

GMAS Partner Alenia Signs Agreement with Rolls-Royce to Power C-27J

HUNTSVILLE, AL—May 3, 2006—Global Military Aircraft Systems (GMAS) confirmed today that Rolls-Royce Defense North America, will continue to supply the propulsion systems for the C-27J Spartan for the Joint Cargo Aircraft (JCA) Program. The GMAS team consists of Finmeccanica’s Alenia North America, Inc., L-3 Integrated Systems (L-3 IS), a subsidiary of L-3 Communications (NYSE:LLL) and Boeing Integrated Defense Systems (NYSE: BA).

Rolls-Royce, the world leading provider of power systems and services, and Alenia Aeronautica, the parent company of Alenia North America, Inc., have reached an agreement to supply propulsion systems for up to 42 C-27J Spartan tactical military transport aircraft over the next several years. The propulsion system agreement is valued at more than \$200 million and includes aftermarket services to support the propulsion systems. The engines will be manufactured by Rolls-Royce in Indianapolis, Indiana.

“The C-27J’s propulsion system is integral to the aircraft’s superior performance characteristics,” said Brigadier General Howard Yellen, USA (ret.), General Manager of GMAS. “Rolls-Royce engines provide unmatched power and performance that make the C-27J the fastest and most capable aircraft in its class. This latest agreement will provide our armed services with the flexibility to meet any and all missions, today and tomorrow.”

Dennis Jarvi, President Defense North America for Rolls-Royce said “This engine agreement with Alenia Aeronautica marks an exciting step forward in cementing a long-term relationship between two leading aerospace companies. With proven Rolls-Royce power, the C-27J provides a significant amount of cargo capability for a variety of military missions.”

“We are proud to have Rolls-Royce as a partner on the C-27J team,” said Giuseppe Giordo, President and CEO of Alenia North America. “The C-27J propulsion system is based on the system developed for the C-130J, providing the Spartan with significant interoperability, maintenance, logistics and training commonality with the existing U.S. Air Force fleet of intratheater airlifters.”

Rolls-Royce is currently supplying the same propulsion system for C-27Js operated by and under production for Greece, Italy and Bulgaria. Under the agreement, Rolls-Royce will supply up to 84 AE 2100-D2 engines and Dowty R-391 propellers for the C-27J. The power plants are manufactured as part of the Rolls-Royce “common core” engine line, which has totaled more than 21 million flight hours.

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The JCA program is a key component in the U.S. Army's transformation of its fixed wing fleet and the Air Force's support for intratheater airlift, which calls for the procurement of a new cargo aircraft. To support the future force, the JCA must be a multifunctional and interoperable aircraft, able to perform logistical re-supply, MEDEVAC, troop movement, airdrop operations, humanitarian assistance and missions in support of Homeland Security. The JCA program is expected to replace the U.S. Army's C-23 Sherpas, C-12 and C-26 aircraft and augment the Air Forces' existing fleet of intratheater airlifters. The C-27J JCA will play a key role in providing responsive aerial sustainment and critical resupply support for the maneuver force to maintain operational momentum.

The C-27J team provides an uncompromising commitment to deliver a proven, interoperable, and survivable airlifter to the United States Army and Air Force. The C-27J team includes Alenia North America, Boeing, Dowty, Honeywell, L-3 Communications, Lockheed Martin, Rolls-Royce and two dozen other suppliers from around the United States.

For additional information, please visit www.c-27j.com.

About Boeing Integrated Defense Systems

A unit of The Boeing Company, Boeing Integrated Defense Systems is one of the world's largest space and defense businesses. Headquartered in St. Louis, Boeing Integrated Defense Systems is a \$30.8 billion business. It provides network-centric system solutions to its global military, government and commercial customers. It is a leading provider of intelligence, surveillance and reconnaissance systems; the world's largest military aircraft manufacturer; the world's largest satellite manufacturer and a leading provider of space-based communications; the primary systems integrator for U.S. missile defense; NASA's largest contractor; and a global leader in sustainment solutions and launch services.

About L-3 Communications

L-3/IS is recognized internationally as a system integration organization specializing in the modernization and maintenance of aircraft of all sizes, and the study, design, development, and integration of special mission systems for military and commercial applications. The company has modified more than 15,000 different aircraft of more than 125 types. Headquartered in Greenville, Texas, L3 IS operates from multiple sites in Texas, Mississippi, Kentucky, Oklahoma, Virginia, Maryland, Alabama and Australia.

Headquartered in New York City, L-3 Communications is a leading provider of Intelligence, Surveillance and Reconnaissance (ISR) systems, secure communications systems, aircraft modernization, training and government services. The company is a leading merchant supplier of a broad array of high technology products, including guidance and navigation,

sensors, scanners, fuzes, data links, propulsion systems, simulators, avionics, electro optics, satellite communications, electrical power equipment, encryption, signal intelligence, antennas and microwave components. L-3 also supports a variety of Homeland Security initiatives with products and services. Its customers include the Department of Defense, Department of Homeland Security, selected U.S. Government intelligence agencies and aerospace prime contractors.

To learn more about L-3 Communications, please visit the company's Web site at www.L-3Com.com.

About Alenia North America

Alenia North America's mission is to further expand the industrial and commercial presence of the Alenia Group in North America and is a wholly owned subsidiary of Alenia Aeronautica. Alenia North America Inc. is headquartered in Washington, D.C. with offices in Seattle, Washington; Long Beach, California; and Fort Worth, Texas. Alenia North America—Canada, a subsidiary wholly owned by Alenia North America has offices in Ottawa, Canada. Alenia North America is also a shareholder in Global Aeronautica, a joint venture with Vought Aircraft Company, located in North Charleston, South Carolina, which performs significant integration and sub assembly work for the Boeing 787 program.

Alenia Aeronautica, headquartered in Rome, Italy is a company of the Finmeccanica Group. Alenia Aeronautica has revenues in excess of 1.2 billion Euros and a total work force of more 10,500 employees. Its main activities comprise design and production of commercial and military aircraft, design and production of aerostructures for military and civil aircraft and through Aeronavali, a wholly owned subsidiary, the overall maintenance and modification of military and civil aircraft. Alenia Aeronautica is a partner of and cooperates with the major global aerospace groups, including Boeing, Lockheed Martin, Airbus, EADS, Dassault, BAE Systems and Vought.

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