

Rome, 20 April 2007

## **New proposals by the Board of Directors to the General Meeting of Shareholders**

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Finmeccanica's Board of Directors, with the objective of assuring resources for growth and at the same time guaranteeing the Group financial and capital structure strength, today resolved to propose a capital increase to the next General Meeting for its approval (this meeting is expected to be convened for 29 and 30 May, in its first and second callings respectively) with a mandate to the Board of Directors for its execution. The capital increase may be carried out in different tranches, reserved to institutional investors, with the exclusion of pre-emptive rights, within the limits of 10% of company capital and therefore in the maximum nominal sum of euro 185,638,002, by issuing a maximum n. 42,190,455 shares at the nominal value of euro 4.40 each, to be carried out in whole or in part in underwriting and/or in whole or in part to service convertible bond loans or loans with a warrant.

The proposal foresees that the Board of Directors can execute the resolution, in accordance with the procedures and criteria provided therein within 30 June 2009, in the event that, along with the use of traditional funding sources, it become necessary to utilise a share capital increase, in order to adapt the capital structure necessary to pursue its growth strategy to the Group's financial and capital solidity.

Should the increase in capital be undertaken, the issue price is to be aligned to the market value of the shares at the time of the offer and should in any event exceed a figure equivalent to 90% of the weighted average of the official price of the Finmeccanica shares during the 30 stock exchange days preceding the offer.

Should the increase in capital be placed at the service of a convertible bond or bond with warrant, the issue price of the compendium shares is to exceed the value of the weighted average of the official price of the Finmeccanica shares during the 30 stock exchange days preceding the offer by at least 15%.

Should the increase in capital be executed in full, the shareholder Ministry of Finance and Economy, will retain a shareholding in excess of 30% of Finmeccanica's company capital, as provided by the D.P.C.M. – Prime Ministerial Decree – of 28 September 1999.

The Board of Directors has also taken a resolution to submit renewal of the share incentive Plan for the 2008-2010 three year period as well to the same General Meeting, this plan being reserved for the Company's "key resources" and based on the free assignment of its own shares, dependent on performance objectives being reached.

The Plan proposed for the new three year period is a continuance of the already existing incentive Plan, approved by the General Meeting of 1 June 2005 for the 2005-2007 three year period, which turned out to be a useful instrument for providing incentives to the Company's "key resources" and gaining their loyalty.

The Board of Directors therefore resolved to submit to the General Meeting the proposal to authorise the purchase and disposal of its own shares to service the Plan, for a period of eighteen months from the date of the general meeting resolution, up to a maximum number of 7,500,000 ordinary Finmeccanica shares.

This purchase could be carried out, by degrees as is deemed appropriate, at a maximum and minimum average price equivalent to the reference price taken on the M.T.A. in the day preceding the day of purchase (plus or minus 5% for the maximum and minimum prices respectively), by purchasing on the market or by purchasing and selling derivative instruments traded on regulated markets.

At present the Company holds 600,601 own shares, equivalent to 0.1413% of company capital.