

Genoa, 6 May 2014

Ansaldo STS **First quarter 2014 consolidated results**

- **New Orders at EUR 147 million (+22.7%)**
- **Order Backlog at EUR 5,446 million (-1.7%)**
- **Revenue of EUR 263 million (+6.2%)**
- **EBIT of EUR 22 million (+5.7%)**
- **Net Result of 14 million euro (+15.4%)**

Ansaldo STS SpA (STS.MI) Board of Directors met today under the chairmanship of Sergio De Luca and approved the Interim Management Report of the Group as of 31 March 2014.

In this document 2013 figures have been restated to ensure consistent comparison of data, because from 1 January 2014, Ansaldo STS adopted the International Financial Reporting Standard (IFRS) 11. IFRS 11 governs joint arrangements and ensures that joint arrangements qualified as joint ventures are not consolidated through the proportionate consolidation method, but by using the equity method. Valuations of the joint ventures are summarized as a single item on the income statement and the related asset values are reported under investments, with no effect on the net equity of the Group.

This restatement did not result in significant changes in the Group's financial and equity data.

Orders for the quarter are EUR **146.9** million compared to EUR 119.7 million as of 31 March 2013. **Order Backlog** value is EUR **5,446.3 million** (EUR 5,567.3 million as of 31 December 2013 restated, EUR 5,537.8 million as of 31 March 2013 restated).

Revenue is EUR **263.1** million, with an increase of EUR 15.2 million compared to the restated figure of EUR 247.9 million in the first quarter of 2013.

Operating Income (EBIT) is EUR **21.6** million, compared to EUR 20.4 million for 31 March, 2013 restated, with an increase of EUR 1.2 thousand, due to higher volumes.

Return on Sales (ROS) is **8.2%**, in line with the same period of the previous year.

Net Result is EUR **14.0** million (EUR 2.1 million as of 31 March 2013), with an increase of EUR 1.9 million.

Ansaldo STS, listed on the Italian Stock Exchange, is an international technology company specializing in the design, implementation and management of transport systems and signalling equipment for railways and underground railways, both for freight and passengers. The Group acts as a Main Contractor and supplier of "turnkey" systems worldwide. Ansaldo STS is headquartered in Genoa and employs about 4,000 people (restated) in more than 30 countries. In 2013, it reported revenues (restated) of EUR 1,230 million with an operating income restated (EBIT) of EUR 117 million and a consolidated net profit of EUR 75 million.

Ansaldo STS
First quarter 2014 Consolidated Results

Key consolidated figures (M€)	31.03.2014	31.03.2013* <i>restated</i>	<i>Variation in</i> %	31.12.2013* <i>restated</i>
New Orders	146.9	119.7	2.7%	1,483.6
Order Backlog	5,446.3	5,537.8	-1.7%	5,567.3
Revenue	263.1	247.9	6.2%	1,229.8
EBIT	21.6	20.4	5.7%	117.0
ROS	8.2%	8.2%	0	9.5%
Net Profit	14.0	12.1	15.4%	74.8
Net Working Capital	75.0	42.9	74.9%	30.7
Net Financial Position (positive net cash)	(214.7)	(221.4)	-3.0%	(245.5)
R&D	6.2	7.3	-14.3%	32.0
Headcount (no.)	3,916	3,942	-0.7%	3,929
EPS	0.08	0.07**	14.3%	0.44

**Data restated following the application of IFRS11 governing joint arrangements qualifying as joint ventures that, from 1 January 2014 (the date of adoption by Ansaldo STS Group,) are consolidated using the equity method. The figures in 2013 have been updated to ensure consistent comparison of data.*

*** Recalculated following the free share capital increase of 15 July 2013*

Net Working Capital increases from EUR 30.7 million on 31 December 2013 (restated) to EUR 75.0 million on 31 March 2014 (EUR 42.9 million on 31 March 2013 restated). The variation is due to an increase of work in progress and to a reduction of advances from customers, partially offset by a decrease in trade receivables.

Net Financial Position (positive net cash) for the Group is EUR (214.7) million, compared to EUR (245.5) million restated as of 31 December 2013 and EUR (221.4) million as of 31 March 2013.

Free Operating Cash Flow (FOCF) before strategic investments is EUR 31.7 million compared to a (restated) EUR 60.6 million as of 31 March 2013.

The main orders are as follows:

Country	Project	Customer	Value (€mil)
Australia	Rio Tinto (various contracts)	Rio Tinto	22.3
U.S.A.	WMATA Red line ATP Track Module Replacement	WMATA	18.9
Italy	HDTS <i>Trial site</i> Florence	Rete Ferroviaria Italiana (RFI)	10.7
China	On-board equipment No. 184 C3	Hollysys	10.6
Italy	Maintenance SSB ETR500	Trenitalia	9.8
U.S.A., Europe, Australia	Components, Service and Maintenance	various	21.1

Significant events that took place after March 31, 2014

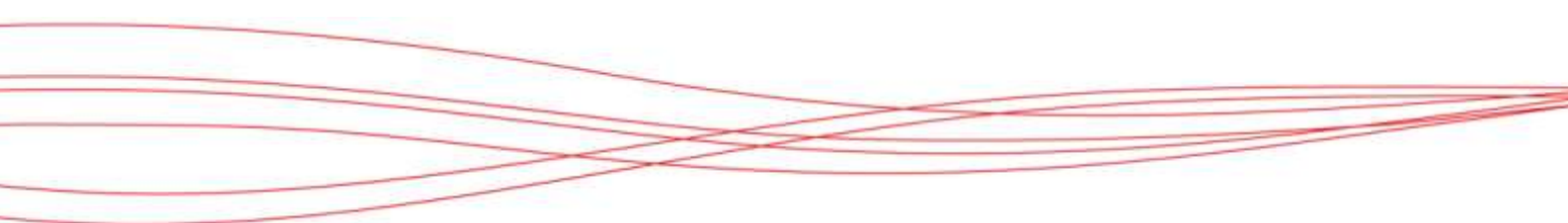
On April 28 ProInversión, the Peruvian state-owned company acting on behalf of the Ministry of Transport and Telecommunications, has signed with the consortium "Nuevo Metro de Lima" the 35-year concession for the construction, operation and maintenance of Lima Metro line 2 and part of line 4.

The consortium "Nuevo Metro de Lima" is made up of Iridium Concesiones de Infraestructura SA, Sociedad Gestora Vialia de Concesiones de Infraestructura SL, Salini - Impregilo SpA, Cosapi SA, Ansaldo STS SpA and AnsaldoBreda S.p.A.

The Metro project in Lima for the L2 & L4 lines includes 35 underground stations, 35 km of tunnels, two depots and 42 vehicles. The contract value for Ansaldo STS is 710 million USD.

The solution that Ansaldo STS will deploy in Lima consists of Communication-Based Train Control (CBTC) technology with Unattended Train Operation (UTO), which is currently the most advanced signalling technology in the Mass Transit sector.

Thanks to this contract, Ansaldo STS achieves about 250 km of fully automated metro around the world and consolidates his presence in the important market of Peru.



ATTACHMENTS:
Consolidated Income Statement
Ansaldo STS

<i>Consolidated Income Statement (M€)</i>	31.03.2014	31.03.2013 restated
Revenue	263.1	247.9
Purchases and personnel expenses	(241.0)	(227.0)
Amortisation, depreciation and impairment losses	(3.7)	(4.1)
Other net operating income (expenses)	1.2	1.6
Changes in work in progress, semi-finished and finished goods	2.0	2.0
EBIT	21.6	20.4
Net financial income (expenses)	-	(1.2)
Income taxes	(7.6)	(7.1)
Net Profit	14.0	12.1
Earning per share	0.08	0.07 [^]

[^] Recalculated following the free share capital increase of 15 July 2013.

Consolidated Balance Sheet
Ansaldo STS

<i>Consolidated Balance Sheet (M€)</i>	31.03.2014	31.12.2013 restated
Non-current assets	274.1	273.2
Non-current liabilities	(50.7)	(50.4)
	223.4	222.8
Inventories	113.9	111.3
Contract work-in-progress	329.1	288.6
Trade receivables	581.9	625.5
Trade payables	(347.8)	(355.2)
Progress payments and advances from Customers	(598.4)	(635.2)
Provisions for risks and charges	(14.6)	(14.8)
Other net assets (liabilities)	10.9	10.5
Net Working Capital	75.0	30.7
Net Invested Capital	298.4	253.5
Equity attributable to the owners of the parent	512.2	498.8
Equity attributable to non controlling interests	1.1	0.3
Shareholders' equity	513.3	499.1
Non-Current assets held for sale	0.2	0.1
Net Financial Position (positive net cash)	(214.7)	(245.5)

Consolidated Cash Flow statement
Ansaldo STS

<i>Consolidated Cash Flow Statement (M€)</i>	31.03.14	31.03.13 restated
Opening Cash and cash equivalents	191.5	141.9
Gross cash flow from operating activities	26.0	25.5
Change in working capital	(46.8)	(70.3)
Changes in other operating assets and liabilities	(9.0)	(13.2)
Cash flow generated by (used in) operating activities	(29.8)	(58.0)
Cash flow from ordinary investing activities	(1.9)	(2.6)
Free Operating Cash Flow	(31.7)	(60.6)
Strategic transactions	-	(0.6)
Other changes in investing activities	-	(0.1)
Cash flow generated by (used in) investing activities	(1.9)	(3.3)
Dividends paid	-	-
Cash flow from other financing activities	(3.9)	11.2
Net cash flow generated by (used in) financing activities	(3.9)	11.2
Exchange rate gain and losses, net	(0.1)	1.1
Closing Cash and cash equivalents	155.8	92.9

Roberto Carassai, the director responsible for drawing up the company's accounting statements, hereby declares, pursuant to article 154-bis, paragraph 2 of the Consolidated Law on Finance (*Testo Unico della Finanza*), that the information contained in this press release accurately represents the figures contained in the Company's accounting records.

Ansaldo STS confirms that on **Tuesday 6 May at 6:00 PM (CET)**, the Management will be available to comment on the results for the first quarter of 2014, via conference call:

Via conference call:

Italy +39 02 805 88 11

UK +44 121 281 8003

USA +1 718 705 8794

The *replay* of the **conference call, with the access code **863#**, will be available for **72 hours from Wednesday, 7 May from 8.00 CET****

Italy +39 02 72495

UK +44 1 212 818 005

USA +1 718 705 8797

The presentation in support of the conference call will be available in advance on the Company's website www.ansaldo-sts.com at the following address:
www.ansaldo-sts.com <http://www.ansaldo-sts.com/it/investor-relations/presentazioni>.

External Communications:

Ansaldo STS

Andrea Razeto, tel. +39 010 6552068

andrea.razeto@ansaldo-sts.com

Investor Relations:

Ansaldo STS

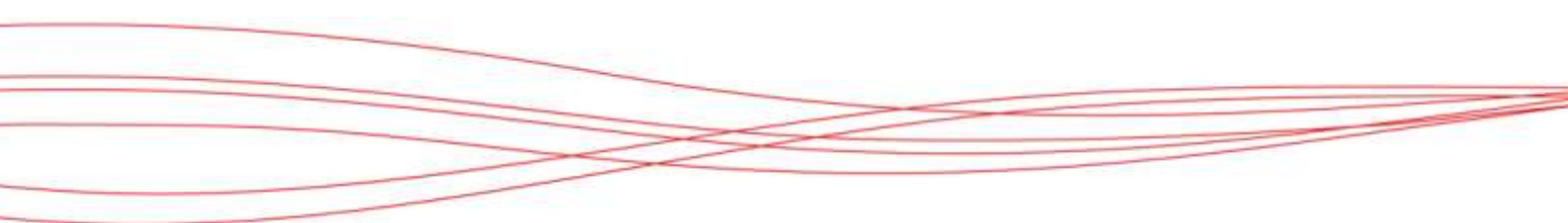
Roberto Corsanego, tel. +39 010 6552076

roberto.corsanego@ansaldo-sts.com

PMS

Giancarlo Fre, tel. +39 06 48905000

g.fre@pmsgroup.it



Note:

Ansaldo STS S.p.A.'s management also assesses the financial performance of the group and the business units using certain indicators that are not defined by the IFRS. The components of each indicator are described below as required by CESR/05 - 178b Communication:

- **EBIT:** earnings before interest and taxes, before any adjustment. EBIT excludes gains or losses on unconsolidated equity investments and securities, as well as any gains or losses on sales of consolidated equity investments, which are classified under “financial income and expense” or “share of profits (losses) of equity-accounted investees” if related to equity-accounted investments”.
- **Adjusted EBIT:** is the EBIT as described above, net of the following items (where applicable):
 - any impairment of goodwill;
 - amortisation of the portion of purchase price allocated to intangible assets acquired as part of business combinations, pursuant to IFRS 3;
 - restructuring costs in relation to defined and significant plans;
 - other income or expense not of an ordinary nature, i.e., related to particularly significant events unrelated to ordinary activities.
- **Free Operating Cash Flow (FOCF):** this indicator is the sum of cash flows from (used in) operating activities and cash flows from (used in) investing and disinvesting in property, plant and equipment, intangible assets and equity investments, net of cash flows from acquisitions or sales of equity investments which are deemed “strategic” due to their nature or importance. The reclassified statement of cash flows set out in paragraph 2.3 shows how FOCF is arrived at for the current and previous years.
- **Economic Value Added (EVA):** is the difference between EBIT, net of income taxes and the cost of the average invested capital of the current and previous years measured on the basis of the weighted average cost of capital (WACC).
- **Operating Working Capital:** comprises trade receivables and payables, inventories, work in progress, progress payments and advances from customers and provisions for risks and charges.
- **Net Working Capital:** is operating working capital less other current assets and liabilities.
- **Net Invested Capital:** is the sum of non-current assets, non-current liabilities and net working capital.
- **Net Financial Position or Debt:** is the calculation method which complies with paragraph 127 of the CESR/05-054b recommendations implementing Regulation (EC) no. 809/2004.
- **New Orders:** are the sum of the contracts agreed with customers during the year that meet the contractual requirements to be recorded in the orders book.
- **Order Backlog:** the difference between new orders and revenue for the year (including the change in contract work in progress). This difference is added to the backlog for the previous year.
- **Headcount:** is the number of employees recorded in the relevant register on the reporting date.
- **Return on Sales (ROS):** is the ratio of EBIT to revenue.
- **Return on Equity (ROE):** is the ratio of the profit or loss for the year to the average amount of equity at the reporting date and the previous year reporting date.
- **Research and Development Expense:** total expense incurred for research and development, both expensed and sold. Research expense taken to profit or loss usually relates to “general technology”, i.e., aimed at gaining scientific knowledge and/or techniques applicable to various new products and/or services. Sold research expense represents that commissioned by customers and for which there is a specific sales order and it is treated exactly like an ordinary order (sales contract, profitability, invoicing, advances, etc.) in accounting and management terms.