

Civil Engineering

Strong niche capabilities in Transport and Energy

Alessandro Pansa
Co-General Manager / CFO

Civil engineering: Transport & Energy



(€mln)	FY 08	FY 07	%Change
Revenues	1,759	1,356	30%
EBITA Adj.	126	(110)	n.s.
Margin	7.2%	(8.1%)	-
Orders	1,557	1,786	(13%)
Backlog	4,849	5,108	(5%)

Transport

- The Transportation division includes **Ansaldo STS** (signalling and transport systems) and **AnsaldoBreda** (vehicles)
- Finmeccanica holds 40% of Ansaldo STS shares and 100% of AnsaldoBreda stake
- Both companies are 100% consolidated

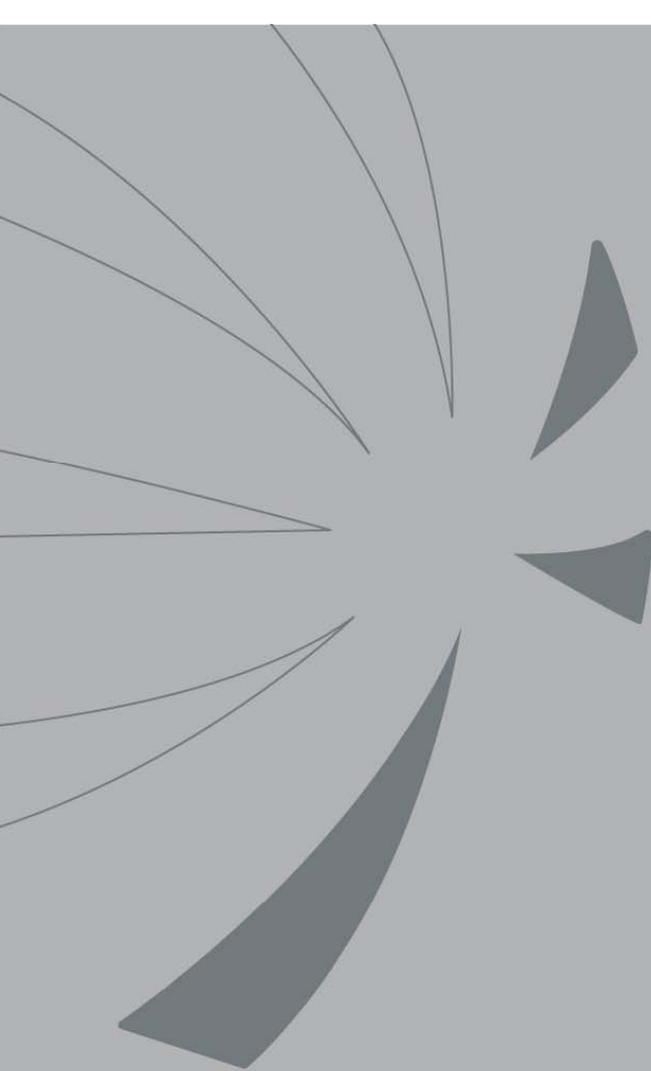


(€mln)	FY 08	FY 07	%Change
Revenues	1,333	1,049	27%
EBITA Adj.	122	93	31%
Margin	9.2%	8.9%	-
Orders	2,054	1,801	14%
Backlog	3,779	3,177	19%

Energy

- Finmeccanica holds 100% of **Ansaldo Energia**. The company specializes in the provision of power generation “plants and components” (conventional thermal plants, single and combined cycles, cogeneration, geothermal and nuclear plants), and post-sales service activities

Excellent and Affordable Technology
Driving Profitable Growth
New York, May 19, 2009



Transport Business and Commercial Outlook

Salvatore Bianconi, CEO

Excellent and Affordable Technology
Driving Profitable Growth
New York, May 19, 2009



Break-even achieved, restructuring continues

Business description

- Design and production of all types of complete rolling stock (high speed trains, electrical and diesel multiple units, heavy and light rail vehicles and streetcars)
- Design and production of:
 - Mechanical systems (body shells, bogies)
 - Electrical systems (propulsion units, traction converters, traction motors, auxiliary converters, train and car controls)
- Provider of services for operator fleets: maintenance, upgrading/revamping, spare parts, global service



VHS
ETR 500



HS
V 250



Double deck EMU
TSR



HRVs



Driverless Metros



LRVs high floor



Streetcars
Sirio

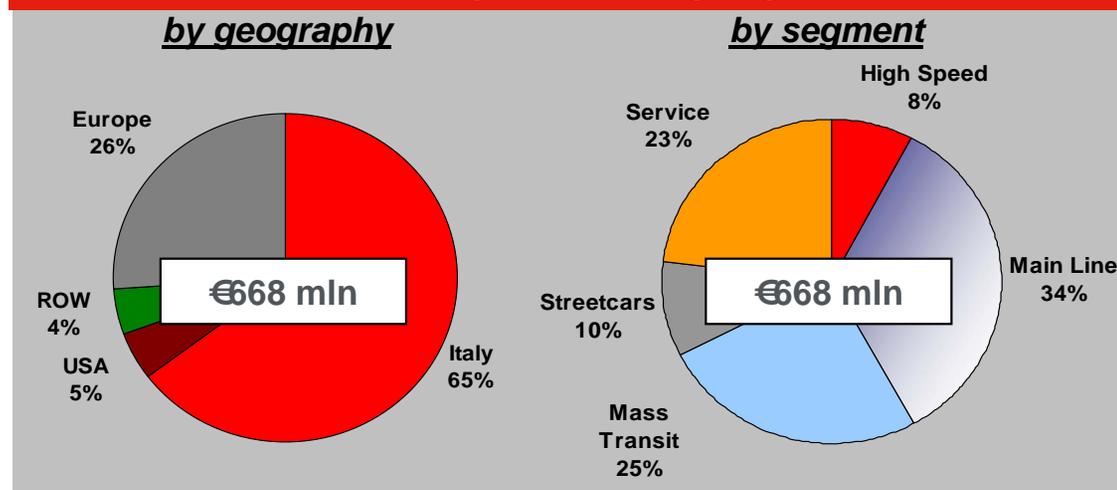


Spare parts - Pantographs

(€mIn)	FY 08	FY 07
Revenues	668	389
New Orders	268	263
Backlog	1,736	2,157

➤ **Operating breakeven achieved in 2008 now sustainable**

2008 revenues by segment and geographical area:

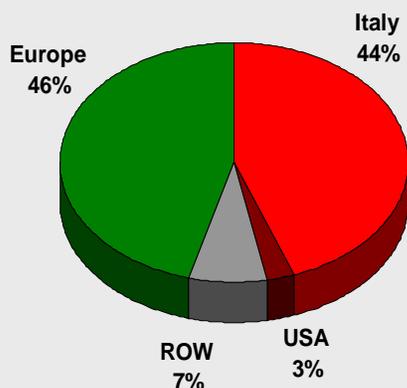


**Excellent and Affordable Technology
Driving Profitable Growth**
New York, May 19, 2009

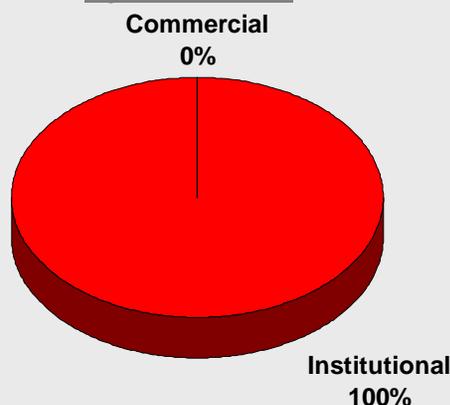
Well balanced portfolio by customer and geography

Backlog at 03/31/2009 €1,765 mln

by geography

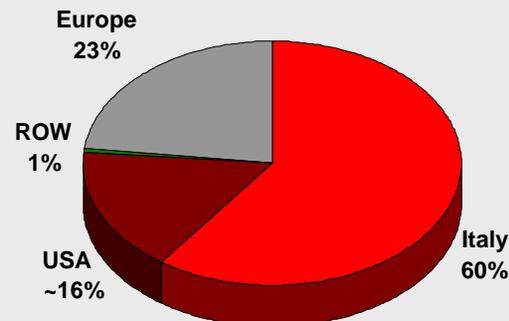


by customer

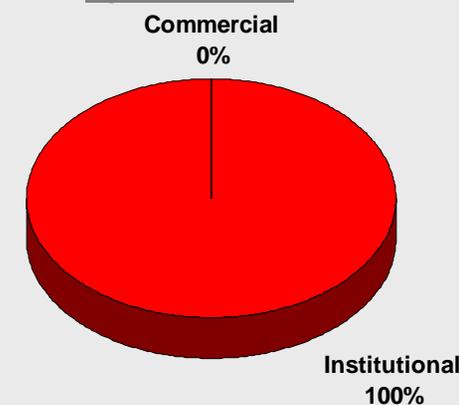


Cumulated Orders 2009 – 2011 €3,146 mln

by geography



by customer



Top 5 Programs in Backlog at 03/31/2009

- ✦ High speed trains V250 for Netherlands-Belgium Railways
 - ✦ Heavy rail vehicles for Milan lines 1-2-3
 - ✦ Automatic light metro for Taipei
 - ✦ Automatic light metro for Thessaloniki
 - ✦ Global service activities for Metro Madrid - HRV S9000
- **Total 46% of top 5 programs in Backlog**

Top 5 Programs in Cumulated Orders 2009 - 2011

- ✦ Very high speed up to 350 km/h for Trenitalia
 - ✦ Double deck electrical multiple units for Trenitalia, Ferrovie Nord Milano and other regional Italian operators
 - ✦ Single deck electrical multiple units for Italian market (Trenitalia and other regional operator) and for Russia
 - ✦ Driverless Metro for Rome line C
 - ✦ Light rail vehicle for Los Angeles
- **Total 43% of top 5 programs in Cumulated Orders**

In Italy high speed and regional segments drive opportunities

Italy

AnsaldoBreda sees strong investments on high speed and regional segments

Vehicles

- ✓ **50 high speed trains** for **Trenitalia** in joint development with Bombardier
- ✓ **100 regional trains**
- ✓ **Mass transit segment** for around 100 **heavy and light rail vehicles** and for 50 **streetcars**

Service

- ✓ Large volumes from **Trenitalia and other urban operators**, for **revamping/upgrading** activities and for **global service** (ETR500, heavy rail vehicles and streetcars)



ETR 500, Trenitalia



TSR, Ferrovie Nord Milano



Driverless metro, Brescia



Circumvesuviana



Sirio Milano

In Europe relevant and diversified projects

Europe

AnsaldoBreda expects several projects in mass transit, main line and service segments

EMUs and High Speed (V250)

Russia: 50 EMUs for Russian Railways, in partnership with a local company

Netherlands: 50 EMUs

Poland: 12 V250 trains

Serbia: 30 EMUs

Heavy and Light Rail Vehicles

Denmark: 30 automatic trainsets (3 articulated cars) for Copenhagen Ring

Finland: 24 trainsets (2 cars) for Helsinki

Turkey: 60 trainsets (4 cars) for Istanbul and 100 trainsets (3 cars) for Ankara

Streetcars

11 projects for over 400 vehicles all over Europe (Greece, Hungary, Norway, Poland, Romania, Sweden, Turkey)

Service

France: Revamping of 130 heavy rail traction units for RATP and of 24 light rail vehicles for Lille



V250



Metro Madrid



Driverless metro, Copenhagen



Sirio, Athens

Urbanization and high speed lead the growth

☀ Rest of the world

AnsaldoBreda aims at expanding its presence from the closest markets- North Africa and Middle East to Far East, where the company recently acquired Taipei order

High Speed Trains

Saudi Arabia: 25 trains for Mecca-Medina project

Heavy and Light Rail Vehicles

Taiwan: 39 automatic trainsets (4 cars) for Taipei Circular Line and 18 automatic trainsets (4 cars) for Taichung

Saudi Arabia: 22 automatic trainsets (2 cars) for Riyadh- “Women University Project”

Libya: 25 trainsets (4 cars) for Tripoli Metro

Streetcars

Morocco: 30 vehicles for Casablanca

Service

Egypt: Maintenance of 1,500 motors for Locos D/E and revamping of 100 Coaches



V250



Metro Madrid



Driverless metro, Copenhagen



Sirio, Athens

Actual presence drives further opportunities



Industrial/commercial presence in the US and Achievements

AnsaldoBreda has had an active role in the US market since 1978 when AnsaldoBreda Inc was established in San Francisco

We have produced over 1,000 new light and heavy rail vehicles (Washington, San Francisco, Los Angeles, Atlanta, Boston, Cleveland) and more recently revamped over 500 vehicles (Washington, Boston, Buffalo)

Opportunities in the US

In the next 3 years there will be a large increase of opportunities on Mass Transit Market. AnsaldoBreda's product range will permit to compete on a \$2.3 bln market

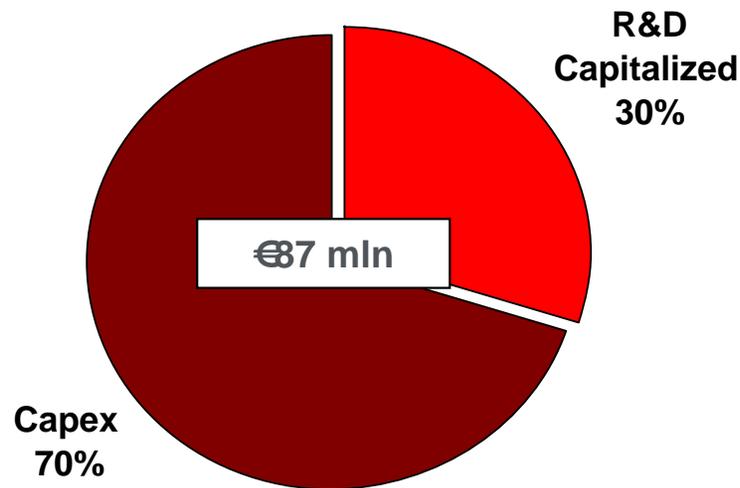
The most relevant expected projects are:

- Light rail vehicles for Los Angeles: 100 vehicles
- Driverless light rail vehicles for Honolulu: 60 vehicles
- Heavy rail vehicles for Miami: 72 trainsets (2 cars)
- Heavy rail vehicles for Washington: 16 trainsets (4 cars)

High speed corridors will be launched in less than 3 years and AnsaldoBreda with Bombardier is ready to compete with good capabilities in this segment

Investments (Capex and R&D capitalized) and total R&D

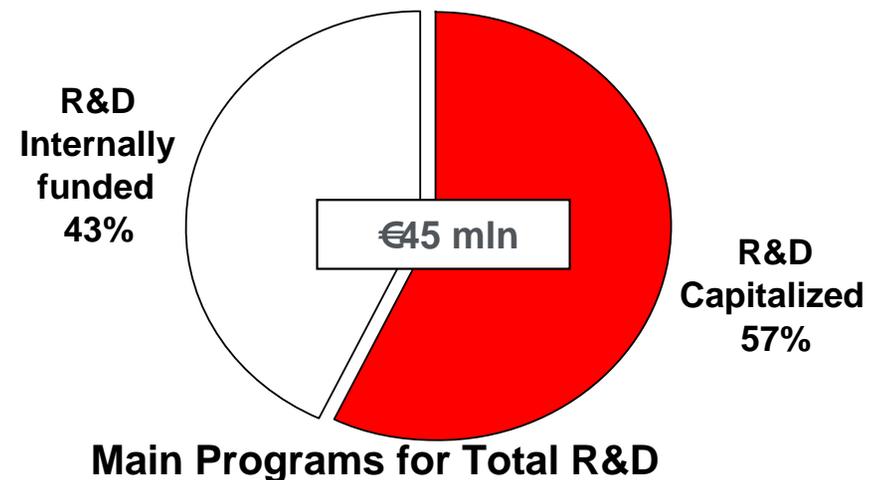
Total Investments 2009-2011



Main Programs for Capex

- Increase of production capacity in Naples and Reggio Calabria
- Manufacturing layout in Pistoia to permit to have a 200 mt high speed testing bay

Total R&D 2009-2011

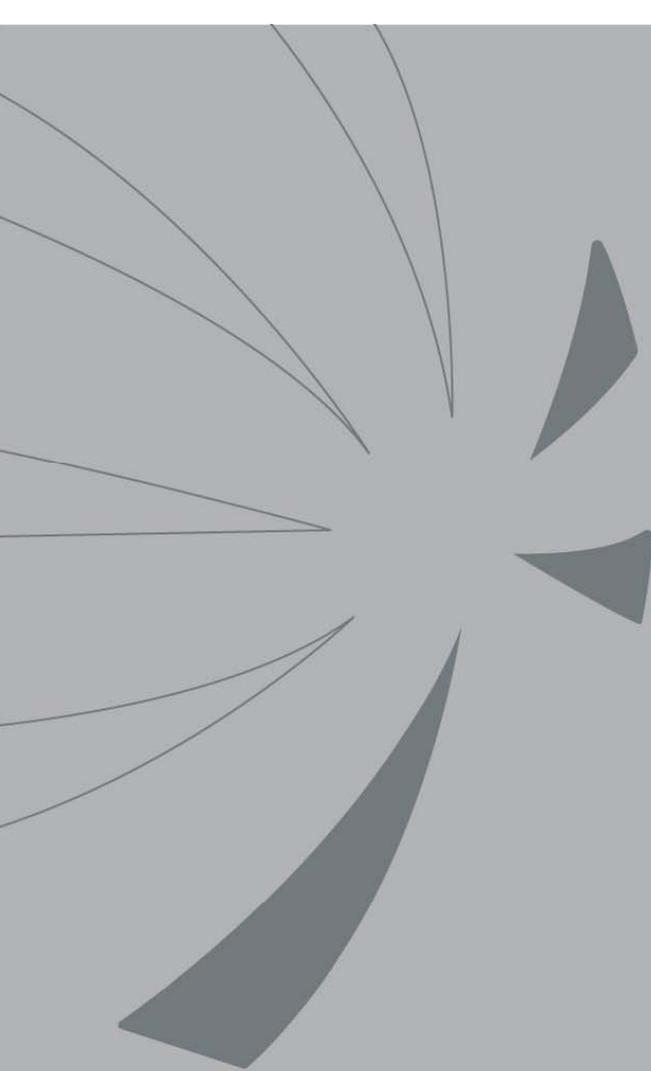


Main Programs for Total R&D

Main Programs for R&D

- Development of very high speed trains of new generation
- Improvement of regional trains platform;
- Updating mass transit platform

- ✦ Rail sector is driving economy worldwide
- ✦ Public investments will increase in eco-friendly transport systems
- ✦ Growth rate for rolling stock is expected to remain in the same range (2-3% p.a.) until 2016
- ✦ Strong partnerships and collaborations with global rail players
- ✦ AnsaldoBreda has defined a large target market, both in terms of products and geographical areas
- ✦ Ansaldo Breda now in better position to compete for market opportunities in rail transport



Energy Business and Commercial Outlook

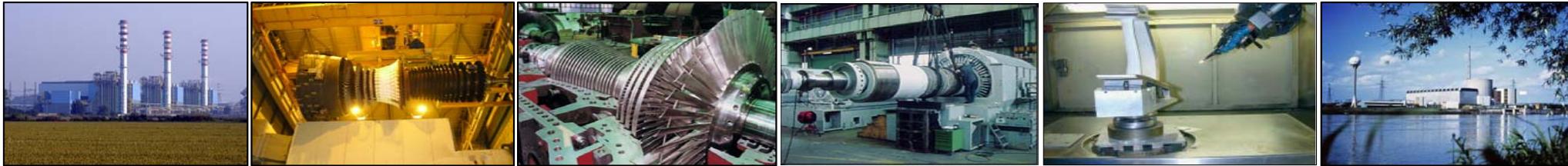
Giuseppe Zampini, CEO

**Excellent and Affordable Technology
Driving Profitable Growth**
New York, May 19, 2009

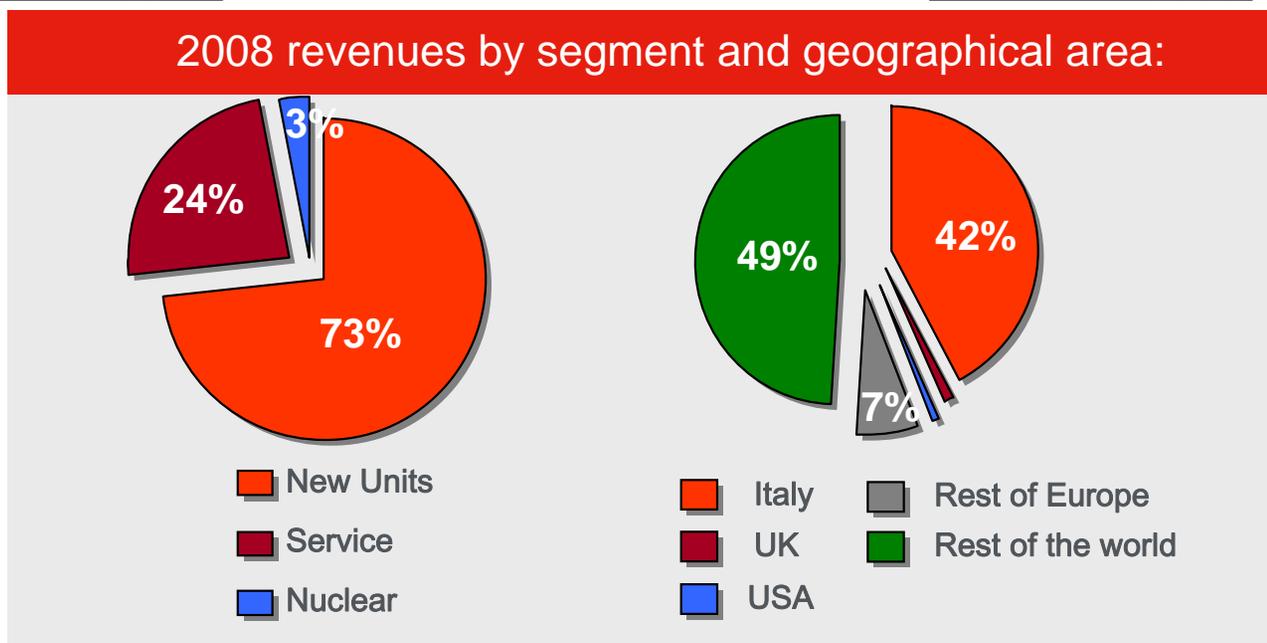


Highlights 2008: Increased volumes and profitability

- **New units: Engineering Procurement Contractor and Original Equipment Manufacturer of Gas, Steam Turbines and Generators for new power plants**
- **Service: Maintenance activities on OEM fleet and also on 3rd party fleet as Original Service Provider (OSP™)**
- **Nuclear: Engineering and construction services for new nuclear power plants and decommissioning of nuclear installations**



(€mIn)	FY 08	FY 07
Revenues	1,333	1,049
New Orders	2,054	1800
Backlog	3,780	3,176

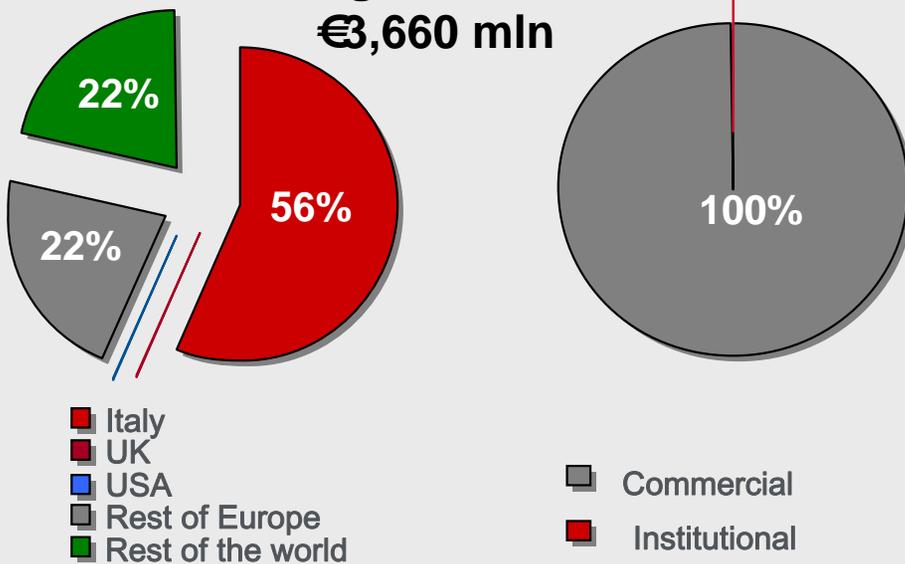


- **Solid growth targeting double digit EBITA margin**

Breakdown by Customer and Geography

Backlog at 03/31/2009

€3,660 mln



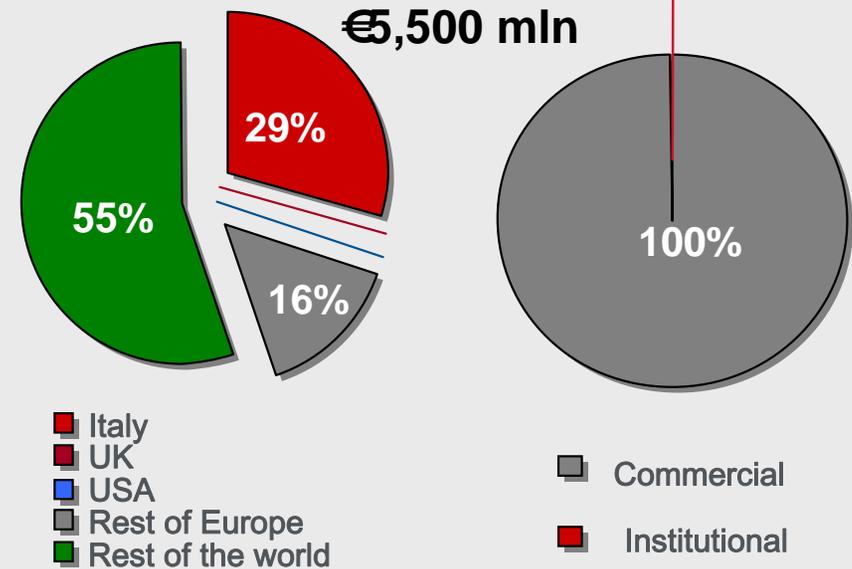
Top 5 Projects in Backlog at 03/31/2009

- Turano Turnkey 800 MW Combined Cycle
- San Severo Turnkey 400 MW Combined Cycle
- Bayet Turnkey 400 MW Combined Cycle
- M'Sila Turnkey 430 MW Open Cycle
- Long Term Service Agreement (LTSA) Sparanise

Top 5 projects account ~30% of Backlog

Cumulated Orders 2009-2011

€5,500 mln



Top 5 Projects in Cumulated Orders 2009-2011

- 2000 MW Turnkey project in Italy
- 1200 MW Turnkey projects in Mediterranean area
- 3000 MW Steam turbines for Combined Cycles in Middle East
- 400 MW Turnkey projects in Europe
- LTSA on turnkey projects

Top 5 projects account ~55% of Cumulated Orders

Italy still playing as major market for both new units and service

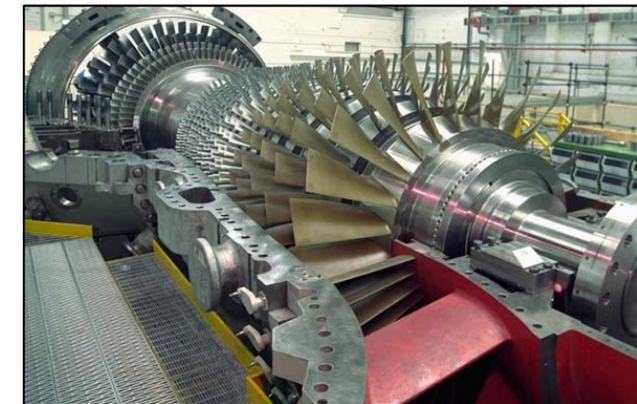
Italy

- ✓ Turnkey projects on Combined Cycles... EDISON, Sorgenia, E-On, BKW, AEP
- ✓ Steam Turbines for Ultra supercritical Power Plant... ENEL
- ✓ LTSA on turnkey projects and upgrades/revamping on installed fleet
- ✓ Nuclear Decommissioning... SOGIN
- ✓ New nuclear power plants...upside from 2013



UK

- ✓ Steam Turbines... Global Wood
- ✓ Nuclear Decommissioning... BNG
- ✓ Service on installed fleet



Continuing the internationalization in the target regions

☼ Rest of Europe

- ✓ **Combined cycles**
 - EPC: SPE (Belgium); ATEL (France)
 - Equipment: Electrabel (Hungary) OGK-3, RESAD (Russia)
- ✓ **Nuclear... Mochovce (Slovakia), Cernavoda (Romania)**
- ✓ **Service: LTSA on new units sold and Original Service Provider (OSP™) on third party fleet**



☼ Rest of the world

- ✓ **Combined Cycles**
 - EPC: Sonelgaz (Algeria)
 - Equipment: PEEGT (Syria), STEG (Tunisia), DEWA (UAE)
- ✓ **Steam Turbines... AES (Chile)**
- ✓ **Nuclear AP1000 with Westinghouse in China**
- ✓ **Service: LTSA on new units sold and OSP™ on third party fleet**





Industrial/Commercial presence in the US and recent achievement

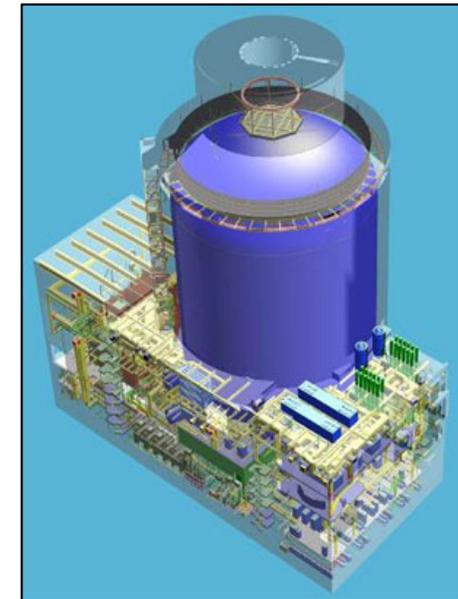
- ✓ Developed supply chain on high tech components for gas turbines.

Opportunities in the US

- ✓ Possible upside after 2011 on new nuclear power plants leveraging the partnership with Westinghouse on AP1000

Potential opportunities with DRS

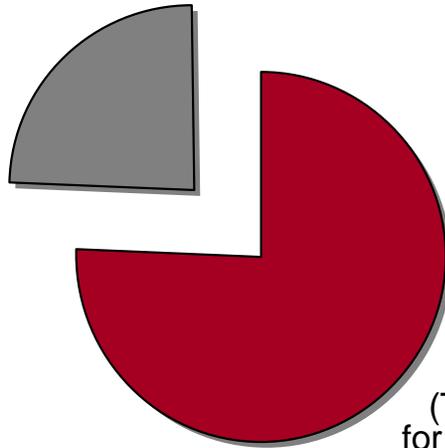
- ✓ Support for potential entry into 60Hz market in the US and Latin America for Service on third party equipment (Gas Turbines)



Building the future investments and total R&D

Total Investments 2009-2011 ~€230 mln

R&D Capitalized ~25%
(Intangible fixed assets for the period 2009-2011 net of accrued government grant)



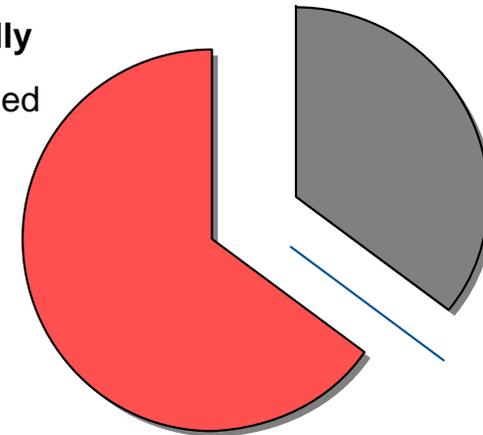
Capex ~75%
(Tangible fixed assets for the period 2009-2011)

Main 5 Programs for Capex

- ⇒ Increase of production efficiency and capacity
- ⇒ Localization of service repair centre in the Gulf Area
- ⇒ European repair shop for hi-tech components
- ⇒ Supply chain development associated to the gas turbine upgrades
- ⇒ Supply chain development associated to the OSP™

Total R&D 2009-2011 ~€160 mln

R&D Internally Funded 65%
(P&L expensed for the period 2009-2011)



R&D Capitalized 35%
(Intangible fixed assets for the period 2009-2011 net of accrued government grant)

R&D Customer funded 0%
(for the period 2009-2011)

Main 5 Programs for Total R&D

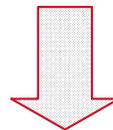
- ⇒ Upgrades on medium and large size gas turbines
- ⇒ Increase of combined cycle operational flexibility (> 250 start-up per year @ same maintenance intervals)
- ⇒ Low emission combustors for gas turbine
- ⇒ OSP™ portfolio
- ⇒ Automation and diagnostic for power plants

External Behavior

- ✦ **Continue to target solid projects with known customers, participating to project development since the initial phase**
- ✦ **Pursue hi-value added service business**

Internal Behavior

- ✦ **Renegotiate the existing suppliers' agreements in order to protect AEN's profitability**
- ✦ **Improve operations and inventory management**



Confirming strategic investments