

Rome, 4 March 2010

**Board of Directors approves 2009 results. Net profit up 16%. Net debt down 9%. Revenues +21%, new orders +20%, adjusted EBITA +22%, FOCF +20%, all ahead of expectations.**

**Dividend of EUR 0.41 per share proposed.**

- **New orders** totalled EUR 21,099 million, up 20% compared to 2008, buoyed by growth in Defence and Security Electronics (+86%) - which includes the contribution of DRS - Aeronautics (+37%) and Transport (+120%).
- The **order backlog** was EUR 45,143 million, equivalent to around two and half years of production.
- **Revenues** rose 21% to EUR 18,176 million, from EUR 15,037 million in 2008.
- **Adjusted EBITA** increased to EUR 1,587 million, up 22% on 2008. The adjusted EBITA margin was 8.7%.
- **Net profit** came in at EUR 718 million, up 16% on 2008.
- **Free operating cash flow** was positive at EUR 563 million, up EUR 94 million versus EUR 469 million in 2008.
- **Net debt** was EUR 3,070 million, down EUR 313 million on the EUR 3,383 million recorded at end-2008. One year on from the acquisition of DRS, the Group's debt structure has been fully optimised, taking the average maturity of the debt back to more than 10 years.
- **Research and development** investments rose by 10% compared to 2008, and represented about 11% of revenues.

 Key 2009 figures  
 (EUR million)

	FY 2009	FY 2008	Var.	Var.%
Revenues	18,176	15,037	3,139	21%
Adj. EBITA (*)	1,587	1,305	282	22%
Adj. EBITA (*) margin	8.7%	8.7%	-	-
EBIT	1,392	1,210	182	15%
EBIT margin	7.7%	8.0%	-0.3%	
Net profit	718	621	97	16%
FOCF	563	469	94	20%
New orders	21,099	17,575	3,524	20%
ROI	16.7%	21.4%		(4.7)p.p.
VAE	290	376	(86)	(23)p.p.
Research and development (**)	1,982	1,809	173	10%
Order backlog	45,143	42,937	2,206	5%
Net debt	3,070	3,383	(313)	(9%)
EPS (***)	1.134	1.294	(0.16)	(12%)
Dividend per Share (****)	0.41	0.41	-	-
Headcount	73,056	73,398	(342)	0.5%

(\*) Operating profit before:

- any impairment in goodwill;
- amortisation of intangibles acquired under business combination;
- reorganisation costs that are a part of significant, defined plans;
- other exceptional costs or income, i.e. connected to particularly significant events that are not related to the ordinary performance of the business.

(\*\*) The item includes R&amp;D costs funded by Customers.

(\*\*\*) EPS Reported excluding minority interests.

(\*\*\*\*) 2009 dividend per share to be approved by AGM.

<b>CONSOLIDATED PROFIT AND LOSS ACCOUNT</b>			
€ mil.	<b>2009</b>	<b>2008</b>	<b>Change %</b>
<b>Revenues</b>	<b>18,176</b>	<b>15,037</b>	21%
Costs for purchases and personnel	(16,125)	(13,188)	
Depreciation and amortisation	(575)	(506)	
Other net operating revenues (costs)	111	(38)	
<b>Adj EBITA (*)</b>	<b>1,587</b>	<b>1,305</b>	22%
<i>Adj EBITA (*) margin</i>	8.7%	8.7%	
Non-recurring revenues (costs)	(92)	20	
Restructuring costs	(23)	(41)	
Impairment	0	(40)	
PPA amortisation	(80)	(34)	
<b>EBIT</b>	<b>1,392</b>	<b>1,210</b>	15%
<i>EBIT margin</i>	7.7%	8.0%	
Net finance income (costs)	(297)	(222)	
Income taxes	(377)	(367)	
<b>Net profit before discontinued operations</b>	<b>718</b>	<b>621</b>	16%
Profit of discontinued operations			
<b>Net profit</b>	<b>718</b>	<b>621</b>	16%
<i>Group</i>	654	571	
<i>Minorities</i>	64	50	
<b>EPS (EUR)</b>			
<i>Basic</i>	1.134	1.294	
<i>Diluted</i>	1.133	1.293	
<b>EPS of continuing operations (EUR)</b>			
<i>Basic</i>	1.134	1.294	
<i>Diluted</i>	1.133	1.293	

(\*) Operating result before:

- any impairment in goodwill;
- amortisations of intangibles acquired under business combination;
- reorganisation costs that are a part of significant, defined plans;
- other exceptional costs or income, i.e. connected to particularly significant events that are not related to the ordinary performance of the business.

Expressing his satisfaction with the 2009 results, **Pier Francesco Guarguaglini**, Chairman and Chief Executive Officer of Finmeccanica, said: "The results we are presenting exceed our forecasts and show growth across all key financial measures. The performance is even more impressive when considered in the context of the global conditions in which the Group has had to operate. The results affirm the effectiveness of our strategy of focusing on expansion into new markets, creating a third domestic market in the United States and consolidating Finmeccanica's three strategic pillars of Helicopters, Aeronautics and Defence and Security Electronics. The latter, in particular, has benefited from the excellent performance of DRS Technologies. In 2010, despite the uncertainty of global economic conditions, which are still stabilising, and while maintaining a realistic view of the market, we believe that we are able to deliver satisfactory results. We will maintain unchanged our investment in innovation and technology, a fundamental factor in consolidating and developing the positions we have reached in our key markets."

#### BREAKDOWN OF KEY FIGURES

On 22 October 2008, Finmeccanica completed the acquisition of 100% of the US group DRS Technologies. To ensure an adequate assessment of the Group's results, our comments will sometimes take account of changes in the basis of consolidation (in those cases where the effects of the changes can be clearly isolated) but will refer to the performance of Finmeccanica as a whole in those cases where only the overall figures have sufficient indicative value.

**New orders** totalled EUR 21,099 million, a rise of 20% compared to the figure of EUR 17,575 million for 2008. Orders mainly related to: Defence and Security Electronics, which includes the contribution of DRS Technologies, totalling EUR 3,004 million, with significant orders in all business segments in addition to orders relating to activities for the Eurofighter aircraft and the continuation of the TETRA programme; Aeronautics, with an increase in orders in the military segment; and Transport, with higher orders in all segments.

The **order backlog** stood at EUR 45,143 million, compared with EUR 42,937 million at 31 December 2008, an increase of EUR 2,206 million (+5%). The increase is due to both order acquisition, which was higher than the revenues generated in 2009, and exchange rate effects at the end of the period that were unfavourable in terms of EUR-USD and favourable in terms of EUR-GBP. The order backlog represents around 2.5 years of production.

**Revenues** were up EUR 3,139 million (21%) to EUR 18,176 million, from EUR 15,037 million in 2008. The following sectors made a positive contribution to this increase: Helicopters, due to the increase in volumes in the civil/government helicopters segment; Defence and Security Electronics, which includes the EUR 2,852 million contribution from DRS Technologies relating to large integrated defence and security systems and, to a lesser extent, electro-optical and avionics systems; Aeronautics, due to a larger contribution from the military segment, particularly in relation to activities for the Eurofighter, C-27J and M-346 aircraft; and Energy, mainly thanks to work on plant-related orders and service activities for flow contracts.

**Adjusted EBITA** rose EUR 282 million (+22%) to EUR 1,587 million, from EUR 1,305 million in 2008. This increase can be attributed to Helicopters, Defence and Security Electronics and Energy, thanks to the effect of higher volumes.

The **adjusted EBITA margin (ROS)** was 8.7%, in line with 2008.

**Net profit** rose EUR 97 million (+16%) to EUR 718 million, from EUR 621 million in 2008. This mainly reflects a higher EBIT (EUR 182 million), despite an increase in financial charges (EUR 75 million) due to higher average net debt than in the previous year following the acquisition of the whole of DRS.

<b>BALANCE SHEET</b>		
<i>€ mil.</i>	<b>31.12.2009</b>	<b>31.12.2008</b>
Non-current assets	12,956	13,113
Non-current liabilities	(2,639)	(2,655)
	<b>10,317</b>	<b>10,458</b>
Inventories	4,662	4,365
Trade receivables	8,481	8,329
Trade payables	(12,400)	(12,134)
<b>Working capital</b>	<b>743</b>	<b>560</b>
Provisions for short-term risks and charges	(595)	(632)
Other current net assets (liabilities)	(853)	(873)
<b>Net working capital</b>	<b>(705)</b>	<b>(945)</b>
<b>Net invested capital</b>	<b>9,612</b>	<b>9,513</b>
Capital and reserves attributable to equity holders of the Company	6,351	5,974
Minority interests	198	156
<b>Shareholders' equity</b>	<b>6,549</b>	<b>6,130</b>
<b>Net debt (cash)</b>	<b>3,070</b>	<b>3,383</b>
<b>(Assets) liabilities held for sale</b>	<b>(7)</b>	

**Free operating cash flow** was positive (cash generation) by EUR 563 million at 31 December 2009, compared with cash generation of EUR 469 million at 31 December 2008, representing an increase of EUR 94 million. This positive development was the result of cash being generated by operating activities of EUR 1,028 million

(EUR 1,419 million at 31 December 2008), which was used to support the net cash flow from ordinary investments of EUR 465 million (EUR 950 million at 31 December 2008). In 2009, ordinary investment activity was lower than in 2008 owing to a reduced use of resources in certain sectors. FOCF benefited from a number of advance payments of trade receivables and extraordinary receipts, including EUR 64 million relating to the credit balance paid to Finmeccanica by ENEA as part of the settlement agreement signed in December 2008 for a total of EUR 371 million, of which EUR 307 million had already been received in an initial payment during 2008.

<b>CASH FLOW</b>		
<i>€mil.</i>	<b>2009</b>	<b>2008</b>
<b>Cash and cash equivalents at 1 January</b>	<b>2,297</b>	<b>1,607</b>
Gross cash flow from operating activities	2,222	1,968
Financial charges paid	(180)	(127)
Income taxes paid	(392)	(200)
Changes in other operating assets and liabilities	(134)	(53)
<b>Funds From Operations (FFO)</b>	<b>1,516</b>	<b>1,588</b>
Changes in working capital	(488)	(169)
<b>Cash flow generated from (used in) operating activities</b>	<b>1,028</b>	<b>1,419</b>
Investment in tangible and intangible assets after disposals	(465)	(950)
<b>Free operating cash flow</b>	<b>563</b>	<b>469</b>
Strategic operations	(10)	(2,207)
Change in other financing activities	(3)	(22)
<b>Cash flow generated (used) by investment activities</b>	<b>(478)</b>	<b>(3,179)</b>
Share capital increase	0	1,206
Cash flow from financing activities	66	1,444
Dividends paid	(256)	(187)
<b>Cash flow generated (used) by financing activities</b>	<b>(190)</b>	<b>2,463</b>
Exchange gains/losses	(27)	(13)
<b>Cash and cash equivalents at 31 December</b>	<b>2,630</b>	<b>2,297</b>

**Net debt** was EUR 3,070 million, down EUR 313 million on the EUR 3,383 million recorded at 31 December 2008. This figure includes positive FOCF of EUR 563 million, income of EUR 172 million from the sale to Cassa Depositi e Prestiti SpA of the remaining shares in STMicroelectronics NV held by Finmeccanica, and a number of payments including: EUR 237 million paid out by the parent company as an ordinary dividend for 2008; EUR 16 million for the minorities' share of the ordinary dividend paid out by Ansaldo STS to its shareholders for 2008; EUR 154 million paid by Alenia Aeronautica to acquire 25% plus one share in Russian company SCAC; and a second repayment of EUR 80 million to the Ministry of Economic Development made by Group companies in respect of loan reimbursement plans under Italian Law 808/1985. This was a typical year as regards cash flow and related liabilities, with large amounts paid out during much of the year and a significant amount received in the last part of the year, with substantial cash flows generated by Group companies, including from factoring operations.

Thanks to the Group's constant monitoring of capital markets, in 2009 Finmeccanica successfully concluded the planned refinancing of its debt, with particular reference to the EUR 3.2 billion loan used to acquire DRS. This loan was reduced to EUR 639 million through the issue of bonds in all key markets, with terms that enabled the Group to extend the average maturity of its debt to more than 10 years, bringing the debt structure into line with the medium- to long-term financial returns on significant investments necessary for product development.

<b>FINANCIAL POSITION</b>		
<i>€mil.</i>	<b>31.12.2009</b>	<b>31.12.2008</b>
Short-term financial payables	913	1,144
Medium/long-term financial payable	4,476	3,995
Cash and cash equivalents	(2,630)	(2,297)
<b>BANK DEBT AND BONDS</b>	<b>2,759</b>	<b>2,842</b>
Securities	(11)	(1)
Financial receivables from Group companies	(34)	(26)
Other financial receivables	(763)	(653)
<b>FINANCIAL RECEIVABLES AND SECURITIES</b>	<b>(808)</b>	<b>(680)</b>
Financial payables to related parties	679	652
Other short-term financial payables	312	469
Other medium/long-term financial payables	128	100
<b>OTHER FINANCIAL PAYABLES</b>	<b>1,119</b>	<b>1,221</b>
<b>NET FINANCIAL DEBT (CASH)</b>	<b>3,070</b>	<b>3,383</b>

**Research and development** investments rose EUR 173 million (+10%) to EUR 1,982 million, from EUR 1,809 million in 2008. R&D was focused on the three strategic pillars of Aeronautics (24% of the Group total), Defence and Security Electronics (36% of the total) and Helicopters (17% of the total). Total R&D costs amounted to around 11% of Group revenues.

At 31 December 2009, the **headcount** was 73,056, down 342 units versus 73,398 at 31 December 2008 due mainly to the sale of the Group's stake in Global Aeronautica LLC and to new hiring. In geographical terms, 59% of staff are located in Italy, and around 41% are based abroad (mainly in the UK, France and the US).

#### **2009 HIGHLIGHTS AND SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD**

On **12 February 2009**, AgustaWestland and Tata Sons (the Indian industrial group active in ICT, engineering, materials, services and energy) signed a Memorandum of Understanding to create a joint venture in India for the final assembly of the AW119 helicopter. The new joint venture will involve final assembly, realisation of client specifications and shipments of the AW119 worldwide, while AgustaWestland will continue to be responsible for related marketing and sales activities.

On **25 February 2009**, the United Arab Emirates government announced at the International Defence Exhibition & Conference (IDEX) 2009 in Abu Dhabi that it had begun negotiations for the purchase of 48 M-346 advanced trainer aircraft manufactured by Alenia Aermacchi.

On **14 May 2009**, Alenia Aeronautica concluded the acquisition of 25% plus one share of the joint stock company Sukhoi Civil Aircraft (SCAC), the company responsible for the design, development and production of the Sukhoi SuperJet 100, the programme to produce a next-generation 75-100 seat regional jet in which Alenia Aeronautica is a Program Strategic Partner.

On **22 July 2009**, Finmeccanica won an important new order worth EUR 541 million in Libya through its subsidiary Ansaldo STS. The contract is for rail signalling, telecommunications and power supply systems for the coastal line from Ras Ajdir to Sirt and the inland line from Al-Hisha to Sabha, totalling around 1,450 km.

On **23 July 2009**, Ansaldo Energia signed a contract with Sorgenia to build a turnkey 800 MW combined-cycle power station in the municipality of Aprilia (Latina); Ansaldo Energia was also awarded the multi-year maintenance contract for the gas turbines and related generators.

On **28 July 2009**, Finmeccanica and the Libyan Investment Authority (LIA – the Libyan sovereign fund) signed an MoU to develop strategic co-operation in Libya and other Middle Eastern and African countries. Based on the MoU, investment opportunities will be pursued in aerospace, electronics, transport and energy for commercial applications.

On **18 August 2009**, AgustaWestland signed an agreement to purchase 87.61% of PZL – Swidnik, a Polish company that manufactures helicopters and aerostructures. AgustaWestland already held a 6.2% stake in the company. Once the necessary authorisation had been gained from the competition authorities, the operation was completed on **29 January 2010**.

On **21 December 2009**, Alenia North America Inc. sold to its partner Boeing its 50% stake in Global Aeronautica, a US joint venture involved in the production and assembly of the B787.

## FINANCIAL OPERATIONS

There was significant activity in 2009 to raise capital on the euro, sterling and US dollar bond markets, with a number of new bond issues launched to refinance maturing debt, thereby extending the average maturity of debt to more than 10 years and as a result strengthening the Group's financial structure.

In **January 2009**, early repayment was made of most of the DRS Technologies bonds, which initially had the following characteristics:

*Senior subordinated notes – nominal value USD 550 million – maturing in 2013*

*Senior notes – nominal value USD 350 million – maturing in 2016*

*Senior subordinated notes – nominal value USD 250 million – maturing in 2018*

All three issues stipulated change of control clauses enabling bondholders to redeem bonds early (put option) in the event of a change in the issuing company's ownership. Finmeccanica's acquisition of DRS triggered these clauses, and consequently the early redemption of the majority of the bonds. The amount outstanding at 31 December 2009, including subsequent redemptions during 2009, was USD 20 million for all three bond issues. DRS paid the sums due using an intercompany loan granted by Finmeccanica, which was later partially paid back through the dollar-denominated bonds issued by Meccanica Holdings USA on the US market, as described below.

During 2009, further repayments were made towards the senior term loan facility totalling EUR 3,200 million, taken out in June 2008 to finance the acquisition of DRS. At 31 December 2009, a total of approximately EUR 639 million (nominal value) of this loan was still outstanding. As the amount outstanding has dropped below the threshold of 20% of the initial nominal value, certain clauses no longer apply, including the early redemption obligation in the event of new operations to raise funds on the financial markets, and the obligation to respect certain financial covenants. The outstanding EUR 639 million in the senior term loan facility has been converted into a revolving credit facility of the same value and duration.

In **February 2009**, Finmeccanica Finance, after carrying out a bond issue in December 2008 (EUR 750 million maturing in 2013) as part of the euro medium term note (EMTN) programme, reopened the bond loan, issuing additional bonds worth EUR 250 million and increasing the total amount to EUR 1 billion. The bonds were issued with a yield to maturity of 7.121%, a re-offer price of 103.930% and an annual coupon of 8.125%. The bonds were placed with institutional investors on the international Eurobond market and are listed on the Luxembourg stock exchange.

In **April 2009**, as part of its EMTN programme, Finmeccanica Finance launched a fixed-rate bond issue maturing on 16 December 2019 (10 years) and worth a nominal GBP 400 million. The bonds, which have a coupon of 8.00%, paid half-yearly in arrears, have a re-offer price of 99.022%. The bonds were successfully placed with institutional investors and are listed on the Luxembourg stock exchange.

In **July 2009**, subsidiary Meccanica Holdings USA launched a bond issue on the market for US institutional investors, according to the rules established by Rule 144A and Regulation S of the US Securities Act. The issue, worth USD 800 million in total, was divided into two tranches of USD 500 million and USD 300 million. The first tranche of bonds has a 10-year maturity (2019) and carries a coupon of 6.25%, and the second has a 30-year maturity (2039) with a coupon of 7.375%. The re-offer price was equivalent to 99.224% for the 10-year issue and 98.728% for the 30-year issue. The coupons are payable half-yearly in arrears, and the bonds are listed on the Luxembourg stock exchange.

On **21 October 2009**, Finmeccanica Finance finalised a new bond issue on the euro-denominated bond market, again as part of the EMTN programme. The bonds are listed on the Luxembourg stock exchange and are guaranteed by Finmeccanica. The issue, aimed exclusively at institutional investors, had a value of EUR 600 million, with maturity on 21 January 2022 (over 12 years) and a coupon of 5.25% payable annually in arrears. The re-offer price was 99.191%.

On **27 October 2009**, Meccanica Holdings USA completed a new bond issue on the market for US institutional investors in accordance with the rules established by Rule 144A and Regulation S of the US Securities Act. The USD 500 million issue has a thirty-year maturity (2040) and a coupon of 6.25%. The re-offer price was 99.836%. The coupons are payable half-yearly in arrears, and the bonds are listed on the Luxembourg stock exchange.

This operation essentially completed Finmeccanica's plan to optimise the Group's debt structure with a view to strengthening its financial structure and ensuring adequate financial flexibility through the availability of long-term resources. Less than a year after acquiring DRS, which involved the use of short-term funds, Finmeccanica succeeded in taking the average maturity of its debt back to more than 10 years, repaying the majority of the senior term loan facility.

All the bond issues carried out by Finmeccanica Finance, DRS and Meccanica Holdings USA are irrevocably and unconditionally guaranteed by Finmeccanica, and are awarded medium-term financial credit ratings by the three international ratings agencies Moody's Investor Service, Standard and Poor's and Fitch. As of today's date, these credit ratings were A3 (Moody's), BBB (Standard and Poor's) and BBB+ (Fitch, upgraded from BBB on 22 July).

The bonds issued by the Group that mature in the 18 months subsequent to the close of the period are shown below.

Issuer	Year of issue	Maturity	Nominal value (EUR million)	Annual coupon	Type of offer	IAS amounts recorded EUR million
Finmeccanica Finance S.A.	2003	2010	501	0.375%	European institutional	490

On **13 May 2009**, the EMTN programme was renewed for a further 12 months, and the value of the programme was increased to a maximum of EUR 3,800 million, of which EUR 3,045 million had already been used at 31 December 2009.

On **24 July 2009**, Finmeccanica signed a loan agreement with the European Investment Bank for a total of EUR 500 million. The loan is for Alenia Aeronautica (wholly owned by Finmeccanica) for use in the production and development of technologically innovative aeronautical parts. Specifically, the loan will be used to extend local production sites in Campania (Pomigliano d'Arco) and Puglia (Foggia and Grottaglie) and for research and development. It will have a duration of 12 years, amortised from the third year. The loan may be drawn down by 31 January 2011, at Finmeccanica's request. Finmeccanica will decide in advance whether a fixed or a variable rate of interest will be applied.

In **January 2010**, the Finmeccanica Board of Directors decided to issue a guarantee up to a maximum amount of EUR 1 billion to support a programme to issue commercial paper of the same value with maturities of between one day and one year for varying amounts depending on the needs of the issuer and the receptiveness of the market. The securities, which will ultimately be listed on the Luxembourg stock exchange, will be placed by Finmeccanica Finance with institutional investors on the euro market and or the French market. This programme will cover the full range of sources of short-term financing to meet the Group's financial needs.

In **February 2010**, Finmeccanica began rebuying exchangeable bonds on the market with a nominal value of approximately EUR 51 million. These can be exchanged for STM shares from the EUR 501 million issue in August 2003, and mature in August 2010. The purchase price was 99.40% of the nominal value of the bonds. The operation, which forms part of the plan to optimise treasury resources, meant that an equivalent amount of the associated debt could be cancelled.

Finally, again in **February 2010**, Finmeccanica completed the operation that it had begun in December 2009 to transform the remaining EUR 639 million of its senior term loan facility (tranche C) into a revolving credit facility with the same expiry date of June 2011, a margin of 80 bp on Euribor and a commitment fee of 32 bp on unused funds. The loan was also partially repaid in February. Changing the loan into a revolving credit line that can be used and repaid according to the Group's financial needs during the entire term of the loan increases the flexibility of the overall structure of the Group's debt, as well as eliminating the early redemption obligation contained in the senior term loan facility relating to income from the sale of assets.

SHARE DATA			
	2009	2008	Var. %
Average number of shares in period (thousands)	576,914	441,354	30.7%
Net result (not including minority interests) (€mil.)	654	571	
Result of continuing operations (not including minority interests) (€mil.)	654	571	
<b>BASIC EPS (EUR)</b>	<b>1.134</b>	<b>1.294</b>	<b>-12%</b>
<b>Basic EPS from continuing operations</b>	<b>1.134</b>	<b>1.294</b>	<b>-12%</b>
Average number of shares for the period (in thousands)	577,573	441,499	30.8%
Result adjusted (not including minority interests) (€mil.)	654	571	
Adjusted result of continuing operations (not including minority interests) (€mil.)	654	571	
<b>DILUTED EPS (EUR)</b>	<b>1.133</b>	<b>1.293</b>	<b>-12%</b>
<b>Diluted EPS from continuing operations</b>	<b>1.133</b>	<b>1.293</b>	<b>-12%</b>

#### OTHER OPERATIONS

On **22 December 2009**, Finmeccanica completed the sale to Cassa Depositi e Prestiti SpA of the 33,707,436 shares in STMMicroelectronics NV held indirectly by the Group at a price of EUR 5.10 per share. The sale contract includes an earn-out clause relating to 29,768,850 shares that allows the price to be increased by 50% of any positive difference between the average STM share price in the 66 days before 17 March 2011 and EUR 7.00. The completion of this operation means that the Group no longer holds any STM shares.

#### OUTLOOK

The global economic recession, triggered by the financial events of 2007 and the subsequent crisis in September 2008, began to take its toll, albeit with a certain time lag, on capital-intensive sectors.

In view of the essential need to minimise the impact of the crisis, the management defined and implemented a number of measures to restructure and strengthen the Group, including activities aimed at improving production and operating processes along entire programme life cycles; the intensification of measures aimed at cutting overhead costs so as to reduce their growth in absolute terms; the use of the social security fund as a cushion to minimise the effects of "idle time"; maintaining a significant level of investment following a meticulous analysis to identify product and technology development priorities; optimising warehouse inventory procedures and supplies to production lines; the ongoing monitoring of contract milestones and the efficient management of relationships with customers and suppliers in order to curb increases in working capital.

Since 2008, but especially in 2009, the Group has sought to systematically manage the crisis, which has enabled it to meet, and in some cases exceed, its stated targets in terms of revenues, adjusted EBITA and free operating cash flow, and thus provide adequate and regular returns to its shareholders in the form of dividends.

The significant volume of new orders in 2009 (worth over EUR 21 billion) enabled the Group to further strengthen its backlog, which totals over EUR 45 billion. This should be sufficient to provide excellent coverage (over 80%) of expected production for 2010.

Going forward, Finmeccanica faces the combined challenges of the uncertain timing of the economic recovery, the development of new highly-competitive markets and the possibility of a reduction in advances from customers. Therefore, the Group is exercising caution in its guidance on key financial figures for 2010.

The Group therefore forecasts revenues of between EUR 17.8 billion and EUR 18.6 billion and adjusted EBITA of between EUR 1,520 million and EUR 1,600 million.

Lastly, the Group's free operating cash flow is expected to be positive at around EUR 200 million, after significant investment in the development of products that will be important to sustain growth. Like last year, investment will focus on the Helicopters, Aeronautics and Defence and Security Electronics businesses.

The Board of Directors will propose to the Shareholders' Meeting the payment of a dividend of EUR 0.41 per share (total payout: EUR 237,041,661.95 million). If the Shareholders' Meeting approves the proposal, the dividend will be paid in May, with an ex-dividend date of 24 May 2010 and a payout date of 27 May 2010.

The Shareholders' Meeting will be held on 29 April 2010 or, in the absence of a quorum, on 30 April 2010.

## PERFORMANCE BY SECTOR (FY 2009 – figures in EUR million)

### Helicopters

Companies: **AgustaWestland**

*Revenues: EUR 3,480 million (+15%); adjusted EBITA: EUR 371 million (+5%)*

**Revenues** were EUR 3,480 million, up EUR 445 million (+15%) on the EUR 3,035 million reported the previous year, mainly as a result of greater production volumes in the civil/government helicopters business, in particular the AW139 and the AW101. Product support also performed well, increasing 8%, partly due to IOS contracts with the British MoD.

**Adjusted EBITA** were EUR 371 million, an increase of EUR 18 million (+5%) versus EUR 353 million the previous year. However, the figure was negatively affected by exchange rate differences (EUR 8 million) arising on the conversion of non-euro balance sheets, as well as by lower profitability resulting from changes in the revenue mix. As a result, the **EBIT margin** was **10.7%**, slightly lower than the 11.6% recorded in 2008 as a result of the above mentioned factors.

**New orders** totalled EUR 3,205 million, a decrease of EUR 1,873 million (-37%) on the EUR 5,078 million posted in 2008. Helicopters (new aircraft and upgrades) accounted for 50% of new orders, product support (spare parts and services) for 42%, and engineering for the remaining 8%. The main contracts were 12 Lynx Mk 9 helicopters for the British Ministry of Defence; integrated operational support for the British army's 67 Apache AH-MK1 helicopters; the order from the General Directorate of Air Armaments (ARMAEREO) to provide the Italian army with 16 ICH-47F Chinook helicopters and the related logistics support, with an option for a further four units; orders for a total of 97 helicopters in the civil government segment for various countries including Cyprus, Malaysia, the US, Oman, Brazil and Italy.

The **order backlog** was EUR 9,786 million, in line with the figure at 31 December 2008 (EUR 10,481 million) and sufficient to guarantee around two and a half years of production. The order backlog comprises helicopters (73%), product support (23%) - half of which is accounted for by the IOS contracts with the British Ministry of Defence - and 4% of which relates to engineering.

The **headcount** was 10,343 at 31 December 2009, an increase of 54 on the figure of 10,289 recorded at 31 December 2008, mainly due to normal employee turnover.

### Defence and Security Electronics

Companies: **SELEX Sensors & Airborne Systems Ltd, Galileo Avionica, SELEX Communications, SELEX Sistemi Integrati, SELEX Service Management, Elsag Datamat, Seicos, DRS Technologies, Vega Group** (which was transferred to the British subsidiary of SELEX Sistemi Integrati on 2 January 2009)

*Revenues: EUR 6,718 million (+54%); adjusted EBITA: EUR 698 million (+58%)*

**Revenues** were EUR 6,718 million, an increase of EUR 2,356 million versus the EUR 4,362 million recorded in 2008. DRS contributed EUR 2,852 million, up 54%, despite the negative exchange rate effect from the conversion of non-euro balance sheets. The Group recorded growth in large integrated defence and security systems and, to a lesser extent, in electro-optical and avionics systems, compared to 31 December 2008. The main contributors to revenues were: work on the DASS system and avionics equipment and radar for the Eurofighter (avionics and electro-optics); the launch of the Forza NEC programme (large integrated defence and security systems); work on the Orizzonte, FREMM naval contracts and upgrades, and on the MEADS (Medium Extended Air Defense System) programme and programmes to supply FADR ground radar (radar and command and control systems); ongoing work on the national TETRA network, and development and production of equipment for the Eurofighter and the NH90 (integrated communications systems and networks); work on postal automation systems, the FREMM combat system, the management of the G8 event and ICT services (information technology and security); the provision of TWS (Thermal Weapon Sights), upgrade programmes on the target acquisition subsystems of Bradley fighting vehicles, repairs and the provision of

spare parts for the MMS (Mast Mounted Sight) system, and deliveries of high-resistance computers and displays (DRS Group).

**Adjusted EBITA** was EUR 698 million, compared with EUR 442 million in 2008 (+58%). DRS contributed EUR 323 million, up 58%, despite the negative exchange rate effect from the conversion of non-euro balance sheets. The improvement in this division is attributable both to higher production volumes and increased profit margins in the large integrated defence and security systems segment, which offset the contraction in the information technology and security segment. The **EBIT margin** was 10.4%, compared with 10.1% in 2008.

**New orders** were EUR 8,215 million compared with EUR 4,418 million in 2008. DRS contributed EUR 3,004 million in orders for the period in question, with 86% overall growth in the division. Specifically, significant new orders were acquired in the fourth quarter of 2009 relating to the launch of large integrated defence and security systems programmes, as well as logistics activity for Eurofighter aircraft and the continuation of the TETRA inter-police force programme. The main new orders included: orders for the supply of integrated support services for the Italian air force fleet of Eurofighter aircraft and from BAE Systems for support services for Captor radar and its partners' DASS system of aircraft and orders for ATOS countermeasure and mission systems for the Italian navy's ATR72 aircraft (avionics and electro-optics); the launch of the Forza NEC programme for the digitalisation of Italy's ground forces, the order from Libya to implement a large border control system, the order to manage the G8 event in L'Aquila (large integrated defence and security systems); the contract to supply the entire Italian air space control system in the North-West region, the order to develop the Ads-B aircraft surveillance network, the order for air traffic control systems at Dakar airport, the order for command and control systems for the UAE Navy, the order for technology upgrades to the multi-functional radar for FREMM frigates and orders to upgrade Malaysia's airports (radar and command and control systems); the order to implement the TETRA network in Sardinia, further orders for communications systems for the Eurofighter, the order for a professional communications network for a new railway line in Libya (integrated communication systems and networks); the order to supply Egyptian railways with a ticket booking and management system, various orders from the Italian post office, Fiumicino Airport (Rome) and Malpensa Airport (Milan) and INPS, the Italian Social Security Agency (information technology and security); various orders from the US army for high-resistance MRT (Military Rugged Tablet) computers, additional work on the TWS and MMS systems of the Kiowa Warrior helicopters, high-resistance servers and displays for JV-5 aircraft, sight systems for tactical wheeled armoured and combat vehicles, trailers, thermal imaging devices, training and electricity generation systems and internet satellite communication systems (the DRS Group).

The **order backlog** totalled EUR 12,280 million, compared with EUR 10,700 million at 31 December 2008 (+15%). Avionics and electro-optics accounted for a third of this total and the DRS Group a further fifth.

The **headcount** was 30,236 at 31 December 2009, a reduction of 94 on the figure of 30,330 recorded at 31 December 2008, mainly due to normal employee turnover.

## Aeronautics

Companies: **Alenia Aeronautica, Alenia Aeronavali, Alenia Aermacchi, GIE-ATR (\*), Alenia North America, SuperJet International (\*\*)**

*Revenues: EUR 2,641 million (+4.4%); adjusted EBITA: EUR 241 million (-4%)*

*(\*) Figures for the GIE ATR consortium are consolidated proportionally, at 50%.*

*(\*\*) Figures for the SuperJet International joint venture are consolidated proportionally, at 51%.*

**Revenues** were EUR 2,641 million, up from EUR 2,530 million in 2008, an increase of EUR 111 million (+4.4%). This rise can be primarily attributed to military activities, with the step-up in production for the Eurofighter programme and for the M-346 and trainer aircraft; civil activities, however, showed a slight decline in the production of aerostructures and engine nacelles.

**Adjusted EBITA** was EUR 241 million, broadly in line with the figure for 2008 (EUR 250 million). Profitability fell slightly, with the EBIT margin at 9.1% compared with 9.9% in 2008.

**New orders** were EUR 3,725 million, up from EUR 2,720 million in 2008, an increase of EUR 1,005 million (+36.9%). This growth is mainly attributable to an increase in new military orders (+41%). Major new orders secured included the third tranche of the Eurofighter programme for the production of an initial batch of 112 aircraft, of which 21 will be delivered to the Italian air force, the first order for the M-346 trainer for the supply of a batch of six aircraft to the Italian air force, the order for a further seven C-27J aircraft to the US (military segment); orders from Boeing for the B787, orders for 36 aircraft from GIE ATR and further tranches of the order for A380 and A321 aerostructures.

The **order backlog** was EUR 8,850 million, an increase of EUR 569 million on the EUR 8,281 million posted at 31 December 2008. The order backlog relates to the Eurofighter programme (50.5%), the B787 programme (20.4%), the C-27J programme (5.3%) and special versions of the ATR (4.9%).

The **headcount** was 13,146 at 31 December 2009, down 761 on the 13,907 recorded at 31 December 2008. The reduction was partly due to the sale of the Group's interest in Global Aeronautica and partly to the need to scale back production activities.

## Space

Companies: **Telespazio, Thales Alenia Space (\*)**

*Revenues: EUR 909 million (-9%); adjusted EBITA: EUR 47 million (-28%)*

*(\*) All figures relate to the two joint ventures – Thales Alenia Space and Telespazio – which are consolidated proportionally at 33% and 67% respectively.*

**Revenues** were EUR 909 million, down 85 million (-9%) on the EUR 994 million recorded the previous year, due to lower production in the manufacturing segment. Production related principally to the following: satellites (Yahsat and Globalstar, Rascom), payloads, the provision of satellite services for telecommunications and resale of satellite capacity (commercial telecommunications); the Sicral 1B satellite, successfully launched on 20 April (military telecommunications); the COSMO-SkyMed programmes, the satellites of the Sentinel 1 and 3 missions for the GMES programme, and the GOCE satellite, launched 17 March (Earth observation); the Herschel-Planck, Bepi-Colombo, Exomars and Alma programmes (scientific programmes); the IOV (in-orbit validation) phase of the Galileo and EGNOS programmes (satellite navigation); and programmes connected with the International Space Station (CYGNUS COTS, Tranquillity (Node 3) and the Cupola, which was successfully launched on board the Space Shuttle "Endeavour" on 8 February 2010) (orbital infrastructure).

**Adjusted EBITA** was EUR 47 million, down EUR 18 million (-28%) versus EUR 65 million in 2008, mainly reflecting reduced output and cost overruns in certain manufacturing activities (particularly Globalstar). The **EBIT margin** was 5.2%, compared with 6.5% at 31 December 2008.

**New orders** totalled EUR 1,145 million, up EUR 224 million versus EUR 921 million in 2008 (+24%), reflecting an increase in orders, especially in the satellite services segment. The most important orders acquired in the period were the following: contracts to supply the W3C satellite to Eutelsat, additional tranches of the Globalstar and Yahsat programmes, provision of payloads for various satellites, and new orders to supply satellite TV capacity and services (commercial telecommunications segment); the latest tranche of the Syracuse 3 programme (military institutional telecommunications); the contract to supply Turkey with the GokTurk satellite system, the Sentinel 3 order and the first two tranches of the Sentinel 1 order related to the GMES-Kopernikus homeland control and security programme, the order from 4C Satellite for the provision of COSMO-SkyMed data in the Middle East and North Africa (Earth observation); further orders related to the IOV (in-orbit validation) phase of the Galileo and EGNOS programmes (satellite navigation); further tranches of the contracts related to the Herschel-Planck, Bepi-Colombo and Exomars programmes (scientific programmes); the order from Orbital Science Corporation to provide NASA (CYGNUS COTS programme) with nine pressurised modules for activities associated with the International Space Station (orbital infrastructure).

The **order backlog** at 31 December 2009 was EUR 1,611 million, an increase of EUR 228 million compared to EUR 1,383 million at 31 December 2008, mainly due to the satellite services sector and the telecoms satellite sector. The order backlog is sufficient to cover around 72% of expected production for the next year. Of this total, 61% consists of manufacturing activity, while the remaining 39% relates to satellite services.

The **headcount** at 31 December 2009 was 3,662, an increase of 42 on the 3,620 recorded at 31 December 2008, due in particular to an increase in the satellite services segment.

## Defence Systems

Companies: **Oto Melara, WASS, MBDA (\*)**

*Revenues: EUR 1,195 million (+7%); Adjusted EBITA: EUR 130 million (+2%)*

*(\*) Figures for the MBDA joint venture are consolidated proportionally at 25%.*

**Revenues** were EUR 1,195 million, up from EUR 1,116 million (7%) in 2008. The main contributors to revenues were the following: production of Aster and Mistral missiles, development of the air defence system for the MEADS (Medium Extended Air Defense System) programme entailing the joint participation of the US, Germany and Italy (missiles systems); production relating to the PZH 2000 and VBM armoured vehicles for the Italian army, work on the HITFIST turret kits for Poland and the 76/62 SR cannons for various foreign clients (land, naval and air weapons systems); and activities relating to the Black Shark heavy torpedo, the MU90 light torpedo and countermeasures for various countries, as well as those related to the FREMM programme (underwater systems).

**Adjusted EBITA** was EUR 130 million, a modest improvement on the figure of EUR 127 million in 2008 (+2%). **The EBIT margin** was 10.9%, slightly down on the figure for 2008.

**New orders** were EUR 1,228 million, a rise of 13% on the EUR 1,087 million posted in 2008, which had benefited from significant orders relating to the FREMM programme. The increase was due in particular to land, naval and air weapons systems, the order from France for the production of a naval version of the SCALP cruise missile, the order for the provision of Marte anti-ship missiles for the patrol vessels of the United Arab Emirates navy, the order from a Middle Eastern country for the Vertical Launch MICA short-range air defence system and the order from the British Ministry of Defence for upgrades to its Brimstone missile systems, as well as customer support services (missile systems); orders from the Italian army for the supply of a further 71 VBM Combat armoured vehicles and 81 Hitrole Light turrets, orders from Turkey and the Greek, Norwegian, Moroccan, Omani and Thai navies (land, naval and air weapon systems); the order from the Italian navy for Gaeta sonar, orders from foreign clients for 16 torpedoes, and orders for 24 Black Shark heavy torpedoes (underwater systems).

The **order backlog** was EUR 4,010 million, an increase of EUR 131 million on the EUR 3,879 million recorded at 31 December 2008 and equivalent to around three years of activity. About two-thirds of this total relates to activities in missile systems.

The **headcount** was 4,098 at 31 December 2009, an increase of 38 on the 4,060 recorded at 31 December 2008.

## Energy

Companies: **Ansaldo Energia**

*Revenues: EUR 1,652 million (+24%); Adjusted EBITA: EUR 162 million (+33%)*

**Revenues** totalled EUR 1,652 million, an increase of EUR 319 million (+24%) versus the EUR 1,133 million recorded in 2008. The growth in production volumes was mainly attributable to work on orders for combined cycle plants and on services for short-term (flow) contracts. Plant and components accounted for 72% of production, services 26% and the nuclear division 2%.

**Adjusted EBITA** was EUR 162 million, an increase of EUR 40 million (+33%) on the EUR 122 million posted in 2008, due to the increase in production volumes and an improvement in the profitability of certain orders in the plant and components sector. **The EBIT margin** increased by 0.6% to 9.8%, from 9.2% in 2008.

**New orders** totalled EUR 1,237 million, down EUR 817 million (-40%) versus the EUR 2,054 million recorded in 2008, mainly due to temporary delays in acquiring major contracts. The main new orders included: a turbine controller equipped with V94 and the related BOP (Balance Of Plant) for the North Turin site, another turbine controller equipped with V94.2 for Priolo Gargallo, near Syracuse, a reservation fee with Energy Plus for the provision of a turnkey combined cycle plant at Salerno and a contract to supply an 800 MW combined cycle plant for Sorgenia at its site in Aprilia, Latina (plant and components); further Long Term Service Agreements (LTSA) for the North Turin site and new maintenance contracts (adjustment of turbine parts) in Brindisi for ENEL and in Turbigo, near Milan, for Edipower, plus contracts for spare parts and an LTSA for the Aprilia site (services); new engineering contracts from China under the cooperation agreement with Westinghouse related to the Sanmen programme, new engineering orders from ENEL for the Mohovce power station in Slovakia, additional support contracts for the Superphoenix reactor at the Creyes Malville plant in France, service contracts for the Embalse plant in Argentina and new decommissioning orders (nuclear).

The **order backlog** was EUR 3,374 million, down 405 million compared with EUR 3,779 million at 31 December 2008. About 43% of this figure was accounted for by plant and manufacturing work, 55% by service work (largely routine maintenance contracts) and the remaining 2% by nuclear activities.

The **headcount** was 3,477 at 31 December 2009, up 192 on the 3,285 recorded at 31 December 2008, due to normal employee turnover.

## Transport

Companies: **Ansaldo STS, AnsaldoBreda, BredaMenarinibus**

*Revenues: EUR 1,811 million (+1%); adjusted EBITA: EUR 65 million (-44%)*

**Revenues** totalled EUR 1,811 million, largely in line with 2008 (EUR 1,798 million). Growth in production volumes in the signalling and transport systems segment offset the decline in revenues in the vehicles business. Production related principally to the following: orders for high-speed lines and train control systems in Italy, as well as contracts in Australia, the UK, China, Turkey, Korea and the US (Signalling); orders for the Genoa, Naples, Copenhagen, Rome, Milan and Brescia metros (Systems); trains for the Ferrovie Nord network around Milan, the Dutch and Belgian railways, trains for the Milan, Rome and Brescia metros, trams for Los Angeles, trains for the Danish railways, and several Sirio contracts (Vehicles); various bus orders, accounting for 79% of segment revenues, together with after-sales services (Buses).

**Adjusted EBITA** was EUR 65 million, down EUR 52 million (-44%) from EUR 117 million in 2008, chiefly due to the contraction in the vehicles segment. The signalling and systems business showed an improvement, chiefly due to greater production volumes. The **EBIT margin** was 3.6%, compared with 6.5% at 31 December 2008.

**New orders** were EUR 2,834 million, versus EUR 1,595 million in 2008, an increase of EUR 1,239 million (+78%), thanks to an increase in orders in all segments. New orders secured during the period included the contract to build the power, telecommunications and signalling systems for two rail lines in Libya, maintenance for the Madrid-Lleida high-speed railway line in Spain, the contract with Rete Ferroviaria Italiana SpA for an electronic central management system at Palermo station, as well as contracts in Germany, the United States, India and Australia (Signalling); the first phase of the automatic driverless metro line in Taipei, the contract for Line 1 of the Naples metro, and the order for an automatic driverless metro system in Saudi Arabia (Transport Systems); trains for the Taipei metro, Sirio trams for Turkey and trains for the Saudi Arabia metro and the metro in Fortaleza, Brazil (Vehicles); and 45 articulated buses for the city of Rome, 54 buses for Madrid and 45 buses for the Kocaeli local authority in Turkey (Buses).

The **order backlog** was EUR 5,954 million, an increase of EUR 1,096 million (+23%) versus the EUR 4,858 million recorded at 31 December 2008. Signalling and Systems accounted for 63% of this total, Vehicles 36% and Buses the remaining 1%.

The **headcount** was 7,295 at 31 December 2009 an increase of 162 compared to the 7,133 at 31 December 2008.

Alessandro Pansa, the director responsible for drawing up the company's accounting statements, hereby declares, pursuant to article 154-bis, paragraph 2 of the *Testo Unico della Finanza* law, that the information contained in this press release accurately represents the figures contained in the Group's accounting records.

**PRESS RELEASE**

2009 (EUR million)	Helicopters	Defence Electronics (**)	Aeronautics	Space	Defence Systems	Energy	Transport	Other Activities and Corporate	Eliminations	Total
Revenues	3,480	6,718	2,641	909	1,195	1,652	1,811	410	(640)	<b>18,176</b>
<b>Adj EBITA (*)</b>	<b>371</b>	<b>698</b>	<b>241</b>	<b>47</b>	<b>130</b>	<b>162</b>	<b>65</b>	<b>(127)</b>		<b>1,587</b>
Adj EBITA (*) margin	10.7%	10.4%	9.1%	5.2%	10.9%	9.8%	3.6%	<i>n.s.</i>		8.7%
Depreciation and amortisation	130	240	152	27	42	24	24	16		<b>655</b>
Investment in non-current assets	125	209	335	66	43	60	87	14		<b>939</b>
Research and development costs	328	711	474	87	235	36	110	1		<b>1,982</b>
New orders	3,205	8,215	3,725	1,145	1,228	1,237	2,834	113	(603)	<b>21,099</b>
Order backlog	9,786	12,280	8,850	1,611	4,010	3,374	5,954	172	(894)	<b>45,143</b>
Headcount	10,343	30,236	13,146	3,662	4,098	3,477	7,295	799		<b>73,056</b>

2008 (EUR million)	Helicopters	Defence Electronics	Aeronautics	Space	Defence Systems	Energy	Transport	Other Activities and Corporate	Eliminations	Total
Revenues	3,035	4,362	2,530	994	1,116	1,333	1,798	386	(517)	<b>15,037</b>
<b>Adj EBITA (*)</b>	<b>353</b>	<b>442</b>	<b>250</b>	<b>65</b>	<b>127</b>	<b>122</b>	<b>117</b>	<b>(171)</b>		<b>1,305</b>
Adj EBITA (*) margin	11.6%	10.1%	9.9%	6.5%	11.4%	9.2%	6.5%	<i>n.s.</i>		8.7%
Depreciation and amortisation	113	178	133	26	38	19	21	12		<b>540</b>
Investment in non-current assets	193	199	298	31	56	65	36	11		<b>889</b>
Research and development costs	273	619	508	64	258	32	55	0		<b>1,809</b>
New orders	5,078	4,418	2,720	921	1,087	2,054	1,595	75	(373)	<b>17,575</b>
Order backlog	10,481	10,700	8,281	1,383	3,879	3,779	4,858	348	(772)	<b>42,937</b>
Headcount	10,289	30,330	13,907	3,620	4,060	3,285	7,133	774		<b>73,398</b>

(\*) Operating result before:

- any goodwill impairment;
- amortisations of intangibles acquired under business combination;
- restructuring costs of major, defined plans;
- other extraordinary income and expenses, i.e. relating to particularly significant events unconnected with the ordinary operations of the company's core businesses.

(\*\*) Included DRS, consolidated from 22 October 2008.

**Finmeccanica** plays a leading role in the global aerospace and defence industry, and participates in some of the sector's biggest international programmes through its group companies and well-established alliances with European and USA partners. A leader in the design and manufacture of helicopters, defence and security electronics, civil and military aircraft, aerostructures, satellites, space infrastructure and defence systems, Finmeccanica is Italy's leading high-tech company. It also boasts significant manufacturing assets and skills in the transport and energy sectors; it is listed on the Milan stock market and operates via a number of group companies and joint ventures. At the end of 2009, the Finmeccanica Group had more than 73,000 employees, including more than 12,000 in the US, around 10,000 in the UK, approximately 3,700 in France and more than 1,000 in Germany. As part of its drive to maintain and build on its technological excellence, Finmeccanica spends 11% of its revenues on Research and Development.