



NOTICE ABOUT STOCK OPTION PLANS
PURSUANT TO RESOLUTION No. 15915/2007 of THE ITALIAN SECURITIES AND
EXCHANGE COMMISSION (CONSOB)
AND ARTICLE 84 – BIS OF REGULATION No. 11971/1999

STOCK OPTION PLAN 2002 – 2004

PERFORMANCE SHARE PLAN 2005 – 2007

17 SEPTEMBER 2007

FINMECCANICA – SOCIETÀ PER AZIONI

STOCK OPTION PLAN 2002 – 2004

1. Beneficiaries

The members of the 2002-2004 Stock Option Plan (the “SOP” or the “Plan”) who are currently on the Board of Directors of Finmeccanica S.p.A. or of the Italian and foreign companies directly or indirectly controlled by it, provided that this office represents the principal activity carried out for the Finmeccanica Group, are listed below.

Name	Role
Pier Francesco Guarguaglini	Chairman and Chief Executive Officer Finmeccanica S.p.A.
Giovanni Bertolone	Chief Executive Officer Alenia Aeronautica S.p.A.
Carmelo Cosentino	Chief Executive Officer Alenia Aermacchi S.p.A.
Gianfranco De Ferrari	Chief Executive Officer Alenia SIA S.p.A.
Nicola Aurilio	Chief Executive Officer Alenia Composite S.p.A.
Roberto Assereto	Chief Executive Officer AnsaldoBreda S.p.A.
Giuseppe Zampini	Chief Executive Officer Ansaldo Energia S.p.A.
Roberto Adinolfi	Chief Executive Officer Ansaldo Nucleare S.p.A.
Sergio Praitano	Chief Executive Officer Ansaldo Ricerche S.p.A.
Maurizio Tucci	Chief Executive Officer SELEX Communications S.p.A.
Philip Francis Robinson	Managing Director SELEX Communications Ltd.
Carlo Gualdaroni	Chief Executive Officer ElsagDatamat S.p.A.
Sabatino Stornelli	Chief Executive Officer SELEX Service Management S.p.A.
Renzo Meschini	Chief Executive Officer and Managing Director Galileo Avionica S.p.A.
Carlo Alberto Iardella	Chief Executive Officer Oto Melara S.p.A.
Giuseppe Veredice	Chief Executive Officer Telespazio S.p.A.
Luca Luigi Manuelli	Chief Executive Officer Finmeccanica Group Services S.p.A.
Alessandro De Dominicis	Chief Executive Officer So.Ge.Pa. S.p.A.

Alberto De Benedictis	Chief Executive Officer Finmeccanica UK Ltd.
Mario Torre	Chief Executive Officer AMTEC S.p.A.
Giovanni Trezza	Chairman Quadrics Ltd.
Carlo Giancaspro	Chief Executive Officer Space Software Italia S.p.A.

The members of the 2002-2004 Stock Option Plan (the “SOP” or the “Plan”) who are currently officers of Finmeccanica S.p.A. are listed below.

Name	Role
Giorgio Zappa	Chief Operating Officer Finmeccanica S.p.A.

The managers who have regular access to privileged information and who have the power to adopt management decisions that could affect the growth and future prospects of Finmeccanica S.p.A. are listed below.

Managers pursuant to Article 152 – sexies, paragraph 1, subparagraph c) – c.2 of the Italian Financial Services Act (TUF)	2
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The managers and senior advisors of Finmeccanica S.p.A. and of the Italian and foreign companies directly or indirectly controlled by it are listed below.

Finmeccanica Group managers	161
Finmeccanica Group advisors	4

2. Reasons for adopting the Plan

2.1. and 2.1.1.

The main aims of the SOP are as follows:

- a) to involve and incentivise the management, directors and senior advisors of the Finmeccanica Group whose work is considered of fundamental importance for attaining the Group's objectives;
- b) to communicate the Company's ambition to share with the Group's senior management the expected growth in value of the Company, also attained through good stock exercise;
- c) to retain the Group's key resources, providing an incentive for them to remain with the Group.

The introduction of the SOP, with reference to the three-year period 2002-2004, completes the architecture of the Finmeccanica Group compensation scheme, bringing it into line with the latest international practice and the widespread use of long-term stock option plans, particularly in view of their ability to reward management in a manner directly proportional to the creation of value for the shareholders.

For all management categories interested in the SOP, the potential incentives of joining it, although determined according to a variety of parameters, represent a significant component of the overall pay package; this is crucial in guiding the activities and efforts of the management towards creating value for the shareholders while at the same time helping to lower the fixed costs of the compensation system.

The three-year timeframe is consistent with the structure of the industrial and strategic planning process within the Finmeccanica Group.

2.2. and 2.2.1.

The SOP's purpose is to grant options to purchase Finmeccanica S.p.A. shares, subject to the attainment of specific exercise targets and the simultaneous fulfilment of the conditions laid down in the corresponding implementing regulations.

In particular, the issue of the options granted for exercise is subject to three exercise targets being met during the three-year period 2002-2004, according to the procedures and criteria described below:

- 20% of the options: increase in market value of Finmeccanica S.p.A. stock, equivalent to a 26% rise at 31 December 2004 from a notional share price of €18, calculated based on the daily closing prices in the last quarter of 2004;
- 30% of the options: increase in the market value of Finmeccanica S.p.A. stock compared with the results of a panel of leading aerospace and defence companies in Europe, combined with the results of the stock market indices;
- 50% of the options: attainment of the Group's EVA target indicated in the 2002-2004 Budget/Plan.

These targets will be measured separately and applied to all SOP members without exception.

The targets assigned further strengthen the alignment, which underpins all stock option plans, between management remuneration and the creation of shareholder value, expressed both in terms of the absolute and relative exercise of Finmeccanica S.p.A. stock and as an exercise indicator based on the return on capital invested (Economic Value Added).

2.3. and 2.3.1.

The number of options allocated to each SOP member is determined on the basis of an overall assessment of a series of organisational factors – e.g. type and organisational significance of the position held, impact on the core business, strategic management of the business and the operating and financial results – and management considerations, for instance relating to individual exercise, diligence, seniority, skills or knowledge demonstrated and development potential in the medium and long term.

These considerations are analysed and discussed each year as part of a structured management review process which culminates in a series of one-to-one meetings between the top management of Finmeccanica Group operating companies and the top management of Finmeccanica Corporate

All individual assignments have been made with the aim of selectively rewarding, in line with the pay scales in the markets concerned, the contribution of "key" managers within the Finmeccanica Group and of supplementing a compensation system able to attract, motivate and retain senior management.

The number of options granted to each member is established on the basis of a formula that takes into account:

- a) the value of the Plan for each individual member;
- b) the target percentage increase in Finmeccanica S.p.A. stock;
- c) the grant price.

2.4.

Not applicable.

2.5.

When the SOP was set up, stock option plans were eligible for tax relief in Italy whereby any income from the sale of the options subscribed was not classed as income from employment and was only subject to capital gains tax, provided that on the grant date, the strike price was not less than the normal value of the underlying stock.

To qualify for this relief, the strike price of the options granted under the SOP shall correspond to the normal value of Finmeccanica S.p.A. stock on the grant date.

2.6

Not applicable

3. Approval procedure and timeframe for the allocation of instruments

The Ordinary and Extraordinary General Meeting of 16 May 2003 authorised, on the recommendation of the Board of Director's meeting of 27 March 2003 concerning the implementation of the SOP, a long-term incentive plan intended for "key" resources of Finmeccanica S.p.A. and of the Group's subsidiaries. The plan involved granting subscription/purchase rights on common shares of Finmeccanica - Società per azioni subject to specific targets being met.

A maximum of 7,500,000 shares have been set aside for the SOP. These may be made available through the issue of new shares and/or by purchasing treasury shares, giving the Board of Directors the choice of using whichever instrument depending on the share price at the time of the grant and its growth prospects.

The General Meeting also granted the Board of Directors of Finmeccanica S.p.A. the authority to implement and manage the SOP.

On 12 November 2003, the Board of Directors of Finmeccanica S.p.A. established the SOP by converting the previous phantom stock option plan – already approved by the Board of Directors on 14 November 2002 – into a plan based on the grant of real options, leaving unchanged all the other features relating to the criteria and conditions of membership, exercise targets, grant measurements and strike price, previously determined by the Remuneration Committee on 5 December 2002. On 14 November 2002, the Board reserved the right to review the conversion at a later date.

Pursuant to the aforementioned authority, the Board of Directors of Finmeccanica S.p.A. is the body responsible for decisions relating to the SOP. Therefore:

1. it approves the general framework of the Plan and any changes thereto;
2. it delegates the approval of the implementing regulations and any amendments thereto, as well as management of the Plan, to the Remuneration Committee (the "Committee");
3. on the recommendation of the Committee, it grants the rights assigned to directors of Finmeccanica S.p.A.

With regard to Plan management, the Committee, on the recommendation of the management of Finmeccanica S.p.A.:

1. identifies members of the Plan and grants options to them, except for authorised directors of Finmeccanica S.p.A.;
2. defines the exercise targets on which the exercise of the options is conditional and the criteria for their measurement;
3. verifies whether the members are still eligible to take part in the Plan during the reference period;
4. defines the parameter that re proportions the number of options granted in case of members joining or leaving the Plan during the period of exercise (1 January 2002-31 December 2004);

5. verifies, by directly obtaining the necessary information, that the exercise targets have been met and decides the number of options that may be exercised by each member as a result.

Value of Finmeccanica S.p.A. stock on the date of authorisation of the SOP proposal from the Board of Directors of Finmeccanica S.p.A. tabled at the meeting of 27 March 2003: **€9.86**

Value of Finmeccanica S.p.A. stock on the date of the first option grant (5 December 2002): **€12.78**

4. Features of the instruments allocated

After the aforementioned conversion authorised by the Board of Directors on 12 November 2003, the SOP is a stock option plan involving the allocation of real options to purchase Finmeccanica S.p.A. stock based on a ratio of one share per option.

The Plan's exercise targets refer to the three-year period 2002-2004, which thus represents the vesting period of the options granted; the deadline for the exercise of vested options is 31 December 2009.

The exercise of the options granted is subject to the attainment of specific exercise targets, according to the procedures and to the extent illustrated in paragraph 2 above.

On 13 September 2004, the Remuneration Committee authorised the inclusion of a target relating to a 26% rise in the value of Finmeccanica S.p.A. stock from €18. This involves a mechanism whereby, if this target is not met, up to 10% of the options granted can be released for exercise in case of over exercise compared with the Group's EVA indicated in the three-year Budget/Plan.

On 4 April 2005, the Remuneration Committee, on the basis of the draft 2004 annual and consolidated financial statements approved by the Board of Directors, took steps to verify the extent to which the exercise targets had been met, deciding the number of options effectively available for exercise by each member.

Following this verification, it was found that the targets had been met, allowing the release for exercise of 60% of the options originally granted at a strike price of €14.

The 3,993,175 options released for exercise – of which 258,605 are intended for non-employees – were granted during fiscal year 2005.

On 21 April 2005, the Board of Directors – in recognition of the extent to which the Plan's exercise targets had been met and purchasing treasury shares for non-employees – resolved, in order to satisfy the requirements linked with the exercise of options released to employees, to increase the capital in return for payment by a maximum of €16,432,108.00 by issuing up to 3,734,570 Finmeccanica S.p.A. shares, equivalent to 0.885% of the capital on the date of the resolution.

If all exercisable options for the subscription of the capital increase are exercised, the dilutory effect of these would be equivalent to 0.12% of the current capital.

The options released may also be exercised in several tranches with effect from the start of the exercise period on 30 April 2005 and until 31 December 2009; there are no trading or transfer restrictions on the shares resulting from the exercise of the options.

The exercise of the options will be suspended during the two weeks prior to and following meetings of the Board of Directors of Finmeccanica S.p.A. for the approval of the company accounts (financial statements and quarterly and half-yearly reports) and of development strategies (plans) and for convening shareholder meetings.

In case of dismissal for just cause or resignation without just cause of a member, as in the case of dismissal from office of a director for just cause, or resignation without just cause of a director, or in case of the withdrawal of the Company, or the withdrawal of an independent contractor without just cause, the member concerned will be automatically excluded by the Plan and consequently all options granted to that member and not yet exercised on the date on which employment ceases shall be immediately cancelled.

In case of mutual termination of a member's employment, with the prior written consent of Finmeccanica S.p.A. or a Group company, or in case of the dismissal without just cause or resignation with just cause of a member, as in the case of the departure from office of a director not due to dismissal for just cause, or the resignation for just cause of a director, or in case of the withdrawal of an independent contractor for just cause, a parameter will be applied that re proportions the number of options granted so as to take account of the actual time spent in the Plan by the member in relation to the total duration of the Plan.

This provision also applies in the event that the employment of the member, whether a permanent employee or independent contractor, or the directorship, is terminated due to death, permanent disability or retirement.

If either of the latter two cases occurs before the start of the exercise period, the member will have six months from the start of the exercise period to purchase the shares to which he or she is entitled.

The Remuneration Committee, exercising its delegated authority to manage the SOP, shall determine the rights and/or adjust the grant conditions in case of the following: split or consolidation of shares, free capital increase of Finmeccanica S.p.A. by the allocation of new shares or changes in par value, paid capital increase of Finmeccanica S.p.A. through the offering of new shares or a merger or demerger of Finmeccanica S.p.A. or the distribution of extraordinary dividends.

Name or category	Category	Date of meeting resolution	Description of the instrument	Number of financial instruments underlying the options granted but not yet exercisable	Number of financial instruments underlying the exercisable options not yet exercised	Grant date by the relevant body	Strike price	Market price of the underlying instruments on the grant date	Maturity of the options
Pier Francesco Guarguaglini	Chairman and Chief Executive Officer Finmeccanica S.p.A.	16 May 2003: resolution concerning shares used to service the Plan - newly issued or purchased on the market - and subsequently renewed on an annual basis. Following this resolution, the previous 2002-2004 phantom stock option plan was converted by the Board of Directors of Finmeccanica - which had previously reserved the right to review this conversion - into a plan based on real options.	Purchase options on Finmeccanica S.p.A. shares	0	130,810	Board of Director's meeting of 14 November 2002; conversion into real stock options at the Board of Director's meeting of 12 November 2003	€ 14	€ 11.82	31 December 2009
Nicola Aurilio	Chief Executive Officer Alenia Composite S.p.A.			0	9,880	Remuneration Committee meeting of 5 December 2002; conversion into real stock options at the Board of Director's meeting of 12 November 2003		€ 12.78	
Philip Francis Robinson	Chief Executive Officer SELEX Communications Ltd.			0	7,280	Remuneration Committee meeting of 5 December 2003		€ 12.69	
Carlo Alberto Iardella	Chief Executive Officer Oto Melara S.p.A.			0	4,545	Remuneration Committee meeting of 5 December 2002; conversion into real stock options at the Board of Director's meeting of 12 November 2003		€ 12.78	
Giorgio Zappa	Chief Operating Officer Finmeccanica S.p.A.	16 May 2003: resolution on the shares used to service the Plan - newly issued or acquired the market - and subsequently renewed on an annual basis. Following this resolution, the previous 2002-2004 phantom stock option plan was converted by the Board of Directors of Finmeccanica - which had previously reserved the right to review this conversion - into a plan based on real options	Purchase options on Finmeccanica S.p.A. shares	0	87,375	Remuneration Committee meeting of 5 December 2002; conversion into real stock options at the Board of Director's meeting of 12 November 2003	€ 14	€ 12.78	31 December 2009
Finmeccanica Group managers (27)		16 May 2003: resolution concerning shares used to service the Plan - newly issued or purchased on the market - and subsequently renewed on an annual basis. Following this resolution, the previous 2002-2004 phantom stock option plan was converted by the Board of Directors of Finmeccanica - which had previously reserved the right to review this conversion - into a plan based on real options	Purchase options on Finmeccanica S.p.A. shares	0	226,480	Remuneration Committee meeting of 5 December 2002; conversion into real stock options at the Board of Director's meeting of 12 November 2003	€ 14	€ 12.78	31 December 2009
Finmeccanica Group managers (11)				0	45,400	Remuneration Committee meeting of 5 December 2003		€ 12.69	
Finmeccanica Group managers (10)				0	28,440	Remuneration Committee meeting of 14 October 2004		€ 11.89	
Finmeccanica Group advisors (4)				0	36,005	Remuneration Committee meeting of 5 December 2002; conversion into real stock options at the Board of Director's meeting of 12 November 2003		€ 12.78	

FINMECCANICA – SOCIETÀ PER AZIONI

2005 - 2007 PERFORMANCE SHARE PLAN

1. Beneficiaries

The members of the 2005-2007 Performance Share Plan (the “PSP” or the “Plan”) who are currently on the Board of Directors of Finmeccanica S.p.A. or of the Italian and foreign companies directly or indirectly controlled by it, provided that this office represents the principal activity carried out for the Finmeccanica Group, are listed below.

Name	Role
Pier Francesco Guarguaglini	Chairman and Chief Executive Officer Finmeccanica S.p.A.
Giovanni Bertolone	Chief Executive Officer Alenia Aeronautica S.p.A.
Giorgio Brazzelli	Chairman Alenia Aermacchi S.p.A.
Carmelo Cosentino	Chief Executive Officer Alenia Aermacchi S.p.A.
Gennaro Di Capua	Chief Executive Officer Alenia Aeronavali S.p.A.
Nicola Aurilio	Chief Executive Officer Alenia Composite S.p.A.
Giuseppe Giordo	Chief Executive Officer Alenia North America Inc.
Cristoforo Romanelli	Chief Executive Officer Quadrics Ltd.
Amedeo Caporaletti	Chairman AgustaWestland NV
Giuseppe Orsi	Chief Executive Officer AgustaWestland NV
Bruno Spagnolini	Chief Executive Officer Agusta S.p.A.
Bruno Cellemme	Chief Executive Officer Agusta Aerospace Corporation
Stephen Moss	Chief Executive Officer AgustaWestland North America Inc.
Cosentino Mike	Chief Executive Officer AgustaWestlandBell LLC
Roberto Assereto	Chief Executive Officer AnsaldoBreda S.p.A.
Giuseppe Zampini	Chief Executive Officer Ansaldo Energia S.p.A.
Roberto Adinolfi	Chief Executive Officer Ansaldo Nucleare S.p.A.
Sergio Praitano	Chief Executive Officer Ansaldo Ricerche S.p.A.

Lucio Gallo	Chief Executive Officer Ansaldo Fuel Cells S.p.A.
Maurizio Tucci	Chief Executive Officer SELEX Communications S.p.A.
Philip Francis Robinson	Managing Director SELEX Communications Ltd.
Mathias Motzigemba	Sole Administrator SELEX Communications GMBH
Vincenzo Zanni	Chairman ElsagDatamat S.p.A.
Carlo Gualdaroni	Chief Executive Officer ElsagDatamat S.p.A.
Sabatino Stornelli	Chief Executive Officer SELEX Service Management
Steven Mogford	Chief Executive Officer SELEX Sensors & Airborne Systems S.p.A.
Nicholas Franks	Managing Director SELEX Sensors & Airborne Systems Ltd.
Renzo Meschini	Chief Executive Officer and Managing Director Galileo Avionica S.p.A.
Scott Rettig	Chief Executive Officer SELEX Sensors & Airborne Systems US Inc.
Marina Grossi	Chief Executive Officer SELEX Sistemi Integrati S.p.A.
Carlo Alberto Iardella	Chief Executive Officer Oto Melara S.p.A.
Giuseppe Veredice	Chief Executive Officer Telespazio S.p.A.
Olivier Colaitis	Chief Executive Officer Telespazio France Sas
Luca Luigi Manuelli	Chief Executive Officer Finmeccanica Group Services S.p.A.
Alessandro De Dominicis	Chief Executive Officer So.Ge.Pa. S.p.A.
Alberto De Benedictis	Chief Executive Officer Finmeccanica UK Ltd.
Mario Torre	Chief Executive Officer AMTEC S.p.A.
Giuseppe Cosentino	Chief Executive Officer WASS S.p.A.
Ignazio Moncada	Chairman FATA S.p.A.
Roberto Ceraudo	Chairman and Chief Executive Officer Bredamenarinibus S.p.A.
Anna Maria Oliva	Chief Executive Officer Trimprobe S.p.A.
Carlo Giancaspro	Chief Executive Officer Space Software Italia S.p.A.

The members of the Plan who are currently officers of Finmeccanica S.p.A. are listed below.

Name	Role
Giorgio Zappa	Chief Operating Officer Finmeccanica S.p.A.

The members of the Plan who are currently managers with regular access to privileged information and who have the power to adopt management decisions that could affect the growth and future prospects of Finmeccanica S.p.A. are listed below.

Managers pursuant to Article 152 – sexies, paragraph 1, subparagraph c) – c.2 of the Italian Financial Services Act (TUF)	2
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The members of the Plan who are currently managers and senior advisors of Finmeccanica S.p.A. and of the Italian and foreign companies directly or indirectly controlled by it are listed below.

Finmeccanica Group managers	551
Finmeccanica Group advisors	4

2. Reasons for adopting the Plan

2.1. and 2.1.1.

The main aims of the PSP are as follows:

- d) to involve and motivate the management, directors and senior advisors of the Finmeccanica Group whose work is considered of fundamental importance for attaining the Group's objectives;
- e) to communicate the Company's ambition to share with the Group's senior management the expected growth in value of the Company, also attained through good stock exercise;
- f) to retain the Group's key resources, providing an incentive for them to remain with the Group.

The introduction of the PSP, with reference to the three-year period 2005-2007, completes the architecture of the Finmeccanica Group compensation scheme, bringing this into line with the latest international practice and the widespread use of equity instruments in the definition of long-term incentive schemes.

For all management categories involved in the PSP, the potential incentives associated with this represent a significant component of the overall pay package: this helps guide the activities and efforts of the management towards the creation of value over the

medium and long term, while at the same time helping to reduce the fixed costs of the remuneration scheme.

The three-year timeframe is consistent with the structure of the industrial and strategic planning process within the Finmeccanica Group.

2.2. and 2.2.1.

The PSP's purpose is to grant the right to receive common shares of Finmeccanica S.p.A. free of charge, subject to the attainment of specific exercise targets and the simultaneous fulfilment of the conditions laid down in the Plan regulations.

In particular, the issue of shares is subject to two exercise objectives being met during the three-year period 2005-2007, according to the procedures and criteria described below:

- 40% of the shares: attainment of the annual and periodic order targets (with the corresponding average margin) set out in the 2005-2007 Budget/Plan;
- 60% of the shares: attainment of the annual and periodic EVA targets set out in the 2005-2007 Budget/Plan.

For managers of Finmeccanica Group subsidiaries, these refer to the targets set out in the Budget/Plan of the operating companies concerned; however, for managers of Finmeccanica Corporate, they refer to the values in the Group's consolidated Budget/Plan.

According to the Board of Director's meeting of 29 September 2005 which authorised the creation of the Plan, the two parameters used to define the targets are able to optimise the exercise of the beneficiaries to support the growth and development of the business over the medium and long term and dovetail neatly with the Group's incentive scheme and the various economic and operating levers that it applies.

The targets are independent and are thus measured and estimated separately.

2.3. and 2.3.1.

All individual assignments are made with the aim of selectively rewarding, in line with the benchmarks in the markets concerned, the contribution of "key" managers of Finmeccanica Group and of supplementing a compensation scheme able to attract, motivate and retain senior management.

In terms of the calculation method used to determine the number of shares allocated to each member, the Group has acted in accordance with standard market practice and based on gross annual salary, depending on the position and the assessment given in the annual management review. As part of this process, which culminates in a series of one-to-one meetings between the top management of the Finmeccanica Group operating companies and the top management of Finmeccanica Corporate, management considerations regarding the management population are discussed, for instance relating to individual exercise, diligence, seniority, skills or knowledge demonstrated and potential development in the medium and long term.

In order to determine the individual grants, the unit value of the stock was estimated as €15.03, which corresponds to the average official price recorded on the stock exchange during the period from 1 January 2005 (when the Plan started) and 29 September 2005, when the Board of Directors formally established the Plan.

2.4.

Not applicable.

2.5.

The resolution of the Board of Directors concerning the PSP has without doubt been influenced by the entry into force of the new international accounting standards and the consequent uniformity in the treatment of stock option plans, the potential increase in the dilutory effects on share capital and the randomness of returns associated with stock option plans.

2.6.

Not applicable.

3. Approval procedure and timeframe for the allocation of instruments

The Ordinary General Meeting of 1 June 2005 also gave permission, on the recommendation of the Board of Directors of 21 April 2005, to purchase treasury shares to service a stock grant plan for the period 2005-2007, consisting of the free allocation of common shares subject to the attainment of the objectives set out in the Plan regulations.

More specifically, the shareholders authorised, pursuant to and within the meaning of Article 2357 of the Italian Civil Code, the purchase, in one or more tranches and for a period of 18 months from the date of the resolution, of up to 7,500,000 common shares of Finmeccanica - Società per azioni at a minimum price per common share of €4.40, equal to its par value (€0.22 prior to consolidation), and a maximum per share of €20.00 (€1.00 prior to consolidation) to service the new 2005-2007 stock grant plan; this authorisation was subsequently renewed on an annual basis by special resolution of the shareholders, to the extent and in the manner considered appropriate.

Specifically, the procedure whereby shares are purchased to service the Plan has been changed. This has been set at a maximum and minimum unit price that should be equal to the reference price recorded on the Italian stock exchange on the day before the purchase, plus or minus 5% for the maximum and minimum price respectively.

At its meeting of 20 September 2005, the Remuneration Committee examined the issue and prepared a proposal for the creation of the 2005-2007 Performance Share Plan. This stated that the adoption of the corresponding implementing regulations should be delegated by the Board of Directors to the Remuneration Committee, as with the share allocation, on the basis of the management's recommendation.

At its meeting of 29 September 2005, the Board of Directors resolved on the formal establishment of the 2005-2007 Performance Share Plan, instructing the Remuneration Committee to approve the corresponding implementing regulations.

At its meeting of 28 November 2005, the Remuneration Committee approved the regulations for the 2005-2007 Performance Share Plan and, on the basis of the recommendation made by the Chairman and Chief Executive Officer, identified members eligible to take part in the PSP, with the corresponding individual allocations.

The Board of Directors of Finmeccanica S.p.A. is the body responsible for decisions

relating to the Plan. Therefore:

4. it approves the general framework of the Plan and any changes thereto;
5. it delegates the approval of the implementing regulations and any amendments thereto, as well as management of the Plan, to the Remuneration Committee (the "Committee");

With regard to Plan management, the Committee, on the recommendation of the management of Finmeccanica S.p.A.:

6. identifies members of the Plan and grants options to them, except for authorised directors of Finmeccanica S.p.A.;
7. defines the exercise targets on which the exercise of the options is conditional and the criteria for their measurement;
8. verifies that members are still eligible to take part in the Plan during the reference period;
9. defines the parameter that re proportions the number of options granted in case of members joining or leaving the Plan during the period of exercise (1 January 2005-31 December 2007);
10. verifies, by directly obtaining the necessary information, that the exercise targets have been met and decides the number of options that may be exercised by each member as a result.

Value of Finmeccanica S.p.A. stock on the date of authorisation of the proposal concerning the shares to be used to service the exercise share plan for the period 2005-2007 by the Board of Directors of Finmeccanica S.p.A. at the meeting of 21 April 2005: **€14.73**

Value of Finmeccanica S.p.A. stock on the date of allocation of shares to PSP members (28 November 2005): **€15.91**

4. Features of the instruments allocated

The PSP is a stock grant plan involving the free allocation of common shares of Finmeccanica – Società per Azioni, subject to the attainment of specific exercise targets and the simultaneous fulfilment of the conditions set out in the corresponding implementing regulations.

The Plan's exercise targets are based on the period 2005-2007, which thus represents the vesting period of the shares allocated; the period of exercise of the PSP expires on 31 December 2007.

The actual allocation of the shares is subject to the attainment of specific exercise conditions, according to the criteria and measurements illustrated in paragraph 2 above.

More specifically, the PSP includes a mechanism for the periodic release of shares in predefined tranches, in advance of their maturity of 31 December 2007, subject to the attainment of specific exercise objectives, outlined below:

- a) 40% of the shares: attainment of the annual and periodic order targets (with the corresponding average margin) set out in the 2005-2007 Budget/Plan;

This objective is considered attained each year if the annual and periodic targets for orders and the corresponding average margin are met. For employees of Finmeccanica S.p.A., this refers to the values and margins set out in the Group's Budget/Plan, while for employees of the Group's subsidiaries, it refers to the values contained in the Budget/Plan of the relevant company, according to the margins set out therein.

In particular, the actual allocation of the shares, once the targets have been met, takes place in three tranches, as follows:

- 25%, with reference to the attainment of the 2005 target, in line with the average margins forecast;
 - 25%, with reference to the attainment of the 2006 target, in line with the average margins forecast, increased by an amount corresponding to any underexercise recorded in fiscal year 2005;
 - 50%, with reference to the attainment of the 2007 target, in line with the average margins forecast, increased by an amount corresponding to any underexercise accumulated in fiscal years 2005 and 2006. In case of non-payment of one or more incentives correlated to the targets for 2005 and 2006, these will be recovered based on an accumulation principle applied to the results obtained in subsequent periods once the 2007 target has been met.
- b) 60% of the shares: attainment of the annual and periodic EVA targets set out in the 2005-2007 Budget/Plan.

The objective is considered attained each year if the annual and periodic EVA targets are met. For employees of Finmeccanica S.p.A., this refers to the EVA values set out in the Group's Budget/Plan, while for employees of the Group's subsidiaries, it refers to the values in the Budget/Plan of the relevant company.

In particular, the actual allocation of the shares, once the targets have been met, will take place in three tranches, as follows:

- 25%, with reference to the attainment of the 2005 target;
- 25%, with reference to the attainment of the 2006 target, increased by any under exercise recorded in fiscal year 2005;
- 50%, with reference to the attainment of the 2007 target, increased by an amount corresponding to the total under exercise accumulated in fiscal years 2005 and 2006. In case of non-payment of one or more incentives correlated to the targets for 2005 and 2006, these will be recovered based on an accumulation principle applied to the results obtained in subsequent periods once the 2007 target has been met.

At its meeting of 23 May 2007, the Remuneration Committee, on the basis of the draft 2006 annual and consolidated financial statements, took steps to verify the extent to which the exercise targets had been met both at Group level and among the various companies, deciding the number of shares effectively attributable to each member for fiscal year 2006. Following this verification, the Committee authorised the allocation of a total of 1,072,258 shares, which, due to slight changes in the number of allottees subsequent to the meeting date, was reduced to 1,063,640. These shares will be physically delivered by the end of fiscal year 2007.

At its meeting of 11 May 2006, the Committee, on the basis of the draft 2005 annual and consolidated financial statements, had previously examined the extent to which the exercise targets had been met both at Group level and among the various companies, deciding the number of shares effectively attributable to each member for fiscal year 2005. Following this verification, and due to subsequent marginal adjustments, 1,076,225 shares were effectively allocated and delivered during fiscal year 2006.

Since the physical delivery of the shares – completed by the first business day in the fiscal period following that in which they were issued – there has been no restriction on trading in the shares.

In case of dismissal for just cause or resignation without just cause of a member, as in the case of dismissal from office of a director for just cause, or resignation without just cause of a director, or in case of the withdrawal of the Company, or the withdrawal of an independent contractor without just cause, taking place prior to the delivery of the shares, the member concerned will be automatically excluded from the Plan and consequently all options granted to that member and not yet exercised on the date on which employment ceases shall be immediately cancelled.

In case of mutual termination of a member's employment, with the prior written consent of Finmeccanica S.p.A. or a Group company, or in case of the dismissal without just cause or resignation with just cause of a member, as in the case of the departure from office of a director not due to dismissal for just cause, or the resignation for just cause of a director, or in case of the withdrawal of an independent contractor for just cause, a parameter will be applied that re proportions the number of options granted so as to take account of the actual time spent in the Plan by the member in relation to the total duration of the Plan.

This provision also applies in the event that the employment of the member, whether a permanent employee or independent contractor, or the directorship, is terminated due to death, permanent disability or retirement.

Based on provisional estimates that take account of the extent to which the 2007 exercise targets currently proposed have been attained, the total cost of the PSP for the 2005-2007 period to Finmeccanica Group should be in the region of €70 million.

The PSP has no dilutory effect on the capital of Finmeccanica S.p.A., since this is based on treasury shares purchased on the market, pursuant to the authorisation granted by the shareholders at their meeting on 1 June 2005 and subsequently renewed.

Name or category	Category	Date of meeting resolution	Description of the instrument	Number of instruments allocated by the relevant body (1)	Date of allocation by the relevant body	Purchase price of the instruments, where applicable	Market price on the allocation date	Term of the restriction on the sale of instruments (2)
Pier Luigi Guarguaglini	Chairman and Chief Executive Officer Finmeccanica S.p.A.	1 June 2005: authorisation for the acquisition and disposal of treasury shares to derive the Plan, subsequently renewed each year		67,365	Remuneration Committee meeting of 28 November 2005		€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 EVA target of Eltag; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 consolidated orders target (with budget margins) of Finmeccanica Group
Giovanni Bertolone	Chief Executive Officer Alenia Aeronautica S.p.A.			26,946	Remuneration Committee meeting of 28 November 2005		€15.91	
Giorgio Brazzelli	Chairman Alenia Aermacchi S.p.A.			29,940	Remuneration Committee meeting of 28 November 2005		€15.91	
Carmelo Cosentino	Chief Executive Officer Alenia Aermacchi S.p.A.			20,209	Remuneration Committee meeting of 28 November 2005		€15.91	
Gennaro Di Capua	Chief Executive Officer Alenia Aermacchi S.p.A.			9,282	Remuneration Committee meeting of 11 May 2006		€18.01	
Nicola Aurilio	Chief Executive Officer Alenia Aermacchi S.p.A.			16,168	Remuneration Committee meeting of 28 November 2005		€15.91	
Giuseppe Giordo	Chief Executive Officer Alenia North America Inc.			4,748	Remuneration Committee meeting of 11 May 2006		€15.91	
Cristoforo Romanelli	Chief Executive Officer Quadrics Ltd.			8,328	Remuneration Committee meeting of 28 November 2005		€15.91	
Amedeo Caporaletti	Chairman AgustaWestland NV			39,296	Remuneration Committee meeting of 28 November 2005		€15.91	
Giuseppe Orsi	CEO AgustaWestland NV			28,817	Remuneration Committee meeting of 28 November 2005		€15.91	
Bruno Spagnolini	Chief Executive Officer Agusta S.p.A.			19,835	Remuneration Committee meeting of 28 November 2005		€15.91	
Bruno Cellemme	Chief Executive Officer Agusta Aerospace Corporation			6,264	Remuneration Committee meeting of 28 November 2005	Free share allocation	€15.91	
Stephen Moss	Chief Executive Officer Agusta Westland North America			13,204	Remuneration Committee meeting of 28 November 2005		€15.91	
Mike Cosentino	Chief Executive Officer Agusta WestlandBell LLC		7,956	Remuneration Committee meeting of 28 November 2005		€15.91		
Roberto Assereto	Chief Executive Officer AnsaldoBreda S.p.A.		32,934	Remuneration Committee meeting of 28 November 2005		€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 EVA target of AnsaldoBreda (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 orders target (with budget margins) of AnsaldoBreda	
Giuseppe Zampini	Chief Executive Officer Finmeccanica S.p.A.		26,454	Remuneration Committee meeting of 28 November 2005		€15.91		
Roberto Adinolfi	Chief Executive Officer Ansaldo Nucleare S.p.A.		9,013	Remuneration Committee meeting of 28 November 2005		€15.91		
Sergio Praitano	Chief Executive Officer Ansaldo Energia S.p.A.		7,100	Remuneration Committee meeting of 28 November 2005		€15.91		
Lucio Gallo	Chief Executive Officer Ansaldo Fuel Cells S.p.A.		19,960	Remuneration Committee meeting of 28 November 2005		€15.91		
Maurizio Tucci	Chief Executive Officer SELEX Communications S.p.A.		42,084	Remuneration Committee meeting of 28 November 2005		€15.91		
Philip Francis Robinson	Managing Director SELX Communications Ltd.		15,835	Remuneration Committee meeting of 28 November 2005		€15.91		
Mathias Motzigemba	Sole Administrator SELEX Communications GMBH		6,531	Remuneration Committee meeting of 11 May 2006		€18.01		
Vincenzo Zanni	Chairman EltagDatam S.p.A.		29,940	Remuneration Committee meeting of 28 November 2005		€15.91		

Name or category	Category	Date of meeting resolution	Description of the instrument	Number of instruments allocated by the relevant body (1)	Date of allocation by the relevant body	Purchase price of the instruments, where applicable	Market price on the allocation date	Term of the restriction on the sale of instruments (2)	
Carlo Guadaroni	Chief Executive Officer ElsaDatamat S.p.A.	1 June 2005: authorisation for the acquisition and disposal of treasury shares to service the Plan, subsequently renewed each year	Shares of Finmeccanica S.p.A.	23,453	Remuneration Committee meeting of 28 November 2005		€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 EVA target of Eltag; (ii) 40% of the shares: attainment of 2007 annual target + accumulated 2005-2007 orders target (with budget margins) of Eltag	
Sebastiano Stornelli	Chief Executive Officer SELEX Service Management			21,956	Remuneration Committee meeting of 28 November 2005		€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 EVA target of SELEX Service Management; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 orders target (with budget margins) of SELEX Service Management	
Steven Mogford	Chief Executive Officer SELEX Sensors & Airborne Systems S.p.A.			14,822	Remuneration Committee meeting of 28 November 2005		€15.91		
Renzo Meschini	Chief Executive Officer and Managing Director Galileo Avionica S.p.A.			25,449	Remuneration Committee meeting of 28 November 2005		€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 consolidated EVA target of SELEX Sensors & Airborne Systems; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 orders target (with budget margins) of SELEX Sensors & Airborne Systems	
Nicholas Franks	Managing Director SELEX Sensors & Airborne Systems Ltd			32,965	Remuneration Committee meeting of 11 May 2006		€18.01		
Scott Retting	Chief Executive Officer SELEX Sensors & Airborne Systems US Inc.			8,078	Remuneration Committee meeting of 28 November 2005		€15.91		
Marina Grossi	Chief Executive Officer SELEX Sistemi Integrati S.p.A.			22,455	Remuneration Committee meeting of 11 May 2006		€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 EVA target of SELEX Sistemi Integrati; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 orders target (with budget margins) of SELEX Sistemi Integrati	
Carlo Alberto Iardella	Executive Officer Oto Melara S.p.A.			19,087	Remuneration Committee meeting of 28 November 2005		€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 EVA target of Oto Melara; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 orders target (with budget margins) of Oto Melara	
Giuseppe Veredice	Chief Executive Officer Telespazio S.p.A.			20,958	Remuneration Committee meeting of 28 November 2005		€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 EVA target of Telespazio; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 orders target (with budget margins) of Telespazio	
Olivier Colaitis	Chief Executive Officer Telespazio France Sas			6,387	Remuneration Committee meeting of 28 November 2005		€15.91		
Luca Luigi Manuelli	Chief Executive Officer Finmeccanica Group Services S.p.A.			13,099	Remuneration Committee meeting of 28 November 2005		€15.91		
Alessandro De Dominicis	Chief Executive Officer So.Ge.Pa. S.p.A.			13,473	Remuneration Committee meeting of 28 November 2005		Free share allocation	€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 consolidated EVA target of Finmeccanica Group; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 consolidated orders target (with budget margins) of Finmeccanica Group.
Alberto De Benedictis	Chief Executive Officer Finmeccanica UK Ltd.			23,394	Remuneration Committee meeting of 28 November 2005			€15.91	
Mario Torre	Chief Executive Officer AMTEC S.p.A.			22,376	Remuneration Committee meeting of 28 November 2005			€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 target EVA Eltag; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 orders target (with budget margins) of Eltag
Giuseppe Cosentino	Chief Executive Officer WASS S.p.A.			13,934	Remuneration Committee meeting of 28 November 2005			€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 target EVA WASS; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 orders target (with budget margins) of WASS.
Ignazio Moncada	Chairman FATA S.p.A.	29,641	Remuneration Committee meeting of 28 November 2005			€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 target EVA FATA; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 orders target (with budget margins) of FATA		
Roberto Ceraudo	Chairman and Chief Executive Officer Bredamenarinibus S.p.A.	15,470	Remuneration Committee meeting of 28 November 2005			€18.81	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 EVA target of Bredamenarinibus; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 orders target (with budget margins) of Bredamenarinibus		
Anna Maria Oliva	Chief Executive Officer Trimprobe S.p.A.	4,290	Remuneration Committee meeting of 28 November 2005			18,81	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 EVA target of Trimprobe; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 orders target (with budget margins) of Trimprobe		

Name or category	Category	Date of meeting resolution	Description of the instrument	Number of instruments allocated by the relevant body (1)	Date of allocation by the relevant body	Purchase price of the instruments, where applicable	Market price on the allocation date	Term of the restriction on the sale of instruments (2)
Carlo Giancaspro	Chief Executive Officer Space Software Italia S.p.A.			10,520	Remuneration Committee meeting of 28 November 2005		€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 EVA target of Elsag; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 orders target (with budget margins) of Elsag
Giorgio Zappa	Chief Operating Officer Finmeccanica S.p.A.	1 June 2005: authorisation for the acquisition and disposal of treasury shares to service the Plan, subsequently renewed each year.	Shares of Finmeccanica S.p.A.	43,165	Remuneration Committee meeting of 28 November 2005	Free share allocation	€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 consolidated EVA target of Finmeccanica Group; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 consolidated orders target (with budgeted margins) of Finmeccanica Group.
Managers pursuant to Article 152 – sexes, paragraph 1, subparagraph c) – c.2 of the Italian Financial Services Act (TUF)		1 June 2005: authorisation for the acquisition and disposal of treasury shares to service the Plan, subsequently renewed each year.	Shares of Finmeccanica S.p.A.	73,479	Remuneration Committee meeting of 28 November 2005	Free share allocation	€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 consolidated EVA target of Finmeccanica Group; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 consolidated orders target (with budget margins) of Finmeccanica Group.
Finmeccanica Group managers (476)		1 June 2005: authorisation for the acquisition and disposal of treasury shares to service the Plan, subsequently renewed each year.	Shares of Finmeccanica S.p.A.	3,156,681	Remuneration Committee meeting of 28 November 2005	Free share allocation	€15.91	(i) 60% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 EVA of the operating company concerned; (ii) 40% of the shares: attainment of the 2007 annual target + accumulated 2005-2007 orders target (with budget margins) of the operating company concerned
Finmeccanica Group managers (75)				337,989	Remuneration Committee meeting of 11 May 2006		€18.01	
Finmeccanica Group advisors (4)				72,878	Remuneration Committee meeting of 28 November 2005		€15.91	

(1) In accordance with CONSOB guidelines, this column contains the total number of Finmeccanica S.p.A. shares whose effective allocation is subject to the attainment of the exercise forecast for fiscal year 2007, in addition to the number of shares correlated to exercise targets for fiscal year 2006, whose delivery is anticipated in December 2007. Where necessary, it may also include shares not previously allotted due to the failure to attain the conditions forecast for fiscal years 2005 and 2006, but which can be "recovered" when annual and accumulated targets are attained in 2007.

(2) In accordance with CONSOB guidelines, this column contains the exercise conditions on which the delivery of the shares is conditional; the percentages refer to the 2007 tranche, without including any tranches that may be recovered if the exercise forecast for 2007 is attained.