

Moscow, 6 November 2008

**Finmeccanica and Russian Railways sign a partnership agreement in the railway sector on a EUR 1 billion multi-year programme**

Finmeccanica and Russian Railways (RZD) today signed - on the occasion of the Italy-Russia intergovernmental summit held at the Kremlin in Moscow and attended by the Italian Prime Minister Silvio Berlusconi and the President of the Russian Federation Dmitri Medvedev - a partnership agreement in the railway sector on a multi-year programme worth EUR 1 billion; the initial value of the investment is EUR 35 million.

The agreement was signed by Pier Francesco Guarguaglini, Finmeccanica Chairman and CEO and Vladimir Yakunin, RZD Chairman, and concerns the installation of a high technology system of signalling equipment called ITARUS-ATC, for the control and safety of rail traffic. The agreement also foresees satellite remote sensing systems, TETRA telecommunications systems and the use of internet on board trains, using a state-of-the-art technology developed by Telespazio, in cooperation with main international providers, and already tested on some Italian rail stretches.

This innovative technology – which during the first phase will be implemented by the Russian NIIAS and Ansaldo STS on an experimental stretch of Russia's rail network – will increase the safety, reliability, performance and economy of rail transport, reducing its running and maintenance costs; it will also foster the development of the rail sector, with economic, technological and environmental benefits. ITARUS-ATC will be applied to the main rail lines of the Russian Federations and then it will be extended to transport infrastructure to be used in the 2014 Winter Olympic Games in Sochi. The agreement will also offer interesting opportunities in the future on the international market.

To implement this project, Russian Railways, the winning bidder for this initiative, also chose Finmeccanica as technology partner for safety & security, telecommunications and ticketing.

Pier Francesco Guarguaglini, Chairman and CEO of Finmeccanica, commented: "The agreement signed today falls within the framework of the co-operation agreements stipulated on the occasion of the Italo-Russian intergovernmental summit held on March 2007 in Bari between Russian Railways and Finmeccanica to jointly develop hi-tech industrial projects in rail vehicles, signalling, telecommunications and satellite remote sensing. This partnership with Russian Railways makes Finmeccanica's presence in the country even more significant, and confirms the excellent relationships between the two countries in the civil sector".

Specifically, in the transport sector, projects have been launched for the joint production of electric trains, signalling equipment and systems, electricity sub-stations, telecommunications, safety & security and satellite remote sensing equipment and on-board services. The Finmeccanica companies involved are Ansaldo STS, AnsaldoBreda, SELEX Sistemi Integrati, Elsig Datamat, SELEX Communications and Telespazio.

The agreement signed today further boosts economic growth and adds to the two countries' technological prestige, as well as strengthening the professional co-operation and friendship between them.