MANAGEMENT REPORT
ON CONSOLIDATED FINANCIAL STATEMENTS
FISCAL YEAR 2012/13

1. Main events of fiscal year 2012/13

1.1. Solid commercial and operational performance and Free cash flow turning positive.

With €23.8 billion of orders received in fiscal year 2012/13, 10% above last year on an actual basis and 8% on an organic basis, Alstom recorded a solid level of order intake in a challenging economic environment.

Thermal Power's order intake increased by 2%, at €9.6 billion. The Sector booked 12 gas turbines in Israel, United Kingdom, China and Thailand, where it sold its first two upgraded GT26™ gas turbines. In the Steam business, major contracts were awarded in Saudi Arabia, India and Egypt. Renewable Power delivered a sustained order inflow at €2 billion. The Sector was particularly dynamic on the wind turbine market, with onshore farms in Brazil, and booked large hydro projects in Ethiopia and Colombia. It was also selected for the equipment of three offshore wind farms in France which is expected to generate substantial orders in the coming years. Orders received by Grid rose by 26% at €5.1 billion, driven by High Voltage Direct Current (HVDC) market with two major contracts, one for offshore wind farms connection in Germany and a second for a HVDC link in India. Transport was awarded several large orders in Western Europe (France, Italy, Sweden and Germany) and South America (Peru and Venezuela), achieving a €7.1 billion order intake, its strongest commercial year over recent years.

With a Book-to-Bill reaching 1.17 for fiscal year 2012/13, Alstom's backlog came up to €52.9 billion, representing 31 months of sales.

Consolidated sales amounted to €20.3 billion, increasing by 2% compared to last year. Transport (+6%) and Thermal Power (+5%) drove the Group's progression in sales. Grid (-5%) was affected by customer related delays, mainly in India, and a lack of milestones recognition in South American hydro contracts during the period impacted Renewable Power (-11%).

After a low point in fiscal year 2011/12 at 7.1%, the operating margin started to recover at 7.2%. This evolution is the consequence of a globally good project execution and actions on costs.

Net profit (Group share) reached €802 million in fiscal year 2012/13, compared to €732 million last year, a 10% year-on-year increase.

Alstom generated a positive free cash flow for both semesters thanks to a strong level of orders received and a high focus on cash in project execution. Free cash flow amounted to €408 million for fiscal year 2012/13 versus €(573) million for 2011/12.

In October 2012, the Company completed a €350 million share capital increase through a private placement to institutional investors. Following the success of its capital increase and given the favourable financial market conditions, Alstom issued a new bond for an amount of €350 million under its Euro Medium Term Note Programme listed in Luxembourg. The issuance has attracted a strong demand. It bears an annual coupon of 2.25% and will mature in October 2017.

The €350 million capital increase and the €408 million Free cash flow, together with the payment of the dividend for €236 million and financial investments, covering the remaining part of the price of 25% of Transmashholding's equity and the acquisition of small sized companies for a total amount of €333 million, resulted in a decrease of the Group's net financial debt from €2,492 million in 2011/12 to €2,342 million at the end of the fiscal year 2012/13.

At the end of March 2013, Alstom had a cash in hand and cash equivalent position of €2,195 million. In addition, Alstom benefits from a syndicated revolving credit facility of €1.35 billion with a 5-year maturity signed in fiscal year 2011/12. On 21 March 2013, Alstom signed with 18 international banks an amendment to extend the drawing maturity of its committed bonds and guarantees line until July 2016 and increase its amount from €8.275 billion up to €9 billion to reflect the growing activity of the Group.

1.2. Strengthened technological leadership

During fiscal year 2012/13, the Group invested €794 million in research and development to renew and enlarge its range of products and develop a technological competitive advantage.

Thermal Power

The continuous improvement of Alstom's range of gas turbines was a key focus during fiscal year 2012/13 with performance upgrade packages and combustion system improvements to reduce emissions and increase fuel flexibility.
In parallel, the Sector launched the world's longest nuclear steam turbine blade "LP75", allowing performance improvements with the same level of reliability. The new blade extends the ARABELLE™ nuclear steam turbine offer and ensures a greater flexibility in plant design.
R&D efforts were also dedicated to Carbon Capture and Storage as well as CO2 utilisation for enhanced oil recovery (EOR). In November 2012, following a demonstration phase launched in May, Alstom was awarded a concept study for a full-scale CO2 capture plant at Mongstad (Norway).

Renewable Power

Regarding Wind power, major steps were achieved in the development of the Group's offer in the offshore market. The HALIADE™150 offshore turbine entered in its last testing phase at 6MW in December 2012. While the first turbine is being tested onshore according to plan, a second turbine will be installed before Summer 2013 at the offshore Belwind wind farm, located off the Belgian coast. In addition, Alstom and its project partners began the initial engineering of an offshore wind demonstration project in Virginia, including the installation of two HALIADE™150.
As regards to onshore wind turbines, the Sector announced in February 2013 an upgrade of its ECO 110 and ECO 122 wind turbines, which are now suitable for a larger range of wind sites.
To better serve its markets, Renewable Power pursued the development of hydro Global Technology Centres around the world. In parallel, the Sector inaugurated the new headquarters of Alstom's global technology and hydropower centre in Grenoble, France.

Grid

Grid kept on increasing its R&D efforts in the fields of Super Grid and Smart Grid through further development of High Voltage Direct Current (HVDC) and digital substation technologies.

- R&D projects in the conventional products segment were focused on redesign-to-cost with specific actions on transformers, air and gas insulated switchgears and on the extension of the product range with new breaking capacities up to 800KV.
- The Super Grid market was addressed through the development of Voltage Source Convertors solutions (VSC). Alstom Grid unveiled the world's first 1,200KV disconnector, completing its integrated Super Grid offer. In February 2013, the Sector achieved the best performance ever seen in a HVDC circuit breaker with the interruption of currents exceeding 3,000 amperes in less than 2.5 milliseconds.
- Regarding Smart Grid, the efforts were directed towards the development of fully comprehensive offers for digital substations (sensors, intelligent electronic devices, software, protection…) and for control room solutions, with the release of E-Terra 3.0 software platforms. The Sector will also further widen its product range with the launch of the DS Agile digital control system.
- Environmental issues were addressed through SF6 free solutions for circuit breakers using vacuum technology.

Transport

Research and development programmes in Transport focused on the adaptation to clients' needs of the product offering.
In the Czech Republic and in France, Transport began the certifications and approvals campaign with the dynamic testing phase for the CORADIA™ Polyvalent regional train in July 2012. The regional train will be capable to run in various operating conditions thanks to its different electrification versions and its high modularity.

In Russia, Alstom Transport and its partner Transmashholding (TMH) obtained the homologation for the EP20 electric passenger locomotive and delivered a first machine to the Russian Railways. Besides, TRTrans, a Joint Venture between the two partners, started both static and dynamic tests for a prototype of the 2ES5 freight locomotive. Transport also disclosed in February 2013 IPOMOS, an innovative bogie specifically developed for the tramway CIS market.
In Italy, Transport will develop one of its HESOP™ energy recovery systems for the metro network. The Sector will adapt its existing HESOP™ 750V to a 1,500V version and install it in a pilot site in Milan.

1.3. Reinforced footprint in growing markets

During the fiscal year 2012/13, Alstom invested €505 million in capital expenditure (excluding capitalised development costs) to strengthen its footprint in growing markets and upgrade its existing production facilities. As part of this strategy, significant investments were made in BRIC countries.

Thermal Power increased its presence in Russia. Alstom-Atomenergomash (AAEM) selected the Volgodonsk site (Rostov oblast) to assemble and produce components for turbine islands of nuclear power plants. In China, Thermal Power opened a new mobile precision workshop in Tianjin to meet the increasing needs of customers across China by providing on-site and superior quality repair services in maintaining large steam turbines, generators and related equipment at customer premises on a very short notice.

Renewable Power announced the set-up of a factory dedicated to the production of towers for wind turbines in the state of Rio Grande do Sul, Brazil, with an installed capacity of 120 towers per year. In Russia, Renewable Power partnered with RusHydro to launch the construction of a manufacturing plant in Ufa to produce equipment for hydropower plants.

Relying on its current strong position in India, Grid launched an investment programme to support the delivery of a contract for a Ultra High Voltage Direct Current (UHVDC) link between Champa and Kurukshetra won in August 2012. More generally, the Sector seeks to optimise its industrial base addressing segments such as HVDC transformers and Ultra High Voltage (UHV) breakers.

Transport reinforced its close relationship with its Russian partner Transmashholding (TMH) and with KTZ (Kazakh railways) with the inauguration of the joint new plant for the production of electric locomotives in Astana, Kazakhstan. The plant started the production in December 2012 to address the modernisation of the railway fleet of Kazakhstan with the ambition to expand its activities to the railway transport markets of neighbouring countries. In Brazil, following the award of a contract for the supply of 80 METROPOLIS™ metro cars, Transport announced in December 2012 that it will set up a new plant near Rio de Janeiro with Supervia, the main railway operator of the Rio de Janeiro state. Starting mid-2013 the plant will complement Alstom Transport's current footprint in the country, as it will handle the final assembly and tests of the metro cars produced at the existing Alstom plant near São Paulo. In India, the new factory in Sri

City started the production of Chennai metro cars with a capacity of 10 cars per month and got customer acceptance for the first cars produced locally in March 2013.

In other emerging countries, Thermal Power launched a new power services workshop in Saudi Arabia to reinforce its presence in the Middle East. The project has begun with the construction of a facility located in Rabigh which will handle reconditioning of gas turbine components as well as the inspection and repair services of a wide range of other power plant equipment. In Poland, Thermal Power commissioned a new turbine shaft welding shop at its Elblag steam turbine factory. The new welding shop will guarantee that state-of-the-art technology is applied to the turbine shaft welding processes. Transport pursued the extension of its Katowice body shells facility and started the construction of a maintenance workshop for high-speed trains near Warsaw. The workshop is expected to be commissioned for operational activity by the end of 2013.

In mature economies, Alstom upgraded existing facilities and also developed new production facilities.

Renewable Power launched the construction of the first two offshore wind turbine factories in Saint-Nazaire (France), following the award of three large wind offshore projects to the consortium led by EDF Energies Nouvelles, for which Alstom will supply 240 offshore wind turbines. The plants will be devoted to assembling nacelles and manufacturing generators, and are expected to be commissioned in 2014. The industrial scheme will also include two plants in Cherbourg (blades and towers) and an engineering and R&D centre.

Grid announced that it would build a new site in Italy for electrical grid bushings in Sesto San Giovanni, near Milan. The new plant will be Alstom Grid's bushings worldwide competence centre for the research, development and production of all HVDC and UHV bushings. Grid also inaugurated in November 2012 a new switchgear production and testing line for the Italian market in Noventa di Piave.

In Canada, Transport took control of a new manufacturing plant in Sorel-Tracy in February 2013. The plant is dedicated to the assembly and integration of the bogie trucks for Montreal's new metro cars. Transport pursued the upgrade of the Reichshoffen site to support the development of the CORADIA™ Polyvalent line launched last year.

1.4. Acquisitions and Partnerships

During the fiscal year 2012/13, Alstom developed its position in emerging markets and expanded its network with focused acquisitions and promising partnerships.

Reflecting Alstom's growth ambitions in Asia, Thermal Power announced in May 2012 a joint venture with Vietnam Electricity to establish a workshop dedicated to the reconditioning of gas turbine components. In July 2012, the Sector was awarded a contract for a boiler study from Waigaoqiao No. 3 Power Generation Co. Ltd, to develop double-reheat steam cycle optimisation in China, which is a new step towards 700° C ultra-supercritical boiler. Alstom Sizhou, an Alstom unit focusing on ash handling system design and manufacturing, was divested in March 2013.

To broaden its portfolio of tidal products and technologies, Renewable Power finalised in January 2013 the acquisition of Tidal Generation Ltd (TGL), a Rolls-Royce's wholly owned subsidiary. TGL is at the forefront in the design, development and manufacture of tidal stream turbines which capture and convert the energy of tidal streams to generate electrical power. TGL has successfully installed a 1MW tidal turbine in its test site in Orkney, Scotland. In October 2012, Alstom invested USD40 million in the American company BrightSource Energy Inc. to reinforce its partnership with the solar power pioneering company. While BrightSource Energy announced that it had reached the halfway mark of construction of the world's largest solar thermal project in California, the two companies are also collaborating on several research and development projects. Since its initial investment in 2010, Alstom has progressively increased its participation and now holds above 20% of the leading concentrating solar thermal technology company.

In April 2012, Grid acquired EvolutionSCADA, an Oil and Gas pipeline control technology provider, to supply network management solutions. In August 2012, the Sector announced the signing of a commercial and technological agreement with Cisco to develop the next generation of digital substation solutions for electrical grids. In September 2012, Grid signed a memorandum of understanding with Toshiba Corporation to develop cooperation on systems supporting wide scale integration of renewable energy sources into the grid. In December 2012, the Sector closed the acquisition of ASAT Solutions Inc., a Canadian substation automation solutions provider. This acquisition enables Grid to broaden its smart grid offer and strengthen its presence on the North American market. In January 2013, Grid signed a global alliance agreement with Capgemini to pursue joint commercial opportunities for their combined smart grid solutions. Alstom and Capgemini will launch cloud-based services integrating both companies' technology and competences. Grid also extended its existing joint-venture with PLN in Indonesia for air insulated breakers.

Alstom completed in May 2012 the acquisition of Alstom Lokomotiven Service GmbH (Germany) by taking over the stake held in the joint venture since 2002 by Deutsche Bahn, where Alstom aims to develop new environmental friendly shunting locomotives. In May 2012, Transport signed a partnership agreement with Europorte, the rail freight subsidiary of the Eurotunnel Group, to support the maintenance of Alstom manufactured PRIMA™ locomotives operated by Europorte, and to develop the new generation of Alstom freight locomotives (PRIMA™II). In September 2012, Alstom and the French "Fonds Stratégique d'Investissement" (Strategic Investment Fund) finalised the acquisition of Translohr, the Lohr Industrie branch specialised in tyre-based tramway. This acquisition will allow the development of Translohr's technology and business prospects whilst ensuring the execution of on-going projects. In January 2013, Transport entered an exclusive relationship with Williams Hybrid Power to adapt its flywheel energy storage technology to Alstom CITADIS™ trams. This fuel-saving technology, originally developed for the Williams F1 cars, is expected to equip CITADIS™ trams by 2014. In March 2013, Transport announced an agreement with ADIF, the Spanish railway infrastructure manager, to develop a new third rail signalling system.

1.5. Corporate Responsibility

1.5.1. Environment, Health and Safety (EHS)

In 2012/13, Alstom was in line with its environmental objectives for its operational footprint. Up to 97% of Alstom manufacturing sites over 200 employees are certified ISO 14001. Alstom is also on track in its plan to reduce Energy intensity and Greenhouse gas related emissions intensity, as well as water consumption, and to improve waste recovery. About occupational safety, Alstom has fully deployed the Alstom Zero Deviation Plan (AZDP) throughout all sectors and countries. This programme targets high-risk activities and the protection of employees and contractors worldwide from the possible risks of working in an Alstom workshop, factory, test facility and/or construction site. The implementation of Alstom Safety Directives on high risks activities was supported by a large number of audits (over 160) and a full engagement of the management. As a consequence, severe accidents and fatalities have been drastically reduced and the injury frequency rate[1] has decreased from 1.8 to 1.4 in 12 months, in line with the objective of reaching 1.0 at the end of fiscal year 2015/16.

[1] Number of accidents with time lost to injury per million hours worked

2. General comments on activity and results

2.1. Consolidated key financial figures

The following table sets out the Group's key performance indicators for 2012/13.

in € million	Year ended 31 March 13	Year ended 31 March 12	% Variation Mar. 13 / Mar. 12 Actual	Organic
Order Backlog	52,875	49,269	7%	8%
Orders Received	23,770	21,706	10%	8%
Sales	20,269	19,934	2%	1%
Income from operations	1,463	1,406	4%	1%
Operating Margin	*7.2%*	*7.1%*		
EBIT	1,187	1,072	11%	
Net Profit - Group share	802	732	10%	
Free Cash Flow	408	(573)		
Capital Employed	7,651	7,035		
Net Cash/(Debt)	(2,342)	(2,492)		
Headcount	92,906	92,645	0%	

2.2. Key geographical figures

Total Group	**Year ended 31 March 2013**						
Actual figures, in € million (except for Headcount)	Western Europe	Eastern Europe	North America	South and Central America	Asia/Pacific	Middle East/Africa	**Total**
Orders Received	8,512	973	3,271	2,550	4,474	3,990	**23,770**
% of contrib	*36%*	*4%*	*14%*	*10%*	*19%*	*17%*	*100%*
Sales	6,571	1,953	2,583	1,561	4,478	3,123	**20,269**
% of contrib	*32%*	*10%*	*13%*	*8%*	*22%*	*15%*	*100%*
Headcount	46,264	7,987	10,180	5,789	19,569	3,117	**92,906**
% of contrib	*50%*	*9%*	*11%*	*6%*	*21%*	*3%*	*100%*

Total Group	**Year ended 31 March 2012**						
Actual figures, in € million (except for Headcount)	Western Europe	Eastern Europe	North America	South and Central America	Asia/Pacific	Middle East/Africa	**Total**
Orders Received	6,116	3,518	2,577	1,290	5,345	2,860	**21,706**
% of contrib	*28%*	*16%*	*12%*	*6%*	*25%*	*13%*	*100%*
Sales	7,077	1,352	2,440	1,752	4,316	2,997	**19,934**
% of contrib	*35%*	*7%*	*12%*	*9%*	*22%*	*15%*	*100%*
Headcount	46,318	7,214	10,232	5,618	20,315	2,948	**92,645**
% of contrib	*50%*	*8%*	*11%*	*6%*	*22%*	*3%*	*100%*

3. Guidance

The markets on which the Group operates show unchanged solid long-term prospects, driven by attractive fundamentals for all end-markets and Alstom confirms its strategic targets based on profitable growth and operational excellence. However, over the last twelve months, economic conditions have further deteriorated whilst the competitive environment has remained challenging. These two headwinds should impact the future short-term performance, mitigated by action on costs through operational efficiency and footprint optimisation. In this context, sales are expected to grow at a low single digit on an organic basis, operating margin to stay stable in 2013/14 and then gradually increase to around 8% over the next two to three years. Cash generation remains a key focus and free cash flow should be positive year after year over this period.

4. Sector analysis

4.1. Thermal Power

Thermal Power covers new plants and equipment, retrofit, automation & control and service activities globally for gas, steam and nuclear power generation applications.

The following table presents the key performance indicators for Thermal Power:

Thermal Power Actual figures (in € million)	**Year ended 31 March 2013**	**Year ended 31 March 2012**	% Variation March 13 / March 12 Actual	Organic
Order backlog	19,151	18,741	2%	3%
Orders received	9,574	9,366	2%	0%
Sales	9,179	8,726	5%	4%
Income from operations	959	850	13%	9%
Operating margin	10.4%	9.7%		
EBIT	915	824	11%	
Capital employed	2,264	2,070	9%	

4.1.1. Orders received

Orders received by Thermal Power in 2012/13 increased by 2% at €9,574 million compared to 2011/12. In mature economies, market recovery was slower than expected. Over capacity in electricity generation, narrowed spreads and weak electricity consumption delayed investments in new thermal power plants. In emerging countries, GDP growth, though higher than in developed countries, slowed down and some investments in new capacity were postponed, but these countries represented 57% of Thermal Power's order intake.

During fiscal year 2012/13, the Sector signed three contracts for turnkey gas power plants and their associated maintenance contracts in Israel, Thailand and in the United Kingdom, as well as a project for the steam-tail of a gas-fired power station in Saudi Arabia. In total, Thermal Power sold 12 gas turbines in fiscal year 2012/13, representing for both combined cycles and open cycles a total of 5GW, compared to 2.8GW sold in the previous year. In the Steam business, major contracts included the supply of equipment for a power and desalination plant in Saudi Arabia, steam turbines in India and Egypt, boilers in India and China and air quality control equipment in Taiwan and in the United States of America. In Nuclear, a contract to provide two turbo-generator packages for a nuclear plant in India was concluded in consortium with BHEL as well as a contract for the retrofit of control systems in nuclear power plants in France. In addition to the operation and maintenance contracts mentioned above, Thermal Service booked significant orders in Ireland, Russia, United States of America, Canada, South Africa and Libya.

Thermal Power					*% Variation*	
	Year ended	% of	**Year ended**	% of	*March 13 / March 12*	
Actual figures, in € million	**31 March 13**	contrib	**31 March 12**	contrib	*Actual*	*Org.*
Western Europe	1,758	18%	1,374	15%	*28%*	*26%*
Eastern Europe	483	5%	1,587	17%	*(70%)*	*(70%)*
North America	2,179	23%	1,654	18%	*32%*	*24%*
South and Central America	106	1%	157	2%	*(32%)*	*(33%)*
Asia/Pacific	2,361	25%	3,036	32%	*(22%)*	*(24%)*
Middle East/Africa	2,687	28%	1,558	16%	*72%*	*69%*
Orders by destination	**9,574**	**100%**	**9,366**	**100%**	***2%***	***0%***

In Western Europe, orders received by Thermal Power increased by 28% to €1,758 million thanks to a turnkey gas power plant with two GT26™ gas turbines and the associated long term service contract in the United Kingdom, an operation and maintenance contract for a gas-fired power plant in Ireland and the retrofit of the control systems of nuclear power plants in France.

Thermal Power booked €483 million orders received in fiscal year 2012/13 in Eastern Europe, significantly down compared to last year when the Sector booked six gas turbines GT13™E2 in Russia. This year, among the major orders, an operating and maintenance contract for a combined heat and power plant was booked in Russia.

Orders received in North America pursued their growth reaching €2,179 million in fiscal year 2012/13 compared to €1,654 million last year. Thermal Service was particularly active in the region with major contracts for three large air quality control equipment, a steam turbine retrofit service for a nuclear power plant and a long term service agreement for a combined-cycle power plant in the United States of America as well as a boiler rehabilitation and the refurbishment of a nuclear power plant in Canada. North America accounted for 23% of the Sector's orders received during this fiscal year.

In South and Central America, Thermal Power's orders received amounted to €106 million, which mainly included service contracts.

Thermal Power registered €2,361 million orders received in Asia/Pacific impacted by the market slowdown in the region. Main orders included the supply of components and services for five 660 MW supercritical boilers and two turbo-generator packages for nuclear plants in consortium with BHEL in India, a gas-fired combined-cycle power plant in Thailand equipped with two of the latest upgrade of the GT26™ gas turbine as well as air quality control systems in Taiwan. In

China, the Sector was awarded a total of five GT13™E2 gas turbines and retrofit projects for steam turbines originally manufactured by Chinese competitors.

Middle East/Africa became the first commercial region for Thermal Power with 28% of the Sector's orders received at €2,687 million which included a contract for a turnkey combined cycle power plant equipped with two GT26™ gas turbines and the associated long term service contract in Israel, the supply of spare parts for 11 gas turbine units in Libya, a contract for a steam tail and the supply of one GT13™E2 in Jordan, a retrofit contract for low pressure steam turbines in South Africa, a contract including steam turbines and heat recovery steam generators for a gas-fired power plant and a contract to supply supercritical boilers, steam turbines and generators and the associated environmental control system for a power and desalination plant in Saudi Arabia.

Thermal Power Sector received the following major orders during 2012/13:

Country	**Description**
Canada	Boiler rehabilitation
Canada	Refurbishment of a nuclear power plant
India	Turbine generators for 2x700 MW nuclear power plants
India	Five units of 660 MW supercritical coal "turbine islands"
Ireland	Long term service agreement for a gas-fired power plant
Israel	Turnkey combined cycle power plant including two GT26™ gas turbines and a long term service agreement
Libya	Supply of spare parts for 11 GT13™ gas turbines
Russia	Long term service agreement for a gas-fired power plant
Saudi Arabia	Steam tail for a gas-fired power plant including two steam turbines and 8 Heat Recovery Steam Generators (HRSGs)
Saudi Arabia	Equipment for a power and desalination plant including five heavy-fuel-oil supercritical boilers, five steam turbines and generators and the associated environmental system
South Africa	Large retrofit of low pressure steam turbines
Taiwan	Seawater Flue Gas Desulphurisation system and Particulate Removal System with Fabric Filter solution for 5 x 370 MW coal-fired power plant
Thailand	Turnkey combined cycle power plant including two upgraded GT26™ gas turbines
United Kingdom	Turnkey combined cycle power plant including two GT26™ gas turbines and a long term service agreement
United States of America	Large air quality control systems
United States of America	Steam turbine retrofit services for a nuclear power plant
United States of America	Long term service agreement for a combined-cycle power plant

4.1.2. Sales

During fiscal year 2012/13, sales reached €9,179 million, rising by 5% compared to last year as orders received since September 2010 started to trade.

Thermal Power					*% Variation*	
	Year ended	% of	**Year ended**	% of	*March 13 / March 12*	
Actual figures, in € million	**31 March 13**	contrib	**31 March 12**	contrib	*Actual*	*Org.*
Western Europe	2,114	23%	2,384	27%	*(11%)*	*(13%)*
Eastern Europe	1,180	13%	798	9%	*48%*	*47%*
North America	1,467	16%	1,482	17%	*(1%)*	*(7%)*
South and Central America	179	2%	254	3%	*(30%)*	*(28%)*
Asia/Pacific	2,444	27%	2,105	24%	*16%*	*13%*
Middle East/Africa	1,795	19%	1,703	20%	*5%*	*8%*
Sales by destination	**9,179**	**100%**	**8,726**	**100%**	***5%***	***4%***

As a consequence of the geographical shift of orders towards emerging markets over the recent years, sales of Thermal Power in Western Europe decreased by 11% in fiscal year 2012/13, at €2,114 million. Sales resulted from the combination of service activities and the execution of coal-fired power plants in Germany and in the Netherlands and of a turbine island for a nuclear power plant in France.

Eastern Europe represented 13% of Thermal Power's sales in fiscal year 2012/13 at €1,180 million versus €798 million last fiscal year. Main projects traded during the period included the execution of contracts for a turnkey coal-fired power plant in Slovenia and an oil-shale fired power plant in Estonia as well as a gas-fired power plant in Russia.

Sales in North America remained stable at €1,467 million. Service and retrofit activities represented a large part of Thermal Power business in North America.

In South and Central America, Thermal Power sales amounted to €179 million in fiscal year 2012/13 compared to €254 million last year.

Sales in Asia/Pacific reached €2,444 million in 2012/13, up 16% versus the previous year, representing 27% of the Sector's total sales. The region benefited from progress on contracts booked last year, notably coal-fired power plants in Malaysia and from execution on turnkey gas-fired power plants in Singapore and supercritical boilers in India.

In Middle East/Africa, sales increased by 5% compared to last year, reaching €1,795 million. This growth was fuelled by the execution of contracts for coal-fired power plants in South Africa as well as gas projects in Iraq, Israel and Kuwait. The region accounted for 19% of Thermal Power's sales.

4.1.3. *Income from operations and operating margin*

Increased activity combined with actions on execution and costs allowed Thermal Power's income from operations to reach €959 million compared to €850 million last year. The operating margin rose from 9.7% to 10.4%.

4.2. *Renewable Power*

Renewable Power covers Hydro, Wind and New Energies businesses.

The following table presents the key performance indicators for Renewable Power:

Renewable Power **Actual figures** **(in € million)**	**Year ended 31 March 2013**	**Year ended 31 March 2012**	% Variation March 13 / March 12 Actual	Organic
Order backlog	4,569	4,302	6%	7%
Orders received	2,029	2,026	0%	2%
Sales	1,803	2,027	(11%)	(11%)
Income from operations	88	150	(41%)	(40%)
Operating margin	4.9%	7.4%		
EBIT	(10)	149	N/A	
Capital employed	1,200	1,044	15%	

4.2.1. *Orders received*

Renewable power long term growth perspectives remained driven by a sustained demand in CO2 free power generation associated to growing environmental concerns and corresponding regulatory measures. However, on the short term, sluggish economic perspectives, uncertainties on incentive schemes in some countries and slower pace of hydro market recovery impacted the renewable market. In this context, Renewable Power posted a robust performance with stable orders received at €2,029 million. While delayed investment decision impacted the Hydro business, the Sector achieved this level of orders thanks to a strong growth in onshore wind turbines notably with key wind orders in Brazil.

Renewable Power **Actual figures, in € million**	**Year ended 31 March 13**	% of contrib	**Year ended 31 March 12**	% of contrib	*% Variation March 13 / March 12 Actual*	*Org.*
Western Europe	159	8%	222	11%	*(28%)*	*(29%)*
Eastern Europe	30	2%	257	13%	*(88%)*	*(88%)*
North America	131	6%	198	10%	*(34%)*	*(37%)*
South and Central America	1,283	63%	741	36%	*73%*	*85%*
Asia/Pacific	128	6%	242	12%	*(47%)*	*(46%)*
Middle East/Africa	298	15%	366	18%	*(19%)*	*(19%)*
Orders by destination	**2,029**	**100%**	**2,026**	**100%**	***0%***	***2%***

Orders received in Western Europe reached €159 million, decreasing by 28% compared to last year. Main orders received included the Sector's first contract in Finland to supply wind turbines.

In Eastern Europe, the Sector booked €30 million of orders in 2012/13 versus €257 million in 2011/12, when it was awarded hydro contracts in Turkey and the rehabilitation of a hydropower complex in Russia.

North America represented 6% of the Sector's orders received at €131 million in 2012/13. The Sector was mainly awarded small-sized hydro retrofit contracts in the United States of America and Canada.

Renewable Power consolidated its position in South and Central America with €1,283 million which amounted to 63% of the Sector's orders received in 2012/13. Renewable Power booked two contracts for the supply of ECO 122 wind turbines in Brazil and recorded its first order (513MW) based on the 1,200MW frame agreement signed with Renova to supply, operate and maintain onshore wind turbines. The Sector will also provide Francis turbines and generators to Colombia's largest hydroelectric plant as well as bulb turbines to hydro projects in Brazil.

In Asia/Pacific, Renewable Power booked €128 million of orders, 47% below the level of last year, when the Sector registered three hydroelectric dams in India. Hydro projects in Vietnam and two wind farms in Japan were awarded this year.

In 2012/13 Renewable Power booked €298 million of orders in Middle East/Africa, compared to €366 million last year when it was awarded important wind contracts in Ethiopia and Morocco. Orders received in 2012/13 included the supply of eight turbines and generators for the first phase of the largest hydro project in Africa located on the Blue Nile in Ethiopia.

The Renewable Power Sector received the following major orders during 2012/13:

Country	Description
Brazil	Manufacturing, delivery, installation and commissioning of ECO122 wind turbines for two wind farms
Brazil	Supply, operation and maintenance of ECO122 wind turbines
Brazil	Supply, operation and maintenance of ECO100, ECO110 and ECO122 wind turbines
Colombia	Supply of eight 300 MW Francis turbines and eight generators
Ethiopia	Supply of eight 375 MW hydro turbines and eight generators

4.2.2. Sales

The low level of orders received in the first semester and the lack of significant milestones recognition in large hydro projects under execution in Latin America impacted sales which stood at €1,803 million, 11% below the level of last fiscal year.

Renewable Power					*% Variation*	
Actual figures, in € million	**Year ended 31 March 13**	% of contrib	**Year ended 31 March 12**	% of contrib	*March 13 / March 12 Actual*	*Org.*
Western Europe	264	15%	394	19%	*(33%)*	*(34%)*
Eastern Europe	124	7%	66	3%	*88%*	*88%*
North America	288	16%	242	12%	*19%*	*12%*
South and Central America	575	32%	754	37%	*(24%)*	*(18%)*
Asia/Pacific	362	20%	399	20%	*(9%)*	*(13%)*
Middle East/Africa	190	10%	172	9%	*10%*	*10%*
Sales by destination	**1,803**	**100%**	**2,027**	**100%**	***(11%)***	***(11%)***

Sales in Western Europe amounted to €264 million, versus €394 million last year when the Sector executed important wind farm projects in the United Kingdom.

Sales in Eastern Europe increased twofold compared to last year at €124 million thanks to the execution in Russia of a large hydro contract and a biomass small steam turbine contract.

In North America, sales reached €288 million, 19% over the level of last fiscal year with the delivery of hydropower equipment in Canada.

South and Central America remained the first region for Renewable Power in terms of sales with €575 million, or 32% of the Sector's revenues. Large hydro projects as well as the supply of wind turbines were executed in Brazil.

Sales traded in Asia/Pacific represented 20% of total sales at €362 million. Hydro projects were mainly executed in China, India and Malaysia.

Renewable Power continued its development in Middle East/Africa with a 10% increase in sales thanks to the execution of wind contracts in Morocco and Ethiopia. The region, with €190 million, accounted for 10% of total sales.

4.2.3. Income from operations and operating margin

Impacted by the lower level of sales in 2012/13 and difficult market conditions in Wind, Renewable Power's income from operations decreased by 41% to €88 million, leading to a 4.9% operating margin compared to 7.4% last year.

4.3. Grid

The following table presents the key performance indicators of Grid Sector for the fiscal year 2012/13:

Grid Actual figures (in € million)	Year ended 31 March 2013	Year ended 31 March 2012	% Variation March 13 / March 12 Actual	 Organic
Order backlog	6,190	5,013	23%	24%
Orders received	5,058	4,003	26%	27%
Sales	3,829	4,013	(5%)	(3%)
Income from operations	238	248	(4%)	(6%)
Operating margin	6.2%	6.2%		
EBIT	140	83	69%	
Capital employed	2,182	2,139	2%	

4.3.1. *Orders received*

During fiscal year 2012/13 the Grid market confirmed its growth thanks to Smart Grid, Super Grid and Service segments.

On the transmission market (High Voltage Alternating Current), the increased competition due to the emergence of new players and the delay in some projects in BRIC countries impacted adversely the profitability of most of the actors. In the same time, High Voltage Direct Current (HVDC) and Smart Grid segments kept on developing at a faster pace and accounted for the major part of the growth of the Grid market in almost all regions. Differentiation of products and R&D efforts were clear success factors on these segments.

During 2012/13, Grid recorded orders received for a total value of €5,058 million, showing significant increase compared to last year. This performance was achieved with the booking of two major HVDC contracts (Dolwin 3 in Germany and Champa in India), and significant medium-sized orders in Western Europe, Middle East and Asia (especially India).

Grid Actual figures, in € million	Year ended 31 March 13	% of contrib	Year ended 31 March 12	% of contrib	*% Variation March 13 / March 12 Actual*	 *Org.*
Western Europe	1,652	33%	952	24%	*74%*	*69%*
Eastern Europe	311	6%	343	9%	*(9%)*	*(10%)*
North America	418	8%	466	12%	*(10%)*	*(15%)*
South and Central America	332	7%	341	8%	*(3%)*	*3%*
Asia/Pacific	1,584	31%	1,158	29%	*37%*	*39%*
Middle East/Africa	761	15%	743	18%	*2%*	*2%*
Orders by destination	**5,058**	**100%**	**4,003**	**100%**	***26%***	***27%***

In Western Europe, orders reached €1,652 million, 33% of the Sector's orders received in 2012/13 and 74% above last year's figures. This includes the booking for more than €1 billion of the large HVDC project Dolwin 3, which will allow the connection of offshore wind farms to the continent. In addition, France and the United Kingdom remained strong contributors.

In Eastern Europe orders reached €311 million (6% of the total). Market was mainly fuelled by product business in Russia and Turkey.

North America accounted for €418 million, or 8% of the total order intake, significantly lower compared to last year. Order intake in 2011/12 was driven by major projects in network management solutions in the United States of America, power transformers in Canada and turnkey substations in Mexico.

South and Central America, with orders received amounting to €332 million, only represented 7% of the Sector's orders received since few large orders were booked during past months.

The Asia/Pacific region showed strong order intake at €1,584 million, 31% of Grid orders received. Performance in India was boosted by the award of Champa-Kurukshetra HVDC project, a 800KV direct current connection that will transfer power through a 1,365km transmission line. This order came together with several mid-size projects. East Asia also showed good performance in turnkey orders in Indonesia, Taiwan, Macau and Singapore.

In Middle East/Africa, Grid booked orders for €761 million (15% of yearly order intake). Continuous investment in infrastructure kept on fuelling the market with large turnkeys such as a significant 400KV turnkey substation awarded in United Arab Emirates. Saudi market was also dynamic with several large and mid-size turnkey projects awarded.

The Grid Sector received the following major orders during fiscal year 2012/13:

Country	Description
Algeria	Turnkey 400KV Substation
Brazil	Turnkey 500KV Substation
Canada	315KV Static VAr Compensator
Germany	Offshore HVDC turnkey 320KV VSC in North Sea
India	Champa - Kurukshetra 800KV Substation HVDC Interconnection
India	GIS Products package
India	Network management system installation
India	Turnkey 765KV Ultra high voltage Substation
Indonesia	Turnkeys 275KV AIS Substations & four 500kV substations extensions
Iraq	Five turnkeys 132KV Substations Air insulated & Gas insulated
Libya	16 turnkeys 66KV Substation Air insulated & Gas insulated
Macau	Turnkey for new metro railway
Qatar	10 Air Insulated Substations
Saudi Arabia	Turnkey 400KV Substation
Saudi Arabia	Turnkey 400KV Substation for a new power plant
Taiwan	Turnkey 400KV Substation for a new power plant
United Arab Emirates	Turnkey 400KV Substation

4.3.2. Sales

Grid sales reached €3,829 million during fiscal year 2012/13, 5% below the level of last year. Delays in projects delivery in India, in Middle East for large turnkeys and in Western Europe for offshore wind platforms and complex transformers have impacted sales volume.

Grid					*% Variation*	
	Year ended	% of	**Year ended**	% of	*March 13 / March 12*	
Actual figures, in € million	**31 March 13**	contrib	**31 March 12**	contrib	*Actual*	*Org.*
Western Europe	657	17%	718	18%	*(8%)*	*(10%)*
Eastern Europe	388	10%	381	9%	*2%*	*1%*
North America	470	12%	396	10%	*19%*	*12%*
South and Central America	408	11%	480	12%	*(15%)*	*(12%)*
Asia/Pacific	1,150	30%	1,214	30%	*(5%)*	*(4%)*
Middle East/Africa	756	20%	824	21%	*(8%)*	*(8%)*
Sales by destination	**3,829**	**100%**	**4,013**	**100%**	***(5%)***	***(3%)***

In Western Europe, sales reached €657 million (17% of the total) driven by turnkey projects in the United Kingdom, loose product supply for French and British utilities and offshore substations for wind power generation in Germany.

In Eastern Europe, sales reached €388 million, 10% of orders received in 2012/13 and remained steady compared to last year. Turkey and Russia accounted for the main part.

Sales in North America remained strong thanks to execution of turnkey projects in Canada and deliveries of circuit breaker products together with network management solutions in the United States of America and amounted to €470 million (12% of Grid's sales in 2012/13).

Sales in South and Central America reached €408 million (11% of the total), below the level of last year because of Rio Madeira and Melo HVDC projects phasing.

Sales in Asia/Pacific amounted to €1,150 million (30% of Grid total), 5% below the level of last year due to execution difficulties in India (land availability, customer funding issues, civil work delays) and to delay in orders in China.

In Middle East/Africa, sales dropped by 8% mainly because of phasing issues in Libya (political situation and difficult access to some sites), while Saudi Arabia backlog and execution pace remained strong. A significant slowdown in the United Arab Emirates offset the overall good performance of the region. With €756 million traded, this region represented 20% of Grid total sales.

4.3.3. Income from operations and operating margin

Grid's income from operations reached €238 million versus €248 million last year. Strong execution and cost optimization allowed the operating margin to remain stable at 6.2% in spite of the adverse impact of the lower level of sales.

4.4. Transport Sector

The following table presents key performance indicators for Transport.

Transport Actual figures (in € million)	Year ended 31 March 2013	Year ended 31 March 2012	% Variation March 13 / March 12 Actual	 Organic
Order backlog	22,965	21,213	8%	8%
Orders received	7,109	6,311	13%	11%
Sales	5,458	5,168	6%	4%
Income from operations	297	264	13%	9%
Operating margin	5.4%	5.1%		
EBIT	287	222	29%	
Capital Employed	1,924	1,403	37%	

4.4.1. *Orders received*

During fiscal year 2012/13, Transport recorded €7,109 million of orders received, a 13% increase compared to 2011/12, largely supported by commercial successes in Western Europe. The Sector recorded major contracts for metros and suburban trainsets in France, regional trains in Sweden, in Italy and in Germany, for signalling in the Netherlands and in Belgium and for very high speed trains maintenance in Italy. The Sector also confirmed its commercial presence in emerging countries with metro trainsets in Venezuela and in Peru and succeeded in selling in North America a new type of light rail vehicle for the city of Ottawa (Canada).

Transport Actual figures, in € million	Year ended 31 March 13	% of contrib	Year ended 31 March 12	% of contrib	*% Variation* *March 13 / March 12* *Actual*	 *Org.*
Western Europe	4,943	70%	3,568	57%	*39%*	*41%*
Eastern Europe	149	2%	1,331	21%	*(89%)*	*(89%)*
North America	543	7%	259	4%	*110%*	*98%*
South and Central America	829	12%	51	1%	*1525%*	*1627%*
Asia/Pacific	401	6%	909	14%	*(56%)*	*(57%)*
Middle East/Africa	244	3%	193	3%	*26%*	*(40%)*
Orders by destination	**7,109**	**100%**	**6,311**	**100%**	***13%***	***11%***

Western Europe represented 70% of Transport's order intake during fiscal year 2012/13 with orders at €4,943 million, 39% above the level of last year. In France, the Sector was awarded the supply of 70 duplex trainsets for Paris suburban network, 14 automatic rubber-tyred metro trainsets for Paris metro network and an integrated system for Lille metro, including an automatic driver system and 27 rubber-tyred metro trainsets. In Germany, the Sector confirmed the commercial successes of last year with contracts for 169 CORADIA™ regional trains. In Italy, Transport booked the extension of a service contract for very high speed AGV™ trains and the supply of 70 CORADIA™ Meridian regional trains. Other major contracts included 46 CORADIA™ Nordic regional trains in Sweden, 8 PENDOLINO™ high speed trains in Switzerland, the extension of a maintenance contract in Spain as well as the supply of signalling systems for Amsterdam metro network in the Netherlands and for the Belgian railway network.

Transport recorded €149 million of orders received in Eastern Europe in fiscal year 2012/13, compared to €1,331 million in 2011/12, when the Sector booked major contracts in Poland for PENDOLINO™ intercity trains with the associated maintenance, as well as a contract in partnership with TMH to deliver 200 electric freight locomotives in Russia. This year, the Sector booked contracts for the maintenance of locomotives in Kazakhstan.

In North America, Transport booked €543 million of orders including a contract for 34 light rail vehicles for Ottawa and two contracts with the Massachusetts Bay Transportation Authority for the overhaul of train cars and light-rail vehicles.

South and Central America represented 12% of the Sector's order intake in fiscal year 2012/13 with €829 million. It was awarded contracts for 19 METROPOLIS™ trainsets for Lima metro network in Peru and for 22 metro trains for Los Teques metro line 2 in Venezuela. In Brazil, Transport will supply 80 METROPOLIS™ trainsets in Rio de Janeiro state and 15 metro trainsets for Porto Alegre Metro line 1.

In Asia/Pacific, Transport booked €401 million of orders in 2012/13, down 56% compared to last year when the Sector was awarded a major contract in Singapore. During this fiscal year, the Sector booked several small and mid-sized contracts including the supply of the trackwork for the extension of the East-West metro line in Singapore and the supply of traction systems for Shanghai metro lines 3 and 4.

In Middle East/Africa, Transport recorded orders of €244 million during fiscal year 2012/13, including contracts for the maintenance of tramways for the city of Casablanca in Morocco and additional tramways for Oran and Constantine in Algeria.

The Transport Sector received the following major orders during 2012/13:

Country	Description
Belgium	Signalling contract for the Belgian railway network
Canada	34 CITADIS™ Spirit light rail vehicles for Ottawa
France	70 duplex trainsets for the RER A line of Paris suburban network
France	Modernisation of Lille's automatic metro line
France	14 automatic rubber-tyred metro trainsets for Paris metro network
Germany	121 Diesel CORADIA™ Lint™ regional trains
Germany	48 CORADIA™ Continental regional trains
Italy	70 CORADIA™ Meridian regional trains
Italy	Extension to a service contract for very high-speed AGV™ trains
Netherlands	Supply of signalling system for Amsterdam metro network
Peru	19 METROPOLIS™ trainsets for Lima metro network
Spain	Maintenance contract
Sweden	46 CORADIA™ Nordic regional trains for the greater Stockholm area
Switzerland	8 PENDOLINO™ high speed trains for Milan - Geneva and Milan - Zurich network
Venezuela	Supply of Los Teques metro line 2 including 22 metro trains

4.4.2. *Sales*

As orders received since the second half of 2010/11 started to be executed, Transport sales increased by 6% during fiscal year 2012/13 to reach €5,458 million, compared to €5,168 million last year.

Transport					*% Variation*	
	Year ended	% of	**Year ended**	% of	*March 13 / March 12*	
Actual figures, in € million	**31 March 13**	contrib	**31 March 12**	contrib	*Actual*	*Org.*
Western Europe	3,536	65%	3,581	69%	*(1%)*	*(2%)*
Eastern Europe	261	5%	107	2%	*144%*	*149%*
North America	358	6%	320	6%	*12%*	*6%*
South and Central America	399	7%	264	5%	*51%*	*59%*
Asia/Pacific	522	10%	598	12%	*(13%)*	*(16%)*
Middle East/Africa	382	7%	298	6%	*28%*	*28%*
Sales by destination	**5,458**	**100%**	**5,168**	**100%**	***6%***	***4%***

Western Europe represented 65% of Transport sales at €3,536 million in 2012/13, stable compared to last fiscal year. Contracts for high speed trains, suburban trains and metros were traded in France. Very high speed trains AGV™ were delivered in Italy and high speed trains PENDOLINO™ were executed and maintained in the United Kingdom.

Eastern Europe sales increased more than twofold at €261 million, with the beginning of delivery of locomotives in Russia and Kazakhstan.

In North America, Transport recorded €358 million of sales during fiscal year 2012/13, 12% higher than the level of last year thanks to the execution of contracts in Canada for metro trainsets in Montreal and regional trains for the city of Ottawa.

South and Central America accounted for 7% of the Sector's sales in fiscal year 2012/13 at €399 million, representing a 51% increase compared to 2011/12. Transport benefited from the delivery of metro trainsets in Peru, Brazil and in the Dominican Republic and from the progress of turnkey projects in Mexico and Panama.

Transport sales in Asia/Pacific amounted to €522 million over 2012/13, 13% lower than the level of last fiscal year, the X'TRAPOLIS™ regional train contract for Melbourne in Australia coming to an end.

Transport sales in Middle East/Africa increased by 28% at €382 million. The supply of turnkey tramway lines in Morocco (Casablanca) and in the United Arab Emirates (Dubai) drove the performance in the region.

4.4.3. Income from operations and operating margin

Transport's income from operations was €297 million for fiscal year 2012/13, up compared to €264 million last year. After a low point at 5.1% in fiscal year 2011/12, the operating margin started to recover at 5.4%. Transport's operational performance benefitted from higher sales volume and actions on costs.

4.5. Corporate and Others

Corporate and Others comprise all units accounting for corporate costs as well as the International Network.

The following table presents the key figures for Corporate and Others:

Corporate & Others (in € million)	**Year ended 31 March 2013**	**Year ended 31 March 2012**
Income from operations	(119)	(106)
EBIT	(145)	(206)
Capital Employed	81	379

Non-operating expenses, mostly related to Grid acquisition costs and past litigation costs, decreased significantly between 2011/12 and 2012/13.
The decrease of capital employed mainly resulted from the transfer of associates to Sectors.

5. Operating and financial review

5.1. Income statement

Total Group			% Variation	
	Year ended	Year ended	March 13 / March 12	
(in € million)	31 March 2013	31 March 2012	Actual	Organic
Sales	20,269	19,934	2%	1%
Cost of sales	(16,324)	(16,144)	1%	1%
R&D expenses	(737)	(682)	8%	7%
Selling expenses	(952)	(900)	6%	5%
Administrative expenses	(793)	(802)	(1%)	(2%)
Income from operations	**1,463**	**1,406**	**4%**	**1%**
Operating margin	7.2%	7.1%		

5.1.1. Sales

In fiscal year 2012/13, consolidated sales stood at €20.3 billion, increasing by 2% compared to last year. Orders booked since the second half of 2011/12 started to be executed, particularly for Transport and Thermal Power while Grid and Renewable Power have been facing delays in their main markets.

5.1.2. Research and development expenses

During fiscal year 2012/13, Alstom increased its level of research and development expenses by 8% at €737 million compared to €682 million last year. Excluding the impact of capitalisation and amortisation of development costs, research and development expenditures (gross costs) went up from €780 million to €794 million. Capitalisation of development costs decreased from €293 million last year to €233 million in fiscal year 2012/13.

5.1.3. Selling and administrative expenses

Thanks to a strict control of costs, administrative expenses decreased compared to last year both in volume (-2% on a comparable basis) and as percentage of sales (from 4.0% to 3.9%). On the other hand, selling expenses increased by 5% on a comparable basis, at 4.7% of sales, to support an intense commercial and tendering activity.

5.1.4. *Income from operations*

Thanks to good execution in contracts, action on costs and the moderate positive impact of the sales growth, the Group's income from operations reached €1,463 million, an increase of 4% in 2012/13 versus last fiscal year. Operating margin rose from 7.1% in 2011/12 to 7.2% in 2012/13.

Total Group (in € million)	**Year ended 31 March 2013**	**Year ended 31 March 2012**	% Variation March 13/ March 12
Income from operations	**1,463**	**1,406**	**4%**
Restructuring costs	(137)	(83)	65%
Other income (expense)	(139)	(251)	(45%)
Earnings Before Interest and Taxes	**1,187**	**1,072**	**11%**
Financial income (expense)	(223)	(177)	26%
Income tax charge	(193)	(179)	8%
Share in net income of equity investments	47	28	68%
Discontinued operations	-	-	N/A
Non-controlling interests	(16)	(12)	33%
Net income - Group share	**802**	**732**	**10%**

5.1.5. *Earnings before interest and taxes (EBIT)*

EBIT amounted to €1,187 million for fiscal year 2012/13, compared to €1,072 million in 2011/12. This 11% year-to-year increase stemmed from the increase in income from operations as well as a significant drop in non-recurring costs, among which Grid purchase price allocation effects (amortisation of the margin in backlog) and Grid acquisition and separation costs decreasing from €156 million in 2011/12 to €45 million. In the same time, restructuring costs increased at €137 million in 2012/13 versus €83 million in 2011/12, due to capacity adjustment and cost optimisation initiated in Renewable Power and Grid to adapt to the demand on the markets.

5.1.6. *Net financial income*

Net financial income was negative at €(223) million during fiscal year 2012/13 compared to €(177) million for the previous year. Net interest expenses reached €(165) million during 2012/13 compared to €(142) million last year, due to bond issuances in February, March and October 2012.

5.1.7. *Income tax charge*

The income tax charge increased to €(193) million for fiscal year 2012/13, compared to €(179) million last year. It included a €(266) million current income tax charge versus €(273) million last year and a €73 million deferred income tax credit versus €94 million in 2011/12.

The effective tax rate was at 20% for 2012/13, stable compared to last year.

5.1.8. *Net income - Group share*

Thanks to the increase in EBIT, net income (Group share) amounted to €802 million, up 10% compared to last year, the increase in share in net income of equity investments partly offsetting the increase in financial expenses and income tax charge.

5.2. *Balance sheet*

Total Group Actual figures (in € million)	**At 31 March 2013**	**At 31 March 2012**	Variation March 13/ March 12
Goodwill	5,536	5,483	53
Intangible assets	1,982	1,921	61
Property, plant and equipment	3,024	2,852	172
Associates and non-consolidated investments	698	531	167
Other non-current assets	515	545	(30)
Deferred taxes	1,711	1,472	239
Non-current assets	**13,466**	**12,804**	**662**
Working capital assets	15,915	16,139	(224)
Marketable securities and other current financial assets	36	13	23
Cash and cash equivalents	2,195	2,091	104
Current assets	**18,146**	**18,243**	**(97)**
Assets	**31,612**	**31,047**	**565**

Total Group Actual figures (in € million)	**At 31 March 2013**	**At 31 March 2012**	Variation March 13/ March 12
Equity (Group share and minorities)	5,104	4,434	670
Provisions (non-current and current)	1,989	2,218	(229)
Accrued pension and other employee benefits	1,642	1,417	225
Financial debt (current and non-current)	4,955	5,022	(67)
Deferred taxes	284	176	108
Working capital liabilities (excl. provisions)	17,638	17,780	(142)
Liabilities	**31,612**	**31,047**	**565**

5.2.1. Goodwill and intangible assets

At the end of March 2013, goodwill amounted to €5,536 million against €5,483 million at the end of March 2012.

Intangible assets include acquired intangible assets and capitalised development costs. They increased slightly to €1,982 million on 31 March 2013 (compared to €1,921 million on 31 March 2012) due to capitalisation of development costs.

5.2.2. Tangible assets

Tangible assets increased to €3,024 million on 31 March 2013, compared to €2,852 million on 31 March 2012.

The Group supported its industrial presence in fast growing markets and improved its production capacities through €505 million of capital expenditures (excluding capitalised development expenses) compared to €521 million last year. In Saudi Arabia, Thermal Power is building a new power services workshop to handle gas turbine reconditioning. Renewable Power launched the construction of the first two offshore wind turbine factories in France. For Transport, the metro factory in India was inaugurated and began its production to serve the local market and to the modernisation of its current manufacturing facilities. For Grid, investments mainly aimed at supporting its HVDC segment notably in India.

5.2.3. Associates and non-consolidated investments

Associates and non-consolidated investments accounted for €698 million on 31 March 2013, compared to €531 million on 31 March 2012. This evolution is mainly due to the final adjustment of the acquisition price of 25% of TMH's equity and the Group's share of TMH's net income as well as the increase of investment in BrightSource Energy Inc.

5.2.4. Other non-current assets

Other non-current assets amounted to €515 million at the end of March 2013, compared to €545 million at the end of March 2012. Financial non-current assets directly associated to a long-term lease of trains and associated equipment for a London Underground Operator in the United Kingdom decreased from €426 million at the end of March 2012 to €382 million at the end of March 2013.

5.2.5. Working capital

Working capital (defined as current assets excluding cash and cash equivalents, as well as marketable securities, less current liabilities excluding current financial liabilities and including non-current provisions) on 31 March 2013 was €(3,712) million compared to €(3,859) million on 31 March 2012. As new activities ramped-up, working capital tended to stabilize.

5.2.6. *Deferred tax*

Net deferred tax assets increased to €1,427 million at the end of March 2013, from €1,296 million a year before.

5.2.7. *Current and non-current provisions*

The current and non-current provisions decreased from €2,218 million on 31 March 2012 to €1,989 million on 31 March 2013.

5.2.8. *Equity attributable to the equity holders of the parent and minority interests*

Equity on 31 March 2013 reached €5,104 million (including minority interests) compared to €4,434 million on 31 March 2012. It was mostly impacted by:

- capital increase in October 2012 of €343 million;
- net income from the fiscal year 2012/13 of €802 million (Group share);
- distribution of dividends (Group share) of €(236) million in 2012/13;
- pension actuarial losses of €(240) million during fiscal year 2012/13.

5.2.9. *Financial debt*

The gross financial debt amounted €4,955 million at the end of March 2013 compared to €5,022 million at the end of March 2012. This reduction mainly resulted from the payment of the remaining part of the price of 25% of TMH's equity and the decrease of commercial paper, obligations under financial leases and debt in subsidiaries. This movement was partly offset by the issue of a new €350 million bond in October 2012.

See Note 24 to the consolidated financial statements for further details regarding the financial debt.

5.3. Liquidity and capital resources

The following table presents selected figures concerning the consolidated statement of cash flows:

Total Group **(in € million)**	**Year ended 31 March 2013**	**Year ended 31 March 2012**
Net cash provided by operating activities - before changes in net working capital	1,239	1,184
Changes in net working capital resulting from operating activities	(150)	(968)
Net cash provided by /(used in) operating activities	**1,089**	**216**
Net cash used in investing activities	(1,118)	(912)
Net cash provided by /(used in) financing activities	180	87
Net increase/(decrease) in cash and cash equivalents	**151**	**(609)**
Cash and cash equivalents at the beginning of the period	2,091	2,701
Net effect of exchange rate variations	(49)	-
Other changes	2	(1)
Cash and cash equivalents at the end of the period	**2,195**	**2,091**

5.3.1. Net cash provided by operating activities

Net cash provided by operating activities was €1,089 million for fiscal year 2012/13, compared to €216 million for the year before thanks to a better management of working capital including a focus on cash in project execution.

Net cash provided by operating activities before changes in net working capital was €1,239 million in 2012/13. It represents the cash generated by the Group's net income after elimination of non-cash items (given that provisions are included in the definition of the working capital, they are not part of the elimination of non-cash items) and before working capital movements.

The Group's net working capital change resulting from operating activities was negative at €(150) million in 2012/13, showing a significant improvement compared to last fiscal year when it amounted to €(968) million.

5.3.2. Net cash used in investing activities

Net cash used in investing activities was €(1,118) million for fiscal year 2012/13, versus €(912) million for the previous year. In 2012/13, capital expenditures (excluding capitalised development expenses) amounted to €505 million and capitalised research and development costs to €233 million.

5.3.3. Net cash provided by financing activities

Net cash provided by financing activities was €180 million for fiscal year 2012/13, compared to €87 million the previous year, mainly due to the capital increase of €343 million in October 2012, partly offset by the issuance of a new €350 million bond (compared to €560 million bond issue last year).

5.3.4. Net cash position

On 31 March 2013, the Group recorded a net debt level of €2,342 million, compared to the net debt position of €2,492 million at 31 March 2012.

Total Group **(in € million)**	**Year ended 31 March 2013**	**Year ended 31 March 2012**
Net cash/(debt) at the beginning of the period	**(2,492)**	**(1,286)**
Change in cash and cash equivalents	151	(609)
Change in marketable securities and other current financial assets	11	237
Change in bonds and notes	(350)	(560)
Change in current and non current borrowings	174	(13)
Change in obligations under finance leases	45	42
Net debt of acquired entities at acquisition date and other variations	119	(303)
Net cash/(debt) at the end of the period	**(2,342)**	**(2,492)**

Notes 23, 24, 25, 28 and 29 to the consolidated financial statements provide further details, respectively on:

- the analysis of pensions and other employee benefits;
- the nature and the maturity of the financial debt;
- the Group's policy regarding financial risk management, including currency, interest, credit and liquidity risks;
- off-balance sheet commitments and lease obligations.

5.4. Use of non-GAAP financial indicators

This section presents financial indicators used by the Group that are not defined by accounting standard setters.

5.4.1. Orders received

A new order is recognised as order received only when the contract creates enforceable obligations between the Group and its customer.
When this condition is met, the order is recognised at the contract value.
If the contract is denominated in a currency other than the functional currency of the reporting unit, the Group requires to immediately eliminate the currency exposure through the use of

forward currency sales. Orders are then measured using the spot rate at inception of hedging instruments.

5.4.2. Order backlog

Order backlog represents sales not yet recognised on orders already received.
Order backlog at the end of a financial year is computed as follows:

- order backlog at the beginning of the year;
- plus new orders received during the year;
- less cancellations of orders recorded during the year;
- less sales recognised during the year.

The order backlog is also subject to changes in the scope of consolidation and to foreign currency translation effects.

5.4.3. Free cash flow

Free cash flow is defined as net cash provided by operating activities less capital expenditures including capitalised development costs, net of proceeds from disposals of tangible and intangible assets. In particular, free cash flow does not include the proceeds from disposals of activity.

The most directly comparable financial measure to free cash flow calculated and presented in accordance with IFRS is net cash provided by operating activities, and a reconciliation of free cash flow and net cash provided by operating activities is presented below:

Total Group **(in € million)**	**Year ended 31 March 2013**	**Year ended 31 March 2012**
Net cash provided by /(used in) operating activities	**1,089**	**216**
Capital expenditure (including capitalized development costs)	(738)	(813)
Proceeds from disposals of tangible and intangible assets	57	24
Free Cash Flow	**408**	**(573)**

Alstom uses the free cash flow both for internal analysis purposes as well as for external communication as the Group believes it provides accurate insight regarding the actual amount of cash generated or used by operations.

5.4.4. Capital employed

Capital employed is defined as the closing position of goodwill, intangible assets, property, plant and equipment, associates and available-for-sale financial assets, other non-current assets (excluding prepaid pension benefits and financial non-current assets directly associated to financial debt) and current assets (excluding marketable securities and other current financial assets, and cash and cash equivalents) minus non-current provisions and current liabilities (excluding current financial debt).

Capital employed by Sector and at Group level is presented in Note 4 to the consolidated financial statements as of 31 March 2013.

Capital employed is used both for internal analysis purposes and for external communication as it provides insight regarding the amount of financial resources employed by a Sector or the Group as a whole and the profitability of a Sector or the Group as a whole in regard to resources employed.

End of March 2013, capital employed reached €7,651 million, compared to €7,035 million at the end of March 2012, mainly due to capital expenditures and associates.

Total Group **(in € million)**	**Year ended 31 March 2013**	**Year ended 31 March 2012**
Non current assets	13,466	12,804
less deferred tax assets	(1,711)	(1,472)
less non-current assets directly associated to financial debt	(382)	(426)
less prepaid pension benefits	(10)	(12)
Capital employed - non current assets **(A)**	11,363	10,894
Current assets	18,146	18,243
less cash & cash equivalents	(2,195)	(2,091)
less marketable securities and other current financial assets	(36)	(13)
Capital employed - current assets **(B)**	15,915	16,139
Current liabilities	19,272	19,876
less current financial debt	(325)	(682)
plus non current provisions	680	804
Capital employed - liabilities **(C)**	19,627	19,998
Capital employed (A)+(B)-(C)	**7,651**	**7,035**

5.4.5. *Net cash*

Net cash is defined as cash and cash equivalents, marketable securities and other current financial assets and financial non-current assets directly associated to financial debt, less current and non-current financial debt.

Total Group **(in € million)**	**Year ended 31 March 2013**	**Year ended 31 March 2012**
Cash and cash equivalents	2,195	2,091
Marketable securities and other current financial assets	36	13
Financial non-current assets directly associated to financial debt	382	426
less:		
Current financial debt	325	682
Non current financial debt	4,630	4,340
Net cash/(debt)	**(2,342)**	**(2,492)**

5.4.6. *Organic basis*

Figures disclosed in this section include performance indicators presented on an actual basis and on an organic basis. Figures have been given on an organic basis in order to eliminate the impact of changes in business composition and of variation of exchange rates between the Euro and the foreign currencies. The Group uses figures prepared on an organic basis both for internal analysis and for external communication, as it believes they provide means to analyse and explain variations from one period to another. However these figures, provided on an organic basis, are not measurements of performance under IFRS.

To prepare figures on an organic basis, the figures presented on an actual basis are adjusted as follows:

- the actual figures for 2011/12 (order backlog, orders received, sales and income from operations) are restated taking into account the exchange rates used for 2012/13, as used for preparing the Consolidated Financial Statements;
- in order to reflect the same scope of activity, actual figures for 2011/12 are restated from disposals made during fiscal year 2012/13 and 2012/13 actual figures are restated from acquisitions made in fiscal year 2012/13.

Figures on an organic basis are presented in the table shown next page.

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Alstom - ORGANIC FIGURES 2012/13

in € million	Year ended 31 March 2012 Actual figures	Exchange rate	Scope impact	Comparable Figures	Year ended 31 March 2013 Actual figures	Scope impact	Organic figures	% Var Act. Mar. 13 / Mar.12	% Var Org. Mar. 13 / Mar.12
Thermal Power	18,741	(145)	(14)	18,582	19,151		19,151	2%	3%
Renewable Power	4,302	(40)	-	4,262	4,569		4,569	6%	7%
Grid	5,013	(8)	(17)	4,988	6,190		6,190	23%	24%
Transport	21,213	36	-	21,249	22,965		22,965	8%	8%
Corporate & Others	-	-	-	-			-	N/A	N/A
Orders backlog	**49,269**	**(157)**	**(31)**	**49,081**	**52,875**		**52,875**	**7%**	**8%**
Thermal Power	9,366	249	(4)	9,611	9,574		9,574	2%	(0%)
Renewable Power	2,026	(35)	-	1,991	2,029		2,029	0%	2%
Grid	4,003	34	(69)	3,968	5,058		5,058	26%	27%
Transport	6,311	80	-	6,391	7,109		7,109	13%	11%
Corporate & Others		-	-	-			-	N/A	N/A
Orders Received	**21,706**	**328**	**(73)**	**21,961**	**23,770**	**-**	**23,770**	**10%**	**8%**
Thermal Power	8,726	150	(9)	8,867	9,179		9,179	5%	4%
Renewable Power	2,027	(10)	-	2,017	1,803		1,803	(11%)	(11%)
Grid	4,013	33	(79)	3,967	3,829		3,829	(5%)	(3%)
Transport	5,168	57	-	5,225	5,458		5,458	6%	4%
Corporate & Others	-	-	-	-			-	N/A	N/A
Sales	**19,934**	**230**	**(88)**	**20,076**	**20,269**	**-**	**20,269**	**2%**	**1%**
Thermal Power	850	22	6	878	959		959	13%	9%
Renewable Power	150	(3)	-	147	88		88	(41%)	(40%)
Grid	248	1	3	252	238		238	(4%)	(6%)
Transport	264	9	-	273	297		297	13%	9%
Corporate & Others	(106)	(1)	-	(107)	(119)		(119)	N/A	N/A
Income from Operations	**1,406**	**28**	**9**	**1,443**	**1,463**	**-**	**1,463**	**4%**	**1%**
Thermal Power	9.7%			9.9%	10.4%		10.4%		
Renewable Power	7.4%			7.3%	4.9%		4.9%		
Grid	6.2%			6.4%	6.2%		6.2%		
Transport	5.1%			5.2%	5.4%		5.4%		
Corporate & Others	N/A			N/A	N/A		N/A		
Operating margin	**7.1%**			**7.2%**	**7.2%**		**7.2%**		
Sales	19,934	230	(88)	20,076	20,269	-	20,269	2%	1%
Cost of sales	(16,144)	(176)	89	(16,231)	(16,324)	-	(16,324)	1%	1%
R&D expenses	(682)	(7)	1	(688)	(737)	-	(737)	8%	7%
Selling expenses	(900)	(11)	3	(908)	(952)	-	(952)	6%	5%
Administrative expenses	(802)	(8)	4	(806)	(793)	-	(793)	(1%)	(2%)
Income from Operations	**1,406**	**28**	**9**	**1,443**	**1,463**	**-**	**1,463**	**4%**	**1%**