

20 July 2010

During the first quarter 2010/11,
Alstom's sales showed resilience,
whilst orders were impacted by a lack of large projects

During the first quarter of 2010/11 (from 1 April to 30 June 2010), orders booked by Alstom amounted to €3.1 billion. Sales, at €4.7 billion, were slightly down as compared to the same period of last year¹.

Power received orders of €2.0 billion during the first quarter. The lack of large projects was partly offset by the resilience of small and medium-sized contracts, particularly in service and retrofit. Transport registered €1.1 billion of new orders, including a major commercial success in Russia.

During the first quarter 2010/11, sales grew by 9% in Transport, whilst they started to decline in Power, down 6% versus the first quarter 2009/10, as a consequence of the order evolution over the last fiscal year in this Sector.

The total backlog remained stable at €42 billion on 30 June 2010, benefiting from a €1.3 billion currency effect. It represented 27 months of sales.

Key figures

Actual figures	2009/10				2010/11	Variation Q1/Q1	
	Q1	Q2	Q3	Q4	Q1	Act.	Org.
<i>(in € million)</i>							
Orders received	4,768	2,366	4,223	3,562	3,069	-36%	-38%
Sales	4,806	4,877	4,691	5,276	4,743	-1%	-5%

" This first quarter confirms the resilience of small and medium-sized contracts in Power but, despite the busy tendering activity, the Group still faces challenges to register large orders as customers continue to delay their investments in new power plants. In Transport, the market remains sound, offering a number of opportunities. Sales have grown in Transport, whilst, as expected, they have started declining in Power, after the strong decrease in the order intake of the last fiscal year ", said Patrick Kron, Chairman & Chief Executive Officer of Alstom.

Sector Review²

Power

Order intake at €2.0 billion for the first quarter of the fiscal year 2010/11 showed a decrease of 35% versus the first quarter of last year. This evolution reflects the challenging commercial environment for new equipment.

Thermal Systems & Products received small and medium-sized orders only in the first quarter of the fiscal year 2010/11. The Thermal Services Business registered a large number of projects for both retrofit and service, as well as operation and maintenance contracts in Spain. In Renewables, the main orders booked in the first quarter were for hydro contracts in the Americas, as well as for wind turbines in Brazil.

Sales in Power, at €3.2 billion, decreased by 6% (-10% on an organic basis³) in comparison with the same period of last year, due to the expected slowdown of the turnover in Thermal Systems & Products.

Transport

Orders, at €1.1 billion in the first quarter of the fiscal year 2010/11, remained sustained despite being down 37% as compared with the first quarter 2009/10, which included several large contracts in Europe and South America.

The main orders booked in the first quarter 2010/11 included locomotives in Russia, as well as contracts in Sweden for suburban trains and maintenance.

In the first quarter of the fiscal year 2010/11, sales, at €1.6 billion, were up by 9% (+7% on an organic basis³) compared to the same period of the last fiscal year.

Key events of the first quarter 2010/11

On 20 May 2010, Alstom entered the solar market by investing \$55 million in BrightSource Energy Inc. This US privately-owned company specialises in designing, building and operating tower-based solar thermal power plants.

On 2 June 2010, Alstom acquired Amstar, a coating services company in the United States, which had sales of approximately \$11 million in 2009 and employed 50 people. This acquisition strengthened Alstom's service offerings with advanced technologies that improve power plant component life.

On 7 June 2010, Alstom and Schneider Electric completed the transaction with Areva for the acquisition of Areva T&D, its transmission and distribution businesses, after obtaining the approvals of the relevant competition authorities and the French Commission des Participations et des Transferts (CPT). With this acquisition, Alstom created a third Sector, named Alstom Grid, constituting the high voltage energy transmission business of the Group. Alstom's expertise in power generation combined with the capabilities acquired in grid management positions the Group in the key market of Smart Grid.

On 19 June 2010, Alstom, Transmashholding and Kazakh Railways (KTZ) signed an agreement for the creation of a joint company to manufacture electric locomotives in Kazakhstan.

On 24 June 2010, Alstom inaugurated a new production facility in Chattanooga, Tennessee, (USA) for steam and gas turbines, large turbo-generators and related equipment for the North American fossil fuel and nuclear power generation market. It will also retrofit existing steam turbines with leading edge technology.

Financial situation

During the first quarter 2010/11, Alstom turned into a net debt position, due to the financing of Areva Transmission for €2.3 billion, the payment of the dividend for €364 million as well as the impact on the free cash flow of the low book-to-bill ratio.

Outlook

The Group confirms that the operating margin for the two fiscal years 2010/11 and 2011/12 should be between 7% and 8%, based upon proper contract execution and gradual recovery of demand.

Note 1: Orders and sales for Alstom Grid were not yet available on 30 June 2010 for release. The new Sector will be fully consolidated on 30 September 2010 in the half year results and will account for four months.

Note 2: The reported figures by Sector are presented in appendix 1. A geographic breakdown of reported orders and sales is provided in appendix 2. As for all figures mentioned in this release, these are unaudited.

Note 3: i.e. excluding any currency & scope impacts. For this quarter, these are mostly positive currency effects.

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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 relevant to the current scope of activity and 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

	2009/10					2010/11		
	Q1	Q2	Q3	Q4	FY	Q1	Var. Actual Q1/Q1	Var. Organic Q1/Q1
Orders received <i>(in € million)</i>								
Power	3,000	1,731	2,652	2,052	9,435	1,950	-35%	-38%
<i>Thermal Systems & Products*</i>	1,414	435	1,837	604	4,290	405	-71%	-72%
<i>Thermal Services*</i>	1,203	970	573	1,272	4,018	1,203	0%	-5%
<i>Renewables*</i>	383	326	242	176	1,127	342	-11%	-15%
Transport	1,768	635	1,571	1,510	5,484	1,119	-37%	-39%
Alstom	4,768	2,366	4,223	3,562	14,919	3,069	-36%	-38%
	2009/10					2010/11		
	Q1	Q2	Q3	Q4	FY	Q1	Var. Actual Q1/Q1	Var. Organic Q1/Q1
Sales <i>(in € million)</i>								
Power	3,368	3,527	3,217	3,789	13,901	3,170	-6%	-10%
<i>Thermal Systems & Products*</i>	1,766	2,010	1,803	2,167	7,746	1,574	-11%	-14%
<i>Thermal Services*</i>	1,184	1,039	973	1,157	4,353	1,187	0%	-5%
<i>Renewables*</i>	418	478	441	465	1,802	409	-2%	-8%
Transport	1,438	1,350	1,474	1,487	5,749	1,573	+9%	+7%
Alstom	4,806	4,877	4,691	5,276	19,650	4,743	-1%	-5%

(* Figures given for comparison and analysis purposes only)

APPENDIX 2 – GEOGRAPHIC BREAKDOWN

Orders received by destination <i>(in € million)</i>	2009/10		2010/11	
	Q1	% Contrib.	Q1	% Contrib.
Europe	3,232	68%	1,688	55%
North America	579	12%	485	16%
South & Central America	308	6%	308	10%
Africa / Middle East	83	2%	191	6%
Asia / Pacific	566	12%	397	13%
TOTAL	4,768	100%	3,069	100%
Sales by destination <i>(in € million)</i>	2009/10		2010/11	
	Q1	% Contrib.	Q1	% Contrib.
Europe	2,457	51%	2,328	49%
North America	775	16%	645	14%
South & Central America	229	5%	308	6%
Africa / Middle East	824	17%	809	17%
Asia / Pacific	521	11%	653	14%
TOTAL	4,806	100%	4,743	100%