

Finmeccanica Investor Day 2006



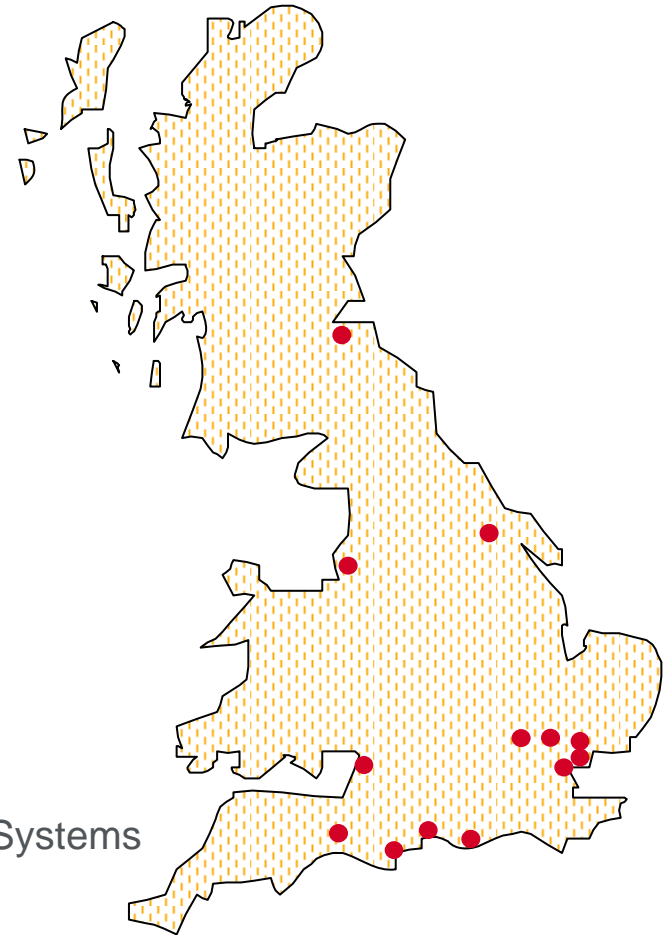
Alberto de Benedictis

Chief Executive
Finmeccanica UK

Outlook for UK / US Markets

- Expanding network of businesses throughout the UK, our second domestic market
- 9,000* employees within the UK's high technology A&D industries (*12,000 including MBDA)
- Award-winning design, engineering and manufacturing expertise
- Maintaining national capability via our UK Centres of Excellence

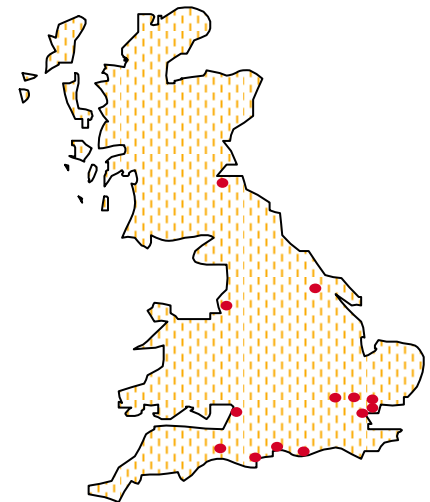
- AgustaWestland
- Ansaldo Signal
- MBDA
- Quadrics
- SELEX Communications
- SELEX Sensors and Airborne Systems
- SELEX Sistemi Integrati



“A British business”

- Has formed two core pillars of the Group in the UK – Helicopters and Defence Electronics
- Has evolved into the second largest domestic defence contractor with over €2.3B in sales
- Believes a strong UK presence is the gateway to export success, particularly to the US
- Well positioned in the UK Defence Industrial Strategy and Defence Technology Strategy

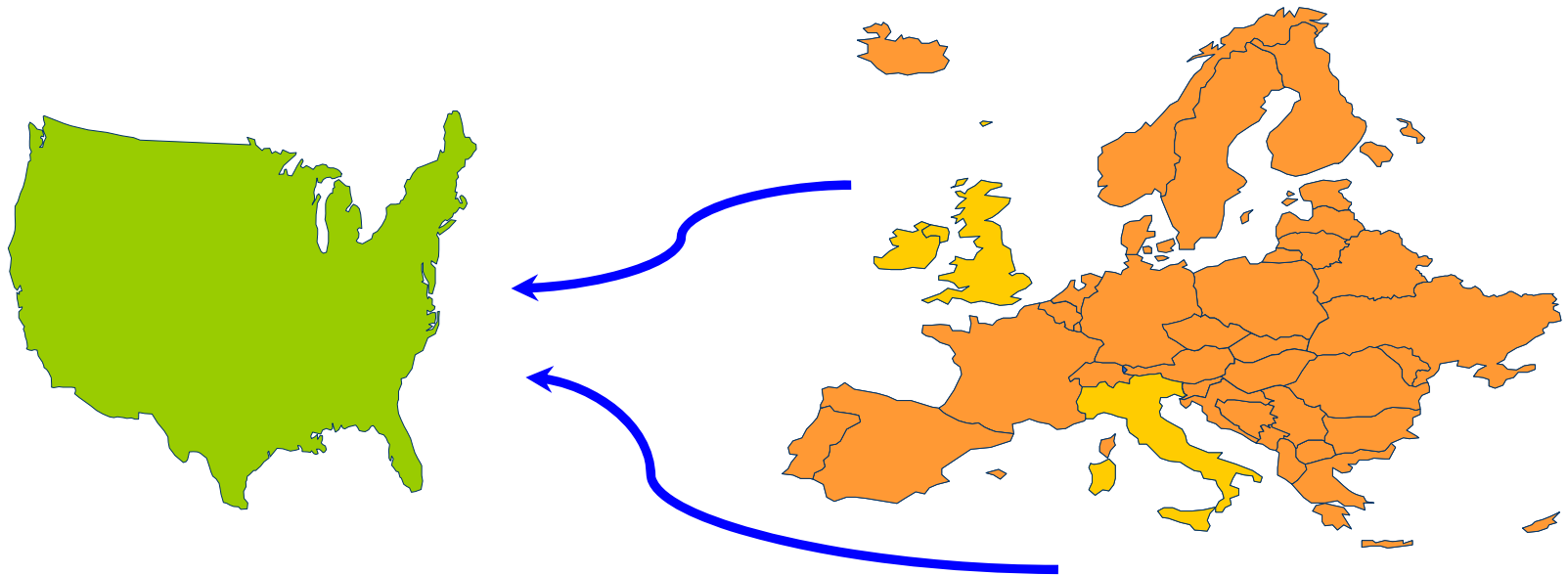
UK - Strategic market value



“To create a continuously improving business relationship that delivers, with increasing effectiveness and efficiency, against mutually important corporate aims”

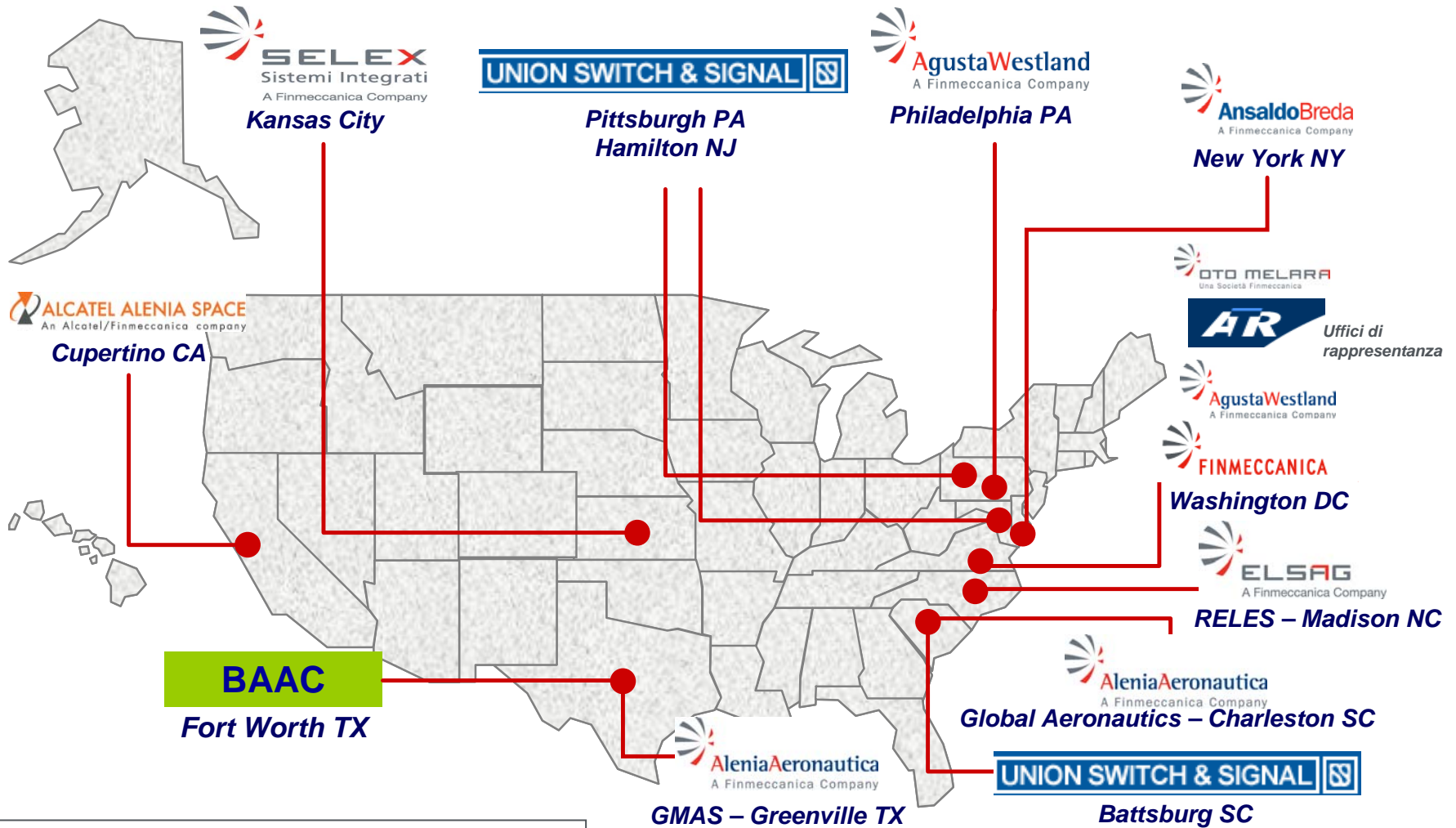
- **UK MoD considers rotorcraft as a key element of their defence strategy**
- **For MoD:** year on year **value for money** improvements in the delivery of through-life rotorcraft capability and an onshore provider who delivers **effectively** in peace and crisis
- **For AW:** a more **predictable income stream** from UK rotorcraft business

**SPA grants AW a robust position in the UK,
with ~ €4 Bn in the next 5 years**

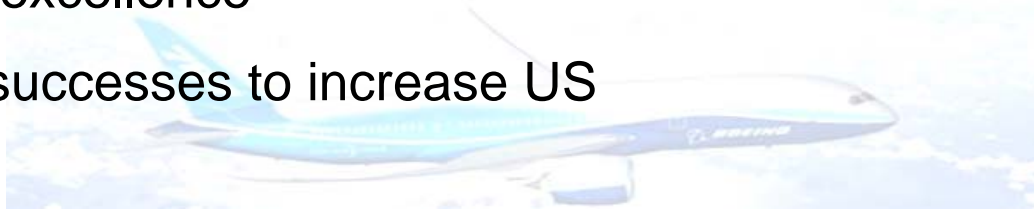
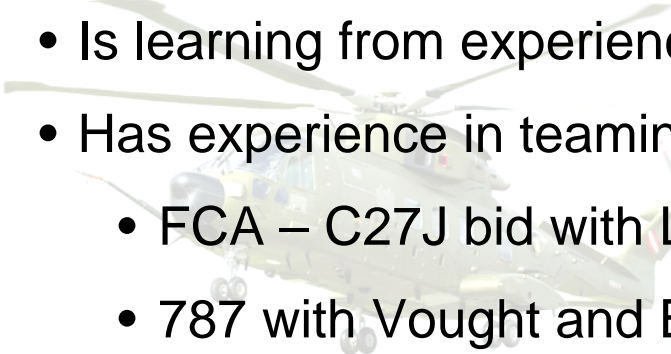



Proven successes leveraged from UK and Italy

Finmeccanica in the US



Approx 1,400 employees

- Is focusing on competitive niche excellence
 - Is building on proven in-country successes to increase US capabilities and facilities
 - Is learning from experiences, even losses
 - Has experience in teaming with US primes
 - FCA – C27J bid with L3 and Boeing
 - 787 with Vought and Boeing
 - Marine One with Lockheed Martin and Bell
 - CREW – counter IEDs with BAE Systems
 - EO with Lockheed Martin and Northrop Grumman
- 
- 
- 

US - Strategic market value

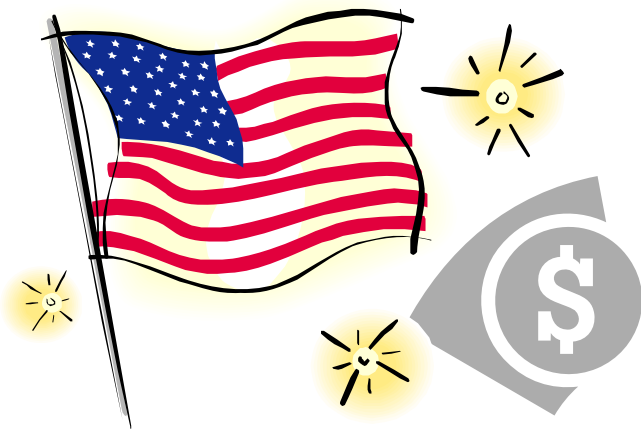
– UK:

- Expand scope within stable budget
- Be recognised as “TLCM lead”
- Leveraging partnering with the MOD

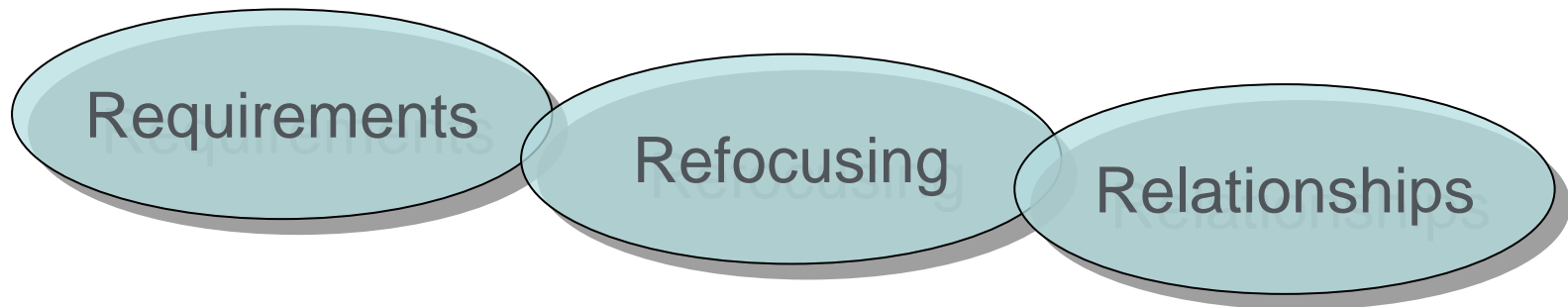


– US:

- Resising of US budget
- Organic growth may not provide sufficient mass
- Partner and competitor – a difficult balancing act



- UK / US market success criteria:
 - Transformation
 - Access to a wide technology base
 - New industrial partnership models
 - Globalisation



Site Visit - Basildon



- FNM’s UK business capabilities
 - Air Combat
 - Land Systems
 - Battlespace / Intelligence
 - Border Security / Homeland Defence
- Value Drivers
 - Meeting Operational Priorities
 - Technology / Skills
 - Export / New Market Leverage
- Our people

