Results and perspectives of the cooperation between Finmeccanica and the Russian Federation

Seminar: RELAZIONI INDUSTRIALI TRA L'ITALIA E LA RUSSIA
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FINMECCANICA

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Finmeccanica

Agenda

- ✓ Finmeccanica today: short overview of the Group
- ✓ Finmeccanica – Russia main collaboration areas:
  - Helicopters
  - Aeronautics
  - Communications
  - Automation
  - Railways transportation systems
  - Space
- ✓ Conclusions

FINMECCANICA

FINMECCANICA GROUP

BUSINESS SECTORS

REVENUES 2013	NEW ORDERS 2013	EMPLOYEES
€MLD. 16.0	€MLD. 17.6	66.000

AgustaWestland
A Finmeccanica Company

AleniaAermacchi
A Finmeccanica Company

superjet INTERNATIONAL

ATR

Selex ES
A Finmeccanica Company

DRS Technologies
A Finmeccanica Company

Telespazio
A Finmeccanica/Thales Company

ThalesAlenia Space

OTO Melara
A Finmeccanica Company

WASS
A Finmeccanica Company

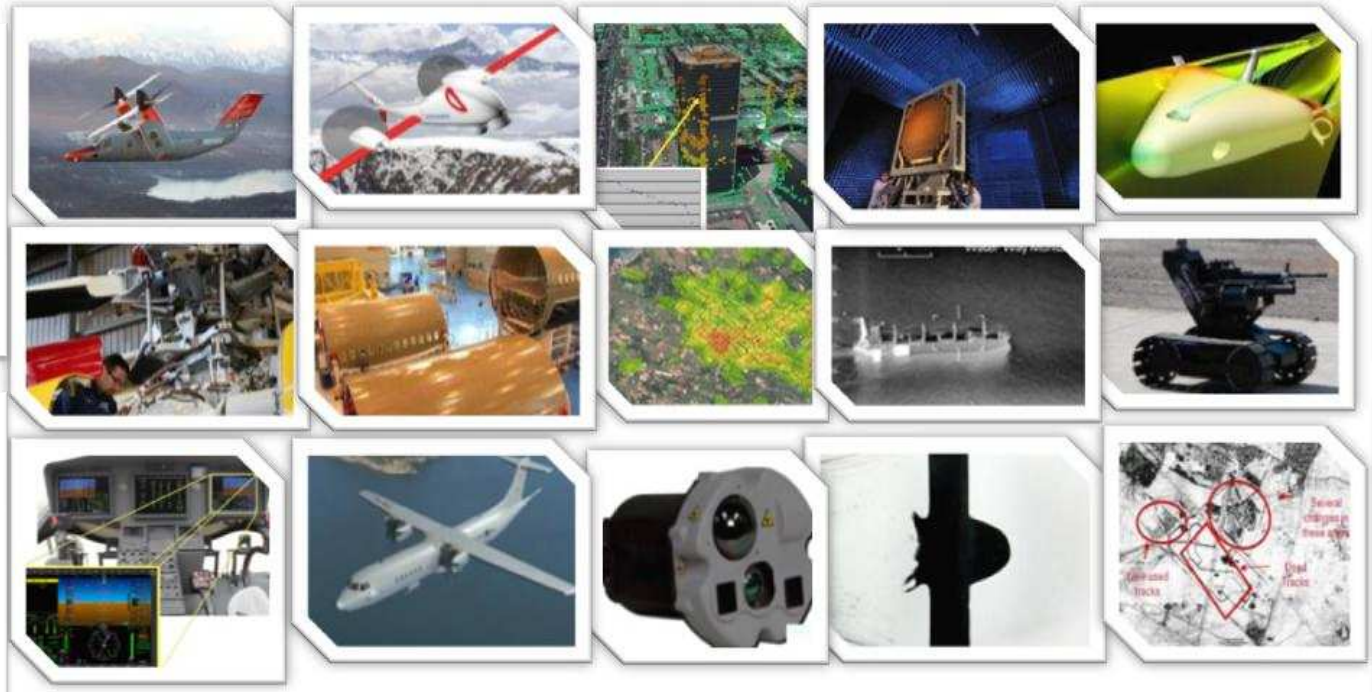
MBDA MISSILE SYSTEMS

AnsaldoBreda
A Finmeccanica Company

AnsaldoSTS

FINMECCANICA GROUP
INNOVATION

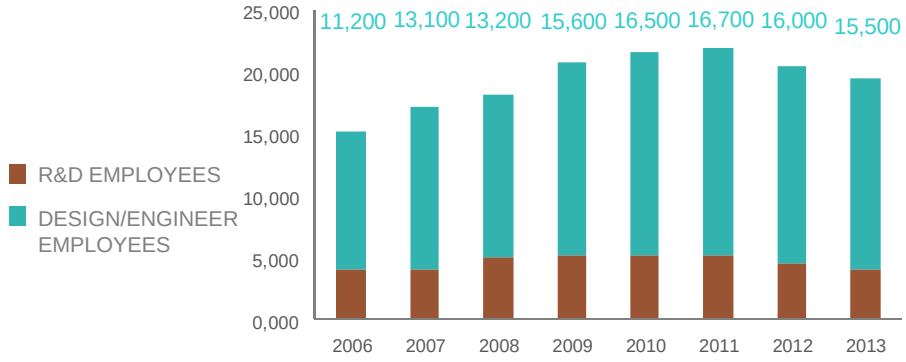
More than 19.000 people involved in Research & Development / Design & Development activities

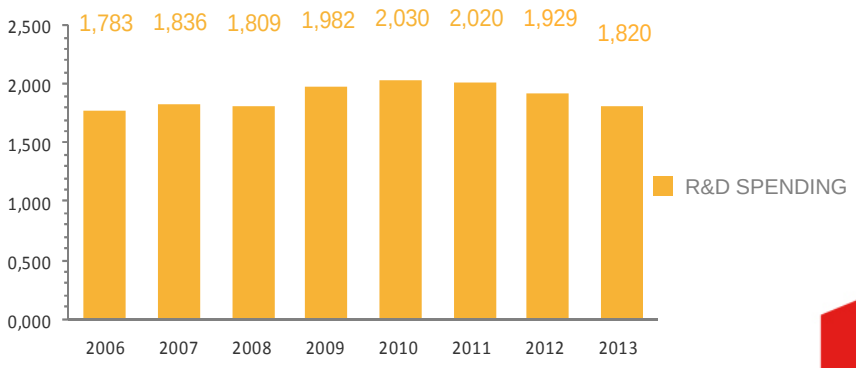


Every year Finmeccanica invests about 11% of its revenues in research and development activities (1,820 B€ in 2013)

Finmeccanica Innovation Award in nine years has involved over 16,000 people, for approx. 5,500 innovative ideas

Innovation in Finmeccanica leverages upon partnership with key Research and Technology stakeholders (i.e. universities and research centers)





Vision

To consolidate and build on our position as a global high-tech leader deeply rooted in the defense sector and able to succeed in the civil sector through the development of dual-use technologies and platforms.

Mission

To deliver innovation through cutting-edge and competitive products and services generating value for our Customers and Shareholders

AGUSTAWESTLAND IN RUSSIA

Following **significant sales of AW helicopters in Russia during last years** (current AW's fleet accounts for approx **50 helicopters**) and **identification by the Russian industry of the AW139 helicopter as the benchmark helicopter in its category,** capable to meet a variety of demanding requirements in the Russian and CIS civil markets, AW and Russian Helicopters constituted a **50/50 Joint Venture in the Russian Federation** with the initial scope of **final assembling and selling the civil AW139 helicopter in Russia and CIS countries**.

HELIVERT
A Russian Helicopters and AgustaWestland Joint Venture

HELIVERT represents the first example of a 50-50 joint venture in a Russian strategic sector as the aviation industry. This industrial cooperation marked a significant milestone in AW's strategy to expand its presence in Russia through a **mutually beneficial industrial cooperation with local OEMs**.

The partners are actively working on an **extension of HELIVERT's scope** aimed at acquiring additional capabilities **to maintain and support local AW and Helivert's operative fleet**.

HELICOPTER PRODUCTION (1/3)

SCOPE

HELIVERT
A Russian Helicopters and AgustaWestland Joint Venture

HELIVERT was initially set up **to final assemble and sell civil AW139 helicopters in Russia and CIS countries** under Licence.

LOCATION

HELIVERT
A Russian Helicopters and AgustaWestland Joint Venture

The assembly line is located in a 40,000 m² site within the industrial area of **Tomilino (Moscow region), 30 km south east from Moscow**.

SITE

HELIVERT
A Russian Helicopters and AgustaWestland Joint Venture

More than **13.500 m² built**
Approx **120 specialized personnel.**

Offices

Hangar

Final Assembly Line

Flight Line

HELICOPTER PRODUCTION (2/3)

MILESTONES (1/2)

HELIVERT
A Russian Helicopters and AgustaWestland Joint Venture

- Certificate of Approval for production awarded by AR IAC in May 2012
- Production launched in June 2012
- First AW139 assembled in Russia maiden flight in Dec 2012

Production Launch	First maiden flight
	

HELICOPTER PRODUCTION (3/3)

MILESTONES (2/2)

HELIVERT
A Russian Helicopters and AgustaWestland Joint Venture

- Production helicopter deliveries started in 2013

First Helivert's deliveries

HELICOPTER MAINTENANCE

SCOPE & CAPABILITIES

HELIVERT
A Russian Helicopters and AgustaWestland Joint Venture

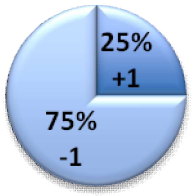
- **On-going set up** of an **Authorized AW Service Center** at Helivert's premises based in Tomilino (Moscow Region) aimed at **supporting AW and Helivert operative fleet in Russia and CIS countries**
- **Helicopter line/base maintenance activities and spare parts warehouse** under implementation
- **Certificate of Approval for Maintenance** by AR IAC **expected to be obtained in the second half of 2014**

Helicopter maintenance activities and spare parts support under implementation




SUPERJET - PARTNERSHIP STRUCTURE

SUKHOI CIVIL AIRCRAFT
A Sukhoi and Alenia Aermacchi Company



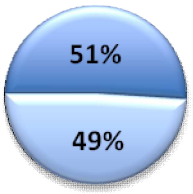
- Design & production
- Certification
- Sales & marketing

PowerJet

Alenia Aermacchi
A Finmeccanica Company

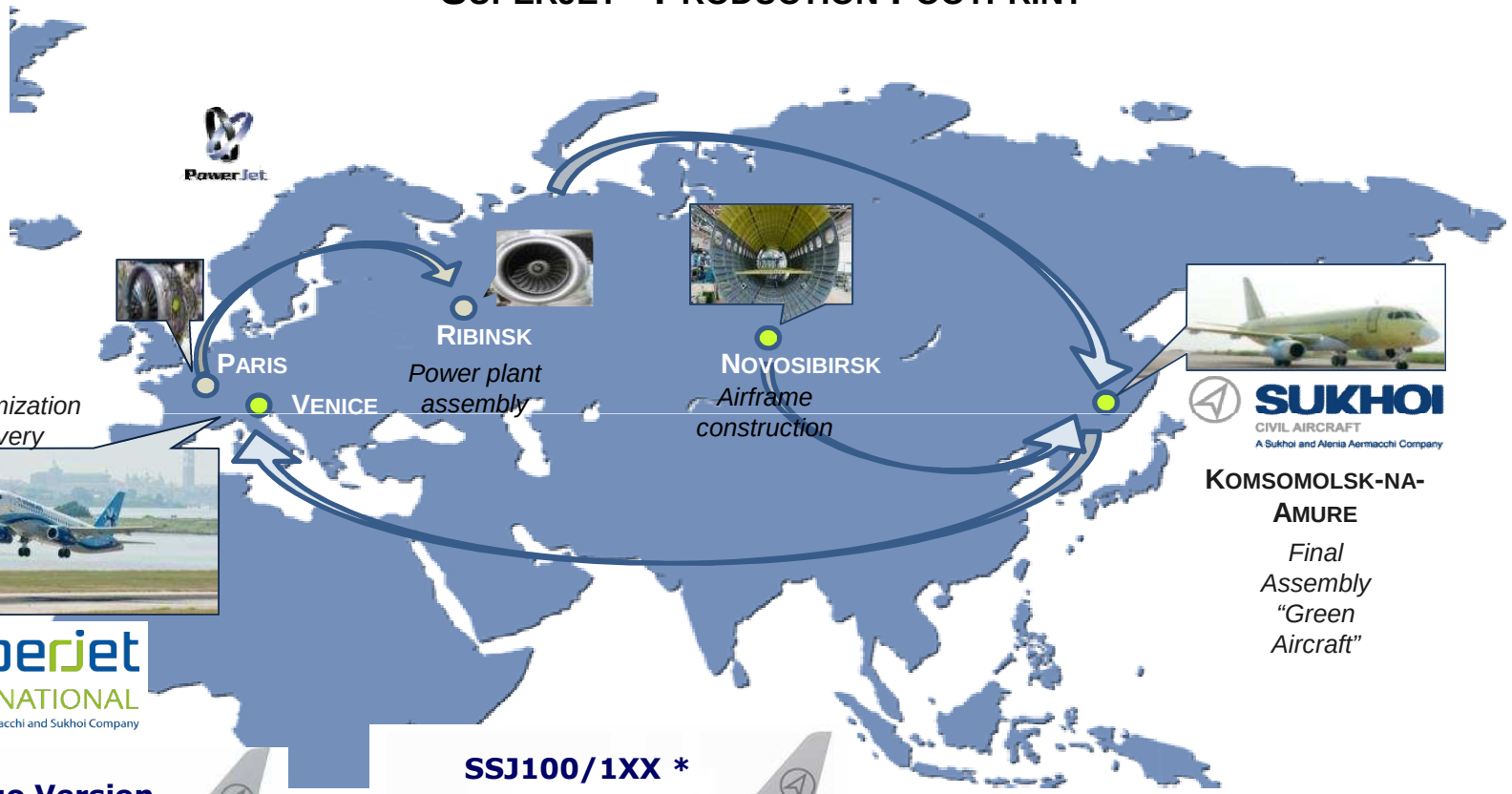
SUKHOI

superjet INTERNATIONAL
An Alenia Aermacchi and Sukhoi Company



- Customer support
- VIP version development
- Sales & marketing

SUPERJET - PRODUCTION FOOTPRINT



Cargo Version

VIP Version

SSJ100/1XX *

SSJ100/95 B/LR
98 pax

SSJ100/75 B/LR
78 pax @ 32" pitch

***under evaluation**

Higher commonality - Fewer spare parts, less training to move from one aircraft to another.

SUPERJET - CUSTOMER SERVICES

- SUPERCARE Plan
- MRO Network
- Spares and Logistics
- Supporting entry into service

SUPERJET - TRAINING

- SSJ100 Training
- Airbus Training
- Multi Crew Cooperation Training

Between 2010 and 2011, **Selex ES**, which has a strong presence in the Federation, has concluded a number of contracts with the company **TETRASVYAZ** to supply a TETRA radio communications, used even the occasion of the Winter Olympic Games in Sochi February 2014.

RUNNING PROGRAM WITH RUSSIAN POST

- **SELEX ES operates in the Russian Postal Automation Market from 2004**, when the company signed with Russian Post the contract for the first Automated Sorting Centre of the Russian Federation (Moscow ASC) followed by Rostov-On-Don and Novosibirsk (year 2010 – 2012)

  Turn key Projects including:

  - Building design and construction (through local sub-contractors)
  - Automatic sorters for letters, flats, packets and parcels
  - Material handling systems
  - IT systems for production management and Integrated coding system (OCR and Video Coding systems)
  - Training services, operating support and technical maintenance
- **Hybrid Mail Platform & Printing Centers in Moscow and St. Petersburg**, integrated with third party printing and finishing equipment
- **Revenue Protection project based on new generation digital Franking machines** integrated in the logistic postal process

LAST SUCCESS - MOSCOW 2, VNUKOVO AIRPORT AREA

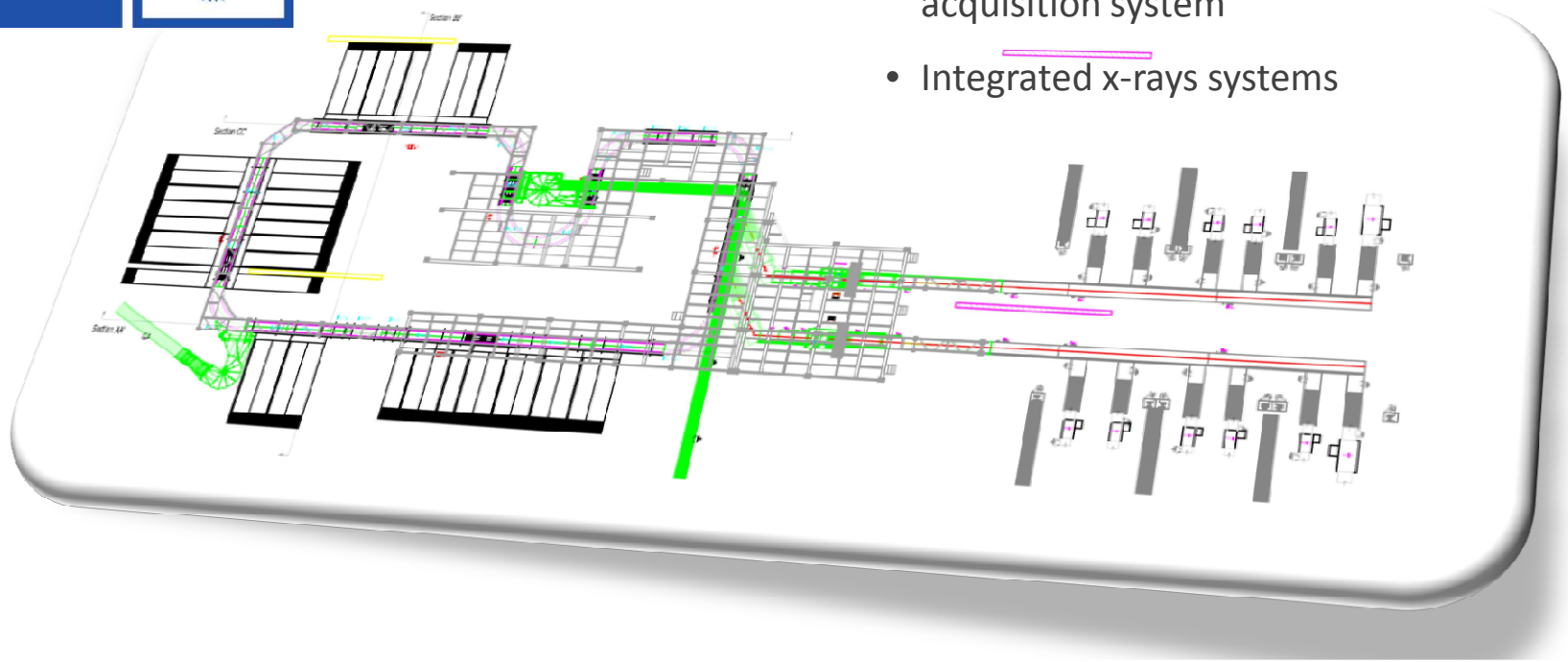
International Office of Exchange

MAIN FIGURES AND FACTS:

- ❑ **Contract signed: August 2013**
- ❑ **Final Acceptance: November 15th, 2013**
- ❑ **Start of production: November 18th, 2013**

Main characteristics:

- Sorter MPHS Cross-Belt in an area of
- 2 induction stations
- 42 outlets (including 2 special helicoidal chutes)
- Automated barcode, weighting and volume acquisition system
- Integrated x-rays systems



RUNNING PROJECTS WITH RUSSIAN POST
REVENUE PROTECTION PROJECT

National Infrastructure for the **Revenue Protection process implementation.**

The system, entirely designed by SELEX ES, will allow Russian Post to upgrade the protection of its financial interests intercepting and thus avoiding (or minimizing) the losses of profits deriving from the "unlawful exploitation" of Franking Machines:

- The proposed infrastructure, which will be able to integrate and manage the Franking Equipment from different vendors (*Neopost*, *Pitney Bowes*, *Francotyp Postalia*) will provide **fiscal efficiency** as well as **performance and decision making benefits.**

- The SELEX ES Revenue Protection solution is completely innovative compared to the current market standards: it will allow Russian Post to provide its customer with the franking automated service and to manage the cash flow deriving from their advance payment for the service.

RUNNING PROJECTS WITH RUSSIAN POST
RUSSIAN-ITALIAN COOPERATION IN THE FIELD OF POSTAL SERVICES

On the 3rd of December 2010 Russian Post, Poste Italiane and SELEX ES signed a *Strategic Trilateral Partnership* (Framework Agreement) to:

- ❑ Cooperate for the strategic development of the Russian Postal Operator
- ❑ Share the respective capabilities (*to allow each partner to be leader in its own market /country*)
- ❑ Develop, in joint manner, new innovative services and solutions for Russian Post

At the conclusion of the first stage of the Cooperation the Parties agreed to focus on two business idea: Hybrid Mail and eCommerce and a joint supporting project to improve the operations and quality of service within Russian Postal network.

SES remains the key technological partner for the business development.

RAILWAY TRANSPORTATION SYSTEMS

Ansaldo STS is interested in proposing solutions for the program of **Russian Railways (RZD)** for the construction of a **high-speed network** in the country, the first project of which is planned to be the line between Moscow-Kazan (800km).

In the programs of the Russian Railways RZD for the development of some priority projects of **renewal and implementation of existing networks**, in particular for the beltline of Moscow and the Trans Siberian, **Ansaldo STS** proposes the signaling system called **ATC ITARUS** developed jointly with RZD subsidiary **NIIAS**

ATC ITARUS main features:

- Use the best technologies available on the Russian and Italian sides.
- Increase the performances and safety of the existing lines and stations.
- Use satellite technologies (GPS/GLONASS/GALILEO) to locate the train.
- Use wireless technologies to supervise the train from track-side (public GSM is used on the trial site).
- Realize a modular system.

In the **Mass Transit** segment is of particular interest for the **Ansaldo STS** the program of the **Moscow Metro**, which has recently confirmed its development plan up to 2020, which includes the construction of 3 lines. Ansaldo STS, a world leader in the field of **driverless CBTC Communication Base Train Control technology**, intends to propose their own solutions to **"Mosinzhproekt"**

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CONCLUSIONS

- ✓ The cooperation with the Russian Federation is of primary importance for the companies of the Finmeccanica Group and covers a wide range of product areas
- ✓ The reality of today's collaborations is a solid basis for the development of further projects

We aim for continuous technological progress, through the creation and implementation of cutting-edge solutions.

Спасибо

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