

Rome, 14.05.2007

Board of directors approve 1Q results. Revenues show organic growth of 6%
EBIT and net profit up vs. 1Q06 excluding extraordinary operations

- Finmeccanica improved its results once again in the first quarter of 2007, thanks to organic growth. The figures confirm the stability and quality of the group's growth.
- Revenues came in at EUR 2,740 million in 1Q07, versus EUR 2,583 million in the same period of 2006. This was an increase of EUR 157 million, or 6%.
- Net profit stood at EUR 18 million, EUR 8 million up (+80%) on the same period of 2006 stripping out the effects of two one-off items recorded last year: the capital gain from the sale of Ansaldo STS and the disposal of real estate belonging to Selex Communications.
- Net debt was higher than in 1Q06, owing to the typically seasonal nature of the group's activities.
- Investment in research and development stood at EUR 402 million, up 6% on the EUR 379 million recorded in the same period of last year.
- EVA declined from a negative EUR 52 million to a negative EUR 90 million, chiefly due to the recent increase in the group's cost of capital, which rose by more than one percentage point, from 7.6% to 8.9%.

Key 1Q07 figures

(EUR million)

	1Q07	1Q06	Chg	Chg %
Revenues	2,740	2,583	157	6%
EBIT	101	100	1	1%
EBIT margin	3.7%	3.9%	-0.2	n.s
Net profit	18	383	-365	-95%
New orders	2,430	4,199	-1,769	-42%
ROI	14.9%	14.4%	0.5	
EVA	-90	-52		-73%
R&D	402	379	23	6%
Order Backlog	35,362	35,810*	-448	-1%
Net debt	1,970	858*	1,112	
Headcount	58,685	58,059*	626	1%

*at 31.12.2006

CONSOLIDATED PROFIT AND LOSS ACCOUNT				
€mil.	Q1 2007	Q1 2006	Change %	2006
Revenues	2,740	2,583	6%	12,472
Cost of goods, services and labour	(2,544)	(2,569)		(11,121)
Depreciation and amortization	(105)	(85)		(482)
Provisions for risks and charges	(4)	(3)		(23)
Restructuring costs	(3)	(6)		(10)
Change in work in progress, semi-finished goods and finished products	14	165	-92%	(24)
Other operating revenues (costs)	3	15		66
EBIT	101	100	1%	878
<i>EBIT Margin</i>	3.7%	3.9%		7.0%
Financial income (expenses)	(20)	338		394
Income taxes	(63)	(55)		(243)
Profit before discontinued operations	18	383	<i>n.s.</i>	1,029
Profit of <i>discontinued operations</i>	-	-		(9)
Net profit	18	383	<i>n.s.</i>	1,020
<i>of which Group</i>	12	379		988
<i>of which Minority interests</i>	6	4		32
EPS (EUR)				
<i>Basic</i>	0.028	0.896		2.333
<i>Diluted</i>	0.028	0.891		2.323
EPS of continuing operations (EUR)				
<i>Basic</i>	0.028	0.896		2.353
<i>Diluted</i>	0.028	0.891		2.344

BREAKDOWN OF KEY FIGURES

Revenues came in at EUR 2,740 million in 1Q07, versus EUR 2,583 million in the same period of 2006. This was an increase of EUR 157 million, or 6%. The rise was wholly attributable to organic growth, and was due essentially to: 1) internal growth of 25% in Helicopters, thanks to higher production volumes in the commercial business and to the full start-up of work on the US presidential helicopter, 2) growth of 19% in the Space business due to increased production in the manufacturing segment, 3) Defence (+11%), as regards production of the Storm Shadow and SCALP EG missile systems and customer support activities, and 4) an 8% rise in Energy, thanks to work on the Algeciras and Amman East contracts.

EBIT totalled EUR 101 million, an essentially flat performance versus the EUR 100 million recorded in the same period of last year, which however benefited from a EUR 18 million capital gain following the sale of real estate

by Selex Communications. Helicopters, Aeronautics and Energy all made a positive contribution, offsetting the downturn seen in the other businesses. The **EBIT margin** stood at 3.7%.

Net profit was EUR 18 million, compared with EUR 383 million in 1Q06. However, the prior period benefited from two non-recurring items: a capital gain of about EUR 355 million from the sale of 52.17% of Ansaldo STS and another of EUR 18 million from the disposal of real estate by Selex Communications. Stripping out these two items, net profit for 1Q06 would have stood at EUR 10 million; therefore, on a like-for-like basis, net profit grew by EUR 8 million versus last year (+80%).

BALANCE SHEET			
€mil.	31.03.2007	31.12.2006	31.03.2006
Non-current assets	10,109	9,897	7,785
Non-current liabilities	(3,248)	(3,275)	(2,044)
	6,861	6,622	5,741
Inventories	3,237	3,095	5,765
Construction contracts	3,233	2,823	2,732
Receivables	3,757	3,856	3,528
Trade payables	(3,196)	(3,561)	(3,073)
Customer advances	(5,546)	(5,529)	(4,425)
Provisions for risks and charges S/T	(551)	(571)	(541)
Other net current assets (liabilities)	(468)	(547)	(3,283)
Net working capital	466	(434)	703
Net invested capital	7,327	6,188	6,444
Group's equity	5,304	5,276	4,868
Minorities interests	85	81	137
Shareholders' equity	5,389	5,357	5,005
Net debt	1,970	858	1,481
Net (assets) liabilities held for sale	(32)	(27)	(42)

DEBT			
	31.03.2007	31.12.2006	31.03.2006
Short-term financial debt	202	159	129
Medium to long term financial debt	1,851	1,865	1,875
Cash on hand or equivalent	(472)	(2,003)	(686)
NET BANK DEBT	1,581	21	1,318
Government bonds and securities	(19)	(21)	(21)
Loans to subsidiary and affiliated companies	(36)	(26)	(21)
Loans to third parties	(386)	(452)	(294)
FINANCIAL LOANS and securities	(441)	(499)	(336)
Loans from subsidiary and affiliated companies	406	500	291
Other short-term financial debt	308	722	101
Other medium to long term financial debt	116	114	107
OTHER FINANCIAL DEBT	830	1,336	499

NET DEBT	1,970	858	1,481
Net debt of <i>discontinued operations</i>	8	6	12

CASH FLOW			
	€mil.	Q1 2007	Q1 2006
CASH AND EQUIVALENTS AT 1 JANUARY		2,003	1,061
CASH FLOW FROM OPERATING ACTIVITIES		255	225
Changes in working capital		(839)	(706)
Changes in other operating assets and liabilities		(203)	(114)
CASH FLOW GENERATED BY (UTILISED IN) OPERATING ACTIVITIES		(787)	(595)
Net CAPEX		(320)	(81)
Other financial investments			-
Free operating cash-flow		(1,107)	(676)
Investments for acquisitions		(6)	302
<i>Payments to Bae Systems for call option</i>		(400)	-
Changes in other financial assets		44	124
CASH FLOW GENERATED BY (UTILISED IN) INVESTMENT ACTIVITIES		(682)	345
Capital increases		5	15
CASH FLOW FROM FINANCING ACTIVITIES		(63)	(138)
CASH FLOW GENERATED BY (UTILISED IN) FINANCING ACTIVITIES		(58)	(123)
Exchange differences on cash and equivalents		(4)	(2)
CASH AND EQUIVALENTS AT 31 MARCH		472	686

Net debt stood at EUR 1,970 million, up EUR 1,112 million on the EUR 858 million recorded at 31 December 2006. This level of debt – equivalent to 39% of consolidated shareholders' equity – remains however below the maximum limit set by the ratings agencies, and below the targets set by the group itself as part of its conservative financial policy. **Free Operating Cash Flow** (FOCF) was negative to the tune of EUR 1,107 million (cash burn) at 31 March 2007, compared with a negative figure of EUR 676 million in the prior-year period. This is a seasonal trend, however, as in this period outgoings tend to be higher than receipts. The EUR 431 million deterioration was partly due to a rise in production volumes and partly due to higher investment (+EUR 140 million), mainly in aeronautics programmes.

New orders came in at EUR 2,430 million, versus EUR 4,199 million in the prior-year period. However, last year benefited from non-recurring new orders worth EUR 1,190 million in the Helicopters business, relating to the IMOS and MSCP contracts. The main orders acquired in the first quarter of 2007 were: 1) Helicopters: orders worth EUR 266 million in the civil/government segment, and EUR 218 million in the commercial segment; 2) Defence Electronics: further orders for avionics equipment and communications systems for the Eurofighter, and for countermeasures and air traffic control systems; and 3) Aeronautics: the Future Enhancements order for the Eurofighter as regards further developments of its weapons system and, in the civil business, the order for 24 aircraft received by the GIE-ATR consortium.

The **order backlog** stood at EUR 35,362 million, compared with EUR 35,810 million at 31 December 2006, a decline of EUR 448 million (-1%) due to normal order acquisition and billing activities. This is equivalent to around three years of production.

Investment in **research and development** totalled EUR 402 million, vs. EUR 379 million in the same period of 2006, an increase of EUR 23 million (+6%). This was equivalent to around 15% of revenues. The main programmes related to: 1) Helicopters: development of mainly military technology for the new A149 helicopters, and work on the BA 609 tiltrotor; 2) Defence Electronics: work on the Eurofighter programme, development of

the Falco UAV prototypes and completion of the TETRA network; and 3) Aeronautics: development of civil (B787) and military (C27J, EFA, M-346) programmes.

The **headcount** stood at 58,685 people, versus 58,059 at 31 December 2006. The increase of 626 was due to net hiring in the Aeronautics, Helicopters and Transport businesses.

FIRST-QUARTER HIGHLIGHTS AND SIGNIFICANT EVENTS SINCE MARCH 2007

On **5 February 2007** AnsaldoBreda, the Pistoia provincial authority, the University of Florence and the Fedi Institute signed two agreements for the creation of a dynamic simulation laboratory for applied research and innovation in the field of rail transport.

On **7 February 2007** AgustaWestland and Boeing signed a memorandum of understanding for the joint production of the next generation of Chinook logistical transport helicopters for the Italian army, and for other future vertical take-off aircraft programmes.

On **9 February 2007** Russian railways, the Italian rail operator Ferrovie dello Stato and Finmeccanica signed a memorandum of understanding relating to joint international projects, notably in the area of high-speed rail travel. The first initiative under the partnership is the EUR 6 billion project to build a high-speed rail link between Jeddah, Mecca and Medina in Saudi Arabia. In March Finmeccanica signed a further industrial partnership agreement with Russian railways, which sets out timescales and procedures for priority projects such as the development of a new regional train, safety and security systems, and a satellite system for Earth observation.

On **14 February 2007** Selex Sistemi Integrati and the Indian company Bharat Heavy Electricals Ltd (BHEL) signed a memorandum of understanding for co-operation in the field of radar and associated technology.

On **22 March 2007** Finmeccanica signed a memorandum of understanding with the Libyan government to create a joint venture in the defence electronics and security sectors, which will see the implementation of innovative solutions for the Libyan market and other African countries.

On **30 March 2007** Finmeccanica acquired 25% of Selex Sensors and Airborne Systems from BAE Systems, for a total consideration of around EUR 400 million.

On **5 April 2007** Alenia Aeronautica and TsAGI, Russia's Central Aerohydrodynamic Institute, signed an agreement to work together in the research, development and design of aerostructures for civil aircraft and for joint projects in advanced aerodynamics.

On **6 April 2007** Thales replaced Alcatel Lucent in the joint ventures Alcatel Alenia Space (renamed Thales Alenia Space) and Telespazio. This opened the way for the creation of a new space alliance between Finmeccanica and Thales.

On **17 April 2007** Finmeccanica exercised its squeeze-out rights on the remaining Datamat shares at a price of EUR 10.040 per share, following the bid for the remaining shares and the delisting of the company in early 2007. Finmeccanica is now the sole shareholder of Datamat.

FINANCIAL OPERATIONS

In the first quarter of 2007 Finmeccanica carried out no transactions on the capital markets. As a result, there was no substantial change in bond debt, which stood at around EUR 1,734 million (under IAS/IFRS). The average term of the debt is 9 years.

OUTLOOK

Results for the first quarter of 2007 were better than in the same period of 2006, and in line with forecasts, and so there is no reason to change the forecasts given at the time of the 2006 annual results. The size of the order backlog is sufficient to cover 89% of production in the next year.

In 2007, revenues are expected to show organic growth of between 4% and 10%, while EBIT is seen rising by between 8% and 14% versus 2006.

Free operating cash flow (FOCF) is expected to stand at around break-even, after significant investment in the development and marketing of products – especially in the Aeronautics, Helicopters and Defence Electronics businesses – which is necessary to further the group's growth.

RESULTS BY SECTOR OF ACTIVITY
(1Q07 – figures in EUR million)

Helicopters

Companies: **AgustaWestland**

Revenues: EUR 720 million (+25%); EBIT: EUR 75 million (+70%)

Revenues came in at EUR 720 million, up 25% from EUR 578 million in 1Q06. 43% of this improvement was due to the increase in volumes in the commercial segment, 30% to the full launch of activities for the US presidential helicopter, and 27% to product support (IOS integrated operational support contracts with the UK).

EBIT was EUR 75 million, a rise of 70% on the EUR 44 million recorded in the same period last year. The sharp increase was due partly to higher volumes and partly to the impact of the full integration of Italian and UK operations. The **EBIT margin** was 10.4%, a rise of around three percentage points compared to March 2006.

New orders totalled EUR 712 million, down from EUR 1,836 million in 1Q06, when the figure was boosted by two important contracts with the UK Ministry of Defence worth around EUR 1,200 million. New orders included: in the civil/government market, orders for 92 units, worth a total of EUR 511 million, including a further 28 AW139 helicopters; in the commercial segment, orders for a further 64 A109 Grand, A109 Power and A119 aircraft.

The **order backlog** stood at EUR 8,496 million, in line with the figure of EUR 8,572 million at 31 December 2006.

The **headcount** was 8,999, an increase of 100 compared to 31 December 2006 (8,899), which was necessary to meet the technical and production requirements relating to the increase in activity.

Defence electronics

Companies: **SELEX Sensors and Airborne Systems, SELEX Communications, SELEX Sistemi Integrati, SELEX Service Management, Elsag, Datamat**

Revenues: EUR 680 million (-4%); EBIT: EUR 6 million (-86%)

Revenues came in at EUR 680 million, a drop of 4% on the EUR 708 million recorded in 1Q06. The main contributors to revenues were: in avionics, production of the DASS system and avionics equipment and radar for the Eurofighter; in the radar and command and control systems, work on the contracts for the Italian navy; in systems and integrated communications networks, work on the Eurofighter.

EBIT was down 86% to EUR 6 million, compared to EUR 42 million in 1Q06, when the figure was boosted by a capital gain on the sale of a building owned by Selex Communications. The EBIT margin fell from 5.9% at 30 March 2006 to 0.9% at 31 March 2007.

New orders totalled EUR 502 million, down from EUR 629 million in 1Q06 (-20%), mainly due to lower orders for command and control systems. New orders included: in avionics, orders for countermeasures for the Eurofighter and for space programmes; in integrated communications networks, orders for the Eurofighter and work on the European programme for the supply of MIDS (Multifunctional Information Distribution System) terminals; in IT, a framework agreement following the tender issued by the CNIPA (National Centre for IT in Public Administration) to create and manage websites awarded to a group consisting of Datamat, Elsag, Telecom Italia and Engineering Italia.

The **order backlog** totalled EUR 7,418 million, down 3% from EUR 7,676 million at 31 December 2006, mainly as a result of the usual activity of order procurement and billing. Half of the backlog relates to avionics, 20% to radar and command and control systems, 20% to communications and the remaining 10% to IT.

The **headcount** was 19,074, a decrease of 111 compared to 31 December 2006, mainly due to the rationalisation of the Italian avionics business.

Aeronautics

Companies: **Alenia Aeronautica, Alenia Aeronavali, Alenia Aermacchi, GIE ATR, Alenia S.I.A. (*)**

Revenues: EUR 412 million (+1%); EBIT: EUR 20 million (+33%)

() figures for the GIE-ATR consortium are consolidated proportionally at 50%*

Revenues came in at EUR 412 million, broadly in line the figure of EUR 408 million for 1Q06. The decline in production in the military sector, due to delays in the supply of equipment, was offset by growth in the civil sector, particularly with the increase in production of the ATR, B787 and A321 aircraft.

EBIT was EUR 20 million, up 33% on the EUR 15 million recorded in 1Q06. The improvement was due to Alenia Aeronautica, which also absorbed the drop recorded by Alenia Aeronavali, for which a restructuring programme was launched at the end of 2006. The **EBIT margin** was 4.9%, compared with 3.7% in 1Q06.

New orders totalled EUR 667 million, up 55% on the 1Q06 figure of EUR 431 million. They included: in the military segment, the Future Enhancements order in the Eurofighter programme for further developments of weapons systems, and in the civil segment, *the* orders of the GIE-ATR consortium (24 aircraft) and further tranches of the B767, A321, Falcon, engine nacelles and MD11 conversion programmes.

The **order backlog** was EUR 7,866 million, versus EUR 7,538 million at 31 December 2006 (+4%). 46% related to Eurofighter programmes, 21% to the B787, 4% to the C27J and 3% to the AMX.

The **headcount** was 12,687 compared to 12,135 at 31 December 2006, an increase of 552 due to hirings at Alenia Aeronautica to deal with the greater workload, and at Alenia Composite, following the rise in production of the B787 at the Grottaglie plant.

Space

Companies: **Thales Alenia Space, Telespazio (*)**

Revenues: EUR 166 million (+19%); EBIT: EUR 1 million (-89%)

**All figures relate to two joint ventures – Thales Alenia Space and Telespazio – consolidated proportionally at 33% and 67% respectively.*

Revenues were EUR 166 million, up 19% from EUR 140 million in 1Q06, chiefly owing to an expansion of manufacturing activities. Production mainly related to: project work on telecommunications satellites, the Globalstar constellation satellites and phase 1 of the third-generation Meteosat programme; activities relating to earth observation programmes, commercial satellites and military communications (Sicral 1B and Syracuse III), scientific programmes (Herschel/Plank, Bepi Colombo, Alma and Goce), the Galileo and EGNOS navigation programmes; further work on programmes relating to the International Space Station.

EBIT was EUR 1 million, down from EUR 9 million in 2006, as a result of higher costs on some programmes in France and an increased proportion of labour costs. The **EBIT margin** fell from 6.4% in 1Q06 to 0.6%.

New orders totalled EUR 121 million in 1Q06, a drop of 44% due to delays in some important orders in telecommunications satellites for the public and private sectors. The major contracts included in the commercial segment, the second tranche relating to the supply of 48 LEO (Low Earth Orbit) satellites for the second-generation Globalstar constellation; in the civil/government sector, new orders for the operation of satellites in

orbit (particularly ESA's Artemis satellite) and the management of ground stations; in the military/government segment, the first tranche for the order relating to the Armasat programme.

The **order backlog** was EUR 1,251 million, compared to EUR 1,264 million at 31 December 2006, and is sufficient to cover 82% of expected production for the next nine months of the year. Manufacturing accounted for 63%, and satellite services for 37%.

The **headcount** was 3,252 compared to 3,221 at 31 December 2006, an increase due to higher production expected in manufacturing and the development of satellite services on the international market.

Defence systems

Companies: **OTO Melara, WASS, MBDA (*)**

Revenues: EUR 238 million (+11%); EBIT: EUR 1 million (-86%)

() Figures relating to the MBDA joint venture are consolidated proportionally at 25%.*

Revenues came in at EUR 238 million, versus EUR 214 million in 1Q06 (+11%). The increase was due to increased activity in the missiles business, partly thanks to the contribution of German group LFK, consolidated from 1 March 2006. The main contributors to revenues were: in missile systems, work on the production of the Storm Shadow and SCALP EG systems, MICA missiles and customer support; in land and naval armaments, production on the PZH 2000 for the Italian army; in underwater systems, work on Black Shark heavy torpedoes and the Mu90 and A244 light torpedoes.

EBIT was EUR 1 million, down 86% compared to EUR 7 million in 2006, due to higher costs relating to the restructuring of the missile business. The EBIT margin narrowed from 3.3% to 0.4%.

New orders came in at EUR 132 million, versus EUR 89 million in 2006, a rise of 48% due to increased orders in missile systems. The increase in orders came from: in missile systems, the upgrade of Aspide missile batteries, work on the Patriot systems and the supply of Mistral systems; in weapon systems, orders for four 76/62 SR cannons; in underwater systems, logistics contracts for the FREMM.

The **order backlog** was EUR 4,133 million, down 3% from EUR 4,252 million at 31 December 2006. 70% of the order backlog relates to missile systems.

The **headcount** was 4,213, compared to 4,275 at 31 December 2006, a fall due to the ongoing restructuring of the missile business.

Energy

Companies: Ansaldo Energia

Revenues: EUR 218 million (+8%); EBIT: EUR 11 million (+57%)

Revenues totalled EUR 218 million, an increase of 8% on 1Q06 (EUR 201 million). The increase was mainly due to new work for the Algeciras and Amman East contracts.

EBIT was EUR 11 million, up 57% compared to the figure of EUR 7 million for 1Q06, due to the increase in production mentioned above. The EBIT margin expanded to 5.0%, from 3.5% in 2006.

New orders were EUR 145 million, down 75% from EUR 576 million in 1Q06, as the group did not acquire orders for turnkey plants. The main orders for components included: a gas turbine and alternator for the sites at Algeciras and Vlore; in services, contracts in the renewable energy segment relating to the reconstruction of four hydroelectric groups, two hydroelectric generators and a hydroelectric plant. Still in the services business, the group registered an increase of EUR 19 million in Flow orders abroad, strengthening the international presence of Ansaldo Energia in its role of Independent Service Provider.

The order backlog was EUR 2,396 million, compared to EUR 2,468 million at 31 December 2006.

The headcount was 2,864, versus 2,856 at 31 December 2006, a change in line with normal staff turnover.

Transport

Companies: **Ansaldo STS (Ansaldo Signal and ATSF), AnsaldoBreda**

Revenues: EUR 330 million (-3%); EBIT: EUR 9 million (-44%)

Revenues came in at EUR 330 million, compared to EUR 340 million in 1Q06, a drop of 3% mainly due to the vehicles business. Production in the transport sector included: in signalling, work on high-speed systems and train control systems (SCMT) in Italy, phase of the Channel Tunnel Rail Link, the project to build a Optimizing Traffic Planner (OTP) system and the Next Generation Computer Aided Dispatch System for Union Pacific Railroad; in systems, metro services for Copenhagen, Naples, Genoa and Brescia; in vehicles, trains for the Madrid metro, high-capacity trains for Morocco, high-speed trains for the Dutch-Belgian railways, and vehicles for Danish railways and the city of Los Angeles.

EBIT came in at EUR 9 million, compared to EUR 16 million in 1Q06, down 44% mainly due to the vehicles business. The EBIT margin dipped from 4.7% to 2.7%.

New orders totalled EUR 170 million, down 65% from EUR 484 million in 1Q06, due to lower orders in all business segments. The main orders for the quarter included: in signalling, two orders from mining company Rio Tinto, an order from Fortescue Metals Group and contracts following the agreement signed with Australian Rail Track Corporation; in systems, the order for the signalling systems of 15 electric trains relating to Alifana Inferiore; in vehicles, service orders.

The order backlog was EUR 4,540 million, versus EUR 4,703 million at 31 December 2006.

The headcount was 6,784, up from 6,677 at 31 December 2006, mainly due to the increase in signalling staff, particularly in Australia and India.

PRESS RELEASE

1Q07 (EUR million)	Helicopters	Defence electronics	Aeronautics	Space	Defence systems	Energy	Transport	Other activities	Eliminations	TOTAL
Revenues	720	680	412	166	238	218	330	47	(71)	2,740
EBIT	75	6	20	1	1	11	9	(22)		101
EBIT margin (%)	10.4%	0.9%	4.9%	0.6%	0.4%	5.0%	2.7%	n.m.	n.m.	3.7%
Depreciation and amortisation	26	28	28	5	7	4	4	3		105
Investment in fixed assets	40	42	213	6	10	2	6	3		322
R&D costs	71	127	122	11	54	3	14	-		402
New orders	712	502	667	121	132	145	170	10	(29)	2,430
Order backlog	8,496	7,418	7,866	1,251	4,133	2,396	4,540	316	(1,054)	35,362
Headcount	8,999	19,074	12,687	3,252	4,213	2,864	6,784	812		58,685

1Q06 (EUR million)	Helicopters	Defence electronics	Aeronautics	Space	Defence systems	Energy	Transport	Other activities	Eliminations	TOTAL
Revenues	578	708	408	140	214	201	340	61	(67)	2,583
EBIT	44	42	15	9	7	7	16	(40)		100
EBIT margin (%)	7.6%	5.9%	3.7%	6.4%	3.3%	3.5%	4.7%	-65.6%		3.9%
Depreciation and amortisation	14	22	27	6	6	3	5	2		85
Investment in fixed assets	15	72	66	4	70***	3	5	2		237
R&D costs	97	117	103	9	40	3	10	0		379
New orders	1,836	629	431	218	89	576	484	19	(83)	4,199
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

*** Includes goodwill from LFK acquisition

Finmeccanica is Italy's leading high-tech company, operating in the design and manufacture of helicopters, civil and military aircrafts, aerostructures, satellites, space infrastructure, missiles and defence electronics. It plays a leading role in the European aerospace and defence industry, and participates in some of the biggest international programmes in the sector through well-established alliances with European and American partners. Finmeccanica also boasts significant manufacturing assets and skills in the transport and energy. The group is listed on the Milan stock exchange, and operates in Italy and abroad through its companies and joint ventures. It employs around 57,000 staff in total.

As part of its drive to maintain and build on its technological expertise, Finmeccanica spends 15% of its revenues on research and development.