

# Annual results 2011/12

Patrick Kron  
4 May 2012

*We are shaping the future*

**ALSTOM**

# Annual results 2011/12

Main events 2011/12

Financial results 2011/12

Outlook

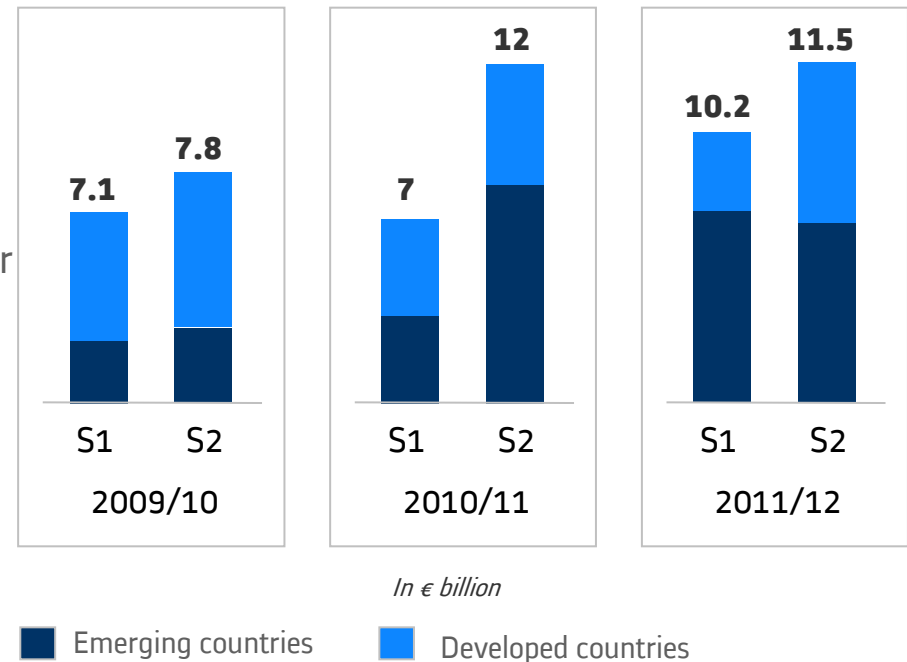
## Results in line with guidance, high level of orders

- **A solid commercial activity**
  - Orders at €21.7 billion (+14%) during the fiscal year 2011/12
  - Strong rise during 4<sup>th</sup> quarter with €6.6 billion in new orders
  - Backlog equal to around €50 billion (30 months of sales)
- **An operational performance in line with guidance**
  - Sales at €19.9 billion (-5%) due to the drop in past orders but increasing during the fiscal year
  - Operating margin at 7.1%
  - Net income at €732 million (+58%)
  - Positive free cash flow in the second half (€341 million)
- **A solid balance sheet**
  - €4.4 billion in equity, €2.5 billion in net debt

# Main events 2011/12

## Solid commercial activity over the last 18 months, thanks to emerging markets

- **Sound level of orders**
  - A 14% increase compared to FY 2010/11
  - €6.6 billion in new orders during the 4<sup>th</sup> quarter
- **60% of orders from emerging markets**



# Main events 2011/12

## First success in the offshore wind market

- **Alstom wins the largest part of the 1<sup>st</sup> offshore tender in France**
  - Alstom, exclusive supplier to the consortium including EDF EN, Dong Energy, Nass&Wind, WPD Offshore
  - 240 6 MW offshore turbines
  - 3 wind farms in Saint-Nazaire, Courseulles-sur-Mer, Fécamp
- **An industrial plan to create 5,000 jobs in France**
  - 4 plants in Saint-Nazaire and Cherbourg
  - 1 R&D and engineering centre
  - 1,000 direct jobs, 4,000 indirect jobs
- **A state-of-the-art industry to meet the needs of French and European markets**



# Main events 2011/12

## New partnerships in Russia and CIS

### ● Transport

- Acquisition of a 25% stake in Transmashholding (TMH)
- Joint ventures with TMH and Kazakh railways (KTZ) for rolling stock; in signalling with Promelectronica
- Cooperation agreement with the city of Saint-Petersburg regarding tramways



### ● Thermal Power

- Cooperation agreements with Renova and Rushydro for thermal power plant equipment



### ● Renewable Power

- Joint venture with Rushydro to manufacture hydro turbines



**RusHydro**

### ● Grid

- Cooperation agreement with Soyuz (high voltage equipment) and joint venture with KER (HVDC)



**COMPLEX  
ENERGY  
SOLUTIONS**

**ALSTOM**

## Continued focus on technology and innovation

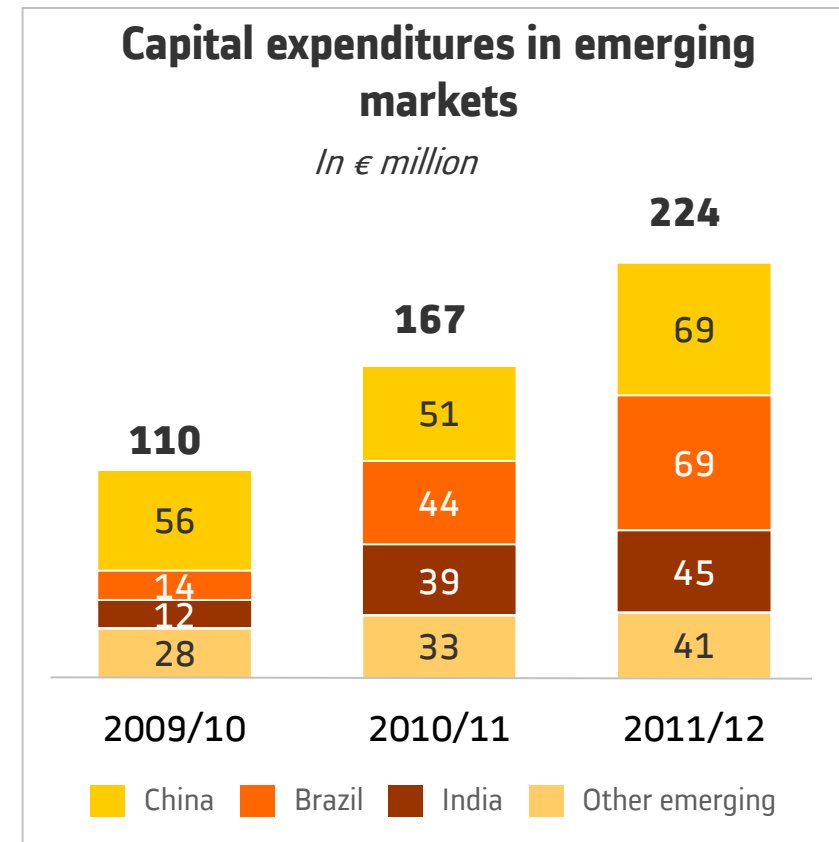
- **High level of R&D expenses at €682 million**
- **Major programmes in the 4 Sectors**
  - **Thermal Power** : new ranges of GT26, GT24 and GT13 gas turbines
  - **Renewable Power** : first Haliade 150 - 6 MW offshore wind turbine
  - **Transport** : commercial launch of AGV.italo on 28 April in Italy
  - **Grid** : new high voltage direct current technology (HVDC)



# Main events 2011/12

## Capital expenditures targeting emerging markets

- **Thermal Power**
  - Steam turbines : Alstom/Bharat Forge common plant under construction in India
- **Renewable Power**
  - Wind : new assembly plant in Bahia, Brazil
  - Hydro : extension of the plants in Tianjin, China, and Vadodara, India
- **Transport**
  - Construction of a metro plant in Chennai, India
- **Grid**
  - Very high voltage test laboratory in Canoas, Brazil





# Annual results 2011/12

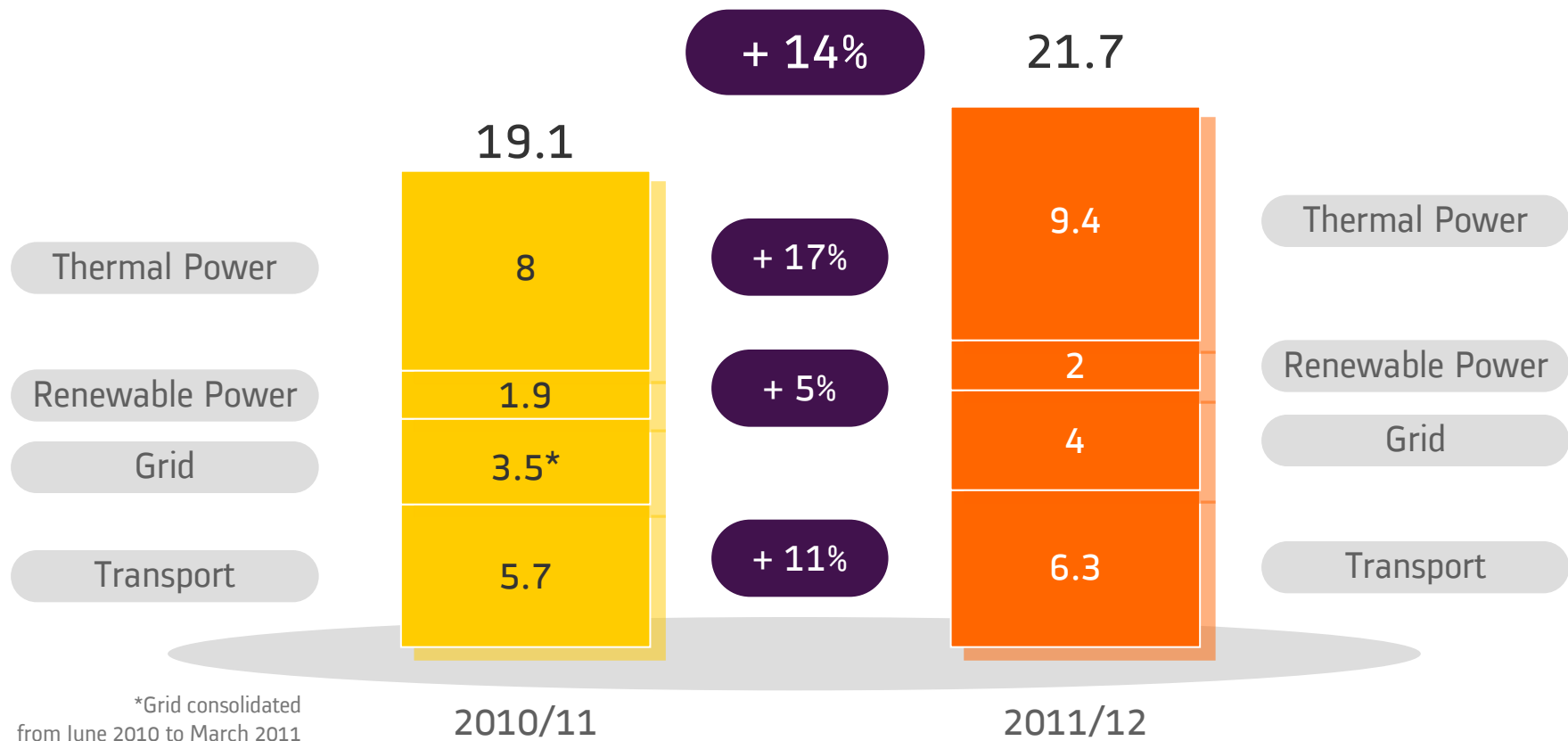
Main events 2011/12

Financial results 2011/12

Outlook

# Group order intake

## Growth in the four activity sectors



In € billion / Actual figures

# Orders received by destination in 2011/12

Thermal Power



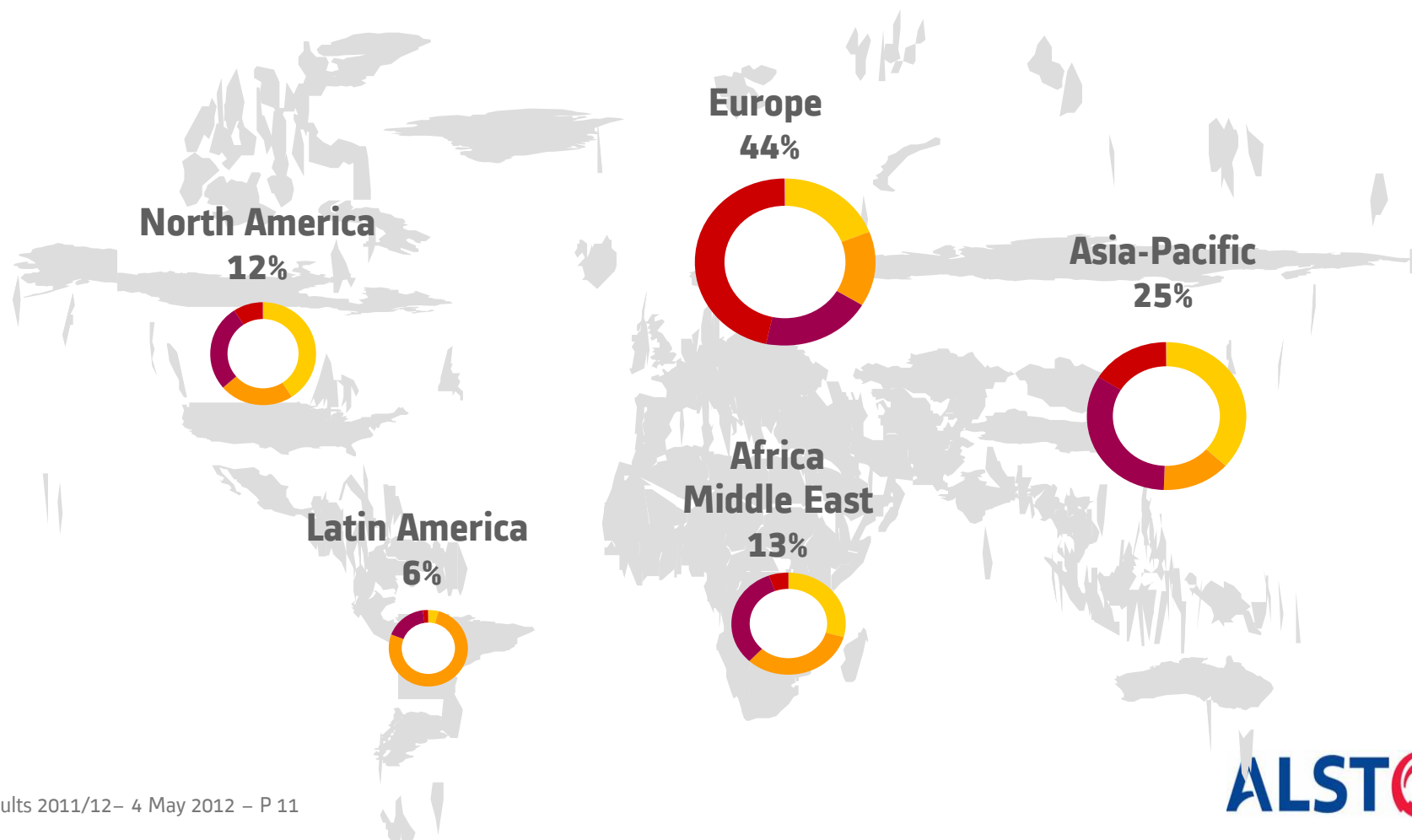
Renewable Power



Grid

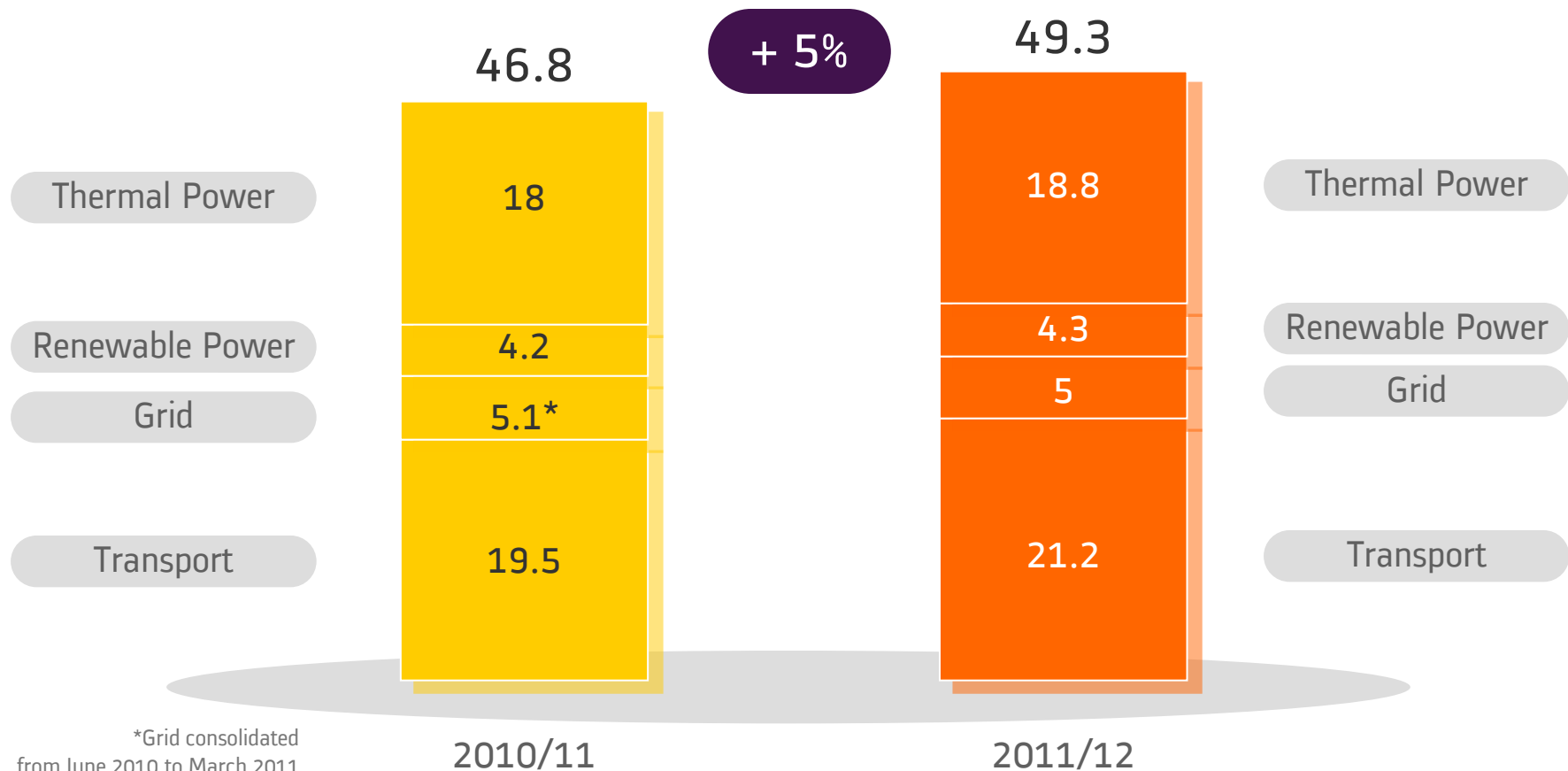


Transport



# Group backlog

## Backlog representing 30 months of sales



In € billion / Actual figures

# Thermal Power - Main contracts and agreements

## Steam

- **Coal** : 3 high-performance power plants (2 in Malaysia, 1 in Estonia)
- **Nuclear** : conventional island for a power plant in Russia
- **Environmental control systems** in Saudi Arabia, United Arab Emirates, USA and Taiwan



## Gas

- **14 gas turbines sold** in Russia, Iraq, Bangladesh, Singapore, Nigeria and Mexico



## Services

- **Long term service agreements** in USA, Singapore and Malaysia

# Renewable Power - Main contracts and agreements

## Hydro

- **Latin America** : equipment for hydro plants in Brazil and Peru
- **India** : 1<sup>st</sup> pumped-storage power plant under construction

## Wind

- **Brazil** : contracts for 8 onshore wind farms
- **Ethiopia** : 54 ECO74 turbines

## New energies

- Acquisition of a 40% stake in **AWS Ocean Energy** and creation of a joint venture with **SSE Renewables** in the ocean energy sector



# Grid - Main contracts and agreements

## Contracts

- **Europe** : HVDC link in Sweden
- **Middle East** : modernisation of the electric grid in Saudi Arabia, GIS substation and power transformers in Iraq
- **Asia-Pacific** : substations in Australia and India
- **CIS** : renovation of a GIS substation for a hydro plant in Tadjikistan

## Partnerships and acquisitions

- Cooperation agreements with Soyuz and KER in **Russia**
- **Integration** of UISol (USA) and Psymetrix (United Kingdom), smart grids specialists



# Transport - Main contracts and agreements

## Locomotives

- **Russia** : order of 200 freight electric locomotives for Alstom/TMH

## High and very high speed

- **Poland** : contract for 20 Pendolino and maintenance
- **France** : 30 Euroduplex for SNCF

## Regional and suburban trains

- **Germany** : 56 Coradia trains in Köln and 90 EMUs in Frankfurt
- **Denmark** : signalling system for the Eastern part of national railway network

## Metros and tramways

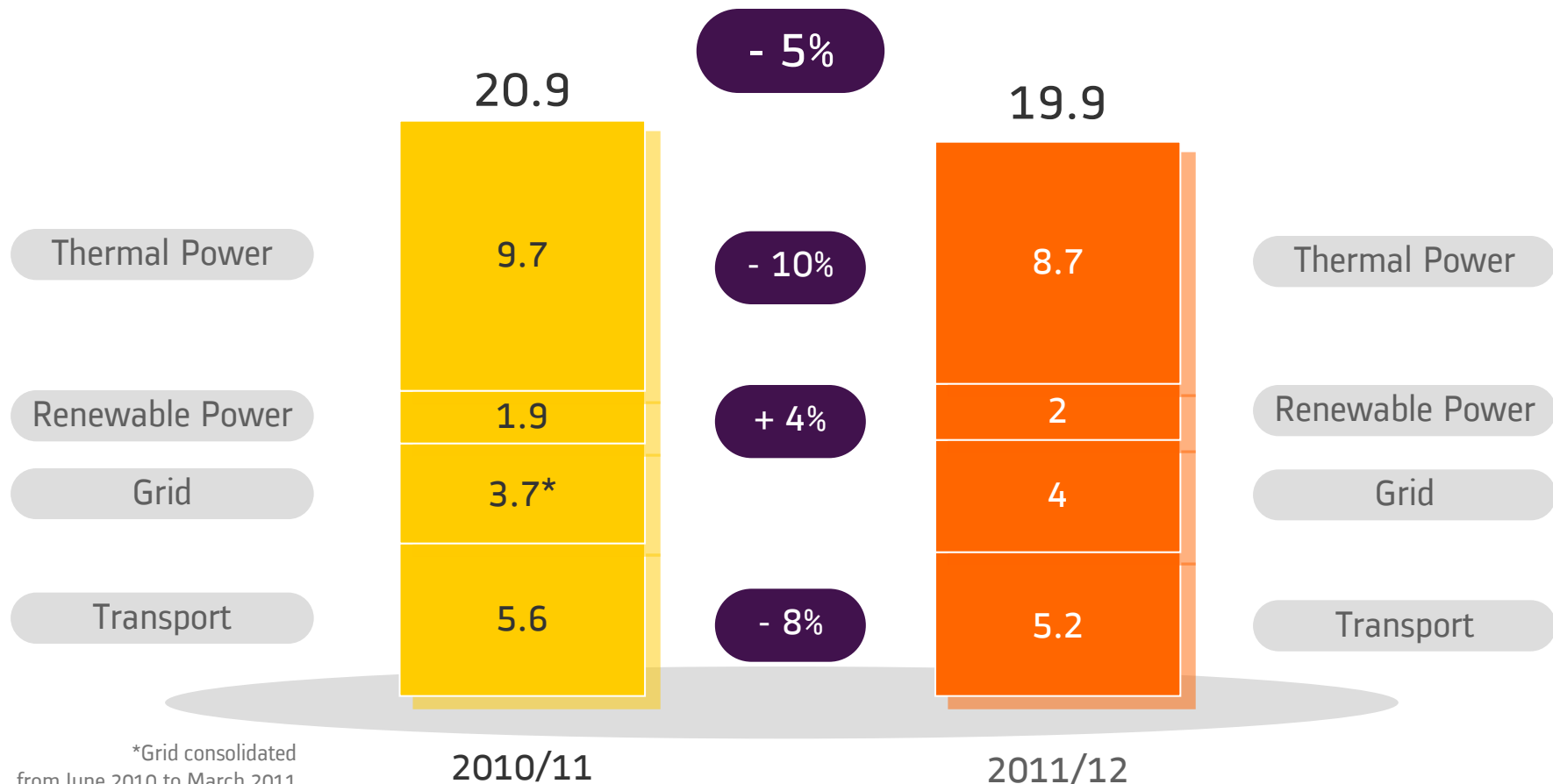
- **United Kingdom**: turnkey tramway system and maintenance in Nottingham
- Contracts for Paris and Singapore metros





# Group sales

## Gradual recovery after a low point in 1<sup>st</sup> quarter



\*Grid consolidated from June 2010 to March 2011

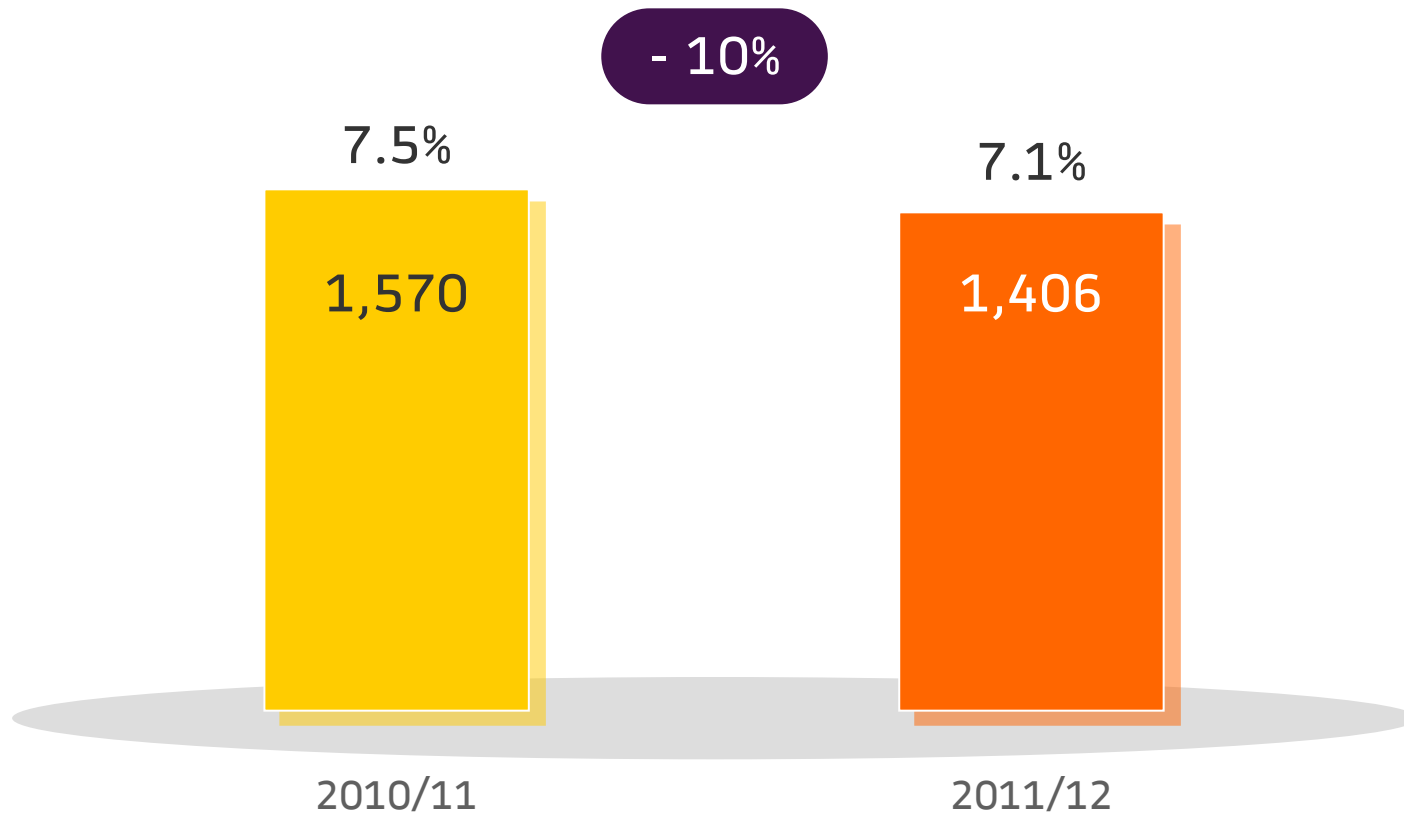
2010/11

2011/12

In € billion / Actual figures

# Group income from operations and operating margin

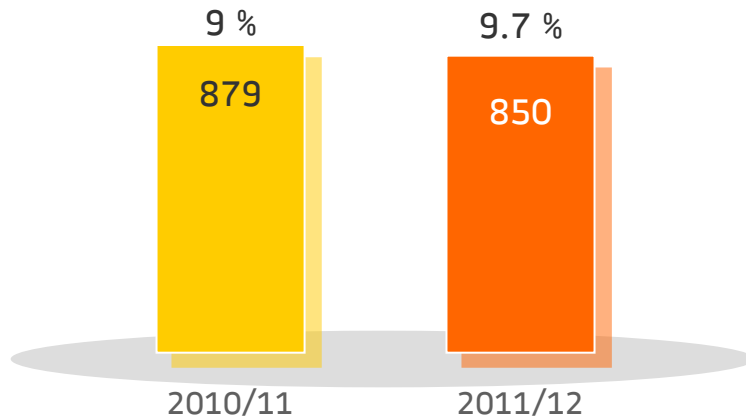
**Operating performance impacted by low sales, in line with guidance**



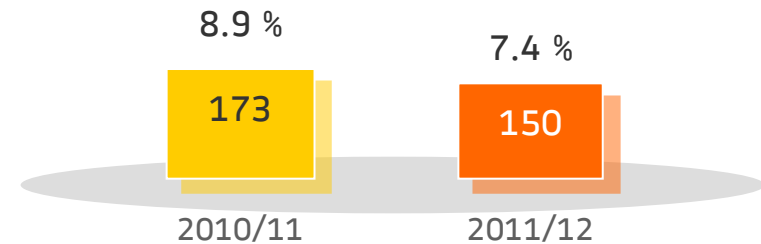
*In € million / Actual figures*

# Income from operations and operating margin by Sector

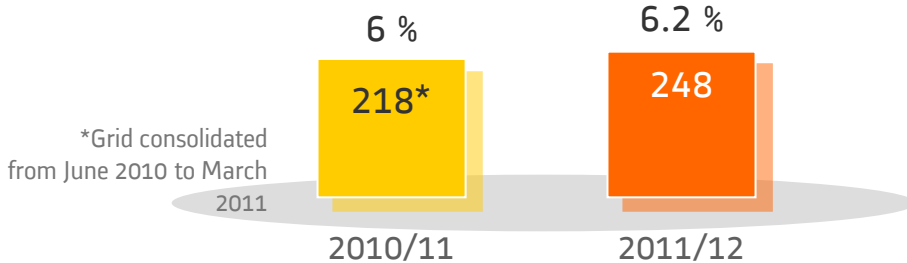
## Thermal Power



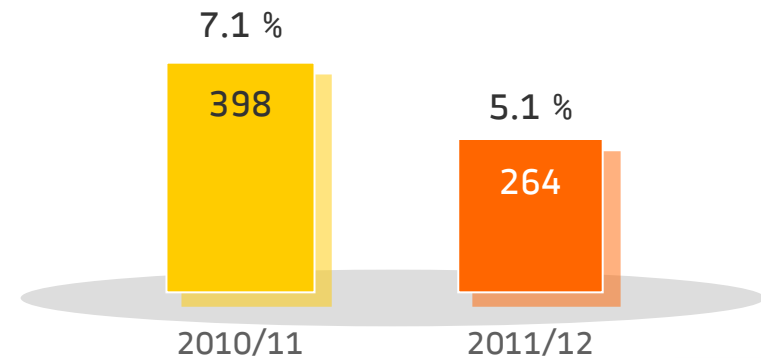
## Renewable Power



## Grid



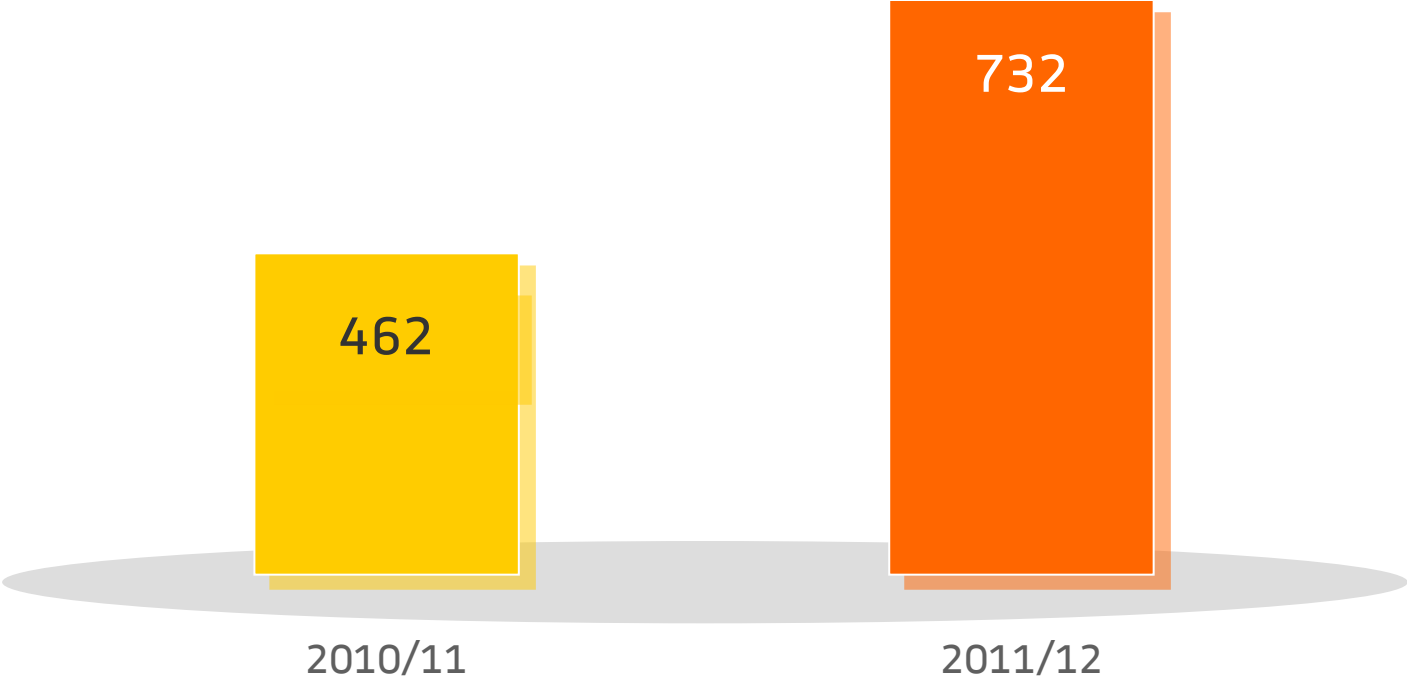
## Transport



# Group net income

## Increase in net income

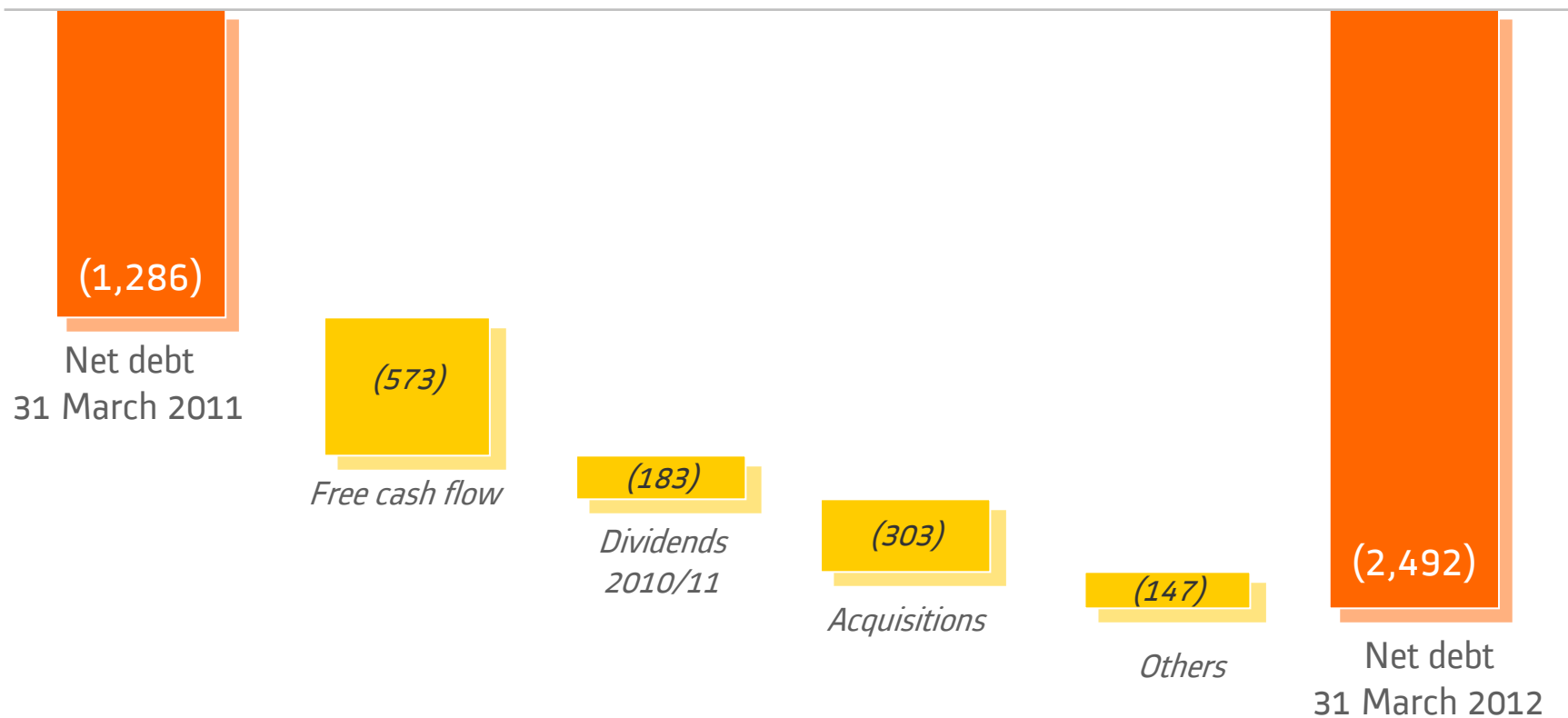
+ 58 %



*In € million / Actual figures*

# Rise in net debt

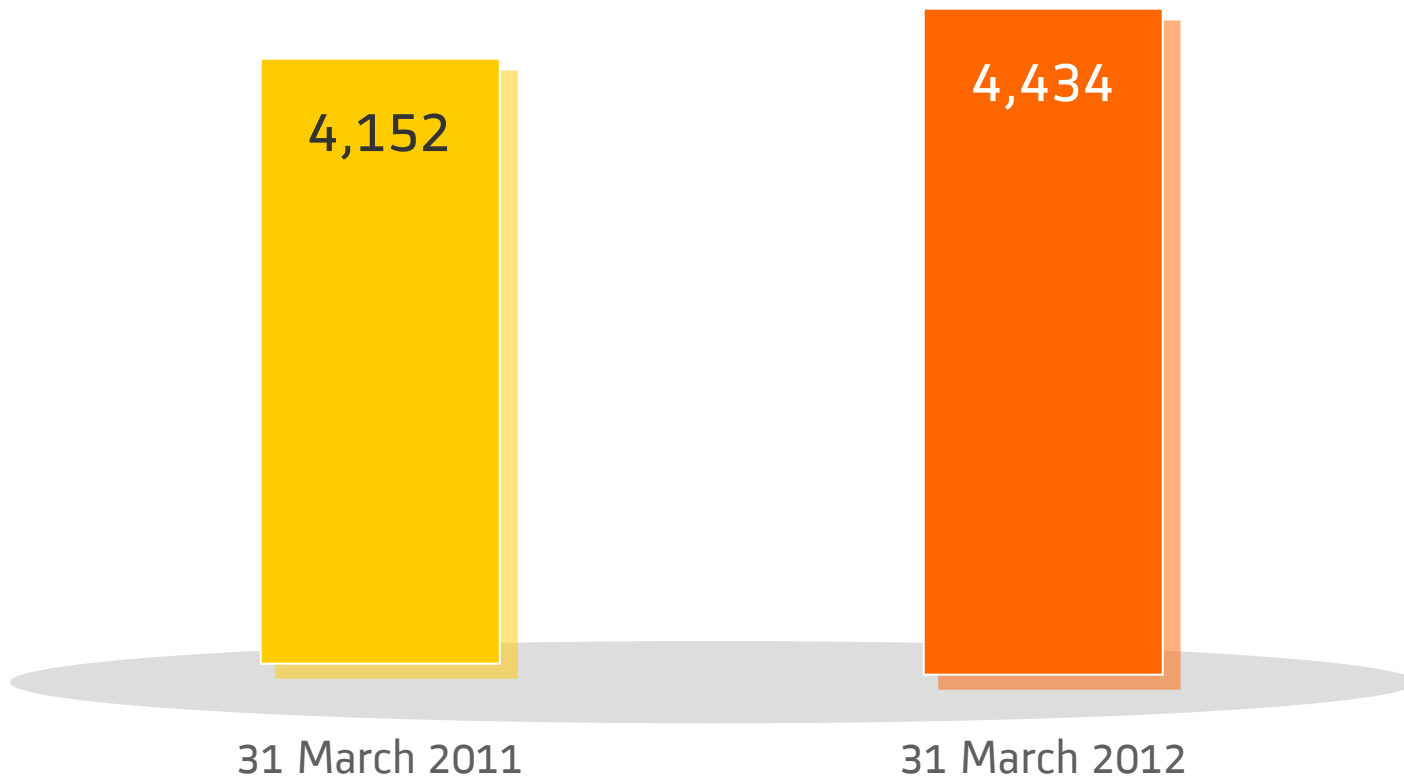
## Net debt impacted by a negative free cash flow



*In € million / Actual figures*

# A strong balance sheet

## Rise in equity



*In € million / Actual figures*

# Annual results 2011/12

Main events 2011/12

Financial results 2011/12

Outlook

# Strategic priorities

- **Fuel growth by extending global footprint and product offering**
- **Continue R&D programmes to remain a leader in all key technologies**
- **Sustain growth in emerging markets through targeted capital expenditure**
- **Improve performance through excellence in project execution and cost control**



# Guidance over 3 years (FY 2012/13 to FY2014/15)

## **Assuming a sound level of orders over the period**

- **Sales should increase by 5% per year**
- **Operating margin should gradually improve to around 8% in March 2015**
- **Free cash flow should be positive in each of the three coming years**

[www.alstom.com](http://www.alstom.com)

*We are shaping the future*

**ALSTOM**