Half-Year Results
Fiscal Year 2012/13

7 November 2012

we are shaping the future | ALSTOM

Agenda

Key figures

In € million

Alstom delivers according to plan

	Sept 2011	Sept 2012	*Variation*
Orders	10,183	**12,129**	*+19%*
Backlog	47,382	**52,015**	*+10%*
Sales	9,389	**9,748**	*+4%*
Income from operations *Operating margin*	627 *6.7%*	**703** ***7.2%***	*+12%*
Net income	363	**403**	*+11%*
Free cash flow	(914)	**101**	

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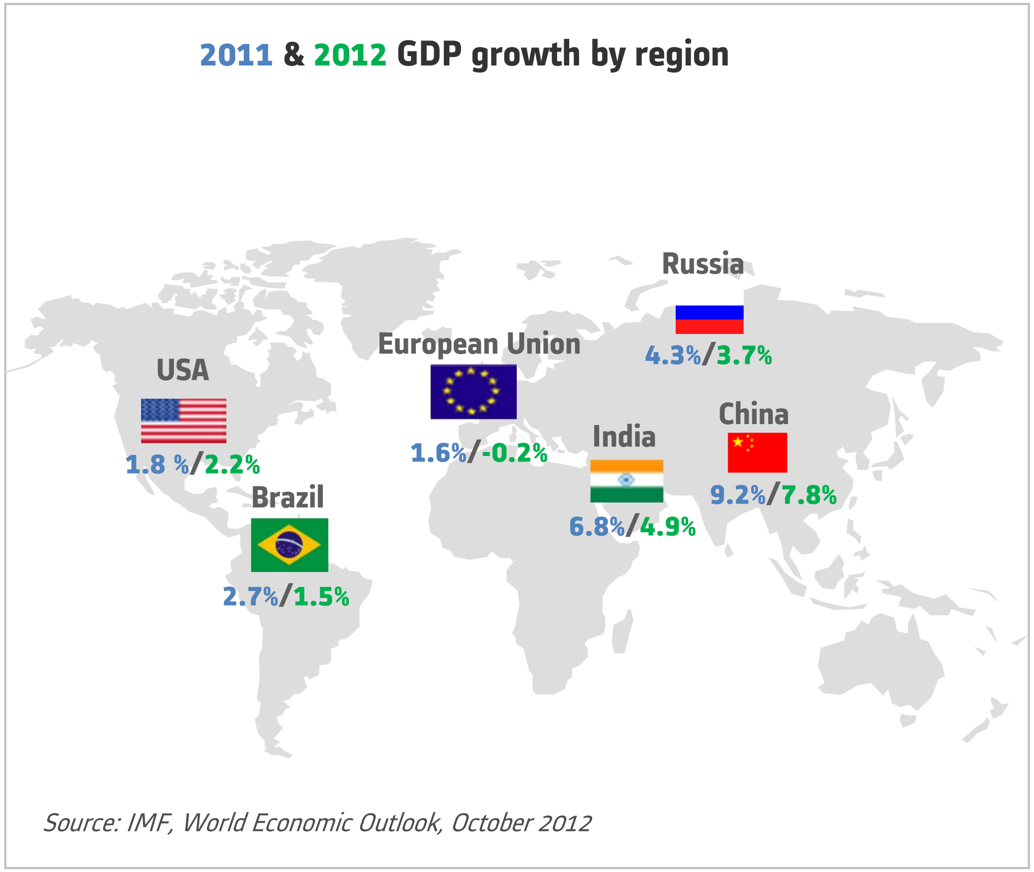
Evolution of the global context

A challenging world



- Sluggish economic environment in developed world
- Slower growth in BRICs

Market environment (1/2)

Contrasted markets

THERMAL POWER

TODAY

- Gas: growing overall share despite slow recovery in mature countries
- Coal: stable demand still mainly focused on Asia, ECS benefiting from new regulations (US notably)
- Nuclear: new build programmes resuming in emerging markets, opportunities related to safety enhancement
- Service: strong demand

RENEWABLE POWER

TODAY

- Hydro: medium-term solid, temporary low demand in China
- Wind: significant pressure on prices for onshore turbines; offshore progressing as scheduled

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Market environment (2/2)

GRID

TODAY

- ☺ Dynamic high-end segments (HVDC, smart grids, power electronics)
- ☹ Still overcapacity in the transformer market

TRANSPORT

TODAY

- ☺ Continued expansion in urban rolling stock, signalling and services
- 😐 Delays in large Very High Speed contracts but projects expected to resume
- ☺ Latin America, Middle-East and CIS growing sharply

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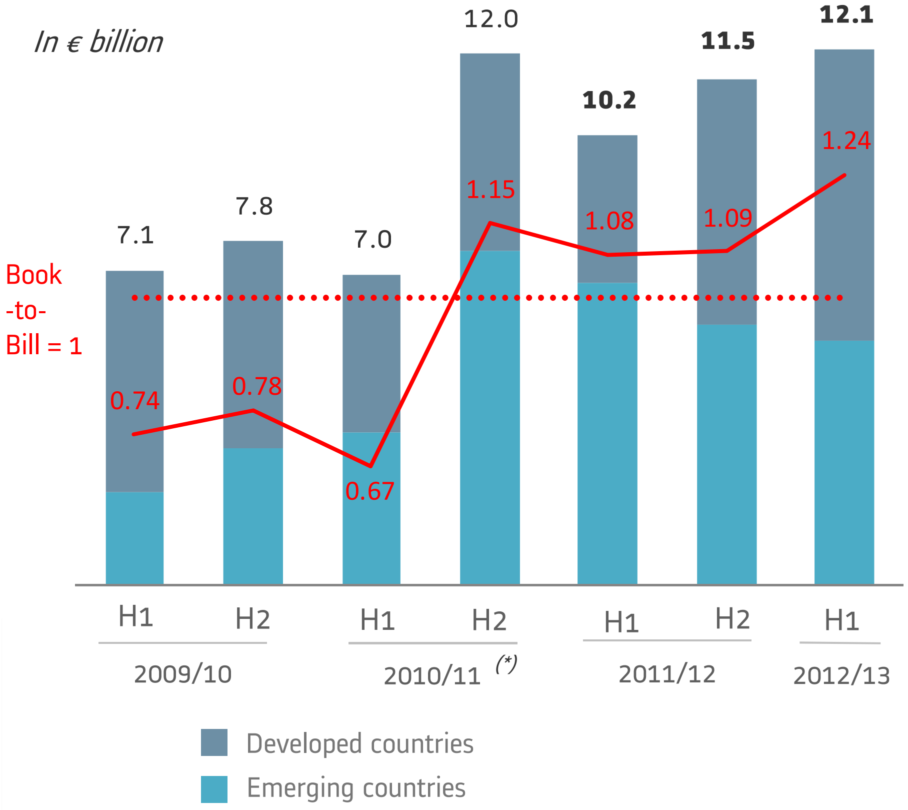
Orders

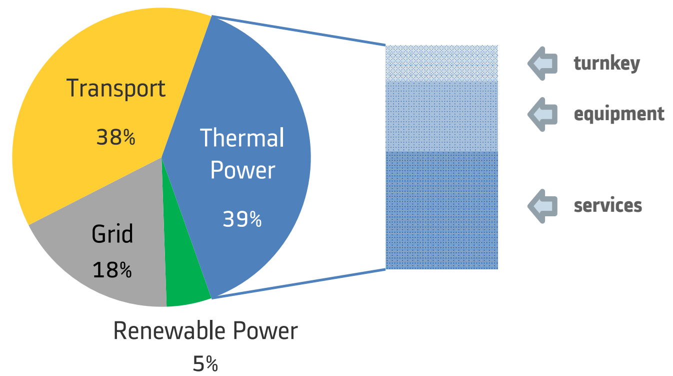
Reaching 2 years of sustained commercial activity

Orders received per half year

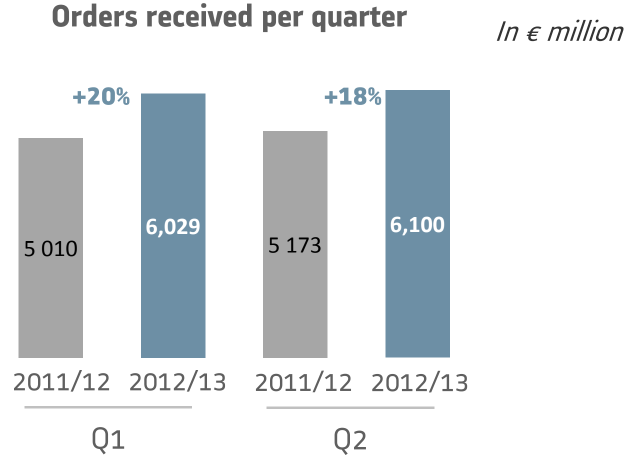


* With Grid consolidated from June 2010

Split of H1 2012/13 orders



Orders received per quarter



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Operational excellence

Strict execution and cost control

➡ **Gross margin (on sales) secured**

- Execution of contracts in line with expectations
- Sourcing moving to LCC (today 30% - objective 40% in FY2014/15)

➡ **S&A under control**

- Stable selling costs in percentage of sales at around 4.8% to support international development
- Decrease of administrative expenses from 4.3% in H1 2011/12 to 4.0% in H1 2012/13

➡ **Adapting to demand**

- Thermal Power and Transport plans completed
- Consolidation of footprint in Grid

Technology

Innovation and partnerships strengthening portfolio

THERMAL POWER

- **Gas turbine** upgrades
- JV with Vietnam Electricity to establish a state-of-the-art **gas turbine reconditioning workshop**

EVN

RENEWABLE POWER

- Construction of a Global Technology Centre in Brazil dedicated to **hydro Kaplan turbines**
- Acquisition of TGL from Rolls Royce to develop **tidal** energy portfolio

Tidal Generation

GRID

- Joint R&D centre with CEA-INES to develop **energy storage** and renewable energy integration solutions
- Commercial and technological agreement with Cisco to develop the next generation of **digital substation solutions**
- MoU with Toshiba to develop cooperation on **smart grid**

TOSHIBA CISCO

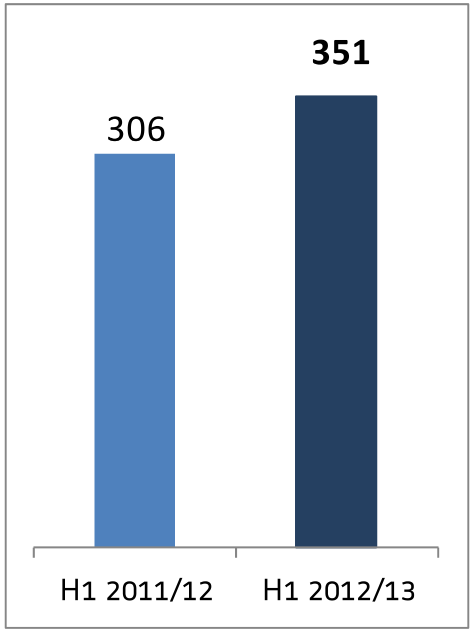
TRANSPORT

- Launch of **a 'compact' tramway** adapted to mid-sized cities
- Acquisition of 51% of **tyre-based tramway** manufacturer Translohr
- Partnership agreement with Europorte, rail freight subsidiary of the Eurotunnel Group, for the **maintenance of Prima locomotives**

EUROPORTE

R&D expenses

In € million



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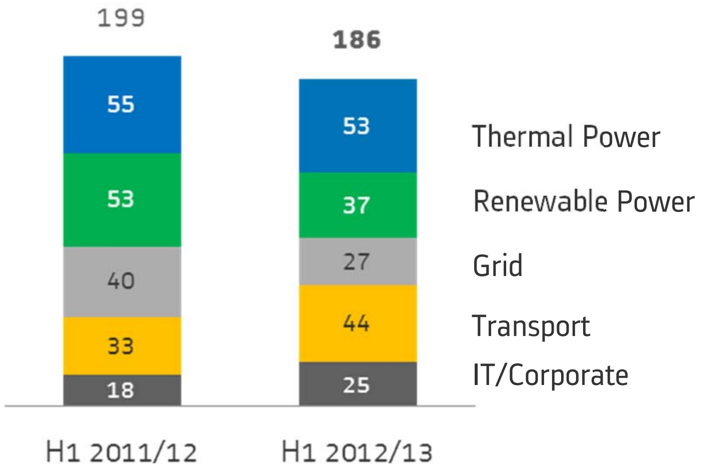
Internationalisation

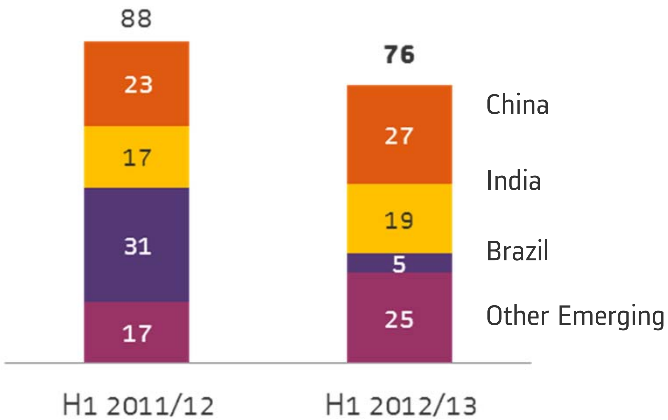
High capex with focus on strategic priorities

In € million

Capex split by Sector



40% of capex in Emerging Countries



THERMAL POWER

- Construction of service workshop in **Saudi Arabia**
- New turbine shaft welding shop in **Poland**

RENEWABLE POWER

- **Russia**: construction of new hydro manufacturing facility in partnership with RusHydro
- **China**: ongoing extension of hydro manufacturing facility
- **France**: four factories to address offshore wind turbines contract

GRID

- **India**: extension of capabilities in HVDC activities
- **Italy**: new site for electrical grid bushings

TRANSPORT

- **India:** new metro factory (production started 1st of October)
- **Canada:** new assembling and integrating facility for metro cars

Transmashholding

TRANSMASHHOLDING

A key partnership

TMH

- Largest rolling stock supplier to Russian Railways (more than 60% market share)
- 13 plants (12 in Russia, 1 in Ukraine)
- Strong operational performance: 2011 sales of USD3.6Bn with double-digit operating margin
- Shareholding structure: Alstom holding 25% + 1 share, Russian Railways 25% +1 share, Russian interests 50% -2 shares

Potential of the Russian & CIS market

- A €10Bn railway market with a 10% CAGR in rolling stock over the 2012-16 period
- Freight traffic: #3 in the world
- Huge needs in urban markets

25% stake

- Initial payment of USD75m made in 2011 and final earn-out of around USD350m paid in October 2012
- Earn-out financed through a capital increase (€350m launched beginning of October)

Impact on Alstom

- Over €1.5Bn of contracts booked since 2010
- €34m contribution to net income in H1
- €14m dividend paid

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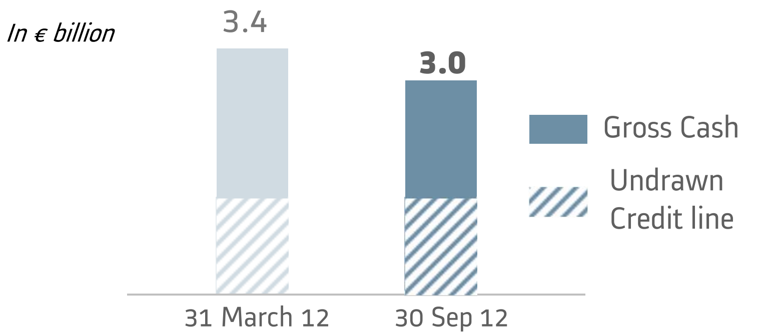
Financial structure

Actively managing balance sheet

Liquidity position: ample room for manoeuvre

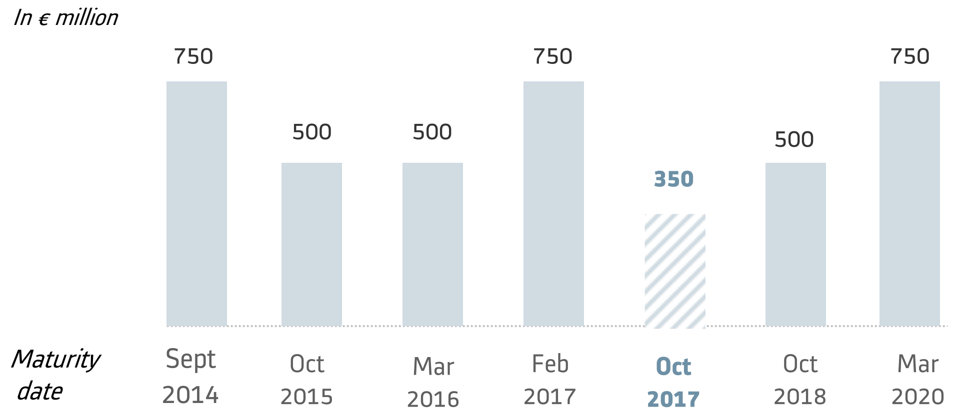


- A €1.35 billion syndicated credit line fully undrawn maturing in 2016
- Large headroom on covenants at end of Sept 12
  - Minimum interest cover = 11.5 (>3)
  - Maximum total net debt leverage = 1.5 (<3.6)
  - Maximum total debt not applying (investment grade)

Anticipation on bonding renegotiation

- Discussions initiated with banks for the renewal of the €8.3 billion syndicated line maturing July 2013

Gross debt: no repayment before 2014 and early refinancing



Cautious approach on M&A financing

- Small-sized capital increase (€350m, i.e. less than 5% of the share capital) aiming at financing acquisitions (namely TMH and other add-on transactions)
- Limited discount (<5%) and marginal dilution impact

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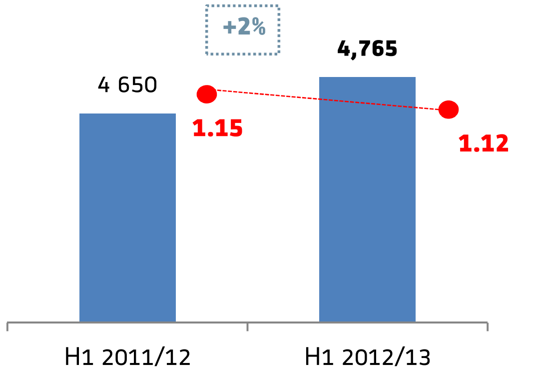
Agenda

1.	Key highlights of H1 2012/13
2.	Financial results of H1 2012/13
3.	Outlook

Thermal Power
Key figures

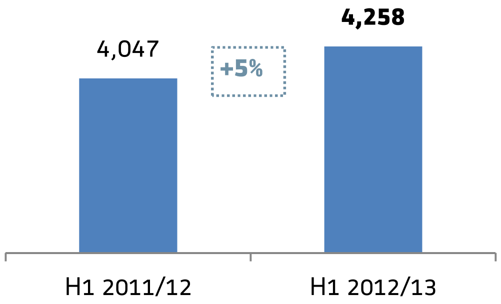
In € million

Orders and book-to-bill



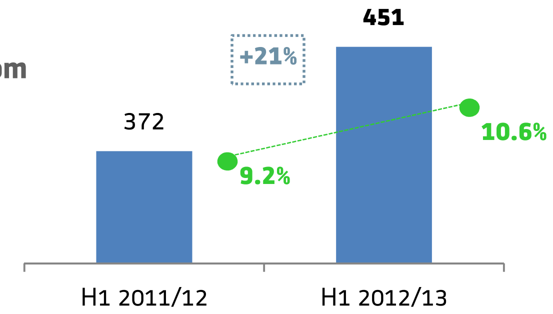
- Sustained orders with a book-to-bill above 1 for the 4th consecutive semester
- 5 gas turbines booked
- Strong activity in steam equipment (especially ECS)
- Thermal Services orders strong at €2.5 Bn

Sales



- Sales progressively ramping up
- Resilient Thermal Services sales at €2.1 Bn

Income from op. and margin



- Strong improvement of the operating income and margin thanks to a rebound of volume and actions on execution and costs

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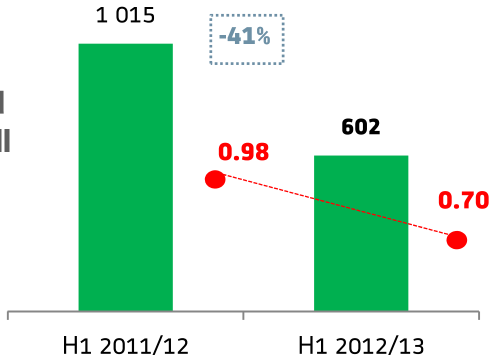
Renewable Power
Key figures

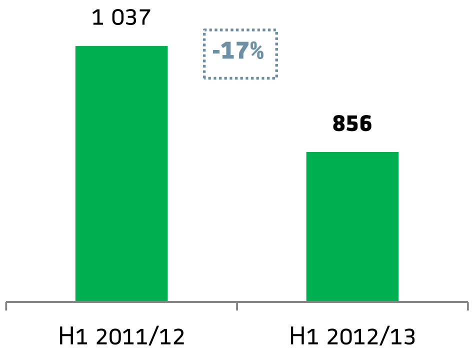
In € million

Orders and book-to-bill



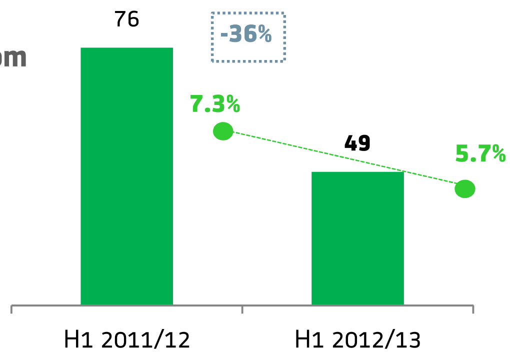
- Low orders in hydro due to the lack of large projects
- Mid-sized orders expected in H2
- Sound activity in wind with two major contracts in Brazil

Sales



- No significant milestones recognition on large Brazilian hydro projects in execution during the period
- Improvement anticipated in H2 (hydro milestones, growth in wind)

Income from op. and margin



- Operating margin impacted by the low level of sales and on-going pressure on wind prices

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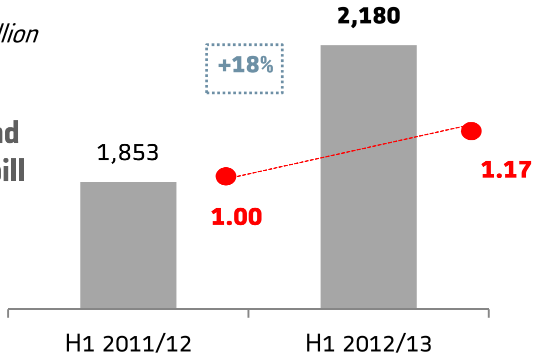
Grid
Key figures

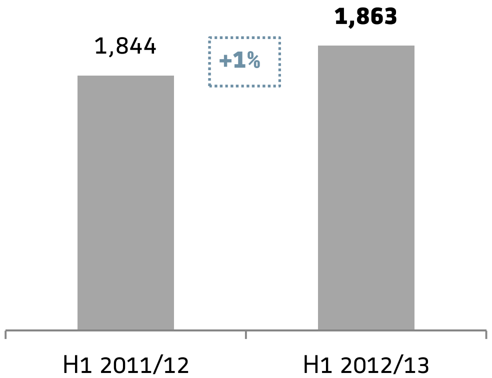
In € million

Orders and book-to-bill



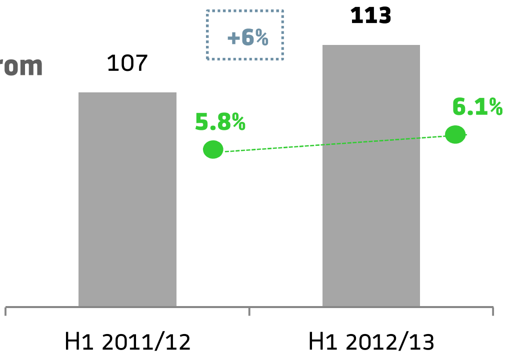
- Good flow of small and medium-sized orders worldwide
- 800kV UHVDC contract in India

Sales



- Sound sales level
- Well balanced by region (app. 30% in Europe, 20% in Americas, 30% Asia/Pacific, 20% MEA)

Income from op. and margin



- Increase in income from operations thanks to cost optimisation

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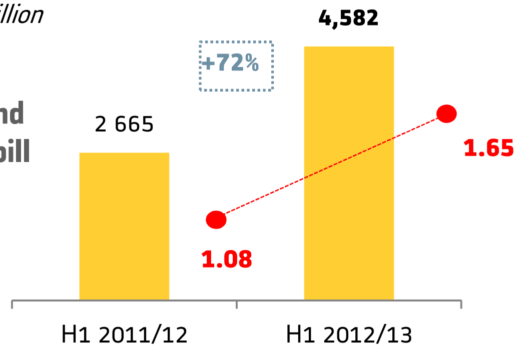
Transport
Key figures

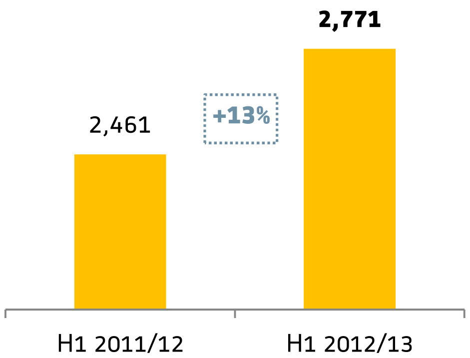
In € million

Orders and book-to-bill



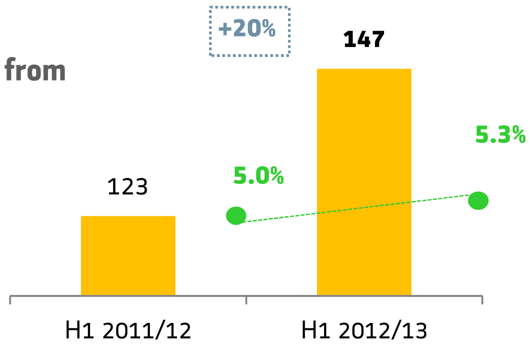
- Very high level of orders
- Sustained activity in Western Europe, representing c75% of H1 orders
- Urban transport and regional trains driving demand

Sales



- Sales recovering from the low point of last year
- Main deliveries in France (regional trains), UK (Pendolino) and Italy (AGV)

Income from op. and margin



- Operating margin improving thanks to volumes
- Delivery of new products (less profitable in the starting phase than mature ones) still impacting margin

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Income statement

In € million

	Sept 2011	Sept 2012	*Variation*
Sales	9,389	**9,748**	*4%*
Income from operations	627	**703**	*12%*
Operating margin	*6.7%*	***7.2%***	
Grid PPA & acquisition costs	(68)	**(43)**	
Restructuring costs	(38)	**(29)**	
Capital gains & other	(4)	**(40)**	
EBIT	517	**591**	*14%*
Financial result	(74)	**(113)**	
Tax result	(90)	**(94)**	
Non control. interest & other	10	**19**	
Net result	363	**403**	*11%*

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Free cash flow

In € million

	Sept 2011	Sept 2012
Income from operations	627	**703**
Restructuring cash out	(74)	**(73)**
Depreciation	170	**175**
Capital expenditure	(199)	**(186)**
R&D cap. & amort. of acq. Techno.	(54)	**(15)**
Pensions	(42)	**(34)**
Change in working capital	(1,119)	**(291)**
Tax cash out	(159)	**(121)**
Financial cash out	(23)	**(44)**
Other	(41)	**(13)**
Free cash flow	(914)	**101**

- **1st H1 positive FCF since 2009**
- **Despite still negative Change in Working Capital due to:**
  - Mix of orders impacting the level of downpayments (mostly Power services and Transport)
  - Sales rebounding but still not at normalised level
  - Remaining working capital needs in Transport (ramp-up in Russia and India)

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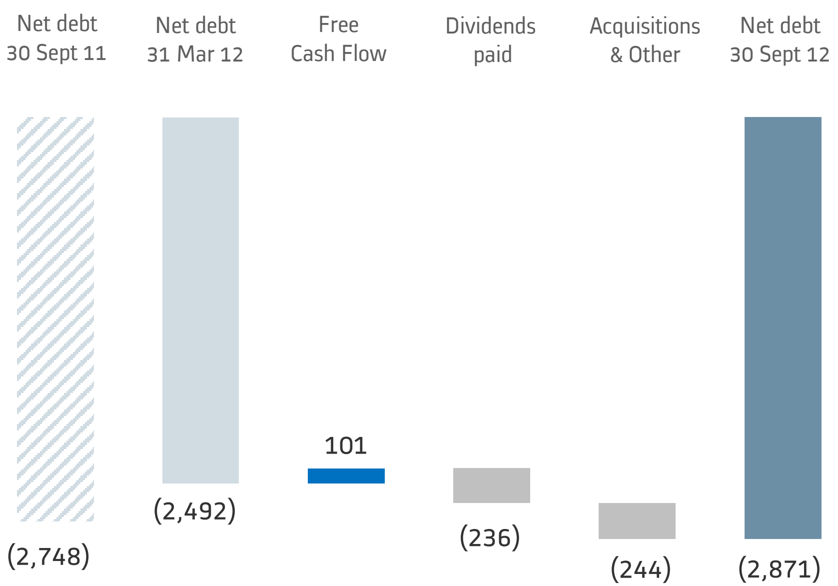
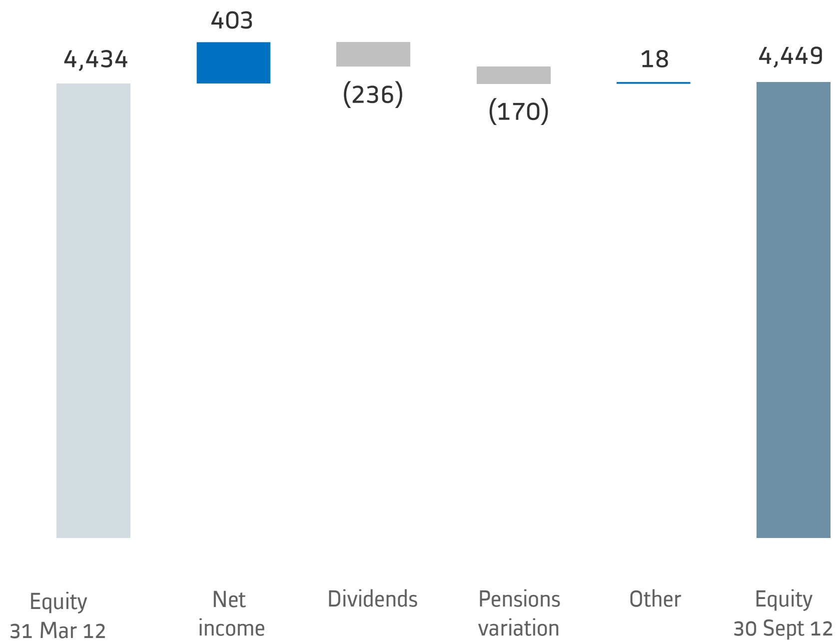
Net debt & equity evolution

In € million

Net debt evolution



Equity evolution



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Agenda

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Three-year guidance reiterated (from FY 2012/13 to FY 2014/15)

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

CAPEX To remain at a **high level**

R&D To progressively **increase**

SALES GROWTH

Over 5% per year on current scope

OPERATING MARGIN

to gradually improve to around **8%** in FY 2014/15

FREE CASH FLOW

Back to **positive** free cash flow from FY 2012/13

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Contacts & agenda

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AGENDA

22 January 2013

Orders and sales for the first nine months of FY 2012/13

27-28 February 2013

Analyst Day in Nantes (France)

7 May 2013

Annual results FY 2012/13

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This presentation contains forward-looking statements which are based on current plans and forecasts of Alstom's management. Such forward-looking statements are by their nature subject to a number of important risk and uncertainty factors (such as those described in the documents filed by Alstom with the French AMF) that could cause actual results to differ from the plans, objectives and expectations expressed in such forward-looking statements. These such forward-looking statements speak only as of the date on which they are made, and Alstom undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

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