“Innovation is an integral part of our model to meet mobility challenges of the future.”

Henri Poupard-Lafarge,
Chairman & Chief Executive Officer

How would you sum up the past year? 2017/18 was a year of innovations. We stayed a step ahead of the end of diesel with the launch of the Coradia iLint, the first ever hydrogen-powered train. We won the Innovation Award at the Busworld exhibition for Aptis, our new all-electric mobility solution inspired by light rail. Recognition for these innovations reinforces our role as a leader in sustainable mobility, supporting the transition to low-carbon solutions.

At the same time, we have made digital transformation a cornerstone of our business development in transitioning from rail manufacturer to supplier of integrated mobility solutions like Mastria, the very first multimodal control centre.

Alstom has an ambitious strategy for 2020. How are things progressing as we approach this milestone? The 2020 strategy, launched three years ago to address globalisation, has been very successful. Today we have reached a critical size in every region. As a vivid example of our expanding global footprint, in 2017/18 we opened two new plants in India and South Africa.

How do you foresee the next few years? As we complete our 2020 strategy, it is time to think about the future. A rising global population and resulting massive urbanisation have spurred a strong transport market with a solid growth momentum. There is a need to reinvent transport systems to meet high demand for mobility and digitalisation while preserving the environment. We aim to help all transportation stakeholders rise to these challenges by providing the most efficient and digital mobility systems, while making our solutions ever cleaner. This is our mission today and it will be that of the new combined entity we will build together with Siemens Mobility tomorrow.

We have also delivered key projects on every continent. Our excellent financial results and impressive order book underscore the strength of our business activities. This performance was made possible by the men and women who make up Alstom—they cement our every success.

€7.2bn €7.3bn 6.5% 34,500
ORDERS SALES OPERATING MARGIN* EMPLOYEES WORLDWIDE

* Adjusted EBIT margin
CLOSER TO OUR CUSTOMERS

Our global footprint allows us to provide a local response to our customers’ needs and foster long-term partnerships.

6 REGIONS CLOSE TO CUSTOMERS, IN CHARGE OF EXECUTION

OVER 250 CUSTOMERS

105 SITES IN 60 COUNTRIES

8.0/10* CUSTOMER SATISFACTION IN 2017/18

2020 TARGET

REACH CRITICAL SIZE IN EACH REGION BY BECOMING No.1 OR No.2 WHERE RELEVANT

* Annual average net promoter score measured on a selection of 126 projects surveyed.

SOUTH AFRICA
NEW FACTORY FOR SUBURBAN TRAINS
Completion of the first X’trapolis Mega car bodyshell at the new train manufacturing plant in Dunnottar by Gibela, Alstom’s South African joint venture executing the PRASA project.

INDIA
NEW PLANT FOR JOINT VENTURE WITH INDIAN RAILWAYS
Opening of the first electric-locomotive manufacturing facility in Madhepura, India, and delivery of the first of 800 Prima T8 all-electric locomotives for the Indian market.

KAZAKHSTAN
MAJORITY STAKE IN EKZ
Signature of an agreement with the Kazakh national railway company to acquire their 25% share in EKZ, Alstom’s Kazakh locomotive joint venture. The deal will take Alstom’s stake in EKZ to 75%.

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CANADA
LIGHT RAIL VEHICLES FOR ONTARIO
Contract to produce 61 Citadis Spirit LRVs for the Greater Toronto and Hamilton area. Designed for the Canadian market, they will be assembled in the Toronto region.

REACH CRITICAL SIZE IN EACH REGION
BY BECOMING No.1 OR No.2
WHERE RELEVANT
We pool our expertise to offer a comprehensive portfolio from components to fully integrated systems.

**Rolling Stock**
- 43% of sales 2017/18

**Signalling**
- 57% of sales 2017/18

**Services & Systems**

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**FRANCE**
**State-of-the-Art High-Speed Trains**
New Avelia Euroduplex for SNCF on the Paris-Bordeaux line (500km in 2 hours), offering unprecedented passenger experience through a combination of comfort, design, brightness and connectivity performance.

**QATAR**
**First Tram for Lusail System**
Delivery of the first of 28 Citadis trams as part of a fully integrated tramway system for the Lusail light rail network.

**Germany**
**High-Speed Operation Secured with Onboard ETCS Baseline 3 System**
Deutsche Bahn’s ICE high-speed fleet running on the Berlin-Munich line is fitted with the Atlas 200 solution, compliant with the latest ETCS Baseline 3 standard for safety and interoperability.

**Australia**
**Sydney Tramway**
Delivery of the first Citadis X05 light rail vehicle for Sydney.

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**Strategic Vision 2020**
- 60% of sales from signalling, services & systems,
- and 40% from rolling stock

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**Strategy**

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**Highlights**
We continue to pursue our innovation strategy to anticipate the needs of customers, operators and passengers, boost competitiveness and foster our digital offering.

**Collaboration and Open Innovation with:**
- Research centres like SystemX, SuperGrid, INRIA and Railenium
- Competiveness clusters
- Suppliers
- Innovative operators
- Start-ups

**A Complete Innovation Ecosystem**

**Actively Monitoring New Trends**
Through start-ups, notably in partnership with Aster Capital.

**INNOVE You Programme**
Annual internal innovation awards
to recognise employees and teams who have supported and developed the most innovative projects.

**Predictive Maintenance**
New approach to asset management through condition-based maintenance
Several new contracts worldwide (India, Poland, Morocco, Sweden, Peru, and France) for HealthHub, Alstom’s predictive maintenance solution.

**Launch**
**MASTRIA: First Multimodal Solution**
Launch of the first multimodal monitoring solution to facilitate urban transport management and promote a more fluid mobility.

**Autonomous Solutions Light Rail**
First successful tests for autonomous tram stabling at a depot near Paris, France, in partnership with RATP.

**New Mobility APTIS: All-Electric**
Aptis won the Innovation award at the Busworld exhibition in Belgium. A unique mobility solution based on a tram-inspired design.
OPERATIONAL EFFICIENCY

We execute our contracts with an unwavering focus on excellence in quality, costs and lead times, incorporating digital solutions into every aspect of the manufacturing process.

SMART OPERATIONS

3 KEY GOALS
> Reduce time to market and costs of products and services while improving quality
> Manage the growing complexity due to broader geographical distribution of activities with ever greater efficiency
> Test and roll out new digital technologies

A PIONEERING PROGRAMME
To support the digital transformation of our sites and operations, built on four pillars:
> Factory of the future
> Depot of the future
> Additive manufacturing
> Digitalisation of the supply chain

KEY FIGURES
> Potential application in 90 sites and depots
> 30 new technologies being tested
> Cooperation with 20 partners

0.9%
INTERNAL COST OF NON-QUALITY
AS OF MARCH 2018

2020 TARGET

ON-TIME DELIVERY > 90%
INTERNAL COST OF NON-QUALITY AT 1%
LEADER
IN SUSTAINABLE MOBILITY

Our every action is built around respect for the environment.
Our priority is to enhance the sustainable performance
of our solutions, systems and operations.

SOLUTIONS
OUR TRAINS EMBODY
OUR AMBITION

> More than 92% recyclable
> 14% reduction in energy consumption between
2014 and 2017*

≈95% This is the share of
our sales that comes
from electrical systems
and solutions

OPERATIONS
AT SITES

> 88% waste recovery rate
> 9% reduction in energy consumption between
2014 and 2017**
> 100% of the manufacturing
sites of more than 200
employees are certified
ISO 14001

20% REDUCTION IN ENERGY CONSUMPTION
OF OUR PRODUCTS*** AND
10% REDUCTION IN ENERGY INTENSITY
OF OUR OPERATIONS***

* In Wh per passenger kilometre. ** In kWh per hour worked. *** Compared with the reference year 2014.

2020 TARGET

20% REDUCTION IN ENERGY CONSUMPTION
OF OUR PRODUCTS*** AND
10% REDUCTION IN ENERGY INTENSITY
OF OUR OPERATIONS***

HIGHLIGHTS

SWEDEN
ELECTRIC ROAD – APS FOR ROAD

Presentation of APS technology
for roads in partnership with
the Volvo Group, adapted from
our ground-level electrification
solution widely used
for catenary-free trams.

GERMANY
EMISSION-FREE TRAIN

First contract signed with
Lower Saxony for 14 Coradia iLint,
an emission-free train powered
by a hydrogen fuel cell.

Over
80%
of our key suppliers
have signed
our charter
for sustainable
development

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A CULTURE BUILT AROUND PEOPLE AND ETHICS

Employees are the backbone of the company: their safety and well-being in the workplace are a priority. We also forge our internal cohesion through strong ethical rules and values, fostering integrity and diversity.

INTEGRITY PROGRAMME

- A Code of Ethics that applies to every employee
- 293 Ethics & Compliance ambassadors
- Mandatory Ethics & Compliance online training: 87% of targeted managers and professionals trained
- An alert procedure to raise any integrity issues

ANTI-CORRUPTION CAMPAIGN

ISO 37001 CERTIFICATION

Awarded by AFNOR for our anti-corruption management system.

1 INJURY FREQUENCY RATE* AS OF MARCH 2018

2020 TARGET

• INJURY FREQUENCY RATE AT 1*
• 25% WOMEN IN MANAGERIAL & PROFESSIONAL POSITIONS
• THE NATIONALITIES OF OUR MIDDLE MANAGEMENT SHOULD REFLECT OUR ACTIVITIES

* IFR 1 – Among employees and contractors, in number of work-related injuries per million of hours worked.

ALSTOM FOUNDATION

ENGAGED ALONGSIDE EMPLOYEES

40 active projects backed by employees
€1 million annual budget
168 projects undertaken in 52 countries since its creation in 2007

159 NATIONALITIES

enhance our cultural diversity

HIGHLIGHTS

SPOTLIGHT: INDIA

SELF-HELP GROUPS FOR ‘RESOURCEFUL WOMEN’ IN TAMIL NADU, INDIA

Launch of a programme supporting the social, personal and economic development of women who are living below the poverty line in the rural region of Tamil Nadu, empowering them to play a leadership role in society. The programme is supported by the Alstom Foundation and run by the Indian NGO SEVAI (Society for Education, Village Action and Improvement) together with the French Association OFI (Objectif France Inde).

ANTI-CORRUPTION CAMPAIGN

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“We see the future of mobility as sustainable, connected and most definitely multimodal.”

Henri Poupart-Lafarge

9.8 BILLION PEOPLE ON THE PLANET BY 2050

≈70% OF THE WORLD’S POPULATION WILL LIVE IN URBAN AREAS BY 2050

INTERNATIONAL PLEDGE TO KEEP TEMPERATURE INCREASE WELL BELOW 2°C

Awareness of the need to decarbonise transport

Strong growth in demand for mobility solutions around the world

Increase in demand for urban mass-transit solutions

SIEMENS ALSTOM IN FIGURES*:

No.2 IN THE MOBILITY BUSINESS

€15bn SALES

62,300 EMPLOYEES WORLDWIDE

* Combined data are estimates based on current assumptions of separation of Siemens Mobility Business, and remain subject to effective completion of Siemens Mobility Business carve-out.
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