

**21st May 2007****MBDA SELLS ALKAN BUSINESS TO FRENCH INVESTMENT GROUP****MBDA today sold its interests in French aerospace equipment company ALKAN to the ARGOS-SODITIC capital investment group.**

The European missile systems leader sold all of ALKAN's activities in carriage systems and ground handling mechanical equipment, representing 80% of the company's annual turnover, but will retain ALKAN's countermeasures business. The countermeasures activities, employees, sales contracts and associated assets will all be transferred and re-integrated within MBDA's operations in France.

Through this divestment, MBDA is continuing its strategy to give priority to and optimise its investment in its core business: missile systems.

For ALKAN, the primary business objective is to sell carriage systems for all types of platforms. As such, the company's priority is to develop alliances across the aero-equipment industry within both France and Europe.

ARGOS-SODITIC is an independent European capital investment group specialised in the acquisition and development of enterprises ranging in size from €20m to €200m. The group plans to use the acquisition of ALKAN to develop a military and civil aero-structures business hub which federates with and around ALKAN a number of other equipment companies in the sector.

ALKAN's management team is associated with the venture via the Aerostructures Civiles et Militaires de France (ACMF), a specially-created management holding.

Marwan Lahoud, MBDA's Chief Executive Officer, said : «This divestment represents a significant opportunity for the development of ALKAN and I would like to underline that this sale will have no impact on employment either within ALKAN or within MBDA France.»

**Notes to 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 currently has 45 missile system and countermeasure programmes in operational service and has proven its ability as prime contractor to head major multi-national projects.

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

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