

Genoa, 26 July 2013

THE BOARD OF DIRECTORS APPROVES THE FIRST-HALF FINANCIAL REPORT AT 30 JUNE 2013

- **Revenue of EUR 583.4 million (+2.6%)**
- **EBIT at EUR 52.6 million (+4.0%)**
- **Net profit at EUR 32.4 million (+9.1%)**
- **New orders at EUR 389.9 million (-51.0%)**
- **Order backlog at EUR 5,431.3 million (-4.5%)**
- **Net Cash at EUR 241.7 million (+13.3%)**
- **Guidance 2013 confirmed**

The Board of Directors of Ansaldo STS SpA (STS.MI), held today under the chairmanship of Luigi Calabria, has examined and approved the Group consolidated First-Half Financial Report at 30 June 2013.

Revenue at EUR **583.4** million, compared with EUR 568.5 million in the same period of 2012 (+2.6%).

EBIT was EUR **52.6** million, compared with EUR 50.6 million recorded in the same period of 2012 (+4.0%), and the Group return on sales (**ROS**) stands at **9.0%**, compared with 8.9% in the first half of 2012.

Net Profit at EUR **32.4** million, compared with EUR 29.7 million in the first half of 2012 (+9.1%).

New orders were EUR **389.9** million at 30 June 2013, compared with EUR 796.1 million at 30 June 2012. The **order backlog** was EUR **5,431.3** million, compared with EUR 5,689.0 million related at 30 June 2012 (EUR 5,683.3 million at 31 December 2012).

Ansaldo STS, listed on the Italian Stock Exchange, is an international leading technology company that supplies transport solutions and signalling technology in the global Railway & Mass Transit Transportation business with the provision of traffic management, planning, train control and signalling systems and services. It acts as lead contractor and turnkey provider on major project worldwide. Ansaldo STS is headquartered in Genoa, Italy, and employs at about 4,000 people in 28 countries. In 2012, its revenues reached € 1,248 M, with an EBIT of € 117 M and net profit of € 76 M.

Key performance Indicators for the first half of 2013

Ansaldo STS

Key performance Indicators (EUR million)	30.06.2013	30.06.2012	% chg	31.12.2012
New orders	389.9	796.1	-51.0%	1,492.3
Order backlog	5,431.3	5,689.0	-4.5%	5,683.3
Revenue	583.4	568.5	2.6%	1,247.8
EBIT	52.6	50.6	4.0%	117.1
ROS	9.0%	8.9%	+0.1 p.p.	9.4%
Profit for the period / year	32.4	29.7	9.1%	75.7
Net Working capital	18.2	(1.3)	n.s.	(48.1)
Net Financial Position (cash)	(241.7)	(213.3)	13.3%	(302.0)
R&D	14.4	16.2	-11.2%	32.3
Headcount (no.)	4,109	4,028	2.0%	3,991
EPS	0.20	0.19*	5.3%	0.51

* recalculated following the capital increase of 9 July 2012.

New orders in the first semester of 2013 were EUR **389.9** million, of which EUR **281.8** million related to the **Signalling Business Unit** and EUR **116.2** million related to the **Transportation Solutions Business Unit**.

The change in intake orders, compared with the same period of the previous year, reflects the timing of deals closing which are still being defined. It is expected a more favourable second half, so the full year guidance are confirmed, for orders at the end of 2013, in a range of EUR 1,500 and EUR 1,700 million.

Key orders in the first half of 2013 are:

Country	Project	Customer	Value (EUR million)
Italy, France, USA	Components, Service and Maintenance	Various	57.3
Italy *	Milan Metro Line 4 (contract integration)	Milan Municipality	47.4
Italy *	Rome Metro Line C –T3 Section	Roma Metropolitane	41.1
Algeria	ERTMS Oued Tlelat – Tlemcem	Condotte	40.0
Spain	Madrid - Llerida HSL Maintenance 2013-2015	ADIF	26.9
Australia*	Rio Tinto – RAFA orders from framework agreement	Rio Tinto	26.3
Turkey	Ankara Metro – change order	DLH	17.4
France	LGV SEA	Ineo	13.1
Italy	Renewal of S&M framework agreement for SCMT	Trenitalia	9.1
Sweden	ESTER – change order	Trafikverket	8.2
Sweden	Stockholm Metro – Red Line change order	S L	7.2
Italy	CTC Campo di Marte	RFI	7.2
Germany	Velaro	Siemens	6.2
France	Thalys V8.1 On-board equipment	SNCF	6.2
USA	Los Angeles CTMA - Microlok Substitution	LACTMA	5.3
Italy	High-speed Italy – change order	Various	5.0
France	LGVEE Phase 2	RFF	4.7
USA	New Jersey PATH WTC Signal Recovery Work	New Jersey PATH	4.1
Australia	BMA Coal Loop & Spur Line-Caval Ridge	Thiess Pty Ltd	4.0
China	Chengdu L1 South Extension	Insigma	3.9
Italy	SCMT / CTC – change order	RFI	3.5

* Key orders acquired during the period for the Transportation Solutions Business Unit

At 30 June 2013, the order backlog was EUR **5,431.3** million, of which EUR **2,519.4** million related to the **Signalling Business Unit**, compared with EUR 2,581.8 million in the first half of 2012 (gross of intra-business unit transactions), and EUR **3,216.9** million for the **Transportation Solutions Unit**, compared with EUR 3,441.6 million for the same period of 2012.

Net working capital moves from a negative value of EUR 48.1 million on 31 December 2012 to a positive value of **EUR 18.2** million at 30 June 2013. Compared to the 30 June 2012 there was a negative change of EUR 19.5 million mainly due to lower progress payments.

The **Net Financial Position (cash)** of the Group at 30 June 2013, in line with expectations, is EUR **(241.7)** million, after the dividend payment of EUR 28.8 million, compared to a cash position of 31 December 2012 for EUR (302.0) million. The reference value at 30 June 2012 is EUR (213.3) million.

Free operating cash flow (FOCF) used before strategic transactions totalled EUR **24.8** million compared with EUR 54.7 million of 30 June 2012; this is mainly due to change in working capital.

ATTACHMENTS:

**RECLASSIFIED CONSOLIDATED INCOME STATEMENT
ANSALDO STS**

Reclassified Consolidated income statement (EUR million)	30.06.2013	30.06.2012	31.12.2012
Revenue	583.4	568.5	1,247.8
Purchasing and personnel expense	(527.8)	(519.2)	(1,122.3)
Changes in work in progress, semi-finished products and finished goods	1.9	4.4	0.9
Amortisation, depreciation and impairment losses	(7.9)	(11.2)	(20.7)
Restructuring costs	(0.4)	(2.9)	(6.5)
Other net operating income (expense)	3.4	11.0	17.9
EBIT	52.6	50.6	117.1
Net financial income (expense)	(3.1)	(2.5)	(3.0)
Income taxes	(17.2)	(18.4)	(38.4)
Non-current assets held for sale	0.1	-	-
Profit for the period / year	32.4	29.7	75.7
Earnings per share	0.20	0.19*	0.51

**recalculated following the bonus issue of 9 July 2012.*

**RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
ANSALDO STS**

Reclassified Consolidated statement of financial position (EUR million)	30.06.2013	30.06.2012	31.12.2012
Non-current assets	263.2	267.3	265.0
Non-current liabilities	(49.2)	(48.2)	(49.7)
	214.0	219.1	215.3
Inventories	136.4	146.2	131.6
Contract work in progress	413.6	391.1	313.1
Trade receivables	586.4	609.4	748.7
Trade payables	(427.9)	(413.4)	(500.6)
Progress payments and advances from customers	(663.0)	(699.2)	(710.7)
Provisions for risks and charges	(14.7)	(20.7)	(15.8)
Other liabilities, net	(12.6)	(14.7)	(14.4)
Net working capital	18.2	(1.3)	(48.1)
Net invested capital	232.2	217.8	167.2
Equity attributable to the owners of the Parent	473.4	430.9	468.8
Equity attributable non-controlling interests	0.6	0.2	0.4
Shareholders' equity	474.0	431.1	469.2
Assets held for sale	0.1	-	-
Net financial Position (cash)	(241.7)	(213.3)	(302.0)

**RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT
ANSALDO STS**

Reclassified Consolidated cash flow statement (EUR million)	30.06.2013		30.06.2012	
Opening Cash and cash equivalents	146.8		160.9	
Gross cash flow from operating activities	62.6		57.6	
Change in working capital	(66.5)		(83.1)	
Changes in other operating assets and liabilities	(15.8)		(25.7)	
Cash flow generated by (used in) operating activities	(19.7)		(51.2)	
Cash flow from ordinary investing activities	(5.1)		(3.5)	
Free operating cash flow		(24.8)		(54.7)
Strategic transactions	(0.6)		(0.2)	
Other changes in investing activities	(0.1)			
Cash flow generated by (used in) investing activities	(5.8)		(3.7)	
Dividends paid	(28.8)		(28.0)	
Cash flow from financing activities	28.8		39.5	
Cash flow generated by (used in) financing activities	-		11.5	
Exchange rate gains and losses, net	(2.7)		1.2	
Closing Cash and cash equivalents	118.6		118.7	

PRESS RELEASE

**KEY PERFORMANCE INDICATORS BY BUSINESS UNIT
ANSALDO STS**

Key performance indicators by Business Unit (EUR million)	SIGNALLING UNIT		TRANSPORTATION SOLUTIONS UNIT	
	30.06.13	30.06.12	30.06.13	30.06.12
New orders	281.8	453.9	116.2	349.9
Order backlog	2,519.4	2,581.8	3,216.9	3,441.6
Revenue	343.1	334.2	255.8	242.4
EBIT	29.9	34.8	26.2	25.1
ROS	8.7%	10.4%	10.3%	10.3%
Operating working capital	119.2	139.8	(83.6)	(114.0)
R&D	13.9	15.3	0.5	0.9
Headcount (no.)	3,045	3,033	671	592

Notes to the table

The amounts shown in the table include intra-business unit transactions

GUIDANCE 2013

In line with the operational performance and the market outlook, we confirm the guidance for the end of 2013:

New Orders: EUR 1,500 – 1,700 million

Order Backlog: EUR 5,800 – 6,100 million

Revenue: EUR 1,250 – 1,350 million

ROS: about 9.5%

Net Financial Position (cash): between (300) – (320)

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-EU.

The components of each indicator are described below as required by CESR/05 - 178b Communication:

- **EBIT:** earnings before interest and taxes, before any adjustment. EBIT excludes 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.
- **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.
- **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 (including the change in contract work in progress). This difference is added to the backlog for the previous year.
- **Headcount:** is the number of employees recorded in the relevant register on the reporting date.
- **Return on Sales (ROS):** is the ratio of EBIT to revenue.
- **Return on Equity (ROE):** 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.

Christian Andi, 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 contained in the Company's accounting records.

Ansaldo STS confirms that at 4.30pm on 26 July, the management will be available to comment on the above, via conference call.

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

To take part in the conference call:

Italy: +39 02 802 09 11;

UK: +44 1 212 818 004;

USA: +1 718 705 8796.

To replay the conference call in the 72 hours following the call, from 8 a.m. (CET) on 27 July 2013, using access code **863#** and the following numbers:

Italy: +39 02 72495;

UK: +44 1 212 818 005;

USA: +1 718 705 8797



External Relations:

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

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

Investor Relations:

Ansaldo STS
Roberto Corsanego, tel. +39 010 6552076
roberto.corsanego@ansaldo-sts.com

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