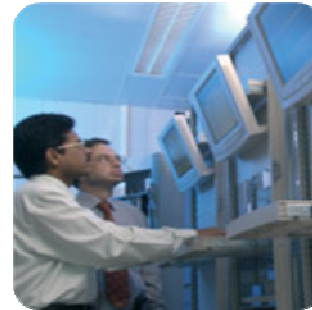


***AREVA T&D India
Q3 2011 Results***



November 16th , 2011

▶ Forward-looking statements

- ◆ This document contains forward-looking statements and information. These statements include financial forecasts and estimates as well as the assumptions on which they are based, statements related to projects, objectives and expectations concerning future operations, products and services or future performance. Although the management believes that these forward-looking statements are reasonable, Interested parties are hereby advised that these forward-looking statements are subject to numerous risks and uncertainties that are difficult to foresee and generally beyond AREVA T&D India's control.

Indian Economy

- ◆ Indian economy is facing road blocks due to policy related issues
- ◆ The impact of continuous hike in the interest rates coupled with negative market sentiments have slowed down Capex by private sector
- ◆ Overall investment climate is still not positive and the general mood is to wait and watch

T&D Market

- ◆ **Power generation market has been further impacted due to**
 - ◆ Reported SEB losses over Rs. 80000 crore leading to less power purchase by SEBs
 - ◆ IPPs and Public utility are being asked to back down generation due to lower SEB demand
- ◆ **Industry & Infrastructure sectors are yet to show positive growth in Capex**
- ◆ **Transmission domain, led by Power Grid and some SEBs, have increased investments**
- ◆ **BOOT is now emerging as a new market trend in the transmission domain**
- ◆ **Chinese & Koreans suppliers continue to quote very aggressive prices in 765 kV tenders of PGCIL**
- ◆ **Several mid and small size EPC contractors, who were bidding very aggressively in 2009 & 2010 seem to be reviewing their bidding strategy**
- ◆ **The trend of T&D price fall seem to have slowed down**

▶ **Orders / Backlog:**

- ◆ **Orders intake increased by 29% over 2010 in 9 month led by**
 - **Good mitigation via small & mid size orders in private sector, in selected SEB and PGCIL**
- ◆ **Highest ever Order backlog at 57,530 MINR**

▶ **Sales growth:**

- ◆ **12% increase over 2010 in 9 month due to higher contribution from the 3 new manufacturing plants and Systems business in spite of**
 - **Delayed project approvals, leading to delay in sales**

▶ **Operating profit:**

- ◆ **Decreased to 6.6% from 7.1% of 9M 2010 due to**
 - **Lower level of margin on orders of 2009 and 2010**
 - **Derivatives mark-to-market adjustment**

「Strong Order intake in Q3 leading to highest backlog」

AREVA T&D India

Main Contracts booked in Q3 2011

Utility Segment:

- ▶ RRVPNL (765 kV Substation Package) : + 4000 M₹
- ▶ Power Grid (765 kV Transformer at Bareilly) : + 850 M₹

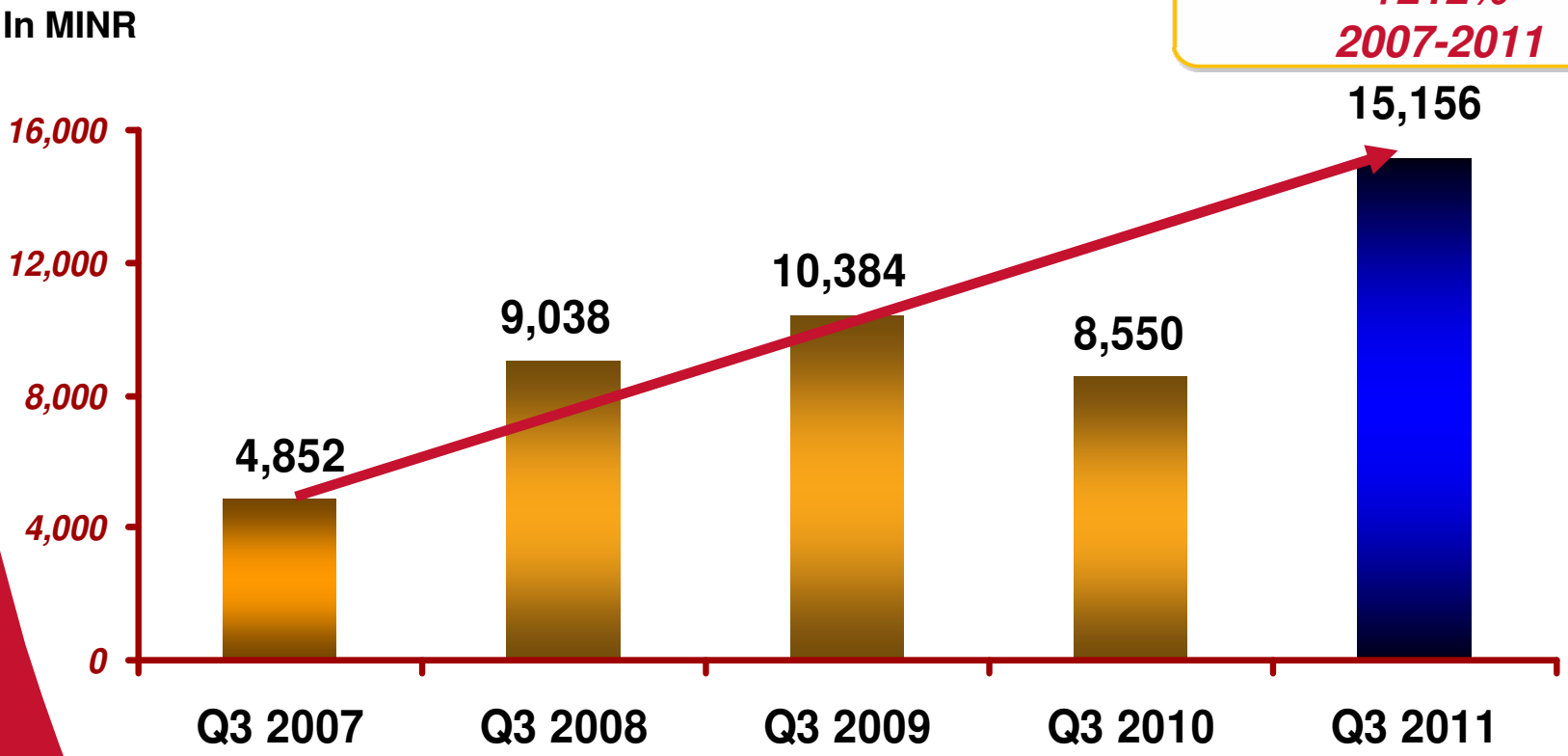
Major Gains in Industry / Infrastructure:

- ▶ Sterlite Technologies (765 kV Substation Package) : + 2200 M₹
- ▶ BHEL (GIS Package for SJVNL Rampur) : + 580 M₹
- ▶ Reliance Infra (220 kV Substation for Rajasthan Solar) : + 400 M₹
- ▶ OPTCL (63 MVA Power Transformer Package) : + 340 M₹
- ▶ Aditya Aluminium (ETC Package) : + 300 M₹
- ▶ Lanco Infratech (Substation Package at Anuppur) : + 300 M₹
- ▶ NEEPCO (132 kV Switchyard) : + 250 M₹
- ▶ Indu Projects : + 180 M₹

Healthy Order Intake continues

Strong order intake performance despite difficult market condition

+212%
2007-2011



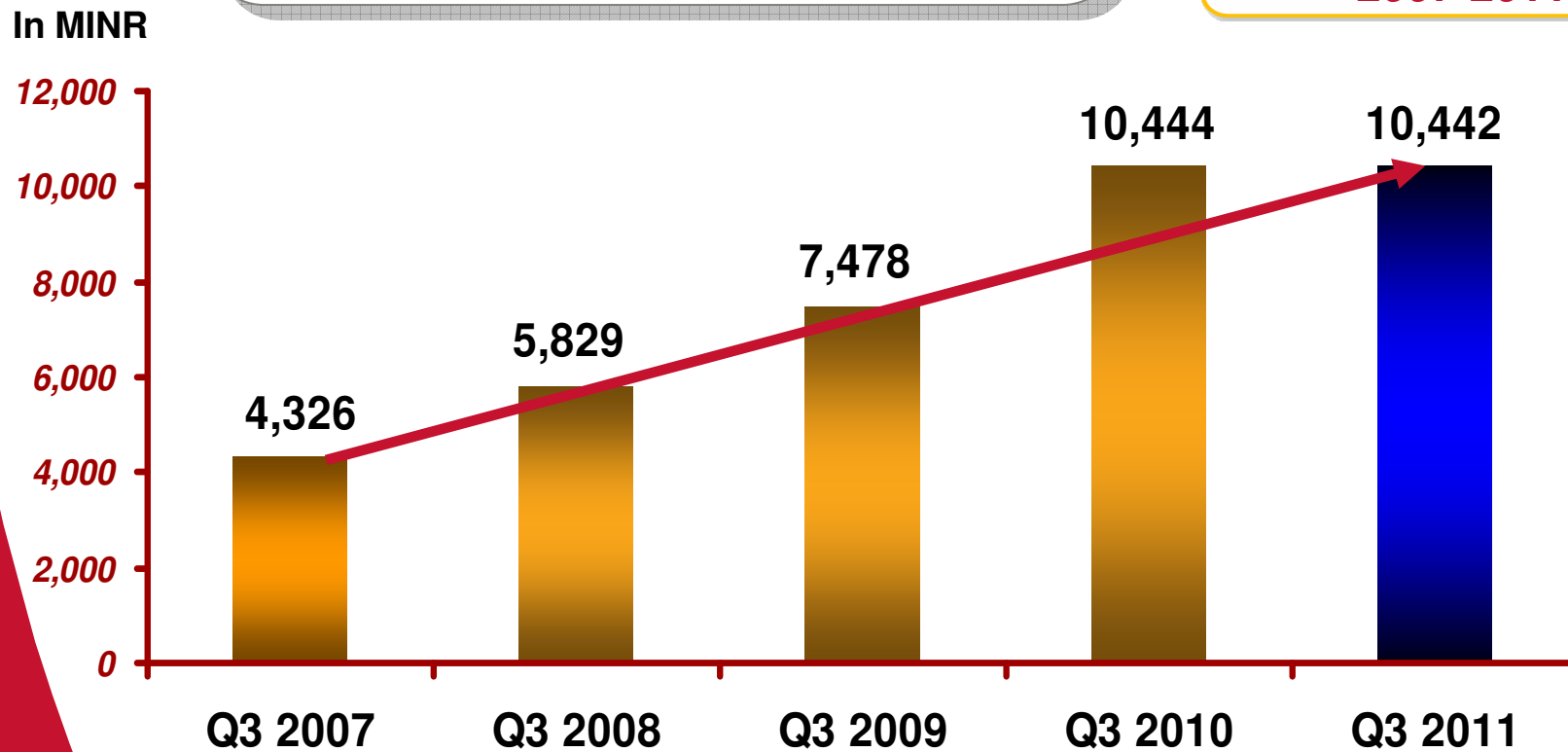
Maintains leadership position for 4th year

Steady growth in Sales

Good growth in Sales (YOY) despite project delays at customer end, thanks to :

- ▶ Ramp up of the green field sites
- ▶ Strong backlog

+141%
2007-2011

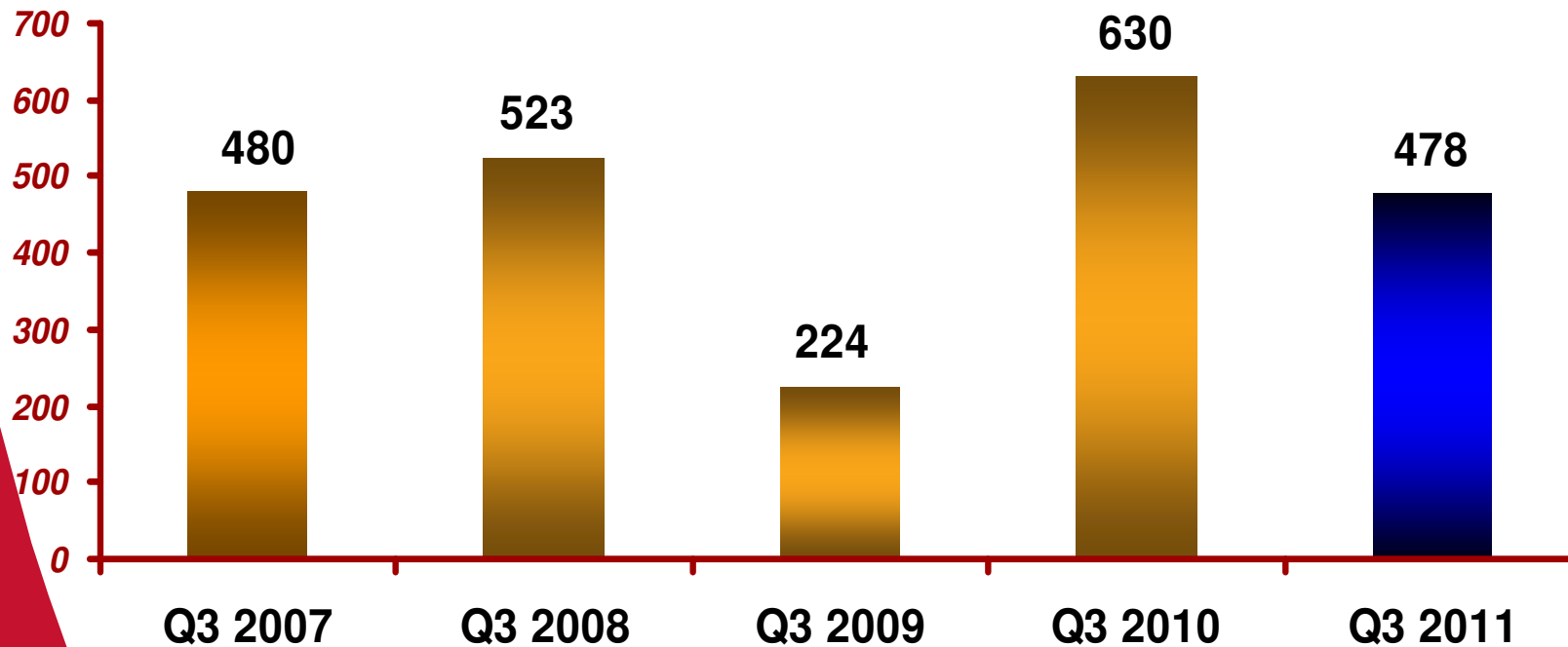


Strong backlog supports recovery

Further profit erosion has been mitigated via:

- ▶ Improved operating efficiency at the Plants/ Units
- ▶ Strong savings/sourcing initiatives across all businesses & functions

In MINR



Profitability pressure continues due to severe pricing pressure since Q4 of 2008

In M ₹	Actual 2010	Actual 2011	Δ 2011 / 10
Sales Revenue	10,444	10,442	0.0 %
Operating Income	1,105	850	-23.1 %
As % of Sales	10.6%	8.1%	-2.5 pts
Profit After Tax	630	478	-24.1 %
As % of Sales	6.0%	4.6%	-1.4 pts

Key data for 9M 2011

In M ₹	Actual 2010	Actual 2011	Δ 2011 / 10
Sales Revenue	27,012	30,262	12.0 %
Operating Income	1,918	1,995	4.0 %
As % of Sales	7.1%	6.6%	-0.5 pts
Profit After Tax	987	1,028	4.2 %
As % of Sales	3.7%	3.4%	-0.3 pts
Order Backlog	49,207	57,530	16.9 %

AREVA Global Transmission & Distribution Business Sale

- ▶ Consequent to a decision to exit the T&D business, Areva on January 2010, informed that a Share Purchase Agreement was signed between AREVA Group and Alstom-Schneider Electric and the completion of the sale transaction was subject to obtaining the merger clearances from EU Commission and other Competition authorities.
- ▶ On 28th of May 2010, a public announcement (PA) was made by DSP Merrill Lynch (DSP) manager to the open offer (on behalf of the acquirer Alstom-Schneider) to the equity shareholders of Areva T&D India to acquire up to 47.8 mn shares constituting 20% of issued share capital of AREVA T&D India at Rs. 295.34 per share
- ▶ On 7th of June 2010, the sale process worldwide except India was closed after Alstom-Schneider Electric got clearances from all the required authorities
- ▶ On 3rd of December 2010, it was informed by the acquirers that the open offer process was completed and as a result of it the acquirers had acquired 2,906,624 (1.22%) equity shares tendered by the aforesaid erstwhile shareholders. Consequently, on completion of formalities, the Promoters holdings stood increased to 175,492,524 (73.40%) equity shares in Jan 2011
- ▶ In terms of the open offer document which states about the separation of the business, on the completion of open offer process such that the transmission business will be allocated to Alstom Group of Companies and distribution business will be allocated to Schneider Group of Companies
- ▶ The Board of Directors at their meeting held on May 28, 2011 have, subject to receipt of requisite approvals and sanctions by the Hon'ble High Courts of Delhi and Gujarat, given final approval for Demerger of Distribution business of the Company to a Wholly Owned Subsidiary Smartgrid Automation Distribution and Switchgear Limited with effect from April 1, 2011.
- ▶ As directed by the Hon'ble High Court of Delhi the meetings of Shareholders and Creditors were convened on July 30, 2011 for approval of the Scheme of Arrangement for Demerger wherein the Shareholders and the Creditors who were present at the meeting have given their approval to the said Scheme.
- ▶ The Hon'ble High Courts of Gujarat and Delhi have at their respective hearings on September 19, and October 24, 2011 have sanctioned the Scheme of Arrangement for demerger of the Company's distribution business into Smartgrid Automation Distribution and Switchgear Limited. The Certified True copies of the aforesaid orders of the Hon'ble High Courts are awaited and upon receipt further steps of filing the same with the respective Registrars of Companies shall be proceeded with. The Company will give effect to the demerger as on the "effective date", which shall be the day of aforesaid filings.



AREVA