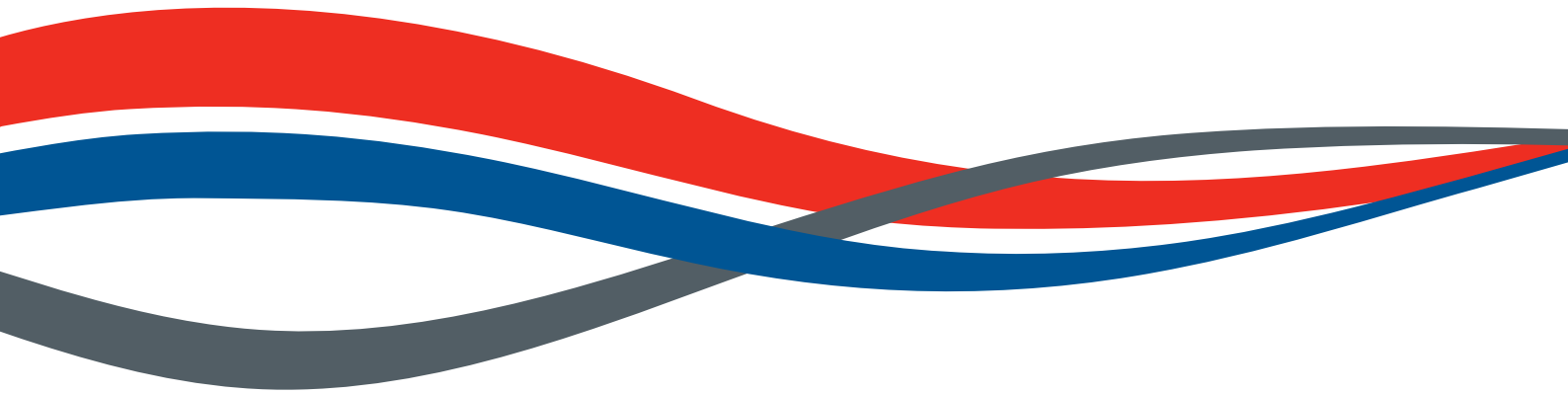


**HALF-YEAR FINANCIAL REPORT
AT 30 JUNE 2010**



Half-year Financial Report at 30 June 2010

The Half-year Financial Report 2010 has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the official document.

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1 Boards and Committees

BOARD OF DIRECTORS

(for the 2008/2010 three-year period)

ALESSANDRO PANSA
Chairman

SANTE ROBERTI
Deputy Chairman

SERGIO DE LUCA
Chief Executive Officer

MAURIZIO CEREDA^{1 2}

GERLANDO GENUARDI²

GREGORIO GITTI¹

FRANCESCO LALLI²

EUGENIO PINTO¹

ATTILIO SALVETTI¹

MARIO ORLANDO
Secretary of the Board of Directors

BOARD OF STATUTORY AUDITORS

(for the 2008/2010 three-year period)

GIACINTO SARUBBI
Chairman

MASSIMO SCOTTON

FRANCESCA TRIPODI

ALTERNATE AUDITORS

(for the 2008/2010 three-year period)

BRUNO BORGIA

PIETRO CERASOLI

INDEPENDENT AUDITORS

(for the 2006/2014 period)

PRICEWATERHOUSECOOPERS S.p.A.

1. Member of Internal Audit Committee

2. Member of Remuneration Committee

2 Report on operations at 30 June 2010

2.1 Introduction

At 30 June 2010 the Ansaldo STS Group reported net profit of EUR 33 million compared with EUR 37 million for the first half of 2009; revenues amounted to EUR 585 million as compared with EUR 547 million in 2009 and operating revenues stood at 9.9% from 10.4% in the first half of the previous year.

Orders at 30 June 2010 came to EUR 645 million compared with EUR 832 million at 30 June 2009.

The value of backlog at EUR 3,915 million rose by 4% as compared with the increase for the end of 2009, which amounted to EUR 3,760 million.

In the period from **2 January to 30 June 2010**, the official price of the stock passed from EUR 13.25 to EUR 13.18 with a decrease of 0.5%. In the last part of the second quarter stock exchange indices fell again, and the Ansaldo STS stock fell accordingly, even if to a lesser extent than the FTSE MIB index, which fell by 16.9%, and the FTSE Italia STAR index, which fell by 7.3%. The Ansaldo STS stock continues to be relatively strong as compared with the reference indices, with a moderate correlation index which was 0.62 in the last three months as compared with the average of the two previous years (0.45).

In the six-month period the stock reached an all-time high of EUR 15.44 (reference price: closing price of 14 April).

In brief, the Ansaldo STS stock confirmed itself as one of the main defensive assets for investors, as it was unaffected by the strong decreases of the main Italian index; the days when the stock suffered the worst drops led some investors to lighten their positions by profiting from the rises obtained.

The following should be noted:

- since the reporting of March 2010, the figures in the notes are in millions of euros, unless otherwise specified, whereas the figures in the accounting statements (i.e. balance sheet, separate income statement, etc.) are in thousands of euros;
- since January 2010 the Group adopted the new control model approved as part of the "Fast Forward Driven by Business (FFDB)" project, for which Segment Reporting data per Business Unit 2009 were restated and included in this interim financial report;
- the company "Ansaldo STS Sistemas de Transporte e Sinalização Ltda", incorporated in December 2009, is recognised at cost because it is not operating in the six-month period at issue;
- since June 2010 the joint venture Kazakhstan TZ-Ansaldo STS Italy was included in the scope of consolidation and was recognised using the equity method because it was not operating in the six-month period at issue.

2.2 Group key figures

(EUR 000)	30 Jun 2010	30 Jun 2009	Change	31 Dec 2009
Orders	645,291	832,325	(187,034)	1,786,071
Order backlog	3,915,016	3,404,806	510,210	3,759,671
Production Revenues	584,706	547,304	37,402	1,175,640
EBIT	57,675	56,786	889	125,052
Adjusted EBITA	58,381	58,307	74	126,547
Net profit	33,411	37,471	(4,060)	87,800
Net working capital	(164,411)	(189,554)	25,143	(187,118)
Net invested capital	49,264	19,030	30,234	22,675
Net financial position (liquidity)	(276,544)	(236,041)	(40,503)	(278,861)
Free Operating Cash Flow	20,130	70,351	(50,221)	114,428
R.O.S.	9.86%	10.38%	-0.52 p.p.	10.64%
R.O.E.	10.65%	15.18%	-4.52 p.p.	32.50%
E.V.A.	34,083	37,474	(3,391)	84,553
Research and Development	22,498	19,799	2,699	41,112
Workforce (no.)	4,340	4,318	22	4,339

The first half 2010 ended with net consolidated profit of EUR 33 million from EUR 37 million in the first half 2009.

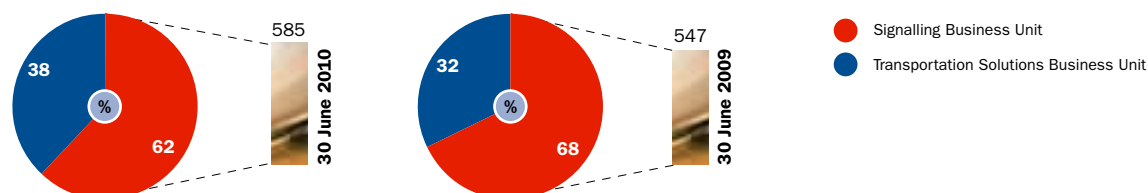
EBIT rose by EUR 1 million, net finance costs fell by EUR 1 million and taxes increased by EUR 4 million.

In line with the Group development objectives, **production revenues** rose by 7% from EUR 547 million in the first half of 2009 to EUR 585 million in the first half of 2010, with an increase, in absolute value, of EUR 38 million.

The Signalling Business Unit ended the first half 2010 with Production Revenues of EUR 382 million, a slight increase of EUR 2 million from the first half of the prior period (EUR 380 million).

The Transportation Solutions Business Unit ended the first half 2010 with Production Revenues of EUR 222 million, up EUR 46 million from the first half of the prior period (EUR 176 million).

Production Revenues by Business Unit at 30 June 2010 - 2009 (EUR millions)

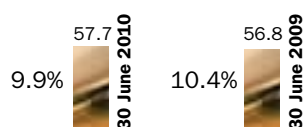


EBIT at 30 June 2010 amounted to EUR 58 million, an increase of EUR 1 million over the first half of 2009. The profit margin in the first half of 2010 was 9.9%, as compared with 10.4% in the first half of 2009. This is the result of some difficulties in the performance of projects of the subsidiary Ansaldo STS India for which the company has initiated all the actions necessary to guarantee result for the customer, and is also the result of a drop in production volumes from new orders for the subsidiary Ansaldo STS Australia.

More specifically:

- The Signalling Business Unit ended the first half 2010 with EBIT of EUR 47 million, in line with that for the first half of the prior period.
- The Transportation Solutions Business Unit at 30 June 2010 posted EBIT of EUR 18 million compared with EUR 16 million in the first half of the prior period, an increase of EUR 2 million.

EBIT and ROS at 30 June 2010 - 2009 (EUR millions)



In order to provide additional information on the Group's operating results, financial condition and cash flow, the restated income statement, balance sheet, net financial debt, and statement of cash flows are provided below.

Income Statement (EUR 000)	For the 6 months ended 30 June 2010	For the 6 months ended 30 June 2010
Revenue (*)	584,706	547,304
Production Revenues	584,706	547,304
Raw materials and consumables used and personnel costs (**)	(529,070)	(490,066)
Amortisation and depreciation	(6,527)	(5,665)
Impairment	(1)	(372)
Other net operating income (expenses) (***)	3,079	3,977
Change in inventories of work in progress, semi-finished and finished goods	6,194	3,129
Adjusted EBITA	58,381	58,307
Restructuring costs	(706)	(1,521)
EBIT	57,675	56,786
Net finance income (costs)	(2,653)	(1,660)
Income taxes	(21,611)	(17,655)
Net Profit (Loss)	33,411	37,471
<i>Equity holders of the Company</i>	33,285	37,330
<i>Minority interests</i>	126	141
Earnings per share		
Basic and Diluted	0.33	0.37

Notes for reconciling the reclassified Income Statement and the Income Statement:

(*) Includes "Revenue" and "Revenue from related parties".

(**) Includes "Costs from related parties", "Raw materials and consumables used", "Purchase of services" and "Personnel costs", less "Work performed by the Group and capitalised".

(***) Includes the net amount of "Other operating income", "Other operating income from related parties", "Other operating expenses" and "Other operating expenses from related parties".

Balance Sheet (EUR 000)	30 Jun 2010	31 Dec 2009
Non-current assets	262,824	252,010
Non-current liabilities	(49,149)	(42,217)
	213,675	209,793
Inventories	105,713	99,178
Contract work in progress	234,927	151,146
Trade receivables	427,006	526,500
Trade payables	(261,250)	(248,168)
Advances from customers	(599,843)	(651,950)
Working Capital	(93,447)	(123,294)
Provisions for risks and charges	(26,403)	(27,726)
Other net assets (liabilities) (*)	(44,561)	(36,098)
Net working capital	(164,411)	(187,118)
Net invested capital	49,264	22,675
Capital and reserves attributable to equity holders of the Company	324,899	300,897
Minority interests in equity	909	639
Shareholders' equity	325,808	301,536
Net financial debt (liquidity)	(276,544)	(278,861)

Notes for reconciling the reclassified Balance Sheet and the Balance Sheet:

(*) Includes "Income tax receivables", other current receivables from related parties (carried under "Current receivables from related parties") and "Other current assets", less "Income tax payables", other current payables to related parties (carried under "Current payables to related parties"), "Other current liabilities", except for financial receivables from related parties (carried under "Current receivables from related parties").

At 30 June 2010, consolidated **net invested capital** was EUR 49 million, compared with consolidated net invested capital of EUR 23 million at 31 December 2009; the difference of EUR 26 million is essentially attributable to the change in **net working capital**, which went from EUR -187 million at 31 December 2009 to EUR -164 million at 30 June 2010, with a change of EUR 23 million. This change is due to the increase in inventories and work in progress less advances, which were partially offset by the decrease in trade receivables, amounts due to suppliers and other current liabilities.

The Group's **net financial position** (mainly financial receivables and cash and cash equivalents on borrowings) at 30 June 2010 was EUR 277 million compared with liquidity of EUR 279 million at 31 December 2009, a decrease of EUR 2 million, even after the payment of the dividend of EUR 31 million, resolved by the Shareholders' Meeting of 23 April 2010.

2.3 Financial Situation

(EUR 000)	30 Jun 2010	31 Dec 2009
Short-term borrowings	17,663	12,187
Medium/long-term borrowings	2,048	2,881
Cash and cash equivalents	(176,229)	(128,541)
Bank debt	(156,518)	(113,473)
Financial receivables from related parties	(90,533)	(152,792)
Other financial receivables	(30,714)	(14,100)
Financial receivables	(121,247)	(166,892)
Borrowings from related parties	92	-
Other short-term borrowings	455	353
Other medium- and long-term borrowings	674	1,151
Other borrowings	1,221	1,504
Net financial debt (liquidity)	(276,544)	(278,861)

The main events involved in the change in the Group's financial position are summarised below:

- payment of indirect and income taxes, including IRES advances, in the amount of EUR 18 million;
- payments for investments in property, plant and equipment and intangible assets (EUR 4 million);
- payment of finance costs (EUR 3 million).

Cash and cash equivalents at 30 June 2010 came to EUR 176 million.

Report on operations at 30 June 2010
Alternative non-GAAP performance indicators

Statement of cash flows at 30 June 2010 was broken down as follows:

Cash Flow (EUR 000)	For the 6 months ended 30 June 2010	For the 6 months ended 30 June 2009
Cash and cash equivalents - opening balance	128,541	71,536
Gross cash flow from operating activities	63,904	64,776
Changes in other operating assets and liabilities	(14,448)	(563)
Fund From Operations	49,456	64,213
Change in working capital	(24,875)	10,100
Cash flow from (used in) operating activities	24,581	74,313
Cash flow from ordinary investing activities	(4,451)	(3,962)
Free Operating Cash-Flow	20,130	70,351
Strategic investments	-	(2,558)
Other changes in investing activities	-	-
Cash flow from (used in) investing activities	(4,451)	(6,520)
Dividends paid	(30,982)	(26,971)
Cash flow from financing activities	55,353	(30,375)
Cash flow from (used in) financing activities	24,371	(57,346)
Translation differences	3,187	138
Cash and cash equivalents - closing balance	176,229	82,121

The first half of 2010 ended with net increase of EUR 94 million in cash and cash equivalents over the same period of the prior year.

The following are the main changes in the Statement of Cash Flows:

- cash flow from operating activities stood at EUR 25 million, a decrease on the same period the preceding year by EUR 49 million, mainly due to the change in working capital and greater taxes paid during the period by the parent company Ansaldo STS S.p.A.;
- cash flow used in investing activities was EUR 4 million, down EUR 3 million from the same period of the prior year (EUR 7 million at 30 June 2009);
- cash flow from financing activities of EUR 24 million as compared with EUR 57 million at 30 June 2009; the change is mainly due to the decrease in receivables (mainly from Finmeccanica Finance S.A.) in the June 2010 – December 2009 period as compared with the decrease in the June 2009 – December 2008 period, when the change was due to an increase in receivables. The increase in dividends paid is also to be noted: EUR 31 million in the first half 2010, EUR 27 million in the first half 2009.

The Free Operating Cash Flow (FOCF) before strategic investments for the period at issue amounted to EUR 20 million from EUR 70 million at 30 June 2009; the change of EUR 50 million is analysed above.

2.4 Alternative non-GAAP performance indicators

Ansaldo STS' management assesses the Group's earnings and financial performance and that of its business segments based on a number of indicators that are not envisaged by the IFRSs.

As required by Communication CESR/05-178 b, below is a description of the components of each of these indicators:

- **EBIT:** the aggregate signifies earnings before taxes and finance income and costs, with no adjustments. EBIT also does not include costs and income resulting from the management of unconsolidated equity investments and other securities, nor the results of any sales of consolidated shareholdings, which are classified on the financial statements either as "finance income (costs)" or, for the results of equity investments accounted for with the equity method, under "share of profit (loss) of equity accounted investments".
- **Adjusted EBITA:** It is arrived at by eliminating from EBIT (as defined above) the following items:
 - any impairment in goodwill;
 - amortisation of the portion of the purchase price allocated to intangible assets in relation to business combinations, as required by IFRS 3;
 - restructuring costs that are a part of significant, defined plans;
 - other exceptional costs or income, i.e. connected to particularly significant events that are not related to the ordinary performance of the business.

The reconciliation between EBIT and Adjusted EBITA for the periods compared is presented hereunder:

(EUR 000)	2010	2009
Earnings before income taxes, net finance income and costs and share of results of equity accounted investments (EBIT)	57,675	56,786
Impairment of goodwill	-	-
Amortisation of intangible assets acquired through a business combination	-	-
Restructuring costs	706	1,521
Total exceptional costs (income)	-	-
Adjusted EBITA	58,381	58,307

- **Free Operating Cash-Flow (FOCF):** This is the sum of the cash flow generated by (used in) operating activities and the cash flow generated by (used in) investment and divestment of intangible assets, tangible assets, and equity investments, net of cash flows from the purchase or sale of equity investments that, due to their nature or significance, are considered “strategic investments”. The calculation of FOCF for the periods concerned is presented in the reclassified statement of cash flows shown in section 2.3.
- **Funds From Operations (FFO):** This is cash flow generated by (used in) operating activities, net of changes in working capital. The calculation of FFO for the periods concerned is presented in the reclassified statement of cash flows shown in section 2.3.
- **Economic Value Added (EVA):** This is calculated as EBIT net of taxes and the cost of the average value of invested capital for the two periods concerned and measured on a weighted-average cost of capital (WACC) basis.
- **Operating Working Capital:** includes trade receivables and payables, work in progress, advances from customers and provisions for risks and charges.
- **Net Working Capital:** this is represented by operating working capital less other current assets and liabilities.
- **Net Invested Capital:** this is the algebraic sum of non-current assets, non-current liabilities and Net Working Capital.
- **Net financial debt (liquidity) or Net financial position:** the template for calculation is consistent with the one in section 127 of the CESR/05-054b recommendations implementing EC Regulation 809/2004.
- **Orders:** This is the sum of the contracts executed with contractors during the year which have the contractual characteristics for being booked to the order book.
- **Order backlog:** This is the difference between the orders acquired and production revenues for the period of reference, net of the change in contract work in progress. This difference is added to the portfolio of the prior period.
- **Workforce:** This is the number of employees reported on the last day of the period concerned.
- **Return on Sales (ROS):** This is the ratio between EBIT and revenues.
- **Return on Equity (ROE):** this is calculated as the ratio between the net profit and the average value of shareholders’ equity for the two periods concerned.
- **Research and Development costs:** this is the sum of costs sustained for R&D expensed and sold. The costs for research expenses are normally referable to the so-called “basic technology”, i.e. rights to the attainment of new scientific knowledge and/or techniques applicable to different new products and/or services. The costs of research sold are those commissioned by the customer against which a specific sale order exists and which have accounting and operational treatment identical to ordinary supply (sale contract, profitability, invoicing, advances, etc.). In consideration of the rapid development within the productive sector in which the Ansaldo STS Group operates, this type of costs is generally not capitalised.

2.5 Transactions with related parties

Transactions with related parties concern activities in the ordinary course of business and are carried out at arm’s length (where they are not governed by specific contractual conditions), as is the settlement of interest-bearing payables and receivables.

These mainly relate to the exchange of goods, the performance of services and the generation and use of net cash from and to associated companies, held under common control (joint ventures), consortia, and unconsolidated subsidiaries.

The sections of the “Condensed consolidated half-year financial statements at 30 June 2010” summarise the transactions from related parties and provide the incidence of the individual items on the total amount.

There are no transactions qualifying as atypical and/or unusual¹.

1. as defined in CONSOB communication no. DEM/6064293 of 28 July 2006.

2.6 Performance

2.6.1 Market conditions and business climate

Signalling Business Unit

The **orders acquired** at 30 June came to EUR 222 million, a significant decrease from the same period of the preceding year, whose performance was to be considered exceptional as compared with the typical trend of the segment (EUR 390 million at 30 June 2009).

The **order backlog** at 30 June 2010 came to EUR 1,900 million as compared with EUR 1,535 million at 30 June 2009 and EUR 1,980 million at 31 December 2009.

The main events of the first half of 2010 referring to the Signalling Business Unit are outlined below.

ITALY

The contracts acquired during the period include the awarding of the ACC system of the Genoa railway junction, the reconfiguration of the ATC on the Verona-Florence section for Rete Ferrovie Italiane (RFI), the upgrade of the Peripheral Stations of the Genoa metro and the installation and check of the ATC (on-board) equipment for vehicles intended for regional passenger transportation (Firema - MetroC). Good results were also achieved in the segment of components and maintenance of existing lines.

Present offers include that for the Turin-Padua railway line for the renewal of the signalling and automation systems and orders for the completion of ongoing projects at the Brescia and Rome metros.

REST OF EUROPE

These include the project for the strengthening of the Control Traffic Centre (CTC) in Boden, **Sweden**, and new opportunities on changes of ongoing projects (ESTER). Significant results were also achieved in both the on-board and the wayside components in **France**, as well as in maintenance services for the existing lines and the equipment of the level crossings of a railway line.

Present offers include those for the high-speed lines in **France** (PF LGV SEA), which will probably be awarded within the year 2010, while in Northern Europe activities in the **UK** are to be reported for the 2nd and 3rd stages of the Cambrian Line: in **Sweden**, Stockholm Metro Red line, an offer was submitted for CBTC in the first quarter 2010, which should be assigned by the end of 2010.

NORTH AMERICA

In the **U.S.A.** there were orders for the maintenance and sale of spare parts of existing lines in order to preserve and maintain safety and reliability over time and for order alternatives on ongoing projects. Present offers include those in the metro segment using traditional technology, such as the offer for **Honolulu** for a driverless metro system and the offer in **Florida** for Sun Rail. Other activities relate to the **Washington** metro. In **Canada**, always in the metro segment, the opportunity for STM Montreal is to be noted.

NORTH AFRICA AND THE MIDDLE EAST

The orders acquired include those for the hot box detector (HBD) pilot project in **Marocco** for orders for twenty-two devices during the year, as well as significant opportunities for level crossings.

Present offers include those in **Algeria** for conventional railway lines and the important order that should be assigned during the year 2010 in **Libya** for the Sirt-Bengazi line, regarding level 2 ERTMS equipment, Interlocking, CTC, surveillance equipment and power supply systems. In **Tunisia** there is a possibility that offers may be needed for level crossings in 2010, while in **Kazakhstan** efforts focused on the acquisition of an important order for equipping 300 km of railway lines with level 1 ERTMS equipment and a CTC system.

ASIA PACIFIC AND SOUTH AFRICA

The contracts acquired include those in **India** in the metro segment and those in **Australia** in the railway segment for passenger (ARTC TOS - Train Order System) and goods (Rio Tinto) transportation, confirming the trend to the growing attention paid to the care and maintenance of the performance of the existing lines.

In **Malaysia** the Batu Gaju Workshop was completed successfully in the first quarter of 2010, and engineering activities continue for the strengthening of the section in the North of the country (Malaysian North Double Tracking - MNDT), and in **Botswana** an agreement was reached for an important contract for railway maintenance which should be signed in the second half of 2010.

Present offers include those in **China** in the conventional railway segment for Pearl River Delta (level 1 ERTMS, ATO, ATP) and other offers for the supply of onboard equipment, as well as other opportunities in the metro lines segment. In **South Africa** efforts are focusing on the finalisation of the first significant contract (Viljoensdrif), and in the second half of the year the engagement for the installation of the first Microlok in the country might be assigned. In **India** in the metro segment, activities for the Kolkata Metro are under way. In the **Australian** region, the main opportunities relate to projects for the railway transportation of goods with both the ARTC consortium and Rio Tinto.

SOUTH AMERICA

Present offers include those for the Valencia metro in **Venezuela**, and works should be assigned during the year for the upgrading of the conventional railway lines in **Brazil**, as well as works for the metro segment (Saõ Paulo, Santos, Supervia).

Transportation Solutions Business Unit

The orders acquired at 30 June 2010 came to EUR 426 million compared with EUR 456 million at 30 June 2009. The order backlog at 30 June 2010 came to EUR 2,291 million as compared with EUR 2,122 million at 30 June 2009 and EUR 2,048 million at 31 December 2009.

The significant events of the first half of 2010 for the various Areas are outlined below.

ITALY

In Italy the most significant acquisition of the first six months of 2010 was in June and relates to the contract for the extension of Line 6 of the Naples metro (Mostra-Arsenale line) for a value of EUR 161 million. Also in June an order was taken for the construction of the first section of Line B1 of the Rome metro (Bologna - Conca d'Oro) for a value of EUR 7 million.

In the second quarter, orders include some variations on the Alifana Line for an amount of EUR 13 million, on Line C of the Rome metro for EUR 2 million, and on High-Speed Railway Lines for a total of EUR 2 million.

The acquisitions in the first three months of the year for the extension of the Dinegro depot of the Genoa metro for EUR 42 million and variations on the Naples metro for a total amount of EUR 5 million are to be reported.

Regarding Line 5 of the Milan metro, the extension south and west to San Siro is being considered with the Milan Authorities. The award of the D Line of the Rome Metro has not received the final approval and the award of public budgets yet and therefore will be further delayed; the bid for the main line is expected by the end of 2010. With regard to the extension of the Rome Line B for the Rebibbia - Casalmonastero segment, the bid was postponed to the second half of 2010.

Expectations, even though delayed, are confirmed regarding the further expansion programmes, in the medium- and long-term, of the transport network for all the main Italian cities, which help keep steady the development estimates of the Transportation Solutions market of Ansaldo STS.

REST OF EUROPE

The bid for the Operations & Maintenance (O&M) of the Copenhagen driverless metro (built and operated by Ansaldo STS) was awarded in January.

The contract, worth EUR 180 million, provides for an additional 5 years of O&M and an option for three more years.

In Europe in the global macroeconomic scenario following the financial crisis some projects were delayed, in particular in the Eastern European area, where the development programmes driven by the European Community do not seem adequate to fully finance the major expansion projects for transport networks.

Denmark plays a strategic role due to the strong presence of ASTS in the country. The Copenhagen Metro project, where ASTS also is the Operator, remains one of the best references for ASTS worldwide. In Copenhagen the bid for the construction, operation and maintenance of the new Cityringen driverless metro is currently ongoing. A bid was submitted in April 2010 and the Customer is now making its evaluations.

The financial crisis in **Greece** following a considerable increase in public debt led to a delay in the projects in that country, which still remains of interest thanks to the business developed in the past and to the possible future opportunities related to the extension of the Thessaloniki driverless metro, currently under construction.

Activities were recently initiated for the projects planned in Eastern Europe.

Regarding the technological solutions adopted, the demand in driverless metros is still growing (driverless CBTC), in particular in Italy and in Central and Northern Europe.

NORTH AFRICA AND THE MIDDLE EAST

In a partial counter-trend performance compared with the trends following the financial crisis is the development of the Transportation Solutions market in Northern Africa and in the Middle East, which held fairly good as compared with the market volumes of the last few years. To that regard, it is worth noting the commencement of some initiatives and infrastructural projects in Kuwait, Bahrain, Qatar, the Arab Emirates, Saudi Arabia, Libya, Tunisia and Algeria.

In **Tunisia** the bid is being called by Société du Réseau Ferroviaire Rapide de Tunis for the construction of the first two lines of the suburban railway network in Tunis, for which the technical bid was submitted and we are awaiting the call for the economic bid.

In the Middle East, **Qatar** is one of the Gulf Countries with the most ambitious infrastructural plan which envisages in the next few years several projects for the construction of the metro and LRT. At the moment, the initiative for the project of the Lusail tramway is to be noted, for which the "tramwave" solution will be applied; the relevant bid is expected for the end of October/start of November 2010.

Saudi Arabia, following the success achieved in Riyadh the prior year, is a very interesting market where numerous initiatives might arise.

ASIA PACIFIC AND SOUTH AFRICA

In **Australia** the bid for the project for the extension of the Rio Tinto Freight Railway is expected to be called. The first phase should be awarded by the end of 2010.

In **India** several projects are expected in the coming years in both the mass transit and the freight railway segments. This country might become an interesting business area for ASTS; the objective is to get to know the market and its dynamics in order to fully exploit the future commercial developments.

Following the award of the contract for the construction of the TransAsian Rail Network in consortium with BBR, **Malaysia** is one of the countries of interest for ASTS. For the future business prospects in the Far East Area, Taiwan is one of ASTS' strategic markets, and several are the initiatives under consideration, which will become offers to submit between 2010 and 2011. **China** is a market with high potential for growth where the mass transit and railway segments are being developed, even if difficulties are growing for foreign operators in acquiring significant markets shares.

NORTH AMERICA

In this region ASTS is moving its first steps in the Transportation Solutions segment. During the first half-year the company took part in the bid for the construction of the Honolulu driverless metro, for which the bid was submitted in June 2010 and the Customer is now making its evaluations.

In the **United States** high-speed railway projects are to be implemented in the short-term. As part of these projects, the DesertXpress high-speed line is to be noted, whose bid is expected for the second half of 2010. In 2011 the bid for the HSL California Corridor is also expected.

SOUTH AMERICA

As regards South America, a country of interest is certainly **Brazil**; a bid for the construction of a driverless metro system in Fortaleza, a bid for the construction of line 5 of the Saõ Paulo underground network and a bid for the Saõ Paulo-Rio HSL are expected to be called over the next five months.

Moreover, the Italian consortium headed by Impregilo, for which ASTS is an appointed sub-supplier, is taking part in the call for bids for the construction of the first line of a driverless metro system in **Panama**; the bid is expected to be submitted at the end of July 2010.

2.6.2 Business information

The **orders acquired** at 30 June 2010 came to a total of EUR 645 million compared with EUR 832 million during the same period the previous year, a decrease of EUR 187 million.

Lower acquisitions are also related to the exceptional number of acquisitions in the first half of 2009. However, the amount of orders acquired in the first half of 2010 is in line with Group expectations.

The orders acquired by the Signalling Business Unit came to EUR 222 million, while Transportation Solutions won orders worth EUR 426 million.

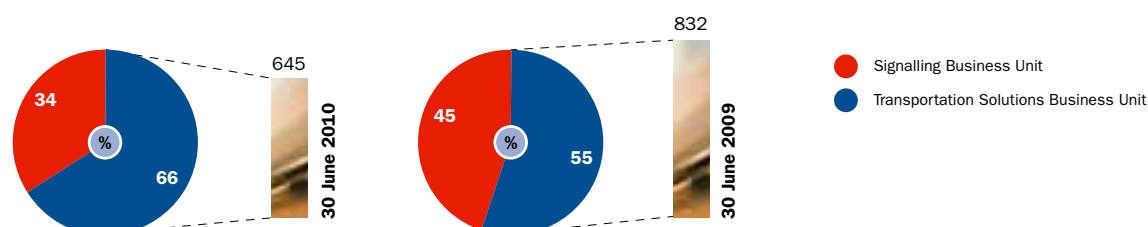
The main orders acquired by the Signalling Business Unit during the first half of 2010 were on the following projects:

Country	Project	Customer	Value (EUR mln)
Italy	ACC Genoa Junction	RFI	43.7
Italy	Components, Service & Maintenance	Various	26.0
Australia	ARTC various projects	ARTC	19.6
France	Components, Service & Maintenance	Various	19.5
USA	Other Components, Service & Maintenance	Various	15.9
Korea	Rotem 56 electric loco	Hyundai Rotem	7.1
Australia	Various Rio Tinto Projects (no. 6 orders)	Rio Tinto	6.3
Italy	ATC Wayside: reconfig. Verona, Florence	RFI	5.1
Australia	Components, Service & Maintenance	Various	4.6
Australia	FMG - Various orders	FMG	3.7
Italy	ACC Rho and Messina Patti Variations	RFI	2.9
India	Mumbai Monorail - Variation	Scomi	2.8
UK	Level Crossing	Network Rail	2.7
Korea	Rotem 7 EMU	Hyundai Rotem	2.6
Italy	Genoa Metro: Peripheral Posts Update	AMT-Ge	2.6
Malaysia	Double Track Seremban-Gemas (South) - Signalling & Comms	Emrail	2.5
Italy	ATC On Board	RFI	2.3
USA	CSX, 2010 Maintenance Project	CSX	2.1
Sweden	Boden CTC upgrade	Banverket	2.1
Italy	ATC Onboard- Regional:Metroc., Firema	Metroc.-Firema	2.0
France	SNCF DBC MIAM	SNCF	1.2
Sweden	ESTER variation orders	Banverket	1.2

The main orders acquired by the Transportation Solutions Business Unit during the first half-year 2010 were on the following projects:

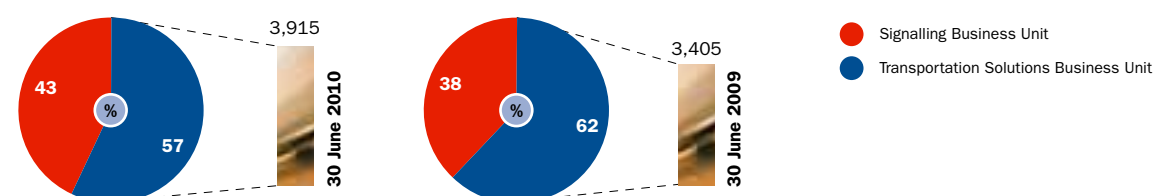
Country	Project	Customer	Value (EUR mln)
Denmark	Copenhagen Existing Line O&M	Metroselskabet	188.0
Italy	Naples Line 6 - Mostra Arsenale	Naples Municipality	160.5
Italy	Genoa Metro	Genoa Municipality	42.4
Italy	Naples Alifana Consortile - variation	Alifana	10.6
Italy	Rome Metro Line B1	Salini	7.4
Italy	Naples Line 6 - variation	Naples Municipality	4.9
Italy	Rome Metro Line C - variation	Roma Metropolitan	2.3
Arabia	Riyadh PNU - variation	SBG	2.3
Italy	Naples Alifana Segnalamento - variation	Alifana	2.1

Orders by Business Unit of the first half-year 2010-2009 (EUR millions)



The **order backlog** at 30 June 2010 totalled EUR 3,915 million, an increase of EUR 155 million at 31 December 2009 (4%). The Signalling Business Unit's order backlog at 30 June 2010 came to EUR 1,900 million (EUR 1,668 million, less transactions with the Transportation Solutions Business Unit). The Transportation Solutions Business Unit's order backlog at 30 June 2010 came to EUR 2,291 million (EUR 2,247 million, less transactions with the Transportation Solutions Business Unit).

Order backlog by Business Unit at 30 June 2010 - 2009 (EUR millions)



2.6.3 Signalling - Performance by Business Unit

(EUR 000)	30 Jun 2010	30 Jun 2009	Change	31 Dec 2009
Orders	222,452	390,069	(167,617)	1,243,016
Order backlog	1,900,007	1,534,841	365,166	1,980,191
Production Revenues	381,728	380,490	1,238	804,978
EBIT	46,747	46,885	(138)	98,992
R.O.S.	12.25%	12.32%	-0.07 p.p.	12.30%
Operating working capital	15,867	(35,981) (*)	51,848	(49,198) (*)
Research and Development	21,148	18,736	2,412	36,764
Workforce (no.)	3,485	3,509 (*)	(24)	3,504 (*)

(*) = These figures were restated following the adoption of the new Control Model approved as part of the "Fast Forward Driven by Business" project.

(The figures in this table are inclusive of transactions with other segments).

The Signalling Business Unit operates at an international level, designing and building railway and urban railway signalling components and systems worldwide mainly through four companies: the Italian company, Ansaldo STS S.p.A., with offices in Genoa, Naples, Turin, and Tito Scalo; the American subsidiary, Ansaldo STS USA, with branches in Pittsburgh (Pennsylvania) and Batesburg (South Carolina); Ansaldo STS France, a French company with offices in Paris and Riom; and the Australian company, Ansaldo STS Australia, based in Brisbane (Australia).

The Group also has minor companies in Germany, Kazakhstan, Finland, Sweden, Ireland, the United Kingdom, Spain, China, India, Malaysia, South Africa, Botswana and Brazil. The Group also has a large number of long-standing collaboration agreements with organisations in other countries such as Korea and Turkey.

The main projects in which the Business Unit is participating, or in which it has participated, either carrying them out in their entirety or doing part of the work, include:

- the installation of computerised interlocking systems at the main Italian railway stations (Rome Termini, Pisa, Venezia Mestre, Milano Rogoredo) and in some railway stations abroad (Manchester South and the Sandbach-Winslow link);
- the building of the signalling systems for the driverless metros in Copenhagen, Brescia and for the New York and Los Angeles (Green Line) subways, and the metros of Shanghai (Line 2) and Tianjin/Binhai (China);
- the building of electrical/rail systems for the Milan Metro (Line 3), the complete signalling systems for the railways of Rawang Ipoh (Malaysia) and Hammersley Iron (Australia);
- Installing signalling systems on high-speed trains on French (TGV) lines, on the Madrid-Lerida line, Spain, the Seoul-Taegu line, Korea, and the Qinhuangdao-Shenyang line in China. In Italy the Group is working on the Milan-Bologna and Turin-Novara high-speed lines, supplying signalling systems via the Saturno consortium.
- the construction of the signalling, telecommunications, security and power supply system for a total EUR 541 million for the Ras Ajdir – Sirt line (650 kms) and the Al-Hisha - Sabha line (800 kms) in Libya.

Since 1 January 2010, a new organisation structure became operational. It is no longer based on a breakdown of activities by regions significantly independent in industrial and commercial decisions, but is now based on a strong centralisation of the decision-making process and of the strategic guidelines by business units, to which local companies become a market implementation and control tool.

Production Revenues at 30 June 2010 in relation to the Signalling Business Unit amounted to EUR 382 million, essentially in line with the prior period (EUR 380 million).

The most significant production activities for the first half of 2010 are summarised below by Market Unit of origin:

ITALY

RAILWAYS - HIGH-SPEED RAILWAYS

Production for the first half 2010 is mainly based on these projects:

- high-speed line Bologna-Florence: completion of the line and reassignment of workstations, D&M tests, power supply and on-site commissioning tests; the final project for interconnections was completed;
- high-speed line Milan-Bologna: completion of the line and activities aimed at the implementation of the functional interconnections in Parma, Fidenza, Melegnano and Piacenza Est and validation of the ACS;
- “as-built” activities and upgrading are being completed for switches at the Pignataro site on the Rome-Naples and the Novara-Milan projects;
- noteworthy is the start-up of the Itarus project for the construction of a level 2 ERTMS test site, which is the strategic step to the Russian market.

The project for the ZhengXi Line in China is worth being mentioned. After the successful completion of the first phase, assistance activities were initiated. Interoperability tests are under way to prove to the Customer that the product is fully functional in interfacing with similar systems previously installed on other lines by other competitors.

RAILWAYS - SCMT ON BOARD/ERTMS

Production mainly focused on the supply of equipment to the Trenitalia fleet, with regard to the existing Master Agreement, and of the equipment for the rolling stock of other railway companies, such as: Metrocampania Nord Est, Ferrovie del Gargano, Ferrovia Adriatica Sangritana and Ferrovia Centrale Umbra.

Other significant portions of the results for the period derive from contracts with vehicle manufacturers such as AnsaldoBreda, Firema, Stadler and Vossloh.

The objectives on revenues for the Greek railways slightly decreased because of the difficulties in resuming the work for the level 1 ERTMS supply.

RAILWAYS - ACC

The activities on the most important projects such as ACC Rho, ACC Pisa, ACC Mestre and on the CTC upgrading programme that involves various segments of RFI. The activities on the foreign projects based on both traditional technology and ERTMS continued during the period, in particular Tunisia, Turkey and the Czech Republic.

At the start of June an agreement was signed for the construction of a railway line in Kazakhstan, which was acquired through a partnership with the local railway company REMLokomotive. The finalisation of the operating contract is under way.

The most relevant foreign project is in Libya, whose functional design of the several technologies involved (Signalling, Telecommunications, Power Supply, Civil Works) was approved by the engineering consultants and by the Customer while the factory is working on the

Interlocking and RBC equipment, whose delivery is expected by the end of 2010. In May 2010 the local branch office was opened and it will become operating shortly.

MASS TRANSIT

Production for the period was mainly based abroad on the contract of Metro Ankara and in Italy on these projects: extension of Line 1 (Dante-Garibaldi) of the Naples Metro, CBTC experimental line (Train communication-based) Piscinola Aversa C. Alifana, Line 6 Naples. During the first half-year the construction project for the first lot of the Ankara Metro contract continued, and the procurement of equipment for the various sub-systems also continued. For the Italian projects, noteworthy are the activities for the construction designing of the Extension of Line 1 of the Naples Metro, the progress of the installation of the CBTC technology for the Piscinola-Aversa line of the Alifana railway, and the remaining on-board equipment was supplied by Ansaldo STS USA. These activities are under way: detailing and manufacturing for the Milan Metro ATS project (Automation), entry into operation of the Genoa Metro ATS project in September, and activities on the Metro Security and Circumvesuviane projects.

SPARE PARTS, ASSISTANCE AND MAINTENANCE

In the first half-year revenues and volumes rose as compared with the same period of the previous year, thanks to these new orders acquired in the second half of the year 2009:

- Assistance on SCMT Wayside;
- Repairs of the Trenitalia fleet on on-board equipment;
- Assistance on CTC Florence Compartment;
- Assistance on 500 ETR Trenitalia ERTMS system trains;
- ACC systems for which assistance started in relation with the Master Agreement.

In the first half of 2010 assistance contracts were formalised for:

- 1st-level assistance on the HSL Milan – Novara;
- Assistance on the HS systems of the Rome-Naples, Florence-Bologna, Bologna-Milan and Milan-Turin lines;
- Assistance on the ACC systems of the Merano-Malles and Alifana (Aversa-Piscinola) lines;
- Renewal of the SISCT assistance contract;
- Assistance for the Rome-Guidonia CTC;
- Supply to RFI of Balises and accessories;
- Assistance for SCMT On-board with ARENAWAYS, RAIL-ONE, NORD-CARGO, SERFER, HUPAC, Sistemi Territoriali, Bombardier, Stadler.

FRANCE

RAILWAYS - SEI BASED

Below are the main existing projects in the Railways segment for which the SEI BASED technology is applied:

- Ester project: important milestones were reached during the period.
- Cambrian project: works are under way for the activation of the line. Some of the certifications were achieved, even if the end of the project was postponed to the end of October because an additional order is expected to extend the scope of the work.
- TGV Rhin Rhone: 16 pieces of equipment were already delivered and further installations are under way and in line with expectations.

RAILWAYS - ON BOARD EQUIPMENT

- Velaro Project: the scope of work is mainly the supply of 30 multi-standard pieces of on-board equipment for Signalling, 30 pieces of equipment (on 15 trains). The train validation is the critical objective to reach; static tests are expected to start in August.
- Thalys: activities continue for the development of an on-board system to be interfaced with the various national systems; the first version entered operations and was stabilised, and a new version is under negotiation and is expected for the second half of the year.

Contracts abroad include:

KOREAN HIGH-SPEED TAEJU - BUSAN LINE

In December 2006 Ansaldo STS France acquired a contract from Korea Rail Network Authority (KRNA), as part of a Korean consortium, related to the Stage 2 of High Speed for the 125 km-long line linking Taegu to Busan. The original value of the contract was some EUR 38 million, which has now become EUR 49 million. The contract also covers the "Command Control System" of the two main stations of this line, Osong and Kimcheon.

Engineering activities were completed and spare parts and tools were delivered during the period. The implementation of the Testing and Commissioning strategy in Gimcheon received the final approval by the Customer.

SHITAI CHINA

In November 2007 Ansaldo STS France acquired from the Chinese Ministry of Railways a contract for the supply of railway signalling systems for a new line in the northern part of the country. The contract, of the overall value of some EUR 32 million, relates to the designing and installation of the new system of the CTCS (Chinese Train Control System) 2 type, thanks to which passenger trains can be controlled up to 300 Km/h on the new Shijazhuang – Taijuan line, which is 190 km long, and to the previously existing railway line in the area.

MASS TRANSIT

The production mainly related to the *Octys* (ex. *Ouragan*) project; this project relates to the development, supply and installation of equipment for the speed and driverless control for line 3 of the Paris metro. At the end of March the first partial commissioning was made.

Activities continued for the development of the supply of CBTC to Ansaldo STS USA for projects in China.

AMERICAS

The main projects on which production for the first half 2010 focused are the following:

NYC - 5th AND LEXINGTON

Ansaldo STS USA acquired this contract in March 2009. This project relates to the upgrade of the Interlocking Signalling System of Lexington Avenue and 5th Avenue, on the Queens Boulevard line, for the Transit System of New York City. In 2010 all the railway stations were delivered; the project for the Lexington circuit was completed and delivered as per the date scheduled, while the design of the 5th Avenue circuit was submitted to the Customer a month earlier than the date scheduled. Environmental tests are under way to check that the wayside equipment is functioning.

CHENGDU LINE 1

The contract was acquired with Ansaldo STS France with the local partner Insigma in April 2007. It consists of the designing, supply, installation, test and delivery of a CBTC system for Chengdu Line 1. Line 1 Phase 1 is a 18.5-km-long metro with 16 stations and 17 trains (34 pieces of cabin equipment). ASTS USA is a sub-contractor with the local company Insigma and supplies the CBTC platform and the key hardware components, while Insigma supplies engineering application, non-core hardware, as well as equipment and installation of parts made by others.

In the first half of 2010 the FAT was carried out on 7 wayside locations and on the Track Test; installation and on-site commissioning were also completed during the period. The first train was delivered on 1 June 2010 to Chengdu Metro, so that Joint System Integration Tests could commence. Test procedures started on 30 June 2010.

SHENYANG LINE 1 (CBTC)

Scope of the work is the designing, supply, installation, test and delivery of a CBTC system for Shenyang Line 1. Line 1 is a 27.9-km-long metro with 23 vehicles (46 pieces of cabin equipment). ASTS USA is a sub-contractor of Insigma and will take care of the CBTC core platform and the key hardware components. Insigma will supply engineering application, non-core hardware, other equipment and installation of parts made by others. ASTS USA will design, carry out the FAT (Factory Acceptance Test), delivery the first wayside location and supervise the commissioning and testing of the integration system.

During the period the FAT was carried out on the South Railway. 5 wayside locations were installed in the Western Section and the Track Test was carried out. Procedures for level 1 test were submitted on 30 June 2010.

CPTM – SAO PAULO, BRAZIL

This project, for which the contract was signed in 2008, consists in the supply and installation of signalling systems, traffic control, telecommunications and sub-station equipment for Lines 7 and 12. The scope of the work includes the replacement of the existing interlocking and track circuits using the MicroLok technology, as well as new equipment for Central Control and the upgrade of the hardware used in commercial communications.

During the first half of 2010, the Wayside design was completed for all the domains of Line 12 and the MicroLok and Track Rack designs were completed.

AUSTRALIA

RAILWAYS - MICROLOK

Production for the Railways segment related to these projects:

- Newcastle Alliance: during the first half-year the activities located in the Hunter Valley region were reduced due to a postponement of the programme by the Customer, which confirmed the scope of the work for 2010.
- Atms Project: during the period the project was revised with the Customer paying attention to the on-board output software. A substantial progress was also made in Train Control and Display. The project will continue with Stage 2.

Activities in India on the Railways segment concerned these projects:

KFW

The project was updated after some clarifications with the Customer revealed a reduction in the original scope of work. At the end of July a time extension is expected in order so that new order variations may be negotiated. The “commissioning” is expected by mid-September.

TPWS

Activities continue with relevant attention, in cooperation with the other Group companies, in order to solve the reliability issues of on-board equipment and interfaces with braking systems. These activities have brought a delay in contractual times. Due to substantial progress in the resolution of technical problems, 5 sites will start operations within July.

JUHI

The project, now ready for “commissioning”, was identified as test site for the Interlocking technology in the Indian market. Testing is expected by the end of August.

EBIT of the Business Unit at 30 June 2010 amounted to EUR 47 million (12% of the value of revenues) substantially in line with the value of the same period of 2009 (EUR 47 million).

Net working capital at 30 June 2010 amounted to EUR 16 million from a negative EUR 49 million at 31 December 2009. This change is due to the increase in inventories and work in progress and the increase in trade receivables which were not offset by advances from customers.

Research and development spending at 30 June 2010 stood at EUR 21 million, compared with EUR 19 million at 30 June 2009.

The **workforce** at 30 June 2010 stood at 3,485, down by 24 on the same period last year (3,509). This decrease is mainly attributable to the reduction of 49 employees of the American subsidiary, due to the ongoing reorganisation plan (whose main objective is to streamline the Batesburg production facility) and to the passage of 19 employees from the Signalling Business Unit to the Transportation Solutions Business Unit of the Malaysian subsidiary for the performance of the activities for the order acquired in 2008 for the North Ipoh - Padang Besar railway line.

2.6.4 Transportation Solutions Business Unit - Performance by Business Unit

(EUR 000)	30 Jun 2010	30 Jun 2009	Change	31 Dec 2009
Orders	425,740	456,036	(30,296)	632,468
Order backlog	2,291,366	2,122,049	169,317	2,048,073
Production Revenues	222,011	175,852	46,159	417,130
EBIT	18,158	16,356	1,802	43,111
R.O.S.	8.18%	9.30%	-1.12 p.p.	10.30%
Operating working capital	(122,680) (*)	(106,692)	(15,988)	(97,967) (*)
Research and Development	1,350	1,063	287	3,094
Workforce (no.)	412 (*)	314	98	348 (*)

(*) = These figures were restated following the adoption of the new Control Model approved as part of the "Fast Forward Driven by Business" project.

(The figures in this table are inclusive of transactions with other segments).

The Transportation Solutions Business Unit designs and builds integrated transportation systems, therefore it specifically studies, designs and plans how to integrate the activities of designing and building the equipment that goes into a system – that is, the super structure, signalling, power supply, telecommunications and vehicles (whether for inter-city or urban railways) as well as any other technological works which, collectively, constitute an integrated transportation system. The final product, whether an inter-city line or an urban one, is delivered as a "turnkey" project to the customer. However, the Group can also offer the expertise of the Signalling or Transportation Solutions Business Units separately, according to specific customer needs.

The main projects in which the Transportation Solutions Business Unit is participating, or in which it has participated, are as follows:

- the driverless metros of Copenhagen, Brescia and Thessaloniki;
- Naples metro line 1, and Rome metro lines A, B, and C;
- light metro systems for Genoa and Naples line 6 (on these two projects the Group is acting as concessionaire, and is thus responsible for the completion of the whole project including civilian works) and Lima;
- tram systems at Florence, Sassari, Birmingham (Midland Metro), Manchester (Metrolink), and Dublin (lines A, B, C);
- the building of electrical/rail systems for the Milan Metro (Line 1);
- the design, construction, installation, testing and commissioning of signalling, telecommunications and electrification equipment for 330 kms of the dual track line between Ipoh and Padang Besar, Malaysia.

Finally, in Italy, the Business Unit is working on high-speed rail lines, through the Iricav Uno consortium (responsible for the Rome-Naples section), and the Iricav Due consortium (responsible for the Verona-Padua section), and Saturno.

Production revenues of the Transportation Solutions Business Unit at 30 June 2010 came to EUR 222 million (EUR 176 million at 30 June 2009); the increase of EUR 46 million is attributable to the development of important order backlog.

The volumes were developed in Italy (93%) and abroad (7%), with 84% regarding the metro rail sector. Production developed on the projects for high-speed trains, the Rome Metro Line C, Copenhagen Metro, Milan Metro, Genoa Metro, Thessaloniki, Alifana, Naples Metro Line 6, Naples Metro Line 1, Brescia Metro, Riyadh and Taipei Metros.

The most significant production activities are as follows:

HIGH-SPEED RAILWAYS

The HSL Turin-Milan-Rome-Naples is now operating commercially.

For the works performed through the Saturno consortium, some activities are being completed as demanded by the Technical Control Commissions; regarding the works performed through the Iricav Uno consortium, for the Rome-Naples section, controls on the Final Test are pending. Only some finishing works are left for civil works out of the line.

On the Milan-Bologna line, activities are still under way on the Modena interconnection. For the Milan-Bologna line, we are awaiting the developments of the works of the existing Arbitration Panels and, as regards the Rome-Naples line, the Arbitration Panel issued a partial award rejecting some of the TAV's claims.

GENOA METRO

With regard to the De Ferrari-Brignole section under construction, in the first half 2010 activities were carried out for the completion of the laying of the concrete slab alongside the line, for the construction of platforms at the Corvetto station and for the track laying, which was 95% completed, as regards the length of the line.

With regard to the Brignole station, work continued to complete the construction of the two RFI underpasses propaedeutical to the future railway-metro link; activities for order issues for technological systems are continuing.

After the stipulation of the Addendum relating to a first functional lot of the new Dinegro depot (EUR 42 million).

Also, some minor structures were demolished, some sub-services were removed and the site is being built in the Via Buoizzi area above, in order to cut the planks of the road scaffold at the level of the depot cover.

ALIFANA REGIONAL LINE

The Giugliano - Aversa Centro line (Second Functional Action) has been opened to the public since 2009. Activities are under way for the implementation of the second stage of the Scampia underpass, and the related link to the Piscinola Station, whose completion is scheduled by the second quarter 2011 because of several changes during the work.

The integrated telecommunications system and the A lot of the new Melito station will be completed within the end of 2010.

A new Addendum was signed which provides, among other things, for the allocation of the financial resources for the implementation of the B lot of the Melito station (which makes it usable by the public) and the completion of the integrated telecommunications system.

With regard to the Integrated Contract for the Piscinola-Capodichino line, a new Addendum was signed. It redetermines the performance of the scope of work, as envisaged in the Final Design made accordingly to the bid, and the contract times.

NAPLES METRO LINE 6

During the second quarter of 2010, there were important developments concerning both the implementation and the management issues. After the completion of the last functioning tests, in April the excavation works on the line tunnel started. In the last quarter, the works continued assuring the maximum level of security in consideration of the fact that the initial part of the excavations have been performed next to the civil buildings along Via Piedigrotta.

Concerning the site of Arco Mirelli station, archaeological excavations started, for part of the areas in the station shaft, in April. Later, in June, these activities were extended to the entire area of the station. Still in April, the first phase of the archaeological excavation of the winze on the Villa Comunale side, named "Kollohoff shaft", was completed and the relevant slab is being built.

With regard to the San Pasquale station, works were still slowed down because of archaeological excavations. Consistently with the work stages and the areas cleared as excavations are completed, the construction of the pave edges of the shaft bulk heads continued.

For the Chiaia work-site, in the second quarter of the year the civil works for the construction of the shaft continued with the construction of the internal walls, the floor slabs and the progressive removal of the beams.

Archaeological excavations also mark the works at the Municipio work-site.

Finally, at the end of June the 7th an addendum was signed with the Licensor of the Municipality of Naples for the detailed engineering and the construction of the tunnel linking Mostra station and the area of the former military armoury in Via Campegna, the supply of rolling stock and the completion of the Arco Mirelli and Chiaia stations of the Mergellina - Municipio line under construction. The overall value of the new contract is EUR 160.5 million.

BRESCIA METRO

With reference to the Company's works, the development of construction planning and of tests is continuing. The installation of the platform screen doors on all the functional line are nearing completion and the laying of cable paths in the stations and on the Northern area line continued. Within July, testing activities will start for the Vehicle and the various technological sub-systems on the Test Track, and by September, the first dynamic tests on the vehicle will start on the Functional Section.

With regard to the civil works to be made by the partner, the line, station and shaft construction activities are proceeding. The track laying was completed along the Southern area while is continuing in the Northern area. With reference to the rolling stock for which AnsaldoBreda is responsible, the second vehicle arrived in Brescia in May. The arrival of the third train in Brescia is expected for September, already in final configuration.

There is no new information regarding the dispute between ATI (with particular reference to the civil partner Astaldi) and Brescia Mobilità. However, an agreement was reached among the members of the temporary business grouping regarding the allocation of consideration, if any, by Brescia Mobilità.

COPENHAGEN

Production during the period was marked by activities relating to the operation & maintenance of the system.

The extension of the operation & maintenance activities was acquired for 5 (five) additional years as from October 2010, plus an option for 3 (three) more years. The contractual value is some EUR 180 million.

ROME METRO LINE C

With regard to the activities of the consortium company Metro C, after the planned maintenance, the first TBM was reassembled and taken to the "Malatesta" shaft to resume the excavations towards S.Giovanni; the second TBM will do the same at a later stage. Instead, the third and fourth TBM completed the excavation of the tunnels to shaft 5.4, from where they were taken out. As regards the activities for which Ansaldo is directly responsible, the ATC in the cabin (Depot SER - Pantano and Bolognetta) and in the Depot yard (vehicle Depot area), and the cables are being laid between Pantano and Borghesiana. The construction of the first 13 trains continued at the AnsaldoBreda factory in Reggio Calabria, substantially in line with the programme under which the delivery of the first train in Rome is expected within the month of September; the vehicle prototype was transferred to the VELIM circuit (Czech Republic). The tests, for which AnsaldoBreda is responsible, were completed and the planned ATC tests were started.

THESSALONIKI METRO

In connection with the development of the dispute on signalling, during the quarter April-June there were several technical and managerial meetings with the Customer, but no final solution was found. At present, the dispute has become part of broader negotiations between the Joint Venture and the Customer regarding, among other things, a contractual and economic agreement on the approach for the continuation of the excavation of the TBM in the Eastern part of the line and on the resulting new contractual programme. An understanding, an informal one at least, including the settlement of the signalling issue, is expected to be reached by the end of the year.

MILAN METRO LINE 5

The testing on the Garibaldi Variation are being completed; by the end of 2010 all the materials necessary for the installation of the entire line will be completed. At present, assembling activities are concentrated in the area from the Depot to the Cà Granda station and the related intra-sections. The critical issues regarding the delivery of work-sites from the partners of the temporary business grouping to ASTS is partially settled; some partners sub-contracted activities that were originally managed by them. The first final assembly tests started. This is consistent with the new work plan (Rev. 7.1) approved by MM and awaiting formal approval from the Municipality of Milan. The work plan envisages the completion of the functional section by the end of the first four months of 2012 and the complete line by the end of July 2013.

RIYADH AUTOMATED PEOPLE MOVER SYSTEM (APM)

During the period, following the approval of the Preliminary Design, the Final Design documents are being prepared. Delivery is expected within the year, after the end of interfaces with the Customer.

All the orders/contracts of supply in relation to the main sub-suppliers and sub-contractors involved in the project were undersigned by ASTS.

The materials are being shipped on-site. At the moment, line cables, Power Supply equipment and SCADA, are stocked in the Riyadh work-site, ready for the installation phase, which is expected to start in the second half of 2010.

The Factory Acceptance Tests are being carried out; as of today, the tests of the main equipment of the ASTS Scope of Work were carried out. In May 2010 the branch office Ansaldo STS S.p.A. - Saudi Arabia was established.

CIRCULAR LINE TAIPEI METRO

The project is proceeding to the design phase. The civil works have not been assigned yet, and ASTS is working with the Customer project counsellor for the civil design to define the system interfaces. This activity is nearing completion and the Customer planned to prepare the tender for civil works during the third quarter of the year. At present, the contract for the supply and installation of platform screen doors was signed. It is estimated that tenders for Track Laying, Third Track and SCADA will be finalised soon.

EBIT for the Business Unit at 30 June 2010 came to EUR 18 million (8.2% of the value of revenues) compared with EUR 16 million at 30 June 2009; this increase is a result of the greater volumes developed with a different mix of orders worked in the two comparison periods.

Operating working capital at 30 June 2010 amounted to a negative EUR 123 million, down from a negative EUR 98 million at 31 December 2009; this change is due to the increase in trade payables.

Research and development costs amounted to EUR 1 million, in line with 30 June 2009.

The **workforce** at 30 June 2010 was equal to 412 units, up by 98 units compared with 30 June 2009 (314 units). This change is attributable to the reallocation of the resources made in the scope of the "Fast Forward Driven by Business (FFDB)" project.

3 Main transactions during the period and events subsequent to 30 June 2010

On 26 February 2010, the share capital of Ansaldo STS Transportation Systems (India) Private Ltd., entirely owned by Ansaldo STS Australia Pty Ltd., was increased by 300 million Indian rupees through the issue of 30 million new shares. As of today, the share capital of the company amounts to 312,915,050 Indian rupees.

On 23 April 2010, the Shareholders in the Extraordinary Meeting resolved upon the free share capital increase for a total amount of EUR 50,000,000.00, to be implemented by recognising reserves to share capital, through the issue of 100 million of new ordinary shares of the company with a par value of EUR 0.50 each, to be made within 31 December 2014, in five annual tranches of EUR 10,000,000.00 each, represented by 20,000,000 newly-issued ordinary shares.

The shares relating to the first tranche were issued on 5 July 2010 upon the detachment of coupon no. 4, and were allocated on the basis of one newly-issued share every five shares already owned on that date, they have a standard dividend entitlement and therefore no dividend for the year ended 31 December 2009 is to be paid out.

After the first tranche, the share capital of Ansaldo STS amounted to EUR 60,000,000.00 represented by 120,000,000 ordinary shares with a par value of EUR 0.50 each.

In relation with the following tranches, the assignment ratio for the newly-issued shares will be calculated based on the share capital existing at the date of the share capital increase. The issue will be made during the second half of each year.

The Shareholders in the Extraordinary Meeting changed Article 5 of the Company By-Laws by adding a second paragraph to the first paragraph to illustrate the share capital increase resolved.

On the same date, the Shareholders in the Extraordinary Meeting also gave a new proxy to the Board of Directors pursuant to Article 2443 of the Italian Civil Code, to be exercised by 20 April 2015, for the share capital increase, upon payment and severally, one or more times, for a maximum amount of EUR 50,000,000.00 by issue of ordinary shares to be offered to those entitled, or with the exclusion of the right of option pursuant to Article 2411, paragraph four of the Italian Civil Code, in favour of institutional investors, as well as industrial and/or financial partners that are deemed strategic for the company business. At the same time, the Meeting revoked, to the extent of the unused portion, the resolutions of the share capital increase pursuant to Articles 2443 and 2441, paragraph four of the Italian Civil Code, passed by the Shareholders in the Extraordinary Meeting of 12 December 2005 and 22 December 2005, due on 1 December 2010. It is not the intention of the Board of Directors to exercise immediately the new proxy. The Shareholders in the Extraordinary Meeting subsequently changed Article 5, paragraph 4 of the Company By-Laws indicating the details of the new proxy. In the reporting period, Ansaldo STS through its subsidiary Ansaldo STS Australia acquired from Corridor Infrastructure Development Holdings (Pty) Ltd 49.3% of the shares held by the latter in Ansaldo STS-Infradev South Africa (Pty) Ltd., therefore holding 100% of the shares in the South African company. Due to this, on 21 June 2010, the company changed its company name into "Ansaldo STS South Africa (Pty) Ltd".

Still during the first half of 2010, the Company established with the local partner JSC REMLOCOMOTIV the Joint Venture "Kazakhstan TZ-Ansaldo STS Italy Limited Liability Partnership", where Ansaldo STS owns 49% of the shares and the remaining 51% is owned by the Kazakhi partner.

As regards the performance of commercial activities, the main orders acquired by Ansaldo STS during the reporting period are:

- a contract with Metroselskabet, company owner of the Copenhagen Metro, for the operation and maintenance of the Copenhagen driverless metro. The amount of the 5-year contract was EUR 180 million with an option for three more years;
- a contract with the Municipality of Genoa for the extension of the Depot of the Dinegro station of the Genoa Metro, for a total amount of EUR 42.3 million;
- through the Joint Venture "Kazakhstan TZ-Ansaldo STS Italy Limited Liability Partnership", a contract with the Kazakhi Railways KTZ (Kazakhstan Temir Zholy) for EUR 70 million for the design, supply, installation and operation of the signalling systems and telecommunications of the Zhetygen - Korgas line (300 km in the South-East of the country). Ansaldo's share amounted to EUR 50 million. The agreement is particularly important because it gives Ansaldo STS the possibility to well position for the huge investments planned in the Country for the next 10 years to strengthen the railway network;
- a contract with Rete Ferroviaria Italiana S.p.A. for the technological strengthening of the Genoa Railway Junction for a total amount of EUR 43.7 million. The works relate to the implementation of initiatives for the security and signalling systems with innovative technology, Central Calculator System (ACC) Multistation and telecommunications, between the stations of Genova Voltri and Genova Brignole;
- a contract, included in the Concession for the designing and building of Line 6 for the Naples Metro for EUR 160.5 million. Ansaldo STS is a Concessionaire for the Municipality of Naples of the designing and construction of all the civil and technological works of the entire Line 6. This contract adds up to those signed in December 2003 and September 2007, a confirmation of the quality and reliability of the work performed by Ansaldo STS.

4 Research and Development

In the first half of 2010, as well Research and Development accounted for most of the success and growth of the Ansaldo STS Group in the world.

The most obvious results were the huge amounts of new orders, where the main players are the recent products developed in the railway sector and in particular the ERTMS/ETCS Level 2 for High-Speed railways and the innovative metro based on Communication Based Train Control (CBTC) technology, as well as the innovative products in Security and Risk Reduction.

Regarding ERTMS Level 2 products, the first half-year 2010 witnessed a significant demonstration of interoperability with systems supplied by third parties. In particular:

- installed on Thalys trains, the Ansaldo STS on-board system, proved to be interoperable, through GSM-R radio communications, with the RBC (Radio Block Center) Wayside equipment supplied by Alstom on a line in Belgium and supplied by Thales on a line in the Netherlands;
- as part of the contract acquired by Ansaldo STS for the ZhengXi line in China, after the system was delivered for operation in the first week of February, the results of the tests run for the interoperability between the on-board equipment of Ansaldo STS and the RBC Wayside equipment supplied by Bombardier, and between the RBC Wayside equipment of Ansaldo STS and the on-board equipment supplied by Bombardier are positive.

With reference to CBTC projects, the first half of 2010 marks a moderate physical progress of the R&D development, which, allowed the operation of the CBTC system, wayside sub-system (Zone Controller) in the Paris metro, line 3 (OCTYS project); the possibility is confirmed that the system may be activated by the end of 2010 in IATP mode (the full functionality of CBTC will be made available in 2011) on two contracts in China, Shenyang L1 and Chengdu L1.

The Security and Risk Reduction business segment was marked by the completion and installation of Security innovative systems (Metro Campania, Circumvesuviana, RFI) which helped to further extend the range of products in the traditional sectors of Signalling and Automation. Simulations were completed in the case of fire on a vehicle in transit, and these helped the definition of the Ansaldo STS Group as a key player in Security and Risk Reduction.

In the segment of Security for transportation infrastructures, proposals are aiming at monitoring and protecting critical “assets”, such as stations, tunnels, bridges, viaducts, depots, power sub-stations, etc., against threats, such as:

- unauthorised access in protected areas;
- thefts and acts of vandalism;
- sabotage and terrorist attacks.

All this is achieved through the definition of a dedicated solution identified along these steps:

- risk analysis;
- designing of the centralised security management system and the sub-systems and field technology to measure and integrate the necessary sensors and devices.

In Risk reduction, the development of a new system named TCCS® (Train Conformity Check System) was completed. It is expected to be used at tunnel entrances.

The primary goal of this system is to increase safety during operation, ensuring the absence of certain technical problems on-board before the train enters the tunnel.

The control is made at first identifying the model of the incoming train and, by means of sensors alongside the tracks, any anomaly is recorded:

- dimensional anomalies, such as silhouette change, projecting cargo or wheel anomalies;
- thermal, at parts of the bogie, the underframe or the top deck.

In Risk Assessment, the year 2009 saw the success of the test for fire in a metro train in a tunnel, which was carried out at the Firemen's training operational centre of Montelibretti (Rome).

The complex project started almost two years ago at the request of the management of Roma Metropolitana and of Ansaldo STS. The goal of the test was to prove the validity of the technology and systems chosen for the Project of Line C of Rome in terms of fire safety.

The liveability of the environment, the vehicle resistance, the efficiency of the alarms and the relevant counter-measures were measured “live” in the case of a fire on a train in a tunnel of Rome Line C.

The experiment was run on three different tests: natural ignition, backfire and arson, on three different days.

Thanks to the sensors network built, the fire was monitored in real time and a fair number of very interesting data were acquired.

Research and Development

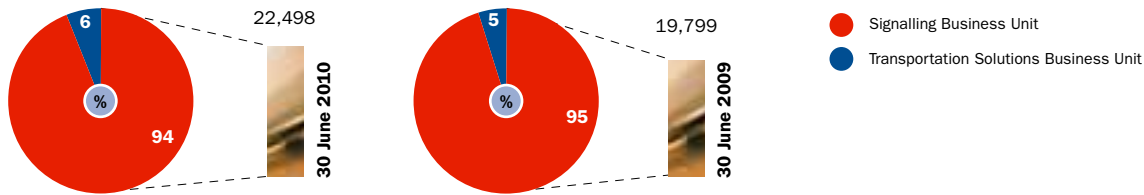
At 30 June 2010, research and development costs were EUR 22 million, up from EUR 20 million at 30 June 2009.

The activities undertaken by the Signalling Business Unit, totalling EUR 21 million or 95% of total spending, related to the following companies (figures in millions of euros):

- Ansaldo STS: 9
- Ansaldo STS France: 10
- Ansaldo STS USA: 2

The activities undertaken by the Transportation Solutions Business Unit amounted to EUR 1 million, substantially in line with figures at 30 June 2009.

R&D costs at 30 June 2010-2009 by Business Unit (thousands of euros)



5 Personnel and Organisation

5.1 The company Ansaldo STS

The top tier of the company was not changed during the first half of 2010. The Company's officers thus include:

- Chairman of the Board of Directors: Alessandro Pansa (appointed by the Shareholders' Meeting of 21 November 2005);
- Deputy Chairman of the Board of Directors: Sante Roberti (appointed by the Board of Directors' meeting of 24 February 2006);
- CEO: Sergio De Luca (appointed by the Board of Directors' meeting of 14 June 2007).

Since 1 January 2010, following the restructuring envisaged in the "Fast Forward Driven by Business (FFDB)" project, Ansaldo STS adopted an organisation structure based on business units. Global Business Units report directly to the CEO and integrate their expertise and professionalism from the various geographical areas where the company operates. Accordingly, the new first-level organisation structure of Ansaldo STS will be organised as follows:

- Directly reporting to Sergio De Luca, CEO:
 - Signalling Business Unit: Emmanuel Violet;
 - Transportation Solutions Business Unit: Lyle Jackson;
 - Standard Platforms & Products Business Unit: Maurizio Manfellotto;
 - Innovation & Competitiveness: Giovanni Bocchetti;
 - Company Secretary and General Counsel: Mario Orlando;
 - Chief Financial Officer: Alberto Milvio;
 - Human Resources: Carlo Cremona;
 - Standard Processes Quality & IT Services: Christian Andi;
 - Risk Management: Roberto Passalacqua;
 - HSE & Facility Management: Giuseppe Spezzi;
 - Security: Giovanni Rapiti.
- Directly reporting to the Chairman of the Board of Directors:
 - Internal Audit: Mauro Giganti.

Alan Calegari is confirmed as CEO of Ansaldo STS USA, a company that will be included in the new world organisation from January 2011.

With resolution dated 27 January the Board approved the proposal to form a Newco in Saudi Arabia, a Joint Venture with a local company. ASTS agreed with the SBG group to set up a company organised under the laws of Saudi Arabia to develop ASTS' business in that region by taking part together in calls for tenders and private negotiations. The Newco will be a Saudi Arabian Limited Liability Company (LLC) under the name Ansaldo STS Saudi, held at 65% by ASTS and at 35% by the company Al Safwa.

During the meeting of 29 March the first Sustainability Report of the Ansaldo STS group was submitted to the Board. It was later made available to the market for the Shareholders' meeting of 22/23 April 2010. The Report was also published on Ansaldo STS's Internet site.

Pursuant to Article 2, letter b of Legislative Decree 81/2008, the Board, with resolution dated 27 May 2010, approved the proposal of the company to identify only one Employee, appointing Mr Giuseppe Spezzi to this purpose. The Board also approved the new organisation structure regarding work safety and hygiene and environment protection and gave Mr Spezzi all the powers necessary for the implementation of the relevant activities.

The Board gave its consent to a consulting agreement with a company named Hay Group, which will support Ansaldo STS in developing a Global Job System, i.e. a platform for organisational development that also is a basis for the subsequent implementation of HR processes, such as selection, training, career & development plan, compensation, performance management.

The Board also approved the involvement of Ansaldo STS in the project for the reform of the Italian Technical High Schools (ITS) defined by Finmeccanica and the Italian Ministry of Education through the Protocol of Understanding signed in November 2009. Under this project, the companies of the Finmeccanica group, in their respective territories, will take part in the establishment of Foundations whose purpose will be to manage two-year post-graduate technical training courses with the main objective to provide young graduates from the Italian technical high schools with higher and more developed training opportunities suitable to meet the growing demand from enterprises for highly-qualified technicians.

In actual terms, Ansaldo STS will be the co-founder of a soon-to-be-established Foundation based in Campania, together with other enterprises, high schools, training entities, research bodies, universities and local authorities. The proposing entity and coordinator of all the bureaucratic issues of this Project in Campania is ITA - Fondazione Villaggio dei Ragazzi.

The Foundation is expected to be established by next July and courses are scheduled to start at the beginning of 2011. ASTS's financial burden, considering the above-said public allocations, is rather symbolic, the sum of EUR 2,500 to be paid as the foundation is established, and the hourly fees sustained by the company for the technical teaching provided in the study plan that is being prepared.

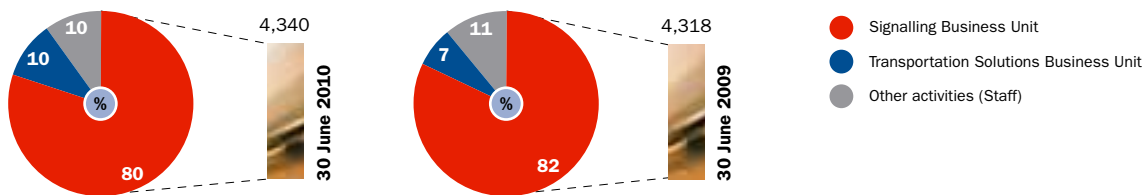
5.2 Workforce at 30 June 2010

The Group's workforce at 30 June 2010 stood at 4,340, an increase of 22 or 0.5%, on the 4,318 of 30 June 2009.

The breakdown by business area at 30 June 2010 is as follows:

- Signalling Business Unit: 1,770 employees, or 41% of total resources;
- Transportation Solutions Business Unit: 412 employees, or 10% of total resources;
- SPP Business Unit: 933 employees, or 21% of total resources;
- Innovation & Competitiveness Business Unit: 26 employees, or 1% of total resources;
- Staff functions: 443 employees (including Ansaldo STS USA with 73 employees), or 10% of total resources;
- Ansaldo STS USA: 756 employees (less Staff functions), or 17% of total resources.

Workforce at 30 June 2010 - 2009 (number) by Business Unit



5.3 Security Policy Statement

'Information pursuant to Legislative Decree no. 196 of 30 June 2003 (Personal data protection code).'

In accordance with the provisions of section 26 of the Technical Regulations for minimum security measures (Annex B to Legislative Decree no. 196 of 30 June 2003, Personal Data Protection Code), the Security Policy Statement (DPS) was prepared in respect of personal data processing.

The DPS contains the information required to be given under Section 19 of said Technical Regulations and describes the security measures adopted by the Company in order to reduce to the minimum the risks of: destruction or loss, even by accident, of personal data; unauthorized access or unallowed processing; or processing that is non-compliant with the purposes of the collection.

5.4 Incentive plans

Ansaldo STS has developed and set the rules for:

- a medium-term stock grant incentive plan;
- a long-term cash incentive plan.

The plans are part of an array of short-, medium- and long-term incentives that represent a significant component of total management compensation of the Group. These are furthermore structured so as to tie significant portions of a manager's compensation to the achievement and improvement of financial parameters and to strategic objectives particularly important for the creation of value at Group level.

On 23 April 2010, the Shareholders' meeting of Ansaldo STS also approved for the 2010-2012 three-year period an additional Stock Grant Plan intended for a maximum number of 50 resources playing a key role in relevant projects that are considered to be strategic for the Group and vital to the achievement of the economic and financial goals of the company. The plan, mainly intended for middle managers, aimed at strengthening the sense of belonging to the company, at further improving the feeling of the connection between performance and remuneration, and at encouraging the retention of the resources that are considered to be important for the achievement of the ambitious company objectives.

5.4.1 Stock grant plan

With reference to the stock grant plan, the Group proceeded with verifying the achievement of the objectives to which the assignment of the quota related to 2009 had been tied.

The three objectives in relation to EVA, Free Operating Cash Flow and share performance were achieved in full.

Accordingly, as provided for by the plan rules, 100% of the shares originally intended for assignment will be assigned to the persons entitled thereto.

In the second half of 2010 the participants will be notified of the results achieved and of the shares assigned, accordingly.

The shares will be assigned, as envisaged, on 1 December 2010.

5.4.2 2007-2009 Cash incentive plan - 2009 Tranche

The 2007-2009 cash plan for 2009 involves five executives of Ansaldo STS SpA and its subsidiaries, who are key in the achievement of the Group's strategic and business/financial objectives.

The three-year plan provides for the payment of a cash sum, up to a maximum of annual gross remuneration (RAL), linked to the achievement of previously assigned objectives.

The objectives set for 2009 were all achieved.

The two objectives set, that for free operating cash flow and the share performance vis-à-vis FTSE IT All Share, were achieved.

The plan also has access different thresholds for the various managers, consistent with the responsibilities assigned. In three cases (ASTS USA, Australia, France), this threshold was not reached, and the shares were not assigned in accordance with the plan rules.

In the two cases where the threshold was reached, the incentive shares accrued were assigned in May 2010.

5.4.3 2008-2010 Cash incentive plan - 2009 Tranche

The 2008-2010 cash plan for 2009 involves three executives of Ansaldo STS SpA and its subsidiaries, who are key in the achievement of the Group's strategic and business/financial objectives.

The three-year plan provides for the payment of a cash sum, up to a maximum of annual gross remuneration (RAL), linked to the achievement of previously assigned objectives.

The objectives set for 2009 were all achieved.

The two objectives set, that for the acquisition of Orders of the company or the Group compared with the average margin and that for the share performance vis-à-vis the FTSE IT All Share, were achieved, except for USA orders.

The plan also has access different thresholds for the various managers, consistent with the responsibilities assigned. In two cases (ASTS USA, Australia), this threshold was not reached, and the shares were not assigned in accordance with the plan rules. In the third case, where the threshold was reached, the incentive share accrued was assigned in May 2010.

5.4.4 2009-2011 Cash incentive plan - 2009 Tranche

The 2009-2011 cash plan for 2009 involves three executives of Ansaldo STS SpA and its subsidiaries, who are key in the achievement of the Group's strategic and business/financial objectives.

The three-year plan provides for the payment of a cash sum, up to a maximum of annual gross remuneration (RAL), linked to the achievement of previously assigned objectives.

The objectives set for 2009 were all achieved.

The two objectives set, that for the Ansaldo STS share performance vis-à-vis itself and that for ROE, were achieved.

The plan also has access different thresholds for the various managers, consistent with the responsibilities assigned. In one case (ASTS Australia), this threshold was not reached, and the shares were not assigned in accordance with the plan rules. In the two cases where the threshold was reached, the incentive shares accrued were assigned in May 2010.

6. Corporate Governance and Shareholding structure of the company in compliance with art. 123 of Legislative Decree no. 58 of 24 February 1998 and subsequent amendments (consolidated law on financial intermediation - TUF)

The Ansaldo STS shares have been trading since 29 March 2006 on the STAR segment of the markets organised and managed by Borsa Italiana SpA.

On 19 December 2006 the Ansaldo STS SpA Board of Directors adhered to the Corporate Governance Code adopted by Borsa Italiana SpA in March 2006 (C.A.). During 2007 the Company has completed the adjustments to the requirements of the Corporate Governance Code, based on the conviction that these recommendations contribute significantly to the realization of the key points of the Company's corporate governance policy. Specifically, the corporate governance system implemented has as its primary goal the creation of shareholder value, in recognition of the importance of transparency in the company decision-making process, and the need for an efficient internal control system.

The members of the Board of Directors of Ansaldo STS, appointed by the Shareholders' meeting of Ansaldo STS of 1 April 2008 are: Alessandro Pansa (Chairman), Sante Roberti, Sergio De Luca, Maurizio Cereda, Gerlando Genuardi, Gregorio Gitti, Francesco Lalli, Eugenio Pinto and Attilio Salvetti. The Board will be in office for three years, therefore until the date of the Ordinary Shareholders' meeting for the approval of the Financial Statements for the year 2010. The members of the Board of Statutory Auditors, also appointed during the Shareholders' meeting of 1 April 2008, are Giacinto Sarubbi (Chairman), Massimo Scotton and Francesca Tripodi; Bruno Borgia and Pietro Cerasoli were appointed as alternate auditors.

The new Board of Directors met on 1 April 2008 as well, and confirmed Sante Roberti as Deputy Chairman, Sergio De Luca as CEO and Mario Orlando, General Counsel of the Company, as Secretary of the Board. The Board also appointed the members of the Internal Control Committee (Gregorio Gitti - Chairman, Maurizio Cereda, Eugenio Pinto and Attilio Salvetti), of the Remuneration Committee (Maurizio Cereda - Chairman, Gerlando Genuardi and Francesco Lalli), and also appointed the Manager in charge of the preparation of the corporate accounting documents as Jean Paul Giani, Chief Financial Officer of the Company. Later, starting from 1 August 2009 the office of Chief Financial Officer and Manager in charge of the preparation of the corporate accounting documents was taken by Alberto Milvio, who replaces Jean Paul Giani after he took another significant office in the Finmeccanica Group.

Members Maurizio Cereda, Gerlando Genuardi, Gregorio Gitti, Eugenio Pinto and Attilio Salvetti certified that they meet the independence requirements of applicable laws and the Corporate Governance Code. The existence of these requirements for the Directors has been ascertained periodically, as prescribed by the Corporate Governance Code; the latest ascertainment, made in the first half of 2010, confirmed the existence of the independence requirements for all the independent directors.

Accordingly, the Board of Directors of the Company presently includes five independent directors out of nine.

During the meeting of 27 January 2010, the Board of Directors reviewed the regular survey carried out with the Company's Directors, in order to report offices as Director or Statutory Auditor held in other listed financial, banking, insurance or relevant-size companies, acknowledging the offices disclosed by each member of the Board and the fact that no Director has disclosed to carry out activities in competition with the issuer. During the first half of 2010 the Board, pursuant to the provisions of the Corporate Governance Code, also completed the regular evaluation on the size, members and functioning of the Board itself and its committees, checking that they are compliant with the principles and application criteria of the Corporate Governance Code of Borsa Italiana and with Italian and international best practices.

Moreover, in the course of the first half 2010, the Company made available to the public the first Sustainability Report of the Ansaldo STS Group that marks the beginning of the corporate environmental reporting.

Following is a list of the Company's main corporate governance instruments:

- By-laws
- Ethics Code
- Organisation, Management and Control Model pursuant to Legislative Decree no. 231/01
- Regulation of the Board of Directors
- Regulation of the Internal Audit Committee
- Regulation of the Remuneration Committee
- Guidelines and Principles for identifying significant transactions with Related Parties – Principles of conduct
- Regulation for managing privileged information and setting up a register of persons who have access to that information
- Internal Dealing Code
- Regulations for shareholders' meetings

For more details on corporate governance, see the "Report on Corporate Governance", which also contains the information required by Art. 123 bis of TUF, available on the Company's web site www.ansaldo-sts.com.

Rome, 27 July 2010

For the Board of Directors
The Chairman

Alessandro Pansa



Condensed Consolidated
Half-Year Financial Statements
at 30 June 2010

7 Accounting statements

7.1 Consolidated Income Statement

Income Statement (EUR 000)	Note	For the six months ended 30 June			
		30.06.2010	of which from related parties	30.06.2009	of which from related parties
Revenue	11.2	584,706	45,133	547,304	64,603
Other operating income	11.3	9,549	38	9,187	27
Raw materials and consumables used	11.4	(115,906)	(2,330)	(101,865)	(1,960)
Purchase of services	11.4	(261,749)	(40,162)	(250,559)	(35,408)
Personnel costs	11.5	(152,461)		(139,425)	
Amortisation, depreciation and impairment	11.6	(6,528)		(6,037)	
Other operating expenses	11.7	(6,470)		(5,210)	(3)
Changes in inventories of work in progress, semi-finished and finished goods		6,194		3,129	
(-) Work performed by the Group and capitalised	11.8	340		262	
EBIT		57,675		56,786	
Finance income	11.9	27,609	396	15,440	1,214
Finance costs	11.9	(31,245)	(173)	(18,173)	(59)
Share of profit (loss) of equity accounted investments	11.10	983		1,073	
Profit (loss) before taxes		55,022		55,126	
Income taxes	11.11	(21,611)		(17,655)	
Net Profit (loss)		33,411		37,471	
Equity holders of the Company		33,285		37,330	
Minority interests		126		141	
Earnings per share					
Basic and diluted		0.33		0.37	

7.2 Consolidated Statement of comprehensive income

(EUR 000)	30.06.2010	30.06.2009
Profit (loss) for the year	33,411	37,471
<i>Other comprehensive income</i>		
- Actuarial gains (losses) on defined-benefit plans	(1,559)	1,870
- Changes in Cash Flow Hedges	12,607	(3,327)
- Tax on expense/(income) recognised in equity	(4,083)	226
- Translation differences	14,559	5,747
Other comprehensive income, net of tax	21,524	4,516
Total comprehensive income (expense) for the period	54,935	41,987
Attributable to:		
- Equity holders of the Company	54,682	42,002
- Minority interests	253	(15)

Accounting statements
Consolidated Balance Sheet

7.3 Consolidated Balance Sheet

Balance Sheet (EUR 000)	Note	30.06.2010	of which from related parties	31.12.2009	of which from related parties
Non-current assets					
Intangible assets	10.2	48,233		44,636	
Property, plant and equipment	10.3	100,996		99,993	
Equity investments	10.4	31,302		30,254	
Receivables	10.5	15,676		13,778	
Deferred tax assets	11.11	42,831		37,138	
Other assets	10.5	23,786		26,211	
		262,824		252,010	
Current assets					
Inventories	10.6	105,713		99,178	
Contract work in progress	10.7	234,927		151,146	
Trade receivables	10.8	427,006	55,568	526,500	130,654
Income tax receivables (**)	10.9	7,124		7,029	
Financial receivables	10.8	121,247	90,533	166,892	152,792
Derivatives	10.21	20,532		3,449	
Other assets (**)	10.10	36,215	1,754	40,124	1,754
Cash and cash equivalents	10.11	176,229		128,541	
		1,128,993		1,122,859	
Total Assets		1,391,817		1,374,869	
Shareholders' equity					
Share capital	10.12	49,194		49,194	
Reserves	10.13÷10.14	275,705		251,703	
Capital and reserves attributable to equity holders of the Company		324,899		300,897	
Minority interests in equity	10.15	909		639	
Total Shareholders' equity		325,808		301,536	
Non-current liabilities					
Borrowings	10.16	2,722		4,032	
Severance pay and other employee liabilities	10.18	31,921		30,753	
Deferred tax liabilities	11.11	8,339		2,810	
Other liabilities	10.19	8,889		8,654	
		51,871		46,249	
Current liabilities					
Advances from customers	10.7	599,843		651,950	
Trade payables	10.20	261,250	15,428	248,168	20,524
Borrowings	10.16	18,210	92	12,540	-
Income tax payables (**)	10.9	9,414		3,667	
Provisions for risks and charges	10.17	26,403		27,726	
Derivatives	10.21	14,134		2,816	
Other liabilities (**)	10.19	84,884	427	80,217	441
		1,014,138		1,027,084	
Total Liabilities		1,066,009		1,073,333	
Total Liabilities and Shareholders' equity		1,391,817		1,374,869	

7.4 Consolidated Statement of Cash Flows

Statement of Cash Flows (EUR 000)	For the six months ended 30 June			
	30.06.2010	of which from related parties	30.06.2009	of which from related parties
Cash flow from operating activities:				
Gross cash flow from operating activities	63,904	-	64,776	-
Change in working capital	(24,875)	70,209	10,100	37,508
Changes in other operating assets and liabilities	3,866	(14)	1,824	142
Net finance costs paid	(2,955)	223	2,483	1,155
Income taxes paid	(15,359)	-	(4,870)	-
Net cash generated from operating activities	24,581	-	74,313	-
Cash flow from investing activities:				
Acquisitions of subsidiaries, net of cash acquired	(57)	-	116	-
Purchase of property, plant and equipment and intangible assets	(4,470)	-	(4,168)	-
Proceeds from sale of property, plant and equipment and intangible assets	76	-	90	-
Other investing activities	-	-	(2,558)	-
Net cash used in investing activities	(4,451)	-	(6,520)	-
Cash flow from financing activities:				
Net change in other financing activities	55,353	62,351	(30,375)	(10,295)
Share capital increases	-	-	-	-
Dividends paid to minority interests	(30,982)	-	(26,971)	-
Net cash generated from (used in) financing activities	24,371	-	(57,346)	-
Net increase (decrease) in cash and cash equivalents	44,501	-	10,447	-
Translation differences	3,187	-	138	-
Cash and cash equivalents at 1 January	128,541	-	71,536	-
Cash and cash equivalents at the end of period	176,229	-	82,121	-

7.5 Consolidated Statement of changes in equity

The following table shows the changes in Shareholders' equity:

(EUR 000)	Share capital	Retained earnings/ losses carried forward	Other reserves	Total capital and reserves attributable to equity holders of the Company	Minority interests in equity	Total shareholders' equity
Shareholders' equity at 1 January 2009	49,257	211,729	(22,727)	238,259	493	238,752
Reclassification of actuarial reserve related to defined-benefit plans	-	577	(577)	-	-	-
Change in scope of consolidation	-	-	(1,181)	(1,181)	-	(1,181)
Change in consolidation reserves	-	-	(822)	(822)	(1)	(823)
Translation differences	-	-	-	-	-	-
Net change in Cash Flow Hedge reserve	-	-	(903)	(903)	-	(903)
Profit at 30 June 2009	-	37,330	-	37,330	141	37,471
Net change in the reserve for stock grant plans	-	-	944	944	-	944
Other comprehensive income, net of tax	-	-	4,531	4,531	(15)	4,516
Actuarial gain related to defined-benefit plans	-	-	-	-	-	-
Allocation of the period result to legal reserve	-	(380)	380	-	-	-
Dividends	-	(26,971)	-	(26,971)	-	(26,971)
Deferred taxes recognised in equity	-	-	1	1	-	1
Net change in treasury shares	-	-	-	-	-	-
Other movements	-	508	2,757	3,265	-	3,265
Shareholders' equity at 30 June 2009	49,257	222,793	(17,597)	254,453	618	255,071
Shareholders' equity at 1 January 2010	49,194	273,219	(21,516)	300,897	639	301,536
Change in scope of consolidation	-	-	(20)	(20)	20	-
Change in consolidation reserves	-	-	(125)	(125)	(3)	(128)
Translation differences	-	-	-	-	-	-
Net change in Cash Flow Hedge reserve	-	-	(1,669)	(1,669)	-	(1,669)
Profit at 30 June 2010	-	33,285	-	33,285	126	33,411
Net change in the reserve for stock grant plans	-	-	1,823	1,823	-	1,823
Other comprehensive income, net of tax	-	-	21,397	21,397	127	21,524
Actuarial gain related to defined-benefit plans	-	-	-	-	-	-
Allocation of the period result to legal reserve	-	(6,550)	6,550	-	-	-
Allocation of the period result to other reserves	-	(10,000)	10,000	-	-	-
Dividends	-	(30,982)	-	(30,982)	-	(30,982)
Deferred taxes recognised in equity	-	-	293	293	-	293
Shareholders' equity at 30 June 2010	49,194	258,972	16,733	324,899	909	325,808

8 Notes to the condensed consolidated half-year financial statements at 30 June 2010

8.1 General information

Ansaldo STS is a company limited by shares based in Genoa, Via Paolo Mantovani 3/5 with a branch establishment in Naples, Via Argine 425; it has been listed on the Italian stock exchange (Star segment) since 29 March 2006 and has been included on the FTSE MIB index since 23 March 2009. Ansaldo STS SpA is a subsidiary of Finmeccanica SpA - whose headquarters are in Rome, Piazza Monte Grappa 4 - which manages and co-ordinates the activities of Ansaldo STS SpA.

The Ansaldo STS Group operates on a worldwide scale in the design, creation, marketing and sale of solutions, systems, products, components and services in the "Signalling" and "Transportation Solutions" sectors for inter-city and urban railways. Ansaldo STS SpA, as Parent company, carries out the functions of business and strategic management, coordinating the operations of its subsidiaries (together known as the "Ansaldo STS Group" or the "Group"), which operate in the above-mentioned sectors.

The Ansaldo STS Group grew out of the transport signalling and systems operations which, until the second half of the 1990s, were carried out by Ansaldo Trasporti within the Finmeccanica Group. The formation of Ansaldo Signal NV in 1996 and of Ansaldo Trasporti Sistemi Ferroviari SpA in 2000 (together with the formation of AnsaldoBreda, for the vehicles segment, the same year) produced a reorganisation of the entire transport sector, as a result of which Finmeccanica held a 100% stake in Ansaldo Signal NV, Ansaldo Trasporti Sistemi Ferroviari SpA and AnsaldoBreda SpA.

Meanwhile, in 1996 Finmeccanica SpA had acquired S.I.C. Società Italiana Comunicazioni Srl, renamed EuroSkyway Srl in 1997; the company was put into liquidation in April 2005.

Following Finmeccanica SpA's strategic decision in the second half of 2005 to list its signalling and transport systems companies on the stock exchange (having previously put in place a unitary management structure to enhance their business and commercial synergies) the EuroSkyway Srl shareholders' meeting, through its sole shareholder, Finmeccanica SpA, decided at the end of 2005 to revoke the company's state of liquidation and transform it into a company limited by shares, to change its own name to Ansaldo STS SpA, and to change its business object, focusing on signalling and transport systems for inter-city and urban rail systems.

To complete the above reorganisation, in February 2006 Ansaldo STS SpA, as already stated, acquired from Finmeccanica SpA the entire share capital of Ansaldo Signal NV and of Ansaldo Trasporti Sistemi Ferroviari SpA and since 29 March 2006 Ansaldo STS SpA has been listed on the stock exchange.

Specifically, Finmeccanica SpA placed on the market 60 million shares of the Company, equal to 60% of its share capital, at EUR 7.80 per share, retaining the remaining 40 million, equal to 40% of the share capital.

Upon the acquisition of stakes in Ansaldo Signal NV and in Ansaldo Trasporti Sistemi Ferroviari SpA (24 February 2006), all the companies operating worldwide for the Signalling-related activities were headed by Ansaldo Signal NV; while the Transport Systems activities were centred on Ansaldo Trasporti Sistemi Ferroviari SpA.

After the listing, a process for the corporate reorganisation of the Group was put into action in order to rationalise the current control chain of the subsidiaries and reduce the costs connected with the Group's corporate structure. This reorganisation led in the years 2007 - 2009 to the finalisation of these main transactions:

1. In the Asia Pacific region, the reallocation of a few equity investments in Group companies, in consideration of the ever-increasing importance that those markets are assuming for the Group and of the close industrial and commercial interaction among these companies. Consequently, since 1 January 2008 Ansaldo STS Australia PTY Ltd, which is the most significant presence of the Group in the Asia Pacific region, has been controlling the Indian and Malaysian operating companies and has been put under the direct control of the Group parent Ansaldo STS SpA. Furthermore, two other companies were established: Ansaldo STS Southern Africa (Botswana) and Ansaldo STS - InfraDEV South Africa, which, under the control of Ansaldo STS Australia PTY Ltd, operate on the expanding markets of Southern Africa.
2. In Italy, Ansaldo Segnalamento Ferroviario SpA and Ansaldo Trasporti Sistemi Ferroviari SpA, the two companies that operated in the two different business units (Signalling and Transportation Solutions respectively) have been merged through incorporation into the listed Group parent Ansaldo STS SpA. The merger through incorporation, as set forth in the merger deed stipulated by Ansaldo STS SpA, Ansaldo Trasporti Sistemi Ferroviari SpA and Ansaldo Segnalamento Ferroviario SpA on 26 September 2008, has had legal, accounting and tax effective date since 1 January 2009.
3. The Dutch sub-holding Ansaldo Signal NV was merged through incorporation into Ansaldo STS SpA. Since this is a cross-border merger, the same was executed in accordance with directive 2005/56/EC relating to the cross-border mergers of stock companies so as it is implemented in Italy through Legislative Decree no. 108/2008 and in Holland through Legislative Deed no. 260/261 of 27 June 2008, as well as with the related national regulations. In compliance with the merger deed stipulated by Ansaldo STS SpA and Ansaldo Signal NV in liquidation on 10 September 2009, the merger has had legal, accounting and tax effective date since 1 October 2009. As a result of this transaction, all the equity investments held by Ansaldo Signal NV in liquidation were transferred to Ansaldo STS SpA.

Moreover, in order to support the development of the Group business in South America, a new company "Ansaldo STS Sistemas de Transporte e Sinalização Limitada" was formed, in which Ansaldo STS SpA has an interest of 99.99% and Ansaldo STS USA International Co. an interest of 0.01% and, always with a view to expand its business, the Company formed, with the local partner JSC REMLOCOMOTIV, the Joint Venture "Kazakhstan TZ-Ansaldo STS Italy Limited Liability Partnership" in which ASTS has an interest of 49% and the Kazakan partner holds the remaining 51%.

As already said, the Ansaldo STS Group operates in the inter-city and urban railway sector through two business units: Signalling and Transportation Solutions.

The Signalling Business Unit carries out the following activities: design, production, management and maintenance of systems, subsystems and components of signalling for inter-city and urban rail transport; the reference main operating companies are the Group parent Ansaldo STS SpA in Italy (as a result of the incorporation of Ansaldo Segnalamento Ferroviario SpA), Ansaldo STS France SA in France, Ansaldo STS Australia PTY Ltd in the Asia Pacific region and Ansaldo STS USA Inc. in America.

The “Transportation Solutions” Business Unit carries out the following activities: design and creation of integrated transport systems, of which signalling is an essential part. In more detail, this activity studies, designs and plans how to integrate the activities of designing and building the technological equipment that goes to make up a system - that is, the track, signalling, power supply, telecommunications, and vehicles (whether for inter-city or urban railways) as well as any other technological works which, collectively, constitute an integrated transport system. The final product - an integrated transport system, whether an inter-city line or an urban one - is then delivered as a “turnkey” project to the customer. However, the Group can also offer the expertise of Signalling or Transport Systems separately, according to specific customer needs.

The core competences of these activities are concentrated in Italy in the Group parent Ansaldo STS SpA, following the incorporation of the subsidiary Ansaldo Trasporti Sistemi Ferroviari SpA, which was the company dedicated exclusively to this sector; all the Group companies that operate abroad, born as Signalling-related companies, have undertaken to develop their competences and their commercial presence in the Transportation Solutions sector as well.

8.2 Form, content and applicable accounting standards

The half-year financial report of the Ansaldo STS Group at 30 June 2010 has been prepared in compliance with Art. 154 ter para. 2 of Legislative Decree no. 58/98 - T.U.F. - and subsequent integrations and amendments. This half-year report has been prepared in accordance with IAS 34 “Interim Financial Reporting”, issued by the *International Accounting Standard Board* (IASB). The explanatory notes, in accordance with IAS 34, are reported in condensed form and do not include all the information required for the preparation of the annual report, being referred exclusively to those components, which by amount, composition or variations result to be fundamental to the comprehension of the financial position of the Group. Therefore, this half-year report should be read together with the 2009 consolidated annual report.

Similarly, the Balance Sheet and the Income Statement are published in condensed form when compared with the annual report. The reconciliation with the year-end statements is given in the related explanatory notes, for the items presented in the condensed statements.

The accounting standards and criteria used in the preparation of this half-year report are the same as used in the preparation of the consolidated annual report at 31 December 2009 and of the half-year report at 30 June 2009, except for what outlined in Paragraph 9.

All figures are in thousands of euros unless otherwise indicated.

This condensed consolidated half-year financial statements, prepared in accordance with IAS 34 “Interim Financial Reporting” issued by the *International Accounting Standard Board* (IASB), are subject to a limited audit by PricewaterhouseCoopers SpA.

8.2.1 Treatment of taxes in interim accounts

In the interim situations, the estimate of income taxes is made by applying the expected tax rate to the interim result before taxes.

8.2.2 Effects of the changes in the accounting principles adopted

The Group has adopted a series of new accounting standards and interpretations since 1 January 2010. Among these, we note:

- IAS27 *Revised - Consolidated and separate financial statements*. According to such standard, transactions with minority interests will not imply the recognition of gains recorded in the Separate Income Statement, nor any additional goodwill;
- IFRS3 *Revised - Business combinations*. According to such standard, transaction costs are recognised in the income statement; it is no longer compulsory to measure the assets and liability of the subsidiary at fair value in the acquisitions achieved in stages; and the recognition at the acquisition date of the liabilities for conditional payments;
- IAS32 *Amendments - Financial instruments: classification and presentation*. The standard allows for the treatment as equity of rights issues on the occasion of a capital increase.

These changes, so as the additional amendments to standards and interpretations applicable since 1 January 2010, had no significant impact on this half-year report.

8.3 Scope of consolidation

Standards and scope of consolidation

These Condensed Consolidated Half-Year Financial Statements of the Ansaldo STS Group at 30 June 2010 include the accounts at 30 June 2010 of the companies/entities included in the scope of consolidation (“consolidated entities”), which have been prepared in accordance with the IFRSs adopted by the Ansaldo STS Group. Below is a list of the consolidated entities included in the scope of consolidation and the relevant Group ownership percentage (direct or indirect):

List of companies consolidated on a line-by-line basis

Company	Direct/ Indirect control	Registered office	Share capital (/000)	Currency	Share owned %
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 FINLAND OY	Indirect	Helsinki (Finland)	10	EURO	100
ANSALDO STS UK LTD	Direct	London (United Kingdom)	1,000	GBP	100
ANSALDO STS IRELAND LTD	Direct	Tralee (Ireland)	100	EURO	100
ACELEC Société par actions simplifiée	Indirect	Les Ulis (France)	168	EURO	100
ANSALDO STS ESPANA SA	Indirect	Madrid (Spain)	1,500	EURO	100
ANSALDO STS BEIJING LTD	Indirect	Beijing (China)	837	EURO	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	EURO	100
UNION SWITCH & SIGNAL INC	Indirect	Greenville (Delaware USA)	1	USD	100
ANSALDO STS MALAYSIA SDN BHD	Indirect	Kuala Lumpur (Malaysia)	3,000	MYR	100
ANSALDO STS CANADA INC	Indirect	Kingstone (Canada)	0	CAD	100
ANSALDO STS USA INC	Direct	Wilmington (Delaware USA)	0.1	USD	100
ANSALDO STS USA INTERNATIONAL CO	Indirect	Wilmington (Delaware USA)	1	USD	100
ANSALDO STS USA INT.PROJECTS CO	Indirect	Wilmington (Delaware USA)	25	USD	100
ANSALDO STS TRANSPORTATION SYSTEMS INDIA PVT LTD (*)	Indirect	Bangalore (India)	312,915	INR	100
ANSALDO STS DEUTSCHLAND GmbH	Direct	Berlin (Germany)	26	EURO	100
ANSALDO RAILWAY SYSTEM TRADING (BEIJING) LTD	Direct	Beijing (China)	1,500	USD	100
ANSALDO STS SOUTH AFRICA (PTY) LTD	Indirect	Johannesburg (South Africa)	2	ZAR	100
ANSALDO STS SOUTHERN AFRICA (PTY) LTD	Indirect	Gaborone (Botswana)	0.1	BWP	100

(*) the share capital increased from 12,915,050.00 to 312,915,050.00 Indian rupees on 26 February 2010 through the issue of 30,000 shares.

List of companies consolidated by proportionate method

Company	Direct/ Indirect control	Registered office	Share capital (/000)	Currency	Share owned %
BALFOUR BEATTY ANSALDO SYSTEMS JV SDN BHD	Indirect	Selangor Darul Ehsan (Malaysia)	6,000	MYR	40

List of companies accounted for using the equity method

Company	Direct/ Indirect control	Registered office	Share capital (/000)	Currency	Share owned %
ECOSAN CA (VENEZUELA)	Indirect	Caracas (Venezuela)	1,310	VEF	48
ALIFANA SCARL	Direct	Naples (Italy)	26	EURO	65.85
ALIFANA DUE SCARL	Direct	Naples (Italy)	26	EURO	53.34
PEGASO SCARL	Direct	Rome (Italy)	260	EURO	46.87
METRO 5 SpA	Direct	Milan (Italy)	25,000	EURO	24.60
INTERNATIONAL METRO SERVICE SRL	Direct	Milan (Italy)	700	EURO	49
KAZAKHSTAN TZ-ANSALDO STS ITALY LLP	Direct	Astana (Kazakhstan)	22,000,000	KZT	49

List of companies accounted for at cost

Company	Direct/ Indirect control	Registered office	Share capital (/000)	Currency	Share owned %
I.M. INTERMETRO SPA	Direct	Rome (Italy)	2,461	EURO	16.67
TRAM DI FIRENZE SPA	Direct	Florence (Italy)	7,000	EURO	3.8
ANSALDO STS Sistemas de Transporte e Sinalização Limitada	Direct	Rio de Janeiro (Brazil)	1,000	REAL	100
METRO C ScpA	Direct	Rome (Italy)	150,000	EURO	14

8.4 Exchange rates adopted

The exchange rates applied in the translation of financial statements and balances in currencies other than the euro at 30 June 2010 and 2009 were as follows:

	At 30/06/2010	At 30/06/2009	6-month average at 30/06/2010	6-month average at 30/06/2009
US\$	1.2271	1.4134	1.3298	1.3370
CAD	1.2890	1.6275	1.3746	1.6099
GBP	0.8174	0.8521	0.8711	0.8948
HK\$	9.5549	10.9540	10.3288	10.3650
SEK	9.5259	10.8125	9.7932	10.8735
AU\$	1.4403	1.7359	1.4872	1.8822
INR	56.9930	67.5180	60.8367	65.5558
MYR	3.9730	4.9681	4.3992	4.7863
BRL	2.2082	2.7469	2.3878	2.9360
CNY	8.3215	9.6545	9.0704	9.1358
VEF	3.186.5000	3.0104	3.419.6333	2.8604
BWP	8.6683	9.6170	9.1371	10.1022
ZAR	9.3808	10.8853	10.0048	12.2512
KZT	180.9170	N/A	195.65370	N/A

9 Segment information

With regard to the indicators used by the management to assess the Group's financial performance, please refer to paragraph 2.4 of the Report on operations.

The Group operates in two different segments: signalling, for inter-city and urban railways, through the **Signalling Business Unit** and transport systems through the **Transportation Solutions Business Unit**. For more detailed analysis of the main programmes, outlook, and management indicators for each unit, see the Report on operations by segment.

The results of the business units in the first semester 2010, compared with those for the same period of the previous year, are as follows:

EBIT by Business Unit

30.06.2010	Signalling Business Unit	Transportation Solutions Business Unit	Other activities	Eliminations	Total
Production Revenues	381,728	222,011	-	(19,033)	584,706
Other operating income	2,715	1,905	13,807	(8,878)	9,549
External direct costs	214,404	186,680	(10,901)	(19,062)	371,121
Personnel costs	117,936	17,517	17,008	-	152,461
Other operating expenses	1,985	1,381	11,982	(8,878)	6,470
Amortisation, depreciation and impairment	3,371	180	2,977	-	6,528
EBIT	46,747	18,158	(7,259)	-	57,675

EBIT by Business Unit

30.06.2009	Signalling Business Unit	Transportation Solutions Business Unit	Other activities	Eliminations	Total
Production Revenues	380,490	175,852	-	(9,038)	547,304
Other operating income	7,216	688	8,629	(7,346)	9,187
External direct costs	(215,097)	(142,084)	(8,236)	16,384	(349,033)
Personnel costs	(115,690)	(17,512)	(6,223)	-	(139,425)
Other operating expenses	(4,589)	(197)	(424)	-	(5,210)
Amortisation, depreciation and impairment	(5,445)	(391)	(201)	-	(6,037)
EBIT	46,885	16,356	(6,455)	-	56,786

Segment information

Working capital by Business Unit

30.06.2010	Signalling Business Unit	Transportation Solutions Business Unit	Other activities	Eliminations	Total
Inventories	101,355	18,561	-	(14,203)	105,713
Contract work in progress	(181,250)	(197,869)	-	14,203	(364,916)
Trade receivables	228,861	242,046	3,829	(47,730)	427,006
Trade payables	(109,666)	(184,661)	(14,653)	47,730	(261,250)
Provisions for risks and charges	(23,433)	(757)	(2,214)	-	(26,404)
Operating working capital	15,867	(122,680)	(13,038)	-	(119,851)
Other net assets (liabilities)	-	-	(44,561)	-	(44,561)
Net working capital	15,867	(122,680)	(57,598)	-	(164,411)

Working capital by Business Unit

31.12.2009	Signalling Business Unit	Transportation Solutions Business Unit	Other activities	Eliminations	Total
Inventories	94,686	15,557	-	(11,065)	99,178
Contract work in progress	(303,314)	(210,693)	-	13,203	(500,804)
Trade receivables	292,611	278,119	6,408	(50,638)	526,500
Trade payables	(108,491)	(180,044)	(7,957)	48,324	(248,168)
Provisions for risks and charges	(24,690)	(906)	(2,130)	-	(27,726)
Operating working capital	(49,198)	(97,967)	(3,679)	(176)	(151,020)
Other net assets (liabilities)	-	-	(36,274)	176	(36,098)
Net working capital	(49,198)	(97,967)	(39,953)	-	(187,118)

Following the adoption from 1 January 2010 of the new control model in the scope of the “Fast Forward Driven by Business (FFDB)” project and the IFRS 8 provisions, as from this Report, the “Segment Information” data will be that used by our CODM (Chief Operating Decision Maker). To this purpose, the tables “EBIT by Business Unit” and “Operating Working Capital by Business Unit” have been modified; accordingly, where necessary, the figures of the comparison periods have been restated.

10 Notes to the balance sheet

10.1 Transactions with related parties

Transactions with related parties are conducted at arm's length. Interest-bearing receivables and payables that are not governed by specific contractual conditions are treated in the same manner. Below are provided the amounts relating to the earnings and financial performance. The incidence on the financial flows of related-party transactions is instead reported directly in the Statement of Cash Flows.

Receivables at 30.06.2010 (EUR 000)	Non-current financial receivables	Other non-current receivables	Current financial receivables	Trade receivables	Other current receivables	Total
Parent company						
Finmeccanica S.p.A.	-	-	-	-	336	336
Subsidiaries						
Alifana S.c.r.l.	-	-	-	93	-	93
Alifana Due S.c.r.l.	-	-	-	4,691	-	4,691
Associates						
International Metro Service S.r.l.	-	-	-	5	-	5
Metro 5 S.p.A.	-	-	-	13,748	-	13,748
Metro Service	-	-	-	238	-	238
Pegaso S.c.r.l.	-	-	-	64	-	64
Joint Ventures (*)						
Balfour Beatty Ansaldo Syst. JV SDN BHD	-	-	-	657	-	657
Consortiums						
Cons. Saturno	-	-	-	12,035	1,360	13,395
Cons. Ascosa quattro	-	-	-	1,111	-	1,111
Cons. Ferroviario Vesuviano	-	-	-	13,421	-	13,421
San Giorgio Volla Due	-	-	-	988	4	992
San Giorgio Volla	-	-	-	1,421	-	1,421
Other Group companies						
Ansaldo Breda S.p.A.	-	-	-	6,177	-	6,177
Finmeccanica Finance S.A.	-	-	90,533	-	-	90,533
Ansaldo Energia S.p.A.	-	-	-	1	-	1
Westland Industries LTD	-	-	-	17	-	17
Elsag Datamat S.p.A.	-	-	-	840	-	840
Selex Communication S.p.A.	-	-	-	19	54	73
Galileo Avionica S.p.A.	-	-	-	-	-	-
I.M. Intermetro S.p.A. in liquidation	-	-	-	42	-	42
Total	-	-	90,533	55,568	1,754	147,855
% on the total for the period	-	-	75%	13%	5%	-

(*) Amounts refer to the portion not eliminated for proportionate consolidation.

Notes to the Balance Sheet

Transactions with related parties

Receivables at 31.12.2009 (EUR 000)	Non-current financial receivables	Other non-current receivables	Current financial receivables	Trade receivables	Other current receivables	Total
Parent company						
Finmeccanica S.p.A.	-	-	1,282	-	336	1,618
Subsidiaries						
Alifana S.c.r.l.	-	-	-	123	-	123
Alifana Due S.c.r.l.	-	-	-	3,769	-	3,769
Associates						
International Metro Service S.r.l.	-	-	-	5	-	5
Metro 5 S.p.A.	-	-	-	33,770	-	33,770
Pegaso S.c.r.l.	-	-	-	39	-	39
Metro Service	-	-	-	370	-	370
Ecosen	-	-	-	4	-	4
Joint Ventures (*)						
Balfour Beatty Ansaldo Syst. JV SDN BHD	-	-	-	783	-	783
Consortiums						
Cons. Saturno	-	-	-	67,515	1,360	68,875
Cons. Ascosa quattro	-	-	-	1,111	-	1,111
Cons. Ferroviario Vesuviano	-	-	-	13,711	-	13,711
San Giorgio Volla Due	-	-	-	876	4	880
San Giorgio Volla	-	-	-	1,421	-	1,421
Other Group companies						
Ansaldo Breda S.p.A.	-	-	-	6,613	-	6,613
Finmeccanica Finance S.A.	-	-	151,510	-	-	151,510
Elsag Datamat S.p.A.	-	-	-	307	-	307
Selex Communication S.p.A.	-	-	-	-	54	54
Galileo Avionica S.p.A.	-	-	-	37	-	37
I.M. Intermetro S.p.A. in liquidation	-	-	-	125	-	125
Ansaldo Breda Inc. ex Breda Transp. Inc.	-	-	-	21	-	21
Westland Industries Ltd.	-	-	-	7	-	7
Electron Italia S.r.l.	-	-	-	47	-	47
Total	-	-	152,792	130,654	1,754	285,200
% on the total for the period	-	-	92%	25%	4%	-

(*) Amounts refer to the portion not eliminated for proportionate consolidation.

Payables at 30.06.2010 (EUR 000)	Non-current borrowings	Other non-current payables	Current borrowings	Trade payables	Other current payables	Total
Parent company						
Finmeccanica S.p.A.	-	-	92	368	-	460
Subsidiaries						
Alifana S.c.r.l.	-	-	-	71	3	74
Alifana Due S.c.r.l.	-	-	-	5,355	-	5,355
Associates						
International Metro Service S.r.l.	-	-	-	-	-	-
Metro 5 S.p.A.	-	-	-	-	-	-
Pegaso S.c.r.l.	-	-	-	(53)	-	(53)
Joint Ventures (*)						
Balfour Beatty Ansaldo Syst. JV SDN BHD	-	-	-	-	-	-
Consortiums						
Saturno	-	-	-	349	-	349
Ascosa quattro	-	-	-	79	8	87
Team	-	-	-	-	-	-
Cons. Cris	-	-	-	42	-	42
SanGiorgio Volla 2	-	-	-	104	-	104
Cons. Ferroviario Vesuviano	-	-	-	410	8	418
SanGiorgio Volla	-	-	-	1	8	9
Cesit	-	-	-	-	-	-
Other Group companies						
Finmeccanica Group service S.p.A	-	-	-	332	-	332
Ansaldo Breda S.p.A.	-	-	-	224	-	224
Ansaldo Energia S.p.A	-	-	-	21	-	21
Finmeccanica Finance S.A.	-	-	-	-	-	-
Elsag Datamat S.p.A.	-	-	-	3,338	-	3,338
Selex Communication S.p.A.	-	-	-	3,563	-	3,563
Selex Service Management S.p.A.	-	-	-	122	-	122
Finmeccanica North America Inc.	-	-	-	-	-	-
Fata Logistic System S.p.A.	-	-	-	414	-	414
Electron Italia S.r.l.	-	-	-	674	-	674
Hr Gest S.p.A.	-	-	-	-	-	-
Selex Galileo S.p.A.	-	-	-	14	-	14
I.M. Intermetro S.p.A. in liquidation	-	-	-	-	-	-
Ansaldo STS Sistemas de Transporte e Sinalizacao LTDA	-	-	-	-	400	400
Total	-	-	92	15,428	427	15,947
% on the total for the year	-	-	1%	6%	1%	-

(*) Amounts refer to the portion not eliminated for proportionate consolidation.

Notes to the Balance Sheet
Transactions with related parties

Payables at 31.12.2009 (EUR 000)	Non-current borrowings	Other non-current payables	Current borrowings	Trade payables	Other current payables	Total
Parent company						
Finmeccanica Sede S.p.A.	-	-	-	324	-	324
Subsidiaries						
Alifana S.c.r.l.	-	-	-	50	3	53
Alifana Due S.c.r.l.	-	-	-	2,601	-	2,601
Ansaldo Railway System Technical Servis (Beijing) Ltd	-	-	-	-	-	-
Associates						
Metro Service	-	-	-	-	-	-
Metro 5 S.p.A.	-	-	-	-	-	-
Pegaso S.c.r.l.	-	-	-	1,983	-	1,983
Joint Ventures (*)						
Balfour Beatty Ansaldo Syst. JV SDN BHD	-	-	-	1,687	-	1,687
Consortiums						
Saturno	-	-	-	605	-	605
Ascosa quattro	-	-	-	79	8	87
Team	-	-	-	-	-	-
SanGiorgio Volla 2	-	-	-	101	-	101
Cons. Ferroviario Vesuviano	-	-	-	734	8	742
SanGiorgio Volla	-	-	-	18	8	26
Cesit	-	-	-	-	-	-
Other Group companies						
Finmeccanica Group Service S.p.A.	-	-	-	598	-	598
Ansaldo Breda S.p.A.	-	-	-	1,429	-	1,429
Finmeccanica Finance S.A.	-	-	-	-	14	14
Elsag Datamat S.p.A.	-	-	-	3,233	-	3,233
Selex Communication S.p.A.	-	-	-	4,578	-	4,578
Selex Service Management S.p.A.	-	-	-	72	-	72
Finmeccanica North America Inc.	-	-	-	50	-	50
Fata Logistic System S.p.A.	-	-	-	430	-	430
Electron Italia	-	-	-	-	-	-
Hr Gest S.p.A.	-	-	-	-	-	-
Galileo Avionica S.p.A.	-	-	-	14	-	14
I.M. Intermetro S.p.A. in liq.	-	-	-	-	-	-
Other	-	-	-	1,938	400	2,338
Total	-	-	-	20,524	441	20,965
% on the total for the year	-	-	-	8%	1%	-

(*) Amounts refer to the portion not eliminated for proportionate consolidation.

10.2 Intangible assets

(EUR 000)	Goodwill	Patents & similar rights	Concessions, licenses and trademarks	Assets under development	Other	Total
Balance at 31 December 2009	35,017	457	929	1,030	7,203	44,636
Change in scope of consolidation	-	-	-	-	-	-
Acquisitions	-	45	851	2,865	342	4,103
Capitalisations	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Amortisation and impairment	-	(111)	(247)	-	(1,086)	(1,444)
Opening/closing foreign exchange rate differences	78	-	1	28	844	951
Closing/average foreign exchange rate differences	-	-	-	-	(43)	(43)
Transfer account from work in progress	-	-	-	-	-	-
Reclassifications	-	-	-	(68)	98	30
Balance at 30 June 2010	35,095	391	1,534	3,855	7,358	48,233

Investments for the period came to EUR 4 million and mainly regarded the Group parent Ansaldo STS SpA, ascribable to the implementation of a new release of the SAP information system in harmony with the new control model of the Group based on new integration and standardisation logics within the *Fast Forward Driven by Business* project, to the new Teamcenter document management system and to the purchase of software licenses in support of design activities.

Amortisation for the period amounted to EUR 1 million and foreign exchange rate differences were positive for some EUR 1 million. With regard to goodwill, included in the equity investments acquired on 24 February 2006 (as reported above), the breakdown by sector is as follows:

(EUR 000)	30.06.2010	31.12.2009
Signalling	35,095	35,017
Transportation Solutions	-	-
	35,095	35,017

The value of goodwill is in line with the figures recorded at 31 December 2009; the slight increase is attributable to the exchange rate differences as at June 2010.

The impairment test, in application of the Group procedures, is carried out upon the preparation of the Annual Report. The test is conducted on the reference cash generating units (CGUs), Signalling and Transportation Solutions, by comparing the carrying amount with the greater of the value in use of the CGU and the amount recoverable by sale. In particular, the value in use is measured by discounting the cash flows of the five-year plans approved by management with reference to the years 2010 - 2014 hypothesising a growth rate of 8%, projected beyond the explicit time horizon covered by the plan using growth rates no greater than those forecast for the market in which the given CGUs operate.

10.3 Property, plant and equipment

(EUR 000)	Land and buildings	Plant and machinery	Equipment	Assets under construction	Other	Leased assets	Advances to suppliers- third parties' materials	Total
Balance at 31 December 2009	68,889	7,319	6,376	3,766	13,135	493	15	99,993
Acquisitions	-	233	424	1,131	1,257	69	7	3,121
Capitalisations	-	-	131	209	-	-	-	340
Sales	-	(3)	-	-	(71)	-	(15)	(89)
Depreciation and impairment	(1,164)	(1,094)	(817)	-	(1,873)	(135)	-	(5,083)
Opening/closing foreign exchange rate differences	505	737	124	333	1,011	55	-	2,765
Closing/average foreign exchange rate differences	(15)	(34)	(6)	39	(3)	(2)	-	(21)
Transfer account from work in progress	-	-	-	-	-	-	-	-
Reclassifications	5	31	398	(1,226)	762	-	-	(30)
Balance at 30 June 2009	68,220	7,189	6,630	4,252	14,218	480	7	100,996

Property, plant and equipment include the value of the premises owned by the Parent company, Ansaldo STS SpA, located in Genoa, Via Mantovani 3/5-16151 and purchased in December 2005 from its parent Finmeccanica SpA for EUR 62 million. In accordance with IAS 16, the component approach was applied to the above amount and therefore the amount of EUR 9 million was reclassified among the item "Land".

Investments for the period came to EUR 3 million and mainly refer to the Group parent Ansaldo STS SpA, the American subsidiary Ansaldo STS USA and the French subsidiary Ansaldo STS France for the purchase of software for production and maintenance of production plants.

Depreciation for the period amounted to EUR 5 million.

10.4 Equity investments

Equity investments valued at cost: (EUR 000)

Balance at 31 December 2009	22,518
Change in scope of consolidation	-
Acquisitions/subscriptions and capital increases	-
Revaluations/impairment	-
Disposals/repayments	-
Other movements	-
Balance at 30 June 2010	22,518
Equity investments accounted for using equity method	8,784
Total equity investments	31,302

List of equity investments with values in thousands of euros:

Name	Ownership %	Total assets	Total liabilities	data	Currency	Value €/000
Metro 5 S.p.A. (**)	24.60%	271,654	246,665	2	Euro	6,147
International Metro Service S.r.l. (**)	49.00%	4,850	39	2	Euro	2,357
Pegaso S.c.r.l. (**)	46.87%	10,751	10,491	1	Euro	122
Ecosen C.A. (**)	48.00%	5,707	5,161	1	VEF	67
Alifana S.c.a.r.l. (**)	65.85%	753	727	1	Euro	17
Alifana Due S.c.r.l. (**)	53.34%	6,236	6,210	1	Euro	14
Metro C S.c.p.A.	14.00%	372,595	223,077	1	Euro	21,000
I.M. Intermetro S.p.A.	16.67%	1,543,071	1,538,308	1	Euro	523
Società Tram di Firenze S.p.A.	3.80%	60,040	53,406	1	Euro	266
Iricav uno	17.44%	3,584,503	3,583,983	1	Euro	91
Iricav 2	15.00%	52,679	52,162	2	Euro	77
Cons. ferroviario vesuviano	25.00%	235,209	235,054	1	Euro	39
S. Giorgio Volla 2	40.00%	26,033	25,961	1	Euro	18
Cris	1.00%	4,603	2,164	2	Euro	24
S. Giorgio Volla	25.00%	6,236	6,165	1	Euro	18
Ascosa Quattro	25.00%	78,717	78,661	1	Euro	14
Siit	2.30%	644	43	2	Euro	14
Cesit	16.67%	272	189	2	Euro	14
Saturno	33.34%	2,762,137	2,762,106	1	Euro	10
Cons. Train	3.76%	39,302	38,130	1	Euro	4
Sesamo S.c.a.r.l.	2.00%	374	293	2	Euro	2
Isict	6.67%	344	302	2	Euro	2
Cosila	0.90%	195	81	2	Euro	1
STS Sistemas de Transporte e Sinalizacao	99.90%	N/A	N/A	2	BRL	400
Kazakhstan TZ Ansaldo STS Italy LLP	65.85%	N/A	N/A	2	KZT	60

(**) Investments at equity

1. data refers to financial year 2008

2. data refers to financial year 2009

Equity investments at 30 June 2010 amounted to EUR 31 million, of which EUR 9 million valued with the net equity method and EUR 22 million valued at cost.

The equity investments valued with the net equity method showed a positive variation of EUR 1 million, attributable to International Metro Service Srl and Metro 5 SpA and to the establishment of a new company in Kazakhstan named Kazakhstan TZ Ansaldo STS Italy LLP.

Notes to the Balance Sheet
Inventories

10.5 Receivables and other non-current assets

(EUR 000)	30.06.2010	31.12.2009
Loans to third parties	-	-
Receivables from employees	-	-
Security deposits	2,306	2,150
Receivables for finance lease sales	-	-
Personal Income Tax receivables on severance pay	87	194
Other	13,283	11,434
Non-current receivables	15,676	13,778
Financial prepaid expenses - non-current portion	-	-
Other prepaid expenses	23,786	26,211
Other non-current assets	-	-
Other non-current assets	23,786	26,211

Non-current receivables at 30 June 2010 came to EUR 16 million rising by EUR 2 million mainly for the increase in €/ \$ exchange differences deriving from the “Pittsburgh facilities lease” receivable of the American subsidiary Ansaldo STS USA and in security deposits of the Italian and foreign subsidiaries.

Other non-current assets amounted to EUR 24 million and mainly refer to the non-current portion of the long-term costs incurred to purchase the right to use the “Ansaldo” trademark for 20 years.

Specifically, on 27 December 2005, Ansaldo STS SpA entered into a licensing agreement with Finmeccanica SpA to use the “Ansaldo” trademark under which the Company is known in the market. This agreement gives the Company exclusive use of the trademark up to 27 December 2025 in the sectors the Group does business, in exchange for an up-front payment.

A decrease of EUR 2 million was also recorded, mainly referable to the portion for the period of the license to use the said brand.

10.6 Inventories

(EUR 000)	30.06.2010	31.12.2009
Raw materials, supplies and consumables	31,177	35,951
Work in progress and semi-finished goods	23,804	17,452
Finished goods and merchandise	12,513	10,653
Advances to suppliers	38,219	35,122
Total	105,713	99,178

Inventories are stated net of write-down provisions totalling EUR 6 million (EUR 5 million at 31 December 2009).

10.7 Contract work in progress and advances from customers

(EUR 000)	30.06.2010	31.12.2009
Advances from customers	(24,704)	(13,390)
Invoices of instalments	(924,154)	(653,687)
Work in progress	1,183,785	818,223
Work in progress (net)	234,927	151,146
Advances from customers	248,328	259,329
Invoices of instalments	3,810,978	4,267,530
Work in progress	(3,459,463)	(3,874,909)
Advances from customers (net)	599,843	651,950

Work in progress is recognised as an asset if a contract-by-contract analysis reveals that the gross value of the work in progress is higher than the advances from customers. It is recognised as a liability if the advances from customers exceed the value of the related work in progress.

10.8 Trade and financial receivables

(EUR 000)	30.06.2010		31.12.2009	
	Trade	Financial	Trade	Financial
Receivables from third parties	371,438	30,714	395,846	14,100
Total receivables from third parties	371,438	30,714	395,846	14,100
Receivables from related parties	55,568	90,533	130,654	152,792
Total	427,006	121,247	526,500	166,892

Trade receivables from third parties came to EUR 371 million at 30 June 2010 decreasing by EUR 25 million over 31 December 2009 (EUR 396 million) mainly due to lower receivables of the Group parent Ansaldo STS SpA as a result of the significant collections made in the period.

Trade receivables from related parties showed a decrease of EUR 75 million, mainly attributable to the Group parent Ansaldo STS SpA as a result of the significant collections occurred in the period from Metro 5 SpA and Saturno Consortium.

Financial receivables from third parties at 30 June 2010 amounted to EUR 31 million and are essentially attributable to the Australian subsidiary as a result of short-term deposits with local bank institutes.

Financial receivables from related parties amounted to EUR 91 million and are referable to relationships with Finmeccanica Finance SA.

With regard to CONSOB communication no. DAC/RM/97003369 of 9 April 1997, the Group reports that during the financial period ended 30 June 2010 it did not assign any recourse and non-recourse receivables.

10.9 Income tax receivables and payables

(EUR 000)	30.06.2010		31.12.2009	
	Assets	Liabilities	Assets	Liabilities
For direct taxes	7,124	9,414	7,029	3,667
Total	7,124	9,414	7,029	3,667

Income tax receivables are in line with the figures recorded at 31 December 2009.

Income tax payables amounted to EUR 9 million at 30 June 2010 with an increase of EUR 5 million compared with 31 December 2009 (EUR 4 million).

Income tax payables are mainly referable to the Group parent Ansaldo STS SpA for EUR 8 million, to the Spanish subsidiary Ansaldo STS España for EUR 1 million.

The increase in income tax payables is mainly attributable to the Group parent Ansaldo STS SpA, as a result of the I.Re.S. and IRAP taxes recorded in the first semester, net of the first advance payment made in June 2010.

10.10 Other current assets

(EUR 000)	30.06.2010	31.12.2009
Current portions of prepaid expenses	10,396	13,502
Research subsidies	2,190	2,903
Receivables from employees	512	502
Receivables from social security institutions	1,019	898
Receivables for security deposits	3,341	3,752
Receivables for indirect taxes and other amounts due from tax authorities	6,952	4,995
Other	10,051	11,818
Total other assets	34,461	38,370
Other assets from related parties	1,754	1,754
Total	36,215	40,124

Other current assets from third parties at 30 June 2010 came to EUR 34 million with a decrease of EUR 4 million compared with the figures as at 31 December 2009 (EUR 38 million) mainly attributable to the reduction in “current portions of prepaid expenses” for insurance premiums.

Other assets from related parties remained unchanged from the figures recorded at 31 December 2009.

10.11 Cash and cash equivalents

(EUR 000)	30.06.2010	31.12.2009
Cash	171	89
Bank deposits	176,058	128,452
Total	176,229	128,541

The balance of cash and cash equivalents at 30 June 2010 amounted to EUR 176 million and mainly refer to Ansaldo STS SpA for EUR 151 million.

Compared with 31 December 2009 cash and cash equivalents rose by EUR 47 million, due to the greater liquidity of the Group parent Ansaldo STS SpA. For comments on the variations, please refer to paragraph 2.3 relative to the financial position of the Group.

10.12 Share capital

	Number of shares	Par value	Treasury shares	Total
Outstanding shares	100,000,000	€ 50,000,000.00	-	€ 50,000,000.00
Charges for share capital increase in 2005	-	-	-	-€ 50,000.00
Buy-back of treasury shares, net of shares sold	-	-	-€ 806,054.00	-€ 806,054.00
Reclassifications				€ 50,000.00
31 December 2009	100,000,000	€ 50,000,000.00	-€ 806,054.00	€ 49,193,946.00
30 June 2010	100,000,000	€ 50,000,000.00	-€ 806,054.00	€ 49,193,946.00

The share capital of EUR 50,000,000.00 is fully paid-up and divided into 100,000,000 ordinary shares with a par value of EUR 0.50 each. The main shareholders as at 30 June 2010 are:

Investor	Position	%
Finmeccanica SpA	40,000,000	40%
FIL Investments International Ltd.	4,863,000	4.86%
Altrinsic Global Advisors LLC	2,092,000	2.09%
Threadneedle Asset Management Ltd.	2,070,000	2.07%
William Blair Capital Management LLC	2,034,000	2.03%

It should be pointed out that BlackRock Inc. owns 5,190,000 shares since 1 July 2010.

The amount relating to treasury shares (no. 59,171 shares) refers, almost entirely, to shares held by the Group parent Ansaldo STS SpA, at the instructions of the beneficiaries, to meet their tax obligations in its capacity as tax collection agent for Italian employees who are beneficiaries of the Stock Grant Plan.

10.13 Retained earnings /(losses) carried forward

(EUR 000)

Balance at 31 December 2009	273,219
Reclassification of actuarial reserve related to defined-benefit plans	-
Allocation of the period result to legal reserve	(6,550)
Allocation of the period result to other reserves	(10,000)
Actuarial gain (loss) related to defined-benefit plans	-
Net Profit (Loss) for the period	33,285
Dividends	(30,982)
Other movements	-
Share capital increase/capital contributions	-
Balance at 30 June 2010	258,972

Retained earnings/(losses) carried forward at 30 June 2010 amounted to EUR 259 million with a decrease of EUR 14 million, mainly attributable to the Group's result accrued in the period for EUR 33 million, to the distribution of dividends for EUR 31 million and to the allocation of the 2009 result to legal reserve and other reserves.

10.14 Other reserves

(EUR 000)	Legal reserve	Cash Flow Hedge reserve	Stock grant reserve	Reserve for deferred taxes relating to items posted to shareholders' equity	Translation reserve	Other	Total
31 December 2009	3,450	(3,763)	1,812	1,224	(16,041)	(8,198)	(21,516)
Allocation of the period result	6,550	-	-	-	-	10,000	16,550
Change in scope of consolidation	-	-	-	-	-	(20)	(20)
Charge to Income Statement	-	(1,669)	-	293	-	-	(1,376)
Translation differences	-	-	-	-	14,432	-	14,432
Increase/Decrease	-	-	1,823	-	-	(1,684)	139
Valuations posted to shareholders' equity	-	12,607	-	(4,083)	-	-	8,524
Reclassifications	-	-	-	-	634	(634)	-
30 June 2010	10,000	7,175	3,635	(2,566)	(975)	(536)	16,733

Legal reserve

The legal reserve amounted in the period under review to EUR 10 million with an increase of EUR 7 million equal to 5% of the net profit realised by Ansaldo STS SpA in the financial year 2009 and allocated to legal reserve as decided by the Shareholders' meeting in the course of approving the 2009 Financial Statements.

Cash flow hedge reserve

This reserve includes the fair value of derivatives used by the Group to hedge its exposure to currency or interest rate risk, net of the effects of deferred taxes, until the moment in which the underlying position is recognised in the Income Statement. When this condition is met, the reserve is recognised in the Income Statement to offset the economic effects of the hedged transaction.

Stock grant reserve

The stock grant reserve came to EUR 4 million, an increase of EUR 2 million over the preceding year, as a result of the allocations made in the period.

Reserve for deferred taxes relating to items posted to shareholders' equity

The reserve for deferred taxes relating to items posted to shareholders' equity was negative and equal to EUR 3 million and was created to recognise the deferred tax assets arising from actuarial gains/losses resulting from the adoption of the equity method for defined-benefit plans and from Cash Flow Hedges.

Translation reserve

This reserve is used to recognise the exchange rate differences resulting from the translation of the financial statements of consolidated companies. The most significant amounts were the result of the consolidation of the American subsidiary Ansaldo STS USA and Ansaldo STS Australia.

Notes to the Balance Sheet
Borrowings

Other reserves

Other reserves relate to the consolidation reserves, to the unrecoverable capital contribution received from the Parent Finmeccanica SpA on 23 February 2006, to the revaluation reserves, and other reserves related to the subsidiaries incorporated through the merger in force since 1 January 2009; actuarial reserves related to defined-benefit plans are also included.

It should be reported an increase of EUR 10 million, due to the allocation of part of the 2009 profit as per Shareholders' resolution.

10.15 Minority interests in equity

(EUR 000)

Balance at 31 December 2009	639
Change in scope of consolidation	20
Profits attributable to minority interests	126
Consolidation reserve attributable to minority interests	(3)
Translation reserve attributable to minority interests	127
Balance at 30 June 2010	909

This refers to the minority interests equal to 20% of Ansaldo STS Beijing Ltd having its registered office in Beijing (China) held by the French subsidiary Ansaldo STS France.

10.16 Borrowings

(EUR 000)	30.06.2010			31.12.2009		Total
	Current	Non-current	Total	Current	Non-current	
Bank borrowings	17,663	2,048	19,711	12,187	2,881	15,068
Finance lease payables	10	-	10	13	-	13
Other borrowings	445	674	1,119	340	1,151	1,491
Total	18,118	2,722	20,840	12,540	4,032	16,572

Changes during the period were as follows:

(EUR 000)	31.12.2009	New positions	Repayments	Reclassifications	Other changes	30.06.2010
Bank borrowings	15,068	3,542	(833)	-	1,934	19,711
Finance lease payables	13	-	(5)	-	2	10
Other borrowings	1,491	-	(3,928)	-	3,556	1,119
Total	16,572	3,542	(4,766)	-	5,492	20,840

Bank borrowings

Bank borrowings, equal to EUR 20 million, are attributable to the subsidiaries of the Asia Pacific area for EUR 15 million and to the Group parent Ansaldo STS SpA for EUR 5 million and refer to facilitated loans obtained in relation to research programs.

Finance lease payables

These payables refer to the tangible assets held by the Group under finance lease contracts.

The amount at 30 June 2010 refers to the finance lease of automobiles by the subsidiaries of the Asia Pacific area.

Due to other lenders

This item at 30 June 2010 is in line with the figures recorded at 31 December 2009 and refers to projects related to research activities.

Financial debt

The Group's financial liabilities are subject to the following repayment schedules and exposures to interest rate risk:

	30 June 2010							
	Bank borrowings		Related parties		Other		Total	
	Floating	Fixed	Floating	Fixed	Floating	Fixed	Floating	Fixed
Within 1 year	15,658	2,005	-	-	-	10	15,658	2,015
2 to 5 years	-	2,048	-	-	-	1,119	-	3,167
Beyond 5 years	-	-	-	-	-	-	-	-
Total	15,658	4,053	-	-	-	1,129	15,658	5,182

	31 December 2009							
	Bank borrowings		Related parties		Other		Total	
	Floating	Fixed	Floating	Fixed	Floating	Fixed	Floating	Fixed
Within 1 year	11,009	1,178	-	-	-	353	11,009	1,531
2 to 5 years	-	2,881	-	-	-	1,151	-	4,032
Beyond 5 years	-	-	-	-	-	-	-	-
Total	11,009	4,059	-	-	-	1,504	11,009	5,563

Below is the financial information required under CONSOB communication no. DEM/6064293 of 28 July 2006:

(EUR 000)	30.06.2010	31.12.2009
A Cash	171	89
B Other cash equivalents (bank accounts)	176,058	128,452
C Securities held for trading	-	-
D LIQUIDITY (A+B+C)	176,229	128,541
E CURRENT FINANCIAL RECEIVABLES	121,247	166,892
F Current bank borrowings	17,663	12,187
G Current portion of non-current debt	-	-
H Other current borrowings	547	353
I CURRENT FINANCIAL DEBT (F+G+H)	18,210	12,540
J CURRENT FINANCIAL DEBT, NET (I-E-D)	(279,266)	(282,893)
K Non-current bank borrowings	2,048	2,881
L Bonds issued	-	-
M Other non-current payables	674	1,151
N NON-CURRENT FINANCIAL DEBT (K+L+M)	2,722	4,032
O NET FINANCIAL DEBT (LIQUIDITY) (J+N)	(276,544)	(278,861)

Notes to the Balance Sheet

Provisions for risks and charges and contingent current liabilities

10.17 Provisions for risks and charges and contingent current liabilities

(EUR 000)	Penalties	Product warranties	Labour disputes	Provision for taxes	Contractual risks and charges	Disputes with third parties	Provision for restructuring	Other	Total
Balance at 31.12.2009	89	15,317	325	(1)	4,864	93	323	5,916	27,726
Reclassifications	-	-	54	-	-	-	-	(54)	-
Allocations	-	299	-	1	-	232	705	293	1,530
Reversals	(2)	(904)	(46)	-	(551)	-	-	(120)	(1,623)
Uses	-	(116)	(50)	-	-	(893)	(399)	(408)	(1,866)
Other changes	-	553	-	-	-	-	82	-	635
Balance at 30.06.2010	87	15,149	283	-	4,313	232	711	5,627	26,402
Current	89	15,317	325	(1)	4,864	893	323	5,916	27,726
Non-current	-	-	-	-	-	-	-	-	-
Balance at 31.12.2009	89	15,317	325	1	4,864	893	323	5,916	27,726
Current	87	15,149	283	-	4,313	232	711	5,627	26,402
Non-current	-	-	-	-	-	-	-	-	-
Balance at 30.06.2010	87	15,149	283	-	4,313	232	711	5,627	26,402

The risk provisions at 30 June 2010 amounted to EUR 26 million decreasing by EUR 2 million compared with 31 December 2009.

In relation to the risk provisions, it should be reported that the companies of the Ansaldo STS Group operate in sectors and markets where many issues - both those initiated by the Group or those initiated by third parties against the Group - are resolved only after a considerable time-lag, especially where the party being dealt with is a government body.

To the best of our current knowledge, the various disputes that could give rise to a liability on the part of the Group that are not covered by a specific provision can be resolved in a satisfactory manner without a significant impact on results.

Provisions have been made for any quantifiable liability that is likely to arise.

As to litigation, in relation to which no particular change has been reported from the 2009 financial statements, the following is noted:

- With regard to Ansaldo STS SpA, we confirm the same as last year: there are no disputes that are so significant or risky as to require specific disclosure, except for what herein described;
- As declared last year, none of the subsidiaries of the Transportation Solutions Business Unit or Signalling Business Unit is involved in litigation that is so significant or risky as to require specific further disclosure;
- For litigation in which, on the basis of a prudent evaluation, an adverse outcome is likely, the relevant companies have established provisions to cover such eventuality.

The Concessions released to TAV by the Ente Ferrovie dello Stato for the Milan-Verona, Verona-Padua and Milan-Genoa lines, to the General Contractors were revoked at the beginning of 2007 by the Italian Government, and successively brought into force again in 2008 with Legislative Decree no. 112.

Therefore judgements were abandoned, but Iricav 2 Consortium decided to continue the arbitration proceedings.

In the course of 2009 the Arbitration Board decided that it was necessary to have a court-appointed expert's report; the related surveying operations should end in 2010.

10.18 Severance pay and other employee liabilities

The amount and the changes in the severance pay provision and in the defined-benefit pension plans are reported below:

(EUR 000)	30.06.2010	31.12.2009
Severance pay provision	21.383	21.040
Defined-benefit pension plans	10.538	9.713
Total	31.921	30.753

(EUR 000)	Severance pay provision		Defined-benefit plans	
	30.06.2010	31.12.2009	30.06.2010	31.12.2009
Present value of obligations	-	-	-	-
Fair value of the plan assets	21,383	21,040	10,538	9,713
Unrecognised actuarial gains/(losses)	-	-	-	-
Total	21,383	21,040	10,538	9,713

(EUR 000)	Severance pay provision	Defined-benefit plans
Balance at 31 December 2009	21,040	9,713
Costs for the period	398	417
Contributions paid	(938)	(287)
Other movements	-	19
Actuarial (gains)/losses in equity	883	676
Balance at 30 June 2010	21,383	10,538

The amount recognised in the Income Statement breaks down as follows:

(EUR 000)	Severance pay provision		Defined-benefit plans	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
Costs of benefits paid	38	40	219	171
Interest costs	360	374	198	193
Curtailement effect	-	-	-	-
Total	398	414	417	364

The main actuarial assumptions are as follows:

(EUR 000)	Severance pay provision		Defined-benefit plans	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
Discount rate (annual)	2.94%	4.09%	2.94%	4.09%
Rate of salary increases	3.39%	3.77%	3.39%	3.77%
Rate of turnover	6.56%	5.03%	6.56%	5.03%

10.19 Other current and non-current liabilities

(EUR 000)	30.06.2010		31.12.2009	
	Current	Non-current	Current	Non-current
Due to employees	35,811	5,432	28,531	4,632
Deferred income	1,411	-	895	-
Payables for indirect taxes and other amounts due to tax authorities	8,112	-	13,564	-
Payables to social security institutions	15,362	-	14,904	-
Other payables to other third parties	23,761	3,457	21,882	4,022
Total other liabilities to third parties	84,457	8,889	79,776	8,654
Other liabilities to related parties	427	-	441	-
Total	84,884	8,889	80,217	8,654

Other current and non-current liabilities towards third parties came to EUR 93 million, an increase of EUR 5 million (EUR 88 million at 31 December 2009), as detailed in the table.

Other current and non-current liabilities towards related parties are substantially in line with the figures recorded at 31 December 2009.

10.20 Trade payables

(EUR 000)	30.06.2010	31.12.2009
Due to suppliers	245,822	227,644
Total due to suppliers	245,822	227,644
Due to related parties	15,428	20,524
Total	261,250	248,168

Trade payables to third parties rose by EUR 18 million: this change is attributable to the increase in production obtained in the period under review.

Trade payables to related parties decreased by EUR 5 million and refer to the payments made in the period towards Selex, AnsaldoBreda and Pegaso.

10.21 Derivatives

The table below details the asset and liability positions related to derivative instruments.

(EUR 000)	30.06.2010		31.12.2009	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Trading (*)	897	2,784	1,492	121
Fair value hedge	41	2,154	1,155	15
Cash Flow hedge	19,594	9,196	802	2,680
Instruments to hedge exchange rate risk	20,532	14,134	3,449	2,816

(*) Embedded derivatives.

Derivative assets showed an increase of EUR 17 million, mainly attributable to the positive variation in the fair value of derivatives to hedge exchange rate risk entered into by the American subsidiary Ansaldo STS USA, variation caused by the appreciation of the US currency versus the Euro.

The increase in the fair value of derivative liabilities, equal to EUR 11 million, is attributable to the variation in the fair value of the transactions made by the subsidiaries of the Asia Pacific area.

Determination of fair value

At 30 June 2010, the Ansaldo STS Group did not hold listed derivative instruments. The fair value of non-listed derivative instruments is measured with reference to the financial valuation techniques. Specifically, the fair value of exchange rate futures contracts is calculated based on the market exchange rate at the reference date and the rate differentials between the relevant currencies. The fair value of swaps is calculated by discounting future cash flows using market parameters.

Hedging transactions are carried out predominantly with the banking system. At 30 June 2010, the Group had contracts referring to various currencies in the following notional amounts:

(EUR 000)	Sell 06 10	Buy 06 10	30.06.2010	Sell 12 09	Buy 12 09	31.12.2009
Euro	144,834	39,577	184,411	144,545	55,645	200,190
US dollar	78,352	3,739	82,091	49,097	3,738	52,835
GBP	4,837	-	4,837	176	5,473	5,649
Swedish krona	-	23,272	23,272	-	20,185	20,185
Canadian dollar	11,392	-	11,392	11,403	1,470	12,873
Australian dollar	3,558	27,895	31,453	3,637	37,644	41,281
Hong Kong dollar	204	418	622	230	187	417
Japanese Yen	3,501	-	3,501	-	-	-

The Group, though exposed to the risk linked to the trend of interest rates, does not make use of policies to hedge the risk connected with the rate variability.

10.22 Guarantees and other commitmentsLeases

The Group holds a number of operating leases for the purposes of acquiring the use of property, plant and equipment. The minimum future payments are as follows:

(EUR 000)	Operating leases	Finance leases
Within 1 year	5,232	270
2 to 5 years	12,383	31
Beyond 5 years	4,104	-
	21,719	301

Guarantees

At 30 June 2010, the Group had the following outstanding guarantees:

Direct guarantees and indemnities issued by third parties on behalf of the Group in favour of customers and other third parties (EUR 000)	Signalling Business Unit	Transportation Solutions Business Unit	Total
Unsecured guarantees issued by Finmeccanica (Parent Company Guarantees) and Finmeccanica Finance SA (advance payment bonds, performance bonds, retention money bonds) in favour of customers for commercial transactions	385.3	78,353.0	78,738.3
Unsecured guarantees issued by Ansaldo STS (Parent Company Guarantees), in favour of customers for commercial transactions	92,313.7	-	92,313.7
Sureties and bonds (advance payment bonds, performance bonds, bid bonds, retention bonds) issued by credit institutions or insurance companies in favour of customers for commercial transactions	662,207.5	793,647.8	1,455,855.3
<i>of which: counter-guaranteed by Finmeccanica</i>	26,471.8	136,293.0	162,764.8
<i>of which: counter-guaranteed by Ansaldo STS</i>	614,381.2	793,647.8	1,408,029.0
Direct guarantees and indemnities by Finmeccanica and Ansaldo STS, credit institutions or insurance companies in favour of other third parties for non-contractual/commercial guarantees (financial, fiscal transaction)	43,865.0	7,973.2	51,838.2
<i>of which: counter-guaranteed by Finmeccanica</i>	-	7,973.2	7,973.2
<i>of which: counter-guaranteed by Ansaldo STS</i>	43,865.0	-	43,865.0
Total	798,771.5	879,974.0	1,678,745.5

11 Notes to the Income Statement

11.1 Transactions with related parties

30.06.2010 (EUR 000)	Revenue	Other operating income	Costs	Finance income	Finance costs	Other operating expenses
Parent company						
Finmeccanica S.p.A.	-	-	900	-	196	-
Subsidiaries						
Alifana S.c.r.l.	-	-	69	-	-	-
Alifana Due S.c.r.l.	4,762	-	6,315	-	-	-
Associates						
Metro 5 S.p.A.	7,644	-	-	-	-	-
International Metro Service S.r.l.	112	-	-	-	-	-
Pegaso S.c.r.l.	72	-	1,026	-	-	-
Metro Service	-	-	20,529	-	-	-
Joint Ventures (*)						
Balfour Beatty Ansaldo Syst. JV SDN BHD	1,565	-	-	-	(23)	-
Consortiums						
Saturno	22,294	-	1,353	-	-	-
Ascosa quattro	112	-	-	-	-	-
Team in liq.	-	-	-	-	-	-
SanGiorgio Volla 2	876	-	-	-	-	-
Cons. Ferroviario Vesuviano	1,772	-	28	-	-	-
Cons. Cris	-	-	60	-	-	-
Cesit	-	-	-	-	-	-
SanGiorgio Volla	103	-	-	-	-	-
Other Group companies						
Ansaldo Energia S.p.A.	-	-	37	-	-	-
Ansaldo Breda S.p.A.	4,823	-	1,692	-	-	-
Fata Logistic S.p.A.	-	-	1,048	-	-	-
Finmeccanica Finance S.A.	-	-	-	396	-	-
Finmeccanica Group Service S.p.A.	-	-	499	-	-	-
Elsag Datamat S.p.A.	703	-	6,119	-	-	-
Hr Gest S.p.A.	-	-	-	-	-	-
Selex Communication S.p.A.	-	-	2,023	-	-	-
Westland Industries LTD	36	-	-	-	-	-
Galileo Avionica S.p.A.	-	-	-	-	-	-
Electron Italia S.r.l.	259	-	672	-	-	-
Selex Service Management S.p.A.	-	-	122	-	-	-
I.M. Intermetro S.p.A.	-	38	-	-	-	-
Oto Melara S.p.A.	-	-	-	-	-	-
Total	45,133	38	42,492	396	173	-

(*) Amounts refer to the portion not eliminated for proportionate consolidation.

30.06.2009 (EUR 000)	Revenue	Other operating income	Costs	Finance income	Finance costs	Other operating expenses
Parent company						
Finmeccanica S.p.A.	-	-	871	1,167	59	-
Subsidiaries						
Alifana S.c.r.l.	-	-	-	-	-	-
Alifana Due S.c.r.l.	6,642	-	6,718	-	-	-
Associates						
Metro 5 S.p.A.	7,166	-	445	-	-	-
International Metro Service S.r.l.	-	19	17,065	-	-	-
Pegaso S.c.r.l.	115	-	2,517	-	-	-
Joint Ventures (*)						
Balfour Beatty Ansaldo Syst. JV SDN BHD	-	-	-	47	-	-
Consortiums						
Saturno	41,500	-	1,402	-	-	-
Ascosa quattro	18	-	-	-	-	-
Team in liq.	-	-	-	-	-	-
SanGiorgio Volla 2	1,119	-	-	-	-	-
Cons. Ferroviario Vesuviano	1,790	-	-	-	-	-
Cesit	-	-	12	-	-	-
SanGiorgio Volla	19	-	-	-	-	-
Other Group companies						
Ansaldo Energia S.p.A.	-	-	-	-	-	-
Ansaldo Breda S.p.A.	5,407	4	1,309	-	-	-
Fata Logistic S.p.A.	-	-	936	-	-	-
Finmeccanica Finance S.A.	-	-	-	-	-	-
Finmeccanica Group Service S.p.A.	-	4	683	-	-	-
Elsag Datamat S.p.A.	68	-	2,895	-	-	-
Hr Gest S.p.A.	-	-	362	-	-	3
Selex Communication S.p.A.	-	-	1,982	-	-	-
Galileo Avionica S.p.A.	-	-	22	-	-	-
Electron Italia S.r.l.	-	-	18	-	-	-
Selex Service Management S.p.A.	-	-	131	-	-	-
I.M. Intermetro S.p.A.	759	-	-	-	-	-
Oto Melara S.p.A.	-	-	-	-	-	-
Total	64,603	27	37,368	1,214	59	3

(*) Amounts refer to the portion not eliminated for proportionate consolidation.

Notes to the Income Statement

Raw materials and consumables used and purchase of services

11.2 Revenue

(EUR 000)	30.06.2010	30.06.2009
Revenue from sales	570,185	259,396
Revenue from services	49,206	34,662
	619,391	294,058
Change in contract work in progress	(79,818)	188,643
Revenue from third parties	539,573	482,701
Revenue from related parties	45,133	64,603
Total revenue	584,706	547,304

Revenue from third parties amounted to EUR 540 million at 30 June 2010 over EUR 483 million at 30 June 2009, with an increase of EUR 57 million (+12%).

Revenue from related parties fell by EUR 20 million over the previous period, mainly attributable to a decrease in revenue in relation to AnsaldoBreda and Consortium Saturno.

The trend of revenue detailed by business sector is commented in the previous notes.

11.3 Other operating income

(EUR 000)	30.06.2010	30.06.2009
Grants for research and development costs	173	289
Gains on disposal of property, plant and equipment and intangible fixed assets	-	-
Reversals to provision for doubtful accounts	40	975
Reversals to provisions for risks and charges	1,570	2,734
Insurance reimbursements	10	-
Royalties	540	1,511
Finance income and foreign-exchange gains on operating items	3,111	46
Tax receivable for R&D	2,294	2,874
Other operating income	1,773	731
Other operating income from third parties	9,511	9,160
Other operating income from related parties	38	27
Total	9,549	9,187

Other operating income from third parties amounted to EUR 10 million, as shown in the table above, substantially in line with the figures reported in the first semester 2009.

Other operating income from related parties is in line with the figures reported in the first semester 2009.

11.4 Raw materials and consumables used and purchase of services

(EUR 000)	30.06.2010	30.06.2009
Purchase of materials	107,425	98,127
Change in inventories	6,151	1,778
Purchase of services	212,779	206,893
Rent and operating leases	8,808	8,258
Total raw materials and consumables used and purchase of services from third parties	335,163	315,056
Total raw materials and consumables used and purchase of services from related parties	42,492	37,368
Total raw materials and consumables used and purchase of services	377,655	352,424

Raw materials and consumables used and purchase of services showed an increase of EUR 20 million (6%) compared with the first semester of the previous financial year, which is attributable to higher production volumes.

Raw materials and consumables used from related parties showed an increase of EUR 5 million.

11.5 Personnel costs

(EUR 000)	30.06.2010	30.06.2009
Wages and salaries	117,742	105,181
Costs for stock grant plans	2,083	1,200
Pension and social security	25,790	26,668
Pension and social security charges for stock grant	522	274
Severance pay provision costs	38	40
Costs related to other defined-benefit plans	219	171
Costs related to other defined-contribution plans	4,053	1,840
Recovery of personnel costs	(291)	(309)
Employee disputes	-	-
Restructuring costs	706	1,521
Other costs	1,599	2,839
Total personnel costs	152,461	139,425

The workforce at 30 June 2010 came to 4,340 resources with an increase of 22 units compared with the 4,318 units reported at the end of the first semester of the previous financial year; this item is broken down as follows:

Signalling:	3,485 employees
Transportation Solutions:	412 employees
Corporate:	443 employees

The average size of the Group workforce employed in the first semester 2010 was equal to 4,306 resources against 4,297 resources reported in the first semester 2009.

“Personnel costs” (inclusive of restructuring costs) for the first semester 2010 is equal to EUR 152 million compared with EUR 139 million recorded in the first semester 2009.

The increase of EUR 13 million (9.3%) is due to the higher average workforce employed (+9 resources) equal to EUR 0.3 million, and (EUR 12.7 million) to the increase in per capita cost, which went from EUR 32.4 thousand in the first semester 2009 to EUR 35.4 thousand in the first semester 2010 (+9.1%). It should be also noted that the cost increase was partly caused by a depreciation of the Euro versus a few local currencies and particularly versus the Australian Dollar.

The stock grant cost is recognised in the year when the services are rendered, therefore it relates to the portion pertaining to the first semester of the shares attached to objectives for the year 2010 to be delivered in December 2011 after these objectives are achieved. This cost is determined on the basis of the estimated number of shares to be granted and the fair value at the date of approval by the Remuneration Committee; on 13 February 2008, this value was equal to EUR 8.5230 per share.

Severance pay provision costs and costs relating to other defined-benefit plans relate to the “service cost” only, since, as a result of the adoption of the equity method, interest costs are now classified under “finance costs”.

As shown in the table relating to the personnel costs, we should report that the restructuring costs recorded at 30 June 2010 refer to the existing reorganisation plan of the American subsidiary Ansaldo STS USA, which aims at a rationalization of the production structure in the Batesburg factory.

11.6 Amortisation, depreciation and impairment

(EUR 000)	30.06.2010	30.06.2009
Amortisation/Depreciation:		
- intangible assets	1,444	1,383
- property, plant and equipment	5,083	4,282
	6,527	5,665
Impairment:		
- operating receivables	1	372
- other assets	-	-
	1	372
Total amortisation, depreciation and impairment	6,528	6,037

Amortisation and Depreciation showed in the period a slight increase compared with the corresponding period last year, as shown in the table above.

Amortisation and depreciation are detailed in the schedules on property, plant and equipment and intangible fixed assets.

Notes to the Income Statement
Net finance income/(costs)

11.7 Other operating expenses

(EUR 000)	30.06.2010	30.06.2009
Allocations to provisions for risks and charges	818	1,546
Association dues	377	320
Capital loss on the disposal of property, plant and equipment and intangible assets	13	5
Foreign exchange charges on realization of operating items	333	32
Exchange rate alignment on operating items	701	-
Restructuring costs paid	93	-
Interest and other operating expenses	1,352	208
Indirect taxes	2,111	2,080
Other operating expenses	672	1,016
Total other operating expenses from third parties	6,470	5,207
Total other operating expenses from related parties	-	3
Total other operating expenses	6,470	5,210

Other operating expenses from third parties increased by EUR 1 million going from EUR 5 million at 30 June 2009 to EUR 6 million at 30 June 2010.

The most substantial amount is attributable to the higher finance costs on operating items emerged in the subsidiaries of the Asia Pacific area.

11.8 Work performed by the Group and capitalised

(EUR 000)	30.06.2010	30.06.2009
Work performed by the Group and capitalised	(340)	(262)

Capitalised costs are substantially attributable to the French subsidiary Ansaldo STS France and relate to costs for internally produced tangible and intangible assets (staff, materials, services).

11.9 Net finance income/(costs)

(EUR 000)	30.06.2010			30.06.2009		
	Income	Cost	Net	Income	Cost	Net
Interest and commissions	533	1,335	(802)	645	1,581	(936)
Exchange-rate differences	23,346	18,387	4,959	12,668	12,973	(305)
Income from fair-value measurement recognised in Income Statement	3,334	10,689	(7,355)	822	2,778	(1,956)
Interest on severance pay provision	-	360	(360)	-	374	(374)
Interest on other defined-benefit plans	-	198	(198)	-	193	(193)
Other finance income (costs)	-	103	(103)	91	215	(124)
Total net finance income and costs	27,213	31,072	(3,859)	14,226	18,114	(3,888)
Total finance income and costs from related parties	396	173	223	1,214	59	1,155
Total	27,609	31,245	(3,636)	15,440	18,173	(2,733)

At 30 June 2010, net finance costs from third parties totalled EUR 4 million, in line with the figures recorded at 30 June 2009, but with a different composition:

- Greater positive exchange rate differences due to the revaluation of foreign positions;
- Worsening in the fair value recognised in the Income Statement due to the costs on derivatives entered into in order to hedge underlying assets in foreign currency, that even if they meet the requirements to contain the adjustment of the underlying, are not fully effective.

Related party transactions mainly refer to the relationships with the ultimate Parent company Finmeccanica and the related concern Finmeccanica Finance.

11.10 Share of profit (loss) of equity accounted investments

(EUR 000)	30.06.2010			30.06.2009		
	Income	Cost	Net	Income	Cost	Net
Share of profit (loss) of equity accounted investments	983	-	983	1,076	3	1,073
Total	983	-	983	1,076	3	1,073

The share of profit of equity accounted investments amounted to EUR 1 million and reflected International Metro service Srl, Metro 5 SpA and Ecosen.

11.11 Income taxes

Income taxes break down as follows:

(EUR 000)	30.06.2010	30.06.2009
I.Re.S (corporate income tax)	16,828	10,421
IRAP (regional tax on productive activities)	4,330	3,249
Other taxes on profit (foreign companies)	2,006	3,869
Taxes relating to previous years	(59)	(345)
Provisions for disputes over taxes		
Net deferred taxes	(1,494)	461
Total	21,611	17,655

Income taxes increased by EUR 4 million compared with the same period in the previous financial year. Specifically, this change is attributable to: the increase in the I.Re.S and IRAP charge for the period (EUR 6 million and EUR 1 million respectively), attributable to a higher taxable base, although the average nominale tax rate (4.19%) has shown a decrease compared with the same period in 2009 (4.27%) and to lower excess taxes relating to previous years.

This effect has been mitigated by lower taxes due by foreign companies (for EUR 2 million) and by a net positive effect generated by the movement of deferred taxation (for EUR 2 million).

Below is the analysis of the difference between the theoretical tax rate and the effective tax rate:

(EUR 000)	30.06.2010			30.06.2009		
	Amount		%	Amount		%
Result before taxes	55,022			55,126		
Tax calculated at the applicable tax rate	15,131		27.5%	15,160		27.5%
Permanent differences	(13,818)	(3,800)	-6.9%	1,691	465	0.8%
	41,204	11,331	20.59%	56,817	15,625	28.3%
IRAP and other taxes calculated on a basis other than the result before taxes	10,340		18.79%	2,375		4.31%
Prior years' taxes	(59)		-0.11%	(345)		-0.63%
Provisions for disputes over taxes	-		-	-		-
Total effective taxes carried to Income Statement	21,611		39.28%	17,655		32.03%

The effective tax rate moved from 32.03% in the first semester 2009 to 39.28% in the first half 2010.

The change in tax rate is attributable to the effects of losses arisen in the first semester in the subsidiaries of the Asia Pacific area and that do not allow at the moment to record deferred tax assets, due to their temporary nature.

Notes to the Income Statement
Income taxes

Deferred taxes and the related receivables and payables at 30 June 2010 were generated by the following temporary differences:

(EUR 000)	Income Statement		Income Statement	
	Assets	Liabilities	Assets	Liabilities
Severance pay provision, pension funds	(118)	243	4,552	586
Remuneration	-	-	654	-
Goodwill	-	-	-	-
Property, plant and equipment and intangible assets	378	(499)	3,084	124
Provisions for risks and charges	(785)	-	18,807	-
Research subsidies	-	(235)	171	380
Inventory write-down	(126)	-	1,900	-
Cash Flow Hedge - defined-benefit plans	-	-	183	6,239
Past losses	437	-	1,944	-
Stock grants	(75)	-	83	-
Other	(718)	5	11,453	1,009
Total	(1,008)	(486)	42,831	8,339

Deferred tax assets deriving from the recognition of "Provisions for risks and charges" are mainly attributable to the Group parent Ansaldo STS (EUR 10 million) and to the subsidiary Ansaldo STS USA (EUR 9 million).

Deferred tax assets relating to the inventory write-down mainly refer to Group parent Ansaldo STS SpA and to the subsidiary Ansaldo STS USA. Deferred tax assets relating to severance pay provision and pension plans refer for EUR 1 million to the Group parent Ansaldo STS SpA and for EUR 3 million to the French subsidiary Ansaldo STS Francia.

The item "Other" mainly refers to the Group parent Ansaldo STS SpA (EUR 2 million), to the subsidiaries of the Asia Pacific area (EUR 5 million) and to the American subsidiary Ansaldo STS USA (EUR 1 million).

Deferred tax assets and liabilities include deferred taxes accounted for, with direct counterpart in equity, on derivative instruments recognised with the "cash flow hedge" method and on actuarial losses/gains as a result of the adoption of the equity method for defined-benefit plans. The movement for the period of this equity item is as follows:

	31.12.2009	Reversal to the Income Statement	Fair value adjustments	Other changes	30.06.2010
Deferred taxes recognised directly in equity	1,224	293	(4,083)	-	(2,566)

12 Earnings per share

Earnings per share (EPS) are calculated:

- by dividing the net profit attributable to the holders of ordinary shares by the average number of ordinary shares for the period, less treasury shares (*basic EPS*);
- by dividing the net result by the average number of ordinary shares and the shares that potentially result from the exercise of all the options under stock option plans, less treasury shares (*diluted EPS*).

Basic EPS	30.06.2010	30.06.2009
Average shares during the period	99,882,682	99,991,750
Net profit	33,285	37,330
Basic EPS and diluted EPS	0.33	0.37

13 Cash flow from operating activities

The cash flow from operating activities is shown in the table below:

(EUR 000)	30.06.2010	30.06.2009
Profit	33,411	37,471
Share of profit (loss) of equity accounted investments	(983)	(1,073)
Income taxes	21,611	17,655
Costs of severance pay provision and other benefits	257	211
Costs for stock grant plans	2,605	1,474
Capital gains (losses) on disposals of real estate assets	13	5
Net finance income (costs)	3,636	2,733
Restructuring costs	706	1,521
Amortisation, depreciation and impairment	6,528	6,037
Allocation/Reversal to provisions for risks	(792)	(2,163)
Allocation/Reversal to provision for pending disputes	(46)	-
Allocations /Reversal of inventories and work in progress write-down	(3,042)	905
Total	63,904	64,776

Changes in working capital, net of the effects deriving from the acquisitions and disposals of consolidated companies and translation differences, break down as follows:

(EUR 000)	30.06.2010	30.06.2009
Inventories	(3,033)	(2,888)
Contract work in progress and advances from customers	(137,616)	(30,876)
Trade receivables and payables	115,774	43,864
Total	(24,875)	10,100

Changes in other operating items, net of the effects deriving from the acquisitions and disposals of consolidated companies and translation differences, break down as follows:

(EUR 000)	30.06.2010	30.06.2009
Payment of the provision for severance pay and other defined-benefit plans	(1,485)	(1,544)
Taxes paid	(15,359)	(4,870)
Changes in other operating items	2,396	5,851
Total	(14,448)	(563)

For information on changes in the Statement of Cash Flows, please refer to paragraph 2.3 relative to the Groups' financial position.

14 Management of financial risks

The Group is exposed to financial risks associated with its operations, specifically related to these types of risks:

- market risks, related to exchange rate risk in respect of operations in areas using currencies other than the functional currency and to the risk of changes in interest rates;
- liquidity risks, relating to the availability of financial resources and access to the credit market;
- credit risks, resulting from normal commercial transactions or financing activities.

The Group specifically monitors each of these financial risks, with the objective of promptly minimising them, also through hedging derivatives. Below is an explanation of how the Ansaldo STS Group, based on its in-house directives, manages these types of risk.

Exchange rate risk management

As indicated in the directive “Treasury management”, the exchange rate risk management of the Ansaldo STS Group focuses on the achievement of these objectives:

- limiting potential losses due to adverse fluctuations in the exchange rate as compared with the reporting currency of Ansaldo STS SpA and its subsidiaries. In this case losses are defined in terms of cash flow rather than in accounting terms;
- limiting estimated or real costs connected to the implementation of exchange rate risk management policies.

The exchange rate risk should be hedged only if it has a relevant impact on cash flow as compared with the reporting currency.

The costs and risks connected with a hedging policy (hedge, no hedge, or partial hedge) should be acceptable both financially and commercially.

These instruments may be used to hedge exchange rate risk:

- Forward foreign exchange purchases and sales: exchange rate forwards are the most widely used instruments for cash flow hedges;
- Currency swaps/cross currency swaps: when cash flows occur earlier or later than expected, the forwards are moved up or postponed using currency swaps;
- Foreign currency funding/lending: foreign currency funding and lending may be used to partially alter the currency of costs to obtain a natural hedge.

Using funding and lending in foreign currency as a hedging instrument must always be aligned with the overall treasury management and with the overall financial position of Ansaldo STS SpA (long and short term). Generally, the purchase and sale of foreign currency is used in the case of exotic currencies where the capital market is not considered liquid or where alternative hedging instruments are not available or are only available at high costs.

Hedging of exchange rate risk

There are three types of exchange rate risk:

1. Economic risk:
represented by the impact that currency fluctuations may have on capital budgeting decisions (investments, location of plants, procurement markets).
2. Transaction risk:
the possibility that exchange rates could change during the period between the time at which a commitment to collect or pay in foreign currency at a future date (setting price lists, establishing budgets, preparing orders, invoicing) arises and the time at which such collection or payment occurs, thereby having a positive or negative impact on the exchange rate delta.
3. Translation risk:
this relates to the impact that the translation of dividends or the consolidation of recognised assets and liabilities has on the financial statements of multinational companies whenever the consolidation exchange rates change from year to year.

The Ansaldo STS Group hedges transaction risks in accordance with the “Treasury Management” directive, which provides for the systematic hedging of commercial cash flows resulting from the assumption of contractual commitments of a specific nature as either buyer or seller, in order to ensure current exchange rates at the date of acquisition of long-term contracts and neutralising the effects of fluctuations in the reference exchange rates.

Cash Flow Hedge

Hedges are made at the time commercial contracts are finalised through plain vanilla instruments (swaps and forwards on foreign currencies) qualifying for hedge accounting under IAS 39. These hedges are carried as cash flow hedges. Accordingly, the changes in fair value of the hedging derivatives are recognised in a special cash flow hedge reserve once the effectiveness of the hedge is demonstrated. Should the hedges prove to be ineffective, i.e. they do not fall within the effective range between 80-125%, changes in the fair value of the hedging instruments are immediately recognised in the Income Statement as financial items and the cash flow hedge reserve accumulated up until the date of the last successful effectiveness test is reversed to profit and loss.

Fair Value Hedges

A fair value hedge involves the hedging of an exposure to changes in the fair value of a recognised asset or liability, an irrevocable unrecognised commitment or an identified portion of such asset, liability or irrevocable commitment, attributable to a specific risk and that could affect the Income Statement.

The Group hedges against changes in fair value with regard to the exchange rate risk for assets and liabilities.

Hedging transactions are carried out predominantly with the banking system. At 30 June 2010 the Group had contracts referring to various currencies as reported in paragraph 10.21.

At 30 June 2010, the net fair value of derivative financial instruments was positive in the amount of about EUR 6.3 million.

Management of interest rate risk

The aforementioned directive states that the goal of the management of interest rate risk is to lessen the negative impact of changes in interest rates, which may affect the Group's Income Statement, the Balance Sheet and the weighted average cost of capital.

Interest rate risk management by Ansaldo STS Group is designed to achieve the following objectives:

- to stabilise the weighted average cost of capital;
- to minimise the weighted average cost of capital of Ansaldo STS over the medium to long term. To achieve this objective, interest rate risk management will focus on the impact of interest rates on debt funding and equity funding;
- to limit the costs relating to the execution of interest rate risk management policies, including the direct costs tied to the use of specific instruments and indirect costs relating to the internal organisation needed to manage such risk;
- to optimise the profit on financial investments within a general profit-risk trade-off.

In 2010, the Group managed this risk without the use of derivatives due to the short-term maturities of the payables. Thus, at 30 June 2010, the Group had no open hedge positions to reduce interest rate risk.

Management of liquidity risk

In order to support efficient management of liquidity and contribute to the growth in its businesses, the Ansaldo STS Group has established a set of tools to optimise the management of financial resources. This objective was achieved by centralising treasury operations (cash pooling contracts with Group companies) and maintaining an active presence on financial markets to obtain adequate short and medium-term credit lines. Within this context Ansaldo STS has obtained short and long-term credit lines for endorsement facilities and for cash sufficient to meet the Group's needs.

At 30 June 2010, the Group shows a net financial liquidity of EUR 276.5 million.

At 31 December 2009, the net financial liquidity was equal to EUR 278.9 million.

Credit risk management

The Group is not exposed to significant credit risk, both as regards the counterparties of its commercial transactions and for financing and investing activities. Its primary customers are, in fact, government entities or off-shoots of such entities, concentrated in the euro area, the United States and Southeast Asia. The typical customer rating of the Ansaldo STS Group is therefore medium/high. Despite this, in the case of contracts with customers/counterparties with which the Group does not ordinarily do business, the customers' solvency is assessed at the time of the offer to highlight any future credit risks.

The nature of Ansaldo's customers means that collection times are longer (in some countries significantly longer) than in other businesses, creating significant outstanding past due positions.

15 Outlook

Since 1 January 2010 the Group has availed itself of the new organisational structure through the project of internal reorganisation called "Fast Forward Driven By Business" (FFDB). The reorganisation is directed to recover industrial and commercial efficiency, and therefore additional margins of profitability, through a more rational and centralised organisation of activities related to R&D, production, procurement, presence on the markets, management of job-orders.

Actions oriented to improve efficiency will continue in order to further preserve and increase profitability on revenues.

With regard to the reference markets, the Signalling and Transportation Solutions sectors in both the inter-city and urban railway context are still marked by growth; the Group still follows with particular attention the markets with high economic growth and high capacity of investment in infrastructures (such as China, North Africa, the Middle East, Eastern Europe, the Asia Pacific region, South America). The future will be characterised by the search for opportunities in the transportation solutions business worldwide. This will be possible by joining the Italian expertise in the systems business with the industrial and commercial presence of our subsidiaries in the various markets.

The Group's positive financial situation allows us to closely monitor happenings in the sector in order to search for and select any investment opportunities in support of growth. This takes place by analysing possible acquisitions or equity investments in companies that show industrial and/or commercial complementarities able to expand the products portfolio and the Group's ability to compete.

Rome, 27 July 2010

On behalf of the Board of Directors
The Chairman

Alessandro Pansa



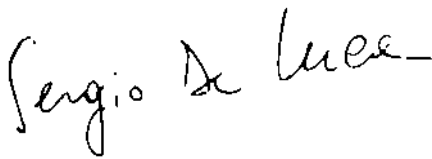
**16 Attestation of the condensed consolidated half-year financial statements pursuant to art. 81-ter
of Consob regulation no. 11971 of 14 May 1999 and amendments and integration thereof**

1. The undersigned Sergio De Luca, Chief Executive Officer and Alberto Milvio, the Manager in charge of the preparation of the company accounting documents of Ansaldo STS SpA certify, in accordance with Art.154-*bis*, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998:
 - the appropriateness of the financial statements with regard to the nature of the business and
 - the effective application of administrative and accounting procedures in preparing the condensed consolidated half-year financial statements, for the period from 1 January 2010 through 30 June 2010.
2. No significant issues have arisen in this regard.
3. It is also certified that:
 - 3.1 the condensed consolidated half-year financial statements:
 - a) are prepared in accordance with the International Accounting Standards recognised by the European Community pursuant to (EC) Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - b) correspond to the entries in the documents, books and accounting records;
 - c) provide a true and fair view of the performance and financial position of the issuer and all the companies included in the scope of consolidation.
 - 3.2 The interim report on operations contains a reliable analysis of the references to the important events that occurred in the first six months of the financial year and to their incidence on the condensed consolidated half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year.
The interim report on operations also provides a reliable analysis of the information on the most significant related-party transactions.

Rome, 27 July 2010

The Chief Executive Officer

Sergio De Luca




The Manager in charge of the preparation of
company accounting documents

Alberto Milvio



Strategic concept, Copywriting, Graphic design and composition:

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