

Naples, 20 June 2008

Merger of Ansaldo Trasporti Sistemi Ferroviari and Ansaldo Segnalamento Ferroviario into Ansaldo STS approved

The board of directors of Ansaldo STS, meeting in Naples under the chairmanship of Alessandro Pansa, has approved the merger into Ansaldo STS of its fully-owned subsidiaries, pursuant to article 2505 of the Italian civil code:

- Ansaldo Trasporti - Sistemi Ferroviari SpA, an Italian company operating in the transport systems sector, which designs, produces, installs, integrates, manages and maintains turnkey rail and metro systems, and
- Ansaldo Segnalamento Ferroviario SpA, an Italian company operating in the signalling sector, which designs, produces, manages and maintains signalling and rail and metro traffic monitoring systems, subsystems and components aimed at increasing the safety and efficiency of rail and metro transport systems.

The resolution approving the merger represents a further step in the rationalisation and simplification of the structure of the Ansaldo STS group launched at the end of 2007, which also includes the dissolution of the Dutch sub-holding Ansaldo Signal NV. As a result of this, some of the group's foreign operating companies, such as Ansaldo STS France and the American company Union Switch & Signal, will be directly controlled by the parent company.

Objectives of the merger

The rationalisation and simplification of the Ansaldo STS group's structure is intended to:

- reduce costs and simplify the group's corporate structure;
- ensure that growth in size is proportional to that in overall profitability, as well as step up expansion on global markets and entry into new business segments (such as security and telecommunications in the railway sector) complementary to the group's existing activities;

PRESS RELEASE

- increase speed and efficiency in launching new businesses, which, although not part of the original mission of the individual business units, meet new market requirements and may only be implemented by adopting an integrated approach to the railway system;
- deliver greater volumes through commercial synergies and the joint development of new products and systems;
- terminate all existing services and supply contracts between Ansaldo STS, Ansaldo Trasporti - Sistemi Ferroviari SpA and Ansaldo Segnalamento Ferroviario SpA;
- simplify existing relationships between the business units;
- strengthen the financial structure of Ansaldo STS, by increasing shareholders' equity and financial leverage, for the purposes of ordinary and extraordinary operations.

Furthermore, integrating the operations of the Signalling and Transport Systems businesses into Ansaldo STS will allow the group to better capitalise on the following strategic opportunities:

- for Signalling, it will make the company more effective commercially in market segments in which signalling technology is increasingly managed through a technology integrator, serving as a powerful promotion and sales vehicle, and improving the company's knowledge of its clients and their needs;
- for Transport Systems, it will offer more direct, immediate and visible access to safety technology, which constitutes a decisive factor for companies seeking to operate as a technology integrator, increasing their credibility, reputation, expertise and therefore business opportunities.

Legal issues relating to the merger of Ansaldo Trasporti - Sistemi Ferroviari SpA and Ansaldo Segnalamento Ferroviario SpA into Ansaldo STS

Given that Ansaldo STS fully owns Ansaldo Trasporti - Sistemi Ferroviari SpA and Ansaldo Segnalamento Ferroviario SpA, the merger was approved by the board of directors in accordance with the simplified procedure set out in article 2505 of the Italian civil code and article 23, paragraph 2b of the articles of association.

As this is a simplified merger, Ansaldo STS will not launch a capital increase, nor will it assign – pursuant to article 2504-ter of the Italian civil code – shares to replace the shareholdings held, directly or indirectly, in the companies being incorporated, which will be cancelled without exchange on completion of the merger.

Similarly, no change is expected to be made to Ansaldo STS' articles of association. As the merger does not involve any changes to the articles of association, nor set out any grounds for shareholder withdrawal pursuant to current legislation, the merger will not give rise to any right of withdrawal by the shareholders of Ansaldo STS.

The merger approved today is expected to become effective for legal, accounting and tax purposes from 1 January 2009, unless otherwise indicated in the merger deed.

From the date the merger becomes legally effective, Ansaldo STS will take over all active and passive legal relationships, tangible and intangible assets, movable property and real estate, vehicles, machinery etc., owned by the incorporated companies, and shall undertake to meet all commitments and obligations by the agreed deadlines and under the agreed terms and conditions.

Furthermore, also from the date the merger becomes legally effective, Ansaldo STS will take over all employment and related contracts with the staff of the incorporated companies. The procedures regarding the provision of information to and consultation with trade unions set out in article 47 of law 428/1990 relating to the merger have been carried out, in accordance with the law and the applicable collective national employment contract.

The operation will not lead to any change in the industrial missions of the companies involved.

Financial impact on the consolidated accounts of Ansaldo STS

The merger set out above will not have any financial effect on the consolidated accounts of the group headed by Ansaldo SpA, as it will only reshape the internal organisational structure.

The company resulting from the merger described above will book directly the earnings currently generated by the companies being incorporated; it will therefore no longer be necessary to pay out dividends to "return" to the parent company Ansaldo STS the earnings from the operations of Ansaldo Trasporti - Sistemi Ferroviari SpA and Ansaldo Segnalamento Ferroviario SpA, as these earnings will be immediately available to Ansaldo STS.

Explanatory documents available to the public

The documentation relating to the merger is available at the company's headquarters (via P. Mantovani, 3-5, Genoa) and Borsa Italiana SpA. It can also be viewed on Ansaldo STS' website (www.ansaldo-sts.com). These documents comprise the merger plan, the explanatory report of the Ansaldo STS board of directors, the



accounts of the companies being merged and Ansaldo STS' financial statements for the past three years.

The minutes of the board of directors' resolution approving the merger will be made available to the public at the company's headquarters, Borsa Italiana SpA and on Ansaldo STS' website at the same time as the application for the merger to be registered in the Genoa companies' register (that is, by 20 July 2008).

PRESS RELEASE

Media Contact :

Giancarlo Fre, tel. +39 06 48905000
g.fre@pmsgroup.com
Andrea Faravelli, tel.+39 02 48000250
a.faravelli@pmsgroup.com

Investor Relator Officer :

Andrea Razeto, tel.+39 010 6552068
razeto.andrea@ansaldo-sts.com