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Vedi allegato.

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PRESS RELEASE

Rome, 18 March 2015

Finmeccanica: the Board of Directors approves the 2014 Financial Statements

2014 results considerably above expectations and 2013

EBITA +23% and EBIT at EUR 692 million, improved by more than EUR 700 million

Net Result before extraordinary transactions positive for EUR 70 million, improved by over EUR 700 million

The Board of Directors of Finmeccanica, convened under the chairmanship of Gianni De Gennaro, examined and unanimously approved the draft of Group consolidated and Finmeccanica S.p.A. financial statements at 31 December 2014.

In 2014, the performance of the Finmeccanica Group underwent a significant turnaround, with results reported being considerably above expectations and as compared with the previous year, in all aspects, particularly in terms of commercial performance and profitability, with growth of more than 20% in EBITA as compared with 2013 and improvement in both EBIT and in the net result before extraordinary transactions of over EUR 700 million as compared with 2013.

In addition, positive developments were seen even into the early months of 2015, during which an important agreement was reached with Hitachi, enabling the Group to **exit the *Transportation* sector**, which heavily contributed to Finmeccanica's overall negative results in recent years. This agreement, signed on February 24 2015, requires that Finmeccanica transfers its stake in Ansaldo STS (equal to 40% of the share capital) and AnsaldoBreda's businesses in the rolling stock segment (excluding certain small scale revamping activities, which will remain within the Group) to Hitachi. Finmeccanica will receive a payment of around EUR 810 million, subject to a price adjustment, which is at present expected to reduce the Group's net debt by approximately 500 million, together with further benefits arising from the deconsolidation of the higher debt such activities would have generated in 2015, amounting to additional 100 million.

The exit from the *Transportation* sector, beside allowing the businesses sold to become part of a global group with expertise in their sectors, will make it possible for Finmeccanica to focus its resources on the core *Aerospace, Defence & Security* sectors, in accordance with the strategic guidelines set out in the **2015-2019 Industrial Plan approved by the new Board of Directors on 27 January 2015**. The Plan, envisaging an aggressive turnaround from the past, aims at:

- **industrial strengthening**, to be achieved both by cutting costs and, in particular, enhancing the efficiency of key industrial processes (engineering, supply chain and production) and, at the same time, by creating a portfolio of products able to expand the Group's expertise and reduce the spreading of resources among non-profitable, non-core activities;
- **development**, to be achieved by focusing on *Aerospace, Defence & Security* activities, rationalizing the product portfolio and carrying out a strategic repositioning in the core sectors in which the Group's expertise is greatest, achieving stronger integration and increasing internationalisation.

For the execution of this Plan, on which the Group will focus its efforts during 2015, a key step is the **implementation of the new Group organisational and operating model**.

The new model, presented to the Board of Directors in June 2014, marks a moment of strong discontinuity as regards the organisation and the mission assigned to Finmeccanica and represents an essential element in the transformation Finmeccanica has embarked upon: that is from a holding company managing a number of legally separate operating companies to one single company. As an industrial player, the new Finmeccanica will have full control over its operating activities, being able to manage the industrial processes, relations with clients and supply chain in a more integrated manner, as well as to manage investments under a more dynamic and effective approach, with greater technology and product transfer within the Group. The Group will also be able to compete in an increasingly complex global market, starting with a more balanced capital structure.

More specifically, the 2014 results (which also include the contribution of the *Transportation* sector activities covered by the above agreement) show:

- **New orders**: amounted to **EUR 15,619 million**, up over 2013 by 560 million and beating original expectations by more than 2 billion.
- **Order backlog:** amounting to **EUR 38,234 million**, over two and a half years of equivalent production for the Group.
- **Revenues:** amounted to **EUR 14,663 million**, +7.1% compared to 2013.
- **EBITA: positive EUR 1,080 million**, significantly improved (+23%) compared to positive 878 million of 2013 and more than 10% higher than expected. EBITA above 1 billion in the *Aerospace, Defence & Security* business.
- **EBIT: positive EUR 692 million**, compared to negative 14 million of 2013, following the improvement in EBITA and driven by considerable decline in restructuring costs and, in particular, non-recurring items.
- **Net result before extraordinary transactions**: **positive, for the first time since 2010, EUR 70 million** with an improvement of 719 million compared with negative 649 million in 2013.
- **Net result**: **positive EUR 20 million,** despite a loss in the amount of 50 million as a result of the Group's withdrawal from the bus segment in the *Transportation* sector. The positive 74 million in 2013 benefitted from earnings generated by the disposal of Ansaldo Energia and Avio's engine business, for a total of 723 million.
- **Group net debt:** amounted to **EUR 3,962 million** in line with the 2013 level.
- **Free Operating Cash Flow (FOCF): negative EUR 137 million**, improved by 83 million compared to negative 220 million in 2013 and above expectations, despite the enforcement of the guarantees related to the Indian contract in the *Helicopters* sector (256 million). Net of this enforcement the FOCF would have been positive EUR 119 million, with a cash generation in *Aerospace, Defence & Security* above 350 million.

Group (*Euro million)*	FY 2014	FY 2013 (*)	Chg.	Chg. %
New orders	15,619	15,059	560	3.7%
Order backlog	38,234	36,831	1,403	3.8%
Revenues	14,663	13,690	973	7.1%
EBITA (**)	1,080	878	202	23.0%
ROS	7.4%	6.4%	1.0 p.p.	
EBIT (***)	692	(14)	706	n.a.
Net result before extraordinary transactions	70	(649)	719	n.a.
Net result	20	74	(54)	(73.0%)
Group Net Debt	3,962	3,902	60	1.5%
FOCF	(137)	(220)	83	37.7%
ROI	14.0%	11.6%	2.4 p.p.	
ROE	1.9%	(17.6%)	19.5 p.p.	
Workforce (no.)	54,380	56,282	(1,902)	(3.4%)

(*)Figures restated as a result of the adoption of IFRS 11.

(**)EBITA is obtained by eliminating from EBIT the following items: any impairment in goodwill; amortisation and impairment, if any, of the portion of the purchase price allocated to intangible assets as part of business combinations, 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.

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

In accordance with the new Group organisational and operating model, the results of the Aerospace, Defence and Security are shown separately in relation to the activities falling under the scope of the divisionalisation process (Alenia Aermacchi, AgustaWestland, Selex ES, Oto Melara and WASS, together with Corporate activities as well those related to the foreign subsidiaries), DRS and to the strategic Joint Ventures.

FY 2014 *(Euro million)*	**Aerospace, Defence and Security**				**Transportation**	***Eliminations***	**Total Continuing Operations**
	Divisional perimeter	***DRS***	***JV***	**Total**			
New orders	*11,138*	*1,464*	*n.a.*	12,602	3,116	(99)	15,619
Order backlog	*27,564*	*1,499*	*n.a.*	29,063	9,403	(232)	38,234
Revenues	*11,136*	*1,413*	*n.a.*	12,549	2,226	(112)	14,663
EBITA	*833*	*22*	*153*	1,008	72	-	1,080
ROS	*7.5%*	*1.7%*	*n.a.*	8.0%	3.2%	n.a.	7.4%

FY 2013 (*) *(Euro million)*	**Aerospace, Defence and Security**				**Transportation**	***Eliminations***	**Total Continuing Operations**
	Divisional perimeter	***DRS***	***JV***	**Total**			
New orders	*11,489*	*1,499*	*n.a.*	12,988	2,230	(159)	15,059
Order backlog	*27,239*	*1,326*	*n.a.*	28,565	8,494	(228)	36,831
Revenues	*10,157*	*1,667*	*n.a.*	11,824	1,961	(95)	13,690
EBITA	*670*	*147*	*171*	988	(110)	-	878
ROS	*6.6%*	*8.8%*	*n.a.*	8.4%	(5.6%)	n.a.	6.4%

Change %	**Aerospace, Defence and Security**				**Transportation**	***Eliminations***	**Total Continuing Operations**
	Divisional perimeter	***DRS***	***JV***	**Total**			
New orders	*(3.1%)*	*(2.3%)*	*n.a.*	(3.0%)	39.7%	*n.a.*	3.7%
Order backlog	*1.2%*	*13.0%*	*n.a.*	1.7%	10.7%	*n.a.*	3.8%
Revenues	*9.6%*	*(15.2%)*	*n.a.*	6.1%	13.5%	*n.a.*	7.1%
EBITA	*24.3%*	*(85.0%)*	*(10.5%)*	2.0%	n.a.	*n.a.*	23.0%
ROS	*0.9 p.p.*	*(7.1) p.p.*	*n.a.*	(0.4) p.p.	8.8 p.p.	*n.a.*	1.0 p.p.

(*)Figures restated as a result of the adoption of IFRS 11.

With regard to the joint ventures, as previously stated, they are no longer consolidated on a proportional basis starting from 1 January 2014, although they continue to make a significant contribution to the Group's strategy, performance and financial position. The main joint ventures (defined as "strategic") reported total revenues (the portion attributable to Finmeccanica) in 2014 of EUR 2.4 billion, against the Group's aggregate pro forma revenues of around 17.1 billion, as shown below (amounts in EUR billion):

Group revenues	**JV Revenues**			**Pro forma revenues**
	MBDA	*Space Alliance*	*Gie ATR*	
14.7	0.6	1.1	0.7	17.1

Main figures of the fourth quarter of 2014

- **New orders**: amounted to **EUR 6,266 million**, -9.8% compared to the fourth quarter of 2013.
- **Revenues:** amounted to **EUR 4,794 million**, +21% compared to the fourth quarter of 2013.
- **EBITA: positive EUR 502 million**, significantly improved compared to positive 213 million of the fourth quarter of 2013.

- **EBIT: positive EUR 308 million**, improved by EUR 589 million compared to negative EUR 281 million of the fourth quarter of 2013.
- **Net result before extraordinary transactions**: **positive EUR 94 million**, significantly improved compared to negative EUR 413 million of the fourth quarter of 2013.
- **Free Operating Cash Flow (FOCF): positive EUR 1,420 million**, compared to positive EUR 1,293 million of the fourth quarter of 2013.

Outlook

The Group forecasts an overall growth in the markets of *Aerospace, Defence & Security* over the next years (4% CAGR over 2014 - 2023). This will be mainly driven by civil and military aviation, increased defence spending from emerging economies and demand for systems for protection from asymmetric threats.

In this market environment, the Industrial Plan of Finmeccanica aims to achieve important targets, both in terms of profits and cash generation. The basis for achieving these goals is through actions being taken not only to reduce overhead and administrative costs, but, above all, also to improve efficiency and ensure greater effectiveness of the main operational processes (engineering, production and supply chain).

The forecasts for the next financial years no longer include operations in the *Transportation* sector. This follows the agreement reached at the end of February, which provides for the sale to the Hitachi group of the Finmeccanica's businesses in the sector (excluding some minor operations) upon the fulfilment of standard conditions laid down for this type of transaction. The 2014 Group's main KPIs have been provisionally restated, in order to eliminate the contribution from the operations involved in the agreement with Hitachi and allow a better comparison with the outlook for 2015.

Specifically, the main reference assumptions for the 2015 forecasts are as follows:

- the completion of the transaction involving the *Transportation* sector on the agreed terms and conditions, with an estimated overall positive impact of EUR 600 million on the Group's Net Debt, including the deconsolidation of negative cash flows from operations in the *Transportation* sector in 2015;
- organic growth in revenues, in particular in *Helicopters* and SES, offset by the expected transfer of some "pass-through" work packages in relation to B787 programme for about EUR 300 million and by an expected exit from certain constituent businesses within DRS by an additional 200 million*;*
- meaningful improvement in operating profits, mainly driven by the improvement of SES, DRS's return to its underlying profit margins and cost cutting initiatives, all supported by a strong profitability in the *Helicopters* segment;
- improved cash generation capacity driven by the above factors, paying constant attention to the selection of investments and working capital reduction measures.

Following the completion of the transaction in the *Transportation* sector, the businesses outside the *Aerospace, Defence & Security* perimeter are not material in size.

So, on the basis of the above assumptions, Finmeccanica confirms guidance for the 2015 financial year as the guidance shown for the *A,D&S* sector at the time of the presentation of the Industrial Plan in January:

	2014		*Outlook 2015*
	Reported	*Pro forma*	
New Orders (€bil.)	15.6	12.6	12.0 – 12.5
Revenues (€bil.)	14.7	12.7	12.0 – 12.5
EBITA (€mil.)	1,080	980	1,080 – 1,130
FOCF (€mil.)	(137)	65	200 - 300
Group Net Debt (€bil.)	4.0		ca 3.4 (*)

(*) Assuming €/$ exchange rate at 1.27 and €/£ at 0.8

Analysis of the main figures of 2014

New orders were higher than in 2013 (+€mil. 560). The result is attributable to the ***Transportation*** sector, with the receipt of new orders by Ansaldo STS and AnsaldoBreda for the project relating to the driverless metro in Lima, Peru, totalling $bil. 1.2. ***Aerospace, Defence & Security*** reported a slight drop (- 3%), much more contained than originally forecasted in light of the announced defence budget cuts by major countries.

Helicopters showed a positive performance (+4% on 2013) – mainly as a result of the contracts with the British Ministry of Defence to upgrade the fleet of 25 AW101 *Merlin* helicopters and a greater contribution form Product Support, also thanks to the contract to provide maintenance and support for five years for the fleet of *Apache AH Mk1* helicopters (which more than offset the major contract received in 2013 from Norway for 16 AW101 helicopters). ***Defence and Security Electronics***, in which, while DRS remained essentially stable as compared with 2013, SES grew by 4%. These improvements were almost entirely offset by the decline in ***Aeronautics*** (attributable to major orders for the B787 and EFA programmes acquired in 2013) and in ***Defence Systems***, which experienced delays in finalising a number of contracts.

The **book-to-bill** (New Orders/Revenues ratio) is above 1, both overall and in ***Aerospace, Defence & Security***.

Revenues rose by €mil. 973 compared with 2013, mainly attributable to ***Aerospace, Defence & Security***. More specifically, in 2014, significant increases were reported by SES (€mil. 363) as a result of the start of important programmes acquired at the end of 2013 and early 2014; in ***Aeronautics*** (€mil. 328) largely due to growth in the production rates for the Boeing 787 programmes; and in ***Helicopters*** (€mil. 327), as a result of activities involving the new AW189 aircraft and the CH47 programme for the Italian Army, in addition to an increase in product support and in the AW101 aircraft. These increases were only partly offset by the expected decline by DRS (€mil. 254), as a result of cuts to the US defence budget.

EBITA also greatly improved (+23% on 2013), as did operating profitability (+1 p.p.), despite the worse results posted by DRS, attributable to the abovementioned drop in revenues and, more specifically, to costs associated with one contract. The overall increase is mainly due to the ***Transportation*** sector (EBITA positive €mil. 72 in 2014, compared with negative €mil. 110 in 2013), as a result of more modest losses in the *vehicles* segment. ***Aerospace, Defence & Security*** reported an improving EBITA despite DRS thanks largely to the significant improvement of SES, attributable to rising revenues and the benefits associated with the restructuring plan under way, and the initial significant results of the cost-cutting process being done, especially by the Corporate area. The result reported for ***Helicopters*** was in line with that posted in 2013, despite the extraordinary gain recognised in 2013 from the closure of the VH-71 programme, without which the result for ***Helicopters*** would have risen considerably.

EBIT showed a significant improvement (€mil. 706) compared to 2013 as a result of the improvement in EBITA (+€mil. 202) and especially the reduced impact of restructuring costs (reduction of €mil. 174) and non-recurring costs, which decreased significantly as compared with 2013 (€mil. 331), during which they amounted to €mil. 423, mainly due to provisions accrued for the *Fyra* programme in the ***Transportation*** sector.

The **net result before extraordinary transactions** finally showed a profit (€mil. 70 compared with a loss of €mil. 649 in 2013). This is the result of the improvement in EBIT, only partly offset by the consequent increase in taxes, and the reduction in losses reported by companies valued at equity, with financial expense remaining essentially unchanged.

The **net result** is overall positive (€mil. 20), despite significant costs associated with the sale of the wheeled-transport business (€mil. 50), completed at the end of the year with effect as from 1 January 2015. The profit shown for 2013 reflected the contribution of discontinued operations (Ansaldo Energia) and the gain on the disposal of Ansaldo Energia and part of Avio, totalling €mil. 723.

Free Operating Cash Flow (FOCF) is significantly affected by the enforcement of the guarantees for the Indian contract in the ***Helicopters*** sector, for an overall amount of €mil. 256. Despite this, the FOCF was considerably higher than in 2013 (negative €mil. 137 compared with negative €mil. 220 in 2013) and better than forecast. Excluding the enforcement of the guarantees on the Indian contract, the FOCF would have been positive €mil. 119, an improvement of €mil. 339 compared with 2013, attributable in large part to higher generation of cash in ***Aerospace, Defence & Security*** and, to a lesser extent, to the less poor performance of the ***Transportation*** sector, in which Ansaldo STS, although still reporting a significant loss in the *vehicles* segment, showed improved cash generation. In addition to the partial recovery of the negative impact of the Indian contract by the ***Helicopters*** segment, the growth in the ***Aerospace, Defence & Security*** sector is attributable to the better results posted by SES and the Corporate area, evidence of the success of the restructuring plan at SES and the effectiveness of cost cutting by the Parent.

The **Group net debt** (loan and borrowings higher than receivables, cash and cash equivalents) at 31 December 2014 accounted to €mil. 3,962, essentially in line with 2013. The Group Net Debt benefitted from the inflow of cash from Avio, most of which came from the proceeds (€mil. 239) from the sale of its engine business, but was negatively affected by exchange rate fluctuations with a consequent revaluation of the indebtedness in US dollars.

Headcount at 31 December 2014 was 54,380 with a net reduction of 1,902 units in comparison with 56,282 employees at 31 December 2013.

Rationalisation of company portfolio and disposals.

With regard to the bus sector, on 23 December 2014, the formation of Industria Italiana Autobus (“IIA”) was completed by King Long Italia (KLI), holding 80%, and Finmeccanica with 20%. The KLI business complex and a business unit of BredaMenarinibus (including all its industrial activities, except for certain prior contracts) were transferred to the new entity.

On 24 February 2015, Hitachi and Finmeccanica SpA signed a binding agreement for the sale of AnsaldoBreda’s current business (excluding certain revamping activities and certain residual contracts), as well as Finmeccanica’s entire stake in Ansaldo STS (40%), as described in beginning of this Report.

Financial transactions

In January 2014, the subsidiary Finmeccanica Finance SA took advantage of a favourable opportunity in the capital market to place an additional €mil. 250 of the €mil. 700 bond issue carried out in December 2013. The new bonds, placed solely with Italian and international institutional investors, carry the same conditions as those placed in December 2013. The issue price was equal to 99.564, higher than that of the 2013 December issue.

With regard to all the bond issues placed on the market by the Luxembourg subsidiary Finmeccanica Finance, it should be noted that Finmeccanica SpA, as part of the process to gradually centralising all its financial activities, replaced Finmeccanica Finance SA as issuer of the outstanding bonds, taking advantage of this option provided for by the Euro Medium Term Programme (EMTN) under which the bonds were issued. The replacement, duly resolved and communicated to the markets in November 2014, was completed upon the deadline for each interest payment, the final one occurring on 21 January 2015. As of today, Finmeccanica SpA is the issuer of all the bonds denominated in euros and pound sterling placed on the market under the EMTN programme.

All the bond issues of Meccanica Holdings are irrevocably and unconditionally secured by Finmeccanica.

Outstanding bond issues 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 date of presentation of this report, Finmeccanica’s credit ratings, compared to those preceding the last change, were as follows:

Agency	**Last update**	**Updated**		**Previous**	
		Credit Rating	*Outlook*	*Credit Rating*	*Outlook*
Moody's	September 2013	Ba1	negative	Baa3	negative
Standard&Poor's	October 2014	BB+	negative	BB+	stable
Fitch	July 2013	BB+	negative	BBB-	negative

Furthermore, on 9 July Finmeccanica renewed its revolving credit facility ahead of schedule, up to 2019.

OPERATING PERFORMANCE OF THE BUSINESS SECTORS

Helicopters

Companies: **AgustaWestland**

2014 showed a positive commercial performance, mainly attributable to the greater contribution made by Product Support, new orders for a larger number of helicopters (+27 on 2013) and by the contract to upgrade the fleet of 25 AW101 Merlin helicopters under the UK Ministry of Defence Merlin Life Sustainment (MLSP) programme. The increase in revenue contributed to an EBITA significantly higher than in 2013, excluding the proceeds from the closure of the VH-71 programme that boosted the numbers for 2013. Profitability was undoubtedly excellent.

Outlook. We expect the excellent performance posted in 2014 to continue in 2015, with the growing commercial success of the new AW169 and AW189 helicopters and the important contribution to be made by Product Support orders. We forecast revenues of around €bil. 4.5 and profitability firmly in the double digits.

Defence and Security Electronics

Companies: **Selex ES**, **DRS Technologies**

SES

The results for 2014 show a net improvement over 2013 buoyed by new orders, as a result of important domestic and export contracts mainly in *Airborne and Space Systems,* higher production volumes and the pursuit of initiatives related to the restructuring and integration plan launched last year. These initiatives contributed to a considerable increase in EBITA (from €mil. 71 in 2013 to €mil. 185 in 2014) and ROS (up from 2.2% in 2013 to 5.2% in 2014).

Outlook: We expect the positive performance posted in 2014 to continue in 2015, with a further improvement in business and financial results driven by the gradual recovery in industrial profitability in specific business areas and by the growing benefits associated with the restructuring plan under way. This will be furthered by the initial effects of additional streamlining and efficiency-enhancement efforts in production and engineering outlined in the Industrial Plan.

DRS

The performance in 2014 was affected by technical issues that arose during the first half of the year within a programme in the *Business Training, Control, Avionics & Irregular Warfare* line in relation to the development and production of a cargo handling and transport system for aircraft. The costs reported for this programme, along with the decline in revenues attributable to the expected cuts in the US defence budget, resulted in a notable drop in results as compared with 2013, notwithstanding the significant savings arising from the efficiency-enhancement and streamlining actions in progress.

Outlook. Despite the persistent challenging environment, with budget tightening by major clients and rising competitive pressures on prices, we expect DRS to quickly regain ground in 2015, driven by industrial profitability returning to adequate levels and by the benefits associated with efficiency-enhancement and streamlining efforts under way. Given this, the company is also considering reviewing and better focusing the scope of its business, which may lead to the elimination of certain non-core business lines. Excluding the effect of this, we expect new order acquisition and production volumes in 2015 to remain at the same levels as 2014, marking the end of the gradual decline in growth experienced by DRS in recent years.

Aeronautics

Companies: **Alenia Aermacchi, GIE-ATR (*), Alenia Aermacchi North America, SuperJet International (*)**

(*) As a consequence of the new accounting standards on consolidation effective from 1 January 2014, the JVs are consolidated using the "Equity Method".

The year 2014 also confirmed the Group's good commercial performance, with a substantial volume of orders and important contracts in both the *civil (*B787 and ATR) and *military* (completion of export contracts for M346 and C27J aircraft) segments.

In line with the results reported for the first half of 2014, the performance for the year was good from a production standpoint, particularly for the B787, ATR and M346 programmes, for which the first 8 aircraft (of which 5 in Q4) were delivered to Israel. This resulted in the recognition at 31 December 2014 of significant revenues, higher than forecast and 2013, driven in particular by the rise in production rates for aerostructures and for the B787 programme, for which deliveries equivalent to 113 fuselage sections (31 in Q4) and 82 horizontal stabilisers (compared with 75 fuselages and 76 stabilisers delivered in 2013) were made, and ATR with deliveries of 92 fuselages (25 in Q4) compared with 69 in 2013.

Finally, efforts continued to improve industrial processes, making it possible to strengthen production efficiency and improve production rates, optimise engineering and reduce procurement and overhead costs.

Outlook. We expect the profitability levels for 2015 to be essentially the same as those for 2014, driven by additional efficiency-enhancement and cost containment actions that will offset the lower contribution of high-margin programmes. Production volumes are expected to fall in 2015 as compared with 2014 due to the expected transfer of work packages to Boeing under agreements for the B787 programme.

Space (*)

Companies: **Telespazio, Thales Alenia Space**

(*) As a consequence of the new accounting standards on consolidation effective from 1 January 2014, the JVs are consolidated using the "Equity Method".

Although production volumes during the year were essentially in line with those of 2013, the result of operations declined due to lower sales of satellite capacity and, especially, the costs associated with the restructuring plan launched at the start of 2014 by Thales Alenia Space. Noteworthy events in 2014 include the launch of the Athena Fidus satellite in the first quarter, and the subsequent telemetry operations and testing to verify the proper functioning of on-board equipment, as well as the continuation of production on numerous satellite systems, including the Galileo navigation system, the Gokturk observation satellite, the Cosmo2G observation system and the Exomars Missione 2016 space exploration system.

Outlook. Revenues are forecast to rise in 2015 due mainly to the manufacturing segment, specifically production on government and export programmes. There are also launch operations scheduled for the year in the satellite services segment. As a result, business performance is expected to improve, despite a decline in industrial profitability which reflects an unfavourable mix of activity and growing competitive pressure on prices.

Defence Systems

Companies: **Oto Melara, WASS, MBDA (*)**

(*) As a consequence of the new accounting standards on consolidation effective from 1 January 2014, the JVs are consolidated using the "Equity Method".

In line with what was reported for the first nine months of 2014, the year saw a general decline compared with 2013 due to fewer new orders and lower revenues, in addition to the expected deterioration in profitability, largely reflecting the completion of major, profitable programmes in the *missile systems* segment and lower volumes of revenues and charges relating to the settlement of a dispute in the *underwater systems*.

Outlook: We expect a partial recovery of the sector in 2015, with performance moderately better than in 2014 as a result of major deliveries of missile systems and rising production volumes for new orders to be signed during the year for *land and sea weapons systems* and *underwater systems*.

Transportation

Companies: **Ansaldo STS, AnsaldoBreda, BredaMenarinibus**

Sector performance reflected the improvement in AnsaldoBreda, which, while its business results were still negative, showed considerable improvement over 2013. Commercial performance was also especially positive, with orders up over 2013 for both AnsaldoBreda and Ansaldo STS, which had even posted the important order for the Riyadh metro in 2013.

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The officer in charge of the company’s financial reporting, Gian Piero Cutillo, hereby declares, in accordance with the provisions of Article 154-bis, paragraph 2, of the Consolidated Law on Finance, that the accounting information included in this press release corresponds to the accounting records, books and supporting documentation.

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In today’s meeting the Board of Directors also approved the Annual report on Corporate Governance and Shareholder Structure, produced in compliance with the provisions of Article 123-bis of the Consolidated Law on Finance and to be published together with the Annual Report.

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The Shareholders’ Meeting will be called in Ordinary session on 8 and 11 May 2015, in first and second call respectively. In accordance with the current regulation, the documentation relating the Shareholders' Meeting will be made available to the public within the terms provided by the existing provisions of law.

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Furthermore, the Board of Directors - also implementing the specific Recommendation already expressed by the Flick Committee - adopted the Whistleblowing Guidelines, that encompass the establishment of a Whistleblowing Committee (composed of Heads of Legal, Corporate Affairs & Compliance, Group Internal Audit, Human Resources and Organization, Security and CFO), in charge of managing the preliminary activities and reporting related to reported issues, even anonymously.

RECLASSIFIED INCOME STATEMENT						
€mil.	**FY 2014**	**FY 2013 (*)**	***Chg. YoY***	**4Q 2014 (unaudited)**	**4Q 2013 (*) (unaudited)**	***Chg. YoY***
Revenues	**14,663**	**13,690**	***973***	**4,794**	**3,962**	***832***
Purchases and personnel expense	(13,093)	(12,480)	*(613)*	(4,172)	(3,663)	*(509)*
Other net operating income/(expense)	(31)	114	*(145)*	(18)	(1)	*(17)*
Equity-accounted strategic JVs	153	171	*(18)*	90	81	*9*
EBITDA	**1,692**	**1,495**	***197***	**694**	**379**	***315***
Amortisation and depreciation	(612)	(617)	*5*	(192)	(166)	*(26)*
EBITA	**1,080**	**878**	***202***	**502**	**213**	***289***
EBITA Margin	*7.4%*	*6.4%*	*1.0 p.p.*	*10.5%*	*5.4%*	*5.1 p.p.*
Impairment	-	-	-	-	-	-
Non-recurring income/(expenses)	*(92)*	*(423)*	*331*	*(59)*	*(198)*	*139*
Restructuring costs	(212)	(386)	*174*	(113)	(276)	*163*
Amortisation of intangible assets acquired as part of business combinations	(84)	(83)	*(1)*	(22)	(20)	*(2)*
EBIT	**692**	**(14)**	***706***	**308**	**(281)**	***589***
EBIT Margin	*4.7%*	*(0.1%)*	*4.8 p.p.*	*6.4%*	*(7.1%)*	*13.5 p.p.*
Net financial income/ (expense)	(443)	(495)	*52*	(122)	(127)	*5*
Income taxes	(179)	(140)	*(39)*	(92)	(5)	*(87)*
Net result before extraordinary transactions	**70**	**(649)**	***719***	**94**	**(413)**	***507***
Net result related to discontinued operations and non-ordinary transactions	(50)	723	*(773)*	(50)	623	*(673)*
Net result	**20**	**74**	***(54)***	**44**	**210**	***(166)***
attributable to the owners of the parent	(31)	28	*(59)*	26	193	*(167)*
attributable to non-controlling interests	*51*	*46*	*5*	*18*	*17*	*1*
EPS (EUR)						
Basic and Diluted	(0.054)	0.048	*(0.102)*	0.045	0.333	*(0.288)*
EPS from continuing operations (EUR)						
Basic and Diluted	(0.054)	(1.045)	*0.991*	0.045	(0.744)	*0.789*
EPS from discontinued operations (EUR)						
Basic and Diluted	-	1.093	*(1.093)*	-	1.077	*(1.077)*

(*) Figures restated as a result of the adoption of IFRS 11.

RECLASSIFIED BALANCE SHEET		
€mil.	**31.12.2014**	**31.12.2013 (*)**
Non-current assets	12,518	12,185
Non-current liabilities	(3,434)	(3,165)
Capital assets	**9,084**	**9,020**
Inventories	4,578	4,754
Trade receivables	7,676	7,254
Trade payables	(11,705)	(11,524)
Working capital	**549**	**484**
Provisions for short-term risks and charges	(749)	(1,007)
Other net current assets (liabilities)	(1,082)	(916)
Net working capital	**(1,282)**	**(1,439)**
Net invested capital	**7,802**	**7,581**
Equity attributable to the Owners of the Parent	3,511	3,381
Equity attributable to non-controlling interests	343	298
Equity	**3,854**	**3,679**
Group Net Debt	**3,962**	**3,902**
Net (assets)/liabilities held for sale	**(14)**	**-**

(*) Figures restated as a result of the adoption of IFRS 11.

CASH FLOW		
€mil.	**FY 2014**	**FY 2013 (*)**
Funds From Operations (FFO) (**)	**1,311**	**925**
Changes in working capital	(830)	(339)
Cash flow from ordinary investing activities	(618)	(806)
Free operating cash flow (FOCF)	**(137)**	**(220)**
Strategic transactions	239	274
Change in other investing activities	(28)	(74)
Net change in loans and borrowings	(54)	(340)
Dividends paid	(19)	(18)
Net increase/(decrease) in cash and cash equivalents	**1**	**(378)**
Cash and cash equivalents at 1 January	**1,455**	**1,870**
Exchange rate gain/losses and other movements	39	(37)
Cash and cash equivalents at 31 December	**1,495**	**1,455**

(*) Figures restated as a result of the adoption of IFRS 11.

(**) Includes dividends received from unconsolidated companies.

FINANCIAL POSITION		
€mil.	**31.12.2014**	**31.12.2013 (*)**
Bonds	4,761	4,305
Bank debt	472	544
Cash and cash equivalents	(1,495)	(1,455)
Net bank debt and bonds	**3,738**	**3,394**
Fair value of the residual portion in portfolio of Ansaldo Energia	(124)	(117)
Securities	-	-
Current loans and receivables from related parties	(161)	(125)
Other current loans and receivables	(45)	(61)
Current loans and receivables and securities	**(330)**	**(303)**
Hedging derivatives in respect of debt items	(24)	(9)
Effect of transactions involving Fyra contract	41	86
Related-party loans and borrowings	431	629
Other loans and borrowings	106	105
Group net debt	**3,962**	**3,902**

(*) Figures restated as a result of the adoption of IFRS 11.

EARNINGS PER SHARE			
	FY 2014	**FY 2013 (*)**	***Chg. YoY***
Average shares outstanding during the reporting period (in thousands)	578,118	578,118	-
Earnings/(losses) for the period (excluding non-controlling interests) (€ million)	(31)	28	*(59)*
Earnings/(losses) - continuing operations (excluding non-controlling interests) (€ million)	(31)	(604)	*573*
Earnings/(losses) - discontinued operations (excluding non-controlling interests) (€ million)	-	632	*(632)*
BASIC AND DILUTED EPS (EUR)	**(0.054)**	**0.048**	***(0.102)***
BASIC AND DILUTED EPS from continuing operations	**(0.054)**	**(1.045)**	***0.991***
BASIC AND DILUTED EPS from discontinued operations	**-**	**1.093**	***(1.093)***

(*) Figures restated as a result of the adoption of IFRS 11.

OTHER PERFORMANCE INDICATORS			
	FY 2014	**FY 2013 (*)**	***Chg. YoY***
Research and development expenses	1,560	1,545	1.0%
Net Interest	(306)	(285)	(7.4%)

(*) Figures restated as a result of the adoption of IFRS 11.

FY 2014 (Euro million)	Helicopters	Defence Electronics and Security	- of which DRS	- of which SES	Aeronautics	Space	Defence Systems	Eliminations/ Other	Tot. A&D	Transportation	Eliminations	Tot. Transportation	Eliminations	Total
New orders	4,556	5,074	1,464	3,612	3,113	-	209	(350)	12,602	3,005	111	3,116	(99)	**15,619**
Order backlog	12,249	8,765	1,499	7,285	7,730	-	1,005	(686)	29,063	9,208	195	9,403	(232)	**38,234**
Revenues	4,376	4,980	1,413	3,577	3,144	-	495	(446)	12,549	2,025	201	2,226	(112)	**14,663**
EBITA	**543**	**207**	**22**	**185**	**237**	**52**	**89**	**(120)**	**1,008**	**66**	**6**	**72**	**-**	**1,080**
EBITA margin	*12.4%*	*4.2%*	*1.7%*	*5.2%*	*7.5%*	*n.a.*	*18.0%*	*n.a.*	*8.0%*	*3.3%*	*n.a.*	*3.2%*	*n.a.*	***7.4%***
EBIT	**489**	**30**	-	-	**155**	**52**	**88**	**(165)**	**649**	**39**	**4**	**43**	**-**	**692**
Amortisation and depreciation	97	254	-	-	214	-	11	54	630	22	1	23	-	**653**
Investments	236	180	-	-	280	-	10	60	766	25	-	25	-	**791**
Workforce (no.)	12,850	21,927	-	-	10,932	-	1,472	564	47,745	6,063	572	6,635	-	**54,380**

FY 2013(*) (Euro million)	Helicopters	Defence Electronics and Security	- of which DRS	- of which SES	Aeronautics	Space	Defence Systems	Eliminations/ Other	Tot. A&D	Transportation	Eliminations	Tot. Transportation	Eliminations	Total
New orders	4,386	4,932	1,499	3,457	3,422	-	583	(335)	12,988	1,908	322	2,230	(159)	**15,059**
Order backlog	11,834	8,485	1,326	7,182	7,716	-	1,320	(790)	28,565	8,213	281	8,494	(228)	**36,831**
Revenues	4,049	4,871	1,667	3,214	2,816	-	515	(427)	11,824	1,766	195	1,961	(95)	**13,690**
EBITA	**547**	**218**	**147**	**71**	**199**	**55**	**111**	**(142)**	988	**(115)**	**5**	(110)	**-**	**878**
EBITA margin	*13.5%*	*4.5%*	*8.8%*	*2.2%*	*7.1%*	*n.a.*	*21.6%*	*n.a.*	*8.4%*	*(6.5%)*	*n.a.*	*(5.6%)*	*n.a.*	***6.4%***
EBIT	**461**	**(222)**	-	-	**167**	**55**	**94**	**(143)**	**412**	**(431)**	**5**	**(426)**	**-**	**(14)**
Amortisation and depreciation	134	254	-	-	154	-	15	53	610	23	1	24	-	**634**
Investments	331	191	-	-	373	-	11	49	955	21	1	22	-	**977**
Workforce (no.)	13,121	22,851	-	-	11,157	-	1,531	544	49,204	6,540	538	7,078	-	**56,282**

(*) Figures restated as a result of the adoption of IFRS 11.

4Q 2014 (Euro million)	Helicopters	Defence Electronics and Security	- of which DRS	- of which SES	Aeronautics	Space	Defence Systems	Eliminations/ Other	Tot. A&D	Transportation	Eliminations	Tot. Transportation	Eliminations	Total
New orders	1,473	2,087	426	1,661	1,584	-	59	(144)	5,059	1,200	84	1,284	(77)	**6,266**
Revenues	1,340	1,750	444	1,310	1,009	-	169	(167)	4,101	659	76	735	(42)	**4,794**
EBITA	**164**	**171**	**49**	**122**	**89**	**26**	**61**	**(42)**	**469**	**28**	**5**	**33**	**-**	**502**
EBITA margin	*12.2%*	*9.8%*	*11.0%*	*9.3%*	*8.8%*	*n.a.*	*36.1%*	*n.a.*	*11.4%*	*4.2%*	*n.a.*	*4.5%*	*n.a.*	***10.5%***
EBIT	**136**	**109**	**-**	**-**	**41**	**26**	**60**	**(72)**	**300**	**5**	**3**	**8**	**-**	**308**
Amortisation and depreciation	26	69	-	-	58	-	4	16	173	6	-	6	-	**179**
Investments	49	79	-	-	70	-	4	25	227	11	(1)	10	-	**237**

4Q 2013(*) (Euro million)	Helicopters	Defence Electronics and Security	- of which DRS	- of which SES	Aeronautics	Space	Defence Systems	Eliminations/ Other	Tot. A&D	Transportation	Eliminations	Tot. Transportation	Eliminations	Total
New orders	2,137	2,081	466	1,634	1,787	-	279	(133)	6,151	797	148	945	(146)	**6,950**
Revenues	1,051	1,424	460	970	983	-	164	(178)	3,444	494	56	550	(32)	**3,962**
EBITA	**145**	**116**	**65**	**51**	**38**	**19**	**48**	**(58)**	308	**(99)**	**4**	(95)	**-**	**213**
EBITA margin	*13.8%*	*8.1%*	*14.1%*	*5.3%*	*3.9%*	*n.a.*	*29.3%*	*n.a.*	*8.9%*	*(20.0%)*	*n.a.*	*(17.3%)*	*n.a.*	***5.4%***
EBIT	**67**	**(182)**	-	-	**25**	**19**	**31**	**(57)**	**(97)**	**(188)**	**4**	**(184)**	**-**	**(281)**
Amortisation and depreciation	32	71	-	-	48	-	5	14	170	7	-	7	-	**177**
Investments	141	73	-	-	128	-	4	23	369	9	1	10	-	**379**

(*) Figures restated as a result of the adoption of IFRS 11.

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