

Genoa, 6 March 2015

**CONSOLIDATED AND DRAFT FINANCIAL STATEMENTS 2014
APPROVED, DIVIDEND PROPOSED OF 0.15 EURO PER SHARE
ORDINARY SHAREHOLDERS' MEETING CALLED**

- **Consolidated and draft financial statements 2014 approved**
- **Consolidated net profit of EUR 80.7 million (+7.9%)**
- **New orders of EUR 1,825.0 million (+23.0%)**
- **Order backlog of EUR 6,120.8 million (+9.9%)**
- **Revenue at EUR 1,303.5 million (+6.0%)**
- **EBIT at EUR 124.5 million (+6.4%)**
- **Free Operating Cash Flow (FOCF) at EUR 75.7 million**
- **Net financial position, positive net cash, at EUR (293.4) million (+19.5%)**
- **Total dividend amount of EUR 30.0 million (EUR 0.15 per share) proposed to the Shareholders' Meeting, compared with EUR 28.8 million in the previous year (EUR 0.144 per share restated)**
- **Corporate Governance Report approved**
- **Ordinary Shareholders' Meeting called**

The Ansaldo STS SpA (STS.MI) Board of Directors meeting, held today, approved the draft financial statements for 2014. The draft will be presented at the Ordinary Shareholders' Meeting convened for **23 April 2015** in a single call.

The Board also approved the Ansaldo STS Group's consolidated financial statements at 31 December 2014.

The 2014 financial year ended with a **consolidated net profit** of EUR **80.7** million compared with EUR 74.8 million recorded in 2013.

The Board has decided to propose to the Ordinary Shareholders' Meeting a **dividend distribution of EUR 0.15** for each of the shares with dividend rights (i.e. for each outstanding share on the coupon date, excluding own shares held on that date), gross of withholding tax pursuant to the law. The total value of the dividends proposed – calculated net of 1,405 own shares held at today's date – is approximately EUR **30.0** million, compared with approximately EUR 28.8 million distributed for the 2013 financial year.

The value of dividend per share for 2014 is EUR 0.15 compared with EUR 0.144 in the previous period, adjusted after the fifth and last tranche of the bonus issue of 14 July 2014.

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The dividend will be payable from 20 May 2015 (payment date), with coupon date (coupon no.13) set at 18 May 2015 (ex date).

Ansaldo STS S.p.A Shareholders at the close of business on 19 May 2015 (record date) will be entitled to the dividend.

Stefano Siragusa, CEO of Ansaldo STS, stated:

“The financial year is positive. The key figures of our company such as orders – i.e. our ability to convince our clients that we are well committed – the operational profitability and cash generation – i.e. our ability to deliver our projects on time, on budget and on value – have shown a significant increase compared to 2013.

This is the result of the unique passion and determination of all women and men working at Ansaldo STS, who proudly represent us in the world each day.

In general terms, our reference market continues to grow at yearly rates of around 3%. The growth is focused especially on markets outside Europe where we are not domestic and, specifically, in the mass transit sector. These new dynamics have resulted in strong competition and constant pressure on signalling market margins.

Our Group is successfully reacting to this scenario both by leveraging its technological leadership – i.e. by making significant investments in order to innovate and differentiate its product portfolio – and by constantly pursuing for further areas of efficiency and effectiveness through specific plans, including the latest one launched, V2A – *from Values to Actions* – which, in respect to our values and our tradition, is ensuring significant results.

Finally, a better operating efficiency in 2014 was also ensured by stronger managerial attention to the processes.

We are very confident and optimistic about our future, also considering the recent events.”

**Key performance indicators 2014
Ansaldo STS**

Key consolidated figures (M€)	12 months 2014	12 months 2013 restated*	Change in %
New orders	1,825.0	1,483.6	23.0%
Order Backlog	6,120.8	5,567.3	9.9%
Revenue	1,303.5	1,229.8	6.0%
EBIT <i>adjusted</i>	130.5	117.5	11.0%
EBIT <i>adjusted</i> %	10.0%	9.6%	+0.4 p.p.
Operating Income (EBIT)	124.5	117.0	6.4%
ROS	9.6%	9.5%	+0.1 p.p.
Tax Rate	34.9%	34.4%	+0.5 p.p.
Net Profit	80.7	74.8	7.9%
Net Working Capital	41.8	30.7	36.3%
Net Financial Position (<i>positive net cash</i>)	(293.4)	(245.5)	19.5%
R&D	33.0	32.0	3.1%
Headcount (no.)	3,799	3,929	-3.3%
EPS	0.43	0.40**	7.5%

* Restated Figures following the application of IFRS11 governing joint arrangements qualified as joint ventures, which are consolidated with the equity method as of 1 January 2014 (date of implementation by the Ansaldo STS Group). The 2013 figures have been updated to ensure a consistent comparison of the data compared.

** Recalculated following the bonus issue of 14 July 2014

New orders amount to EUR **1,825.0** million compared with EUR 1,483.6 million *restated* in 2013, an increase of **23.0%**.

Order backlog is EUR **6,120,8** million compared with EUR 5,567.3 million *restated* in the same period during the previous financial year (**+9.9%**).

Revenue is EUR **1,303.5** million, increased compared with the *restated* value of the previous year of EUR 1,229.8 million (**+6.0%**).

Operating Income, net of restructuring costs related to the “*mobilità*” agreement for EUR 6.0 million (**EBIT adjusted**) is EUR **130.5** million compared with EUR 117.5 million *restated* in the previous year (**+11.0%**).

Operating income (EBIT) is EUR **124.5** million, an increase of **6.4%** compared with the *restated* value of 2013 (EUR 117.0 million).

Return on sales (ROS) is **9.6%**, increased compared with the previous financial year (9.5%).

Net invested capital at 31 December 2014 amounted to EUR **281.4** million, compared with EUR 253.5 million *restated* in the previous year.

Net working capital increased from EUR **30.7** million *restated* in 2013 to EUR **41.8** million in December 2014; the change is due to an increase in trade receivables and contract work in progress, partially offset by an increase in trade payables and advances from customers.

Net financial position (positive net cash) at 31 December 2014 amounts to EUR **(293.4)** million, an increase of EUR **47.9** million (**19.5%**), compared with EUR (245.5) million *restated* in 2013.

MAIN ORDERS ACQUIRED IN 2014

Country	Project	Customer	Value (M€)
Peru	Metro Lima lines 2&4	Municipality of Lima	513.0
Italy	Milano Line 4	Municipality of Milan	215.8
Denmark	Aarhus LRT	Municipality of Aarhus	128.5
Australia	Rio Tinto (various agreements)	Rio Tinto	96.5
Denmark	Copenhagen City Ring – variation	Metroselskabet	91.8
Various	Services and Maintenance	Various	90.2
Various Europe	Components	Various	82.5
India	Navi – Mumbai Metro	CIDCO	78.4
USA	Components	Various	61.1
Spain	A.V. La Robla - Pola de Lena	ADIF	28.2
South Korea	A.V. Metropolitan Line	LSIS	26.5
Sweden	Metro Stockholm – variation	S L	23.0
Italy	TO – PD variation	RFI	22.4
China	4 Metro: HZL4 - SY10 Trains - Xi'an 25 trains - DL Ph 2	Insigma	20.7

SCHEDULES:

**Consolidated Income Statement
Ansaldo STS**

<i>(M€)</i>	31.12.2014	31.12.2013*
Revenue	1,303.5	1,229.8
Purchasing and personnel expenses	(1,159.7)	(1,098.1)
Amortisation and depreciation	(18.3)	(17.0)
Other net operating income (expense)	9.5	5.1
Changes in work in progress, semi-finished and finished goods	(4.5)	(2.3)
EBIT Adjusted	130.5	117.5
Restructuring costs	(6.0)	(0.5)
Operating Income (EBIT)	124.5	117.0
Net financial income (expense)	(0.5)	(3.2)
Income taxes	(43.3)	(39.1)
Profits/(Losses) from non-current assets for sale	-	0.1
Net Profit	80.7	74.8
Profit per share (Basic and Diluted)	0.43	0.40**

**Restated Figures following the application of IFRS11 governing joint arrangements qualified as joint ventures, which are consolidated with the equity method as of 1 January 2014 (date of implementation by the Ansaldo STS Group). The 2013 figures have been updated to ensure a consistent comparison of the data compared.*

*** Recalculated following the bonus issue of 14 July 2014*

**Consolidated Balance Sheet
Ansaldo STS**

<i>(M€)</i>	<u>31.12.2014</u>	<u>31.12.2013*</u>
Non-current assets	296.7	273.2
Non-current liabilities	<u>(57.1)</u>	<u>(50.4)</u>
	239.6	222.8
Inventories	106.1	111.3
Contract work in progress	304.2	288.6
Trade receivables	710.6	625.5
Trade payables	(368.9)	(355.2)
Progress payments and advances from customers	(686.2)	(635.2)
Provisions for risks and charges	(10.4)	(14.8)
Other net assets/(liabilities)	<u>(13.6)</u>	<u>10.5</u>
Net working capital	41.8	30.7
Net invested capital	281.4	253.5
Group equity	573.6	498.8
Third parties equity	<u>1.3</u>	<u>0.3</u>
Equity	574.9	499.1
Assets held for sale	0.1	0.1
Net financial position (positive net cash)	(293.4)	(245.5)

**Restated Figures following the application of IFRS11 governing joint arrangements qualified as joint ventures, which are consolidated with the equity method as of 1 January 2014 (date of implementation by the Ansaldo STS Group). The 2013 figures have been updated to ensure a consistent comparison of the data compared.*

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**Consolidated Cash Flow Statement
Ansaldo STS**

<i>(M€)</i>	<u>31.12.2014</u>	<u>31.12.2013*</u>
Opening cash and cash equivalents	<u>191.5</u>	<u>141.9</u>
Gross cash flow from operating activities	149.1	139.5
Change in working capital	(33.9)	(61.6)
Changes in other operating assets and liabilities	<u>(30.4)</u>	<u>(59.2)</u>
Cash flow generated by (used in) operating activities	<u>84.8</u>	<u>18.7</u>
Cash flow used in ordinary investing activities	(9.1)	(9.4)
Free operating cash-flow	<u>75.7</u>	<u>9.3</u>
Strategic investments	(7.4)	(3.5)
Other changes in investing activities	-	(0.5)
Cash flow generated by (used in) investing activities	<u>(16.5)</u>	<u>(13.4)</u>
Dividends paid	(28.8)	(28.9)
Cash flow from financing activities	<u>34.5</u>	<u>79.0</u>
Cash flow generated by (used in) financing activities	<u>5.7</u>	<u>50.1</u>
Exchange rate gain and losses, net	4.6	(5.8)
Closing cash and cash equivalents	<u>270.1</u>	<u>191.5</u>

** Restated Figures following the application of IFRS11 governing joint arrangements qualified as joint ventures, which are consolidated with the equity method as of 1 January 2014 (date of implementation by the Ansaldo STS Group). The 2013 figures have been updated to ensure a consistent comparison of the data compared.*

The total amount of dividends proposed to be distributed – calculated net of 1,405 own shares held at today's date - is approximately EUR **30.0** million (compared with approximately EUR 28.8 million distributed for the 2013 financial year) at EUR **0.15** per share.

Dividends are not due to shares held by the Company on the coupon date.

EPS of EUR **0.43** (EUR 0.40 in 2013, recalculated following the bonus issue of 14 July 2014) was calculated based on the average of 189,313,578 outstanding shares in the year (189,313,195 shares in 2013; recalculated to take into account the new shares issued following the fifth and last tranche of the bonus issue of 14 July 2014).

Significant events that took place after 31 December 2014

On 24 February 2015, Hitachi Ltd. and Finmeccanica S.p.A. announced that they have signed binding agreements for the purchase by Hitachi of the entire equity stake held by Finmeccanica in the share capital of Ansaldo STS S.p.A., equal to 40% of its share capital, and of the current business of AnsaldoBreda S.p.A. with the exclusion of some revamping activities and certain residual contracts.

The closing of the above transaction is expected to take place during the year and it is subject to specific conditions that are customary for that type of transaction, such as regulatory and antitrust authorisations.

Outlook on the management

The 2015 financial year is expected to be in line with 2014 in terms of revenue and profitability. The management's expectations were set out in the 2015 *guidance* published on 11 February 2014.

2014 Results for Ansaldo STS S.p.A.

In general, the economic and financial trend for 2014 of the Holding Company Ansaldo STS S.p.A. is positive and in line with expectations.

The financial statements are shown below:

Ansaldo STS S.p.A. Income Statement (M€)	31.12.2014	31.12.2013
Revenue	691.9	634.5
Purchasing and personnel expenses	(644.8)	(585.7)
Changes in work in progress, semi-finished and finished goods	(0.4)	(1.0)
Amortisation and depreciation	(12.0)	(9.4)
Other net operating income (expense)	19.3	14.5
EBIT Adjusted	54.0	52.9
Restructuring costs	(6.0)	(0.5)
Operating Income (EBIT)	48.0	52.4
Net financial income (expenses)	1.8	(1.8)
Income taxes	(17.1)	(18.4)
Net Profit	32.7	32.2

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Ansaldo STS S.p.A. Financial Position (M€)	31.12.2014	31.12.2013
Non-current assets	297.4	282,0
Non-current liabilities	(32.7)	(31.2)
	264.7	250.8
Inventories	80.0	83.6
Contract work in progress	170.3	160.6
Trade receivables	556.7	543.6
Trade payables	(302.4)	(313.8)
Customer advances	(497.6)	(471.7)
Provisions for risks and future liabilities	(1.8)	(6.0)
Other net assets (liabilities)	4.1	13.5
Net working capital	9.3	9.8
Net invested capital	274.0	260.6
Net equity	355.0	343.5
Net Financial Position (positive net cash)	(81.0)	(82.9)

Ansaldo STS S.p.A. Cash Flow Statement (M€)	31.12.2014	31.12.2013
Opening cash and cash equivalents	94.3	73.8
Gross cash flow from operating activities	62.3	63.5
Change in working capital	(4.8)	(82.6)
Changes in other operating assets and liabilities	(14.5)	(43.8)
Cash flow generated by (used in) operating activities	43.0	(62.9)
Cash flow used in ordinary investing activities	(8.7)	(5.7)
Free operating cash-flow	34.3	(68.6)
Strategic investments	(7.4)	(3.5)
Cash flow generated by (used in) investing activities	(16.1)	(9.2)
Dividends paid	(28.8)	(28.8)
Cash flow from financing activities	87.0	121.4
Cash flow generated by (used in) financing activities	58.2	92.6
Increase (decrease) in cash and cash equivalents	85.1	20.5
Closing cash and cash equivalents	179.4	94.3

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 accounting information contained in this press release accurately represents the figures contained in the Company's accounting records.

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

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

These statements are therefore only valid with reference to the date on which they were made, and can be subject, even only 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 2014 financial year, 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.

Ordinary Shareholders' Meeting called

The Board has also called an ordinary Shareholders' Meeting, in a single call, for Thursday 23 April 2015.

The items on the agenda of the Shareholders' Meeting called, in addition to the approval of the financial statements as at 31 December 2014, are:

- the resolution in relation to the first section of the Remuneration Report provided by Article 123-*ter*, Paragraph 3 of Legislative Decree no. 58/1998;
- the appointment of a new member of the Board of Directors pursuant to Article 2386 of the Civil Code;
- the authorisation to purchase and dispose of own shares.

The call notice, as well as the documents relating to the items on the agenda, will be made available to the public within the terms provided by the applicable law.

In relation to the purchase and disposal of own shares, the Board has decided to request the Shareholders' Meeting to grant a new authorisation – by revoking of the previous authorisation resolved by the ordinary Shareholders' Meeting on 15 April 2014 – so that it will be entitled to purchase and dispose of purchased shares, in compliance with the applicable legislation and accepted market practice recognised by Consob, in the following situations:

- for the share-based incentive plans approved by the Company;
- in the context of transactions connected with day to day management and industrial projects that are consistent with the strategic guidelines that the Company intends to pursue, which may also include swaps, exchanges, transfers or any other disposals connected with industrial projects and/or extraordinary financing operations;
- for the purposes of carrying out activities to support market liquidity.

The authorisation to purchase own shares is requested for a 18 month period from the Shareholders' Meeting's approval. The authorisation for the disposal of shares is requested without any time limits. Consistently with what occurred last year, the purchases may be made in one or more tranches up to the maximum limit permitted by law, and accordingly up to 20% of the share capital (40,000,000 shares, from which own shares held by the Company *pro tempore* will be deducted). Accordingly, in consideration of the current listing of the Ansaldo STS securities on the Milan Stock Exchange, the potential maximum purchase expenditure for the transaction is estimated at approximately EUR 374,400,000.00.

The purchase transactions will be made in accordance with the provisions of Article 132 of Legislative Decree no. 58/1998, Article 144-*bis* of the Issuers Regulation and any other applicable legislation, as well as accepted market practices recognised by Consob, and must be carried out at price conditions in accordance with the provisions of Article 5, Paragraph 1 of Regulation (EC) no. 2273/2003 of the European Commission of 22 December 2003.

Disposals, and in particular the sale of own shares, may not be carried out at a price lower than 10% compared with the reference price quoted on the Stock Exchange organised and managed by Borsa Italiana S.p.A. in the stock exchange session preceding each individual transaction. Shares relating to share-based incentive plans approved by the Company will be allocated in accordance with the procedures and terms specified by the regulations on the plans. If the shares are subject to swaps, exchanges, transfers or any other disposal transaction not in cash, the economic terms of the transaction will be determined on the basis of the nature and the characteristics of the transaction, also taking into account the trend of the market of the Ansaldo STS securities.



If the shares are used for the purposes of carrying out activities to support the market liquidity, sales must be carried out in accordance with the criteria established by Consob on accepted market practices.

As of today, the Company holds 1,405 own shares representing 0.0007025% of the share capital.

Ansaldo STS confirms that the Management will be available on **Monday 9 March 2015** at **10.30** 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 at www.Ansaldo-sts.com and in the Investor Relations section at the following address <http://www.Ansaldo-sts.com/it/investor-relations/presentazioni> and on the storage system, which is accessible from the website <http://www.emarketstorage.com>

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

Italy: +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 Monday 9 March 2015, after the conference call.

The access numbers 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 based on a number of indicators not provided for by IFRS-EU.

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

EBIT: earnings before interest and tax is added, 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;
- 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 is the sum of the cash flows generated by/used in operations, cash flow generated by/used to invest in or to dispose 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).

Net Working Capital: is Working Capital less provisions for current risks and charges, 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) / Net debt (cash) or net financial position: the calculation scheme complies with the provisions in paragraph 127 of the recommendations CESR/05-054b implementing EC Regulation 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.): 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 activity, 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 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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