

Alstom's orders and sales for the first nine months of 2017/18

- **Orders intake of €4.9 billion**
- **Sales at €5.5 billion, up 6%**
- **2020 objectives confirmed**

17 January 2018 – Over the third quarter 2017/18 (from 1 October to 31 December 2017), Alstom booked €1.7 billion of orders, compared to €1.0 billion over the same period last year. The Group's sales increased to €1.8 billion, up 6% (8% organically) compared to €1.7 billion over the third quarter 2016/17.

For the first nine months of 2017/18 (from 1 April to 31 December 2017), Alstom's order intake reached €4.9 billion. The Group's sales amounted to €5.5 billion, up 6% (6% organically) compared to the first nine months of 2016/17.

At €32.8 billion on 31 December 2017, current backlog provides strong visibility on future sales.

Key figures

Actual figures (in € million)	2016/17				2017/18			2016/17	2017/18	Var. %	Var. %
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	9 months	9 months	Actual	Organic
Orders received	889	5,323	1,023	2,773	1,909	1,261	1,683	7,235	4,853	(33)%	(32)%
Sales	1,747	1,823	1,655	2,081	1,856	1,900	1,761	5,225	5,517	6%	6%

Geographic and product breakdowns of reported orders and sales are provided in Appendix 1. All figures mentioned in this release are unaudited.

"Alstom achieved a good commercial performance this quarter. Furthermore, sales growth over the first nine months was in line with our 2020 objectives that are confirmed. In the meantime, we continue to progress on the Siemens Alstom deal. The signature of the Business Combination Agreement is expected in the coming period and the Alstom shareholders' meeting for approval of the transaction should be held in July 2018." said Henri Poupart-Lafarge, Alstom Chairman and Chief Executive Officer.

Detailed review

During the third quarter of 2017/18, Alstom recorded €1,683 million of orders including notably the booking of the last 100 trains of PRASA project in South Africa, Pendolino trains with associated maintenance for NTV in Italy and regional trains in France.

Sales reached €1,761 million in the third quarter 2017/18, mainly fuelled by progress of the Riyadh metro system project in Saudi Arabia, deliveries of high-speed and regional trains in France, as well as maintenance contract execution in the United Kingdom.

Main events of the third quarter 2017/18

In December 2017, Alstom signed an agreement with the Kazakh national railway company (KTZ) to acquire their 25% stake in the EKZ Joint Venture (JV). After approval by the relevant authorities, Alstom will increase its shareholding to 75%, the remaining 25% being owned by TMH.

Alstom also announced that the three year period of self-reporting obligations that the Group agreed to as part of the Plea Agreement of 22 December 2014 has come to a successful completion. This achievement is the result of the company's efforts during the period and a close cooperation with the US Department of Justice. The company remains committed to the highest level of integrity in its activities and will continue the development of its compliance program.

Governance

Olivier Bourges has presented his resignation from his mandate as Director at Alstom. As a consequence, the Board of Directors of Alstom is now comprised of 12 Directors of which 6 women (50%) and 7 independent Directors (58%).

Creation of a global leader in Mobility

On 26 September 2017, Siemens and Alstom signed a Memorandum of Understanding to combine Siemens' mobility business including its rail traction drives business with Alstom. The transaction brings together two innovative players of the railway market with unique customer value and operational potential. The two businesses are largely complementary in terms of activities and geographies.

The Works Councils' information and consultation procedure is currently on-going and the Business Combination Agreement is expected to be signed in the first quarter of calendar year 2018. The Alstom shareholders' meeting for approval of the transaction, including for purposes of cancelling the double voting rights, is anticipated to be held in July 2018. The transaction is also subject to clearance from relevant regulatory authorities, including foreign investment clearance in France and anti-trust authorities, as well as the confirmation by the French capital market authority (AMF) that no mandatory takeover offer has to be launched by Siemens following completion of the contribution. Closing is expected at the end of calendar year 2018.

Siemens has initiated the carve-out process of its mobility business in order to prepare for its contribution to Alstom. Only once all relevant anti-trust approvals have been achieved and the transaction has closed, will Alstom be able to analyse the combined two businesses in much closer detail. Alstom may then assess the opportunity to provide forward looking statements as to certain financial or non-financial key indicators.

Objectives for 2020 confirmed

By 2020 sales should grow organically by 5% per year.

Adjusted EBIT margin should reach around 7% by 2020 driven by volume, portfolio mix and results of operational excellence actions.

By 2020, Alstom expects c. 100% conversion from net income into free cash flow.

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About Alstom

As a promoter of sustainable mobility, Alstom develops and markets systems, equipment and services for the transport sector. Alstom offers a complete range of solutions (from high-speed trains to metros, tramways and e-buses), passenger solutions, customised services (maintenance, modernisation), infrastructure, signalling and digital mobility solutions. Alstom is a world leader in integrated transport systems. The company recorded sales of €7.3 billion and booked €10.0 billion of orders in the 2016/17 fiscal year. Headquartered in France, Alstom is present in over 60 countries and employs 32,800 people.

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This press release contains forward-looking statements which are based on current plans and forecasts of Alstom's management. Such forward-looking statements are relevant to the current scope of activity and are by their nature subject to a number of important risks and uncertainty factors (such as those described in the documents filed by Alstom with the French AMF) that could cause actual results to differ from the plans, objectives and expectations expressed in such forward-looking statements. These such forward-looking statements speak only as of the date on which they are made, and Alstom undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

APPENDIX 1A – GEOGRAPHIC BREAKDOWN

Actual figures <i>(in € million)</i>	2016/17 9 months	% Contrib.	2017/18 9 months	% Contrib.
Europe	2,661	37%	2,275	47%
Americas	2,764	38%	988	20%
Asia / Pacific	383	5%	698	14%
Middle East / Africa	1,427	20%	892	19%
Orders by destination	7,235	100%	4,853	100%

Actual figures <i>(in € million)</i>	2016/17 9 months	% Contrib.	2017/18 9 months	% Contrib.
Europe	3,084	59%	2,861	52%
Americas	843	16%	1,039	19%
Asia / Pacific	496	10%	642	12%
Middle East / Africa	802	15%	975	17%
Sales by destination	5,225	100%	5,517	100%

APPENDIX 1B – PRODUCT BREAKDOWN

Actual figures <i>(in € million)</i>	2016/17 9 months	% Contrib.	2017/18 9 months	% Contrib.
Rolling stock	3,415	47%	2,190	45%
Services	1,832	25%	1,442	30%
Systems	1,366	19%	416	8%
Signalling	622	9%	805	17%
Orders by destination	7,235	100%	4,853	100%

Actual figures <i>(in € million)</i>	2016/17 9 months	% Contrib.	2017/18 9 months	% Contrib.
Rolling stock	2,347	45%	2,383	44%
Services	1,091	21%	1,057	19%
Systems	799	15%	1,177	20%
Signalling	988	19%	900	17%
Sales by destination	5,225	100%	5,517	100%

APPENDIX 2 - NON-GAAP FINANCIAL INDICATORS DEFINITIONS

This section presents financial indicators used by the Group that are not defined by accounting standard setters.

Orders received

A new order is recognised as an order received only when the contract creates enforceable obligations between the Group and its customer.

When this condition is met, the order is recognised at the contract value.

If the contract is denominated in a currency other than the functional currency of the reporting unit, the Group requires the immediate elimination of currency exposure through the use of forward currency sales. Orders are then measured using the spot rate at inception of hedging instruments.

Order backlog

Order backlog represents sales not yet recognised on orders already received.

Order backlog at the end of a financial year is computed as follows:

- order backlog at the beginning of the year;
- plus new orders received during the year;
- less cancellations of orders recorded during the year;
- less sales recognised during the year.

The order backlog is also subject to changes in the scope of consolidation, contract price adjustments and foreign currency translation effects.

Book-to-Bill

The book-to-bill ratio is the ratio of orders received to the amount of sales traded for a specific period.

Adjusted EBIT

When Alstom's new organisation was implemented, adjusted EBIT ("aEBIT") became the key performance indicator to present the level of recurring operational performance. This indicator is also aligned with market practice and comparable to direct competitors.

aEBIT corresponds to earning before interests, tax and net result from equity method investments adjusted with the following elements:

- net restructuring expenses (including rationalisation costs);
- tangibles and intangibles impairment;
- capital gains or loss/reevaluation on investments disposals or controls changes of an entity;
- and any other non-recurring items, such as some costs incurred to realise business combinations and amortisation of an asset exclusively valued in the context of business combination as well as litigation costs that have arisen outside the ordinary course of business.

A non-recurring item is a "one-off" exceptional item that is not supposed to be reappearing in following years and that is significant.

Adjusted EBIT margin corresponds to Adjusted EBIT in percentage of sales.

Free cash flow

Free cash flow is defined as net cash provided by operating activities less capital expenditures including capitalised development costs, net of proceeds from disposals of tangible and intangible assets. In particular, free cash flow does not include the proceeds from disposals of activity.

The most directly comparable financial measure to free cash flow calculated and presented in accordance with IFRS is net cash provided by operating activities.

Alstom uses the free cash flow both for internal analysis purposes as well as for external communication as the Group believes it provides accurate insight regarding the actual amount of cash generated or used by operations.

Organic basis

Figures given on an organic basis eliminate the impact of changes in scope of consolidation and changes resulting from the translation of the accounts into Euro following the variation of foreign currencies against the Euro. The Group uses figures prepared on an organic basis both for internal analysis and for external communication, as it believes they provide means to analyse and explain variations from one period to another. However these figures are not measurements of performance under IFRS.

<i>(in € million)</i>	9 months 2016/17				9 months 2017/18			% Var Act.	% Var Org.
	Actual figures	Exchange rate	Scope impact	Comparable Figures	Actual figures	Scope Impact	Comparable Figures		
Orders	7,235	(169)	-	7,066	4,853	(44)	4,809	(33%)	(32%)
Sales	5,225	(59)	-	5,166	5,517	(40)	5,477	6%	6%

<i>(in € million)</i>	Q3 2016/17				Q3 2017/18				% Var Act.	% Var Org.
	Actual figures	Exchange rate	Scope impact	Comparable Figures	Actual figures	Exchange rate	Scope Impact	Comparable Figures		
Orders	1,023	(66)	-	957	1,683	11	(17)	1,677	65%	75%
Sales	1,655	(28)	-	1,627	1,761	21	(20)	1,762	6%	8%