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A Finmeccanica Company

PRESS RELEASE

Genoa, 28 April 2009

Shareholders' meeting approves 2008 results

- **2008 annual results approved**
- **Dividend of EUR 0.27 per share approved**
- **Purchase and sale of own shares authorised**
- **Auditing firm's fees adjusted**
- **Annual accounts of subsidiaries filed pursuant to article 36 of the Market Regulations**

The shareholders of Ansaldo STS SpA (STS.MI), meeting in Genoa today under the chairmanship of Alessandro Pansa, have approved the company accounts for 2008, together with the proposal put forward by the Board of Directors to pay a dividend of EUR 0.27 per share.
The shareholders' meeting also approved the 2008 accounts of Ansaldo Trasporti Sistemi Ferroviari SpA and Ansaldo Segnalamento Ferroviario SpA, which were merged into Ansaldo STS SpA with effect from 1 January 2009.

KEY FIGURES 2008

Ansaldo STS reported **consolidated net profit** of EUR 77.6 million in 2008, a significant rise (+33.1%) compared to the EUR 58.3 million booked in 2007.
Parent company net profit was EUR 7.6 million. The fall compared to 2007 (EUR 43.2 million) was largely due to the fact that the dividends paid in 2008 by subsidiary Ansaldo Segnalamento Ferroviario to its direct parent company Ansaldo Trasporti Sistemi Ferroviari (EUR 23.5 million) were acquired by Ansaldo STS following the incorporation of the two Italian subsidiaries, with effect from 1 January 2009; this had no positive effect on the 2008 accounts.
The good results achieved in 2008 were confirmed by an **EBIT** of EUR 117.6 million (EUR 100.3 million in 2007), corresponding to a return on sales (EBITA margin) of 10.6%, an improvement on the 10.3% recorded the previous year. In 2008, the Ansaldo STS group recorded **value of production** of EUR 1,106 million, versus EUR 973.1 million in 2007 (+13.6%). The **order backlog** at 31 December 2008 totalled EUR 3,136.4 million, an increase of 5.2% compared to the previous year (EUR 2,980 million). **New orders** were EUR 1,296.6 million. At 31 December 2008, the group had a **net cash position** of EUR 195.9 million, up from EUR 184.5 million at the end of 2007 (+6.2%).

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ALLOCATION OF PROFIT FOR THE YEAR

The shareholders' meeting approved the proposal put forward by the Board of Directors regarding the allocation of profit for the year. Following the statutory allocation to the legal reserve of EUR 380,063.40, the Board proposed the payment of a dividend of EUR 0.27, gross of withholding tax, for each of the 99,892,850 shares with dividend rights, therefore excluding 107,150 own shares held by the company. The total dividend payout, partly comprising retained earnings available for distribution, is thus EUR 26,971,069.50 million, corresponding to approximately 54% of the share capital and 35% of the consolidated profit reported in 2008. The ex-date has been set as 18 May 2009 (coupon no. 2), with payment from 21 May 2009. The remaining portion of consolidated profit (EUR 7,221,204.54) was allocated to retained earnings. The approved dividend of EUR 0.27 per share represents a 35% increase on the EUR 0.20 dividend distributed by Ansaldo STS at the end of 2007. The size of the dividend and the increase compared to the previous year are based on growth in the group's consolidated results over the last year, and the amount is compatible with the cash flow generated by normal operations.
The allocation to retained earnings of the remaining portion of profit was made for the purposes of further consolidating the company's assets and to support a dividend policy that aims to provide continuity in dividends paid to shareholders.

PURCHASE AND SALE OF OWN SHARES

The shareholders' meeting then authorised the Board to purchase Ansaldo STS ordinary shares, up to a maximum number of 10% of the share capital, taking into account the own shares held by the company and its subsidiaries, over a period of 18 months.
In accordance with article 144-bis, paragraphs 1b and 1c of the Issuer Regulations, the price of the shares purchased cannot be 15% above or below the Italian stock market price in the session prior to each transaction.
The shareholders' meeting also authorised the sale of own shares purchased, without time limit, in one or more transactions, in the manner considered most appropriate to the company's interests and in compliance with the laws in force. The transactions are to be implemented in accordance with the following:

- the shares purchased may be sold before the maximum quantity authorised has been purchased;
- own shares cannot be sold at a price 10% lower than the price on the Italian stock market in the session prior to each transaction;
- the shares allocated to incentive schemes shall be assigned free of charge to recipients according to the procedures and terms set out in the regulations of the plans;
- in the event that the shares are used in swaps, exchanges, transfers or any other non-cash disposals, the financial terms of the transaction shall be determined in accordance with the type of transaction, and taking into account the performance of the Ansaldo STS stock on the market.

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The purchase and sale of own shares, to be carried out within the limits and according to the procedures set out above, may be made for the following purposes:

- allocation to share incentive schemes approved by the company;
- as part of transactions relating to ordinary operations and industrial projects in line with the company’s strategic guidelines, which may also include swaps, exchanges, transfers or other disposals relating to industrial projects or extraordinary financing operations;
- to exploit effective investment opportunities using the company’s liquidity in accordance with company growth objectives and equity market trends. The company currently holds 107,150 Ansaldo STS shares.

ADJUSTMENT OF AUDITING FIRM'S FEES

The shareholders’ meeting approved the proposal put forward by the Statutory Board to adjust the fees paid to PricewaterhouseCoopers SpA for the auditing services provided, for this reasons: extra work carried out during financial year 2008 in relation to the restructuring of the ASTS group; major activities to be carried out during the financial years 2009-2014 due to the expansion of Ansaldo STS SpA and its additional operating activities following the restructuring of the ASTS group; new responsibilities pertaining to auditing firms in connection with the amendments introduced by the law and relevant to financial years 2008-2014.

FILING OF THE ANNUAL ACCOUNTS OF SUBSIDIARIES PURSUANT TO ARTICLE 36 OF THE MARKET REGULATIONS

As of today’s date, the accounts for the year ending 31 December 2008 of Ansaldo STS USA Inc (formerly Union Switch & Signal Inc.) and Ansaldo STS Australia Pty Ltd are available to the public on the website www.ansaldo-sts.com, at the company’s headquarters and at the offices of Borsa Italiana SpA, pursuant to article 36 of the Market Regulations approved by Consob, since these companies are subsidiaries incorporated in and governed by the laws of non-EU countries.

Jean Paul Giani, 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.

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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 other securities, and gains/losses on any sales of consolidated shareholdings, which are recorded under “financial income and expenses”, or in the case of gains/losses on shareholdings accounted for using the equity method, under the item “effect of the accounting for shareholdings using the equity method”.

ROS (return on sales) or the EBITA margin is calculated as the ratio of adjusted EBITA to total 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”.