

Rome, 4 November 2009

## THE BOARD APPROVES RESULTS TO 30 SEPTEMBER 2009

- **Strong growth in results for the first nine months of the year:**
  - **Net profit at EUR 56 million (+11.2%)**
  - **EBIT at EUR 86 million (+7.8%), ROS up to 10.3%**
  - **Value of production at EUR 828 million (+6.7%)**
  - **Order backlog at EUR 3,822 million (+27.9%)**
  - **New orders at EUR 1,525 million (+88.6%)**
  - **Net cash position of EUR 246 million (+39.9%)**

The board of directors of Ansaldo STS (STS.MI), chaired by Alessandro Pansa, has examined and approved the consolidated results to 30 September 2009, which showed a significant improvement compared to the same period of last year.

In the first nine months of 2009 the Ansaldo STS group registered a **net profit of EUR 55.6 million**, an increase of **11.2%**, or EUR 5.6 million, on the figure of EUR 50 million recorded in the same period of 2008.

**EBIT** also advanced, with an increase of **7.8% versus the same period of 2008**, to **EUR 85.6 million**, while the group's ROS rose from 10.2% to **10.3%**.

**Value of production** for the first nine months of 2009 was **EUR 827.7 million**, an increase of **6.7%** on the figure of EUR 775.7 million for the same period of 2008.

The **order backlog** was **EUR 3,822.2 million** at 30 September 2009, a rise of **27.9%** on the figure of EUR 2,987.6 million recorded in the first nine months of last year. **New orders** totalled **EUR 1,524.9 million, up 88.6%** compared to EUR 808.7 million in the same period of 2008. This significant increase was due to the achievement of important company objectives, such as the EUR 541 million order in Libya, the largest in Ansaldo STS' history.

At 30 September 2009, the company had a **net cash position of EUR 245.7 million**, compared to EUR 175.7 million in the same period of last year and EUR 195.9 million at the end of 2008.

PRESS RELEASE

Key figures (€Mil)	9 months 2009	9 months 2008	% chg.	Third quarter 2009	Third quarter 2008	% chg.
<i>New orders</i>	1,524.9	808.7	88.6%	692.6	317.1	118.4%
Order backlog	3,822.2	2,987.6	27.9%	3,822.2	2,987.6	27.9%
<i>Value of production</i>	827.7	775.7	6.7%	280.4	273.1	2.7%
<i>EBIT</i>	85.6	79.4	7.8%	28.8	28.6	0.7%
<i>ROS</i>	10.3%	10.2%	0.1 pp	10.3%	10.5%	- 0.2 pp
Net profit	55.6	50.0	11.2%	18.2	18.9	- 3.7%
Working capital	(178.6)	(170.5)	4.8%	(178.6)	(170.5)	4.8%
Net cash position	(245.7)	(175.7)	39.8%	(245.7)	(175.7)	39.8%
R&D	32.1	29.8	7.7%	12.3	8.1	51.9%
Headcount	4,376	4,281	2.2%	4,376	4,281	2.2%
EPS	0.56	0.50	12%	0.18	0.19	- 5.3%

### RESULTS FOR THE THIRD QUARTER OF 2009

**New orders** climbed by EUR 375.5 million (+118.4%), from EUR 317.1 million in the third quarter of 2008 to EUR 692.6 million.

Specifically, new orders secured by the **Signalling Unit** totalled EUR 694.3 million, while the **Transportation Solutions Unit** acquired orders worth EUR 28.5 million.

The main orders acquired in the third quarter of 2009 relate to the following projects:

Country	Project	Customer	Value (€Mil)
Libya	Libyan rail network	Libyan Railways	<b>541.0</b>
United States	PATH Control Center	PATH	<b>18.3</b>
Italy	SCMT-Service & Maintenance SSB - ETR 500	Trenitalia	<b>12.1</b>
France	Components / Service and maintenance	Various	<b>11.8</b>
Italy*	Rome Metro Line C (Section T2)	Roma Metropolitane	<b>11.8</b>
United States	Components / Service and maintenance	Various	<b>10.6</b>
Australia	Various ARTC projects	ARTC	<b>9.9</b>
Australia*	RGPS Communication Transmission System	BHP Billiton	<b>6.9</b>
Norway	Norway: NSB Commuter Trains	Stadler	<b>6.0</b>
Australia	Various QR projects	Various	<b>5.4</b>
Italy	Components / Service and maintenance	Various	<b>2.8</b>
Italy	Turin-Milan & Rome-Naples HSL (changes)	CAV To - Mi IRICAV	<b>1.9</b>

\* Main orders acquired by the Transportation Solutions Unit in 3Q09.

The **order backlog** of the **Signalling Unit** totalled **EUR 2,028.6 million** at 30 September 2009, compared with EUR 1,351.3 million in the same period of 2008.

The **order backlog** of the **Transportation Solutions Unit** was **EUR 2,051.8 million** at 30 September 2009, versus EUR 1,878.9 million in the first nine months of last year.

**Value of production** came in at **EUR 280.4 million**, versus EUR 273.1 million in the same period of last year, an advance of **2.7%** versus the previous quarter.

In the quarter under review, value of production broke down as follows:

- **Signalling Unit: EUR 174.9 million**

**- Transportation Solutions Unit: EUR 105.5 million**

**R&D costs** rose by **51.9%** to EUR **12.3 million** in 3Q09, versus EUR 8.1 million in 3Q08.

**EBIT** increased to EUR **28.8 million**, from EUR 28.6 million in 3Q08.

**ROS** was **10.3%** in the quarter under review, a slight decrease compared to the figure of 10.5% registered in 2008.

The group recorded a **consolidated net profit** of EUR **18.2 million** in 3Q09, compared with EUR 18.9 million in 3Q08.

**Free operating cash flow (FOCF)**, before strategic investments, was positive at EUR **80.6 million**, up from the EUR 14.8 million reported at 30 September 2008.

The difference of EUR **65.8 million** is attributable to the increase in cash flow from operations compared to the same period of 2008, mainly due to changes in working capital and the lower taxes paid by parent company Ansaldo STS SpA in the period.

At 30 September 2009 **consolidated net invested capital** was EUR **26.5 million**, compared to EUR 42.9 million at 31 December 2008; the difference of EUR **16.4 million** was mainly attributable to the change in **working capital**, which was EUR **(178.6) million** at 30 September 2009 compared to EUR (170.5) million at 31 December 2008.

**CONSOLIDATED INCOME STATEMENT**
**Ansaldo STS Group**

<i>Consolidated income statement (€Mil)</i>	<i>Third quarter 2009</i>	<i>Third quarter 2008</i>	<i>Amount at 30.09.0 9</i>	<i>Amount at 30.09.08</i>
Revenues	280.4	273.1	827.7	775.7
Value of production	<b>280.4</b>	<b>273.1</b>	<b>827.7</b>	<b>775.7</b>
Purchasing and staff costs	(248.7)	(236.4)	(738.7)	(688.6)
Change in inventories of semi-finished and finished products and goods for sale	0.6	(5.4)	3.7	(0.3)
Depreciation and amortisation	(3.1)	(2.7)	(8.8)	(7.7)
Write-downs	0.1	(0.2)	(0.3)	(0.3)
Restructuring costs	-	-	(1.5)	(1.5)
Other net operating revenues (costs)	(0.5)	0.2	3.5	2.1
<b>EBIT</b>	<b>28.8</b>	<b>28.6</b>	<b>85.6</b>	<b>79.4</b>
Net financial income (expenses)	(2.7)	3.3	(4.4)	2.4
Income taxes	(7.9)	(13.0)	(25.6)	(31.8)
<b>NET PROFIT</b>	<b>18.2</b>	<b>18.9</b>	<b>55.6</b>	<b>50.0</b>
Earnings per share	0.2	0.2	0.6	0.5

**CONSOLIDATED BALANCE SHEET**
**Ansaldo STS Group**

<i>Consolidated balance sheet (€Mil)</i>	<b>30.09.09</b>	<b>31.12.08</b>
Non-current assets	248.2	254.0
Non-current liabilities	(43.1)	(44.8)
	<b>205.1</b>	<b>209.2</b>
Inventories	93.2	92.8
Contract work in progress	199.9	145.7
Trade receivables	368.4	370.0
Trade payables	(237.2)	(213.5)
Customer advances	(531.3)	(502.4)
Short-term provisions for risks and future liabilities	(25.5)	(28.5)
Other net current assets (liabilities)	(46.1)	(30.4)
<b>Working capital</b>	<b>(178.6)</b>	<b>(166.3)</b>
<b>Net invested capital</b>	<b>26.5</b>	<b>42.9</b>
Group shareholders' equity	271.6	238.3
Minority shareholders' equity	0.6	0.5
<b>Shareholders' equity</b>	<b>272.2</b>	<b>238.8</b>
<b>Net debt (cash)</b>	<b>(245.7)</b>	<b>(195.9)</b>

**CASH FLOW STATEMENT**
**Ansaldo STS Group**

<i>Cash flow statement (€Mil)</i>	<b>30.09.09</b>		<b>30.09.08</b>	
<b>Cash and cash equivalents – opening balance</b>	71.5		63.4	
Cash flow from operations (gross)	100.1		79.5	
Change in working capital	(0.4)		(28.0)	
Changes in other operating assets and liabilities	(12.2)		(26.3)	
<b>Cash flow generated by (used in) operating activities</b>	<b>87.5</b>		<b>25.2</b>	
Cash flow from ordinary investments	(6.9)		(10.4)	
<b>Free operating cash flow</b>	<b>80.6</b>		<b>14.8</b>	
Strategic investments	(2,5)		(0,5)	
<b>Cash flow generated by (used in) investments</b>	<b>(9.4)</b>		<b>(10.9)</b>	
Dividends paid	(27)		(20,0)	
Capital increases				
Cash flow from financing activities	(4.8)		43.2	
<b>Cash flow generated by (used in) financing activities</b>	<b>(31.8)</b>		<b>23.2</b>	
<b>Exchange rate differences</b>	<b>(0.2)</b>		<b>(0.7)</b>	
<b>Cash and cash equivalents – closing balance</b>	<b>117.6</b>		<b>100.2</b>	

**RESULTS BY BUSINESS UNIT**

€Mil	SIGNALLING					TRANSPORTATION SOLUTIONS				
	3Q 2009	3Q 2008	At 30/09/09	At 30/09/08	At 31/12/08	3Q 2009	3Q 2008	At 30/09/09	At 30/09/08	At 31/12/08
Orders	694.3	142.4	1,084.4	557.3	963.6	28.5	179.2	484.6	256.5	342.5
Order backlog	2,028.6	1,351.3	2,028.6	1,351.3	1,526.4	2,051.8	1,878.9	2,051.8	1,878.9	1,843.5
Value of production	177.1	206.9	557.6	595.6	824.5	105.5	69.4	281.4	184.4	301.6
EBIT	21.9	24.8	68.8	67.4	97	10.9	6.5	27.3	18.9	28.1
<b>ROS</b>	<b>12.4%</b>	<b>12.0%</b>	<b>12.3%</b>	<b>11.3%</b>	<b>11.8%</b>	<b>10.4%</b>	<b>9.3%</b>	<b>9.7%</b>	<b>10.3%</b>	<b>9.3%</b>
Working capital	(42.2)	(38.2)	(42.2)	(38.2)	(37.2)	(121.9)	(121.3)	(121.9)	(121.3)	(122.9)
Research and development	11.7	7.3	30.4	27.1	41.6	0.6	0.6	1.7	1.8	2.9
Headcount	3,861	3,849	3,861	3,849	3,901	439	366	439	366	376

*Notes to the table*

*The figures shown in the table do not include dealings with other divisions.*

Alberto Milvio, 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.

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 relating to the operations of unconsolidated subsidiaries and securities, and gains/losses on any sales of consolidated shareholdings, which are recorded under “financial income and expenses”, or in the case of income/expenses relating to shareholdings accounted for using the equity method, under the item “effect of the accounting for shareholdings using the equity method”.

**Return on Sales (ROS):** is calculated as the ratio of EBIT to 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”.



**Ansaldo STS confirms that at 5 pm CET on 4th of November, the management will be available to comment on the results for the third quarter of 2009, via conference call.**

**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 832#**

**Italy 39 02 72495**

**Uk +44 207 098 0726**

**USA 866 708 9394**

**Media Contact :**

**Ansaldo STS**

**Riccardo Acquaviva, tel. +39 348 0811485**

[riccardo.acquaviva@ansaldo-sts.com](mailto:riccardo.acquaviva@ansaldo-sts.com)

**Investor Relations Officer:**

**Andrea Razeto, tel. +39 010 6552068**

[andrea.razeto@ansaldo-sts.com](mailto:andrea.razeto@ansaldo-sts.com)

**PMS**

**Giancarlo Fre tel. +39 06 48905000**

[g.fre@pmsgroup.it](mailto:g.fre@pmsgroup.it)

**Andrea Faravelli, tel. +39 02 48000250**

[a.faravelli@pmsgroup.it](mailto:a.faravelli@pmsgroup.it)

**PRESS RELEASE**