



Half-Year Results Fiscal Year 2015/16

05 November 2015

ALSTOM
Designing fluidity

Key takeaways

- Solid commercial and operational performance in Transport*
 - Sound orders level of €3.9bn (book-to-bill = 1.2)
 - Sales growth of 8% (4% organic)
 - IFO (including corporate costs) at €167m (up 10%) with margin at 5.1%
- Alstom - General Electric transaction closed on 2 November 2015
- Announcement of public share buy-back offer (OPRA) for €3.2bn
- Confirmation of medium-term guidance

* Energy businesses classified as discontinued operations (IFRS 5)

ALSTOM - 16/11/2015 – P 2

Agenda

- 1 **H1 2015/2016**
- 2 Closing of Alstom - General Electric transaction
- 3 Outlook

H1 2015/16 key figures

In € million

	H1 2014/15	H1 2015/16	% change reported	% change organic
Orders	6,407	3,897	(39)%	(41)%
Sales	3,056	3,303	+8%	+4%
IFO *	152	167	+10%	
Operating margin	5.0%	5.1%		
Net income – Continued operations **	29	18		
Net income – Discontinued operations **	226	(75)		
Net income – Group share	255	(57)		
Free cash flow*** – Continued operations	(85)	(5)		
Free cash flow*** – Discontinued operations	(1,010)	(1,086)		
Free cash flow	(1,376)	(1,336)		

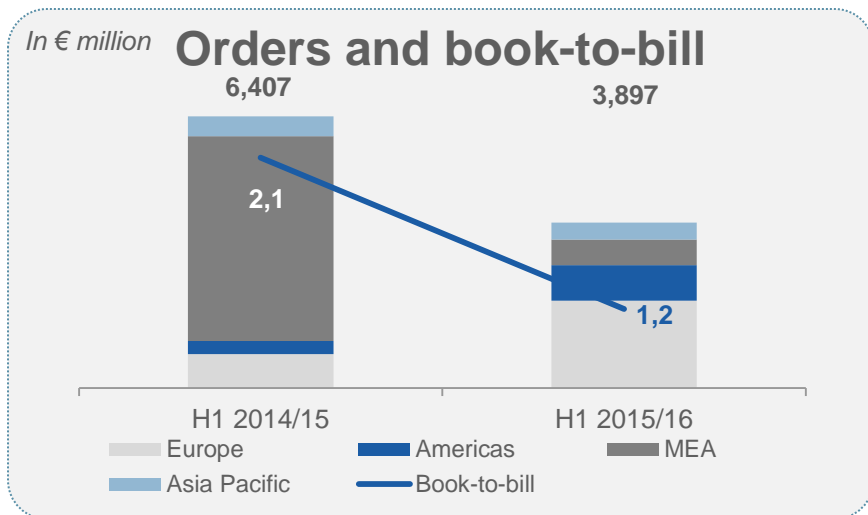
* After corporate costs

** Group share

*** Before tax and financial cash-out

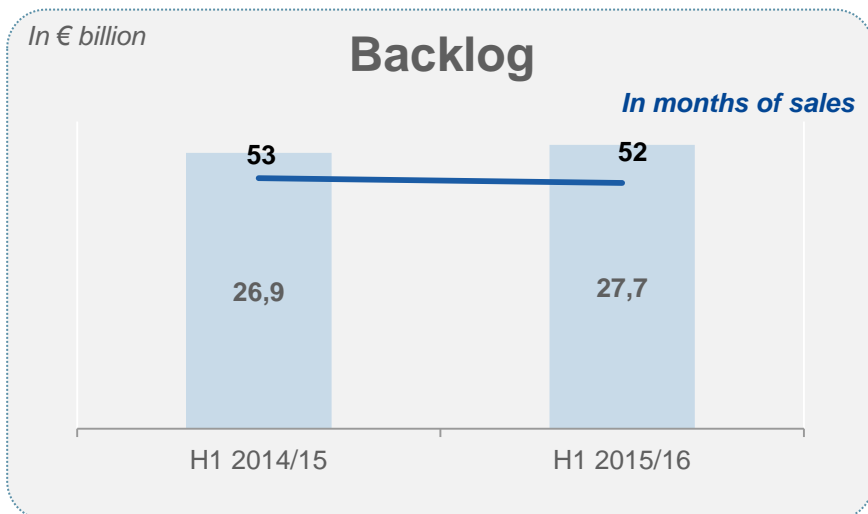
Solid commercial and operational performance in Transport

High level of orders



Strong order intake

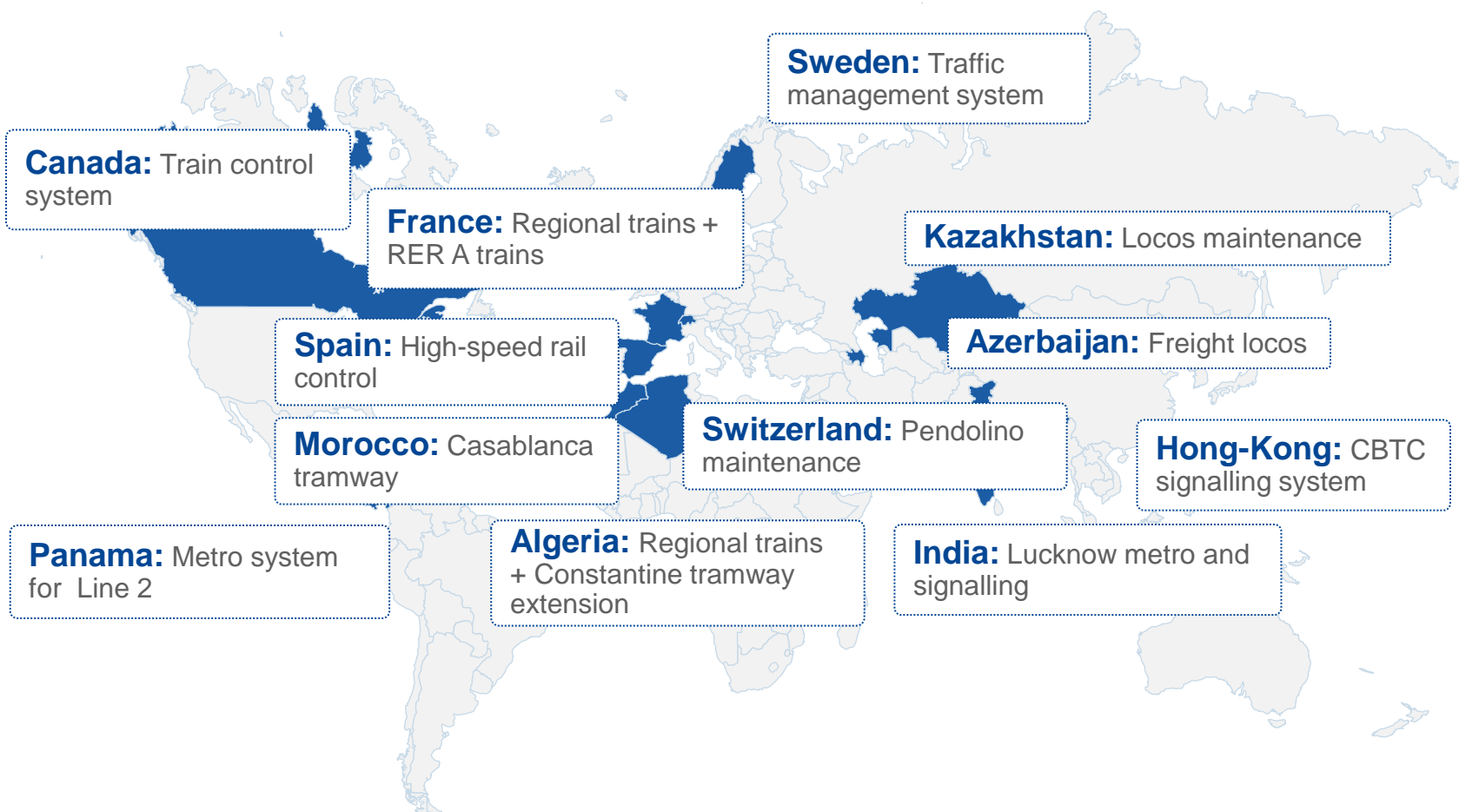
- Sound level of € 3.9bn (H1 2014/15 included a €4bn contract in South Africa)
- Strong flow of small/medium size orders in all regions:
 - Loco in Azerbaijan and services in Kazakhstan
 - Metro in India, system in Panama
 - Regional trains in France and Algeria
 - Signalling in Hong-Kong, Canada and Sweden



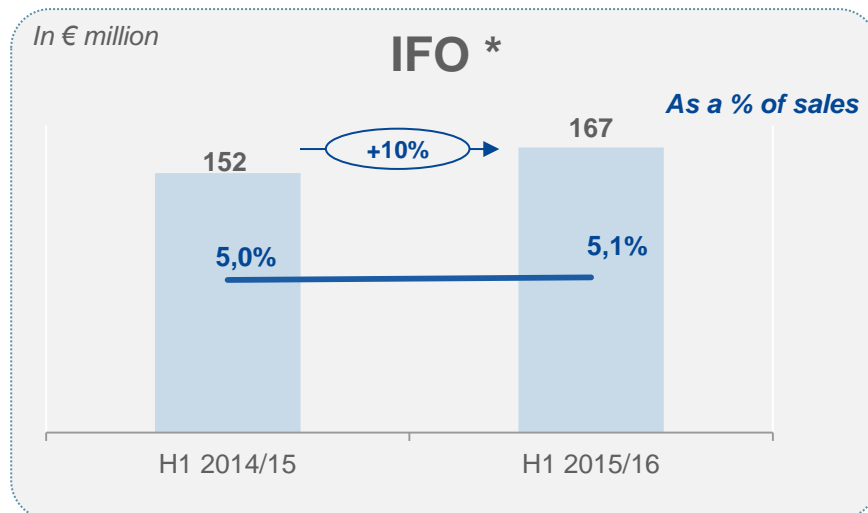
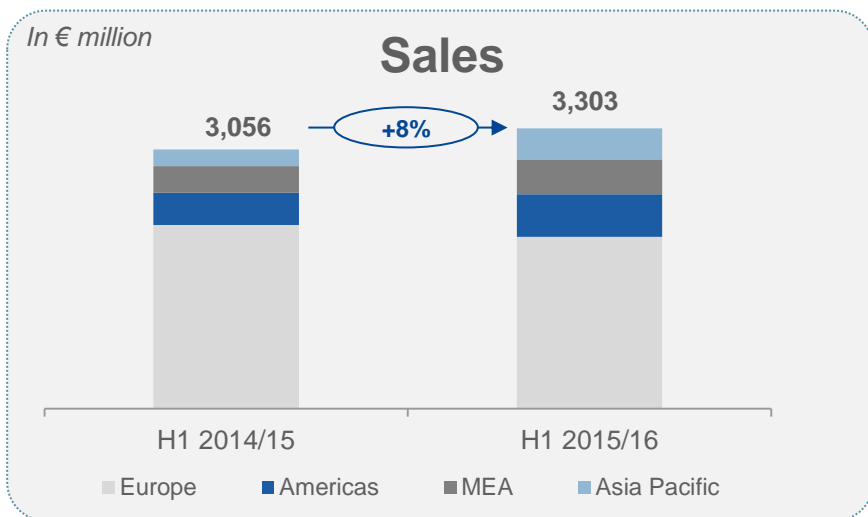
Solid backlog

- Backlog representing more than 4 years of sales

Main orders – successes across all geographies



Sales and operating income increase



Sales growth of 8% (organic 4%)

- Solid performance in Europe, with major milestones on regional, suburban and very high-speed trains in France, suburban trains in Italy, maintenance contracts in UK and Sweden
- Continued growth in emerging countries with execution of metro and tramway contracts in Latin America, PRASA contract in South Africa, etc.

Operating income increase of 10%

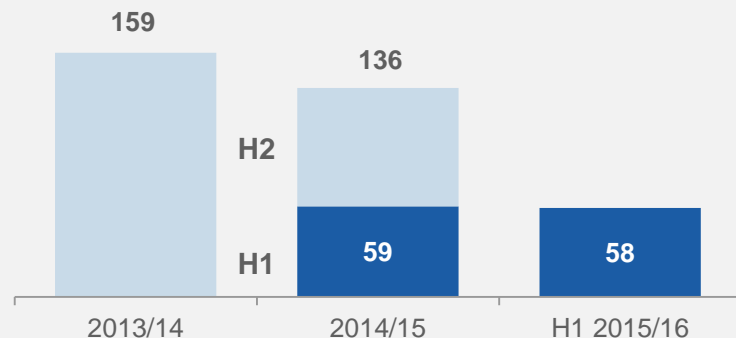
- Volume impact
- On-going actions on execution and costs

x% % change reported

Focused investments for future growth

In € million

R&D

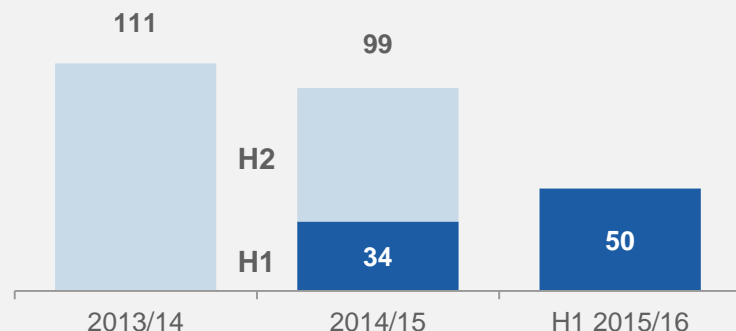


Main R&D programmes

- Citadis X05 tramway
- Signalling programmes
- HealthHub predictive maintenance tool

In € million

Capex



Recent capex developments

Continued investments to consolidate competitive advantage in developed countries and support development in emerging markets

- New building in Villeurbanne for Signalling (France)
- Assembly of Citadis Spirit in Hornell (USA)
- Completion of Taubaté tramway site (Brazil)

Income statement

<i>In € million</i>	H1 2014/15	H1 2015/16	% change reported	% change organic
Sales	3,056	3,303	+8%	+4%
IFO * <i>Operating margin</i>	152 5.0%	167 5.1%	+10%	
Restructuring charges	(55)	(14)		
Other non-operating expenses	(34)	(52)		
EBIT	63	101	+60%	
Financial result	(56)	(86)		
Tax result	(11)	(2)		
Share in net income of equity investees	39	13		
Minority interests from continued op.	(6)	(8)		
Net income – Continued operations **	29	18		
Net income – Discontinued operations **	226	(75)		
Net income – Group share	255	(57)		

* Including corporate costs

** Group share

Free cash flow

In € million

	H1 2014/15	H1 2015/16
IFO	152	167
Restructuring cash-out	(20)	(24)
Depreciation	36	47
Capex	(34)	(50)
R&D capitalised, net of amortisation	-	(1)
Pensions	(3)	-
Change in working capital	(230)	(164)
Other	14	20
Free cash flow* – Continued operations	(85)	(5)
Free cash flow* – Discontinued operations	(1,010)	(1,086)
Financial cash-out	(108)	(83)
Tax cash-out	(173)	(162)
Free cash flow – Group	(1,376)	(1,336)

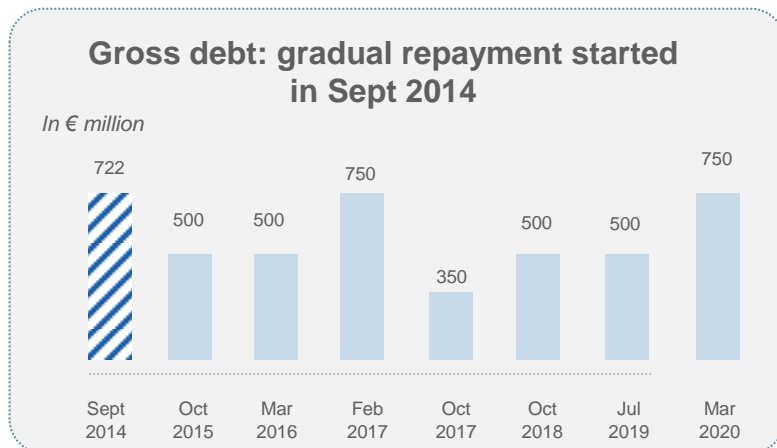
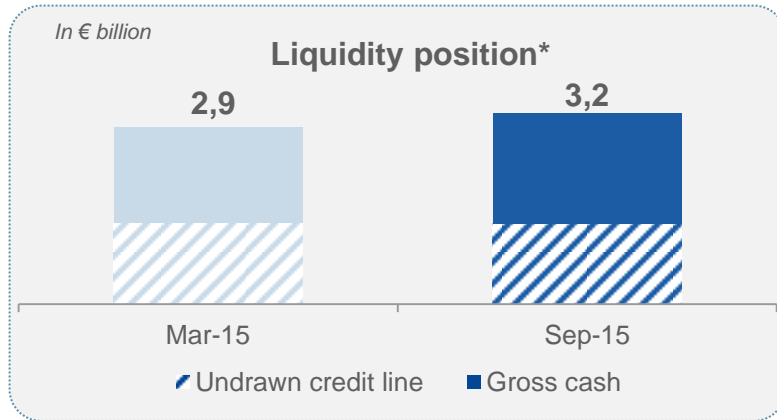
■ FCF from continued operations

- Negative impact of working capital (ramp-up of some projects)
- Strong cash management actions in place

* Before tax and financial cash-out

ALSTOM - 16/11/2015 – P 10

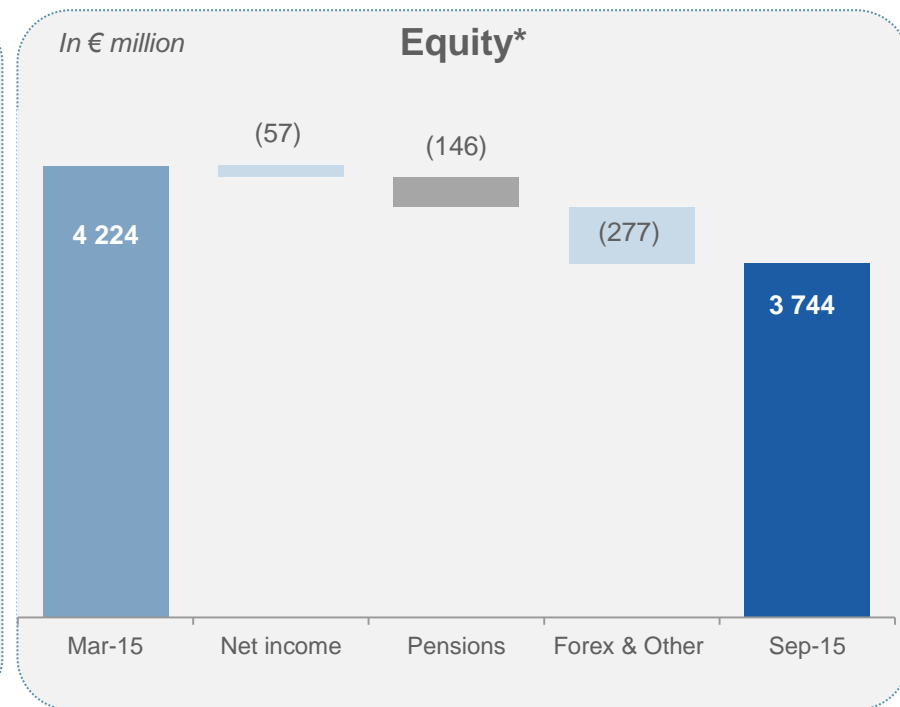
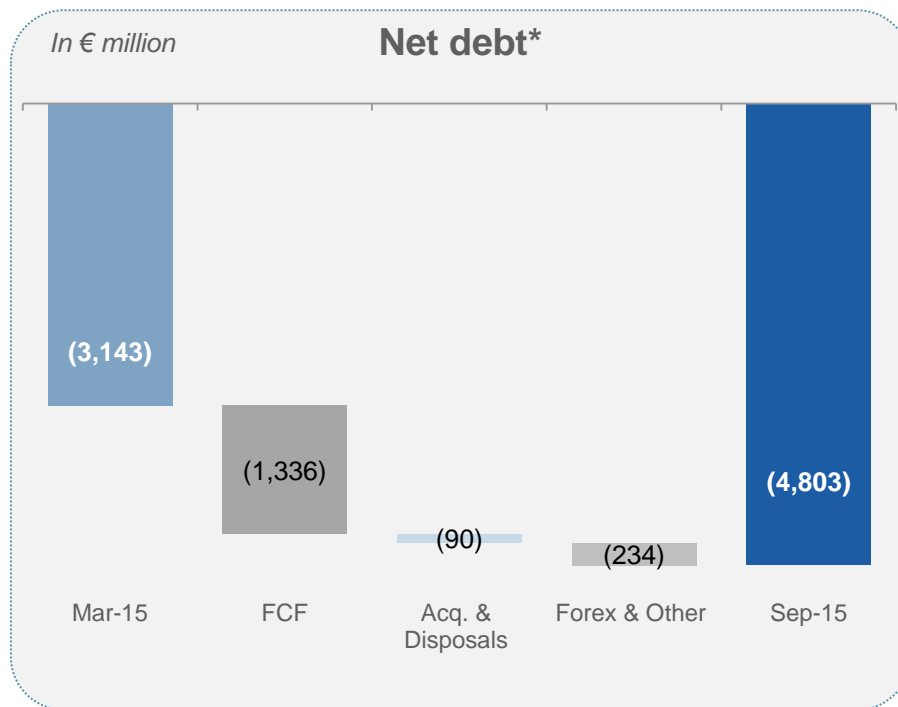
Liquidity and gross debt



- €1.35 billion credit line; fully undrawn on 30 September 2015
- €1.6 billion revolving credit facilities available until completion of GE transaction; fully drawn on 30 September 2015
- Waiver obtained on financial covenants for all facilities until completion of GE transaction
- New bonding and revolving credit facilities to replace existing facilities after completion of GE transaction

* Pre Alstom-GE transaction closing

Net debt & equity



* Pre Alstom-GE transaction closing

Agenda

- 1 H1 2015/2016
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Closing of Alstom – General Electric transaction

- Closing of the sale of Alstom's Energy activities to GE for c. €12.4bn
- Reinvestment in the 3 JVs with GE and acquisition of GE signalling activities
- Energy FCF from 1 April 2014 covered by GE through lock-box mechanism

In € billion

Sale of Energy activities to GE

Energy operating cash transferred to GE

Adjustments*

Other (incl. transaction costs)

Investment in JVs with GE

Acquisition of GE signalling

TOTAL net proceeds of GE transaction

Net proceeds

12.4

(1.9)

0.1

(0.3)

(2.4)

(0.7)

7.1

* Including commercial agreement in December 2014 (+€0.4m) and price adjustment in July 2015 (€(0.3)m)

Cash return to shareholders

- Public share buy-back offer (OPRA) of €3.2bn, followed by cancellation of repurchased shares
 - 91.5 millions Alstom shares, representing app. 29.5% of the capital
 - Unitary price of € 35, resulting in a premium 17.6 % over the closing price of 3 November 2015 (€ 29.8) and of 21.8 % over the last month weighted average price (€ 28.7)

- Subject to AMF review and shareholders' approval

- Bouygues intention to tender a number of shares allowing to maintain its capital share following the offer at a level comparable to its current one (c. 29% of Alstom)

Balance sheet impact

In € billion

Net debt position as of 31 Mar 14

(3.0)

Net proceeds of GE transaction

7.1

Public share buy-back offer

(3.2)

DoJ fine

(0.7)

Transport FCF

(0.2)

Est. net cash / (debt) position post transaction*

c.0

Alstom will be deleveraged

* Indicative, based on 30 September 2015 accounts

Indicative OPRA timetable

- 9 November 2015: Filing of the offer with AMF
- 18 December 2015: Shareholder's meeting
- 23 December 2015: Opening day of the offer
- 20 January 2016: Closing day of the offer
- 28 January 2016: Settlement-delivery

Alstom entirely refocused on rail transport

- Strong balance sheet structure and deleveraged Group
- Sound market with solid growing factors
- Leadership positions in trains, services, systems and signalling
 - Presence in all continents
 - Complete range of solutions and constant innovation
- Reinforced by the acquisition of GE Signalling
 - Opening the signalling freight market to Astom
 - Strengthening presence in North America
- Record order book providing visibility

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Medium-term guidance confirmed

Organic sales growth

Operating margin*

Group free cash flow

Medium term

- Over 5% per year
- Gradual improvement within the 5-7% range
- In line with net income** (with possible volatility on short periods)

* IFO margin including corporate costs

** Before Energy JVs

Contacts and agenda

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AGENDA

18 December 2015

Shareholders' Meeting

14 January 2016

Q3 2015/16 Orders and Sales

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