

19 January 2010

Alstom's orders recovered in the third quarter of 2009/10, whilst sales remained sustained

During the first nine months of 2009/10 (from 1 April to 31 December 2009), the level of orders booked by Alstom reached €11.4 billion. Sales, at €14.4 billion, continued to grow, up by 6% as compared to the same period of last year.

Orders booked during the third quarter of 2009/10 amounted to €4.2 billion. Order intake in both Sectors strongly improved as compared to the previous quarter. Power received orders of €2.7 billion, with commercial successes in coal in Europe. Transport registered contracts amounting to €1.6 billion, benefiting notably from a large order for regional trains in France.

Sales for the third quarter of 2009/10 at €4.7 billion were up by 3% compared with the same period of the previous year.

The total backlog reached €44 billion at 31 December 2009, representing approximately 27 months of sales.

Key figures

| Actual figures | 2008/09 | | | | 2009/10 | | | 2008/09 | 2009/10 | Var. % | |
|-----------------------|---------|-------|-------|-------|---------|-------|-------|----------|----------|--------|------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | 9 months | 9 months | Act. | Org. |
| <i>(in € million)</i> | | | | | | | | | | | |
| Orders received | 6,552 | 8,849 | 6,122 | 3,057 | 4,768 | 2,366 | 4,223 | 21,523 | 11,357 | -47% | -47% |
| Sales | 4,502 | 4,454 | 4,555 | 5,228 | 4,806 | 4,877 | 4,691 | 13,511 | 14,374 | +6% | +6% |

“After a trough in orders during the second quarter of the year, the third quarter saw an improvement, illustrated by a book-to-bill ratio of 0.9 and the large contracts secured by both Sectors. The sales continued to grow on the back of our strong backlog. The current tendering activity is sustained but the timing for future bookings remains uncertain”, said Patrick Kron, Alstom's Chairman & Chief Executive Officer.

Sector Review

Power

Order intake for the first nine months of 2009/10 in Power amounted to €7.4 billion, 48% below the exceptionally high level of the first nine months of 2008/09 which included several very large projects. This evolution reflects the less dynamic demand in new equipment as well as the lack of associated operation and maintenance contracts, with customers delaying their future investment due to the difficult economic environment.

After a very low point during the second quarter, orders for the third quarter of the fiscal year 2009/10 reached €2.7 billion. Notably, Thermal Systems & Products booked two large coal contracts in Germany and in Slovenia, as well as two GT13 gas turbines in the Middle East and a control system in South Africa. Orders decreased in Thermal Services due to fewer power plant outages as customers look for a reduction of operating costs, and to a lack of retrofit contracts over the period. Throughout the quarter, the Renewables segment only recorded small orders, which explains its level of bookings in comparison to the third quarter last year which included a major hydro project in Brazil.

Over the first nine months of the year, sales at €10.1 billion grew by 7%, fuelled by the solid order intake over the past periods.

During the third quarter 2009/10, sales increased in all Power activities, with the exception of Thermal Services, which has short lead times and was therefore immediately impacted by the lower order intake of the quarter.

Transport

For the first nine months of 2009/10, orders at €4 billion were down by 47% compared to the very high level of the first nine months of last year.

Order intake in the third quarter amounted to €1.6 billion. The main contracts booked during the period included regional trains and tramways in France.

At €4.3 billion, sales for the first nine months of 2009/10 grew by 5% when compared to the first nine months of 2008/09. Deliveries increased by 7% in the third quarter as compared to the same period of last year.

Key events of the third quarter

On October 15 2009, Alstom and major Canadian power company TransAlta announced the creation of a partnership to construct a large-scale carbon dioxide capture and storage (CCS) demonstration facility at one of TransAlta's coal-fired generating stations in Canada. The project is a major step toward advancing the capture of greenhouse gas emissions, with over €500 million funded by the Canadian and Alberta governments.

On 30 November 2009, the Supervisory Board of Areva announced its decision to enter into exclusive negotiations with Alstom and Schneider Electric for the acquisition of the activities of its Transmission and Distribution business, Areva T&D. The disposal agreement will be finalised following the approval of the Commission des Participations et des Transferts, consultation of employee representatives and the agreement of the competition authorities.

On 2 December 2009, Alstom announced that Bouygues had exercised its exit option to exchange its 50% stake in Alstom Hydro Holding into 4.4 million new Alstom shares, corresponding to approximately 1.5% of the capital of the Company as of 31 October 2009. The issuance of the new shares is expected by the end of this month once all the required approvals have been obtained.

On 21 December 2009, Alstom signed a memorandum of intent with the government of the state of Bahia, Brazil, to install its first industrial wind turbine assembly facility in the country, with an annual capacity of up to 300 MW per year. The estimated investment is approximately €20 million. The new wind turbine assembly facility is expected to come into operation in early 2011.

Financial situation

Alstom continues to benefit from a sound financial situation. The Group confirms that the operating margin for the full year 2009/10 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.

** Note: Currency & Scope impacts*

The evolution of orders and sales as reported between the first nine months of fiscal years 2008/09 and 2009/10 included a slight currency translation effect, as well as the acquisition of service activities in South Africa. The organic figures adjust the reported figures for these impacts.

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)

| | 2008/09 | | | | 2009/10 | | | 2008/09 | 2009/10 | Var. % | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|-------------|-------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | 9 months | 9 months | Var. Actual | Var. Org. |
| Orders received (in € million) | | | | | | | | | | | |
| Power | 4,424 | 5,779 | 3,889 | 2,374 | 3,000 | 1,731 | 2,652 | 14,092 | 7,383 | -48% | -48% |
| Thermal Systems & Products* | 2,665 | 3,935 | 1,422 | 808 | 1,414 | 435 | 1,837 | 8,022 | 3,686 | -54% | -55% |
| Thermal Services* | 1,414 | 1,193 | 1,600 | 947 | 1,203 | 970 | 573 | 4,207 | 2,746 | -35% | -35% |
| Renewables* | 345 | 651 | 867 | 619 | 383 | 326 | 242 | 1,863 | 951 | -49% | -49% |
| Transport | 2,128 | 3,070 | 2,233 | 683 | 1,768 | 635 | 1,571 | 7,431 | 3,974 | -47% | -45% |
| Alstom | 6,552 | 8,849 | 6,122 | 3,057 | 4,768 | 2,366 | 4,223 | 21,523 | 11,357 | -47% | -47% |
| | | | | | | | | | | | |
| | 2008/09 | | | | 2009/10 | | | 2008/09 | 2009/10 | Var. % | |
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | 9 months | 9 months | Var. Actual | Var. Org. |
| Sales (in € million) | | | | | | | | | | | |
| Power | 3,103 | 3,181 | 3,183 | 3,587 | 3,368 | 3,527 | 3,217 | 9,467 | 10,112 | +7% | +7% |
| Thermal Systems & Products* | 1,662 | 1,662 | 1,693 | 2,022 | 1,766 | 2,010 | 1,803 | 5,017 | 5,579 | +11% | +12% |
| Thermal Services* | 1,023 | 1,065 | 1,086 | 1,045 | 1,184 | 1,039 | 973 | 3,174 | 3,196 | +1% | -1% |
| Renewables* | 418 | 454 | 404 | 520 | 418 | 478 | 441 | 1,276 | 1,337 | +5% | +5% |
| Transport | 1,399 | 1,273 | 1,372 | 1,641 | 1,438 | 1,350 | 1,474 | 4,044 | 4,262 | +5% | +6% |
| Alstom | 4,502 | 4,454 | 4,555 | 5,228 | 4,806 | 4,877 | 4,691 | 13,511 | 14,374 | +6% | +6% |

(*) Figures given for comparison and analysis purposes only

APPENDIX 2 – GEOGRAPHIC BREAKDOWN

Reported figures (Unaudited)

| Orders received by destination (in € million) | 2008/09 | | 2009/10 | |
|---|---------------|-------------|---------------|-------------|
| | 9 months | % Contrib. | 9 months | % Contrib. |
| Europe | 10,504 | 49% | 7,271 | 64% |
| North America | 2,131 | 10% | 1,491 | 13% |
| South & Central America | 1,127 | 5% | 653 | 6% |
| Africa / Middle East | 5,777 | 27% | 631 | 6% |
| Asia / Pacific | 1,984 | 9% | 1,311 | 11% |
| TOTAL | 21,523 | 100% | 11,357 | 100% |
| | | | | |
| Sales by destination (in € million) | 2008/09 | | 2009/10 | |
| | 9 months | % Contrib. | 9 months | % Contrib. |
| Europe | 7,071 | 53% | 7,324 | 51% |
| North America | 2,064 | 15% | 2,001 | 14% |
| South & Central America | 821 | 6% | 710 | 5% |
| Africa / Middle East | 1,648 | 12% | 2,716 | 19% |
| Asia / Pacific | 1,907 | 14% | 1,623 | 11% |
| TOTAL | 13,511 | 100% | 14,374 | 100% |