



## **Presentation of the 2008 Sustainability Report**

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Over the years, Finmeccanica has been placing increasing emphasis on ensuring its business is sustainable and on developing the tools necessary for this task.

The sustainability reporting that Finmeccanica undertook last year forms part of this strategy and will be one of the group's ongoing commitments.

The second "Sustainability Report", which we are presenting today, is positive proof and represents a clear step forward on the previous one.

The emphasis on sustainable development is now communicated more consistently throughout the group compared to previously: although Finmeccanica and its companies have always followed ethical principles, focusing particularly on social and environmental aspects, we now apply

them via more rigorous, standardised methods, processes and indicators.

And the results demonstrate this despite the difficult period that, like everyone, we experienced in 2008.

In a period of unprecedented financial and economic crisis, Finmeccanica has kept faith with its commitments, particularly by virtue of its two key strengths:

- strategic coherence, which has allowed us to develop a range of products and an international dimension such that we have been able to reduce our dependence on individual markets and programmes
- a sense of responsibility towards our stakeholders (shareholders, customers, employees and suppliers), which has ensured their loyalty and support, qualities that are more important than ever in a difficult economic environment

All this serves to demonstrate that the economic growth of a company and compliance with its ethical, social and environmental responsibilities are not only compatible, but reinforce each other.

The results are presented in the Report according to the three traditional aspects of sustainability reporting: economic, social and environmental.

## **Economic sustainability**

Finmeccanica has managed to weather the unfavourable economic conditions; revenues and profitability are still rising as per expectations, demonstrating the solidity of our product portfolio and the loyalty of our customers.

We even paid a dividend that was 11% higher than last year's.

For the sixth year running, we have complied with the guidelines communicated to the financial market, demonstrating that investment in Finmeccanica represents a sound and profitable undertaking.

The fact that the share price fell by less than the sector average in percentage terms at the end of 2008 shows that Finmeccanica's fundamentals are solid. Further proof of this also comes from the results of the first nine months of 2009.

Equally solid are our relationships with customers, with whom the group increasingly aims to become a partner that can provide integrated

solutions in response to their needs as well as the associated life-cycle management.

## **Social sustainability**

2008 was a very important year for Finmeccanica in terms of its relationships with both its “internal community”, i.e. the people who work in the group , and the “external communities” among which it operates.

### The internal community

Finmeccanica has grown quantitatively and qualitatively following the acquisition of DRS Technologies.

We now have more than 73,600 people, of whom 10,000 are based in the UK and over 12,000 in the US, and we have around 400 sites all over the world.

For these and other reasons, we pay meticulous attention to the transparent management of staff, respect for diversity and most importantly, the creation of a new culture. We have numerous measures and initiatives aimed at creating a truly multicultural group whose appreciation of talent, creativity and merit is exemplary.

To quote just one of many: the FHINK master's programme for talented young people from all over the world is now in its fourth year.

Thirty people each year are invited to attend the course and will then have the opportunity to work for Finmeccanica.

For the latest course, we received over 7,000 applications from 130 countries.

### External communities

Turning to the external communities, in 2008 and early 2009 we spent a lot of time in dialogue with the local regions and working on charity initiatives, focusing our efforts on wide-ranging programmes.

I would like to mention:

- Finmeccanica's involvement in the "technology districts": Finmeccanica companies operate in twelve of the 24 districts recognised by the Italian government to develop the regional basins through innovation and the creation of skilled labour

- the numerous partnerships with universities and research centres both in Italy and abroad, which provide access to state-of-the-art technology and talented young people

In addition, I would also like to mention some more specifically social initiatives that Finmeccanica was involved in during the year.

- Mwana Simba – The objective of this programme is to assist with the training of young people in Africa. Education and talent underpin our work, so we decided to extend opportunities to Africa, a continent with great intellectual potential and scarce economic resources, through initiatives in Nigeria, Congo and Cameroon
- Finmeccanica for Abruzzo – Following the earthquake in April, people working for Finmeccanica in Italy and throughout the world contributed to a huge aid programme launched jointly by the group and the unions, which raised significant sums of money. In particular, all the senior managers donated a portion of their supplementary pension fund to Abruzzo

However, commitment to social issues is nothing new for Finmeccanica. In the past, we have contributed to, and promoted many initiatives, including:

- the Listening Centre at the Gigi Ghirotti Foundation
- support to the San Patrignano Community
- support to the *Casa di Andrea e di tutti i fiorellini del mondo*
- the Dream (Drug Resource Enhancement against AIDS and Malnutrition) project aimed at tackling the prevention and treatment of AIDS in Africa on a global level
- support to the Community of Sant'Egidio

### **Environmental sustainability**

I will close with our commitment to the environment, which is of particular interest to the minister Stefania Prestigiacomo, whom we are delighted to have with us today.

This is an area that we have been focusing on for many years. In 2008, we made a number of significant improvements, as follows:

- an increasing number of the group 's international sites are subject to data collection and environmental performance monitoring: 135 of our sites are now monitored and over 59,000 data records processed

- our energy efficiency programme has reduced our atmospheric emissions by around 7,600 tons of CO<sub>2</sub>
- the first energy self-production facilities were built under the renewable energies plan: these consist of two photovoltaic solar plants and two solar thermic plants at the sites of Selex Sistemi Integrati, Giugliano; Selex Communications, Latina; Selex Galileo, Nervino; and Alenia Aeronautica, Caselle
- a raft of energy-saving initiatives involving the whole group was launched, including the Energy Day, at which everyone was asked to implement energy-saving measures, with highly satisfactory results
- respect for the environment is the common theme underlying many of our projects, such as the Water Audit, the Waste Project and the Risk Gate Project to identify and prevent environmental risks
- lastly, Finmeccanica has set up a Health and Safety at Work Co-ordination Committee tasked with implementing consistent and rigorous regulations throughout the group and organising training courses for managers and company doctors, in accordance with the *Testo Unico sulla Sicurezza* (decree law 81 of 2008 on health and safety).

But the group also goes the extra mile; it believes that developing initiatives that promote the overall well-being of the employees in its companies, as well offering the correct work-life balance, through the provision of innovative, social and health-related services at the workplace, is of vital importance.

The group's investment in environmental issues, health and safety, and well-being has risen significantly over the last three years, and reached EUR 54 million in 2008.

From what I've said, you will understand why we decided last year to start publishing the Sustainability Report, to be followed by the Sustainability Balance Sheet: Finmeccanica's commitment to sustainable development is an integral part of our corporate strategies and as such, I think it is right to also provide visibility on this aspect to our stakeholders in the same way that we report the group's financial results.

In closing, I would like to quote the words of Ms Prestigiacomo when she introduced the recent G8 Environment Ministers' Meeting in Syracuse: *"The environment is by definition a global asset, and its protection demands common solutions and shared decisions if we are to produce an effective and positive outcome"*.

We also believe that dialogue and shared decisions are the only way to make progress in the arena of environmental protection and, more generally, sustainable development. These are huge and complex areas, where results are not achieved once and for all, but require dynamic and ongoing commitment and, most importantly, the informed participation of everybody.

Thank you.