

Alstom 2013/14 results:

- **4% organic sales growth**
- **Operating margin at 7%**
- **Free cash flow positive in the 2nd half**

Between 1 April 2013 and 31 March 2014, Alstom booked €21.5 billion of orders, down 10% compared to last year. Sales, at €20.3 billion, showed a 4% organic growth compared to last year. Income from operations amounted to €1,424 million, down 3%, with a 7% operating margin. The net result decreased from €768* million in 2012/13 to €556 million, affected mainly by higher restructuring and financial charges as well as some specific write-offs and provisions. The free cash flow has been positive in the second half of 2013/14 with €340 million generated, after the €511 million outflow in the first half.

No dividend distribution will be proposed at the next Annual General Meeting.

Key figures

(in € million)	2012/13*	2013/14	% change reported	% change organic
<i>Actual figures</i>				
Orders received	23,770	21,498	(10)%	(6)%
Backlog	52,875	51,458	(3)%	2%
Sales	20,269	20,269	0%	4%
Income from operations	1,463	1,424	(3)%	
Operating margin	7.2%	7.0%	-	
Net income	768	556	(28)%	
Free cash flow	408	(171)	-	

* Adjusted for revised IAS 19

"Alstom delivered a better commercial performance in the second half allowing the Group to end the year with a book-to-bill ratio above 1. Sales were up 4% organically driven mainly by the strong performance of Transport and Renewable Power. The operating margin, at 7%, benefited notably from a favourable mix in Thermal Power, continuing progress of Transport results and the impact of our Performance Plan, d2e. Free cash flow has been positive in the second half, partly offsetting the significant outflow of the first half. Alstom received last week a binding offer from General Electric to acquire our Energy (Power and Grid) activities. The Group has retained the possibility to consider unsolicited alternative offers that may be deemed superior. Should this project be approved and completed, Alstom would refocus on its Transport activities", said Patrick Kron, Alstom's Chairman and Chief Executive Officer.

A better commercial performance in the 2nd half

Challenging macro-economic conditions continued to weigh on Alstom's commercial performance with still a sluggish economic environment in mature countries. In this environment, a large number of major infrastructure projects have been postponed, notably in Thermal Power.

During fiscal year 2013/14, Alstom registered €21.5 billion of orders, down 10% compared to last year, with orders up 4% in the second half thanks to some large contracts booked in Thermal Power as well as in Transport. On 31 March 2014, the backlog amounted to €51.5 billion, representing 30 months of sales.

Thermal Power registered €9.0 billion of orders in 2013/14. The weakness in new build orders during the first nine months has been partly offset by a better Q4 with a large steam order in Poland and gas turbines booked in Iraq and Chile. The number of turbines sold over the year amounts to 11. Thermal Power Services orders reached €4.9 billion.

Renewable Power achieved in 2013/14 a strong commercial performance, with order intake at €2.6 billion, thanks to several hydro contracts booked in Albania, Turkey, Canada, India and Israel. In wind, the Sector registered significant commercial successes, notably in Brazil.

Over the period, Grid booked €3.5 billion of orders, decreasing compared to last year, as no large High Voltage Direct Current (HVDC) project was awarded during the period. Excluding Dolwin 3 and Champa (two HVDC projects booked over the year 2012/13), orders were stable year-over-year.

Transport registered again a solid level of orders, at €6.4 billion with a particularly dynamic second half (€3.5 billion). Successes were notably booked in Saudi Arabia (turnkey metro project), France (regional trains) and Chile (modernisation of the metro network). Transport has a backlog of €23.2 billion, representing 4 years of activity. The largest contract in Alstom's history, for suburban trains in South Africa, will be booked in the first quarter 2014/15 for €4 billion.

Sales organic growth and stability in operating profit

In 2013/14, the Group's sales stood at €20.3 billion, up 4% organically compared to last year. This increase was mostly driven by Transport and Renewable Power (both up 9% organically). Sales in Grid were also up organically by 6%, while Thermal Power sales remained stable.

In fiscal year 2013/14, income from operations amounted to €1,424 million versus €1,463 million in the previous year, corresponding to an operating margin of 7%. The operating margin in Thermal Power slightly increased at 10.6%, thanks to Thermal Services contribution and tight cost control. Renewable Power's operating margin, at 4.5% was affected by unfavourable mix and continuing price pressure in wind. The operating margin in Grid slightly decreased to 5.6%, penalised by the trading of some orders of standard products with low margins. Transport's operating margin continued to recover at 5.6% thanks to volume increase and efforts on costs.

The "Dedicated to Excellence" (d2e) plan, presented last November, has shown sound progress. Tight spend discipline at Sectors and Corporate levels allowed Alstom to achieve over €500 million of savings at the end of 2013/14 vs 2012/13 cost base.

Net profit amounted to €556 million, down 28% compared to last year. It was impacted by restructuring costs (€220 million in 2013/14 compared to €137 million last year), higher financial expenses and tax rate, as well as some specific legal charges and write-offs.

Positive Free Cash Flow in the 2nd half

After a large cash outflow in the first half of 2013/14, the free cash flow was positive at €340 million in the second half, supported by efficient working capital management and higher downpayments. For the full year, the free cash flow amounted to €(171) million, particularly affected in the first half by unfavourable cash profile of some contracts executed during the period.

The Group had a gross cash in hands of €2.3 billion at the end of March 2014 and a confirmed undrawn credit line of €1.35 billion.

At 31 March 2014, net debt stood at €3,019 million compared to €2,342 million at 31 March 2013. This increase over the year mainly resulted from the negative free cash flow and the payment of the dividend for 2012/13.

Equity remained stable over the period, standing at €5,109 million at 31 March 2014 from €5,087 million at 31 March 2013 (adjusted for revised IAS 19).

No dividend will be proposed to the next Annual General Meeting to be held on 1 July 2014.

Strategic reorientation

As disclosed last week, Alstom received a binding offer from GE to acquire its Energy business. The scope of the proposed transaction includes Thermal Power, Renewable Power and Grid Sectors, as well as corporate and shared services. The proposed price

represents an Equity Value of €12.35 billion and an Enterprise Value of €11.4 billion, or 12.2x FY13 EBIT.

In the context of this binding offer, Alstom may not solicit offers from third parties for the acquisition of its Energy business. The Group has however reserved the right to consider unsolicited offers for its Energy business and engage in discussions with bidders demonstrating a serious interest that could lead to a superior offer for Alstom.

Should the project be approved and completed, Alstom would refocus on its Transport activities, for which it is a global leader. Alstom would use the sale proceeds to strengthen its Transport business, pay down debt and return cash to its shareholders. The planned disposal of a minority stake in Alstom Transport is consequently put on hold.

*

The management report and the consolidated financial statements, as approved by the Board of Directors, in its meeting held on 6 May 2014, are available on Alstom's website at www.alstom.com. The accounts have been audited and certified.

In accordance with AFEP-MEDEF recommendations, information related to the remuneration of Alstom's Executive Officer is available on Alstom's website: www.alstom.com, under About/Corporate Governance/Remuneration of the Executive Officer.

Press Contacts

Virginie Hourdin / Claire Biau - Tel +33 1 41 49 21 36 / 39 95

virginie.hourdin-bremond@chq.alstom.com , claire.biau@alstom.com

Investor Relations

Delphine Brault / Anouch Mkhitarian - Tel +33 1 41 49 26 42 / 25 13

delphine.brault@chq.alstom.com , anouch.mkhitarian@chq.alstom.com

Website www.alstom.com

This press release contains forward-looking statements which are based on current plans and forecasts of Alstom's management. Such forward-looking statements are relevant to the current scope of activity and 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.