsubishi Electric ^f	Japan	El Mi	1 160	1 950	41 528	3	1 419	114 440
65	-	Triumph Group	USA	Ac Comp(Oth) Ser	1 080	480	2 905	37	150	12 100
S	S	Thales Nederland (Thales, France)	Netherlands	El	1 060	880	1 062	100	52	..
66	60	GKN	UK	Comp(Ac)	1 050	1 110	8 391	13	502	39 900
S	S	Samsung Techwin (Samsung)	S. Korea	A El Eng MV	1 030	930	2 249	46	..	..
67	69	Jacobs Engineering Group ^l	USA	Ser	1 020	880	9 915	10	246	38 500

Rank ^b	2010	2009	Company ^c	Country	Sector	Arms sales		Total sales, 2010	Arms sales as % of total sales, 2010	Total profit, 2010	Total employment, 2010
						2010	2009				
68	59		Kawasaki Heavy Industries ^f	Japan	Ac Eng MfI Sh	1 020	1 110	13 978	7	296	32 710
69	68		TRV Corp. ^d	Russia	Mi	1 010	910	1 120	90	62	..
70	77		NEC ^f	Japan	El	980	770	35 491	3	-143	115 840
71	67		Bharat Electronics	India	El	970	920	1 214	80	..	11 100
72	66		Moog	USA	Comp(El Mi)	960	920	2 114	46	108	10 120
73	71		Fincantieri	Italy	Sh	940	860	3 809	25	-164	10 210
S	S		IHI Marine United (IHI Group) ^f	Japan	Sh	890	..	2 163	41	15	..
74	80		Chemring Group	UK	SA/A	890	750	923	96	103	4 280
75	74		Ultra Electronics	UK	El	880	810	1 097	80	102	4 150
76	87		CAE	Canada	El	840	710	1 582	53	165	7 500
77	84		RUAG	Switzerland	Ac A Eng SA/A	830	730	1 722	48	88	7 720
S	S		Selex Galileo (Finmeccanica)	Italy	El	820	770	899	91	45	2 690
78	61		Shaw Group ^m	USA	Ser	810	1 100	7 001	12	93	27 000
79	81		LIG Nex1	S. Korea	El	810	750	822	99	35	..
80	70		Precision Castparts Corp.	USA	Comp(Ac)	810	880	6 220	13	1 015	18 300
81	86		Cubic Corp.	USA	Comp(El) Ser	810	710	1 194	68	71	6 100
82	75		Meggitt	UK	Comp(Ac El) Oth	780	810	1 796	44	215	7 370
83	-		Hawker Beechcraft	USA	Ac	780	600	2 805	28	-304	6 800
84	65		Indra	Spain	El	780	940	3 387	23	249	28 610
85	79		Curtiss-Wright Corp.	USA	Comp(Ac Sh)	780	760	1 893	41	107	7 600
86	83		Allion Science and Technology	USA	Ser	770	740	834	93	-15	3 100
87	95		Aselsan	Turkey	El	760	640	792	97	160	4 010
S	S		Selex Communications (Finmeccanica)	Italy	Comp(El Oth)	750	810	943	80	30	4 140
88	90		Mitre ⁿ	USA	Ser	740	700	1 310	57	..	7 540
89	76		Uralvagonzavod ^d	Russia	MV	730	800	1 814	40	188	27 930
90	78		SRA International	USA	El	700	760	1 667	42	18	7 100
91	98		Esterline Technologies	USA	Comp(A. Ac SA/A Sh)	690	640	1 527	45	142	8 980
92	-		MMPP Salut ^d	Russia	Comp(Ac)	690	490	721	95	..	..

S	S	Thales Australia (Thales, France)	Australia	A El Mi MV SA/A Sh	680	630	681	100	..	3 300
93	72	VSE Corp.	USA	Ser	680	840	866	78	24	2 900
94	-	Embraer	Brazil	Ac	670	470	5 364	12	346	17 150
95	85	Teledyne Technologies	USA	El	670	720	1 644	41	121	9 200
96	93	Patria	Finland	Ac MV SA/A	660	660	747	88	5	3 400
97	64	Force Protection	USA	MV	660	980	656	100	15	1 280
98	99	AAR Corp.	USA	Ser	650	610	1 352	48	45	5 800
99	100	GenCorp	USA	El Eng	650	610	838	77	7	3 140
S	S	MBDA Italia (MBDA, trans-European)	Italy	Mi	640	610	644	100	7	1 260
100	82	MTU Aero Engines	Germany	Eng	640	740	3 586	18	188	7 670
S	S	Raytheon Australia (Raytheon, USA)	Australia	Comp(Ac) Ser	640	490	641	100	..	1 350

A = artillery; Ac = aircraft; El = electronics; Eng = engines; Mi = missiles; MV = military vehicles; SA/A = small arms/ammunition; Ser = services; Sh = ships; Sp = space; Oth = other; Comp() = components, services or anything else less than final systems in the sectors within the parentheses—used only for companies that do not produce final systems.

^a Although several Chinese arms-producing enterprises are large enough to rank among the SIPRI Top 100, it has not been possible to include them because of lack of comparable and sufficiently accurate data. In addition, there are companies in other countries, such as Kazakhstan and Ukraine, that could also be large enough to appear in the SIPRI Top 100 list if data were available, but this is less certain.

^b Companies are ranked according to the value of their arms sales in 2010. An S denotes a subsidiary company. A dash (–) indicates that the company did not rank among the SIPRI Top 100 for 2009. Company names and structures are listed as they were on 31 Dec. 2010. Information about subsequent changes is provided in these notes. The 2009 ranks may differ from those published in *SIPRI Yearbook 2011* owing to continual revision of data, most often because of changes reported by the company itself and sometimes because of improved estimations. Major revisions are explained in these notes.

^c For subsidiaries and operational companies owned by a holding or investment company, the name of the parent company is given in parentheses along with its country, where it differs.

^d This is the 9th year in which Russian companies have been covered by the SIPRI Top 100. There may be other Russian companies that should be in the list but for which insufficient data is available. Figures for Russian companies are from the Centre for Analysis of Strategies and Technologies (CAST), Moscow.

Vertolety Rossii has since 2005 operated as a subsidiary of OPK Oboronprom. However, since comparable financial data for Oboronprom for 2010 are not currently available, Vertolety Rossii is reported in the Top 100 as a parent company. This is the first year in which United Shipbuilding Corporation (USC)—the new main Russian state-owned conglomerate in 2010—reported parent company figures and subsidiary figures. In previous years, these figures were reported separately for each subsidiary or not reported at all. This year, figures for Sevmarsh are reported as a subsidiary of USC. For more on Russian arms

industry consolidation see Jackson, S. T., 'The SIPRI Top 100 arms-producing companies, 2009', *SIPRI Yearbook 2011*, p. 253; Jackson, S. T., 'Arms production', *SIPRI Yearbook 2010*, p. 263; and Perlo-Freeman, S. et al., 'The SIPRI Top 100 arms-producing companies, 2007', *SIPRI Yearbook 2009*, pp. 286–87.

^e The arms sales figures for KBR are an estimate based on payments from the US Department of Defense (DOD) for LOGCAP III and IV contracts and payments by the British Ministry of Defence (MOD).

^f Arms sales figures for Japanese companies represent new military contracts rather than arms sales.

^g Veritas Capital sold its shares in DynCorp to Cerberus Capital Management in 2010. The arms sales figure for DynCorp is an estimate based on pro forma revenues reported in financial statement of Delta Tucker Holdings (Cerberus Capital's technical reporting parent for DynCorp) for the 9-months from the company's inception until 31 Dec. 2010.

^h All figures for Indian Ordnance Factories are estimates.

ⁱ Limited financial data is available for AM General. The SIPRI estimate of arms sales is based on a 2-year average of US DOD prime contract awards.

^j The arms sales figures for Krauss-Maffei Wegmann are based on a small estimate of the company's non-military sales.

^k The arms sales figures for Fluor are based on US DOD LOGCAP IV contracts.

^l The arms sales figures for Jacobs Engineering Group are based on a 3-year average of US DOD prime contract awards.

^m The arms sales figures for Shaw Group are based on a 2-year average of US DOD prime contract awards.

ⁿ The arms sales figures for Mitre are based on a 5-year average of US DOD prime contract awards.

Sources and methods

Selection criteria and sources of data

The SIPRI Arms Industry Database includes public and private companies but excludes manufacturing or maintenance units of the armed services. Only companies with operational activities in the field of military goods and services are included, holding or investment companies are not.

The sources of data on the companies include company annual reports and websites, and news published in the business sections of newspapers, in military journals and by Internet news services specializing in military matters. Press releases, marketing reports, government publications of contract awards and country surveys are also consulted. Publicly available information on financial and employment data on the arms industry worldwide are limited. The scope of the data and the geographical coverage are largely determined by the availability of information.

SIPRI data on arms-producing and military services companies is revised on an on-going basis as improved data becomes available. For this reason, it is not possible to make a strict comparison between editions of the SIPRI Yearbook. In addition, coverage may differ because of problems with obtaining data to make satisfactory estimates for all companies every year.

Definitions

Arms and military services sales ('arms sales') are defined by SIPRI as sales of military goods and services to military customers, including sales for both domestic procurement and export. Military goods and services are those that are designed specifically for military purposes and include the technologies related to these goods and services. Military goods are military-specific equipment and do not include general-purpose goods, such as oil, electricity, office computers, uniforms and boots. Military services are also military-specific. They include technical services, such as information technology, maintenance, repair and overhaul, and operational support; services related to the operation of the armed forces, such as intelligence, training, logistics and facilities management; and armed security in conflict zones. They do not include the peacetime provision of purely civilian services—such as health care, cleaning, catering and transportation—but supply services to operationally deployed forces are included.

The SIPRI definition of arms sales serves as a guideline; in practice it is difficult to apply. Nor is there any good alternative, since no generally agreed standard definition exists. In some cases, the data on arms sales reflects only what a company considers to be the defence share of its total sales. In other cases, SIPRI uses the figure for the total sales of a 'defence' division, although the division may also have some civil sales.

When the company does not report a sales figure for a defence division or similar entity, arms sales are sometimes estimated by SIPRI. Such estimates are based on data on contract awards, information on the company's current arms production and military services programmes, and figures provided by company officials in media or other reports. For all these reasons, the comparability of the company arms sales figures given in table 5.5 is limited.

Data on total sales, profit and employment is for entire companies, not for arms-producing and military services activities alone. All data is for consolidated sales, that is, including those of domestic as well as foreign subsidiaries. The data on profit represents profit after taxes. Employment data represents year-end figures except for those companies that publish only a yearly average. All data is presented on the financial year basis reported by the company in its annual report.

Calculations

All data is collected in local currency and at current prices. For conversion from local currencies to US dollars, SIPRI uses the International Monetary Fund (IMF) annual average of market exchange rates provided in *International Financial Statistics*. The data in table 5.5 is

provided in current dollars. Changes between years in this data are difficult to interpret because the change in dollar values is made up of several components: the change in arms and military services sales; the rate of inflation; and, for sales conducted in local currency, fluctuations in the exchange rate. Sales on the international arms market are often conducted in dollars. Fluctuations in exchange rates thus do not have an impact on the dollar values but affect instead the value in local currency. Calculations in constant dollar terms are difficult to interpret for the same reasons. Without knowing the relative shares of arms and military services sales derived from domestic procurement and from arms exports, it is impossible to interpret the exact meaning and implications of the arms sales data. This data should therefore be used with caution. This is particularly true for countries with strongly fluctuating exchange rates.