

3. Segmental analysis

Analysis by business group

	Combined sales of Group and equity accounted investments		Less: sales by equity accounted investments		Add: sales to equity accounted investments		Revenue	
	2007 £m	Restated ¹	2007 £m	Restated ¹	2007 £m	Restated ¹	2007 £m	Restated ¹
		2006 £m		2006 £m		2006 £m		2006 £m
Electronics, Intelligence & Support	3,916	4,007	(7)	(10)	-	-	3,909	3,997
Land & Armaments	3,538	2,115	(1)	(4)	-	1	3,537	2,112
Programmes & Support	5,327	4,615	(1,367)	(1,522)	1,111	1,255	5,071	4,348
International Businesses	3,359	3,428	(1,307)	(1,321)	-	-	2,052	2,107
HQ & Other Businesses	243	295	-	(8)	-	-	243	287
	16,383	14,460	(2,682)	(2,865)	1,111	1,256	14,812	12,851
Intra-business group sales/revenue	(673)	(695)	-	-	170	177	(503)	(518)
	15,710	13,765	(2,682)	(2,865)	1,281	1,433	14,309	12,333

	Intra-business group revenue		Revenue from external customers	
	2007 £m	Restated ¹	2007 £m	Restated ¹
		2006 £m		2006 £m
Electronics, Intelligence & Support	97	92	3,812	3,905
Land & Armaments	11	14	3,526	2,098
Programmes & Support	361	377	4,710	3,971
International Businesses	10	14	2,042	2,093
HQ & Other Businesses	24	21	219	266
	503	518	14,309	12,333

	EBITA ²		Amortisation of intangible assets		Impairment of intangible assets		Business group result ³	
	2007 £m	Restated ¹	2007 £m	Restated ¹	2007 £m	Restated ¹	2007 £m	Restated ¹
		2006 £m		2006 £m		2006 £m		2006 £m
Electronics, Intelligence & Support	429	429	(15)	(14)	-	(2)	414	413
Land & Armaments	312	168	(110)	(66)	-	-	202	102
Programmes & Support	456	342	(19)	(20)	(145)	-	292	322
International Businesses	435	415	(4)	(4)	-	-	431	411
HQ & Other Businesses	(155)	(147)	(1)	(1)	(3)	(32)	(159)	(180)
	1,477	1,207	(149)	(105)	(148)	(34)	1,180	1,068
Financial income of equity accounted investments							35	21
Taxation expense of equity accounted investments							(38)	(35)
Operating profit							1,177	1,054
Finance costs							58	(195)
Profit before taxation							1,235	859
Taxation expense							(335)	(213)
Profit for the year from continuing operations							900	646

1 restated following changes to the Group's organisational structure

2 earnings before amortisation and impairment of intangible assets, finance costs and taxation expense

3 the analysis by business group of the share of results of equity accounted investments is provided in note 14

Notes to the Group accounts (continued)

3. Segmental analysis (continued)

	Assets excluding intangible assets and equity accounted investments		Intangible assets		Equity accounted investments		Total assets		Total liabilities	
	Restated ¹		Restated ¹		Restated ¹		Restated ¹		Restated ¹	
	2007 £m	2006 £m	2007 £m	2006 £m	2007 £m	2006 £m	2007 £m	2006 £m	2007 £m	2006 £m
Electronics, Intelligence & Support	1,406	1,360	4,491	4,591	3	13	5,900	5,964	(1,164)	(1,117)
Land & Armaments	1,510	697	4,435	2,208	-	1	5,945	2,906	(1,191)	(787)
Programmes & Support	1,035	1,178	575	731	45	58	1,655	1,967	(3,696)	(3,431)
International Businesses	1,106	677	27	31	733	599	1,866	1,307	(1,778)	(1,159)
HQ & Other Businesses	882	1,211	31	34	-	-	913	1,245	(1,705)	(1,416)
	5,939	5,123	9,559	7,595	781	671	16,279	13,389	(9,534)	(7,910)
Disposal groups held for sale (note 19)							94	-	(30)	-
Tax							602	1,080	(539)	(432)
Retirement benefit obligations							59	71	(1,629)	(2,499)
Cash/(debt) as defined by the Group (note 29)							3,226	3,607	(2,526)	(3,172)
Consolidated total assets/(liabilities)							20,260	18,147	(14,258)	(14,013)

	Capital expenditure ²		Depreciation and amortisation ²	
	Restated ¹		Restated ¹	
	2007 £m	2006 £m	2007 £m	2006 £m
Electronics, Intelligence & Support	92	107	84	89
Land & Armaments	82	47	144	94
Programmes & Support	77	84	110	93
International Businesses	60	176	18	10
HQ & Other Businesses	30	124	51	49
	341	538	407	335

Analysis by geographical location

	Customer location				Asset location			
	Sales ³		Revenue		Carrying value of segment assets		Capital expenditure ²	
	2007 £m	2006 £m	2007 £m	2006 £m	2007 £m	2006 £m	2007 £m	2006 £m
United Kingdom	3,433	2,802	3,179	2,580	3,319	3,544	102	165
Rest of Europe	2,611	2,704	1,750	1,806	1,360	1,197	25	66
Middle East	2,061	1,993	1,927	1,827	485	470	52	169
United States and Canada	6,383	5,402	6,333	5,372	10,936	7,987	150	131
Asia and Pacific	978	595	930	532	106	104	7	4
Africa, Central and South America	244	269	190	216	73	87	5	3
	15,710	13,765	14,309	12,333	16,279	13,389	341	538

Analysis of revenue by category

	2007 £m	2006 £m
Sale of goods	4,559	3,775
Construction contracts	7,611	6,558
Services	2,070	1,921
Lease income	63	66
Royalty income	6	13
	14,309	12,333

1 restated following changes to the Group's organisational structure

2 includes intangible assets, property, plant and equipment and investment property

3 combined sales of the Group and equity accounted investments