

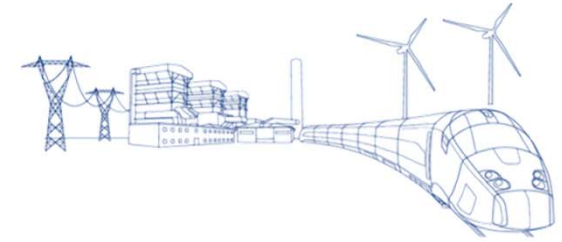
Annual Results

Fiscal Year 2013/14

7 May 2014

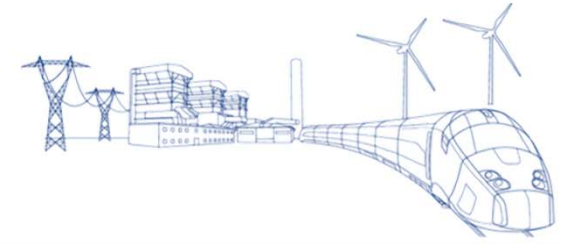
ALSTOM
Shaping the future

Key takeaways



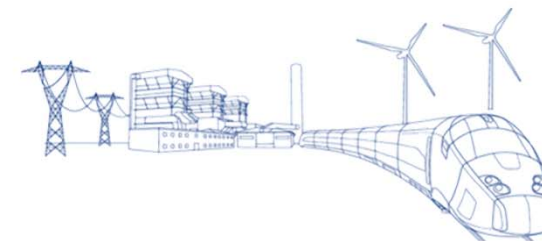
- **4% organic growth in sales**
- **Resilience in profitability** with IFO at 7%
- **Positive FCF in H2** after significant outflow in H1
- Cost saving **performance plan “d2e” on track**
- **Balance sheet reinforcing**
 - **Steam auxiliary components to be sold** for an EV of around €730 million
 - **No dividend** to be proposed at the AGM
- **Strategic reorientation**
 - **Proposed acquisition of Alstom Energy activities** for €12.35 billion of Equity Value

Agenda



- **Key events of 2013/14**
- Financial results
- Conclusion

2013/14 key figures



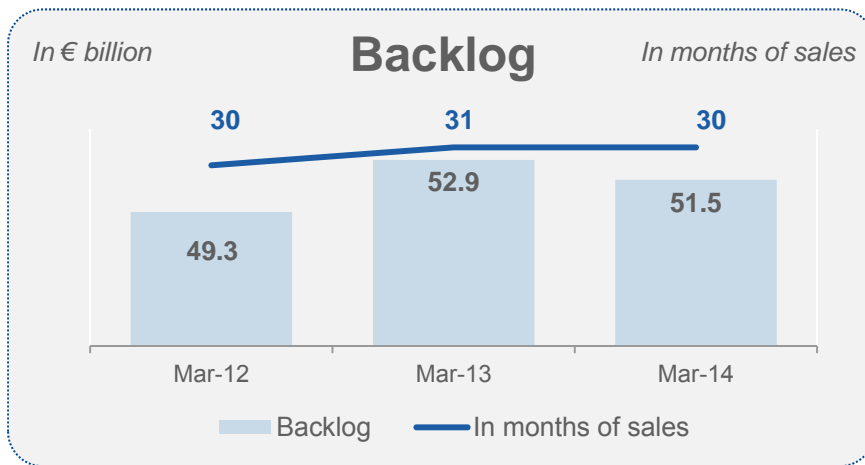
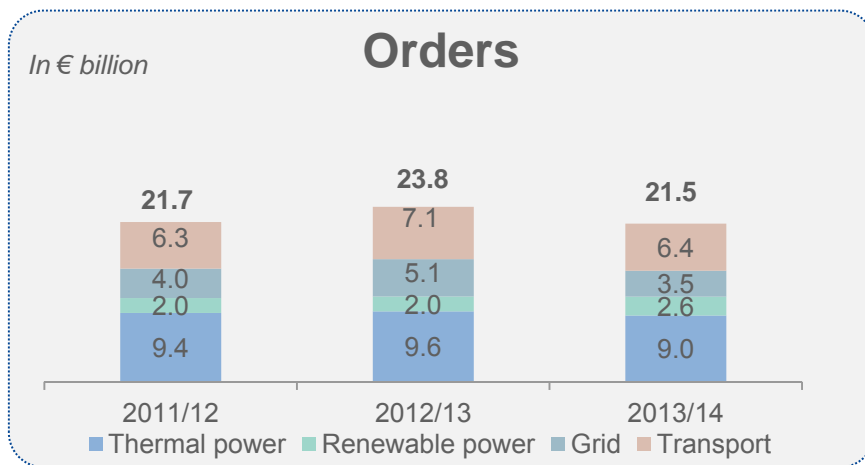
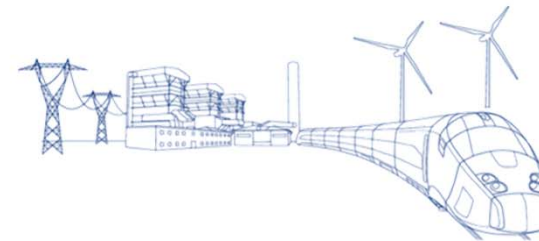
Resilience at the operational level, FCF positive in H2

In € million

	2012/13*	2013/14	% change	% change organic
Orders	23,770	21,498	-10%	-6%
Book-to-bill ratio	1.17	1.06		
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

Orders down due to a limited number of large projects



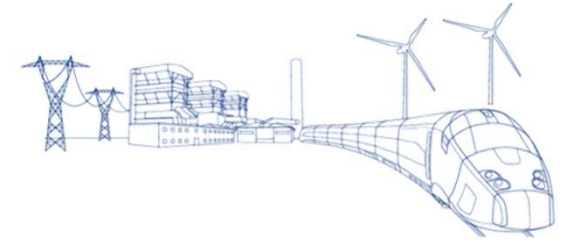
Contrasted order intake

- Transport benefiting from strong demand for urban products and systems
- Grid affected by lack of HVDC projects
- Renewable Power performing well both in hydro and wind
- Thermal Power contrasted with strong service orders and weak new build contracts (with strong Q4 bookings)




Solid backlog

- Backlog at 30 months of sales

Major commercial successes





THERMAL POWER

-  **Opole** – two 900 MW units for the largest coal-fired power plant in Poland (€1.25Bn)
-  **GDF Suez** – maintenance services and gas turbine upgrade packages for power stations in the USA (€360m)
-  **Irak** – 8 gas turbines signed (two contracts for 4 GT26 and 4 GT13) (€25m)

RENEWABLE POWER

-  **Brazil** – several contracts of ECO 122 wind turbines (> €500m)
-  **Gilboa** – first pumped storage power station in Israel
-  **Devoll River** – equipment for a hydropower project in Albania

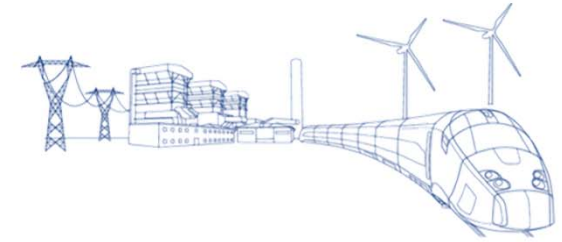
GRID

-  **SEC** – several contracts of transmission equipment in Saudi Arabia
-  **PGCIL** – latest generation smart grid contract in India

TRANSPORT

-  **Riyadh** – a turnkey metro project in Saudi Arabia (€1.2Bn)
-  **Santiago** – full modernisation of the metro (€220m)
-  **Coradia Liner** – 34 long-haul intercity trains for SNCF in France (€350m)

Thermal Power business supported by balanced portfolio



Services: resilient

In € billion



Resilient Thermal Services

- Large installed base
- Services to both own and third-party fleets
- Innovative retrofit
- Diversified technologies
- Global presence (60 countries)

New build: less large orders

In € billion

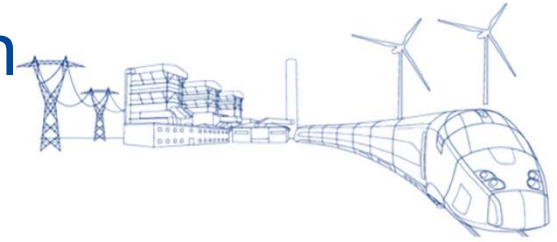


New build market remaining difficult

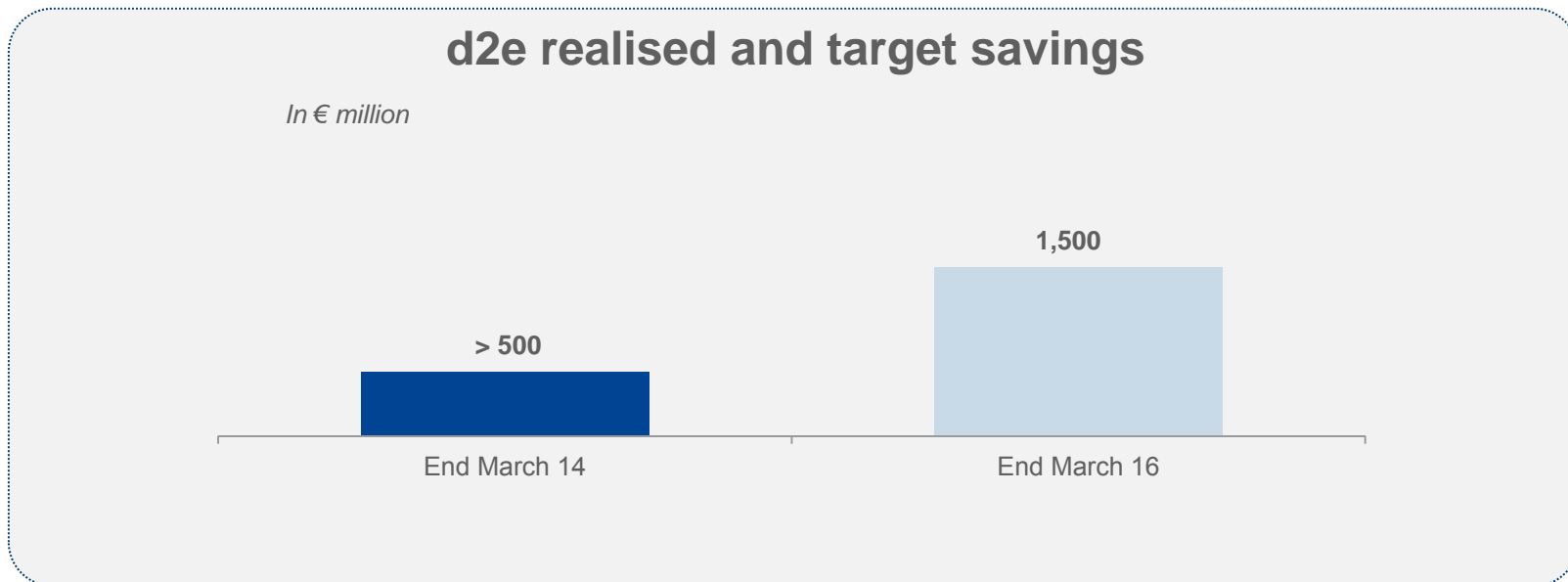
- Subdued growth in Europe
- Low demand in mature markets



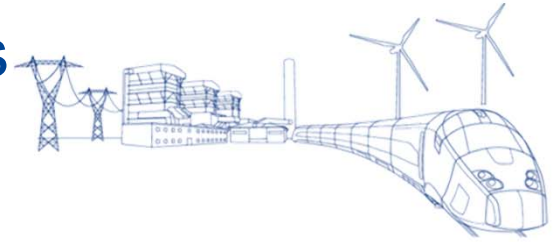
“Dedicated to Excellence” plan progressing well



One third of the target achieved to date



€1.5 billion of savings targeted by end March 2016 vs. 2012/13 cost base



THERMAL POWER



- Adaptation plan in European boiler capacity progressing well
- 30% overall lead time decrease thanks to leaner manufacturing procedures

RENEWABLE POWER



- Grouping of most French hydro engineering and support activities in Grenoble (completed)
- Reorganisation of Spanish industrial footprint in wind with 2 factories closed

GRID

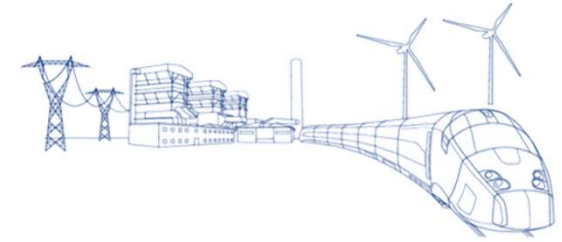


- External purchase reduced by 10% in 2013/14
- Reduction of active suppliers by ~30% by year-end

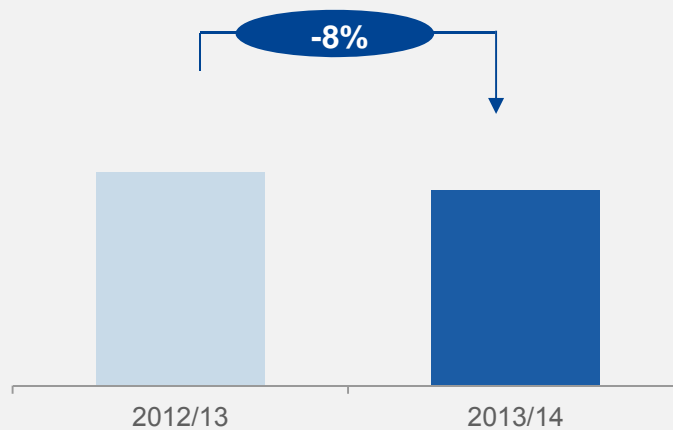
TRANSPORT



- Simplification of the organisation and action on central overheads
- Footprint adaptation



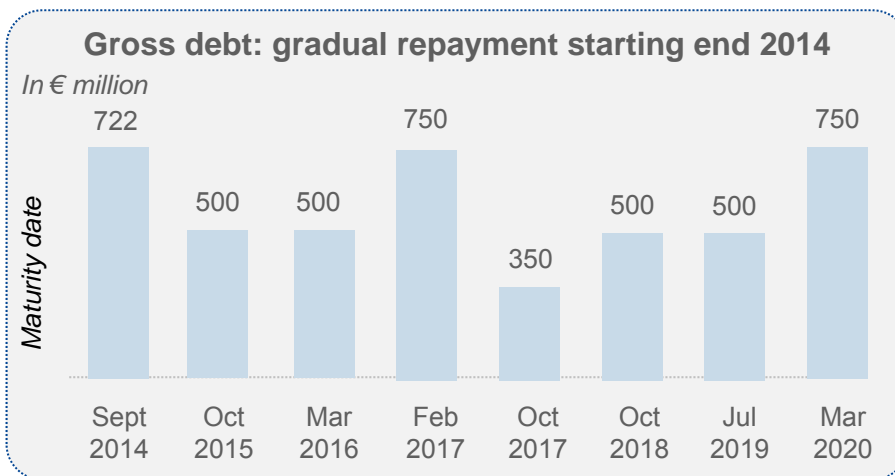
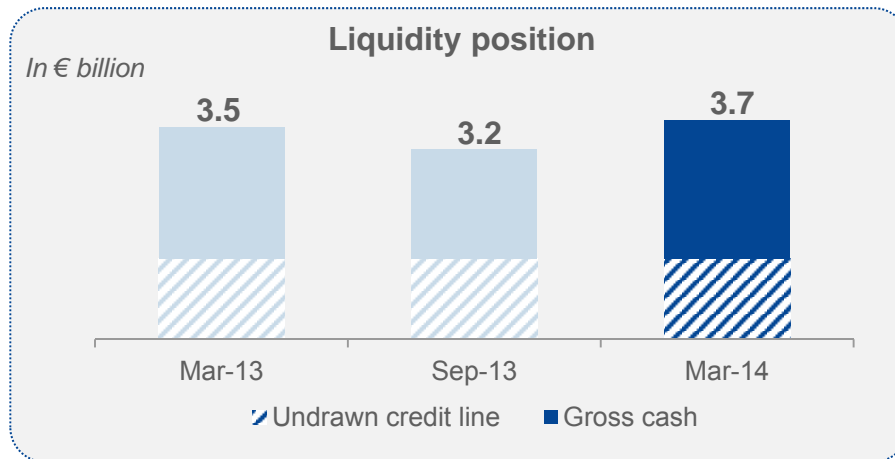
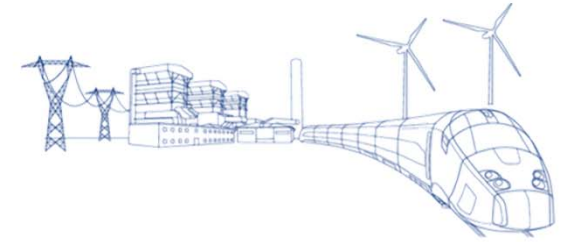
Indirect costs



Measures for all indirect sourcing categories yielding tangible results

- Indirect Sourcing reduced by 8% thanks to tight spend disciplines (IS&T, travel, communication, utilities, consumables, etc)

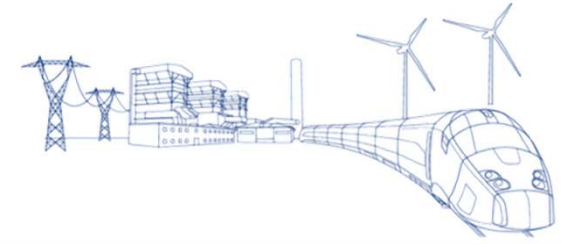
Financial situation



- **Steam auxiliary components business** (€430 million sales) **to be sold for €730 million**, closing expected in the first half of 2014/15
- A €1.35 billion syndicated credit line **fully undrawn** maturing **in 2016**
- **Large headroom** on covenants at end of March 14
 - Minimum interest cover = 8 (>3)
 - Maximum total net debt leverage = 1.9 (<3.6)
 - Maximum total debt* = €5.3 billion (not applicable as investment grade, < €6 billion if not investment grade)
- **No dividend** to be proposed at the AGM

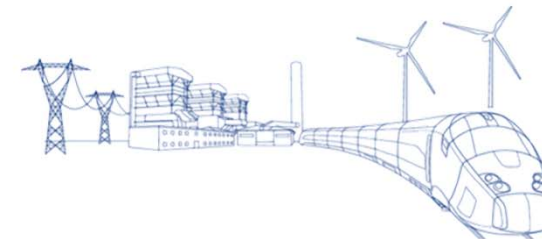
* Minus finance lease obligations

Agenda



- Key events of 2013/14
- **Financial results**
- Conclusion

Income statement



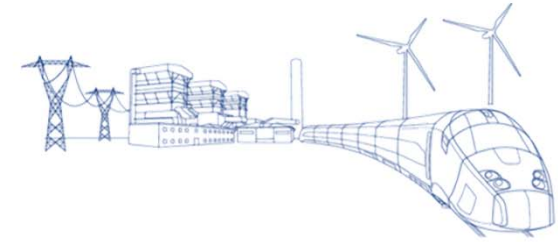
In € million

	2012/13*	2013/14	% change reported	% change organic
Sales	20,269	20,269	0%	+4%
Income from operations	1,463	1,424	-3%	
<i>Operating margin</i>	7.2%	7.0%		
Restructuring charges	(137)	(220)		
Other non-operating expenses	(137)	(196)		
EBIT	1,189	1,008	-15%	
Financial result	(266)	(308)		
Tax result	(186)	(163)		
Impairment loss of equity investees	-	(23)		
Non controlling interest & other	31	42		
Net income	768	556		

* Adjusted for revised IAS 19

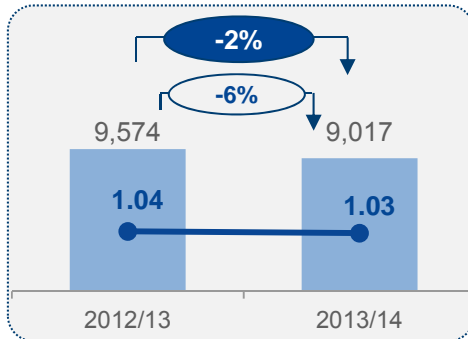
Thermal Power

Key figures

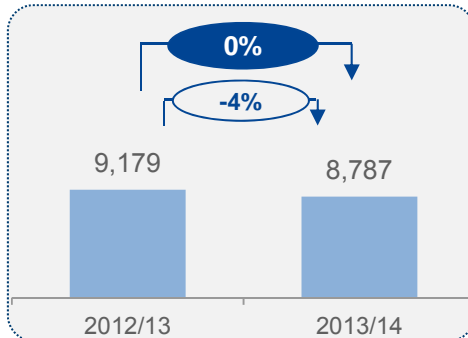


In € million

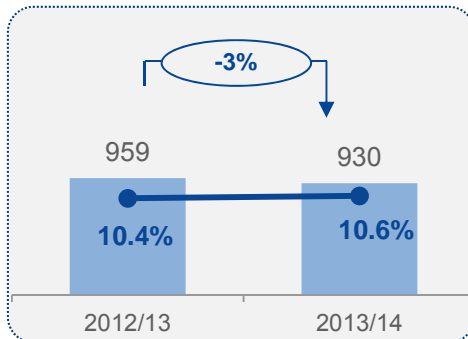
Orders and book-to-bill



Sales



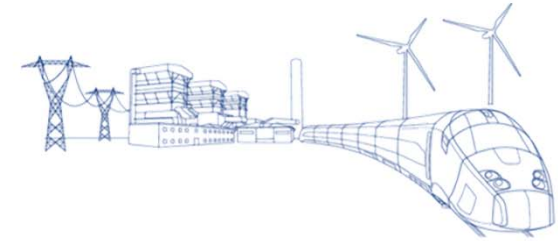
Income from op. and margin



- Better order intake in H2 2013/14 after low level in H1, thanks to a large steam order in Poland and gas contracts (11 turbines booked in 2013/14)
- Thermal Services orders remaining strong at €4.9 billion
- Sales reflecting slower orders intake over the recent quarters
- Resilient Thermal Services sales: €4.2 billion (+5% vs last year on an organic basis)
- Margin remaining at a high level thanks to Services contribution and tight costs control

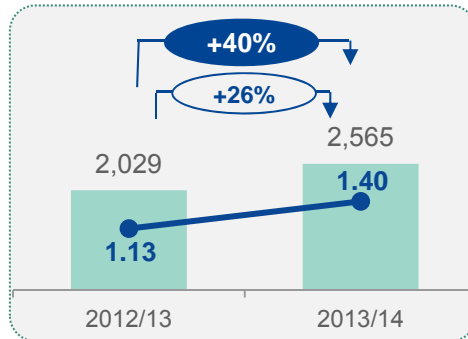
Renewable Power

Key figures

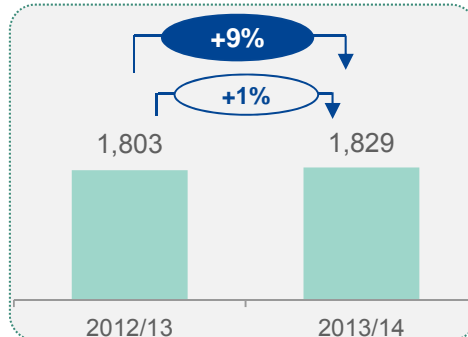


In € million

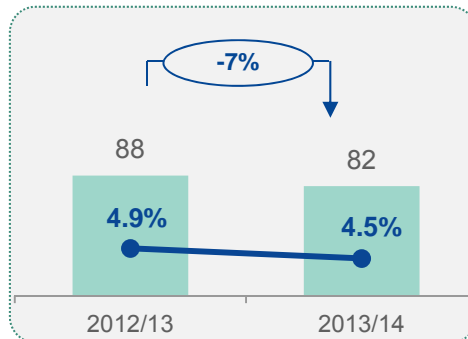
Orders and book-to-bill



Sales



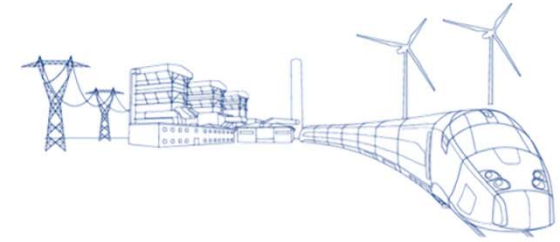
Income from op. and margin



- Growth in orders fuelled by hydro projects booked (Albania, Turkey, Canada, India, Israel) and by strong orders in wind in Brazil
- Sales growing substantially on an organic basis, thanks to the development in wind
- Decrease in margin linked to unfavourable mix, continuing pressure on wind prices partly offset by actions on costs

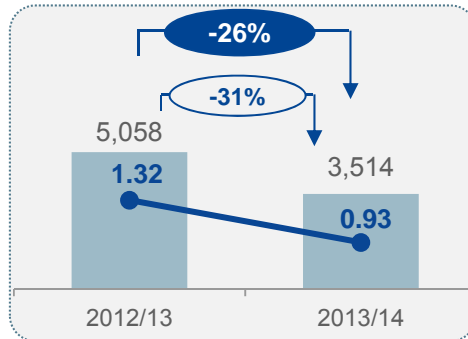
Grid

Key figures

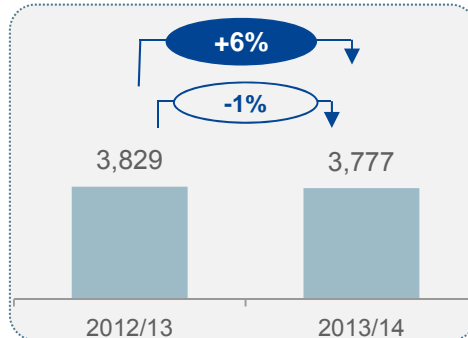


In € million

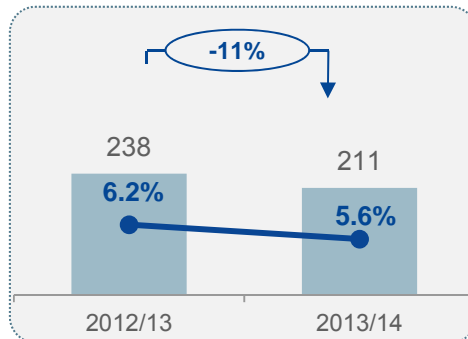
Orders and book-to-bill



Sales

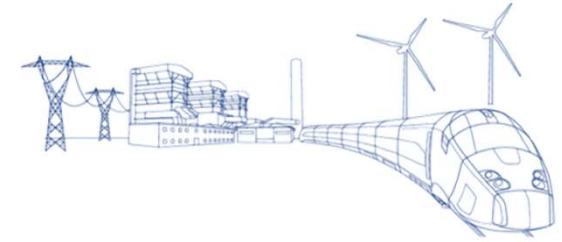


Income from op. and margin



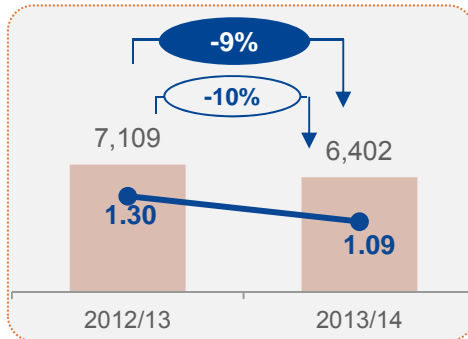
- Stable orders when excluding Dolwin 3 and Champa HVDC contracts booked in 2012/13
- No awards of large HVDC projects over the period
- Sales up 6% on an organic basis
- Well-balanced by region (app. 30% in Europe, 20% in Americas, 30% Asia/Pacific, 20% MEA)
- Margin affected by continuing pricing pressures in AC products mitigated through progressive implementation of d2e performance plan

Transport Key figures

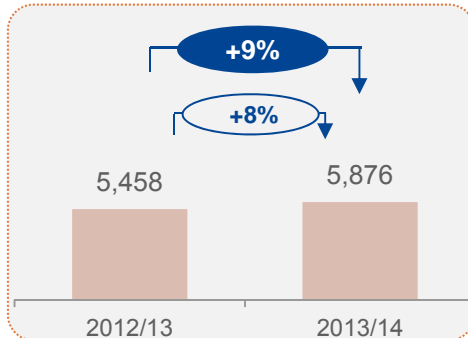


In € million

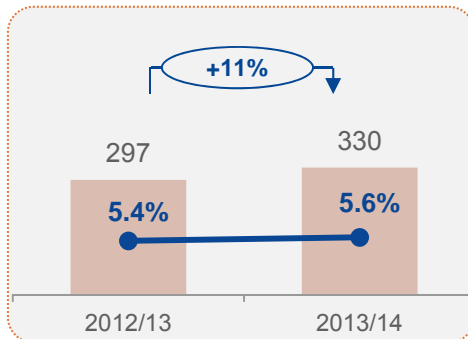
Orders and
book-to-bill



Sales

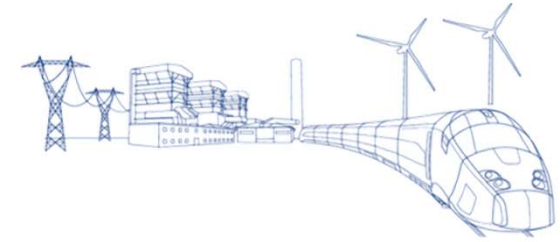


Income
from op.
and margin

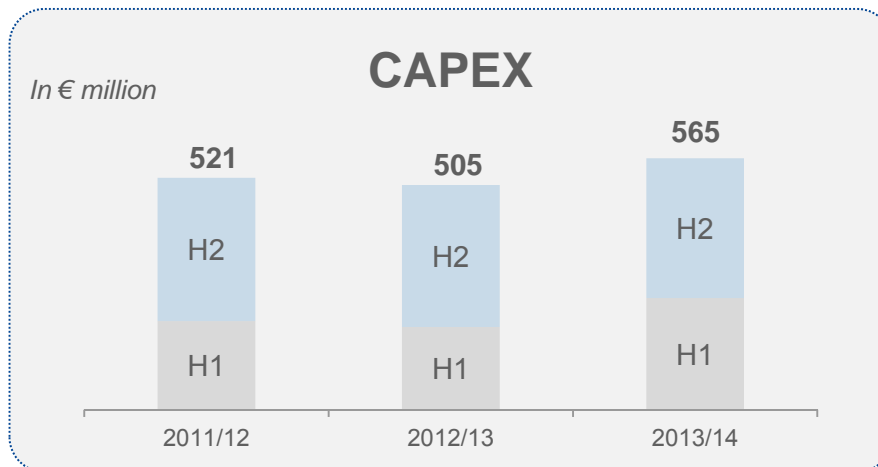
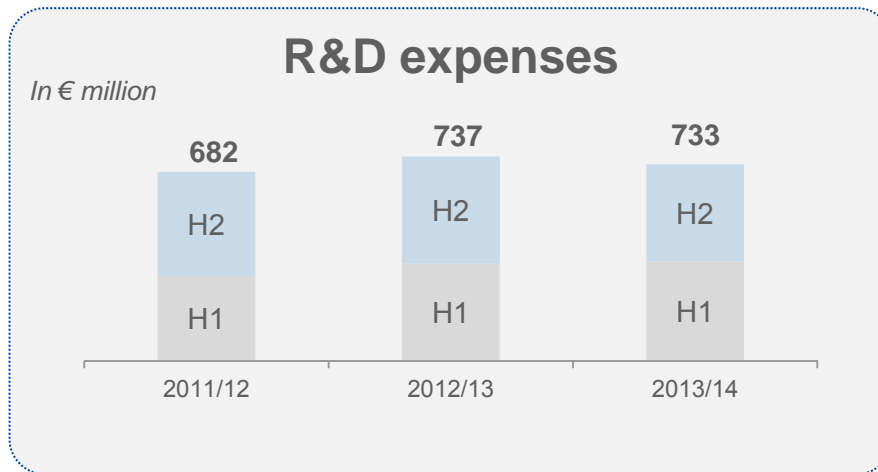


- Sound level of orders (book-to-bill of 1.1) with major contracts signed in Saudi Arabia, Chile and France
- Prasa contract to be booked in Q1 2014/15
- Large backlog supporting strong increase in sales (+9% on organic basis), at all-time record level
- Main deliveries in France (regional and suburban trains), Kazakhstan (locomotives), Poland (high speed) and Dubai (tramways)
- Gradual improvement in margin thanks to cost optimisation (progressive implementation of d2e) and good execution

Investing for future growth



R&D and capex in line with plans



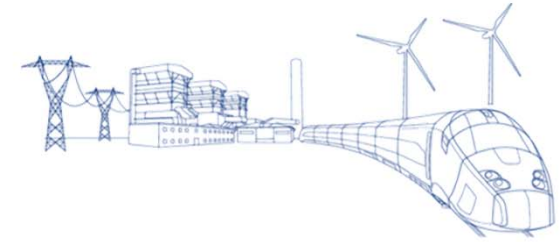
- **Main R&D programmes**

- Gas turbines development – focus on flexibility and increased combined cycle efficiency
- Successful tidal turbine test
- MaxSine™ eStorage energy storage solution, addressing the instabilities on the grid
- Axonis and Urbalis Fluence, major innovative solutions in metro systems and signalling

- **Recent capex developments**

- Extension of the hydro equipment manufacturing site in Tianjin, China
- Wind tower factory in Canoas, Brazil
- New steam turbines facility in India
- Bogie manufacturing plant in Canada
- Smart grid excellence centre in France

Free cash flow

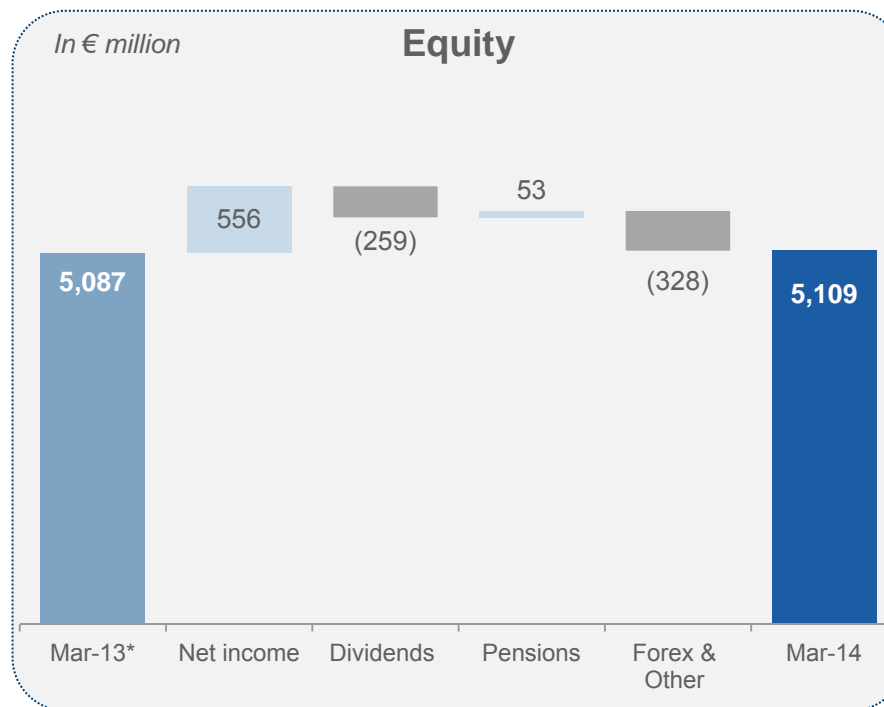
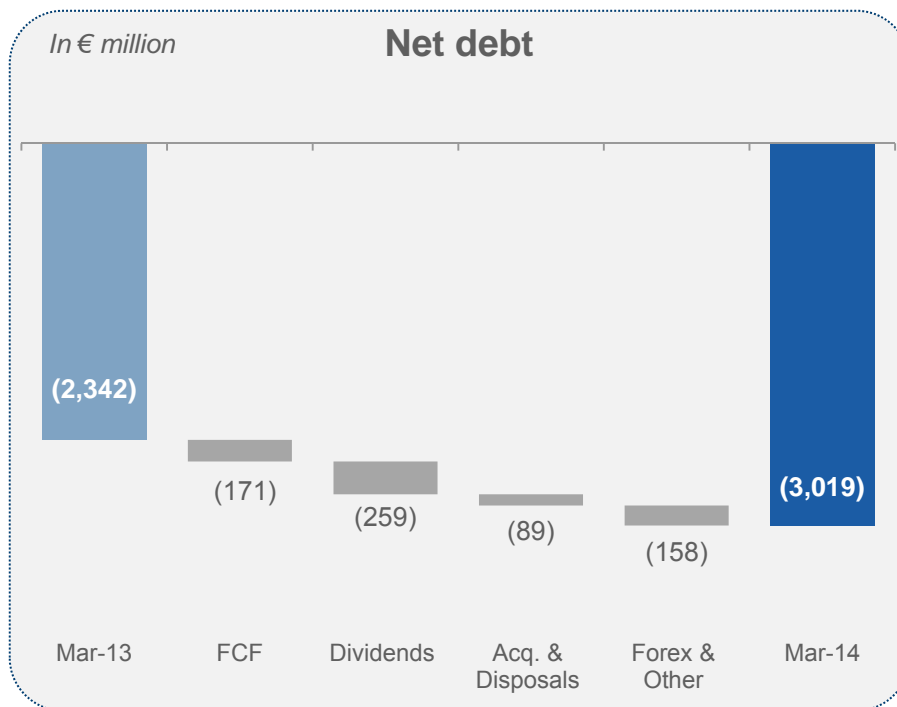
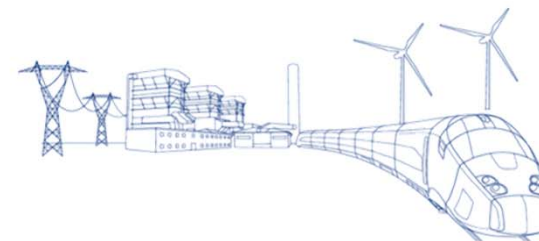


Positive free cash flow in H2 after a €(511) million outflow in H1

<i>In € million</i>	2012/13	2013/14
Income from operations	1,463	1,424
Restructuring cash out	(201)	(214)
Depreciation	348	343
Capital expenditure	(505)	(565)
R&D cap. & amort. of acq. Techno	(57)	(82)
Pensions	(92)	(85)
Change in working capital	(111)	(366)
Financial cash out	(223)	(224)
Tax cash out	(240)	(266)
Other	26	(136)
Free cash flow	408	(171)

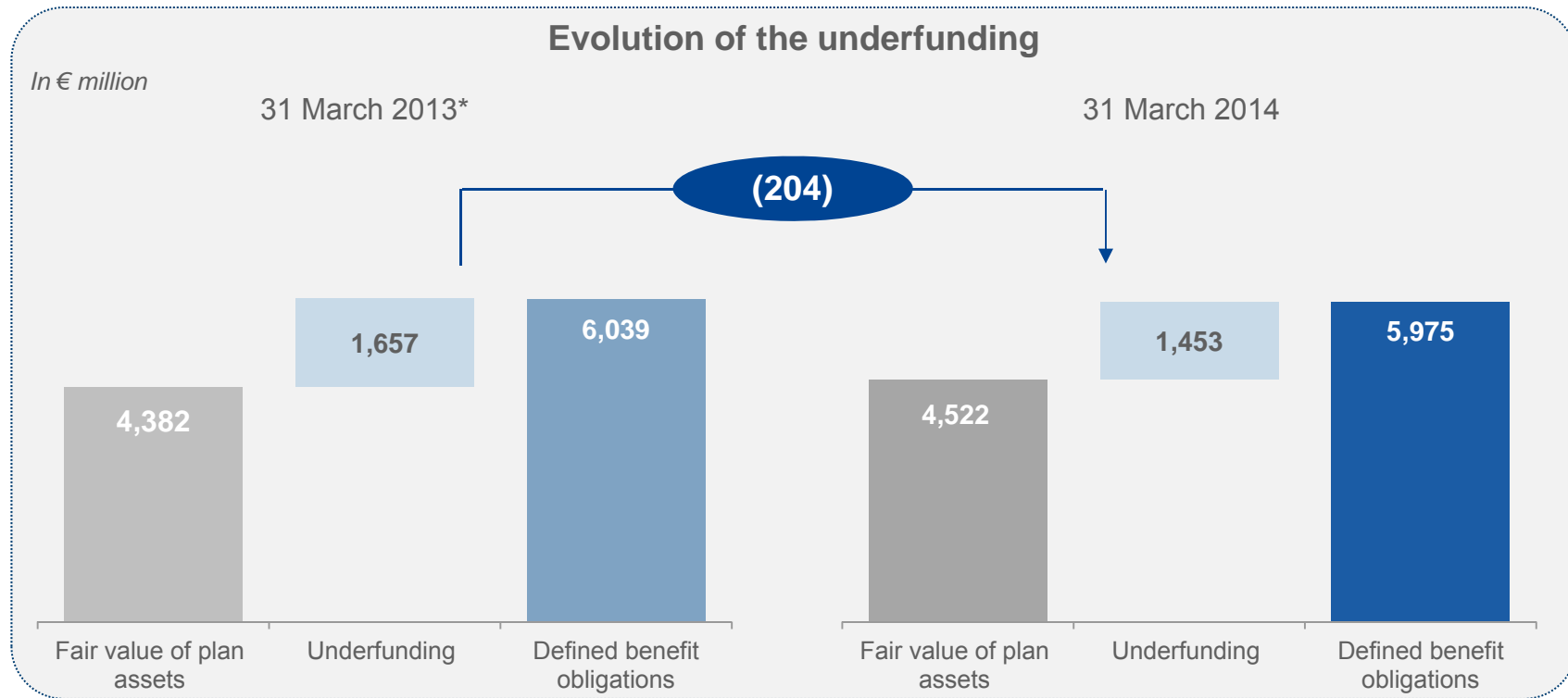
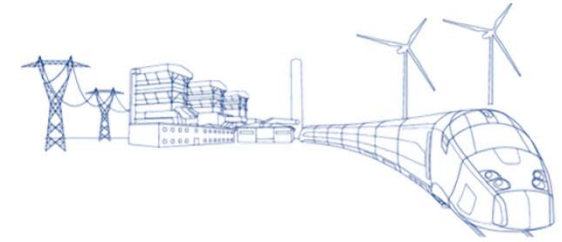
- H2 FCF reaching €340 million
- Positive working capital change in H2 thanks to efficient cash management (receivables and inventories)
- Unfavourable cash profile of contracts executed weighing on working capital change
- Increasing downpayments in H2: €200 million over the year

Net debt & equity



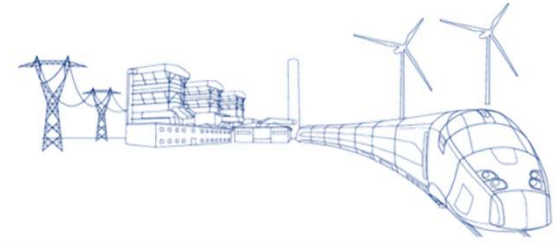
* Adjusted for revised IAS 19

Pensions



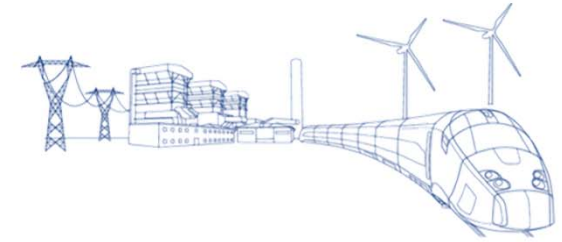
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Agenda



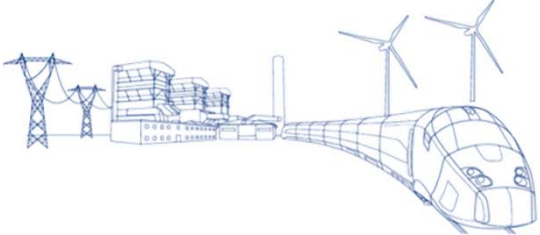
- Key events of 2013/14
- Financial results
- **Conclusion**

Strategic reorientation



- **Binding offer on Alstom's Energy business from GE**
 - **Scope:** Thermal Power, Renewable Power and Grid sectors, as well as corporate and shared services
 - **Price:** €12.35 billion Equity Value, equivalent to €11.4 billion Enterprise Value
- **GE's offer positively received by Alstom Board of Directors**
 - Board to review the Transaction by the end of May
 - Ad hoc committee of independent Board members set up and appointment of a financial expert
 - If recommended by the Board, after consultation of the works councils, Transaction to be submitted to Alstom shareholders' vote
- **Alstom allowed to discuss with third parties submitting unsolicited offers on its Energy business**
- **Significant cash to be returned to Alstom shareholders**
- **Alstom to refocus on its Transport business**

Proposed acquisition of Alstom Energy activities – Transaction scope

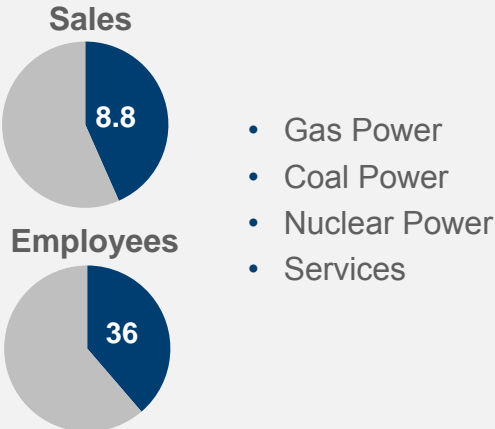


TRANSPORT



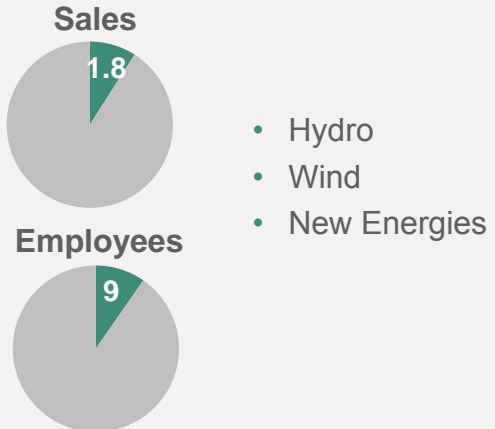
- Trains
- Rail Infrastructure & Integrated Solutions
- Services
- Signalling

THERMAL POWER



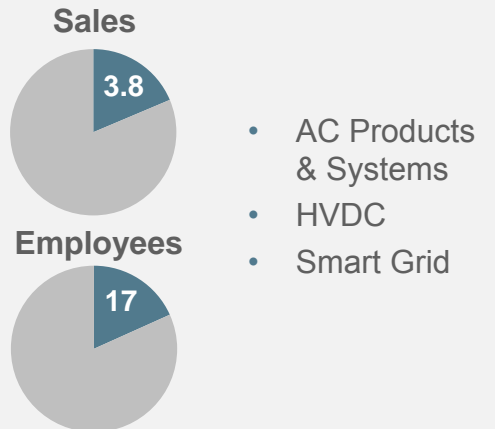
- Gas Power
- Coal Power
- Nuclear Power
- Services

RENEWABLE POWER



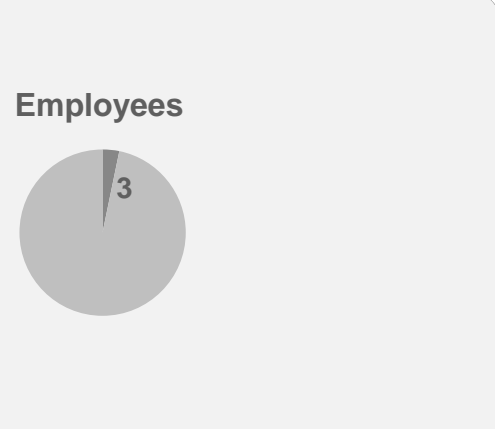
- Hydro
- Wind
- New Energies

GRID



- AC Products & Systems
- HVDC
- Smart Grid

CENTRAL & SHARED SERVICES



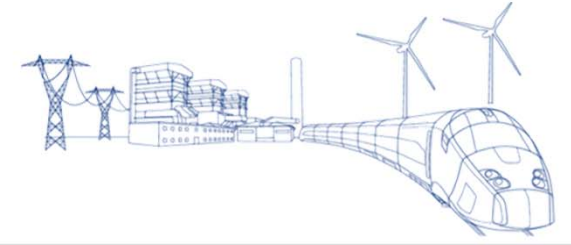
Sales 2013/14, in € billion
Employees in '000 as at Mar 2014

Alstom Energy Activities:

- Sales: €14.4 billion
- Employees: 65,000

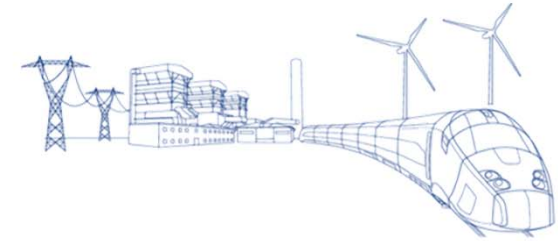


Alstom Transport: Ideally Positioned to Grow



- **Critical size** and **worldwide presence**
- **Strong underlying rail market** trends
- Proven global / multi-local **strategic agility**
- **Differentiation** through Integrated Solutions, Services and Innovation & Technology
- **Operational excellence** supported by continuous improvement initiatives
- **Financial flexibility**

Contacts and agenda



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AGENDA

20 May 2014

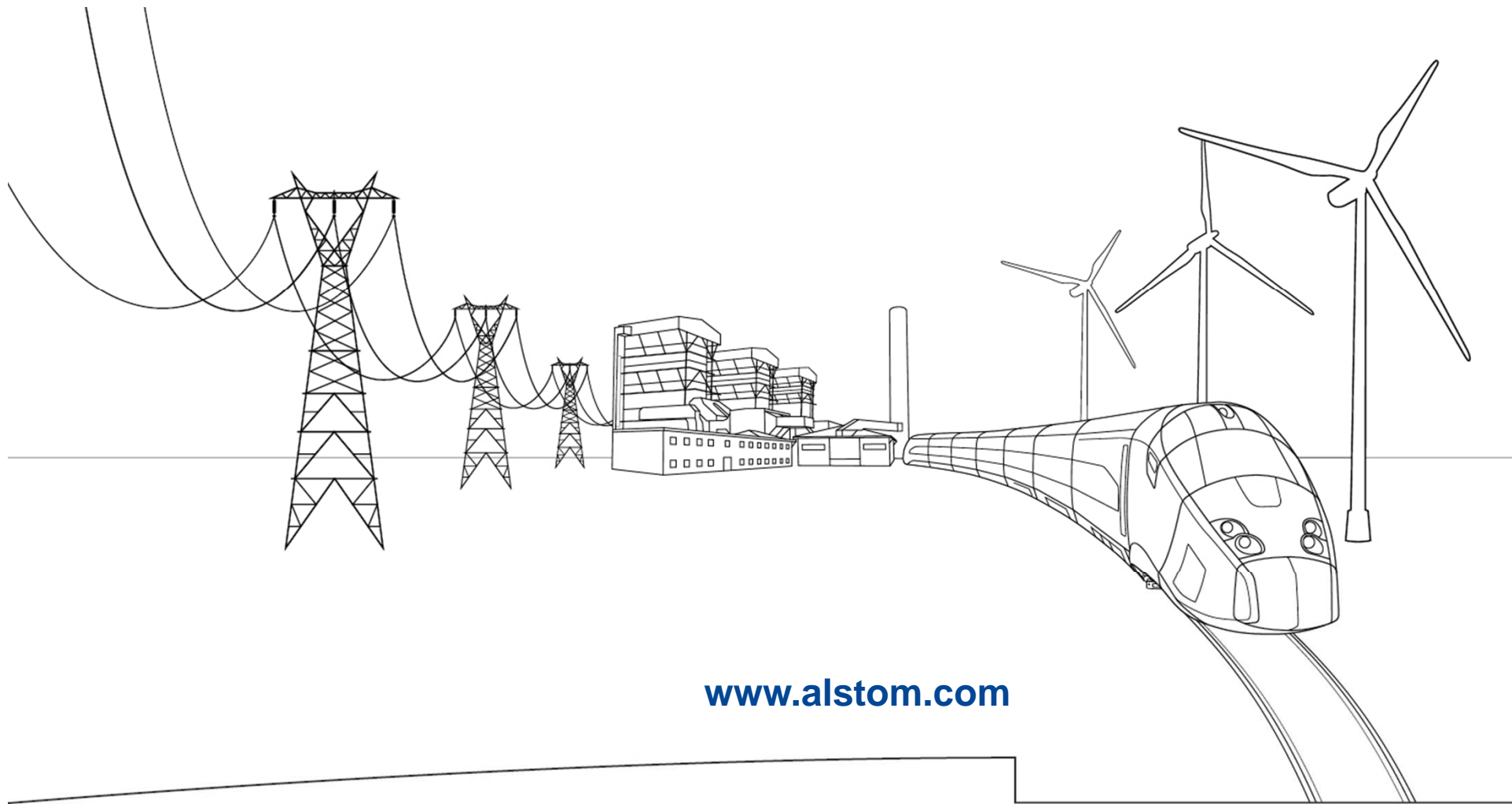
Filing of Registration Document

1 July 2014

Annual General Meeting

23 July 2014

Q1 2014/15 orders and sales



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