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Oggetto : Finmeccanica: Shareholders' Meeting
approves the change of the Company's
name and the 2015 Financial Statements

Testo del comunicato

Vedi allegato.

Finmeccanica: Shareholders' Meeting approves the change of the Company's name and the 2015 Financial Statements

- **Approved the change of the Company's name**
- **Approved the Company Financial Statement for 2015**
- **Approved Oto Melara S.p.A. and WASS S.p.A. Financial Statements at 31 December 2015**
- **Approved the first section of the Remuneration Report**
- **Authorized purchase and dispose of treasury shares**
- **Authorized the remuneration of the statutory audit conducted by KPMG S.p.A. and the Statutory Auditors' fees**

- **Presented the Sustainability and Innovation Report 2015**
- **Relevant attendance by institutional shareholders, mostly international, representing approx 30% of the share capital**

Rome, 28 April 2016 – The Shareholders' Meeting of Finmeccanica Spa, which convened today in Rome, has resolved on the followings:

Change of the Company's name

The Shareholders' Meeting resolved to approve in Extraordinary session, with favourable votes equal to around 99.74% of the capital represented at the Meeting, the proposed amendment of the art.1 of the By-laws providing to adopt, until 31 December 2016, the Company's name "Leonardo-Finmeccanica-Società per azioni" (abbreviated form "Leonardo S.p.a." or "Finmeccanica S.p.a. ") and to adopt the company name "Leonardo – Società per azioni" (abbreviated form "Leonardo S.p.a.") with effect from 1 January 2017.

The decision to put, until 31 December 2016, the new name (Leonardo) before the current name (Finmeccanica) is aimed at granting the Company a suitable time frame to ensure the required continuity mainly in relationships with foreign countries.

Please note that the new name will be effective after the inclusion of the new By-laws in the "Register of Companies" in Rome, which will be promptly disclosed to the market.

Finmeccanica is among the top ten global players in Aerospace, Defense and Security and Italy's main industrial company. As a single entity from January 2016, organized into business Divisions (Helicopters; Aircraft; Aero-structures; Airborne & Space Systems; Land & Naval Defence Electronics; Defence Systems; Security & Information Systems), Finmeccanica operates in the most competitive international markets by leveraging its areas of technology and product leadership. Listed on the Milan Stock Exchange (FNC IM; SIFI.MI), at 31 December 2015, Finmeccanica recorded consolidated revenues of 13 billion Euros and has a significant industrial presence in Italy, the UK and the U.S

The Shareholders' Meeting also approved the Company's Financial Statements for 2015 and examined the Consolidated Financial Statements.

Key economic and financial data

2015 was a turning point for Finmeccanica in terms of strategy and organisation, operating performance and cash flow. The first challenging objectives set in the January 2015 Industrial Plan were fully achieved, including the disposal of the *Transportation* business, the adoption of the new operational and organisational model with the launching of the "One Company", and the achievement of distinctly better results which were higher than expectations.

The 2015 results no longer include the contribution of the operations in the Transportation Sector which was sold to Hitachi and is separately classified among discontinued operations. 2015 results highlights are as follows:

- **New Orders:** amounted to **EUR 12,371 million**, slightly lower than 2014. The level of New Orders is also impacted by the more rigorous selection of commercial opportunities, aimed at increasing the backlog profitability (margins). Moreover, a decline in *Helicopters* (also for *Oil&Gas*) and *Aeronautics* (postponements of some contracts by the Italian military customer), offset by improvement in *Defence Electronics and Security* and a positive foreign exchange effect, was recorded.
- **Order backlog:** amounting to **EUR 28,793 million** and characterized by a more rigorous selection of the orders based on stricter profitability criteria and ensuring about two and a half years of equivalent production.
- **Revenues:** amounted to **EUR 12,995 million**, +1.8% compared to 2014 due to favorable foreign exchange rates.
- **EBITDA: positive EUR 1,866 million**, 18.9% higher than the EUR 1,569 million in 2014. Also the EBITDA margin, at 14.4%, increased by 210bp compared to 12.3% in 2014.
- **EBITA: positive EUR 1,208 million**, significantly improved (+23.3%) compared to positive 980 in 2014, that had included expenses for about \$mil. 100 relating to a specific DRS programme. Nonetheless, even excluding this effect, there is still a significant improvement as a result of the efficiency-enhancement and cost reduction actions. ROS was at 9.3%, 160 bps higher than last year.
- **EBIT: positive EUR 884 million**, +48.1% compared to positive 597 million of 2014.
- **Net result before extraordinary transactions: positive EUR 253 million**, 17 times higher than the positive 15 million in 2014.
- **Net result: positive EUR 527 million**, 26 times higher than the positive 20 million in 2014.
- **Group Net Debt** amounted to **EUR 3,278 million**, improved by 684 million (-17.3%) compared to 3,962 million at 31 December 2014 due to the closing of the sale of the Transportation Sector and notwithstanding the negative foreign exchange differences on debt denominated in sterling and US dollar.
- **Equity:** amounted to EUR 4,302 million, improved by 448 million (+11.6%) compared to 3,854 million at 2014 year-end. Consequently the debt-to-equity ratio was 0.76, lower than the 1.03 in 2014.
- **Free Operating Cash Flow (FOCF): positive EUR 307 million**, improved by 242 million (+372.3%) compared to positive 65 million in 2014.

Outlook

Finmeccanica operates in markets and business that are, by their nature, affected by current political, economic and social uncertainties, including tensions in Europe and the Middle East, low oil prices, immigration and the threat of terrorism. In this context, Finmeccanica continues its evolution, focusing in particular on activities aimed at:

- strengthening its positioning in terms of business areas and product portfolio; and
- improving the efficiency and effectiveness of its key industrial processes.

Implementation of this is being made through the New Organisational and Operational Model, following the set-up of the “One Company” structure.

The results achieved in 2015 underline the soundness of the Industrial Plan that was approved in early 2015 and, together with the 2016-2020 five-year budget plan, confirm its main guidelines and strategic objectives. For 2016 the Group expects a further improvement in profitability, with ROS at around 10%, in line with what has been already communicated, sustained by a sharp improvement in productivity ratios. An improvement is also expected in cash generation, which will allow the Group to achieve at the end of 2016 the Net Debt target originally forecasted at the end of 2017, so one year ahead of last year’s guidance.

In 2016 Finmeccanica forecasts:

- New Orders between EUR 12.2 and EUR 12.7 billion compared to the EUR 12.4 billion recorded in 2015, despite the reduced business perimeter (as a consequence of the completion of the transfer of “pass-through” activities on B787 and the disposal of the non-core businesses of DRS and FATA);
- Revenues in line with 2015, despite the reduced business perimeter (as a consequence of the completion of the transfer of “pass-through” activities on B787 and the disposal of the non-core businesses of DRS and FATA). This confirms that the Group is increasingly focused on businesses that are able to ensure adequate levels of profitability and cash generation;
- Further growth in operating profits, mainly driven by the confirmation of a gradual improvement trend in the performance of the divisions of the Electronics, Defence & Security Systems Sector and by the consolidation of the results recorded in the Aeronautics segment in 2015, supported by the strong profitability of the Helicopters segment as well as the further reduction of the unit costs;
- An improvement in its ability to generate cash, which will be driven by the above mentioned factors, combined with careful management of working capital and a greater selectivity in its investments.

The 2016 full year guidance are summarised below:

	2015	2016 Outlook*
New Orders (€bil.)	12.4	12.2 – 12.7
Revenues (€bil.)	13.0	12.2 – 12.7
EBITA (€mln.)	1,208	1,220 – 1,270
FOCF (€mln.)	307	300 – 400
Group Net Debt (€bil.)	3.3	Lower than 3

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

Please note that 2016 outlook does not include the effects of the contract for the supply of 28 Eurofighter Typhoon aircraft signed on 5 April with the Kuwaiti Ministry of Defence. The updated outlook will be released the 5th of May on the occasion of the release of the first quarter 2016 results.

Note:

Following the process of the reorganisation of the **Finmeccanica** Group’s companies, it should be noted that from January 1st 2016: the “Helicopter Division” has absorbed the activities of AgustaWestland; the “Aircraft Division” has absorbed part of the activities of Alenia Aermacchi; the “Aero-structures Division” has absorbed part of the activities of Alenia Aermacchi; the “Airborne & Space Systems Division” has absorbed part of the activities of Selex ES; the “Land & Naval Defence Electronics Division” has absorbed part of the activities of Selex ES; the “Security & Information Systems Division” has absorbed part of the activities of Selex ES; the “Defence Systems Division” has absorbed the activities of OTO Melara and WASS.

Oto Melara S.p.A. and WASS S.p.A. Financial Statements at 31 December 2015

The Shareholders resolved to approve Oto Melara S.p.A. and WASS S.p.A. Financial Statements at 31 December 2015, following the merger of such companies into Finmeccanica effective from 1 January 2016.

Remuneration Report

The Shareholders' Meeting approved (with favourable votes equal to around 86.81% of the capital represented at the Meeting) the first section of the Remuneration Report, which illustrates the Company's remuneration policy for the members of corporate governance bodies, the General Managers and the executives holding strategic responsibilities, as well as the procedures to be followed in order to adopt and implement that policy.

Purchase and dispose of treasury shares

The Shareholders' Meeting approved the proposal to renew the authorization to purchase and dispose treasury shares (share buy-back) intended to serve the needs related to the incentive/co-investment Plans, up to a maximum of n. 2,000,000 ordinary shares of Finmeccanica, for a period - as the purchase - of eighteen months from the date of the shareholders' resolution; the authorization to dispose of the shares purchased is requested within the time limits required for the implementation of the Plans.

Please note that the purchases will be carried out on the Italian Stock Exchange, in stages considered appropriate, to a maximum and minimum price per share equal to the market price recorded on the M.T.A. in the day before the purchase plus 5% (maximum price) or minus 5% (minimum price).

The Company currently holds no. 3,844,152 treasury shares, equal to approximately 0.6649% of its share capital.

Remuneration of the Statutory Audit and the Statutory Auditors' fees

The Shareholders' Meeting also approved the integration of the remuneration of the Statutory Audit conducted by KPMG S.p.A. and the Statutory Auditors' fees for the remaining period of the current mandate, starting them in euro 80,000 gross per annum for the Chairman and euro 70,000 gross per annum for each Auditor.

Sustainability and Innovation Report 2015

On the occasion of the Shareholders' Meeting, Finmeccanica has presented the Sustainability and Innovation Report 2015, recently published. In the report the Company underlines the commitment towards a stronger corporate culture founded on responsible business conduct, describing real cases of integrated sustainability in products, technologies and especially in people behavior.

Attendance at the Shareholders' Meeting

The Meeting recorded a considerable attendance by institutional shareholders – mostly foreign – who were present with 29.54% of the share capital.

A summary report of the voting will be made available on the Company's Website (www.finmeccanica.com), in compliance with Art. 125-*quater* of the Consolidated Law on Financial Intermediation (TUF), within the prescribed term of five days after the Shareholders' Meeting.

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.

Fine Comunicato n.0131-48

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