PROFILE SHEET

BAE Systems divides its business into five business groups: Electronics, Intelligence & Support, Land & Armaments, Programmes & Support, International Businesses, and HQ & Other Businesses. The Programmes & Support business group includes Military Air Solutions (MAS). MAS is responsible for the design, development and production of BAE's major military aircraft programmes.

Samlesbury is BAE Systems' Military Air Solutions (MAS) primary manufacturing site. It has a strong tradition of design, engineering and manufacturing excellence in the aerospace industry. The site is home to some of the most advanced aerospace manufacturing and assembly technologies in the world.

Achievements

<u>Safety</u> - 43% reduction in incidence rate since 2004

<u>Quality</u> – 88% reduction in customer complaints since 2006

Cost - 76% reduction in cost of scrap since 2005

<u>Delivery</u> – 89% reduction in jig stops since 2005

<u>People</u> – 93% reduction in Working Time Directive breaches since 2005

People

BAE Samlesbury employs over 4500 people at its 351 acre aerospace facility on the outskirts of Blackburn, Lancashire, England.

To enable us to support the men and women of the armed forces, BAE Systems has embarked on a major investment programme which will provide additional manufacturing facilities and office accommodation at the Samlesbury site. The new investment, which is supported by the North West Development Agency, will serve to sustain current jobs and potentially create a significant number of new jobs. This will help secure the future of aerospace in Lancashire by safeguarding the skills, technology and knowledge the region possesses.

Process

BAE Systems, Samlesbury embarked on a Lean journey in 2004 with a view to taking a more systematic and standardised approach to business improvement.

Due to the complexity of the activities at Samlesbury Site, our initial focus was to establish a truly aligned performance reporting framework around the categories of Safety, Quality, Cost, Delivery & People (SQCDP). In order to establish 'what good looks like' in terms of performance – a Blue Sky Vision (BSV) was created to give a consistent clear message to all employees, one that has Lean principles ingrained into it. This was a critical step in engaging 'hearts and minds' of our people in the Lean Transformation journey.

As a Site, we were now in a position to align ourselves to achieving the BSV and our Policy Deployment approach incrementally guides us all towards this goal. We recognised the importance of developing our own enterprise-wide internal skill-base in Lean and so the Lean Learning Academy (LLA) was launched to help enable the journey.

By bringing all the elements of improvement under one 'umbrella', we believe this has given us a bedrock for building a culture of continuous improvement.

Product

At Samlesbury, BAE Systems provides manufacturing and support capabilities to a number of internationally important aircraft programmes including Typhoon, the most advanced swing-role aircraft in the world and F-35 (Joint Strike Fighter -JSF), the largest contract of its kind in the world.

Samlesbury Site's expertise and capabilities enable it to define, evaluate and develop the products, systems and concepts to meet the demands of our customers in both today's environment and to meet tomorrow's challenges.

These include Military and civil aircraft design and manufacture, Airframe structures, Composite assemblies, Electrical assemblies, Advanced machining and fabrication, Advanced tooling manufacture.

Plant

Samlesbury Site Leadership team is headed by Nigel Blenkinsop, Director of Manufacturing MAS.

The main Programmes and Functions located in Samlesbury Site include F-35 (JSF) Operations, Typhoon Operations, Manufacturing Shared Services (Machine Shop Operations, Advanced Forming & Fabrications Operations, Airbus/Carbon Fibre Operations), Quality, Finance, Production Planning, Manufacturing Transformation. Commercial, Manufacturing & Materials Engineering, SHE, Human Resources and Production System Design.

The BAE Warton Site, Preston, is the headquarters for MAS and therefore undertakes Programme and Functional activity that links the two BAE Sites together. For example, Typhoon Front-Fuse is assembled at Samlesbury Site and is supplied to Warton Site for Final Assembly.

Corporate

BAE Systems plc (BAE) is a British defence and aerospace company headquartered in Farnborough, England. BAE is the world's third largest defence contractor and the largest in Europe. It was formed on 30 November 1999 by the £7.7 billion merger British of two companies, Marconi Electronic Systems (MES), the defence electronics and naval shipbuilding subsidiary of the General Electric Company plc (GEC), and aircraft, munitions and naval systems manufacturer British Aerospace (BAe). BAE Systems defines its "home markets" to be Australia, Saudi Arabia, South Africa, Sweden, the UK and the US. BAE Systems is the predominant supplier to the UK Ministry of Defence (MOD).

BAE Systems, Samlesbury can be found online at:

http://www.baesystems.com/Sites/Samlesb urySite/index.htm

For more information please contact:

Nigel Blenkinsop MAS Manufacturing Director Samlesbury Aerodrome Balderstone Blackburn BB2 7LF Phone: +44(0)1254 766158 Email: nigel.blenkinsop@baesystems.com