

Hitachi to invest in Signalling and Rolling Stock operations of Finmeccanica, positioning for leadership in the global Rail Sector

Tokyo, Japan, and Rome, Italy, 24 February, 2015 – Today the Boards of Directors of Hitachi, Ltd. (TSE:6501, "Hitachi" or "Hitachi Group") and Finmeccanica S.p.A. (FNC.IM, SIFI.MI "Finmeccanica" or "Finmeccanica Group") have announced that they have signed binding agreements for the purchase and sale of:

- the current business of AnsaldoBreda S.p.A., with the exclusion of some revamping activities and certain residual contracts, and
- the entire interest owned by Finmeccanica in Ansaldo STS S.p.A. ("Ansaldo STS"), equal to approximately 40% of the share capital.

The simultaneous closing of the transactions is expected later this year and is subject to certain customary conditions, such as regulatory and antitrust approvals.

The acquisitions represent a key milestone in Hitachi Rail's strategy to become a global leader in total rail solutions. Whilst significantly expanding its global footprint, the acquisitions will enable Hitachi to strengthen its position in signalling / traffic management systems, expand turnkey operations and enlarge its portfolio with world class products. The businesses acquired are strategically important for Italy and the combination with Hitachi will also provide a unique opportunity to pursue untapped growth potential in new markets.

Finmeccanica has selected Hitachi as the best industrial partner to ensure a successful long term repositioning of its transportation business, following a competitive process. The integration into Hitachi will secure the best possible future for the Ansaldo STS and AnsaldoBreda businesses and their employees, marking a fundamental step in executing the Industrial Plan of Finmeccanica, which becomes a pure Aerospace, Defence & Security company. As a result of these transactions, Group Net Debt at the end of 2015 will reduce by ca. Eur 600 million, with a net total capital gain of ca. Eur 250 million.

Hiroaki Nakanishi, Chairman & CEO of Hitachi, Ltd. said: *"I am very pleased to announce that Hitachi has today agreed with Finmeccanica to proceed with this important transaction. This acquisition complements Hitachi's strategy to grow our Social Innovation Business, combining IT technology with our sound infrastructure solutions."*

Finmeccanica's CEO and General Manager Mauro Moretti said: *"The sale of the rail transport business is a key step in the execution of our Industrial Plan, aimed at focusing*

and strengthening the Group in the core business-hi-tech Aerospace, Defence & Security. The transactions announced today confirm our commitment to deliver on our economic and financial objectives contributing to significantly reducing net debt. Hitachi has clearly recognized the know-how and expertise which would be contributed by both AnsaldoBreda and Ansaldo STS within the new Group. I am sure both companies will play a key role in the future development of Hitachi Rail business worldwide, with their centers of excellence in Transportation Systems and Mass Transit".

Alistair Dormer, Global Chief Executive Officer of Hitachi Rail said: *"With the addition of these companies we are in an excellent position to transform Hitachi Rail into one of the strongest global players in the sector. Today's announcement is a further testament to the long-term vision we have for growth of Hitachi. By combining forces, we significantly strengthen our market position, aspiring to become a leading global total solution provider to the rail sector."*

Ansaldo STS is a leading, world-class Transportation Systems technology company specialized in the design, implementation and management of signalling equipment and control systems for railways and underground railways in the freight and passenger market. Ansaldo STS also acts as a main contractor and supplier of "turnkey" transportation systems worldwide. Ansaldo STS is headquartered in Genoa and employs about 4,000 people (of which 1,530 in Italy) in more than 30 countries.

AnsaldoBreda has more than 160 years of experience in the industry and a strong tradition in the field of rail vehicles, with consolidated capabilities in Mass Transit and Very High Speed Trains. It is headquartered in Naples and has presences in the USA and major projects globally.

The purchase price under the Ansaldo STS Share Purchase Agreement is Eur 9.65 per Ansaldo STS share, resulting in a total consideration of Eur 773 million. The agreed purchase price is subject to a possible pre-closing downward adjustment, in the event that Ansaldo STS approves any distribution of dividends, interim dividends or other distributions. The total net consideration to be paid to Finmeccanica under the purchase agreement of the current business of AnsaldoBreda and the real estate assets amounts to Eur 36 million.

Finmeccanica will update its FY2015 Group guidance on completion of the transaction.

Following close of the acquisitions, Hitachi will launch a mandatory tender offer on all remaining shares of Ansaldo STS in accordance with Italian law.

Advisors

For the transaction, Finmeccanica was assisted by Mediobanca and UBS as financial advisors and by Grimaldi Studio Legale as legal advisor. Independent Directors of Finmeccanica's Board were assisted by Equita Sim as financial advisor. Hitachi Group was assisted by Citi as financial advisor and by Gianni, Origoni, Grippo e Cappelli as legal advisor.

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