

FINMECCANICA – Società per azioni

ORDINARY SHAREHOLDERS' MEETING

28th April 2009 at 10,30 a.m. (1st call)

29th April 2009 at 10,30 a.m. (2nd call)

BOARD OF DIRECTORS' REPORTS

Agenda

1. Annual Financial Statements for the year ended 31st December 2008; reports by the Board of Directors, Board of Statutory Auditors and Independent Auditors; related resolutions.
2. Appointment of the Board of Statutory Auditors for the 2009-2011 three year term.
3. Appointment of the Chairman of the Board of Statutory Auditors.
4. Determination of the emoluments of the Board of Statutory Auditors.
5. Authorisation to purchase and disposal of treasury shares in relation to the share incentive plans; inherent and ensuing resolutions.

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Board of Director's report on the first item on the agenda

Annual financial statements for the year ended 31st December 2008; reports by the Board of Directors, Board of Statutory Auditors and Independent Auditors; related resolutions

Shareholders,

The 2008 annual financial statements, which we are submitting for your approval, show a profit of €116,090,359.83. We recommend that this should be distributed as follows:

- €5,804,517.99, or 5% of the profit, to be appropriated to the legal reserve;
- €110,285,841.84 to be carried forward.

We also recommend that up to €237,205,701.31 be allocated to Shareholders from retained earnings available for distribution in the form of a €0.41 dividend for each dividend share, including any shares relating to the exercise of subscription rights/purchase of own shares assigned under stock option plans.

The recommended dividend and its increase on previous years is due to the growth in operating income posted in the prior period and in previous years and is compatible with the cash flow from operations generated in FY 2008.

Wherefore we submit for your approval the following

Agenda

“The Ordinary General Meeting of the Shareholders of FINMECCANICA – Società per azioni”:

- having read the Board of Director's report;

- having read the Board of Statutory Auditor's report;
- having viewed the financial statements for the year ended 31.12.2008;
- acknowledging the report of PricewaterhouseCoopers S.p.A.;

resolves

- to approve the Board of Director's report and the financial statements for the year ended 31 December 2008;
- to approve the recommendation made by the Board of Directors to allocate the profit of €116,090,359.83 as follows:
 - €5,804,517.99, or 5% of the profit, to be appropriated to the legal reserve;
 - €110,285,841.84 to be carried forward;
- to approve the recommendation made by the Board of Directors that up to €237,205,701.31 be allocated to Shareholders from retained earnings available for distribution in the form of a €0.41 dividend for each dividend share, including any shares relating to the exercise of subscription rights/purchase of own shares assigned under stock option plans.

For the Board of Directors
The Chairman and Chief Executive Officer
(Pier Francesco Guarguaglini)

Board of Director's report on the second item on the agenda

Appointment of the Board of Statutory Auditors for the 2009-2011 three year term

Shareholders,

The Ordinary General Meeting of the Shareholders of your Company, in the meeting of 23 May 2006, appointed the Board of Statutory Auditors for the 2006-2008 term, therefore this term of office will expire with the approval of the financial statements at 31 December 2008.

Therefore you are hereby invited to attend the Ordinary Shareholders' meeting to appoint the new Board of Statutory Auditors for the 2009-2011 term.

The Board of Statutory Auditors, which consists of five Regular Statutory Auditors and two Alternate Statutory Auditors, will be appointed pursuant to the terms of Article 28 of the Company's Articles of Association, to which reference should be made.

Under the terms of the aforesaid regulation and in accordance with the legislation in force, the following should be noted:

- the Meeting shall appoint the members of the Board of Statutory Auditors on the basis of lists submitted by the Shareholders, in which the candidates shall be listed in consecutive order;
- each list shall be divided into two sub-lists, one for the candidates for the office of Regular Statutory Auditor and one for the candidates for the office of Alternate Statutory Auditor;
- at least the first of the candidates in each sub-list must be entered in the official register of auditors of accounts, and must have been performing as a legal auditor of accounts for a period of no less than three years;

- only those Shareholders who, alone or jointly with other Shareholders, collectively hold at least one per cent of the Company's capital with voting rights at Ordinary Shareholders' Meetings shall be entitled to submit lists;
- each Shareholder may submit or jointly submit one list only, and each candidate may appear on only one list, failing which he or she shall be disqualified;
- the lists of candidates signed by the submitting Shareholder or Shareholders must be filed at the registered office of the Company – Piazza Monte Grappa 4, Rome – at least ten days prior to the date set for the Meeting at first call (and therefore no later than 18th April 2009), and must be published within the same deadline in at least three Italian national daily newspapers, two of which must be financial. To enable the Shareholders to submit the lists within the aforesaid deadline, the Company's Offices shall remain open from 09,00 a.m. to 05,00 p.m. on Saturday 18th April 2009;
- together with each list and within the same ten day deadline, declarations must also be filed at the registered office of the Company, by means of which the candidates accept their candidature and state, upon their own responsibility, that there are no reasons for ineligibility or incompatibility with the office, and that they meet the requirements prescribed by the legislation in force and the Articles of Association. In particular, it should be noted that each candidate must satisfy the independence requirements laid down for auditors in Article 148, paragraph 3, of Legislative Decree no. 58/1998, and must satisfy the requirements for good repute and professionalism laid down in Decree no. 162 by the Minister of Justice of 30th March 2000, pursuant to the terms of Article 148, paragraph 4, of Legislative Decree no. 58/1998; being your Company registered in the relevant section of the general list of financial intermediaries pursuant to Article 113 of Legislative Decree no. 385 of 1st September 1993, the candidates for the office of Auditor must also meet the requirements for good repute laid down in Decree no. 516 by the Italian Minister of the Treasury, Budget and Economic Planning of 30th December 1998. In addition, any persons holding the office of Regular Statutory Auditor in five Italian issuers, or holding other administration and control offices in other companies exceeding the limit provided for in the applicable relevant

regulations (article 144-*terdecies* of Consob Regulation no. 11971/1999), cannot be elected to the office of Auditor, or if elected shall be removed from office;

- in accordance with the guidelines set forth in the Corporate Governance Code for Listed Companies concerning the submission of lists, the Board of Directors expressly recommends that Shareholders submit their lists to the registered office of the Company at least fifteen days prior to the date set for the Meeting at first call;
- moreover, in accordance with the terms of the aforesaid Corporate Governance Code and Article 144-*sexies* and 144-*octies* of Consob Regulation no. 11971/1999, the Shareholders are reminded that a CV should be submitted together with each list containing detailed information about the personal and professional characteristics of each candidate, as well as a declaration by the Shareholders, other than those who, alone or jointly, hold the controlling or majority shareholding, stating the absence of any link to these latter within the meaning of Article 144-*quinqüies* of the aforesaid Consob Regulation. With regard to the contents of the aforesaid declaration, which is required under the terms of Article 144-*sexies*, paragraph 4b), of the Regulation, the attention of the Shareholders submitting a minority list is drawn to Consob Communication no. DEM/9017893 of 26th February 2009;
- taking into account that, pursuant to the terms of Article 2400, final paragraph, of the Italian Civil Code, at the time of appointment and prior to acceptance of the office the Meeting must be informed of the administration and control offices held by each Auditor in other companies, upon submission of the lists each candidate must also provide a specific declaration to that effect, which may be attached to the CV and should be regularly updated up to the time when the Shareholders' Meeting effectively takes place. The candidates should also ensure that they have authorized the publication of their CVs on the Company's web site;
- finally, in order to prove their possession of the number of shares necessary for the submission of lists, the Shareholders must provide and/or deliver to the registered office of the Company a copy of the documentation attesting their

entitlement to take part in the Meeting at least five days in advance of the date set for the Meeting at first call.

If for any reason whatsoever the appointment of one or more Regular Statutory Auditors or Alternate Statutory Auditors cannot take place in accordance with the procedures of the list voting system, the General Meeting shall adopt a resolution in accordance with the minority representation's principle.

With regard to the mechanism for the appointment of Auditors elected by list voting system, Article 28 of the Articles of Association also states as follows:

- each person entitled to vote may only vote for one list during the Meeting;
- at least two Regular Statutory Auditors and one Alternate Statutory Auditor shall be taken from those entered in the official register of auditors of accounts who have been performing as legal auditor of accounts for a period of no less than three years;
- the Auditors who do not meet these requirements shall be selected from among those who have gained at least three years' overall experience in performing the activities or functions listed in Article 28.1, paragraph 3, of the Company's Articles of Association, with reference to the areas and sectors of relevance to the performance of the activities listed in Article 4 of the Articles of Association (corporate objects);
- three Regular Statutory Auditors and one Alternate Statutory Auditor shall be selected from the list obtaining the majority of the votes from Shareholders taking part in the meeting;
- two Regular Statutory Auditors and one Alternate Statutory Auditor shall be selected from the minority lists, as explained in Article 28.3, paragraph 11b), of the Articles of Association.

In relation to the foregoing, the Shareholders are invited to vote at the meeting for one of the lists of candidates for the office of Regular Statutory Auditors and Alternate

Statutory Auditors, from among those submitted, filed and published in accordance with the aforementioned provisions.

For the Board of Directors
The Chairman and Chief Executive Officer
(Pier Francesco Guarguaglini)

Board of Director's report on the third item on the agenda

Appointment of the Chairman of the Board of Statutory Auditors

Shareholders,

Article 28.3 penultimate paragraph of the Articles of Association, in accordance with Article 148, paragraph 2-*bis* of Legislative Decree no. 58/1998, provides that The Chairman of the Board of Statutory Auditors shall be appointed by the General Meeting from among those Auditors elected by the minority.

In relation to the foregoing, the Shareholders are invited to vote at the meeting for the appointment of the Chairman of the Board of Statutory Auditors from among those Auditors elected by the minority.

For the Board of Directors
The Chairman and Chief Executive Officer
(Pier Francesco Guarguaglini)

Board of Director's report on the fourth item on the agenda

Determination of the emoluments of the Board of Statutory Auditors

Shareholders,

Article 28.1 of the Articles of Association remits to the General Meeting the determination of the emoluments of the Board of Statutory Auditors.

In this respect, Shareholders are reminded that the Ordinary General Meeting of 23 May 2006 decided that the emoluments of the outgoing Board of Statutory Auditors would be as follows: (a) €52,000.00 gross per annum for Regular Statutory Auditors; (b) €78,000,00 gross per annum for the Chairman of the Board of Statutory Auditors.

In relation to the foregoing, the Shareholders are invited to decide the emoluments of the Chairman and other members of the Board of Statutory Auditors based on the proposals made by Shareholders during the meeting.

For the Board of Directors
The Chairman and Chief Executive Officer
(Pier Francesco Guarguaglini)

Board of Director's report on the fifth item on the agenda

Authorization to purchase and disposal of treasury shares in relation to the share incentive plans; inherent and ensuing resolutions

Shareholders,

As you are aware, on 16 January 2008 the Ordinary General Meeting approved, within the meaning of and pursuant to Article 2357 of the Italian Civil Code, a wide plan to purchase treasury shares on one or more occasions and for a period of 18 months from the date of the resolution, subject to a limit of 34,000,000 ordinary shares, at a maximum and minimum unit price equivalent to the reference price recorded on the Italian Electronic Stock Exchange organized and managed by Borsa Italiana S.p.A. on the day preceding the purchase, plus or minus 5% for the maximum and minimum price respectively.

Under the plan, up to 11,100,000 ordinary shares would be intended for – even future – allotments servicing the performance share plans and up to 22,900,000 ordinary shares would be used to maximize Shareholder's value.

According to this plan, it was expected that the shares purchased would remain available not only for the performance share plans, but for any industrial projects or extraordinary financial operations, if required.

In 2008, the Shareholders' resolution was implemented with limited respect to the performance share plans for Group management. A further 1,225,000 treasury shares were purchased from the market, in addition to the No. 343,774 treasury shares already held, to fulfil the requirements of these plans, since the criteria for full execution of the resolution had not arisen.

In 2008, to finance the purchase by Finmeccanica of the US firm DRS Technologies, the Company proceeded – *inter alia* - to increase its capital, asking Shareholders to contribute around EUR 1.2 billion.

In this context, it was thought that implementing another buyback plan would be inconsistent with the Company's financial requirements.

Therefore, in the light of the foregoing, the request for authorization to purchase and disposal of treasury shares should now be considered strictly limited to the requirements of the 2002-2004 and 2008-2010 incentive plans since, in the meantime, the incentive plan for the three-year period 2005-2007 has ended, with the beneficiaries receiving shares for the 2007 financial year on 1st October 2008.

For the 2002-2004 incentive plan, No. 566,911 options for the purchase/subSCRIPTION of an equivalent number of shares are still to be exercised by No. 58 beneficiaries. Of these, No. 400,096 can be serviced using new shares to be issued in return for the capital increase originally authorized to service the plan, which is due to be implemented by 31st December 2009.

In this regard, the Board of Directors believes that the use of treasury shares could feasibly also be extended to options that, when exercised, will be serviced by newly issued shares, thus improving flexibility in terms of the shares servicing the plan, and avoiding further increases in share capital.

Furthermore, authorization to use of treasury shares to fulfil subscription options exercised under the 2002-2004 incentive plan, without limitation or differentiation, would allow the Board of Directors to examine the possibility of extending the deadline for the exercise of options, which in its Regulation establishing the plan was set for 31st December 2009, without the need to renew the authorization for the capital increase servicing the plan.

The performance of the financial markets which led to a widespread fall in share prices across the world's stock markets, and thus also the Company's share price, without this being a fair reflection on the Company's performance or net worth, has led us to the conclusion that unless the current market trend is reversed, the aforementioned deadline of 31st December 2009 would severely penalize those who, counting on a further rise in value owing to the Company's positive performance, have held onto their options.

In consideration of the foregoing, we submit for Your approval the request for authorization within the meaning of and pursuant to Article 2357 of the Italian Civil Code, to purchase on one or more occasions, and to be able to dispose of, for a period of 18 months from the date of the resolution, No. 7,500,000 ordinary shares of Finmeccanica – Società per azioni, at a maximum and minimum unit price equivalent to the reference price recorded on the Italian Electronic Stock Exchange organized and managed by Borsa Italiana S.p.A. on the day preceding the intended purchase, plus or minus 5% for the maximum and minimum price respectively, to fulfil the residual requirements of the 2002-2004 incentive plan and to meet the requirements of the 2008-2010 incentive plan, approved by the Ordinary General Meeting on 30 May 2007 and formally established by the Board of Directors on 18 December 2007.

The shares intended to service the 2002-2004 and 2008-2010 incentive plans will be purchased in the proportions deemed appropriate and according to the following procedures:

- purchase on the market in accordance with the operating procedures laid down by the market regulations (Art. 114-bis, paragraph 1b) of the Issuers' Regulations adopted by Consob Resolution No. 11971 of 14/05/1999, as subsequently amended);
- purchase and sale of derivatives traded on regulated markets (Art. 114-bis, paragraph 1c) of the Issuers' Regulations adopted by Consob Resolution No. 11971 of 15/05/1999, as subsequently amended).

For treasury shares intended to service the performance share plans, these will be released to beneficiaries according to the terms and conditions, time limits and procedures laid down in the plans themselves and/or in the corresponding implementing regulations.

On the date of this report, Finmeccanica – Società per azioni holds No. 447,209 treasury shares, equivalent to 0.077% of the share capital.

Wherefore we submit for Your approval the following

Agenda

The Ordinary General Meeting of Finmeccanica – Società per azioni:

- having regard to the resolutions of the Ordinary General Meeting of 16 January 2008 relating to the authorization to purchase and disposal treasury shares to service a plan for the purchase and disposal of up to No. 34,000,000 ordinary shares, including the requirements of existing incentive plans;
- considering the provisions contained in Articles 2357 and 2357-ter of the Italian Civil Code and Article 132 of the Legislative Decree no. 58/1998;
- taking account of the No. 447,209 treasury shares already held by the Company, equivalent to approximately 0.077% of the share capital;

resolves

1. to revoke, insofar as it has not been used, the authorization for the purchase and disposal of treasury shares referred to in the resolutions of the Ordinary General Meeting of 16 January 2008, without prejudice to the resolutions already adopted by meeting in relation to the approval of said incentive plans;

2. to authorize, within the meaning of and pursuant to Article 2357 of the Italian Civil Code, the purchase, on one or more occasions and for a period of 18 months from the date of this resolution, of a maximum of No. 7,500,000 ordinary shares of Finmeccanica – Società per azioni, and thus taking into account the treasury shares already held, subject to a limit of 10% (ten per cent) of the share capital and at a maximum and minimum unit price that must be equal to the reference price recorded on the Italian Electronic Stock Exchange organized and managed by Borsa Italiana S.p.A. on the day preceding the intended purchase, plus or minus 5% (five per cent) for the maximum and minimum price respectively, to be used to service both the 2008-2010 incentive plan and the residual requirements of the 2002-2004 incentive plan;

3. to authorize the Board of Directors, and the Chairman and Chief Executive Officer on its behalf, to proceed, under the aforesaid terms and conditions and based on the proportions considered appropriate, with the purchase of the treasury shares in accordance with the following procedures:
 - purchase on the market in accordance with the operating procedures laid down by the market regulations (Art. 144-bis, paragraph 1b) of the Issuers' Regulations adopted by Consob Resolution No. 11971 of 14/05/1999, as subsequently amended);
 - purchase and sale of derivatives traded on regulated markets (Art. 144-bis, paragraph 1c of the Issuers' Regulations adopted by Consob Resolution No. 11971 of 14/05/1999, as subsequently amended);

4. to authorize the disposal at any time, wholly or in part and on one or more occasions, of the treasury shares already in the portfolio and those purchased pursuant to this resolution, in order to service, subject to a decision of the Board

of Directors and in accordance with the legal provisions, said incentive plans according to the terms and conditions, time limits and procedures set forth in the plans themselves and/or in the corresponding implementing regulations.

For the Board of Directors
The Chairman and Chief Executive Officer
(Pier Francesco Guarguaglini)