

24 July 2013

Alstom's Q1 2013/14 orders impacted by a lack of big projects

From 1 April to 30 June 2013, Alstom booked €4.1 billion orders, down 32% compared to the first quarter of last year. In a challenging environment, a good flow of small to medium-sized orders was booked over the quarter but the commercial performance was penalized by a less active market regarding big contracts.

Sales were organically down by 2% to €4.6 billion, due to the execution profile of the backlog over the current year. Foreign exchange had a 2% negative impact on sales.

Over the first three months of the fiscal year, Thermal Power received orders of €1.5 billion, including a sustained flow of service contracts. At €1.1 billion, Transport order intake was made of numerous small to medium-sized contracts after a very high first quarter last year. Grid booked a robust volume of orders at €0.9 billion, whilst Renewable Power, at €0.5 billion, more than doubled its level of Q1 2012/13. Emerging markets represented 42% of the total orders over this period as projects booked in Thermal Service and Transport were for the most part in mature markets.

The sales decrease in the first quarter 2013/14 was linked to Thermal Power's and Transport's organic decreases of respectively 4% and 6%. In both cases, the evolution of these quarterly sales reflects the execution profile of the backlog and, subsequently, sales are expected to ramp up in the coming quarters. Grid's turnover was up 5% on a like-for-like basis and Renewable Power up 8%.

The total backlog stood at €51 billion on 30 June 2013; it represented 31 months of sales.

Key figures

Actual figures	2012/13				2013/14		
	Q1	Q2	Q3	Q4	Q1	Var. actual Q1/Q1	Var. organic Q1/Q1
<i>(in € million)</i>							
Orders received	6,029	6,100	5,054	6,587	4,071	-32%	-32%
Sales	4,777	4,971	4,924	5,597	4,583	-4%	-2%

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.

"The first quarter was marked by a good flow of small to medium-sized contracts which allowed us to generate more than €4 billion of orders despite the lack of big projects. In spite of a difficult commercial environment, tendering remains active, mainly driven by prospects in emerging markets but the timing of the booking of some large tickets remains, as usual, uncertain. Sales had a softer start this quarter compared to last year, with a negative foreign exchange impact. Despite this slow start, we expect sales to increase throughout the year and therefore we confirm our objective of a low single-digit organic sales growth for 2013/14", said Patrick Kron, Chairman & Chief Executive Officer of Alstom.

Sector Review

Thermal Power

During the first quarter of 2013/14, Thermal Power Sector received €1,550 million of new orders, down 38% compared to the first quarter of last fiscal year, with no large order outside Thermal Service. Thermal Service maintained a strong commercial activity, supported by its broad range offering by technology and by region.

Sales, at €1,921 million, decreased by 4% organically compared to the same period last year due to limited significant milestone recognition over this quarter.

Renewable Power

In the first quarter of 2013/14, Renewable Power booked €527 million of orders, more than doubling from the low point of the first quarter of 2012/13. The Sector received notably orders for hydro projects in Albania, Brazil, Canada and Turkey and signed its first wind contract in Mexico.

Sales, at €411 million, were up 8% organically compared to the same period last year, recovering progressively from a low level of activity.

Grid

At €871 million, the Grid Sector recorded a robust level of orders in a still competitive market. They included in particular two contracts in Saudi Arabia.

During the quarter, the Sector generated €915 million sales, up 5% on a like-for-like basis as compared to the same period last year.

Transport

Over the first quarter of 2013/14, Transport's orders amounted to €1,123 million, significantly below the exceptionally high volume of orders received during the same period last year which included several big contracts. The Transport Sector booked contracts for infrastructure in the UK, the maintenance contract associated with the Light Rail Vehicles order in Canada booked last financial year, as well as regional trains in Germany and suburban trains in Australia.

With sales at €1,336 million, the Sector's revenues were down 6% organically, as a result of the milestones profile of its large backlog and of the basis of comparison as the first quarter 2012/13 was the highest in sales with notably the delivery of very-high-speed trains in Italy.

Key events of the first quarter 2013/14

In April 2013, Alstom Grid and Soyuz Holding signed a joint venture agreement to manufacture and commercialise high voltage switchgear as part of on-going efforts to modernise the Russian electrical grid. Alstom Grid will own 51% of the joint venture which will be part of Alstom's worldwide industrial organisation, benefiting from its industrial know-how and technological expertise. This agreement follows the memorandum of understanding signed in 2011.

In May 2013, Alstom launched Axonis, an innovative metro system and Urbalis Fluence, a cutting-edge signalling solution. Axonis is a non-proprietary integrated metro system, able to carry up to 45,000 passengers per hour per direction, designed to run on a viaduct but also at ground level and underground. Urbalis Fluence is the first train-centric urban CBTC¹ solution. Its direct train-to-train communication results in an optimised technical response time and less interface, while guaranteeing optimal safety distance between trains.

In June 2013, Alstom Grid and Intel signed a global agreement to combine both companies' expertise and work together on solutions and technologies for smart grids and smart cities. The focus will be on embedded intelligence and IT systems security to facilitate a fast roll-out of new architectures for future grids. The deal is the fruit of three years' close collaboration on various projects.

In June 2013, Alstom signed a long term agreement to license its GT13E2 gas turbine for manufacture, assembly and sales in China through Harbin Turbine Company Ltd (HTC). The cooperation with HTC will also involve the establishment of a service joint venture to address the aftermarket needs of Chinese GT13E2 customers. HTC will manufacture and assemble GT13E2 gas turbines in China with Alstom continuing to supply some critical components.

¹ CBTC : Communication-Based Train Control

Financial situation and outlook

The Group expects the sales to ramp up over the current year and thus renews its guidance of a low single digit sales growth on an organic basis and of a stable operating margin in 2013/14, which should then gradually increase to around 8% over the next two to three years. Free cash flow should be positive year after year over this period.

Press Contacts

Virginie Hourdin / Isabelle Tourancheau - Tel +33 1 41 49 21 36 / 39 95

virginie.hourdin-bremond@chq.alstom.com , isabelle.tourancheau@chq.alstom.com

Investor Relations

Delphine Brault / Anouch Mkhitarian - Tel +33 1 41 49 26 42 / 25 13

delphine.brault@chq.alstom.com , anouch.mkhitarian@chq.alstom.com

Website www.alstom.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 risk 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 1 – SECTOR BREAKDOWN BY QUARTER

Orders received (in € million)	2012/13					2013/14		
	Q1	Q2	Q3	Q4	FY	Var. Actual Q1	Var. Org* Q1/Q1	Var. Org* Q1/Q1
Thermal Power	2,499	2,266	1,620	3,189	9,574	1,550	-38%	-37%
Renewable Power	214	388	616	811	2,029	527	146%	150%
Grid	1,017	1,163	1,094	1,784	5,058	871	-14%	-13%
Transport	2,299	2,283	1,724	803	7,109	1,123	-51%	-51%
Alstom	6,029	6,100	5,054	6,587	23,770	4,071	-32%	-32%

Sales (in € million)	2012/13					2013/14		
	Q1	Q2	Q3	Q4	FY	Var. Actual Q1	Var. Org* Q1/Q1	Var. Org* Q1/Q1
Thermal Power	2,070	2,188	2,329	2,592	9,179	1,921	-7%	-4%
Renewable Power	389	467	408	539	1,803	411	6%	8%
Grid	889	974	862	1,104	3,829	915	3%	5%
Transport	1,429	1,342	1,325	1,362	5,458	1,336	-7%	-6%
Alstom	4,777	4,971	4,924	5,597	20,269	4,583	-4%	-2%

(*) Organic are excluding any currency & scope impacts.

APPENDIX 2 – GEOGRAPHIC BREAKDOWN

Orders received by destination (in € million)	2012/13		2013/14	
	Q1	% Contrib.	Q1	% Contrib.
Western Europe	2,308	38%	1,095	27%
North America	478	8%	1,242	31%
Eastern Europe	213	3%	379	9%
South & Central America	478	8%	230	6%
Africa / Middle East	1,484	25%	383	9%
Asia / Pacific	1,068	18%	742	18%
TOTAL	6,029	100%	4,071	100%

Sales by destination (in € million)	2012/13		2013/14	
	Q1	% Contrib.	Q1	% Contrib.
Western Europe	1,677	35%	1,525	33%
North America	613	13%	597	13%
Eastern Europe	427	9%	505	11%
South & Central America	332	7%	349	8%
Africa / Middle East	725	15%	722	16%
Asia / Pacific	1,003	21%	885	19%
TOTAL	4,777	100%	4,583	100%