

Alstom's orders and sales for the first nine months of 2016/17

- **Order intake of €7.2 billion, up 16%**
- **Organic sales growth at 5%**
- **2020 objectives confirmed**

17 January 2017 – Over the third quarter 2016/17 (from 1 October to 31 December 2016) and after a very strong commercial performance in the second quarter, Alstom booked €1.0 billion of orders. The Group's sales increased to €1.7 billion, up 3% (2% organically) compared to €1.6 billion over the third quarter 2015/16.

For the first nine months of 2016/17 (from 1 April to 31 December 2016), Alstom's order intake reached €7.2 billion, up 16% compared to €6.3 billion over the same period last year. The Group's sales amounted to €5.2 billion, up 6% (5% organically) compared to the first nine months of 2015/16. The book-to-bill remained strong at 1.4.

On 31 December 2016, the backlog reached a new record high at €33.8 billion, providing strong visibility on future sales.

Key figures

Actual figures (in € million)	2015/16				2016/17			2015/16	2016/17	Var. %	Var. %
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	9 months	9 months	Actual	Organic
Orders received	1,955	1,942	2,358	4,381	889	5,323	1,023	6,255	7,235	16%	17%
Sales	1,602	1,701	1,613	1,965	1,747	1,823	1,655	4,916	5,225	6%	5%

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 solid commercial performance over the first nine months of 2016/17. We have recently been awarded for the supply of 15 regional trains in Senegal, our first order in Western Africa. Last week the Alstom-Bombardier consortium was selected to renew suburban trains in France. These two contracts should be booked in the next quarter. Organic sales growth at 5% was perfectly in line with our 2020 objectives," said Henri Poupart-Lafarge, Alstom's Chairman & Chief Executive Officer.

Detailed review

During the third quarter of 2016/17, Alstom booked €1,023 million of orders including notably signalling and infrastructure for Cairo Metro line 3, regional trains for Southern Germany, new generation of metros to Greater Lyon in France and maintenance to freight locomotives in Mexico.

Sales increased to €1,655 million in the third quarter 2016/17, mainly fuelled by deliveries of suburban and regional trains in Europe, progress of Riyadh metro system in Saudi Arabia, PRASA project in South Africa and maintenance contract in the United Kingdom.

Main events of the third quarter 2016/17

In October 2016, the French Government and Alstom presented a plan to maintain the railway and industrial activities on Belfort site.

Beginning December 2016, Alstom's South African JV Gibela successfully handed over to PRASA the first X'Trapolis Mega train. The Gibela manufacturing plant – where 580 trains will be produced – is currently under construction. It is expected to be completed by the end of 2017.

On 21 December 2016, Alstom signed a purchase agreement for the acquisition of Nomad Digital, world's leading provider of connectivity solutions to the railway industry.

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 railway sector. Alstom manages the widest range of solutions in the market – from high-speed trains to metros and tramways – customised services (maintenance, modernisation,...) and infrastructure and signalling solutions. Alstom is a world leader in integrated railway systems. It recorded sales of €6.9 billion and booked €10.6 billion of orders in the 2015/16 fiscal year. Headquartered in France, Alstom is present in over 60 countries and employs 31,000 people today.

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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>	2015/16 9 months (*)	% Contrib.	2016/17 9 months	% Contrib.
Europe	3,260	52%	2,661	37%
Americas	1,080	17%	2,764	38%
Asia / Pacific	886	14%	383	5%
Middle East / Africa	1,029	17%	1,427	20%
Orders by destination	6,255	100%	7,235	100%

Actual figures <i>(in € million)</i>	2015/16 9 months (*)	% Contrib.	2016/17 9 months	% Contrib.
Europe	3,007	61%	3,084	59%
Americas	723	15%	843	16%
Asia / Pacific	507	10%	496	10%
Middle East / Africa	679	14%	802	15%
Sales by destination	4,916	100%	5,225	100%

(*) In comparison with first nine months of 2015/16 publication, Kazakhstan and Azerbaijan were represented and moved from Europe to Middle East/Africa.

APPENDIX 1B – PRODUCT BREAKDOWN

Actual figures <i>(in € million)</i>	2015/16 9 months	% Contrib.	2016/17 9 months	% Contrib.
Trains	3,122	50%	3,415	47%
Services	1,150	18%	1,832	25%
Systems	887	14%	1,366	19%
Signalling	1,095	18%	622	9%
Orders by destination	6,255	100%	7,235	100%

Actual figures <i>(in € million)</i>	2015/16 9 months	% Contrib.	2016/17 9 months	% Contrib.
Trains	2,320	47%	2,347	45%
Services	1,162	24%	1,091	21%
Systems	636	13%	799	15%
Signalling	785	16%	988	19%
Sales by destination	4,916	100%	5,225	100%

APPENDIX 2 - USE OF NON-GAAP FINANCIAL INDICATORS

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 and to 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.

Adjusted EBIT 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.

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.