



Ansaldo STS S.p.A.

Via P. Mantovani, 3-5, 16151 Genoa – Italy

Issued Capital € 60.000.000,00 fully paid up

R.E.A. n. 421689

Company Registration number Genoa Chambre of Commerce

Fiscal Code and Value Added Tax n. 01371160662

Direction and coordination of Finmeccanica S.p.A.

Press Office

Tel. +39 0106552234 - Fax +39 010 6552939

[www.ansaldo-sts.com](http://www.ansaldo-sts.com)

Rome, 28 April 2011

## Ansaldo STS: results for the first quarter of 2011

- **Revenues of EUR 278 million (+5%)**
- **EBIT of EUR 25.5 million (+6%)**
- **Net profit at EUR 15.5 million (+7.5%)**
- **New orders at EUR 551 million (+88%)**
- **Order backlog at EUR 4,793 million (+25%)**

The board of directors of Ansaldo STS SpA (STS.MI), which met today under the chairmanship of Alessandro Pansa, has approved the interim management report to 31 March 2011.

**Revenues** rose 5% to EUR **278.2** million from EUR 265 million in the same quarter of the previous year. **EBIT** came in at EUR **25.5** million, a rise of 6.3% compared to the EUR 24 million reported for the same period of 2010.

In the first quarter of 2011, the Group recorded a 7.5% rise in **net profit** to EUR **15.5** million from EUR 14.4 million in the same quarter of 2010. **New orders** to 31 March 2011 came in at EUR **551.4** million, an 88.2% increase from the EUR 293 million recorded at 31 March 2010, while the **order backlog** rose 24.9% compared to the same period in 2010, to EUR **4,793.3** million.

The **EBIT margin** stands at **9.2%**, broadly in line with the corresponding figure for the previous year of 9.1%.

PRESS RELEASE

## Results for the first quarter of 2011

Key figures (EUR million)	1Q 2011	1Q 2010	% chg	Dec. 2010 cons.
New orders	551.4	293.0	+88.2%	1,985.0
Order backlog	4,793.3	3,836.8	+24.9%	4,551.1
Revenues	278.2	265.0	+5.0%	1,283.7
EBIT	25.5	24.0	+6.3%	137.1
EBIT margin (ROS)	9.2%	9.1%	+0.1 pp	10.7%
Net profit	15.5	14.4	+7.5%	94.9
Working capital	(130.7)	(168.1)	-22.3%	(154.3)
Net debt	(295.4)	(283.9)	+4.1%	(318.2)
R&D	10.9	6.9	+58.0%	34.8
Headcount	4,192	4,345	-3.5%	4,217
EPS	0.13	0.12*	+7.6%	0.79*

\*Recalculated following the bonus issue of 5 July 2010

**New orders** in the first three months of 2011 amounted to EUR 551.4 million, of which EUR 189.2 million related to the **Transportation Solutions Unit** and EUR 363 million related to the **Signalling Unit**.

The main new orders are listed below:

Country	Project	Customer	Value (EUR m)
Italy	Turin-Padua route	RFI	193.6
Italy *	Milan Line 5 East. Garibaldi-San Siro	Milan local authority	105.2
Sweden	Stockholm Red Line	S L	85.0
Australia*	Rio Tinto RAFA Phase 1	Rio Tinto	70.0
Italy, France & US	Various components and services/maintenance	Various	21.7
France	RATP maintenance for Paris Metro	RATP	17.8
Australia	Various ARTC projects	ARTC	12.6
Saudi Arabia *	Riyadh – PNU change in order	SBG	9.2

\* Main orders acquired by the Transportation Solutions Unit

The **order backlog** as of 31 March 2011 totalled EUR **4,793.3** million (an increase of 24.9% on the same period of 2010). This included EUR **2,244** million relating to the **Signalling Unit**, versus EUR 1,901.1 million in the same quarter of 2010 (gross of transactions with the Transportation Solutions Unit), and EUR **2,797.4** million relating to the **Transportation Solutions Unit** (versus EUR 2,187.4 million in 2010).

**Working capital** was negative to the tune of EUR **130.7** million as of 31 March 2011, a change of EUR **23.6** million from the negative value of EUR **154.3** million reported at end-December 2010. The deterioration in working capital is attributable to the increase in trade receivables and work in progress net of payments on account, only partly offset by the rise in payments on account to customers.

The Group had a **net cash position** of EUR **295.4** million as of 31 March 2011, a decrease of EUR **22.8** million on the EUR **318.2** million recorded at 31 December 2010. **Free operating cash flow (FOCF)** before strategic investments for the current year absorbed cash totalling EUR **15.1** million, compared to cash generation of EUR 2.5 million as of 31 March 2010. This is primarily attributable to the variation in working capital.



## OUTLOOK

The outlook for the business in 2011 is certainly positive.

However, the uncertainty caused by the fighting in Libya, where the company had planned to realise a significant portion of its production and profits, makes it difficult to assess exactly what the impact of this will be.

**PRESS RELEASE**

**ATTACHMENTS:**
**CONSOLIDATED INCOME STATEMENT**
**ANSALDO STS GROUP**

<i>Consolidated income statement (EUR million)</i>	<b>1Q 2011</b>	<b>1Q 2010</b>
Revenues	<b>278.2</b>	<b>265.0</b>
Purchasing and staff costs	(253.9)	(242.6)
Depreciation, amortisation and write-downs	(3.2)	(3.1)
Other net operating revenues (costs)	1.5	-
Change in work in progress, semi-finished and finished goods	2.9	4.7
<b>EBIT</b>	<b>25.5</b>	<b>24.0</b>
Net financial income (expenses)	-	(0.6)
Income taxes	(10.0)	(9.0)
<b>Net profit</b>	<b>15.5</b>	<b>14.4</b>
Earnings per share	0.13	0.12*

\*Recalculated following the bonus issue of 5 July 2010

**CONSOLIDATED BALANCE SHEET**
**ANSALDO STS GROUP**

<i>Consolidated balance sheet (EUR million)</i>	<b>31.03.2011</b>	<b>31.12.10</b>
Non-current assets	266.6	263.7
Non-current liabilities	(43.2)	(46.2)
	<b>223.4</b>	<b>217.6</b>
Inventories	139.4	127.6
Contract work in progress	270.6	216.9
Trade receivables	627.7	624.8
Trade payables	(351.1)	(403.1)
Customer advances	(743.0)	(657.2)
Short-term provisions for risks and future liabilities	(17.9)	(22.4)
Other net current assets (liabilities)	(56.4)	(40.9)
<b>Working capital</b>	<b>(130.7)</b>	<b>(154.3)</b>
<b>Net invested capital</b>	<b>92.7</b>	<b>63.3</b>
Group shareholders' equity	387.0	380.4
Minority shareholders' equity	1.1	1.1
<b>Shareholders' equity</b>	<b>388.1</b>	<b>381.5</b>
<b>Net debt (cash)</b>	<b>295.4</b>	<b>318.2</b>

**CASH FLOW STATEMENT**
**ANSALDO STS GROUP**

<i>Cash flow statement (EUR million)</i>	<b>31.03.2011</b>	<b>31.03.10</b>
<b>Cash and cash equivalents – opening balance</b>	<b>153.3</b>	<b>128.5</b>
Cash flow from operations (gross)	30.7	26.0
Change in working capital	(39.1)	(25.7)
Changes in other operating assets and liabilities, tax and interest	(3.9)	3.4
<b>Cash flow generated by (used in) operations</b>	<b>(12.3)</b>	<b>3.7</b>
Cash flow from ordinary investments	(2.8)	(1.2)
<b>Free operating cash flow</b>	<b>(15.1)</b>	<b>2.5</b>
Strategic investments	(6.2)	
Other changes in investments		
Cash flow generated by (used in) investments	(9.1)	(1.2)
Capital increase		
Dividends paid		
Cash flow from financing activities	(9.2)	5.2
<b>Cash flow generated by (used in) financing activities</b>	<b>(9.2)</b>	<b>5.2</b>
Exchange rate differences	(1.6)	1.4
<b>Cash and cash equivalents – closing balance</b>	<b>121.3</b>	<b>137.6</b>

**RESULTS BY BUSINESS UNIT**

EUR million	Signalling		Transportation Solutions	
	1Q 2011	1Q 2010	1Q 2011	1Q 2010
New orders	363.0	65.0	189.2	228.4
Order backlog	2,244.0	1,901.1	2,797.4	2,187.4
Revenues	177.0	170.2	104.8	103.1
EBIT	20.2	17.6	8.3	8.9
EBIT margin (ROS)	11.4%	10.4%	7.9%	8.6%
Working capital	103.3	(15.8)	(169.1)	(96.0)
Research and development	10.6	6.2*	0.3	0.7
Headcount	3,290	3,494	459	368

*Notes to the table*

*The figures shown in the table include dealings with other divisions.*

*\* Reclassified data following adoption of the new control model relating to the new internal organisational structure*





*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 in the Group's accounting records.*

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**Ansaldo STS confirms** that at **4pm CET on 28 April**, the management will be available to comment on the results for the first quarter of 2011, via conference call.

**Via conference call:**

Italy: +39 02 805 88 11

UK: +44 1212818003

USA: +1 718 705 8794

To **replay the conference call** in the 72 hours after 8am CET on 29 April, using access code:

**879#**

Italy: +39 02 72495

UK: +44 212 818 005

USA: +1 718 705 8797

**Media Contact:**

**Ansaldo STS**

**Roberto Alatri, tel. +39 347 4184430**

[roberto.alatri@ansaldo-sts.com](mailto:roberto.alatri@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**

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 - 17 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 securities, and gains/losses on any sales of consolidated subsidiaries, which are recorded under “financial income and expenses”, or in the case of profits/losses from shareholdings valued using the equity method, under the item “effects of the valuation of shareholdings at equity”.

**EBIT margin (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”.