



Full Year Results Fiscal Year 2016/17

4 May 2017

ALSTOM
Designing fluidity

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Agenda

- 1 Introduction**
- 2 2020 strategy
- 3 Financial results
- 4 Objectives

2016/17 results highlights

- Continued strong commercial and operational performance
 - High order intake of €10.0bn and new record-breaking backlog of €34.8bn
 - Sales up 6% (organic 5%) at €7.3bn (book-to-bill above 1.4)
 - Adjusted EBIT up 15%, at €421m, leading to margin at 5.8%

- Solid balance sheet
 - Free cash flow of €182m
 - Net debt at €208m
 - Equity of €3.7bn

- Proposed dividend at €0.25 per share

- 2020 objectives confirmed

Agenda

- ① Introduction
- ② **2020 strategy**
- ③ Financial results
- ④ Objectives

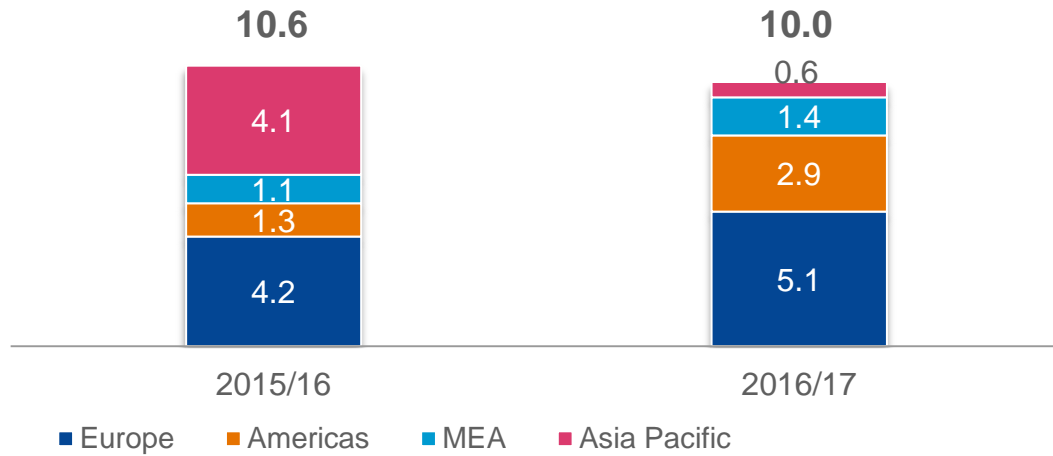
An ambitious strategy for 2020



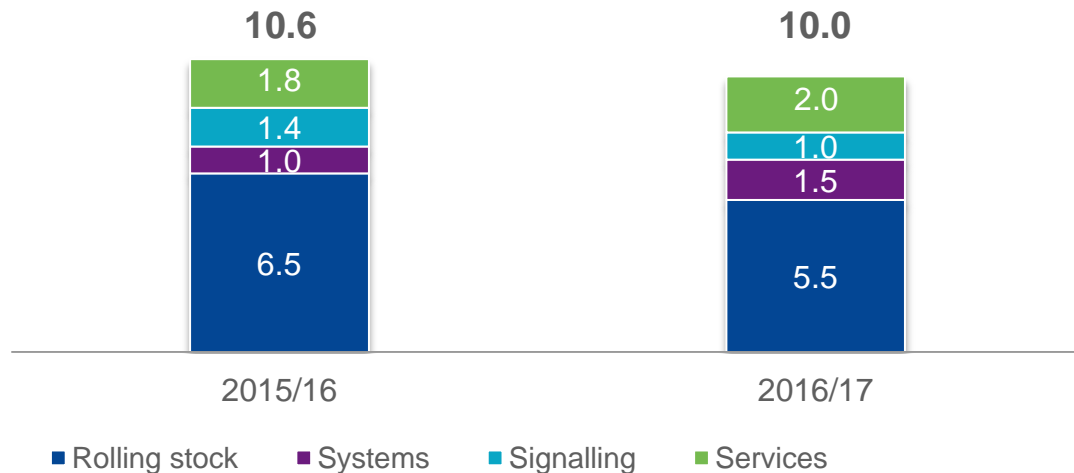
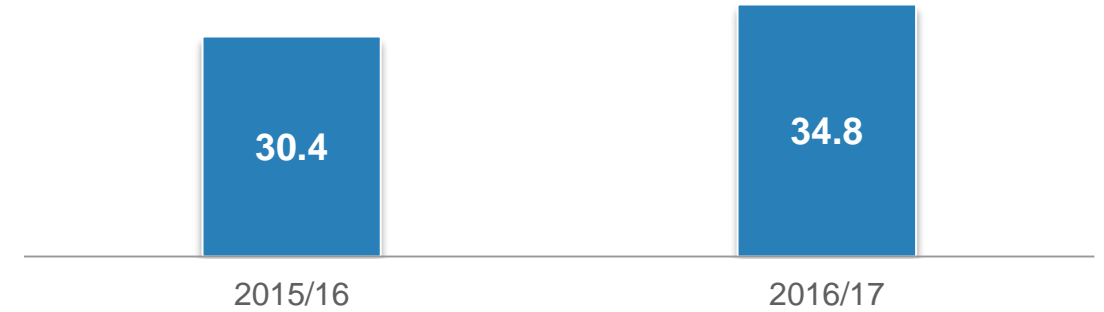
Customer-focused organisation

Continued strong commercial performance

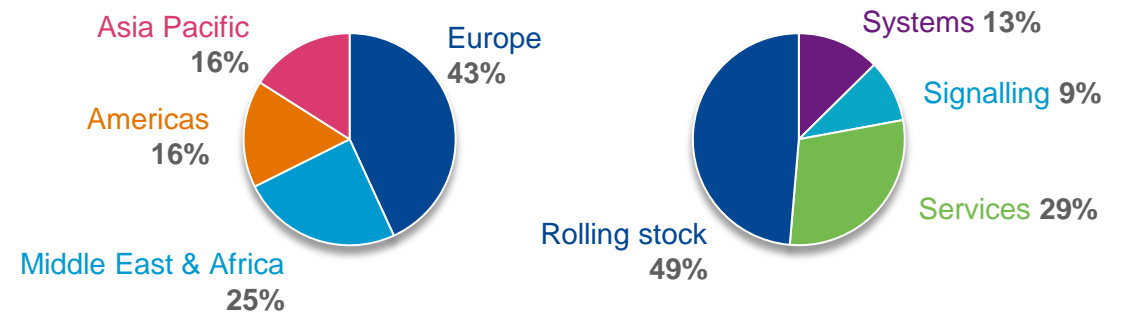
Orders (in € billion)



Backlog (in € billion)



Backlog breakdown as end of March 2017



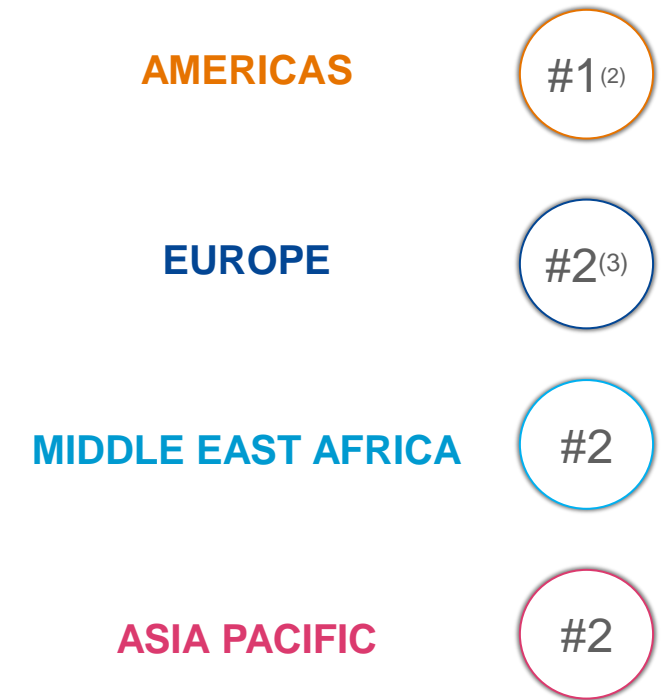
Customer focused organisation

Leader on all continents

- 32,800 employees working on 105 sites in 60 countries serving 200 customers



- 2016 rankings ⁽¹⁾

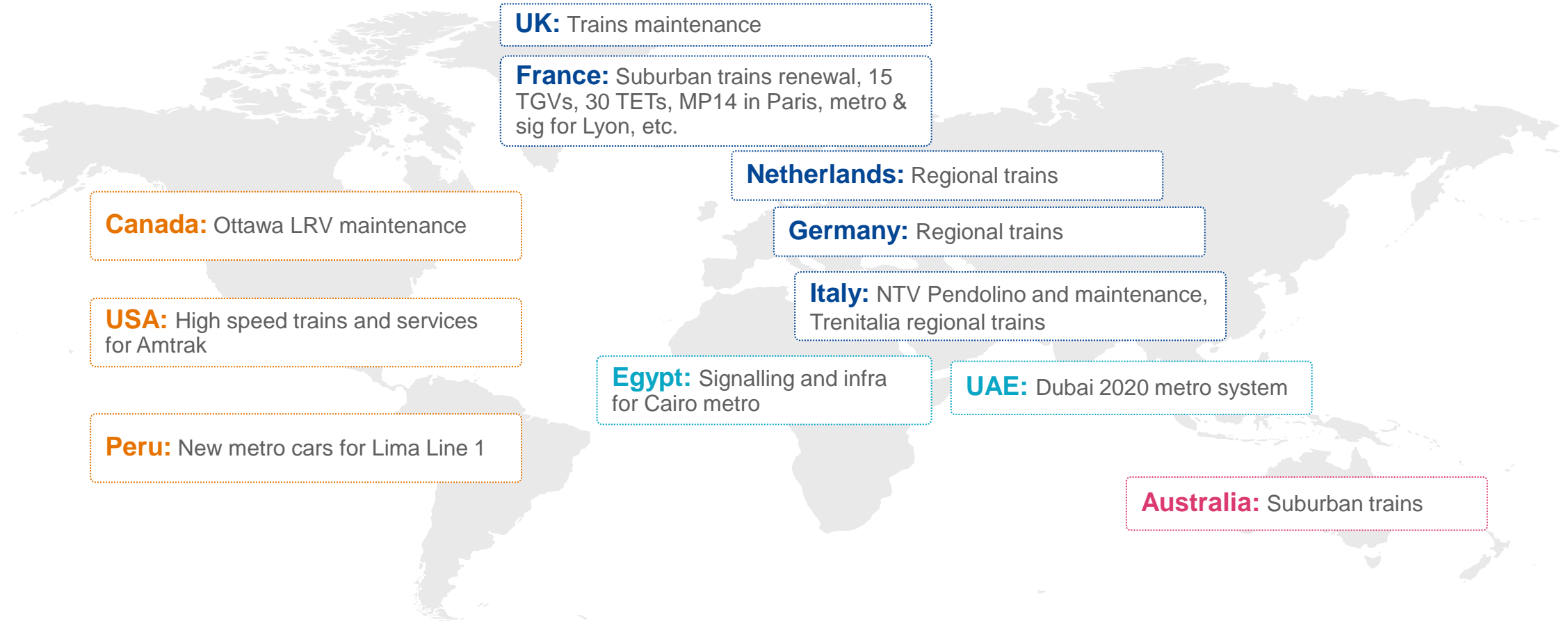


Notes: (1) Based on orders vs accessible market ; (2) Americas excluding freight market ; (3) Russia not included as market handled directly by TMH. Sources: Alstom ; UNIFE Market Study 2016

Objective to reach critical size in each region (#1 or #2 where relevant)

Customer focused organisation

Main 2016/17 orders



A very dynamic order trend with several large projects in the US, UAE, Netherlands and France

Customer focused organisation

Surburban trains project X'Trapolis Cityduplex in France

■ Scope

- Alstom-Bombardier consortium (70%/30%)
- Design and manufacture of 255 new double-deck trainsets for lines D and E of the French Region suburban network
- First firm order of 71 trains worth €780m for Alstom

■ Status

- Contract signed in January 2017
- Studies already launched
- Delivery and commercial service of the first trains forecasted in 2021



The largest tender ever managed by SNCF in France won by Alstom

Customer focused organisation

Coradia Continental regional trains to Deutsche Bahn

■ Scope

- Two contracts from Deutsche Bahn Regio AG
- 53 Coradia Continental electric multiple units (EMUs)
- Total amount over €300m
- Part of 2012 frame contract
- 220+ EMUs delivered in Germany since 2008

■ Status

- Contracts booked in Q4 2016/2017
- Trains scheduled to enter into service between 2019 and 2020

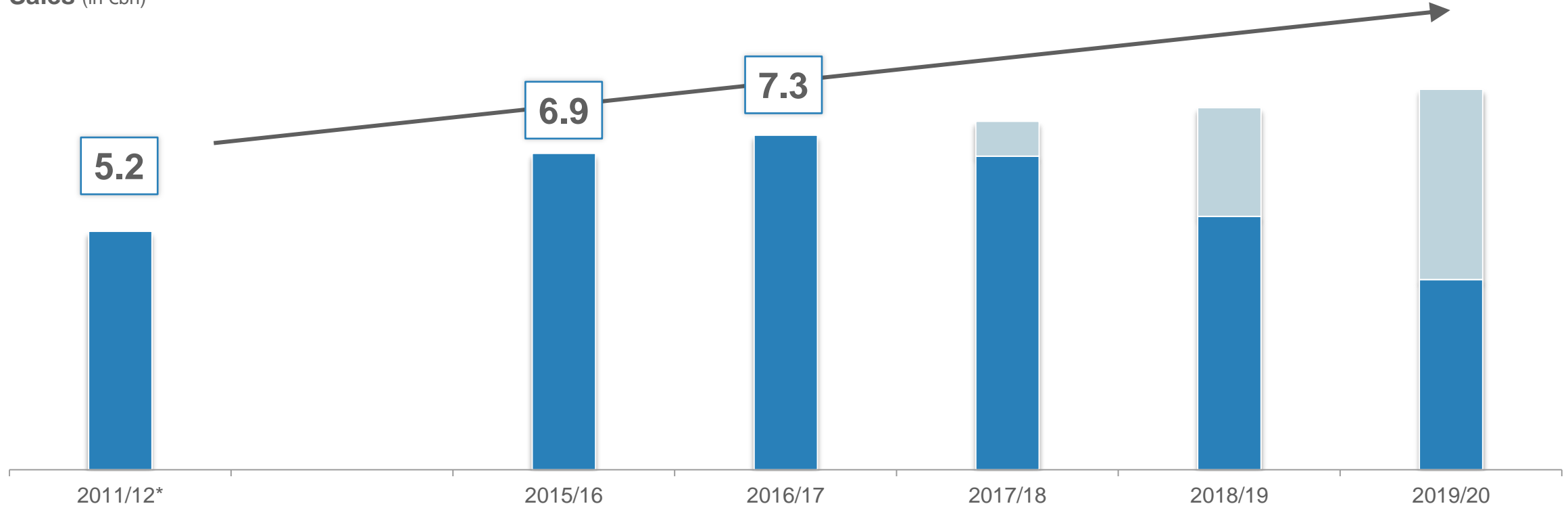


Renewed confidence in Alstom well-proven regional train

Customer focused organisation

Continued growth

Sales (in €bn)

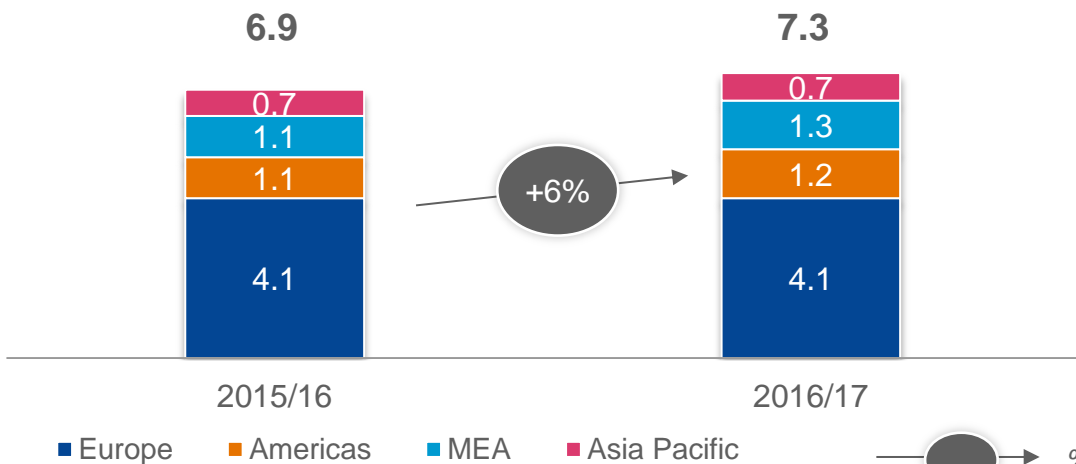
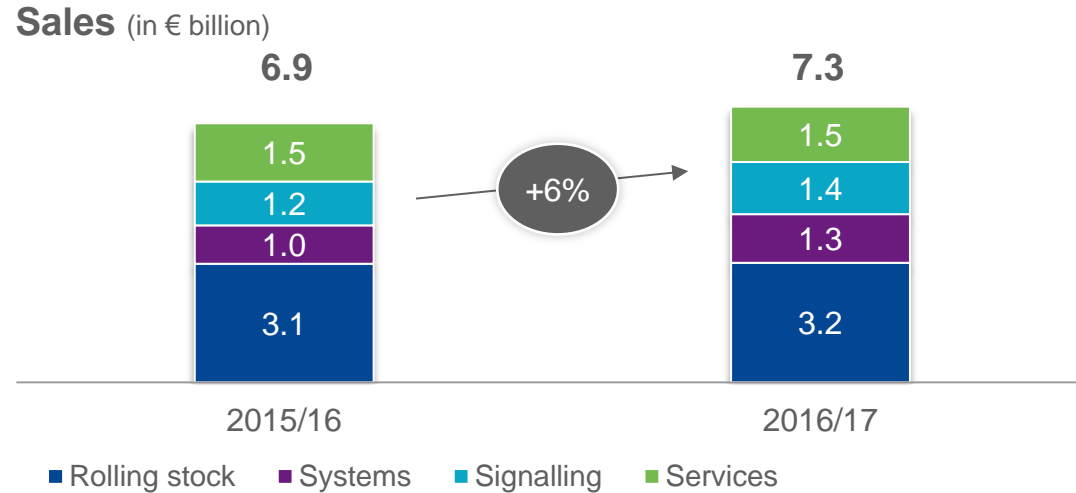


* Transport Sector Sales (before IFRS 11 application)

Current backlog providing strong visibility on future sales

Complete range of solutions

Organic sales growth of 5%



■ Roughly stable standalone Rolling stock (43% of sales)

- Suburban, regional and high-speed trains in Europe (France, Sweden, Italy, etc.)
- On-going execution of PRASA project
- Tramway deliveries in Algeria

■ 27% growth in Systems (18% of sales)

- Metro systems in Saudi Arabia and Mexico
- Tramway systems in Brazil, Qatar, etc.
- Infrastructure in UK

■ 19% growth in Signalling (19% of sales)

- Deliveries in UK and Canada
- Contribution of GE signalling

■ Slight decrease in Services (20% of sales)

- Adverse forex impact on UK contracts

Complete range of solutions

Riyadh lines 4,5 & 6 metro system

■ Scope

- 69 driverless Metropolis trains
- Signalling system
- Infrastructure: third rail and track, using Appitrack and power supply incl. Hesop substations

■ Status

- Contract booked in 2013/14
- Train production started in Katowice in Nov. 2015
- First delivery in February 2017



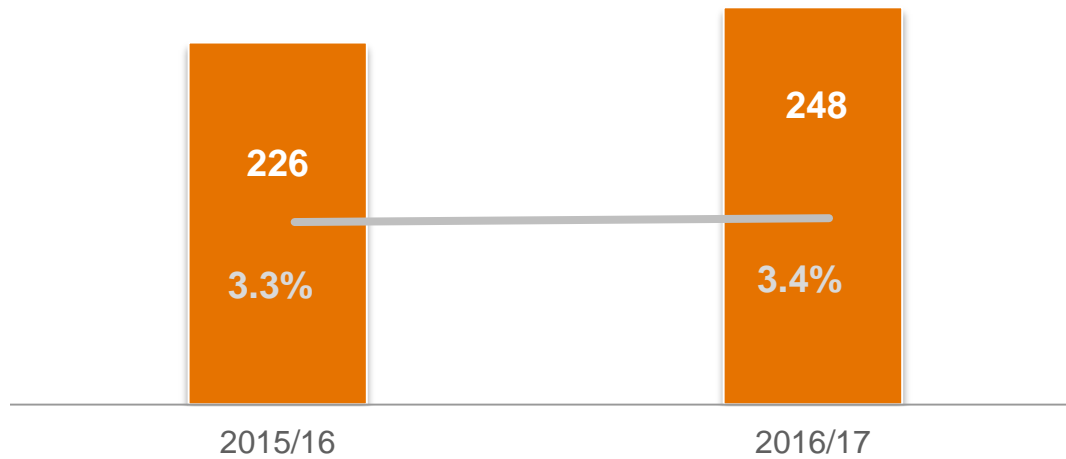
First driverless metro in Saudi Arabia and biggest contract ever for an urban system project (€1.2bn)

Value creation through innovation

Sustained level of R&D

R&D gross costs (in € million)

— As % of sales



Main R&D programmes

- Renewal of rolling stock ranges
- Signalling programmes
- Predictive maintenance

Value creation through innovation

Recent product launches

- **Coradia iLint**, hydrogen train, with a first successful run at 80 km/h



- **Aptis**, a new 100% electric experience of mobility



Value creation through innovation

Smart mobility

- **Optimet Urban map**, an intelligent metro map to give real-time information to passengers



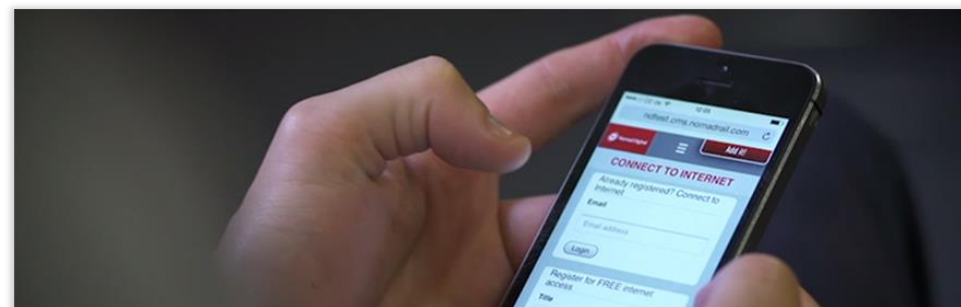
- **Optimet real-time train occupancy**, visual aid for passenger to decide their position on the platforms



- **Mastria**, the first multimodal supervision solution



- **Nomad Digital**, acquisition of the world leader of on-board connectivity

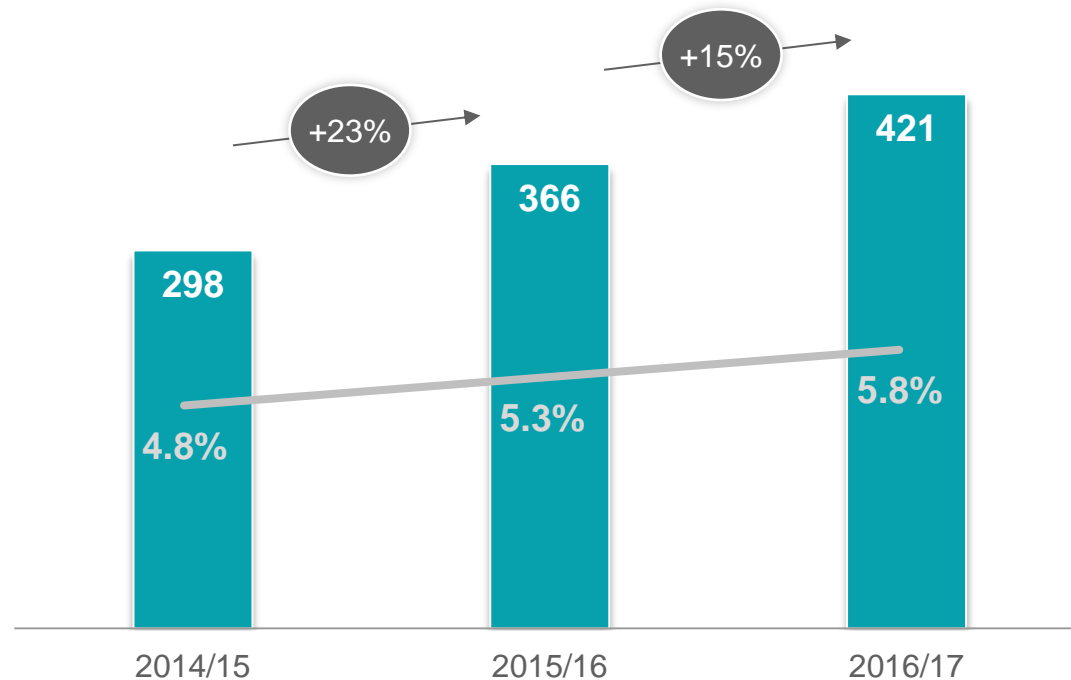


Operational excellence

Continued strong operational performance

Adjusted EBIT (in € million)

— As % of sales



- Volume increase
- Portfolio mix improvement
- On-going initiatives for operational excellence

— ● — % change reported

Operational excellence

■ Competitive offering

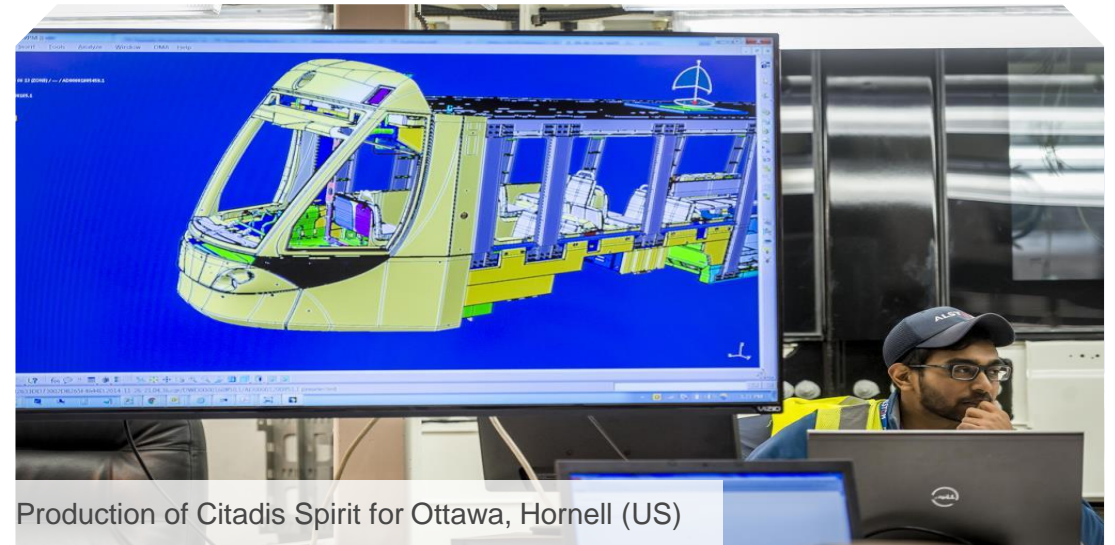
- Sourcing
- Global footprint

■ Excellence in delivery

- Global business transformation underway
- Strong project management skills
- Flawless execution

■ A digitalisation plan to create an agile and effective information system

■ Cash Focus programme



To remain competitive while supporting margin improvement

Sourcing

■ Alstom Alliance

- Premium partnerships with strategic suppliers to support geographical expansion, share innovations and mutualise development of key components
- Quality, cost-effective and reliable solutions
- c. 20% purchased through the Alliance

■ Global sourcing

- Increase of global sourcing volume
- c.40% purchased in low cost countries

Global footprint

■ Continued India ramp-up

- 2,700 people at end March 2017 (vs 1,800 at end March 2016)
- Madhepura site erection started

■ CTLE acquisition in South Africa



Operational excellence

Excellence in delivery: solid project execution

■ eLoco project, India

- First batch of design submitted to customer in February 2017



■ PRASA project, South Africa

- 18 trains delivered from Brazil
- 13 trains in service



■ Riyadh project, Saudi Arabia

- First train delivered on-time from Katowice, Poland in Feb. 2017



Operational excellence

Update on Cash Focus programme

■ “Sourcing 4 Cash” led by a cross-functions team

- Review of Terms & Conditions (T&C’s)
- Instructions deployed worldwide

■ Cash improvement calls deployed on a monthly basis on all sites with focus on:

- Inventory & work in progress management
- Overdue reduction
- Local application of T&C’s
- Cost incurred management

■ Other actions

- Reinforcement of cash related matter in the early phase of business development and tender phase
- Completion of communication campaign and related “Cash Talks” training sessions
- Regular meetings during project execution
- Increased focus on cash impact of all capex request

Continuous strong management actions to optimise working capital

Environmental excellence

On track to achieve 2020 objectives

■ Improve our environmental footprint

- Continue our efforts on energy saving, waste and CO₂
- ISO 14001 for all operational units with more than 200 people
- 2020 objective: energy intensity reduction by 10%. - **2016 status: 9% reduction compared to 2014**

■ Improve energy consumption for solution

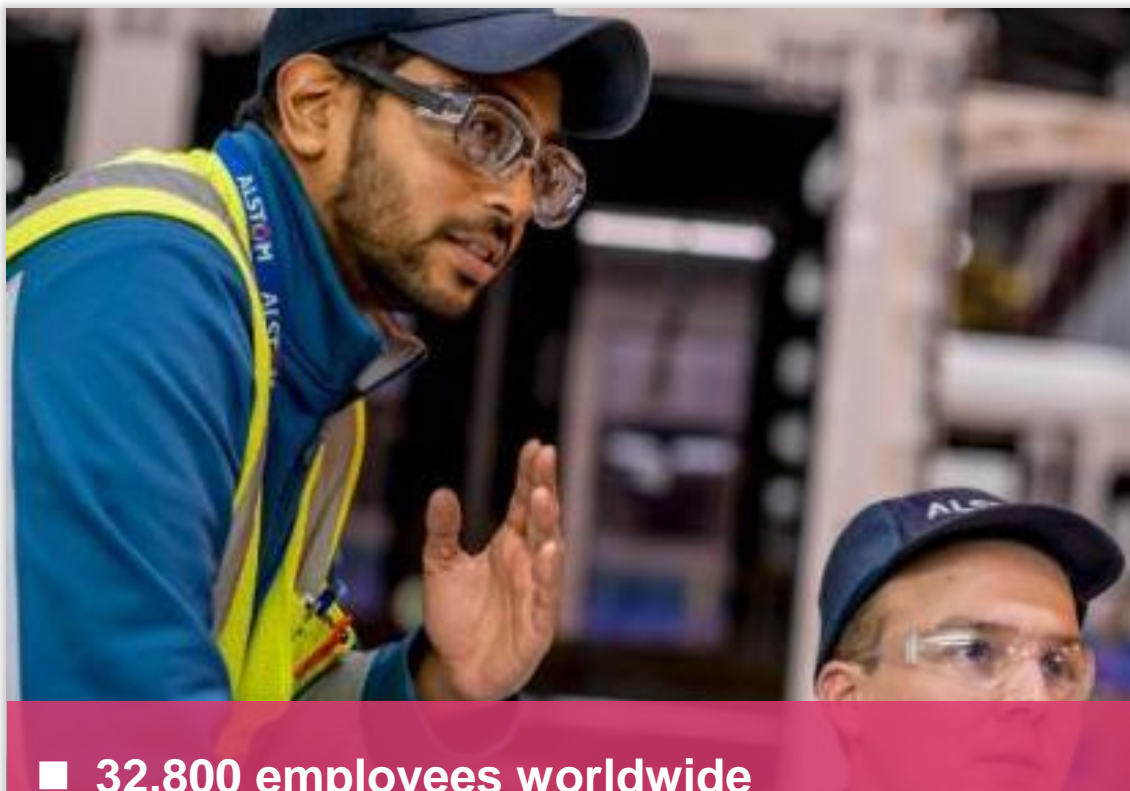
- Better sizing and energy consumption measurement
- 2020 objective: energy consumption reduction by 20%. - **2016 status: 11% reduction compared to 2014**

■ Safety at work



- Alstom Zero Deviation Plan
- Zero Severe Accidents on High Risk Activities
- 2020 objective: Occupational injury frequency rate (employees and contractors) at 1. - **Status: 1.4 in 2016/17**

A culture based on diversity & entrepreneurship



- **32,800 employees worldwide**
- **Diversity** in terms of gender, generation, nationality, social and cultural background targeted:
 - **25% women in management or professional role by 2020** – Status: 20% in 2016/17

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Income statement

<i>In € million</i>	FY 2015/16	FY 2016/17	% change reported	% change organic
Sales	6,881	7,306	6%	5%
Adjusted EBIT	366	421	15%	
<i>Adjusted EBIT margin</i>	5.3%	5.8%		
Restructuring charges	(138)	(6)		
Other charges	(454)	(57)		
EBIT	(226)	358		
Financial result	(275)	(127)		
Tax result	(597)	(76)		
Share in net income of equity investees	30	82		
Minority interests from continued op.	(15)	(14)		
Net income – Discontinued operations*	4,084	66		
Net income – Group share	3,001	289		

*Group share

Free cash flow

<i>In € million</i>	FY 2015/16	FY 2016/17
Adjusted EBIT	366	421
Depreciation & amortisation	138	132
Restructuring cash-out	(61)	(49)
Capex	(154)	(150)
R&D capitalisation	(73)	(70)
Change in working capital	(892)	80
Financial cash-out	(291)	(115)
Tax cash-out	(211)	(87)
Other*	(1,436)	20
Free cash flow	(2,614)	182

- **Cash Focus programme impact**
- **Several large down-payments**
- **Volatility on short period**
- **Phasing of transformation capex**

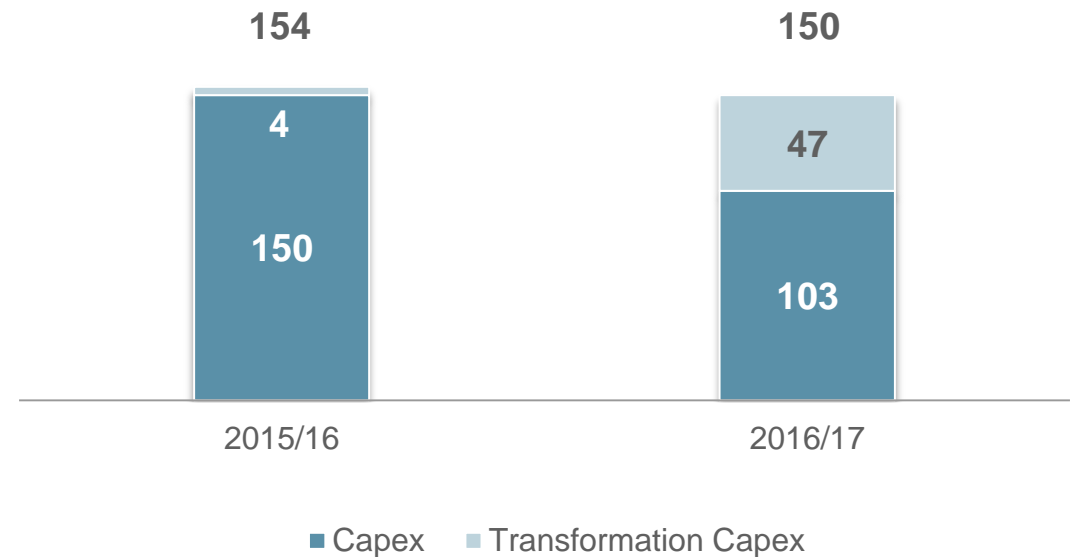
*includes free cash flow from discontinued operations

Capex developments

Progressive ramp up of transformation capex



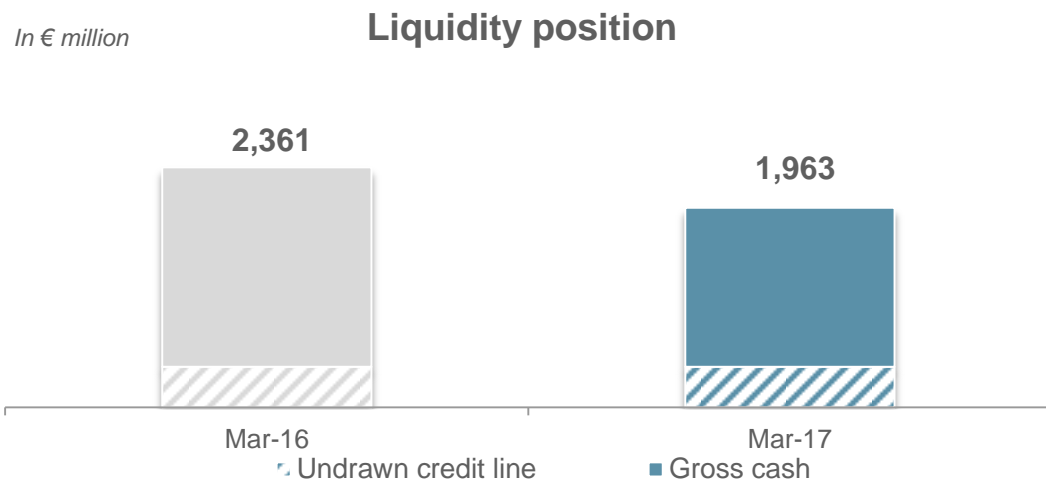
Capex* (in € million)



* excluding capitalised development costs

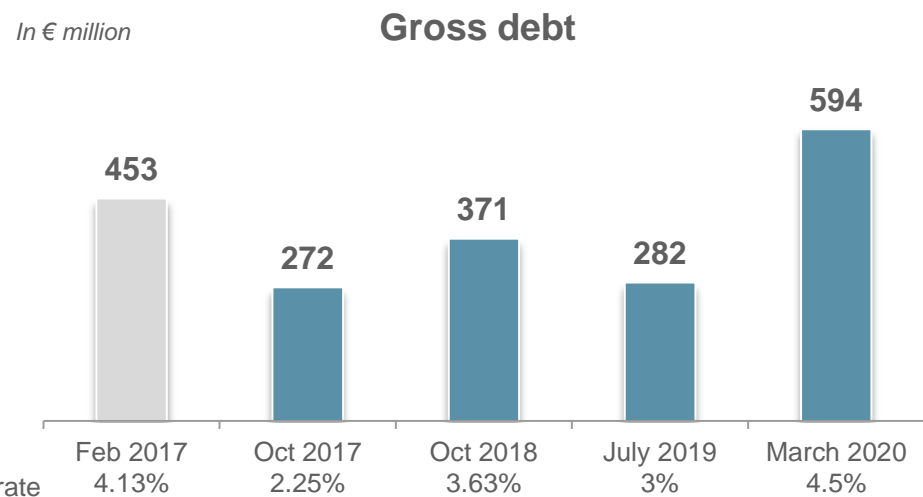
New sites to meet customers' growing demand for a local presence
c. €300m transformation capex over 3 years

Liquidity and gross debt



Liquidity

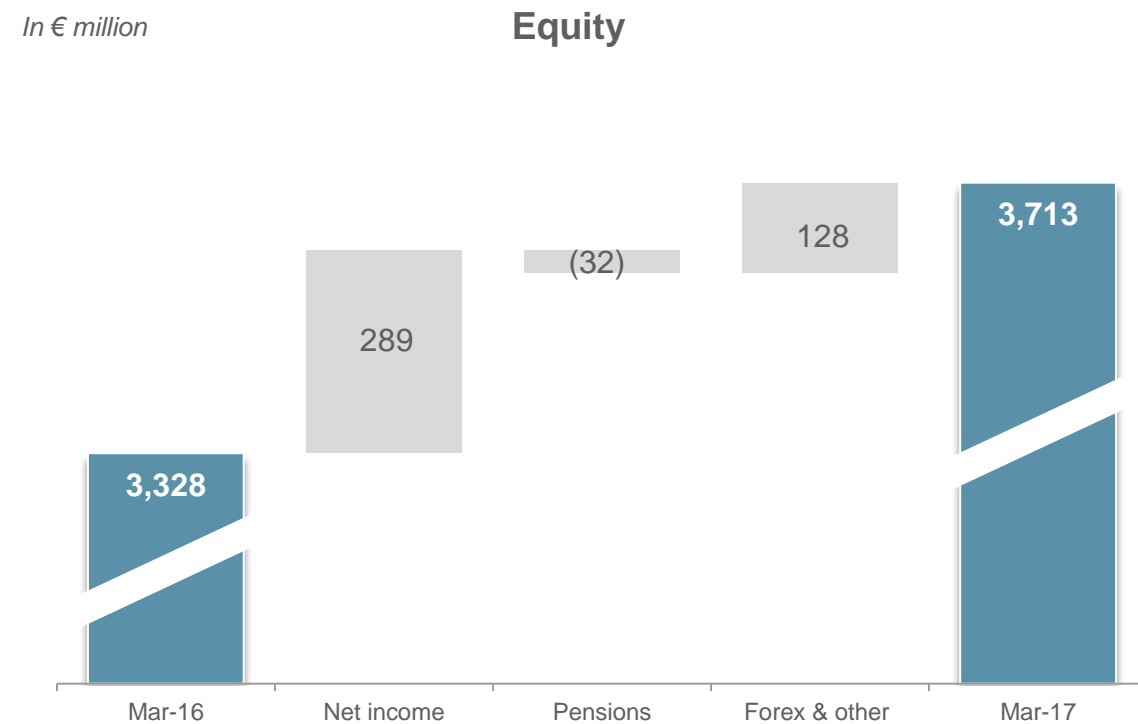
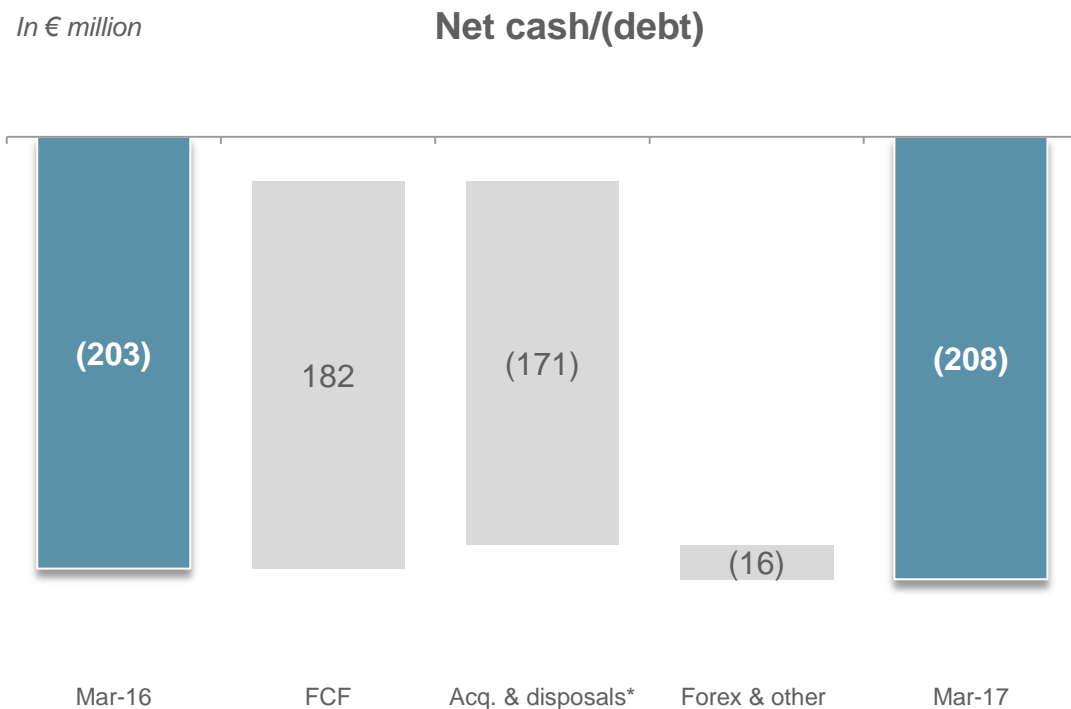
- €1,563m cash and cash equivalents as of 31 March 2017
- €400m revolving credit facility ; fully undrawn
- Flexibility with Energy JVs put options



Gross debt

- €453m reimbursed at maturity in February 2017
- €1,519m outstanding bonds as of 31 March 2017
- Next maturity in October 2017 (€272m)

Strong balance sheet



* includes GE related separation impact (e.g. IS&T)

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2020 OBJECTIVES

- **Sales expected to grow at 5% per year organically**
- **Adjusted EBIT margin to reach around 7%**
- **c. 100% conversion from net income to free cash flow**

Contacts and agenda

Contacts

Selma BEKHECHI

Investor Relations Director
+33 (0)1 57 06 95 39

Julien MINOT

Investor Relations Manager
+33 (0)1 57 06 64 84

investor.relations@alstom.com

Agenda

4 July 2017

Shareholders' Meeting

13 July 2017

Q1 2017/18 Orders and Sales

14 November 2017

H1 2017/18 Results



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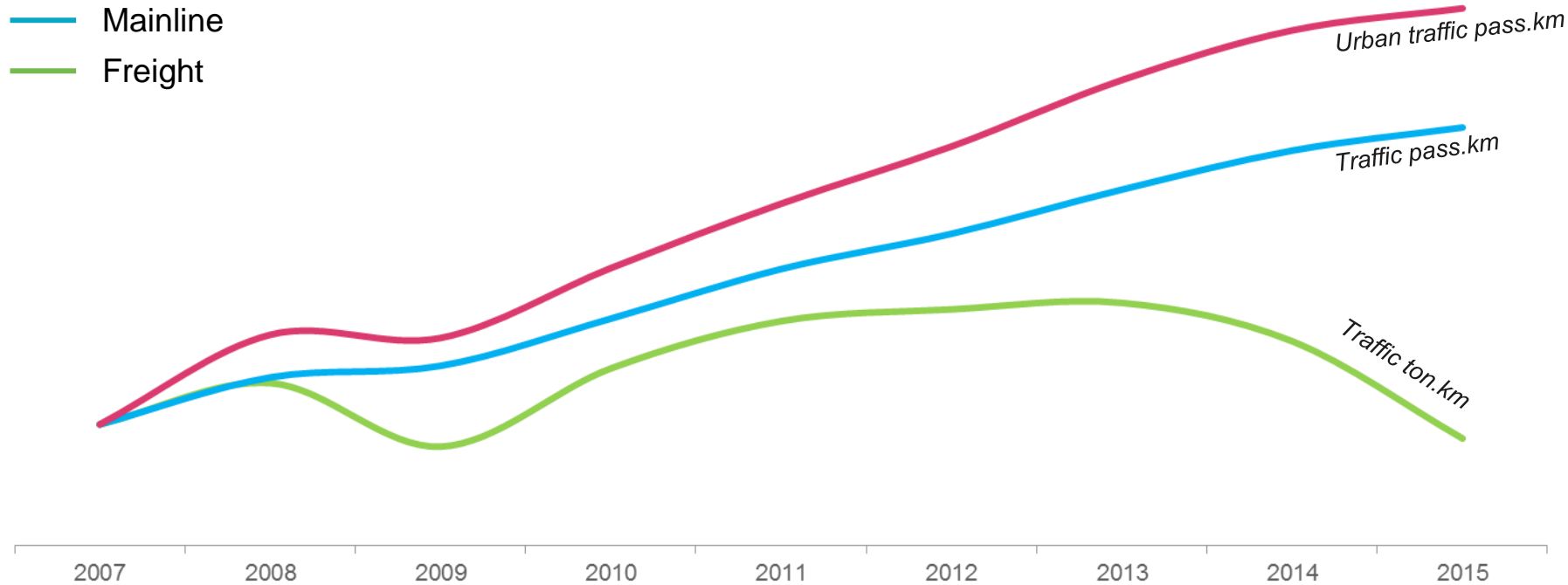
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- 1 **Market**
- 2 Case studies

Railway traffic evolution

Worldwide traffic evolution from 2007 to 2015¹

- Urban
- Mainline
- Freight



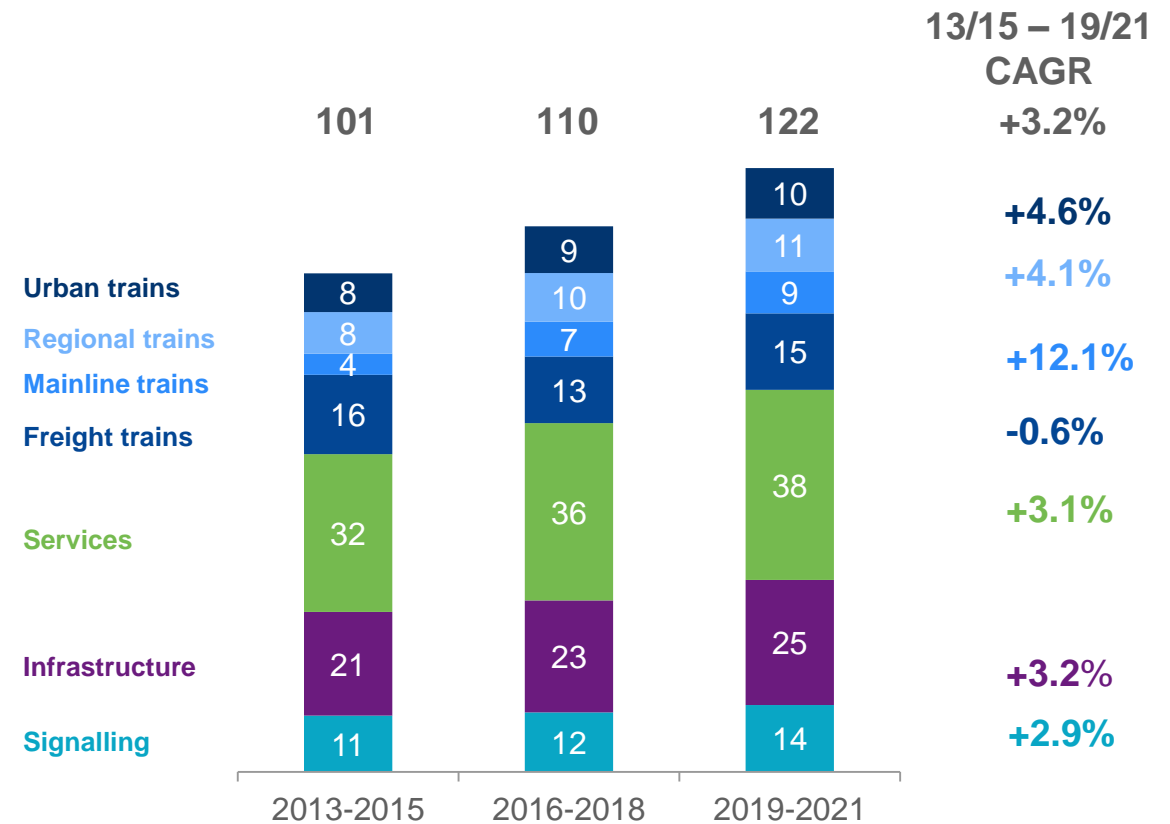
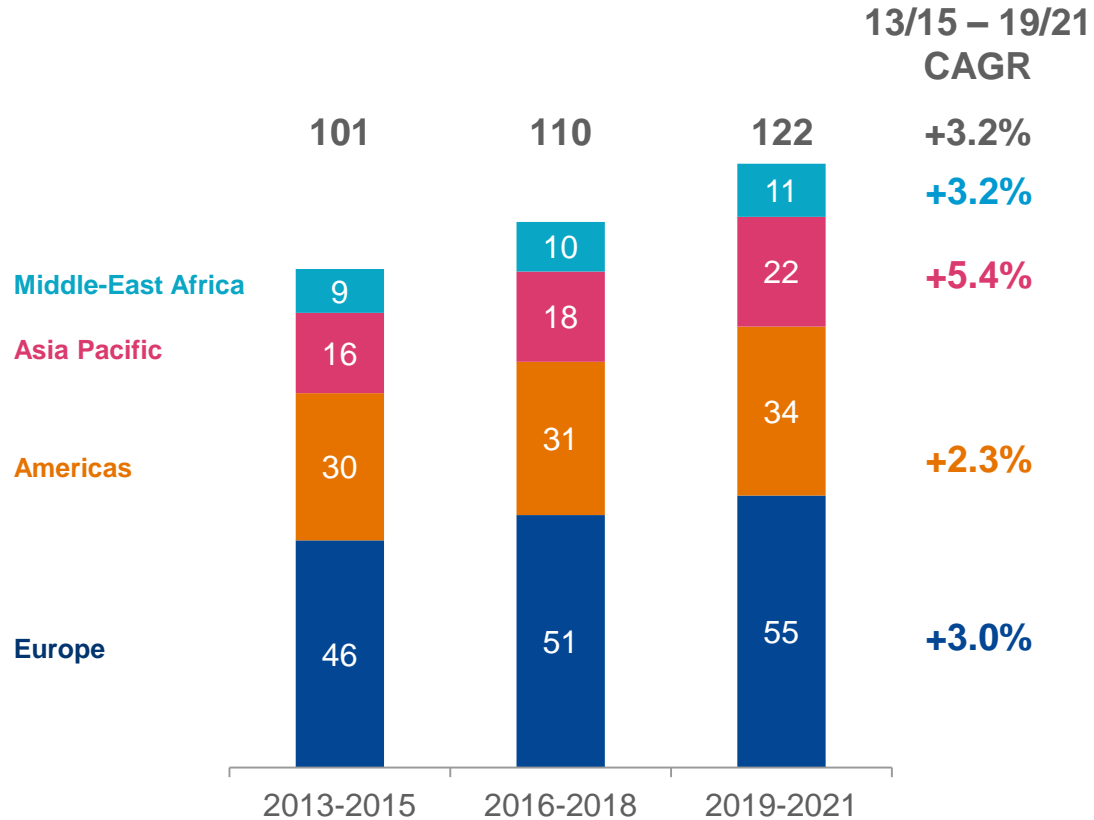
	Growth vs LY	Average growth (2007–2015)
Urban traffic pass.km	+1.8%	+5.3%
Traffic pass.km	+1.6%	+4.0%
Traffic ton.km	-10.9%	-0.2%

Passenger traffic for urban & mainline keeps growing, but freight is strongly decreasing

¹ Urban traffic figures are for Top 30 cities worldwide; mainline & freight traffic figures are for all major national operators worldwide. Sources: Alstom and UIC
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Market forecast

Average annual accessible market (€bn)



Significant growth in all geographical regions confirmed by latest market study

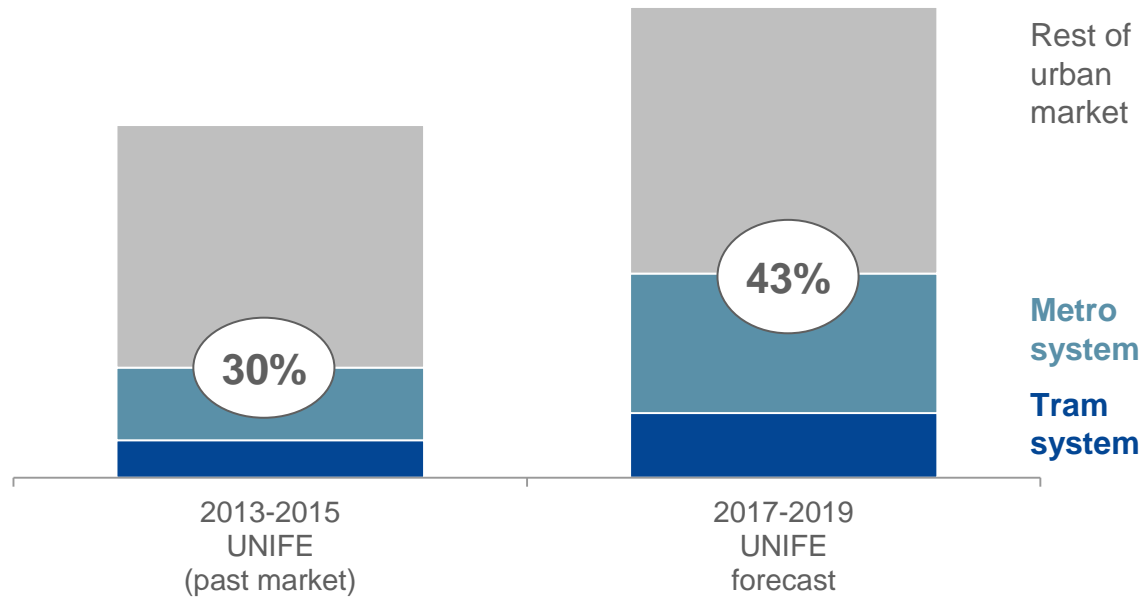
Source: UNIFE Market Study 2016

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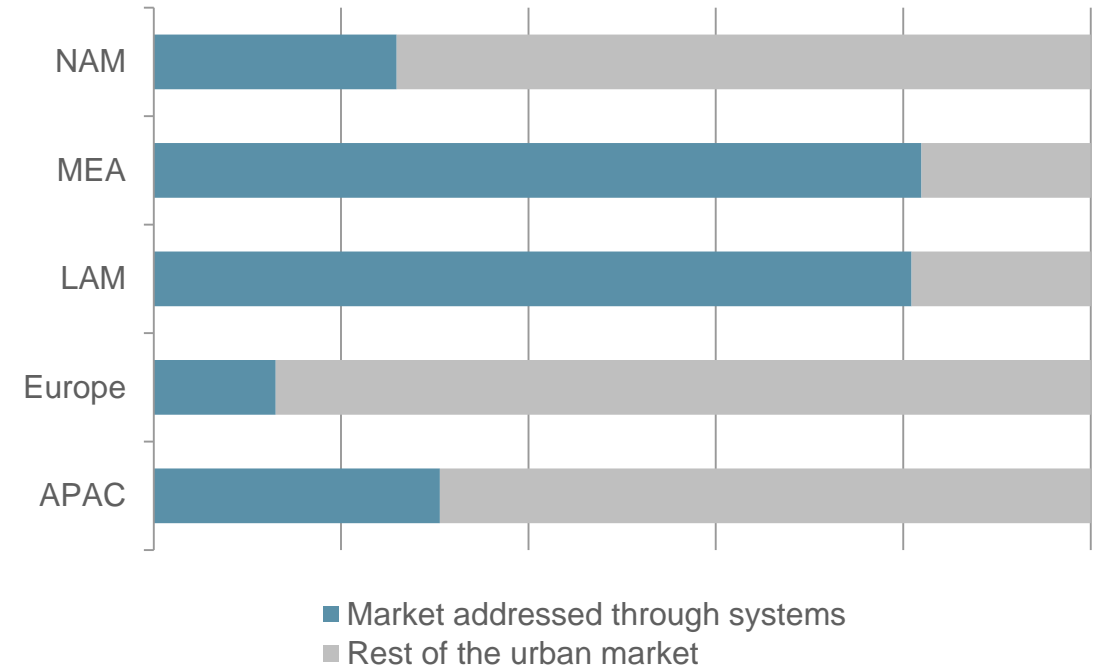
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Share of systems within the urban market

System market within urban market
Annual average



Share of urban market addressed through systems
2017-2019



Systems continue to grow up to ~40% of the urban market, especially in MEA, LAM and APAC

Source: Alstom estimation, UNIFE Market Study 2016

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- 1 Market
- 2 Case studies**

NTV in Italy

- Options of previous contract signed in October 2015
- 4 Pendolino trains and related maintenance services
- Extension of maintenance services for NTV's entire fleet from 20 to 30 years
- Delivery scheduled end 2017 and ready to enter into service in 2018



NTV's renewed confidence in Alstom expertise

Dubai: a fully integrated system for Expo 2020 link

- Alstom, leader of ExpoLink consortium
- 50 Metropolis trainsets and electromechanical works
- New route extends 15 km and serves Expo 2020
- Delivery of the system before 2020



Dubai: Expo 2020 metro station

A fully integrated metro project for Alstom, with a non-negotiable deadline

High speed train contract with Amtrak - US

- 28 **Avelia Liberty trains**, new generation of Alstom very high speed trains
- Optimised maintenance costs
- Improved energy management
- Enhanced comfort for passengers
- A **€1.8bn contract**: deliveries expected to start in 2021



A new generation of train with high level of innovation for both passenger and operator

First successes for our new generation of Coradia trains



79 Intercity trains for the Netherlands operator

- €0.8 billion
- First deliveries by 2020



150 regional trains for Trenitalia with first order of 47 trains

- €0.9 billion for the frame contract
- First deliveries by early 2019

Optimised train product ranges with platform approach

Prasa project

■ Scope

- Design, manufacture and supply 600 trains for South Africa fleet renewal
- Parts supply & technical support for 19 years
- Gibela Joint Venture led by Alstom (61%), local factory, 65% average local content

■ Status

- First train delivered from Brazil end 2015
- Local factory construction started in March 2016
- First train to be manufactured in South Africa end 2017/18



Largest contract ever in Alstom history (c. €4bn), well on its way

eLoco project in India

■ Scope

- 800 electric locomotives
- Associated maintenance: 13 years for the first 250 locos and 4 years for the following 250
- €200m investment incl. set up of manufacturing plant and two depots
- JV with Indian Railways (74%/26%)

■ Status

- Contract booked in Q4 2015/16
- Deliveries expected between 2018 and 2029



E-loco mock-up (India)

€3.2bn contract for 800 electric locomotives and maintenance

Dubai tramway system

■ Scope

- Fully integrated tramway solution incl. trains, signalling, infrastructure and 13 years maintenance contract

■ Status: already a success

- Availability and punctuality above 99.5%
- Robust operation under heavy rain and sand storm
- Up to 30,000 passengers / day at peak



Dubai tramway system (UAE)

A fully integrated world premiere