



AgustaWestland Convention

Introduction

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Finmeccanica

The first phase of the Finmeccanica global strategy has been positively accomplished.

It has been a long and highly demanding road, started in 2002 when the strategic guidelines have been defined, but today results stand by and demonstrate that all the major goals have been achieved.

Finmeccanica's revenues grew by a factor of two in few years, allowing ourselves to invest more and more in research and innovation, which is the real key to become competitive in the global arena.

About eighty per cent of these revenues come from the aerospace, defense and security sector, which means that we shifted from being a general conglomerate to a focused group specialized in high-technology products and systems.

Recent acquisitions and strategic alliances transformed Finmeccanica in a real international group: UK is now our second domestic market and the

United States were the theatre of relevant investments and brilliant successes.

In next years we expect a sharing of revenues more and more balanced amongst Italy, UK, US and the rest of the world.

AgustaWestland

Throughout this process, the role played by AgustaWestland has been absolutely outstanding.

The risky decision to buy from GKN the fifty per cent of the joint venture in order to get a complete strategic and operational autonomy, also in view of the Marine One bid, has been fully rewarded.

The success of the US101, the Strategic Partnering Arrangement with the UK MoD, the Future Lynx program, the LIATEC joint venture with Lybia and other significant contracts placed all around the world, set major milestones in promoting AgustaWestland products and the Finmeccanica brand on the international scene.

The future

However, this is only the beginning of the story.

We may not forget that in many cases good strategies fail in translating mergers and acquisitions into operational and management advantages.

The main objective of Finmeccanica's strategy is now to become a "one single group", with the full and effective integration of all new assets: human resources, research and technological excellences, industrial plants and marketing networks.

Under this respect, the role that each company has to play will be crucial for the successful development of the whole group.

It is quite clear that Finmeccanica will never be able to be a "one single group" if each one of its operating companies will not become a "one single company" by its own.

But requirements for changing do not come only from inside. In the next future, we will have to face new and demanding challenges.

The consolidation process of European aerospace, defense and security industry will proceed and it will ask to Finmeccanica to be protagonist with a clear strategy supported by an adequate capability of innovation and competitive products.

Exiguity of public budgets, particularly in Italy, will require an aggressive commercial policy, in order to sustain the organic growing of operational companies.

Finally, emerging economies are approaching the global market not only exploiting the competitive advantage of lower costs for mass products, but are very fast improving their know-how and the capability of offering high-tech products.

Nevertheless they provide not only a threat for western countries, but also a set of opportunities, if we will be ready to consider them as valuable partners for developing our businesses.