

Rome, 28 January 2010

## **Finmeccanica exceeds 2009 forecasts**

### **Group to build on last year's results in 2010**

The Finmeccanica Board of Directors met today to examine the financial forecasts for 2009 and updated guidance for 2010.

The forecasts for 2009 – the final results will be submitted to the Board of Directors for approval on 4 March – confirm that the Group has succeeded in meeting the guidance for 2009 previously provided to the financial market.

Specifically, in 2009:

Consolidated **revenues** will be between EUR 17.9 billion and EUR 18.3 billion, higher than the EUR 17.1-17.7 billion range previously announced.

**EBITA** will be between EUR 1.56 billion and EUR 1.58 billion, compared to the guidance issued previously of EUR 1.55-1.62 billion.

**Free Operating Cash Flow (FOCF)** will be between EUR 530 million and EUR 570 million, higher than the EUR 400-500 million range previously announced.

This is summarised in the table below:

2009E	Previous guidance	Current forecast
Revenues (EUR billion)	17.1-17.7	17.9-18.3
EBITA (EUR billion)	1.55-1.62	1.56-1.58
FOCF (EUR million)	400-500	530-570

**New orders** will be between EUR 21 billion and EUR 21.5 billion, higher than the EUR 20.8 billion forecast.

The Board also assessed the economic and structural conditions for the sectors in which the Group operates.

The Board noted that there has been a gradual shift of demand for investment in the aerospace and defence sector away from traditional markets (represented by the major industrialised nations) towards emerging markets, which are becoming increasingly competitive. A similar trend can also be identified in the energy and transport sector.

Finally, demand in the civil segments of the aeronautic and helicopter sectors continues to be weak.

The Board subsequently examined the industrial measures put in place by the Group to address the difficulties associated with the above scenario. These measures are aimed at maximising the profitability of contracts won in more competitive environments, increasing efficiency by cutting industrial and structural costs and continuing to invest at an adequate level to ensure that the Group remains competitive in the long term.

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**Finmeccanica** plays a leading role in the global aerospace and defence industry, and participates in some of the sector's biggest international programmes through its group companies and well-established alliances with European and USA partners. A leader in the design and manufacture of helicopters, defence and security electronics, civil and military aircraft, aerostructures, satellites, space infrastructure and defence systems, Finmeccanica is Italy's leading high-tech company. It also boasts significant manufacturing assets and skills in the transport and energy sectors; it is listed on the Milan stock market and operates via a number of group companies and joint ventures. It has over 73,000 employees, with more than 12,600 working in the USA, about 10,100 in the UK and over 3,600 in France. As part of its drive to maintain and build on its technological excellence, Finmeccanica spends 12% of its revenues on Research and Development.

Finally, the Board examined those initiatives aimed at continuing the industrial restructuring process in the vehicles segment of the Group's transport division, in order to strengthen industrial processes and stabilise the execution of certain key contracts.

Having considered the scenario outlined above and the measures that have subsequently been put in place, the Finmeccanica Board has decided to update the forecasts for 2010 as summarised below:

2010E	Previous guidance	Updated guidance
Revenues (EUR billion)	17.4-18.6	17.8-18.6
EBITA (EUR billion)	1.65-1.76	1.52-1.6
FOCF (EUR)	Total of 1.3-1.5 billion for FY2008-2010	Total of 1.2-1.3 billion for FY2008-2010

New orders are expected to be up in 2010 compared to 2009, with a total value of more than EUR 21 billion.

*Chairman and CEO of Finmeccanica, Pier Francesco Guarguaglini, commented: "In line with the guidance provided to the market, Finmeccanica expects full-year results for 2009 to be positive. This is particularly significant considering the global economic crisis. In 2009, the Group achieved and in some cases even outperformed the targets set for orders, revenues, EBITA and cash flow. We therefore believe that this year the Group will be able to pay the same dividend as last year.*

*With regard to 2010, we are maintaining the guidance on revenues and new orders while we have decided to update our guidance on EBITA and cash flow. This decision relates to the uncertainty surrounding the timing of the economic recovery, which is not something we could have foreseen last year when we were setting our targets, and also takes into account the potential reduction in customer advances on orders to be acquired.*

*However, we can rely on a solid backlog of work thanks to the ongoing acquisition of new orders, including non-domestic markets where a large increase in defence budgets is expected.*

*This justifies the strategy that we have pursued so far as well as the Group's ability to continue to create value in the coming years. The restructuring measures taken, together with our increased presence in growth markets, will enable Finmeccanica to improve its efficiency and profitability in a context of increasing geographical diversification."*