

5 November 2015

Alstom's first half 2015/16 results

- High level of orders and solid backlog
- Sales and operating income increase

Future governance defined

Between 1 April and 30 September 2015, Alstom booked a strong €3.9 billion of orders corresponding to a book-to-bill of 1.2. Over the same period, sales were up 8% (4% organically), amounting to €3.3 billion. The operating income (after corporate costs) increased to €167 million, 10% above the €152 million recorded in the first half of last year.

Net income from continued operations (Group share) reached €18 million and free cash flow from continued operations (before tax and financial cash-out) was around zero.

Key figures¹

(in € million)	30 September 2014	30 September 2015	% change reported	% change organic
Actual figures				
Orders received	6,407	3,897	(39)%	(41)%
Backlog	26,933	27,719	3%	4%
Sales	3,056	3,303	8%	4%
Income from operations (after corporate costs)	152	167	10%	
Operating margin	5.0%	5.1%		
EBIT	63	101	60%	
Net income - Continued operations - Group share	29	18		
Net income - Discontinued operations - Group share	226	(75)		
Net income - Group share	255	(57)		
Free cash flow ² - Continued operations	(85)	(5)		
Free cash flow ² - Discontinued operations	(1,010)	(1,086)		
Free cash flow	(1,376)	(1,336)		

¹ In the context of the project between Alstom and General Electric, and in compliance with IFRS 5, Thermal Power, Renewable Power and Grid activities, as well as some corporate costs, have been classified as Discontinued operations; they are therefore not included in orders, sales, income from operations and EBIT and are reported under the "Net income - Discontinued operations - Group share" line.

² Before tax and financial cash-out

“Alstom achieved a sound commercial performance in Transport during the first half 2015/16 with €3.9 billion of orders, fuelled by small and mid-sized contracts across all regions. Sales grew 8% and the operating income increased by 10%. Our previous medium term guidance remains unchanged.”, said Patrick Kron, Alstom’s Chairman & Chief Executive Officer.

H1 2015/16 results

High level of orders

Alstom booked €3.9 billion of orders in the first half of 2015/16, compared to €6.4 billion over the same period last year which included a €4 billion contract in South Africa. The book-to-bill remained strong at 1.2. Major commercial successes were registered in all regions including maintenance of Kazakh locomotives, locomotives in Azerbaijan, metro system in Panama and metro in India, regional trains in France and Algeria as well as signalling systems in Hong-Kong, Canada and Sweden.

The backlog amounted to €27.7 billion on 30 September 2015, corresponding to more than 4 years of sales.

Sales and operating income increase

In the first half of 2015/16, Alstom’s sales reached €3.3 billion, up 8% (4% organically), with solid performance in Europe and continued growth in emerging countries. Main deliveries in Europe included regional, suburban and very high-speed trains in France, suburban trains in Italy, maintenance contracts in the United Kingdom and Sweden. Sales increase in emerging countries was supported by the execution of metro and tramway contracts in Latin America as well as the ramp-up of PRASA contract in South Africa.

The income from operations (including corporate costs) grew from €152 million to €167 million, representing a 10% increase, with an operating margin of 5.1%.

Impacted by separation costs incurred in the frame of the transaction with General Electric, high transitory financial expenses as well as specific impairment charges, net income from continued operations (Group share) amounted to €18 million in the first half of 2015/16.

Free cash flow¹ from continued operations around zero

Free cash flow from continued operations (before tax and financial cash-out) amounted to €(5) million in the first half 2015/16, compared to €(85) million in the first half 2014/15 and was impacted by ramp-up of some projects.

¹ Before tax and financial cash-out

The Group had a gross cash in hand of €1.8 billion at the end of September 2015 and a fully undrawn credit line of €1.35 billion.

The Group's net financial debt increased to €(4,803) million at 30 September 2015 versus €(3,143) million at 31 March 2015, mainly due to the negative free cash flow over the period.

Equity decreased over the period, standing at €3,744 million at 30 September 2015 from €4,224 million at 31 March 2015.

Outlook

As previously indicated, for the medium term, sales are expected to grow at over 5% per year organically and the operating margin should gradually improve within the 5-7% range. Free cash flow is expected to be in line with net income before Energy activities contribution with possible volatility on short periods.

Governance

Based on Mr. Patrick Kron's announced decision to resign from his duties as Chairman and Chief Executive Officer after the return to shareholders of part of the proceeds of the transaction with General Electric, the Board of Directors indicated his intention to keep the functions of Chairman and Chief Executive Officer as combined into one, and to entrust such duties to Mr. Henri Poupart-Lafarge, currently Director and Executive Vice President of Alstom, who has already declared he would accept such duties.

In addition, Mrs. Lalita Gupte and Katrina Landis have indicated their intention to resign from their duties as Directors on 31 December 2015. The Board of Directors does not plan to immediately co-opt new Directors following these resignations, in an effort to reduce the size of the Board of Directors.

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The half-year financial report can be found on Alstom's website at www.alstom.com.

About Alstom

As a promoter of sustainable mobility, Alstom develops and markets systems, equipment and services for the railway sector. Alstom manages the widest range of solutions in the market – from high-speed trains to metros and tramways – and associated maintenance, modernisation, infrastructure and signalling solutions. Alstom is a world leader in integrated railway systems. It recorded sales of €6.2 billion and booked €10 billion of orders in the 2014/15 fiscal year. Headquartered in France, Alstom is present in over 60 countries and employs 32,000 people today.

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