



EDA Annual conference

Rotorcraft Industry Panel

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AGUSTAWESTLAND

Consolidated Highlights 2008

2008 (€ mln)

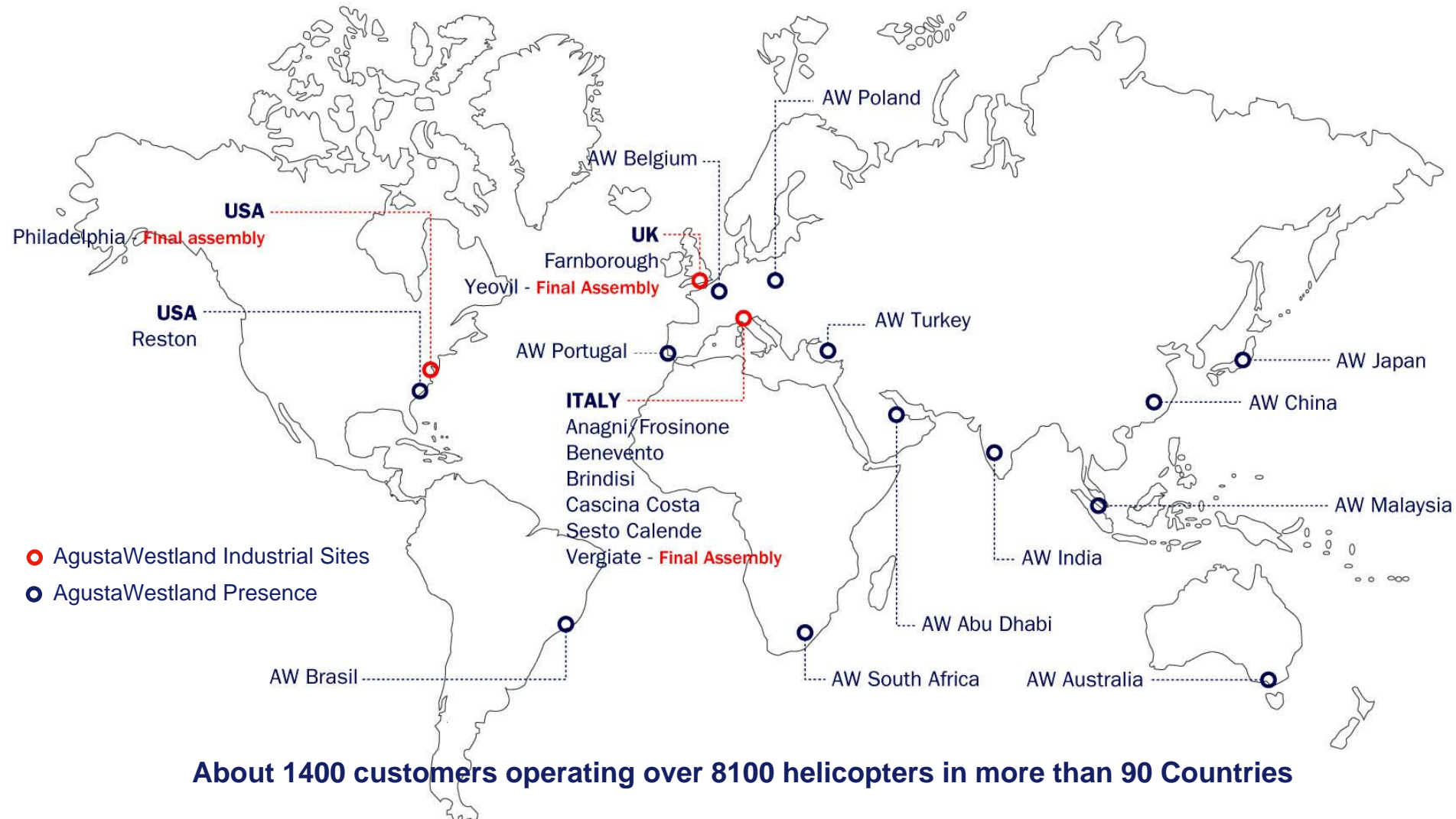
Revenue	3,035
Adj. EBITA*	338
Order backlog	10,481
New orders	5,078
Employees (n.)	10,289



* Adjusted EBITA is given by EBIT before exceptionals:

- any impairment in goodwill
- amortization of the portion of the purchase price allocated to intangible assets in relation to business combinations, reorganization costs that are a part of significant, defined plans
- other exceptional costs or income

AW Global Presence



About 1400 customers operating over 8100 helicopters in more than 90 Countries

The European leader for Military Rotorcraft:

- The largest turnover in military rotorcraft
- The largest export value of military helicopters from the EU
- The largest share in value of the current EU mil/govt fleet
- The widest range of military helicopter models: 2.8 to 24 Tons
- The pioneer of joint Rotorcraft development in the EU : EH-101 & NH-90
- The first to develop a dedicated combat helicopter in the EU : AW129
- The largest military helicopter developed in the EU : AW101
- The leading naval models: AWLinx, NFH90 and AW101
- The pioneer of Tilt-Rotor technology in the EU
- The largest access to US military rotorcraft technology through collaboration: Chinook, Apache, Tilt-rotor...

Solutions for all Mil/Govt applications



MEDIUM LIFT



NAVAL



UTILITY



TILTROTOR



ATTACK



LIFT



SAR/CSAR

1 . What industry needs from governments to support improved helicopter availability in the long term?

- Clear long term planning and Govt's support to R&D investment.
To allow for the development of advanced technology , capable rotorcraft, built to the Govt's required specifications and standards.
- Pooling of resources, around agreed strategic objectives.
To achieve breakthroughs in technology and to generate advanced helicopter models that can serve the Govt's needs for the long term (e.g. NH90) while creating the “critical mass” for sustainability.
- Increased harmonization of national norms and qualification criteria.
To allow for faster development of new models and increased availability of off-the-shelf solutions.
- Secured through-life partnering agreements on fleet support.
To maximize both cost-effectiveness of support and availability of aircraft.

How can industry support helicopter availability at relatively short notice?

AgustaWestland has the full capacity and experience to provide timely upgrade, delivery and introduction into service of additional helicopters, both new off-the-shelf and/or refurbished.



For instance, several Heavy Lift CH-47 Chinooks are currently undergoing a full refurbishment/upgrade at AW .



At least 10 Heavy Lift Chinooks and significant numbers of SH-3s and Linx units, compliant with NATO standards, could be made available from existing fleets and refurbished with a Turn-Around-Time of less than 12 months.



What industry needs from governments to support helicopter availability at short notice?

Urgent availability of helicopters can be increased in two respects:

- get more aircraft, either off-the-shelf or refurbished (and crews/maintainers)
- increase the operational availability of what is available: i.e. the current aircraft work harder

In both cases:

- Industry requires coherent strategy and communication with Users to understand what is achievable within time and budget constraints
- Governments to define their policy for what is 'acceptable risk' "when deciding the type and standard of aircraft to support operations



Flexible Innovative Training



Full training capability available with the industry is an asset both for the routine support to the military fleets and for the fast conversion to operation of additional helicopter resources under urgent needs .



AW is working with the EDA to provide the European Mi community with Tactical Training using operational lessons derived from current operations to maximise support to NATO operations



The Rotorcraft Industry in the EU

(Why should the EU Armed Forces/Govts care of its health)

- Vertical lift is the recognized key to mobility in the field
- Military rotorcraft technology took 60 years to develop at this stage
- There is a huge potential for further, multi-path development in the future
- High class, competitive and diversified helicopters are made in the EU

- The EU rotorcraft industry = a key asset for security of supply
- A motor of high technology in the EU at large, including the SMEs
- A source of opportunities for multi-national collaboration
- An instrument in support of the international policy of the Governments
- An offer multiplier towards the Govt's needs , so increasing competitiveness and efficiency of procurement
- A partner to Govt's enhancing cost-effective support of their fleets through innovative, integrated arrangements

Which strategy can benefit Governments and Industry in order to sustain helicopter availability in general?

At national and EU level, the right combination of :

- collaborative, advanced development/procurement programs,
- competitive, off-the-shelf procurement policies
- common norms and procurement processes,

will be critical both to the availability of suitable helicopter solutions to the governments and to the competitiveness and health of the rotorcraft industry.

Single, high value investments, such as a new Heavy Transport Helicopter should endeavour to maximize collaboration and minimize risk while creating the necessary military capacity.

Capacity in the EU exists, centered on the current local manufacturing and large fleets of AW101 and CH-47 HTHs.

Plans for a Future HTH should build on and further grow this capacity , possibly with balanced transatlantic collaborations, while targeting a large internal and export market in order to secure sustainability.



AgustaWestland activities



Better Through Life Support



- Develop ever closer relations with customers and their local industries
- Moved Industry/Customer interface to its most efficient boundary – Integrated Operational Support
- A strong European helicopter industry is essential to this process if governments and the EU wish to develop and deploy military capabilities in the changing world order

IOS Boundary

Depth



AgustaWestland

Technical Services, Material Support, Training Depots and Workshops

Forward

Aircraft Provision

Material Support

Technical Support

Training



Customer

Forward Operations

- £ per flying hour
- Operational Serviceability
- Operational fleet size

Support Growth to Service

- FLynx
- IMOS *Post MCSP*

- ✓ SKIOS - 2005
- ✓ IMOS - 2006
 - AH FSA -2008



Contracting for
Capability



Contracting for
Availability

- ✓ Sea King / Lynx
Blade to Blade
- ✓ Merlin R&O
- ✓ Apache R&O



Spares Inclusive
R&O

- ✓ SK / Lynx
pre - 2002



Traditional



✓ Contracted to AW

Improved Deployability and Sustainability

- Through-life innovation supports vastly improved solutions for users
 - In addition AW are also looking at real-time prognostics and high integrity 'tagging' technologies to track components and improve deployability and logistics
 - Some lessons can be learnt from the commercial aerospace and other industrial sectors to help make these a reality
- Pursue high quality training/simulation facilities to:
 - reduce the effects of skill fade of aircrews between operational deployments
 - reduce the training burden and requirement for large aircraft training fleet
 - provide realistic and mobile 'background' training in theatre to maintain/sustain operational skills
 - provide commanders and crews the ability to rehearse missions/deployments at very low risk



UORs and Modifications

AgustaWestland closely involved with providing fast-track support for Urgent Operational Requirements whereby a capability shortfall is jointly managed with industry to provide the most expedient and effective solution to the front line



JMS
Joint Modification Service



AW can propose effective **“off the shelf solutions”** such as the AW139, a very successful intermediate utility/lift helicopter, which provides unique “hot-and-high” performance capabilities, high versatility and has already been acquired by several armed forces worldwide

Improved Transatlantic Co-operation?

- The Global War on Terror has made transatlantic co-operation a necessity
- We can improve trans-Atlantic co-operation on helicopters, particularly at the systems and sub-systems level but need mutually beneficial answers to export control and IPR issues
- AW builds under licence arrangements on the latest variant of the Chinook. These are commercial arrangements, based on best value, that meet clear operational needs
- Looking to the future there are also prospects to exploit EU technology on US platforms and vice versa.
 - AgustaWestland are fitting Carson blades to the UK's Sea King helicopters and are in discussions with Boeing on fitting BERP IV rotor blades to the Apache
- EU must prevent US from adopting an increasingly Protectionist policy for military contracts through the credit crunch years

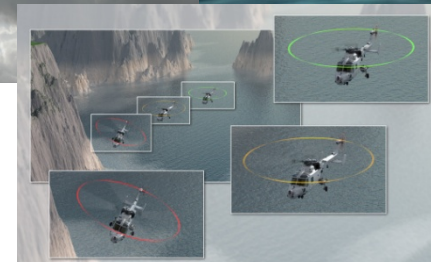


Research and Technology Collaboration



Other Technology areas

- Rotors
- Co-operative lift
- Displays
- HMI
- Green Rotorcraft
- DNAE
- Flight Controls
- Fly-By-Wire
- Vibration
- HUMS
- Transmissions
- Materials
- Acoustic Noise



What R&T Investment is being made to maintain competitiveness?

- There is significant EU investment in helicopters through the EU's Clean Sky and the Framework 7 programmes
- AgustaWestland actively involved within Europe including the UK in research for new capabilities to meet Urgent Operational and longer term requirements
- EDA do need to continue to support R&D programmes with funding but with a view to meet agreed market and capability-led requirements
- Specifically AW is involved in DAS, armour, DNAE, weapon and secure communication integration issues and advanced blades to improve environmental performance
 - AW also investigating advanced asset tracking that will enable operators to make better global use of spares and supplies
- Helicopter co-operation with Unmanned Air Systems needs greater European R&T focus as the US dominate this capability that will impact future sales





Heading for Continuous Success

Commercial in Confidence

