Finmeccanica First Half 2011 Results Presentation

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London, 28 July 2011

Safe Harbor Statement

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

Contents

- The current Climate: Strategic Directions and Priorities *(G. Orsi)*
- 1H2011 Highlights and Sector Review *(A. Pansa)*
- Commercial Outlook and Opportunities *(G. Orsi)*
- Conclusions *(G. Orsi)*
- Appendix

Giuseppe Orsi,
Chief Executive Officer

Alessandro Pansa,
Chief Operating Officer &
Chief Financial Officer

Strategic Direction and Priorities

Strategic focus on our three pillars of Aeronautics, Helicopters and Defence Electronics & Security remains unchanged

Key priorities for immediate execution:

- **Acceleration of change programmes underway in Aeronautics, Defence Electronics and Security and Rolling Stock all led by Senior Management , in order to improve performance in the short term**

- **Change perception of the Group from Italy-centric to global, increase internationalisation of the Group**

Through joined-up management

- business decision-making process centered on operating companies
- accountability of company CEOs for business performance
- enhanced collaboration and best practice-sharing across Group businesses

Accelerating Change Programmes

The current Climate

Current Climate / External factors

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External factors

- Growing pressure on Defence domestic markets (US, Italy, UK)
- Civil unrest in North Africa, in particular persisting turmoil in Libya
- Economic and financial weakness of some European countries
- Foreign exchange volatility
- High volatility of Italian stock and financial markets
- Civil aircraft return to growth
- Tighter competition in high-potential non domestic markets, where we are exploiting our strong footholds (India, Brazil, Turkey, Russia, Middle East and China)

Current Climate / Internal structural issues

- Structural issues in Aeronautics and Rolling Stock
- Impact needs to be quantified and actions implemented in order to address issues over coming months
- Evaluations and actions will be accelerated

Aeronautics - Ebita decreases YoY due to lower industrial efficiency and increasing competition in aerostructures and export markets.

Rolling Stock - Delays in achieving efficiency targets and in industrial recovery due to:

- Order postponement in domestic markets affecting volumes, profitability and production and export contracts not expected to offset this in short term.

- Challenges in addressing some legacy products affecting delivery schedule and customer satisfaction

As a result of macroeconomic and specific factors, 1H results for 2011 are down YoY, excluding positive impact on net income from partial sale of Ansaldo Energia.

Focus Areas of Action

Work to identify and quantify impact of structural and contractual issues is key focus for Management, together with continuing focus on the three strategic pillars of Aeronautics, Helicopters and Defence Electronics & Security

Actions – taken over coming months – include:

Extraordinary (non recurring): identifying under-performing segments and restructuring; exiting from commercially unviable products; further product / activity portfolio consolidation and final decisions taken on operations already announced

Ordinary (recurring): aimed at strengthening companies efficiency targets, product costs reduction, cutting SG&A costs, identifying product and programme investment priorities

We expect Revenues for the year in the range of Eur 17.5-18bn (net of ca. Eur 400mln of deconsolidated Revenues from Ansaldo Energia) and positive FOCF in 2011

Updated guidance on EBITA will be communicated in Q4

Investing in key selected Programmes to ensure positive Returns: Aerospace and Defence

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Helicopters

Tilt rotor

Light Twin

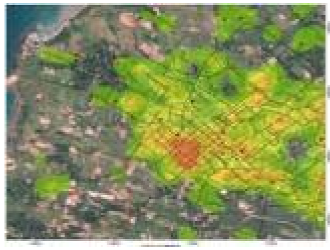
Fly-by-wire

Aeronautics

Advanced Training

Tactical Transport Special Mission

Space



Earth Observation

Connectivity

Defence Electronics and Systems

E-Scan Radar

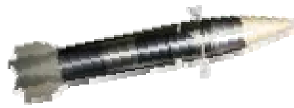
UAV

SDR

MAESA

DIRCM

Heavy Torpedo



Guided Weapon

Investing in key selected Programmes to ensure positive Returns: Security, Transport, Energy

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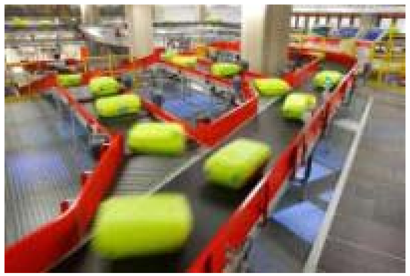
Security and Automation

Plate Reader and Surveillance

PMR / Public Safety



Automation

Cyber Security Services

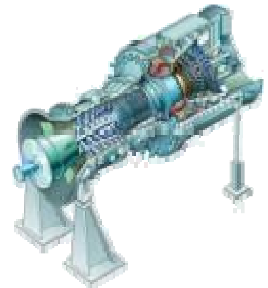
Transport

TRAMWAVE

Urban Transport

High Speed

Energy



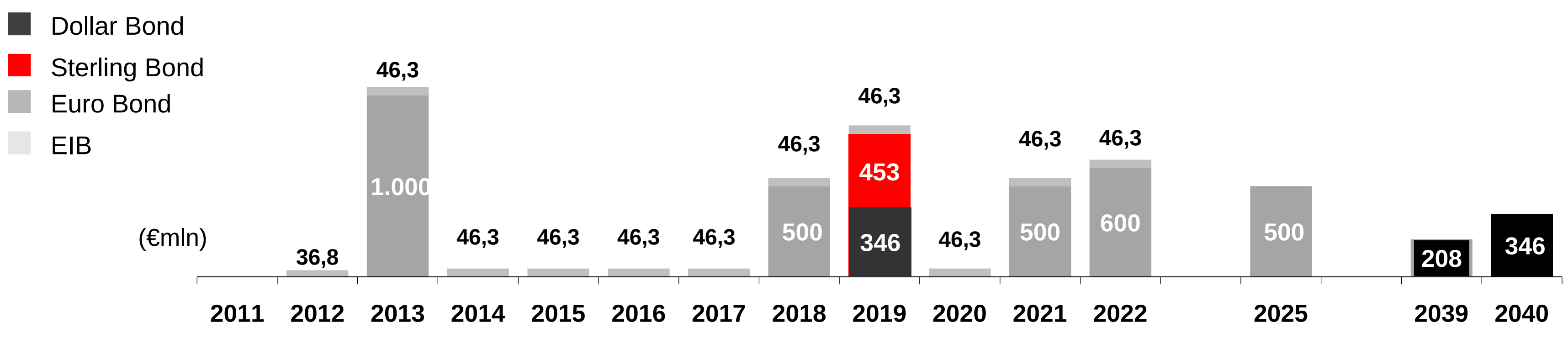
Green Efficiency and Flexibilty

1H2011 Highlights and Sector Review

1Half 2011 Performance

(Euro mln)	FY 10	1H11	1H10	1H11/1H10 Change	
Revenues	18,695	8,432	8,654	(3%)	Lower volumes in Defence Electronics and Energy
EBITA Adj	1,589	440	586	(25%)	Defence Electronics slowdown in USA and Italy
EBITA Margin	8.5%	5.2%	6.8%	-1.6 p.p.	
Net Income	557	433	170	155%	Benefits from Ansaldo Energia capital gain
Dividend (Euro)	0.41	-	-	-	
FOCF	443	(1,184)	(967)	(22%)	Reduction in CF from operating activities partially offset by investment reduction
Net Debt	3,133	4,189	4,624	(9%)	
New Orders	22,453	7,566	8,050	(6%)	Helicopters and Defence Electronics down. Aeronautics strong
Backlog	48,668	44,981	45,803	(2%)	Lower backlog mainly due to Energy proportional deconsolidation €(1,587)mln and FX impact €(770)mln

Solid financial structure safeguards from volatility on debt markets



- Next long term debt refinancing only at the end of 2013. Partial cover already met with extraordinary divestiture of 45% of Ansaldo Energia
- Free Operating Cash Flow expected positive in 2011
- €2.4bn back-stop 5-year Revolving Credit Facility expire only in September 2015(1)

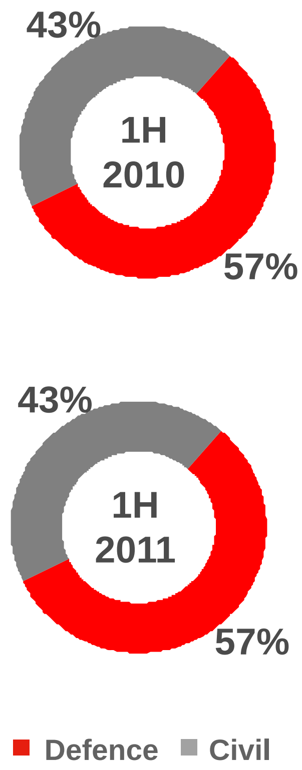
⇒ No short term refinancing needs and adequate liquidity support

(1) The Facility does not include financial covenants, however rating changes ratably influence the applicable credit margin.

1Half 2011 Sector Results

Sector	1H2011 Revenues Eur bn	Revenue Change vs. 1H2010	1H2011 Ebita Margin	Margin Change vs. 1H2010 (bps)	2011 Orders Eur bn	Order Change vs. 1H2010
Helicopters	1,831	5%	10.3%	(10)	1,247	(50%)
Defence and Security Electronics	2,923	(10%)	6.2%	(270)	2,538	(17%)
Aeronautics	1,297	3%	3.2%	(110)	1,588	97%
Space	480	17%	2.1%	(90)	371	(25%)
Defence Systems	558	4%	8.8%	(190)	318	(23%)
Energy	562	(17%)	7.5%	(240)	798	113%
Transportation	953	3%	0.9%	(280)	844	15%
Finmeccanica	8,432	(3%)	5.2%	(160)	7,566	(6%)

Defence vs. Civil Revenues



Helicopters

1H2011

- **Revenues** and **EBITA** increase due to helicopters (i.e. AW139, AW109LUH) and customer support (+14.6% YoY)
- Lower **order** intake due to some gov order postponement
- AW169 preliminary sales contracts received so far
- BA609, Tiltrotor, rebranded as the AW609, following agreement with Bell for full ownership of programme. Type certification planned in 2015, deliveries expected immediately afterwards

(Euro mln)	1H11	1H10	Change H1 11/ H1 10	FY 10
Revenues	1,831	1,743	5%	3,644
EBITA Adj	188	181	4%	413
Margin	10.3%	10.4%	(0.1p.p.)	11.3%
Orders	1,247	2,491	(50%)	5,982
Backlog	11,328	10,935	(7%)*	12,162

*Change H1 2011 vs FY10

- AW189, new gen 8-tonne class civil helo (designed for higher payload, longer range and higher productivity) unveiled at Le Bourget
- Final agreement with Russian Helicopters signed for the establishment of Helivert “equal”JV for a final assy of AW139 in Russia

Defence Electronics and Security

1H2011

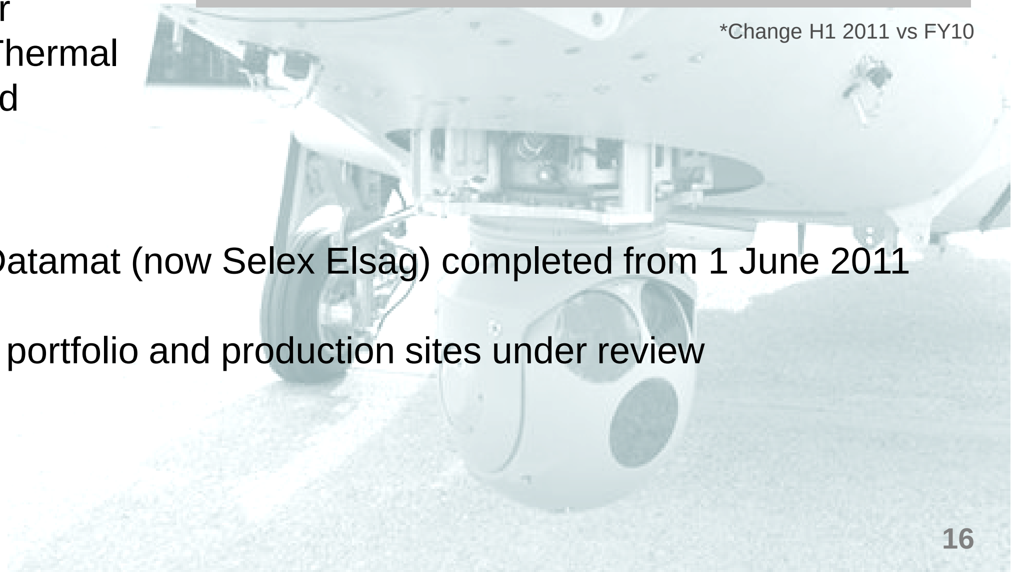
- Decrease in **Revenues** partially expected, mainly due to completion of some US programmes; posponements and lack of expected orders in Libya

- **EBITA** down, partially expected, due to revenue decline, programme mix and lower margins in IT&Security

- Lower **Orders** due to large wins booked in 1H2010 (i.e. EFA) and US slowdown
- Key orders include Eurofighter Tr3, Naval C&C for Algeria, ATMAS export, Cyber Security for Italy, Thermal Weapon Sights, surveillance systems, support and satcomms for US Armed Forces

(Euro mln)	1H11	1H10	Change H1 11 /H1 10	FY10
Revenues	2,923	3,255	(10%)	7,137
EBITA Adj	181	289	(37%)	735
Margin	6.2%	8.9%	(2.7p.p.)	10.3%
Orders	2,538	3,045	(17%)	6,783
Backlog	10,504	12,649	(11%)*	11,747

*Change H1 2011 vs FY10



- Merger of SELEX Communications and ELSAG Datamat (now Selex Elsag) completed from 1 June 2011

- Accelerated rationalisation of technology/product portfolio and production sites under review

Aeronautics

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1H2011

- Slight increase in **Revenues** mainly due to M346 and JSF, offsetting Eurofighter production slowdown

- **Profitability** impacted by above mentioned criticalities and programme mix (EFA slowdown) . Further remedial actions under evaluation in addition to restructuring plan already launched

- **Orders** double due to both civil (ATR turboprop and B787) and military (M346 logistic support for Singapore, C27J Mexico, Mid Life Upgrading Italian Tornado and Logistics)

(Euro mln)	1H11	1H10	Change H1 11 /H1 10	FY10
Revenues	1,297	1,262	3%	2,809
EBITA Adj	41	54	(24%)	205
Margin	3.2%	4.3%	(1.1p.p.)	7.3%
Orders	1,588	806	97%	2,539
Backlog	8,789	8,716	2%*	8,638

*Change H1 2011 vs FY10

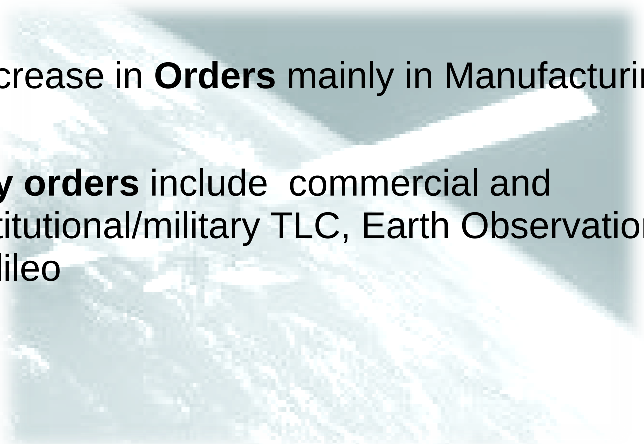
Space

(Euro mln)	1H2011	1H2010	Change	FY10
Revenues	480	412	17%	925
EBITA Adj	10	5	n.a.	39
Margin	2.1%	1.2%	0.9 p.p.	4.2%
Orders	371	497	(25%)	1,912
Backlog	2,505	1,713	(2%)*	2,568

*Change H1 2011 vs FY10

1H2011

- **Revenues** increase driven by both Manufacturing and Satellite Services
- **EBITA** increase driven by higher volumes and improvement in Manufacturing profitability
- Decrease in **Orders** mainly in Manufacturing
- **Key orders** include commercial and institutional/military TLC, Earth Observation and Galileo



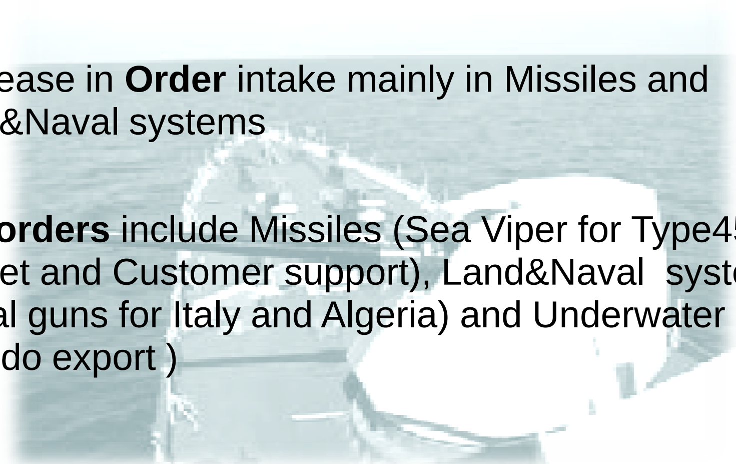
Defence Systems

(Euro mln)	1H2011	1H2010	Change	FY10
Revenues	558	537	4%	1,210
EBITA Adj	49	37	32%	107
Margin	8.8%	6.9%	1.9p.p.	8.8%
Orders	318	414	(23%)	1,111
Backlog	3,532	3,799	(7%)*	3,797

*Change H1 2011 vs FY10

1H2011

- **Revenue** growth driven by Land& Naval systems
- **EBITA** increase driven by higher volumes in Land& Naval systems and improved Missiles programme mix
- Decrease in **Order** intake mainly in Missiles and Land&Naval systems
- **Key orders** include Missiles (Sea Viper for Type45, Exocet and Customer support), Land&Naval systems (naval guns for Italy and Algeria) and Underwater (light torpedo export)



Energy

(Euro mln)	1H2011	1H2010	Change	FY 10
Revenues	562	677	(17%)	1,413
EBITA Adj	42	67	(37%)	145
Margin	7,5%	9.9%	(2,4 p.p.)	10,3%
Orders	798	374	113%	1,403
Backlog	1,935	3,030	46%	3,305

*Change H1 2011 vs FY10

1H2011

- Decrease in **Revenues** due to lower production activity in plants & components
- Lower **EBITA** adj. due to revenue decrease and production mix in plants segment
- **Orders** more than double due to 800MW contract awarded in Turkey for a combined cycle plant & Long Term Service Agreement
- Lower **Backlog** due to proportional consolidation of 45% Ansaldo Energia

Transport

(Euro mln)	1H2011	1H2010	Change	FY 10
Revenues	953	926	3%	1,962
EBITA Adj	9	35	(74%)	97
Margin	0.9%	3.8%	(2.8 p.p.)	4.9%
Orders	844	733	15%	3,228
Backlog	7,168	5,864	(2%)*	7,303

*Change H1 2011 vs FY10

1H2011

- **Revenues** up 3%: higher Vehicles volumes offset slight decrease in Signalling
- Reduction in **EBITA** mainly due to contractual issues in Vehicles (legacy contracts)
- **Orders** up mainly due to Vehicles (service & metro)
- Key **orders** include Signalling (Turin-Padua & Stockholm Red Line, Milan line 5, Rio Tinto) and Vehicles (Milan line 5 and various Services)
- **Restructuring plan launched at Vehicles:** postponement of domestic orders affecting volumes, profitability and production capacity. Export contracts not expected to offset this effect in the S/T

Current restructuring plan progress report (1/2)

- Wide range of initiatives aimed at improving efficiency launched last year against backdrop of increased competitiveness and softer spending in home markets
- Worldwide headcount reductions increased from ca. 3,000 cumulated over 2010-2013 to approx. 3,600 over same period
  - More than 2,000 finalised in 2010 (mainly in Poland and USA)
  - During 1H2011 additional 1,740 headcount reduced
- At Investor Day, last November, announced set of efficiency measures for total of ca. €290mln of costs over 2010-2013
  - ca.€130mln accounted for in 2010
  - further €62mln achieved in 1H2011

Current restructuring plan progress report (2/2)

- **Aeronautics**
  - headcount reduction of 600 already agreed
  - closure of 2 sites
  - integration of Engineering activities
  - 1st wave of integrated SAP (Alenia /Aermacchi) system completed
  - 2nd wave (business controlling model) to be completed by end of 2011
  - further reduction of Fixed Operating Cost, Engineering, industrial and supply chain rationalisation on track

- **D&SE**
  - merger between Comms and IT Security companies completed
  - further reduces product portfolio overlaps with benefits on R&D investments
  - headcount reduction underway

- **Transport Vehicles**
  - Restructuring/reengineering progressing internally and externally re-specific critical customers

- **Reorganisation of Space Services**
  - benefit of increased profitability
  - optimisation of Portfolio well advanced
  - stronger focus on higher value activities
  - reduction of controllable costs
  - reduced number of legal entities

2011 Guidance

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- We will update our EBITA guidance for FY2011 in Q4
- We expect Revenues in the range of Eur17.5-18bn (net of ca. Eur400mln of deconsolidated revenues from Ansaldo Energia)
- Free Operating Cash Flow will be positive in FY2011
- Order intake for the year will be at ca. Eur19bn (net of ca. Eur500mln of deconsolidated orders from Ansaldo Energia)

From 2H 2011 Ansaldo Energia is consolidated proportionally at 55%

Commercial Outlook and Opportunities

USA: Focus on Resource Optimisation

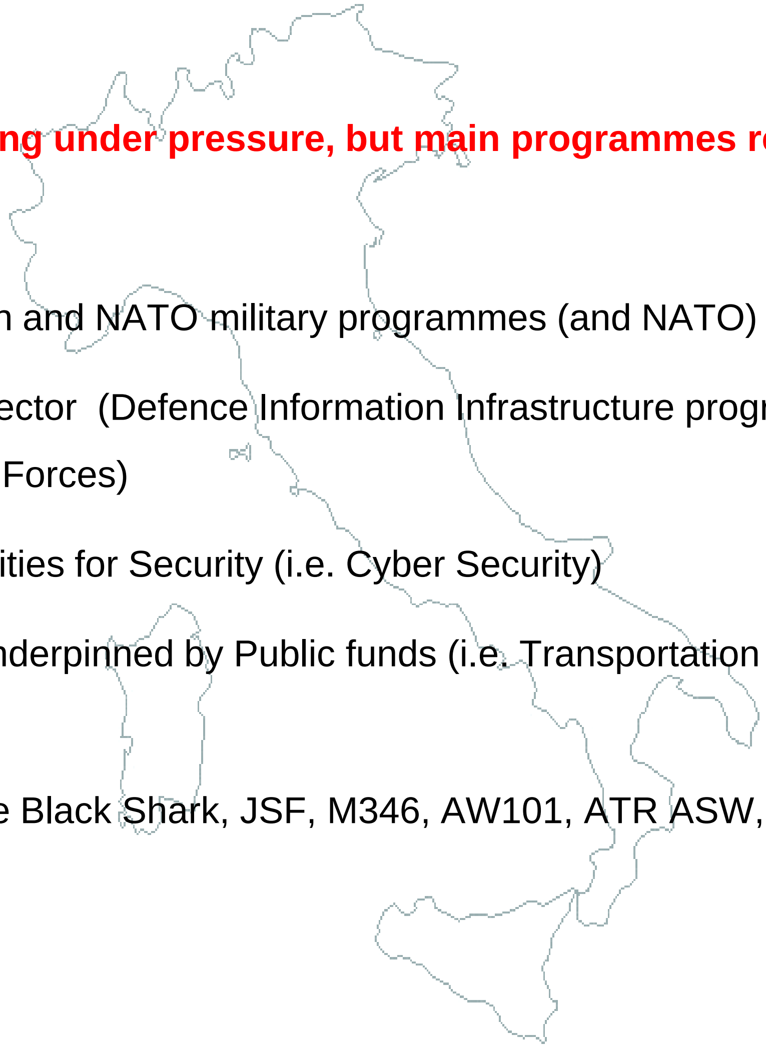
DoD focused Resource Optimisation. National security programmes, cyber-war, training and simulation, helicopters, UAV and missile defence theatre programmes confirmed

- Main platform programmes confirmed for Aeronautics (C27J and F35-JSF)
- New initiatives planned for Helicopters (VXX, Air Force CVLS , HH-60 Recap., Army AAS, Coast guard fleet recap.) and Aeronautics (T100 tender - M346, Tanker)
- Capabilities in Defence Electronics to adjust quickly and effectively to the new requirements of the US armed forces (military comms, electronics, telemedicine network, intelligence technologies, Joint Tactical Radio System, man-portable surveillance, 3rd generation Rapid Response requirements, Night Vision Systems, on-board ship electronics systems, ruggedized computers, UAV, Logistics and Power Generators)

Italy: Focus on Resource Optimisation

Italian defence budget coming under pressure, but main programmes remain robust

- Well established European and NATO military programmes (and NATO)
- Opportunities for C4ISR sector (Defence Information Infrastructure programme to provide integrated network comms to Armed Forces)
- Growing funding opportunities for Security (i.e. Cyber Security)
- Additional opportunities underpinned by Public funds (i.e. Transportation - Metro, Regional Trains, Signaling)
- Other programmes include Black Shark, JSF, M346, AW101, ATR ASW, satellite sensors for Iridium, CosmoSkyMed, Sicral2



UK: Challenges and Opportunities

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UK Budget remains constrained, however…

- Recent settlement adds funds to medium term plan (+£3B) and cuts operating costs to fund equipment
- AW159 programme on budget and on time (4 completed, 3 flying); Training and Support under negotiation
- Typhoon radar development go-ahead achieved; Libya operations providing significant visibility to Typhoon capability; UK Treasury funding for on-going operations
- Global Combat Ship programme (T26) on track offers opportunity for new business; Group export performance out of UK very strong - £700M in 2010
- Increased scope for closer UK – Italy collaborations
- Civil helicopter development funding through BIS; UK SAR opportunity for AW139
- Cyber Solutions launched

Increasing internationalisation

Because our strategy relies on recognised technological endowment and continuous innovation of product portfolio it allows us to respond to growing pressure on domestic markets by:

- ✓ Increasing our independence from domestic launch customers
  - ✓ i.e. Superjet 100 civil aircraft
  - ✓ i.e. New Helicopter and Avionics products, recently unveiled at Le Bourget airshow (AW189 and Falco EVO)
- ✓ Leveraging on new commercial references awarded worldwide
  - ✓ i.e. M346 sold to Singapore AAFF ; campaigns now running in Israel and Poland
  - ✓ i.e. AW139 worldwide
- ✓ Penetrating high potential emerging markets
  - ✓ by “trading” intellectual property in our portfolio

High-potential Markets - Overview

In 2011 – 2015 we expect an increase in orders coming from all these countries of approx. 20%

In 2011 we expect ca.€10Bn orders coming from non domestic countries

High-potential Markets – Key Opportunities

Brazil

- Naval Systems
- Border Control (Sisfron Programme and Amazona Azul)
- Security for Big Events (Olympic Games and Football World Cup)
- Oil & Gas
- Transport Signalling&Solutions

Russia

- Civil helicopter market (AW-Russian UIC Oboronprom JV for AW139)
- Selex Elsag for Postal Services
- Security TLC Systems
- Superjet100 (opportunities for derivative versions)
- Transport signalling and solutions

India

- EFA (126 combat aircraft) for Indian Air Force
- Black Shark for Indian Navy
- AW109 for Indian Coast Guard/Navy
- AW119 for parapublic market (AW-Tata JV)

High-potential Markets – Key Opportunities

Turkey

- Long Range Air Defence programme
- Coastal Border Surveillance System & Battlefield Digitisation for Army
- Eurofighter for Turkish Air Force
- Metro (i.e. Istanbul and Ankara)

China

- Helicopters for Local Police
- ATR family

Middle East

- Border control & C4I
- Helicopters for parapublic market
- Aeronautics: training (M346), tactical (C27J), fighter (EFA), surveillance (ATR MP), UAS (Falco)
- Future Soldier for UAE Land Force
- ATC and Radar System for Royal Air Force

Conclusions

Concluding remarks (1/2)

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We are a world player in the A&D markets.

- Challenges we face are profound and dynamic
- Two clear areas of focus:

1. **Urgent restructuring**
   - Aeronautics and Rolling Stock where radical actions are underway
   - We will report the impact of these changes in Q4
2. **Driving greater efficiency and performance throughout the group**
   - Improve efficiency in those businesses that are on track or slightly below expectation
   - CEOs of those businesses will be accountable for the results

Concluding remarks (2/2)

Driving greater efficiency and performance throughout the Group in businesses that are on track or below expectations focusing on accountability of CEOs

- Select and consolidate products, technologies and market portfolios where appropriate
- Identify and further prioritise key investments
- Further develop and strengthen synergies among companies
- Pursue effectiveness in executing contracts together with industrial efficiency
- Leverage on capital solidity and financial flexibility
- Continue to increase international presence in a competitive market
- Strengthen relationships with international financial community

Driving higher cash flows and profitability

Appendix

Partnership Agreement

for the sale of 45% of Ansaldo Energia

Partnership Agreement
for the sale of 45% of Ansaldo Energia

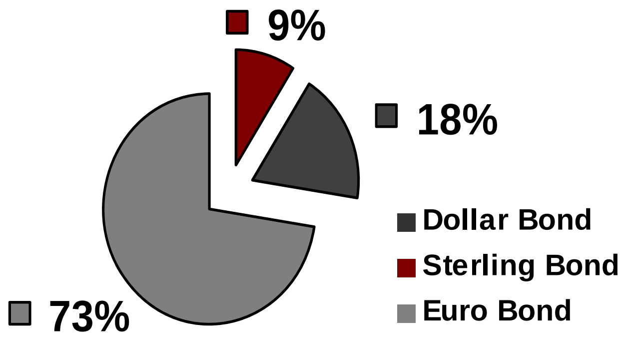
- On 13th June 2011 Finmeccanica finalised the agreement with First Reserve Corporation (FRC), an American investment firm specializing in the energy sector, for the sale of a 45% stake in Ansaldo Energia (AEN)

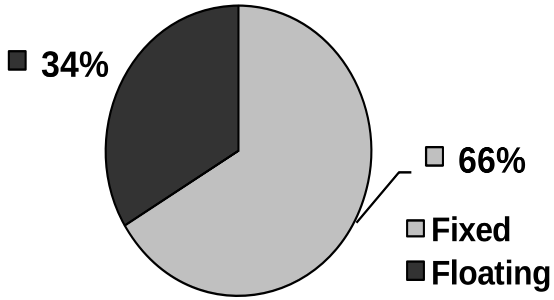
- Total value of the transaction is €1,233 mln, of which:
  - ✓ Price for 100% of Ansaldo Energia share capital : €1,072 mln
  - ✓ Licensing agreement for “ANSALDO” trademark : €95 mln
  - ✓ Ansaldo Energia 2010 dividend: €65 mln

- Finmeccanica is benefitting from:
  - ✓ Capital gain net of taxes of EUR 443 million
  - ✓ Net cash inflow of ca. € 800 mln (€1,073 mln minus reinvested capital for €275 mln)
  - ✓ Improvement of Group Net financial Position by €344mln

- From second half 2011 Ansaldo Energia is consolidated proportionally at 55%

Debt Structure





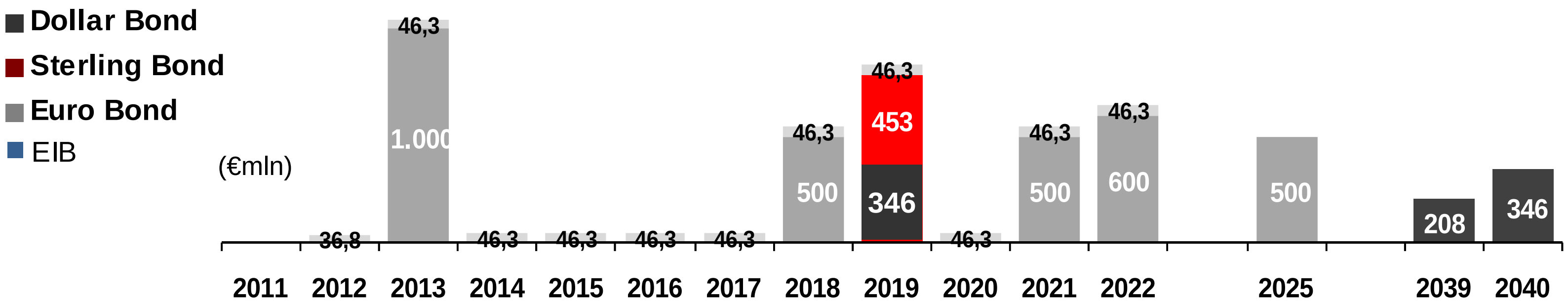
- Average Debt Life > **10 years**
- Average cost of debt approximately **5.6%**
- Currently approx. **66-34%** fixed vs. floating interest cost
- Rating: Fitch = **BBB+** Stable Outlook

  Moody's = **A3** Stable Outlook(1)

  S&P = **BBB** Negative Outlook(2)

(1) On 20 June 2011 Moody's put Finmeccanica 's rating under negative watch following the negative watch review for the Italian Government
(2) On 6 December 2010 S&P changed the Finmeccanica 's BBB rating outlook from Stable to Negative

Long Term Debt Maturity Profile



Bond

Issuer	Issue Date	Expiry Date	Notional Amount (€m)	Coupon
Finm. Finance - EMTN	2008-2009	Dec-2013	1000	8,125%
Finm. Finance - EMTN	2003	Dec-2018	500	5,75%
Meccanica Holdings USA	2009	July-2019	346	6,25%
Finm. Finance - EMTN	2009	Dec-2019	443	8,0%
Finm. Finance - EMTN	2009	Jan-2022	600	5,25%
Finmeccanica SpA - EMTN	2005	March-2025	500	4,875%
Meccanica Holdings USA	2009	July-2039	208	7,375%
Meccanica Holdings USA	2009	Jan-2040	346	6,25%
Totale			3943	

Loan

	Size	Tenor	Margin
EIB	500	12 - year amortizing(3)	79,4bps on 6M Euribor / 3,45%(2)

Available Credit Lines

Cash Credit Lines	Size	Oustanding June 2011	Tenor	Margin (bps)
Revolving Credit Facility	2400	0	Set 2015	75(1)
Confirmed Credit Lines	50	0	18 months*	120*
Unconfirmed Credit Lines	682	0	18 months*	50-100*
Total	3132	0		
Bank Bonding Lines	**Size**			
Total	2575			

*Average. Expected to be renewed at maturity.

(1) Based on actual rating

(2) Drawn in August 2010 for €200mil at floating rate and €300mil at fixed rate

(3) Of which two years grace period

(4) On 6 December 2010 S&P downgraded FNC rating from BBB with a Stable Outlook to BBB with a Negative Outlook
The amount in GBP and USD are calculated using the exchange rate of 30 June 2011

1H2011 Results – Profit & Loss

FINMECCANICA

CONSOLIDATED PROFIT AND LOSS ACCOUNT			
€mil.	**1H 2011**	**1H 2010**	***Change %***
Revenues	**8,432**	**8,654**	*-3%*
Costs for purchases and personnel	(7,671)	(7,744)	
Depreciation and amortisation	(294)	(275)	
Other net operating revenues (costs)	(27)	(49)	
EBITA Adj (*)	**440**	**586**	*-25%*
EBITA Adj (*) margin	5.2%	*6.8%*	
Non-recurring revenues (costs)	(51)	-	
Restructuring costs	(27)	(16)	
PPA amortisation	(41)	(43)	
EBIT	**321**	**527**	*-39%*
EBIT margin	*3.8%*	*6.1%*	
Net finance income (costs)	251	(187)	
Income taxes	(116)	(146)	
Net profit before discontinued operations	**456**	**194**	*135%*
Profit of discontinued operations	-	-	
Net profit	**456**	**194**	*135%*
Group	433	*170*	
Minorities	23	*24*	
EPS (EUR)			
Basic	*0.750*	*0.295*	
Diluted	*0.749*	*0.294*	
EPS of continuing operations (EUR)			
Basic	*0.750*	*0.295*	
Diluted	*0.749*	*0.294*	

(*) Operating result before:
-any impairment in goodwill;
-amortisations of intangibles acquired under business combination;
-reorganization 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.

Balance Sheet

BALANCE SHEET		
€mil.	**30.06.2011**	**31.12.2010**
Non-current assets	13,141	13,641
Non-current liabilities	(2,459)	(2,583)
	10,682	**11,058**
Inventories	4,465	4,426
Trade receivables	9,304	9,242
Trade payables	(12,078)	(12,996)
Working capital	**1,691**	**672**
Provisions for short-term risks and charges	(647)	(762)
Other current net assets (liabilities)	(429)	(738)
Net working capital	**615**	**(828)**
Net invested capital	11,297	10,230
Capital and reserves attributable to equity holders of the Company	6,830	6,814
Minority interests	279	284
Shareholders' equity	**7,109**	**7,098**
Net debt (cash)	**4,189**	**3,133**
Net liabilities (assets) held for sale	(1)	(1)

Cash Flow

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CASH FLOW		
€mil.	1H 2011	1H 2010
Cash and cash equivalents at 1 January	**1,854**	**2,630**
Gross cash flow from operating activities	802	1,008
Changes in other operating assets and liabilities(*)	(619)	(493)
Funds From Operations (FFO)	**183**	**515**
Changes in working capital	(996)	(1,059)
Cash flow generated from (used in) operating activities	**(813)**	**(544)**
Cash flow from ordinary investing activities	(371)	(423)
Free operating cash flow (FOCF)	**(1,184)**	**(967)**
Strategic operations	473	(93)
Change in other investing activities (**)	21	3
Cash flow generated (used) by investment activities	**123**	**(513)**
Dividends paid	(258)	(257)
Cash flow from financing activities	(127)	(438)
Cash flow generated (used) by financing activities	**(385)**	**(695)**
Exchange gains/losses	(45)	41
Cash and cash equivalents at 30 June	**734**	**919**

(*) Includes the amounts of "Changes in other operating assets and liabilities and provisions for risks and charges", "Finance costs paid" and "Income taxes paid".

(**) Includes "Other investing activities", dividends received from subsidiaries and loss coverage for subsidiaries.

Divisions

FINMECCANICA

1H 2011 (Euro million)	Helicopters	Defence Electronics	Aeronautics	Space	Defence Systems	Energy	Transport	Other Activities and Corporate	Eliminations	Total
Revenues	1,831	2,923	1,297	480	558	562	953	131	(303)	8,432
EBITA Adj (*)	**188**	**181**	**41**	**10**	**49**	**42**	**9**	**(80)**		**440**
EBITA Adj (*) margin	*10.3%*	*6.2%*	*3.2%*	*2.1%*	*8.8%*	*7.5%*	*0.9%*	*n.a.*		*5.2%*
Depreciation and amortisation	72	116	64	16	16	13	11	27		335
Investment in non-current assets	90	90	112	14	15	13	9	6		349
Research and development costs	203	332	156	31	124	12	24	0		882
New orders	1,247	2,538	1,588	371	318	798	844	230	(368)	7,566
Order backlog	11,328	10,504	8,789	2,505	3,532	1,935	7,168	289	(1,069)	44,981
Headcount	13,419	28,279	12,263	4,095	4,087	1,860	7,045	885		71,933

1H 2010 (Euro million)	Helicopters	Defence Electronics	Aeronautics	Space	Defence Systems	Energy	Transport	Other Activities and Corporate	Eliminations	Total
Revenues	1,743	3,255	1,262	412	537	677	926	114	(272)	8,654
EBITA Adj (*)	**181**	**289**	**54**	**5**	**37**	**67**	**35**	**(82)**		**586**
EBITA Adj (*) margin	*10.4%*	*8.9%*	*4.3%*	*1.2%*	*6.9%*	*9.9%*	*3.8%*	*n.a.*		*6.8%*
Depreciation and amortisation	63	114	71	14	24	12	12	8		318
Investment in non-current assets	66	108	148	22	17	17	21	6		405
Research and development costs	174	341	161	26	125	16	36	1		880
New orders	2,491	3,045	806	497	414	374	733	38	(348)	8,050
Order backlog 31,12,2010	12,162	11,747	8,638	2,568	3,797	3,305	7,303	113	(965)	**48,668**
Headcount 31,12,2010	13,573	29,840	12,604	3,651	4,112	3,418	7,093	906		**75,197**

*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.

2011 Financial Calendar

Date	Event
2 March 2011	2010 Full Year Results
29 April and 4 May 2011	Ordinary shareholders’ meeting (first and second call)
29 April – 3 and 4 May 2011	Extraordinary shareholders’ meeting (first, second and third call)
28 April 2011	First Quarter 2011 Results
27 July 2011	First Half 2011 Results
3 November 2011	Third Quarter 2011 Results

IR Contacts

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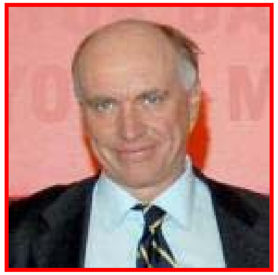

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