

20th December 2007

**MBDA TO LEAD TEAM FOR FUTURE MISSILE RESEARCH UNDER
JOINT UK / FRANCE TECHNOLOGY PROGRAMME**

MBDA, as the lead in a team of primary industrial partners, is to spearhead future missile technology research in Europe under a three-year Innovation & Technology Programme (ITP) funded jointly by the UK and French Governments.

The UK MoD and French DGA have awarded MBDA and a consortium of companies in France and the UK the first tranche of a three-year €21 million Missile ITP contract, expected to become the cornerstone of future collaborative research and technology demonstration programmes in the defence industry.

Under the contract, the value of the government contributions will be matched by the ITP consortium, led by MBDA, resulting in a programme value of €42 million. There is an option to extend the programme for a further two years. MBDA's primary industrial partners are Thales Air Systems, Thales Missile Electronics, Microturbo, Selex, Roxel, QinetiQ and Nexter Munitions.

Through the ITP, MBDA will coordinate and deliver both UK and French research needs while building up the front-end technology base for a future complex weapons capability in Europe. The aim is to stimulate and develop a portfolio of advanced and potentially disruptive technologies to the benefit of both governments and industry. MBDA will also establish a mechanism to ensure the capture and exploitation of novel technologies emerging from Small and Medium Enterprises (SMEs) and Universities to exploit in future generations of missile.

Significantly, the Missile ITP establishes a new business model for defence research insofar as the programme involves two governments engaged with industry across two nations. It is the first such programme to make it to contract. Through this team approach, MBDA has established a mechanism by which leading industry players, SMEs, research establishments and universities can, in conjunction with the MoD/DGA, conduct research into innovative new technologies for complex weapons. Each of the industrial partners will pilot a dedicated technical domain.

"This bi-national programme expands the MBDA-led approach to challenging the way that industry and government conduct business on existing weapons programmes. The concept of a jointly funded government/industry research programme for future complex weapons, covering eight companies over two nations is unique," said Steve Wadey, MBDA's Group Technical & Engineering Director and Managing Director of MBDA UK.

Antoine Bouvier, MBDA's Chief Executive Officer, said: "The Missile ITP brings innovation to future research and is breaking new ground in collaboration at an industrial and government level in the exploration of new technologies for future guided weapons. This programme is widely expected to become the point of reference for future collaborative research/technology demonstration programmes in the defence industry".

The UK's Defence Science and Technology Laboratory (DSTL) placed the contract on 4th December on behalf of the two Governments, each taking an equal share of the financing.

Commenting on behalf of the two governments and MBDA, the ITP Management Board stated that the ITP was not simply a contract but a significant joint investment, both financially and intellectually, by Government and industry, in the future of the European missile industry.

Note to the editors

With an annual turnover exceeding €3 billion, a forward order book of over €13 billion and over 70 customers world wide, MBDA is a world leading, global missile systems company.

MBDA is jointly owned by BAE SYSTEMS (37.5%), EADS (37.5%) and FINMECCANICA (25%).

Press Contacts:

	France	Italia	Deutschland
Carol Reed Group Head of External Communications Tel: + 44 (0) 207 451 6099 carol.reed@mbda.co.uk Mobile: + 44 (0) 7764 323 453	Marie-Astrid Steff Tel: + 33 (0)1 71 54 27 27 marie-astrid.steff@mbda-systems.com Mobile: +33 (0) 6 72 99 92 10	Michele Lastella Tel: + 39 06 41 97 31 38 michele.lastella@mbda.it Mobile: + 39 335 32 60 45	Wolfram Lautner Tel: + 49 82 52 99 2549 wolfram.lautner@mbda-systems.de Mobile : + 49 170 560 2350