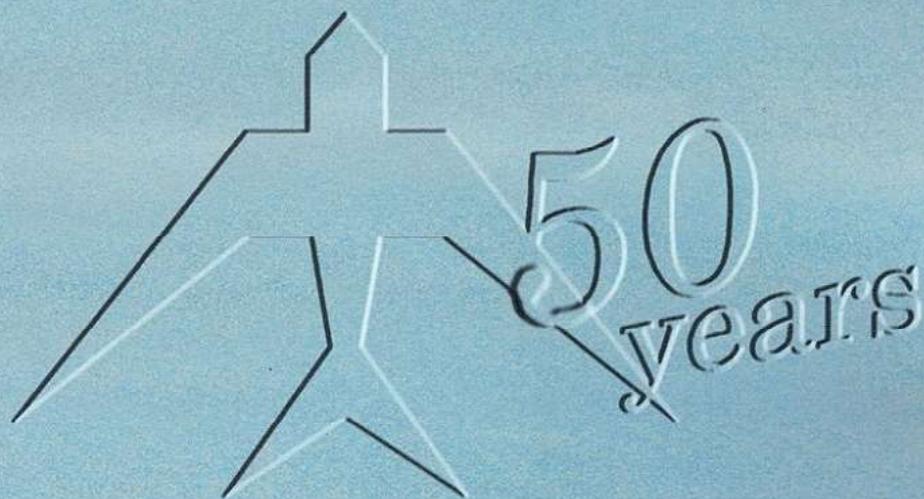




AERONAVALI





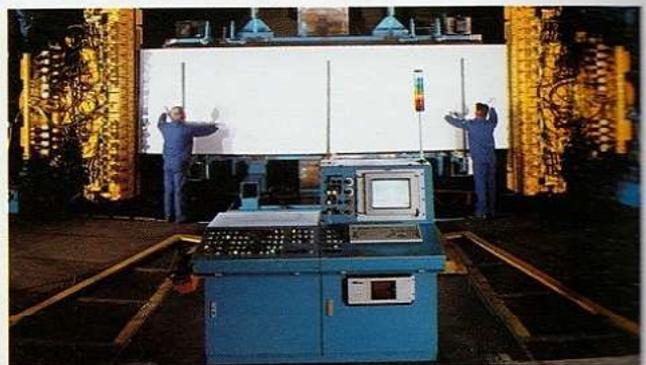
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AERONAVALI

COMMITMENT TO EXCELLENCE

Aeronavali is a Company of Alenia Aeronautica/Finmeccanica. Alenia Aeronautica is the Italian industrial leader in the development and realisation of aeronautical programmes, with products that range from military defence (Eurofighter Typhoon, Tornado, AMX) and transport aircraft (C-27J, G222) to commercial aircraft (ATR42/72), aerostructures (B767, B777, B717, B757, A321, A380, A300/310, A330, A340-500/600, Falcon 200, Falcon 900 EX), advanced mission system (ATR42 MP) and aircraft maintenance and modification.

In the modification and maintenance field Alenia Aeronautica has gained a leading position through Aeronavali. During the year 2000 Aeronavali registered revenues for 226 Million of Euro and an orders backlog of 313 Mil. of Euro, confirming the constant positive trend of the last years.

THE PLANTS

AERONAV



VENICE



NAPLES



BRINDISI



THE ACTIVITIES

- Passenger to freighter modifications
- Large and small aircraft maintenance
- Large and small aircraft structural modifications
- Large and small interior modifications
- Design of customized avionics packages
- Re-engining programs
- Product support / technical services



FACILITIES AND CAPABILITY



VENICE LAYOUT

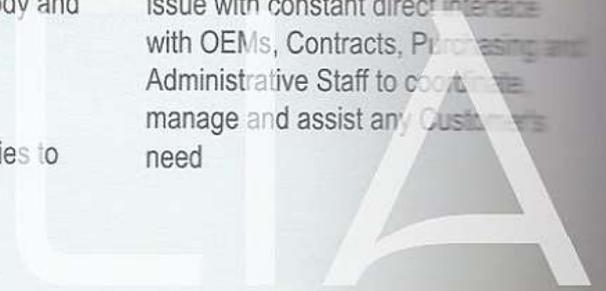
Aeronavali operates in three industrial sites strategically located in Venice, Naples and Brindisi

Today the Company relies on around 998,000 sq ft. of hangars and workshops and a total of over 1,700 highly skilled workforce which average over 15 years experience working on aircraft structures, systems and support services.

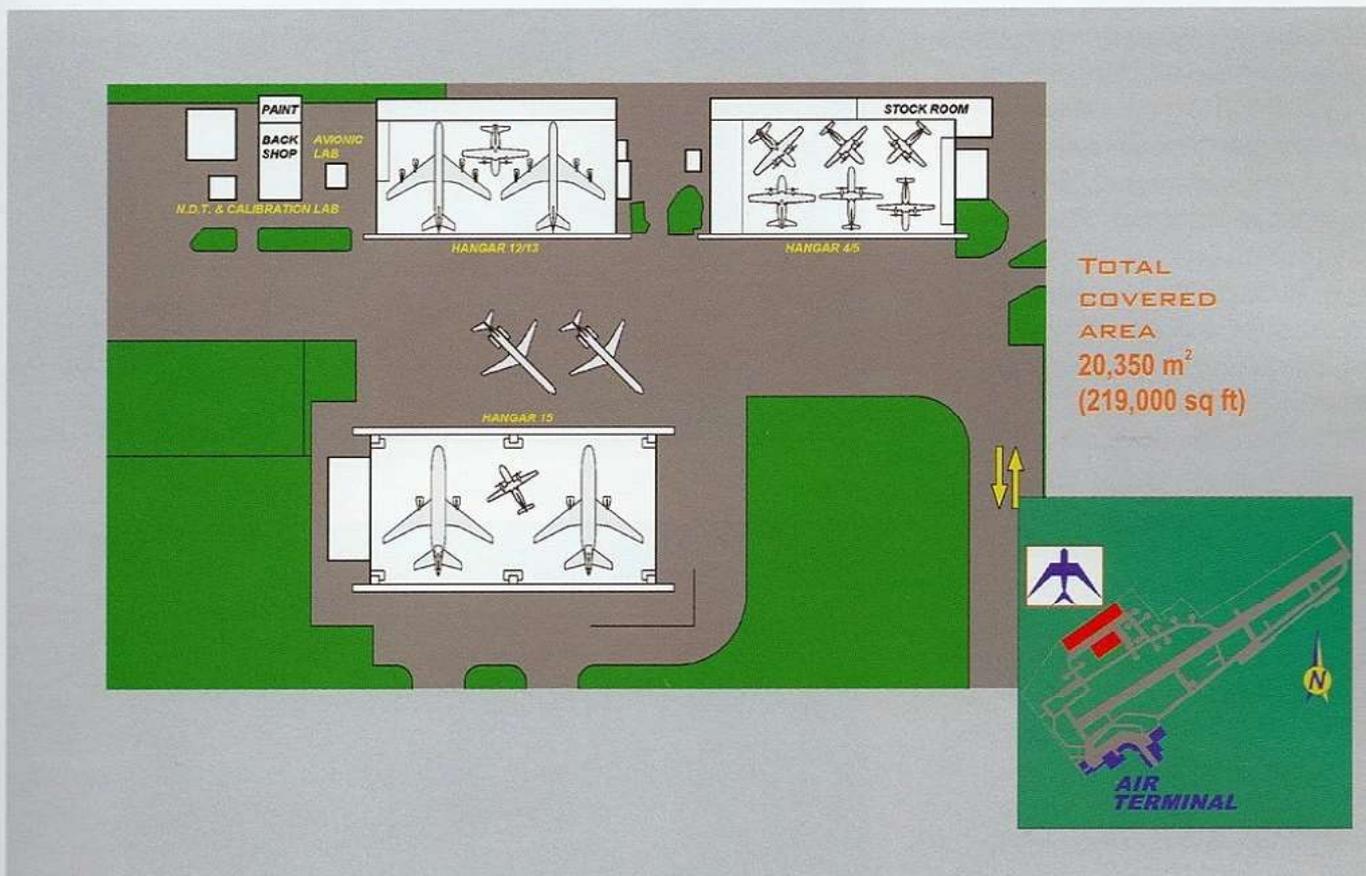
The facilities, that include four high bay hangars (three in Venice, one in Naples and one in Brindisi), can accommodate up to 12 wide-body and 15 narrow-body aircraft simultaneously.

Aeronavali provides the entire spectrum of aeronautical activities to

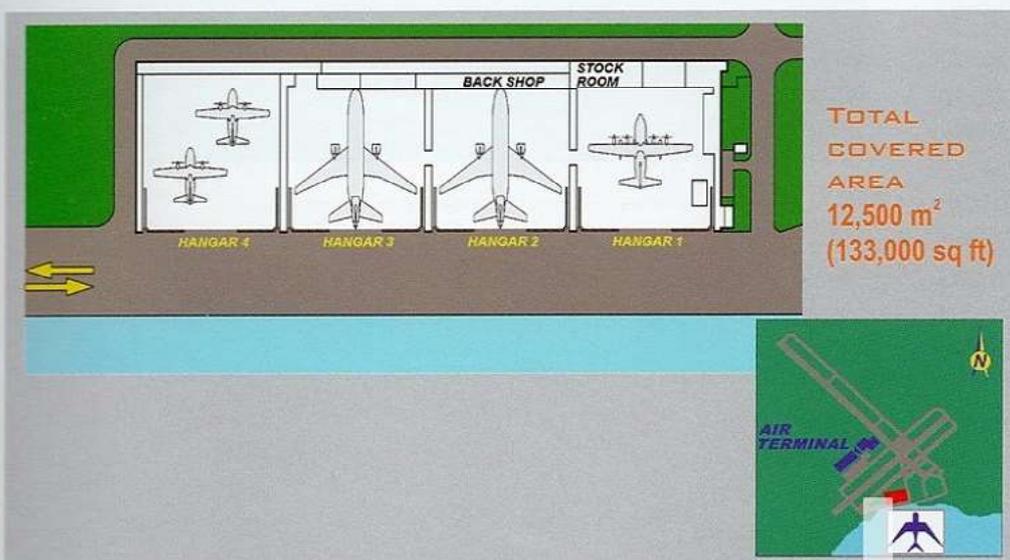
face all the Customer requirements in terms of aircraft Modification, Maintenance and Upgrading and Parts Manufacturing
 Dedicated Painting Bay, to accommodate up to MD-11 platforms, back-shops and treatment capabilities to fabricate the parts needed to sustain all the Modification and Maintenance tasks, skilled Engineering, Planning, Quality Assurance and Technical Services to support and resolve any technical issue with constant direct interface with OEMs, Contracts, Purchasing and Administrative Staff to coordinate, manage and assist any Customer's need



AVAILABLE



NAPLES LAYOUT



BRINDISI LAYOUT

AIRCRAFT MAINTENANCE AND OVERHAUL

Aeronavali has an extensive experience over the entire spectrum of airframe maintenance and overhaul.

Aeronavali provides services on narrow and wide body aircraft which include light and heavy checks, corrosion treatment and control, cabin configuration conversions, fuel tank resealing and complete aircraft stripping and painting

In the Maintenance and Overhaul business, Aeronavali is taking advantage of the long experience reached, since the years of the World War II, in the field of aircraft maintenance and structural repair. Today Aeronavali has developed great experience in the heavy maintenance services, especially on products such as DC-8, DC-10, MD-11 and MD80 aircraft.

Aeronavali experience on DC-10 checks is worth of Heavy Maintenance Visits according to different Maintenance Standards (KSSU, OAMP, ATLAS) including also the latest version MSG3

The services of Aeronavali are completed by the maintenance support offered to ATR 42/72 operators in the European and African regions. More than 50 ATR aircraft get back into service every year for operations from A-Check through 8Yr-Check up to 24,000 Flight Cycles.

Heavy Maintenance is also performed by Aeronavali on Military Aircraft. Namely, Italian Airforce G222, C130H, Breguet Atlantic BR-1150 and B707 Tanker/Transport fleet are also supported by Aeronavali for all the Heavy Maintenance requirements, engineering, logistics and spare parts supply are among those



MAINTENANCE IN THE NAPLES HANGAR



WIDE BODIES SERVICING IN AERONAVALI VENICE

AERONAVALI



E-3A AWACS MAINTENANCE



C130 MAINTENANCE IN BRINDISI PLANT

activities provided in the frame of annual comprehensive contracts. In particular the four B707 T/T aircraft are supported at their main base of Pratica di Mare (Rome) by Aeronavali personnel.

Aeronavali has license and capability to perform up to depot level maintenance on the Italian Air Force C130H aircraft. More than 150 aircraft have been serviced at Aeronavali in Brindisi for major customers like I.A.F and U.S.A.F. Aeronavali also provides the I.A.F C130H fleet at Pisa Air Base with Technical, Spare and Logistic Supports.

As a NATO Source of Repair, Aeronavali has been tasked with the responsibility of carrying out the DLM (Depot Level Maintenance) of NATO's E-3A AWACS and B707 TCA (Trainer Cargo Aircraft)

The Company is also providing field service in the emergency maintenance support, on an "around-the-clock" basis.

Aeronavali has been designated by the major aircraft manufacturing companies as an important center for maintenance and modification of aging aircraft.

In order to assure total aircraft support, Aeronavali offers a variety of ancillary services.

Facilities are available for the inspection, disassembly and rebuild of power-plants and propellers.

Field teams can be organized for special assignments such as salvage and recovery of crash damaged aircraft.

Aeronavali field teams have been performing on-site and shipboard emergency repairs to aircraft and helicopters assigned to the US Navy since 1977

ENGINEERING-QUALITY-CERTIFICATION



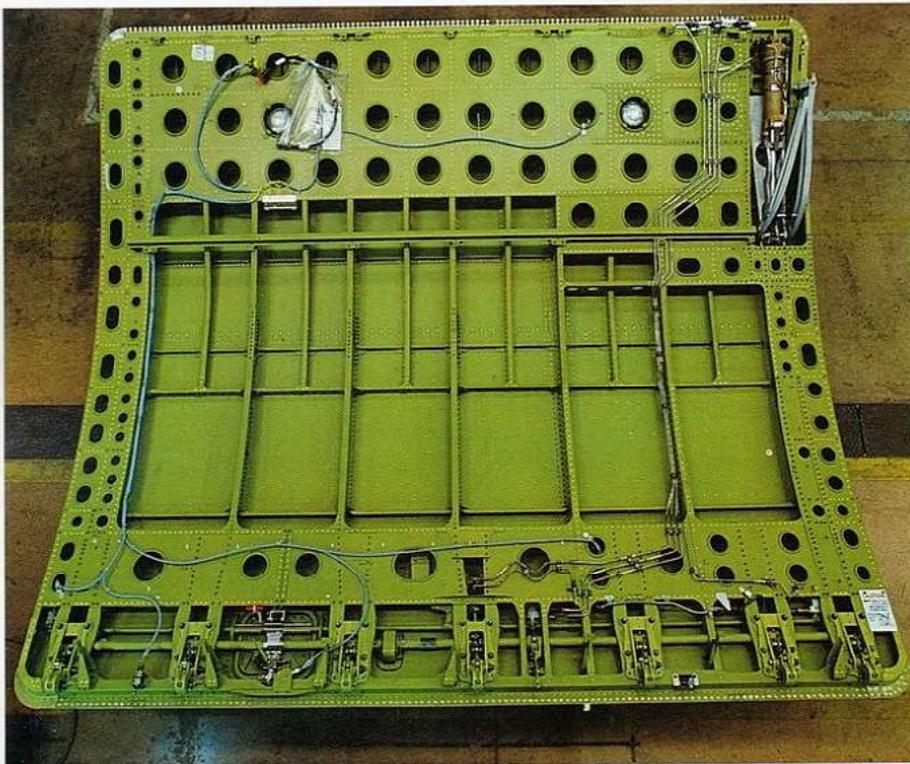
G222 / C-27J

In 1994 Aeronavali has been certified by JAA as a JAR145 Approved Maintenance Organization (certificate no. RAI-142)

In 1998 Aeronavali has also been certified by RAI/JAA as an Approved Production Organization, in accordance with JAR 21 Subpart G (certificate no. RAI G.003)

The newly incorporated Brindisi Plant has already obtained the Italian Ministry of Defense certificate of acknowledgment renewal for its quality control system, pursuant to the AER-Q-110 regulation. All the necessary actions are in process in order to obtain for the Brindisi Plant all the certifications already held by the other Aeronavali plants, (FAR and JAR 145) in order to expand Aeronavali capabilities both in military and commercial programs.

In 2001 Aeronavali was also awarded with the UNI EN ISO 9001-94 certification for its industrial plants of Venice, Naples and Brindisi.



DC10 CARGO DOOR MANUFACTURING

Aeronavali's Quality Assurance program conforms to the manufacturer specifications and to the standards of the airworthiness authorities. Strict controls ensure the highest possible quality for the products and services being performed. Non-destructive testing of the structures, components and engines is performed by using the most advanced techniques available in the market.

Aeronavali is an FAA certified repair station since 1963 for the Venice plant (FAA certificate no. C01Y067K) and for the Naples plant (FAA certificate no. C012067K) and is also certified by the Italian Ministry of Defense (certificate no. 446). Since 1986, Aeronavali is also qualified by NATO Airborne Early Warning Force Command as an E-3A Source of Repair.



DC10-40 AFTER THE CONVERSION TO FREIGHTER



ITALIAN AIR FORCE B707 TANKER



ITALIAN AIR FORCE BR-1150 ATLANTIC

PASSENGER TO FREIGHTER AND MODIFICA



AIRCRAFT MODIFICATION AT NAPLES



MD 11 AFTER CARGO MODIFICATION

The technical resources of Aeronavali have been used to accomplish activities on aircraft ranging from simple kit installation, Airworthiness Directives and Service Bulletins embodiment to the total rebuilding of entire fuselage sections. The integration of all the specific skills (Engineering, Maintenance, Fabrication and Assembly as shown in the Technology Matrix) with the Modification determines the ability of Aeronavali to face any modification requirements.

The Aeronavali's Passenger to Freighter Programs started in 1985 with the first DC-8 converted into full freighter configuration.

The DC-8 program, with a total of 47 aircraft converted, was so successful that McDonnell Douglas (today Boeing) and Alenia signed an Exclusive License for the Freighter Conversion of DC-10 aircraft. This means that the customers that buy a DC-10 converted at Aeronavali are acquiring not only a first-class product, but also the devotion of an entire organization. Aeronavali, in fact, will grant each conversion with the recognition of the Original Aircraft Manufacturer that will acknowledge the airplane to the new full freighter role for its entire remaining life.

In the last years Aeronavali made a massive effort to the development of a

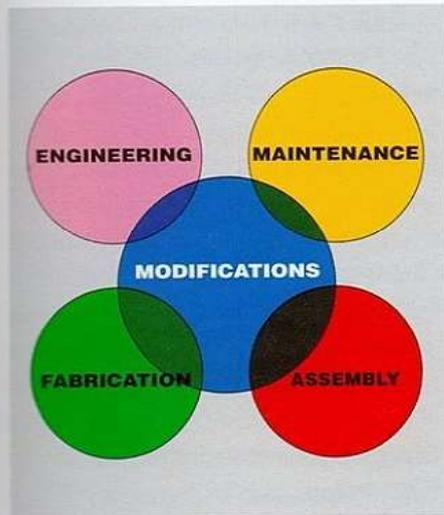
Passenger to Freighter Conversion Program for the MD-11 and DC-10 series aircraft, and today is offering a very extensive industrial support with qualified personnel, granting a deep and outstanding knowledge in such a work.

This project is supported by a dedicated organization, an oriented management and a flexible industrial system perfectly tuned with the best quality and efficiency. The reached level of experience, in the specific field of the cargo conversion market, has grown through a lot of betterment in the different milestones that make up the final product. With the number of DC-10-10, DC-10-30, DC-10-40 and MD-11 aircraft already redelivered to various customers, Aeronavali is the undisputed worldwide leader for Boeing Tri-Jets Cargo Conversions. Aeronavali is also a partner of Boeing Airplane Services for the development and modification of the 767 Special Freighter program.

For this new program, Aeronavali will provide BAS with passenger-to-freighter modifications, modification kits, tool design and fabrication, and engineering support.

As far as the conversions to freighter are concerned, ATR has selected Aeronavali as its exclusive outfitter for

its ATR 42 and ATR 72 cargo modifications. The combined expertise of Aeronavali and ATR positions the ATR cargo version as a new standard in the 4 to 9 ton category. Another significant activity of Aeronavali is the avionics and mission system installation and upgrades for both commercial and military aircraft, as well as extensive modifications for special mission applications. Cockpit modification and standardization programs have been conducted on DC-10 (MD-10), DC-8 and B727 airplanes, together with ESM installation of the ATL1 fleet of the Italian Air Force and the C130H Avionics Modifications. Based on such large experience in avionics and systems upgrading, Aeronavali has been contracted by Alitalia/Atitech for the MD-80 retrofit program named "AREANAV". This modification consists of the enhancement of the existing aircraft cockpit through the installation of a new generation navigation equipment. Aeronavali is also responsible for the preparation of the wire harnesses needed to supply power to the new systems. Another major modification program converting B707 into "Tanker/Combi" version was conducted at the Naples facility. The final product is a "tanker"



TECHNOLOGY MATRIX



ATR PASSENGER TO FREIGHTER MODIFICATION

with the capability of refueling 3 aircraft simultaneously. Recently Alenia Aeronautica and Aeronavali have signed a memorandum of agreement with The Boeing Company to become partners in the development, production and support of a tanker/transport version of the Boeing 767 commercial aircraft.

The Alenia and Aeronavali memorandum of agreement with Boeing has been triggered by a requirement from the Italian Defense Administration for new tanker/transport aircraft, which recently resulted in the selection of the Boeing 767 as the tanker system.

Through the agreement, the Italian companies will invest in the widely expanding international market for air-refueling tanker/transport aircraft. Alenia Aeronautica and Aeronavali will take part in all the program phases, including design, development, production and logistics support. Additionally, they will support the marketing effort in selected areas of expertise. Alenia Aeronautica will contribute design and technologies for the development activities.

Aeronavali, with a program share of up to 20 percent, will be the leader in Italy for the complete modification of the Italian Air Force aircraft, and will also

be responsible for modification kits for additional aircraft sold in the international market.

Moreover, Aeronavali has performed the conversion of the German Air Force B707-307 to NATO Training Cargo Aircraft standards.

Aeronavali is also involved in the ATR42 MP Surveyor Modification. The ATR 42 MP Surveyor, an Alenia Aeronautica program, is derived from ATR 42 Regional Aircraft, and has been designed to accomplish different roles.

In order to perform the different missions several structural modifications have been implemented by Aeronavali: door operable in flight, FLIR turret installation, bubble windows, search light pod, gun pod, search radar/radome installation. The ATR MP Surveyor has been already selected by Italian Customers, Guardia di Finanza (Customs Service)

and Capitaneria di Porto (Coast Guard)

Aeronavali manufacturing department is unique in its ability to respond to a broad spectrum of requirements. Originally developed to produce parts and assemblies to be used in the different Aeronavali's projects, the large manufacturing department's reputation for quality and on-time performance has led to additional work committed by airframe manufacturers and modification centers.

In addition to the on-going parts manufacturing projects, Aeronavali is supporting Boeing with its MD-11 and MD-10 Passenger to Freighter Conversion Program.

Given the undisputed leadership in the Conversion Kits manufacturing, Aeronavali is also providing Boeing with most of the parts necessary to the aircraft modifications accomplished worldwide.



DC-10 AND MD-11 AT VENICE PLANT

AERONAVALI: MORE THAN 50 YEARS OF S



Over fifty years have elapsed since the technicians of the newly born Aeronavali moved their first steps in the aircraft conversion and maintenance markets.

During these years the company has completed changed its standards and aligned them to the evolution of aviation technologies.

The ability to adapt to the requirement of a market always looking for new challenges, has contributed to create the spirit of Aeronavali

Every employee at Aeronavali is today proud to preserve this attitude, seeking the achievement of an ever increasing success.

The first airlines in Italy were created during the post World War I years, among these, Transadriatica was founded in Venice.

In 1931 Transadriatica merged into Società Aerea Mediterranea.

In 1934, all the Italian airlines were gathered into Ala Littoria, based in Rome-Ostia, with Venice as second operating airport.

The Ala Littoria workshop at the Lido has been constantly increasing their equipment and their staff gained a remarkable experience in metallic aircraft.

When Italy got involved in the World War II in 1940, the Lido workshop had

550 employees, who rose up to 1,200 during the conflict.

In 1947 the Italian government decided to dismiss certain organizations, such as Ala Italiana - descendent of Ala Littoria - that owned the Lido workshop.

Meanwhile, some of the workers had founded a cooperative and contacted Commander Umberto Klinger, trying to convince him to open an aviation facility at the Lido of Venice.

Umberto Klinger was born in 1900 and had volunteered in World War I when he was only 17. A close friend of Italo Balbo, he had founded SAM in the between the two world conflicts period and had been appointed President of the Ala Littoria

Accepting the invitation, Klinger founded the company called "Officine già dell'Ala Italiana - Venezia Spa" with a registered capital of 5 million Lire and 191 employees.

The date was September 16, 1947. The first activities performed by the company where most diverse: repair and reconstruction of war surplus aircraft, of motorboats, gas cylinders, vehicles and trucks.

The reconstruction of the Lido plant was completed in 1949

The newly incorporated Aeronavali had in that year 278 employees.

The beginning was not easy, however in 1951 there were only 46 employees and a trusteeship was ordered, subsequently withdrawn in 1952.

By that year, employees were 123. During those years, Aeronavali's core business was the recovery of old C-46 military aircraft in Egypt.

Under an agreement between the Egyptian government and Varig these aircraft were transferred to the Lido and rendered operative.

The years from 1955 and 1960 may be regarded as a consolidation period for Officine Aeronavali. Commander Umberto Klinger, with his brother Luigi, a General well acquainted in the civil and military aviation entourage, proposed new opportunities for the company. In particular he kept contacts with LAI and Alitalia, two airlines that by the end of the 1950's merged into Alitalia, an entirely state-owned corporation.

The aircraft overhauled, converted or equipped with new engines in Venice were C-45, C-47, T-6 military aircraft and the entire range of Douglas airliners.

With the advent of modern jet-planes the facilities at the Lido "Nicelli" airport ceased to be employed.

On April 1, 1961, the new Venice "Marco Polo" International Airport located at Tessera was inaugurated.

In 1965 summer Officine Aeronavali moved to the new hangars located near the new runway.

During 1960's a general change occurred: aircraft overhaul and conversion activities were flanked by the construction and assembly of aircraft components and of Martin Baker ejectable seats.

On June 27, 1963 Aeronavali reached an important goal: the Federal Aviation Administration's certification as Repair station, a certificate which has always been renewed continually since then.

The 1970's were a tougher period for Aeronavali, which was purchased by GEPI in 1972.

During the following decade the company struggled mostly for its

survival, without renewing its equipment and without being able to make valid and farsighted plans. On September 15, 1981 Officine Aeronavali was acquired by Aeritalia (presently Alenia Aeronautica), a Finmeccanica company with a leading position in the aerospace industry. Aeritalia policies envisaged the re-launching of the Venetian company and its re-qualification in three basic fields: traditional maintenance and overhauling activities, introduction of the overhaul and conversion programs of AWACS and TCA aircraft, within the broader framework of international cooperation, a careful market analysis suggested to avoid the field of civil aircraft overhaul and to dedicate all the efforts to the field of modification, availing themselves of the acquired experience.

In 1985, a strategic alliance began which lasts to the present days: the agreement with McDonnell Douglas of Long Beach, CA, now The Boeing Co. Aeritalia/Aeronavali and the Californian aircraft manufacturer enter into an exclusive license agreement for the conversion of DC8s from passenger to freighter aircraft. The first order came from Air Canada, from which the modification of 2 DC8-63 aircraft was contracted.

Then United Parcel Service, a giant among air forwarders, ordered the conversion of 16 DC8-73 aircraft to be carried out in Venice.

GPA, a leasing company, converted its entire United Airlines DC8-71 fleet (29 aircraft in total) into cargo aircraft.

The merger of maintenance activities into Aeritalia continued when the overhaul of the Atlantic antisubmarine aircraft, commissioned by the Italian Air Force, was moved to Venice. The aircraft components manufacturing was further re-launched with the production of parts for the Tornado program and of segments for the G222 program.

The kit needed to convert the DC8s yesterday and the DC10s today is also manufactured and assembled by



Aeronavali. The cargo doors for the new MD11F aircraft are also built in Venice.

Strengthened by the experience gained with DC8s, in 1990 Alenia/Aeronavali signed an exclusive license agreement with McDonnell Douglas for the Passenger to Freighter Conversion of DC10 aircraft.

The same year a new hangar with two wide-body positions was built. It was inaugurated by the first 2 DC-10-10s, to be modified for Federal Express, the world leading forwarder.

In 1994 Aeronavali doubled their industrial capabilities by purchasing from Alenia the Naples plant, located by the Capodichino International Airport.

The industrial growth reached allowed the company to expand its market share and to propose itself as a maintenance station for wide-body, narrow-body and commuter aircraft. The largest ATR operators in the Mediterranean have chosen Aeronavali as maintenance center for their fleets. Alitalia/Alitec chose to have the modification called "AREANAV" - upgrading of the avionics of its MD-80 fleet - performed by Aeronavali in Naples.

Again, another relevant conversion program is being carried out at

Capodichino: the Passenger to Tanker Conversion of B707 aircraft for the Italian Air Force.

The DC-10 conversion is by now the Aeronavali's most distinctive activity. The new millennium started for Aeronavali with the acquisition of the former Agusta plant in Brindisi. The Brindisi facility is an historical site as well, since 1953 it developed great experience on maintenance of military aircraft such as G59, S2-F, HU-16A, P3, C130H, G222.

In 2002 a new wide-body hangar has also been added in Venice plant. These new environments will allow Aeronavali to increase its military and commercial business with a consequent additional industrial capacity to face the request of more and more demanding markets. Next years will be focused also on new products in addition to MD11s and ATRs which are already under modification to cargo. Aeronavali will soon modify B767 aircraft both into cargo for the commercial market and into tanker for military purpose.



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