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Finmeccanica completes 100% acquisition of Selex Sensors and Airborne Systems

Finmeccanica has completed the purchase of the remaining 25% stake in Selex Sensors and Airborne Systems from BAE Systems for a total of around EUR 400 million, with a further payment estimated at around EUR 12 million in the next few months. The total price also includes the profits not yet distributed by Selex S&AS that were due to BAE Systems for the whole period of its ownership of Selex S&AS.

The value of this investment, excluding the estimated additional payment, is already included in Finmeccanica's total net debt figure at the end of 2006 (EUR 858 million) the transaction does not therefore affect the group's financial position.

Pier Francesco Guarguaglini, Chairman and CEO of Finmeccanica, stated, "The acquisition of complete control of Selex S&AS contributes significantly to our objectives of growth and consolidation in the fields of aerospace, defence and security, and will enable Finmeccanica to speed up its strategy of penetrating the US market, thanks to its participation in a number of important military programmes that are expected to see strong growth in the next few years".

In 2006, Selex Sensors and Airborne Systems, which operates in the avionics business in both Italy and the UK, recorded revenues of around EUR 1,750 million and profitability in line with the average for Finmeccanica's Defence Electronics business. The company has over 7,200 employees, of whom 3,100 are based in Italy and more than 4,100 in the UK. The order backlog stands at over EUR 4 billion.

According to agreements signed in 2005 Finmeccanica had the right to purchase the remaining 25% stake in Selex S&AS at any time, while BAE Systems had the right to sell it from 30 May 2007. The results achieved to date by Selex S&AS and its positive growth expectations in the short term encouraged Finmeccanica to bring forward its acquisition of 100% control of the company.