

Rome, 28 July 2009

THE BOARD APPROVES THE FIRST-HALF RESULTS

- **Net profit at EUR 37 million (+21%)**
- **Value of production at EUR 547 million (+9%)**
- **EBIT at EUR 57 million (+12%)**
- **New orders at EUR 832 million (+69%)**
- **Order backlog at EUR 3,405 million (+16%)**
- **New Chief Financial Officer and director responsible for preparing the accounts appointed**

The Board of Directors of Ansaldo STS (STS.MI), chaired by Alessandro Pansa, has approved the first-half results to 30 June 2009, which showed an improvement compared to the same period last year.

Sergio De Luca, CEO of Ansaldo STS, commented:

“The satisfactory results for the first half-year are proof that the Ansaldo STS Group has understood how to meet the new challenges and requirements of a continually changing market. Today’s economy is characterised by intensified competition and there is a trend to increasingly reward the very few global operators who are particularly attuned to ongoing technological innovation. Our solid international presence and know-how therefore mean that we were able to take full advantage of opportunities that arose in the first half of 2009 and we are working to pursue current and future business in both the railway and mass transit sectors in both established markets and strongly expanding regions such as the developing economies.”

RESULTS FOR THE FIRST HALF 2009

In the first half of 2009, the Ansaldo STS Group registered a **net profit** of EUR 37.5 million, a rise of 20.6% on the same period last year (EUR 31.1 million).

Value of production for the period was EUR 547.3 million, of which EUR 371.5 million relates to the Signalling Unit and EUR 175.9 million for Transportation Systems, now known as the Transportation Solutions Unit. This represents a rise of 8.9% compared to EUR 502.6 million for 1H08.

EBIT also advanced, from EUR 50.8 million in 1H08 to EUR 56.8 million in 1H09 (+11.8%). The group's EBIT margin (ROS) rose to 10.38%, from 10.12% previously.

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By business, Signalling generated EBIT of EUR 46.9 million, up from EUR 42.6 million, while EBIT in Transportation Solutions was EUR 16.4 million, up on the EUR 12.4 million registered in 1H08.

Free operating cash flow (FOCF) generated cash of EUR 70.4 million compared to utilised cash of EUR 1.4 million at 30 June 2008. The significant change was due to careful management of working capital and the receipts and payments system, and to advances on important contracts won abroad.

At 30 June 2009, **consolidated Working Capital** was negative for EUR 189.6 million, compared to a negative figure of EUR 166.3 million at 31 December 2008. The change in working capital was due to the increase in trade payables and other current payables whereas the increase in inventories and work in progress was offset by the fall in trade receivables.

The group's **Net Financial Position** at 30 June 2009 was EUR 236 million, compared to EUR 195.9 million at the end of 2008. The increase was EUR 40.2 million even after paying dividends of EUR 27 million as approved by the shareholders at their meeting of 28 April 2009.

The group continues to focus on innovation: in the first half of 2009, it invested **EUR 19.8 million in Research and Development**.

Key figures (EUR m)	30.06.09	30.06.08	% chg.
New orders	832.3	491.6	69.3%
Order backlog	3,404.8	2,942.3	15.7%
Value of production	547.3	502.6	8.9%
EBIT	56.8	50.8	11.8%
ROS	10.4%	10.1%	0.3 p.p.
Net profit	37.5	31.1	20.6%
Net Working Capital	(189.6)	(185.2)	2.4%
Net financial position	(236.0)	(163.4)	44.4%
R&D	19.8	21.8	(9.2%)
Headcount	4,318	4,264	1.3%
EPS	0.37	0.31	19.4%

New orders totalled EUR 832.3 million in 1H09, compared to EUR 491.6 million in 1H08. During the period:

- the **Transportation Solutions Unit** obtained new orders of EUR 456 million primarily relating to the Taipei Metro (EUR 214.2 million), the design and construction of electrical railway equipment for Line 1 of the Naples Metro (EUR 53.7 million) and a new order of EUR 148.8 million with AnsaldoBreda, a



Finmeccanica Group affiliate, in connection with the Riyadh Metro, Women's University;

- the **Signalling Unit's** new orders amounted to EUR 390 million primarily relating to maintenance of the Madrid-Lerida HSL (EUR 31.3 million), new contracts in Germany, Italy and the United Kingdom (EUR 98.2 million and in the United States and Australia (EUR 133.1 million).

The main orders acquired in the first half of 2009 relate to the following projects:

Country	Project	Customer	Value (EUR m)
Taiwan*	Taipei Circular Line - Phase 1	SEMPO	214.2
Saudi Arabia*	Riyadh Women's University	Min. Fin. Saudi Arabia	148.8
Italy-France-US	Various components / services and maintenance	Various	57.5
Italy*	Naples Metro L1: Dante - Garibaldi	Municipality of Naples	53.7
Italy*	HSL Italy Variation	Iricav / Saturno	32.9
Spain	HSL Madrid – Lerida Maintenance	ADIF	31.3
US	LIRR Harold Interlocking	LIRR	19.4
India	Mumbai Monorail (various)	SCOMI	19.1
Italy	Electronic railway station management system – Palermo	RFI	19.0
US	NYCT Lexington and 5th Avenue	NYCT	17.9
Germany	ATC On Board, 30 Velaro Trains	Siemens	16.8
Australia	From Maitland to Branxton BiDirectional	ARTC	12.5
Australia	Richmond Line Alliance	TIDC	11.6
Australia	Clearways 3 Kingsgrove – Revesby	TIDC	11.4
Italy	Turin-Milan & Rome-Naples HSL (change orders)	CAV To - Mi IRICAV	9.8
US	PAAC North Shore Connector	PAAC	9.8
US	WMATA Silver Springs	WMATA	8.9
Italy	SCMT Bordo (3rd AIM frame)	Trenitalia	8.8
Italy	CTC (Taranto - Brindisi / Pavia-Vercelli)	RFI	8.8
Brazil	CPTM CAB	CAF	8.1
Australia	ARTC Various projects	ARTC	7.9
Australia	Deepdale ICSS Gap	Rio Tinto	7.6
UK	Cambrian Line	NR	7.0
China	Xian Line 2	Insigma	6.7

* *Largest new orders during the period under review for the Transportation Solutions Unit*

The **order backlog** at 30 June 2009 totalled EUR 3,404.8 million, an increase of

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EUR 462.5 million, or 15.7%, compared to 30 June 2008; this is equivalent to approximately more than three years' production.

It should also be emphasised that immediately following the end of the first half-year, Ansaldo STS was awarded a contract worth EUR 541 million for railway signalling, telecommunications and related power supply systems for the coastal line in Libya from Ras Ajdir to Sirti and the inland line from Al-Hisha to Sabha.

The order backlog of the **Signalling Unit** totalled EUR 1,534.8 million at 30 June 2009 (EUR 1,282.7 million excluding orders from the Transportation Solutions Unit) compared to EUR 1,409 million at 30 June 2008.

The order backlog of the **Transportation Solutions Unit** at that date was EUR 2,122 million compared to EUR 1,756.8 million at 30 June 2008.

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CONSOLIDATED INCOME STATEMENT

ANSALDO STS GROUP

<i>Consolidated income statement (EUR m)</i>	30.06.09	30.06.08	31.12.08
Revenues	547.3	502.6	1,105.5
Value of production	547.3	502.6	1,105.5
Purchasing and staff costs	(490.1)	(452.3)	(976.0)
Change in inventories, semi-finished and finished products and goods	3.1	5.1	(2.6)
Depreciation and amortisation	(5.6)	(5.0)	(10.5)
Write-downs	(0.4)	(0.1)	(3.7)
Restructuring costs	(1.5)	(1.4)	(1.6)
Other net operating revenues (costs)	4.0	1.9	6.5
EBIT	56.8	50.8	117.6
Net financial income (expenses)	(1.7)	(0.9)	(4.4)
Income taxes	(17.6)	(18.8)	(44.4)
Net profit	37.5	31.1	77.6
<i>Earnings per share</i>	<i>0.37</i>	<i>0.31</i>	<i>0.78</i>

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CONSOLIDATED BALANCE SHEET

ANSALDO STS GROUP

<i>Consolidated balance sheet (EUR m)</i>	30.06.09	31.12.08	30.06.08
Non-current assets	251.0	254.0	252.5
Non-current liabilities	(42.4)	(44.8)	(45.7)
	208.6	209.2	206.8
Inventories	95.8	92.8	104.1
Contract work in progress	192.9	145.7	208.6
Trade receivables	334.3	370.0	251.5
Trade payables	(216.1)	(213.5)	(181.7)
Customer advances	(525.4)	(502.4)	(473.0)
Short-term provisions for risks and future liabilities	(27.4)	(28.5)	(26.2)
Other net current assets (liabilities)	(43.6)	(30.4)	(68.5)
Working capital	(189.5)	(166.3)	(185.2)
Net invested capital	19.1	42.9	21.6
Group shareholders' equity	254.5	238.3	184.6
Minority shareholders' equity	0.6	0.5	0.4
Shareholders' equity	255.0	238.8	185.0
Net debt (liquidity)	(236.0)	(195.9)	(163.4)

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CASH FLOW STATEMENT
ANSALDO STS GROUP

<i>Cash flow statement (EUR m)</i>	30.06.09	30.06.08	31.12.08
Cash and cash equivalents – opening balance	71.5	63.4	63.4
Cash flow from operations (gross)	64.8	48.5	131.5
Change in working capital	10.1	(29.3)	(16.3)
Changes in other operating assets and liabilities, and provisions for risks and future liabilities	(0.6)	(14.4)	(58.6)
<i>Cash flow generated by (used in) operating activities</i>	74.3	4.8	56.6
Cash flow from ordinary investments	(3.9)	(6.2)	(13.3)
<i>Free operating cash flow</i>	70.4	(1.4)	43.3
Strategic investments	(2.6)	-	(2.1)
Other changes in investments	-	-	-
<i>Cash flow generated by (used in) investment activities</i>	(6.5)	(6.2)	(15.4)
Dividends paid	(27.0)	(20.0)	(20.0)
Cash flow from financing activities	(30.3)	29.1	(13.5)
<i>Cash flow generated by (used in) financing activities</i>	(57.3)	9.1	(33.5)
Exchange rate differences	0.1	(0.6)	0.4
<i>Cash and cash equivalents – closing balance</i>	82.1	70.5	71.5

RESULTS BY BUSINESS UNIT

<i>EUR m</i>	SIGNALLING		TRANSPORTATION SOLUTIONS	
	30.06.09	30.06.08	30.06.09	30.06.08
New orders	390.1	430.2	456.0	62.0
Order backlog	1,534.8	1,409.0	2,122.0	1,756.8
Value of production	380.5	388.7	175.9	115.0
EBIT	46.9	42.6	16.4	12.4
ROS	12.32%	10.97%	9.30%	10.79%
Working capital	(58.7)	(53.9)	(126.0)	(120.2)
Research and development	18.7	19.8	1.1	1.2
Headcount	3,757	3,845	487	361

Notes to the table

The figures reported in the table ignore eliminations between divisions.

Jean Paul Giani, the director responsible for drawing up the company's accounting statements, hereby declares, pursuant to article 154-bis, paragraph 2 of the Testo Unico della Finanza law, that the information contained in this press release accurately represents the figures contained in the group's accounting records.

NEW CHIEF FINANCIAL OFFICER APPOINTED

Dr. Alberto Milvio was also appointed Chief Financial Officer by the Board at the meeting.

Dr. Milvio will replace Dr. Jean Paul Giani from 1 August 2009. Dr. Giani has been reassigned to another senior position in the Finmeccanica Group. Dr. Milvio will also become the Director Responsible for Drawing-up Accounts pursuant to art. 154 bis of the *Testo Unico della Finanza* law from 1 August 2009.

The Board of Directors expresses its gratitude to Dr. Giani for the dedication and commitment with which he pursued his duties as CFO of ASTS, during which time he used his managerial and professional expertise to contribute to the success of the Company's IPO in March 2006.

Dr. Milvio, aged 49, previously held senior positions both at the parent company, Finmeccanica, as Investment Management Vice President, as well as at the subsidiary, Sensors & Airborne Systems, initially as CFO and then as Group Strategy Director.



Ansaldo STS confirms that at **4pm** on 28 July, the management will be available to comment on the above, via conference call.

The presentation used in the conference call will be available in advance on our website www.ansaldo-sts.com

To take part in the **conference call**:

Italy: +39 02 802 09 11

UK: +44,208 79 29,750

USA: +1 866 23 96 425

To **replay the conference call** in the 72 hours following the call, using access code **820#**

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NB:

The management of Ansaldo STS also assesses the business and financial performance of the Group and its business segments based on a number of indicators not provided for by IFRS.

As required by CESR recommendation CESR/05 178 B, the components of each of the non-GAAP alternative performance indicators used in this press release are defined below.

EBIT: i.e. earnings before interest and tax, with no adjustments. It excludes income and expenses from the operations of unconsolidated subsidiaries and other securities, and gains/losses on any sales of consolidated shareholdings, which are recorded under "financial income and expenses", or in the case of gains/losses on shareholdings accounted for using the equity method, under the item "effect of the accounting for shareholdings using the equity method".

EBITA margin (return on sales): is calculated as the ratio of adjusted EBITA to total revenues.

Free operating cash flow (FOCF): this is the sum of the cash flows generated by/used in operations, cash flow generated by/used in investments in or disposals of tangible and intangible assets and shareholdings, net of cash flows from the purchase/sale of shareholdings that, due to their nature or size, are considered "strategic investments".

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