The UK Experience:

A successful track record in integrating acquired assets and in establishing a strong domestic footprint

Alberto de Benedictis, CEO
Finmeccanica in the UK: A well established domestic supplier

- Basildon
- Christchurch
- Bristol
- Liverpool
- York

Selex Communications
- London

Selex Galileo
- Basildon
- Luton
- Edinburgh

Selex Systems Integration
- London
- Welwyn Garden City
- Portsmouth

VEGA
- Bristol

Ansaldo STS
- London

AgustaWestland
- Yeovil
- Farnborough

MBDA
- Stevenage
- Bristol

UK Employees: 10,000+
UK Revenues 2008: £2 bln (£400 mln export)
2nd largest supplier to UK MOD
The evolution of Defense: A globalized industry

- **Industrial globalization driven by:**
  - Increased coalition operations
  - Need to access a broader technology base
  - Customer intimacy & focus on sovereignty

- **Finmeccanica response**
  - Expand business into strategic markets

- **UK selected because**
  - Open, technologically advanced market
  - Inward investment actively embraced
  - Established defence relationships
  - Pushes defence business model envelope
  - Operationally active
  - Politically supportive of exports
Finmeccanica in action in the UK

A portfolio of strong businesses

Excellent and Affordable Technology
Driving Profitable Growth
New York, May 19, 2009
The UK experience: Integrating acquired assets

Primary Objectives

- Improve operational performance
- Demonstrate national commitment
- Enhance business value
  - Re-position companies in the supply chain
  - Diversify market access
  - Develop through life business models / opportunities
  - Maintain and grow capability

A Phased Integration Approach

**Initial Phase**
- Product / Offering Alignment
- Operations
- Market Reach

**Follow-On Phase**
- Technology Development
- Market Re-Positioning
- Coordinated Growth
Focus areas: Operations

- Evaluation of business operations
  - Manufacturing
  - Procurement & Commercial
  - Sales & Marketing
  - Facilities

- Identification and implementation of best practise

- Alignment of back office systems

- Portfolio reorientation to maximise efficiency / market reach
Focus areas: Technology

- Initial portfolio analysis
  - Maximizing return on investment
  - Aligning architectures

- Establishment of Centers of Excellence
  - Building on and growing domestic priorities (sovereign capability)
  - Deepening capability focus areas (such as EW, ESCAN, Thermal Imaging)

- Integrated, market driven investment plans
  - Planning against customer priorities
  - Maximizing customer funding
Focus areas: Market expansion

- Cross fertilization of products / technology
- Co-ordinated focus on exports

- Broaden companies capability base
- Enhanced positioning in the supply chain
Remaining agile: Responding to the market dynamics
A successful track record

Customer Perspective

✓ All regulatory requirements met / exceeded
✓ Established and matured stakeholder relationships
✓ Strategic dialogue with Government across the group
✓ Partnership in the Rotary Wing sector – Future Lynx contract
✓ Continued demand / support given to operations

Business Perspective

✓ Sustained domestic growth
✓ Increased export penetration
✓ Business, technology and market expansion
✓ Enhanced value chain positioning
The future

- UK Core budget remains under pressure
- Continuing focus on current operations / repatriation
- Spearheading availability based contracting
- Recognition that electronics and systems offer capability multiplier

And this means

- UK customer relationship continues to strengthen
- Growing recognition of role in land / battlespace
- Significant market opportunity as a result of DRS Technologies
- UK/US trade links remain strong
- Continued focus on export business

The Anglo / Italian / US triangle is a recipe for sustained growth