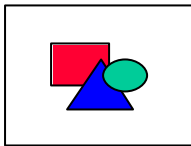


{PRIVATE} MEDIA RELEASE



{PRIVATE}{PRIVATE} **The Hon. Peter Reith, MP**
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{PRIVATE}10 Aug 2001

MIN 286/01

ARMY'S AIR RECONNAISSANCE HELICOPTERS ON THE WAY

Eurocopter International Pacific has been selected as the tenderer to advance to the tender development stage of Project Air 87, Armed Reconnaissance Helicopters.

Eurocopter has offered the French/German 'Tiger' to meet the Australian requirement which was issued in mid December last year following the publication of the White Paper.

The company and Defence will now enter into detailed development of the tender.

When the contract for the 22 helicopters is finalised it will be worth about \$1.3 billion and will create up to 150 jobs during the assembly phase from mid 2002 to mid 2006.

Eurocopter has proposed that assembly and deeper maintenance will be carried out in Queensland.

This project will give Australia a new level of industry capability for the maintenance and support of leading edge technology.

Importantly, some of the components produced in Australia will be exported and thus give Australia entry to the worldwide supply chain for Eurocopter.

Air 87 has been a lead project in the overall reform of acquisition processes, designed to reduce the costs of tendering and to accelerate the introduction of new equipment into service.

In the past, it has typically taken two to two and a half years to get major projects from tendering to contract signature. If negotiations proceed smoothly it is possible that this project could reduce that time to less than twelve months.

The first of the armed reconnaissance helicopters are scheduled to enter service by the end of 2004.

The 'Tiger' will be equipped with leading edge technology in its sensors, data links and communications and provide a major new capability for Army.

Their flexibility and ability to deploy at short notice and operate in diverse circumstances represents a revolution in the Australian Army's operations.

The Tiger will transform Army's ability to conduct tactical reconnaissance by day or night and provide a vital capability to escort and protect our Black Hawk helicopters as they transport troops and supplies.

As part of the requirement to fulfil Australian industry involvement targets in the Air 87 Project, Eurocopter will also be establishing a second production line to produce EC120 civilian helicopters in Australia.

Eurocopter has proposed this production line be established in Queensland.

It will produce between 30 – 50 helicopters per year for the Australian, New Zealand and Asian markets.

This production line will have a turnover of about \$50 million dollars per year and employ approximately 30 people.

Pictures of the Eurocopter are available at www.defence.gov.au/media/gallery/h1.jpg

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