

V Innovation Award

Foreword

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We had more than one reason for choosing Edinburgh as this year's location for the Finmeccanica Innovation Awards ceremony.

Above all it seemed right that, after Genoa, Milan, Rome and Grottaglie, we should venture outside our national borders, partly because we recognise that numbers of proposals from outside Italy have grown enormously, both in absolute terms (10 in 2004, 327 in 2008) and proportionally (3% in 2004, 33% in 2008).

The wish to make the prize more international in scope - which reflects Finmeccanica's strategy, and the fact that the UK represented the group's first step towards greater internationalisation and is still our second-largest domestic market - was also expressed in the selection of a jury of experts from a number of UK academic institutions: the universities of Edinburgh, Glasgow, Bristol and Heriot-Watt. I would like to thank these institutions for their time, skill and dedication in taking on, and successfully completing, the task of selecting candidates.

But why Edinburgh?

Finmeccanica's presence in Edinburgh in the form of Selex Galileo, is important, not only industrially (at an extremely high level: for

example, AESA radars, so technologically advanced that we also sold them in the US) but particularly in terms of our relationship with the university and the world of research.

Through Selex Galileo, Finmeccanica has consolidated its links with Scottish academe over the years with an extensive exchange of engineers who have become university lecturers and lecturers who have joined the company, to the benefit of both parties.

It has also helped the local universities to find brilliant students and has offered them, over time, thousands of jobs involving a substantial technology component, helping to create a generation of talent that has been dispersed throughout Scotland, the United Kingdom and elsewhere.

Finally, Selex Galileo also sponsors a chair at the University of Edinburgh with the Royal Academy of Engineering.

This ability to combine basic research and technological applications to great effect in Scotland has a long history.

Take, for example, James C. Maxwell, who was not only one of the greatest ever theoretical physicists (the well-known equations that bear his name still form the basis of our ideas about electromagnetism), but who also produced the first ever colour photograph.

It was the spirit of this great Scottish scientist that inspired us to create the Innovation Award five years ago.

We aim with this prize to encourage everybody working at the group to produce innovative ideas that can be rapidly and efficiently transformed into useful applications to develop successful products.

After five years it seems right to ask ourselves whether we have succeeded, and whether we have achieved concrete, measurable results.

The answer is partly, yes.

In my view, one of the surest indicators is the quality of the patents generated by Finmeccanica's companies.

In 2005, more than half our patents were only filed in Italy, and the level of intellectual property protection was not very high.

At the end of 2007, nearly 85% of our patents were filed internationally, with a huge improvement in protection.

The increase in families of patents owned by Finmeccanica, from 25 in 2004 to 200 in 2007, also indicates a more mature innovation culture within the group.

The Innovation Award has also fostered best practice, particularly in the area of client support (for example, Selex SI's Assyst project), and the creation of sustainable projects that address environmental and social questions (for example, Ansaldo Energia's VeLoNOx project).

Finally, the prize has encouraged collaboration between different departments within companies, such as the prize awarded for the Helicopter Vibration Reduction Technologies project, which was divided between the Italian and UK divisions of AgustaWestland, and between the group's various businesses, such as the prize won jointly by Thales Alenia Space and Selex Comms for technology in software radio.

This is a key factor in the process of integration that we are pursuing consistently and with determination.

However, as I said, the results are only partly satisfactory.

If we compare our ability to patent the innovative ideas that we produce with that of our main competitors, we can see that we still have some distance to travel.

This should not discourage us, of course, but rather drive us to increase our efforts, remembering that we face many and difficult challenges in the future and that dealing with these will never be easy, but will always be possible.