

Alstom's orders and sales for the first nine months of 2018/19

- **Continuous strong commercial momentum with orders intake of €10.5 billion, leading to a new record-breaking backlog of €40 billion**
- **Solid sales at €6.0 billion, up 16% (18% organic)**
- **Outlook confirmed**

17 January 2019 – Over the third quarter 2018/19 (from 1 October to 31 December 2018), Alstom booked €3.4 billion of orders, compared to €1.7 billion over the same period last fiscal year. The Group's sales increased to €2.0 billion, up 10% (10% organically) compared to €1.8 billion over the third quarter 2017/18.

For the first nine months of 2018/19 (from 1 April to 31 December 2018), Alstom's order intake reached €10.5 billion. The Group's sales amounted to €6.0 billion, up 16% (18% organically) compared to the first nine months of 2017/18.

At €39.7 billion on 31 December 2018, current backlog provides strong visibility on future sales.

Key figures

Actual figures (in € million)	2017/18*				2018/19			2017/18*	2018/19	Var. %	Var. %
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	9 months	9 months	Actual	Organic
Orders received	1,909	1,261	1,683	2,330	2,641	4,488	3,386	4,853	10,515	117%	120%
Sales	1,770	1,571	1,827	2,178	2,017	1,993	2,010	5,168	6,020	16%	18%

*Geographic and product breakdowns of reported orders and sales are provided in Appendix 1. All figures mentioned in this release are unaudited. *Restated IFRS 9 & 15*

"Alstom achieved a continuous strong commercial performance this quarter with a new record-breaking backlog, particularly in services with notably the award of the maintenance contract for the Riyadh Metro. Sales were fully in line with our objectives that are confirmed. The Group delivered on major project milestones this quarter, such as the first metro for Dubai, the last trainset for the Sydney metro and the first train for PRASA produced in our newly inaugurated factory in South Africa." said Henri Poupart-Lafarge, Alstom Chairman and Chief Executive Officer.

Detailed review

During the third quarter of 2018/19, Alstom recorded €3,386 million of orders including notably a contract for maintenance of the Riyadh metro, regional trains in Luxembourg and Germany, and the signalling of Mumbai metro line 3. Orders in service were particularly positive with €1,452 million booked during the quarter.

Sales reached €2,010 million in the third quarter 2018/19, mainly fuelled by progress in the Dubai metro system project, deliveries of regional trains in Europe, as well as maintenance contract execution in the United Kingdom.

Main events of the third quarter 2018/19

In November 2018, the Africa's first high speed line was inaugurated in Morocco. Alstom supplied the Office National des Chemins de Fer Marocain (ONCF) with 12 very high-speed trains for the Tangier-Casablanca railway section. Alstom also supplied the level 1&2 on-board ERTMS for the trains.

On December 2018, the first train built in South Africa for PRASA was delivered on time and Alstom achieved a significant milestone by completing the last of the 22 Metropolis trains for Sydney Metro.

Outlook

The Alstom outlook is provided at constant perimeter and exchange rate. It is set in accordance with the IFRS 15 standard, which is the new applicable standard for revenue recognition.

For the fiscal year 2018/19, sales are expected to reach around €8 billion and adjusted EBIT margin should reach around 7%.

In the medium term, Alstom should continue to outperform the market growth, gradually improve profitability, and improve cash generation, with possible volatility over some short periods.

Creation of a global leader in Mobility

The proposed combination of Alstom with Siemens Mobility, including its rail traction drive business, has progressed in the last quarter.

On 12 December, Alstom and Siemens have jointly agreed to submit a remedy package on to the European Commission in response to its Statement of Objection of October 29. Since then, the parties have had a continuous dialogue with the European Commission, including some improvement of the remedy package to respond to the European Commission concerns. The proposed package represents the parties' proposal to address the Commission's concerns while preserving the industrial and economic value of the deal.

The proposed remedies include mainly signalling activities as well as rolling stock products and represent around four percent of the sales of the combined entity. The parties consider that the proposed remedy package is appropriate and adequate. There is, however, no certainty that the content of this package will be sufficient to alleviate the concerns of the Commission. A decision by the Commission is expected by February 18, 2019.

The transaction is subject to approval by relevant anti-trust authorities and closing is expected in the first half of 2019.

*

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 €7.2 billion of orders in the 2017/18 fiscal year. Headquartered in France, Alstom is present in over 60 countries and employs 34,500 people.

www.alstom.com

Press contacts

Samuel Miller – Tel. + 33 1 57 06 67 74

samuel.miller@alstomgroup.com

Justine Rohée – Tel. + 33 1 57 06 18 81

justine.rohee@alstomgroup.com

Investor relations

Julie Morel – Tel. + 33 6 67 61 88 58

julie.morel@alstomgroup.com

Julien Minot – Tel. + 33 1 57 06 64 84

julien.minot@alstomgroup.com

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>	2017/18 9 months	% Contrib.	2018/19 9 months	% Contrib.
	<small>(restated for IFRS 9 & 15)</small>			
Europe	2,275	47%	6,235	59%
Americas	988	20%	1,937	19%
Asia / Pacific	698	14%	1,168	11%
Middle East / Africa	891	19%	1,175	11%
Orders by destination	4,853	100%	10,515	100%

Actual figures <i>(in € million)</i>	2017/18 9 months	% Contrib.	2018/19 9 months	% Contrib.
	<small>(restated for IFRS 9 & 15)</small>			
Europe	2,669	52%	3,005	50%
Americas	997	19%	1,101	18%
Asia / Pacific	633	12%	662	11%
Middle East / Africa	869	17%	1,252	21%
Sales by destination	5,168	100%	6,020	100%

APPENDIX 1B – PRODUCT BREAKDOWN

Actual figures <i>(in € million)</i>	2017/18 9 months	% Contrib.	2018/19 9 months	% Contrib.
	<small>(restated for IFRS 9 & 15)</small>			
Rolling stock	2,190	45%	5,456	52%
Services	1,442	30%	2,868	27%
Systems	416	8%	1,262	12%
Signalling	805	17%	929	9%
Orders by destination	4,853	100%	10,515	100%

Actual figures <i>(in € million)</i>	2017/18 9 months	% Contrib.	2018/19 9 months	% Contrib.
	<small>(restated for IFRS 9 & 15)</small>			
Rolling stock	2,214	43%	2,608	43%
Services	983	19%	1,122	19%
Systems	990	19%	1,338	22%
Signalling	981	19%	952	16%
Sales by destination	5,168	100%	6,020	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/revaluation 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.

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 2017/18 <small>(rest. IFRS 9 & 15)</small>				9 months 2018/19					
	Actual figures	Exchange rate	Scope impact	Comparable Figures	Actual figures	Exchange rate	Scope Impact	Comparable Figures	% Var Act.	% Var Org.
Orders	4,853	(76)	-	4,777	10,515	-	-	10,515	117%	120%
Sales	5,168	(80)	-	5,088	6,020	-	-	6,020	16%	18%

<i>(in € million)</i>	Q3 2017/18 <small>(rest. IFRS 9 & 15)</small>				Q3 2018/19					
	Actual figures	Exchange rate	Scope impact	Comparable Figures	Actual figures	Exchange rate	Scope Impact	Comparable Figures	% Var Act.	% Var Org.
Orders	1,683	(12)	-	1,671	3,386	(7)	-	3,379	101%	102%
Sales	1,827	(8)	-	1,819	2,010	-	(6)	2,004	10%	10%