

London, May 5th 2016

THE BOARD OF DIRECTORS APPROVES INTERIM CONSOLIDATED REPORT AT 31 MARCH 2016

The main first quarter key performance indicators, as detailed in the table below, are the following:

- **Order backlog at EUR 6,417.3 million (EUR 6,428.4 million at first quarter 2015)**
- **New Orders acquired at EUR 311.3 million (EUR 347.1 million at first quarter 2015)**
- **Revenue of EUR 291.2 million, increased compared with EUR 284.6 million at first quarter 2015**
- **EBIT *reclassified* of EUR 25.8 million, +8.4% compared with first quarter 2015 (EUR 23.8 million at first quarter 2015). EBIT of EUR 23.4 million**
- **EBIT margin (ROS) *reclassified* is 8.9%, 50 basis points higher compared with first quarter 2015. (8.4% at first quarter 2015). EBIT margin (ROS) is 8.0%**
- **Net Result *reclassified* of EUR 21.3 million, +20.3% compared with first quarter 2015 (EUR 17.7 million at first quarter 2015). Net Result of EUR 19.7 million**
- **Net Result *reclassified* is 7.3% of revenue, 110 basis points higher versus 6.2% at first quarter 2015. Net Result is 6.8% of revenue.**
- **Free operating cash flow (FOCF) *reclassified* at EUR (6.8) million, compared with EUR 48.2 million of first quarter 2015. Free operating cash flow (FOCF) at EUR (8.5) million**
- **Net Financial Position *reclassified (cash surplus/positive net cash)* of EUR (330.0) million, compared with EUR (342.5) million at March 2015. Net Financial Position *(cash surplus/positive net cash)* of EUR (328.3) million**

The Board of Directors of Ansaldo STS (STS.MI) has approved today the Interim Consolidated Management Report of the Group at 31 March 2016 and unanimously congratulated the CEO for the significant results achieved not only in the first quarter of 2016, but during all its management.

The Chief Executive Officer and General Manager, Stefano Siragusa, thanking the Board of Directors for support and appreciation, recalled that *"the results are about the entire management team and all the colleagues who, with passion and determination, welcomed the innovative transformation project V2A launched almost three years ago. Ansaldo STS, in just three years, has further strengthened its economic, financial and patrimonial situation: new orders grew by 160%, revenues by about 20%, net result of approximately 80% and cash generation of about 90%.*

The Company has achieved levels of efficiency and effectiveness never reached before without penalizing its own future and that of its resources: Research and Development costs increased by about 30%, and due also to this profitability of the Company has grown by about one percentage point. This technological strengthening will allow Ansaldo STS, their professionals, but also Customers and Shareholders all to look with confidence to the future".

Following the main indicators for the first quarter 2015 compared with the same period of the previous three years:

Key Consolidated figures (M€)	31.03.2016	31.03.2015	% Change 2016 2015	31.03.2014	31.03.2013 Restated (2)	% Change 2013 2016
New Orders	311.3	347.1	-10.3%	146.8	119.7	160.1%
Order Backlog	6,417.3	6,428.4	-0.2%	5,446.3	5,537.8	15.9%
Revenue	291.2	284.6	2.3%	263.1	247.9	17.5%
Research & Development	9.1	8.6	6.5%	6.2	7.3	25.9%
EBIT <i>reclassified</i>	25.8 (1)	23.8	8.4%	21.6	20.4	26.5%
ROS <i>reclassified</i>	8.9% (1)	8.4%	+0.5 p.p.	8.2%	8.2%	+0.7 p.p.
EBIT	23.4	23.8	-1.6%	21.6	20.4	14.7%
ROS	8.0%	8.4%	-0.4 p.p.	8.2%	8.2%	-0.2 p.p.
Net Result <i>reclassified</i>	21.3 (1)	17.7	20.3%	14.0	12.1	76.0%
Net Result	19.7	17.7	11.4%	14.0	12.1	62.8%
Net Financial Position (positive net cash) <i>reclassified</i>	(330.0) (1)	(342.5)	-3.6%	(214.7)	(221.4)	49.1%
Net Financial Position (positive net cash)	(328.3)	(342.5)	-4.2%	(214.7)	(221.4)	48.3%
FOCF <i>reclassified</i>	(6.8) (1)	48.2	n.s.	(31.7)	(60.6)	88.8%
FOCF	(8.5)	48.2	n.s.	(31.7)	(60.6)	86.0%

(1) 2016 reclassified figures do not include the accounting impacts of transactions with key managers leaving the Company.

(2) 2013 figures are restated following the application of IFRS 11 as of 1 January 2014. The 2013 figures have been updated to ensure a consistent comparison of the data compared.

The Company informs that the interim reports will continue to be published, as usual, according to the terms and procedures used to date.

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First Quarter 2016 Consolidated Results Ansaldo STS

Key consolidated figures (M€)	31.03.2016	31.03.2015	Change in %	31.12.2015
New Orders	311.3	347.1	-10.3%	1,336.0
Order Backlog	6,417.3	6,428.4	-0.2%	6,410.4
Revenue	291.2	284.6	2.3%	1,383.8
EBIT	23.4	23.8	-1.6%	135.8
R.O.S.	8.0%	8.4%	-0.4 p.p.	9.8%
Tax Rate	26.8%	31.0%	-4.2 p.p.	32.0%
Net Result	19.7	17.7	11.4%	93.0
Net Working Capital	93.3	9.4	n.s.	64.5
Net Financial Position (positive net cash)	(328.3)	(342.5)	-4.2%	(338.7)
FOCF	(8.5)	48.2	n.s.	87.7
R&D	9.1	8.6	6.5%	36.9
Headcount (no's.)	3,803	3,797	0.2%	3,772
EPS	0.10	0.09	11.1%	0.47

Order Backlog is EUR 6,417.3 million (EUR 6,428.4 million at 31 March 2015).

New Orders of the first quarter 2016 amount to EUR 311.3 million, compared with EUR 347.1 million at 31 March 2015.

Revenue is EUR 291.2 million, an increase of EUR 6.6 million compared with first quarter 2015 value of EUR 284,6 million.

Operating Income (EBIT) reclassified is EUR 25.8 million, increased of 8.4%, compared with first quarter 2015 (EUR 23.8 million at first quarter 2015).

Operating Income (EBIT) is EUR 23.4 million, compared to EUR 23.8 million at 31 March 2015.

Return on Sales (ROS) reclassified is 8.9%, 50 basis points higher compared with first quarter 2015 (8.4% at first quarter 2015).

Return on Sales (ROS) is 8.0%, compared to 8.4% at 31 March 2015.

Net Result reclassified of EUR 21.3 million, increased of 20.3% compared with first quarter 2015 (EUR 17.7 million at 31 March 2015).

Net Result is EUR 19.7 million, an increase of EUR 2.0 million (EUR 17.7 million at 31 March 2015).

Net Working Capital from EUR 64.5 million at 31 December 2015 to EUR 93.3 million at 31 March 2016 (EUR 9.4 million at 31 March 2015). The increase is due to work in progress increased together with the decrease in progress payments and advances from customers, partially offset by a decrease in trade receivables and an increase in trade payables.

Net financial position (cash surplus/positive net cash) is EUR **(330.0)** million, compared to EUR (342.5) million at 31 March 2015.

Net financial position (cash surplus/positive net cash) is EUR **(328.3)** million, compared to EUR (338.7) million at 31 December 2015 and EUR (342.5) million as at 31 March 2015.

Free Operating Cash Flow (FOCF) reclassified, before strategic investments, is EUR **(6.8)** million, compared to EUR 48.2 million at 31 March 2015.

Free Operating Cash Flow (FOCF), before strategic investments, is EUR **(8.5)** million compared to EUR 48.2 million at 31 March 2015.

Main orders:

Country	Project	Client	Value (M€)
U.K.	Glasgow Metro (maintenance included)	Strathclyde Partnership for Transport	134,7
Australia	Auto Haul – variation order AC Loco	Rio Tinto Iron One	47,6
France	2016 Maintenance	RATP	27,4
U.K.	Ferriby Gilberdijke	Network Rail	19,7
USA	LIRR MID-DAY Storage Yard	LIRR	16,8
USA	Components	Various	10,9
Various EU / Asia	Components	Various	18,6
Various EU / Asia	Service & Maintenance	Various	14,6

Key events of the reporting period

To be reminded that on 24 February 2015, Hitachi Ltd. and Finmeccanica S.p.A. communicated their signing of a binding contract for Hitachi's purchase of Finmeccanica's entire investment in Ansaldo STS S.p.A., equal to approximately 40% of its share capital, and AnsaldoBreda S.p.A.'s current business except for certain revamping activities and specific residual contracts. As a result, on 2 November 2015, Finmeccanica S.p.A. executed the sale of its investment in Ansaldo STS (80,131,081 shares for 40.07% of its share capital) to Hitachi Rail Italy Investments S.r.l., wholly owned by Hitachi Ltd.. Accordingly, Hitachi Ltd. became the company's controlling shareholder pursuant to article 2359.1.2 of the Italian Civil Code and article 93 of the Consolidated Finance Act. On 21 December 2015, the company's board of directors verified that it was managed and coordinated by Hitachi Ltd. in accordance with article 2497 and subsequent articles of the Italian Civil Code.

On 2 November 2015, following the sale of the above shares, the legal conditions materialised obliging Hitachi Rail Italy Investments S.r.l., Hitachi Ltd.'s subsidiary, to launch a public tender offer for all the company's remaining ordinary shares (119,869,919 shares equal to 59.93% of its share capital) pursuant to articles 102 and 106.1-bis of the Consolidated Finance Act (the "public tender offer"). The offer period ended on 14 March 2016. 12,832,398 Ansaldo STS S.p.A. ordinary shares, equal to 6.416% of its share capital, were tendered to the offer. Therefore, at 21 March 2016, the date on which the consideration was paid to the holders of

said shares and the latter were concurrently transferred to the offeror, Hitachi Rail Italy Investments S.r.l.'s investment in Ansaldo STS S.p.A. was equal to 46.482% of its share capital.

As Hitachi Rail Italy Investments S.r.l.'s investment in Ansaldo STS S.p.A. did not reach 90% of its share capital, the conditions for exercising the purchase obligation pursuant to article 108.2 or article 108.1 of the Consolidated Finance Act and the purchase right pursuant to article 111 of the Consolidated finance act did not materialise.

Subsequently, Hitachi Rail Italy Investments S.r.l. acquired other 8,581,223 Ansaldo STS S.p.A. ordinary shares as a result of which its investment therein is now equal to 50.772% of its share capital. More information about the tender offer is provided in the communications and documentation made available to the public pursuant to the relevant legislation on the company's website page <http://www.ansaldo-sts.com/en/investor-relations/public-tender-offer>.

Lastly, on 30 March 2016, Chairperson of the Board of Directors Alistair Dormer, Deputy chairperson Karen Boswell and Chief executive officer and General manager Stefano Siragusa resigned from their offices held in Ansaldo STS S.p.A..

Due to the resignations of Chairperson Alistair Dormer, Deputy chairperson Karen Boswell and Chief executive officer Stefano Siragusa (which followed those handed in by directors Barbara Poggiali and Ryoichi Hirayanagi and the co-option of directors Alessandra Piccinino and Mario Garraffo pursuant to article 2386 of the Italian Civil Code), the board members appointed by the shareholders in their meeting of 2 November 2015 lost their majority. Therefore, the resignations of Chairperson Alistair Dormer, Deputy chairperson Karen Boswell and Chief executive officer Stefano Siragusa will become effective upon re-appointment of the board pursuant to article 2385.1 of the Italian Civil Code.

Following these resignations and the consequent loss of majority by the directors appointed on 2 November 2015, pursuant to article 16.8 of the company by-laws, the board of directors of Ansaldo STS S.p.A. has convened an ordinary shareholders' meeting on 13 May 2016 in order to appoint, inter alia, a new Board of Directors.

In March 2016, the Ansaldo STS – Stadler consortium won contracts to upgrade the Glasgow metro. These include the supply of 17 new trains, driverless Communication Based Train Control (CBTC) signalling technology, platform screen doors and depot equipment, as well as the related maintenance support services to upgrade the 10.5 km long twin metro lines and 15 stations of the Glasgow metro system.

This project has a total value of GBP 203.2 million. Ansaldo STS's share amounts to GBP 104.3 million.

SCHEDULES:**Consolidated Income Statement****Ansaldo STS**

<i>Consolidated Income Statement</i> (M€)	31.03.2016	31.03.2015
Revenue	291.2	284.6
Purchase and personnel expenses	(268.4)	(261.1)
Amortisation and depreciation	(4.2)	(4.2)
Other net operating income (expenses)	0.5	2.9
Changes in work in progress, semi-finished and finished goods	4.2	1.7
Operating Income (EBIT)	23.4	23.8
Net financial income (expenses)	3.6	1.9
Income taxes	(7.2)	(8.0)
Net Profit	19.7	17.7
Earning per share	0.10	0.09

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Consolidated Balance Sheet

Ansaldo STS

<i>Consolidated Balance Sheet</i> (M€)	31.03.2016	31.03.2015
Non-current assets	306.6	316.1
Non-current liabilities	(56.5)	(55.3)
	250.1	251.9
Inventories	125.4	121.2
Contract work in progress	395.5	346.4
Trade receivables	632.9	663.6
Trade payables	(448.0)	(416.0)
Progress payments & Advances from customers	(606.8)	(635.8)
Provisions for risks and charges	(11.8)	(11.1)
Other net assets (liabilities)	6.1	(3.8)
Net Working Capital	93.3	64.5
Net Invested Capital	343.4	316.4
Group Equity	671.4	654.8
Third parties Equity	0.3	0.3
Equity	671.7	655.1
Assets held for sale	0.0	0.0
Net financial Position (positive net cash)	(328.3)	(338.7)

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Consolidated Cash Flow Statement

Ansaldo STS

Consolidated Cash Flow Statement <i>(M€)</i>	31 March 2016		31 March 2015	
Opening cash and cash equivalents	304.3		270.1	
Gross cash flow from operating activities	35.4		28.8	
Change in working capital	(11.8)		45.0	
Change in other operating assets and liabilities	(29.4)		(22.8)	
Cash flow generated by (used in) operating activities	(5.8)		51.0	
Cash flow from ordinary investing activities	(2.7)		(2.8)	
Free Operating Cash Flow		(8.5)		48.2
Strategic Investments	-		(4.4)	
Other changes in investments	0.1		0.1	
Cash flow generated by (used in) financing activities	(2.6)		(7.1)	
Dividends paid	-		-	
Cash flow from financing activities	(1.7)		(35.4)	
Cash flow generated by (used in) financing activities	(1.7)		(35.4)	
Exchange rate gain and losses, net	(1.8)		7.2	
Closing cash and cash equivalents	292.4		285.9	

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Roberto Carassai, 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 Group's accounting records.

Ansaldo STS confirms that the Management will be available on Thursday **5 May 2016 at 5.30pm** to comment on the above, via conference call.

The presentation in support of the conference call will be available in advance on the Company's website at www.ansaldo-sts.com in the Investor Relations' section at the following address <http://www.ansaldo-sts.com/it/investor-relations/presentazioni> and on the authorised storage system, which is accessible from the website <http://www.emarketstorage.com>.

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

Italy: +39 02 802 09 11; UK: +44 212 81 8004; USA: +1 718 705 8796

The replay of the conference call, by access code **863#**, will be available for 72 hours from Thursday **5 May 2016** after the conference call

The access numbers are as follows:

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 financial performance of the group and the business units using certain indicators that are not defined by the IFRS.

As required by CESR recommendation CESR/05 - 178b the components of each of the indicators are defined below:

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 the following items (where applicable):

- 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 expenses 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 2.3 shows how FOCF is calculated for the current and previous years.

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).

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: is the calculation method which 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 reporting period which 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 any change to 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.): is the ratio of the profit or loss for the year to the average amount of equity at the reporting date and the previous year reporting date.

Research and Development Expenses: total expenses 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 expenses represent those activities commissioned by customers and for which there is a specific sales order and which is to be treated exactly like an ordinary order (sales contract, profitability, invoicing, advances, etc.) for accounting and management purposes.

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