

## Record order book: up 20.9% year-on-year Sales growth in the 3<sup>rd</sup> quarter

*Gennevilliers, 26 January 2012*

<i>Sales in € millions</i>	<b>2010/2011</b>	<b>2011/2012</b>	<b>% change published</b>	<b>% change organic</b>	<b>Foreign exchange effect</b>
Q3: 1 Oct. to 31 Dec.	215.6	229.9	6.7%	5.9%	(0.1%)
<b>9 months 2011/12</b>	<b>626.8</b>	<b>610.2</b>	<b>(2.6%)</b>	<b>(2.1%)</b>	<b>(1.1%)</b>

### Sales growth in the 3<sup>rd</sup> quarter

Faiveley Transport generated sales of € 229.9 million in the 3<sup>rd</sup> quarter of the 2011/2012 financial year, an increase of 6.7% compared to the third quarter of the previous year. On a like-for-like basis, sales were up 5.9% over the quarter.

For the first nine months of 2011/2012, Group sales were € 610.2 million, a 2.6% decrease compared to the previous year, including a 2.1% decline on a like-for-like basis, a 1.1% unfavourable foreign exchange effect and a 0.6% positive Group structure effect.

On a like-for-like basis, this change in sales essentially reflects:

- growth in Europe in the third quarter due to a more favourable project delivery schedule in France and positive business activity in Italy and Northern Europe, which offset a weak Spanish market. Over nine months, Europe shows only a limited decrease of 2% on a like-for-like basis;
- a decrease in sales in the Asia-Pacific region (down 5%), particularly due to the decline of business in China, partly offset by strong growth in Russia and other countries in the region. As previously announced, sales in China suffered a severe slowdown in 2011 in the locomotive and high speed markets. The metro market continued to thrive in 2011. Looking forward, the Ministry of Railways has confirmed a gradual restart of investments in 2012;
- strong growth in the Americas region (up 16%), due to the successful partnership with Amsted Rail and the recovery of the freight market in the US.

**20.9% year-on-year increase in the order book.**

As of the end of December 2011, the order book was a record € 1,687 million, a 20.9% increase compared to 31 December 2010.

Over the last three months, the Group has been awarded the largest contract in its history by Siemens and Bombardier to supply braking systems, access doors and air conditioning units for the Deutsche Bahn ICx high speed trains. These orders are to equip 130 trains and their value is in excess of € 210 million. The order for air conditioning systems, which was received in January, is not included in the order book at the end of December.

**Europe:** In the third quarter, the Group was awarded a further order by Siemens relating to more than 1,500 access doors for the Munich metro, as well as three major air conditioning equipment orders with Stadler for almost 70 Flirt inter-city trains in Switzerland. An order for more than 750 interior doors for the Swiss double-decker intercity-trains was also awarded by Bombardier during the quarter.

In France, Faiveley Transport will supply Bombardier and Alstom with the braking systems of 66 metro carriages as part of the renewal of the rolling stock of RATP. This new, more energy-efficient metro will gradually replace trains on lines 2, 5 and 9 of the Paris metro network.

In Sweden, public transport operators Västtrafik and Skanetrafiken have ordered approximately thirty Coradia Nordic (X61) regional trains from Alstom, the braking systems of which will be supplied by Faiveley Transport.

**Americas:** the Group continued to expand with the signing of three substantial orders with Alstom for the supply of doors to equip the Lima, Panama and Santo Domingo metros.

**Asia:** Faiveley Transport was awarded its first contract with Mitsubishi, for air conditioning systems of 110 carriages of the Macao light rail system. In India, the Group will supply Bombardier with access doors and braking systems for 76 additional Movia carriages for the Delhi metro.

**Strategy: Faiveley Transport strengthens its North American business with the acquisition of Graham-White, a US-based brake components company.**

Faiveley Transport announced on 12 January the acquisition of a controlling interest in Graham-White Manufacturing Company, a leading designer and manufacturer of compressed air drying technology and brakes components for locomotives and rail transit markets.

Graham-White employs 300 people and operates six facilities across the United States, with a central manufacturing site located in Salem, Virginia. With 97 years of experience in the railway industry, Graham-White supplies a wide range of high-quality, engineered components such as air dryers, compressed air valves and parking brakes to locomotive manufacturers, transit car-builders and to the main railroad operators.

Annual sales are expected to reach US\$70 million in 2011, of which over 90% are generated in the USA. A large share of revenues come from after-sales service and re-manufacturing.

This transaction will enhance Faiveley Transport's position in the US locomotive and customer service markets. It will bring both companies significant opportunities, particularly in North America, thanks to an enlarged product range and complementary customer bases.

The transaction is expected to close in the first quarter of 2012 and will have an accretive impact on net earnings per share from the 2012/2013 financial year. It will be funded mainly through Faiveley Transport's credit lines and partially through an issue of new shares to the sellers (issue of approximately US\$15 million or 1.7% of capital).

## Outlook

The Group confirms its forecast for full-year sales, on a like-for-like basis, of between 0% and a 2% decline, with a return to growth in the next financial year.

Next communication: 26 April 2012 (after close of trading), 2011/2012 annual sales.

## Faiveley Transport, world leader in the railway industry

*Faiveley Transport is a global leader in high tech components for rail systems. The Group supplies manufacturers, operators and railway maintenance bodies with the most comprehensive range of systems in the market: air conditioning, passenger access systems, platform doors and gates, braking systems, couplers, power collectors, passenger information and services.*

*Faiveley Transport employs more than 5,000 people in 24 countries.*

FAIVELEY TRANSPORT			
Guillaume Bouhours	Chief Financial Officer	+33 (0)1 48 13 65 03	<a href="mailto:guillaume.bouhours@faiveleytransport.com">guillaume.bouhours@faiveleytransport.com</a>
Maryline Berlin	Group Communications Manager	+33 (0)1 48 13 65 76	<a href="mailto:maryline.berlin@faiveleytransport.com">maryline.berlin@faiveleytransport.com</a>
Florent Alba	NewCap Communications Agency	+33(0)1 44 71 98 55	<a href="mailto:falba@newcap.fr">falba@newcap.fr</a>

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