Finmeccanica: The Next Frontier

Pier Francesco Guarguaglini
Chairman and CEO

London Investor Day, 17 November 2010
The ongoing evolution of the Finmeccanica’s traditional reference market is driving the progress of the Group offer also towards adjacent market sectors that until now have not been fully explored, leveraging on technologies and competencies available today inside several companies.

Therefore the anticipation of the market’s needs becomes highly strategic, focusing on new and emerging sectors, through a policy of selected investments in R&D and the definition of strategic alliances with selected partners.

Finmeccanica is ready to address the future challenges imposed by today’s changes in the world scenario
Successful Examples

Homeland Security

Focus on systems
Complete offering able to meet customer needs

Transport

Focus on product
High Speed Trains, Signalling and Driverless metro

Energy

Focus on services
Localisation of service centers and Turbines manufacturing in key markets is essential to fulfill clients’ expectations and meet their demand

Military Aeronautics

Focus on Trainers
From MB339, SF260 to the new new generation advanced/lead-in fighter trainer M346

Helicopters

Focus on breakthrough
BA609 tiltrotor represents a “game changer” for AgustaWestland, resulting in a tool for penetration in otherwise non accessible market
Cyber Security

Paolo Aielli
CEO Elsag Datamat

London Investor Day, 17 November 2010
The Cyber Multi-Dimensional Threats: A Global Security Challenge

- Natural resources
- Enterprises
- Power generation
- Finance
- Transport
- Government Services
- Health
- Defence
- Emergency Services

Internet
Cyber Security Market and Segmentation

Source: Forrester Research 2009

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Segment</th>
<th>2007</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>28.6</td>
<td>34.0</td>
</tr>
</tbody>
</table>

**Complexity of cyber security issue**

- **Market segment***
  - Dep. of Defence, NATO & EU
  - Dep. of Interior
  - Other Government Dep.
  - Critical National Infrastructure
  - Large and Medium Enterprises

**Cyber domain**

- Attack
- Intelligence / exploitation
- Protect

**Information to protect**

- Classified
- Unclassified

**Total = 34 B$**
Finmeccanica Cyber Security Capabilities

- Risk & Compliance Assessment
- Multi Level Security Architecture
- IT Products & Solutions
- Identity and Access Management
- Physical security
- Threat management systems
- Intelligence and Investigation Analysis and Response
- Consulting
- Training
- Certification
- Security Infrastructure and Services (SOC)

CyberShield

- Data
- Network
- Processes

- Military
- Critical Infrastructures
- Institutions
- Public Administration
- Finance sector
- Large enterprises
- Investigation
Finmeccanica Strengths in Cyber

Portfolio Offer and Capabilities

- Comprehensive portfolio of cyber solutions and services
- Data and networking security embedded in our C4I and Homeland Protection systems solutions
- Internal technologies and products for both physical and logic security needs
- Ad-hoc solutions for interoperability with legacy systems and/or info-structures

SOC

- Own SOC facilities with service delivery 24/7

References and know-how

- Strong track record on large clients within different industries
- Strong experience and know-how in the development and management of complex integrated solutions for large clients

Proven and long-standing experience from deployed solutions and delivered services
Modular, advanced and integrated solution based on three pillars

**Cyber Sensors**
Info-gathering, data collection and intelligence from the network

**Cyber C2**
Cyber Operational Picture (CYOP)

**Cyber Effectors**
Prevent, Interdict and Restore
Finmeccanica Footprint in Cyber

Our current Customers for Cyber

- Minister of Defence
- Minister of Foreign Affairs
- Custom and duty Agency
- Social Security
- ATC Authority
- Postal Service
- Minister of Interior
- Civil Protection
- Banks
- Small Medium Enterprises
- Ministry of Foreign Affairs
- Ministry of Defence
- Minister of Interior
- Social Security
- Postal Service
- ATC Authority
- Custom and duty Agency

Trusted provider of cyber security
Finmeccanica Market Vision and Strategy

- Consolidate in Italy
- Position and grow in UK
- Provider of Choice to NATO
- Center of Excellence for critical infrastructure Cyber Security
- Expand in Transport and Energy leveraging on our related competences
- Leverage on CyberShield as distinctive and competitive advantage for integrated protection
- Global player for anti-fraud solutions
- Enhance competencies in intelligence and knowledge-based systems

Cyber Market

2009A > €25bn

2016E > €60bn
cagr 13%

Worldwide Defence & Security Electronics
Cyber Market 2009 – 2016
Focus on Nuclear & Renewables

Giuseppe Zampini
CEO Ansaldo Energia
Focus on Nuclear
Power Generation Evolution
European and Italian Perspective

Evolution of fuel mix
Global Electricity Production, ‘000 TWh

- Thermal Plants are expected to keep playing a major role in the future power generation mix, with a joint share of 55% in 2025
- Nuclear and Renewables will increase their contribution in the power generation

European and Italian Sustainability Strategy

European pillars within 2020:
- 20% emission reduction of 1990 level
- +20% of energy production from renewables
- +20% energy efficiency

Italian pillars:
- 14% emission reduction within 2015
- Italian power generation in 2030: 25% Nuclear, 25% Renewables, 50% Thermal

Source: IEA, IHS Emerging Energy Research 2010
The Nuclear Renaissance
The Domestic Market Opportunity

Milestones

- 1987 Referendum: Stop to the Italian Nuclear Program
- 2009 U-Turn Decision: Italian Government plans the start of construction of its first New Nuclear Unit by 2013.
- 2030 Goal: 25% base-load power generation in Italy by Nuclear Power Plants

Actions already taken up to date

- Law 99/2009: Parliamentary approval of the Nuclear Development plan followed by Government Decree February 2010: Principles to define sites, benefits for local communities, consultations, licensing, dismantling and deposit
- Appointment of Nuclear Regulatory Agency – Nov 2010
- Agreement ENEL/EDF to build 4 power Plants

Next Actions expected by 2011

- Validation of a National nuclear strategy
- Sites Identification
- Identification of other Technologies than EPR
Global Market Outlook

Almost 500 nuclear reactors planned or proposed worldwide in the next decades
80 planned by 2020

Source: World Nuclear Association, AEN Internal Analysis

≈1.400 B€ as cumulated market value of which 350B€ planned in Europe
Ansaldo Nucleare
Key Capabilities & Positioning

More than 20 years in the International Marketplace
Consolidating capabilities along all the Nuclear Value Chain

Nuclear New Units
- Engineering & Project Management
  - Cernavoda New Nuclear Power Plant (Romania)

Service
- Life Time Extension & Repowering
  - Existing Nuclear Plant Enbalse (Argentina)

Decommissioning
- Optimization of Dismantling operations & Sequences
  - Caorso Shut down Nuclear Plant (Italy)

Waste Management
- Design & Technical Specifications for solid radioactive waste’s treatment complex
  - Andreeva Bay (Russia)

Consolidated Experience on Candu and Westinghouse Generation III.
Leading a European Consortium on Generation IV Development
Go To Market

• Agreement with ENEL/EDF and AREVA for 4 EPR Nuclear Plants in Italy and Europe
• Strategic partnership with Westinghouse for AP1000 in Italy and Rest of the World

Product Development

Leveraging AEN Manufacturing capabilities to reposition ANN as supplier of New Components

Geographical Target by Scope of Work

<table>
<thead>
<tr>
<th>Geographical Target</th>
<th>2011-2015</th>
<th>2016-2020</th>
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<tbody>
<tr>
<td>Worldwide Accessible Market (Candu, AP1000, EPR)</td>
<td>40</td>
<td>60</td>
</tr>
<tr>
<td>Italy Accessible Market</td>
<td>10-12</td>
<td>15</td>
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<tr>
<td>AEN/ANN Orders</td>
<td>1,5</td>
<td>2,5</td>
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ITALY: Key Industrial Player

EUROPE: In partnership with Nuclear vendor
Focus on Renewables & Distributed
Solar Photovoltaic & Wind

- Become the link between Banking, Financing and End Users…
- Focus on fast growing highly incentivized domestic market
- Leverage well proven System Integration competencies

Biomass & Concentrated Solar Power

- Fully integrated distributed generation biomasses gasification.
- Integrate technologies to create solutions
- Residual oil liquid hydro carbon fuel conversion technology.
- Ready by 2012
- Partner to boost technology progress in solar receiver technology

<table>
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<th>AEN Orders</th>
<th>2009</th>
<th>2010</th>
<th>2015</th>
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<tbody>
<tr>
<td></td>
<td>0</td>
<td>&gt;100</td>
<td>&gt;250</td>
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An Unmanned Air System (UAS) includes:

- An Unmanned Air Vehicle (UAV): fixed or rotary wing
- The mission payload: for example radar and/or electro-optic sensors, electronic support measures, weapons (Unmanned Combat Air Systems – UCASs), etc.
- A ground control station
- Communications links, data links and relay systems
- Data exploitation and dissemination (ISTAR asset)
- Operational support infrastructure

*Finmeccanica has world-leading technology, products and capabilities in all aspects of Unmanned Air Systems*
Key System Elements

Mission System (Air Segment)
- Mission Management
- Data Fusion/Extraction
- Automation Control
- Sensors
- Self Protection
- Stores Management
- Communications

Mission System (Ground Segment)
- Communications (Air Segment)
- Communications (Battlespace)
- Analysis and Exploitation
- Platform Management and Tasking
- Automation Management

Platform
- Airframe
- Propulsion
- Flight Controls
- Electrical Power
- Navigation

Model C1
Tactical UAS
Global Market 10 Year Forecast €12.9Bn

- Max Take Off Weight (lbs)
  - 0.1
  - 1
  - 10
  - 100
  - 1000
  - 10000

- Maximum Altitude (feet)
  - 0
  - 10000
  - 20000
  - 30000
  - 40000
  - 50000
  - 60000
  - 70000
  - 80000
  - 90000

- Ground Control
- PicoSTAR

- FALCO UAV
- Micro
- Mini
- Tactical
- Medium
- High Altitude
Medium Altitude UAS
Global Market 10 Year Forecast €9.8Bn

Max Take Off Weight (lbs) vs. Maximum Altitude (feet)

- **Micro**
- **Mini**
- **Tactical**
- **High Altitude**

- SKY-X
- SKY-Y
High Altitude/UCAS
Global Market 10 Year Forecast €26.4Bn

Max Take Off Weight (lbs)

Maximum Altitude (feet)

High Altitude

NEURON

Micro

Mini

Tactical

Medium Altitude

High Altitude

0.1

0

10000

20000

30000

40000

50000

60000

70000

80000

90000
• Finmeccanica well positioned across range of UAS classes
• Exploiting tactical UAS and payloads in export markets
• Leading European experience in MALE technology demonstration
• MALE mission system development underway – both airborne and ground elements
• Leading provider of payloads
• Major player in European UCAS demonstrator
• Positioned to exploit anticipated European collaboration in UAS