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Finmeccanica: Board of Directors approves stock market listing proposal for Ansaldo Signal

At today's meeting of the Board of Directors of Finmeccanica, chaired by Pier Francesco Guarguaglini, the application for a listing on the Italian stock market was considered in respect of a company incorporated under Italian law to which all of the activities of Ansaldo Signal would be transferred. Ansaldo Signal is a global leader in the railway signalling sector.

The move forms part of the group's strategy to enhance the market value of its industrial activities in this sector, while at the same time continuing to benefit from the technological and marketing synergies generated by Finmeccanica's presence in various segments of the transport sector. The operation will result in the creation of an Italian company – with significant potential for economic and industrial growth, open to strategic alliances with other companies and with a broad international presence. In particular, Ansaldo Signal, whose shares will be listed between the end of 2005 and early 2006, boasts solid growth prospects thanks to increasing investments in rail infrastructure and mass transit (light rail and metro).

Moreover, the plans for Ansaldo Signal do not preclude other business options for the group's Transport activities, some of which have been under discussion for some time.

In line with the group's commitments made to the financial market, the listing should allow Finmeccanica to achieve:

- further concentration in the Aerospace, Defence and Security sector;
- cash proceeds from the IPO;
- value creation in its subsidiaries.

The Board of Directors therefore granted the Chairman and Chief Executive Pier Francesco Guarguaglini the powers to define and execute all actions required for obtaining a stock market listing. Nearer to the time of the IPO, the Board will meet to discuss valuations of Ansaldo Signal, and to establish the price range for the flotation.

In 2004, Ansaldo Signal achieved revenues of € 539 million and Ebita of € 56 million (+26% on 2003). Order intake in 2004 was € 730 million (+33% on 2003), bringing the backlog to € 998 million, equivalent to approximately two years of revenues.