


**Financial statements of
non-EU foreign subsidiaries
pursuant to article 15 of the
Consob Market Regulation**



Financial Statements of non-EU foreign subsidiaries

December 31st, 2017

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1 Foreword

In compliance with art. 15, paragraph 1, letter a) of the Consob Market Regulation (adopted with Resolution no. 20249 of 28 december 2017), Ansaldo STS S.p.A. thereby discloses the financial statements of its subsidiaries which are set up and governed under non-EU legislation and have been identified as relevant entities on the basis of the criteria set out in paragraph 2 of art. 15 of the Consob Market Regulation.

In particular, below, are reported the financial statements of non-EU subsidiaries as prepared in accordance with the Local Financial Reporting Standards and used, with the proper IFRS/EU adjustments, for the purposes of the consolidated financial statements of the Ansaldo STS Group as at December 31st, 2017.

2 Ansaldo STS Australia PTY Ltd

Registered Office:	11 Viola Place, Eagle Farm, QLD 4009, Brisbane, Australia
Share capital:	AUD 5,025,885
Currency:	Australian Dollar
Group ownership:	100%

2.1 Balance Sheet

AUD/000	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Current Assets				
Cash and cash equivalents	48,335	16,494	39,622	9,816
Receivables	54,215	51,583	40,670	37,019
Contract work in progress	41,782	73,248	16,733	55,511
Other financial assets	23,917	23,579	18,883	10,238
Inventories	2,314	756	1,640	223
Current Tax Assets	1,772	1,919	-	691
Other assets	5,074	5,094	216	959
Total Current Assets	177,409	172,673	117,764	114,457
Non-current assets				
Property, plant and equipment	1,789	1,840	872	1,246
Deferred tax assets	3,173	3,426	3,151	3,407
Other Financial assets	12,253	7,359	24,386	24,386
Intangible assets	-	-	82	83
Other assets	322	319	13	27
Total Non-current assets	17,537	12,944	28,504	29,149
Total assets	194,946	185,617	146,268	143,606
Current liabilities				
Payables	37,539	37,049	20,921	23,844
Advances from customers	35,545	34,893	16,327	14,737
Borrowings	23,916	32,877	-	-
Current tax liabilities	995	169	996	44
Provision for risks and charges	7,829	7,932	2,399	2,799
Other liabilities	5,752	4,544	7,773	7,079
Total current liabilities	111,576	117,464	48,416	48,503
Non-current liabilities				
Deferred tax liabilities	-	367	-	362
Provision for risks and charges	2,828	2,617	781	717
Total Non-current liabilities	2,828	2,984	781	1,079
Total Liabilities	114,404	120,448	49,197	49,582
Net assets	80,542	65,169	97,071	94,024
Net Equity				
Share Capital	38,151	38,151	38,151	38,151
Retained earnings / (Losses) carried	2,775	4,470	(173)	1,165
Reserves	39,616	22,548	59,093	54,708
Total Equity attributable to the	80,542	65,169	97,071	94,024
Minority interests				
Total Net Equity	80,542	65,169	97,071	94,024

2.2 Income Statement

AUD/000	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Revenues	172,180	185,380	123,333	159,888
Other operating income	5,348	4,780	1,654	1,158
Raw materials and consumables used	28,014	31,613	14,448	20,859
Purchase of services	69,596	84,875	55,906	75,123
Changes in inventories of work in progress, semi-finished and finished goods	(334)	971	(134)	1,134
Personnel costs	58,785	67,929	46,421	56,075
Amortization, depreciation and impairment	1,237	868	488	665
Other operating expenses	2,914	4,795	1,236	853
EBIT	17,316	(891)	6,622	6,337
Financial income / (costs)	3,131	(1,437)	1,184	(533)
Profit / (loss) before taxes	20,447	(2,328)	7,806	5,804
Income taxes	3,379	2,799	3,421	2,349
Net profit (loss)	17,068	(5,127)	4,385	3,455
Effective portion of changes of cash flow hedges	(1,236)	(418)	(1,433)	(867)
Foreign currency translation differences	(474)	745	180	487
Other comprehensive income/(loss) for the year net of tax	(1,710)	327	(1,253)	(380)
Total comprehensive profit for the year	15,358	(4,800)	3,132	3,075

3 Ansaldo STS USA Inc.

Registered Office:	2711 Centerville Road, Suite 400, Wilmington, DE 19808, USA
Share Capital:	USD 1
Currency:	US Dollar
Group ownership:	100%

3.1 Balance Sheet

Ansaldo STS USA Grp	Consolidated	
USD/000	31.12.2017	31.12.2016
Current Assets		
Cash and cash equivalents	56,344	29,911
Trade Receivables	66,623	41,006
Receivables from related parties	19,873	12,875
Amounts withheld as guarantee	5,269	7,128
Inventories	19,430	20,751
Contract work in progress	81,899	57,370
Derivatives	974	1,483
Other assets	11,278	6,489
Loan assets to related parties	-	34,948
Total Current Assets	261,690	211,961
Non-current assets		
Amounts withheld as guarantee	8,479	5,286
Property, plant and equipment	11,556	11,869
Intangible assets	332	339
Deferred tax assets	6,537	11,439
Derivatives	409	1,247
Other assets	16,506	16,842
Total Non-current assets	43,819	47,022
Total assets	305,509	258,983
Current liabilities		
Trade Payable	35,654	21,630
Payables to related parties	12,012	6,506
Employees payables	6,897	6,967
Contracts retention payables	2,307	383
Accrued Warranty Costs	1,137	616
Derivatives	1,295	1,050
Short term loan to related parties	3,569	-
Other liabilities	3,814	3,856
Advance from customers	42,535	33,468
Total current liabilities	109,220	74,476
Non-current liabilities		
Derivatives	272	511
Long term contracts retention payables	3,893	5,095
Other liabilities	129	139
Total Non-current liabilities	4,294	5,745
Total Liabilities	113,514	80,221
Net Equity		
Share Capital	-	-
Share premium reserve	159,590	159,523
Reserves	2,577	3,634
Retained earnings / (Losses) carried forward	29,828	15,605
Total Net Equity	191,995	178,762
Total Liabilities and Net Equity	305,509	258,983

3.2 Income Statement

Ansaldo STS USA Grp USD/000	Consolidated	
	31.12.2017	31.12.2016
Revenues	290,116	212,460
Cost of Sales	236,777	168,954
Gross Margin	53,339	43,506
Operating expenses		
Selling costs, overhead and administrative expenses	13,616	14,600
Research and Development costs	11,664	9,729
Parent Company coordination costs	4,078	3,224
Total operating expenses	29,358	27,553
EBIT	23,981	15,953
Gain on sale of assets	-	-
Interest expenses	23	(69)
Interest income	-	-
Other net charges	(343)	180
Profit (loss) before taxes	24,301	15,842
Deferred tax income	10,078	3,367
Profit (loss) for the year	14,223	12,475
Income and expense recognised in equity		
Gains on derivative instruments, net of taxes	(448)	802
Translation differences	(609)	(329)
Total comprehensive income (expense)	13,166	12,948