Press Release

21 January 2014

During the third quarter of 2013/14
Alstom booked a sound level of orders, but continuing weakness in Thermal Power's new build weighs on outlook

Over the third quarter 2013/14 (from 1 October to 31 December 2013), Alstom booked €5.6 billion of orders, up 11% compared to the same period last year. Thermal Power received orders of €1.6 billion during the third quarter with good commercial activity in Services but orders for new build remained very weak. Orders in Renewable Power were robust at €0.8 billion while Grid's orders, at €0.7 billion, were temporarily softer. Finally, with orders at €2.6 billion, Transport delivered a record high commercial performance, supported by the €1.2 billion order for the metro project in Riyadh. The Group's sales were up 2% organically over the third quarter 2012/13 before a foreign exchange negative impact of 4%.

For the first nine months of 2013/14 (from 1 April to 31 December 2013), Alstom's order intake reached €15.1 billion, a 12% decrease compared to the first nine months of 2012/13. Orders were strong in Renewable Power and Transport. The Thermal Power commercial activity was low in spite of a strong performance in Services. Grid orders were affected by difficult market conditions and a lack of big tickets. The Group's sales reached €14.5 billion, up 3% organically compared to the first nine months of 2012/13 and foreign exchange had a 4% negative impact on sales.

At €51 billion on 31 December 2013, the backlog represented 30 months of sales.

Key figures

Actual figures	**2012/13**				**2013/14**			**2012/13**	**2013/14**	**Var. %**	**Var. %**
(in € million)	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**9 months**	**9 months**	**Actual**	**Organic**
Orders received	6,029	6,100	5,054	6,587	4,071	5,360	5,620	17,183	15,051	-12%	-9%
Sales	4,777	4,971	4,924	5,597	4,583	5,147	4,799	14,672	14,529	-1%	3%

The reported figures by Sector are presented in Appendix 1. A geographic breakdown of reported orders and sales is provided in Appendix 2. All figures mentioned in this release are unaudited.

"Despite a sound level of total orders in the third quarter 2013/14 and a strong commercial performance in a number of businesses, Alstom is affected by continuing low orders for new thermal power plants. In this Sector, demand remains subdued in mature markets and has slowed in emerging countries. This is impacting some key performance indicators,

notably the free cash flow over this year as well as the sales and profitability anticipated in 2014/15 for Thermal Power. In these conditions, we now anticipate for the Group a moderately negative free cash flow in the second half of this year. The operating margin should remain around 7% this year and may slightly decline next year with the anticipated rebound being postponed. In this difficult environment, our focus remains on the implementation and acceleration of the ambitious cost savings initiatives which have been launched", said Patrick Kron, Alstom's Chairman & Chief Executive Officer.

Sector Review

Thermal Power

During the third quarter of 2013/14, Thermal Power registered orders of €1,560 million, down 4% compared to the same period last year. This low level of orders results from a combination of a strong level of bookings in Thermal Services and a continuing weakness in new build. After the high level of activity recorded in the second quarter, sales decreased by 3% organically.

For the first nine months of 2013/14, Thermal Power order intake amounted to €5,361 million, down 16% compared to the same period last year. Sales, at €6,404 million, recorded a 2% organic increase in comparison to last year.

Renewable Power

During the third quarter of 2013/14, Renewable Power recorded a robust level of orders at €782 million, up 27% compared to the same period last year. The Sector's order book was mainly fuelled by two projects in Brazil for onshore wind turbines and a pumped storage power station in Israel, with small orders also registered in both wind and hydro. Sales amounted to €381 million in the third quarter 2013/14, up 1% year-on-year on a comparable basis.

Over the first nine months of 2013/14, Renewable Power's orders increased by 50% to €1,830 million from €1,218 million over the same period last year. The Sector registered €1,245 million of sales, up 5% like-for-like compared to last year.

Grid

During the third quarter of 2013/14, Grid achieved €708 million of orders, down 35% from the level reached in the third quarter 2012/13. Over the quarter, the Sector was affected by difficult global market conditions and no significant HVDC awards since the start of the fiscal year. Sales amounted to €875 million in the third quarter, up 11% organically.

Over the first nine months of 2013/14, Grid's orders, at €2,379 million, were down 27%, whilst sales reached €2,711 million, up 7% organically compared to the same period last year.

Transport

During the third quarter 2013/14, the orders booked by Transport amounted to a record level of €2,570 million, showing the best quarter in terms of commercial activity over the last five years. The main successes included metro cars in Saudi Arabia, tramways in Brazil, metro modernisation in Chile, as well as a signalling contract in Italy. Sales, at €1,387 million, were up 7% organically compared to the same period last year.

Over the first nine months of 2013/14, Transport's orders stood at €5,481 million, a 13% decrease compared to the record same period of last year. Sales reached €4,169 million, up 3% on a like-for-like basis compared to the first nine months of 2012/13.

Key events of the third quarter 2013/14

Alstom inaugurated its largest hydropower industrial site in Tianjin, China. With this new facility, Alstom aims to further address China's increasing hydropower needs and grow its hydropower business throughout the region. The Tianjin factory houses approximately 2,000 Alstom employees including over 400 engineers. It will be able to deliver up to 26 turbine and generator units on an annual basis.

In October, Alstom and GDF Suez signed a cooperation agreement for pilot tidal farms. Alstom and GDF Suez will establish the various technical parameters to harness effectively the marine currents at the raz Blanchard site, near Cherbourg, France.

In December, Alstom completed the at sea installation of its new-generation offshore wind turbine, the 6-MW Haliade™ 150, at the Belwind site in Belgium. This is today the largest offshore wind turbine ever installed in sea waters.

In December, Alstom and Arabian Bemco Contracting Co. Ltd formed a joint venture company to establish a manufacturing facility in Saudi Arabia for power generation components, primarily heat recovery steam generators. These systems are used in combined cycle and cogeneration applications to increase thermal cycle efficiency and minimise fuel consumption.

Alstom also launched a battery energy storage solution (MaxSine™ eStorage) that will enable energy storage along the grid. Through addressing the instabilities on the electrical grid created by intermittent source of renewable energy, MaxSine™ eStorage will increase energy efficiency and balance energy flow in real-time, based on consumer demand.

Financial situation and Outlook

Demand in a number of markets is weak and should remain so in the short term and the level of turnkey and equipment contracts booked is substantially lower than expected in Thermal Power. This will have an impact on some of Alstom's key performance indicators.

- For 2013/14, the Group maintains its forecast of low-single digit sales growth on an organic basis and anticipates an operating margin around 7%. Alstom expects a moderately negative free cash flow in the second-half this year, as customers' downpayments and progress payments are affected by delays in expected bookings.
- In the fiscal year 2014/15 the Group's operating margin will be affected by Thermal Power's lower sales and operating margin and is now expected to slightly decline.

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APPENDIX 1 – SECTOR BREAKDOWN BY QUARTER

Orders received (in € million)	2012/13 Q1	2012/13 Q2	2012/13 Q3	2012/13 Q4	2013/14 Q1	2013/14 Q2	2013/14 Q3	2012/13 9 months	2013/14 9 months	Var. % Var. Actual	Var. % Var. Org.*
Thermal Power	2,499	2,266	1,620	3,189	1,550	2,251	1,560	6,385	5,361	*-16%*	*-13%*
Renewable Power	214	388	616	811	527	521	782	1,218	1,830	*50%*	*62%*
Grid	1,017	1,163	1,094	1,784	871	800	708	3,274	2,379	*-27%*	*-22%*
Transport	2,299	2,283	1,724	803	1,123	1,788	2,570	6,306	5,481	*-13%*	*-12%*
Alstom	**6,029**	**6,100**	**5,054**	**6,587**	**4,071**	**5,360**	**5,620**	**17,183**	**15,051**	***-12%***	***-9%***

Sales (in € million)	2012/13 Q1	2012/13 Q2	2012/13 Q3	2012/13 Q4	2013/14 Q1	2013/14 Q2	2013/14 Q3	2012/13 9 months	2013/14 9 months	Var. % Var. Actual	Var. % Var. Org.*
Thermal Power	2,070	2,188	2,329	2,592	1,921	2,327	2,156	6,587	6,404	*-3%*	*2%*
Renewable Power	389	467	408	539	411	453	381	1,264	1,245	*-2%*	*5%*
Grid	889	974	862	1,104	915	921	875	2,725	2,711	*-1%*	*7%*
Transport	1,429	1,342	1,325	1,362	1,336	1,446	1,387	4,096	4,169	*2%*	*3%*
Alstom	**4,777**	**4,971**	**4,924**	**5,597**	**4,583**	**5,147**	**4,799**	**14,672**	**14,529**	***-1%***	***3%***

(*) Organic is excluding currency & scope impacts.

APPENDIX 2 – GEOGRAPHIC BREAKDOWN

Orders received by destination *(in € million)*	2012/13 9 months	% Contrib.	2013/14 9 months	% Contrib.
Western Europe	6,609	38%	4,183	28%
North America	2,046	12%	2,525	17%
Eastern Europe	794	5%	831	5%
South & Central America	1,683	10%	1,794	12%
Africa / Middle East	2,867	17%	3,343	22%
Asia / Pacific	3,184	18%	2,375	16%
TOTAL	**17,183**	**100%**	**15,051**	**100%**

Sales by destination *(in € million)*	2012/13 9 months	% Contrib.	2013/14 9 months	% Contrib.
Western Europe	5,052	34%	4,822	33%
North America	1,848	13%	1,709	12%
Eastern Europe	1,335	9%	1,622	11%
South & Central America	1,124	8%	1,078	8%
Africa / Middle East	2,200	15%	2,372	16%
Asia / Pacific	3,113	21%	2,926	20%
TOTAL	**14,672**	**100%**	**14,529**	**100%**