Financial report Half-year

As of 30 September 2019

ALSTOM

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This document is a free translation of the French language original version

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Management report on condensed interim consolidated financial statements,

Half-year ended 30 September 2019

MANAGEMENT REPORT

ON CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

HALF-YEAR ENDED 30 SEPTEMBER 2019

1. Main events of half-year ended 30 September 2019

1.1 Bouygues announced the sale of 13% of Alstom's capital

On 11 September 2019, Bouygues S.A. ("Bouygues") announced the successful sale of 29,150,000 shares in Alstom S.A. ("Alstom"), representing 13.0% of its share capital, at a price of 37 euros per share. Following this transaction, the Bouygues Group will remain Alstom's main shareholder, with 14.7% of the share capital and will still hold two seats on the Board of Directors.

1.2 Key figures for Alstom in the first half of 2019/20

The Group adopted IFRS 16 "Leases" on 1 April 2019, according to the simplified retrospective approach, without restatement of prior period comparatives. On April 1, 2019 impact of IFRS 16 first time application on lease obligations amounted to €388 million.

Group's key performance indicators for the first half of fiscal year 2019/20:

(in € million)	Half-Year ended 30 September 2019	Half-Year ended 30 September 2018**	% Variation Sep. 19/ Sep. 18 Actual	% Variation Sep. 19/ Sep. 18 Organic
Orders Received	4,618	7,129	(35%)	(36%)
Orders Backlog	41,330	38,113	8%	7%
Sales	4,140	4,010	3%	2%
aEBIT*	319	303	5%	
aEBIT %	*7.7%*	*7.5%*		
EBIT	281	219		
Net Profit from continuing operations - Group share	213	318		
Net Profit - Group share	227	563		
Free Cash Flow	(19)	172		
Capital Employed	2,469	1,892		
Net Cash/(Debt)	991	(280)		
Equity***	3,135	3,972		

(*) aEBIT adjusted for CASCO contribution in both periods: € 19 million for September 2019 and € 18 million for September 2018.

(**) Previous year figures have not been restated to reflect the application of IFRS 16.

(***) Total equity of € 4,021 million as published in half-year 30 September 2018 consolidated accounts prior to final IFRS 9 and IFRS 15 restatement disclosed in March 2019.

1.3 Organic growth

Above mentioned figures are adjusted as follows for foreign exchange variation resulting from the translation to Euro from the original currency, as well as for change in scope.

The below table shows how we walk from actual to comparable figures:

	Half-Year ended 30 September 2019	Half-Year ended 30 September 2018			Sep. 19/ Sep. 18	
(in € million)	Actual figures	Actual figures	Exchange rate	Comparable Figures	% Var Act.	% Var Org.
Orders Backlog	41,330	38,113	682	38,795	8%	7%
Orders Received	4,618	7,129	63	7,192	(35%)	(36%)
Sales	4,140	4,010	49	4,059	3%	2%

The actual figures for the first half of fiscal year 2018/19 (orders backlog, orders received and sales) are restated considering September 2019 exchange rates, which showed an overall depreciation of the Euro against most of the currencies making up the Alstom portfolio.

- Orders received during the first half of the last fiscal year were mainly impacted by the appreciation of the Canadian Dollar (CAD) against the Euro.
- Sales recorded during the first half of last fiscal year have been impacted by a favourable translation effect mainly due to appreciation of the US Dollar (USD) and the UAE Dirham (AED) against the Euro.
- Orders backlog was favourably impacted by the appreciation of the Indian Rupee (INR), US Dollar (USD), Canadian Dollar (CAD), UAE Dirham (AED) partially offset by the depreciation of South African Rand (ZAR) against the Euro.

1.4 Partnerships

To develop the 'TGV of the future', the joint-venture SpeedInnov was created in 2015 by Alstom and ADEME. Work on developing a new generation of very high-speed trainset focuses on lowering acquisition and operating costs while improving performance. In June 2019, Alstom increased its investment in capital in this joint-venture for €36 million, increasing its stake from 65.1% to 71.0% with no change in consolidation method.

2. Commercial performance

During the first half of fiscal year 2019/20, Alstom's order intake amounted to €4.6 billion, notably with contract awards in Europe, led by the orders from SNCF to supply additional regional Coradia™ Polyvalent trains for several French regions, along with orders related to Alstom's latest innovations, the Aptis™ electric bus and Coradia™ iLint, the world's first hydrogen train. The Group also secured several major maintenance orders in Italy, Germany and Chile.

Last year's exceptional performance was mainly fuelled by the major contract awarded to supply 100 next-generation Avelia™ Horizon very high-speed trains to SNCF, worth €2.8 billion, and the large Systems contract in Canada with Réseau Express Métropolitain (REM) in Montreal along with operation and maintenance services for 30 years, worth €1.5 billion.

Geographic breakdown Actual figures *(in € million)*	Half-Year ended 30 September 2019	% of contrib	Half-Year ended 30 September 2018	% of contrib	% Variation Sep. 19/ Sep. 18 Actual	 Organic
Europe	3,900	84%	4,303	60%	(9%)	(9%)
Americas	413	9%	1,705	24%	(76%)	(77%)
Asia/Pacific	255	6%	922	13%	(72%)	(73%)
Middle East/Africa	50	1%	199	3%	(75%)	(75%)
ORDERS BY DESTINATION	**4,618**	**100%**	**7,129**	**100%**	**(35%)**	**(36%)**

Product breakdown Actual figures *(in € million)*	Half-Year ended 30 September 2019	% of contrib	Half-Year ended 30 September 2018	% of contrib	% Variation Sep. 19/ Sep. 18 Actual	 Organic
Rolling stock	2,435	53%	3,959	56%	(38%)	(39%)
Services	1,453	31%	1,416	20%	3%	1%
Systems	51	1%	1,091	15%	(95%)	(95%)
Signalling	679	15%	663	9%	2%	2%
ORDERS BY DESTINATION	**4,618**	**100%**	**7,129**	**100%**	**(35%)**	**(36%)**

In **Europe**, Alstom reported a solid order intake which stood at €3.9 billion for the first half of fiscal year 2019/20, as compared to €4.3 billion over the same period last year.

In France, Alstom secured major orders to supply additional Coradia™ Polyvalent regional trains to several French regions, a contract to supply 12 Avelia™ Euroduplex trains to SNCF Mobilité as well as a contract to supply 13 Coradia™ Polyvalent trains for the CDG express line in Paris, as part of Hello Paris consortium.

In Italy, the secured orders included an additional order for the supply and maintenance of 4 additional Pendolino™ high-speed trains, and the supply of Smart Coradia™ POP regional trains to Lombardia region.

In Germany, Alstom confirmed the commercial success of Coradia™ iLint with an order to supply 27 iLint trains and associated maintenance for 25 years. The Group also received an order for 18 Coradia™ Lint regional trains from Landesanstalt Schienenfahrzeuge Baden-Württemberg (SFBW), and an order for 32 further DT5 metro trains to Hamburger Hochbahn AG in consortium with Bombardier Transportation.

The region also secured a contract from Transports Metropolitans de Barcelona (TMB) in Spain to supply 42 metros to replace oldest trains on Barcelona's lines 1 and 3, and an order to supply InterCity Next Generation (ICNG) with Coradia™ stream trains in the Netherlands.

In **Americas**, Alstom reported €0.4 billion of orders for the first half of fiscal year 2019/20, notably with 2 large maintenance contracts for the AS-02 and NS-04 trains of Santiago Metro for 20 years. Alstom's orders stood at €1.7 billion during the same period last fiscal year, which included a large Systems contract in Canada with Réseau express métropolitain (REM) in Montreal to deliver a complete light metro system, including operation and maintenance services for 30 years.

In **Asia/Pacific**, Alstom's order intake stood at €0.3 billion, including orders booked in China to supply OptONIX™ traction system, specifically developed for the Chinese market, for the line 7 of Nanjing and line 5 of Xi'an metro. During the same period last year, the order intake stood at €0.9 billion, which was mainly driven by a major rolling stock contract to supply 248 metro cars for Mumbai metro line 3 and a large-scale order in Taiwan to supply 19 Metropolis™ trains.

In **Middle East/Africa**, the group's order intake stood at €0.1 billion, notably with Signalling contracts in Israel.

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Alstom received the following major orders during the first half of fiscal year 2019/20:

Country	Product	Description
Chile	Services	Maintenance of AS-02 and NS-04 trains of Santiago metro for 20 years
France	Rolling stock	Supply of 13 Coradia™ Polyvalent trains to the CDG Express line
France	Rolling stock	Additional order of 12 Avelia™ Euroduplex trains to SNCF
France	Rolling stock	Additional order of Coradia™ Polyvalent trains to the French regions
Germany	Rolling stock	Supply of 18 Coradia™ Lint regional trains to Zollernalbbahn network
Germany	Rolling stock	Additional order to supply 32 metro trains to Hamburg
Germany	Rolling stock/ Services	Supply of 27 Coradia iLint™ hydrogen trains to Frankfurt metropolitan area along with associated maintenance for 25 years
Italy	Rolling stock/ Services	Additional order to supply 4 Pendolino™ high-speed trains and associated maintenance for 30 years
Netherlands	Rolling stock	Supply of Coradia™ stream trains to Netherlands
Spain	Rolling stock	Supply of 42 metros to replace the oldest trains in Barcelona on its lines 1 and 3

3. Orders backlog

On 30 September 2019, the Group backlog reached a new record high of €41.3 billion as compared to €38.1 billion last year at the same period, providing strong visibility over future sales. The backlog position improved by 7% as compared to September 18, once adjusted for favourable foreign exchange translation effects. Major commercial successes over the last 12 months in France, Germany and Luxemburg in Rolling stock as well as in Chile, Saudi Arabia and Italy for the Services products supported our backlog growth compared to the same period last year. The strong project execution during the first half of fiscal year resulted in an expected decrease of the Systems backlog.

Geographic breakdown

Actual figures *(in € million)*	**Half-Year ended 30 September 2019**	% of contrib	**Half-Year ended 30 September 2018**	% of contrib
Europe	20,024	48%	16,858	44%
Americas	6,220	15%	6,485	17%
Asia/Pacific	5,617	14%	5,345	14%
Middle East/Africa	9,469	23%	9,425	25%
BACKLOG BY DESTINATION	**41,330**	**100%**	**38,113**	**100%**

Product breakdown **Actual figures** *(in € million)*	**Half-Year ended 30 September 2019**	% of contrib	**Half-Year ended 30 September 2018**	% of contrib
Rolling stock	21,340	52%	19,682	52%
Services	13,273	32%	11,284	29%
Systems	2,961	7%	3,741	10%
Signalling	3,756	9%	3,406	9%
BACKLOG BY DESTINATION	**41,330**	**100%**	**38,113**	**100%**

4. Income statement

4.1 Sales

Alstom's sales for the first half of fiscal year stood at €4.1 billion as compared to €4.0 billion during the same period last year, thanks to strong project execution especially in Europe.

Geographic breakdown **Actual figures** *(in € million)*	**Half-Year ended 30 September 2019**	% of contrib	**Half-Year ended 30 September 2018**	% of contrib	**% Variation Sep. 19/ Sep. 18** **Actual**	**Organic**
Europe	2,269	54%	1,982	50%	14%	15%
Americas	687	17%	728	18%	(6%)	(9%)
Asia/Pacific	458	11%	450	11%	2%	1%
Middle East/Africa	726	18%	850	21%	(15%)	(17%)
SALES BY DESTINATION	**4,140**	**100%**	**4,010**	**100%**	**3%**	**2%**

Product breakdown **Actual figures** *(in € million)*	**Half-Year ended 30 September 2019**	% of contrib	**Half-Year ended 30 September 2018**	% of contrib	**% Variation Sep. 19/ Sep. 18** **Actual**	**Organic**
Rolling stock	1,898	46%	1,736	43%	9%	9%
Services	718	17%	749	19%	(4%)	(5%)
Systems	801	19%	888	22%	(10%)	(13%)
Signalling	723	18%	637	16%	14%	12%
SALES BY DESTINATION	**4,140**	**100%**	**4,010**	**100%**	**3%**	**2%**

In **Europe**, Alstom reported sales of €2.3 billion against €2.0 billion for the first half of fiscal year 2019/20. This accounts for 54% of the Group's total sales, up 15% on an organic basis, thanks to strong progress on regional trains contracts and continued deliveries of Euroduplex™ high-speed trains in France. The execution of Coradia™ Continental regional trains in Germany, and the Coradia™ Stream trains as well as Pendolino™ trains in Italy further boosted the region's performance. Furthermore, the performance of overhaul activity on Pendolino™ trains in the United Kingdom and execution of Coradia™ Stream trains in Netherlands generated further sales for the period.

In **Americas**, Alstom's sales stood at €0.7 billion, contributing to 17% of the total Group's sales. Main drivers have been the continued deliveries of Amtrak high-speed trains in the USA and the execution of REM Turnkey System in Canada.

In Latin America, sales have started to slow down but the activity remains fuelled by the execution of the metro system for Panama Line 2, as well as deliveries of metro cars in Santiago, Chile.

In **Asia/Pacific**, Alstom reported sales of €0.5 billion for the first half of fiscal year 2019/20. This accounts for 11% of the Group's total sales and is driven by the deliveries of the light rail vehicles and the production of X'trapolis™ trains for Australia. Continuous execution on the 800 electric locomotives rolling stock contract and the system contract for Dedicated Freight Corridor (DFC) in India generated further revenue for the Group.

In **Middle East/Africa**, Alstom's sales amounted to €0.7 billion, i.e. a 18% contribution to the total Group's sales. The region's performance was mainly driven by the execution of the major Systems contract related to the production of metro cars for Dubai Route 2020 metro in the United Arab Emirates, the continued rolling stock deliveries of X'trapolis™ trains for PRASA in South Africa and the execution of Riyadh Metro Transit System in Saudi Arabia.

4.2 Research & development

During the first half of fiscal year 2019/20, the research and development gross costs amounted to €192 million i.e. 4.6% of total Group sales, with continued emphasis on sustainable mainlines developments and smart mobility solutions.

(in € million)	**Half-Year ended 30 September 2019**	**Half-Year ended 30 September 2018**
R&D Gross costs	(192)	(147)
R&D Gross costs (in % of Sales)	*4.6%*	*3.7%*
Funding received	56	36
Net R&D spending	(136)	(111)
Development costs capitalised during the period	32	27
Amortisation expense of capitalised development costs	(28)	(27)
R&D expenses (in P&L)	(132)	(111)
R&D expenses (in % of Sales)	*3.2%*	*2.8%*

Alstom has accelerated the development effort of the **Avelia™** range very high-speed train, following last year's signature of the TGV du Futur contract. The programme is funded through the SpeedInnov joint venture vehicle.

The Group further developed its **Citadis™** light rail vehicle product suite and commissioned 26 of its new generation trams in Caen in July 2019. In parallel energy supply solutions have been delivered with SRS, static recharge in station, now operational on the Nice L2.

Consistent with the Alstom in Motion strategy, Alstom has pursued efforts to enhance the Mainlines signalling solutions for Europe with a further focus brought to the development of the **ATLAS™** product suite.

On the Urban Signalling segment, Alstom continues on its path to develop further its **Urbalis 500™** solution in collaboration with the Metropole Européenne de Lille (MEL).

Alstom presented the first serial vehicle of its **Aptis™**, the 100% electric bus at Busworld 2019 in Brussels, after a four-prototype touring on the roads of many French and European cities over the past two years. Aptis™ has already been chosen by Paris in the context of Europe's largest call for tender for electric buses, as well as by the cities of Strasbourg, Grenoble, La Rochelle and Toulon. Capitalising on these commercial wins, Alstom continues to follow its Electrical Bus development roadmap.

4.3 Operational performance

During the first half of fiscal year 2019/20, the adjusted EBIT reached €319 million with an operational margin at 7.7% as compared to €303 million at 7.5% during the first half of the previous fiscal year. During the period, this increase in Alstom's operational performance was steered by revenue growth and enhanced operational performance.

Selling and Administrative costs remained roughly stable in line with last year, expressed as percentage of sales, at around 7%.

Over the period, Casco contribution amounted to €19 million, Alstom retains a 49% share.

4.4 Net profit

Restructuring costs amounted to €(7) million, reflecting a limited rationalisation, notably in Europe. Amortisation of intangible assets and integration costs related to business combinations, such as GE Signalling, EKZ and Nomad were reduced to €(8) million. EBIT stood at €281 million as compared to €219 million in the first half of fiscal year 2018/19, reflecting the strong operational performance over the year.

Net financial expenses decreased to €(40) million during the first half of fiscal year 2019/20 as compared to €(46) million for the same period last year. This is consistent with the decrease in the gross financial debt resulting from the repayment of €283 million bonds having matured over the period, which more than compensates for the Financial interest, as per IFRS16 requirements, standing at €4 million.

The Group recorded an income tax charge of €(61) million for the first half of fiscal year 2019/20 corresponding to an effective tax rate of 25% versus €(12) million for the same period last year corresponding to an effective tax rate of 7%. Last year's effective tax rate was lower due to deferred tax assets recognized on previous tax loss carry forwards as well as reversal of tax provisions.

The share in net income from equity investments amounted to €36 million mainly related to the performance from Transmashholding (TMH) and Casco Signal Limited. Last year's result was impacted by change on put options for €100 million over the period and an exceptional result from TMH for €49 million.

The net profit from discontinued operations stood at €14 million including the reassessment of liabilities related to the disposal of activities.

As a result, the Net profit (Group share) stood at €227 million for this first half of fiscal year 2019/20 compared to €563 million during the same period last fiscal year. Last Year's result included €245 million of income from discontinued operations.

5. Free cash flow

(in € million)	Half-Year ended 30 September 2019	Half-Year ended 30 September 2018*
EBIT	**281**	**219**
Depreciation and amortisation	145	89
Restructuring variation	(9)	15
Capital expenditure	(60)	(85)
R&D capitalisation	(32)	(27)
Change in working capital	(323)	17
Financial cash-out	(37)	(29)
Tax cash-out	(54)	(73)
Other	70	46
FREE CASH FLOW	**(19)**	**172**

(*) Previous year figures have not been restated to reflect the application of IFRS 16.

The Group free cash flow was negative at €(19) million for the first half of fiscal year 2019/20 as compared to €172 million during the same period of last fiscal year. Cash generation was impacted notably due to anticipated unfavourable working capital position driven by the execution of large contracts partially offset by progress payments. Operating working capital position was adverse due to the foreseen inventories ramp-up tied to the execution of major projects signed in the previous years.

During the first half of fiscal year 2019/20, Alstom invested €60 million in capital expenditures notably on capacity development in Poland and Italy for the Coradia™ stream trains as well as in France for TGV high-speed trains. Alstom continued the capex spend on Madhepura factory and Prasa production facilities.

6. Net Cash/(debt)

Due to IFRS 16 implementation on 1 April 2019, the Group has chosen to exclude lease obligations from the net cash/(debt) which results in a change in net cash/debt of €(15) million. From 1 April 2019, the net cash/(debt) is defined as cash and cash equivalents, marketable securities and other current financial asset, less borrowings. Previous year figures have not been restated to reflect the application of IFRS 16.

On 30 September 2019, the Group recorded a net cash level of €991 million, compared to the net cash position of €2,325 million on 31 March 2019. Alstom's net cash decreased over the period, due to €1,238 million dividends paid including non-controlling interests, free cash flow generated by operations as well as €54 million acquisitions and disposals. The Group's acquisitions and disposals in the period include notably Alstom's share increase in the SpeedInnov Joint Venture for €36 million.

In addition to its available cash and cash equivalents, amounting to €1,826 million as of 30 September 2019, the Group can access a €400 million revolving credit facility, maturing in June 2022 which is fully undrawn at September 2019. This resulted into a liquidity position as of September 2019 of €2,226 million.

On 14 October 2019, Alstom has carried out the issuance of senior unsecured Eurobonds for a total of €700 million. The bonds have a 7-year maturity and a fixed coupon of 0.25%, payable annually.

The proceeds of the bond issue will be used for general corporate purposes, including the refinancing of the existing €596 million bonds maturing in March 2020.

7. Equity

The Group Equity on 30 September 2019 amounted to €3,135 million (including non-controlling interests), from €4,159 million on 31 March 2019, mostly impacted by:

- net profit from first half of fiscal year 2019/20 of €227 million (Group share);
- actuarial hypothesis variation on pensions (recorded in equity) of €(43) million net of tax;
- dividends paid to Alstom shareholders for €(1,234) million;
- share-based payments for €14 million;
- currency translation adjustment of €23 million.

8. Non-GAAP financial indicators definitions

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

8.1 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 using forward currency sales. Orders are then measured using the spot rate at inception of hedging instruments.

8.2 Order backlog

Order backlog represents sales not yet recognised from 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.

8.3 Book-to-bill

The book-to-bill ratio is the ratio of orders received to the amount of sales traded for a specific period.

8.4 Adjusted EBIT

When Alstom's new organisation was implemented in 2015, 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.

Going forward (1st application for Half-Year 2019/2020 publication), Alstom has opted for the inclusion of the share in net income of the equity-accounted investments into the aEBIT when these are considered as part of the operating activities of the Group (because there are significant operational flows and/or common project execution with these entities), namely the CASCO Joint Venture. The company believes that bringing visibility over a key contributor to the Alstom signalling strategy will provide a fairer and more accurate picture of the overall commercial & operational performance of the Group. This change will also enable more comparability with what similar market players define as being part of their main non-GAAP 'profit' aggregate disclosure.

aEBIT corresponds to Earning Before Interests and Tax adjusted for the following elements:

- net restructuring expenses (including rationalization costs);
- tangibles and intangibles impairment;
- capital gains or loss/revaluation on investments disposals or controls changes of an entity;
- any other non-recurring items, such as some costs incurred to realize 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;
- and including the share in net income of the operational equity-accounted investments.

A non-recurring item is a "one-off" exceptional item that is not supposed to occur again in following years and that is significant.

Adjusted EBIT margin corresponds to Adjusted EBIT in percentage of sales.

The non-GAAP measure adjusted EBIT (aEBIT hereafter) indicator reconciles with the GAAP measure EBIT as follows:

(in € million)	Half-Year ended 30 September 2019	Half-Year ended 30 September 2018**
Adjusted Earnings Before Interest and Taxes (aEBIT)*	**319**	**303**
aEBIT (in % of Sales)	*7.7%*	*7.5%*
Restructuring costs	(7)	(34)
PPA amortisation and Integration costs	(8)	(7)
Others and asset impairement	(4)	(25)
CASCO contribution reversal	(19)	(18)
EARNING BEFORE INTEREST AND TAXES (EBIT)	**281**	**219**

(*) aEBIT adjusted for CASCO contribution in both periods.
(**) Previous year figures have not been restated to reflect the application of IFRS 16.

8.5 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.

A reconciliation of free cash flow and net cash provided by operating activities is presented below:

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(in € million)	Half-Year ended 30 September 2019	Half-Year ended 30 September 2018*
Net cash provided by / (used in) operating activities	**70**	**282**
Capital expenditure (including capitalised R&D costs)	(92)	(111)
Proceeds from disposals of tangible and intangible assets	3	1
FREE CASH FLOW	**(19)**	**172**

(*) Previous year figures have not been restated to reflect the application of IFRS 16.

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.

During the first half of fiscal year 2019/20, the Group's free cash flow was negative at €(19) million compared to €172 million during the same period of the previous year.

8.6 Capital employed

Capital employed corresponds to hereafter-defined assets minus liabilities.

- Assets: sum of goodwill, intangible assets, property, plant and equipment, equity-accounted investments and other investments, other non-current assets (other than those related to financial debt and to employee defined benefit plans), inventories, costs to fulfil a contract, contract assets, trade receivables and other operating assets;
- Liabilities: sum of non-current and current provisions, contract liabilities, trade payables and other operating liabilities.

At the end of September 2019, capital employed stood at €2,469 million, compared to €2,088 million at the end of March 2019. This movement was mainly driven by the net decrease of the liability position of the Group working capital.

(in € million)	Half-Year ended 30 September 2019	Year ended 31 March 2019
Non current assets	4,758	4,313
less deferred tax assets	(302)	(299)
less non-current assets directly associated to financial debt	(186)	(201)
less prepaid pension benefits	-	-
Capital employed - non current assets **(A)**	4,270	3,813
Current assets	8,197	9,090
less cash & cash equivalents	(1,826)	(3,432)
less other current financial assets	(20)	(10)
Capital employed - current assets **(B)**	6,351	5,648
Current liabilities	8,351	8,059
less current financial debt	(745)	(1,032)
plus non current lease obligations	494	
less other obligations associated to financial debt	(186)	
plus non current provisions	238	346
Capital employed - liabilities **(C)**	8,152	7,373
CAPITAL EMPLOYED (A)+(B)-(C)	**2,469**	**2,088**

8.7 Net cash/(debt)

The net cash/(debt) is defined as cash and cash equivalents, other current financial assets and non-current financial assets directly associated to liabilities included in financial debt, less financial debt. On 30 September 2019, the Group recorded a net cash level of €991 million, as compared to the net cash position of €2,325 million on 31 March 2019.

(in € million)	Half-Year ended 30 September 2019	Year ended 31 March 2019
Cash and cash equivalents	1,826	3,432
Other current financial assets	20	10
Financial non-current assets directly associated to financial debt	-	201
less:		
Current financial debt	745	1,032
Non current financial debt	110	286
NET CASH/(DEBT) AT THE END OF THE PERIOD*	**991**	**2,325**

(*) Due to IFRS 16 implementation, the Group has chosen to exclude lease obligations from the net cash/(debt). From 1 April 2019, the net cash/(debt) is defined as cash and cash equivalents, marketable securities and other current financial asset, less borrowings. Previous year figures have not been restated to reflect the application of IFRS 16.

8.8 Organic basis

Figures presented in this section include performance indicators presented on an actual basis and on an 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.

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Condensed interim consolidated financial statements,

As of 30 September 2019

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INTERIM CONSOLIDATED INCOME STATEMENT

(in € million)	Note	Half-year ended 30 September 2019	Half-year ended 30 September 2018 (*)
Sales	**(4)**	**4,140**	**4,010**
Cost of sales		(3,424)	(3,345)
Research and development expenses	(5)	(132)	(111)
Selling expenses		(109)	(100)
Administrative expenses		(175)	(169)
Other income/(expense)	(6)	(19)	(66)
Earnings Before Interests and Taxes		**281**	**219**
Financial income	(7)	2	3
Financial expense	(7)	(42)	(49)
Pre-tax income		**241**	**173**
Income Tax Charge	(8)	(61)	(12)
Share in net income of equity-accounted investments	(13)	36	161
Net profit from continuing operations		**216**	**322**
Net profit from discontinued operations	(9)	14	245
NET PROFIT		**230**	**567**
Net profit attributable to equity holders of the parent		227	563
Net profit attributable to non controlling interests		3	4
Net profit from continuing operations attributable to:			
· Equity holders of the parent		213	318
· Non controlling interests		3	4
Net profit from discontinued operations attributable to:			
· Equity holders of the parent		14	245
· Non controlling interests		-	-
Earnings per share (in €)			
· Basic earnings per share	(10)	1.01	2.53
· Diluted earnings per share	(10)	1.01	2.51

(*) Previous year figures have not been restated to reflect the application of IFRS 16 (see Note 3.2.1)

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

ALSTOM

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Half-year ended	
(in € million)	Note	30 September 2019	30 September 2018 (*)
Net profit recognised in income statement		**230**	**567**
Remeasurement of post-employment benefits obligations	(22)	(59)	20
Equity investments at FVOCI		4	58
Income tax relating to items that will not be reclassified to profit or loss		13	(3)
Items that will not be reclassified to profit or loss		**(42)**	**75**
of which from equity-accounted investments		*-*	*60*
Fair value adjustments on cash flow hedge derivatives		(3)	-
Costs of hedging reserve		(1)	(2)
Currency translation adjustments (**)	(16)	24	(32)
Income tax relating to items that may be reclassified to profit or loss		-	-
Items that may be reclassified to profit or loss		**20**	**(34)**
of which from equity-accounted investments		*10*	*(21)*
TOTAL COMPREHENSIVE INCOME		**208**	**608**
Attributable to:			
• Equity holders of the parent		206	608
• Non controlling interests		2	-
Total comprehensive income attributable to equity shareholders arises from :			
• Continuing operations		192	363
• Discontinued operations		14	245
Total comprehensive income attributable to non controlling interests arises from :			
• Continuing operations		2	-
• Discontinued operations		-	-

(*) Previous year figures have not been restated to reflect the application of IFRS 16 (see Note 3.2.1)

(**) Includes currency translation adjustments on actuarial gains and losses for €2 million as of 30 September 2019 (not significant as of 30 September 2018)

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEET

Assets

(in € million)	Note	At 30 September 2019	At 31 March 2019 (*)
Goodwill	(11)	1,597	1,574
Intangible assets	(11)	463	470
Property, plant and equipment	(12)	1,350	953
Investments in joint-venture and associates	(13)	732	711
Non consolidated investments		70	64
Other non-current assets	(14)	244	242
Deferred Tax		302	299
Total non-current assets		**4,758**	**4,313**
Inventories	(15)	1,779	1,533
Contract assets	(15)	1,791	1,448
Trade receivables		1,636	1,661
Other current operating assets	(15)	1,145	1,006
Other current financial assets	(18)	20	10
Cash and cash equivalents	(19)	1,826	3,432
Total current assets		**8,197**	**9,090**
Assets held for sale	(9)	-	7
TOTAL ASSETS		**12,955**	**13,410**

(*) Previous year figures have not been restated to reflect the application of IFRS 16 (see Note 3.2.1)

Equity and liabilities

(in € million)	Note	At 30 September 2019	At 31 March 2019 (*)
Equity attributable to the equity holders of the parent	(16)	3,072	4,091
Non controlling interests		63	68
Total equity		**3,135**	**4,159**
Non current provisions	(15)	238	346
Accrued pensions and other employee benefits	(22)	597	533
Non-current borrowings	(20)	110	89
Non-current lease obligations	(20)	494	197
Deferred Tax		30	21
Total non-current liabilities		**1,469**	**1,186**
Current provisions	(15)	900	847
Current borrowings	(20)	745	1,013
Current lease obligations	(20)	102	19
Contract liabilities	(15)	3,017	3,001
Trade payables		1,876	1,751
Other current liabilities	(15)	1,711	1,428
Total current liabilities		**8,351**	**8,059**
Liabilities related to assets held for sale	(9)	-	6
TOTAL EQUITY AND LIABILITIES		**12,955**	**13,410**

(*) Previous year figures have not been restated to reflect the application of IFRS 16 (see Note 3.2.1)

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

ALSTOM

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(in € million)	Note	Half-year ended 30 September 2019	 30 September 2018 (*)
Net profit		**230**	**567**
Depreciation, amortisation and impairment	(11)/(12)	144	89
Expense arising from share-based payments		11	11
Cost of net financial debt and costs of foreign exchange hedging, net of interest paid and received (a) , and other change in provisions		(2)	11
Post-employment and other long-term defined employee benefits		9	7
Net (gains)/losses on disposal of assets		(2)	1
Share of net income (loss) of equity-accounted investments (net of dividends received)	(13)	19	(130)
Deferred taxes charged to income statement		19	10
Net cash provided by operating activities - before changes in working capital		**428**	**566**
Changes in working capital resulting from operating activities (b)	**(15)**	**(358)**	**(284)**
Net cash provided by/(used in) operating activities		**70**	**282**
Of which operating flows provided / (used) by discontinued operations		*-*	*-*
Proceeds from disposals of tangible and intangible assets		3	1
Capital expenditure (including capitalised R&D costs)		(92)	(111)
Increase/(decrease) in other non-current assets	(14)	(8)	2
Acquisitions of businesses, net of cash acquired	(2)	(38)	(124)
Disposals of businesses, net of cash sold		(9)	(13)
Net cash provided by/(used in) investing activities		**(144)**	**(245)**
Of which investing flows provided / (used) by discontinued operations	*(9)*	*(9)*	*(10)*
Capital increase/(decrease) including non controlling interests		3	5
Dividends paid including payments to non controlling interests		(1,238)	(84)
Repayments of bonds & notes issued	(20)	(283)	-
Changes in current and non-current borrowings	(20)	30	204
Changes in lease obligations	(20)	(50)	(9)
Changes in other current financial assets and liabilities		(11)	(9)
Net cash provided by/(used in) financing activities		**(1,549)**	**107**
Of which financing flows provided / (used) by discontinued operations		*-*	*-*
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(1,623)**	**144**
Cash and cash equivalents at the beginning of the period		3,432	1,231
Net effect of exchange rate variations		14	25
Transfer to assets held for sale		3	(3)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**(26)**	**1,826**	**1,397**
(a) Net of interests paid & received (including €(3) million related to lease obligations at 30 September 2019)		*(19)*	*(14)*
(b) Income tax paid		*(54)*	*(73)*

(*) Previous year figures have not been restated to reflect the application of IFRS 16 (see Note 3.2.1)

(in € million)	Half-year ended 30 September 2019	 30 September 2018
Net cash/(debt) variation analysis (*)		
Changes in cash and cash equivalents	(1,623)	144
Changes in other current financial assets and liabilities	11	9
Changes in bonds and notes	283	-
Changes in current and non-current borrowings	(30)	(204)
Changes in lease obligations	-	9
Transfer to assets held for sale	-	(3)
Net debt of acquired/disposed entities at acquisition/disposal date and other variations	25	20
Decrease/(increase) in net debt	(1,334)	(25)
Net cash (debt) at the begining of the period	2,325	(255)
NET CASH/(DEBT) AT THE END OF THE PERIOD	**991**	**(280)**

(*) Due to IFRS 16 implementation (see Note 3.2.1), the Group has chosen to exclude lease obligations from the net cash/(debt). From 1 April 2019, the net cash/(debt) is defined as cash and cash equivalents, marketable securities and other current financial asset (see Note 18), less borrowings (see Note 20).

The resulting impact of the IFRS 16 first time application amounts to €15 million and is included in the "net debt acquired/disposed entities at acquisition/disposal date and other variations".

Previous year figures have not been restated to reflect the application of IFRS 16 (see Note 3.2.1).

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € million, except for number of shares)	Number of outstanding shares	Capital	Additional paid-in capital	Retained earnings	Actuarial gains and losses	Cash-flow hedge	Currency translation adjustment	Equity attributable to the equity holders of the parent	Non controlling interests	Total equity
At 31 March 2018	**222,210,471**	**1,555**	**917**	**1,709**	**(263)**	**7**	**(549)**	**3,376**	**54**	**3,430**
Movements in other comprehensive income	-	-	-	57	16	-	(28)	45	(4)	41
Net income for the period	-	-	-	563	-	-	-	563	4	567
Total comprehensive income	-	-	-	**620**	**16**	-	**(28)**	**608**	-	**608**
Change in controlling interests and others	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	(78)	-	-	-	(78)	(4)	(82)
Issue of ordinary shares under long term incentive plans	638,610	5	-	-	-	-	-	5	-	5
Recognition of equity settled share-based payments	209,287	1	4	6	-	-	-	11	-	11
At 30 September 2018 (*)	**223,058,368**	**1,561**	**921**	**2,257**	**(247)**	**7**	**(577)**	**3,922**	**50**	**3,972**
Movements in other comprehensive income	-	-	-	(8)	(64)	-	64	(8)	4	(4)
Net income for the period	-	-	-	118	-	-	-	118	8	126
Total comprehensive income	-	-	-	**110**	**(64)**	-	**64**	**110**	**12**	**122**
Change in controlling interests and others	-	-	-	(10)	-	(7)	53	36	6	42
Dividends	-	-	-	-	-	-	-	-	-	-
Issue of ordinary shares under long term incentive plans	-	-	-	(5)	-	-	-	(5)	-	(5)
Recognition of equity settled share-based payments	513,945	4	10	14	-	-	-	28	-	28
At 31 March 2019	**223,572,313**	**1,565**	**931**	**2,366**	**(311)**	-	**(460)**	**4,091**	**68**	**4,159**
Movements in other comprehensive income	-	-	-	2	(43)	(3)	23	(21)	(1)	(22)
Net income for the period	-	-	-	227	-	-	-	227	3	230
Total comprehensive income	-	-	-	**229**	**(43)**	**(3)**	**23**	**206**	**2**	**208**
Change in controlling interests and others	-	-	-	(5)	-	-	-	(5)	(3)	(8)
Dividends	-	-	-	(1,234)	-	-	-	(1,234)	(4)	(1,238)
Issue of ordinary shares under long term incentive plans	732,073	5	-	(5)	-	-	-	-	-	-
Recognition of equity settled share-based payments	135,062	1	2	11	-	-	-	14	-	14
At 30 September 2019	**224,439,448**	**1,571**	**933**	**1,362**	**(354)**	**(3)**	**(437)**	**3,072**	**63**	**3,135**

(*) Total equity of € 4,021 million as published in half year 30 September 2018 consolidated accounts prior to final IFRS 9 and IFRS 15 restatement disclosed in March 2019.

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

ALSTOM

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

ALSTOM

Alstom is a leading player in the world rail transport industry. As such, the Company offers a complete range of solutions, including rolling stock, systems, services as well as signalling for passenger and freight railway transportation. It benefits from a growing market with solid fundamentals. The key market drivers are urbanisation, environmental concerns, economic growth, governmental spending and digital transformation.

In this context, Alstom has been able to develop both a local and global presence that sets it apart from many of its competitors, while offering proximity to customers and great industrial flexibility. Its range of solutions, one of the most complete and integrated on the market, and its position as a technological leader, place Alstom in a unique situation to benefit from the worldwide growth in the rail transport market. Lastly, in order to generate profitable growth, Alstom focuses on operational excellence and its product mix evolution.

The condensed interim consolidated financial statements are presented in euro and have been authorized for issue by the Board of Directors held on 5 November 2019.

A. MAJOR EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION

NOTE 1. MAJOR EVENTS

On 11 September 2019, Bouygues announced the sale of 29,150,000 shares representing 13% of Alstom's share capital through accelerated book building to institutional investors. Following this transaction, the Bouygues Group will remain Alstom's main shareholder, with 14.7% of the company's share capital and will still hold two seats on the Board of Directors.

NOTE 2. CHANGES IN CONSOLIDATION SCOPE

Electrovoz Khurastyru Zauyty LLP (EKZ)

As at 22 December 2017, Alstom signed an agreement with the Kazakh national railway company (KTZ) to acquire their 25% stake in the EKZ Joint Venture (JV) for €21 million, recognized in March 2018 Group Financial Statement as non-current assets because of unmet suspensive conditions. As at 25 February 2019, all the suspensive conditions have been met and Alstom owns 75% of the shares, conferring the control over the Kazakh company, which is specialized in the manufacturing and the maintenance of electric locomotives especially for the Eurasian Economic Union and CIS markets.

The preliminary purchase price allocation determined at 31 March 2019 has been reassessed at 30 September 2019 resulting in the re-measurement of intangible assets (order backlog margin (for projects) and customer relationships), and of liabilities as well as deferred tax liabilities recognition.

Recognised assets and liabilities may be subsequently adjusted until 25 February 2020, depending on new information obtained about the facts and circumstances existing at the acquisition date.

The reassessed preliminary goodwill amounts to €109 million (see note 11) and is mainly supported by the pipeline of opportunities on the Rolling stock business in this geographic area as well as by expected future synergies between EKZ and Alstom businesses.

(in € million)	**25 February 2019**
Total non-current assets	59
Total current assets	36
Total assets	**95**
Total non-current liabilities	20
Total current liabilities	139
Total liabilities	**159**
FAIR VALUE OF ASSETS/ (LIABILITIES) ATTRIBUTABLE TO THE SHAREHOLDERS OF THE GROUP	**(64)**
Consideration price	**45**
Goodwill	**109**

SpeedInnov

Through its affiliate SpeedInnov, a joint-venture created in 2015 with ADEME, Alstom focused on its 'Very high-speed train of the future' project, aiming to promote a new generation of very high-speed trainset which will reduce acquisition and operating costs by at least 20%, optimise the environmental footprint and develop the commercial offer to improve passenger experience. In this context, Alstom invested into an increase in capital in this joint-venture for €36 million during June 2019 increasing its stake from 65.1% to 71.0% with no change in consolidation method.

B. ACCOUNTING POLICIES AND USE OF ESTIMATES

NOTE 3. ACCOUNTING POLICIES

3.1 Basis of preparation of the condensed interim consolidated financial statements

Alstom ("the Group") condensed interim consolidated financial statements for the half-year ended 30 September 2019 are presented and have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations published by the International Accounting Standards Board (IASB), endorsed by the European Union and which application was mandatory at 1 April 2019, and in accordance with IAS 34, Interim Financial Reporting. This standard provides that condensed interim financial statements do not include all the information required under IFRS for the preparation of annual consolidated financial statements. These condensed interim consolidated financial statements must therefore be read in conjunction with the Group's consolidated financial statements at 31 March 2019.

The accounting policies and measurement methods used to prepare these condensed interim consolidated financial statements are identical to those applied by the Group at 31 March 2019 and described in Note 2 to the consolidated financial statements for the year ended 31 March 2019, except:

- new standards and interpretations mandatorily applicable presented in paragraph 3.2 below;
- the specific measurement methods of IAS 34 applied for the preparation of condensed interim consolidated financial statements regarding estimate of tax expense (as described in Note 8) and Post-employment and other long term employee defined benefits valuations (as described in Note 22).

3.2 New standards and interpretations mandatorily applicable for financial periods beginning on 1 April 2019

3.2.1 IFRS 16 Lease

IFRS 16 "Leases", applicable for the exercises starting from 1 January 2019, introduces a single lessee accounting model for almost all lease contracts under which a lessee is required to recognize a right-of-use asset and a lease liability representing its present obligation to make lease payments. IFRS 16 also substantially carries forward the lessor accounting treatment. Accordingly, the Group, when lessor, will therefore continue to classify its leases as finance leases or operating leases, and to account for those two types of leases differently.

The Group adopted IFRS 16 "Leases" on 1 April 2019, according to the simplified retrospective approach, without restatement of prior period comparatives.

Any contract containing a lease leads to the recognition on the lessee's balance sheet of a lease liability measured at the present value of the remaining lease payments and a right-of-use asset measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment recognized in the balance sheet as of 1 April 2019. The Group has elected to apply the two exemptions proposed by the standard for leases with a term of less than 12 months and/or leases of low-value assets.

Since the interest rate implicit in the leases cannot be readily determined, discount rates are based on each lessee's marginal borrowing rate. The Group opted for the calculation method using discount rate per currency and by duration. When applying IFRS 16 for the first time, the Group has used discount rates based on the residual term of the lease at the date of transition.

The lease term used is the non-cancellable period of the lease, plus any extension/early termination options that the Group is reasonably certain to exercise.

For leases that were classified as finance leases under IAS 17, the Group did not change the carrying amount of the right-of-use asset and the lease liability as of 31 March 2019 measured under IAS 17.

The Group is reporting its results for the first semester 2019/20 applying this new standard. The balance sheet, income statement and statement of cash flows are amended accordingly as follows:

- In the balance sheet, an asset related to the right-of-use is recognized and recorded in property, plant, and equipment, while a corresponding lease liability is recognized in financial debt. Right-of-use leased assets mainly relate to land, buildings and offices as well as industrial equipment, vehicles and other equipment (see note 12)
- In the income statement, the right-of-use asset is amortised either in cost of sales or in administration costs and a financial expense corresponding to the interest on the lease liability is recorded in financial income and expenses, replacing the lease payments previously charged to EBIT. The tax impact of this adjustment is recognized via deferred taxes.
- In the cash flow statement, cash flows from operating activities are impacted by interest expenses paid and cash flows from financing activities are impacted by the reimbursement of the principal of lease liability. Previously cash flows from operating activities were impacted by the total of lease payments.
- The IFRS 16 lease obligations are excluded from the net cash/(debt) calculation for the Group, with a view to clarify its financial indicator calculation.

The table below presents the effects of application of IFRS 16 on the consolidated financial position at 1 April 2019 with no effect on equity.

(in € million)	**IFRS 16 First Application**
Property, plant and equipment	392
Other current operating assets (*)	(4)
TOTAL ASSETS	**388**
Lease obligations	388
TOTAL LIABILITIES	**388**

(*) It corresponds to prepaid expenses

At 1 April 2019, the difference between the financial liability measured in accordance with IFRS 16 above and the future minimum lease commitments reported as of 31 March 2019, amounting to 415 million euros, is mainly due to the effect of discounting future lease payments, and to a lesser extent, to an increase in the terms of the leases under consideration and finally to the exclusion of short-term leases and low value leases from the lease liability calculation.

3.2.2 IFRIC 23 - Uncertainty over income tax treatments

In June 2017, the IASB released IFRIC 23, Uncertainty over income tax treatments. The interpretation clarifies the application of recognition and measurement requirements in IAS 12, Income Taxes, when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the tax treatment, assuming that the tax authority has full knowledge of all relevant information.

The Group has applied IFRIC 23 as of 1 April 2019, using the cumulative effect method of adoption at the date of initial application, without restating prior period information. The Group has recognized no impact on consolidated shareholder's equity following IFRIC 23 first time application. Nevertheless, liabilities for uncertainty over income tax treatments formerly included under non-current provisions have been reclassified to current income tax liabilities for €122 million.

3.2.3 Other new standards and interpretations mandatorily applicable for financial periods beginning on 1 April 2019

Several amendments are applicable at 1 April 2019:

- Amendments to IAS 19 - Plan Amendment, curtailment or settlement;
- Amendments to IAS 28 - Long-term interests in associates and joint ventures;
- Annual improvement to IFRS Standards 2015-2017 cycle.

All these amendments effective at 1 April 2019 for Alstom have no material impact on the Group's consolidated financial statements.

3.3 New standards and interpretations not yet mandatorily applicable

New standards and interpretations endorsed by the European Union not yet mandatorily applicable

There are no new standards and interpretations endorsed by the European Union and not yet applicable on 1 April 2019.

New standards and interpretations not yet approved by the European Union

- Amendments to References to the Conceptual Framework in IFRS Standards. The amendments will be applicable for annual periods beginning after 1 January 2020.
- Amendments to IFRS 3 Business Combinations. The amendment will be applicable for annual periods beginning after 1 January 2020.
- Amendments to IAS 1 and IAS 8: Definition of material. The amendments will be applicable for annual periods beginning after 1 January 2020.

The potential impacts of these new pronouncements are currently being analyzed.

C. SEGMENT INFORMATION

NOTE 4. SEGMENT INFORMATION

The financial information of Alstom Group is regularly reviewed by the Executive Committee, identified as Chief Operating Decision Maker, for assessing performance and allocating resources. This reporting presents Key Performance Indicators at Group level.

Sales by product

	Half-year ended	
(in € million)	**30 September 2019**	**30 September 2018**
Rolling stock	1,898	1,736
Services	718	749
Systems	801	888
Signalling	723	637
TOTAL GROUP	**4,140**	**4,010**

Sales by country of destination

	Half-year ended	
(in € million)	**30 September 2019**	**30 September 2018**
Europe	2,269	1,982
of which France	*778*	*626*
Americas	687	728
Asia & Pacific	458	450
Middle-East & Africa	726	850
TOTAL GROUP	**4,140**	**4,010**

Backlog by product

(in € million)	**At 30 September 2019**	**At 31 March 2019**
Rolling stock	21,340	20,672
Services	13,273	12,779
Systems	2,961	3,311
Signalling	3,756	3,719
TOTAL GROUP	**41,330**	**40,481**

Backlog by country of destination

(in € million)	At 30 September 2019	At 31 March 2019
Europe	20,024	18,212
of which France	*7,562*	*6,802*
Americas	6,220	6,297
Asia & Pacific	5,617	5,752
Middle-East & Africa	9,469	10,220
TOTAL GROUP	**41,330**	**40,481**

Information about major customers

No external customer represents individually 10% or more of the Group's consolidated sales.

D. OTHER INCOME STATEMENT

NOTE 5. RESEARCH AND DEVELOPMENT EXPENDITURE

	Half-year ended	
(in € million)	30 September 2019	30 September 2018
Research and development gross cost	(192)	(147)
Funding received	56	36
Research and development spending, net	**(136)**	**(111)**
Development costs capitalised during the period	32	27
Amortisation expense of capitalised development costs	(28)	(27)
Research and development expenses	**(132)**	**(111)**

During the half-year ended 30 September 2019, the Group mainly invested in development of several Research and Development programs, notably:

- the "Very high-speed train" Avelia™ with the view to deliver the first trains in 2023;
- the Citadis™ X05 light rail vehicle, with 26 trams commissioned in Caen in July 2019 and with SRS, static recharge station as energy supply solution delivered in the Nice L2;
- Development of the ATLAS™ product suite to enhance the signaling solutions for Railways in Europe;
- the signalling solution namely Urbalis 500™;
- the 100% electric bus, Aptis™: first contracts have been awarded in Paris, Strasbourg, Grenoble, La Rochelle and Toulon.

NOTE 6. OTHER INCOME AND EXPENSE

	Half-year ended	
(in € million)	30 September 2019	30 September 2018
Restructuring and rationalisation costs	(7)	(34)
Impairment loss and other	(12)	(32)
Other income / (expense)	**(19)**	**(66)**

In the 6 months period ended 30 September 2019, restructuring and rationalisation costs are mainly related to the adaptation of the means of production.

Over the period ended at 30 September 2019, Impairment loss and other represent mainly:

- €(8) million of amortisation of intangible assets and integration costs related to business combinations, such as GE Signalling, EKZ and Nomad;
- €2 million related to capital gain on disposal of assets;
- €(6) million related to some legal proceedings (see Note 23) and other risks, arisen outside of the ordinary course of business.

NOTE 7. FINANCIAL INCOME (EXPENSE)

	Half-year ended	
(in € million)	30 September 2019	30 September 2018 (*)
Interest income	2	2
Interest expense on borrowings and on lease obligations	(29)	(30)
NET FINANCIAL INCOME/(EXPENSES) ON DEBT	**(27)**	**(28)**
Net cost of foreign exchange hedging	(10)	(11)
Net financial expense from employee defined benefit plans	(5)	(5)
Financial component on contracts	6	3
Other financial income/(expense)	(4)	(5)
NET FINANCIAL INCOME/(EXPENSES)	**(40)**	**(46)**

(*) Previous year figures have not been restated to reflect the application of IFRS 16 (see Note 3.2.1)

Over the period ended at 30 September 2019, interest expenses on lease obligations amounts to €(4) million.

NOTE 8. TAXATION

In accordance with IAS 34, income tax charge is recognized based on management's estimate of the projected effective tax rate for the whole financial year to the pre-tax income of the interim period and takes into consideration potential discrete items.

As at 30 September 2019, effective tax rate is 25%, as compared to 7% as at 30 September 2018. This 7% effective tax rate was due to deferred tax assets recognized on previous tax loss carry forwards as well as reversal of tax provisions.

NOTE 9. FINANCIAL STATEMENTS OF DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Accounting methods and principles applicable to discontinued operations are identical to those used at 30 September 2018 and 31 March 2019.

In the context of General Electric transaction, the remaining Chinese entity accounted for as Asset Held For Sale at 31 March 2019 has been sold. At 30 September 2019, the Group has no longer any Assets Held For Sale.

The line "Net profit from discontinued operations", recognized in the Consolidated Income Statement, includes the reassessment of liabilities related to the disposal of activities. Over the period ended 30 September 2019, Alstom recognized a profit for €14 million.

Alstom's Consolidated Statement of Cash Flows takes into account the cash flows of staggered and delayed transferred assets, and costs directly related to the sale of Energy activities. Cash flows arising from discontinued operations for the fiscal year amount to €(9) million.

In the context of the General Electric transaction, the release of some conditional and unconditional parent company guarantees formerly issued, mainly by Alstom Holdings SA, to cover obligations of the former Energy affiliates in an amount of €5.9 billion**.** The Group benefits from a general indemnification from General Electric in these matters.

NOTE 10. EARNINGS PER SHARE

	Half-year ended	
(in € million)	**30 September 2019**	**30 September 2018 (*)**
Net Profit attributable to equity holders of the parent :		
• From continuing operations	213	318
• From discontinued operations	14	245
EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**227**	**563**

(*) Previous year figures have not been restated to reflect the application of IFRS 16 (see Note 3.2.1)

	Half-year ended	
number of shares	**30 September 2019**	**30 September 2018**
Weighted average number of ordinary shares used to calculate basic earnings per share	**224,238,795**	**222,426,320**
Effect of dilutive instruments other than bonds reimbursable with shares:		
• Stock options and performance shares (LTI plan) (*)	1,501,787	2,011,860
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED TO CALCULATE DILUTED EARNINGS PER SHARES	**225,740,582**	**224,438,180**

(*) As at September 2018, the number of stock options and performance shares has been restated, without any significant impact on diluted earnings per share.

	Half-year ended	
(in €)	**30 September 2019**	**30 September 2018 (*)**
Basic earnings per share	1.01	2.53
Diluted earnings per share	1.01	2.51
Basic earnings per share from continuing operations	0.95	1.43
Diluted earnings per share from continuing operations	0.95	1.42
Basic earnings per share from discontinued operations	0.06	1.10
Diluted earnings per share from discontinued operations	0.06	1.09

(*) Previous year figures have not been restated to reflect the application of IFRS 16 (see Note 3.2.1)

E. NON-CURRENT ASSETS

NOTE 11. GOODWILL AND INTANGIBLE ASSETS

11.1 Goodwill

(in € million)	**At 31 March 2019**	**Acquisitions and adjustments on preliminary goodwill**	**Disposals**	**Translation adjustments and other changes**	**At 30 September 2019**
GOODWILL	**1,574**	**12**	**-**	**11**	**1,597**
Of which:					
Gross value	1,574	12	-	11	1,597
Impairment	-	-	-	-	-

Movements between 31 March 2019 and 30 September 2019 mainly arose from the re-measurement of EKZ purchase price allocation for an amount of € 12 million (see Note 2).

The Group did not identify any triggering events and therefore no impairment test was deemed necessary as of September 30, 2019.

11.2 Intangible assets

(in € million)	At 31 March 2019	Additions / disposals / amortisation / impairment	Other changes including CTA & scope	At 30 September 2019
Development costs	1,283	32	(1)	1,314
Other intangible assets	457	3	(1)	459
Gross value	**1,740**	**35**	**(2)**	**1,773**
Development costs	(1,000)	(28)	2	(1,026)
Other intangible assets	(270)	(13)	(1)	(284)
Amortisation and impairment	**(1,270)**	**(41)**	**1**	**(1,310)**
Development costs	283	4	1	288
Other intangible assets	187	(10)	(2)	175
NET VALUE	**470**	**(6)**	**(1)**	**463**

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

(in € million)	At 31 March 2019	Additions / amortisation / impairment	Disposals	Other changes of which translation adjustments and scope (*)	At 30 September 2019
Land	92	2	(3)	4	95
Buildings	950	63	(15)	379	1,377
Machinery and equipment	852	22	(3)	19	890
Constructions in progress	149	22	-	(48)	123
Tools, furniture, fixtures and other	217	4	(2)	26	245
Gross value	**2,260**	**113**	**(23)**	**380**	**2,730**
Land	(9)	-	3	-	(6)
Buildings	(494)	(62)	15	2	(539)
Machinery and equipment	(635)	(28)	3	5	(655)
Constructions in progress	(3)	-	-	(1)	(4)
Tools, furniture, fixtures and other	(166)	(13)	2	1	(176)
Amortisation and impairment	**(1,307)**	**(103)**	**23**	**7**	**(1,380)**
Land	83	2	-	4	89
Buildings	456	1	-	381	838
Machinery and equipment	217	(6)	-	24	235
Constructions in progress	146	22	-	(49)	119
Tools, furniture, fixtures and other	51	(9)	-	27	69
NET VALUE	**953**	**10**	**-**	**387**	**1,350**

(*) Main variations result from IFRS 16 first application (see Note 3.2.1)

The Group continues to adapt and modernize its industrial footprint around the world, notably with the construction or renovation of manufacturing sites in Poland, in the USA and in South Africa.

The commitments of fixed assets amount to €44 million at 30 September 2019 (€101 million at 31 March 2019).

Property, Plant and Equipment balances include Right-of-Use related to Leased Assets for the following amounts:

(in € million)	At 31 March 2019	Additions / amortisation / impairment	Disposals	Other changes of which translation adjustments and scope (*)	At 30 September 2019
Land	-	2	-	4	6
Buildings	30	41	-	343	414
Machinery and equipment	4	2	-	14	20
Tools, furniture, fixtures and other	2	3	-	24	29
Gross value	**36**	**48**	**-**	**385**	**469**
Buildings	(18)	(36)	-	4	(50)
Machinery and equipment	(4)	(2)	-	1	(5)
Tools, furniture, fixtures and other	(1)	(6)	-	1	(6)
Amortisation and impairment	**(23)**	**(44)**	**-**	**6**	**(61)**
Land	-	2	-	4	6
Buildings	12	5	-	347	364
Machinery and equipment	-	-	-	15	15
Tools, furniture, fixtures and other	1	(3)	-	25	23
NET VALUE	**13**	**4**	**-**	**391**	**408**

(*) Including IFRS 16 first application impact for €392 million on the net value (see Note 3.2.1)

NOTE 13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Financial information

	Share in equity		Share of net income	
(in € million)	At 30 September 2019	At 31 March 2019	Half-year ended 30 September 2019	Half-year ended 30 September 2018
Energy Alliances	-	-	-	99
TMH Limited	541	538	17	49
Other Associates	103	114	20	18
Associates	**644**	**652**	**37**	**166**
SpeedInnov JV	88	59	(1)	(1)
Other Joint ventures	-	-	-	(4)
Joint ventures	**88**	**59**	**(1)**	**(5)**
TOTAL	**732**	**711**	**36**	**161**

Movements during the period

(in € million)	At 30 September 2019	At 31 March 2019
Opening balance	**711**	**533**
Share in net income of equity-accounted investments after impairment	36	195
Dividends	(55)	(52)
Acquisitions	36	117
Disposals	-	(219)
Translation adjustments and other	4	137
CLOSING BALANCE	**732**	**711**

At 30 September 2019, Alstom invested into an increase in capital in SpeedInnov for €36 million during June 2019 (see Note 2).

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13.1 TMH Limited (new holding of The Breakers Investments B.V and Locotech Services)

Until June 2018, Alstom owned 33% of The Breakers Investments B.V., the 100% holding company of Transmashholding ("TMH"), the leading Russian railway equipment manufacturer that operates in Russia and in the other countries of the Commonwealth of Independent States (CIS). Alstom also had three seats on the TMH Board of Directors.

In June 2018, TMH and Locotech Services agreed to combine under a new holding TMH Limited. Following the transaction, the contribution of Alstom has been diluted. In the meantime, additional shares of TMH Limited have been bought by the Group from the other shareholders to increase its ownership up to 20% for €117 million (including capitalised acquisition costs for €2 million). From now on, Alstom holds one seat on the TMH Limited Board of Directors, two seats on TMH's Board of Directors and two seats on the Locotech Services Board of Directors. Therefore, the Group retains a significant influence.

For practical reason, to be able to get timely and accurate information, data as of 30 June 2019 and 31 December 2018 are retained and booked within Alstom's 30 September 2019 and 31 March 2019 accounts. The length of the reporting periods and any difference between the ends of the reporting periods remain the same from period to period to allow comparability and consistency.

The summarized financial information (at 100%) presented below are the figures disclosed in the financial statements of TMH Limited at 30 June 2019 and 31 December 2018 and are established in accordance with IFRS. These financial statements, established in Rubles, were converted to euros based on the rates used by the Group at 30 September 2019 and 31 March 2019.

Balance sheet

(in € million)	TMH Limited **At 30 June 2019**	TMH Limited **At 31 December 2018**
Non-current assets	4,071	3,911
Current assets	2,323	1,908
TOTAL ASSETS	**6,394**	**5,819**
Equity-attributable to the owners of the parent company	3,148	3,049
Equity-attributable to non-controlling interests	215	222
Non current liabilities	822	858
Current liabilities	2,209	1,690
TOTAL EQUITY AND LIABILITIES	**6,394**	**5,819**
Equity interest held by the Group	20%	20%
NET ASSET	**630**	**610**
Goodwill	46	44
Impairment of share in net asset of equity investments	(37)	(36)
Dividends	(23)	(6)
Other (*)	(75)	(74)
CARRYING VALUE OF THE GROUP'S INTERESTS	**541**	**538**

(*) It corresponds to the restatements to TMH historical value before the combined operation.

Income statement

(in € million)	TMH Limited (*) Half-year ended 30 June 2019	TMH Half-year ended 30 June 2018
Sales	2,371	1,456
Net income from continuing operations	54	172
Share of non-controlling interests	8	(26)
Net income attributable to the owners of the parent company	**62**	**146**
Equity interest held by the Group	20%	33%
Share in the net income	**12**	**48**
Other items (**)	5	1
GROUP'S SHARE IN THE NET INCOME	**17**	**49**

(*) From 1 July 2018, TMH limited includes both TMH business and Locotech Services business.
(**) Correspond to the fair value restatements calculated at the time of acquisition.

13.2 Other associates

The Group's investment in other associates comprises investment in Casco, held by the Group at 49%, for €96 million (of which €19 million of net profit) as well as other associates which are not significant on an individual basis. On aggregate, the net carrying value of Alstom's Investment represents €103 million as of 30 September 2019 (€114 million as of 31 March 2019).

NOTE 14. OTHER NON-CURRENT ASSETS

(in € million)	At 30 September 2019	At 31 March 2019
Financial non-current assets associated to financial debt (*)	186	201
Long-term loans, deposits and other	58	41
Other non-current assets	**244**	**242**

(*) These non-current assets relate to a long-term rental of trains and associated equipment to a London metro operator (see Note 20).

Movements over the semester include a foreign exchange translation impacts of €(6) million.

F. WORKING CAPITAL

NOTE 15. WORKING CAPITAL

(in € million)	At 30 September 2019	At 31 March 2019	Variation
Inventories	1,779	1,533	246
Contract assets	1,791	1,448	343
Trade receivables	1,636	1,661	(25)
Other current operating assets / (liabilities)	(566)	(422)	(144)
Contract liabilities	(3,017)	(3,001)	(16)
Provisions	(1,138)	(1,193)	55
Trade payables	(1,876)	(1,751)	(125)
WORKING CAPITAL	**(1,391)**	**(1,725)**	**334**

(in € million)	For the half-year ended 30 September 2019
Working capital at the beginning of the period	**(1,725)**
Changes in working capital resulting from operating activities	358
Changes in working capital resulting from investing activities	(4)
Translation adjustments and other changes	(20)
Total changes in working capital	**334**
Working capital at the end of the period	**(1,391)**

Over the period ended 30 September 2019, the Group entered into agreements of assignment of receivables that lead to the derecognition of trade receivables for an amount of €133 million. The total disposed amount outstanding at 30 September 2019 is €119 million.

15.1 Inventories

(in € million)	At 30 September 2019	At 31 March 2019
Raw materials and supplies	1,065	881
Work in progress	771	711
Finished products	155	150
Inventories, gross	**1,991**	**1,742**
Raw materials and supplies	(140)	(128)
Work in progress	(64)	(72)
Finished products	(8)	(9)
Write-down	**(212)**	**(209)**
Inventories, net	**1,779**	**1,533**

15.2 Net contract Assets/(Liabilities)

(in € million)	At 30 September 2019	At 31 March 2019	Variation
Cost to fulfil a contract	17	24	(7)
Contract assets	1,774	1,424	350
Total contract assets	**1,791**	**1,448**	**343**
Contract liabilities	(3,017)	(3,001)	(16)
Net contract Assets/(Liabilities)	**(1,226)**	**(1,553)**	**327**

Net contract Assets/(Liabilities) include down-payments for €2,373 million at 30 September 2019 and €2,263 million at 31 March 2019.

15.3 Other current operating assets & liabilities

(in € million)	At 30 September 2019	At 31 March 2019 (*)
Down payments made to suppliers	71	86
Corporate income tax	79	84
Other taxes	301	258
Prepaid expenses	75	55
Other receivables	301	218
Derivatives relating to operating activities	148	159
Remeasurement of hedged firm commitments in foreign currency	170	146
Other current operating assets	**1,145**	**1,006**

(*) Previous year figures have not been restated to reflect the application of IFRS 16 (see Note 3.2.1)

(in € million)	At 30 September 2019	At 31 March 2019
Staff and associated liabilities	432	520
Corporate income tax (*)	138	17
Other taxes	109	70
Deferred income	8	6
Other payables	701	515
Derivatives relating to operating activities	244	202
Remeasurement of hedged firm commitments in foreign currency	79	98
Other current operating liabilities	**1,711**	**1,428**

(*) Liabilities for uncertainty over income tax treatments have been reclassified following IFRIC 23 application (see Note 2.3.2).

Over the period ended 30 September 2019, the Group entered into agreements of assignment of receivables that lead to the derecognition of tax receivables for an amount of €63 million. The total disposed amount outstanding at 30 September 2019 is €134 million.

15.4 Provisions

(in € million)	At 31 March 2019	Additions	Releases	Applications	Translation adjustments and other	At 30 September 2019
Warranties	227	105	(23)	(35)	-	274
Risks on contracts	620	133	(68)	(73)	14	626
Current provisions	**847**	**238**	**(91)**	**(108)**	**14**	**900**
Tax risks & litigations (*)	165	22	(4)	(1)	(120)	62
Restructuring	43	3	(2)	(10)	-	34
Other non-current provisions	138	10	(2)	(4)	-	142
Non-current provisions	**346**	**35**	**(8)**	**(15)**	**(120)**	**238**
Total Provisions	**1,193**	**273**	**(99)**	**(123)**	**(106)**	**1,138**

(*) Liabilities for uncertainty over income tax treatments related to income tax risks have been reclassified following IFRIC 23 application (see Note 2.3.2).

Provisions for warranties relate to estimated costs to be incurred over the residual contractual warranty period on completed contracts.

Provisions for risks on contracts relate to provisions on contract losses and to commercial disputes and operating risks.

In relation to uncertain tax treatments and tax risks, the Group tax filings are subject to audit by tax authorities in most jurisdictions in which the Group operates. These audits may result in assessment of additional taxes that are subsequently resolved with the authorities or potentially through the courts. The Group believes that it has strong arguments against the questions being raised, that it will pursue all legal remedies to avoid an unfavourable outcome and that it has adequately provided for any risk that could result from those proceedings where it is probable that it will pay some amounts. Due to the first-time application of IFRIC 23, it is to be noted that the uncertain tax treatments related to corporate income taxes have been reclassified as tax liabilities (see Note 2.3.2).

Restructuring provisions mainly derive from the adaptation of the means of production in certain countries, as Germany.

Other non-current provisions mainly relate to guarantees delivered or risks in connection with disposals, employee litigations, commercial disputes and environmental obligations.

The management identifies and analyses on a regular basis current litigations and other risks, using its best estimate to assess, when necessary, provisions. These estimates take into account information available and different possible outcomes. Main disputes are described in Note 23.

G. EQUITY AND DIVIDENDS

NOTE 16. EQUITY

16.1 Capital

At 30 September 2019, the share capital of Alstom amounts to €1,571,076,136 consisting of 224,439,448 ordinary shares with a par value of €7 each. Over the period, the weighted average number of outstanding ordinary shares amounts to 224,238,795 after the dilutive effect of bonds reimbursable in shares "Obligations Remboursables en Actions" and to 225,740,582 after the effect of all dilutive instruments.

During the period ended 30 September 2019:

- 320 bonds reimbursable in shares "Obligations Remboursables en Actions" were converted into 20 shares. The 73,018 bonds reimbursable in shares outstanding at 30 September 2019 represent 4,586 shares to be issued;
- 135,042 ordinary shares were issued under equity settled share-based payments;
- 732,073 ordinary shares were issued under long term incentive plans.

16.2 Currency translation adjustment

As at 30 September 2019, the currency translation group reserve amounts to €(436) million.

The currency translation adjustment, presented within the consolidated statement of comprehensive income for €24 million, primarily reflects the effect of variations of the US Dollar (€20 million), Russian Federation Rouble (€16 million), Chinese Yuan (€(5) million) and Brazilian Real (€(5) million) against the Euro for the half-year ended 30 September 2019.

NOTE 17. DISTRIBUTION OF DIVIDENDS

The Shareholders' Meeting of Alstom held on 10 July 2019 decided to distribute for the financial year ended 31 March 2019, a dividend in cash for €5.50 by share. Dividends have been fully paid on 17 July 2019 for a total amount of €1,234 million.

At 30 September 2019, €4 million of dividends, granted to non-controlling interests, have been paid.

H. FINANCING AND FINANCIAL RISK MANAGEMENT

NOTE 18. OTHER CURRENT FINANCIAL ASSETS

As at 30 September 2019, other current financial assets comprise the positive market value of derivatives instruments hedging financing activities.

(in € million)	At 30 September 2019	At 31 March 2019
Derivatives related to financing activities and others	20	10
OTHER CURRENT FINANCIAL ASSETS	**20**	**10**

NOTE 19. CASH AND CASH EQUIVALENTS

(in € million)	At 30 September 2019	At 31 March 2019
Cash	1,009	595
Cash equivalents	817	2,837
CASH AND CASH EQUIVALENT	**1,826**	**3,432**

In addition to bank open deposits classified as cash for €1,009 million, the Group invests in cash equivalents:

- Euro money market funds for an amount of €502 million (€2,415 million at 31 March 2019) qualified as “monetary” or “monetary short-term” under the French AMF classification;
- Bank term deposits that can be terminated at any time with less than three months notification period for an amount of €315 million (€422 million at 31 March 2019).

NOTE 20. FINANCIAL DEBT

		Cash movements	Non-cash movements		
(in € million)	At 31 March 2019	Net cash variation	Change in scope	Translation adjustments and other (*)	At 30 September 2019
Bonds	878	(283)	-	1	596
Other borrowing facilities	196	30	-	-	226
Derivatives relating to financing activities	21	-	-	(3)	18
Accrued interests	7	(18)	-	26	15
Borrowings	**1,102**	**(271)**	**-**	**24**	**855**
Lease obligations	**216**	**(53)**	**-**	**433**	**596**
Total financial debt	**1,318**	**(324)**	**-**	**457**	**1,451**

(*) Including IFRS 16 first application impact for €388 million on lease obligations (see Note 3.2.1)

Lease obligations include obligations under long-term rental representing liabilities related to lease obligations on trains and associated equipment for €186 million at 30 September 2019 and €201 million at 31 March 2019 (see Note 14).

Paid interests are disclosed in the “net cash provided by operating activities” part in the cash flow statement. Interests paid related to borrowings amount to €(18) million and those related to lease obligations amount to €(3) million over the semester.

Bonds

The following table summarizes terms of the Group’s bond:

	Initial Nominal value (in € million)	Maturity date (dd/mm/yy)	Nominal interest rate	Effective interest rate	Accounting value at 30 September 2019	Market value at 30 September 2019
Alstom March 2020	750	18/03/2020	4.50%	4.58%	596	609
Total and weighted average rate			**4.50%**	**4.58%**	**596**	**609**

The July 19 bond was repaid on 18 July 2019 for a total outstanding amount of €283 million.

Other borrowings facilities

Other borrowings consist in banking facilities drawn by affiliates.

ALSTOM

Lease Obligations

The Lease obligations have increased with the implementation of IFRS 16 as the net present value of future lease payments of operating leases is now recognized in Lease liability (see Note 3.2.1).

NOTE 21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The main categories of financial assets and financial liabilities of the Group and Financial Risk Management are identical to those described in the consolidated financial statements at 31 March 2019.

Revolving Credit Facility

In addition to its available cash and cash equivalents, amounting to €1,826 million at 30 September 2019, the Group can access a €400 million revolving credit facility, maturing in June 2022, which is fully undrawn at 30 September 2019.

Commercial obligations

Contractual obligations of the Group towards its customers may be guaranteed by bank bonds or insurance bonds. Bank and insurance bonds may guarantee liabilities already recorded on the balance sheet as well as contingent liabilities.

To issue these bonds, the Group relies on both uncommitted bilateral lines in numerous countries and a €3 billion Committed Bilateral Bonding Facility Agreement ("CBBGFA") with five tier one banks allowing issuance until 2st November 2020 of bonds with tenors up to 7 years. This bilateral line contains a change of control clause, which may result in the program being suspended, in the obligation to procure new bonds to replace outstanding bonds or to provide cash collateral, as well as early reimbursement of the other debts of the Group, as a result of their cross-default or cross-acceleration provisions.

As at 30 September 2019, the total outstanding bonding guarantees related to contracts from continuing operations, issued by banks or insurance companies, amounted to €9.2 billion (€ 8.8 billion at 31 March 2019).

The available amount under the Committed Bilateral Bonding Guarantee Facility Agreement at 30 September 2019 amounts to €1.3 billion (€1.2 billion at 31 March 2019). The Committed Bilateral Bonding Guarantee Facility Agreement includes a financial covenant (leverage ratio) based on consolidated figures of the Group and consistent with the financial covenant of the revolving credit facility.

Financial covenant

- Both the Revolving Credit Facility (RCF) and the Committed Bilateral Bonding Guarantee Facility Agreement (CBBGFA) are subject to the ratio of total net debt to EBITDA restated to cancel IFRS 16 impact:
  - Total net debt is defined as total financial debt except lease obligations under IFRS 16 scope, less cash and cash equivalents;
  - The EBITDA is defined as earnings before financial expense, financing income, income taxes, amortisation and impairment charges on tangible and intangible assets less capital gain on disposal of investments less the rental costs related to Lease Obligations under IFRS 16 scope (over rolling 12 months for the semester).

  This ratio should not exceed 2.5.

The financial covenant calculation is detailed below:

(in € million)	For the half-year ended 30 September 2019	For the year ended 31 March 2019
EBITDA	615	541
Total net debt	(989)	(2,351)
Total Net debt leverage	**(1.6)**	**(4.3)**

I. POST-EMPLOYMENT AND OTHER LONG-TERM DEFINED EMPLOYEE BENEFITS

NOTE 22. POST-EMPLOYMENT AND OTHER LONG-TERM DEFINED EMPLOYEE BENEFITS

The net liability on post-employment and on other long term employee defined benefits is calculated using the latest valuation at the previous financial year closing date. Adjustments of actuarial assumptions are performed on main contributing areas (United Kingdom, Germany, France, Switzerland, Italy and the US) if significant fluctuations or one-time events have occurred during the 6 months period. The fair value of main plan assets was reviewed at 30 September 2019.

Discount rates for main geographic areas (weighted average rates)

(in %)	At 30 September 2019	At 31 March 2019
United Kingdom	1.90	2.45
Euro Zone	0.65	1.33
Other	2.58	2.91

Movements of the period

At 30 September 2019, the net provision for post-employment benefits amounts to €597 million compared with €533 million at 31 March 2019. The variation of actuarial gains and losses arising from post-employment defined benefit plans recognized in the Other comprehensive income amounts to €59 million for the half-year ended 30 September 2019 because of the evolution of the discount rate by geographic areas.

Other variations in the period ended 30 September 2019 mainly arose from service costs related to defined benefits that are consistent with costs incurred in the previous period, and with projections estimated in actuarial valuations performed at 31 March 2019.

J. CONTINGENT LIABILITIES AND DISPUTES

NOTE 23. DISPUTES

As a preliminary remark, it shall be noted that, by taking over Alstom's Energy Businesses in November 2015, General Electric undertook to assume all risks and liabilities exclusively or predominantly associated with said businesses and in a symmetrical way, Alstom undertook to keep all risks and liabilities associated with the non-transferred business. Cross-indemnification for a duration of 30 years and asset reallocation ("wrong pocket") mechanisms have been established to ensure that, on the one hand, assets and liabilities associated with the Energy businesses being sold are indeed transferred to General Electric and on the other hand, assets and liabilities not associated with such businesses are borne by Alstom. As a result, the consequences of litigation matters that were on-going at the time of the sale and associated with these transferred activities are taken over by General Electric. Indemnity provisions protect Alstom in case of third-party claims directed at Alstom and relating to the transferred activities. For this reason and since Alstom no longer manages these litigation matters, Alstom is ceasing to include them in this section.

Disputes in the Group's ordinary course of business

The Group is engaged in several legal proceedings, mostly contract-related disputes that have arisen in the ordinary course of business. These disputes, often involving claims for contract delays or additional work, are common in the areas in which the Group operates, particularly for large long-term projects. In some cases, the amounts, which may be significant, are claimed against the Group, sometimes jointly with its consortium partners.

In some proceedings the amount claimed is not specified at the beginning of the proceedings. Amounts retained in respect of these litigations are taken into account in the estimate of margin at completion in case of contracts in progress or included in provisions and other current liabilities in case of completed contracts when considered as reliable estimates of probable liabilities. Actual costs incurred may exceed the amount of initial estimates because of a number of factors including the inherent uncertainties of the outcome of litigation.

Other disputes

Asbestos

Some of the Group's subsidiaries are subject to civil proceedings in relation to the use of asbestos in France essentially and in Italy, Spain and the United Kingdom. In France, these proceedings are initiated by certain employees or former employees suffering from an occupational disease in relation to asbestos with the aim of obtaining a court decision allowing them to obtain a supplementary compensation from the French Social Security funds. In addition employees and former employees of the Group not suffering from an asbestos related occupational disease have started lawsuits before the French courts with the aim of obtaining compensation for damages in relation to their alleged exposure to asbestos, including the specific anxiety damage.

The Group believes that the cases where it may be required to bear the financial consequences of such proceedings do not represent a material exposure. While the outcome of the existing asbestos-related cases cannot be predicted with reasonable certainty, the Group believes that these cases would not have any material adverse effect on its financial condition.

Alleged anti-competitive activities

Transportation activities in Brazil

In July 2013, the Brazilian Competition Authority ("CADE") raided a number of companies involved in transportation activities in Brazil, including the subsidiary of Alstom, following allegations of anti-competitive practices and illegal payments. After a preliminary investigation stage, CADE notified in March 2014 the opening of an administrative procedure against several companies, of which the Alstom's subsidiary in Brazil, and certain current and former employees of the Group. Alstom is cooperating with CADE. In case of proven anti-competitive practices, possible sanctions include fines, criminal charges and a temporary exclusion from public contracts. Civil damages are also possible. Following the opening phase, this procedure has continued with the phase of production of evidence. The hearing phase took place from January to March 2016, with the deposition of current and former employees of the Group as well as the questioning of witnesses. CADE has actively asserted its positions in this phase of the proceedings. The final report of the Superintendent General of CADE was issued in December 2018 and recommended the imposition of fines against Alstom's subsidiary in Brazil and several employees, together with other companies and their respective employees. CADE ruled in July 2019 a financial fine of circa € 28 million on Alstom's subsidiary in Brazil as well as a ban to participate in public procurement bids in Brazil conducted by the Federal, State, and Municipal Public Administration over a period of 5 years. The decision is not yet enforceable as the administrative clarification phase is still pending. Alstom's subsidiary in Brazil intends to lodge an appeal. In parallel to this main case opened by CADE only in relation to entities and individuals formally notified when launching the proceedings in 2014, CADE launched in the Spring of 2018 formal notifications against individuals who had not been notified yet, mainly foreign individuals not residing in Brazil. The proceedings against these individuals are part of a second phase of the case. Current and former employees of Alstom are also subject to criminal proceedings initiated by the public prosecutor of the state of Sao Paulo in connection with some of the Transport projects subject to CADE procedure.

In December 2014, the public prosecutor of the state of Sao Paulo also initiated a lawsuit against Alstom's subsidiary in Brazil, along with a number of other companies, related to alleged anti-competitive practices regarding the first phase of a train maintenance project, which is also subject to administrative proceedings since 2013. In the last quarter of 2016, this Alstom subsidiary in Brazil, along with a number of other companies, faced the opening of another lawsuit by the public prosecutor of the state of Sao Paulo related to alleged anti-competitive practices regarding a second phase of the said train maintenance project. In case of proven illicit practices, possible sanctions can include the cancellation of the relevant contracts, the payment of damage compensation, the payment of punitive damages and/or the dissolution of the Brazilian companies involved.

Alleged illegal payments

Certain companies and former employees of the Group are currently being investigated and/or subject to procedures, by judicial or administrative authorities (including in Brazil, in Hungary and in France) or international financial institutions with respect to alleged illegal payments in certain countries.

With respect to these matters, the Group is cooperating with the concerned authorities or institutions. These investigations or procedures may result in criminal sanctions, including fines which may be significant, exclusion of Group subsidiaries from tenders and third-party actions.

The Prosecutor of the State of Sao Paulo launched in May 2014 an action against a Group's subsidiary in Brazil, along with a number of other companies, for a total amount asserted against all companies of BRL2.5 billion (approximately €552 million) excluding interests and possible damages in connection with a transportation project. The Group's subsidiary is actively defending itself against this action.

In the United Kingdom, the Serious Fraud Office (SFO) began investigations in 2010. The SFO opened during fiscal year 2014/15 three criminal prosecutions against entities of the Group and certain current and past employees of the Group in connection with transportation projects located in Poland, Tunisia, India and Hungary, and with an energy project located in Lithuania that is no longer handled by Alstom. In March 2016, the SFO announced that it was pressing charges against a seventh individual in its investigation. Following a shift in the procedural calendar, the trial phase for the project in Hungary took place during the summer of 2017 and could not be concluded. It started again in September 2018 and concluded on 29 November 2018. At the Southwark Crown Court in London, Alstom Network (UK) Ltd was acquitted, by a Jury, of conspiracies to corrupt in Hungary. The trial phase for the other transportation projects took place at the beginning of 2018 and concluded on 10 April 2018. At the Southwark Crown Court in London, Alstom Network (UK) Ltd was acquitted, by a Jury, of conspiracies to corrupt in India and Poland. It was convicted on a single count of a conspiracy to corrupt in Tunisia but has lodged an appeal against this conviction. On 23 July 2019 the Appeal Crown Court at Southwark confirmed the first instance decision and found Alstom Network (UK) Ltd guilty on the count of conspiracy to corrupt in Tunisia. A financial penalty in relation to Tunisia will be determined at the sentencing hearing to be held on 22 November 2019 or shortly thereafter.

Budapest metro

In 2006, Alstom was awarded by BKV a contract for the delivery of metros for two lines in the city of Budapest. During the execution of the project, Alstom experienced delays mostly related to technical change requests from BKV and the refusal by the Hungarian Authority “NKH” to deliver the final train homologation in 2010 (in August 2007, NKH granted a Preliminary Type License). On 19 October 2010 BKV terminated the contract and called the bank guarantees. In July 2011 the parties agreed the re-entry into force of the contract and the suspension of the arbitration procedure initiated by Alstom in January 2011. The final train homologation was obtained in July 2012. The arbitration proceedings resumed on 17 December 2012 and during the phase of assessments of damages by the parties, an expert was appointed by the arbitral tribunal. The expert issued preliminary findings in 2017 and the parties have submitted their responses to these findings for further consideration by the expert. An additional expert report was produced in September 2018, which was further commented by the parties. The parties have exchanged in February and March 2019 their final summary memorials. Following a final hearing held on 18 April 2019, the arbitral tribunal has indicated that it expects to render an award within 30 days. Earlier in April 2019, Alstom was informed that in connection with a local investigation relayed by the Hungarian press about alleged bribery relating to the same project as the one subject to the arbitration proceedings, four individuals including two former Alstom managers were indicted by the Central Chief Prosecution Office. On 18 June 2019 the arbitral tribunal rendered the award on the merits of the case. BKV was awarded approx. EUR 17.7 million, including interest of approx. EUR 1.9 million. Payment has been completed on 1 October 2019.

CR-1 Marmaray railway infrastructure – Turkey

In March 2007, the Turkish Ministry of Transport (DLH) awarded the contract to upgrade approximately 75 km of railway infrastructure in the Istanbul region, known as the “Marmaray Commuter Rail Project (CR-1)” to the consortium Alstom Dogus Marubeni (AMD), of which Alstom Transport’s main French subsidiary is a member. This project, which included works on the transcontinental railway tunnel under the Bosphorus, has undergone significant delays mainly due to difficulties for the DLH to make the construction site available. Thus, the AMD consortium terminated the contract in 2010. This termination was challenged by DLH, who thereafter called the bank guarantees issued by the consortium up to an amount of approximately €80 million. Following injunctions, the payment of such bank guarantees was forbidden and the AMD consortium immediately initiated an arbitration procedure to resolve the substantive issues. The arbitral tribunal has decided in December 2014 that the contract stands as terminated by virtue of Turkish law and has authorised the parties to submit their claims for compensation of the damages arising from such termination. Following this decision on the merits, DLH made renewed attempts in 2015 to obtain payment of the bank guarantees but defense proceedings by the AMD consortium have enabled so far to reject these payment requests.

In the arbitration procedure, the phase of assessment of damages is over. Hearings took place in October 2017 and post-hearing submissions were exchanged in February 2018. In May 2018, the arbitral tribunal requested further submissions from the parties to clarify certain claims and the parties exchanged their submissions until July 2018. A second partial final award on quantum was issued to the parties’ on 20 September 2019, which recognized (a) the significant delays caused by DLH and AMD’s entitlements in the sum of approximately € 41 million, and (b) DLH’s alleged loss in the amount of approximately € 68 million, resulting in a net principal sum, after set-off, ordered payable by the AMD consortium to DLH in the amount of approximately € 27 million. There then remains a decision on auxiliary topics such as legal costs, interests, tax, and four minor claims all of which have been deferred to a subsequent third partial final award and which could cause the balance of payments as between AMD and DLH to change once again.
Also, through arbitration request notified on 29 September 2015, Marubeni Corporation launched proceedings against Alstom Transport SA taken as consortium leader in order to be compensated for the consequences of the termination of the contract with AMD. In a similar fashion, through arbitration request issued on 15 March 2016, the other

consortium member Dogus launched proceedings against Alstom Transport SA with similar demands and a request to have the disputes between consortium members consolidated in a single case. Alstom Transport SA is rejecting these compensation requests and is defending itself in these proceedings between consortium members which, while having gone through a consolidation in a single case, have however been suspended by the arbitral tribunal pending the outcome of the main arbitral proceedings between AMD and DLH. In October 2018, Dogus applied for interim measures to clarify certain aspects of the consortium agreement and this request was rejected by the arbitral tribunal.

Regional Minuetto trains & high-speed Pendolino trains – Italy

Alstom Transport's subsidiary in Italy is involved in two litigation proceedings with the Italian railway company Trenitalia. One is related to a supply contract of regional Minuetto trains awarded in 2001 (the "Minuetto case"), and the other to a supply contract of high-speed Pendolino trains awarded in 2004 (the "Pendolino case"). Each of these contracts has undergone technical issues and delays leading the Trenitalia company to apply delay and technical penalties and, consequently, to withhold payments. Since the parties dispute certain technical matters as well as the causes and responsibilities of the delays, the matter was brought before Italian courts in 2010 and 2011 respectively. In the Minuetto case, the technical expertise report has been released and Alstom has challenged its contents with amendment requests. The technical expert submitted his final report in April 2017 and certain amendment requests were taken into account. The parties have exchanged the final summary memorials, and the next step is now the decision of the tribunal. On 26 June 2019, the Court of Cuneo issued its decision, mainly (i) recognizing that Trenitalia abused of Alstom's economic dependence (which led Alstom to accept unfair contractual terms, some of which were declared null), (ii) acknowledging a substantial amount of penalties but for which the court ruled that Trenitalia could not obtain payment of on the basis of procedural grounds and (iii) dismissing all other claims of the parties. The deadline to appeal the decision falls in January 2020.

In the Pendolino case, the technical expertise report was released and Alstom has obtained certain corrections following its challenge on some of the conclusions of the report. After the closing of the expertise phase the proceedings had continued their path on the legal aspects of the dispute. The tribunal rendered in March 2019 a decision acknowledging that a significant part of the delays was not attributable to Alstom and therefore reduced a large portion of Trenitalia's delay damage claims. The tribunal also rejected the reliability penalties claimed by Trenitalia while accepting certain of its residual damage compensation requests. Finally, the tribunal accepted Alstom's claims linked to contract price adjustment formula while rejecting some of its other cost compensation claims. Alstom appealed the decision on 7 October 2019.

Saturno

Following a dispute within a consortium involving Alstom's subsidiary in Italy and three other Italian companies, the arbitral tribunal constituted to resolve the matter has rendered in August 2016 a decision against Alstom by awarding €22 million of damage compensation to the other consortium members. Alstom's subsidiary strongly contests this decision and considers that it should be able to avoid its enforcement and thus prevent any damage compensation payment. On 30 November 2016, Alstom's subsidiary filed a motion in the Court of Appeals of Milan to obtain the cancellation of the arbitral award. On 1 December 2016, Alstom's subsidiary filed an ex parte motion for injunctive relief to obtain the suspension of the arbitral award pending the outcome of the appeal proceedings, which was temporarily accepted by the Court. After a phase of hearings in contradictory proceedings on the request for suspension of the arbitral award, the Court of Appeals of Milan decided on 3 March 2017 in favor of Alstom's subsidiary by confirming definitively the suspension of this arbitral decision pending the outcome of the proceedings relating to the cancellation of such decision. The Court of Appeals of Milan ruled on the merits in March 2019 in favour of the Alstom's subsidiary and cancelled the arbitral award of August 2016 including the €22 million of damage compensation. The members of the consortium (excluding Alstom) appealed the decision of the Court of Appeal of Milan on 19 October 2019.

Jerusalem LRT

On the Jerusalem light rail tramway project, a dispute started in 2009 between the Concessionaire CityPass and the State of Israel to ascertain responsibilities for certain project delays and extra costs. Alstom's subsidiary in charge of the project is involved in the dispute in its capacity as EPC Contractor. The resolution of this dispute was initially handled through some form of dispute review board with two arbitrators reviewing claims and counterclaims produced by the parties and giving instructions to delay and quantum experts. Later on, following the recognition by Israeli's courts of the applicability of the contract's arbitration clause, proceedings evolved into full-fledged arbitration proceedings. The Engineering expert issued its final report on the Parties' respective responsibilities in 2016. The financial expert's mission is still ongoing. In 2018 the parties decided to suspend arbitral proceedings in order to launch a mediation process, which is presently on-going.

There are no other governmental, legal or arbitration procedures, including proceedings of which the Group is aware and which are pending or threatening, which might have, or have had during the last twelve months, a significant impact on the financial situation or profitability of the Group.

K. OTHER NOTES

NOTE 24. RELATED PARTIES

There are no material changes in related-party transactions between 31 March 2019 and 30 September 2019.

NOTE 25. SUBSEQUENT EVENTS

On 14 October 2019, Alstom has carried out the issuance of senior unsecured Eurobonds for a total of €700 million. The bonds have a 7 year maturity and a fixed coupon of 0.25%, payable annually.

The proceeds of the bond issue will be used for general corporate purposes, including the refinancing of the existing €596 million bonds maturing in March 2020.

The Group has not identified any subsequent event to be reported other than the items already described above or in the previous notes.

ALSTOM

NOTE 26. SCOPE OF CONSOLIDATION

PARENT COMPANY			
ALSTOM SA	France	-	Parent Company

Companies	Country	Ownership %	Consolidation Method
ALSTOM Algérie "Société par Actions"	Algeria	100	Full consolidation
ALSTOM Grid Algérie SPA	Algeria	100	Full consolidation
ALSTOM Argentina S.A.	Argentina	100	Full consolidation
ALSTOM Transport Australia Pty Limited	Australia	100	Full consolidation
NOMAD DIGITAL PTY LTD	Australia	100	Full consolidation
ALSTOM Transport Azerbaijan LLC	Azerbaijan	100	Full consolidation
ALSTOM Belgium SA	Belgium	100	Full consolidation
CABLIANCE BELGIUM	Belgium	100	Full consolidation
21NET BELGIUM	Belgium	100	Full consolidation
ALSTOM Brasil Energia e Transporte Ltda	Brazil	100	Full consolidation
ETE - EQUIPAMENTOS DE TRACAO ELETRICA LTDA	Brazil	100	Full consolidation
ALSTOM Transport Canada Inc.	Canada	100	Full consolidation
ALSTOM Chile S.A.	Chile	100	Full consolidation
ALSTOM Hong Kong Ltd	China	100	Full consolidation
ALSTOM Investment Company Limited	China	100	Full consolidation
ALSTOM Qingdao Railway Equipment Co Ltd	China	51	Full consolidation
SHANGHAI ALSTOM Transport Electrical Equipment Company Ltd	China	60	Full consolidation
Chengdu ALSTOM Transport Electrical Equipment Co., Ltd.	China	60	Full consolidation
TRANSLOHR INDUSTRIAL (TIANJIN) CO. LTD	China	100	Full consolidation
XI'AN ALSTOM YONGJI ELECTRIC EQUIPMENT CO., LTD	China	51	Full consolidation
ALSTOM Transport Danmark A/S	Denmark	100	Full consolidation
NOMAD DIGITAL APS	Denmark	100	Full consolidation
NOMAD DIGITAL (DENMARK) APS	Denmark	100	Full consolidation
ALSTOM Egypt for Transport Projects SAE	Egypt	99	Full consolidation
AREVA INTERNATIONAL EGYPT FOR ELECTRICITY TRANSMISSION & DISTRIBUTION	Egypt	100	Full consolidation
ALSTOM Transport Finland Oy	Finland	100	Full consolidation
21NET France	France	100	Full consolidation
ALSTOM APTIS	France	100	Full consolidation
ALSTOM Executive Management	France	100	Full consolidation
ALSTOM Holdings	France	100	Full consolidation
ALSTOM Kleber Sixteen	France	100	Full consolidation
ALSTOM Leroux Naval	France	100	Full consolidation
ALSTOM Network Transport	France	100	Full consolidation
ALSTOM Omega 1	France	100	Full consolidation
ALSTOM SHIPWORKS	France	100	Full consolidation
ALSTOM Transport SA	France	100	Full consolidation
ALSTOM Transport Technologies	France	100	Full consolidation
CENTRE D'ESSAIS FERROVIAIRES	France	92	Full consolidation
ETOILE KLEBER	France	100	Full consolidation
INTERINFRA (COMPAGNIE INTERNATIONALE POUR LE DEVELOPPEMENT	France	50	Full consolidation
LORELEC	France	100	Full consolidation
NEWTL	France	100	Full consolidation
NTL HOLDING	France	100	Full consolidation
StationOne	France	100	Full consolidation
ALSTOM Lokomotiven Service GmbH	Germany	100	Full consolidation
ALSTOM Transport Deutschland GmbH	Germany	100	Full consolidation
NOMAD DIGITAL GMBH	Germany	100	Full consolidation
VGT VORBEREITUNGSGESELLSCHAFT TRANSPORTTECHNIK GMBH	Germany	100	Full consolidation
ALSTOM Network UK Ltd	Great Britain	100	Full consolidation
ALSTOM NL Service Provision Limited	Great Britain	100	Full consolidation
ALSTOM Academy for rail	Great Britain	100	Full consolidation
ALSTOM Transport Service Ltd	Great Britain	100	Full consolidation
ALSTOM Transport UK (Holdings) Ltd	Great Britain	100	Full consolidation
ALSTOM Transport UK Limited	Great Britain	100	Full consolidation
NOMAD DIGITAL (INDIA) LIMITED	Great Britain	70	Full consolidation
NOMAD DIGITAL LIMITED	Great Britain	100	Full consolidation
NOMAD HOLDINGS LIMITED	Great Britain	100	Full consolidation
NOMAD SPECTRUM LIMITED	Great Britain	100	Full consolidation
SIGNALLING SOLUTIONS LIMITED	Great Britain	100	Full consolidation
WASHWOOD HEATH TRAINS LTD	Great Britain	100	Full consolidation
WEST COAST SERVICE PROVISION LIMITED	Great Britain	100	Full consolidation
WEST COAST TRAINCARE LIMITED	Great Britain	100	Full consolidation
21NET LTD	Great Britain	100	Full consolidation
J&P AVAX SA - ETETH SA - ALSTOM TRANSPORT SA	Greece	34	Full consolidation
ALSTOM Transport Hungary Zrt.	Hungary	100	Full consolidation
ALSTOM Manufacturing India Private Limited	India	100	Full consolidation
ALSTOM Systems India Private Limited	India	95	Full consolidation
ALSTOM Transport India Limited	India	100	Full consolidation
MADHEPURA ELECTRIC LOCOMOTIVE PRIVATE LIMITED	India	74	Full consolidation
NOMAD DIGITAL (INDIA) PRIVATE LIMITED	India	70	Full consolidation
TWENTY ONE NET (INDIA) PRIVATE LTD	India	100	Full consolidation

PT ALSTOM Transport Indonesia	Indonesia	67	Full consolidation
ALSTOM Khadamat S.A.	Iran	100	Full consolidation
ALSTOM Transport Ireland Ltd	Ireland	100	Full consolidation
CITADIS ISRAEL LTD	Israel	100	Full consolidation
ALSTOM Ferroviaria S.p.A.	Italy	100	Full consolidation
ALSTOM Services Italia S.p.A.	Italy	100	Full consolidation
ALSTOM S.p.A.	Italy	100	Full consolidation
21NET ITALIA S.R.L	Italy	100	Full consolidation
ALSTOM Kazakhstan LLP	Kazakhstan	100	Full consolidation
ELECTROVOZ KURASTYRU ZAUYTY LLP	Kazakhstan	80	Full consolidation
ALSTOM Transport (Malaysia) Sdn Bhd	Malaysia	100	Full consolidation
ALSTOM Transport Mexico, S.A. de C.V.	Mexico	100	Full consolidation
ALSTOM CABLIANCE	Morocco	100	Full consolidation
ALSTOM Transport Maroc SA	Morocco	100	Full consolidation
ALSTOM Transport B.V.	Netherlands	100	Full consolidation
ALSTOM Transport Holdings B.V.	Netherlands	100	Full consolidation
NOMAD DIGITAL B.V.	Netherlands	100	Full consolidation
AT NIGERIA LIMITED	Nigeria	100	Full consolidation
ALSTOM Enio ANS	Norway	100	Full consolidation
ALSTOM Transport Norway AS	Norway	100	Full consolidation
ALSTOM Panama, S.A.	Panama	100	Full consolidation
ALSTOM Transport Peru S.A.	Peru	100	Full consolidation
ALSTOM Transport Construction Philippines, Inc	Philippines	100	Full consolidation
ALSTOM Konstal Spolka Akcyjna	Poland	100	Full consolidation
ALSTOM Pyskowice Sp. z o.o.	Poland	100	Full consolidation
ALSTOM Transporte Portugal Unipessoal Lda	Portugal	100	Full consolidation
NOMAD TECH, LDA.	Portugal	51	Full consolidation
ALSTOM Transport SA (Romania)	Romania	93	Full consolidation
ALSTOM Transport Rus LLC	Russian Federation	100	Full consolidation
ALSTOM Transport (S) Pte Ltd	Singapore	100	Full consolidation
ALSTOM Southern Africa Holdings (Pty) Ltd	South Africa	100	Full consolidation
ALSTOM Transport Holdings SA (Pty) Ltd	South Africa	100	Full consolidation
ALSTOM Ubunye (Pty) Ltd	South Africa	51	Full consolidation
GIBELA RAIL TRANSPORT CONSORTIUM (PTY) LTD	South Africa	61	Full consolidation
ALSTOM Korea Transport Ltd	South Korea	100	Full consolidation
ALSTOM Espana IB, S.L.	Spain	100	Full consolidation
ALSTOM Transporte, S.A.	Spain	100	Full consolidation
APLICACIONES TECNICAS INDUSTRIALES, S.A.	Spain	100	Full consolidation
ALSTOM Transport AB	Sweden	100	Full consolidation
ALSTOM Transport Information Systems AB	Sweden	100	Full consolidation
ALSTOM Network Schweiz AG	Switzerland	100	Full consolidation
ALSTOM Schienenfahrzeuge AG	Switzerland	100	Full consolidation
ALSTOM Transport (Thailand) Co., Ltd.	Thailand	100	Full consolidation
ALSTOM T&T Ltd	Trinidad and Tobago	100	Full consolidation
ALSTOM Ulasim Anonim Sirketi	Turkey	100	Full consolidation
ALSKAW LLC	USA	100	Full consolidation
ALSTOM Transport Holding US Inc.	USA	100	Full consolidation
ALSTOM Transportation Inc.	USA	100	Full consolidation
ALSTOM Signaling Inc.	USA	100	Full consolidation
ALSTOM Signaling Operation, LLC	USA	100	Full consolidation
NOMAD DIGITAL, INC	USA	100	Full consolidation
ALSTOM Venezuela, S.A.	Venezuela	100	Full consolidation
ALSTOM Transport Vietnam Ltd	Vietnam	100	Full consolidation
ALSOMA G.E.I.E.	France	55	Joint Operation
METROLAB	France	50	Joint Operation
THE ATC JOINT VENTURE	Great Britain	38	Joint Operation
IRVIA MANTENIMIENTO FERROVIARIO, S.A.	Spain	51	Joint Operation
CITAL	Algeria	49	Equity Method
CASCO SIGNAL LTD	China	49	Equity Method
SHANGHAI ALSTOM Transport Company Limited	China	40	Equity Method
TRANSMASHHOLDING LIMITED	Cyprus	20	Equity Method
SILASIO TRADING LIMITED	Cyprus	20	Equity Method
SPEEDINNOV	France	71	Equity Method
ABC ELECTRIFICATION LTD	Great Britain	33	Equity Method
LLP JV KAZELEKTROPRIVOD	Kazakhstan	50	Equity Method
TMHS	Mongolia	20	Equity Method
MALOCO GIE	Morocco	70	Equity Method
RAILCOMP BV	Netherlands	60	Equity Method
THE BREAKERS INVESTMENTS B.V.	Netherlands	20	Equity Method
TMH-ALSTOM BV	Netherlands	60	Equity Method
AM-TEKH	Russian Federation	20	Equity Method
CENTRAL RESEARCH AND DEVELOPMENT INSTITUTE "TransElektroPribor"	Russian Federation	20	Equity Method
CORPORATE UNIVERSITY OF LOCOMOTIVE TECHNOLOGIES	Russian Federation	20	Equity Method
DEMIKHOVSKY MASHINOSTROITELNY ZAVOD OAO	Russian Federation	20	Equity Method
FIRM LOCOTECH	Russian Federation	20	Equity Method
IVSK OOO	Russian Federation	12	Equity Method

KMT LOMONOSOVSKIY OPITNY ZAVOD PF OAO	Russian Federation	6	Equity Method
KMT UPRAVLYAUSHCHAYA KOMPANIYA ZAO	Russian Federation	8	Equity Method
KOLOMENSKY ZAVOD OAO	Russian Federation	17	Equity Method
LOCOTECH GLOBAL TRADING	Russian Federation	20	Equity Method
LOCOTECH FOUNDRY PLANTS	Russian Federation	15	Equity Method
LOCOTECH PROMSERVICE	Russian Federation	20	Equity Method
LOCOTECH LEASING	Russian Federation	15	Equity Method
LOCOTECH SERVICE	Russian Federation	20	Equity Method
MASHCONSULTING ZAO	Russian Federation	20	Equity Method
METROVAGONMASH OAO	Russian Federation	15	Equity Method
OKTYABRSKY ELEKTROVAGONOREMONTNY ZAVOD OAO	Russian Federation	15	Equity Method
OVK TMH ZAO	Russian Federation	20	Equity Method
PENZADIESELMASH OAO	Russian Federation	20	Equity Method
PO BEZHITSKAYA STAL OAO	Russian Federation	12	Equity Method
PROIZVODSTVENNAYA FIRMA KMT LOMONOSOVSKY PILOT PLANT	Russian Federation	2	Equity Method
RAILCOMP LLC	Russian Federation	60	Equity Method
ROSLOKOMOTIV ZAO	Russian Federation	20	Equity Method
RUSTRANSKOMPLEKT ZAO	Russian Federation	15	Equity Method
SAPFIR OOO	Russian Federation	20	Equity Method
TORGOVY DOM TMH ZAO	Russian Federation	20	Equity Method
TRAMRUS LLC	Russian Federation	60	Equity Method
TRANSMASH OAO	Russian Federation	12	Equity Method
TRANSMASHHOLDING ZAO	Russian Federation	20	Equity Method
TRTrans LLC	Russian Federation	60	Equity Method
TVERSKOY VAGONOSTROITELNY ZAVOD INVEST OOO	Russian Federation	5	Equity Method
TVERSKOY VAGONOSTROITELNY ZAVOD OAO	Russian Federation	10	Equity Method
UPRAVLYAUSCHAYA KOMPANIYA BRYANSKY MASHINOSTROITELNY ZAVOD ZAO	Russian Federation	20	Equity Method
VSEROSSIYSKY NAUCHNO-ISSLEDOVATELSKY I PROEKTNO-KONSTRUKTORSKY INSTITUT ELEKTROVOZOSTROENIYA OAO	Russian Federation	13	Equity Method
ZAVOD AIT	Russian Federation	10	Equity Method
ZENTROSVARMASH OAO	Russian Federation	20	Equity Method
ZHELDORREMMASH	Russian Federation	15	Equity Method
TRANSMASHHOLDING INTERNATIONAL AG	Switzerland	20	Equity Method
LUGANSKTEPLOVOZ OAO	Ukraine	15	Equity Method

RTA RAIL TEC ARSENAL FAHRZEUGVERSUCHSANLAGE GMBH	Austria	15	Non consolidated investment
MOBILIEGE	Belgium	15	Non consolidated investment
ISLAND CAPITAL LTD	Bermuda	1	Non consolidated investment
4iTEC 4.0	France	23	Non consolidated investment
AIRE URBAINE INVESTISSEMENT	France	4	Non consolidated investment
CADEMCE SAS	France	16	Non consolidated investment
COMPAGNIE INTERNATIONALE DE MAINTENANCE - C.I.M.	France	1	Non consolidated investment
EASYMILE	France	13	Non consolidated investment
ENTREPRISES-HABITAT IMMOBILIER	France	0	Non consolidated investment
ESPACE DOMICILE SA HABITAT LOYER MODERE	France	1	Non consolidated investment
FRAMECA - FRANCE METRO CARACAS	France	19	Non consolidated investment
MOBILITE AGGLOMERATION REMOISE SAS	France	17	Non consolidated investment
OC'VIA CONSTRUCTION	France	12	Non consolidated investment
OC'VIA MAINTENANCE	France	12	Non consolidated investment
RESTAURINTER	France	35	Non consolidated investment
SOCIETE IMMOBILIERE DE VIERZON	France	1	Non consolidated investment
SUPERGRID INSTITUTE SAS	France	3	Non consolidated investment
IFB INSTITUT FUR BAHNTECHNIK GMBH	Germany	7	Non consolidated investment
TRAMLINK NOTTINGHAM (HOLDINGS) LTD	Great Britain	13	Non consolidated investment
PARS SWITCH	Iran	1	Non consolidated investment
CRIT SRL	Italy	1	Non consolidated investment
CONSORZIO ELIS PER LA FORMAZIONE PROFESSIONALE SUPERIORE	Italy	0	Non consolidated investment
METRO 5 SPA	Italy	9	Non consolidated investment
T.P.B. TRASPORTI PUBBLICI DELLA BRIANZA S.p.A. (in bankruptcy)	Italy	30	Non consolidated investment
TRAM DI FIRENZE S.p.A.	Italy	9	Non consolidated investment
VAL 208 TORINO GEIE	Italy	14	Non consolidated investment
SUBURBANO EXPRESS, S.A. DE C.V.	Mexico	11	Non consolidated investment
IDEON S.A.	Poland	0	Non consolidated investment
INVESTSTAR S.A.	Poland	0	Non consolidated investment
KOLMEX SA	Poland	2	Non consolidated investment
ALBALI SEÑALIZACIÓN, S.A.	Spain	12	Non consolidated investment
TRAMVIA METROPOLITA DEL BESOS SA	Spain	21	Non consolidated investment
TRAMVIA METROPOLITA, S.A.	Spain	24	Non consolidated investment

Report of independent auditors on the half-year financial information

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STATUTORY AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

(Period from 1 April 2019 to 30 September 2019)

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,
ALSTOM SA
48 rue Albert Dhalenne
93400 Saint-Ouen-sur-Seine
France

In compliance with the assignment entrusted to us by your Shareholder's Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Alstom SA, for the period from 1 April 2019 to 30 September 2019;

- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the matters set out in the notes 3.2.1 and 3.2.2 to the condensed interim consolidated financial statements, related to the first application of the IFRS 16 standard "Leases" and the IFRIC 23 interpretation "Uncertainty over Income Tax Treatments".

II. Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, November 5, 2019

The Statutory Auditors

Original signed by

PricewaterhouseCoopers Audit	MAZARS
Edouard Demarcq	Jean-Luc Barlet

Responsibility statement of the person responsible for the half-year financial report

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STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT*

I hereby certify that, to the best of my knowledge, the condensed consolidated financial statements of ALSTOM (the "Company") for the first half-year of fiscal year 2019/20 have been prepared under generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and of all entities included in its scope of consolidation, and that the half-year management report included herein presents a true and fair review of the main events which occurred in the first six months of the fiscal year and their impact on the condensed accounts, as well as the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Saint-Ouen-sur-Seine, on 5 November 2019,

Original signed by

Henri Poupart-Lafarge

Chairman and Chief Executive Officer

** This is a free translation of the statement signed and issued in French language by the Chairman and Chief Executive Officer of the Company and is provided solely for the convenience of English-speaking readers.*