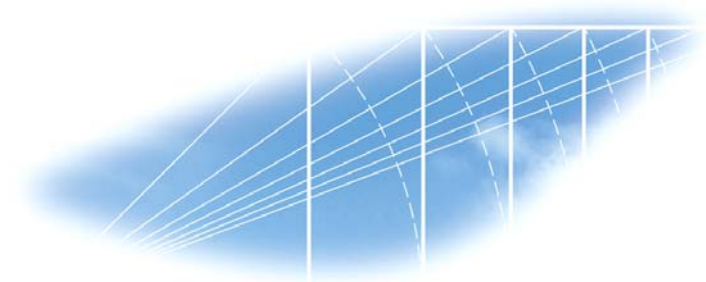


Fixed Income Investors Presentation

Milan, 7 March 2005



Higher thinking.

FINMECCANICA

Executive Summary

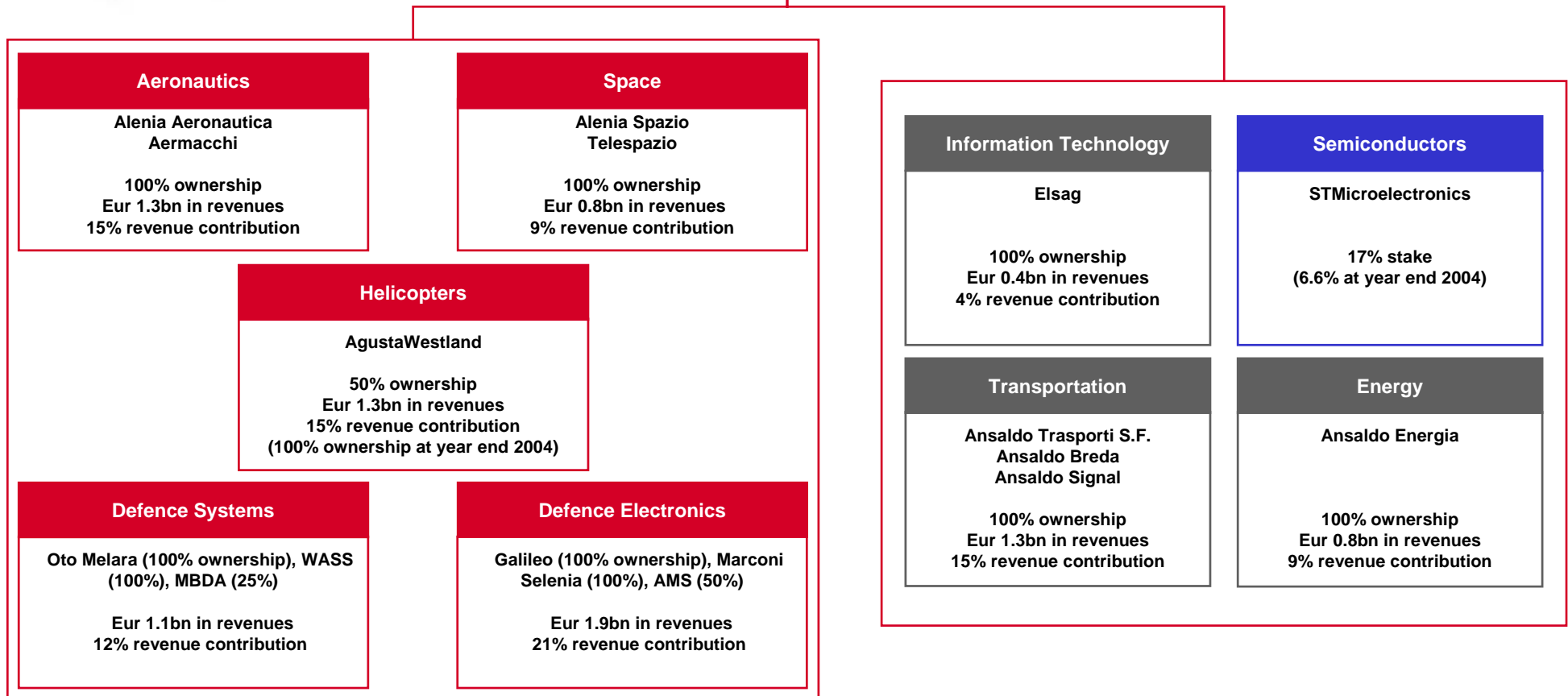
- Finmeccanica is a leading European A&D group with high technology expertise and synergic activities in the Aerospace, Defence and Security sectors
- Finmeccanica plays leading roles in major European programmes and projects in the Aerospace, Defence and Security sectors, contributing its own exclusive design, development and production competence
- Finmeccanica's current acquisition strategy is designed to focus the group activities on core profitable and cash flow predictable A&D segments
 - Leverage multi-business technologies/competencies in Aerospace, Defence and Security sectors
 - Enlarge Client base by increasing exposure to UK defence budget
 - De-consolidate non-core businesses in the Transport and Energy sectors
 - Unwind helicopter and defence electronic JVs
- Finmeccanica is committed to maintain low gearing and a solid BBB or better credit rating
 - Conservative financial management
 - Firm adherence to a strong and lean balance sheet
 - Long average debt maturity
 - Sources of financial flexibility, including asset disposals
- Stable ownership structure (Italian Ministry of Economy and Finance owning no less than 30% of the share capital)

Agenda

- **STRATEGY ON TRACK**
 - **RECENT AEROSPACE & DEFENCE TRANSACTIONS**
 - **FINANCIAL HIGHLIGHTS**
 - **BUSINESS DIVISIONS OVERVIEW**
 - **FINANCIALS**
-

Group Structure (FY 2003 figures)

FINMECCANICA



Eur 8.6bn value of production⁽¹⁾ in 2003 and Eur 22,275m backlog at year end

Note: Revenue contribution based on 2003 results. AgustaWestland, AMS and MBDA are proportionately consolidated. STM stake is accounted for using the equity method, thus does not contribute towards consolidated revenues

(1) From 2003 annual report net of others, corporate and eliminations

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Building a stronger competitive position...

Yesterday (up to 2001/2002)

Industrial diversification

Fragmented
Aerospace & Defence portfolio

Loose confederation
(3 JVs = 40% A&D revenues)

Domestic footprint

Too small
(Eur 4.5 bn in A&D)

Fragile capital structure

Today/Tomorrow

Concentration in
Aerospace & Defence

Focus on areas of excellence

Tight-knit union of companies

Increased exposure to
international defence budgets

Leading European A&D group

Financial solidity, flexibility
and independence

Exit Non-core

Helicopters, Defence
Electronics, Military trainers,
Tactical transport a/c

Strategic industrial holding
(1 JV = 10% A&D revenues)

Agusta Westland,
Defence Electronics & Space
transactions

~Eur 9.5 bn in 05 including
transactions already underway
Eur 10 bn by end 06

Optimal capital structure:
D/E < 40%
Net Debt/EBITDA < 2x
RCF/Net Debt > 30%
Centralised Finance

...to enhance sustainability of cash flow generation...

Higher thinking.

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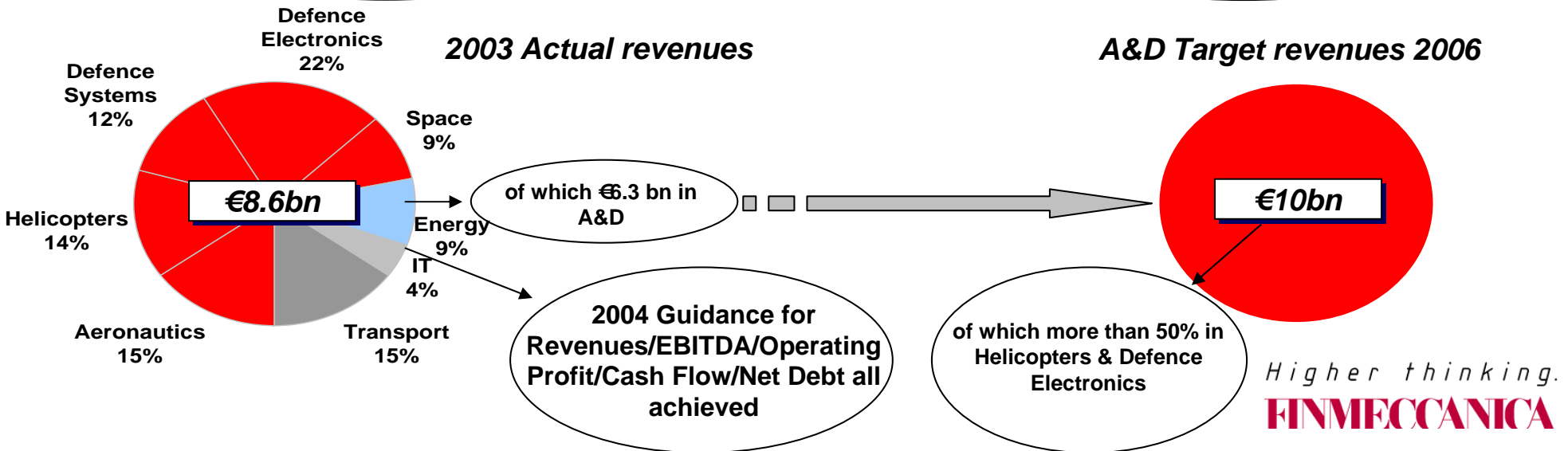
...by focussing in Aerospace & Defence...

by 2005
Build A&D focussed Group

- Complete transformation from holding to industrially focused group
- Integrate recently acquired assets
- Proceed with growth in those A&D sectors where Finmeccanica can exploit its leadership

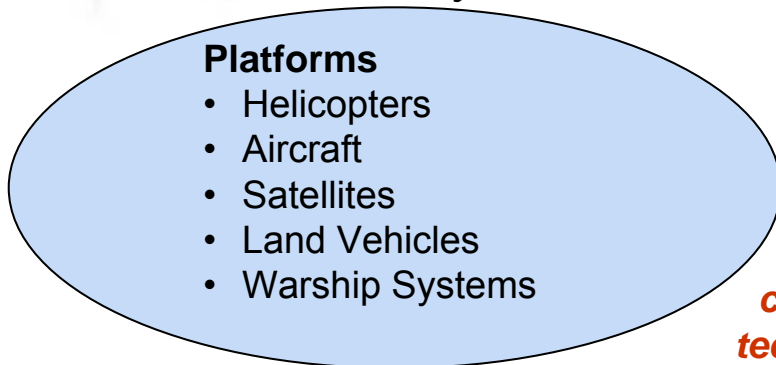
after 2005
Strengthen leadership in selected businesses

- Reinforce areas of excellence through internal and external investments
- Expand geographical penetration for state of art products
- Exploit business & technological Group synergies

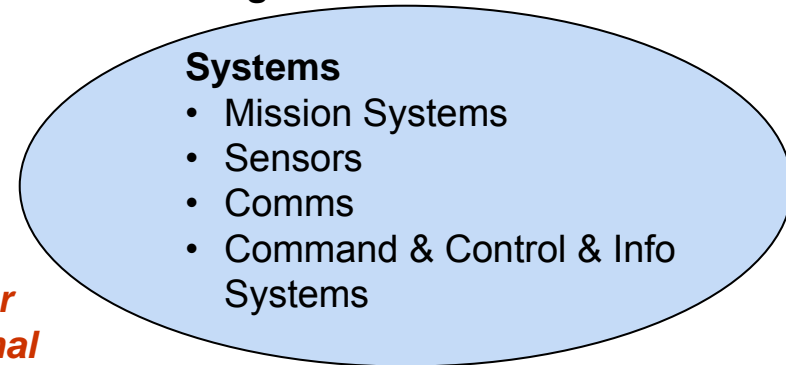


...and by capitalising on our Strategic Assets

Platform-based assets, consolidated areas of activity

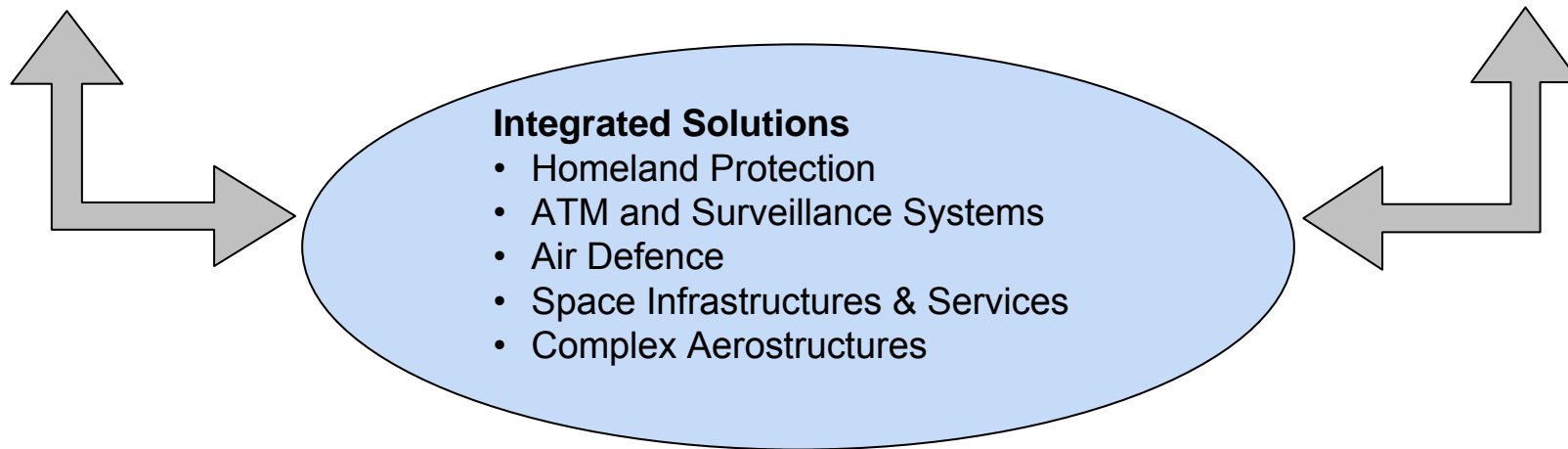


Enabling assets for platforms and Integrated Solutions



↔

need to build critical mass to deliver technical and operational synergies



We have a range of products and technologies consistent with:
Operational requirements for integrated solutions within Network Enabled Environment.
Technology convergence across air, land, naval and joint programmes

Mission Objectives

Strategic Objectives

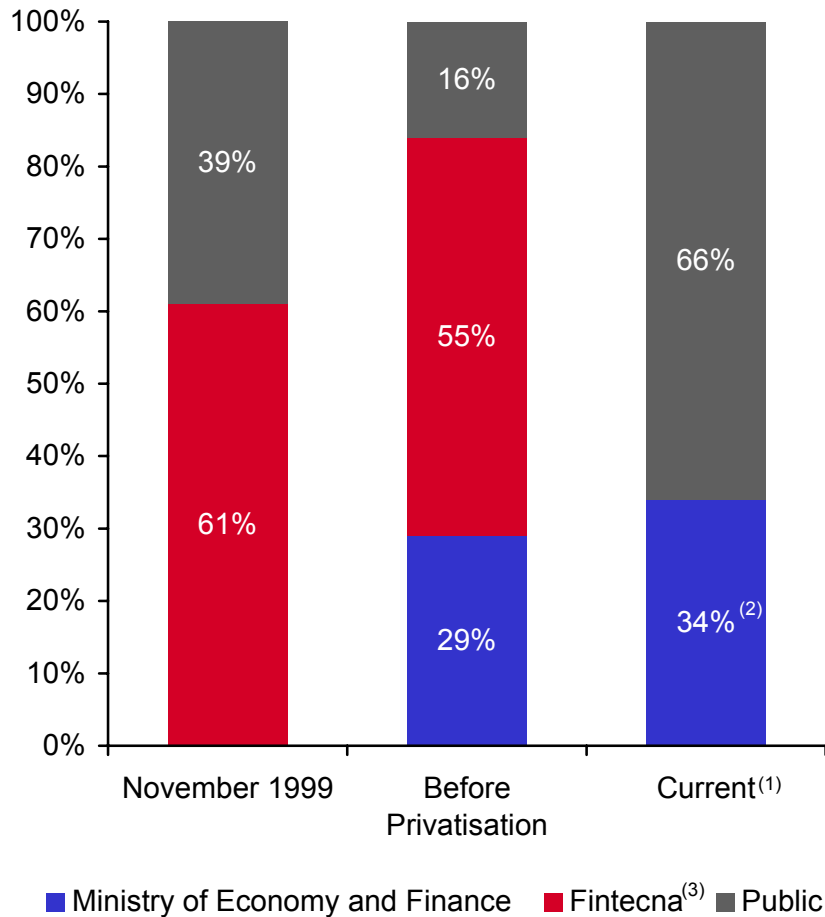
- Pursue leadership in selected areas of Aerospace, Defence and Security through both organic and external growth
 - Reinforce leadership as “prime” in helicopters and military trainers
 - Strengthen role as major player in Defence Electronics
 - Develop role as “supplier of choice” or “Small Prime” in Aero-structures
 - Maintain access to development of key technologies in the other sub-sectors
- Broaden access to defence budgets both in Europe and in the US
- Maintain and consolidate Finmeccanica’s role as the major supplier of the Italian MoD
- Deconsolidate non core businesses

Operational/Financial Objectives

- Increase profitability and cash flow generation of the Finmeccanica Group
 - Focus on economies of scale and control in selected segments
 - Leveraging on technological synergies
 - Streamline businesses within Aerospace & Defence portfolio
- Complete transition from a financial holding company to a distinctly recognisable industrial Group
 - Maximise synergies within the Group
 - Increase control of assets
 - Increase efficiency across the Group
- Maintain financial stability
 - Strong and lean balance sheet
 - Stringent internal financial policy targets
 - Strict investment criteria

Shareholder Structure

Shareholder Structure



(1) As at 31 December 2004

(2) Of which 1.7% indirectly held (Fintecna)

(3) Italian State owned holding company

Special Powers Held by the Ministry of Economy and Finance

- Ministry of Economy and Finance special powers (recently amended):
 - Veto powers over material changes:
 - Liquidation of the Company
 - Disposal of Company's assets, mergers, spin-offs
 - By-laws amendments (including modifying special powers)
 - Veto power on material acquisition of shares (more than 3%) and/or relevant material shareholders agreements
 - No medium-term changes in shareholder structure expected
- Current Board of Directors made of 13 members, includes 9 members appointed by Ministry of Economy and Finance of which 3 are nominated by Government decree

Higher thinking.

FINMECCANICA

Agenda

- STRATEGY ON TRACK
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-

Major 2004/2005 A&D Transactions...

...reducing the number of existing JVs and ...

- **Helicopters:** outright control of AgustaWestland, a world's leading helicopter player. Closing signed last 30 November. Additional revenues of at least Eur 1 bn in 05
- **Defence Electronics:** building leadership in European Avionics, Military and Secure Communication and Air Traffic Management, while retaining full control of Italian Radar, Land and Sea systems activities. Final agreement signed. Additional revenues of Eur 1 bn (considering 100% consolidation of Avionics)
- **Space:** Alenia/Alcatel space alliance final agreement signed. Minority 33% stake in Manufacturing (combined revenues of Eur 1.8 bn in 04) and majority stake in Services (combined revenues of Eur 350 mln in 04)

...increasing control of consolidated cash flows and assets

Helicopters

Complete control of AgustaWestland will boost profitability...

- Compete more aggressively for international and military programmes (for example recent award of US 101 Presidential contract)
- Removing delays in decisional process typical of JVs
- Integration effects: Eur 50 mln annualised savings by end 06 thanks to:
 - Increased outsourcing
 - Streamlining of staff functions
 - Elimination of cost duplications
 - Tighter integration of engineering and production activities
 - Integrated procurement
 - Creation of a single “factory”
- Higher recognition in world’s markets for other Finmeccanica products

Uses
Eur 1,496 MM for 50% AgustaWestland ⁽¹⁾
Eur 92 MM real estate assets used by AW

Sources
Eur 1.44 Bn from sale of STM shares to CDP

...and widen range of strategic/operational options

(1) Of which Eur 52 MM conditional upon the award of the Super Lynx contract from the UK government

Helicopters

Just an example: AgustaWestland product line

2 Ton - 3 Ton



A119 Koala



A109 Power
A109 K2



A109 LUH

4 Ton - 6 Ton



AB139



BA609



AB412



Lynx &
Super Lynx 300

Multiruolo- Cmbt



A129



Apache

9 Ton 10 Ton



NH90 (TTH)



NH90 (NFH)

14 Ton - 15 Ton

EH101 Family



Cormorant



Naval



Terrestrial/US 101

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Defence Electronics

Strategic autonomy and full managerial control over complete range of...

FINMECCANICA

≥ 75%

100%

100%

Avionics JV

- Avionic systems and equipment
- Combat, surveillance and surface systems & radar
- Electro-optical and space systems
- Simulators and UAVs

New AMS (Italy)

- Land radar and command & control systems
- Naval radar and mission systems
- Air Traffic Control radar
- Air Traffic Management systems

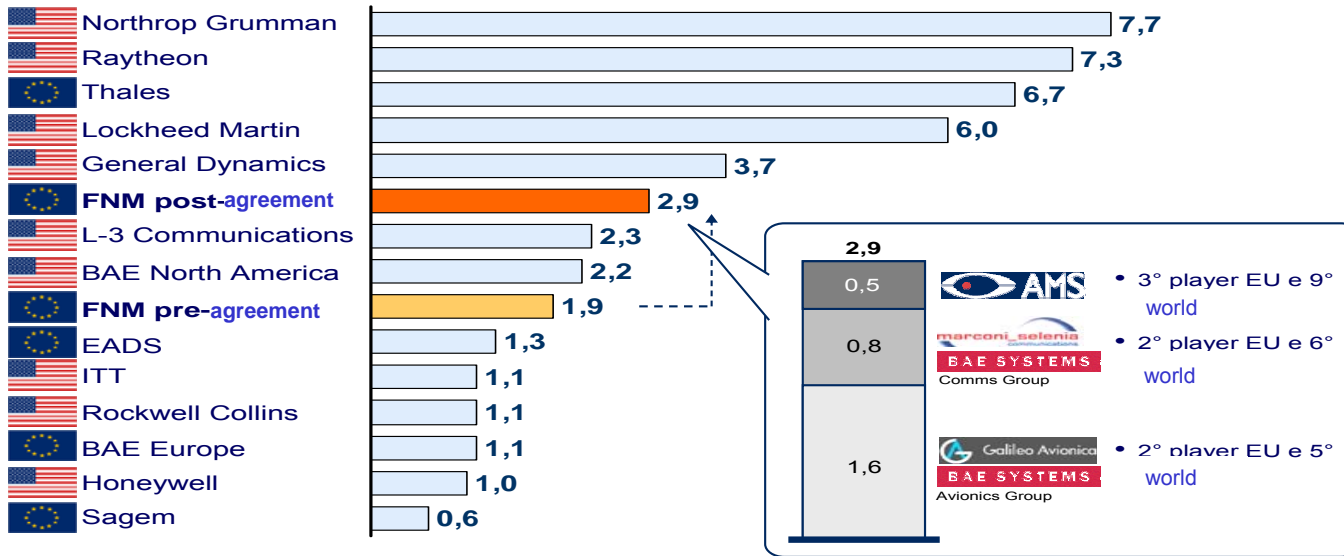
Military & Secure Communications

- Land & naval communication systems and tactical command & control systems
- CNI (Communications, Navigation, Identification)
- Secure Communications
- PMR (Private Mobile Radio)

Total revenues: Eur 1.525 bn

Total revenues: Eur 525 mln

Total revenues: Eur 775 mln



(Revenues in Eur bn)

...Italian and UK Defence Electronics assets after new agreement with BAE

*After agreement with BAE and including Underwater Systems & Horizon activities

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Space

Space alliance with Alcatel: ready to exploit renewed EU commitment...

- **Manufacturing (Alcatel Alenia Space, 67% Alcatel / 33% Finmeccanica):**
 - European leadership in institutional and world telecom satellite markets
 - Economies of scale and expanded customer base
 - More balanced customer portfolio (institutional/commercial)

- **Services (Telespazio, 67% Finmeccanica / 33% Alcatel):**
 - Leadership in European institutional services in Navigation, Earth Observation and Military
 - Leverage on global footprint of Alcatel parent company
 - Participates to the tender process for the Galileo programme through the Eurely Consortium

...to participate in large institutional space programmes

Agenda

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Financial criteria for A&D acquisitions

- IRR > WACC (7.6%) + Hurdle rate of at least 2%
- Cash generative once integration completed
- Funding criteria aimed at least at maintaining current credit ratings

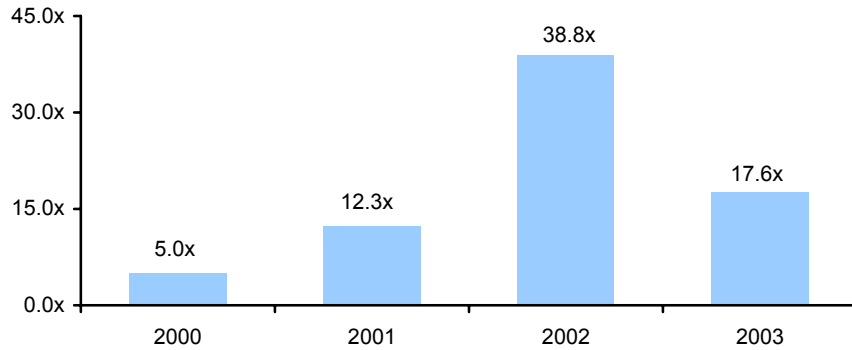
Instruments:

- STM shares: remaining 40 mln STM shares still available to fund A&D investments + 20 mln underlying exchangeable
- Equity related funding capabilities while maintaining 30% Italian Government minimum participation
- Additional financial capacity through assets disposals
- Cash ~ Eur 2 bn end 2004

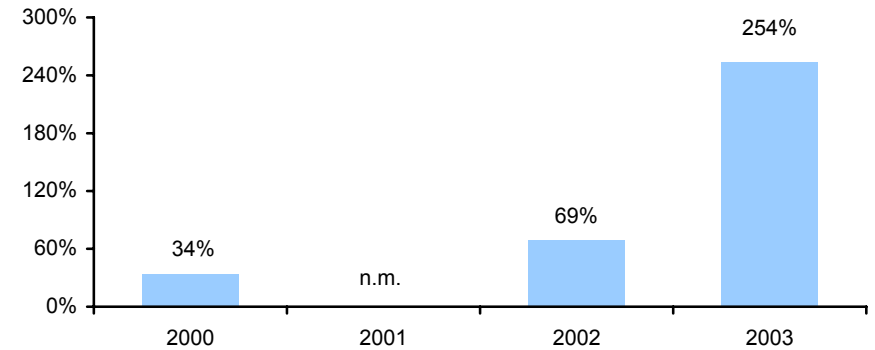
... while respecting internal financial target ratios: D/E < 40%; Net Debt/EBITDA < 2X

Selected Historical Financial Ratios

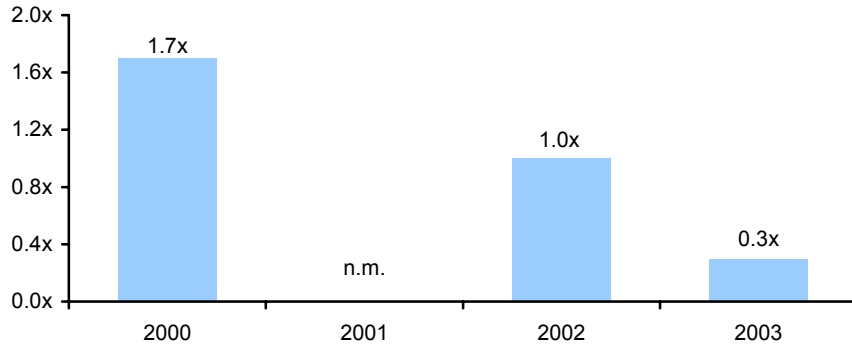
EBITDA/Net Interest Expense



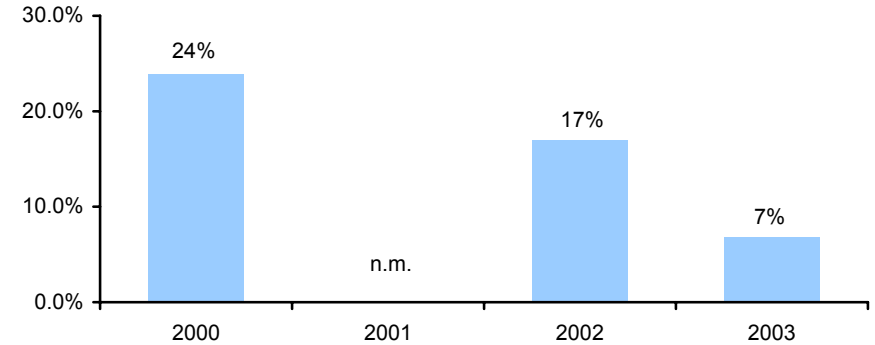
FFO/Net Debt



Net Debt/EBITDA



Net Debt as % of Net Capitalisation



Low leverage and strong coverage ratios reflect Finmeccanica's commitment to maintaining a sound financial profile: achieved 2004 targeted Financial Ratios

Debt Overview

(in EUR million)	30/09/2004	30/06/2004	31/12/2003	30/09/2003
Short-term debt	47	65	86	112
Current portion of medium- to long-term debt	920	64	84	86
Medium- to long-term debt (net of current portion)	1,404	2,268	2,304	1,816
Cash on hand or equivalent	(1,399)	(1,617)	(2,234)	(1,022)
NET BANK AND BOND DEBT	972	780	240	992
Interest-bearing securities	(16)	(18)	(20)	(17)
Government bonds	(22)	(22)	(63)	(68)
Loans to third parties	(393)	(458)	(504)	(498)
Loans to subsidiaries and affiliated companies	(98)	(119)	(116)	(223)
Loans from subsidiary and affiliated companies	335	381	440	429
Liabilities to industry ministry (MAP)	62	62	65	64
Other financial liabilities	109	111	214	45
NET DEBT	949	717	256	724

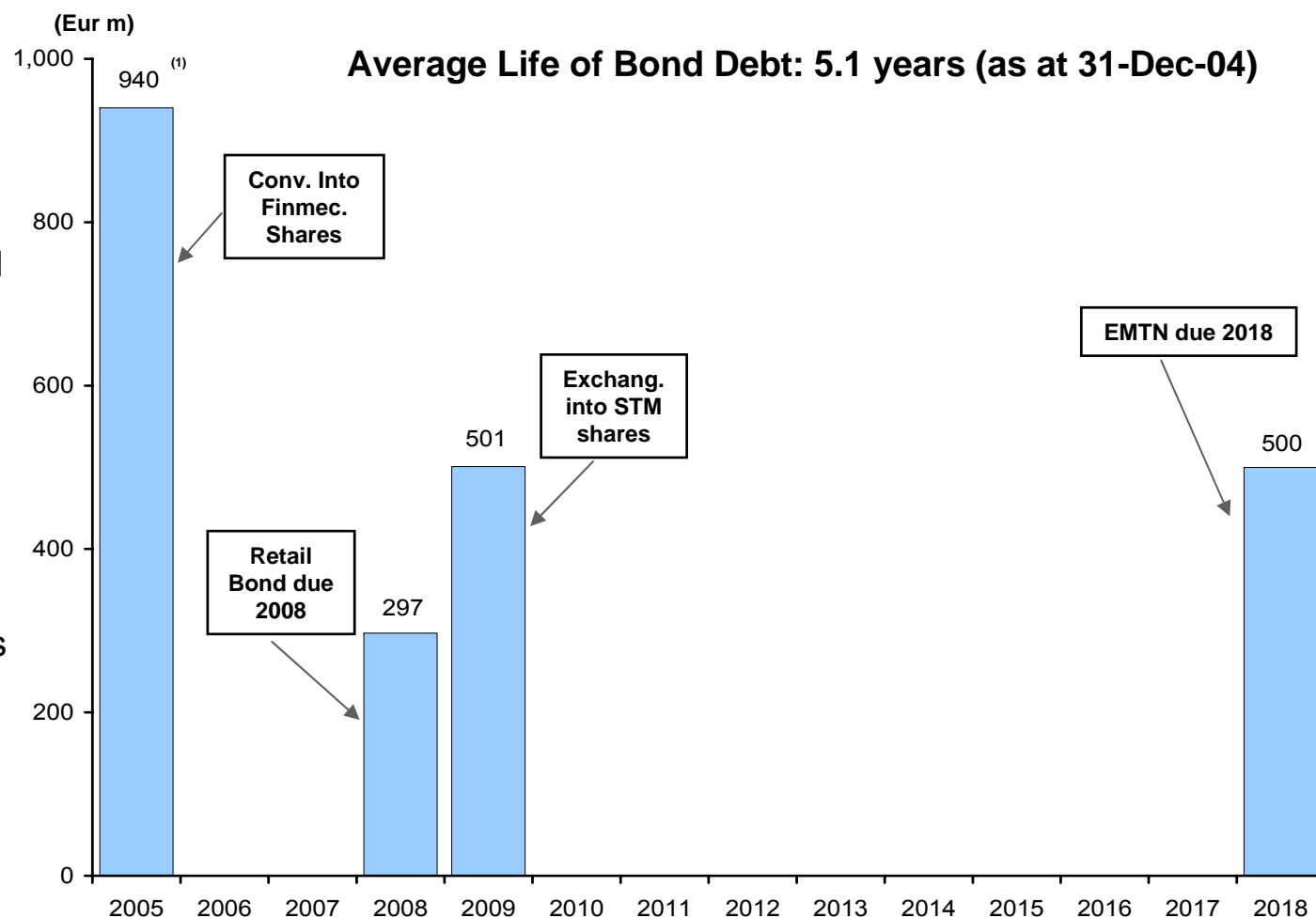
Net Debt at the end of 2004 is approx. €400 MM

Higher thinking.
FINMECCANICA

Debt Refinancing Strategy

➤ Significant liquidity sources:

- Bank lines uncommitted
Eur 1.0 bn
- Bank lines committed
Eur 1.2 bn
(no financial covenants and rating triggers)
- Cash available
Eur 2.0 bn
(as at 31-Dec-04)
- Total liquidity sources
Eur 3.5bn
(as at 31-Dec-04)



(1) At Maturity

Agenda

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Aeronautics: currently capitalising on previous military investment...

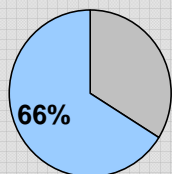
Significant presence in two largest civil programmes (A380 and 7E7) create strong base to reap benefits of sector recovery from 2006



(Euro mln)	2003
Revenues	1,318
Ebita	137
Backlog	4,075

- Eurofighter first tranche: production ramp up, deliveries until 2006 = 50% of backlog. Second tranche: acquired entire order for about 236 a/c, worth Eur 1.7 bn, deliveries 2007-11
- C27J military transport a/c: production ramp up for Greece and Italy. US requirement of up to 128 A/C. Other significant export opportunities (Portugal, Canada and India)
- M346 military a/c trainer; highly successful first flight, leading candidate for Eurotrainer. Potential world market of 600 a/c over next 20 years
- A380: 4% of programme, first deliveries to Airbus, opportunities on cargo version. 7E7: 26% stake in collaboration with Vought, moving up the value chain, first deliveries in 07

Defence Revenues



...while civil investments support future growth

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Helicopters: export build and customer support help offset...

High margin customer support rising from 25% to 30% revenues in 04. Further increase over next few years



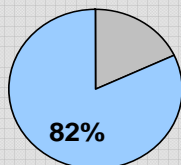
(Euro mln)

2003

Revenues	1,297
Ebita	137
Backlog	3,103

- NH90 ramping up over next few years (>150 helos in backlog)
- AB139, selected for DeepWater, first deliveries in 04 ramping up to >30 a/c by 06. Leading contender for potential world market of 1,000 a/c over next 20 years
- Significant opportunities in US market for US101:
 - Presidential fleet: \$ 1.8 bn contract awarded for system development and demonstration phase of first 8 helicopters on 28 January 2005. \$ 2.5 bn contract extension expected in next few years for further 15 helos
 - Further US requirements for about 200 a/c worth \$ ~9bn
- Total US military requirements worth about \$ 15 bn until 2010

Defence Revenues

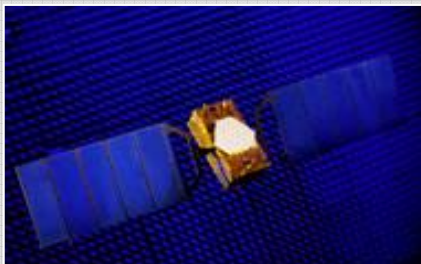


...lower domestic volumes

Higher thinking.
FINMECCANICA

Space: outlook improving thanks to new boost ...

Weak commercial offset by improved m-t prospects for govt funded programmes.
Space investment considered strategic by new EU white paper

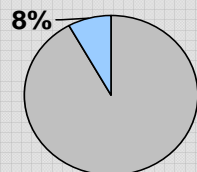


(Euro mln) 2003

Revenues	767
Ebita	14
Backlog	1,189

- Ramp-up in Cosmo earth monitoring programme (~Eur 500 mln order acquired in December) drives Manufacturing growth in s-m term
- Recognised leadership on Galileo programme drive m-l term prospects for Services
- Profitability improving also thanks to restructuring
- Interesting opportunities in military and security comms.

Defence Revenues



...to institutional programmes

Defence Electronics: volume growth and restructuring...

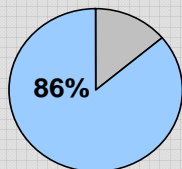
Exciting prospects driven by growing demand for integrated system solutions



(Euro mln) 2003*

Revenues	1,858
Ebita	160
Backlog	3,588

Defence Revenues



- Significant growth in avionics driven by forthcoming Eurofighter 2nd tranche (contract worth ~ Eur 3 bn including BAE avionics) as well as good export opportunities (Grifo radar)
- Major potential boost to military comms from TETRA (contract worth ~ Eur 3 bn) to provide terrestrial trunked radio network to Italian security forces
- Naval contracts and programmes support m-l term profitability (Horizon, Italian a/c carrier, Fremm multifrigate)

...boost profitability

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FINMECCANICA

*Including 50% of AMS and 100% of Galileo Avionica, Marconi SC (consolidated from August 02) and SNI

Defence Systems: ramp-up in missile production...

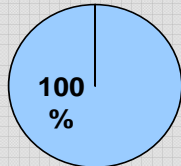
Significant potential for further improvement in performance thanks to ongoing rationalisation of missile JV



(Euro mln) 2003

Revenues	1,102
Ebita	88
Backlog	4,685

Defence Revenues



- Missiles: m-I term increase in profitability supported by programmes (PAAMS/FSAF, Storm Shadow/Scalp EG, Brimstone) moving from development into production
- Armaments: profitability sustained by strong domestic (Dardo, Centauro, PZ2000) and export (naval gun) activity
- Underwater weapons: advanced development of Black Shark heavy torpedo key for maintaining m-I term performance

... drives increased profitability

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FINMECCANICA

Non-core: strong commitment to exit Transport and Energy confirmed

Transportation



(Euro mln) 2003

Revenues	1,320
Ebita	66
Backlog	3,490

Energy



(Euro mln) 2003

Revenues	796
Ebita	23
Backlog	1,806

IT



(Euro mln) 2003

Revenues	401
Ebita	24
Backlog	246

Increasing European investment in rail infrastructure

- Positive outcome for spin-off into combined civil engineering activities (Transport, Energy and Fincantieri shipbuilding) only with defined time-frame and clear exit route
- If outcome negative, Finmeccanica will pursue all other viable alternatives. Expressions of interest in Transport by other third parties
- Positive m-t trading outlook for Transport thanks to major European rail infrastructure investments and benefits of past restructuring
- Energy strengthening its m-l term outlook thanks to selective technology investments. IT still profitable despite weak demand and harsh competitive environment

IT now a core business thanks to new A&D mission *Higher thinking.*
FINMECCANICA

Agenda

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Profit & Loss

(EUR million)	9M 2004	9M 2003	FY 2003
REVENUES	6,088	5,724	8,279
VALUE OF PRODUCTION	6,388	5,923	8,646
Costs of goods and services	(4,057)	(3,794)	(5,561)
VALUE ADDED	2,330	2,129	3,085
Labour cost	(1,849)	(1,713)	(2,340)
Other provisions	(13)	(23)	(34)
Provisions for risks and charges	(44)	(50)	(80)
Other income (charges)	72	64	158
EBITDA	495	408	790
Depreciation	(206)	(187)	(267)
Revenue from capital grants	18	21	26
EBITA	307	241	549
<i>EBITA margin (%)</i>	4.8%	4.1%	6.4%
Goodwill amortisation	(67)	(61)	(82)
EBIT	240	180	467
<i>EBIT margin (%)</i>	3.8%	3.0%	5.4%
Financial income (expenses)	(33)	(30)	(39)
Exchange rate gains (losses)	(3)	705	(6)
Increase/decrease in the value of investments	63	101	162
<i>of which STMicroelectronics</i>	88	79	41
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX	268	252	584
Extraordinary income (expenses)	(60)	(53)	(173)
PRE-TAX PROFIT	207	198	411
Tax	(129)	(129)	(211)
NET PROFIT	78	69	199
<i>Minority interests</i>	(1)	(7)	(11)
NET ATTRIBUTABLE PROFIT	77	62	189

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Balance Sheet

(EUR million)	30.09.2004	31.12.2003	30.09.2003
Intangible assets	1,194	1,198	1,222
Tangible assets	1,690	1,692	1,626
Long-term investments	1,420	1,419	1,486
TOTAL NON-CURRENT ASSETS	4,304	4,310	4,333
Inventory (net of progress billings)	7,765	6,720	7,095
Trade receivables	3,070	3,328	3,030
Other assets	1,091	1,137	1,400
Trade payables	(2,390)	(2,564)	(2,577)
Customer advances	(4,332)	(4,232)	(4,490)
Provisions for risks and charges	(1,100)	(1,108)	(1,234)
Other liabilities	(3,442)	(3,318)	(2,911)
WORKING CAPITAL	663	(37)	313
<i>of which operating working capital</i>	<i>4,113</i>	<i>3,252</i>	<i>3,058</i>
STAFF SEVERANCE FUND	(725)	(714)	(712)
NET INVESTED CAPITAL	4,242	3,559	3,934
<i>covered by:</i>			
SHAREHOLDERS' EQUITY	3,293	3,302	3,210
NET DEBT	949	256	724
TOTAL	4,242	3,559	3,934

Divisions

9M 2004 RESULTS

(Eur mln)	Aeronautics	Helicopters	Space	Defence Electronics	Defence Systems	Transp.	Energy	I.T	Other	Elim.	TOTAL
Value of production	1.200	867	523	1.408	748	987	515	267	96	(223)	6.388
EBITA	75	75	9	97	42	41	19	9	(60)		307
EBITA Margin (%)	6,3%	8,7%	1,7%	6,9%	5,6%	4,2%	3,7%	3,4%	<i>n.s</i>		4,8%
EBIT	69	68	4	69	27	37	19	7	(60)		240
Depreciation and amortisation	62	20	30	72	32	23	9	10	15		273
New orders	586	394	354	1.063	382	1.332	128	277	86	(172)	4.430
Order backlog	3.611	2.710	1.006	3.319	4.303	3.840	1.454	262	108		20.613
Headcount	10.619	4.463	3.630	11.819	4.140	5.955	2.492	2.728	839		46.685

Divisions

9M 2003 RESULTS

(Eur mln)	Aeronautics	Helicopters	Space	Defence Electronics	Defence Systems	Transp.	Energy	I.T	Other	Elim.	TOTAL
Value of production	860	937	486	1.246	705	917	590	282	102	(202)	5.90
EBITA	44	88	(37)	70	42	38	25	16	(45)		24
EBITA Margin (%)	5,1%	9,4%	-7,6%	5,6%	6,0%	4,1%	4,2%	5,7%	n.s		4,1%
EBIT	42	81	(44)	44	27	35	25	15	(45)		18
Depreciation and amortisation	39	22	36	63	31	23	10	10	14		24
New orders	775	495	492	1.182	752	1.334	336	331	99	(192)	5.60
Order backlog	3.712	3.071	1.286	3.457	4.254	3.544	1.674	354	100		21.4
Headcount	10.468	4.427	3.754	11.988	4.162	5.811	2.650	2.770	890		46.9

Divisions

FY 2003 RESULTS

(Eur mln)	Aeronautics	Helicopters	Space	Defence Electronics	Defence Systems	Transport	Energy, IT, Other Corporate	Elim.	TOTAL	Energy	IT
Value of production	1,318	1,297	767	1,858	1,102	1,320	1,276	(292)	8,646	796	401
EBITA	137	137	14	160	88	66	(53)		549	23	24
EBITA margin (%)	10.4%	10.6%	1.8%	8.6%	8.0%	5.0%	(4.2%)		6.4%	2.9%	6.0%
EBIT	133	128	5	127	68	61	(55)		467	23	23
Depreciation and amortisation	59	30	46	92	41	31	50		349	13	15
New orders	1,401	897	672	1,940	1,594	1,717	1,170	(255)	9,136	676	382
Order backlog	4,075	3,103	1,189	3,588	4,685	3,490	2,146		22,276	1,806	246
Capital spending*	144	16	20	73	37	19	37		346	10	8
Research & Development	241	223	105	402	228	31	21		1,251	5	12
Headcount	10,443	4,496	3,792	11,904	4,140	5,836	6,250		46,861	2,573	2,793

Safe Harbor Statement

NOTE: Some of the statements included in this document are not historical facts but rather statements of future expectations, also related to future economic and financial performance, to be considered forward-looking statements. These forward-looking statements are based on Company's views and assumptions as of the date of the statements and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Given these uncertainties, you should not rely on forward-looking statements.

The following factors could affect our forward-looking statements: the ability to obtain or the timing of obtaining future government awards; the availability of government funding and customer requirements both domestically and internationally; changes in government or customer priorities due to program reviews or revisions to strategic objectives (including changes in priorities to respond to terrorist threats or to improve homeland security); difficulties in developing and producing operationally advanced technology systems; the competitive environment; economic business and political conditions domestically and internationally; program performance and the timing of contract payments; the timing and customer acceptance of product deliveries and launches; our ability to achieve or realize savings for our customers or ourselves through our global cost-cutting program and other financial management programs; and the outcome of contingencies (including completion of any acquisitions and divestitures, litigation and environmental remediation efforts).

These are only some of the numerous factors that may affect the forward-looking statements contained in this document.