

Farnborough, July 17th 2006

Finmeccanica at Farnborough: Technological excellence and competitiveness to conquer new markets

Finmeccanica is attending the 45th Farnborough International Airshow (near London, 17-23 July) with clear objectives: to display its range of high-tech products and demonstrate its capacity to build and supply integrated systems, and to present the Group's new structure following the strategic investments carried out in the last two years.

Farnborough is the leading aerospace event of the year and will see industry representatives attend to discuss the latest market developments and trends. Finmeccanica and the following group companies and joint ventures are participating at the Airshow: AgustaWestland, Alcatel Alenia Space, AleniaAermacchi, Alenia Aeronautica, Alenia Aeronavali, Avio, Datamat, Elsag, Galileo Avionica, MBDA, SELEX Communications, SELEX Sensors & Airborne Systems, SELEX Sistemi Integrati and Telespazio.

The Farnborough Airshow is particularly important for Finmeccanica as the UK is one of the group's two domestic markets, given that it employs around 10,000 staff in key sectors including helicopters, avionics and communications across the UK. In addition, the UK's defence budget is equal to that of Italy, Germany and Spain combined, and is the largest in Europe. Its technological capacities provide Finmeccanica with significant growth prospects in the UK market. The British Government recently presented its Defence Industrial Strategy (DIS), a defined approach that will guide defence procurement policy in the coming years. In the context of this approach, for example, AgustaWestland is seen as a key resource for the supply of helicopters. There are also interesting opportunities for the Finmeccanica companies operating in the defence electronics area, which already play a key role in Europe's largest military programme, the Eurofighter.

This year's Farnborough Airshow sees a particular emphasis on integrated solutions developed to meet the most stringent operating requirements in defence, monitoring and security. Finmeccanica is one of the few companies in the world able to offer solutions that encompass border surveillance, strategic and tactical communications networks, territorial monitoring, air defence systems and surveillance networks for sensitive areas.

The Airshow is an opportunity for Finmeccanica to show the public and experts in the sector its systems capabilities. At its stand, under the banner "*everywhere for protection*", it is displaying some concrete examples of the solutions it offers in the vast area of Homeland Security, including transportation security, civil protection, defence of borders against conventional and unconventional attacks, and protection of important events and critical infrastructure.

Among the capabilities of Finmeccanica presented at the Farnborough stand are:

Border surveillance: set along the Italian coast, this scenario shows the capabilities of Finmeccanica companies in the simultaneous control of land, sea and air space that surround the coastline, in order to ensure rapid identification and intervention against any type of intrusion. Resources used in the simulation of an intrusion of an unidentified pleasure craft are underwater sensors, the Cosmo SkyMed satellite and long and medium-range radar systems (including, for example, VTMS - Vessel Traffic Management System).

All these are integrated with information received by an ATR42MP patrol aircraft equipped with ATOS (Airborne Tactical Observation and Surveillance), an A139 helicopter with monitoring and Search & Rescue systems and a Falco UAV, and are all managed by an integrated Command and Control Centre.

The security of airports and critical infrastructure during important events: the two scenarios simulated in 3D are based on London's Heathrow Airport and the city of Beijing, the host of the next Olympic Games.

Finmeccanica covers all security aspects relating to a complex environment like an airport. This includes the identification of incoming aircraft and the contents of containers, the complete air traffic control system, as well as air and satellite surveillance of the surrounding areas. To ensure this, it uses a wide range of sensors to identify people and objects (mobile electro-optical sensors, biometric sensors for fingerprint reading and retina scans, radiation sensors, chemical and biological sensors and stationary and mobile X-ray sensors).

To protect critical infrastructure, particularly during important events, Finmeccanica can offer a complete, interactive range of technological platforms: satellites, Eurofighter, ATR42MP patrol aircraft, A139 helicopters equipped with monitoring systems and the EH101 for Search & Rescue activities, as well as sensors, new M346 trainers in their slow-target combat role, and mobile TETRA terminals that ensure secure communication between the various critical points of the protected environment and the system's Operational Centre.

In addition to this range of systems for territorial defence, Finmeccanica companies possess one of the most integrated and complete offers in the world for training and simulation, and can therefore offer its clients solutions and platforms tailored to their needs, as well as the opportunity to train and experiment with machines and equipment produced by the same companies that build the final product or system.

In 2005, Finmeccanica posted a 25% increase in value of production to EUR 11.4 billion and a 58% increase in EBIT. New orders came in at EUR 15.383 billion (up 46% versus EUR 10.543 billion in 2004), taking the backlog to EUR 32.114 billion, an increase of EUR 7,799 million (32%) compared to 2004, a performance that gives the group good cause for optimism. Research and Development spending totalled EUR 1.7 billion (+24% compared with 2004), or 15% of value of production, rising to 20% in core sectors alone. 2006 offers key opportunities to consolidate the results achieved so far and to lay the foundations to ensure Finmeccanica remains an international leader, both in its own right and as a partner to the world's most important companies.