



## **Cubic Selected for Chicago Open Standards Fare System Contract**

*New system will be the first full-scale open payment system in the world and the largest ever automated fare collection contract placed in North America*

SAN DIEGO, Calif. – November 17, 2011 - Cubic Transportation Systems, a business unit of San Diego-based Cubic Corporation (NYSE: CUB), has been selected for contract award by the Chicago Transit Authority (CTA) to integrate, deliver, operate and maintain the agency’s next-generation open payments system that will accept bank cards and, ultimately, mobile phone payments. The contract has an estimated value of \$454 million, making it the largest automated fare collection contract ever placed in North America. Cubic will operate and maintain the entire system, resulting in an overall 12-year partnership between Cubic and the CTA.

To create the CTA Open Standards Fare System (OSFS), Cubic will transition the agency from its current agency-issued fare media to an open payment system where customers can use their existing credit or debit cards as a ticket, bringing the retail experience to transit ticketing. Like most transit agencies today, the CTA operates a “closed loop” fare collection system, selling its own magnetic tickets and smart cards that can be used only on CTA and Pace.

Riders without credit or debit cards will be issued reloadable prepaid debit cards that can be used for everyday purchases and CTA rides.

“The CTA is taking a revolutionary approach that will transform travel for the more than 1.6 million rides citizens take each day on the CTA to get to their jobs, schools and other destinations,” said Richard Wunderle, senior vice president and general manager of Cubic Transportation Systems North America.

Cubic will be the systems integrator and services provider, leading a team that will also include First Data Corporation, Carolyn Grisko & Associates, Americaneagle.com, Bank of America and Bank of America Merchant Services.

“In taking this action, the Chicago Transit Authority will upgrade its fare equipment, save additional money over time, improve the customer experience, grow ridership and keep abreast of rapidly-changing technology. It’s a major step forward, and we and our partners are eager to begin,” said Cubic Transportation Systems vice president John Satterfield.

Cubic is the transit industry’s leading provider of revenue management and business information systems and services. The CTA – which has been a Cubic customer since 1993 when Cubic was awarded the contract to deliver Chicago’s current system – is among major customers that include London, Washington, D.C., San Francisco Bay Area, Atlanta, Miami/South Florida, Los Angeles, New York/New Jersey, Brisbane, Sydney, and Vancouver.

The contract award culminates the CTA’s competitive procurement that included several major competitors in the transit industry. Cubic expects to execute the contract in the near future.

The estimated contract value of \$454 million is made up of both fixed and variable revenue components. The payments under the contract will begin when the commercial service status of the system is achieved, which is expected to be within the first two years of the contract. The company will not likely recognize revenues from the contract until that milestone is reached.

***Cubic Corporation (NYSE: CUB) is the parent company of three major business segments: Defense Systems, Mission Support Services and Transportation Systems.***

*Cubic® Transportation Systems, Inc., is the world's leading turnkey solution provider of automated fare collection systems for public transport including bus, bus rapid transit, light rail, commuter rail, heavy rail, ferry and parking. Cubic's solutions and services include system design, central computer systems, equipment design and manufacturing, device-level software, integration, test, installation, warranty, maintenance, computer hosting services, call centre services, card management and distribution services, financial clearing and settlement, multi-application support and outsourcing services.*

*Every year, nearly 10 billion rides are taken worldwide using Cubic fare collection systems. Cubic has delivered over 400 projects in 40 major markets on five continents. Active projects include London; Brisbane (Southeast Queensland) region, Australia; New York/New Jersey region; Washington, D.C./Baltimore/Virginia region; Los Angeles region; San Diego region; San Francisco region;*

*Minneapolis/St. Paul; Chicago; Atlanta region; Miami (South Florida) region; Vancouver and Edmonton, Canada; Sydney (New South Wales), Australia; and Scandinavia.*

*Cubic Defense Systems is a leading provider of realistic combat training systems, cyber technologies, asset tracking solutions, and defense electronics. Mission Support Services is a leading provider of training, operations, maintenance, technical and other support services. For more information about Cubic, see the company's Web site at [www.cubic.com](http://www.cubic.com).*

*###*