

Genoa, 4 November 2013

THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED INTERIM FINANCIAL REPORT AT 30 SEPTEMBER 2013 AND 2013 GUIDANCE

- **Revenue of EUR 866.8 million (-0.8%);**
- **EBIT of EUR 78.3 million (+0.9%);**
- **Net profit of EUR 50.8 million (+11.5%);**
- **New orders for EUR 1,013.8 million (-3.5%);**
- **Order backlog of EUR 5,737.3 million (+1.8%);**
- **Net Cash of EUR 185.4 million (-8.5%);**
- **Guidance 2013;**
- **New CFO and manager in charge of financial reporting;**

The Board of Directors of Ansaldo STS (STS.MI), held today under the chairmanship of Luigi Calabria, reviewed and approved the Group's consolidated Interim Financial Report at 30 September 2013.

Revenue at EUR **866.8** million, compared to EUR 873.5 million in the same period of 2012 (-0.8%).

EBIT was EUR **78.3** million compared to EUR 77.6 million recorded in the same period of the previous year (+0.9%) and the Group return on sales (**ROS**) stands at **9.0%** compared to 8.9% in the first nine months of 2012.

Net Profit at EUR **50.8** million compared to EUR 45.6 million same period of 2012 (+11.5%).

New orders were EUR **1,013.8** million at 30 September 2013 compared to EUR 1,050.9 million at 30 September 2012; **order backlog** at EUR **5,737.3** million compared to EUR 5,634.8 million in the previous period (EUR 5,683.3 million at 31 December 2012).

Ansaldo STS, listed on the Italian Stock Exchange, is an international technology company working with two business units, "Transportation Solutions" and "Signalling", in the design, implementation and management of transport systems and signaling systems for railways and underground railways. The Group acts as a Main Contractor and supplier of "turnkey" systems worldwide. Ansaldo STS is headquartered in Genoa and employs approximately 4,000 people in 28 countries. In 2012, it reported revenues of EUR 1,248 million with an operating income (EBIT) of EUR 117 million and a consolidated net profit of EUR 76 million.

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Key Performance Indicators at September 2013

Ansaldo STS

Key Performance Indicators (M€)	30.09.2013	30.09.2012	% chg	31.12.2012
New orders	1,013.8	1,050.9	-3.5%	1,492.3
Order backlog	5,737.3	5,634.8	1.8%	5,683.3
Revenue	866.8	873.5	-0.8%	1,247.8
EBIT	78.3	77.6	0.9%	117.1
ROS	9.0%	8.9%	+0.1 p.p.	9.4%
Profit for the period / year	50.8	45.6	11.5%	75.7
Net Working Capital	85.0	23.2	n.s.	(48.1)
Net Financial Position (cash)	(185.4)	(202.6)	-8.5%	(302.0)
R&D	21.9	23.8	-8.2%	32.3
Headcount (no.)	4,122	4,037	2.1%	3,991
EPS	0.31	0.28*	10.7%	0.45*

* recalculated following the bonus issue of 15 July 2013.

New orders in the first nine months **2013** were EUR **1,013.8** million, of which EUR **342.9** million related to **Signalling Business Unit** and EUR **681.1** million related to **Transportation Solutions Business Unit**.

Key orders acquired in the first nine months of 2013 concern the following projects:

Country	Project	Customer	Value (M€)
Saudi Arabia*	Metro Riyadh – package 2	ADA	505.2
Italy, France, USA	Components, Service and Maintenance	Various	85.7
Italy*	Roma Metro Line C – Section T3	Roma Metropolitane	51.3
Italy*	Milano Metro Line 4 (ancillary agreement)	Municipality of Milan	47.4
Australia*	Rio Tinto – RAFA orders under framework agreement	Rio Tinto	41.6
Algeria	ERTMS Oued Tlelat - Tlemcem	Condotte	40.0
Spain	Madrid - Llerida HSL Maintenance 2013-2015	ADIF	26.9
Denmark*	Copenhagen change O&M	Metroselskabet	25.4
Turkey	Metro Ankara –order change	DLH	17.4
France	Thalys V8.1 On Board Equipment	SNCF	13.8
France	LGV SEA	Ineo	13.1
Sweden	ESTER - order change	Trafikverket	13.0

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* Key orders acquired by the Transportation Solutions Business Unit during the period

At 30 September 2013 the **order backlog** was EUR **5,737.3** million, of which EUR **2,392.0** million related to the **Signalling Business Unit**, compared to EUR 2,514.2 million in the first nine months of 2012 (gross of intra-business unit transactions) and EUR **3,652.9** related to the **Transportation Solutions Business Unit**, compared to EUR 3,410.7 million in the same period of 2012.

The **Net Working Capital** increased from a negative value of EUR 48.1 million at 31 December 2012 to a positive value of EUR **85.0** million at 30 September 2013. In particular with reference to the fact that the increase of the work in progress and the reduction of the trade payables is only partially offset by the reduction of trade receivables.

The Group's **Net Financial Position (cash)**, on 30 September 2013, amounted to EUR **(185.4)** million compared to a cash position on 30 September 2012 of EUR (202.6) million; while it amounted to EUR (302.0) million on 31 December 2012.

The **Free Operating Cash Flow (FOCF)** before strategic investments shows a used cash flow of EUR **75.6** million compared to EUR 63.5 million on 30 September 2012; this is mainly due to the change in working capital.

ANNEXES:

**RECLASSIFIED CONSOLIDATED INCOME STATEMENT
ANSALDO STS**

Reclassified Consolidated Income Statement (M€)	30.09.2013	30.09.2012	31.12.2012
Revenue	866.8	873.5	1,247.8
Purchasing and personnel expenses	(780.2)	(793.5)	(1,122.3)
Changes in work in progress, semi-finished products and finished goods	2.1	4.9	0.9
Amortization, depreciation and impairment losses	(13.1)	(15.3)	(20.7)
Restructuring costs	(0.5)	(4.2)	(6.5)
Other net operating income (expenses)	3.2	12.2	17.9
EBIT	78.3	77.6	117.1
Net financial income (expenses)	(2.5)	(5.3)	(3.0)
Income taxes	(25.1)	(26.7)	(38.4)
Non-current assets held for sale	0.1	-	-
Profit for the period / year	50.8	45.6	75.7
Earnings per share	0.31	0.28*	0.45*

* recalculated following the bonus issue of 15 July 2013.

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**RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
ANSALDO STS**

Reclassified Consolidated Statement of Financial Position (M€)	30.09.2013	30.09.2012	31.12.2012
Non-current assets	267.3	266.2	265.0
Non-current liabilities	(49.5)	(49.3)	(49.7)
	217.8	216.9	215.3
Inventories	130.9	143.8	131.6
Contract work in progress	404.2	419.9	313.1
Trade receivables	625.3	640.6	748.7
Trade payables	(397.9)	(442.4)	(500.6)
Progress payments and advances from customers	(668.2)	(694.8)	(710.7)
Provisions for risks and charges	(14.3)	(20.5)	(15.8)
Other liabilities, net	5.0	(23.4)	(14.4)
Net working capital	85.0	23.2	(48.1)
Net invested capital	302.8	240.0	167.2
Equity attributable to the owners of the Parent	487.8	442.3	468.8
Equity attributable non-controlling interests	0.4	0.3	0.4
Shareholder's equity	488.2	442.6	469.2
Assets held for sale	0.1	-	-
Net Financial Position (cash)	(185.4)	(202.6)	(302.0)

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**RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOW
ANSALDO STS**

Reclassified Consolidated Statement of Cash Flow (M€)	30.09.2013		30.09.2012	
Opening Cash and cash equivalents	146.8		160.9	
Gross cash flow from operating activities	97.5		86.8	
Change in working capital	(124.1)		(117.8)	
Changes in other operating assets and liabilities	(42.4)		(30.6)	
Cash flow generated by (used in) operating activities	(69.0)		(61.6)	
Cash flow generated by (used in) ordinary investing activities	(6.6)		(1.9)	
Free operating cash-flow		(75.6)		(63.5)
Strategic transactions	(3.4)		(0.2)	
Other changes in investing activities	2.7		-	
Cash flow generated by (used in) investing activities	(7.3)		(2.1)	
Dividends paid	(28.8)		(28.0)	
Cash flow from financing activities	64.2		59.4	
Cash flow generated by (used in) financing activities	35.4		31.4	
Exchange rate gains and losses, net	(2.7)		1.0	
Closing Cash and cash equivalents	103,2		129.6	

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**KEY PERFORMANCE INDICATORS BY BUSINESS UNIT
ANSALDO STS**

Key performance indicators by business unit (M€)	SIGNALLING UNIT		TRANSPORTATION SOLUTIONS UNIT	
	30.09.13	30.09.12	30.09.13	30.09.12
New orders	342.9	598.5	681.1	460.1
Order backlog	2,392.0	2,514.2	3,652.9	3,410.7
Revenue	513.2	505.1	383.4	381.5
EBIT	43.2	47.9	39.2	40.3
ROS	8.4%	9.5%	10.2%	10.6%
Operating working capital	136.2	136.6	(44.4)	(85.5)
R&D	21.2	22.5	0.7	1.3
Headcount (no.)	3,052	3,028	677	615

Notes regarding the chart

The values in the chart include intra-business unit transactions.

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GUIDANCE 2013

The Board of Directors approved the financial forecast for the current year, as follows:

- **New orders**, now expected in between EUR **1,300** million and EUR **1,700** million (previous estimate: in between EUR 1,500 million and 1,700 million);
- **Order Backlog**, now expected in between EUR **5,600** million and EUR **6,100** million (previous estimate: in between EUR 5,800 million and 6,100 million);
- **Revenue**, now expected in between EUR **1,250** million and EUR **1,280** million (previous estimate: in between EUR 1,250 million and EUR 1,350 million);
- **ROS**: about **9.5%** (confirmed);
- **Net Financial Position (cash)**, now expected in between EUR **(260)** million and EUR **(280)** million (previous estimate: in between (300) – (320) million).

As related to the new orders, the extension of the range is mainly the result of a possible shifting of some major contracts, still in the awarding process, in particular in the Middle East area.

The reduction of the revenues range, is significantly due to the impact of Euro conversion of the foreign currency book values, subject to consolidation.

The update of the net financial position forecast is due to the different profile of the cash collection, more focused on projects with back to back conditions to the main suppliers and to the shifting, compared to previous estimates, of advance payments on some major new orders.

**NEW CHIEF FINANCIAL OFFICER AND MANAGER IN CHARGE OF
FINANCIAL REPORTING**

Ansaldo STS S.p.A. informs that Roberto Carassai will take the place of Christian Andi as the new Chief Financial Officer (CFO) for the Company as well as the Manager in charge of financial reporting pursuant to Article 154-bis of Legislative Decree No. 58/1998 with effect from 5th November 2013.

Carassai held important offices in the past, acting as a Corporate Finance & Control Manager and, lastly, as a Chief Financial Officer at Thales Alenia Space Italia S.p.A. Carassai does not own Ansaldo STS's shares.

Christian Andi has been entrusted with another important position within Ansaldo STS as Chief Operating Officer.

Note:

Ansaldo STS's management also assesses the 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 (Adj):** is the EBIT as described above, net of:
 - any impairment of goodwill;
 - amortization 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 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. The FOCF is shown in the reclassified consolidated statement of cash flows.
- **Economic value added (EVA):** the difference between EBIT net of income taxes and the cost of the 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).
- **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:** working capital less provisions for current risks and other current assets and liabilities.
- **Net invested capital:** the sum of non-current assets, non-current liabilities and net working capital.
- **Net financial (position) or debt:** the calculation method used complies with paragraph 127 of the CESR/05-054b recommendations implementing Regulation (EC) no. 809/2004.

- **New orders:** 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:** the difference between new orders and revenue for the period (including the change in contract work in progress). This difference is added to the backlog for the previous year.
- **Headcount:** the number of employees recorded in the relevant register on the reporting date.
- **Return on Sales (ROS):** the ratio of EBIT to revenue.
- **Return on Equity (ROE):** the ratio of the profit or loss for the twelve months 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 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.

Christian Andi, the manager in charge of financial reporting, hereby declares, pursuant to Article 154-bis (2) of the Consolidated Law on Finance, that the information contained in this press release are consistent with the figures contained in the Company's accounting records.

Ansaldo STS confirms that on **Monday 4 November** at **6.30pm CET** the management will be available to comment on the above via conference call. The presentation used in the conference call will be available on the company's website www.ansaldo-sts.com at the following link <http://www.ansaldo-sts.com/it/investor-relations/presentazioni>

To take part in the conference call:

Italy: +39 02 805 88 11;

UK: +44 1 212 818 003;

USA: +1 718 705 8794.

The replay of the conference call will be available from Tuesday 5 November 2013 from 8.00 CET for the following 72 hours, by calling the following numbers (access code **863#**):

Italy: +39 02 72495;

UK: +44 1 212 818 005;

USA: +1 718 705 8797

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