HALF-YEAR FINANCIAL REPORT
(Half-year ended 30 September 2010)

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Management report on condensed consolidated financial statements,
Half-year ended 30 September 2010

MANAGEMENT REPORT

ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
HALF YEAR ENDED 30 SEPTEMBER 2010

1. Main events of half year ended 30 September 2010

1.1. Operational performance in line with guidance for the full fiscal year, whilst orders and cash impacted by the weak thermal market

During the first half of 2010/11, the overall commercial environment remained challenging with contrasted situations across geographies. BRICs and emerging countries were quick to rebound whereas the western world experienced a sluggish recovery threatened by high public debt levels.
Due to this lack of visibility, a number of Power projects have been kept on hold, in particular in Europe and in the United States of America. In this context, Power Thermal Systems & Products commercial activity was heavily affected by the lack of new large projects while Thermal Services and Renewable businesses proved steady on small and medium orders. This led to a globally low level of order intake in the Power Sector.
Transport markets were more resilient and the Sector delivered a fair commercial performance with, notably, a promising break in Russia thanks to its partnership with Transmashholding (TMH).
The transmission equipment market started its recovery after the decrease due to the worldwide economic slowdown. Since closing of the acquisition, Grid booked two important orders for gas insulated substations in United Arab Emirates and Libya.

Total orders intake stood out at €7.0 billion (including Grid for €1.4 billion for 4 months[1]) compared to €7.1 billion last year[2].

The total backlog remained important at €45.3 billion (including Grid) on 30 September 2010. It represented 23 months of sales.

The Group recorded sales of €10.4 billion (including Grid) compared to €9.7 billion last year. Sales traded by Transport grew by 5% while they were down by 13% for Power, as a consequence of the decrease in the Sector's backlog over the previous year. Grid totalled €1.5 billion of sales for the 4 months consolidated period.

[1] period between the acquisition date (7 June 2010) and 30 September 2010
[2] Last year figures do not include Grid

Income from operations decreased from €828 million to €763 million and operating margin from 8.6% to 7.3%. This variation is explained by the decrease in Power's profitability which was hit by lower volumes and by the impact of the consolidation of Grid with an operating margin at 5.8% for the period. Structural measures were announced to adapt Power to the evolution of the demand for new thermal power plants in Europe and the United States of America (see section 1.2). In parallel, a performance plan is being deployed in Grid to rationalise costs and to strengthen its positioning through the leveraging of its technological edge and international presence. At Group level, priority remained on sound project execution and strict cost control.

Net profit (Group share) reached €401 million in the first half of 2010/11 versus €562 million in the first half of 2009/10, including an after tax negative impact of €75 million due to Grid purchase price allocation effects (amortization of the margin in backlog) and Grid acquisition costs.

The Group's free cash flow was negative at €(963) million over the first half year 2010/11. Working capital significantly deteriorated under the cumulated effects of the overall lower level of orders intake, the lack of booking of large turnkey contracts and the cash profile of projects under execution.

As a consequence of the acquisition of Grid for €2.4 billion, the payment of the dividend for €364 million and the negative free cash flow of €(963) million, the Group net financial position turned to a net debt of €(1,473) million at 30 September 2010 versus a net cash of €2,222 million at 31 March 2010.

At 30 September 2010, Alstom had a cash and cash equivalent position of €1,685 million, as well as an undrawn credit line of €1.0 billion. During the semester, the Group consolidated its liquidity with the extension by €500 million of two existing bonds. On 5 October, the Group issued two new bonds with maturity October 2015 and 2018 for a total amount of €1.0 billion. The proceeds of these issues are used for the financing of the general corporate purposes of the Group. These operations were well received by the markets and demonstrated that the Group has good access to suitable sources of financing for its business. The Group is rated BBB+ with a negative outlook by Standard & Poor's and Baa1 with a negative outlook by Moody's.

1.2. Adapt to demand

In the Power market, after a severe contraction last year, demand is driven by BRICs and emerging countries while the markets in Europe and the United States of America only showed limited recovery.

In October 2010, Power announced structural measures to adapt its thermal power generation activities (coal, gas) to this evolution of their markets. More precisely, execution sites would be adjusted to load in Europe and the United States of America while resources are strengthened on the most dynamic markets, more specifically in Asia. In addition, Power central functions will be downsized. Around 4,000 positions would be impacted by this plan, mostly in Europe and North

America. Following the announcement to its European works forum on 4 October 2010, the Group has launched the mandatory information and consultation information processes.

Power Sector is also implementing a reorganisation of its businesses by fuels: the current Thermal Systems and Thermal Products Businesses will be replaced by Gas, Steam, Nuclear and Thermal Renewables. Hydro and Wind as well as Thermal Services will remain unchanged.

1.3. Support Group development

Investments

Capital expenditures (excluding capitalisation costs) remained high at €196 million during this semester, including €47 million for Grid.

The Group inaugurated on 24 June 2010 its state-of-the art turbine manufacturing facility in Chattanooga (Tennessee, United States of America), to address the North American power generation market. It also started the construction of a new wind turbines assembly facility in Amarillo (Texas, United States of America), scheduled to be operational in 2011. This investment aims at supporting the company's expansion in the North American wind power market. Another new wind turbine assembly facility is also being built in the State of Bahia (Brazil).

To maintain a solid operational performance, Transport capital expenditures focused on site modernisation to support product line development and improve productivity. Major investment programmes over the semester included:

- modernisation of sites involved in the manufacturing of the new generations of trains: La Rochelle and Savigliano for Very High Speed trains (TGV[3], AGV™), Reichshoffen for Coradia Polyvalents™, etc,
- investments to adapt to the growing demand on service markets: Virgin Pendolinos™ maintenance center in Liverpool, Tram maintenance center in Reims and maintenance and modernisation center for electric rolling stocks in Braunschweig.

For Grid, the capital expenditures programme was mainly aimed at:

- finalizing the expansion of its industrial footprint in China, India and Turkey,
- leveraging new technologies in order to capture growth: Grid accelerated the upgrade of its High Voltage Direct Current (HVDC) Power Transformer manufacturing facilities in Brazil and the construction of its new technological centre in Shanghai dedicated to Ultra High Voltage (UHV) equipment.

Partnerships and M&A

On 20 May 2010, Alstom entered the thermal solar market by taking a significant share in BrightSource Energy Inc. This privately-owned company is specialised in the design, the building and the operation of tower based solar thermal power plants.

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[3] TGV is a trademark of SNCF.

On 2 June 2010, Alstom acquired Amstar, a coating services company in the United States of America, which had sales of approximately $10 million in 2009 and employed 50 people. This acquisition strengthened Alstom's service offerings with advanced technologies to improve power plant component life.

In June 2010, Alstom and its Russian partner Transmashholding signed an agreement with Kazakh Railways for the creation of a joint company to manufacture electric locomotives in Kazakhstan. A new manufacturing site will be operational in Astana (Kazakhstan) in 2012.

In September 2010, Alstom signed a Memorandum of Understanding with two Chinese companies, China Northern Locomotive & Rolling Stock Industry Corporation (CNR) and Shanghai Electric Group Company Limited (SEC), to form a strategic partnership and jointly develop new markets for mass transit and intercity equipments. Under the terms of the agreement, Alstom, together with CNR and SEC, will expand the capabilities and competitiveness of their existing two joint ventures, Shanghai Alstom Transport Company Limited and Shanghai Alstom Transport Electrical Equipment Company Limited. The collaboration will allow the parties to accelerate the development of complete rolling stock solutions and railway traction systems by the two JVs.

Research & Development

During the first half of 2010/11, the Group invested €378 million in research and development (excluding capitalisation and amortisation effect) to develop new technologies and to improve its existing product offering.

In the Power Sector, Alstom continued its efforts to develop its leadership in Carbon Capture and Storage (CCS) technology. The Group has a total of eleven demonstration projects, in operation or actively being developed, using various technologies of post combustion and oxy-firing. It recently reached new milestones with its chilled ammonia demonstration project in Pleasant Prairie (Wisconsin) and its advanced-amine technology demonstration project, developed jointly with Dow Chemical.

A cooperation agreement has also been signed with China's Tsinghua University to develop power converters and the strategic partnership with Infosys Technologies Limited -a leader in Information System Technology based in India- has been extended to cover global research and development, engineering and IT services. This partnership envisages substantial strategic investments over the next five years to develop next generation solutions for the power sector.

Transport research and development programmes have pushed forward advanced technologies across its product range:

- Transport show-cased its latest very high-speed offering at the InnoTrans rail exhibition in September 2010: the new one-level platform, named Speedelia, will reach 360 km/h commercial speed and will be completely interoperable with rail networks of different voltages and signalling systems, making uninterrupted travel between networks possible.

Speedelia is Alstom's first non-articulated very high-speed platform, which allows higher loads due to an increased number of bogies.

- while the first PRIMA II™ locomotive is being tested in Europe, a multi-voltage evolution has been presented at Innotrans 2010, displaying its brand new EUDD (European Unified Driver Desk),
- the AGV™ first trainset is currently finalising dynamic tests. Nuovo Trasporto Viaggiatori (NTV), the AGV™ first customer, intends to start commercial operations late 2011,
- the first Coradia™ Nordic X61 trainsets went into commercial service between Helsingborg and Malmö (Sweden) in August 2010,
- Alstom delivered the first Tram-train CITADIS™ Dualis trainset in August 2010. Equipment tests are still in progress to obtain certification and authorisation to run on the national rail network.

Grid research and development investments aimed at developing solutions in High Voltage Direct Current (HVDC) and Ultra High Voltage (UHV) technologies to enable the efficient transmission of large amounts of power over long distances. Grid focused as well on its Smart Grids strategic priority, with programmes aimed at improving grid reliability, stability and efficiency while reducing CO_2 emissions.

1.4. Grid integration

On 7 June 2010, Alstom and Schneider Electric successfully completed the acquisition of Areva's transmission and distribution businesses (Areva T&D). With this acquisition, completed at the price of €2.3 billion (enterprise value), Alstom created a third Sector, named Alstom Grid, including all technologies primarily focused on high voltage activities.

Alstom is now working actively on the integration of Grid into the Group. The process aiming at separating Alstom Grid business from Schneider Electric Energy business is currently being carried out in a smooth and timely manner.

On 30 June 2010, Grid launched an ambitious performance plan with the objectives to boost its competitiveness and to reinforce its market positioning through innovation and differentiation.

1.5. Corporate responsibility

Environment, Health and Safety

After having several EHS indicators audited in March 2010, Alstom now targets to have all its production sites of more than 200 people certified ISO 14001 by 2012.
Alstom also set several objectives to reduce its environmental impact across the globe. By 2015, the Group committed itself to reduce the intensity of water consumption by 20% in arid areas, to decrease by 10% the intensity of Volatile Organic Compounds (VOC) emissions, and have 80% of its wastes recycled. With the integration of the new Alstom Grid Sector, Alstom also targets to decrease its emission of SF6 by 3% each year.

Ethics & Compliance

To reinforce Ethics & Compliance within the Group, around 200 Ethics & Compliance Ambassadors have been appointed in May 2010; their main roles are to support the implementation of the Alstom Integrity Programme and to develop the Alstom Integrity culture by being a key contact point for business ethics and personal integrity questions.
The new "e-Ethics" training module, which aimed at ensuring a good understanding and a strict application of the Group rules, was successfully completed by more than 30,000 Managers and Professionals throughout the Group.

Ethics, Compliance and Sustainability Committee

The Board of Directors decided to set up a new Board Committee: the Ethics, Compliance and Sustainability Committee.
Comprised of three independent Directors, this Committee will have the mission to examine and monitor the Company's policies with regards to ethics and compliance matters as well as the systems and procedures in place to implement them. It will examine and also assess the strategy, policies and procedures of the Company on issues related to corporate responsibility and sustainable development and will provide the Board of Directors with its opinion on all these subjects.

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2. Consolidated figures

2.1. Key Group figures

in € million	Half Year ended 30 September 10	Half Year ended 30 September 09	Half Year ended 30 September 08	% Variation Sept 10 / Sept 09 Actual	Organic
Order Backlog	45,287	43,787	46,879	3%	(12%)
Orders Received	7,038	7,134	15,401	(1%)	(25%)
Sales	10,432	9,683	8,956	8%	(12%)
Income from operations	763	828	697	(8%)	(21%)
Operating Margin	*7.3%*	*8.6%*	*7.8%*		
EBIT	599	782	686	(23%)	
Net Profit - Group share	401	562	527	(29%)	
Free Cash Flow	(963)	77	1,201		
Capital Employed	5,694	1,324	448		
Net Cash/(Debt)	(1,473)	1,866	1,864		
Headcount	94,569	79,480	79,048	19%	(6%)

2.2. Key geographical figures

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

Total Group Actual figures, in € million	Europe	North America	South and Central America	Asia/Pacific	Middle East/Africa	Total
	Half year ended 30 September 2009					
Orders Received	4,150	1,197	517	976	294	**7,134**
% of contrib	*58%*	*17%*	*7%*	*14%*	*4%*	*100%*
Sales	4,859	1,398	482	1,097	1,847	**9,683**
% of contrib	*51%*	*14%*	*5%*	*11%*	*19%*	*100%*
Headcount	48,793	10,393	4,632	14,043	1,619	**79,480**
% of contrib	*63%*	*12%*	*6%*	*17%*	*2%*	*100%*

3. Outlook

Even though the level of commercial and industrial activities will be impacted by the slower than expected recovery of demand in some areas and businesses in Power, given its sound backlog, Alstom confirms its Group's operating margin guidance at 7 to 8% for fiscal years 2010/11 and 2011/12.

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 2009/10, and in the notes to the half year consolidated accounts ended 30 September 2010 or other unknown risks, materialise.

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4. Sector analysis

4.1. Power

The following table presents the key performance indicators for Power:

Power Actual figures (in € million)	Half year ended 30 September 2010	Half year ended 30 September 2009	% Variation Sept. 10 / Sept. 09 Actual	 Organic
Order backlog	21,456	24,631	(13%)	(17%)
Orders received	3,631	4,731	(23%)	(27%)
Sales	5,988	6,895	(13%)	(17%)
Income from operations	509	677	(25%)	(27%)
Operating margin	8.5%	9.8%		
EBIT	497	657	(24%)	
Capital employed	3,486	1,672	108%	

4.1.1. Orders received

Orders received by Power decreased by 23% compared to the same period last year, at €3,631 million. The expected recovery of demand for new fossil fuel equipment in Europe and in the United States of America has not occurred, as reserve margins remain high and customers continue to delay their large investments, awaiting sufficient visibility on their own markets. On the other hand, demand for renewables is growing, supported by regulatory framework. Service activities remained sustained as customers chose to improve the performance of their existing plants or to expand their lifetime.

Orders intake for Thermal Systems & Products remained strongly affected by the low market conditions in Europe and in the United States of America. In the fast growing Indian market, Alstom was awarded projects for two 800 MW supercritical boilers in partnership with Bharat Heavy Electricals Ltd. In South Africa, Alstom was also awarded air quality control systems for the 6 x 800 MW Kusile coal-fired power plant, which is already under construction and for which Alstom is providing the turbines and generators. In the nuclear field, Alstom signed a contract with DongFang to supply six 1000 MW steam turbines and generators for three nuclear power plants in China.

Alstom benefited from the rebound in renewable energy and booked several orders for wind turbines and hydro power equipment. Three significant wind turbine contracts have been recorded since March 2010: the first one totalling 217 MW for the extension of the Whitelee wind farm near Glasgow (United Kingdom). The other two illustrate Alstom entrance in new wind markets, Brazil and the United States of America, two countries where Alstom is currently building assembly facilities. Alstom also booked orders for hydro turbines for power plants in Chile (Angostura) and in China (XianJiang) and several smaller orders for hydro power equipment in the United States of America and in Europe.

Service market proved more resilient with orders at €2,008 million, even if slightly down compared to the same period last year, despite the lack of contracts linked to new power plants. Among the largest contracts, Alstom signed the extension of operation and maintenance contracts in Spain for two power plants, as well as the retrofit of two steam turbines in Mexico.

Orders received			% Variation	
Actual figures	**Half year ended**	**Half year ended**	Sept. 10 / Sept. 09	
(in € million)	**30 September 2010**	**30 September 2009**	Actual	Organic
Thermal Systems & Products	873	1,849	(53%)	(55%)
Thermal Services	2,008	2,173	(8%)	(13%)
Renewables	750	709	6%	1%
Power	**3,631**	**4,731**	**(23%)**	**(27%)**

Orders received in Europe during the first half of 2010/11 fell to €1,408 million, a 47% decrease compared to last year. Main orders booked in Europe over the period were for wind turbines for the Whitelee wind farm extension in the United Kingdom and an operation and maintenance contract in Spain. Europe amounted for 39% of the orders booked by Power over the period.

The order intake in North America reached €844 million, decreasing by 21% compared to last year. Main orders recorded were in the renewables area, including turbines for a wind farm in Minnesota (United States of America) .

Power booked orders amounting to €325 million in South and Central America, including orders for a wind farm complex in Bahia (Brazil) and turbine and generator sets for a hydro power plant in Chile. Orders increased by 204% compared to last year.

In Asia/Pacific, orders received reached €666 million, stable compared to last year. Main contracts booked were for two supercritical boilers in India and steam turbines and generators for nuclear power plants in China. Asia/Pacific represented 18% of the orders received by Power during this semester.

Middle East/Africa accounted for 11% of orders received by Power, at €388 million, including a contract booked in South Africa for an air quality control system.

Power					*% Variation Sept. 10/09*	
Actual figures, in € million	**Half year ended 30 Sept. 10**	% of contrib	**Half year ended 30 Sept. 09**	% of contrib	*Actual*	*Org.*
Europe	1,408	39%	2,668	56%	*(47%)*	*(48%)*
North America	844	23%	1,075	23%	*(21%)*	*(29%)*
South and Central America	325	9%	107	2%	*204%*	*169%*
Asia/Pacific	666	18%	671	14%	*(1%)*	*(9%)*
Middle East/Africa	388	11%	210	5%	*85%*	*75%*
Orders by destination	**3,631**	**100%**	**4,731**	**100%**	***(23%)***	***(27%)***

The Power Sector received the following major orders during the first half of 2010/11:

Country	Description
Brazil	57 wind turbines for a wind farm complex in Bahia
Chile	Turbine and generator sets for a new 320 MW hydro power plant
China	Six 1000 MW steam turbines and generators for three different nuclear power plants
India	Design of two 800 MW supercritical boilers
Spain	O&M contracts for two combined cycled power plants
South Africa	Air quality control system for a 6 x 800 MW coal-fired power plant
United Kingdom	75 wind turbines for the extension of the largest onshore wind farm in Europe

4.1.2. Sales

During the first half of 2010/11, sales in the Power Sector reached €5,988 million, a 13% decrease compared to the same period last year. Most of this evolution is explained by Thermal Systems & Products where sales were down 21%. Level of activity and backlog in Thermal Services and Renewables remained more stable.

Sales **Actual figures** **(in € million)**	**Half year ended** **30 September 2010**	**Half year ended** **30 September 2009**	% Variation Sept. 10 / Sept. 09 Actual	 Organic
Thermal Systems & Products	2,980	3,776	(21%)	(24%)
Thermal Services	2,217	2,223	(0%)	(6%)
Renewables	791	896	(12%)	(17%)
Power	**5,988**	**6,895**	**(13%)**	**(17%)**

Europe represents more than 42% of the sales traded by Power, amounting to €2,508 million, down 16% compared to the previous year. Contracts for turnkey power plants, notably in the UK and the Netherlands, were traded over the period.

Sales in North America decreased by 6% at €931 million.

In South and Central America, sales reached €407 million, thanks to the trading of major contracts for hydro power plants, up 17% versus last year.

Sales in Asia/Pacific decreased to €765 million, amounting to 13% of the total sales traded by Power.

In Middle East/Africa, sales showed a decrease of 19% compared to the very high level reached during first semester 2009/10, when major projects in Algeria, Tunisia and United Arab Emirates were traded. Over this semester, large turnkey projects were executed in South Africa, Saudi Arabia and the United Arab Emirates. Sales in the region reached €1,377 million, amounting to 23% of Power sales.

Power					% Variation Sept. 10/09	
Actual figures, in € million	Half year ended 30 Sept. 10	% of contrib	Half year ended 30 Sept. 09	% of contrib	Actual	Org.
Europe	2,508	42%	2,972	43%	(16%)	(17%)
North America	931	15%	990	14%	(6%)	(14%)
South and Central America	407	7%	347	5%	17%	8%
Asia/Pacific	765	13%	878	13%	(13%)	(21%)
Middle East/Africa	1,377	23%	1,708	25%	(19%)	(23%)
Sales by destination	**5,988**	**100%**	**6,895**	**100%**	**(13%)**	**(17%)**

4.1.3. Income from operations and operating margin

As a consequence of lower volumes and under absorption of costs, Power saw its operating margin decline from 9.8% last year to 8.5% for the first semester of 2010/11. The Sector has taken structural measures to adapt Thermal Systems & Products to its load and to the geographical evolution of its markets.

4.2. Transport

The following table presents the key performance indicators for Transport:

Transport Actual figures (in € million)	Half year ended 30 September 2010	Half year ended 30 September 2009	% Variation Sept. 10 / Sept. 09 Actual	 Organic
Order backlog	18,568	19,156	(3%)	(6%)
Orders received	2,007	2,403	(16%)	(20%)
Sales	2,917	2,788	5%	2%
Income from operations	213	195	9%	5%
Operating margin	7.3%	7.0%		
EBIT	177	188	(6%)	
Capital Employed	419	(166)		

4.2.1. Orders received

During the first six months of fiscal year 2010/11, Transport recorded €2,007 million of orders intake, a 16% decrease compared to last year which included some large projects booked.

In Europe, a sluggish growth and the increase of public debt levels has delayed some investments in public transportation but the need for more public transports allowed some important projects to move ahead. In this context, Alstom was awarded a contract for the supply of suburban CORADIA™ Nordic trains as well as a maintenance contract in Sweden and tramways for several French cities. In Russia, the partnership between Alstom and TMH proved fruitful, as Alstom and TMH won a contract to provide EP20 electric locomotives to the Russian Railways company (RZD). In India, Alstom booked an order for the supply of metro cars for the city of Chennai.

Transport					*% Variation Sept. 10/09*	
Actual figures, in € million	**Half year ended 30 Sept. 10**	% of contrib	**Half year ended 30 Sept. 09**	% of contrib	*Actual*	*Org.*
Europe	1,376	69%	1,482	62%	*(7%)*	*(7%)*
North America	82	4%	122	5%	*(33%)*	*(40%)*
South and Central America	77	4%	410	17%	*(81%)*	*(85%)*
Asia/Pacific	386	19%	305	13%	*27%*	*22%*
Middle East/Africa	86	4%	84	3%	*2%*	*2%*
Orders by destination	**2,007**	**100%**	**2,403**	**100%**	***(16%)***	***(20%)***

In Europe, Transport recorded orders for €1,376 million, decreasing by 7% compared to last year. Thanks to its partnership with TMH, Transport was awarded the supply of components for 200 EP20 electric locomotives in Russia. In Western Europe, Transport received an order for the supply of 12 CORADIA™ Nordic suburban trains for the Stockholm-Uppsala line in Sweden and the maintenance on 135 suburban trains in use in the greater Stockholm area. Confirming its competitive advantage on the tramways, Transport also signed contracts to deliver tramways for several cities including Paris, Tours, le Havre or Nice. Signalling, Parts and Renovation business resisted well, bringing a number of small size orders. Overall, Europe represented 69% of Transport total order intake over the period.

In North America, orders received, mostly with signalling, reached €82 million decreasing by 33%.

In South and Central America, orders received reached €77 million, decreasing by 81%. The exceptional commercial performance recorded last year in Brazil, where Transport booked several contracts for tramways and metros in Brasilia and Sao Paulo, explains this year to year drop.

Orders received in Asia/Pacific increased by 27% at €386 million, as Alstom was awarded a contract for the supply of 168 cars for the new metro of Chennai in India. This region accounted for 19% of the orders received by Transport.

In Middle East/Africa, €86 million of orders were booked, at the same level as last year.

The Transport Sector received the following major orders during the first half of 2010/11:

Country	**Description**
France	Citadis tramways for Paris, Tours, le Havre, Nice
India	168 cars for the metro of Chennai
Italy	Milano Line 5 extension
Russia	EP20 passenger locomotives in partnership with TMH
Sweden	12 new Coradia Nordic suburban trains; maintenance contract for suburban trains
Tunisia	16 additional Citadis tramways for Tunis and maintenance service for the entire fleet

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4.2.2. Sales

Transport recorded sales of €2,917 million, a 5% increase compared to last year.

Europe accounted for 64% of Transport sales at €1,880 million, at the same level as last year. Very High Speed contracts achieved major progress in France and Italy. Regional trains were delivered in Germany, France, Spain and Sweden, while urban rolling stock, including metros and tramways, was traded in France.

In North America, sales dropped to €184 million, decreasing by 55% compared to last year, due to the end of the metro cars project for the city of New York.

Sales totalled €193 million increasing by 43% in South and Central America, where urban rolling stock and equipment contracts were traded for the network of Sao Paulo.

Asia/Pacific contributed to 17% of Transport sales at €485 million, a 121% increase compared to last year. Freight locomotives and regional trains components were delivered in China. Transport also supplied regional trains for the city of Melbourne in Australia.

In Middle/East Africa, Transport achieved sales of €175 million, increasing by 26% and accounting for 6% of the Sector's sales. The supply of tramways in Algeria and in Morocco ramped-up.

Transport					*% Variation Sept. 10/09*	
Actual figures, in € million	**Half year ended 30 Sept. 10**	% of contrib	**Half year ended 30 Sept. 09**	% of contrib	*Actual*	*Org.*
Europe	1,880	64%	1,887	68%	*(0%)*	*(1%)*
North America	184	6%	408	14%	*(55%)*	*(59%)*
South and Central America	193	7%	135	5%	*43%*	*24%*
Asia/Pacific	485	17%	219	8%	*121%*	*110%*
Middle East/Africa	175	6%	139	5%	*26%*	*22%*
Sales by destination	**2,917**	**100%**	**2,788**	**100%**	***5%***	***2%***

4.2.3. Income from operations and operating margin

With a continuous effort on project execution and cost control, Transport operating margin reached 7.3%, up compared to September 2009 and to March 10. Income from operations reached €213 million, increasing by 9% compared to the € 195 million recorded for the same period of last year.

4.3. Grid

The following table presents the key performance indicators of the Grid Sector, for its first four months of activity within Alstom (from 7 June to 30 September 2010):

Grid **Actual figures** **(in € million)**	**From 7 June to 30 September 2010**
Order backlog	5,263
Orders received	1,400
Sales	1,527
Income from operations	88
Operating margin	5.8%
EBIT	22
Capital employed	2,059

4.3.1. Orders received

During the first half year ending 30 September 2010, the transmission equipment market started its recovery after the 2009 decrease due to the worldwide economic slowdown. The growth was sustained especially in North Africa, South America and Eurasia. The market growth in volume was however partially offset by price erosion, mainly due to increased competition in all regions.

Grid **Actual figures, in € million**	**From 7 June to 30 Sept. 2010**	% of contrib
Europe	394	28%
North America	114	8%
South and Central America	124	9%
Asia/Pacific	383	27%
Middle East/Africa	385	28%
Orders by destination	**1,400**	**100%**

During the period covering 7 June to 30 September 2010, Grid booked contracts for a total value of €1.4 billion.

In Europe, orders reached €394 million, or 28% of total order intake. Key projects were booked in Russia (turnkey special power supply for the aluminium industry) and in Tadjikistan (Gas Insulated Switchgear for a 220 KV substation).

North America accounted for €114 million.

South and Central America represented €124 million and 9% of the total order intake. This region was mainly driven by Brazil.

With €383 million orders booked, Asia/Pacific accounted for 27% of the total order intake. Within this region, India and China were the most active markets.

In Middle East/Africa, Grid booked orders for €385 million. The region benefited from the continuous need for infrastructure investments. Large contracts were booked in this region, among which seven 220 KV power supply substations in Libya, an oil refinery power supply in the United Arab Emirates and a turnkey capacitors project in Saudi Arabia.

The Grid Sector received the following major orders during the first half of 2010/11:

Country	**Description**
India	Delivery of a 765/400 KV substation
Libya	7 x 220 KV substations
Russia	Turnkey gas insulated substation for aluminium electrolysis
Saudi Arabia	Supply of capacitors for power factor correction
Tajikistan	Replacement of an air insulated substation 220 KV by a gas insulated unit for hydro power plant
United Arab Emirates	Turnkey gas insulated substation 132/220 KV for oil refinery

4.3.2.Sales

Sales amounted to €1.5 billion during the 4 months period, highlighting a high level of activity across all businesses.

In Europe, sales were at €422 million. Activity was sustained in the United Kingdom with the execution of large HVDC, wind-farms and GIS projects booked in the previous periods.

Sales in North America accounted for €145 million and included sales for equipments in the United Sates of America, as well as the execution of a contract for a 500/230 KV AIS substation in Canada.

Sales in South and Central America reached €139 million. Major contracts traded included two HVDC substations and twenty-eight HVDC Power transformers in Brazil and an HVDC project in Uruguay.

Asia/Pacific accounted for 30% of Grid's sales at €463 million. The activity was sustained especially in India, China, Australia and Indonesia. In the two latter countries, Grid executed large projects booked in 2009: a 132/33 KV turnkey substation, 33 KV switchgear and kiosk substations in Australia, several 150 KV GIS (gas insulated switchgear) and AIS (air insulated switchgear) substations in Indonesia.

Sales in Middle East / Africa amounted to €358 million. The activity is mainly fuelled by the execution of a robust backlog of turnkey contracts for the supply of substations in Saudi Arabia, Bahrain, United Arab Emirates, Libya and Qatar.

Grid **Actual figures, in € million**	**From 7 June to 30 Sept. 2010**	% of contrib
Europe	422	28%
North America	145	10%
South and Central America	139	9%
Asia/Pacific	463	30%
Middle East/Africa	358	23%
Sales by destination	**1,527**	**100%**

4.3.3. Income from operations and operating margin

Grid's income from operations reached €88 million, or 5.8% of sales. The Sector is focused on the good execution of its backlog and the control of its costs. Grid initiated a performance plan around two key objectives: boost its competitiveness and reinforce its market positioning through innovation and differentiation.

4.4. Corporate and Others

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

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

Corporate & Others **(in € million)**	**Half year ended 30 September 2010**	**Half year ended 30 September 2009**
Income from operations	(47)	(44)
EBIT	(97)	(63)
Capital Employed	(270)	(182)

Non operating expenses include €(35) million related to Grid acquisition costs.

5. Financing Review

5.1 Free cash flow

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

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

Total Group **(in € million)**	**Half year ended 30 September 2010**	**Half year ended 30 September 2009**
Net cash provided by operating activities	**(651)**	**385**
Capital expenditure (including capitalized development costs)	(333)	(317)
Proceeds from disposals of tangible and intangible assets	21	9
Free Cash Flow	**(963)**	**77**

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

5.2 Net cash/(debt)

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

Total Group **(in € million)**	**At 30 September 2010**	**At 31 March 2010**
Cash and cash equivalents	1,685	4,351
Marketable securities and other current financial assets	60	35
Financial non-current assets directly associated to financial debt	453	450
less:		
Current financial debt	714	242
Non current financial debt	2,957	2,372
Net cash/(debt)	**(1,473)**	**2,222**

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5.3 Liquidity

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

Total Group **(in € million)**	**Half year ended 30 September 2010**	**Year ended 31 March 2010**
Net cash provided by operating activities - before changes in net working capital	714	1,766
Changes in net working capital resulting from operating activities	(1,365)	(960)
Net cash provided by operating activities	**(651)**	**806**
Net cash used in or provided by investing activities	(2,444)	(636)
Net cash used in financing activities	387	1,114
Net (decrease)/increase in cash and cash equivalents	**(2,708)**	**1,284**
Cash and cash equivalents at the beginning of the period	4,351	2,943
Net effect of exchange rate variations	50	135
Other changes	(8)	(11)
Cash and cash equivalents at the end of the period	**1,685**	**4,351**

5.4 Capital employed

Capital employed is defined as the closing position of goodwill, intangible assets, property, plant and equipment, other non-current assets (excluding prepaid pension benefits and financial non-current assets directly associated to financial debt) and current assets (excluding marketable securities and other current financial assets, and cash and cash equivalents) minus 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 2010.

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

End of September 2010, capital employed reached €5,694 million, compared to €1,944 million at the end of March 2010, mainly due to the change in working capital.

Total Group		
(in € million)	**At 30 September 2010**	**At 31 March 2010**
Non current assets	11,753	8,898
less deferred tax assets	(1,193)	(982)
less non-current assets directly associated to financial debt	(453)	(450)
less prepaid pension benefits	(5)	(9)
Capital employed - non current assets **(A)**	10,102	7,457
Current assets	17,423	17,080
less cash & cash equivalents	(1,685)	(4,351)
less marketable securities and other current financial assets	(60)	(35)
Capital employed - current assets **(B)**	15,678	12,694
Current liabilities	20,140	17,989
less current financial debt	(714)	(242)
plus non current provisions	660	460
Capital employed - liabilities **(C)**	20,086	18,207
Capital employed (A)+(B)-(C)	**5,694**	**1,944**

6. Organic basis

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

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

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

- the actual figures for 2009/10 (orders in hand, orders received, sales and income from operations) are restated taking into account the exchange rates used for the first half of 2010/11, 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 2009/10 (restatement of disposals) and for the first half of 2010/11 (restatement of acquisitions).

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

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in € million	Half year ended 30 September 2009 Actual figures	Exchange rate	Scope impact	Comparable Figures	Half year ended 31 March 2010 Actual figures	Exchange rate	Scope impact	Comparable Figures	Half year ended 30 September 2010 Actual figures	Scope Impact	Organic figures	% Var Act. Sept. 10 / Sept. 09	% Var Org Sept. 10 / Sept. 09
Power	24,631	1,086	-	25,717	23,318	181	-	23,499	21,456		21,456	(13%)	(17%)
Transport	19,156	546	-	19,702	19,243	137	-	19,380	18,568		18,568	(3%)	(6%)
Grid	-	-	-	-	-	-	-		5,263	(5,263)	-		
Corporate & Others	-	-	-	-	-	-	-	-	-		-	N/A	N/A
Orders backlog	**43,787**	**1,632**	**-**	**45,419**	**42,561**	**318**	**-**	**42,879**	**45,287**	**(5,263) -**	**40,024**	**3%**	**(12%)**
Power	4,731	246	-	4,977	4,704	217	-	4,921	3,631		3,631	(23%)	(27%)
Transport	2,403	114	-	2,517	3,081	24	-	3,105	2,007		2,007	(16%)	(20%)
Grid	-	-	-	-	-	-	-		1,400	(1,400)	-		
Corporate & Others	-	-	-	-	-	-	-	-			-	N/A	N/A
Orders Received	**7,134**	**360**	**-**	**7,494**	**7,785**	**241**	**-**	**8,026**	**7,038**	**(1,400)**	**5,638**	**(1%)**	**(25%)**
Power	6,895	346	-	7,241	7,006	288	-	7,294	5,988		5,988	(13%)	(17%)
Transport	2,788	84	-	2,872	2,961	93	-	3,054	2,917		2,917	5%	2%
Grid	-	-	-	-	-	-	-		1,527	(1,527)	-		
Corporate & Others	-	-	-	-	-	-	-	-	-		-	N/A	N/A
Sales	**9,683**	**430**	**-**	**10,113**	**9,967**	**381**	**-**	**10,348**	**10,432**	**(1,527)**	**8,905**	**8%**	**(12%)**
Power	677	18	-	695	791	26	-	817	509		509	(25%)	(27%)
Transport	195	8	-	203	219	3	-	222	213		213	9%	5%
Grid	-	-	-	-	-	-	-		88	(88)	-		
Corporate & Others	(44)	1	-	(43)	(59)	(3)	-	(62)	(47)		(47)	N/A	N/A
Income from Operations	**828**	**27**	**-**	**855**	**951**	**26**	**-**	**977**	**763**	**(88)**	**675**	**(8%)**	**(21%)**
Power	9.8%			9.6%	11.3%			11.2%	8.5%		8.5%		
Transport	7.0%			7.1%	7.4%			7.3%	7.3%		7.3%		
Grid	N/A			N/A	N/A			N/A	5.8%		N/A		
Corporate & Others	N/A			N/A	N/A			N/A	N/A		N/A		
Operating margin	**8.6%**			**8.5%**	**9.5%**			**9.4%**	**7.3%**		**7.6%**		
Sales	9,683	430	-	10,113	9,967	381	-	10,348	10,432	(1,527)	8,905	8%	(12%)
Cost of sales	(7,924)	(369)	-	(8,293)	(8,058)	(329)	-	(8,387)	(8,540)	1,228	(7,312)	8%	(12%)
R&D expenses	(267)	(7)	-	(274)	(291)	(2)	-	(293)	(329)	52	(277)	23%	1%
Selling expenses	(329)	(13)	-	(342)	(340)	(11)	-	(351)	(422)	77	(345)	28%	1%
Administrative expenses	(335)	(14)	-	(349)	(327)	(13)	-	(340)	(378)	82	(296)	13%	(15%)
Income from Operations	**828**	**27**	**-**	**855**	**951**	**26**	**-**	**977**	**763**	**(88)**	**675**	**(8%)**	**(21%)**

7. Other information

7.1 Risks

Legal risks are described in Note 23 of the Condensed Consolidated Financial Statements as of 30 September 2010. Financial risks (currency, credit, interest rate and liquidity) and their management are described in Note 21 of the Condensed Consolidated Financial Statements as of 30 September 2010 and in Note 26 of the Consolidated Financial Statements as of 31 March 2010 and the other risk factors are described in the Annual Report/Document de Référence for the fiscal year 2009/10, with no significant evolution to be reported over the first half of fiscal year 2010/11.

7.2 Information related to the parent company

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

Net profit amounted to €93 million for the first half of 2010/11, compared to €123 million for the first half of 2009/10.

7.3 Related parties

During the first semester of 2010/11, there was no new significant transaction with related parties.

Condensed consolidated financial statements,
Half-year ended 30 September 2010

ALSTOM

CONSOLIDATED INCOME STATEMENTS

		Half-year ended		Year ended
		30 September 2010	30 September 2009	31 March 2010
(in € million)	Note			
SALES	(4)	**10,432**	**9,683**	**19,650**
Cost of sales		(8,540)	(7,924)	(15,982)
Research and development expenses	(5)	(329)	(267)	(558)
Selling expenses		(422)	(329)	(669)
Administrative expenses		(378)	(335)	(662)
INCOME FROM OPERATIONS	(4)	**763**	**828**	**1,779**
Other income	(6)	17	-	8
Other expense	(6)	(181)	(46)	(158)
EARNINGS BEFORE INTEREST AND TAXES	(4)	**599**	**782**	**1,629**
Financial income	(7)	31	33	59
Financial expense	(7)	(83)	(45)	(101)
PRE-TAX INCOME		**547**	**770**	**1,587**
Income tax charge	(8)	(131)	(199)	(385)
Share in net income of equity investments		-	1	3
NET PROFIT		**416**	**572**	**1,205**
Attributable to:				
- Equity holders of the parent		401	562	1,217
- Minority interests		15	10	(12)
Earnings per share (in €)	(9)			
- Basic earnings per share		1.36	1.95	4.21
- Diluted earnings per share		1.35	1.93	4.18

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Half-year ended		Year ended
	30 September	30 September	31 March 2010
(in € million)	2010	2009	2010
Net profit recognised in income statements	**416**	**572**	**1 205**
Net gains (losses) on cash flow hedges	(13)	(18)	(21)
Currency translation adjustments	4	15	94
Net actuarial gains (losses)	(274)	(46)	7
Taxes	49	(6)	55
Other comprehensive income	**(234)**	**(55)**	**135**
Total comprehensive income for the period	**182**	**517**	**1 340**
Attributable to:			
- Equity holders of the parent	175	508	1 354
- Minority interests	7	9	(14)

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

ALSTOM

CONSOLIDATED BALANCE SHEETS

(in € million)	Note	At 30 September 2010	At 31 March 2010
ASSETS			
Goodwill	(10)	5,358	3,904
Intangible assets	(10)	1,937	1,453
Property, plant and equipment	(11)	2,591	1,958
Associates and other investments		129	66
Other non-current assets	(12)	545	535
Deferred taxes		1 193	982
Total non-current assets		**11,753**	**8,898**
Inventories	(13)	3,804	3,033
Construction contracts in progress, assets		2,944	3,637
Trade receivables		5,655	3,446
Other current operating assets	(14)	3,275	2,578
Marketable securities and other current financial assets		60	35
Cash and cash equivalents		1,685	4,351
Total current assets		**17,423**	**17,080**
Total assets		**29,176**	**25,978**

(in € million)	Note	At 30 September 2010	At 31 March 2010
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent	(16)	3,912	4,091
Minority interests		77	10
Total equity		**3,989**	**4,101**
Non-current provisions	(18)	660	460
Accrued pension and other employee benefits	(19)	1,312	943
Non-current borrowings	(20)	2,432	1,845
Non-current obligations under finance leases	(20)	525	527
Deferred taxes		118	113
Total non-current liabilities		**5,047**	**3,888**
Current provisions	(18)	1,524	1,181
Current borrowings	(20)	665	196
Current obligations under finance leases	(20)	49	46
Construction contracts in progress, liabilities		9,603	10,169
Trade payables		4,077	3,613
Other current operating liabilities	(22)	4,222	2,784
Total current liabilities		**20,140**	**17,989**
Total equity and liabilities		**29,176**	**25,978**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Half-year ended		Year ended
(in € million)	Note	30 September 2010	30 September 2009	31 March 2010
Net profit		**416**	**572**	**1,205**
Depreciation, amortisation and expense arising from share-based payments		369	212	419
Cash flow adjustment in respect of post-employment and other long-term defined employee benefits		(76)	(22)	(41)
Net (gains)/losses on disposals of assets		22	9	(6)
Share in net income of associates (net of dividends received)		1	(1)	3
Deferred taxes charged to income statement		(18)	55	186
Net cash provided by operating activities - before changes in working capital		714	825	**1,766**
Changes in working capital resulting from operating activities	**(15)**	**(1,365)**	**(440)**	**(960)**
Net cash provided by /(used in) by operating activities		**(651)**	**385**	**806**
Proceeds from disposals of tangible and intangible assets		21	9	58
Capital expenditure (including capitalised R&D costs)	(5)	(333)	(317)	(679)
Decrease in other non-current assets		27	9	22
Acquisition of Grid (€- 2,351 million) net of cash acquired (€ 328 million)	(3)	(2 023)	-	-
Acquisitions of businesses, net of cash acquired		(129)	(9)	(12)
Disposals of businesses, net of net cash sold		(7)	(11)	(25)
Net cash used in investing activities		**(2 444)**	**(319)**	**(636)**
Capital increase		3	12	65
Treasury shares		-	-	(34)
Dividends paid including payments to minorities		(374)	(329)	(333)
Issuance of bonds & notes	(20)	500	500	1,750
Repayment of bonds & notes issued	(20)	-	-	(275)
Changes in current and non-current borrowings		225	(126)	(12)
Changes in obligations under finance leases		(22)	(19)	(33)
Changes in marketable securities and other current financial assets and liabilities		55	(40)	(14)
Net cash provided by (used in) financing activities		**387**	**(2)**	**1,114**
Net increase/(decrease) in cash and cash equivalents		**(2,708)**	**64**	**1,284**
Cash and cash equivalents at the beginning of the period		4,351	2,943	2,943
Net effect of exchange rate variations		50	57	135
Other changes		(8)	-	(11)
Cash and cash equivalents at the end of the period		**1,685**	**3,064**	**4,351**
Income tax paid		*(134)*	*(97)*	*(191)*
Net of interest received and interest paid		*(5)*	*19*	*(29)*

	Half-year ended		Year ended
(in € million)	30 September 2010	30 September 2009	31 March 2010
Net cash variation analysis (*)			
Changes in cash and cash equivalents	(2,708)	64	1,284
Changes in marketable securities and other current financial assets & liabilities	(55)	40	14
Changes in bonds and notes	(500)	(500)	(1,475)
Changes in current and non-current borrowings	(225)	126	12
Changes in obligations under finance leases	22	19	33
Net debt of acquired entities at acquisition date	(298)	-	-
Exercise of put option by Bouygues	-	-	175
Net effect of exchange rate variations and other	69	66	128
Decrease/ (increase) in net debt	(3,695)	-	-
Increase/ (decrease) in net cash		*(185)*	*171*
Net cash/(debt) at the beginning of the period	**2,222**	**2,051**	**2,051**
Net cash/(debt) at the end of the period	**(1,473)**	**1,866**	**2,222**

(*) 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 20).

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

ALSTOM

CONSOLIDATED STATEMENTS 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	Compre-hensive income	Equity attributable to the equity holders of the parent	Minority interests	Total equity
At 31 March 2009	**287,653,703**	**2,013**	**425**	**1,752**	**(1,338)**	**2,852**	**32**	**2,884**
Movements in comprehensive income	-	-	-	-	137	137	(2)	135
Net income for the period	-	-	-	1,217	-	1,217	(12)	1,205
Total comprehensive income	-	-	-	1,217	137	1,354	(14)	1,340
Conversion of ORA	1,211	-	-	-	-	-	-	-
Change in scope and other	196	-	-	(10)	-	(10)	1	(9)
Dividends paid	-	-	-	(323)	-	(323)	(9)	(332)
Capital reduction following acquisition of own shares	(700,000)	(5)	(29)	-	-	(34)	-	(34)
Issue of ordinary shares following the exercise of a put option by Bouygues	4,400,000	31	189	(45)	-	175	-	175
Issue of ordinary shares under stock option plans	1,394,775	10	19	-	-	29	-	29
Recognition of equity settled share-based payments	1,092,111	8	26	14	-	48	-	48
At 31 March 2010	**293,841,996**	**2,057**	**630**	**2,605**	**(1,201)**	**4,091**	**10**	**4,101**
Movements in comprehensive income	-	-	-	-	(226)	(226)	(8)	(234)
Net income for the period	-	-	-	401	-	401	15	416
Total comprehensive income	-	-	-	401	(226)	175	7	182
Conversion of ORA	151	-	-	-	-	-	-	-
Change in scope and other		-	-	(16)	13	(3)	69	66
Dividends paid		-	-	(364)	-	(364)	(9)	(373)
Issue of ordinary shares under stock option plans	260,747	2	1	-	-	3	-	3
Recognition of equity settled share-based payments	110,584	1	(1)	10	-	10	-	10
At 30 September 2010	**294,213,478**	**2,060**	**630**	**2,636**	**(1,414)**	**3,912**	**77**	**3,989**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ALSTOM

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.

By its acquisition on 7 June 2010 of Areva T&D's transmission business, Alstom has completed a decisive stage in its development by forming a new sector, named Alstom Grid, to supplement the existing two sectors.

- ***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.

- ***Grid***

Grid provides equipments to transport electricity over long distances and manage the network . Its offering encompasses advanced technologies and expertise in key domains such as power electronics, ultra high voltage, direct current interconnections, integration of renewables into the grid and network management solutions.

NOTE 2. ACCOUNTING POLICIES

2.1 Basis of preparation of the condensed consolidated financial statements

Alstom condensed consolidated financial statements for the half-year ended 30 September 2010 have been prepared in accordance with IAS 34- Interim Financial reporting and in accordance with the International Financial Reporting standards (IFRS) as adopted for use by the European Union and whose application is mandatory as of 1 April 2010.
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_fr.htm#adopted-commission.
These interim consolidated financial statements do not include all of the information required for full annual financial statements and must therefore be read in conjunction with the Group's financial statements as at 31 March 2010.

The accounting policies adopted in the preparation of the interim consolidated financial statements are identical to those applied by the Group in its consolidated financial statements at 31 March 2010, with the exception of the adoption of the revised standards becoming effective from 1 April 2010 and the provisions specific to IAS 34 on the measurement of half year tax and post-employment benefit expenses.

The consolidated financial statements have been authorised for issue by the Board of Directors held on 3 November 2010.

2.2.Changes in accounting policies due to new, revised or amended standards and interpretations mandatorily applicable for financial periods beginning on 1 April 2010

- ***Revised IFRS 3 – Business combinations***

  Revised IFRS 3 is applicable prospectively to business combinations carried out on or after 1 April 2010.

  The acquisition method (also known as purchase accounting method) is confirmed, but following main changes have been introduced:

  - Acquisition-related costs are recorded as an expense in the period in which they are incurred.
  - Earn-outs are initially recorded at fair value and adjustments made beyond the 12-month measurement period following the acquisition are systematically recognised through profit or loss.
  - For each business combination, any minority interest in the acquiree may be measured either at the acquisition-date fair value, leading to the recognition of the minority interest's share of goodwill (full goodwill method) or at the minority interest's proportionate share of the acquiree's identifiable net assets, resulting in recognition of only the share of goodwill attributable to equity holders of the parent.
  - In case of a step-acquisition that leads to the Group acquiring control of the acquiree, the equity interest previously held by the Group is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

- ***Revised IAS 27 – Consolidated and separate financial statements***

  Under revised IAS 27, the consolidated financial statements of a group are presented as those of a single economic entity with two categories of owners: the owners of the parent and those of the owners of non-controlling interests in the subsidiaries of the group.
  As a result of this new approach,
  - Changes in ownership interest that do not result in the acquisition or loss of control of an entity do not affect profit or loss, but lead to new allocation of equity between equity holders of the parent and minority interests.
  - Subsidiaries' losses are systematically allocated between equity holders of the parent and minority interests based on their respective ownership interests even if this results in the minority interests having a deficit balance.

- ***Other new, revised or amended standards and interpretations***

The Group's consolidated financial statements are not affected by the enforcement of the other new, revised, or amended standards and interpretations becoming effective in the European Union starting from 1 April 2010.

2.3.New standards and interpretations not yet mandatorily applicable

The Group has not opted for an early application in the interim consolidated financial statements at 30 September 2010 of IFRS 9- Financial instruments whose effective date is 1 April 2013.
The Group's consolidated financial statements are not affected by the other new, revised or amended standards or interpretations issued, but not yet mandatorily applicable.

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

- ***Estimate of tax expense***

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

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

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

NOTE 3. SCOPE OF CONSOLIDATION

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

Alstom funded the equity value of the Transmission activities (€ 1,589 million) and refinanced the related debt of € 762 million.

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

With this acquisition, the Group formed its third Sector, named Alstom Grid.

In accordance with IFRS 3 (revised), the Group has recognised the assets acquired and liabilities assumed, these being measured at fair value at the acquisition date. Accordingly, a preliminary valuation has been determined as at 7 June 2010. Recognised assets and liabilities may be subsequently adjusted during a maximum of 12 months from the acquisition date, depending on new information obtained about the facts and circumstances existing at the acquisition date.

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Preliminary fair values of the identifiable assets and liabilities of the Transmission activities at the date of acquisition:

(in € million)	**Fair values**
Intangible assets	494
Property, plant and equipment	631
Other non-current assets	193
Non-current assets	**1,318**
Current assets*	3,584
Total assets	**4,902**
Non-current liabilities	444
Current liabilities	4,249
Total liabilities	**4,693**
Net assets acquired	**209**
Fair value of assets and liabilities attributable to minority interests	67
Fair value of assets and liabilities attributable to the shareholders of the Group	**142**
Purchase price	**1,589**
Provisional goodwill	**1,447**

* of which gross and fair values of receivables for € 2,642 million and € 2,517 million, respectively

The purchase price of the equity of Alstom Grid, € 1,589 million, has been allocated to intangible assets in respect of technology, order backlog margin and customer relationships, but also to tangible assets, inventory and liabilities. Assets were valued by external independent experts.

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

The resulting and preliminary goodwill amounts to € 1,447 million and is mainly supported by the leadership position of Alstom Group in growing markets and by expected synergies between Grid and other Alstom activities in terms of portfolio strategy, in particular the unique positioning of the acquired business on the Smart Grid key markets and the international presence of the Transmission business.

Specific synergies with Power and Transport Sectors in the fields of cost reductions, comprehensive commercial offer and combined workforce and know-how resulted in an allocation of goodwill of € 298 million to Power and € 47 million to Transport. Therefore the goodwill allocated to Grid amounts to € 1,102 million.

For the period between the acquisition date (7 June 2010) and 30 September 2010, Alstom Grid contributed € 1,527 million to sales and € 88 million to income from operations. The contribution to Alstom EBIT includes acquisition costs and amortisation of margin acquired such as order backlog margin, inventory step-up and customer relationship for a total of € 98 million. These impacts are recorded as other expenses in the income statement.

As the purchase price allocation exercise has led to the recognition of significant assets not previously recognized by the Group (margin on order backlog, margin on inventory and customer relationship), their amortization is recorded in the “other expense” income statement line.
For the other items recognized such as technology, tangible assets and liabilities, similar items already existed and were recorded on the Group balance sheet. Accordingly, they are not considered as unusual and their amortization is classified within Income from operations.

Considering the complexity to properly allocate Transmission and Distribution activities and performance to either Alstom or Schneider Electric, the Group is not in a position to trace such allocations prior to the acquisition date (as the two activities were not split) and thus to disclose the amounts of sales, income from operations and net income had the acquisition taken place on 1 April 2010.

The acquisition of Areva T&D included the indirect acquisition of 72.18% of the capital of Areva T&D India Ltd., which is listed on the the stock exchanges in Bombay, Calcutta, and on the National Stock Exchange of India. In anticipation of the closing of the acquisition and with an accordance of the Indian stock exchange regulations on takeovers, Alstom and Schneider Electric announced on 28 May 2010 that they would launch a cash public open offer to acquire a maximum of 20% of Areva T&D India Ltd.’s capital at the minimum price set by Indian stock exchange takeover regulations. At the end of September 2010, pending approval of the stock exchange regulator, the closing of this offer is now expected by the end of 2010. The Group considers the offer as a separate transaction from the acquisition of the Transmission activities and consequently has not reflected its potential effects in its interim consolidated financial statements.

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NOTE 4. SECTOR AND GEOGRAPHICAL DATA

A. SECTOR DATA

At 30 September 2010

(in € million)	Power	Transport	Grid	Corporate & others	Elimina-tions	Total
Sales	5,991	2,918	1,527	-	(4)	10,432
Inter Sector eliminations	(3)	(1)	-	-	4	-
Total Sales	**5,988**	**2,917**	**1,527**	**-**	**-**	**10,432**
Income (loss) from operations	509	213	88	(47)	-	763
Earnings (loss) before interest and taxes	**497**	**177**	**22**	**(97)**	**-**	**599**
Financial income (expense)						(52)
Income tax						(131)
Share in net income of equity investments						-
Net profit						**416**
Segment assets (1)	**13,829**	**5,234**	**5,630**	**1 087**	**-**	**25,780**
Deferred taxes (assets)						1,193
Prepaid employee defined benefit costs						5
Financial assets						2,198
Total assets						**29,176**
Segment liabilities (2)	**10,343**	**4,815**	**3,571**	**1,357**	**-**	**20,086**
Deferred taxes (liabilities)						118
Accrued employee defined benefit costs						1 312
Financial debt						3,671
Total equity						3,989
Total equity and liabilities						**29,176**
Capital employed (3)	**3,486**	**419**	**2,059**	**(270)**	**-**	**5,694**
Capital expenditure	**(172)**	**(81)**	**(54)**	**(26)**	**-**	**(333)**
Depreciation and amortisation in EBIT	**123**	**82**	**91**	**22**	**-**	**318**

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

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

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

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At 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 31 March 2010

(in € million)	Power	Transport	Corporate & others	Elimina-tions	Total
Sales	13,918	5,751	-	(19)	19,650
Inter Sector eliminations	(17)	(2)	-	19	-
Total Sales	**13,901**	**5,749**	**-**	**-**	**19,650**
Income (loss) from operations	1,468	414	(103)	-	1,779
Earnings (loss) before interest and taxes	**1,377**	**368**	**(116)**	**-**	**1,629**
Financial income (expense)					(42)
Income tax					(385)
Share in net income of equity investments					3
Net profit					**1,205**
Segment assets (1)	**13,953**	**5,239**	**959**	**-**	**20,151**
Deferred taxes (assets)					982
Prepaid employee defined benefit costs					8
Financial assets					4,837
Total assets					**25,978**
Segment liabilities (2)	**11,749**	**5,317**	**1,141**	**-**	**18,207**
Deferred taxes (liabilities)					113
Accrued employee defined benefit costs					943
Financial debt					2,614
Total equity					4,101
Total equity and liabilities					**25,978**
Capital employed (3)	**2,204**	**(78)**	**(182)**	**-**	**1,944**
Capital expenditure	**(428)**	**(199)**	**(52)**	**-**	**(679)**
Depreciation and amortisation in EBIT	**224**	**152**	**56**	**-**	**432**

(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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B. GEOGRAPHICAL DATA

Sales by country of destination

	Half-year ended		Year ended
	30 September	**30 September**	**31 March**
(in € million)	**2010**	**2009**	**2010**
Euro zone *(1)*	2,982	3,221	6,550
thereof France	*1,050*	*919*	*1,983*
Rest of Europe	1,828	1,638	3,261
North America	1,260	1,398	2,736
thereof USA	*869*	*1,149*	*2,176*
South & Central America	739	482	952
Asia / Pacific	1,713	1,097	2,251
Middle East / Africa	1,910	1,847	3,900
Total Group	**10,432**	**9,683**	**19,650**

(1) Euro zone comprises : Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Spain, Portugal, Slovakia and Slovenia.

Sales by country of origin

	Half-year ended		Year ended
	30 September	**30 September**	**31 March**
(in € million)	**2010**	**2009**	**2010**
Euro zone *(1)*	5,004	4,747	10,104
thereof France	*2,797*	*2,334*	*5,151*
Rest of Europe	1,755	2,016	3,679
North America	1,259	1,358	2,631
thereof USA	*1,090*	*1,172*	*2,236*
South & Central America	596	375	767
Asia / Pacific	1,163	662	1,433
Middle East / Africa	655	525	1,036
Total Group	**10,432**	**9,683**	**19,650**

(1) Euro zone comprises : Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Spain, Portugal, Slovakia and Slovenia.

NOTE 5. RESEARCH AND DEVELOPMENT EXPENDITURE

(in € million)	Half-year ended 30 September 2010	Half-year ended 30 September 2009	Year ended 31 March 2010
Research and development expenses	**(329)**	**(267)**	**(558)**
Developments costs capitalised during the period (see Note 10.B)	(136)	(107)	(209)
Amortisation expense of capitalised development costs (see Note 10.B)	54	51	87
Amortisation of acquired technology (see Note 10.B)	33	33	67
Total research and development expenditure	**(378)**	**(290)**	**(613)**

Capitalisation of development costs relates mainly to the new generation of very high speed train – AGV™ for the Transport Sector, and to carbon capture & storage technology for the Power Sector.

NOTE 6. OTHER INCOME AND OTHER EXPENSES

(in € million)	Half-year ended 30 September 2010	Half-year ended 30 September 2009	Year ended 31 March 2010
Capital gains on disposal of businesses (1)	-	-	7
Other (4)	17	-	1
Other income	**17**	**-**	**8**
Capital losses on disposal of businesses (1)	(30)	(19)	(36)
Amortisation of acquired margin (2)	(63)	-	-
Restructuring costs (3)	(47)	(27)	(96)
Other (4)	(41)	-	(26)
Other expense	**(181)**	**(46)**	**(158)**
Other income (expenses)	**(164)**	**(46)**	**(150)**

(1) In the half-year ended 30 September 2010, capital losses correspond mainly to litigation costs incurred on past disposals.

At the end of the year ended 31 March 2010, capital losses mainly originate from the recognition of a fine from competition authorities related to a business disposed in previous years.

(2) It includes the amortisation of acquired margin related to Grid's acquisition during the half-year period ended 30 September 2010.

(3) In the half-year ended 30 September 2010, restructuring costs are related to the optimisation of the Group's industrial base.

(4) In the half-year ended 30 September 2010, this caption includes the costs related to the acquisition of Transmission activities from Areva (€ 35 million).

NOTE 7. FINANCIAL INCOME (EXPENSE)

	Half-year ended		Year ended
(in € million)	30 September 2010	30 September 2009	31 March 2010
Interest income	24	24	51
Net financial income from employee defined benefit plans	-	-	-
Net exchange gain	3	-	-
Other financial income	4	9	8
Financial income	**31**	**33**	**59**
Interest expense	(55)	(25)	(58)
Net financial expense from employee defined benefit plans	(6)	(12)	(24)
Net exchange loss	-	(2)	(6)
Other financial expenses	(22)	(6)	(13)
Financial expense	**(83)**	**(45)**	**(101)**
Financial income (expense)	**(52)**	**(12)**	**(42)**

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

Interest expense of €(55) million represents the cost of the gross financial debt.

Other financial expense of €(22) million incorporates fees and commitment fees paid on guaranteed facilities, syndicated loans and other financing facilities for €(17) million for half-year ended 30 September 2010 (€(6) million for the half-year ended 30 September 2009 and €(13) million for the year ended 31 March 2010).

NOTE 8. TAXATION

Using a projected annual effective rate of 24% for determination of the tax expense for the half-year ended 30 September 2010 (26% for the half-year ended 30 September 2009), the income tax charge amounts to €(131) million (€(199) million for the half-year ended 30 September 2009 and €(385) million for the year ended 31 March 2010).

NOTE 9. EARNINGS PER SHARE

A. EARNINGS

	Half-year ended		Year ended
(in € million)	30 September 2010	30 September 2009	31 March 2010
Net profit attributable to equity holders of the parent	401	562	1,217
Financial interests related to bonds reimbursable with shares, net of tax	-	-	-
Earnings used to calculate basic and diluted earnings per share	**401**	**562**	**1,217**

B. NUMBER OF SHARES

	Half-year ended		Year ended
	30 September 2010	30 September 2009	31 March 2010
Weighted average number of ordinary shares used to calculate basic earnings per share	**294,110,205**	**288,546,001**	**289,234,516**
Effect of dilutive instruments other than bonds reimbursables with shares:			
- Stock options and performance shares (1)	2,187,297	2,734,729	1,936,644
- Free shares	232,482	240,790	240,293
Weighted average number of ordinary shares used to calculate diluted earnings per share	**296,529,983**	**291,521,520**	**291,411,453**

(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, 11 and 12 being out of the money as at 30 September 2010.

C. EARNINGS PER SHARE

	Half-year ended		Year ended
(in €)	30 September 2010	30 September 2009	31 March 2010
- Basic earnings per share	1.36	1.95	4.21
- Diluted earnings per share	1.35	1.93	4.18

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 2010	Acquisitions	Disposals	Translation adjustments and other changes	At 30 September 2010
Power	3,381	298	-	5	3,684
Transport	523	47	-	2	572
Grid	-	1,102	-	-	1,102
Goodwill	**3,904**	**1,447**	**-**	**7**	**5,358**
of which:					
Gross value	3,904	1,447	-	7	5,358
Impairment	-	-	-	-	-

The movements of the period ended 30 September 2010 mainly arose from the acquisition of Grid business (see note 3) . This goodwill is calculated on a preliminary basis.

The impairment test at 31 March 2010 supported the Group's opinion that goodwill is not impaired. At 30 September 2010, the Group considers that the assumptions used to assess the recoverable value of goodwill at 31 March 2010 are not modified in a way that would lead to an impairment test at 30 September 2010.

B. INTANGIBLE ASSETS

(in € million)	At 31 March 2010	Additions / disposals / amortisation	Acquisitions through business combinations	Translation adjustments and other changes	At 30 September 2010
Development costs	1,112	137	-	2	1,251
Acquired technology	1,245	-	158	3	1,406
Other intangible assets	277	11	336	7	631
Gross value	**2,634**	**148**	**494**	**12**	**3,288**
Development costs	(452)	(54)	-	(2)	(508)
Acquired technology	(575)	(33)	-	-	(608)
Other intangible assets	(154)	(77)	-	(4)	(235)
Accumulated amortisation and impairment	**(1 181)**	**(164)**	**-**	**(6)**	**(1,351)**
Development costs	660	83	-	-	743
Acquired technology	670	(33)	158	3	798
Other intangible assets	123	(66)	336	3	396
Net value	**1,453**	**(16)**	**494**	**6**	**1,937**

The movements of the period ended 30 September 2010 are mainly due to the recognition of technology, order backlog margin and customer relationships as assets acquired in the Grid business combination (see Note 3)

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 at 31 March 2010.

The impairment test at 31 March 2010 supported the Group's opinion that intangible assets are not impaired.

At 30 September 2010, the Group considers that the assumptions used to assess the recoverable value of intangibles at 31 March 2010 are not modified in a way that would lead to an impairment test at 30 September 2010.

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

(in € million)	At 31 March 2010	Acquisitions/ Depreciation/ Impairments	Disposals	Acquisitions through business combinations	Translation adjustments and other changes	At 30 September 2010
Land	126	-	(1)	64	3	192
Buildings	1,263	6	(24)	219	19	1,483
Machinery and equipment	2,325	65	(27)	239	42	2,644
Constructions in progress	340	92	(6)	68	(83)	411
Tools, furniture, fixtures and other	469	30	(11)	41	(6)	523
Gross value	**4,523**	**193**	**(69)**	**631**	**(25)**	**5,253**
Land	(5)	-	-	-	(2)	(7)
Buildings	(579)	(37)	17	-	(6)	(605)
Machinery and equipment	(1,641)	(89)	22	-	6	(1,702)
Constructions in progress	-	-	-	-	-	-
Tools, furniture, fixtures and other	(340)	(28)	9	-	11	(348)
Accumulated depreciation and impairment	**(2,565)**	**(154)**	**48**	**-**	**9**	**(2,662)**
Land	121	-	(1)	64	1	185
Buildings	684	(31)	(7)	219	13	878
Machinery and equipment	684	(24)	(5)	239	48	942
Constructions in progress	340	92	(6)	68	(83)	411
Tools, furniture, fixtures and other	129	2	(2)	41	5	175
Net value	**1,958**	**39**	**(21)**	**631**	**(16)**	**2,591**

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NOTE 12. OTHER NON-CURRENT ASSETS

(in € million)	At 30 September 2010	At 31 March 2010
Financial non-current assets associated to financial debt (1)	453	450
Long-term loans, deposits and other	92	85
Other non-current assets	**545**	**535**

(1) These non-current assets relate to a long-term rental of trains and associated equipment to a London metro operator (see Notes 20 and 23). They are made up as follows:

- At 30 September 2010, €429 million receivables and €24 million deposit
- At 31 March 2010, €427 million receivables and €23 million deposit.

NOTE 13. INVENTORIES

(in € million)	At 30 September 2010	At 31 March 2010
Raw materials and supplies	1,110	932
Work in progress	2,755	2,116
Finished products	301	303
Inventories, gross	**4,166**	**3,351**
Raw materials and supplies	(154)	(112)
Work in progress	(168)	(176)
Finished products	(40)	(30)
Write-down	**(362)**	**(318)**
Inventories, net	**3,804**	**3,033**

Including € 685 million for Grid

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NOTE 14. OTHER CURRENT OPERATING ASSETS

(in € million)	At 30 September 2010	At 31 March 2010
Down payments made to suppliers	673	554
Corporate income tax	90	73
Other tax	714	589
Prepaid expenses	307	137
Other receivables	517	457
Derivatives relating to operating activities	429	318
Remeasurement of hedged firm commitments in foreign currency	545	450
Other current operating assets	**3,275**	**2,578**

NOTE 15. WORKING CAPITAL

(in € million)	At 30 September 2010	At 31 March 2010	Variation
Inventories	3,804	3,033	771
Construction contracts in progress, assets	2,944	3,637	(693)
Trade receivables	5,655	3,446	2 209
Other current operating assets	3,275	2,578	697
Assets	**15,678**	**12,694**	**2 984**
Non-current provisions	660	460	200
Current provisions	1,524	1,181	343
Construction contracts in progress, liabilities	9,603	10,169	(566)
Trade payables	4,077	3,613	464
Other current operating liabilities	4,222	2,784	1 438
Liabilities	**20,086**	**18,207**	**1 879**
Working capital	**(4,408)**	**(5,513)**	**1 105**

Trade receivables include € 2 228 million for Grid

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Analysis of variation in working capital

(in € million)	Half-year ended 30 September 2010
Working capital at the beginning of the period	**(5,513)**
Changes in working capital resulting from operating activities (*)	1 365
Changes in working capital resulting from investing activities (**)	34
Translation adjustments and other changes	(294)
Total changes in working capital	**1 105**
Working capital at the end of the period	**(4,408)**

(*) 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 16. EQUITY

At 30 September 2010, the share capital of Alstom amounted to € 2,059,494,346 consisting of 294,213,478 ordinary shares with a par value of €7 each. For the half-year ended 30 September 2010, the weighted average number of outstanding ordinary shares amounted to 294,110,205 and the weighted average number of ordinary and dilutive shares stood at 296,529,983.

During the half-year ended 30 September 2010, 2,424 bonds reimbursable in shares "Obligations Remboursables en Actions" were converted into 151 shares at a par value of €7. The 83,638 bonds reimbursable with shares outstanding at 30 September 2010 represent 5,254 shares to be issued.

The Shareholders' Meeting of ALSTOM held on 22 June 2010 decided to distribute dividends for a total amount of €364 million corresponding to a €1.24 dividend per share.

NOTE 17. 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 €11 million for the half-year ended 30 September 2010 (€16 million for the half-year ended 30 September 2009 and €15 million for the year ended 31 March 2010).

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 22 to the consolidated financial statements for the year ended 31 March 2010.

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

The share-based payment income arising from SARs' plans amounts to €2 million for the half-year ended 30 September 2010 (the expense amounted to €4 million for the half-year ended 30 September 2009 and an income of €4 million was recorded for the year ended 31 March 2010).

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 22 to the consolidated financial statements for the year ended 31 March 2010.

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NOTE 18. PROVISIONS

(in € million)	At 31 March 2010	Additions	Releases	Applications	Business combination	Translation adjustments and other	At 30 September 2010
Warranties	484	130	(73)	(80)	205	1	667
Litigations and claims	697	302	(277)	(88)	220	3	857
Current provisions (1)	**1,181**	**432**	**(350)**	**(168)**	**425**	**4**	**1,524**
Tax risks and litigations (2)	92	18	(1)	(12)	71	(1)	167
Restructuring (3)	102	46	(10)	(35)	13	2	118
Other non-current provisions (4)	266	28	(23)	(27)	133	(2)	375
Non-current provisions	**460**	**92**	**(34)**	**(74)**	**217**	**(1)**	**660**
Total provisions	**1,641**	**524**	**(384)**	**(242)**	**642**	**3**	**2,184**

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

(2) In relation to tax risks, the Group tax filings are subject to audit by tax authorities in most jurisdictions in which the Group operates. These audits may result in assessment of additional taxes that are subsequently resolved with the authorities or potentially through the courts. The Group believes that it has strong arguments against the questions being raised, that it would pursue all legal remedies to avoid an unfavourable outcome and that it has adequately provided for any risk that could result from those proceedings where it is probable that it will pay some amounts.

(3) Relates to the implementation of restructuring plans launched during previous fiscal years mainly in Europe.

(4) Other non-current provisions mainly relate to guarantees delivered in connection with past disposals, employee litigations, commercial disputes and environmental obligations. Environmental provisions amount to €54 million at 30 September 2010 and €16 million at 31 March 2010.

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NOTE 19. POST-EMPLOYMENT AND OTHER LONG-TERM DEFINED EMPLOYEE BENEFITS

Net accrued benefits

(in € million)	At 30 September 2010	At 31 March 2010
Accrued employee defined benefit costs	(1 312)	(943)
Prepaid employee defined benefit costs	5	8
Net accrued benefits	**(1 307)**	**(935)**

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:

- €(279) million of actuarial gains and losses generated for the half-year ended 30 September 2010,
- € 5 million of asset ceiling generated for the half-year ended 30 September 2010.

Assumptions (weighted average rates)

(in %)	At 30 September 2010	At 31 March 2010
Discount rate	4.71	5.11
Rate of compensation increase	2.99	2.99
Expected return on plan assets for the period	5.94	6.13

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

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

	Half-year ended		Year ended
	30 September	30 September	31 March
(in € million)	2010	2009	2010
Service cost	(35)	(36)	(69)
Defined contributions *(*)*	(82)	(76)	(150)
Income from operations	**(117)**	**(112)**	**(219)**
Actuarial gains/losses on other long-term benefits	-	-	-
Amortisation of unrecognised past service gain (cost)	1	-	(1)
Curtailments/settlements	16	-	4
Other income (expenses)	**17**	**-**	**3**
Interest cost	(115)	(104)	(206)
Expected return on plan assets	109	92	182
Financial income (expenses)	**(6)**	**(12)**	**(24)**
Total benefit expense	**(106)**	**(124)**	**(240)**

(*) Including multi-employer contributions accounted for as defined contribution plans.

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NOTE 20. FINANCIAL DEBT

Carrying amount (in € million)	**At 30 September 2010**	**At 31 March 2010**
Bonds *(1)*	2,242	1,736
Other borrowing facilities	780	248
Put options and earn-out on acquired entities	15	30
Derivatives relating to financing activities	21	10
Accrued interests	39	17
Borrowings	**3,097**	**2,041**
Non-current	*2,432*	*1,845*
Current	*665*	*196*
Obligations under finance leases	145	146
Other obligations under long-term rental *(2)*	429	427
Obligations under finance leases	**574**	**573**
Non-current	*525*	*527*
Current	*49*	*46*
Total financial debt	**3,671**	**2,614**

(1) The movements in the nominal amount of the bonds between 31 March and 30 September 2010:

(Nominal value in € million)	**Total**	**23 September 2014**	**01 February 2017**	**18 March 2020**
Outstanding amount at 31 March 2010	**1 750**	**500**	**750**	**500**
Issue of bonds	500	250	-	250
Bonds reimbursed at maturity date	-	-	-	-
Bonds bought back and cancelled	-	-	-	-
Outstanding amount at 30 September 2010	**2 250**	**750**	**750**	**750**
Nominal interest rate	-	4.0%	4.13%	4.50%
Effective interest rate as of 30 September 2010	-	3.89%	4.25%	4.58%
Effective interest rate as of 31 March 2010	-	4.22%	4.25%	4.58%

(2) This debt represents liabilities related to lease obligations on trains and associated equipment (see Note 12 and 23).

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NOTE 21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group's risk management policies and procedures are identical to those described in Note 26 in the registration document 2009-2010.
The main risks, foreign currency exchange rate risk, interest rate risk, credit risk and liquidity risk, are described in note 26 of the registration document 2009-2010.

Transactions to set up or unwind hedging instruments during the period have not altered the Group's exposure to potential financial risks in the half-year period ended 30 September 2010.

The acquisition of Grid 's business doesn't modify the management of financial risks by the Group.

NOTE 22. OTHER CURRENT OPERATING LIABILITIES

(in € million)	At 30 September 2010	At 31 March 2010
Staff and associated costs	950	822
Corporate income tax	130	132
Other taxes	319	368
Deferred income	160	60
Other payables	1,674	703
Derivatives relating to operating activities	709	436
Remeasurement of hedged firm commitments in foreign currency	280	263
Other current operating liabilities	**4,222**	**2,784**

NOTE 23. 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 2010, the Group has in place both uncommitted bilateral lines in numerous countries up to €16.1 (*) billion, and a Committed Syndicated Bonding Facility allowing issuance of instruments up to €8.275 (*) billion valid up to 27 July 2013.

At 30 September 2010, the total outstanding bonding guarantees related to contracts, issued by banks or insurance companies, amount to €15.7 billion (€14.6 billion at 31 March 2010).

The available amount under the syndicated Bonding Facility at 30 September 2010 amounts to €2.7 (*) billion (€2.0 billion at 31 March 2010). The available amount under bilateral lines at 30 September 2010 amounts to €7.6 (*) billion.

(*) amounts excluding Grid units

- 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 2010, guarantees given as part of past vendor financing arrangements amount to €252 million. Included in this amount are:

- guarantees totalling $63 million (€46 million, €47 million at 30 September 2010 and 31 March 2010 respectively) given with respect to equipments sold to a US train operator, and
- guarantees totalling £177 million (€206 million, €199 million at 30 September 2010 and 31 March 2010 respectively) given as part of a leasing scheme involving London Underground (Northern Line). Were London Underground Limited to decide not to extend the contract beyond 2017, and to hand the trains back, the Group has guaranteed to the lessors that the value of the trains and associated equipment, net of the £15 million non extension payment due by London Underground, should not be less than £177 million in 2017. The £177 million is included in the €429 million amount of "Other obligations under long-term rental" (see Note 20).

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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. These disputes, often involving claims for contract delays or additional work, are common in the areas in which the Group operates, particularly for large long-term projects. In some cases, the amounts claimed against the Group, sometimes jointly with its consortium partners, in these proceedings and disputes are significant.

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 initiated 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 file a petition for appeal. The discovery phase of the case is largely completed and a process of mediation settlement aimed at concluding a negotiated settlement is ongoing.

The Group continues to vigorously defend this class action and believes as of today that the risk in relation to this procedure is significantly reduced.

- **Alleged anti-competitive activities**

GIS equipment

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

On 24 January 2007, the European Commission levied a fine of €65 million against Alstom which includes €53 million on a joint and several basis with Areva T&D. The acquisition from Areva of Transmission activities of Areva T&D on June 7, 2010 (refer to note 3) has no impact on Alstom's exposure.

Alstom has requested the cancellation of this decision before the European Court of first instance. The hearings took place on 24 March 2009 and as of today 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 €278 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. Two other similar civil actions have been recently started before national jurisdictions for a global amount estimated at €24 million as of today.

Power transformers

On 20 November 2008, the European Commission sent a statement of objections to a number of manufacturers of power transformers, including Alstom, concerning their alleged participation in anti-competitive arrangements. Alstom has contested the materiality of the alleged facts. On 7 October 2009, the European Commission levied a fine of €16.5 million against Alstom which includes €13.5 million on a joint and several basis with Areva T&D. Alstom has requested the cancellation of the decision before the European Court of first instance on 21 December 2009. The date when the hearings will take place is not yet known and a Court decision should not occur before 2012.

German proceedings

The Group received a statement of objections issued by the German Federal Cartel Office ("FCO") on 22 December 2008, alleging breaches of German competition law in the field of steam generators for lignite-fired power plants. On 12 August 2010, the FCO levied a fine of €91 millions against ALSTOM Power Systems GmbH and two of its former officers, as well as against three competitors now bankrupt for alleged cartel arrangements between 1990 and 2003. Alstom has requested a reconsideration of this decision and believes it has strong legal arguments to reduce this amount. In addition civil actions from large customers are not unlikely.

- **Alleged illegal payments**

Certain companies and/or current and former employees of the Group have been or are currently being investigated in various countries with respect to alleged illegal payments. These procedures may result in fines, exclusion of Group subsidiaries from public tenders and third-party actions. In France, on 6 October 2010, a Group's subsidiary in the Hydro business was formally charged for alleged illegal payments concerning operations in Zambia. The World Bank and the European Investment Bank have also launched an investigation for alleged illegal payments concerning operations in Zambia. Alstom is fully cooperating with these institutions; potential administrative sanctions, if any, include disbarment from projects financed by these institutions.

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

On 22 June 2009, a collision between two metro trains occurred in the Washington D.C. metro resulting in the death of 9 persons and the injury of 52 persons. At present, 23 lawsuits, consolidated in one single lawsuit, have already been filed against Alstom Signaling Inc. and other defendants not belonging to the Group. The claims against Alstom Signaling Inc. amount in excess of $400 million as of today. A report of the National Transportation Safety Board on the causes of the accident partially implicated equipment supplied by Alstom Signaling Inc. However it is too early to definitively determine the precise causes of the accident, resulting liabilities and the total amount of claims. These claims have been declared to the Group's insurers and Alstom believes it has adequate insurance coverage.

- **Budapest city's metro**

In 2006, Alstom was awarded by BKV a contract for the delivery of 22 standard Metropolis metros for Line 2 and 15 metros for Line 4 for the city of Budapest. During the execution of the project, Alstom experienced delays largely related to technical change requests from BKV and to train homologation by the Hungarian authority NKH. In August 2007, NKH granted a Preliminary Type License. But in October 2010, NKH refused to grant the Final Type License. On 20th October 2010, Alstom received BKV's notification terminating L2 and L4 contracts. Alstom intends to vigorously protect its rights, considering the termination as unlawful.

There are no other governmental, legal or arbitration procedures, including proceedings of which the Group is aware and which are pending or threatening, which might have, or have had during the last twelve months, a significant impact on the financial situation or profitability of the Group.

NOTE 24. 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 2010, Bouygues holds a 30% stake in Alstom share capital.

No material transaction have been carried out with associates.

NOTE 25. SUBSEQUENT EVENTS

- On 5 October 2010, the Group issued two new bonds of € 500 million each maturing in October 2015 and 2018 respectively for a total amount of €1.0 billion.

- During the Group's European works forum on 4 October 2010, Alstom announced a plan to reduce, by 4,000 positions, the headcount of the Thermal Systems & Products businesses in its Power sector, mostly in Europe and North America, in order to adapt to the current low demand for coal and gas plants in these regions.

Report of independent auditors on the half-year financial information 2010

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61, rue Henri Regnault
92400 Courbevoie

PricewaterhouseCoopers Audit
63, rue de Villiers
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STATUTORY AUDITORS' REVIEW REPORT ON THE 2010 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 limited review of the accompanying condensed interim consolidated financial statements of Alstom, for the six months ended 30 September 2010.
- 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 2010 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 limited review in accordance with professional standards applicable in France. A limited 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 limited 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.

Based on our limited 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 2.2 to the condensed interim consolidated financial statements, which sets out the change in accounting method following the application of the revised standards IFRS 3 – "Business combinations" and IAS 27 – "Consolidated and separate financial statements" effective 1st April 2010.

2. Specific verification

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

Courbevoie and Neuilly-sur-Seine, 4 November 2010

The Statutory Auditors
French original signed by

Mazars	*PricewaterhouseCoopers Audit*
Thierry Colin	*Olivier Lotz*

Responsibility statement of the person responsible for the 2010 half-year financial report

STATEMENT BY THE PERSON RESPONSIBLE FOR THE 2010 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 2010/11, 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 4 presents a true and fair review of the main events which occurred in the first six months of the fiscal year and their impact on the condensed accounts, as well as the main related-party transactions and a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Levallois-Perret, 4 November 2010

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.*