



FINMECCANICA

Finmeccanica Nine Months 2010
Results Presentation

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4 November 2010

- **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.**

9M 2010 Financial Highlights

- ⇒ Revenues up 2.2% to € 12.9bn with strategic pillars up 6.8% to €9.4bn
- ⇒ EBITA Adj. down 3.3% to €856mln
- ⇒ ROS at 6.6% vs. 7% in 9M 2009
- ⇒ Net profit* at €284mln

- ⇒ FOCF at € (1,325)mln
- ⇒ Net debt down to € 4.9bn from €5.2bn at 30 Sept. 2009
- ⇒ Order intake at €13.5bn
- ⇒ Backlog up 5.4% to a new record of €45.8bn, equal to more than 2.5 years of production

Main Financial Results



(Euro mln)	9M10	9M09	Change	3Q2010	3Q2009	Change	FY 09	
Revenues	12,924	12,624	2.2%	4,234	4,154	2%	18,176	Driven by Strategic Pillars
EBITA Adj	856	885	(3.3%)	268	284	(6)%	1,587	Mainly driven by Helicopters and Defence Electronics & Security
EBITA Margin Adj	6.6%	7%	(0.4)%	6.3%	6.8%	(0.5)%	8.7%	
Net Income*	284	328	(13)%	112	111	1	654	
FOCF	(1,325)	(1,286)	(3)%				563	
Net Debt	4,897	5,220	(6.2)%				3,070	
New Orders	13,479	13,656	(1.3)%	5,429	5,329	2%	21,099	Driven by Helicopters, Defence Electronics & Security, Space
Backlog**	45,843	43,496	5.4%				45,143	>2.5x revenues

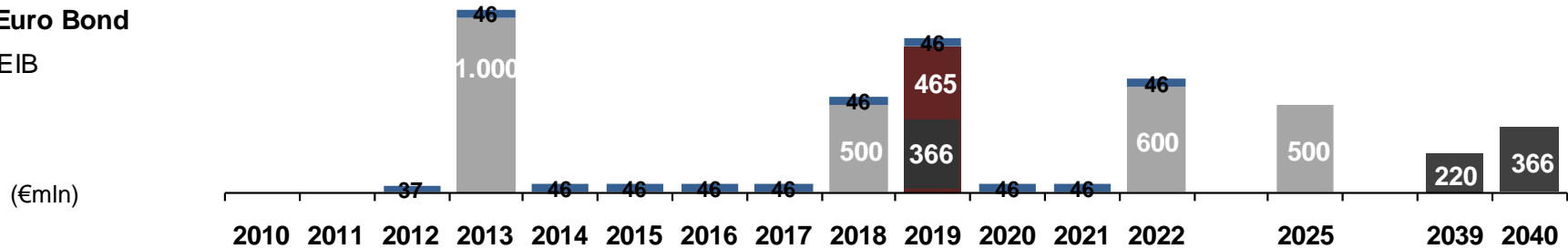
* post minorities

** change vs. year-end 2009

- ✦ 28 August: Alenia Aermacchi has signed a contract for attributable value worth approximately EUR 250 million to supply 12 **M-346** advanced trainer aircraft to **Singapore** Air Force
- ✦ 30 September: AnsaldoBreda and Bombardier have signed a contract with **Italian** Trenitalia to supply 50 **High-Speed** trains. AnsaldoBreda will have a share of the contract worth around EUR 900 million.
- ✦ 5 October: SELEX Galileo has been awarded contracts worth EUR 352 million for the supply of **Eurofighter Tranche 3A** Captor radars and **logistic support**
- ✦ 21 October: AgustaWestland has been awarded a contract worth USD 71 million by the **Maryland State Police** Aviation Command to provide six **AW139** helicopters for their Medevac fleet program.

Solid Capital Structure

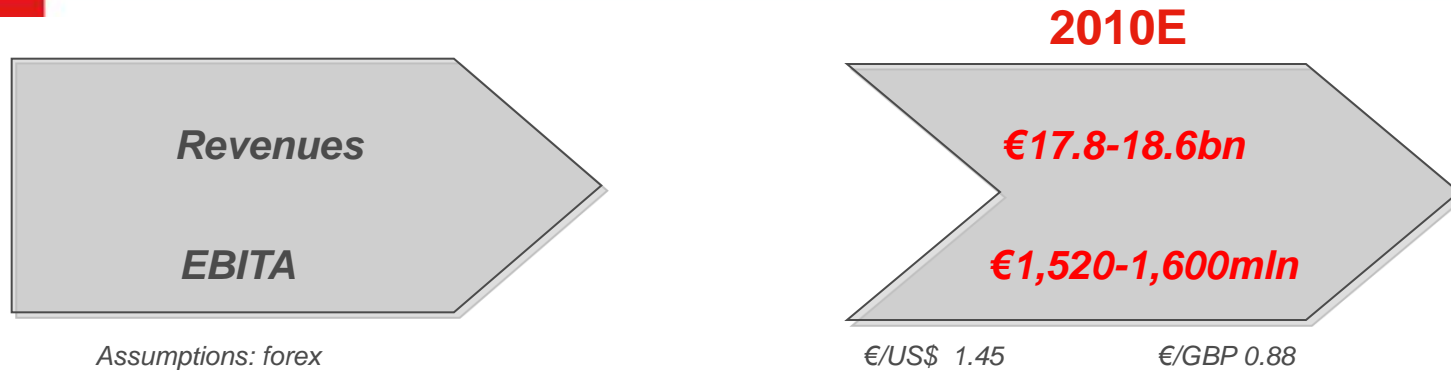
- Dollar Bond
- Sterling Bond
- Euro Bond
- EIB



- ⇒ Average Debt Life ~11 years
- ⇒ No refinancing needs for the next three years
- ⇒ 12-year amortizing EIB Loan drawn in August
- ⇒ Consolidated existing back-up bank credit lines into a new €2.4bn 5-year Revolving Credit Facility signed in September 2010
- ⇒ Currently approx. 65-35% fixed vs. floating interest cost
- ⇒ 2010 expected average cost of debt approximately 5-5.5%

⇒ Solid Capital Structure and Liquidity Support from Existing Debt and Back-up Bank Credit Lines

Confirming our Guidance for 2010



Cumulative FOCF* 2008-2010 equal to €1.2–1.3bn

- Diversified product portfolio and presence in both civil and military sectors creates a stable and defensive business platform
- Leading positions in domestic markets and an industrial footprint in strategic growth countries
- Backlog and order intake for existing products remains strong despite pressure on defence budgets
- Focussed investment and R&D spending across each of 3 strategic pillars paves the way for continued innovation and long-term growth

Business Division Review

9M & 3Q 2010

- Order intake (+8% YoY) mainly driven by significant increase in Civil-Gov orders (+40% YoY)
 - 93 helos worth €800mln (i.e. in Q3: 9 AW139 Malaysia, 2 AW101 & 5 AW139 Turkmenistan)
- Military orders include
 - AW101 Indian contract for ca. €560mln (incl. 5 years of product support) and the upgrade of Lynx MK9 for ca. €47mln with UK MoD
 - 30 Helos, worth €450mln, for North Africa
- Revenues driven by AW139 (+8.8% YoY) and product support (+23.6% YoY), i.e. Integrated Operational Support
- EBITA increase due to revenue growth and product mix
- Backlog equal to 3 years of production

(Euro mln)	9M2010	9M2009	Change	3Q2010	3Q2009	Change	FY 09
Revenues	2,556	2,499	2.3%	803	853	(5.9%)	3,480
EBITA Adj	252	237	6.3%	72	75	(4.0%)	371
Margin	9.9%	9.5%	0.4 p.p.	9%	8.8%	0.2 p.p.	10,7%
Orders	2,965	2,747	7.9%	474	926	(48.8%)	3,205
Backlog*	10,222		4.5%				9,786

*Change vs. year-end 2009



9M & 3Q2010

- Revenue growth mainly due to
 - Avionics and Electro-optics systems and Integrated Systems for Defence and Security
- Key revenues include
 - Eurofighter DASS and avionic radars
 - Large systems for defence and security (i.e Forza NEC, Civil Protection and border control for Libya), ATC Italy, FREMM and MEADS
 - TETRA and postal Automation for Italy
 - Electro-optics for ground vehicles (i.e. DVE, IBAS), Thermal Weapon Sights and Mast Mounted Sights

(Euro mln)	9M2010	9M2009	Change	3Q2010	3Q2009	Change	FY 09
Revenues	4,978	4,526	10%	1,699	1,481	14.7%	6,718
EBITA Adj	426	394	8.1%	134	125	7.2%	698
Margin	8.6%	8.7%	(0.1 p.p.)	7.9%	8.4%	(0.5 p.p.)	10.4%
Orders	5,235	4,716	11%	2,190	1,410	55.3%	8,215
Backlog*	12,615		2.7%				12,280

*Change vs. year-end 2009

- EBITA growth mainly due to volume increase and cost reduction
- Order growth mainly driven by Eurofighter tr.3A DASS, Captor and comms
- Key Q3 orders include
 - Panama border control system
 - Driver Vision Enhancer, and JV-5 computer display for US Army



9M & 3Q2010

- 9M 3Q 2010 Orders mainly driven by
 - 12 M346 Singapore (worth €250mln) (Q3)
 - 59 ATR, of which 52 a/c ordered in Q3
 - 8 a/c C27J-JCA
 - First tranche of JSF Final Assembly and Check Out (FACO), second tranche expected by year end. Tot value worth €414mln
- Revenue growth mainly driven by military programmes (C27J, G222)
- Military revenues include
 - Eurofighter tr 2 & logistics
 - 6 a/c delivered of which 3 C27J JCA
 - M346 Italy tranche 1
 - G222, Tornado, AMX, ATR MP
- Key civil revenues include B787 and ATR consortium
- Decline in EBITA due to programme mix and production slowdown; industrial reorganisation plan launched

(Euro mln)	9M2010	9M2009	Change	3Q2010	3Q2009	Change	FY 09
Revenues	1,857	1,768	5%	592	566	4.6%	2,641
EBITA Adj	71	120	(40.8%)	17	61	(72.1%)	241
Margin	3.8%	6.8%	(3 p.p.)	2.9%	10.8%	(7.9 p.p.)	9.1%
Orders	1,586	2,098	(24.4%)	780	1,447	(46.1%)	3,725
Backlog*	8,710		(1.6%)				8,850

*Change vs. year-end 2009



Space

Defence Systems



(Euro mln)	9M2010	9M2009	Change	3Q2010	3Q2009	Change	FY 09
Revenues	616	639	(3.6%)	204	204	0%	909
EBITA Adj	15	19	(21.1%)	9	6	50%	47
Margin	2.4%	3%	(0.6 p.p.)	4.4%	2.9%	1.5 p.p.	5.2%
Orders	762	703	8.4%	265	138	92%	1,145
Backlog*	1,775		10.2%				1,611

(Euro mln)	9M2010	9M2009	Change	3Q2010	3Q2009	Change	FY 09
Revenues	802	767	4.6%	266	253	5.1%	1,195
EBITA Adj	61	58	5.2%	24	17	41.2%	130
Margin	7.6%	7.6%	0%	9%	6.7%	2.3 p.p.	10.9%
Orders	661	685	(3.5%)	247	119	107.6%	1,228
Backlog*	3,748		(6.5%)				4,010

*Change vs. year-end 2009

- Orders up for both Manufacturing and Satellite Services
- Slight decrease in revenues due to Manufacturing
- Slight decrease in profitability mainly due to lower volumes in Manufacturing and different mix in Services
- Services accounting for 44% of total backlog

*Change vs. year-end 2009

- Order increase in Q3 mainly due to Land & Naval Systems and Underwater, partially offset by lower Missiles
 - Key orders include Land & Naval (38 VBM Italy in Q3), Underwater (light torpedoes) and Missiles (UK Complex weapon contract and customer support).
- Revenue growth mainly driven by Missiles
 - Key revenues include Missiles (Aster, Mistral, MEADS and customer support) Torpedoes (Black Shark, MU90, A244, FREMM) and Land & Naval (VBM, PZH2000, Hitfist, FREMM)
- Increase in EBITA mainly due to higher volumes and better execution in Missiles, offsetting lower volumes in Underwater

Energy

Transport



(Euro mln)	9M2010	9M2009	Change	3Q2010	3Q2009	Change	FY 09
Revenues	994	1,216	(18.3%)	317	396	(19.9%)	1,652
EBITA Adj	92	114	(19.3%)	25	37	(32.4%)	162
Margin	9.3%	9.4%	(0.1 p.p.)	7.9%	9.3%	(1.4 p.p.)	9.8%
Orders	610	951	(12.6%)	236	553	(57.3%)	1,237
Backlog*	2,950		(35.9%)				3,374

*Change vs. year-end 2009

- Order slippages affecting Q3/9M results
 - Plant and service Tunisia awarded in October 2010.
 - Key orders include plant and components (i.e. Syria and Italy in Q3), new service solutions and nuclear plants and services (Slovakia, France, Argentina, Lithuania, China)
- Revenue decrease mainly due to lower volumes in plants and components
 - Key revenues include plants and components (Algeria, France, Italy), Long Term Service Agreements (Italy) and nuclear activities (China, Slovakia, Argentina, France)
- Ebita Adj. affected by lower volumes
- Service accounts for ca. 59% of order backlog

(Euro mln)	9M2010	9M2009	Change	3Q2010	3Q2009	Change	FY 09
Revenues	1,373	1,328	3.4%	447	433	3.2%	1,811
EBITA Adj	57	60	(5%)	22	5	340%	65
Margin	4.2%	4.5%	(0.3 p.p.)	4.9%	1.2%	3.7 p.p.	3,6%
Orders	2,026	2,086	(2.9%)	1,293	896	44.3%	2,834
Backlog*	6,684		12.3%				5,954

*Change vs. year-end 2009

- Revenues mainly driven by Signalling & Systems
 - Key revenues include Italy, Libya, Australia, Turkey, China, Denmark and Saudi
- Order increase in Q3 mainly due to Sirth-Benghazi line Libya and Italian High Speed
 - Key orders include Signalling & Systems (, Copenhagen driverless metro- O&M-, Genoa and Australia ARTC) and Vehicles (revamping)
- Signalling&Systems currently accounts for 59% and Vehicles for 40% of order backlog
- Good performance by Signalling offset by Vehicles

Appendix

9M 3Q2010 Results – Profit & Loss



CONSOLIDATED PROFIT AND LOSS ACCOUNT							
	€mil.	9M 2010	9M 2009	Chg. % y/y	3Q 2010	3Q 2009	Chg. % y/y
Revenues		12.924	12.640	2%	4.234	4.154	2%
Costs for purchases and personnel		(11.586)	(11.318)		(3.809)	(3.734)	
Depreciation and amortisation		(411)	(395)		(135)	(130)	
Other net operating revenues (costs)		(71)	(42)		(22)	(6)	
EBITA Adj (*)		856	885	-3%	268	284	-6%
<i>EBITA Adj (*) margin</i>		6,60%	7,0%		6,3%	6,8%	
Non-recurring revenues (costs)		-	-		-	-	
Restructuring costs		(24)	(10)		(8)	(3)	
PPA amortisation		(64)	(61)		(21)	(23)	
EBIT		768	814	-6%	239	258	-7%
<i>EBIT margin</i>		5,9%	6,4%		5,6%	6,2%	
Net finance income (costs)		(222)	(230)		(36)	(75)	
Income taxes		(225)	(220)		(78)	(59)	
Net profit before discontinued operations		321	364	-12%	125	124	1%
Profit of discontinued operations		-	-		-	-	
Net profit		321	364	-12%	125	124	1%
<i>Group</i>		284	328		112	111	
<i>Minorities</i>		37	36		13	13	
EPS (EUR)							
<i>Basic</i>		0,492	0,568		0,194	0,193	
<i>Diluted</i>		0,492	0,567		0,194	0,192	
EPS of continuing operations (EUR)							
<i>Basic</i>		0,492	0,568		0,194	0,193	
<i>Diluted</i>		0,492	0,567		0,194	0,192	

(*) Operating result before:

-any impairment in goodwill;

-amortisations of intangibles acquired under business combination;

-reorganization costs that are a part of significant, defined plans;

-other exceptional costs or income, i.e. connected to particularly significant events that are not related to the ordinary performance of the business.

BALANCE SHEET		
<i>€mil.</i>	30.09.2010	31.12.2009
Non-current assets	13.480	12.956
Non-current liabilities	(2.680)	(2.639)
	10.800	10.317
Inventories	4.809	4.662
Trade receivables	9.883	8.481
Trade payables	(12.680)	(12.400)
Working capital	2.012	743
Provisions for short-term risks and charges	(595)	(595)
Other current net assets (liabilities)	(591)	(853)
Net working capital	826	(705)
Net invested capital	11.626	9.612
Capital and reserves attributable to equity holders of the Company	6.493	6.351
Minority interests	236	198
Shareholders' equity	6.729	6.549
Net debt (cash)	4.897	3.070
Net liabilities (assets) held for sale	-	(7)

CASH FLOW		
<i>€mil.</i>	9M 2010	9M 2009
Cash and cash equivalents at 1 January	2.630	2.297
Gross cash flow from operating activities	1.446	1.445
Changes in other operating assets and liabilities	(849)	(648)
Funds From Operations (FFO)	597	797
Changes in working capital	(1.286)	(1.483)
Cash flow generated from (used in) operating activities	(689)	(686)
Cash flow from ordinary investing activities	(636)	(600)
Free operating cash flow (FOCF)	(1.325)	(1.286)
Strategic operations	(98)	(168)
Change in other financing activities	19	(24)
Cash flow generated (used) by investment activities	(715)	(792)
Share capital increase	(257)	(254)
Dividends paid	(134)	(41)
Cash flow generated (used) by financing activities	(391)	(295)
Exchange gains/losses	25	(13)
Cash and cash equivalents at 30 September	860	511

Divisions 9M

9M 2010 (EUR million)	Helicopters	Defence Electronics	Aeronautics	Space	Defence Systems	Energy	Transport	Other Activities and Corporate	Eliminations	Total
Revenues	2.556	4.978	1.857	616	802	994	1.373	159	-411	12.924
EBITA Adj (*)	252	426	71	15	61	92	57	-118		856
<i>EBITA Adj (*) margin</i>	9,9%	8,6%	3,8%	2,4%	7,6%	9,3%	4,2%			6,6%
Depreciation and amortisation	92	175	107	22	31	17	19	12		475
Investment in non-current assets	114	161	210	30	24	24	33	13		609
Research and development costs	285	508	239	39	189	25	55	5		1.345
New orders	2.965	5.235	1.586	762	661	610	2.026	68	-434	13.479
Order backlog	10.222	12.615	8.710	1.775	3.748	2.950	6.684	132	-993	45.843
Headcount	13.886	29.784	12.856	3.636	4.096	3.427	7.243	805		75.733

9M 2009 (EUR million)	Helicopters	Defence Electronics	Aeronautics	Space	Defence Systems	Energy	Transport	Other Activities and Corporate	Eliminations	Total
Revenues	2.499	4.526	1.768	639	767	1.216	1.328	301	(404)	12.640
EBITA Adj (*)	237	394	120	19	58	114	60	(117)		885
<i>EBITA Adj (*) margin</i>	9,5%	8,7%	6,8%	3,0%	7,6%	9,4%	4,5%	n.a.		7,0%
Depreciation and amortisation	103	156	105	18	29	16	18	11		456
Investment in non-current assets	103	168	305	24	32	43	20	7		702
Research and development costs	228	476	304	53	178	23	39	1		1.302
New orders	2.747	4.716	2.098	703	685	951	2.086	78	(408)	13.656
Order backlog	10.318	10.966	8.633	1.483	3.820	3.487	5.583	210	(1.004)	43.496
Headcount	10.350	30.558	13.887	3.679	4.061	3.451	7.194	803		73.983

(*) Operating result before:

- any goodwill impairment;
- amortisations of intangibles acquired under business combination;
- restructuring costs of major, defined plans;
- other extraordinary income and expenses, i.e. relating to particularly significant events unconnected with the ordinary operations of the company's core businesses.

Divisions Q3

3Q 2010 (EUR million)	Helicopters	Defence Electronics	Aeronautics	Space	Defence Systems	Energy	Transport	Other Activities and Corporate	Eliminations	Total
Revenues	803	1.699	592	204	266	317	447	45	-139	4.234
EBITA Adj (*)	72	134	17	9	24	25	22	-35		268
<i>EBITA Adj (*) margin</i>	9,0%	7,9%	2,9%	4,4%	9,0%	7,9%	4,9%	<i>n.a.</i>		6,30%
Depreciation and amortisation	29	61	36	7	7	6	6	4		156
Investment in non-current assets	48	53	62	8	7	7	12	7		204
Research and development costs	111	167	78	13	64	9	19	4		465
New orders	474	2.190	780	265	247	236	1.293	30	-86	5.429

3Q 2009 (EUR million)	Helicopters	Defence Electronics	Aeronautics	Space	Defence Systems	Energy	Transport	Other Activities and Corporate	Eliminations	Total
Revenues	853	1.481	566	204	253	396	433	104	(136)	4.154
EBITA Adj (*)	75	125	61	6	17	37	5	(42)		284
<i>EBITA Adj (*) margin</i>	8,8%	8,4%	10,8%	2,9%	6,7%	9,3%	1,2%	<i>n.a.</i>		6,8%
Depreciation and amortisation	28	59	35	6	9	5	7	4		153
Investment in non-current assets	43	60	78	7	10	17	7	2		224
Research and development costs	66	153	92	23	59	7	15			415
New orders	926	1.410	1.447	138	119	553	896	4	(164)	5.329

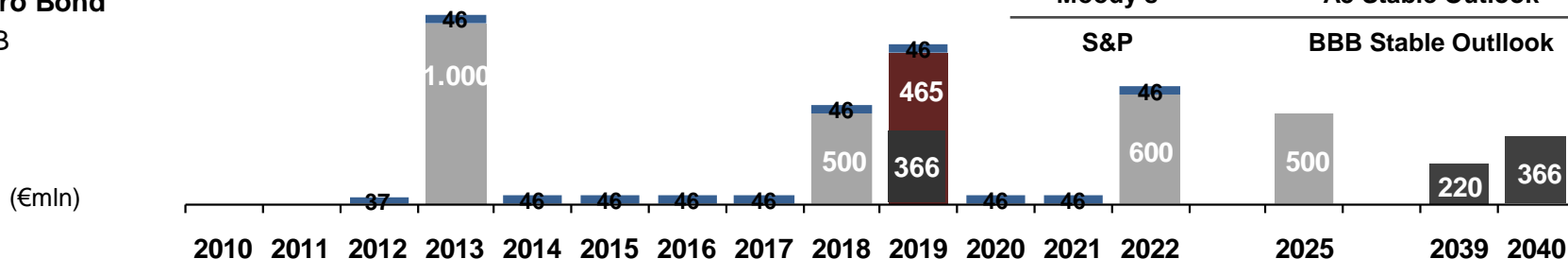
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Successful Completion of Debt Refinancing



- Dollar Bond
- Sterling Bond
- Euro Bond
- EIB



Finmeccanica's credit profile

Fitch **BBB+ Stable Outlook**

Moody's **A3 Stable Outlook**

S&P **BBB Stable Outlook**

Bond

Issuer	Issue Date	Expiry Date	Notional Amount (€m)	Coupon
Finm. Finance	2008-2009	Dec-2013	1000	8,125%
Finm. Finance	2003	Dec-2018	500	5,75%
Meccanica Holdings USA	2009	July-2019	366	6,25%
Finm. Finance	2009	Dec-2019	465	8,0%
Finm. Finance	2009	Jan-2022	600	5,25%
Finmeccanica SpA	2005	March-2025	500	4,875%
Meccanica Holdings USA	2009	July-2039	220	7,375%
Meccanica Holdings USA	2009	Jan-2040	366	6,25%
Total			4018	

Available Credit Lines

Cash Credit Lines	Size	Outstanding September 2010	Tenor	Margin (bps)
Revolving Credit Facility	2400	700	Set 2015	75 ⁽¹⁾
Confirmed Credit Lines	50	0	18 months*	120*
Unconfirmed Credit Lines	690	0	18 months*	50-100*
Total	3140	700		
Bank Bonding Lines	Size			
Total	2635			

Loan

	Size	Tenor	Margin
EIB	500	12 - year amortizing ⁽³⁾	79,4bps on 6M Euribor / 3,45% ⁽²⁾

*Average. Expected to be renewed at maturity

(1) Based on actual rating

(2) Drawn in August 2010 for €200mil at floating rate and €300mil at fixed rate

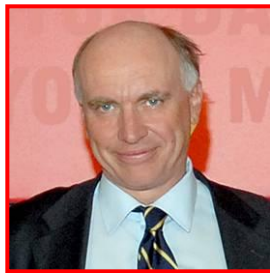
(3) Of which two years grace period

The amount in GBP and USD are calculated using the exchange rate of 30/09/2010

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