

**Genoa, 6 May 2013**

## **Ansaldo STS, consolidated results for the first quarter 2013**

- **Revenue of EUR 253 million (-2.5%)**
- **EBIT of EUR 21 million (-4.6%)**
- **Profit for the period of EUR 12 million (+0.8%)**
- **New orders at EUR 120 million (-51.1%)**
- **Order backlog at EUR 5,589 million (+2.8%)**

The board of directors of Ansaldo STS SpA (STS.MI), which met today under the chairmanship of Alessandro Pansa, has approved the interim management report to 31 March 2013.

**Revenue** at EUR **253.1** million from EUR 259.5 million in the same quarter of 2012. **EBIT** at EUR **20.7** million, compared with the EUR 21.7 million reported for the same period of 2012.

The **EBIT margin** at **8.2%**, compared with 8.4% in the same period last year.

In the first quarter of 2013, the Group recorded **Profit for the period** of EUR **12.1** million, in line with the figure of EUR 12.0 million in the same quarter of 2012.

**New orders** as of 31 March 2013 came in at EUR **119.7** million, from the EUR 245.0 million recorded at 31 March 2012, while the **order backlog** is EUR **5,588.5** million. The order performance of the period reflects the postponement of the signature related to some contracts; the current year targets are confirmed.

**PRESS RELEASE**



Ansaldo STS, listed on the Italian Stock Exchange, is an international technology group that operates through two business units, Transportation solutions and Signalling, in designing, producing and managing transport and signalling systems for rail and metro lines. The Group operates as main contractor and supplier of turnkey systems worldwide. Ansaldo STS is based in Genoa and employs 4,100 in 28 countries. In 2011, it reported revenues of EUR 1,212 million, EBITDA of EUR 116 million and consolidated net profit of EUR 73 million.

## Consolidated results for the first quarter of 2013 Ansaldo STS

Key consolidated figures (EUR million)	1Q 2013	1Q 2012	% chg	Dec. 2012 cons.
<b>New orders</b>	<b>119.7</b>	245.0	-51.1%	<b>1,492.3</b>
<b>Order backlog</b>	<b>5,588.5</b>	5,433.8	2.8%	<b>5,683.3</b>
<b>Revenue</b>	<b>253.1</b>	259.5	-2.5%	<b>1,247.8</b>
<b>EBIT</b>	<b>20.7</b>	21.7	-4.6%	<b>117.1</b>
<b>ROS</b>	<b>8.2%</b>	8.4%	-0.2 pp	<b>9.4%</b>
<b>Profit for the period / year</b>	<b>12.1</b>	12.0	0.8%	<b>75.7</b>
<b>Net Working Capital</b>	<b>31.5</b>	(5.5)	-672.7%	<b>(48.1)</b>
<b>Net Financial Position</b>	<b>(238.8)</b>	(214.2)	11.5%	<b>(302.0)</b>
<b>R&amp;D</b>	<b>7.3</b>	8.5	-14.1%	<b>32.3</b>
<b>Headcount (no.)</b>	<b>4,068</b>	4,101	-0.8%	<b>3,991</b>
<b>EPS</b>	<b>0.08</b>	0.08*	0.0%	<b>0.51</b>

\*Recalculated following the bonus issue of 9 July 2012

**New orders acquired** in the first three months of 2013 amounted to EUR **119.7** million, of which EUR **1.4** million relate to the **Transportation Solutions Unit** and EUR **118.3** million relate to the **Signalling Unit**.

The main new orders acquired on the period are listed below:

Country	Project	Customer	Value (EUR m)
Italy, France, US	Components, services & maintenance	VARIOUS	<b>27.9</b>
Spain	AV Madrid - Llerida Maintenance 2013-15	ADIF	<b>26.9</b>
Turkey	Ankara Metro – Change to order	DLH	<b>13.4</b>
Sweden	Stockholm Metro – Chg. to Red Line order	S L	<b>7.2</b>
Germany	Velaro	SIEMENS	<b>5.6</b>
USA	Los Angeles CTMA Microlok Replacement	LACTMA	<b>5.3</b>
France	LGVEE Phase 2	RFF	<b>4.7</b>
US	New Jersey PATH WTC Signal Rec.Work	NEW JERSEY PATH	<b>4.1</b>
Australia	BMA Coal Loop & Spur Line-Caval Ridge	THIESS PTY LTD	<b>4.0</b>
Italy	SCMT / CTC – Change to order	RFI	<b>3.5</b>
Australia*	Rio Tinto – implementation	RIO TINTO	<b>0.7</b>
Italy *	Florence tram system: line 2-3 – Chg. to order	FLORENCE MUNICIPALITY	<b>0.7</b>

(\*) Orders acquired by the Transportation Solutions business unit during the first quarter of 2013

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The **order backlog** at 31 March 2013 totalled EUR **5,588.5** million of which EUR **2,603.5** million relating to the **Signalling Unit**, versus EUR 2,493.5 million in the same quarter of 2012 (including dealings with the Transportation Solutions Unit), and EUR **3,304.9** million relating to the **Transportation Solutions Unit** (versus EUR 3,266.6 million in 2012).

**Net working capital** was positive for EUR **31.5** million at 31 March 2013, a variation of EUR 79.6 million from the negative EUR 48.1 million reported at December 2012. The change in working capital is mainly due to the increase in net work in progress.

The group had a **net financial position** at 31 March 2013, in line with the expectations and with the progress of the same quarter of previous year, of EUR **(238.8)** million, compared with a net cash position of EUR **(302.0)** million at 31 December 2012.

**Free operating cash flow (FOCF)** before strategic investments for the current year absorbed cash totalling EUR **62.6** million, compared to cash absorption of EUR 73.6 million at 31 March 2012. This is primarily attributable to changes of working capital

**ATTACHMENTS:**
**Consolidated income statement**
**Ansaldo STS**

<i>Consolidated income statement (EUR million)</i>	<b>1Q 2013</b>	<b>1Q 2012</b>
Revenue	<b>253.1</b>	<b>259.4</b>
Purchases and personnel expenses	(231.8)	(240.7)
Amortisation, depreciation and impairment losses	(4.2)	(3.8)
Other net operating income (expense)	1.6	2.3
Change in work in progress, semi-finished and finished goods	2.0	4.4
<b>EBIT</b>	<b>20.7</b>	<b>21.7</b>
Net financial income (expense)	(1.3)	(1.8)
Income taxes	(7.3)	(7.9)
<b>Profit for the period</b>	<b>12.1</b>	<b>12.0</b>
<b>Earnings per share</b>	<b>0.08</b>	<b>0.08*</b>

*\*Recalculated following the bonus issue of 9 July 2012*

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**Consolidated statement of financial position**
**Ansaldo STS**

<b>Consolidated statement of financial position (EUR million)</b>	<b>31.03.2013</b>	<b>31.12.2012</b>
Non-current assets	264.7	265.0
Non-current liabilities	(48.5)	(49.7)
	<b>216.2</b>	<b>215.3</b>
Inventories	138.0	131.6
Contract work in progress	392.6	313.1
Trade receivables	626.0	748.7
Trade payables	(408.1)	(500.6)
Progress Payments and Advances from customers	(690.1)	(710.7)
Provisions for risks and charges	(15.1)	(15.8)
Other liabilities, net	(11.8)	(14.4)
<b>Net Working capital</b>	<b>31.5</b>	<b>(48.1)</b>
<b>Net invested capital</b>	<b>247.7</b>	<b>167.2</b>
Equity attributable to the owners of the parent	486.0	468.8
Equity attributable to non controlling interests	0.5	0.4
<b>Equity</b>	<b>486.5</b>	<b>469.2</b>
<b>Net Financial Position</b>	<b>(238.8)</b>	<b>(302.0)</b>

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**Consolidated cash flow statement**
**Ansaldo STS**

<i>Consolidated cash flow statement (EUR million)</i>	<b>31.03.13</b>		<b>31.03.12</b>	
<b>Opening Cash and cash equivalents</b>	<b>146.8</b>		<b>160.9</b>	
Gross cash flow from operating assets and liabilities	25.9		24.1	
Change in working capital	(73.2)		(76.2)	
Changes in other operating assets and liabilities	(12.5)		(18.0)	
<b>Cash flow generated by (used in) operating activities</b>	<b>(59.8)</b>		<b>(70.1)</b>	
Cash flow used in ordinary investing activities	(2.8)		(3.5)	
<b>Free operating cash flow</b>		<b>(62.6)</b>		<b>(73.6)</b>
Strategic transactions	0.6		(0.2)	
<b>Cash flow generated by (used in) investing activities</b>	<b>(3.5)</b>		<b>(3.7)</b>	
Dividends paid	-		-	
Cash flow from financing activities	9.0		25.5	
<b>Cash flow generated by (used in) financing activities</b>	<b>9.0</b>		<b>25.5</b>	
<b>Exchange rate gain and losses, net</b>	<b>1.0</b>		<b>(1.3)</b>	
<b>Closing cash and cash equivalents</b>	<b>93.5</b>		<b>111.3</b>	

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**Results by sector of activity of Ansaldo STS:**

<i>Main consolidated figures by Business unit (EUR million)</i>	<b>SIGNALLING Business Unit</b>		<b>TRANSPORTATION SOLUTIONS Business Unit</b>	
	<b>31.03.13</b>	31.03.12	<b>31.03.13</b>	31.03.12
<b>New orders</b>	<b>118.3</b>	197.8	<b>1.4</b>	50.0
<b>Order backlog</b>	<b>2,603.5</b>	2,493.5	<b>3,304.9</b>	3,266.6
<b>Revenue</b>	<b>150.9</b>	155.5	<b>106.8</b>	104.8
<b>EBIT</b>	<b>12.9</b>	13.8	<b>9.7</b>	11.2
<b>ROS</b>	<b>8.5%</b>	8.9%	<b>9.1%</b>	10.7%
<b>Operating working capital</b>	<b>107.8</b>	122.6	<b>(58.0)</b>	(102.6)
<b>R&amp;D</b>	<b>7.1</b>	8.0	<b>0.2</b>	0.4
<b>Headcount (no.)</b>	<b>3,019</b>	3,133	<b>663</b>	556

*Notes to the table*

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

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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.

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**Ansaldo STS confirms that at 4:30pm CET on Monday, 6 May, the management will be available to comment on the results for the first quarter of 2013, via conference call.**

**Via conference call:**

Italy: +39 02 805 88 11

UK: +44 121 281 8003

USA: +1 718 705 8794

**To replay the conference call in the 72 hours after 08:00 CET on Tuesday 7 May, using access code 863#:**

Italy: +39 02 72495

UK: +44 1 212 818 005

USA: +1 718 705 8797

The presentation in support of the conference call will be available in advance on the Company website, at the following address [www.ansaldo-sts.com](http://www.ansaldo-sts.com) <http://www.ansaldo-sts.com/en/investor-relations/presentations>.

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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 recommendation CESR/05 - 178b, 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 from the operations of unconsolidated subsidiaries and securities, and gains/losses on any sales of consolidated subsidiaries, which are recorded under "financial income and expenses", or in the case of profits/losses from shareholdings valued using the equity method, under the item "effects of the valuation of shareholdings at equity".

**Adjusted EBIT (Adj):** calculated by stripping out the following from the EBIT figure defined above,

if applicable:

- any goodwill impairment;
- amortisation on the portion of the purchase price allocated to intangible assets during business combinations, as required by IFRS 3;
- restructuring costs of major, defined plans;
- other extraordinary income and expenses, i.e. relating to particularly significant events unconnected with the ordinary operations of the company's core businesses.

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

**Free operating cash flow (FOCF):** the sum of cash flow 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".

**Funds from operations (FFO):** obtained by stripping out changes in working capital from the cash flow generated by/used in operations.

**Economic Value Added (EVA):** calculated as the difference between EBIT after tax and the average cost of capital invested in the two years under review, measured on the basis of the weighted cost of capital (WACC).

**Operating working capital:** includes trade receivables and payables, inventories, work in progress, customer advances and provisions for risks and future liabilities.

**Working capital:** operating working capital net of other current assets and liabilities.

**Net invested capital:** the sum of non-current assets, non-current liabilities and working capital.

**New orders:** the sum of all contracts recorded in the order book during the period.

**Order backlog:** the difference between new orders and revenues for the period, net of changes in contract work in progress. This difference will be added to the order backlog figure for the previous year.

**Headcount:** the number of registered employees on the last day of the period.

**Return on equity (ROE):** calculated as the ratio between net profit and the average value of shareholders' equity in the two periods under review.

**R&D costs:** the sum of research and development costs expensed and sold. Expensed research costs usually relate to "base technologies", i.e. those aimed at acquiring new scientific and/or technical knowledge applicable to various new products and/or services. Research costs are sold when they are commissioned by the customer and a specific sales order is received; such sales orders are treated and accounted for exactly like a standard supply contract (sales order, profitability, billing, advances etc.) for accounting and management purposes.

**Net Financial Position:** Loan assets and cash and cash equivalents greater than loans and borrowings