



1Q2016 Results Presentation

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Chief Financial Officer

5 May 2016

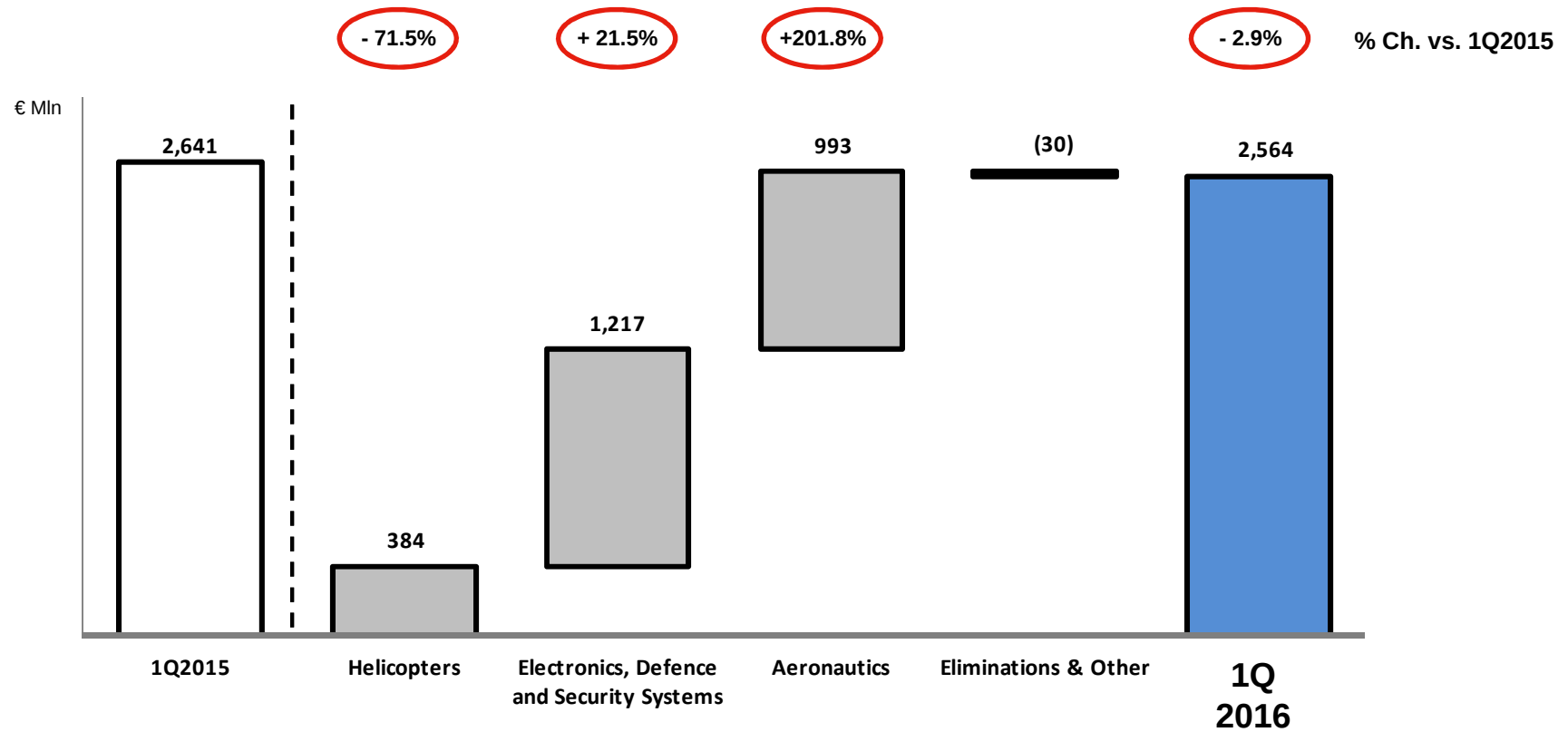


Key messages

- * Solid start to the year reflecting a better balanced business
- * Continuous improvement in Electronics, Defence & Security and Aeronautics
- * Offsetting increasingly challenging Helicopters market
- * Material step up in Net Result
- * FY expectations confirmed
- * Very positive incremental impact from EFA Kuwait contract

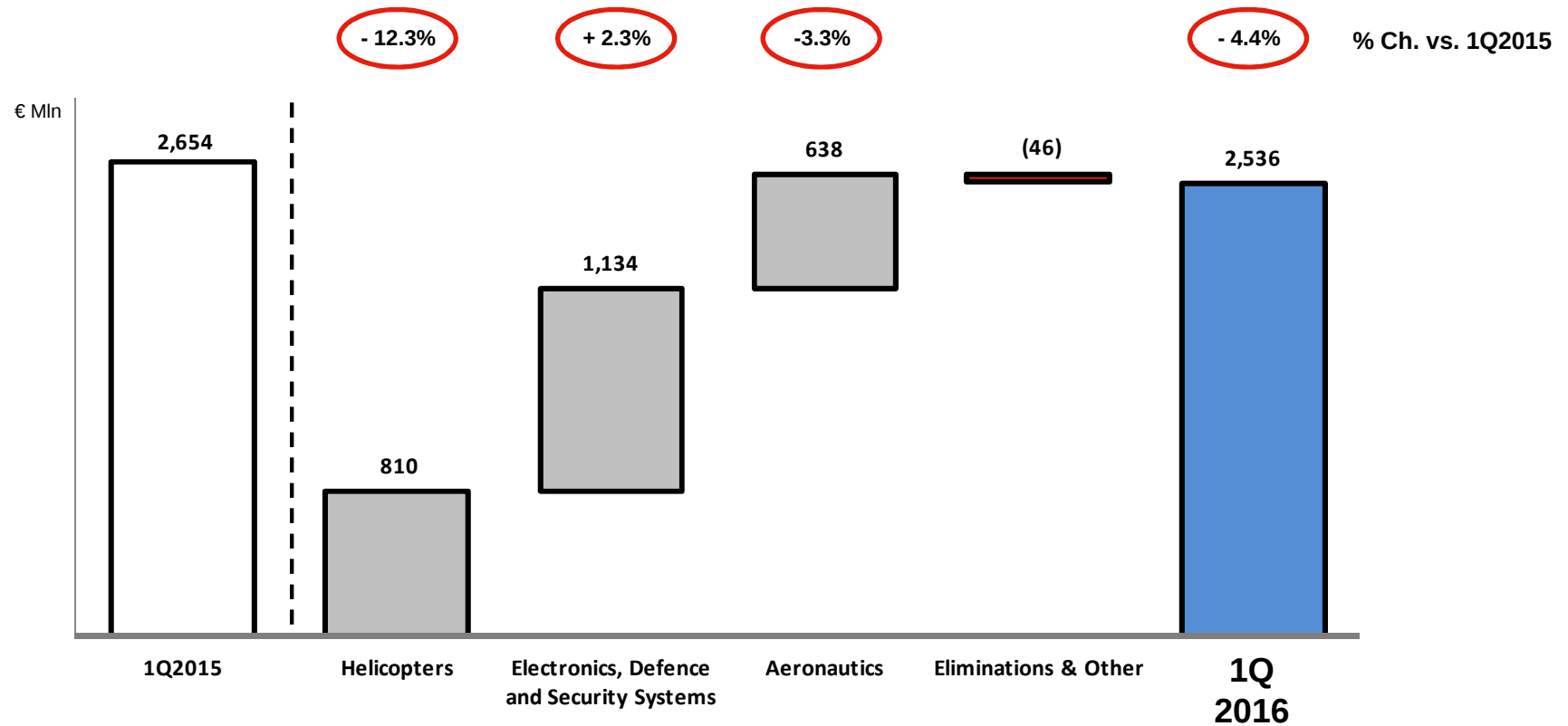
New Orders

In line with 1Q2015, with book-to-bill at 1



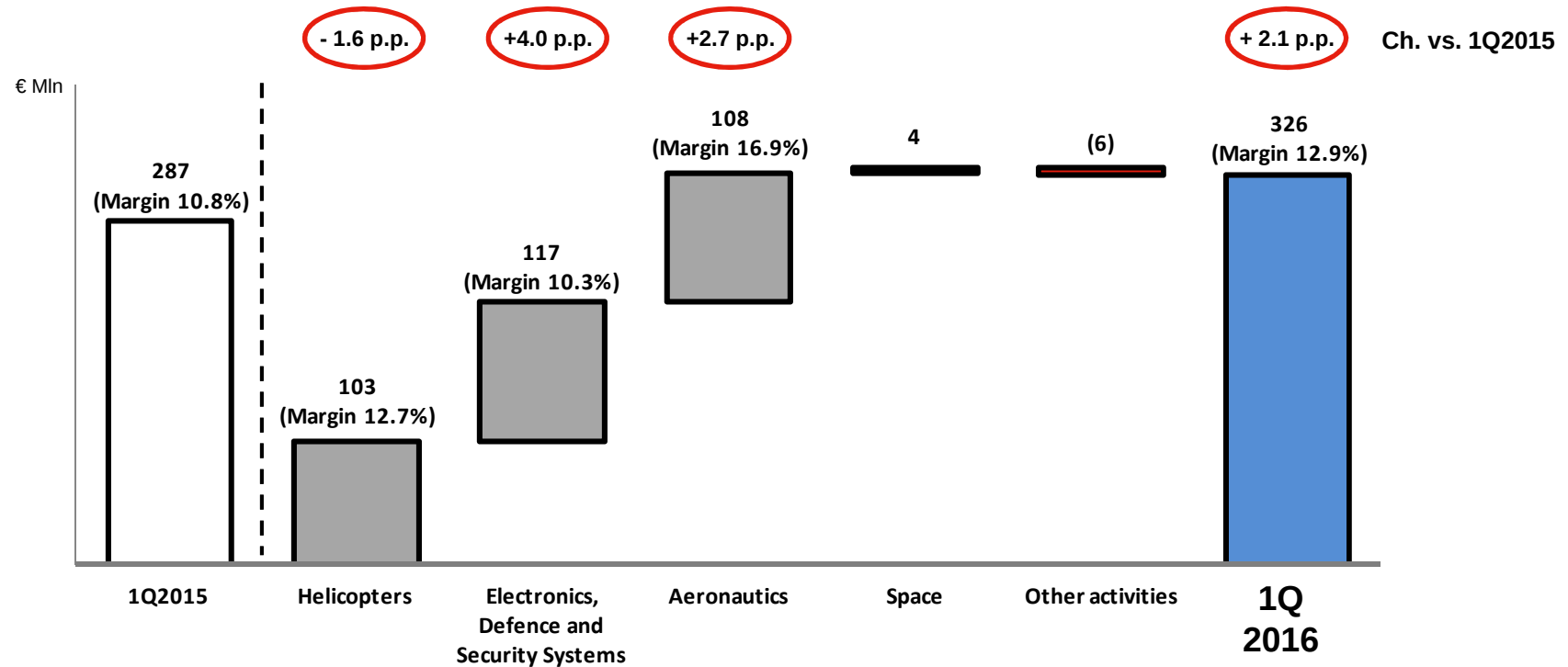
Revenues

In line with 1Q2015 despite the change in perimeter



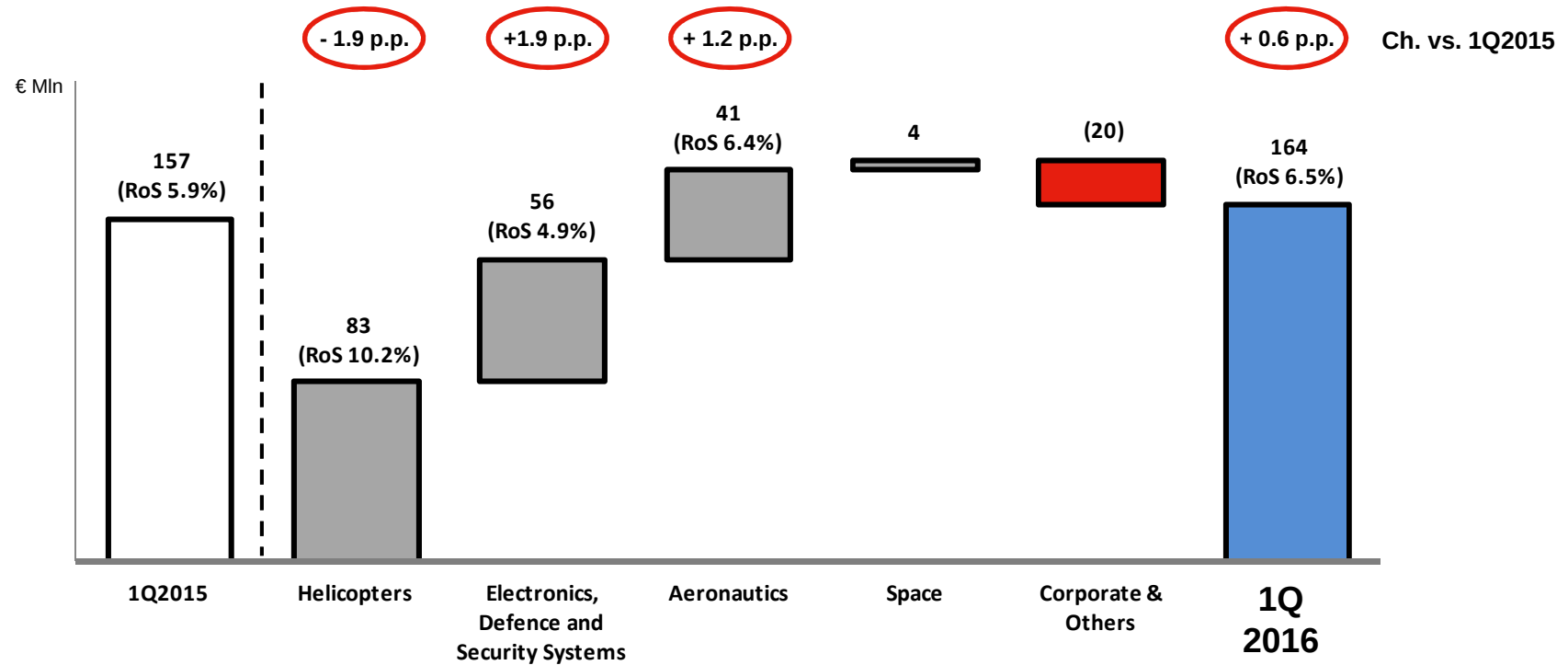
Profitability improvement

Growing EBITDA and 210bp higher EBITDA Margin YoY



Profitability improvement

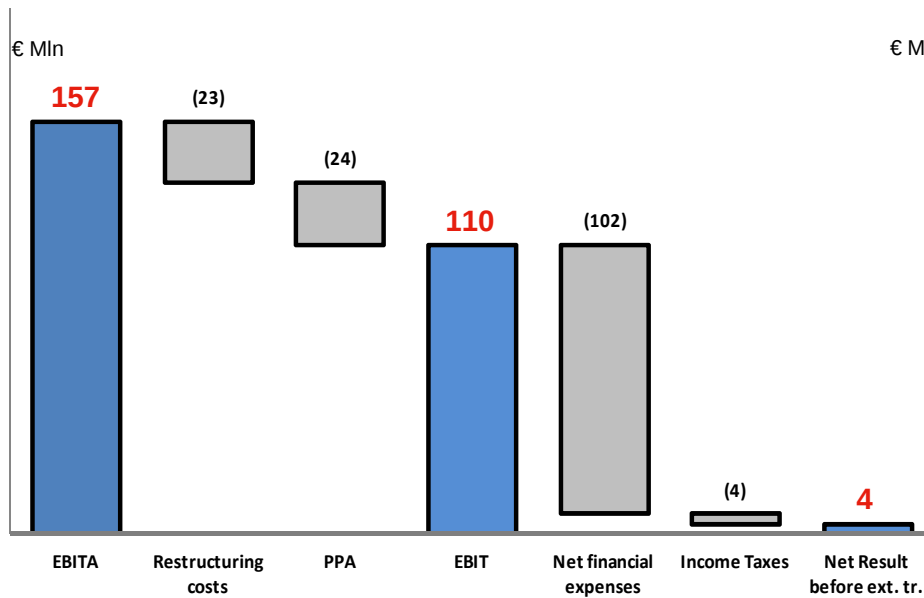
Sustainable growth of EBITA and ROS



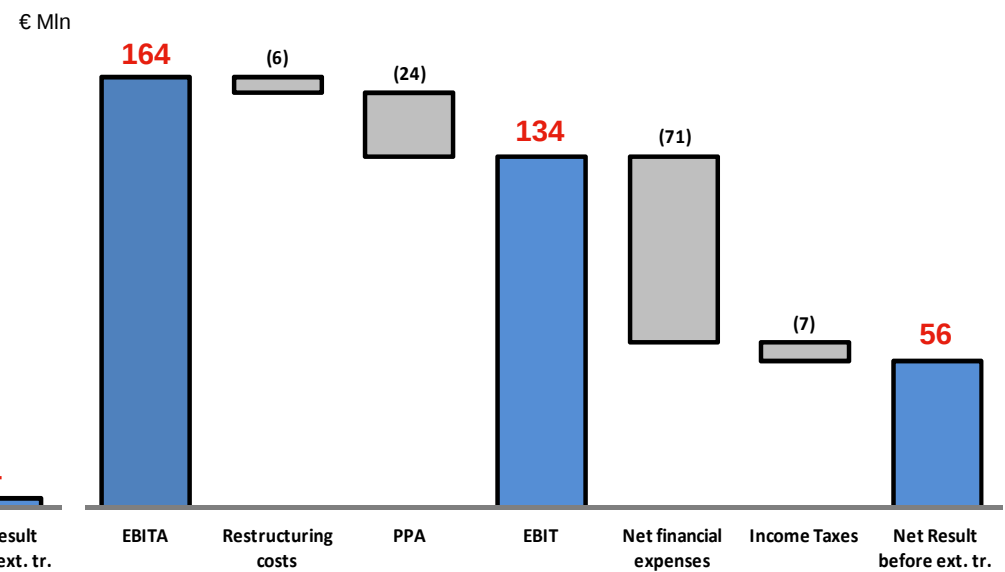
Net Result

Material step up of EBIT and Net Result

1Q2015



1Q2016



Eurofighter Kuwait contract

Preliminary impact on Group figures

- * Contract signed on April 5th 2016 with the Kuwait Ministry of Defence for the supply of 28 Eurofighter Typhoon in the most advanced configuration, including the cutting-edge **new E-Scan radar**
- * Leonardo as prime contractor will lead all the activities on behalf of the Eurofighter Consortium. As such, our share is approx. 60% of the total value of the contract (approaching € 8 bln) while the remaining 40% are just pass-through activities
- * 8-year contract, covering 2016-2023 period. All the production, delivery and acceptance will be in Italy in the facilities of the Aircraft Division. Deliveries will start in 2019
- * Preliminary impact of the contract on the Group key data as follows:
 - * **ORDERS**: 2016 will reflect the entire amount of the contract, to be booked in 2Q or 3Q depending on when the first installment of the downpayment will be received
 - * **REVENUES**: meaningless contribution in 2016, ramping up in 2017-2018 to reach the peak in 2020-2021 of approx. € 2bln per year
 - * **EBITA**: consistent with Revenues profile, in terms of margins we don't expect the contract to be dilutive in 2017-2018 while only marginally from 2019 onwards as Revenues peak up
 - * **FOCF**: the net impact of the downpayment will lead to an improvement of Group FOCF in 2016 (€ 200 mln) and 2017 (€ 400 mln). As typical for this kind of contracts, cash absorption is expected as the deliveries start, due to the build up of the Working Capital

FY2016 Guidance

Updated to factor in the impact of the EFA-Kuwait contract

✱ **Orders:** increasingly selective with tighter return criteria, to reduce execution risk and improve quality of results, boosted by the EFA Kuwait contract

✱ **Revenues:** change in perimeter (ca. €400mln lower in 2016 vs 2015)

✱ **Restructuring costs:** in line with 2015

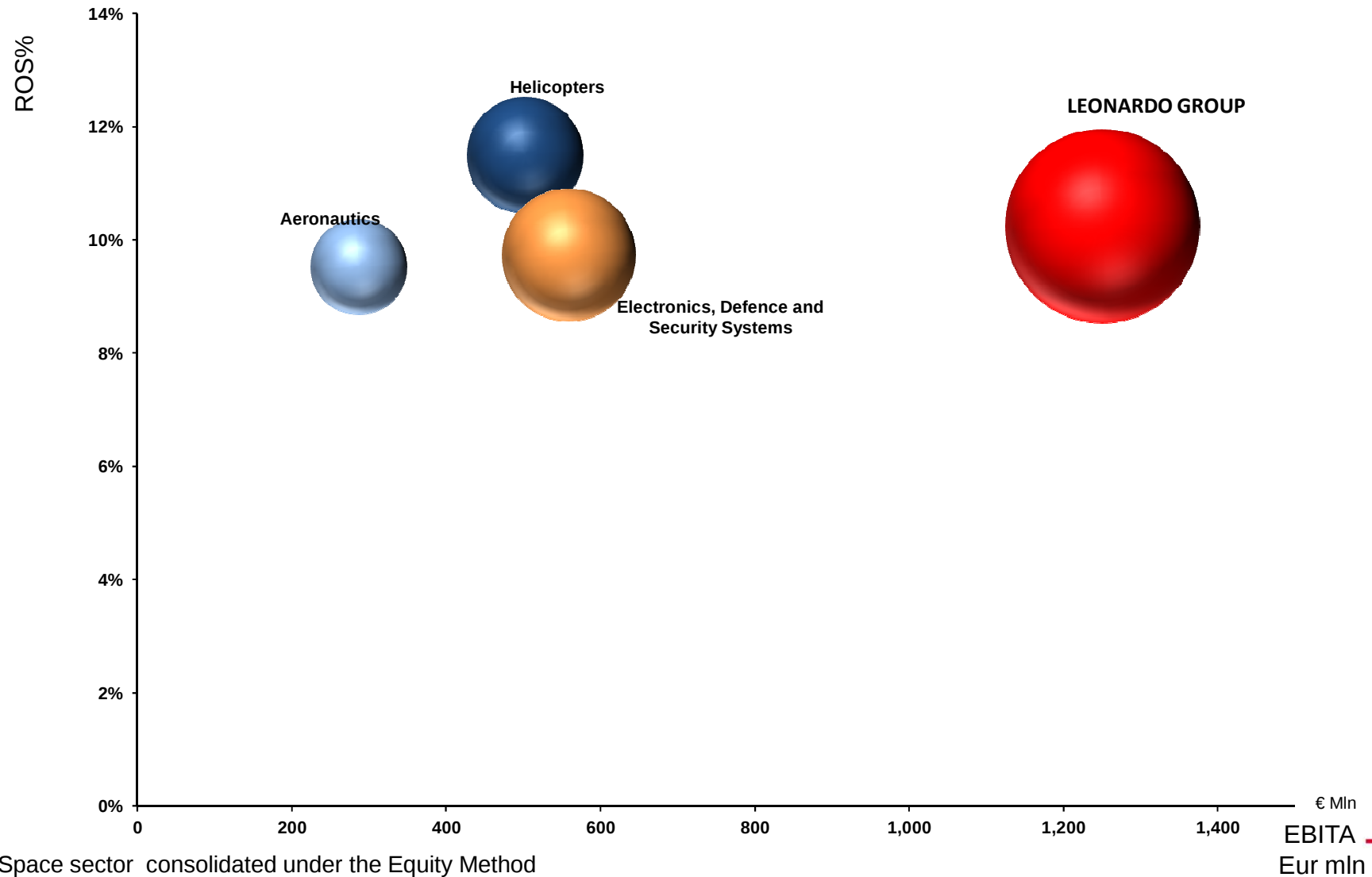
✱ **Net Debt:** ca. €2.8bn, target achieved one year ahead of original Plan

		FY2015A	FY2016E* Pre-Kuwait	FY2016E* New Guidance
New orders	€ bn	12.4	12.2-12.7	ca. 20
Revenues	€ bn	13.0	12.2-12.7	12.2-12.7
EBITA	€mln	1,208	1,220-1,270	1,220-1,270
FOCF	€mln	307	300-400	500-600
Group Net Debt	€ bn	3.3	ca. 3.0	ca. 2.8

(*) Assuming €/ \$ exchange rate at 1.15 and €/ £ at 0.75

MORE BALANCED TODAY

*Contribution to 2016 Guidance**





SECTOR RESULTS

HELICOPTERS

	€ Mln	1Q			FY
		2016	2015	% Change	2015
Orders		384	1,348	(71.5%)	3,910
Revenues		810	924	(12.3%)	4,479
EBITA		83	112	(25.9%)	558
ROS %		10.2%	12.1%	(1.9) p.p.	12.5%

- * Challenging market conditions in some relevant segments affecting order intake in 1Q2016.
- * 1Q2015 benefitted from UK AW101 IOS contract
- * Double-digit profitability maintained
- * This Sector confirmed to be affected by challenges in Oil&Gas, extending across the other civil markets, coinciding with the introduction of some of our new products
- * We continue to expect solid performance with profitability steadily at double digit

ELECTRONICS, DEFENCE & SECURITY SYSTEMS

(Now includes Defence Systems as a Division , DRS and MBDA)

	1Q			FY
	2016	2015	% Change	2015
€ Mln				
Orders	1,217	1,002	21.5%	6.974
Revenues	1,134	1,108	2.3%	5.656
EBITA	56	33	69.7%	512
ROS %	4.9%	3.0%	1.9 p.p.	9,1%

Of which DRS:		1Q			FY
		2016	2015	% Change	2015
\$ Mln					
Orders		422	567	(25.6%)	2,022
Revenues		364	401	(9.2%)	1,805
EBITA		17	18	(5.6%)	126
ROS %		4.7%	4.5%	0.2 p.p.	7.0%

- * Good commercial performance with major orders in *Land & Naval Defence Electronics* and *DRS*
- * Sharp improvement in profitability supported by efficiency improvements and recovery of industrial profitability in the *Security & Information Systems Division*
- * Profitability expected to further improve, despite a more competitive environment and the winding down of some profitable programmes, supported by increasing benefits coming from industrial processes improvements (Manufacturing, Engineering and Supply Chain)
- * For DRS, excluding the effect of the change in perimeter (ca.€200mln YoY), we continue to expect positive trend in business growth, even in a more competitive environment, and a further increase in profitability

Avg. exchange rate €/ \$ @1.10 in 1Q 2016

Avg. exchange rate €/ \$ @1.13 in 1Q 2015

AERONAUTICS

	1Q			FY
	2016	2015	% Change	2015
€ Mln				
Orders	993	329	n.a.	1,741
Revenues	638	660	(3.3%)	3,118
EBITA	41	34	20.6%	312
ROS %	6.4%	5.2%	1.2 p.p.	10%

- * Significant level of new orders both in *Aircrafts* (9 additional M-346 to the Italian Air Force) and *Aerostructures* (B787), recovering the postponements that affected 4Q2015
- * Higher EBITA driven by improvement in *Aerostructures*
- * 2016 profitability expected to further improve driven by additional efficiency-improvement and cost reduction actions also offsetting the winding down of some high-margin programmes. EFA Kuwait contract expected to boost Orders (approaching €8 bln)

SPACE

	1Q			FY
	2016	2015	% Change	2015
EBITA	4	1	n.a.	37

- ✱ Good performance in Manufacturing, with higher volumes and better profitability offsetting lower margins in Services
- ✱ EBITA and profitability expected to recover in 2016

The background of the slide is a complex abstract composition. It features a pixelated, grayscale city skyline that spans the upper half of the image. Overlaid on this is a large, faint compass rose or starburst pattern with multiple lines radiating from a central point. A solid red vertical bar is positioned on the right side of the slide. The word "APPENDIX" is centered in the lower half of the image.

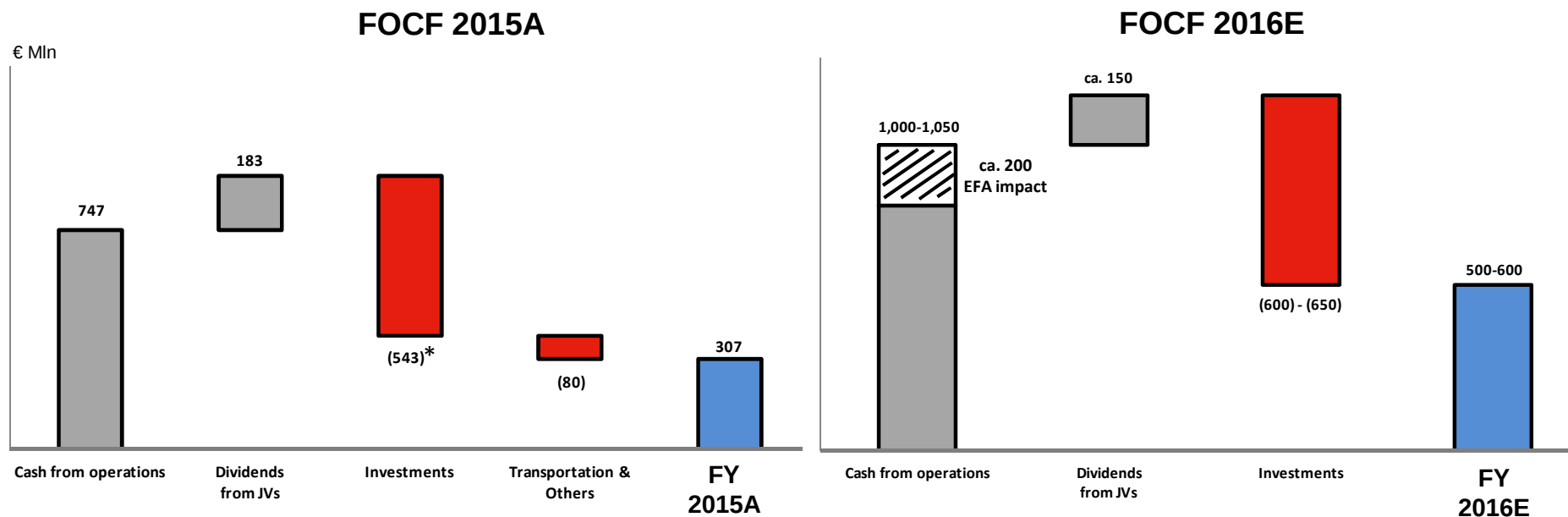
APPENDIX

GROUP PERFORMANCE

	€ Mln	1Q			FY
		2016	2015	% Change	2015
New Orders		2,564	2,641	(2.9%)	12,371
Backlog		27,863	30,169	(7.6%)	28,793
Revenues		2,536	2,654	(4.4%)	12,995
EBITDA		326	287	13.6%	1,866
EBITDA Margin		12.9%	10.8%	2.1 p.p	14.4%
EBITA		164	157	4.5%	1,208
ROS %		6.5%	5.9%	0.6 p.p.	9.3%
EBIT		134	110	21.8%	884
Net result before extraordinary transactions		56	4	n.a.	253
Net result		64	11	n.a.	527
EPS (€ cents)		0.111	0.002	n.a.	0.905
FOCF		(876)	(880)	0.5%	307
Group Net Debt		4,212	5,108	(17.5%)	3,278
Headcount		46,756	54,023	(13.5%)	47,156

Free Operating Cash-Flow (FOCF): this is the sum of the cash flows generated by (used in) operating activities (which includes interests and income taxes paid) and the cash flows generated by (used in) ordinary investment activity (property, plant and equipment and intangible assets) and dividends received.

Disciplined financial strategy aimed at cash flow improvement and Net Debt reduction



- Further improvement in profitability based on industrial performance
- Operating working capital management
- Investment under control

Combined effects lead to

- Increase in FOCF
- Net Debt reduction and improvement in D/E and Net debt/EBITDA

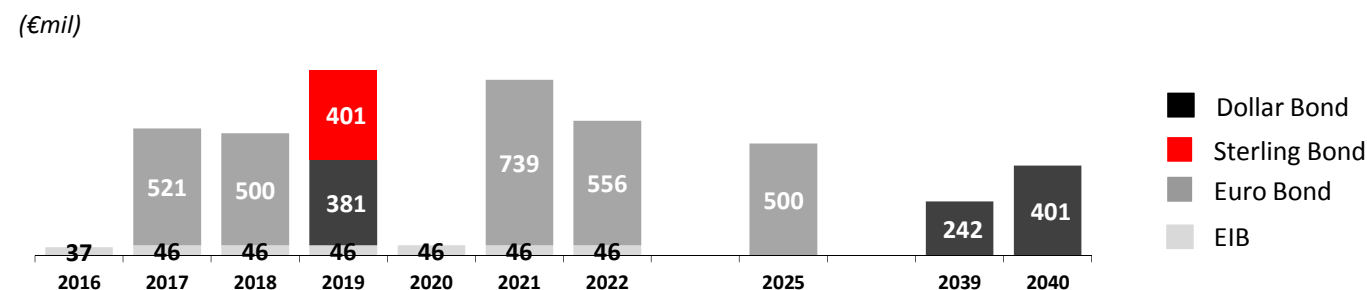
* includes €54mln of disposals

FINANCIAL POSITION as of end of March 2016

Key Messages

- No refinancing needs before end 2017
- Strong liquidity position
- Bonds have neither financial covenants nor rating pricing grids
- Average life > 7 years

Maturity Schedule



Early Repayments

(€mil)

Bond	Initial Amount	Repaid Amount	Repayment Date
Dollar 2019	\$500	\$66	2012
Euro 2017	€ 600	€ 79	July 2015
Euro 2021	€ 950	€ 211	July 2015
Euro 2022	€ 600	€ 44	July 2015
Sterling 2019	£400	£82	July 2015
Dollar 2039	\$300	\$25	November 2015
Dollar 2040	\$500	\$43	November 2015

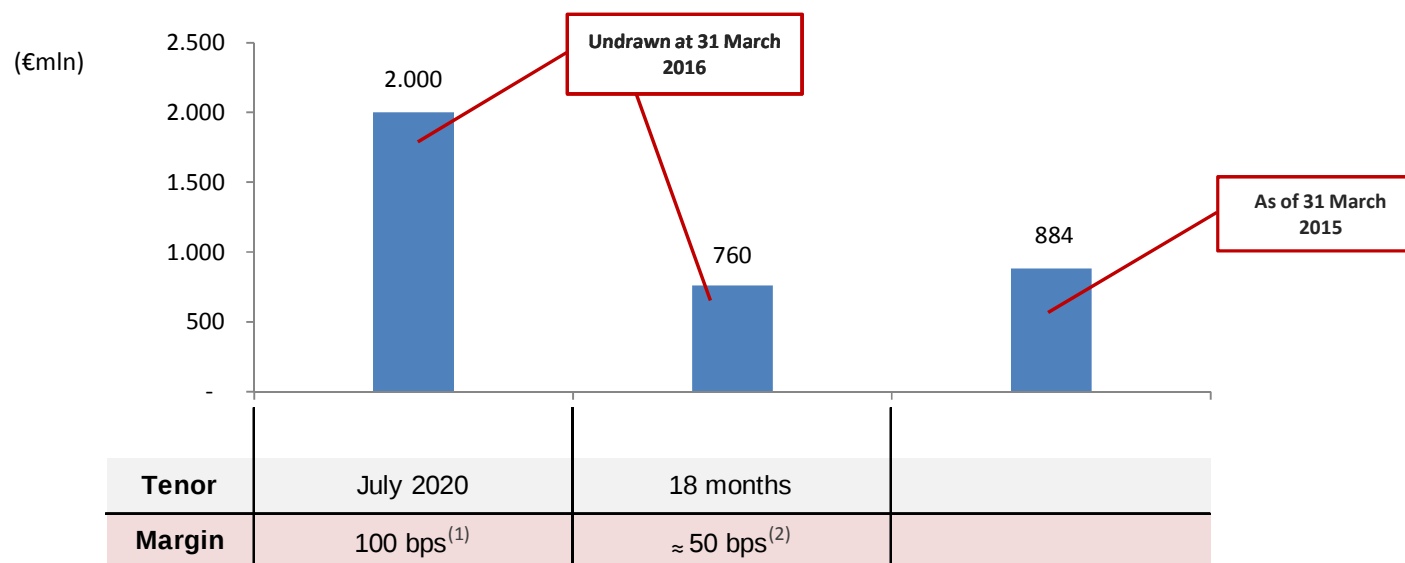
LIQUIDITY POSITION

as of end of March 2016

Availability of adequate committed liquidity lines

In order to cope with possible swings in financing needs, Finmeccanica can leverage:

- ✱ 31 March cash balance of approx. €0.9Billion
- ✱ Credit lines worth €2.8 Billion (confirmed and unconfirmed)
 - ✱ The Revolving Credit Facility was renegotiated on 6 July 2015 lowering the margin from 180bps to 100bps. The renegotiated facility has an amount of €2.0bn and will expire in July 2020
- ✱ Bank Bonding lines of approximately €3.4 Billion to support Finmeccanica's commercial activity



(1) Based on rating as of 31/03/2016

(2) Average. Expected to be renewed at maturity

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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2015 Annual Results

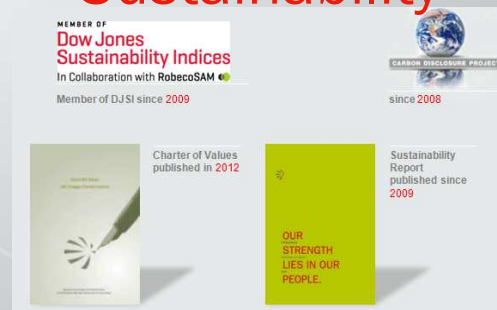
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Sustainability



We do business in a sustainable manner, with a continued commitment to economic and social development and the protection of public health and the environment.