

Press Release

Alenia Aermacchi, General Dynamics Canada, Provincial Aerospace, and DRS Canada Announce Letter of Intent to Team on Canadian Fixed Wing Search and Rescue Proposal

Ottawa, Canada – May 29, 2012 – Alenia Aermacchi, Alenia Aermacchi North America and Canada, General Dynamics Canada, Provincial Aerospace, and DRS Canada today announced the signing of a Letter of Intent to partner on a proposal for a Canadian Fixed Wing Search and Rescue (FWSAR) solution. The companies are finalizing the terms and conditions of the partnership and will work towards a more definitive agreement in the coming months.

The partnership is being formed in response to the Department of National Defence (DND) plan to acquire a new FWSAR capability to replace the aging fleet of FWSAR aircraft. Selection of the new capability will be conducted through a competitive process, with a draft Request for Proposal (RFP) expected in the fall of 2012, and contractor selection projected for 2014.

Alenia Aermacchi's C-27J Spartan is the most capable, cost effective, and uncompromising search and rescue aircraft available today. Canada's requirements make the C-27J the perfect fit for their FWSAR needs. The aircraft can operate in harsh environments and across vast terrains and can provide the speed necessary to reach those in need quickly.

"The search and rescue teams need an aircraft they can count on no matter the conditions or distance. The C-27J is well suited to some of Canada's harshest terrain where it will often be called into duty. The characteristics that made the C-27J the right solution for ten other national air forces will prove critical in Canada's selection process as well," said Alan Calegari, Chief Executive Officer of Alenia Aermacchi North America. "We are looking forward to working with our outstanding Canadian partners on this procurement."

With Alenia Aermacchi's C-27J, General Dynamics Canada's experience in performance-based in-service support on aircraft, and Provincial Aerospace's search and rescue experience and international reputation as a special mission aircraft modification, integration, operations and MRO organization, this team offers Canada the very best aircraft for FWSAR with a strong Canadian presence. The long-term engineering and maintenance support of the fleet, and the resulting long-term, well-paying jobs across the country will make this partnership an outstanding economic stimulus for Canada's aerospace sector.

“This team represents the best capabilities in Canadian industry, combined with the most capable aircraft in the competition,” says David Ibbetson, General Manager, General Dynamics Canada. “We are excited to be part of such a strong team, supporting Alenia’s C-27J for the FWSAR program. We are committed to providing RCAF air crews and SAR techs with the very best search and rescue capability in the world for decades to come.”

According to Brian Chafe, Provincial Aerospace’s Chief Operating Officer, “Our company has been supporting the Department of National Defence airborne surveillance mandate in Canada's challenging maritime environment for some 25 years. We know the demands of Canada's oceans, Arctic areas and rugged terrain first hand. The C-27J is the right aircraft for the job and the FWSAR procurement will result in an economic enabler with no parallel by creating domestic and international opportunities for companies to become part of Alenia's global supply chain.”

Steve Zuber, vice president and general manager of DRS Canada said, “DRS Canada is very excited to be a partner on the Alenia C27J team, and we look forward to expanding our significant presence in Canada into a strong relationship with the Royal Canadian Air Force.”

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Alenia Aermacchi North America, Inc.

Alenia Aermacchi North America, Inc. is a subsidiary of Alenia Aermacchi (a Finmeccanica Company). Its mission is to further expand the industrial and commercial presence of Alenia Aermacchi in North America. Alenia Aermacchi North America Inc. is headquartered in Washington, D.C. with offices in Seattle, Washington; Fort Worth, Texas and Smyrna, Georgia. Alenia North America - Canada, a subsidiary wholly owned by Alenia Aermacchi North America, has offices in Ottawa, Canada. The C-27J is the world leader in the twin engine military tactical aircraft market and has been sold to the U.S., Italy, Greece, Bulgaria, Lithuania, Romania, Morocco, Mexico, and Australia. Other Alenia Aermacchi North America products include the G222 tactical transport aircraft, currently in delivery to the Afghanistan Air Force, and the T-100, a variant of the M-346 Advanced Jet Trainer and Light Attack aircraft (produced by parent company Alenia Aermacchi), both of which are currently competing in the U.S. market.

General Dynamics Canada

With an established Canadian presence for more than 60 years with employees in Ottawa, Calgary and Halifax, General Dynamics Canada is Canada's largest defence electronics company with a worldwide reputation for excellence in the production of leading-edge, technology-based, integrated solutions for land, airborne and maritime applications. The company's success is based on strong systems engineering experience, ongoing investment in research and development, collaboration with commercial and military systems industry leaders, and a singular focus on customer service. The company's portfolio of next-generation Command, Control, Communication, Computing, Intelligence, Surveillance and Reconnaissance (C4ISR) solutions and integrated mission systems is backed by complete systems integration and in-service support. General Dynamics Canada is part of General Dynamics C4 Systems, a business unit of General Dynamics (NYSE: GD). More information about the company is available at www.gdcanada.com.

DRS Canada

DRS Technologies Canada is a wholly owned subsidiary of DRS Technologies Inc. is a leading supplier of integrated products, services and support to military forces, intelligence agencies and prime contractors worldwide. The company is a wholly owned subsidiary of Finmeccanica S.p.A. which employs approximately 70,000 people worldwide. DRS Technologies Canada designs, manufactures and supports a broad range of military communications, electro-optics, surveillance, and sensor signal processing systems for naval and ground applications as well as electronic warfare threat simulation and training systems ranging from computer-based training to high-power threat simulators. The company also designs, manufactures and supports ruggedized and full MIL-SPEC high-performance static power conversion equipment and other power management systems for ground-based, shipboard and airborne communications and weapons platforms. DRS Technologies Canada is also an experienced provider of turnkey state-of-the-art electronics manufacturing, integration and test services for various aerospace, defence and space applications.

Provincial Aerospace

Provincial Aerospace is a global leader in aerospace and defence, providing highly tailored airborne and maritime surveillance solutions: from custom aircraft design and modification, to mission system design and integration, to mission operations, training and support. PAL has been operating surveillance aircraft on behalf of world governments for over 25 years. In that time more than 25,000 incident free missions have been flown logging over 150,000 flight hours. PAL operates a fleet of maritime surveillance aircraft on behalf of the Government of Canada which fly off the east and west coasts supporting enforcement of Canada's laws and international treaties. PAL also operates a fleet of maritime surveillance aircraft on behalf of the Royal Netherlands Navy. These aircraft provide aerial surveillance in support of Search and Rescue and law enforcement activities in the southern Caribbean Sea. PAL is a proven national and international ISS provider to customers as diverse as the US State Department; The Barbados based Regional Security Service (RSS), the Trinidad & Tobago Air Guard (TTAG) and the



GENERAL DYNAMICS
Canada



United Arab Emirates Armed Forces. PAL provides a proven tactical management system (ADAM) to national (DND) and International clients.

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