

Il Giornale – 9 July 2007

Big party in Seattle yesterday for the roll-out of the 787 Dreamliner. Some parts of the flying colossus are built by Alenia at its new facilities at Grottaglie.

A quarter of the new Boeing is made in Italy

Finmeccanica chief Guarguaglini: “This contract is worth EUR 650 million a year. And the aeronautics sector is among those that will see the most growth.”

Airlines face tough conditions and Alitalia is in an impasse

Strategies

“There is no point in acquiring a stake in EADS, since it is a competitor”

FROM NICOLA PORRO IN SEATTLE

“For us,” says Pierfrancesco Guarguaglini, chairman and chief executive officer of Finmeccanica, “the new Boeing 787 is worth seven aircraft per month, and it is planned to increase this to 10 per month; it therefore yields a turnover of EUR 650 million per year. We have already invested EUR 500 million, and plan to invest as much again.”

All the group’s senior management are here at Boeing’s Seattle headquarters. And, with a few hours to go until the roll-out of the new 787 Dreamliner, all is set for the party. In Alenia’s new factories at Grottaglie, near Taranto, Italy, built specially to produce around a quarter of the new Boeing’s structure, there will be a live link-up with Seattle, to celebrate the shape and structure of the new plane, which received more than 1,000 orders even before it had ever flown.

Will Finmeccanica’s future depend ever more on Aeronautics?

“It is one of the group’s sectors that will see the most growth. At present it accounts for little more than a fifth of revenue. But in relative terms all of Finmeccanica will get bigger. We estimate that we have EUR 3.5 billion available for new acquisitions, including new debt, our existing resources, and the authority to increase the group’s share capital. And there will also be an element of organic growth.”

Will the new commitments and investment in the Dreamliner use up some of these resources?

“No.”

Your term in post will expire with the May 2008 shareholder's meeting. Do you expect to be in charge of the group's further growth?

"This is not on the agenda and, in any case, depends on the core shareholder. Certainly, if we make further acquisitions, either I or someone else will manage these."

Let's come back to the 787. All around the world airlines are going bankrupt, yet you are betting heavily on the aeronautics sector. It seems like a contradiction ...

"Despite the difficulties in Europe and America, the market is growing. Airlines have sometimes competed excessively on price. They are going bankrupt because they haven't done their sums properly."

And surely the lack of an Italian company in good health is damaging you in this sector. Alitalia couldn't even afford to order a moped, never mind the brand new 787.

"In the past Alitalia played an important role. Some contracts were linked to orders from our company. But the case of the 787 demonstrates that this is no longer true. Alitalia has not placed even a single order, yet we build 26% of the new Boeing's structure."

By the way, how much does it cost?

"The list price, including the engines which are worth about USD 30 million, approaches USD 200 million per aircraft."

You have tied yourselves closely to the Americans at Boeing. Meanwhile, EADS, which owns Airbus, seems to be having difficulties. Every so often there is talk of you joining the consortium. Is there any truth in this?

"Let's be sensible. We have grown, while EADS has shrunk. As a result, we cannot think simplistically of our acquiring a share. We cannot become 5% shareholders in a competitor. We compete in helicopters, in cargo aircraft, and in defence electronics: it is difficult for us to get together, unless we comprehensively review the whole structure of the two groups, in the context of a new European defence scenario."

Defence electronics accounts for almost 30% of your revenue – more than helicopters and airplanes. Yet in strategic terms it seems the most fragile sector ...

"It needs strengthening, both organically and by seeking acquisitions, which could be either in Europe or in the United States."

There has been talk of the French company Thales ...

"We are prepared to look at what we might do together, but we cannot stand still because of this."

A month ago, in the company of a squad of Italian managers, you saw the French President, Sarkozy. How will the structure of France's defence industry change?

“There may be some indication regarding EADS towards the end of this month. But what really matters is how all the various defence industries will be structured, from Thales to Dassault. Sarkozy struck me as very determined, and I think that by September we will have a clearer idea.”