INTERIM FINANCIAL REPORT

AT 31 MARCH 2013

FINMECCANICA

Disclaimer

This Interim Financial Report at 30 March 2013 has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.

CONTENTS

Report on operations at 31 March 2013

Group results and financial position in the first quarter of 2013

Key performance indicators[1]

€ million	March 2013	March 2012 (*)	change	2012 (*)
New orders	**3,025**	**3,480**	**(13%)**	**16,703**
Order backlog	**43,944**	**45,721**	**(4%)**	**44,908**
Revenues	**3,700**	**3,686**	**n.s.**	**17,218**
EBITA	**181**	**173**	**5%**	**1,080**
Net Profit / (Loss)	**6**	**24**	**(75%)**	**(792)**
Net invested capital	**8,498**	**9,130**	**(7%)**	**7,086**
Net financial debt	**4,858**	**4,515**	**8%**	**3,373**
FOCF	**(1,435)**	**(1,138)**	**(26%)**	**89**
ROS	**4.9%**	**4.7%**	**0.2 p.p.**	**6.3%**
ROI	**9.3%**	**8.1%**	**1.2 p.p.**	**14.3%**
ROE	**0.7%**	**2.0%**	**(1.3 p.p.)**	**(19.0%)**
EVA	**(43)**	**(61)**	**29%**	**382**
Research and development expenses	**391**	**409**	**(4%)**	**1,929**
Workforce (no.)	**67,297**	**69,652**	**(3%)**	**67,408**

(*) comparative data has been restated to include the effects of the adoption of IAS 19 revised (see Note 4)

The results for the first quarter reported by the Finmeccanica Group (Group) were substantially in line with those reported in the same period of the previous financial year, except for the business performance, and were higher than the forecasts outlined at the time of the preparation of the budget.

In particular, the business segments of Aerospace and Defence[2] showed a better business performance than expected, even if less than the first quarter of 2012, as a result of the reduction attributable to the Defence and Security Electronics (in any case, showing an improvement compared to the budget forecasts) and Defence Systems segments. Furthermore, the Aerospace and Defence segments reported, as a whole, higher revenues and profits than both those reported in the same period of 2012 and the forecasts. On the contrary, the Civil segments (Energy, Transportation and Fata) showed worse results.

[1] *Reference should be made to the following section for definitions thereof.*
[2] *These include the segments of Helicopters, Defence and Security Electronics, Aeronautics, Space, Defence Systems and Other Activities, excluding Fata.*

Key performance indicators by business segment

March 2013 (€ million)	New orders	Order backlog	Revenues	EBITA	Ros %	R&D	Workforce (no.)
Helicopters	906	11,642	954	115	12.1%	86	13,230
Defence and Security Electronics	750	8,361	1,123	27	2.4%	158	24,862
Aeronautics	919	9,054	670	21	3.1%	60	11,638
Space	126	2,187	210	9	4.3%	8	4,102
Defence Systems	203	3,285	279	25	9.0%	65	3,938
Energy	29	1,897	122	9	7.4%	3	1,800
Transportation	141	8,449	399	(3)	(0.8%)	11	6,702
Other activities	4	124	70	(22)	(31.4%)	-	1,025
Eliminations	(53)	(1,055)	(127)				
	3,025	**43,944**	**3,700**	**181**	**4.9%**	**391**	**67,297**

March 2012 (€ million)	New orders	Order backlog at 31 December 2012	Revenues	EBITA	Ros %	R&D	Workforce (no.) at 31 December 2012
Helicopters	826	11,876	853	88	10.3%	90	13,050
Defence and Security Electronics	1,076	8,831	1,276	55	4.3%	165	25,183
Aeronautics	873	8,819	584	13	2.2%	67	11,708
Space	110	2,261	218	10	4.6%	11	4,131
Defence Systems	314	3,381	250	15	6.0%	61	3,963
Energy	83	1,978	139	11	7.9%	4	1,830
Transportation	267	8,679	447	8	1.8%	11	6,568
Other activities	7	159	63	(27)	n.a.	-	975
Eliminations	(76)	(1,076)	(144)				
	3,480	**44,908**	**3,686**	**173**	**4.7%**	**409**	**67,408**

Changes	New orders change %	Order backlog change %	Revenues change %	EBITA change %	Ros p.p. change	R&D change %	Workforce (no.) change %
Helicopters	10%	(2%)	12%	31%	1.7 p.p.	(4%)	1,4%
Defence and Security Electronics	(30%)	(5%)	(12%)	(51%)	(1.9) p.p.	(4%)	(1.3%)
Aeronautics	5%	3%	15%	62%	0.9 p.p.	(10%)	(0.6%)
Space	15%	(3%)	(4%)	(10%)	(0.3) p.p.	(27%)	(0.7%)
Defence Systems	(35%)	(3%)	12%	67%	3.0 p.p.	7%	(0.6%)
Energy	(65%)	(4%)	(12%)	(18%)	(0.5) p.p.	(25%)	(1.6%)
Transportation	(47%)	(3%)	(11%)	(138%)	(2,5) p.p.	n.s.	2.0%
Other activities	(43%)	(22%)	11%	(19%)	n.a.	n.a.	5.1%
	(13%)	**(2%)**	**n.s.**	**5%**	**0.2 p.p.**	**(4%)**	**(0.2%)**

Before going on with the analysis of the key performance indicators, it should be pointed out that the results for the first quarter are not fully representative of the performance of the entire financial year, as more than half of the business activities concentrate in the second half-year. Furthermore, it should be pointed out that, in relation to the period's average values, the euro appreciated against the US dollar by 0.7%, while the exact period-end exchange rate showed a depreciation of about 3%.

New orders (€mil. 3,025) decreased by €mil. 455 compared to the first quarter of 2012, due in particular to the reduction reported in the segments of Aerospace and Defence, the orders of which reported a decrease by €mil. 272 (in line with the expected decline in the Defence and Security Electronics segment), while the Civil segments reported a reduction of €mil. 183.

Specifically, the segments that recorded a decline in the business performance are the following:

- *Defence and Security Electronics,* both in the European component and in the US component, which continued to be affected by the difficulties linked to decreasing Defence budgets;
- *Transportation,* due to lower orders in the signalling and transportation solutions segment*;*
- *Defence Systems,* mainly as a result of reduced orders for the *missile systems*, which had recorded a significant order in the Indian market in the first quarter of 2012*;*
- *Energy,* due to lower orders in the *service* segment.

This deterioration was partially offset by the increase that was mainly recorded in the segments:

- *Helicopters,* substantially attributable to the acquisition of the contract with the government of the Republic of Korea (South Korea) for the supply of 8 AW159 helicopters for the Navy for a value of €mil. 270;
- *Aeronautics,* including, in the *military* line, the order within the EFA programme for the supply of major components and equipment for 12 aircraft ordered by OMAN and, in the *civil* line, orders for 23 ATR aircraft, as well as, with reference to aerostructures, for the B787 programme for 50 additional series.

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The **order backlog** at 31 March 2013 totalled €mil. 43,944, down by €mil. 964 compared to 31 December 2012. This reduction is substantially attributable to a book-to-bill ratio lower than 1. The order backlog, considered in terms of its workability, ensures, however, around two and a half years of production for the Group.

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Reclassified income statement	Note	*For the three months ended 31 March* 2013	2012 (****)
€ million			
Revenues	*20*	3,700	3,686
Purchases and personnel expense	*(*)*	(3,376)	(3,369)
Amortisation and depreciation	*23*	(150)	(134)
Other net operating income/(expenses)	*(**)*	7	(10)
EBITA		**181**	**173**
Non-recurring income/(expenses)			
Restructuring costs		(10)	(9)
Amortisation of intangible assets acquired as part of business combinations	*23*	(22)	(22)
EBIT		**149**	**142**
Net financial income/(expense)	*(***)*	(108)	(93)
Income taxes	*25*	(35)	(25)
NET PROFIT/(LOSS) BEFORE DISCONTINUED OPERATIONS		**6**	**24**
Profit (loss) from discontinued operations		-	-
NET PROFIT/(LOSS)		**6**	**24**

Notes to the reconciliation between the reclassified income statement and the statutory income statement:

(*) Includes the caption "Purchases and Personnel expense" (net of "Restructuring costs").

(**) Includes the net amount of "Other operating income" and "Other operating expenses" (net of restructuring costs, impairment of goodwill, non-recurring income (costs) and including impairment losses).

(***) Includes "Financial income, "Financial expense" and "Share of profits (losses) of equity-accounted investees".

(****) Comparative data has been restated to include the effects of the adoption of IAS 19 revised (see Note 4).

Revenues at 31 March 2013 totalled €mil. 3,700, in line with those reported in the corresponding period of the previous year. Revenues from the Civil segment reduced by €mil. 58 against an increase of €mil. 72 recorded in the Aerospace and Defence segments.

Specifically, it should be pointed out that the increase was mainly recorded in the segments:

- *Helicopters,* as a result of the significant growth reported in the activities relating to some lines (mainly AW139 -AW109);
- *Aeronautics*, as a result of higher operations in the civil segment due to increased production rates for B787, ATR, A380 and A321 aircraft and in the military segment for aircraft for special missions (Maritime Patrol) and trainers*;*
- *Defence systems,* including three main business segments (*missile systems*, *land, sea and air weapons systems* and *underwater systems)*.

This increase was partly offset by the reduction, in particular, in the segments:

- *Defence and Security Electronics,* more than two thirds of which were attributable to DRS. This trend, which was fully in line with the forecasts, continued to be affected by the difficulties and the slow-down in purchases and start-up of new orders, as well as by the simultaneous decrease in the contribution of important programmes now in their final stages, in particular for the US Armed Forces;
- *Transportation,* mainly attributable to the *vehicles* segment*;*
- *Energy,* substantially due to lower operations in the *renewable energy* and *service* segments.

EBITA at 31 March 2013 totalled €mil. 181 compared to €mil. 173 in the corresponding period of the previous year. Specifically, the increase was attributable to the segments:

- *Helicopters*, due to the abovementioned increase in production volumes and to the benefits arising from the streamlining actions taken, mainly within production activities;
- *Aeronautics*, due to higher business volumes, the reduction in operating expenses and the improved efficiency as a result of the restructuring and reorganisation process underway.

This increase was partially offset by the reduction in the following segments:

- *Defence and Security Electronics*, mostly attributable to decreased volumes, as well as to worse profit margins and to the difficulty in absorbing the full production capacity in some business areas of SELEX ES, against a ROS that remained almost stable in DRS despite the lower revenues reported in the period;
- *Transportation,* mainly in the *vehicles* segment, which was affected by production slowdowns and contractual charges on some programmes.

Net financial expense showed a deterioration of €mil. 15 compared to the corresponding period of 2012, which was attributable to the effects of equity-accounted investments (a negative €mil. 12 in 2013 against income of €mil. 9 in the first quarter of 2012), which was mainly referable to the investment in Sukhoi Aircraft.

The effective **tax rate** at 31 March 2013 showed an increase compared to the corresponding period of the previous year. However, after having eliminated the effects of equity-accounted investments, the effective tax rate appeared to be in line with that of 2012. In any case, this index is affected by the seasonality of the results and will tend to come into line with historical rates in the course of the year.

Therefore, the **net result** in the first quarter of 2013 was equal to €mil. 6, against €mil. 24 in the corresponding period of 2012. As mentioned, against improved EBITA, the net result decreased because of the adverse impact of equity-accounted investments.

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Reclassified statement of financial position	***Note***	***31 Mar. 2013***	***31 Dec. 2012*** *(******)*
€ million			
Non-current assets		12,758	12,725
Non-current liabilities	*(*)*	(3,860)	(3,964)
		8,898	**8,761**
Inventories		5,354	5,192
Trade receivables	*(**) 11*	8,840	8,576
Trade payables	*(***) 18*	(13,052)	(13,902)
Working capital		**1,142**	**(134)**
Provisions for short-term risks and charges	*15*	(854)	(876)
Other net current assets (liabilities)	*(****)*	(688)	(665)
Net working capital		**(400)**	**(1,675)**
Net invested capital		**8,498**	**7,086**
Equity attributable to the owners of the parent		3,325	3,408
Equity attributable to non-controlling interests		315	305
Equity	*13*	**3,640**	**3,713**
Net financial debt/(cash)	*14*	**4,858**	**3,373**
Net (assets) liabilities held for sale	*(*****)*	**-**	**-**

Notes to the reconciliation between the reclassified balance sheet and the statutory balance sheet:
(*) Includes all non-current liabilities net of "Non-current loans and borrowings".
(**) Includes "Contract work in progress, net".
(***) Includes "Progress payments and advances from customers, net".
(****) Includes "Income tax receivables", "Other current assets" and "Derivative assets", net of "Income tax payables", "Other current liabilities" and "Derivative liabilities".
(*****) Includes the net amount of "Non-current assets held for sale" and "Liabilities associated with assets held for sale".
(******) Comparative data has been restated to include the effects of the adoption of IAS 19 revised (see Note 4)

The **net invested capital** recorded a net increase of €mil. 1,412 compared to 31 December 2012. In detail, the **net working capital** reported an increase of €mil. 1,275, to be mainly attributable to the use of cash for the period (Free Operating Cash Flow), as commented below, while **capital assets** showed a slight increase (€mil. 137), mainly due to the reduction in other non-current liabilities.

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	For the three months ended 31 March			
	2013		*2012*	
Cash and cash equivalents at 1 January	**2,137**		**1,331**	
Gross cash flows from operating activities	357		320	
Change in other operating assets and liabilities and provisions for risks and charges (*)	(335)		(403)	
Funds From Operations (FFO)		**22**		**(83)**
Change in working capital	(1,250)		(892)	
Cash flows generated (used) from/in operating activities	**(1,228)**		**(975)**	
Cash flows from ordinary investing activities	(207)		(163)	
Free Operating Cash Flow (FOCF)		**(1,435)**		**(1,138)**
Strategic transactions	-		-	
Change in other investing activities (**)	(3)		(13)	
Cash flows generated (used) from/in investing activities	**(210)**		**(176)**	
Net change in loans and borrowings	732		763	
Cash flows generated (used) from/in financing activities	**732**		**763**	
Exchange rate differences	(5)		-	
Cash and cash equivalents at 31 March	**1,426**		**943**	

(*) Includes the amounts of "Change in other operating assets and liabilities", "Interest paid", "Income taxes paid" and "Change in provisions for risks and charges".

(**) Includes "Other investing activities", dividends received by subsidiaries and coverage of losses carried out in subsidiaries.

FOCF should be considered in terms of the period of the year (seasonality), when there are significantly more payments of trade payables than collections of trade receivables. At 31 March 2013, FOCF was therefore a negative (use of cash) €mil. 1,435, compared to a negative €mil. 1,138 at 31 March 2012, with a deterioration of €mil. 297, mostly attributable to the performance of the working capital. In the course of the first quarter of 2013, investment activities necessary to develop products were concentrated in the Aeronautics business segment (around 40%), while the Helicopters business segment accounted for 25% and Defence Electronics and Security for 20%.

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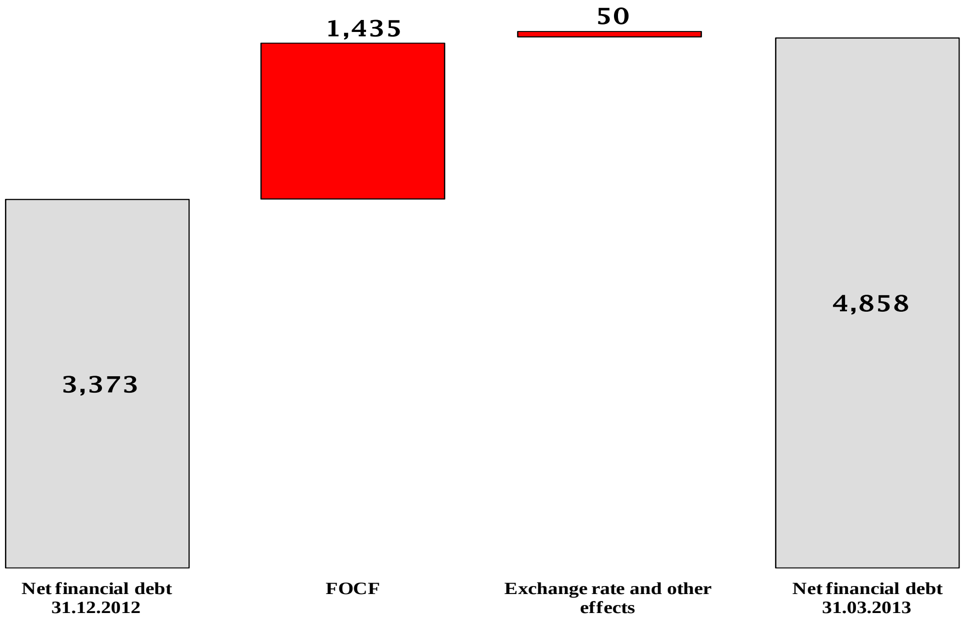
The Group’s **net financial debt** (greater loans and borrowings than loans and receivables and cash and cash equivalents) at 31 March 2013 was €mil. 4,858, up compared to the figure at 31 December 2012 (€mil. 3,373). Changes in the period were as follows:



Net financial debt may be analysed as follows:

	31 March 2013	*Of which current*	**31 December 2012**	*Of which current*
Bonds	4,413	*817*	4,421	*835*
Bank debt	1,743	*1,104*	960	*319*
Cash and cash equivalents	(1,426)	*(1,426)*	(2,137)	*(2,137)*
NET BANK DEBT AND BONDS	**4,730**		**3,244**	
Securities	(3)	*(3)*	(5)	*(5)*
Current loans and receivables from related parties	(81)	*(81)*	(73)	*(73)*
Other current loans and receivables	(522)	*(522)*	(558)	*(558)*
CURRENT LOANS AND RECEIVABLES AND SECURITIES	**(606)**		**(636)**	
Related-party loans and borrowings	573	*539*	634	*605*
Other loans and borrowings	161	*90*	131	*78*
OTHER LOANS AND BORROWINGS	**734**		**765**	
NET FINANCIAL DEBT	**4,858**		**3,373**	

The increase in the net financial debt at 31 March 2013 was essentially due to the adverse impact of the cash flows for the period, which were negative for €mil. 1,435 (against a negative €mil. 1,138 at 31 March 2012), this trend being typical in the Group's performance.

The Group factored receivables without recourse during the period for a total carrying value of approximately €mil. 78 (€mil. 57 in the first quarter of 2012).

As regards the breakdown of the net financial debt, it should be pointed out that:

- bonds, equal to €mil. 4,413, remained substantially unchanged compared to the value posted at 31 December 2012 (€mil. 4,421), as the Group did not carry out transactions in the capital market in the first quarter of 2013;
- vice versa, the bank debt, equal to €mil. 1,743, recorded a significant increase compared to the same value posted at 31 December 2012 (€mil. 960), substantially as a result of the use of the short-term line available to the Group for its cash requirements;
- based on the same dynamics, cash and cash equivalents reduced to €mil. 1,426 (€mil. 2,137 at 31 December 2012). The total amount of said cash and cash equivalents included a portion of the proceeds from the last bond issue that was completed by Finmeccanica Finance in December 2012, for the purpose of pre-financing the residual amount of the bond due December 2013 for a total nominal amount of €mil. 750. The available cash is temporarily used for short-term deposits at the main banks that maintain relations with the Group. Specifically, cash and cash equivalents related to the parent Finmeccanica (€mil. 746), to the Group companies (€mil. 347) which do not fall, for various reasons, within the scope of the cash pooling system and, for the residual amount, to amounts not transferred to the Parent Company, also as result of receipts collected in the last few days of the period, which related to companies that fall, either directly or indirectly, within the scope of the cash pooling system or with which agreements are in place for the management of liquidity;
- current loans and receivables and securities included €mil. 443 relating to the portion of the amount due to the MBDA and Thales Alenia Space joint ventures (consolidated on a proportional basis) from the other venturers under treasury agreements (€mil. 491 at 31 December 2012). Likewise, other loans and borrowings included the unconsolidated amount of payables to the MBDA and Thales Alenia Space joint ventures (€mil. 449 at 31 March 2012 against €mil. 450 at 31 December 2012), as well as payables of €mil. 75 (€mil. 124 at 31 December 2012) due to Eurofighter, in which Alenia Aermacchi has a 21% investment.

Pursuant to existing agreements, Eurofighter lent excess cash to its shareholders which were available at 31 March 2013.

To fund the Group's ordinary operations, Finmeccanica agreed a Revolving Credit Facility with a pool of domestic and international banks in September 2010 for a total of €mil. 2,400, with a final maturity date of September 2015. At 31 March 2013, it had been used for €mil. 810. Finmeccanica also has additional short-term uncommitted credit lines of €mil. 612, which had been used for €mil. 9 at 31 March 2013. There are uncommitted unsecured credit lines approximating €mil. 1,965.

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The **workforce** at 31 March 2013 numbered 67,297, with a net decrease of 111 units over the 67,408 employees at 31 December 2012, which was mainly recorded in the *Defence and Security Electronics* business segment, as a result of the streamlining being conducted in the various segments, in particular at DRS.

At the end of the first quarter of 2013, a breakdown of the workforce by geographical area was substantially unchanged from 31 December 2012, with around 59% located in Italy and 41% abroad, mainly in the United States of America (13%), the United Kingdom (13%) and France (5%).

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Outlook: In view of the Group's results of operations at 31 March 2013 and on the basis of what has been highlighted up to now, we confirm the forecasts for the full year 2013 prepared at the time the 2012 Annual Report was prepared.

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The key performance indicators by segment are commented below.

Helicopters

- <u>New orders.</u> The segment reported a 10% increase compared to the corresponding period of the previous year (€mil. 826), breaking down into 83% for helicopters (new helicopters and upgrading) and the residual percentage for product support (spare parts and inspections), engineering and manufacturing. The increase was substantially attributable to the acquisition of the contract with the government of the Republic of Korea (South Korea) for the supply of 8 AW159 helicopters for the Navy for a value of €mil. 270. In the *military-government* segment, note this order, as well as the order for the supply of 3 additional kits of the AW101 helicopter to the Navy department of Japan, which will be assembled on site by Kawasaki Heavy

Industries (KHI). On the contrary, the *civil-government* segment recorded, at 31 March 2013, orders for 45 units. The most significant orders included:

- with Mitsui Bussan Aerospace, for the supply of 2 AW139 helicopters and 2 additional AW169 helicopters to the Japan National Police Agency (JNPA);
- with Weststar Aviation Services Sdn Bhd, the service company for the Malaysian civil aviation, for the supply of 3 additional AW139 helicopters.

- <u>Order backlog</u>. It remained in line with that at 31 December 2012.
- <u>Revenues</u>. These reported a 12% increase compared to 31 March 2012 that was attributable to the helicopter component, which recorded sharp growth in some lines (AW139-AW109)
- <u>EBITA</u>. It reported a considerable increase (+31%) compared to the value posted at 31 March 2012, by virtue of the abovementioned increased production rates and of the benefits from efficiency-improvement actions, mainly within the framework of production activities, which brought the ROS to 12.1% (10.3% at 31 March 2012).

Defence and Security Electronics

- <u>New orders.</u> These reported a decrease of €mil. 326 compared to 31 March 2012, both on the European and on the US component, which continued to be affected by the difficulties linked to decreasing Defence budgets, as it had already been anticipated at the time of the preparation of the forecast estimates.

  The main orders relating to SELEX ES included:

  - in the field of *Airborne and Space Systems*, the order for the supply of Defensive Aids Sub System (DASS) protection systems and Captor combat radars on Eurofighter Typhoon aircraft for Oman; additional orders for the EFA programme in relation to logistics; orders for the NH90 helicopter programme; orders for customer support activities;
  - in the field of *Land and Naval Systems*, the order from the Directorate General for Armaments of the French Ministry of Defence for the supply of six PAR2090 radars in the fixed version; the contract for support activities on equipment in operation on the Type 23 frigates of the British Navy*;*
  - in the field of *Security and Smart Systems*, the supply of the network infrastructure of the new Kuwait City airport for the Directorate General Civil Aviation; the order for maintenance and technical assistance services for Poste Italiane S.p.A.'s mail sorting lines and equipment.

  The main orders for DRS included the order for the supply of rugged computers and displays for the US Army; the order for the supply of Tunner systems for the loading and handling of goods for cargo aircraft; the additional order for support activities on the programmes for the upgrade of target acquisition subsystems of Bradley combat vehicles; orders for the additional supply of services in support of communications for a programme managed by the Space and Naval Warfare Systems headquarters; orders for additional supplies of satellite communication services within the Future Commercial Satellite Communications Services Acquisition programme.

- Order backlog. It showed a slight decrease (5%) compared to 31 December 2012. More than 80% related to SELEX ES activities.
- Revenues. These reported a reduction of €mil. 153 compared to the value posted at 31 March 2012, which was attributable to DRS for more than two thirds, as a result of the difficulties and the slow-down in acquisitions and start-up of new orders, worsened by the simultaneous decrease in the contribution of important programmes in their final stages, in particular for the US Armed Forces.

  In particular, revenues at SELEX ES were generated by:

  - *Airborne and Space Systems*: the continuation of activities relating to Defensive Aids Sub-System production and the production of avionics equipment, radars and communication systems for the EFA programme; countermeasure systems; equipment for helicopter and space programmes; combat and surveillance radars for other fixed-wing platforms; customer support and logistics;
  - *Land and Naval Systems*: the continuation of activities relating to the Forza NEC programme; contracts for FREMM and upgrading Italian Navy vessels; the programme to supply combat systems for the Algerian logistic support amphibious vessel; progress in the programmes for the supply of *fixed and mobile air defence* ground radars for the domestic customer; progress on the supply of fighting systems for vessels for various foreign customers; the provision of military communication systems both in Italy and the UK;
  - *Security and Smart Systems:* the construction of the national TETRA network; the continuation of activities on air traffic control programmes; activities relating to postal automation services in Italy; activities relating to monitoring and physical security for domestic customers and ICT services for government agencies.

  Revenues at DRS were generated by the continuation of deliveries of rugged computers and displays, particularly for the Joint Battle Command - Platform programme (JBC-P); additional deliveries on the programmes for the upgrade of target acquisition subsystems of Bradley combat vehicles; the provision of services and products for the Rapid Response contract and satellite communications services.

- EBITA. It showed a reduction of €mil. 28 compared to the value posted at 31 March 2012 (€mil. 55), which was particularly attributable to SELEX ES, as a result of lower revenues, as well as of worse profit margins and of difficulties in absorbing the full production capacity in some business areas. In this context, the company has started the integration and reorganisation plan (which has been recently submitted to the Trade Unions) with the objective of implementing a considerable streamlining of technology, product lines and industrial plants; the effects of the abovementioned actions, which also integrate and expand the actions that have been started to improve competitiveness and efficiency, will be fully felt in next financial years and will affect the 2013 performance to a limited extent only. As regards DRS, the effects of the abovementioned decline in production volumes were largely offset by the savings arising from the ongoing plans for the improvement of competitiveness, efficiency and reorganisation, showing a reduction of €mil. 7 in EBITA compared to the corresponding period of the previous year.

Aeronautics

- New orders. These showed an increase of €mil. 46 (+5%) compared to the final value posted at 31 March 2012. The most significant orders that were obtained in the first quarter of 2013 included:
  - in the *military* segment:
    - for the EFA programme, the first tranche of the order received by the Eurofighter consortium for the supply of major components (left wing and rear fuselage) and equipment for the 12 aircraft ordered by OMAN. This order falls within the scope of a wider contract that was signed between Bae Systems, in its capacity of prime contractor, and the Ministry of Defence of OMAN in December 2012;
    - for the logistic support activities, the orders for the activities relating to the following aircraft: M346 ordered by Israel, C27J destined to Australia and for the AMX aircraft supplied to the Brazilian Air Force.
  - in the *civil* segment:
    - for the ATR aircraft, the orders obtained by GIE-ATR from various airlines for 23 aircraft, including 19 from the Indonesian Citilink and 2 from the US company Air Lease;

- for aerostructures, the additional orders for the B787 (50 series), A380, ATR and A321 programmes and for the production of engine nacelles.

- Order backlog. This showed a 3% increase compared to 31 December 2012. In particular, a considerable portion related to the EFA (36%), B787 (16%), ATR (17%), M346 (9%) and C27J (5%) programmes.
- Revenues. These showed a 15% increase compared to 31 March 2012, which was attributable to higher operations in the *civil* segment due to increased production rates for B787, ATR, A380 and A321 aircraft and in the *military* segment for aircraft for special missions (Maritime Patrol) and trainers.
- EBITA. It showed an increase of €mil. 8, due to higher business volumes, the reduction in operating expenses and the improved efficiency as a result of the restructuring and reorganisation process underway.

Space

- New orders. These showed a 15% increase compared to the value posted at 31 March 2012. The most significant orders obtained for the period concerned the following activities:
  - Engineering applications and services for maintenance operations relating to the Cosmo SkyMed system;
  - Supply of satellite capacity to DRS;
  - Satellite management and industrial support services for the SICRAL (*Sistema Italiano per Comunicazioni Riservate e Allarmi*, Italian System for Confidential Communications and Alerts) system;
  - Support and satellite operations activities for the Columbus Control Center;
  - Additional tranches of the order relating to the supply of Cosmo 2G and Exomars satellites for the 2016 and 2018 missions.
- Order backlog. This showed a 3% decrease compared to 31 December 2012. The order backlog at 31 March 2013 was broken down into 58% for manufacturing activities and the residual 42% for satellite services.
- Revenues. These were substantially in line with those recorded in the corresponding period of the previous year. The production mainly concerned the continuation of activities in the following segments:

- in the *commercial telecommunications* segment for the O3B and Iridium NEXT satellite constellations; for the provision of satellite telecommunications services and the resale of satellite capacity;
- in the *military telecommunications* segment for the Sicral 2 and Athena Fidus satellites and for the provision of satellite services;
- in the *earth observation* segment for the satellites for the Sentinel mission (Kopernikus programme, previously known as GMES);
- in the *science programmes* segment for the Exomars programme;
- in the *satellite navigation* segment for the ground mission segment of the Galileo programme and activities related to the Egnos programme.

- <u>EBITA</u>. It remained in line with the previous year.

Defence Systems

- <u>New orders</u>. These recorded a considerable decrease (35%) compared to 31 March 2012, which was attributable to the *missile systems* that had obtained an important order in the Indian market in the first quarter of the previous year. The main orders for the period included:
  - in the *missile systems* segment, various orders for customer support activities;
  - in the *land, sea and air weapons systems* segment, the supply of kits for armaments to the Italian Air Force, the order for 16 Hitrole machine guns to the Singapore Navy and logistics orders from various customers;
  - in the *underwater systems* segment, the orders from a Navy department in the Mediterranean area, relating to ship countermeasure systems and 2 TLS launch systems for light torpedoes.
- <u>Order backlog.</u> These showed a slight decrease (3%) compared to 31 December 2012, 63% of which related to activities in the *missile systems* segment.
- <u>Revenues.</u> These reported a 12% increase compared to the value posted at 31 March 2012, as regards all three segments. Revenues were the result of the following activities in the various segments:
  - in the *missile systems* segment: activities for the production of Aster surface-to-air missiles; the deliveries of air-to-surface missiles as part of an important programme for a foreign country; activities relating to the development of the air defence system in connection with the Medium Extended Air Defence System programme; customer support;

- in the *land, sea and air weapons systems* segment*:* production of VBMs (*Veicolo Blindato Medio*, Medium Armoured Vehicle) and VTMMs (*Veicolo Tattico Medio Multi-ruolo*, Multi-role Medium Tactical Vehicle) for the Italian Army; FREMM programme activities; production of SampT missile launchers; the production of machine guns for various foreign customers and logistics;
- in the *underwater systems* segment: activities relating to the Black Shark heavy torpedo, the A244 light torpedoes and countermeasures; activities relating to the FREMM programme and logistics.

- EBITA. It showed an increase (€mil. 10), mainly as a result of the abovementioned higher revenues, as well as of improved profit margins in the *missile systems* segment, which benefitted from deliveries on an important programme for foreign customers. Accordingly, the ROS came to 9% (6% at 31 March 2012).

Energy

- New orders. These recorded a decrease of €mil. 54 (65%) compared to the corresponding period of the previous year, mainly due to lower orders in the *service* segment.

  The main orders for the period included:

  - in the *service* segment, the supply of spare parts for a power station in Algeria (Hamma), various contracts falling within the scope of Long Term Service Agreements (LTSA) and for field service activities*;*
  - in the *nuclear* segment, the order within the *plant engineering* area in relation to the ITER (International Thermonuclear Experimental Reactor) project for a nuclear plant in France (Cadarache); orders for decommissioning activities in Italy (Varese) and for service activities in Romania (Cernavoda) and France (Creys-Malville).

- Order backlog. This showed a reduction of €mil. 81 (4%) compared to 31 December 2012. The composition of the backlog is attributable for 38% to *plants and components,* 58% to *service* activities (71% of which is represented by long-term service agreements - LTSAs - for scheduled maintenance contracts), for 3% to *nuclear* and the remaining 1% to *renewable energy*.
- Revenues. These recorded a decrease of €mil. 17 compared to the first quarter of 2012 (€mil. 139), mainly due to lower operations in the segments of renewable energy and service.

  Revenues were mainly generated by the following activities:

- in the *plant and components* segment: production activities on the orders from Tunisia (Sousse), Egypt (Giza North and Banha), Turkey (Gebze) and Algeria (Ain Djasser II, Labreg and Hassi Messaud);
- in the *service* segment: activities on the Long Term Service Agreements in Italy (Ferrara, Rizziconi, Naples, Sparanise) and Northern Ireland (Ballylumford), spare parts for gas turbines in Algeria (M'Sila), the supply of a generator in Mexico (Lerdo) and field service activities in Italy (Ferrera);
- in the *nuclear* segment, for the *plant engineering* area, activities on the power station in Slovakia (Mochovce); for the *service* area, the continuation of activities in Argentina (Embalse); for the *waste* and *decommissioning* area, activities in Lithuania (Ignalina) and activities for the treatment and storage of radioactive waste from submarines in Russia (Andreeva Bay);
- in the *renewable energy* segment, electric drives activities, service activities on the solar energy plants in Martano and Soleto (Lecce), supply of micro-turbines.

• EBITA. It showed a slight decrease (€mil. 2) compared to the first quarter of 2012, mainly as a result of lower volumes.

Transportation

• New orders. These reported a decrease of €mil. 126 (47%) compared to the same period of the previous year, which was mainly attributable to lower orders in the *signalling and transportation solutions* segment.

  The main orders for the period included:

  - for the *signalling and transportation solutions* segment, in the *signalling* area, the contract for the maintenance of the high speed line Madrid-Puigverd de Lleida, in Spain; changes in the order relating to the project for the Ankara underground, in Turkey; other various orders for components and service & maintenance*;*
  - in the *vehicles* line, orders for service activities;
  - in the *bus* line, orders of buses for 32 units and various after-sales orders.

• Order backlog. This showed a decrease of €mil. 230 (3%) compared to 31 December 2012. The *signalling and transportation solutions* line accounts for 66%, while the *vehicles* line for 34%.

• Revenues. These recorded a reduction of €mil. 48 (11%) compared to the first quarter of 2012, which was mainly attributable to the *vehicles* segment. In particular, revenues were generated by the following orders:

  - for the *signalling and transportation solutions* line:

- in the *signalling* area, the project for the Turin-Padua stretch in Italy; contracts for the Bogazkopru-Ulukisla-Yenice and Mersin-Toprakkale railway lines and for the Ankara metro in Turkey; orders for Australian Rail Track and the project relating to Roy Hill Iron Ore in Australia; the contract for the Red Line of the Stockholm metro in Sweden; the order related to the Shah-Habshan-Ruwais line in the United Arab Emirates; the projects for Union Pacific Railroad and South-eastern Pennsylvania Transportation Authority in the US; various components contracts;
- in the *transportation solutions* area, the Copenhagen, Rome Line C, Naples Line 6, Brescia, Milan metros; the Rio Tinto projects in Australia;

- in the *vehicles* line, double-decker carriages for Trenitalia; trains for the Danish railways; high-speed trains for Trenitalia; trains for the Dutch and Belgian railways; vehicles for the Fortaleza (Brazil) and Milan metros; various service contracts;
- in the *bus* line, various bus orders, representing 66% of this line's revenues and after-sales activities.

- EBITA. It showed a decrease of €mil. 11 compared to the value posted at 31 March 2012, mainly attributable to the *vehicles* segment, which was specifically affected, in the period, by slowdown in production and contractual charges on some programmes.

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Information pursuant to articles 70 and 71 of Consob Issuers' Regulations

With a Board of Directors' resolution on 23 January 2013 the Company adopted the simplification regime under articles 70/8 and 71/1-bis of the Issuers' Regulations adopted with CONSOB Resolution 11971/1999, as subsequently amended. By this resolution the Company chose the option to make exceptions to the obligation to issue the documents required by the law when significant transactions (such as mergers, spin-offs, capital increases by means of the conferral of assets in kind, acquisitions or disposals) occur.

“Non-IFRS” alternative performance indicators

Finmeccanica’s management assesses the Group’s performance and that of its business segments based on a number of indicators that are not envisaged by the IFRSs. Specifically, EBITA is used as the primary indicator of profitability, since it allows us to analyse the Group’s marginality by eliminating the impact of the volatility associated with non-recurring items or items unrelated to ordinary operations.

As required by CESR/05-178b Recommendation, below is a description of the components of each of these indicators:

- ***EBIT***: i.e. earnings before interest and taxes, with no adjustments. EBIT also excludes costs and income resulting from the management of unconsolidated equity investments and other securities, as well as the results of any sales of consolidated shareholdings, which are classified on the financial statements either as “*Financial income and expense*” or, for the results of equity investments accounted for with the equity method, under “Share of profit (loss) of equity-accounted investees”.

- ***EBITA (“Adjusted EBITA” until 31 December 2012)***: it is arrived at by eliminating from EBIT (as defined above) 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, as required by IFRS 3;

  – 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.

  EBITA is then used to calculate return on sales (ROS) and, on an annualised basis, return on investment (ROI) (which is calculated as the ratio of EBITA to the average value of capital invested during the two periods being compared).

  A reconciliation of EBIT and EBITA for the reporting period and the corresponding prior year is shown below:

€ million	For the three months ended 31 March 2013	2012
EBIT	149	142
Impairment	-	-
Non-recurring (income) expense	-	-
Amortisation of intangible assets acquired as part of business combinations	10	9
Restructuring costs	22	22
EBITA	**181**	**173**

The reconciliation by segment between EBIT and EBITA is reported in Note 8.

- ***Free Operating Cash-Flow (FOCF)***: this is the sum of the cash flows generated by (used in) operating activities and the cash flows generated by (used in) investment and divestment of intangible assets, property, plant and equipment, and equity investments, net of cash flows from the purchase or sale of equity investments that, due to their nature or significance, are considered "strategic investments". The calculation of FOCF for the periods being compared is presented in the reclassified statement of cash flows shown in the previous section.
- ***Funds From Operations (FFO)***: this is cash flow generated by (used in) operating activities net of changes in working capital (as described under Note 28). The calculation of FFO for the periods being compared is presented in the reclassified statement of cash flows shown in the previous section.
- ***Economic Value Added (EVA)***: this is the difference between EBITA net of income taxes and the cost (comparing like-for-like in terms of consolidated companies) of the average invested capital in the two comparative periods and measured on the basis of the operating weighted average cost of capital (WACC for EVA purposes).
- ***Working capital***: this includes trade receivables and payables, contract work in progress and progress payments and advances from customers.
- ***Net working capital***: this is equal to working capital less provisions for current risks and other current assets and liabilities.
- ***Net capital invested***: this is the algebraic sum of non-current assets, non-current liabilities and net working capital.
- ***Net financial debt***: this includes cash, financial receivables and current securities, net of (current and non-current) loans and borrowings.

- ***Research and Development expenditure***: the Group classifies under R&D all internal and external costs incurred relating to projects aimed at obtaining or employing new technologies, knowledge, materials, products and processes. These costs may be partly or entirely reimbursed by customers, funded by public institutions through grants or other incentives under law or, lastly, be borne by the Group. From an accounting standpoint, R&D expense can be recognised in different manners as indicated below:
  - if they are reimbursed by the customer pursuant to an existing contract, they are recognised as "work in progress";
  - if they relate to research activities, that is, the activity is at a stage at which it cannot be demonstrated that the activity will generate future economic benefits, they are expensed as incurred;
  - finally, if they relate to a development activity for which the Group can demonstrate the technical feasibility, the capability and the intention to see the project through to the end, as well as the existence of a potential market such to generate future economic benefits, they are capitalised under "Intangible assets". In the case in which a grant is given towards these expenses, the carrying value of the intangible assets is reduced by the amount received or to be received.
- ***New orders***: this is the sum of contracts signed with customers during the period that satisfy the contractual requirements for being recorded in the order book.
- ***Order backlog***: this figure is the difference between new orders and invoiced orders (income statement) during the reference period, excluding the change in contract work in progress. This difference is added to the backlog for the preceding period.
- ***Workforce***: the number of employees recorded in the register on the last day of the year.
- ***Return on Sales (ROS)***: this is calculated as the ratio of EBITA to revenue.
- ***Return on Investments (ROI)***: this is calculated as the ratio of annualised EBITA to the average net capital invested in the two comparative periods.
- ***Return on Equity (ROE):*** this is calculated as the ratio of the annualised net result for the financial period to the average value of equity in the two comparative periods.

Significant events in the period and events subsequent to closure of the accounts

Industrial transactions

In the **Helicopters** business segment, on 21 January 2013, AgustaWestland and Embraer announced that they had signed a Memorandum of Understanding to set up a joint venture in order to produce the AgustaWestland helicopters in Brazil (for military and commercial applications) intended for local and Latin America markets.

In the **Aeronautics** business segment, on 17 January 2013, Alenia Aermacchi and General Dynamics signed a Letter of Intent that ratifies the partnership of the two companies in the tender for the supply of the future advanced trainer to the US Air Force (T – X programme). The two companies will offer the customer an integrated training system for pilots based on Alenia Aermacchi's T-100 platform, which is a variation of the M-346 advanced trainer in the US market. General Dynamics will play the role of Prime Contractor – through the C4 Systems business unit– and will share with the team its proven experience as a system integrator in order to deliver to the customer: aircraft, flight simulators, multimedia training courses and logistics support.

Within the programme to upgrade Finmeccanica’s industrial structure in the **Defence and Security Electronics (“D&SE”)** business segment, which was launched as early as 2010, the period saw the completion of the corporate combination of SELEX Galileo S.p.A., SELEX Elsag S.p.A. and SELEX Sistemi Integrati S.p.A. into SELEX ES S.p.A., with legal effect from 1 January 2013, and of the related businesses into SELEX Galileo Ltd (now SELEX ES Ltd) in the United Kingdom.

In the **Energy** business segment, on 21 March 2013, Ansaldo Energia and Politecnico of Milan signed a three-year agreement on specific research and training activities. Specifically, Ansaldo Energia may support Politecnico in teaching activities and may finance research fellowships and doctorates (PhD), scholarships and internships, while Politecnico will provide technical and scientific support to the company’s research activities. Furthermore, Ansaldo Energia and Politecnico will jointly participate in the national energy Cluster being established, which provides for joint research activities in the sectors of flexibility of combined cycles and of the development of new-generation gas turbines.

Furthermore, on 27 February 2013, Finmeccanica signed a cooperation agreement with the **Australian Ministry of Defence** (through the Defence Material Organization) to join the “Global Supply Chain” programme. This agreement represents the operational contract to start activities, following the approval of the project that took place on 31 October 2012. In addition to being an opportunity to encourage possible commercial developments of the Group in Australia, this initiative has the objective of supporting the development of the Australian small- and medium-sized enterprises within the supply chain of Finmeccanica, to replace the traditional off-set obligations.

Financial transactions

In the first quarter of 2013 Finmeccanica did not carry out any transaction in the capital market (bonds and bank debt), neither in terms of new issues of bonds, nor in terms of early redemption of already existing bonds.

Below is a list of bond issues outstanding at 31 March 2013 which shows, respectively, the Euro-denominated bonds issued by Finmeccanica ("FNM") and by the subsidiary Finmeccanica Finance ("FinFin"), the pound sterling-denominated bond issued by Finmeccanica Finance, as well as the bonds issued by Meccanica Holdings USA ("MH") for the US market, specifying switches (if any) from fixed-rate to floating-rate bonds. The average residual life of bond issues is about 10 years.

Issuer		Year of issue	Maturity	Currency	Outstanding nominal amount (€mil.)	Annual coupon	Type of offer
FinFin	(1)	2003	2018	€	500	5.75%	European institutional
FNM	(2)	2005	2025	€	500	4.875%	European institutional
FinFin	(3)	2008	2013	€	750	8.125%	European institutional
FinFin	(4)	2009	2019	GBP	400	8.00%	European institutional
FinFin	(5)	2009	2022	€	600	5.25%	European institutional
FinFin	(6)	2012	2017	€	600	4.375%	European institutional
MH	(7)	2009	2019	USD	434	6.25%	American institutional *Rule 144A/Reg. S*
MH	(8)	2009	2039	USD	300	7.375%	American institutional *Rule 144A/Reg. S*
MH	(9)	2009	2040	USD	500	6.25%	American institutional *Rule 144A/Reg. S*

1) Bonds issued as part of the EMTN programme for a maximum of €bil. 3.8. The transaction was authorised pursuant to Art. 129 of Legislative Decree 385/93. Bonds listed on the Luxembourg Stock Exchange. Rate derivative transactions were made on these bonds and led to benefits throughout 2005 from low floating rates with an effective cost of some 3.25%. During 2006, the effective cost of the loan returned to a fixed rate better than the coupon and corresponding to an average of some 5.6%.

2) Bonds issued as part of the EMTN programme for a maximum of €bil. 3.8. The transaction was authorised pursuant to Art. 129 of Legislative Decree 385/93. Bonds listed on the Luxembourg Stock Exchange. It must be recalled that, at the end of 2011, the related transactions on interest rates were terminated in advance, which have allowed to turn the fair value into liquidity for €mil. 36; accordingly, the bond returned to a fixed rate of issue equal to 4.875%

3) Bonds issued as part of the EMTN programme for a maximum of €bil. 3.8. Bonds listed on the Luxembourg Stock Exchange. To date, the entire residual value of the transaction (€ mil. 750) was converted into a floating-rate bond, with a benefit of over 200 basis points in 2012; as currently expected, it should be confirmed in 2013 as well.

4) Bonds issued as part of the EMTN programme for a maximum of €bil. 3.8. Bonds listed on the Luxembourg Stock Exchange. The proceeds of the issue were translated into euros and the exchange rate risk arising from the transaction was fully hedged. Finmeccanica does not rule out the possibility of re-converting the bond into pound sterling to partially hedge strategic investments in Great Britain.

5) Bonds issued as part of the EMTN programme for a maximum of €bil. 3.8. Bonds listed on the Luxembourg Stock Exchange.

6) Bonds issued as part of the EMTN programme for a maximum of €bil. 3.8. Bonds listed on the Luxembourg Stock Exchange.

7) Bonds issued under Rule 144A, Regulation S of the US Securities Act. The proceeds of this issue were entirely used by Meccanica Holdings USA to finance the purchase of DRS replacing the dollar-issue bonds originally issued by the company. These bonds were redeemed early following Finmeccanica's purchase of DRS. As a result, these issues were not hedged against exchange rate risk, and no interest rate transactions on the issue were performed.

All the bond issues of Finmeccanica Finance and Meccanica Holdings are irrevocably and unconditionally secured by Finmeccanica, and are given a medium/long-term financial credit rating by the three international rating agencies: Moody's Investors Service (Moody's), Standard and Poor's and Fitch.

At the presentation date of this Report, Finmeccanica's credit ratings are as follows: Baa3 with a negative outlook from Moody's, BBB - with a negative outlook from Fitch and BB+ with a stable outlook from Standard and Poor's.

In particular, in January 2013, Standard and Poor's decided to downgrade the rating assigned to the medium/long-term debt of Finmeccanica from the previous BBB - with a negative outlook to BB+ with a stable outlook, essentially in consideration of the extension of the time limits relating to the implementation of the disposal plan in the course of 2013.

Furthermore, in February 2013, Moody's changed the outlook previously assigned, from stable to negative, in consideration of the financial and operative profile of the Group, as well as of delays in the implementation of the disposals announced on which could weigh further uncertainties also considering judicial measures that involved some senior managers of the Group; in April, the agency deemed it appropriate to put the rating of Finmeccanica "on review for possible downgrade". On the basis of similar considerations, in February 2013 Fitch decided to place the rating of Finmeccanica on credit watch for a period of six months.

In this regard, it must be recalled that, in rating companies' debt, Standard and Poor's and Moody's use methodologies that take account of a company's strong connection with its government or of significant state interest in a company which may result in the issuer receiving a rating other than what it would have been given on a stand-alone basis. Moreover, the current credit ratings assigned by Standard and Poor's and Moody's do not show, to date, any difference between the "stand alone" rating and the rating determined based on Standard and Poor's "Government related entities" (GRE) and Moody's "Government related issuers" (GRI) methodologies. Overall, Finmeccanica is rated "Investment Grade", with a negative outlook, by Fitch and Moody's, while, after the last downgrading, the rating assigned by Standard & Poor's is "sub investment grade".

Finally, it should be noted that the overall changes that have occurred in the rating of the Finmeccanica's debt have not determined any significant effects on the loans in place that have been confirmed. However, it could be more difficult and costly to use some of the sources of financing used to date. On the other hand, the Group is actively committed to rolling out the steps of the restructuring plan launched in 2011, which include, *inter alia*, the reduction of debt. Moreover, the Group's financial and investment and contract selection policies mean the Group constantly monitors the soundness of its financial position and its financial debt level, which also enable compliance with the indicators the rating agencies refer to.

All the bonds above are governed by rules with standard legal clauses for these types of corporate transactions on institutional markets. In the case of the above issues, these clauses do not require any undertaking with regard to compliance with specific financial parameters (financial covenants) but they do require negative pledge and cross-default clauses. Based on negative pledge clauses, Group issuers, Finmeccanica SpA and their "Material Subsidiaries" (companies in which Finmeccanica SpA owns more than 50% of the share capital and represent at least 10% of Finmeccanica's consolidated gross revenues and capital) are expressly prohibited from pledging collateral security or other obligations to secure their debt in the form of bonds or listed financial instruments or financial instruments that quality for listing, unless these guarantees are extended to all bondholders. Exceptions to this prohibition are securitisation and, starting from July 2006, the establishment of assets for the use indicated in Art. 2447-bis et seq. of the Italian Civil Code. On the contrary, the cross-default clauses give the bondholders the right to request early redemption of the bonds in their possession in the event of default by the Group issuers and/or Finmeccanica and/or any "Material Subsidiary" that results in a failure to make payment beyond preset limits.

Condensed consolidated interim financial statements

as at and for the three months ended 31 March 2013

Condensed consolidated income statement

(€ million)	Note	For the three months ended 31 March 2013	of which with related parties	For the three months ended 31 March 2012 (*)	of which with related parties
Revenue	20	3,700	389	3,686	408
Purchases and personnel expense	22	(3,411)	(51)	(3,375)	(40)
Amortisation, depreciation and impairment losses	23	(176)		(159)	
Other operating income (expenses)	21	36		(10)	
		149		**142**	
Financial income (expense)	24	(96)		(102)	
Share of profits (losses) of equity-accounted investees		(12)		9	
Operating profit (loss) before income and discontinued operations		**41**		**49**	
Income taxes	25	(35)		(25)	
Loss (profit) from discontinued operations		-			
Net profit (loss)		**6**		**24**	
. of which owners of the parent		-		*17*	
. of which non-controlling interests		*6*		*7*	
Earnings per share	27				
Basic		-		*0.029*	
Diluted		-		*0.029*	

(*) comparative data has been restated following the adoption of IAS 19 revised (see Note 4)

Condensed consolidated statement of comprehensive income

€ million	For the three months ended 31 March			
	2013		*2012 (*)*	
Profit (loss) for the period		**6**		**24**
Other comprehensive income (expense):				
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period:				
- Revaluation of defined-benefit plans:		(6)		(15)
. revaluation	*(7)*		*(17)*	
. exchange rate gains (losses)	*1*		*2*	
- Tax effect		2		11
		(4)		(4)
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period:				
- Changes in cash flow hedges:		(72)		77
. change generated in the period	*(79)*		*77*	
. transferred to the profit (loss) for the period	*7*			
. exchange rate gains (losses)	*-*			
- Translation differences		(26)		(74)
. change generated in the period	(26)		(74)	
. transferred to the profit (loss) for the period				
- Tax effect		17		(21)
		(81)		(18)
Total comprehensive income (expense), net of tax:		(85)		(22)
Total comprehensive income (expense), attributable to:		**(79)**		**2**
- *Owners of the parent*		*(89)*		*(4)*
- *Non-controlling interests*		*10*		*6*

(*) comparative data has been restated following the adoption of IAS 19 revised (see Note 4)

Condensed consolidated statement of financial position

(€million)	*Note*	*31 March 2013*	*of which with related parties*	*31 March 2012 (*)*	*of which with related parties*
Non-current assets					
Intangible assets	*8*	7,403		7,388	
Property, plant and equipment	*9*	3,217		3,201	
Deferred tax assets		1,210		1,213	
Other assets	*10*	928	*191*	923	*192*
		12,758		**12,725**	
Current assets					
Inventories		5,354		5,192	
Trade receivables, including net contract work in progress	*11*	8,840	*913*	8,576	*955*
Loans and receivables		603	*81*	631	*73*
Derivatives	*19*	71		107	
Other assets	*12*	1,121	*7*	1,075	*6*
Cash and cash equivalents		1,426		2,137	
		17,415		**17,718**	
Non-current assets held for sale		-		-	
Total assets		**30,173**		**30,443**	
Equity					
Share capital	*13*	2,525		2,525	
Other reserves		800		883	
Equity attributable to the owners of the parent		**3,325**		**3,408**	
Equity attributable to non-controlling interests		315		305	
Total equity		**3,640**		**3,713**	
Non-current liabilities					
Loans and borrowings	*14*	4,340	*34*	4,309	*29*
Employee benefits	*16*	1,033		1,070	
Provisions for risks and charges	*15*	1,513		1,552	
Deferred tax liabilities		354		382	
Other non-current liabilities	*17*	960		960	
		8,200		**8,273**	
Current liabilities					
Trade payables, including net progress payments and advances from customers	*18*	13,052	*183*	13,902	*193*
Loans and borrowings	*14*	2,550	*539*	1,837	*605*
Income tax payables		88		83	
Provisions for risks and charges	*15*	854		876	
Derivatives	*19*	121		82	
Other current liabilities	*17*	1,668	*42*	1,677	*53*
		18,333		**18,457**	
Liabilities associated with assets held for sale		-			
Total liabilities		**26,533**		**26,730**	
Total liabilities and equity		**30,173**		**30,443**	

(*) comparative data has been restated following the adoption of IAS 19 revised (see Note 4)

Condensed consolidated statement of cash flows

(€million)		*For the three months ended 31 March*			
	Note	***2013***	*of which with related parties*	***2012***	*of which with related parties*
Cash flows from operating activities:					
Gross cash flows from operating activities	*28*	357		320	
Change in working capital	*28*	(1,250)	*28*	(892)	*(100)*
Change in other operating assets and liabilities, taxes, financial expense and provisions for risks and charges		(335)	*(15)*	(403)	*79*
Cash flows used in operating activities	(a)	**(1,228)**		**(975)**	
Cash flows from investing activities:					
Investments in property, plant and equipment and intangible assets		(214)		(182)	
Sales of property, plant and equipment and intangible assets		7		19	
Other investing activities		(3)		(13)	
Cash flows generated (used) from/in investing activities	(b)	**(210)**		**(176)**	
Cash flows from financing activities:					
Net change in other loans and borrowings		732	*(76)*	763	*19*
Cash flows generated (used) from/in financing activities	(c)	**732**		**763**	
Net increase/(decrease) in cash and cash equivalents	(d = a+b+c)	(706)		(388)	
Exchange rate differences and other changes	(e)	(5)		-	
Cash and cash equivalents at 1 January	(f)	2,137		1,331	
Cash and cash equivalents at 31 March	(g=d+e+f)	**1,426**		**943**	

Condensed consolidated statement of changes in equity

(€ million)	**Share capital**	**Retained earnings and consolidation reserve**	**Cash flow hedge reserve**	**Revaluation reserve of defined-benefit plans**	**Translation reserve**	**Equity attributable to owners of the parent**	**Non-controlling interests**	**Total equity**
1 January 2012	**2,525**	**2,310**	**(31)**	**(76)**	**(427)**	**4,301**	**303**	**4,604**
Application of IAS 19 revised				9		**9**		**9**
1 January 2012 restated	**2,525**	**2,310**	**(31)**	**(67)**	**(427)**	**4,310**	**303**	**4,613**
Profit (loss) for the period		17				17	7	24
Other comprehensive income (expense)			55	(5)	(71)	(21)	(1)	(22)
Total comprehensive income (expense)		**17**	**55**	**(5)**	**(71)**	**(4)**	**6**	**2**
Transactions with owners of the parent, recognised directly in equity:								
Dividends resolved								
Repurchase of treasury shares, less shares sold								
Total transactions with owners of the parent, recognised directly in equity	-	-	-	-	-	-	-	-
Other changes		1				1	(1)	-
31 March 2012 restated	**2,525**	**2,328**	**24**	**(72)**	**(498)**	**4,307**	**308**	**4,615**
1 January 2013	**2,525**	**1,474**	**18**	**(218)**	**(401)**	**3,398**	**305**	**3,703**
Application of IAS 19 revised		(6)		16		**10**		**10**
1 January 2013 restated	**2,525**	**1,468**	**18**	**(202)**	**(401)**	**3,408**	**305**	**3,713**
Profit (loss) for the period		-				-	6	6
Other comprehensive income (expense)			(54)	(4)	(31)	(89)	4	(85)
Total comprehensive income (expense)			**(54)**	**(4)**	**(31)**	**(89)**	**10**	**(79)**
Transactions with owners of the parent, recognised directly in equity:								
Dividends resolved								
Repurchase of treasury shares, less shares sold								
Total transactions with owners of the parent, recognised directly in equity						-	-	-
Other changes		7		-	(1)	6	-	6
31 March 2013	**2,525**	**1,475**	**(36)**	**(206)**	**(433)**	**3,325**	**315**	**3,640**

Explanatory notes

1. GENERAL

Finmeccanica is a company limited by shares domiciled in Piazza Monte Grappa 4, Rome (Italy). It is listed on the Italian stock exchange (FTSE MIB).

The Finmeccanica Group is a key industrial operator in the high-technology sector. The holding company, Finmeccanica Spa (the "Parent"), provides industrial and strategic orientation and control and coordinates its operating subsidiaries ("Finmeccanica Group" or the "Group"), mainly operating in the Helicopters, Defence and Security Electronics, Aeronautics, Space, Defence Systems, Energy and Transportation sectors.

2. BASIS OF PREPARATION

Finmeccanica Group's condensed consolidated interim financial statements as at and for the three months ended 31 March 2013 were prepared pursuant to the provisions of article 154-*ter*.5 of Legislative Decree no. 58/98 - the Consolidated Law on Financial Intermediation - and subsequent amendments and integrations.

The notes to the condensed consolidated interim financial statements do not include all disclosures required for annual financial statements, as they refer only to those items that are essential to understand the Group's financial position, results of operations and cash flows given their amount, breakdown or changes therein. This interim financial report should, therefore, be read in conjunction with the 2012 annual consolidated financial statements.

The statement of financial position and income statement are likewise presented in a condensed format compared to the annual financial statements. The notes to the items combined in the interim consolidated financial statements schedules include a reconciliation with annual consolidated financial statements schedules.

The accounting policies used for the condensed consolidated interim financial statements are unchanged from those of the 2012 annual consolidated financial statements (except for those specifically applicable to interim financial reports) and the condensed consolidated interim financial statements at 31 March 2012. The new standards applicable from 1 January 2013 reported in Note 4 below did not materially impact these condensed consolidated interim financial statements. In particular it is noted that, as largely set out below, starting from 1 January 2013 the Group has adopted IAS 19 revised*:* the effects on the comparative information are reported in Note 4.

The interim financial report at 31 March 2013 was approved by the Board of Directors on 14 May 2013 and published on the same day.

Amounts are shown in millions of euros unless stated otherwise.

These condensed consolidated interim financial statements have not been audited or reviewed by the independent auditors.

3. TREATMENT OF INCOME TAXES IN THE PREPARATION OF INTERIM REPORTS AND BUSINESS SEASONALITY

Treatment of income taxes

In interim reports, income taxes are estimated based on the expected tax rate applied to pre-tax profit or loss for the period.

Cash flows relating to operations

The Group's key business segments feature a high concentration of cash flows from customers in the last few months of the year. This has an impact on interim cash flows and the variability of the Group's debt over the various interim periods, which improves substantially in the last few months of the calendar year.

4. EFFECTS OF CHANGES TO THE IFRS

Starting from 1 January 2013 the Group has adopted the following new accounting standards:

- Amendment to IAS 1– *Presentation of financial statements:* the changes introduced by such standard aim at providing a clearer presentation of the items of other comprehensive income, facilitating the disctinction of the iems based on whether or not they are to be classified in the separate income statement;
- Amendment to IFRS 7 – *Financial instruments - Disclosures*: The standard requires information about the effects or potential effects from the offsetting of assets and liabilities on the statement of financial position;
- IFRS 13 – *Fair value measurement*: this standard applies to IFRSs that require or permit fair value measurements or disclosures and provides a single IFRS framework for measuring fair value;

- Amendment to IAS 19 – *Employee benefits*: this amendment eliminates the option of the corridor method and requires actuarial gains and losses to be recognised in full in the statement of comprehensive income (method already applied by the Group). Furthermore, past service costs must be recognised immediately. Interest expense net of the expected return on plan assets is replaced by a net finance cost, which is calculated by applying the interest rate to the net liability. The retrospective application of the revised standard resulted in the restatement of the comparative information presented.

  Below are the effects on the statement of comprehensive income at 31 March 2012 and at 31 December 2012 and on the statement of financial position at 31 December 2011, 31 March 2012 and 31 December 2012:

	For the three months ended 31 March 2012	**2012**
Income statement:		
Financial costs	*(2)*	*(9)*
Income taxes	*1*	*3*
Profit (loss) for the period	**(1)**	**(6)**
Earnings per share (basic and diluted)	*(0.002)*	*(0.001)*
Statement of comprehensive income:		
Profit (loss) for the period	(1)	(6)
Other comprehensive income (expense)	1	6
Total comprehensive income (expense)*:*	-	-

Statement of financial position:	**31 December 2011**	**31 March 2012**	**31 December 2012**
Equity	9	9	10
Net assets of defined-benefit plans	9	9	10

5. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

No significant or non-recurring transactions are reported for the period.

6. EXCHANGE RATES ADOPTED

Below are the exchange rates adopted for the key currencies in the preparation of this interim financial report:

	At 31 March 2013		At 31 December 2012	At 31 March 2012	
	average rate	closing rate	closing rate	average rate	closing rate
US dollar	1.32036	1.28050	1.31940	1.31100	1.33560
Pound sterling	0.85172	0.84560	0.81610	0.83451	0.83390

7. SEGMENT REPORTING

In line with the management and control model used, management has identified the Group's operating segments as the business segments in which it operates: Helicopters, Defence and Security Electronics, Aeronautics, Space, Defence Systems, Energy, Transportation and Other Activities.

For a more detailed analysis of the main programmes, outlooks and operating indicators for each segment, see the Report on Operations.

The Group assesses its operating segments and the allocation of financial resources based on revenues and EBITA (see the section of the report on operations entitled "Non-IFRS alternative performance indicators").

The results of the business segments for the reporting period, as compared with those of the same period of the previous year, are as follows:

	Helicopters	**Defence and Security Electronics**	**Aero-nautics**	**Space**	**Defence Systems**	**Energy**	**Transportation**	**Other Activities**	**Elimin-ations**	**Total**
31 March 2013										
Revenue	954	1,123	670	210	279	122	399	70	(127)	**3,700**
Inter-segment revenue *(*)*	-	(73)	(2)	(5)	(5)	-	-	(42)	127	-
Third party revenue	954	1,050	668	205	274	122	399	28	-	3,700
EBITA	**115**	**27**	**21**	**9**	**25**	**9**	**(3)**	**(22)**	**-**	**181**
Investments	52	42	82	8	6	4	4	7	-	**205**

	Helicopters	Defence and Security Electronics	Aero-nautics	Space	Defence Systems	Energy	Transportation	Other Activities	Elimin-ations	Total
31 March 2012										
Revenue	853	1,276	584	218	250	139	447	63	(144)	**3,686**
Inter-segment revenue *(*)*	-	(99)	(2)	(4)	(2)	-	(1)	(36)	144	-
Third party revenue	853	1.177	582	214	248	139	446	27	-	3,686
EBITA	**88**	**55**	**13**	**10**	**15**	**11**	**8**	**(27)**	**-**	**173**
Investments	42	42	68	6	7	5	5	4	-	**179**

(*) Inter-segment revenue includes revenue among Group consolidated undertakings belonging to various business sectors

Non-current assets (intangible assets, property, plant and equipment and investment property) may be analysed by their business segment as follows at 31 March 2013 and 31 December 2012:

	Helicopters	Defence and Security Electronics	Aero-nautics	Space	Defence Systems	Energy	Transportation	Other Activities	Elimin-ations	Total
31 March 2013										
Non-current assets	2,797	3,864	1,833	507	565	101	161	792	-	**10,620**

	Helicopters	Defence and Security Electronics	Aero-nautics	Space	Defence Systems	Energy	Transportation	Other Activities	Elimin-ations	Total
31 December 2012										
Non-current assets	2,797	3,870	1,785	510	567	101	162	797	-	**10,589**

The reconciliation of adjusted EBITA and earnings before income taxes, financial income and expense and the share of results of equity-accounted investees ("EBIT") for the periods concerned is shown below:

	Helicopters	Defence and Security Electronics	Aero-nautics	Space	Defence Systems	Energy	Transportation	Other Activities	Total
For the three months ended 31 March 2013									
EBITA	115	27	21	9	25	9	(3)	(22)	**181**
Impairment losses	-	-	-	-	-	-	-	-	-
Amortisation of intangible assets acquired as part of business combinations	(2)	(20)	-	-	-	-	-	-	**(22)**
Restructuring costs	-	(9)	-	-	-	-	(1)	-	**(10)**
EBIT	113	(2)	21	9	25	9	(4)	(22)	**149**

	Helicopters	Defence and Security Electronics	Aero-nautics	Space	Defence Systems	Energy	Transportation	Other Activities	Total
For the three months ended 31 March 2012									
EBITA	**88**	**55**	**13**	**10**	**15**	**11**	**8**	**(27)**	**173**
Impairment losses	-	-	-	-	-	-	-	-	-
Amortisation of intangible assets acquired as part of business combinations	(2)	(20)	-	-	-	-	-	-	**(22)**
Restructuring costs	-	(6)	-	-	(1)	-	(2)	-	**(9)**
EBIT	**86**	**29**	**13**	**10**	**14**	**11**	**6**	**(27)**	**142**

8. INTANGIBLE ASSETS

	31 March 2013	*31 December 2012*
Goodwill	4,374	4,384
Development costs	586	585
Non-recurring costs	965	922
Concessions, licences and trademarks	420	414
Acquired through business combinations	800	818
Other intangible assets	258	265
Total intangible assets	**7,403**	**7,388**

Key changes were related to amortisation (Note 23) of €mil. 76 (€mil. 62 at 31 March 2012) and investments of €mil. 88 (€mil. 87 at 31 March 2012), as broken down below:

	For the three months ended 31 March	
Investments	*2013*	*2012*
Development costs	25	21
Non-recurring costs	50	47
Concessions, licences and trademarks	1	1
Other intangible assets	12	18
Total intangible assets	**88**	**87**

There are also commitments to purchase intangible assets for €mil. 16 (€mil. 12 at 31 December 2012).

The market capitalisation of the Finmeccanica Spa share is currently lower than the carrying amount of equity attributable to the owners of the parent (market capitalisation at 31 March 2013 of €bil. 2.2, against equity attributable to the owners of the parent of €bil. 3.3). This situation was not deemed to require impairment testing additional to that carried out when the annual consolidated financial statements at 31 December 2012 were prepared, as the share price reflects the generally depressed and highly volatile conditions of the financial markets and is decidedly different from a valuation based on the value in use. In respect of DRS, whose goodwill was tested for impairment for a value of €mil. 993 in the 2012 financial statements, it is noted that in March 2013 the US Government approved the start of the sequestration process. Based on this mechanism, the difference between total cuts under the Budget Control Act and those already identified by the Congress is recovered through linear cuts across the spending capacity of each administration, excluding a few cost items. With particular reference to the Defence budget, these linear cuts totalled about USD 500 billion in the 2013 – 2021 period. The amount of the cuts attributable to each single programme and each cost item will be the result of the analyses and prioritization given by the Government and the administrations involved. Therefore, as of today the effects of this process on the Group cannot be accurately estimated. In spite of this, when carrying out the impairment tests for the 2012 financial statements, we had already considered the best possible estimate linked to the uncertainties of the sequestration, along with the development of this process, bearing in mind that the effects thereof will arise only afterwards and in a manner still to be defined.

9. PROPERTY, PLANT AND EQUIPMENT

	31 March 2013	*31 December 2012*
Land and buildings	1,205	1,209
Plant and machinery	576	586
Equipment	805	801
Other	631	605
Total property, plant and equipment	**3,217**	**3,201**

The key changes regarded depreciation of €mil. 96 (€mil. 94 at 31 March 2012) and investments (€mil. 117 vs. €mil. 92 at 31 March 2012), as broken down below:

	For the three months ended 31 March	
	2013	*2012*
Land and buildings	4	3
Plant and machinery	12	8
Equipment	24	20
Other	77	61
Total property, plant and equipment	**117**	**92**

Property, plant and equipment include €mil. 18 related to assets held under finance leases in relation to plant and machinery, equipment and other assets.

There are also commitments to purchase property, plant and equipment for €mil. 119 (€mil. 137 at 31 December 2012).

10. RECEIVABLES AND OTHER NON-CURRENT ASSETS

	31 March 2013	*31 December 2012*
Financing to third parties	70	66
Guarantee deposits	12	20
Deferred grants under Law no. 808/85	98	97
Defined benefit plan assets, net (Note 16)	115	121
Related party receivables (Note 26)	191	192
Other	55	53
Non-current receivables	**541**	**549**
Prepayments	11	10
Equity investments	224	232
Non-recurring costs pending under Law no. 808/1985	152	132
Other non-current assets	**387**	**374**
Total other non-current assets	**928**	**923**

11. CONTRACT WORK IN PROGRESS AND NET PROGRESS PAYMENTS AND ADVANCES FROM CUSTOMERS

	31 March 2013	*31 December 2012*
Receivables	4,265	4,405
Impairment	(308)	(310)
Related party receivables (Note 26)	913	955
	4,870	5,050
Contract work in progress (gross)	9,428	8,573
Final losses	(77)	(82)
Progress payments and advances from customers	(5,381)	(4,965)
Contract work in progress (net)	3,970	3,526
Total trade receivables and net contract work in progress	**8,840**	**8,576**

12. OTHER CURRENT ASSETS

		31 March 2013		*31 December 2012*
Income tax receivables		146		160
Assets held for sale		3		5
Other current assets:		972		910
Prepaid expenses – current portion	*118*		*116*	
Receivables for grants	*100*		*96*	
Receivables from employees and social security	*62*		*53*	
Indirect tax receivables	*363*		*309*	
Deferred receivables under Law no. 808/85	*12*		*12*	
Other related party receivables (Note 26)	*7*		*6*	
Other assets	*310*		*318*	
Total other current assets		**1,121**		**1,075**

13. EQUITY

Share capital	**Number of ordinary shares**	**Par value**	**Treasury shares**	**Costs incurred net of tax effect**	**Total**
Outstanding shares	578,150,395	2,544	-	(19)	2,525
Treasury shares	(32,450)	-	-	-	-
31 December 2012	578,117,945	2,544	-	(19)	2,525
31 March 2013	578,117,945	2,544	-	(19)	2,525
broken down as follows:					
Outstanding shares	578,150,395	2,544	-	(19)	2,525
Treasury shares	(32,450)	-	-	-	-
	578,117,945	**2,544**	**-**	**(19)**	**2,525**

At 31 March 2013, the Ministry of Economy and Finance owned around 30.204% of the share capital, Deutsche Bank Trust Company Americas around 3.600% and Libyan Investment Authority (Arab Bkg Corp/Libyan Inves, Man) around 2.010% of the shares. Moreover, Tradewinds Global Investors LLC held around 4.976% of the shares on a discretional fund management basis and Grantham, Mayo, Van Otterloo & Co. LLC around 2.045% on a discretional fund management basis.

The statement of changes in other reserves and equity attributable to non-controlling interests is presented in the accounting statements section.

Below is a detail of the tax effects on the gain and loss items recognised in equity:

For the three months ended 31 March 2013	Group			Non-controlling interests		
	Amount before taxes	Tax effect	Net amount	Amount before taxes	Tax effect	Net amount
Revaluation of defined-benefit plans	(6)	2	(4)	-	-	-
Changes in cash-flow hedges	(71)	17	(54)	(1)	-	(1)
Foreign currency translation difference	(31)	-	(31)	5	-	5
Total	**(108)**	**19**	**(89)**	**4**	**-**	**4**
For the three months ended 31 March 2012						
Revaluation of defined-benefit plans	(16)	11	(5)	1	-	1
Changes in cash-flow hedges	77	(22)	55	-	1	1
Foreign currency translation difference	(71)	-	(71)	(3)	-	(3)
Total	**(10)**	**(11)**	**(21)**	**(2)**	**1**	**(1)**

14. LOANS AND BORROWINGS

	31 March 2013	*31 December 2012*
Bonds	4,413	4,421
Bank loans and borrowings	1,743	960
Finance lease payables	1	2
Related party loans and borrowings (Note 26)	573	634
Other loans and borrowings	160	129
Total loans and borrowings	**6,890**	**6,146**
Of which:		
Current	2,550	1,837
Non-current	4,340	4,309

Below is the financial information required under CONSOB communication DEM/6064293 of 28 July 2006:

	31 March 2013	*of which with related parties*	*31 December 2012*	*of which with related parties*
Cash and cash equivalents	(1,426)		(2,137)	
Securities held for trading	(3)		(5)	
LIQUIDITY'	**(1,429)**		**(2,142)**	
CURRENT LOANS AND RECEIVABLES	**(603)**	*(81)*	**(631)**	*(73)*
Current bank loans and borrowings	1,104		319	
Current portion of non-current loans and borrowings	817		835	
Other current loans and borrowings	629	*539*	683	*605*
CURRENT FINANCIAL DEBT	**2,550**		**1,837**	
NET CURRENT FINANCIAL DEBT (FUNDS)	**518**		**(936)**	
Non-current bank loans and borrowings	639		641	
Bonds issued	3,596		3,586	
Other non-current loans and borrowings	105	*34*	82	*29*
NON-CURRENT FINANCIAL DEBT	**4,340**		**4,309**	
NET FINANCIAL DEBT	**4,858**		**3,373**	

15. PROVISIONS FOR RISKS AND CHARGES AND CONTINGENT LIABILITIES

	31 March 2013		*31 December 2012*	
	Non-current	**Current**	**Non-current**	**Current**
Guarantees given	60	107	70	100
Restructuring	78	95	88	127
Penalties	310	41	309	39
Product warranties	114	118	104	114
Other	951	493	981	496
	1,513	**854**	**1,552**	**876**

The “Other provisions for risks and charges” mainly include:

- the provision for contractual risks and charges of €mil. 815 (€mil. 841 at 31 December 2012) mainly related to the Aeronautics business segment, in particular to the B787 programme;
- the provision for risks on equity investments of €mil. 19 (€mil. 22 at 31 December 2012), which includes the accruals for losses exceeding the carrying amounts of unconsolidated equity-accounted investments;

- the provision for taxes of €mil. 136 (€mil. 134 at 31 December 2012);
- the provision for litigation with employees and former employees of €mil. 36 (€mil. 38 at 31 December 2012);
- the provision for litigation underway of €mil. 68 (€mil. 70 at 31 December 2012).

With regard to the provisions for disputes, it is underlined that the Group's operations regard industries and markets where many disputes are settled only after a considerable period of time, especially in cases where the customer is a government entity. Pursuant to the IFRS, provisions have only been made for risks that are probable and for which the amount can be determined. Likewise, specific provisions have not been set aside for disputes in which the Group is defendant as, based on current knowledge, these disputes are reasonably expected to be resolved satisfactorily and without significantly impacting results. For any disclosure relating to these situations, for which no significant changes are reported, reference is made to the information already provided in the 2012 consolidated financial statements.

Finally, it should be noted that the Explanatory Notes and the Corporate Governance Report and Shareholder Structure reported in the consolidated financial statements at 31 December 2012 provide information on the investigations carried out by the Judicial Authority against Group companies, as well as on any possible risks relating to existing contracts. With respect to the information reported in the abovementioned financial statements, to which reference is made for more details, it should be pointed out that – within the criminal proceedings relating to the supply by AgustaWestland International Ltd of 12 helicopters to the Indian Government -, on 3 May 2013 the Judge for Preliminary Investigations (GIP, *Giudice per le Indagini Preliminari*) of the Court of Busto Arsizio, issued, at the request for the public prosecutor's office, an order for immediate trial (*giudizio immediato*) against the former Chairman and Chief Executive Officer of Finmeccanica and the former Chief Executive Officer of AgustaWestland S.p.A.; the hearing of oral argument (*udienza dibattimentale*) before the Court of Busto Arsizio will be held on 19 June 2013. On 4 May 2013 the warrants regarding the remand in custody and house arrest (*custodia cautelare in carcere* and *arresti domiciliari*), which were issued on 12 February 2013, against the former Chairman and Chief Executive Officer of Finmeccanica and the former Chief Executive Officer of AgustaWestland S.p.A., respectively, ceased to apply due to the lapse of time.

16. EMPLOYEE BENEFITS

	31 March 2013			*31 December 2012*		
	Liabilities	***Assets***	***Net***	***Liabilities***	***Assets***	***Net***
Severance pay provision	520		520	542		542
Defined-benefit plans	392	115	277	400	121	279
Portion of the MBDA JV pension plan	98		98	101		101
Defined contribution plans	23		23	27		27
	1,033	**115**	**918**	**1,070**	**121**	**949**

The amount recognised in the income statement for defined-benefit plans was calculated as follows:

	For the three months ended 31 March	
	2013	***2012***
Costs of current services	15	15
Costs booked as "personnel expenses"	15	15
Net interest income on defined-benefit plans	6	7
Costs booked as "financial expenses"	6	7
	21	**22**

17. OTHER CURRENT AND NON-CURRENT LIABILITIES

	Non-current		**Current**	
	31.03.2013	***31.12.2012***	***31.03.2013***	***31.12.2012***
Employee obligations	66	68	451	412
Deferred income	42	43	97	89
Amounts due to social security institutions	6	6	274	289
Payables to MED (Law no. 808/85)	287	287	41	52
Payables to MED for monopoly rights (Law no. 808/85)	109	103	21	21
Other liabilities (Law no. 808/85)	159	158	-	-
Indirect tax liabilities	-	-	140	173
Other payables to related parties (Note 26)	-	-	42	53
Other liabilities	291	295	602	588
	960	**960**	**1,668**	**1,677**

"Other payables" include, in particular, the payable due to Bell Helicopter of €mil. 303 (€mil. 289 at 31 December 2012) deriving from the acquisition of all manufacturing and marketing rights for the AW139 helicopter and from the acquisition of 100% of the AW609 programme. The latter amount also includes the reasonably estimated potential consideration due based on the commercial success of the programme.

18. TRADE PAYABLES, INCLUDING NET PROGRESS PAYMENTS AND ADVANCES FROM CUSTOMERS

	31 Mar. 2013	*31 Dec. 2012*
Suppliers	4,329	5,002
Trade payables to related parties (Note 26)	183	193
	4,512	5,195
Progress payments and advances from customers (gross)	14,476	14,738
Contract work in progress	(6,515)	(6,646)
Final losses	579	615
Progress payments and advances from customers (net)	8,540	8,707
Total trade payables	**13,052**	**13,902**

19. DERIVATIVES

The table below provides a detail of the asset and liability positions related to derivative instruments:

	31 March 2013		*31 December 2012*	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Forward forex instruments	31	104	69	65
Embedded derivatives	12	-	9	-
Interest rate swaps	28	17	29	17
	71	**121**	**107**	**82**

The change in the fair value of forward instruments is mainly due to the volatility of the US dollar against the euro: the exchange rate went from 1.3194 at 31 December 2012 to 1.2805 at 31 March 2013.

The interest rate swaps with a total notional value of €mil. 1,375 (€mil 1,375 at 31 December 2012) were placed into effect to hedge part of bonds issued. The fair value is substantially unchanged from the corresponding previous year period.

Embedded derivatives arise from trading contracts agreed in currencies other than those of the contracting parties and from those generally used on the relevant markets.

20. REVENUE

	For the three months ended 31 March	
	2013	*2012*
Revenue from sales	2,009	2,012
Revenue from services	612	697
	2,621	2,709
Change in work in progress	690	569
Revenue from related parties (Note 26)	389	408
Total revenue	**3,700**	**3,686**

The trends in revenue by business segment are described in the notes above (Note 7).

21. OTHER OPERATING INCOME (EXPENSES)

	For the three months ended 31 March					
	2013			*2012*		
	Income	**Expenses**	**Net**	**Income**	**Expenses**	**Net**
Grants for research and development costs	11	-	11	11	-	11
Exchange rate differences on operating items	37	(43)	(6)	27	(37)	(10)
Indirect taxes	-	(12)	(12)	-	(10)	(10)
Restructuting costs	-	-	-	-	(3)	(3)
Reversal of / Accruals to provisions	52	(38)	14	34	(33)	1
Other operating income (expenses)	71	(42)	29	25	(24)	1
Other from/to related parties (Note 26)	1	(1)	-	1	(1)	-
Total	**172**	**(136)**	**36**	**98**	**(108)**	**(10)**

22. PURCHASES, SERVICES AND PERSONNEL EXPENSE

	For the three months ended 31 March			
	2013		*2012*	
Costs of purchases		1,294		1,260
Purchase of services		1,139		1,134
Costs to related parties (Note 26)		51		40
Personnel expense		1,144		1,180
Wages, salaries and contributions	*1,056*		*1,093*	
Defined-benefit plans costs (Note 16)	*16*		*15*	
Defined contribution plans costs	*37*		*35*	
Restructuring costs	*9*		*6*	
Other personnel expenses	*26*		*31*	
Change in finished goods, work in progress and semi-finished products		(113)		(143)
Work performed by the Group and capitalised		(104)		(96)
Total purchases and personnel expense		**3,411**		**3,375**

The average workforce numbered 68,520 employees in the first three months of 2012, a net decrease of 2,725 employees from the 65,795 employees in the corresponding period of the previous year. The drop was seen mainly in the Defence and Security Electronics (mainly due to the reorganisation underway in the United States of America), Aeronautics and Transportation business segments, chiefly due to the reorganisation, streamlining and cost-saving initiatives launched last year.

The workforce at 31 March 2013 numbered 67,297 as compared with 67,408 at 31 December 2012. The net decrease of 111 units is mainly due to the combined effect of a reduction of the workforce in the Defence and Security Electronics (in particular at DRS), Aeronautics, Defence Systems, Space and Energy segments, and of an increase mainly in the Helicopters and Transportation business units. As a consequence of these reductions, personnel expense showed a net decrease of €mil. 36 despite the higher restructuring costs (mainly due to the reorganisations taking place especially in the Defence and Security Electronics segment).

23. AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

	For the three months ended 31 March			
	2013		***2012***	
Amortisation and depreciation:				
• intangible assets (Nota 8)		76		62
- *development expenses*	*24*		*13*	
- *non-recurring expenses*	*8*		*5*	
- *acquired as part of business combinations*	*22*		*22*	
- *other*	*22*		*22*	
• property, plant and equipment		96		94
Impairment losses*:*				
• assets and investment properties		-		-
• operating receivables		4		3
Total amortisation, depreciation and impairment losses		**176**		**159**

24. FINANCIAL INCOME AND EXPENSE

Below is a breakdown of financial income and expense:

	For the three months ended 31 March					
	2013			*2012*		
	Income	**Expense**	**Net**	**Income**	**Expense**	**Net**
Interest	9	(79)	(70)	7	(73)	(66)
Commissions (including commissions on non-recourse items)	-	(6)	(6)	-	(8)	(8)
Fair value gains (losses) through profit or loss	10	(9)	1	16	(33)	(17)
Premiums (paid) received on forwards	3	(4)	(1)	2	(1)	1
Exchange rate differences	136	(136)	-	61	(68)	(7)
Net interest cost on defined-benefit plans	-	(7)	(7)	-	(7)	(7)
Financial income (expense) - related parties (Note 26)	1	(1)	-	3	(3)	-
Other financial income and expense	1	(14)	(13)	13	(11)	2
	160	**(256)**	**(96)**	**102**	**(204)**	**(102)**

Fair value adjustments through profit or loss can be detailed as follows:

	For the three months ended 31 March					
	2013			*2012*		
	Gains	**Losses**	**Net**	**Gains**	**Losses**	**Net**
Currency swaps	2	(3)	(1)	6	(9)	(3)
Interest rate swaps	-	-	-	1	(1)	-
Ineffective portion of hedging swaps	4	(6)	(2)	9	(4)	5
Embedded derivatives	4	-	4	-	(19)	(19)
	10	**(9)**	**1**	**16**	**(33)**	**(17)**

25. INCOME TAXES

Income tax expense can be broken down as follows:

	For the three months ended 31 March	
	2013	**2012**
IRES (corporate income tax)	(17)	(15)
IRAP (reg. tax on production)	(22)	(21)
Benefit under consolidated tax mechanism	27	22
Other income taxes	(23)	(12)
Tax related to previous periods	1	(1)
Provisions for tax disputes	(2)	(2)
Deferred tax - net	1	4
	(35)	(25)

26. RELATED PARTY TRANSACTIONS

Related party transactions are carried out at arm's length, as is settlement of the interest-bearing receivables and payables when not governed by specific contractual conditions. The relevant financial statements amounts are shown below. The statement of cash flows presents the impact of related party transactions on cash flows.

RECEIVABLES AT 31 March 2013	**Non-current loans and receivables**	**Other non-current receivables**	**Current loans and receivables**	**Trade receivables**	**Other current receivables**	**Total**
Unconsolidated subsidiaries						
Companies with unit amount lower than €mil. 10			14	4	1	19
Associates						
Eurofighter Jagdflugzeug GmbH				255		255
NHIndustries SAS				121		121
BCV Investments SCA	181					181
Metro 5 SpA		4	1	39		44
Iveco - Oto Melara Scarl				38		38
Abruzzo Engineering Scpa (in liq.)				22		22
Joint Stock Company Sukhoi Civil Aircraft				10		10
Orizzonte - Sistemi Navali SpA				14		14
Other entities with unit amount lower than €mil. 10		2	2	39		43
Joint ventures (*)						
GIE ATR				32		32
MBDA SAS				30		30
Thales Alenia Space SAS			3	17	1	21
Ansaldo Energia SpA			11	9	2	22
Superjet International SpA			39	3		42
Telespazio SpA	3		7	1		11
Other entities with unit amount lower than €mil. 10		1	2	9	1	13
Consortiums (**)						
Ferroviario Vesuviano				14		14
Other consortiums with unit amount lower than €mil. 10			2	28	2	32
Companies subject to the control or considerable influence of the MEF						
Ferrovie dello Stato Italiane				115		115
Other				113		113
Total	**184**	**7**	**81**	**913**	**7**	**1,192**
% against total for the period	***71.3***	***12.6***	***13.4***	***18.7***	***0.7***	

RECEIVABLES AT 31 December 2012	**Non-current loans and receivables**	**Other non-current receivables**	**Current loans and receivables**	**Trade receivables**	**Other current receivables**	**Total**
Unconsolidated subsidiaries						
Companies with unit amount lower than €mil. 10			*16*	*2*	*1*	*19*
Associates						
Eurofighter Jagdflugzeug GmbH				*261*		*261*
NHIndustries SAS				*138*		*138*
BCV Investments SCA	*181*					*181*
Metro 5 SpA		*4*	*1*	*48*		*53*
Iveco - Oto Melara Scarl				*39*		*39*
Abruzzo Engineering Scpa (in liq.)				*22*		*22*
Joint Stock Company Sukhoi Civil Aircraft				*14*		*14*
Other entities with unit amount lower than €mil. 10		*2*	*1*	*46*		*49*
Joint ventures (*)						
Ansaldo Energia SpA			*8*	*10*	*1*	*19*
Yeni Elektrik Uretim Anonim Sirket				*21*		*21*
MBDA SAS				*29*		*29*
GIE ATR				*27*		*27*
Thales Alenia Space SAS			*3*	*21*	*1*	*25*
Superjet International SpA			*35*	*2*		*37*
Other entities with unit amount lower than €mil. 10	*4*	*1*	*7*	*10*	*1*	*23*
Consortiums (**)						
Ferroviario Vesuviano				14		14
Other consortiums with unit amount lower than €mil. 10			*2*	*26*	*2*	*30*
Companies subject to the control or considerable influence of the MEF						
Ferrovie dello Stato Italiane				*120*		*120*
Other				*105*		*105*
Total	***185***	***7***	***73***	***955***	***6***	***1,226***
% against total for the period	***73.1***	***12.6***	***11.6***	***18.9***	***0.7***	

(*) Amounts refer to the portion not eliminated for proportionate consolidation

(**) Consortiums over which the Group exercises considerable influence or which are subject to joint control

Trade receivables are commented on later, along with revenue from related parties.

Loans and receivables from related parties mainly refer to the non-eliminated portion of receivables from joint ventures.

Non-current loans and receivables from related parties chiefly consist of financial instruments issued by the investee BCV Investments S.A. measured at fair value as a result of the early repayment clauses and the forced conversion these securities are subject to.

PAYABLES AT 31 March 2013	Non-current loans and borrowings	Other non-current payables	Current loans and borrowings	Trade payables	Other current payables	Total	Guarantees
Unconsolidated subsidiaries							
Companies with unit amount lower than €mil. 10			4	14	1	19	
Associates							
Eurofighter Jagdflugzeug GmbH			75	11		86	
Consorzio Start SpA				34		34	
Avio SpA				18		18	
Joint Stock Company Sukhoi Civil Aircraft *(***)*	15		2	18		35	
Iveco - Oto Melara Scarl				5	8	13	
Other entities with unit amount lower than €mil. 10			2	17		19	
Joint ventures (*)							
MBDA SAS			292	10		302	61
Thales Alenia Space SAS			157	18		175	1
Ansaldo Energia SpA					13	13	
Telespazio SpA				1	5	6	218
Superjet International SpA				1	12	13	
Other entities with unit amount lower than €mil. 10				9	2	11	
Consortiums (**)							
Consortiums with unit amount lower than €mil. 10				8	1	9	
Companies subject to the control or considerable influence of the MEF							
Ferrovie dello Stato Italiane				5		5	
Other	19		7	14	-	40	
Total	**34**	**0**	**539**	**183**	**42**	**798**	**280**
% against total for the period	***0.8***		***21.1***	***4.2***	***2.7***		

PAYABLES AT 31 December 2012	**Non-current loans and borrowings**	**Other non-current payables**	**Current loans and borrowings**	**Trade payables**	**Other current payables**	**Total**	**Guarantees**
Unconsolidated subsidiaries							
Companies with unit amount lower than €mil. 10			4	17	1	22	
Associates							
Eurofighter Jagdflugzeug GmbH			124	11		135	
Consorzio Start SpA				44		44	
Avio SpA				21		21	
Elettronica SpA				10		10	
Joint Stock Company Sukhoi Civil Aircraft *(***)*	10		1	10		21	
Iveco - Oto Melara Scarl				4	7	11	
Other entities with unit amount lower than €mil. 10			2	10		12	
Joint ventures (*)							
MBDA SAS			299	7		306	87
Thales Alenia Space SAS			151	20		171	2
GIE ATR			17	5	12	34	
Ansaldo Energia SpA					13	13	
Telespazio SpA				1	5	6	219
Superjet International SpA				1	11	12	
Other entities with unit amount lower than €mil. 10				4	2	6	
Consortiums (**)							
Consortiums with unit amount lower than €mil. 10				7	1	8	
Companies subject to the control or considerable influence of the MEF							
Companies with unit amount lower than €mil. 10	19		7	21	1	48	
Total	**29**	**0**	**605**	**193**	**53**	**880**	**308**
% against total for the period	***0.7***		***30.7***	***3.7***	***3.4***		

(*) Amounts refer to the portion not eliminated for proportionate consolidation.

(**) Consortiums over which the Group exercises considerable influence or which are subject to joint control.

(***) Loans and borrowings refer to finance lease payables.

Trade payables mainly refer to the non-eliminated portion of payables to joint ventures and to the Start Consortium for the supply of software for the Defence Systems and Space segments, and to the Avio group for the supply of components in the Aeronautics and Helicopters segments.

Borrowings from related parties include in particular the amount of €mil. 449 (€mil. 450 at 31 December 2012) due by Group companies to the joint ventures MBDA and Thales Alenia Space, for the unconsolidated portion, and payables of €mil. 75 (€mil. 124 at 31 December 2012) to Eurofighter, of which Alenia Aeronautica owns 21%. As regards the latter, under a cash pooling agreement its surplus cash and cash equivalents at 31 March 2013 were distributed among the partners.

For the three months ended 31 March 2013	**Revenue**	**Other operating income**	**Costs**	**Other operating expenses**	**Financial income**	**Financial expense**
<u>Unconsolidated subsidiaries</u>						
Companies with unit amount lower than €mil. 10			4			
<u>Associates</u>						
Eurofighter Jagdflugzeug Gmbh	96					
NHIndustries SAS	30					
Orizzonte Sistemi Navali SpA	32					
Iveco - Oto Melara Scarl.	24		1			1
Other entities with unit amount lower than €mil. 10	20		17	1		
<u>Joint ventures</u> (*)						
MBDA SAS	10					
GIE ATR	24		13			
Other entities with unit amount lower than €mil. 10	11	1	7		1	
<u>Consortiums (**) and other</u>						
Consortiums with unit amount lower than €mil. 10	3		1			
<u>Companies subject to the control or considerable influence of the MEF</u>						
Ferrovie dello Stato Italiane	101		2			
Other	38		6			
Total	**389**	**1**	**51**	**1**	**1**	**1**
% against total for the period	***10.5***	***0.6***	***2.2***	***0.7***	***0.6***	***0.4***

For the three months ended 31 March 2012	**Revenue**	**Other operating income**	**Costs**	**Other operating expenses**	**Financial income**	**Financial expense**
<u>Associates</u>						
Companies with unit amount lower than €mil. 10			8			
<u>Associates</u>						
Eurofighter Jagdflugzeug Gmbh	111					
NHIndustries Sarl	36					
Orizzonte Sistemi Navali SpA	36					
Iveco - Oto Melara Scarl.	22		7			1
Other entities with unit amount lower than €mil. 10	19		4	1		
<u>Joint ventures (*).</u>						
GIE ATR	22		**7**			
MBDA SAS	15					2
Telespazio SpA						
Other entities with unit amount lower than €mil. 10	12	1	4		3	
<u>Consortiums (**)</u>						
Consortiums with unit amount lower than €mil. 10	5		1			
<u>Companies subject to the control or considerable influence of the MEF</u>						
Ferrovie dello Stato Italiane	94		1			
Other	36		8			
Total	**408**	**1**	**40**	**1**	**3**	**3**
% against total for the period	***11.06***	***1.02***	***1.8***	***0.9***	***2.9***	***1.4***

(*) Amounts refer to the portion not eliminated for proportionate consolidation.

(**) Consortiums over which the Group exercises considerable influence or which are subject to joint control.

The most significant trade receivables and revenues, in addition to the non-eliminated portion of receivables from joint ventures are related to:

- Eurofighter in the scope of the EFA aeronautical programme;
- the Iveco - Oto Melara consortium for production and post-sales assistance on defence and security ground vehicles (VBM Freccia and PZH2000 self-propelled vehicle for the Italian Army);
- NHIndustries in the scope of the NH90 helicopter programme;
- Metro 5 for the activities connected with the new line 5 of the Milan metro;
- Orizzonte - Sistemi Navali relating to the FREMM programme;
- the Ferrovie dello Stato Italiane group for the supply of trains and systems.

27. EARNINGS PER SHARE

Earnings per share (hereinafter "earnings per share" or "EPS") are calculated by dividing net profit attributable to holders of ordinary shares by the average number of ordinary shares for the period less treasury shares (basic EPS).

At 31 March 2013 basic EPS, like that for the corresponding period of 2012, is equal to the diluted EPS, inasmuch as there are no dilutive elements.

	For the three months ended 31 March	
Basic and Diluted EPS	***2013***	***2012***
Average shares outstanding during the reporting period (in thousands)	578,118	578,118
Earnings for the period (excluding non-controlling interests) (€ million)	-	17
Earnings from continuing operations (excluding non-controlling interests) (€ million)	-	17
Basic and Diluted EPS (€)	-	0.029
Basic and Diluted EPS from continuing operations (€)	-	0.029

28. CASH FLOWS FROM OPERATING ACTIVITIES

	For the three months ended 31 March	
	2013	***2012***
Net result	6	24
Amortisation, depreciation and impairment losses	176	159
Share of profits/(losses) of equity-accounted investments	12	(9)
Income taxes	35	25
Costs for pension plans	17	16
Net financial expense /(income)	96	102
Other non-monetary items	15	3
Gross cash flows from operating activities	**357**	**320**

The change in working capital, shown net of the impacts of acquisitions and sales of consolidated companies and exchange rate gains and losses, comprises:

	For the three months ended 31 March	
	2013	***2012***
Inventories	(175)	(226)
Contract work in progress and progress payments and advances from customers	(588)	(419)
Trade receivables and payables	(487)	(247)
Change in working capital	**(1,250)**	**(892)**

For the Board of Directors

The Chief Executive Officer and Chief Operating Officer

(Alessandro Pansa)

Appendix: Scope of consolidation

List of companies consolidated on a line-by-line basis

Amounts in foreign currency

Company name	*Registered office*	*Currency*	*Share capital*	*% Group ownership* Direct	Indirect	*% Group shareholding*
3083683 NOVA SCOTIA LIMITED	Halifax, Nova Scotia (Canada)	CAD	-		100	100
ADVANCED ACOUSTIC CONCEPTS LLC	Wilmington, Delaware (USA)	USD	-		51	51
AGUSTA AEROSPACE SERVICES AAS SA	Grace Hollogne (Belgium)	EUR	500,000		100	100
AGUSTA HOLDING BV	Amsterdam (the Netherlands)	EUR	232,400,000		100	100
AGUSTAWESTLAND TILT-ROTOR COMPANY INC.	Wilmington, Delaware (USA)	USD	-		100	100
AGUSTAWESTLAND AMERICA LLC	Wilmington, Delaware (USA)	USD	10,000		100	100
AGUSTAWESTLAND AUSTRALIA PTY LTD	Melbourne (Australia)	AUD	400,000		100	100
AGUSTAWESTLAND DO BRASIL LTDA	Sao Paulo (Brazil)	BRL	11,817,172		100	100
AGUSTAWESTLAND ESPANA SL	Madrid (Spain)	EUR	3,300		100	100
AGUSTAWESTLAND HOLDINGS LTD	Yeovil, Somerset (U.K.)	GBP	40,000		100	100
AGUSTAWESTLAND INC	New Castle,Wilmington, Delaware (USA)	USD	1,000		100	100
AGUSTAWESTLAND INDIA PRIVATE LTD	New Delhi (India)	INR	11,519,450		100	100
AGUSTAWESTLAND INTERNATIONAL LTD	Yeovil, Somerset (U.K.)	GBP	511,000		100	100
AGUSTAWESTLAND LTD	Yeovil, Somerset (UK)	GBP	1,520,304		100	100
AGUSTAWESTLAND MALAYSIA SDN BHD	Kuala Lumpur (Malaysia)	MYR	2,500,000		100	100
AGUSTAWESTLAND NORTH AMERICA INC	Wilmington, Delaware (USA)	USD	1		100	100
AGUSTAWESTLAND NV	Amsterdam (the Netherlands)	EUR	80,000	100		100
AGUSTAWESTLAND PHILADELPHIA CO	Wilmington Delaware (USA)	USD	20,000,00		100	100
AGUSTAWESTLAND POLITECNICO ADVANCED ROTORCRAFT CENTER SC A RL	Milan	EUR	400,000		80	80
AGUSTAWESTLAND PORTUGAL SA	Lisbona (Portugal)	EUR	100,000		100	100
AGUSTAWESTLAND PROPERTIES LTD	Yeovil, Somerset (U.K.)	GBP	100		100	100
AGUSTAWESTLAND SPA	Cascina Costa (Va)	EUR	702,537,000		100	100
ALENIA AERMACCHI SPA	Venegono Superiore (Va)	EUR	250,000,000	100		100
ALENIA AERMACCHI NORTH AMERICA INC	New Castle,Wilmington, Delaware (USA)	USD	44		100	100
ANSALDO RAILWAY SYSTEM TRADING (BEIJING) LTD	Beijing (China)	USD	1,500,000		100	40.066%
ANSALDO STS AUSTRALIA PTY LTD	Birsbane (Australia)	AUD	5,025,885		100	40.066%
ANSALDO STS BEIJING LTD	Beijing (China)	EUR	836,945		80	32.0528
ANSALDO STS CANADA INC	Kingstone, Ontario (Canada)	CAD	-		100	40.066%
ANSALDO STS DEUTSCHLAND GMBH	Monaco di Baviera (Germany)	EUR	26,000		100	40.066%
ANSALDO STS ESPANA SAU	Madrid (Spain)	EUR	1,500,000		100	40.066%
ANSALDO STS FINLAND OY (IN LIQ)	Helsinki (Finland)	EUR	10,000		100	40.066%
ANSALDO STS FRANCE SAS	Les Ulis (France)	EUR	5,000,000		100	40.066%
ANSALDO STS HONG KONG LTD	Kowloon Bay (China)	HKD	100,000		100	40.066%
ANSALDO STS IRELAND LTD	Co Kerry (Ireland)	EUR	100,309		100	40.066%
ANSALDO STS MALAYSIA SDN BHD	Kuala Lumpur (Malaysia)	MYR	3,000,000		100	40.066%
ANSALDO STS-SINOSA RAIL SOLUT. SOUTH AFR. (PTY) LTD	Sandton (ZA – South Africa)	ZAR	2,000		100	40.066%
ANSALDO STS SOUTHERN AFRICA (PTY) LTD	Gaborone (Botswana)	BWP	100		100	40.066%
ANSALDO STS SWEDEN AB	Solna (Sweden)	SEK	4,000,000		100	40.066%
ANSALDO STS TRANSPORTATION SYSTEMS INDIA PRIVATE LTD	Bangalore (India)	INR	1,312,915,050		100	40.066%
ANSALDO STS UK LTD	Barbican (U.K.)	GBP	1,000,000		100	40.066%
ANSALDO STS SPA	Genoa	EUR	80,000,000	40.066%		40.066%
ANSALDO STS USA INC	Wilmington, Delaware (USA)	USD	1		100	40.066%
ANSALDO STS USA INTERNATIONAL CO	Wilmington, Delaware (USA)	USD	1,000		100	40.066%
ANSALDO STS USA INTERNATIONAL PROJECTS CO	Wilmington, Delaware (USA)	USD	25,000		100	40.066%
ANSALDOBREDA ESPANA SLU	Madrid (Spain)	EUR	3,010		100	100
ANSALDOBREDA INC	Pittsburg, California (USA)	USD	5		100	100
ANSALDOBREDA SPA	Naples	EUR	55,839,139	100		100
AUTOMATISMES CONTROLES ET ETUDES ELECTRONIQUES SAS (ACELEC)	Les Ulis (France)	EUR	167,694		100	40.066%
BREDAMENARINIBUS SPA	Bologna	EUR	1,300,000	100		100
CISDEG SPA	Rome	EUR	120,000		87.5	87.5
CYBERLABS SRL	Milan	EUR	20,000		100	100
DRS C3 & AVIATION COMPANY	Wilmington, Delaware (USA)	USD	1		100	100
DRS CENGEN LLC	Wilmington, Delaware (USA)	USD	-		100	100
DRS CONSOLIDATED CONTROLS INC	Wilmington, Delaware (USA)	USD	1		100	100
DRS DEFENSE SOLUTIONS LLC	Wilmington, Delaware (USA)	USD	-		100	100
DRS ENVIRONMENTAL SYSTEMS INC	Wilmington, Delaware (USA)	USD	2		100	100
DRS HOMELAND SECURITY SOLUTIONS INC	Wilmington, Delaware (USA)	USD	1		100	100
DRS ICAS LLC	Wilmington, Delaware (USA)	USD	-		100	100
DRS INTERNATIONAL INC	Wilmington, Delaware (USA)	USD	1		100	100
DRS POWER & CONTROL TECHNOLOGIES INC	Wilmington, Delaware (USA)	USD	1		100	100
DRS POWER TECHNOLOGY INC	Wilmington, Delaware (USA)	USD	1		100	100
DRS RADAR SYSTEMS LLC	Wilmington, Delaware (USA)	USD	-		100	100
DRS RSTA INC	Wilmington, Delaware (USA)	USD	1		100	100
DRS SENSORS & TARGETING SYSTEMS INC	Wilmington, Delaware (USA)	USD	1		100	100
DRS SIGNAL SOLUTIONS INC	Wilmington, Delaware (USA)	USD	10		100	100
DRS SONETICOM INC	Tallahassee, Florida (USA)	USD	5,629		100	100
DRS SURVEILLANCE SUPPORT SYSTEMS INC	Wilmington, Delaware (USA)	USD	1		100	100
DRS SUSTAINMENT SYSTEMS INC	Wilmington, Delaware (USA)	USD	1,000		100	100
DRS SYSTEMS MANAGEMENT LLC	Wilmington, Delaware (USA)	USD	1		100	100
DRS SYSTEMS INC	Wilmington, Delaware (USA)	USD	1		100	100
DRS TACTICAL SYSTEMS GLOBAL SERVICES INC	Plantation, Florida (USA)	USD	10		100	100
DRS TACTICAL SYSTEMS INC	Plantation, Florida (USA)	USD	200		100	100
DRS TACTICAL SYSTEMS LIMITED	Farnham, Surrey (UK)	GBP	1,000		100	100
DRS TECHNICAL SERVICES GMBH & CO KG	Baden-Wurttemberg (Germany)	EUR	-		100	100
DRS TECHNICAL SERVICES INC	Baltimora, Maryland (USA)	USD	50		100	100
DRS TECHNOLOGIES CANADA INC	Wilmington, Delaware (USA)	USD	1		100	100
DRS TECHNOLOGIES CANADA LTD	Kanata, Ontario (Canada)	CAD	100		100	100
DRS TECHNOLOGIES SAUDI ARABIA LLC	Riyadh (Saudi Arabia)	SAR	2,000,000		49	49
DRS TECHNOLOGIES UK LIMITED	Farnham, Surrey (UK)	GBP	14,676,000		100	100
DRS TECHNOLOGIES VERWALTUNGS GMBH	Baden-Wurttemberg (Germany)	EUR	25,000		100	100
DRS TECHNOLOGIES INC	Wilmington, Delaware (USA)	USD	1		100	100
DRS TEST & ENERGY MANAGEMENT LLC	Wilmington, Delaware (USA)	USD	-		100	100
DRS TRAINING & CONTROL SYSTEMS LLC	Plantation, Florida (USA)	USD	510		100	100
DRS TSI INTERNATIONAL LLC	Wilmington, Delaware (USA)	USD	-		100	100
DRS UNMANNED TECHNOLOGIES INC	Wilmington, Delaware (USA)	USD	1		100	100
ED CONTACT SRL	Rome	EUR	600,000		100	100
ELECTRON ITALIA SRL	Rome	EUR	206,582		80	80
ELSAG NORTH AMERICA LLC	Madison, North Carolina (USA)	USD	3,000,000		100	100
ENGINEERED COIL COMPANY	Clayton, Missouri (USA)	USD	1,000		100	100
ENGINEERED ELECTRIC COMPANY	Clayton, Missouri (USA)	USD	1,000		100	100
ENGINEERED SUPPORT SYSTEMS INC	Clayton, Missouri (USA)	USD	1		100	100
E - SECURITY SRL	Montesilvano (Pescara)	EUR	128,000		79.688	79.688
ESSI RESOURCES LLC	Louisville, Kentucky (USA)	USD	-		100	100
FATA ENGINEERING SPA	Pianezza (Turin)	EUR	1,092,000		100	100
FATA GULF CO WLL	Doha (Qatar)	QAR	200,000		49	97

List of companies consolidated on a line-by-line basis (cont'd)
Amounts in foreign currency

Company name	*Registered office*	*Currency*	*Share capital*	*% Group ownership*		*% Group shareholding*
				Direct	*Indirect*	
FATA HUNTER INC	Riverside, California (USA)	USD	5,800,000		100	100
FATA LOGISTIC SYSTEMS SPA	Pianezza (Turin)	EUR	100,000		100	100
FATA SPA	Pianezza (Turin)	EUR	20,000,000	100		100
FINMECCANICA FINANCE SA	Lussemburgo (Luxembourg)	EUR	12,371,940	100		100
FINMECCANICA GROUP REAL ESTATE SPA	Rome	EUR	49,945,983	100		100
FINMECCANICA GROUP SERVICES SPA	Rome	EUR	21,000,000	100		100
LARIMART SPA	Rome	EUR	2,500,000		60	60
LASERTEL INC	Tucson, Arizona (USA)	USD	10		100	100
LAUREL TECHNOLOGIES PARTNERSHIP	Wilmington, Delaware (USA)	USD	-		80	80
MECCANICA HOLDINGS USA INC	Wilmington, Delaware (USA)	USD	10	100		100
MECCANICA REINSURANCE SA	Lussemburgo (Luxembourg)	EUR	4,000,000		100	100
NET SERVICE SRL	Bologna	EUR	110,000		70	70
ORANGEE SRL	Rome	EUR	99,000		100	100
OTO MELARA IBERICA SAU	Loriguilla, Valencia (Spain)	EUR	120,000		100	100
OTO MELARA NORTH AMERICA INC	Dover, Delaware (USA)	USD	10,000		100	100
OTO MELARA SPA	La Spezia	EUR	92,307,722	100		100
PCA ELECTRONIC TEST LTD	Grantham, Lincolnshire (UK)	GBP	1		100	100
PIVOTAL POWER INC	Halifax, Nova Scotia (Canada)	CAD	-		100	100
REGIONALNY PARK PRZEMYSLOWY SWIDNIK SP Z OO	Mechaniczna 13 - U1, Swidnik (Poland)	PLN	7,072,000		72.0588	70.10254
SELEX COMMUNICATIONS GMBH	Backnang (Germany)	EUR	2,500,000		100	100
SELEX COMMUNICATIONS INC	San Francisco, California (USA)	USD	650,000		100	100
SELEX ELSAG LTD	Chelmsford, Essex (UK)	GBP	25,800,100		100	100
SELEX ES DO BRASIL LTDA ex SELEX COMMUNICATIONS DO BRASIL LTDA	Rio de Janeiro (Brazil)	BRL	3,621,000		100	100
SELEX ES INTERNATIONAL LTD ex SELEX ELSAG HOLDINGS LTD	Chelmsford (UK)	GBP	60,000,000		100	100
SELEX ES LTD ex SELEX GALILEO LTD	Essex (UK)	GBP	270,000,100		100	100
SELEX ES MUAS SPA ex SELEX GALILEO MUAS SPA	Rome	EUR	150,000		100	100
SELEX GALILEO INC	Wilmington, Delaware (USA)	USD	17,750,000		100	100
SELEX ES ELKTRONIK TURKEY AS ex SELEX KOMUNIKASYON AS	Golbasi (Turkey)	TRY	56,501,808		99.999	99.999
SELEX ES ROMANIA SRL ex SELEX COMMUNICATIONS ROMANIA SRL	Bucarest (Romania)	RON	42,370		99.976	99.976
SELEX ES SPA ex SELEX ELECTRONIC SYSTEMS SPA	Rome	EUR	1,000,000	100		100
SELEX SERVICE MANAGEMENT SPA	Rome	EUR	3,600,000	100		100
SELEX SISTEMI INTEGRATI SPA	Rome	EUR	143,110,986		100	100
SELEX SYSTEMS INTEGRATION GMBH	Neuss (GermanY)	EUR	1,891,900		100	100
SELEX SYSTEMS INTEGRATION INC	Delaware (USA)	USD	1		100	100
SELEX SYSTEMS INTEGRATION LTD	Portsmouth, Hampshire (UK)	GBP	71,500,001		100	100
SC ELETTRA COMMUNICATIONS SA	Ploiesti (Romania)	RON	10,847,960		50.5	50.4997
SIRIO PANEL SPA	Montevarchi (Arezzo)	EUR	447,228		100	100
SOGEPA - SOCIETA` GENERALE DI PARTECIPAZIONI SPA (IN LIQ)	Genoa	EUR	1,000,000	100		100
SISTEMI SOFTWARE INTEGRATI SPA	Taranto	EUR	1,664,000		100	100
T - S HOLDING CORPORATION	Dallas, Texas (USA)	USD	280,000		100	100
TECH-SYM LLC	Reno, Nevada (USA)	USD	10		100	100
UNION SWITCH & SIGNAL INC	Wilmington, Delaware (USA)	USD	1,000		100	40.0656
VEGA CONSULTING SERVICES LTD	Hertfordshire (UK)	GBP	1,098,839		100	100
VEGA DEUTSCHLAND GMBH	Cologne (Germany)	EUR	25,700		100	100
WESTLAND SUPPORT SERVICES LTD	Yeovil, Somerset (UK)	GBP	5,000		100	100
WESTLAND TRANSMISSIONS LTD	Yeovil, Somerset (UK)	GBP	1,000,100		100	100
WHITEHEAD SISTEMI SUBACQUEI SPA	Livorno	EUR	21,346,000	100		100
WING NED BV	Rotterdam (the Netherlands)	EUR	18,000		100	100
WORLD'S WING SA	Ginevra (Switzerland)	CHF	120,100,000		94.944	94.944
WYTWORNIA SPRZETU KOMUNIKACYJNEGO ``PZL-SWIDNIK`` SPOLKA AKCYJNA	Aleja Lotnikow, Swidnik (Poland)	PLN	86,006,050		97.28519	97.28519
ZAKLAD OBROBKI PLASTYCZNEJ SP Z OO	Kuznicza 13 - U1, Swidnik (Poland)	PLN	3,800,000		100	97.28519

List of companies consolidated using the proportionate method
Amounts in foreign currency

Company name	*Registered office*	*Currency*	*Share capital*	*% Group ownership*		*% Group shareholding*
				Direct	*Indirect*	
THALES ALENIA SPACE SAS	Cannes La Bocca (France)	EUR	979,240.,00	33		33
THALES ALENIA SPACE FRANCE SAS	Parigi (France)	EUR	905,746,395		100	33
THALES ALENIA SPACE ITALIA SPA	Rome	EUR	204,007,999		100	33
THALES ALENIA SPACE ESPANA SA	Madrid (Spain)	EUR	4,507,500		100	33
THALES ALENIA SPACE ETCA SA	Charleroi (Belgium)	EUR	24,000,000		100	33
THALES ALENIA SPACE NORTH AMERICA INC	Wilmington (USA)	USD	200,000		100	33
THALES ALENIA SPACE DEUTHCHLAND SAS	Germany	EUR	25,000		100	33
FORMALEC SA	Parigi (France)	EUR	n.d.		100	33
TELESPAZIO FRANCE SAS	Tolosa (France)	EUR	33,670,000		100	67
TELESPAZIO SPA	Rome	EUR	50,000,000		100	67
SPACEOPAL GMBH	Monaco (Germany)	EUR	500,000		50	33.5
TELESPAZIO VEGA UK LTD	Welwyn Garden City, Herts (UK)	GBP	30,000,100		100	67
TELESPAZIO VEGA UK SL	Madrid (Spain)	EUR	3,100		100	67
TELESPAZIO VEGA DEUTSCHLAND GMBH	Darmstadt (Germany)	EUR	44,150		100	67
E - GEOS SPA	Matera	EUR	5,000,000		80	53.6
GAF AG	Monaco (Germany)	EUR	256,000		100	53.6
EUROMAP SATELLITENDATEN-VERTRIEBSGESELLSCHAFT MBH	Neustrelitz (Germany)	EUR	127,823		100	53.6
TELESPAZIO ARGENTINA SA	Buenos Aires (Argentina)	ARS	9,900,000		100	66.958
TELESPAZIO BRASIL SA	Rio de Janeiro (Brazil)	BRL	58,724,000		98.774	66.1786
TELESPAZIO NORTH AMERICA INC	Doover, Delaware (USA)	USD	10		100	67
TELESPAZIO HUNGARY SATELLITE TELECOMMUNICATIONS LTD	Budapest (Hungary)	EUR	100,000		100	67
RARTEL SA	Bucarest (Romania)	RON	468,500		61.061	40.911
TELESPAZIO IBERICA SL	Barcellona (Spain)	EUR	2,230,262		100	67
AMSH BV	Amsterdam (the Netherlands)	EUR	36,296,316	50		50
MBDA SAS	Parigi (France)	EUR	53,824,000		50	25
MBDA TREASURE COMPANY LTD	Jersey (U.K.)	EUR	290,000		100	25
MBDA FRANCE SAS	Parigi (Francia)	EUR	36,836,000		99.99	25
MBDA INCORPORATED	Wilmington, Delaware (USA)	USD	1,000		100	25
MBDA INTERNATIONAL LTD	UK	GBP	1,000,000		100	25
MBDA ITALIA SPA	Rome	EUR	120,000,000		100	25
MBDA UK LTD	Stevenage (U.K.)	GBP	5,345,292		99.99	25
MBDA UAE LTD	Londra (U.K.)	GBP	100		100	25
MATRA ELECTRONIQUE SA	Parigi (France)	EUR	1,525,000		99.99	25
MBDA INSURANCE LTD	Dublino (Ireland)	EUR	3,500,000		100	25
MBDA SERVICES SA	Parigi (France)	EUR	38,000		99.68	24.92
MBDA DEUTSCHLAND GMBH	UnterschleiBheim(Germany)	EUR	1,001,000		100	25
BAYERN-CHEMIE GMBH	Germany	EUR	511,292		100	25
TAURUS SYSTEMS GMBH	Germany	EUR	511,292		67	16.75
TDW GMBH	Germany	EUR	2,556,459		100	25
MBDA SPAIN	Madrid (Spain)	EUR	6,300		100	25
AVIATION TRAINING INTERNATIONAL LTD	Dorset (U.K.)	GBP	550,000		50	50
ROTORSIM SRL	Sesto Calende (Varese)	EUR	9,800,000		50	50
ROTORSIM USA LLC	Wilmington, Delaware (USA)	USD	12,607,452		50	50
CONSORZIO ATR GIE e SPE	Tolosa (France)	USD	-		50	50
SUPERJET INTERNATIONAL SPA	Tessera (Venice)	EUR	6,424,411		51	51
BALFOUR BEATTY ANSALDO SYSTEMS JV SDN BHD	Ampang (Malaysia)	MYR	6,000,000		40	16.0262
KAZAKHSTAN TZ-ANSALDOSTS ITALY LLP	Astana (Kazakhstan)	KZT	22,000,000		49	19.632
ANSALDO ENERGIA SPA	Genova	EUR	100,000,000	54.55		54.55
ANSALDO SWISS AG	Wurenlingen (Switzerland)	CHF	400,000		100	54.55
ANSALDO NUCLEARE SPA	Genoa	EUR	500,000		100	54.55
ANSALDO THOMASSEN BV	Rheden (the Netherlands)	EUR	90,800		100	54.55
ANSALDO THOMASSEN GULF LLC	Abu Dhabi (United Arab Emirates)	AED	150,000		48.667	26.548
ASIA POWER PROJECTS PRIVATE LTD	Bangalore (India)	INR	3,140,300		100	54.55
YENI AEN INSAAT ANONIM SIRKETI	Istanbul (Turkey)	TRY	5,000,000		100	54.55

List of subsidiaries and associates valued at cost
Amounts in foreign currency

Company name	*Registered office*	*Currenc*	*Share capital*	*% Group ownership*		*% Group shareholding*
				Direct	*Indirect*	
ADVANCED MALE AIRCRAFT LLC	Al Ain, Muwaiji (United Arab Emirates)	AED	200,000		49	49
AGUSTAWESTLAND UK PENSION SCHEME (TRUSTEE) LTD	Yeovil (U.K.)	GBP	1		100	100
ANSALDOBREDA FRANCE SAS (IN LIQ)	Marsiglia (France)	EUR	200,000		100	100
CCRT SISTEMI SPA (IN FALL)	Milan	EUR	697,217		30.34	30.34
EUROPEAN SATELLITE NAVIGATION INDUSTRIES GMBH (IN LIQ)	Ottobrunn (Germany)	EUR	264,000	18.94	18.94	25.19
EUROPEAN SATELLITE NAVIGATION INDUSTRIES SA (IN LIQ)	Bruxelles (Belgium)	EUR	264,000	18.94	18.94	25.19
INDUSTRIE AERONAUTICHE E MECCANICHE RINALDO PIAGGIO SPA (AMMSTR)	Genoa	EUR	103,567	30.982		30.982
SAITECH SPA (IN FALL)	Passignano sul Trasimeno (Perugia)	EUR	2,582,284		40	40
SEL PROC SRL ex SEL PROC SCRL	Rome	EUR	300,000		100	100
SESM - SOLUZIONI EVOLUTE PER LA SISTEMISTICA E I MODELLI - SC A RL	Naples	EUR	323,440		100	100
YENI ELEKTRIK URETIM ANONIM SIRKETI	Istanbul (Turkey)	TRY	145,000,000		40	21.82

List of companies consolidated using the equity method
Amounts in foreign currency

Company name	Registered office	Currency	Share capital	% Group ownership Direct	% Group ownership Indirect	% Group shareholding
A4ESSOR SAS	Neuilly Sur Seine (France)	EUR	100,000		21	21
ABRUZZO ENGINEERING SCPA (IN LIQ)	L'Aquila	EUR	1,100,000		30	30
ABU DHABI SYSTEMS INTEGRATION LLC	Abu Dhabi (United Arab Emirates)	AED	1,150,000		43.043	43.043
ADVANCED AIR TRAFFIC SYSTEMS SDN BHD	Darul Ehsan (Malaysia)	MYR	5,000,000		30	30
ADVANCED LOGISTICS TECHNOLOGY ENGINEERING CENTER SPA	Turin	EUR	552,223		51	16.83
AGUSTAWESTLAND AVIATION SERVICES LLC	Abu Dhabi (United Arab Emirates)	AED	10,000		30	30
ALENIA NORTH AMERICA-CANADA CO	Halifax, Nova Scotia (Canada)	CAD	1		100	100
ALIFANA DUE SCRL	Naples	EUR	25,500		53.34	21.371
ALIFANA SCRL	Naples	EUR	25,500		65.85	26.38
ANSALDO AMERICA LATINA SA	Buenos Aires (Argentina)	ARS	150,000		99.993	54.546
ANSALDO-EMIT SCRL (IN LIQ)	Genoa	EUR	10,200		50	50
ANSALDO ENERGY INC	Wilmington, Delaware(USA)	USD	1,000		100	54.55
AUTOMATION INTEGRATED SOLUTIONS SPA	Pianezza (Turin)	EUR	100,000		40	40
BCV INVESTMENTS SCA	Lussemburgo (Luxembourg)	EUR	5,446,513	14.32		14.32
BRITISH HELICOPTERS LTD	Yeovil, Somerset (U.K.)	GBP	6		100	100
CARDPRIZE TWO LIMITED	Basildon, Essex (U.K.)	GBP	1		100	100
COMLENIA SENDIRIAN BERHAD	Selangor Darul Ehsan (Malaysia)	MYR	1,500,000		30	30
CONSORZIO STABILE ANSALDO NUCLEARE CLEAR	Genoa	EUR	50,000		100	59.095
CONSORZIO START SPA	Rome	EUR	100,000		43.96	43.96
DEVELOPMENT & INNOVATION IN TRANSPORT SYSTEMS SRL	Rome	EUR	40,000		24	16.8079
DISTRETTO TECNOLOGICO AEROSPAZIALE SC A RL	Brindisi	EUR	150,000		24	24
DOGMATIX LEASING LIMITED (IN LIQ.)	Mauritius Islands	USD	2		100	50
ECOSEN CA	Caracas (Venezuela)	VEF	1,310,000		50.5	20.23
ELETTRONICA SPA	Rome	EUR	9,000,000	31.333		31.333
ELSACOM HUNGARIA KFT (IN LIQ)	Budapest (Hungary)	HUF	3,000,000		100	100
ELSACOM NV	Amsterdam (the Netherlands)	EUR	4,537,802		100	100
ELSACOM SPA (IN LIQ)	Rome	EUR	3,731,644		100	100
ELSACOM - UKRAINE JOINT STOCK COMPANY	Kiev (Ukraine)	UAH	7,945,000		49	49
EURISS NV	Leiden (the Netherlands)	EUR	500,000		25	8.25
EUROFIGHTER AIRCRAFT MANAGEMENT GMBH	Hallbergmoos (Germany)	EUR	127,823		21	21
EUROFIGHTER INTERNATIONAL LTD	Londra (U.K.)	GBP	2,000,000		21	21
EUROFIGHTER JAGDFLUGZEUG GMBH	Hallbergmoos (Germany)	EUR	2,556,459		21	21
EUROFIGHTER SIMULATION SYSTEMS GMBH	Unterhaching (Germany)	EUR	260,000		24	24
EUROMIDS SAS	Parigi (France)	EUR	40,500		25	25
EUROSATELLITE FRANCE SA	France	EUR	40,000		100	33
EUROSYSNAV SAS	Parigi (France)	EUR	40,000	50		50
EUROTECH SPA	Amaro (Udine)	EUR	8,878,946	11.08		11.08
FATA HUNTER INDIA PVT LTD	New Dehli (India)	INR	500,000		100	100
FINMECCANICA DO BRASIL LTDA	Brasilia (Brazil)	BRL	1,203,200	99.999		99.999
FINMECCANICA NORTH AMERICA INC	Dover, Delaware (USA)	USD	1,000	100		100
FINMECCANICA UK LTD	Londra (U.K.)	GBP	1,000	100		100
GRUPO AURENSIS SA DE CV	Bosque de Duraznos (Mexico)	MXN	50,000		100	67
IAMCO - INTERNATIONAL AEROSPACE MANAGEMENT COMPANY SCRL	Venice	EUR	208,000		25	25
ICARUS SCPA	Turin	EUR	10,268,400		49	49
IMMOBILIARE CASCINA SRL	Gallarate (Varese)	EUR	46,800		100	100
IMMOBILIARE FONTEVERDE SRL (IN LIQ)	Rome	EUR	10,200		60	48
INTERNATIONAL METRO SERVICE SRL	Milan	EUR	700,000		49	19.63
IM INTERMETRO SPA (IN LIQ)	Rome	EUR	2,461,320		33.332	23.343
IVECO - OTO MELARA SC A RL	Rome	EUR	40,000		50	50
JIANGXI CHANGHE AGUSTA HELICOPTER CO LTD	Zone Jiangxi Province (China)	USD	6.,00,000		40	40
JOINT STOCK COMPANY SUKHOI CIVIL AIRCRAFT	Mosca (Russian Federation)	RUB	3,065,725,000		25.0001	25.0001
LIBYAN ITALIAN ADVANCED TECHNOLOGY CO	Tripoli (Lybia)	EUR	8,000,000	25	25	50
LMATTS LLC	Georgia (USA)	USD	100		100	100
MACCHI HUREL DUBOIS SAS	Plaisir (Francia)	EUR	100,000		50	49.99
METRO 5 SPA	Milano	EUR	50,000,000		31.9	17.16
METRO BRESCIA SRL	Brescia	EUR	500,000		50	25.787
MUSINET ENGINEERING SPA	Turin	EUR	520,000		49	49
N2 IMAGING SYSTEMS LLC	Wilmington, Delaware (USA)	USD	-		30	30
NGL PRIME SPA	Turin	EUR	120,000	30		30
NHINDUSTRIES (SAS)	Aix en Provence (France)	EUR	306,000		32	32
NICCO COMMUNICATIONS SAS (IN LIQ.)	Colombes (France)	EUR	38,200		50	50
NNS - SOCIETE DE SERVICE POUR REACTEUR RAPIDE SNC	Lione (France)	EUR	76,200		40	21.82
NOVACOM SERVICES SA	Tolosa (France)	EUR	5,217,200		39.73	26.62
ORIZZONTE - SISTEMI NAVALI SPA	Genoa	EUR	20,000,000		49	49
PEGASO SCRL	Rome	EUR	260,000		46.87	18.778
POLARIS SRL	Genoa	EUR	100,000		49	26.73
QUADRICS LTD (IN LIQ)	Bristol (U.K.)	GBP	3,250,000		100	100
ROXEL SAS	Le Plessis Robinson (France)	EUR	52,595,100		50	12.5
SAPHIRE INTERNATIONAL AVIATION & ATC ENGINEERING CO LTD	Beijing (China)	USD	800,000		65	65
SC POLARIS - ANSERV SRL	Bucarest (Romania)	USD	50,000		20	10.91
SELEX ES AUSTRALIA PTY LTD	Canberra (Australia)	AUD	2		100	100
SELEX ES ELECTRO OPTICS (OVERSEAS) LTD ex SELEX GAL. ELEC. OPTICS (OVERSEAS) LTD	Basildon, Essex (U.K.)	GBP	15,000		100	100
SELEX ES INDIA PRIVATE LTD ex SELEX GALILEO INDIA PRIVATE LTD	New Delhi (India)	INR	30,100,000		100	100
SELEX ES INFRARED LTD ex SELEX GALILEO INFRARED LTD	Basildon, Essex (U.K.)	GBP	2		100	100
SELEX ES (PROJECTS) LTD ex SELEX GALILEO (PROJECTS) LTD	Basildon, Essex (U.K.)	GBP	100		100	100
SELEX GALILEO SAUDI ARABIA COMPANY LTD	Riyadh (Saudi Arabia)	SAR	500,000		100	100
SELEX PENSION SCHEME (TRUSTEE) LTD	Basildon, Essex (U.K.)	GBP	100		100	100
SELEX SISTEMI INTEGRATI DE VENEZUELA SA	Caracas (Venezuela)	VEF	321,000		100	100
SERVICIOS TECNICOS Y ESPECIALIZADOS Y DE INFORMACION SA DE CV	Bosque de Duraznos (Mexico)	MXN	50,000		100	67
SEVERNYJ AVTOBUS ZAO	S. Pietroburgo (Russia)	RUB	84,000		35	35
SIRIO PANEL INC	Dover, Delaware (USA)	USD	10,000		100	100
SISTEMI DINAMICI SPA	S. Piero a Grado (Pisa)	EUR	200,000		40	40
CONSORZIO TELAER	Rome	EUR	103,291		100	67.52
CONSORZIO TELAER - SISTEMI DI TELERILEVAMENTO AEREO	Rome	EUR	120,000		62	47.152
TELESPAZIO NEDERLAND BV	Enschede (the Netherlands)	EUR	45,378		100	67
TRIMPROBE SPA (IN LIQ)	Rome	EUR	1,576,002	100		100
TURBOENERGY SRL	Ferrara	EUR	5,816,990		21.4443	11.79
WIN BLUEWATER SERVICES PRIVATE LIMITED	New Delhi (India)	INR	12,000,000		99.99	99.99
WESTERN INVESTORS TECHNOLOGY GROUP INC	Kent, Dover, Delaware (USA)	USD	100,000		24	24
WESTERN INVESTORS TECHNOLOGY GROUP LTD PARTNERSHIP	Kent, Dover, Delaware (USA)	USD	500,000		20	20
XAIT SRL	Ariccia (Rome)	EUR	50,000		100	100
ZAO ARTETRA	Mosca (Russian Federation)	RUB	353.,00		51	51

Below are the main changes in the scope of consolidation at 31 March 2013 in comparison with 31 March 2012:

Companies which entered the scope of consolidation:

Company		**Month**
SELEX ES Australia PTY Ltd	newly set up	December 2012
Rotorsim USA LLC	newly set up	January 2013

Companies which left the scope of consolidation:

Company		**Month**
Canopy Technologies Inc.	deconsolidated	January 2013

Merged companies:

Company		**Month**
Night Vision Systems LLC	merged into DRS RSTA Inc.	April 2012
Ansaldo Energia Holding SpA	merged into Ansaldo Energia SpA	June 2012
Telespazio Deutschland GmbH	merged into Vega Space GmbH	January 2012
AgustaWestland Tilt_Rotor Company LLC	merged into Agusta US Inc.	July 2012
Zaklad Narzedziowy w Swidniku SP. Z O.O.	merged into PZL Swidnik	December 2012
SELEX Galileo SpA	merged into SELEX ES SpA	January 2013
SELEX Elsag SpA	merged into SELEX ES SpA	January 2013
SELEX Sistemi Integrati Do Brasil Ltda	merged into SELEX ES Do Brasil Ltda	March 2013

Declaration of the manager in charge of financial reporting on the interim financial report at 31 March 2013 pursuant to article 154-bis, paragraph 2 of Legislative Decree no. 58/98 and subsequent amendments and integrations

In accordance with the provisions of article 154-bis, paragraph 2 of Legislative Decree no. 58/1998 and subsequent amendments and integrations, the undersigned, Gian Piero Cutillo, manager in charge of financial reporting of Finmeccanica Spa, certifies that the Interim Financial Report at 31 March 2013 corresponds to the related accounting records, books and supporting documentation.

Rome, 14 May 2013

The manager in charge of financial reporting
(Gian Piero Cutillo)