FY2013 Results Presentation

Alessandro Pansa	Chief Executive Officer
Gian Piero Cutillo	Chief Financial Officer

FINMECCANICA

20 March 2014

INTRODUCTION (Alessandro Pansa - CEO)

FY2013 RESULTS & 2014 OUTLOOK (Gian Piero Cutillo - CFO)

STRATEGIC UPDATE (Alessandro Pansa - CEO)

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2013 A YEAR OF TRANSITION MAKING SIGNIFICANT STEPS FORWARD

- We are doing the right things progressing on corporate priorities:
  - Addressing corporate **governance**
  - Executing business **restructuring**
  - Moving forward on **business portfolio rationalisation**
- Our A&D business is getting stronger
  - Upper end of guidance delivered on Orders, Revenues and EBITA
  - Quality of Helicopter and Aeronautics business reflected in FY results
  - Challenge of reduced defence spending managed well in DRS and Selex ES
- We feel positive about the future and confident of building a strong Group with sustainable profitability and cash flow generation

FINMECCANICA

FY2013 GROUP OVERVIEW

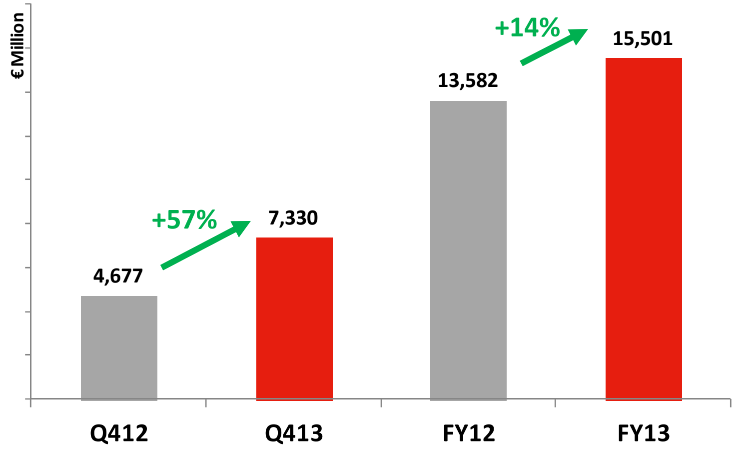
- **A&D delivered strong results**
- **AnsaldoBreda results within Transportation remain disappointing**
- **Overall the Group achieved:**
  - Remarkable order intake of €17.6 bn (+11% YoY)
  - Revenues at €16bn, down 2.9% as expected given cuts in US and EU defence spending
  - EBITA of €949mln, down 5.7% impacted by veichles
  - Net profit of €74m, positive after 2 years of losses
  - Net debt at €3.3bn
  - FOCF at -€307mln, with positive A&D cash flow offset by AnsaldoBreda

FY2013 OPERATING HIGHLIGHTS

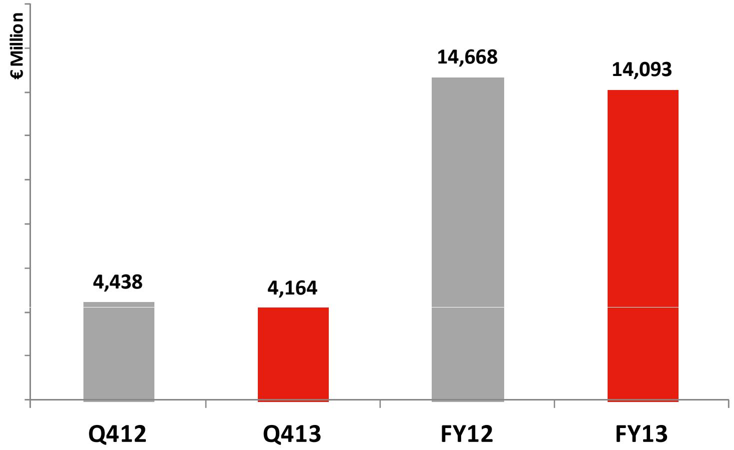
- A&D businesses growing stronger helping us to achieve Group guidance for Orders, Revenues and EBITA
  - Delivering on promises in challenging and uncertain markets
  - Strong order intake significantly above guidance and book to bill>1
  - Positive A&D FOCF, notwithstanding Indian AW contract
- Delivering on Strategy
  - Restructuring progress across all businesses
  - Selex ES restructuring plan ahead of schedule and above expectations; profitability improvement materially affected by ATC
  - First wave of restructuring successfully completed in Aeronautics, second wave launched
- Strong performance in A&D; Vehicles continuing to affect profitability and FOCF

STRONG A&D PERFORMANCE IN FY2013

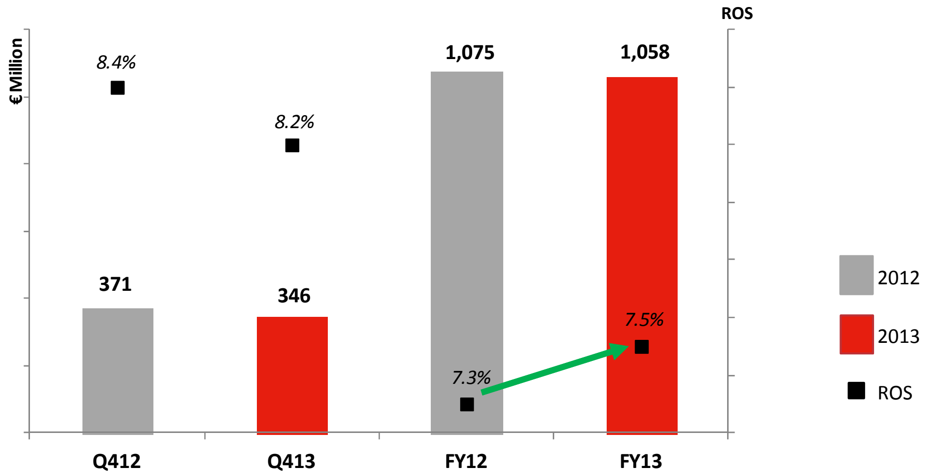
STRONG A&D ORDER INTAKE, DRIVING Book to bill >1



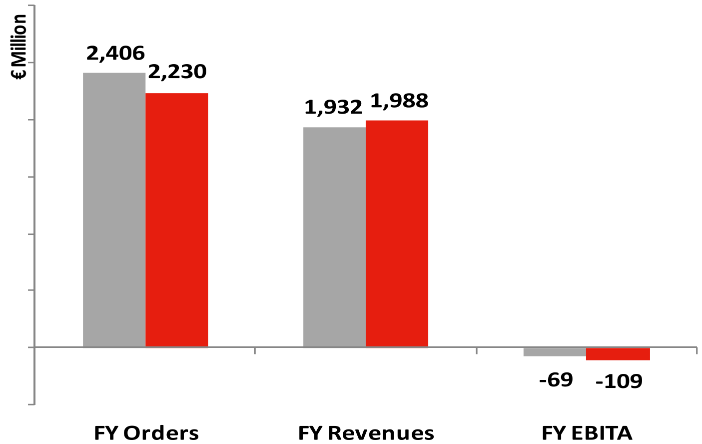
A&D REVENUES



A&D EBITA & ROS



TRANSPORTATION



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HELICOPTERS

Strong order momentum supports visibility of solid performance

€ Mln	Q4 ACTUAL 2013	Q4 ACTUAL 2012	Q4 ACTUAL %ch. YoY	FYACTUAL 2013	FYACTUAL 2012	FYACTUAL %ch. YoY
Orders	2,141	1,737	+23,3%	4,384	4,013	+9.2%
Revenues	1,064	1,267	-16%	4,076	4,243	-3.9%
EBITA	151	134	+12.7%	562	473	+18.8%
ROS %	14.2%	10.6%	+3.6p.p.	13.8%	11.1%	+2.7p.p.

- **Orders** up 23% in 4Q, FY +9% vs. 2012. 4Q main acquisitions refer to military-government market, including 16 AW101 SAR Norway
- **Revenues -**16% in 4Q, affected by the stop in AW101 Indian contract; FY broadly in line vs. 2012 (-4%) underpinned by strong deliveries (230 a/c in 2013, +35% vs 2012), mainly AW139
- **EBITA** up 13% in 4Q2013; better profitability driven by higher deliveries on AW139 as well as efficiency-improvement actions. Solid double digit ROS also excluding the benefit from the final closing of the US Presidential Helicopter programme
- **Strong prospects, profitability remaining steadily at double digit**

AERONAUTICS

Successful execution of restructuring drives significant profitability improvement

€ Mln	Q4 ACTUAL 2013	Q4 ACTUAL 2012	Q4 ACTUAL %ch. YoY	FY ACTUAL 2013	FY ACTUAL 2012	FY ACTUAL %ch. YoY
Orders	1,943	945	+105.6%	3,980	3,169	+25.6%
Revenues	1,169	932	+25.4%	3,343	2,974	+12.4%
EBITA	34	30	+13.3%	182	104	+75%
ROS %	2.9%	3.1%	-0.2p.p.	5.4%	3.5%	+1.9p.p.

- **Orders** up in 4Q due to additional 200 shipsets on B787 programme
- **Revenues** up driven by civil, mainly on increased production rates on B787 as well as on ATR. Deliveries of B787-9 fuselage sections to Boeing started
- **EBITA** solid growth YoY due to improved efficiencies from the ongoing restructuring and reorganisation processes and renegotiation of some aerostructures contracts
- **Profitability expected to further improve on FY2013, driven by new efficiency measures**

EU DEFENCE ELECTRONICS AND SECURITY-Selex ES

Good order intake in a challenging environment; restructuring ahead of schedule

€ Mln	Q4 ACTUAL 2013	Q4 ACTUAL 2012*	Q4 ACTUAL %ch. YoY	FY ACTUAL 2013	FY ACTUAL 2012*	FY ACTUAL %ch. YoY
Orders	1,634	1,208	+35.3%	3,457	3,206	+7.8%
Revenues	970	1,148	-15.5%	3,214	3,590	-10.5%
EBITA	51	59	-13.6%	71	156	-54.5%
ROS %	5.2%	5.1%	+0.1p.p.	2.2%	4.3%	-2.1p.p.

- **Orders:** strong 4Q (up 35%), leading to FY +8% vs. 2012. 4Q main acquisitions in export naval systems (i.e. Australia), as well as further tranches on domestic Land & Battlefield programmes
- **Revenues** still affected by lower demand across the board, as well as wind down of key programs (mainly *EFA*)
- **EBITA** Profitability heavily impacted by lower revenues and worse industrial margin in specific areas of Security & Smart Systems, mainly ATC
- **Restructuring and integration plan is progressing ahead of schedule; profitability to further improve**

* PRO-FORMA

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US DEFENCE ELECTRONICS AND SECURITY – DRS

Good performance confirms resilience despite pressure on volumes

$ Mln	4Q ACTUAL 2013	4Q ACTUAL 2012	4Q ACTUAL %ch. YoY	FY ACTUAL 2013	FY ACTUAL 2012	FY ACTUAL %ch. YoY
Orders	639	687	-7%	2,018	2,477	-18.5%%
Revenues	619	677	-8.6%	2,240	2,769	-19.1%
EBITA	88	114	-22.8%	198	293	-32.4%
ROS %	14.3%	16.8%	-2.5p.p.	8.8%	10.6%	-1.8p.p.

- **Orders** affected by US sequestration, in line with expectations
- **Revenue** decrease in line with plan, due to lower acquisitions and wind down of certain activities related to important programmes for the US Army
- Overall **profitability** at high single digit: benefits from ongoing restructuring initiatives partially offset by lower volumes
- **Expected to maintain high single digit profitability on lower volumes, through further rationalization**

Avg. exchange rate €/$ @1.33 in FY2013
Avg. exchange rate €/$ @1.28 in FY2012

SPACE

€ Mln	Q4 ACTUAL 2013	Q4 ACTUAL 2012	Q4 ACTUAL %ch. YoY	FY ACTUAL 2013	FY ACTUAL 2012	FY ACTUAL %ch. YoY
Orders	517	227	+127.8%	1,002	866	+15.7%
Revenues	322	356	-9.6%	1,051	1,053	-0.2%
EBITA	40	37	+8.1%	94	84	11.9%
ROS %	12.4%	10.4%	+2p.p.	8.9%	8.0%	+0.9 p.p.

- Order increase in Q4 due to relevant acquisitions in the field of Observation and Exploration satellites
- Increase in profitability, on flat revenues, due to better performance on several satellite manufacturing programmes
- Profitability expected to remain at high single digit

DEFENCE SYSTEMS

€ Mln	Q4 ACTUAL 2013	Q4 ACTUAL 2012	Q4 ACTUAL %ch. YoY	FY ACTUAL 2013	FY ACTUAL 2012	FY ACTUAL %ch. YoY
Orders	791	362	+118.5%	1,575	1,005	+56.7%
Revenues	375	427	-12.2%	1,256	1,256	0%
EBITA	64	75	-14.7%	143	164	-12.8%
ROS %	17.1%	17.6%	-0.5p.p.	11.4%	13.1%	-1.7p.p.

- Orders up in Q4 driven by Missiles, both in domestic and export markets
- Profitability down due to Missiles, as 2012 benefitted from exceptional deliveries on a key export contract and achievement of some technical milestones
- Solid performance confirmed

TRANSPORTATION

Good STS performance, while challenges in AnsaldoBreda persist

ANSALDO STS

€ Mln	Q4 ACTUAL 2013	Q4 ACTUAL 2012	Q4 %ch. YoY	FY ACTUAL 2013	FY ACTUAL 2012	FY %ch. YoY
Orders	470	441	6.6%	1,484	1,492	-0.6%
Revenues	390	374	4.3%	1,256	1,248	0.7%
EBIT	39.8	39.5	0.8%	118	117	0.9%
EBIT/Revenues%	10.2%	10.5%	-0.3p.p.	9.4%	9.4%	0p.p.

ANSALDOBREDA

€ Mln	Q4 ACTUAL 2013	Q4 ACTUAL 2012	Q4 %ch. YoY	FY ACTUAL 2013	FY ACTUAL 2012	FY %ch. YoY
Orders	321	599	-46.4%	384	782	-50,9%
Revenues	119	1	n.m.	521	456	14.3%
EBITA	-133	-99	-25.6%	-227	-160	-41.9%
ROS %	n.m	n.m.		-43.5%	-35.1%	-8.4p.p.

- FY **Orders** down due to contract postponements mainly from Italian customers; 4Q2012 benefitted from large orders for Miami and Milan metros
- **Revenues** increase mainly driven by High Speed Italy; well below expectations due to slowdown on some programmes and order delays. Q42013 revenues largely impacted by the revision of estimates on certain service contracts
- **Profitability** well below FY2012 and expectations, affected by additional cost-overrun and contractual charges on certain programmes as well as a slowdown in production

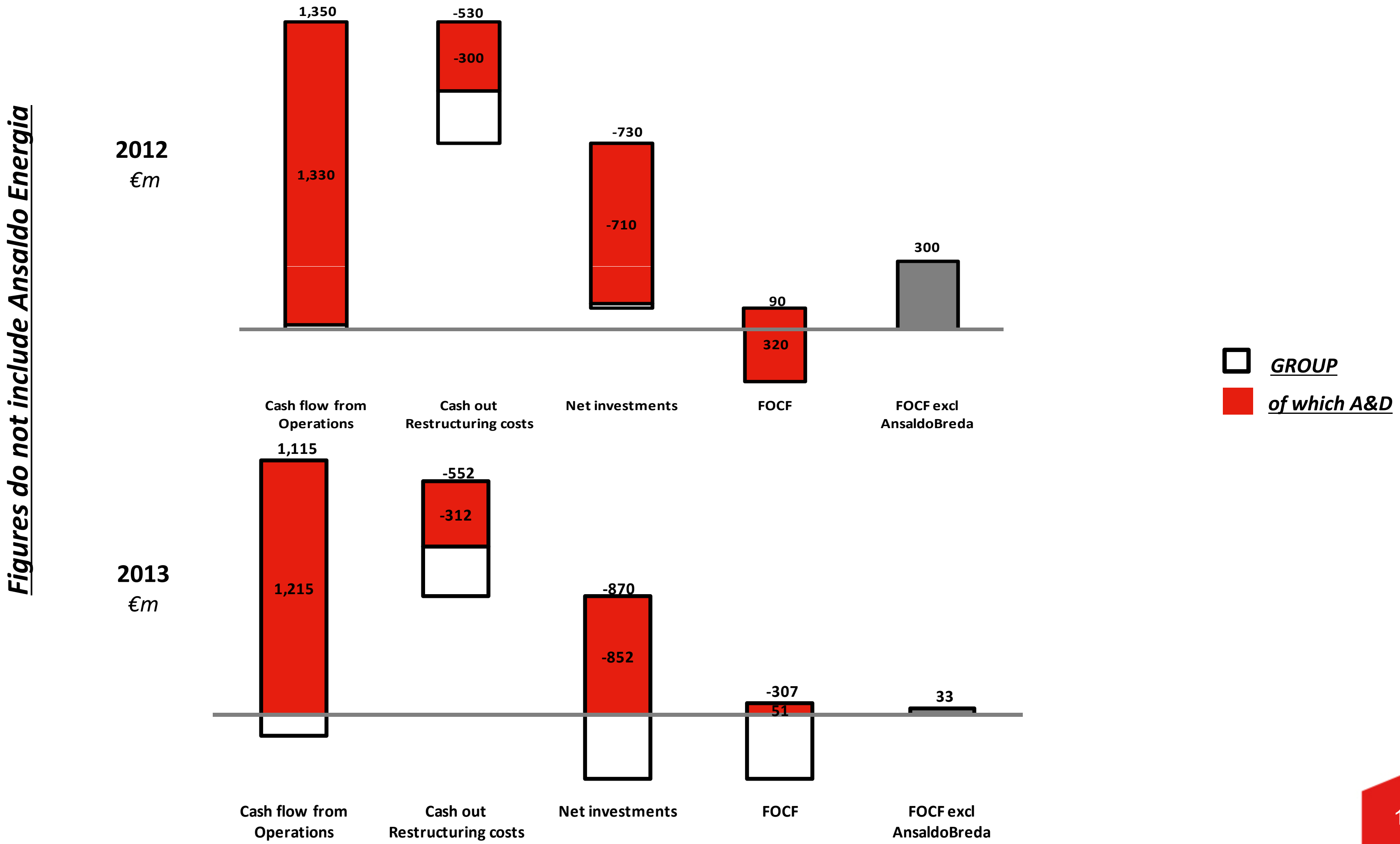
“BELOW THE LINE” costs

- Restructuring costs of ca €394mln are mainly concentrated in key businesses like:
  - European Defence Electronics & Security – Selex ES for ca. 194mln (ca. 50% of total restructuring costs)
  - US Defence Electronics & Security – DRS for ca. €112mln (ca. 28% of total restructuring costs)

- Total non recurring costs of €423mln, of which approx €300mln relates to AnsaldoBreda:
  - accruals made on Belgium/Holland contract (Fyra)
  - charges incurred in the revamping business

CASH FLOW

- Underlying cash conversion in A&D is strengthening; old contracts continue to weigh



APPLICATION OF IFRS 11

- Starting from 1 January 2014 the new International accounting standards (IFRS 10, 11 and 12) will be effective
- Finmeccanica's reporting will be affected mainly by IFRS 11, which no longer allows for the accounting of Joint Ventures under the proportionate method
- As a consequence, Finmeccanica will no longer consolidate its Joint Ventures (primarily ATR, MBDA and the Space)
- Their contribution to the Group will be represented only as share of equity accounted investments
- Going forward EBITA will include the share of results of the strategic JV's (ATR, MBDA and the Space), whereas FOCF will include dividends from JV's
- The impact of the new standards on the 2013 annual and interim accounts will be fully provided when publishing 2014 results, with previous years restated for comparative purposes

FY2014 OUTLOOK ASSUMPTIONS

- **ORDERS:** Solid order intake, confirming A&D book to bill above 1

- **REVENUES:** broadly flat / slightly lower

- **PROFITABILITY:** Efficiency gains/restructuring support further improvement in A&D ROS, close to 9%

- **RESTRUCTURING COSTS**
  - P&L: substancially lower in 2014 (vs €395m in 2013)
  - Cash out in 2014 of ca. € 470m, down from 2013

- **INVESTMENTS:** Similar level to 2013, supporting key A&D programmes (i.e. AW189, AW169, M-346, B787)

- **CASH FLOW**
  - Step up in A&D cash generation
  - Group cash flow still significantly impacted by AnsaldoBreda (in part due to large increase in Working Capital for Italian High Speed)

FY2014 GROUP GUIDANCE

		FY2013A (restated according to IFRS11)		FY2014E (according to IFRS11)	
		GROUP	A&D	GROUP	A&D
Orders	*€ bn*	15.1	13.0	13.0 – 13.5	11.5 – 12.0
Revenues	*€ bn*	13.7	11.8	13.0 – 13.5	11.0 – 11.5
EBITA	*€mln*	878	988	930 - 980	970 – 1,030
FOCF	*€mln*	(220)	135	(100) - 0	250 - 300
Net Financial debt	*€ bn*	3.9		ca. 4.0	

- **2014 Group Net financial debt at year end expected to reflect cash in from Avio proceeds (ca. €260mln)**

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ADAPTING TO A CHANGING ENVIRONMENT

ENVIRONMENT

- **The competitive scenario is changing**
  - US and EU defense budgets expected to be flat in real terms
  - Continuous shift of demand to emerging countries
  - High competition and strong price pressures
  - Increased role of local players
- **A&D industry reaction**
  - Effectiveness and dual use technologies
  - Efficiency and cost reduction
  - More dynamic organisation of the businesses

3 KEY PRIORITIES

- **Corporate Governance**
- **Industrial Restructuring**
- **Asset Portfolio Rationalisation**

PROGRESS ON OUR KEY PRIORITIES IN 2013

- **Corporate Governance** →
  - New Group Organizational and Operating Model
  - Tighter control over group businesses: new role of the Corporate Center as "Strategic Controller"
- **Industrial Restructuring** →
  - Creating a sustainable long term portfolio
  - Improving the competitiveness of our businesses
- **Asset Portfolio Rationalisation** →
  - Reduce debt
  - Focus investments in Aerospace & Defence

A stronger more sustainable Finmeccanica

CORPORATE GOVERNANCE ROADMAP

MAR 2013

- Reinforce the management and coordination of the Corporate over the operating companies, shortening reporting lines
- Centralization of the Group's Internal Audit, including specific audit for monitoring of intermediaries
- Strengthen Trade and Business Compliance and set up a Risk Management structure reporting to the CFO

APR 2013

- Establish a Committee of Experts to review existing policies and propose new measures to ensure full compliance with the international best practice

JUL 2013

- Appointment of Giovanni De Gennaro as Chairman

DEC 2013

- Appointment of Sergio De Luca as Chief Operating Officer
- Institution of the new Nomination Committee in accordance with the Corporate Governance Code

MAR 2014

- New Group Organizational and Operating Model

NEW ORGANIZATIONAL AND OPERATING MODEL

- Consistent with the objective to become a Group **more concentrated on A&D**

- Focus will be on the competitiveness of our products and services through:
  - Reshaping the role of the center as a "**Strategic Controller**"
  - Better **leveraging of best practices** across the Group
  - Further **reducing costs**
  - Improving the way we **go to the market**

- The new model will enable Finmeccanica to exploit the complementarities within A&D to **increase the return on invested capital and ensure higher profitability**, **sustainability** and **cash flow generation**

NEW ORGANIZATIONAL AND OPERATING MODEL

INCREASING EFFECTIVENESS by introducing formal networks focused on some key areas (i.e. Product Development, Markets, Order Execution, Service) to:

- better leverage skills, best practices and technologies across the Group
- go to market in a more coordinated way

INCREASING EFFICIENCY by verticalizing support functions and **introducing Shared Service Centers**

- **The success of this new model will be measured in:**
  - The **Effectiveness** with which we go to market, reflected in new orders
  - The **Efficiency** within our business, reflected in higher profitability, return on invested capital and cash flow generation

PROGRESS ON OUR KEY PRIORITIES IN 2013

- **Corporate Governance** →
  - New Group Organizational and Operating Model
  - Tighter control over group businesses: new role of the Corporate Center as “Strategic Controller”
- **Industrial Restructuring** →
  - Creating a sustainable long term portfolio
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- **Asset Portfolio Rationalisation** →
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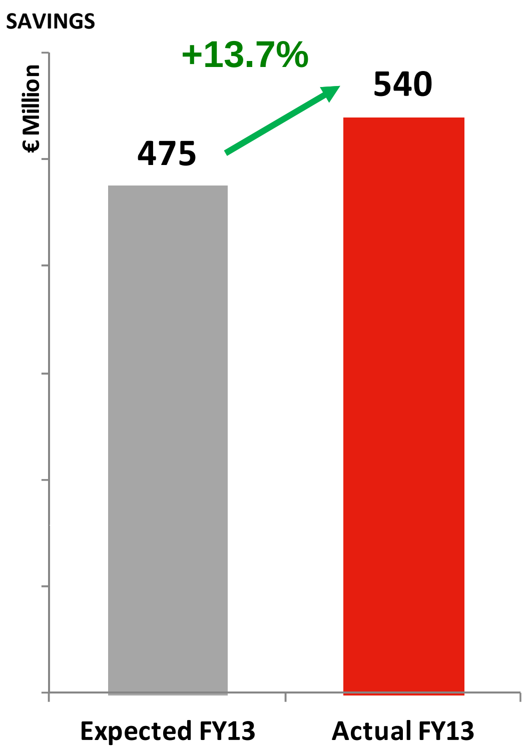
A stronger more sustainable Finmeccanica

2 YEAR RESTRUCTURING PLAN TARGET EXCEEDED



2 year plan: 2012/2013 (2011 baseline)

Savings (€m)	FY 13E	FY13A	
Helicopters	65	70	↑ Procurement, engineering and production overperformed New key initiatives efficiency-oriented and focused to deliver excellence **Product family/modularity;Customer support/satisfaction; Business excellence** (foreign markets) **Headcount** rightsizing
Aeronautics	145	158	↑ Procurement and engineering overperformed **Headcount reduced** by >1.800 positions **Downsizing** (phase out of Casoria's site) Continued improvements on **operational efficiency**
European Defence Electronics & Security - SES	44	92	↑ **Headcount** rightsizing overperformed **Site rationalisation** **Engineering and manufacturing** rationalisation **Product portfolio** rationalisation **Direct/indirect costs** reduction overperformed
US Defence Electronics & Security - DRS	129	140	↑ **Headcount reduced** by 1,400 positions **Business/facilities consolidation** (phase out of 14 sites) Profitability maintained at high single digit level
Space Services	19	20	↑ Headcount reduced by 82 positions (of which 14 executives) both from Italy and foreign sites Direct and indirect procurement overperformed **Operational rationalization** on track

NEW WAVE OF RESTRUCTURING LAUNCHED IN A&D

In order to continue to improve industrial performance and go ahead with restructuring initiatives, Finmeccanica is launching additional initiatives in A&D

Helicopters	*Headcount rightsizing* *Centralizing Procurement* *Cost Reduction* *Operational Efficiency* *Focus on Modularity*
Aeronautics	
European Defence Electronics & Security – SES	
US Defence Electronics & Security – DRS	

Cumulative €300mln of cost savings expected in 2014/2015 (2013 baseline)

PROGRESS ON OUR KEY PRIORITIES IN 2013

- **Corporate Governance** →
  - New Group Organizational and Operating Model
  - Tighter control over group businesses: new role of the Corporate Center as "Strategic Controller"
- **Industrial Restructuring** →
  - Creating a sustainable long term portfolio
  - Improving the competitiveness of our businesses
- **Asset Portfolio Rationalisation** →
  - Reduce debt
  - Focus investments in Aerospace & Defence

A stronger more sustainable Finmeccanica

ASSET PORTFOLIO RATIONALISATION

Progress and Actions

- Two important steps achieved in 2013

1. **Completion of the disposal of Ansaldo Energia** in December 2013

2. **Positive actions taken on AnsaldoBreda** to minimise economic losses/cash absorption incompatible with Group capital structure
   - Completion of contracts in progress in the best way to limit their losses
   - Acquisition of new orders that is clearly going to be profitable and with adequate contractual terms
   - Redefinition of the company structure consistently with the backlog to be worked

- ASTS will be treated in the best interest of the Company, its shareholders and Finmeccanica's shareholders

- Active discussions on Transportation deconsolidation

BUILDING A STRONGER MORE SUSTAINABLE FINMECCANICA

- We have confidence in our core businesses
- We are not deterred by specific issues impacting FY13 results
- We are successfully executing our restructuring
- We are making good progress on our business portfolio

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GROUP PERFORMANCE (1/2)

€ Mln	A&D FY2013	A&D FY2012	% Change	Transportation FY2013	Transportation FY2012	% Change	Total continuing operations FY2013	Total continuing operations FY2012	% Change
Orders	15,501	13,582	14.1%	2,230	2,406	-7.3%	17,571	15,869	10.7%
Backlog (**)	34,399	34,219	0.5%	8,527	8,837	-3.5%	42,697	42,930	-4.9%
Revenues	14,093	14,668	-3.9%	1,988	1,932	2.9%	16,033	16,504	-2.9%
EBITA	1,058	1,075	-1.6%	-109	-69	-58%	949	1,006	-5.7%
ROS %	7.5%	7.3%	0.2p.p.	-5,5%	-3.6%	-1.9p.p.	5.9%	6.1%	-0.2p.p.
Headcount **	56,558	58,541	-3.4%	7,277	7,037	+3.5%	63,835	65,578	-2.7%

- According to IFRS, from 3Q2013 Finmeccanica classifies Ansaldo Energia among discontinued operations following the agreement to sell the Group's stake to Fondo Strategico Italiano

(**) pro-forma figures to take into account the deconsolidation of Ansaldo Energia, only for the purpose of this presentation

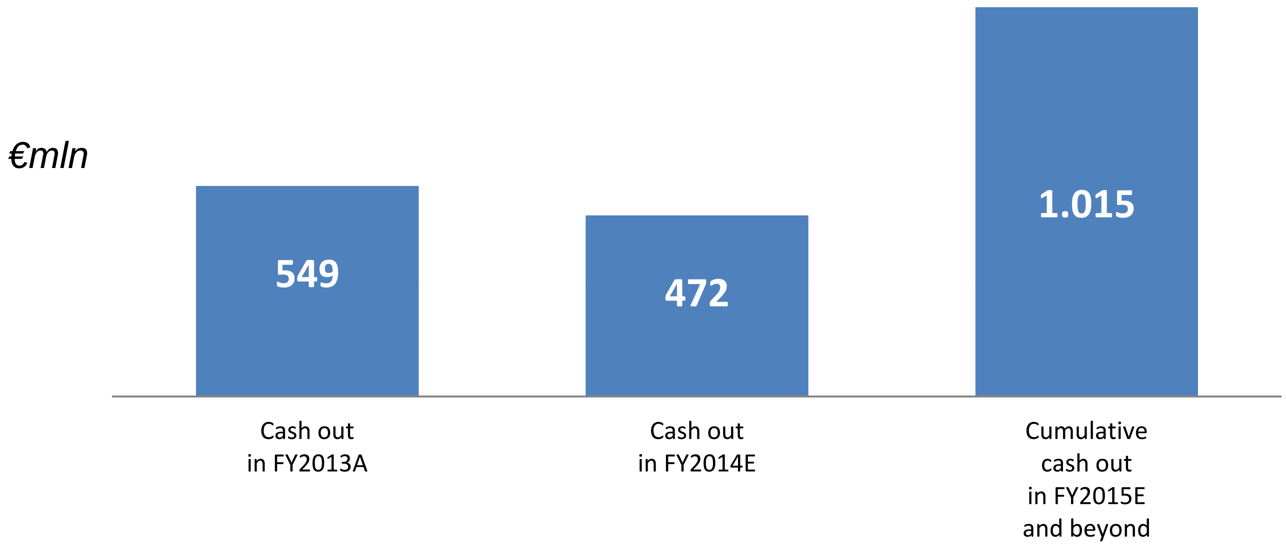
GROUP PERFORMANCE (2/2)

€ Mln	Q4 ACTUAL 2013	Q4 ACTUAL 2012 **	% Change	FY ACTUAL 2013	FY ACTUAL 2012 **	% Change
Orders	8,276	5,729	44.5%	17,571	15,869	10.7%
Revenues	4,690	4,854	-3.4%	16,033	16,504	-2.9%
EBITA	252	300	-16%	949	1,006	-5.7%
ROS %	5.3%	6.2%		5.9%	6.1%	-0.2p.p.
EBIT	-247	-1,120		46	-531	n.s
Net Income after minorities*	193	-947		28	-834	
EPS* (€ cents)	0,285	-1,638		0.048	-1.443	
FOCF	1,433	1,255	14.2%	-307	91	n.s.
Net financial debt	-	-		3,316	3,382	-2%

(*) comparative data restated to include the effect of the adoption of IAS 19 revised

(**) pro-forma figures to take into account the deconsolidation of Ansaldo Energia, only for the purpose of this presentation

CASH OUT PROFILE OF BELOW THE LINE ITEMS



2013 data restated to take into account the impact of IFRS11 accounting principle

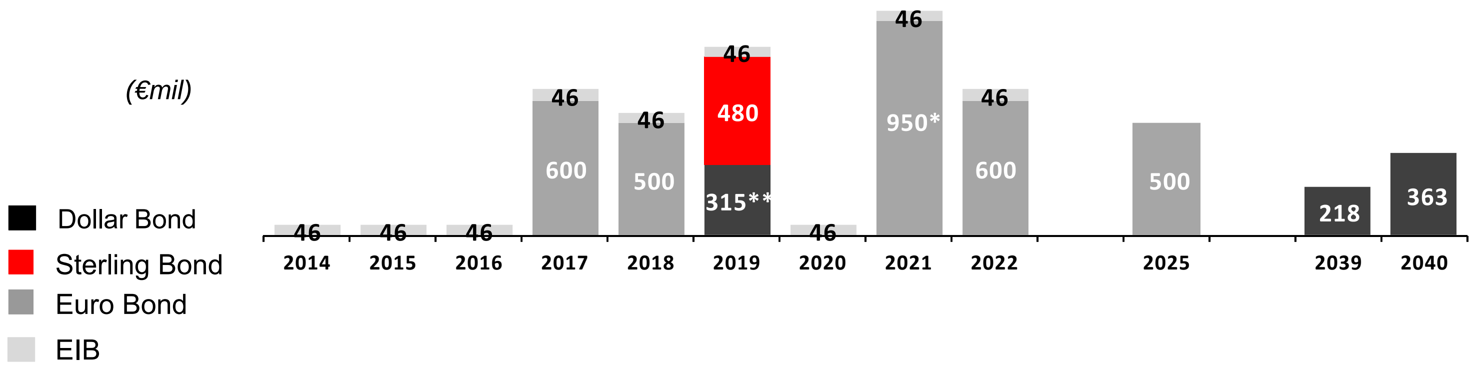
DEVELOPMENT COSTS CAPITALISED AS INTANGIBLE ASSETS AT 31 DECEMBER 2013

€mln	Self Funded National Security	Self Funded Other	Total
01 Jan 2013 Opening Balance	**922**	**585**	**1.507**
Gross R&D capitalised	328	113	441
Depreciation and write offs	-90	-95	-185
Disposals	0	-134	-134
Other changes	7	-1	6
Net R&D capitalised	**245**	**-117**	**128**
31 Dec 2013	**1,167**	**468**	**1,635**

FINMECCANICA

ROBUST FINANCIAL POSITION
(as of end of December 2013 pro-forma*)

- Outstanding debt has an average life of approx.9 years
- The Group debt structure is solid thanks to:
  - Long average debt life, aligned with the Group's assets
  - No maturity before December 2017
- Finmeccanica bonds have no financial covenants



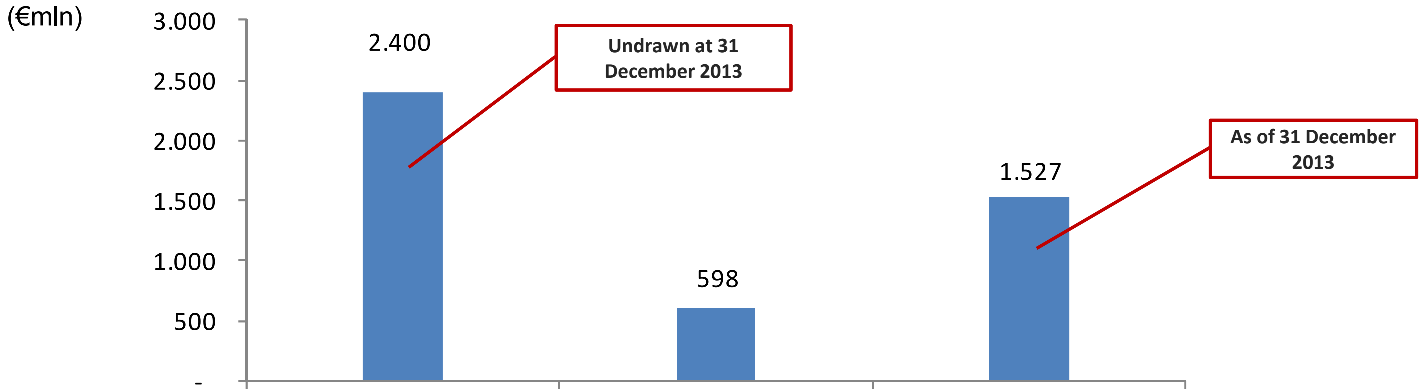
* 2021 bond: €700mil initial issuance on November 2013, incremented by a tap of €250mil issued on January 2014
** Finmeccanica early repaid $66mil of the 2019 USD bond

STRONG LIQUIDITY POSITION (as of end of December 2013)

Availability of adequate committed liquidity lines

In order to cope with possible volatilities in financial needs, Finmeccanica can leverage:

- 31 December cash balance of €1.5 Billion
- Credit lines worth €3.0 Billion (confirmed and unconfirmed), undrawn at 31 December 2013
  - A revolving credit facility was signed on September 2010 with a pool of leading Italian and foreign banks for a total of €2.4 Billion with maturity in September 2015
- Bank Bonding lines of roughly €1.7 Billion to support the execution of bidding and orders' activities



	Revolving Credit Facility	Unconfirmed Credit Lines	Cash in Hand
Tenor	Sept 2015	18 months	
Margin	180 bps(1)	150-200 bps(2)	

(1) Based on rating as of 31/12/2013.

(2) Average. Expected to be renewed at maturity

IMPACT OF IFRS 11 - FY2013 JV BREAKDOWN

- The table below shows how deconsolidation of the JVs will impact the 2013 key reported figures of the Group.

		DECONSOLIDATION DUE TO IFRS11				
		ATR (50%) *(Aeronautics)*	**MBDA** (25%) *(Defence systems)*	**SPACE** *(67% Space Services 33% Satellite Manuf.)*	**OTHERS**	**NET IMPACT ON THE GROUP**
Orders	*€ bn*	(0.6)	(0.9)	(1,0)	-	**(2.5)**
Revenues	*€ bn*	(0.5)	(0.8)	(1,0)	-	**(2.3)**
Net impact on EBITA	*€ mln*					**(71)**
Of which:						
Deconsolidation of the share of EBITA		(40)	(91)	(94)	(17)	(242)
Consolidation of the share of Net Income						171

FOCF	*€ mln*	**87**
Net Financial Debt	*€ bn*	**0.6**

FINMECCANICA

ASSET PORTFOLIO RATIONALISATION – SALE OF ANSALDO ENERGIA

- Closing of the sale of Ansaldo Energia to Fondo Strategico Italiano announced on 23 December 2013. Transaction agreed on 4 October 2013 for a fixed price of €777mln for 100% of the Company and an earn out worth up to €130mln.
- Transaction provides for the sale of 99.55%* of the Company, of which 45% owned by First Reserve and 54.55% owned by Finmeccanica
- Finmeccanica sold 39.55% at closing and 15% through a put/call option to be excercised from June to December 2017, based on a price of €777mln, capitalised at an annual compound interest rate of 6%
- Through this transaction Finmeccanica achieves
  - Cash in of €277mln at closing, for the sale of 39.55%
  - Reduction of Group Net Financial Position of ca. €630mln, considering the effects of the forward sale of the 15% residual stake (€539mln excluding AnsaldoEnergia's negative cash flow for the period) and the deconsolidation of AEN's debt
  - Cash in of €117mln, plus 6% pro rata temporis interest rate, from the exercise of the put-call option in 2017, on the remaining 15% stake

** Ansaldo Energia's management holds 0.45% of the company's shares*

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 programme 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; programme performance and the timing of contract payments; the timing and customer acceptance of product deliveries and launches; our ability to achieve or realise savings for our customers or ourselves through our global cost-cutting programme and other financial management programmes; 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.

The Company undertakes no obligation to revise or update forward-looking statements as a result of new information since these statements may no longer be accurate or timely.

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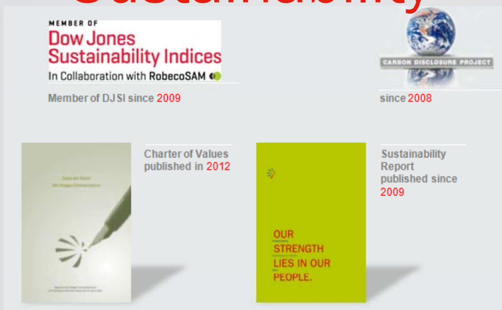

We do business in a sustainable manner, with a continued commitment to economic and social development and the protection of public health and the environment.