



1Q 2015 Results Presentation

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FINMECCANICA

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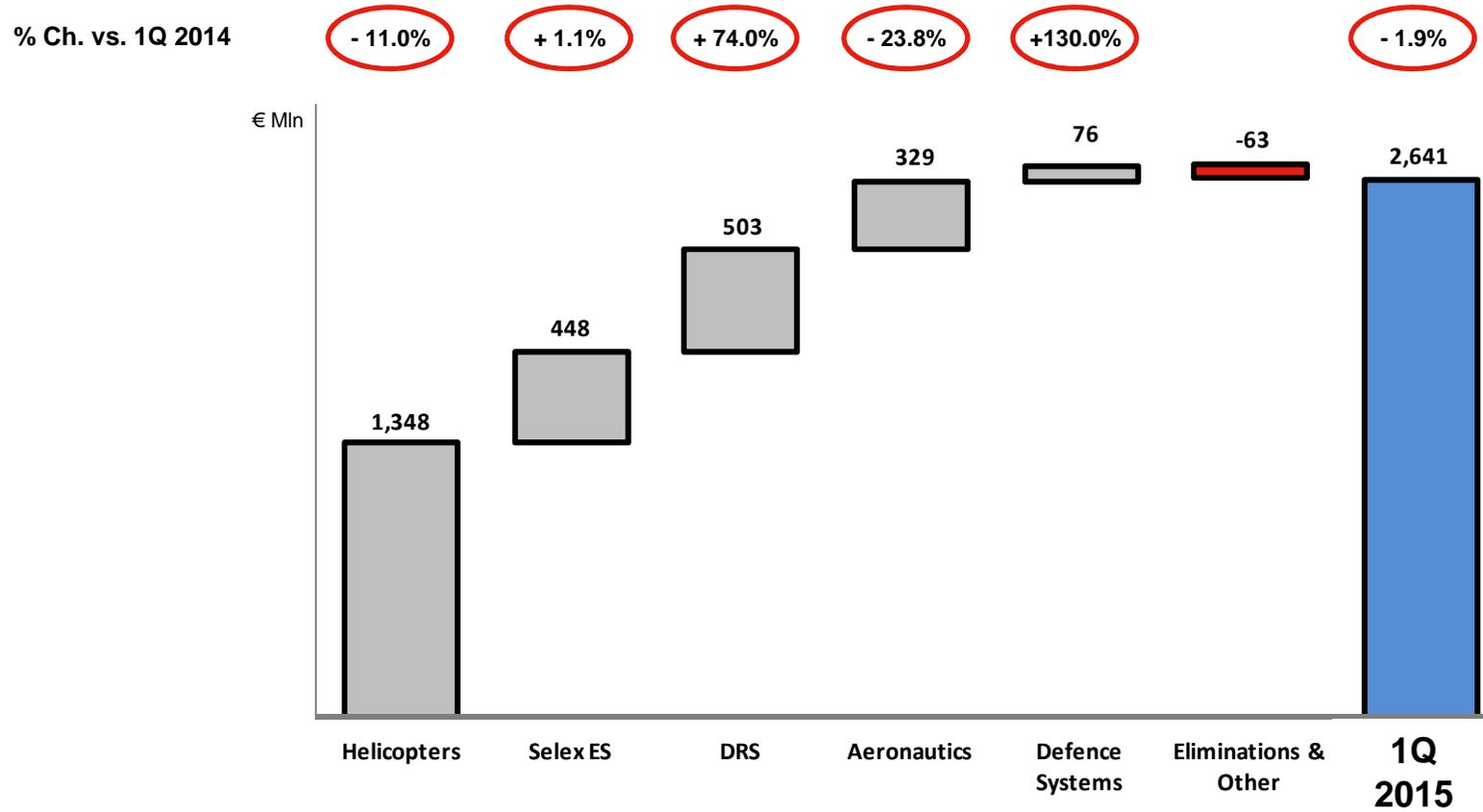
Key Messages

- Good start to the year
- Transportation sector now included in the “Discontinued Operations”
- All our key metrics are heading in the right direction:
 - New orders in line with last year
 - Revenues increased and above expectations
 - +11% in EBITA with 5.9% RoS
 - Positive Net Result
 - FOCF improved by more than 200 million compared to last year (same perimeter)
- FY2015 guidance confirmed
- On track with the execution of the Industrial Plan and the divisionalization process



Focus on Group Orders

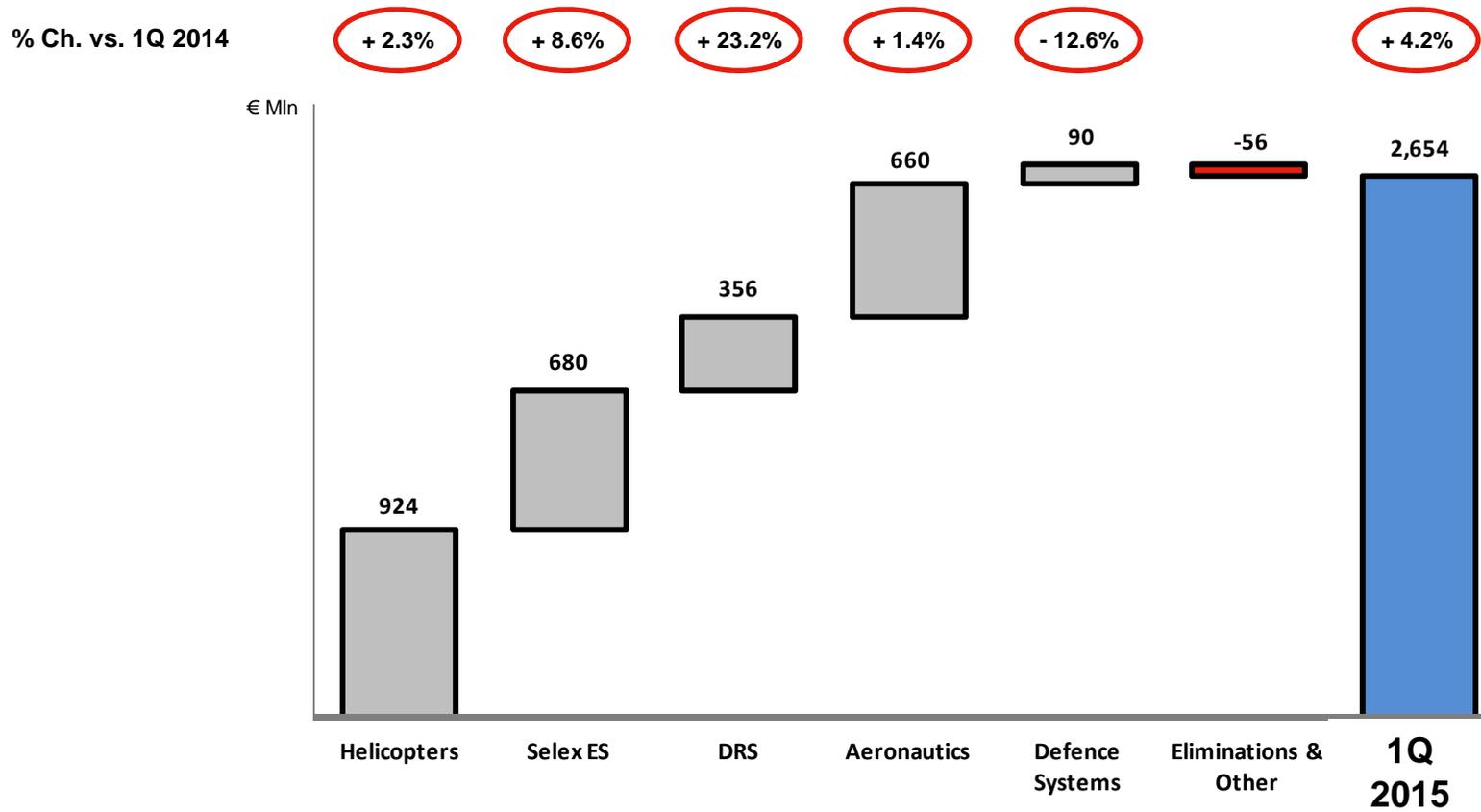
Commercial Performance in line with strong 1Q 2014, with Book to Bill =1





Focus on Group Revenues

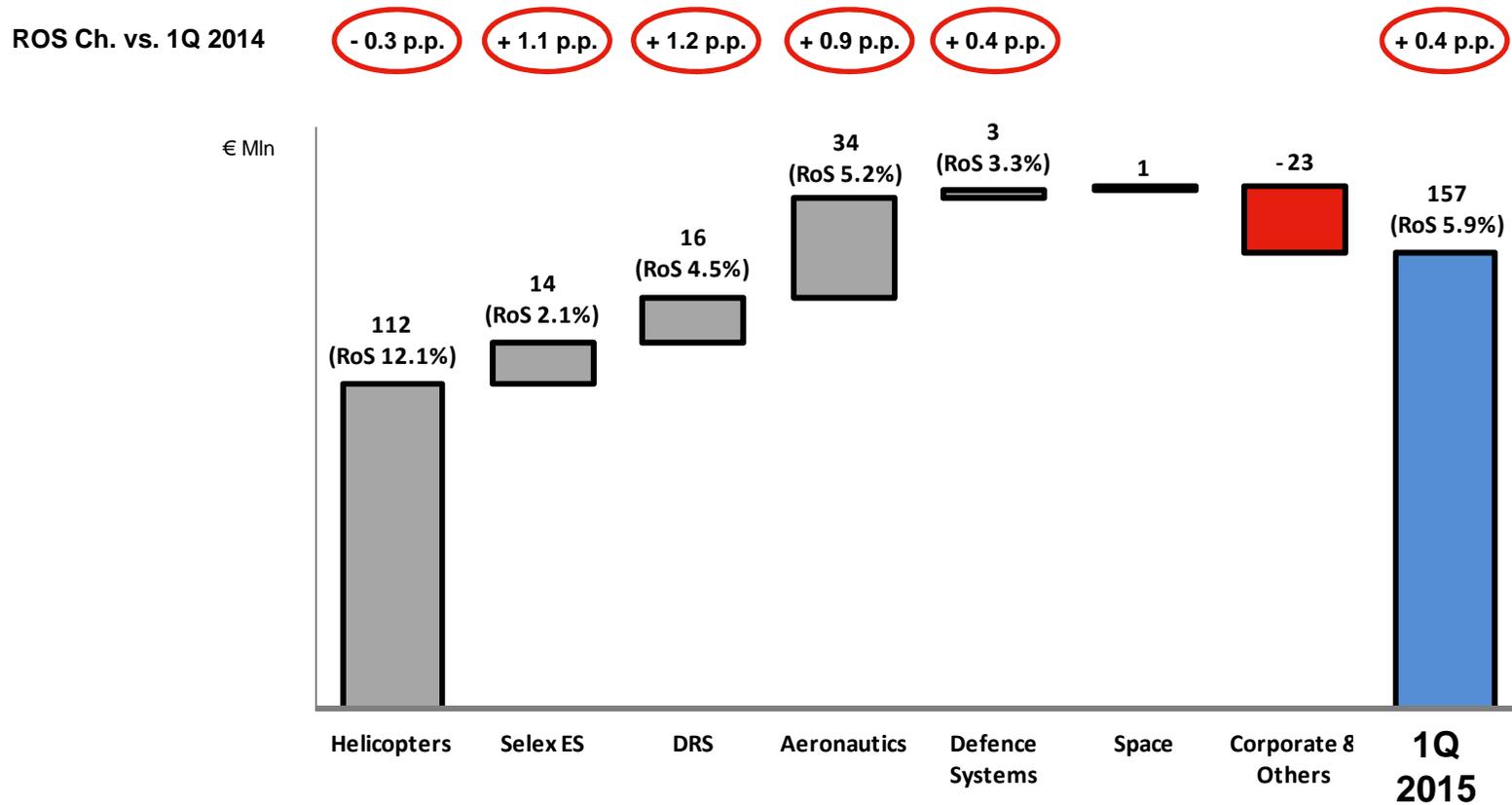
Good performance above expectations





Focus on Group Profitability

Material step up in EBITA and ROS

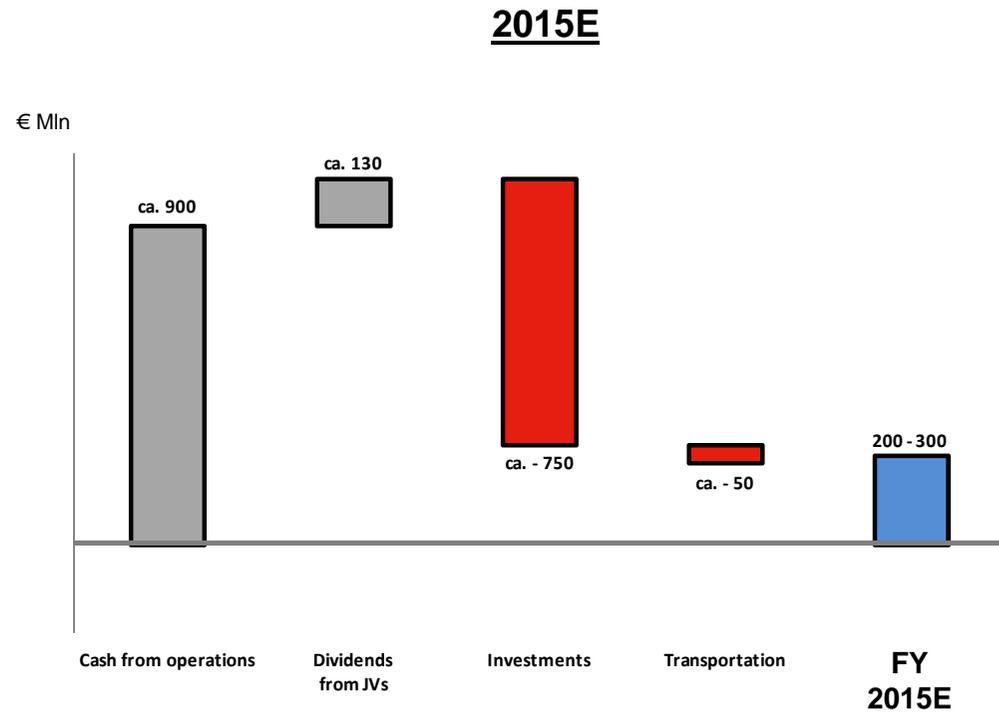




Focus on Group FOCF 1Q 2015 and FY expectations

COMMENTS ON 1Q 2015

- ☼ Usual seasonality affecting 1Q 2015
- ☼ YoY improvement in 1Q 2015 supported by better working capital management
- ☼ Positive impact on Group Net Debt
- ☼ Good start but 4Q remains the key period





FY2015 Assumptions and Guidance

ASSUMPTIONS

☼ **Orders and Revenues:** moderate growth, taking into account the changes in perimeter

☼ **Profitability:** meaningful step up of 10%

☼ **Below EBITA:** much lower volatility, with material improvement in the bottom line

☼ **Restructuring costs:** further decrease

☼ **FOCF:** improving cash from operations, lower impact of Transportation, normalized JV contribution and slightly higher net investments

☼ **Group Net Debt:** ca. €3.4bn*, after transportation disposal

		FY2014A		FY2015E
		Reported	Pro forma	
New orders	€ bn	15.6	12.6	12.0 – 12.5
Revenues	€ bn	14.7	12.7	12.0 – 12.5
EBITA	€ mln	1,080	980	1,080 – 1,130
FOCF	€ mln	(137)	65	200 - 300
Group Net Debt	€ bn	4.0		ca. 3.4*

(*) Assuming €/€ exchange rate at 1.27 and €/£ at 0.8

2015 Priorities

- ✦ Our priority remains the delivery of the Industrial turnaround plan through:
 - ✦ Focus on efficiencies in the key industrial processes (engineering, supply chain, manufacturing)
 - ✦ Improving profitability and cash flow generation
 - ✦ Reducing Group Net Debt

- ✦ By 2015 we will also complete the transition to “One Single Operating Company”

- ✦ We have some way to go but we are encouraged by the start we have made

SECTOR RESULTS





HELICOPTERS

	1Q			FY
	2015	2014	% Change	2014
€ Mln				
Orders	1,348	1,514	(11.0%)	4,556
Revenues	924	903	2.3%	4,376
EBITA	112	112	n.m.	543
ROS %	12.1%	12.4%	(0.3) p.p.	12.4%

- Revenue and EBITA broadly in line with 1Q2014, solid profitability confirmed around 12%.
- Orders down as 1Q2014 benefitted from huge contracts from UK MoD
- Continue to expect solid performance, with revenues in line and profitability steadily at double digit. Growing commercial success of AW169, AW189 and customer support



EU DEFENCE ELECTRONICS AND SECURITY-Selex ES

	1Q			FY
	2015	2014	% Change	2014
€ Mln				
Orders	448	443	1.1%	3,612
Revenues	680	626	8.6%	3,577
EBITA	14	6	n.m.	185
ROS %	2.1%	1.0%	1.1 p.p.	5.2%

-  1Q2015 confirming good momentum in line with expectations
-  Increasing EBITA driven by volumes, recovery in some businesses' profitability as well as benefits coming from restructuring plan
-  Profitability expected to further improve in 2015
-  Additional benefits coming from the initiatives launched in engineering and production included in the new industrial plan



US DEFENCE ELECTRONICS AND SECURITY – DRS

	\$ Mln	1Q		% Change	FY
		2015	2014		2014
Orders		567	395	43.5%	1,945
Revenues		401	395	1.5%	1,877
EBITA		18	13	38.5%	31
ROS %		4.5%	3.3%	1.2 p.p.	1.7%

- ☛ Good Order intake benefitting from LRSS (Light Armored Vehicle - Reconnaissance Surveillance System) for Canadian army and Revenue in line with 1Q2014 as expected.
- ☛ DRS expected to recover profitability in 2015 based on execution of efficiency programmes and streamlining efforts under way. 1Q2014 on track.
- ☛ Orders and revenues expected to remain at the same levels as 2014 (excluding the effect of the disposals of two specific LoBs, which account for ca. €200mln Revenues p.y.), envisaging the conclusion of the gradual decline that affected DRS in recent years



AERONAUTICS

	1Q			FY
	2015	2014	% Change	2014
€ Mln				
Orders	329	432	(23.8%)	3,113
Revenues	660	651	1.4%	3,144
EBITA	34	28	21.4%	237
ROS %	5.2%	4.3%	0.9 p.p.	7.5%

- ✦ Orders down as 1Q2014 benefitted from the contract for 8 M346 Poland
- ✦ Revenue in line, delivered 29 fuselages on B787 (24 in 1Q2014) and 4 aircraft M346 (2 for Israel and 2 for Italian Air Force)
- ✦ 2015 profitability expected in line with 2014, driven by additional efficiency-improvement and cost reduction actions, that will offset the lower contribution of high-margin programmes
- ✦ 2015 Revenues impacted by pass through activities to be given back to Boeing under agreements for the B787 programme (ca. €300mln of revenues in 2014)



SPACE

	1Q			FY
	2015	2014	% Change	2014
EBITA	1	7	(85.7%)	52

€ Mln

- ❖ Q1 affected by a worse mix in manufacturing activities
- ❖ Revenues expected to grow, mainly thanks to manufacturing and launch operations services
- ❖ Business performance expected to improve, despite a decline in industrial profitability (unfavorable mix and growing pressure on prices)

DEFENCE SYSTEMS

	1Q			FY
	2015	2014	% Change	2014
Orders	76	33	n.m.	209
Revenues	90	103	(12.6%)	495
EBITA	3	3	n.m.	89
ROS %	3.3%	2.9%	0.4 p.p.	18.0%

€ Mln

- ❖ Q1 in line both with expectations and 2014
- ❖ Partial recovery expected in FY2015; performance moderately better than 2014, thanks to major deliveries of missile systems and rising production volumes for new orders in land, naval and underwater systems

APPENDIX





GROUP PERFORMANCE

	1Q			FY
	2015	2014 (*)	% Change	2014 (*)
	€ Mr			
New Orders	2,641	2,692	(1.9%)	12,667
Backlog	30,169	29,213	3.3%	29,383
Revenues	2,654	2,548	4.2%	12,764
EBITA	157	141	11.3%	980
	ROS %			
EBIT	5.9%	5.5%	0.4 p.p.	7.7%
Net result before extraordinary transactions	4	(15)	n.m.	15
Net result after minorities	1	(21)	n.m.	(31)
EPS (€ cents)	0.002	(0.036)	n.m.	(0.054)
FOCF	(880)	(1,082)	18.7%	65
Group Net Debt including discontinued operations	4,871	5,061	(3.8%)	3,962
Group Net Debt excluding discontinued operations	5,108	5,276	(3.2%)	4,255
Headcount	54,023	56,003	(3.5%)	54,380

(*) Figures (except for headcount) restated as a result of the reclassification of the operations in the Transportation sector to discontinued operations.

Free Operating Cash-Flow (FOCF): this is the sum of the cash flows generated by (used in) operating activities (which includes interests and income taxes paid) and the cash flows generated by (used in) ordinary investment activity (property, plant and equipment and intangible assets) and dividends received.



Focus on Group Orders

Recent achievements

✦ Helicopters

- ✦ European and US certification for AW189 achieved, deliveries already started
- ✦ AW169 certification expected in 2015
- ✦ Good progresses in AW609, for which in March 2015 AgustaWestland and Bristow signed a platform development agreement.
- ✦ Confirmed focus on Product Support (€ 790 mln contract with the UK MoD for AW101 Merlin support recently signed)
- ✦ Development of innovative turn-key solutions (agreement with Bristow Group, Doss Aviation and Rockwell Collins for a new Total Lifecycle Fleet Management and Training Solution for U.S. Government and Military Customers)

✦ Defence Electronics & Security

- ✦ Key contract for the upgrading of the Eurofighter radar
- ✦ First results from the deep review of the Engineering processes and organization
- ✦ Two IDIQ (Indefinite Delivery, Indefinite Quantity) agreements signed by DRS with the U.S. Navy for a potential ceiling value of about USD 440 million

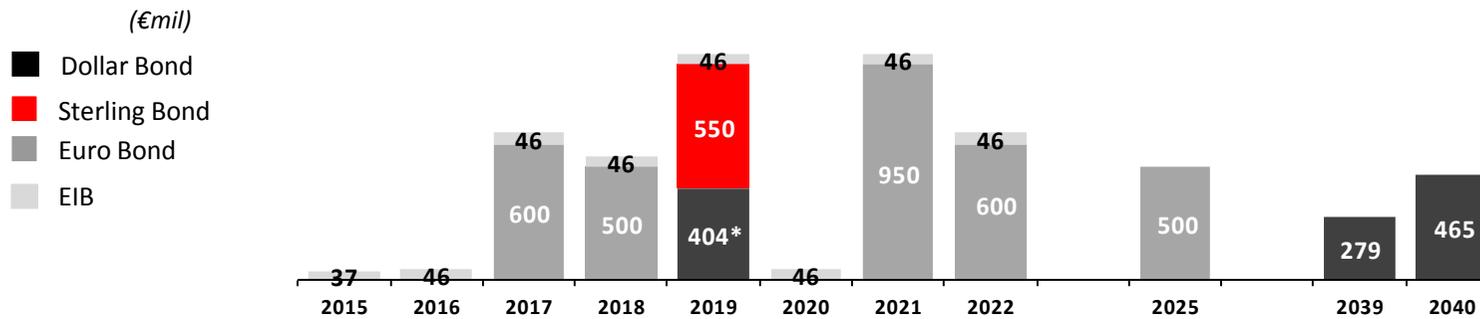
✦ Aeronautics

- ✦ First deliveries of M346 to Israeli Air Force
- ✦ Terminated the assembly of the first Italian F-35A Lightning II for the Italian Air Force



FINANCIAL POSITION (as of end of March 2015)

- ☼ No refinancing needs before end 2017
- ☼ Strong liquidity position
- ☼ Bonds have neither financial covenants nor rating pricing grids
- ☼ Average life ≈ 8 years



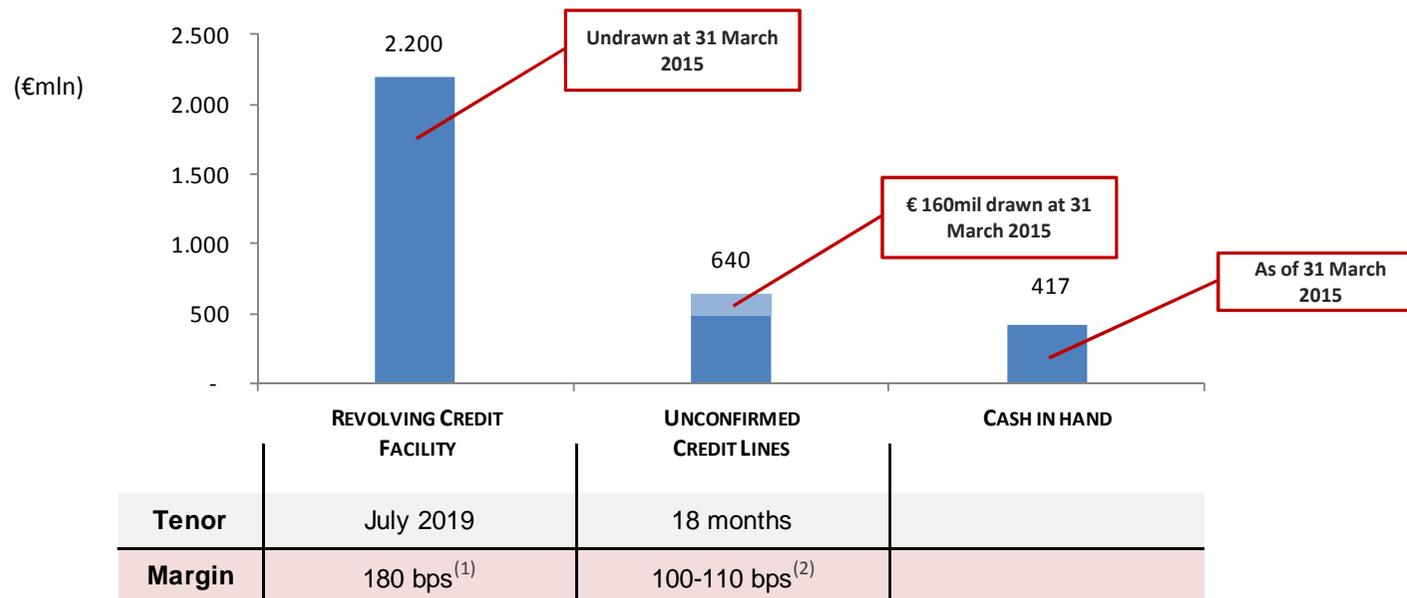
* Finmeccanica early repaid \$66mil

LIQUIDITY POSITION (as of end of March 2015)

Availability of adequate committed liquidity lines

In order to cope with possible volatilities in financial needs, Finmeccanica can leverage:

- 31 March cash balance of approx. €0.4 Billion
- Credit lines worth €2.8 Billion (confirmed and unconfirmed)
 - The €2.2 Billion Revolving Credit Facility (undrawn at 31 March 2015) was signed on 9 July 2014 with a pool of leading Italian and foreign banks and will expire on July 2019
- Bank Bonding lines of roughly €2.8 Billion to support the execution of bidding and orders' activities



(1) Based on rating as of 31/03/2015

(2) Average. Expected to be renewed at maturity



Focus on accounting of disposals

DRS LoBs:

- ✦ The expected disposal of the 2 Lines of Businesses with annual revenues of approx. €200m is likely to be announced in 2H 2015.
- ✦ Therefore, until closing revenues will include their contribution

Transportation sector:

- ✦ The Transportation sector has been reclassified within the Discontinued Operations following the agreement with Hitachi.
- ✦ As such, its contribution is no longer included in the Group key metrics presented
- ✦ Completion of the transaction is expected to be in 2H 2015
- ✦ Group numbers are impacted as follows:
 - ✦ Orders, Revenues, EBITA, FOCF, etc. reclassified within the “Discontinued Operations”
 - ✦ Group Net Debt still includes the contribution of the Discontinued Operations
 - ✦ Net income still includes minorities (mainly ASTS Net Income)



Delivering on Industrial Plan: Medium Term Objectives

- ☼ EBITA +20% and RoS +150b.p. from 2014 to 2016
- ☼ SG&A reduction > 10% from 2013 to 2015
- ☼ CAPEX and capitalized R&D rationalization > 20% from 2013 to 2017, rebalancing depreciation /investments ratio, significantly improving self-financing capacity
- ☼ Operating working capital reduction, net of reducing customers advances, > 15% by 2017
- ☼ FOCF expected to increase over time and Net Debt expected to reduce below €3bn by end 2017, thus improving Debt/EBITDA and Debt/Equity



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.

The Company undertakes no obligation to revise or update forward-looking statements as a result of new information since these statements may no longer be accurate or timely.

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Sustainability



We do business in a sustainable manner, with a continued commitment to economic and social development and the protection of public health and the environment.