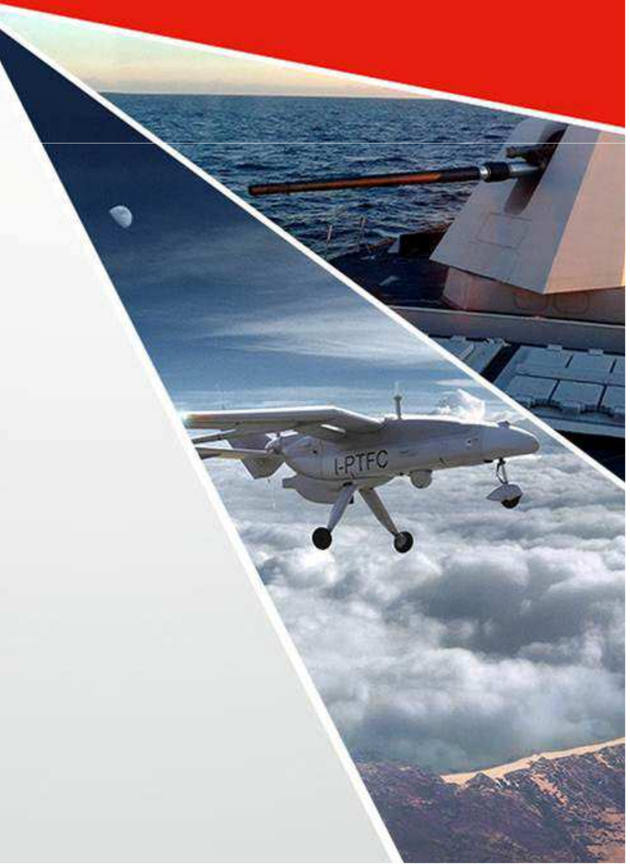
FY2015 Results Presentation

Mauro Moretti Chief Executive Officer and General Manager

Gian Piero Cutillo Chief Financial Officer



FINMECCANICA

Milan, 17 March 2016

KEY MESSAGES
(CEO and General Manager)

RESULTS AND OUTLOOK
(CFO)

DELIVERING CHANGE – A NEW COMPANY
(CEO and General Manager)

Q&A

KEY MESSAGES

- Executing and delivering strongly in 2015
  - Increasing strategic focus
  - Delivering on promises
  - Step up in profitability and cash flow
  - Better balance and quality of results
- Continued momentum in 2016

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Delivering on our promises
Strategic, industrial and financial

A PURE A,D&S PLAYER	Disposal of non-core business completed - Transportation sold to Hitachi - Disposal of two lines of business of DRS - Fata completed last week
MORE BALANCED	All key businesses now contributing to profitability
FOCUSED AND STRONGER	More selective in order intake, lower risk, higher quality backlog Improved industrial performance
MORE INTEGRATED AND CUSTOMER ORIENTED	"One Company" designed and launched "Stronger together" driving the new brand

Delivering on our promises
Strategic, industrial and financial

PROFITABILITY IMPROVEMENT	Improved industrial processes - Engineering, Supply Chain, Manufacturing Meaningful step up in EBITA and RoS
EQUITY/NET INCOME	Lower and stabilised “below the line” Sustainable growth in net profit Increase in net equity improving leverage ratios
NET INVESTED CAPITAL STREAMLINING	Rationalisation of investments (Capex and R&D) Self-financing index (Depreciation/Net Investments) at 1x Operating Working Capital management
FOCF GENERATION	Step up in cash flow generation Net debt reduction target expected one year in advance

KEY MESSAGES
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(CFO)

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FY2015 Results Highlights

2015 another strong year of delivery

- Good commercial performance, despite tough market conditions
- Revenues in line with expectations, excluding FX impacts
  - Resilient performance in Helicopters
- EBITDA at €1.9bn (+19% YoY), with EBITDA margin at 14%
- Material step up in EBITA (+23% YoY) with RoS at 9.3% up from 7.7%, continuing the positive trend, especially in Defence & Security Electronics
- Significant reduction in “below the line” items, improving the quality of results
- Material step up in Net Profit, even without the capital gain from the disposal of the Transportation business
- Strong cash generation, delivered slightly above target

A stronger and more balanced contribution from different business areas

Progress on the Plan gives us confidence we can continue our momentum in 2016

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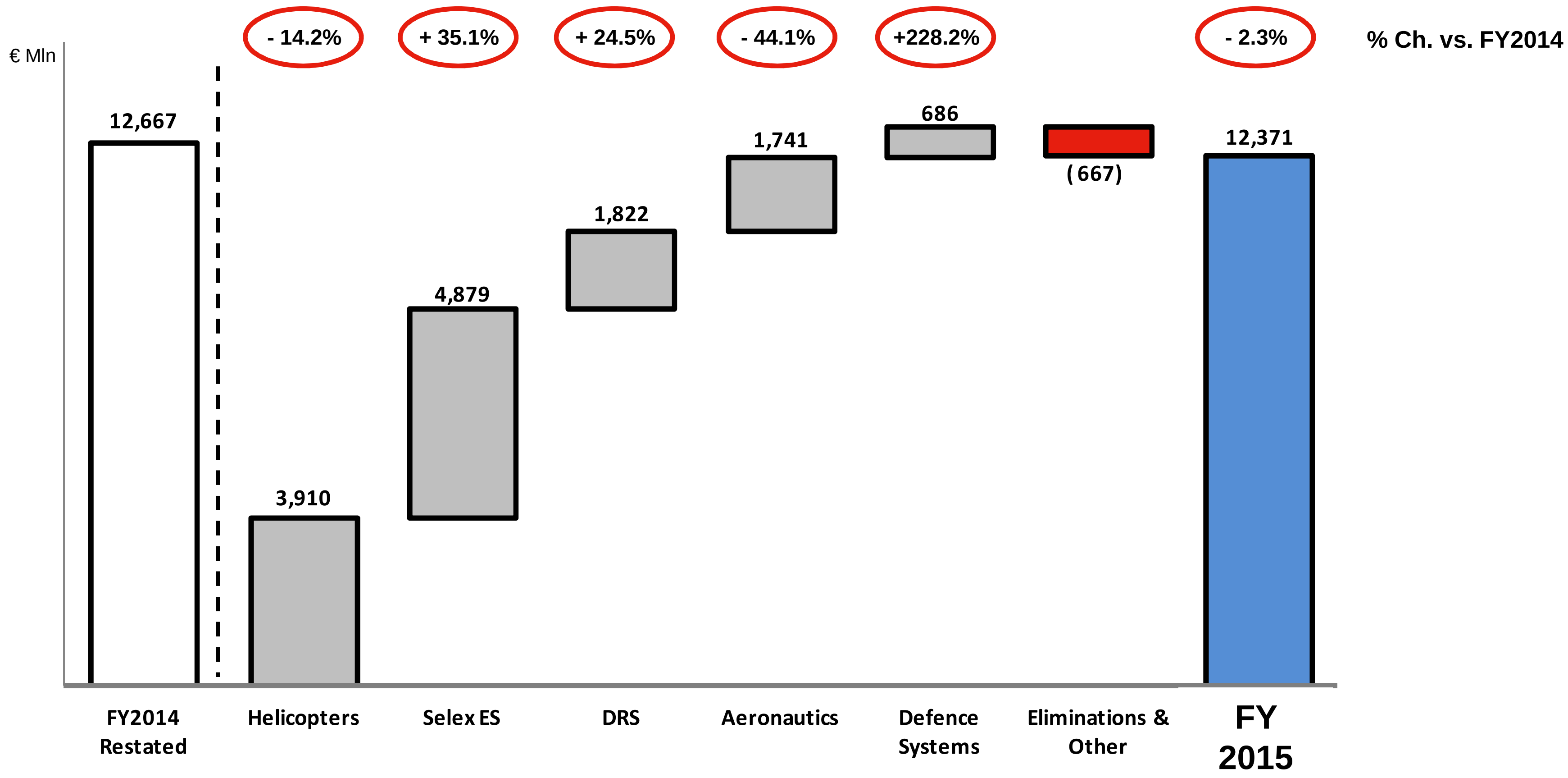
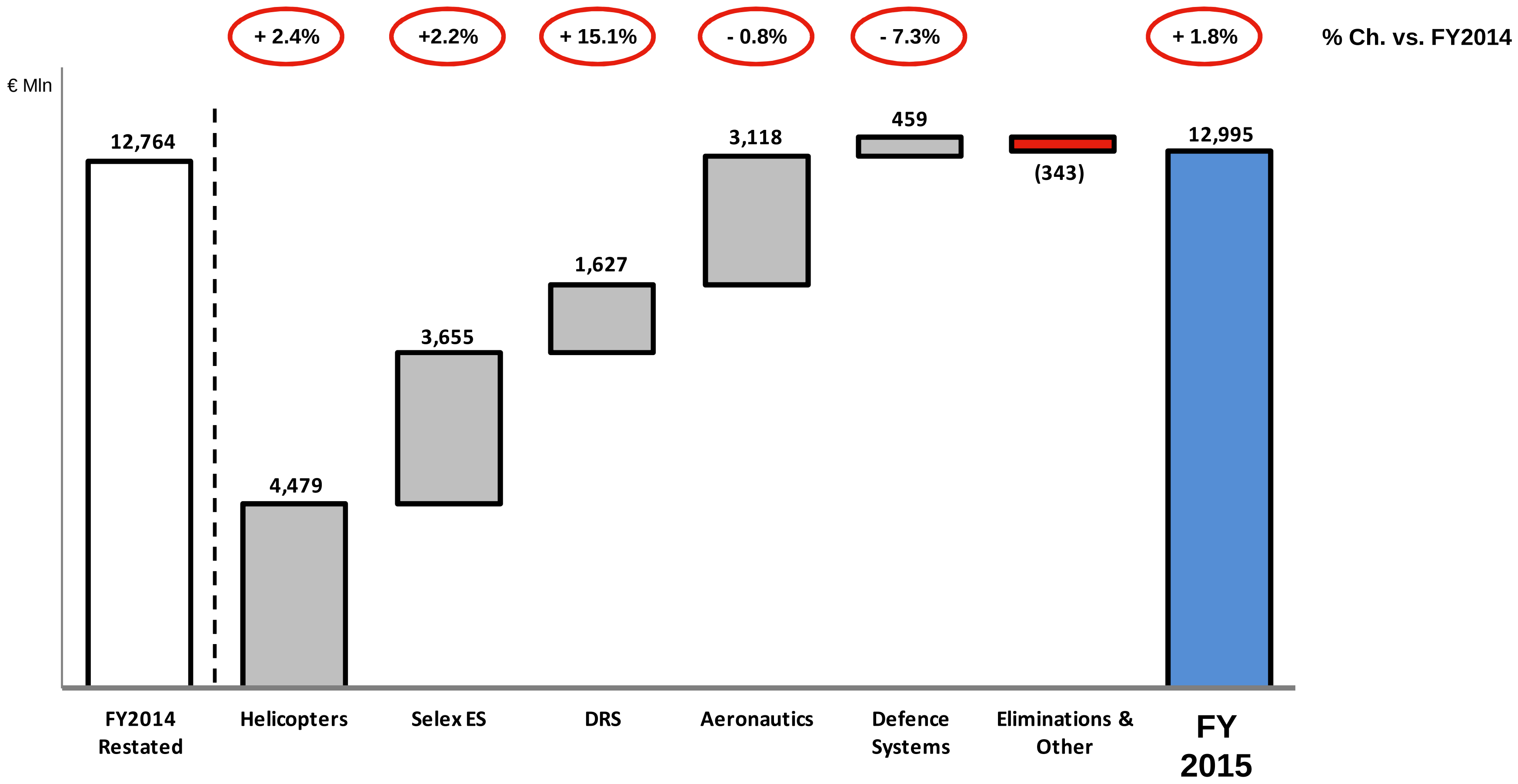
Focused and stronger
Selecting orders to deliver a higher quality backlog



- Good performance in tough markets driven by
  - DRS benefitting from improvement in US defence budget
  - Selex ES and Defence Systems benefitting from Italian contracts (Naval Law)
  - Offsetting postponements in Military Aeronautics and lower activity in O&G

Revenues
In line with expectations



- DRS consolidating recovery in the top line
- Helicopters, Selex ES and DRS benefitted from FX, as expected

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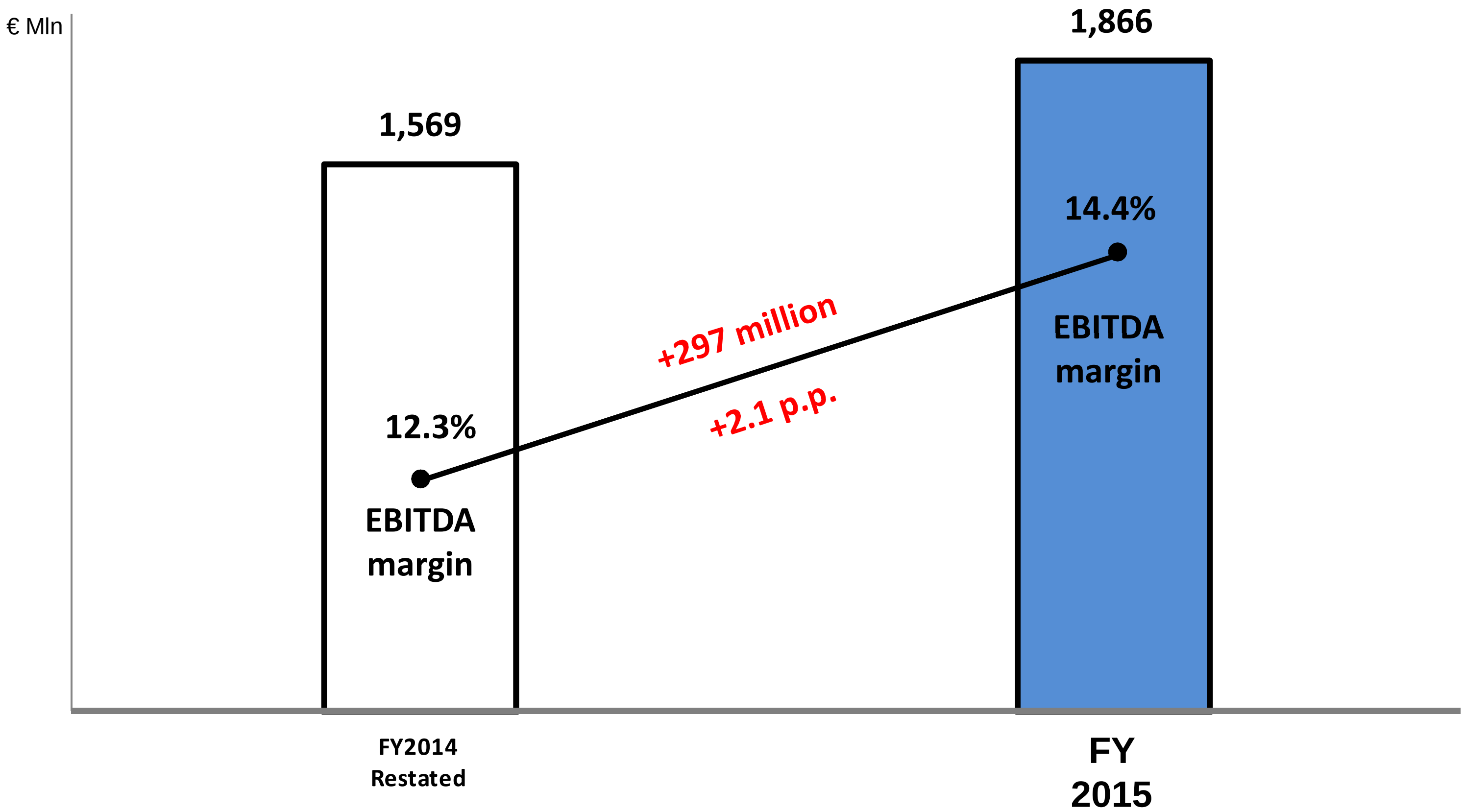
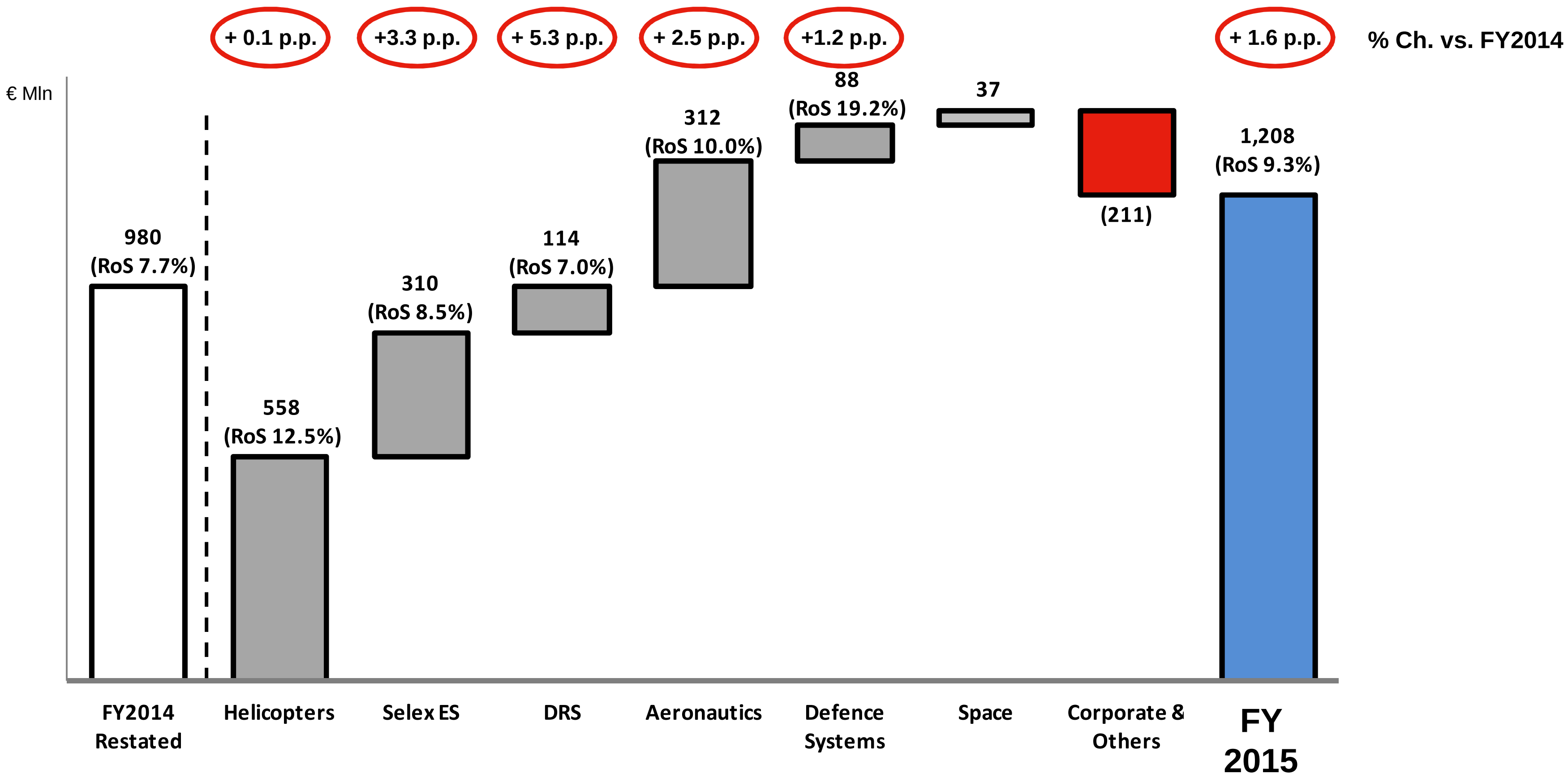
Profitability improvement
EBITDA growing year on year



- 19% increase compared to 2014
- More than 200 bp improvement in EBITDA margin as a result of better operating performance
- More effective cost control will drive further improvement

Profitability improvement

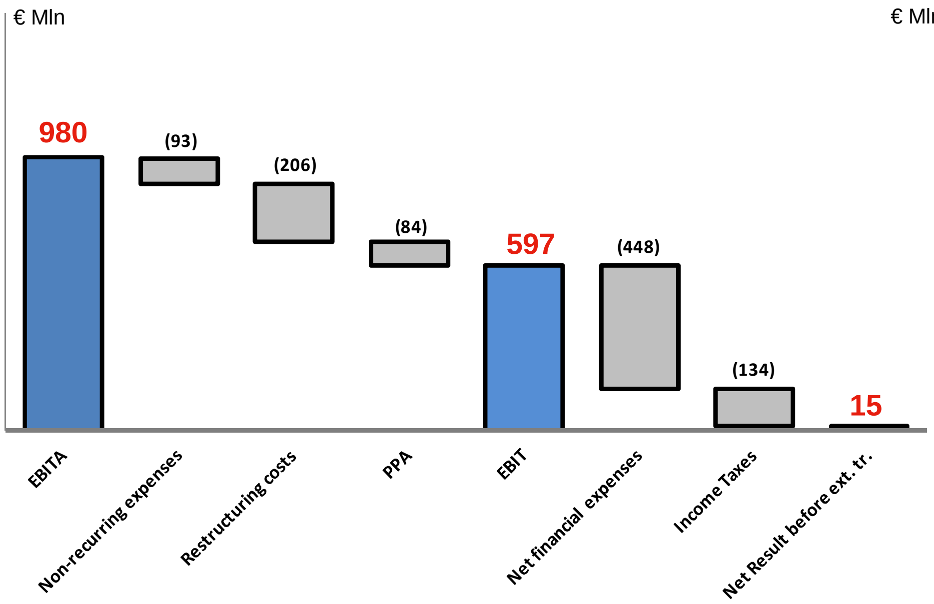
Material step up in EBITA and ROS



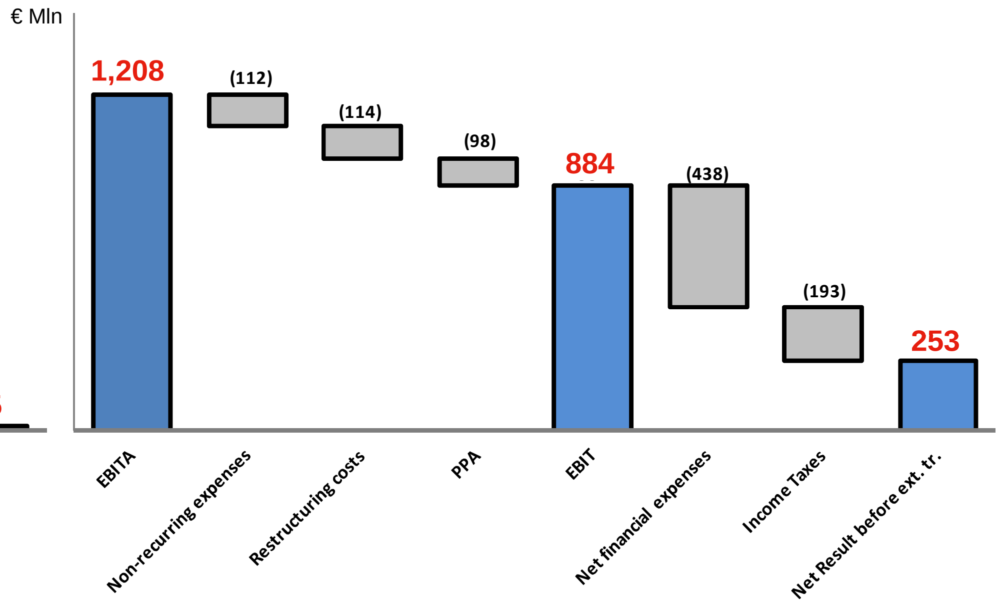
- Meaningful increase driven by DRS and Selex ES as well as by restructuring and efficiency measures
  - Profitability restored as expected in DRS
  - Selex ES results reflecting improvement in specific businesses and impacts of restructuring efforts, based on industrial processes
  - Aeronautics benefitting from ATR performance

Net Result before capital gain
Sustainable growth improving leverage ratios

2014

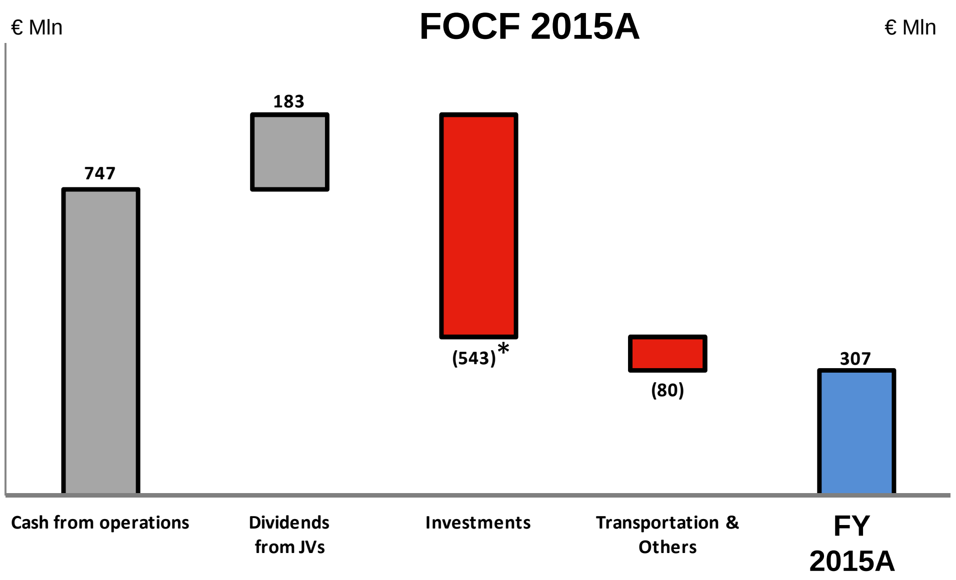


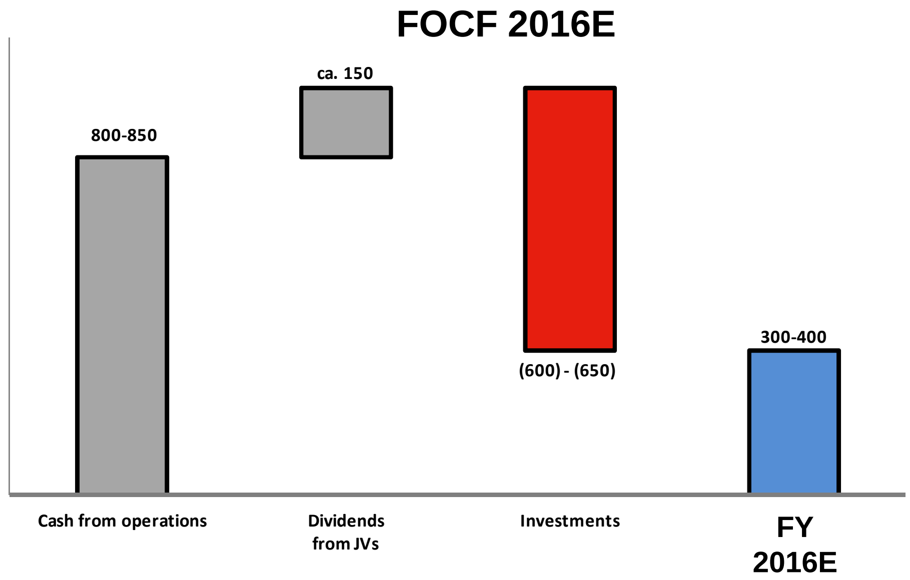
2015



- +23% in EBITA driven by restructuring plans and improved efficiencies of industrial processes
- Below the line costs under control; PPA impacted by FX
- Financial expenses under control and almost flat, despite cost of bond buyback for ca. €50mln in 2015
- Slight increase in income taxes due to higher operating results

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





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

Combined effects lead to

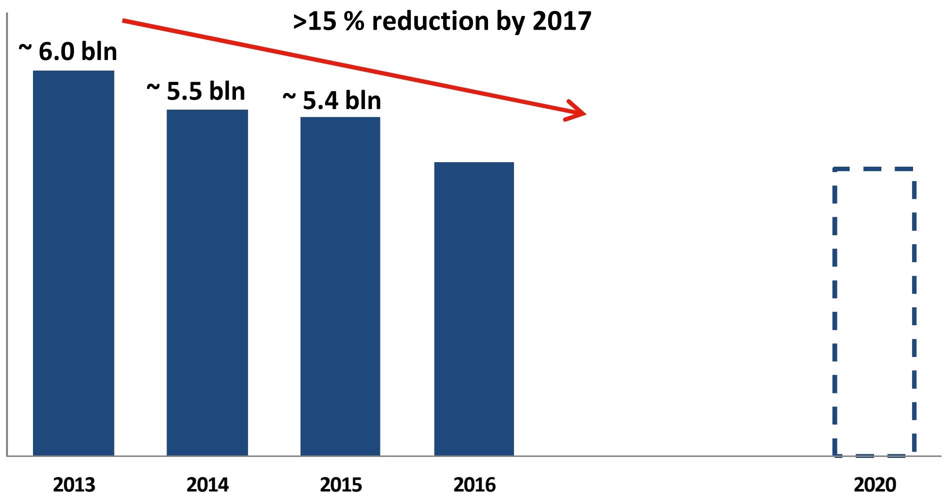
- Increase in FOCF
- Net Debt reduction and improvement in D/E and Net debt/EBITDA

** includes €54mln of disposals*

Net Invested Capital streamlining

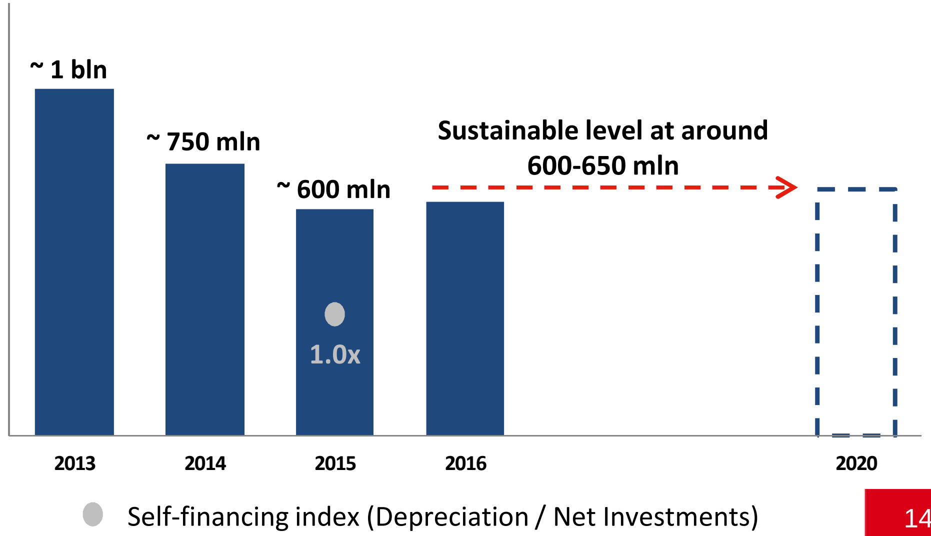
Working Capital net of Customer Advances

- Customer Advances expected to decrease YoY (approx - 6% per year)
- Net of Customer advances impact, initiatives put in place lead to an operating working capital reduction
- Reducing trend also in 2015. More to be done but on track to reach 2017 target



Material rationalisation of Investments (CAPEX + R&D)

- >20% reduction target already achieved in 2015. From 2016 onwards investments expected to remain broadly flat
- 1x self-financing index target already achieved in 2015
- Investments aimed at sustaining the business in the future confirmed, key programmes not delayed



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FY2016 Guidance
Another year of continued momentum

- **Orders:** increasingly selective with tighter return criteria, to reduce execution risk and improve quality of results
- **Revenues:** change in perimeter (ca.€400mln lower in 2016 vs 2015)
- **Restructuring costs:** in line with 2015
- **Net Debt:** ca. €3bn one year ahead of original Plan

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

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

KEY MESSAGES
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RESULTS AND OUTLOOK
(CFO)

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FINMECCANICA

Delivering on our promises
Strategic, industrial and financial

A PURE A,D&S PLAYER

- Disposal of non-core business completed
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  - Disposal of two lines of business of DRS
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MORE BALANCED

- All key businesses now contributing to profitability

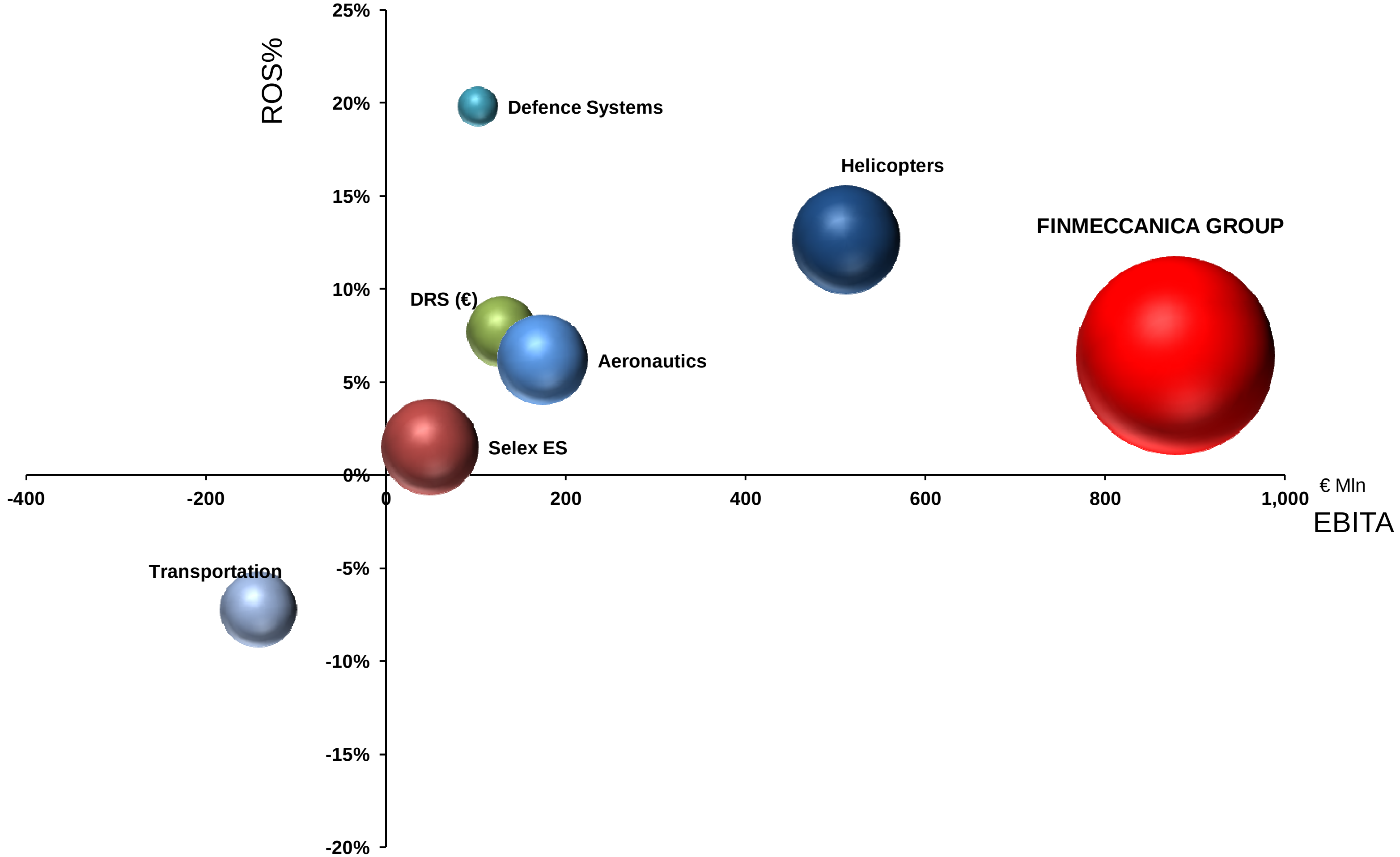
FOCUSED AND STRONGER

- More selective in order intake, lower risk, higher quality backlog
- Improved industrial performance

MORE INTEGRATED AND CUSTOMER ORIENTED

- "One Company" designed and launched
- "Stronger together" driving the new brand

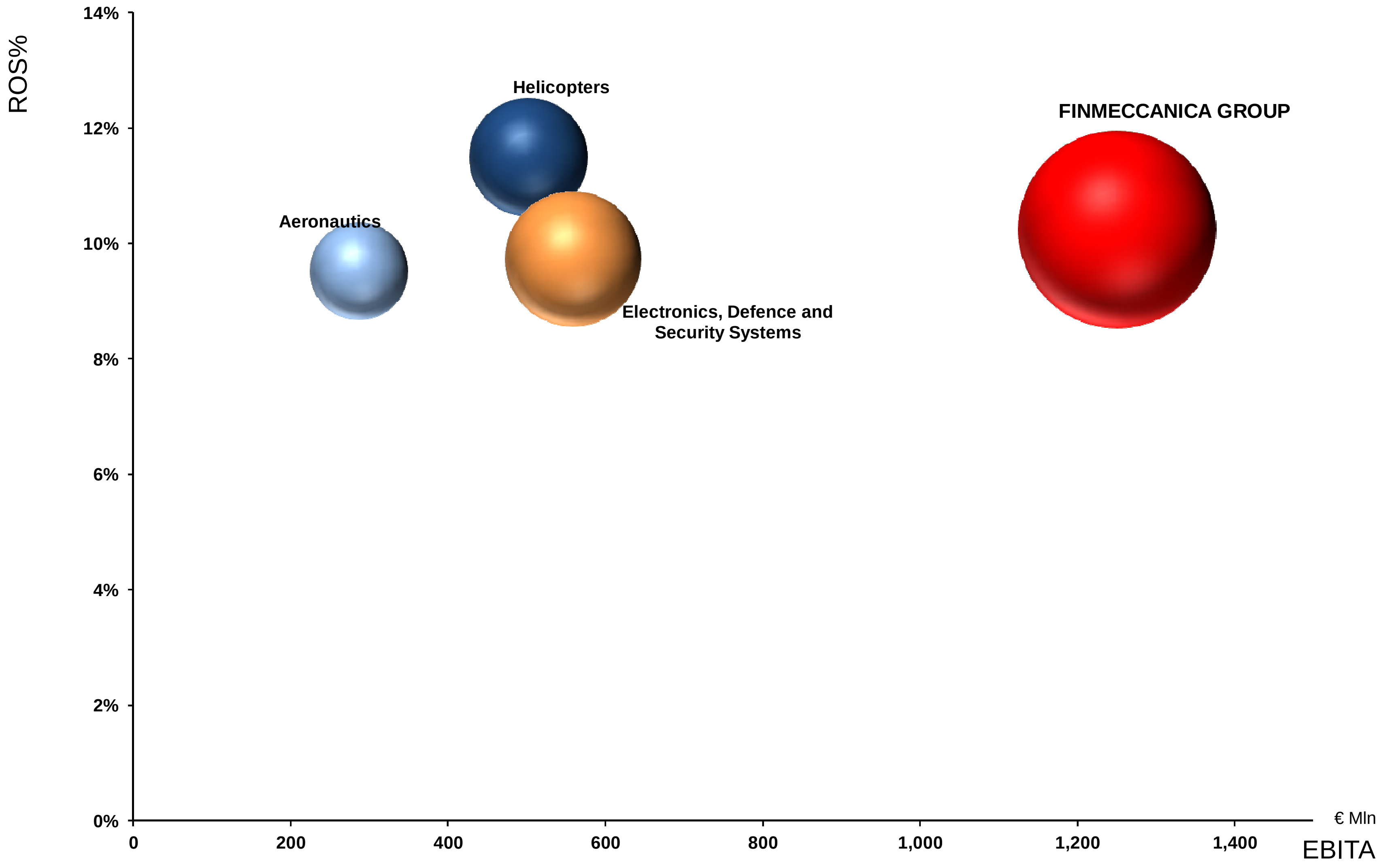
LESS BALANCED IN THE PAST
2013 EBITA-EBITA% Positioning*



*Space sector consolidated under the Equity Method

MORE BALANCED TODAY

Current EBITA-EBITA% Positioning*



*Space sector consolidated under the Equity Method

MORE BALANCED TODAY
Business outlook

- **Helicopters:**
  - Diversified and flexible, in 2015 only 5% of Revenues coming from O&G
  - Good results YoY outperforming peers
  - Consistent double digit profitability, even in tough environment
- **Electronics, Defence & Security Systems**
  - Divisional reorganisation driving increased customer focus, leveraging on integrated capabilities among Divisions (i.e. Land&Naval, UAV, Security)
- **Aeronautics**
  - Clearly defined Divisions (Aircrafts and Aerostructures) sharpen the focus on their different trends and objectives
- **Space**
  - Leadership in satellite operations for major European/National programmes
  - Enlarge our services based on high-capacity satellite systems
  - Geo - information: new applications for defence and security missions and support to operations

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FOCUSED AND STRONGER
Improved industrial performance

- **Delivering in line with expectations**

- **Engineering: 10% productivity increase YoY achieved**
  - Engineering reorganisation finalised (activities fully divisionalised)
  - Processes and activities entirely reviewed
  - Investments rationalisation accomplished in all Divisions

- **Supply Chain: savings in line or above expectations, further improvements expected in 2016**
  - Centralisation of indirect procurement achieved
  - Internal processes reviewed
  - New approach to sourcing strategy

- **Manufacturing: focus on timing and deliveries. Actions in place, expected to deliver in 2016**
  - Management changed in Aerostructures
  - Industrial optimisation progressing well
  - Make or Buy review at an advanced stage
  - Manufacturing overhead and hourly rates reduction progressing in line with expectations

MORE INTEGRATED AND CUSTOMER ORIENTED
One Company: Stronger Together

- Implemented from 1 January 2016
- One industrial operating company

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CORPORATE CENTRE

Sectors

Helicopters	Aeronautics	Electronics, Defence & Security Systems	Space

Divisions

Helicopters	Aeronautics	Electronics, Defence & Security Systems	Space
Helicopters	Aircrafts	Airborne & Space Systems	
	Aerostructures	Land & Naval Defence Electronics	
		Defence Systems	
		Security & Information Systems	
	ATR	DRS	TELESPAZIO
		MBDA	THALES ALENIA SPACE
			AVIO

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KEY PRIORITIES

- **Achieve 2016 Guidance**
  - New orders: €12.2-12.7bn
  - Revenues: €12.2-12.7bn
  - EBITA: €1,220-1,270mln
  - FOCF: €300-400mln
  - Group Net Debt: ca. €3bn
- **Continued momentum in 2016**
  - Full deployment of the One Company and exploitation of its benefits
  - Continue to deliver efficiencies

FINMECCANICA

The New Brand

- **Why a new brand? Why now?**
  - because we are entering a new phase of our history
  - we are now a one single operating company, focused on core Aerospace, Defence and Security
  - the right moment for a new identity
- **Why Leonardo?**
  - …represents the roots of our history…. and the sense of our future

To be approved at the Annual Shareholders Meeting

SECTOR RESULTS

FINMECCANICA

HELICOPTERS

€ Mln	4Q 2015	4Q 2014	4Q % Change	FY 2015	FY 2014	FY % Change
Orders	1,029	1,473	(30.1%)	3,910	4,556	(14.2%)
Revenues	1,267	1,340	(5.4%)	4,479	4,376	2.4%
EBITA	177	164	7.9%	558	543	2.8%
ROS %	14.0%	12.2%	1.8 p.p.	12.5%	12.4%	0.1 p.p.

- Lower orders YoY mainly due to tough market conditions, especially in the Oil&Gas. Key contracts include AW101 Merlin support for UK MoD
- FY revenues broadly in line, excluding the positive FOREX effect; strong profitability confirmed above 12%, benefitting from cost optimisation actions
- Notwithstanding tough market conditions in some segments, we continue to expect solid performance with a book-to-bill close to 1 and revenues in line with 2015. Profitability steadily at double digit, benefitting from efficiency initiatives and growing contribution from new models

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EU DEFENCE ELECTRONICS AND SECURITY-Selex ES

	4Q			FY		
€ Mln	**2015**	**2014**	***% Change***	**2015**	**2014**	***% Change***
Orders	2,620	1,661	57,7%	4,879	3,612	35.1%
Revenues	1,271	1,310	(3,0%)	3,655	3,577	2.2%
EBITA	183	123	48,8%	310	185	67.6%
ROS %	14.4%	9.4%	5,0 p.p.	8.5%	5.2%	3.3 p.p.

- Very good commercial performance and strong 4Q (up 58%) driven by TETRA
  - 2015 Key Orders also include "Naval Law" in *Land & Naval Defence Electronics*
- EBITA improvement driven by expected recovery in profitability in some specific areas, increasing benefits from the restructuring plan launched in 2012 and by the first benefits from the initiatives launched in engineering and production included in the industrial plan
- Profitability expected to further improve despite a more competitive environment and the winding down of some profitable programmes, supported by increasing benefits coming from industrial processes improvements (Manufacturing, Engineering and Supply Chain)

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US DEFENCE ELECTRONICS AND SECURITY – DRS

	4Q			FY		
$ Mln	2015	2014	% Change	2015	2014	% Change
Orders	483	538	(10.2%)	2,022	1,945	4.0%
Revenues	508	564	(9.9%)	1,805	1,877	(3.8%)
EBITA	33	67	(50.7%)	126	31	n.a.
ROS %	6.5%	11.9%	(5.4) p.p.	7.0%	1.7%	5.3 p.p.

- Good commercial performance at domestic and international level
- 4Q EBITA affected by some cost overruns; FY EBITA confirming the expected recovery in profitability (2014 was affected by provision on Air Cargo contract), driven by better business performance and efficiency improvement programmes
- Excluding the effect of the change in perimeter (ca.€200mln), we continue to expect positive trend in business growth, even in a more competitive environment, and a further increase in profitability.

Avg. exchange rate €/$ @1.11 in FY 2015
Avg. exchange rate €/$ @1.33 in FY 2014

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AERONAUTICS

€ Mln	4Q 2015	4Q 2014	4Q % Change	FY 2015	FY 2014	FY % Change
Orders	482	1,584	(69.6%)	1,741	3,113	(44.1%)
Revenues	978	1,009	(3.1%)	3,118	3,144	(0.8%)
EBITA	149	89	67.4%	312	237	31.6%
ROS %	15.2%	8.8%	6.4 p.p.	10%	7.5%	2.5 p.p.

- Postponement of some key acquisition affecting 2015 Order intake
- Volumes in line with 2014. EBITA improvement mainly driven by good result in military aircrafts and ATR, also benefitting from an appreciation of the FOREX
- Transfer of B787 pass through activities expected to be completed in 2016, partially affecting 2015 revenues
- 2016 profitability expected to further improve driven by additional efficiency-improvement and cost reduction actions also offsetting the winding down of some high-margin programmes

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SPACE

€ Mln	4Q 2015	4Q 2014	4Q % Change	FY 2015	FY 2014	FY % Change
EBITA	10	26	(61.5%)	37	52	(28.8%)

- 2015 affected by some costs recognised on a specific programme
- EBITA and profitability expected to promptly recover in 2016

DEFENCE SYSTEMS

€ Mln	4Q 2015	4Q 2014	4Q % Change	FY 2015	FY 2014	FY % Change
Orders	417	59	n.a.	686	209	n.a.
Revenues	158	169	(6.5%)	459	495	(7.3%)
EBITA	44	61	(27.9%)	88	89	(1.1%)
ROS %	27.8%	36.1%	(8.3) p.p.	19.2%	18.0%	1.2 p.p.

- First signs of recovery in orders in 2015; EBITA in line YoY, with missiles performance offsetting lower revenues and lower profitability in Underwater
- Revenues and profitability expected to improve in 2016

APPENDIX

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GROUP PERFORMANCE

€ Mln	4Q 2015	4Q 2014 (*)	4Q % Change	FY 2015	FY 2014 (*)	FY % Change
New Orders	4,580	5,070	(9.7%)	12,371	12,667	(2.3%)
Backlog				28,793	29,383	(2.0%)
Revenues	3,994	4,160	(4.0%)	12,995	12,764	1.8%
EBITDA	692	651	6.3%	1,866	1,569	18.9%
EBITDA Margin	17.3%	15.6%	1.7 p.p	14.4%	12.3%	2.1 p.p.
EBITA	463	465	(0.4%)	1,208	980	23.3%
ROS %	11.6%	11.2%	0.4 p.p.	9.3%	7.7%	1.6 p.p.
EBIT	285	272	4,8%	884	597	48.1%
Net result before extraordinary transactions	103	69	49.3%	253	15	n.a.
Net result after minorities	365	26	n.a.	487	(31)	n.a.
EPS (€ cents)	0.694	0.045	n.a.	0.905	(0.054)	n.a.
FOCF	1,242	1,420	(12.5%)	307	65	n.a.
Group Net Debt				3,278	3,962	(17.3%)
Headcount				47,156	54,380	(13.3%)

(*) Figures (except for headcount) restated as a result of the reclassification of the operations in the Transportation sector to discontinued operations.

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

FINMECCANICA

DEVELOPMENT COSTS CAPITALISED AS INTANGIBLE ASSETS AT 31 DECEMBER 2015

€mln	Self Funded National Security	Self Funded Other	Total
01 Jan 2015 Opening Balance	**1,346**	**514**	**1,860**
Gross R&D capitalised	174	100	274
Depreciation and write offs	-80	-90	-170
Disposals	0	0	0
Net R&D capitalised	**94**	**10**	**104**
Reclassifications and exchange differences	-3	-4	-7
31 Dec 2015	**1,437**	**520**	**1,957**

FINMECCANICA

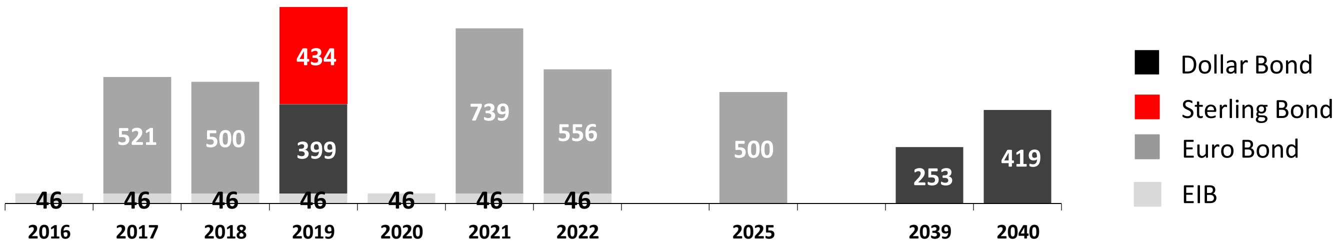
FINANCIAL POSITION
(as of end of December 2015)

Key Messages

- No refinancing needs before end 2017
- Strong liquidity position
- Bonds have neither financial covenants nor rating pricing grids
- Average life ≈ 7,5 years

Maturity Schedule

(€mil)



Early Repayments

(€mil)

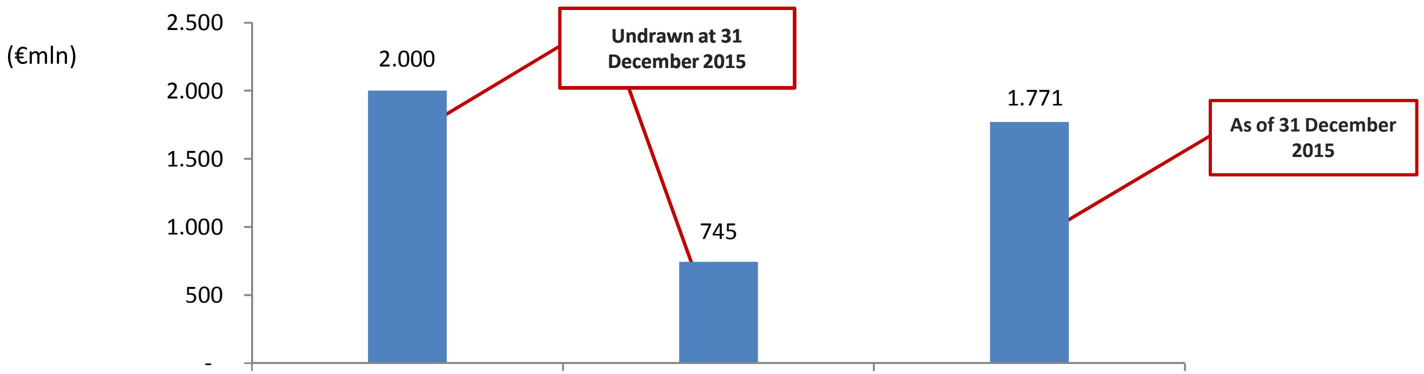
Bond	Initial Amount	Repaid Amount	Repayment Date
Dollar 2019	$500	$66	2012
Euro 2017	€ 600	€ 79	July 2015
Euro 2021	€ 950	€ 211	July 2015
Euro 2022	€ 600	€ 44	July 2015
Sterling 2019	£400	£81	July 2015
Dollar 2039	$300	$25	November 2015
Dollar 2040	$500	$43	November 2015

LIQUIDITY POSITION (as of end of December 2015)

Availability of adequate committed liquidity lines

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

- 31 December cash balance of approx. €1.8 billion
- Credit lines worth €2.7 billion (confirmed and unconfirmed)
  - The Revolving Credit Facility was renegotiated on 6 July 2015 lowering the margin from 180bps to 100bps. The renegotiated facility has an amount of €2.0 billion and will expire in July 2020
- Bank Bonding lines of approximately €3.0 billion to support Finmeccanica's commercial activity



	Revolving Credit Facility	Unconfirmed Credit Lines	Cash in hand
Tenor	July 2020	18 months	
Margin	100 bps(1)	≈ 50 bps(2)	

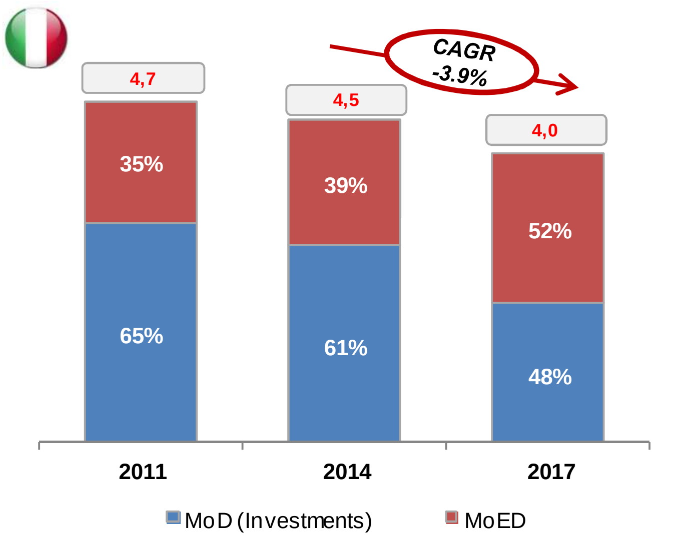
(1) Based on rating as of 31/12/2015

(2) Average. Expected to be renewed at maturity

FINMECCANICA

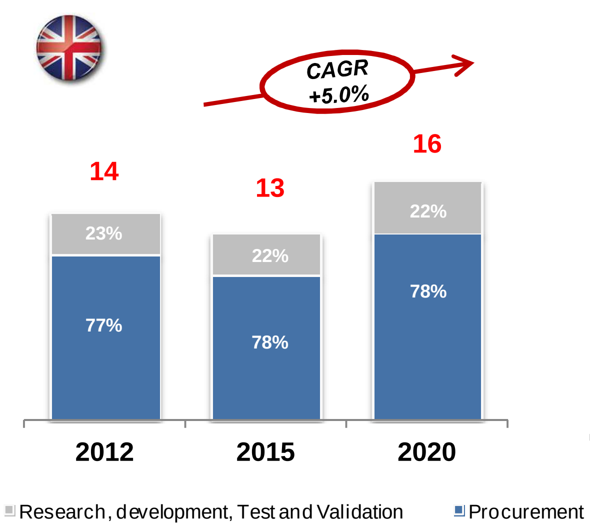
Aerospace & Defence Market
Different dynamics in our major markets

ITALIAN MoD AND MoED BUDGET - € BLN



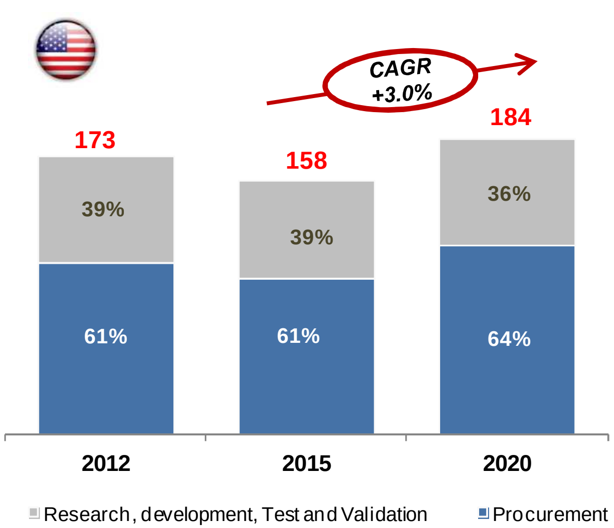
Source: DPP (Documento Programmatico Pluriennale)

UK DEFENCE BUDGET - € BLN



Source: IHS Jane's - 2016

US DEFENCE BUDGET - € BLN



Source: IHS Jane's - 2016

SAFE HARBOR STATEMENT

NOTE: Some of the statements included in this document are not historical facts but rather statements of future expectations, also related to future economic and financial performance, to be considered forward-looking statements. These forward-looking statements are based on Company's views and assumptions as of the date of the statements and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Given these uncertainties, you should not rely on forward-looking statements.

The following factors could affect our forward-looking statements: the ability to obtain or the timing of obtaining future government awards; the availability of government funding and customer requirements both domestically and internationally; changes in government or customer priorities due to programme reviews or revisions to strategic objectives (including changes in priorities to respond to terrorist threats or to improve homeland security); difficulties in developing and producing operationally advanced technology systems; the competitive environment; economic business and political conditions domestically and internationally; programme performance and the timing of contract payments; the timing and customer acceptance of product deliveries and launches; our ability to achieve or realise savings for our customers or ourselves through our global cost-cutting programme and other financial management programmes; and the outcome of contingencies (including completion of any acquisitions and divestitures, litigation and environmental remediation efforts).

These are only some of the numerous factors that may affect the forward-looking statements contained in this document.

The Company undertakes no obligation to revise or update forward-looking statements as a result of new information since these statements may no longer be accurate or timely.

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2015 Annual Results

Quick links

ANNUAL REPORT 2015

PRESS RELEASE

VIDEO-WEBCAST

Sustainability

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