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PRESS RELEASE

Finmeccanica welcomes Secretary of State for Defence the Rt Hon Michael Fallon MP to its advanced electronics facility in Edinburgh

- The Secretary of State visited the site which is home to some of the country's most highly-skilled engineers and is recognised for its graduate and apprentice schemes
- Finmeccanica is the largest inward investor in the UK's defence and security sector and in Scotland develops world-leading technology central to the UK's export drive
- The UK's strong science base and the Government's long-term commitment to skills and technology allow Finmeccanica to develop innovative products to meet the country's defence and security requirements

Edinburgh, 4 February 2016 Secretary of State for Defence, the Rt Hon Michael Fallon MP, today visited Finmeccanica's centre of excellence for defence and security electronics in Edinburgh.

The Secretary of State was received by Norman Bone, who leads Finmeccanica's Airborne & Space Systems Division. At the Edinburgh site, highly-skilled scientists and engineers at the forefront of European manufacturing develop state-of-the-art radar and electronic systems.

The Rt Hon Michael Fallon MP said: "Britain's defence relies on Scottish brainpower. We're backing that brainpower by increasing the defence budget every year of this decade, meeting the NATO 2 per cent spending commitment and investing £800m in innovation. Together with our pilots at Lossiemouth, our submariners at Faslane and the Army regiments, that puts Scotland right at the heart of the nation's defences."

Norman Bone said "I am delighted to welcome the Secretary of State to our Edinburgh site. We are proud of our support to the UK's Armed Forces, and of the innovative way we develop advanced technology to make sure it's available where and when our customers need it. Our systems are an essential part of the future on all types of operations. In Finmeccanica, our commitment to investment in the UK's defence and security sector is seen in our research, in developing our people, and in the partnerships we build with companies across the UK and in export."

During his visit, the Secretary of State met Dr Carol Marsh, a leading engineer from the Division. In February, Carol won an Everywoman in Technology Award for her work inspiring students to

Note:

Following the process of the reorganisation of the **Finmeccanica** Group's companies, it should be noted that from January 1st 2016: the "Helicopter Division" has absorbed the activities of AgustaWestland; the "Aircraft Division" has absorbed part of the activities of Alenia Aermacchi; the "Aero-structures Division" has absorbed part of the activities of Alenia Aermacchi; the "Airborne & Space Systems Division" has absorbed part of the activities of Selex ES; the "Land & Naval Defence Electronics Division" has absorbed part of the activities of Selex ES; the "Security & Information Systems Division" has absorbed part of the activities of Selex ES; the "Defence Systems Division" has absorbed the activities of OTO Melara and WASS

Finmeccanica is among the top ten global players in Aerospace, Defence and Security and Italy's main industrial company. As a single entity from January 2016, organised into business Divisions (Helicopters; Aircraft; Aero-structures; Airborne & Space Systems; Land & Naval Defence Electronics; Defence Systems; Security & Information Systems), Finmeccanica operates in the most competitive international markets by leveraging its areas of technology and product leadership. Listed on the Milan Stock Exchange (FNC IM; SIFI.MI), at 31 December 2014, Finmeccanica recorded restated consolidated revenues of 12.8 billion Euros and has a significant industrial presence in Italy, the UK and the U.S.

consider engineering as a career and for her mentoring of female engineers. She is also the designate Chair of the Institution of Engineering and Technology in Scotland.

Finmeccanica's Airborne & Space Systems Division spans the UK and Italy. It delivers breakthrough technologies for the British and Italian armed forces as well as to a global customer base. In addition to playing a leading role in international programmes such as the Eurofighter Typhoon, Tornado and Gripen, the Dvision provides a number of advanced system including airborne radar for surveillance and defence applications and a world leading laser capability for aircraft protection.

The Airborne and Space Systems Division has a world-wide supply base, approximately 60% by spend in the UK, of which 70% are SMEs. The Edinburgh-based radar business unit spends £90M per annum with UK partners and suppliers, with spend in Scotland predicted to exceed £20M p.a. over the next 5 years. This covers a range of high technology services from academia and design, through to sub-contract manufacturing and includes more than 80 companies in Scotland, of which three quarters are SMEs. These valuable suppliers bring skills and agility to complement our own workforce, sustaining an estimated 1000 Scottish jobs in the supply chain.

Over 1,900 people are directly employed at Finmeccanica's site in Crewe Toll, Edinburgh, designing and producing high-tech products and services based on airborne radar, advanced lasers and electro-optic systems. In 2013 the Edinburgh site celebrated its 70th anniversary.

Today the site is a centre of excellence for both microelectronics and lasers. To ensure that such cutting-edge technology will be available into the future, the company invests in extensive research and development programmes and continuing professional development opportunities for its staff. It runs highly-rated apprenticeship and graduate schemes. Finmeccanica in Edinburgh has won two Queens Awards for Enterprise in 2010 and 2011 for Innovation and International Trade. It also holds an Investors in People Gold Award and was recently recognised with the Investors in Young People accolade.

Note to Editors

Finmeccanica is the largest inward investor in the UK defence sector, the largest Italian inward investor to the UK, and the second largest supplier of defence equipment to the UK MoD. Focused on four sectors: Helicopters, Aeronautics, Electronics, Defence and Security Systems, and Space, Finmeccanica employs 7,600 people in the UK. Every year in the UK Finmeccanica channels around £200 mln into R&D, the company's long-term investment in emerging technologies and subsequent development of intellectual property in the UK is achieving export success and delivering huge economic benefits back into the UK, enabling investment in highly skilled jobs and helping to rebalance the UK's economy.