

Rome, 26 May 2004

FINMECCANICA: shareholders' meeting approves 2003 results

The shareholders' meeting of Finmeccanica SpA was held today in Rome. In ordinary session, the meeting approved the company's results for 2003 and reviewed the consolidated statements.

Consolidated results were positive and up on those of 2003. The shareholders' meeting welcomed Finmeccanica's strategy of consolidating the aerospace and defence businesses, the group's satisfactory profitability and its sound capital and financial management. This led to a significant rise in investment, including research and development spending (EUR 1,251 million, or 14% of value of production). The results confirm Finmeccanica's position as Italy's leading high-tech company in 2003.

Key figures

Net profit from Finmeccanica's activities was EUR 158 million, up 27% from EUR 124 million in 2002. Total net profit was EUR 199 million, broadly in line with the figure of EUR 203 million in the previous year, despite the lower contribution made by STMicroelectronics, which fell from EUR 79 million to EUR 41 million. Value of production stood at EUR 8,646 million, compared to EUR 7,758 million in 2002 (+11%). EBITDA rose 13% to EUR 790 million. EBITA was up 9% to EUR 549 million, while EBIT increased 6% to EUR 467 million. New orders were up 5% at EUR 9,136 million, and the order backlog was worth EUR 22,276 million, up EUR 568 million (3%) on 2002. Net debt stood at EUR 256 million at end-2003, in line with the figure for 2002.

The shareholders' meeting approved the following allocation of profit:

- EUR 9,421,271.14, or 5% of profit, to the legal reserve;
- EUR 179,004,151.72 as retained earnings.

The meeting also approved the payment of EUR 89,028,244.86 in dividends using retained earnings. The dividend will be EUR 0.01 for each share with full dividend rights, payable on 24 June 2004 (ex-date: 21 June).

The extraordinary shareholders' meeting also approved amendments to the company's articles of association, following the introduction of a series of legal provisions pursuant to the corporate law reforms contained in legislative decree 6/2003, and the new regulation regarding the "special powers" currently held by the economy and finance minister in agreement with the industry minister, as set out in law 350/2003 (Italy's 2004 budget law).