ALSTOM

HALF-YEAR FINANCIAL REPORT
(Half-year ended 30 September 2011)

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Management report on condensed consolidated financial statements,
Half-year ended 30 September 2011

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MANAGEMENT REPORT

ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
HALF YEAR ENDED 30 SEPTEMBER 2011

The following half-year report shall be read in conjunction with the Condensed consolidated financial statements for the half-year ended 30 September 2011 and the Company's Registration Document for fiscal year 2010/11 filed with the French Autorité des marchés financiers on 26 May 2011.

1. Main events of half year ended 30 September 2011

1.1. Rebound of orders confirmed during the first half of 2011/12. Profitability and free cash flow impacted by the decrease in sales.

Orders received by Alstom during the first half of 2011/12 reached €10,183 million, 40% above the same period last year on an organic basis, confirming the rebound achieved in the second half of last fiscal year. The Group seized the opportunities offered in the emerging countries while demand remained weak in western markets, burdened by uncertain economic prospects. In this context, the share of emerging countries in Alstom's order intake grew and reached 67%.

Thermal Power received €4,650 million of orders, 62% above the level of last year, with large contracts in gas, coal and service. Renewable Power benefitted from a sustained global demand and booked €1,015 million of orders, including two large wind contracts in Brazil and Ethiopia and a hydro project in India. Despite less favourable conditions in some of its historical markets, Transport achieved a sound commercial performance with €2,665 million of orders received (+ 33% compared to the same period last year), thanks notably to large orders booked in Eastern Europe (Russia and Poland). Supported by globally positive trends, Grid order intake totalled €1,853 million, with a good level of small and medium size contracts.

With a Group book-to-bill of 1.1 over the first half of 2011/12, the backlog rose to €47.4 billion on 30 September 2011, corresponding to 29 months of sales.

During the first half of 2011/12, sales stood at €9,389 million, 13% below last year's figure on an organic basis, reflecting the low level of orders taken during the economic downturn. More precisely, the recent commercial rebound has not yet translated into large sales outflows and did not compensate the shortfall due to the completion of several significant contracts booked before the crisis and largely traded during last fiscal year. Except for Renewable Power, this trend affected all other Sectors: on an organic basis, Thermal Power's sales decreased by 20% compared to last year, Transport's sales by 15% and Grid's sales by 11%.

As a consequence of the drop of sales, the income from operations decreased by 18% at €627 million. The structural measures announced last fiscal year started delivering their effects but could not totally offset the impact on the gross margin of the lower sales and the under absorption of costs which resulted from the lower activity. Consequently, the operating margin went down from 7.3% last first half year to 6.7% for the first half of 2011/12.

As a consequence of the decrease of operating profits, net profit (Group share) reached €363 million in the first half of 2011/12 versus €401 million in the first half of 2010/11, including an after tax negative impact of €54 million due to Grid purchase price allocation effects (amortisation of the margin in backlog).

Impacted by the slowdown in revenue recognition leading to less progress payments, by the start-up of Transport activities in some countries (Russia, India) triggering temporary consumption of working capital and by two customers disputes (around €280 million retained), the Group's free cash flow was negative at €(914) million over the first half year 2011/12.

Following the payment of the dividend for €183 million and the negative free cash flow , the Group net financial debt reached €(2,748) million at 30 September 2011 versus €(1,286) million at 31 March 2011 and €(1,473) million at 30 September 2010.

At 30 September 2011, Alstom had a cash in hand and cash equivalent position of €1,292 million, as well as an undrawn available credit line of €1.0 billion.

1.2. Reshape organisation to support performance

In January 2011, Alstom Executive Committee launched the EASE program (Empowerment of the people, Acceleration of the decision making processes, Simplification of structures and processes and Efficiency of the organisation). The objective is to make the organisation of the Company simpler and more flexible, allowing the Group to better address the specific demand and opportunities of each of its markets and boost its development. First steps were taken as early as the beginning of the current fiscal year with the implementation of a regional organisation in Grid and the announcement in June 2011 of a major reorganisation of the Group. The latter included the enlargement and renewal of the Executive Committee, the creation of a position of Deputy Chief Executive Officer and the reshaping of the operational activities into four Sectors - Thermal Power, Renewable Power, Grid and Transport - each one headed by a newly appointed President.

1.3. Adapt the industrial footprint to the evolution of demand

To adapt to its changing markets, in terms of both products and geography, Alstom took structural measures to maintain its competitiveness and to benefit from the momentum of emerging countries.

In October 2010, the Thermal Power Sector announced the reduction of around 3,500 permanent positions in the European and North American activities dedicated to new equipment for thermal power generation, as well as in the central functions of the Sector. More than half of the planned reductions have been executed; plans for the remainder are underway.

In March 2011, a plan to reduce 1,380 permanent positions was launched by the Transport Sector in Germany, Italy and Spain in order to address the lower demand in these countries and to increase the competitiveness of its industrial base. During the first half of 2011/12, all agreements with employee representatives have been signed. End of September 2011, around one third of the total planned reductions had been implemented.

1.4. Support the Group's development

Investments

Capital expenditures (excluding capitalised development costs) reached €199 million during the first half of 2011/12 strengthening Alstom's industrial footprint in the most dynamic countries.

In India, Thermal Power together with its partner Bharat Forge pursued the construction of a plant in Mundra for manufacturing steam turbines and generators. Transport, which was awarded last fiscal year an important order for the Chennai metro, also invested in India with the building of a new rolling stock plant near Chennai. In China, Renewable Power undertook the second phase of the erection of its hydropower manufacturing facility located in Tianjin and Transport invested to increase its component base. Asia was also the focus of Grid's capital expenditures program with the expansion of its industrial footprint mainly in China and India. In Brazil, Renewable Power supported its development in wind and hydro energy by further investing in its facilities: a new one, based in Bahia, is dedicated to the assembly of wind turbines; the other, located in Taubate, represents one of Alstom's largest global hydro industrial hubs. Transport started the extension of its facility in Katowice (Poland), to increase its body shells industrial capacity.

Partnerships and M&A

During first half 2011/12, Alstom continued to support its geographic expansion through the development of several partnerships.

In China, Alstom and Shanghai Electric Group signed in April 2011 a letter of intent to create Alstom-Shanghai Electric Boilers Co, a 50/50 joint company that would be world leader in boilers for coal-fired power plants, with combined sales of about €2.5 billion in 2010. The joint company will benefit from Shanghai Electric's competitiveness and strong positioning in China as well as from Alstom's close relationship with the utilities worldwide and its related technologies. In September 2011, Alstom also signed a memorandum of understanding with Datang Corporation to form a long-term strategic partnership and jointly develop carbon capture and storage demonstration projects in China. Two full-scale carbon capture and storage demonstration projects will be developed in China; they should enter in operation in 2015.

In Russia, important steps were taken by all Sectors. In May 2011, Transport finalised its partnership agreement with Transmashholding (TMH), the leading Russian railway manufacturer, by acquiring a 25% stake (plus one share) of the company as agreed when the cooperation started in 2008. In September 2011, Alstom and Promelectronica announced their intention to develop a partnership to commercialise signalling equipment in the Russian and CIS market. The Group also confirmed its commitment to the development of the Russian energy sector by signing a series of agreements in June 2011. Alstom and RusHydro, Russia's largest hydro power generation company, will create a joint hydropower manufacturing facility which will notably provide equipment for the modernisation of the Kubansky Cascade hydropower plant. Finally, Grid entered into two agreements to produce and engineer equipment for high-voltage electricity transmission in Russia.

On the acquisitions side, Alstom entered the wave energy market in June 2011 by acquiring a 40% equity share in AWS Ocean Energy, a Scottish renewable energy company. Wave energy has the greatest potential of all existing marine technologies with worldwide resources estimated between 200 and 300 GW. This operation complements the existing activities of Alstom's Ocean Energy business in tidal power.

Research & Development

During the first half of 2011/12, the Group invested €354 million in research and development (excluding capitalisation and amortisation effect) to develop new technologies and to improve its existing product offering.

Alstom worked on the development of its range of gas turbines, including performance upgrade packages and combustion system improvements to reduce emissions and increase fuel flexibility. As part of its efforts to enhance its competitive edge in technology, Alstom unveiled in June 2011 the latest upgrade to its KA26 combined-cycle power plant offering for the 50 Hz market, based on its advanced class GT26 gas turbine. This technology is capable of power output more than 500 MW. Efficiencies over 61% are also achievable, with increased flexibility to enable better integration of intermittent renewable sources of energy. In addition, Alstom launched the latest generation of the GT24 gas turbine in September 2011. This turbine is similar to the GT26 but is adapted to the 60 Hz power grid used in a number of countries. The latest GT24 gas turbine and the associated KA24 combined cycle power plant offer significantly lower cost of electricity by way of improved performance (15% higher power output) and operational flexibility. Thanks to its recent investment in the Chattanooga factory (Tennessee), Alstom is able to supply locally the North American market. In parallel, Alstom continued its significant R&D efforts in the field of Carbon Capture and Storage. Currently the Group has 12 pilot and demonstration projects all around the world. In June 2011, it announced that carbon capture technology was proven and would be cost effective and competitive compared to all other CO_2-free technologies.

On the Renewable side, Alstom is developing a 6 MW offshore wind turbine with a robust, simple and efficient design which will allow to reduce the cost of energy of offshore wind. The prototype phase for the turbine has started and will run through 2011 and 2012, followed by pre-series in 2013 and series production in 2014. This turbine will be used by Alstom and EDF Energies Nouvelles to bid jointly for projects under the recently launched 3 GW French offshore wind tender. In Nantes, Renewable Power opened a new research department in Ocean energy whose technology was licensed from the Canadian company "Clean Current Power System Inc". Alstom will deploy a new generation of bi-directional submarine turbines, called ORCA and BELUGA that will produce electricity thanks to tidal currents. The BELUGA turbine will be immersed in 2012 to carry out installation and maintenance in real life conditions.

Research and development programmes in Transport targeted the improvement of the technological edge of the product range:

- in April 2011, Transport, in partnership with RATP, announced the creation of Metrolab, a research laboratory dedicated to the automatic metro of the future. Automatic metros make it possible to increase the frequency of trainsets in complete safety and comfort and therefore reduce congestion,
- in May 2011, the first third generation TGV[1] train set, called Euro-duplex was delivered to SNCF. It is the first double-deck interoperable very high speed train capable of traveling on all European rail networks,
- in June 2011, the first Coradia Polyvalent™ trainset for use in France was officially unveiled to the public. The highly modular Coradia Polyvalent™ range is a single-level regional train offering various technical configurations and passenger amenities. It can run up to 160 km/h in both its electric and hybrid versions and operates at two different voltages,
- in September 2011, Transport and Transmashholding presented the electric locomotive for the EP20 passenger trains, which challenge is to run at 200 km/h in very low temperatures .

[1] TGV is a trademark from SNCF

Grid dedicated its R&D efforts to:

- enhance High Voltage Direct Current offer (HVDC), through new developments in the field of Ultra High Voltage Direct Current transformers and bushings, and through industrialization of the recently developed Voltage Source Converter (VSC) solution;
- accelerate Smart Grid developments to converge towards a customer-oriented offer, with a comprehensive set of programs aiming at improving grid reliability, stability and efficiency while reducing CO_2 emissions;
- reach technical performances needed on targeted markets (e.g. new breaking chambers with increased voltage ratings); and
- optimise product designs to decrease production costs.

1.5. Corporate responsibility

1.5.1. Ethics & Compliance (E&C)

Embedded in the Alstom Integrity Programme, new initiatives are continuously taken to develop the integrity culture within the Group. The Senior Vice President Ethics & Compliance has full authority and the direct access to the Ethics, Compliance and Sustainability Committee of the Board, of which he is the secretary for E&C matters.

Alstom continued the certification process, launched in 2009 with Ethic Intelligence, to ensure that its policy corresponds to the best standards world-wide. After a thorough audit led by the Swiss company, SGS, the certificate for Alstom Power's and Alstom Transport's rules for dealing with sales and marketing consultants was renewed on 8 April 2011. The certificate was awarded for Alstom Grid's sales intermediaries policy on 17 May 2011. In addition, a further important step has been achieved on 12 September 2011 with the certification of the Alstom Integrity Programme as a whole.

The resources of the E&C Department are completed by a community of over 200 E&C Ambassadors who play an essential role in the diffusion of the culture of integrity.

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2. Consolidated figures

2.1. Key Group figures

in € million	Half Year ended 30 September 11	Half Year ended 30 September 10	Half Year ended 30 September 09	% Variation Sept 11 / Sept 10 Actual	Organic
Order Backlog	47,382	45,287	43,787	5%	6%
Orders Received	10,183	7,038	7,134	45%	40%
Sales	9,389	10,432	9,683	(10%)	(13%)
Income from operations	627	763	828	(18%)	
Operating Margin	*6.7%*	*7.3%*	*8.6%*		
EBIT	517	599	782	(14%)	
Net Profit - Group share	363	401	562	(9%)	
Free Cash Flow	(914)	(963)	77		
Capital Employed	6,978	5,694	1,324		
Net Cash/(Debt)	(2,748)	(1,473)	1,866		
Headcount	92,701	94,569	79,480	(2%)	

2.1 Key geographical figures

Total Group **Actual figures, in € million**	Half year ended 30 September 2011 Europe	North America	South and Central America	Asia/Pacific	Middle East/Africa	**Total**
Orders Received	4,386	1,065	690	2,802	1,240	**10,183**
% of contrib	*43%*	*10%*	*7%*	*28%*	*12%*	*100%*
Sales	4,114	1,178	903	1,919	1,275	**9,389**
% of contrib	*44%*	*12%*	*10%*	*20%*	*14%*	*100%*
Headcount	53,883	10,072	5,471	20,312	2,963	**92,701**
% of contrib	*58%*	*11%*	*6%*	*22%*	*3%*	*100%*

Total Group **Actual figures, in € million**	Half year ended 30 September 2010 Europe	North America	South and Central America	Asia/Pacific	Middle East/Africa	**Total**
Orders Received	3,178	1,040	526	1,435	859	**7,038**
% of contrib	*45%*	*15%*	*7%*	*21%*	*12%*	*100%*
Sales	4,810	1,260	739	1,713	1,910	**10,432**
% of contrib	*46%*	*12%*	*7%*	*17%*	*18%*	*100%*
Headcount	55,959	10,037	5,519	19,688	3,366	**94,569**
% of contrib	*59%*	*11%*	*6%*	*21%*	*3%*	*100%*

3. Outlook

The recent commercial recovery should translate into higher sales in the second half of 2011/12, which, combined with the positive impact of the on-going actions on costs, should lead to an improvement of the operational performance. The anticipated increased volume of sales and sustained level of orders should also trigger a positive free cash flow in the second part of the fiscal year. On this basis, the Group confirms the operating margin for March 2012 should stay between 7% and 8%.

The foregoing outlooks are "forward-looking statements" and as a result they are subject to uncertainties. The success of the Group's strategy and action plan, its sales, operating margin and financial position could differ materially from the goals and targets expressed above if any of the risks described in the Risk section of the Registration Document for fiscal year 2010/11 filed with the Autorité des marches financiers on 26 May 2011, and in the notes to the half year consolidated accounts ended 30 September 2011 or other unknown risks, materialise.

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4. Sector analysis

4.1. Thermal Power

Thermal Power covers new equipment, retrofit, automation & control, and service activities globally for gas, steam and nuclear power generation applications.

The following table presents the key performance indicators for Thermal Power:

Thermal Power **Actual figures** **in € million**	**Half year ended** **30 September 2011**	**Half year ended** **30 September 2010**	% Variation Sept. 11 / Sept. 10 Actual	 Organic
Order backlog	18,339	17,405	5%	8%
Orders received	4,650	2,864	62%	69%
Sales	4,047	5,164	(22%)	(20%)
Income from operations	372	435	(14%)	
Operating margin	9.2%	8.4%		
EBIT	371	424	(13%)	
Capital employed	2,494	2,873		

4.1.1. Orders received

Orders received by Thermal Power forged ahead during the first half 2011/12 reaching €4,650 million, 62% above the same period last year. The demand for new thermal power plants remained weak in mature economies which still have unabsorbed reserve margins whereas the need for new capacity in emerging countries is driven by a high GDP growth. Oil price levels remained a solid driver for investment in the Middle East and Russia.

In this context, the Group experienced several commercial successes in growing economies, such as steam plants in Malaysia and Estonia, air quality control equipment in Taiwan and the Middle East, a turnkey gas plant with a GT26 in Singapore, and 5 gas turbines GT13E2 in Russia. In total 8 gas turbines were sold during the semester.

Thermal Power **Actual figures, in € million**	**Half year ended 30 Sept. 11**	% of contrib	**Half year ended 30 Sept. 10**	% of contrib	*% Variation Sept. 11/10* *Actual*	 *Org.*
Europe	1,602	34%	1,079	38%	*48%*	*50%*
North America	611	13%	722	25%	*(15%)*	*(7%)*
South and Central America	101	3%	87	3%	*16%*	*22%*
Asia/Pacific	1,590	34%	604	21%	*163%*	*173%*
Middle East/Africa	746	16%	372	13%	*101%*	*107%*
Orders by destination	**4,650**	**100%**	**2,864**	**100%**	***62%***	***69%***

Thanks to a sustained level of service contracts, to gas turbine orders in Russia and to the booking of an oil shale fired power plant in Estonia, orders received in Europe during the first half of 2011/12 soared to €1,602 million, +48% compared to the same period last year.

North America accounted for 13% of the orders received this semester, at €611 million. Orders received in the region were mainly service and air quality control equipment contracts.

In South and Central America, Thermal Power orders received amounted to €101 million, 3% of the orders of the period. They included a GT24 gas turbine, and a steam turbine retrofit order in Mexico.

With orders received reaching €1,590 million during the semester (increasing by 164% compared to the same period last year), the region Asia/Pacific represented 34% of the total orders received. The Sector secured large contracts in the region: a 1,000 MW ultra–supercritical coal-fired power plant as well as a gas turbine service contract extension in Malaysia, and a combined cycle power plant in Singapore with the associated long term service agreement. Thermal Power also recorded an order for a GT13E2 in Bangladesh and a Seawater Flue Gas Desulphurization system for a 3 x 800MW coal-fired plant in Taiwan.

In Middle East/Africa, the Group booked contracts for the upgrade of four GT13E2 in the United Arab Emirates, and for air quality control systems in Saudi Arabia. Middle East/Africa amounted to 16% of the orders received during the period.

The Thermal Power Sector received the following major orders during the first half of 2011/12:

Country	**Description**
Bangladesh	One GT13E2 gas turbine
Estonia	One circulated Fluidized Bed boiler unit of 300 MW, fuelled with local oil shale.
Malaysia	South East Asia's first 1,000 MW ultra-supercritical coal-fired power plant
Malaysia	11-years Long Term Service Agreement for nine GT13E2 gas turbines
Mexico	One GT24 gas turbine and steam turbine retrofit
Russia	Five GT13E2 gas turbines
Saudi Arabia	Selective Catalyst Reducers and NID™ Dry Flue Gas Desulphurization (DFGD) systems for 6 x 80 MW oil and gas fired boilers
Singapore	Turnkey combined cycle power plant including a GT26 gas turbine and a long term service agreement
Taiwan	Seawater Flue Gas Desulphurization system and Particulate Removal System with Fabric Filter solution for 3 x 800 MW coal-fired power plant
United Arab Emirates	Air quality control equipment for an aluminium smelter
United States of America	Renewal of a long term service agreement

4.1.2. Sales

Sales continued to be affected by the low level of orders received during the two years which followed the so-called sub-prime crisis. The political situation also delayed the execution of some contracts in Middle East/Africa. During the first half of 2011/12, sales reached €4,047 million, 22% below last year's figure.

Thermal Power					*% Variation Sept. 11/10*	
Actual figures, in € million	**Half year ended 30 Sept. 11**	% of contrib	**Half year ended 30 Sept. 10**	% of contrib	*Actual*	*Org.*
Europe	1,603	40%	2,300	45%	*(30%)*	*(31%)*
North America	676	17%	832	16%	*(19%)*	*(11%)*
South and Central America	127	3%	121	2%	*5%*	*7%*
Asia/Pacific	898	22%	583	11%	*54%*	*57%*
Middle East/Africa	743	18%	1,328	26%	*(44%)*	*(41%)*
Sales by destination	**4,047**	**100%**	**5,164**	**100%**	***(22%)***	***(20%)***

Europe's share in Thermal Power sales decreased, reaching 40% versus 45% during the same period last year. Sales in Europe amounted to €1,603 million, versus €2,300 million during the same period last year, mainly driven by the execution of coal-fired power plants in the Netherlands, in Germany, in Poland and in the Czech Republic.

Sales in North America decreased by 19%, at €676 million versus €832 million during the first half of 2010/11.

Service activities represented a large part of Thermal Power business in Europe and North America.

In South and Central America, Thermal Power sales reached €127 million, increasing by 5% compared to the €121 million recorded during the first half of 2010/11.

In Asia/Pacific, sales increased from €583 million during the first half of 2010/11 to €898 million during this semester, representing 22% of the Sector's sales. This growth in sales was driven by commercial successes achieved last year in Singapore and India.

In Middle East/Africa, sales of €743 million decreased by 44% compared to the same period last year, as some major projects were completed last year in Saudi Arabia, in the United Arab Emirates and in North Africa. Sales have also been impacted by the political changes in some countries of the region. Middle East/Africa accounted for 18% of Thermal Power sales.

4.1.3. Income from operations and operating margin

Thermal Power income from operations amounted to €372 million, 14% below last year's figure, as a consequence of the decrease of the sales over the period. However, thanks to the attention paid to proper project execution, to the restructuring measures implemented in Europe and North America and to the strict control of costs, the operating margin improved and reached 9.2% compared to 8.4% last year.

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4.2. Renewable Power

Renewable Power covers Hydro, Wind and Thermal Renewable businesses.

The following table presents the key performance indicators for Renewable Power:

Renewable Power Actual figures in € million	**Half year ended 30 September 2011**	**Half year ended 30 September 2010**	% Variation Sept. 11 / Sept. 10 Actual	Organic
Order backlog	4,143	4,051	2%	4%
Orders received	1,015	767	32%	37%
Sales	1,037	824	26%	29%
Income from operations	76	74	3%	
Operating margin	7.3%	9.0%		
EBIT	76	73	4%	
Capital employed	1,062	654		

4.2.1 Orders received

Supported by regulatory framework and environmental concerns, demand for CO_2 free power generation continued to be sustained in all regions. Orders received by the Sector rose to €1,015 million, a 32% increase compared to last year on an actual basis. In particular, Renewable Power seized large opportunities in South America and in Asia, which launched significant investments to leverage their great hydropower potential. The Sector also booked an important order for a 90 MW wind farm in Brazil.

Renewable Power Actual figures, in € million	**Half year ended 30 Sept. 11**	% of contrib	**Half year ended 30 Sept. 10**	% of contrib	*% Variation Sept. 11/10 Actual*	*Org.*
Europe	228	22%	329	43%	*(31%)*	*(29%)*
North America	49	5%	122	16%	*(60%)*	*(56%)*
South and Central America	412	41%	237	31%	*74%*	*75%*
Asia/Pacific	210	21%	63	8%	*233%*	*257%*
Middle East/Africa	116	11%	16	2%	*625%*	*622%*
Orders by destination	**1,015**	**100%**	**767**	**100%**	***32%***	***37%***

Orders received in Europe decreased by 31%, reaching €228 million (22% of total). Main orders received included a 207 MW turbine for a new hydro project in Portugal using pumped storage and the first phase of the rehabilitation of a complex of hydroelectric power plants in Russia.

Orders from North America decreased from €122 million during the first half of 2010/11 to €49 million this semester, representing 5% of the total orders received by the Sector. In the United States of America, Renewable Power will supply a steam turbine designed for a solar thermal power plant which marks its entry into the solar market.

Renewable Power benefitted from the development of renewable energies in South and Central America, which accounted for 41% of the Sector's orders, at €412 million, increasing by 74% compared to the same period last year. In Brazil, large contracts were booked for the supply and maintenance of three wind farms and for power equipment for a new 373 MW hydroelectric plant. In Peru, the Group secured order for hydro turbine and generator sets for the country's second largest hydroelectric plant.

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With orders received totalling €210 million, Asia/Pacific represented 21% of total orders. The Sector will deliver equipment for the first variable speed pumped storage hydro power plant in India as well as electromechanical packages for three hydroelectric dams totalling 297 MW.

At €116 million, orders received in Middle East/Africa represented 11% of the Sector's orders, a 625% increase in comparison with the same period last year. They notably included the delivery of wind turbines in Ethiopia.

Country	Description
Brazil	Kaplan hydro turbines and generators for three units 373 MW hydro power plant
Brazil	Installation, commissioning and long-term servicing of ECO86 wind turbines for three wind farms
Ethiopia	Delivery of 54 ECO 74 wind turbines
India	Four 250 MW variable speed turbine & generator units for a 1,000 MW pumped storage hydro power plant
India	Supply and assembly of electromechanical equipment for 2x48 MW, 2x50 MW and 99 MW hydro power plants
Peru	Two 200 MW Francis turbines for a 450 MW hydro power plant
Russia	Rehabilitation of electro and hydro mechanical equipments in a hydro power plant complex
Portugal	Supply and assembly of a 207 MW Francis reversible pump turbine and other hydromechanical and electromechanical equipments
United States of America	125 MW steam turbine generator for a thermal solar plant

4.2.2 Sales

In line with the sustained growth of orders received, sales traded by Renewable Power increased by 26% compared to the first semester of 2010/11, reaching € 1,037 million. The activity of wind ramped up.

Renewable Power					*% Variation Sept. 11/10*	
Actual figures, in € million	**Half year ended 30 Sept. 11**	% of contrib	**Half year ended 30 Sept. 10**	% of contrib	*Actual*	*Org.*
Europe	272	26%	208	25%	*31%*	*31%*
North America	134	13%	99	12%	*35%*	*44%*
South and Central America	433	42%	286	35%	*51%*	*53%*
Asia/Pacific	141	14%	182	22%	*(23%)*	*(19%)*
Middle East/Africa	57	5%	49	6%	*16%*	*16%*
Sales by destination	**1,037**	**100%**	**824**	**100%**	***26%***	***29%***

With sales reaching € 272 million, Europe represented 26% of total sales. In the region, sales were notably fuelled by a wind farm project in the United Kingdom and by hydropower contracts in Switzerland.

Sales in North America increased by 35%, with €134 million (13% of the total).

Sales traded in South and Central America represented €433 million, an increase of 51%, (42% of total sales). Large hydro projects in the Amazon region achieved significant progress during the semester.

Sales in Asia/Pacific decreased from €182 million to €141 million (-23%). Hydro projects were mainly executed in China and in India.

Middle East/Africa accounted for 5% of the Sector's total sales, reaching €57 million.

4.2.3 Income from operations and operating margin

The Sector's income from operations reached €76 million. The operating margin decreased from 9.0% last year to 7.3%, due to the mix effect as a higher proportion of sales traded this half year came from the wind business, which had over this first half a lower profitability.

4.3. Transport

The following table presents the key performance indicators for Transport:

Transport Actual figures in € million	**Half year ended 30 September 2011**	**Half year ended 30 September 2010**	% Variation Sept. 11 / Sept. 10 Actual	Organic
Order backlog	19,905	18,568	7%	8%
Orders received	2,665	2,007	33%	34%
Sales	2,461	2,917	(16%)	(15%)
Income from operations	123	213	(42%)	
Operating margin	5.0%	7.3%		
EBIT	92	177	(48%)	
Capital Employed	1,196	422		

4.3.1 Orders received

In the first half of 2011/12, Transport recorded €2,665 million of orders received, an increase of 33% compared to the same period last year thanks to large orders booked in Eastern Europe and a good flow of medium and small orders. Confirming last year's success in Eastern Europe, Transport was awarded key contracts in Russia as well as in Poland and expects to further leverage its strong positioning in this region. On the other hand, the Sector faced tight market conditions on some of its historical European markets where some projects were delayed due to the bleak economic environment.

Transport Actual figures, in € million	**Half year ended 30 Sept. 11**	% of contrib	**Half year ended 30 Sept. 10**	% of contrib	*% Variation Sept. 11/10 Actual*	*Org.*
Europe	2,062	77%	1,376	69%	*50%*	*49%*
North America	152	6%	82	4%	*85%*	*103%*
South and Central America	11	0%	77	4%	*(86%)*	*(85%)*
Asia/Pacific	397	15%	386	19%	*3%*	*6%*
Middle East/Africa	43	2%	86	4%	*(50%)*	*(50%)*
Orders by destination	**2,665**	**100%**	**2,007**	**100%**	***33%***	***34%***

In Europe, Alstom recorded €2,062 million of orders received, 50% above the same period last year thanks notably to commercial successes in Eastern Europe. In Russia, Alstom signed a contract to deliver 200 electric freight locomotives in partnership with Transmashholding. In Poland, the Group registered contracts for 20 Pendolino™ intercity trains and the associated maintenance contract. In Western Europe, orders received in Germany picked up, after two years of low level of order intake, with the booking of 56 Coradia™ Lint regional trains. In France, Alstom booked 66 metro trainsets for the Paris metro network and 26 Citadis trams for the Communauté Urbaine de Bordeaux. Overall, Europe accounted for 77% of the orders received by Transport during the period.
Orders received in North America amounted to €152 million compared to €82 million during the same period last year. Orders for Lint were booked in Canada, confirming the success of this regional train. North America accounted for 6% of orders received by Transport.

In South and Central America Transport recorded orders for €11 million, a 86% decrease compared to the first half of 2010/11.

Orders received in Asia/Pacific rose by 3%, from €386 million in the first semester 2010/11 to €397 million during the first six months of the current fiscal year. Transport notably booked the supply of a turnkey rail system in Indonesia and of signalling systems in Taiwan.

In Middle East/Africa, Transport recorded orders amounting to €43 million, a 50% decrease compared to the same period last year. Political crisis in Middle East/Africa affected the level of orders expected in some countries. The region booked 2% of the orders received by the Sector.

The Transport Sector received the following major orders during the first half of 2011/12:

Country	**Description**
France	66 MF01 metro trainsets for the lines 2, 5 and 9 of the Paris metro network
France	26 Citadis trams for the Communauté Urbaine de Bordeaux
Germany	56 Coradia™ Lint regional trains for the Cologne network
Indonesia	Turnkey rail system to develop mining operations in Indonesia
Poland	20 Pendolino™ intercity trains and associated maintenance contract
Russia	2ES5 electric freight locomotives
Taiwan	CBTC signalling systems for Taichung's new Driverless metro

4.3.2 Sales

As expected, Transport sales were affected by the completion of some large contracts booked prior to March 2009, mostly in Europe, whereas the commercial successes awarded last semester especially in the emerging markets only started being executed, leading to a temporary drop of sales. They decreased by 16% compared to first half of 2010/11, at €2,461 million.

Transport					*% Variation Sept. 11/10*	
Actual figures, in € million	**Half year ended 30 Sept. 11**	% of contrib	**Half year ended 30 Sept. 10**	% of contrib	*Actual*	*Org.*
Europe	1,709	69%	1,880	64%	*(9%)*	*(9%)*
North America	165	7%	184	6%	*(10%)*	*(3%)*
South and Central America	122	5%	193	7%	*(37%)*	*(36%)*
Asia/Pacific	318	13%	485	17%	*(34%)*	*(35%)*
Middle East/Africa	147	6%	175	6%	*(16%)*	*(14%)*
Sales by destination	**2,461**	**100%**	**2,917**	**100%**	***(16%)***	***(15%)***

Sales in Europe decreased by 9%, reaching €1,709 million, as a consequence of the low level of orders received in the region during the last two years and of the progressive ramp-up of orders received last fiscal year. Very high speed train contracts in France and in Italy achieved progress during the period. Europe amounted for 69% of the sales traded by Transport during the semester.

Sales in North America amounted to €165 million, a 10% decrease compared to last year. This is explained by the completion of the contract for the New York metro and the progressive trading of the contracts booked during the second semester of 2010/11. North America's share in Transport sales stood at 7%.

In South and Central America, sales reached €122 million, a 37% decrease compared to the same period last year.

Transport traded €318 million in Asia/Pacific over first half 2011/12, a 34% decrease compared to 2010/11 first semester. X'trapolis regional trains were delivered to the city of Melbourne. The region accounted for 13% of Transport sales during the semester.

Sales in Middle East/Africa decreased by 16% compared to the same period last year, reaching €147 million. Execution of turnkey contracts was impacted by the political events even though the supply of tramways in Algeria continued to progress. Middle East/Africa amounted to 6% of Transport sales.

4.3.3 Income from operations and operating margin

Transport's income from operations, at €123 million for the first half of 2011/12, decreased by 42%. The operating margin stood at 5.0%. Transport operational performance was impacted by the low volume traded leading to a lower absorption of costs. Profitability is expected to recover gradually thanks to the implementation of the restructuring measures started at the end of the last fiscal year necessary to adapt to the current market conditions.

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4.4. Grid

The following table presents the key performance indicators of the Grid Sector, for the first half of fiscal year 2011/12:

Grid **Actual figures** **in € million**	**Half year ended** **30 September 2011**	**7th of June to** **30 September 2010**	% Variation Sept. 11 / Sept. 10 Actual	 Organic
Order backlog	4,995	5,263	(5%)	(4%)
Orders received	1,853	1,400	32%	(7%)
Sales	1,844	1,527	21%	(11%)
Income from operations	107	88	22%	
Operating margin	5.8%	5.8%		
EBIT	36	22	64%	
Capital employed	2,139	2,059		

4.4.1. Orders received

The transmission market benefitted from a positive trend in most regions of the world due to solid medium-long term drivers:

- growth in electricity demand on a worldwide basis;
- emerging countries growth driven by BRIC countries;
- renewable energy programmes (onshore/offshore grid connections, large remote hydro plant...) and supergrids;
- mature assets replacement in developed countries;
- the strive for grid efficiency and network stability (smart grids).

While market volumes were sustained, the strong competition experienced in many regions put pricing under pressure.

In the first half year of 2011/12, Grid booked contracts for a total value of €1,853 million, a 7% decrease compared to last year on an organic basis. The sound level of small and medium size orders and the good performance of the Network Management System activity in North America only partially offset the limited number of large projects.

Grid **Actual figures, in € million**	**Half year ended** **30 Sept. 11**	% of contrib	**7th of June to** **30 Sept.10**	% of contrib	*% Variation Sept. 11/10* *Actual*	 *Org.*
Europe	494	27%	394	28%	*25%*	*(13%)*
North America	253	14%	114	8%	*122%*	*74%*
South and Central America	166	8%	124	9%	*34%*	*7%*
Asia/Pacific	605	33%	383	27%	*58%*	*15%*
Middle East/Africa	335	18%	385	28%	*(13%)*	*(50%)*
Orders by destination	**1,853**	**100%**	**1,400**	**100%**	***32%***	***(7%)***

In Europe, orders reached €494 million, or 27% of the total order intake. A number of middle sized projects were booked, the most significant being in Germany (offshore wind farms), Poland (400/220/110 KV gas insulated switchgears), and Iceland (supply, construction supervision & commissioning of a transformer-rectifier group).

North America accounted for €253 million or 14% of the total order intake, mainly due to the Network Management Systems activity in the United States, turnkey systems orders in Mexico and transformer delivery orders in Canada

South and Central America represented €166 million or 8% of the order intake. The region was mainly driven by the turnkey activity in Brazil.

With €605 million orders booked, Asia/Pacific accounted for one third of the total order intake. Within this region, significant orders were booked of which the turnkey project for the design & construction of a 330/132 KV substation in Australia and the supply of 765/400KV air insulated substations including civil work and of 765 KV extra high voltage substations both in India.

In Middle East/Africa, Grid booked orders for €335 million (18% of the total). The region continued to benefit from the significant infrastructure investments. During the first half of the fiscal year, the following projects were booked: in Iraq, supply of GIS, auto& step-up transformers and full power electronic equipment; in Saudi Arabia, a new 380/132 KV turnkey substation project, a turnkey project aiming at increasing stability and power transfer capability of 380 KV transmission lines and the installation of capacitor banks in existing substations (132/13.8 KV & 132/33 KV).

The Grid Sector received the following major orders during the H1 2011/12:

Country	Description
Australia	Design & Construction of 330/132 KV substation
India	765/400 KV air insulated substations including civil work
India	765 KV Extra High Voltage Substations
Iraq	Supply of GIS & step-up transformers as well as full power electronics equipment for two major power plants
Saudi Arabia	Turnkey substation project 380/132 KV
Saudi Arabia	Turnkey project to increase the stability and the power transfer capability of 380 KV transmission lines
Saudi Arabia	Installation of capacitor banks in 49 existing substations

4.4.2. Sales

Sales amounted to €1,844 million during the first half year 2011/12, highlighting a high level of activity across businesses. On an organic basis, they decreased by 11% compared to last year mainly as a consequence of the delay in execution of significant orders booked in some Middle East countries due to the political crisis in the area.

Grid					% Variation Sept. 11/10	
Actual figures, in € million	**Half year ended 30 Sept. 11**	% of contrib	**7th of June to 30 Sept.10**	% of contrib	*Actual*	*Org.*
Europe	530	29%	422	28%	*26%*	*(11%)*
North America	203	11%	145	10%	*40%*	*9%*
South and Central America	221	12%	139	9%	*59%*	*17%*
Asia/Pacific	562	30%	463	30%	*21%*	*(7%)*
Middle East/Africa	328	18%	358	23%	*(8%)*	*(34%)*
Sales by destination	**1,844**	**100%**	**1,527**	**100%**	***21%***	***(11%)***

In Europe, sales were at €530 million. Main contributors were Russia with power electronics projects and the United Kingdom with the delivery of transformers and turnkey projects.

Sales in North America accounted for €203 million (11% of the total) and included mainly the delivery of circuit breakers, power transformers and network management systems.

Sales in South and Central America reached €221 million. Major contracts traded included projects in Brazil and Uruguay.

Asia/Pacific accounted for 30% of Grid's sales at €562 million. The activity was sustained especially in India, Australia, Indonesia and South Korea.

Sales in Middle East/Africa amounted to €328 million (18% of the total). The activity was mainly fuelled by the execution of a robust backlog of turnkey contracts for the supply of 220/132/33/11 KV substations as well as the supply of Grid stations in United Arab Emirates.

4.4.3. Income from operations and operating margin

Grid's income from operations reached €107 million, or 5.8% of sales. The Sector kept focused on the good execution of its backlog and the control of its costs. Grid pursued the implementation of its performance plan built around two key objectives: boost its competitiveness and reinforce its market positioning through innovation and differentiation.

4.5. Corporate and Others

Corporate and Others comprise all units accounting for corporate costs as well as the International Network.

The following table presents the key figures for Corporate and Others:

Corporate & Others		
in € million	**Half year ended 30 September 2011**	**Half year ended 30 September 2010**
Income from operations	(51)	(47)
EBIT	(58)	(97)
Capital Employed	87	(314)

The increase of capital employed mainly resulted from the acquisition of the 25% stake in Transmashholding.

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5 Financing Review

5.1. Free cash flow

Free cash flow is defined as net cash provided by operating activities less capital expenditures including capitalised development costs, net of proceeds from disposals of tangible and intangible assets. In particular, free cash flow does not include the proceeds from disposals of activity.

The most directly comparable financial measure to free cash flow calculated and presented in accordance with IFRS is net cash provided by operating activities and a reconciliation of free cash flow and net cash provided by operating activities is presented below:

Total Group **in € million**	**Half year ended 30 September 2011**	**Half year ended 30 September 2010**
Net cash provided by operating activities	**(595)**	**(651)**
Capital expenditure (including capitalized development costs)	(328)	(333)
Proceeds from disposals of tangible and intangible assets	9	21
Free Cash Flow	**(914)**	**(963)**

Alstom uses the free cash flow both for internal analysis purposes as well as for external communication as the Group believes it provides accurate insight regarding the actual amount of cash generated or used by operations.

5.2. Net cash/(debt)

The net cash/(debt) is defined as cash and cash equivalents, marketable securities and other current financial assets and non-current financial assets directly associated to liabilities included in financial debt, less financial debt.

Total Group **in € million**	**At 30 September 2011**	**At 31 March 2011**
Cash and cash equivalents	1,292	2,701
Marketable securities and other current financial assets	53	50
Financial non-current assets directly associated to financial debt	424	429
less:		
Current financial debt	548	629
Non current financial debt	3,969	3,837
Net cash/(debt)	**(2,748)**	**(1,286)**

5.3. Liquidity

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

Total Group **in € million**	**Half year ended 30 September 2011**	**Year ended 31 March 2011**
Net cash provided by operating activities - before changes in net working capital	608	974
Changes in net working capital resulting from operating activities	(1,203)	(743)
Net cash provided by operating activities	**(595)**	**231**
Net cash used in or provided by investing activities	(373)	(3,081)
Net cash used in financing activities	(412)	1,180
Net (decrease)/increase in cash and cash equivalents	**(1,380)**	**(1,670)**
Cash and cash equivalents at the beginning of the period	2,701	4,351
Net effect of exchange rate variations	(32)	24
Other changes	3	(4)
Cash and cash equivalents at the end of the period	**1,292**	**2,701**

5.4. Capital employed

Capital employed is defined as the closing position of goodwill, intangible assets, property, plant and equipment, other non-current assets (excluding prepaid pension benefits and financial non-current assets directly associated to financial debt) and current assets (excluding marketable securities and other current financial assets, and cash and cash equivalents) minus non-current provisions and current liabilities excluding current financial debt.

Capital employed by Sector and at Group level are presented in Note 4 to the condensed consolidated financial statements as of 30 September 2011.

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

End of September 2011, capital employed reached €6,978 million, compared to €5,356 million at the end of March 2011, mainly due to the change in working capital.

Total Group in € million	At 30 September 2011	At 31 March 2011
Non current assets	12,487	12,042
less deferred tax assets	(1,404)	(1,287)
less non-current assets directly associated to financial debt	(424)	(429)
less prepaid pension benefits	(17)	(28)
Capital employed - non current assets **(A)**	10,642	10,298
Current assets	17,294	17,591
less cash & cash equivalents	(1,292)	(2,701)
less marketable securities and other current financial assets	(53)	(50)
Capital employed - current assets **(B)**	15,949	14,840
Current liabilities	19,301	19,316
less current financial debt	(548)	(629)
plus non current provisions	860	1,095
Capital employed - liabilities **(C)**	19,613	19,782
Capital employed (A)+(B)-(C)	**6,978**	**5,356**

6 Organic basis

Figures presented in this section include performance indicators presented on an actual basis and on an organic basis. Figures have been given on an organic basis in order to eliminate the impact of changes in scope of consolidation and changes resulting from the translation of the accounts into Euro following the variation of foreign currencies against the Euro.

The Group uses figures prepared on an organic basis both for internal analysis and for external communication, as it believes they provide means to analyse and explain variations from one period to another. However these figures, provided on an organic basis, are not measurements of performance under IFRS.

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

- the actual figures for 2010/11 (orders in hand, orders received, sales and income from operations) are restated taking into account the exchange rates used for the first half of 2011/12, as stated in the Consolidated Financial Statements;
- in order to reflect the same scope of activity, the same indicators are adjusted both for the first half of 2010/11 (restatement of disposals) and for the first half of 2011/12 (restatement of acquisitions). In particular, Grid contribution for the period 1 April 2011 – 6 June 2011 is eliminated since comparable figures for the first half 2010/11 only relate to the period starting 7 June 2010, date of acquisition of Grid by the Group.

Figures on an organic basis are presented in the table shown next page.

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in € million	Half year ended 30 September 2010				Half year ended 30 September 2011				
	Actual figures	Exchange rate	Scope impact	Comparable Figures	Actual figures	Scope Impact	Organic figures	% Var Act. Sept. 11 / Sept. 10	% Var Org Sept. 11 / Sept. 10
Thermal Power	17,405	(379)		17,026	18,339		18,339	5%	8%
Renewable Power	4,051	(57)		3,994	4,143		4,143	2%	4%
Transport	18,568	(111)		18,457	19,905		19,905	7%	8%
Grid	5,263	(73)		5,190	4,995		4,995	(5%)	(4%)
Corporate & Others	-	-		-	-		-		
Orders backlog	**45,287**	**(620)**	**-**	**44,667**	**47,382**	**-**	**47,382**	**5%**	**6%**
Thermal Power	2,864	(109)		2,755	4,650		4,650	62%	69%
Renewable Power	767	(25)		742	1,015		1,015	32%	37%
Transport	2,007	(19)		1,988	2,665		2,665	33%	34%
Grid	1,400	(34)		1,366	1,853	(580)	1,273	32%	(7%)
Corporate & Others				-			-		
Orders Received	**7,038**	**(187)**	**-**	**6,851**	**10,183**	**(580)**	**9,603**	**45%**	**40%**
Thermal Power	5,164	(134)		5,030	4,047		4,047	(22%)	(20%)
Renewable Power	824	(19)		805	1,037		1,037	26%	29%
Transport	2,917	(23)		2,894	2,461		2,461	(16%)	(15%)
Grid	1,527	(43)		1,484	1,844	(522)	1,322	21%	(11%)
Corporate & Others	-			-	-		-		
Sales	**10,432**	**(219)**	**-**	**10,213**	**9,389**	**(522)**	**8,867**	**(10%)**	**(13%)**
Thermal Power	435	(11)		424	372		372	(14%)	(12%)
Renewable Power	74	(3)		71	76		76	3%	7%
Transport	213	(3)		210	123		123	(42%)	(41%)
Grid	88	(3)		85	107	(16)	91	22%	7%
Corporate & Others	(47)	-		(47)	(51)		(51)	9%	9%
Income from Operations	**763**	**(20)**	**-**	**743**	**627**	**(16)**	**611**	**(18%)**	**(18%)**
Thermal Power	8.4%			8.4%	9.2%		9.2%		
Renewable Power	9.0%			8.8%	7.3%		7.3%		
Transport	7.3%			7.3%	5.0%		5.0%		
Grid	5.8%			5.7%	5.8%		6.9%		
Corporate & Others									
Operating margin	**7.3%**			**7.3%**	**6.7%**		**6.9%**		
Sales	10,432	(219)	-	10,213	9,389	(522)	8,867	(10%)	(13%)
Cost of sales	(8,540)	179	-	(8,361)	(7,614)	414	(7,200)	(11%)	(14%)
R&D expenses	(329)	3		(326)	(306)	18	(288)	(7%)	(12%)
Selling expenses	(422)	8		(414)	(438)	37	(401)	4%	(3%)
Administrative expenses	(378)	9		(369)	(404)	37	(367)	7%	0%
Income from Operations	**763**	**(20)**	**-**	**743**	**627**	**(16)**	**611**	**(18%)**	**(18%)**

7 Other information

7.1 Risks

Legal risks are described in Note 24 of the Condensed Consolidated Financial Statements as of 30 September 2011. Financial risks (currency, credit, interest rate and liquidity) and their management are described in Note 22 of the Condensed Consolidated Financial Statements as of 30 September 2011 and in Note 25 of the Consolidated Financial Statements as of 31 March 2011 and the other risk factors are described in the Registration document for the fiscal year 2010/11 filed with the Autorité des marches financiers on 26 May 2011, with no significant evolution to be reported over the first half of fiscal year 2011/12.

7.2 Information related to the parent company

ALSTOM, the Group's parent company, has no industrial or commercial activity and consequently its revenues include mainly fees invoiced to its subsidiaries for the use of the Alstom name, dividends and other financial income.

Net profit amounted to €77 million for the first half of 2011/12, compared to €93 million for the first half of 2010/11.

7.3 Related parties

During the first semester of 2011/12, there was no new significant transaction with related parties.

Condensed consolidated financial statements,
Half-year ended 30 September 2011

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CONSOLIDATED INCOME STATEMENTS

(in € million)	Note	Half-year ended 30 September 2011	Half-year ended 30 September 2010	Year ended 31 March 2011
SALES	(4)	**9,389**	**10,432**	**20,923**
Cost of sales		(7,614)	(8,540)	(16,938)
Research and development expenses	(5)	(306)	(329)	(703)
Selling expenses		(438)	(422)	(902)
Administrative expenses		(404)	(378)	(810)
INCOME FROM OPERATIONS	(4)	**627**	**763**	**1,570**
Other income	(6)	5	17	46
Other expense	(6)	(115)	(181)	(852)
EARNINGS BEFORE INTEREST AND TAXES	(4)	**517**	**599**	**764**
Financial income	(7)	32	31	57
Financial expense	(7)	(106)	(83)	(193)
PRE-TAX INCOME		**443**	**547**	**628**
Income tax charge	(8)	(90)	(131)	(141)
Share in net income of equity investments		15	-	3
NET PROFIT		**368**	**416**	**490**
Attributable to:				
- Equity holders of the parent		363	401	462
- Non controlling interests		5	15	28
Earnings per share (in €)	(9)			
- Basic earnings per share		1.23	1.36	1.57
- Diluted earnings per share		1.22	1.35	1.56

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in € million)	Half-year ended 30 September 2011	Half-year ended 30 September 2010	Year ended 31 March 2011
Net profit recognised in income statements	**368**	**416**	**490**
Net gains (losses) on cash flow hedges	(18)	(13)	(9)
Net gains (losses) on available-for-sale financial assets	-	-	12
Currency translation adjustments	24	4	(55)
Net actuarial gains (losses)	(293)	(274)	(183)
Taxes	61	49	93
Other comprehensive income	**(226)**	**(234)**	**(142)**
Total comprehensive income for the period	**142**	**182**	**348**
Attributable to:			
- Equity holders of the parent	138	175	330
- Non controlling interests	4	7	18

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEETS

(in € million)	Note	At 30 September 2011	At 31 March 2011
ASSETS			
Goodwill	(10)	5,461	5,396
Intangible assets	(10)	1,925	1,934
Property, plant and equipment	(11)	2,683	2,651
Associates and non consolidated investments	(12)	474	207
Other non-current assets	(13)	540	567
Deferred taxes	(8)	1,404	1,287
Total non-current assets		**12,487**	**12,042**
Inventories	(14)	3,360	3,363
Construction contracts in progress, assets		3,695	2,479
Trade receivables		5,176	6,053
Other current operating assets	(15)	3,718	2,945
Marketable securities and other current financial assets		53	50
Cash and cash equivalents		1,292	2,701
Total current assets		**17,294**	**17,591**
Total assets		**29,781**	**29,633**

(in € million)	Note	At 30 September 2011	At 31 March 2011
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent	(17)	4,018	4,060
Non controlling interests		84	92
Total equity		**4,102**	**4,152**
Non-current provisions	(19)	860	1,095
Accrued pension and other employee benefits	(20)	1,400	1,145
Non-current borrowings	(21)	3,487	3,346
Non-current obligations under finance leases	(21)	483	491
Deferred taxes	(8)	148	88
Total non-current liabilities		**6,378**	**6,165**
Current provisions	(19)	1,396	1,387
Current borrowings	(21)	499	578
Current obligations under finance leases	(21)	49	51
Construction contracts in progress, liabilities		9,265	9,166
Trade payables		4,015	4,071
Other current operating liabilities	(23)	4,077	4,063
Total current liabilities		**19,301**	**19,316**
Total equity and liabilities		**29,781**	**29,633**

The accompanying notes are an integral part of these consolidated financial statements

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CONSOLIDATED STATEMENTS OF CASH FLOWS

(in € million)	Note	Half-year ended 30 September 2011	Half-year ended 30 September 2010	Year ended 31 March 2011
Net profit		**368**	**416**	**490**
Depreciation, amortisation and expense arising from share-based payments		322	369	671
Post-employment and other long-term defined employee benefits		(38)	(76)	(150)
Net (gains)/losses on disposals of assets		(9)	22	70
Share in net income of associates (net of dividends received)		(15)	1	-
Deferred taxes charged to income statement		(20)	(18)	(107)
Net cash provided by operating activities - before changes in working capital		**608**	**714**	**974**
Changes in working capital resulting from operating activities	**(16)**	**(1 203)**	**(1,365)**	**(743)**
Net cash provided by /(used in) by operating activities		**(595)**	**(651)**	**231**
Proceeds from disposals of tangible and intangible assets		9	21	44
Capital expenditure (including capitalised R&D costs)	(4)	(328)	(333)	(791)
Decrease in other non-current assets		7	27	(1)
Acquisition of Grid (€- 2,323 million) net of cash acquired (€ 328 million)	(3)	28	(2,023)	(2,023)
Acquisitions of businesses, net of cash acquired		(74)	(129)	(242)
Disposals of businesses, net of net cash sold		(15)	(7)	(68)
Net cash used in investing activities		**(373)**	**(2,444)**	**(3,081)**
Capital increase		2	3	9
Dividends paid including payments to non controlling interests		(206)	(374)	(378)
Issuance of bonds & notes	(21)	-	500	1,500
Changes in current and non-current borrowings		(88)	225	33
Changes in obligations under finance leases		(19)	(22)	(41)
Changes in marketable securities and other current financial assets and liabilities		(101)	55	57
Net cash provided by (used in) financing activities		**(412)**	**387**	**1,180**
Net increase/(decrease) in cash and cash equivalents		**(1,380)**	**(2,708)**	**(1,670)**
Cash and cash equivalents at the beginning of the period		2,701	4,351	4,351
Net effect of exchange rate variations		(32)	50	24
Other changes		3	(8)	(4)
Cash and cash equivalents at the end of the period		**1,292**	**1,685**	**2,701**
Income tax paid		*(159)*	*(134)*	*(248)*
Interest paid		*(46)*	*(5)*	*(107)*

(in € million)	Half-year ended 30 September 2011	Half-year ended 30 September 2010	Year ended 31 March 2011
Net cash/(debt) variation analysis (*)			
Changes in cash and cash equivalents	(1,380)	(2,708)	(1,670)
Changes in marketable securities and other current financial assets & liabilities	101	(55)	(57)
Changes in bonds and notes	-	(500)	(1,500)
Changes in current and non-current borrowings	88	(225)	(33)
Changes in obligations under finance leases	19	22	41
Net debt of acquired entities at acquisition date and other variations	(290)	(229)	(289)
Decrease/ (increase) in net debt	*(1,462)*	*(3,695)*	*(3,508)*
Net cash/(debt) at the beginning of the period	**(1,286)**	**2,222**	**2,222**
Net cash/(debt) at the end of the period	**(2,748)**	**(1,473)**	**(1,286)**

(*) The net cash/(debt) is defined as cash and cash equivalents, marketable securities and other current financial assets and non-current financial assets directly associated to liabilities included in financial debt (see Note 13), less financial debt (see Note 21).

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in € million, except for number of shares)	Number of outstanding shares	Capital	Additional paid-in capital	Retained earnings	Other comprehensive income	Equity attributable to the equity holders of the parent	Non controlling interests	Total equity
At 31 March 2010	**293,841,996**	**2,057**	**630**	**2,605**	**(1,201)**	**4,091**	**10**	**4,101**
Movements in other comprehensive income	-	-	-	-	(132)	(132)	(10)	(142)
Net income for the period	-	-	-	462	-	462	28	490
Total comprehensive income	-	-	-	462	(132)	330	18	348
Conversion of ORA	275	-	-	-	-	-	-	-
Change in scope and other		-	-	(24)	9	(15)	76	61
Dividends paid		-	-	(364)	-	(364)	(12)	(376)
Issue of ordinary shares under stock option plans	466,379	3	4	-	-	7	-	7
Recognition of equity settled share-based payments	110,654	1	(1)	11	-	11	-	11
At 31 March 2011	**294,419,304**	**2,061**	**633**	**2,690**	**(1,324)**	**4,060**	**92**	**4,152**
Movements in other comprehensive income				-	(225)	(225)	(1)	(226)
Net income for the period				363	-	363	5	368
Total comprehensive income	-	-	-	363	(225)	138	4	142
Change in scope and other		-	-	(7)	-	(7)	-	(7)
Dividends paid		-	-	(183)	-	(183)	(12)	(195)
Issue of ordinary shares under stock option plans	96,441	-	1	-	-	1	-	1
Recognition of equity settled share-based payments	118,568	1	-	8	-	9	-	9
At 30 September 2011	**294,634,313**	**2,062**	**634**	**2,871**	**(1,549)**	**4,018**	**84**	**4,102**

The accompanying notes are an integral part of these consolidated financial statements

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NOTE 1. PRESENTATION OF THE GROUP

Alstom ("the Group") serves the power generation and transmission markets through its Thermal Power, Renewable Power and Grid Sectors, and the rail transport market through its Transport Sector. The Group designs, supplies, and services a complete range of technologically-advanced products and systems for its customers, and possesses a unique expertise in systems integration and through-life maintenance and services.

On 15 June 2011, the Chief Executive Officer announced the reshaping of the operational activities of the Group into four Sectors. The reorganisation has been effective starting from 4 July 2011.
Alstom has undergone a period of strong growth, followed by the necessary adaptation to a tougher economic environment created by the crisis. As the company is experiencing a rebound in orders, this new organisation will allow the Group to better anticipate the structural changes in its business, accelerate its development and achieve its performance objectives. It will strengthen the Group's ability to address strategic moves, focus the Sectors on their operational objectives (commercial efficiency, product development, quality and project execution) and simplify the ways of working (quicker and leaner decision making processes, and empowerment).
The operational activities of the Group, which were until now split into three Sectors (Power, Grid and Transport) will now be organised in four Sectors (Thermal Power, Renewable Power, Grid and Transport). The split of the current Power Sector into two Sectors, Thermal and Renewable, will simplify the management of both entities and better address their specific markets.

The operational activities of the Group are organised in four Sectors:

- ***Thermal Power***

Thermal Power offers a comprehensive range of power generation solutions using gas or coal from integrated power plants and all types of turbines, generators, boilers, emission control systems to a full range of services including plant modernisation, maintenance and operational support. The Sector also supplies conventional islands for nuclear power plants.

- ***Renewable Power***

Renewable Power offers EPC solutions, turbines and generators, control equipment and maintenance for hydropower and wind power activities. The Sector includes geothermal and solar thermal businesses.

- ***Grid***

The Grid Sector designs and manufactures equipment and engineered turnkey solutions to manage power grids and transmit electricity from the power plant to the large end-user, be it a distribution utility or an industrial process or production facility.

- ***Transport***

The Transport Sector serves the urban transit, regional/intercity passenger travel markets and freight markets all over the world with rail transport products, systems and services.

Thermal Power and Renewable Power activities were aggregated in a single Power sector in the financial statements for the half year ended 30 September 2010 and for the year ended 31 March 2011. Comparative segment information has been restated following the split of the former Power Sector implemented in the first months of the current financial year.

Grid activities have been consolidated starting from the date of their acquisition by the Group (7 June 2010). Comparative figures for half year ended 30 September 2010 and financial year ended 31 March 2011 are therefore not representative of a full 6 months or 12 months period.

The consolidated financial statements have been authorised for issue by the Board of Directors held on 3 November 2011.

NOTE 2. ACCOUNTING POLICIES

2.1. Basis of preparation of the condensed consolidated financial statements

Alstom condensed consolidated financial statements for the half-year ended 30 September 2011 have been prepared in accordance with IAS 34-Interim Financial Reporting and 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 of 1 April 2011.

The full set of standards adopted for use in the European Union can be consulted on the website of the European Commission at:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

These interim consolidated financial statements do not include all of the information required for full annual financial statements and must therefore be read in conjunction with the Group's financial statements as at 31 March 2011.

The accounting policies adopted in the preparation of the interim consolidated financial statements are identical to those applied by the Group in its consolidated financial statements at 31 March 2011, with the exception of the provisions specific to IAS 34 on the measurement of half year tax and post-employment benefit expenses.

2.2. Changes in accounting policies due to new, revised or amended standards and interpretations mandatorily applicable for financial periods beginning on 1 April 2011

The Group's consolidated financial statements are not affected by the enforcement of the new, revised, or amended standards and interpretations becoming effective in the European Union starting from 1 April 2011.

2.3. New standards and interpretations not yet mandatorily applicable

The Group has not opted for an early application in the interim consolidated financial statements at 30 September 2011 of the following forthcoming IFRS requirements already published by the IASB but not yet approved by the European Union:

- Financial instruments: classification and measurement of financial assets (IFRS 9)
- Consolidated Financial statements (IFRS 10)
- Joint arrangements (IFRS 11)
- Disclosure of interests in other entities (IFRS 12)
- Investments in associates and joint ventures (IAS 28 revised)
- Fair value measurement (IFRS 13)
- Presentation of Items of Other Comprehensive Income (amendments to IAS 1)
- Employee benefits (IAS 19 revised)
- Financial instruments disclosures (amendments to IFRS 7).

At this stage, the Group considers that the impact of the implementation of these new or revised standards cannot be determined with sufficient accuracy.

2.4. Specific measurement methods applied for the preparation of interim financial statements

- ***Estimate of tax expense***

The tax expense is determined by applying the Group's projected effective tax rate for the whole financial year to the pre-tax income of the interim period. Appropriate adjustments are made if necessary, in case exceptional items of income and expense are recognised in the period.

- ***Post-employment and other long term employee defined benefits***

The net liability on post retirement and on other long term employee defined benefits is calculated on a year to date basis, using the latest valuation as at the previous financial year closing date. Adjustments of actuarial assumptions are performed on main contributing areas (euro zone, Switzerland, United Kingdom and the United States of America) if significant fluctuations or one-time events have occurred during the six-month period.
The fair value of main plan assets is reviewed at closing date.

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NOTE 3. SCOPE OF CONSOLIDATION

3.1. Transmission activities (Grid)

On 20 January 2010, Alstom and Schneider Electric, acting under a consortium agreement, signed an agreement with Areva with the purpose of acquiring its transmission and distribution activities ("Areva T&D"). Following the approvals from competition authorities, the closing of the acquisition took place on 7 June 2010 and the consortium acquired the entire capital of Areva T&D for an equity value of €2,290 million and both partners of the consortium took over from Areva the financial debt refinancing of this company.

Alstom funded the equity value of the Transmission activities (€1,570 million) and refinanced the related debt of €753 million.

The consortium agreement establishes that, at the closing date of the transaction, Transmission activities and Distribution activities are owned respectively by Alstom and Schneider Electric.
As a result, the Transmission activities have been fully consolidated since 7 June 2010 in the Group's financial statements, while the Distribution activities are totally excluded from the consolidation scope.

With this acquisition, the Group formed a new Sector, named Grid.

In accordance with IFRS 3 (revised), the Group has recognised the assets acquired and liabilities assumed, these being measured at fair value at the acquisition date.

The Group has decided to measure the non-controlling interests at the non-controlling interests' proportionate share of the identifiable net assets of the Transmission activities.

The valuation of assets acquired and liabilities assumed at their fair value has resulted in the recognition of new intangible assets (technology, order backlog margin and customer relationships) and the re-measurement of tangible assets, inventories and liabilities. Assets have been valued by external independent experts. The valuation has been finalised on 7 June 2011 and its effects reflected in the Interim Consolidated Financial Statements.

The resulting goodwill amounts to €1,529 million and is mainly supported by the leadership position of Alstom Group in growing markets and by expected synergies between Grid and other Alstom activities in terms of costs and portfolio strategy, in particular the unique positioning of the acquired businesses on the Smart Grid key markets and the international presence of the Transmission businesses.

In the fields of cost reductions, comprehensive commercial offering and combined workforce and know-how, specific synergies with Power and Transport Sectors have been identified. An in-depth analysis and valuation of these synergies, carried out by an independent expert, has resulted in a final allocation of goodwill of €293 million to Power sectors and €136 million to Transport sector. Therefore the goodwill allocated to Grid amounts to €1,100 million.

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Fair values of the assets acquired and liabilities assumed of the Transmission activities at the date of acquisition:

(in € million)	Fair values
Intangible assets	509
Property plant & equipment	629
Associates & other investments	1
Other non current assets, net	16
Deferred tax	189
Total non-current assets	**1,344**
Inventories	725
Construction contracts in progress, assets	-
Trade receivables	1,916
Other current operating assets	556
Marketable securities and other current financial assets	-
Cash and cash Equivalents	328
Total current assets	**3,525**
Total assets	**4,869**
Non-current provisions	204
Accrued pensions and other employee benefits	188
Non-current borrowings	8
Non-current obligations under finance leases	7
Deferred tax	19
Total non-current liabilities	**426**
Current provisions	523
Current borrowings	1,058
Current obligations under finance leases	1
Construction contract in progress, liabilities	742
Trade payables	766
Other current operating liabilities	1,237
Total current liabilities	**4,327**
Total Liabilities	**4,753**
Net assets acquired	**116**
Fair value of assets and liabilities attributable to non controlling interests	75
Fair value of assets and liabilities attributable to equity holders of the parent	**41**
Purchase price	1,570
Final goodwill	**1,529**

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3.2. Transmashholding

On 27 May 2011, Alstom finalised its partnership agreement with Transmashholding ("TMH"), the leading Russian rail manufacturer, by acquiring a 25% stake (plus one share) of the Breakers Investments B.V., which holds 100% of Transmashholding. The deal was closed after Alstom received all approvals of the appropriate Russian authorities.

Alstom share in the Breakers Investments B.V. group is an investment in associates and is therefore accounted for according to the equity method.

Pursuant to the closing of the deal, Alstom made an initial payment of $75 million (approximately €54 million) to the selling shareholders. The remainder of the price will be calculated using a computation method based on TMH operating results and balance sheet over a four-year period (2008-2011), and paid by the end of 2012. This unpaid portion of the price has been recorded as financial debt at the date the partnership agreement has been finalised, and reassessed based on the latest information available at 30 September 2011.

At the date of authorisation for issue of the interim consolidated financial statements of the Group at 30 September 2011, the purchase price allocation exercise has not been considered as sufficiently advanced to allow for the recognition of provisional effects of this exercise at the same date.

Summarised financial information of the Breakers Investments B.V. group is presented hereafter:

(in € million)	**Total assets at 31 December 2010**	**Total liabilities at 31 December 2010**	**Total revenues year ended 31 December 2010**	**Total net profit year ended 31 December 2010**
The Breakers Investments B.V.	2,074	1,088	1,920	146

3.3. Joint company in Boilers

Alstom and Shanghai Electric signed in April 2011 a letter of intent to create Alstom-Shanghai Electric Boilers Co, a 50/50 joint company that would be world leader in boilers for coal-fired power plants, with combined sales of about €2.5 billion in 2010. The joint company will benefit from Shanghai Electric's strong competitiveness and positioning in China as well as from Alstom's close relationship with the utilities worldwide and its related technologies.

NOTE 4. SEGMENT INFORMATION

4.1. KEY INDICATORS BY OPERATING SEGMENT

At 30 September 2011

(in € million)	Thermal Power	Renewable Power	Transport	Grid	Corporate & others	Elimina-tions	Total
Sales	4,071	1,048	2,462	1,863	-	(55)	9,389
Inter Sector eliminations	(24)	(11)	(1)	(19)	-	55	-
Total Sales	**4,047**	**1,037**	**2,461**	**1,844**	**-**	**-**	**9,389**
Income (loss) from operations	372	76	123	107	(51)	-	627
Earnings (loss) before interest and taxes	**371**	**76**	**92**	**36**	**(58)**	**-**	**517**
Financial income (expense)							(74)
Income tax							(90)
Share in net income of equity investments							15
Net profit							**368**
Segment assets (1)	**11,655**	**2,293**	**5,805**	**5,112**	**1,726**	**-**	**26,591**
Deferred taxes (assets)							1,404
Prepaid employee defined benefit costs							17
Financial assets							1,769
Total assets							**29,781**
Segment liabilities (2)	**9,161**	**1,231**	**4,609**	**2,973**	**1,639**	**-**	**19,613**
Deferred taxes (liabilities)							148
Accrued employee defined benefit costs							1,400
Financial debt							4,518
Total equity							4,102
Total equity and liabilities							**29,781**
Capital employed (3)	**2,494**	**1,062**	**1 196**	**2,139**	**87**	**-**	**6,978**
Capital expenditure	**(115)**	**(70)**	**(75)**	**(50)**	**(18)**	**-**	**(328)**
Depreciation and amortisation in EBIT	**107**	**16**	**65**	**103**	**19**	**-**	**310**

(1) Segment assets are defined as the sum of goodwill, intangible assets, property, plant and equipment, associates and other investments, other non current assets (other than those related to financial debt and to employee defined benefit plans), inventories, construction contracts in progress assets, trade receivables and other operating assets.

(2) Segment liabilities are defined as the sum of non-current and current provisions, construction contracts in progress liabilities, trade payables and other operating liabilities.

(3) Capital employed corresponds to segment assets *minus* segment liabilities.

At 30 September 2010

(in € million)	Thermal Power	Renewable Power	Transport	Grid	Corporate & others	Elimina-tions	Total
Sales	5,182	825	2,918	1,527	-	(20)	10,432
Inter Sector eliminations	(18)	(1)	(1)	-	-	20	-
Total Sales	**5,164**	**824**	**2,917**	**1,527**	**-**	**-**	**10,432**
Income (loss) from operations	435	74	213	88	(47)	-	763
Earnings (loss) before interest and taxes	**423**	**74**	**177**	**22**	**(97)**	**-**	**599**
Financial income (expense)							(52)
Income tax							(131)
Share in net income of equity investments							-
Net profit							**416**
Segment assets (1)	**11,761**	**2,109**	**5,237**	**5,630**	**1,043**	**-**	**25,780**
Deferred taxes (assets)							1,193
Prepaid employee defined benefit costs							5
Financial assets							2,198
Total assets							**29,176**
Segment liabilities (2)	**8,888**	**1,455**	**4,815**	**3,571**	**1,357**	**-**	**20,086**
Deferred taxes (liabilities)							118
Accrued employee defined benefit costs							1,312
Financial debt							3,671
Total equity							3,989
Total equity and liabilities							**29,176**
Capital employed (3)	**2,873**	**654**	**422**	**2,059**	**(314)**	**-**	**5,694**
Capital expenditure	**(153)**	**(19)**	**(81)**	**(54)**	**(26)**	**-**	**(333)**
Depreciation and amortisation in EBIT	**108**	**15**	**82**	**91**	**22**	**-**	**318**

(1) Segment assets are defined as the sum of goodwill, intangible assets, property, plant and equipment, associates and other investments, other non current assets (other than those related to financial debt and to employee defined benefit plans), inventories, construction contracts in progress assets, trade receivables and other operating assets.

(2) Segment liabilities are defined as the sum of non-current and current provisions, construction contracts in progress liabilities, trade payables and other operating liabilities.

(3) Capital employed corresponds to segment assets *minus* segment liabilities.

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At 31 March 2011

(in € million)	Thermal Power	Renewable Power	Transport	Grid	Corporate & others	Elimina-tions	Total
Sales	9,770	1,949	5,606	3,653	-	(55)	20,923
Inter Sector eliminations	(45)	(8)	(2)	-	-	55	-
Total Sales	**9,725**	**1,941**	**5,604**	**3,653**	**-**	**-**	**20,923**
Income (loss) from operations	879	173	398	218	(98)	-	1,570
Earnings (loss) before interest and taxes	**558**	**132**	**225**	**35**	**(186)**	**-**	**764**
Financial income (expense)							(136)
Income tax							(141)
Share in net income of equity investments							3
Net profit							**490**
Segment assets (1)	**11,451**	**2,195**	**4,595**	**5,891**	**1,006**	**-**	**25,138**
Deferred taxes (assets)							1,287
Prepaid employee defined benefit costs							28
Financial assets							3,180
Total assets							**29,633**
Segment liabilities (2)	**9,141**	**1,387**	**4,150**	**3,834**	**1,270**	**-**	**19,782**
Deferred taxes (liabilities)							88
Accrued employee defined benefit costs							1,145
Financial debt							4,466
Total equity							4,152
Total equity and liabilities							**29,633**
Capital employed (3)	**2,310**	**808**	**445**	**2,057**	**(264)**	**-**	**5,356**
Capital expenditure	**(336)**	**(77)**	**(206)**	**(126)**	**(46)**	**-**	**(791)**
Depreciation and amortisation in EBIT	**228**	**34**	**148**	**229**	**37**	**-**	**676**

(1) Segment assets are defined as the sum of goodwill, intangible assets, property, plant and equipment, associates and other investments, other non current assets (other than those related to financial debt and to employee defined benefit plans), inventories, construction contracts in progress assets, trade receivables and other operating assets.

(2) Segment liabilities are defined as the sum of non-current and current provisions, construction contracts in progress liabilities, trade payables and other operating liabilities.

(3) Capital employed corresponds to segment assets *minus* segment liabilities.

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4.2. KEY INDICATORS BY GEOGRAPHIC AREA

Sales by country of destination

	Half-year ended		Year ended
(in € million)	**30 September 2011**	**30 September 2010**	**31 March 2011**
Euro zone *(1)*	2,667	2,982	5,961
thereof France	*1,030*	*1,050*	*2,155*
Rest of Europe	1,447	1,828	3,392
North America	1,178	1,260	2,571
thereof USA	*748*	*869*	*1,753*
South & Central America	903	739	1,731
Asia & Pacific	1,919	1,713	3,788
Middle East & Africa	1,275	1,910	3,480
Total Group	**9,389**	**10,432**	**20,923**

(1) Estonia incorporated the Euro zone on 1 January 2011.

Sales by country of origin

	Half-year ended		Year ended
(in € million)	**30 September 2011**	**30 September 2010**	**31 March 2011**
Euro zone *(1)*	3,836	4,820	9,009
thereof France	*1,930*	*2,611*	*4,640*
Rest of Europe	1,634	1,934	3,686
North America	1,245	1,264	2,632
thereof USA	*862*	*921*	*1,900*
South & Central America	651	596	1,366
Asia & Pacific	1,346	1,163	2,662
Middle East & Africa	677	655	1,568
Total Group	**9,389**	**10,432**	**20,923**

(1) Estonia incorporated the Euro zone on 1 January 2011.

NOTE 5. RESEARCH AND DEVELOPMENT EXPENDITURE

(in € million)	Half-year ended 30 September 2011	Half-year ended 30 September 2010	Year ended 31 March 2011
Research and development expenses	**(306)**	**(329)**	**(703)**
Developments costs capitalised during the period (see Note 10.2)	(129)	(136)	(286)
Amortisation expense of capitalised development costs (see Note 10.2)	42	54	98
Amortisation of acquired technology (see Note 10.2)	39	33	67
Total research and development expenditure	**(354)**	**(378)**	**(824)**

During the half-year ended 30 September 2011, the Group invested €354 million in research and development to develop new technologies and to improve its existing product offering.

These research and development programmes relate mainly to:

- the development of Alstom's range of gas turbines, including performance upgrade packages and combustion system improvements to reduce emissions and increase fuel flexibility,
- the development of offshore wind turbine with a robust, simple and efficient design which will allow to reduce the cost of electricity generated,
- the improvement of the Transport sector's technological edge of the product range (first third generation TGV train set, first CoradiaPolyvalentTM trainset, etc),
- the Smart Grid developments to converge towards a customer-oriented offer and the enhancement of the High Voltage Direct Current offer.

NOTE 6. OTHER INCOME AND OTHER EXPENSES

	Half-year ended		Year ended
(in € million)	30 September 2011	30 September 2010	31 March 2011
Capital gains on disposal of businesses	2	-	-
Other (4)	3	17	46
Other income	**5**	**17**	**46**
Capital losses on disposal of businesses (1)	(3)	(30)	(33)
Restructuring costs (2)	(38)	(47)	(520)
Expenses exclusively incurred in the context of business combinations (3)	(65)	(97)	(203)
Other (4)	(9)	(7)	(96)
Other expense	**(115)**	**(181)**	**(852)**
Other income (expenses)	**(110)**	**(164)**	**(806)**

(1) Capital losses mainly arose, for the half-year ended 30 September 2010 and for the financial year ended 31 March 2011, from adjustments on the disposal of the former Marine Sector.

(2) In the last six months of the financial year ended 31 March 2011, the Group has started to adapt its footprint in order to address the lower demand in developed countries (Europe and USA) and the fast growth of its markets in emerging countries. Power and Transport plans respectively announced in October 2010 and March 2011 account for the largest part of the amount of restructuring costs recorded for the year ended 31 March 2011.

(3) This item comprises the amortisation of acquired margin related to Grid's acquisition and the costs incurred to effect the acquisition of Grid (€34 million for the half-year ended 30 September 2010, €44 million for the year ended 31 March 2011).

(4) Other income and other expenses mainly derive from components of the post-employment and other long term defined benefit expense, costs of legal proceedings that have arisen outside the ordinary course of business and non-recurring impairment losses on assets.

NOTE 7. FINANCIAL INCOME (EXPENSE)

(in € million)	Half-year ended 30 September 2011	Half-year ended 30 September 2010	Year ended 31 March 2011
Interest income	22	24	49
Net financial income from employee defined benefit plans	-	-	-
Net exchange gain	5	3	-
Other financial income	5	4	8
Financial income	**32**	**31**	**57**
Interest expense	(84)	(55)	(135)
Net financial expense from employee defined benefit plans	(3)	(6)	(16)
Net exchange loss	-	-	(7)
Other financial expenses	(19)	(22)	(35)
Financial expense	**(106)**	**(83)**	**(193)**
Financial income (expense)	**(74)**	**(52)**	**(136)**

Interest income of €22 million represents the remuneration of the Group's cash positions over the period.

Interest expense of €(84) million represents the cost of the gross financial debt. The increase compared to the half-year ended 30 September 2010 is due to the issuance during the year ended 31 March 2011 of new bonds mainly related to the acquisition of the Grid business (see Note 21).

Other financial expense of €(19) million incorporates fees and commitment fees paid on guaranteed facilities, syndicated loans and other financing facilities for € (7) million (€(17) million for the half-year ended 30 September 2010 and €(25) million for the year ended 31 March 2011).

NOTE 8. TAXATION

Using a projected annual effective tax rate of 20% for determination of the tax expense for the half-year ended 30 September 2011 (24% for the half-year ended 30 September 2010 and 22% for the year ended 31 March 2011), the income tax charge for the period amounts to €(90) million (€(131) million for the half-year ended 30 September 2010 and €(141) million for the year ended 31 March 2011).

NOTE 9. EARNINGS PER SHARE

9.1. Earnings

(in € million)	Half-year ended 30 September 2011	Half-year ended 30 September 2010	Year ended 31 March 2011
Net profit attributable to equity holders of the parent	363	401	462
Financial interests related to bonds reimbursable with shares, net of tax	-	-	-
Earnings attributable to equity holders of the parent used to calculate basic and diluted earnings per share	**363**	**401**	**462**

9.2. Number of shares

	Half-year ended 30 September 2011	Half-year ended 30 September 2010	Year ended 31 March 2011
Weighted average number of ordinary shares used to calculate basic earnings per share	**294,517,386**	**294,110,205**	**294,210,753**
Effect of dilutive instruments other than bonds reimbursables with shares:			
- Stock options and performance shares [(1)]	2,409,718	2,187,297	2,537,172
- Free shares	230,089	232,482	230,089
Weighted average number of ordinary shares used to calculate diluted earnings per share	**297,157,193**	**296,529,984**	**296,978,014**

(1) Stock options taken into consideration in the calculation of the diluted earnings per share only relate to plans 7, 8 and 9, plans 10, 11, 12 and 13 being out of the money as at 30 September 2011.

9.3. Earnings per share

(in €)	Half-year ended 30 September 2011	Half-year ended 30 September 2010	Year ended 31 March 2011
- Basic earnings per share	1,23	1.36	1.57
- Diluted earnings per share	1,22	1.35	1.56

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NOTE 10. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets 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 durably lower than their carrying value.

10.1. Goodwill

(in € million)	At 31 March 2011	Acquisitions and adjustments on preliminary goodwill	Disposals	Translation adjustments and other changes	At 30 September 2011
Thermal Power	3,180	-	-	11	3,191
Renewable Power	488	-	-	-	488
Transport	568	90	-	-	658
Grid	1,160	(37)	-	1	1,124
Goodwill	**5,396**	**53**	**-**	**12**	**5,461**
of which:					
Gross value	5,396	53	-	12	5,461
Impairment	-	-	-	-	-

The movement over the period ended 30 September 2011 mainly arises from the final allocation of the purchase price related to the acquisition of the Grid activity (see Note 3).

As described in Note 3, part of the goodwill arising from the acquisition of the Grid activity has been allocated to the other Sectors. Goodwill allocated to the former Power Sector has been broken down between Thermal Power and Renewable Power based on their respective fair values.

The allocation to Thermal Power and Renewable Power Sectors of the goodwill of the former Power Sector recognised prior to the acquisition of Grid has been made based on those goodwill that were historically allocated to each of these activities.

The carrying values of Thermal Power and Renewable Power goodwill retrospectively determined at 31 March 2011 after consideration of the reorganisation of the Power Sector remain lower than their recoverable values at that date.

The impairment test at 31 March 2011 supported the Group's opinion that goodwill is not impaired. At 30 September 2011, the Group considers that the assumptions used to assess the recoverable value of goodwill at 31 March 2011 are not modified in a way that would lead to an impairment test at 30 September 2011.

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10.2. Intangible assets

(in € million)	At 31 March 2011	Additions / disposals / amortisation	Acquisitions through business combinations	Translation adjustments and other changes	At 30 September 2011
Development costs	1,395	129	-	(3)	1,521
Acquired technology	1,422	-	-	-	1,422
Other intangible assets	678	(6)	-	4	676
Gross value	**3,495**	**123**	**-**	**1**	**3,619**
Development costs	(549)	(42)	-	(1)	(592)
Acquired technology	(668)	(39)	-	-	(707)
Other intangible assets	(344)	(55)	(3)	7	(395)
Accumulated amortisation and impairment	**(1,561)**	**(136)**	**(3)**	**6**	**(1,694)**
Development costs	846	87	-	(4)	929
Acquired technology	754	(39)	-	-	715
Other intangible assets	334	(61)	(3)	11	281
Net value	**1,934**	**(13)**	**(3)**	**7**	**1,925**

Technology and licence agreements acquired through the combination with ABB ALSTOM POWER in 1999 and 2000 and through the combination with Transmission activities in 2010 represent the bulk of the gross amount reported as acquired technology.

The impairment test at 31 March 2011 supported the Group's opinion that intangible assets are not impaired.

At 30 September 2011, the Group considers that the assumptions used to assess the recoverable value of intangibles at 31 March 2011 are not modified in a way that would lead to an impairment test at 30 September 2011.

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NOTE 11. PROPERTY, PLANT AND EQUIPMENT

(in € million)	At 31 March 2011	Acquisitions/ Depreciation/ Impairments	Disposals	Acquisitions through business combinations	Translation adjustments and other changes	At 30 September 2011
Land	197	1	-	-	(4)	194
Buildings	1,612	17	(3)	-	26	1,652
Machinery and equipment	2,716	45	(41)	-	27	2,747
Constructions in progress	262	90	-	-	(49)	303
Tools, furniture, fixtures and other	538	20	(17)	-	8	549
Gross value	**5,325**	**173**	**(61)**	**-**	**8**	**5,445**
Land	(9)	-	-	-	-	(9)
Buildings	(603)	(30)	3	(5)	-	(635)
Machinery and equipment	(1,715)	(93)	39	-	11	(1,758)
Constructions in progress	-	-	-	-	-	-
Tools, furniture, fixtures and other	(347)	(28)	15	-	-	(360)
Accumulated depreciation and impairment	**(2,674)**	**(151)**	**57**	**(5)**	**11**	**(2,762)**
Land	188	1	-	-	(4)	185
Buildings	1,009	(13)	-	(5)	26	1,017
Machinery and equipment	1,001	(48)	(2)	-	38	989
Constructions in progress	262	90	-	-	(49)	303
Tools, furniture, fixtures and other	191	(8)	(2)	-	8	189
Net value	**2,651**	**22**	**(4)**	**(5)**	**19**	**2,683**

NOTE 12. ASSOCIATES AND NON CONSOLIDATED INVESTMENTS

(in € million)	At 30 September 2011	At 31 March 2011	% interest
Shanghai Alstom Transportation Company (SATCO)	10	10	40.0%
Cerrey - Babcock & Wilcox de Mexico	15	17	25.0%
Alstom Atomenergomash	9	12	49.0%
The Breakers Investments B.V. (Transmashholding)	250	-	25.0%
Other	4	4	-
Total Associates	**288**	**43**	**-**
Non consolidated investments	186	164	
Total Associates and non consolidated investments	**474**	**207**	

NOTE 13. OTHER NON-CURRENT ASSETS

(in € million)	At 30 September 2011	At 31 March 2011
Financial non-current assets associated to financial debt (1)	424	429
Long-term loans, deposits and other	116	138
Other non-current assets	**540**	**567**

(1) These non-current assets relate to a long-term rental of trains and associated equipment to a London metro operator (see Notes 21 and 24). They are made up as follows:
- At 30 September 2011, €399 million receivables and €25 million deposit;
- At 31 March 2011, €405 million receivables and €24 million deposit.

NOTE 14. INVENTORIES

(in € million)	At 30 September 2011	At 31 March 2011
Raw materials and supplies	998	944
Work in progress	2,370	2,461
Finished products	357	377
Inventories, gross	**3,725**	**3,782**
Raw materials and supplies	(157)	(166)
Work in progress	(156)	(168)
Finished products	(52)	(85)
Write-down	**(365)**	**(419)**
Inventories, net	**3,360**	**3,363**

Changes in inventory write-down recognised as income for the year ended 30 September 2011 amount to € 7 million (€ 26 million expense for the year ended 31 March 2011).

NOTE 15. OTHER CURRENT OPERATING ASSETS

(in € million)	At 30 September 2011	At 31 March 2011
Down payments made to suppliers	643	560
Corporate income tax	154	51
Other taxes	744	709
Prepaid expenses	474	329
Other receivables	624	418
Derivatives relating to operating activities	309	365
Remeasurement of hedged firm commitments in foreign currency	770	513
Other current operating assets	**3,718**	**2,945**

NOTE 16. WORKING CAPITAL

Balance sheet positions

(in € million)	**At 30 September 2011**	**At 31 March 2011**	**Variation**
Inventories	3,360	3,363	(3)
Construction contracts in progress, assets	3,695	2,479	1,216
Trade receivables	5,176	6,053	(877)
Other current operating assets	3,718	2,945	773
Assets	**15,949**	**14,840**	**1,109**
Non-current provisions	860	1,095	(235)
Current provisions	1,396	1,387	9
Construction contracts in progress, liabilities	9,265	9,166	99
Trade payables	4,015	4,071	(56)
Other current operating liabilities	4,077	4,063	14
Liabilities	**19,613**	**19,782**	**(169)**
Working capital	**(3,664)**	**(4,942)**	**1,278**

(in € million)	Half-year ended 30 September 2011
Working capital at the beginning of the period	**(4,942)**
Changes in working capital resulting from operating activities (*)	1,203
Changes in working capital resulting from investing activities (**)	17
Translation adjustments and other changes	58
Total changes in working capital	**1,278**
Working capital at the end of the period	**(3,664)**

(*) Item presented within "net cash used in operating activities" in the consolidated statement of cash flows

(**) Item presented within "net cash used in investing activities" in the consolidated statement of cash flows

NOTE 17. EQUITY

At 30 September 2011, the share capital of Alstom amounted to € 2,062,440,191 consisting of 294,634,313 ordinary shares with a par value of €7 each. For the half-year ended 30 September 2011 the weighted average number of outstanding ordinary shares amounted to 294,517,386 and the weighted average number of ordinary and dilutive shares stood at 297,157,193.

During the half-year ended 30 September 2011, no bond reimbursable in shares "Obligations Remboursables en Actions" was converted. The 81,682 bonds reimbursable in shares outstanding at 30 September 2011 represent 5,130 shares to be issued.

The Shareholders' Meeting of ALSTOM held on 28 June 2011 decided to distribute dividends for a total amount of €183 million corresponding to a €0.62 dividend per share.

NOTE 18. SHARE-BASED PAYMENTS

- **Valuation of stock option plans and performance shares**

The share-based payment expense arising from stock options' and performance shares' plans amounts to € 8 million for the half-year ended 30 September 2011 (€11 million for the half-year ended 30 September 2010 and €11 million for the year ended 31 March 2011).

The option valuation method follows a binomial mathematical model for plans 9, 10 and 11 and a Black & Scholes model for plans 12 and 13, with exercise of the options anticipated and spread over the exercise period on a straight-line basis. The volatility factor applied is an average of CAC 40 comparable companies' volatility at the grant date, which represents a value consistent with market practices and is considered more relevant given the significant volatility of the Group's share price over the last few years.

Stock options and performance shares plans are described in Note 21 to the consolidated financial statements for the year ended 31 March 2011.

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- **Valuation of stock appreciation rights (SARs) plans**

The share-based payment income arising from SARs' plans amounts to €2 million for the half-year ended 30 September 2011 (the income amounted to €2 million for the half-year ended 30 September 2010 and an income of €2 million was recorded for the year ended 31 March 2011).

The value of SARs plans is measured at the grant date using a binomial model taking into account the terms and conditions upon which the instruments were granted. The liability is accrued over the expected vesting period. Until the liability is settled, it is measured at each reporting date with changes in fair value recognised in profit and loss.

SARs' plans are described in Note 21 to the consolidated financial statements for the year ended 31 March 2011.

NOTE 19. PROVISIONS

(in € million)	At 31 March 2011	Additions	Releases	Applications	Business combination	Translation adjustments and other	At 30 September 2011
Warranties	721	132	(65)	(92)	51	-	747
Litigations and claims	666	121	(79)	(98)	37	2	649
Current provisions (1)	**1,387**	**253**	**(144)**	**(190)**	**88**	**2**	**1,396**
Tax risks and litigations (2)	139	7	(9)	(11)	26	(4)	148
Restructuring (3)	361	4	(8)	(95)	-	4	266
Other non-current provisions (4)	595	34	(62)	(59)	(60)	(2)	446
Non-current provisions	**1,095**	**45**	**(79)**	**(165)**	**(34)**	**(2)**	**860**
Total provisions	**2,482**	**298**	**(223)**	**(355)**	**54**	**-**	**2,256**

(1) Current provisions relate to warranties, litigations and claims on completed contracts.

(2) In relation to 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 would 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.

(3) In the last six months of the financial year ended 31 March 2011, the Group has started to implement fundamental reorganisations of its footprint in order to address the lower demand in developed countries (Europe and USA) and the fast growth of its markets in emerging countries.

(4) Other non-current provisions mainly relate to guarantees delivered in connection with disposals, employee litigations, commercial disputes and environmental obligations. Environmental provisions amount to €37 million at 30 September 2011 and €41 million at 31 March 2011.

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NOTE 20. POST-EMPLOYMENT AND OTHER LONG-TERM DEFINED EMPLOYEE BENEFITS

Net accrued benefits

(in € million)	At 30 September 2011	At 31 March 2011
Accrued pension and other employee benefit costs	(1 400)	(1,145)
Prepaid pension and other employee benefit costs	17	28
Net accrued benefits	**(1 383)**	**(1,117)**

Variation of actuarial gains and losses

Actuarial gains and losses and asset ceiling arising from post-employment defined benefit plans have been directly recognised in equity as follows:

- €(296) million of actuarial gains and losses generated for the half-year ended 30 September 2011,
- € 3 million of asset ceiling generated for the half-year ended 30 September 2011.

Assumptions (weighted average rates)

(in %)	At 30 September 2011	At 31 March 2011
Discount rate	4.68	4.82
Rate of compensation increase	3.01	3.03
Expected return on plan assets for the period	5.99	6.03

Actuarial assumptions used vary by country and type of plan. Compensation increase assumptions are determined at business unit level and reviewed centrally. The expected return on plan assets is based on long-term market expectations taking into account the asset allocation of each fund.

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

	Half-year ended		Year ended
	30 September	**30 September**	**31 March**
(in € million)	**2011**	**2010**	**2011**
Service cost	(42)	(35)	(74)
Defined contributions *(*)*	(91)	(82)	(155)
Income from operations	**(133)**	**(117)**	**(229)**
Actuarial gains/losses on other long-term benefits	-	-	(1)
Amortisation of unrecognised past service gain (cost)	(1)	1	28
Curtailments/settlements	-	16	19
Other income (expenses)	**(1)**	**17**	**46**
Interest cost	(118)	(115)	(233)
Expected return on plan assets	115	109	217
Financial income (expenses)	**(3)**	**(6)**	**(16)**
Total benefit expense	**(137)**	**(106)**	**(199)**

(*) Excluding Grid's contribution for half-year ended 30 September 2010 and year ended 31 March 2011.
Including multi-employer contributions accounted for as defined contribution plans.

NOTE 21. FINANCIAL DEBT

Carrying amount (in € million)	**At 30 September 2011**	**At 31 March 2011**
Bonds *(1)*	3,238	3,238
Other borrowing facilities	457	611
Put options and earn-out on acquired entities (2)	205	20
Derivatives relating to financing activities	14	18
Accrued interests	72	37
Borrowings	**3,986**	**3,924**
Non-current	*3,487*	*3,346*
Current	*499*	*578*
Obligations under finance leases	133	137
Other obligations under long-term rental *(3)*	399	405
Obligations under finance leases	**532**	**542**
Non-current	*483*	*491*
Current	*49*	*51*
Total financial debt	**4,518**	**4,466**

(1) The movements in the nominal amount of the bonds between 31 March and 30 September 2011 are as follows:

		Redemption date				
(Nominal value in € million)	**Total**	**23 September 2014**	**5 October 2015**	**01 February 2017**	**5 October 2018**	**18 March 2020**
Outstanding amount at 31 March 2011	**3,250**	**750**	**500**	**750**	**500**	**750**
Issue of bonds	-	-	-	-	-	-
Bonds reimbursed at maturity date	-	-	-	-	-	-
Outstanding amount at 30 September 2011	**3,250**	**750**	**500**	**750**	**500**	**750**
Nominal interest rate	-	4.0%	2,88%	4.13%	3,63%	4.50%
Effective interest rate as of 30 September 2011	-	3.89%	2,98%	4.25%	3,71%	4.58%
Effective interest rate as of 31 March 2011	-	3.89%	2,98%	4.25%	3,71%	4.58%

(2) The main variation of put options and earn-out on acquired entities is related to the acquisition of The Breakers Investments BV shares (see Note 3).

(3) This debt represents liabilities related to lease obligations on trains and associated equipment (see Notes 13 and 24).

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NOTE 22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

22.1 Financial instruments reported in the financial statements

The Group's financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to raise funds for the Group's operations.
The Group has loans, trade and other receivables, and cash and cash equivalents that are directly derived from its operations.

The Group is exposed to currency risk, interest rate risk, credit risk and liquidity risk.

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 cash, cash equivalents, trade receivables and trade payables is considered as being equivalent to carrying value, due to their short maturities,
- 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.

22.2 Liquidity risk management

Financial covenants

At 30 September 2011, to increase its liquidity, the Group has in place a €1,000 million revolving credit facility fully undrawn maturing in March 2012 and extended for €942 million up to March 2013. This facility is subject to the following financial covenants, based on consolidated data:

Covenants	Minimum Interest Cover	Maximum total debt (€m)	Maximum total net debt leverage
	(a)	(b)	(c)
From March 2010 to September 2013	3	5,000	3.6

(a) Ratio of EBITDA (Earnings Before Interest and Tax plus Depreciation and Amortisation) to net interest expense (excluding interests related to obligations under finance lease). It amounts to 12.2 at half-year ended 30 September 2011 (19.1 at year end 31 March 2011).
(b) Total debt corresponds to borrowings, i.e. total financial debt less finance lease obligations. This covenant ceases to apply since the Group has an "Investment grade" rating.
(c) Ratio of total net debt (Total debt less short-term investments or trading investments and cash and cash equivalents) to EBITDA. The net debt leverage as at 30 September 2011 is 2 (0.8 at 31 March 2011).

NOTE 23. OTHER CURRENT OPERATING LIABILITIES

(in € million)	At 30 September 2011	At 31 March 2011
Staff and associated costs	947	1,050
Corporate income tax	96	56
Other taxes	368	339
Deferred income	129	19
Other payables	1,450	1,725
Derivatives relating to operating activities	806	563
Remeasurement of hedged firm commitments in foreign currency	281	311
Other current operating liabilities	**4,077**	**4,063**

NOTE 24. CONTINGENT LIABILITIES AND DISPUTES

24.1. 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.

At 30 September 2011, the Group has in place both uncommitted bilateral lines in numerous countries up to €20.2 billion and a Committed Syndicated Bonding Facility allowing issuance of instruments up to €8.3 billion valid up to 27 July 2013.

At 30 September 2011, the total outstanding bonding guarantees related to contracts, issued by banks or insurance companies, amounts to €15.5 billion (€15.7 billion at 31 March 2011).

The available amount under the Committed Bonding Facility at 30 September 2011 amounts to €2 billion (€2.1 billion at 31 March 2011). The available amount under bilateral lines at 30 September 2011 amounts to €10.6 billion.

- **Vendor financing**

Until 2003, the Group provided some financial support, referred to as vendor financing, to financial institutions financing certain purchasers of Transport equipments.

At 30 September 2011, guarantees given as part of past vendor financing arrangements amount to €251 million.
Included in this amount are:

- guarantees totalling \$63 million (€47 million, €46 million and €44 million at 30 September 2011, 30 September 2010 and 31 March 2011 respectively) given with respect to equipment sold to a US train operator and
- guarantees totalling £177 million (€204 million, €206 million and €200 million at 30 September 2011, 30 September 2010 and 31 March 2011 respectively) given as part of a leasing scheme involving London Underground (Northern Line). Were London Underground Limited to decide not to extend the contract beyond 2017, and to hand the trains back, the Group has guaranteed to the lessors that the value of the trains and associated equipment, net of the £15 million non extension payment due by London Underground, should not be less than £177 million in 2017. The £177 million is included in the €399 million amount of "Other obligations under long-term rental" (see Note 21).

24.2. DISPUTES

- **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 litigation 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.

- **Asbestos**

In France, some of the Group's subsidiaries are subject to civil proceedings in relation to the use of asbestos. 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 (medical) funds.

In the United States, subsidiaries of the Group are also subject to asbestos-related personal injury lawsuits. The Group considers that it has valid defences in these cases and the number of outstanding cases is decreasing.

The Group believes that the cases where it may be required to bear the financial consequences of such civil or criminal proceedings both in France and the United States 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 will not have any material adverse effect on its financial condition. It can give no assurance, however, that present asbestos-related cases or new cases it may face in the future may not have a material adverse impact on its financial condition.

- **United States Class Action Lawsuit**

The Group has negotiated a settlement, which is subject to Court approval, for a remaining cost for Alstom of less than €2 million and closed the class action lawsuits filed on behalf of various purchasers of American Depositary Receipts and other Alstom securities between August 1999 and August 2003 and consolidated in one complaint filed in June 2004.

- **Alleged anti-competitive activities**

GIS equipment

In April 2006, the European Commission commenced proceedings against Alstom, along with a number of other companies, based on allegations of anti-competitive practices in the sale of gas-insulated switchgears ("GIS equipment"), a product of its former Transmission & Distribution business sold to Areva in January 2004, following investigations that began in 2004.

On 24 January 2007, the European Commission levied a fine of €65 million against Alstom which includes €53 million on a joint and several basis with Areva T&D (Alstom Grid). Alstom has requested the cancellation of this decision before the General Court of the European Union. On 3 March 2011 the Court reduced the amount of fines levied against Alstom to €58.5 million out of which €48.1 million on a joint and several basis with Areva T&D (Alstom Grid). Alstom has decided to appeal this decision before the Court of Justice of the European Union.

Following the aforementioned European Commission decision of 24 January 2007, on 17 November 2008 National Grid commenced a civil action before the High Court of Justice in London to obtain damages against the manufacturers of GIS equipment, including Alstom and certain of its subsidiaries. National Grid asserts that it has suffered overall alleged damages from all manufacturers concerned of £ 249.3 million in total since it bought GIS equipment at inflated prices due to alleged anti-competitive arrangements between manufacturers. Alstom contests the facts. On 12 June 2009, the High Court of

Justice in London decided a stay of proceeding until the European Commission decision of 24 January 2007 is final. During fiscal year 2010/11, two other similar civil actions have been started before national jurisdictions for a global amount of €24 million.

Power transformers

On 20 November 2008, the European Commission sent a statement of objections to a number of manufacturers of power transformers, including Alstom, concerning their alleged participation in anti-competitive arrangements. Alstom has contested the materiality of the alleged facts. On 7 October 2009, the European Commission levied a fine of €16.5 million against Alstom which includes €13.5 million on a joint and several basis with Areva T&D (Alstom Grid). Alstom has requested the cancellation of the decision before the General Court of the European Union on 21 December 2009. The hearings report is awaited and the hearings which are not yet scheduled should not occur before end of 2012.

German proceedings

The Group received a statement of objections issued by the German Federal Cartel Office ("FCO") on 22 December 2008, alleging breaches of German competition law in the field of steam generators for lignite-fired power plants. On 12 August 2010, the FCO levied a fine of €91 million against ALSTOM Power Systems GmbH and two of its former officers, as well as against two competitors now bankrupt for alleged cartel arrangements between 1990 and 2003. Alstom has requested a reconsideration of this decision and believes it has strong legal arguments to reduce this amount. In addition the Group has reached agreements with regard to three out of four potential customer claims for civil actions.

- **Alleged illegal payments**

Certain companies and/or current and former employees of the Group have been or are currently being investigated in various countries with respect to alleged illegal payments. These procedures may result in fines, exclusion of Group subsidiaries from public tenders and third-party actions. In France, on 6 October 2010, a Group's subsidiary in the Hydro business was formally charged for alleged illegal payments concerning past operations in Zambia. Consistent with the French prosecutor final request, the French investigation judge has issued an order for dismissal on 7 June 2011, which closed the criminal procedure regarding these allegations. The World Bank has also launched an investigation for alleged illegal payments concerning past operations in Zambia. The sanctions the World Bank may impose range from penalties to disbarment from all or part of the projects financed by the World Bank, which may have a significant adverse effect on the image, results and financial situation of the Group.

- **US litigation following an accident in the Washington D.C. metro**

On 22 June 2009, a collision between two metro trains occurred in the Washington D.C. metro resulting in the death of 9 persons and the injury of 52 persons. At present, 23 lawsuits, consolidated in one single lawsuit, have already been filed against Alstom Signaling Inc. and other defendants not belonging to the Group. The claims against Alstom Signaling Inc. amount in excess of $475 million as of today. A report of the National Transportation Safety Board on the causes of the accident partially implicated equipment supplied by Alstom Signaling Inc. These claims have been declared to the Group's insurers and Alstom believes it has adequate insurance coverage. It is anticipated that the case will be pleaded before the District Court of Columbia in February 2012.

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- **Budapest metro**

In 2006, Alstom was awarded by BKV a contract for the delivery of 22 Metropolis metros for Line 2 and 15 metros for Line 4 for the city of Budapest. During the execution of the project, Alstom experienced delays mostly related to technical change requests from BKV and the refusal by the Hungarian Authority "NKH" to deliver the final train homologation. In August 2007, NKH granted a Preliminary Type License, but, in October 2010, NKH refused to grant the final homologation ("Final Type License"). On 19 October 2010 BKV terminated the contract and called immediately thereafter all bank guarantees amounting in total to approximately €130 million. On 25 October 2010, the French Court of Nanterre served a provisional injunction and ordered the bank not to pay considering that BKV manifestly misused its right to call the bank guarantees. BKV has appealed this decision before the French Court of Versailles. On 8 June 2011 this Court has invalidated the decision of the Court of Nanterre and ordered payment. More recently, the parties have agreed to suspend the arbitration procedure initiated by Alstom on 21 January 2011, in order to allow time to obtain the Final Type License.

- **Lignite-fired station in Maritza**

In 2006, Alstom was awarded by AES a contract for the manufacture of a lignite-fired station in Maritza, Bulgaria. During the execution of the project, Alstom experienced delays and works disruptions mostly due to the defective nature of the lignite supplied by AES. In March 2011, AES terminated the contract. Prior to termination, AES called its performance bank guarantee. On 10 February 2011, the French Court of Nanterre served a provisional injunction and ordered the bank not to pay, considering that AES manifestly misused its right to call the bank guarantee. AES has appealed this decision before the French Court of Versailles. On 6 July 2011, this Court has invalidated the decision of the Court of Nanterre and ordered payment of approximately €150 million. The arbitration procedure initiated by Alstom for wrongful termination notably, is ongoing; the hearings before the Arbitral Tribunal are scheduled in September 2012.

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.

NOTE 25. RELATED PARTIES

Bouygues, a French company listed on Paris stock market, is the main shareholder holding more than 5% of the parent company's share. At 30 September 2011, Bouygues holds a 30.7% stake in Alstom share capital.

No material transactions have been carried out with associates during the period ended 30 September 2011.

NOTE 26. SUBSEQUENT EVENTS

The Group has not identified any subsequent event to be reported.

ALSTOM

Report of independent auditors on the half-year financial information

ALSTOM

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61, rue Henri Regnault
92400 Courbevoie

PricewaterhouseCoopers Audit
3, rue de Villiers
92208 Neuilly-sur-Seine cedex

STATUTORY AUDITORS' REVIEW REPORT ON THE 2011 INTERIM FINANCIAL INFORMATION

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

To the Shareholders,
ALSTOM
3, avenue André Malraux
92300 LEVALLOIS-PERRET

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

- The review of the accompanying condensed interim consolidated financial statements of Alstom, for the period from 1 April 2011 to 30 September 2011;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors and have been prepared in the context of an economic and financial crisis as described in the interim management report. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

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

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

2. Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Courbevoie and Neuilly-sur-Seine, 4 November 2011

The Statutory Auditors
French original signed by

Mazars	*PricewaterhouseCoopers Audit*
Thierry Colin	*Olivier Lotz*

ALSTOM

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

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

I hereby state that, to my knowledge, the condensed consolidated financial statements of ALSTOM (the "Company") for the half-year of fiscal year 2011/12, are prepared under generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and results of operations of the Company and of all enterprises included in the consolidation perimeter, and that the half-year management report included herein presents a true and fair review of the main events which occurred in the first six months of the fiscal year and their impact on the condensed accounts, as well as the main related-party transactions and a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Levallois-Perret, 4 November 2011

Patrick Kron
Chairman and Chief Executive Officer

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