MANAGEMENT REPORT
ON CONSOLIDATED FINANCIAL STATEMENTS
FISCAL YEAR 2015/16

1. Main events of fiscal year 2015/16

1.1. Alstom strategic move

1.1.1. Finalization of the transaction between Alstom and General Electric

Effective 2 November 2015, Alstom and General Electric have completed the transaction presented hereafter.

On 26 April 2014, the Board of Directors of Alstom received from General Electric an offer, updated on 20 June 2014, to acquire its Energy activities. The global transaction includes the following:

- the acquisition by General Electric of Thermal Power, Renewable Power and Grid activities as well as central and shared services;
- the creation of three alliances with General Electric;
- the acquisition by Alstom of most of General Electric's Signalling business.

The disposal of Energy activities to General Electric simultaneously to the investment by Alstom in three Joint alliances (Grid, Renewables and Global Nuclear & French Steam) and the acquisition of General Electric's Signalling Business lead to a net cash received of €9.0 billion including the reimbursement of the net cash out of Power and Grid entities from 1 April 2014 to 2 November 2015.

<u>Acquisition by General Electric of the Thermal Power, Renewable Power and Grid activities</u>

By taking over Alstom's Energy activities, General Electric undertook to take on all assets as well as all liabilities and risks exclusively or predominantly associated with the Energy Business (see also 30.2.). Cross-indemnification and asset reallocation ("wrong pocket") mechanisms, over 30 years, have been established.

In few countries, authorizations from regulatory bodies or from Joint Ventures partners are still pending (mainly in Russia). Yet, the Group has already been compensated within the transaction price for those "staggered and delayed transferred assets" and this leads to a recognition of a liability of €65 million (classified in discontinued), while waiting for the precedent condition to be met. At the end of March 2016, the assets remaining accounted for as assets held for sale represent a turnover of approximately €15 million.
The capital gain on the sale on the Energy activities net of tax and other costs has been recognized under the line "Net profit from discontinued operations" and amounts to €4.2 billion. Further features on the capital gain are detailed in Note 3 to the consolidated financial statements.

ALSTOM

Investment in three alliances

In the framework of the acquisition of Energy activities by General Electric, three alliances have been created:

- the Grid alliance consisting of a combination of Alstom Grid and General Electric Digital Energy businesses (Alstom holds a 50%-1 stake in each Joint venture's share capital and voting rights);
- the Renewables alliance consisting of Alstom's hydro, offshore wind and tidal businesses (Alstom holds a 50%-1 stake in each Joint venture's share capital and voting rights);
- the scope of the Global Nuclear & French Steam alliance includes the production and servicing of the "Arabelle" steam turbine equipment for nuclear power plants worldwide, as well as Alstom's steam turbine equipment and servicing for applications in France. Alstom holds 20%-1 share of the share capital into the joint venture company and has 50%-2 votes of voting rights. The French State holds a preferred share providing veto and other governance rights over issues relating, inter alia, to security and nuclear plant technology in France.

The investment by Alstom in these alliances amounts to €2.4 billion. The joint venture companies are accounted for under equity method in Alstom's consolidated financial statements.

Furthermore, Alstom has liquidity rights through put options on its shares to General Electric with a minimum guaranteed exit price, corresponding to acquisition price and interests.

Main features on the joint ventures as well as existing options conditions are detailed in Note 12 to the consolidated financial statements.

Acquisition by Alstom of General Electric's signalling business

The agreements entered into with General Electric provide for the acquisition by Alstom of General Electric's signalling business (GE Signalling) in the rail sector.

The acquisition by Alstom of the GE Signalling business strengthens Alstom's position in both North America and the freight market.
The acquisition of GE Signalling has been agreed at a price of € 0.7 billion (on a cash free/debt free basis) , with an adjustment based on the actual level of working capital and net debt on the date of completion of the acquisition compared to a target level.

In accordance with IFRS 3R Business Combination, the Group has recognized the assets acquired and the liabilities assumed, these being measured at fair value at the acquisition date. Accordingly, a preliminary valuation has been determined. Recognized assets and liabilities may be subsequently adjusted during a maximum of twelve months from the acquisition date, depending on new information obtained about facts and circumstances existing at the acquisition date (see also Note 3.2 to the consolidated financial statements).

1.1.2. *Public share buy-back offer*

Following the closing of this global transaction with General Electric a public share buy-back offer of €3.2 billion was submitted to shareholders' approval in a shareholders' meeting on 18 December 2015. This Offer was running from 23 December 2015 to 20 January 2016. On 26 January 2016, the French Regulator AMF published the results of the Offer.

Based on these results, the Board of Director decided on the 28 January 2016 to set the total number of repurchased shares to 91,500,000 shares (at a price of €35 per share). The Board decided also to cancel the 91,500,000 shares so repurchased and set the amount of the capital reduction to 640,500,000 euros (nominal value €7 per share). The Board acknowledged also that the difference between the nominal value and the repurchase price of the cancelled securities was representing a premium of 28 euros per share and decided to deduct such premium together with the fees and taxes relating to the share buyback offer from "retained earnings" caption.

1.2. Strong commercial and operational performance, Adjusted EBIT margin improving

On 2 November 2015, General Electric definitively acquired the Thermal Power, Renewable Power and Grid activities as well as central and shared services (legal entities Alstom and Alstom Holdings have not been disposed) (the "Energy Business"). Further to the deal, Alstom ("the Group") is refocused on its activities in the Transport field.

For more details on the consequences of the deal on the consolidated financial statements please refer to Note 1 and Note 3 to the consolidated financial statements for the year ended 31 March 2016.

The following table sets out the Group's key performance indicators for 2015/16.

in € million	**Year ended 31 March 2016**	**Year ended 31 March 2015**	% Variation Mar. 16 / Mar. 15	
			Actual	Organic
Order Backlog	30,363	28,394	7%	14%
Orders Received	10,636	10,046	6%	7%
Sales	6,881	6,163	12%	7%
aEBIT	366	298	23%	
aEBIT %	*5.3%*	*4.8%*		
EBIT	(226)	(621)		
Net Profit from continuing operations - Group share	(1,083)	(823)		
Net Profit from discontinued operations - Group share	4,084	104		
Net Profit - Group share	3,001	(719)		
Free Cash Flow	(2,614)	(429)		
Capital Employed	3,901	857		
Net Cash/(Debt)	(203)	(3,143)		
Total employees	30,970	28,107		

During fiscal year 2015/16, Alstom's order intake increased by 7% on an organic basis at €10.6 billion. This strong commercial performance was notably driven by a major contract signed in India to supply electric locomotives and associated maintenance for about €3.2 billion as well as several large intercity train orders received in Belgium and France, high-speed trains with maintenance in Italy, metro systems in Panama and freight locomotives in Azerbaijan. On 31 March 2016, the Group backlog reached a record high at €30.4 billion, representing 53 months of sales and including around one third of services.

On an organic basis, consolidated sales increased by 7% at €6.9 billion fed by continued growth in emerging countries including the on-going execution of PRASA contract in South Africa, deliveries in Venezuela, Singapore and Algeria and progress made on Riyadh metro system in Saudi Arabia. The Group's sales were also driven by deliveries of intercity and suburban trains in France, Italy and Germany as well as by the execution of a maintenance contract for high-speed trains in the United Kingdom.

As disclosed in Note 2.3.5 to the consolidated financial statements, the Group decided to introduce a new Key Performance Indicator called Adjusted EBIT ("aEBIT").
During fiscal year 2015/16, the Adjusted EBIT reached €366 million, compared to €298 million in fiscal year 2014/15, with an Adjusted EBIT margin of 5.3% for fiscal year 2015/16 versus 4.8% last fiscal year thanks to volume, portfolio mix and operational excellence actions which enabled to offset price dynamics and competitive environment.

During fiscal year 2015/16, Net profit from Continuing operations (Group share) amounted to €(1,083) million. The Group was impacted by a total of €(398) million non-recurring impairment losses on assets (detailed in Note 6 to the consolidated financial statements), €(138) million of restructuring and rationalization costs, ca. €(500) million of non-recurring deferred tax assets de-recognition as well as €(67)m of non-recurring financial bonds buy-back costs.
Benefitting from the capital gain net of tax on the "Energy Business", Net profit from Discontinued operations (Group share) amounted to €4,084 million.
Net profit (Group share) was at €3,001 million in fiscal year 2015/16, compared to €(719) million last year.

During fiscal year 2015/16, the Group free cash flow was negative at €(2,614) million compared to €(429) million during fiscal year 2014/15, mainly due to operating cash flow used by discontinued activities for €(1,568) million and settlement of DOJ fine for ca. €(720) million (agreement concluded with the US Department of Justice).

The net impact of the Energy Transaction closing, partly offset by the public share buy-back offer (OPRA) and by the negative free cash flow, generated a large decrease of the Group's net financial debt which stood at €(203) million on 31 March 2016 compared to €(3,143) million on 31 March 2015.

In addition to its available cash and cash equivalents, amounting to €1,961 million as of 31 March 2016, the Group can access a five years new €400 million revolving credit facility, with two possible one-year extensions, which is fully undrawn as of March 2016.
As a reminder, on 2 November 2015, the Group had a €1,350 million available revolving credit facility maturing, partially drawn and additional bridge facilities amounting to a total of €1,600 million, fully drawn. Following the transaction, the Group repaid and cancelled the two main existing credit facilities. The new €400 million credit facility entered into force upon cancellation of the former ones.

1.3. Support to Alstom's future development

1.3.1. Research & Development

During fiscal year 2015/16, Alstom kept a sustained level of research and development (excluding capitalisation and amortisation), at €156 million, with a focus on differentiation and competitiveness-oriented programs.

Alstom notably focused its research and development investments to the development and the supply of sustainable solutions at reasonable costs as the recent CITADIS™ tramway X05 which aims to address the growing Light Rail Vehicle (LRV) market through its higher modularity, new functionalities, better passenger experience and enhanced performances.

During the year, Alstom also invested in the further development of its signalling solutions.

Moreover, the research and development costs included Alstom's predictive maintenance programme and HealthHub approach, an innovative tool able to monitor the health of trains, infrastructure and signalling assets using advanced data analytics to predict their remaining useful life.

In order to accompany cities in their process of solving the actual economic and environmental challenges, Alstom launched two major innovative urban solutions in June 2015:

- Attractis, an integrated tramway system available in three months and specially designed for growing cities with high population density issues and without a tramway solution yet. Indeed, this turnkey solution is able to transport up to 14,000 passengers per hour and per direction. This innovative system, that includes Alstom's CITADIS™ tramways, is cost-effective as it allows up to 20% savings in investments compared to traditional tramway solutions. It is the first rail system to integrate the Information Technology for Public Transport which offers transportation information solutions to passengers.

- SRS, a ground-based static charging technology for both tramways and electrical buses. This system results in the improvement of the Alstom APS solution used by CITADIS™ tramways and which supplied them electricity while the tramways are still running. Thanks to compact power supply cabinets integrated into stations, SRS allows the charging of the tramway battery in less than 20 seconds when the tramway is stopped. Alstom also announced the extension of APS's application to hybrid trucks.

Finally, on 15 December 2015, in order to develop 'Very high-speed train of the future', the creation of SpeedInnov, a new joint venture owned by Alstom and ADEME (l'Agence De l'Environnement et de la Maîtrise de l'Energie), was announced by the French ministries of transport, research, energy and industry. The project aims to promote a new generation of very high-speed trainset which will improve railway performance, increase the trainset capacity with up to 750 seats and lower the energy consumption by nearly 35%. While focusing on the improvement of the environmental impact, the program will also allow the reduction of the whole cost of the trainset production and the maintenance costs for current trainset.

1.3.2. Investments

During fiscal year 2015/16, Alstom invested €154 million in capital expenditures (excluding capitalised development costs) in order to extend its positions in the growing markets and to reinforce its competitive advantage in developed countries.

In order to strengthen its position in growing economies, Alstom extended its rolling stock facility in Sri City, India, to accompany an increase of production of the site both for the domestic and export markets.

In March 2016, Alstom started the construction of the Gibela factory located in Dunnottar, South Africa. The first trains of the PRASA contract will be manufactured there at the end of 2017.

In Brazil, the Group completed the construction of its Taubaté tramway factory, including the installation of a dynamic test track.

In Spain, Alstom acquired the industrial facilities of the Santa Perpètua de Mogoda plant in Barcelona through the exercise of its purchase option, following the leasing of the facilities. The Santa Perpètua factory of 35-hectare is able to manufacture high-speed trains, regional trains, tramways and metros. In addition to the manufacturing workshops, the industrial facility has testing workshops, a track for dynamic testing, and an engineering centre.

1.3.3. *Acquisitions and Partnerships*

On 27 May 2015, Alstom bought the Balfour Beatty's share of Signalling Solutions Ltd (SSL), which was a 50-50 joint-venture between Alstom and Balfour Beatty since 2007. This growth strategy makes Alstom the sole owner of SSL and one of the major players in the supply of advanced signalling solutions to the United Kingdom and Ireland's rail sectors. SSL currently employs 540 people in four main locations.

In Sweden, Alstom acquired Motala Train AB, a company focused on the refurbishment, heavy maintenance and repair of passenger trains, and became the sole owner of the company. Established in Motala and Västeras, in the region of Stockholm, Motala Train AB generated a turnover of around €15 million per year. Accounting for 70% of its business, the company's main activity is its refurbishment service which includes the renovation of interiors and upgrades to key technical systems.

In Russia, Alstom increased its stake to 33% in Transmashholding (TMH), the largest railway engineering company in Commonwealth of Independent States (CIS) in terms of sales volume, by purchasing an additional 8% shares for €54 million. This operation led to a reinforcement of the six-year collaboration between the two partners who aim to extend the supply of high-performing trains, the delivery of turnkey railway projects, infrastructure and signalling, as well as the export of products and components.

In Kazakhstan, Alstom became the main shareholder of EKZ, an electric locomotives producer, with 50% of the company and two seats in the EKZ Board of Directors, after purchasing additional 25% shares. Both Kazakhstan Temir Zholy and Transmashholding hold 25% of the joint venture. An agreement was also signed regarding the supply of on-board transformers for the electric locomotives by EKZ to Alstom.

In Algeria, CITAL, the industrial company for the maintenance and assembly of Alstom CITADIS™ tramways jointly owned by Alstom, Ferrovial and EMA (Entreprise du Métro d'Alger), announced the prolongation of the Memorandum of Understanding signed in December 2014, which allows the extension of their activity to the engineering, manufacturing and maintenance of intercity trains for Algeria. They also inaugurated their new site in Annaba and introduced SNTF[1] as a new shareholder of the joint venture.

As indicated in Part 1.1 of this document and in Note 1 to the consolidated financial statements for the year ended 31 March 2016, Alstom and General Electric have completed the global transaction including:

- the acquisition by General Electric of Thermal Power, Renewable Power and Grid activities as well as central and shared services;
- the creation of three alliances with General Electric;
- the acquisition by Alstom of General Electric's Signalling business.

[1] Société Nationale des Transports Ferroviaires

1.4. Group Corporate Responsibility

1.4.1. Environment, Health and Safety (EHS)

During fiscal year 2015/16, Alstom successfully maintained its efforts to reduce the environmental footprint of its operations. The Group showed a good trend in most of the indicators concerning its environmental performance of operations. Energy intensity (energy consumption per hours worked) was reduced by 2.3% and associated CO2 intensity by 2.2%.
100% of Alstom manufacturing sites over 200 employees have maintained their ISO14001 certification while 60% of the Regional Centers are now certified in line with the objective to certify all of them by 2017.

About occupational safety, the Alstom Zero Deviation Plan (AZDP) remains the "keystone" of Alstom actions throughout the Group. This programme targets high-risk activities and the protection of employees and contractors worldwide from the potential risks of working in an Alstom workshop, factory, test facility or construction site. A new audit campaign covered over 60 sites to check compliance to 11 Alstom Safety Directives, which have been slightly reviewed to make requirements even more consistent with specific railway risks.
As a consequence, the number of severe accidents has reduced. No work place related fatality was recorded for the third consecutive year. Following a tragic car accident in India where 2 employees lost their lives while traveling to work, Alstom has introduced a specific "number of travel fatalities" indicator in the Group.

The injury frequency rate[1] is now reaching 1.8, in line with the target set for Alstom on its new perimeter.

1.4.2. Corporate Social Responsibility (CSR)

During fiscal year 2015/16, the Sustainability & CSR organisation has established a new governance and put in place a cross-functional Sustainability Steering committee to manage initiatives. The Sustainability materiality matrix has been updated to be refocused on transport related Sustainability issues for the new Alstom perimeter.
Alstom has contributed to the visibility of transportation issues and the promotion at the COP21 in Paris, France through its support to the Paris Process on Mobility and Climate. Alstom has also published its updated energy commitments including the objective to reduce energy consumption in solutions by 20% by 2020 versus 2014 baseline.

Alstom successfully maintained its listing in the DJSI[2] World & Europe for the fifth year.
In the frame of the transaction with General Electric, it was decided to keep the Foundation within the Alstom organisation. In January 2016, the Board of the Foundation approved 18 new projects in emerging and developed countries.

---

[1] Number of work-related injuries which prevent the injured person from carrying out work for a period of at least one full day per million of hours worked.
[2] Dow Jones Sustainability Indices.

2. 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.

3. Commercial performance

During fiscal year 2015/16, Alstom recorded €10,636 million of orders received, an increase of 7% versus last year on a comparable basis. This steady growth was notably driven by a major contract signed in India to supply electric locomotives and associated maintenance for about €3.2 billion. During fiscal year 2014/15, the Group also recorded a high performance due to the jumbo contract signed with PRASA in South Africa for around €4 billion.

During fiscal year 2015/16, Alstom recorded several large intercity train contracts including the supply of double-deck cars in Belgium as well as CORADIA™ Polyvalent trains in France and in Algeria. Regarding the locomotive market, Alstom was awarded contracts to provide freight locomotives in Azerbaijan and bi-modal locomotives in Switzerland. In Italy, the Group will supply high-speed trains associated with a 20-year maintenance contract.

As for the Systems product line, orders were fuelled by metro contracts in Panama for an integrated system and an option for 70 metro cars as well as by a major contract for the electrification, signalling and supply of a telecommunications system in India.

Concerning Services, in addition to the two associated maintenance contracts mentioned above in India and in Italy, a major order was firmed for the maintenance of locomotives in Kazakhstan.

Finally, as for the Signalling business, Alstom won some major contracts, notably to upgrade the signalling systems of several metro lines in Hong Kong and to provide a new integrated train control centre in Canada.

Alstom					*% Variation*	
Geographic breakdown	**Year ended**	% of	**Year ended**	% of	*Mar. 16/ Mar. 15*	
Actual figures, in € million	**31 March 2016**	contrib	**31 March 2015 ***	contrib	*Actual*	*Org.*
Europe	4,154	39%	2,811	28%	*48%*	*42%*
Americas	1,265	12%	980	10%	*29%*	*25%*
Asia/Pacific	4,135	39%	1,141	11%	*262%*	*265%*
Middle East/Africa	1,082	10%	5,114	51%	*(79%)*	*(78%)*
Orders by destination	**10,636**	**100%**	**10,046**	**100%**	***6%***	***7%***

* In comparison with FY2014/15 financial statements, Kazakhstan and Azerbaijan were represented and moved from Europe region to Middle East/Africa.

Alstom					*% Variation*	
Product breakdown	**Year ended**	% of	**Year ended**	% of	*Mar. 16/ Mar. 15*	
Actual figures, in € million	**31 March 2016**	contrib	**31 March 2015**	contrib	*Actual*	*Org.*
Trains	6,487	61%	4,968	49%	*31%*	*38%*
Services	1,769	17%	2,425	24%	*(27%)*	*(25%)*
Systems	975	9%	1,386	14%	*(30%)*	*(33%)*
Signalling	1,404	13%	1,264	13%	*11%*	*(6%)*
Other	1	0%	3	0%	*(67%)*	*(65%)*
Orders by destination	**10,636**	**100%**	**10,046**	**100%**	***6%***	***7%***

During fiscal year 2015/16, orders received in Europe increased by 42% on an organic basis and reached €4,154 million. This growth was notably fed by a large contract signed in Belgium to supply 90 double-deck motorized cars and ETCS[1] level 2 signalling system. In Germany, Alstom was selected to supply 30 CORADIA™ Continental electrical trains to run in the Frankfurt area, 80 CORADIA™ Lint diesel trains for the Bavaria and the Saxony-Anhalt regions as well as an option for DT5 trains for the Hamburg metro. In Italy, Alstom was awarded several contracts for the supply of eight PENDOLINO™ high-speed trains and associated maintenance as well as an option for 25 regional trains. Moreover, Alstom will provide 25 additional CORADIA™ Polyvalent to the Rhône-Alpes and Midi-Pyrénées regions in France, as well as 47 Prima H4 dual-mode locomotives in Switzerland. Finally, Alstom will deliver a signalling system in the United Kingdom.

In Americas, Alstom recorded €1,265 million of orders during fiscal year 2015/16, an increase of 25% versus last year on a comparable basis. The Group was notably awarded two metro system projects in Panama, in order to equip metro Line 2 with 21 METROPOLIS™ trainsets and to extend metro Line 1 with 70 additional metro cars and the update of the existing signalling solution. In Brazil, the Group registered a contract for 22 trains SMART METROPOLIS™ including the associated maintenance. Finally, in Canada, Alstom was selected for the installation of a new signalling system in the Greater Toronto area.

During fiscal year 2015/16, Asia/Pacific accounted for 39% of the Group’s total orders received with €4,135 million. This performance was mainly driven by a major contract in India to provide 800 double electric locomotives of the PRIMA™ range and associated maintenance in Madhepura. Also, Alstom was selected for the supply of 20 METROPOLIS™ trainsets and the Urbalis™ signalling solution for the metro network of Lucknow. Lastly, the Group will provide the electrification, signalling and telecommunications system of a part of the Indian eastern Dedicated Freight Corridor (DFC). In the Signalling business, a contract was signed to improve and replace the signalling systems of seven metro lines in Hong Kong.

In Middle East/Africa, orders received reached €1,082 million during fiscal year 2015/16, while last fiscal year performance was fed by the €4 billion contract awarded in South Africa to supply commuter trains and associated maintenance. During fiscal year 2015/16, large contracts were booked in Azerbaijan for the supply of 50 KZ8A freight locomotives and in Kazakhstan to maintain 200 KZ8A and 95 KZ4AT freight locomotives. Alstom will also provide 17 CORADIA™ Polyvalent inter-city trains in Algeria and 50 CITADIS™ tramways to reinforce the new tramway line in Casablanca, Morocco.

[1] European Train Control System

Alstom received the following major orders during fiscal year 2015/16:

Country	Product	Description
Algeria	Trains	Supply of 17 CORADIA™ Polyvalent inter-city trains
Azerbaijan	Trains	Supply of 50 KZ8A freight locomotives
Belgium	Trains	Supply of 90 double-deck motorized cars and ETCS[1] level 2 signalling system
Brazil	Trains	Delivery of 22 SMART METROPOLIS™ trains and associated maintenance
Canada	Signalling	New computer-based integrated train control centre for the Greater Toronto
France	Trains	Additional CORADIA™ Polyvalent trains to French regions
Germany	Trains	Supply of 28 diesel CORADIA™ Lint trains to the Bavaria region and 52 diesel CORADIA™ Lint trains to the Saxony-Anhalt
Germany	Trains	Supply of 30 CORADIA™ Continental electrical trains for the Südhessen-Untermain network in the Frankfurt area
Germany	Trains	Option for 27 additional DT5 metro trains for the Hamburg metro
Hong Kong	Signalling	Re-signalling and upgrading of the signalling systems of several metro lines
India	Trains / Services	Supply of 800 double electric locomotives and maintenance at Madhepura
India	System	Electrification, signalling and supply of the telecommunications system for a part of the eastern Dedicated Freight Corridor (DFC)
India	Trains / Signalling	Supply of 20 Metropolis™ trainsets and Urbalis signalling solution
Italy	Trains / Services	Supply of eight PENDOLINO™ high-speed trains and associated 20-year maintenance contract
Italy	Trains	Option to supply 25 additional “Jazz” regional trains of the CORADIA MERIDIAN™ range
Kazakhstan	Services	Locomotives maintenance
Morocco	Trains	Supply of 50 CITADIS™ tramways for the new section of the Casablanca tramway line

[1] European Train Control System

Country	Product	Description
Panama	Systems	Supply of an integrated system including 21 METROPOLIS™ trainsets, Hesop reversible substation and Urbalis™ signalling solution to equip metro Line 2 of Panama metro
Panama	Systems	Option for 70 additional metro cars for Line 1 of Panama metro and update of the existing signalling solution and power supply
Switzerland	Trains	Supply of 47 Prima H4 dual-mode locomotives
United Kingdom	Signalling	Deliver a signalling system

4. Income Statement

On 2 November 2015, General Electric definitively acquired the Thermal Power, Renewable Power and Grid activities as well as central and shared services (legal entities Alstom and Alstom Holdings have not been disposed) (the "Energy Business"). Further to the deal, Alstom ("the Group") is refocused on its activities in the Transport field.

For more details on the consequences of the deal on the consolidated financial statements please refer to Note 1 and Note 3 to the consolidated financial statements for the year ended 31 March 2016.

As disclosed in Note 2.3.5 to the consolidated financial statements, the Group decided to introduce a new Key Performance Indicator called Adjusted EBIT ("aEBIT"), starting fiscal year 2015/16.

Total Group **in € million**	**Year ended 31 March 2016**	**Year ended 31 March 2015**	*% Variation Mar. 16/ Mar. 15 Actual*
Sales	6,881	6,163	*12%*
Cost of sales *	(5,843)	(5,195)	*12%*
R&D expenditure *	(136)	(136)	*0%*
Selling expenses	(191)	(199)	*(4%)*
Administrative expenses *	(345)	(315)	*10%*
Other income (expense)	0	(20)	*(100%)*
Adjusted Earnings Before Interest and Taxes	**366**	**298**	*23%*
aEBIT (in % of Sales)	*5.3%*	*4.8%*	
Restructuring costs	(138)	(106)	*30%*
Assets impairment	(398)	(54)	*643%*
PPA and integration costs	(43)	0	*NA*
Others	(13)	(759)	*(98%)*
Earnings Before Interest and Taxes	**(226)**	**(621)**	***(64%)***
Financial income (expense)	(275)	(137)	
Income tax charge	(597)	8	
Share of net income of equity-accounted investments	30	(64)	
Non-controlling interests attributable to continuing operations	(15)	(9)	
Net profit from continuing operations - Group share	**(1,083)**	**(823)**	
Net profit from discontinued operations	4,079	113	
Non-controlling interests attributable to discontinued operations	5	(9)	
Net income - Group share	**3,001**	**(719)**	

(*) includes the reclassification of sustaining costs from Cost of Sales to Research and Development €(24) million as of 31 March 2015 and €(26) million as of 31 March 2016 respectively. It also includes primarily the reclassification of IT depreciation and severance costs from Cost of Sales to Administrative costs for €(18) million as of 31 March 2015

4.1. Sales

During fiscal year 2015/16, Alstom sales increased by 7% on an organic basis and reached €6,881 million compared to €6,163 million last year. This solid performance was fed by continued growth in emerging countries including the on-going execution of PRASA contract in South Africa, deliveries in Venezuela, Singapore and Algeria and progress made on Riyadh metro system in Saudi Arabia. The Group's sales were also fuelled by deliveries of intercity and suburban trains in France, Italy and Germany.

Alstom					*% Variation*	
Geographic breakdown	**Year ended**	% of	**Year ended**	% of	*Mar. 16/ Mar. 15*	
Actual figures, in € million	**31 March 2016**	contrib	**31 March 2015 ***	contrib	*Actual*	*Org.*
Europe	4,098	60%	4,255	69%	*(4%)*	*(7%)*
Americas	1,055	15%	739	12%	*43%*	*28%*
Asia/Pacific	673	10%	449	7%	*50%*	*43%*
Middle East/Africa	1,055	15%	720	12%	*47%*	*43%*
Sales by destination	**6,881**	**100%**	**6,163**	**100%**	***12%***	***7%***

* In comparison with FY2014/15 financial statements, Kazakhstan and Azerbaijan were represented and moved from Europe region to Middle East/Africa.

Alstom					*% Variation*	
Product breakdown	**Year ended**	% of	**Year ended**	% of	*Mar. 16/ Mar. 15*	
Actual figures, in € million	**31 March 2016**	contrib	**31 March 2015**	contrib	*Actual*	*Org.*
Trains	3,146	46%	3,308	54%	*(5%)*	*(4%)*
Services	1,544	22%	1,251	20%	*23%*	*20%*
Systems	1,015	15%	683	11%	*49%*	*41%*
Signalling	1,162	17%	897	15%	*30%*	*(1%)*
Other	14	0%	24	0%	*(42%)*	*(36%)*
Sales by destination	**6,881**	**100%**	**6,163**	**100%**	***12%***	***7%***

Alstom recorded €4,098 million sales in Europe during fiscal year 2015/16, a decrease of 7% on an organic basis. The region represented 60% of total sales of the Group, notably thanks to several rolling stock deliveries such as intercity and suburban trains in France, Italy, Denmark and Germany. During the current period, major milestones were also traded on very high speed trains in France. As for Services, several maintenance contracts were executed notably for PENDOLINO™ high-speed trains and metro trains in the United Kingdom as well as for suburban trains in Sweden. Last fiscal year was boosted by several train deliveries in Poland and Switzerland.

In Americas, sales amounted to €1,055 million, representing a 28% organic increase compared to last fiscal year. This growth was driven by the delivery of metro trains to Argentina, tramway and metro systems in Brazil and Venezuela and by the sustained maintenance activities in the United States of America. Moreover, the region benefitted from the contribution of signalling activities acquired from General Electric. During fiscal year 2015/16, the region accounted for 15% of the total Group's sales.

In Asia/Pacific, Alstom reached €673 million of sales, up 43% versus last fiscal year on an organic basis, mainly thanks to the delivery of METROPOLIS™ trainsets in Singapore and the production of X'TRAPOLIS™ trains for Australia. Furthermore, sales were boosted by the progress made on the Chennai contract in India for the supply of 42 METROPOLIS™ trainsets and the design of Chennai railway trackworks.

During fiscal year 2015/16, in Middle East/Africa, Alstom recorded €1,055 million of sales, a 43% organic increase compared to last fiscal year, driven by the progress of PRASA contract in South Africa, of the metro system in Saudi Arabia and by the supply of very high-speed trains in Morocco. In Algeria, the Group's sales were sustained by the delivery of tramways for the cities of Constantine and Oran as well as the progress of other tramway contracts in Sétif, Ouargla and Mostaganem. Finally, major milestones were also traded on electric locomotives contract in Kazakhstan.

4.2. Research and development expenses

In fiscal year 2015/16, Alstom research and development expenses amounted to €136 million, at the same level as last year, with a focus on differentiation and competitiveness-oriented programs.
Capitalisation of development costs went up from €67 million last year to €73 million in fiscal year 2015/16 (as disclosed in Note 5 to the consolidated financial statements).

4.3. Selling and administrative expenses

During fiscal year 2015/16, selling expenses decreased compared to last year both in volume (-4%) and as percentage of sales (from 3.2% to 2.8%), notably thanks to a tight control of costs.
Administrative expenses increased by €30 million as compared to last fiscal year, impacted by acquisitions and new organisation costs ramp-up, but improved as a percentage of sales (from 5.1% to 5.0%).

4.4. Adjusted Earnings Before Interest and Taxes

During fiscal year 2015/16, the Adjusted EBIT reached €366 million, compared to €298 million in fiscal year 2014/15, with an Adjusted EBIT margin of 5.3% for fiscal year 2015/16 versus 4.8% last fiscal year thanks to volume, portfolio mix and operational excellence which enabled to offset price dynamics and competitive environment.

4.5. Earnings before interest and taxes (EBIT)

During fiscal year 2015/16, EBIT amounted to €(226) million, compared to €(621) million in 2014/15. The Group was impacted by a total of €(398) million non-recurring impairment losses on assets notably due to reduced commercial opportunities impacting workload visibility and leading to tangible and intangible impairment for €(200) million in France; new developments on the range of very high speed trains implying the recognition of non-recurring impairment loss related to specific product AGV for €(78) million and necessary adaptation to new situations in different countries (notably Brazil) also leading to assets impairment for €(120) million.
Moreover, restructuring and rationalization costs also impacted EBIT for €(138) million deriving primarily from announced plans mainly in Europe, facilities rationalization and competitiveness programs and move in the geographical strategy to adapt the Group's footprint to market evolution (notably in Russia).
During fiscal year 2014/15, the Group was impacted by the ca. €(720) million fine Alstom S.A. agreed to pay as part of an agreement concluded with the U.S. Department of Justice (DOJ).

4.6. Net financial income (expense)

Net financial expense went up at €(275) million during fiscal year 2015/16 compared to €(137) million for the previous year. This increase in financial expenses is mainly due to the cost of bonds repurchased during the period (€67 million difference between carrying value and market value), and to foreign exchange effects.

4.7. Income tax charge

The Group recorded an income tax charge of €(597) million for fiscal year 2015/16 versus a tax profit of €8 million last year.
The income tax charge included a €(67) million current income tax charge versus €(45) million last year and a €(530) million deferred income tax charge.
Income tax charge of the year is mainly impacted by de-recognition of deferred tax assets.
Changes in recognition of deferred tax assets take into account:

- new evolution in the market especially in France,
- final deal structuring as well as debt management following the deal.

Moreover, the new size of the Group in some jurisdictions tends to lower the visibility upon recoverability of deferred tax.

4.8. Share of net income of equity-accounted investments

The share of net income of equity investments amounted to €30 million mainly thanks to the good performance of Casco Chinese joint-venture and to the liquidity rights through a put option in the Energy alliances (as disclosed in Note 12 to the consolidated financial statements).

4.9. Net profit - Group share

During fiscal year 2015/16, Net profit from Continuing operations (Group share) amounted to €(1,083) million. The Group was impacted by a total of €(398) million non-recurring impairment losses on assets (detailed in Note 6 to the consolidated financial statements), €(138) million of restructuring and rationalization costs, ca. €(500) million of non-recurring deferred tax assets de-recognition as well as €(67)m of non-recurring financial bonds buy-back costs.
Benefitting from the capital gain net of tax on the "Energy Business", Net profit from Discontinued operations (Group share) amounted to €4,084 million.
Net profit (Group share) was at €3,001 million in fiscal year 2015/16, compared to €(719) million last year.

5. Balance sheet

On 2 November 2015, General Electric definitively acquired the Thermal Power, Renewable Power and Grid activities as well as central and shared services (legal entities Alstom and Alstom Holdings have not been disposed) (the "Energy Business").

In compliance with IFRS 5, the lines "Assets held for sale" and "Liabilities held for sale" presented in Alstom's Consolidated Statement of Financial Position report the contribution of discontinued operations at the closing date: all Energy activities were concerned at the end of March 2015. At the end of March 2016, remain only the staggered and delayed transferred assets.

For more details on the consequences of the deal on the consolidated financial statements please refer to Note 1 and Note 3 to the consolidated financial statements for the year ended 31 March 2016.

Total Group Actual figures (in € million)	**Year ended 31 March 2016**	**Year ended 31 March 2015**	*Variation Mar. 16/ Mar. 15*
Goodwill	1,366	688	*678*
Intangible assets	387	444	*(57)*
Property, plant and equipment	655	656	*(1)*
Associates and non-consolidated investments	2,626	363	*2,263*
Other non-current assets	401	473	*(72)*
Deferred taxes	242	732	*(490)*
Non-current assets	**5,677**	**3,356**	***2,321***
Working capital assets	5,921	6,802	*(881)*
Marketable securities and other current financial assets	22	61	*(39)*
Cash and cash equivalents	1,961	1,599	*362*
Current assets	**7,904**	**8,462**	***(558)***
Asset held for sale	41	21,415	*(21,374)*
Assets	**13,622**	**33,233**	***(19,611)***

Total Group Actual figures (in € million)	**Year ended 31 March 2016**	**Year ended 31 March 2015**	*Variation Mar. 16/ Mar. 15*
Equity (Group share and minorities)	3,328	4,224	*(896)*
Provisions (non-current and current)	863	1,314	*(451)*
Accrued pension and other employee benefits	487	461	*26*
Financial debt (current and non-current)	2,504	5,186	*(2,682)*
Deferred taxes	52	11	*41*
Working capital liabilities (excl. provisions)	6,273	6,864	*(591)*
Liabilities related to assets held for sale	115	15,173	*(15,058)*
Liabilities	**13,622**	**33,233**	***(19,611)***

5.1. Goodwill and intangible assets

At the end of March 2016, goodwill amounted to €1,366 million against €688 million at the end of March 2015. This movement mainly arose from the preliminary calculation of the goodwill of GE Signalling for an amount of €638 million as well as the goodwill of SSL after the purchase of 50% additional stake for an amount of €63 million (see Note 3 to the consolidated financial statements).

Intangible assets include acquired intangible assets and capitalised development costs. They slightly decreased at €387 million on 31 March 2016 (compared to €444 million on 31 March 2015) notably due to recognition of impairments of development costs, partly offset by preliminary purchase price allocation further to the acquisitions of both GE Signalling business and the complementary 50% of Signalling Solutions Ltd (SSL).

5.2. Tangible assets

The Group's tangible assets remained stable at €655 million on 31 March 2016, compared to €656 million on 31 March 2015.

The Group chose to extend its positions in the growing markets and to reinforce its competitive advantage in developed countries through €154 million of capital expenditures (excluding capitalised development expenses) compared to €99 million last year.
In emerging markets, the Group notably invested in the extension of a rolling stock facility in Sri City in India. In Europe, Alstom acquired the Santa Perpètua de Mogoda factory in Spain through the exercise of its purchase option in order to reinforce its manufacturing activity as well as its testing abilities.
As mentioned in Note 11 to the consolidated financial statements, a non-recurring impairment loss of €(130) million has been recognized due to the adaptation of the Group footprint to the market evolution, notably in France.

5.3. Associates and non-consolidated investments

Associates and non-consolidated investments accounted for €2,626 million on 31 March 2016, compared to €363 million on 31 March 2015. This evolution is mainly due to the creation of the three new Energy alliances with General Electric as well as the additional stake of 8% in TMH and the additional 25% in EKZ (see Note 12 and 13 to the consolidated financial statements).

5.4. Other non-current assets

Other non-current assets amounted to €401 million at the end of March 2016, compared to €473 million at the end of March 2015. Financial non-current assets directly associated to a long-term lease of trains and associated equipment for a London metro operator decreased from €383 million at the end of March 2015 to €318 million at the end of March 2016 due to evolution of EUR/GBP exchange rate.

5.5. Working capital

Working capital (defined as current assets excluding assets held for sale, cash and cash equivalents and marketable securities, less current liabilities excluding current financial liabilities and including non-current provisions) on 31 March 2016 was €(1,215) million compared to €(1,376) million on 31 March 2015. The increase is mainly linked to projects ramp up and cash milestones phasing.

5.6. Deferred tax

Net deferred tax assets decreased to €190 million at the end of March 2016, from €721 million a year before.
Income tax charge of the year is mainly impacted by de-recognition of deferred tax assets.
Changes in recognition of deferred tax assets take into account:

- new evolution in the market especially in France,
- final deal structuring as well as debt management following the deal.

Moreover, the new size of the Group in some jurisdictions tends to lower the visibility upon recoverability of deferred tax.

5.7. Current and non-current provisions

The current and non-current provisions decreased from €1,314 million on 31 March 2015 to €863 million on 31 March 2016. The evolution is mainly linked to the payment of the fine linked to DOJ (agreement concluded with the US Department of Justice resulting in a fine of ca. €(720) million booked as current provision in continued activities in March 2015) partly offset by new provisions booked to cover corporation tax risks and other non-operating risks.

5.8. Equity attributable to the equity holders of the parent and non-controlling interests

Equity on 31 March 2016 decreased to €3,328 million (including non-controlling interests) from €4,224 million on 31 March 2015. It was mostly impacted by:

- net profit from the fiscal year 2015/16 of €3,001 million (Group share);
- the public share buy-back offer for €(3.2) billion;
- actuarial hypothesis variation on pensions (recorded in equity) of €(240) million (of which €(40) million for continuing operations);
- currency translation adjustment of €(262) million;
- currency translation adjustment of €(223) million recycled in the income statement following the sale of Energy activities

5.9. Financial debt and cash & cash equivalent

The gross financial debt was reduced to €2,504 million at the end of March 2016 compared to €5,186 million at the end of March 2015 notably thanks to the repayment at maturity of two bonds for a total amount of €1,000 million, the early redemption, through a tender offer, of existing bonds for a nominal amount of €875 million as well as the repayment, following the GE transaction, of commercial paper outstanding.

Over the same period, cash and cash equivalent have increased from €1,599 million to €1,961 million, invested in money market funds and bank deposits.

See Notes 20 and 26 to the consolidated financial statements for further details regarding cash and cash Equivalent and the financial Debt.

6. Liquidity and capital resources

The following table presents selected figures concerning the consolidated statement of cash flows:

Total Group **in € million**	**Year ended 31 March 2016**	**Year ended 31 March 2015**
Net cash provided by operating activities before changes in net working capital	(358)	(421)
Changes in net working capital resulting from operating activities	(1,800)	726
Net cash provided by operating activities	**(2,158)**	**305**
Of which operating flows provided / (used) by discontinued operations	*(1,568)*	*163*
Net cash used in or provided by investing activities	8,427	(213)
Of which investing flows provided / (used) by discontinued operations	*(932)*	*593*
Net cash used in financing activities	(5,826)	(336)
Of which financing flows provided / (used) by discontinued operations	*1,949*	*(193)*
Net (decrease)/increase in cash and cash equivalents	**443**	**(244)**
Cash and cash equivalents at the beginning of the period	1,599	2,276
Net effect of exchange rate variations	(87)	229
Other changes	(3)	8
Transfer to assets held for sale	9	(670)
Cash and cash equivalents at the end of the period	**1,961**	**1,599**

ALSTOM

6.1. Net cash provided by operating activities

Net cash provided by operating activities was €(2,158) million for fiscal year 2015/16, compared to €305 million for the previous year.

Net cash provided by operating activities before changes in net working capital was €(358) million in 2015/16. It represents the cash generated by the Group's net profit after elimination of non-cash items (given that provisions are included in the definition of the working capital, they are not part of the elimination of non-cash items) and before working capital movements.

The Group's net working capital change resulting from operating activities was negative at €(1,800) million in 2015/16 compared to €726 million last fiscal year.

6.2. Net cash used in investing activities

Net cash used in investing activities amounted to €8,427 million for fiscal year 2015/16, versus €(213) million for the previous year. In 2015/16, capital expenditures (excluding capitalised development expenses) amounted to €(338) million and capitalised development costs to €(176) million. Disposals of businesses, net of cash sold, amounted to €10,854 million in 2015/16 which mainly includes the proceeds from the disposal of Alstom's "Energy business" (Thermal Power, Renewable Power and Grid activities as well as central and shared services) to General Electric as mentioned in Note 1 to the consolidated financial statements.
Acquisitions of businesses, net of cash acquired, amounted to €(1,994) million in 2015/16 versus €(50) million in 2014/15. This includes notably the acquisition of Alstom's shares in the three alliances created with General Electric (Grid, Renewables and Global Nuclear and French Steam alliances) as mentioned in Note 1 to the consolidated financial statements, the investment made for the acquisition of General Electric's signalling business, the complementary 50% of Signalling Solutions Ltd (SSL) as well as the investments made in SpeedInnov and Transmashholding (TMH) joint ventures.

6.3. Net cash provided by financing activities

Net cash provided by financing activities was at €(5,826) million for fiscal year 2015/16, compared to €(336) million the previous year. This evolution is mainly due to the public share buy-back offer (offre publique de rachat d'actions) and to bonds redemption and repurchase.

6.4. Net cash/(debt) position

On 31 March 2016, the Group recorded a net debt level of €(203) million, compared to the net debt position of €(3,143) million at 31 March 2015.

Total Group		
(in € million)	**Year ended 31 March 2016**	**Year ended 31 March 2015**
Net cash/(debt) at the beginning of the period	**(3,143)**	**(3,038)**
Change in cash and cash equivalents	443	(244)
Change in marketable securities and other current financial assets & liabilities	(3)	(7)
Change in bonds and notes	1,875	780
Change in current and non current borrowings	688	(471)
Change in obligations under finance leases	46	39
Transfer to assets held for sale	76	(387)
Net debt of acquired entities at acquisition date and other variations	(185)	185
Net cash/(debt) at the end of the period	**(203)**	**(3,143)**

Notes 25, 26, 27, 30 and 31 to the consolidated financial statements provide further details, respectively on:

- the analysis of pensions and other employee benefits;
- the nature and the maturity of the financial debt;
- the Group's policy regarding financial risk management, including currency, interest, credit and liquidity risks;
- off-balance sheet commitments;
- lease obligations.

7. Use of non-GAAP financial indicators

This section presents financial indicators used by the Group that are not defined by accounting standard setters.

7.1. Orders received

A new order is recognised as 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 to immediately eliminate the currency exposure through the use of forward currency sales. Orders are then measured using the spot rate at inception of hedging instruments.

In the context of the Energy disposal, orders received presented for fiscal year 2015/16 are figures from continuing activities.

7.2. 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.

In the context of the Energy disposal, order backlog presented for fiscal year 2015/16 are figures from continuing activities.

7.3. Adjusted EBIT

As disclosed in Note 2.3.5 to the consolidated financial statements, the Group decided to introduce a new Key Performance Indicator called Adjusted EBIT ("aEBIT").

Further to the new organization implemented, Adjusted EBIT became the new 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 rationalization costs),
- tangibles and intangible impairment,

- capital gains or loss/revaluation on investments disposals or controls changes of an entity,
- and any other non-recurring items, such as costs incurred to realize business combinations and amortization 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.

To allow comparability, last year Key Performance Indicator has been restated consistently and the bridge of non-GAAP measure has been established for current and comparative periods.

7.4. 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, and a reconciliation of free cash flow and net cash provided by operating activities is presented below:

Total Group **in € million**	**Year ended 31 March 2016**	**Year ended 31 March 2015**
Net cash provided by operating activities	**(2,158)**	**305**
Of which operating flows provided / (used) by discontinued operations	*(1,568)*	*163*
Capital expenditure (including capitalized development costs)	(514)	(756)
Proceeds from disposals of tangible and intangible assets	58	22
Free Cash Flow	**(2,614)**	**(429)**

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.

ALSTOM

7.5. Capital employed

Capital employed is defined as the closing position of goodwill, intangible assets, property, plant and equipment, associates and available-for-sale financial assets, other non-current assets (excluding prepaid pension benefits and financial non-current assets directly associated to financial debt) and current assets (excluding marketable securities and other current financial assets, and cash and cash equivalents) minus non-current provisions and current liabilities (excluding current financial debt).
Capital employed at Group level is presented in Note 4 to the consolidated financial statements as of 31 March 2016.

Capital employed is used both for internal analysis purposes and for external communication as it provides insight regarding the amount of financial resources employed by the Group as a whole and the profitability of the Group as a whole in regard to resources employed.

At the end of March 2016, capital employed reached €3,901 million, compared to €857 million at the end of March 2015. Movements over the period ended mainly arose from the increase in non-current assets notably through the preliminary calculation of the goodwill of GE Signalling and the creation of the three new Energy alliances with General Electric as associates.

Total Group **in € million**	**Year ended 31 March 2016**	**Year ended 31 March 2015**
Non current assets	5,677	3,356
less deferred tax assets	(242)	(732)
less non-current assets directly associated to financial debt	(318)	(383)
less prepaid pension benefits	(1)	(8)
Capital employed - non current assets **(A)**	5,116	2,233
Current assets	7,904	8,462
less cash & cash equivalents	(1,961)	(1,599)
less marketable securities and other current financial assets	(22)	(61)
Capital employed - current assets **(B)**	5,921	6,802
Current liabilities	7,167	9,893
less current financial debt	(686)	(1,998)
plus non current provisions	655	283
Capital employed - liabilities **(C)**	7,136	8,178
Capital employed (A)+(B)-(C)	**3,901**	**857**

7.6. Net cash

Net cash is defined as cash and cash equivalents, marketable securities and other current financial assets and financial non-current assets directly associated to financial debt, less current and non-current financial debt.

Total Group **in € million**	**Year ended 31 March 2016**	**Year ended 31 March 2015**
Cash and cash equivalents	1,961	1,599
Marketable securities and other current financial assets	22	61
Financial non-current assets directly associated to financial debt	318	383
less:		
Current financial debt	686	1,998
Non current financial debt	1,818	3,188
Net cash/(debt)	**(203)**	**(3,143)**

ALSTOM

7.7. Organic basis

Figures disclosed in this section include performance indicators presented on an actual basis and on an organic basis. Figures have been given on an organic basis in order to eliminate the impact of changes in business composition and of variation of exchange rates between the Euro and the foreign currencies. 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, provided on an organic basis, are not measurements of performance under IFRS.

To prepare figures on an organic basis, the figures presented on an actual basis are adjusted as follows:

– the actual figures for 2014/15 (order backlog, orders received and sales) are restated taking into account the exchange rates used for 2015/16, as used for preparing the Consolidated Financial Statements;
– in order to reflect the same scope of activity, actual figures for 2014/15 are restated from disposals made during fiscal year 2015/16 and 2015/16 actual figures are restated from acquisitions made in fiscal year 2015/16.

Alstom - ORGANIC FIGURES 2015/16

in € million	Year ended 31 March 2015				Year ended 31 March 2016				
	Actual figures	Exchange rate	Scope impact	Comparable Figures	Actual figures	Scope Impact	Organic figures	% Var Act. Mar. 16/ Mar. 15	% Var Org Mar. 16/ Mar. 15
Orders backlog	28,394	(1,936)	(108)	26,350	30,363	(429)	29,934	7%	14%
Orders Received	10,046	(267)	-	9,779	10,636	(213)	10,423	6%	7%
Sales	6,163	66	(6)	6,223	6,881	(252)	6,629	12%	7%