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JOINT PRESS RELEASE

**EUROPEAN RESTRUCTURING
IN THE FIELD OF AEROSPACE AND RELATED DEFENCE INDUSTRIES**

**INDUSTRIAL RESPONSE
TO THE SIX MINISTER'S POSITION PAPER OF 9 JULY 1998**

The common position paper issued by the governments of France, Germany, Italy, Spain, Sweden and the United Kingdom on 9 July 1998 supported the creation of an integrated European Aerospace and Related Defence Industry along the lines proposed by the four Airbus partners in their report of 27 March 1998.

The governments asked for further clarification on topics such as governments rights in EADC and other issues.

In response to the Common Position Paper, Aerospatiale, British Aerospace, Construcciones Aeronauticas, Daimler Benz Aerospace, Finmeccanica-Alenia and Saab have today remitted a joint confidential report to the six governments.

The companies have reached a wide measure of agreement on the issues discussed. They all have confirmed that a unified, integrated European Aerospace and Defence Company (EADC) is the right target structure, as already proposed by the Airbus Partners in their March report. In particular, the consensus on the target perimeter and objectives established in March has been endorsed in most essential respects by Finmeccanica-Alenia and Saab. The companies will therefore continue to pursue their discussions.

As regards governmental questions, a number of issues need to be taken forward. The Partners welcome the progress made between the six Defence Ministers on the matters covered in the Letter of Intent of 6 July 1998. Today's report addresses the other matters raised by the Industry Ministers on 9 July 1998, including the question of governments rights and safeguards in EADC. The Partners hope that their report will contribute to the intergovernmental process and are ready to enter into dialogue on the issues raised in the report as and when appropriate.