Gennevilliers, 28 May 2015

FAIVELEY TRANSPORT ANNOUNCES ITS 2014/15 FULL-YEAR RESULTS

STRONG GROWTH IN ORDER BOOK: UP 13%

SALES EXCEED €1 BILLION MARK FOR THE FIRST TIME, REACHING €1,048 MILLION, OR A GROWTH OF 9.5%

GROUP OPERATING PROFIT OF €95.3 MILLION, A YEAR-ON-YEAR INCREASE OF 8.7%

STRONG INCREASE IN FREE CASH FLOW GENERATION TO €63.6 MILLION

At its meeting of 27 May 2015, the Supervisory Board reviewed and approved the financial statements for the 2014/15 financial year.

(€ millions)	**2014/15**	2013/14 restated [(a)]	% change
Order book at 31 March	**1,877.0**	**1,660.0**	**+13.1%**
Sales	**1,048.4**	**957.2**	**+9.5%**
Group operating profit [(b)(c)]	**95.3**	**87.6**	**+8.7%**
as % of sales	*9.1%*	*9.2%*	
Net profit – Group share	**55.7**	**50.1**	**+11.1%**
as % of sales	*5.3%*	*5.2%*	
Free cash flow [(c)]	**63.6**	**17.2**	**+€46 m**

(a) Data published in respect of 2013/14 has been restated for the impact of the retrospective application of IFRS 11 "Joint arrangements". See the Company's press release dated 21 October 2014.

*(b) **Group operating profit** is defined as operating profit including the share of profit of joint ventures.*

(c) Indicators not defined under IFRS, definitions provided in the appendix.

Stéphane Rambaud-Measson, Chairman of the Management Board and Chief Executive Officer of Faiveley Transport, commented:

"The 2014/15 financial year represented a real transition year for the Faiveley Transport Group which has produced very satisfying results, as published today.

Our order book at the end of March 2015 reached a record €1.9 billion thanks to the momentum in order intake, throughout the financial year and further accelerating in Q4, both for our Original Equipment and Services businesses.
Faiveley Transport has reached the Billion Euro mark in Sales, demonstrating both the Group's ability to ramp-up serial production for major projects and the growth potential of our Services Division, whilst strongly improving Customer satisfaction. The Group's Operating Profit was in line with expected levels, despite some localized under performances.

Given the momentum of the markets in which it operates and the implementation of its strategic plan for the next three years, the Group expects a slight growth of its sales for the 2015/16 financial year on a comparable scope and another substantial improvement in Group operating profit before restructuring despite an increase in the level of operating expenses related to the rollout of its strategic action plan."

SIGNIFICANT EVENTS

On 7 April 2014, the Supervisory Board of Faiveley Transport appointed Stéphane Rambaud-Measson Chairman of the Management Board and Chief Executive Officer of Faiveley Transport. He had joined the Group on 17 March 2014 as Group Executive Vice President.

As of 1 April 2014, the Information & Safety segment, previously part of the Access & Information division, was transferred to the Energy & Comfort division. Historical data has been restated accordingly.

On 28 January 2015, Faiveley Transport refinanced its syndicated loan and part of its bilateral revolving facilities, replacing them with a new syndicated loan.

On 9 April 2015, Faiveley Transport and the subsidiary of SMRT, Singapore Rail Engineering (SRE), signed a joint venture agreement for the marketing and provision of maintenance, repair and overhaul (MRO) services for rolling stock in South-East Asia (with the exception of Thailand, Taiwan and Hong Kong).

GROWTH IN ORDER BOOK

The Group's order book achieved growth of 13.1%, of which 4.8% was organic, over the 2014/15 financial year, reaching a record level of €1,877.0 million at 31 March 2015. At 31 March 2015, the Original Equipment order book represented approximately 29 months' equivalent of Original equipment sales and approximately 10 months for Services.

In the Original Equipment business, the Group won significant orders during the financial year, including during the fourth quarter:

- In the Europe region:
  - ✓ An additional order for brakes, access doors, driver assistance and passenger information systems for Regiolis trains built by Alstom, worth over €15 million ;
  - ✓ An additional order for air conditioning systems to equip 19 trains built by Stadler for the Swiss operator SBB Dosto worth in excess of €5 million
- In the Asia-Pacific region:
  - ✓ Air conditioning (HVAC) and auxiliary power (APS) systems to upgrade 86 trains for SRE, a subsidiary of the operator SMRT in Singapore, for an amount in excess of €45 million;
  - ✓ Air conditioning (HVAC) systems for 138 cars for lines 4, 5 and 6 of the Riyadh metro built by Alstom, worth over €5 million;
  - ✓ Brake, access door and air conditioning (HVAC) systems for 25 trains built by Alstom for the metro of Kochi, for an amount in excess of €10 million;
  - ✓ Platform screen doors and platform edge barriers for 13 stations of the NWRL line in Sydney, Australia, worth over €30 million.
- In the Americas region:
  - ✓ Access doors for 112 cars of lines 1 and 2 of the Salvador metro in Brazil built by Hyundai-Rotem, for approximately €5 million;
  - ✓ A high level of orders for freight brake components in the US with Amsted Rail

The Services division achieved an excellent year in terms of order taking across all segments (spare parts, engineering services and friction pairs) including the following contracts during the fourth quarter:

- In the Europe region:
  - ✓ The complete refurbishment of air conditioning (HVAC) systems for 271 cars operated by SBB Dosto in Switzerland, for a sum in excess of €5 million.
- In the Americas region:
  - ✓ A high level of orders in the US freight and locomotive markets.

Moreover, the contract provisionally awarded in January 2014 for the retrofit and upgrade of 202 mainline and commuter passenger cars by Société Nationale des Chemins de Fer, Algeria's national rail company, to the consortium of rail parts manufacturers Faiveley Transport and Compin SAS was formally confirmed on 26 March 2015.

SALES

Over the 2014/15 financial year, Faiveley Transport achieved sales of €1,048.4 million, an increase of 9.5% compared with the 2013/14 financial year restated for the impact of the new accounting standards, including organic growth of 7.8%. Schwab Verkehrstechnik AG, acquired in May 2013, contributed growth of 0.1%, and exchange rates had a positive impact of 1.6%.

(€ millions)	**2014/15**	2013/14 restated [(a)]	**Total growth**	**Organic growth**	2013/14 published
Europe	638.5	595.2	+7.3%	+6.5%	595.9
Asia/Pacific	230.2	211.6	+8.8%	+6.5%	236.1
Americas	168.3	141.0	+19.4%	+14.4%	141.0
Rest of the world	11.4	9.4	+21.0%	+21.3%	9.4
FULL YEAR	**1,048.4**	**957.2**	**+9.5%**	**+7.8%**	**982.4**
Original Equipment	612.4	563.3	+8.7%	+7.3%	581.9
Services	436.0	393.9	+10.7%	+8.6%	400.5
FULL YEAR	**1,048.4**	**957.2**	**+9.5%**	**+7.8%**	**982.4**

(a) Data published in respect of 2013/14 has been restated for the impact of the retrospective application of IFRS 11 "Joint arrangements". See the Company's press release dated 21 October 2014.

On a like-for-like basis:

- Europe (61% of sales) recorded growth of 6.5% including, in relation to Original Equipment, the ramp-up in deliveries on several major projects such as Regiolis, Regio2N, V300 Zefiro, the Milan metro, the Copenhagen metro and Italian regional trains, as well as solid growth in the Services division;
- The Asia-Pacific region (22% of sales) grew by 6.5%, primarily due to the high level of deliveries in China and the Pacific region;
- The Americas region (16% of sales) posted growth of 14.4% due in particular to the dynamism of the freight business in the US, which recorded a high level of deliveries of new wagons on an annualised basis.

The Services division recorded very strong organic growth over the financial year (up 8.6%), largely due to the Group's installed base and dynamic sales activity, particularly in China, the Americas region, Spain and the UK.

Original Equipment activities registered sales growth of 7.3% on a like-for-like basis over the financial year. This strong growth was notably driven by the ramp-up in deliveries on several major projects in Europe and the dynamism of the freight business in the US.

GROUP OPERATING PROFIT

Group operating profit (including the share of profit of joint ventures) increased by 8.7%, totalling €95.3 million (9.1% of sales) at 31 March 2015, compared with €87.6 million (9.2% of sales as restated in the 2013/14 financial year).

Gross profit totalled €254.4 million (24.3% of sales), compared with €227.0 million over the restated 2013/14 financial year (23.7% of restated sales). The operational initiatives launched since April 2014 led to a slight increase in gross margin despite the recognition of additional costs overruns on brakes, couplers and doors projects in Europe as well as on air conditioning and access door projects in China.

Moreover, sales, general and administrative costs rose 11.3 %, primarily due to the strengthening of Divisions' management teams and to the implementation of operational recovery plans since April 2014.

NET PROFIT

Financial expenses increased to €13.9 million, due to the cost of the additional long-term "Schuldschein" financing under German law which was not totally offset by the favourable impact of lower interest rates and improved hedging.

The income tax charge totalled €28.5 million, compared with €26.4 million for the period to 31 March 2014 as restated. The increase in the effective tax rate (38.1% compared with 36.6% for the restated 2013/14 financial year) was mainly the result of an unfavourable country mix.

Minority interests totalled a positive €2.8 million and mainly reflected the losses posted by the Chinese subsidiary SFRT which recorded additional costs overruns on air conditioning and access door projects, which were not offset by the good results of other minority interests.

The Group share of net profit reached €55.7 million, an increase of 11.1% in comparison with the 2013/14 financial year. Net earnings per share was €3.88 for 2014/15, an increase of 10.9% (€3.50 for 2013/14 restated).

CASH FLOW AND FINANCIAL POSITION

Cash flow from operations before interest and tax was €118.0 million, an increase of 6.9% in comparison with the restated 2013/14 financial year (€110.4 million), in line with the increase of operating results.

During the fiscal year, working capital requirement (WCR) after factoring of receivables had a positive €4 million impact on the cash generated. This development was primarily due to the increase in customers' advances and in trade payables compensating the increase in inventories and in trade receivables. All working capital items are increasing due to the high level of activity as well as the exchange rates impact.

Net capital expenditure (CAPEX) reached €23.2 million, representing 2.2% of sales, in line with the Group's historical levels.

After taking into account the change in working capital requirement, net capital expenditure, net financial interest and tax paid, free cash flow totalled €63.6 million, a significant improvement in comparison with the 2013/14 financial year (free cash flow of €17.2 million).

The Group's net financial debt reached €184.4 million at 31 March 2015, a decrease of €16.6 million compared with 31 March 2014 as restated. This change resulted primarily from the good level of free cash flow generated, offset by the impact of movements in exchange rates and the payment of dividends.

PROPOSED DIVIDEND

The Group will propose to the Annual General Meeting the payment of a dividend of €0.90 per share for the 2014/15 financial year, an increase of 12.5% compared with the 2013/14 financial year, and corresponding to 23% of net profit, consistent with the Group's policy targeting a pay-out ratio of between 20% and 25% of net profit.

POST-BALANCE SHEET EVENTS

On 28 May 2015, during the presentation of its 2014/15 annual results, Faiveley Transport Group will present its strategic plan for the next three years: Creating Value 2018. A dedicated press release is available on the Group's website.

2015/16 OUTLOOK

Given the momentum of the markets in which it operates as well as the implementation of its strategic plan for the next three years, the Group expects sales of between €1,050 million and €1,080 million for the 2015/16 financial year, representing a slight growth of between 0.5 and 3% in relation to the 2014/15 financial year.

Despite additional resources earmarked for the launch of the strategic action plan, the Group anticipates a substantial improvement in Group operating profit before restructuring costs with a targeted level of between €102 million and €107 million, which would represent a 5% to 10% increase in comparison with 2014/15 financial year levels.

Analyst/investor presentation:

The analyst/investor presentation of the 2014/15 annual results and the 2018 strategic plan will take place in English today, Thursday 28 May 2015 at 2pm, at the Centre de Conférences Edouard VII, 23 square Edouard VII, 75009 Paris.
The presentation will be available on the Group's website.
The conference will be broadcast live and available for subsequent viewing on the site:
http://www.faiveleytransport.com

Next communication:

23 July 2015 (after close of trading), 2015/16 first quarter financial information
18 September 2015, Shareholders' Annual General Meeting
30 November 2015 (after close of trading), 2015/16 Half-Year Results
28 January 2016 (after close of trading), 2015/16 third quarter financial information
26 May 2016 (before start of trading), annual results 2015/16.

About Faiveley Transport:

Faiveley Transport is a global supplier of high added value integrated systems for the railway industry. With more than 5,700 employees in 24 countries, Faiveley Transport generated sales of 1,048.4 million in the 2014/15 financial year.

The Group supplies manufacturers, operators and railway maintenance bodies worldwide with the most comprehensive range of systems in the market: Energy & Comfort (air conditioning, power collectors and converters, and passenger information), Access & Mobility (passenger access systems and platform doors), Brakes & Safety (braking systems and couplers) and Services.

Faiveley Transport is listed on Euronext Paris and is a component of the CAC Allshare and CAC Mid & Small indices.
Compartment B, ISIN: FR0000053142, Tickers: Bloomberg: LEY FP / Reuters: LEY.FP

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EXTRACTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2014/15 FINANCIAL YEAR

The financial statements at 31 March 2015 have been audited, reviewed and scrutinised by the Supervisory Board of 27 May 2015. Audit procedures on the consolidated financial statements have been carried out. The Statutory Auditors' report is pending.

CONSOLIDATED INCOME STATEMENT

(€ millions)	**2014/15**	**2013/14 restated**
Sales	**1,048.4**	**957.2**
Cost of sales	(794.0)	(730.2)
Gross Profit	**254.4**	**227.0**
as % of sales	*24.3%*	*23.7%*
Administrative costs	(89.0)	(78.4)
Sales and marketing costs	(46.7)	(43.4)
Research and development costs	(17.0)	(13.6)
Other operating income and expenses	(11.3)	(6.9)
Profit from recurring operations	**90.4**	**84.7**
as % of sales	*8.6%*	*8.8%*
Restructuring costs	(1.6)	(1.3)
Gain/(loss) on disposal of non-current assets	(0.1)	(0.1)
Operating profit	**88.7**	**83.3**
as % of sales	*8.5%*	*8.7%*
Share of profit of joint ventures	6.6	*4.3*
Operating profit after share of profit of joint ventures	**95.3**	**87.6**
as % of sales	*9.1%*	*9.2%*
Net cost of financial debt	(11.0)	(9.3)
Other financial income and expenses	(2.9)	(1.8)
Net financial expense	**(13.9)**	**(11.1)**
Share of profit of other associates	-	-
Profit before tax	**81.4**	**76.5**
Income tax	(28.5)	(26.4)
Net profit:	**52.9**	**50.1**
Attributable to Company shareholders	***55.7***	***50.1***
Attributable to minority interests	*(2.8)*	-
Earnings per share, in €:		
Net profit [(a)]	**3.88**	**3.50**
Net, diluted [(b)]	3.86	3.44

(a) Basic earnings per share takes into account the deduction of all treasury shares held by Faiveley Transport during the financial year (282,158 in 2014/15 and 292,258 at 31 March 2014).

(b) Diluted earnings per share takes account of the deduction of treasury shares held by Faiveley Transport during the financial year and adding back shares exercisable under share allocation plans (85,928 in 2014/15 and 244,698 at 31 March 2014).

Data published in respect of 2013/14 has been restated for the impact of the retrospective application of IFRS 11 "Joint arrangements".

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	**March 2015**	**31 March 2014 restated**
Goodwill	697.1	663.9
Intangible assets	58.3	50.5
Property, plant and equipment	70.6	68.0
Shareholdings in associates	21.8	12.3
Deferred tax assets	66.4	51.7
Other non-current financial assets	3.3	2.7
Total non-current assets	**917.6**	**849.1**
Inventories	167.7	146.4
Work-in-progress on projects	121.7	112.5
Advances and prepayments paid on orders	2.6	2.3
Trade receivables	224.1	194.6
Other current assets	24.7	32.8
Taxation receivable	17.8	13.2
Current financial assets	42.8	7.9
Short-term investments	14.8	69.8
Cash	222.0	169.4
Assets held for sale	7.1	-
Total current assets	**845.5**	**748.9**
TOTAL ASSETS	**1,763.1**	**1,598.0**
Share capital	14.6	14.3
Consolidated reserves and net profit	611.1	535.6
Equity – Group share	**625.7**	**549.9**
Minority interests	31.7	27.7
Total equity	**658.5**	**577.6**
Provisions for non-current liabilities and charges	48.1	38.2
Deferred tax liabilities	50.9	34.0
Non-current borrowings and financial debt	396.5	408.0
Total non-current liabilities	**495.5**	**480.2**
Provisions for current liabilities and charges	101.8	94.4
Current borrowings and financial debt	54.6	50.9
Advances and prepayments received on orders	140.2	122.6
Current liabilities	304.0	258.6
Current tax payable	9.5	13.7
Total current liabilities	**610.1**	**540.2**
TOTAL EQUITY AND LIABILITIES	**1,763.1**	**1,598.0**

Data published in respect of 2013/14 has been restated for the impact of the retrospective application of IFRS 11 “Joint arrangements”.

CONSOLIDATED CASH FLOW STATEMENT

(€ millions)	**2014/15**	**2013/14 restated**
Net profit – Group share	55.7	50.1
Minority interests	(2.8)	-
Depreciation and amortisation charges	17.5	16.0
Charges related to share-based payments	2.2	2.8
Asset impairment (including goodwill)	-	-
Unrealised net loss/(gain) on derivative instruments and revaluation of assets	3.4	(1.2)
Change in provisions	6.1	10.4
Other calculated income and expenses	-	-
Net loss/(gain) on asset disposals	0.1	0.1
Grant income	(0.2)	(0.4)
Share of profit of equity accounted joint-ventures	(6.6)	(4.4)
Dividends received from equity-accounted joint ventures	3.2	1.3
Dilution profit	-	-
Net cost of financial debt	11.0	9.3
Income tax charge (including deferred tax)	28.5	26.4
Self financing capacity before interest and tax	**118.0**	**110.4**
Change in working capital requirements	4.4	(38.1)
Tax paid	(25.8)	(30.8)
Net financial interest paid	(9.8)	(8.9)
Cash flow from operating activities	**86.8**	**32.7**
Purchase of property, plant and equipment and intangible assets	(23.7)	(18.5)
Disposal of property, plant and equipment and intangible assets	0.2	0.4
Proceeds from capital grants	0.1	0.2
Purchase of financial assets	(0.2)	(0.6)
Disposal of financial assets	0.5	3.0
Free cash flow [(a)]	**63.6**	**17.2**
Net cash from subsidiaries	(1.9)	(27.4)
Cash flow from investment activities	**(25.1)**	**(42.9)**
Proceeds from new share issues	-	-
Change in treasury shares	0.8	1.7
Movement in share and merger premiums	-	-
Other movements in equity (cash-flow hedge)	-	-
Dividends paid	(11.5)	(16.4)
Proceeds from new borrowings and other financial debt	-	135.4
Repayment of borrowings and other financial debt	(36.7)	(41.2)
Cash flow from financing activities	**(47.4)**	**79.5**
Net foreign exchange difference	(17.6)	3.7
Net increase/(decrease) in cash and cash equivalents	**(3.3)**	**73.0**
Cash and cash equivalents at start of the period	237.9	164.9
Cash and cash equivalents at end of the period	**234.7**	**237.9**

[(a)] *Indicator not defined under IFRS, definition provided in the appendix*

Consolidated cash flow statement data published in respect of 2013/14 has been restated for the impact of the retrospective application of IFRS 11 "Joint arrangements" and the impact of a minor change in presentation introduced at 31 March 2015.

2014/15 FOURTH QUARTER SALES

(€ millions)	**2014/15**	2013/14 restated [(a)]	**Organic growth**	**Total growth**	2013/14 Published
Europe	182.5	174.2	+3.4%	+4.8%	174.0
Asia/Pacific	72.8	68.7	-3.0%	+6.0%	73.6
Americas	48.9	37.2	+14.1%	+31.5%	37.2
Rest of the world	2.3	4.2	-46.4%	-45.2%	4.2
TOTAL 4th quarter (Q4)	**306.5**	**284.3**	**+2.5%**	**+7.8%**	**289.0**
Original Equipment	168.3	169.5	-5.7%	-0.7%	173.2
Services	138.2	114.8	+14.6%	+20.4%	115.8
TOTAL 4th quarter (Q4)	**306.5**	**284.3**	**+2.5%**	**+7.8%**	**289.0**

(a) Data published in respect of 2013/14 has been restated for the impact of the retrospective application of IFRS 11 "Joint arrangements". See the Company's press release dated 21 October 2014.

FINANCIAL INDICATORS NOT DEFINED UNDER IFRS

Group operating profit

Group operating profit is defined as operating profit including the share of profit of equity-accounted entities. This indicator was introduced by the retrospective application of IFRS 11 "Joint arrangements".

Free cash flow

Free cash flow is defined as self financing capacity before interest and tax restated for the change in working capital requirements, net financial interest and tax paid and investments in property, plant and equipment and intangible assets made by the Group.

(€ millions)	**2014/15**	**2013/14 restated**
Cash flow from operations before interest and tax	**118.0**	**110.4**
Change in working capital requirements	4.4	(38.1)
Tax paid	(25.8)	(30.8)
Net financial interest paid	(9.8)	(8.9)
Capital expenditure	(23.2)	(15.4)
Free cash flow	**63.6**	**17.2**