

## **FINCANTIERI AND FINMECCANICA WERE AWARDED THE CONTRACT FOR ONE MULTIPURPOSE AMPHIBIOUS UNIT (LHD) FOR THE ITALIAN NAVY**

**Trieste - Rome, 1 July 2015** – Fincantieri, one of the world’s largest shipbuilding groups and reference player in the naval shipbuilding industry, and Finmeccanica, Italy’s leading manufacturer in the high technology sector, have been awarded the contract for the construction and equipment of one multipurpose amphibious unit (LHD) for the Italian Navy.

The total value of the contract is over 1.1 billion euros, with Fincantieri’s share amounting to approx. 853 million euros and Finmeccanica’s to about 273 million euros. The delivery of the unit is scheduled in 2022.

The contract with the consortium (*Raggruppamento Temporaneo di Impresa* – RTI), consisting of Fincantieri, agent, and Finmeccanica, through its subsidiary Selex ES, principal, was signed on behalf of the Ministry of Defence by the Central Unit for Naval Armament (NAVARM) of the General Secretariat.

The consortium (RTI) was established in accordance with the tight cooperation agreement in the field of naval vessels construction signed between Fincantieri and Finmeccanica last October. Pursuant to the agreement, Fincantieri acts as a sole interface to the client, while at the same time allowing to enhance Finmeccanica’s products range in the naval field and the technical and commercial synergies between the two largest national groups in the naval field.

In general, this multi-year programme for the renewal of the Navy’s fleet (known as the “Defence Act”) employs a total funding of 5.4 billion euros and, in addition to the aforementioned LHD unit, foresees the construction of six patrol vessels, with four more in option, and one logistic support unit.

In particular:

- one multipurpose amphibious unit (LHD or Landing Helicopter Dock)
- one logistic support unit (LSS or *Logistic Support Ship*)
- six patrol vessels (PPA or Multipurpose Offshore Patrol Ship) and four more in option

The fundamental characteristic common to all three classes of ships is their high level of innovation providing them with a considerable degree of efficiency and flexibility in serving different mission profiles. In particular, these are dual use vessels, meaning that they may be used for both standard military purposes and for civil protection and rescue at sea operations. They also have a low environmental impact thanks to a state-of-the-art auxiliary propulsion system generating a low level of pollution emissions (electric engines) and biological waste control system.

In addition to building the vessels at its shipyards, Fincantieri will provide support over the lifecycle of the vessels in the first ten years, through the supply of logistic services (training courses, spare parts, technical documentation) during the construction of the vessels and of ISS, In-Service Support, (maintenance services), carried out during post-delivery operations, as well as components and naval machinery produced

by the Marine Systems and Components Business Unit, such as shaft lines, wheelhouse, maneuvering propellers, fin stabilizers and other handling systems.

Finmeccanica, through Selex ES, will act as prime contractor for the new unit's entire combat system. The system will support landing craft, provide vessel self-defence and coordinate and control operations in concert with other naval and ground forces. Selex ES will also provide all the sensor systems including the X band, four-fixed-face, multifunctional scanned-array radar system and also the latest generation integrated communications. Finmeccanica-Selex ES will deliver and integrate all systems, including those of OTO Melara, WASS, and Elettronica, and is also responsible for the provision of support throughout the first decade of use including Integrated Logistic Support (ILS) and In-Service Support (ISS).

**Fincantieri's Chief Executive Officer, Giuseppe Bono**, commented: *"The announcement of this additional unit completes the first part of the renewal of our Navy's Fleet, one of the world's most significant defence programmes of the last years. We are extremely satisfied and excited to be leaders of such an important project, both technically and industrially. It confirms that we are a reference producer worldwide as well in the naval segment, either for the domestic and foreign markets. Fincantieri all will work at this programme with the highest commitment in order to realize on time extremely high quality products"*.

**Finmeccanica's Chief Executive Officer and General Manager, Mauro Moretti**, said: *"The contract award represents a new and significant contribution by Finmeccanica and Fincantieri to the Italian Navy's important fleet renewal programme. All of the systems designed and developed for the new dual-use LHD naval unit are based on the most advanced technology, boosting the efficiency of solutions proposed by Finmeccanica and strengthening its position in the naval sector. The group will continue to invest in this sector, with the goal of increasing the value of its products and solutions able to achieve significant success, also in international markets"*.

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## **Vessel's characteristics**

### **LHD - Landing Helicopter Dock**

The unit will be approx. 200 meters long with a maximum speed of 25 knots. It will be equipped with a combined diesel and gas turbine plant (CODOG) and will be able to accommodate on board over 1,000 people, of whom more than 700 military or civilian transported people.

The LHD's main mission is the transport of people, vehicles and loads of different kinds and in their transfer on land in port areas through on board systems and in not equipped areas with various kinds of vessels (such as the small LCM landing craft units with a load capacity up to 60 tons, four of which can be admitted, launched, and recovered through a flooded basin, located on the stern of the vessel).

The LHD's **military profile use** provides transport and landing, in equipped and non-equipped areas, of troupes, military vehicles, logistic equipment, using the provided features and means of transfer.

The **civil profile use** provides:

- healthcare and hospital support
- transfer and landing of people and wheeled or crawled means of transport in equipped and non-equipped areas
- supply of drinking water to land through onboard desalination plants or storages
- supply of electricity to land with 2000 kw of power and its distribution through containerized conversion and distribution units
- possibility of accommodating specialized staff on board or hosting up to 700 civilian personnel, plus the same number in containerized residential units
- rescue operations base through helicopters and boat staffing vessels

Equipped with wide embarkment areas of about 4500mq within dock-garage and hangar-garage and a continuous open deck, able to receive wheeled vehicles of various kinds, containers and helicopters, the unit can perform several military and civil missions.

The different areas of cargo securing are accessible through stern and side ramps, and cargo handling will be managed by internal ramps and elevators.

On board there will be a fully equipped hospital, complete with operating rooms, radiology and analysis rooms, a dentist's office, and a hospital rooms capable of hosting 28 seriously injured patients (further admissions are possible through duly equipped container modules).

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**Fincantieri** is one of the world's largest shipbuilding groups and number one by diversification and presence in all high value-added market sectors, having built more than 7,000 vessels in over 230 years of its maritime history. It is world leader in cruise ship construction and a reference player in other sectors, from naval vessels to cruise ferries, from mega-yachts to special high value-added vessels, from ship repairs and conversions to offshore vessels. Headquartered in Trieste (Italy), the group has approximately 21,900 employees, of whom around 7,700 in Italy, and 21 shipyards in 4 continents. In 2013 the group acquired VARD, a company listed on the Singapore Stock Exchange that builds offshore support vessels for oil & gas exploration and production. Fincantieri has doubled in size to become the West's leading shipbuilder. Fincantieri operates in the United States through its subsidiary Fincantieri Marine Group (FMG). This company, which serves important government customers, including the U.S. Navy and Coast Guard, has three shipyards (Marinette Marine, Bay Shipbuilding, Ace Marine), all located in the Great Lakes region. Fincantieri is present in the UAE with Etihad Ship Building, a joint venture set up with Al Fattan Ship Industries and Melara Middle East, to design, produce and sell different types of civilian and military ships as well as perform maintenance and refitting activities..

**Finmeccanica** is Italy's leading manufacturer in the high technology sector and ranks among the top ten global players in Aerospace, Defence and Security. Listed on the Milan Stock Exchange (FNC IM; SIFI.MI), in 2014 Finmeccanica generated revenues of about 14 billion Euro. With 273 locations and production facilities in 20 countries, Finmeccanica is a multinational and multicultural group which boasts a significant presence in four domestic markets: Italy, the United

Kingdom, the U.S. and Poland. Finmeccanica's core business activities are in the following sectors: Helicopters (AgustaWestland), Defence Electronics and Security (Selex ES, DRS Technologies), Aeronautics (Alenia Aermacchi). The company also has a significant position in Space (Telespazio, Thales Alenia Space), Defence Systems (OTO Melara, WASS, MBDA) and Transportation (Ansaldo STS, AnsaldoBreda).

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