

Genoa, 28 July 2015

**THE BOARD OF DIRECTORS APPROVES THE FIRST HALF FINANCIAL
REPORT AT 30 JUNE 2015 AND REVISES
ORDER GUIDANCE FOR 2015
RESIGNATION OF DIRECTORS IN CONNECTION WITH THE
FINMECCANICA – HITACHI TRANSACTION**

- **New orders at EUR 464.6 million (-47.8%)**
- **Order backlog at EUR 6,261.6 million (+6.7%)**
- **Revenue at EUR 632.4 million (+8.8%)**
- **EBIT at EUR 57.9 million (+11.5%)**
- **Net result at EUR 39.3 million (+8.4%)**
- **Net Financial Position, positive net cash, at EUR (276.5) million (+37.5%)**
- **Guidance 2015 for orders intake revised**
- **Resignation of the Directors appointed by Finmeccanica S.p.A.**

The Board of Directors of ANSALDO STS (STS.MI), has examined and approved the Group's consolidated First-Half Financial Report at 30 June 2015.

New Orders during the first half of 2015 amount to EUR **464.6** million compared with EUR 889.6 million at 30 June 2014; **Order Backlog** is EUR **6,261.6** million (EUR 6,120.8 million at 31 December 2014, and EUR 5,870.8 million at 30 June 2014).

Revenue is EUR **632.4** million, an increase of EUR **51.3** million compared with the 2014 first half value of EUR 581.1 million. The increase is primarily due to a different mix following the start of new contracts awarded in recent years.

Operating Income (EBIT) is EUR **57.9** million, compared with EUR 52.0 million at 30 June 2014, an increase of about EUR 6 million due the higher volumes.

Return on Sales (ROS) is **9.2%** compared with 8.9% in the same period of the previous year.

Net Result is EUR **39.3** million (6.2% of revenue), an increase of 8.4% compared with EUR 36.3 million at 30 June 2014.

The CEO of Ansaldo STS, Stefano Siragusa, is very satisfied with these results "which show an excellent management of the company with great attention to efficiency, effectiveness and costs, although in a difficult market environment."

PRESS RELEASE

Consolidated results for the first - half of 2015

Ansaldo STS

Key consolidated figures (EUR million)	30.06.2015	30.06.2014	% Change	31.12.2014
New orders	464.6	889.6	-47.8%	1,825.0
Order backlog	6,261.6	5,870.8	6.7%	6,120.8
Revenue	632.4	581.1	8.8%	1,303.5
Operating Income (EBIT)	57.9	52.0	11.5%	124.5
R.O.S.	9.2%	8.9%	+0.3 p.p.	9.6%
Tax Rate	33.2%	30.8%	+2.4 p.p.	34.9%
Net Profit	39.3	36.3	8.4%	80.7
Net Working Capital	69.8	82.1	-15.0%	41.8
Net Financial Position (positive net cash)	(276.5)	(201.2)	37.5%	(293.4)
R&D	18.6	13.7	35.0%	33.0
Headcount (no.)	3,796	3,884	-2.3%	3,799
EPS	0.20	0.18*	11.1%	0.43

* Recalculated following the free capital increase of 14 July 2014

Net Working Capital increases from EUR 41.8 million at 31 December 2014 to EUR **69.8** million at 30 June 2015 (EUR 82.1 million at 30 June 2014). The variation of EUR 28.0 million is due to an increase of net work in progress and inventories as well as a decrease of trade payables, only partially offset by the decrease of trade receivables.

Net Financial Position (positive net cash) of the Group is EUR **(276.5)** million compared with EUR (293.4) million at 31 December 2014 and EUR (201.2) million at 30 June 2014.

Free Operating Cash Flow (FOCF) before strategic investments shows a generated cash flow of EUR **17.4** million compared with a used cash flow of EUR 16.3 million at 30 June 2014.

Main orders:

Country	Project	Customer	Value (EUR million)
Australia	RAFA – (Various contracts)	Rio Tinto	132
Saudi Arabia	Metro Riyadh – Iconic Stations	A D A	62
France	Bistandard on board equipment	SCNF	18
U.S.A.	NYCT 4th - 6th Avenue	NYCT	15
Denmark	Copenhagen cityringen + O&M – order variation	Metroselskabet	14
Italy	Line 6 – Variation	Naples Municipality	13
Italy	CTO upgrade STB Trenitalia rail vehicles	Trenitalia	12
China	Metro Tianjin line 5	Insigma	10
Various EU / Asia	Components	Various	38
Various EU / Asia	Service & Maintenance	Various	34
U.S.A.	Components	Various	29

ATTACHMENTS:
**CONSOLIDATED INCOME STATEMENT
ANSALDO STS**

<i>Consolidated income statement (EUR million)</i>	30.06.2015	30.06.2014
Revenue	632.4	581.1
Purchases and personnel expenses	(572.9)	(522.8)
Amortization, depreciation and impairment losses	(8.6)	(7.8)
Other net operating income	3.5	2.2
Changes in work in progress, semi-finished products and finished goods	3.6	2.2
Operating income (EBIT)	57.9	52.0
Net financial income (expense)	1.0	0.5
Income taxes	(19.6)	(16.2)
Net Profit	39.3	36.3
Profit per share	0.20	0.18*

* Recalculated following the free capital increase of 14 July 2014

PRESS RELEASE

**CONSOLIDATED BALANCE SHEET
ANSALDO STS**

Consolidated balance sheet (EUR million)	30.06.2015	30.06.2014	31.12.2014
Non-current assets	314.0	281.7	296.7
Non-current liabilities	(57.3)	(55.4)	(57.1)
	256.7	226.3	239.6
Inventories	126.2	112.2	106.1
Contract work in progress	350.6	346.1	304.2
Trade receivables	640.2	609.3	710.6
Trade payables	(318.7)	(380.3)	(368.9)
Progress payments and Advances from customers	(719.2)	(604.2)	(686.2)
Provisions for minimizing risk and charges	(10.1)	(14.3)	(10.4)
Other net assets (liabilities)	0.9	13.3	(13.6)
Net working capital	69.8	82.1	41.8
Net invested capital	326.5	308.4	281.4
Group equity	602.6	508.7	573.6
Third parties equity	0.5	1.1	1.3
Equity	603.1	509.8	574.9
Assets held for sale	-	0.2	0.1
Net Financial Position (liquidity)	(276.5)	(201.2)	(293.4)

**CONSOLIDATED CASH FLOW STATEMENT
ANSALDO STS**

Consolidated cash flow statement (EUR million)	30.06.2015	30.06.2014
Opening Cash and cash equivalents	270.1	191.5
Gross cash flow from operating activities	73.1	58.7
Change in working capital	1.3	(50.0)
Changes in other operating assets and liabilities	(49.8)	(22.6)
Cash flow generated by (used in) operating activities	24.6	(13.9)
Cash flow from ordinary investing activities	(7.2)	(2.4)
Free operating cash-flow	17.4	(16.3)
Strategic investments	-	(1.9)
Other changes in investing activities	(6.7)	-
Cash flow generated by (used in) investing activities	(13.9)	(4.3)
Dividends paid	(30.8)	(28.8)
Cash flow from financing activities	(23.3)	(1.1)
Cash flow generated by (used in) financing activities	(54.1)	(29.9)
Exchange rate gain and losses, net	3.8	1.0
Closing cash and cash equivalents	230.5	144.4

2015 Guidance

In line with the 2015 first half trend, the company has decided to revise the orders guidance for this year.

New guidance for full year 2015 are as follows:

Orders: EUR 1,300 – 1,700 million (previously: EUR 1,600 – 2,000 million)

Order Backlog: EUR 6,300 – 6,800 million

Revenue: EUR 1,300 – 1,400 million

ROS: about 9.6%

Net Financial Position (positive net cash): EUR (280) – (320) million

Resignation of Directors appointed by Finmeccanica S.p.A.

Today, Sergio De Luca (Chairman of the Board of Directors), Domenico Braccialarghe (Vice Chairman, non-executive director), Stefano Siragusa (Chief Executive Officer), Barbara Poggiali (independent director), Bruno Pavesi (independent director) and Alessandra Genco (non-executive director), following a request from Finmeccanica S.p.A., resigned from the office of director of the Company.

The resignations are subject to the occurrence or waiver of the conditions precedent set out in the share purchase agreement signed by Finmeccanica S.p.A. and Hitachi Ltd. on February 24th, 2015 (an extract of which has been published pursuant to Article 122 of Legislative Decree 24 February 1998, No. 58 and is available on the Company's website at the address <http://www.ansaldo-sts.com/en/governance/shareholders-agreement>) and shall be effective as from the date of appointment of the new Board of Directors of the Company.

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, that the information contained in this press release accurately represents the figures contained in the Company's accounting records.

Ansaldo STS confirms that the management will be available to comment on the above via conference call on **29 July 2015** at h **11.30 a.m.**

The presentation used in the conference call will be available on the Company's website www.ansaldo-sts.com in the Investor Relations section at <http://www.ansaldo-sts.com/it/investor-relations/presentazioni> as well as on the authorized storage system at <http://www.emarketstorage.com>

To participate in the **conference call**:

Italy: +39 02 802 09; UK: +44 1212 81 8004; USA: +1 718 705 8796

A replay of the conference call will be available for 72 hours following the end of the conference call, accessible by dialling the access code 863# and one of the following numbers:

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

Note:

Ansaldo STS management also assesses the performance of the group using certain indicators which are not defined by the IFRS-EU.

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 any gains or losses made 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.

EBIT Adjusted: refers to the EBIT as described above, net of:

- any impairment of goodwill;
- amortization of the percentage of purchase price allocated to intangible assets acquired as part of business combination, pursuant to IFRS 3;
- restructuring costs in relation to defined and significant plans;
- other income or expenses of an extraordinary nature, i.e. Related to particularly significant events which are unrelated to ordinary activities.

Free Operating Cash Flow (FOCF): this indicator is the sum of cash flow from (used in) operating activities and cash flow 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 8 shows how FOCF is arrived at for the current reporting period and corresponding period of the previous year.

Economic Value Added (EVA): is the difference between EBIT net of income taxes and the cost of average invested capital of the current reporting period and the corresponding period of the previous year measured on the basis of the weighted average cost of capital (WACC).

Net Working Capital: is the working capital net of funds for minimizing risks and charges and other current assets and liabilities.

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

Net financial debt (cash) / Net debt (cash) or net financial position: is the calculation method used that complies with paragraph 127 of the CESR/05-054b recommendations implementing Regulation (EC) no. 809/2004.

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

Order backlog: is the difference between new orders and revenues for the period (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 (R.O.S.): is the ratio of EBIT to revenue.

Return on Equity (R.O.E.): is the ratio of the profit or loss for the reporting period to the average amount of equity at the reporting date and the corresponding period 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 expenses represent the expenses 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.

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