HALF-YEAR FINANCIAL REPORT
(Half-year ended 30 September 2009)

ALSTOM

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Management report on condensed consolidated financial statements, Half-year ended 30 September 2009

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MANAGEMENT REPORT

ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS HALF YEAR ENDED 30 SEPTEMBER 2009

1. Main events of half year ended 30 September 2009

1.1. Low level of order intake, strong operational performance

Over the first half of 2009/10, Alstom's order intake level has been hit by the global economic downturn. By contrast, the Group has achieved a strong operational performance, confirming the Group's ability to execute its backlog properly.

Due to the global economic downturn, orders intake at €7.1 billion was substantially down in the first half of 2009/10 compared to the exceptionally high figure recorded a year before. In this uncertain context, Alstom's backlog remained strong at €43.8 billion – or the equivalent of 27 months of sales –, giving Alstom continuing visibility for the future. Major commercial successes were recorded over the period:

- in Power, contracts were booked for the construction of the largest combined-cycle power plant in the United Kingdom including 5 GT26™, the retrofit of a coal-fired power plant in Poland, hydro plants in Switzerland, India and Canada, and wind farms in Spain and the United Kingdom;
- in Transport, orders for double-decker train sets and tramways in France, tramways and metros in Brazil, regional trains in Germany and in Denmark, and signalling projects in the Netherlands, Egypt, Canada, India and China were received.

The Group continued to ramp up sales at a sustained pace of 8% while maintaining a tight control on project execution and costs. Sales reached €9.7 billion compared to €9.0 billion over the same period last year. The income from operations improved at €828 million or 8.6% of sales, a 19% increase compared to the first half of 2008/09.

Net profit (Group share) increased by 7% and reached €562 million during the first half of 2009/10 versus €527 million in the first half of 2008/09.

The Group's free cash flow remained positive at €77 million as the operational performance compensated the deterioration of the working capital resulting from a low level of orders intake.

1.2. Focus on operational priorities

During the first semester, Alstom remained focused on its operational priorities while continuing to prepare the future. This focus builds upon two main pillars: project execution, which is at the heart of Alstom's performance, and the necessary adaptation to the new economic environment.

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Priority to project execution

Priority remained on the execution and completion of on-going projects with strong management attention paid to customer satisfaction and timing. In Power, major contracts traded over the semester were for gas-fired plants in the United Arab Emirates, Algeria and the United Kingdom. Contracts for large coal-fired power plants in South Africa, Poland, and Germany were also traded over the period. In Transport, major deliveries over the first half-year of 2009/10 included metros in the USA, Brazil, Spain, and Turkey, double-decker TGV™[1] in France, and regional trains in Germany and France.

Ongoing control on costs and spending

A programme on strict control of selling and administrative expenses has been deployed across the Group's units since last December. As immediate short-term measures have been delivering positive results, the programme is being pursued and its scope progressively extended to other expenses.

Global and specific action plans are being put in place to streamline the organisation, improve the efficiency of the support functions as well as optimise the supply chain.

1.3. A Group preparing the future

Capex to reinforce operations and capture new markets

During the first half of 2009/10, Alstom's capital expenditure reached €210 million (excluding capitalised development costs) compared to €195 million for the first half of 2008/09 and €304 million for the second half of 2008/09. For Power, major progress and completion of critical programmes were achieved:

- the completion of the foundry at Elblag (Poland), which will increase the production capacity of key components of turbines. The new facility was inaugurated on 25 June 2009;
- the completion of the building of the Group's largest utility boiler manufacturing site in Wuhan city outskirts (China). It will be operational in November 2009;
- the construction in Chattanooga (Tennessee, USA) of a new facility to manufacture steam turbines for nuclear and thermal applications, gas turbines, generators and related equipment;
- the capacity expansion of the hydro turbine facility in Tianjin (China);
- the expansion of a gas turbine component repair and reconditioning workshop, in Jupiter (Florida, USA).

In Transport, capital expenditure remained focused on capacity expansion for key product lines as well as productivity improvement. Major investment programmes over the semester included :

- manufacturing capacity increases for very high speed trains, tramways and metros at various sites in France and Poland;
- productivity improvement in various manufacturing facilities for key components in France, Belgium, Germany and Italy.

Investments at multiple service sites in the USA, Mexico, Germany, Romania and Argentina were also conducted.

In the current economic environment, new capital expenditure projects are strictly prioritized.

[1] TGV is a trademark of SNCF.

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R&D and innovation to reinforce technological edge

Alstom has maintained a strong Research & Development (R&D) effort at €290 million (excluding capitalisation and amortisation effects), compared to €270 million last year, to consolidate its technological edge and strengthen its portfolio of products, systems and services.

The Power Sector has put a strong effort on the development of CO2 capture solutions with a focus on oxy-combustion and post-combustion processes. Alstom is now engaged into ten CO2 capture demonstration plants with key customers around the world. In parallel, Alstom pursued R&D programmes to improve the performances of its turbines and integrated power plants. Alstom also focused its efforts on the development of variable speed pump storage systems in Hydro and ongoing improvement for the new ECO100™ turbine in Wind.

The Transport Sector has continued to enhance the development of new solutions and upgrades across its product lines:

- in June 2009, Alstom unveiled the Prima II™ locomotive prototype in Belfort (France), before its transfer to Germany for a series of running trials;
- over the summer 2009, the AGV™ completed a new series of tests in the Czech Republic thus validating the new very high-speed platform. A final round of tests in Italy will complete the homologation process for the Italian network;
- in June 2009, Alstom opened a bogie test and validation centre in Switzerland which can accommodate complete bogies, including underframe, suspensions, transmission and engines.

Alstom also dedicated a significant part of its Research and Development efforts to promote sustainable rail transport by developing modular trains featuring low energy consumption, reduced weight, hybrid or bi-modes traction and low noise.

Partnerships

To support its geographical and portfolio strategic priorities, Alstom has progressed on joint venture agreements and has entered into a promising partnership in renewables.

In November 2008, Alstom and Bharat Forge Ltd (BFL), a global leader in manufacturing and metal-forming, signed a shareholders' agreement that opened the way to the creation of a joint venture company based in India. The joint venture will manage the whole process from engineering and manufacturing to selling and commissioning of 600 MW to 800 MW supercritical turbine island power plant equipment. The project is still under finalisation.

In March 2009, Alstom and Russian Transmashholding (TMH) decided to enter into a strategic partnership relating to the Russian rolling stock market. Discussions between Alstom and Transmashholding have resulted in an agreement on the terms of the acquisition of 25% + 1 share of the capital of TMH Holding company and in cooperation contracts. Agreements are also being drafted for the creation of a joint venture aimed at the development of new rolling stock platforms adapted for the Russian rail market, based on Alstom Transport and TMH's latest technologies. Closing of this transaction is expected in the coming months.

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In May 2009, Alstom signed a licensing cooperation agreement with Clean Current Power Systems Incorporated, a private Canadian company specialised in the design and testing of tidal stream energy technology. The agreement also includes provisions for continued close cooperation between both parties in order to further develop technology, deploy demonstrator units and subsequently position Alstom as both equipment and turnkey provider for tidal stream farms.

1.4. Human resources and corporate responsibility

Human resources management

During the first half of 2009/10, Alstom has continued to drive its human resources effort to support the Group's development on key markets and to ensure the execution of the backlog. Headcount was 79,500 at the end of September 2009 – compared to 81,500 at the end of March 2009 as the 2,600 recruits were more than offset by natural attrition and the non replacement of some employees with fix-term contracts. Over the period, Alstom maintained an active training policy through the five Alstom University campuses around the world.

The EHS policy (Environment, Health and Safety) inside the Group has been reinforced through targeted communication and trainings, and enhanced reporting. Thanks to these efforts, the injury frequency rate fell to 2.4 – from 3.7 a year before (rolling 12-month average).

Long term incentive programme

On 21 September 2009 the Board approved a new Long Term Incentive Plan comprised of conditional stock options and performance shares, all subject to the Group's performance in 2011/12. This Plan represents approximately 0.5% of Alstom's share capital.

Alstom Foundation for the environment

Through the Alstom Foundation for the environment, created in November 2007, the Group has continued to actively support projects in the field of environmental protection. In June 2009, the Foundation selected 13 new projects for 2009/10 among 72 projects submitted from 32 countries, including China, Brazil, India and Venezuela.

1.5. Areva Transmission & Distribution

On 18 September 2009, Alstom and Schneider Electric made a non-binding offer to acquire Areva Transmission & Distribution (T&D), recently put up for sale by its parent company. The intention is to create a common structure between Alstom and Schneider Electric which would bid for Areva T&D. If successful the transmission activities would ultimately be transferred to Alstom and the distribution activities to Schneider Electric.

The high voltage Transmission (T) part of Areva T&D is very close to Alstom's own activities in power generation. Alstom would bring to Areva T&D its expertise and knowledge in power networks and automated systems, its know-how in the management of large projects and the full benefit of Alstom's worldwide commercial network.

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2. General comments on activity and results

2.1. Consolidated key financial figures

2.1.1. General comments on the Group's activity

The following table sets out the Group's key performance indicators for the first half of 2009/10.

Total Group			% Variation	
Actual figures	**1st Half**	**1st Half**	Sept 09 / Sept 08	
(in € million)	**30 Sept. 09**	**30 Sept. 08**	Actual	Organic
Order backlog	43,787	46,879	-7%	-5%
Orders received	7,134	15,401	-54%	-53%
Sales	9,683	8,956	8%	7%
Income from operations	828	697	19%	17%
Operating margin	8.6%	7.8%		
Net profit - Group share	562	527	7%	
Free cash flow	77	1,201	-94%	

During the first semester of 2009/10, Alstom, despite a level of order intake hit by the economic downturn, has managed to keep on delivering sound results.

As expected, the market for new power plants and equipment slowed down significantly during the first half of 2009/10 in all regions. The service market remained more resilient but was also adversely affected by the global downturn, which notably translated into lower electricity consumption.

The rail transport market continued to be supported by strong fundamentals such as urban congestion, mobility needs and environmental concerns. Stimulus packages targeted to rail transportation should accelerate projects in Europe and the USA. The markets for very-high speed and mass transit showed continuous growth while freight activities slowed down.

2.1.2. Orders received and backlog

Hit by the global economic downturn over the past year, orders intake at €7.1 billion in the first half of 2009/10 was substantially down compared to the €15.4 billion recorded a year before over the same period. The lower level of orders intake this semester should be appraised with regards to the global economic crisis and the exceptionally high level of the orders booked last year in Power and in Transport. In this uncertain context, Alstom's backlog remained high at €43.8 billion or the equivalent of 27 months of sales, giving Alstom continuing visibility for the future.

Power booked €4.7 billion orders during the first semester 2009/10, compared to €10.2 billion a year earlier, a 54% decrease in line with market conditions. Major orders received included the largest full turnkey gas-fired combined-cycle power plant in the United Kingdom with 5 GT26™, the modernisation of a fossil power plant in Poland, hydro contracts for new plants in Switzerland, Canada and India, and contracts for installation of wind farms in Spain and in the United Kingdom.

Orders received by Transport at €2.4 billion during the first semester 2009/10 included the supply of double-decker trainsets for Paris urban network and additional CITADIS™ trams for the city of Montpellier, CORADIA™ regional trains in Germany and Denmark, as well as tramways and metros for Brasilia. The Sector also booked several contracts for signalling projects both for main lines and mass transit in the Netherlands, Egypt, Canada, China and India.

2.1.3. Sales

Alstom's backlog continued to regularly translate into sales during the first half year of 2009/10. Over the period, the Group generated sales of €9.7 billion, an 8% increase compared to the €9.0 billion recorded last year.

For Power, main traded contracts included thermal power plants in the United Arab Emirates, Saudi Arabia, Algeria, Tunisia, in the United Kingdom and the Netherlands, as well as hydro contracts in Brazil. Contracts for large coal-fired power plants in various countries such as South Africa, Poland, and Germany were also traded over the period.

For Transport, a mass transit contract for New York City, high-speed trains in France and regional trains in France and Germany made up most of the sales over the period.

2.1.4. Income from operations

Income from operations reached €828 million or 8.6% of sales, compared to €697 million or 7.8% last year:

- Power income from operations rose to €677 million (+17% versus last year). The operating margin improved from 9.2% to 9.8%.
- Transport posted an income from operations at €195 million, versus €176 millions last year (+11%). The operating margin went up from 6.6% to 7.0%.

2.1.5. Net profit – Group share

Net profit (Group share) reached €562 million during the first half of 2009/10, 7% above 2008/09 first semester level at €527 million. The improved operational performance was partially offset by deterioration of financial income and a slight increase in the effective tax rate at 26% compared to 25% last year.

2.1.6. Free cash flow

The Group's free cash flow amounted to €77 million in the first half of 2009/10 compared to €1,201 million in the first half of 2008/09. The Group has recorded a deterioration of its working capital as the result of the low orders intake.

2.1.7. Net cash

Despite the lower free cash flow at €77 million and dividend payment of €329 million (including minority interests), the Group maintained a sound net cash position at €1,866 million at 30 September 2009 versus €2,051 million at 31 March 2009.

2.1.8. Liquidity

At 30 September 2009, Alstom had a sound liquidity position with net cash of €1.9 billion, gross cash amounting to €3.1 billion, as well as an undrawn credit line of €1.0 billion. In September 2009, Alstom issued a new bond of €500 million maturing in 2014.

2.2. Key geographical figures for the first half of 2009/10

2.2.1. Geographical analysis of orders by destination

Total Group **Actual figures, in € million**	**1st Half 30 Sept. 09**	% of contrib	**1st Half 30 Sept. 08**	% of contrib	*% Var. Sept 09/08*
Europe	4,150	58%	6,906	45%	*-40%*
North America	1,197	17%	1,187	8%	*1%*
South and Central America	517	7%	605	4%	*-15%*
Asia/Pacific	976	14%	1,647	10%	*-41%*
Middle East/Africa	294	4%	5,056	33%	*-94%*
Orders received by destination	**7,134**	**100%**	**15,401**	**100%**	***-54%***

In Europe, orders intake reached €4,150 million, a 40% decrease compared to last year. In the Power Sector, major orders were recorded in the United Kingdom with a large gas combined-cycle project including 5 GT26™ and the associated Operation and Maintenance, in Poland with a large contract for the integrated retrofit of a coal-fired power plant, and in Switzerland with two orders for large hydro power plants. In the Transport Sector, major contracts included regional trains in France, Germany and Denmark, CITADIS™ tramways in Montpellier, and signalling solutions in the Netherlands. Europe contributed to 58% of the Group's orders in the first half of 2009/10.

Orders intake remained stable in North America, with a level of €1,197 million, comparable the level over the same period of last year. Alstom recorded a number of commercial successes in the region including steam turbine retrofits for nuclear power plant in the USA and hydro retrofit in Canada. North America accounted for 17% of the Group's orders in the first half of 2009/10.

In South and Central America, orders of €517 million were recorded over the period compared to €605 million last year over the same period. Contracts for a 25MW geothermal power plant in Mexico and for metros and tramways in Brazil were recorded. South and Central America accounted for 7% of the Group's orders in the first half of 2009/10.

In Asia Pacific, orders of €976 million were recorded, a 41% decrease compared to last year. In India, Alstom achieved major commercial successes including signalling contracts in the Transport Sector and orders for air quality control equipment, for an 800MW boiler and for a 4 x 125 MW hydro dam in the Power Sector. In China, Alstom won a signalling contract as well as orders on the growing nuclear market. Asia Pacific represented 14% of the Group's orders in the first half of 2009/10.

In the Middle East and Africa, no major order was recorded over the semester contrary to last year. At €294 million, Middle East and Africa accounted for 4% of the Group's orders in the first half of 2009/10.

2.2.2. Geographical analysis of sales by destination

Total Group					
Actual figures, in € million	**1st Half 30 Sept. 09**	% of contrib	**1st Half 30 Sept. 08**	% of contrib	*% Var. Sept 09/08*
Europe	4,859	51%	4,845	54%	*0%*
North America	1,398	14%	1,334	15%	*5%*
South and Central America	482	5%	545	6%	*-12%*
Asia/Pacific	1,097	11%	1,259	14%	*-13%*
Middle East/Africa	1,847	19%	973	11%	*90%*
Sales by destination	**9,683**	**100%**	**8,956**	**100%**	***8%***

Sales in Europe reached €4,859 million, a level comparable to last year, representing 51% of the Group's total sales. Contracts for significant turnkey power plants in the United Kingdom and the Netherlands, and for steam plants in Poland and Germany, as well as contracts for TGV™ in France, metros in France, Spain and Turkey, regional trains in France and Germany were traded over the semester.

Sales in North America increased by 5% at €1,398 million, representing 14% of the Group's total sales. Main contracts traded included metro contracts in the USA and Mexico as well as boilers and environmental systems contracts.

Sales in South and Central America amounted to €482 million, a 12% decrease compared to last year. South and Central America represented 5% of the Group's sales over the period.

Sales in Asia/Pacific were €1,097 million, a 13% decrease compared to last year. Main traded contracts included a turbine island for nuclear power plants in China, service projects on gas turbines in South Korea and a turnkey gas-fired plant in Australia.

With €1,847 million, sales in Middle-East/Africa almost doubled and represented 19% of the Group's sales. Higher sales were driven by the execution of major Power contracts in South Africa, the United Arab Emirates, Algeria, Saudi Arabia and Tunisia as well as deliveries of tramways in Algeria.

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2.2.3. Geographical analysis of sales by origin

Total Group					
Actual figures, in € million	**1st Half 30 Sept. 09**	% of contrib	**1st Half 30 Sept. 08**	% of contrib	*% Var. Sept 09/08*
Europe	6,763	70%	6,435	72%	*5%*
North America	1,358	14%	1,318	15%	*3%*
South and Central America	375	4%	311	3%	*21%*
Asia/Pacific	662	7%	762	9%	*-13%*
Middle East/Africa	525	5%	130	1%	*304%*
Sales by origin	**9,683**	**100%**	**8,956**	**100%**	***8%***

Sales from Europe increased by 5% at €6,763 million, representing 70% of total sales in the first half of 2009/10, mainly due to increased sales on plant projects and service activities, which offset lower activity in renewables.

Sales from North America were €1,358 million, up 3% from last year, and included sales of environmental control systems and metros in the USA. North America accounted for 14% of the Group's sales.

Sales from South and Central America increased by 21%, at €375 million mainly due to the increased trading of hydro contracts in Brazil and increasing activity in Transport. South and Central America accounted for 4% of the Group's sales.

Sales from Asia/Pacific decreased by 13% at €662 million, due mostly to lower trading from environmental control systems projects.

Sales from Middle East and Africa grew strongly at €525 million and accounted for 5% of the Group's sales over the first half of 2009/10. Higher sales were driven by the execution of plant projects and growing activity of Thermal Services in the region.

3. Outlook

Alstom remains focused on the execution of its healthy backlog. In the meantime, the Group has implemented measures to control costs and develop flexibility in order to adapt to the new economic environment. Any prediction of the future level of order intake is by nature difficult; nevertheless, a rebound of orders may be expected in the second semester.

Thanks to the strong operational performance achieved in the first half 2009/10, Alstom confirms that the operating margin of the Group for the full year should reach around 9%, with an operating margin for the Power Sector between 10% and 11% and between 7% and 8% for the Transport Sector.

The foregoing outlook 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 Annual Report / Document de Référence for fiscal year 2008/09, and in the notes to the half year accounts ended 30 September 2009 or other unknown risks, materialise.

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4. Sector analysis

4.1. Power

The following table presents key performance indicators for Power.

Power **Actual figures** **(in € million)**	**1st Half** **30 Sept. 09**	**1st Half** **30 Sept. 08**	% Variation Sept 09 / Sept 08 Actual	 Organic
Order backlog	24,631	26,738	-8%	-7%
Orders received	4,731	10,203	-54%	-54%
Sales	6,895	6,284	10%	9%
Income from operations	677	581	17%	15%
Operating margin	9.8%	9.2%		
EBIT	657	570	15%	
Capital employed	1,672	921	82%	

4.1.1. Orders received

As expected, the market for new power plants and equipment slowed down significantly during the first half of 2009/10 in all regions. The service market remained more resilient, but was also adversely affected by the global economic downturn, which translated into lower electricity consumption.

Orders received **(in € million)**	**1st Half** **30 Sept. 09**	**1st Half** **30 Sept. 08**	% Variation Sept 09 / Sept 08 Actual	 Organic
Thermal Systems & Products	1,849	6,600	-72%	-72%
Thermal Services	2,173	2,607	-17%	-17%
Renewables	709	996	-29%	-30%
Power	**4,731**	**10,203**	**-54%**	**-54%**

In line with market conditions, orders received for the Power Sector were substantially down in the first half of 2009/10 compared to the exceptionally high figure recorded a year before.

As anticipated, orders in Thermal Systems and Products were most affected with orders at €1.8 billion, a 72% decrease compared to the same period last year. Key contracts over the period were for a large combined cycle in the UK and a steam turbine in Germany. Several contracts for air quality control systems in India and Mexico were also booked. Last year orders at €6.6 billion included major contracts for coal-fired power plants in South Africa and Germany and a large oil-fired power plant in Saudi Arabia.

Orders in Thermal Services were more resilient at €2.2 billion, decreasing by 17% compared to the same period last year, which included large Operation & Maintenance (O&M) contracts for gas-fired power plants. Over the first half of 2009/10, Thermal Services orders included the integrated retrofit of a coal-fired power plant in Poland and service contracts for the balance of plants in Algeria and France.

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Renewables recorded a 29% decrease in order intake at €709 million compared to €996 million last year. Major orders were received for two large pump storage plants in Switzerland, for the refurbishment of a hydro power plant in Canada and for wind farms in Spain and the UK.

In Europe, Alstom enjoyed commercial successes with orders of €2.7 billion accounting for 56% of the Sector's orders. Orders were recorded for a large gas combined cycle project in the UK (5 x GT26™ turbines and operation and Maintenance contract) and for a steam turbine for a 900MW coal plant in Germany. Alstom also won important contracts for large pump storage plants in Switzerland and for wind farms in Spain and the UK. The need for efficiency, life-time improvement and for emissions reduction turned into the award of contracts for the integrated retrofit of an existing coal plant in Poland and for the repowering of a gas plant in France.

In North America, orders reached €1,075 million, a 30% increase compared to last year. Orders were recorded for steam turbine retrofits of nuclear power plants in the USA and for the refurbishment of a hydro power plant in Canada. In South and Central America, the company received orders for the retrofit of a boiler in Brazil and regained positions in the growing geothermal market with the award of a contract for a 25MW plant (complete engineering, procurement and construction) in Mexico. The Sector was thus awarded Flue Gas Desulphurisation systems in the US and Canada. Alstom was also awarded a contract for electrostatic precipitators in Mexico.

Orders in Asia/Pacific reached €671 million, the equivalent of 14% of the Sector's orders. In India, Alstom received orders for air quality control equipment for the aluminium industry, and for 800 MW coal boilers. The Sector was also awarded a contract for a 4 x 125 MW hydro dam. In China, the growing nuclear market led to orders for emergency diesel generators for nuclear power plants for which the conventional island was already awarded to Alstom last fiscal year. In the rest of Asia/Pacific, Alstom was awarded a contract for a hydro plant in Bhutan, as well as service contracts in South Korea and in Thailand on Alstom GT24/GT26™ equipment.

In the Middle East and Africa – contrary to last year – no major turnkey project was awarded this semester, as customers postponed their investments decisions. Power won a contract for a gas turbine GT8™. Last year, major orders for steam power plant projects in South Africa and in Saudi Arabia, and for turnkey gas-fired power plants in Algeria had been recorded.

The Power Sector received the following major orders during the first half of 2009/10:

Country	Description
China	Emergency diesel generators for nuclear power plant
Germany	Steam turbine for a 900MW coal plant
India	Supply of supercritical boilers (2 x 800MW)
India	Supply of turbine/generator units (4 x 125MW) for a hydropower station
Mexico	Turnkey contract for a geothermal power plant
Poland	Retrofit of a coal-fired power plant
Spain	Supply of 23 Eco 80 wind turbines for a 38 MW wind farm
Switzerland	Hydro power retrofit (4 x 250MW)
Switzerland	Supply of a turbine and a generator for a variable speed pump storage power plant
United Kingdom	Design and construction of a gas fired combined-cycle power plant (5 x GT26™)
United Kingdom	O&M contract for a gas-fired combined cycle power plant
USA	Retrofit of two nuclear units
USA	Nuclear turbine retrofit

4.1.2. Sales

In the first half of 2009/10, the Power Sector generated sales of €6.9 billion, a level 10% higher than in the previous year (9% on an organic basis). Thermal Systems & Products at €3.8 billion contributed strongly to this increase in sales with a 14% growth rate compared to last year. Thermal services maintained a steady level of activity with €2.2 billion compared to €2.1 billion last year showing a 6% increase (3% organic). Renewables at €896 million was at a level comparable to last year with a limited 3% increase.

Sales			% Variation	
(in € million)	**1st Half**	**1st Half**	Sept 09 / Sept 08	
	30 Sept. 09	**30 Sept. 08**	Actual	Organic
Thermal Systems & Products	3,776	3,324	14%	14%
Thermal Services	2,223	2,088	6%	3%
Renewables	896	872	3%	3%
Power	**6,895**	**6,284**	**10%**	**9%**

Sales in Europe accounted once again for the main part (43%) of the Sector's total sales during the period at €2,972 million. This level is comparable to the level recorded last year over the same period. Sales were mainly fuelled by gas turnkey plant projects in the UK, the Netherlands and conventional coal-fired plants in Germany and Poland.

Sales in North America decreased by 3% to €990 million. Main contracts traded over the period included boilers in the USA, and several contracts for environmental control systems. North America accounted for 14% of the Sector's sales in the semester.

Sales in South and Central America at €347 million showed a 14% decrease compared to the same period last year. Major contracts traded included equipment supply for two hydro power plants in Brazil. South and Central America accounted for 5% of the Sector's sales in the semester.

Sales in Asia/Pacific amounted to €878 million, contributing to 13% of the Sector's sales. Major traded projects included a turbine island for nuclear power plant in China, service contracts on gas turbines in South Korea and a turnkey gas-fired plant in Australia.

Sales in Middle-East/ Africa reached €1,708 million, twice the amount recorded over the same period last year. Execution of major contracts in the United Arab Emirates, Saudi Arabia, Algeria, Tunisia and South Africa explains this strong progression. Middle East/Africa accounted for 25% of the Sector's sales over the semester

Power **Actual figures, in € million**	**1st Half 30 Sept. 09**	% of contrib	**1st Half 30 Sept. 08**	% of contrib	*% Var. Sept 09/08*
Europe	2,972	43%	2,967	47%	*0%*
North America	990	14%	1,018	16%	*-3%*
South and Central America	347	5%	403	6%	*-14%*
Asia/Pacific	878	13%	1,044	17%	*-16%*
Middle East/Africa	1,708	25%	852	14%	*100%*
Sales by destination	**6,895**	**100%**	**6,284**	**100%**	***10%***

4.1.3. Income from operations and operating margin

Power income from operations was €677 million, compared to €581 million in the first half of 2008/09, representing a progression of 17%. The operating margin rose from 9.2% to 9.8% driven by a healthy backlog, focus on project execution and proper cost control.

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4.2. Transport Sector

The following table presents key performance indicators for Transport.

Transport **Actual figures** **(in € million)**	**1st Half** **30 Sept. 09**	**1st Half** **30 Sept. 08**	% Variation Sept 09 / Sept 08 Actual	 Organic
Order backlog	19,156	20,141	-5%	-1%
Orders received	2,403	5,198	-54%	-51%
Sales	2,788	2,672	4%	4%
Income from operations	195	176	11%	12%
Operating margin	7.0%	6.6%		
EBIT	188	163	15%	
Capital Employed	(166)	(245)	-32%	

4.2.1. Orders received

The rail transport market continued to be supported by strong fundamentals such as urban congestion, mobility needs and environmental concerns. Stimulus packages targeted to rail transportation should accelerate some specific projects, notably in Europe and the USA. The markets for very-high speed and mass transit showed continuous growth while freight activities slowed down.

Orders received by Transport during the first half of 2009/10 were €2,403 million, 54% lower than the same semester last year which stood at a very high level with major orders received for the supply of PENDOLINO™ trains, a 10-year maintenance contract in the UK and the supply of new generation AGV™ very high speed trains in Italy.

The order intake in Europe amounted to €1,482 million. Europe remained the most important region in terms of orders received with 62% of the total. Commercial successes were recorded for regional trains in France, Denmark and Germany, for tramways in Montpellier, and for signalling with the ERTMS solutions in the Netherlands.

Orders received in North America reached €122 million versus €360 million last year, including a contract to supply a train control system in Canada. North America accounted for 5% of the Sector's orders.

Orders received in South & Central America reached €410 million vs. €332 million during the first semester of 2008/09, showing a 23% increase. Orders were booked for metros and the associated signalling system as well as tramways for Brasilia. South and Central America accounted for 17% of the Sector's orders.

In Asia/Pacific, Transport booked orders amounting to €305 million (13% of the total), a strong increase compared to the €85 million received last year. In China and India, Transport achieved significant successes in signalling.

In Middle East/Africa, €84 million orders were booked compared to €381 million last year including an infrastructure and signalling control for Cairo's metro. Main orders received last year included a turnkey tramway system for Dubai along with tramways for Rabat.

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The Transport Sector received the following major orders during the first half of 2009/10:

Country	**Description**
Brazil	Supply of 48 metro cars and a signalling system for Brasilia
Brazil	CITADIS™ tram and building of an 8 km track for Brasilia
Brazil	Supply of 47 metro cars for Sao Paulo
Canada	Communication Based Train Control system for Toronto network
China	Advanced train control systems for Guangzhou, Shenzhen and Hong-Kong metro lines
Denmark	CORADIA™ LINT regional trains
Egypt	Infrastructure and signalling systems for Cairo metro
France	60 double-decker trainsets for Paris' RER Line A
France	CITADIS™ for Montpellier
Germany	Supply of 83 regional trains to the transport network of Stuttgart
India	Train control and signalling system for the new Bangalore metro network
Netherlands	ERTMS signalling system associated with a 15-year maintenance contract

4.2.2. Sales

During the first half of 2009/10, Transport sales reached €2,788 million, a 4% increase both on an actual and organic basis.

Europe represented 68% of Transport sales, at €1,887 million, remaining at the same level as last year. Main contracts traded during the semester included the delivery of TGV™ in France, metros in France, Spain and Turkey, regional trains in France and Germany, and signalling contracts in Italy.

In North America, sales increased by 29% at €408 million, with an increased trading of the New York City metro contract and ramp-up on the supply of the Mexico City metro system. North America accounted for 14% of the Sector's sales.

Sales in South and Central America slightly decreased at €135 million compared to €142 million last year. Progress was achieved on the delivery of metros for the Sao Paolo network. South and Central America accounted for 5% of the Sector's sales.

In Asia/Pacific, sales amounted to €219 million (8% of the total sales), a stable level compared to last year, as contracts for the supply of X'TRAPOLIS™ units for Melbourne in Australia, signalling systems in Singapore and Locomotives in China were nearing completion.

Finally, sales in Middle East and Africa reached €139 million. This 15% increase included the progressive delivery of Algiers' tramway and locomotives for Morocco. Middle East and Africa accounted for 5% of the Sector's sales.

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Transport					
Actual figures, in € million	**1st Half 30 Sept. 09**	% of contrib	**1st Half 30 Sept. 08**	% of contrib	*% Var. Sept 09/08*
Europe	1,887	68%	1,878	70%	*0%*
North America	408	14%	316	12%	*29%*
South and Central America	135	5%	142	5%	*-5%*
Asia/Pacific	219	8%	215	8%	*2%*
Middle East/Africa	139	5%	121	5%	*15%*
Sales by destination	**2,788**	**100%**	**2,672**	**100%**	***4%***

4.2.3. Income from operations and operating margin

Transport's income from operations reached €195 million (+11% vs. last year), while the operating margin increased from 6.6% to 7.0%.

4.3. Corporate and Others

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

Corporate & Others Actual figures (in € million)	**1st Half 30 Sept. 09**	**1st Half 30 Sept. 08**
Income from operations	(44)	(60)
EBIT	(63)	(47)
Capital Employed	(182)	(228)

Income from operations was €(44) million compared to €(60) million last year.

5. Use of non-GAAP financial indicators

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

5.1. Free cash flow

Free cash flow is defined as net cash provided by operating activities less capital expenditures including capitalized 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 **Actual figures** **(in € million)**	**1st Half** **30 Sept. 09**	**1st Half** **30 Sept. 08**
Net cash provided by operating activities - continuing operations	**385**	**1,459**
Capital expenditure (including capitalized development costs)	(317)	(265)
Proceeds from disposals of tangible and intangible assets	9	7
Free Cash Flow	**77**	**1,201**

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

5.2. 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 current and non-current provisions and current liabilities (excluding current provisions and 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 2009.

Capital employed is used both for internal analysis purposes as well as for external communication, as it provides insight into 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.

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Total Group Actual figures (in € million)	30 Sept. 09	31 March 09
Non current assets	8,557	8,625
less deferred tax	(930)	(1,012)
less non-current assets directly associated to financial debt	(450)	(449)
less prepaid pensions and other employee benefit costs	(5)	(4)
Capital employed - non current assets **(A)**	7,172	7,160
Current assets	15,357	15,619
less cash & cash equivalents	(3,064)	(2,943)
less marketable securities and other current financial assets	(31)	(15)
Capital employed - current assets **(B)**	12,262	12,661
Current liabilities	18,243	19,268
less current financial debt	(592)	(748)
plus non current provisions	459	444
Capital employed - liabilities **(C)**	18,110	18,964
Capital employed (A)+(B)-(C)	**1,324**	**857**

5.3. Net cash

The net cash 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 Actual figures (in € million)	30 Sept. 09	31 March 09
Cash and cash equivalents	3,064	2,943
Marketable securities and other current financial assets	31	15
Financial non-current assets directly associated to financial debt	450	449
less:		
Current financial debt	592	748
Non current financial debt	1,087	608
Net cash	**1,866**	**2,051**

5.4. 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 business composition 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 by which 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 2008/09 (orders in hand, orders received, sales and income from operations) are restated taking into account the exchange rates used for the first half of 2009/10, 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 2008/09 (restatement of disposals) and for the first half of 2009/10 (restatement of acquisitions).

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

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in € million	1st Half - 30 Sept. 08				2nd Half - 31 Mar. 09				1st Half - 30. Sept 09				
	Actual figures	Exchange rate	Scope impact	Comparable Figures	Actual figures	Exchange rate	Scope impact	Comparable Figures	Actual figures	Scope Impact	Organic figures	% Var Act. Sept 09 / Sept 08	% Var Org Sept 09 / Sept 08
Power	26,738	(219)	(22)	26,497	26,164	320	(89)	26,395	24,631	(56)	24,575	-8%	-7%
Transport	20,141	(699)	-	19,442	19,506	52	(6)	19,552	19,156	(4)	19,152	-5%	-1%
Corporate & Others	-	-	-	-	-	-	-	-	-	-	-	N/A	N/A
Orders in hand	**46,879**	**(918)**	**(22)**	**45,939**	**45,670**	**372**	**(95)**	**45,947**	**43,787**	**(60)**	**43,727**	**-7%**	**-5%**
Power	10,203	131	(15)	10,319	6,263	(5)	(5)	6,253	4,731	(11)	4,720	-54%	-54%
Transport	5,198	(284)	-	4,914	2,916	170	(6)	3,080	2,403	(6)	2,397	-54%	-51%
Corporate & Others	-	-	-	-	-	-	-	-	-	-	-	N/A	N/A
Orders Received	**15,401**	**(153)**	**(15)**	**15,233**	**9,179**	**165**	**(11)**	**9,333**	**7,134**	**(17)**	**7,117**	**-54%**	**-53%**
Power	6,284	6	(14)	6,276	6,770	(35)	(18)	6,717	6,895	(56)	6,839	10%	9%
Transport	2,672	3	-	2,675	3,013	(15)	(6)	2,992	2,788	(8)	2,780	4%	4%
Corporate & Others	-	-	-	-	-	-	-	-	-	-	-	N/A	N/A
Sales	**8,956**	**9**	**(14)**	**8,951**	**9,783**	**(50)**	**(24)**	**9,709**	**9,683**	**(64)**	**9,619**	**8%**	**7%**
Power	581	5	-	586	667	(2)	-	665	677	(6)	671	17%	15%
Transport	176	(3)	-	173	232	1	-	233	195	(1)	194	11%	12%
Corporate & Others	(60)	-	-	(60)	(60)	-	-	(60)	(44)	-	(44)	-27%	-27%
Income from Operations	**697**	**2**	**-**	**699**	**839**	**(1)**	**-**	**838**	**828**	**(7)**	**821**	**19%**	**17%**
Power	9.2%			9.3%	9.9%			9.9%	9.8%		9.8%		
Transport	6.6%			6.5%	7.7%			7.8%	7.0%		7.0%		
Corporate & Others	N/A			N/A	N/A			N/A	N/A		N/A		
Operating margin	**7.8%**			**7.8%**	**8.6%**			**8.6%**	**8.6%**		**8.5%**		
Sales	8,956	9	(14)	8,951	9,783	(50)	(24)	9,709	9,683	(64)	9,619	8%	7%
Cost of sales	(7,319)	(8)	13	(7,314)	(7,906)	43	23	(7,840)	(7,924)	56	(7,868)	8%	8%
R&D expenses	(274)	-	-	(274)	(312)	1	-	(311)	(267)	-	(267)	-3%	-3%
Selling expenses	(324)	1	-	(323)	(342)	2	-	(340)	(329)	-	(329)	2%	2%
Administrative expenses	(342)	-	1	(341)	(384)	3	1	(380)	(335)	1	(334)	-2%	-2%
Income from Operations	**697**	**2**	**-**	**699**	**839**	**(1)**	**-**	**838**	**828**	**(7)**	**821**	**19%**	**17%**

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6. Other information

6.1. Risks

Financial risks (currency, credit and liquidity) and their management, and legal risks are respectively described in Note 19 and Note 20.B to the condensed consolidated financial statements as of 30 September 2009.

The other risk factors are described in the Annual Report/Document de Référence for the fiscal year 2008/09 and no significant evolution is to be reported over the first half of 2009/10.

6.2. 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 €123 million for the first half of 2009/10, compared to €148 million for the first half of 2008/09.

6.3. Related parties

During the first semester of 2009/10, there was no new significant transaction between related parties.

Condensed consolidated financial statements,
Half-year ended 30 September 2009

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CONSOLIDATED INCOME STATEMENTS

(in € million)	Note	Half-year ended 30 September 2009	Half-year ended 30 September 2008	Year ended 31 March 2009
SALES	(4)	**9,683**	**8,956**	**18,739**
Cost of sales	-	(7,924)	(7,319)	(15,225)
Research and development expenses	(5)	(267)	(274)	(586)
Selling expenses	-	(329)	(324)	(666)
Administrative expenses	-	(335)	(342)	(726)
INCOME FROM OPERATIONS	(4)	**828**	**697**	**1,536**
Other income	(6)	-	46	44
Other expense	(6)	(46)	(57)	(137)
EARNINGS BEFORE INTEREST AND TAXES	(4)	**782**	**686**	**1,443**
Financial income	(7)	33	71	122
Financial expense	(7)	(45)	(52)	(101)
PRE-TAX INCOME		**770**	**705**	**1,464**
Income tax charge	(8)	(199)	(174)	(373)
Share in net income of equity investments	-	1	-	27
NET PROFIT		**572**	**531**	**1,118**
Attributable to:				
- Equity holders of the parent	-	562	527	1,109
- Minority interests	-	10	4	9
Earnings per share (in €)	(9)			
- Basic earnings per share		1.95	1.85	3.87
- Diluted earnings per share		1.93	1.82	3.81

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in € million)	Half-year ended 30 September 2009	Half-year ended 30 September 2008	Year ended 31 March 2009
Net profit recognised in income statements	**572**	**531**	**1,118**
Net gains (losses) on cash flow hedges	(18)	17	25
Currency translation adjustments	15	24	(14)
Net Actuarial losses	(46)	(126)	(319)
Taxes	(6)	6	12
Income and expense directly recognised in equity	**(55)**	**(79)**	**(296)**
Total recognised income and expense for the period	**517**	**452**	**822**
Attributable to:			
- Equity holders of the parent	508	448	811
- Minority interests	9	4	11

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

CONSOLIDATED BALANCE SHEETS

(in € million)	Note	At 30 September 2009	At 31 March 2009
ASSETS			
Goodwill	(10)	3,872	3,886
Intangible assets	(10)	1,413	1,397
Property, plant and equipment	(11)	1,752	1,735
Associates and other investments	-	61	66
Other non-current assets	(12)	529	529
Deferred taxes	-	930	1,012
Total non-current assets		**8,557**	**8,625**
Inventories	-	3,254	2,876
Construction contracts in progress, assets	-	3,075	3,139
Trade receivables	-	3,350	3,873
Other current operating assets	-	2,583	2,773
Marketable securities and other current financial assets	-	31	15
Cash and cash equivalents	(19)	3,064	2,943
Total current assets		**15,357**	**15,619**
Total assets		**23,914**	**24,244**

(in € million)	Note	At 30 September 2009	At 31 March 2009
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent	(14)	3,064	2,852
Minority interests	-	35	32
Total equity	-	**3,099**	**2,884**
Non-current provisions	(16)	459	444
Accrued pension and other employee benefits	(17)	983	970
Non-current borrowings	(18)	555	65
Non-current obligations under finance leases	(18)	532	543
Deferred taxes	-	43	70
Total non-current liabilities		**2,572**	**2,092**
Current provisions	(16)	1,167	1,226
Current borrowings	(18)	548	706
Current obligations under finance leases	(18)	44	42
Construction contracts in progress, liabilities	-	9,951	10,581
Trade payables	-	3,833	3,866
Other current operating liabilities	-	2,700	2,847
Total current liabilities		**18,243**	**19,268**
Total equity and liabilities		**23,914**	**24,244**

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

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CONSOLIDATED STATEMENTS OF CASH FLOWS

(in € million)	Half-year ended 30 September 2009	Half-year ended 30 September 2008	Year ended 31 March 2009
Net profit	**572**	**531**	**1,118**
Depreciation, amortisation and expense arising from share-based payments	212	184	439
Cash flow adjustment in respect of post-employment and other long-term defined employee benefits	(22)	(48)	(156)
Net losses on disposals of assets	9	2	4
Share in net income of associates (net of dividends received)	(1)	-	(24)
Deferred taxes charged to income statement	55	54	200
Net cash provided by operating activities - before changes in working capital	**825**	**723**	**1,581**
Changes in working capital	**(440)**	**736**	**555**
Net cash provided by operating activities	**385**	**1,459**	**2,136**
Proceeds from disposals of tangible and intangible assets	9	7	14
Capital expenditure	(317)	(265)	(671)
Decrease in other non-current assets	9	7	4
Acquisitions of businesses, net of cash acquired	(9)	(6)	(40)
Disposals of businesses, net of net cash sold	(11)	17	36
Net cash used in investing activities	**(319)**	**(240)**	**(657)**
Capital increase	12	8	29
Changes in current and non-current borrowings	374	(396)	(548)
Changes in obligations under finance leases	(19)	(15)	(27)
Changes in marketable securities and other current financial assets and liabilities	(40)	(7)	162
Dividends paid including payments to minorities	(329)	(232)	(233)
Net cash used in financing activities	**(2)**	**(642)**	**(617)**
Net effect of exchange rate variations	57	18	(27)
Other changes	-	6	(7)
Changes in cash and cash equivalents	**121**	**601**	**828**
Cash and cash equivalents at the beginning of the period	**2,943**	**2,115**	**2,115**
Cash and cash equivalents at the end of the period	**3,064**	**2,716**	**2,943**
Income tax paid	*(97)*	*(129)*	*(192)*
Net of interest received and interest paid	*19*	*12*	*22*

Net cash variation analysis (*)

(in € million)	Half-year ended 30 September 2009	Half-year ended 30 September 2008	Year ended 31 March 2009
Changes in cash and cash equivalents	121	601	828
Changes in marketable securities and other current financial assets	40	(1)	(162)
Changes in current and non-current borrowings	(374)	396	548
Changes in obligations under finance leases	19	15	27
Net debt of acquired entities at acquisition date	-	-	(12)
Net effect of exchange rate variations and other	9	(51)	(82)
Changes in net cash	**(185)**	**960**	**1,147**
Net cash at the beginning of the period	**2,051**	**904**	**904**
Net cash at the end of the period	**1,866**	**1,864**	**2,051**

(*) The net cash 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 12), less financial debt (see Note 18).

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

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AND MINORITY INTERESTS

(in € million, except for number of shares)	**Number of outstanding shares**	**Capital**	**Additional paid-in capital**	**Retained earnings**	**Income and expense directly recognised in equity**	**Equity attributable to the equity holders of the parent**	**Minority interests**	**Total equity**
At 31 March 2008	**141,602,127**	**1,982**	**427**	**841**	**(1,040)**	**2,210**	**35**	**2,245**
Movements in income and expense directly recognised in equity	-	-	-	-	(298)	(298)	2	(296)
Net income for the period	-	-	-	1,109	-	1,109	9	1,118
Total recognised income and expense	-	-	-	1,109	(298)	811	11	822
ORA	2,191,845	15	(13)	(2)	-	-	-	-
Change in scope and other	-	-	-	(3)	-	(3)	(7)	(10)
Dividends paid	-	-	-	(226)	-	(226)	(7)	(233)
Split of shares by two	142,163,766	-	-	-	-	-	-	-
Issue of ordinary shares under stock option plans	1,233,173	10	11	-	-	21	-	21
Recognition of equity settled share-based payments	462,792	6	-	33	-	39	-	39
At 31 March 2009	**287,653,703**	**2,013**	**425**	**1,752**	**(1,338)**	**2,852**	**32**	**2,884**
Movements in income and expense directly recognised in equity	-	-	-	-	(54)	(54)	(1)	(55)
Net income for the period	-	-	-	562	-	562	10	572
Total recognised income and expense	-	-	-	562	(54)	508	9	517
ORA	794	-	-	-	-	-	-	-
Change in scope and other	(301)	-	-	-	-	-	-	-
Dividends paid	-	-	-	(323)	-	(323)	(6)	(329)
Capital reduction following acquisition of own shares	(700,000)	(5)	(29)	-	-	(34)	-	(34)
Issue of ordinary shares under stock option plans	758,775	5	8	-	-	13	-	13
Recognition of equity settled share-based payments	1,092,111	8	26	14	-	48	-	48
At 30 September 2009	**288,805,082**	**2,021**	**430**	**2,005**	**(1,392)**	**3,064**	**35**	**3,099**

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

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NOTE 1. DESCRIPTION OF BUSINESS

Alstom ("the Group") serves the power generation market through its Power Sector, 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 23 March 2009, the Chief Executive Officer announced the reorganisation of the Group by merging into a single Sector all the activities related to power generation previously managed through two Sectors, Power Systems and Power Service. The reorganisation has been effective starting from 1 April 2009. The main activities of the Group are now organised in 2 business groups:

- ***Power***

Power provides steam turbines, gas turbines, wind turbines, generators and power plant engineering, as well as hydro equipments and systems. It also focuses on boilers, emissions control equipment in the power generation, as well as petrochemical and industrial markets, and serves demand for upgrades and modernisation of existing power plants. Finally, it provides service activities in all geographical markets.

- ***Transport***

Transport provides equipment, systems, and customer support for rail transportation activities, including passenger trains, locomotives, signalling equipment, rail components and services.

NOTE 2. ACCOUNTING POLICIES AND MEASUREMENT METHODS

A. Basis of preparation of the condensed consolidated financial statements

Alstom consolidated financial statements for the half-year ended 30 September 2009 have been prepared:

- in accordance with the International Financial Reporting Standards (IFRS) and interpretations as adopted for use by the European Union and whose application is mandatory as of 1 April 2009;
- using the same accounting policies and measurement methods as at 31 March 2009, with the exceptions of changes required by the enforcement of new standards and interpretations as described below.

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_fr.htm.

These condensed financial statements are published in conformity with IAS 34 "Interim financial reporting" which authorizes condensed financial information and disclosures as compared with annual financial statements. Therefore, they should be read in conjunction with the Group's financial statements as at 31 March 2009.

The condensed consolidated financial statements are presented in euro and have been authorised for issue by the Board of Directors held on 28 October 2009.

B. Changes in accounting policies due to new standards and interpretations mandatorily applicable for financial periods beginning on 1 April 2009

- ***IFRS 8 – operating segments***

IFRS 8 "Operating segments" replaces IAS 14 "Segment reporting" and requires a management approach under which segment information is presented on the same bases as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's "chief operating decision maker" (CODM) in order for him to make decisions about operating matters.

After consideration of the reorganisation of Power activities effective from 1 April 2009 (see Note 1), the Group has determined that the "chief operating decision making" (CODM) function is performed by the Chief Executive Officer (CEO) who assesses performance and allocates resources at Power and Transport level. Consequently, the Group identified these two business groups as operating segments about which the Group should report.

- ***Revised IAS 23 – Borrowing costs***

Revised IAS 23 requires that borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
Revised IAS 23 applies prospectively to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after the effective date (1 April 2009 for the Group). Since the Group had elected to recognise these borrowing costs immediately as expense under IAS 23, the capitalisation of borrowing costs represents a change in accounting policy.

The Group has not identified any qualifying asset for which the commencement date for capitalisation is on or after 1 April 2009. Therefore, the change in accounting policy brought by the enforcement of the revised standard has no effect on the condensed consolidated financial statements at 30 September 2009.

- ***Other new financial reporting standards, amendments and interpretations***

The following amendments to existing standards are applicable to the Group's operations, but their application does not have a material impact on the condensed consolidated financial statements:

- ✓ Amendment to IFRS 2 "vesting conditions and cancellations of share-based payments",
- ✓ Amendments to IAS 1 " Presentation of Financial Statements".

C. New standards and interpretations not yet mandatorily applicable

The Group has not opted for an early application in the condensed consolidated financial statements at 30 September 2009 of the following revised standard and amendments:

- ✓ Revised IFRS 3 "Business Combinations" and resulting amendments to IAS 27 "Consolidated and separate Financial statements",
- ✓ Amendments to IAS 39 "Financial Instruments: Recognition and measurement".

The Group is assessing the impacts of these pronouncements.

D. Specific measurement methods applied for the preparation of condensed financial statements

- ***Estimate of tax expense***

The tax expense is determined by applying the Group's estimated average 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 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.

NOTE 3. MAIN ACQUISITIONS, PARTNERSHIPS, DISPOSALS OF COMPANIES AND CHANGES IN SCOPE OF CONSOLIDATION

No significant change in the scope of consolidated companies has to be reported for the half-year period ended 30 September 2009.

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NOTE 4. SECTOR AND GEOGRAPHICAL DATA

A. SECTOR DATA

At 30 September 2009

(in € million)	Power	Transport	Corporate & others	Elimina-tions	Total
Sales	6,896	2,788	-	(1)	9,683
Inter Sector eliminations	(1)	-	-	1	-
Total Sales	**6,895**	**2,788**	**-**	**-**	**9,683**
Income (loss) from operations	677	195	(44)	-	828
Earnings (loss) before interest and taxes	**657**	**188**	**(63)**	**-**	**782**
Financial income (expense)					(12)
Income tax					(199)
Share in net income of equity investments					1
Net profit					**572**
Segment assets (1)	**13,024**	**5,319**	**1,091**	**-**	**19,434**
Deferred taxes (assets)					930
Prepaid employee defined benefit costs					5
Financial assets					3,545
Total assets					**23,914**
Segment liabilities (2)	**11,352**	**5,485**	**1,273**	**-**	**18,110**
Deferred taxes (liabilities)					43
Accrued employee defined benefit costs					983
Financial debt					1,679
Total equity					3,099
Total equity and liabilities					**23,914**
Capital employed (3)	**1,672**	**(166)**	**(182)**	**-**	**1,324**
Capital expenditure	**193**	**98**	**26**	**-**	**317**
Depreciation and amortisation in EBIT	**110**	**77**	**28**	**-**	**215**

(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 2008

(in € million)	**Power**	**Transport**	**Corporate & others**	**Elimina-tions**	**Total**
Sales	6,288	2,673	-	(5)	8,956
Inter Sector eliminations	(4)	(1)	-	5	-
Total Sales	**6,284**	**2,672**	**-**	**-**	**8,956**
Income (loss) from operations	581	176	(60)	-	697
Earnings (loss) before interest and taxes	**570**	**163**	**(47)**	**-**	**686**
Financial income (expense)					19
Income tax					(174)
Share in net income of equity investments					-
Net profit					**531**
Segment assets (1)	**12,624**	**5,096**	**757**	**-**	**18,477**
Deferred taxes (assets)					1,064
Prepaid employee defined benefit costs					12
Financial assets					3,423
Total assets					**22,976**
Segment liabilities (2)	**11,703**	**5,341**	**985**	**-**	**18,029**
Deferred taxes (liabilities)					4
Accrued employee defined benefit costs					907
Financial debt					1,559
Total equity					2,477
Total equity and liabilities					**22,976**
Capital employed (3)	**921**	**(245)**	**(228)**	**-**	**448**
Capital expenditure	**151**	**97**	**17**	**-**	**265**
Depreciation and amortisation in EBIT	**107**	**61**	**14**	**-**	**182**

(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 2009

(in € million)	Power	Transport	Corporate & others	Elimina-tions	Total
Sales	13,060	5,685	-	(6)	18,739
Inter Sector eliminations	(6)	-	-	6	-
Total Sales	**13,054**	**5,685**	**-**	**-**	**18,739**
Income (loss) from operations	1,248	408	(120)	-	1,536
Earnings (loss) before interest and taxes	**1,172**	**389**	**(118)**	**-**	**1,443**
Financial income (expense)					21
Income tax					(373)
Share in net income of equity investments					27
Net profit					**1,118**
Segment assets (1)	**13,640**	**5,172**	**1,009**	**-**	**19,821**
Deferred taxes (assets)					1,012
Prepaid employee defined benefit costs					4
Financial assets					3,407
Total assets					**24,244**
Segment liabilities (2)	**12,171**	**5,503**	**1,290**	**-**	**18,964**
Deferred taxes (liabilities)					70
Accrued employee defined benefit costs					970
Financial debt					1,356
Total equity					2,884
Total equity and liabilities					**24,244**
Capital employed (3)	**1,469**	**(331)**	**(281)**	**-**	**857**
Capital expenditure	**407**	**229**	**35**	**-**	**671**
Depreciation and amortisation in EBIT	**226**	**123**	**35**	**-**	**384**

(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.

B. GEOGRAPHICAL DATA

Sales by country of destination and capital expenditure by country

Half-year ended 30 September 2009

(in € million)	Sales by country of destination	Capital expenditure	
		Tangible	Intangible
Euro zone *(1)*	3,221	70	54
Rest of Europe	1,638	20	68
North America	1,398	60	-
South & Central America	482	2	-
Asia / Pacific	1,097	39	2
Middle East / Africa	1,847	2	-
Total Group	**9,683**	**193**	**124**

Total capital expenditure amounts to €317 million for the half-year ended 30 September 2009. It includes €107 million of development costs (see Note 5).

Main ongoing projects include the construction of new facilities in Chattanooga (United States of America) and in Wuhan (China).

Half-year ended 30 September 2008

(in € million)	Sales by country of destination	Capital expenditure	
		Tangible	Intangible
Euro zone *(1)*	3,180	70	48
Rest of Europe	1,665	51	34
North America	1,334	17	-
South & Central America	545	4	-
Asia / Pacific	1,259	30	10
Middle East / Africa	973	1	-
Total Group	**8,956**	**173**	**92**

Total capital expenditure amounts to €265 million for the half-year ended 30 September 2008. It includes €70 million of development costs (see Note 5).

Year ended 31 March 2009

(in € million)	Sales by country of destination	Capital expenditure	
		Tangible	Intangible
Euro zone *(1)*	6,594	163	118
Rest of Europe	3,111	115	75
North America	2,943	86	1
South & Central America	1,088	8	-
Asia / Pacific	2,557	82	20
Middle East / Africa	2,446	3	-
Total Group	**18,739**	**457**	**214**

Total capital expenditure amounts to €671 million for the year ended 31 March 2009. It includes €172 million of development costs (see Note 5).

(1) For the periods ended 31 March 2009 and 30 September 2008 euro zone comprised Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Spain and Portugal. Slovakia and Slovenia have been added for the period ended 30 September 2009.

NOTE 5. RESEARCH AND DEVELOPMENT EXPENSES

(in € million)	Half-year ended 30 September 2009	Half-year ended 30 September 2008	Year ended 31 March 2009
Research and development expenses	**(267)**	**(274)**	**(586)**
Developments costs capitalised during the period (see Note 10.B)	(107)	(70)	(172)
Amortisation expense of capitalised development costs (see Note 10.B)	51	40	77
Amortisation of acquired technology (see Note 10.B)	33	34	60
Total research and development expenditure for the period	**(290)**	**(270)**	**(621)**

NOTE 6. OTHER INCOME AND OTHER EXPENSES

(in € million)	Half-year ended 30 September 2009	Half-year ended 30 September 2008	Year ended 31 March 2009
Capital gains on disposal of businesses (1)	-	36	35
Other	-	10	9
Other income	**-**	**46**	**44**
Capital losses on disposal of businesses (1)	(19)	(40)	(80)
Restructuring costs (2)	(27)	(13)	(46)
Other	-	(4)	(11)
Other expense	**(46)**	**(57)**	**(137)**
Other income (expenses)	**(46)**	**(11)**	**(93)**

(1) In the half-year ended 30 September 2009, capital losses include costs incurred on past disposals and in particular fines imposed by the European Commission related to the former T&D business (see Note 20 B. Power transformers).
In the year ended 31 March 2009, capital gains originated from the disposal of non consolidated investments in South Africa and capital losses mainly were related to adjustments on the disposal of the former Marine Sector.

(2) In the half-year ended 30 September 2009, restructuring costs mainly included plans implemented in Europe for the Transport Sector and in Asia for the Power Sector.

NOTE 7. FINANCIAL INCOME (EXPENSE)

(in € million)	Half-year ended 30 September 2009	Half-year ended 30 September 2008	Year ended 31 March 2009
Interest income	24	60	107
Net financial income from employee defined benefit plans	-	2	5
Net exchange gain	-	4	4
Other financial income	9	5	6
Financial income	**33**	**71**	**122**
Interest expense	(25)	(45)	(78)
Net financial expense from employee defined benefit plans	(12)	-	-
Net exchange loss	(2)	-	-
Other financial expenses	(6)	(7)	(23)
Financial expense	**(45)**	**(52)**	**(101)**
Financial income (expense)	**(12)**	**19**	**21**

Interest income of €24 million represents the remuneration of the Group's cash positions over the period.

Interest expense of €(25) million represents the cost of the financial debt, including €(4) million of interests on obligations under financial leases (€(5) million for the half-year ended 30 September 2008 and €(10) million for the year ended 31 March 2009).

Other financial income (expense) of €3 million incorporates:

- €(6) million of fees and commitment fees paid on guarantee facilities, syndicated loans and other financing facilities (€(7) million for the half-year ended 30 September 2008 and €(13) million for the year ended 31 March 2009),
- €2 million of dividends received from non consolidated investments (€3 million for the half-year ended 30 September 2008 and €4 million for the year ended 31 March 2009).

NOTE 8. TAXATION

Using a projected annual effective rate of 26% for determination of the tax expense for the half-year ended 30 September 2009 (25% for the half-year ended 30 September 2008), the income tax charge amounts to €(199) million (€(174) million for the half-year ended 30 September 2008 and €(373) million for the year ended 31 March 2009).

NOTE 9. EARNINGS PER SHARE

EARNINGS	Half-year ended		Year ended
(in € million)	30 September 2009	30 September 2008	31 March 2009
Net profit attributable to equity holders of the parent	562	527	1,109
Financial interests related to bonds reimbursable with shares, net of tax	-	-	(1)
Earnings used to calculate basic and diluted earnings per share	**562**	**527**	**1,108**

NUMBER OF SHARES	Half-year ended		Year ended
	30 September 2009	30 September 2008	31 March 2009
Weighted average number of ordinary shares used to calculate basic earnings per share	**288,546,001**	**285,282,688**	**286,787,449**
Effect of dilutive instruments other than bonds reimbursables with shares:			
- Stock options and performance shares (1)	2,734,729	5,035,362	3,290,001
- Free shares	240,790	102,672	1,332,599
Weighted average number of ordinary shares used to calculate diluted earnings per share	**291,521,520**	**290,420,722**	**291,410,049**

(1) Stock options taken into consideration in the calculation of the diluted earnings per share only relate to plans 7, 8 and 9, plans 6, 10 and 11 being out of the money as at 30 September 2009.

EARNINGS PER SHARE	Half-year ended		Year ended
(in €)	30 September 2009	30 September 2008	31 March 2009
- Basic earnings per share	1.95	1.85	3.87
- Diluted earnings per share	1.93	1.82	3.81

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NOTE 10. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangibles assets are reviewed for impairment at least annually and whenever events or circumstances indicate that they 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.

A. GOODWILL

(in € million)	At 31 March 2009	Acquisitions	Disposals	Translation adjustments and other changes	At 30 September 2009
Power	3,368	-	-	(14)	3,354
Transport	518	-	-	-	518
Goodwill	**3,886**	**-**	**-**	**(14)**	**3,872**
of which:					
Gross value	3,886	-	-	(14)	3,872
Impairment	-	-	-	-	-

The impairment test at 31 March 2009 supported the Group's opinion that goodwill was not impaired. At 30 September 2009, the Group considers that the assumptions used to assess the recoverable value of goodwill at 31 March 2009 are not modified in a way that would lead to an impairment test at 30 September 2009.

B. INTANGIBLE ASSETS

(in € million)	At 31 March 2009	Additions / disposals / amortisation	Acquisitions through business combinations	Translation adjustments and other changes	At 30 September 2009
Development costs	907	107	-	(5)	1 009
Acquired technology	1,244	-	-	-	1,244
Other intangible assets	240	9	-	4	253
Gross value	**2,391**	**116**	**-**	**(1)**	**2,506**
Development costs	(363)	(51)	-	(1)	(415)
Acquired technology	(508)	(33)	-	-	(541)
Other intangible assets	(123)	(14)	-	-	(137)
Accumulated amortisation and impairment	**(994)**	**(98)**	**-**	**(1)**	**(1,093)**
Development costs	544	56	-	(6)	594
Acquired technology	736	(33)	-	-	703
Other intangible assets	117	(5)	-	4	116
Net value	**1,397**	**18**	**-**	**(2)**	**1,413**

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

The impairment test at 31 March 2009 supported the Group's opinion that intangible assets were not impaired.

At 30 September 2009, the Group considers that the assumptions used to assess the recoverable value of intangibles at 31 March 2009 are not modified in a way that would lead to an impairment test at 30 September 2009.

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

(in € million)	At 31 March 2009	Acquisitions/ Depreciation/ Impairments	Disposals	Translation adjustments and other changes	At 30 September 2009
Land	121	1	-	-	122
Buildings	1,161	26	(18)	55	1,224
Machinery and equipment	2,116	53	(24)	27	2,172
Constructions in progress	342	66	(7)	(113)	288
Tools, furniture, fixtures and other	437	26	(9)	1	455
Gross value	**4,177**	**172**	**(58)**	**(30)**	**4,261**
Land	(5)	-	-	-	(5)
Buildings	(566)	(21)	12	(2)	(577)
Machinery and equipment	(1,547)	(73)	23	6	(1,591)
Constructions in progress	-	-	-	-	-
Tools, furniture, fixtures and other	(324)	(23)	7	4	(336)
Accumulated depreciation and impairment	**(2,442)**	**(117)**	**42**	**8**	**(2,509)**
Land	116	1	-	-	117
Buildings	595	5	(6)	53	647
Machinery and equipment	569	(20)	(1)	33	581
Constructions in progress	342	66	(7)	(113)	288
Tools, furniture, fixtures and other	113	3	(2)	5	119
Net value	**1,735**	**55**	**(16)**	**(22)**	**1,752**

NOTE 12. OTHER NON-CURRENT ASSETS

(in € million)	At 30 September 2009	At 31 March 2009
Financial non-current assets associated to financial debt (1)	450	449
Long-term loans, deposits and other	79	80
Other non-current assets	**529**	**529**

(1) These non-current assets relate to a long-term rental of trains and associated equipment to a London metro operator (see notes 18 and 20 A.). They are made up as follows:
- at 30 September 2009, €428 million receivables and €22 million deposit,
- at 31 March 2009, €429 million receivables and €20 million deposit.

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NOTE 13. WORKING CAPITAL

Balance sheet positions

(in € million)	At 30 September 2009	At 31 March 2009	Variation
Inventories	3,254	2,876	378
Construction contracts in progress, assets	3,075	3,139	(64)
Trade receivables	3,350	3,873	(523)
Other current operating assets	2,583	2,773	(190)
Assets	**12,262**	**12,661**	**(399)**
Non-current provisions	459	444	15
Current provisions	1,167	1,226	(59)
Construction contracts in progress, liabilities	9,951	10,581	(630)
Trade payables	3,833	3,866	(33)
Other current operating liabilities	2,700	2,847	(147)
Liabilities	**18,110**	**18,964**	**(854)**
Working capital	**(5,848)**	**(6,303)**	**455**

Analysis of variation in working capital

(in € million)	Half-year ended 30 September 2009
Working capital at the beginning of the period	**(6,303)**
Changes in working capital resulting from operating activities (*)	440
Changes in working capital resulting from investing activities (**)	46
Translation adjustments and other changes	(31)
Total changes in working capital	**455**
Working capital at the end of the period	**(5,848)**

(*) Item presented within "net cash provided by 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 14. EQUITY

At 30 September 2009, the share capital of ALSTOM amounted to €2,021,635,574 consisting of 288,805,082 ordinary shares with a par value of €7 each.

The Shareholders' Meeting of ALSTOM held on 23 June 2009 decided to distribute dividends for a total amount of €323 million corresponding to a €1.12 dividend per share.

In January 2009, the Group announced a new scheme offered to Group employees (See Note 23 B. to the consolidated financial statements for the year ended 31 March 2009). In April 2009, 1,092,111 new shares have been created, following the implementation of this scheme.

In June 2009, ALSTOM acquired 700,000 of its own shares for a total amount of €34 million. These shares have subsequently been cancelled.

NOTE 15. SHARE-BASED PAYMENTS

A. VALUATION OF STOCK OPTIONS' AND PERFORMANCE SHARES' PLANS

The share-based payment expense arising from stock options' and performance shares' plans amounts to €16 million for the half-year ended 30 September 2009 (€12 million for the half-year ended 30 September 2008 and €28 million for the year ended 31 March 2009).

The option valuation method follows a binomial mathematical model, 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 plans are described in Note 23 to the consolidated financial statements for the year ended 31 March 2009.

B. VALUATION OF STOCK APPRECIATION RIGHTS' ("SARS") PLANS

The share-based payment expense arising from SARs' plans amounts to €4 million for the half-year ended 30 September 2009 (the expense was nil for the half-year ended 30 September 2008 and an income of €5 million was recorded for the year ended 31 March 2009).

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 23 to the consolidated financial statements for the year ended 31 March 2009.

NOTE 16. PROVISIONS

(in € million)	At 31 March 2009	Additions	Releases	Applications	Translation adjustments and other	At 30 September 2009
Warranties	477	113	(63)	(65)	(4)	458
Litigations and claims	749	239	(160)	(114)	(5)	709
Current provisions	**1,226**	**352**	**(223)**	**(179)**	**(9)**	**1,167**
Litigations and tax risks	71	26	(2)	(6)	2	91
Restructuring	117	13	(1)	(24)	-	105
Other non-current provisions	256	22	(6)	(9)	-	263
Non-current provisions	**444**	**61**	**(9)**	**(39)**	**2**	**459**
Total provisions	**1,670**	**413**	**(232)**	**(218)**	**(7)**	**1,626**

NOTE 17. POST-EMPLOYMENT AND OTHER LONG-TERM DEFINED EMPLOYEE BENEFITS

Net accrued benefits

(in € million)	At 30 September 2009	At 31 March 2009
Accrued employee defined benefit costs	(983)	(970)
Prepaid employee defined benefit costs	5	4
Net accrued benefits	**(978)**	**(966)**

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:

- €(46) million of actuarial gains and losses generated for the half-year ended 30 September 2009,
- No variation of asset ceiling generated for the half-year ended 30 September 2009.

Assumptions (weighted average rates)

(in %)	At 30 September 2009	At 31 March 2009
Discount rate	5.16	5.74
Rate of compensation increase	3.10	3.10
Expected return on plan assets for the period	6.60	6.61

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

	Half-year ended		Year ended
(in € million)	30 September 2009	30 September 2008	31 March 2009
Service cost	(36)	(33)	(68)
Defined contributions *(*)*	(76)	(71)	(144)
Income from operations	**(112)**	**(104)**	**(212)**
Actuarial gains/losses on other long-term benefits	-	-	-
Amortisation of unrecognised past service gain (cost)	-	1	2
Curtailments/settlements	-	-	7
Other income (expenses)	**-**	**1**	**9**
Interest cost	(104)	(111)	(219)
Expected return on plan assets	92	113	224
Financial income (expenses)	**(12)**	**2**	**5**
Total benefit expense	**(124)**	**(101)**	**(198)**

(*) Including contributions to multi-employer defined benefit plans.

NOTE 18. FINANCIAL DEBT

Carrying amount (in € million)	At 30 September 2009	At 31 March 2009
Bonds *(1)*	768	273
Other borrowing facilities	113	261
Put options and earn-out on acquired entities *(2)*	201	209
Derivatives relating to financing activities	9	27
Accrued interests	12	1
Borrowings	**1,103**	**771**
Non-current	*555*	*65*
Current	*548*	*706*
Obligations under finance leases	148	156
Other obligations under long-term rental *(3)*	428	429
Obligations under finance leases	**576**	**585**
Non-current	*532*	*543*
Current	*44*	*42*
Total financial debt	**1,679**	**1,356**

(1) The movements in the nominal amount of the bonds are as follows:

(Nominal value in € million)	Maturity 3 March 2010	Maturity 23 September 2014	TOTAL
Outstanding amount at 31 March 2009	**275**	**-**	**275**
Issue of bonds	-	500	500
Bonds reimbursed at maturity date	-	-	-
Bonds bought back and cancelled	-	-	-
Outstanding amount at 30 September 2009	**275**	**500**	**775**
Nominal interest rate	6.25%	4.00%	-
Effective interest rate	7.16%	4.22%	-

The amortised cost at 30 September 2009 of the €500 million bonds issued on 23 September 2009 amounts to €495 million.

(2) At 30 September 2009, the €201 million liabilities include a €174 million put option granted in connection with the sale of 50 % of Hydro activities to Bouygues on 31 October 2006 (€170 million at 31 March 2009, see Note 21).

(3) This debt represents liabilities related to lease obligations on trains and associated equipment (see Notes 12 and 20 A.).

NOTE 19. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

A. CURRENCY RISK MANAGEMENT

Financial debt

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

(in € million)	At 30 September 2009	At 31 March 2009
Euro	1,133	700
US Dollar	7	8
British Pound	442	443
Other currencies	104	209
Financial debt in nominal value	**1,686**	**1,360**

The debt in GBP essentially originates from a long-term lease scheme of trains, involving London Underground. The related €428 million debt denominated in GBP is counter-balanced by long-term receivables having the same maturity and also denominated in GBP that are recognised as non-current assets (see Notes 12 and 18).

Operations

In the course of its operations, the Group is exposed to currency risk arising from tenders submitted in foreign currency, awarded contracts and any future cash out transactions denominated in foreign currency. Main currencies triggering a significant exposure for the half-year ended 30 September 2009 are the Swiss Franc and the US dollar.

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

	At 30 September 2009		At 31 March 2009	
(in € million)	Assets	Liabilities	Assets	Liabilities
Derivatives qualifying for fair value hedge	330	411	318	650
Derivatives qualifying for cash flow hedges	8	4	28	15
Derivatives qualifying for net investment hedges	-	-	-	-
Derivatives not qualifying for hedge accounting	8	6	6	3
Total	**346**	**421**	**352**	**668**

The fair value of those instruments is the estimated amount that the Group would receive or pay to settle the related contracts, valued on the basis of relevant yield curves and foreign exchange rates at closing date.

For instruments that qualify for fair value hedge accounting, any change in fair value is mostly offset by the re-measurement of the underlying exposure (either on balance sheet or off balance sheet).

B. CREDIT RISK MANAGEMENT

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

Risk related to customers

The Group believes that the risk of a counterpart failing to perform as contracted, which could have a significant impact on the Group's financial statements or results of operations, is limited. Customers have strong credit profiles or adequate financing to meet their project obligations. In specific cases, the Group may use export credit insurance policies which may hedge up to 90% of the credit risk on certain contracts.

Risk related to other financial assets

The Group's exposure to credit risk related to other financial assets arises from default of the counterpart, with a maximum exposure equal to the carrying amount of those instruments.

Risk related to cash and cash equivalents

Credit risk from deposits with banks and financial institutions is managed by Group treasury in accordance with the Group's policy. At 30 September 2009, as part of the central treasury management, cash and cash equivalents are invested entirely in deposits with bank counterparts of first rank noted "Investment Grade".

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

The Group's policy is to centralise liquidity of subsidiaries at the parent company's level when possible.

C. LIQUIDITY RISK MANAGEMENT

At 30 September 2009, 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 (in € million)	Maximum total net debt leverage
	(a)	(b)	(c)
From September 2009 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 interest related to obligations under finance lease).

(b) Total debt corresponds to borrowings, i.e. total financial debt less finance lease obligations. This covenant does not apply any longer 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 at 30 September 2009 is (1.0) [(1.2) at 31 March 2009].

NOTE 20. CONTINGENT LIABILITIES AND DISPUTES

A. 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 2009, the Group has in place both a committed syndicated Bonding Facility allowing issue of instruments up to €8 billion until July 2010 and local uncommitted bilateral lines in numerous countries up to €13.9 billion.

At 30 September 2009, the total outstanding bonding guarantees related to contracts issued by banks or insurance companies amount to €14.0 billion (€14.0 billion at 31 March 2009).

The available amount under the syndicated Bonding Facility at 30 September 2009 amounts to €2.5 billion (€2.4 billion at 31 March 2009). The issuance of new bonds under this bonding facility is subject to the financial covenants disclosed in Note 19. The available amount under local bilateral lines at 30 September 2009 amounts to €5.4 billion (€5.1 billion at 31 March 2009).

- 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 2009, guarantees given as part of vendor financing arrangements amount to €238 million. Included in this amount are:

- guarantees totalling $63 million (€43 million at 30 September 2009 and €47 million at 31 March 2009) given with respect to equipments sold to a US train operator, and
- guarantees totalling £177 million (€195 million at 30 September 2009 and €190 million at 31 March 2009) 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 €428 million amount of "Other obligations under long-term rental" (see Note 18).

B. 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. Contract-related 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 claimed against the Group, sometimes jointly with its consortium partners, in these proceedings and disputes are significant, and may reach €300 million in one particular dispute in India.

In some proceedings amount claimed is not specified at the beginning of the proceeding. 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 instituted by certain employees or former employees with the aim of obtaining a court decision holding these subsidiaries liable for an inexcusable fault (faute inexcusable) which would allow them to obtain a supplementary compensation above the payments made by the French Social Security funds of related medical costs. Although the courts have made findings of inexcusable fault, the damages in most of these proceedings have been borne to date by 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.
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, some of its subsidiaries and some of its current and former Officers and Directors were named as defendants in a number of shareholder class action lawsuits filed on behalf of various alleged purchasers of American Depositary Receipts and other Alstom securities between 3 August 1999 and 6 August 2003. These lawsuits which have been consolidated in one complaint filed on 18 June 2004 alleged violations of United States federal securities laws arising from alleged untrue statements of material facts, and/or omissions to state material facts necessary to make the statements made not misleading in various Alstom public communications regarding its business, operations and prospects (in the areas of the performance of its GT24/26 turbines, certain vendor financing arrangements for the former Marine Sector's customers, and its US Transport business), causing the allegedly affected shareholders to purchase Alstom securities at purportedly inflated prices.

On 22 December 2005, the United States Federal District Court dismissed large portions of the consolidated complaint, including all claims relating to its GT24/26 turbines, all claims against the Group's current Officers and Directors and all claims brought by non US investors who purchased Alstom securities on non-US stock exchanges except for those relating to its US Transport business. On 11 June 2007, the plaintiffs filed a motion for class certification which includes in addition to US persons all Canadian, French, English and Dutch persons who may have purchased Alstom's shares outside the United States. The Group filed a response to the motion contesting including the non-US persons in the class and the Court decided on 28 August 2008 to remove from the class, as to all defendants, the French shareholders and has declined the inclusion in the class of English and Dutch shareholders as to Alstom. This decision which reduces the potential damages associated with this action is final as the plaintiffs did not filed a petition for appeal. The discovery phase of the case is largely completed.

While the Group continues to vigorously defend the class action lawsuit, the Group cannot ensure that there will be no adverse outcome that could have a material adverse effect on its business, results of operations and financial situation.

- 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 T&D 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 SA.

Alstom has requested the cancellation of this decision before the European Court of first instance. The hearings took place on 24 March 2009 and the date when the Court will give its decision is not yet known.

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 of €268,3 million 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.

Power transformers

On 21 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 SA (see Note 6).

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. The FCO may impose a fine up to three times the additional proceeds gained by the alleged breaches. The Group intends to contest this matter. In addition potential civil actions brought by customers cannot be excluded.

- Alleged illegal payments

Certain current and former employees of the Group have been or are currently being investigated with respect to alleged illegal payments in various countries. In particular investigations by Swiss and French authorities are ongoing in connection with alleged cases of corruption. Certain of these procedures may result in fines and the exclusion of Group subsidiaries from public tenders in the relevant country for a defined period.

- 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 50 injured persons. The causes of the accident are under investigation by the competent federal authority, the National Transportation Safety Board. At present, 6 lawsuits have already been filed against Alstom Signaling Inc. and other defendants not belonging to the Group. The claims against Alstom Signaling Inc. amount in total to approximately $250 million. It is too early to determine the causes of the accident and resulting liabilities.

The Group considers that there are no other matters outstanding that are likely to have a material adverse impact on the consolidated financial statements.

ALSTOM

NOTE 21. RELATED PARTIES

To the Group's knowledge, the only shareholder holding more than 5% of the parent company's share capital is Bouygues, a French company listed on Paris stock market. At 30 September 2009, Bouygues holds a 30% stake in Alstom share capital.

On 29 September 2006, Bouygues and the Group signed a binding agreement granting Bouygues a 50% interest in Alstom Hydro activities for €150 million, the Group having previously subscribed €300 million convertible bonds in Alstom Hydro Holding. Following clearance from all relevant anti-trust authorities, this operation was completed on 31 October 2006.

In November 2009, the Group has the option to convert these bonds into Alstom Hydro Holding shares. At the same date, Bouygues has the option to:
- sell its Alstom Hydro Holding shares back to the Group for €175 million, or
- exchange them for 4.4 million Alstom shares or the equivalent in cash should the Group fail to deliver shares, or
- remain as a shareholder with the possibility to retain, through capital injection, its 50% share in Alstom Hydro Holding.

As a consequence, no minority interest in Alstom Hydro Holding is recognised and the put option granted to Bouygues is included in the financial debt (€174 million at 30 September 2009).

NOTE 22. SUBSEQUENT EVENT

The Group has not identified any subsequent event to be reported in the notes to the financial statements aside from those already disclosed (in particular note 20).

Report of independent auditors on the half-year financial information 2009

ALSTOM

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92400 Courbevoie

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STATUTORY AUDITORS' REVIEW REPORT ON THE 2009 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 six months ended 30 September 2009,
- 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 current economic and financial crisis described in the interim management report, which already prevailed for the year ended 31 March 2009 and which is notably characterized by a difficulty in apprehending future outlook. 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 we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Without qualifying our conclusion, we draw your attention to Note 2.B to the condensed interim consolidated financial statements, which sets out the change in accounting method following the application of the new standard IFRS 8 – "Operating segments" and the revised standard IAS23– "Borrowing costs", effective 1st April 2009.

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, 29 October 2009

The Statutory Auditors
French original signed by

Mazars	PricewaterhouseCoopers Audit
Thierry Colin	Olivier Lotz

Responsibility statement of the person responsible for the 2009 half-year financial report

ALSTOM

STATEMENT BY THE PERSON RESPONSIBLE FOR THE 2009 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 2009/10, 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 condensed management report included on page 3 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, 29 October 2009

The Chairman and Chief Executive Officer

Patrick Kron

**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.*