



3Q and 9M Results Presentation

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8 November 2013



AGENDA

INTRODUCTION

3Q/9M 2013 RESULTS & 2013 OUTLOOK

STRATEGIC UPDATE

APPENDIX

PROGRESSING IN OUR PATH TO BUILD A SUSTAINABLE FINMECCANICA

- ✦ In a tough environment we are achieving real restructuring process
- ✦ The Group contains some fundamentally attractive businesses
- ✦ There are some tough issues we are dealing with
- ✦ We remain confident in our medium term journey

3Q/9M 2013 RESULTS & 2013 OUTLOOK

(Gian Piero Cutillo - CFO)

3Q/9M 2013 HIGHLIGHTS

- ✦ Strong underlying trading performance in Aeronautics & Helicopters
- ✦ Impact of US budget cuts and challenging markets on Defence Electronics in line with guidance
- ✦ Restructuring progress across all businesses
- ✦ Underlying A&D EBITA in line with plan
- ✦ Transportation rolling stock continues to be a significant drag on results
- ✦ FOCF impacted by Indian Helicopter and Vehicles Holland-Belgium contracts

GROUP PERFORMANCE (1/2)

€ Mln	A&D			Transportation			Total continuing operations		
	9M2013	9M2012	% Change	9M2013	9M2012	% Change	9M2013	9M2012	% Change
Orders	8,171	8,905	-8.2%	1,284	1,284	0%	9,440	10,140	-6.9%
Backlog **	31,778	34,219*	-7.1%	8,568	8,837*	-3.0%	40,233	42,930*	-6.3%
Revenues	9,978	10,230	-2.5%	1,428	1,525	-6.4%	11,343	11,691	-3%
EBITA	712	704	1.1%	-15	2	n.s	697	706	-1.3%
ROS %	7.1%	6.9%	0.2p.p.	-1.1%	0.1%	-1.2p.p.	6.1%	6.0%	0.1p.p
Headcount **	57,214	58,541*	-2.3%	7,268	7,037*	3.3%	64,482	65,578*	-1.7%

- According to IFRS, from 3Q2013 Finmeccanica classifies Ansaldo Energia among discontinued operations following the agreement to sell the Group's stake to Fondo Strategico Italiano
- The financial results and commentary in this presentation for Q3 and 9M2013 refer solely to continuing operations (i.e. excluding Ansaldo Energia)
- Financial results for Q3 and 9M2012 have been restated so that they are comparable

(*) figures at 31 December 2012

(**) pro-forma figures to take into account the deconsolidation of Ansaldo Energia, only for the purpose of this presentation

GROUP PERFORMANCE (2/2)

€ Mln	Q3 ACTUAL			9M ACTUAL		
	2013	2012	% Change	2013	2012	% Change
Orders	3,403	2,907	17%	9,440	10,140	-7%
Revenues	3,677	3,970	-7.4%	11,343	11,691	-3%
EBITA	253	267	-5.2%	697	706	-1%
ROS %	6.9%	6.7%	0.2p.p.	6.1%	6.0%	0.1p.p.
EBIT	37	234	n.s.	293	589	n.s.
Net Income after minorities*	-85	64	n.s.	-165	113	n.s.
EPS* (€ cents)	-0.147	0.111	n.s.	-0.285	0.195	n.s.
FOCF	-407	-178	-89%	-1,740	-1,346	-29%
Net financial debt				5,153	4,853	6%

(*) comparative data restated to include the effect of the adoption of IAS 19 revised

HELICOPTERS

€ Mln	3Q ACTUAL			9M ACTUAL			FY ACTUAL
	2013	2012	%ch. YoY	2013	2012	%ch. YoY	2012
Orders	809	496	63.1%	2,243	2,276	-1.4%	4,013
Revenues	967	1,064	-9.1%	3,012	2,976	1.2%	4,243
EBITA	125	120	4.2%	411	339	21.2%	473
ROS %	12.9%	11.3%	1.6p.p.	13.6%	11.4%	2.2p.p.	11.1%

- ✦ **Orders up** 63% in 3Q due to phasing, broadly in line for the 9M. 3Q main acquisitions refers to civil-government market, including 21 AW139 and 18 AW189
- ✦ **Revenues** -9% in 3Q, affected by a slight slow down in AW101, but in line for 9M; 54 a/c delivered in 3Q (vs 40 in 3Q2012), mainly AW139
- ✦ **EBITA** up 4% in 3Q; better profitability driven by higher deliveries on AW139 as well as efficiency-improvement actions. 1H also benefited from the final closing of the US Presidential Helicopter programme
- ✦ **Underlying profitability**, also excluding the final closing of the US Presidential Helicopter programme, steadily at double digit for the full year and expected to be better than last year

AERONAUTICS

€ Mln	3Q ACTUAL			9M ACTUAL			FY ACTUAL
	2013	2012	%ch. YoY	2013	2012	%ch. YoY	2012
Orders	345	668	-48.4%	2,037	2,224	-8.4%	3,169
Revenues	713	684	4.2%	2,174	2,002	8.6%	2,974
EBITA	87	25	2.48%	148	74	100%	104
ROS %	12.2%	3.7%	8.5p.p.	6.8%	3.7%	3.1p.p.	3.5%

- ✦ **Orders** down 48% in 3Q due to a significant order booked in 3Q2012 for the M346
- ✦ **Revenues** up 4% in 3Q driven by civil (mainly on increased production rate on B787). Alenia Aermacchi started deliveries of B787-9 fuselage sections to Boeing
- ✦ **EBITA** improving (+2.48%) in Q3 due to renegotiation of some contracts and improved efficiencies from the ongoing restructuring and reorganisation processes. Additional benefits from the release of provisions from the ATR programme
- ✦ FY2013 underlying profitability expected to further improve on FY2012

EUROPEAN DEFENCE ELECTRONICS AND SECURITY

- Selex ES (2012 PRO-FORMA)

€ Mln	3Q ACTUAL			9M ACTUAL			FY ACTUAL
	2013	2012	%ch. YoY	2013	2012	%ch. YoY	2012
Orders	643	592	8.6%	1,823	1,998	-8.8%	3,206
Revenues	698	772	-9.6%	2,244	2,465	-9.0%	3,590
EBITA	-6	17	n.s	20	98	-80%	156
ROS %	-0.9%	2.2%	-3.1p.p.	0.9%	4.0%	-3.1p.p.	4.3%

- ⚡ **Orders and Revenues** in line with expectations still affected by lower demand across the board
- ⚡ **Profitability** continues to be heavily impacted by lower revenues and worse industrial margin in some specific areas, mainly ATC
- ⚡ Careful review of the main issues in ATC now completed
- ⚡ New SES restructuring and integration plan is progressing well; recovery of an adequate profitability now expected in 2014

US DEFENCE ELECTRONICS AND SECURITY – DRS

\$ Mln	3Q ACTUAL			9M ACTUAL			FY ACTUAL
	2013	2012	%ch. YoY	2013	2012	%ch. YoY	2012
Orders	515	574	-10.3%	1,380	1,790	-22.9%	2,477
Revenues	549	738	-25.6%	1,621	2,092	-22.5%	2,769
EBITA	48	98	-51%	110	179	-38.5%	293
ROS %	8.7%	13.3%	-4.6p.p.	6.8%	8.6%	-1.8p.p	10.6%

- ✦ **Orders** remain affected by US sequestration in line with expectations
- ✦ **Revenue** decrease inline with plan, due to lower acquisitions and wind down of activities on important programmes for the US Army
- ✦ **3Q Profitability at high single digit:** benefits from ongoing restructuring initiatives partially offset lower volumes
- ✦ **DRS expected to maintain high single digit profitability for FY,** despite lower volumes

SPACE

€ Mln	3Q ACTUAL			9M ACTUAL			FY ACTUAL
	2013	2012	%ch. YoY	2013	2012	%ch. YoY	2012
Orders	199	398	-50%	485	639	-24.1%	866
Revenues	241	228	5.7%	729	697	4.6%	1,053
EBITA	18	17	5.9%	54	47	14.9%	84
ROS %	7.5%	7.5%	0p.p.	7.4%	6.7%	0.7p.p.	8.0%

- ⚡ **3Q Order** decrease due to postponement to 4Q of some orders for TLC satellites
- ⚡ **Overall performance** broadly in line with last year
- ⚡ FY expected to be in line with last year

DEFENCE SYSTEMS

€ Mln	3Q ACTUAL			9M ACTUAL			FY ACTUAL
	2013	2012	%ch. YoY	2013	2012	%ch. YoY	2012
Orders	276	121	128.1%	784	643	21.9%	1,005
Revenues	288	265	8.7%	881	829	6.3%	1,256
EBITA	18	35	-48.6%	79	89	-11.2%	164
ROS %	6.3%	13.2%	-6.9p.p.	9.0%	10.7%	-1.7p.p.	13.1%

- ⚡ **3Q Order** increase mainly driven by Missiles (i.e. UK MoD)
- ⚡ 3Q decrease in **profitability** due to Missiles, as 3Q2012 benefitted from exceptional deliveries on a key export contract and achievement of some technical milestones
- ⚡ FY solid performance confirmed

TRANSPORTATION

ANSALDO STS

€ Mln	3Q ACTUAL			9M ACTUAL			FY ACTUAL
	2013	2012	%ch. YoY	2013	2012	%ch. YoY	2012
Orders	624	255	144,9%	1,014	1,051	-3.5%	1,492
Revenues	283	305	-7,1%	867	874	-0.8%	1,248
EBIT	26	27	-4,8%	78	77	0.9%	117
EBIT/Revenues %	9,1%	8.9%	0,2p.p	9.0%	8.9%	0.1p.p.	9.4%

AnsaldoBreda

€ Mln	3Q ACTUAL			9M ACTUAL			FY ACTUAL
	2013	2012	%ch. YoY	2013	2012	%ch. YoY	2012
Orders	20	47	-57.4%	63	183	-65.6%	782
Revenues	138	138	0%	402	496	-19.0%	456
EBITA	-26	-26	0%	-94	-61	-54.1%	-160
ROS %	-18.8%	-18.8%	0p.p.	-23.3%	-12.3%	-11.0p.p	-35.1%

- ✦ **Orders** declined due to contract postponements mainly from Italian customers
- ✦ **Profitability** continues to be affected by a slowdown in production, unabsorbed overhead costs, as well as contractual charges and additional cost-overrun on certain programmes

IMPACT ON FY RESULTS

- ⇒ Guidance updated for the deconsolidation of Ansaldo Energia
- ⇒ No change to Group Order and Revenue guidance in continuing operations
- ⇒ FY EBITA guidance down 5%-10%, due to the deterioration in the operating results of Ansaldo Breda
- ⇒ FY FOCF significantly impacted by Holland-Belgium high speed and Indian contracts
- ⇒ Year end net debt increase due to cash absorption, offset by the effects of the sale of Ansaldo Energia

2013 GROUP GUIDANCE

	FY2012A	FY2013E Old	FY2013E New (after deconsolidation of AEN)
€ mln			
Orders	16,703	ca. 17,000	15,500-16,000
Revenues	17,218	ca. 16,700-17,000	15,900-16,200
EBITA	1,080	ca. 1,100	900-950
FOCF	89	ca. 100	(350)-(450)
Net Financial debt	3,373	ca. 3,300 before disposals	ca.3,300 After disposal of Ansaldo Energia

- ✦ **Net financial debt at year end expected to reflect**
 - ✦ Cash absorption for the full year
 - ✦ Positive effects of Ansaldo Energia sale (cash in of proceeds and deconsolidation of debt)
- ✦ **Additional positive effects further reducing debt:** from Avio proceeds (ca. €260mln) and from the exercise of the put-call option on the remaining 15% stake in AEN (€117mln), not yet included in end 2013 figure

STRATEGIC UPDATE

(Alessandro Pansa - CEO)

FINMECCANICA'S JOURNEY UNCHANGED

- ✦ Continued commitment to three key priorities:
 - ✦ Corporate Governance →
 - ✦ Restore our reputation
 - ✦ Sharpen commercial approach
 - ✦ Tighter control over group businesses
 - ✦ Industrial Restructuring →
 - ✦ Creating a sustainable long term portfolio
 - ✦ Improve the competitiveness of our businesses
 - ✦ Asset Portfolio Rationalisation →
 - ✦ Reduce debt
 - ✦ Focus investments in Aerospace & Defence



A stronger more sustainable Finmeccanica

GOVERNANCE

- ⇒ Progress at the centre
 - ✓ Centralised decision making
 - ✓ More challenge for greater control
 - ✓ More robust audit function

- ⇒ Moving to other operating businesses
 - ⇒ Cure for the problem areas such as ATC
 - ⇒ Ensuring commercial agreements no longer assume the efficiencies in their pricing assumptions that would win us unprofitable businesses in the past
 - ⇒ Introducing risk management officers to each organisation

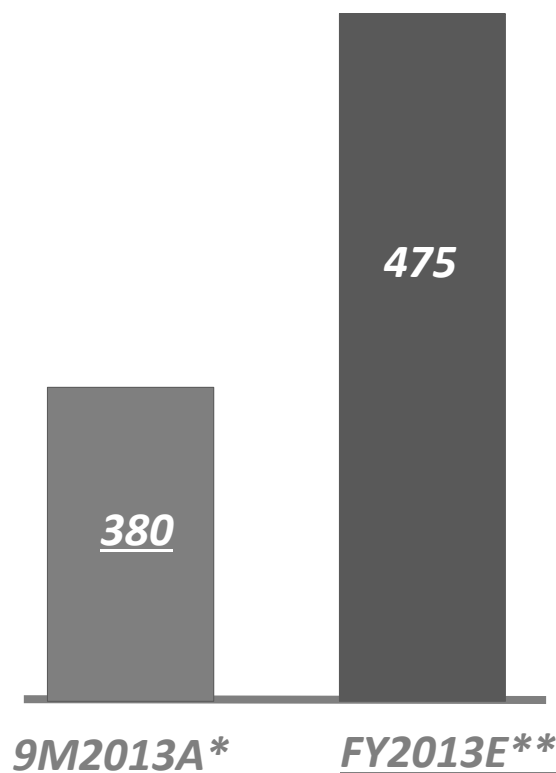
INDUSTRIAL RESTRUCTURING

(€mln)

- ✦ We are achieving real progress
 - ✓ Helicopters – ROS underpinned by actions
 - ✓ Aeronautics – Problem areas fixed: more opportunities
 - ✓ Defence Electronics – Improving underlying profitability

- ✦ Efficiencies ahead of plan in Aerospace & Defence

- ✦ FY 2013 target increased by ca. €50mln, on top of €440mln of total benefits coming from initiatives launched in FY2011



(*) figures restated to take into account the deconsolidation of Ansaldo Energia.

(**) including Ansaldo Energia, the total amount of benefits coming from initiatives launched in 2011 and 2012 would have been €490mln

PORTFOLIO RATIONALISATION - ACHIEVEMENTS

- ✦ Encouraging progress in the quarter
- ✦ Ansaldo Energia disposal financially and strategically important
- ✦ Demonstrates commitment to getting deals done with all stakeholders
- ✦ Proceeds from Ansaldo Energia and Avio disposals to pay down debt

PORTFOLIO RATIONALISATION – NEXT STEPS

- ✦ Discussions on transport carried out so far haven't led to any agreement as of today
- ✦ Reassessing the restructuring of Ansaldo Breda by:
 - ✦ Completion of contracts in progress in the best way to limit their losses
 - ✦ Acquisition of new orders that is clearly going to be profitable and with adequate contractual terms
 - ✦ Redefinition of the company structure consistently with the backlog to be worked
- ✦ Actions to minimise economic losses/cash absorption incompatible with Group capital structure
- ✦ ASTS will be treated in the best interest of the Company, its shareholders and Finmeccanica's shareholders

BUILDING A STRONGER MORE SUSTAINABLE FINMECCANICA

- ✦ We are not deterred by specific issues impacting FY13 results
- ✦ We have confidence in our core businesses
- ✦ We have confidence in our restructuring
- ✦ We have made some excellent progress

APPENDIX

ENERGY – Q3/9M numbers to reconcile like for like Group results

€ Mln	3Q ACTUAL			9M ACTUAL			FY ACTUAL
	2013	2012	%ch. YoY	2013	2012	%ch. YoY	2012
Orders	241	67	260%	431	512	-15.8%	834
Revenues	144	191	-24.6%	432	493	-12.4%	715
EBITA	9	15	-40%	31	36	-13.9%	65
ROS %	6.3%	7.9%	1.6 p.p.	0.1%	7.3%	6.9p.p	9.1%

✦ Net debt at 30 September 2013 €259mln

ASSET PORTFOLIO RATIONALISATION – SALE OF ANSALDO ENERGIA

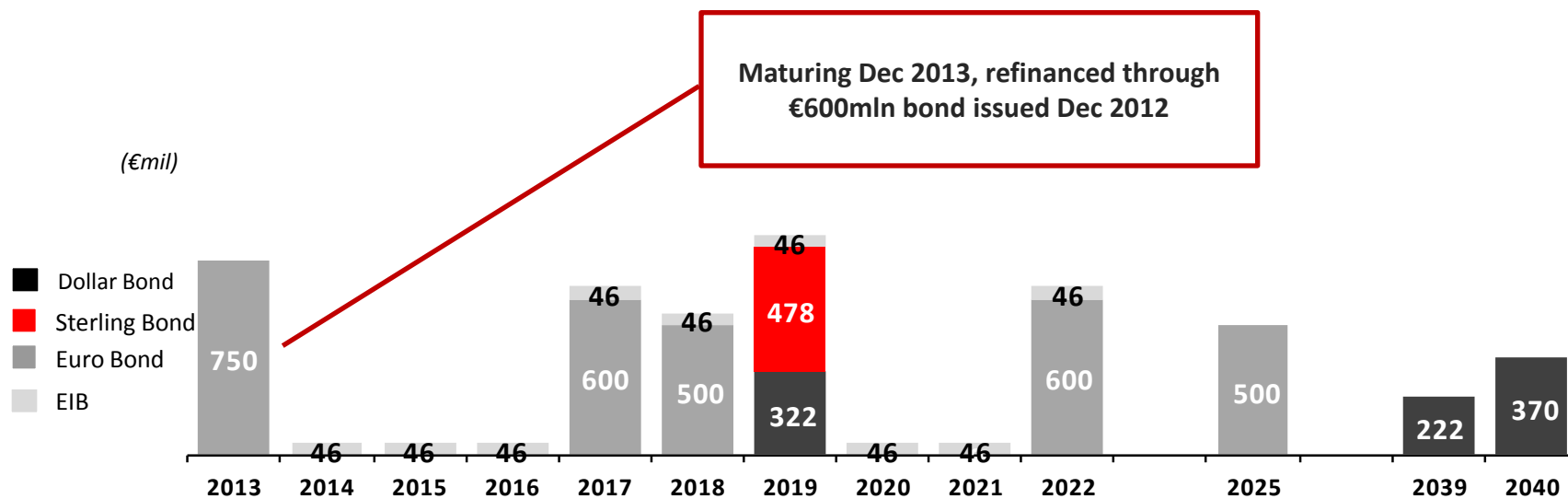
- ✦ Transaction agreed on 4 October 2013 with Fondo Strategico Italiano for a fixed price of €777mln for 100% of the Company and an earn out worth up to €130mln
- ✦ Transaction provides for the sale of 99.55%* of the Company, of which 45% owned by First Reserve and 54.55% owned by Finmeccanica
- ✦ Finmeccanica will sell 39.55% at closing and 15% through a put/call option to be exercised from June to December 2017, based on a price of €777mln, capitalised at an annual compound interest rate of 6%
- ✦ Through this transaction Finmeccanica will achieve
 - ✦ Cash in of €273mln at closing, for the sale of 39.55%
 - ✦ Cash in of €117mln, plus 6% pro rata temporis interest rate, from the exercise of the put-call option in 2017, on the remaining 15% stake
 - ✦ Deconsolidating financial debt at closing (ca. €220mln at 30 June 2013 for the 55% stake)
 - ✦ Cash in of up to €130mln through the earn out in 2015, 2016 and 2017

ASSET PORTFOLIO RATIONALISATION – SALE OF AVIO

- ✦ 21 December 2012: Avio aircraft engine division sold to GE
- ✦ Transaction closed on August 2013
- ✦ Capital gain of €91mln recognised in 3Q2013
- ✦ ca. €260mln expected cash in from proceeds
- ✦ Selling price more than two times the investment made in 2006
- ✦ Avio Space Activities (FY2011 Revenues of ca. €300mln, mainly in space launchers i.e. Ariane 5 and Vega) not acquired by GE

ROBUST FINANCIAL POSITION (as of end of September 2013)

- ✧ No meaningful refinancing needs before end 2017
- ✧ Strong liquidity position
- ✧ Bonds have neither financial covenants nor rating pricing grids
- ✧ Revolving credit facility has no financial covenants
- ✧ Average life $\approx$ 9.5 years
- ✧ The €2.4bn RCF will expire in September 2015



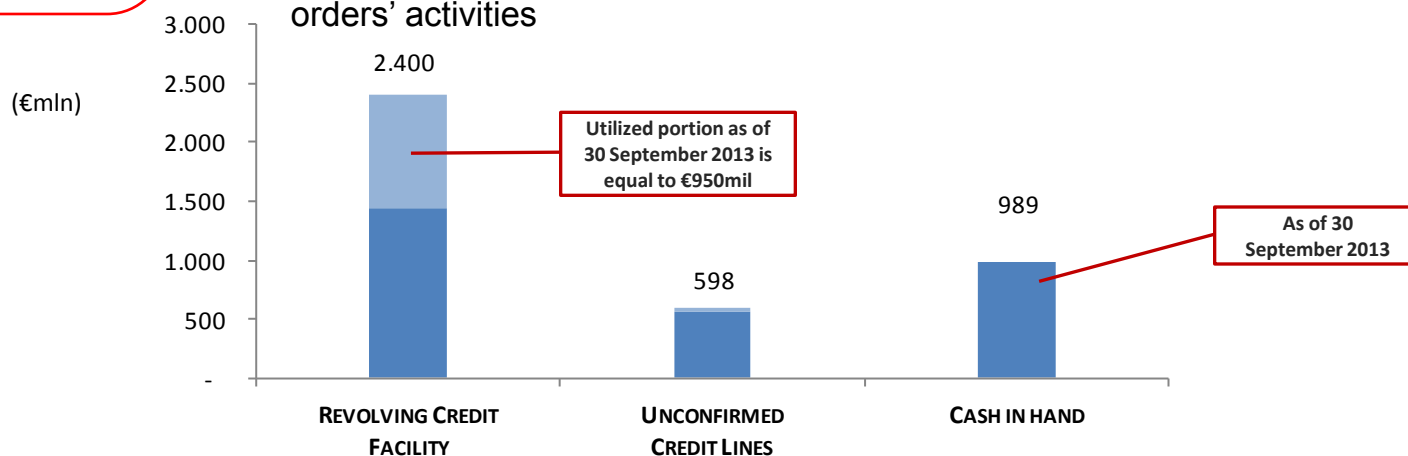
* Finmeccanica early repaid \$66mil of the 2019 USD bond.

STRONG LIQUIDITY POSITION (as of end of September 2013)

**Availability of
adequate
committed
liquidity lines**

In order to cope with possible volatilities in financial needs, Finmeccanica can leverage:

- 30 September cash balance of €1.0 Billion
- Credit lines worth €3.0 Billion (confirmed and unconfirmed), utilized for €1 Billion at September 30th 2013 to finance cash absorptions deriving from working capital
 - A revolving credit facility was signed on September 2010 with a pool of leading Italian and foreign banks for a total of €2.4 Billion with maturity in September 2015
- Bank Bonding lines of roughly €2.0 Billion to support the execution of bidding and orders' activities



	REVOLVING CREDIT FACILITY	UNCONFIRMED CREDIT LINES	CASH IN HAND
Tenor	Sept 2015	18 months	
Margin	180 bps ⁽¹⁾	150-200 bps ⁽²⁾	

(1) Based on rating as of 30/09/2013.

(2) Average. Expected to be renewed at maturity

FINMECCANICA IS PART OF DOW JONES SUSTAINABILITY INDEXES

- ✦ Finmeccanica achieved the admission to the Dow Jones Sustainability Index World and Europe (DJSI World and DJSI Europe) for the fourth year in a row
- ✦ DJSI are the most representative and rigorous stock indexes in terms of sustainability. Launched in 1999 as the first global sustainability benchmark, they track the stock performance based on Economic, Environmental, Social and Governance criteria (ESG)
- ✦ The DJSI are based on RobecoSAM's internationally recognized leading Corporate Sustainability Assessment (CSA), which is carried out on an annual basis over a population of more than 3,000 companies worldwide. In 2013, only 333 companies were admitted to the World Index, 177 to the European and 140 to the North American one
- ✦ The DJSI assessment is conducted on a confidential basis through a “*best-in class*” approach that includes only the companies whose performances in different sustainability metrics are the highest
- ✦ The A&D sector's assessment is based on 20 criteria and 118 questions
- ✦ Public information are disclosed only in aggregate at sector level

SAFE HARBOR STATEMENT

NOTE: Some of the statements included in this document are not historical facts but rather statements of future expectations, also related to future economic and financial performance, to be considered forward-looking statements. These forward-looking statements are based on Company's views and assumptions as of the date of the statements and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Given these uncertainties, you should not rely on forward-looking statements.

The following factors could affect our forward-looking statements: the ability to obtain or the timing of obtaining future government awards; the availability of government funding and customer requirements both domestically and internationally; changes in government or customer priorities due to programme reviews or revisions to strategic objectives (including changes in priorities to respond to terrorist threats or to improve homeland security); difficulties in developing and producing operationally advanced technology systems; the competitive environment; economic business and political conditions domestically and internationally; programme performance and the timing of contract payments; the timing and customer acceptance of product deliveries and launches; our ability to achieve or realise savings for our customers or ourselves through our global cost-cutting programme and other financial management programmes; and the outcome of contingencies (including completion of any acquisitions and divestitures, litigation and environmental remediation efforts).

These are only some of the numerous factors that may affect the forward-looking statements contained in this document.

The Company undertakes no obligation to revise or update forward-looking statements as a result of new information since these statements may no longer be accurate or timely.

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