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CONSOLIDATED  
INTERIM FINANCIAL REPORT  
AT **30 SEPTEMBER 2015**



**Ansaldo STS**

A Finmeccanica Company



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*(Translation from the Italian original which remains the definitive version)*

# Directors' report

## Introduction

The group's financial performance was generally satisfactory for the first nine months of 2015 and confirms the quality of the actions taken by management in terms of effectiveness and efficiency. It is summarised in the table below:

## Key performance indicators

(€'000)	First nine months of 2015	First nine months of 2014	Change	2014
<b>New orders</b>	<b>589,331</b>	1,239,222	(649,891)	1,824,968
<b>Order backlog</b>	<b>6,029,215</b>	5,964,808	64,407	6,120,835
<b>Revenue</b>	<b>952,631</b>	870,453	82,178	1,303,508
<b>Operating profit (EBIT)</b>	<b>90,857</b>	80,668	10,189	124,492
<b>Adjusted EBIT</b>	<b>90,857</b>	85,309	5,548	130,462
<b>Profit for the period/year</b>	<b>59,527</b>	51,051	8,476	80,694
<b>Net working capital</b>	<b>81,432</b>	94,018	(12,586)	41,807
<b>Net invested capital</b>	<b>336,782</b>	325,582	11,200	281,408
<b>Net financial position</b>	<b>(276,793)</b>	(210,581)	(66,212)	(293,415)
<b>Free operating cash flow</b>	<b>23,303</b>	(8,753)	32,056	75,731
<b>ROS</b>	<b>9.5%</b>	9.3%	+ 0.2 p.p.	9.6%
<b>ROE</b>	<b>15.5%</b>	14.6%	+ 0.9 p.p.	15.0%
<b>EVA</b>	<b>39,408</b>	32,814	6,594	57,676
<b>Research and development</b>	<b>27,326</b>	21,406	5,920	33,044
<b>Headcount (no.)</b>	<b>3,759</b>	3,860	(101)	3,799

Ansaldo STS group recognised a profit of €59.5 million for the first nine months of 2015, compared to €51.1 million for the corresponding period of 2014. Revenue came to €952.6 million, up on the first nine months of 2014 (€870.5 million), and ROS was 9.5%, compared to 9.3% in the first nine months of 2014.

More specifically:

New orders totalled €589.3 million compared to €1,239.2 million for the first nine months of 2014; the order backlog amounted to €6,029.2 million (€6,120.8 million at 31 December 2014, €5,964.8 million at 30 September 2014).

Revenue came to €952.6 million, up by €82.1 million on the €870.5 million of the first nine months of 2014. The increase is mainly due to a different mix as a result of commencement of the new contracts acquired in recent years.

Operating profit (EBIT) came to €90.9 million, compared to €80.7 million for the corresponding period of the previous year, up €10.2 million. ROS was 9.5%, compared to 9.3% in the first nine months of 2014.

The profit for the period came to €59.5 million (€51.1 million for the corresponding period of 2014).

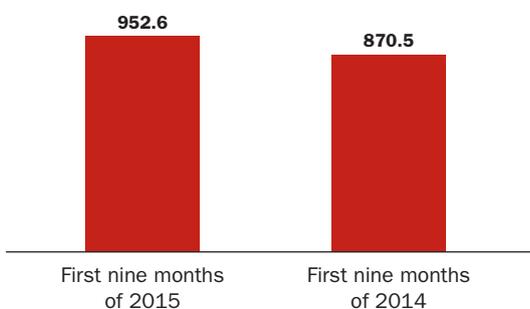
The group's net financial position decreased from €293.4 million at 31 December 2014 to €276.8 million, but increased compared to 30 September 2014 (€210.6 million).

Research and development expense recognised directly in profit or loss amounted to €27.3 million, up €5.9 million from the expense recognised in the corresponding period of the previous year (€21.4 million).

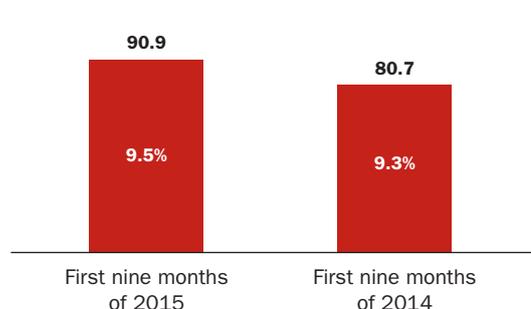
The group's headcount decreased by a net 101 employees to 3,759 from 3,860 at 30 September 2014 and 3,799 at 31 December 2014.

The average headcount of 3,755 employees fell by a net 98 employees compared to 3,853 in the first nine months of 2014 (3,854 in 2014).

### Revenue for the nine months ended 30 September 2015 (€m)



### EBIT and ROS for the nine months ended 30 September 2015 – 2014 (€M)



The reclassified income statement, reclassified statement of financial position, reclassified net financial position and reclassified statement of cash flows follow to provide further disclosure on the group's financial position, results of operations and cash flows.

The group's performance for the reporting period and corresponding period of the previous year is shown in the following table:

Reclassified income statement (€'000)	First nine months of	
	2015	2014
<b>Revenue</b>	<b>952,631</b>	<b>870,453</b>
Purchases and personnel expense (*)	(855,351)	(779,259)
Amortisation, depreciation and impairment losses	(13,655)	(11,850)
Other net operating income (**)	3,400	4,271
Change in work-in-progress, semi-finished products and finished goods	3,832	1,694
<b>Adjusted EBIT</b>	<b>90,857</b>	<b>85,309</b>
Restructuring costs	-	(4,641)
<b>Operating profit (EBIT)</b>	<b>90,857</b>	<b>80,668</b>
Net financial expense	(282)	(872)
Income taxes	(31,048)	(28,745)
<b>Profit from discontinued operations</b>	<b>59,527</b>	<b>51,051</b>
Profit for the period from continuing operations	-	-
<b>Profit for the period</b>	<b>59,527</b>	<b>51,051</b>
attributable to the owners of the parent	59,562	50,986
attributable to non-controlling interests	(35)	65
<b>Earnings per share</b>		
Basic and diluted	0.30	0.26 <sup>^</sup>

<sup>^</sup> Recalculated following the latest bonus issue of 14 July 2014.

Reconciliation between the reclassified income statement and the income statement included in the consolidated financial statements:

(\*) Includes the captions "Purchases", "Services", "Personnel expense" (net of restructuring costs) and "Accruals to (use of) the provision for expected losses to complete contracts" net of "Internal work capitalised".

(\*\*) Includes the net amount of "Other operating income" and "Other operating expense" (net of restructuring costs, impairment losses and accruals to (use of) the provision for expected losses to complete contracts).

Thanks to the larger revenue attained in both periods, the group's operating profit improved, leading to a large rise in the profit for the period.

The group's reclassified statement of financial position as at 30 September 2015 is set out below:

Statement of financial position (€'000)	30.09.2015	31.12.2014
Non-current assets	311,513	296,728
Non-current liabilities	(56,163)	(57,127)
	<b>255,350</b>	<b>239,601</b>
Inventories	125,744	106,127
Contract work in progress	371,383	304,154
Trade receivables	581,260	710,649
Trade payables	(324,513)	(368,865)
Progress payments and advances from customers	(658,625)	(686,227)
<b>Working capital</b>	<b>95,249</b>	<b>65,838</b>
Provisions for risks and charges	(10,119)	(10,422)
Other liabilities, net (*)	(3,698)	(13,609)
<b>Net working capital</b>	<b>81,432</b>	<b>41,807</b>
<b>Net invested capital</b>	<b>336,782</b>	<b>281,408</b>
Equity attributable to the owners of the parent	613,116	573,644
Equity attributable to non-controlling interests	459	1,278
<b>Equity</b>	<b>613,575</b>	<b>574,922</b>
Discontinued operations	-	99
<b>Net financial position</b>	<b>(276,793)</b>	<b>(293,415)</b>

Reconciliation between the reclassified statement of financial position and the statement of financial position included in the consolidated financial statements:

(\*) Includes "Tax assets", "Other current assets" and "Derivative assets", net of "Tax liabilities", "Other current liabilities" and "Derivative liabilities".

Net invested capital totalled €336.8 million compared to €281.4 million at 31 December 2014 (€325.6 million at 30 September 2014). The €55.4 million increase is mainly due to the rise in net working capital from €41.8 million at 31 December 2014 to €81.4 million at the reporting date (€94.0 million at 30 September 2014). Specifically, the above increase is mainly due to the greater volume of net work in progress and the decrease in trade payables, partially offset by the decrease in trade receivables.

The group's net financial position at 30 September 2015 and 31 December 2014 is made up as follows:

(€'000)	30.09.2015	31.12.2014
Current loans and borrowings	2,245	5,363
Cash and cash equivalents	(237,253)	(270,067)
<b>NET CASH AND CASH EQUIVALENTS</b>	<b>(235,008)</b>	<b>(264,704)</b>
Related party loan assets	(2,945)	(10,709)
Other loan assets	(39,161)	(30,326)
<b>LOAN ASSETS</b>	<b>(42,106)</b>	<b>(41,035)</b>
Related party loans and borrowings	321	10,351
Other current loans and borrowings	-	1,973
<b>OTHER LOANS AND BORROWINGS</b>	<b>321</b>	<b>12,324</b>
<b>NET FINANCIAL POSITION</b>	<b>(276,793)</b>	<b>(293,415)</b>

At 30 September 2015, the group's net financial position (greater loan assets and cash and cash equivalents than loans and borrowings) was €276.8 million, compared to €293.4 million at 31 December 2014 and €210.6 million at 30 September 2014.

The reclassified statement of cash flows for the period ended 30 September 2015 follows:

Statement of cash flows (€'000)	First nine months of	
	30.09.2015	30.09.2014
<b>Opening cash and cash equivalents</b>	<b>270,067</b>	<b>191,521</b>
Gross cash flows from operating activities	112,503	107,106
Changes in other operating assets and liabilities	(53,076)	(32,042)
<b>Funds from operations</b>	<b>59,427</b>	<b>75,064</b>
Change in working capital	(25,728)	(80,254)
<b>Cash flows from (used in) operating activities</b>	<b>33,699</b>	<b>(5,190)</b>
Cash flows used in ordinary investing activities	(10,396)	(3,563)
<b>Free operating cash flow</b>	<b>23,303</b>	<b>(8,753)</b>
Strategic transactions	(8,277)	(1,949)
Other changes in investing activities	-	19
<b>Cash flows used in investing activities</b>	<b>(18,673)</b>	<b>(5,493)</b>
Dividends paid	(30,755)	(28,800)
Cash flows used in financing activities	(19,110)	(8,526)
<b>Cash flows used in financing activities</b>	<b>(49,865)</b>	<b>(37,326)</b>
<b>Net exchange rate gains</b>	<b>2,025</b>	<b>2,924</b>
<b>Closing cash and cash equivalents</b>	<b>237,253</b>	<b>146,436</b>

Cash and cash equivalents increased by €90.9 million to €237.3 million at the reporting date from the balance for the corresponding period of the previous year (€146.4 million).

The Free Operating Cash Flow (FOCF) generated in the reporting period before strategic transactions totalled €23.3 million, compared to €8.8 million used in the corresponding period of the previous year.

## Non-IFRS alternative performance indicators

Ansaldo STS's management assesses the performance of the group and the business units using certain indicators that are not defined by the IFRS.

As required by CESR communication 05-178 b, the components of each of these indicators are described below:

- **Operating profit (EBIT):** the unadjusted profit before income taxes and financial income and expense. It does not include income and expense on non-consolidated equity investments and securities or the gains (losses) on the disposal of consolidated equity investments, classified in "Financial income and expense" in the financial statements or, for equity-accounted investees, in the caption "Share of profits (losses) of equity-accounted investees".
- **Adjusted EBIT:** is the EBIT as described above, net of:
  - any impairment losses on goodwill;
  - amortisation of the portion of any 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.

A reconciliation of EBIT and Adjusted EBIT for the reporting period and corresponding period of the previous year is set out below:

(€'000)	First nine months of	
	2015	2014
EBIT	90,857	80,668
Restructuring costs	-	4,641
<b>Adjusted EBIT</b>	<b>90,857</b>	<b>85,309</b>

- **Free Operating Cash-Flow (FOCF):** the sum of cash flows generated by (used in) operating activities and cash flows generated by (used in) investments in and disinvestments of property, plant and equipment, intangible assets and equity investments, net of cash flows for acquisitions or disposals of equity investments which qualify as "strategic transactions" given their nature or materiality. The method used to calculate the FOCF for the first nine months of 2015 and 2014 is shown in the reclassified statement of cash flows in the previous section.
- **Funds From Operations (FFO):** the cash flows generated by (used in) operating activities, net of changes in working capital. The method used to calculate the FFO for the first nine months of 2015 and 2014 is shown in the reclassified statement of cash flows in the previous section.
- **Economic value added (EVA):** the difference between operating profit net of income taxes and the cost of the average invested capital of the two periods under comparison, calculated using the weighted average cost of capital (WACC).
- **Working capital:** includes inventories, trade receivables and payables, work in progress and progress payments and advances from customers.
- **Net working capital:** working capital net of the current portion of provisions for risks and charges and other current assets and liabilities.
- **Net invested capital:** the sum of non-current assets, non-current liabilities and net working capital.
- **Net financial position or debt:** the calculation method used complies with paragraph 127 of CESR recommendation 05-054b, implementing EC regulation 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:** 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 period.
- **Headcount:** the number of employees recorded in the relevant register on the reporting date.
- **Return on Sales (ROS):** the ratio of operating profit to revenue.
- **Return on Equity (ROE):** the ratio of the profit or loss for the reporting period to the average amount of equity at the reporting date and the corresponding period reporting date.

- **Research and development expense:** the 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.

## Performance

### The market and commercial situation

New orders acquired during the reporting period totalled approximately €589 million (€1,239 million in the corresponding period of the previous year).

Specifically, the key events of the reporting period are described by geographical segment below:

#### ITALY

New orders total approximately €95 million and mainly relate to component, maintenance and service contracts. They include the master agreement with Trenitalia covering the repair of devices worth roughly €13 million.

#### REST OF EUROPE

New orders approximate €139 million and mainly relate to contracts acquired in France of roughly €59 million, including that with the French railways (SNCF) to develop on-board device software for high speed lines (€18 million) and that with RATP to maintain the Paris metro (roughly €6 million).

Orders in Spain, worth €11 million, are due to the extension of the maintenance contract for the Madrid-Lleida high speed line.

In Scandinavia, approximately €5 million refers to the contract in Finland for 80 on-board devices for Siemens Vectron trains, while in Sweden, orders relate to the interlocking project at the Fagersta station (€9 million) and in Denmark, approximately €14 million relates to variations to the contract for the Copenhagen metro (Cityring). Finally, the order in Switzerland refers to the contract with Siemens for the supply of on-board devices worth €10 million.

#### NORTH AFRICA AND THE MIDDLE EAST

New orders approximate €76 million and mainly consist of the order variation relating to the Iconic Stations to be built as part of the Riyadh metro project (€62 million) and the order variation relating to the contract for the maintenance of the women’s university Princess Nourah in Riyadh (€7 million).

#### AMERICAS

New orders in the United States total €76 million, including €42 million relating to the sale of components, maintenance and renovation of freight railway lines, while roughly €15 million relates to the 4<sup>th</sup>-6<sup>th</sup> Avenue project of the New York metro (NYCT).

#### ASIA PACIFIC

New orders for the reporting period come to approximately €202 million, including roughly €151 million acquired in Australia for plant on mining and freight transport railway lines (Rio Tinto) and roughly €31 million acquired in China including the supply of 160 on-board devices featuring C3 Chinese high speed technology, including BTM, (roughly €15 million). The metro sector includes the CBTC contract relating to Line 5 of the Tianjin metro (€10 million).

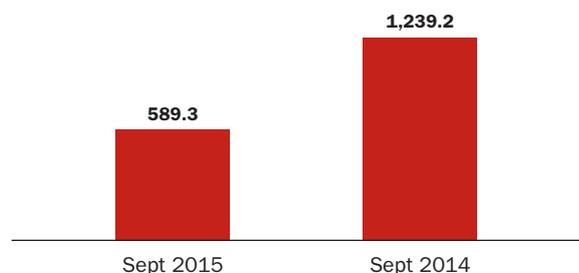
In Korea, orders amount to approximately €8 million and mainly refer to the supply of on-board devices for the Seongnam-Yeouju line (€5 million).

Finally, in India, approximately €8 million is due to the sale of components and interlockings.

Key orders acquired in the first nine months of 2015 are as follows:

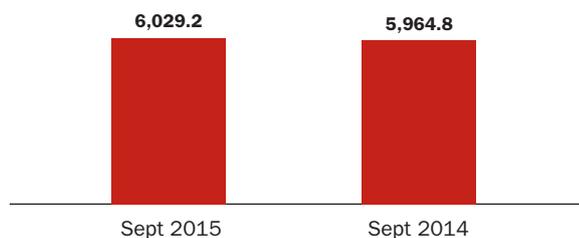
Country	Project	Customer	Amount (€m)
Australia	RAFA – (various contracts)	Rio Tinto	135
Saudi Arabia	Riyadh metro - Iconic Stations (variation)	A D A	62
France	Bistandard on-board devices	SCNF	18
USA	NYCT 4th - 6th Avenue	NYCT	15
Denmark	Copenhagen Cityringen + O&M – order variation	Metroselskabet	14
Italy	Line 6 Mergellina San Pasquale Municipio	Naples municipality	13
Italy	Repairs for Trenitalia	Trenitalia	13
Italy	CTO upgrade of Trenitalia STB rolling stock	Trenitalia	12
China	Tianjin metro - Line 5	Insignia	10
Sundry EU / Asia	Components	sundry	49
Sundry EU / Asia	Other services and maintenance	sundry	48
USA	Components	sundry	42

#### New orders for the first nine months of 2015 and 2014 (€M)



The order backlog at 30 September 2015 amounted to €6,029.2 million compared to €5,964.8 million at 31 December 2014, up by €64.4 million.

#### Order backlog at 30 September 2015 and 2014 (€M)\*



\* The order backlog at 30 September 2015 includes the residual amount of contracts in Libya, currently interrupted, worth €465.6 million.

## Business performance

The key production activities are summarised by geographical segment below.

### ITALY

Production activities on high-speed railway projects were focused on the Treviglio-Brescia section project as part of the Saturno consortium. Specifically, during the period, the laying of cables along the line commenced in addition to operations at equipment rooms.

In the on-board SCMT/ERTM systems segment, the works to install the ASTS on-board technology on the ETR1000 high speed trains of the Trenitalia fleet continued.

In the ACC business segment, production mainly related to the project for the technological upgrade of the Turin-Padua line. The 1.1.1 milestone relating to the partial completion of the project was achieved in June with the completion of the peripheral stations along the Avignana and Collegno section.

With reference to Line 6 of the Naples metro, both the civil works and the electro-mechanical installations along the Mergellina-S.Pasquale line continued. The first tests on the ground/on-board tests are expected to take place by the end of the year.

With respect to the Rome metro line C, after the Parco di Centocelle - Lodi section was opened to the public in June 2015 with the inauguration of six new stations, works continued to complete the construction of the San Giovanni station.

Completion of Line 5 of the Milan metro is expected by the end of the year with the opening to the public of the stations not yet in operation.

### REST OF EUROPE

In France, activities mainly related to on-board systems and equipment for the country's high-speed network (specifically the LGV Sud Europe Atlantique – Tours Bordeaux Tours line and the LGV Bretagne Pays de la Loire line), as well as the maintenance, assistance and production of individual parts contracts.

In Sweden, production mainly related to the Ester ERTMS project and that for the implementation of technological systems on the Stockholm Red Line metro, in relation to which tests began on the pilot line.

In Germany, activities progressed on the software development project related to the supply of on-board devices for Velaro D and Velaro Eurostar high-speed trains.

In Turkey, works to install and roll out the multi-station equipment relating to the Mersin-Toprakkale project continued at full speed, in compliance with the agreement formalised with the customer TCDD in the second half of the previous year. In relation to the Ankara metro, activation of the M1 line in DTP mode was completed, although the line has yet to be activated given the unavailability of the customer's trains. However, the aim is to complete the wayside CBTC technology for the M1, M2 and M3 lines.

In Greece, the project for the Thessaloniki metro, which is already behind schedule due to archaeological finds, the problems encountered in expropriation activities and changes in the project of civil works due to hydrogeological conditions, continued to be also affected by the country's political/economic instability. The arbitration underway to obtain the recognition of sundry greater expense and/or extra costs incurred in completing the contract is expected to be settled by year end. Meanwhile, the customer invited the consortium of which Ansaldo STS is a member to start discussions in order to reach a settlement. Based on the information currently available, at present, no significant impact is expected on the group's financial position.

In Denmark, design and procurement activities continued for the Copenhagen Cityringen project. Dynamic testing of the driverless CBTC technology began on a trial rail. Meanwhile, the activities for the design and procurement of materials for the construction of the tram line in the city of Aarhus began.

## AMERICAS

Activities for the contract related to the construction of the Honolulu metro continued, specifically design, production and construction team mobilisation. Under the revised work plan, the first part of the line is slated to open by the end of 2017.

Production for the sale of components for the existing eight product lines (Electronics, Ground Material, Relays, End of Train, Cab Signals, Highway Crossings, Component Projects and Services) continued.

In Peru, preliminary design activities continued on Lines 2 and 4 of the Lima metro, according to schedule. Civil works were affected by the delays caused by the difficulties in acquiring the areas to be expropriated.

## NORTH AFRICA AND THE MIDDLE EAST

The Libyan railway project has been halted and it is presently difficult to say when it will resume.

The arbitration procedure for the dispute with the Russian customer Zarubezhstroytechnology related to the consequences of the work suspension continued before the Vienna International Arbitral Centre. The hearing was held in Paris in September. The documentation requested during the hearing is currently being prepared.

In the United Arab Emirates, section 1 (Habshan-Ruwais) of the Abu Dhabi (Shah-Habshan-Ruwais line) project was completed and delivered to the customer.

In Saudi Arabia, the design activities for the Riyadh Metro System project are currently underway and are slated for completion by the end of the year.

## ASIA

In China, the projects related to the CBTC systems for the Chengdu, Dalian, Hangzhou, Xi'an, Zhengzhou and Shenyang metros continued according to schedule. With respect to the project for the Zhuhai cable-free tramway, some technical issues which arose during the field tests are currently being analysed. This may postpone the completion of works originally set for the end of 2015.

In Taiwan, design and production activities continued for the construction of the Taipei Metro Circular Line. The delays in civil works will further impact the construction times of the metro, which is now set to be completed in 2020.

## ASIA PACIFIC

In Australia, production activities mainly focused on projects covered by the master agreement with Rio Tinto (RAFA) and the Roy Hill project.

Specifically, with reference to the RAFA projects, works continued on AutoHaul to complete the first installation upgrade of on-board devices on locomotives.

With regard to the Roy Hill project, the wayside design was completed as was the on-board part, though behind the original schedule.

In India, production mainly focused on the KFW project, with respect to which works are set to continue after the last agreed extension date following the many variations requested by the customer. According to the last available estimate, works will not be completed until the second half of 2017. The Calcutta metro project also suffered a delay caused by civil works and the unavailability of project inputs. Conversely, the activities for the design and procurement of materials for the construction of the Mumbai Metro Navi line 1 continued at full speed.

In Korea, the Honam high-speed line, with ASTS on-board and ground systems, became operative. Works continued for the construction of on-board systems for the customer Hyundai and completion is expected by the end of the year. Meanwhile, the design and procurement activities for the additional high-speed section (60 km) continued as part of the new Sudokwon project.

## Significant transactions of the reporting period and events after the reporting period

On 24 February 2015, Hitachi Ltd. and Finmeccanica S.p.A. communicated their signing of binding agreements for Hitachi's purchase of Finmeccanica's entire equity investment in Ansaldo STS S.p.A., equal to approximately 40% of its share capital, and AnsaldoBreda S.p.A.'s current business except for certain revamping activities and specific residual contracts.

Such transaction is expected to be closed during the current year and is subject to the specific conditions typical of this kind of transaction, such as regulatory and anti-trust authorisations.

On 28 February 2015, pursuant to article 122 of Legislative decree no. 58/1998 (the Consolidated Finance Act) and implementing the regulation adopted with Consob resolution no. 11971/1999 ("Issuer regulation"), Hitachi Ltd. and Finmeccanica S.p.A. announced, for all intents and purposes, that they had entered into a share purchase agreement (the "Agreement") on 24 February 2015. As this agreement contained certain provisions designed to implement the transaction that could theoretically be construed as a shareholders' agreement, for reasons of prudence they were covered by the relevant disclosure formalities. The provisions of the Agreement relate to Ansaldo STS S.p.A.'s shares, currently held by Finmeccanica S.p.A., which represent approximately 40% of its share capital with voting rights.

The provisions of the Agreement could be theoretically construed as regulating the exercise of voting rights in a listed company and provisions limiting the transfer of the relevant shares, pursuant to article 122.1 and 5.b) of the Consolidated Finance Act.

The abstract of the agreement published pursuant to the law and key information on the significant provisions contained therein, in compliance with ruling regulations, are available on the company's internet site at <http://www.ansaldo-sts.com/it/governance/patti-parasociali>.

On 28 July 2015, following Finmeccanica S.p.A.'s request, Sergio De Luca (chairman of the board of directors), Domenico Braccialarghe (deputy chairman, non-executive director), Stefano Siragusa (chief executive officer), Barbara Poggiali (independent director), Bruno Pavesi (independent director) and Alessandra Genco (non-executive director) resigned from their directorships.

The above resignations are subject to the satisfaction of the conditions precedent set out in the purchase and sale agreement signed by Finmeccanica S.p.A. and Hitachi Ltd. on 24 February 2015 (the abstract of the agreement was published pursuant to article 122 of Legislative decree no. 58 of 24 February 1998 and is available on the company's internet site at <http://www.ansaldo-sts.com/it/governance/patti-parasociali>), being the waiver of such conditions, and will be effective on the date of appointment of the company's new board of directors.

## Financial disclosure

The official share price in the 31 December 2014 to 30 September 2015 period rose from €8.33 to €9.48. This 13.8% increase is mainly due to the binding agreements signed by Finmeccanica and Hitachi for Hitachi's purchase of Finmeccanica's entire investment in Ansaldo STS. Specifically, the transaction, which provides for a share price of €9.65 per share (less €0.15 for the dividend payout approved by Ansaldo STS's shareholders in their meeting held on 23 April 2015), is expected to be closed during the current year and is subject to the specific conditions typical of this kind of transaction.

The share's period high of €9.53 was recorded on 15 September 2015 and its low of €8.19 on 9 January 2015. An average 1,493,062 shares were traded daily in the period, compared to 1,066,820 shares traded in the corresponding period of the previous year.

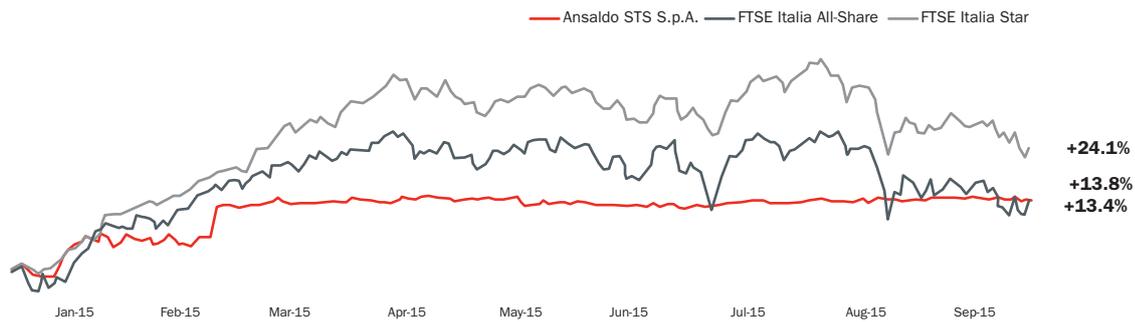
The FTSE Italia All-Share index gained 13.4%, while the FTSE Italia STAR index rose 24.1%.

## Financial disclosure

Following the merger of GTECH into ITG, effective from 7 April 2015, based on the FTSE management method, the GTECH share was excluded from the FTSE MIB index and replaced by Ansaldo STS, the first company on the reserve list.

Consequently, to date, the Ansaldo STS share, which obviously continues to be part of the FTSE Italy Star index, has been re-included in the FTSE MIB index, which consists of the 40 most-capitalised companies on the stock exchange.

### Share performance compared to the main indices (base 100)





Condensed Interim  
Consolidated Financial  
Statements at and for  
the nine months ended  
**30 September 2015**

# 1. Condensed interim consolidated financial statements

## 1.1 Income statement

(€'000)	First nine months of			
	2015	of which, related parties	2014	of which, related parties
Revenue	952,631	151,783	870,453	138,444
Other operating income	19,790	3,780	15,324	635
Purchases	(197,545)	(17,043)	(195,164)	(21,023)
Services	(420,245)	(41,852)	(358,017)	(46,318)
Personnel expense	(241,189)	-	(236,278)	-
Amortisation, depreciation and impairment losses	(13,655)	-	(11,850)	-
Other operating expense	(16,903)	(19)	(8,285)	(24)
Changes in finished goods, work-in-progress and semi-finished products	3,832	-	1,694	-
(-) Internal work capitalised	4,141	-	2,791	-
<b>Operating profit (EBIT)</b>	<b>90,857</b>		<b>80,668</b>	
Financial income	27,985	219	21,668	361
Financial expense	(33,500)	(35)	(24,183)	(28)
Share of profits/(losses) of equity-accounted investees	5,233	-	1,643	-
<b>Pre-tax profit</b>	<b>90,575</b>		<b>79,796</b>	
Income taxes	(31,048)	-	(28,745)	-
<b>Profit for the period</b>	<b>59,527</b>		<b>51,051</b>	
<i>attributable to the owners of the parent</i>	<i>59,562</i>		<i>50,986</i>	
<i>attributable to non-controlling interests</i>	<i>(35)</i>		<i>65</i>	
<b>Earnings per share</b>				
<i>Basic and diluted</i>	<i>0.30</i>		<i>0.26<sup>^</sup></i>	

<sup>^</sup> Recalculated following the bonus issue of 14 July 2014.

## 1.2 Statement of comprehensive income

(€'000)	First nine months of	
	2015	2014
<b>Profit for the period</b>	<b>59,527</b>	<b>51,051</b>
<b>Items that will never be reclassified to profit or loss:</b>		
- Net actuarial gains/(losses) on defined benefit plans	488	(2,223)
- Income tax	(134)	612
	<b>354</b>	<b>(1,611)</b>
<b>Items that will or may be reclassified to profit or loss:</b>		
- Net change in fair value of cash flow hedges	<b>1,212</b>	<b>3,282</b>
fair value losses	32	2,968
transfer to profit or loss	1,180	314
- Net exchange rate gains	11,553	11,984
- Income tax	(256)	(1,370)
- Other changes	(29)	(32)
	<b>12,480</b>	<b>13,864</b>
<b>Other comprehensive income, net of taxes</b>	<b>12,834</b>	<b>12,253</b>
<b>Comprehensive income for the period</b>	<b>72,361</b>	<b>63,304</b>
Attributable to:		
- owners of the parent	72,425	62,901
- non-controlling interests	(64)	403

## 1.3 Statement of financial position

(€'000)	30.09.2015	of which, related parties	31.12.2014	of which, related parties
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	52,822	-	52,744	-
Property, plant and equipment	86,177	-	87,543	-
Equity investments	68,759	-	55,949	-
Loans and receivables	43,944	20,872	39,919	16,371
Deferred tax assets	41,065	-	40,025	-
Other non-current assets	18,746	-	20,548	-
	<b>311,513</b>		<b>296,728</b>	
<b>Current assets</b>				
Inventories	125,744	-	106,127	-
Contract work in progress	371,383	-	304,154	-
Trade receivables	581,260	81,833	710,649	169,901
Tax assets	24,350	-	23,131	-
Loan assets	42,106	2,945	41,035	10,709
Other current assets	88,751	161	83,776	251
Cash and cash equivalents	237,253	-	270,067	-
	<b>1,470,847</b>		<b>1,538,939</b>	
Non-current assets held for sale	-	-	99	-
<b>Total assets</b>	<b>1,782,360</b>		<b>1,835,766</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	100,000	-	99,999	-
Reserves	513,116	-	473,645	-
Equity attributable to the owners of the parent	613,116		573,644	
Equity attributable to non-controlling interests	459	-	1,278	-
<b>Total equity</b>	<b>613,575</b>		<b>574,922</b>	
<b>Non-current liabilities</b>				
Employee benefits	33,131	-	34,675	-
Deferred tax liabilities	11,593	-	10,594	-
Other non-current liabilities	11,439	-	11,858	-
	<b>56,163</b>		<b>57,127</b>	
<b>Current liabilities</b>				
Progress payments and advances from customers	658,625	-	686,227	-
Trade payables	324,513	55,602	368,865	54,005
Loans and borrowings	2,566	321	17,687	10,351
Tax liabilities	13,232	-	10,269	-
Provisions for risks and charges	10,119	-	10,422	-
Other current liabilities	103,567	602	110,247	602
	<b>1,112,622</b>		<b>1,203,717</b>	
<b>Total liabilities</b>	<b>1,168,785</b>		<b>1,260,844</b>	
<b>Total liabilities and equity</b>	<b>1,782,360</b>		<b>1,835,766</b>	

## 1.4 Statement of cash flows

(€'000)	First nine months of 30.09.2015	of which, related parties	First nine months of 30.09.2014	of which, related parties
<b>Cash flows from operating activities:</b>				
Gross cash flows from operating activities	112,503	-	107,106	-
Change in working capital	(25,728)	-	(80,254)	23,202
Changes in other operating assets and liabilities	(34,835)	(4,411)	(14,026)	(3,851)
Net interest paid	1,506	184	(3,121)	333
Income taxes paid	(19,747)	-	(14,895)	-
<b>Cash flows from (used in) operating activities</b>	<b>33,699</b>		<b>(5,190)</b>	
<b>Cash flows from investing activities:</b>				
Acquisitions/coverage of losses of investees, net of cash acquired	-	-	(2)	-
Investments in property, plant and equipment and intangible assets	(10,595)	-	(3,564)	-
Cash flows used for strategic transactions	(8,277)	-	(1,949)	-
Sales of property, plant and equipment and intangible assets	199	-	1	-
Sale of equity investments and financial assets	-	-	21	-
<b>Cash flows used in investing activities</b>	<b>(18,673)</b>		<b>(5,493)</b>	
<b>Cash flows from financing activities:</b>				
Net change in other financing activities	(18,816)	(2,266)	(8,526)	(5,529)
Other changes	(294)	-	-	-
Dividends paid	(30,755)	-	(28,800)	-
<b>Cash flows used in financing activities</b>	<b>(49,865)</b>		<b>(37,326)</b>	
Net decrease in cash and cash equivalents	(34,839)	-	(48,009)	-
Net exchange rate gains	2,025	-	2,924	-
Opening cash and cash equivalents	270,067	-	191,521	-
<b>Closing cash and cash equivalents</b>	<b>237,253</b>		<b>146,436</b>	

## 1.5 Statement of changes in equity

(€'000)	Share capital	Retained earnings and consolidation reserves	Hedging reserve	Stock grant reserve	Translation reserve	Other reserves	Equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
<b>Equity at 1 January 2014</b>	<b>89,998</b>	<b>395,178</b>	<b>(438)</b>	<b>2,453</b>	<b>(17,592)</b>	<b>29,115</b>	<b>498,714</b>	<b>346</b>	<b>499,060</b>
Change in consolidation scope	-	897	-	-	68	-	965	495	1,460
Net change in stock grant reserve	-	-	-	1,232	-	-	1,232	-	1,232
Other changes	-	-	-	1	(1)	-	-	-	-
Bonus issue of 20,000,000 shares	10,000	(2,321)	-	-	-	(7,679)	-	-	-
Other comprehensive income (expense), net of taxes	-	(32)	3,282	-	11,646	(2,981)	11,915	338	12,253
Dividends	-	(28,800)	-	-	-	-	(28,800)	-	(28,800)
Net change in treasury shares	1	-	-	-	-	-	1	-	1
Profit for the period ended 30 September 2014	-	50,986	-	-	-	-	50,986	65	51,051
<b>Equity at 30 September 2014</b>	<b>99,999</b>	<b>415,908</b>	<b>2,844</b>	<b>3,686</b>	<b>(5,879)</b>	<b>18,455</b>	<b>535,013</b>	<b>1,244</b>	<b>536,257</b>
<b>Equity at 1 January 2015</b>	<b>99,999</b>	<b>445,581</b>	<b>4,015</b>	<b>4,262</b>	<b>3,458</b>	<b>16,329</b>	<b>573,644</b>	<b>1,278</b>	<b>574,922</b>
Change in consolidation scope	-	(3,897)	-	-	949	-	(2,948)	-	(2,948)
Net change in stock grant reserve	-	-	-	6	-	-	6	-	6
Other changes	-	-	-	-	-	(11)	(11)	-	(11)
Other comprehensive income, net of taxes	-	-	1,212	-	11,553	98	12,863	(29)	12,834
Dividends	-	(30,000)	-	-	-	-	(30,000)	(755)	(30,755)
Net change in treasury shares	1	(1)	-	-	-	-	-	-	-
Profit for the period ended 30 September 2015	-	59,562	-	-	-	-	59,562	(35)	59,527
<b>Equity at 30 September 2015</b>	<b>100,000</b>	<b>471,245</b>	<b>5,227</b>	<b>4,268</b>	<b>15,960</b>	<b>16,416</b>	<b>613,116</b>	<b>459</b>	<b>613,575</b>

## 2. Notes to the condensed interim consolidated financial statements at 30 September 2015

### 2.1 General information

Ansaldo STS is a company limited by shares with its registered office in Via Paolo Mantovani 3-5, Genoa, and a branch in Via Argine 425, Naples. It has been listed on the Star segment of the stock exchange managed by Borsa Italiana S.p.A. since 29 March 2006. It was included in the FTSE MIB index from 23 March 2009 to 23 March 2014 and in the FTSE Italia MID CAP index from 24 March 2014 to 6 April 2015. It was then included again in the FTSE MIB index starting from 7 April 2015.

Ansaldo STS S.p.A. is a subsidiary of Finmeccanica S.p.A., with its registered office in Piazza Monte Grappa 4, Rome, which manages and coordinates the company. The company's fully subscribed and paid-up share capital equals €100,000,000.00, comprising 200,000,000 ordinary shares of a nominal amount of €0.50 each.

Ansaldo STS group operates internationally in the design, construction and operation of signalling and transport systems for above-ground and underground railway lines, both for freight and passengers. It operates worldwide as a main contractor and supplier of turnkey systems. Ansaldo STS S.p.A., as parent, also exercises industrial and strategic guidance and control, coordinating the activities of its operating subsidiaries (together, "Ansaldo STS group" or the "group").

### 2.2 Basis of preparation

Ansaldo STS group's interim financial report at 30 September 2015 is drafted in accordance with article 154-ter.5 of Legislative decree no. 58/98 (the Consolidated Finance Act) and subsequent amendments and integrations and in accordance with IAS 34 "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB). This interim financial report was approved and authorised for publication by the board of directors in accordance with ruling legislation on 30 October 2015.

As per IAS 34 "Interim financial reporting", the notes to the condensed interim consolidated financial statements do not include all disclosures required for annual financial statements, as they refer only to those items that are essential to understand the group's financial position, results of operations and cash flows given their amount, breakdown or changes therein. These condensed interim consolidated financial statements should, therefore, be read in conjunction with the 2014 annual consolidated financial statements.

The accounting policies used for the condensed interim consolidated financial statements are unchanged from those of the 2014 annual consolidated financial statements.

Amounts are shown in thousands or millions of euros unless stated otherwise.

Preparation of the condensed interim consolidated financial statements required management to make estimates.

## 2.3 Consolidation scope

Ansaldo STS group's condensed interim consolidated financial statements at 30 September 2015 include the interim financial statements at 30 September 2015 of the companies/entities in the consolidation scope (the "consolidated entities") drafted pursuant to the IFRS applied by Ansaldo STS group. The consolidated entities are listed below, showing the group's related direct or indirect interest therein:

### Companies consolidated on a line-by-line basis

NAME	INVESTMENT TYPE	REGISTERED OFFICE	SHARE/ QUOTA CAPITAL ('000)	CURRENCY	INVESTMENT %
ANSALDO STS AUSTRALIA PTY LTD	Direct	Eagle Farm (Australia)	5,026	AUD	100
ANSALDO STS SWEDEN AB	Direct	Solna (Sweden)	4,000	SEK	100
ANSALDO STS UK LTD	Direct	London (United Kingdom)	1,000	GBP	100
ANSALDO STS IRELAND LTD 1	Direct	Tralee (Ireland)	100	EUR	100
ACELEC Société par actions simplifiée	Indirect	Les Ulis (France)	168	EUR	100
ANSALDO STS ESPAÑA S.A.U.	Indirect	Madrid (Spain)	1,500	EUR	100
ANSALDO STS BEIJING LTD	Indirect	Beijing (China)	837	EUR	80
ANSALDO STS HONG KONG LTD	Indirect	Hong Kong (China)	100	HKD	100
ANSALDO STS FRANCE Société par actions simplifiée	Direct	Les Ulis (France)	5,000	EUR	100
UNION SWITCH & SIGNAL INC	Indirect	Wilmington (Delaware USA)	1	USD	100
ANSALDO STS MALAYSIA SDN BHD	Indirect	Petaling Jaya (Malaysia)	3,000	MYR	100
ANSALDO STS CANADA INC	Indirect	Kingstone (Canada)	-	CAD	100
ANSALDO STS USA INC	Direct	Wilmington (Delaware USA)	0,001	USD	100
ANSALDO STS USA INTERNATIONAL CO	Indirect	Wilmington (Delaware USA)	1	USD	100
ANSALDO STS TRANSPORTATION SYSTEMS INDIA PVT LTD	Indirect	Bangalore (India)	4,212,915	INR	100
ANSALDO STS DEUTSCHLAND GMBH	Direct	Munich (Germany)	26	EUR	100
ANSALDO RAILWAY SYSTEM TRADING (BEIJING) LTD	Direct	Beijing (China)	1,500	USD	100
ANSALDO STS SOUTHERN AFRICA PTY LTD	Indirect	Gaborone (Botswana)	0.1	BWP	100

1. In order to boost group efficiency, on 16 December 2014, the board of directors authorised the early dissolution and, consequently, the liquidation of the subsidiary, Ansaldo STS Ireland LTD, now inactive. The process began in January 2015 and was completed on 21 August 2015.

### Companies measured using the equity method

NAME	INVESTMENT TYPE	REGISTERED OFFICE	SHARE/ QUOTA CAPITAL ('000)	CURRENCY	INVESTMENT %
ALIFANA SCARL	Direct	Naples (Italy)	26	EUR	65.85
ALIFANA DUE SCARL	Direct	Naples (Italy)	26	EUR	53.34
PEGASO SCARL (in liq.)	Direct	Rome (Italy)	260	EUR	46.87
METRO 5 S.p.A.	Direct	Milan (Italy)	53,300	EUR	24.6
Metro Brescia S.r.l.	Direct	Brescia (Italy)	4,020	EUR	19.796
INTERNATIONAL METRO SERVICE S.r.l.	Direct	Milan (Italy)	700	EUR	49
BALFOUR BEATTY ANSALDO SYSTEMS JV SDN BHD	Indirect	Kuala Lumpur (Malaysia)	6,000	MYR	40
KAZAKHSTAN TZ-ANSALDO STS ITALY LLP*	Direct	Astana (Kazakhstan)	22,000	KZT	49

\* In its meeting of 26 June 2013, Ansaldo STS's board of directors approved the dissolution of the JV with JSC Remlokomotiv and authorised the early closure and liquidation of Kazakhstan TZ-Ansaldo STS Italy LLP. The liquidation is currently underway. Based on the information available to directors, to date, the above transactions will not generate significant liabilities for Ansaldo STS group.

## 2.4 Exchange rates adopted

The following exchange rates were adopted to translate the foreign currency financial statements and balances for the reporting period and the corresponding period of the previous year:

	<b>Spot rate at 30/09/2015</b>	<b>Average rate for the nine months ended 30/09/2015</b>	Spot rate at 30/09/2014	Average rate for the nine months ended 30/09/2014
USD	1.11700	1.11499	1.27320	1.35572
CAD	1.49210	1.40294	1.41480	1.48315
GBP	0.73520	0.73096	0.78070	0.81221
HKD	8.65690	8.64462	9.87720	10.51320
SEK	9.45270	9.37480	9.21320	9.03810
AUD	1.59670	1.46180	1.44830	1.47665
INR	73.83910	70.85987	77.98410	82.32484
MYR	4.94100	4.21244	4.15180	4.39621
BRL	4.47870	3.51798	3.08500	3.10563
CNY	7.10990	6.96790	7.79910	8.35984
VEB	7,028.28000	7,015.08556	8,011.10000	8,530.26222
BWP	11.81770	11.06356	11.73270	12.01943
ZAR	15.67280	13.68553	14.23430	14.54297
KZT	301.64100	219.01086	231.58900	242.17021
AED	4.10051	4.09325	4.67622	4.97950
KRW	1,334.11000	1,251.92205	1,330.36000	1,412.66366
JPY	134.13000	134.76953	138.93000	139.54938

### 3. Segment reporting

A breakdown of revenue by geographical segment is as follows:

(€'000)	First nine months of 2015	First nine months of 2014
Italy	220,155	188,838
Rest of Europe	226,924	239,717
North Africa and the Middle East	46,037	63,587
Americas	180,250	112,702
Asia/Pacific	279,265	265,609
<b>Total</b>	<b>952,631</b>	<b>870,453</b>

Property, plant and equipment and intangible assets may be broken down by the geographical segment in which the investment was made as follows:

(€'000)	30.09.2015	30.09.2014
Italy	113,306	112,223
Rest of Europe	11,813	13,674
North Africa and Middle East	137	120
Americas	12,058	11,810
Asia/Pacific	1,685	2,460
<b>Total</b>	<b>138,999</b>	<b>140,287</b>

## 4. Notes to the condensed interim consolidated financial statements at 30 September 2015

### Related party assets and liabilities

Related party trading transactions generally take place on an arm's length basis. The relevant statement of financial position balances are shown below. The statement of cash flows presents the impact of related party transactions on cash flows.

<b>LOANS AND RECEIVABLES AT 30.09.2015 (€'000)</b>	<b>Non-current loan assets</b>	<b>Other non-current financial assets</b>	<b>Current loan assets</b>	<b>Trade receivables</b>	<b>Other current financial assets</b>	<b>Total</b>
<b>Ultimate parent</b>						
Finmeccanica S.p.A.	-	-	156	227	157	<b>540</b>
<b>Subsidiaries</b>						
Alifana S.c.r.l.	-	-	-	98	-	<b>98</b>
Alifana Due S.c.r.l.	-	-	-	444	-	<b>444</b>
<b>Joint ventures</b>						
Balfour Beatty Ansaldo Syst. JV SDN BHD	-	-	-	4,499	-	<b>4,499</b>
<b>Associates</b>						
International Metro Service S.r.l.	-	-	-	123	-	<b>123</b>
Metro 5 S.p.A.	-	20,394	-	6,753	-	<b>27,147</b>
Metro Brescia S.r.l.	-	-	-	188	-	<b>188</b>
Metro Service A.S.	-	-	-	866	-	<b>866</b>
<b>Consortia</b>						
Saturno consortium	-	-	-	4,548	-	<b>4,548</b>
SP M4 S.C.p.A.	-	-	2,789	-	-	<b>2,789</b>
Ascosa Quattro consortium	-	-	-	1,157	-	<b>1,157</b>
Ferrovioario Vesuviano consortium	-	-	-	1,168	-	<b>1,168</b>
MM4 consortium	-	182	-	5,894	-	<b>6,076</b>
San Giorgio Volla Due consortium	-	-	-	365	4	<b>369</b>
San Giorgio Volla consortium	-	-	-	1,421	-	<b>1,421</b>
<b>Other group companies</b>						
AnsaldoBreda S.p.A.	-	-	-	4,301	-	<b>4,301</b>
Selex ES S.p.A.	-	-	-	743	-	<b>743</b>
MDBA Italia S.p.A.	-	-	-	33	-	<b>33</b>
Finmeccanica Global Services S.p.A.	-	-	-	82	-	<b>82</b>
Metro de Lima linea 2 S.A.	-	296	-	-	-	<b>296</b>
I.M. Intermetro S.p.A. (in liq.)	-	-	-	331	-	<b>331</b>
<b>Other - MEF</b>						
Ferrovie dello Stato group	-	-	-	37,191	-	<b>37,191</b>
Eni group	-	-	-	11,401	-	<b>11,401</b>
<b>Total</b>	<b>-</b>	<b>20,872</b>	<b>2,945</b>	<b>81,833</b>	<b>161</b>	<b>105,811</b>
<b>% of the total corresponding condensed interim consolidated financial statements caption</b>		<b>47%</b>	<b>7%</b>	<b>14%</b>	<b>0.2%</b>	

LOANS AND RECEIVABLES AT 31.12.2014 (€'000)	Non-current loan assets	Other non-current financial assets	Current loan assets	Trade receivables	Other current financial assets	Total
<b>Ultimate parent</b>						
Finmeccanica S.p.A.	-	-	-	76	154	230
<b>Subsidiaries</b>						
Alifana S.c.r.l.	-	-	-	95	-	95
Alifana Due S.c.r.l.	-	-	-	404	-	404
<b>Associates</b>						
International Metro Service S.r.l.	-	-	-	105	-	105
Metro 5 S.p.A.	-	15,816	-	5,298	-	21,114
Metro Service A.S.	-	-	-	1,434	-	1,434
SP M4 S.C.p.A.	-	-	10,709	162	-	10,871
Metro 5 Lilla S.r.l.	-	-	-	33,419	-	33,419
Metro Brescia S.r.l.	-	373	-	122	-	495
<b>Joint ventures</b>						
Balfour Beatty Ansaldo Systems J.V. Sdn Bhd	-	-	-	7,559	-	7,559
<b>Consortia</b>						
Saturno consortium	-	-	-	21,021	-	21,021
Ascosa Quattro consortium	-	-	-	1,157	-	1,157
Ferroviano Vesuviano consortium	-	-	-	7,361	-	7,361
MM4 consortium	-	182	-	5,192	-	5,374
San Giorgio Volla Due consortium	-	-	-	494	4	498
San Giorgio Volla consortium	-	-	-	1,421	-	1,421
<b>Other group companies</b>						
AnsaldoBreda S.p.A.	-	-	-	7,870	93	7,963
Selex ES S.p.A.	-	-	-	780	-	780
Finmeccanica Global Service S.p.A.	-	-	-	45	-	45
I.M. Intermetro S.p.A. (in liq.)	-	-	-	331	-	331
<b>Other – MEF</b>						
Ferrovie dello Stato group	-	-	-	64,217	-	64,217
Eni group	-	-	-	11,338	-	11,338
<b>Total</b>	-	<b>16,371</b>	<b>10,709</b>	<b>169,901</b>	<b>251</b>	<b>197,232</b>
<b>% of the total corresponding financial statements caption</b>		<b>41%</b>	<b>26%</b>	<b>24%</b>	<b>0.3%</b>	

<b>FINANCIAL LIABILITIES AT 30.09.2015 (€'000)</b>	<b>Non-current loans and borrowings</b>	<b>Other non-current financial liabilities</b>	<b>Current loans and borrowings</b>	<b>Trade payables</b>	<b>Other current financial liabilities</b>	<b>Total</b>
<b>Ultimate parent</b>						
Finmeccanica S.p.A.	-	-	-	636	-	<b>636</b>
<b>Subsidiaries</b>						
Alifana S.c.r.l.	-	-	-	-	3	<b>3</b>
Alifana Due S.c.r.l.	-	-	-	213	-	<b>213</b>
<b>Joint ventures</b>						
Balfour Beatty Ansaldo Syst. JV SDN BHD	-	-	-	10	-	<b>10</b>
<b>Associates</b>						
Metro Service S.A.	-	-	-	6,142	-	<b>6,142</b>
Metro Brescia S.r.l.	-	-	-	142	-	<b>142</b>
SP M4 S.C.p.A.	-	-	-	503	-	<b>503</b>
Metro 5 S.p.A.	-	-	-	239	-	<b>239</b>
Pegaso S.c.r.l. (in liq.)	-	-	-	(99)	-	<b>(99)</b>
<b>Consortia</b>						
Saturno consortium	-	-	-	1,772	5	<b>1,777</b>
Ascosa Quattro consortium	-	-	-	132	8	<b>140</b>
San Giorgio Volla Due consortium	-	-	-	8	-	<b>8</b>
Ferroviano Vesuviano consortium	-	-	-	-	8	<b>8</b>
San Giorgio Volla consortium	-	-	-	1	8	<b>9</b>
Cris consortium	-	-	-	1	-	<b>1</b>
MM4 consortium	-	-	-	443	-	<b>443</b>
<b>Other group companies</b>						
Finmeccanica Global Service S.p.A.	-	-	-	240	-	<b>240</b>
Telespazio S.p.A.	-	-	-	1	-	<b>1</b>
AnsaldoBreda S.p.A.	-	-	321	5,357	-	<b>5,678</b>
Selex ES S.p.A.	-	-	-	38,894	200	<b>39,094</b>
Fata Logistic System S.p.A.	-	-	-	460	-	<b>460</b>
MetroB S.r.l.	-	-	-	-	370	<b>370</b>
E-Geos S.p.A.	-	-	-	61	-	<b>61</b>
<b>Other – MEF</b>						
Ferrovie dello Stato group	-	-	-	438	-	<b>438</b>
Eni group	-	-	-	1	-	<b>1</b>
ENEL group	-	-	-	7	-	<b>7</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>321</b>	<b>55,602</b>	<b>602</b>	<b>56,525</b>
<b>% of the total corresponding condensed interim consolidated financial statements caption</b>			<b>13%</b>	<b>17%</b>	<b>0.6%</b>	

FINANCIAL LIABILITIES AT 31.12.2014 (€'000)	Non-current loans and borrowings	Other non-current financial liabilities	Current loans and borrowings	Trade payables	Other current financial liabilities	Total
<b>Ultimate parent</b>						
Finmeccanica S.p.A.	-	-	10,351	877	-	11,228
<b>Subsidiaries</b>						
Alifana S.c.r.l.	-	-	-	129	3	132
Alifana Due S.c.r.l.	-	-	-	395	-	395
<b>Joint ventures</b>						
Balfour Beatty Ansaldo Syst. JV SDN BHD	-	-	-	11	-	11
<b>Associates</b>						
Metro Service S.A.	-	-	-	1,390	-	1,390
Metro Brescia S.r.l.	-	-	-	69	-	69
Metro 5 S.p.A.	-	-	-	1	-	1
Pegaso S.c.r.l. (in liq.)	-	-	-	64	-	64
<b>Consortia</b>						
Saturno consortium	-	-	-	432	5	437
Ascosa Quattro consortium	-	-	-	132	8	140
San Giorgio Volla Due consortium	-	-	-	97	-	97
Ferroviano Vesuviano consortium	-	-	-	157	8	165
San Giorgio Volla consortium	-	-	-	29	8	37
MM4 consortium	-	-	-	230	-	230
Cris consortium	-	-	-	1	-	1
<b>Other group companies</b>						
Finmeccanica Global Service S.p.A.	-	-	-	562	-	562
AnsaldoBreda S.p.A.	-	-	-	1,954	-	1,954
Selex ES S.p.A.	-	-	-	45,966	200	46,166
Fata Logistic System S.p.A.	-	-	-	462	-	462
Fata S.p.A.	-	-	-	82	-	82
DRS Technologies	-	-	-	2	-	2
MetroB S.r.l.	-	-	-	-	370	370
E-Geos S.p.A.	-	-	-	17	-	17
<b>Other – MEF</b>						
Ferrovie dello Stato group	-	-	-	933	-	933
Eni group	-	-	-	6	-	6
Enel group	-	-	-	7	-	7
<b>Total</b>	-	-	<b>10,351</b>	<b>54,005</b>	<b>602</b>	<b>64,958</b>
<b>% of the total corresponding financial statements caption</b>			<b>59%</b>	<b>15%</b>	<b>1%</b>	

Specifically, trade receivables due from related parties decreased mainly with regard to ENI group, Saturno consortium and Metro 5 Lilla S.p.A.. Trade payables were substantially in line with the 31 December 2014 balance.

**Non-current assets**

Non-current assets totalled €311,513 thousand at 30 September 2015, as follows:

(€'000)	30.09.2015	31.12.2014
Intangible assets	52,822	52,744
Property, plant and equipment	86,177	87,543
Equity investments	68,759	55,949
Loans and receivables	43,944	39,919
Deferred tax assets	41,065	40,025
Other non-current assets	18,746	20,548
<b>Total</b>	<b>311,513</b>	<b>296,728</b>

Specifically:

- intangible assets amount to €52,822 thousand and mainly include goodwill (€34,569 thousand). The group recognised intangible assets of €3,717 thousand relating to the Satellite and Rail Telecom project during the period. Acquisitions and amortisation for the period totalled €2,179 thousand and €4,888 thousand, respectively;
- property, plant and equipment of €86,177 thousand mainly include the parent's properties. They increased by €390 thousand during the period. Acquisitions and depreciation for the period totalled €4,275 thousand and €6,773 thousand, respectively;
- equity investments amount to €68,759 thousand, up by €12,810 thousand on 31 December 2014. The increase is mainly due to the subscription of Metro de Lima Linea 2 S.A. (€9,293 thousand) and the SPE Linea M4 S.p.A. (€1,576 thousand) shares, both measured at cost. Furthermore, equity-accounted investments rose mainly as a consequence of the change in Metro 5 S.p.A.'s equity (€1,368 thousand) and International Metro Service S.r.l.'s equity (€742 thousand);
- non-current loans and receivables rose by €4,025 thousand to €43,944 thousand, mainly relating to the parent Ansaldo STS S.p.A. in respect of the advance paid to Metro 5 S.p.A. increased by the related interest;
- deferred tax assets increased by €1,040 thousand to €41,065 thousand at 31 December 2014, principally relating to the parent;
- other non-current assets of €18,746 thousand show a decrease of €1,802 thousand, mostly due to the reduction of the non-current prepaid trademark licence fees.

**Non-current liabilities**

Non-current liabilities of €56,163 thousand at the reporting date are made up as follows:

(€'000)	30.09.2015	31.12.2014
Employee benefits	33,131	34,675
Deferred tax liabilities	11,593	10,594
Other non-current liabilities	11,439	11,858
<b>Total</b>	<b>56,163</b>	<b>57,127</b>

Specifically:

- the employee benefits, which include the Italian post-employment benefits and other employee benefit obligations, decreased €1,544 thousand to €33,131 thousand compared to 31 December 2014;
- deferred tax liabilities increased by €999 thousand to €11,593 thousand;
- other non-current liabilities decreased €419 thousand to €11,439 thousand.

## Inventories

Inventories totalled €125,744 thousand at the reporting date. The caption can be analysed as follows:

(€'000)	30.09.2015	31.12.2014
Raw materials, consumables and supplies	22,673	17,562
Work-in-progress and semi-finished products	14,603	11,610
Finished goods	12,246	9,943
Advances to suppliers	76,222	67,012
<b>Total</b>	<b>125,744</b>	<b>106,127</b>

The net increase for the period of €19,617 thousand is mainly due to the increase in advances to suppliers (€9,210 thousand).

## Work-in-progress, net of progress payments and advances from customers

Work-in-progress, net of progress payments and advances from customers, is a negative €287,242 thousand. It can be analysed as follows:

(€'000)	30.09.2015	31.12.2014
Advances from customers	(59,862)	(58,719)
Progress payments	(1,869,969)	(1,549,862)
Work-in-progress	2,346,353	1,960,511
Provision for expected losses to complete contracts	(17,579)	(15,619)
Allowance for write-down	(27,560)	(32,157)
<b>Work-in-progress (net)</b>	<b>371,383</b>	<b>304,154</b>
Advances from customers	(397,787)	(382,968)
Progress payments	(3,327,955)	(3,860,208)
Work-in-progress	3,083,282	3,567,751
Provision for expected losses to complete contracts	(4,765)	(5,602)
Allowance for write-down	(11,400)	(5,200)
<b>Progress payments and advances from customers (net)</b>	<b>(658,625)</b>	<b>(686,227)</b>
<b>Work-in-progress, net of progress payments and advances from customers</b>	<b>(287,242)</b>	<b>(382,073)</b>

The overall carrying amount increased by €94,831 thousand mainly due to production in excess of revenue.

## Trade receivables and payables

Trade receivables and payables are made up as follows:

(€'000)	30.09.2015		31.12.2014	
	Trade receivables	Trade payables	Trade receivables	Trade payables
Third parties	499,427	268,911	540,748	314,860
<b>Total third parties</b>	<b>499,427</b>	<b>268,911</b>	<b>540,748</b>	<b>314,860</b>
Related parties	81,833	55,602	169,901	54,005
<b>Total</b>	<b>581,260</b>	<b>324,513</b>	<b>710,649</b>	<b>368,865</b>

The overall amount of both trade receivables and payables decreased on the previous year-end balances. Specifically, related party trade receivables fell by €88,068 thousand, mainly following the smaller receivables from the Eni group, Saturno consortium and Metro 5 Lilla S.p.A. while third party trade payables decreased by €45,949 thousand.

## Provisions for risks and charges

Provisions for risks and charges amount to €10,119 thousand at 30 September 2015 and are substantially in line with 31 December 2014 (€10,422 thousand).

## Other assets/liabilities

Other current liabilities, net, of €14,816 thousand, are made up as follows:

(€'000)	30.09.2015		31.12.2014	
	Assets	Liabilities	Assets	Liabilities
Prepayments - current portion	8,836	-	11,133	-
Research grants	17,105	-	15,148	-
Employees	1,193	36,663	1,264	40,119
Social security institutions	95	14,160	109	16,048
Indirect and other tax assets	41,596	8,013	32,745	13,691
Derivatives	7,847	10,826	8,435	5,194
Other assets / other liabilities	11,918	33,303	14,691	34,593
<b>Total</b>	<b>88,590</b>	<b>102,965</b>	<b>83,525</b>	<b>109,645</b>
Other assets / Other related party liabilities	161	602	251	602
<b>Total</b>	<b>88,751</b>	<b>103,567</b>	<b>83,776</b>	<b>110,247</b>

Details of the main items are set out below:

- prepayments of €8,836 thousand decreased by €2,297 thousand, mainly due to the prepaid insurance premiums and prepaid commissions on sureties reclassified to profit or loss;
- net liabilities to employees of €35,470 thousand decreased by €3,385 thousand on 31 December 2014 mainly due to the deferred remuneration recognised in the period;
- net indirect and other tax assets increased by €14,529 thousand to €33,583 thousand from €19,054 thousand at 31 December 2014, due to a higher VAT credit;
- other liabilities, net, of €21,385 thousand are basically unchanged from 31 December 2014 (€19,902 thousand);
- net related parties liabilities (€441 thousand) are in line with the balance at 31 December 2014 (€351 thousand).

## Financial disclosure

The following disclosure is required by CONSOB communication no. DEM/6064293 of 28 July 2006.

(€'000)	30.09.2015	31.12.2014
A Cash-in-hand	146	105
B Other cash and cash equivalents (bank current accounts)	237,107	269,962
C Securities held for trading	-	-
<b>D CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>237,253</b>	<b>270,067</b>
<b>E CURRENT LOAN ASSETS</b>	<b>42,106</b>	<b>41,035</b>
F Current bank loans and borrowings	2,245	5,363
G Current portion of non-current loans and borrowings	-	-
H Other current loans and borrowings	321	12,324
<b>I CURRENT FINANCIAL DEBT (F+G+H)</b>	<b>2,566</b>	<b>17,687</b>
<b>J NET CURRENT FINANCIAL POSITION (I-E-D)</b>	<b>(276,793)</b>	<b>(293,415)</b>
K Non-current bank loans and borrowings	-	-
L Bonds issued	-	-
M Other non-current financial liabilities	-	-
<b>N NON-CURRENT FINANCIAL DEBT (POSITION) (K+L+M)</b>	<b>-</b>	<b>-</b>
<b>O NET FINANCIAL POSITION (J+N)</b>	<b>(276,793)</b>	<b>(293,415)</b>

## Analysis of the income statement

### Impact of related party transactions on profit or loss

Related party trading transactions generally take place on an arm's length basis. The relevant income statement balances are shown below.

First nine months of 2015 (€'000)	Revenue	Other operating income	Costs	Financial income	Financial expense	Other operating expense
<b>Ultimate parent</b>						
Finmeccanica S.p.A.	-	-	4,061	17	35	18
<b>Subsidiaries</b>						
Alifana Due S.c.r.l.	155	-	126	-	-	-
<b>Associates</b>						
Metro 5 S.p.A.	20,154	3,729	53	-	-	-
International Metro Service S.r.l.	(38)	6	-	-	-	-
Pegaso S.c.r.l. (in liq.)	-	-	95	-	-	-
Metro Service S.A.	-	-	26,234	-	-	-
Metro Brescia S.r.l.	265	45	60	11	-	-
<b>Joint ventures</b>						
Balfour Beatty Ansaldo Syst. JV SDN BHD	(610)	-	-	-	-	-
<b>Consortia</b>						
Saturno consortium	12,871	-	1,452	-	-	-
SanGiorgio Volla 2 consortium	204	-	70	-	-	-
Ferrovio Vesuviano consortium	(994)	-	49	-	-	-
SP M4 S.C.p.A.	-	-	503	191	-	-
MM4 consortium	12,293	-	694	-	-	-
Cris consortium	-	-	1	-	-	-
SanGiorgio Volla consortium	(80)	-	(4)	-	-	-
<b>Other group companies</b>						
AnsaldoBreda S.p.A.	14,364	-	12,117	-	-	-
Fata Logistic System S.p.A.	-	-	1,199	-	-	-
Fata S.p.A.	-	-	195	-	-	-
Finmeccanica Global Service S.p.A.	-	-	215	-	-	1
Finmeccanica U.K. Ltd	-	-	103	-	-	-
Selex ES S.p.A.	98	-	10,218	-	-	-
Telespazio S.p.A.	-	-	1	-	-	-
E-Geos S.p.A.	-	-	65	-	-	-
<b>Other - MEF</b>						
Ferrovie dello Stato group	86,530	-	1,319	-	-	-
Eni group	6,571	-	10	-	-	-
Enel group	-	-	59	-	-	-
<b>Total</b>	<b>151,783</b>	<b>3,780</b>	<b>58,895</b>	<b>219</b>	<b>35</b>	<b>19</b>
<b>% of the total corresponding condensed interim consolidated financial statements caption</b>	<b>16%</b>	<b>19.1%</b>	<b>10%</b>	<b>1%</b>	<b>0.1%</b>	<b>0.1%</b>

First nine months of 2014 (€'000)	Revenue	Other operating income	Costs	Financial income	Financial expense	Other operating expense
<b>Ultimate parent</b>						
Finmeccanica S.p.A.	-	-	3,260	47	28	-
<b>Subsidiaries</b>						
Alifana S.c.r.l.	-	-	(2)	-	-	-
Alifana Due S.c.r.l.	(1,198)	-	290	-	-	-
<b>Associates</b>						
Metro 5 S.p.A.	1,733	613	7	-	-	-
Metro 5 Lilla S.r.l.	10,729	-	114	-	-	-
International Metro Service S.r.l.	-	17	-	-	-	-
Pegaso S.c.r.l. (in liq.)	-	-	345	-	-	-
Metro Service S.A.	-	-	32,042	-	-	-
Metro Brescia S.r.l.	72	-	(12)	-	-	-
<b>Joint ventures</b>						
Balfour Beatty Ansaldo Syst. JV SDN BHD	10,525	-	13	-	-	-
<b>Consortia</b>						
Saturno consortium	11,272	-	1,258	-	-	-
Ascosa Quattro consortium	35	-	27	-	-	-
SanGiorgio Volla 2 consortium	306	-	-	-	-	-
SP M4 S.C.p.A.	-	-	-	314	-	-
Cesit consortium	-	-	-	-	-	24
MM4 consortium	7,844	-	827	-	-	-
San Giorgio Volla consortium	4	-	(3)	-	-	-
<b>Other group companies</b>						
AnsaldoBreda S.p.A.	2,946	-	17,035	-	-	-
AnsaldoBreda España SLU	(5)	-	-	-	-	-
I.M. Intermetro S.p.A. (in liq.)	1	-	-	-	-	-
Fata Logistic System S.p.A.	-	-	1,149	-	-	-
Fata S.p.A.	-	-	161	-	-	-
Finmeccanica Global Services S.p.A.	-	5	258	-	-	-
Finmeccanica U.K. Ltd	-	-	95	-	-	-
Selex ES S.p.A.	205	-	9,327	-	-	-
Telespazion S.p.A.	-	-	2	-	-	-
E-Geos S.p.A.	-	-	20	-	-	-
Electron Italia S.r.l.	4	-	-	-	-	-
<b>Other – MEF</b>						
Ferrovie dello Stato group	78,865	-	1,049	-	-	-
Eni group	15,106	-	13	-	-	-
Enel group	-	-	66	-	-	-
<b>Total</b>	<b>138,444</b>	<b>635</b>	<b>67,341</b>	<b>361</b>	<b>28</b>	<b>24</b>
<b>% of the total corresponding condensed interim consolidated financial statements caption</b>	<b>16%</b>	<b>4.1%</b>	<b>12%</b>	<b>1.7%</b>	<b>0.1%</b>	<b>0.3%</b>

The overall volume of revenue with related parties in the reporting period increased on the corresponding period of the previous year, mainly due to Ferrovie dello Stato group, while lower costs were incurred by Ansaldo Breda S.p.A..

## Revenue

Revenue rose €82,178 thousand to €952,631 thousand from €870,453 thousand for the corresponding period of the previous year (reference should be made to the directors' report for further details).

## Other operating income

Specifically:

(€'000)	First nine months of	
	2015	2014
R&D grants	1,941	2,947
Gains on sales of property, plant and equipment and intangible assets	98	6
Reversals of provisions for risks and charges	515	210
Royalties	212	363
Financial income and exchange rate gains on operating items	10,408	8,722
Tax asset for R&D	1,595	1,935
Other operating income	1,241	506
<b>Other third party operating income</b>	<b>16,010</b>	<b>14,689</b>
<b>Other related party operating income</b>	<b>3,780</b>	<b>635</b>
<b>Total other operating income</b>	<b>19,790</b>	<b>15,324</b>

Other operating income amounted to €19,790 thousand, up €4,466 thousand compared to €15,324 thousand in the corresponding period of the previous year. The increase is related to the rise in financial income and exchange rate gains on operating items.

## Purchases and services

Purchases and services increased by €64,609 thousand as a result of larger production volumes.

(€'000)	First nine months of	
	2015	2014
Materials	184,688	179,555
Change in inventories	(4,186)	(5,414)
Services	363,619	293,558
Rentals and operating leases	14,774	18,141
<b>Total third party purchases and services</b>	<b>558,895</b>	<b>485,840</b>
<b>Total related party purchases and services</b>	<b>58,895</b>	<b>67,341</b>
<b>Total purchases and services</b>	<b>617,790</b>	<b>553,181</b>

## Personnel expense

Personnel expense increased to €241,189 thousand from €236,278 thousand in the corresponding period of the previous year.

(€'000)	First nine months of	
	2015	2014
Wages and salaries	188,368	181,858
Stock grant plans	1,547	1,430
Social security and pension contributions	42,086	40,211
Italian post-employment benefits	237	196
Other defined benefit plans	502	352
Other defined contribution plans	2,907	2,901
Recovery of personnel expense	(1,053)	(1,705)
Restructuring costs	-	4,641
Other costs	6,595	6,394
<b>Total personnel expense</b>	<b>241,189</b>	<b>236,278</b>

**Amortisation, depreciation and impairment losses**

Specifically:

(€'000)	First nine months of	
	2015	2014
Amortisation and depreciation:		
- intangible assets	4,888	3,975
- property, plant and equipment	6,773	6,780
	<b>11,661</b>	<b>10,755</b>
Impairment losses:		
non-current assets	-	2
current loans and receivables	1,994	1,093
	<b>1,994</b>	<b>1,095</b>
<b>Total amortisation, depreciation and impairment losses</b>	<b>13,655</b>	<b>11,850</b>

Amortisation, depreciation and impairment losses increased by €1,805 thousand following higher amortisation and impairment losses on current loans recognised during the period.

**Other operating expense**

Other operating expense increased by €8,618 thousand on the corresponding period of the previous year mainly due to larger exchange rate losses on operating items and the accrual to the provision for expected losses to complete contracts. In the corresponding period of the previous year, the provision was reclassified to profit or loss.

Specifically:

(€'000)	First nine months of	
	2015	2014
Accruals to the provisions for risks and charges	590	1,068
Membership fees	713	681
Losses on sales of property, plant and equipment and intangible assets	55	22
Exchange rate losses on operating items	8,562	4,300
Losses to complete contracts	513	(2,768)
Interest and other operating expense	1,664	1,001
Indirect taxes	2,849	2,130
Other operating expense	1,938	1,827
<b>Total other third party operating expense</b>	<b>16,884</b>	<b>8,261</b>
<b>Other related party operating expense</b>	<b>19</b>	<b>24</b>
<b>Total other operating expense</b>	<b>16,903</b>	<b>8,285</b>

**Internal work capitalised**

Internal work capitalised mainly relates to the parent, Ansaldo STS S.p.A., with respect to the Satellite and Rail Telecom project (€3,746 thousand) and the French subsidiary Ansaldo STS France S.A.S. (intangible assets of €395 thousand).

(€'000)	First nine months of	
	2015	2014
Internal work capitalised	4,141	2,791

## Net financial expense

Net financial expense is broken down in the following table. The decrease is mainly attributable to the exchange rate losses arising from currency risk hedging transactions.

(€'000)	First nine months of					
	2015			2014		
	Income	Expense	Net	Income	Expense	Net
Interest and fees	637	1,542	(905)	230	1,214	(984)
Exchange rate gains and losses	26,692	27,241	(549)	20,396	19,995	401
Fair value gains and losses	437	3,981	(3,544)	681	1,581	(900)
Interest on Italian post-employment benefits	-	208	(208)	-	362	(362)
Interest on other defined benefit plans	-	199	(199)	-	284	(284)
Other financial income and expense	-	294	(294)	-	719	(719)
<b>Net financial expense</b>	<b>27,766</b>	<b>33,465</b>	<b>(5,699)</b>	<b>21,307</b>	<b>24,155</b>	<b>(2,848)</b>
<b>Net related party financial income</b>	<b>219</b>	<b>35</b>	<b>184</b>	<b>361</b>	<b>28</b>	<b>333</b>
<b>Total</b>	<b>27,985</b>	<b>33,500</b>	<b>(5,515)</b>	<b>21,668</b>	<b>24,183</b>	<b>(2,515)</b>

The share of profits of equity-accounted investees of €5,233 thousand (€1,643 thousand for the first nine months of 2014) comprises the profits of the investees International Metro Service S.r.l. (€3,682 thousand), Metro 5 S.p.A. (€1,368 thousand), Metro Brescia S.r.l. (€48 thousand) and Balfour Beatty Ansaldo Systems JV SDN BHD (€135 thousand).

(€'000)	First nine months of					
	2015			2014		
	Income	Expense	Net	Income	Expense	Net
Share of profits (losses) of equity-accounted investees	5,233	-	5,233	2,700	1,057	1,643
<b>Total</b>	<b>5,233</b>	<b>-</b>	<b>5,233</b>	<b>2,700</b>	<b>1,057</b>	<b>1,643</b>

## Income taxes

Income taxes came to €31,048 thousand and are made up as follows:

(€'000)	First nine months of	
	2015	2014
IRES	5,881	6,050
IRAP	873	3,354
Other foreign taxes	23,489	20,337
Provisions for tax risks	550	-
Net deferred tax (income) expense	255	(996)
<b>Total</b>	<b>31,048</b>	<b>28,745</b>

Income taxes for the reporting period rose by €2,303 thousand over the corresponding period of the previous year, due to larger income taxes of the foreign subsidiaries caused by a different geographical mix of the pre-tax profit, as well as greater net deferred tax liabilities which were only partially offset by the smaller IRAP tax for the parent. Specifically, effective from the current year, a change was introduced in Italian tax legislation enabling companies to deduct personnel expense from their taxable base for IRAP purposes.

The tax rate at 30 September 2015 is 34.3% (36.0% at 30 September 2014).

## 5. Earnings per share

Earnings per share (“EPS”) are calculated by:

- dividing the profit for the period attributable to holders of ordinary shares by the average number of ordinary shares outstanding in the period, net of treasury shares (basic EPS);
- dividing the profit for the period by the average number of ordinary shares and those that could arise from the exercise of all options under stock option plans, net of treasury shares (diluted EPS).

<b>Basic EPS</b>	<b>30.09.2015</b>	30.09.2014
Average shares outstanding during the period	199,993,572	199,998,480
Profit for the period	59,527	51,051
<b>Basic and diluted EPS</b>	<b>0.30</b>	<b>0.26*</b>

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

## 6. Financial risk management

The group’s operations expose it to the following financial risks:

- market risks, related to operations in areas that use currencies other than the group’s functional currency (currency risk) and the risk of interest rate fluctuations;
- liquidity risks, related to the availability of financial resources and access to the credit market;
- credit risk, arising from normal trading transactions or financing activities.

The group specifically monitors each of these financial risks and acts promptly to minimise them including via hedging derivatives. Ansaldo STS group’s approach to managing these risks, in line with internal policies, is described below.

Hedges are mainly undertaken with banks. The group has contracts in place for the following notional foreign currency amounts at the reporting date:

(local currency ‘000)	<b>Sell 09 15</b>	<b>Buy 09 15</b>	<b>30.09.2015</b>	Sell 12 14	Buy 12 14	31.12.2014
Euro	31,864	52,189	<b>84,053</b>	38,630	59,392	98,022
US dollar	332,977	72,900	<b>405,877</b>	77,882	78,104	155,986
Pound sterling	10,201	-	<b>10,201</b>	9,629	-	9,629
Swedish krona	1,196	28,500	<b>29,696</b>	861	27,748	28,609
Australian dollar	-	36,012	<b>36,012</b>	-	43,159	43,159
Hong Kong dollar	1,293	34	<b>1,327</b>	451	-	451
Indian rupee	5,007	-	<b>5,007</b>	4,819	-	4,819
United Arab Emirates dirham	12,194	-	<b>12,194</b>	4,485	-	4,485

The net fair value of the derivatives in place (both fair value and cash flow hedges) at 30 September 2015 is a negative €2,980 thousand.

## 7. Significant non-recurring events and transactions

No significant non-recurring events or transactions took place during the reporting period.

## 8. Atypical and/or unusual transactions

During the reporting period, no atypical and/or unusual transactions took place.

## 9. Outlook

2015 production volumes are expected to increase in 2015, while profitability is set to remain in line with that of 2014.

## 10. Disclosure on the opt-out regime

Pursuant to article 70.8 of the Issuer regulation, we note that, in their meeting of 28 January 2013 and as permitted by articles 70.8 and 71.1-bis of the Issuer regulation, the parent's directors resolved to opt out of the requirement to publish the relevant documents for transactions such as mergers, demergers, capital increases via contributions in kind, acquisitions and sales.

Genoa, 30 October 2015

On behalf of the board of directors  
The Chairman  
**Sergio De Luca**  
(signed on the original)

## **Annex A: Statement pursuant to article 154-bis.2 of Legislative Decree no. 58/1998**

In accordance with the provisions of article 154-bis.2 of the Consolidated Finance Act, the undersigned, Roberto Carassai, manager in charge of financial reporting of Ansaldo STS S.p.A., states that the interim financial report at 30 September 2015 is consistent with the accounting entries, ledgers and records.

Genoa, 30 October 2015

The Manager in charge of financial reporting  
**Roberto Carassai**  
(signed on the original)

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ANSALDO STS S.p.A.  
Registered Office:  
16151 Genoa  
Via Paolo Mantovani, 3 - 5  
Paid-in Share Capital Euro 100,000,000  
R.E.A. n. 421689  
Register of Enterprises of Genoa  
Tax Code 01371160662

[www.ansaldo-sts.com](http://www.ansaldo-sts.com)

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