

REAL ESTATE SOLUTIONS CREATING VALUE, REALISING POTENTIAL

Presentation to Constructing Excellence Asset Management Group
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Part of Shared Services

BAE SYSTEMS
INSPIRED WORK

BAE SYSTEMS

BAE Systems is a global defence, aerospace and security company. The Company delivers a full range of products and services for air, land and naval forces, as well as advanced electronics, security, information technology solutions and support services.

KEY FACTS

- Global capability
- One of the worlds leading defence companies
- A world leading innovator
- Over 88,000 employees worldwide
- Customers in more than 100 countries
- 2012 sales of £17.8billion
- Working with universities worldwide (over 30 in the UK)
- £50m+ invested annually in education and skills globally
- £11bn+ spent with over 25,000 suppliers globally



REAL ESTATE SOLUTIONS

Proven experts in creating value from real estate, facilities and infrastructure

Supporting BAE Systems businesses for over 20 years

Trusted for our essential insights into selection and build of new premises

Relied upon for effective site redevelopment, rationalisation, closure and facilities management

Equipped with the complete set of specialist skills

Realising the potential of our customers' real estate to support business ambitions and change



WHAT WE DELIVER



EMBEDDED WITHIN BAE SYSTEMS

In depth company and industry knowledge

Serving BAE Systems' business around the world

Support diverse property base including offices, shipyards, airfields and manufacturing facilities

In the UK responsible for:

- > 1.5 million metres square of office space
- > 9,000 acres of land holding

Helped created £1.3BN since 2000, by using specialist expertise to maximise value from BAE Systems Real Estate

870+
BUSINESSES
AND
RESIDENTIAL
PROPERTIES
WORLDWIDE

48
COUNTRIES
OF OPERATION

COMPREHENSIVE SKILLS AND SERVICES

BUSINESS STRATEGY

- Master planning
- Stakeholder engagement
- Real estate domain knowledge
- Investment & funding models

FACILITIES MANAGEMENT

- Hard & soft facilities management services
- Physical security
- Minor works
- Space optimisation

COMMERCIAL

- Construction cost planning
- Procurement strategy advice
- Contract placement & administration

ENERGY

- Utilities management
- Concept design & delivery

ENGINEERING

- Civil/Structural
- Mechanical/Electrical

ENVIRONMENTAL ENGINEERING

- Decommissioning
- Decontamination
- Explosives
- Lab analysis
- Site assessment/demolition
- Remediation

GOVERNANCE

- Real estate policy
- Environmental

PROJECT MANAGEMENT

- Construction
- Programme planning
- Contractor management

DESIGN

- Architecture
- CAD & BIM
- Office moves & changes

REAL ESTATE MANAGEMENT

- Sale or acquisition
- Property & asset management
- Leasing management
- Landlord services
- Planning & advice
- Redundant site management

DESIGN AND EXPANSION OF TYPHOON AIRBASE FACILITIES

ROYAL SAUDI AIRFORCE

BAE Systems Saudi Arabia (BAES SA) is the prime contractor of military programmes to the Royal Saudi Air Force (RSAF). In 2009, RSAF confirmed build-up of its Typhoon Squadron and the Real Estate Solutions team was commissioned to design and build a fully operational airbase to enable programme delivery.

New and refurbished facilities included the King Fahd Air Base, Taif:

- hangars, maintenance and training facilities, domestic accommodation compounds, office buildings, munitions storage and test facilities.

Close working with BAES SA and continuous engagement with stakeholders ensured on-time delivery



MANAGING THE MOVE TO PURPOSE BUILT ACCOMODATION

GLOBAL COMBAT SYSTEMS MUNITIONS, RADWAY GREEN

Our 'one stop shop' approach meant we were able to take a holistic view of the challenge to design and build a new facility in Radway Green, Cheshire

The team introduced an innovative funding model whereby the project was funded in the property market

Activities included decontaminating and clearing the existing site, design of the new site and management of day-to-day construction activities.

The new facility was almost 50% smaller in size but capable of producing twice the output. As a result of the funding model put forward by RES, involving investment in the project up front, a long term saving was generated for GCS(M) of £4m.



FROM BROWNFIELD SITE TO THRIVING COMMUNITY

BISHOPTON RENFREWSHIRE, SCOTLAND

Bishopton is a 15-year multi-million pound project and one of the largest 'brownfield' development sites in the UK.

The Real Estate Solutions team has directed its transformation, managing development of the land in line with regulatory requirements and maintaining community engagement.

500 modern two, three, four and five bedroom homes are being built as part of the first phase of residential development in 'Dargavel Village'

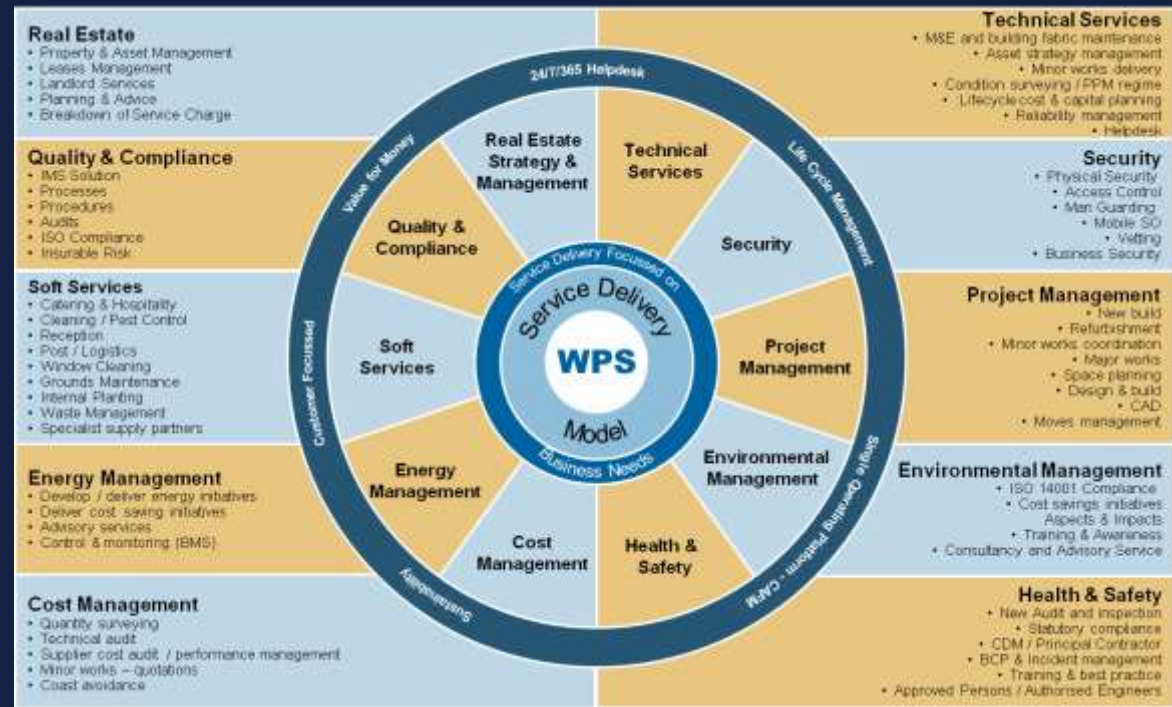
Over 4,000 jobs are being created there through new commercial businesses and the development process itself. The development will also deliver 1000+ acres of woodland and open space for public use



TRANSFORMATION TO INTEGRATED FACILITIES MANAGEMENT WORKPLACE SERVICES



Integrated Facilities Management Model



Customers / Tenants / End Users

Intelligent Client Team
c.35 people

1st Tier Supply Partners



2nd Tier Specialists



27 Sites
100+ buildings
> 5m sq.ft



IFM Outputs

1. One team approach through supplier partnerships
2. Integration of people, systems & processes
3. Service excellence ethos
4. Full compliance via IMS monitoring & QSHE audit
5. Simplified and scalable operational structure
6. Commercial model drives innovation & continuous improvement
7. One performance management system
8. Risk & reward based on operational performance
9. Single operating platform (CAFM)
10. Joint risk management programme

SERVICE EXCELLENCE CULTURE KEY TO OUR APPROACH



OUR VISION...

To be the centre of excellence within BAE Systems for the delivery of infrastructure projects, real estate and facilities management services

One team sharing a common goal delivering competitive advantage for BAE Systems

Value not cost driven solutions focussed on lifecycle benefit not one off gains

Underpinned by Service Excellence culture and ethos



OUR CHALLENGES...

Dynamic and ever-changing marketplace and requirements of our customers affected by political and economic pressures

Increasing customer expectations and demands

Not a mandated BAE Systems capability – need to earn the right



WHAT WE'VE LEARNT...

Stakeholder alignment and integration key to success – from the customer to the supply chain

Communication – drives common understanding of aims and objectives



Thank You

Any Questions?

