

Finmeccanica: growth forecasts for 2005 and 2006

Finmeccanica projects year-on-year revenue growth of over 20% in 2005, taking EBITA to approximately EUR 700 million. This projection includes the consolidation of 100% of AgustaWestland and is based on the assumption that the Defence Electronics activities acquired from BAE Systems and the Space activities forming part of the joint venture with France's Alcatel will be consolidated from 1 July 2005.

In 2006, revenues are expected to rise by a further 10% year-on-year, with EBITA rising to approximately EUR 800 million.

In addition, the company estimates that it will generate cumulative operating free cash flow of more than EUR 600 million over the three years from 2005 to 2007.

These forecasts take into account the impact of the introduction of new IAS/IFRS accounting principles.

Finmeccanica is Italy's leading high-tech company, operating in the design and manufacture of helicopters, aerostructures, satellites, space infrastructure, missiles and defence electronics. It plays a leading role in the European aerospace and defence industry, and participates in some of the biggest international programmes in the sector through well-established alliances with European and American partners. Finmeccanica also boasts significant manufacturing assets and skills in the transport, energy and IT sectors. The group is listed on the Milan stock exchange, and operates in Italy and abroad through 16 companies and 6 joint ventures. It employs around 46,000 staff in total. As part of its drive to maintain and build on its technological expertise, Finmeccanica spends the equivalent of over 14% of its revenues on research and development.