FINMECCANICA

Press Release

Rome, 13 May 2004

Value of production rises 6.7% to EUR 2 billion in 1Q04.

2004 results expected to be in line with 2003, despite a net loss of EUR 35 million in the first quarter, impacted by a lower contribution from investments consolidated at equity.

Profitability significantly higher in defence electronics and defence systems.

Temporary downturn in the helicopters business, owing to a changed production mix, and in aeronautics, impacted by difficulties in the civil market and delays in the second tranche of the Eurofighter contract.

Although first-quarter results are not generally representative of full-year performance, since more than half the group's activity is typically concentrated in the second half of the year, Finmeccanica, in a difficult market environment, posted solid growth of 6.7% in its value of production in 1Q04 compared with 1Q03.
In the light of these considerations, 1Q results are higher than forecast and have enabled the group to confirm its projections for 2004 with overall results in line with 2003.

The net loss was due partly to some factors witnessed in 1Q03 such as non-recurring income of EUR 12 million resulting from the renegotiation of receivables and payables between Elsacom and Globalstar LP; the higher impact of IRAP relative to operating profits, redundancy payments of EUR 5 million and weaker results from investments consolidated at equity (-EUR 12 million). All these factors, together with the fall in operating profits and lower financial income (due to increased debt), led to a net loss of EUR 35 million, compared with a profit of EUR 14 million in 1Q03.

Key 1Q04 figures

- **Value of production** rose strongly, by around 7%, from EUR 1,874 million in 1Q03 to EUR 2 billion;
- **Net loss** of EUR 35 million, compared with a profit of EUR 14 million in 1Q03;
- **EBIT** down from EUR 54 million in 1Q03 to EUR 14 million in 1Q04; **EBITDA** at EUR 97 million, down from EUR 128 million in 2003; **EBITA** at EUR 36 million, from EUR 73 million last year;
- **New orders** worth EUR 1,252 million, from EUR 1,584 million in 1Q03. Around 50% of these relate to defence contracts and 20% to customer support activities; The **order backlog** totalled EUR 21,791 million at the end of the

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quarter, an improvement on the figure of EUR 21,340 posted at end-March 2003.

- **Net debt** at EUR 682 million, up from the EUR 256 million posted at end-2003 owing to the typical trend of cash flows within the group, whereby payments are concentrated in the first half of the year.

Value of production rose by 6.7% year-on-year, thanks partly to the consolidation of OTE and Aermacchi, while EBITA (considered on a like-for-like basis) declined, owing to the combined effect of a sharp improvement in the profitability of both Defence Electronics and Defence Systems, and the expected (and temporary) downturn in Helicopters and Aeronautics, which continues to suffer from difficulties in the civil market, exacerbated by delays in the second development tranche of the Eurofighter programme.

ROI was maintanied at a good level confirming the group's financial solidity, remaining well above Finmeccanica's weighted average cost of capital. The group's debt/equity ratio was also positive, at 0.21—well within optimal gearing targets.

Focus on strategic activities: Eurosystems, Space, Real Estate and "Finmeccanica 2"

The first quarter was a particularly significant period for Finmeccanica with respect to its future plans. On 18 March the company signed an agreement with BAE Systems to create a partnership known as Eurosystems, which will group together the two companies' defence electronic activities. Due diligence procedures are currently under way, as are discussions as to how to implement the initiative. Activity is also continuing on the creation of a joint venture between Alenia Aeronautica and the US company Vought Aircraft Industries for the production of components for the new Boeing B7E7. In the meantime, Finmeccanica is in discussions with the French company Alcatel to draw up a memorandum of understanding with a view to a partnership in the space sector.
Work also proceeded in 1Q04 on a feasibility study into how to exploit the value of Finmeccanica's real estate assets, expected to conclude in June 2004.
Last but certainly not least, work continued on the "Finmeccanica 2" project. An industrial plan was drawn up in co-operation with the two potential partners, Fintecna and Fincantieri, to evaluate the possibility of merging the activities of AnsaldoBreda, Ansaldo Signal NV, Ansaldo Trasporti Sistemi Ferroviari and Ansaldo Energia with the shipbuilding business of Fincantieri. Financial consultants were instructed to begin a valuation of each individual companies, and to draw up proposals and guidelines for the operation.

Outlook

Results for 1Q04 confirm forecasts of a further rise in value of production this year, which should result in an EBITA figure slightly higher than that for last year. The group's EBITA margin should not therefore be significantly different from that

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recorded in 2003—a significant achievement given the current uncertain market situation. Careful cost control and other financial variables should enable the group to maintain its ROI at acceptable levels. Value of production is expected to grow by around 7% this year, and by around 4% in 2005. EBITA is expected to stand at more than EUR 550 million at end-2004, and at over EUR 600 million in 2005.
More generally, the group's prospects will continue to be affected by the limited growth, or even contraction, in funds available for defence spending and by the tough and restrictive conditions regarding their utilisation.

Consolidated economic and financial situation
Note that: OTE was acquired on 4 March 2003; on 1 July 2003, Finmeccanica acquired a further 67.31% of Aermacchi SpA (to add to the 25.46% already held by Alenia Aeronautica SpA).

CONSOLIDATED PROFIT AND LOSS ACCOUNT				
(EUR 000)	**Q1 2004**	**Q1 2003**	***Change in % YoY***	**2003**
REVENUES	**1.896.874**	**1.845.020**		**8.279.420**
VALUE OF PRODUCTION	**2.000.300**	**1.873.559**	***7%***	**8.646.211**
Costs of goods and services	(1.278.056)	(1.186.355)		(5.560.718)
VALUE ADDED	**722.244**	**687.204**	***5%***	**3.085.493**
Labour cost	(628.560)	(573.269)		(2.339.691)
Other provisions	(959)	(1.037)		(33.909)
Provisions for risks and charges	(9.842)	(10.180)		(79.611)
Other income (charges)	14.131	25.676		157.850
EBITDA	**97.014**	**128.394**	***(24%)***	**790.132**
Depreciation	(66.772)	(60.031)		(267.156)
Revenue from capital grants	5.890	4.917		26.074
EBITA	**36.132**	**73.280**	***(51%)***	**549.050**
EBITA margin (%)	*1,8%*	*3,9%*		*6,4%*
Goodwill amortisation	(21.689)	(19.534)		(82.007)
EBIT	**14.443**	**53.746**	***(73%)***	**467.043**
EBIT margin (%)	*0,7%*	*2,9%*		*5,4%*
Financial income (expenses)	(11.167)	(4.432)		(39.080)
Exchange rate gains (losses)	1.748	1.334		(6.257)
Increase/decrease in the value of investments	1.128	13.279		162.058
of which STMicroelectronics	11.000	13.676		41.000
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX	**6.152**	**63.927**	***(90%)***	**583.764**
Extraordinary income (expenses)	(11.464)	(8.638)		(173.091)
PRE-TAX PROFIT	**(5.312)**	**55.289**		**410.673**
Tax	(29.503)	(40.859)		(211.416)
NET PROFIT	**(34.815)**	**14.430**	***n.m***	**199.257**
Minority interests	(526)	(4.376)		(10.592)
NET ATTRIBUTABLE PROFIT	**(35.341)**	**10.054**	***n.m***	**188.665**

Value of production stood at EUR 2 billion, an increase of 6.7% on 1Q03 owing to the combined effect of growth in aeronautics (due partly to the consolidation of

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Aermacchi, which accounted for around 2.5% of value of production), defence systems and defence electronics, and a contraction in the energy business.

Personnel costs rose by some 10% year on year. The average headcount in the period was 45,784, compared with 43,738 in 1Q03 (and 44,958 in the whole of 2003). The increases in headcount and personnel costs were due largely to the change in the consolidation base.

Other income and charges were positive for EUR 14 million, a decline on the EUR 25 million generated in 1Q03. The income component includes gains on real estate investments, the renegotiation of receivables and payables, insurance refunds, and the use of funds (EUR 5 million, from EUR 9 million in 1Q03) established in previous years and made available following ordinary operations and costs incurred during the period. Charges include direct and indirect taxes, fines and contributions to severance funds.

Some EUR 53 million of the group's **depreciation** charges related to tangible assets (from EUR 48 million in 1Q03) and EUR 14 million to intangible assets (from EUR 12 million in 1Q03).

EBITA stood at EUR 36 million, down EUR 37 million on 1Q03. This was the combined effect of a number of factors, including an improved performance from defence electronics (due to higher revenues, greater profitability for avionics activities and the synergies arising from the integration and rationalisation of the Italian and UK activities of the AMS joint venture); growth in defence systems (due especially to the MBDA joint venture); and the contribution of the space division, which benefited from the rationalisation programme implemented last year. All this was offset by a contraction in the aeronautics business, due to reduced activity in the civil sector and the drop in its profitability, and to a slowdown in the EFA military programme; a decline in helicopters resulting from the lower profit margins of current contracts, which were won against fierce competition; and weaker results in the energy, IT and other activities division. Note that in 1Q03, this last business benefited from EUR 12 million in "other income and charges" thanks to the renegotiation of receivables and payables between Elsacom and Globalstar LP as part of the sale of the satellite gateway in Karkkila, Finland. This year, the renegotiation generated only EUR 4 million.

Financial income and expenses came out negative at EUR 11 million, an increase on the net expenses of EUR 4 million posted in 1Q03. They mainly consisted of interest payments and provisions for adjustments on bond loans (EUR 19 million in 1Q04, from EUR 11 million in 1Q03).

Exchange rate gains, arising essentially from hedging operations, were in line with the same period of last year. The progressive narrowing in the spread between euro and dollar interest rates (an essential component in the calculation of forward exchange rates) could in future lead to higher hedging costs.

The **increase in the value of investments** consists of Finmeccanica's share of STMicroelectronics Holding NV (EUR 11 million, from EUR 14 million in 1Q03)—valued, like all the group's important non-consolidated holdings, at equity. It also incorporates the net results of other companies valued in the same way, including a net loss of EUR

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9 million relating to Aero Invest 1 SA, which, via Avio Holding SpA, controls Avio SpA (acquired on 30 September 2003 and therefore not included in the 1Q03 results).

Extraordinary income and expenses includes, in particular, EUR 5 million in redundancy payments (from EUR 9 million in the same period of last year), net of the use of funds already earmarked at end-2003.

Tax refers to the estimated sum payable for IRAP (EUR 20 million, from EUR 24 million in 1Q03), IRES (EUR 5m, from EUR 13 million of IRPEG in 1Q03), and other income taxes (EUR 5 million, from EUR 4 million in 1Q03). This year saw the introduction of new tax laws in Italy, which gives the group the option to be taxed at the consolidated level. Given the law as it stands today, and pending the introduction of a number of implementing measures, the parent company has estimated a single taxable base for companies in the group that can be reasonably expected to be included in the consolidated calculation from 2004 onwards. Tax for 1Q04 has been calculated using the new rules, and this has led to a drop in the estimated IRES for the group.

BALANCE SHEET			
(Eur 000)	**31/03/2004**	**31/12/2003**	**31.03.2003**
Intangible assets	1.187.141	1.198.243	1.179.641
Tangible assets	1.691.328	1.692.357	1.546.843
Long-term investments	1.429.020	1.418.997	1.426.269
TOTAL NON-CURRENT ASSETS	**4.307.489**	**4.309.597**	**4.152.753**
Inventory (net of progress billings)	7.248.027	6.719.753	6.152.138
Trade receivables	3.180.143	3.327.889	3.063.675
Other assets	1.194.070	1.136.784	1.336.225
Trade payables	(2.428.098)	(2.564.344)	(2.548.526)
Customer advances	(4.338.253)	(4.231.639)	(4.248.630)
Provisions for risks and charges	(1.140.698)	(1.107.606)	(1.176.529)
Other liabilities	(3.327.821)	(3.317.692)	(2.458.525)
WORKING CAPITAL	**387.370**	**(36.855)**	**119.828**
of which operating working capital	3.661.819	3.251.659	2.418.657
STAFF SEVERANCE FUND	(713.716)	(714.089)	(658.772)
NET INVESTED CAPITAL	**3.981.143**	**3.558.653**	**3.613.809**
covered by:			
SHAREHOLDERS' EQUITY	**3.299.268**	**3.302.169**	**3.268.293**
NET DEBT	**681.875**	**256.484**	**345.516**
TOTAL	**3.981.143**	**3.558.653**	**3.613.809**

Non-current assets fell by EUR 2 million in value compared with 31 December 2003, owing to the combined effect of: a EUR 10 million increase in medium- to long-term receivables; the valuation at equity of STMicroelectronics Holding NV (worth EUR 1,142 million, from EUR 1,123 million at end-2003) and Aero Invest 1 SA (EUR 130 million, from EUR 138 million at end-2003); the net effect of normal investment and amortisation over the period, which saw a decline; and small exchange rate gains following the conversion of results in foreign currency (mainly dollars and sterling) into euro.

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Working capital at 31 March 2004 was positive for EUR 387 million, compared with a negative figure of EUR 37 million at end-2003. **Operating working capital**, made up of inventory and work in progress, trade receivables, trade payables, customer advances and progress billings, rose by around EUR 410 million. This was the combined effect of:
- a EUR 528 million increase in inventory and work in progress (net of progress billings of EUR 8,430 million, from EUR 8,138 million in 1Q03, recorded under the item "customer advances and progress billings"), due mainly to increased activity in aeronautics (for the A380 and other civil programmes), space, defence electronics and defence systems;
- a net increase of EUR 106 million in customer advances (recorded under the item "customer advances and progress billings"), relating mainly to defence systems, helicopters and defence electronics, which was offset by a contraction in the aeronautics business.

DEBT			
(EUR million)	**31/03/2004**	**31/12/2003**	**31/03/2003**
Short-term debt	41	86	121
Current portion of medium- to long-term debt	59	84	73
Medium- to long-term debt (net of current portion)	2.311	2.304	1.350
Cash on hand or equivalent	(1.712)	(2.234)	(745)
NET BANK DEBT	**699**	**240**	**799**
Interest-bearing securities	(20)	(20)	(40)
Government bonds	(51)	(63)	(66)
Loans to third parties	(421)	(504)	(517)
Loans to subsidiaries and affiliated companies	(119)	(116)	(277)
Loans from subsidiaries and affiliated companies	370	440	326
Liabilities to industry ministry (MAP)	63	65	48
Other financial liabilities	161	214	73
NET DEBT	**682**	**256**	**346**

Net debt rose by EUR 426 million compared with end-2003, to EUR 682 million. This was mainly due to seasonal factors whereby payments are generally concentrated in the first half of the year, while receipts come in the second half.
The EUR 426 million increase was much higher than that of 1Q03 (EUR 97 million); however, the first quarter last year benefited from around EUR 300 million of non-recurring early receipts, especially in the energy, defence electronics and aeronautics businesses.

The imbalance in operating cash flows is likely to intensify in 2Q04, but then ease off to some extent by the end of the year.

Looking in further detail at the group's financial position—especially with respect to banks and bonds—cash on hand and equivalents fell from EUR 2,234 million at end-2003 to EUR 1,712 million at 31 March 2004. Of this cash on hand, EUR 1,541 million relates directly to the parent company and its subsidiaries, while EUR 171 million is

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held by the joint ventures MBDA, AMS and AgustaWestland for their operational requirements.

SHARE DATA	Q1 2004	Q1 2003
Average number of shares issued	8.434.666.066	8.429.641.820
Average number of "fully diluted" shares	9.056.694.486	8.921.909.224
EPS issued incl. STM (euro cents)	(0,41)	0,17
Fully diluted EPS incl. STM (euro cents)	(0,38)	0,16
EPS issued excl. STM (euro cents)	(0,54)	0,01
Fully diluted EPS excl. STM (euro cents)	(0,51)	0,01

* Includes:
- the bond convertible into 468,254,250 ordinary Finmeccanica shares, issued at a face value of EUR 1.875 and convertible at a rate of one bond per Finmeccanica share between 08/06/2000 and 08/06/2005;

- Note that the shareholders' meeting of 23/11/1999 authorised the board of directors to increase the share capital, as part of a stock option plan, via the issue of up to 35,000,000 ordinary shares with nominal value of EUR 0.22 each, to be reserved for senior managers of Finmeccanica SpA and its subsidiaries.
The plan concluded with the awarding of options for 17,287,755 Finmeccanica shares, of which 13,767,877 had been exercised at 31/03/2004, and for which the relative capital increase has already been carried out. At the same date, 3,519,878 options, expiring on 06/07/2004, had yet to be exercised.

The ordinary and extraordinary shareholders' meetings of 16/05/2003 voted to implement a new long-term incentive plan (LTIP) for key employees of Finmeccanica SpA and its subsidiaries. The new plan will give staff options for Finmeccanica SpA ordinary shares, based on the achievement of performance targets. Each option will give the right to buy one Finmeccanica share at a price not lower than its "normal" value—agreed at EUR 0.70—so as to make the plan efficient for fiscal purposes. As a result of this decision, on 12/11/2003 Finmeccanica's board of directors voted to replace the previous long-term incentive plan (also for senior managers and key employees of Finmeccanica SpA and its subsidiaries), approved on 14/11/2002, with the new one.
Up to 150,000,000 shares have been reserved for the new plan; these may be made available via the issue of new shares and/or via the buy-back of own shares. The board of directors shall decide which method to use depending on the share's performance at the time and its expected future prospects.

Results by sector of activity

Aeronautics—Alenia Aeronautica, Aermacchi*

Value of production: EUR 369 million (+30% on the EUR 284 million posted in 2003); EBITA: EUR -3 million (profit of EUR 21 million posted in 2003)

The 1Q performance of this division was down on the same period of last year, owing mainly to a fall in volumes and profitability of civil programmes, as the global civil aviation industry continued to suffer from weak demand. A reversal in the trend of production and deliveries is not expected until 2006. Work in the military segment during the quarter consisted chiefly of production, logistics and equipment for the Eurofighter (the first three aircraft were delivered to the Italian Air Force in the period), manufacture of the C-27J aircraft, and upgrading the Tornado (retrofit and development work for the mid-life upgrade) and AMX aircraft. Aermacchi continued developing the new M346 high-tech training aircraft, which is expected to take its maiden flight in mid-2004. At 31 March 2004, new orders were worth some EUR 166 million, a rise of 57% on the EUR 106 million generated in 1Q03. The order backlog totalled EUR 3,912 million, of which 49% related to the EFA programme. This was an increase on the EUR 3,538 million backlog recorded in the same period of last year.

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Helicopters—AgustaWestland
Value of production: EUR 532 million (-9% on the EUR 584 million posted in 2003); EBITA: 27 million (-54% on the EUR 56 million in 2003)

The uncertainty and instability seen on the helicopters market last year continued in 1Q04. Despite this, the market is expected to pick up, thanks especially to growth in the military helicopters segment. The civil segment is seen remaining broadly flat, while law enforcement is also expected to grow. The first quarter saw the expansion of the A119 Koala production line in Philadelphia. This increased presence in the US further bears out the validity of AgustaWestland's medium- to long-term objectives. The division acquired orders worth a total of EUR 194 million in the period – half of them secured from customer/product support - while the order backlog declined by 10% year on year, although it remained solid at EUR 6,014 million: this is equivalent to around 2.5 years of production.

* figures and comments refer to 100% of the company

Space—Alenia Spazio, Telespazio
Value of production: EUR 166 million (+2% on the EUR 106 million posted in 2003); EBITA: EUR 4 million (from EUR -8 million at 31 March 2003)

Uncertainty remains over the short- and medium-term prospects of the commercial space market. However, government and institutional demand, while remaining stagnant in the EU in the short term owing to public spending restraints, is showing signs of an upturn in the medium term, and could provide a launchpad for the sector as a whole over the next few years. In 1Q04, the division continued the rationalisation process aimed at industrial and financial consolidation, especially in view of the contractual negotiations currently under way with Alcatel. The rationalisation plan will begin to bear fruit this year, and together with the restructuring already carried out at both Alenia Spazio and Telespazio, should lead to a gradual improvement in the division's finances in the short to medium term. Orders secured in 1Q04 totalled EUR 88 million. These included further tranches of the Galileo programme and the GOCE scientific satellite.

The order backlog at end-March was worth some EUR 1,134 million.

Defence electronics—Galileo Avionica, Marconi Selenia Communications, OTE, AMS
Value of production: EUR 422 million (+14% on the EUR 370 million posted at 31 March 2003); EBITA: EUR 21 million (up 75% on the EUR 12 million at 31 March 2003)

The defence electronics division recorded a good performance in 1Q04, securing new orders worth EUR 309 million. These included the order for ALADIN (Atmospheric Laser Doppler Instrument) systems; PAR radar systems for France; avionics equipment for the Eurofighter; GRIFO S7 radar for China; land and naval command and control systems and ATC systems for Romania, Algeria and China; IFF equipment for NATO's airborne warning and control system (AWACS) and for TETRA systems for the UAE, South Korea and the Milan municipal police. At end-March the order backlog stood at EUR 3,553 million. The sharp improvement in EBITA was due mainly to

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avionics activity and the joint venture AMS, which benefited from the synergies generated by the integration and rationalisation of Italian and UK activities. This all led to an increase in the **EBITA margin**, which stood at 5% at end-March, more than 1.5 percentage points above its 1Q03 figure.

Defence Systems—OTO Melara, WASS, MBDA*

Value of production: EUR 259 million (+31% on the EUR 198 million posted at 31 March 2003); EBITA: EUR 9 million (up 80% on the EUR 5 million at 31 March 2003)

In 1Q04, the defence systems business continued the positive trend witnessed in 2003, with both revenues and profitability on the increase. The division acquired orders worth EUR 196 million in the period, a rise of 65% on the EUR 119 million posted in the same period of 2003. The order backlog stood at EUR 4,622 million, higher than the EUR 4,122 million recorded in 1Q03, while value of production was up year on year thanks mainly to higher volumes from the joint venture MBDA, which despite a much better performance than in 2003, still produces lower profitability than the sector average.

* MBDA is a joint venture with BAE Systems and EADS in which Finmeccanica holds a 25% stake, consolidated proportionally, but has equal corporate governance rights.

Transport—AnsaldoBreda, Ansaldo Trasporti Sistemi Ferroviari, Ansaldo Signal

Value of production: EUR 305 million (+1% on the EUR 301 million posted at 31 March 2003); EBITA: EUR 9 million (-25% on the EUR 12 million at 31 March 2003)

The rail and tram systems and components market continued to perform as it has in the last few years, with modest growth worldwide and a positive investment trend in Italy. Orders acquired in the quarter totalled EUR 238 million, compared with EUR 279 million in 1Q03; this fall was due mainly to the vehicles segment. The order backlog stood at EUR 3.43 billion, higher on 31 March 2003, while value of production was broadly in line with that of 1Q03. EBITA declined year on year, owing mainly to the performance of the vehicles business.

Energy—Ansaldo Energia

Value of production: EUR 152 million (-20%, on the EUR 189 million posted in 1Q03); EBITA: EUR 2 million (-67%. on the EUR 6 million posted in 2003);

The world power generation market is still weak, with demand expected to remain low in the near future, except (as last year showed) in China—a market to which Ansaldo Energia has no access however. Projects in Iraq have been postponed owing to continuing instability in the country. On the Italian market, the company is still awaiting the official go-ahead for the building of new power plants. New orders secured during the period totalled EUR 52 million (from EUR 57 million in 1Q03). The

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order backlog stood at EUR 1,706 million at end-March, which will allow the company's Genoa plant to work at full capacity for the whole of this year.

Information Technology—Elsag

Value of production: EUR 85 million (-6%); EBITA: EUR 1 million (-75% on the EUR 4 million in 1Q03)

There are no signs as yet of an upturn in the IT market, where Elsag operates. This is increasing competitive pressure and squeezing average profitability. The company won new orders worth EUR 173 million in the period, a slight decline on the EUR 189 million secured in 1Q03. The order backlog of EUR 335 million at end-March 2004.

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Q1 2004 (EUR million)	Aeronautics	Helicopters	Space	Defence Electronics	Defence Systems	Transport	Energy, IT and other activities	Eliminations	TOTAL	*of which Energy*	*o/w IT*
Value of production	369	266	166	422	259	305	265	(52)	2,000	152	85
EBITA	(3)	13	4	21	9	9	(17)		36	2	1
EBITA margin (%)	**(0.8%)**	**4.9%**	**2.4%**	**5.0%**	**3.5%**	**3.0%**	**(6.4%)**		**1.8%**	**1.3%**	**1.2%**
EBIT	(5)	11	2	12	4	8	(18)		14	2	1
Depreciation and amortisation*	20	6	11	23	11	7	10		88	3	3
New orders	166	97	88	309	196	238	229	(70)	1,253	52	173
Order backlog	3,912	3,007	1,134	3,553	4,622	3,430	2,133		21,791	1,706	335
Headcount	10,491	4,458	3,762	11,864	4,121	5,891	6,186		46,773	2,532	2,770

Q1 2003 (EUR million)	Aeronautica	Elicotteri	Spazio	Defence Electronics	Defence Systems	Transport	Energy, IT and other activities	Eliminations	TOTAL	*of which Energy*	*o/w IT*
Value of production	284	292	162	370	198	301	304	(37)	1,874	189	90
EBITA	21	28	(8)	12	5	12	3		73	6	4
EBITA margin (%)	**7.4%**	**9.6%**	**(4.9%)**	**3.2%**	**2.5%**	**4.0%**	**1.0%**		**3.9%**	**3.2%**	**4.4%**
EBIT	21	26	(10)	4	0	11	2		54	6	4
Depreciation and amortisation*	10	8	13	20	10	7	12		80	3	4
New orders	106	152	317	414	119	279	262	(66)	1,583	57	189
Order backlog	3,538	3,332	1,431	3,480	4,122	3,103	2,334		21,340	1,858	401
Headcount	8,802	4,430	3,903	10,968	4,186	5,762	6,475		44,526	2,622	2,850

*Including goodwill amortisation

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