Finmeccanica First Half 2007 Results Presentation

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Milan, 13 September 2007

FINMECCANICA

Safe Harbor Statement

- NOTE: Some of the statements included in this document are not historical facts but rather statements of future expectations, also related to future economic and financial performance, to be considered forward-looking statements. These forward-looking statements are based on Company's views and assumptions as of the date of the statements and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Given these uncertainties, you should not rely on forward-looking statements.
- The following factors could affect our forward-looking statements: the ability to obtain or the timing of obtaining future government awards; the availability of government funding and customer requirements both domestically and internationally; changes in government or customer priorities due to program reviews or revisions to strategic objectives (including changes in priorities to respond to terrorist threats or to improve homeland security); difficulties in developing and producing operationally advanced technology systems; the competitive environment; economic business and political conditions domestically and internationally; program performance and the timing of contract payments; the timing and customer acceptance of product deliveries and launches; our ability to achieve or realize savings for our customers or ourselves through our global cost-cutting program and other financial management programs; and the outcome of contingencies (including completion of any acquisitions and divestitures, litigation and environmental remediation efforts).
- These are only some of the numerous factors that may affect the forward-looking statements contained in this document.

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Pier Francesco Guarguaglini

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On track to achieve our strategic objectives

Growth and

Focus on A,D&S

Strengthen &
Consolidate
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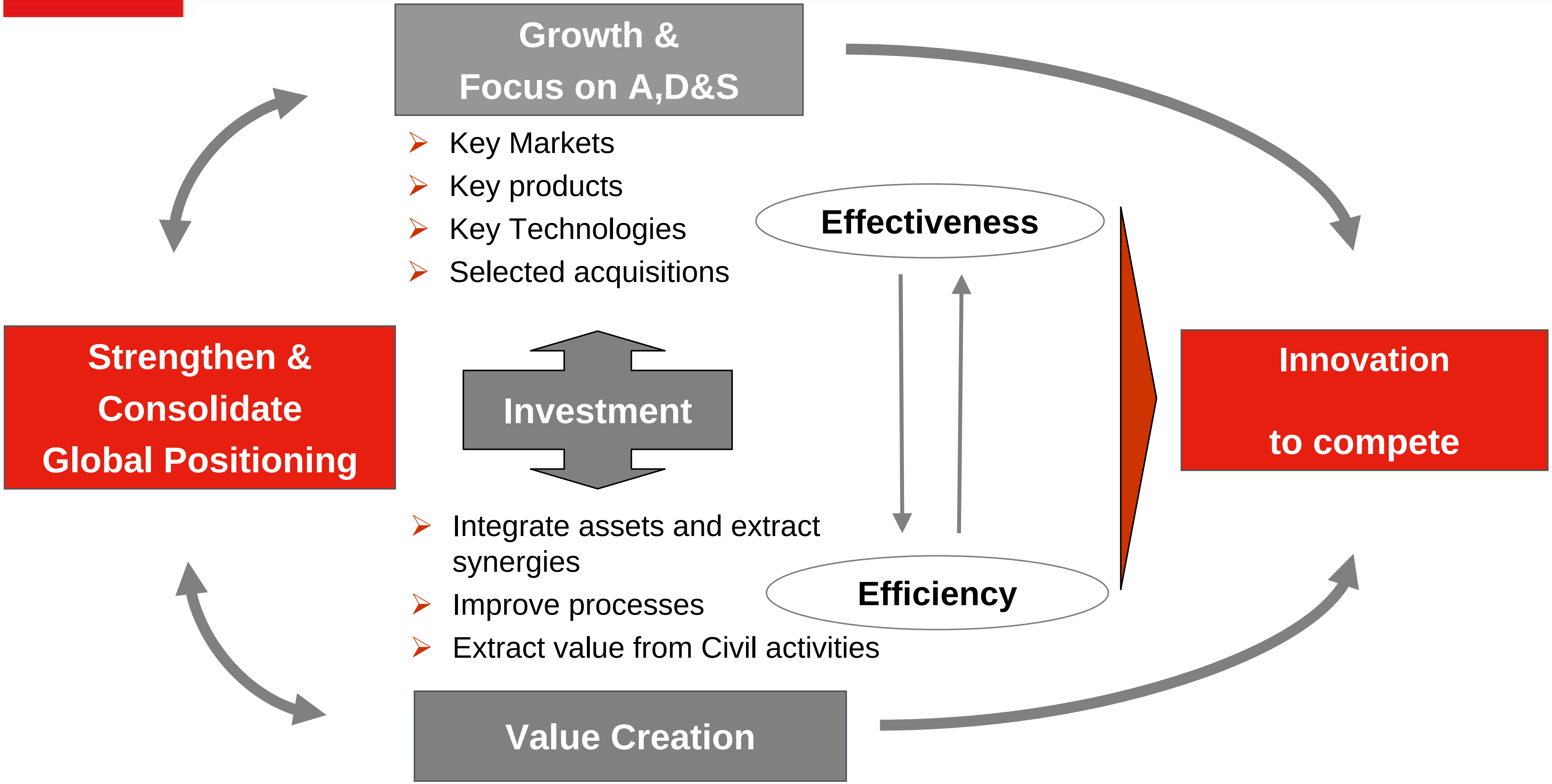
Innovation

Value Creation

Not separate and independent objectives…



… but a virtuous cycle

1H07: delivering on our commitments (1/2)

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Growth & Focus on A,D&S

- Total Revenues up 7% to €6.1bn in 1H07
- A,D&S Revenues €4.8bn in 1H07, ca. 80% of total Revenues
- A,D&S EBIT €280mln, ca. 90% of total EBIT

Strengthen & Consolidate Global Positioning

- C27J JCA programme awarded in partnership with L3 and Boeing
- Partnership with Sukhoi for new Regional Jet S100 in place
- Centre of excellence for radar and electronic warfare in UK under Defence Industrial Strategy-Defence Technology Strategy
- Partnership signed with Boeing for Italian and European CH47
- A129Atak selected in Turkey
- Auto-plate reader contract awarded for US Police Forces (law enforcement)
- Agreements with Russian Railways in Transport

1H07: delivering on our commitments (2/2)

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Innovation

- R&D investment accounts for ca.14% of total Revenues
- Capex and R&D investments €601mln

Value Creation

- EBITA* up 7% to €325mln
  - ✓ of which A,D&S €292mln, ca.90% of total EBITA*
  - ✓ Net profit – excluding capital gain - up 12% YoY to €177mln

*EBIT before amortisations of intangibles acquired under business combination

1H07 Major Achievements vs. Strategic Objectives

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Aerospace

Worldwide Order Intake
for **AW139**

Demo BA609 at Le
Bourget

C-27J JCA for USAF
and US Army

Launch **COSMO
SkyMed**

Partnership with Sukhoi
for **SuperJet 100**

Value Creation

1H07 Major Achievements vs. Strategic Objectives

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Security and Defence Electronics

Maritime Patrolling Systems (Australian Coast Guard)

Vessel Traffic Management System (Yemen)

Air Traffic Control System (South Asia)

Manhattan Security Project (NYPD)

Patrol Support System (UK Police)

Value Creation

1H07 Major Achievements vs. Strategic Objectives

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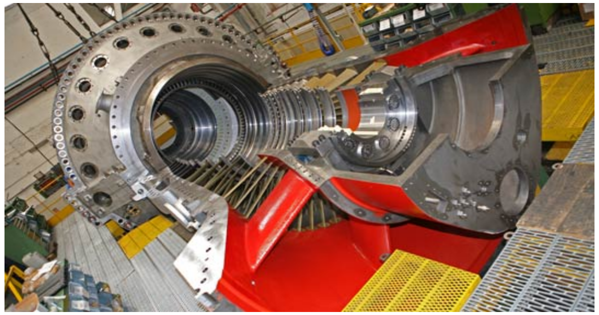
Transport and Energy

Partnership with
Russian Railways

Power Generation
(Algeria, Finland)



Value Creation

Alessandro Pansa

Financial & Business Review

H1 2007 Financial Highlights

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H1 2007 Results vs H1 2006

- Revenues up 7% to Eur 6.1 bn
- Ebit up 3% to Eur 313 mln
- Net profit up 12% to Eur 177 mln
  (excluding capital gain from Ansaldo STS of Eur 417 mln in H1 2006)
- Net debt up to Eur 2.3 bn from Eur 1.5 bn in 1H 06
- Backlog at Eur 36.2 bn, equivalent to approx. 3 years of production

H1 2007 Main Economic Results

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(Eur mln)	H1 07	H1 06	FY 06
Revenues	**6,079**	**5,706**	**12,472**
EBITA*	**325**	**305**	**902**
Margin	5.3%	5.3%	7.2%
EBIT	**313**	**305**	**878**
Margin	5.1%	5.3%	7%
Net income	**177**	**575**	**1,020**
Excluding capital gain		***158***	***313***
EPS (cents)**	**37**	**34**	**68**
New orders	**6,478**	**7,973**	**15,725**
Order Backlog	**36,245**	**35,185**	**35,810**

*EBIT before amortisations of intangibles acquired under business combination

** Post minorities and post extraordinary gains

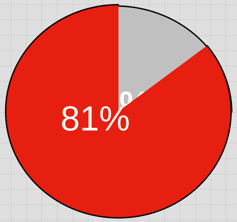
H1 2007 Main Financial Results

(Eur mln)	H1 07	H1 06	FY 06
Working Capital	531	249	(434)
FOCF	(1,244)	(508)	506
Net financial debt	2,268	1,462	858
Debt/Equity	42%	17 %	16%
ROI	14.8%	14.2 %	17.7%
EVA	(32)	(30)	257

Helicopters: strong UK market and international successes..

(€mln)	1H 07	1H 06	FY06
Revenues	1,478	1,333	2,727
EBITA*	154	135	299
Margin*	10.4%	10.1%	11%
EBIT	150	135	290
Margin	10.1%	10.1%	10.6%
Orders	1,470	2,821	4,088
Backlog	8,497	8,661	8,572

Defence Revenues



1H 2007

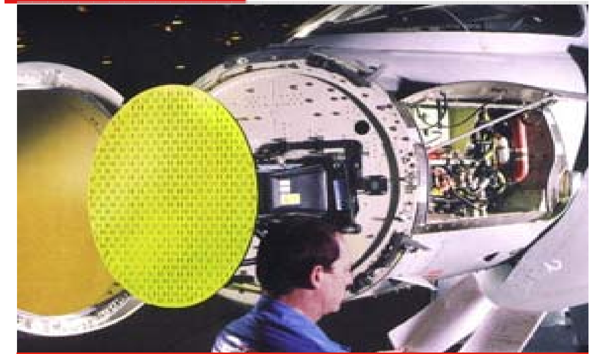
- Revenue growth driven by increase in commercial volumes (AW109, AW 139, AW 119) presidential helicopter and UK support programmes
- Profitability benefits from volume increase and integration UK – Italy

2007 – 2009

- Strong positive international outlook for commercial and military.
- Buoyant demand and new requirements in the field drive future growth

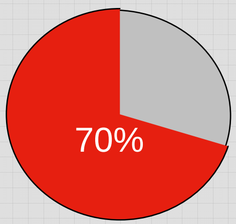
...support growth targets

Defence Electronics: bedrock legacy programmes support growth



(€mln)	1H 07	1H 06	FY06
Revenues	1,607	1,668	3,747
EBITA*	85	99	313
Margin*	5.3%	5.9%	8.4%
EBIT	78	99	300
Margin	4.9%	5.9%	8%
Orders	1,794	1,654	4,197
Backlog	7,860	7,714	7,676

Defence Revenues



1H 2007

- Revenues driven by avionics (EFA), Command & Control (Naval), Communication Systems (TETRA, IT and Security). Some order slippage impacts volumes
- Operating profit impacted by decrease in volumes, weaker mix in Command & Control and production shortfall in Communications. UK avionics profitability improving
- Order intake increase due to second tranche of TETRA for Italian security forces and IT Security

2007 – 2009

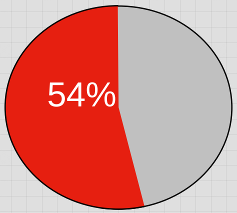
- Medium-long term prospects good despite order slippage
- Growth driven by legacy programmes (Eurofighter, JSF, DIRCM, FREMM) with new opportunities in Land Systems (i.e NEC and FRES)

Opportunities for Land Systems in UK and in Italy

Aeronautics: international successes support growth targets

(€mln)	1H 07	1H 06	FY 06
Revenues	953	833	1,908
EBITA*	64	61	203
Margin*	6.7%	7.3%	10.6%
EBIT	64	61	203
Margin	6.7%	7.3%	10.6%
Orders	1,148	1,171	2,634
Backlog	7,798	7,189	7,538

Defence Revenues



1H 2007

- US Joint cargo aircraft tender awarded; program value worth 6 bn (first tr. ca. 2 bn for 78 a/c). First order expected by end 07
- First B787 fusolage shipsets delivered to Boeing on schedule
- Revenue growth and margin improvement driven by civil
- Orders booked both in military (EFA) and civil (ATR)

2007 – 2009

- Civil activity expected to increase significantly (B787, ATR, Russian Superjet)
- New export opportunities for military (C27J, EFA, M346).
- Strong growth targets confirmed

First B787 shipsets delivered successfully

Space: new applications emerging for services

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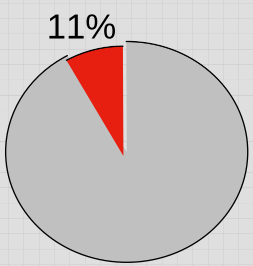
(€mln)	1H 07	1H 06	FY 06
Revenues	377	347	764
EBITA*	12	16	44
Margin*	3.2%	4.6%	5.8%
EBIT	12	16	44
Margin	3.2%	4.6%	5.8%
Orders	325	331	851
Backlog	1,260	1,166	1,264

Defence Revenues



1H 2007

- Created a new Space Alliance between Thales and Finmeccanica in two joint ventures (Telespazio Holding and Thales Alenia Space)
- Revenue growth (+9%) driven by satellite manufacturing Cosmo-SkyMed, Sycral 1B, Galileo and EGNOS
- Operating synergies more than offset by higher manufacturing costs on commercial TLC
- Orders driven by commercial TLC Satellites, GMES programme and acquisitions of GALILEO and EGNOS tranches

2007 – 2009

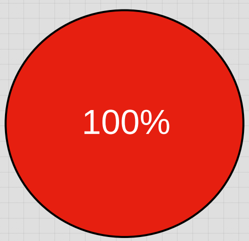
- Services outlook steadily improving
- Manufacturing should benefit from integration of French and Italian activities

First Cosmo satellite launched successfully

Defence Systems: robust performance

(€mln)	1H 07	1H 06	FY 06
Revenues	497	494	1,127
EBITA*	24	22	93
Margin*	4.8%	4.5%	8.3%
EBIT	23	22	91
Margin	4.6%	4.5%	8%
Orders	266	338	1,111
Backlog	4,024	4,087	4,252

Defence Revenues



1H 2007

- Revenues stable across all businesses
- Margin improvement in Missiles offset by some additional activities on light torpedo programme (MU90)

2007 – 2009

- Opportunities for Missiles exports (i.e Saudi and Pakistan)
- Good growth prospects for underwater with Heavy Torpedoes
- Demand increasing for land systems

Outlook stable with some possible upside

Civil Activities

Transport

(€mln)	1H 07	1H 06	FY 06
Revenues	725	684	1,368
EBITA*	16	27	15
Margin*	2.2%	3.9%	1.1%
EBIT	16	27	15
Margin	2.2%	3.9%	1.1%
Orders	595	1,143	2,127
Backlog	4,560	4,401	4,703

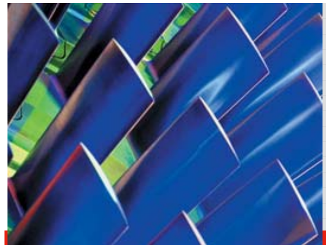
Transport: to benefit from expansion into new markets

1H 2007

- Revenue growth driven by both Signalling and Vehicles
- Strong operating profit by Signalling & Systems
- Agreement signed with Russian Railways for new signalling systems on national network

2007- 2009

- Industrial plan being implemented for vehicles
- Positive outlook for Signalling & Systems



Energy

Revenues	477	411	978
EBITA*	30	18	63
Margin*	6.3%	4.4%	6.4%
EBIT	30	18	63
Margin	6.3%	4.4%	6.4%
Orders	599	676	1,050
Backlog	2,587	2,587	2,468

1H 2007

- Revenue growth driven by Service
- Improvement in profitability due to higher volumes
- Significant increase in international orders for plants (Algeria and Finland) and for Services

2007- 2009

- Exciting prospects for Service growth and international expansion

Energy: excellent performance and service growth plan on track

Roadmap for improving profitability on track

Complete integration plans

Complete review of industrial processes and launch detailed efficiency programmes for procurement, production & logistics

Further reductions in G&A, IT, commercial costs etc

Simplify Group structure and review G&A processes

Increase profitability	Reduce industrial and SG&A costs
Reduce working capital	Self–fund product investment

Focus on winning high margin orders

Reduce industrial and G&A costs and maximise sales to consolidate gross margins and cash flows

Extend procedures to cover entire life cycle of contract

Cost efficiencies to drive MBO remuneration across Group

Streamlining and strengthening management structures

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- **Helicopters**: new integrated organisational model approved to become One Global Company focussed on Business and Operations and with centralised management of infrastructure and services to manage strong increase in orders
- **Aeronautics**: new industrial mission for aircraft modification and maintenance business to support Sukhoi Superjet in Western markets
- **Avionics**: integration of British and Italian businesses to accelerate under new management
- **IT Security**: Elsag-Datamat merger now fully operational
- **Space Services**: marketing/ sales functions strengthened to exploit new commercial VAS opportunities both domestically and abroad
- **Vehicles/Rolling stock**: plan reinforced for reorganisation and re-engineering of all production processes

Simplify Group structure and review G&A processes

Restructuring and cost reduction programmes underway

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Restructuring measures approved for:

✓ **Aircraft modification and maintenance**

- Significant restructuring planned to adapt sites to new industrial mission

✓ **Military Communications**

- Conversion of production processes to supply new digital technologies
- Headcount reduction plan has started

✓ **Missiles**

- Improvement plan progressing well with UK rationalisation completed
- Site rationalisation in central France to be completed by end 07 and Italian restructuring plan progressing well

✓ **Transport / Vehicles**

- Restructuring plan already defined (headcount reduction of 300)

Global sourcing project launched to identify new low cost supplier

(Opportunities in Poland, Turkey, Russia, India and China).

Complete review of industrial processes and launch detailed efficiency programmes for procurement

Current restructuring plan on track

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Integration targets

- **Helicopters**: following savings already achieved for Eur 50 mln of additional EBIT, further benefits expected of ca. Eur 10 mln in next 2-3 years due to IT integration plan
- **Avionics**: target of Eur 50 mln of additional EBIT annually by 2009. New management has accelerated integration process and is simplifying and rationalising group structure
- **Security IT**: target of > Eur 20 mln of additional EBIT by 2009. Datamat-Elsag merger fully operational from 1 August

Complete integration plan

Cost reduction targets

- Targeted 1%-1.5% reduction in impact of SG&A on Value of Production by 2008/09 from current 10% on track
- Targeted reduction of IT spend across Group of 10 -15% by 2008, on track

.

Reduce industrial and G&A costs

Development costs capitalised in Intangible Assets at 1H 2007*

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Eur Mln	Qualifying for funding Dir N 28	Self Funded	Total
1 Jan 2007 Opening balance	693	284	977
Reclassified from inventories	-	-	-
Investments	223	74	297
Depreciation	(18)	(14)	(32)
Other movements	(3)	2	(1)
30 June 2007 closing balance	895	346	1,241

* See Appendix for explanation of Dir. N 28 on launch aid

Guidance for 2007 and 2008 on track

	2007	2008
Revenues (not Value of Production)	***€13.1-13.7bn***	***€14-14.7bn***
EBIT	***€950-1,000mln***	***€1,050-1,170mln***

- Average Free Operating Cash Flow per Year (2006-08) of ca. €300 mln
- Dividend policy: increase together with profits
- Optimal capital structure: Net debt/Equity < 35-40%
- Net bank debt/EBITDA <2.0

Pier Francesco Guarguaglini

Business Strategy

On track to achieve our strategic objectives

Growth and

Focus on A,D&S

Strengthen &
Consolidate
Global Positioning

Innovation

Value Creation

Confirm world leadership in Helicopters

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- ✓ Maintain and complete state of art product range through launch of new models (AW149, XX9) and finalisation of BA609
- ✓ Strengthen footprint in USA both in military and commercial leveraging on Presidential programme and AW139 successes
- ✓ Enlarge footprint in selected markets by establishing industrial alliances / local partnerships (i.e. A129Atak in Turkey)
- ✓ Target Revenue growth 2010 vs 2006 ➔ 25%-35%

Grow as a global player in Aeronautics

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- ✓ World leadership in tactical airlift and advanced trainers leveraging on
  - C27J success in US for JCA
  - Italian Air Force’s intention to acquire M346

  and exploiting fully owned internal capabilities in system development and integration

- ✓ Major role in largest fighter programmes : EFA and JSF
  - EFA Saudi order expected shortly
  - leading responsibility for JSF Final Assembly & Check–out for Italian and other European Air Forces

- ✓ Strengthen role of Independent prime partner in aero-structures, leveraging on strategic involvement in new B787

- ✓ Leading partnership in regional jets and turboprops through
  - agreement with Sukhoi for new Superjet100
  - continuous exploitation of ATR commercial successes

- ✓ Target Revenue growth 2010 vs 2006 ➔ 90%-100%

Become a leading player for Defence and Security solutions

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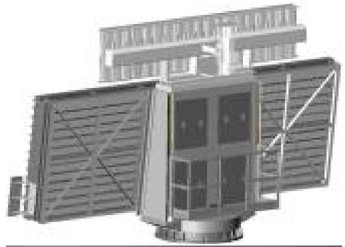
- ✓ Grow as leading prime for naval combat systems and battlespace systems leveraging on domestic opportunities (i.e. FREMM and Forza NEC)

- ✓ Strengthen positioning as system integrator & equipment/solution provider for Security leveraging on significant references

- ✓ Consolidate as major tactical ISR/ISTAR provider worldwide (i.e. maritime patrol contracts for Australian Coast Guard and export of tactical Falco system)



- ✓ Invest in enabling technologies and competitive enhancements of key products and increase system & integration capabilities, with exploitation of vertical integration within the Group

- ✓ Target Revenue growth for Defence Electronics 2010 vs 2006 ➔ 45%-55%

Further commercial success of our products will be boosted by developing our strategy

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2007: crucial year for launching large defence systems initiatives

Forza NEC is our offering for Italian Army Battlespace Digitalisation

Finmeccanica leader for large battleground systems starting from domestic markets

Strengthen positioning in Defence Systems

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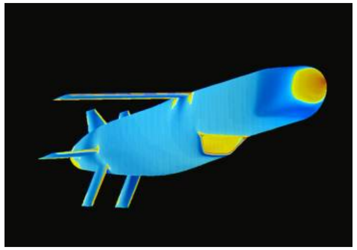
- ✓ **Consolidate leading role** in weapon systems as reference supplier for Italian Armed Forces and **grow** both in UK and abroad through competitive, high-tech, niche products

- ✓ In underwater systems **strengthen positioning** in light weight and heavy weight Torpedoes, **consolidate leadership** in countermeasures for Torpedoes and **grow** in underwater security

- ✓ **Consolidate European leadership** in missile systems (long range air-to-air, medium range surface-to-air, deep strike)



Consolidate our role as value added service provider in Space

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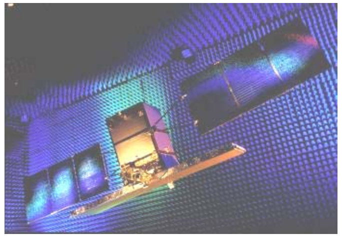
- ✓ Leverage on **Space Alliance** to further exploit our competencies and complementary assets in satellite systems and services to significantly strengthen positioning as major European Space player



- ✓ **COSMO-SkyMed** (innovative programme for Earth observation): entry into service of constellation allows Finmeccanica, in collaboration with ASI, to promote selling worldwide of images and other value added services based on data collected by the satellite
- ✓ Target Revenue growth 2010 vs 2006 in Space Services ➔ 45%-55%

Grow as a significant player in Energy & consolidate positioning in Transport

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- ✓ **Achieve** leadership position in Energy as Independent Service Provider (i.e. recent awards of gas turbine contracts in Algeria and Finland) with increasing focus and investments on renewables

- ✓ Energy Target Revenue growth 2010 vs 2006 ➔ 40%-50%

- ✓ **Consolidate positioning** in Vehicles becoming significant player for railway & urban rolling stock

- ✓ **Become a leading global provider** for railway & urban signalling solutions

Leveraging on agreement signed with Russian Railways for new signalling system on national network to be built by Finmeccanica for use on existing Russian railway lines and stations

Revenue growth targets underpinned by backlog growth, maintaining an average visibility of 3 years of production

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Human Resources and Innovation basis for creating value

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✓ **Human Resources are key to achieve objectives and results. Therefore, continuous investments in learning and enhancements of our HR capabilities is a strategic priority for Finmeccanica**

✓ **Strategic priority is also utilisation of Cash Flow re-invested in**

❑ **New Products** →	To strengthen portfolio offering and gain market share
❑ **Enabling technologies, process improvement and key infrastructures** →	To maintain innovation at leading competitive edge
❑ **Marketing & Communication** →	To promote Finmeccanica brand, Group capabilities and extend geographical presence

Strategy delivering results

- ✓ Recent success reinforces our **global positioning in USA and worldwide** thus boosting further expansion in the markets

- ✓ New **international partnerships** in place to grow both in A,D&S and in Transport

- ✓ Continued focus on **technological innovation** to strengthen product performance and competitiveness

First Half 07 achievements are the best recognition given by the markets to Finmeccanica's strategy

Target 2010:

Revenues ca.€16.5bn

Growth and

Focus on A,D&S

Strengthen &
Consolidate
Global Positioning

Innovation

Value Creation

Appendix

New Directive on State Incentives for Research & Development

- The Italian Government, through Directive N 28 of the Interministerial Committee for Economic Planning, on 22 March 2006 (Gazzetta Ufficiale n.146 of 26 June 2006) ruled that projects “aiming to enhance the technological endowment necessary to maintain national security” form part of long term strategies to develop the industrial base guaranteeing the security of the State. The Directive states furthermore that the State’s intervention in order to develop the industrial base – through financial aid – must be reimbursed through the payment of royalties each time tangible or intangible goods incorporating these technologies are sold.
- Under the same Directive N. 28/2006 the Government also established – at point 4.8 in combination with point 4.5 – that national programmes, aimed at realising a project of “European common interest” under art. 87, comma 3, letter b) of the “Treaty establishing the European Community” are subject – in place of financial “reimbursements” - to the same specific regulations for “National Security” programmes. These regulations require the payment to the State of ”royalties” on the sale of products that utilise technologies funded by the State and developed during the implementation of the projects.
- These “European Common interest” projects, as specified under points 4.5 and 4.8 of Directive 28/2006, have been subsequently identified by the Government with appropriate dispositions.
- The result is that companies are only obliged to pay royalties to the State when they actually sell tangible or intangible goods which derive from projects that utilise technologies funded by state incentives. These royalties are calculated according to when cash is received for sale of the products, and to reimbursement ratios which increase progressively together with the advancement of cash receipt milestones.

Update on impact of state incentives Directive N 28* on Finmeccanica balance sheet

Development costs for "National Security" programmes are no longer recorded in working capital under "Work in Progress" and "Other Liabilities" but capitalised in "Intangible Assets" and netted off against the amount of incentives received.

Development costs for "Other" funded programmes not qualifying as of "National Security" interest previously recorded in working capital under "Work in Progress" and in "Other Liabilities" are also capitalised in "Intangible Assets" whereas the advances received are recorded under "Other Liabilities" at nominal value.

* Directive on State Incentives for Development costs approved by Italian Government on 22 March 2006

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FINMECCANICA

CONSOLIDATED PROFIT AND LOSS ACCOUNT			
EUR m	**1H07**	**1H06**	***% chg. Y/Y***
Revenues	**6,079**	**5,706**	***7%***
Changes in work in progress, semi-finished and finished goods	37	259	
Cost of goods, services and labour	-5,592	-5,508	
Depreciation and amortisation	-204	-182	
Previsions for risk and charges	-16	-5	
Restructuring costs	-11	-15	
Other net operating revenues (costs)	32	50	
EBITA*	**325**	**305**	***7%***
EBITA margin*	*5.3%*	*5.3%*	
Amortisations of intangibles acquired under business combination	-12	-	
EBIT	**313**	**305**	***3%***
EBIT margin	*5.1%*	*5.3%*	
Net financial income (expenses)	-44	375	
Income taxes	-92	-105	
Net profit before discontinued operations	**177**	**575**	***-69%***
Profit of discontinued operations	-	-	
Net profit	**177**	**575**	***-69%***
Group	*159*	*564*	
Minorities	*18*	*11*	

* EBIT before amortisations of intangibles acquired under business combination

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET		
EUR m	**30.06.2007**	**31.12.2006**
Non-current assets	10,337	9,897
Non-current liabilities	(3,191)	(3,275)
	7,146	**6,622**
Inventories	3,353	3,095
Contract work in progress	3,278	2,823
Trade receivables	4,135	3,856
Trade payables	(3,529)	(3,561)
Customer advances	(5,625)	(5,529)
Short-term provisions for risks and charges	(553)	(571)
Other current net assets (liabilities)	(528)	(547)
Net working capital	**531**	**(434)**
Net invested capital	**7,677**	**6,188**
Group shareholders' equity	5,314	5,276
Minority interests	95	81
Shareholders' equity	**5,409**	**5,357**
Net debt	**2,268**	**858**
Net liabilities (assets) held for sale	**-**	**(27)**

DEBT

DEBT			
EUR m	**30.06.2007**	**31.12.2006**	**30.06.2006**
Short-term financial debt	506	159	145
Medium- to long-term financial debt	1,842	1,865	1,851
Cash on hand or equivalent	(411)	(2,003)	(680)
NET BANK DEBT	**1,937**	**21**	**1,316**
Government bonds and securities	(16)	(21)	(20)
Loans from subsidiary and affiliated companies	(32)	(26)	(21)
Other financial receivables	(452)	(452)	(393)
FINANCIAL RECEIVABLES AND BONDS	**(500)**	**(499)**	**(434)**
Loans from subsidiary and affiliated companies	442	500	394
Other short-term financial debt	278	722	80
Other medium- to long-term bank debt	111	114	106
OTHER FINANCIAL DEBT	**831**	**1,336**	**580**
NET DEBT	**2,268**	**858**	**1,462**
Net debt attributable to discontinued operations	-	6	10

CASH FLOW

FINMECCANICA

CASH FLOW		
EUR m	**1H07**	**1H06**
Cash and cash equivalents at 1 January	**2,003**	**1,061**
Cash flow from operations	669	626
Changes in working capital	(956)	(710)
Changes in other operating assets and liabilities	(365)	(145)
Cash flow generated (used) by operating activities	**(652)**	**(229)**
Investment in tangible and intangible assets after disposals	(601)	(241)
Other financial investments	29	(38)
Free operating cash flow	**(1,224)**	**(508)**
Investments for acquisitions	(416)	355
Changes in other financial assets	(10)	64
Cash flow generated (used) by investment activities	**(998)**	**140**
Dividends paid	(151)	(214)
Cash flow from financing activities	211	(73)
Cash flow generated (used) by financing activities	**60**	**(287)**
Exchange rate difference on cash and equivalents	**(2)**	**(5)**
Cash and cash equivalents at 30 June	**411**	**680**

SHARE DATA

SHARE DATA			
	1H07	**1H06**	*% chg. Y/Y*
Average number of shares in period (thousands)	424,328	423,635	*0.2%*
Net profit excluding minorities (EUR m)	159	564	
Profit of continuing operations excluding minorities (EUR m)	159	564	
BASIC EPS (EUR)	**0.38**	**1.33**	***-71%***
BASIC EPS of continuing operations (EUR)	**0.38**	**1.33**	***-71%***
Average number of diluted shares in period	425,256	425,625	*-0.1%*
Adjusted net profit excluding minorities (EUR m)	159	564	
Adjusted profit of continuing operations excluding minorities (EUR m)	159	564	
DILUTED EPS (EUR)	**0.37**	**1.32**	***-72%***
DILUTED EPS of continuing operations (EUR)	**0.37**	**1.32**	***-72%***

DIVISIONS

FINMECCANICA

1H07 (EUR million)	Helicopters	Defence electronics	Aeronautics	Space	Defence systems	Energy	Transport	Other activities	Eliminations	TOTAL
Revenues	1,478	1,607	953	377	497	477	725	135	-170	**6,079**
EBITA*	154	85	64	12	24	30	16	-60		**325**
EBITA* margin (%)	10.4%	5.3%	6.7%	3.2%	4.8%	6.3%	2.2%	n.m.		5.3%
EBIT	150	78	64	12	23	30	16	-60		**313**
EBIT margin (%)	10.1%	4.9%	6.7%	3.2%	4.6%	6.3%	2.2%	n.m.	0.0%	5.1%
Depreciation and amortisation	52	58	60	11	13	7	9	6		**216**
Investment in non-current assets	74	102	388	13	24	9	11	10		**631**
Research and development costs	147	266	264	26	110	8	27	3		**851**
New orders	1,47	1,794	1,148	325	266	599	595	416	-135	**6,478**
Order backlog	8,497	7,86	7,798	1,26	4,024	2,587	4,56	697	-1,038	**36,245**
Headcount	9,212	19,066	12,811	3,297	4,145	2,92	6,885	1,107		**59,443**

1H06 (EUR million)	Helicopters	Defence electronics	Aeronautics	Space	Defence systems	Energy	Transport	Other activities	Eliminations	TOTAL
Revenues	1,333	1,668	833	347	494	411	684	104	-168	**5,706**
EBITA*	135	99	61	16	22	18	27	-73		**305**
EBITA* margin (%)	10.1%	5.9%	7.3%	4.6%	4.5%	4.4%	3.9%	n.m.		5.3%
EBIT	135	99	61	16	22	18	27	-73		**305**
EBIT margin (%)	10.1%	5.9%	7.3%	4.6%	4.5%	4.4%	3.9%	n.m.	0.0%	5.3%
Depreciation and amortisation	33	45	56	14	13	6	9	6		**182**
Investment in non-current assets	32	427	161	10	76	5	10	4		**725**
Research and development costs	180	281	225	30	126	7	23	-		**872**
New orders	2,821	1,654	1,171	331	338	676	1,143	39	-200	**7,973**
Order backlog (31/12/2006)	8.572	7.676	7.538	1.264	4.252	2.468	4.703	346	-1.009	**35.810**
Headcount (31/12/2006)	8.899	19.185	12.135	3.221	4.275	2.856	6.677	811		**58.059**

* EBIT before amortisations of intangibles acquired under business combination

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FINMECCANICA

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