

Results at 31 December 2019

**Leonardo: 2019 results delivering or exceeding Guidance for the second year in a row. Revenues € 13.8 bn (+12.6% YoY), EBITA € 1.3 bn (+12% YoY)  
Net Result € 822 mln (+61% YoY) strong growing  
Dividend distribution proposed of € 0.14 per share, in line with 2018  
Fully focused on execution of Industrial Plan**

**Full Year 2019 results show continued successful delivery of plan**

- Delivering or exceeding targets
- 2018-2019 Cumulated Orders at ca. € 30 billion, above the expectations
- 2019 New Orders intake at € 14.1 billion, +16.6% excluding NH90 Qatar order in 2018
- Profitability (RoS) at 9.1%, 10.1% excluding pass-through activities
- FOCF at € 241, above the Guidance for the second year in a row
- Group Net Debt at € 2.8 billion, in line with expectations

**Despite the challenges in making forecasts in the current situation due to the COVID-19 emergency, Leonardo believes it is appropriate to provide Guidance in a continuity scenario, without including COVID-19 impacts**

- New Orders at ca. € 14 billion
- Revenues at € 14.0 – 14.5 billion
- EBITA at € 1,325 – 1,375 million
- FOCF at € 400 – 450 million
- Grup Net Debt at ca. € 2.8 billion (Including € 0.1 bn higher IFRS 16 effect, Kopter acquisition ca. € 0.2 bn and assuming dividend payment)

**Leonardo has clear view of long-term goals and clear strategic path, focused on**

- **Strengthen our core**
- **Transform to grow**
- **Master the new**, accelerating innovation

**Strong confidence in long-term fundamentals: updating Industrial Plan target over the next 5 years**

- Orders ca. € 80 billion, +10 billion compared to 2018-2022 target (€ 70 bn)
- Revenues CAGR 4%. 5%-6% growth in 2017-2024 confirmed
- EBITA CAGR 8%, with growing and steadily double-digit RoS excluding pass-through activities
- ROIC growing
- FOCF step up in 2020 onwards
- Cash Flow Conversion\* >60% on average over the next 5 years; with the aim of exceeding 70% in 2023-2024

\* Cash flow conversion rate = FOCF / EBITA after cash financial charges and cash taxes

**Rome, 12 March 2020** – Leonardo's Board of Directors, convened today under the Chairmanship of Gianni De Gennaro, examined and unanimously approved the draft of Group consolidated and Leonardo S.p.A. financial statements at 31 December 2019.

Alessandro Profumo, Leonardo CEO commented, “*Over the past 2 years we have been delivering or exceeding our promises and we are very well positioned to succeed in the long-term. We have a clear view on our strategic path: strengthening and transforming our business to growth and accelerate the innovation improving business competitiveness in the long-term. We are fully committed to deliver our Plan to create value for all our stakeholders*”.

The 2019 year saw the full implementation of the growth project envisaged in the Industrial Plan, with results in line with or above the preset targets.

The significant increase in Revenues in all business sectors, driven by the success achieved in terms of sales, was accompanied by an increase in operating profit capable of also offsetting the lower contribution given by certain strategic joint ventures. The sustainability of this growth over the long term and the creation of value for the Group are guaranteed by the investments made in people, skills and innovative technologies.

The net result for the period, showing a considerable increase compared to the previous year, benefitted from sharp growth in the net result before extraordinary transactions, lower restructuring costs and a reduction in the amortisation and depreciation of assets arising from the Purchase Price Allocation, as well as from the effects arising from the transaction with Hitachi, classified under the result from "Discontinued operations".

In 2019 the Group Net Debt included the effect of the adoption of IFRS 16 on lease agreements for € 451 mln (€ 458 mln as at the date of initially application), the payment of dividends (€ 81 mln), the acquisition of Vitrociset (€ 110 mln, including the acquiree's net financial position of € 63 mln) and other minor acquisitions. Without these effects, the Group's Net Debt would have remained substantially unchanged compared to 2018.

2019 results highlights are as follows:

- **New Orders**, amounted to **EUR 14,105 million**. The orders gained in 2018 included the acquisition of the NH90 Qatar order for about € 3 bn in the segment of *Helicopters*; while excluding this event, the performance improved in all business sectors.
- **Order Backlog**, amounted to **EUR 36,513 million**, ensures a coverage in terms of equivalent production equal to more than 2.5 years
- **Revenues**, amounted to **EUR 13,784 million**, showed a significant increase (12.6%) compared to 2018 (€ 12.2 bn), which was mainly attributable to the *Defence Electronics & Security* and *Aeronautics Divisions*.
- **EBITA**, amounted to **EUR 1,251 million** showed significant growth compared to 2018 (€ 1,120 mln), thus confirming a sound profitability (ROS of 9.1%, in line with the previous year) as a result of an improvement recorded in the *Defence Electronics & Security*, *Helicopters* and *Aeronautics Divisions*, which more than offset a decline in the result posted by the *GIE-ATR Consortium* and in the manufacturing segment in the *Space* sector. The operating profit also reflected the investments made in strengthening the central units in support of the Group's path to growth.
- **EBIT**, amounted to **EUR 1,153 million**; showed, compared to 2018 (€ 715 mln), an increase equal to € 438 mln (+61.3%), which was due to an improvement in EBITA, as well as to a reduction in restructuring costs and the completion of a large part of the amortisation of intangible assets recognised upon the acquisition of *Leonardo DRS* (Purchase Price Allocation).

- **Net Result before extraordinary transactions**, amounted to **EUR 722 million**, mainly benefitted, compared to the previous year, from an improvement in the operating profit, net of related tax charge.
- **Net Result**, amounted to **EUR 822 million**, included the effects of the release of a large part of the provision set aside against the guarantees given upon the sale of the transport business of AnsaldoBreda S.p.A. following the subsequent signature of the transaction with Hitachi. The data for 2018 included the effects of the judgment of acquittal towards Ansaldo Energia and another minor transaction, which had led to the recognition of proceeds of € 89 mln among the result from Discontinued Operations.
- **Free Operating Cash Flow (FOCF)**, posted a positive value of € 241 mln (€ 336 mln in 2018).
- **Group Net Debt** amounted to **EUR 2,847 million**, reflects the positive impact of FOCF performance. However, compared to the value posted at 31 December 2018 (€ 2,351 mln), came to € 2,847 mln, mainly as a result of the recognition of financial liabilities arising from the application of IFRS 16 “Leases” (the effect on the Group Net Debt at 1 January 2019 was equal to € 458 mln), as well as of the impact on the net financial position of the Vitrociset transaction (€ 110 mln, including the acquiree’s net financial position of € 63 mln) and the distribution of dividends (for € 81 mln). The effects of the adoption of the IFRS16 “Leases” on the 2019 financial statements are reported in the Note on the “Effects of the new IFRS16 “Leases” of Report on operations.

## Dividend

Leonardo's Board of Directors has resolved to propose to the Shareholders' Meeting the distribution of a dividend of 0,14 euro, from the profit of the year 2019, gross of any withholding taxes. This dividend would be payable as of June 24, 2020, with ex-dividend date on June 22, 2020 and record date (ie the date of entitlement to the dividend payment) June 23, 2020. The above with reference to each share of common stock that will be outstanding on the ex-dividend date, excluding the own shares held on that date, without prejudice to the regime of those that will be effectively assigned, pursuant to the current incentive plans, during the current year.

## Guidance before COVID-19 impact

Before COVID-19 impact, Leonardo currently expects the following in 2020:

- high level of new orders (circa € 14 bn) thanks to the closing of important domestic and export orders in all business segments, demonstrating the Group's ability to effectively manage its key markets;
- revenues of € 14 - 14.5 bn, with growth compared to 2019 driven by the contribution of the EFA Kuwait programme, the solid order portfolio and the positioning of the Group's products in the most attractive market segments;
- increasing profitability, with EBITA of € 1,325 - 1,375 mln, supported firstly by growth in volumes secondly by good levels of industrial profitability that we are seeing despite increasing pass-through activities, thirdly by the progressive improvement of the profitability of specific business areas, and finally through initiatives to improve both efficiency and industrial processes;
- cash flow generation significantly improved against 2019, with FOCF of € 400 – 450 mln as a result of the financial profile of the EFA Kuwait contract as well as growth in operating income and our constant focus on working capital optimisation.
- group net debt in the range of ca. € 2.8 bn, and which includes an additional IFRS 16 effect (circa € 0.1 bn), the acquisition of Kopter (approximately € 0.2 bn), and dividend payment.

The estimates for the year 2020 are summarized below.

These estimates do not include the potential impacts of COVID-19(\*)

	<b>FY2019</b>	<b>2020 Outlook</b> (**)
Orders (€bn)	14.1	ca. 14
Revenues (€bn)	13.8	14 – 14.5
EBITA (€m)	1,251	1,325 – 1,375
FOCF (€m)	241	400 – 450
Group Net Debt (€bn)	2.8	ca. 2.8 (***)

(\*) Within the sections "Leonardo and risk management" and "Significant post balance sheet events", the topic related to COVID-19 is discussed

(\*\*) Assuming a € / USD exchange rate of 1.15 and € / GBP of 0.88.

(\*\*\*) Includes an additional IFRS 16 effect (approximately €0.1bn), the acquisition of Kopter (approximately €0.2bn) and dividend payment

## Significant recent developments

Leonardo's Board of Directors acknowledged that the COVID-19 emergency will likely have an impact on the group's ordinary course of business. This is despite mitigating actions promptly put in place by the Company and aimed primarily at preserving business and production continuity and fully ensuring the health and safety of employees.

At the current state of knowledge of the spread of the emergency, the main areas likely to be impacted by the Covid-19 emergency are the following:

- commercial campaigns
- continuity of supply chain
- respect of production times / flows
- respect of timing and acceptance processes of products/activities by customers

In this regard, Leonardo Board of Directors concluded that the current trend of the emergency, now classified by the WHO as a "pandemic", accompanied by uncertainty related to further developments in terms of impact on public health and, consequently, on industrial, economic and social situation of Italy, does not allow any quantification of the potential effects on 2020 Group's performance.

Leonardo has made and is making extensive and widespread use of remote working but cannot, at the moment, exclude selective and temporary partial and targeted suspension of operations of certain departments within production sites which by nature do not offer the possibility of remote working.

The company will promptly inform the market once the evolution of the situation allow a quantification of the possible impact, included recovery actions.

The Board of Directors believes that what is happening does not change the Group's solid medium-long term fundamentals.

## GROUP RESULTS

Group (Euro million)	FY 2018	FY 2019	Chg.	Chg. %
<b>New Orders</b>	15,124	14,105	(1,019)	(6.7%)
<b>Order Backlog</b>	36,118	36,513	395	1.1%
<b>Revenues</b>	12,240	13,784	1,544	12.6%
<b>EBITDA(*)</b>	1,534	1,817	283	18.4%
<b>EBITA (**)</b>	1,120	1,251	131	11.7%
<b>ROS</b>	9.2%	9.1%	(0.1) p.p.	
<b>EBIT (***)</b>	715	1,153	438	61.3%
<b>EBIT Margin</b>	5.8%	8.4%	2.6 p.p.	
<b>Net result before extraordinary transactions</b>	421	722	301	71.5%
<b>Net result</b>	510	822	312	61.2%
<b>Group Net Debt</b>	2,351	2,847	496	21.1%
<b>FOCF</b>	336	241	(95)	(28.3%)
<b>ROI</b>	16.4%	16.7%	0.3 p.p.	
<b>ROE</b>	9.7%	14.7%	5.0 p.p.	
<b>Workforce (no.)</b>	46,462	49,530	3,068	6.6%

(\*) EBITDA this is EBITA before amortisation, depreciation and adjustments impairment (net of those relating to goodwill or classified among "non-recurring costs").

(\*\*) EBITA is obtained by eliminating from EBIT the following items: any impairment in goodwill; amortisation and impairment, if any, of the portion of the purchase price allocated to intangible assets as part of business combinations, restructuring costs that are a part of defined and significant plans; other exceptional costs or income, i.e. connected to particularly significant events that are not related to the ordinary performance of the business.

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

## Main figures of the fourth quarter 2019

- **New Orders:** amounted to **EUR 5,526 million**, -3.6% compared to fourth quarter 2018.
- **Revenues:** amounted to **EUR 4,650 million**, +16.3% compared to fourth quarter 2018.
- **EBITA:** amounted to **EUR 565 million**, +15.8% compared to fourth quarter 2018.
- **EBIT:** amounted to **EUR 505 million**, +47.2% compared to fourth quarter 2018.
- **Net Result before Extraordinary Transactions:** amounted to **EUR 355 million**, +38.1% compared to fourth quarter 2018.
- **Net Result:** amounted to **EUR 357 million**, +44.5% compared to fourth quarter 2018.
- **Free Operating Cash Flow (FOCF):** amounted to **EUR 1,458 million**, +28.3% compared to fourth quarter 2018.

## SECTOR PERFORMANCE

<b>FY 2018</b> (Euro million)	<b>New Orders</b>	<b>Order Backlog</b>	<b>Revenues</b>	<b>EBITA</b>	<b>ROS</b>
Helicopters	6,208	12,151	3,810	359	9.4%
Defence Electronics & Security	6,823	12,572	5,953	522	8.8%
Aeronautics	2,569	12,220	2,896	328	11.3%
Space	-	-	-	58	n.a.
Other activities	102	146	340	(147)	(43.2%)
<i>Eliminations</i>	<i>(578)</i>	<i>(971)</i>	<i>(759)</i>	-	<i>n.a.</i>
<b>Total</b>	<b>15,124</b>	<b>36,118</b>	<b>12,240</b>	<b>1,120</b>	<b>9.2%</b>

<b>FY 2019</b> (Euro million)	<b>New Orders</b>	<b>Order Backlog</b>	<b>Revenues</b>	<b>EBITA</b>	<b>ROS</b>
Helicopters	4,641	12,551	4,025	431	10.7%
Defence Electronics & Security	7,022	12,848	6,701	613	9.1%
Aeronautics	2,788	11,640	3,390	362	10.7%
Space	-	-	-	39	n.a.
Other activities	234	372	463	(194)	(41.9%)
<i>Eliminations</i>	<i>(580)</i>	<i>(898)</i>	<i>(795)</i>	-	<i>n.a.</i>
<b>Total</b>	<b>14,105</b>	<b>36,513</b>	<b>13,784</b>	<b>1,251</b>	<b>9.1%</b>

<b>Change %</b>	<b>New Orders</b>	<b>Order Backlog</b>	<b>Revenues</b>	<b>EBITA</b>	<b>ROS</b>
Helicopters	(25.2%)	3.3%	5.6%	20.1%	1.3 p.p.
Defence Electronics & Security	2.9%	2.2%	12.6%	17.4%	0.3 p.p.
Aeronautics	8.5%	(4.7%)	17.1%	10.4%	(0.6) p.p.
Space	n.a.	n.a.	n.a.	(32.8%)	n.a.
Other activities	129.4%	154.8%	36.2%	(32.0%)	1.3 p.p.
<i>Eliminations</i>	<i>(0.3%)</i>	<i>7.5%</i>	<i>(4.7%)</i>	<i>n.a.</i>	<i>n.a.</i>
<b>Total</b>	<b>(6.7%)</b>	<b>1.1%</b>	<b>12.6%</b>	<b>11.7%</b>	<b>(0.1) p.p.</b>

<b>FY 2018</b> <i>(Euro million)</i>	<b>New Orders</b>	<b>Revenues</b>	<b>EBITA</b>	<b>ROS %</b>
Electronics – Europe	4,409	4,011	394	9.8%
Leonardo DRS	2,438	1,980	128	6.5%
<i>Eliminations</i>	<i>(24)</i>	<i>(38)</i>	<i>-</i>	<i>n.a.</i>
<b>Total</b>	<b>6,823</b>	<b>5,953</b>	<b>522</b>	<b>8.8%</b>

<b>FY 2019</b> <i>(Euro million)</i>	<b>New Orders</b>	<b>Revenues</b>	<b>EBITA</b>	<b>ROS %</b>
Electronics – Europe	4,444	4,289	427	10.0%
Leonardo DRS	2,611	2,438	186	7.6%
<i>Eliminations</i>	<i>(33)</i>	<i>(26)</i>	<i>-</i>	<i>n.a.</i>
<b>Total</b>	<b>7,022</b>	<b>6,701</b>	<b>613</b>	<b>9.1%</b>

<b>Change %</b>	<b>New Orders</b>	<b>Revenues</b>	<b>EBITA</b>	<b>ROS %</b>
Electronics – Europe	0.8%	6.9%	8.4%	0.2 p.p.
Leonardo DRS	7.1%	23.1%	45.3%	1.1 p.p.
<i>Eliminations</i>	<i>(37.5%)</i>	<i>31.6%</i>	<i>n.a.</i>	<i>n.a.</i>
<b>Total</b>	<b>2.9%</b>	<b>12.6%</b>	<b>17.4%</b>	<b>0.3 p.p.</b>

	<b>New Orders</b>	<b>Revenues</b>	<b>EBITA</b>	<b>ROS %</b>
Leonardo DRS (\$ mln.) FY 2018	2,880	2,339	151	6.5%
Leonardo DRS (\$ mln.) FY 2019	2,923	2,729	208	7.6%
Leonardo DRS (€ mln.) FY 2018	2,438	1,980	128	6.5%
Leonardo DRS (€ mln.) FY 2019	2,611	2,438	186	7.6%



## Helicopters

The trend in 2019 confirmed the effectiveness of the path the Group embarked on in the previous year, showing an excellent performance, with Revenues and profitability on the rise compared to 2018. The commercial performance was also positive, although with lower volumes of orders compared to 2018, which had benefitted from the recognition of the NH90 Qatar contract for about € 3 bn.

In the civil sector the Group confirmed its product leadership in the Intermediate segment of civil/dual-use helicopters, now also having an actual footprint in the Light Intermediate and Medium segments, thanks to the completion of the so-called “product family” (AW169, AW139 and AW189), which was confirmed, in the dual-use segment, with the delivery of the thousandth AW139 helicopter in September 2019. In the military sector the development of variants for military use based on the civil configuration (AW169M and AW139M) brought important orders on domestic and international markets in 2019. In particular, note, on the international market, the important acknowledgment on the part of the US Air Force, which has chosen the MH-139 helicopter (named as Grey Wolf, the first unit of which was delivered in 2019) to replace the fleet of UH-1N Huey. In addition to the orders signed in the period, which are detailed below, in January 2020 the business was further driven towards success with the US Navy awarding the contract for a first lot of 32 TH-73 (AW119) helicopters for training missions.

Work continued in 2019 on unmanned products: development continued for the HERO (SD-150) helicopter pending the forthcoming certification and the SW-4 Solo prototype carried out its maiden flight in a fully unmanned configuration as early as in 2018. It should be noted that through the mentioned acquisition of the company Kopter, finalised in January 2020, and the future certification of the SH09 single-engine helicopter, Leonardo is entering a new market segment with an innovative product, which can attain considerable market shares whereby expanding its client base. Thanks to a further enlarged product range Leonardo can consolidate more its role in the civil sector. The new helicopter will be a dual-use product with possible military applications as well.

New orders showed a decline compared to the previous year as a result of the acquisition of the abovementioned NH90 Qatar order in 2018. Among the main acquisitions for the period note the contract for the supply of 23 NH90 tactical helicopters to the Spanish Ministry of Defence, the contract for the supply of 4 AW101 naval multi-role helicopters to the Polish Ministry of Defence, in addition to the orders relating to Customer Support and Training operations and the orders relating to AW139, including, in particular, 17 helicopters for the Air Force, 5 helicopters for the National Fire Brigades (*Corpo Nazionale dei Vigili del Fuoco*) in Italy and 4 helicopters for the Fire Department in the Miami-Dade County.

Revenues showed an increase compared to 2018 due to higher volumes for Customer Support and Training operations and military and government programmes, both for domestic and foreign customers, including the programmes of NH90 Qatar, MH-139 for the US Air force and the NEES (New Exploration and Escort Helicopter) for the Italian Army. These improvements more than offset the lower revenues from customers in the civil aircraft segment, mainly on the AW109/119 and AW189 lines.

EBITA showed an increase compared to 2018 due to higher revenues and an improved profitability, as a result of the favourable mix of operations carried out on government programmes and Customer Support and Training, as well as of a review of the terms and conditions of the UK pension scheme.

Outlook. In line with the objectives set out in 2018 and in planning to optimise industrial processes and improve competitiveness of the main products, in 2020 the Division's path to growth is expected

to be strengthened, with double-digit profitability and revenue volumes sustained by the excellent commercial performance, confirming the quality of a product portfolio positioned in the most attractive segments of the market.

## **Electronics, Defence & Security Systems**

2019 was characterised by a good performance in commercial terms confirming the growth trend recorded last year especially for *Leonardo DRS*, and in financial terms, with Revenues and EBITA on the rise compared to the previous year.

With reference to the *Electronics Division*, in the segment of *Airborne & Space Systems*, there is a recognised position of strength in the field of radars and electronic warfare thanks to new technological developments that have promoted greater market penetration; a distinctive position is also to be found in the segment of drones, confirmed by the use of the Falco Evo remotely-piloted aircraft in 2019 in the operations of the European agency Frontex for the monitoring of illegal immigration and the launch of the Falco Xplorer, a unmanned aerial vehicle in the light MALE (Medium-Altitude, Long-Endurance) Aircraft category, at the Paris International Air Show (June 2019). In the segments of *Naval and Land Systems and Defence Systems* Leonardo has benefitted from important measures linked to the Naval Law, thus leading to a general increase in the capabilities of the system, providing valuable opportunities and synergy in international markets in the business segments concerned.

With reference to the *Cyber Security Division*, there is strong competitive pressure with the scenarios concerned evolving all the time and operational challenges increasingly faced by means of digital transformation processes. In this area, Leonardo is a prominent producer of security, mobility and connectivity solutions, while also strengthening its position thanks to investments underway and to the enlargement of the portfolio of products.

New Orders showed an increase compared to 2018 due to the good performance in the European Defence Electronics & Security and in Leonardo DRS that confirms the excellent performance recorded in the previous year, and due to the positive effect of the USD/€ exchange rate. Among the main acquisitions during the period, Leonardo DRS was awarded the contract for the US Army mission commands for the production of the new generation of IT systems, known as Mounted Family of Computer Systems (MFoCS), and the additional supply to the US Army and Marine Corps, of TROPHY systems for the active protection of Abrams tanks; for the Electronics Division note the export order for the supply of a naval combat system and, in the United Kingdom, the orders for Airborne Systems for the development of electronically scanning radar avionics and communication systems. For the Automation business, note the orders for the upgrading of baggage handling systems for Geneva and Athens International Airports.

Revenues showed an increase compared to 2018, mainly due to the increased activities of Leonardo DRS and for Airborne Systems, as well as to the positive effect of the USD/€ exchange rate.

EBITA showed an increase compared to 2018, mainly due to higher volumes. ROS remained at good levels, although it was affected by a mix of revenues still characterised by "pass-through" activities and by programs under development or acquired in particularly competitive contexts, which are fundamental for positioning on key customers and for achieving the objectives for the coming years.

Outlook. In 2020, revenue volumes are expected to grow slightly and profitability is expected to improve further, despite the fact that the business mix is still characterised by programmes under development and significant shares of "pass-through" revenues.

## Aeronautics

In 2019 new orders were gained for an amount of € 2.8 bn, 68% of which related to the *Aircraft Division*. From a production point of view, 164 deliveries were made for fuselage sections and 92 stabilisers for the B787 programme (compared to 142 fuselages and 85 stabilisers delivered in 2018) and 68 deliveries of fuselages for the ATR programme (85 delivered in 2018). For the military programmes, the deliveries involved 4 C-27J aircraft and 41 wings for the F-35 programme (31 in 2018) to Lockheed.

In the military aircraft segment, the Eurofighter gained further ground in export markets after contracts with Kuwait and Qatar and the new developments (E-SCAN electronically scanning radars) which help to enhance operational capacity and performance. The M346 remained the leader in the trainer segment, which saw the launch of new versions and developments (M346 FT/FA) and of M345 HET models (maiden flight at the end of 2018), as well as the expansion of the range to start taking in complete IFTS (International Flight Training School) training systems. In the tactical air transport segment, production was optimised with a view to greater competitiveness, with interesting prospects of new developments, including dual-use projects. Among vehicles for special missions were the first two ATR MP72 delivered to the Italian Finance Police. As regards civil aircraft business, ATR established its leadership in the regional transport segment. Here its objective is further to strengthen its position by means of continuous improvement in product and customer support.

In the aerostructures segment note their primary role in the supply of large structural components both in traditional materials (aluminium alloys) and in advanced materials (composites and hybrids), for the main commercial aeronautical programmes such as the 787, 767, A321, ATR, A220, A380 aircraft and for military platforms such as F-35, Eurofighter, C-27J.

New Orders showed an increase compared to 2018 due to the higher orders gained for training and ATR special version aircraft. Among the main acquisitions in 2019 note:

- in the *Aircraft Division* the order for the supply of 13 additional M345 aircraft to the Italian Army and related logistical support for five years, the first order for the sale of 6 M346 aircraft in the new FT/FA version to a foreign customer, the orders gained from the Eurofighter Consortium for services of engineering and support to the fleet of EFA (European Fighter Aircraft), as well as from Lockheed Martin in relation to the F-35 programme and from other customers for logistical support to the C27J, ATR Maritime Patrol and training aircraft. Finally, note the execution of the export contract for 2 a/c C-27J aircraft during the last quarter of 2019, again in the military aircraft segment;
- in the *Aerostructures Division* the orders for the supply of B787 and ATR fuselages for production operations on the B767, A321 and A220 programmes.

Revenues showed an increase compared to 2018 as a result of the rump-up of the production of the EFA-Kuwait programme in the *Aircraft Division* and of higher production rates of the B787 programmes in the *Aerostructures Division*.

*EBITA* showed an increase compared to the result posted in 2018. The improvement recorded in the *Aircraft Division*, which confirmed excellent profitability levels, and in the *Aerostructures Division*, the performance of which started to benefit from actions aimed at improving efficiency of manufacturing processes, more than offset the lower result posted by the *GIE-ATR Consortium*, which was penalised by lower deliveries and a different mix.

Outlook. In 2020 revenues are expected to increase in the Aeronautics sector, mainly as a result of an increase in production volumes in the *Aircraft Division*, especially correlated to the EFA Kuwait contract, with profitability that is confirmed at excellent levels.

## Space

In 2019 the sector recorded a commercial performance characterised by the good performance of the segment of services against a decline in the manufacturing segment, in particular in the field of satellites for Earth Observation, Exploration and Navigation.

In terms of results of operations, the 2019 financial year was affected by the bad performance of the manufacturing segment, which recorded lower business volumes, particularly for telecommunications satellites, and higher costs on development programmes relating to new generation satellite platforms, as well as significant restructuring costs arising from the plan to reduce workforce in order to cope with the drop in workloads at certain French sites. This deterioration was partly offset by the positive results of the satellite services component which, on the other hand, showed higher revenues and a marked improvement in net profit compared to the previous year, as a result of higher volumes, as well as of the restructuring costs under Law 92/2012 (Fornero Act) recorded on the Italian operations in 2018.

Outlook. 2020 was marked by substantially stable business volumes and increasing profitability as a result of a gradual recovery in the manufacturing segment and of an improvement in services.

## Industrial transactions

The major transactions that took place in 2019 are described below:

Acquisition of Vitrociset: on 31 January 2019, as all required conditions were met including Golden Power and Antitrust approvals, Leonardo signed the closing of the acquisition of 98.54% in Vitrociset. As amply discussed in Note 33 to the consolidated financial statements, to which reference is made, the space business unit of Vitrociset will be spun off and offered to the Space Alliance;

Joint Venture in Algeria: on 25 March 2019, Leonardo signed an arrangement with the Algerian Ministry of Defence for the establishment of a joint venture for the assembly, sale and supply of services regarding Leonardo's helicopters in the country;

Merger of Sistemi Dinamici S.p.A. by incorporation into Leonardo S.p.A.: on 27 June 2019 the Board of Directors approved the plan for the merger of Sistemi Dinamici S.p.A. - an engineering company, which is a direct wholly-owned subsidiary operating in the development, production and sale of remotely-controlled aircraft – by incorporation into Leonardo S.p.A. The transaction, effective as from 1 January 2020, falls within the scope of the overall One Company project for the rationalisation of some assets, in terms of strategy and corporate structure, used in the core business of the Aerospace, Defence and Security, in order to make Leonardo's industrial operations more efficient and effective, with a view to completing the process of combination between the two companies, which had been started in 2016 with the acquisition of total control over Sistemi Dinamici;

Sale of the stake in Eurotech: on 2 August 2019 Leonardo sold to Emera S.r.l. its entire stake held in Eurotech S.p.A., equal to 11.08% of the share capital (3,936,461 shares), at a price of €4.58 per share. The transaction was completed on 5 August 2019;

Acquisition of a stake in Skydweller Aero Inc.: on 11 November 2019, Leonardo acquired an interest in Skydweller Aero Inc., a start-up specialising in the development of a new generation of unmanned aircraft. The project will entail the development and use of the Skydweller drone, the world's first solar-powered remotely-controlled aircraft capable of perpetual flight with heavy payloads. Leonardo's investment is equal to 8.02% of the share capital and to 27.96% of the "Series A Preferred Stock" issued as at the date of subscription;

Agreement with Precision Aviation Service: on 20 December 2019 Leonardo signed the contract for the acquisition of Precision Aviation Service (PAS) with the objective of strengthening its local service capacity and, therefore, improving support to the fleet operating in the Sub-Saharan Africa region (in particular South Africa). PAS operates mainly on the fleet of Leonardo *Helicopters*, which relies on 120 aircraft in the Sub-Saharan region, with some operations for other helicopters. The closing of the transaction is expected during the first half of 2020.

Finally, it should be noted that on 28 January 2020 Leonardo signed a contract with Lynwood (Schweiz) AG to acquire 100% of the Swiss helicopter company Kopter Group AG (Kopter). The SH09, the new single-engine helicopter currently under development by Kopter, is part of Leonardo's product portfolio and offers opportunities for further technological developments in the future. The Swiss company's expertise will allow the development of new technologies, mission capabilities and increased performance, including hybrid/electric propulsion solutions, to be speed up. The acquisition will replace the investments aimed at developing a new single-engine helicopter already envisaged in the Plan. Kopter will act as an autonomous legal entity and competence centre within the Leonardo *Helicopter Division*. The operation is expected to be completed in the first quarter of 2020. For more details on the transaction, reference should be made to Note 7 of the Consolidated Financial Statements. The operation is expected to be completed in the first half of 2020.

## Financial transactions

A feature of 2019 was a major series of capital market transactions. More specifically:

- In May there was the use of the loan raised with the European Investment Bank (EIB) with a value of € 300 mln, which had been signed in November 2018 and was aimed at supporting the investment programmes envisaged in the Groups' Industrial Plan;
- In November there was the completion of a Tender Offer on the US market, concerning the repurchase of bonds due 2039 and 2040 (with coupons of 7.375% and 6.25%, respectively) for outstanding nominal amounts of USD 169 mln and USD 263 mln, respectively, which were issued by Leonardo US Holding and guaranteed by Leonardo S.p.a. The offer was successfully completed with bonds repurchased for an overall nominal amount of USD 127 mln, which gave rise to a residual outstanding value of the Bonds equal to USD 124 mln due 2039 and USD 182 mln due 2040. The bonds involved in the repurchase have been cancelled. The overall transaction cost (deriving from a total amount paid exceeding the entry value of repurchased bonds), amounted to USD 23 mln (€ 20 mln). The transaction will allow the Group's future financial costs to be reduced by a gross amount of about USD 154 mln (€ 139 mln) on a whole-life basis, with a present value (NPV) of about USD 92 mln (€ 83 mln), net of transaction costs. The table below reports the restated nominal value of the issues involved in the transaction;

Year of issue	Maturity	Currency	Outstanding nominal amount before buy back (mil.)	Annual coupon	Outstanding nominal amount after buy back (mil.)
2009	2039	USD	169	7.375%	124
2009	2040	USD	263	6.25%	182

- In December there was the repayment of the bond issue for an initial nominal amount of GBP 400 mln and a residual nominal amount of GBP 278 mln, which had been issued in 2009 and which had reached its natural expiry date

Furthermore, in May there was the renewal of the EMTN programme for 12 additional months, leaving the maximum available amount of € 4 bn unchanged.

The Group's outstanding bonds are governed by rules with standard legal clauses for these types of corporate transactions on institutional markets that do not require any undertaking with regard to compliance with specific financial parameters (financial covenants) but they do require negative pledge and cross-default clauses. Based on negative pledge clauses, Group issuers, Leonardo and their "Material Subsidiaries" (companies in which Leonardo owns more than 50% of the share capital and the gross revenues and total assets of which represent at least 10% of Leonardo's consolidated gross revenues and total assets) are expressly prohibited from pledging collateral security or other obligations to secure their debt in the form of bonds or listed financial instruments or financial instruments that qualify for listing, unless these guarantees are extended to all bondholders. Exceptions to this prohibition are securitisation and the establishment of assets for the use indicated in Article 2447-bis et seq. of the Italian Civil Code. On the contrary, the cross-default clauses give the bondholders the right to request early redemption of the bonds in their possession in the event of default by the Group issuers and/or Leonardo and/or any "Material Subsidiary" that results in a failure to make payment beyond pre-set limits.

Financial covenants are included in the Revolving Credit Facility in place at 31 December 2019 for € 1,800 mln, as well as in the Term Loan of € 500 mln. More specifically, the covenants require Leonardo to comply with two Financial ratios: (the ratio of Group net debt - excluding payables to the joint ventures MBDA and Thales Alenia Space and lease liabilities)/EBITDA (including depreciation of the right of use assets) must be no higher than 3.75 and the ratio of EBITDA (including depreciation of the right of use assets) to net interest must be no lower than 3.25, tested annually based upon the consolidated data at the end of the year. These covenants, in accordance with contractual provisions providing for this option, have also been included in the new EIB loan mentioned above, in the same way as provided for in the EIB loan already in place. Furthermore, these covenants are envisaged in certain loans granted in past years to DRS by US banks. In relation to this Annual Financial Report, there was full compliance with the covenants (the two ratios are 1.0 and 9.6, respectively).

Outstanding bond issues are given a medium/long-term financial credit rating by the international rating agencies: Moody's Investors Service (Moody's), Standard & Poor's and Fitch. On the basis of the improvement reported in terms of profitability and cash generation, Standard&Poor's upgraded Leonardo's outlook from stable to positive in December 2019.

On the reporting date, Leonardo's credit ratings, compared to those preceding the last change, were as follows:

Agency	Last update	Updated		Previous	
		Credit Rating	Outlook	Credit Rating	Outlook
Moody's	October 2018 (*)	Ba1	stable	Ba1	positive
Standard&Poor's	December 2019	BB+	positive	BB+	stable
Fitch	October 2017	BBB-	stable	BB+	positive

(\*) Furthermore, Moody's upgraded the baseline credit assessment (BCA) from Ba2 to Ba1, while maintaining both the rating (Ba1) (Corporate Family Rating – CFR) and the outlook (stable) unchanged, in May 2019.

With regard to the impact of positive or negative changes in Leonardo's credit ratings, there are no default clauses linked to the credit ratings. The only possible effects deriving from further changes, if any, to the credit ratings refer to higher or lower finance costs on certain payables of the Group, especially with reference to the Revolving Credit Facility and to the Term Loan as provided for in the

related agreements. Finally, for the sake of completeness, it should be noted that the Funding Agreement between MBDA and its shareholders provides, inter alia, that any downgrade of the rating assigned to the shareholders will result in a gradual increase in the margins. Additionally, under a pre-set rating limit (for at least two out of three rating agencies: BB- from Standards & Poor's, BB- from Fitch and Ba3 from Moody's) MBDA is entitled to determine the applicable margin each time. Finally, the agreement provides for rating limits the achievement of which allows MBDA to request the issue of a bank guarantee from its shareholders.

Finally, it should be noted that on 29 January 2020, after the end of the year, Leonardo signed a loan agreement with Cassa Depositi e Prestiti (CDP) amounting up to € 100 mln to support investments in R&D and innovation, which was used in February 2020. The loan is aimed at co-financing some investment projects envisaged in the Industrial Plan, which have already been 50% financed by the European Investment Bank (BEI).

### **Effects of the new IFRS 16 accounting standard “Leases”**

As from 1 January 2019 Leonardo applied the new IFRS 16 accounting standard “Leases”, which replaces the previous IAS 17, under which the financial statements at 31 December 2018 was prepared. The standard was applied from 1 January 2019, without restating the 2018 accounting balances for comparative purposes.

On the basis of the cases applicable to the Group, and as detailed in Note 5 to the consolidated financial statements to which reference should be made, the adoption of the accounting standard entailed the recognition of rights of use (€ 445 mln) against the existing lease agreements and of financial liabilities equal to the present value of future lease payments (€ 458 mln). Accordingly, the 2019 income statement reflects the amortisation of the aforesaid rights of use and interest on the recognised financial liabilities, in lieu of the lease rentals recorded in the financial statements at 31 December 2018.

Finally, the cash flow statement only includes, under Free Operating Cash Flow, the component of interest reimbursed in relation to the lease rentals paid during the period (€ 18 mln); the component concerning the repayment of the capital quota of the financial liability is stated under the item of changes in borrowings (€ 54 mln). On the contrary, the 2018 Free Operating Cash Flow included the full amount of the lease rentals paid during the period.

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

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The Board of Directors determined that the Shareholders' Meeting, also called to resolve on the appointment of the new Board of Directors, will be called in Ordinary session on 13 and 20 May 2020 (in first and second call respectively).

In consideration of the COVID-19 emergency, the Company reserves the right to adopt different or further determinations regarding date and operating methods of the Shareholders' Meeting, considering the measures issued or that may be issued in this regard, giving timely communication to the market.

In addition to the approval of Leonardo S.p.a. 2019 Annual Report, the Shareholders' Meeting will be called to vote on approval of Sistemi Dinamici S.p.A. financial statements at 31 December 2019, following the merger of the company into Leonardo effective from 1st January 2020, as well as on the assignment of the independent auditing firm mandate for the 2021-2029 period.

At today's meeting the Board of Directors also approved the Report on Corporate Governance and Shareholder Structure, as well as the Consolidated non financial statement, which will be published together with the Annual financial report.

The Sustainability and Innovation Report 2019 represents the Consolidated Non-Financial Statement in accordance with Italian Legislative Decree no. 254/2016. The document is drawn up according to the GRI Sustainability Reporting Standards by Global Reporting Initiative, adopting the option "core", and takes into consideration the SASB standards (Sustainability Accounting Standards Board), the International Integrated Reporting Council (IIRC) framework and the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD). The Sustainability and Innovation Report 2019 describes how Leonardo creates value and economic, environmental and social impacts in the long term, the contribution to the achievement of the UN Sustainable Development Goals and the relevant topics for the company and its stakeholders ("material topics").

### **Report on the remuneration policy and the remuneration paid**

The Ordinary Shareholders' Meeting will also be asked to deliberate, pursuant to art. 123- *ter*, par. 3-*bis* and 6 of TUF, in relation to the first section (with binding resolution) and to the second section (with no binding resolution) of the Report on the remuneration policy and the remuneration paid, approved by today's Board of Directors.

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The notice of call, as well as the documentation concerning the items on the agenda of the Shareholders' Meeting, will be available to the public within the terms and with the modalities of law.



<b>CONSOLIDATED INCOME STATEMENT</b>						
<i>€mln.</i>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Var. YoY</b>	<b>4Q 2018</b>	<b>4Q 2019</b>	<b>Var. YoY</b>
Revenues	12,240	13,784	1,544	4,000	4,650	650
Purchases and personnel expenses	(10,862)	(12,104)	(1,242)	(3,455)	(3,995)	(540)
Other net operating income/(expenses)	(60)	(23)	37	(75)	(4)	71
Equity-accounted strategic JVs	216	160	(56)	136	102	(34)
Amortisation, depreciation and impairment losses	(414)	(566)	(152)	(118)	(188)	(70)
<b>EBITA</b>	<b>1,120</b>	<b>1,251</b>	<b>131</b>	<b>488</b>	<b>565</b>	<b>77</b>
<b>ROS</b>	<b>9.2%</b>	<b>9.1%</b>	<b>(0.1) p.p.</b>	<b>12.2%</b>	<b>12.2%</b>	<b>0.0 p.p.</b>
Impairment of goodwill	-	-	-	-	-	-
Non recurring revenues (costs)	(102)	(43)	59	(102)	(36)	66
Restructuring costs	(205)	(28)	177	(18)	(17)	1
Amortisation of intangible assets acquired as part of business combinations	(98)	(27)	71	(25)	(7)	18
<b>EBIT</b>	<b>715</b>	<b>1,153</b>	<b>438</b>	<b>343</b>	<b>505</b>	<b>162</b>
<b>EBIT margin</b>	<b>5.8%</b>	<b>8.4%</b>	<b>2.6 p.p.</b>	<b>8.6%</b>	<b>10.9%</b>	<b>2.3 p.p.</b>
Net financial income/ (expenses)	(230)	(284)	(54)	(53)	(96)	(43)
Income taxes	(64)	(147)	(83)	(33)	(54)	(21)
<b>Net result before extraordinary transactions</b>	<b>421</b>	<b>722</b>	<b>301</b>	<b>257</b>	<b>355</b>	<b>98</b>
Net Result related to discontinued operations and extraordinary transactions	89	100	11	(10)	2	12
<b>Net result</b>	<b>510</b>	<b>822</b>	<b>312</b>	<b>247</b>	<b>357</b>	<b>110</b>
<i>attributable to the owners of the parent</i>	509	821	312	247	356	109
<i>attributable to non-controlling interests</i>	1	1	-	-	1	1
<b>Earning per share (Euro)</b>						
<i>Basic e diluted</i>	0.888	1.428	0.540	0.432	0.619	0.187
<b>Earning per share of continuing operation (Euro)</b>						
<i>Basic e diluted</i>	0.733	1.254	0.521	0.449	0.616	0.167
<b>Earning per share of discontinuing operation (Euro)</b>						
<i>Basic e diluted</i>	0.155	0.174	0.019	(0.017)	0.003	0.020

### CONSOLIDATED BALANCE SHEET

<i>€mln.</i>	31.12.2018	31.12.2019
Non-current assets	11,824	12,336
Non-current liabilities	(2,611)	(2,243)
<b>Net fixed assets</b>	<b>9,213</b>	<b>10,093</b>
Inventories	(78)	947
Trade receivables	2,936	2,995
Trade payables	(3,028)	(3,791)
<b>Working capital</b>	<b>(170)</b>	<b>151</b>
Provisions for short-term risks and charges	(1,125)	(1,164)
Other net current assets (liabilities)	(1,064)	(968)
<b>Net working capital</b>	<b>(2,359)</b>	<b>(1,981)</b>
<b>Net invested capital</b>	<b>6,854</b>	<b>8,112</b>
Equity attributable to the owners of the parent	4,499	5,323
Equity attributable to non-controlling interests	11	11
<b>Equity</b>	<b>4,510</b>	<b>5,334</b>
<b>Group net debt</b>	<b>2,351</b>	<b>2,847</b>
<b>Net (assets)/liabilities held for sale</b>	<b>(7)</b>	<b>(69)</b>

### CONSOLIDATED CASH FLOW STATEMENT

<i>€mln.</i>	FY 2018	FY 2019
Cash flows used in operating activities	877	773
Dividends received	202	174
Cash flows from ordinary investing activities	(743)	(706)
<b>Free operating cash flow (FOCF)</b>	<b>336</b>	<b>241</b>
Strategic investments	(11)	(44)
Change in other investing activities	12	(18)
Net change in borrowings	(106)	(181)
Dividends paid	(81)	(81)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>150</b>	<b>(83)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>1,893</b>	<b>2,049</b>
Exchange rate gain/losses and other movements	6	2
Net increase in cash and cash equivalents of discontinued operations	0	(6)
<b>Cash and cash equivalents at 31 December</b>	<b>2,049</b>	<b>1,962</b>

### CONSOLIDATED FINANCIAL POSITION

<i>€mln.</i>	31.12.2018	31.12.2019
Bonds	3,154	2,741
Bank debt	721	983
Cash and cash equivalents	(2,049)	(1,962)
<b>Net bank debt and bonds</b>	<b>1,826</b>	<b>1,762</b>
Current loans and receivables from related parties	(153)	(161)
Other current loans and receivables	(32)	(36)
<b>Current loans and receivables and securities</b>	<b>(185)</b>	<b>(197)</b>
Non current financial receivables from Superjet	(25)	0
Hedging derivatives in respect of debt items	(3)	0
Related-party leasing liabilities	0	36
Related-party loans and borrowings	669	727
Leasing liabilities	5	415
Other loans and borrowings	64	104
<b>Group net debt</b>	<b>2,351</b>	<b>2,847</b>

### EARNINGS PER SHARE

	FY 2018	FY 2019	Var. YoY
Average shares outstanding during the reporting period (in thousands)	574,605	574,914	309
Earnings/(losses) for the period (excluding non-controlling interests) (€ million)	510	821	311
Earnings/(losses) - continuing operations (excluding non-controlling interests) (€ million)	421	721	300
Earnings/(losses) - discontinued operations (excluding non-controlling interests) (€ million)	89	100	11
<b>BASIC AND DILUTED EPS (EUR)</b>	<b>0.888</b>	<b>1.428</b>	<b>0.540</b>
<b>BASIC AND DILUTED EPS from continuing operations</b>	<b>0.733</b>	<b>1.254</b>	<b>0.521</b>
<b>BASIC AND DILUTED EPS from discontinuing operations</b>	<b>0.155</b>	<b>0.174</b>	<b>0.019</b>

FY 2018 (Euro million)	Helicopters	Defence Electronics & Security	Aeronautics	Space	Other activities	Eliminations	Total
New Orders	6,208	6,823	2,569	-	102	(578)	15,124
Order Backlog	12,151	12,572	12,220	-	146	(971)	36,118
Revenues	3,810	5,953	2,896	-	340	(759)	12,240
<b>EBITA</b>	<b>359</b>	<b>522</b>	<b>328</b>	<b>58</b>	<b>(147)</b>	-	<b>1,120</b>
<i>EBITA margin</i>	9.4%	8.8%	11.3%	n.a.	(43.2%)	n.a.	9.2%
<b>EBIT</b>	<b>324</b>	<b>238</b>	<b>258</b>	<b>58</b>	<b>(163)</b>	-	<b>715</b>
Workforce (no.)	11,596	22,860	10,659	-	1,347	-	46,462

FY 2019 (Euro million)	Helicopters	Defence Electronics & Security	Aeronautics	Space	Other activities	Eliminations	Total
New Orders	4,641	7,022	2,788	-	234	(580)	14,105
Order Backlog	12,551	12,848	11,640	-	372	(898)	36,513
Revenues	4,025	6,701	3,390	-	463	(795)	13,784
<b>EBITA</b>	<b>431</b>	<b>613</b>	<b>362</b>	<b>39</b>	<b>(194)</b>	-	<b>1,251</b>
<i>EBITA margin</i>	10.7%	9.1%	10.7%	n.a.	(41.9%)	n.a.	9.1%
<b>EBIT</b>	<b>406</b>	<b>563</b>	<b>342</b>	<b>39</b>	<b>(197)</b>	-	<b>1,153</b>
Workforce (no.) 31.12.2018	12,331	23,736	11,215	-	2,248	-	49,530

4Q 2018 (Euro million)	Helicopters	Defence Electronics & Security	Aeronautics	Space	Other activities	Eliminations	Total
New Orders	1,523	3,254	1,149	-	27	(219)	5,734
Revenues	1,154	2,098	871	-	84	(207)	4,000
<b>EBITA</b>	<b>142</b>	<b>234</b>	<b>161</b>	<b>27</b>	<b>(76)</b>	-	<b>488</b>
<i>EBITA margin</i>	12.3%	11.2%	18.5%	n.a.	(90.5%)	n.a.	12.2%
<b>EBIT</b>	<b>115</b>	<b>26</b>	<b>91</b>	<b>27</b>	<b>84</b>	-	<b>343</b>

4Q 2019 (Euro million)	Helicopters	Defence Electronics & Security	Aeronautics	Space	Other activities	Eliminations	Total
New Orders	2,407	2,379	776	-	88	(124)	5,526
Revenues	1,289	2,364	1,086	-	137	(226)	4,650
<b>EBITA</b>	<b>161</b>	<b>271</b>	<b>197</b>	<b>16</b>	<b>(80)</b>	-	<b>565</b>
<i>EBITA margin</i>	12.5%	11.5%	18.1%	n.a.	(58.4%)	n.a.	12.2%
<b>EBIT</b>	<b>143</b>	<b>249</b>	<b>177</b>	<b>16</b>	<b>(80)</b>	-	<b>505</b>