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At the Milan Forum Guarguaglini assures: we will invest more in the area.

New orders on the way from Lybia. The Marine One issue

Finmeccanica ready to grow in Libya and Morocco

BY GIUSY IORLANO

Finmeccanica's next mission: to consolidate its presence in the Mediterranean area. So says Pierfrancesco Guarguaglini, chairman and CEO of the defence group. Yesterday in Milan, on the concluding day of the Economic and Financial Forum for the Mediterranean, the manager told MF-Milano Finanza that acquiring new orders for the Finmeccanica group was proceeding as planned, with two orders in Libya around the corner: one for Ansaldo STS in railway signalling and the other for Selex. The strong outlook for the order backlog, together with the positive signs regarding Lockheed Martin's accounts, yesterday drove the Finmeccanica share up 3.35% to EUR 10.18 per share.

Finmeccanica is already very active in the Mediterranean and the Middle East. What point do you want to get to?

We are ready to invest more in the area, and increase our presence in these countries. We have achieved significant success in Turkey, and are now very active in Libya, Morocco, Algeria, Egypt, Greece and the Middle East, including Yemen, Qatar and the United Arab Emirates. I think that about 15% of our revenues are generated by these countries.

The Mediterranean was the focus of debate at this Forum. Does it represent another opportunity for our country?

This forum opens up new opportunities. The Egyptian Minister for Transport, Mohamed Lofti Mansour, was very clear: he invited Italian companies to increase their presence in the area. We're already there, particularly in the transport sector with Ansaldo STS, AnsaldoBreda and Elsag Datamat. We're now looking to expand our presence.

Meanwhile, in the United Arab Emirates, Alenia Aeronautica has begun negotiations to supply 48 M346 military training aircraft. This contract is worth more than EUR 1 billion; at what stage are the negotiations?

We are defining the commercial aspects, and will complete this by the end of the year, while with Fincantieri, we are already discussing a possible contract to supply ships.

Regarding the order for the new US presidential helicopter, built by Agusta Westland and Lockheed Martin, the Obama administration thinks it is too expensive. How will this matter be resolved, do you think?

I am confident, and the interest taken by Congress shows that my confidence is justified. It is, however, a matter that Congress has not yet finished discussing. We will see what the White House will decide. The 2010 US defence budget will in any case be decided by the end of September, and I hope there will be room for the Marine One helicopter in it.

DRS Technologies, a US subsidiary of Finmeccanica, has meanwhile received an order worth more than USD 100 million from the US army for the production of 270 Heavy Equipment Transporters.

Exactly. The acquisition of DRS is proving to be an excellent decision, particularly in light of the long series of contracts obtained from the US administration.

Finmeccanica will announce its first-half results next week. What are the accounts like?

I can only say that I think we will be happy with the results.

Any other imminent news for the group?

We recently signed a very important contract with Turkey for the Gokturk satellite system. Other negotiations are in progress to strengthen the group's position in the country. As well as the aerospace sector, we are now planning to expand our presence in other fields, such as helicopters.