



2016 third quarter YTD results

Analysts Conference Call

October 31, 2016

Agenda and contents

		Page
• Introduction	Roberto Corsanego, Head of IR	2
• Overview	Andrew Barr, CEO	3-11
• Financials	Roberto Carassai, CFO	12-14
• Q&A session		15
• Back up information		16-19
• Accounting definitions		20-22
• Glossary of rail terminology		23-28

9M 2016 Results - Main Orders Booked

Country	Project Name	Customer	Value (M€)
Taiwan	Sanying Line MRT System	NCTG DRTS	220
U.K.	Glasgow Metro (maintenance included)	Strathclyde Partnership for Transport	135
Belgium	Brussels Metro Lines 1&5	STIB	88
Italy	High Speed Line Turin - Milan - Naples Rome - Florence route	RFI	75
Australia	Auto Haul - variation order	Rio Tinto	48
USA	LIRR Ronkonkoma	LIRR	38
Malaysia	KVDT	Dhaya Maju Infrastrucure	37
Various EU/Asia	Components	Various	37
USA	Components	Various	35
Various EU/Asia	Service & Maintenance	Various	35
France	2016 Maintenance	RATP	27
India	Noida Metro	Delhi Metro Rail Corporation Limited	26
Sweden	Ester Line 2	Trafikverket	21
U.K.	Ferriby Gilberdjke	Network Rail	20

Q3 2016 Main Events - Brussels Metro (1/2)

Ansaldo STS signed a contract with Société des Transports Intercommunaux de Bruxelles (STIB), worth Euro 88 million, for the automatization of the lines 1 & 5, as part of the modernization programme of the Brussels metro (so called Pulsar project).

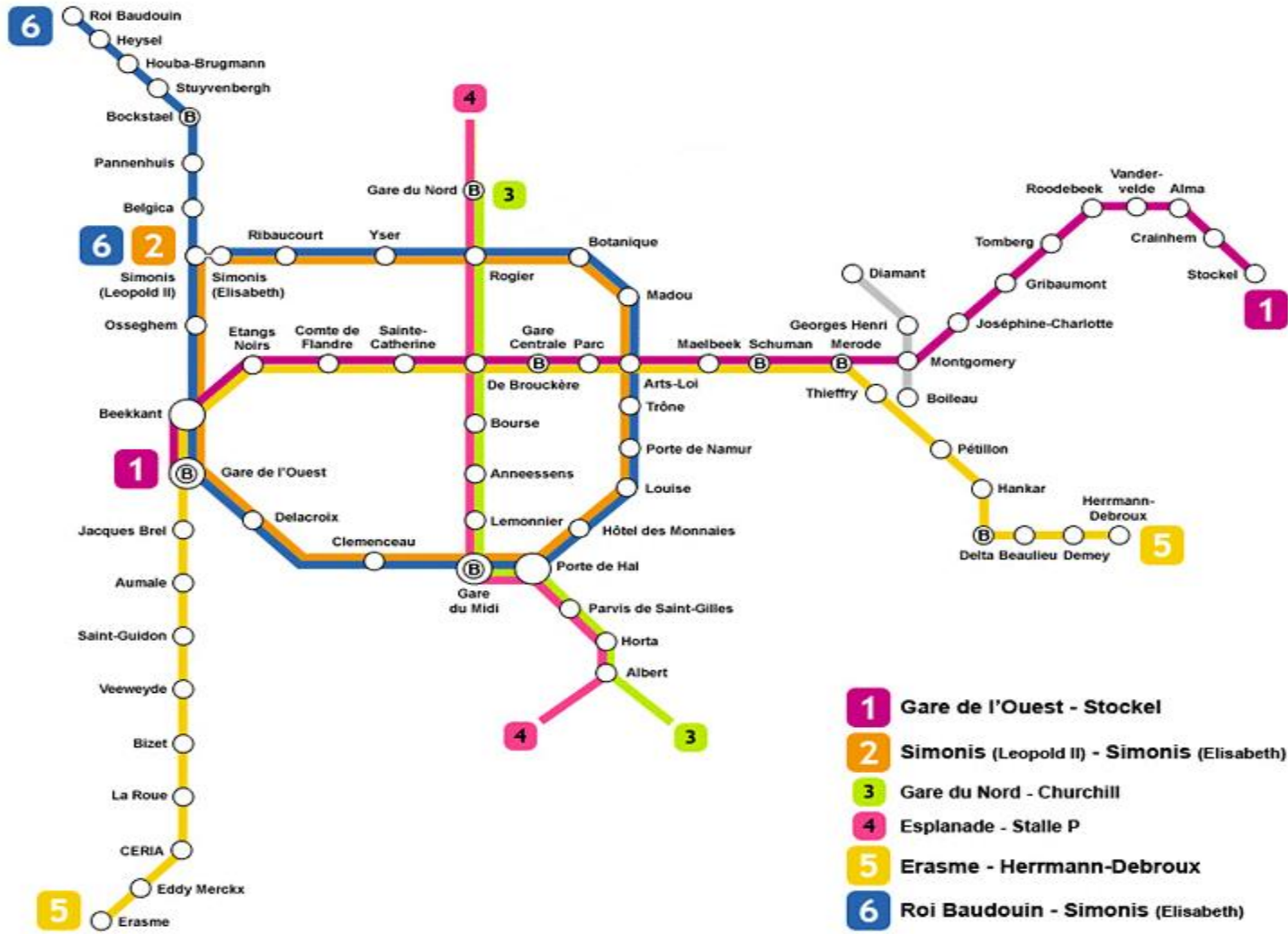
Within the modernization project Ansaldo STS will supply STIB with its Driverless CBTC based solutions, to increase the operational performance, efficiency and safety of the East-West metro axis (lines 1 & 5) with a total length of 35.5 km serving 37 stations, and a total fleet of 60 trains.

The framework agreement includes also optional lines 2 and 6.

The scope of work encompasses the study, design, production, full integration, tests and commissioning as well as training, maintenance and related services for the trackside and on-board systems and sub-systems.

Through this new contract, Ansaldo STS strengthens its reputation as global excellence for the CBTC technology.

Q3 2016 Main Events - Brussels Metro (2/2)



Q3 2016 Main Events – HSL contracts in Italy (1/2)

Ansaldo STS has been awarded two contracts, for a total value of Euro 74.8 million, related to the signalling of the Rome – Florence route of the High Speed Line Turin – Milan – Naples.

The scope of work for Ansaldo STS in the contracts awarded by RFI (Italian Railway Network), is related to the design and construction of: (i) the Ground Subsystem ERTMS/ETCS Level 2; (ii) the ACC-M (centralized interlocking solution through which it is possible to manage multiple stations along the line); (III) the complementary and accessory technological upgrade operations for the Rome - Florence route of the High Speed Line Turin – Milan – Naples.

Ansaldo STS will supply the ACC-M and ERTMS signalling systems, the Bushing Temperature Detection system, the Track Temperature Monitoring system, the power systems, the adjustment of the buildings and the telecommunication systems.

Ansaldo STS signalling systems will serve the current 234 km double track line elevating it to the highest technological levels.

Q3 2016 Main Events – HSL contracts in Italy (2/2)



The Rail Traffic Operating Centre of the Genoa, Liguria and Basso Piemonte railway junction

Q3 2016 Main Events – Ansaldo STS at InnoTrans (1/3)

InnoTrans is the leading trade fair for the rail sector, taking place once every two years in Berlin. This year it was held on 20-23 September. There were more than 2,500 exhibitors over 300,000 square meters of exhibition space and 3,000 meters of rail track.

On previous occasions Ansaldo STS had exhibited in a Finmeccanica branded stand. This time it was part of a Hitachi stand occupying 800 square meters over two floors.

Andy Barr, CEO, commented that *“Ansaldo STS wants to confirm and strengthen its presence and its image in the market, bringing to Berlin, along with the quality of the whole Hitachi Group, its own history and experience”*

Ansaldo STS displayed - thanks to sophisticated simulators and the support of technical experts available to visitors - its innovative products and technologies, such as its satellite solutions.

Ansaldo STS also showcased its efficient capabilities in the areas of turnkey and driverless metro projects, with a portfolio of global projects covering more than 270 km of lines, operations and maintenance contracts.

Q3 2016 Main Events – Ansaldo STS at InnoTrans (2/3)



Visitors see the Hitachi group logos on the bridge from the railway platform to the trade fair

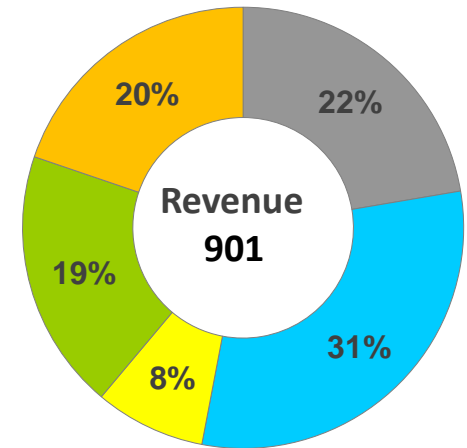
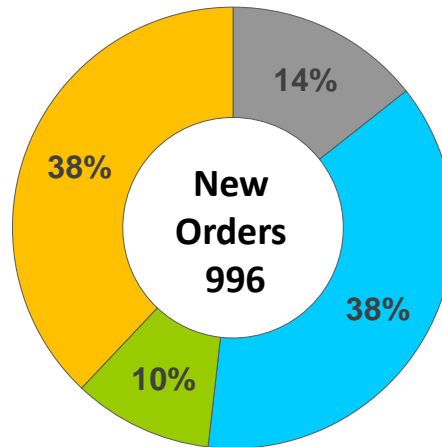
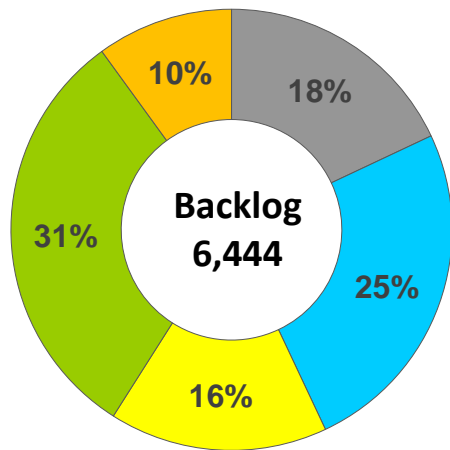
Q3 2016 Main Events – Ansaldo STS at InnoTrans (3/3)



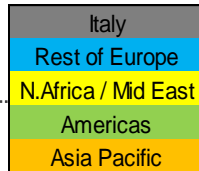
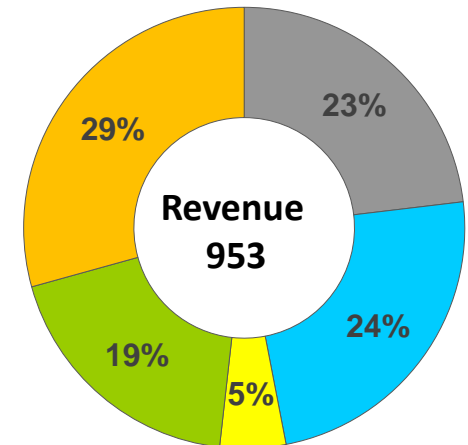
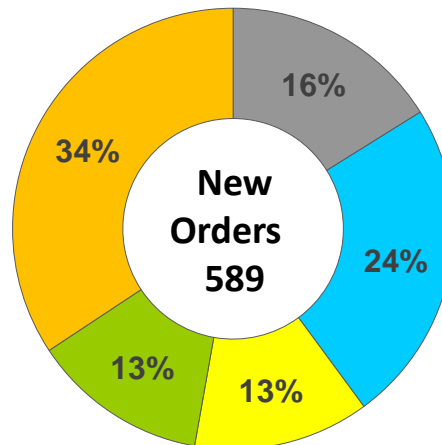
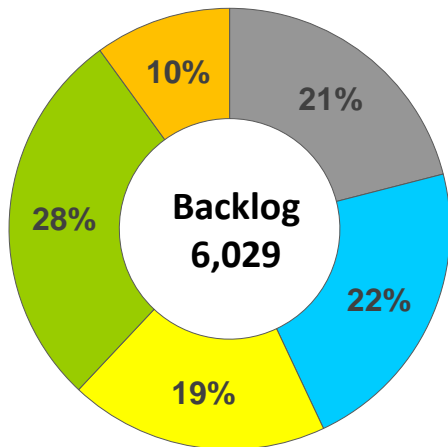
The large Hitachi stand showcases the group technologies in one place

Backlog, Orders & Revenue by Geographic Area

9M - 2016



9M - 2015



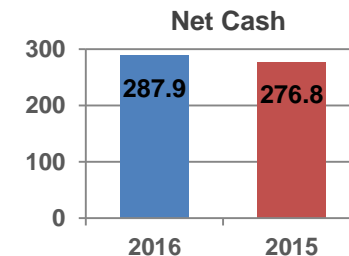
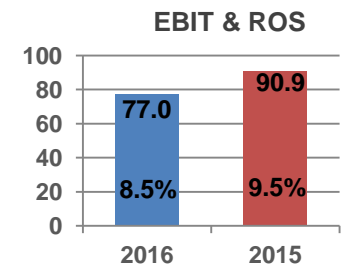
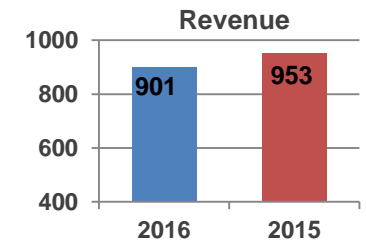
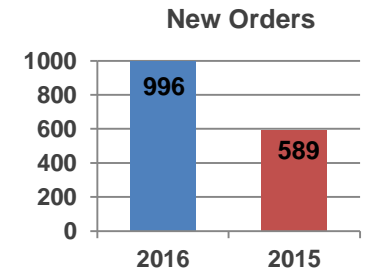
9M 2016 - Key Facts

□ **New Orders** at 996 M€, with an increase of 407 million (+69%) compared with 9M 2015. Main orders booked in third quarter are: Brussels Metro in Belgium for 88 M€; two contracts for the signalling of the Rome - Florence route of the HSL Turin - Milan - Naples in Italy (74.8 M€); the Noida - Greater Noida metro project in India for 26 M€; some minor signalling and components and service & maintenance orders.

□ **Revenue** at 901 million, in line with expectations, with a decrease of 52 million (-5%) compared with 9M 2015, mainly due to lower volumes in Asia Pacific region (some projects in a completion phase), only partially offset by higher contribution coming from projects in Rest of Europe and Middle East regions.

□ **EBIT** at 77.0 M€, 13.9 M€ lower versus same period last year, with a **ROS** of 8.5% compared to 9.5% in 9M 2015. Lower volumes in the period are partially offset by a favorable contract mix. The EBIT trend in the first nine months of 2016 was mainly affected by ZST prudential provisions in Q2 and accounting impacts of transactions with strategic managers who left the company in the period.

□ **Net Financial Position (cash)** at 287.9 M€, with an improvement of 11.1 million compared with 9M 2015. **FOCF** equal to -11.7 M€, as expected, compared to +23.3 M€ in 9M 2015, mainly due to last year higher collections in Middle East (last tranche of Riyadh Metro advance payment).



9M 2016 Results - Key Data

<i>(M€)</i>	9M 2016	9M 2015	<i>% change</i>	FY 2015
New Orders	996.1	589.3	69.0%	1,336.0
Order Backlog	6,443.5	6,029.2	6.9%	6,410.4
Revenue	900.6	952.6	-5.5%	1,383.8
EBIT	77.0	90.9	-15.3%	135.8
ROS	8.5%	9.5%	<i>(1.0) p p</i>	9.8%
Tax Rate	34.7%	34.3%	<i>0.4 p p</i>	32.0%
Net Result	45.8	59.5	-23.1%	93.0
Net Working Capital	132.1	81.4	62.2%	64.5
Net Financial Position	(287.9)	(276.8)	4.0%	(338.7)
R&D	26.9	27.3	-1.7%	36.9
Total Headcount	3,933	3,759	4.6%	3,772
EVA	29.7	39.4	-24.7%	65.8

2016 main Key Data – Guidance

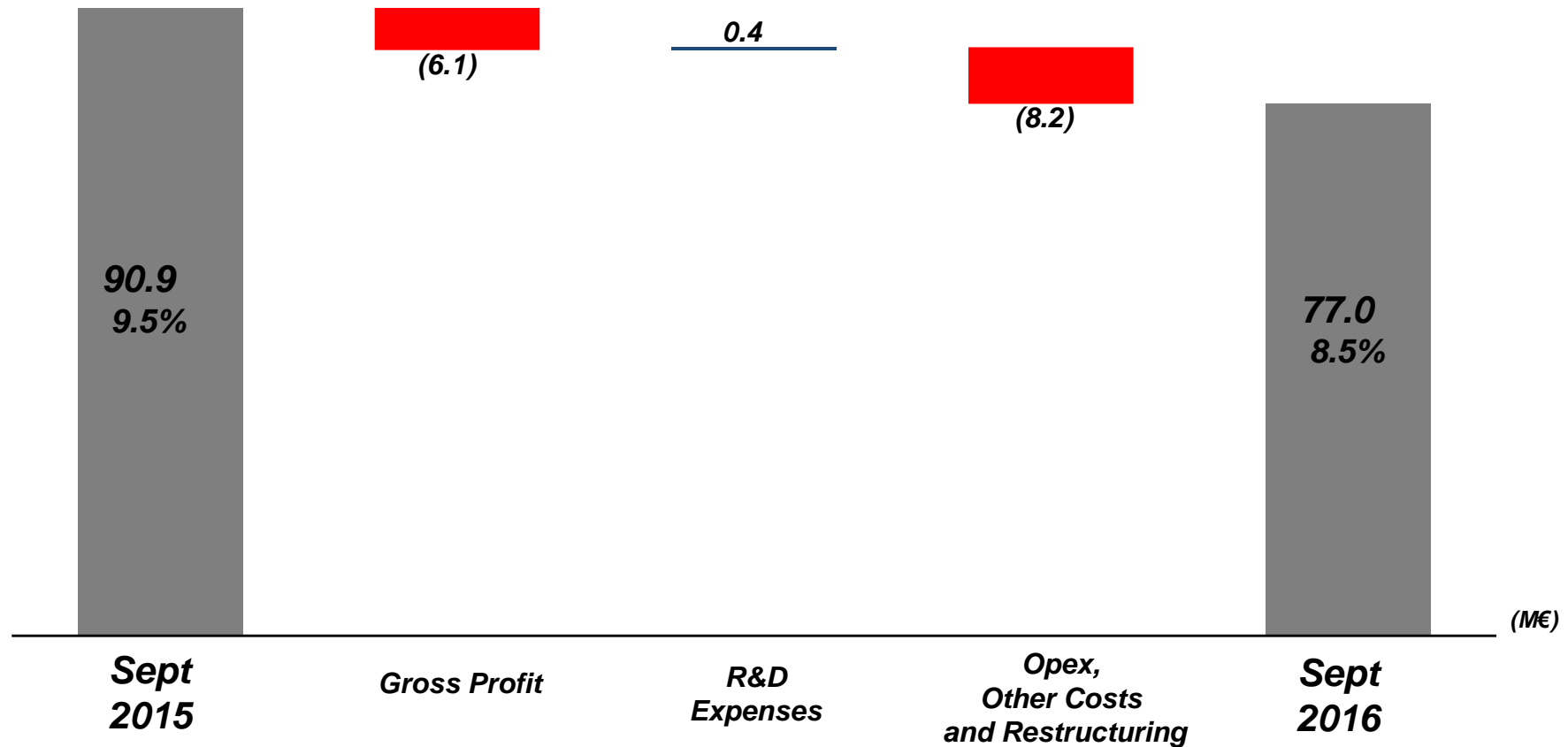
(M€)	2015 Actual	2016 Guidance	2016 Revised Guidance (July 2016)
New Orders	1,336.0	1,400 - 2,000	1,400 - 2,000
Order Backlog	6,410.4	6,300 - 7,000	6,300 - 7,000
Revenue	1,383.8	1,350 - 1,450	1,350 - 1,450
ROS	9.8%	~ 9.8%	9.0% - 9.3%
Net Financial Position	(338.7)	(320) - (370)	(300) - (350)

THANK YOU FOR YOUR ATTENTION

Q&A.....

Back Up

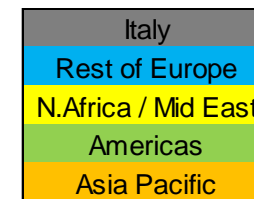
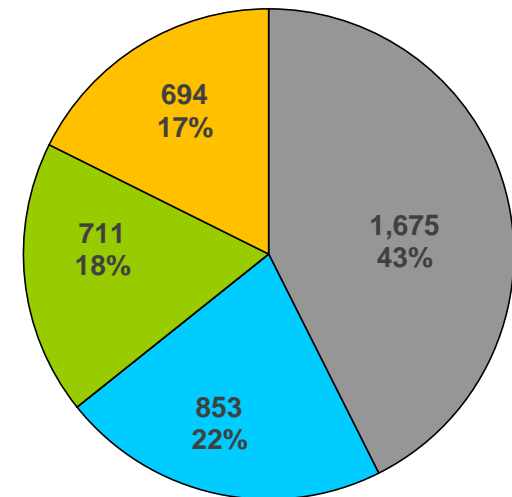
Back Up detail - EBIT Evolution - 9M 2016 vs 9M 2015



September 2016 EBIT includes the ZST prudential provisions posted in Q2 (€7.5m) and the accounting impacts of transactions with strategic managers who left the company in the period (€2.4m).

Back Up detail - September 2016 - Total Headcount

Country	Main Locations	Headcount
ITALY	<i>Genoa, Naples, Turin, Potenza, Branches</i>	1,675
FRANCE	<i>Les Ulis, Riom</i>	616
SPAIN	<i>Madrid</i>	172
SWEDEN	<i>Stockholm</i>	55
OTHER EUROPE	<i>Munich, London</i>	10
USA - CANADA	<i>Pittsburgh, Batesburg, Montreal</i>	711
AUSTRALIA	<i>Perth, Brisbane</i>	288
INDIA	<i>Bangalore</i>	272
MALAYSIA	<i>Kuala Lumpur</i>	53
CHINA	<i>Beijing</i>	61
Other locations	<i>various</i>	20
TOTAL HEADCOUNT		3,933

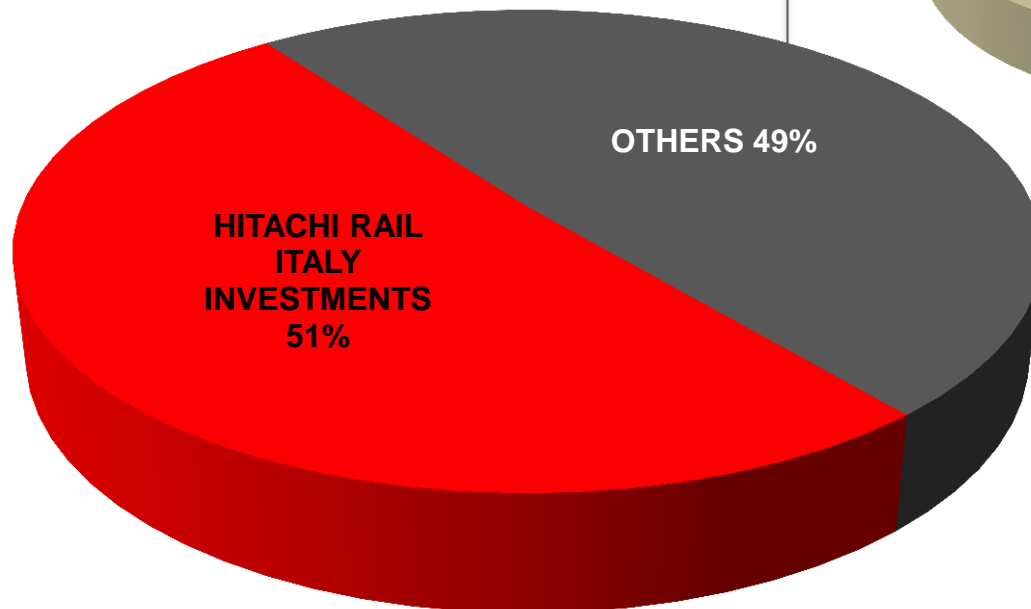


Shareholdings as of 30th September 2016

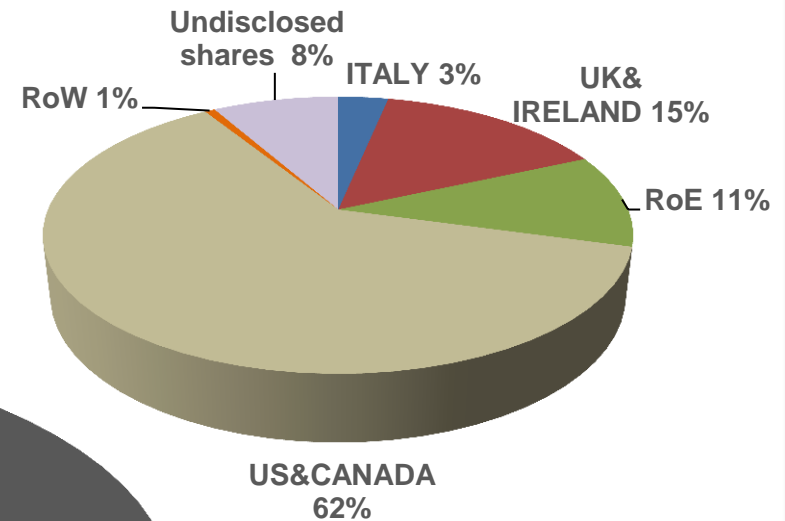
Total number of shares 200.000.000

HITACHI RAIL ITALY INVESTMENTS
101.544.702 shares 50.772%

OTHERS
98.455.298 shares 49.228%



OTHERS Geographical Distribution



Accounting definitions (1/3)

Roberto Carassai, the Manager in charge of preparing the company's financial reports, hereby declares, pursuant to article 154-bis, paragraph 2 of the Consolidated Law on Finance, that the actual accounting information contained in this presentation corresponds to document results, books and accounting records

This Analysts Presentation contains forward-looking statements which are based on current plans and forecasts of Ansaldo STS S.p.A. Such forward-looking statements are by their nature subject to a number of risk and factors not foreseeable that could cause actual results to differ from the plans, objectives and expectations expressed in such forward-looking statements.

These such forward-looking statements speak only as of the date on which they are made, and Ansaldo STS S.p.A. undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Accounting definitions (2/3)

NB: Ansaldo STS's management also assesses the performance of the group using certain indicators that are not defined by the IFRS.

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.

Return on Sale (ROS): it is calculated as the ratio of EBIT to Revenue.

Free operating cash flow (FOCF): this indicator is the sum of cash flows generated by (used in) operating activities and cash flows generated by (used in) investing and disinvesting in property, plant and equipment, intangible assets and equity investments, net of cash flows from acquisitions and sales of equity investments which are deemed “strategic” due to their nature or importance. The FOCF is shown in the reclassified consolidated statement of cash flows.

Economic Value Added (EVA): it is the difference between EBIT, net of income taxes and the cost of the average invested capital of the current and previous year measured on the base of the Weighted Average Cost of Capital (WACC).

Accounting definitions (3/3)

Net Working Capital: It is working capital less provisions for current risks and other current assets and liabilities.

Net Financial (Position) or Debt: The calculation model used complies with paragraph 127 of the CESR/05-054b recommendations implementing Regulation (EC) n° 809/2004.

New Orders: It is 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: It 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: It is the number of employees recorded in the relevant register on the reporting date.

Research and development costs: 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.

Glossary (1/6)

ACC – M: “Apparato Centrale Computerizzato Multistazione” is a centralized interlocking system through which it is possible to manage multiple stations along the line.

APRs: Automatic Position Reporting System, radio based digital communications system for local, regional, or long distance.

ATC: Automatic Train Control, or ATC, is an integrated signaling system that guarantees the secure movement of trains. ATC integrates various subsystems positioned on-board and wayside. In addition to a full interlocking system, a complete ATC system consists of three subsystems: (i) ATP, (ii) ATO and (iii) ATS.

ATP: Automatic Train Protection, or ATP, is an ATC subsystem responsible for the safe operation of a signaling system. It imposes speed limits on trains, both to maintain a safe operating distance between them and to comply with safety and speed requirements. The ATP system is designed to be a fail-safe (vital) system.

ATO: Automatic Train Operation, or ATO, is an ATC subsystem which performs on-board, non-vital functions normally performed by a train driver, including ensuring a smooth acceleration of the train to the running speed, speed regulation and smoothly stopping the train at the proper position at station platforms or in front of stopping signals. ATO subsystems are primarily located on-board and represent one of the principal components of a driverless system. Additionally, ATO subsystems report vehicle health status to the central control offices.

ATS: Automatic Train Supervision, or ATS, is an ATC subsystem which operates to control trains automatically by means of ATO and ATP, in accordance with the railway timetable. This also involves a CTC system.

Glossary (2/6)

BALISE: An electronic beacon or transponder placed between the rails of a railway as part of an Automatic Train Protection system.

CBI: Computer Based Interlocking, or CBI, is an Interlocking System (see below) where the traditional wired networks of relays are replaced by software logic running on special-purpose fail-safe control hardware. The fact that the logic is implemented by software rather than hard-wired circuitry greatly facilitates the ability to make modifications when needed by reprogramming rather than rewiring (ACC, MicroLok® and SEI/PAI-NG are the Ansaldo STS CBI interlockings).

CBTC: Communication Based Train Control, or CBTC, is a system that allows for the interchangeability of different technological systems in use on various metro lines. CBTC can be understood as an attempt to create an ERTMS type standard for the mass transit industry.

CENELEC: European Committee for Electro technical Standardization.

CTC: A Centralized Traffic Control system, or CTC, monitors the status of signaling on a line or network and displays the relevant status information to a central operator, assists in the management of the line or network consistent with the timetable and exercises control to prevent small schedule disturbances from becoming traffic jams. CTC also notifies the operator of ATC equipment failures and of failures in traction power and passenger station support facilities.

CTCS : Chinese Train Control System, a train control system used on railway lines in China

DPL: Dedicated Passenger Line.

DTG: Distance to Go, Wayside and on board ATP system track circuit based.

Glossary (3/6)

ETCS: The European Train Control System (ETCS) is a signaling, control and train protection system designed to replace the many legacy safety systems currently used by European railways, especially on high-speed lines.

ERTMS: The European Rail Traffic Management System, or ERTMS, was introduced by the EU in 1992 as a means of creating a uniform system of command, control and coordination of rail traffic to allow for “interoperability” throughout EU territory. The ERTMS standard exists at three levels (ERTMS 1, 2 and 3) depending on use, each distinguished by the type of wayside and on-board equipment used and the manner in which this equipment communicates relevant data.

EUROCAB / EVC: Onboard computer used to process ETCS information.

GA: Generic Application.

GCP: Grade Crossing Predictor, an electronic device which is connected to the rails of a railroad track and activates the crossing's warning devices (lights, bells, gates, etc.), based on a range of factors, including train speed, which minimizes waiting delays for drivers and therefore reduces the number of accidents.

GNSS: Global Navigation Satellite System, satellite-based global navigation system, can rely on US GPS (Global Positioning System), or Russian GLONASS (Global Navigation Satellite System), or European Galileo system under development.

GP: Generic Product.

GSM-R: Global System for Mobile Communications-Railway, an international wireless communications standard for railway communication.

Glossary (4/6)

HERMES: Automation – Supervision system used for mass transit system.

HSL: High Speed Line, or HSL, refers to railway lines with capacity for speeds in excess of 200 km/h (125 mph).

ICSS: Integrated Control & Safety System. Integrated Communication Switching System.

IXL: Interlocking System. An interlocking system is responsible for the reliable and safe movement of trains inside a station, through complex junctions and for the length of the line. The interlocking system ensures that train movement is permitted only when a route is available and the switches along this route are safely locked in their position. In all cases the interlocking allocates a track portion or a route to one train at a time, excluding all others.

LDS: Localization Determination System, satellite-based solution for train control system SIL 4 localization.

LEU: Encoder. Product that is interfaced to balise and permit it to change the telegram to be sent to the train in the intermittent ATP according to the status of the route.

LRT: Light Rail Transit, or LRT, refers to a form of urban rail transit that utilizes equipment and infrastructure that is typically less massive than that used for metro systems, with modern light rail vehicles usually running along the system.

MTBF: Mean time between failures is the predicted elapsed time between inherent failures of a system during operation.

MTBHE: Mean Time Between Hazardous Events, estimated time between two events that can cause an hazardous event.

MT: Mass Transit.

Glossary (5/6)

OCC: Operational Control Centre, system that monitors the status of signaling on the line and the location of trains.

OTP: Optimizing Traffic Planner, or OTP, is a traffic management system that permits real time monitoring of the positioning of trains throughout a railway system. OTP optimizes system or network capacity by safely minimizing the time between trains, reducing operating costs. OTP is primarily designed for those markets where railway systems infrastructure is being used to full capacity.

PTC: Positive Train Control, North American freight railway implementation of CBTC.

RBC: Radio Block Centre. All trains automatically report their exact position and direction of travel to the RBC at regular intervals. RBC sends by radio fail safe information to the train (ATP).

SA: Specific Application.

SCADA: A Supervisory Control And Data Acquisition system, or SCADA, allows for the supervision of the various subsystems at work in a railway or mass transit environment. SCADA collects information from remote installations, transfers it back to a central office, analyzes the information, takes appropriate action and displays that data on a number of operator screens.

SCC: Automation – Supervision system used for railways system.

SCMT: Sistema di Controllo della Marcia del Treno. Automatic train protection system.

SIL: 0, 2, 4: Safety Integrity Level (SIL) is determined for components and systems with safety functions.

Glossary (6/6)

SSC: Sistema Supporto Condotta, Italian train stopping system. Less sophisticated than SCMT.

STO: Semi-automated Operation Mode.

TETRA: Terrestrial Trunked Radio , digital data and voice communication system.

TLC: Telecom networking.

TSRs: Temporary Speed Restrictions.

TTCS: Train Conformity Check System verifies the conformity of running Rolling Stocks.

TVM: Transmission Voie-Machine (TVM, track-to-train transmission in English) is a form of in-cab signalling originally deployed in France and used on high-speed railway lines.

UTO: Grade of Automation for systems, where there is no driver in the front cabin of the train, nor accompanying staff assigned to a specific train. This can also be referred to as Unattended Train Operation, or UTO.

VSS: Vital Safety Server used in freight application (both as for IXL and RBC).

Our commitment to the theme of sustainable development is expressed in the countries where we operate, across five continents, through the dissemination of our corporate vision, attention to environmental, social, and promote our work through a climate of cooperation with local cultures.



In coherence with our vision this year we have joined the Global Compact, a voluntary initiative launched by the UN to spread the culture of respect for human rights, labor, environment and the fight against corruption.

Ansaldo STS SpA
Via Paolo Mantovani, 3
16151 Genoa, Italy
V.P. Investor Relations
Roberto Corsanego
investorelations@ansaldo-sts.com
www.ansaldo-sts.com

Tel: +39 010 655 2076
Fax: +39 010 655 2055

