

Board of Director's report on the first item on the agenda

Annual financial statements for the year ended 31 December 2007; reports of the Board of Directors, Board of Statutory Auditors and Independent Auditors; related resolutions

Shareholders,

The 2007 annual financial statements, which we are submitting for your approval, show a profit of €44,809,709.48. We recommend that this should be distributed as follows:

- €2,240,485.47, or 5% of the profit, to be appropriated to the legal reserve;
- €42,569,224.01 to be carried forward.

We also recommend that up to €174.394.360,59 be allocated to Shareholders from retained earnings available for distribution in the form of a €0.41 dividend for each dividend share, including any shares relating to the exercise of subscription rights/purchase of own shares assigned under stock option plans.

The recommended dividend and its increase on previous years is due to the growth in operating income posted in the prior period and in previous years and is compatible with the cash flow from operations generated in FY 2007.

Wherefore we submit for your approval the following

#### Agenda

“The Ordinary General Meeting of the Shareholders of FINMECCANICA – Società per azioni”:

- having read the Board of Director's report;
- having read the Board of Statutory Auditor's report;
- having viewed the financial statements for the year ended 31.12.2007;

- acknowledging the report of PricewaterhouseCoopers S.p.A.;

resolves

- to approve the Board of Director's report and the financial statements for the year ended 31 December 2007;

- to approve the recommendation made by the Board of Directors to allocate the profit of €44,809,709.48 as follows:

- €2,240,485.47, or 5% of the profit, to be appropriated to the legal reserve;
- €42,569,224.01 to be carried forward;

- to approve the recommendation made by the Board of Directors that up to €174.394.360,59 be allocated to Shareholders from retained earnings available for distribution in the form of a €0.41 dividend for each dividend share, including any shares relating to the exercise of subscription rights/purchase of own shares assigned under stock option plans.

For the Board of Directors  
The Chairman and Chief Executive Officer  
(Pier Francesco Guarguaglini)

Board of Director's report on the second item on the agenda

Designation of the number of members of the Board of Directors

Shareholders,

With the approval of the financial statements for the 2007 financial year, the three-year mandate conferred on the Board of Directors by the General Meeting of 12 July 2005 comes to an end. Before proceeding with the appointment of a new Board of Directors, a decision must be taken regarding the number of Board members.

In this respect, Shareholders are reminded that, in accordance with Article 18.1 of the Articles of Association, the Board of Directors must be composed of no fewer than eight members and no more than 12 members, it being left to the Shareholders' Meeting to determine the exact number.

In addition to the Board members thus appointed, a director without voting rights must also be appointed by the Italian Economy and Finance Minister, jointly with the Minister for Manufacturing (now the Minister for Economic Development) in accordance with their "special powers" and pursuant to Article 5.1-*ter*, subparagraph d) of the Articles of Association.

The outgoing Board of Directors has refrained from making specific proposals concerning this item (and on the subsequent matter of the appointment of the Board of Directors and the specification of emoluments) and therefore invites the Shareholders to designate – within the limits indicated in the Articles of Association and based on the proposals made by the Shareholders during the meeting itself – the number of members of the Board of Directors.

For the Board of Directors  
The Chairman and Chief Executive Officer  
(Pier Francesco Guarguaglini)

Board of Director's report on the third item on the agenda

Designation of the term of office of the Board of Directors

Shareholders,

Article 18.2 of the Articles of Association stipulates that the Board of Directors must be appointed for a period of no more than three financial years and that Directors are re-eligible for office in accordance with Article 2383 of the Italian Civil Code.

Accordingly, the Shareholders are invited to decide on the term of office of the Board of Directors, subject to the aforementioned limit of three financial years and based on the proposals made by the Shareholders during the meeting.

For the Board of Directors  
The Chairman and Chief Executive Officer  
(Pier Francesco Guarguaglini)

Board of Director's report on the fourth item on the agenda

Appointment of the Board of Directors

Shareholders,

You are asked to proceed with the appointment of a new Board of Directors, whose term of office will expire with the approval of the financial statements for the 2007 financial year.

Please note that members of the Board of Directors are appointed by the Shareholders – pursuant to Article 18.4 of the Articles of Association – in accordance with the list voting system and so based on the lists submitted by Shareholders and by the outgoing Board of Directors. Candidates on these lists must be listed in sequential order.

In this respect, the outgoing Board of Directors has refrained from submitting its own list of candidates, since, *inter alia*, it is not aware of any difficulty encountered by the Shareholders in preparing their own lists, taking account of the current shareholding structure.

Directors who for any reason are not appointed by the list voting system will be elected by the Ordinary General Meeting in accordance with Article 18.5 of the Articles of Association, deciding by statutory majority.

In addition to the Directors appointed by the Shareholders' Meeting, a Director without voting rights could be appointed by the Italian Economy and Finance Minister, jointly with the Minister for Manufacturing (now the Minister for Economic Development) pursuant to Article 5.1-*ter*, subparagraph d) of the Articles of Association.

For information about how to submit, file and publish lists prepared by Shareholders, we refer to Article 18.4 of the Articles of Association, which specifically states that:

- lists must be filed by Shareholders at head office and published in at least three Italian national daily newspapers, two of which must be financial, at least 10 days prior to the date set for the Shareholders' Meeting at first convocation;
- each shareholder may submit or take part in the submission of only one list and each candidate may appear on only one list, failing which he or she will be disqualified;
- only Shareholders who, either alone or together with other Shareholders, represent at least 1% of voting shares at the Ordinary General Meeting are entitled to submit lists;
- in order to prove possession of the number of shares necessary for the submission of lists, Shareholders must submit and/or send to head office, at least five days prior to the date scheduled for the meeting at first convocation, a copy of the documentation proving that they are eligible to take part in the meeting;
- at least two Directors must satisfy the independence criteria laid down for auditors by law (Article 148, section 3 of Consolidation Act 58/1998); candidates who satisfy said independence criteria will be expressly identified;
- within the same time as that granted for the submission of lists, declarations shall be filed with each list in which each candidate accepts his or her candidacy and attests to the inexistence of any reasons of ineligibility or incompatibility, in addition to the existence of the requirements for office prescribed by the prevailing legislation, including satisfying the independence criteria laid down by the Articles of Association, where applicable; Shareholders are also reminded that, being Finmeccanica registered in the special section of the general list of financial intermediaries referred to in Article 113 of Legislative Decree 385 of 1 September 1993, candidates for the office of director must satisfy the requirements for good repute laid down by the Italian Minister of the Treasury, Budget and Economic Planning in decrees 516 and 517 of 30 December 1998.

In consideration of the fact that a maximum of 12 members of the Board of Directors may be appointed by the Shareholders' Meeting and that, if Directors retire from office, the special co-opting system provided for by Article 18.5 of the Articles of Association

applies (which stipulates that priority should be given to non-elected candidates on the same list as the outgoing director), Shareholders are asked to include a sufficient number of candidates on their lists.

For the appointment of Directors elected by list voting, Article 18.4 of the Articles of Association also states that:

- each person entitled to vote may only vote for one list;
- two thirds of the Directors to be elected will be taken from the list that receives the most votes from Shareholders, according to the order in which they appear on the list (rounded down to the nearest whole number where necessary);
- the remaining Directors will be taken from other lists in accordance with the procedures set forth in section 8, subparagraph b) of Article 18.4;
- if following the application of the aforementioned procedure the minimum number of two independent Directors required by the Articles of Association has not been appointed, the number of votes to be allocated to each candidate will be calculated according to the system indicated in Article 18.4, section 8, subparagraph b); candidates not yet taken from the lists in accordance with subparagraphs a) and b) of Article 18.4 and who satisfy the independence criteria and who have obtained the highest number of votes will be elected, replacing those non-independent Directors who received the lowest number of votes. A sufficient number of these candidates should be appointed so that the Articles of Association are complied with. If there are insufficient candidates to fulfil the minimum requirement of two independent Directors, the Shareholders' Meeting will replace those candidates who do not satisfy the independence criteria and who have obtained the lowest number of votes, deciding by statutory majority.

In accordance with the guidelines of the Corporate Governance Code for Listed Companies on the submission of lists, the Board of Directors recommends that

Shareholders deposit their lists at head office at least 15 days prior to the date of the Shareholders' Meeting at first convocation.

In accordance with the Corporate Governance Code for Listed Companies and Article 144-*octies* of Consob Regulation 11971/1999, Shareholders are also reminded that a CV should be submitted together with each list containing detailed information about the personal and professional characteristics of candidates, including their suitability to be qualified as "independent" within the meaning of Article 3 of the Corporate Governance Code, where applicable.

In relation to the foregoing, the Shareholders are invited to vote at the meeting for one of the lists of candidates for the office of director from among those submitted, filed and published in accordance with the aforementioned provisions.

For the Board of Directors  
The Chairman and Chief Executive Officer  
(Pier Francesco Guarguaglini)

Board of Director's report on the fifth item on the agenda

Appointment of the Chairman of the Board of Directors

Shareholders,

The Shareholders' Meeting has the power to appoint the Chairman of the Board of Directors; Article 19.1 of the Articles of Association states in fact that the Board of Directors should elect the Chairman from among its own members only as a last resort, if the Shareholders' Meeting is unable to do so.

In relation to the foregoing, the Shareholders are invited to appoint the Chairman of the Board of Directors based on the proposals made by Shareholders during the meeting.

For the Board of Directors  
The Chairman and Chief Executive Officer  
(Pier Francesco Guarguaglini)

Board of Director's report on the sixth item on the agenda

Indication of the emoluments of the Board of Directors

Shareholders,

Article 27.1 of the Articles of Association states that in addition to the refund of expenses incurred while in office, the Chairman and other members of the Board of Directors are entitled to receive the Directors' emoluments decided by the Ordinary General Meeting and this decision, once taken, will remain valid for subsequent financial years until otherwise decided by the Shareholders' Meeting.

In this respect, Shareholders are reminded that the Ordinary General Meeting of 12 July decided that the emoluments of the outgoing Board of Directors would be as follows: (a) €51,646.00 gross per annum for members of the Board of Directors; (b) €77,469 gross per annum for the Chairman of the Board of Directors.

In relation to the foregoing, the Shareholders are invited to decide the emoluments of the Chairman and other members of the Board of Directors based on the proposals made by Shareholders during the meeting.

For the Board of Directors  
The Chairman and Chief Executive Officer  
(Pier Francesco Guarguaglini)