

19 January 2012

During the third quarter of 2011/12, **Alstom's orders remained sound whilst sales are gradually recovering**

Over the third quarter 2011/12 (from 1 October to 31 December 2011), Alstom registered orders of €4.9 billion, confirming the sustained commercial activity of the past four quarters. Thermal Power booked the same level of orders as in the previous quarter (€1.9 billion), benefiting from successes in Iraq and Poland. Renewable Power booked €0.3 billion of orders, in the absence of large projects. Transport recorded a high number of small and medium sized contracts, reaching an order level of €1.5 billion. Lastly, Grid achieved its best quarter since its acquisition, with orders totaling €1.2 billion. Sales are, as expected, sequentially rebounding in all Sectors, with the exception of Renewable Power which recorded no significant revenue milestones on large hydro projects during the third quarter.

For the first nine months of 2011/12 (from 1 April to 31 December 2011), Alstom's order intake came up to €15.1 billion, a 20% increase compared to the first nine months of 2010/11. Orders growth continued to be supported by emerging markets, representing around 60% of the total orders at the end of December 2011. The Group's sales reached €14.3 billion, down 9% compared to the first nine months of 2010/11.

At €48 billion on 31 December 2011, the backlog represented 30 months of sales.

Key figures

Actual figures	2010/11				2011/12			2010/11	2011/12	Var. %	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	9 months	9 months	Act.	Org.
<i>(in € million)</i>											
Orders received	3,491*	3,547	5,490	6,526	5,010	5,173	4,894	12,528*	15,077	+20%	+18%
Sales	5,166*	5,266	5,244	5,247	4,526	4,863	4,874	15,676*	14,263	-9%	-11%

* Grid was consolidated over 1 month in Q1 2010/11.

The reported figures by Sector are presented in Appendix 1. A geographic breakdown of reported orders and sales is provided in Appendix 2. All figures mentioned in this release are unaudited.

"With orders close to €5 billion, the third quarter 2011/12 extended the positive trend observed since the middle of last fiscal year. The book-to-bill ratio is above 1 for the fifth quarter in a row. Demand continues to be active in emerging markets for all Sectors, whilst Transport booked a large number of contracts in Europe during the period. With over €1 billion of announced awards to be booked before fiscal year end as well as the prospects on which we are working, we expect a strong fourth quarter of orders. Concerning sales, we anticipate the fourth quarter to show a marked progress over the previous ones", said Patrick Kron, Alstom's Chairman & Chief Executive Officer.

Sector Review

Thermal Power

During the third quarter of 2011/12, Thermal Power registered orders of €1,872 million, in line with the previous quarter. Commercial performance was supported by demand for new equipment in emerging countries as well as by service activity in mature markets. In particular, the Sector booked a contract including four GT13 gas turbines in Iraq as well as the first phase of a coal power plant in Poland and the renewal of an operation and maintenance contract for GT24 gas turbines in the USA. Sales grew at €2,247 million, confirming the expected sequential improvement since the beginning of the fiscal year.

For the first nine months of 2011/12, Thermal Power's order intake amounted to €6,522 million, up 20% compared to the same period last year. Sales were at €6,294 million, recording a 14% decrease in comparison to last year, still impacted by the low volume of orders taken during the crisis.

Renewable Power

During the third quarter of 2011/12, Renewable Power recorded €309 million of new contracts, up 10% compared to the same period last year. This quarter, the Sector's order book was mainly fuelled by small orders, including two hydro retrofit projects in Brazil and Canada as well as a wind contract in Morocco. Sales amounted to €369 million in the third quarter 2011/12, down 26% compared to last year over the same period. This decrease was mainly due to the absence, during this quarter, of revenue milestones in large hydro projects under execution in Brazil.

Over the first nine months, Renewable Power's orders reached a 26% increase to €1,324 million from €1,049 million for the first nine months of last year. During the same period, the Sector registered €1,406 million of sales, up 6% compared to the same period of 2010/11.

Transport

During the third quarter 2011/12, the orders booked by Transport amounted to €1,545 million, a sound level in the absence of very large projects. The main successes included tramways in the UK, regional trains in Sweden, a maintenance contract in Italy as well as a signaling system in Turkey. Sales at €1,277 million were slightly up compared to the first two quarters of the fiscal year.

Over the first nine months of 2011/12, Transport's orders stood at €4,210 million, a 16% increase compared to the same period last year. Sales reached €3,738 million, down 13% compared to the first nine months 2010/11.

Grid

During the third quarter of 2011/12, Grid achieved its best level of orders (€1,168 million) since its acquisition. Not only did the Sector book a large number of small contracts worldwide, but it successfully sold a large project for its new HVDC (High Voltage Direct Current) technology in Sweden, which represents a major step forward for Grid's strategy. Sales amounted to the sound level of €981 million in the third quarter.

Over the first nine months of 2011/12, Grid's orders came up to €3,021 million, whilst sales reached €2,825 million.

Key events of the third quarter 2011/12

During the third quarter of fiscal year 2011/12, Alstom continued to develop its presence in fast growing countries by strengthening partnerships and building industrial capabilities.

In China, on 26 October, Grid completed a cooperation agreement with China Electric Power Equipment and Technology Co. Ltd (CET), a subsidiary of State Grid Corporation of China (SGCC), to develop Ultra High Voltage technology. On 10 November, Alstom and China Datang Corporation signed a feasibility study agreement for a 350 MW oxy-combustion CCS demonstration project located in Daqing, the first large scale CCS demonstration project in Asia.

In Russia, following its long-term strategy to establish a strong local presence, Alstom created a 50/50 joint venture with KER in view of future HVDC projects, whilst Transport consolidated its partnership with Transmashholding by signing a Memorandum of Understanding for the development of a modern tramway network in the city of Saint Petersburg.

In Brazil, Grid inaugurated on 6 October a new production line at its plant in Itajubá to manufacture power capacitors. On 30 November, the Group unveiled its first wind turbine assembly facility located in Camaçari in the state of Bahia. It will be used to assemble equipment for key ECO 80 and ECO 100 wind projects in Latin America.

In parallel, during the third quarter, the Group set significant milestones in launching new products. With regards to its offshore programme, Alstom announced on 4 November it would establish up to two sites in France dedicated to production and assembly of a new 6 MW offshore wind turbine. The dimensioning of the investment will depend on the success of the consortium led by EDF EN, to which Alstom belongs, in the offshore call for tender launched by the French Government. On 13 December, Alstom and the private Italian operator NTV unveiled the new .italo AGV very high-speed train, planned to operate on the Turin-Salerno and Rome-Venice lines.

Financial situation

Alstom's financial situation remains strong. During the third quarter, a new syndicated revolving credit facility of €1.35 billion with a 5-year maturity was signed to refinance an existing undrawn line of €1 billion. The Group confirms the expected positive free cash flow for the second half of the current fiscal year.

Outlook

With the expected strong orders for the fourth quarter, the Group should show a solid commercial performance over the current fiscal year. As already announced, sales are progressively recovering from the low point of the start of the year; this recovery, combined with the positive impact of the on-going actions on costs, should lead to an improvement of the operational performance in the second half of the current fiscal year. On this basis, the Group confirms the operating margin for March 2012 should be between 7% and 8%.

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

APPENDIX 1 – SECTOR BREAKDOWN BY QUARTER

	2010/11				2011/12			2010/11	2011/12	Var. %	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	9 months	9 months	Var. Actual	Var. Org.*
Orders received <i>(in € million)</i>											
Thermal Power	1,590	1,274	2,553	2,558	2,811	1,839	1,872	5,417	6,522	+20%	+23%
Renewable Power	360	407	282	887	328	687	309	1,049	1,324	+26%	+29%
Transport	1,119	888	1,632	2,070	980	1,685	1,545	3,639	4,210	+16%	+17%
Grid	422**	978	1,023	1,011	891	962	1,168	2,423**	3,021	+25%	+3%
Alstom	3,491	3,547	5,490	6,526	5,010	5,173	4,894	12,528	15,077	+20%	+18%
	2010/11				2011/12			2010/11	2011/12	Var. %	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	9 months	9 months	Var. Actual	Var. Org.*
Sales <i>(in € million)</i>											
Thermal Power	2,741	2,423	2,159	2,402	1,945	2,102	2,247	7,323	6,294	-14%	-12%
Renewable Power	429	395	500	617	473	564	369	1,324	1,406	+6%	+8%
Transport	1,573	1,344	1,399	1,288	1,221	1,240	1,277	4,316	3,738	-13%	-13%
Grid	423**	1,104	1,186	940	887	957	981	2,713**	2,825	+4%	-13%
Alstom	5,166	5,266	5,244	5,247	4,526	4,863	4,874	15,676	14,263	-9%	-11%

(*) Organic are excluding any currency & scope impacts.

(**) Grid was consolidated over 1 month in Q1 2010/11.

APPENDIX 2 – GEOGRAPHIC BREAKDOWN

Orders received by destination <i>(in € million)</i>	2010/11	%	2011/12	%
	9 months	Contrib.	9 months	Contrib.
Western Europe	3,585	28%	4,135	27%
North America	1,952	16%	1,778	12%
Eastern Europe	1,098	9%	2,696	18%
South & Central America	1,075	9%	896	6%
Africa / Middle East	1,689	13%	2,125	14%
Asia / Pacific	3,129	25%	3,447	23%
TOTAL	12,528	100%	15,077	100%
Sales by destination <i>(in € million)</i>	2010/11	%	2011/12	%
	9 months	Contrib.	9 months	Contrib.
Western Europe	6,106	39%	5,255	37%
North America	1,842	12%	1,767	12%
Eastern Europe	1,091	7%	1,109	8%
South & Central America	1,276	8%	1,188	8%
Africa / Middle East	2,681	17%	1,977	14%
Asia / Pacific	2,680	17%	2,967	21%
TOTAL	15,676	100%	14,263	100%