FAIVELEY TRANSPORT: 2012/2013 HALF-YEAR RESULTS
30% INCREASE IN OPERATING PROFIT

Gennevilliers, 27 November 2012

CONSOLIDATED INCOME STATEMENT FOR THE FIRST HALF OF 2012/2013

IFRS (€ millions)	30/09/2011	**30/09/2012**	**% change**
Sales	380.3	**461.1**	+21.2%
Operating profit	39.4	**51.4**	+30.3%
As a % of sales	*10.4%*	***11.1%***	
Net profit- Group share	19.9	**26.1**	+31.5%
As a % of sales	*5.2%*	***5.7%***	
Earnings per share (€)	1.42	**1.84**	+29.3%

21% INCREASE IN HALF-YEAR SALES

Sales for the first half of 2012/2013 were € 461.1 million, an increase of 21.2% compared to the first half of 2011/2012, comprising growth of 11.1% on a like-for-like basis, a 3.9% positive foreign exchange effect and a 6.2% group structure effect (integration of Graham-White).

On a like-for-like basis, Group sales grew in all geographic regions. Europe grew by 10% thanks to favourable comparative basis, strong business activity in Italy, the delivery of new projects such as the Brussels RER and the London Underground. The Asia-Pacific region recorded growth of 8% on a constant foreign exchange basis, driven by a strong increase in projects in Russia and the deliveries of metro equipment in China. Lastly, the Americas region reported organic growth of 18% during the first six months, due to the ramp up in the delivery of Passenger projects and in spite of the slowdown in the freight segment since the 2nd quarter.

ORDER BOOK

At 30 September 2012, the order book totalled € 1,680 million, a year-on-year increase of 4.1% and a decline of 0.6% during the half-year. The Group continues to be awarded a regular flow of diverse orders, particularly in Europe (France, Germany, the UK and Italy), as well as in Russia and in China.

30% INCREASE IN OPERATING PROFIT

The Group's operating profit was € 51.4 million for the first six months (11.1% of sales), compared to € 39.4 million in the 1st half of 2011/2012 (10.4% of sales), an increase of 0.7 percentage points in profit margin. This improvement was due to sales growth and controlled general and administrative costs, despite the decline in gross margin.

During the first half of 2012/2013, gross profit was € 119.0 million (25.8% of sales), compared to € 105.4 million (27.7% of sales) in the previous financial year. An improved harmonisation in expense allocation between fixed costs and cost of sales accounts for 0.4 percentage points of the decline in gross margin, with no impact on operating profit. Excluding this effect, the 1.5 percentage point decline in gross margin was due to the ramp-up of certain major projects that involved significant start-up engineering costs and an unfavourable overall project mix.

General, administrative and sales costs were € 59.0 million in the first half of 2012/2013, accounting for 12.8% of sales, compared to € 58.8 million, or 15.5% of sales in the first half of 2011/2012. On a constant perimeter and foreign exchange basis, these costs decreased by 2%, thanks to successful cost reduction on general and administrative expenses.

Financial expenses fell to € 7.5 million, thanks to a reduction in debt expressed in euro and improved rate hedging, which offset additional interest costs related to the Graham-White acquisition debt.

Overall, the Group's consolidated net profit for the period was € 26.1 million, compared to € 19.9 million for the half-year to 30 September 2011, a year-on-year increase of 31.5%. Taking treasury shares into account, net earnings per share was € 1.84, compared to € 1.42 for the six months to 30 September 2011.

FINANCIAL POSITION

Net debt amounted to € 235 million at 30 September 2012, taking treasury shares into account. This € 39 million increase over the first six months was mainly due to the payment of annual dividends (€ 12 million) and the seasonal reduction of the factoring programme in the first half (€ 26 million).

During the first half-year, the increase in working capital requirements, excluding factoring, was primarily due to:

- the adjustment of inventory levels to activity volumes and projects expected in the second half;

- a significant increase in work-in-progress on projects linked to the engineering activity on the major programmes awarded to the Group over the last two years, which have not yet entered the delivery phase;
- the reduction of tax and social contribution liabilities during the first half-year.

The balance sheet remains strong with a net debt to EBITDA ratio of 2.0 at 30 September 2012.

OUTLOOK

The Group is maintaining its objective of sales growth over the full financial year, with modest organic growth and the contribution of the acquisition of Graham-White.

Europe should report sales growth over the full financial year, with a continued good level of deliveries.
In North America, after a strong start to the year, the US freight car market appears to be slowing down to 40,000 to 45,000 new cars on an annualised basis in the second half-year (compared to initial forecasts of 53,000 for the year); the locomotive market remaining stable.
In Asia-Pacific, the effects of the new investment plans in China will probably be felt from 2013/14 onwards, and in Russia, the Group should benefit from buoyant growth in its projects during future quarters.

Lastly, the Group is maintaining its objective of improved profitability over the 2012/13 financial year.

Shareholders' agenda: 29 January 2013 (after close of trading), third quarter sales 2012/2013.

Faiveley Transport, a 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 worldwide 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 25 countries.

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1ST HALF 2012/2013 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(€ thousands)	Half-year 30/09/2012 IFRS	 30/09/2011 IFRS
SALES	461 063	380 306
Cost of sales	(342 057)	(274 889)
GROSS PROFIT	**119 006**	**105 417**
% of sales	***25,8%***	***27,7%***
Administrative costs	(32 782)	(33 903)
Sales and marketing costs	(26 186)	(24 914)
Research and development costs	(6 402)	(5 756)
Other operating income	1 027	878
Other operating costs	(2 484)	(1 882)
PROFIT FROM RECURRING OPERATIONS	**52 179**	**39 840**
% of sales	***11,3%***	***10,5%***
Restructuring costs	(693)	(322)
Gain/(Loss) on disposal of property, plant and equipment and intangible assets	(108)	(87)
OPERATING PROFIT	**51 378**	**39 431**
% of sales	***11,1%***	***10,4%***
Amortisation, depreciation and provision charges included in operating profit	*8 318*	*7 360*
Operating profit and amortisation and depreciation charges	***59 696***	***46 791***
Net finance cost	(5 525)	(4 884)
Other finance income	6 493	7 138
Other finance costs	(8 485)	(10 237)
NET FINANCE COST	**(7 517)**	**(7 983)**
PROFIT BEFORE TAX	**43 861**	**31 448**
Income tax	(15 465)	(10 602)
PROFIT FOR THE PERIOD FROM CONSOLIDATED OPERATIONS	**28 396**	**20 847**
Share of profit of associates	-	-
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**28 396**	**20 847**
Profit for the period of discontinued activities		
CONSOLIDATED NET PROFIT FOR THE PERIOD	**28 396**	**20 847**
Minority interests	2 256	966
Group share of net profit	**26 140**	**19 881**
% of sales	***5,7%***	***5,2%***
Number of shares	**14 190 405**	**13 952 249**
Earnings per share, in €:		
Earnings per share	*1,84*	*1,42*
Diluted earnings per share	*1,84*	*1,42*

CONSOLIDATED BALANCE SHEET – ASSETS

ASSETS (€ thousands)	**30 September 2012** **Net**	**31 March 2012** **Net**
Subscribed uncalled share capital (I)		
Goodwill	650 548	648 981
Intangible assets		
Other	40 995	40 057
Property, plant and equipment:		
Land	5 877	5 848
Buildings	24 958	25 662
Plant and machinery	26 597	27 436
Other	11 412	9 966
Financial investments:		
Shareholdings in unconsolidated subsidiaries	245	245
Shareholdings in associates	-	-
Other non-current financial investments	5 383	5 538
Deferred tax assets	42 177	43 598
TOTAL NON-CURRENT ASSETS (II)	**808 192**	**807 331**
Inventories	167 327	144 000
WIP in progress on projects	98 497	91 048
Advances and prepayments received	4 594	3 811
Trade receivables	177 248	179 402
Other receivables	21 451	18 515
Taxation receivable	8 072	11 048
Current financial assets	9 839	9 328
Current investments	20 494	41 080
Cash	130 033	169 166
Assets of discontinued operations / held for sale	-	-
TOTAL CURRENT ASSETS (III)	**637 555**	**667 398**
TOTAL ASSETS (I + II + III)	**1 445 747**	**1 474 729**

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CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

EQUITY AND LIABILITIES (€ thousands)	30 septembre 2012	31 March 2012 Published
SHAREHOLDERS' EQUITY		
Share capital	14 190	14 187
Share premium	86 601	86 488
Translation differences	3 796	(198)
Consolidated reserves	362 118	326 238
Net profit for the period	26 139	47 428
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF PARENT COMPANY EQUITY	**492 844**	**474 143**
MINORITY INTERESTS		
Share of subsidiaries' equity	31 759	27 362
Share of subsidiaries' profit for the year	2 276	3 640
TOTAL MINORITY INTERESTS	**34 035**	**31 002**
TOTAL CONSOLIDATED EQUITY (I)	**526 879**	**505 145**
Provisions for non-current liabilities and charges	34 822	36 213
Deferred tax liabilities	25 338	22 090
Non-current borrowings	351 380	352 865
TOTAL NON-CURRENT LIABILITIES (II)	**411 540**	**411 168**
LIABILITIES		
Current provisions for liabilities and charges	80 823	80 353
Current borrowings	76 280	95 420
Advances and prepayments received	116 725	124 674
Operating liabilities	218 293	238 226
Tax payable	9 290	12 525
Other liabilities	5 917	7 218
Liabilities of discontinued operations/held for sale	-	-
TOTAL CURRENT LIABILITIES (III)	**507 328**	**558 416**
TOTAL EQUITY AND LIABILITIES (I + II + III)	**1 445 747**	**1 474 729**

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CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	Half-year 2012/2013	Half-year 2011/2012
Cash flow from operating activities		
Net profit for the period - Group share	26 139	19 881
Minority interests	2 256	966
Adjustments for non-cash items:		
- Depreciation and amortisation charges	8 125	7 360
- Asset impairment (including goodwill)	-	-
- Net movements in provisions	(3 349)	(4 672)
- Deferred tax	5 656	1 280
- Fair value gains/(losses) on Asset disposals	108	87
- Grant income	(202)	(157)
- Share of profit/(loss) from associates	-	-
- Dilution profit	-	-
Self-financing capacity	**38 733**	**24 745**
Changes in working capital	(59 009)	(58 063)
Diminution (+) augmentation (-) des stocks	(20 878)	(25 215)
Diminution (+) augmentation (-) des créances	(8 643)	(4 802)
Augmentation (+) diminution (-) des dettes et charges à payer	(29 222)	(23 016)
Augmentation (+) diminution (-) de l'impôt	(266)	(5 030)
Net cash from (used in) operating activities	**(20 276)**	**(33 318)**
Cash flow from investing activities		
Purchase of intangible assets	(2 965)	(3 407)
Purchase of property, plant and equipment	(5 694)	(5 458)
Proceeds from grants	0	46
Proceeds from disposal of PPE and intangible assets	0	32
Purchase of financial assets	(383)	(339)
Proceeds from sale of financial assets	1 078	1 572
Cash and cash equivalent of acquired subsidiaries	0	0
Cash and cash equivalent of disposed subsidiaries	0	0
Net cash used in investing activities	**(7 964)**	**(7 554)**
Proceeds from new share issues	0	0
Buyback of treasury shares	116	72
Movement in share and merger premiums	0	0
Other movements (cash-flow hedge)	524	(1 493)
Cash dividends paid to parent company shareholders	(12 062)	(16 738)
Cash dividends paid to minority interests	(132)	(1 356)
Proceeds from new borrowings	94 166	25 470
Repayment of borrowings	(118 030)	(26 279)
Net cash used in financing activities	**(35 418)**	**(20 324)**
Net foreign exchange difference	(237)	(2 149)
Impact of increase/(decrease) in value of cash equivalents	2 613	2 197
Net increase/(decrease) in cash and cash equivalents	**(61 282)**	**(61 148)**
Cash and cash equivalents at start of period	206 823	192 711
Cash and cash equivalents at end of period	**145 541**	**131 563**