

17 January 2008

***With orders up by 38% and sales up by 21% in the first nine months of 2007/08,***

## **Alstom continues to record a strong activity growth**

**During the first nine months of 2007/08 (from 1 April to 31 December 2007), Alstom booked orders amounting to €19.9 billion, up by 38% versus the same period of the previous year. Sales at €12.1 billion were up by 21%. On an organic basis\*, orders and sales for the first nine months were up by 40% and 22% respectively.**

Orders booked during the third quarter of 2007/08 at €7.0 billion (+50% versus the third quarter of 2006/07) confirmed the continuing favourable trend recorded during the first half of the year. Power Systems' order intake was particularly strong during the quarter, as some very large coal and gas turnkey contracts were booked. Power Service and Transport also registered a robust level of orders.

Sales for the third quarter of 2007/08 amounted to €4.1 billion, +20% compared with the same period of the previous year.

The total backlog reached €40.6 billion at 31 December 2007, representing approximately 30 months of sales.

### **Key figures**

<b>Actual figures</b>	<b>2006/07</b>				<b>2007/08</b>			<b>2006/07</b>	<b>2007/08</b>	<b>Var. %</b>	
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>9 months</b>	<b>9 months</b>	<b>Act.</b>	<b>Org.</b>
<i>(in € million)</i>											
Orders received	4,694	4,970	4,684	4,681	7,624	5,223	7,005	14,348	19,852	+38%	+40%
Sales	3,189	3,419	3,420	4,180	4,047	3,957	4,109	10,028	12,113	+21%	+22%

*"The favourable trend of the first half continued during the third quarter of 2007/08. Power Systems registered a record level of order intake, while Power Service and Transport continued to show a sustained commercial performance. The execution of our growing backlog allows sales to increase significantly in all Sectors, and the book-to-bill ratio at 1.6 over the first nine months provides further visibility on future turnover. With this positive third quarter, we confirm that sales for the full year 2007/08 should grow by approximately 15%, on an organic basis\*, from the level of last year",* said Patrick Kron, Alstom's Chairman & Chief Executive Officer.

## **Sector Review**

### **Power Systems**

The order intake for Power Systems was €10.2 billion for the first nine months of 2007/08, a 28% increase (30% on an organic basis\*) as compared to the same period of last year. This excellent commercial performance underlines the good strategic positioning of the Sector in a dynamic market environment.

With €4.7 billion of new orders booked, the third quarter of 2007/08 was at a record level. Power Systems booked several major orders, including: steam turbines and generators for the biggest coal-fired power plant in South Africa; turbines and generators for a hydro power plant in Vietnam, the largest in South East Asia; a combined-cycle power plant, including 2 GT26 gas turbines, in the Netherlands; and a power and desalination plant based on 5 GT26 gas turbines in the United Arab Emirates.

For the first nine months of the year, sales showed a substantial growth (+35% or +37% on an organic basis\*), fuelled by the solid order intake over the past periods.

### **Power Service**

For the first nine months of 2007/08, orders remained strong at €3.4 billion, a 6% increase on both an actual and an organic basis\* versus the same period of 2006/07, leading to a book-to-bill ratio of 1.3, which confirms the favourable development of service activities.

Orders booked in the third quarter (€0.9 billion) included a large number of small and medium sized projects, and one operation and maintenance contract in Mexico.

Sales for the first nine months of 2007/08 at €2.7 billion showed growth, with a 17% increase (16% on an organic basis\*).

### **Transport**

For the first nine months of 2007/08, orders at €6.2 billion doubled as compared to the same period of last year.

Order intake for the third quarter amounted to €1.4 billion. The main orders booked during the quarter included high speed Pendolino trains for the Helsinki to St. Petersburg rail link, suburban trains in Spain, tramways in Rotterdam, as well as metros in France.

Sales for the first nine months of 2007/08 at €4 billion increased by 8% (or 9% on an organic basis\*) as compared to the first nine months of 2006/07.

## **Key events of the third quarter**

### **Acquisitions and partnerships**

On 10 October 2007, Alstom and Balfour Beatty announced the creation of a joint venture, which will serve the railway signalling markets in the United Kingdom and Ireland.

On 5 November 2007, Alstom finalised the acquisition of the Spanish company Ecotècnia, which specialises in wind equipment; thus enabling Alstom to broaden its portfolio of technologies in power generation.

On 28 November 2007, Alstom announced the creation of a joint venture with RENFE in the area of train maintenance in Spain.

On 14 December 2007, Alstom and Transmasholding agreed to cooperate on the Russian rolling stock market. In the future, this cooperation will take the form of joint companies.

### **Capital expenditure**

During the third quarter, Alstom announced that it will build a new facility in Chattanooga, Tennessee, USA, to manufacture steam and gas turbines, generators and related equipments. This major investment will enable the Group to adapt its industrial base to the increasing demand for power generation, particularly in the Americas.

### **Debt buy-back**

During the third quarter of 2007/08, Alstom further optimized its credit flexibility by reimbursing by anticipation a total of €352 million of bonds redeemable on 28 July 2008, 13 March 2009 and 3 March 2010.

### **Financial situation**

Thanks to its strong performance on both commercial and operational levels, Alstom benefits from a healthy financial situation. The Group confirms that sales for the full fiscal year 2007/08 should grow by approximately 15% (on an organic basis\*), while the operating margin should be at around 7.5%.

*\* Note: Currency & Scope impacts*

*The evolution of orders and sales as reported between the first nine months of fiscal years 2006/07 and 2007/08 included a slight currency translation effect, as well as notably the acquisition of Ecotècnia and Wuhan Boilers Company in Power Systems, and of Power Systems Manufacturing LLC, Qingdao Sizhou and Shenzhen Strongwish in Power Service. The organic figures adjust the reported figures for these effects.*

*The reported figures by Sector are presented in Appendix 1. A geographic breakdown of reported orders and sales is provided in Appendix 2.*

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*This press release contains forward-looking statements which are based on current plans and forecasts of ALSTOM's management. Such forward-looking statements are by their nature subject to a number of important risk and uncertainty factors (such as those described in the documents filed by ALSTOM with the French AMF) that could cause actual results to differ from the plans, objectives and expectations expressed in such forward-looking statements. These such forward-looking statements speak only as of the date on which they are made, and ALSTOM undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.*

## APPENDIX 1 – SECTOR BREAKDOWN BY QUARTER

### Reported Figures (Unaudited)

	2006/07				2007/08			2006/07	2007/08	Var. %	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	9 months	9 months	Act.	Org.
<b>Orders received</b> <i>(in € million)</i>											
Power Systems	2,161	2,874	2,968	1,532	2,747	2,766	4,718	8,003	10,231	+28%	+30%
Power Service	1,080	1,284	859	835	1,284	1,228	895	3,223	3,407	+6%	+6%
Transport	1,441	800	845	2,302	3,581	1,215	1,390	3,086	6,186	+100%	+101%
Corporate & Others	12	12	12	12	12	14	2	36	28	N/A	N/A
<b>Alstom</b>	<b>4,694</b>	<b>4,970</b>	<b>4,684</b>	<b>4,681</b>	<b>7,624</b>	<b>5,223</b>	<b>7,005</b>	<b>14,348</b>	<b>19,852</b>	<b>+38%</b>	<b>+40%</b>

	2006/07				2007/08			2006/07	2007/08	Var. %	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	9 months	9 months	Act.	Org.
<b>Sales</b> <i>(in € million)</i>											
Power Systems	1,265	1,467	1,251	1,690	1,771	1,767	1,840	3,983	5,378	+35%	+37%
Power Service	711	773	827	887	878	878	942	2,311	2,698	+17%	+16%
Transport	1,202	1,168	1,330	1,588	1,386	1,300	1,323	3,700	4,009	+8%	+9%
Corporate & Others	11	11	12	15	12	12	4	34	28	N/A	N/A
<b>Alstom</b>	<b>3,189</b>	<b>3,419</b>	<b>3,420</b>	<b>4,180</b>	<b>4,047</b>	<b>3,957</b>	<b>4,109</b>	<b>10,028</b>	<b>12,113</b>	<b>+21%</b>	<b>+22%</b>

## APPENDIX 2 – GEOGRAPHIC BREAKDOWN

### Reported Figures (Unaudited)

<b>Orders received by destination</b> <i>(in € million)</i>	<b>9 months</b>	<b>%</b>	<b>9 months</b>	<b>%</b>
	<b>2006/07</b>	<b>Contrib.</b>	<b>2007/08</b>	<b>Contrib.</b>
Europe	8,633	60%	9,874	50%
North America	2,792	19%	2,644	13%
South & Central America	535	4%	790	4%
Africa / Middle East	871	6%	4,034	20%
Asia / Pacific	1,517	11%	2,510	13%
<b>TOTAL</b>	<b>14,348</b>	<b>100%</b>	<b>19,852</b>	<b>100%</b>

<b>Sales by destination</b> <i>(in € million)</i>	<b>9 months</b>	<b>%</b>	<b>9 months</b>	<b>%</b>
	<b>2006/07</b>	<b>Contrib.</b>	<b>2007/08</b>	<b>Contrib.</b>
Europe	4,822	48%	5,995	50%
North America	1,706	17%	2,205	18%
South & Central America	569	6%	555	5%
Africa / Middle East	1,116	11%	1,138	9%
Asia / Pacific	1,815	18%	2,220	18%
<b>TOTAL</b>	<b>10,028</b>	<b>100%</b>	<b>12,113</b>	<b>100%</b>