

Genoa, 30 October 2014

THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED INTERIM FINANCIAL REPORT AT 30 SEPTEMBER 2014

- **New Orders at euro 1,239.2 million (+22.2%);**
- **Order Backlog at euro 5,964.8 million (+4.7%);**
- **Revenues of euro 870.5 million (+2.6%);**
- **EBIT adjusted at euro 85.3 million (+9.2%);**
- **EBIT at euro 80.7 million (+3.9%);**
- **Net Result at euro 51.1 million (+0.4%);**
- **Net Financial Position, positive net cash of euro (210.6) million (+25.3%);**
- **Guidance 2014 confirmed.**

The Board of Directors of Ansaldo STS SpA (STS.MI), a Finmeccanica company, has examined and approved the Group's consolidated Interim Financial Report at 30 September 2014.

New Orders at 30 September were euro **1,239.2** million compared with euro 1,013.8 million restated at 30 September 2013; **Order Backlog** at euro **5,964.8** million (euro 5,567.3 million at 31 December 2013 restated, euro 5,699.4 million at 30 September 2013 restated).

Revenue at euro **870.5** million, with an increase of euro 21.9 million compared with euro 848.6 million restated, in the first nine months of 2013. The increase is primarily due to a different mix following the start of new contracts awarded in recent years.

Operating Income, net of restructuring costs relating to the "mobilità" agreement of euro 4.6 million, (**EBIT adjusted**) is euro **85.3** million, with an increase of euro 7.2 million compared with 30 September 2013 restated; as a percentage is **9.8%**, compared with 9.2% of the previous year.

Operating Income (EBIT) is euro **80.7**, with an increase of euro 3.1 million compared with euro 77.6 million of 30 September 2013 (restated), due to higher volumes. **Return on Sales (ROS)** is **9.3%** compared with 9.1% of the previous year (restated).

Net Result is euro **51.1** million (euro 50.8 million restated at 30 September 2013).

PRESS RELEASE

Consolidated results at September 2014

Ansaldo STS

Key consolidated figures (euro million)	30.09.2014	30.09.2013 <i>*restated</i>	% chg	31.12.2013 <i>*restated</i>
New Orders	1,239.2	1,013.8	22.2%	1,483.6
Order Backlog	5,964.8	5,699.4	4.7%	5,567.3
Revenue	870.5	848.6	2.6%	1,229.8
EBITadjusted	85.3	78.1	9.2%	117.5
EBITadjusted %	9.8%	9.2%	+0.6 p.p.	9.6%
EBIT	80.7	77.6	3.9%	117.0
ROS	9.3%	9.1%	+0.2 p.p.	9.5%
Tax Rate	36.0%	32.7%	+3.3 p.p.	34.3%
Net Result	51.1	50.8	0.4%	74.8
Net Working Capital	94.0	96.3	-2.4%	30.7
Net Financial Position (positive net cash)	(210.6)	(168.0)	25.3%	(245.5)
R&D	21.4	21.9	-2.2%	32.0
Headcount (no.)	3,860	3,935	-1.9%	3,929
EPS	0.27	0.27	-	0.39**

**Data restated following the application of IFRS11 governing joint arrangements qualified as joint ventures that, from 1 January 2014 (the date of adoption by Ansaldo STS Group,) are consolidated using the equity method. The figures in 2013 have been updated to ensure consistent comparison of data.*

*** Recalculated following the free share capital increase of 14 July 2014.*

Net Working Capital increases from euro 30.7 million at 31 December 2013 (restated) to euro **94.0** million at 30 September 2014 (euro 96.3 million at 30 September 2013 restated).

The variation is due to an increase of net work in progress and to the decrease of trade payables, partially offset by the decrease in trade receivables.

Net Financial Position, positive net cash, is euro **(210.6)** million, in reduction compared with euro (245.5) million at 31 December 2013 restated, but increased compared with 30 September 2013 restated (euro 168.0 million).

Free Operating Cash Flow (FOCF) before strategic investments is negative for euro **8.8** million compared with a negative amount of euro 75.2 million at 30 September 2013 restated.

Key orders are:

Country	Project	Customer	Value (euro million)
Peru	Metro Lima Lines 2&4	Lima Municipality	512.3
Denmark	Aarhus LRT	Aarhus Letbane	123.4
India	Navi – Mumbai Metro	CIDCO	78.4
Denmark	Copenhagen City Ring, Extension and variation	Metroselskabet	68.8
Australia	Rio Tinto (various contracts)	Rio Tinto	49.4
Spain	H.S.L. La Robla-Pola de Lena	ADIF	28.0
China	4 Metro: HZL4 – Trains SY10 - Xi'an 25 Trains - DL Ph 2	Insigma	20.7
U.S.A.	WMATA Red line ATP TrackModule replacement	WMATA	18.9
South Korea	H.S.L. on-board equipment	Rotem	15.6
Italy	ACC Villa Literno	RFI	15.2
U.S.A.	LIRR ESA GCT Harold Tunnel	LIRR	14.6
Italy	Update ACC Canello-Aversa-Gricignano	RFI	10.0
Australia	Moreton Bay subway line	DOT	9.2
U.S.A., Europe	Components, Service & Maintenance	various	130.9

ATTACHMENTS:
**CONSOLIDATED INCOME STATEMENT
ANSALDO STS**

Consolidated income statement (euro million)	30.09.2014	30.09.2013 *restated	31.12.2013 *restated
Revenue	870.5	848.6	1,229.8
Purchases and personnel expense	(779.3)	(763.3)	(1,098.1)
Changes in work in progress, semi-finished products and finished goods	1.7	2.1	(2.3)
Amortization, depreciation and impairment losses	(11.9)	(12.8)	(16.9)
Restructuring costs	(4.6)	(0.5)	(0.5)
Other net operating income	4.3	3.5	5.0
Operating Income (EBIT)	80.7	77.6	117.0
Net financial income (expense)	(0.9)	(2.2)	(3.2)
Income taxes	(28.7)	(24.7)	(39.1)
Non-current assets held for sale	-	0.1	0.1
Net Profit	51.1	50.8	74.8
Profit per share	0.27	0,27	0,39**

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*** Recalculated following the free share capital increase of 14 July 2014.*

**CONSOLIDATED BALANCE SHEET
ANSALDO STS**

Consolidated Balance Sheet (euro million)	30.09.2014	30.09.2013 <i>*restated</i>	31.12.2013 <i>*restated</i>
Non-current assets	284.2	273.3	273.2
Non-current liabilities	(52.6)	(49.4)	(50.4)
	231.6	223.9	222.8
Inventories	126.1	127.0	111.3
Contract work in progress	343.2	404.2	288.6
Trade receivables	602.0	620.1	625.5
Trade payables	(337.4)	(388.5)	(355.2)
Progress payments and advances from Customers	(631.0)	(657.7)	(635.2)
Provisions for risk and charges	(14.3)	(14.3)	(14.8)
Other net assets (liabilities)	5.4	5.5	10.5
Net Working Capital	94.0	96.3	30.7
Net Invested Capital	325.6	320.2	253.5
Group equity	535.1	487.9	498.8
Third parties equity	1.2	0.4	0.3
Equity	536.3	488.3	499.1
Assets held for sale	0.1	0.1	0.1
Net Financial Position (liquidity)	(210.6)	(168.0)	(245.5)

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**CONSOLIDATED CASH FLOW STATEMENT
ANSALDO STS**

Consolidated cash flow statement (euro million)	30.09.2014	30.09.2013 *restated	
Opening Cash and cash equivalents			
	191.5	141.9	
Gross cash flow from operating activities			
Change in working capital	107.1	96.6	
Changes in other operating assets and liabilities	(80.3)	(122.9)	
Cash flow generated by (used in) operating activities	(32.0)	(42.5)	
		(5.2)	(68.8)
Cash flow from ordinary investing activities			
Free operating cash-flow	(3.6)	(6.4)	
Strategic investments		(8.8)	(75.2)
Other changes in investing activities	(1.9)	(3.4)	
Cash flow generated by (used in) investing activities	-	(0.1)	
	(5.5)	(9.9)	
Dividends paid			
Cash flow from financing activities	(28.8)	(28.8)	
Cash flow generated by (used in) financing activities	(8.5)	70.5	
	(37.3)	41.7	
Exchange rate gain and losses, net			
	2.9	(2.7)	
Closing cash and cash equivalents			
	146.4	102.2	

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2014 GUIDANCE

Guidance for current year are confirmed:

New Orders: euro 1,400 – 1,700 million;

Order Backlog: euro 5,600 – 6,000 million;

Revenue: euro 1,250 – 1,350 million;

ROS: about 9.5%;

Net Financial Position (net cash positive): euro (270) – (300) million.

Note:

Ansaldo STS's *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.

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

- any *impairment* of goodwill;
- amortisation of the percentage 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 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 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).

Net working capital: is equal to working capital, net of provisions for risks and charges and other current assets and current liabilities.

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

Net financial position or debt: is the calculation method used 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 revenue 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 (ROS): is the ratio of EBIT to revenue.

Return on Equity (ROE): 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.

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 **30 October at 16.30 CET**.

The presentation used in the conference call will be available on the Company's website <http://www.ansaldo-sts.com/en/investor-relations/presentations>

To take part of the conference call:

Italy: +39 02 805 88 11;

UK: +44 121 281 8003;

USA: +1 718 705 8794

A replay of the conference call will be available for 72 hours following the call, from 8.00 a.m. (CET) on 31 October 2014, accessible by dialling the access code **863#** and one of the following numbers:

Italy: +39 02 72495;

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