

Rome, 6 March 2014

Finmeccanica: the Board of Directors approves the project of a New Group Organizational and Operating Model

The Board of Directors of Finmeccanica, convened today under the chairmanship of Gianni De Gennaro, examined and approved the project for a **New Group Organizational and Operating Model** applying to the *Aerospace, Defence and Security* sectors (“A,D&S”).

The New Organizational Model is in line with similar initiatives promoted by our main competitors aimed at effectively tackling the challenges posed by the transformations affecting the international scenarios of reference. These transformations mainly relate to the reduction of domestic budgets, the gradual completion of programs funded by the Governments and the increase of competitiveness requirements.

The New Organizational Model will enable to value the human capital, increase the return on invested capital and ensure higher profitability, sustainability and cash flow generation. It represents a further significant step towards strengthening the Groups’s governance, thus executing Finmeccanica’s Strategic Plan as at May 2013, with the following key objectives:

- restructuring, re-launch and development of A,D&S, through relevant consolidation and industrial reorganization initiatives;
- concentration in A,D&S, through the disposal of Ansaldo Energia and the expected deconsolidation of the Transportation;
- enhancing of Governance, through a number of targeted initiatives aimed at shortening the reporting lines, increasing the organisation’s effectiveness and improving management efficiency.

Finmeccanica Group will be able to enhance its role on international markets and in the reconfiguration processes of the sector of reference worldwide and it will also strengthen the growth of the Italian high-tech manufacturing industry.

The New Organizational Model will be implemented through the following actions:

Finmeccanica is Italy’s main industrial group, leader in the high technology field, and ranks among the top ten groups at world level in the Aerospace, Defence and Security sectors. Listed on the Milan Stock Exchange (FNC IM; SIFI.MI), with revenues of approximately 17 billion Euro, over 68,000 employees, 150 operating and commercial locations and 345 production facilities in 50 different countries world-wide, Finmeccanica is an international and multicultural group with an important presence in its four domestic markets: Italy, United Kingdom, the United States and Poland. Finmeccanica’s success is based on its technological excellence, which springs from conspicuous investments in Research & Development (amounting to 12% of the revenues), and the constant efforts it makes to develop and integrate the skills, know-how and values of its operating companies. Finmeccanica is active in the following sectors: Helicopters (AgustaWestland), Defence Electronics and Security (Selex ES, DRS) and Aeronautics (Alenia Aermacchi) – which represent its core business – and it is also well positioned in the sectors of Space (Telespazio, Thales Alenia Space), Defence Systems (Oto Melara, WASS, MBDA) and Transportation (Ansaldo STS, AnsaldoBreda, BredaMenarinibus).

- the Corporate will play a new strategic direction and control role over the Group Companies involved, in order to increase the effectiveness in managing the product and business portfolio;
- the Corporate and the Operating Companies will manage in a coordinated way all the activities related to products, markets, order execution and service in Helicopters, Aeronautics, Defence Electronics and Security, Space and Defence Systems;
- the Support Functions will be verticalized to guarantee harmonization of procedures, strengthen of governance and Group identity;

The New Organizational Model, involving both Finmeccanica and the Operating Companies, will be executed in strict collaboration with the CEO's of the Companies involved, by gradually adopting the necessary organizational measures.

Following today's Board of Directors resolutions, Finmeccanica will achieve a more effective production function, a higher level of industrial productivity, will exploit economies of scale and scope and will increase competitiveness, thus pursuing economic benefits in the medium term.

The New Organizational Model does not apply to Transportation sector, expected to be deconsolidated, to the international joint ventures in Space and Defence Systems, to the subsidiary DRS Technologies and to FATA, that will continue to be managed under the direct responsibility of the Corporate.