



Ansaldo STS S.p.A.

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Issued Capital 70.000.000,00 € fully paid up  
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Genoa, 4 November 2011

## THE BOARD APPROVES THE RESULTS TO 30 SEPTEMBER 2011

- **Results for the first nine months:**
  - **Revenues of EUR 841.6 million (-4.3%)**
  - **EBIT at EUR 77.1 million (-11.5%)**
  - **Net profit at EUR 48.8 million (-17.6%)**
  - **New orders at EUR 921.2 million (-8.7%)**
  - **Order backlog at EUR 4,623.0 million (+16.8%)**

The Board of Directors of Ansaldo STS (STS.MI), chaired by Alessandro Pansa, has approved the consolidated results to 30 September 2011.

**Revenues** for the first nine months of 2011 were EUR **841.6 million**, down 4.3% compared with EUR **879.5 million** for the same period in 2010..

**EBIT** stood at **EUR 77.1 million**, an 11.5% drop over the same period of 2010, while the Group's return on sales (**EBIT margin**) came in at 9.2%.

In the first nine months of 2011, the Ansaldo STS group registered **net profit of EUR 48.8 million**, a decrease of 17.6% compared with EUR **59.2 million** for the same period in 2010.

**New orders** at 30 September 2011 stood at EUR **921.2 million**, in line with managements' forecast. However, the book-to-bill ratio is still significantly above one.

PRESS RELEASE

<b>Key figures (EUR million)</b>	<b>9 months 2011</b>	<b>9 months 2010</b>	<b>% chg.</b>	<b>Dec. 2010 cons.</b>
<b>New orders</b>	<b>921.2</b>	<b>1,009.5</b>	<b>-8.7%</b>	<b>1,985.0</b>
<b>Order backlog</b>	<b>4,623.0</b>	<b>3,957.1</b>	<b>16.8%</b>	<b>4,551.1</b>
<b>Revenues</b>	<b>841.6</b>	<b>879.5</b>	<b>-4.3%</b>	<b>1,283.7</b>
<b>EBIT</b>	<b>77.1</b>	<b>87.0</b>	<b>-11.5%</b>	<b>137.1</b>
<b>EBIT margin (ROS)</b>	<b>9.2%</b>	<b>9.9%</b>	<b>-0.7 pp</b>	<b>10.7%</b>
<b>Net profit</b>	<b>48.8</b>	<b>59.2</b>	<b>-17.6%</b>	<b>94.9</b>
<b>Working capital</b>	<b>48.0</b>	<b>(69.0)</b>	<b>-169.6%</b>	<b>(154.3)</b>
<b>Net debt position</b>	<b>(126.0)</b>	<b>(195.3)</b>	<b>-35.5%</b>	<b>(318.2)</b>
<b>R&amp;D</b>	<b>27.9</b>	<b>28.8</b>	<b>-3.1%</b>	<b>34.8</b>
<b>Headcount</b>	<b>4,147</b>	<b>4,313</b>	<b>-3.9%</b>	<b>4,217</b>
<b>EPS</b>	<b>0.38</b>	<b>0.47*</b>	<b>-</b>	<b>0.73*</b>

\* recalculated following the free capital increase of 4 July 2011

Specifically, during the period:

- new orders in the **Signalling Unit** totalled EUR 556.9 million
- new orders in the **Transportation Solutions Unit** totalled EUR 392.4 million.

The main orders acquired in the first nine months of 2011 relate to the following projects:

Country	Project	Customer	Nominal (EUR million)
Italy	Turin-Padua route	RFI	193.6
Denmark	Copenhagen – vehicles*	Metroselskabet	122.0
Italy	Milan Line 5 ext. Garibaldi – San Siro*	Milan local authority	105.2
Sweden	Stockholm Red Line	S L	85.0
Italy-US-France	Components, services & maintenance	Various	70.4
Australia	Rio Tinto RAFA Phase 1*	Rio Tinto	70.0
Australia	Rio Tinto RAFA Phase 2*	Rio Tinto	33.2
Australia	Misc. Rio Tinto projects*	Rio Tinto	26.8
Australia	Various ARTC projects	ARTC	25.0
France	Maintenance for RATP Paris Metro	RATP	17.8
Germany	Berlin – Rostock	D B	13.8
Canada	STM Montreal	STM	12.1
Saudi Arabia	Riyadh – PNU change in order*	SBG	11.8
Italy	HSL change in order	RFI	10.6
Italy	SCC – CTC change in order	RFI	7.1
Sweden/Finland	ESTER (Swe.) & STM (Fin.) change in order	Various	4.8
South Korea	On Board Equipment	ROTEM	4.5

\* Main orders acquired by the Transportation Solutions Unit

The **order backlog** totalled EUR **4,623.0** million at 30 September 2011, up **16.8%** compared with EUR **3,957.1** million for the same period of last year.

The **order backlog** of the **Signalling Unit** totalled EUR **2,117.8 million** at 30 September 2011, compared with EUR **1,997.6** million for the same period in 2010.

The **order backlog** of the **Transportation Solutions Unit** was EUR **2,763.2 million** at 30 September 2011, versus EUR **2,246.7** million in the first nine months of last year.

**Free operating cash flow (FOCF)**, before strategic investments, stood at a negative EUR **151.8 million**, compared with a negative EUR **60.2** million at 30 September 2010. *This deterioration is mainly due to greater absorption of working capital.*

At 30 September 2011 **working capital** was a negative EUR **48.0** million, compared with a negative figure of EUR **154.3** million at 31 December 2010. The change is attributable to the increase in inventories and work in progress net of payments on account, trade receivables and the decrease in trade payables

At 30 September 2011, the company had a **net cash position of EUR 126 million**, compared to EUR **195.3** million in the same period of last year and EUR **318.2** million at the end of 2010.

In the first nine months of 2011, **R&D** spending **totalled EUR 27.9 million**, down **3.1%** versus EUR **28.8** million registered for the same period in 2010.

#### COMMENTS ON OPERATING PERFORMANCE

The third-quarter figures reflect a partial slowdown in activity. Specifically, the first nine months were affected by a number of projects in the closing phase that generated lower volumes and were not offset by the launch of new orders and, in particular, by the absence of any contribution from the two Libyan orders, which are still frozen.

Cash generation was adversely affected by the general deterioration in market conditions, which led to delays in the receipt of customer payments.

**CONSOLIDATED INCOME STATEMENT**
**Ansaldo STS Group**

<i>Consolidated income statement (EUR million)</i>	<i>Amount at 30.09.11</i>	<i>Amount at 30.09.10</i>	<i>31.12.10</i>
<b>Revenues</b>	<b>841.6</b>	<b>879.5</b>	<b>1,283.7</b>
<b>Purchasing and staff costs</b>	<b>(768.2)</b>	<b>(792.9)</b>	<b>(1,136.8)</b>
<b>Change in inventories of semi-finished and finished products and goods</b>	<b>8.1</b>	<b>6.8</b>	<b>2.3</b>
<b>Depreciation and amortisation</b>	<b>(9.7)</b>	<b>(10.0)</b>	<b>(13.2)</b>
<b>Write-downs</b>	<b>(0.1)</b>	<b>0</b>	<b>(6.4)</b>
<b>Restructuring costs</b>	<b>(1.4)</b>	<b>(0.9)</b>	<b>(2.3)</b>
<b>Other net operating revenues (costs)</b>	<b>6.8</b>	<b>4.5</b>	<b>9.8</b>
<b>EBIT</b>	<b>77.1</b>	<b>87.0</b>	<b>137.1</b>
<b>Net financial income (expenses)</b>	<b>1.5</b>	<b>0.8</b>	<b>(3.9)</b>
<b>Income taxes</b>	<b>(29.8)</b>	<b>(28.6)</b>	<b>(38.3)</b>
<b>NET PROFIT</b>	<b>48.8</b>	<b>59.2</b>	<b>94.9</b>
<b>Earnings per share</b>	<b>0.38</b>	<b>0.47*</b>	<b>0.73*</b>

*\*recalculated following the bonus issue of 04.07.11*

**CONSOLIDATED BALANCE SHEET**
**Ansaldo STS Group**

<i>Consolidated balance sheet (EUR million)</i>	<b>30.09.11</b>	<b>31.12.10</b>
Non-current assets	267.1	263.8
Non-current liabilities	(48.1)	(46.2)
	<b>219.0</b>	<b>217.6</b>
Inventories	154.3	127.6
Contract work in progress	297.0	216.9
Trade receivables	676.3	624.8
Trade payables	(381.5)	(403.1)
Customer advances	(659.4)	(657.2)
Short-term provisions for risks and future liabilities	(15.7)	(22.4)
Other net current assets (liabilities)	(23.0)	(40.9)
<b>Working capital</b>	<b>48.0</b>	<b>(154.3)</b>
<b>Net invested capital</b>	<b>267.0</b>	<b>63.3</b>
Group shareholders' equity	392.0	380.4
Minority shareholders' equity	1.0	1.1
<b>Shareholders' equity</b>	<b>393.0</b>	<b>381.5</b>
<b>Net debt (cash)</b>	<b>(126.0)</b>	<b>(318.2)</b>

**CASH FLOW STATEMENT**
**Ansaldo STS Group**

<i>Cash flow statement</i> (EUR million)	30.09.11	30.09.10	31.12.10
<b>Cash and cash equivalents – opening balance</b>	153.3	128.5	128.5
Cash flow from operations (gross)	83.3	99.1	165.0
Change in working capital	(183.6)	(122.4)	(41.7)
Changes in other operating assets and liabilities	(42.9)	(30.8)	(50.3)
<b>Cash flow generated by (used in) operations</b>	<b>(143.2)</b>	<b>(54.1)</b>	<b>73.0</b>
Cash flow from ordinary investments	(8.5)	(6.1)	(7.0)
<b>Free operating cash flow</b>	<b>(151.8)</b>	<b>(60.2)</b>	<b>66.0</b>
Strategic investments	(6.2)	-	-
<b>Cash flow generated by (used in) investments</b>	<b>(14.7)</b>	<b>(6.1)</b>	<b>(7.0)</b>
Dividends paid	(33.6)	(31.0)	(31.0)
Capital increases	0.3		
Cash flow from financing activities	104.6	76.0	(12.8)
<b>Cash flow generated by (used in) financing activities</b>	<b>71.3</b>	<b>45.0</b>	<b>(43.8)</b>
<b>Exchange rate differences</b>	<b>(1.1)</b>	<b>1.8</b>	<b>2.6</b>
<b>Cash and cash equivalents – closing balance</b>	<b>65.6</b>	<b>115.1</b>	<b>153.3</b>

## RESULTS BY BUSINESS UNIT

EUR million	SIGNALLING		TRANSPORTATION SOLUTIONS	
	At 30.09.11	At 30.09.10	At 30.09.11	At 30.09.10
New orders	556.9	542.1	392.4	509.3
Order backlog	2,117.8	1,997.6	2,763.2	2,246.7
Revenues	515.7	572.4	342.1	339.2
EBIT	51.7	70.0	32.7	26.3
EBIT margin (ROS)	10.0%	12.2%	9.6%	7.8%
Working capital	156.5	93.4	(73.0)	(113.9)
Research and development*	26.6	26.8	1.3	2.0
Headcount	3,136	3,391	581	446

*Notes to the table*

*The figures shown in the table do not include dealings with other divisions.*

*\* = These figures have been restated following the adoption of the new Control Model approved as part of the "Fast Forward Driven by Business" project.*

Alberto Milvio, the director responsible for drawing up the company's accounting statements, hereby declares, pursuant to article 154-bis, paragraph 2 of the Testo Unico della Finanza law, that the information contained in this press release accurately represents the figures in the Group's accounting records.



NB:

The management of Ansaldo STS also assesses the business and financial performance of the Group and its business segments based on a number of indicators not provided for by IFRS.

As required by CESR Communication CESR/05 - 178 b, the components of each of the non-GAAP alternative performance indicators used in this press release are defined below.

**EBIT:** earnings before interest and tax, with no adjustments. It excludes income and expenses relating to the operations of unconsolidated subsidiaries and securities, and gains/losses on any sales of consolidated shareholdings, which are recorded under “financial income and expenses”, or in the case of income/expenses relating to shareholdings accounted for using the equity method, under the item “effect of accounting for shareholdings using the equity method”.

**Return on sales (ROS):** is calculated as the ratio of EBIT to revenues.

**Free operating cash flow (FOCF):** this is the sum of the cash flows generated by/used in operations, cash flow generated by/used in investments in or disposals of tangible and intangible assets and shareholdings, net of cash flows from the purchase/sale of shareholdings that, due to their nature or size, are considered “strategic investments”.



**Ansaldo STS confirms** that at 5pm on 4 November, the management will be available to comment on the results for the first nine months of 2011, via conference call.

**To take part in the conference call:**

Italy: +39 02 805 88 11  
UK: +44 1 212 818 003  
USA: +1 718 705 8794

**To replay the conference call** in the 72 hours following the call using access code **879#**

Italy: **+39 02 72495**  
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**PRESS RELEASE**