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PRESS RELEASE
Revenues up 7% in the first nine months of the year
EBITA* rose 6%; net profit increased 51% to EUR 294m, excluding extraordinary gains. Return on Investment (ROI) rose to 13.70%

- Finmeccanica posted improved results in the third quarter of 2007, thanks to organic growth, confirming the stability and quality of its strategic development.
- Revenues rose to EUR 9,117m from EUR 8,524m in the same period of 2006, an increase of EUR 593m or 7%.
- Net profit was EUR 294m which – after stripping out the capital gain on the sale of Ansaldo STS - was EUR 99m higher than a year earlier.
- Finmeccanica invested in strategic products and programmes with the aim of generating substantial new business streams and strong financial returns.
- The increase in invested capital and in the ROI reflect the importance placed by the group's management on focusing investments on areas that generate sufficient profitability.
- Net debt rose to EUR 2,485m from EUR 858m at 31 December 2006, as a result of substantial investment and normal seasonal fluctuations in group company receipts.
- The order backlog, at EUR 36,247m, is equivalent to around three years' production, with important new contracts expected in the final quarter of the year.
- EPS, net of extraordinary operations, was up by 52% compared with the same period in 2006.
- R&D investment stood at EUR 1,233m, or 14% of revenues.

Key 9M07 figures

(EUR million)

	9M07	9M06	Chg.	Chg. %
<i>Revenues</i>	9,117	8,524	593	7%
<i>EBITA*</i>	502	472	30	6%
<i>EBITA* margin</i>	5.5%	5.5%	0 p.p.	
<i>EBIT</i>	484	472	12	3%
<i>EBIT margin</i>	5.3%	5.5%	-0,2 p.p.	
<i>Net profit</i>	294	612	-318	-52%
<i>New orders</i>	9,861	10,231	-370	-4%
<i>ROI</i>	13.70%	13.10%	0,6 p.p.	
<i>EVA</i>	-61	-70	9	13%
<i>Research and development</i>	1233	1199	34	3%
<i>Order backlog</i>	36,247	35,810**	437	1%
<i>Net debt</i>	2,485	858**	1,627	
<i>EPS***</i>	0.63	0.42	0.22	52%
<i>Headcount</i>	59,882	58,059**	1,823	3%

*EBIT before amortisations of intangibles acquired under business combination.

**At 31 December 2006.

***Excluding extraordinary operations and minority interests.

The Board today approved the quarterly report for the period ended 30 September 2007.

CONSOLIDATED PROFIT AND LOSS ACCOUNT					
	EUR m	9M 2007	9M 2006	Q3 2007	Q3 2006
Revenues		9,117	8,524	3,047	2,818
Changes in work in progress, semi-finished and finished goods		96	383	59	124
Cost of goods, services and labour		(8,403)	(8,218)	(2,819)	(2,708)
Depreciation and amortisation		(310)	(279)	(107)	(97)
Provisions for risk and charges		(17)	(9)	(1)	(3)
Restructuring costs		(27)	(15)	(15)	-
Other net operating revenues (costs)		46	86	14	33
EBITA*		502	472	178	167
<i>EBITA* margin</i>		5.5%	5.5%	5.8%	5.9%
Amortisations of intangibles acquired under business combination		(18)	-	(6)	-
EBIT		484	472	172	167
<i>EBIT margin</i>		5.3%	5.5%	5.6%	5.9%
Net financial income (expenses)		(35)	315	7	(61)
Income taxes		(155)	(174)	(62)	(69)
Net profit before discontinued operations		294	613	117	37
Profit of discontinued operations		-	(1)	-	-
Net profit		294	612	117	37
<i>Group</i>		269	594	110	30
<i>Minorities</i>		25	18	7	7
EPS (EUR)					
<i>Basic</i>		0.63	1.40	0.26	0.07
<i>Diluted</i>		0.63	1.40	0.26	0.07
EPS of continuing operations (EUR)					
<i>Basic</i>		0.63	1.40	0.26	0.07
<i>Diluted</i>		0.63	1.40	0.26	0.07

* EBIT before amortisations of intangibles acquired under business combination

BREAKDOWN OF KEY FIGURES

Revenues in the first nine months of 2007 were EUR 9,117m, up from EUR 8,524m during the same period of 2006: an increase of EUR 593m (+7%). This increase is attributable to organic growth, and is in line with the group's general growth targets. The chief drivers were internal growth in the helicopter division (+7%), thanks to higher commercial segment production volumes and the start of work on the Marine One helicopters for the White House; the aeronautics division, whose growth was chiefly due to the larger contribution from the civilian segment (ATR and B787); and a good performance from the energy division, (+19%) as a result of a substantial increase in service activity.

EBIT came in at EUR 484m, up from EUR 472m in 2006, while **EBITA*** increased by EUR 30m (+6.4%) to EUR 502m, broadly in line with the increase in revenues. The helicopters, defence electronics and energy divisions all made positive contributions. **Return On Sales** was 5.5%.

EBITA is obtained by subtracting from the EBIT figure any impairment from the goodwill and amortisation of the part of the purchase price allocated to intangible fixed assets as part of the business combination operations, as stipulated by IFRS3. For 2007 we decided to highlight the **EBITA*** figure given that the procedure for setting the price allocation quota and calculating the relevant amortisation figures relating to the goodwill from acquisitions in previous years was completed at 31 December 2006. Therefore, in order

to compare like with like in different years, both in absolute terms and as a percentage of revenues (return on sales), we calculated an intermediate figure, called “operating profit before amortisation of assets realised as part of the business combination” (**EBITA***).

CONSOLIDATED BALANCE SHEET				
EUR m	9M 2007	9M 2006	H1 2007	FY 2006
Non-current assets	10,282	8,296	10,337	9,897
Non-current liabilities	(3,203)	(2,103)	(3,191)	(3,275)
	7,079	6,193	7,146	6,622
Inventories	3,530	6,127	3,353	3,095
Contract work in progress	3,341	2,893	3,278	2,823
Trade receivables	4,089	3,911	4,135	3,856
Trade payables	(3,580)	(3,202)	(3,529)	(3,561)
Customer advances	(5,640)	(4,662)	(5,625)	(5,529)
Short-term provisions for risks and charges	(545)	(476)	(553)	(571)
Other current net assets (liabilities)	(431)	(3,697)	(528)	(547)
Net working capital	764	894	531	(434)
Net invested capital	7,843	7,087	7,677	6,188
Group shareholders' equity	5,259	4,874	5,314	5,276
Minority interests	99	75	95	81
Shareholders' equity	5,358	4,949	5,409	5,357
Net debt	2,485	2,184	2,268	858
Net liabilities (assets) held for sale	-	(46)	-	(27)

DEBT				
EUR m	9M 2007	9M 2006	H1 2007	FY 2006
Short-term financial debt	688	536	506	159
Medium- to long-term financial debt	1,858	1,880	1,842	1,865
Cash on hand or equivalent	(404)	(422)	(411)	(2,003)
NET BANK DEBT	2,142	1,994	1,937	21
Government bonds and securities	(13)	(20)	(16)	(21)
Loans to subsidiary and affiliated companies	(34)	(35)	(32)	(26)
Other financial receivables	(473)	(303)	(452)	(452)
FINANCIAL RECEIVABLES AND BONDS	(520)	(358)	(500)	(499)
Loans from subsidiary and affiliated companies	453	334	442	500
Other short-term financial debt	304	109	278	722
Other medium- to long-term bank debt	106	105	111	114
OTHER FINANCIAL DEBT	863	548	831	1,336
NET DEBT	2,485	2,184	2,268	858
Net debt attributable to discontinued operations	-	9	-	6

Net profit was EUR 294m, compared to EUR 612m in the first nine months of 2006 which had, benefited from one-off items, principally the capital gain realised from the sale of 60% of Ansaldo STS (EUR 417m). Stripping out this gain, profit as at 30 September 2006 was EUR 195m, and therefore net profit for the first nine months of 2007, on a like-for-like basis, was EUR 99m (51%) higher than for the same period of the previous year.

Net debt was EUR 2,485m, up from EUR 858m at 31 December 2006 — a net increase of EUR 1,627m due both to substantial investments made during the period and to the seasonal nature of the financial aspects of the group's activities. This level of debt, equivalent to 46% of net assets, is within the limits set by ratings agencies as indicating careful and prudent financial management. **Free operating cash flow**

(FOCF) at 30 September 2007 saw a cash burn of EUR 1,432m compared with EUR 1,149m at 30 September 2006. This figure should be seen in the context of seasonal variations, which mean that the ratio between cash received and commercial payments is skewed in favour of the latter and, specifically, is also influenced by substantial investment spending.

Finmeccanica has **invested** in strategic products and programmes aimed at bringing in substantial new business and increasing financial returns. Note particularly the investments in the B787 programme, from which Finmeccanica has already acquired orders for 300 aircraft with further orders expected from Boeing, which to date has secured more than 700 orders. In the aeronautics sector, further investment was made in the C-27J which won an important contract in the United States and has also been chosen by Italy, Greece, Bulgaria, Lithuania and Romania. Significant investment is also being made in training aircraft, especially Alenia Aermacchi's M346, the latest generation of trainer, which has already attracted the interest of the Italian air force and the international market. In the helicopter business, investment is continuing in the AW 139, which is proving successful in the civilian market and for which a military version is being developed. Other large investment programmes relate to the most up-to-date communications networks, especially new families of products such as Tetra 2, WiMax and radio software. In the energy sector, Finmeccanica is investing in steam and gas turbines, services and nuclear power.

Orders acquired in the period totalled EUR 9,861m, compared with EUR 10,231m during the same period of 2006 which benefited from large contracts (worth EUR 1,740m) in the helicopters segment. Specifically, the main orders secured during the first nine months of 2007 were in defence electronics, with further contracts in avionics equipment and communications systems for the Eurofighter and countermeasure and air traffic control systems; aeronautics, with the Future Enhancements order for the Eurofighter, and, in the civilian segment, the order for 75 aircraft from the GIE-ATR consortium. During the second half of the year large orders have been secured for which the contracts have yet to be finalised, such as AW129 helicopters in Turkey, C-27J tactical transport aircraft in the USA (the first two aircraft were ordered in September and the remainder will be ordered in tranches by 2013) and the signing of the contract between the Saudi and the United Kingdom governments for the supply of 72 Eurofighters with the related logistic support.

CASH FLOW			
	EUR m	9M 2007	9M 2006
Cash and cash equivalents at 1 January		2,003	1,061
Cash flow from operations		943	811
Changes in working capital		(1,040)	(1,221)
Changes in other operating assets and liabilities		(464)	(330)
Cash flow generated (used) by operating activities		(561)	(740)
Investment in tangible and intangible assets after disposals		(898)	(370)
Other financial investments		27	(39)
Free operating cash flow		(1,432)	(1,149)
Investments for acquisitions		(420)	280
Changes in other financial assets		6	123
Cash flow generated (used) by investment activities		(1,285)	(6)
Share capital increases and contributions		8	20
Dividends paid		(151)	(214)
Cash flow from financing activities		407	517
Cash flow generated (used) by financing activities		264	323
Exchange rate difference on cash and equivalents		(17)	(2)
Cash and cash equivalents at 30 September		404	636

The **order backlog** was worth EUR 36,247m, up from EUR 35,810m at 31 December 2006. This is equivalent to around three years' production.

Investment in **research and development** totalled EUR 1,233m, up from EUR 1,199m during the same period in 2006, (around 14% of revenues). The main programmes related to helicopters, with development of technologies chiefly for military use for the new AW 149 helicopter, and development of multi-role versions of the BA609 convertiplane for national security applications; defence electronics, with developments in land and naval command and control systems, the completion of developments in radar systems for air traffic control, the finishing touches to the FALCO UAV prototypes and completion of the TETRA network; and aeronautics, with the development of civilian (B787; A380) and military (C-27J, EFA, M-346) programmes; and lastly defence systems with the development of the Black Shark heavy torpedoes in the underwater systems business.

Headcount was 59,882, a rise of 1,823 compared to the figure of 58,059 at 31 December 2006, due to positive turnover and growth in activity.

NINE MONTHS HIGHLIGHTS AND SIGNIFICANT EVENTS SINCE SEPTEMBER 2007

On **7 February 2007** AgustaWestland and Boeing signed a memorandum of understanding for joint production of the next generation of Chinook logistical transport helicopters for the Italian army, as well as for other future vertical takeoff aircraft projects.

On **9 February 2007** Russian Railways (RZD), the Italian state railway and Finmeccanica signed a protocol of understanding for international projects of mutual interest, especially in the area of high-speed trains. The first fruit of this collaboration will be the Jeddah-Mecca-Medina high-speed project in Saudi Arabia, worth an estimated USD 6bn. In March, Finmeccanica signed a new industrial co-operation agreement with Russian Railways, which sets timescales and procedures for priority projects, such as the development of a new regional train, safety and security systems, and a satellite observation system for ground monitoring. On **5 July 2007**, Finmeccanica, the Italian state railways and Russian Railways pre-qualified to bid for this competition.

On **14 February 2007** Selex Sistemi Integrati and the Indian company BHEL (Bharat Heavy Electricals Ltd) signed a memorandum of understanding for collaboration in the field of radar and technologies in this sector.

On **20 February 2007** an intergovernmental agreement was signed between the Italian economic development ministry and the Russian Federation's industry and energy ministry relating to the existing business agreements between Finmeccanica and Sukhoi Aviation Holding, and their respective subsidiaries Alenia Aeronautica SpA. and Sukhoi Civil Aircraft Company (SCAC). This agreement covers the programme for the "SuperJet 100" family of 75- to 100-seater regional jets. In **June 2007** the agreement between Alenia Aeronautica SpA. and SCAC was finalised. Under this agreement, Alenia Aeronautica will acquire a stake of 25% plus one share in SCAC, thus gaining the right to a proportional share in the programme. Moreover, Alenia Aeronautica SpA and Sukhoi will form a joint venture (51% Alenia Aeronautica SpA and 49% Sukhoi) based in Italy, which will be responsible for marketing, sales, and delivery in the Western market, as well as for after-sales service for the aircraft all over the world.

On **22 March 2007** Finmeccanica signed a memorandum of understanding with the Libyan government to set up a joint venture in defence electronics and security, aimed at finding innovative solutions for Libya and other African countries.

On **30 March 2007** Finmeccanica completed the acquisition from BAE Systems of 25% of Selex Sensors and Airborne Systems, for a total outlay of around EUR 400m.

On **5 April 2007** Alenia Aeronautica and TsAGI, the Russian central aero-hydrodynamics institute, signed an agreement to collaborate in research, development and design of aerostructures for civilian aircraft and joint projects in the field of advanced aerodynamics.

On **4 April 2007** Thales replaced Alcatel Lucent in the joint ventures Alcatel Alenia Space (renamed Thales Alenia Space) and Telespazio.

On **17 April 2007** Finmeccanica exercised its right to acquire the remaining shares in Datamat (squeeze out), at a price of EUR 10.040 per share, following notification of the bid to acquire the remaining shares and the associated delisting of the company that took place in early 2007. Finmeccanica is now Datamat's sole shareholder. Following the acquisition of Datamat SpA's entire share capital, the merger of Datamat SpA and Elsag SpA was effected on 1 August.

Also in **April 2007** the merger of OTE SpA and Prod-EI SpA into Selex Communication SpA was launched, a process that was completed on **1 August**.

On **13 June 2007**, Finmeccanica—through Alenia North America (a subsidiary of Alenia Aeronautica) which had teamed up with L-3 and Boeing—won a large contract in the United States. The C-27J, which is designed, developed and manufactured by Alenia Aeronautica, was chosen by the US army and air force as their new tactical transport aircraft, as part of the JCA (joint cargo aircraft) programme. The C-27J team, led by L-3 Integrated Systems with Alenia North America, Boeing Integrated Defence Systems and Global Military Aircraft Systems (GMAS, a company owned 50% by Alenia Aeronautica and 50% by L-3), was awarded an initial contract worth USD 2.04bn to supply 78 aircraft. The United States armed forces plan to acquire an initial 145 aircraft, 75 for the army and 70 for the air force, with a total of 207 aircraft, worth an estimated USD 6bn, expected to be required within 10 years.

At the end of **August** the US Government Accountability Office (GAO) asked the US air force, for the second time, to reconsider its decision of November 2006 to award Boeing the contract for its 141 search and rescue helicopters. Following this, the contract was annulled and bidding reopened; the consortium formed by Finmeccanica (AgustaWestland Bell) and Lockheed Martin will take part, on the basis of the relevant requirements.

On **26 September** Elsag Datamat completed the acquisition, via its subsidiary Elsag Inc., of 100% of the share capital of the US company Remington Elsag Law Enforcement Systems ("RELES"), thus strengthening its presence in the international security services market.

FINANCIAL OPERATIONS

In the first nine months of 2007 Finmeccanica carried out no new operations on the capital markets. Consequently, the structure of its bond debt did not undergo any significant changes. At present it totals about EUR 1,756m (under IAS/IFRS principles). The average term of the debt is about 8.5 years.

Below are the bonds issued by the group that will expire in the 18 months following the end of the third quarter.

Issuer	Year of issue	Maturity	Amount (EUR m)	Annual coupon	Type of issue	IAS values recorded (EUR m)
Finmeccanica Finance SA	2002	30 Dec 08	297	Variable	Italian, retail	301

OUTLOOK

Results for the first nine months of 2007 were better than in the same period in 2006, and in line with forecasts. In light of this, no facts have emerged at present to change the forecasts for the full year, which were made when the 2006 results were prepared. The order backlog is equivalent to about three years of production.

In 2007, the group expects to post total organic revenue growth of between 4% and 10%, while EBIT is forecast to increase by 8% to 14% compared to last year.

The group's free operating cash flow (FOCF) is expected to stand at around breakeven, after substantial investments made in the development and marketing of products essential to sustaining the group's growth.

SHARE DATA				
	9M 2007	9M 2006	Q3 2007	Q3 2006
Average number of shares in period (thousands)	424,373	423,431	424,461	422,954
Net profit excluding minorities (EUR m)	269	594	110	30
Profit of continuing operations excluding minorities (EUR m)	269	594	110	30
BASIC EPS (EUR)	0.63	1.40	0.26	0.07
BASIC EPS of continuing operations (EUR)	0.63	1.40	0.26	0.07
Average number of diluted shares in period (thousands)	425,254	425,302	425,250	424,588
Adjusted net profit excluding minorities (EUR m)	269	594	110	30
Adjusted profit of continuing operations excluding minorities (EUR m)	269	594	110	30
DILUTED EPS (EUR)	0.63	1.40	0.26	0.07
DILUTED EPS of continuing operations (EUR)	0.63	1.40	0.26	0.07

Results by sector of activity (9M07– Figures in EUR million)

Helicopters

Companies: **AgustaWestland**

Revenues EUR 2,084m (+7%); EBIT EUR 213m (+16%)

Revenues were EUR 2,084m, up from EUR 1,949m at 30 September 2006 (+7%). This improvement was due to the increase in volumes in the civilian and government helicopters segment, with the start of work on the Marine One helicopters for the US White House (the maiden flight of the first prototype, the TV2, took place on 5 July 2007), and product support work (IOS integrated support contracts with the UK).

EBIT before purchase price allocations and impairment charges (**EBITA***) at 30 September 2007 came in at EUR 219m, up EUR 36m (about 20%) from EUR 183m in same period last year. The improvement was in line with the trend and composition of revenues, and corresponds positively to the increase in volumes and partly to the ongoing integration of Italian and British operations. **EBIT** came in at EUR 213m, up from EUR 183m in the same period last year (+16%). **ROS** stood at 10.5%, up from 9.4% at 30 September 2006.

New orders were EUR 2,084m, down on the EUR 3,328m recorded during the same period in 2006, though the latter figure benefited from two large contracts from the UK defence ministry worth about EUR 1,740m.

The **order backlog** was EUR 8,290m, a decline from the figure at 31 December 2006 (EUR 8,572m). The order backlog is made up of helicopters (73%), support work (24%) and engineering (3%).

The **headcount** was 9,363, up by 464 on the figure of 8,899 at 31 December 2006. The increase was necessary to meet technical and production demands related to increased volumes of work.

Defence electronics

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

Revenues: EUR 2,462m (+1%); EBIT EUR 119m (-5%)

Revenues came in at EUR 2,462m, broadly in line with the figure for the same period of the previous year (EUR 2,444). Contributions to revenue came especially from: in avionics, the production of the DASS system and avionic equipment and radar for the Eurofighter; in radar and command and control systems, work on the Orizzonte, Nuova Unità Maggiore and FREMM naval contracts, and on the FADR ground radar system; in communication systems and integrated communication networks work on the Eurofighter, start of work on the national TETRA network, and the supply of MIDS terminals and military communication systems.

EBITA* came in at EUR 129m at 30 September 2007, up EUR 4m on the previous year's figure, thanks to improvement in the avionics segment, which confirmed growth forecasts. This improvement was partly offset by problems with production undercapacity in the communications segment, and by costs relating to the planned restructuring, as well as by a less profitable mix of command and control systems work.

EBIT came in at EUR 119m, a drop of 5% from the EUR 125m recorded for the same period in 2006. **ROS** increased from 5.1% at 30 September 2006 to 5.2% at 30 September 2007.

New orders totalled EUR 2,336m, an increase of 6% on the EUR 2,195m secured during the first nine months of 2006. This was due essentially to large contracts in the information technology and security segment, as well as to the order relating to the second tranche of the interior ministry contract for the construction of the TETRA network. The main new orders secured include: in avionics, further orders for the EFA and related logistics work, and various orders relating to counter-measures and space programmes; in ground and naval command and control systems, orders for air traffic control systems for

Trinidad and Tobago and for logistics work; in communication systems and integrated communication networks, aside from the above-mentioned TETRA contract, further orders for communications systems for the Eurofighter, the order from BAe Systems for communications and datalink systems for a programme in the Middle East and for work within the European programme for the supply of MIDS (Multifunctional Information Distribution System) terminals; in information technology, the drawing up of the framework agreement following the award by CNIPA (Italy's national centre for information technology in public administration) of a contract to set up and run websites given to a group of companies comprising Datamat, Elsag, Telecom Italia and Engineering Italia.

The **order backlog** totalled EUR 7,420m, down 3% from the EUR 7,676m figure at 31 December 2006. Half of the backlog consists of avionics work and 20% for work in the communications field, while radar, command and control systems and information technology account for about 15% combined.

The **headcount** was 19,052 individuals, a drop of 133 from 31 December 2006, due essentially to rationalisation in the Italian part of the avionics division.

Aeronautics

Companies: **Alenia Aeronautica, Alenia Aeronavali, Alenia Aermacchi, GIE ATR(*), Alenia SIA.**
Revenues: EUR 1,496mi (+13%); EBIT: EUR 106m (-8%)

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

Revenues were EUR 1,496m, up 13% from EUR 1,329m for the first nine months of 2006 thanks to a greater contribution by the civilian segment, in particular from work on ATR aircraft and the startup of B787 production. In the military segment revenues from the EFA programme increased thanks to greater development and production activity relating to the second tranche.

EBITA* at 30 September 2007 came in at EUR 106m, a drop of EUR 9m from the EUR 115m recorded for the first nine months of the previous year, which benefits from the release of a share of risk provisions on the ATR programme.. The 2007 figure chiefly reflects civilian production at Alenia Aeronautica, the GIE-ATR consortium and the bigger contribution from the EFA programme. **EBIT**, however, came in at EUR 106m, down 8% from the EUR 115m recorded for the first nine months of 2006. **ROS** for the sector was 7.1% compared with 8.7% at 30 September 2006.

New orders were EUR 1,532m, up 7% on the EUR 1,427m for the first nine months of 2006, thanks to an increase in orders in the third quarter of 2007. Positive contributions came from: the military segment, relating to the future enhancements order for further development of the Eurofighter's weapons systems, the second tranche of EFA logistics work, the contract to supply two ATR 42 MPs to Nigeria, and the order to supply the first two C-27J to the US army; the civilian segment in respect of the orders secured by the GIE-ATR consortium (75 aircraft) and the further tranches on the B767, A321, Falcon, engine nacelles and cargo aircraft conversion programmes.

The **order backlog** was EUR 7,572m, up 0.5% on the EUR 7,538m at 31 December 2006. Of this, 46% related to the Eurofighter programmes, 21% to the B787 and 4% to the C-27J.

The **headcount** was 13,000, up 865 on the 12,135 at 31 December 2006, due to new staff being taken on at Alenia Aeronautica to cope with a bigger workload and at Alenia Composite to handle increased B787 production work at the Grottaglie plant.

Space

Companies: **Thales Alenia Space, Telespazio (*)**
Revenues: EUR 593m (+14%); EBIT: EUR 23m (+5%)

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

Revenues were EUR 593m, up 14% on the EUR 519m the previous year, essentially as a result of more production work in the manufacturing segment. Production related principally to: planning work for telecommunications satellites, the Globalstar constellation satellites and Phase 1 of the third-generation Meteosat programme; work on earth observation programmes, commercial satellites and satellites for military telecommunications (Sicral 1B and Syracuse III), scientific programmes (Herschel/Planck, Bepi Colombo, Alma and Goce) and the Galileo and EGNOS navigation programmes; and ongoing work on programmes connected to the International Space Station.

EBITA* at 30 September 2007 came in at EUR 23m, in line with the figure for 30 September 2006 (EUR 22m). **EBIT** came in at EUR 23m, up 5% on the EUR 22m posted in the first nine months of 2006. **ROS** fell from 4.2% in the first nine months of 2006 to 3.9% at 30 September 2007 as a result of higher costs on some commercial telecommunications programmes.

New orders totalled EUR 545m, an increase on the EUR 515m secured in the first nine months of 2006. The most important related to: in the commercial segment, the first four tranches of the supply of 48 LEO (low earth orbit) satellites for the second-generation Globalstar constellation; in the civilian government segment, new orders for satellite orbit control (especially the ESA's Artemis satellite) and for the management of ground centres; in the military government segment, the first two tranches of the order relating to the Armasat programme and the order for the completion, launch and operation of the Sicral 1B military communications satellite; in the earth observation segment, the contract relating to the Cosmo programme for completion of the fourth satellite and the first tranche of the Sentinel 1 order for the GMES programme for homeland control and security; in the navigation and infomobility segment, further orders on the Galileo and EGNOS programmes.

The **order backlog** was EUR 1,286m, up 2% on the EUR 1,264m figure at 31 December 2006, and enough to guarantee almost complete coverage of production expected over the next three months of the year. Some 66% of the order backlog consists of manufacturing activity, and 34% is for work on satellite services.

The **headcount** was 3,339, an increase of 118 on the 3,221 at 31 December 2006, due to increased production expected in the manufacturing segment and to the development of satellite services on the foreign market.

Defence systems

Companies: **Oto Melara, WASS, MBDA** (*)
Revenues: EUR 719m (-1%); EBIT: EUR 30m (-21%)

() Figures for the MBDA joint venture are consolidated proportionally at 25%*

Revenues were EUR 719m, slightly down on the EUR 728m posted in the first nine months of 2006. Contributions to this figure came from: in missile systems, work on production of the Aster missiles for PAAMS surface-to-air systems, on Storm Shadow and SCALP EG air-to-surface missile systems, on MICA air-to-air missiles and on client support work; in weapons systems, production relating to the PZH 2000 for the Italian army; in underwater systems, work on the Black Shark heavy torpedo and the MU90 and A244 light torpedoes, and on Indian and logistics countermeasures.

EBITA* at 30 September 2007 came in at EUR 32m, down EUR 6m on the figure for the same period in 2006. The fall was due to reduced volumes, to extra work on the MU90 light torpedo, and to higher restructuring costs in the missile division. On the other hand, there was a positive contribution from improved profitability in earth, naval and aeronautical weapons systems. **EBIT** was EUR 30m, compared with EUR 38m in 2006. **ROS** was 4.5%, slightly lower (-0.7%) than the figure for the first nine months of 2006.

New orders were EUR 446m, down on the EUR 496m posted in the first nine months of 2006, which benefited from significant orders for naval weapons as part of the FREMM programme. The main orders related to: in missile systems, to the UK defence ministry contract for work on the Rapier anti-aircraft defence system, the upgrade of the German Patriot and RAM systems, refurbishment work on the Aspide missile batteries and the supply of Mistral systems; in weapons systems, to the orders for four

76/62 SR cannons, the supply of 70 Pintle Mounts for NH90 to the Italian army, and the supply of 16 weapons systems for the Turkish navy; in underwater systems, orders for 22 launch systems for Germany's Lynx helicopters, additional work on the MU90 light torpedo for Australia, and logistics work for FREMM.

The **order backlog** was EUR 4,030m compared with EUR 4,252m at 31 December 2006, equivalent to about four years' work. More than two thirds of this relates to activities related to missile systems.

The **headcount** was 4,164, compared with 4,275 at 31 December 2006—a drop of 111, due to continued restructuring in the missiles division.

Energy

Companies: **Ansaldo Energia**

Revenues: EUR 751m (+19%); EBIT: EUR 46m (+21%)

Revenues were EUR 751m, up 19% on the EUR 631m recorded for the same period last year. The increase is principally due to a significant boost in service work. Specifically: for the plant and components segment, the development of work on new orders in Algeria; for the service segment, maintenance and spare parts for the Enipower contract.

EBITA* at 30 September 2007 was EUR 46m, up EUR 8m on the same period last year, when the figure was EUR 38m. This was partly due to increased production and partly due to improved profitability from some contracts in the overseas (Algeria, Escatron, Amman East) and Italian (Enipower, Rizziconi, Rosignano and Sparanise) plant and components segments. **EBIT** totalled EUR 46m, up 21% from EUR 38m posted in the first nine months of 2006, due to the above-mentioned increase in production volumes and better business returns on some plant contracts. **ROS** was 6.1%, compared with 6.0% in 2006.

New orders totalled EUR 1,351m, up by 82% on the EUR 741m secured during the first nine months of 2006. This is due to the greater quantity of orders for plant and components obtained during the period. At 30 September 2007, 76% of new orders were for plant, 22% for service work and 2% for nuclear operations. The chief orders for components include: orders for the Algeciras and Vlore sites; two contracts in Algeria for Sonelgaz, the contract in Iran for three alternators, two large contracts in Russia with Power Machines for the supply of five TG V64 3.A, and the order for the supply of two TG V94.2 to South Africa. In service work, there were orders in the renewable resources segment for the refurbishment of four hydroelectric groups, two hydroelectric generators and one hydroelectric plant.

The **order backlog** was EUR 3,062m, up from EUR 2,468m at 31 December 2006, guaranteeing coverage for about 2.8 years. At 30 September 2007 about 50% of this figure was accounted for by manufacturing work, 49% by service work and the remaining 1% by nuclear activities.

The **headcount** was 2,929, up from 2,856 at 31 December 2006, due to the increase in production volumes.

Transport

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

Revenues: EUR 1,054m (+6%); EBIT: EUR 15m (-62%)

Revenues were EUR 1,054m, up from EUR 999m in the first nine months of 2006, due chiefly to work in signalling and vehicles. Production work in the transport division included; in signalling, work on high-speed rail lines and train control (SCMT) systems in Italy, phase two of the Channel Tunnel rail link and the project for building the optimising traffic planner (OTP) system and next generation computer-aided dispatch system for Union Pacific Railroad. In systems, it included work on the Copenhagen, Naples, Genoa and Brescia metros. In vehicles, it included trains for the Madrid metro, high load factor trains for Morocco, AV trains for the Dutch-Belgian railways and vehicles for Danish railways and Los Angeles.

EBITA* at 30 September 2007 came in at EUR 15m, EUR 24m down from 30 September 2006 (EUR 39m). This was due to a fall in the vehicles segment, attributable to the launch of the human resources optimisation and development plan, but offset by improvement in the signalling business as a result of

higher volumes and increased profitability. **EBIT** came in at EUR 15m, compared with EUR 39m in 2006. **ROS** went from 3.9% to 1.4%.

New orders totalled EUR 1,329m compared with EUR 1,738m during the same period in 2006, a drop of 24%. This was due to the reduced number of orders secured in vehicles, though this was partly offset by an increase in systems work. New orders during the period include: in systems, the first phase of the project for the Rome driverless metro line C, the order relating to the Naples metro and changes to the Italian high-speed network. In signalling, two orders were received from the mining company Rio Tinto, an order from Fortescue Metals Group and contracts as part of the agreement signed with the Australian Rail Track Corporation. In vehicles, there were options for the supply of eight further regional service trains to Ferrovie Nord Milano, vehicles for the Rome metro's line C and service work.

The **order backlog** was EUR 4,928m, a 5% increase on the EUR 4,703 posted at 31 December 2006. Of this figure, vehicles accounted for 43%, systems for 36% and signalling for 21%.

The **headcount** was 6,924, up by 247 on the 6,677 figure at 31 December 2006, due chiefly to more staff being taken on in signalling, especially in Australia, India and the United States.

Alessandro Pansa, the director responsible for drawing up the company's accounting statements, hereby declares, pursuant to article 154-bis, paragraph 2 of the *Testo Unico della Finanza* law, that the information contained in this press release accurately represents the figures contained in the group's accounting records.

PRESS RELEASE

9M 2007 (EUR million)	Helicopters	Defence electronics	Aeronautics	Space	Defence systems	Energy	Transport	Other activities	Eliminations	TOTAL
Revenues	2,084	2,462	1,496	593	719	751	1,054	214	(256)	9,117
EBITA*	219	129	106	23	32	46	15	(68)		502
EBITA* margin (%)	10.5%	5.2%	7.1%	3.9%	4.5%	6.1%	1.4%	<i>n.s.</i>		5.5%
EBIT	213	119	106	23	30	46	15	(68)		484
EBIT margin (%)	10.2%	4.8%	7.1%	3.9%	4.2%	6.1%	1.4%	<i>n.s.</i>		5.3%
Depreciation and amortisation	79	86	91	17	21	11	13	10		328
Investment in non-current assets	115	159	573	18	34	13	17	15		944
Research and development costs	213	386	393	38	149	14	36	4		1,233
New orders	2,084	2,336	1,532	545	446	1,351	1,329	453	(215)	9,861
Order backlog	8,290	7,420	7,572	1,286	4,030	3,062	4,928	665	(1,006)	36,247
Headcount	9,363	19,052	13,000	3,339	4,164	2,929	6,924	1,111		59,882
9M 2006 (EUR million)	Helicopters	Defence electronics	Aeronautics	Space	Defence systems	Energy	Transport	Other activities	Eliminations	TOTAL
Revenues	1,949	2,444	1,329	519	728	631	999	158	(233)	8,524
EBITA*	183	125	115	22	38	38	39	(88)		472
EBITA* margin (%)	9.4%	5.1%	8.7%	4.2%	5.2%	6.0%	3.9%	<i>n.s.</i>		5.5%
EBIT	183	125	115	22	38	38	39	(88)		472
EBIT margin (%)	9.4%	5.1%	8.7%	4.2%	5.2%	6.0%	3.9%	<i>n.s.</i>		5.5%
Depreciation and amortisation	51	68	89	20	19	9	15	8		279
Investment in non-current assets	44	446	246	55	89	9	15	6		910
Research and development costs	256	378	342	39	141	11	32	-		1,199
New orders	3,328	2,195	1,427	515	496	741	1,738	42	(251)	10,231
Order backlog	8,572	7,676	7,538	1,264	4,252	2,468	4,703	346	(1,009)	35,810
Headcount	8,899	19,185	12,135	3,221	4,275	2,856	6,677	811		58,059

Finmeccanica is Italy's leading high-tech company, operating in the design and manufacture of helicopters, defence electronics, civil and military aircraft, aerostructures, satellites, space infrastructures, missiles. 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 sectors. The Group is listed on the Milan Stock Exchange, and operates in Italy and abroad through subsidiaries and joint ventures. It employs over 59,000 staff in total of which approximately 9,000 in UK, 3,500 in France and 1,600 in US. As part of its drive to maintain and build on its technological expertise, Finmeccanica spends 14% of its revenues on Research and Development.

PRESS RELEASE

Q3 2007 (EUR million)	Helicopters	Defence electronics	Aeronautics	Space	Defence systems	Energy	Transport	Other activities	Eliminations	TOTAL
Revenues	610	857	545	216	222	274	329	79	(85)	3,047
EBITA*	65	45	42	11	7	16	(1)	(7)		178
EBITA* margin (%)	10.7%	5.3%	7.7%	5.1%	3.2%	5.8%	<i>n.s.</i>	<i>n.s.</i>		5.8%
EBIT	63	42	42	11	6	16	(1)	(7)		172
EBIT margin (%)	10.3%	4.9%	7.7%	5.1%	2.7%	5.8%	<i>n.s.</i>	<i>n.s.</i>		5.6%
Depreciation and amortisation	28	29	31	6	7	4	5	3		113
Research and development costs	66	120	129	12	39	6	9	1		382
Investment in non-current assets	40	57	185	5	10	4	7	5		313
New orders	614	542	384	220	180	752	734	37	(80)	3,383
Q3 2006 (EUR million)	Helicopters	Defence electronics	Aeronautics	Space	Defence systems	Energy	Transport	Other activities	Eliminations	TOTAL
Revenues	616	776	496	172	234	220	315	54	(65)	2,818
EBITA*	48	26	54	6	16	20	12	(15)		167
EBITA* margin (%)	7.8%	3.4%	10.9%	3.5%	6.8%	9.1%	3.8%	<i>n.s.</i>		5.9%
EBIT	48	26	54	6	16	20	12	(15)		167
EBIT margin (%)	7.8%	3.4%	10.9%	3.5%	6.8%	9.1%	3.8%	<i>n.s.</i>		5.9%
Depreciation and amortisation	17	23	32	7	7	3	6	2		97
Research and development costs	76	97	117	9	15	4	9	-		327
Investment in non-current assets	12	19	85	45	13	4	5	2		185
New orders	507	541	256	184	158	65	595	3	(51)	2,258

* EBIT before amortisations of intangibles acquired under business combination