



Ansaldo STS S.p.A.

Via P. Mantovani, 3 – 5 Genoa – Italy

Issued Capital 80,000,000.00 € fully paid up

R.E.A. n 421689

Company Registration number Genoa Chamber of Commerce

Fiscal Code and Value Added Tax n. 01371160662

Direction and coordination of Finmeccanica S.p.A.

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Milan, 29 October 2012

THE BOARD APPROVES THE RESULTS AT 30 SEPTEMBER 2012

- Revenues of EUR 873.5 million (+3.8%)
- EBIT at EUR 77.6 million (+0.6%)
- Profit for the period at EUR 45.6 million (-6.6%)
- New orders at EUR 1,050.9 million (+14.1%)
- Order backlog at EUR 5,634.8 million (+21.9%)
- Net financial position (cash) for 202.6 million (+60.8% on September 2011; -30.1% as of 31 December 2011)

The board of directors of Ansaldo STS SpA (STS.MI), which met today under the chairmanship of Alessandro Pansa, has examined and approved the consolidated results at 30 September 2012.

Revenues for the first nine months of 2012 were EUR **873.5** million, up 3.8% compared with EUR 841.6 million for the same period of 2011.

EBIT was EUR **77.6** million, broadly in line with the same period in 2011.

The Group's return on sales (**ROS**) came in at **8.9%**.

By business unit, the **Signalling Unit** generated revenues of EUR **505.1** million compared with EUR 515.7 million in the same period last year and EBIT of EUR **47.9** million, versus EUR 51.7 million at third quarter 2011, while the **Transportation Solutions Unit** generated revenues of EUR **381.5** million compared with EUR 342.1 million in the same period last year and EBIT of EUR **40.3** million, versus EUR 32.7 million at third quarter 2011.

In the first nine months of 2012, Ansaldo STS recorded **profit for the period** of EUR **45.6** million, a decrease of 6.6% on the same period last year (EUR 48.8 million).

Investment in **research and development** totalled EUR **23.8** million.

Ansaldo STS, listed on the Italian Stock Exchange, is an international leading technology company that supplies transport solutions and signalling technology in the global Railway & Mass Transit Transportation business with the provision of traffic management, planning, train control and signalling systems and services. It acts as lead contractor and turnkey provider on major project worldwide. Ansaldo STS is headquartered in Genoa, Italy, and employs over 4,100 people in 28 different countries. In 2011, its revenues reached € 1,212 M, with EBIT of € 116 M and net profit of € 73 M.

PRESS RELEASE

Key consolidated figures (EUR million)	30.09.2012	30.09.2011	% chg	31.12.2011
New orders	1,050.9	921.2	14.1%	2,163.7
Order backlog	5,634.8	4,623.0	21.9%	5,452.8
Revenues	873.5	841.6	3.8%	1,211.9
EBIT	77.6	77.1	0.6%	116.1
ROS	8.9%	9.2%	-0.3 pp	9.6%
Profit for the period/year	45.6	48.8	-6.6%	73.1
Net Working Capital	23.2	48.0	-51.7%	(89.0)
Net Financial Position (liquidity)	(202.6)	(126.0)	60.8%	(289.7)
R&D	23.8	27.9	-14.7%	33.9
Headcount (no.)	4,037	4,147	-2.7%	4,100
EPS	0.31	0.33*	-	0.48*

**recalculated following the capital increase dated 9 July 2012.*

New orders at 30 September 2012 stood at EUR **1,050.9** million, compared with EUR 921.2 million for the same period last year.

Specifically, during the period:

- new orders in the **Signalling business unit** totalled EUR **598.5** million;
- new orders in the **Transportation Solutions business unit** totalled EUR **460.1** million.

The main orders acquired in the nine months of 2012 relate to the following projects:

Country	Project	Customer	Value (EUR million)
Australia *	AutoHaul	Rio Tinto	252.8
Australia	Roy Hill 1	Hancock Prospecting	118.0
Australia *	RCE 353 & ECP	Rio Tinto	101.0
Italy, France, USA	Components, Service and Maintenance	Various	90.1
USA	PTC	SEPTA	73.4
UAE – Abu Dhabi	GCC - Abu Dhabi section 1	SAIPEM	58.8
Australia *	Other contracts	Rio Tinto	50.3
South Korea	HSL Honam Line	LSIS	47.3
Canada	Extension of Phases 2, 3 and 4	TTC	22.8
Canada	North Spadina extension	TTC	18.3
Saudi Arabia *	Riyadh - O&M order variation	PMU	16.0
Italy *	Naples Metro Line 1 - PCO Colli Aminei	Naples Municipality	13.2
South Korea	On board equipment	ROTEM	13.0
Italy	AV Italia – variation orders MI-BO - RM-NA	RFI	12.7
China	Hangzhou Line 2	INSIGMA	10.3
South Korea	ATP systems for electric locomotives	ROTEM	9.4

* Main orders acquired by the Transportation Solutions Unit

The **order backlog** totalled EUR **5,634.8** million at 30 September 2012, up 21.9% on the figure of EUR 1,011.8 million at 30 September 2011.

The order backlog of the **Signalling business unit** at 30 September 2012 totalled EUR **2,514.2** million (EUR 2,319.7 million net of transactions with the Transportation Solutions Unit), up 18.7% on the figure of EUR 2,117.8 million at 30 September 2011.

The order backlog of the **Transportation Solutions business unit** was EUR **3,410.7** million at 30 September 2012 (EUR 3,315.1 million net of transactions with the Signalling business unit), up 23.4% on the figure of EUR 2,763.2 million in the same period of last year.

Net working capital was positive at EUR **23.2** million compared with a negative figure of EUR 89.0 million at 31 December 2011. The change is due to the rise in inventories and work-in-progress.

The Group had a **Net financial position (cash)** of EUR **202.6** million compared with 126 million of 30 September 2011 (+60.8%) and 289.7 million on 31 December 2011.

Free operating cash flow (FOCF) before strategic transactions for the period absorbed cash totalling EUR **63.5** million, compared to cash flow used of EUR 151.8 million reported at 30 September 2011. The improvement is primarily due to the lower working capital requirement.

CONSOLIDATED INCOME STATEMENT
Ansaldo STS Group

Consolidated income statement (EUR million)	30.09.2012	30.09.2011	31.12.2011
Revenues	873.5	841.6	1,211.9
Purchasing and personnel expense	(793.5)	(768.2)	(1,075.7)
Changes in work in progress, semi-finished and finished goods	4.9	8.1	(3.9)
Depreciation and amortisation	(11.5)	(9.7)	(13.1)
Impairment losses	(3.8)	(0.1)	(0.3)
Restructuring costs	(4.2)	(1.4)	(2.3)
Other net operating income (costs)	12.2	6.8	(0.5)
EBIT	77.6	77.1	116.1
Net financial income (expense)	(5.3)	1.5	(0.7)
Income taxes	(26.7)	(29.8)	(42.3)
Profit for the period/year	45.6	48.8	73.1
Earnings per share	0.31	0.33*	0.48*

*recalculated following the capital increase dated 9 July 2012.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Ansaldo STS Group

Consolidated statement of financial position (EUR million)	30.09.2012	30.09.2011	31.12.2011
Non-current assets	266.2	267.1	270.0
Non-current liabilities	(49.3)	(48.1)	(46.6)
	216.9	219.0	223.4
Inventories	143.8	154.3	129.9
Contract work in progress	419.9	297.0	283.3
Trade receivables	640.6	676.3	680.1
Trade payables	(442.4)	(381.5)	(431.9)
Customer advances	(694.8)	(659.4)	(706.7)
Provisions for risks and charges	(20.5)	(15.7)	(23.1)
Other net current assets (liabilities)	(23.5)	(23.0)	(20.6)
Net Working capital	23.1	48.0	(89.0)
Net invested capital	240.0	267.0	134.4
Equity attributable to the owners of the parent	442.3	392.0	423.0
Equity attributable to non-controlling interests	0.3	1.0	1.1
Equity	442.6	393.0	424.1
Net Financial Position (liquidity)	(202.6)	(126.0)	(289.7)

CONSOLIDATED STATEMENT OF CASH FLOW
Ansaldo STS Group

Consolidated statement of cash flow (EUR million)	30.09.2012		30.09.2011	
Opening Cash and cash equivalents	160.9		153.3	
Gross Cash flow from operating	86.8		83.3	
Change in working capital	(117.8)		(183.6)	
Changes in other operating assets and liabilities	(30.6)		(42.9)	
Cash flow generated by (used in) operating activities	(61.6)		(143.2)	
Cash flow used in ordinary investing activities	(1.9)		(8.5)	
Free operating cash flow		(63.5)		(151.8)
Strategic transactions	(0.2)		(6.2)	
Cash flow generated by (used in) investing activities	(2.1)		(14.7)	
Sale/use of treasury shares	-		0.3	
Dividends paid	(28.0)		(33.6)	
Cash flow generated by financing activities	59.4		104.6	
Cash flow generated by (used in) financing activities	31.4		71.3	
Exchange rate gains and losses	1.0		(1.1)	
Closing Cash and cash equivalents	129.6		65.6	

RESULTS BY SECTOR OF ACTIVITY OF THE ANSALDO STS GROUP:

Key consolidated figures by sector of activity (EUR million)	SIGNALLING		TRANSPORTATION SOLUTIONS	
	30.09.12	30.09.11	30.09.12	30.09.11
New orders	598.5	556.9	460.1	392.4
Order backlog	2,514.2	2,117.8	3,410.7	2,763.2
Revenues	505.1	515.7	381.5	342.1
EBIT	47.9	51.7	40.3	32.7
ROS	9.5%	10.0%	10.6%	9.6%
Operating working capital:	136.6	156.5	(85.5)	(73.0)
R&D	22.5	26.6	1.3	1.3
Headcount (no.)	3,028	3.136	615	581

Notes to the table

The figures reported in the table ignore eliminations between divisions.



Christian Andi, 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.

Ansaldo STS confirms that at 5pm CET on 29th October the management will be available to comment on the results for the first nine months of 2012, via conference call.

To take part in the conference call:

Italy: +39 02 805 88 11
UK: +44 121 281 8003
USA: +1 718 705 8794

To replay the conference call in the 72 hours following the call
using access code **845#**

Italy: +39 02 72495
UK: +44 1 212 818 005
USA: +1 718 705 8797

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 Communication CESR/05 - 178 b, the components of each of the non-GAAP alternative performance indicators used in this press release are defined below.

EBIT: earnings before interest and taxes, before any adjustment. EBIT excludes gains or losses on consolidated 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.

Return on sales (ROS): the ratio of EBIT to revenue.

Free operating cash flow (FOCF): this indicator is the sum of cash flows generated by (used in) operating activities and cash flows generated by (used in) investing and disinvesting in property, plant and equipment, intangible assets and equity investments, net of cash flows from acquisitions and sales of equity investments which are deemed “strategic” due to their nature or importance.

Working capital: comprises trade receivables and payables, work in progress and progress payments and advances from customers.

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 working capital less provisions for current risks and other current assets and liabilities.

Net invested capital: is the sum of non-current assets, non-current liabilities and net working capital.

New orders: are the sum of the contracts agreed with customers during the reporting period that meet the contractual requirements to be recorded in the orders book.

Order backlog: is the difference between new orders and revenue for the period (less the change in contract work in progress). This difference is added to the backlog for the previous period.

Headcount: is the number of employees recorded in the register on the reporting date.

R&D 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. These types of costs are generally not capitalised given the fast-changing nature of Ansaldo STS group’s production business unit.



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