### Key Figures 2004-2005

#### Transportation

<table>
<thead>
<tr>
<th>Category</th>
<th>2005 (€mln)</th>
<th>2004 (€mln)</th>
<th>%change</th>
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</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>1.230</td>
<td>1.369</td>
<td>(139)</td>
</tr>
<tr>
<td>EBIT</td>
<td>(48)</td>
<td>63</td>
<td>(111)</td>
</tr>
<tr>
<td>Margin</td>
<td>(3.9)%</td>
<td>(4.6)%</td>
<td>(8.5)%</td>
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<tr>
<td>Orders</td>
<td>1.615</td>
<td>1.645</td>
<td>(30)</td>
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<tr>
<td>Backlog</td>
<td>3.956</td>
<td>3.656</td>
<td>300</td>
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#### Energy

<table>
<thead>
<tr>
<th>Category</th>
<th>2005 (€mln)</th>
<th>2004 (€mln)</th>
<th>%change</th>
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</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>772</td>
<td>727</td>
<td>20</td>
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<tr>
<td>EBIT</td>
<td>39</td>
<td>20</td>
<td>19</td>
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<tr>
<td>Margin</td>
<td>5.1%</td>
<td>2.7%</td>
<td>2.4%</td>
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<tr>
<td>Orders</td>
<td>1.032</td>
<td>937</td>
<td>95</td>
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<tr>
<td>Backlog</td>
<td>2.329</td>
<td>2.089</td>
<td>240</td>
</tr>
</tbody>
</table>

#### 2005 Revenues

- **Rolling Stock**: 25%
- **Power Generation**: 74%
- **Service**: 20%
- **Nuclear**: 6%
Market Trends

World Transportation Market 2005
Tot. 27 B€

- Rolling Stock 76%
- Systems 6%
- Signaling 18%

World Energy Market 2005
Tot. 45 B€

- Power Generation 53%
- Service 47%

CAGR 6% 2006 – 2010 driven by:

- GDP growth and Urbanisation
- Interoperability
- Urban congestion
- Safety & security
- Deregulation

CAGR 3% 2006 – 2015 driven by:

- Regulations and Environment
- Fuel Price
- Age of Installed base
- GDP evolution
Our key offering

Signalling and Transport Systems
- ERTMS Lev 1 & 2
- Computer Based Interlocking
- CBTC
- Driverless Metro System

Rolling Stock
- High and Very High Speed Train
- Driverless Metro
- Tram Sirio
- Regional Train

Energy
- Steam Turbines and Generators
- Gas Turbines > 50 MW
- Extensive range of services for utility power generation
**Signalling and Transport Systems**
- Business process re-engineering
- Processes and tools rationalisation and optimisation to always be cost effective

**Rolling Stock**
- Implementation of extensive revision of industrial programme and processes focusing on the following areas:
  - Production processes
  - Measures to increase efficiency

**Energy**
- Building independent global provider business in high margin services
- Establishing technological independence in turbines to improve competitive position and reduce costs
Finmeccanica
Investor Day 2006

Giuseppe Zampini
CEO
Ansaldo Energia
• Equipment
  – Gas Turbines
  – Electrical Generators
  – Steam Turbines
  – Supercritical Steam Turbines
  – Geothermal Steam Turbines
  – Hydro-Generators

• Power Plants
  – Simple & Combined Cycles
  – Cogeneration
  – IGCC
  – Conventional Fossil Power Plant
  – Steam Cycle for Biomass/Waste to Energy applications

• Nuclear Activities:
  – Engineering & Construction Services
  – Decommissioning of Nuclear Installations

• Service:
  – LTSA
  – Upgrades
  – Spare Parts
  – Repairs
  – Field Service
Driving Future Growth & Profitability…

• **Commitment to Technology**
  - Enhance products portfolio performance, Steam and Gas Turbines & Generators.
  - Meet customer requirements…. Operational and Fuel flexibility
  - Low NOx…. 15ppm a reality…shooting for single digit
  - Service Solutions… increase customer assets value… (e.g. Upgrades, LTSA productivity)

• **Service Growth**
  - Organic growth supported by OEM fleet
  - Indipendent Service Provider… enter other OEMs installed fleet…
  - Leverage of technologies across the OEM and ISP service business
...Enabling Factors...

- **Commitment to Technology**
  - Exploit internal excellence in the combustion and design technologies
  - Voice of customer…Market driven products

- **Service Growth**
  - Organic Gameplan… Market penetration…
  - Inorganic Gameplan… Growth by M&A and leveraging OEM competences
**Success Factors**

- **Commitment to Technology**
  - E-Class and F-Class still on the market... Low Fuel Cost Countries...
  - Post F-Class faces difficulties to enter the market - references, reliability and investment cost are the main market restraints

- **Service Growth**
  - Provide to OEM customer base the ISP concept
  - Export OEM solutions and technology to the ISP world
  - Market is eager to receive new reliable player into leading OEM’s fleet
The longer-than-expected E,F Class “residual” life

E, F Class still on the market...
Low Fuel Cost Countries...

...Post F-Class faces difficulties to enter the market...
references, reliability and investment cost are the main market restrains...
...Success Factors

- **Commitment to Technology**
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Extend the Accessible Market

Increase Service Entitlement & Customer Penetration:

*Primarily an Organic Gameplan*

Enhance Service Portfolio:

*Primarily an Inorganic Gameplan*

Source: AEN evaluation based on McCoy Database

Data expressed in B€/year
Extend Market Reach and Service Share

From 33% to ~65% of Gross Profit from Service Business
BACK-UP
World Electricity Outlook
Installed Capacity

**By Region [GW]**

- **North America**
  - 2003: 1,091
  - 2010: 1,487
  - 2030: 1,896

- **Middle East & Africa**
  - 2003: 232
  - 2010: 424
  - 2030: 486

- **Europe**
  - **Western Europe**
    - 2003: 751
    - 2010: 846
    - 2030: 912
  - **Eastern Europe**
    - 2003: 503
    - 2010: 580
    - 2030: 641

- **Asia Pacific**
  - 2003: 1,997
  - 2010: 1,302
  - 2030: 1,997

- **Latin America**
  - 2003: 200
  - 2010: 271
  - 2030: 368

**By Fuel (Worldwide) [GW]**

- **Oil**
  - 2003: 372
  - 2010: 418
  - 2030: 433

- **Coal**
  - 2003: 49
  - 2010: 92
  - 2030: 175

- **Nuclear**
  - 2003: 272
  - 2010: 339
  - 2030: 920

- **Renewables**
  - 2003: 308
  - 2010: 372
  - 2030: 432

**By Fuel (in Target Regions) [GW]**

- **Oil**
  - 2003: 140
  - 2010: 160
  - 2030: 175

- **Coal**
  - 2003: 325
  - 2010: 372
  - 2030: 432

- **Gas**
  - 2003: 136
  - 2010: 170
  - 2030: 158

- **Nuclear**
  - 2003: 140
  - 2010: 160
  - 2030: 167

- **Renewables**
  - 2003: 170
  - 2010: 633
  - 2030: 920

Source: International Energy Outlook 2006, EIA
Technology Trend / Product Portfolio

AEN Portfolio

- Wind Energy
- Biomass/Waste to Energy
- Geothermal/Hydro
- New Nuclear Plant
- Decommissioning
- Gas Turbine Simple Cycles
- Gas Turbine Combined Cycles
- Cogeneration
- IGCC
- Conventional Fossil Power Plant
- Clean Coal Technologies

Strong Weak

Completeness

Source: International Energy Outlook 2006, EIA

Additional Installed Capacity 2010-2030

1694 (342)

339 (60)

58 (-12)

587 (287)

695 (0)

(in parenthesis Additional Capacity figures in Target Regions only, as defined in the previous chart)
**AEN Commitment to Technology**

- Enhance products portfolio performance, Steam and Gas Turbines & Generators.
- Meet customer requirements…. Operational and Fuel flexibility
- Low NOx…. 15ppm a reality…shooting for single digit
- Independent Service Provider… technology development to enter other OEM fleets
- Service Solutions… increase customer assets value

**R&D expenditure**

<table>
<thead>
<tr>
<th>Year</th>
<th>€MM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>8.5</td>
</tr>
<tr>
<td>2006</td>
<td>19</td>
</tr>
<tr>
<td>2010</td>
<td>&gt;45</td>
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</tbody>
</table>
The Path to Growth…

Revenues

\[ \text{M€} \]

OEM Growth - CAGR 2005-2010 = 19%
Overall Growth - CAGR 2005-2010 = 30%

- Total 2005: 153
- Market Penetration + New Product Introduction: 150
- LTSA growth: 62
- ISP (ESG + TTS) (New + Organic Growth): 100
- ISP: ~95
- Total 2010: ~560
Service Technology
A Key differentiator to win on the market

• Value Packs
  • V94.2 upgrades (e.g.: performance, burners, blades coating…)
  • V94.3A2 upgrades (to A4)
  • Retrofits LP sections on ST’s
  • BOP

• LTSA Productivity
  • Increased hot gas path life
  • Strategic Spare Maintenance
  • Pooling
  • On-Site services

• Environmental
  • HR3 burners
  • Synfuels

• Other OEM’s
  • GT: Siemens fleet
  • ST: ABB, GE, Westinghouse fleets
  • TA: Alstom, GE fleets

• RAMS
  • Predictive Emission Monitoring System
  • RM&D
  • RCM

The deployment of the Service Technologies is leveraged across the OEM and ISP portfolio
Gas Turbines
AEN Installed Fleet

TOTAL: 118 UNITS
MORE THAN 2.8MILLION EOH
Class E & F evolution
AEN playground
Technology

AEN has the right to “continue to use” without any limitation all the information relevant to the gas turbine technology received during the licence period.

According to the winding-up agreement with Siemens, AEN is allowed to:

- Continue indefinitely to produce all gas turbine models manufactured up today without any payment of royalties
- Design upgradings on the existing gas turbines in order to keep them on the high level side of the market
- Develop an independent network of suppliers for the critical items
- Reach with all GT’s 15 ppm NOx

- Upgrade the V64.3A to 77 MW
- Upgrade the V94.2 to 170 MW
- Upgrade the V94.3A to 300 MW

- Extend Ansaldo-ABB platform to all GT models
- Integrate Power Island control systems
- Modulate the Control Systems on the models with a cost saving logic

Lube oil system
Fuel oil system
Fuel gas system
Ignition system
Purging system
IGV actuation
Blow off V94.2
Fogging system
Roberto Assereto
CEO
AnsaldoBreda
Ansaldobreda is engaged on a comprehensive restructuring plan:

- Focused on reshaping the organisational and industrial processes
  - Identify centres of specialisation and excellence
  - Strengthen engineering capabilities
  - Enhance methodologies for risk assessment and mitigation
    - Based on a marketing plan finalised to:
      - restore long-term relationships with consolidated customers
      - promote the most competitive products
      - develop project financing, operative leasing and global service

Final goal is to improve efficiency and profitability
Key Products

ETR500 3kVdc/25kVac

Boston LRVs

Copenhagen Driverless

Sirio LRVs

V250 EMU

TSR double deck EMUs

DMUs

Los Angeles HRVs

Locomotives

Circumvesuviana HRVs

Metro Madrid HRVs
Key drivers for the growth:

1. *Italian market*

2. *Emerging Opportunities in a major area: Russia*
Italian Market

- Italian Market is expected to continue its growth:
  - New Very High Speed Lines and enhancement of EUROSTAR service
  - Liberalisation process of regional transport
  - High average age of operational fleet
  - New Mass Transit Lines due to traffic congestion
  - Increase in railway transportation
- TRENITALIA Investment Plan, still to be assigned, amounts to approximately €4 Bln in the next 5 years
- The total expected Italian market demand will be approx. 1600 mln €/year

AnsaldoBreda intends to capture a significant share of the future investments, focusing on

Very High Speed Trains
Regional Trains
Mass Transit Vehicles
Italian Market: Ansaldobreda strengths

• Capabilities to present a single deck, distributed power, Very High Speed trains according to the TSI European specifications and Trenitalia requirements
• MoU with Alstom for a common portfolio of solutions for Very High Speed Trains and High Speed Trains to cover Italian and export market demands

• Updated and competitive Double Deck Train for Regional Railways under homologation

• Mass transit vehicles leader

• Leverage on advanced driverless metro and low floor SIRIO LRV
Emerging Opportunities

Within the fast growing markets, the Russian area will represent a major opportunity for AnsaldoBreda

- Russian Government’s decision to improve service quality will require new generation Rolling Stock fleets

- Russia represents a wide and promising market, based on one of the widest railway network (about 90,000 km)

- Russian Railways strongly intend to revitalise Russian rolling stock industry through co-operation with foreign reliable strategic partner

- The Italian Government support and the recognised Finmeccanica position in Russia as a reliable strategic and industrial partner, are key leverages for AnsaldoBreda success
The Russian MoU

AnsaldoBreda wants to invest in the Russian Market according to the M.o.U. signed by Russian Railways, Russian Industry Transmashholding and the Finmeccanica Transportation Companies

MoU Content

- Development, production and marketing of a new generation train (single deck, distributed power, 160 km/h) from Joint Operations of AnsaldoBreda and Transmashholding, based on AnsaldoBreda technology of the Class 72 train delivered to Norwegian Railways (similar weather conditions)

- First targeted goal: New Generation Intercity Train fleet (about 200 trains in 15-18 years), that may generate € 500 mln sales in next 5 years and € 1.5 bln sales in further years
- Cooperation extended to Locomotives, METRO and LRV markets
- Cost reduction through local activities will generate increased margin and additional volume
Revenues growth 2005-2010

2005 Revenues
398 Mln €

- Service: 19%
- Main Line: 36%
- Regional: 14%
- Mass Transit: 31%

2010 Revenues
810 Mln €

- Service: 19%
- Main Line: 27%
- Regional: 17%
- Mass Transit: 37%
Summary

- Back on Track
- Selective growth based on key products
- Major Programme in partnership with Alstom (Very High Speed)
- Emerging market: Russia
- Revenues growing