



FAIVELEY TRANSPORT: HALF-YEAR EARNINGS IN LINE WITH EXPECTATIONS—SOLID OUTLOOK

CONSOLIDATED INCOME STATEMENT FIRST HALF 2010/11

<i>IFRS standards, in € million</i>	30/09/2009	30/09/2010	Δ%
Sales	414.7	411.2	-0.8%
Operating income	51.7	49.7	-3.8%
<i>Operating margin (% sales)</i>	12.5%	12.1%	
Net income group share	30.5	29.0	-5.0%
<i>Net margin (% sales)</i>	7.4%	7.1%	
Earnings per share (in €)	2.17	2.07	-4.7%

REVENUES IN LINE WITH OUR EXPECTATIONS — CONTINUED GROWTH IN ORDER BOOK

In the first half of 2010/2011, Faiveley Transport revenues are recorded at €411.2M, marginally down on the same period last year (-0.8%). Exchange rates had a favorable effect of 4.1% over the period. This reflects the delivery of some projects being postponed, notably in Europe, partially compensated by dynamic activity in Asia.

The order book reached €1,363M at end September 2010, an increase of 14% as compared to the €1,195 M at end September 2009, and of 4.8% compared to March 31, 2010 (€1,301 M). This performance is due to the combination of continuing and regular streams of diversified OEM orders, repeat orders and aftermarket, as well as major new contract wins such as Regio 2N ("Porteur Hyper Dense") built by Bombardier Transport, and the Regiolis train sets ("Porteur Polyvalent") built by Alstom Transport for the SNCF.

HALF-YEAR RESULTS

First half 2010/11 gross margin was €115.8 M (28.2% of sales), down 1% compared to first half 2009/10 (€116.9 M), with a stable rate of gross margin (28.2%).

General, selling, administrative and research/development expenses were virtually flat (+1% vs. first half 2009/10), with commercial expenses increasing in a context of a larger number of tenders, compensated by a reduction of administrative expenses.

First half operating profit was €49.7 M, representing 12.1% on sales, down by 3.8% on the previous financial year.

Adjusted for treasury shares, net earnings per share were €2.07, down 4.7% on first half 2009/10.

FINANCIAL STRUCTURE

Net debt on September 30, 2010 was €225 M, a rise of €9 M over the half-year, mainly due to the seasonal decrease in the receivables deconsolidation programme in the first half (-30 M€). The balance sheet structure is solid and the ratio of net debt to EBITDA stands at 1.8.

OUTLOOK: STABLE SALES CONFIRMED FOR FY 2010/11

The financial crisis affecting public spending in Europe should not have a significant impact on the Group, whose business continues to benefit from its diversified geographical exposure.

New market opportunities are arising, notably in China, India and Russia where spending on rail services and infrastructure are intensifying. Finally, the recovery in the freight market, both in the United States and worldwide, should contribute to Faiveley Transport's growth in the medium term, thanks to the alliance newly signed with Amsted (October 2010).

The Group confirms overall stable revenues for 2010/11, with a return to growth next fiscal year.

ASSURED SUCCESSION FOR THE HEAD OF THE GROUP

Robert Joyeux, with the full backing of the Supervisory Board, decided to resign from his operating responsibilities at the end of this financial year. Thierry Barel, Chief Operating Officer, recruited with this perspective in July 2009, will replace him as Group Chief Executive Officer. Robert Joyeux will become a member of the Supervisory Board.

Financial calendar:

3rd quarter sales 2010/2011: January 2011 (after trading)

FAIVELEY TRANSPORT, A GLOBAL LEADER IN THE RAIL INDUSTRY

About Faiveley Transport

Faiveley Transport, a specialist player in the global market for high-tech components for rail systems, is extending its range of products across seven business lines: air conditioning, power information & control, passenger access systems, passenger screen doors, braking, couplers and customer service.

Boasting the most comprehensive range of equipment and services in the market, Faiveley Transport's mission is to supply the railway industry, operators and rail maintenance organizations the world over.

As a supplier, Faively Group comprehensively covers the value chain, from design to production, marketing and services.

Faively is a provider of high value-added services combined with the highest levels of quality, and safety, guaranteeing customers the highest levels of quality, safety and availability.

Faively stands out from its competitors by its flexibility, reliability and capacity to innovate.

FAIVELEY Transport

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