



Defence 21 • Volume 5 • Issue N°26 • October • November 2008 تشرين الثاني / نوفمبر - تشرين الثاني / نوفمبر

# DEFENCE دفاع



العميد أحمد المصاروة:  
الأردن أنشأ مركزاً إقليمياً للتدريب  
على مكافحة الإرهاب



روبرت دايفيس:  
Meggitt Defense Systems  
رائدة عالمية في الأهداف الجوية



بيار فرانسيسكو غوارغواغليوني:  
Finmeccanica حضور  
قوي في السوق الدولية




المملكة العربية السعودية: القوة الضامنة لأمن الخليج

Farnborough 2008: معرض الأرقام القياسية



## *Mr. Guarguaglini: Finmeccanica is a well-established presence on the international market*

 Finmeccanica is the main Italian industrial group operating globally in the aerospace, defence and security sectors, and is one of the world's leading groups in the fields of helicopters and defence electronics. It is also the European leader for satellite and space services as well as having considerable know-how and production capacity in the energy and transport fields.

Headquartered in Italy and with a vast industrial base in the UK as well as important production facilities in the rest of Europe and in the USA, Finmeccanica has a workforce of more than 60.748 people, and a revenues volume of euro mil. 13.429.

Technology and innovation are the keystones of Finmeccanica's success and competitive edge. For this reason, the Group invests 1.836 billion euros a year in R&D activities (representing 14% of revenues).

On the opportunity about the latest success story of signing a contract to sell four military transport aircraft C-27J Spartan to a Non-NATO mediterranean country. Defence21 had an insight press interview with Mr. Pier Francesco Guarguaglini to shed more lights on the above features.



*Finmeccanica Chairman and CEO Pier Francesco Guarguaglini*

**Could you give us a general overview on Finmeccanica and its companies? What are Finmeccanica's concepts regarding Defence and Security Electronics, space, aerospace and helicopters technologies?**

Finmeccanica is Italy's leading manufacturer in the high technology sector and ranks among the top ten global players in Aerospace, Defence and Security. Thanks to the strategic investments made in recent years, Finmeccanica now has a well-established presence on the international market as an industrial group known for its technologies and focused on global development. The Group's business is based on the three strategic pillars of Helicopters, Aeronautics and Defence and Security Electronics, which generate some 65% of revenues and account

for around 70% of the workforce. Finmeccanica is Europe's leading defence systems company, and enjoys a strong presence in the space sector where it operates as part of the Space Alliance. Finmeccanica also has substantial expertise and a consolidated position on the global transport and energy markets, creating benchmarks for excellence all over the world.

The technological excellence of its products is the foundation on which Finmeccanica has built its worldwide success. It has become a global competitor and sought-after partner in some of the most important international programmes, establishing a significant and growing presence in Europe and North America, and most notably, in the world's two biggest defence markets – the UK, which has become a

second domestic market for the Group, and the US, where its recent achievements have generated attractive growth prospects. In 2007, Finmeccanica posted revenues of EUR 13.4 billion. The Group has more than 60,000 employees, of which around 30% are located outside Italy, where it has its headquarters. Other important production locations for the Group are the UK, with 10,000 employees, France with 3,500 and the US with over 2,000.

**How do you rank Finmeccanica in the domain of Advanced Technologies (defence and aerospace)?**

Finmeccanica is building growth and its future on research and innovation, thus the group invests 14% of its revenues in R&D. It is the only Italian company among the top

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50 investors worldwide in Research and Development. In 2007 it invested around EUR 1.8 billion in all its business areas, with significant spending in aeronautics (Boeing 787 Dreamliner, C-27J, M-346), helicopters, defence and security electronics with the TETRA system and activities in new sectors, such as multilevel switching centres for communication networks and products with WiMax technology. Furthermore, partly on the back of the ongoing process of internationalisation, Finmeccanica takes part in research programmes in other countries, for example in the UK, which have beneficial effects for the whole Group. We are very proud of the expertise we have built up in composite materials, and we can now boast a cutting-edge plant in Grottaglie in Italy and a contribution to the Boeing 787 Dreamliner, the most ambitious and technologically advanced civil aeronautics programme. Some time ago, Finmeccanica began work on the "infinitely small", both through inter-company focus Groups and partnerships with research centres. Specifically, we believe developments in nanotechnologies for aeronautics are very promising, especially polymer nanocomposites and light alloys, which could lead to a marked improvement in mechanical characteristics (resistance, impermeability, corrosion, etc.). But we can also legitimately expect interesting developments in nanotechnologies relating to electronics, electro-optics and the whole area of sensors in general.

**Mergers, acquisitions and joint ventures are the businesses of the day. How do you perceive Finmeccanica's latest acquisition of DRS Technologies?**

We believe DRS Technologies was a choice made in line with Finmeccanica's strategy of focusing

on its three strategic pillars (Aeronautics, Helicopters and Defence & Security) and in the US, the world's largest defence market. The company leads the way in defence electronics technology, and has recorded positive growth both organically and through acquisitions. It also has an excellent order backlog, particularly on the US defence and security market. Once authorised, this transaction will enable Finmeccanica to consolidate its leading role worldwide in the supply of integrated systems for defence and security, making it a key player also on the US market. It will also give DRS Technologies new and important business opportunities in the US and abroad. This agreement shows the Group's capacity to make the most of its technological excellence all over the world, and is another growth opportunity, particularly in the US, the world's largest defence and security market. The transaction represents the

natural progression of our investment and expansion strategy on the UK and US markets, and allows us to support the US Armed Forces with high-tech products, as we have already done with the US101 and the C-27J. The agreement is the ideal integration between two companies with complementary activities, both in terms of technologies and platforms, and will make us a highly competitive player on the defence and security markets in the US and the rest of the world. Finmeccanica's expertise and the sectors in which it operates (helicopters, aeronautics, defence and security electronics, space, defence systems, energy and transport) are an excellent fit with DRS Technologies areas of business (command, control, communications, computers and intelligence, and surveillance). The process of acquiring DRS Technologies is ongoing and there are still some steps that need to be completed; we have just received clearance from the

*Finmeccanica Head Quarters in Rome - Italy*



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*The M-346 has been Shortlisted in the UAE Air Force Advanced Trainer deal program*



US Federal Trade Commission and from the Italian Antitrust to acquire the company. After approval from the US Committee on Foreign Investment (CFIUS) and the Defense Security Service (DSS), the operation will be closed. We are already accustomed to levels of control with our helicopter and aeronautical activities in the US, and all of our companies are fully compliant with US regulations.

Finmeccanica said at the end of last year that it expects organic growth to push revenues to €16.5 billion by virtue of its merger and acquisition activities by 2010. How far have these expectations been met today?

Finmeccanica has always met its

guidance, and today too we are certain that we will be able to achieve the guidance we gave to the market for 2008-2009 and the targets set for 2010.

**Finmeccanica has restructured or rather merged SELEX Sensors and Airborne Systems and Galileo Avionica into a new company "SELEX Galileo". What are reasons behind this merger?**

Defence electronics is one of Finmeccanica's three strategic pillars, so it was decided to create a single and stronger unit by merging Galileo Avionica SpA and SELEX Sensors and Airborne Systems Ltd under the new brand name, SELEX Galileo. Whether on land or sea, in sky or

space, the wholly-owned Finmeccanica company SELEX Galileo will therefore be able to offer sensor and integrated electronics solutions and cutting-edge systems for defence, military and homeland security applications, guaranteeing complete support throughout the product life cycle. SELEX Galileo is leader in surveillance, protection, tracking, targeting, and navigation and control systems.

The M-346, the fifth generation advanced lead-in fighter trainer, has been evaluated and tested in a lot of countries and attracted the interest of other countries as well. Would you please shed light how far this plane meet Eurotrainer requirements? What are the major drivers for Alenia Aermacchi's M-346 on world markets? Would you please brief us in detail on the Emirati Advanced Trainer deal programme, for which the M-346 has been shortlisted?

The M-346 was conceived to fill the training gap brought about by the introduction of the latest generation of combat aircraft such as the Eurofighter, Rafale, Gripen, F-22 and, soon, the JSF. The M-346 is thus the only new generation aircraft in its class and is fully representative of these new fighters. Its chief characteristic is to allow the student pilot to acquire crucial operational skills – such as aircraft handling at high energy levels and system and mission management – in a trainer aircraft with much lower costs. This aircraft is the result of technologies, design and manufacturing solutions, which allow acquisition and life-cycle costs to be reduced considerably. This will ensure the M-346 a competitive edge on the international market, where the aircraft is gaining a positive reputation from the evaluation processes that many air forces are conducting. With the first pre-series aircraft, which took to the

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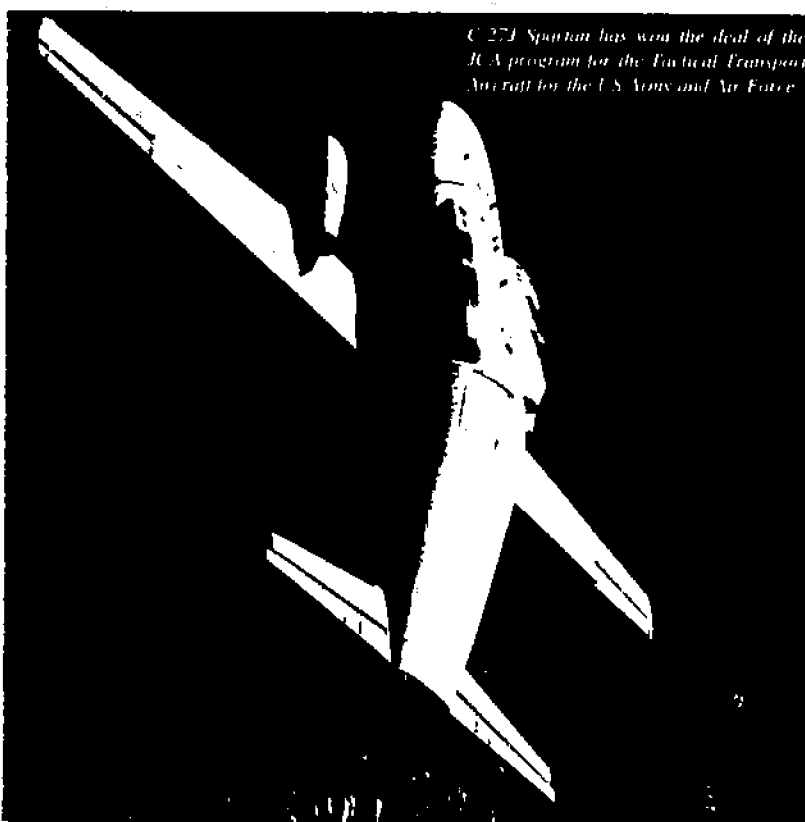
air at the beginning of July 2008, the M-346 is in the advanced industrialisation phase and continues to gain momentum. In addition to the Italian Air Force - which has expressed interest in acquiring 15 M-346 trainers - interesting opportunities exist on leading markets such as the United Arab Emirates, Singapore - the M-346 has been shortlisted in both countries - Saudi Arabia, Greece and Chile. Several countries including Greece, Portugal, Poland and recently Chile have already declared their interest in participating in the M-346 programme through industrial cooperation agreements relating to the production phase. The Advanced European Jet Pilot Training programme still represents a great opportunity involving the air forces of nine countries (Austria, Belgium, Finland, France, Greece, Portugal, Spain and Sweden, plus Italy itself). The Initial Operational Capability of the program has already been delayed to 2013-2014 due to the different time requirements by various AFs. In April 2008, the MoU1 (Pre-contract MoU) was signed, and will cover activities including the definition of the technical requirements of the Integrated Training System, based on the already-approved operational document, "European Staff Requirements", and the definition and issue of the RFQ.

The M-346 fully meets all the requirements stated in the European Staff Target (EST) by the participating nations and represents the "best solution" for Europe. At the beginning of 2007, the United Arab Emirates Air Force and Air Defence short-listed the Alenia Aermacchi M-346 advanced trainer and M-311 basic trainer for its planned acquisition of a new training system, replacing the existing PC7 and Hawk, for future F-16 and Mirage 2000 pilots.


The inclusion of both platforms is

particularly important for Finmeccanica and Alenia Aermacchi, because it is recognition that the Italian company is the only manufacturer capable of providing advanced technology aircraft for the

two major segments of the military pilot training syllabus. The UAE arrived at the "short-list" after examining the products offered by twelve international aeronautics industries. Alenia Aermacchi



*C-27J Spartan has won the deal of the JCA program for the Tactical Transport Aircraft for the US Army and Air Force*

 Alenia Aeronautica this week signed a deal to sell four C-27J tactical transport aircraft to a non-NATO, Mediterranean country, sources in Italy knowledgeable of the deal said.

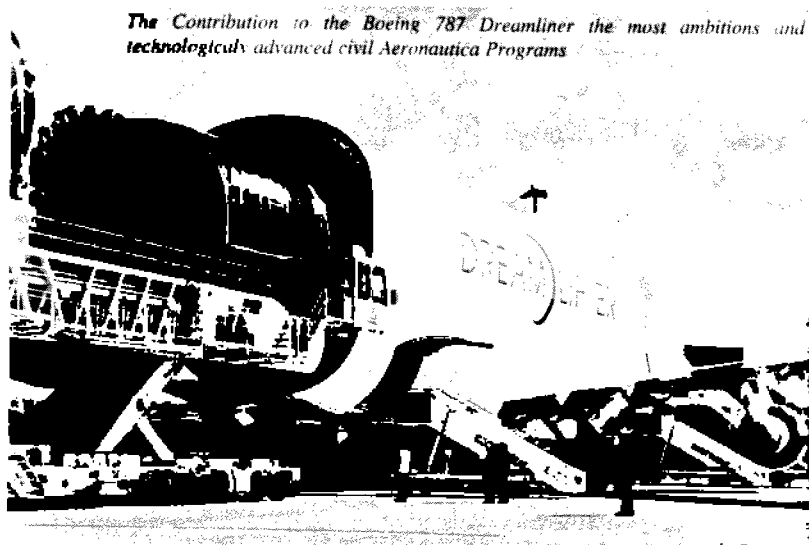
Without naming the country, the sources said the deal totaled 130 million euros and included one "VIP palette," which can be loaded onto the plane to host VIP passengers.

The sale would bring the total number of C-27J aircraft sold to 121.

Alenia Aeronautica, alongside parent company Finmeccanica, has marketed aggressively in North Africa in recent months. In the second half of 2007, Finmeccanica unit AgustaWestland sold six AW101 helicopters and four Super Lynx 300 helicopters to Algeria for a total of 402 million euros.

Libya ordered one ATR42MP aircraft and signs an agreement to refurbish 12 SF.260 primary trainers.

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emerged as the only one capable of offering a complete new generation training system.

**Finmeccanica and Thales are the leading space group in Europe (Thales Alenia Space and Telespazio). Where do they stand now in international markets? What is the role of Thales Alenia Space? And Telespazio?**

Finmeccanica and Thales wanted to create one large space company, so in 2007 they formed the Space Alliance, a joint venture between two complementary companies, Thales Alenia Space (Thales 67% and Finmeccanica 33%) and Telespazio (Finmeccanica 67% and Thales 33%), the leaders in the manufacture of satellites and the management of satellite services respectively. The two companies' potential is unrivalled in the space market for the wide range of opportunities they offer to their clients. The Space Alliance has allowed the two groups to present themselves jointly on the market, develop innovative solutions together, share growth and business objectives, strategies and clients, and thereby become a highly competitive player in the military, government and commercial sectors. Telespazio's key businesses are defence, partly for the

role it plays in SICRAL, Earth observation, with the COSMO-SkyMed constellation, and navigation and infomobility, chiefly through its role in Galileo.

Telespazio's latest challenge was the acquisition of 40% of French group Novacom Services, which is 60%-owned by CLS (Collecte Localisation Satellites) of CNES, the French Space Agency. Novacom specialises in innovative navigation and localisation services that integrate land and satellite technologies, and specifically develops applications in the areas of transport and the environment. This acquisition confirms the company's interest in developing expertise and know-how in satellite navigation and localisation services. Telespazio's strategic objective is to be leader in the business opportunities that will unfold in the near future with the launch of the European programme, Galileo. The largest programmes in which Thales Alenia Space is leader include SICRAL and COSMO-SkyMed for defence and security, Galileo for navigation and ExoMars and GOCE for scientific research. It has recently increased its market shares in telecommunications satellites and civil-military satellites,

with Koreasat 5 (South Korea) and Star One (Brazil).

**What are the main activities and latest current and potential success stories of Finmeccanica in the ME region in general and the Gulf states in particular?**

Finmeccanica has various interests in the Middle East and in the Gulf states.

The shifting eastwards of the world economic axis is a huge opportunity for us: in the Middle East, oil revenues create the conditions for massive investment in the defence and security sectors. Governments are however no longer satisfied with acquiring finished products, they want an exchange of technology, an active role for local industry in the programmes, and the creation of joint ventures to develop systems. All this requires a particular approach requiring a constant presence in the countries concerned, by opening offices that are increasingly being transformed from mere sales locations to strategically important ones, in which we make industrial investments. Finmeccanica has been present in the Middle East for years through important partnerships in both the civil and defence and security sectors, supplying technologically advanced solutions, services and products. Through SELEX Sistemi Integrati, for example, Finmeccanica supplies the Yemen coastguard with an integrated surveillance system (VTS-Vessel Traffic System) to protect the country's coastline. The system is the second biggest in the world, after Italy's, in terms of the length of coast it covers. Also intended to combat piracy, intrusion and international smuggling, additional naval security functions may be bolted on. The company is also involved in the new futuristic airport in Doha (Qatar), which will be completed by 2015 and will be the first Large System

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produced by SELEX Sistemi Integrati in the ATC (Air Traffic Control) domain. The company will play a leading role, also as integrator of all the Air Traffic and meteorological control equipment for the new airport. In the civil segment, subsidiary Ansaldo Energia has numerous partnerships in the area, while Finmeccanica – through Ansaldo STS, AnsaldoBreda and SELEX Sistemi Integrati – pre-qualified along with Italian State Railways to bid for the contract to build the 450 km Jeddah-Mecca-Medina high-speed line in Saudi Arabia, in a consortium with Russian railways (RZD), Saudi Oger and El Seif, both Saudi companies.

In the Gulf states, we recently opened an office in Abu Dhabi, and Finmeccanica is very interested in expanding its presence in this area, not only through direct bids with potential customers but also through partnerships with local companies. Group companies are jointly supplying on-board equipment for the new Baynunah class corvettes for the navy. For this purpose, a local joint venture called Abu Dhabi Systems Integration (ADSI) has been created with Abu Dhabi Ship Building. In addition to ongoing programmes and partnerships, in the United Arab Emirates we have many cooperation opportunities, including Alenia Aermacchi's advanced M-346 and basic M-311 trainers, the whole region's interest in Alenia Aeronautica's C-27J tactical transport aircraft, and in AgustaWestland's AW139 and AW101.

Some Finmeccanica companies and Finmeccanica joint ventures (MBDA, Elettronica) has been chosen as subcontractors for ADSB to supply the main components of combat systems to the Baynunah programme for six corvettes. Would you please brief us on the progress achieved in this

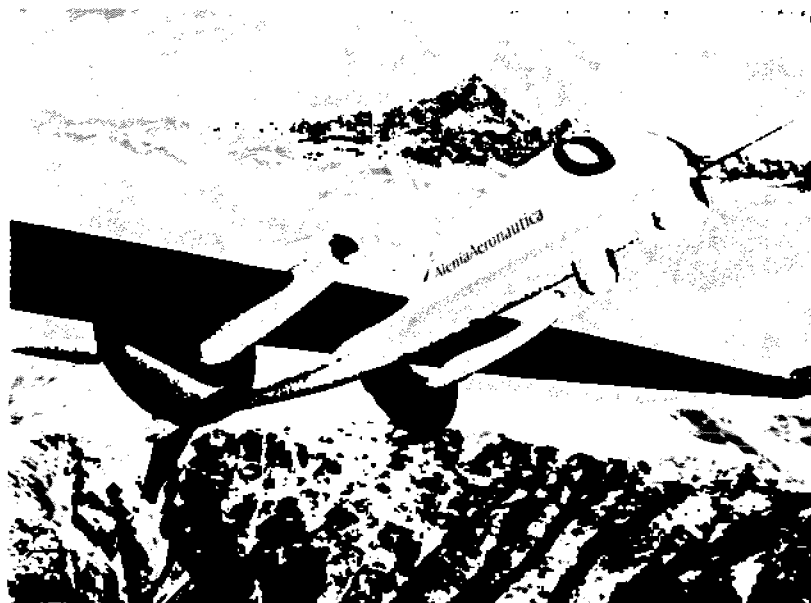
programme? What is its time schedule?

We are very proud to participate with several of our companies in the UAE Baynunah Programme. Baynunah corvettes will be among the most advanced military ships in the region, with sophisticated technical solutions and equipment. Finmeccanica companies and JVs are providing important subsystems such as the Combat Management System, radar and optical trackers, the land-based test site, EW systems, the ASuW missile system, the main guns and, very importantly, the complex integration of the overall combat system. In the framework of this contract, our system integrator company SELEX Sistemi Integrati has created a JV with Abu Dhabi Ship Building (ADSB) called Abu Dhabi System Integration (ADSI), which demonstrates the high level of partnership we have in this sector in the UAE. The development and production of the combat system equipment is on schedule, and combat system integration activities will start after the launch of the Baynunah "First of Class", expected

to be next year.

**In addition to its participation in Neuron HALE European UAV, Alenia Aeronautica has registered some considerable developments in this domain. What are Italy's achievements in this regard and its future prospects?**

We deem the Unmanned Aerial Vehicle a strategic field, that's why, in addition to NEURON, we are involved in three main projects that have brought us considerable satisfaction and achievements: the first is the Sky-X, entirely designed and produced by our company Alenia Aeronautica as an unmanned vehicle to test technologies relevant to a wide range of civil and security missions. It recently set a world first, having successfully simulated a completely automated flight-refuelling operation with another aircraft. The Sky-Y is the second unmanned platform specifically developed by Alenia Aeronautica as a demonstrator for a future MALE (Medium Altitude Long Endurance) unmanned aircraft. Thanks to the Sky-Y, we will be able to test several innovative techniques and technologies, such as diesel



*The Molynx, a UAV designed for high-altitude long-endurance (HALE) ground surveillance*

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engine propulsion, flight control systems specifically devoted to surveillance missions, payloads and various equipments for land surveillance, data-links and advanced sensor systems. Lastly, Alenia Aeronautica is working on a new project, the Molynx, a UAV designed for high-altitude long-endurance ground surveillance. With lower costs, weight and size compared to aircraft designed for similar roles, but offering wholly comparable performances, the Molynx can guarantee surveillance of all phenomena that the civil protection authorities may need to deal with.

**Finmeccanica is gradually regaining its natural markets in North Africa through preliminary deals and basic partnerships. Would you please elaborate on current activities and future plans for these markets?**

The European Union needs dialogue with North Africa. In Euro-Mediterranean relations, security, energy policy and economic development are such wide-ranging issues that they cannot be adequately dealt with without a joint working and a shared strategy among the region's governments, institutions and economic players. Against this

complicated backdrop, the honours, tasks and responsibilities that fall to Italy because of its strategic position at the heart of the Mediterranean, give the country a key role as a promoter of peace initiatives, inspirer of development projects and sounding board for plans, projects and proposals for multilateral cooperation. As part of this process, Finmeccanica Group can offer its systems and expertise, in response to the new requirements emerging in security, integrated protection of borders and infrastructure modernisation. In North Africa, Finmeccanica is involved in the co-operation project to combat illegal immigration through a surveillance system on Libya's Southern border. Italy and the EU are to finance a project in the South of the country, concerning its borders with Chad and Sudan. We are also interested in providing security for the gas pipelines and surveillance of the Northern coasts. In the railway sector, Libya has mainly turned to China and Russia. Our links with Russian companies in the railway market could thus give us a foothold in Libya. Finmeccanica is also active in this country through aerospace joint ventures: AgustaWestland is

providing AW109 Power helicopters for border surveillance and AW 119 Ke for the Red Crescent, while Alenia Aermacchi is upgrading in-service SF-260 basic trainers. Finmeccanica is also currently involved in marketing campaigns in countries as Egypt, Morocco and Algeria. It is present in Egypt through supply contracts held by Ansaldo Energia and is taking part in the project to upgrade the technology of the Egyptian postal service in which subsidiary Elsat Datamat is involved. In Morocco, we are present in the helicopter market (the Moroccan Air Force uses a fleet of 80 AgustaWestland helicopters) and in the railway sector (AnsaldoBreda supplied 18 electric trains to the country). In Algeria, through subsidiary SELEX Sistemi Integrati, we have for years been operating in the Air Traffic Control business, and were selected as prime contractor, with some of our companies, for phase two of the RUNITEL programme for the Gendarmerie Nationale. In addition, Finmeccanica has acquired contracts in the helicopter and energy sectors in the country.

**In Europe, Finmeccanica is heading for further cooperation and partnerships with Russian aerospace companies. What is Finmeccanica's strategy regarding these emerging markets and partnerships?**

For Finmeccanica and its companies, Russia is not only an important market, but also an important partner for structured cooperation. Our presence in the country only extends to the civil market. In the aerospace sector, Sukhoi and Alenia Aeronautica are working on the regional jet family (75-95 seats) Sukhoi Superjet 100. Alenia Aeronautica has a stake of 25% plus one share in Sukhoi Civil Aircraft Company and holds 51% of Superjet International (the remaining 49% is owned by Sukhoi), which is

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responsible for marketing and sales on the Western markets and for world wide after-sales support. Alenia Aeronautica's participation in the SSJ100 programme is part of its strategy to invest in a regional aircraft with high market potential to complete its current product portfolio in the sector, currently based on the twin-engine of the ATR family – today the leading aircraft on the regional turboprop market. The aircraft was rolled out in September 2007, its first flight was in June 2008 and certification is expected during the third quarter of 2009, with the first deliveries to follow: the programme is proceeding at full pace. In Russia, Finmeccanica is also interested in operating in the Air Traffic Control business. AgustaWestland, in addition to direct sales to local customers, has recently signed a large-scale cooperation agreement with Oboronprom Corporation, ranging from local sales and support to joint local production in the future. In addition to regional jets and helicopters, we are already involved in the railway sector, with signal and security systems, automated postal distribution systems, communications systems, not to mention Air Traffic Control systems. In transport, we signed an important Memorandum of Understanding with Italian State Railways and Russian Railways for the development of international projects (particularly in the high-speed sector), which has given rise to a series of joint projects for the production of electric trains, equipment and systems for signalling, telecommunications, safety & security, satellite remote sensing and on-board services. Finmeccanica is currently defining together with Russian Railways and Bombardier a co-operation agreement to build a rail transport system for Sochi, the Russian city chosen to host the Winter Olympics in 2014. In the space arena, Thales Alenia Space

has a historic and profitable partnership with RSCC and Khrunichev in telecommunications satellites. Finally, Ansaldo Energia recently won contracts to supply gas turbines to generate electricity, and through Ansaldo Nucleare, is also interested in the decommissioning programmes for Russia's nuclear plants. There are substantial opportunities to grow further, also through joint ventures as we are already doing. I think Finmeccanica already has one of the largest footprints in Russia among international hi-tech groups.

**Can you elaborate on Finmeccanica's aerospace prospects in Japan?**

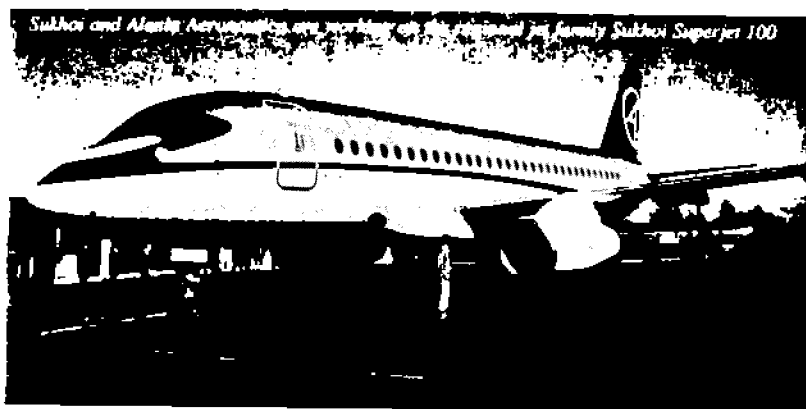
Japan is a very promising market where Finmeccanica intends to consolidate its presence, also through technical and industrial co-operation agreements with local partners. Finmeccanica has been present in Japan since the 1970s through OTO Melara. Today, AgustaWestland also operates in Japan, and the opening of an office in Tokyo is a clear sign of Finmeccanica's intention to increase its presence there. Other group companies operate in partnership with Japanese companies, or are actively promoting themselves on the Japanese market. The companies in

the aeronautics (Eurofighter), space and electronics/systems sectors are particularly active. The eventual aim is to set up a series of strategic long-term partnerships with Japanese industry, which will meet the challenges offered by the respective national and international markets. The Group's ties with Japanese companies are numerous and on the increase. Finmeccanica companies work with various general trading companies, including Sumitomo, Mitsubishi, Itochu, Sojitz, Marubeni, Mitsui & Co. and Kanematsu. They also have partnerships with major industrial companies: Mitsubishi Heavy Industries, Fuji Heavy Industries and Kawasaki Heavy Industries are involved in the Boeing 787 programme with Alenia Aeronautica, while Kawasaki Heavy Industries also operates with AgustaWestland in the construction of AW101 helicopters. AgustaWestland is already present in the country with the AW101, in service with the Japanese Maritime Self Defence Forces and the Tokyo Metropolitan Police, and with the AW139 and AW109 Power in service with several government and police agencies and many commercial customers. In the fixed wing sector, Alenia Aeronautica is a co-leader with BAE Systems in the local Eurofighter

*AgustaWestland has registered unprecedented penetration of US markets through the presidential Helicopter programme VH-71*



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Typhoon sales campaign. We consider Japan an opportunity and we are ready to follow up any developments.

**Homeland security is emerging worldwide as a major market. What are Finmeccanica's contributions in this domain? What are the current and potential markets internationally and regionally?**

In the last few years the concept of security has changed dramatically. In fact, since the end of 2001, changes in the international situation have imposed new requirements that bring defence and security closer together. From that moment on, all defence companies worldwide, regardless of their previous background and references, had to focus on possible technological responses to the new challenges and started to develop new solutions based on network-centric environments that integrate sensors and platforms in complex systems able to respond to the new concept of Homeland Security. In this sense, only the companies with capability both in defence technology and systems integration were able to satisfy the new requirements. Thanks to its wide range of products (platforms and sensors), systems integration ability and huge investments in R&D, Finmeccanica became a main player in the new homeland security market from the beginning. Homeland security and the related technological solutions are brand new concepts and through

SELEX Sistemi Integrati and other group companies, Finmeccanica is one of the groups able to fulfil these new requirements. Today, SELEX Sistemi Integrati is recognised worldwide as a major centre of state-of-the-art technology in security. Specifically, in Poland, the company is supplying a maritime border surveillance system to protect the coast.

**Finmeccanica is already present in the US market, mostly in the Aerospace and Defence sectors. Its business units AgustaWestland and Alenia Aeronautica have registered unprecedented penetration of US markets through the VH-71 and C-27J Spartan respectively. Would you please elaborate on that? How is Finmeccanica consolidating its future in US?**

We want to be perceived as an international company with a strong presence in the US, and we believe it is impossible to achieve growth without having a major footprint in the US. This goal can be achieved through a combination of different means, including acquisitions, joint ventures, program alliances and direct efforts. But to be a major player in the US, you need to have a major local industrial presence in the country and we are building this presence in different business segments. Once the acquisition of DRS Technologies is approved, we shall have more than 12,000 workers

in the US and we shall be active in our three main businesses: Aeronautics, Helicopters and Defence and Security Electronics. The perception of Finmeccanica in the US has changed a lot in the last couple of years or so, and is going to change further after we complete the DRS Technologies acquisition. By then, we shall have more room to manoeuvre. I want also to understand how DRS Technologies, which is a successful company, sees the US market and compare our viewpoints to decide on our strategy in the US and elsewhere. By combining experiences and approaches in an integrated common view, we can achieve a lot, both in the US and globally. The US defence market is one of Finmeccanica's priorities. Finmeccanica continues to invest and create jobs in the US, regardless of the results of tenders, which it may win or lose. The Group has achieved significant results in the country and has numerous opportunities in other sectors, with AgustaWestland Alenia North America, the Selex companies, Eltag Datamat, OTO Melara, AnsaldoBreda, Ansaldo STS and Thales Alenia Space. Its fully operational plants in the US include that of Global Aeronautica (a joint venture between Alenia Aeronautica and Boeing) in Charleston for the assembly of the Boeing B787 fuselage, AgustaWestland's facility in Philadelphia for the development, production and marketing of AW119 and AW139 helicopters and maintenance for the AW109, and SELEX Sistemi Integrati's plant in Kansas City for the manufacture of air navigation assistance systems. The next production site will be built in Florida for the C-27J as part of the JCA programme for the tactical transport aircraft for the US Army and Air Force.

**Mr. Guarguaglini,  
Thank you very much ■**