

Genoa, 7 March 2014

**CONSOLIDATED AND DRAFT FINANCIAL STATEMENTS 2013
APPROVED, DIVIDEND PROPOSED,
2014 GUIDANCE APPROVED**

- **Consolidated and draft financial statements 2013 approved**
- **Ansaldo STS recognized a consolidated net profit of EUR 75 million (-1.2%) in 2013**
- **New orders worth EUR 1,484 million (-0.6%) in 2013**
- **Order backlog worth EUR 5,601 million (-1.4%)**
- **Revenue at EUR 1,256 million (+0.7%)**
- **EBIT at EUR 118 million (+0.9%)**
- **Net financial position (positive net cash) at EUR (260) million (-13.9%)**
- **Total dividend amount for EUR 28.8 million proposed to the Shareholders' Meeting, unchanged compared with past year (EUR 0.16 per share)**
- **2014 Guidance**
- **Corporate Governance Report**
- **Remuneration Report**

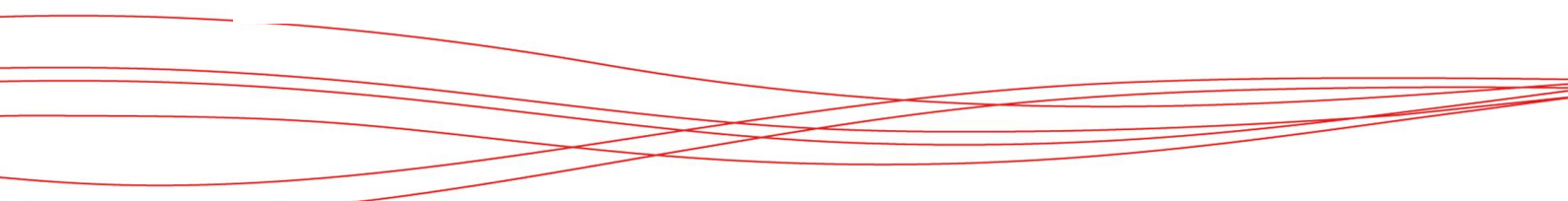
PRESS RELEASE

Ansaldo STS SpA (STS.MI) Board of Directors, held today under the chairmanship of Sergio De Luca, approved the draft financial statements for 2013. The draft will be presented at the Shareholders' Meeting convened for 15 April 2014, in a single call.

The Board also approved the consolidated financial statements of the Ansaldo STS Group at 31 December 2013.

2013 ended with a **consolidated net profit** of EUR **74.8** million compared to 75.7 million recorded in 2012.

The Board of Directors has decided to propose to the Shareholders' Meeting to distribute a **dividend of EUR 0.16** for each of the apx. 180 million shares with dividend rights, gross of withholding tax. Both the total value of the dividends proposed (about EUR **28.8 million**) and the value per share (adjusted after the fourth *tranche* of free capital increase of 15 July 2013) are the same as 2012.



Ansaldo STS, listed on the Italian Stock Exchange, is an international technology company specializing in the design, implementation and management of transport systems and signaling equipment for railways and underground railways, both for freight and passengers. The Group acts as a Main Contractor and supplier of "turnkey" systems worldwide. Ansaldo STS is headquartered in Genoa and employs approximately 4,000 people in 28 countries. In 2012, it reported revenues of EUR 1,248 million with an operating income (EBIT) of EUR 117 million and a consolidated net profit of EUR 76 million.

The dividend will be payable as from 22 May 2014 (*payment date*), with coupon date (coupon no.11) of 19 May 2014 with a **payout ratio** of **38.4%** of the consolidated profit, compared to 38.1% in 2012. Those being shareholders of Ansaldo STS SpA at the close of business day of 21 May 2014 (*the record date*) will be entitled to the dividend.

Stefano Siragusa, CEO of Ansaldo STS, stated:

“The financial year has been positive and in line with expectations; the following activities confirm the positive operating performance achieved by the Group: the deliveries at the beginning of 2013 and the correct operation of the automatic underground systems of Brescia and Milan during the year; the implementation of the ERTMS signalling system, 2.5.3 version, on the ESTER project in Sweden; delivery of the first central system on the railway Turin-Padua in Italy; and finally the activation of the first subway station in Ankara at the beginning of 2014.

In general terms, the reference market of the Group continues to grow at annual rates of around 2-3%; this growth, however, is accompanied by strong price competition, particularly in the signalling business. The Group responds to this challenge both by trying to innovate and differentiate its product portfolio, and by constantly seeking to improve its operational efficiency and effectiveness through appropriate plans (for example, to be highlighted the improvement of about 1.5 p.p. in the SG&A on revenue ratio during the last five years)

The management has thus continued to pursue the update of the company's procedures in order to enhance the Group's ability to manage and control the risks. The organizational structure has also been modified to meet the new market needs and pursue the objective of enhancing its efficiency.”

**Key performance indicators 2013
Ansaldo STS**

Key consolidated figures (M€)	12 months 2013	12 months 2012	Change in %
New orders	1,483.6	1,492.3	-0.6%
Order Backlog	5,601.0	5,683.3	-1.4%
Revenue	1,256.4	1,247.8	0.7%
Operating Income EBIT	118.1	117.1	0.9%
ROS	9.4%	9.4%	- p.p.
Net Profit	74.8	75.7	-1.2%
Net Working Capital	21.0	(48.1)	n.s.
Net Financial Position (positive net cash)	(260.1)	(302.0)	-13.9%
R&D	32.0	32.3	-0.7%
Headcount (no.)	4,128	3,991	3.4%
EPS	0.44	0.45*	-2.2%

**recalculated following the bonus issue of 15 July 2013*

The volume of **New orders** amounts to **1,483.6** million compared with 1,492.3 million in 2012, a decrease of 0.6%.

The **Order backlog** at 31 December 2013 totaled **5,601.0** million compared with 5,683.3 in the same period of last year (-1.4%).

Revenue was **1,256.4** million, a slight increase with respect to the previous year's value which amounted to 1,247.8 million (+0.7%).

The **Operating Income (EBIT)** at **118.1** million, an increase of 0.9% compared with 2012 (117.1 million).

The Return on Sales (**ROS**) at **9.4%**, as recorded in the previous year.

At 31 December 2013 the **Net invested capital** amounted to **238.9** million, compared with 167.2 million of the previous year.

The **Net working capital** increased from -48.1 million in 2012 to 21.0 million; the change reflects the decrease in advances from customers, with a negative effect of the reduction of 41.3 million related to the advance payments on Libya recorded by the holding Ansaldo STS SpA, as a result of the dispute with the Russian client Zarubezhstroytechnology (ZST), and the reduction of trade payables, partially offset by a decrease in trade receivables and inventories and work in progress.

The **Net Financial Position (positive net cash)** at 31 December 2013 was **(260.1)** million compared to (302.0) million, thus decreasing by 41.9 million compared to the previous year (-13.9%).

MAIN ORDERS ACQUIRED IN 2013

Country	Project	Customer	Value (M€)
Saudi Arabia*	Metro Riyadh – package 2	ADA	511.3
Italy, France, USA, China, UK, Sweden	Components, services & maintenance	Various	141.4
Denmark*	Copenhagen - M1/M2 O&M 3 years	Metroselskabet	135.4
Australia*	Rio Tinto – RAFA orders implementation	Rio Tinto	58.6
Morocco	AV Morocco (Tangeri - Kenitra)	ONCF	57.9
Italy*	Metro Roma Line C – Extension T3	Roma Metropolitane	52.9
Italy*	Metro Milano Line 4 (ancillary agreement)	Municipality of Milan	47.4
Algeria	ERTMS OuedTlelat – Tlemcem	Condotte	40.0
Spain	AV Madrid – Llerida Maintenance 2013-2015	ADIF	26.9
China*	Zhuhai -TramWave phase 1	JV CNR/GRC	26.0
Denmark*	Copenhagen - order variation O&M	Metroselskabet	25.4
U.S.A	Washington DC - WMATA Dulles corridor	WMATA	21.6
U.S.A	Los Angeles Crenshaw / Green line	LACTMA	19.6
U.S.A*	Honolulu – order variation	HART	19.4
Italy	SCMT / other CTC – various contracts & order variations	RFI	18.3
Turkey	Metro Ankara – order variations	DLH	17.4
U.S.A	New York - Long Island LIRR Speonk/Montauk track	LIRR	15.4

(*) Orders acquired by the Transportation Solutions Unit during 2013

**Consolidated Income Statement
Ansaldo STS**

<i>Consolidated income statement (M€)</i>	31.12.13	31.12.12
Revenue	1,256.4	1,247.8
Purchasing and personnel expenses	(1,123.0)	(1,122.3)
Changes in work in progress, semi-finished and finished goods	(2.3)	0.9
Amortisation and depreciation	(17.3)	(20.7)
Restructuring costs	(0.5)	(6.5)
Other net operating income	4.8	17.9
Operating Income (EBIT)	118.1	117.1
Net financial income (expense)	(3.7)	(3.0)
Income taxes	(39.7)	(38.4)
Assets held for sale	0.1	-
Net Profit	74.8	75.7
Profit per share	0.44	0.45*

Recalculated following the bonus issue of 15 July 2013

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**Consolidated Balance Sheet
Ansaldo STS**

<i>Consolidated Balance Sheet (M€)</i>	31.12.13	31.12.12
Non-current assets	268.3	265.0
Non-current liabilities	(50.4)	(49.7)
	217.9	215.3
Inventories	114.8	131.6
Contract work-in-progress	288.6	313.1
Trade receivables	631.7	748.7
Trade payables	(364.7)	(500.6)
Advances from customers	(644.6)	(710.7)
Provisions for risks and charges	(14.8)	(15.8)
Other net assets (liabilities)	10.0	(14.4)
Net working capital	21.0	(48.1)
Net invested capital	238.9	167.2
Group equity	498.7	468.8
Third parties equity	0.3	0.4
Equity	499.0	469.2
Assets held for sale	0.1	-
Net financial position (positive net cash)	(260.1)	(302.0)

**Consolidated cash flow statement
Ansaldo STS**

<i>Consolidated cash flow statement (M€)</i>	31.12.13	31.12.12
Opening cash and cash equivalents	146.8	160.9
Gross cash flow from operating activities	140.9	153.3
Change in working capital	(65.9)	(51.0)
Changes in other operating assets and liabilities	(58.6)	(58.3)
Cash flow generated by (used in) operating activities	16.4	44.0
Cash flow from ordinary investing activities	(9.6)	(6.4)
Free operating cash-flow	6.8	37.6
Strategic investments	(3.5)	(0.2)
Cash flow generated by (used in) investing activities	(13.1)	(6.6)
Dividends paid	(28.9)	(28.0)
Cash flow from financing activities	77.9	(22.8)
Cash flow generated by (used in) financing activities	49.0	(50.8)
Exchange rate	(6.0)	(0.7)
Closing cash and cash equivalents	193.1	146.8

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Ansaldo STS key data by business units

<i>Main consolidated figures by Business Unit (M€)</i>	SIGNALLING UNIT		TRANSPORTATION SOLUTIONS UNIT	
	31.12.13	31.12.12	31.12.13	31.12.12
Orders	624.1	893.2	900.1	642.7
Order backlog	2,234.1	2,616.7	3,622.8	3,388.3
Revenue	729.1	725.6	584.1	564.9
Operating Income (EBIT)	36.2	62.5	86.7	69.1
ROS	5.0%	8.6%	14.8%	12.2%
Operating Working Capital	64.9	103.7	(41.5)	(129.1)
R&D	31.3	30.6	0.8	1.7
Headcount (no.)	3,066	2,971	673	631

Notes to the table

The figures shown in the table include dealings with other sectors of activity.

The total amount proposed for the dividend is approximately EUR **28,8** million (the same amount distributed in 2012), equal to EUR **0.16** per share.

Dividends are not due to shares held by the Company on the coupon date. Currently, the Company holds 1,265 own shares and no purchases or sales of shares are expected before the next ex-date.

EPS of EUR **0.44** (EUR 0.45 in 2012, recalculated following the bonus issue of 15 July 2013) was calculated based on the average of 169,313,195 outstanding shares in the year (169,285,074 shares in 2012; recalculated to take into account the new shares issued following the fourth tranche of the bonus issue of 15 July 2013).

Significant events that took place after 31 December 2013

In February 2014 the inauguration and opening of M3 Line of the City's underground took place in Ankara. The Turkish Prime Minister (Recep Tayyip Erdogan), the Turkish President and the Spanish Prime Minister (Mariano Rajoy) were present.

Outlook on the management

The financial year 2014 is expected to be in line with 2013 in terms of volume and profitability.

2014 Guidance

In line with the Company's operating performance and market outlook, the Board of Directors also approved the 2014 Guidance:

New orders: 1,400 – 1,700 million

Order backlog: 5,600 – 6,000 million

Revenue: 1,250 – 1,350 million

ROS: about 9.5%

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

2013 Results for Ansaldo STS SpA

Business and financial indicators, albeit very positive, have decreased compared with the previous year, mainly due to the completion phase of some projects together with the starting phase of some new ones.

The 2013 financial statements for the holding company Ansaldo STS SpA are shown below.

Ansaldo STS SpA Income Statement (M€)	31.12.2013	31.12.2012
Revenue	634.5	657.4
Purchasing and staff expenses	(586.2)	(591.6)
Changes to work in progress, semi-finished and finished goods	(1.0)	(0.2)
Amortization and write-down	(9.4)	(12.6)
Other net operating revenue (costs)	14.5	18.4
EBIT	52.4	71.4
Net financial income (expenses)	(1.8)	0.2
Income taxes	(18.4)	(20.9)
Net Profit	32.2	50.7

Ansaldo STS SpA Financial Position (M€)	31.12.2013	31.12.2012
Non-current assets	282.0	279.6
Non-current liabilities	(31.2)	(29.2)
	250.8	250.4
Inventories	83.6	94.5
Contract work-in-progress	160.6	178.4
Trade receivables	543.6	635.0
Trade payables	(313.8)	(458.3)
Customer advances	(471.7)	(529.9)
Provisions for risks and future liabilities	(6.0)	(5.6)
Other net assets (liabilities)	13.5	(3.9)
Net working capital	9.8	(89.8)
Net invested capital	260.6	160.6
Net equity	343.5	344.5
Financial Position (positive net cash)	(82.9)	(183.9)

Ansaldo STS SpA Cash Flow Statement (M€)	<u>31.12.2013</u>	<u>31.12.2012</u>
Cash and cash equivalents – start of year	<u>73.8</u>	<u>106.9</u>
Gross cash flow from operations	63.5	87.3
Change in working capital	(82.6)	(64.0)
Changes in other operating assets and liabilities	<u>(43.8)</u>	<u>(42.8)</u>
Cash flow generated by (used in) operations	<u>(62.9)</u>	<u>(19.5)</u>
Cash flow from ordinary investments	(5.7)	(10.3)
Free operating cash-flow	<u>(68.6)</u>	<u>(29.8)</u>
Strategic investments	(3.5)	(0.2)
Dividends from consolidated companies	-	3.6
Cash flow generated by (used in) investments	<u>(9.2)</u>	<u>(6.9)</u>
Dividends paid	(28.8)	(28.0)
Cash flow from financing activities	<u>121.4</u>	<u>21.3</u>
Cash flow generated by (used in) financing activities	<u>92.6</u>	<u>(6.7)</u>
Increase (decrease) in cash and cash equivalents	20.5	(33.1)
Cash and cash equivalents - end of year	<u><u>94.3</u></u>	<u><u>73.8</u></u>

Roberto Carassai, the manager in charge of preparing the company's financial reporting, hereby declares, pursuant to article 154-bis, paragraph 2 of the Consolidated Law on Finance, that the information contained in this press release accurately represents the figures contained in the Company's accounting records.

This press release contains provisional statements, based on Ansaldo STS's current objectives and forecasts.

These provisional statements are, by their nature, subject to a number of unforeseeable risk factors, which could lead to results that are different from the plans, objectives and expectations expressed herein.

The above-mentioned provisional statements are therefore only valid on the date on which they were made, and can be subject, fully or partially, to updates or reviews following new information, future events or other factors. In such case, the Company will give appropriate notice.

The Board approved the **Corporate Governance Report** for the financial year 2013, which also contains information on the ownership structure pursuant to Article 123-*bis* of the Consolidated Law on Finance, which will be published in the time and manner provided by law.

The Board furthermore approved the **Remuneration Report** drafted pursuant Article 123-*ter* of the Consolidated Law on Finance, containing Ansaldo STS' Remuneration Policy for 2014 already approved by the Board of Directors on 20 February 2014, which will be published as provided by the law in force.



Ansaldo STS confirms that the Management will be available **today** at **18.00** to comment on the above, via conference call.

The presentation in support of the conference call will be available in advance on the Company website www.ansaldo-sts.com in the Investor Relations section at the following address <http://www.ansaldo-sts.com/it/investor-relations/presentazioni>.

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

Italia: +39 02 805 88 11; UK: +44 121 281 8003; USA: +1 718 705 8794

*The **replay of the conference call**, by access code 863#, will be available for 72 hours from 8.00 on Saturday 8 March 2013.*

The numbers to access this are:

Italy: +39 02 72495; UK: +44 1 212 818 005; USA: +1 718 705 8797

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Note :

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

As required by CESR recommendation CESR/05 - 178b the components of each of the indicators 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 the accounting for shareholdings using the equity method.
- **EBIT Adjusted:** is the EBIT as described above, net of (if applicable):
 - any impairment of goodwill;
 - amortization 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 expenses not of an ordinary nature, i.e., related to particularly significant events unrelated to ordinary activities.
- **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”. The re-classified cash flow shows how the *FOCF* is created for the years compared.
- **Economic Value Added (VAE):** 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:** includes trade receivables and payables, inventories, work in progress, progress payments and advances from customers and provisions for risks and charge.
- **Net Working Capital:** is working capital less provisions for current risks and other current assets and liabilities.
- **Net Invested Capital:** is the sum of non-current assets, non-current liabilities and Net Working Capital.
- **Net financial debt (cash):** the calculation scheme complies with the provisions in paragraph 127 of the recommendations CESR/05-054b implementing EC Regulation 809/2004.
- **New orders:** the sum of the contracts agreed with customers during the reporting period that meet the contractual requirements to be recorded in the orders book.
- **Order backlog:** is the difference between new orders and revenue for the period (including the change in contract work in progress). This difference is added to the backlog for the previous period.
- **Headcount:** is the number of employees recorded in the register on the last day of the reporting period.
- **Return on Sales (R.O.S.):** the ratio of EBIT to revenue.
- **Return on Equity (R.O.E.):** ratio between the net result and average amount of equity in the two years compared.
- **Research and development expenses:** 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.



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