HUMAN RESOURCES AND PUBLIC RELATIONS
PEOPLE

We consider our company to be a community of people, and our people are one of its most competitive assets. We work with 75,000 employees with the aim of bringing out and rewarding the talents and abilities of each one. We work to strengthen a common industrial culture and identity and we are committed to providing welcoming, safe places to work.

Snapshot at 31 December 2010

Overall workforce: 75,197 employees *

Non-Italian employees account for 43.4% of total.

* Employees in joint ventures are consolidated, based on the share held by Finmeccanica Group (MBDA, Thales Alenia Space, Telespazio, ATR, SuperJet International).

NOTE: Percentage incidence of workforce on total is in brackets.
Highlights

RED Project, review and reallocation of assets and resources among companies in the Defence and Security Electronics and the Space sectors.

Planning of the Finmeccanica Elite Management System (FEMS).

First edition of the Executive Leadership Programme (ELP).

Confindustria confers upon Finmeccanica the “Orientagiovani” Award for its commitment to the promotion and enhancement of a technical culture both within the Group (Back to Basics) and at the national level (Technical institutes project).

BEST Masters: credited by ASFOR (Italian Management Training Association) as a Corporate Executive MBA (Masters in Business Administration); it was the first Masters in Italy to have been recognised as an e-learning MBA.

Creation of the FLIP Final Conference.

Intellectual assets: over 30% of Group employees are university graduates and 47% have high school diplomas, with a distinct prevalence of technical degrees and diplomas.

Technological soul: 16,000 engineers, mainly in the aeronautics/aerospace, electronics, mechanical, information technology and telecommunications sectors.

Manufacturing vocation: 21,000 highly specialised technicians working in the various Group companies.

Intergenerational exchange: four generations work side-by-side at Finmeccanica. This extraordinary intellectual and human asset is fed and strengthened above all by the creative energy of those aged under 35 (30% of the workforce) and by the experience of the “senior” employees aged 50 and over (31%).

Hours of training provided in 2010 (Finmeccanica Group in Italy): 931,513 *.

Average training hours per employee: 22.

Over 38,000 responses from 27 countries to the Business Culture survey on the Group’s corporate culture and climate.

For more information on Finmeccanica’s workforce, please refer to www.finmeccanica.com, in the People/People in the world sector.

* The figure does not include the hours of training attributable to orders.
People: excellence, identity, international integration

Finmeccanica is moving out of a multi-domestic dimension and into an international one. This transition, which has also been the result of new acquisitions, imposes the need for integration and harmonisation of processes, practices and forms of behaviour. To reach these goals, the Human Resources Department and the External Relations Department are working on a day-to-day basis, implementing an integrated system dedicated to human resources that involves the Group Parent and its subsidiaries in a continual two-way process.


In this scenario, strengthening Group identity plays a fundamental part. Finmeccanica works to ensure respect for people’s origins and regional characteristics, and to encourage their recognition within a distinctive common culture.

Consolidating Group culture: dialogue with people

Finmeccanica supports the development of a distinct, multicultural identity by implementing innovative plans and tools to increase involvement, listening and dialogue and to facilitate the creation of a network that will improve Group assets.

Listening to people’s opinions and noting how their needs change are the main goals of the Business Culture survey on climate and culture aimed at all Group employees, conducted every two years by Finmeccanica. Every employee is called upon to express his or her opinion on his or her work and corporate life, and to take part in important projects for change that follow the “listening” phase.

The 2010 survey (third edition) had a distinctly international flavour, involving as it did for the first time the employees at DRS Technologies and many of the Group’s foreign sites in Australia, Africa and Asia. The questionnaire looked in depth at certain specific topics that have become of particular interest to Finmeccanica over recent years: health and safety in the workplace, care for the environment, sharing of corporate values, employee motivation and satisfaction, merit-based promotion, efficiency of management style and opportunities for development and training offered by the Group.

The results of the 2010 survey appear as a whole to have expanded with respect to previous editions.
Some significant highlights in terms of sustainability *

<table>
<thead>
<tr>
<th>Subjects</th>
<th>2010</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job satisfaction and company climate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I’m satisfied with the job I do</td>
<td>79.5</td>
<td>77.8</td>
</tr>
<tr>
<td>I’m satisfied to work in my company</td>
<td>77.8</td>
<td>75.5</td>
</tr>
<tr>
<td><strong>Sense of belonging</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel a strong sense of belonging to my company</td>
<td>76.7</td>
<td>73</td>
</tr>
<tr>
<td><strong>Pride and trust in the future</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I’m proud to work at Finmeccanica</td>
<td>79.8</td>
<td>n.a.</td>
</tr>
<tr>
<td>I have faith in the future of Finmeccanica</td>
<td>81.6</td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>Points of satisfaction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I consider myself satisfied as a whole with my working environment</td>
<td>70.5</td>
<td>68.6</td>
</tr>
<tr>
<td><strong>Safety at work and protection of the environment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In my company there is attention and involvement in health and safety questions</td>
<td>74.8</td>
<td>n.a.</td>
</tr>
<tr>
<td>My company pays attention to environmental protection</td>
<td>70.3</td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>Customer satisfaction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In my company we are oriented towards customer satisfaction (internal and external)</td>
<td>79.9</td>
<td>82.1</td>
</tr>
</tbody>
</table>

* The results are expressed as the percentage of those in agreement, which includes those who stated they were fairly and very much in agreement with the contents of each of the questions.
Analysing the results of the 2010 survey has identified two priority areas for intervention at the Finmeccanica Group level, and each company is identifying areas for improvement that will be communicated, launched and monitored during the whole of 2011:

**LEVERAGING PEOPLE**

- Leveraging the talents of individual people, rewarding merit, professionalism and willingness to take on responsibility.
- Promoting the values of **attention to people** and **team spirit** at all levels of the organisation and in all Finmeccanica sites throughout the world.
- Spreading a style of management that encourages employees to give the best of themselves, aids the professional growth of partners and their direct involvement in the achievement of results.

**ENHANCING INDUSTRIAL PROCESSES**

- Facilitate the development of synergism and integration processes within each company and between the Group companies.
- Improve performance and reduce costs.
- Respond effectively to this vision in a flexible, fast way.

**INTERNAL COMMUNICATION TOOLS AND EVENTS**

Mutual exchange of information and knowledge, essential to developing and strengthening Group culture, takes place daily using two-way communication tools.

The External Relations Department, which manages internal communication in coordination with the Human Resources Department, connects to the companies by means of an internal communications network made up of sixty persons from the communications and human resources departments. These people not only share day-to-day operations – informing Finmeccanica of what is going on within the companies (e.g., contracts, events, points of excellence) – but also engage in periods of reflection and training, which in turn allow them to transfer “Group thinking” to their companies.

Communication takes place using tools and events dedicated to employees, as shown in the table below:

<table>
<thead>
<tr>
<th>TOOLS</th>
<th>DESCRIPTION</th>
<th>OPERATIONS AND RESULTS 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability Report</td>
<td>This is the most important means of spreading the culture of sustainability within the Group.</td>
<td>Publication of the third Sustainability Report for the year 2009 with integration of the Environmental Report.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Started transition to the Sustainability Report 2010.</td>
</tr>
<tr>
<td>Group Intranet portal</td>
<td>This is the main instrument for Group employees, and is used to share news about companies, social and cultural events and press folders.</td>
<td>Continued with the work to connect up all foreign sites.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase in visits to the portal: peak of 230,000 in the month of October.</td>
</tr>
</tbody>
</table>
| **Finmeccanica Forum** | Available to all in the Communication section of the Group portal, it aims to create a two-way connection between top management and employees, by making it possible to ask questions, write personal comments and receive the relevant answers. | Visits: 5,236  
Pages viewed: 8,182 *

It also contains information from the press, news agencies and statements which are updated systematically. |
| **Management Forum** | Dedicated exclusively to managers, it was launched in the month of October, in preparation for the annual Management Convention. | Users: 1,300  
Pages viewed: 17,012 **

Designed to be a “virtual meeting place” in which to pose topics for debate, consideration and comparison, after the event the Forum has been used to share questions, documents and films, allowing managers to involve their partners in the debate as well. |
| **Finmeccanica Magazine** | Since 2004 this has been an important communication tool in which to share management decisions, Group points of excellence and future prospects with employees. | Enclosures have been introduced to give visibility and added information on the various business segments. |

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### EVENTS AND MEETINGS

| **Management Convention** | Annual convention for executives from all Group companies, during which challenges and opportunities are analysed and areas for improvement for the coming year are discussed. | Held in Turin-Caselle (over 1,500 participants).  
Subjects of the 2010 edition were agility and flexibility, considered key factors in dealing with the crisis and improving performance. |
| **Seniores Award Ceremony** | Celebration of employees who have been with the company for 35, 40 and 45 years and Master Workers. | Held in Pratica di Mare (Rome) (over 1,000 participants).  
Stressed the value of experience, which is considered one of the fundamental principles for guaranteeing the Group increasing growth in the future. |
| **Energy Day** | A day aimed at making all Finmeccanica staff in Italy, the United Kingdom and the United States aware of energy saving issues. | The savings generated by the energy stratagems adopted during the day were donated to charity. |

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* Data referring to June 2010 through December 2011.  
** Data referring to 3 November 2010 through 28 February 2011.
ENHANCEMENT OF THE HUMAN RESOURCES CAPITAL

Finmeccanica works to strengthen a distinctive approach within the Group. This involves not only culture, but also languages, methods, shared metrics, through:

- formation of a class of managers with international excellence and authority;
- consolidation of an industrial culture centred on Finmeccanica’s core expertise;
- a firmly rooted culture of merit aimed at allowing the talents of those working within the Group to emerge.

The system is organised into the areas Education, Development & Knowledge Management, which oversees and governs enhancement of talent and development of skills, and HR Management & Industrial Relations, which works towards optimum management of human resources and governance of the industrial relations system.

Education, Development & Knowledge Management

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009 **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training hours provided *</td>
<td>931,513</td>
<td>859,131</td>
</tr>
<tr>
<td>Training hours per employee ***</td>
<td>22</td>
<td>20.2</td>
</tr>
</tbody>
</table>

* The figures refer to employees in Italy.
** At 30 June 2010.
*** Ratio between the hours of training and number of employees.

INDUSTRIAL KNOWLEDGE

The integrated Industrial Knowledge system constantly watches over core competencies to develop and enhance the Group’s intangible assets.

In 2010, the following activities were carried out:

<table>
<thead>
<tr>
<th>PROGRAMME</th>
<th>DESCRIPTION</th>
<th>ACTIVITIES IN 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Management Programme (PMP)</td>
<td>A training programme aimed at developing the methods to support order management by adopting the best programme/project management practices.</td>
<td>Overall figures for the three-year period 2008-2010: - 22 companies involved, 1,993 participants from 15 nations, 23 training sites in 5 countries (Italy, France, United Kingdom, United States and Australia), over 100,000 hours of training provided (mainly funded), 221 editions, 184 PMs certified from 2008 to date. In 2010: - expansion of participant pool (not just PMs, but all persons on project teams); - creation of a survey on 2008-2009 participants to assess the effectiveness of the PMP from the point of view of training and applicability of the PM model within individual companies.</td>
</tr>
<tr>
<td>Finmeccanica Economics Programme 2.0</td>
<td>A blended programme using advanced distance learning methods based on the application of Web 2.0 technology.</td>
<td>300 participants in 2010; since the start of the initiative in 2006 there have been a total of over 1,400 participants. Business simulation in the classroom has been extended and is also provided in the United Kingdom. Finally, a specialised module on Industrial Cost Control and on the Planus Method has been developed.</td>
</tr>
</tbody>
</table>
**YOUNG PEOPLE PROGRAMME**

Young People Programme is a training and development programme dedicated to young people in the Finmeccanica companies, and it has the aim of improving specific professional and managerial skills and spreading distinctive Group values. This programme includes the following:

<table>
<thead>
<tr>
<th>PROGRAMME</th>
<th>DESCRIPTION</th>
<th>ACTIVITIES IN 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>FHINK</td>
<td>FHINK, the Masters in International Business Engineering, is an ambitious project aimed at identifying, on the global market, human resources with outstanding motivation and professional characteristics. The skills sought are the ones that will immediately be able to give an effective contribution to the various company operating processes and, above all, to the evolution of Group culture.</td>
<td>Participants: - 26 students of 12 nationalities; - average age of 25 years. Training: - approximately 1,500 hours in all. Overall number of persons from the Finmeccanica Masters programme who have entered Group companies: - 128.</td>
</tr>
<tr>
<td>FLIP</td>
<td>FLIP (Finmeccanica Learning Induction Programme) is an orientation course for the Group’s new hires to illustrate Finmeccanica’s distinctive set of values, develop a sense of belonging to the Group and provide participants with the necessary information to better understand the organisation and so be more effective in their work. The course uses a blended learning approach based on a mixture of classroom lessons, e-learning and team work (both virtual and in person).</td>
<td>- Since 2005 approximately 1,300 persons have taken part in FLIP - In 2010, the orientation course was launched at the international level; approximately 300 participants from 4 countries (United Kingdom, United States, Italy, France) were involved. Following the training course, a final conference, broadcast via live streaming on the web, was held on 4 November 2010 in partnership with the “Guido Carli” LUISS University, Rome. The approximately 300 participants from all over the world were able, during a debate entitled “2 generations face-to-face for the future of Finmeccanica”, to directly interact with Chairman Guarguaglini and several of the Group’s top managers to discuss 4 issues that the young people themselves have identified as priorities to follow up the growth they experienced: 1) the values and competencies of Finmeccanica’s Generation Y; 2) intergenerational dialogue; 3) the future of Finmeccanica; 4) integration of Group business and companies. The event was conceived with particular emphasis on issues of the environment and eco-sustainibility: the event was paper free, and participants were transferred from place to place using electric shuttle buses (ZEUS) made available by BredaMenarinibus, one of the Group companies.</td>
</tr>
<tr>
<td>BEST</td>
<td>BEST (Business Education Strategic Ten) is the one-year Masters in General Management dedicated to young high-potential graduates from all Group companies with up to three years seniority. The main aims of the Masters are to develop leadership and teamwork skills.</td>
<td>This Masters has been certified as a Corporate Executive MBA by ASFOR (Italian Management Training Association) and is also the first corporate Masters in Italy to have received this prestigious recognition as an e-learning MBA. There have been 3 editions, with a total of 55 participants. Since 2008, a total of over 700 young people from various companies have taken part in BEST.</td>
</tr>
</tbody>
</table>
Future L.I.F.E. (Learning Intensive Finmeccanica Experience) is aimed at all young people in Group companies who have distinguished themselves as the best in class of the various editions of the BEST Masters. Future L.I.F.E. is a novel training experience aimed at encouraging participants to experiment with the practices, knowledge and tools that are essential for working effectively within the Finmeccanica world. The aim is to offer them the opportunity to compare notes with “models of excellence” at the international level, and then bring what they have learned directly back into the Group’s management.

Future L.I.F.E.

In 2010, approximately 20 participants had this experience, which took them during the live interactive session to Toulouse, as the guests of Thales Alenia Space and GIE-ATR. Since 2005, over 60 young people from the Group have taken part in Future L.I.F.E.

Key facts:
- 200 young people from various Group companies have taken part;
- during the course’s 3-day launch, special panels of experts from inside and outside the Group debated “Technological innovation, internationalisation, value creation”;
- during the following months, 5 work projects on the issues of innovation, value creation, technological development/operations, multicultural and internationalisation were carried out.

The various editions of this initiative have involved approximately 300 young people from the Group.

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EXECUTIVE & MIDDLE MANAGER PROGRAMME

Managerial training aimed at executives and middle managers, with the aim of increasing professional expertise and encouraging the development of a managerial culture based on a Finmeccanica leadership style.

### Programme Description

**Competency Lab (CLab)**

A training and development programme for managerial skills, divided into training courses that are customised according to individual needs.

**ACTIVITIES IN 2010**

Completion of the pilot phase, with overall involvement of approximately 150 executives and 500 middle managers from all Group companies. In December the first edition for executives was held in the United Kingdom, and labs are currently starting in the United States as well.

**From technology to values**

A managerial training seminar aimed at high-potential international executives.

**ACTIVITIES IN 2010**

Two editions of the seminar have been held, and were attended by 42 executives of various nationalities (Italy, United States, United Kingdom, Australia). To date, the community of participants in the various editions of the project comprises 311 executives who, in 2010, were actively involved as mentors for young graduates who had newly joined companies in the Group and were taking part in FLIP.
As well as the programmes mentioned above, the other main initiatives for development of human resources completed in 2010 were:

- the **People Review** process, which is complementary to the Management Review and focuses on middle managers and on young people with high potential (Rockets). More than 600 people are involved;
- the Finmeccanica **Assessor Academy**, an international qualification and certification process aimed at training assessors in the HR Professional Family in order to “internalise” the core skills needed to analyse and assess the potential of personnel, using standardised tools and methods, in order to arrive at a “Finmeccanica model” that is increasingly able to identify and develop the Group’s talent pool. Twenty-two assessors have been trained and certified. In 2010 they were already able to apply the Finmeccanica assessment methods in company and Group development programmes (Future Leader Review for PMs, assessment of potential).

### The Finmeccanica Elite Management System (FEMS)

One of the main areas of action in 2010 was Talent Management & Development. A new integrated model for the development, management and training of human resources has been designed, known as the Finmeccanica Elite Management System (FEMS). FEMS helps to cultivate a management class of international standing that allows the Finmeccanica Group to successfully take on business challenges employing a structured approach that guarantees the necessary turnover at the management level in years to come. FEMS also seeks to enhance the talents of people, offering opportunities for professional development thanks in part to the support of a portfolio of targeted training initiatives.

Implementation and full operation of this new model is one of the strategic goals for 2011, and is shared by the Group Parent’s Human Resources Department and by all the HR departments in the operating companies.

### HR Management & Industrial Relations

Finmeccanica also works with the aim of ensuring optimum management of people by drawing up professional career and succession plans in line with the motivation/expectations of individuals and with business needs, management of mobility paths, definition of tools to measure performance and relevant incentive systems.

Since 2002, an annual meeting has been held with Group companies in order to analyse, share and verify company policies and initiatives for the management, enhancement and development of human resources at Finmeccanica.
It also ensures central, unified management of industrial relations and relations with trade unions, together with monitoring of labour laws and relevant operations for their implementation at the Group level.

In 2010, activities were carried out in the following areas.

<table>
<thead>
<tr>
<th>PROGRAMME</th>
<th>DESCRIPTION AND ACTIVITIES IN 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Succession plans</td>
<td>Activities within the annual Management Review (MR) process. Based on the evaluations made by the operating companies (performance/potential), and also shared by the Group Parent Finmeccanica in cooperation with the heads of the Professional Families, the succession plans for top level management positions in the main Group companies are drawn up. The plans are then discussed in the usual MR meetings between the Human Resources Department and top management.</td>
</tr>
<tr>
<td>Compensation</td>
<td>As part of the Group compensation policy, which defines systemic and coordinated management of fixed and variable compensation, in line with the specific requirements of the various countries, the scope of participants in the MBO system has been further consolidated, with involvement approaching 100% of the Group’s management/executive population, in line with and in support of the Group’s internationalisation process.</td>
</tr>
<tr>
<td>Incentive systems</td>
<td>With specific reference to the Performance Share Plan 2008-2010, in December 2010 the vesting period for assessment of the performance targets achieved in terms of EVA and new orders ended. The granting and delivery of the third and final installment of free Finmeccanica shares will take place early in 2011. With the approval of the Remuneration Committee, given on 16 December 2010, a new medium/long-term incentive plan has been set up for the three-year period 2011-2013, called the Performance Cash Plan. Approximately 300 employees will be given medium/long-term performance incentives. The incentives awarded will be given in cash and not in the form of free shares, unlike the previous three-year plans.</td>
</tr>
</tbody>
</table>

Connecting knowledge: the Professional Families

To support the processes for integration and internationalisation of culture, market and business, Finmeccanica has drawn up professional communities, the ideal place in which to share opinions and experiences and compare international practices.

Currently there are nine Professional Families in the Group:

1) Procurement  
2) Legal & Corporate Affairs  
3) Internal Auditing  
4) External Relations  
5) Human Resources  
6) Strategies  
7) Information & Communication Technology  
8) Sales & Marketing (Commercial)  
9) Administration, Finance and Control

Their ultimate goal is to create a common language and a single reference that is shared by all the companies, fed by periodic meetings, dedicated training courses, knowledge sharing, monitoring and exploitation of the professional skills present in the Group.

The development operations created and carried out in 2010 for the Professional Families included two editions of the Future Leader Review (individual and collective assessment), dedicated to the HR Professional Family and to the Project Management Professional Community, both involving executives and middle managers.
HEALTH AND SAFETY

In compliance with current legal provisions and all other regulations in force in this area, when managing matters of health and safety Finmeccanica:

- is committed to safeguarding the health of workers, taking all necessary and advisable measures on the basis of the best technical and scientific knowledge, in view of guaranteeing that its workplaces comply fully with the highest safety and hygiene standards;
- spreads and consolidates a culture of safety, to protect the health of workers in the workplace, develop awareness of risks and encourage responsible behaviour on the part of all employees and other partners.

In view of this, Finmeccanica shares, enhances and constantly brings into the Group companies its knowledge and experience of health and safety issues, by:

- drawing up common guidelines, methods and procedures for continual improvement of safety measures on the workplace;
- continual monitoring of regulations on this subject, encouraging their use throughout the Group;
- developing operations to support the health and safety culture by activating communication and training tools, including those for suppliers, external partners and any other party involved in corporate manufacturing processes;
- preparation of health protocols and preventive measures to be applied at the Group level, created based on a centre for the systematic collection of health control statistics.

Specifically, the Health and Safety Coordination Committee, set up in 2008 within the Finmeccanica Human Resources Department and including representatives of the relevant areas (such as regulatory, training, organisation, prevention and protection, and occupational medicine), has promoted the following initiatives:

- preparation of operating guidelines and methods to be applied at the Group level on work-related stress, in compliance with current regulations;
- preparation of uniform health protocols in relation to health controls;
- seminars on specific topics (work-related stress) and on general health and safety issues, aimed at addressing the most important subjects at the Group level.

Again in 2010, a project to investigate the health and safety of workers travelling abroad to high-risk countries was set up, particularly regarding the following:

- regulatory and legal framework;
- estimated number of workers involved and identification of the countries at risk;
- health supervision measures to be implemented;
- communication and information tools;
- training initiatives.

In 2011, this activity should result in the issue of a policy at the Group level.
Below is a summary of workplace accidents for the Group companies using frequency ratios:\(^5\)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency ratio</td>
<td>9.3</td>
<td>10.2</td>
</tr>
</tbody>
</table>

For further details on questions of “Environment, Health and Safety”, please see the “Environmental dimension of sustainability” section.

**SOCIAL & HEALTH CARE SERVICES**

The promotion and provision of social services continued in 2010, and services to safeguard the health of employees were enhanced and coordinated alongside traditional health care activities (medical centre, postural gymnastics and check-ups) to provide a series of preventive medicine and health awareness initiatives.

In particular, the following activities were carried out within Finmeccanica:

- Prevention programme - postural gymnastics
  from January 2010
  over 100 participants;

- Anti-smoking programming - Conference organised in November 2010;

- Prevention programme - thyroid screening
  May 2010
  130 participants;

- Ageing and skin disease prevention programme - dermatology check-up. This programme was provided by dermatology specialists from Catania University.
  June 2010
  over 150 participants.

All the programmes and initiatives undertaken as part of Finmeccanica’s Health Care Service, including supporting information, are distributed and promoted to all the Italian operating companies, which may, if they consider it necessary, offer these initiatives fully or in part (with obvious returns in terms of economies of scale).

\(^5\) The frequency ratio is calculated as the ratio of the number of accidents in one year to the number of hours worked. To make the result easier to read, this is then multiplied by 10\(^6\). For the purposes of the indicator, accidents are considered to be those resulting in an inability to work equal to or more than one day, excluding the day on which the accident took place. Accidents that occur while commuting are not included.
INDUSTRIAL AND TRADE UNION RELATIONS

In Italy

The consolidated level of trade union membership in 2010, net of executive staff, was 41.17% for the Italian part of the Group.

In Italy, 100% of the employees are covered by the metal-working and engineering industry National Collective Bargaining Agreement (NCBA), with negotiations taking place at company level for renewal of the company-specific collective bargaining agreements.

Once again in 2010 Finmeccanica maintained its tradition of unified industrial relations, based on cooperation for the common solution of problems, in spite of the complex situation that arose following failure by the Italian trade union FIOM – CGIL to sign the NCBA on 15 October 2009.

Industrial and trade union relations during the year have played a significant role in various company reorganisation and renovation efforts, which have been managed in such a way as to limit their impact at social and employment level. The most significant events included:

• the signing of framework agreements with the three unions regarding two important reorganisation plans relating, respectively, to Defence and Security Electronics (agreement dated June 2010) and concentration of the Group’s real estate in FGRE (agreement dated September 2010);
• management of the Group’s internal processes for reallocation of staff from companies that have gone into liquidation (Elsacom and So.Ge.Pa);
• introduction, together with the trade unions, of plans to improve the efficiency of certain Group companies (Ansaldo Energia, Elsag Datamat, Telespazio and AnsaldoBreda);
• the signing of second-tier supplemental agreements for MBDA (4 June 2010) and BredaMenarinibus (17 June 2010);
• the signing of agreements to activate the social safety nets required for the reorganisation of certain Group companies;
• coordination and management, ongoing from previous years, of the intragroup mobility processes (so-called “compensation pools”).

In particular, as regards the Aeronautics division, all legal means allowed for managing a corporate reorganisation (early retirement and wage supplementation) were used.

During 2010 certain companies in the Group introduced voluntary early retirement processes in order to optimise staffing both in terms of an adequate professional mix and in terms of numbers. More specifically, the companies that signed agreements with trade union for that purpose were:

• **Ansaldo Energia** (May 2010): 140 employees;
• **Elsag Datamat** (April 2010): 130 employees;
• **AnsaldoBreda** (March 2010): 200 employees;
• **Ansaldo STS** has also requested permission to place 140 employees in early retirement in order to rationalise the business management structures, the related support functions and to increase its competitiveness on international markets.

Furthermore, to address the particularly unfavourable economic situation, some companies have made use of wage supplementation, which is an instrument that does not impact employment but only involves suspending the employment relationship for a limited period of time.

More specifically, it should be noted that:

• **AnsaldoBreda** has begun a thorough reorganisation process, making use of the special wage supplementation mechanism aimed at requalification and training of staff, in order to be competitive with other international players. In 2010, this operation involved an average of 450 employees;
• **Aeronautics division:**

  1) due to closure of the Brindisi factory, 71 employees were covered by the special wage supplementation procedure, at the end of which 58 were reassigned within the Aeronautics division itself;
2) following reduction in the volume of certain operations relating to sites in southern Italy (Pomigliano, Casoria, Nola, Foggia) and to the Venice site, ordinary wage supplementation was used for an average of 70 employees (during the first half of 2010) and for 200 workers, respectively.

An industrial relations working group (also comprising the industrial relations officers from certain operating companies) has also been set up on an experimental basis aimed at improving information and solution of cross-company problems with the greatest impact. This working group will be drawing up a policy on questions of flexibility, the labour market, corporate welfare, supplementary health services, training, health and safety, and equal opportunities.

At the international level

Particular care is taken in achieving gradual organisational, regulatory and contractual integration of employment agreements, in order to support the business internationalisation process. In this regard, during 2010:

- development activities aimed at harmonising how labour law matters are addressed and in implementing synergies between the structures of the various companies in the United Kingdom continued, encouraging the creation of central human resources shared services and defining standard staff benefit policies;
- analysis and assessment of possible synergies at the Group level in the United States continued;
- review of the agreements for staff in international mobility continues, with the specific aim of guaranteeing effective global harmonisation and better alignment with market best practice.

Two other areas of significant action from an industrial and trade union relations point of view in the United Kingdom were:

- pension schemes, where governance of the Group Future Planner fund has continued. This defined-contribution plan currently includes all new employees of the British companies and, while ensuring competitive pension benefits for employees, allows for the company’s obligations to be managed in a low-risk manner so as to not impact the debit side of the balance sheet;
- trade union operations by the European Works Councils (EWC) established in the United Kingdom, respectively, in AgustaWestland in 2008 and in SELEX Galileo in 2009, which provide information and consultation on company performance and programmes.

Finally, also as to pensions, defined-benefit plans continue to be provided in the United States for DRS Technologies only.
SOCIETY

We develop and exchange innovation and technology all over the world. We bring skills and expertise to various countries, aim to share values and know-how with the communities in which we operate, and help preserve the local cultural heritage in a responsible manner.

Snapshot at 31 December 2010
Governance of external relations

In a group as complex as Finmeccanica, maintaining continuing relations with all the categories of stakeholder is of prime importance, both at general and at local levels. These relations are coordinated and managed by the Group Parent, through its External Relations Department, which works constantly to guarantee a balance between the opportunities offered by the ongoing internationalisation process and those connected with the strong roots that Finmeccanica companies have in their various countries of origin.

The Group Parent’s direction and control takes the form both of development of general guidelines for action addressed to the corresponding units in the subsidiaries, and of direct coordination of communications, when the importance of the subject being dealt with is of strategic significance (e.g., monitoring of national and European parliamentary operations). Each company has sufficient responsibility and independence to allow management of any needs that may arise locally during management of production sites, through a structured dialogue with representatives of the local area.
Relations with national and international public bodies

Finmeccanica is a global group, and operates in over 50 countries on every continent. Therefore, the Group frequently operates under inter-governmental cooperation agreements, which are regulated by specific protocols.

Finmeccanica’s strong relations with national and international institutions is not restricted to matters relating to defence and security. More and more frequently the Group is being consulted to help with activities aimed at improving policies on mobility (air and rail transport, both in the sense of independent systems and networks to be managed), energy, the environment, research and the competitiveness of the European industrial sector.

Interaction with national and international governments and institutions takes place constantly, in the manners and forms allowed by law, both when defining and when implementing public policies in the industrial, environmental, safety and mobility fields. Finmeccanica’s contribution to these areas of discussion serves both to assess the impact of certain reforms or new regulations, and to provide important advice to the various bodies or organisations responsible, based on Finmeccanica’s direct experience in the field.

At the European level, Finmeccanica takes an active part in the preparation of European space policy and the relevant research programmes, such as GALILEO and GMES. It also contributes to the definition of the Common Strategic Framework (formerly the 8th Framework Programme), regarding matters relating to the sectors in which the Group operates: green aeronautics, security, mobility/transport technology, development in security and home affairs issues for the safety of citizens, European investment policies for environmental protection and social innovation.

In 2010, Finmeccanica continued to work:

• to encourage the development of Community regulations and standards, compliance with the European Code of Conduct in order to facilitate both the transfer of products in complete security and respect for UN and European Union guidelines;
• to increase and consolidate cooperation between European defence industries, at the same time increasing the transparency of relevant processes thanks to updates to a common list of military equipment, aimed at avoiding differences in national interpretations;
• to support the Group’s commercial and industrial initiatives through institutional relations.

Relations at the local level

Group offices and manufacturing sites are mainly concentrated in Italy, where the Group is present in almost all regions, and in the other domestic markets – the United Kingdom (38 sites) and the United States (78 sites).

The Group also maintains a significant presence in France, Germany, India, Australia, and in various other countries, including Poland, where acquisition of the historic helicopter manufacturer PZL-Świdnik was recently completed. The fact that Finmeccanica sites are often distributed widely throughout the relevant geographical areas, above all in very different areas, has prompted the Group to develop its own strategy of relations, aimed at creating a Finmeccanica “sustainable model” common to all sites, based above all on respect for the cultural, environmental and economic differences in the territories involved.

At the local level, Finmeccanica’s attention is mainly turned to relations with representatives from the local communities and areas in which it is present. The main topics of discussion relate to the:

• sustainability of the impact relating to sites;
• economic effects on the area;
• protection, qualification and job training for human resources;
• support for local cultural and social initiatives.

Finmeccanica takes an active role in providing information about its technological skills and materials to the areas in which it operates, in order to share its responsible development and cooperation model. It operates in close cooperation with the various local actors, in particular with the academic world. The Group maintains relations (research agreements, teaching activities, internships, scholarships, masters and other educational programmes) with approximately 50 universities and 19 research centres in Italy, and with approximately 60 universities and research centres elsewhere.
At the national level, Finmeccanica has contributed towards creation of the Foundation for Research and Enterprise, together with Fondazione Politecnico di Milano, Istituto Italiano di Tecnologia, Scuola Superiore Sant’Anna in Pisa, Enel, Telecom Italia and Intesa Sanpaolo. The Foundation has been created with the aim of providing support for and encouraging the growth of small and medium enterprises and high-tech start-ups that will provide vital new life for the Italian industrial fabric.

Distribution of relations between Group companies and universities throughout the world

Some of the top universities with which the Finmeccanica Group interacts, by geographical area.

**ITALY**
- Università degli Studi di Roma “La Sapienza”
- Università degli Studi di Roma Tor Vergata
- Università degli Studi di Napoli Federico II
- Università di Pisa
- Università degli Studi di Genova
- Università degli Studi di Firenze
- Politecnico di Milano
- Università di Bologna
- Università Commerciale Luigi Bocconi, Milano
- Scuola Superiore Sant’Anna, Pisa

**UNITED KINGDOM**
- Imperial College London
- University of Bristol
- University of Liverpool
- University of York
- Cranfield University

**UNITED STATES**
- Massachusetts Institute of Technology (MIT)
- University of Pennsylvania
- Princeton University
- Cornell University
- Stanford University
- University of California, Berkeley

**FRANCE**
- Ecole Centrale de Paris
- Ecole des Ponts ENSIAME Valenciennes
- ESTACA Paris
- INSA de Lyon
- Université d’Orléans
- ENSI de Limoges
Also in 2010 Finmeccanica strengthened its partnership with various universities in its three domestic markets:

- L’Aquila University (investment in the joint research laboratories, following the earthquake in 2009);
- Imperial College London (as part of the Executive Leadership Programme);
- Stanford University, California, United States (establishment of the Finmeccanica Provostial Professorship Fund at Leland Stanford Junior University).

Other forms of cooperation are established based on the relevant country. For example, in Italy, there has been growing use of memorandums of understanding which, in some cases, have evolved into technological districts.

### Finmeccanica and the technological districts

The main aim of these districts is to promote research and development, but it is not unusual for the presence of so many players within a region to gradually transform that area into what is actually a form of mutual policy for local development. Large industries, local SMEs, governments, universities, public and private research centres and bank foundations all take part.

To date, there are three aerospace technological districts, located in Campania, Piedmont and Puglia, and Finmeccanica participates in them through the constant commitment of its companies in those areas. Meetings continued in 2010 to set up the new aerospace district in Lombardy, which is expected to be founded in 2011.

This commitment to the territory has been recognised through Finmeccanica’s receipt from Confindustria of the “Orientagiovani” Award for the following actions:

- for having constructed an integrated, international training and development system whose aim is to attract, identify and enhance the value of highly talented individuals and to develop and enrich their skills and core competencies while, at the same time, ensuring that they are promptly shared within the Group;
- for having created, within the Young People Programme, initiatives aimed at encouraging shared knowledge, skill development and, for the top achievers, opportunities for professional growth through corporate businesses;
- for having promoted and enhanced the value of “technical and scientific knowledge” and the “know-how” culture through ongoing dialogue and structured cooperation with the academic world (see boxes below).

### Back to Basics

Project aimed at strengthening the partnership between Group companies and technical and professional institutes to encourage proper alignment of the needs of enterprises, in terms of skills required, with the technical profiles of school leavers.

During the two-year period 2009-2010 Finmeccanica carried out an initial survey aimed at all the Group’s Italian sites to “map” the relations existing between companies and the world of high school technical education in order to assess the numbers, quality and frequency of relations, and to collect information on the needs of the various companies. In the period under consideration it was seen that various type of cooperation had been set up (framework agreements for apprenticeships, internships, etc.) with over 60 technical schools, in particular in the North West, where the Group companies have important manufacturing sites and are deeply rooted in the area. The survey highlighted the importance of increasingly close cooperation between the business world and that of education, in order to encourage efficient matching of the demand and supply of technical skills.
Spreading culture to society

For an international industrial group like Finmeccanica, safeguarding and promoting the cultural heritage are a basic part of doing business, and represent the key to a modern view of social sustainability. The Group has an extensive geographical presence, and thus it wants to be a player in cultural development through its own independent and responsible strategy that is capable of creating and strengthening modern culture. This is why Finmeccanica tries to contribute to activities and projects that will have a positive effect on the development of a civil society. More specifically, Finmeccanica:

• formulates and develops its own cultural identity, which is capable of contributing to business culture through its initiatives;
• works to spread culture, cooperating with all those who, from its own stakeholders upwards, share the conviction that culture is important, supporting and promoting its own cultural initiatives or those organised by others, particularly within the regions in which it operates.

During 2010, Finmeccanica contributed to the enhancement of culture by supporting several important projects and initiatives. It continued its involvement – particularly in exhibitions, anniversaries, theatrical, film and musical events – begun in previous years, especially in areas where it has more of its sites. In Italy, activities were mainly concentrated in Rome, Genoa and Naples, with the cooperation of municipal authorities and the various agencies and institutions working in the region. The year 2010 also saw the start of a multi-year project with the City of Milan to support creation of the Museo del Novecento (20th Century Art Museum), established to showcase a century in which art and technology represented the driving forces of innovation.

Technical institutes project

Created following the signing of the memorandum of understanding between Finmeccanica and the Italian Ministry for Education, Universities and Research (MIUR) at the end of 2009, the project involves creation of technical institutes (ITS) to train highly specialised technicians working in fields of particular interest to the Group companies. ITS are high-level two-year training courses in technical and scientific subject intended for persons possessing a high school diploma.

In 2010, Finmeccanica, in collaboration with MIUR, the Italian Ministry for Economic Development and the regional authorities involved, worked to:

• create the foundations that will manage the ITS at the local level;
• identify the “profiles” of interest to Group companies;
• prepare the syllabus and teaching methods.

The training courses are expected to start in 2011.

Science Festival

Finmeccanica has a privileged relationship with the region of Genoa, where its companies have operated for over 150 years. Together with various cultural sponsorships, the Group has been taking part in the Science Festival held in the Ligurian city ever since the first edition in 2003. This is one of the most important and popular events in the world of European scientific awareness, thanks to a programme of extremely prestigious scientific events and a language that enables experts and the general public to relate to each other. Finmeccanica considers the Festival to be a significant opportunity to improve the Group’s relations with numerous local stakeholders from year to year, starting with local institutions and the university and scientific communities.
Under the strategic guidelines provided by the Group Parent, all Group companies also take steps within their own regions to provide constant support for the development of specific projects, in response to requests made by the relevant stakeholders.

Promotion of business culture: the Ansaldo Foundation

The Ansaldo Foundation plays a fundamental role in encouraging the wider distribution of an economic, business and labour culture. It is becoming one of the most important institutions for the development of an enterprise and labour-related culture at national level. This role can only be taken on and developed when it is based on partnership with the approval and involvement of social actors. The Foundation promotes studies and research, cultural events and initiatives, high-level training programmes and is also involved in safeguarding and enhancing the documentary heritage produced by businesses and other economic figures.
The following is a list of some of the main activities undertaken in 2010:

### ACTIVITIES IN 2010

#### Scientific research
Continuing involvement in the following research activities:
- "Lo Stato da gestore di grandi imprese a referente nel loro governo" ("The State, from manager of large businesses to player in their governance");
- "Regioni e macro-regioni nel cambiamento economico: il Nord Ovest italiano e l'Italia meridionale" ("Regions and macro-regions in economic flux: north-western and southern Italy") and "Paradigmi industriali ed evoluzione tecnologica delle imprese italiane: occasioni mancate ed opportunità di rilancio" ("Industrial paradigms and technological evolution of Italian businesses: missed opportunities and opportunities for re-launch").
This research has been the subject of discussion and debate under the Science Committee.

#### Training activities
Completion, in July 2010, of the Masters in "International Business Leadership", with final examinations; completion of teaching activities in the Masters in "Sustainability, safety and security in transportation systems and infrastructures" and in "ICT & Security for innovation in manufacturing contexts and development of new markets"; continuation of cooperation in the Masters in the "Science and technology of nuclear plants"; completion of the Mediterranean Project training course.

#### Documentaries
- “Fermi al primo approdo - lo sciopero dei marittimi del 1959” (Stopped at the dockside - the 1959 maritime workers’ strike);
- “Saturnia. Immigrazione italiana in Canada” (Saturnia. Italian immigration to Canada);
- “Baby Boom”;
- “La Svolta. Donne contro l’Ilva” (The Turning point. Women against Ilva);
- “Alto Adige 1945-1948”;
- “Genova, il Genoa e l’Argentina” (Genoa, Genoa Football Club and Argentina);
- “Genova e il calcio nel 1900” (Genoa and football in the Nineteen hundreds);
- “Confini” (Boundaries);
- “Roberto Gavioli”.

### Mwana Simba project

Mwana Simba is the most important international solidarity project undertaken by Finmeccanica to help improve social conditions in Africa. This three-year project was concluded at the end of 2010. The project is the most recent example of the Group’s ongoing efforts to help populations hard hit by poverty and social need. Mwana Simba took the form a trio of three-year charitable projects, set up with the Pontifical Council for Culture, the International Volunteer Service for Development (VIS) and the Assumpta Science Center Owerri (ASCO) association, aimed at guaranteeing sustainable development – particularly in terms of educating young people and professional training – in various communities located in three African countries – Cameroon, Democratic Republic of Congo and Nigeria.

In **Congo**, at the Salesian School in Kinshasa/Masina, a technical/science laboratory has been set up, fully equipped as of 2010 and available to students, together with several computer classrooms.

In **Cameroon**, in the village of Mbanda (district of Eseka), 7 km of new road have been laid through the jungle, and construction is being completed on a church, a reception centre and an infirmary, all forming part of a “mini-village” intended to become the focal point for a community of 1,200 inhabitants. Work on the planned woodworking and sewing workshops, destined to make the local community independent, will be completed in 2011.

In **Nigeria**, after holding the First Science Festival in this African country at Owerri (State of Imo), a temporary Science Centre was set up (visited by over 15,000 students) fitted out with all the equipment and experiments, which will shortly be transferred to a permanent Science Centre which is due to be built in 2011.
Emergency in Haiti

Following the earthquake in Haiti in January 2010 and the resulting severe humanitarian and health crisis, Finmeccanica immediately took action to collect funds to assist the local population and facilitate the long and difficult recovery process. For this purpose, a website link was set up to allow direct online donations to the Haiti Relief and Development Fund set up by the American Red Cross.

Also, at the prompting of the Italian Ministry of Defence, Finmeccanica cooperated and made a significant contribution to the use of the Italian aircraft carrier Cavour for the Haiti emergency, providing aid and logistic support.

As part of this humanitarian effort, the Cavour operated as a floating hospital in which medical officers (also from other countries) were able to provide aid and medical treatment to the people hit by the devastating earthquake that destroyed the majority of the island’s hospitals and healthcare structures.

Relations with the media

For a worldwide group such as Finmeccanica, proper presentation of its identity, operations and image to society and to its various stakeholders is a key element in development, whatever the region or social and economic context.

For this reason, media relations is one of the most important communication challenges.

Talking about the work of the Group and its companies, the challenges they face at local, national and international levels, means providing stakeholders with the right tools for understanding the major issues and the technological and operational scenarios that relate to Finmeccanica.

In 2010, these efforts took the form of 90 press releases, which resulted in over 5,000 articles dedicated to the Group in major national and international newspapers and periodicals, and the presence of the Group in the main online communities and social networks.

Finmeccanica’s presence in social media

In 2010, Finmeccanica started a process aimed at bringing its operations “closer” to and “representing” them in the major social media.

This initiative was created to provide a simple, immediate communication tool that would be an effective means of reaching the workforce and all stakeholders.

An official Finmeccanica channel has now been set up on YouTube and on Twitter, allowing journalists, analysts and investors who do not have access to press agencies to keep track of Finmeccanica news in real time.

Opening of a Flickr channel and updating of the Wikipedia articles relating to the Group are also being planned.
CUSTOMERS AND MARKETS

We provide state-of-the-art technological solutions to meet complex needs. We consider our customers to be essential partners who must be provided with effective answers, ensuring constant long-term support throughout the product life cycle. In 2010, we received new orders totalling over €bil. 22.

Snapshot at 31 December 2010

Total volume of new orders 2010: €mil. 22,453
Distribution of new orders 2010 by geographic area (€ millions)

<table>
<thead>
<tr>
<th>Region</th>
<th>Orders (€ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>3,148</td>
</tr>
<tr>
<td>Canada</td>
<td>84</td>
</tr>
<tr>
<td>South America</td>
<td>684</td>
</tr>
<tr>
<td>Middle East</td>
<td>383</td>
</tr>
<tr>
<td>Africa</td>
<td>1,344</td>
</tr>
<tr>
<td>Asia</td>
<td>1,941</td>
</tr>
<tr>
<td>Italy</td>
<td>5,793</td>
</tr>
<tr>
<td>Rest of EU</td>
<td>4,446</td>
</tr>
<tr>
<td>Rest of non-EU</td>
<td>230</td>
</tr>
</tbody>
</table>

DISTRIBUTION OF NEW ORDERS 2010 BY DIVISION

- 25.94% Helicopters
- 29.41% Defence and Security Electronics
- 11.01% Aeronautics
- 8.29% Space
- 4.82% Defence Systems
- 6.08% Energy
- 14.00% Transportation
- 0.46% Other activities
Growth of the Group in emerging markets higher than expected (40% of the value of new orders is from outside the domestic market).

Creation of new partnerships to build assembly plants in the Helicopters division.

Strong growth in orders in the Helicopters division (+87%).

**Commercial results**

The value of orders acquired by Finmeccanica in 2010 grew overall by 6.4% with respect to the previous year, for the first time exceeding €bil. 22.

This result is particularly significant and represents an effective indication of the Group’s competitive ability in a market context that was characterised, during the year in question:

- by modest signs of economic recovery;
- by extremely aggressive competition, particularly in emerging countries capable of significant spending that are targeted in the Group’s strategy for expansion;
- by limitation of expenditure in the defence segment, particularly in more industrialised countries.

The Helicopters, Space and Transportation divisions made the greatest contribution to this positive sales trend, counteracting the decreases seen above all in Defence and Security Electronics and in Aeronautics, where the figure for 2009 reflected a single order for €bil. 1.1 relating to the third part of the Eurofighter programme.

This also affected the distribution of sales by customer type, with the civil segment growing in 2010 from 40% to approximately 45% of all sales.

The 2010 order backlog grew by 7.8% from the previous year, at a higher rate than sales, ensuring approximately two and a half years of production for the Group.
Joint ventures and international partnerships

Finmeccanica builds and maintains the relationship capital essential to develop the market in many areas. Among the most important of these are joint ventures and participation in international programmes where Group companies have been able to enter and frequently take a leading role.

These are product and market development situations, and completion of extremely complex orders that require great listening powers, transparency and cooperation and where the largest players in the various business sectors measure their abilities and put them to the test, laying the foundations on which to select partners for future joint operations.

During 2010, other significant partnerships were set up through agreements made, in particular, in the Helicopters division:

- the agreement with Russian Helicopters to build an assembly plant for the AW139 helicopter in Russia;
- the agreement with Tata Sons to build an assembly plant for the AW119 helicopter in India;
- the agreement with Boeing for the new US Presidential helicopter programme.

Aerospace exhibitions

Participation in aerospace exhibitions is another essential means of engaging customers and developing Finmeccanica’s relationship capital on the market.

These events, which take place throughout the year in all areas of the globe, can be used to showcase the Group’s technological excellence and innovative capabilities to civil and military authorities, commercial operators and ordinary visitors. They can also create the conditions necessary to negotiate or agree upon important projects.
In 2010, Finmeccanica attended the following events:

<table>
<thead>
<tr>
<th>Event</th>
<th>Location</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUSA Annual Meeting</td>
<td>Washington, DC (USA) from 25 to 27 October 2010</td>
<td>AgustaWestland North America, DRS Technologies and SELEX Communications</td>
</tr>
<tr>
<td>Innotrans (International Trade Fair for Transport Technology)</td>
<td>Berlin (Germany) from 21 to 24 September 2010</td>
<td>AnsaldoBreda, Ansaldo STS and SELEX Communications</td>
</tr>
<tr>
<td>Air &amp; Space Conference and Technology Exposition</td>
<td>Gaylord National, Washington, DC (USA) from 13 to 15 September 2010</td>
<td>Alenia North America, DRS Technologies and Finmeccanica US</td>
</tr>
<tr>
<td>Farnborough Airshow</td>
<td>Farnborough (UK) from 19 to 25 July 2010</td>
<td>AgustaWestland, Alenia Aeronautica, DRS Technologies, Elsag Datamat, Seicos, SELEX Communications, SELEX Galileo, SELEX Service Management, SELEX Sistemi Integrati, Telespazio and Thales Alenia Space</td>
</tr>
<tr>
<td>Eurosatory</td>
<td>Paris (France) from 14 to 18 June 2010</td>
<td>DRS Technologies, Elsag Datamat, Oto Melara, SELEX Galileo and SELEX Sistemi Integrati</td>
</tr>
<tr>
<td>TechFO (International Exhibition of Technologies for Security)</td>
<td>Rome (Italy) from 17 to 20 May 2010</td>
<td>Elsag Datamat, SELEX Sistemi Integrati, SELEX Communications and SELEX Galileo</td>
</tr>
<tr>
<td>Navy League Sea Air Expo</td>
<td>Washington, DC (USA) from 3 to 5 May 2010</td>
<td>DRS Technologies</td>
</tr>
<tr>
<td>DSA (Defence Services Asia)</td>
<td>Kuala Lumpur (Malaysia) from 19 to 22 April 2010</td>
<td>AgustaWestland, Alenia Aeronautica, Oto Melara, SELEX Sistemi Integrati and SELEX Galileo</td>
</tr>
<tr>
<td>FIDAE (International Air &amp; Space Fair)</td>
<td>Santiago de Chile (Chile) from 23 to 28 March 2010</td>
<td>Alenia Aeronautica, Alenia Aermacchi, SELEX Sistemi Integrati and SuperJet International</td>
</tr>
<tr>
<td>DEFEXPO India</td>
<td>New Delhi (India) from 15 to 18 February 2010</td>
<td>AgustaWestland, Alenia Aeronautica, DRS Technologies, Oto Melara, SELEX Communications, SELEX Galileo and WASS</td>
</tr>
<tr>
<td>SAF Expo Europe (International Expo-Forum on Space Services, Applications and Integrated Telecommunications)</td>
<td>Rome (Italy) from 4 to 6 February 2010</td>
<td>Alenia Aeronautica, Elsag Datamat, SELEX Galileo, SELEX Service Management, Seicos, Telespazio and Thales Alenia Space</td>
</tr>
<tr>
<td>Singapore Air Show</td>
<td>Singapore, from 2 to 7 February 2010</td>
<td>Alenia Aeronautica, Alenia Aermacchi, SELEX Galileo and Eurofighter</td>
</tr>
</tbody>
</table>
Through Life Cycle Management

The markets on which Finmeccanica operates demand increasingly wide-ranging, divisible and complex needs, both in the civil and in the military segments.

As well as making use of its relationship capital, Finmeccanica considered it essential to use a structured, targeted approach aimed at improving its ability to read market trends and translate them into effective, sustainable business development lines.

Through Life Cycle Management is the approach that the Group is gradually implementing as an internal measure. The approach is divided into various areas of action, which include both the development of the range of products, which is more oriented towards solutions with a strong service component, and development of customer relations tending more towards partnership. “A good product” is no longer enough to satisfy customers, who more and more often require “solution of a complex problem”. As a result, this new type of approach does not end with purchase, but on the contrary starts when the agreement is signed and continues throughout the contract period. Giving concrete form to the idea of a partnership with customers requires the ability to listen, along with transparency and cooperation. Traditional post-sales service tools are not necessarily effective and applicable to relationships as complex and unique as those between the Group companies and their customers.

For this reason Finmeccanica has a directing and coordinating role in various areas that relate to market development and interaction with customers, through the activities of the Industrial Competitiveness and Customer Satisfaction Department.

Additional display and experience at Farnborough

Once again this year, one of the most important events was the Farnborough Airshow, during which Finmeccanica intentionally gave out a strong message, showing the Group’s real and current ability to support acquisition and management of systems and products capable of satisfying customer operating requirements and their evolution, through the “Integrated Capabilities Area”, a virtual space located at the centre of the stand.

The experiment started at Farnborough 2008 with the presentation of products from the Group companies and demonstration of their interoperation, thereby communicating the added value provided by Finmeccanica, a group whose products range from large systems to the smallest and most sophisticated sensors, with the ability to find solutions using the products and skills of its individual companies.

By displaying products from its various companies at the Farnborough stand and in the static area, and thanks above all to the revived slogan “Towards a safer world” and the new slogan “Lifetime Commitment”, Finmeccanica was able to illustrate in full the ability of its companies to integrate its network of capabilities and businesses, and above all to offer through them quality, security and protection, using Group skills to the best advantage to face and deal with every type of threat, whether internal or external.
In particular, in 2010:

• meetings were held in the operating companies to facilitate implementation of the KPI and Customer Satisfaction guidelines, aimed at measuring and monitoring customer satisfaction;

• work proceeded on development of the Obsolescence, Life Cycle Cost Configuration Management and RFID (Radio Frequency Identification Device) guidelines;

• development of the “Guidelines for management of the customer interface for product and customer support activities” was started. This important guideline is aimed at precisely and clearly identifying the roles and responsibilities at the various levels and in the various phases of customer engagement;

• assessment continued of a strategic plan to be set up with an international partner who, operating at the global level, is able to provide “one stop shop” services both for customers and for Group companies, with the aim of providing integrated contract support services.

Customer satisfaction

The Customer Satisfaction Survey is one of the main programmes launched as part of Through Life Cycle Management. This programme, managed by the Customer Services Solutions (CS2) community, aims to organise and systemise the various operations used to measure customer satisfaction that are already used by the individual Group companies.

The programme has resulted in an initial pilot project carried out in Italy during the two-year period 2009-2010. It involved 241 interviews with the representatives of 33 customers in the Italian Ministry of Defence (Navy, Air Force, Army, Finance Police) with regard to SELEX Galileo, SELEX Sistemi Integrati, SELEX Communications and Telespazio.

Answers were grouped together by macro-factors, based on two different criteria:

• “by Project” – assessment of the main factors typically deriving from project management: cost, quality, managerial skill, technical skills, commercial skills;

• “by Process” – assessment of the effectiveness of the main corporate processes: acquiring business, managing programmes, planning, manufacturing, support.

As expected, the results of the survey revealed strengths and areas for improvement. These are still the subject of meetings among the corporate bodies involved.
Commercial risk prevention and management

In view of corporate sustainability and responsibility, the relationship capital with the market must not only be developed and increased, but also preserved from the point of view of risk management. For this reason, the Group Parent watches over certain sensitive areas of the market, such as stipulation of commercial promotion and consultancy service contracts, and compliance with national and international export control regulations.

In 2010, Finmeccanica strengthened this important control both from the point of view of procedure and organisation. More specifically:

• a Group directive was prepared, and will be issued early in 2011, aimed at establishing common guidelines, roles and responsibilities regarding the signing of commercial promotion and commercial service/consultancy contracts by the operating companies in support of commercial activities with governmental agencies, institutional customers and publicly-controlled companies;

• under AIAD (an Italian organisation representing the interests of the Aerospace, Defence and Security Industry), initiatives were carried out to highlight and propose to lawmakers the best solution for optimum implementation in Italy of the European Union directive (2009/43/EC) on “intra community transfer” regarding simplification of the methods and conditions for transfer of defence-related products within the European Union;

• the roles and responsibilities of two new units within the Group Parent have been defined. These are: in the Legal and Corporate Affairs Department, the Compliance and Regulation unit in charge of overseeing legal risks (Legal Compliance) and, in the Commercial Department, the Commercial Processes unit, which ensures application of Group directives relating both to Commercial Compliance operations and, with the coordination of the Institutional Relations Department, compliance with international regulations on import/export (Import Export Compliance).