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Direction and coordination of Hitachi Ltd
Press Office:
Tel. +39 010 6552068 - Fax +39 010 6552939
www.ansaldo-sts.com

Unaudited preliminary FY 2017 estimates

- **New Orders at EUR 1,500.8 million, +1.7% y/y**
- **Order backlog at EUR 6,457.5 million, -0.5% y/y**
- **Revenue of EUR 1,361.0 million, +2.5% y/y**
- **EBIT of EUR 100.8 million, -20.5% y/y.**
EBIT margin (ROS) at 7.4%, compared to 9.6% in 2016
- **Net Financial Position (cash surplus) of EUR (357.5) million, +5.8% y/y**

Following the revisions made to the Company Guidance in December, the Board of Directors of Ansaldo STS (STS.MI) has reviewed the preliminary unaudited estimates of the key consolidated data of 2017 financial statements.

The Chief Executive Officer and General Manager, Andy Barr commented: " 2017 has been one of great success in continued acquisition of new orders and project delivery in difficult market conditions. The impact of isolated contract problems in Northern Europe has been contained and the year-end outcome has been better than expected. I am working to ensure that this year will be one of strong delivery. I am particularly pleased with the team, for their effort in reaffirming the Company's commitment to being a reliable partner to many of the major rail and transit authorities worldwide."

New Orders at EUR **1,500.8** million compared to EUR 1.475,8 million at 31 December 2016; the most important acquisitions in 2017 are related to Verona-Padova high speed line project through the participation in the concession holder Iricav 2 Consortium, following the approval by the CIPE of the first functional session, and to the supply of the Communication Based Train Control (CBTC) system for the Baltimore Metro Subway Link in North America.

Order backlog is EUR **6,457.5** million (6,488.4 million at 31 December 2016).

Revenue at EUR **1,361.0** million, increased of EUR 33.6 million compared with EUR 1,327.4 million in 2016.

Operating income (EBIT) is EUR **100.8** million, a reduction of EUR 26.0 million compared with 2016. **EBIT margin (ROS – Return on Sales)** is 7.4%, compared with 9.6% in the previous year.

Net Financial Position, (cash surplus) is EUR **(357.5)** million compared with EUR (338.0) million in 2016.

Renato Gallo, 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 releases accurately represents the figures contained in the Group's accounting records.

Please note that the figures contained in this press release are currently being audited by Ernst & Young, the company responsible for the statutory audit of Ansaldo STS's financial statements. The results of the audit will be released at the same time as the annual report and accounts are approved.

The final full year 2017 results will be commented by the management of the Company once the draft financial statements are approved by the Board of Directors.

Note:

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;
- amortization 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 flow from (used in) operating activities and cash flow 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.

Net financial position or debt: is the calculation method used that 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.

Return on Sales (R.O.S.): is the ratio of EBIT to revenue.

External Relations:

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

Investor Relations:

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

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