

Genoa, 22 May 2007

SHAREHOLDERS' MEETING APPROVES 2006 FINANCIAL STATEMENTS ANSALDO STS ACQUIRES US COMPANY

The Shareholders' Meeting of Ansaldo STS Spa (STS.MI), meeting today in Genoa under the chairmanship of Mr. Alessandro Pansa, approved the Company's financial statements for 2006 and examined the consolidated financial statements.

KEY PERFORMANCE FIGURES

(In square parentheses the non-pro forma figures for 2006 resulting from the incorporation of the results of Ansaldo Signal N.V. and Ansaldo Trasporti Sistemi Ferroviari SpA as from the acquisition date)

Last year ended with a **net consolidated profit** of EUR 45.8 million [EUR 43.2 million], which rises to EUR 52.6 million net of non-recurring listing costs (EUR 6.8 million), compared with EUR 44.3 million the previous year.

The positive performance is confirmed by **EBIT** of EUR 84.5 million [EUR 79.1 million], compared with EUR 79.8 million the previous year, which rises to EUR 91.4 million (+14.6%) excluding listing costs, corresponding to a ROS of 9.8%, up from 9.5%.

In 2006 the Ansaldo STS Group posted a **value of production** of EUR 928.2 million (+10.1% on 2005) [EUR 810.4 million].

The **order backlog** at 31 December 2006 totalled EUR 2,413.6 million (+15.4% on 2005), of which EUR 1,165.5 million relates to the Signalling Unit, compared with EUR 1,142.0 million in 2005 (net of intercompany transactions with the Transport Systems Unit), and EUR 1,248.1 million (compared with EUR 950.0 million in 2005) regards the order backlog of the Transport Systems Unit.

Acquired orders came to EUR 1,271.2 million in 2006, of which EUR 736.9 million for the Signalling Unit and EUR 534.3 million for the Transport Systems Unit.

The **net financial position** at 31 December 2006 showed a net creditor position of EUR 158.2 million, compared with EUR 120.8 million at year-end 2005.

The statutory separate financial statements of the Parent Company report a net profit of EUR 18.2 million.

ALLOCATION OF NET PROFIT

The Shareholders' Meeting approved the proposal of the Board of Directors concerning the allocation of net profit for the year, which does not provide for the distribution of dividends.

This decision was taken in the light of the need for Ansaldo STS to maximise the financial resources available to it in order to support growth in its reference markets and the related investment plans.

EXTENSION OF THE ENGAGEMENT OF THE INDEPENDENT AUDITORS

In consideration of the option granted under Legislative Decree, the Shareholders' Meeting approved the extension of the engagement of PricewaterhouseCoopers S.p.A. for the period 2006 – 2011 to include the 2012, 2013 and 2014 financial years.

ADJUSTMENT OF 2006 FEES OF THE INDEPENDENT AUDITORS

The Shareholders' Meeting approved an increase of EUR 30,000 in the fees payable to PricewaterhouseCoopers S.p.A. for its auditing work for 2006. The measure takes account of the extra work requested of PwC in relation to interpretations during the year regarding the correct application of IAS 27.

STOCK GRANT PLAN

As part of the Stock Grant Plan (SGP) for 2006 and 2007, the Shareholders' Meeting authorised the Board of Directors to award a maximum of 1,000,000 ordinary Ansaldo STS shares free of charge to key employees of the Company or its subsidiaries. The aim of the plan is to enable the managers of the Company to participate in the benefits of enhanced performance, focusing the efforts of everyone on the overall objective of creating value for the Company and the Group.

The granting of shares is subject to the achievement of complementary performance objectives linked to the key economic, financial and commercial drivers of Group value. The grant will take place in 2007 and 2008 and will take account of a mechanism for accumulating the achievement of the objectives in the two years involved.

The Shareholders' Meeting then authorized the Board to acquire and use treasury shares for the first year of the plan, pursuant to the provisions of Articles 2357 and 2357-ter of the Civil Code and without exceeding the reserve for the acquisition of treasury shares, for a period of 18 months from the date of the shareholders' resolution, using the following procedure:

- the maximum number of treasury shares to be acquired shall be 224,315 ordinary shares with a par value of EUR 0.50 each, equal to 0.224315% of share capital;
- the price of the shares acquired shall not differ by more than 15% above or below the closing price of the shares in the trading session prior to each acquisition. In any event, the price shall not exceed any limit that may be established under applicable regulations (or under market practice allowed by Consob).
- the acquisitions shall be carried out in the manner established by Article 144-bis, paragraph 1, subparagraphs b) and c), of Consob Regulation no. 11971 of 14 May 1999 as amended.

As of today's date, Ansaldo STS and its subsidiaries do not own any Ansaldo STS shares (STS.MI)

AMENDMENTS TO THE BYLAWS

Finally, the Shareholders' Meeting, meeting in extraordinary session, approved amendments to Articles 16 (Title V – Board of Directors – Representation), 23 (Title V - Board of Directors – Representation) and 28 (Title VI – Board of Auditors – Auditors) of the Company's Bylaws in order to bring them into compliance with the provisions of Law 262/2005, Legislative Decree 303/2006 and the Corporate Governance Code adopted by Borsa Italiana in March 2006.

ACQUISITION OF NORTH AMERICAN COMPANY

Ansaldo STS, acting through its US subsidiary Union Switch & Signal, acquired RM Star Inc, a small company with a leading position in control systems for train yard operations in the United States.

The transaction is part of the acquisition strategy being pursued by Ansaldo STS to selectively expand its product portfolio with complementary technologies in order to increase market penetration.

Thanks to the acquisition, Ansaldo STS will be able to offer solutions to optimise management of train infrastructure and traffic in both line and yard operations, enhancing the management of one of the most import assets of any rail operator.

The expected price for the acquisition of RM Star Inc, which forecasts revenues in 2007 of \$2.8 million, is \$3.25 million plus additional payments in the next three years following achievement of specific growth and profitability targets by RM Star, whose managers and employees will immediately become part of Union Switch & Signal.

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Ansaldo STS S.p.A., listed on Borsa Italiana since 29 March 2006 (ticker: STS), is the parent of a group of companies operating in the rail and metro transport systems sector. Ansaldo STS controls Ansaldo Signal N.V., a Dutch company that is the parent of a group operating in the rail and metro signalling sector, and Ansaldo Trasporti-Sistemi Ferroviari S.p.A., an Italian systems/technology integration company that operates in the 'turnkey' rail and metro transport systems sector. Ansaldo STS, which is headquartered in Genoa, is present in 18 countries and has 3,962 employees. In 2006 the company posted revenues of EUR 928 million with a gross operating margin of EUR 85 million and a net profit of EUR 46 million.