

ABOUT US

Leonardo is a global player in the high-tech sectors and a major operator worldwide in the **Aerospace, Defence and Security** sectors. Leonardo is based in Italy, has over 45,600 employees (as at 31/12/2016), of whom about 36% abroad, and in 2016 recorded revenues of EUR 12.0 billion and orders of EUR 20 billion. Based on the dual use of technologies, Leonardo designs and creates products, systems, services and integrated solutions both for the defence sector and for public and private customers of the civil sector, both in Italy and abroad.

THE NEW LEONARDO "ONE COMPANY"

Leonardo's new organizational structure based on the divisional model "**One Company**", is effective from 1 January 2016 and is organized into Divisions, with a new Governance aimed at centralizing the Group's guidelines and control systems whilst decentralizing the management of the business to the Divisions. The seven Divisions are: **Helicopter** Division; **Aircraft** Division; **Aero-structures** Division; **Airborne & Space Systems** Division; **Land & Naval Defence Electronics** Division; **Security & Information Systems** Division; **Defence Systems** Division. Leonardo also retains Parent Company and Corporate Centre functions for participated companies and joint ventures not included in the divisional scope. These are: the fully owned US subsidiary **Leonardo DRS**, which deals with the supply of products, services and integrated support for the military, intelligence agencies and defence companies. **ATR**, the joint venture established with Airbus Group for the manufacture of regional aircraft and **MBDA**, the joint venture established with BAE Systems and Airbus Group for missile systems. **Telespazio** and **Thales Alenia Space**, the two joint ventures established with Thales as part of the *Space Alliance*, for satellite services and the manufacture of satellites and orbiting infrastructures, respectively.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS 2017 - 2019

Chairman

Giovanni De Gennaro

Chief Executive Officer

Alessandro Profumo

Director

Marta Dassù, Marina Elvira Calderone, Luca Bader, Guido Alpa,
Fabrizio Landi, Antonino Turicchi,

Paolo Cantarella (1), Dario Frigerio, Silvia Merlo, Marina Rubini

(1) *Lead Independent Director*

BOARD OF STATUTORY AUDITORS

Chairman

Riccardo Raul Bauer

Regulatory Statutory Auditor

Niccolò Abriani, Luigi Corsi, Francesco Perrini, Daniela Savi

Alternate Statutory Auditor

Stefano Fiorini, Maria Teresa Cuomo

INDEPENDENT AUDITING FIRM

KPMG SpA (2012 – 2020)

Committees

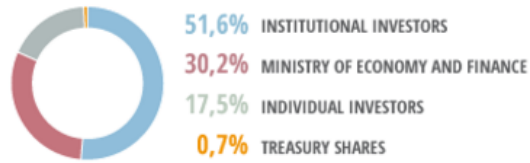
	1	2	3	4
Marta Dassù			X	C
Marina Elvira Calderone		X	X	
Luca Bader	X			X
Guido Alpa	X		C	
Fabrizio Landi	X			X
Antonino Turicchi		X	X	
Paolo Cantarella	C		X	
Dario Frigerio		C	X	
Silvia Merlo	X			X
Marina Rubini		X	X	
<i>X = Member C = Chairman</i>				
1 = Control and Risks Governance and Sustainability				
2 = Remuneration				
3 = Nomination,				
4 = Analysis of International Scenarios				

LEONARDO IN THE WORLD

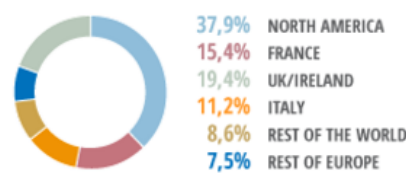
Leonardo has permanent bases with significant production assets in four main markets: **Italy, United Kingdom, Poland** and **United States**, where it enjoys a sound industrial and commercial customer base. In Europe Leonardo has also gained a significant presence in **France** and **Germany**. Moreover, it has established an important network of partnerships in high potential markets worldwide, in which it is a reference partner for structured industrial collaborations. Leonardo is present worldwide in about 15 countries, with a total of 180 sites (42% in Italy and 58% abroad), 83 of which are production facilities (42 in Italy and 41 abroad). Commercially, there are about 150 countries in the world that every day use products, systems and services provided by Leonardo (as at 31/12/2016).

SHAREHOLDERS – Leonardo Shareholders base at January 2017

DISTRIBUTION OF SHAREHOLDERS



GEOGRAPHICAL DISTRIBUTION OF INSTITUTIONAL SHAREHOLDERS FLOATING RATE



Over the last 10 years, the shareholder base of **Leonardo** went from being mainly domestic to being mainly international, pursuant to the internationalisation strategy followed by the Company. Currently, about 90% of the institutional float is held by foreign funds.

CREDIT RATING

AGENCY	CREDIT RATING	OUTLOOK
Moody's	Ba1	Positive
Standard & Poor's	BB+	Stable
Fitch	BBB-	Stable

RESULTS 1H 2017

Group (Euro million)	1H 2017	1H 2016	Chg.	Chg. %	FY 2016
New orders	5,061 (1)	12,867 (1)	(7,806)	(60.7%)	19,951
Order backlog	33,923	34,996	(1,073)	(3.1%)	34,798
Revenues	5,326	5,413	(87)	(1.6%)	12,002
EBITDA	759	786	(27)	(3.4%)	1,907
EBITA (*)	482	472	10	2.1%	1,252
ROS	9.0%	8.7%	0.3 p.p.		10.4%
EBIT (**)	400	399	1	0.3%	982
EBIT Margin	7.5%	7.4%	0.1 p.p.		8.2%
Net result before extraordinary transactions	194	200	(6)	(3.0%)	545
Net result	194	210	(16)	(7.6%)	507
Group Net Debt	3,577	4,233	(656)	(15.5%)	2,845
FOCF	(531)	(793)	262	33.0%	706
ROI	12.7%	11.8%	0.9 p.p.		16.9%
ROE	8.8%	9.4%	(0.6) p.p.		12.6%
Workforce (no.)	45,655	46,732	(1,077)	(2.3%)	45,631

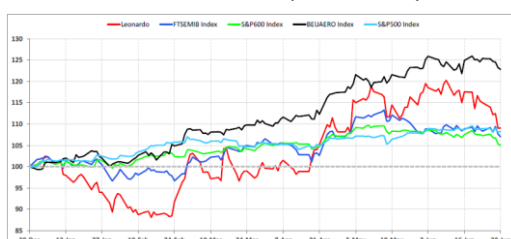
(1) Amount of 1H2016 New Orders included the effect of the acquisition of the FA Kuwait contract (€ bil. 7.95). Adjusting for this, the amount of orders 1H2017vs1H2016 shows an increase of 3%.

(*)EBITA is obtained by eliminating from EBIT the following items: any impairment in goodwill; amortisation and impairment, if any, of the portion of the purchase price allocated to intangible assets as part of business combinations; restructuring costs that are a part of defined and significant plans; other exceptional costs or income, i.e. connected to particularly significant events that are not related to the ordinary performance of the business.

(**) EBIT is obtained by adding to earnings before financial income and expense and taxes the Group's share of profit in the results of its strategic Joint Ventures (ATR, MBDA, Thales Alenia Space and Telespazio).

STOCK PERFORMANCE (ISIN Code: IT0003856405; LDO IM; LDO-MTAA) – Performance YTD (at 30.06.2017)

Performance YTD (at 30.06.2017)



Leonardo	FTSEMIB	S&P 600	BEUAEO	S&P 500
+ 9.07%	+ 7.02%	+ 4.97%	+ 22.79%	+ 8.24%

FTSE MIB: the index consists of the 40 most liquid and capitalized stocks listed on the Borsa Italiana

S&P 600: The index consists in 600 stocks representing large, mid and small capitalization companies across 18 countries in Europe

BEUAERO INDEX: The Bloomberg EMEA Aerospace/Defense index is a capitalization-weighted index of the leading aerospace/defense stocks in European, Middle Eastern and African region

S&P 500: Standard and Poor's 500 index is a capitalization-weighted index of 500 US stocks