Ansaldo STS
A Finmeccanica Company

CONSOLIDATED INTERIM FINANCIAL REPORT AT 31 MARCH 2013

(Translation from the Italian original which remains the definitive version)

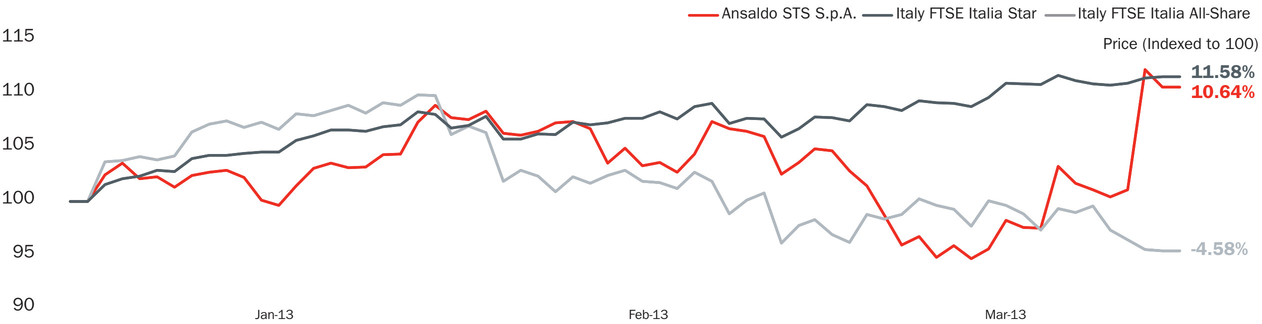
1 Directors' report at 31 March 2013

1.1 Introduction

Ansaldo STS group recognised a profit of €12,109 thousand for the three months ended 31 March 2013, substantially in line with the €12,038 thousand recognised for the corresponding period of the previous year. Revenue came to €253,058 thousand, compared to €259,460 thousand in the corresponding period of the previous year, and the ROS was 8.2% (8.4% in the corresponding period of the previous year).
The net financial position continues to be positive (€238,754 thousand), but lower than the €301,982 thousand at 31 December 2012. New orders totalled €119,692 thousand, compared to €245,027 thousand for the three months ended 31 March 2012, and the order backlog came to €5,588,502 thousand (€5,683,253 thousand at 31 December 2012 and €5,433,776 thousand at 31 March 2012).

The official share price in the **31 December 2012 to 29 March 2013** period went from €7.07 to €7.81, representing a 10.6% increase. The share's period high of €7.92 was recorded at the close price on 27 March 2013 and its low of €6.68 at the close price on 13 March 2013.
An average 1,480,560 shares were traded daily in the period, during which time the FTSE Italia All-Share fell 4.58%, while the FTSE Italia STAR rose 11.58%, again with a focus on the small & mid caps segments.

Share performance compared to the main indices (base 100)



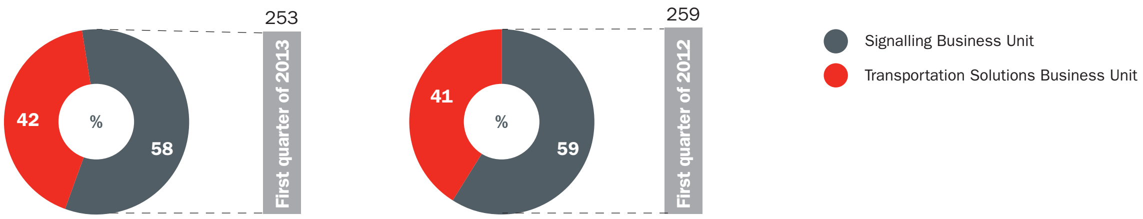
1.2 Key performance indicators

(€'000)	First three months of 2013	First three months of 2012	Change
New orders	**119,692**	245,027	(125,335)
Order backlog	**5,588,502**	5,433,776	154,726
Revenue	**253,058**	259,460	(6,402)
Operating profit (EBIT)	**20,686**	21,672	(986)
Adjusted EBIT	**20,686**	21,769	(1,083)
Profit for the period	**12,109**	12,038	71
Net working capital	**31,494**	(5,530)	37,024
Net invested capital	**247,692**	219,079	28,613
Net financial position	**(238,754)**	(214,169)	(24,585)
Free operating cash flow	**(62,614)**	(73,575)	10,961
ROS	**8.2%**	8.4%	-0.2 p.p.
ROE	**16.5%**	17.0%	-0.5 p.p.
EVA	**7,865**	9,015	(1,150)
Research and development	**7,262**	8,467	(1,205)
Headcount (no.)	**4,068**	4,101	(33)

Revenue of €253,058 thousand for the first quarter of 2013 was down €6,402 thousand on the €259,460 thousand of the corresponding period of the previous year.

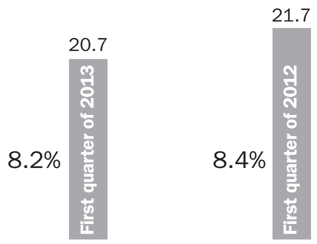
Specifically, the Signalling business unit recognised revenue of €150,928 thousand in the period, down a modest €4,620 thousand over the corresponding period of the previous year (€155,548 thousand), due mainly to the different mix and the completion of the projects to equip rolling stock with the ATCS system in Italy and certain contracts linked to the Alliance-related projects in the Asia Pacific area.
The Transportation Solutions business unit recognised revenue of €106,761 thousand, up slightly on the €104,786 thousand recognised in the corresponding period of the previous year, albeit with a different mix.
Compared to the corresponding period of 2012, eliminations between the two business units were up €3,757 thousand (see paragraph 7).

Revenue for the periods ended 31 March 2013 - 2012 (€m) and the contribution of the business units



Operating profit (EBIT) came to €20,686 thousand for the first quarter of 2013, down €986 thousand over the corresponding period of 2012 (€21,672 thousand). ROS was 8.2%, compared to 8.4% in the corresponding period of the previous year.
Specifically:
- the Signalling business unit recognised operating profit of €12,871 thousand in the first quarter of 2013 (€13,802 thousand in the corresponding period of 2012).
- the Transportation Solutions business unit recognised operating profit of €9,694 thousand (€11,194 thousand in the corresponding period of the previous year).

EBIT and ROS for the periods ended 31 March 2013 - 2012 (€m)



Net invested capital totalled €247,692 thousand, compared to €167,184 thousand at 31 December 2012. The €80,508 thousand increase is mainly due to the improvement in **net working capital**, from -€48,147 thousand at 31 December 2012 to €31,494 thousand at 31 March 2013, mainly due to the increase in work in progress.
The group's **net financial position** (greater loans and receivables and cash and cash equivalents than loans and borrowings) at 31 March 2013 was €238,754 thousand, compared to €301,982 thousand at 31 December 2012, with a decrease of €63,228 thousand.
It includes the €70,643 thousand advance received from the Russian customer, Zarubezhstroytechnology ("ZST"), for the project for the development of signalling, automation, telecommunication, power supply, security and ticketing systems on the Sirth to Benghazi section in Libya.
Cash and cash equivalents at 31 March 2013 amounted to €93,498 thousand, compared to €146,837 thousand at 31 December 2012.
The ***free operating cash flow*** (FOCF) *used before strategic transactions* totalled €62,614 thousand, compared to €73,575 thousand for the three months ended 31 March 2012, mainly due to changes in funds from operations and working capital.

Research and development expense for the reporting period totalled €7,262 thousand, down slightly (€1,205 thousand) over the corresponding period of the previous year (€8,467 thousand).
The activities generated by the Signalling business unit totalled €7,080 thousand (down €943 thousand on the corresponding period of the previous year) and mainly related to the following companies:
- Ansaldo STS S.p.A.: €2,844 thousand
- Ansaldo STS France S.A.S.: €2,771 thousand
- Ansaldo STS USA Inc.: €1,465 thousand

The activities generated by the Transportation Solutions business unit totalled €183 thousand, down €261 thousand on the corresponding period of the previous year.

The group's **headcount** at 31 March 2013 numbered 4,068, down a net 33 employees on the 4,101 employees at 31 March 2011 (3,991 employees at 31 December 2012).
The group's **average headcount** for the three months ended 31 March 2013 numbered 4,002, compared to 4,080 employees for the three months ended 31 March 2012 (4,010 for 2012).

2 Non-IFRS alternative performance indicators

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:*** is the EBIT as described above, net of:
  - any impairment of goodwill;
  - amortisation 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.

A reconciliation of EBIT and Adjusted EBIT for the reporting period and corresponding period of the previous year is set out below:

	First three months of	
(€'000)	**2013**	2012
Operating profit (EBIT)	20,686	21,672
Restructuring costs	-	97
Adjusted EBIT	**20,686**	**21,769**

- ***Free operating cash flow (FOCF):*** this indicator is the sum of cash flows from (used in) operating activities and cash flows 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.
- ***Funds from operations (FFO):*** this indicator is the cash flows generated by (used in) operating activities, net of changes in working capital. The reclassified statement of cash flows set out in paragraph 8 shows how FFO is arrived at for the current reporting period and the 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).
- ***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:*** is operating working capital less other current assets and liabilities.
- ***Net invested capital:*** is 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 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 (less 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):*** 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 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.

3 Performance

3.1 The market and commercial situation

3.1.1 Signalling business unit

New orders for the three months ended 31 March 2013 approximated €118 million (€198 million for the three months ended 31 March 2012).

Key events of the reporting period are described below.

ITALY

New orders approximated €12 million and related mainly to the supply of components and maintenance services for conventional passenger railway networks (€8 million) and to supplies of on-board and ground ATCS systems (€4 million).
Sales activities include those related to the upgrade of the railway traffic signalling and control system for the Rome junction, as well as those related to the completion of important order variations to upgrade the Turin-Padua line.

REST OF EUROPE

Ansaldo STS group won a two-year contract in **Spain** for the maintenance of the railway traffic control, level 1 and 2 ERTMS (European Rail Traffic Management System) signalling and associated systems for the Madrid-Puigverd de Lleida high-speed line (495 kms connecting Madrid and Barcelona with the French border), approximating €27 million.

In **France**, new orders approximated €14 million, including €6 million in relation to the supply of components and maintenance services for conventional railway networks and some €8 million for high-speed lines, including the "ETCS LGV East (stage 2)" for around €5 million.

Key commercial activities underway include those related to the installation of ERTMS equipment on the South Europe Atlantique (SEA) high-speed line.

In the **United Kingdom**, new orders approximated €1 million related to components and maintenance activities for existing railway lines; in **Germany**, a significant new order of around €6 million was won for the development of new software functionalities for the signalling equipment installed on the Velaro trains.

In **Sweden**, order variations approximated €7 million, related to uninterruptible power supply (UPS) systems (€6 million) and wi-fi communication networks (€1 million) for the Stockholm metro "Red Line".

In **Turkey**, approximately €13 million related to the implementation of line variations already underway for on-board fitting of railway vehicles.

NORTH AFRICA AND THE MIDDLE EAST

A key commercial development was Marocco's Office National des Chemins de Fer (ONCF) awarding of the project to design and supply the railway signalling centre, telecommunications and traffic control for the 183 km high-speed line that will connect the cities of Tangiers and Kenitra along the Atlantic coast to the consortium comprising Ansaldo STS France and Cofely Ineo. Ansaldo STS group will supply the telecommunications equipment, next generation interlocking, track circuits, automatic controls and automatic train protection systems based on level 1 and 2 ERTMS, as well as the traffic control centre located in Rabat. The complete system will enable the safe and reliable commercial operation of the new line, at speeds of up to 320 km/h.

NORTH AMERICA

In the **USA**, new orders approximated €25 million, including €15 million for the sale of components and €9 million for a range of activities in the metro sector, including over €5 million in Los Angeles and a further €4 million in New York City (PATH - Port Authority Trans Hudson, the metropolitan connecting Manhattan and New Jersey). Other important results were achieved in **Brazil**, with approximately €3 million related to order variations on Lines A and F of the Sao Paolo metro.

Key commercial activities underway in the **USA** include those related to systems for New York's commuter lines (Long Island Rail Road - LIRR), and urban circulation systems in Los Angeles and Washington; commercial activities in **Canada** were focussed on realising the opportunities with GO-Transit (Government Ontario Transit, Ontario's inter-regional passenger transport operator) and TTC (Toronto Transit Commission, Toronto's public transport operator comprising buses, trams and rapid transportation systems).

ASIA PACIFIC

New orders won in **Australia** during the reporting period totalled €5 million, including approximately €4 million for the upgrade of a line for mining materials traffic in the Caval Ridge area; new orders in **India** approximated €2 million, related to upgrading activities on several signalling systems of the busy Indian railway network.

Finally, new orders won in **China** approximated €3 million, related to engineering services on the XiBao high-speed line, while commercial activities are underway to acquire contracts to build metro lines featuring CBTC (Communication based train control) technology (eg., Chengdu Line 1 South extension, Chengdu Line 4, Dalian Lines 1&2, Hefei Line 1, Shenyang Line 2 North extension, Xi'an Line 3 and Zhengzhou Line 2).

3.1.2 Transportation Solutions business unit

New orders acquired during the reporting period totalled €1.4 million.

Key events of the first quarter of 2013 for the Transportation Solutions business unit are set out below for the various geographical segments.

ITALY

A small variation worth €0.7 million was won as part of the turnkey project for lines 2 and 3 of the Florence tramway.
With respect to the contract won for Line 4 (S. Cristoforo - Linate) of the Milan metro, the financing contracts which have not yet become effective are expected to be finalised shortly, within the second half of 2013.
Although they have nearly all suffered delays and been impacted by the financial and economic situation and lack of funding, the outlook in relation to the futher long-term expansion programmes to the transportation networks of the main Italian cities is confirmed.

REST OF EUROPE

Various opportunities are expected in **Denmark** as part of complementary projects to the expansion of the Copenhagen metro and new infrastructures in other cities.

NORTH AFRICA AND THE MIDDLE EAST

The offer submitted for the Lusail tramway, featuring the overhead line-free “Tramwave” solution is under assessment by the customer; the winner is currently expected to be announced in the first half of 2013.
Ansaldo STS was successfully short-listed for the Riyadh unmanned metro and the tender process is currently underway. The winner is expected to be announced in the second half of 2013.
Opportunities are expected to arise over the next two years in the Middle East, particularly Qatar, Saudi Arabia, the United Arab Emirates and Kuwait, mainly for unmanned metros and overhead line-free tramways.

ASIA PACIFIC

New orders acquired in **Australia** exceeded €0.7 million, relating to the master agreement with the Rio Tinto mining company.
Australian municipal authorities are increasingly interested in high-efficiency urban transportation systems and opportunities are expected to arise in the metro sector in the coming years.

In **India**, certain metro projects are scheduled for the short- and medium-term and potential partnerships are being evaluated with local contractors. Interest in the overhead line-free systems is strong in **China**.

3.2 Sales information

New orders for the reporting period totalled approximately €119,692 thousand, compared to €245,027 thousand in the corresponding period of the previous year, with a €125,335 thousand decrease.
New orders acquired by the Signalling business unit amounted to €118,341 thousand and those of the Transportation Solutions business unit to €1,433 thousand.

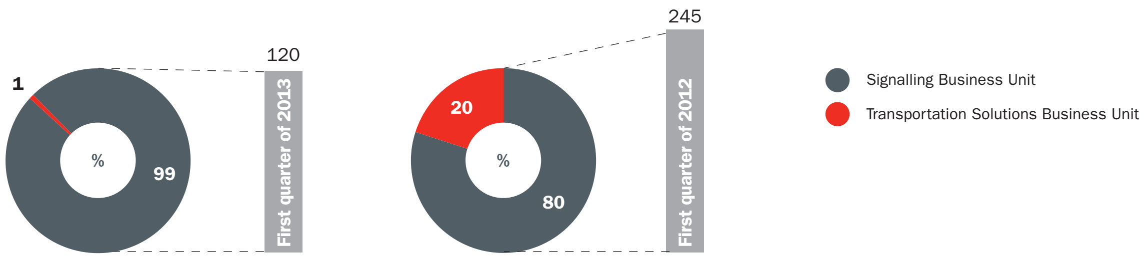
Key orders acquired by the Signalling business unit in the first three months of 2013 were as follows:

Country	Project	Customer	Amount (€m)
Spain	Madrid - Llerida HSL Maintenance 2013-2015	ADIF	26.9
Turkey	Ankara metro - change order	DLH	13.4
Sweden	Stockholm metro - Red Line change orders	S L	7.2
Germany	Velaro	SIEMENS	5.6
USA	Los Angeles CTMA	LACTMA	5.3
France	LGVEE Phase 2	RFF	4.7
USA	New Jersey PATH WTC Signal Recovery Work	NEW JERSEY PATH	4.1
Australia	BMA Coal Loop and Spur Line - Caval Ridge	THIESS PTY LTD	4.0
Italy	SCMT / CTC - change orders	RFI	3.5
USA	Components, Service & Maintenance	VARIOUS	14.5
Italy	Components, Service & Maintenance	VARIOUS	7.8
France	Components, Service & Maintenance	VARIOUS	5.6

Key orders acquired by the Transportation Solutions business unit in the first three months of 2013 were as follows:

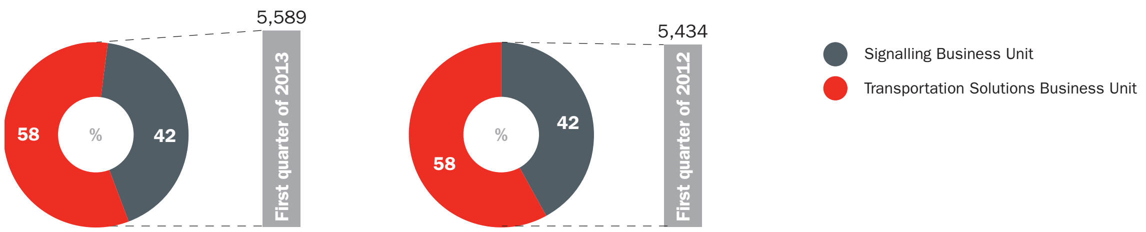
Country	Project	Customer	Amount (€m)
Australia	Rio Tinto - Implementation	RIO TINTO	0.7
Italy	Florence Tramway Line 2-3 - change order	COMUNE DI FIRENZE	0.7

New orders for the three months ended 31 March 2013 and 2012 (€m) and contribution of the business units



The **order backlog** at 31 March 2013 totalled €5,588,502 thousand, up €154,726 thousand over 31 March 2012. €645,472 thousand relates to projects in Libya which are currently halted.
The order backlog of the Signalling business unit amounted to €2,603,493 thousand (€2,371,830 thousand net of transactions with the Transportation Solutions business unit).
The order backlog of the Transportation Solutions business unit amounted to €3,304,879 thousand (€3,216,671 thousand net of transactions with the Signalling business unit).

Order backlog at 31 March 2013 and 2012 (€m) and contribution of the business units



3.3 Signalling - performance by business unit

(€'000)	**First three months of 2013**	First three months of 2012	Change	31.12.2012
New orders	**118,341**	197,781	(79,440)	893,197
Order backlog	**2,603,493**	2,493,461	110,032	2,616,684
Revenue	**150,928**	155,548	(4,620)	725,588
Operating profit (EBIT)	**12,871**	13,802	(931)	62,530
ROS	**8.5%**	8.9%	-0.4 p.p.	8.6%
Operating working capital	**107,767**	122,631	(14,864)	103,705
Research and development	**7,080**	8,023	(943)	30,566
Headcount (no.)	**3,019**	3,133	(114)	2,971

(The amounts shown in the table include inter-segment transactions).

Revenue for the reporting period came to €150,928 thousand, compared to €155,548 thousand in the corresponding period of the previous year.

The key production activities are summarised below.

ITALY
RAILWAYS - HIGH SPEED
Production mainly related to the design activities for the new Treviglio-Brescia high-speed section and the continuation of works on the Bologna connector and in the Naples area.

RAILWAYS - ON-BOARD ATCS/ERTMS
In the On-board systems line, production mainly related to the development of ERTMS systems for the new ETR1000 high-speed trains for the Trenitalia fleet and the supply of new rolling stock to AnsaldoBreda S.p.A. and Stadler. Activities for the resumption of works on the Greek railways contract were also commenced, as well as those related to the upgrade of Trenitalia's ETR 500 Frecciarossa fleet.

RAILWAYS - CENTRAL AUTOMATED SYSTEM
In the Station equipment line, activities continued on certain projects, including: Mestre, Rogoredo, Trento–Malé, Rebaudengo (following its roll-out in December 2012), Palermo Centrale, the Genoa junction (Voltri ACEI ATCS modifications) and Brescia (design).
The reconfiguration of the ATCS SST (wayside systems) continued for the Genoa, Florence, Turin, Naples and Verona sections, as well as automation activities comprising both modifications and revamping of existing CTC (Centralised Traffic Control)/SCCs (command and control system) (including the Naples SCC and Bari-Lecce and Bari-Taranto, Taranto-Brindisi, Cremona and Siena CTCs) and activities related to new SCC systems (Palermo).
The project for the technological upgrade of the Turin-Padua section deserves special mention, where production mainly comprised product development, materials procurement and detailed executive design activities.

MASS TRANSIT
Key activities related to the roll-out of Line B1 of the Rome metro, as well as cabin/yard assembly activities and the roll-out of the SCADA signalling and automation systems for Line 1 of the Naples metro. Production of the on-board and undercarriage equipment for the traction units continued for Line 6 of the Naples metro, as did the roll-out of the Metro metro supervision system for the Comasina-Maciachini extension.

REST OF EUROPE
(This section includes Turkey and the former Soviet republics)

In **France**, activities mainly related to systems (LGV SEA, Bretagne Pays de la Loire BPL ed Honam) and on-board equipment (Thalys) for the country's high-speed network, as well as the usual maintenance, assistance and production contracts for individual parts.

In **Sweden**, production mainly related to the Ester and Red Line projects.

In the **United Kingdom**, the completion of the Cambrian line project (the first line in Britain to be equipped with the European level 2 ERTMS standard) has been put back to this year due to additional requests of the customer with respect to a new RBC (radio block centre) version for which commissioning has been completed.

Activities in **Germany** were cut to a minimum for the POS (Paris-Ostfrankreich-Südwestdeutchland) project, pending the customer's review of the project inputs, while the first deliveries and testing activities were successful in relation to the set-up of the Rostock-Berlin line; however, the customer is expected to suspend the works due to a new redefinition of the requirements.
An extension to the scope of work with the new Eurostar V3 System has been agreed for the on-board project to supply 30 multistandard facilities for 15 Velaro high-speed trains. The first ISA V114 Bi-standard report and maintenance manual have been issued.

In Khosta, **Russia**, assistance was provided in assembling Itarus RBC and power supply systems and the communication protocol testing stage was completed (between the RBC and the customer's system) necessary for the roll-out of the ERTMS standard in Russia (trial site).

In Turkey, in-depth interlocking design activities were completed for the Mersin-Toprakkale line and the first Mersin-Tirmil-Taskent multistation was formally delivered.
In relation to the Ankara metro, design and materials supply base contract activities continued for lot M2 and the design and materials production activities are underway for the variation agreed during the quarter for the implementation of the DTP (Discontinuous Train Protection) system (related to the CBTC sub-system).
The system architecture is being defined for the Gebze-Kosekoy project and initial documentation related to the preliminary design and validation & verification has been issued.

NORTH AFRICA AND THE MIDDLE EAST
Works in **Tunisia** are almost complete and negotiations are underway with the customer for the partial extension of the work schedule so as to avoid the application of penalties.
In **Libya**, activities for the project to develop the signalling, telecommunications, security and power supply systems for the Ras Ajdir–Sirth and Al Hisha-Sabha sections were suspended straight after the well-known riots started, and they have not yet recommenced.
In a letter dated 21 February 2011, the customer, a construction company of the Russian railways, Zarubezhstroytechnology (ZST), also halted a project to develop a similar system for the Sirth–Benghazi section. Negotiations are underway with this company to agree an extension to the period of the contract's suspension.
It is presently difficult to say when production for these contracts will resume, given the situation in the country.
As previously reported, the currently recognised asset is more than offset by the amount of progress payments.

In the **United Arab Emirates** initial activities linked to preliminary and interim design were completed and detailed design and procurement activities are underway for the Abu Dhabi project (Shah-Habshan-Ruwais Line). Initial FAT certifications were successful for the RBC (Radio Block Centre) and IXL (Interlocking) buoys and cabinets.

AMERICA
Production activities focused both on long-term projects and the sale of components. With respect to the former, there was intense activity for the customer, Union Pacific, for the OTP/CADX project. They also included activities for the customer, Southeastern Pennsylvania Transportation Authority (SEPTA), for the procurement, design, construction and installation of a Positive Train Control (PTC) system on 13 lines. Wayside and communication design and configuration, as well as activities with subsuppliers, continued in the quarter. Works

continued in relation to the Central Florida Rail Corridor (CFRC) project won by Ansaldo STS USA in 2011 for the supply of wayside signalling systems (comprising 12 control points, 269 signals, 70 level crossings and 50 switches), as well as communication systems and the centralised control system.

ASIA PACIFIC

Production in **Australia** focused on the alliances with local mining companies.
With respect to Newcastle, installations and commissioning have been completed; alliance mobilisation has commenced and is expected to be completed within the next quarter.
Start-up activities are underway for the new Roy Hill project. The preliminary engineering activities have been approved by the customer and subsequent processing commenced, which will only be approved definitively once work is underway.
Production in **India** mainly focused on the KFW and TPWS projects.
With respect to the first, the project's extension until December 2013 has been approved, as well as a variation on the third line.
With reference to the TPWS projects (NORTH and SOUTH), the installation reworking on the "Kosi Yard and BAD - FAR" sections was completed for the TPWS NORTH project and the safety case has been sent to the customer for approval. An extension was also approved, with works to be completed by December 2013.
In respect of the TPWS SOUTH project, installation and building site works were completed for both the on-board and wayside portions. The as-built and safety case documentation and the ISA report have been sent to the customer for approval for the FAT certification required for the completion of the project.
The Calcutta metro project is still in its initial stages. The customer has officially notified a one-year delay for certain civil works which does not currently appear to impact the planning of the works the group must carry out; investigations are underway to better establish timing and cost implications. Engineering activities have commenced and purchase orders were finalised with telecommunications providers.
There are various projects underway in **Korea** for equipment supply for various types of locomotives. 18 locomotives have been delivered for the Rotem TCDD projects, which are undergoing standard development testing. In respect of the other Rotem projects, the equipment for the first KTXII-H and EMU 138 locomotives were delivered and testing continues.
In **China**, the ZhengXi Line project is almost complete. On-board systems issues have been resolved and laboratory and on-site testing carried out together with Hollysys. This entailed the release of a new version of the on-board software featuring a safety case, which has already been installed on the trains. Certain cabling hardware modifications necessary to resolve the issues are currently being defined in conjunction with MOR.

Operating profit (EBIT) of the Signalling business unit for the quarter ended 31 March 2013 came to €12,871 thousand (8.5% as a percentage of revenue), compared to €13,802 thousand (8.9% as a percentage of revenue) in the corresponding period of the previous year.

Operating working capital at 31 March 2013 was €107,767 thousand, compared to €103,705 thousand at 31 December 2012.
The change is mainly due to the increase in inventories and net work in progress, partially offset by the decrease in both trade receivables and payables.

Research and development expense for the reporting period equalled €7,080 thousand, compared to €8,023 thousand in the corresponding period of the previous year.

The **headcount** at 31 March 2013 numbered 3,019 (3,133 employees at 31 March 2012). The decrease relates mainly to the US, due to the streamlining of the Batesburg production facilities with the outsourcing of certain activities and related resources.

3.4 Performance of the Transportation Solutions business unit

(€'000)	**First three months of 2013**	First three months of 2012	Change	31.12.2012
New orders	**1,433**	49,949	(48,516)	642,712
Order backlog	**3,304,879**	3,266,557	38,322	3,388,258
Revenue	**106,761**	104,786	1,975	564,853
Operating profit (EBIT)	**9,694**	11,194	(1,500)	69,130
ROS	**9.1%**	10.7%	-1.6 p.p.	12.2%
Operating working capital	**(58,026)**	(102,639)	44,613	(129,106)
Research and development	**183**	444	(261)	1,695
Headcount (no.)	**663**	556	107	631

(The amounts shown in the table include inter-segment transactions).

Revenue generated by the Transportation Solutions business unit in the first quarter of 2013 amounted to €106,761 thousand, compared to €104,786 thousand in the corresponding period of the previous year.
Volumes generated in Italy accounted for 38% and those generated abroad for 62%, with 52% of volumes in the metro sector. Production mainly related to the following projects: Line C of the Rome metro, high-speed railways, Copenhagen, the Milan metro, the Genoa metro, Alifana, Line 6 and Line 1 of the Naples metro, the Brescia metro, the Riyadh metro, the Honolulu metro and the Australian Rio Tinto project.

The key production activities are summarised below.

ITALY

HIGH-SPEED RAILWAYS:
Interconnections continued to be rolled out and works performed under warranty on those lines already in operation in the high-speed line.
With respect to the Rome-Naples section, after the arbitration between TAV and IRICAV UNO consortium was concluded in June, with the award in favour of IRICAV UNO, the customer has stated its intention to appeal against the award.
Negotiations are underway for a settlement to finalise the outstanding litigation.
Also in the same period, March 2012, the arbitration between RFI/TAV and the IRICAV DUE consortium was concluded for the Verona-Padua section; under the award, RFI/TAV shall partially compensate IRICAV DUE and the 1992 agreement is still valid and in force.
RFI has already paid IRICAV DUE the amount set in the award but has not yet forwarded IRICAV DUE the definitive project for the section in order to commence the execution plan.

GENOA METRO:
The De Ferrari/Brignole functional section was opened to the public in December.
A variation enabling the conclusion of works in May 2014 is under approval by the Genoa municipality.

ALIFANA REGIONAL LINE:
Following the halt of all activities related to the Piscinola-Aversa section, the group deemed it necessary to redetermine and agree a suspension of the physical activities so as not to incur extra costs. With reference to the Piscinola-Capodichino section, as the customer failed to fulfil its commitments, a review of the claims was commenced and there is a court order imposing the customer to pay outstanding receivables.

NAPLES METRO LINE 6:
On 4 March 2013, part of a building collapsed in Riviera di Chiaia, near the Arco Mirelli building site. Following the event, the public prosecutor appointed consultants identified specifically to investigate the causes of the collapse. The causes are not yet known and all relevant investigations are being carried out.
The Naples municipal authorities and the operator, Ansaldo STS S.p.A., took immediate steps to obtain authorisation to implement safety measures on the building site with a view to swiftly resuming regular activities.
Having obtained clearance from the public prosecutor, these works are underway, which will enable the restoral of safe condition for the station's structural works and to resume the excavation activities previously underway.
Following the events described above and the steps taken by the municipal authorities and the operator, a delay of some months is expected in completing the station works.

ROME METRO LINE C:
The execution plan for the T3 section was formally approved in February 2013 and the area acceptance report was signed.
With reference to the progress of on-site activities, all systems testing is nearing completion on the Pantano-Centocelle section, which is the first to be rolled out, with a view to launching the pre-operational stage by the general contractor in the first half of 2013.
In respect of the sections after Centocelle, systems assembly is underway as far as Lodi, which will be the second to be rolled out, forecast to take place at the beginning of 2014.

MILAN METRO LINE 5:
The Bignami-Zara line commenced operations on 10 February 2013.
No particular issues have arisen in relation to the activities to complete the Zara to Garibaldi section and its roll-out is slated for the end of 2013.
With reference to the line's extension from Garibaldi (excluded) to the San Siro station, the executive design is substantially complete and orders for all main supplies have been issued. Testing of the signalling and telecommunications materials is nearing completion.
Due to delays in delivery from the customer, there is presently a difference between the final date for the work compared to the contractually-agreed programme. An agreement has been reached with the Milan municipality for a situation that, although on a smaller scale (skipping some stations), will allow the partial opening of the Garibaldi to San Siro line by the contractually-agreed date of April 2015 (in time for EXPO 2015) and the completion of all works and the opening of the complete line by October 2015.

NAPLES METRO LINE 1:
During the first quarter of 2013, the technological works were almost completed in relation to Toledo station's second exit (Montecalvario).
Activities are also underway on the other sites that will lead to the completion of the Dante-Garibaldi section in its final configuration, except for the Municipio and Duomo stations, by the end of 2013.

BRESCIA METRO:
The metro became operational on 2 March 2013, after receiving all necessary safety certifications from the relevant ministerial bodies.
The service availability figures are excellent and comply with the contractual requirements for the first year of operation. Monitoring and support activities, the completion of minor outstanding installation works and the commissioning of activities necessary to reach the performance levels established for the end of the first year of operation (which will be assessed during the technical/administrativea acceptance), are underway.

REST OF EUROPE

THESSALONIKI METRO:

During the reporting period, the technical variation to the signalling system was officially submitted to the customer, with a positive outcome with the customer informally confirming the technical agreements reached in 2012. The customer also officially approved the Greek version of the Telecom system and partially approved that of the Security Management System (SMS). Internal agreements were reached for new timelines between the members of the joint venture. The joint venture is currently seeking a master agreement with the customer to settle most of the litigation arising between 2006 and mid-2012. The agreement will be based on a definitive resumption of the project, together with the approval of the variation to the signalling system. The Greek court has set the appeal date for the joint venture's claim for the damage incurred during the design stage as 13 May 2014.

COPENHAGEN:

The detailed design documentation continued to be reviewed and discussed in the first quarter of 2013, with a view to reaching the subsystem milestones. Preliminary engineering activities also continued.
With reference to the civil works underway at the depot, the electricity substation buildings, offices and workshops have been covered. Installation of ducts, cableway and pits continues both in the yard and in the buildings.
The factory-based testing has been completed for the power supply and Telecom sections equipment and continues for the main subsystems.

NORTH AFRICA AND THE MIDDLE EAST

RIYADH AUTOMATED PEOPLE MOVER SYSTEM (APM):

The system has been running automatically since September 2012; at such time, following the signing of the contract, Ansaldo STS group commenced operation and maintenance activities.
In addition to the activities necessary to consolidate system performance, the roll-out of the automated depot equipment (AMR: automatic meter reading, MMIS: man-machine interface systems and the washing plant), the roll-out of the automatic operation of some vehicles (two vehicles were not available for the implementation) and integrated system testing are yet to be completed.
Once these pending issues have been resolved and system performance established, system demonstration activities necessary for the system's handover can commence by mid-2013.

AMERICA

HONOLULU RAIL TRANSIT PROJECT:

Design activities continue. Specifically, the customer has approved the definitive design for telecommunication and security systems and is completing the process related to the other main subsystems (signalling and electrical traction).

ASIA PACIFIC

TAIPEI METRO CIRCULAR LINE:

The new contractual programme based on an extension of time of 19.5 months was submitted for the customer's approval in February 2013. Detailed design activities are underway and manufacturing activities are slated to commence in the second half of 2013.

AUSTRALIA:

Production of the first quarter of 2013 related to projects under the master agreement with Rio Tinto (RAFA). The key production activities of the reporting period related to AutoHaul, RCE283, Hope Down 4, Driver Assist and ECP (Electronically Controlled Pneumatic brakes).

Operating profit (EBIT) of the *Transportation Solutions* business unit for the period ended 31 March 2013 came to €9,694 thousand (9.1% as a percentage of revenue), compared to €11,194 thousand (10.7% as a percentage of revenue) in the corresponding period of the previous year. This decrease is due to the different mix of contracts in the two periods and the greater impact of structural costs on the results of operations for the first quarter of 2013, due mainly to commercial activities linked to taking part in important calls for tenders in the Middle East.

Operating working capital at 31 March 2013 was negative by €58,026 thousand, compared to a negative €102,639 thousand at 31 March 2012. The change is mainly due to the increase in net work in progress.

Research and development expense taken to profit or loss totalled €183 thousand, compared to €444 thousand in the corresponding period of the previous year.

The **headcount** at 31 March 2013 numbered 663, up 107 employees on the 556 employees at 31 March 2012. This rise is mainly linked to the increase in activities on projects in Australia.

4 Key events of and after the reporting period

Through its subsidiary Ansaldo STS España, Ansaldo STS group won a contract during the quarter for the maintenance of the railway traffic control and signalling and associated systems for the Madrid-Puigverd de Lleida high-speed line.
The 495 km line connects Madrid and Barcelona with the French border. The approximately €27 million contract comprises the maintenance of the signalling (level 1 and 2 ERTMS) and security systems being developed for this line.
At the beginning of April, the Office National des Chemins de Fer (ONCF) awarded the project to design and supply the railway signalling centre, telecommunications and traffic control for the 183 km high-speed line that will connect Tangiers and Kenitra (along the Atlantic coast) to the consortium comprising Ansaldo STS France S.A.S. and Cofely Ineo. The total contract is worth €120 million.
The consortium leader Ansaldo STS group will perform all stages of the signalling implementation, from design to integration and roll out, supply the telecommunications equipment, next generation safety interlocking, track circuits, automatic controls and automatic train protection systems based on level 1 and 2 ERTMS, as well as the traffic control centre located in Rabat. These technologies have already been rolled out or are under development in France.
Cofely Ineo, a leading railway signalling solutions operator, will supply the ground control equipment and provide the electrical power supply and related cable networks. Its engineering department will supply the execution plans required for the installation of critical and complex systems.

The complete system will enable the safe and reliable commercial operation of the new line at speeds of up to 320 km/h.

Ansaldo STS
A Finmeccanica Company

Condensed Interim Consolidated Financial Statements as at and for the three months ended 31 March 2013

5 Condensed interim consolidated financial statements

5.1 Consolidated Income statement

(€'000)	First three months of 2013	of which, related parties	2012	of which, related parties
Revenue	253,058	42,476	259,460	38,111
Other operating income	5,865	4	6,592	-
Purchases	(51,414)	(2,827)	(48,102)	(731)
Services	(103,686)	(16,196)	(110,174)	(8,661)
Personnel expense	(78,844)	-	(82,386)	-
Amortisation, depreciation and impairment losses	(4,196)	-	(3,867)	-
Other operating expense	(2,646)	(23)	(4,312)	(10)
Changes in finished goods, work-in-progress and semi-finished products	2,031	-	4,400	-
(-) Internal work capitalised	518	-	61	-
Operating profit	**20,686**		**21,672**	
Financial income	9,015	-	7,258	4
Financial expense	(10,320)	(26)	(8,963)	(27)
Share of profits (losses) of equity-accounted investees	-	-	-	-
Pre-tax profit	**19,381**		**19,967**	
Income taxes	(7,272)	-	(7,929)	-
Profit for the period	**12,109**		**12,038**	
attributable to the owners of the parent	*12,090*		*12,179*	
attributable to non-controlling interests	*19*		*(141)*	
Earnings per share				
Basic and diluted	*0.08*		*0.08**	

* Recalculated following the bonus issue of 9 July 2012.

5.2 Consolidated Statement of comprehensive income

Statement of comprehensive income (€'000)	First three months of 2013	2012
Profit for the period	12,109	12,038
Other comprehensive income		
- Actuarial losses on defined benefit plans	(13)	(1,046)
- Change in fair value of cash flow hedges		
fair value losses	(68)	(1,173)
transfer to profit or loss	(1,232)	174
- Income tax on other comprehensive (income)/expense	(273)	1,341
- Exchange rate gains (losses)	5,993	(2,672)
Other comprehensive (income)/expense, net of taxes	**4,407**	**(3,376)**
Total comprehensive income for the period	**16,516**	**8,662**
Attributable to:		
- the owners of the parent	16,408	9,623
- non-controlling interests	108	(961)

5.3 Consolidated Statement of financial position

(€'000)	**31.03.2013**	**of which, related parties**	31.12.2012	of which, related parties
Non-current assets				
Intangible assets	50,843	-	51,062	-
Property, plant and equipment	90,449	-	91,099	-
Equity investments	38,333	-	37,735	-
Loans and receivables	22,875	6,848	22,345	6,779
Deferred tax assets	38,514	-	38,127	-
Other non-current assets	23,709	-	24,628	-
	264,723		**264,996**	
Current assets				
Inventories	138,038	-	131,584	-
Contract work in progress	392,552	-	313,096	-
Trade receivables	625,971	112,934	748,747	168,966
Tax assets	23,987	-	25,081	-
Loan assets	156,937	97,428	173,520	120,533
Derivatives	6,140	-	4,627	-
Other current assets	56,212	1,555	57,061	1,555
Cash and cash equivalents	93,498	-	146,837	-
	1,493,335		**1,600,553**	
Total assets	**1,758,058**		**1,865,549**	
Equity and liabilities				
Share capital	79,998	-	79,998	-
Reserves	405,915	-	388,741	-
Equity attributable to the owners of the parent	*485,913*		*468,739*	
Equity attributable to non-controlling interests	*533*	-	*427*	-
Total equity	**486,446**		**469,166**	
Non-current liabilities				
Employee benefits	30,663	-	30,724	-
Deferred tax liabilities	7,908	-	8,102	-
Other non-current liabilities	9,954	-	10,839	-
	48,525		**49,665**	
Current liabilities				
Progress payments and advances from customers	690,096	-	710,720	-
Trade payables	408,111	50,514	500,563	58,741
Loans and borrowings	11,681	-	18,375	-
Tax liabilities	8,313	-	5,727	-
Provisions for risks and charges	15,114	-	15,842	-
Derivatives	7,116	-	4,108	-
Other current liabilities	82,656	420	91,383	397
	1,223,087		**1,346,718**	
Total liabilities	**1,271,612**		**1,396,383**	
Total liabilities and equity	**1,758,058**		**1,865,549**	

5.4 Consolidated Statement of cash flows

(€'000)	First three months of 2013	of which, related parties	2012	of which, related parties
Cash flows from operating activities:				
Gross cash flows from operating activities	25,860	-	24,164	-
Change in working capital	(73,196)	47,865	(76,190)	22,699
Changes in other operating assets and liabilities	(10,383)	(46)	(13,865)	(702)
Net interest paid	349	(26)	1,267	(23)
Income taxes paid	(2,443)	-	(5,431)	-
Cash flows used in operating activities	**(59,813)**		**(70,055)**	
Cash flows from investing activities:				
Acquisitions/coverage of losses of companies, net of cash acquired	(103)	-	(412)	-
Investments in property, plant and equipment and intangible assets	(2,801)	-	(3,526)	-
Cash flows used for strategic transactions	(598)	-	(180)	-
Sales of property, plant and equipment and intangible assets	-	-	418	-
Other investing activities	33	-	-	-
Cash flows used in investing activities	**(3,469)**		**(3,700)**	
Cash flows from financing activities:				
Net change from other financing activities	8,959	23,237	25,485	(38,074)
Dividends paid to non-controlling investors	-	-	-	-
Cash flows used in financing activities	**8,959**		**25,485**	
Net decrease in cash and cash equivalents	(54,323)	-	(48,270)	-
Exchange rate gains and losses, net	984	-	(1,332)	-
Opening cash and cash equivalents	146,837	-	160,928	-
Closing cash and cash equivalents	**93,498**		**111,326**	

5.5 Consolidated Statement of changes in equity

Changes in equity are shown in the following table:

(€'000)	Share capital	Retained earnings and consolidation reserves	Hedging reserve	Stock grant reserve	Translation reserve	Other reserves	Total equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
Equity at 1 January 2012	**69,998**	**301,670**	**881**	**227**	**936**	**49,302**	**423,014**	**1,122**	**424,136**
Net change in stock grant reserve	-	-	-	448	-	-	448	-	448
Other comprehensive income/ (expense), net of taxes	-	(1,046)	(999)	-	(1,854)	1,342	(2,557)	(819)	(3,376)
Net change in treasury shares	2	-	-	-	-	-	2	-	2
Profit for the period ended 31 March 2012	-	12,179	-	-	-	-	12,179	(141)	12,038
Equity at 31 March 2012	**70,000**	**312,803**	**(118)**	**675**	**(918)**	**50,644**	**433,086**	**162**	**433,248**
Equity at 1 January 2013	**79,998**	**347,008**	**(5,101)**	**1,490**	**4,279**	**41,065**	**468,739**	**427**	**469,166**
Change in consolidation scope	-	(103)	-	-	-	-	(103)	-	(103)
Net change in stock grant reserve	-	-	-	869	-	-	869	-	869
Other comprehensive income/ (expense), net of taxes	-	(13)	(1,300)	-	5,904	(273)	4,318	89	4,407
Other changes	-	-	-	-	-	-	-	-	-
Net change in treasury shares	-	-	-	-	-	-	-	-	-
Changes in consolidation reserves	-	-	-	-	-	-	-	(2)	(2)
Profit for the period ended 31 March 2013	-	12,090	-	-	-	-	12,090	19	12,109
Equity at 31 March 2013	**79,998**	**358,982**	**(6,401)**	**2,359**	**10,183**	**40,792**	**485,913**	**533**	**486,446**

6 Notes to the condensed interim consolidated financial statements at 31 March 2013

6.1 General information

Ansaldo STS is a company limited by shares with its registered office in Via Paolo Mantovani 3-5, Genoa, and a branch in Via Argine 425, Naples. It has been listed on the Star segment of the stock exchange managed by Borsa Italiana S.p.A. since 29 March 2006 and included in the FTSE MIB index since 23 March 2009.
Ansaldo STS S.p.A. is a subsidiary of Finmeccanica S.p.A., with its registered office in Piazza Monte Grappa 4, Rome, which manages and coordinates the company.
These condensed interim consolidated financial statements at 31 March 2013 were authorised for publication on 6 May 2013.
On 9 July 2012, the company carried out the third instalment of the bonus issue approved by the shareholders in their extraordinary meeting of 23 April 2010.
Following the issue of this third instalment, the company’s share capital now equals €80,000,000.00, comprising 160,000,000 ordinary shares of a nominal amount of €0.50 each.
Ansaldo STS group operates internationally in the design, construction, marketing and sales of solutions, systems, products, components and services in the above-ground railway and metro Signalling and Transportation Solutions business units.
Ansaldo STS S.p.A., as parent, also exercises industrial and strategic guidance and control, coordinating the activities of its operating subsidiaries (together, “Ansaldo STS group” or the “group”), which operate in the above industrial sectors.

6.2 Basis of preparation

Ansaldo STS group’s condensed interim consolidated financial statements at 31 March 2013 are drafted in accordance with article 154-*ter*.5 of Legislative decree no. 58/98 (the Consolidated Finance Act) and subsequent amendments and integrations.
They comply with IAS 34 “Interim Financial Reporting”, issued by the International Accounting Standard Board (IASB).
These condensed interim consolidated financial statements at 31 March 2013 were approved and authorised for publication by the board of directors in accordance with ruling legislation on 6 March 2013.
As per IAS 34 “Interim financial reporting”, the notes to the condensed interim consolidated financial statements do not include all disclosures required for annual financial statements, as they refer only to those items that are essential to understand the group’s financial position, results of operations and cash flows given their amount, breakdown or changes therein. These condensed interim consolidated financial statements should, therefore, be read in conjunction with the 2012 annual consolidated financial statements.
The accounting policies used for the condensed interim consolidated financial statements are unchanged from those of the 2012 annual consolidated financial statements.

Amounts are shown in thousands or millions of euros unless stated otherwise.

Preparation of the condensed interim consolidated financial statements required management to make estimates.

6.3 Consolidation scope

Ansaldo STS group's condensed interim consolidated financial statements at 31 March 2013 include the interim financial statements at 31 March 2013 of the companies/entities in the consolidation scope (the "consolidated entities") drafted pursuant to the IFRS applied by Ansaldo STS group. The consolidated entities are listed below, showing the group's related direct or indirect interest therein:

Companies consolidated on a line-by-line basis

NAME	INVESTMENT TYPE	REGISTERED OFFICE	SHARE CAPITAL (€'000)	CURRENCY	INVESTMENT %
ANSALDO STS AUSTRALIA PTY LTD	Direct	Eagle Farm (Australia)	5,026	AUD	100
ANSALDO STS SWEDEN AB	Direct	Solna (Sweden)	4,000	SEK	100
ANSALDO STS FINLAND OY (in liq.)	Indirect	Helsinki (Finland)	10	EUR	100
ANSALDO STS UK LTD	Direct	London (United Kingdom)	1,000	GBP	100
ANSALDO STS IRELAND LTD	Direct	Tralee (Ireland)	100	EUR	100
ACELEC Société par actions simplifiée	Indirect	Les Ulis (France)	168	EUR	100
ANSALDO STS ESPANA SA	Indirect	Madrid (Spain)	1,500	EUR	100
ANSALDO STS BEIJING LTD	Indirect	Beijing (China)	837	EUR	80
ANSALDO STS HONG KONG LTD	Indirect	Hong Kong (China)	100	HKD	100
ANSALDO STS FRANCE Société par actions simplifiée	Direct	Les Ulis (France)	5,000	EUR	100
UNION SWITCH & SIGNAL INC	Indirect	Greenville (Delaware USA)	1	USD	100
ANSALDO STS MALAYSIA SDN BHD	Indirect	Petaling Jaya (Malaysia)	3,000	MYR	100
ANSALDO STS CANADA INC	Indirect	Kingstone (Canada)	0	CAD	100
ANSALDO STS USA INC	Direct	Wilmington (Delaware USA)	0.001	USD	100
ANSALDO STS USA INTERNATIONAL CO	Indirect	Wilmington (Delaware USA)	1	USD	100
ANSALDO STS USA INT. PROJECTS CO	Indirect	Wilmington (Delaware USA)	25	USD	100
ANSALDO STS TRANSPORTATION SYSTEMS INDIA PVT LTD	Indirect	Bangalore (India)	3,012,915	INR	100
ANSALDO STS DEUTSCHLAND GMBH	Direct	Munich (Germany)	26	EUR	100
ANSALDO RAILWAY SYSTEM TRADING (BEIJING) Ltd	Direct	Beijing (China)	1,500	USD	100
ANSALDO STS-SINOSA RAIL SOLUTIONS SOUTH AFRICA (PTY) LTD	Indirect	Frankenwald (South Africa)	2	ZAR	51
ANSALDO STS SOUTHERN AFRICA PTY LTD	Indirect	Gaborone (Botswana)	0.1	BWP	100

Companies consolidated on a proportionate basis

NAME	INVESTMENT TYPE	REGISTERED OFFICE	SHARE CAPITAL (€'000)	CURRENCY	INVESTMENT %
BALFOUR BEATTY ANSALDO SYSTEMS JV SDN BHD	Indirect	Kuala Lumpur (Malaysia)	6,000	MYR	40
KAZAKHSTAN TZ-ANSALDO STS ITALY LLP	Direct	Astana (Kazakhstan)	22,000	KZT	49

Companies measured using the equity method

NAME	INVESTMENT TYPE	REGISTERED OFFICE	SHARE CAPITAL (€'000)	CURRENCY	INVESTMENT %
ECOSEN CA (VENEZUELA)	Indirect	Caracas (Venezuela)	1,310	VBF	48
ALIFANA SCARL	Direct	Naples (Italy)	26	EUR	65.85
ALIFANA DUE SCARL	Direct	Naples (Italy)	26	EUR	53.34
PEGASO SCRL (in liq.)	Direct	Rome (Italy)	260	EUR	46.87
METRO 5 S.p.A.	Direct	Milan (Italy)	50,000	EUR	24.6
Metro Brescia S.r.l.	Direct	Brescia (Italy)	4,020	EUR	19.796
INTERNATIONAL METRO SERVICE S.r.l.	Direct	Milan (Italy)	700	EUR	49

6.4 Exchange rates adopted

The following exchange rates were adopted to translate the foreign currency financial statements and balances for the reporting period and the corresponding period of the previous year:

	Spot rate at 31.03.2013	Spot rate at 31.03.2012	**Average rate for the period ended 31 March 2013**	Average rate for the Period ended 31 March 2012
USD	1.27680	1.33370	1.31953	1.31088
CAD	1.29840	1.32890	1.33089	1.31309
GBP	0.84515	0.83900	0.85135	0.83465
HKD	9.91140	10.35360	10.23449	10.17278
SEK	8.30200	8.88000	8.49104	8.85388
AUD	1.22340	1.28240	1.27031	1.24234
INR	69.54100	67.72500	71.49925	65.86977
MYR	3.95510	4.08340	4.06777	4.01181
BRL	2.58380	2.42620	2.63475	2.31607
CNY	7.93400	8.39670	8.21456	8.26950
VEB	8,033.75000	5,726.06000	6,881.16000	4,402.10333
BWP	10.52800	9.62474	10.62542	9.57236
ZAR	11.87250	10.20300	11.82575	10.17342
KZT	192.56300	196.91200	198.84072	194.14984
JPY	120.30000	110.74000	121.78817	104.03809
KRW	1,420.67000	N/A	1,433.05122	N/A

7 Segment reporting

7.1 Primary reporting format

Reference should be made to paragraph 2 of the directors' report for information on the indicators that management uses to assess the performance of the group.

The group operates in two business segments: via the **Signalling business unit**, in the above-ground railway and metro segment and, via the **Transportation Solutions business unit**, in the transportation systems segment. Reference should be made to the directors' report for a more in-depth analysis of the main programmes, outlook and revenue and adjusted gross operating profit (loss) for each business unit.
The results of the business units for the reporting period, compared to those of the corresponding period of the previous year, are as follows:

Operating profit (loss) by business unit

First three months of 2013 (€'000)	**Signalling**	**Transportation Solutions**	**Other activities**	**Eliminations**	**Total**
Revenue	150,928	106,761	-	(4,631)	**253,058**
Other operating income	3,354	974	6,249	(4,712)	**5,865**
External costs	(84,757)	(79,762)	7,114	4,854	**(152,551)**
Personnel expense	(53,661)	(17,736)	(7,447)	-	**(78,844)**
Other operating expense	(1,006)	(148)	(6,204)	4,712	**(2,646)**
Amortisation, depreciation and impairment losses	(1,987)	(395)	(1,814)	-	**(4,196)**
Operating profit (loss)	**12,871**	**9,694**	**(2,102)**	**223**	**20,686**

First three months of 2012 (€'000)	Signalling	Transportation Solutions	Other activities	Eliminations	Total
Revenue	155,548	104,786	-	(874)	**259,460**
Other operating income	1,538	1,778	7,698	(4,422)	**6,592**
External costs	(84,214)	(78,198)	7,409	1,188	**(153,815)**
Personnel expense	(56,860)	(16,614)	(8,912)	-	**(82,386)**
Other operating expense	(369)	(516)	(7,849)	4,422	**(4,312)**
Amortisation, depreciation and impairment losses	(1,841)	(42)	(1,984)	-	**(3,867)**
Operating profit (loss)	**13,802**	**11,194**	**(3,638)**	**314**	**21,672**

Working capital by business unit

31.03.2013 (€'000)	**Signalling**	**Transportation Solutions**	**Other activities**	**Eliminations**	**Total**
Inventories	121,367	44,940	-	(28,269)	138,038
Net contract work in progress	(178,483)	(147,202)	(128)	28,269	(297,544)
Trade receivables	344,871	344,630	5,626	(69,156)	625,971
Trade payables	(169,937)	(296,548)	(10,782)	69,156	(408,111)
Provisions for risks and charges	(10,051)	(3,846)	(1,217)	-	(15,114)
Operating working capital	**107,767**	**(58,026)**	**(6,501)**	**-**	**43,240**
Other liabilities, net	-	-	(11,746)	-	(11,746)
Net working capital	**107,767**	**(58,026)**	**(18,247)**	**-**	**31,494**

31.12.2012 (€'000)	Signalling	Transportation Solutions	Other activities	Eliminations	Total
Inventories	112,250	45,740	525	(26,931)	131,584
Net contract work in progress	(210,720)	(213,834)	-	26,930	(397,624)
Trade receivables	408,054	397,877	5,865	(63,049)	748,747
Trade payables	(195,121)	(355,042)	(13,449)	63,049	(500,563)
Provisions for risks and charges	(10,758)	(3,847)	(1,237)	-	(15,842)
Operating working capital	**103,705**	**(129,106)**	**(8,296)**	**(1)**	**(33,698)**
Other liabilities, net	-	-	(14,449)	-	(14,449)
Net working capital	**103,705**	**(129,106)**	**(22,745)**	**(1)**	**(48,147)**

7.2 Secondary reporting format

A breakdown of revenue by geographical segment is as follows:

(€'000)	**First three months of 2013**	First three months of 2012
Italy	75,039	89,571
Rest of Western Europe	56,738	46,399
North America	30,663	25,486
Asia Pacific	80,376	80,277
Other	10,242	17,727
Total	**253,058**	**259,460**

A breakdown of non-current property, plant and equipment and intangible assets by geographical segment is as follows:

(€'000)	**31.03.2013**	31.03.2012
Italy	79,564	79,970
Rest of Western Europe	44,959	45,127
North America	11,920	12,051
Asia Pacific	4,849	5,013
Total	**141,292**	**142,161**

8 Notes to the Condensed Interim Consolidated Financial Statements at 31 March 2013

The reclassified income statement, reclassified statement of financial position, reclassified net financial position and reclassified statement of cash flows follow to provide further disclosure on the group's financial position, results of operations and cash flows.

The group's performance for the reporting period and corresponding period of the previous year is shown in the following table:

Reclassified income statement (€'000)

	First three months of	
	2013	2012
Revenue	**253,058**	**259,460**
Purchases and personnel expense (*)	(231,809)	(240,504)
Amortisation, depreciation and impairment losses	(4,196)	(3,867)
Other net operating income (**)	1,602	2,280
Change in work-in-progress, semi-finished products and finished goods	2,031	4,400
Adjusted operating profit	**20,686**	**21,769**
Restructuring costs	-	(97)
Operating profit	**20,686**	**21,672**
Net financial expense	(1,305)	(1,705)
Income taxes	(7,272)	(7,929)
Profit for the period	**12,109**	**12,038**
attributable to the owners of the parent	*12,090*	*12,179*
attributable to non-controlling interests	*19*	*(141)*
Earnings per share		
Basic and diluted	*0.08*	*0.08**

* Recalculated following the bonus issue of 9 July 2012.

Notes to the reconciliation between the reclassified income statement and the income statement included in the condensed interim consolidated financial statements:
(*) Includes the captions "Purchases", "Services", "Personnel expense" and "Accrual to (use of) the provision for expected losses to complete contracts" (net of "Restructuring costs"), and net of "Internal work capitalised".
(**) Includes the net amount of "Other operating income" and "Other operating expense" (net of restructuring costs and impairment losses and Accrual to (use of) the provision for expected losses to complete contracts).

In general, the income statement for the quarter shows a modest reduction in revenue compared to the corresponding period of the previous year. In substance, this led to a reduced operating profit, which was offset by lower financial expense and income taxes, resulting in a largely unchanged profit for the period.
Specifically, revenue for the reporting period decreased €6,402 thousand to €253,058 thousand, from €259,469 thousand in the corresponding period of the previous year.
"Purchases and personnel expense" came to €231,809 thousand, compared to €240,504 thousand in the corresponding period of the previous year, showing a decrease of €8,695 thousand.
The operating profit of €20,686 thousand is down €986 thousand on the €21,672 thousand in the corresponding period of the previous year.
The profit for the period of €12,109 thousand is largely in line with that of the first quarter of 2012 (€12,038 thousand).

Purchases and services (€'000)

	First three months of	
	2013	2012
Materials	52,928	46,896
Change in inventories	(4,341)	475
Services	82,287	96,658
Rentals and operating leases	5,203	4,855
Total third-party purchases and services	**136,077**	**148,884**
Total related-party purchases and services	**19,023**	**9,392**
Total purchases and services	**155,100**	**158,276**

The €3,176 thousand decrease is due to lower production volumes.

Personnel expense (€'000)	First three months of 2013	2012
Wages and salaries	63,407	65,778
Stock grant plans	892	635
Social security and pension contributions	13,287	13,101
Italian post-employment benefits	59	57
Other defined benefit plans	129	129
Other defined contribution plans	910	917
Restructuring costs	-	97
Other incentives for personnel	26	150
Other costs	134	1,522
Total	**78,844**	**82,386**

Personnel expense was €78,844 thousand, compared to €82,386 thousand in the corresponding period of the previous year; the decrease is due to the reduction in average headcount and the favourable fluctuations in the US and Australian dollar exchange rates.

Amortisation, depreciation and impairment losses (€'000)	First three months of 2013	2012
Amortisation of intangible assets (excluding goodwill)	1,292	1,285
Depreciation of property, plant and equipment	2,541	2,515
Depreciation of leased assets	-	28
Impairment losses	363	39
Total amortisation, depreciation and impairment losses	**4,196**	**3,867**

The increase relates to impairment losses on loans and receivables.

Other net operating income

Other net operating income of €3,219 thousand increased over the corresponding period of the previous year, largely due to the use in the period of the provision for expected losses to complete contracts arising on the calculation of the actual costs on the related projects and mainly related to the Indian subsidiary, and smaller research and development contributions from the subsidiary Ansaldo STS France. Specifically:

(€'000)	First three months of 2013	2012
Gains on sales of property, plant and equipment and intangible assets	-	364
Reversals of impairment losses on loans and receivables	-	129
Reversals of provisions for risks and charges	71	967
Insurance compensation	1	221
Royalties	212	167
Exchange rate gains	3,626	1,750
Tax asset for R&D	525	1,306
Other operating income	1,426	1,688
Other third-party operating income	**5,861**	**6,592**
Other related-party operating income	**4**	**-**
Total other operating income	**5,865**	**6,592**
Accruals to the provisions for risks and charges	3	100
Membership fees	302	235
Losses on sales of property, plant and equipment and intangible assets	-	271
Losses to complete contracts	(1,617)	-
Exchange rate losses on operating items	2,944	2,080
Interest and other operating expense	53	408
Indirect taxes	341	368
Other operating expense	597	840
Total other third-party operating expense	**2,623**	**4,302**
Other related-party operating expense	**23**	**10**
Total other operating expense	**2,646**	**4,312**
Total other net operating income	**3,219**	**2,280**

Internal work capitalised (€'000)

	First three months of	
	2013	2012
Internal work capitalised	(518)	(61)

Internal work capitalised mainly relates to the parent Ansaldo STS S.p.A., with respect to the Satellite and Rail Telecom project to develop satellite technologies for new railway signalling systems. This project is co-financed with the European Space Agency and the Galileo Supervisory Authority.

Net financial expense

Net financial expense is detailed in the following table. The improvement is mainly due to exchange rate gains, hedges of currency risk and reduced interest and fee expense.

	First three months of					
	2013			2012		
(€'000)	**Income**	**Expense**	**Net**	Income	Expense	Net
Interest and fees	387	1,001	(614)	859	1,631	(772)
Exchange rate gains and losses	8,123	8,456	(333)	4,918	5,726	(808)
Fair value gains and losses	505	435	70	1,129	1,180	(51)
Interest on Italian post-employment benefits	-	121	(121)	-	186	(186)
Interest on other defined benefit plans	-	90	(90)	-	113	(113)
Other financial income and expense	-	191	(191)	-	100	(100)
Fair value gains or losses on securities recognised at fair value through profit or loss	-	-	-	348	-	348
Total net financial expense	**9,015**	**10,294**	**(1,279)**	**7,254**	**8,936**	**(1,682)**
Net related-party financial income/(expense)	**-**	**26**	**(26)**	**4**	**27**	**(23)**
Total	**9,015**	**10,320**	**(1,305)**	**7,258**	**8,963**	**(1,705)**

Share of profits (losses) of equity-accounted investees

	First three months of					
	2013			2012		
(€'000)	**Income**	**Expense**	**Net**	Income	Expense	Net
Share of profits of equity-accounted investees	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

There were no shares of profits or equity-accounted investees recognised in the first quarter of 2012.

Income taxes

Income taxes came to €7,272 thousand and are made up as follows:

	First three months of	
(€'000)	**2013**	2012
IRES	966	1,675
IRAP	990	1,292
Other foreign taxes	4,954	1,566
Net deferred tax expense	362	3,396
Total	**7,272**	**7,929**

Income taxes for the reporting period decreased €657 thousand due to the lower tax rate of the reporting period compared to the corresponding period of the previous year (37.5% at 31 March 2013; 39.7% at 31 March 2012).

Reclassified statement of financial position

The group's reclassified statement of financial position as at 31 March 2013 is set out below:

(€'000)	**31.03.2013**	31.12.2012
Non-current assets	264,723	264,996
Non-current liabilities	(48,525)	(49,665)
	216,198	**215,331**
Inventories	138,038	131,584
Contract work in progress	392,552	313,096
Trade receivables	625,971	748,747
Trade payables	(408,111)	(500,563)
Progress payments and advances from customers	(690,096)	(710,720)
Working capital	**58,354**	**(17,856)**
Provisions for risks and charges	(15,114)	(15,842)
Other liabilities, net (*)	(11,746)	(14,449)
Net working capital	**31,494**	**(48,147)**
Net invested capital	**247,692**	**167,184**
Equity attributable to the owners of the parent	485,913	468,739
Equity attributable to non-controlling interests	533	427
Equity	**486,446**	**469,166**
Net financial position	**(238,754)**	**(301,982)**

Notes to the reconciliation between the reclassified statement of financial position and the statement of financial position included in the condensed interim consolidated financial statements:
(*) Includes "Tax assets" and "Other current assets", net of "Tax liabilities" and "Other current liabilities".

Non-current assets totalled €264,723 thousand at 31 March 2013, as follows:

(€'000)	**31.03.2013**	31.12.2012
Intangible assets	50,843	51,062
Property, plant and equipment	90,449	91,099
Equity investments	38,333	37,735
Loans and receivables	22,875	22,345
Deferred tax assets	38,514	38,127
Other assets	23,709	24,628
Total	**264,723**	**264,996**

Specifically:
- Intangible assets mainly comprise the group's goodwill (€34,569 thousand). Internal work capitalised during the period totalled €437 thousand and relates to the parent Ansaldo STS S.p.A., with respect to the Satellite and Rail Telecom project to develop satellite technologies for new railway signalling systems. This project is co-financed with the European Space Agency and the Galileo Supervisory Authority.
- Property, plant and equipment comprise the carrying amount (€62,378 thousand) of the building located in Via Mantovani 3/5, 16151 Genoa, owned by the parent which bought it from its ultimate parent, Finmeccanica S.p.A., in December 2005. As required by IAS 16, the group applied the component approach to the above carrying amount and reclassified €9 million to Land. Depreciation for the period amounted to €2,541 thousand.
- Investments amounted to €38,333 thousand at 31 March 2013, up €598 thousand over 31 December 2012, mainly due to the subscription of the investments in Metro Brescia (€494 thousand) and Top-In S.c.a.r.l. consortium (€4 thousand).
- Other assets amounted to €23,709 thousand and mainly related to the non-current portion of costs paid to Finmeccanica S.p.A. for the licence to use the "Ansaldo" trademark for a 20-year period. Ansaldo STS S.p.A. signed a licence agreement with Finmeccanica S.p.A. on 27 December 2005 allowing it to use the "Ansaldo" trademark on the market. Against the advance payment of royalties of €32,213 thousand, this agreement gives the parent the exclusive right to use this trademark within the group's business segments for twenty years.

Non-current liabilities of €48,525 thousand at the reporting date are made up as follows:

(€'000)	31.03.2013	31.12.2012
Employee benefits	30,663	30,724
Deferred tax liabilities	7,908	8,102
Other liabilities	9,954	10,839
Total	**48,525**	**49,665**

- The Italian post-employment benefits and other employee benefit obligations fell €61 thousand to €30,663 thousand.
- Deferred tax liabilities equalled €7,908 thousand and the change is mainly due to the transfer of deferred tax liabilities to equity.

Inventories totalled €138,038 thousand at the reporting date, as follows:

(€'000)	31.03.2013	31.12.2012
Raw materials, consumables and supplies	29.663	24.892
Work-in-progress and semi-finished products	19.497	17.980
Finished goods	12.088	11.104
Advances to suppliers	76.790	77.608
Total	**138.038**	**131.584**

The €6,454 thousand increase in the reporting period mainly relates to inventories.

Net contract work in progress is a negative €297,544 thousand, as follows:

(€'000)	31.03.2013	31.12.2012
Advances from customers	(40,880)	(40,036)
Progress payments	(1,735,631)	(1,572,751)
Work in progress	2,173,710	1,934,916
Provision for expected losses to complete contracts	(4,647)	(9,033)
Work in progress (net)	**392,552**	**313,096**
Advances from customers	(391,699)	(390,371)
Progress payments	(3,375,247)	(3,500,233)
Work in progress	3,084,359	3,184,132
Provision for expected losses to complete contracts	(7,509)	(4,248)
Progress payments and advances from customers (net)	**(690,096)**	**(710,720)**
Work in progress, net of progress payments and advances from customers	**(297,544)**	**(397,624)**

The €100,080 thousand change is mainly related to the increase in work in progress (€139,021 thousand), offset by the decrease in progress payments (€37,894 thousand). Overall, the increase is due to the greater production of the reporting period compared to the amount invoiced to customers.

Trade receivables and payables are made up as follows:

	31.03.2013		31.12.2012	
(€'000)	Trade receivables	Trade payables	Trade receivables	Trade payables
Third parties	513,037	357,597	579,781	441,822
Total third parties	**513,037**	**357,597**	**579,781**	**441,822**
Related parties	112,934	50,514	168,966	58,741
Total	**625,971**	**408,111**	**748,747**	**500,563**

The allowance for impairment totalled €15,114 thousand at the reporting date, down by €728 thousand over the previous year end. This decrease is mainly due to the use of the provision for product warranty by the subsidiary Ansaldo STS France (€504 thousand).

There were no particular changes in ongoing disputes from that described in the 2012 annual financial statements.

Other current liabilities, net, of €26,444 thousand, are made up as follows:

	31.03.2013		31.12.2012	
(€'000)	**Assets**	**Liabilities**	Assets	Liabilities
Prepayments - current portion	10,277	3	12,329	-
Research grants	10,737	-	10,302	-
Employees	1,108	33,158	1,045	30,314
Social security institutions	70	12,368	61	13,567
Guarantee deposits	-	-	-	-
Indirect and other tax assets/liabilities	19,703	8,510	19,430	17,962
Other assets/liabilities	12,762	28,197	12,339	29,143
Total other current assets/liabilities	**54,657**	**82,236**	**55,506**	**90,986**
Related parties	1,555	420	1,555	397
Total	**56,212**	**82,656**	**57,061**	**91,383**

Details of the main items are set out below:
- prepayments mainly related to the current portion of costs paid to Finmeccanica S.p.A. for the licence to use the "Ansaldo" trademark for a 20-year period and insurance premiums;
- indirect and other tax assets totalled €19,703 thousand at 31 March 2013 compared to €19,430 thousand at 31 December 2012;
- other liabilities are mainly due to the outstanding 75% of the consideration to be paid for the acquisition of the investment in Metro C S.p.A. - Rome;
- employees increased €2,844 thousand in relation to deferred remuneration of the quarter.

The group's net financial position at 31 March 2013 and 31 December 2012 is set out below:

(€'000)	**31.03.2013**	31.12.2012
Current loans and borrowings	11,511	18,188
Non-current loans and borrowings	-	-
Cash and cash equivalents	(93,498)	(146,837)
BANK LOANS AND BORROWINGS	**(81,987)**	**(128,649)**
Related party loan assets	(97,428)	(120,533)
Other loan assets	(59,509)	(52,987)
Current financial assets at fair value through profit or loss	-	-
LOAN ASSETS	**(156,937)**	**(173,520)**
Related party loans and borrowings	-	-
Other current loans and borrowings	170	187
Other non-current loans and borrowings	-	-
OTHER LOANS AND BORROWINGS	**170**	**187**
NET FINANCIAL POSITION	**(238,754)**	**(301,982)**

The group's net financial position totalled €238,754 thousand at the reporting date, compared to €301,982 thousand at 31 December 2012, with a decrease of €63,228 thousand.

The reclassified statement of cash flows for the period ended 31 March 2013 follows:

(€'000)	First three months of 2013		2012	
Opening cash and cash equivalents	**146,837**		**160,928**	
Gross cash flows from operating activities	25,860		24,164	
Changes in other operating assets and liabilities	(12,477)		(18,029)	
Funds from operations		**13,383**		**6,135**
Change in working capital	(73,196)		(76,190)	
Cash flows used in operating activities	**(59,813)**		**(70,055)**	
Cash flows used in ordinary investing activities	(2,801)		(3,520)	
Free operating cash flow		**(62,614)**		**(73,575)**
Strategic transactions	(598)		(180)	
Other changes in investing activities	(70)		-	
Cash flows used in investing activities	**(3,469)**		**(3,700)**	
Cash flows from other financing activities	8,959		25,485	
Cash flows from financing activities	**8,959**		**25,485**	
Exchange rate gains and losses, net	**984**		**(1,332)**	
Closing cash and cash equivalents	**93,498**		**111,326**	

Cash and cash equivalents at 31 March 2013 equalled €93,498 thousand, down €17,828 thousand on the corresponding period of the previous year. This decrease is mainly due to the net change in loans and receivables and loans and borrowings. Cash flows from financing activities for the reporting period (€8,959 thousand) are €16,526 thousand lower than those of the corresponding period of the previous year (€25,485 K€).

9 Related party transactions

9.1 Impact of related party transactions on profit or loss

First three months of 2013 (€'000)	**Revenue**	**Other operating income**	**Expense**	**Financial income**	**Financial expense**	**Other operating expense**
Ultimate parent						
Finmeccanica S.p.A.	-	-	727	-	26	-
Subsidiaries						
Alifana S.c.r.l.	-	-	(1)	-	-	-
Alifana Due S.c.r.l.	70	-	(1)	-	-	-
Associates						
Metro 5 S.p.A.	2,576	-	7	-	-	-
Metro 5 Lilla S.r.l.	683	-	62	-	-	-
International Metro Service S.r.l.	-	4	-	-	-	-
Pegaso S.c.r.l. (in liq.)	-	-	-	-	-	-
Metro Service S.p.A.	4,202	-	11,735	-	-	-
Metro Brescia S.r.l.	-	-	(1)	-	-	-
Joint ventures (*)						
Balfour Beatty Ansaldo Syst. JV SDN BHD	1,984	-	(1)	-	-	-
Kazakhstan TZ-Ansaldo STS Italy LLP	-	-	-	-	-	-
Consortia						
Saturno consortium	1,121	-	240	-	-	-
Ascosa Quattro consortium	5	-	-	-	-	-
Team (in liq.) consortium	-	-	-	-	-	-
SanGiorgio Volla 2 consortium	187	-	(6)	-	-	-
Ferroviario Vesuviano consortium	-	-	48	-	-	-
Sesm consortium	-	-	-	-	-	-
Cesit consortium	-	-	-	-	-	12
Cris consortium	-	-	-	-	-	-
MM4 consortium	-	-	134	-	-	-
SanGiorgio Volla consortium	16	-	1	-	-	-
Other group companies						
Ansaldo Energia S.p.A.	-	-	-	-	-	-
AnsaldoBreda S.p.A.	2,563	-	1,642	-	-	-
Fata Logistic System S.p.A.	-	-	414	-	-	-
Fata S.p.A.	-	-	54	-	-	-
Finmeccanica Group Service S.p.A.	-	-	224	-	-	11
Finmeccanica North America Inc.	-	-	-	-	-	-
Finmeccanica U.K. Ltd	-	-	36	-	-	-
Selex ES S.p.A.	74	-	2,524	-	-	-
Electron Italia S.r.l.	3	-	-	-	-	-
Other - MEF						
Ferrovie dello Stato group	26,279	-	383	-	-	-
Eni group	2,713	-	9	-	-	-
Enel group	-	-	793	-	-	-
Total	**42,476**	**4**	**19,023**	**-**	**26**	**23**
% of the total for the reporting period	**17%**	**0.1%**	**12%**	**0%**	**0.3%**	**1%**

(*) Portion not eliminated on proportionate consolidation.

First three months of 2012 (€'000)	Revenue	Other operating income	Expense	Financial income	Financial expense	Other operating expense
Ultimate parent						
Finmeccanica S.p.A.	-	-	1,535	4	53	-
Subsidiaries						
Alifana S.c.r.l.	-	-	-	-	-	-
Alifana Due S.c.r.l.	43	-	108	-	-	-
Associates						
Metro 5 S.c.p.A.	2,167	-	147	-	-	-
Metro 5 Lilla S.r.l.	-	-	116	-	-	-
International Metro Service S.r.l.	735	-	(37)	-	-	-
Pegaso S.c.r.l. (in liq.)	-	-	407	-	-	-
Metro Service A.S.	-	-	3,696	-	-	-
Ecosen S.A.	-	-	-	-	-	-
Joint ventures (*)						
Balfour Beatty Ansaldo Syst. JV SDN BHD	1,068	-	-	-	(26)	-
Kazakhstan TZ-Ansaldo STS Italy LLP	-	-	-	-	-	-
Consortia						
Saturno consortium	1,554	-	415	-	-	-
Ascosa quattro consortium	14	-	-	-	-	-
Team (in liq.) consortium	-	-	-	-	-	-
SanGiorgio Volla 2 consortium	272	-	-	-	-	-
Ferroviario Vesuviano consortium	1	-	-	-	-	-
Sesm consortium	-	-	15	-	-	-
Cesit consortium	-	-	-	-	-	-
Cris consortium	-	-	-	-	-	-
SanGiorgio Volla consortium	17	-	10	-	-	-
Other group companies						
Ansaldo Energia S.p.A.	-	-	1	-	-	-
AnsaldoBreda S.p.A.	2,362	-	707	-	-	-
Fata Logistic System S.p.A.	-	-	470	-	-	-
Fata S.p.A.	-	-	54	-	-	-
Finmeccanica Group Service S.p.A.	-	-	117	-	-	10
Finmeccanica North America Inc.	-	-	64	-	-	-
Finmeccanica U.K. Ltd	-	-	3	-	-	-
Selex Elsag S.p.A.	-	-	1,498	-	-	-
Electron Italia S.r.l.	42	-	-	-	-	-
I.M. Intermetro S.p.A. (in liq)	1	-	-	-	-	-
Metro 5 Lilla S.r.l.	1,353	-	-	-	-	-
Other - MEF						
Ferrovie dello Stato group	28,159	-	48	-	-	-
Eni group	323	-	15	-	-	-
Enel group	-	-	3	-	-	-
Total	**38,111**	**-**	**9,392**	**4**	**27**	**10**
% of the total for the reporting period	**15%**	**0%**	**6%**	**0.1%**	**0.3%**	**0.2%**

(*) Portion not eliminated on proportionate consolidation.

9.2 Related party assets and liabilities

Related party trading transactions generally take place on an arm's length basis. The relevant statement of financial position balances are shown below. The statement of cash flows presents the impact of related party transaction on cash flows.

Financial assets at 31 March 2013 (€'000)	**Non-current loan assets**	**Other non-current financial assets**	**Current loan assets**	**Trade receivables**	**Other current financial assets**	**Total**
Ultimate parent						
Finmeccanica S.p.A.	-	-	97,428	168	148	**97,744**
Subsidiaries						
Alifana S.c.r.l.	-	-	-	125	-	**125**
Alifana Due S.c.r.l.	-	-	-	169	-	**169**
Associates						
International Metro Service S.r.l.	-	-	-	2,116	-	**2,116**
Metro 5 S.p.A.	-	3,827	-	6,970	-	**10,797**
Metro Brescia S.r.l.	-	1,545	-	-	-	**1,545**
Pegaso S.c.r.l. (in liq.)	-	-	-	-	-	**-**
Metro Service S.p.A.	-	-	-	4,245	-	**4,245**
Metro 5 Lilla S.r.l.	-	-	-	24,349	-	**24,349**
Joint ventures (*)						
Balfour Beatty Ansaldo Syst. JV SDN BHD	-	-	-	4,200	-	**4,200**
Kazakhstan TZ-Ansaldo STS Italy LLP	-	1,224	-	1,928	-	**3,152**
Consortia						
Saturno consortium	-	-	-	4,834	1,361	**6,195**
Ascosa Quattro consortium	-	-	-	1,157	-	**1,157**
Ferroviario Vesuviano consortium	-	-	-	14,113	-	**14,113**
MM4 consortium	-	252	-	290	-	**542**
San Giorgio Volla Due consortium	-	-	-	1,625	4	**1,629**
San Giorgio Volla consortium	-	-	-	1,421	-	**1,421**
Other group companies						
AnsaldoBreda S.p.A.	-	-	-	5,410	-	**5,410**
Selex ES S.p.A.	-	-	-	452	-	**452**
Selex Sistemi Integrati S.p.A.	-	-	-	22	42	**64**
Ansaldo Energia S.p.A.	-	-	-	44	-	**44**
I.M. Intermetro S.p.A. (in liq.)	-	-	-	331	-	**331**
Other - MEF						
Ferrovie dello Stato group	-	-	-	37,398	-	**37,398**
Eni group	-	-	-	1,567	-	**1,567**
Enel group	-	-	-	-	-	**-**
Total	**-**	**6,848**	**97,428**	**112,934**	**1,555**	**218,765**
% of the total at the reporting date		**30%**	**62%**	**18%**	**3%**	

(*) Portion not eliminated on proportionate consolidation.

Financial assets at 31 December 2012 (€'000)	Non-current loan assets	Other non-current financial assets	Current loan assets	Trade receivables	Other current financial assets	Total
Ultimate parent						
Finmeccanica S.p.A.	-	-	120,533	426	145	**121,104**
Subsidiaries						
Alifana S.c.r.l.	-	-	-	123	-	**123**
Alifana Due S.c.r.l.	-	-	-	167	-	**167**
Associates						
International Metro Service S.r.l.	-	-	-	2,112	-	**2,112**
Metro 5 S.p.A.	-	3,828	-	8,800	-	**12,628**
Pegaso S.c.r.l. (in Liq.)	-	-	-	-	-	**-**
Metro Service S.p.A.	-	-	-	1,892	-	**1,892**
Metro 5 Lilla S.r.l.	-	-	-	28,473	-	**28,473**
Metro Brescia S.r.l.	-	1,545	-	196	-	**1,741**
Joint ventures (*)						
Balfour Beatty Ansaldo Systems JV Sdn Bhd	-	-	-	6,010	-	**6,010**
Kazakhstan TZ - Ansaldo STS Italy LLP	-	1,224	-	1,928	-	**3,152**
Consortia						
Saturno consortium	-	-	-	3,640	1,360	**5,000**
Ascosa Quattro consortium	-	-	-	1,157	-	**1,157**
Ferroviario Vesuviano consortium	-	-	-	14,113	-	**14,113**
MM4 consortium	-	182	-	245	-	**427**
San Giorgio Volla Due consortium	-	-	-	1,625	5	**1,630**
San Giorgio Volla consortium	-	-	-	1,421	-	**1,421**
Other group companies						
AnsaldoBreda S.p.A.	-	-	-	4,896	3	**4,899**
Selex Elsag S.p.A.	-	-	-	509	-	**509**
Selex Sistemi Integrati S.p.A.	-	-	-	-	42	**42**
Ansaldo Energia S.p.A.	-	-	-	53	-	**53**
Selex Galileo S.p.A.	-	-	-	13	-	**13**
I.M. Intermetro S.p.A. (in liq)	-	-	-	331	-	**331**
Other - MEF						
Ferrovie dello Stato group	-	-	-	86,880	-	**86,880**
Eni group	-	-	-	3,956	-	**3,956**
Enel group	-	-	-	-	-	**-**
Total	**-**	**6,779**	**120,533**	**168,966**	**1,555**	**297,833**
% of the total at the reporting date		**30%**	**69%**	**23%**	**3%**	

(*) Portion not eliminated on proportionate consolidation.

Financial liabilities at 31 March 2013 (€'000)	Non-current loans and borrowings	Other non-current financial liabilities	Current loans and borrowings	Trade payables	Other current financial liabilities	Total
Ultimate parent						
Finmeccanica Sede S.p.A.	-	-	-	296	-	**296**
Subsidiaries						
Alifana S.c.r.l.	-	-	-	104	3	**107**
Alifana Due S.c.r.l.	-	-	-	57	-	**57**
Associates						
International Metro Service S.r.l.	-	-	-	-	-	**-**
Metro Service S.p.A.	-	-	-	9,071	-	**9,071**
Metro 5 S.p.A.	-	-	-	115	-	**115**
Pegaso S.c.r.l. (in liq.)	-	-	-	18	-	**18**
Joint ventures (*)						
Balfour Beatty Ansaldo Syst. JV SDN BHD	-	-	-	-	-	**-**
Kazakhstan TZ-Ansaldo STS Italy LLP	-	-	-	-	-	**-**
Consortia						
Saturno consortium	-	-	-	731	-	**731**
Ascosa Quattro consortium	-	-	-	45	8	**53**
Team consortium	-	-	-	-	-	**-**
San Giorgio Volla Due consortium	-	-	-	89	-	**89**
Ferroviario Vesuviano consortium	-	-	-	411	8	**419**
San Giorgio Volla consortium	-	-	-	9	8	**17**
Cesit consortium	-	-	-	15	-	**15**
SESM consortium	-	-	-	-	-	**-**
MM4 consortium	-	-	-	401	-	**401**
Cris consortium	-	-	-	-	-	**-**
Other group companies						
Finmeccanica Group Service S.p.A.	-	-	-	260	-	**260**
AnsaldoBreda S.p.A.	-	-	-	75	23	**98**
Selex ES S.p.A.	-	-	-	36,716	-	**36,716**
Fata Logistic System S.p.A.	-	-	-	501	-	**501**
Fata S.p.A. (in liq.)	-	-	-	54	-	**54**
MetroB S.r.l.	-	-	-	-	370	**370**
E-Geos S.p.A.	-	-	-	28	-	**28**
Other - MEF						
Ferrovie dello Stato group	-	-	-	740	-	**740**
Eni group	-	-	-	-	-	**-**
Enel group	-	-	-	778	-	**778**
Total	**-**	**-**	**-**	**50,514**	**420**	**50,934**
% of the total at the reporting date				**12%**	**1%**	

(*) Portion not eliminated on proportionate consolidation.

Financial liabilities at 31 December 2012 (€'000)	Non-current loans and borrowings	Other non-current financial liabilities	Current loans and borrowings	Trade payables	Other current financial liabilities	Total
Ultimate parent						
Finmeccanica Sede S.p.A.	-	-	-	281	-	281
Subsidiaries						
Alifana S.c.r.l.	-	-	-	104	3	107
Alifana Due S.c.r.l.	-	-	-	157	-	157
Associates						
Metro Service S.p.A.	-	-	-	10,441	-	10,441
Metro 5 S.p.A.	-	-	-	114	-	114
Pegaso S.c.r.l. (in liq.)	-	-	-	18	-	18
Joint ventures (*)						
Balfour Beatty Ansaldo Syst. JV SDN BHD	-	-	-	-	-	-
Kazakhstan TZ - Ansaldo STS Italy LLP	-	-	-	-	-	-
Consortia						
Saturno consortium	-	-	-	483	-	483
Ascosa Quattro consortium	-	-	-	45	8	53
Team consortium	-	-	-	-	-	-
San Giorgio Volla Due consortium	-	-	-	92	-	92
Ferroviario Vesuviano consortium	-	-	-	363	8	371
San Giorgio Volla consortium	-	-	-	6	8	14
MM4 consortium	-	-	-	200	-	200
Cesit consortium	-	-	-	24	-	24
Cris consortium	-	-	-	1	-	1
Other group companies						
Finmeccanica Group Service S.p.A.	-	-	-	573	-	573
AnsaldoBreda S.p.A.	-	-	-	3,377	-	3,377
Selex Elsag S.p.A.	-	-	-	40,331	-	40,331
Finmeccanica North America Inc.	-	-	-	50	-	50
Fata Logistic System S.p.A.	-	-	-	216	-	216
Fata S.p.A.	-	-	-	65	-	65
Electron Italia S.r.l.	-	-	-	24	-	24
MetroB S.r.l.	-	-	-	-	370	370
E-Geos S.p.A.	-	-	-	73	-	73
Other - MEF						
Ferrovie dello Stato group	-	-	-	1,695	-	1,695
Eni group	-	-	-	8	-	8
Enel group	-	-	-	-	-	-
Total	**-**	**-**	**-**	**58,741**	**397**	**59,138**
% of the total at the reporting date				**12%**	**0.4%**	

(*) Portion not eliminated on proportionate consolidation.

10 Financial risk management

The group's operations expose it to the following financial risks:
- market risks, related to operations in areas that use currencies other than the company's functional currency (currency risk) and the risk of interest rate fluctuations;
- liquidity risks, related to the availability of financial resources and access to the credit market;
- credit risk, arising from normal trading transactions or financing activities.

The group specifically monitors each of these financial risks and acts promptly to contain them including via hedging derivatives. Ansaldo STS group's approach to managing these risks, in line with internal policies, is described below.

Currency risk management

As described in the "treasury management" policy, Ansaldo STS group manages currency risk by pursuing the following objectives:
- limiting potential losses generated by unfavourable exchange rate fluctuations against the currencies used by Ansaldo STS S.p.A. and its subsidiaries. Losses are defined in cash flows rather than accounting terms;
- limiting forecast or actual costs related to the implementation of currency risk management policies.

Currency risk shall only be hedged if it has a material impact on cash flows, compared to the functional currency.
Costs and risks related to a hedging policy (hedge, no hedge or partial hedge) shall be acceptable in both financial and commercial terms.
Currency risk may be hedged using the following tools:
- purchase and sale of currency forwards: these are the most commonly used cash flows hedges;
- funding/lending in foreign currency: used to mitigate the currency risk related to similar receivable and payable positions with banks or group companies.

The use of funding and lending in foreign currency as a hedging instrument shall only take place when consistent with Ansaldo STS group's overall treasury management and financial position (both long- and short-term).
The purchase and sale of foreign currency is generally the hedging tool used when foreign markets are not sufficiently liquid or when it is the most cost effective hedging method.

Currency risk hedging

There are three main types of currency risk:
1. The economic risk is the impact exchange rate fluctuations can have on capital budgeting decisions (investments, the location of production facilities and supply markets).
2. The transaction risk is the possibility that exchange rates may fluctuate between the time a commitment is undertaken to make future collections or payments in foreign currency (price list, budgets, orders preparation and invoicing) and when the actual collection or payment takes place, generating either exchange rate gains or losses.
3. The translation risk is the effect on the financial statements of multinational companies of translating dividends, or of consolidating assets and liabilities when exchange rates adopted for consolidation purposes differ from one reporting period and the next.

The Ansaldo STS group hedges the transaction risk in line with the Foreign Exchange Risk management policy, i.e., via the systematic hedge of cash flows generated by firm contractual commitments to buy and sell, in order to fix the exchange rates at the date the construction contracts are agreed, thereby neutralising the effects of exchange rate fluctuations.

Cash flow hedges

Hedges are entered into at the time sales contracts are agreed, using plain vanilla instruments (currency swaps and forwards) that qualify for hedge accounting under IAS 39. They are recognised as cash flow hedges, whereby the effective portion of fair value gains or losses on hedging derivatives is recognised in the relevant hedging reserve once the hedging strategy is demonstrated to be effective.
If the hedge is not deemed effective (i.e., does not fall within the 80% and 125% range), fair value gains or losses on hedging instruments are immediately expensed as financial items and the related fair value gains or losses accumulated in the hedging reserve up to the date of the most recent successful test of effectiveness are reclassified to profit or loss.

Fair value hedges

These hedge fair value changes in a recognised asset or liability, an unrecognised firm commitment, an identified portion of this asset, liability or irrevocable commitment, related to a particular risk and that could impact profit or loss.
The group hedges fair value gains or losses related to the currency risk on recognised assets and liabilities.

Hedges are mainly undertaken with banks. The group has contracts in place for the following notional foreign currency amounts at the reporting date:

(local currency in thousands)	**Sell13**	**Buy13**	**31.03.2013**	Sell12	Buy12	31.03.2012
Euro	96,849	69,813	166,662	96,108	56,953	153,061
US dollar	75,407	21,220	96,627	74,188	23,180	97,368
GBP	8,212	-	8,212	8,847	1,042	9,889
Swedish krona	460	27,104	27,564	3,065	29,228	32,293
Australian dollar	4,012	2,613	6,625	-	42,261	42,261
Hong Kong dollar	319	-	319	309	-	309
Abu Dhabi dirham	20,257	-	20,257	19,603	-	19,603

The net fair value of the derivatives in place (both fair value and cash flow hedges) at 31 March 2013 was a negative €976 thousand.

Interest rate risk management

Under the policy, the aim of interest rate risk management is to reduce the negative effects of interest rate fluctuations on the group's financial position, results of operations and weighted average cost of capital.
Ansaldo STS group manages interest rate risk to pursue the following objectives:
- stabilising the weighted average cost of capital;
- minimising Ansaldo STS group's medium- and long-term weighted average cost of capital by focusing on the effects of interest rates on debt funding and equity funding;
- optimising the return on financial investments within a general risk/return trade-off;
- limiting costs related to the implementation of interest rate management policies, including direct costs related to the use of specific instruments and indirect costs linked to the internal structure needed to manage the risk.

Excess liquidity is invested in the short term. Consequently, financial indebtedness is mainly of a short-term nature. Thanks to joint short-term management of assets and liabilities, the group's exposure to interest rate fluctuations in the long term is relative neutral.
Also in the first quarter of 2013, the group managed this risk without the use of derivatives.

Liquidity risk management

Ansaldo STS group has rolled out a series of tools to optimise treasury management with a view to the efficient management of cash and cash equivalents and to help its business grow. This was achieved by centralising the treasury function and an active presence on financial markets which has enabled the group to obtain short- and long-term non-revolving cash and unsecured credit lines to meet its needs.
It had a net financial position of €238,754 thousand and €301,982 thousand at 31 March 2013 and at 31 December 2012, respectively.

Credit risk management

The group does not have significant credit risks, either in terms of its trading counterparties or its financing and investing activities.
Its main customers are public entities or related to public bodies, mostly in the European, US and South-East Asia areas. Ansaldo STS group's typical customer rating is therefore medium-to-high. However, for contracts with customers/counterparties with which the group does not have regular trading transactions, solvency is analysed at the time the offer is placed, in order to identify future credit risks.
Given the nature of the group's customers, collection times are longer (and, in certain countries, significantly longer) than those typical of other businesses, leading to overdue amounts, which are sometimes considerable.

11 Significant non-recurring events and transactions

There were no significant non-recurring events or transactions during the reporting period.

12 Atypical and/or unusual transactions

During the reporting period, no atypical and/or unusual transactions took place.

13 Consolidated net financial position

The following disclosure is required by CONSOB communication no. DEM/6064293 of 28 July 2006.

(€'000)		**31.03.2013**	31.12.2012
A.	Cash-in-hand	138	80
B.	Other cash and cash equivalents (bank current accounts)	93,360	146,757
C.	Securities held for trading	-	-
D.	**CASH AND CASH EQUIVALENTS (A+B+C)**	**93,498**	**146,837**
E.	**CURRENT LOAN ASSETS**	**156,937**	**173,520**
F.	Current bank loans and borrowings	11,512	18,188
G.	Current portion of non-current loans and borrowings	-	-
H.	Other current loans and borrowings	169	187
I.	**CURRENT FINANCIAL DEBT (F+G+H)**	**11,681**	**18,375**
J.	**NET CURRENT FINANCIAL POSITION (I-E-D)**	**(238,754)**	**(301,982)**
K.	Non-current bank loans and borrowings	-	-
L.	Bonds issued	-	-
M.	Other non-current financial liabilities	-	-
N.	**NON-CURRENT FINANCIAL DEBT (K+L+M)**	**-**	**-**
O.	**NET FINANCIAL POSITION (J+N)**	**(238,754)**	**(301,982)**

14 Earnings per share

Earnings per share ("EPS") are calculated by:
- dividing the profit for the period attributable to holders of ordinary shares by the average number of ordinary shares outstanding in the reporting period, net of treasury shares (basic EPS);
- dividing the profit for the period by the average number of ordinary shares and those that could arise from the exercise of all options under stock option plans, net of treasury shares (diluted EPS).

Basic EPS	31.03.2013	31.03.2012
Average shares outstanding during the reporting period	159,998,576	159,997,646
Profit for the period (€'000)	12,109	12,038
Basic and diluted EPS	**0.08**	**0.08***

* Recalculated following the bonus issue of 9 July 2012.

15 Outlook

2013 production volumes and profitability are expected to be in line with those of 2012.
No forecasts can be made about when the important contracts in Libya will be resumed given the uncertainties surrounding this country.

Genoa, 6 May 2013

On behalf of the board of directors
The Chairman
Alessandro Pansa
(signed on the original)

16 Disclosure on the opt-out regime

Pursuant to article 70.8 of the Issuer regulation, we note that, in their meeting of 28 January 2013 and as permitted by articles 70.8 and 71.1-*bis* of the Issuer regulation, the Parent's Board of Directors resolved to opt-out of the requirement to prepare the relevant documents at the time of significant transactions such as mergers, demergers, share capital increases via contributions in kind, acquisitions and sales.

Annex A: Statement pursuant to article 154-bis.2 of Legislative Decree no. 58/1998

In accordance with the provisions of article 154-*bis* of the Consolidated Finance Act, the undersigned, Christian Andi, manager in charge of financial reporting of Ansaldo STS S.p.A., states that the condensed interim consolidated financial statements at 31 March 2013 are consistent with the accounting evidence, ledgers and records.

Genoa, 6 May 2013

The Manager in charge of financial reporting
Christian Andi
(signed on the original)

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mercurio GP
www.mercuriogp.eu

ANSALDO STS S.p.A.
Registered Office:
16151 Genoa
Via Paolo Mantovani, 3 - 5
Paid-in Share Capital Euro 80,000,000
R.E.A. n. 421689
Register of Enterprises of Genoa
Tax Code 01371160662

www.ansaldo-sts.com

A Finmeccanica Company