

PRESS RELEASE

11 JANUARY 2019

Naval Group signs the Strategic Partnering Agreement

A significant milestone has been achieved today with the signing of the Future Submarine Program Strategic Partnering Agreement (SPA) by the Commonwealth of Australia (CoA) and Naval Group.

The agreement was signed in the presence of Prime Minister Scott Morrison, The Hon. Christopher Pyne, Minister for Defence and Florence Parly, French Minister for the Armed Forces.

The agreement sets out the principles of cooperation between the two partners for the Attack class Submarine Program which will see:

- the delivery of 12 regionally superior submarines to Australia with leading edge capabilities;
- the delivery of new technologies and advanced manufacturing capabilities to Australia, introducing the next phase of Australian sovereignty as a submarine nation;
- the creation of thousands of direct and indirect Australian jobs which will positively impact many generations of Australians; and
- opportunities and long-term planning certainty for industry, allowing Australian companies involved in the submarine program to invest in the capabilities needed to support their involvement in construction and sustainment activities.

“Naval Group is known for building world-leading, technologically advanced submarines and has built 100 of them for nine different countries,” said Herve Guillou, Chairman and CEO, Naval Group.

“This agreement with Australia will see Naval Group transfer the “know-how” and “know-why” to Australia to become an sovereign submarine nation.

“We are very excited about the opportunities that lay ahead of us and are committed to delivering the Future Submarine Program for Australia.

“We are grateful to the teams from the Commonwealth of Australia and Naval Group who have worked hard to achieve this agreement,” said Mr Guillou.

Since being selected as Australia’s partner for the Attack class Submarine Program in April 2016, a lot has been achieved.

Program milestones

- Pre-sizing of the Future Submarine has been completed.
- The Feasibility Study phase of the Future Submarine design contract being undertaken in France with the support of Australian engineers has been completed. This involves working closely with the Commonwealth to ensure the Future Submarine meets functionality, scheduling and cost requirements.
- The first sod has been turned at the Future Submarine construction yard in Adelaide. Phase 1 of the onsite works will focus on site establishment, earth works and piling for the new facilities with the development to create at least 600 jobs.
- The transfer of technology commenced with the relocation of the first group of Australian engineers to France to learn how to carry out the detailed design of the Future Submarines. The next group of engineers will depart for France in March 2019.
- Officially opened the Future Submarine Program office in Cherbourg housing Naval Group personnel alongside their Defence and Lockheed Martin Australia colleagues.
- Continued to work with education facilities, TAFEs and universities, having forged a collaborative engineering and research Memorandum of Understanding with the University of New South Wales.
- Suppliers of the top five pieces of equipment including the main motor, diesel generators, switchboards, batteries and weapons discharge systems have been reviewed and will be announced in 2019.

Industry milestones

- Continue to maximise the opportunities for Australian Industry involvement in the program, through all phases, without compromising the Commonwealths requirements against capability, cost and schedule.
 - To date Naval Group has engaged with over 1,100 Australian suppliers through expression of interests, requests for information, supplier visits and industry events to develop a in depth understanding of Australia Industry capability.
 - 169 Australian suppliers have been pre-qualified for the program with Naval Group Australia.
 - Conducted numerous engagement activities in France and Australia to connect potential European and Australian suppliers.
- Released Expressions of Interests and Requests for Information for major equipment and common technologies equipment for the Future Submarine.
- Commenced efforts to procure capital equipment related to the Submarine Construction Yard including machining equipment, painting booths, a plate rolling machine, a plasma cutting machine, water jet cutting machine, rotating cradle and a milling machine.
- Conducted nine Future Submarine industry briefings across the nation providing Australian companies information on how to become involved in the Future Submarine Program.

Naval Group Australia milestones

- Established our headquarters in Keswick, Adelaide.
 - Expanded the Naval Group Australia team from 15 employees to over 100. By 2028-2029, when production is in full swing, we expect to employ 1,600 people.
 - Successfully became ISO 9001 certified.
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About Naval Group

Naval Group is a European leader in naval defence. As an international high-tech company, Naval Group uses its extraordinary know-how, unique industrial resources and capacity to arrange innovative strategic partnerships to meet its customers' requirements. The group designs, builds and supports submarines and surface ships. It also supplies services to shipyards and naval bases. In addition, the group offers a wide range of marine renewable energy solutions. Attentive to corporate social responsibility, Naval Group adheres to the United Nations Global Compact. The group reports revenues of €3.7 billion and has a workforce of 13,429 (data for 2017).

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