

Alstom Analyst Day

Villeurbanne - France

30 March 2016



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Today's agenda

TIMING	TOPIC	SPEAKER	TITLE
10.15-10.30	<i>Welcome coffee</i>		
10.30-12.20	Introduction, market and strategy	Henri POUPART-LAFARGE Thierry BEST	Chairman and Chief Executive Officer Chief Operating Officer
12.20-12.40	Financials	Marie-José DONSION	Chief Financial Officer
12.40-12.45	Conclusion	Henri POUPART-LAFARGE	Chairman and Chief Executive Officer
12.45-14.00	Q&A session over lunch	Henri POUPART-LAFARGE Marie-José DONSION	Chairman and Chief Executive Officer Chief Financial Officer
14.00-14.20	<i>Coffee break</i>		
14.20-14.40	Signalling & Villeurbanne site	Pascal CLÉRE	Senior Vice-President Signalling (TIS)
14.40-16.30	Site visit		

Agenda

- 1 **Introduction**
- 2 Railway market overview
- 3 Alstom 2020 strategy
- 4 Alstom financials
- 5 Conclusion
- 6 Signalling & Villeurbanne site

Activities: a complete range of solutions

TRAINS



- Tram, metro, suburban/regional, high speed, very high speed, locomotive
- Components: traction, bogie, motor



SERVICES



- Maintenance
- Modernisation
- Spare parts, repairs & overhaul
- Support services



SIGNALLING



- Signalling solutions portfolio for: main lines, urban, control and security
- Sold as products or solutions



SYSTEMS



- Integrated solutions
- Infrastructure



Alstom Executive Committee



Henri POUPART-LAFARGE
Chairman & CEO



Pascal CLÉRÉ
SVP – Signalling (TIS)



Thierry BEST
COO



Marie-José DONSION
CFO



Mathias KLEMPNER
SVP – HR & EHS



Pierrick LE GOFF
General Counsel



Dominique POULIQUEN
SVP - APAC



Andreas KNITTER
SVP - Europe



Jean-Baptiste EYMÉOUD
SVP - France



Michel BOCCACCIO
SVP - LAM



Gian-Luca ERBACCI
SVP - MEA



Jérôme WALLUT
SVP - NAM

An ambitious strategy for 2020



2020 OBJECTIVES

- **Sales** expected to grow at **5% per year organically**
- **Adjusted EBIT margin** to reach around **7%**
- **c. 100% conversion** from net income to free cash flow

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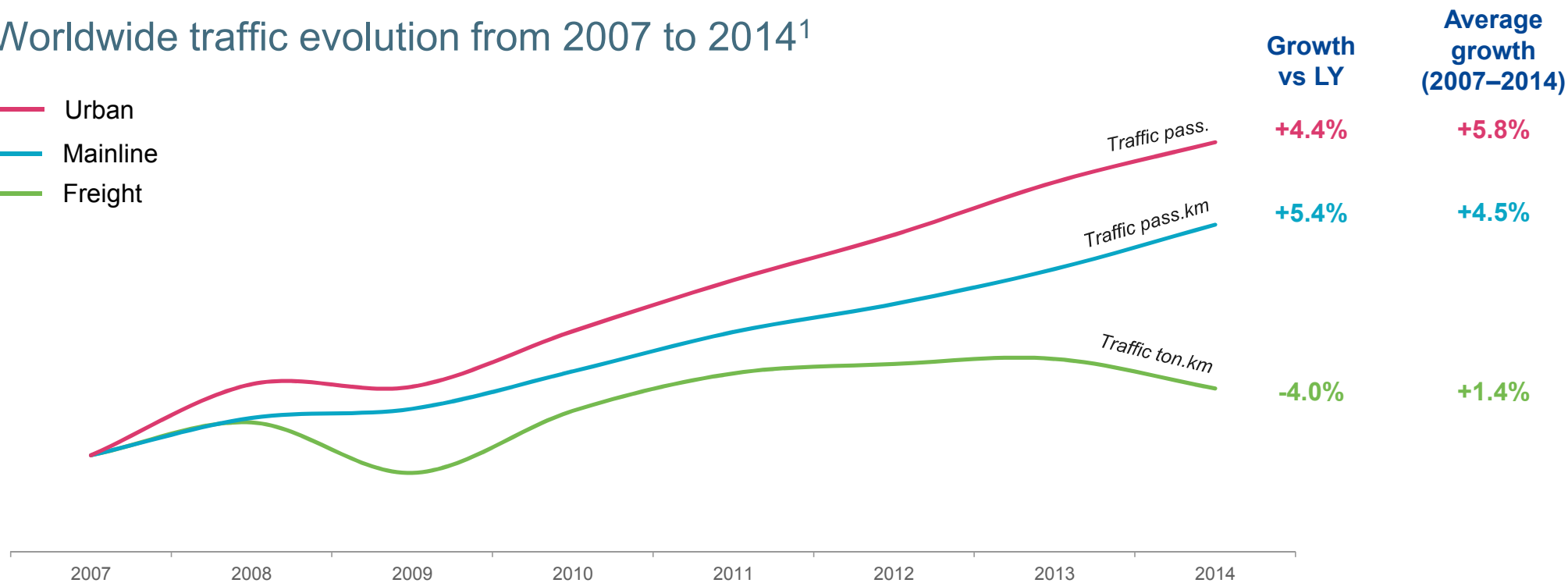
Market: Solid long-term drivers



Market: Railway traffic evolution

Worldwide traffic evolution from 2007 to 2014¹

- Urban
- Mainline
- Freight

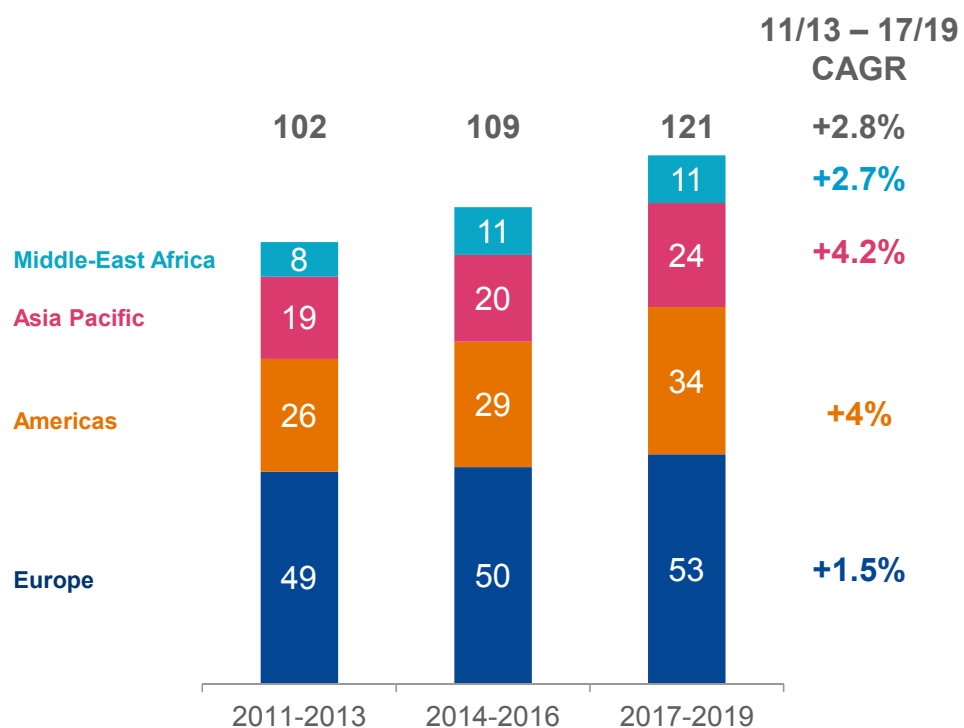


¹ Urban traffic figures are for Top 30 cities worldwide; mainline & freight traffic figures are for all major national operators worldwide.

Continued growth in urban and mainline with freight traffic more volatile

Market: Growth in all regions; driven by urban

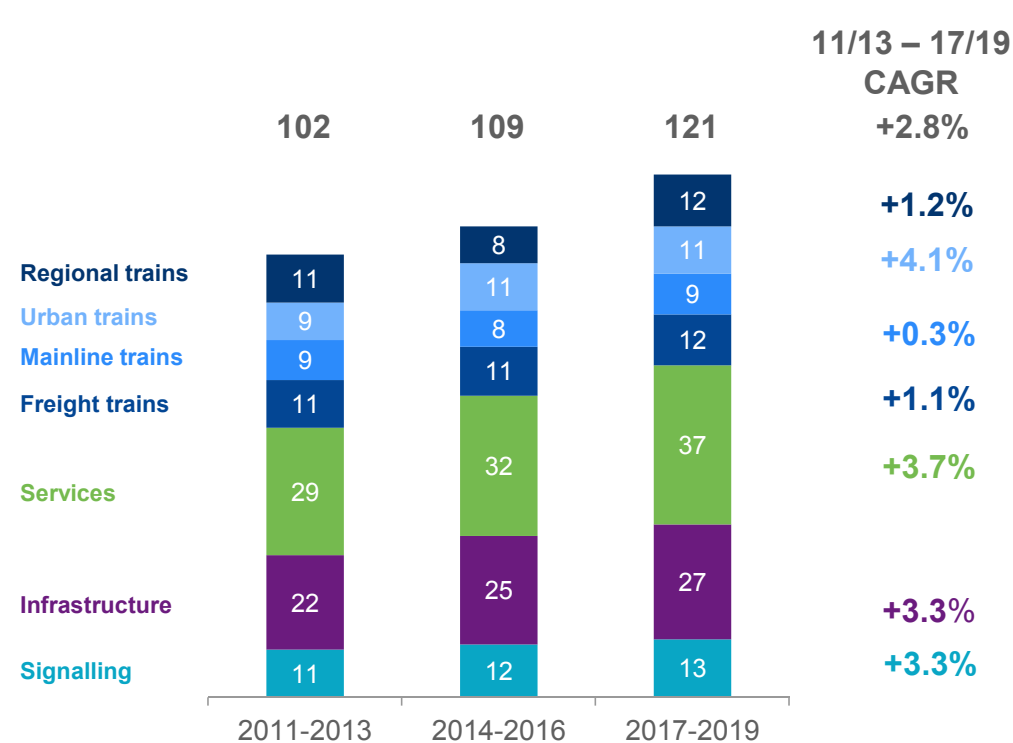
Accessible market at € constant (€bn)










Note: Annual average – Accessible market
Source: UNIFE Market Study 2014

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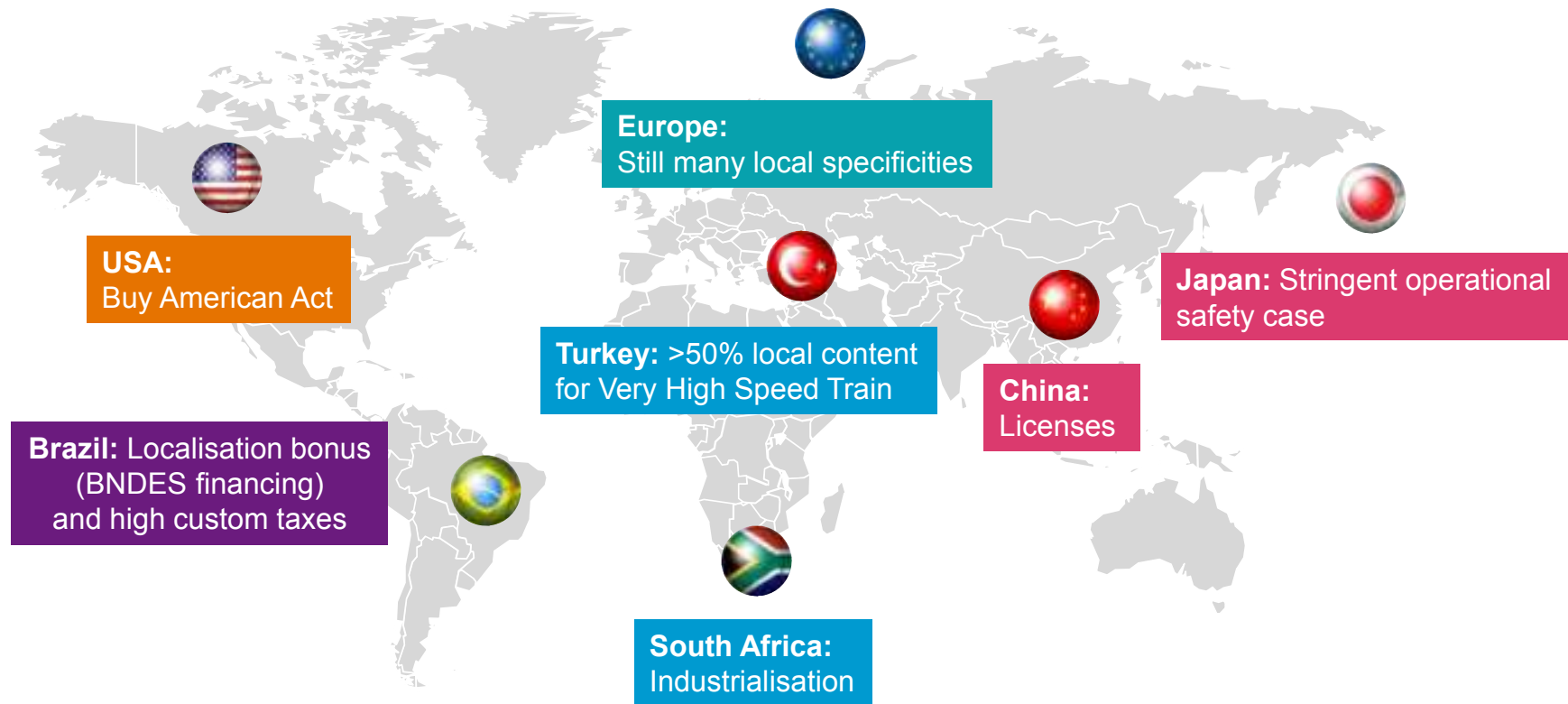


Customers: Market largely driven by public entities

	Various forms of public entities footprint in the market		Others
Customer type	Governments or public entities (regions, municipalities...)	State owned entities/ national railway operators	Fleet owners and operators
Overview	<p>Governments</p> <ul style="list-style-type: none"> Large integrated solutions contracts in mature markets <p>Local authorities</p> <ul style="list-style-type: none"> Urban/regional developments 	<p>National monopoly</p> <ul style="list-style-type: none"> Dominant market organization globally 	<p>Few active private players including</p> <ul style="list-style-type: none"> Fleet owners Operators
Examples	<ul style="list-style-type: none">  Passenger Rail Agency of South Africa  Riyadh Development Authority  Chennai Metro Rail Limited  Nottingham City Council 	  	    

Flexibility to adapt to various kind of public entities requirements

Customers: Strong requests for localisation



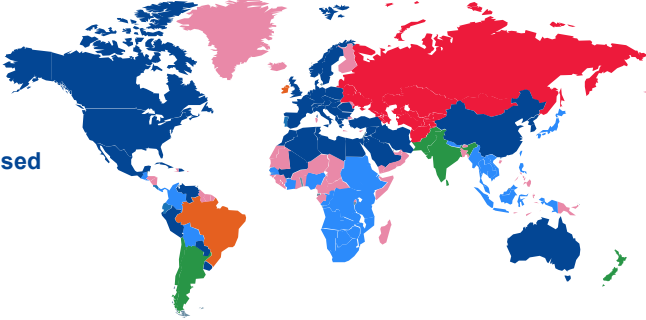
Strong and increasing local content requirements which favours multi-local players

Customers: Highly fragmented regulatory environment

A world of historically heterogeneous railway standards...

- 1435 mm
- 1520 mm
- 1524 mm
- 1600 mm
- 1668 mm
- 1676 mm
- ≤ 1076 mm

**Example:
track gauges used worldwide**








Other examples of heterogeneity:

- Load gauges (3 in Europe: UK, Spain, UIC)
- Power supply systems (5 in Europe)
- Signalling systems (>20 for mainline in Europe)
- Platform heights

...governed by many regulatory bodies

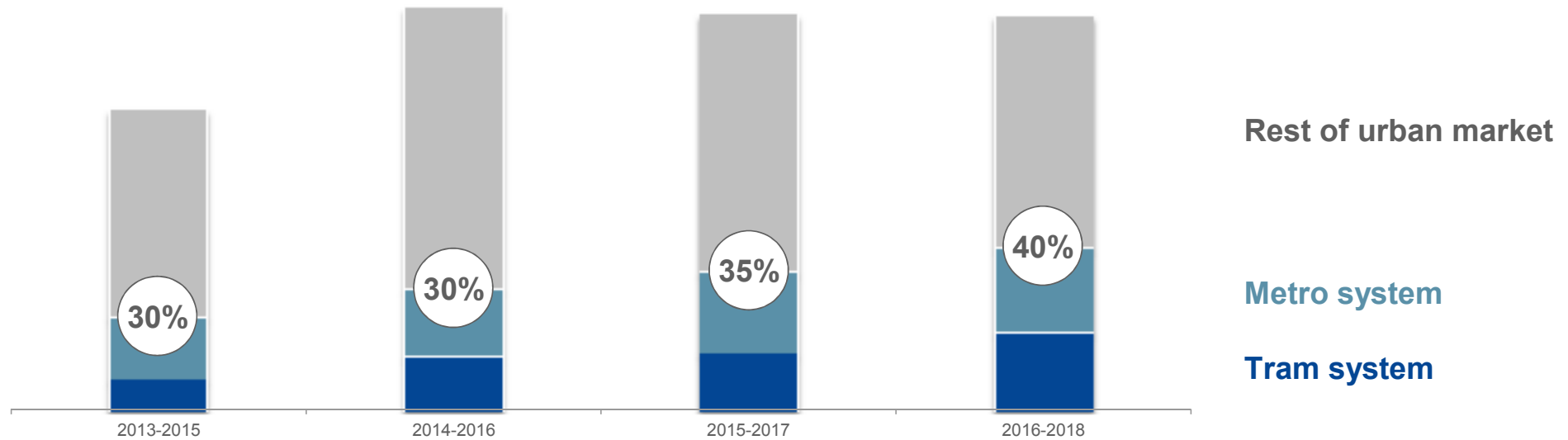
Examples

Europe	National Railway Agencies	USA	CIS	International
<p>European Railway Agency</p> 	<p>National Railway Agencies</p> 	<p>Federal Railroad Administration USA standards</p> 	<p>Euro-Asian Council for Standardisation, Metrology and Certification (EASC) GOST standard</p> 	<p>International Union of Railways (UIC) UIC standards</p> 

Flexible solutions and strong knowledge of local specificities as a must-have to overcome barriers to entry created by current local regulatory environment

Customers: Urban projects largely achieved through integrated solutions

System within urban market (annual average)



Source: Alstom estimation

Demand for suppliers demonstrating track record to successfully manage integrated system projects and benefiting from comprehensive offering

Customers: Tackling increasing requirements through innovations

Total cost of ownership

- Reduce cost of maintenance and overhaul
- Energy saving equipment and program
- Asset life extension and availability
- Initial capex considered in light of the opex
- Optimisation of capacity and traffic

Safety, comfort and eco-friendly solutions



- Continuously increase safety



- Provide customers with more innovative/efficient/price competitive and comfortable solutions



- Provide solutions in line with current environmental challenges

Customers looking for capex and opex optimisation while expecting more in terms of safety, performance and eco-friendly solutions

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An ambitious strategy for 2020



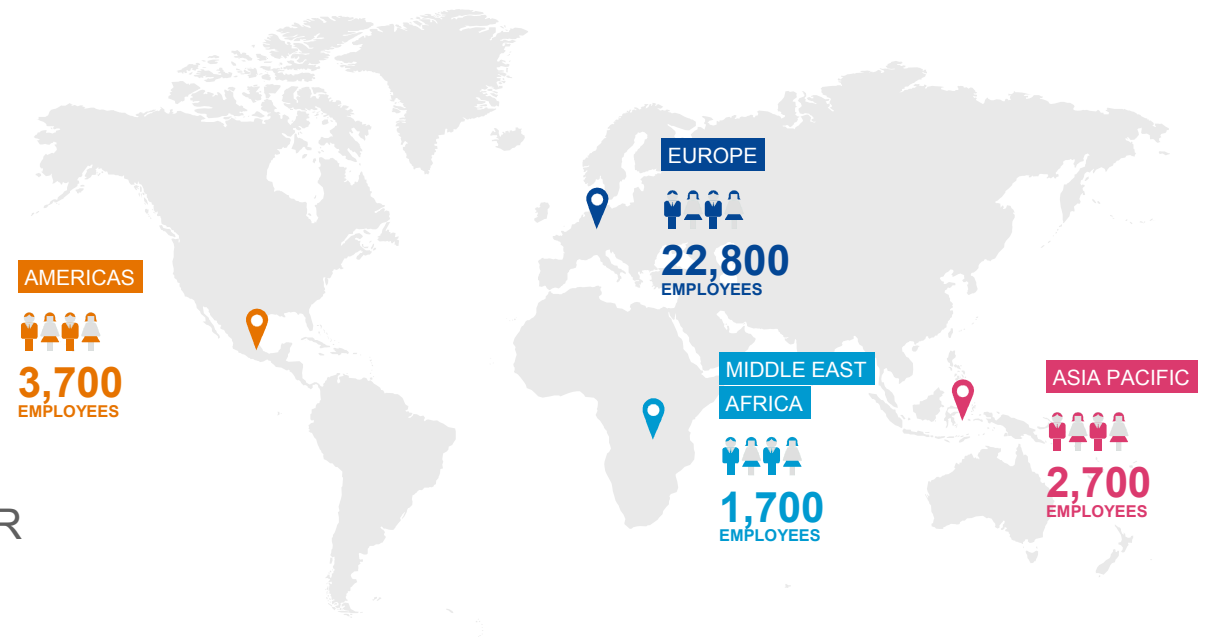
A strategy based on 5 pillars



1 Customer-focused organisation and multi-local presence

■ 32,000 employees working on 105 sites in 60 countries serving 200 customers

- **Regions:** close to customers, in charge of execution
- **Operational functions:** global cohesion, processes and platforms
- **Support functions:** finance, legal, HR global efficiency



Being a reference player in each region

1 Strategic partnerships and new sites around the world

Russia
TMH (trains)

Algeria
CITAL (trams)

India
Chennai (trains)*

South Africa
Gibela
(suburban trains)

Turkey
Istanbul hub*

India
Madhepura (locos)
Coimbatore*

Kazakhstan
EKZ (locos)

France
Metrolab (R&D)

France
NTL (trams)

Kazakhstan
KEP (signalling)

Brazil
Taubaté*

Sweden
Mottala (Services)

MEA APAC LAM
Systems & Signalling hubs*

India
Bangalore*

UK
SSL (Signalling)

Russia
TMH (trains)

Kazakhstan
EKZ (locos)



* New Alstom sites

2010

2011

2012

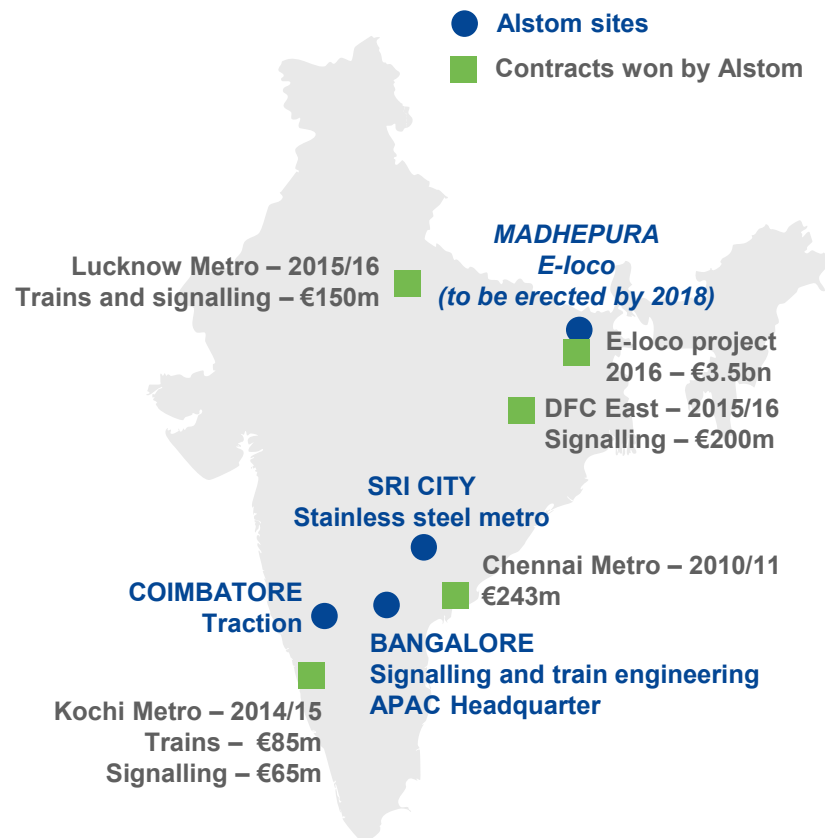
2013

2014

2015

Solid, efficient and well-established network of partners
and establishment of new sites to meet customers' growing demand for a local presence.
c. €300m transformation capex expected over the next 3 years

1 Alstom in India



(1) Source: UNIFE Market Study 2014

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Market trends

- A large and booming market¹: €3.5bn p.a. market for trains, +15%/year
- Driven by:
 - urbanisation needs
 - investment in freight infrastructure
 - renewal of Indian Railways products

Alstom in India

- Becoming #1 global player in the market

ALSTOM

1 Prasa project

■ Scope

- Design, manufacture and supply 600 trains for South Africa fleet renewal
- Parts supply & technical support for 19 years
- Gibela Joint Venture led by Alstom (61%), local factory, 65% average local content

■ Status

- First train delivered from Brazil end 2015
- Local factory construction started in March 2016
- First train to be manufactured in South Africa end 2017

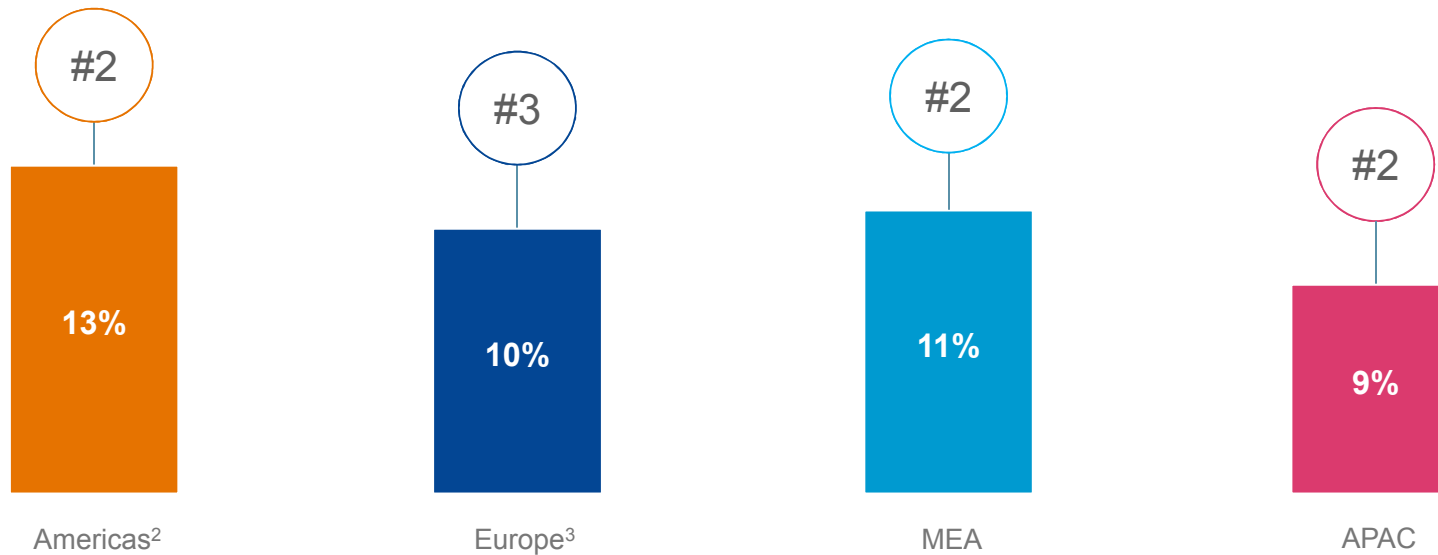


Customer: Passenger Rail Agency of South Africa

Largest contract ever in Alstom history (c. €4bn), well on its way

1 Leader on all continents

Our market share¹ (%) and ranking in 2015/16



Note: (1) Market shares and rankings based on FY 15/16 orders including Madhepura ; (2) NAM market share and ranking exclude freight market ; (3) Russia not included as market handled directly by TMH
Source: UNIFE Market Study 2014; Official Financial Results ; Alstom estimation

Objective to reach critical size in each region (#1 or #2 where relevant)

A strategy based on 5 pillars



2 Increasing demand for integration



2 Urban trains



■ Tramways

- Citadis trams: more than **2,300 Citadis** sold in more than **50 cities**
- Translohr based-trams in **8 cities** in the world
- Tram-trains: around **80 Citadis Dualis** & **34 Citadis Spirit** ordered

■ Metropolis metros

- About **5,000 Metropolis cars** sold since 1998

■ X'Trapolis suburban trains

- More than **4,600 cars** sold including 3,600 for the PRASA project in South Africa



Citadis, Nottingham (UK)



Metro station (Singapore)

2 Mainline trains



■ Coradia regional trains

- More than **2,000 Coradia** in service in 9 European countries & in Canada

■ Coradia Liner V200 main line trains

■ Avelia high-speed and very high-speed trains

- More than **500 Pendolino** ordered; certified in 14 countries
- More than **700 very high-speed trains** ordered including **Euroduplex**
- **25 AGV** in service

■ Locomotives

- Passenger: **Prima KZ4AT, EP20**
- Freight: **Prima, KZ8A, 2ES5**
- Shunting locomotives



Coradia Nordic, Solna (Sweden)



Pendolino, Geneva (Switzerland)

2 Components



■ Key critical components which act as key end-product differentiators

- Bogies
- Motors
- Traction systems
- Auxiliary
- Etc.



Pivoting bogie for Citadis Dualis tram-train



Onix 200 power module in manufacture



Detail of permanent magnet motor

2 Tailored services



■ Maintenance

- **8,000 cars** maintained
- **HealthHub**: new predictive maintenance offer

■ Modernisation

- **10 modernisation centres** around the world

■ Parts, repairs & overhauls

- **600,000 referenced** train parts

■ Support services

- More than **700 trains** connected
- **1,000 people** trained every year



Maintenance of Citadis, Reims (France)



Modernisation, Lapa (Brazil)

2 Case study: Northern Line



■ Scope

- 30 years maintenance contract
- 106 metro trains of 6 cars
- Full service provision
- Management of 2 depots

■ Status

- Availability: 97/106 trains
- Reliability: 48,621 km
- Mid-life refurbishment recently completed



Every journey matters, every second counts

2 Unrivalled signalling solutions



■ Urban

- Radio CBTC solutions:
Urbalis and **Tempo CBTC**
- Tramway protection solution:
Pegasus 101

■ Main lines

- **Atlas**:
ERTMS solution for 100% interoperable trains

■ Freight & mining market

- A position strengthened, notably in the United States

■ Telecom, security & control

- Security centres (stations, tracks, tunnels...)
- **Iconis** and **RailEdge** control centres

■ Passenger information



2 Integrated urban system to enhance efficiency



Global approach

- Comprehensive solutions for **optimised costs, reduced delivery times, optimal performance...**
- **No civil work**
- **Attractis**: last integrated tramway system
- **Axonis**: 1st economical and quick-to-build metro system



Infrastructure

- Track laying: **Appitrack**
- Electrification: **APS, SRS, Hesop, Citadis Ecopack**
- Electromechanical: **stations & depots**



2 Case study: Dubai tramway system



■ Scope

- Fully integrated tramway solution incl. trains, signalling, infrastructure and 13 years maintenance contract

■ Status: already a success

- Availability and punctuality above 99.5%
- Robust operation under heavy rain and sand storm
- Up to 30,000 passengers / day at peak



Customer: Roads and Transport Authority
Phase 1 (done): 11 km and 11 stops

A fully integrated world premiere

2 Case study: Riyadh lines 4,5 & 6 metro system



■ Scope

- 69 driverless Metropolis trains
- Signalling system
- Infrastructure: third rail and track, using Appitack and power supply incl. Hesop substations

■ Status

- Train production started in Katowice in Nov. 2015



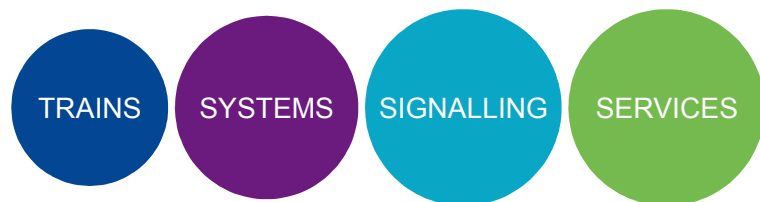
Customer: Arriyadh Development Authority
Contract: 2013 – 2018
Lines length: 65.1 km
of stations: 25

First driverless metro in Saudi Arabia and biggest contract ever for an urban system project (€1.2bn)

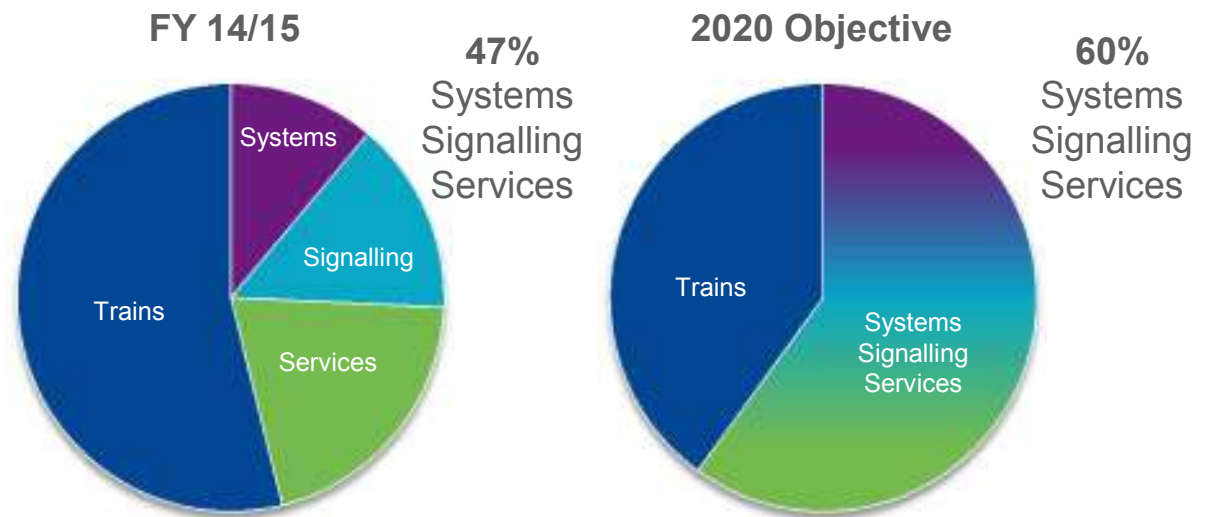
2 Towards more systems, signalling & services

Grow towards more profitable activities

■ Profitability today



■ Systems, services & signalling (% of total sales)



Systems, signalling & services to represent c. 60% of sales by 2020

A strategy based on 5 pillars



3 Staying a step ahead

1

Boost technical innovation to increase differentiation



Citadis X05

2

Invest in competitiveness-oriented technology



Attractis tramway system

3

Optimise customers' total cost of ownership



Coradia maintenance

An R&D strategy focused on differentiation and competitiveness
Sustain R&D expenses and reach 30% of total orders coming from newly developed products by 2020

3 Main innovative programmes

TRAINS



Complete renewal of the ranges:

- Citadis Spirit, Citadis X05
- New range of standard metro
- Avelia range
- Zero emission train
- Silicon carbide (SiC)



SERVICES



- HealthHub
- Predictive maintenance



SIGNALLING



- Atlas, main lines ERTMS
- Urbalis, CBTC
- ATO, geolocalisation, 4G



SYSTEMS



- Axonis metro system
- Attractis tramway system
- Hesop, reversible power-supply substation



3 New range of standard metro

■ Product Description

- Full product range: 5,000+ configurations, aluminum and stainless steel
- New carshell concept with pre-fitted modules and final bolted assembly
- New auxiliary converter SiC

■ Benefits

- Around 20% costs savings



New standard metro

3 Evolution of Avelia range

■ Very high-speed train of the future programme

- 750 seats
- -35% energy consumption
- Optimised maintenance cost

■ JV SpeedInnov with ADEME



Very high-speed train of the future

3 Passenger experience

■ Key for our clients

- Digital world with new behaviors and needs
- Multimodal competition

■ Alstom innovation

- Multimodal communication, comfort, lighting, acoustics, passenger information...
- Collaborative development with clients : innovation partnerships, hackathon...

■ Differentiator



Passenger experience demonstrator (Villeurbanne)

3 An ecosystem of innovation and creativity

- Collaboration with **research centres** (SystemX, IMS...)
- **Collaborative reflections** with Alstom suppliers and operators (RATP, SNCF, ADEME...)
- Annual internal contest: **I NOVE YOU**



Passenger experience concept



Internal contest I NOVE YOU

A strategy based on 5 pillars



4 Operational excellence

■ Competitive offering

- Sourcing
- Global footprint

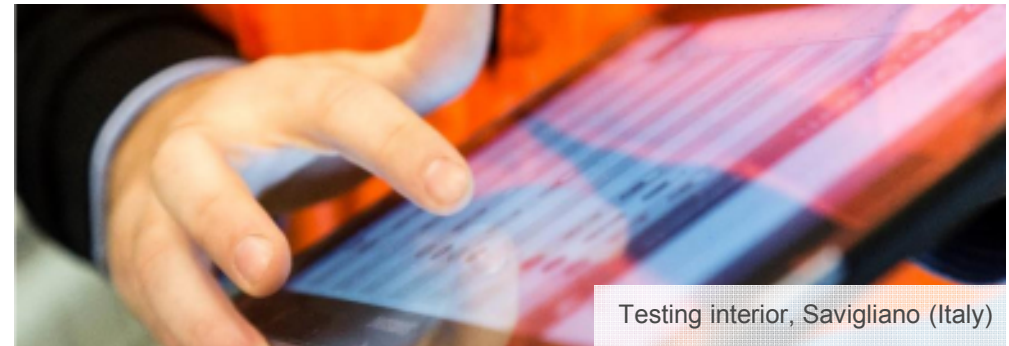
■ Excellence in delivery

- Global business transformation underway
- Strong project management skills

■ Cash focus programme



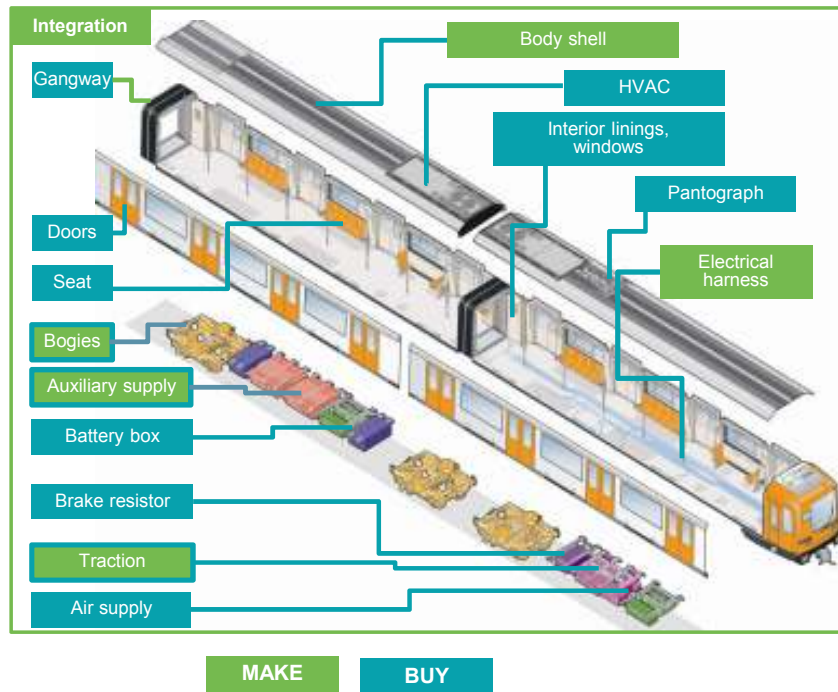
Sri City site (India)



Testing interior, Savigliano (Italy)

• Operational excellence, at the heart of Alstom strategy, to remain competitive while supporting margin improvement

4 Competitive offering: Sourcing contribution (1/2)



■ 60% of Alstom products cost are purchased

- c.€4bn external supplies

■ Partnership

- 90 global partners (50% of the spend), able to follow Alstom worldwide
- 750 suppliers covering 80% of the spend

• Sourcing, a key cost reduction driver

4 Competitive offering: Sourcing contribution (2/2)

■ Volume

- **Bundle approach:** different products under one negotiation
- **Total cost of ownership:** improve full product life cycle cost under one negotiation and protect our margin on after sales

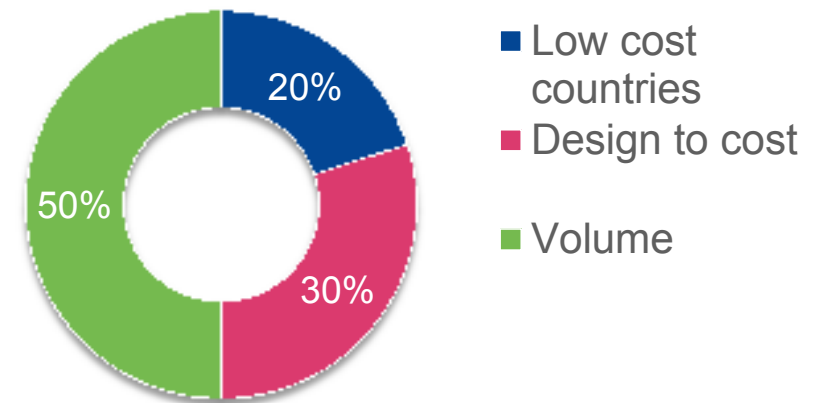
■ Design to cost

- **Catalogue approach:** on sub-systems: HVAC, doors, etc.

■ Low cost countries

- Steady increase of sourcing volume in **India:** €300m objective in 2020 (vs €25m in 2014/15)

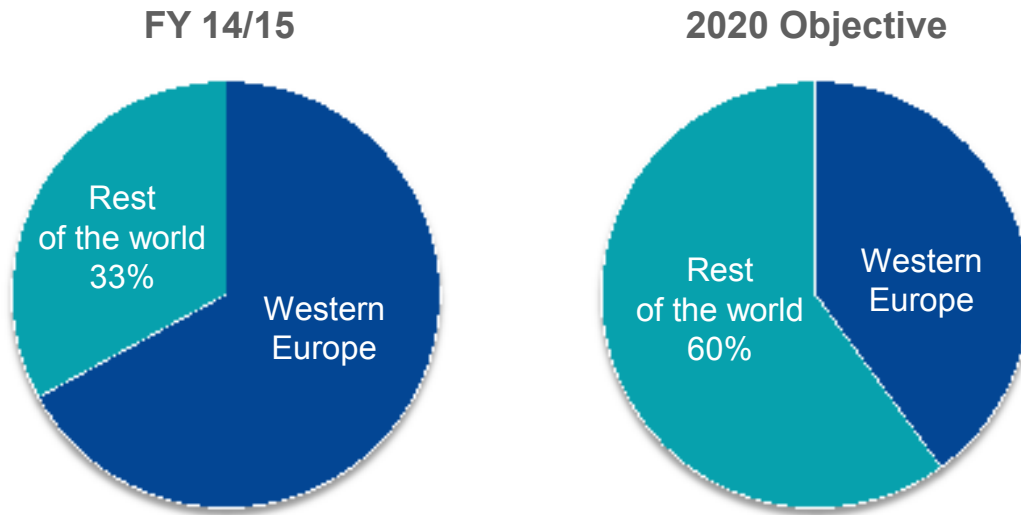
Savings per lever



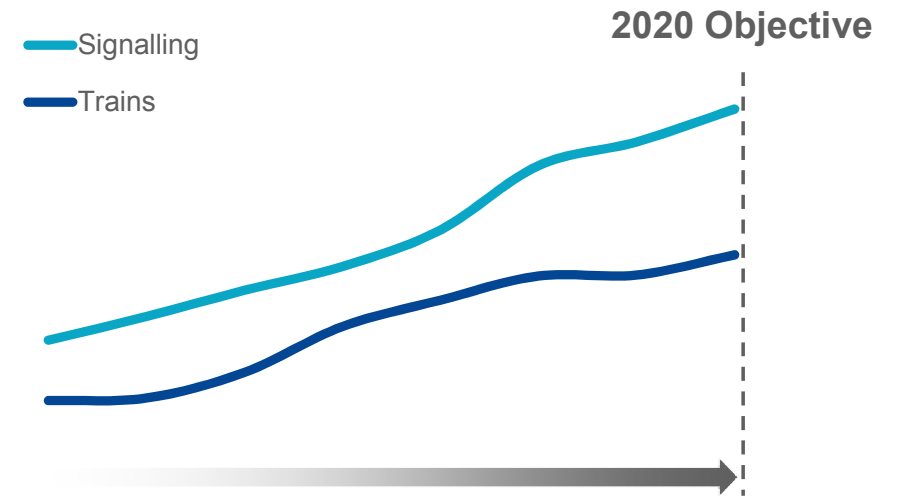
- Objective to increase sourcing savings to €250m /year (cost to complete)

4 Competitive offering: Global footprint

Worldwide trains manufacturing

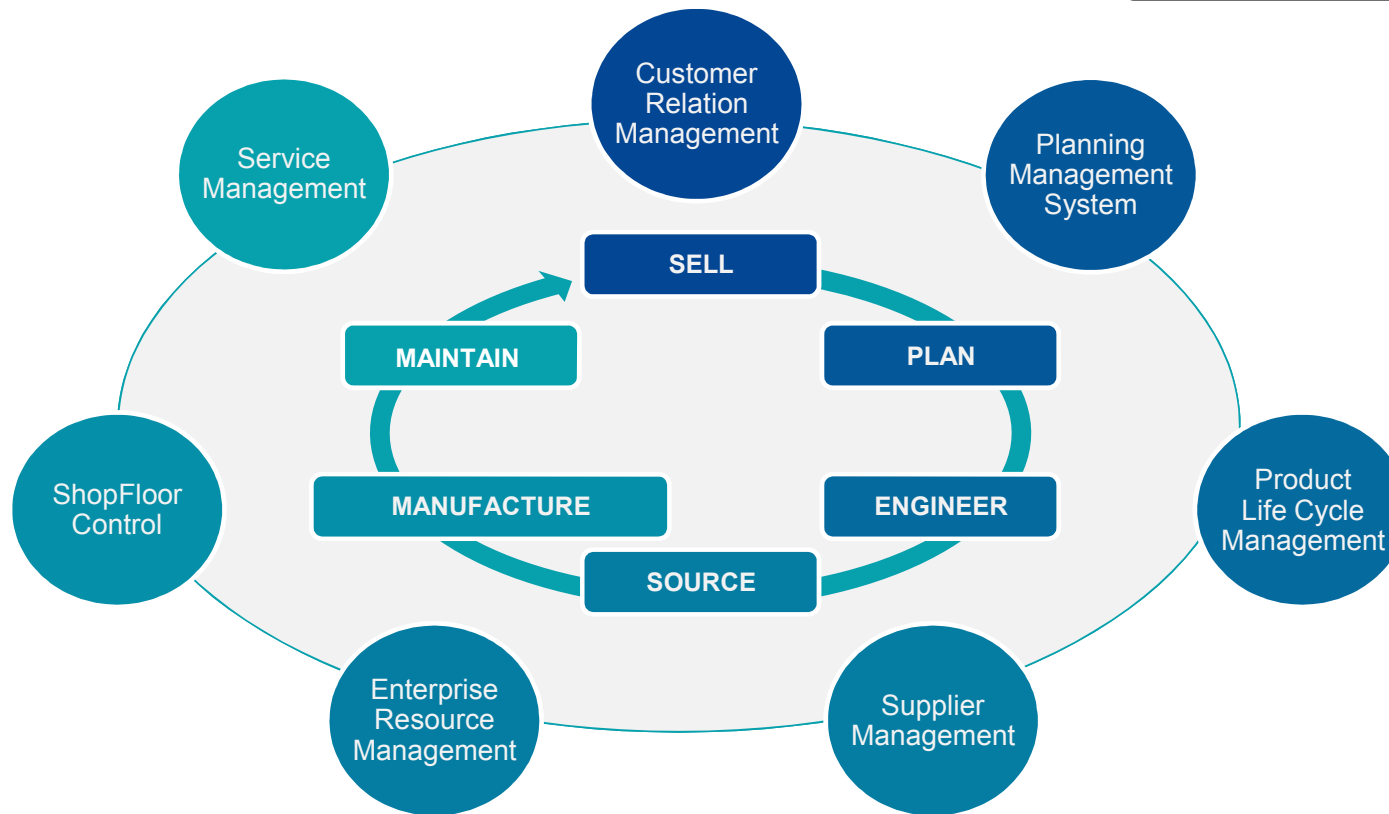


Bangalore (India) engineering center ramp up



- Rapid growth of global manufacturing and engineering capabilities
- Adaptation to workload in Europe

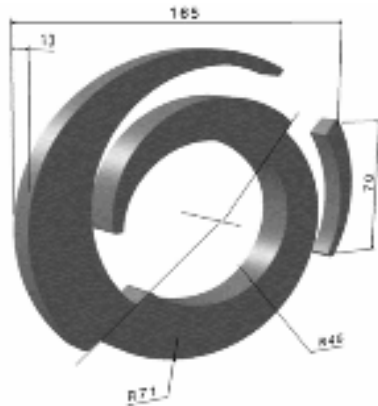
4 Excellence in delivery: Business transformation



Numerous initiatives launched to optimise & unify business processes

4 Excellence in delivery: Examples

■ 3D Master



■ Alstom production system



■ New electrical organisation



■ Manufacturing execution system



New process & tools for all functions: engineering, manufacturing, etc.

4 Excellence in delivery: Project management

Key practices

- **Anticipation** before tendering
- Stringent **Go / No Go decision**
- Rigorous transfer from **tender to project** (tender transfer meeting)
- **Management involvement** (winning roadmap, monthly project review, global project review)

Results

1. Intense activity
 - 20 tenders per month
 - 3 months average per tender
 - c.450 major contracts in execution
2. Hit rate: [30-40] %

Strong project management skills from tender to execution

4 Cash focus programme

Main levers

■ Terms and conditions

- Level of down payment now stabilised

■ Design to cash actions such as:

- Planning of supplies
- Manufacturing lead-time
- Inventory management, ...

Key practices

- Worldwide training (e.g. sales community)
- Upfront review of cash information, from the anticipation phase
- Regular meetings during project execution

Example

- Time to market of new standard metro: 12 months (actual 15 months)

Strong management actions in place to optimise working capital

4 Environmental excellence

■ Improve our environmental footprint

- Continue our efforts on energy saving, waste and CO₂
- ISO 14001 for all operational units with more than 200 people



ENERGY INTENSITY REDUCTION BY **10%**

■ Improve energy consumption for solution

- Better sizing and energy consumption measurement



ENERGY CONSUMPTION REDUCTION BY **20%**

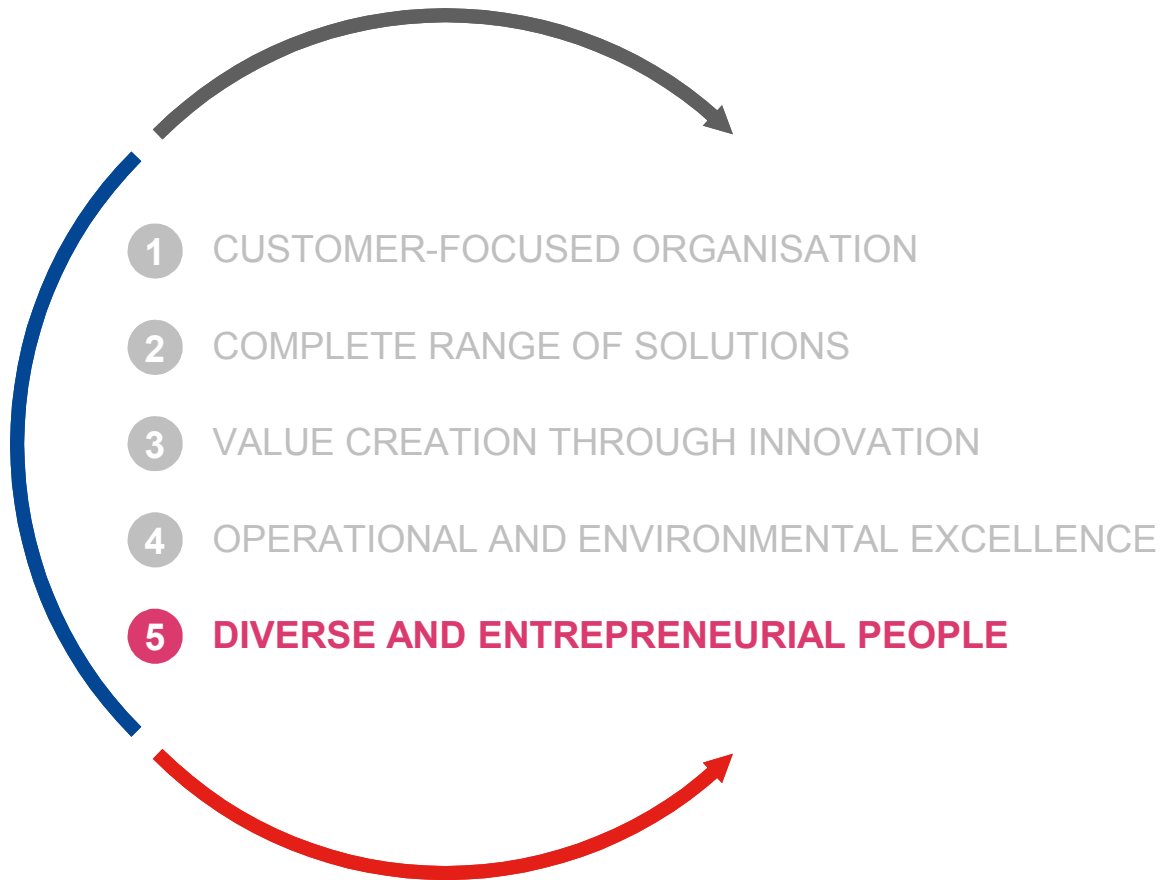
■ Safety at work ZERO DEVIATIONS IN HIGH RISK ACTIVITIES

- Alstom Zero Deviation Plan
- Zero Severe Accidents on High Risk Activities



IFR1 AT **1** BY **2020**

A strategy based on 5 pillars



5 A culture based on diversity & entrepreneurship

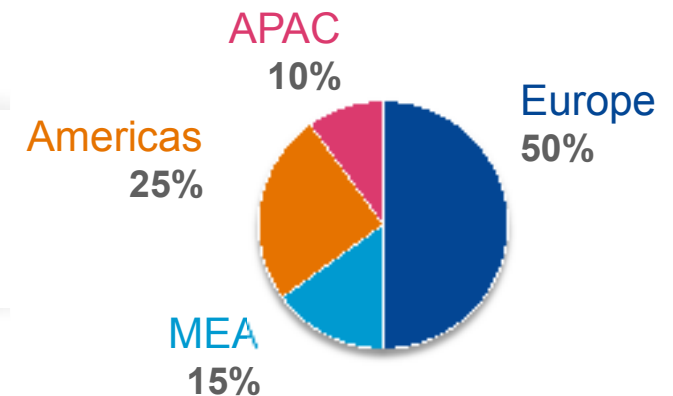
- **Diversity** in terms of gender, generation, nationality, social and cultural background...
- **Training plans, development programs...**



25% WOMEN IN A MANAGEMENT OR PROFESSIONAL ROLE



**FOR MIDDLE MANAGEMENT AND TALENT POOL,
NATIONALITIES TO REFLECT ACTIVITIES:**



Sharing a common culture of ethics and values



■ Ethics & Compliance (E&C)

- **Certified procedures**
- A **Code of Ethics** and an **Integrity Programme** applicable to each and every employee around the world



■ Team, Trust and Action

An ambitious strategy for 2020



Organic growth boosted by small to mid-size selective acquisitions



GE signalling integration underway

■ Overview

- Provider of signalling products and solutions, both **freight (60%)** and **passenger (40%)**
- Benefits: **access to freight signalling** market and reinforcement of **position in Americas**

■ Key data

- Around **1,200 people**
- **15 facilities** over the world
- **c. €60m sales for 2 months**

■ Integration since 2 Nov. 2015, well anticipated:

- **Business continuity:** no disruption (customers, suppliers, employees)
- **Business integration:** organisation, tools migration, deployment roadmap
- **Value creation:** new portfolio, operating models, synergies

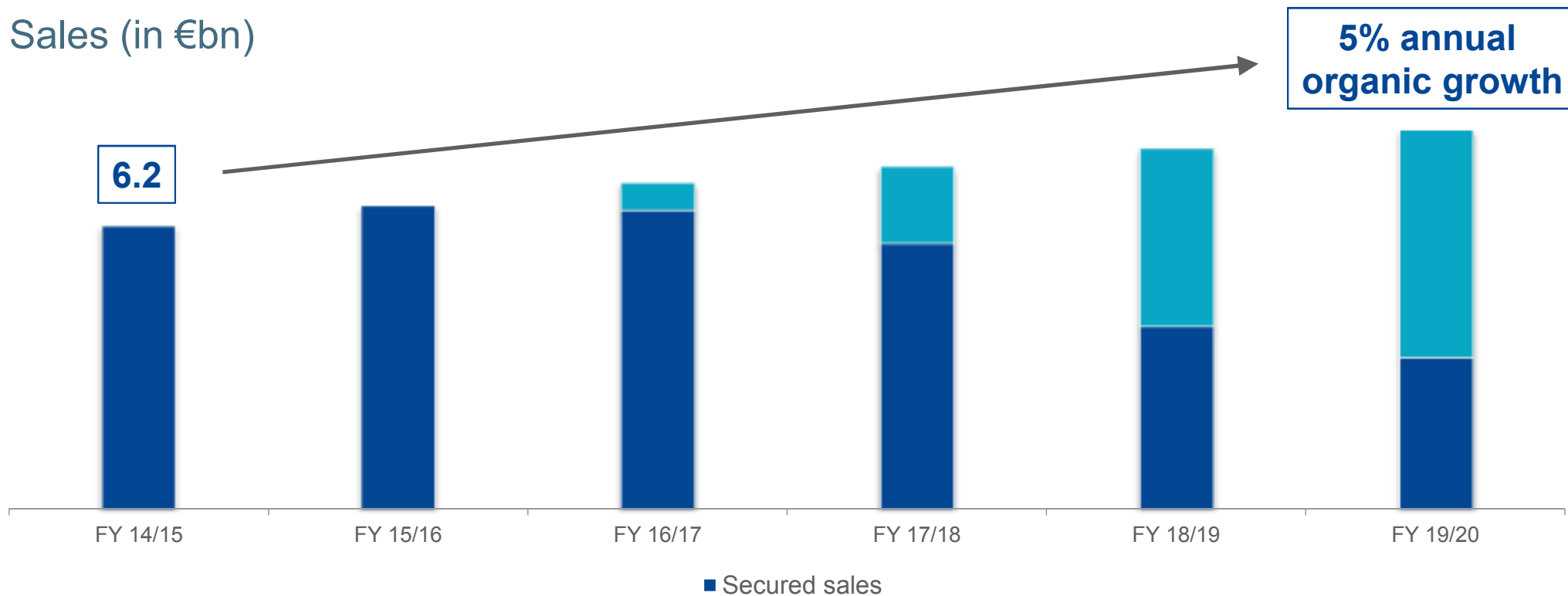


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Sales evolution

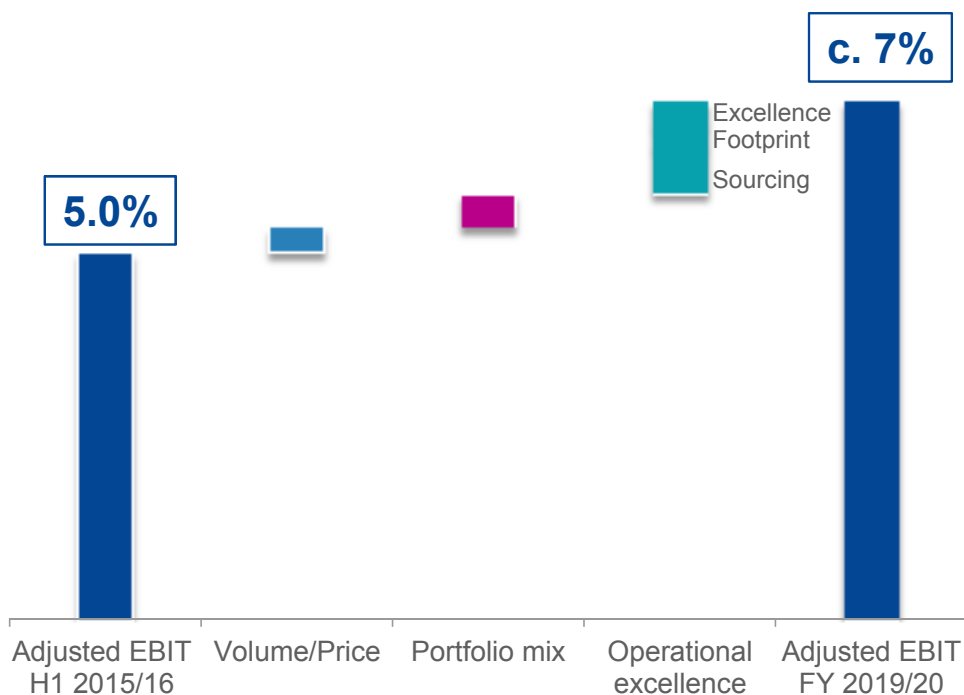
Sales (in €bn)



Current backlog of c.€30bn providing strong visibility on future sales

Progressive margin improvement

Adjusted EBIT margin (in % of sales)



Volume/Price

- Cost absorption driven by solid top-line growth
- Partly offset by price dynamics and competitive environment

Portfolio mix

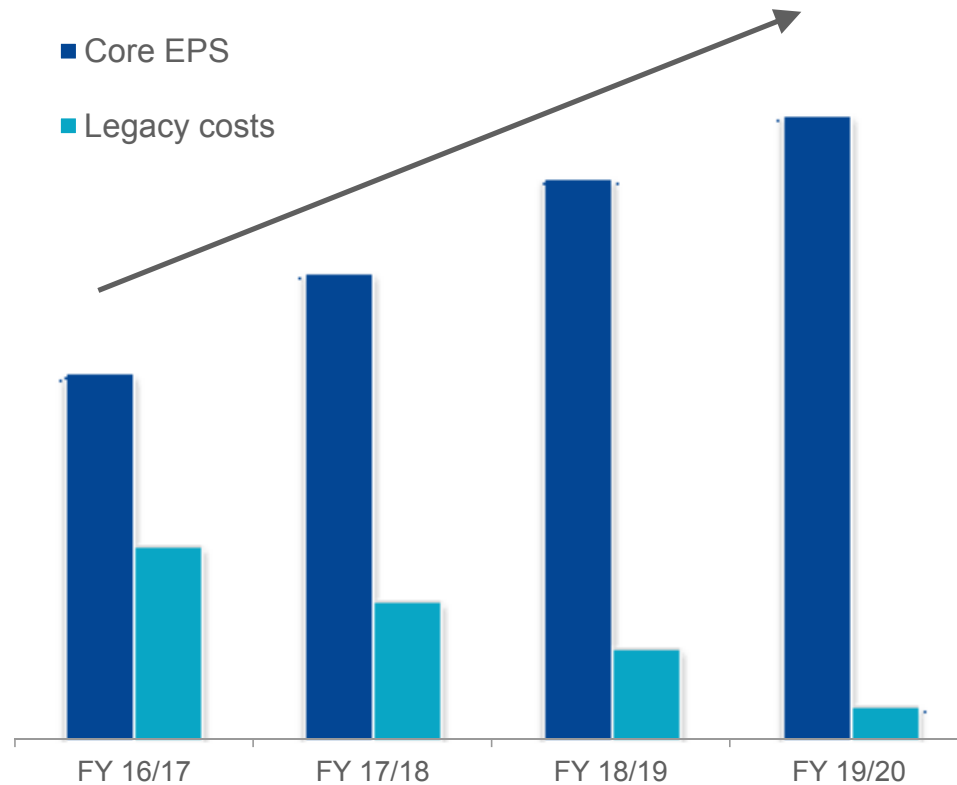
- Growth towards more profitable activities
- Services, signalling, systems to represent c. 60% of sales in 2020

Operational excellence

- Sourcing savings
- Global footprint
- Excellence in delivery with solid project execution

Adjusted EBIT margin to reach around 7% in 2020

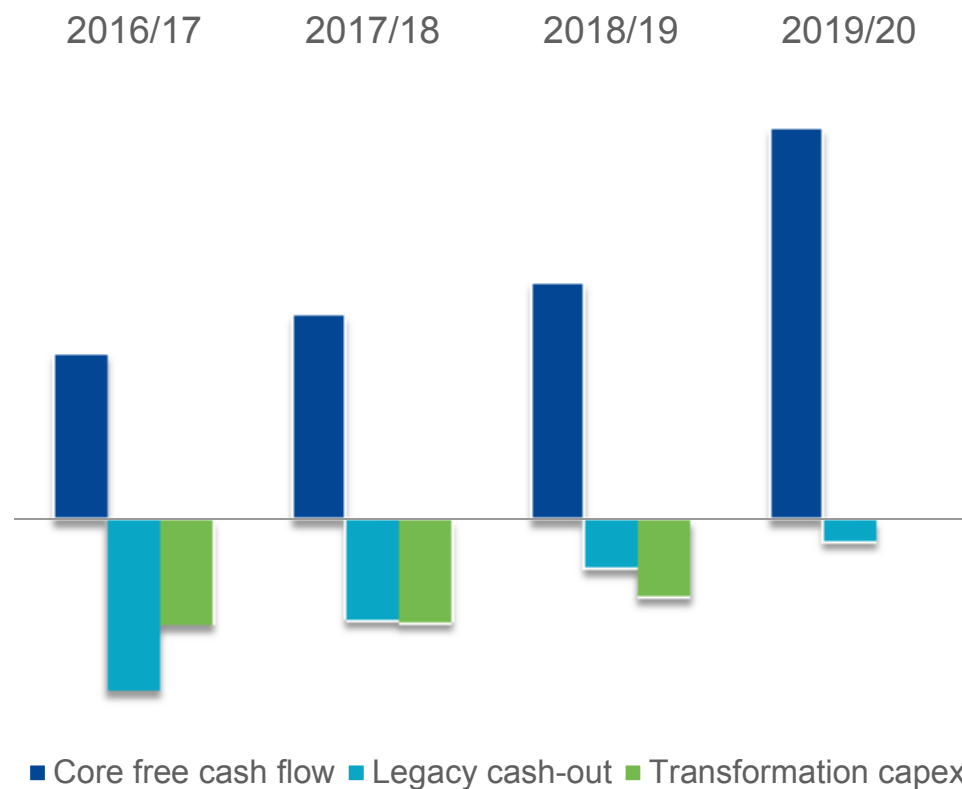
EPS normalising over the period



- EPS impacted by legacy costs derived by GE transaction
- Legacy costs include IS&T costs, legacy gross debt costs, tax rate normalisation period
- Afterwards, EPS evolution expected to be in line with Alstom top-line performance and margin expansion
- Energy JVs not included

Transformation period to leverage new market conditions. Normalisation afterwards

Cash conversion objective



- Short-term impact of legacy cash-out and transformation capex
- Working capital stabilised
- Possible volatility on short periods
- Key focus with strong management actions in place

c. 100% FCF/net income conversion in 2020

Financial capabilities well-gearred for transformation strategy

Solid balance sheet

- Strong equity and liquidity position to sustain 2020 objectives
- Bonding lines secured to support commercial ambitions
- Additional flexibility with put options in the 3 JVs

Rigorous financing policy

- No vendor financing
- Export credit agencies to support commercial efforts
- Systematic hedging of main contracts

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- 6 Signalling & Villeurbanne site

An ambitious strategy for 2020



Agenda

- 1 Introduction
- 2 Railway market overview
- 3 Alstom 2020 strategy
- 4 Alstom financials
- 5 Conclusion
- 6 Signalling & Villeurbanne site**

Signalling overview



■ Key Data

- 7,000 employees in 14 regional centers
- Leader in interlocking installed base
- Leader in ERTMS wayside and train borne
- Leader in metro CBTC installed base

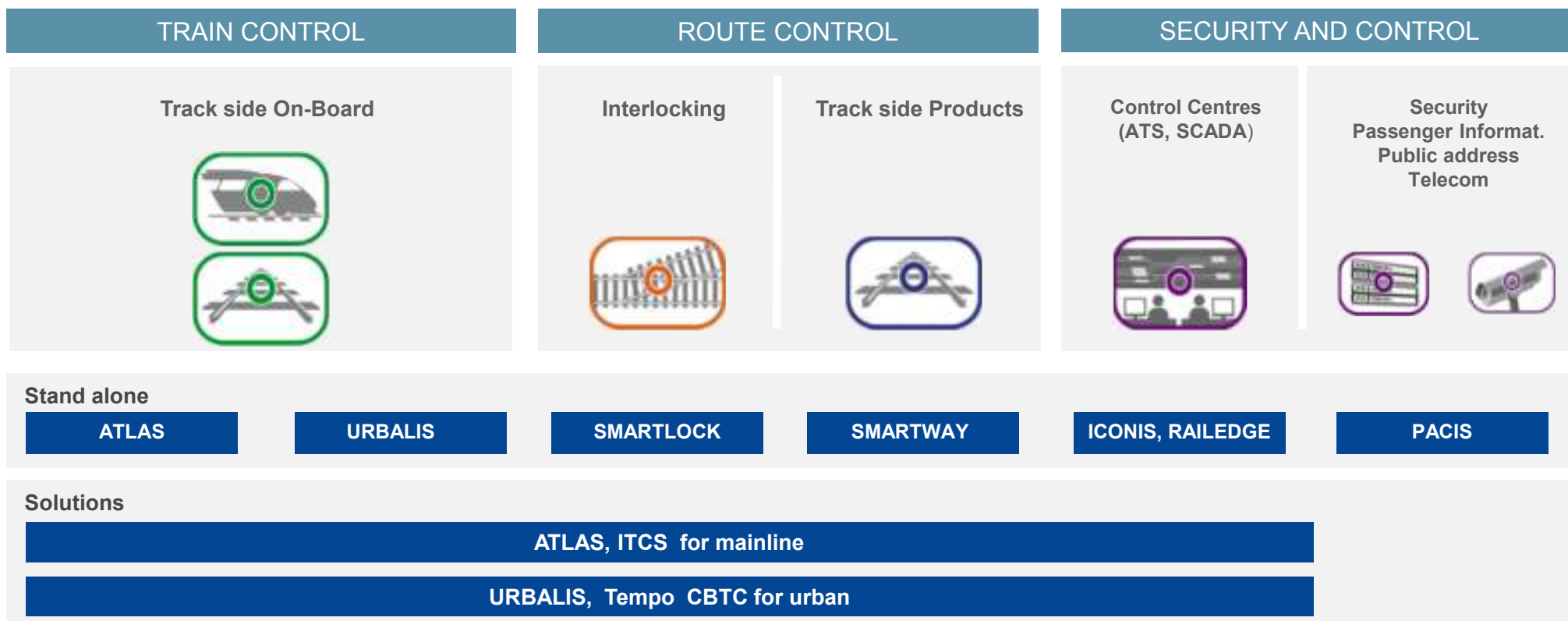
■ Highlights

- Extensive portfolio for urban and mainline, both passenger and freight
- Solid references and proven reliability
 - 79 metro lines with CBTC solutions in 38 cities
 - ERTMS in 23 countries with 70% of on-board equipment in service
 - GPS-based PTC in both passenger and freight rail applications

A complete range of signalling solutions



- An extensive product portfolio serving urban and mainline (freight & passengers)



Urban signalling: Improving network safety & fluidity



■ Urban

- **Urbalis**: signalling solution for higher capacity with minimal headway
 - **25%** of all radio CBTC solutions in operation
- **Tempo** CBTC



■ Telecom, security & control

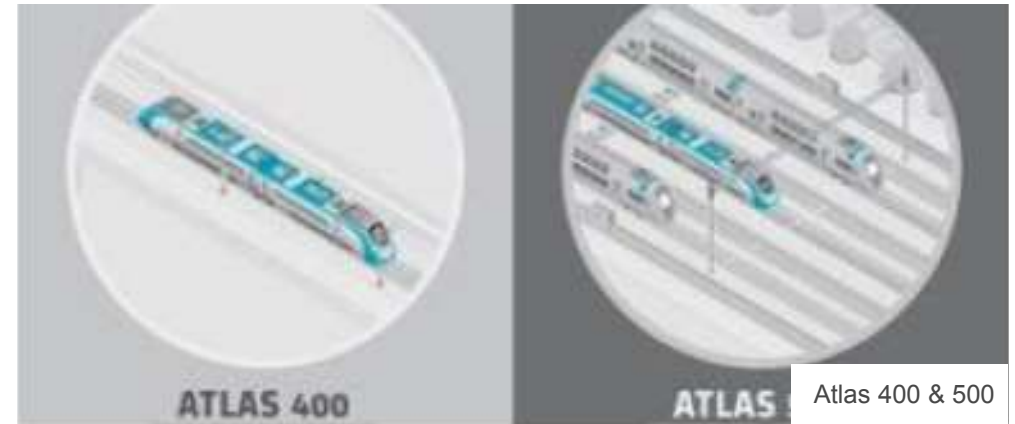
- **Pacis** security centres (stations, tracks, tunnels...)
- **Iconis** and **RailEdge** control centres
- **Pegasus 101** tramway protection solution



Main line signalling for passengers and freight lines



- ERTMS proven solution: **Atlas**
 - **100%** interoperable trains
 - **#1** worldwide with **70%** of on-board equipment in service
- Positive Train control solution: **ITCS**
- Telecom, security and control
 - **Iconis scalable & modular** control centre solution
 - RailEdge
- Interlocking
 - Smartlock range
 - ElectroLogIXS, electronic Interlocking
 - VHLC, Vital logic controller
- Track product (point machine, level crossing, axel counter)



Case study: Albacete-Alicante



■ Scope

- 22 years design, build, finance and maintain contract
- Alstom supplying ERTMS level 2 and signalling for 165km line

■ Status

- Contract signed in 2011, in service in 2013



An innovative ERTMS PPP project in Spain

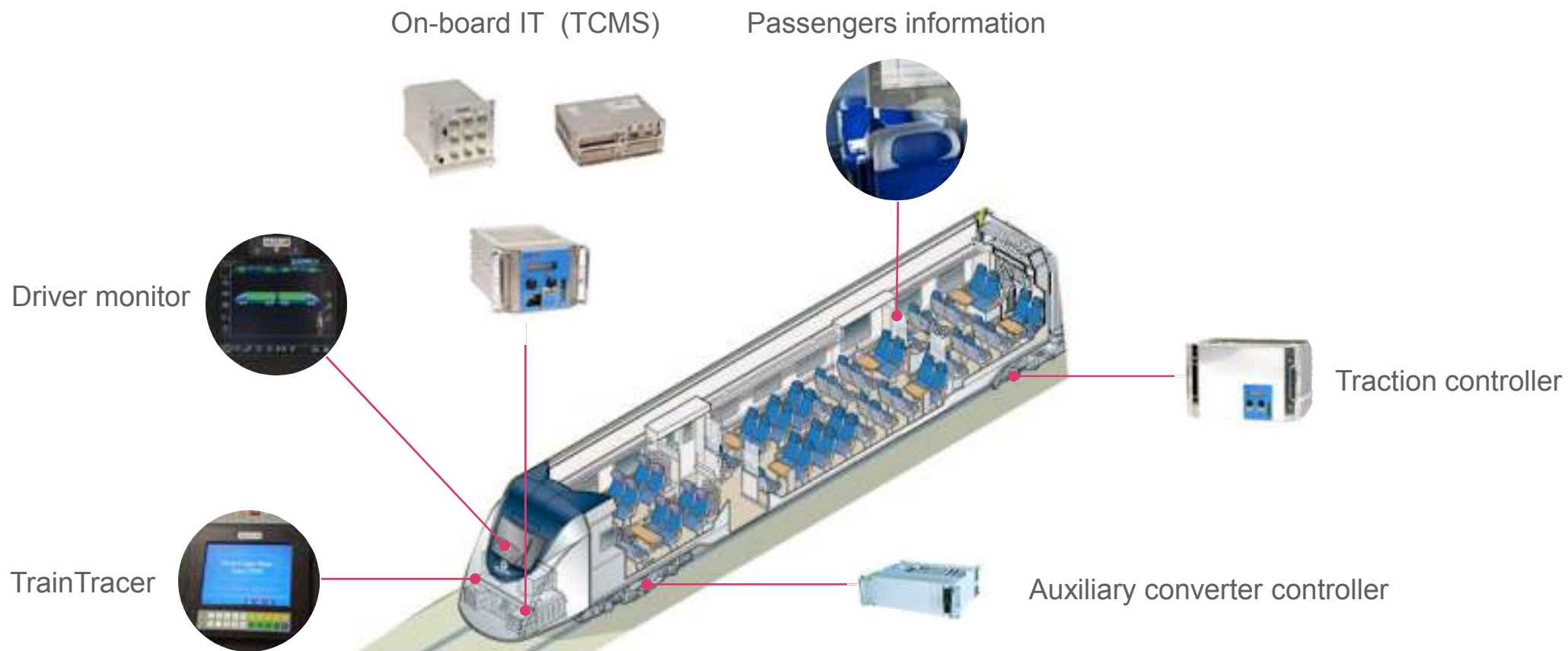
Villeurbanne: Key facts

- **880 permanent employees**
- **100,000** finished goods delivered each year
- **22,000** electronics products realized every year for Services activity
- More than **40 R&D** programs
- **600** products in our catalogue
- A **new building** since August 2015



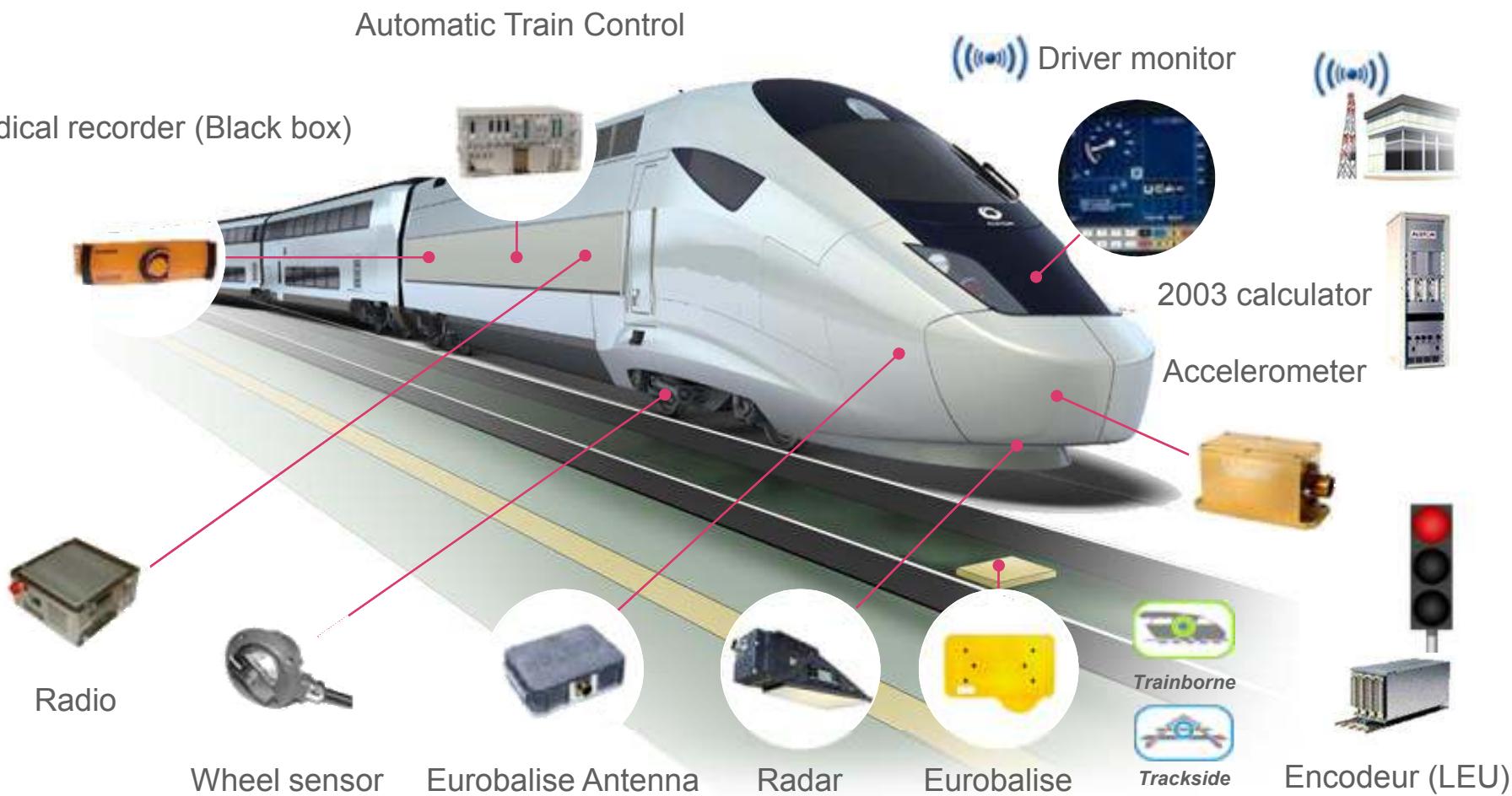
Villeurbanne: Our products

On-board electronic systems

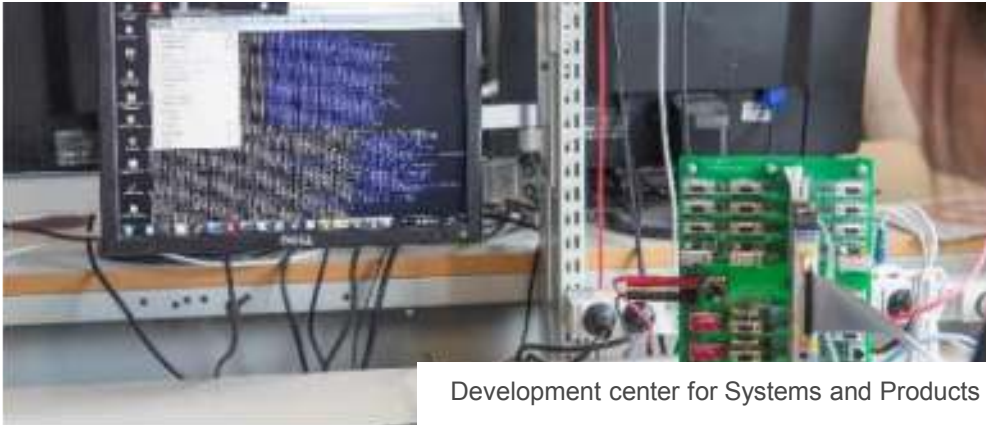


Villeurbanne: Our products

Signalling systems



Villeurbanne: Activities



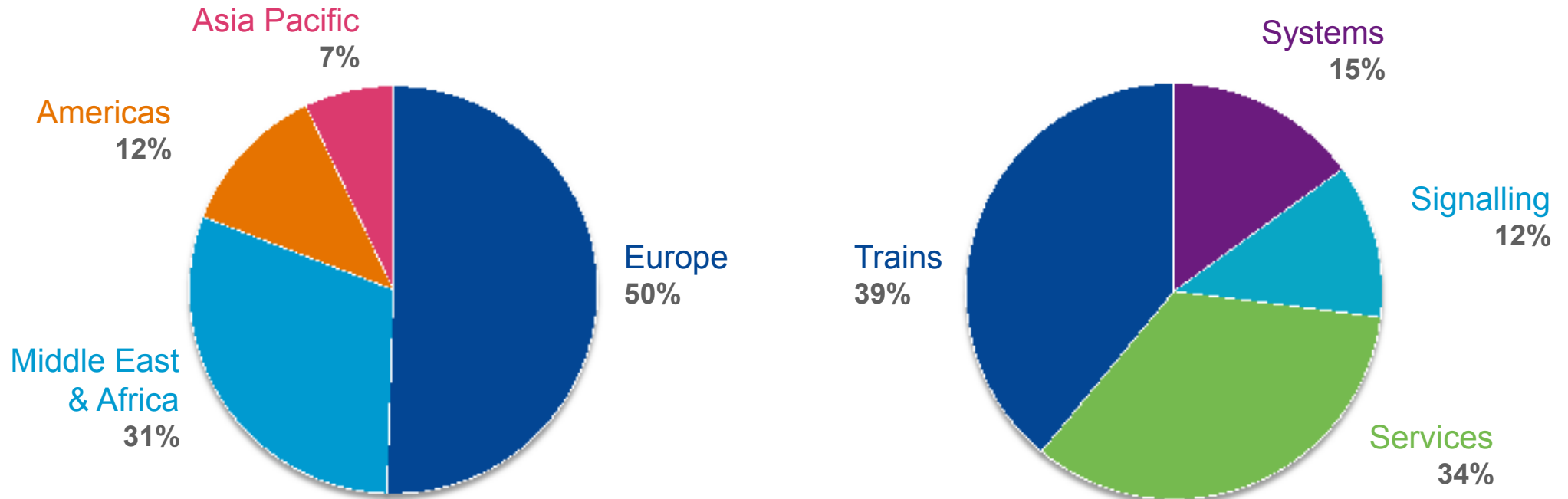


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Orders backlog

Breakdown as of end Sept. 2015



Orders & Sales geographic breakdown

<i>Orders received by destination (in €m)</i>	FY 2013/14	FY 2014/15	H1 2015/16	9M 2015/16
Total	6,148	10,046	3,897	6,255
Europe	2,543	2,811	1,417	3,260
Americas	1,459	980	834	1,080
Asia Pacific	381	1,141	602	886
Middle-East & Africa	1,765	5,114	1,044	1,029

<i>Sales by destination (in €m)</i>	FY 2013/14	FY 2014/15	H1 2015/16	9M 2015/16
Total	5,726	6,163	3,303	4,916
Europe	3,808	4,255	1,983	3,007
Americas	702	739	501	723
Asia Pacific	453	449	364	507
Middle-East & Africa	763	720	455	679

Note: Kazakhstan and Azerbaijan moved from Europe to Middle-East Africa

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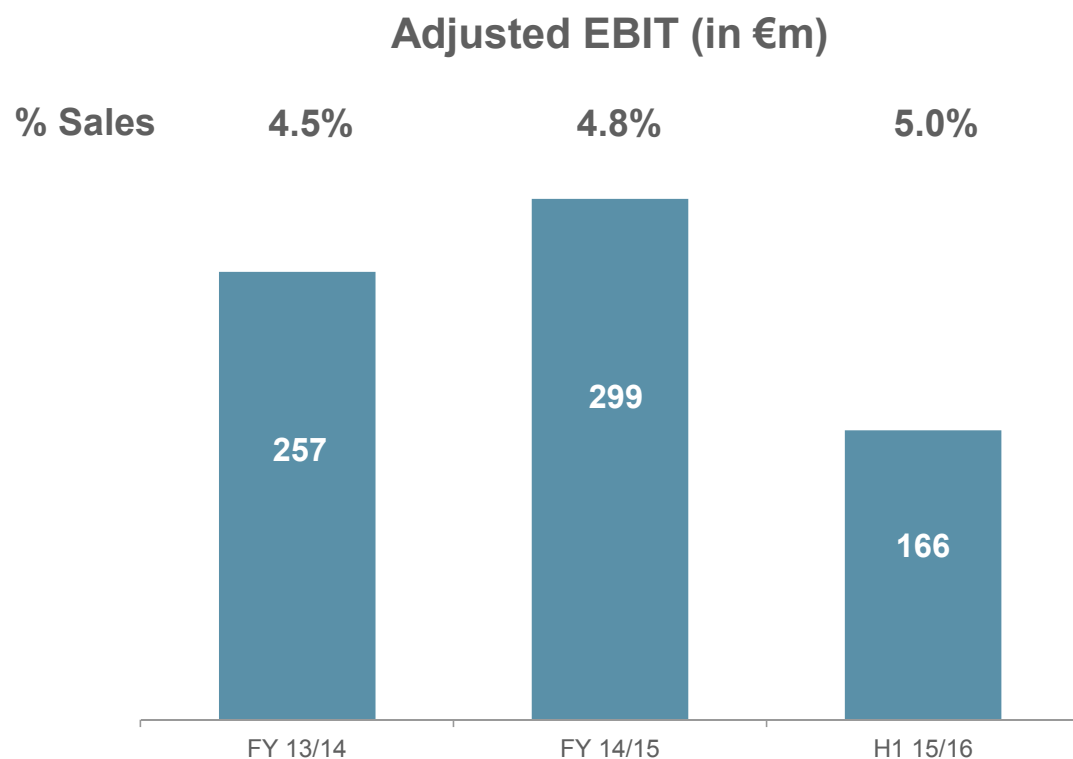
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Orders & Sales product breakdown

<i>Orders received by destination (in €m)</i>	FY 2013/14	FY 2014/15	H1 2015/16	9M 2015/16
Total orders	6,148	10,046	3,897	6,255
Trains	1,693	4,968	1,643	3,122
Services	1,510	2,425	780	1,150
Systems	2,319	1,386	524	887
Signalling	608	1,264	949	1,095
Other	18	3	1	1

<i>Sales by destination (in €m)</i>	FY 2013/14	FY 2014/15	H1 2015/16	9M 2015/16
Total sales by destination	5,726	6,163	3,303	4,916
Trains	2,868	3,308	1,565	2,320
Services	1,137	1,251	792	1,162
Systems	805	683	430	636
Signalling	871	897	505	785
Other	45	24	12	13

Adjusted EBIT definition



Rationale

- New KPI to align with market practice

Definition

- Adjusted EBIT corresponds to Earning Before Interests, Tax and Net Result from Equity Method Investments adjusted with:
 - Net restructuring expenses
 - Tangible and intangible assets impairment
 - Capital gains or loss/revaluation on investment disposal or control change on an entity
 - And any other non-recurring items, i.e. “one-off”/exceptional items that are not supposed to be reappearing in following years and that are significant

Income statement

Annexes

<i>(in €m)</i>	FY 2013/14	FY 2014/15	H1 2015/16
Sales	5,726	6,163	3,303
Adjusted EBIT	257	299	166
Adjusted EBIT %	4.5%	4.8%	5.0%
Restructuring	(48)	(106)	(14)
Assets impairment	(20)	(54)	(78)
Capital gains/losses	-	-	37
Other exceptional	(27)	(760)	(10)
EBIT	162	(621)	101
Financial result	(159)	(137)	(86)
Tax result	94	8	(2)
Share in net income of equity investees	70	(64)	13
Minority interests from continued operations	(7)	(9)	(8)
Net Income – Continued operations	160	(823)	18
Net Income – Discontinued operations	396	104	(75)
Net Income – Group share	556	(719)	(57)

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	GRID	RENEWABLE POWER	NUCLEAR & FRENCH STEAM
Share in capital	50% - 1 share	50% - 1 share	20% - 1 share*
Acquisition price	c. €1.7bn	c. €0.6bn	c. €0.1bn
Liquidity rights	<ul style="list-style-type: none"> ■ Sept. 2018 or Sept. 2019 ** ■ Exit price not to be lower than acquisition price +3% per 		<ul style="list-style-type: none"> ■ For 3 months after the 5th and 6th anniversaries of the joint venture** ■ Exit price not to be lower than acquisition price +2% per year

* Specific governance rights for the French state

** I.e. starting Nov. 2020. Under certain conditions

- Energy JVs to be reported in the share of net income from equity investees
- Put options exit price locked-in



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