

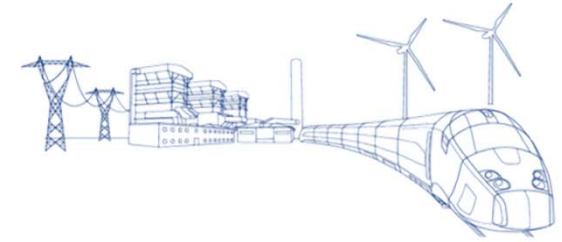
Annual Results

Fiscal Year 2014/15

6 May 2015

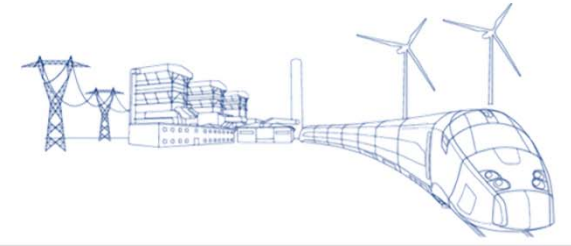


Key takeaways



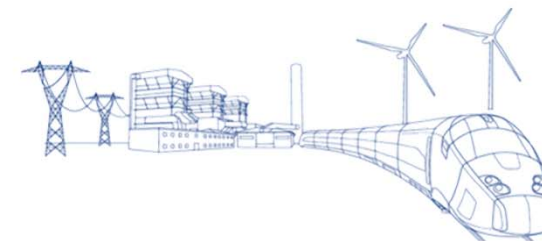
- 2014/15 results – guidance met
 - **Transport** showing **solid commercial and operational performance**
 - Orders up 63%, sales growth of 8% (7% organic)
 - IFO margin (including corporate costs) improving by 50bps to 5.2%
 - **Energy** businesses classified as **discontinued operations** (IFRS 5)
 - **FCF from continued operations** (bef. tax and financial cash-out) positive, with H2 more than offsetting negative H1
 - Strong cash flow generation for the Group in H2 (€1 billion)
- Update on General Electric / Alstom project
 - Competition authorities and regulatory authorisations ongoing
 - Closing expected in the coming months
- Confirmation of medium-term guidance

Agenda



- **Key events 2014/15**
- Financial results
- Update on GE/Alstom project
- Outlook

2014/15 key figures



Good operational performance, strong cash flow in H2

<i>In € million</i>	2013/14*	2014/15	% change	% change organic
Orders	6,148	10,046	63%	61%
Sales	5,726	6,163	8%	7%
IFO **	268	318	19%	
Operating margin	4.7%	5.2%		
Net income – Cont. operations	160	(823)		
Net income – Discontinued operations	396	104		
Net income – Group share	556	(719)		
Free cash flow *** – Continued operations	234	77		
Free cash flow *** – Discontinued operations	98	19		
Free cash flow	(157)	(429)		

* Adjusted after IFRS 5 and IFRS 11

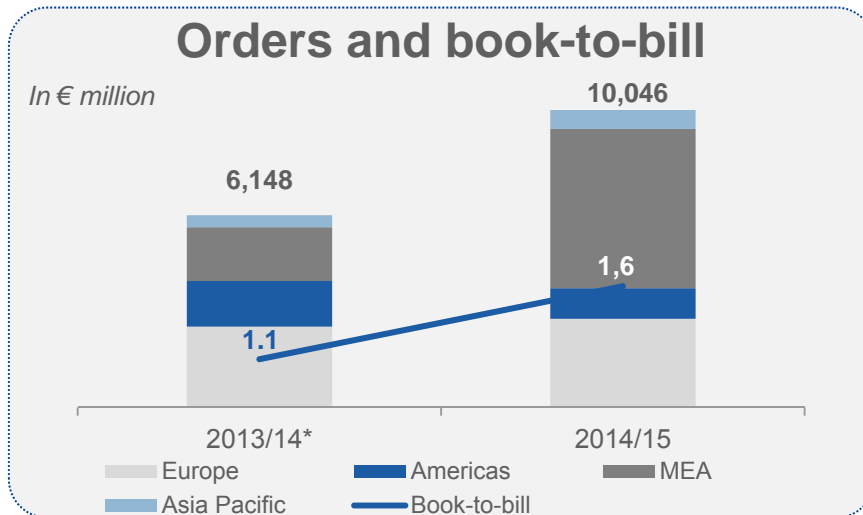
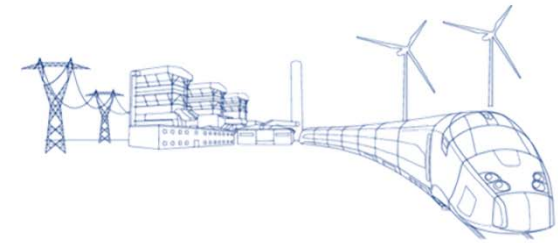
P 4

** After corporate costs

*** Before tax and financial cash-out

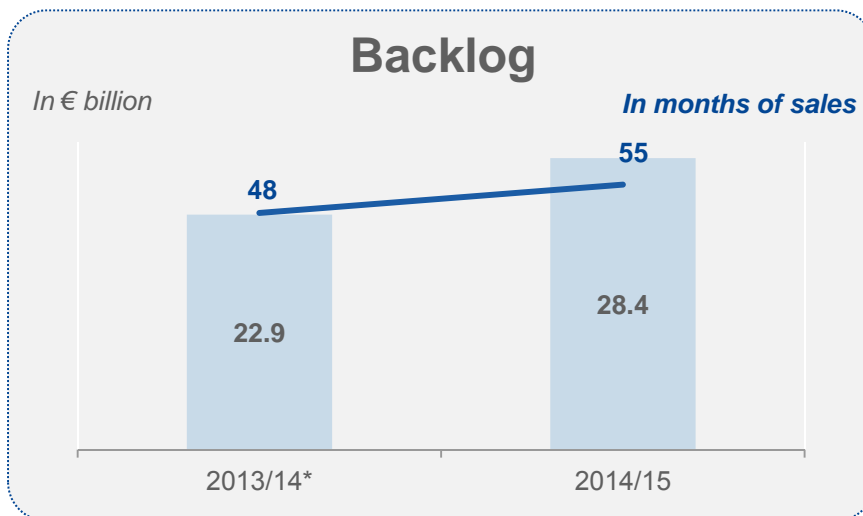
ALSTOM

High level of orders fuelled by large projects



Strong order intake

- Book-to-bill of 1.6
- Strong demand for urban products, signalling and services
- Emerging markets representing 63% of orders, driven notably by Middle-East/ Africa (including a €4bn jumbo rail contract in South Africa)

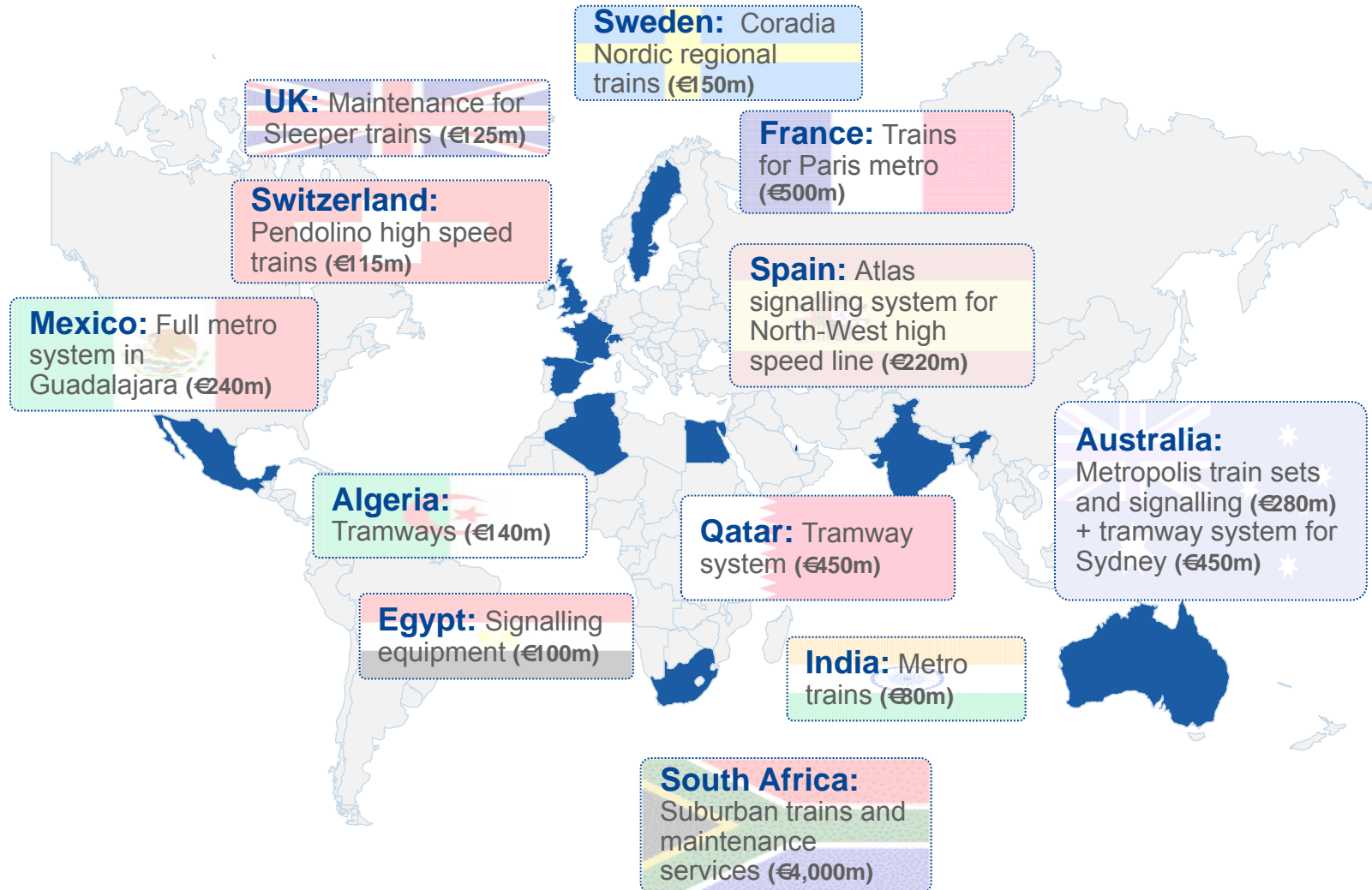
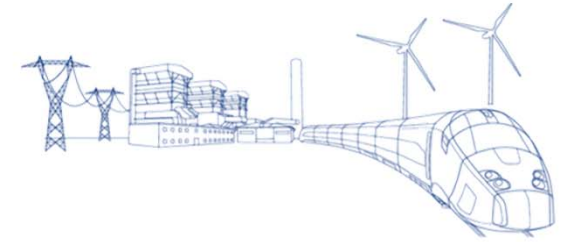


Record high backlog

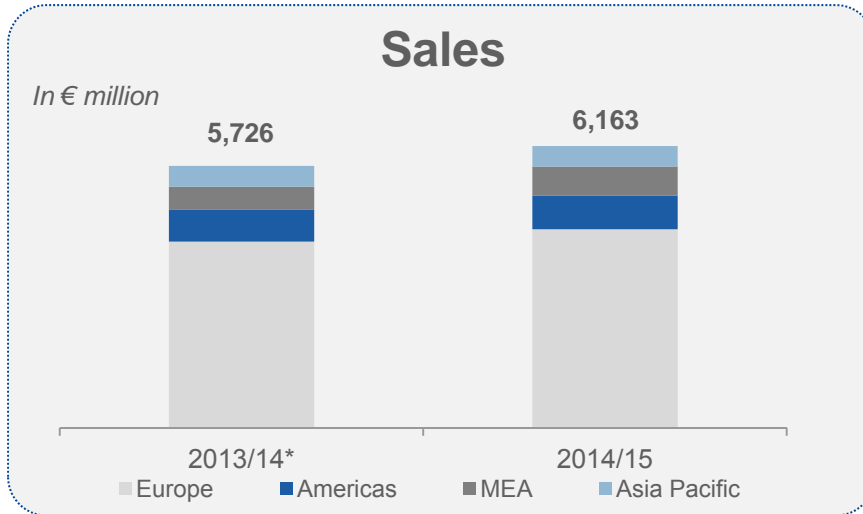
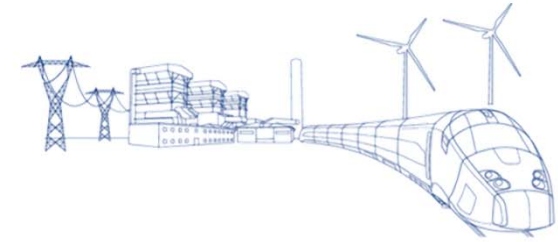
- Backlog representing 4.5 years of sales

* Adjusted after IFRS 11

Main orders – Diversification across all geographies

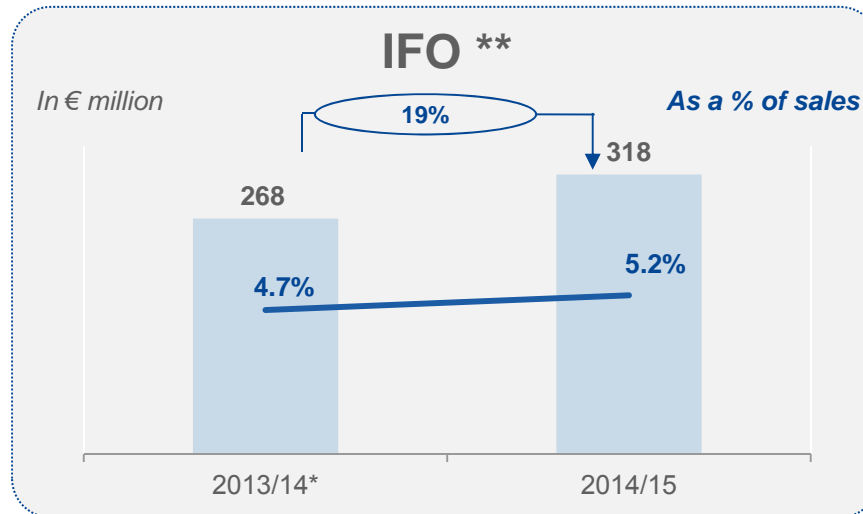


Sales and operating income growing substantially



Organic growth of 7% in 2014/15

- Main deliveries: suburban, intercity and high-speed trains in France, Italy and Germany; very high-speed trains in Morocco; tramways in Dubai
- Emerging countries representing 30% of sales



Marked increase in operating income

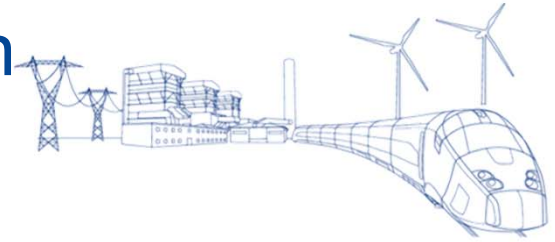
- Good project execution
- Tight cost control (d2e performance plan)
- Partly mitigated by ramp-up costs associated with new platforms

* Adjusted after IFRS 11

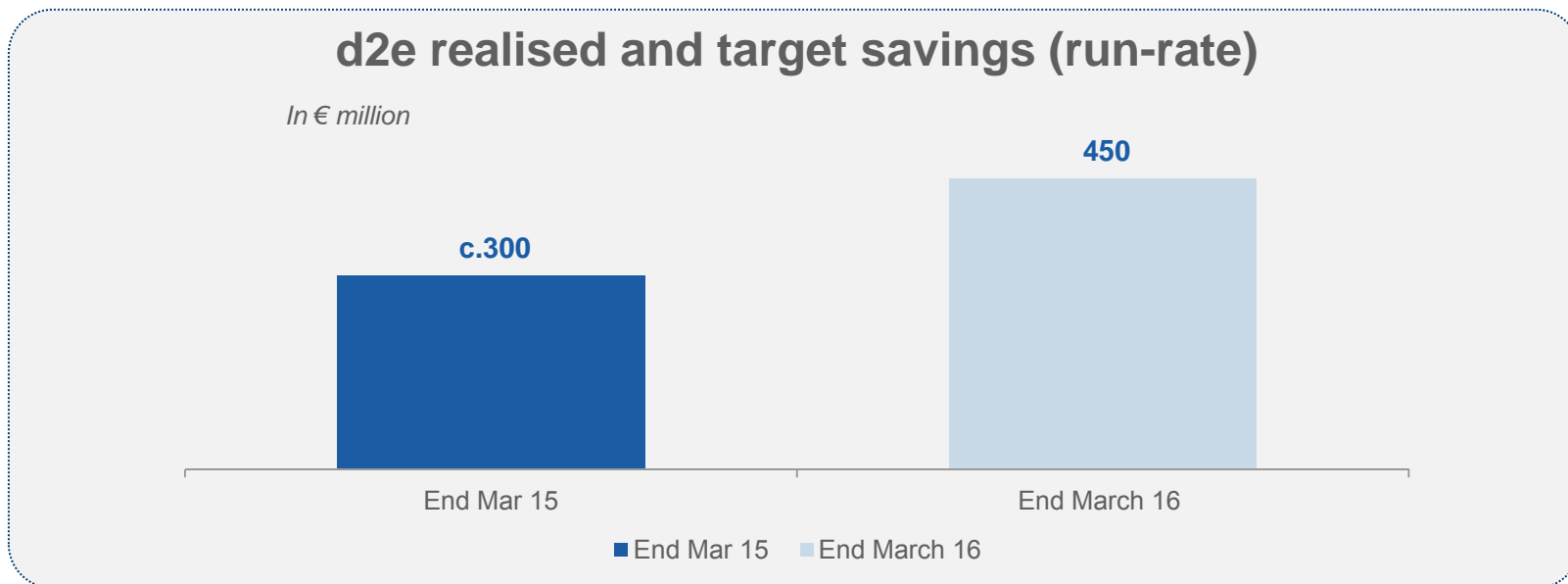
** After corporate costs



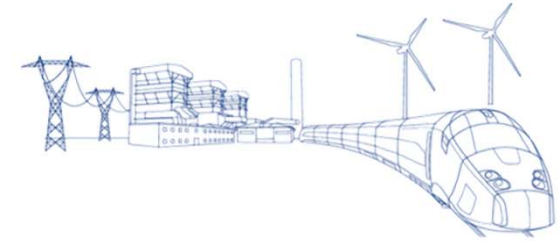
“Dedicated to Excellence” plan progressing well



Savings achieved according to plan



€450 million of savings targeted by end March 2016 vs. 2012/13 cost base



Sourcing

- **More efficient organisation** with a better balance between central and local sourcing through all commodities
- **Action plans on levers started to deliver** (LCC sourcing content, optimise prices in supply chain, make or buy optimisation, design-to-cost)

Manufacturing

- **Lean practices** deployed to all functions and activities
- Higher standardisation and modularisation through **best-in-class processes and tools**

Industrial footprint

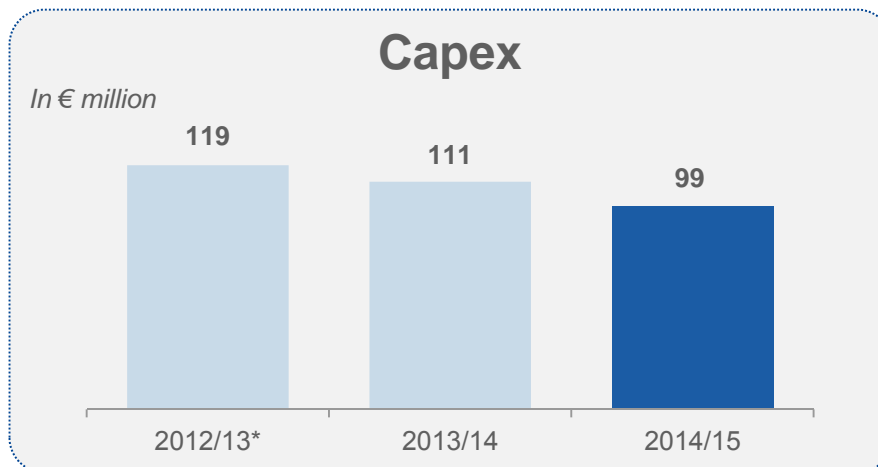
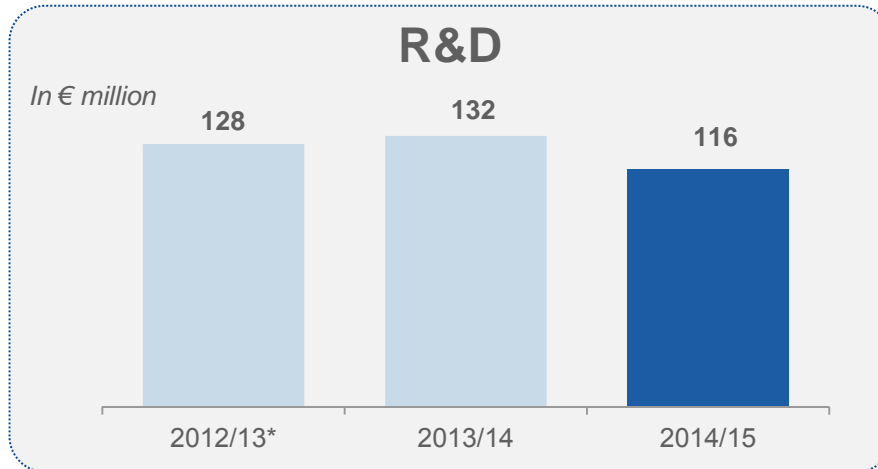
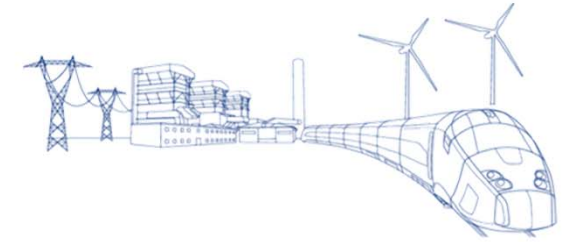
- Optimisation of the **global footprint** and organisation streamlining
- **Adjustment of capacity** to market demand

S&A and R&D

- **Reduction of S&A** while maintaining commercial efficiency to leverage worldwide positions
- Continuation of **selective R&D efforts**

➔ Address the €5bn cost base and make a €450m improvement

Focused investments for future growth



Main R&D programmes

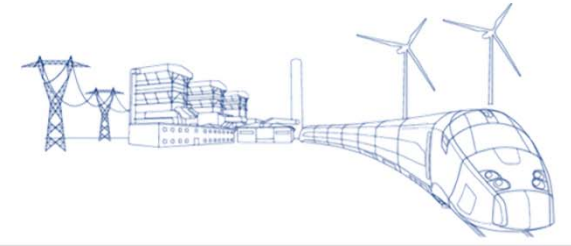
- Trains
 - Citadis™ X05 tramway
 - Citadis™ Spirit light rail vehicles (North America)
- Systems
 - AXONIS™, integrated metro solution
- Services
 - HealthHub™, predictive maintenance tool
- Signalling
 - URBALIS Fluence™
 - Smartlock™ 400 GP
 - Atlas™ 400 / Atlas 500 solutions

Recent capex developments

€100m invested in modernisation and expansion of manufacturing footprint:

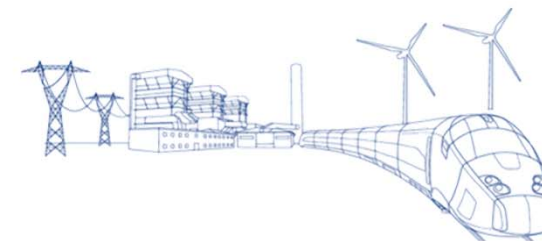
- Signalling centre in Bangalore, India
- Tramway manufacturing facility in Taubaté, Brazil
- Modernisation of manufacturing sites in Europe

Agenda



- Key events 2014/15
- **Financial results**
- Update on GE/Alstom project
- Outlook

Income statement



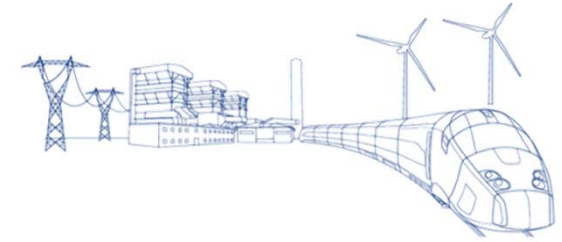
In € million

	2013/14*	2014/15	% change reported	% change organic
Sales	5,726	6,163	8%	7%
IFO **	268	318	19%	
<i>Operating margin</i>	4.7%	5.2%		
Restructuring charges	(48)	(106)		
Other non-operating expenses	(58)	(833)		
EBIT	162	(621)		
Financial result	(159)	(137)		
Tax result	94	8		
Share in net income of equity investees	70	18		
Impairment of equity investees	-	(82)		
Minority interests from continued operations	(7)	(9)		
Net income – Continued operations	160	(823)		
Net income – Discontinued operations	396	104		
Net income – Group share	556	(719)		

* Adjusted after IFRS 5 and IFRS 11

** Including corporate costs

Free cash flow



In € million

IFO

Restructuring cash-out	(35)	(85)
Depreciation	74	102
Capex	(111)	(99)
R&D capitalised, net of amortisation	(9)	(4)
Pensions	(10)	(5)
Change in working capital	33	(94)
Other	24	(56)
Free cash flow ** – Continued operations	234	77
Free cash flow ** – Discontinued operations	98	19
Financial cash-out	(227)	(276)
Tax cash-out	(262)	(249)
Free cash flow – Group	(157)	(429)

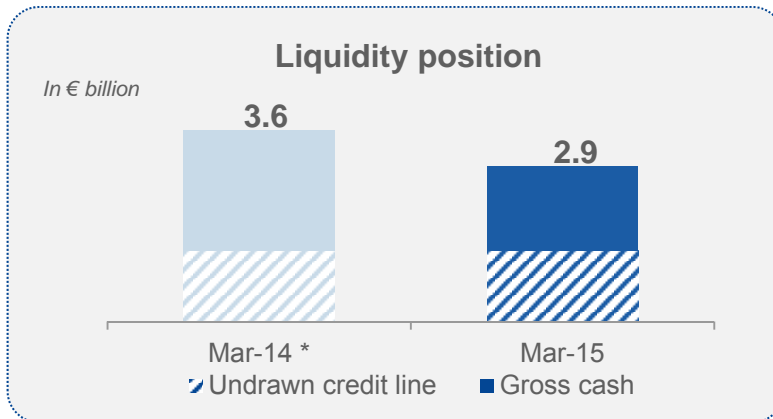
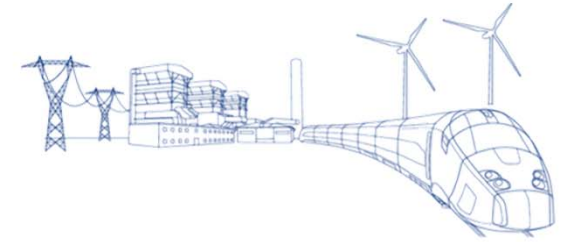
2013/14*	2014/15
268	318
(35)	(85)
74	102
(111)	(99)
(9)	(4)
(10)	(5)
33	(94)
24	(56)
234	77
98	19
(227)	(276)
(262)	(249)
(157)	(429)

• FCF from continued operations

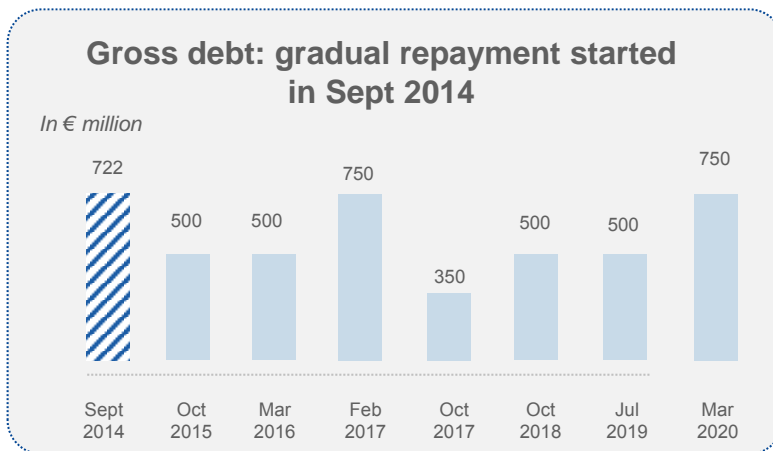
- Temporary negative cash profile of a few contracts in H1 partly reversed in H2
- Stringent working capital management

* Adjusted after IFRS 5 and IFRS 11
 P 13 ** Before tax and financial cash-out

Liquidity and gross debt

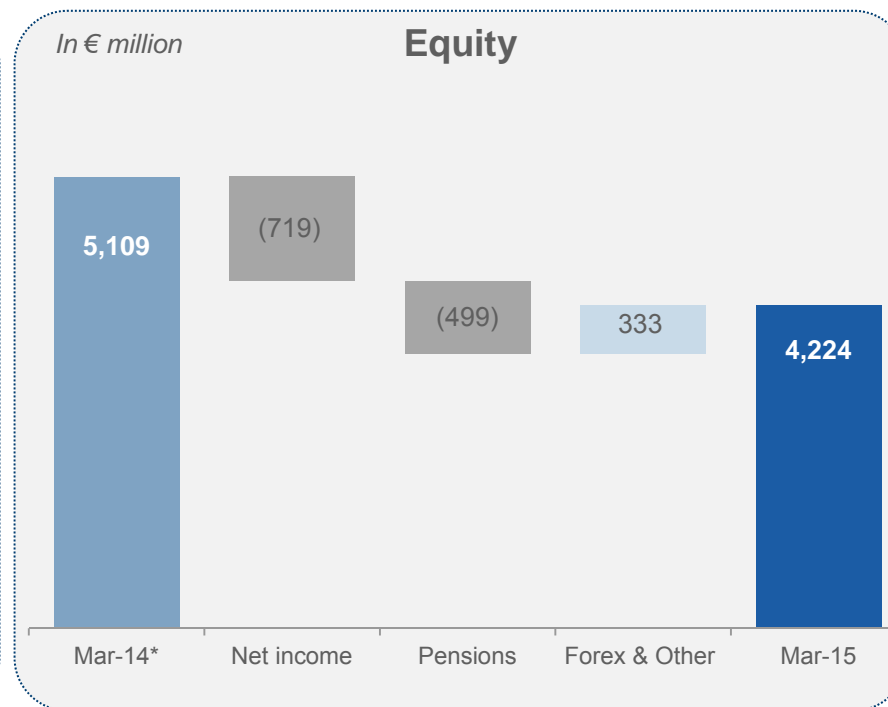
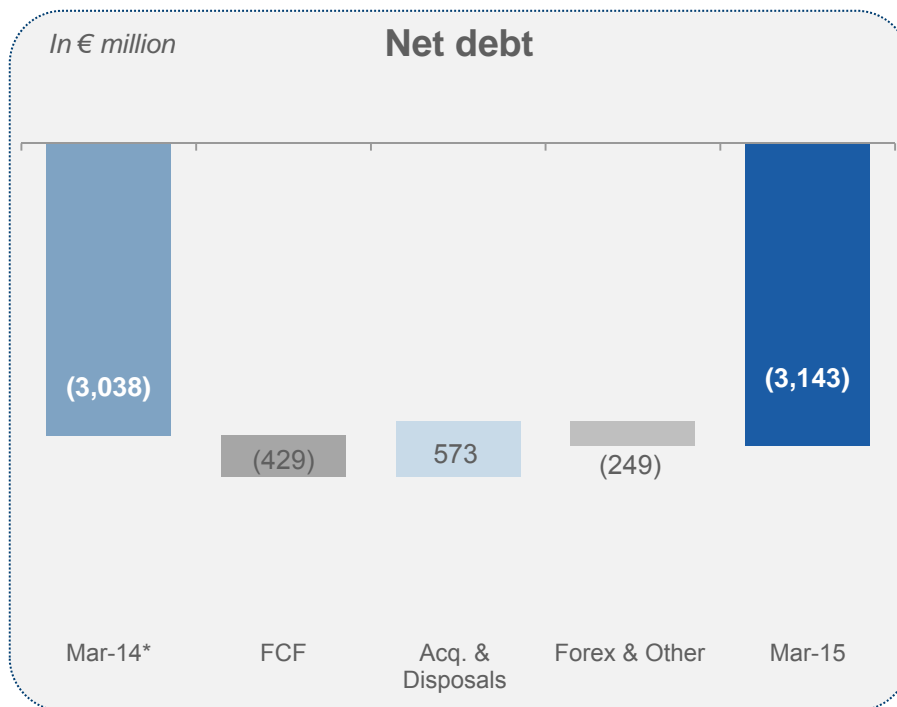
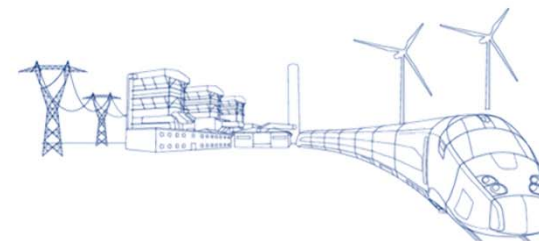


* Adjusted after IFRS 11



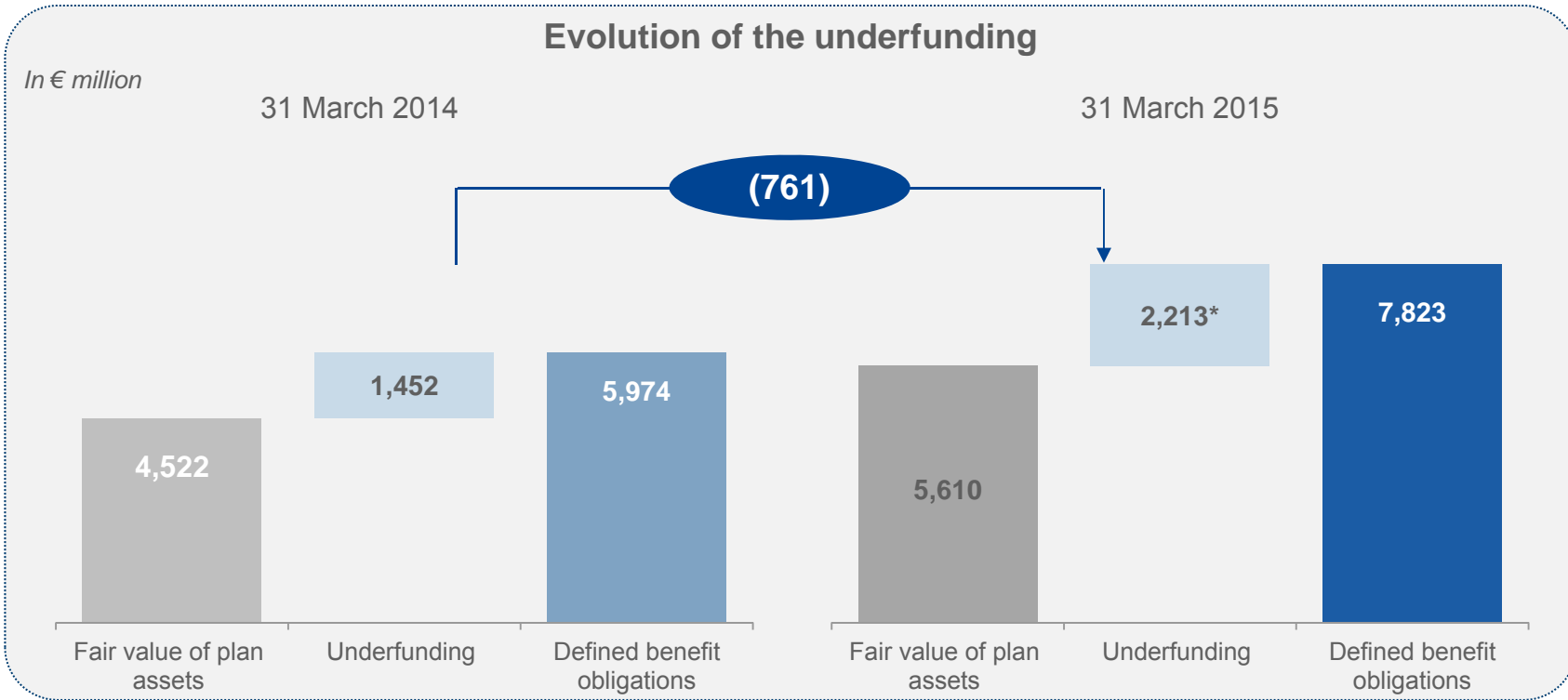
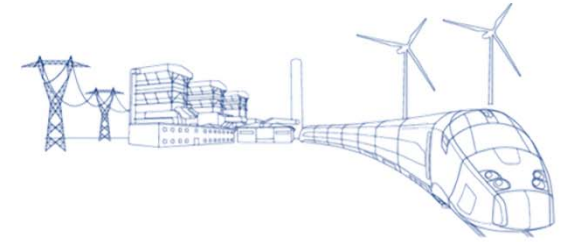
- A €1.35 billion undrawn credit line
- Liquidity backed by new €1.6 billion revolving credit facilities available until completion of GE transaction
- Waiver obtained on financial covenants for all facilities until completion of GE transaction
- New bonding and revolving credit facilities to replace existing facilities after completion of GE transaction currently being negotiated

Net debt & equity



* Adjusted after IFRS 11

Pensions

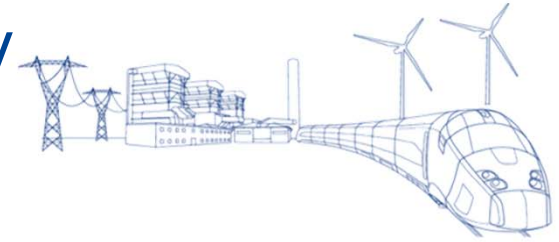


* Continued operations accounting for €452 million

- Impacted by lower discount rate assumptions and forex

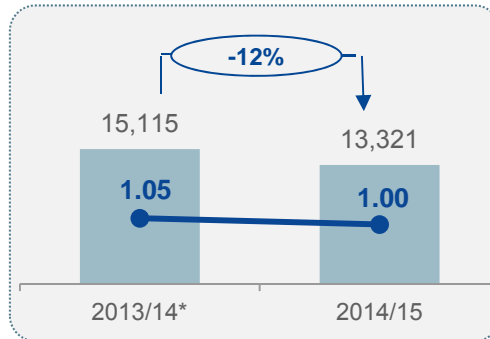
Discontinued operations - Alstom Energy

Key figures for information purposes

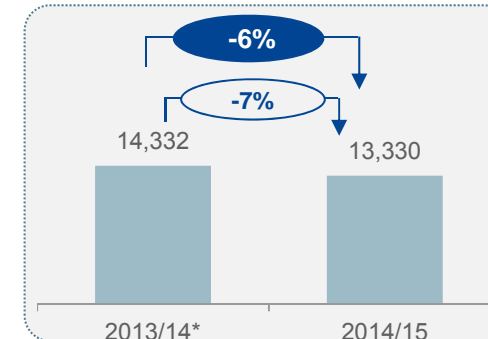


In € million

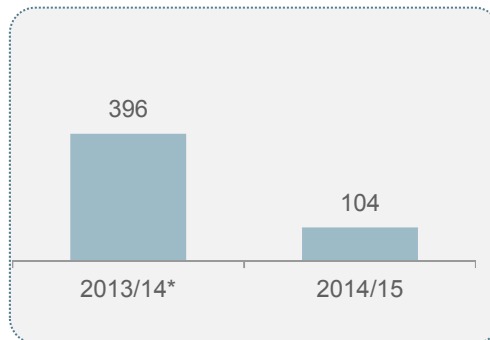
Orders and book-to-bill



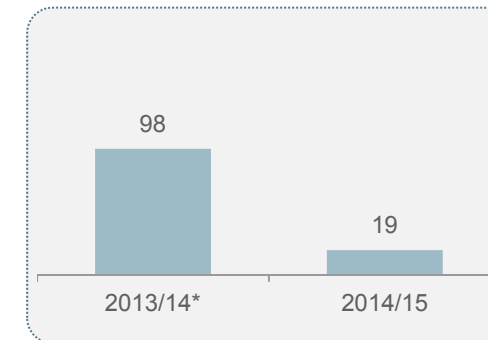
Sales



Net income

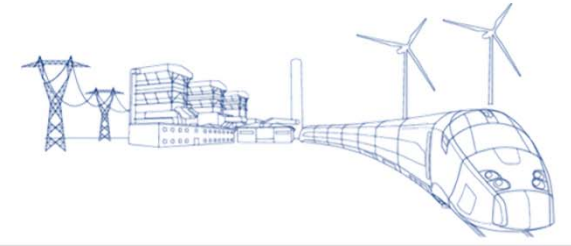


FCF – before tax and financial cash-out



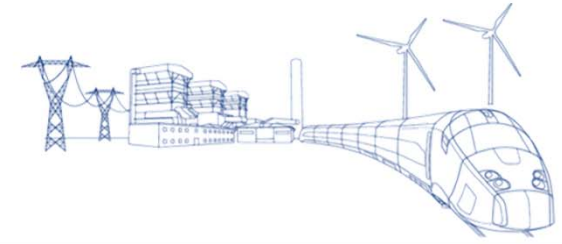
- Orders down 12%, impacted by low order intake in Thermal Power new built
- Sales decrease reflecting slower order intake in recent quarters
- Net income impacted by lower sales and specific items
- Strong free cash flow in H2 offsetting cash outflow over H1

Agenda



- Key events 2014/15
- Financial results
- **Update on GE/Alstom project**
- Outlook

Project with GE on track



Completed

- Information – consultation with works councils
- Finalisation and signing of sale contract and other associated agreements
- Finalisation of GE Signalling acquisition and global rail alliance
- French Foreign Investment authorisation obtained
- Transaction largely approved by shareholders (99%)

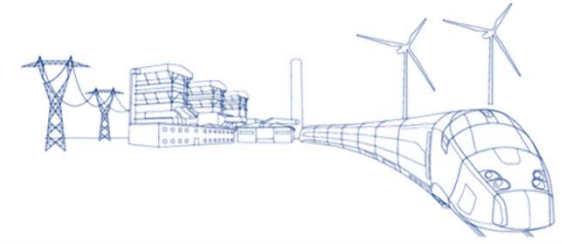
Ongoing

- Competition and regulatory authorisations process

In the coming months

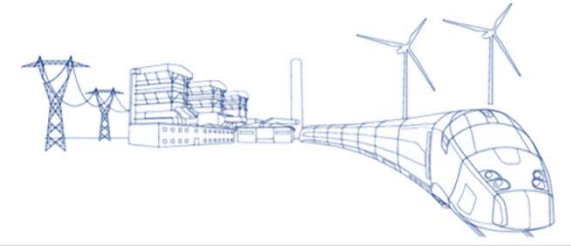
- Closing
- After closing: cash return to shareholders (Shareholders' Meeting to be convened)

Use of proceeds



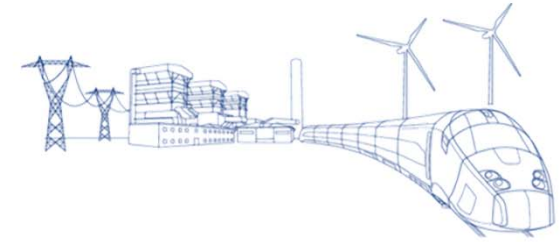
- **Provide the Group with a solid balance sheet structure**
 - Deleverage the Group
- **Support development of the Group**
 - GE Signalling acquisition
 - Reinvestment in the JVs with GE
 - Headroom for future growth embedded in the cash position and in the liquidity rights of the JVs
- **Maintain strong liquidity**
 - Ample liquidity at closing
 - Outstanding debt to be reimbursed progressively
- **Return cash to shareholders**
 - Public share buy-back offer favoured (OPRA)
 - Indicative range of €3.5-4bn

Agenda



- Key events 2014/15
- Financial results
- Update on GE/Alstom project
- **Outlook**

2014/15 Guidance achieved



Organic sales growth

- High single digit

7%



Operating margin*

- Over 5%

5.2%



Free cash flow -
Continued operations

- Positive over the full-year (before tax and financial cash-out)

€77 million



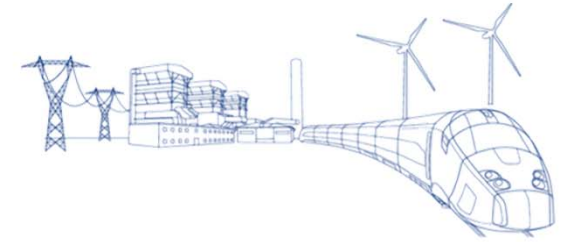
Group free cash flow

- Substantially positive in H2

€947 million (H2) ✓

* IFO margin including corporate costs

Medium-term guidance confirmed



Organic sales growth

Operating margin*

Group free cash flow

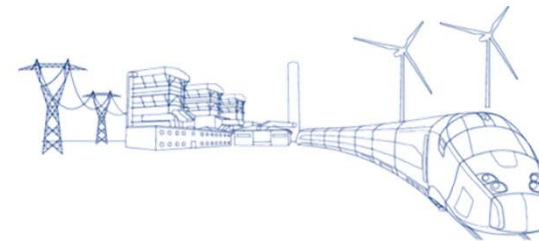
Medium term

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

* IFO margin including corporate costs

** Before Energy JVs

Contacts and agenda



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AGENDA

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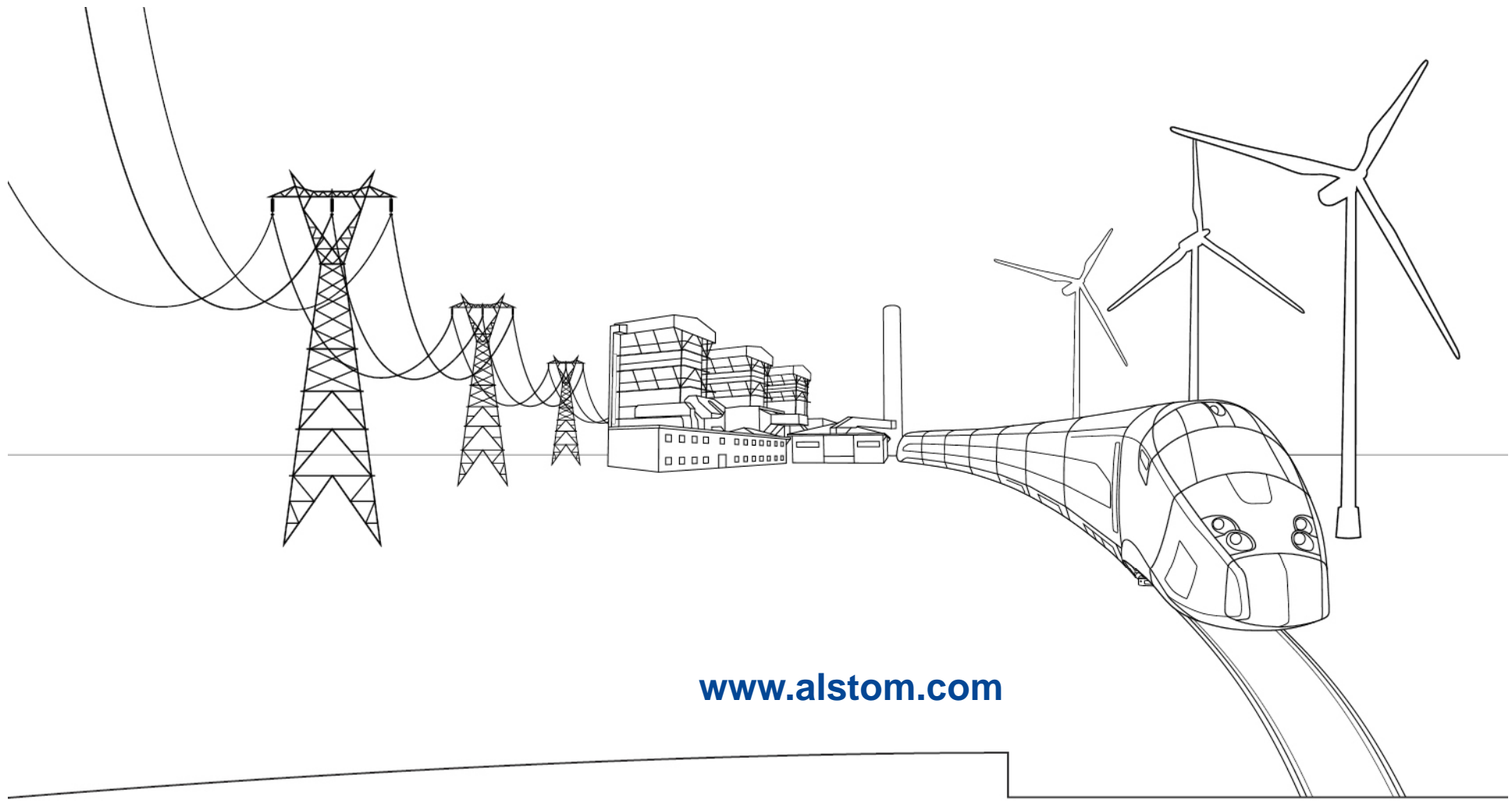
June 2015

Shareholders' Meeting

20

July 2015

Q1 2015/16 Orders and Sales



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