



ShareSoc

UK Individual Shareholders Society

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To all BAE Shareholders

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Daily Mail Article on BAE Systems Plc

Last week the Daily Mail published a lengthy article on the position of BAE Systems. It suggested the company had been "*forced onto the defensive*" and was "*on the brink of a boardroom overhaul*".

Nick Rose is stepping into the role of the senior independent director and the article suggests that he will immediately set about searching for a successor to Dick Olver, the Chairman. Although Mr Olver's contract does not expire until 2014, it said "*few now expect him to cling on... for that long*". However it's worth pointing out that Mr Olver told the writer only recently that he had no intention of stepping down early, although obviously the Board of directors as a whole might be changing their stance on that.

The article speculated on possible replacements as Chairman, and also suggested that BAE might succumb to a foreign bidder. It also summarised the current views of Neil Woodford of Invesco Perpetual (which we covered at length in our initial press release) as being that "*the firm has a strong future as an independent British defence group – just not under Dick Olver*". The article also suggested that Chief Executive, Ian King, who was the co-architect of the EADS shambles, might be the "*next man overboard*".

ShareSoc continues to write to individual shareholders in BAE, although some respondents suggested that BAE should have retained its interests in civil aviation and not sold its stake in Airbus. The EADS merger might have been seen as rectifying that past mistake. However surely this was both too late and unlikely to be achievable.

Yours sincerely

Roger Lawson
Chairman

More background information about the campaign on the BAE Systems campaign is present on this web page where further news will be posted as it becomes available:

www.sharesoc.org/campaigns4.html