FAIVELEY TRANSPORT: 9% INCREASE IN PROFIT FROM OPERATIONS IN FINANCIAL YEAR 2010/11

Saint-Denis, 14 June 2011,

IFRS sales (€ millions)	**31/03/2011**	31/03/2010	% change
Sales	**913.9**	875.9	*4.3%*
Profit from recurring operations *	**129.8**	118.9	*9.2%*
Operating profit	**126.7**	118.2	*7.1%*
As a % of sales	***13.9%***	*13.5%*	
Net profit - Group share	**75.7**	71.1	*6.4%*
As a % of sales	***8.3%***	*8.1%*	
Earnings per share (€) **	**5.43**	5.04	*7.8%*

(*) excluding restructuring costs and gains/losses from disposal of assets
(**) after elimination of treasury shares

SALES GROWTH AND STRONG INCREASE IN THE ORDER BOOK

Faiveley Transport reported revenues of € 914 million for financial year 2010/11, an increase of 4.3% compared to the previous year. On a like-for-like basis, Group sales grew slightly (organic growth of 0.5%), while foreign exchange effects contributed to a positive effect of 3.8%.
The slight organic growth in sales reflected strong growth in the Asia-Pacific region (up 25%), buoyant sales in the Americas (up 7%), which offset a decline in Europe (down 7%).

During the financial year, the order book grew substantially by 11.6% to a record € 1,453 million at 31 March 2011. With business activity remaining buoyant in all markets, the Group continued to be awarded major contracts, in particular on new platforms such as Regio2N trains in France (doors, pantographs, brakes), Swiss intercity trains (air conditioning and couplers), V300 Zefiro high speed trains in Italy (braking systems), suburban trains in Chicago (power converters), the Toronto tramway (brakes, doors, air conditioning and pantographs) and the Moscow underground (air conditioning).

CHANGES IN GROUP STRUCTURE

In October 2010, Faiveley Transport and Amsted Rail, the leading manufacturer of bogie equipments for freight cars, established a joint venture in the US dedicated to braking systems for the railway freight market.
In February 2011, the Group acquired a majority holding in the Swiss company Urs Dolder AG, which specialises in railway heating solutions, and in March 2011 it acquired the remaining 25% interest in its Czech subsidiary Faiveley Transport Lekov.

GROWTH IN GROUP EARNINGS

Gross profit grew by 5.8% during the financial year to € 261.5 million and represented 28.6% of sales, compared to 28.2% in the previous year. This progress was due to the operational improvements (in productivity and purchases) and to a favourable activity and project mix.
The rise in sales and marketing costs, owing to the Group's growth policy, was partly offset by savings on general and administrative costs. The research and development expenses remained stable during the year.

Profit from recurring operations amounted to € 129.8 million, an increase of 9.2% compared to the previous year, representing 14.2% of sales, compared to 13.6% in 2009/2010. This growth in profit margins benefited from the reclassification of CVAE as income tax, with a favourable effect of € 1.9 million in 2010/2011, a 0.2% rise in operating margins.

Net profit – Group share reached € 75.7 million, an increase of 6.4% compared to the previous year. Taking into account treasury shares, net earnings per share increased by 7.8% to € 5.43.

Net debt at 31 March 2011 totalled € 146 million, a decrease of € 69 million compared to the previous year, which reflected the Group's significant cash generation. The balance sheet structure remains solid, with a net debt to EBITDA ratio of 1.1x.

STABLE DIVIDEND

Given the strong increase in dividend voted last year (up 20%), the Management Board will propose to the Annual General Meeting, to be held on 14 September 2011, that a dividend of € 1.20 per share be distributed, the same as last year.

OUTLOOK

The medium-term outlook for growth of the railway equipment market should remain favourable with the growing weight of new geographic regions, such as India and Russia, the launch of new platforms in Europe, in particular in Germany (ICEx programme) and the UK (Thameslink, IEP) and the expected recovery in the US freight market. In China, the review of the railway programme by the new Chinese authorities, in particular for very high speed trains and also in terms of volumes of locomotives, will likely result in the postponement of orders and deliveries over the coming months, before a recovery which will eventually provide the Group with longer-term opportunities.

In this context, Faiveley Transport will continue its global expansion strategy, giving priority to quality and technological innovation, supported by increased customer proximity. This strategy will be reflected on a geographic level by a focus on markets that provide the Group with the greatest potential (China, Germany, Russia and freight in the US).

Taking into account the above elements and the increase in duration of the order book, the Group forecasts slight sales growth over the current financial year, on a constant foreign exchange basis.

Shareholders' agenda:

25 July 2011	Q1 sales 2011/2012
14 September 2011	Annual General Meeting
24 October 2011	HY1 sales 2011/2012

FAIVELEY TRANSPORT, WORLD LEADER IN THE RAILWAY INDUSTRY

About Faiveley Transport

Faiveley Transport, a specialist player in the global market for high-tech components for rail systems, offers the most extended range of products in the industry: air conditioning, power information & control, passenger access systems, platform screen doors, braking, couplers and customer service.

The Group supplies manufacturers, operators and railway maintenance bodies with a comprehensive value chain: design, manufacturing, distribution and servicing. Faiveley Transport provides high value-added technical solutions, whilst guaranteeing its customers the utmost level of quality, service, comfort and availability.

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