Consolidated financial statements

Year ended 31 March 2021

CONSOLIDATED INCOME STATEMENT

(in € million)	Note	Year ended At 31 March 2021	At 31 March 2020
Sales	**(3)**	**8,785**	**8,201**
Cost of sales		(7,400)	(6,740)
Research and development expenses	(4)	(318)	(302)
Selling expenses	(5)	(230)	(223)
Administrative expenses	(5)	(403)	(368)
Other income/(expense)	(6)	(134)	(23)
Earnings Before Interests and Taxes		**300**	**545**
Financial income	(7)	4	6
Financial expense	(7)	(72)	(82)
Pre-tax income		**232**	**469**
Income Tax Charge	(8)	(63)	(118)
Share in net income of equity-accounted investments	(13)	83	102
Net profit from continuing operations		**252**	**453**
Net profit from discontinued operations	(9)	7	21
NET PROFIT		**259**	**474**
Net profit attributable to equity holders of the parent		247	467
Net profit attributable to non controlling interests		12	7
Net profit from continuing operations attributable to:			
· Equity holders of the parent		240	446
· Non controlling interests		12	7
Net profit from discontinued operations attributable to:			
· Equity holders of the parent		7	21
· Non controlling interests		-	-
Earnings per share (in €)			
· Basic earnings per share	(10)	0.94	2.08
· Diluted earnings per share	(10)	0.94	2.06

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

ALSTOM

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended	
(in € million)	**Note**	**At 31 March 2021**	**At 31 March 2020**
Net profit recognised in income statement		**259**	**474**
Remeasurement of post-employment benefits obligations	(29)	108	37
Equity investments at FVOCI	(13)/(14)	3	(6)
Income tax relating to items that will not be reclassified to profit or loss	(8)	(7)	(4)
Items that will not be reclassified to profit or loss		**104**	**27**
of which from equity-accounted investments		*-*	*(1)*
Fair value adjustments on cash flow hedge derivatives		4	(4)
Costs of hedging reserve		(7)	(4)
Currency translation adjustments (*)	(23)	14	(163)
Income tax relating to items that may be reclassified to profit or loss	(8)	(1)	3
Items that may be reclassified to profit or loss		**10**	**(168)**
of which from equity-accounted investments	(13)	*2*	*(89)*
TOTAL COMPREHENSIVE INCOME		**373**	**333**
Attributable to:			
· Equity holders of the parent		360	329
· Non controlling interests		13	4
Total comprehensive income attributable to equity shareholders arises from :			
· Continuing operations		353	308
· Discontinued operations		7	21
Total comprehensive income attributable to non controlling interests arises from :			
· Continuing operations		13	4
· Discontinued operations		-	-

(*) Doesn't include any currency translation adjustments on actuarial gains and losses as of 31 March 2021 (€2 million as of 31 March 2020)

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

ALSTOM

CONSOLIDATED BALANCE SHEET

Assets

(in € million)	Note	At 31 March 2021	At 31 March 2020
Goodwill	(11)	9,200	1,567
Intangible assets	(11)	2,800	470
Property, plant and equipment	(12)	2,550	1,371
Investments in joint-venture and associates	(13)	1,466	693
Non consolidated investments	(14)	77	60
Other non-current assets	(15)	435	233
Deferred Tax	(8)	541	234
Total non-current assets		**17,069**	**4,628**
Inventories	(17)	2,962	1,743
Contract assets	(18)	2,715	1,644
Trade receivables	(19)	2,299	1,581
Other current operating assets	(20)	1,913	1,192
Other current financial assets	(25)	28	45
Cash and cash equivalents	(26)	1,250	2,175
Total current assets		**11,167**	**8,380**
Assets held for sale	(9)	330	-
TOTAL ASSETS		**28,566**	**13,008**

Equity and Liabilities

(in € million)	Note	At 31 March 2021	At 31 March 2020
Equity attributable to the equity holders of the parent	(23)	9,039	3,271
Non controlling interests		78	57
Total equity		**9,117**	**3,328**
Non current provisions	(22)	295	160
Accrued pensions and other employee benefits	(29)	1,359	491
Non-current borrowings	(27)	1,651	772
Non-current lease obligations	(27)	590	465
Deferred Tax	(8)	108	17
Total non-current liabilities		**4,003**	**1,905**
Current provisions	(22)	2,014	853
Current borrowings	(27)	526	270
Current lease obligations	(27)	161	131
Contract liabilities	(18)	5,457	3,148
Trade payables	(16)	3,207	1,653
Other current liabilities	(21)	3,464	1,720
Total current liabilities		**14,829**	**7,775**
Liabilities related to assets held for sale	(9)	617	-
TOTAL EQUITY AND LIABILITIES		**28,566**	**13,008**

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

ALSTOM

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € million)	Note	Year ended At 31 March 2021	At 31 March 2020
Net profit		**259**	**474**
Depreciation, amortisation and impairment	(11)/(12)	391	293
Expense arising from share-based payments	(30)	10	25
Cost of net financial debt and costs of foreign exchange hedging, net of interest paid and received (a) , and other change in provisions		(28)	(30)
Post-employment and other long-term defined employee benefits		6	4
Net (gains)/losses on disposal of assets		(11)	(2)
Share of net income (loss) of equity-accounted investments (net of dividends received)	(13)	(27)	(22)
Deferred taxes charged to income statement	(8)	(70)	61
Net cash provided by operating activities - before changes in working capital		**530**	**803**
Changes in working capital resulting from operating activities (b)	**(16)**	**(985)**	**(327)**
Net cash provided by/(used in) operating activities		**(455)**	**476**
Of which operating flows provided / (used) by discontinued operations		-	-
Proceeds from disposals of tangible and intangible assets		17	4
Capital expenditure (including capitalised R&D costs)		(265)	(274)
Increase/(decrease) in other non-current assets	(15)	12	(7)
Acquisitions of businesses, net of cash acquired (*)		(1,699)	(61)
Disposals of businesses, net of cash sold		(8)	(30)
Net cash provided by/(used in) investing activities		**(1,943)**	**(368)**
Of which investing flows provided / (used) by discontinued operations	*(9)*	*(8)*	*(31)*
Capital increase/(decrease) including non controlling interests (**)		1,967	60
Dividends paid including payments to non controlling interests		(6)	(1,240)
Issuances of bonds & notes	(27)	750	700
Repayments of bonds & notes issued	(27)	-	(879)
Changes in current and non-current borrowings	(27)	(1,089)	110
Changes in lease obligations	(27)	(110)	(103)
Changes in other current financial assets and liabilities	(27)	(55)	(5)
Net cash provided by/(used in) financing activities		**1,457**	**(1,357)**
Of which financing flows provided / (used) by discontinued operations		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(941)**	**(1,249)**
Cash and cash equivalents at the beginning of the period		2,175	3,432
Net effect of exchange rate variations		21	(11)
Transfer to assets held for sale		(5)	3
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**(26)**	**1,250**	**2,175**
(a) Net of interests paid & received		*(28)*	*(57)*
(b) Income tax paid		*(94)*	*(102)*

(*) Mainly due to Bombardier Transportation's purchase price which is partially paid in cash for €2.0 billion (see Note 1.1), net of the cash acquired for €0.4 billion.

(**) Mainly due to the rights issue completed on 7 December 2020 for an amount of around €2 billion in the frame of the acquisition of Bombardier Transportation (see Note 1.1).

(in € million)	Year ended At 31 March 2021	At 31 March 2020
Net cash/(debt) variation analysis		
Changes in cash and cash equivalents	(941)	(1,249)
Changes in other current financial assets and liabilities	55	5
Changes in bonds and notes	(750)	179
Changes in current and non-current borrowings	1,089	(110)
Net debt of acquired/disposed entities at acquisition/disposal date and other variations	(1,530)	28
Decrease/(increase) in net debt	(2,077)	(1,147)
Net cash(debt) at the begining of the period	1,178	2,325
NET CASH/(DEBT) AT THE END OF THE PERIOD	**(899)**	**1,178**

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

ALSTOM

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 2019	**223,572,313**	**1,565**	**931**	**2,366**	**(311)**	**-**	**(460)**	**4,091**	**68**	**4,159**
Movements in other comprehensive income	-	-	-	(9)	36	(3)	(162)	(138)	(3)	(141)
Net income for the period	-	-	-	467	-	-	-	467	7	474
Total comprehensive income	**-**	**-**	**-**	**458**	**36**	**(3)**	**(162)**	**329**	**4**	**333**
Change in controlling interests and others	-	-	-	-	-	-	-	-	(9)	(9)
Dividends	-	-	-	(1,234)	-	-	-	(1,234)	(6)	(1,240)
Issue of ordinary shares under long term incentive plans	2,181,741	15	45	(5)	-	-	-	55	-	55
Recognition of equity settled share-based payments	219,728	1	4	25	-	-	-	30	-	30
At 31 March 2020	**225,973,782**	**1,581**	**980**	**1,610**	**(275)**	**(3)**	**(622)**	**3,271**	**57**	**3,328**
Movements in other comprehensive income	-	-	-	(5)	102	6	11	113	1	114
Net income for the period	-	-	-	247	-	-	-	247	12	259
Total comprehensive income	**-**	**-**	**-**	**242**	**102**	**6**	**11**	**360**	**13**	**373**
Change in controlling interests and others	-	-	-	(1)	-	-	-	(1)	14	13
Dividends	-	-	-	-	-	-	-	-	(6)	(6)
Capital increase by issuance of new shares	144,262,351	1,011	4,046	52	-	-	-	5,109	-	5,109
Fair value adjustment of consideration transferred	-	-	287	-	-	-	-	287	-	287
Issue of ordinary shares under long term incentive plans	862,298	5	-	(5)	-	-	-	-	-	-
Recognition of equity settled share-based payments	103,362	1	2	10	-	-	-	13	-	13
At 31 March 2021	**371,201,793**	**2,598**	**5,315**	**1,908**	**(173)**	**3**	**(611)**	**9,039**	**78**	**9,117**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated financial statements are presented in euro and have been authorised for issue by the Board of Directors held on 10 May 2021. In accordance with French legislation, they will be final once approved by the shareholders of Alstom at the Annual General Meeting convened for 28 July 2021.

A. MAJOR EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION

NOTE 1. MAJOR EVENTS AND MAJOR CHANGES IN SCOPE OF CONSOLIDATION

1.1 Major events

1.1.1 The acquisition of Bombardier Transportation

On 1 December 2020, Alstom and Bombardier announced that all necessary regulatory approvals required to complete the sale of Bombardier Transportation to Alstom had been received.

On 29 January 2021, Alstom announced the completion of the acquisition of Bombardier Transportation. Leveraging on its clear Alstom in Motion strategy and its strong operational fundamentals and financial trajectory, Alstom, integrating Bombardier Transportation, will strengthen its leadership in the growing sustainable mobility market by reaching a critical size in all geographies and integrating further solutions and assets to better serve its customers worldwide. The enlarged Group has a combined proforma 2020/21 revenue of around €14.0 billion and €74.5 billion combined backlog. It employs 71,700 people worldwide in 70 countries, has unparalleled R&D capabilities and a complete portfolio of products and solutions.

Price and Financing

The reference price was established at €5.5 billion, at the bottom of the range of €5.5 billion to €5.9 billion communicated on 16 September 2020. The proceeds for the acquisition were established at €4.4 billion, which include the impact of the minimum cash adjustment mechanism based on a negative net cash position of Bombardier Transportation as of 31 December 2020 and other further contractual adjustments for an amount of €1.1 billion.

Alstom also proceeded, on 29 January 2021, to the reimbursement of the € 0.75 billion Equity injections performed by CDPQ (Caisse de dépôt et placement du Québec) and Bombardier Inc. between February 2020 and January 2021.

The financing structure of the purchase price was as follows:

As determined in the Sale and Purchase Agreement (SPA), a significant part of the purchase price, for a global amount of €3.1 billion, was paid in Equity through reserved share capital increases by way of set-off subscribed by:

- CDPQ's affiliate, CDP Investissements Inc, with two capital increases, one of €1.9 billion with 47,469,213 new ordinary shares issued and one of €0.7 billion with 17,210,934 new ordinary shares issued;
- Bombardier UK for an amount of €500 million with 11,504,149 new ordinary shares issued.

The remaining part of the purchase price for an amount of € 2.0 billion was paid in cash. It was financed thanks to the rights issue for an amount of around €2 billion completed on 7 December 2020 with 68,078,055 new ordinary shares issued.

The contractual purchase price was calculated in euros. A portion of it was paid to Bombardier UK in US dollars at an agreed exchange rate EUR/USD of circa 1/1.17, this payment in US dollars having been hedged by Alstom. The effective portion of the hedging has been recorded in goodwill for €(64) million, the ineffective part in the financial result for €(19) million (see Note 7).

Purchase price accounting

From an accounting perspective, the consideration transferred amounted to €5.4 billion. It corresponds to the sum of the fair values, at closing date, of the shares and the cash transferred by Alstom. The number of Alstom's shares has been determined based on the contractual purchase price. Accordingly, as required under IFRS 3, the subscription by way of set off has been measured based on the fair value of Alstom's shares issued at the Completion Date, which is represented by the market price of Alstom's shares at 29 January 2021.

Number of shares allocated to CDPQ and Bombardier Inc. (based on the share prices agreed in the Acquisition Agreement)	76,184,296
Alstom's closing share price as of 29 January 2021 (in €)	44.86
Fair value of the consideration subscribed in Alstom shares by way of set off (in € million)	3,418
Consideration paid in cash (in € million)	1,964
Fair value of the consideration transferred (in € million)	**5,382**

Moreover, Bombardier Transportation's identifiable assets and liabilities were measured at their fair value on the date on which Alstom acquired control of the company. The preliminary/provisional allocation of Bombardier Transportation purchase price to the assets acquired and liabilities assumed is as follows:

(in € million)	**Note**	**Fair value at 29 January 2021**
Intangible assets	(11)	2,365
Property, plant and equipment	(12)	1,197
Investments in joint-venture and associates	(13)	713
Inventories	(17)	1,157
Net contract assets / (liabilities)	(18)	(2,676)
Other net assets / (liabilities) (*)		(3,094)
Accrued pensions and other employee benefits	(29)	(934)
Net financial debt	(27)	(1,133)
Net deferred taxes assets / (liabilities)	(8)	152
Non controlling interests		(13)
FAIR VALUE OF ASSETS/ (LIABILITIES) ATTRIBUTABLE TO THE SHAREHOLDERS OF THE GROUP		**(2,266)**
Consideration transferred		**5,382**
Preliminary goodwill		**7,648**

(*) including €1,509 million of provisions (see Note 22)

The following methods were used to measure the fair value of the intangible assets, Property, plant and equipment and Investments in joint-venture and associates acquired:

Assets acquired	Description of the valuation approach
Customer-related intangible assets: Backlog / Customer relationships / Options / Bids	Multi-Period Excess Earning Method (MPEEM) The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer contracts or relationships, after remuneration of the contributory assets necessary to the execution of contracts.
Technology-related Intangible assets	Relief from Royalty method / Cost approach The relief-from-royalty method considers the discounted royalty payments that are expected to be avoided as a result of the technology being owned. The cost approach reflects the fair value of an asset based of costs (to be) incurred to develop similar asset, after consideration of its obsolescence.
Property, plant and equipment	Market comparison technique and cost technique. The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate.
Investments in Joint Ventures and associates	Discounted Dividend Method, Discounted Cash Flows Method and/or Net Book Value

At the acquisition date, the preliminary fair value of the Customer-Related intangible assets amount to €1,892 million and €466 million for the technology acquired.

According to IFRS 3, Alstom recognized and measured the deferred tax assets and liabilities arising from the assets acquired and liabilities assumed in this business combination in accordance with IAS 12 Income Taxes, considering the applicable tax rate of the entities to which the assets and liabilities belong.

The Group may adjust the provisional amounts recognized as soon as it receives additional information about facts and circumstances that existed as of the acquisition date within one year from the acquisition date. Any differences compared to the provisional amounts will be recognized as a retrospective adjustment against goodwill if recorded within twelve months from the acquisition date. The provisional goodwill recognized on the transaction amounted to €7.6 billion.

The goodwill is mainly attributable to the Bombardier Transportation's workforce, its contracts portfolio of products and solutions, the synergies expected to be achieved from the integration of Bombardier Transportation within Alstom (including improvement of profitability) and the potential of new businesses based on current market dynamics.

Other acquisition related topics

The Group incurred €102 million for acquisition-related costs on non-recurring legal, advisory, accounting, valuation, banking and other professional or consulting fees attributable to the Bombardier Transportation's acquisition. Those costs were accounted for in accordance with IFRS 3, and consequently recognized as expenses in the periods in which they were incurred, and the services were received (see Note 6).

Costs incurred in issuing equity instruments have been accounted for as a deduction from equity to the extent they were deemed as incremental costs directly attributable to the equity transactions for an amount of €29 million after taxes.

According to IFRS 3, hedge relationships related to Bombardier Transportation's commercial activity were reset at acquisition date. Outstanding foreign exchange derivatives were therefore re-designated in new hedging relationships as of 29 January 2021, leading to hedged commercial contracts being valued using the exchange rate applicable as of the date of acquisition. The reset of hedged rates leads to an increase of the gross margin on contracts of €30 million (compared hedged rates used by Bombardier Transportation) to be recognized over the period 2020/21 to 2026/27.

Bombardier Transportation contributed for €1,125 million to the sales of the Group and for €(60) million to the net result since its acquisition. It includes the amortisations of the purchase price allocation amounting to €(71) million over the period ended 31 March 2021.

On a pro forma basis, if the acquisition had occurred on 1 April 2020, management estimates that consolidated revenue would have been €14.0 billion, and consolidated net result for the year would have been €(0.8) billion.

Shareholding and governance

CDPQ became Alstom's main shareholder with 17.5% of Alstom's share capital. CDPQ is committed to a long-term shareholder approach with a strong track record of investing in infrastructure and transport assets.

In accordance with the resolutions approved by the Alstom's Shareholders' Meeting held on 29 October 2020, Ms Kim Thomassin, representing CDPQ, and Mr Serge Godin joined Alstom's Board of Directors. Mr Benoit Raillard has been appointed by Alstom's Board of Directors as observer (censeur) upon CDPQ's proposal.

Next steps

Alstom will pursue and finalize sales of certain assets of the combined Group in line with the commitments described in the European Commission's press release on 31 July 2020 and classified as Assets Held for Sale (see Note 9):

- a transfer of Bombardier Transportation's contribution to the V300 ZEFIRO very high-speed train and an offer of IP license to Hitachi for the train co-developed by Hitachi and Bombardier Transportation for use in future very high-speed tenders in the UK;
- the divestment of the Alstom Coradia Polyvalent and the Reichshoffen production site in France;
- the divestment of the Bombardier TALENT 3 platform and dedicated production facilities located within the Hennigsdorf site in Germany.

The commitments concerning Bombardier Transportation's Signalling On-Board Units and Train Control Management Systems (TCMS) have already been started to be implemented.

The divestitures will comply with all applicable social processes and consultations with employee representatives' bodies.

1.1.2 Covid-19 pandemic

The Alstom Group does business in numerous countries that have significantly been affected by the Covid-19 pandemic. As a result, the Group's operations have been impacted by lockdowns and the disturbance resulting from government measures to address the Covid-19 pandemic. Such measures affected our supply chain and overall production chains, impacting the timing of several projects. The Sanitary Crisis also impacted tendering momentum in the first quarters of 2020, with a shift in commercial activity.

In this context, after implementing the necessary health and safety measures to protect all of its employees and stakeholders, the Group made every effort to ensure the agile and responsible execution of its activities in each of the countries where it operates by swiftly adapting to changes linked to the public health crisis situation and complying with local government decisions. Our business activities showed good resilience, and, in the second semester, to the exception of a moderate impact on the service activity, operations were running at a pace in line with the pre-existing Covid-19 crisis conditions. Commercial performance was also very positive in the last quarter of the financial year, pointing to solid market momentum.

While the first initiative was to ensure the health and safety of its employees to ensure continuity of project execution, the Group implemented a company-wide cost saving program to significantly reduce costs. Alstom adapted the ways of working of its employees and limited non-essential travels and events. The Group also promoted salary moderation and kept a tight control over additional recruitments. The company has re-assessed investment priorities to rationalise cash spend while ensuring that R&D investments remained at the level that was deemed required to deliver on the Alstom in Motion strategy roadmap. In the context of the Covid-19 crisis, and in a spirit of responsibility towards all its stakeholders, the Board of Directors, in its meeting of May 11, 2020, decided as an exceptional measure not to propose a dividend distribution at the next Shareholders' meeting on July 8, 2020

The Group was principally affected by the Covid-19 pandemic in the first quarter of its fiscal year 2020/21, with identified incremental costs incurred amounting up to €68 million and stemming both from inefficiencies and expenses dedicating specifically to Covid-19 crisis. Inefficiencies are costs induced by the inability of certain employees to come to the workplace in the wake of lockdowns and dedicated costs are mainly related to cleaning and purchase of protective equipment to protect our employees from the virus.

The impact of the Covid-19 pandemic on the Group's operations affects the whole income statement and balance sheet and not just individual line items.

Estimated profit (loss) on completion of contracts accounted for on a percentage of completion basis

Covid-19 related inefficiencies and dedicated costs are not included in the percentage of completion formula of the project and have not generated revenue. They have been recognized in the primary statement of the income statement under the caption Cost of sales.

Impairment of assets

Impairment tests have been performed on goodwill (see Note 11), tangible assets, intangible assets and deferred taxes (see Note 8) with no impairment risks identified as of end of March 2021. The events linked to Covid-19 led the Group to draw up business plan used for the impairment test performed in the frame of the preparation of the Group's consolidated financial statements, based on its best reasonable estimates and the visibility available for its operations at 31 March 2021. Moreover, some sensitivity analysis were performed with regards to the key assumptions that would not lead to an impairment loss of goodwill as the recoverable amount still exceeds its carrying value.

Liquidity and balance sheet position

At March 31, 2021, the Group has a total liquidity of around € 4,500 million, including cash and cash equivalent and undrawn available credit lines. The Group has enough liquidity to fund its operations going forward.

Government grants

Where applicable, grants for the various furlough and short time working schemes established by the country where the Group operates were recognized as a deduction from personnel costs.

Risk and uncertainties

The crisis did not reveal new risk factors for the Group.

1.1.3 Shareholdership and stock market index

The Steering Committee of the Euronext Indices has decided to include Alstom in the list of the 40 stocks making up the French CAC40 index. This inclusion is effective since 21 September 2020.

CDPQ is now the main shareholder with 17.48% of Alstom's share capital. Bouygues holds now 3.12% of the capital of the group with successful placements in November 2020 and March 2021.

1.2 Scope of consolidation

1.2.1 Changes of the year

Bombardier Transportation's Acquisition

On 29 January 2021, Alstom announced the completion of the acquisition of Bombardier Transportation (see Note 1.1)

Speed Innov

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 subscribed to a capital increase in this joint-venture in an amount of €27 million in June 2020 increasing its stake from 71.0% to 74.0% with no change in the consolidation method (Joint control).

Other Acquisitions

On 30 June 2020, Alstom fully acquired IBRE (International Braking & Railway Equipment) shares, a company based in France and renamed "Alstom IBRE". This company is specialized in the development, the manufacturing and the supply of railway brake discs. Their reliable high-quality products are recognized by the most important European railway administrations. The entity is fully consolidated in the Group's accounts.

On 1 March 2021, Alstom fully acquired B&C Transit's shares. This transit engineering design and construction firm is specialised in the passenger rail sector and operates in the United States and Canada.

On 31 March 2021, Alstom fully acquired RSB BV's shares. This Rotterdam-based company provides services in maintenance of rolling stock for freight and passenger transport in the Netherlands.

The table below presents the aggregated impact of the other acquisitions as per IFRS 3 recommendation:

	Other acquisitions
Total non-current assets	17
Total current assets	46
Total assets	**63**
Total non-current liabilities	11
Total current liabilities	18
Total liabilities	**29**
FAIR VALUE OF ASSETS/ (LIABILITIES) ATTRIBUTABLE TO THE SHAREHOLDERS OF THE GROUP	**34**
Consideration price	**77**
Preliminary goodwill	**43**

Preliminary Goodwills amount to €43 million for other acquisitions. The purchase price allocations are not fully completed and will be finalized within twelve months after the acquisition date. Their contributions to the sales of the group are not material.

B. ACCOUNTING POLICIES AND USE OF ESTIMATES

NOTE 2. ACCOUNTING POLICIES

2.1 Basis of preparation of the consolidated financial statements

Alstom consolidated financial statements, for the year ended 31 March 2021, are presented in millions of Euros and have been prepared:

- in accordance with the International Financial Reporting Standards (IFRS) and interpretations published by the International Accounting Standards Board (IASB) and endorsed by the European Union and whose application was mandatory as at 31 March 2021;
- using the same accounting policies and measurement methods as at 31 March 2020, with the exceptions of changes required by the enforcement of new standards and interpretations presented here after.

The full set of standards endorsed by the European Union can be consulted at: http://www.efrag.org/Endorsement

2.2 New standards and interpretations mandatorily applicable for financial periods beginning on 1 April 2020

Several amendments are applicable at 1 April 2020:

- amendments to References to IFRS 9, IAS 39 & IFRS7: Interest Rate Benchmark Reform; the Group has elected to early adopt these amendments as expressed within the Group's consolidated financial statements at 31 March 2020;
- amendment to IFRS 16 Leases Covid 19-Related Rent Concessions;
- amendments to IFRS 3 Business Combinations;
- amendments to IAS 1 and IAS 8: Definition of material;
- amendments to References to the Conceptual Framework in IFRS Standards.

The last four amendments effective at 1 April 2020 for Alstom have no material impact on the Group's consolidated financial statements.

2.3 New standards and interpretations not yet mandatorily applicable

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

- amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2. The amendments will be applicable for annual periods beginning after 1 January 2021.

Alstom has decided not to early apply these new amendments and is currently ensuring the transition process to the new indices benchmarks. No significant impact is expected so far associated with this reform.

New standards and interpretations not yet approved by the European Union

- Amendments to IFRS 16 Leases Covid 19-Related Rent Concessions beyond 30 June 2021. The amendments are applicable for annual periods beginning after 1 April 2021;
- several amendments to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Annual Improvements 2018-2020. All these amendments will be applicable for annual periods beginning after 1 January 2022;
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current. The amendments will be applicable for annual periods beginning after 1 January 2023;
- amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies. The amendments will be applicable for annual periods beginning after 1 January 2023;

- amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates. The amendments will be applicable for annual periods beginning after 1 January 2023.

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

2.4 Use of estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make various estimates and to use assumptions regarded as realistic and reasonable. These estimates or assumptions could affect the value of the Group's assets, liabilities, equity, net income and contingent assets and liabilities at the closing date. Management reviews estimates on an on-going basis using information currently available. Actual results may differ from those estimates, due to changes in facts and circumstances.

The accounting policies most affected by the use of estimates are the following:

Revenue and margin recognition on construction and long-term service contracts and related provisions

The Group recognises revenue and gross margin on most construction and long-term service contracts fulfilling the requirements for revenue recognition over time, using the percentage of completion method based on cost to cost: revenue is in that case recognized based on the percentage of costs incurred to date divided by the total costs at completion. Moreover, when a project review indicates a negative gross margin, the estimated loss at completion is immediately recognised.

Recognised revenue and margin are based on estimates of total expected contract revenue and cost, which are subject to revisions as the contract progresses. Total expected revenue and cost on a contract reflect management's current best estimate of the probable future benefits and obligations associated with the contract.

Assumptions to calculate present and future obligations take into account current technology as well as the commercial and contractual positions, assessed on a contract-by-contract basis (one performance obligation corresponding in most cases to one contract). The introduction of technologically-advanced products exposes the Group to risks of product failure significantly beyond the terms of standard contractual warranties applicable to suppliers of equipment only.

Obligations on contracts may result in penalties due to late completion of contractual milestones, or unanticipated costs due to project modifications, suppliers or subcontractors' failure to perform or delays caused by unexpected conditions or events. Warranty obligations are affected by product failure rates, material usage and service delivery costs incurred in correcting failures.

Although the Group makes individual assessments on contracts on a regular basis, there is a risk that actual costs related to those obligations may exceed initial estimates. Estimates of contract costs and revenues at completion in case of contracts in progress and estimates of provisions in case of completed contracts may then have to be re-assessed.

Estimate of provisions relating to litigations

The Group identifies and analyses on a regular basis current litigations and measures, when necessary, provisions on the basis of its best estimate of the expenditure required to settle the obligation at the balance sheet date. These estimates take into account information available and different possible outcomes.

Valuation of deferred tax assets

Management judgment is required to determine the extent to which deferred tax assets can be recognised. Future sources of taxable income and the effects of the Group global income tax strategies are taken into account in making this determination. This assessment is conducted through a detailed review of deferred tax assets by jurisdiction and takes into account past, current and future performance deriving from the existing contracts in the order book, the budget and the three-year plan, and the length of carry back, carry forwards and expiry periods of net operating losses.

Measurement of post-employment and other long-term defined employee benefits

The measurement of obligations and assets related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases as well as withdrawal and mortality rates. If actuarial assumptions materially differ from actual results, it could result in a significant change in the employee benefit expense recognised in the income statement, actuarial gains and losses recognised in other comprehensive income and prepaid and accrued benefits.

Valuation of assets

The discounted cash flow model used to determine the recoverable value of the group of cash generating unit to which goodwill is allocated includes a number of inputs including estimates of future cash flows, discount rates and other variables, and then requires significant judgment.

Impairment tests performed on intangible and tangible assets, as well as Right-of-Use related to leased assets are also based on assumptions. Future adverse changes in market conditions or poor operating results from underlying assets could result in an inability to recover their current carrying value.

Inventories

Inventories, including work in progress, are measured at the lower of cost and net realisable value. Write-down of inventories are calculated based on an analysis of foreseeable changes in demand, technology or market conditions in order to determine obsolete or excess inventories. If actual market conditions are less favourable than those projected, additional inventory write-downs may be required.

2.5 Significant accounting policies

2.5.1 Consolidation methods

Subsidiaries

Subsidiaries are entities over which the Group exercises control.

The Group controls an entity when (i) it has power over this entity, (ii) is exposed to or has rights to variable returns from its involvement with that entity, and (iii) has the ability to use its power over that entity to affect the amount of those returns.

Subsidiaries are fully consolidated in the consolidated financial statements from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

Inter-company balances and transactions are eliminated.

Non-controlling interests in the net assets of consolidated subsidiaries are identified in a specific line of the equity named "Non-controlling interests". Non-controlling interests consist of the amount of those interests at the date of the original business combination and their share of changes in equity since the date of the combination. In the absence of explicit agreements to the contrary, subsidiaries' losses are systematically allocated between equity holders of the parent and non-controlling interests based on their respective ownership interests even if this results in the non-controlling interests having a deficit balance.

Transactions with non-controlling interests that do not result in loss of control are considered as transactions between shareholders and accounted for in equity.

Joint arrangements

Joint arrangements are the entities over which the Group has joint control.

The Group jointly controls an entity when decisions relating to the relevant activities of that entity require unanimous consent of the Group and the other parties who share control.

A joint arrangement is classified either as a joint operation or as a joint venture. The classification is based on the rights and obligations of the parties to the arrangement, taking into consideration the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances (see also Note 13):

- **Joint operations**

Joint operations are entities in which the Group has rights to the assets and obligations for the liabilities.

The Group recognises the assets, liabilities, revenues and expenses related to its interests in the joint operation. A joint operation may be conducted under a separate vehicle or not.

- **Joint ventures**

Joint ventures are entities in which the Group only has rights to the net assets.

Interests in joint ventures are consolidated under the equity method as described in the paragraph below.

Investments in associates

Associates are entities over which the Group has significant influence. In other words, the Group has the possibility to participate in decisions related to these entities' financial and operating policies without having control (exclusive or joint).

Generally, the existence of significant influence is consistent with a level of voting right held by the Group between 20% and 50%.

If need be, accounting policies of associates will be standardized with the Group accounting policies.

Interests in associates are consolidated under the equity method in the consolidated financial statements as described in the paragraph below.

Equity method

The Group accounts for its interests in associates and joint ventures under the equity method. Wherever necessary, accounting policies of associates and joint ventures have been changed to ensure consistency with the IFRS framework.

Under the equity method, investments in associates are carried in the consolidated balance sheet at cost, including any goodwill arising and transaction costs. Earn-outs are initially recorded at fair value and adjustments recorded through cost of investment when their payments are probable and can be measured with sufficient reliability.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate or joint venture recognized at the date of acquisition is recognized as goodwill.

The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

In case of an associate or joint venture purchased by stage, the Group uses the cost method to account for changes from non-consolidated investments category to "Investments in joint ventures and associates".

Associates and joint ventures are presented in the specific line "Investments in joint ventures and associates" of the balance sheet, and the Group's share of its associates' profits or losses is recognized in the line "Share of net income of equity-accounted investments" of the income statement whereas its share of post-acquisition movements in reserves is recognized in reserves.

Losses of an associate or joint venture in excess of the Group's interest in that associate or joint venture are not recognized, except if the Group has a legal or implicit obligation.

The impairment expense of investments in associates and joint ventures is recorded in the line "Share of net income of equity-accounted investments" of the income statement.

According to IAS 28, if the financial statements of an associate used in applying the equity method are prepared as of a different date from that of the investor, adjustments shall be made for the effects of significant transactions or events that occur between that date and the date of the investor's financial statements. In any case, the difference between the end of the reporting period of the associate and that of the investor shall be no more than three months.

2.5.2 Assets held for sale

Non-current assets held for sale are presented on a separate line of the balance sheet when (i) the Group has made a decision to sell the asset(s) concerned and (ii) the sale is considered to be highly probable. These assets are measured at the lower of net carrying amount and fair value less costs to sell.

When the Group is committed to a sale process leading to the loss of control of a subsidiary, all assets and liabilities of that subsidiary are reclassified as held for sale, irrespective of whether the Group retains a residual interest in the entity after sale.

2.5.3 Cash flow hedge

When cash flow hedge applies, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income.

If a hedge of a forecast transaction subsequently resulting in the recognition of a non-financial asset qualifies for cash flow hedge, then the entity shall reclassify the associated gains and losses that were recognized in other comprehensive income to profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss.

2.5.4 Translation of financial statements denominated in currencies other than euro

Functional currency is the currency of the primary economic environment in which a reporting entity operates, which in most cases, corresponds to the local currency. However, some reporting entities may have a functional currency different from local currency when that other currency is used for the entity's main transactions and faithfully reflects its economic environment.

Assets and liabilities of entities whose functional currency is other than the euro are translated into euro at closing exchange rate at the end of each reporting period while their income and cash flow statements are translated at the average exchange rate for the period.

The currency translation adjustments resulting from the use of different currency rates for opening balance sheet positions, transactions of the period and closing balance sheet positions are recorded in other comprehensive income. Translation adjustments are transferred to the consolidated income statement at the time of the disposal of the related entity.

Goodwill and fair value adjustments arising from the acquisition of entities whose functional currency is not euro are designated as assets and liabilities of those entities and therefore denominated in their functional currencies and translated at the closing rate at the end of each reporting period.

2.5.5 Business combinations

Business combinations completed between the 1 January 2004 and the 31 March 2010 have been recognised applying the provisions of the previous version of IFRS 3.

Business combinations completed from the 1 April 2010 onwards are recognised in accordance with IFRS 3R.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the sum of fair values of the assets transferred and the liabilities incurred by the acquirer at the acquisition date and the equity-interest issued by the acquirer. The consideration transferred includes contingent consideration, measured and recognized at fair value at the acquisition date.

For each business combination, any non-controlling interest in the acquiree may be measured:

- either at the acquisition-date fair value, leading to the recognition of the non-controlling interest's share of goodwill (full goodwill method) or;
- either at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, resulting in recognition of only the share of goodwill attributable to equity holders of the parent (partial goodwill method).

Acquisition-related costs are recorded as an expense as incurred.

Goodwill arising from a business combination is measured as the difference between:

- the fair value of the consideration transferred for an acquiree plus the amount of any non-controlling interests of the acquiree and;
- the net fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

Initial estimates of consideration transferred and fair values of assets acquired and liabilities assumed are finalised within twelve months after the date of acquisition and any adjustments are accounted for as retroactive adjustments to goodwill. Beyond this twelve-month period, any adjustment is directly recognised in the income statement.

Earn-outs are initially recorded at fair value and adjustments made beyond the twelve-month measurement period following the acquisition are systematically recognised through profit or loss.

In case of a step-acquisition that leads to the Group acquiring control of the acquiree, the equity interest previously held by the Group is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

2.5.6 Sales and costs generated by operating activities

Measurement of sales and costs

The amount of revenue arising from a transaction is usually determined by the contractual agreement with the customer. IFRS 15 provides restrictive guidance on the transaction price estimates and especially on variable consideration and contract modifications.

The estimation of the transaction price should include variable amounts and/or contract modifications to the extent that it is highly probable that no significant reversal in the amount of cumulative revenues recognized will occur when the uncertainty associated with these elements is subsequently resolved. The introduction of this constraint on the price escalation estimate on the one hand, as well as the incorporation of amendments under negotiation on the other hand, leads to recognize these effects on contract value at a later point in time, when they become enforceable.

In the case of «construction contracts» claims are considered in the determination of contract revenue only when it is highly probable that the claim will result in additional revenue and the amount can be reliably estimated.

Penalties are first taken into account as an increase of contract costs and in a second step as a reduction of contract revenue as soon as they are accepted.

Finally, a significant financial component should be introduced positively or negatively on revenue, when timing of cash receipts and revenue recognition under cost to cost method differ substantially.

Production costs include direct costs (such as material, labour and warranty costs) and indirect costs. Warranty costs are estimated on the basis of contractual agreement, available statistical data and weighting of all possible outcomes against their associated probabilities. Warranty periods may extend up to five years. Selling and administrative expenses are excluded from production costs.

Recognition of sales and costs

Revenue on sale of manufactured products is recognised according to IFRS 15 at a point in time, i.e. essentially when the significant risks and rewards of ownership are transferred to the customer, which generally occurs on delivery. Revenue on short-term service contracts is also accounted for at a point in time and recognised on performance of the related service. All production costs incurred or to be incurred in respect of the sale are charged to cost of sales at the date of recognition of sales.

Revenue on most of «construction contracts» and long-term service agreements is recognised according to IFRS 15 based on the percentage of completion method as they fulfill the requirements for revenue recognition over time: the stage of completion is assessed on the cost to cost method. Revenue is recognised for each performance obligation based on the percentage of costs incurred to date divided by the total costs expected at completion. Consequently, the revenue for the period is the excess of revenue measured according to the percentage of completion over the revenue recognised in prior periods.

Cost of sales on «construction contracts» and long-term service agreements is computed on the same basis. The cost of sales for the period is the excess of cost measured according to the percentage of completion over the cost of sales recognised in prior periods. As a consequence, adjustments to contract estimates resulting from work conditions and performance are recognised in cost of sales as soon as they occur, prorated to the stage of completion.

When the outcome of a contract cannot be estimated reliably, but the Group expects to recover the costs incurred in satisfying the contract, revenue is recognised only to the extent of the costs incurred until such time that the outcome of the contract can be reasonably measured.

Costs incurred that are attributable to significant inefficiencies in the Group's performance and that were not reflected in the price of the contract when the contract was negotiated with the customer should not be included in the percentage of completion formula and expensed when incurred.

When it is probable that contract costs at completion will exceed total contract revenue, the expected loss at completion is recognised immediately as an expense. Bid costs are recorded as selling expenses when incurred.

2.5.7 Impairment of goodwill, tangible and intangible assets as well as Right-of-Use related to leased assets

Assets that have an indefinite useful life – mainly goodwill and intangible assets not yet ready to use – are not amortised but tested for impairment at least annually or when there are indicators that they may be impaired. Other intangible and tangible assets as well as Right-of-Use related to leased assets subject to amortisation are tested for impairment only if there are indicators of impairment.

The impairment test methodology is based on a comparison between the recoverable amount of an asset and its net carrying value. If the recoverable amount of an asset or a cash-generating unit (CGU) is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognised immediately in the income statement. In the case of goodwill allocated to a group of CGUs, the impairment loss is allocated first to reduce the carrying amount of goodwill and then to the other assets on a pro-rata basis of the carrying amount of each asset.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets. If an asset does not generate cash inflows that are largely independent of other assets or groups of assets, the recoverable amount is determined for a cash-generating unit.

The recoverable amount is the higher of fair value less costs to sell and value in use. The value in use is elected as representative of the recoverable value. The valuation performed is based upon the Group's internal three-year business plan. Cash flows beyond this period are estimated using a perpetual long-term growth rate for the subsequent years. The recoverable amount is the sum of the discounted cash flows and the discounted terminal residual value. Discount rates are determined using the weighted-average cost of capital.

Impairment losses recognised in respect of goodwill cannot be reversed.

The impairment losses recognized in respect of other assets than goodwill may be reversed in a later period and recognized immediately in the income statement. The carrying amount is increased to the revised estimate of recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized in prior years.

C. SEGMENT INFORMATION

NOTE 3. SEGMENT INFORMATION

The Group organization, customer focused and also influenced by an increasing number of integrated services, leading to complete and turnkey solutions, leads to present financial information issued through various axes of analysis (regions, sites, contracts, functions and products). None of these axes allow for a comprehensive operating profit and loss measure nor segment assets and liabilities.

The segment information issued to the Alstom Executive Committee, identified as the Group's Chief Operating Decisions Maker (CODM) presents Key Performance Indicators at Group level. Strategic decisions and resource allocation are driven based on this reporting. The segment information has been adapted according to a similar method as those used to prepare the consolidated financial statements.

3.1 Sales by product

	Year ended	
(in € million)	**At 31 March 2021**	**At 31 March 2020**
Rolling stock	4,530	3,942
Services	1,745	1,469
Systems	947	1,301
Signalling	1,563	1,489
TOTAL GROUP	**8,785**	**8,201**

3.2 Key indicators by geographic area

Sales by country of destination

	Year ended	
(in € million)	**At 31 March 2021**	**At 31 March 2020**
Europe	5,316	4,675
of which France	*1,679*	*1,556*
Americas	1,351	1,280
Asia & Pacific	1,093	889
Africa/Middle-East /Central Asia	1,025	1,357
TOTAL GROUP	**8,785**	**8,201**

Non-current assets by country of origin

Non-current assets by country of origin are defined as non-current assets other than those related to financial debt, to employee defined benefit plans and deferred tax assets (See Section E).

(in € million)	At 31 March 2021	At 31 March 2020
Europe	4,370	1,969
of which France	1,109	*872*
Americas	790	169
Asia / Pacific	1,519	330
Africa/Middle-East/Central Asia	349	182
Total excluding goodwill	**7,028**	**2,650**
Goodwill	**9,200**	**1,567**
TOTAL GROUP	**16,228**	**4,217**

3.3 Orders Backlog

Product breakdown

(in € million)	At 31 March 2021	At 31 March 2020
Rolling stock	39,052	20,677
Services	24,737	13,794
Systems	4,692	2,288
Signalling	6,056	4,144
TOTAL GROUP	**74,537**	**40,903**

Geographic breakdown

(in € million)	At 31 March 2021	At 31 March 2020
Europe	40,804	21,321
of which France	*12,226*	*7,974*
Americas	10,491	5,539
Asia & Pacific	11,209	6,120
Africa/Middle-East /Central Asia	12,033	7,923
TOTAL GROUP	**74,537**	**40,903**

During budget exercises, Alstom re-assesses how the company backlog evolution impacts the future sales cycles. Budget processes are designed to estimate, based on the latest contract costs and planning assumptions, how the contract sales from backlog can develop over time. The March 2021 backlog contribution to the next three fiscal years revenue is expected to land within a €31 billion - €33 billion range.

3.4 Information about major customers

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

ALSTOM

D. OTHER INCOME STATEMENT

NOTE 4. RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is expensed as incurred. Development costs are expensed as incurred unless the project they relate to meets the criteria for capitalisation (see Note 11). Research and Development costs also cover product sustainability costs booked when incurred.

	Year ended	
(in € million)	At 31 March 2021	At 31 March 2020
Research and development gross cost	(443)	(442)
Funding received	91	117
Research and development spending, net	**(352)**	**(325)**
Development costs capitalised during the period	106	79
Amortisation expenses (*)	(72)	(56)
RESEARCH AND DEVELOPMENT EXPENSES	**(318)**	**(302)**

(*) Including €(9) million of amortisation expenses of the purchase price allocation of Bombardier Transportation.

As of end of March 2021, Alstom Group invested €443 million in Research and Development, notably to develop:

- its very high-speed trains Avelia Horizon™, with the first delivery for test on tracks in the US on Amtrack project, while the development of the French market version is still ongoing;
- its BEMU battery train, for which a first contract has been awarded in Germany;
- its HealthHub™ predictive maintenance solution, which is now the backbone for Rolling Stock and Infrastructures maintenance solutions;
- its TRAXX Multi-system 3 locomotives, which development started in 2018 to cover the European market;
- its new generation interlocking solution, with the ARGOS partnership with SNCF signed in September 2020;
- its FLEXX Compact Bogie 5th Generation, which will be active in the Regional and Mainline segments up to 250km/hr;
- its ERTMS level 2 on-board solution, in particular to equip the entire Norwegian railway fleet with ATLAS™ on-board train control solution;
- its CBTC solutions Urbalis Fluence™ and Urbalis 400™ for metros and tramways;
- its ICONIS™ suite for Operational Control Centers, maximizing traffic fluidity and orchestrating operations from distance;
- the continuous development of innovative solutions, based on three pillars: Autonomous mobility, Data factory and Mobility orchestration.

NOTE 5. SELLING AND ADMINISTRATIVE EXPENSES

Selling Costs are expenses incurred in the marketing and selling of a product or a service. Selling Costs typically include expenditure in the following departments: Market & Strategy, Sales & Business Development and Communication as well as the direct labour costs of operational population such as engineering working on the tendering phase.

Administrative Costs are structure and operational support costs. Administrative Costs include mostly expenditure of Headquarter and site functions having a transverse role, in particular Finance, Human Resources, Legal and Information Systems departments.

Selling and administrative expenses are recognized in charges as incurred.

Effective control of the cost structure has contributed to constraint selling and administrative expenses.

NOTE 6. OTHER INCOME AND OTHER EXPENSES

Other income and expenses are representative of items which are inherently difficult to predict due to their unusual, irregular or non-recurring nature.

Other income may include capital gains on disposal of investments or activities and capital gains on disposal of tangible and intangible assets arising from activities disposed or facing restructuring plans, any income associated to past disposals as well as a portion of post-employment and other long-term defined employee benefits (plan amendments, impact of curtailments and settlements and actuarial gains on long-term benefits other than post-employment benefits).

Other expenses include capital losses on disposal of investments or activities and capital losses on disposal of tangible and intangible assets relating to activities facing restructuring plans as well as any costs associated to past disposals, restructuring costs, rationalisation costs, significant impairment losses on assets, costs incurred to realize business combinations and amortisation expense of assets exclusively acquired in the context of former business combinations (technology, customer relationship, margin in backlog, margin on inventory), litigation costs that have arisen outside the ordinary course of business and a portion of post-employment and other long-term defined benefit expense.

	Year ended	
(in € million)	**At 31 March 2021**	**At 31 March 2020**
Capital gains / (losses) on disposal of business	(2)	-
Restructuring and rationalisation costs	(14)	(18)
Impairment loss and other	(118)	(5)
OTHER INCOME / (EXPENSES)	**(134)**	**(23)**

As of 31 March 2021, restructuring and rationalisation costs are mainly related to the adaptation of the means of production.

Over the period ended at 31 March 2021, Impairment loss and other represent mainly:

- €(13) million of amortisation of intangible assets and integration costs related to former business combinations, such as GE Signalling, EKZ and Nomad;
- €(117) million of incremental costs related to Bombardier Transportation's transaction (mainly acquisition costs, see Note 1.1);
- €47 million related to reversal of impairments (see Note 9);
- €(36) million related to E-Bus impairment of assets (see Note 36);
- €8 million related to some legal proceedings (see Note 33) and other risks, arisen outside of the ordinary course of business.

NOTE 7. FINANCIAL INCOME (EXPENSES)

Financial income and expenses include:

- Interest income representing the remuneration of the cash position;
- Interest expenses related to the financial debt (financial debt consists of bonds, other borrowings, and lease obligations);
- Other expenses paid to financial institutions for financing operations;
- Cost of commercial and financial foreign exchange hedging (forward points);

- The financial component of the employee defined benefits expense (net interest income (expenses) and administration costs).
- The significant financing component under IFRS 15

(in € million)	Year ended At 31 March 2021	At 31 March 2020
Interest income	4	5
Interest expense on borrowings and on lease obligations	(32)	(57)
NET FINANCIAL INCOME/(EXPENSES) ON DEBT	**(28)**	**(52)**
Net cost of foreign exchange hedging	(3)	(17)
Net financial expense from employee defined benefit plans	(17)	(11)
Financial component on contracts	11	11
Other financial income/(expense)	(31)	(7)
NET FINANCIAL INCOME/(EXPENSES)	**(68)**	**(76)**

Net financial income/(expenses) on debt is the cost of borrowings net of income from cash and cash equivalents. As of 31 March 2021, interest income amounts to €4 million, representing the remuneration of the Group's cash position over the period, while interest expenses amount to €(32) million, with €(9) million of interest expenses on lease obligations.

The net cost of foreign exchange hedging of €(3) million includes primarily the amortized cost of carry (forward points) of foreign exchange hedging implemented to hedge the exposures in foreign currency arising from commercial contracts and from hedging of intercompany financial positions. In addition, it includes the inefficiency part of the Bombardier Transportation acquisition hedging amounting to €(19) million.

The net financial expense from employee defined benefit plans of €(17) million represents the interest costs on obligations net of interest income from fund assets calculated using the same discount rate.

The financial component of €11 million is the recognition of financial revenue under IFRS15 for a specific project.

Other net financial income/expenses of €(31) million include mainly bank fees, commitment fees paid on bonds and guarantees facilities, syndicated loans and revolving facilities

NOTE 8. TAXATION

The Group computes taxes in accordance with prevailing tax legislation in the countries where income is taxable.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Temporary differences arising between the carrying amount and the tax base of assets and liabilities, unused tax losses and unused tax credits are identified for each taxable entity (or each tax group when applicable). Corresponding deferred taxes are calculated at the enacted or substantively enacted tax rates that are expected to apply in the period when the asset is realised or the liability settled.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available in the future against which the deductible differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, with the exception of certain taxable temporary differences between the Group's share in the net assets in subsidiaries, joint arrangements and associates and their tax bases. The most common situation when such exception applies relates to undistributed profits of subsidiaries where distribution to the shareholders would trigger a tax liability: when the Group has determined that profits retained by the subsidiary will not be distributed in the foreseeable future, no deferred tax liability is recognised. Nevertheless, the exception is no more applicable to investments/subsidiaries being disposed since it becomes probable that the temporary difference will reverse in the foreseeable future with the sale of the subsidiaries. Therefore, in this specific case, deferred tax liabilities are recognised.

Deferred tax assets and liabilities are offset when both of the following conditions are met:

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

Deferred tax is charged or credited to net income, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is classified in other comprehensive income.

8.1 Analysis of income tax charge

The following table summarises the components of income tax charge:

	Year ended	
(in € million)	**At 31 March 2021**	**At 31 March 2020**
Current income tax charge	(135)	(61)
Deferred income tax charge	72	(57)
INCOME TAX CHARGE	**(63)**	**(118)**

The following table provides reconciliation from the income tax charge valued at the French statutory rate to the actual income tax charge, free of the temporary additional contributions:

	Year ended	
(in € million)	**At 31 March 2021**	**At 31 March 2020**
Pre-tax income	**232**	**469**
Statutory income tax rate of the parent company	32.02%	34.43%
Expected tax charge	**(74)**	**(162)**
Impact of:		
- Difference between normal tax rate applicable in France and normal tax rate in force in jurisdictions outside France	6	16
- Changes in unrecognised deferred tax assets	(3)	(16)
- Changes in tax rates	(1)	2
- Additional tax expenses (withholding tax, CVAE in France and IRAP in Italy)	(30)	(25)
- Permanent differences and other	39	67
INCOME TAX CHARGE	**(63)**	**(118)**
Effective tax rate	**27%**	**25%**

8.2 Deferred tax assets and liabilities

(in € million)	Year ended At 31 March 2021	At 31 March 2020
Deferred tax assets	541	234
Deferred tax liabilities	(108)	(17)
DEFERRED TAX ASSETS, NET	**433**	**217**

The following table summarises the significant components of the Group's net deferred tax assets:

(in € million)	At 31 March 2020	Change in P&L	Change in equity	Scope Variation (*)	Translation adjustments and other changes	At 31 March 2021
Differences between carrying amount and tax basis of tangible and intangible assets	28	(2)	-	(262)	-	(236)
Accruals for employee benefit costs not yet deductible	19	-	(7)	44	1	57
Provisions and other accruals not yet deductible	64	(19)	-	213	(6)	252
Differences in recognition of margin on "construction contracts"	14	16	-	73	3	106
Tax loss carry forwards	95	52	-	56	(1)	202
Other	(3)	25	(1)	28	3	52
NET DEFERRED TAXES ASSET/(LIABILITY)	**217**	**72**	**(8)**	**152**	**-**	**433**

(*) scope variation is mainly due to Bombardier Transportation's acquisition (see Note 1.1)

(in € million)	At 31 March 2019	Change in P&L	Change in equity	Translation adjustments and other changes	At 31 March 2020
Differences between carrying amount and tax basis of tangible and intangible assets	39	(12)	-	1	28
Accruals for employee benefit costs not yet deductible	23	3	(4)	(3)	19
Provisions and other accruals not yet deductible	75	(8)	-	(3)	64
Differences in recognition of margin on "construction contracts"	3	12	-	(1)	14
Tax loss carry forwards	144	(41)	-	(8)	95
Other	(6)	(10)	3	10	(3)
NET DEFERRED TAXES ASSET/(LIABILITY)	**278**	**(56)**	**(1)**	**(4)**	**217**

The review of the extrapolation of the latest three-year business plan leads to a reasonable assurance on the utilization of net deferred tax assets within a maximum period of 5 years in accordance with the Group's strategy, for an amount of €433 million at the end of March 2021, mainly in France and the United States for an amount of €217 million.

At 31 March 2021, based on the best estimate of operating and taxable results, the net deferred tax assets relating to tax loss carry forwards and deductible temporary differences recognised in the balance sheet in France amount to €66 million out of a total of €656 million including €424 million on tax losses. Tax losses can be carried forward indefinitely in France on 50% of taxable income of the year.

In the United States, the deferred tax assets relating to tax loss carry forwards are recognised for a total amount of €122 million out of a total of €169 deferred tax assets relating to tax loss carry forwards. From 2018 onwards, the tax losses generated can be carried forward indefinitely.

Unrecognised deferred tax assets amount to €2,211 million at 31 March 2021 (€1,120 million at 31 March 2020).

The increase of unrecognised deferred tax assets over the period ended 31 March 2021 is mainly due to Bombardier Transportation's acquisition.

Most of these unrecognised deferred taxes are originated from tax losses carried forward (€1,388 million at 31 March 2021 and €800 million at 31 March 2020), out of which €957 million are not subject to expiry at 31 March 2021 (€623 million at 31 March 2020).

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

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

The results and cash flows of discontinued operations are presented on a separate line in the consolidated income statement and statement of cash flows for each period. The Group decides whether a discontinued operation represents a major line of business or geographical area of operations based on both qualitative criteria (technology, market, products, geographic region) and quantitative criteria (revenue, earnings, cash flows, assets). If the assets held by a discontinued operation are classified as held for sale they are measured at the lower of their carrying amount and fair value less costs to sell.

In compliance with IFRS 5, the Group applies the following specific measurements which impact the consolidated financial statements:

- Discontinued operations (including non-current assets, current assets and the related liabilities classified as held for sale), as a whole, are measured at the lower of their carrying amount and fair value less costs to sell;
- Consequently, goodwill, tangible and intangible assets are no longer reviewed for impairment;
- The exception of IAS 12 consisting in not recognising mechanical deferred taxes resulting from the difference between tax and consolidated values of the investments/subsidiaries being disposed is no more applicable since it becomes probable that the temporary difference will reverse in the foreseeable future with the sale of the subsidiaries. Thus, deferred tax liabilities are recognised with an income statement impact presented within the "Net profit from discontinued operations";
- Amortisation on non-current assets classified as "assets held for sale" ceases at the date of IFRS 5 application;
- Costs specifically incurred in the context of the deal are presented in the P&L within the "Net profit from discontinued operations";
- All intercompany balance-sheet and income statement positions are eliminated.

9.1 Discontinued Operations

The line "Net profit from discontinued operations", recognized in the Consolidated Income Statement, includes the reassessment of liabilities related to the disposal of previous activities. Over the fiscal year ended 31 March 2021, Alstom recognized a profit for €7 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 €(8) 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 amount of €5.7 billion. The Group benefits from a general indemnification from General Electric in these matters.

9.2 Assets held for sale

As mentioned in Note 1.1, Alstom considers that the conditions for the application of IFRS5 are met with respect to the remedies in connection with Bombardier Transportation's acquisition, even if this disposal is not yet finalized at 31 March 2021.

Therefore, the following assets and liabilities presented in Assets and Liabilities held for sale correspond to the divestment of:

- Alstom's mainline Coradia Polyvalent platform and related production facility located in Reichshoffen in France;
- Former Bombardier's mainline Talent 3 platform, and part of related production facility located in Hennigsdorf in Germany;
- Former Bombardier's assets currently contributing to its joint very high-speed platform with Hitachi, the "Zefiro V300".

The two first divestments are expected to be disposed together in a single transaction and considered as a disposal group, whereas "Zefiro V300" will be address through another transaction.

Immediately before initial classification as held for sale as well as on subsequent remeasurements of this disposal group, carrying amounts of assets and liabilities are remeasured according to applicable IFRS5. These considerations induced a reversal of a previously recognized (IAS 36) impairment for €47 million related to Reichschoffen long-lived assets.

Additionally, the group of assets held for sale considered for each transaction is measured at the lower of its carrying amount and fair value less costs to sell. A non-current asset, while part of disposal classified as held for sale, is neither depreciated nor amortized.

(in € million)	At 31 March 2021
Goodwill & Intangible assets (*)	49
Property, plant and equipment	49
Total non-current assets	**98**
Inventories & Contract assets	173
Trade receivables & other current assets	59
Total current assets	**232**
TOTAL ASSETS HELD FOR SALE	**330**

(*) of which €27 million of goodwill.

(in € million)	At 31 March 2021
Total non-current liabilities	**19**
Current provisions & contract liabilities	523
Trade payables & Other current liabilities	75
Total current liabilities	**599**
TOTAL LIABILITIES HELD FOR SALE	**617**

As this disposal group does not meet the definition of discontinued operations, Profit and Loss is presented within the current activities of the Group. The costs to sell this disposal group amount to €11 million at 31 March 2021.

NOTE 10. EARNINGS PER SHARE

Basic earnings per share are computed by dividing the period net profit (loss) before the financial cost (net of tax) of bonds reimbursable with shares, by the weighted average number of outstanding shares during the period increased by the weighted average number of shares to be issued on reimbursement of bonds reimbursable with shares (“ORA”).

Diluted earnings per share are computed by dividing the period net profit (loss) before the financial cost (net of tax) of bonds redeemable into shares, by the weighted average number of outstanding shares during the period adjusted in order to take into consideration all dilutive instruments (ORA, stock options, free shares).

10.1 Earnings

	Year ended	
(in € million)	At 31 March 2021	At 31 March 2020
Net Profit attributable to equity holders of the parent :		
• From continuing operations	240	446
• From discontinued operations	7	21
EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**247**	**467**

10.2 Number of shares

	Year ended	
number of shares	At 31 March 2021	At 31 March 2020
Weighted average number of ordinary shares used to calculate basic earnings per share	**262,142,375**	**224,491,689**
Effect of dilutive instruments other than bonds reimbursable with shares:		
• Stock options and performance shares (LTI plan)	1,455,955	2,080,594
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED TO CALCULATE DILUTED EARNINGS PER SHARES	**263,598,330**	**226,572,283**

10.3 Earnings per share

	Year ended	
(in €)	At 31 March 2021	At 31 March 2020
Basic earnings per share	0.94	2.08
Diluted earnings per share	0.94	2.06
Basic earnings per share from continuing operations	0.92	1.99
Diluted earnings per share from continuing operations	0.91	1.97
Basic earnings per share from discontinued operations	0.02	0.09
Diluted earnings per share from discontinued operations	0.03	0.09

E. NON-CURRENT ASSETS

NOTE 11. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets with indefinite useful lives are reviewed for impairment at least annually and whenever events or circumstances indicate that they might be impaired. Such events or circumstances are related to significant, unfavourable changes that are of a lasting nature and affect either the economic environment or the assumptions or the targets adopted as of the acquisition date. An impairment loss is recognised when the recoverable value of the assets tested becomes lower than their carrying value.

In the Group, goodwill cannot be allocated on a non-arbitrary basis to individual cash-generating units, but only to groups of cash-generating units. As a result, the lowest level within the entity at which the goodwill is monitored for internal management purposes comprises a number of cash-generating units to which the goodwill relates, but to which it cannot be allocated.

Due to the organization and the increasing number of integrated services leading to complete and global turnkey solutions, financial information issued is presented through various axes of analysis (regions, sites, contracts, functions, products). Free Cash Flow, basis of the impairment tests of goodwill is only relevant at Group level.

Therefore, goodwill acquired in case of business combinations is only monitored and ultimately tested at group level.

11.1 Goodwill

(in € million)	At 31 March 2020	Acquisition and adjustments on preliminary goodwill	Disposals	Translation adjustments and other changes	At 31 March 2021
GOODWILL	**1,567**	**7,691**	**-**	**(58)**	**9,200**
Of which:					
Gross value	1,567	7,691	-	(58)	9,200
Impairment	-	-	-	-	-

Movements over the period mainly arose from:

- the acquisition of Bombardier Transportation for €7.6 billion (see Note 1.1);
- the acquisitions of IBRE SAS, B&C Transit and RSB BV for a total amount of €43 million (see Note 1.2);
- the reclassification of the site of Reichshoffen in assets held for sale for €(27) million (see Note 9).

Goodwill impairment test

As of 31 March 2021, Alstom tested the value of goodwill applying valuation methods consistent with previous years. Alstom ensured that the recoverable amount exceeded its carrying value (including goodwill).

Presentation of key assumptions used for the determination of recoverable amounts

The value in use is determined as the discounted value of future cash flows by using cash flow projections for the next three years consistent with the Group's internal business plan, the extrapolation of the two following years and the most recent forecasts prepared by the Group.

The value in use is mainly driven by the terminal value which is particularly sensitive to changes in the assumptions on the discount rate after tax, the long-term growth rate and the terminal value Adjusted EBIT margin (corresponding to the ratio "aEBIT" over Sales).

Alstom has opted for the inclusion of the share in net income of the equity-accounted investments into the aEBIT when these are considered to be part of the operating activities of the Group (because there are significant operational flows and/or common project execution with these entities). This mainly includes Chinese joint-ventures, namely CASCO joint-venture for Alstom as well as, following the integration of Bombardier Transportation, Bombardier Sifang (Qingdao) Transportation Ltd., Bombardier NUG Propulsion System Co. Ltd. and Changchun Bombardier Railway Vehicles Company Ltd.

The indicator "aEBIT" corresponds to Earning Before Interests and Tax adjusted with 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.

The main assumptions used to assess the recoverable amounts of goodwill are as follows:

Net carrying amount of goodwill at 31 March 2021 (in € million)	9 200
Value elected as representative of the recoverable value	value in use
Number of years over which cash flow estimates are available	3 years
Extrapolation period of cash flow estimates	2 years
Long-term growth rate at 31 March 2021	**2,5%**
Long-term growth rate at 31 March 2020	2,5%
After tax discount rate at 31 March 2021 (*)	**8,5%**
After tax discount rate at 31 March 2020 (*)	8,5%

(*) The application of pre-tax discount rates to pre-tax cash flows leads to the same valuation of Cash Generating Units.

Discount rate is based on weighted average cost of capital (WACC) which is calculated for the Group based on a risk-free rate and a market risk premium. The current market assessment of the risks specific to Group activity is reflected by taking into account specific peer group information on industry beta, leverage and cost of debt. The parameters for calculating the discount rate are based on external sources of information.

Sensitivity of the values in use to key assumptions can be presented as follows:

(in € million)		
aEBIT Margin	-25bp	+25bp
	(505)	505
After tax discount rate	-25bp	+25bp
	954	(878)
Long-term growth rate	-10 bp	+10 bp
	(277)	287

The events linked to Covid-19 led the Group to take into consideration the global economy downturn and recent market conditions and to draw up business plan used for the impairment test performed in the frame of the preparation of the Group's consolidated financial statements, based on its best reasonable estimates and the visibility available for its operations at 31 March 2021.

The impairment tests confirmed that the recoverable amount comfortably exceeds its carrying value at 31 March 2021. Some enlarged sensitivity analysis were performed with regards to key assumptions that would not lead to an impairment loss as the recoverable amount would still exceed its carrying value.

11.2 Intangible assets

Intangible assets include acquired intangible assets (such as technology and licensing agreements) and internally generated intangible assets (mainly development costs).

Acquired intangible assets

Acquired intangible assets are initially measured at cost and amortised on a straight-line basis over their estimated useful lives. Useful lives can extend to twenty years due to the long-term nature of the underlying contracts and activities. The amortisation expense of assets acquired through ordinary transactions is recorded in cost of sales, research and development expenditure, selling or administrative expenses, based on the function of the underlying assets. The amortisation expense of assets exclusively acquired in the context of a business combination is recognized in costs of sales for backlog, product and project as well as customer relationships and in R&D for acquired technology (formerly in other expenses)

Internally generated intangible assets

Development costs are capitalised if and only if the project they relate to meet the following criteria:

- The project is clearly defined and its related costs are separately identified and reliably measured,
- The technical feasibility of the project is demonstrated,
- The intention exists to complete the project and to use or sell it,
- Adequate technical and financial resources are available to complete the project,
- It is probable that the future economic benefits attributable to the project will flow to the Group.

Capitalised development costs are costs incurred directly attributable to the project (materials, services, fees…), including an appropriate portion of relevant overheads.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life of the asset. The amortisation charge is reported in research and development expenses.

(in € million)	At 31 March 2020	Additions / disposals / amortisation / impairment	Scope Variation (*)	Other changes including translation adjustements (**)	At 31 March 2021
Development costs	1,361	106	-	(56)	1,411
Other intangible assets	460	4	2,540	36	3,040
Gross value	**1,821**	**110**	**2,540**	**(20)**	**4,451**
Development costs	(1,054)	(92)	-	57	(1,089)
Other intangible assets	(297)	(74)	(175)	(16)	(562)
Amortisation and impairment	**(1,351)**	**(166)**	**(175)**	**41**	**(1,651)**
Development costs	307	14	-	1	322
Other intangible assets	163	(70)	2,365	20	2,478
NET VALUE	**470**	**(56)**	**2,365**	**21**	**2,800**

(*) scope variation is mainly due to Bombardier Transportation's acquisition (see Note 1.1)

(**) other changes includes IFRS5 reclassification (see Note 9)

(in € million)	At 31 March 2019	Additions / disposals / amortisation / impairment	Other changes including translation adjustements	At 31 March 2020
Development costs	1,283	79	(1)	1,361
Other intangible assets	457	12	(9)	460
Gross value	**1,740**	**91**	**(10)**	**1,821**
Development costs	(1,000)	(56)	2	(1,054)
Other intangible assets	(270)	(27)	-	(297)
Amortisation and impairment	**(1,270)**	**(83)**	**2**	**(1,351)**
Development costs	283	23	1	307
Other intangible assets	187	(15)	(9)	163
NET VALUE	**470**	**8**	**(8)**	**470**

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. When an item of property, plant and equipment is made up of components with different useful lives, the total cost is allocated between the various components. Components are then separately depreciated.

Depreciation is computed using the straight-line method over the estimated useful lives of each component. The useful lives most commonly used are the following:

	Estimated useful life in years
Buildings	7-40
Machinery and equipment	3-25
Tools, furniture, fixtures and others	1-10

Useful lives are reviewed on a regular basis and changes in estimates, when relevant, are accounted for on a prospective basis. The depreciation expense is recorded in cost of sales, selling expenses or administrative expenses, based on the function of the underlying assets.

Borrowing costs that are attributable to an asset whose construction period exceeds one year are capitalised as part of the costs of the asset until the asset is substantially ready for use or sale.

When the Group is the lessee, leases (except short-term leases and leases of low-value assets below 5 000 Euros when new, for which rentals payable are charged to profit or loss on a straight-line basis over the term of the relevant lease) are recognized as a Right-of-Use asset in Property, plant and equipment at the date at which the leased asset is available for use. The corresponding liability to the lessor is included in the balance sheet as a financing obligation. Lease payments are apportioned between finance charges and repayment of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

The cost of Right-of-Use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received as well as any restoration costs if an obligation is identified. Generally, Right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Nevertheless, when the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Right-of-Use assets may be subject to impairment.

When the Group is the lessor, assets under operating leases, are also included in Property plant and equipment. Lease income from operating leases is recognized on a straight-line basis over the term of the lease.

(in € million)	At 31 March 2020	Additions / amortisation / impairment	Disposals	Scope variation (*)	Other changes including translation adjustements (**)	At 31 March 2021
Land	95	-	(1)	183	(1)	276
Buildings	1,445	80	(8)	1,113	(36)	2,594
Machinery and equipment	907	49	(42)	985	15	1,914
Constructions in progress	135	76	(1)	49	(106)	153
Tools, furniture, fixtures and other	225	15	(10)	91	9	330
Gross value	**2,807**	**220**	**(62)**	**2,421**	**(119)**	**5,267**
Land	(6)	-	-	(8)	-	(14)
Buildings	(600)	(107)	6	(489)	47	(1,143)
Machinery and equipment	(664)	(72)	41	(645)	24	(1,316)
Constructions in progress	(3)	-	-	-	-	(3)
Tools, furniture, fixtures and other	(163)	(36)	9	(65)	14	(241)
Amortisation and impairment	**(1,436)**	**(215)**	**56**	**(1,207)**	**85**	**(2,717)**
Land	89	-	(1)	175	(1)	262
Buildings	845	(27)	(2)	624	11	1,451
Machinery and equipment	243	(23)	(1)	340	39	598
Constructions in progress	132	76	(1)	49	(106)	150
Tools, furniture, fixtures and other	62	(21)	(1)	26	23	89
NET VALUE	**1,371**	**5**	**(6)**	**1,214**	**(34)**	**2,550**

(*) scope variation is mainly due to Bombardier Transportation's acquisition (see Note 1.1)
(**) other changes includes IFRS5 reclassification (see Note 9)

The commitments of fixed assets amount to €43 million at 31 March 2021 (respectively €56 million at 31 March 2020), of which €22 million are related to leased assets (respectively none at 31 March 2020).

(in € million)	At 31 March 2019	IFRS 16 First application	Additions / amortisation / impairment	Disposals	Other changes including translation adjustements	At 31 March 2020
Land	92	4	2	(3)	-	95
Buildings	950	349	146	(19)	19	1,445
Machinery and equipment	852	14	53	(22)	10	907
Constructions in progress	149	-	84	-	(98)	135
Tools, furniture, fixtures and other	217	25	12	(22)	(7)	225
Gross value	**2,260**	**392**	**297**	**(66)**	**(76)**	**2,807**
Land	(9)	-	-	3	-	(6)
Buildings	(494)	(12)	(126)	19	13	(600)
Machinery and equipment	(635)	-	(62)	20	13	(664)
Constructions in progress	(3)	-	-	-	-	(3)
Tools, furniture, fixtures and other	(166)	-	(22)	21	4	(163)
Amortisation and impairment	**(1,307)**	**(12)**	**(210)**	**63**	**30**	**(1,436)**
Land	83	4	2	-	-	89
Buildings	456	337	20	-	32	845
Machinery and equipment	217	14	(9)	(2)	23	243
Constructions in progress	146	-	84	-	(98)	132
Tools, furniture, fixtures and other	51	25	(10)	(1)	(3)	62
NET VALUE	**953**	**380**	**87**	**(3)**	**(46)**	**1,371**

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

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(in € million)	At 31 March 2020	Additions / amortisation / impairment	Disposals	Scope Variation (*)	Other changes of which translation adjustments (**)	At 31 March 2021
Land	6	-	-	3	-	9
Buildings	463	59	(21)	180	(1)	680
Machinery and equipment	20	5	(2)	2	-	25
Tools, furniture, fixtures and other	33	11	(7)	8	(1)	44
Gross value	**522**	**75**	**(30)**	**193**	**(2)**	**758**
Buildings	(98)	(81)	16	-	(1)	(164)
Machinery and equipment	(8)	(5)	2	-	1	(10)
Tools, furniture, fixtures and other	(12)	(13)	7	-	(1)	(19)
Amortisation and impairment	**(118)**	**(99)**	**25**	**-**	**(1)**	**(193)**
Land	6	-	-	3	-	9
Buildings	365	(22)	(5)	180	(2)	516
Machinery and equipment	12	-	-	2	1	15
Tools, furniture, fixtures and other	21	(2)	-	8	(2)	25
NET VALUE	**404**	**(24)**	**(5)**	**193**	**(3)**	**565**

(*) scope variation is mainly due to Bombardier Transportation's acquisition (see Note 1.1)

(**) other changes includes IFRS5 reclassification (see Note 9)

(in € million)	At 31 March 2019	IFRS 16 First application	Additions / amortisation / impairment	Disposals	Other changes of which translation adjustments	At 31 March 2020
Land	-	4	2	-	-	6
Buildings	30	350	96	-	(13)	463
Machinery and equipment	4	14	2	-	-	20
Tools, furniture, fixtures and other	2	24	8	-	(1)	33
Gross value	**36**	**392**	**108**	**-**	**(14)**	**522**
Buildings	(18)	(12)	(74)	-	6	(98)
Machinery and equipment	(4)	-	(4)	-	-	(8)
Tools, furniture, fixtures and other	(1)	-	(12)	-	1	(12)
Amortisation and impairment	**(23)**	**(12)**	**(90)**	**-**	**7**	**(118)**
Land	-	4	2	-	-	6
Buildings	12	338	22	-	(7)	365
Machinery and equipment	-	14	(2)	-	-	12
Tools, furniture, fixtures and other	1	24	(4)	-	-	21
NET VALUE	**13**	**380**	**18**	**-**	**(7)**	**404**

NOTE 13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Financial information

	Share in equity		Share of net income	
(in € million)	At 31 March 2021	At 31 March 2020	Year ended At 31 March 2021	Year ended At 31 March 2020
TMH Limited	480	469	44	66
Bombardier Sifang (Qingdao) Transportion Ltd	400	-	2	-
Other Associates	248	137	43	39
Associates	**1,128**	**606**	**89**	**105**
Bombardier NUG Propulsion System Co. Ltd.	148	-	2	-
SpeedInnov JV	101	86	(9)	(3)
Other Joint ventures	89	1	1	-
Joint ventures	**338**	**87**	**(6)**	**(3)**
TOTAL	**1,466**	**693**	**83**	**102**

Movements during the period

(in € million)	At 31 March 2021	At 31 March 2020
Opening balance	**693**	**711**
Share in net income of equity-accounted investments after impairment	83	102
Dividends	(55)	(80)
Acquisitions (*)	27	56
Scope Variations (**)	713	-
Translation adjustments and other	5	(96)
CLOSING BALANCE	**1,466**	**693**

(*) Capital increase in Speed Innov joint-venture in June 2020 (See Note 1.2)

(**) Scope variations consist in the acquisition of Bombardier Transportation's Associates and Joint Ventures (See Note 1.1)

13.1 TMH Limited

For practical reason, to be able to get timely and accurate information, data as of 31 December 2020 and 31 December 2019 are retained and booked within Alstom's 31 March 2021 and 31 March 2020 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 31 December 2020 and 31 December 2019 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 31 March 2021 and 31 March 2020.

Balance sheet

(in € million)	TMH Limited At 31 December 2020	TMH Limited At 31 December 2019
Non-current assets	3,424	3,335
Current assets	2,452	1,851
TOTAL ASSETS	**5,876**	**5,186**
Equity-attributable to the owners of the parent company	2,626	2,601
Equity-attributable to non-controlling interests	258	206
Non current liabilities	1,189	865
Current liabilities	1,803	1,514
TOTAL EQUITY AND LIABILITIES	**5,876**	**5,186**
Equity interest held by the Group	20%	20%
NET ASSET	**525**	**520**
Goodwill	37	38
Impairment of share in net asset of equity investments	(30)	(30)
Other (*)	(52)	(59)
CARRYING VALUE OF THE GROUP'S INTERESTS	**480**	**469**

(*) Corresponds to the restatements to TMH historical value before the combined operation, as at 30 June 2018.

Income statement

(in € million)	TMH Limited **year ended 31 december 2020**	TMH Limited **year ended 31 december 2019**
Sales	4,569	5,406
Net income from continuing operations	221	315
Share of non-controlling interests	(10)	(27)
Net income attributable to the owners of the parent company	**211**	**288**
Equity interest held by the Group	20%	20%
Share in the net income	**42**	**58**
Total share in the net income	42	58
Other items (*)	2	8
GROUP'S SHARE IN THE NET INCOME	**44**	**66**

(*) Correspond to the fair value restatements calculated at the time of acquisition

13.2 Bombardier Sifang (Qingdao) Transportation Ltd

The table below presents the management summarized financial information (at 100%) of Bombardier Sifang (Qingdao) Transportation Ltd at 31 March 2021:

Balance sheet

(in € million)	BST Ltd **At 31 March 2021**
Non-current assets	296
Current assets	1,173
TOTAL ASSETS	**1,469**
Equity-attributable to the owners of the parent company	675
Current liabilities	793
TOTAL EQUITY AND LIABILITIES	**1,468**
Equity interest held by the Group	50%
NET ASSET	**338**
Preliminary goodwill	62
CARRYING VALUE OF THE GROUP'S INTERESTS	**400**

Income Statement

(in € million)	BST Ltd **From 29 January 2021 to 31 March 2021**
Sales	36
Net income from continuing operations	4
Net income attributable to the owners of the parent company	**4**
Equity interest held by the Group	50%
Share in the net income	**2**
Total share in the net income	2
GROUP'S SHARE IN THE NET INCOME	**2**

13.3 Other Joint Ventures and Associates

The Group's investment in other associates comprises investment in Casco, held by the Group at 49%, for €145 million (of which €45 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 €248 million as of 31 March 2021 (€137 million as of 31 March 2020).

NOTE 14. NON-CONSOLIDATED INVESTMENTS

Entities over which the Group has no significant influence or when the value is not material are not consolidated. The Group has expressed intention and ability to hold these Investments on a long term perspective and therefore these investments are considered as non-trading investments. The Group has elected for the portfolio of non-consolidated investments to record the change in fair value on these investments through Other Comprehensive Income with no subsequent recycling in income statement. They are initially measured at their fair value, plus directly attributable transaction costs and subsequently re-measured at fair value.

The fair value of listed securities is the market value at the closing date. A valuation model is used in case of unlisted securities. Changes in fair value are then directly recognised in other comprehensive income with no subsequent recycling in income statement. When the fair value cannot be determined reliably, investments in non-consolidated companies are measured at cost.

Besides, the Group has expressed intention and ability to hold all debt securities to maturity to collect the corresponding contractual cash flows. They are in that purpose measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect amounts expected not to be recoverable. An impairment loss is recognised in profit or loss when there is objective evidence that the asset should be impaired and is measured as the difference between the investment's carrying value and the present value of the estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses may be reversed through profit and loss in subsequent periods.

Finally, marketable securities are assets held for trading which cannot be considered as cash and cash equivalents. They are designated as financial assets at fair value through profit or loss. Changes in fair value are reported as financial income or expense.

Movements during the period

(in € million)	At 31 March 2021	At 31 March 2020
Opening balance	**60**	**64**
Change in fair value	3	(6)
Acquisitions / disposals	14	2
Closing balance	**77**	**60**

The Group's equity investment in other investments is not significant on an individual basis and notably comprises investments in companies that hold PPPs (public-private partnerships) agreements or have entered into concession agreements, typically for an ownership lower than 20%.

NOTE 15. OTHER NON-CURRENT ASSETS

Loans are initially measured at their fair value, plus directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Deposits are reported as other non-current assets when their initial maturity is more than three months and as cash and cash equivalents in case of demand deposits or when the initial maturity is less than three months.

If there is any indication that those assets may be impaired, they are reviewed for impairment. Any difference between the carrying value and the impaired value (net realisable value) is recorded as a financial expense. The impairment loss can be reversed if the value is recovered in the future. In that case, the reversal of the impairment loss is reported as a financial income.

Certain long-term contract receivables corresponding to incentive payments are classified as FV through P&L. Subsequent changes in the fair value of such financial instruments are recorded in financial expense (income).

Assets subject to finance leases, are initially recognized at an amount equal to the net investment in the lease and are included in financial non-current assets associated to financial debt. Interest income is recognized over the term of the applicable leases based on the effective interest rate method.

(in € million)	At 31 March 2021	At 31 March 2020
Financial non-current assets associated to financial debt (*)	165	177
Long-term loans, deposits and other	270	56
Other non-current assets	**435**	**233**

(*) These non-current assets relate to a long-term rental of trains and associated equipment to a London metro operator (see Note 27).

The increase of non-current assets over the exercise is mainly due to Bombardier Transportation's acquisition. The amount acquired at 29 January 2021 is €156 million (see Note 1.1).

F. WORKING CAPITAL

NOTE 16. WORKING CAPITAL ANALYSIS

(in € million)	At 31 March 2021	At 31 March 2020	Variation
Inventories	2,962	1,743	1,219
Contract assets	2,715	1,644	1,071
Trade receivables	2,299	1,581	718
Other current operating assets / (liabilities)	(1,551)	(528)	(1,023)
Contract liabilities	(5,457)	(3,148)	(2,309)
Provisions	(2,309)	(1,013)	(1,296)
Trade payables	(3,207)	(1,653)	(1,554)
WORKING CAPITAL	**(4,548)**	**(1,374)**	**(3,174)**

(in € million)	For the year ended At 31 March 2021
Working capital at the beginning of the period	**(1,374)**
Changes in working capital resulting from operating activities	985
Changes in working capital resulting from investing activities	(1)
Scope Variation (*)	(4,359)
Translation adjustments and other changes	201
Total changes in working capital	**(3,174)**
Working capital at the end of the period	**(4,548)**

(*) scope variation is mainly due to Bombardier Transportation's acquisition (see Note 1.1)

NOTE 17. INVENTORIES

Raw materials and supplies, work in progress and finished products are stated at the lower of cost, using the weighted average cost method, or net realisable value.

Inventory cost includes direct material and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their existing location and condition.

Work in progress refers to costs incurred on product contracts or short term service contracts whose execution will be finalised during a next period. It refers also to costs incurred on «construction contracts» not yet allocated to projects at end of the closing period but transferred to project costs in subsequent periods when the asset becomes sufficiently customized and cannot be readily directed for another use.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(in € million)	At 31 March 2021	At 31 March 2020
Raw materials and supplies	1,887	1,099
Work in progress	1,153	692
Finished products	142	146
Inventories, gross	**3,182**	**1,937**
Raw materials and supplies	(211)	(129)
Work in progress	(4)	(58)
Finished products	(5)	(7)
Write-down	**(220)**	**(194)**
Inventories, net	**2,962**	**1,743**

The increase of inventories over the period ended 31 March 2021 is mainly due to Bombardier Transportation's acquisition. The amount acquired at 29 January 2021 is €1,157 million (see Note 1.1)

NOTE 18. NET CONTRACT ASSETS/LIABILITIES

Aggregates called "contract assets" and "contract liabilities" are disclosed for «construction contracts» and long term service agreements in progress and are determined on a contract-by-contract basis. The aggregate "contract assets" corresponds to the unbilled part of revenues recognized to date net of the advance payments received from customers. Unbilled part of revenue corresponds to revenue recognized to date in excess of progress billings. On the contrary, when progress billings are in excess of revenue recognized to date, the net amount is accounted for as deferred income and aggregated with the related advance payments received from customers under the caption "contract liabilities".

Some costs incurred in fulfilling a contract that are not falling under the scope of the standards dealing with intangible and tangible assets as well as inventories, should be accounted for under a new caption called "costs to fulfil a contract" when eligible to capitalization.

IFRS 9 acknowledges the recognition of the credit risk related to financial assets and especially trade receivables, based on the expected loss approach. The recognition model retained for contract assets is the general model that allows to estimate the risk within one year, as long as there is no sign of significant degradation of customer credit risk.

(in € million)	At 31 March 2021	At 31 March 2020	Variation
Cost to fulfil a contract	26	15	11
Contract assets	2,689	1,629	1,060
Total contract assets	**2,715**	**1,644**	**1,071**
Contract liabilities	(5,457)	(3,148)	(2,309)
Net contract Assets/(Liabilities)	**(2,742)**	**(1,504)**	**(1,238)**

The net increase of contract liabilities over the period ended 31 March 2021 is mainly due to Bombardier Transportation's acquisition. The net amount acquired at 29 January 2021 is €(2,676) million (see Note 1.1).

Net contract Assets/(Liabilities) include down payments as well as, in some specific cases, progress payments received in exchange of irrevocable and unconditional payment undertakings issued by the customer. This transaction is analyzed as an advance payment received on behalf of the customer under the supply contract.

Total down payments represent an amount of €2,242 million at 31 March 2021* (€2,238 million at 31 March 2020), of which €245 million on specific advance payments (as described above).

**former Bombardier Transportation figures not available*

NOTE 19. TRADE RECEIVABLES

A receivable is an entity's right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. Receivables are initially recognised at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that those assets may be impaired, they are reviewed for impairment. Any difference between the carrying value and the impaired value (net realisable value) is recorded within Earnings Before Interests and Taxes. The impairment loss can be reversed if the value is recovered in the future. In that case, the reversal of the impairment loss is also reported within Earnings Before Interests and Taxes.

IFRS 9 acknowledges the recognition of the credit risk related to financial assets and especially trade receivables, based on the expected loss approach. The recognition model retained for trade receivables is the Simplified Approach "Lifetime Expected Credit Losses", as long as there is no sign of significant degradation of customer credit risk.

Indeed, due to the type of business operated by the Group, past due receivables are frequently representative of outstanding amounts confirmed by customers but whose payment is subject to clearance of items raised during inspection of works. Such receivables do remain fully recoverable; costs to be incurred for the clearance of pending items are included in the determination of the margin at completion of the related contracts.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the contractual rights in a transaction under which substantially all the risks and rewards of the financial assets are transferred.

			Past due on the closing date		
(in € million)	Total	No past due on the closing date	Less than 60 days	Between 60 and 180 days	More than 180 days
At 31 March 2021	**2,299**	**1,632**	**164**	**82**	**421**
o/w gross	2,381	1,655	164	82	480
o/w impairment	(82)	(23)	-	-	(59)
At 31 March 2020	**1,581**	**1,265**	**104**	**31**	**181**
o/w gross	1,610	1,277	104	31	198
o/w impairment	(29)	(12)	-	-	(17)

The increase of trade receivables over the period ended 31 March 2021 is mainly due to Bombardier Transportation's acquisition. The amount acquired at 29 January 2021 is €1,047 million (see Note 1.1).

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NOTE 20. OTHER CURRENT OPERATING ASSETS

(in € million)	At 31 March 2021	At 31 March 2020
Down payments made to suppliers	237	63
Corporate income tax	64	85
Other taxes	488	326
Prepaid expenses	113	55
Other receivables	335	209
Derivatives relating to operating activities	280	207
Remeasurement of hedged firm commitments in foreign currency	396	247
Other current operating assets	**1,913**	**1,192**

The increase of other current operating assets over the period ended 31 March 2021 is mainly due to Bombardier Transportation's acquisition. The amount acquired at 29 January 2021 is €572 million (see Note 1.1).

Over the period ended 31 March 2021, the Group entered into an agreement of assignment of receivables that leads to the derecognition of tax receivables for an amount of €72 million in accordance with IFRS 9 criteria. The total disposed amount outstanding at 31 March 2021 is €150 million.

NOTE 21. OTHER CURRENT OPERATING LIABILITIES

(in € million)	At 31 March 2021	At 31 March 2020
Staff and associated liabilities	794	531
Corporate income tax	310	93
Other taxes	245	137
Deferred income	9	9
Trade payables with extended payment terms	408	-
Other payables	1,092	572
Derivatives relating to operating activities	400	199
Remeasurement of hedged firm commitments in foreign currency	206	179
Other current operating liabilities	**3,464**	**1,720**

The increase of other current operating liabilities over the period ended 31 March 2021 is mainly due to Bombardier Transportation's acquisition. The amount acquired at 29 January 2021 is €1,447 million (see Note 1.1).

Bombardier Transportation negotiated extended payment terms of 210 to 240 days after delivery with certain of its suppliers, that have the possibility to early finance their receivables through a supply chain financing program supported by third parties. Those third parties are not committed, and suppliers have the right to return to original payment terms for future payables upon providing a minimum notice period. The Group considers that the balance of trade payables supported by the supply chain financing program does not have the nature of a financial debt as the extension of the payment terms are not contractually linked to the existence of the supply chain financing program. However, following IFRIC Update issued in December 2020, the Group decided to present the amounts of trade payables supported by the supply chain financing arrangement and exceeding regular payment terms on a dedicated line item of its balance sheet in the other current liabilities.

NOTE 22. PROVISIONS

As long as a «construction contracts» or a long-term service agreement is in progress, obligations attributable to such a contract are taken into account in the assessment of the margin to be recognised.

Upon completion of the contract, such obligations are recognised as distinct liabilities when they satisfy the following criteria:

- the Group has a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of economic resources will be required to settle the obligation; and
- such outflow can be reliably estimated.

These liabilities are presented as provisions when they are of uncertain timing or amount. When this uncertainty is dispelled, they are presented as trade payables or other current liabilities.

One exception is, in accordance with IAS37 Provisions, Contingent Liabilities and Contingent Assets, the provisions on onerous contracts that are reported in current provisions, as soon as identified. The unavoidable costs to fulfil a contract considered in assessing whether a contract is onerous are all the costs that directly relate to that contract.

Obligations resulting from transactions other than «construction contracts» and long-term service agreements are directly recognised as provisions as soon as the above-mentioned criteria are met. Where the effect of the time value of money is material, provisions are measured at their present value.

Restructuring provisions are made when plans to reduce or close facilities, or to reduce the workforce have been finalised and approved by the Group management and have been announced before the closing date, resulting in an obligation of the Group to third parties. Restructuring costs include employees' severance and termination benefits and estimated facility closing costs. In addition to such provisions, restructuring costs may include asset write-off relating to the restructured activities

(in € million)	At 31 March 2020	Additions	Releases	Applications	Scope variation (*)	Translation adjustments and other (**)	At 31 March 2021
Warranties	275	214	(50)	(119)	284	(13)	591
Risks on contracts	578	159	(171)	(261)	1,083	35	1,423
Current provisions	**853**	**373**	**(221)**	**(380)**	**1,367**	**22**	**2,014**
Tax risks & litigations	63	11	(4)	(1)	52	(5)	116
Restructuring	30	10	(1)	(25)	38	-	52
Other non-current provisions	67	13	(6)	(2)	54	1	127
Non-current provisions	**160**	**34**	**(11)**	**(28)**	**144**	**(4)**	**295**
Total Provisions	**1,013**	**407**	**(232)**	**(408)**	**1,511**	**18**	**2,309**

(*) scope variation is mainly due to Bombardier Transportation's acquisition (see Note 1.1)
(**) other changes includes IFRS5 reclassification (see Note 9)

(in € million)	At 31 March 2019	Additions	Releases	Applications	Translation adjustments and other	At 31 March 2020
Warranties	227	144	(41)	(55)	-	275
Risks on contracts	620	190	(109)	(135)	12	578
Current provisions	**847**	**334**	**(150)**	**(190)**	**12**	**853**
Tax risks & litigations	165	22	(4)	(2)	(118)	63
Restructuring	43	13	(7)	(18)	(1)	30
Other non-current provisions	138	15	(41)	(28)	(17)	67
Non-current provisions	**346**	**50**	**(52)**	**(48)**	**(136)**	**160**
Total Provisions	**1,193**	**384**	**(202)**	**(238)**	**(124)**	**1,013**

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. Following IFRIC 23 application in April 2019, it is reminded that liabilities for uncertainty over income tax treatments are now presented as tax liabilities on the line corporate income tax in the other current operating liabilities.

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 33.

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G. EQUITY AND DIVIDENDS

NOTE 23. EQUITY

When managing capital, objectives of the Group are to safeguard its ability to continue as a going concern so that it can provide returns to shareholders, bring benefits to its other partners and optimise the structure of the capital in order to reduce its cost.

To achieve this, the Group may choose to:

- adjust the amount of dividends paid to the shareholders;
- reimburse a portion of capital to the shareholders;
- issue new shares; or,
- sell assets in order to scale back its debt.

23.1 Movements in share capital

At 31 March 2021, the share capital of Alstom amounts to €2,598,412,551 consisting of 371,201,793 ordinary shares with a par value of €7 each. For the year ended 31 March 2021, the weighted average number of outstanding ordinary shares amounts to 262,142,375 after the dilutive effect of bonds reimbursable in shares "Obligations Remboursables en Actions" and to 263,598,330 after the effect of all dilutive instruments.

During the period ended 31 March 2021:

- 144,262,351 ordinary shares were issued under capital increase. It is composed by the rights issue completed on 7 December 2020 for 68,078,055 new ordinary shares and reserved share capital increase for 76,184,296 new ordinary shares on 29 January 2021 (see note 1.1);
- 71,530 bonds reimbursable in shares "Obligations Remboursables en Actions" were converted into 4,466 shares at a par value of €7;
- 98,896 ordinary shares were issued under equity settled share-based payments;
- 862,298 ordinary shares were issued under long term incentive plans.

23.2 Currency translation adjustment in shareholders' equity

At 31 March 2021, the currency translation reserve amounts to €(611) million.

The currency translation adjustment, presented within the consolidated statement of comprehensive income for €14 million, primarily reflects the effect of variations of the British Pound (€36 million), US Dollar (€(35) million), Chinese Yuan (€17 million), Brazilian Real (€(17) million), Swedish Krona (€(15) million), against the Euro for the year ended 31 March 2021.

NOTE 24. DISTRIBUTION OF DIVIDENDS

As approved at the Combined Shareholders' Meeting on 8 July 2020, Alstom did not distribute dividend for fiscal year 2019/20 in the context of the sanitary crisis.

H. FINANCING AND FINANCIAL RISK MANAGEMENT

NOTE 25. OTHER CURRENT FINANCIAL ASSETS

As at 31 March 2021, other current financial assets comprise the positive market value of derivatives instruments hedging loans, deposits and Group cash pooling positions.

(in € million)	At 31 March 2021	At 31 March 2020
Derivatives related to financing activities and others	28	45
OTHER CURRENT FINANCIAL ASSETS	**28**	**45**

NOTE 26. CASH AND CASH EQUIVALENTS

Cash equivalents are held to meet short-term cash commitments. In order to be considered as cash equivalent, an investment must be convertible to a known amount of cash within the coming three months and subject to a negligible risk of change in value, thereby satisfying the requirements of IAS 7.

Cash and cash equivalents include all cash balances, certain term deposit accounts, negotiable debt instruments and monetary UCITS.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(in € million)	At 31 March 2021	At 31 March 2020
Cash	1,095	1,060
Cash equivalents	155	1,115
CASH AND CASH EQUIVALENT	**1,250**	**2,175**

In addition to bank open deposits classified as cash for €1,095 million, the Group invests in cash equivalents mainly in term deposits that can be terminated at any time with less than three months notification period for an amount of €155 million (€262 million at 31 March 2020).

NOTE 27. FINANCIAL DEBT

Bonds and interest-bearing bank loans are initially recognised at fair value, less any transaction costs directly attributable to the issuance of the liability. These financial liabilities are subsequently measured at amortised cost, using the effective interest rate method.

The lease liability, when Alstom is the lessee, is measured at the present value of lease payments to be made over the lease term, discounted using the marginal borrowing rate of the lessee at the lease commencement date if the interest rate implicit in the lease cannot be readily determined. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for termination of a lease when the lease term reflects the lessee exercising a termination option. Lease payments are apportioned between finance charges and repayment of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

(in € million)	At 31 March 2020	Cash movements: Net cash variation	Non-cash movements: Change in scope	Non-cash movements: Translation adjustments and other	At 31 March 2021
Bonds	694	739	-	1	1,434
Other borrowings	290	(1,114)	1,501	3	680
Derivatives relating to financing activities	57	(26)	21	10	62
Accrued interests (*)	1	(28)	-	28	1
Borrowings	**1,042**	**(429)**	**1,522**	**42**	**2,177**
Lease obligations(**)	**596**	**(110)**	**193**	**72**	**751**
Total financial debt	**1,638**	**(539)**	**1,715**	**114**	**2,928**

(*) Paid interests are disclosed in the net cash provided by operating activities part in the cash flow statement. Net interests paid and received amount to €(19) million and those related to lease obligations amount to €(9) million over the year..

(**) Lease obligations include obligations under long-term rental representing liabilities related to lease obligations on trains and associated equipment for €165 million at 31 March 2021 and €177 million at 31 March 2020 (see Note 15).

The change in borrowings over the period is mainly due to:

- The issuance in January 2021 of the 0.0% senior bonds maturing in January 2029 for a total amount of €750 million;
- The acquisition of Bombardier Transportation's financial debt (see Note 1.1) mainly consisting of:
  - a Revolving Credit Facility for €952 million and bank overdrafts for €74 million, repaid after the acquisition;
  - liabilities due to third-party advance providers for €453 million – Bombardier Transportation entered in the past into arrangements for one specific contract whereby payments (neither unconditional nor irrevocable) were received from third-party advance providers in exchange for the rights to customer payments. These amounts have been analyzed as financial debt and reclassified as such at the acquisition date for €240 million at 29 January 2021 (outstanding €218 million at 31 March 2021). This scheme is at its end and will fully disappear in the first quarter of the fiscal year 2022/23. Bombardier Transportation sold also some receivables. As these schemes do not comply with IFRS9 criteria for derecognition, they were also reclassified at acquisition date as financial debt for €213 million and have been terminated before 31 March 2021.
- The issuance of commercial papers under the group NEU CP program for an amount of €174 million with maturities in September 2021 (€76 million issued as of March 20).

The following table summarizes the significant components of the Group's bonds:

	Initial Nominal value (in € million)	Maturity date (dd/mm/yy)	Nominal interest rate	Effective interest rate	Accounting value at At 31 March 2021	Market value at At 31 March 2021
Alstom October 2026	700	14/10/2026	0.25%	0.38%	695	705
Alstom January 2029	750	11/01/2029	0.00%	0.18%	739	731
Total and weighted average rate			**0.12%**	**0.28%**	**1,434**	**1,436**

Other borrowings consist in banking facilities drawn by affiliates and in liabilities due to third-party advance providers as described above.

The value of the external financial debt split by currency is as follows:

(in € million)	At 31 March 2021	At 31 March 2020
Euro	2,044	1,110
Swiss Franc	227	-
British Pound	216	223
Indian Rupee	112	178
Canadian Dollar	62	7
Tenge kazakh	56	18
US Dollar	48	17
Australian Dollar	36	3
Algerian Dinar	29	43
South African Rand	25	24
Other currencies	73	15
FINANCIAL DEBT IN NOMINAL VALUE	**2,928**	**1,638**

The €227 million external debt in CHF is mainly due to third-party advance providers for €218 million that has been reclassified as financial debt as mentioned above.

The €216 million external debt in GBP is mainly explained by a €165 million long-term lease scheme of trains, involving London Underground. This lease in GBP is counter-balanced by long-term receivables recognised as non-current assets for the same amount, with the same maturity and also denominated in GBP (see Notes 15 and above).

NOTE 28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

28.1 Financial instruments reported in the financial statements

The Group's financial liabilities encompass borrowings, trade and other payables.

The Group's financial assets include loans, trade and other receivables, other current assets and cash and cash equivalents.

The Group is exposed to volatility risk in currency and exchange rate, to credit and liquidity risks.

The main valuation methods applied are as follows:

- borrowings, when unhedged, are stated at amortised cost, determined by the effective interest rate method;
- the fair value of the financial debt is estimated based on either quoted market prices for traded instruments or current rates offered to the Group for debt of the same maturity;
- the fair value of cash, cash equivalents, trade receivables and trade payables is considered as being equivalent to carrying value, due to their short maturities, or their market value in the case of money market funds;
- the fair value of FX derivative instruments is calculated primarily on the basis of foreign exchange spot and forward rates at "mid-market" at closing date or alternatively on the basis of relevant yield curves per currency.

IFRS 13 application for "Fair Value Measurement", which requires counterparty risk to be taken into account in measuring derivative instruments, does not have a material impact on the Group's financial statements.

Balance sheet positions at 31 March 2021

			Carrying amount of financial instruments by categories (*)					Fair value of items classified as financial instruments			
At 31 March 2021 (in € million)	**Balance sheet carrying amount**	**Carrying amount not defined as financial instruments**	**FV P/L**	**FV OCI**	**LRL at amortised cost**	**DER**	**Total**	**Listed prices**	**Internal model based on observable factors**	**Internal model not based on observable factors**	**Total**
Non consolidated investments	77	-	-	77	-	-	77	-	20	57	77
Other non-current assets	435	135	70	-	230	-	300	-	300	-	300
Trade receivables	2,299	-	-	-	2,299	-	2,299	-	2,299	-	2,299
Other current operating assets	1,913	902	396	-	335	280	1,011	-	1,011	-	1,011
Other current financial assets	28	-	-	-	-	28	28	-	28	-	28
Cash and cash equivalents	1,250	-	-	-	1,250	-	1,250	-	1,250	-	1,250
ASSETS	**6,002**	**1,037**	**466**	**77**	**4,114**	**308**	**4,965**	**-**	**4,908**	**57**	**4,965**
Non-current borrowings	1,651	-	-	-	1,651	-	1,651	1,435	34	-	1,469
Non-current lease obligations	590	-	-	-	590	-	590	-	590	-	590
Current borrowings	526	-	-	-	464	62	526	-	526	-	526
Current lease obligations	161	-	-	-	161	-	161	-	161	-	161
Trade payables	3,207	-	-	-	3,207	-	3,207	-	3,207	-	3,207
Other current liabilities	3,464	1,358	206	-	1,500	400	2,106	-	2,106	-	2,106
LIABILITIES	**9,599**	**1,358**	**206**	**-**	**7,573**	**462**	**8,241**	**1,435**	**6,624**	**-**	**8,059**

(*) FV P/L stands for Fair Value through Profit and Loss; FV OCI stands for Fair Value through Other Comprehensive Income; LRL stands for Loans, Receivables and Liabilities and DER stands for Derivative instruments.

Financial income and expense arising from financial instruments for the year ended 31 March 2021

(in € million)	**FV P/L**	**FV OCI**	**LRL at amortised cost & DER**	**Total**
Interests	-	-	(19)	(19)
Interest income	-	-	*4*	*4*
Interest expense	-	-	*(23)*	*(23)*
Foreign currency and other	-	-	(34)	(34)
NET INCOME/EXPENSE FOR THE YEAR ENDED 31 MARCH 2021	**-**	**-**	**(53)**	**(53)**

Year ended 31 March 2020

Balance sheet positions at 31 March 2020

ALSTOM

At 31 March 2020 (in € million)	Balance sheet carrying amount	Carrying amount not defined as financial instruments	Carrying amount of financial instruments by categories (*)					Fair value of items classified as financial instruments			
			FV P/L	FV OCI	LRL at amortised cost	DER	Total	Listed prices	Internal model based on observable factors	Internal model not based on observable factors	Total
Non consolidated investments	60	-	-	60	-	-	60	-	20	40	60
Other non-current assets	233	-	-	-	233	-	233	-	233	-	233
Trade receivables	1,581	-	-	-	1,581	-	1,581	-	1,581	-	1,581
Other current operating assets	1,192	529	247	-	209	207	663	-	663	-	663
Other current financial assets	45	-	-	-	-	45	45	-	45	-	45
Cash and cash equivalents	2,175	-	853	-	1,322	-	2,175	853	1,322	-	2,175
ASSETS	**5,286**	**529**	**1,100**	**60**	**3,345**	**252**	**4,757**	**853**	**3,864**	**40**	**4,757**
Non-current borrowings	772	-	-	-	772	-	772	662	78	-	740
Non-current lease obligations	465	-	-	-	465	-	465	-	465	-	465
Current borrowings	270	-	-	-	213	57	270	-	270	-	270
Current lease obligations	131	-	-	-	131	-	131	-	131	-	131
Trade payables	1,653	-	-	-	1,653	-	1,653	-	1,653	-	1,653
Other current liabilities	1,720	770	179	-	571	200	950	-	950	-	950
LIABILITIES	**5,011**	**770**	**179**	**-**	**3,805**	**257**	**4,241**	**662**	**3,547**	**-**	**4,209**

(*) FV P/L stands for Fair Value through Profit and Loss; FV OCI stands for Fair Value Through Other Comprehensive Income; LRL stands for Loans, Receivables and Liabilities and DER stands for Derivative instruments.

Financial income and expense arising from financial instruments for the year ended 31 March 2020

(in € million)	FV P/L	FV OCI	LRL at amortised cost & DER	Total
Interests	(2)	-	(42)	(44)
Interest income	*(2)*	-	*7*	*5*
Interest expense	-	-	*(49)*	*(49)*
Foreign currency and other	-	-	(24)	(24)
NET INCOME/EXPENSE FOR THE YEAR ENDED 31 MARCH 2020	**(2)**	**-**	**(66)**	**(68)**

28.2 Currency risk management

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency of the reporting unit and the foreign currency at the date of the transaction. Currency units held assets to be received and liabilities to be paid resulting from those transactions are re-measured at closing exchange rates at the end of each reporting period. Realised exchange gains or losses at date of payment as well as unrealised gains or losses deriving from re-measurement are recorded in the income statement.

Since the Group is exposed to foreign currency volatility, the Group puts in place a significant volume of hedges to cover this exposure. These derivatives are recognised on the balance sheet at their fair value at the closing date. Provided that the relationships between the foreign currency exposure and the related derivatives are qualifying relationships, the Group uses the specific accounting treatments designated as hedge accounting. A relationship qualifies for hedge accounting if, at the inception of the hedge, it is formally designated and documented and if it proves to be highly effective throughout the financial reporting periods for which the hedge was designated.

Hedging relationships are mainly corresponding to fair value hedge in case of hedge of the exposure attributable to recognised assets, liabilities or firm commitments.

Derivative are recognised and re-measured at fair value.

Fair value hedge

When fair value hedge accounting applies, changes in the fair value of derivatives and changes in the fair value of hedged items are both recognised in the income statement and offset each other up to the gain or loss on the effective portion on the hedging instrument.

Whatever the type of hedge, both the effective and ineffective portion on the hedging instrument are recognised in the income statement as well as realised and unrealised exchange gains and losses on hedged items and hedging instruments.

As the effective portion on the hedging instrument offsets the difference between the spot rate at inception of the hedge and the effective spot rate at the outcome of the hedge, sales and costs resulting from commercial contracts are recognised at the spot rate at inception of the hedge throughout the life of the related commercial contracts, provided that the corresponding hedging relationships keep on qualifying for hedge accounting. For a large Transport project located in South Africa, the hedged firm commitments resulting from the commercial contract are recognised on a forward rate basis. Provided that the corresponding hedging relationship qualifies for hedge accounting, the change in fair value of the hedged items recorded at the project forward rate at inception offsets the change in fair value of the derivatives.

The Group uses export insurance policies to hedge its currency exposure on certain contracts during the open bid period. When commercial contracts are awarded, insurance instruments are settled and forward contracts are put in place and recorded according to the fair value hedge accounting as described above.

Derivatives relating to financing activity

Whenever possible, Alstom Holdings acts as an in-house bank for its affiliates through cash-pooling and loans / deposits agreements. The intercompany positions so generated are hedged through foreign exchange swaps, the cost of which is included in net cost of foreign exchange (see Note 7). The in-house bank of former Bombardier Transportation affiliates is Bombardier Transportation Treasury Canada Inc ('BTTCI'). BTTCI's intercompany positions are hedged using foreign exchange swaps contracted by Alstom Holdings.

At 31 March 2021, net derivatives positions amount to a net liability of €(34) million and comprise mainly forward sale contracts of US dollars, Swiss franc, and South African rand.

(in € million)	Net derivatives positions		2022		2023		2024-2026		2027 and thereafter	
Currency 1 / Currency 2 (*)	Net notional	Fair value	Interests	Repayment	Interests	Repayment	Interests	Repayment	Interests	Repayment
EUR/GBP	(71)	(7)	-	(8)	-	(63)	-	-	-	-
EUR/USD	(99)	(10)	-	(99)	-	-	-	-	-	-
EUR/AUD	330	3	-	330	-	-	-	-	-	-
EUR/ZAR	(237)	(10)	-	(237)	-	-	-	-	-	-
EUR/CHF	(117)	(10)	-	(117)	-	-	-	-	-	-
EUR/BRL	(40)	-	-	(40)	-	-	-	-	-	-
EUR/PLN	(180)	5	-	(180)	-	-	-	-	-	-
Other		(5)								
Net derivatives related to financing activities		**(34)**								

(*) Positive amount: the currency 2 is bought forward against currency 1. Negative amount: the currency 2 is sold forward against currency 1

Derivatives hedging commercial activity

In the course of its operations, the Group is exposed to currency risk arising from tenders submitted in foreign currency, awarded contracts and any future cash out transactions denominated in foreign currency. The main currencies triggering a significant exposure as of 31 March 2021 are the Polish zloty, Brazilian real, South African rand, US dollar and Canadian dollar.

During the tender period, depending on the probability to obtain the project and on market conditions, the Group may hedge in some cases a portion of its tenders using options or export insurance policies. Once the contract is in force, forward exchange contracts are used to hedge the actual exposure during the life of the contract.

Forward currency contracts are denominated in the same currency as the hedged item. Generally, the tenor of hedging derivatives matches with the tenor of the hedged items. However, depending on market conditions, the Group may decide to enter into derivatives with shorter tenors and to roll them subsequently. Finally, in some cases, the Group can derogate from its hedging policy because of the cost of the hedge or absence of efficient market.

The portfolio of operating foreign exchange forward contracts has a weighted maturity around one year. However some forward contracts may mature beyond five years to reflect the long term nature of some hedged contracts. The Group hedges about forty different currencies with a multitude of crosses depending on which entity of the Group is exposed to the currency. Change in foreign exchange rate is compensated by the revaluation through Income Statement at fair market value on derivatives.

At 31 March 2021, net derivatives amount to a net liability of €120 million. They are summarized as follows:

(in € million)	Net derivatives positions		2022		2023		2024-2026		2027 and thereafter	
Currency 1 / Currency 2 (*)	Net notional	Fair value	Interests	Repayment	Interests	Repayment	Interests	Repayment	Interests	Repayment
EUR/USD	(323)	(4)	-	(147)	-	(121)	-	(37)	-	(18)
EUR/CAD	(166)	(25)	-	(107)	-	(22)	-	(37)	-	-
EUR/BRL	171	(21)	-	28	-	33	-	83	-	27
EUR/ZAR	(175)	(20)	-	(175)	-	-	-	-	-	-
EUR/PLN	986	(8)	-	543	-	235	-	191	-	17
EUR/CHF	(715)	13	-	(533)	-	(99)	-	(38)	-	(45)
EUR/QAR	(13)	(8)	-	(12)	-	(1)	-	-	-	-
EUR/SAR	(110)	(10)	-	(10)	-	(10)	-	(21)	-	(69)
EUR/SEK	(249)	(3)	-	(249)	-	-	-	-	-	-
AUD/INR	249	(17)	-	71	-	96	-	39	-	43
Other		(17)								
Net derivatives related to operating activities		**(120)**								

(*) Positive amount: the currency 2 is bought forward against currency 1. Negative amount: the currency 2 is sold forward against currency 1

Most of the hedging instruments are negotiated by Alstom Holdings and are mirrored by hedging agreements between Alstom Holdings and the exposed subsidiaries (with BTTCI being used as an intermediate pivot for ex- Bombardier Transportation affiliates). Whenever local regulations prohibit this intercompany hedging, instruments are negotiated directly by affiliates with local banks under the supervision of Group Treasury.

Overall derivatives positions

Derivative instruments hedging foreign currency risk are recognised at their fair value on the balance sheet as follows:

	At 31 March 2021		At 31 March 2020	
(in € million)	Assets	Liabilities	Assets	Liabilities
Derivatives qualifying for fair value hedge	308	462	252	256
Of which derivatives relating to financing activities	*28*	*62*	*45*	*57*
Of which derivatives relating to operating activities	*280*	*400*	*207*	*199*

Since derivatives have been set up, the change in foreign exchange spot rates, and to a lesser extend the relative change in interest rate curves relating to the hedged currencies, during the periods ended 31 March 2020 and 31 March 2021 explains the amount of fair value of derivative instruments (either positive or negative). For instruments that qualify for fair value hedge accounting, change in fair value arising from spot rates is mostly offset by the re-measurement of the underlying exposure (either on balance sheet or off-balance sheet).

The sensitivity of the Group's pre-tax income to a change in currencies arising from derivative instruments not qualifying for hedge accounting is not significant.

With its banking counterparties, Alstom enters into bilateral standard derivatives agreements that generally do not provide a collateralization of derivatives market value.

These agreements generally require the offsetting of receivable and payable amounts in case of default of one of the contracting parties. These derivatives fall within the scope of disclosures under IFRS 7 on compensation and are presented in the tables below:

At 31 March 2021 *(in € million)*	Gross amounts of recognized financial assets/liabilities	Gross amounts of recognized financial assets/liabilities set off in the balance sheet	Net amount of financial assets/liabilities presented in the balance sheet	Related amount not set off in the balance sheet		Net amount
				Financial instruments	Cash collateral received	
Derivatives liabilities	(462)	-	(462)	(277)	-	(182)
Derivatives assets	308	-	308	277	-	31

At 31 March 2020 *(in € million)*	Gross amounts of recognized financial assets/liabilities	Gross amounts of recognized financial assets/liabilities set off in the balance sheet	Net amount of financial assets/liabilities presented in the balance sheet	Related amount not set off in the balance sheet		Net amount
				Financial instruments	Cash collateral received	
Derivatives liabilities	(256)	-	(256)	(181)	-	(75)
Derivatives assets	252	-	252	181	-	71

28.3 Interest rate risk management

The Group may enter into hedges for the purpose of managing its exposure in interest rate volatility. Derivatives are recognised on the balance sheet at fair value at the closing date. Providing that the relationships between the interest rate exposure and the related derivatives are qualifying relationships, the Group uses the specific accounting treatments designated as hedge accounting. Fair value hedge accounting and cash flow hedge accounting are applied to fixed and floating rate borrowings, respectively.

In the case of fair value hedge relationships, the re-measurement of the fixed rate borrowing is offset in the income statement by the movement in the fair value of the derivative up to the effective portion of hedged risk. In the case of cash flow hedging relationships, the change in fair value of the derivative is recognised directly in other comprehensive income. Amounts previously recognised directly in other comprehensive income are reclassified to the income statement, when the hedged risk impacts the income statement.

As at 31 March 2021, the group keeps short dated floating rate financial assets on its balance sheet, while its debt is merely made of fixed rate bonds.

The Group has not implemented an active interest rate risk management policy. However under the supervision of the Executive Committee, it may enter into transactions in order to hedge its interest rate risk on a case-by-case basis according to market opportunities.

At 31 March 2021

(in € million)	Fixed rate	Floating rate	Total
Financial assets	165	1,520	1,685
Financial debt bearing interests	(1,497)	(680)	(2,177)
Total position before hedging	**(1,332)**	**840**	**(492)**
Hedging position	-	-	-
Total position after hedging	**(1,332)**	**840**	**(492)**

At 31 March 2020

(in € million)	Fixed rate	Floating rate	Total
Financial assets	177	2,231	2,408
Financial debt bearing interests	(752)	(290)	(1,042)
Total position before hedging	**(575)**	**1,941**	**1,366**
Hedging position	-	-	-
Total position after hedging	**(575)**	**1,941**	**1,366**

Sensitivity is analysed based on the group's net cash position at 31 March 2021, assuming that it remains constant over one year.

In absence of interest rate derivatives, the effects of increases or decreases in market rates are symmetrical: a rise of 0.1% would increase the net interest income by €2 million while a fall of 0.1% would decrease it by €2 million.

28.4 Credit risk management

Credit risk is the risk that counterparty will not meet its payment obligations under financial instrument or commercial contract, leading to a loss. The Group is exposed to credit risk on its operating activities (primarily for trade receivables and for contracts asset) and on its financing activities, including deposits, foreign currency hedging instruments and other financial instruments with banks and financial institutions.

Risk related to customers

The financial assets that are falling under the scope of IFRS 9 "Customer credit risk" are mainly concerning trade receivables (which are at short maturity) as well as contract assets under IFRS 15 (that have potentially longer maturities). The recognition model of the Expected Credit Losses (ECL) retained on these exposures is respectively the Simplified Approach "Lifetime Expected Credit Losses" for trade receivables and the general model that allows to estimate the risk within one year for contract assets, as long as there is no sign of significant degradation of customer credit risk. The Group believes that the risk of a counterpart failing to perform as contracted, which could have a significant impact on the Group's financial statements or results of operations, is limited because the Group seeks to ensure that customers generally have strong credit profiles or adequate dedicated financing to meet their project obligations, or can also be the subject of insurance policies taken out by the Group (see also Note 19). However, this mechanism of protection may become incomplete, uncertain or ineffective because of the duration of the Group's contract in a changing environment, particularly in emerging countries, leading to impairment losses determined considering a risk of non-recovery assessed on a case-by case basis.

Risk related to other financial assets

In addition to the recovery of assets held for sale, the Group's exposure to credit risk related to other financial assets, especially derivatives, arises from default of the counterpart, with a maximum exposure equal to the carrying amount of those instruments. The financial instruments are taken out with more than 30 different counterparties and the risk is therefore highly diluted, the largest exposure with one single counterparty (rated A+) being limited to €(27) million.

28.5 Liquidity risk management

In addition to its available cash and cash equivalents, amounting to €1,250 million at 31 March 2021, the Group has consequently reinforced its liquidity through short term capabilities.

In the context of Bombardier Transportation's acquisition as well as Covid-19, Alstom has taken additional measures to bolster its liquidity.

The group secured a €1.5 billion Revolving Credit Facility replacing Alstom's and Bombardier Transportation's existing revolving credit facilities. The new facility will have a five-year tenor with two one-year extension options.

In addition, Alstom secured early February a €1,750 million short term Revolving Credit Facility with an 18 months maturity, and two 6-month extension options at the borrower's discretion.

This additional €1,750m RCF aims at stepping in for Alstom's €1.5 billion Negotiable European Commercial Paper program, should the Commercial Paper market no longer be accessible, in addition to providing an extra liquidity buffer.

With these decisions, the new group has significant liquidity available.

Treasury Centralization

Credit risk from balances with banks and financial institutions is managed by Group treasury in accordance with the Group's policy.

The Group diversifies its cash investments in order to limit its counterparty risk. In addition to short term deposits with tier-one banks, the group invests in euro money market funds qualified as "monetary" or "monetary short term" under the AMF classification. Cash investments are reviewed on a regular basis in accordance with Group procedures and in strict compliance with the eligibility criteria set out in IAS 7 and the AMF's recommendations.

The Group's parent company has access to some cash held by wholly-owned subsidiaries through the payment of dividends or pursuant to intercompany loan arrangements. However local constraints can delay or restrict this access. Furthermore, while the Group's parent company has the power to control decisions of subsidiaries of which it is the majority owner, its subsidiaries are distinct legal entities and their payment of dividends and granting of loans, advances and other payments to the parent company may be subject to legal or contractual restrictions, be contingent upon their earnings or be subject to business or other constraints. These limitations include local financial assistance rules and corporate benefit laws.

The Group's policy is to centralise liquidity of subsidiaries at the parent company's level when possible. Cash available in subsidiaries located in countries with local constraints delaying or restricting the Group's access to this cash was €201 million at 31 March 2021 and €86 million at 31 March 2020.

Future Cash Flow

The Group's objective is to maintain a strong liquidity, commensurate with the changes in working capital triggered by its long term activity.

The following tables show the remaining maturities of all financial assets and liabilities held at 31 March 2021 and 31 March 2020.

Planning data for future new assets and liabilities are not reported. Amounts in foreign currency are translated at the closing rate. The variable interest payments are calculated using the last interest rates available at the closing date. Assets and liabilities that can be repaid at any time are always assigned to the earliest possible time period.

Financial instruments held at 31 March 2021

Cash flow arising from instruments included in net cash/(debt) at 31 March 2021

		2022		2023		2024 - 2026		2027 and thereafter	
(in € million)	**Carrying amount**	**Interests**	**Repayment**	**Interests**	**Repayment**	**Interests**	**Repayment**	**Interests**	**Repayment**
Other current financial assets	28	-	28	-	-	-	-	-	-
Cash and cash equivalents	1,250	-	1,250	-	-	-	-	-	-
Assets	**1,278**	**-**	**1,278**	**-**	**-**	**-**	**-**	**-**	**-**
Non-current borrowings	(1,651)	(2)	-	(2)	-	(2)	-	(2)	(1,651)
Current borrowings	(526)	(13)	(526)	-	-	-	-	-	-
Liabilities	**(2,177)**	**(15)**	**(526)**	**(2)**	**-**	**(2)**	**-**	**(2)**	**(1,651)**
Net cash/(debt)	**(899)**	**(15)**	**752**	**(2)**	**-**	**(2)**	**-**	**(2)**	**(1,651)**

Cash flow arising from operating derivatives at 31 March 2021

(in € million)	Carrying amount	2022 Interests	2022 Repayment	2023 Interests	2023 Repayment	2024 - 2026 Interests	2024 - 2026 Repayment	2027 and thereafter Interests	2027 and thereafter Repayment
Other current operating assets	280	-	230	-	29	-	20	-	1
Assets	**280**	**-**	**230**	**-**	**29**	**-**	**20**	**-**	**1**
Other current operating liabilities	(400)	-	(269)	-	(56)	-	(68)	-	(7)
Liabilities	**(400)**	**-**	**(269)**	**-**	**(56)**	**-**	**(68)**	**-**	**(7)**
Derivatives	**(120)**	**-**	**(39)**	**-**	**(27)**	**-**	**(48)**	**-**	**(6)**

Cash flow arising from instruments included in other financial assets and liabilities at 31 March 2021

(in € million)	Carrying amount	2022 Interests	2022 Repayment	2023 Interests	2023 Repayment	2024 - 2026 Interests	2024 - 2026 Repayment	2027 and thereafter Interests	2027 and thereafter Repayment
Non consolidated investments	77	-	-	-	-	-	-	-	77
Other non-current assets	270	-	-	-	-	-	-	-	270
Trade receivables	2,299	-	2,299	-	-	-	-	-	-
Other current operating assets	731	-	731	-	-	-	-	-	-
Assets	**3,377**	**-**	**3,030**	**-**	**-**	**-**	**-**	**-**	**347**
Trade payables	(3,207)	-	(3,207)	-	-	-	-	-	-
Other current operating liabilities	(1,914)	-	(1,914)	-	-	-	-	-	-
Liabilities	**(5,121)**	**-**	**(5,121)**	**-**	**-**	**-**	**-**	**-**	**-**
Other financial assets and liabilities	**(1,744)**	**-**	**(2,091)**	**-**	**-**	**-**	**-**	**-**	**347**

Financial instruments held at 31 March 2020

Cash flow arising from instruments included in net cash/(debt) at 31 March 2020

(in € million)	Carrying amount	2021 Interests	2021 Repayment	2022 Interests	2022 Repayment	2023 - 2025 Interests	2023 - 2025 Repayment	2026 and thereafter Interests	2026 and thereafter Repayment
Other current financial assets	45	-	45	-	-	-	-	-	-
Cash and cash equivalents	2,175	(1)	2,175	-	-	-	-	-	-
Assets	**2,220**	**(1)**	**2,220**	**-**	**-**	**-**	**-**	**-**	**-**
Non-current borrowings	(772)	(8)	-	(8)	(15)	(12)	(41)	(3)	(716)
Current borrowings	(270)	(10)	(270)	-	-	-	-	-	-
Liabilities	**(1,042)**	**(18)**	**(270)**	**(8)**	**(15)**	**(12)**	**(41)**	**(3)**	**(716)**
Net cash/(debt)	**1,178**	**(19)**	**1,950**	**(8)**	**(15)**	**(12)**	**(41)**	**(3)**	**(716)**

Cash flow arising from operating derivatives at 31 March 2020

(in € million)	Carrying amount	2021 Interests	2021 Repayment	2022 Interests	2022 Repayment	2023 - 2025 Interests	2023 - 2025 Repayment	2026 and thereafter Interests	2026 and thereafter Repayment
Other current operating assets	207	-	100	-	46	-	57	-	4
Assets	**207**	**-**	**100**	**-**	**46**	**-**	**57**	**-**	**4**
Other current operating liabilities	(199)	-	(104)	-	(34)	-	(50)	-	(11)
Liabilities	**(199)**	**-**	**(104)**	**-**	**(34)**	**-**	**(50)**	**-**	**(11)**
Derivatives	**8**	**-**	**(4)**	**-**	**12**	**-**	**7**	**-**	**(7)**

Cash flow arising from instruments included in other financial assets and liabilities at 31 March 2020

(in € million)	Carrying amount	2021 Interests	2021 Repayment	2022 Interests	2022 Repayment	2023 - 2025 Interests	2023 - 2025 Repayment	2026 and thereafter Interests	2026 and thereafter Repayment
Non consolidated investments	60	-	-	-	-	-	-	-	60
Other non-current assets	56	-	-	-	-	-	-	-	56
Trade receivables	1,581	-	1,581	-	-	-	-	-	-
Other current operating assets	456	-	456	-	-	-	-	-	-
Assets	**2,153**	**-**	**2,037**	**-**	**-**	**-**	**-**	**-**	**116**
Trade payables	(1,653)	-	(1,653)	-	-	-	-	-	-
Other current operating liabilities	(830)	-	(830)	-	-	-	-	-	-
Liabilities	**(2,483)**	**-**	**(2,483)**	**-**	**-**	**-**	**-**	**-**	**-**
Other financial assets and liabilities	**(330)**	**-**	**(446)**	**-**	**-**	**-**	**-**	**-**	**116**

28.6 Commodity risk management

Most of commodities bought by the Group are quickly transformed and included into work-in-progress. As much as possible, the Group includes into customer contracts a customer price adjustment clause, so that the Group has a limited exposure to the variation of commodity prices.

Occasionally, the Group can hedge its exposure with commodity derivatives (copper, aluminum) of which the notional and the market values are not significant at 31 March 2021.

I. POST-EMPLOYMENT AND OTHER LONG-TERM DEFINED EMPLOYEE BENEFITS AND SHARE–BASED PAYMENTS

NOTE 29. POST-EMPLOYMENT AND OTHER LONG-TERM DEFINED EMPLOYEE BENEFITS

The Group provides its employees with various types of post-employment benefits, such as pensions, retirement bonuses and medical care, and other long-term benefits, such as jubilee awards and deferred compensation schemes. The type of benefits offered to individual employees is related to local legal requirements as well as practices of the specific subsidiaries.

The Group's health care plans are generally contributory with participants' contributions adjusted annually.

Post-employment defined benefit plans

For single employer defined benefit plans, the Group uses the Projected Unit Credit Method to determine the present value of its obligations and the related current and past service costs/profits. This method considers the actuarial assumptions' best estimates (for example, the expected turnover, the expected future salary increases and the expected mortality).

Most defined benefit pension liabilities are funded through pension funds legally distinct from the entities constituting the Group. Plan assets related to funded plans are invested mainly in equity and debt securities. Other supplemental pension plans sponsored by the Group for certain employees are directly paid by the employer as they become due. Post-employment medical benefit plans are predominantly unfunded.

The Group periodically reviews plan assets and obligations. The effects of any change in actuarial assumptions together with the differences between forecast and actual experience are assessed. The Group recognises in other comprehensive income the full amount of any actuarial gains and losses as well as the effect of any asset ceiling.

The estimated cost of providing defined benefits to employees is accrued during the years in which the employees render services. In the income statement, the service cost is included in Earnings Before Interests and Taxes. The past service cost/profit and specific events impacts (e.g. curtailments and settlements) are recognised in other expense/income. Net interest on the net defined benefit liability (asset) and administration costs are included in financial income (expenses).

Post-employment defined contribution plans

For defined contribution plans, the Group pays contributions to independently administered funds at a fixed percentage of employees' pay. These contributions are recorded as operating expenses.

Other long-term employee benefits

The accounting method used when recognising obligations arising from other long-term employee benefits is similar to the method used for post-employment defined benefits, except that actuarial gains/losses are immediately recognised in full in "Other income/expenses" in the income statement.

The defined benefit obligation amounting to €(1,224) million as at 31 March 2021 (see Note 29.2) is analysed as follows:

- several pension plans for €940 million;
- other post-employment benefits for €216 million which include mainly end-of-service benefits in France and Italy; and
- other long-term defined benefits for €68 million which mainly correspond to jubilees in France and Germany.

The reconciliation of funded status of the plans with assets and liabilities recognised in the balance sheet is as follows:

(in € million)	At 31 March 2021	At 31 March 2020
Defined benefit obligations	**(4,713)**	**(967)**
Fair value of plan assets	3,519	476
Unfunded status of the plans	**(1,194)**	**(491)**
Impact of asset ceiling	(30)	-
NET OF ACCRUED AND PREPAID BENEFIT COSTS AFTER ASSET CEILING	**(1,224)**	**(491)**
Of which:		
Accrued pension and other employee benefit costs	*(1,359)*	*(491)*
Prepaid pension and other employee benefit costs	*135*	-

As detailed in this note, net provisions for post-employment benefits total €1,224 million, as at 31 March 2021, compared with €491 million, as at 31 March 2020. Movements over the period ended 31 March 2021 mainly arose from the Bombardier Transportation acquisition as well as movements from United Kingdom, Germany, Switzerland, Sweden, the United States of America, Canada and France.

The net asset of €135 million related to pension schemes of former Bombardier Transportation in the United Kingdom and Canada is supported by appropriate refund expectations, as requested by IFRIC 14.

29.1 Description of the plans

Post-employment benefits are paid under defined contribution and defined benefit plans. The Group's only obligation under defined contribution plans is to pay fixed contributions into the funding vehicle. The payments are recognised when incurred in the income statement.

Defined benefit plans primarily relate to the United Kingdom, the United States, Canada, Germany, and France. The specific characteristics (benefit formulas, funding policies and types of assets held) of the plans vary according to the regulations and laws in the country where the employees are located.

In the United Kingdom, there are eight defined benefit pension plans covering different populations. Six of these are Sections of the large UK Railways Pension Scheme and provide a pension in the form of an indexed annuity. All of the

Schemes are closed to new hires who are ordinarily offered the opportunity to participate in a defined contribution group pension plan ("GPP"), a group life insurance plan and an income replacement scheme.

In Canada, there are seven defined benefit pension plans covering different populations (three plans are subject to collective bargaining agreements). From 2012 to 2016, six plans were closed to new members. New hires must contribute to the defined contribution component of the plans. The unionized pension plans are based on a flat dollar benefit and the remaining plans are based on the best average earnings. None of the plans offer indexation.

In Germany, the plans provide coverage for pension, death and disability. In the past, the pension was accrued in the form of an annuity. The plans were deeply modified for future accruals in 2010 for the employees to remove most, particularly the higher risk, defined benefit pension plans. The plans continue to be accounted for as defined benefit plans under IAS 19R but with much lower risks for the company. With respect to employee contributions, these are remitted into defined contributions plans. For legacy BT Germany there is one cash balance plan that is open for active employees and new participants. It provides cover for pension, disability or death. The plan was introduced in 2008 – old pension promises for active employees were integrated as an initial pension component (Initialbaustein). It is unfunded and entirely employer financed. There are various old defined benefit pension plans, which - with very few exceptions – only apply for vested entitlements and pensioners. All plans are accounted for as defined benefit plans under IAS 19.

In the USA there are two major and four minor pension schemes which, except for collective agreements along with two post-retirement medical plans. New hires are ordinary provided with enhanced defined contribution pensions under 401(k) schemes.

In France, defined benefit pension plans are mainly end of service benefits provided for under the terms of collective bargaining agreements and Group agreements.

In some countries, these commitments are covered in whole or in part by insurance contracts or pension funds. In this case, the commitments and assets are measured independently.

The fair value of plan assets is deducted from the Group's defined benefit obligation, as estimated using the projected unit credit method, in order to calculate the unfunded obligation to be covered by a provision, or the overfunded right to be recognized as an asset under specific requirements.

In the following tables, the "Other" zone represents mainly Sweden and Switzerland.

29.2 Defined benefit obligations

(in € million)	At 31 March 2021	United Kingdom	Euro Zone	North America	Other
Defined benefit obligations at beginning of year	**(967)**	**(411)**	**(417)**	**(62)**	**(77)**
Service cost	(44)	(10)	(16)	(10)	(8)
Plan participant contributions	(4)	(3)	-	-	(1)
Interest cost	(29)	(15)	(6)	(5)	(3)
Administration costs	(6)	(4)	(1)	(1)	-
Business combinations / disposals (*)	(3,656)	(1,960)	(594)	(746)	(356)
Settlements	1	-	-	-	1
Actuarial gains (losses) - due to experience	(4)	(2)	-	-	(2)
Actuarial gains (losses) - due to changes in demographic assumptions	16	16	-	1	(1)
Actuarial gains (losses) - due to changes in financial assumptions	11	(3)	(39)	43	10
Benefits paid	81	28	33	9	11
Foreign currency translation and others	(112)	(91)	(2)	(28)	9
DEFINED BENEFIT OBLIGATIONS AT END OF YEAR	**(4,713)**	**(2,455)**	**(1,042)**	**(799)**	**(417)**
Of which:					
Funded schemes	*(3,791)*	*(2,455)*	*(301)*	*(739)*	*(296)*
Unfunded schemes	*(922)*	-	*(741)*	*(60)*	*(121)*

(*) Business combinations are mainly due to Bombardier Transportation's acquisition (see Note 1.1)

ALSTOM

(in € million)	At 31 March 2020	United Kingdom	Euro Zone	Other
Defined benefit obligations at beginning of year	**(1,044)**	**(471)**	**(457)**	**(116)**
Service cost	(34)	(8)	(15)	(11)
Plan participant contributions	(3)	(3)	-	-
Interest cost	(21)	(11)	(6)	(4)
Plan amendments	6	-	6	-
Actuarial gains (losses) - due to experience	(9)	(4)	(2)	(3)
Actuarial gains (losses) - due to changes in demographic assumptions	1	-	-	1
Actuarial gains (losses) - due to changes in financial assumptions	75	51	33	(9)
Benefits paid	49	20	24	5
Foreign currency translation and others	13	15	-	(2)
DEFINED BENEFIT OBLIGATIONS AT END OF YEAR	**(967)**	**(411)**	**(417)**	**(139)**
Of which:				
Funded schemes	*(734)*	*(411)*	*(238)*	*(85)*
Unfunded schemes	*(233)*	-	*(179)*	*(54)*

29.3 Plan assets

As indicated in Note 29.1, for defined benefit plans, plan assets have been progressively built up by contributions from the employer and the employees, primarily in the United Kingdom, Canada, Germany, Sweden, Switzerland and the United States of America.

(in € million)	At 31 March 2021	United Kingdom	Euro Zone	North America	Other
Fair value of plan assets at beginning of year	**476**	**346**	**73**	**21**	**36**
Interest income	18	14	1	3	-
Actuarial gains (losses) on assets due to experience	98	83	6	(1)	10
Company contributions	19	11	-	6	2
Plan participant contributions	4	3	-	-	1
Business combinations /disposals	2,836	1,978	22	554	282
Benefits paid from plan assets	(40)	(28)	-	(7)	(5)
Foreign currency translation and others	108	91	-	24	(7)
FAIR VALUE OF PLAN ASSETS AT END OF YEAR	**3,519**	**2,498**	**102**	**600**	**319**

(*) Business combinations are mainly due to Bombardier Transportation's acquisition (see Note 1.1)

(in € million)	At 31 March 2020	United Kingdom	Euro Zone	Other
Fair value of plan assets at beginning of year	**511**	**385**	**76**	**50**
Interest income	10	8	1	1
Actuarial gains (losses) on assets due to experience	(29)	(26)	(4)	1
Company contributions	13	8	-	5
Plan participant contributions	3	3	-	-
Benefits paid from plan assets	(21)	(19)	-	(2)
Foreign currency translation and others	(11)	(13)	-	2
FAIR VALUE OF PLAN ASSETS AT END OF YEAR	**476**	**346**	**73**	**57**

29.4 Components of plan assets

(in € million)	At 31 March 2021	%	United Kingdom	Euro Zone	North America	Other
Equities	1,621	46%	47%	24%	51%	33%
Bonds	1,776	51%	53%	49%	46%	44%
Insurance contracts	25	1%	-	22%	-	-
Other	97	2%	-	5%	3%	23%
TOTAL	**3,519**	**100%**	**100%**	**100%**	**100%**	**100%**

(in € million)	At 31 March 2020	%	United Kingdom	Euro Zone	Other
Equities	296	62%	74%	26%	39%
Bonds	158	33%	26%	68%	32%
Insurance contracts	4	1%	-	3%	3%
Other	18	4%	-	3%	26%
TOTAL	**476**	**100%**	**100%**	**100%**	**100%**

An active market price exists for all plan assets except properties. Assets of each funded plan are managed by a dedicated investment committee in accordance with the scheme rules and local regulation. The Group has representatives on these committees and promotes simple and diversified investment strategies.

The aim is to limit investment risks to those necessary to fulfil the benefit commitment (asset and liability management). As a result, strategic allocation favours liquid assets and especially long bonds. As at 31 March 2021, plan assets do not include securities issued by the Group.

29.5 Assumptions (weighted average rates)

Actuarial valuations of the Group's benefit obligation have been made as at 31 March 2021 and 31 March 2020.

These valuations include:

- Assumptions on staff turnover, mortality and salary increases;
- Assumptions on retirement ages varying from 60 to 65 depending on the country and the applicable laws;
- Discount rates used to determine the actuarial present value of the projected benefit obligations.

Actuarial assumptions used vary by type of plan and by country.

(in %)	At 31 March 2021	United Kingdom	Euro Zone	North America	Other
Discount rate	1.96	2.15	0.98	3.22	0.93
Rate of compensation increase	2.64	2.98	2.58	2.19	1.66

(in %)	At 31 March 2020	United Kingdom	Euro Zone	Other
Discount rate	2.12	2.55	1.54	2.60
Rate of compensation increase	2.62	2.95	2.15	2.94

As of 31 March 2021, the weighted average durations of the defined benefit obligations are the following:

(in years)	At 31 March 2021	United Kingdom	Euro Zone	North America	Other
Weighted average duration	17	19	13	16	13

Discount rate

In accordance with IAS 19R principles, discount rates are set each year by reference to the market yields on high quality corporate bonds denominated in the relevant currency. In countries where there is no deep market in such bonds, discount rates are set by reference to the yields on government bonds. The required information is sourced from the company's actuarial advisors and from market quotations and indices.

Rate of compensation increase

Compensation increase assumptions are determined at country level and reviewed centrally.

Assumptions related to the post-employment healthcare obligation

The healthcare trend rate is assumed to be 3.86% in the year ended 31 March 2021 and reduces thereafter to an ultimate rate of 1.13%.

Sensitivity analysis

A 25 bp increase or decrease in the main assumptions would have the following impacts on the defined benefit obligation:

(in € million)	At 31 March 2021
Impact of a 25bp increase or decrease in the discount rate	(187) / +196
Impact of a 25bp increase or decrease in the rate of compensation increase	+26 / (26)

29.6 Analysis of post-employment and other long-term defined benefit expense

As at 31 March 2021, the benefit expense for the whole Group is the following:

(in € million)	Year ended At 31 March 2021	United Kingdom	Euro Zone	North America	Other
Service cost	**(44)**	**(10)**	**(16)**	**(10)**	**(8)**
Defined contribution plans	(106)	(8)	(73)	(2)	(23)
Actuarial gains (losses) on other long-term benefits	(1)	-	(1)	-	-
Curtailments/settlements	1	-	-	-	1
EBIT impact	**(150)**	**(18)**	**(90)**	**(12)**	**(31)**
Financial income (expense)	**(17)**	**(5)**	**(6)**	**(3)**	**(3)**
TOTAL BENEFIT EXPENSE	**(167)**	**(23)**	**(96)**	**(15)**	**(34)**

(in € million)	Year ended At 31 March 2020	United Kingdom	Euro Zone	Other
Service cost	**(34)**	**(8)**	**(15)**	**(11)**
Defined contribution plans	(92)	(8)	(68)	(16)
Actuarial gains (losses) on other long-term benefits	(1)	-	-	(1)
Past service gain (cost)	6	-	6	-
EBIT impact	**(121)**	**(16)**	**(77)**	**(28)**
Financial income (expense)	**(11)**	**(3)**	**(5)**	**(3)**
TOTAL BENEFIT EXPENSE	**(132)**	**(19)**	**(82)**	**(31)**

29.7 Cash flows

In accordance with local practice and regulations, the company pays contributions to the funded schemes it sponsors and benefits to the members of unfunded plans.

Total cash spent for defined benefit plans in the year ended 31 March 2021 amounted to €41 million and covers both regular contributions for accruing service and recovery contributions in case of funding shortfall.

For defined benefit plans, the expected cash outflows are the following:

- €62million in the year ending 31 March 2022;
- €52 million in the year ending 31 March 2023;
- €60 million in the year ending 31 March 2024.

Total cash spent for defined contribution plans in the year ended 31 March 2021 amounted to €106 million.

For defined contribution plans, according to the company's best estimate, payments will be impacted by Bombardier Transportation acquisition over the next years.

NOTE 30. SHARE-BASED PAYMENTS

The Group issues equity-settled and cash-settled share-based payments to certain employees.

Equity-settled share-based payments

Equity-settled share-based payments are measured at fair value at the grant date (excluding the effect of non-market-based conditions) using the Black-Scholes model for plans issued from 2009 and the Monte Carlo model for plans issued from 2016. The cumulative recognised expense is based on the fair value at grant date and on the estimated number of shares that will eventually vest (including the effect of non-market-based vesting conditions). It is recorded in Earnings Before Interests and Taxes throughout the vesting period with a counterpart in equity.

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Cash-settled share-based payments

For cash-settled share-based payments, a liability equal to the portion of the goods or services rendered is recognised at the current fair value. The fair value is remeasured at each balance-sheet date and at the date of settlement, with any changes recognised in the income statement.

The Group may also provide employees with the ability to purchase the Group's ordinary shares at a discounted price compared to that of the current market value. In that case, the Group records an expense based on the discount given and its estimate of the shares expected to vest.

30.1 Stock options and performance shares

Key characteristics

	Plans issued by Shareholders Meeting on 22 June 2010				Plans issued by Shareholders Meeting on 18 December 2015		Plan issued by Shareholders Meeting on 17 July 2018	Plan issued by Shareholders Meeting on 10 July 2019
	Plan n°15	**Plan n°15**	**Plan n°16**	**Plan n°16**	**PSP 2017**	**PSP 2018**	**PSP 2019**	**PSP 2020**
	Stock options	Performance shares	Stock options	Performance shares	Performance shares	Performance shares	Performance shares	Performance shares
Grant date	10/12/2012	10/12/2012	01/10/2013	01/10/2013	17/03/2017	13/03/2018	12/03/2019	10/03/2020
Exercise period	10/12/2015 09/12/2020	n/a	03/10/2016 30/09/2021	n/a	n/a	n/a	n/a	n/a
Number of beneficiaries	538	1,763	292	1,814	755	732	820	878
Adjusted number granted (*)	1,512,000	883,140	784,294	1,130,791	1,022,400	1,102,789	1,176,801	1,252,619
Adjusted number exercised since the origin	674,667	391,458	590,201	1,022,311	862,803	-	525	-
Adjusted number cancelled since the origin	837,333	491,682	72,625	108,480	159,597	98,424	58,526	22,500
Ajusted number outstanding at 31 March 2021	-	-	121,468	-	-	1,004,365	1,117,750	1,230,119
inc. to the present members of the Leadership team		-	39,068	-	-	218,885	282,218	311,754
Adjusted exercise price (**) (in €)	21.83	n/a	21.24	n/a	n/a	n/a	n/a	n/a
Fair value at grant date (in €)	5.80	26.70	3.84	22.62	21.74	25.59	28.92	36.58

(*) The number of options and performance shares and the exercise price of options have been adjusted as a result of transactions that have impacted the number of capital shares after grant dates.

(**) The exercise price corresponds to the average opening price of the shares during the twenty trading days preceding the day on which the options were granted by the Board (neither discount nor surcharge) and adjusted where necessary due to the capital increase with Preferential Subscription Rights in December 2020

At 31 March 2021, stock options granted by plans 15 and 16 are fully vested. For plans 15 and 16, options expire five years after the end of the vesting period. The plan 15 expired in December 2020.

The long-term incentive plans set up since 2007 combine the allocation of stock options with the allocation of performance shares, except the latter since 2016 that allocate only performance shares.

The grant of these instruments is conditioned by the satisfaction of performance indicators.

LTI plan 16 granted on 1 October 2013

In the context of Energy transaction, the Board of Directors has considered that the performance conditions set for fiscal years ended 31 March 2015 and 31 March 2016 were deemed fully satisfied subject to and upon the completion of the transaction.

As a consequence, all options will be exercisable under this plan and all performance shares have been delivered on 2 October 2017.

In addition, the presence condition has been waived for the beneficiaries having left the Group as part of the Energy transaction on the condition they are employees of Alstom Group as at the date of the closing of the transaction. This triggered the stock option and performance plans expense acceleration recorded in Income statement of discontinued operations

PSP 2017 granted on 17 March 2017

This plan has been agreed by the board of directors of 17 March 2017. It allocates 1,022,400 performance shares to 755 beneficiaries.

The final allocation depends on two internal performance conditions based on Group adjusted EBIT margin (excluding the share of net income of CASCO) and Free Cash Flow for fiscal years ended 31 March 2018, 31 March 2019, and 31 March 2020, and one external condition linked to the performance of the Company's share. Based on the performance conditions of the year ended 31 March 18 and 31 March 19 and March 20, 96.33 % of the initial grant has been achieved and 3.67 % of the performance shares have been cancelled. On 19 May 2020, 862,298 performance shares have been delivered.

PSP 2018 granted on 13 March 2018

This plan has been agreed by the board of directors of 13 March 2018. 1,016,025 performance shares have been initially granted to 732 beneficiaries.

The final allocation depends on one internal performance condition based on Group adjusted EBIT margin (excluding the share of net income of CASCO) for fiscal years ended 31 March 2021, and one external condition linked to the performance of the Company's share. The final delivery will take place five business days after the publication of the 31 March 2021 results.

PSP 2019 granted on 12 March 2019

This plan has been agreed by the board of directors of 12 March 2019. 1,080,150 performance shares have been initially granted to 820 beneficiaries.

The final allocation depends on two internal performance condition based on Group adjusted EBIT margin (Excluding the share of net income of CASCO) and cash conversion rate for fiscal years ended 31 March 2022, and one relative condition linked to the performance of the Company's share. The final delivery will take place at the latest twenty days after the publication of the 31 March 2022 results.

PSP 2020 granted on 10 March 2020

This plan has been agreed by the board of directors of 10 March 2020. 1,145,625 performance shares have been initially granted to 878 beneficiaries.

The final allocation depends on three internal performance conditions based on Group adjusted EBIT margin, cash conversion rate for the fiscal year ended 31 March 2023 and an objective of reduction in the energy consumption of the solutions offered to clients, as well as one relative condition linked to the performance of the Company's share. The final delivery will take place at the latest twenty days after the publication of the 31 March 2023 results.

No performance shares plan has been granted during fiscal year 2020/2021.

Movements

	Number of options	Weighted average exercise price per share in €	Number of performance shares
Outstanding at 31 March 2019	**504,201**	**23.52**	**3,732,688**
Granted (*)	-	-	1,145,625
Exercised	(219,615)	23.40	(733,103)
Cancelled	(49,039)	22.96	(140,147)
Outstanding at 31 March 2020	**235,547**	**23.75**	**4,005,063**
Granted (**)	15,520	21.36	290,409
Exercised	(98,896)	21.74	(862,298)
Cancelled	(30,703)	21.83	(80,940)
OUTSTANDING AT 31 March 2021	**121,468**	**21.24**	**3,352,234**
of which exercisable	*121,468*		*N/A*

(*) includes 1,145,625 free shares granted through PSP 2020

(**) includes adjustments due to the capital increase with Preferential Subscription Rights in December 2020 on stock options plans 15, 16 and PSP 2018, 2019 and 2020. The weighted average exercise price is also impacted by this capital increase.

Valuation

	Plan n°15 stock options	Plan n°15 performance shares	Plan n°16 stock options	Plan n°16 performance shares	PSP 2017 performance shares	PSP 2018 performance shares	PSP 2019 performance shares	PSP 2020 performance shares
Grant date	10/12/2012	10/12/2012	01/10/2013	01/10/2013	17/03/2017	13/03/2018	12/03/2019	10/03/2020
Expected life (in years)	4.0	2.5 or 4.0	3.0	4.0	3.2	3.2	3.2	3.2
End of vesting period	09/12/2015	31/05/2015 or 09/12/2016	30/09/2016	30/09/2017	12/05/2020	31/05/2021	31/05/2022	31/05/2023
Adjusted exercise price (*) (in €)	21.83	n/a	21.24	n/a	n/a	n/a	n/a	n/a
Share price at grant date (in €)	29.77	29.77	26.33	26.33	26.56	34.19	37.75	42.82
Volatility	30%	n/a	28%	n/a	22%	20%	19%	17%
Risk free interest rate	0.5%	0.5%	0.9%	0.9%	-0.1%	-0.2%	-0.3%	-0.7%
Dividend yield	3.4%	3.4%	3.8%	3.8%	1.5%	1.5%	1.5%	1.5%

(*) The exercise price corresponds to the average opening price of the shares during the twenty trading days preceding the day of which the options were granted by the Board (no discount or surcharge) and adjusted, where necessary, due to share buyback operation.

The option valuation method follows a Black & Scholes model for plans 15 and 16 as well as Monte Carlo model for PSP 2017, PSP 2018, PSP 2019 and PSP 2020 with exercise of the stock options as well as performance shares anticipated and spread over the vesting period on a straight-line basis.

The volatility factor applied is an average of CAC40 comparable companies' volatility at the grant date for plans 15 and 16, and Alstom's volatility for the plans since PSP 2017.

The Group booked a total expense of €10 million for the year ended 31 March 2021 (to be compared to €25 million, for the year ended 31 March 2020).

The Board of Directors is committed, in the event of a major change in the Group's strategy or structure, or at the time of implementing new accounting standards to adapting these performance conditions to new issues highlighted for the coming years, both in their nature and in the levels of results to be achieved, while maintaining a high level of demand.

NOTE 31. EMPLOYEE BENEFIT EXPENSE AND HEADCOUNT

In the following figures, staff of joint-operations entities are integrated in fully, staff of joint-ventures and associates are not considered.

	Year ended	
(in € million)	At 31 March 2021	At 31 March 2020
Wages and salaries	2,342	2,087
Social charges	531	472
Post-employment and other long-term benefit expense (see Note 29)	167	132
Share-based payment expense (see Note 30)	10	25
TOTAL EMPLOYEE BENEFIT EXPENSE	**3,050**	**2,716**

	Year ended	
	At 31 March 2021	At 31 March 2020
Staff of consolidated companies at year end		
Managers, engineers and professionals	35,786	20,791
Other employees	35,906	18,088
HEADCOUNT	**71,692**	**38,879**

The increase of staff over the period ended 31 March 2021 is mainly due to Bombardier Transportation's acquisition.

	Year ended	
	At 31 March 2021	At 31 March 2020
Average staff of consolidated companies over the period (*)		
Managers, engineers and professionals	23,799	19,907
Other employees	21,031	17,668
HEADCOUNT	**44,830**	**37,575**

(*) The average staff is calculated as a monthly weighted average including two month of Bombardier Transportation's staff

J. CONTINGENT LIABILITIES AND DISPUTES

Commitments arising from execution of operations controlled by the Group

In the ordinary course of business, the Group is committed to fulfil various types of obligations arising from customer contracts (among which full performance and warranty obligations). Obligations may also arise from leases and regulations in respect of tax, custom duties, environment, health and safety. These obligations may or may not be guaranteed by bonds issued by banks or insurance companies.

As the Group is in a position to control the execution of these obligations, a liability only arises if an obligating event (such as a dispute or a late completion) has occurred and makes it likely that an outflow of resources will occur.

When the liability is considered as only possible but not probable or, when probable, cannot be reliably measured, it is disclosed as a contingent liability.

When the liability is considered as probable and can be reliably measured, the impact on the financial statements is the following:

- if the additional liability is directly related to the execution of a customer contract in progress, the estimated gross margin at completion of the contract is reassessed; the cumulated margin recognised to date based on the percentage of completion and the accrual for future contract loss, if any, are adjusted accordingly,
- if the additional liability is not directly related to a contract in progress, a liability is immediately recognised on the balance sheet.

The contractual obligations of subcontractors towards the Group are of the same nature as those of the Group towards its customers. They may be secured by the same type of guarantees as those provided to the Group's customers.

No contingent asset is disclosed when the likelihood of the obligation of the third party remains remote or possible. A contingent asset is disclosed only when the obligation becomes probable. Any additional income resulting from a third party obligation is taken into account only when it becomes virtually certain.

Commitments arising from execution of operations not wholly within the control of the Group

Obligations towards third parties may arise from on-going legal proceedings, credit guarantees covering the financial obligations of third parties in cases where the Group is the vendor, and indemnification guarantees issued in connection with disposals of business entities.

In case of legal proceedings, a contingent liability is disclosed when the liability is considered as only possible but not probable, or, when probable, cannot be reliably measured. In case of commitments arising from guarantees issued, contingent liabilities are disclosed as soon as guarantees have been delivered and as long as they have not matured.

A provision is recorded if the obligation is considered as probable and can be reliably measured. Contingent assets arising from legal proceedings or guarantees delivered by third parties are only disclosed when they become probable.

NOTE 32. CONTINGENT LIABILITIES

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 bonds the Group relies on both uncommitted bilateral lines in numerous countries and the CGFA. 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.

In order to integrate Bombardier Transportation outstanding guarantees, Alstom Holdings has signed, on 26 November 2020, with 12 tier one banks, an Amendment and restatement of its Committed Guarantee Facility Agreement ("CGFA"), increasing the commitment from €3 billion to €9 billion, allowing issuance until 26 February 2024 of bonds with tenors up to 7 years.

At 31 March 2021, the total outstanding bonding guarantees related to contracts from continuing operations, issued by banks or insurance companies, amounted to €21.7 billion (€9.6 billion at 31 March 2020). The increase is mainly due to Bombardier Transportation's acquisition.

After the transfer of €2.8 billion of Bombardier legacy guarantees in the CGFA, the available amount under the Committed Guarantee Facility Agreement amounts to €3.2 billion at 31 March 2021 (€1.7 billion at 31 March 2020).

NOTE 33. DISPUTES

33.1 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.

33.2 Other Disputes

Asbestos

Some of the Group's subsidiaries are subject to civil proceedings in relation to the use of asbestos in France essentially as well as in Spain, in the United Kingdom and in the United States. 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.

ALSTOM

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 subsidiaries of Alstom and Bombardier Transportation, following allegations of anti-competitive practices. After a preliminary investigation stage, CADE notified in March 2014 the opening of an administrative procedure against several companies, of which the Alstom's and Bombardier Transportation's subsidiaries in Brazil, and certain current and former employees of the Group. CADE ruled in July 2019 a financial fine of BRL 133 million (approximately €20 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. In parallel, CADE applied a financial penalty of BRL23 million (approximately €3.5 million) on Bombardier Transportation's subsidiary in Brazil (there is no ban to participate in public procurement bids in Brazil).

In September and December 2020, both Alstom and Bombardier Transportation's subsidiaries in Brazil filed a civil lawsuit before the Brasilia civil court aiming at suspending and ultimately cancelling the July 2019 ruling. Both subsidiaries obtained an injunction to suspend the effects of the administrative ruling until a final judgment is issued on the merits. 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 yet been notified, 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 proceedings initiated by the public prosecutor of the state of Sao Paulo in connection with some of the Transport projects subject to CADE procedure.

The Prosecutor of the State of Sao Paulo launched in May 2014 a civil action against a Group's subsidiary in Brazil, along with a number of other companies (including Bombardier Transportation's subsidiary), for a total amount asserted against all companies of BRL2.5 billion (approximately €384 million) excluding interests and possible damages in connection with a transportation project. The Group's subsidiary is actively defending itself against this action.

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 (including Bombardier Transportation's subsidiary) 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 (including Bombardier Transportation's subsidiary in Brazil), 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.

Italy

On 23th of June 2020, a series of searches and arrests have been carried out by the Milan police under instructions of the Milan Prosecution Office as part of a preliminary investigation into alleged bribes and bid-rigging in connection with public tenders for Azienda Transporte Milanesi ("ATM"), the municipal public transport company and operator of the Milan Subway. The investigation concerns at least seven companies and 28 individuals, including three current employees and one former employee of Alstom Ferroviaria S.p.A (the "Alstom Italy employees").

The Prosecution Office alleges that the Alstom Italy employees engaged in bid-rigging under Article 353 of the Italian Criminal Code, including colluding with an employee of ATM, to obtain confidential technical information in order to secure an undue advantage in the tender process for a 2019 contract for the Milan subway. Alstom did not ultimately submit a bid in respect of this contract.

Alstom Ferroviaria S.p.A. is also subject to investigation regarding alleged violation of Legislative Decree No. 231/2001 ("Decree 231/2001") for not having implemented (or not having efficiently applied) a system of control capable to avoid the commission by its employees of corruption. A company may only be held liable under Decree 231 if the criminal misconduct of its employees is established. In such a case, a company may seek to defend itself from corporate liability under Decree 231/2001 by showing that it had adopted and effectively implemented an organizational model (known as a "Modello") to prevent misconduct and established an independent supervisory body (known as an "organismo di vigilenza") to oversee compliance with the Modello. Alstom Ferroviaria S.p.A. has adopted a Modello and has established on organism di vigilenza.

Alstom is conducting an internal investigation into the allegations discussed above in coordination with external counsel and has taken certain interim measures in response to the allegations of the Prosecution Office, in particular by suspending one of its employee of Alstom Ferroviaria S.p.A. The preliminary investigation by the Prosecution Office continues in parallel. Following its investigation, the Prosecution Office will decide whether to request a dismissal or to request an indictment.

Spain

The Spanish Competition Authority ("CNMC") opened a formal procedure end of August 2018 in connection with alleged irregularities in public tenders with the Spanish Railway Infrastructures Administrator ("ADIF") against eight competing companies active in the Spanish signaling market including Bombardier European Investments, S.L.U (BEI) and its parent company Bombardier Transportation (Global Holding) UK Limited, and Alstom Transporte SA and its parent Alstom SA. The inclusion of the parent company is typical of European competition authorities at the early stage of the proceedings. No Alstom or Bombardier managers were included in the file. In September 2020, the companies obtained access to the Statement of Objections in which the CNMC discloses the evidence gathered against the various participants in the alleged cartel in the Spanish signaling market. Both Alstom and Bombardier have submitted their defense paper rejecting all of CNMC allegations on the basis of absence of evidence. The Sub-directorate of the CNMC has submitted a Proposed Resolution end of March 2021 which both Alstom and Bombardier are rejecting. Both companies submitted their defence to the Council of the CNMC who will take the final administrative decision on the proposed resolution on the basis of lack of substantive evidence. Subsequently, this decision can be appealed before the judicial court (Audiencia Nacional).

Pending investigations which relate to Bombardier Transportation

The matters described in this section relate to historical conduct involving Bombardier Transportation that occurred prior to Alstom's acquisition.

Bombardier Transportation is the subject of an audit of the World Bank Integrity Vice Presidency and participating in several investigations relating to allegations of corruption including by the Swedish Prosecution authority, the Special Investigation Unit (SIU) and National Prosecuting Authority (NPA) in South Africa and the DOJ.

With respect to these above-mentioned matters, Alstom and/or Bombardier Inc are 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. In this context, Alstom has obtained a number of contractual protections in the Acquisition to mitigate potential risks.

The principal matter under investigation is in relation to a 2013 contract for the supply of equipment and services to Azerbaijan Railways in the amount of approximately $ 340 million (principally financed by the World Bank) awarded to a bidding consortium composed of Bombardier Transportation's Sweden's subsidiary (BT Sweden), a Russian Bombardier Transportation affiliate (with third party shareholders) and a third party (the "ADY Contract"). Ownership of the affiliate was subsequently transferred to an entity well established in the Russian and CIS market with which BT

Sweden had an historical relationship, and an affiliate of which had been added post-bid approval as a project sub-contractor. There remains uncertainty as to the services provided by these entities in return for some of the payments they received. Bombardier Inc.'s internal review regarding the ADY contract is still ongoing.

Sweden

The Swedish authorities commenced an investigation in relation to the ADY Contract in 2016, and in 2017 filed charges against the former head of Sales, North Region, RCS, BT Sweden (the "former BTS employee") for aggravated bribery, and alternatively, influence trafficking. The authorities alleged that the former BTS employee had contacts and correspondence with a representative of the third-party member of the consortium who was also employed by Azerbaijan railways during the bidding period with a view towards illicitly influencing the outcome of the tender.

After a trial the former BTS employee was acquitted on both counts in 2017. The authorities appealed the decision and as of today only the aggravated bribery charge is pending. Although no charges have been filed against BT Sweden to date, the Swedish authorities are investigating other former BT Sweden employees and made mutual legal assistance treaty requests to authorities in numerous jurisdictions. The Swedish authorities recently concluded investigations of other former BT Sweden employees subject to limited further review and it is still possible that they may file charges against them or make claims.

World Bank

The World Bank audited the ADY Contract and in 2018 the INT issued a strictly confidential show cause letter to Bombardier Inc which was leaked. The letter outlines INT's position regarding alleged collusion, corruption and fraud in the ADY Contract and obstruction of the INT's investigation. The audit could result in some form of debarment of Bombardier Transportation and BT Sweden from bidding on contracts financed by the World Bank for a number of years.

U.S. Department of Justice - DOJ

On February 10, 2020, the DOJ notified Bombardier that it had opened an investigation. In response to its requests since March 2020 Bombardier has been voluntarily providing documents and information to the DOJ regarding the ADY Contract and may be doing so in the near term in relation to other projects in CIS countries. The DOJ has also made information requests regarding contracts with Transnet (cf. below South-Africa and Project related litigation-South-Africa) and the Passenger Rail Agency of South Africa.

South Africa

Bombardier Transportation South Africa's contract to supply locomotives to Transnet Freight Rail is one of the matters among numerous other matters under investigation by the judicial commission of inquiry into allegations of State Capture (the "Zondo Commission"), by the Special Investigation Unit in South Africa ("SIU"), and by the National Prosecuting Authority ("NPA"). Bombardier Transportation has been providing information to the SIU and the matters remain pending.

Project execution related litigation

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 authorized 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. An addendum to the second partial award was issued by the tribunal on 23 December 2019, reducing AMD's exposure to €21 million. The third and final award, which exclusively deals with legal costs, interests, tax and four minor claims, was communicated to Alstom on July 24th. 2020. The set off of the various amounts awarded by the tribunal to both parties results in an additional net amount of approx. €6 million due by AMD to the Ministry (totalling approx. €28 million). On 12 November 2020, the arbitral tribunal issued an addendum to the third and final partial award reducing AMD's net liability to the Ministry by €322,000. AMD received a payment request from the Ministry in December 2020. AMD partners have been unable to agree on the allocation of responsibility among themselves thus far.

On 17 March 2021, the Ministry filed a motion with the Turkish Court to lift the injunction on the €80 million first demand bank guarantee. Partners challenged the Motion separately. On 13 April 2021, the Swiss tribunal granted Alstom's motion and ordered consortium partners to pay the award according to their respective net proportionate share by 21 April 21 (Alstom: €8.5 million; Marubeni: €0.3 million; Dogus: €18.6million).

Payment has been made by all parties. The consortium and the Ministry are currently discussing the steps forward to close Turkish proceedings within the next few days.

On the other hand, 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 on account of the suspension. In January 2021, Dogus filed an application to resume arbitration proceedings while Alstom filed a successful application seeking an order of payment according to partners' net proportionate shares (see above). A case management call will be set up by the arbitration tribunal to define the next steps and related timelines.

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 final summary memorials, and the next step will be 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. On 24 January 2020 Alstom appealed the decision before the Court of Appeal of Turin. On 12 May 2020 Trenitalia filed its defence and counter-appeal. At the first hearing of the proceedings on 4 November 2020 the Court of Appeal has set the hearing date on April 14, 2021 for the clarifications on the conclusions.

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 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 the delay damages claimed by Trenitalia. 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. On 15 January 2020 Trenitalia filed its defense and counter-appeal. The Court of Appeal of Rome fixed the first hearing of the proceedings on 13 January 2022.

Saturno - Italy

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 Appeal of Milan decided on 3 March 2017 in favor of Alstom's subsidiary by confirming definitively the suspension of this arbitration decision pending the outcome of the proceedings relating to the cancellation of such decision. The Court of Appeal of Milan ruled on the merits in March 2019 in favour of the Alstom's subsidiary and cancelled the arbitration 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. On 27 November 2019 Alstom filed its defense and counter-appeal. The parties are now waiting for a decision on the admissibility of the recourse, to be given by the so-called "Filter Section" of the Court of Cassation.

South-Africa

On 17 March 2014, Bombardier Transportation South Africa (BTSA) entered into a locomotive supply agreement with Transnet for the supply of 240 electric locomotives (LSA). The LSA is part of Transnet's 1064 locomotive project concluded between Transnet and four Original Equipment Manufacturers including BTSA.

On 9 March 2021, Transnet and the Special Investigating Unit (SIU), alleging unlawfulness and irregularities in the procurement process and subsequent award of the 1064 locomotive project, launched review application proceedings in the High Court of South Africa for, amongst other things, the review and setting aside of the respective LSA's concluded with the four Original Equipment Manufacturers including BTSA. The relief sought by Transnet as it relates to BTSA includes: (i) the review and setting aside of the LSA concluded between BTSA and Transnet on 17 March 2014; (ii) that Transnet be entitled to retain the locomotives delivered by BTSA; and (iii) that BTSA be ordered to make restitution to Transnet of the advance payments and profit and/or excess profit earned in the supply of the locomotives.

The procedural steps and timetable for the review application proceedings are yet to be confirmed by the Acting Deputy Judge President of the High Court once he has received representations from the parties cited in the review application by 30 April 2021. These proceedings are at an early stage and the Group is unable, at this stage, to predict their consequences. These matters are also a subject of the investigation by the DOJ, Zondo Commission and the NPA as referenced above.

Sale of Alstom's Energy Businesses in November 2015

Finally, 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.

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 34. INDEPENDENT AUDITORS' FEES

Fees due to auditors and members of their networks in respect of years ended 31 March 2021 and 31 March 2020 were as follows:

	Year ended At 31 March 2021				Year ended At 31 March 2020			
	Mazars		Pricewaterhouse Coopers		Mazars		Pricewaterhouse Coopers	
(in € million)	Amount	%	Amount	%	Amount	%	Amount	%
Independent Auditors' diligence, certification, review of individual and consolidated accounts	**5,3**	**78%**	**5,3**	**35%**	**3,3**	**82%**	**2,9**	**64%**
ALSTOM SA	*2,9*	*43%*	*3,0*	*20%*	*0,4*	*10%*	*0,5*	*11%*
Controlled entities	*2,4*	*35%*	*2,3*	*15%*	*2,9*	*72%*	*2,4*	*53%*
Services other than audit of statutory and consolidated financial statements (SACC)	**1,5**	**22%**	**9,8**	**65%**	**0,7**	**18%**	**1,6**	**36%**
TOTAL	**6,8**	**100%**	**15,1**	**100%**	**4,0**	**100%**	**4,5**	**100%**

Other services mainly include services rendered in connection with the acquisition project of Bombardier Transportation, as well as agreed-upon procedures, other acquisition due diligences, technical consultations on accounting, tax and regulatory matters.

NOTE 35. RELATED PARTIES

The Group has identified the following related parties:

- Shareholders of the Group
- Associates & joint ventures
- Key management personnel

35.1 Shareholders of the Group

The main shareholders of Alstom are:

- The "Caisse de Dépôt et Placement du Québec" (CDPQ), a major Canadian pension fund, holding 17.48% of Alstom's share capital.
- Bouygues, a French company listed on Paris stock market, holding now 3.12% of Alstom's share capital (14.58% at 31 March 2020).

CDPQ Infra, a subsidiary of CDPQ, and Alstom are involved in «construction contracts» which are part of the ordinary course of business.
Bouygues and Alstom are involved in various contracts which are part of the ordinary course of business (e.g. phone contracts, facility management contracts, «construction contracts»).
For both, these relations are subject to normal market terms and conditions. Those operating flows are not material at Group's level.

35.2 Associates & joint ventures

Related party transactions are also transactions with companies over which Alstom exercises significant influence or joint ventures over which Alstom exercises joint control. Those transactions with related parties are undertaken at market prices and represent less than 1% of the operational flows (sales and purchases) and balance sheet positions of the Group (trade receivables and payables).

35.3 Key management personnel

The Group considers that key management personnel as defined by IAS 24 are the members of the Executive Committee.

	Year ended	
(in € thousand)	At 31 March 2021	At 31 March 2020
Short-term benefits	**9,245**	**9,775**
Fixed gross salaries	5,325	4,836
Variable gross salaries	2,633	3,855
Exceptional amounts	1,287	1,084
Post-employment benefits	**2,069**	**1,010**
Post-employment defined benefit plans	5	-
Post-employment defined contribution plans (*)	1,992	951
Other post-employment benefits	72	59
Other benefits	**5,368**	**4,573**
Non monetary benefits	1,183	1,108
Employer social contributions	4,185	3,465
Share-based payments	**3,788**	**4,515**
TOTAL	**20,470**	**19,873**

(*) Including amount paid for CEO under art 82 DC plan for 2020-21 corresponding to 1/3 of compensation set following loss of rights after closure of Art 39 DB plan.

NOTE 36. SUBSEQUENT EVENTS

On 4 May 2021, it has been announced to employee representatives the intention to cease the design, marketing and production of Aptis™ buses. Aptis™ is an extremely innovative bus which faced competitive challenges on the highly competitive electric bus market

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

ALSTOM

NOTE 37. 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
Bombardier Transportation Rail Argentina S.A.	Argentina	100	Full consolidation
ALSTOM Transport Australia Holdings Pty Limited	Australia	100	Full consolidation
ALSTOM Transport Australia Pty Limited	Australia	100	Full consolidation
Bombardier Rail Signalling Services Pty Ltd.	Australia	100	Full consolidation
Bombardier Transportation (Customer Support) Australia Pty Ltd	Australia	100	Full consolidation
Bombardier Transportation (V/Line) Australia Pty Ltd	Australia	100	Full consolidation
Bombardier Transportation Australia Pty Ltd	Australia	100	Full consolidation
NOMAD DIGITAL PTY LTD	Australia	100	Full consolidation
Bombardier Transportation Austria GmbH	Austria	100	Full consolidation
ALSTOM Transport Azerbaijan LLC	Azerbaijan	100	Full consolidation
ALSTOM Belgium SA	Belgium	100	Full consolidation
Bombardier Transportation Belgium NV	Belgium	100	Full consolidation
CABLIANCE BELGIUM	Belgium	100	Full consolidation
NOMAD DIGITAL BELGIUM	Belgium	100	Full consolidation
ALSTOM Brasil Energia e Transporte Ltda	Brazil	100	Full consolidation
Bombardier Transportation Brasil Ltda.	Brazil	100	Full consolidation
ETE - EQUIPAMENTOS DE TRACAO ELETRICA LTDA	Brazil	100	Full consolidation
Bombardier Transportation Bulgaria LLC	Bulgaria	100	Full consolidation
10397962 Canada Inc.	Canada	100	Full consolidation
10412767 Canada Inc.	Canada	100	Full consolidation
10412805 Canada Inc.	Canada	100	Full consolidation
ALSTOM Transport Canada Inc.	Canada	100	Full consolidation
Bombardier TransEd GP Inc.	Canada	100	Full consolidation
Bombardier TransEd GP Manitoba Inc.	Canada	100	Full consolidation
Bombardier TransEd Holdings LP	Canada	100	Full consolidation
Bombardier Transportation (Capital) Canada Inc.	Canada	100	Full consolidation
Bombardier Transportation Canada Inc.	Canada	100	Full consolidation
Bombardier Transportation Canada Participation Inc.	Canada	100	Full consolidation
Bombardier Transportation Treasury Canada Inc.	Canada	100	Full consolidation
Bombardier Western Pacific Enterprises Electrical Installation General Partnership	Canada	51	Full consolidation
ALSTOM Chile S.A.	Chile	100	Full consolidation
Bombardier Transportation (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
Bombardier Investment Management and Consulting (Beijing) Co., Limited	China	100	Full consolidation
Bombardier Railway Transportation Equipment (Shanghai) Co., Ltd.	China	100	Full consolidation
Bombardier Transportation (Engineering Service) Beijing Co., Ltd.	China	100	Full consolidation
Bombardier Transportation China Ltd.	China	100	Full consolidation
Bombardier Transportation Consulting (Shanghai) Co., Ltd.	China	100	Full consolidation
Bombardier Transportation Railway Equipment (Qingdao) Co., Ltd	China	100	Full consolidation
Chengdu ALSTOM Transport Electrical Equipment Co., Ltd.	China	60	Full consolidation
SHANGHAI ALSTOM Transport Electrical Equipment Company 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
Bombardier Transportation Colombia, SAS	Colombia	100	Full consolidation
Bombardier Transportation Czech Republic a.s.	Czech Republic	98	Full consolidation
ALSTOM Transport Danmark A/S	Denmark	100	Full consolidation
Bombardier Transportation Denmark A/S	Denmark	100	Full consolidation
NOMAD DIGITAL (DENMARK) APS	Denmark	100	Full consolidation
NOMAD DIGITAL 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
Bombardier Transportation Egypt, LLC	Egypt	100	Full consolidation
Bombardier Transportation Ethiopia PLC	Ethiopia	100	Full consolidation
ALSTOM Transport Finland Oy	Finland	100	Full consolidation
Bombardier Transportation Finland Oy	Finland	100	Full consolidation
ALSTOM APTIS	France	100	Full consolidation
ALSTOM Executive Management	France	100	Full consolidation
ALSTOM Holdings	France	100	Full consolidation
ALSTOM IBRE	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 Percy	France	100	Full consolidation
ALSTOM SHIPWORKS	France	100	Full consolidation
ALSTOM Transport SA	France	100	Full consolidation
ALSTOM Transport Technologies	France	100	Full consolidation
Bombardier Transport France S.A.S.	France	100	Full consolidation
CENTRE D'ESSAIS FERROVIAIRES	France	96	Full consolidation
ETOILE KLEBER	France	100	Full consolidation
INTERINFRA (COMPAGNIE INTERNATIONALE POUR LE DEVELOPPEMENT D'INFRASTRUCTURES)	France	50	Full consolidation
LORELEC	France	100	Full consolidation
NEWTL	France	100	Full consolidation
NOMAD DIGITAL France	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
Bombardier Transportation (Bahntechnologie) Holding Germany GmbH	Germany	100	Full consolidation
Bombardier Transportation (Germany) S.L. & Co. KG	Germany	100	Full consolidation
Bombardier Transportation (Locomotives) Germany GmbH	Germany	100	Full consolidation
Bombardier Transportation (Propulsion & Controls) Germany GmbH	Germany	100	Full consolidation
Bombardier Transportation GmbH	Germany	100	Full consolidation
Bombardier Transportation Signal Germany GmbH	Germany	100	Full consolidation
InoSig GmbH	Germany	100	Full consolidation
NOMAD DIGITAL GMBH	Germany	100	Full consolidation
VGT VORBEREITUNGSGESELLSCHAFT TRANSPORTTECHNIK GMBH	Germany	100	Full consolidation
J&P AVAX SA - ETETH SA - ALSTOM TRANSPORT SA	Greece	34	Full consolidation
ALSTOM Transport Hungary Zrt.	Hungary	100	Full consolidation
Bombardier Transportation Hungary Kft.	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
Bombardier Transportation India Private 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
Bombardier Transportation Israel Ltd.	Israel	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
Bombardier Transportation (Holdings) Italy S.p.A.	Italy	100	Full consolidation
Bombardier Transportation Italy S.p.A.	Italy	100	Full consolidation
NOMAD DIGITAL ITALIA S.R.L.	Italy	100	Full consolidation
ALSTOM Kazakhstan LLP	Kazakhstan	100	Full consolidation
EKZ Service Limited Liability Partnership	Kazakhstan	80	Full consolidation
ELECTROVOZ KURASTYRU ZAUYTY LLP	Kazakhstan	80	Full consolidation
Bombardier Transportation Baltics SIA	Latvia	100	Full consolidation
Bombardier Transportation Financial Services S.à r.l.	Luxembourg	100	Full consolidation
Bombardier Transportation Luxembourg Capital S.à r.l.	Luxembourg	100	Full consolidation
Bombardier Transportation Luxembourg Finance S.A.	Luxembourg	100	Full consolidation
Bombardier Transportation Luxembourg Investments S.A.	Luxembourg	100	Full consolidation
ALSTOM Transport (Malaysia) Sdn Bhd	Malaysia	100	Full consolidation
Bombardier (Malaysia) Sdn. Bhd.	Malaysia	100	Full consolidation
Bombardier (Mauritius) Ltd.	Mauritius	100	Full consolidation
Bombardier Holding (Mauritius) Ltd.	Mauritius	100	Full consolidation
ALSTOM Transport Mexico, S.A. de C.V.	Mexico	100	Full consolidation
Bombardier Transportation Mexico, S.A. de C.V.	Mexico	100	Full consolidation
BT Ensambles México, S. de R.L. de C.V.	Mexico	100	Full consolidation
BT México Controladora , S. de R.L. de C.V.	Mexico	100	Full consolidation
BT Personal México, S. de R.L. de C.V.	Mexico	100	Full consolidation
ALSTOM CABLIANCE	Morocco	100	Full consolidation
ALSTOM Transport Maroc SA	Morocco	100	Full consolidation
Bombardier Transport Maroc S.A.S	Morocco	100	Full consolidation
ALSTOM Fleet Maintenance B.V.	Netherlands	100	Full consolidation
ALSTOM Fleet Services B.V.	Netherlands	100	Full consolidation
ALSTOM Maintenance B.V.	Netherlands	100	Full consolidation
ALSTOM Rail Assets B.V.	Netherlands	100	Full consolidation
ALSTOM Traction B.V.	Netherlands	100	Full consolidation
ALSTOM Transport B.V.	Netherlands	100	Full consolidation
ALSTOM Transport Holdings B.V.	Netherlands	100	Full consolidation
ALSTOM Vastgoed B.V.	Netherlands	100	Full consolidation

ALSTOM Wagon Service B.V.	Netherlands	100	Full consolidation
Bombardier Holdings Netherlands B.V.	Netherlands	100	Full consolidation
Bombardier Transportation (Participations) Netherlands B.V.	Netherlands	100	Full consolidation
Bombardier Transportation Global Holding SE	Netherlands	100	Full consolidation
Bombardier Transportation Netherlands 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
Bombardier Transportation 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
Bombardier Transportation (Shared Services) Philippines, Inc.	Philippines	100	Full consolidation
Bombardier Transportation Philippines, Inc.	Philippines	100	Full consolidation
ALSTOM Konstal Spolka Akcyjna	Poland	100	Full consolidation
Bombardier Transportation (ZWUS) Polska Sp. z o.o.	Poland	100	Full consolidation
Bombardier Transportation Polska Sp. z o.o.	Poland	100	Full consolidation
ALSTOM Transporte Portugal Unipessoal Lda	Portugal	100	Full consolidation
Bombardier Transportation Portugal S.A.	Portugal	100	Full consolidation
NOMAD TECH, LDA.	Portugal	51	Full consolidation
ALSTOM Transport SA (Romania)	Romania	93	Full consolidation
Bombardier Transportation Shared Services Romania S.R.L.	Romania	100	Full consolidation
ALSTOM Transport Rus LLC	Russian Federation	100	Full consolidation
Limited Liability Company Bombardier Transportation (Rus)	Russian Federation	100	Full consolidation
Bombardier Saudi Arabia Ltd.	Saudi Arabia	100	Full consolidation
ALSTOM Transport (S) Pte Ltd	Singapore	100	Full consolidation
Bombardier (Singapore) Pte. Ltd.	Singapore	100	Full consolidation
Bombardier Transportation (Holdings) Singapore 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
Bombardier Transportation (Rolling Stock) South Africa Proprietary Limited (RF)	South Africa	100	Full consolidation
Bombardier Transportation South Africa (Pty.) Ltd.	South Africa	74	Full consolidation
Bombela Electrical and Mechanical Works (Pty) Ltd.	South Africa	90	Full consolidation
Bombela Maintenance (Pty) Ltd.	South Africa	90	Full consolidation
GIBELA RAIL TRANSPORT CONSORTIUM (PTY) LTD	South Africa	70	Full consolidation
ALSTOM Korea Transport Ltd	South Korea	100	Full consolidation
Bombardier Transportation Korea 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
Bombardier European Holdings, S.L.U.	Spain	100	Full consolidation
Bombardier European Investments, S.L.U.	Spain	100	Full consolidation
Bombardier Transportation (Investments) Spain, S.L.	Spain	100	Full consolidation
Bombardier Transportation (Participations) Spain, S.L.	Spain	100	Full consolidation
ALSTOM Transport AB	Sweden	100	Full consolidation
ALSTOM Transport Information Systems AB	Sweden	100	Full consolidation
Bombardier Aerospace (Holdings) Sweden AB	Sweden	100	Full consolidation
Bombardier Transportation (Nordic Holdings) Sweden AB	Sweden	100	Full consolidation
Bombardier Transportation (Signal) Sweden AB	Sweden	100	Full consolidation
Bombardier Transportation (Signal) Sweden HB	Sweden	67	Full consolidation
Bombardier Transportation Sweden AB	Sweden	100	Full consolidation
ALSTOM Network Schweiz AG	Switzerland	100	Full consolidation
ALSTOM Schienenfahrzeuge AG	Switzerland	100	Full consolidation
Bombardier Transportation (Holdings) Switzerland AG	Switzerland	100	Full consolidation
Bombardier Transportation (Switzerland) AG	Switzerland	100	Full consolidation
Bombardier Transportation Taiwan Ltd.	Taiwan (Province of Chi	100	Full consolidation
ALSTOM Transport (Thailand) Co., Ltd.	Thailand	100	Full consolidation
Bombardier Transportation Holdings (Thailand) Ltd.	Thailand	100	Full consolidation
Bombardier Transportation Signal (Thailand) Ltd.	Thailand	100	Full consolidation
ALSTOM T&T Ltd	Trinidad and Tobago	100	Full consolidation
ALSTOM Ulasim Anonim Sirketi	Turkey	100	Full consolidation
Bombardier Transportation Ulasim Dis Ticaret Ltd. Sti.	Turkey	100	Full consolidation
Bombardier Transportation Ukraine, Limited Liability Company	Ukraine	100	Full consolidation
Bombardier Transportation Gulf DMCC	United Arab Emirates	100	Full consolidation
21NET LTD	United Kingdom	100	Full consolidation
ALSTOM Academy for rail	United Kingdom	100	Full consolidation
ALSTOM Network UK Ltd	United Kingdom	100	Full consolidation
ALSTOM NL Service Provision Limited	United Kingdom	100	Full consolidation
ALSTOM Product and Services Limited	United Kingdom	100	Full consolidation
ALSTOM Transport Service Ltd	United Kingdom	100	Full consolidation

ALSTOM Transport UK (Holdings) Ltd	United Kingdom	100	Full consolidation
ALSTOM Transport UK Limited	United Kingdom	100	Full consolidation
Bombardier (UK) CIF Trustee Limited	United Kingdom	100	Full consolidation
Bombardier Transportation (Gautrain) UK Ltd.	United Kingdom	100	Full consolidation
Bombardier Transportation (Global Holding) UK Limited	United Kingdom	100	Full consolidation
Bombardier Transportation (Holdings) UK Ltd.	United Kingdom	100	Full consolidation
Bombardier Transportation (Investment) UK Limited	United Kingdom	100	Full consolidation
Bombardier Transportation (Rolling Stock) UK Ltd.	United Kingdom	100	Full consolidation
Bombardier Transportation (Signal) UK Ltd.	United Kingdom	100	Full consolidation
Bombardier Transportation UK Ltd.	United Kingdom	100	Full consolidation
Bombardier Transportation UK Pension Trustee Limited	United Kingdom	100	Full consolidation
Bombardier Transportation VP Pension Trustee Limited	United Kingdom	100	Full consolidation
Crossfleet Limited	United Kingdom	100	Full consolidation
Infrasig Ltd.	United Kingdom	100	Full consolidation
NOMAD DIGITAL (INDIA) LIMITED	United Kingdom	70	Full consolidation
NOMAD DIGITAL LIMITED	United Kingdom	100	Full consolidation
NOMAD HOLDINGS LIMITED	United Kingdom	100	Full consolidation
Prorail Limited	United Kingdom	100	Full consolidation
SETML Transportation Limited	United Kingdom	100	Full consolidation
South Eastern Train Maintenance Ltd.	United Kingdom	100	Full consolidation
WEST COAST SERVICE PROVISION LIMITED	United Kingdom	100	Full consolidation
WEST COAST TRAINCARE LIMITED	United Kingdom	100	Full consolidation
ALSKAW LLC	USA	100	Full consolidation
ALSTOM Signaling Inc.	USA	100	Full consolidation
ALSTOM Signaling Operation, LLC	USA	100	Full consolidation
ALSTOM Transport Holding US Inc.	USA	100	Full consolidation
ALSTOM Transportation Inc.	USA	100	Full consolidation
Auburn Technology, Inc.	USA	100	Full consolidation
B&C TRANSIT INC.	USA	100	Full consolidation
Bombardier Mass Transit Corporation	USA	100	Full consolidation
Bombardier Transit LLC	USA	100	Full consolidation
Bombardier Transportation (Global) USA Inc.	USA	100	Full consolidation
Bombardier Transportation (Holdings) USA Inc.	USA	100	Full consolidation
Bombardier Transportation Services USA Corporation	USA	100	Full consolidation
Bombardier USA LLC	USA	100	Full consolidation
NOMAD DIGITAL, INC	USA	100	Full consolidation
Southern New Jersey Rail Group L.L.C.	USA	100	Full consolidation
ALSTOM Venezuela, S.A.	Venezuela	100	Full consolidation
ALSTOM Transport Vietnam Ltd	Vietnam	100	Full consolidation
METROLAB	France	50	Joint Operation
BTREN Mantenimiento Ferroviario S.A.	Spain	51	Joint Operation
IRVIA MANTENIMIENTO FERROVIARIO, S.A.	Spain	51	Joint Operation
THE ATC JOINT VENTURE	United Kingdom	38	Joint Operation
CITAL	Algeria	49	Equity Method
TMH ARGENTINA SA(*)	Argentina	14	Equity Method
EDI Rail - Bombardier Transportation (Maintenance) Pty Limited	Australia	50	Equity Method
EDI Rail - Bombardier Transportation Pty Ltd	Australia	50	Equity Method
NGR Hold Trust	Australia	10	Equity Method
NGR Holding Company Pty Ltd.	Australia	10	Equity Method
NGR Project Company Pty Ltd.	Australia	10	Equity Method
NGR Project Trust	Australia	10	Equity Method
TransEd O&M Partners General Partnership	Canada	60	Equity Method
TransEd Partners General Partnership	Canada	10	Equity Method
Bombardier NUG Propulsion System Co. Ltd.	China	50	Equity Method
Bombardier NUG Signalling Solutions Company Limited	China	50	Equity Method
Bombardier Sifang (Qingdao) Transportation Ltd.	China	50	Equity Method
Bombardier Transportation Equipment (Suzhou) Co., Ltd.	China	50	Equity Method
CASCO SIGNAL LTD	China	49	Equity Method
Changchun Bombardier Railway Vehicles Company Ltd.	China	50	Equity Method
CRRC Puzhen Bombardier Transportation Systems Limited	China	50	Equity Method
Guangzhou Changke Bombardier Rail Transit Equipment Company Ltd	China	50	Equity Method
SHANGHAI ALSTOM Transport Company Limited	China	40	Equity Method
Shentong Bombardier (Shanghai) Rail Transit Vehicle Maintenance Company Limited	China	50	Equity Method
TRANSMASHHOLDING LIMITED	Cyprus	20	Equity Method
TMH EGYPT FOR DEVELOPMENT S.A.E.(*)	Egypt	20	Equity Method
SPEEDINNOV	France	74	Equity Method
TMH DEVELOPMENT GMBH(*)	Germany	20	Equity Method
TMH SERVICES GMBH(*)	Germany	20	Equity Method
ABC ELECTRIFICATION LTD	United Kingdom	33	Equity Method
TRANSMASHHOLDING HUNGARY INVEST KFT.(*)	Hungary	10	Equity Method

TRANSMASHHOLDING HUNGARY KFT(*)	Hungary	10	Equity Method
LKZ AO(*)	Kazakhstan	10	Equity Method
LLP JV KAZELEKTROPRIVOD	Kazakhstan	50	Equity Method
SMART TECHNOLOGY ALMATY COMTOO(*)	Kazakhstan	20	Equity Method
TOO PROMMASHKOMPLEKT(*)	Kazakhstan	10	Equity Method
TOO R.W.S. WHEELSET(*)	Kazakhstan	20	Equity Method
TRANSMASHHOLDING KAZAKHSTAN-KZ TOO(*)	Kazakhstan	20	Equity Method
TMHS(*)	Mongolia	20	Equity Method
MALOCO GIE	Morocco	70	Equity Method
RAILCOMP BV	Netherlands	60	Equity Method
TMH DIESEL ENGINE BV(*)	Netherlands	20	Equity Method
TMH-ALSTOM BV	Netherlands	60	Equity Method
Bombardier Transportation (Rail Engineering) Polska Sp. z o.o.	Poland	60	Equity Method
AM-TEKH(*)	Russian Federation	20	Equity Method
CORPORATE UNIVERSITY OF LOCOMOTIVE TECHNOLOGIES(*)	Russian Federation	20	Equity Method
DEMIKHOVSKY MASHINOSTROITELNY ZAVOD OAO(*)	Russian Federation	20	Equity Method
DIESEL-INSTRUMENT SPB LLC(*)	Russian Federation	10	Equity Method
DIMICROS OAO(*)	Russian Federation	9	Equity Method
DOL BRIGANTINA LLC(*)	Russian Federation	15	Equity Method
ELTK-URAL LLC(*)	Russian Federation	10	Equity Method
FIRM LOCOTECH(*)	Russian Federation	20	Equity Method
IVSK OOO(*)	Russian Federation	12	Equity Method
IZD TMH LLC(*)	Russian Federation	17	Equity Method
KOLOMENSKY ZAVOD OAO(*)	Russian Federation	17	Equity Method
KOLOMNA ENERGO DIESEL LLC(*)	Russian Federation	17	Equity Method
KOMPANIYA RUSNAN LLC(*)	Russian Federation	20	Equity Method
LOCOTECH GLOBAL TRADING(*)	Russian Federation	20	Equity Method
LOCOTECH-FOUNDRY PLANTS(*)	Russian Federation	15	Equity Method
LOCOTECH-KOMPOSIT LLC(*)	Russian Federation	8	Equity Method
LOCOTECH-LEASING(*)	Russian Federation	15	Equity Method
LOCOTECH-PROMSERVICE(*)	Russian Federation	20	Equity Method
LOCOTECH-SERVICE(*)	Russian Federation	20	Equity Method
METROVAGONMASH OAO(*)	Russian Federation	15	Equity Method
METROVAGONMASH SERVICE LLC(*)	Russian Federation	15	Equity Method
MONTAZHNAYA BAZA OAO(*)	Russian Federation	2	Equity Method
MSK KOMPLEKT LLC(*)	Russian Federation	20	Equity Method
NERZ LLC(*)	Russian Federation	8	Equity Method
NO TIV ZAO(*)	Russian Federation	18	Equity Method
NOVOCHERKASSKY ELEKTROVOZOSTROITELNY ZAVOD PROIZVODSTVENNAY KOMPANIYA OOO(*)	Russian Federation	20	Equity Method
NPO SYSTEMA LLC(*)	Russian Federation	19	Equity Method
OKHOTRESURS LLC(*)	Russian Federation	20	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
PENZENSKIYE DIESELNIYE DVIGATELY LLC(*)	Russian Federation	20	Equity Method
PO BEZHITSKAYA STAL OAO(*)	Russian Federation	12	Equity Method
PROFIL LLC(*)	Russian Federation	13	Equity Method
RAILCOMP LLC	Russian Federation	60	Equity Method
REKOLD AO(*)	Russian Federation	6	Equity Method
ROSLOKOMOTIV ZAO(*)	Russian Federation	20	Equity Method
SAPFIR OOO(*)	Russian Federation	20	Equity Method
STAGNUM LLC(*)	Russian Federation	19	Equity Method
TMH ENERGY SOLUTIONS LLC(*)	Russian Federation	20	Equity Method
TMH ENGINEERING ASIA LLC(*)	Russian Federation	10	Equity Method
TMH ENGINEERING LLC(*)	Russian Federation	20	Equity Method
TMH FINANCE LLC(*)	Russian Federation	20	Equity Method
TMH INTERNATIONAL LLC(*)	Russian Federation	20	Equity Method
TMH INVESTMENTS LLC(*)	Russian Federation	20	Equity Method
TMH PRO LLC(*)	Russian Federation	20	Equity Method
TMH TECHNOLOGIE LLC(*)	Russian Federation	20	Equity Method
TMH TRACTION SYSTEMS LLC(*)	Russian Federation	10	Equity Method
TMH-ELECTROTEKH LLC(*)	Russian Federation	20	Equity Method
TMH PTR LLC(*)	Russian Federation	20	Equity Method
TMHS LOKALIZATSIYA LLC(*)	Russian Federation	10	Equity Method
TORGOVY DOM TMH ZAO(*)	Russian Federation	20	Equity Method
TRAMRUS LLC	Russian Federation	60	Equity Method
TRANSCONVERTER LLC(*)	Russian Federation	13	Equity Method
TRANSHOLDLEASING AO(*)	Russian Federation	4	Equity Method
TRANSMASH OAO(*)	Russian Federation	12	Equity Method
TRANSMASHHOLDING ZAO(*)	Russian Federation	20	Equity Method
TRTrans LLC	Russian Federation	60	Equity Method
TSENTR PERSPEKTIVNYKH TECHNOLOGIY TMH LLC(*)	Russian Federation	20	Equity Method

TVER-SAFARI LLC (*)	Russian Federation	19	Equity Method
TVERSKOY VAGONOSTROITELNY ZAVOD OAO (*)	Russian Federation	19	Equity Method
TZENTR PERSPEKTIVNYKH TEKNNOLOGIY TMH LLC (*)	Russian Federation	20	Equity Method
UPRAVLYAUSCHAYA KOMPANIYA BRYANSKY MASHINOSTROITELNY ZAVOD ZAO (*)	Russian Federation	20	Equity Method
VOSKHOD LLC (*)	Russian Federation	9	Equity Method
VSEROSSIYSKY NAUCHNO-ISSLEDOVATELSKY I PROEKTNO-KONSTRUKTORSKY INSTITUT ELEKTROVOZOSTROENIYA OAO (*)	Russian Federation	13	Equity Method
YUZHDIESELMASH OAO (*)	Russian Federation	1	Equity Method
ZAVOD AIT (*)	Russian Federation	10	Equity Method
ZENTROSVARMASH OAO (*)	Russian Federation	20	Equity Method
ZHELDORREMMASH(*)	Russian Federation	15	Equity Method
ZTOV LLC (*)	Russian Federation	4	Equity Method
Bombela TKC (Proprietary) Limited	South Africa	25	Equity Method
Isithimela Rail Services (Pty) Ltd.	South Africa	50	Equity Method
TMH AFRICA PLC (*)	South Africa	14	Equity Method
EK EISENBAHNKOMPONENTEN AG (*)	Switzerland	20	Equity Method
First Locomotive Holding AG	Switzerland	15	Equity Method
TMH INTERNATIONAL AG (*)	Switzerland	20	Equity Method
TURKMASH VAGON YMALATI SANAYY VE TYCARET ANONYM SYRKETY (*)	Turkey	10	Equity Method
LUGANSKTEPLOVOZ OAO (*)	Ukraine	15	Equity Method
TRANSMASH EAST TRAIN TRADING LLC (*)	United Arab Emirates	20	Equity Method
LAX Integrated Express Solutions Holdco, LLC	USA	10	Equity Method
LAX Integrated Express Solutions, LLC	USA	10	Equity Method
V/Line Maintenance Pty Ltd	Australia	100	Non consolidated investment
RTA RAIL TEC ARSENAL FAHRZEUGVERSUCHSANLAGE GMBH	Austria	44	Non consolidated investment
MOBILIEGE	Belgium	15	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
ESPACE DOMICILE SA HABITAT LOYER MODERE	France	1	Non consolidated investment
FRAMECA - FRANCE METRO CARACAS	France	26	Non consolidated investment
LE PHENIX THEATRE DE VALENCIENNES	France	0	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
Société Concessionnaire du Transport sur Voie Réservée de l'Agglomération Caenna	France	39	Non consolidated investment
Société d'économie mixte locale Le Phénix Théâtre de Valenciennes	France	1	Non consolidated investment
SOCIETE IMMOBILIERE DE VIERZON	France	1	Non consolidated investment
SUPERGRID INSTITUTE SAS	France	2	Non consolidated investment
Valutec S.A.	France	1	Non consolidated investment
IFB INSTITUT FUR BAHNTECHNIK GMBH	Germany	20	Non consolidated investment
Partner für Berlin Holding Gesellschaft für Hauptstadt-Marketing mbH	Germany	1	Non consolidated investment
PARS SWITCH	Iran	1	Non consolidated investment
CYLUS CYBER SECURITY LTD.	Israel	13	Non consolidated investment
CONSORZIO ELIS PER LA FORMAZIONE PROFESSIONALE SUPERIORE	Italy	0	Non consolidated investment
CRIT SRL	Italy	1	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
SUBURBANO EXPRESS, S.A. DE C.V.	Mexico	11	Non consolidated investment
IDEON S.A.	Poland	0	Non consolidated investment
INWESTSTAR S.A.	Poland	0	Non consolidated investment
KOLMEX SA	Poland	2	Non consolidated investment
Krakowskie Zaklady Automatyki S. A.	Poland	12	Non consolidated investment
Normetro ACE Agrupamento do Metropolitano do Porto	Portugal	25	Non consolidated investment
First Locomotive Company LLC	Russian Federation	15	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
Consenec AG	Switzerland	5	Non consolidated investment
ARGENTINE CLUB LIMITED	United Kingdom	1	Non consolidated investment
TRAMLINK NOTTINGHAM (HOLDINGS) LTD	United Kingdom	13	Non consolidated investment
Whereismytransport Limited	United Kingdom	2	Non consolidated investment
Massachusetts Bay Commuter Railroad Company, LLC	USA	20	Non consolidated investment

(*) Subsidiaries of TMH Limited., consolidated within Alstom financial statements by equity method.