C-212 (26 passengers), and the C-101 (military jet trainer). Other significant European consortium participations include Eurofighter (13 %) and FLA (20 %). The group has developed a reputation for its carbon fibre competencies. CASA's Airbus participation has been assuming growing significance contributing almost 25 % of the group's turnover. Major procurement on all CASA programs are negotiated by Mr. Javier Matallanos, Director of Material and Logistics, who's department works closely with the program directors in a matrix format (Exhibit 24). Responsibility for CASA's interest in Airbus rests with its program director, Mr. Carlos Gutiérrez, who reports directly to the Vice President -Programs, Mr. Luis Munoz (Exhibit 25). The company's involvement in Airbus programs is focussed predominantly on the design and manufacturing of horizontal stabilizers and a variety of passenger and landing gear doors.

A significant portion of work related to CASA's Airbus work share is carried out within the group at factories located in Cadiz, Getafe, San Pablo, and Tablada. The balance is carried out by a host of predominantly Spanish subcontractors and suppliers and a limited number of foreign firms with carbon fibre competencies.

CASA aims to maintain its position in composite structures and is also striving to assume an expanded role in Airbus programs if it can increase its participation in the Airbus GIE or if present guidelines surrounding the distribution of work share are relaxed in favour of more market oriented approaches.

(refer to Exhibit 35 for Construcciones Aeronauticas S.A. contact names and coordinates)

<u>Daimler Benz Aerospace Airbus (Germany)</u> (Appendix 5)

The purchase by Daimler Benz of Deutsche Aerospace in the early 90's from German state interests represents the culmination of the German aerospace sector's consolidation dating back from the 1960's. Currently, Daimler Benz Aerospace (DASA) represents one business within the diversified Daimler Benz group. DASA is organized into four divisions including Aeronautics, Space, Propulsion, and Defense. The aeronautics division is in turn organized into five operational centres including Airbus, Regional Aircraft, Military Aircraft, Eurocopter, and Fokker (Exhibit 26).

DASA has been undergoing a major restructuring over the past two years culminating with the present "Dolores" program. A significant portion of the company's cost base is in DM while its revenues are based on US dollars. As a result, the strengthening DM has placed serious pressure on DASA's cost structure.

The object of "Dolores" is to reduce this exposure by moving a significant portion of its cost base into US dollars zone. The outcome of "Dolores" will result in