

23 July 2014

Alstom's orders in Q1 2014/15 boosted by rail contract in South Africa

From 1 April to 30 June 2014, Alstom booked €8.2 billion orders, twice the level of the first quarter last year. This record performance derives essentially from a contract with PRASA in South Africa booked in Transport for around €4 billion, as well as a good flow of orders in Renewable Power and Grid.

Sales were organically down by 1% to €4.3 billion, affected by the lower level of order intake booked in the recent quarters in some businesses. Foreign exchange had a 3% negative impact on sales.

Over the first three months of the fiscal year, orders in Thermal Power, at €1.5 billion, included a sustained flow of service contracts. Both Grid and Renewable Power booked a robust volume of orders at respectively €1.2 billion and €0.7 billion.

At €4.8 billion, Transport order intake reached a record level thanks to the booking of a jumbo rail contract for suburban trains in South Africa as well as numerous small to medium-sized contracts.

Sales decreased in the first quarter 2014/15 in Thermal Power and in Renewable Power (both -10% on a like-for-like basis) and in Grid (-5% on a like-for-like basis). Transport sales increased by a strong 17% organically, reflecting the progressive execution of the backlog and a low basis of comparison in the first quarter 2013/14.

The total backlog reached €56 billion on 30 June 2014, representing 33 months of sales.

Key figures

Actual figures (in € million)	2013/14 * Q1	2014/15 Q1	Var. actual Q1/Q1	Var. organic Q1/Q1
Orders received	4,012	8,199	104%	114%
Sales	4,536	4,341	-4%	-1%

* 2013/14 figures have been restated for IFRS 11

The reported figures by Sector are presented in Appendix 1. A geographic breakdown of reported orders and sales is provided in Appendix 2. All figures mentioned in this release are unaudited. Organic figures exclude any currency & scope impacts.

“ First quarter’s orders made for a strong start of the year, thanks to Transport which maintained a good commercial dynamic. In the Energy businesses, Thermal Power had no large orders in new build but benefited from a good commercial activity in Service. Renewable Power and Grid orders had a solid start compared to last year. Transport sales increased sharply, driven by the execution of its record backlog, representing nearly 4.5 years of sales at the end of June. We expect Transport to achieve a good commercial performance this year with sales to grow organically at a sustained pace. Concerning General Electric’s offer for our Energy businesses, following the recommendation by the Board, we immediately initiated the first implementation stages, notably work councils’ consultation – information, the finalisation of the JVs agreement and signalling acquisition, and launch of merger and other regulatory authorisation processes. We expect to call for a shareholders’ meeting before the end of 2014 for a decision on the deal”, said Patrick Kron, Chairman & Chief Executive Officer of Alstom.

Sector Review

Transport

Over the first quarter of 2014/15, Transport’s orders reached a record high of €4,796 million. In addition to the jumbo rail contract in South Africa, which includes 600 suburban trains and an 18-year maintenance contract, the Transport Sector also booked contracts for a signalling system in Spain, light-rail vehicles in France, and tramways in Algeria.

Sales, at €1,487 million, showed a strong organic increase of 17% as compared to the first quarter last year and included the delivery of regional trains in France and Germany as well as high-speed trains in Poland and Switzerland.

Energy businesses

Thermal Power

During the first quarter of 2014/15, Thermal Power Sector received €1,502 million of new orders, down 3% compared to the first quarter of the last fiscal year, with no large orders. Thermal Services maintained a good commercial activity, supported by its broad range offering.

Sales, at €1,680 million, were impacted by the weakness in new build orders over the past quarters and by the timing of milestones on large projects. Sales decreased by 10% organically compared to the same period last year with Thermal Services sales being slightly up.

Renewable Power

In the first quarter of 2014/15, Renewable Power booked €682 million of orders, showing a solid growth of orders (up 29% as compared to the first quarter of 2013/14). The Sector received notably orders for onshore wind equipment in Brazil.

Sales, at €340 million, were down 10% organically compared to the same period last year, impacted by temporary delays in wind sales recognition in Brazil.

Grid

At €1,219 million, the Grid Sector recorded a robust level of orders, up 40% as compared to the same period last year. These orders included in particular two HVDC contracts in Canada and South Korea.

During the quarter, the Sector generated €834 million sales, down 5% on a like-for-like basis as compared to the same period last year. This slow start should be compensated over the year.

Key events of the first quarter 2014/15

On 20 June 2014, the Board of Directors received an update to the offer from General Electric to acquire Alstom's power and grid businesses; the Board of directors unanimously decided to issue a positive recommendation for this offer. General Electric would acquire, as previously announced, the Thermal Power, Renewable Power and Grid Sectors, as well as corporate and shared services for a fixed price representing an Equity Value of €12.35bn. Following the completion of this offer, Alstom would enter into three joint ventures with General Electric in Grid, Renewable and Global Nuclear and French Steam businesses. Alstom also expects to acquire General Electric's Signalling business and to enter into a frame agreement concerning a global rail alliance which should support its Transport activities.

In June 2014, Alstom introduced the Coradia Liner V200, its latest, innovative main-line train, at the European Mobility Exhibition for Public Transport. Electric or dual-mode (electric and thermal), equipped with ERTMS technology and consistent with European standards, the Coradia Liner can run on all conventional rail networks, reach speeds of 200 km/h and accommodate up to 900 passengers.

Outlook

As indicated in its registration document 2013/14, in the current circumstances, Alstom is not in a position to provide guidance for the current fiscal year.

While the level of organic growth achieved in Transport in the first quarter should not be extrapolated over the remainder of the year, sales should grow at a sustained pace this year benefitting notably from the execution of its record backlog. Alstom is planning to communicate more details on Alstom Transport's perspectives in due time.

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.

APPENDIX 1 – SECTOR BREAKDOWN

Orders received <i>(in € million)</i>	2013/14*	2014/15	Var. Actual	Var. Organic
	Q1	Q1	Q1/Q1	Q1/Q1
Thermal Power **	1,549	1,502	-3%	1%
Renewable Power **	527	682	29%	37%
Grid **	871	1,219	40%	48%
Energy	2,947	3,403	15%	21%
Transport	1,065	4,796	350%	366%
Alstom	4,012	8,199	104%	114%

Sales <i>(in € million)</i>	2013/14*	2014/15	Var. Actual	Var. Organic
	Q1	Q1	Q1/Q1	Q1/Q1
Thermal Power **	1,924	1,680	-13%	-10%
Renewable Power **	411	340	-17%	-10%
Grid **	915	834	-9%	-5%
Energy	3,250	2,854	-12%	-8%
Transport	1,286	1,487	16%	17%
Alstom	4,536	4,341	-4%	-1%

APPENDIX 2 – GEOGRAPHIC BREAKDOWN

Orders received by destination <i>(in € million)</i>	2013/14 *	%	2014/15	%
	Q1	Contrib.	Q1	Contrib.
Western Europe	1,065	26%	962	12%
North America	1,242	31%	1,052	13%
Eastern Europe	379	9%	88	1%
South & Central America	229	6%	731	9%
Africa / Middle East	383	10%	4,668	57%
Asia / Pacific	714	18%	698	8%
TOTAL	4,012	100%	8,199	100%

Sales by destination <i>(in € million)</i>	2013/14 *	%	2014/15	%
	Q1	Contrib.	Q1	Contrib.
Western Europe	1,504	33%	1,650	38%
North America	597	13%	549	13%
Eastern Europe	505	11%	391	9%
South & Central America	349	8%	312	7%
Africa / Middle East	722	16%	675	15%
Asia / Pacific	859	19%	764	18%
TOTAL	4,536	100%	4,341	100%

(*) 2013/14 figures have been restated for IFRS 11

(**) Figures given for comparison and analysis purposes only