

Rome, 30 July 2014

Finmeccanica: Sistri, Selex ES will discontinue its participation in the programme after termination of the contract

- **The company intends to avoid the risk of suffering new damages beyond those already endured**

Selex Service Management, a company owned by Finmeccanica Selex ES, has informed the Italian Ministry for the Environment, Territory and Sea, of its intention to discontinue its participation in the SISTRI programme – the integrated design, management and maintenance programme for the security and traceability of waste – beyond the 30 November, when the contract expires. In a letter sent to Minister Gian Luca Galletti on 21 July, the company explained that this decision was particularly motivated by the need to prevent further sizable damages, also to the image of the company, in addition to the considerable damage already suffered throughout the duration of contract, despite its dutiful and diligent compliance with contractual obligations.

According to Selex Service Management, the numerous interventions in the SISTRI programme – which were made without consulting the company – have led to a deep contractual imbalance, both in the phase preceding the suspension of the programme (e.g. due to the additional costs sustained following changes in the legislation and requests by the Ministry, invoices left pending and the numerous delays in the implementation of the programme with the consequent loss of customers and their related contributions) and in the re-launch phase, thus irreparably undermining its economic and financial profile and the sustainability of its continuation.

Until now, the company has been protected from a possible default thanks to continuous sizable financial contributions by the parent company.

In the letter to Minister Galletti, the company stated its willingness to manage the SISTRI programme until the contract expires in November 2014, albeit offering limited services, in order to minimise the costs and damages it might incur while still allowing the Ministry – customer of Selex Service Management according to the SISTRI management agreement - quick and adequate communication with users concerning the operational procedures to be followed once the service is suspended. All responsibilities, including the conservation of goods and data, arising from the suspension of service at the termination of contract will therefore only fall upon the Ministry for the Environment, Territory and Sea. It is understood that the company will protect its own interests in light of damages suffered.

Finmeccanica is Italy's leading manufacturer in the high technology sector and ranks among the top ten global players in Aerospace, Defence and Security. In 2013 Finmeccanica generated revenues of 16 billion Euro and obtained orders for 17.6 billion euro, with about 64,000 employees operating in 362 sites (of which 138 industrial facilities) in 22 countries worldwide. Listed on the Milan Stock Exchange (FNC IM; SIFI.MI), Finmeccanica is a multinational and multicultural group which boasts permanent industrial and commercial establishments in four domestic markets (Italy, United Kingdom, United States and Poland) and a significant network of partnerships at international level. Finmeccanica's success is based on its technological excellence, which springs from conspicuous investments in Research & Development (amounting to 11% of the revenues), and the constant efforts in developing and integrating the skills, know-how and values of its operating companies. Finmeccanica is active, through controlled companies and joint ventures, in the following sectors: Helicopters (AgustaWestland), Defence Electronics and Security (Selex ES, DRS Technologies), Aeronautics (Alenia Aermacchi, ATR, SuperJet International), Space (Telespazio, Thales Alenia Space), Defence Systems (Oto Melara, WASS, MBDA) and Transportation (Ansaldo STS, AnsaldoBreda, BredaMenarinibus).