HALF-YEAR FINANCIAL REPORT

(Half-year ended 30 September 2012)

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Management report on condensed interim consolidated financial statements, Half-year ended 30 September 2012

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MANAGEMENT REPORT

ON CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS HALF YEAR ENDED 30 SEPTEMBER 2012

The following half-year report shall be read in conjunction with the Condensed Interim Consolidated Financial Statements for the half-year ended 30 September 2012 and the Company's Registration Document for fiscal year 2011/12 filed with the French Autorité des marchés financiers on 25 May 2012.

1. Main events of half year ended 30 September 2012

1.1. Double digit growth of orders received. Increased sales and profits. Positive free cash flow.

Orders received by Alstom during the first half of 2012/13 reached €12,129 million, 19% above the level of the first half of last year on an actual basis, driven by the very strong commercial performance of Transport.

Thermal Power booked €4,765 million of orders, 2% above the level of the same period of last year. The Sector registered two important contracts in gas and sustained service orders. Renewable Power's order intake dropped by 41% compared to the same period last year, at €602 million, with a sound performance in the wind business which partly mitigated the absence of large hydropower projects. At €2,180 million, Grid recorded a strong level of orders (+18%), including a large High Voltage Direct Current (HVDC) contract in India. Thanks to several commercial successes in Western Europe and Latin America, Transport achieved its best commercial performance over six months since September 2008, with €4,582 million of orders received, 72% above the same period of last year.

On 30 September 2012, the Group had a solid backlog of €52.0 billion, representing 31 months of sales.

At €9,748 million, Group's sales increased by 4% compared to the same period of last year, driven by Transport (+13%), Thermal Power (+5%) and Grid (+1%) while Renewable Power's revenues decreased by 17% due to limited milestones achieved in the execution of large hydro contracts in Latin America in the period.

Supported by the growth of sales, a sound project execution and a strict control of costs, the income from operations increased by 12% compared to the same period of last year, at €703 million and the operating margin went up from 6.7% to 7.2% for the first half of 2012/13.

Net profit (Group share) reached €403 million in the first half of 2012/13, up 11% compared €363 million in the first half of 2011/12.

The Group generated a positive free cash flow of €101 million during the first half of 2012/13, versus a negative free cash flow of €(914) million over the same period of last year.

This free cash flow, the payment of the dividend for €236 million and small sized acquisitions for a total of €189 million were the main variation factors of the Group net financial debt which reached €(2,871) million at 30 September 2012 versus €(2,492) million at 31 March 2012 and €(2,748) million at 30 September 2011.

On 30 September 2012, Alstom had a cash in hand and cash equivalent position of €1,646 million, as well as an undrawn available credit line of €1.350 billion.

1.2. Share capital increase and new bond issuance (subsequent events)

On 4 October 2012, the Company completed a €350 million share capital increase through a private placement to institutional investors. Following the success of its capital increase and given the favourable market conditions, Alstom launched a new bond issuance for an amount of €350 million under its Euro Medium Term Note Programme listed in Luxembourg. The issuance has attracted a strong demand. It bears an annual coupon of 2.25% and will mature in October 2017.

1.3. Support the Group's development

1.3.1. Research & Development

During the first half of 2012/13, the Group expensed €351 million in research and development.

In July 2012, strengthening Alstom's footprint in Russia, the Group signed an agreement with the Skolkovo Foundation situated in Russia's "Silicon Valley", to set up an Innovation Centre where it plans to localise some of its research and development (R&D) activities.

Thermal Power

Thermal Power continued to work on the development of its range of gas turbines, including performance upgrade packages and combustion system improvements to reduce emissions and increase fuel flexibility. In parallel, Alstom continued its significant R&D efforts in the field of Carbon Capture and Storage. In May 2012, after a successful feasibility study, the Sector started the demonstration phase of the CO_2 capture technology qualification program in a pilot capture plant at Mongstad (Norway).

Renewable Power

Renewable Power continued to develop its network of hydro Global Technology Centres. The Sector invested in a site in Brazil to focus on Kaplan solutions. Renewable Power also kept on investing substantial amounts in the development of its Haliade offshore wind turbine; its first turbine is being tested onshore according to plan.

Grid

Grid focused its R&D efforts in the field of Super Grid and Smart Grid technologies:

- R&D projects in the conventional products segment were focused on Redesign-to-Cost with specific actions on transformers, air and gas insulated switchgears and on the extension of the product range with new breaking capacities up to 800 kV.
- The Super Grid market was addressed through the development of Voltage Source Convertors solutions. In the field of Direct Current Transformers, Grid is working with a major electrical operator in China on products up to 1100 KV.
- Regarding Smart Grid, the efforts were directed towards the development of fully comprehensive offers for digital substations (sensors, intelligent electronic devices, software, protection…) and for control room solutions, with the release of E-Terra 3.0 software platforms. The Sector will also further widen its product range with the launch of the DS Agile digital control system.
- Environmental issues were also addressed through SF_6 free solutions for circuit breakers using vacuum technology and instrument transformers being insulated with dry air.

Transport

In July 2012, Transport began the dynamic testing phase for the CORADIA™ Polyvalent regional train in the Czech Republic and in France. The certifications and approvals campaign will last until early 2013. The regional train, which is expected to be delivered starting in March 2013, will be capable to operate on several European networks thanks to its different electrification versions and its high modularity.

1.3.2. Investments

During the first half 2012/13, Alstom invested €186 million in capital expenditures (excluding capitalised development costs) to reinforce its presence in dynamic markets and upgrade its existing production facilities.

In Russia, following the establishment in 2011 of a joint-venture to produce equipment for hydropower plants, Renewable Power and RusHydro decided to launch the construction of a manufacturing plant in Ufa in 2013. In Poland, Thermal Power commissioned a new turbine shaft welding shop at its Elblag steam turbine factory while Transport pursued the extension of its Katowice body shells facility.

In India, Grid launched an investment programme in order to support the development of its capacity and capability in High Voltage Direct Current (HVDC) activities. More generally, the Sector seeks to optimise its industrial base addressing segments such as HVDC transformers and Ultra High Voltage (UHV) breakers. As for Transport, its new factory in Sri City started the production of Chennai metro cars with a capacity of 10 cars per month.

In Saudi Arabia, Thermal Power launched a new power services workshop with the view to reinforce its presence in the Middle East. The project will begin with the construction of a state-of-the-art facility located in Rabigh which will handle reconditioning of gas turbine components as well as the inspection and repair services of a wide range of other power plant equipment.

In France, following the award of three large wind off-shore projects to the consortium led by EDF Energies Nouvelles, for which Alstom will supply 240 offshore wind turbines, Renewable Power announced the construction of four factories in Saint-Nazaire (nacelles and generators) and Cherbourg (blades and towers) and establish an engineering and R&D centre. This investment will target the French and other European offshore wind markets. Transport pursued the modernisation, launched last year, of the Reichshoffen site for CORADIA™ Polyvalent.

In Italy, Alstom Grid will build a new site for electrical grid bushings in Sesto San Giovanni, near Milan. The new plant will be Alstom Grid's Bushings worldwide competence centre for the research, development and production of all HVDC & UHV bushings.

In Canada, Transport started the construction work of a new manufacturing plant in Sorel-Tracy in May 2012. The plant is dedicated to the assembly and integration of the trucks for Montreal's new metro cars.

1.3.3. Acquisitions and Partnerships

During the first half of 2012/13, Alstom pursued its policy of partnerships and selective acquisitions.

Thermal Power

Reflecting Alstom's growth ambitions in Asia, Thermal Power announced in May 2012 a joint venture with Vietnam Electricity to establish a workshop dedicated to the reconditioning of gas turbine components. In July 2012, the Sector was awarded a contract for a boiler study from Waigaoqiao No. 3 Power Generation Co. Ltd, to develop double-reheat steam cycle optimisation in China, which is a new step towards 700° C ultra-supercritical boiler.

Renewable Power

In June 2012, Renewable Power announced that it had signed a joint venture agreement with Druk Green Power Corporation for the construction of a hydropower service centre in Bhutan. To complete its portfolio of tidal products and technologies, the Sector signed in September 2012 an agreement with Rolls-Royce to acquire its wholly owned subsidiary Tidal Generation Ltd (TGL). TGL is at the forefront in the design, development and manufacture of tidal stream turbines which capture and convert the energy of tidal streams to generate electrical power. In October 2012, Alstom invested USD40 million in the American company BrightSource Energy, Inc to reinforce its partnership with the solar power pioneering company. Since its initial investment in 2010, Alstom has progressively increased its participation and now holds above 20% of the leading concentrating solar thermal technology company.

Grid

In April 2012, Grid acquired EvolutionSCADA, an Oil and Gas pipeline control technology provider, to supply network management solutions. In August 2012, during CIGRE[1], the Sector announced the signing of a commercial and technology agreement with Cisco to develop the next generation of digital substation solutions for electrical grids. In September 2012, Grid signed a memorandum of understanding with Toshiba Corporation to develop cooperation on systems supporting wide scale integration of renewable energy sources into the grid.

Transport

Alstom completed in May 2012 the acquisition of Alstom Lokomotiven Service GmbH (Germany) by taking over the stake held in the joint venture since 2002 by Deutsche Bahn. Leveraging on the success of the joint venture, Alstom aims to develop new environmentally friendly shunting locomotives. In May 2012, Transport signed a partnership agreement with Europorte, the rail freight subsidiary of the Eurotunnel Group, in order to improve the maintenance of Alstom manufactured Prima locomotives operated by Europorte, and to develop the new generation of Alstom freight locomotives (Prima II). In September 2012, Alstom and the French “Fonds Stratégique d’Investissement” (Strategic Investment Fund) finalised the acquisition of Translohr, the Lohr Industrie branch specialised in tyre-based tramway. This acquisition will allow the continuous development of Translohr’s technology and business prospects whilst preserving this industry in Alsace (France) and ensuring the execution of on-going projects.

1.4. Corporate responsibility

1.4.1. Environment, Health and Safety (EHS)

During the first half of 2012/13, Alstom pursued its focus on safety with the deployment of the “Alstom Zero Deviation Plan” across the Group. This programme targets high-risk activities and the protection of employees and contractors worldwide from the possible risks of working in an Alstom workshop, factory, test facility and/or construction site.

[1] the International Council on Large Electric Systems

2. Consolidated figures

2.1. Key Group figures

in € million	Half Year ended 30 September 2012	Half Year ended 30 September 2011	% Variation Sept. 12 / Sept. 11 Actual	Organic
Order Backlog	52,015	47,382	10%	8%
Orders Received	12,129	10,183	19%	16%
Sales	9,748	9,389	4%	1%
Income from operations	703	627	12%	
Operating Margin	*7.2%*	*6.7%*		
EBIT	591	517	14%	
Net Profit - Group share	403	363	11%	
Free Cash Flow	101	(914)		
Capital Employed	7,579	6,978		
Net Cash/(Debt)	(2,871)	(2,748)		
Headcount	92,847	92,701		

2.2. Key geographical figures

Total Group Actual figures, in € million	Half year ended 30 September 2012 Western Europe	Eastern Europe	North America	South and Central America	Asia/Pacific	Middle East/Africa	Total
Orders Received	5,078	530	1,304	1,134	2,315	1,768	**12,129**
% of contrib	*42%*	*4%*	*11%*	*9%*	*19%*	*15%*	*100%*
Sales	3,492	864	1,183	707	2,027	1,475	**9,748**
% of contrib	*36%*	*9%*	*12%*	*7%*	*21%*	*15%*	*100%*
Headcount	46,062	7,756	10,486	5,801	19,722	3,020	**92,847**
% of contrib	*50%*	*9%*	*11%*	*6%*	*21%*	*3%*	*100%*

Total Group Actual figures, in € million	Half year ended 30 September 2011 Western Europe	Eastern Europe	North America	South and Central America	Asia/Pacific	Middle East/Africa	Total
Orders Received	2,127	2,259	1,065	690	2,802	1,240	**10,183**
% of contrib	*21%*	*22%*	*10%*	*7%*	*28%*	*12%*	*100%*
Sales	3,430	684	1,178	903	1,919	1,275	**9,389**
% of contrib	*37%*	*7%*	*12%*	*10%*	*20%*	*14%*	*100%*
Headcount	46,648	7,235	10,072	5,471	20,312	2,963	**92,701**
% of contrib	*50%*	*8%*	*11%*	*6%*	*22%*	*3%*	*100%*

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3. Outlook

The Group confirms its guidance of a sales growth of over 5% per year for this fiscal year and the two following ones and a gradual improvement of the operating margin which should be at around 8% in March 2015. It also confirms that the free cash flow should be positive in each of the three fiscal years.

The foregoing outlooks 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 Registration Document for fiscal year 2011/12 filed with the Autorité des marches financiers on 25 May 2012, and in the notes to the half year consolidated accounts ended 30 September 2012 or other unknown risks, materialise.

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4. Sector analysis

4.1. Thermal Power

Thermal Power covers new equipment, retrofit, automation & control, and service activities globally for gas, steam and nuclear power generation applications.

The following table presents the key performance indicators for Thermal Power:

Thermal Power **Actual figures** **in € million**	**Half year ended** **30 September 2012**	**Half year ended** **30 September 2011**	*% Variation* *Sept. 12 / Sept. 11* *Actual*	 *Organic*
Order backlog	19,427	18,339	*6%*	*4%*
Orders received	4,765	4,650	*2%*	*(2%)*
Sales	4,258	4,047	*5%*	*2%*
Income from operations	451	372	*21%*	*16%*
Operating margin	10.6%	9.2%		
EBIT	444	371	*20%*	
Capital employed	2,074	2,494	*(17%)*	

4.1.1. Orders received

Orders received by Thermal Power during the first half of 2012/13 increased by 2% compared to the same period of last year, reaching €4,765 million. The demand for new thermal power plants remained weak in mature economies which still have unabsorbed excess of existing reserve margins. In emerging countries, the need for new capacity was driven by higher GDP growth, though the economic outlook started to be impacted by lower imports from industrialised countries. Oil price levels remained a solid driver for investment in Middle East and Russia. Emerging countries represented 53% of Thermal Power's order intake.

During the first half of 2012/13, the Steam business was awarded the supply of steam turbines in India and Egypt, boilers in India and China and air quality control equipment in Taiwan and in the United States of America. In the Gas business, two contracts for turnkey gas power plants and their associated maintenance contracts were signed in Israel and in the United Kingdom, as well as a project for the steam-tail of a gas-fired power station in Saudi Arabia. In total, five gas turbines were sold during the semester (four GT26™ and a GT13™E2). In the Nuclear business, Thermal Power, in consortium with BHEL, was chosen to provide two turbo-generator packages for a nuclear plant in India. Power Automation and Control recorded a control system retrofit contract for nuclear power plants in France. Beyond the operation and maintenance contracts mentioned above, Thermal Services maintained a strong commercial activity.

Thermal Power					*% Variation*	
	Half yeard ended	% of	**Half yeard ended**	% of	*Sept. 12 / Sept. 11*	
Actual figures, in € million	**30 September 2012**	contrib	**30 September 2011**	contrib	*Actual*	*Org.*
Western Europe	1,171	25%	727	15%	*61%*	*58%*
Eastern Europe	352	7%	875	19%	*(60%)*	*(60%)*
North America	947	20%	611	13%	*55%*	*39%*
South and Central America	35	1%	101	3%	*(65%)*	*(66%)*
Asia/Pacific	1,066	22%	1,590	34%	*(33%)*	*(36%)*
Middle East/Africa	1,194	25%	746	16%	*60%*	*55%*
Orders by destination	**4,765**	**100%**	**4,650**	**100%**	***2%***	***(2%)***

Thermal Power registered €1,171 million of orders in Western Europe, including a turnkey gas-fired power plant with the corresponding long term service agreement in the United Kingdom, an operation and maintenance contract for a gas-fired power plant in Ireland and the retrofit of the control systems of nuclear power plants in France. Western Europe represented 25% of the Sector's orders received.

At €352 million, Eastern Europe accounted for 7% of the orders received by Thermal Power. A long term service contract for a gas-fired power plant in Russia, a key project for air quality control system in Romania and a contract for the modernisation of a coal-fired power plant in Poland were notably signed. Orders received in the region were down 60% compared to the same period of last year, when a large contract for an oil shale fired power plant had been booked in Estonia.

In North America, orders received increased significantly compared to the first half of 2011/12, to reach €947 million. They included three large air quality control equipment contracts in the United States of America and a boiler rehabilitation project in Canada.

In Asia/Pacific, orders received decreased by 33%, to €1,066 million, compared to the level of the first half 2011/12 which included a coal fired power plant in Malaysia and a turnkey combined cycle power plant in Singapore. During the first half of 2012/13, Thermal Power registered in India an order for two turbine islands for coal power plants won in partnership with BFL, the supply of components and services for two 660 MW supercritical boilers and two turbo-generator packages for nuclear plants in consortium with BHEL. The Sector was also awarded the supply of air quality control systems in Taiwan, as well as contracts for a gas turbine and for four subcritical pulverised coal-fired boilers in China.

In Middle East/Africa, the Group booked a turnkey combined cycle gas-fired power plant with the associated long term service agreement in Israel, the steam tail (two steam turbines and eight heat recovery steam generators) of a gas-fired power plant in Saudi Arabia, as well as a steam turbine generator in Egypt. With €1,194 million of orders received during the first half of 2012/13, Middle East/Africa accounted for 25% Thermal Power's order intake, becoming the first commercial region for the Sector.

The Thermal Power Sector received the following major orders during the first half of 2012/13:

Country	Description
Canada	Boiler rehabilitation
India	Turbine generators for 2x700 MW nuclear power plants
India	Two units of 660 MW supercritical coal "turbine islands"
Ireland	Long term service agreement for a gas-fired power plant
Israel	Turnkey combined cycle power plant including two GT26 gas turbines and a long term service agreement
Russia	Long term service agreement for a gas-fired power plant
Saudi Arabia	Steam tail for a gas-fired power plant including 2 steam turbines and 8 Heat Recovery Steam Generators (HRSGs)
Taiwan	Seawater Flue Gas Desulphurisation system and Particulate Removal System with Fabric Filter solution for 5 x 370 MW coal-fired power plant
United Kingdom	Turnkey combined cycle power plant including two GT26 gas turbines and a long term service agreement
United States of America	Large air quality control system

4.1.2. Sales

Thermal Power recorded €4,258 million of sales, up 5% compared to the first half of 2011/12 on an actual basis.

Thermal Power **Actual figures, in € million**	**Half yeard ended 30 September 2012**	% of contrib	**Half yeard ended 30 September 2011**	% of contrib	*% Variation Sept. 12 / Sept. 11* *Actual*	*Org.*
Western Europe	1,117	26%	1,232	31%	*(9%)*	*(11%)*
Eastern Europe	499	12%	371	9%	*35%*	*35%*
North America	648	15%	676	17%	*(4%)*	*(14%)*
South and Central America	95	2%	127	3%	*(25%)*	*(24%)*
Asia/Pacific	1,067	25%	898	22%	*19%*	*13%*
Middle East/Africa	832	20%	743	18%	*12%*	*12%*
Sales by destination	**4,258**	**100%**	**4,047**	**100%**	***5%***	***2%***

Reflecting the shift of the commercial activity towards developing markets since the financial crisis, Western Europe's share in Thermal Power's sales decreased from 31% in the first half of 2011/12 to 26% in the first half of 2012/13. During the first half of 2012/13, sales totalled €1,117 million. They were mainly driven by the execution of a coal-fired power plant in the Netherlands, a nuclear power plant in France and a gas-fired power plant in the United Kingdom.

Sales in Eastern Europe increased by 35% to €499 million, versus €371 million in the first half of 2011/12, thanks to progress on contracts for a coal-fired power plant in Slovenia, an oil shale fired power plant in Estonia and a turnkey combined cycle gas-fired power plant in Russia.

In North America, sales decreased by 4% to €648 million in the first half of 2012/13. Service activity was the main driver of sales in the region.

Asia/Pacific represented 25% of the Sector's total revenue in the first half of 2012/13, with €1,067 million of sales compared to €898 million in the same period of last year. This growth was fuelled by the execution of key contracts awarded last year in Malaysia and Singapore.

Sales in Middle East/Africa increased by 12% to €832 million compared to €743 million during the same period of last year, as major coal-fired turnkey power plants were executed in South Africa and a gas project in Kuwait. Middle East/Africa accounted for 20% of Thermal Power sales.

4.1.3. Income from operations and operating margin

With the ramp-up of sales and an improved project execution, Thermal Power's income from operations reached €451 million, rising by 21% compared to the same period of last year. The operating margin improved from 9.2% to 10.6% in the first half of 2012/13.

4.2. Renewable Power

Renewable Power covers Hydro, Wind and New Energies businesses.

The following table presents the key performance indicators for Renewable Power:

Renewable Power			*% Variation*	
Actual figures	**Half year ended**	**Half year ended**	*Sept. 12 / Sept. 11*	
in € million	**30 September 2012**	**30 September 2011**	*Actual*	*Organic*
Order backlog	3,946	4,143	*(5%)*	*(5%)*
Orders received	602	1,015	*(41%)*	*(40%)*
Sales	856	1,037	*(17%)*	*(19%)*
Income from operations	49	76	*(36%)*	*(33%)*
Operating margin	5.7%	7.3%		
EBIT	24	76	*(68%)*	
Capital employed	1,125	1,062	*6%*	

4.2.1. Orders received

Growing environmental concerns and favourable regulatory framework continued to be solid long term growth drivers for renewable power generation. However, in mature economies, the renewable market was impacted by the weak economic prospects and by the uncertainty on incentive policies in some countries. In this context, orders received by Renewable Power decreased by 41% compared to the same period of last year at €602 million. On one hand, the Sector registered a record-semester in the Wind business with the booking of two large contracts in Brazil; on the other hand, the market for large hydro projects was low and the Hydro business booked small and middle-sized orders during the semester.

Renewable Power					*% Variation*	
	Half yeard ended	% of	**Half yeard ended**	% of	*Sept. 12 / Sept. 11*	
Actual figures, in € million	**30 September 2012**	contrib	**30 September 2011**	contrib	*Actual*	*Org.*
Western Europe	62	10%	158	15%	*(61%)*	*(61%)*
Eastern Europe	22	4%	70	7%	*(69%)*	*(69%)*
North America	48	8%	49	5%	*(2%)*	*(9%)*
South and Central America	440	73%	412	41%	*7%*	*10%*
Asia/Pacific	27	4%	210	21%	*(87%)*	*(87%)*
Middle East/Africa	3	1%	116	11%	*(97%)*	*(97%)*
Orders by destination	**602**	**100%**	**1,015**	**100%**	***(41%)***	***(40%)***

Orders received in Western Europe decreased by 61%, at €62 million (10% of total). They included Alstom's first contract in Finland to supply wind turbines. In the first half of 2011/12, the Sector recorded a large order for a new hydro project in Portugal.

Renewable Power recorded €22 million of orders received in Eastern Europe.

Representing 8% of orders received by Renewable Power, order intake in North America remained stable at €48 million. The Sector recorded several small-sized contracts for the service and retrofit of hydro generators.

South and Central America accounted for 73% of the Sector's orders with €440 million over the semester, compared to €412 million in the same period of last year. During the first half of 2012/13, the Group booked two important contracts for the supply of ECO 122 wind turbines in Brazil.

With orders received totalling €27 million, Asia/Pacific represented 4% of total orders. The Sector will notably supply, install and commission wind turbines in Japan.

The Renewable Power Sector received the following major orders during the first half of 2012/13:

Country	**Description**
Brazil	Manufacturing, delivery, installation and commissioning of ECO122 wind turbines for two wind farms
Brazil	Supply, operation and maintenance of ECO122 wind turbines

4.2.2. Sales

The low level of orders received and the absence of significant revenues for large hydro contracts in execution in Latin America drove sales down by 17% at €856 million during the first half of 2012/13, compared to €1,037 million for the same period of last year.

Renewable Power					*% Variation*	
	Half yeard ended	% of	**Half yeard ended**	% of	*Sept. 12 / Sept. 11*	
Actual figures, in € million	**30 September 2012**	contrib	**30 September 2011**	contrib	*Actual*	*Org.*
Western Europe	127	15%	233	22%	*(45%)*	*(48%)*
Eastern Europe	47	6%	39	4%	*21%*	*20%*
North America	129	15%	134	13%	*(4%)*	*(11%)*
South and Central America	241	28%	433	42%	*(44%)*	*(41%)*
Asia/Pacific	200	23%	141	14%	*42%*	*30%*
Middle East/Africa	112	13%	57	5%	*96%*	*93%*
Sales by destination	**856**	**100%**	**1,037**	**100%**	***(17%)***	***(19%)***

In Western Europe, sales dropped from €233 million to €127 million in first half of 2012/13. The figure for the first half of 2011/12 was supported by the revenues drawn from a large wind farm contract in the United Kingdom which is nearing completion.

Sales in Eastern Europe increased to €47 million thanks notably to the execution of orders received last year in Russia.

North America accounted for 15% of the Sector's sales with €129 million in the first half of 2012/13 compared to €134 million in the same period of last year. Small and medium sized contracts were traded.

Sales in South and Central America decreased by 44%, to €241 million in the first half of 2012/13 due to some delay on current projects and to the completion of two very large Brazilian hydro projects which were booked in 2008/09.

Sales in Asia/Pacific soared to €200 million, up by 42% compared to first half of 2011/12. This performance was mainly driven by the on-going execution of hydro projects in China and in India.

Sales in Middle East/Africa doubled compared to the level of the first half of 2011/12 at €112 million thanks to the execution of a wind contract in Morocco won last year. The region represented 13% of the Sector's total sales.

4.2.3. Income from operations and operating margin

Renewable Power's income from operations, at €49 million for the first half of 2012/13, decreased by 36% compared to the same period of last year. The operating margin stood at 5.7%. The Sector's operational performance was impacted by the lower volume of sales traded.

4.3. Grid

The following table presents the key performance indicators of the Grid Sector:

Grid **Actual figures** **in € million**	**Half year ended 30 September 2012**	**Half year ended 30 September 2011**	*% Variation Sept. 12 / Sept. 11* *Actual*	 *Organic*
Order backlog	5,358	4,995	*7%*	*6%*
Orders received	2,180	1,853	*18%*	*16%*
Sales	1,863	1,844	*1%*	*(0%)*
Income from operations	113	107	*6%*	*4%*
Operating margin	6.1%	5.8%		
EBIT	48	36	*33%*	
Capital employed	2,202	2,139	*3%*	

4.3.1. Orders received

During the first half of 2012/13, Grid benefitted from healthy market conditions characterised by a strong demand for HVDC and Smart Grid as well as a steady growth of the service activity. The transmission market (High Voltage Alternating Current) remained globally stable with progress in Asia Pacific and Latin America. In the same time, HVDC and Smart Grid segments kept on developing at a fast pace. Despite sustained volumes, the strong competition kept prices under pressure.

During the first half of 2012/13, Grid recorded €2,180 million of orders received, a significant increase versus the same period of last year. Grid booked notably a major HVDC contract in India, together with significant medium-sized orders in the Middle East and in India.

Grid **Actual figures, in € million**	**Half yeard ended 30 September 2012**	% of contrib	**Half yeard ended 30 September 2011**	% of contrib	*% Variation Sept. 12 / Sept. 11* *Actual*	 *Org.*
Western Europe	298	14%	316	17%	*(6%)*	*(8%)*
Eastern Europe	125	6%	178	10%	*(30%)*	*(30%)*
North America	148	7%	253	14%	*(42%)*	*(46%)*
South and Central America	141	6%	166	8%	*(15%)*	*(11%)*
Asia/Pacific	1,004	46%	605	33%	*66%*	*66%*
Middle East/Africa	464	21%	335	18%	*39%*	*38%*
Orders by destination	**2,180**	**100%**	**1,853**	**100%**	***18%***	***16%***

In Western Europe, orders reached €298 million, 14% of the total order intake, 6% below the level of the first half of 2011/12 which was fuelled by offshore substations and power transformers in Germany.

In Eastern Europe orders reached €125 million (6% of the total order intake), thanks in particular to the product business.

North America accounted for €148 million of new orders, significantly below the level of last year which was supported by major projects for network management solutions in the United States of America, power transformers in Canada and turnkey substations in Mexico. The region was impacted by price pressure due to competition with Asian players.

South and Central America, with €141 million of orders received, represented 6% of total order intake. Grid was impacted by the lack of large orders and the slow transformers and circuit breakers markets. Some significant turnkey projects will be tendered over the second half of fiscal year 2012/13 with some opportunities for the Sector.

The Asia/Pacific region showed strong results, with €1,004 million of orders received, accounting for 46% of the total order intake. The good performance in India was boosted by the award of the Champa-Kurukshetra HVDC project. This 800 KV direct current connection will meet the bulk power transfer requirement, through a 1,365 km transmission line. This order came together with several mid-sized projects with Indian utilities. Eastern Asia also realised a good performance in turnkeys with significant orders won in Taiwan, Macau and Singapore.

In Middle East/Africa, Grid booked €464 million of orders (21% of the total). Continuous investments in infrastructure fuelled the market with large turnkeys. In particular, Grid was awarded significant 400 KV turnkey substations in the United Arab Emirates. The Saudi market was also dynamic with several large and mid-sized turnkeys awarded.

The Grid Sector received the following major orders during the first half of 2012/13:

Country	Description
Algeria	Turnkey 400 KV Substation
Brazil	Turnkey 500 KV Substation
India	GIS product packages
India	Network management system installation
India	Champa - Kurukshetra 800KV Substation HVDC Interconnection
India	Turnkey 765 KV Ultra-High Voltage Substation
Iraq	5 turnkey 132 KV Substations Air insulated & Gas insulated
Libya	16 turnkey 66 KV Substations, Air insulated & Gas insulated
Macau	Turnkey for new metro railway
Qatar	10 Air Insulated Substations
Saudi Arabia	Turnkey 400 KV Substation for new power plant
Taiwan	Turnkey 400 KV Substation for new power plant
United Arab Emirates	Turnkey 400 KV Substation

4.3.2. Sales

Grid sales reached €1,863 million during the first half of 2012/13, globally stable versus the same period of last year. The overall geographical mix of sales remained similar to last year's.

Grid					*% Variation*	
	Half yeard ended	% of	**Half yeard ended**	% of	*Sept. 12 / Sept. 11*	
Actual figures, in € million	**30 September 2012**	contrib	**30 September 2011**	contrib	*Actual*	*Org.*
Western Europe	340	18%	314	17%	*8%*	*6%*
Eastern Europe	199	11%	216	12%	*(8%)*	*(8%)*
North America	241	13%	203	11%	*19%*	*8%*
South and Central America	189	10%	221	12%	*(14%)*	*(13%)*
Asia/Pacific	535	29%	562	30%	*(5%)*	*(5%)*
Middle East/Africa	359	19%	328	18%	*9%*	*9%*
Sales by destination	**1,863**	**100%**	**1,844**	**100%**	***1%***	***(0%)***

In Western Europe, sales reached €340 million (18% of the total sales) driven by turnkey projects in the United Kingdom and loose product supply for French and British utilities as well as offshore substations for wind power generation in Germany.

In Eastern Europe, sales decreased to €199 million (11% of the total), due to lower sales of products.

Sales in North America remained strong at €241 million, thanks to the execution of turnkey projects in Canada, deliveries of circuit breakers products and network management solutions in the United States of America.

Sales in South and Central America reached €189 million (10% of the total), down 14% compared to the level of the first half of 2011/12 mainly due to the phasing of the Rio Madeira HVDC project. High level of activity is expected on this project by the end of the current fiscal year.

Sales in Asia/Pacific amounted to €535 million (29% of the total) down 5% compared to the first half of 2011/12, due to execution difficulties in India (land availability, customer funding issues, civil work delays…) partly offset by good execution in Australia and East Asia countries.

In Middle East/Africa, the execution of the backlog was solid, thanks to the good performance in large turnkeys mainly in Iraq. Sales at €359 million (19% of Grid Total) showed a 9% increase compared to the first half of 2011/12.

4.3.3. Income from operations and operating margin

Grid's income from operations reached €113 million, or 6.1% of sales, compared to €107 million, or 5.8% in the first half of 2011/12, on the back of an overall good execution of projects in backlog together with a tight control of costs.

4.4. Transport

The following table presents key performance indicators for Transport:

Transport **Actual figures** **in € million**	**Half year ended** **30 September 2012**	**Half year ended** **30 September 2011**	*% Variation* *Sept. 12 / Sept. 11* *Actual*	 *Organic*
Order backlog	23,284	19,905	*17%*	*15%*
Orders received	4,582	2,665	*72%*	*69%*
Sales	2,771	2,461	*13%*	*10%*
Income from operations	147	123	*20%*	*14%*
Operating margin	5.3%	5.0%		
EBIT	147	92	*60%*	
Capital Employed	1,610	1,196	*35%*	

4.4.1. Orders received

During the first half of 2012/13, orders received by Transport reached €4,582 million, an increase of 72% on an actual basis compared to the same period of last year. This performance was fuelled by commercial successes in Western Europe. Large contracts were registered in France for metro and suburban trainsets, in Germany and Sweden for regional trains, in Switzerland for PENDOLINO™ high speed trains and in Italy for maintenance services. In emerging countries, the Group also won the supply of metro trains in Peru and in Venezuela.

Transport					*% Variation*	
	Half yeard ended	% of	**Half yeard ended**	% of	*Sept. 12 / Sept. 11*	
Actual figures, in € million	**30 September 2012**	contrib	**30 September 2011**	contrib	*Actual*	*Org.*
Western Europe	3,547	77%	926	35%	*283%*	*281%*
Eastern Europe	31	1%	1,136	42%	*(97%)*	*(97%)*
North America	161	4%	152	6%	*6%*	*(3%)*
South and Central America	518	11%	11	0%	*4609%*	*4905%*
Asia/Pacific	218	5%	397	15%	*(45%)*	*(49%)*
Middle East/Africa	107	2%	43	2%	*149%*	*137%*
Orders by destination	**4,582**	**100.0%**	**2,665**	**100%**	***72%***	***69%***

€3,547 million of orders were registered in Western Europe during the first half of 2012/13, more than three times the volume recorded during the same period of last year. In France, Transport was awarded the supply of 70 duplex trainsets for Paris suburban network, of 14 automatic rubber-tyred metro trainsets for Paris metro network and of an integrated system for Lille metro, including an automatic driver system and 27 rubber-tyred metro trainsets. The Sector also signed contracts for 101 CORADIA™ regional trains in Germany, 46 CORADIA™ Nordic regional trains in Sweden and 8 PENDOLINO™ high speed trains in Switzerland. Other major orders included an extension to a service contract for very high-speed AGV™ trains in Italy, the extension of a maintenance contract in Spain, and the supply of a signalling system for Amsterdam metro network in the Netherlands.

In Eastern Europe, Transport recorded €31 million of small and medium sized contracts in the first half of 2012/13, after booking large projects during the past two years.

Orders received in North America increased by 6%, to reach €161 million in the first half of 2012/13. Transport won notably a contract with the Massachusetts Bay Transportation Authority for the overhaul of 86 light-rail vehicles.

With €518 million booked during the first half of 2012/13, South and Central America was the second largest region in terms of orders, representing 11% of Transport's orders received. In particular, the Sector was awarded contracts for 19 METROPOLIS™ trainsets for Lima metro network in Peru and for 22 metro trains for Los Teques metro line 2 in Venezuela.

Orders received in Asia/Pacific during the first half of 2012/13 amounted to €218 million compared to €397 million during the same period of last year. The Sector signed several small and medium-sized contracts during the semester, including the supply of the trackwork for the extension of the East-West metro line in Singapore.

In Middle East/Africa, orders intake reached €107 million during the first half of 2012/13, an increase of 149% compared to the same period of last year. Transport notably booked two contracts for the maintenance of tramways for the city of Casablanca in Morocco and for the extension of Constantine's CITADIS™ tramway line in Algeria.

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The Transport Sector received the following major orders during the first half of 2012/13:

Country	**Description**
France	70 duplex trainsets for the RER A line of Paris suburban network
France	Modernisation of Lille's automatic metro line
France	14 automatic rubber-tyred metro trainsets for Paris metro network
Germany	101 Diesel CORADIA™ Lint regional trains
Germany	28 CORADIA™ Continental regional trains for the Rhine-Ruhr network
Italy	Extension to a service contract for very high-speed AGV™ trains
Netherlands	Supply of signalling system for Amsterdam metro network
Peru	19 METROPOLIS™ trainsets for Lima metro network
Spain	Maintenance contract
Sweden	46 CORADIA™ Nordic regional trains for the greater Stockholm area
Switzerland	8 PENDOLINO™ high speed trains for Milan - Geneva and Milan – Zurich network
Venezuela	Supply of Los Teques metro line 2 including 22 metro trains

4.4.2. Sales

Driven by the recovery of order intake during the last three semesters, Transport recorded €2,771 million of sales during the first half of fiscal year 2012/13, an increase of 13% compared to the same period of last year.

Transport **Actual figures, in € million**	**Half yeard ended 30 September 2012**	% of contrib	**Half yeard ended 30 September 2011**	% of contrib	*% Variation Sept. 12 / Sept. 11* *Actual*	*Org.*
Western Europe	1,908	69%	1,651	67%	*16%*	*14%*
Eastern Europe	119	4%	58	2%	*105%*	*110%*
North America	165	6%	165	7%	*0%*	*(7%)*
South and Central America	182	7%	122	5%	*49%*	*56%*
Asia/Pacific	225	8%	318	13%	*(29%)*	*(34%)*
Middle East/Africa	172	6%	147	6%	*17%*	*15%*
Sales by destination	**2,771**	**100%**	**2,461**	**100%**	***13%***	***10%***

During the first half of 2012/13, Transport's sales in Western Europe amounted to €1,908 million, a 16% increase compared to the same period of last year. Contracts for very high speed trains were traded in France and Italy, along with contracts for PENDOLINO™ intercity trains and the associated maintenance service in the United Kingdom. Regional and suburban trains as well as metros and tramways were delivered in France. Western Europe's share in Transport sales stood at 69%.

In Eastern Europe, Transport registered €119 million of sales over the first half of 2012/13, compared to €58 million during the same period of last year. The main contracts traded included the supply of PENDOLINO™ high speed trains in Poland and of EP20 passenger electric locomotives in Russia.

In North America, Transport's sales were stable at €165 million. Revenues stem from the execution of Montréal metro cars contract in Canada and the delivery of electro-mechanical systems and signalling for Mexico City line 12.

Transport recorded €182 million of sales in South and Central America during the first half of 2012/13, a 49% increase compared to the same period of last year. Contracts to supply suburban trains and metros were executed in Brazil, the Dominican Republic, Peru and Venezuela.

Transport sales in Asia/Pacific amounted to €225 million in the first half of 2012/13, a 29% decrease compared to the same period of last year due to the near completion of the contract for the delivery of regional trains in Australia which generated substantial revenues in the past.

Sales in Middle East/Africa amounted to €172 million, an increase of 17% compared to the first half of 2011/12. Tramways were delivered in Morocco and Algeria.

4.4.3. Income from operations and operating margin

Thanks to the recovery of sales, Transport's income from operations increased by 20% to €147 million for the first half of fiscal year 2012/13. The operating margin rose from 5.0% to 5.3% for the first half of 2012/13. The income from operations was still impacted by the delivery of new products (less profitable in the starting phase than mature ones).

4.5. 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 2012**	**Half year ended 30 September 2011**
Income from operations	(57)	(51)
EBIT	(72)	(58)
Capital Employed	568	87

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.
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 2012**	**Half year ended 30 September 2011**
Net cash provided by operating activities	**376**	**(595)**
Capital expenditure (including capitalized development costs)	(290)	(328)
Proceeds from disposals of tangible and intangible assets	15	9
Free Cash Flow	**101**	**(914)**

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 2012**	**At 31 March 2012**
Cash and cash equivalents	1,646	2,091
Marketable securities and other current financial assets	14	13
Financial non-current assets directly associated to financial debt	428	426
less:		
Current financial debt	635	682
Non current financial debt	4,324	4,340
Net cash/(debt)	**(2,871)**	**(2,492)**

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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 2012	Year ended 31 March 2012
Net cash provided by operating activities - before changes in net working capital	732	1,184
Changes in net working capital resulting from operating activities	(356)	(968)
Net cash provided by operating activities	**376**	**216**
Net cash used in or provided by investing activities	(402)	(912)
Net cash used in financing activities	(416)	87
Net (decrease)/increase in cash and cash equivalents	**(442)**	**(609)**
Cash and cash equivalents at the beginning of the period	2,091	2,701
Net effect of exchange rate variations	(2)	-
Other changes	(1)	(1)
Cash and cash equivalents at the end of the period	**1,646**	**2,091**

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 non-current provisions and current liabilities excluding current financial debt.

Capital employed by Sector and at Group level are presented in Note 4 to the Condensed Interim Consolidated Financial Statements as of 30 September 2012.

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 2012, capital employed reached €7,579 million, compared to €7,035 million at the end of March 2012, mainly due to the change in working capital and associates.

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Total Group		
in € million	**At 30 September 2012**	**At 31 March 2012**
Non current assets	13,135	12,804
less deferred tax assets	(1,597)	(1,472)
less non-current assets directly associated to financial debt	(428)	(426)
less prepaid pension benefits	(8)	(12)
Capital employed - non current assets **(A)**	11,102	10,894
Current assets	18,158	18,243
less cash & cash equivalents	(1,646)	(2,091)
less marketable securities and other current financial assets	(14)	(13)
Capital employed - current assets **(B)**	16,498	16,139
Current liabilities	19,874	19,876
less current financial debt	(635)	(682)
plus non current provisions	782	804
Capital employed - liabilities **(C)**	20,021	19,998
Capital employed (A)+(B)-(C)	**7,579**	**7,035**

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 2011/12 (orders in hand, orders received, sales and income from operations) are restated taking into account the exchange rates used for the first half of 2012/13, 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 2011/12 (restatement of disposals) and for the first half of 2012/13 (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 2011				Half year ended 30 September 2012				
	Actual figures	Exchange rate	Scope impact	Comparable Figures	Actual figures	Scope Impact	Organic figures	% Var Act. Sept. 12 / Sept. 11	% Var Org Sept. 12 / Sept. 11
Thermal Power	18,339	365		18,704	19,427		19,427	6%	4%
Renewable Power	4,143	25		4,168	3,946		3,946	(5%)	(5%)
Grid	4,995	79	(12)	5,062	5,358		5,358	7%	6%
Transport	19,905	430		20,335	23,284		23,284	17%	15%
Corporate & Others	-	-		-	-		-		
Orders backlog	**47,382**	**899**	**(12)**	**48,269**	**52,015**	**-**	**52,015**	**10%**	**8%**
Thermal Power	4,650	193		4,843	4,765		4,765	2%	(2%)
Renewable Power	1,015	(10)		1,005	602		602	(41%)	(40%)
Grid	1,853	38	(12)	1,879	2,180		2,180	18%	16%
Transport	2,665	40		2,705	4,582		4,582	72%	69%
Corporate & Others				-			-		
Orders Received	**10,183**	**261**	**(12)**	**10,432**	**12,129**	**-**	**12,129**	**19%**	**16%**
Thermal Power	4,047	147		4,194	4,258		4,258	5%	2%
Renewable Power	1,037	14		1,051	856		856	(17%)	(19%)
Grid	1,844	41	(13)	1,872	1,863		1,863	1%	(0%)
Transport	2,461	50		2,511	2,771		2,771	13%	10%
Corporate & Others	-			-	-		-		
Sales	**9,389**	**252**	**(13)**	**9,628**	**9,748**	**-**	**9,748**	**4%**	**1%**
Thermal Power	372	18		390	451		451	21%	16%
Renewable Power	76	(3)		73	49		49	(36%)	(33%)
Grid	107	-	2	109	113		113	6%	4%
Transport	123	6		129	147		147	20%	14%
Corporate & Others	(51)	(1)		(52)	(57)		(57)	12%	10%
Income from Operations	**627**	**20**	**2**	**649**	**703**	**-**	**703**	**12%**	**8%**
Thermal Power	9.2%			9.3%	10.6%		10.6%		
Renewable Power	7.3%			6.9%	5.7%		5.7%		
Grid	5.8%			5.8%	6.1%		6.1%		
Transport	5.0%			5.1%	5.3%		5.3%		
Corporate & Others									
Operating margin	**6.7%**			**6.7%**	**7.2%**		**7.2%**		
Sales	9,389	252	(13)	9,628	9,748	-	9,748	4%	1%
Cost of sales	(7,614)	(205)	12	(7,807)	(7,835)	-	(7,835)	3%	0%
R&D expenses	(306)	(6)	-	(312)	(351)		(351)	15%	13%
Selling expenses	(438)	(11)	1	(448)	(471)		(471)	8%	5%
Administrative expenses	(404)	(10)	2	(412)	(388)		(388)	(4%)	(6%)
Income from Operations	**627**	**20**	**2**	**649**	**703**	**-**	**703**	**12%**	**8%**

7. Other information

7.1 Risks

Legal risks are described in Note 24 of the Condensed Interim Consolidated Financial Statements as of 30 September 2012. Financial risks (currency, credit, interest rate and liquidity) and their management are described in Note 22 of the Condensed Interim Consolidated Financial Statements as of 30 September 2012 and in Note 25 of the Consolidated Interim Financial Statements as of 31 March 2012 and the other risk factors are described in the Registration document for the fiscal year 2011/12 filed with the Autorité des marchés financiers on 25 May 2012, with no significant evolution to be reported over the first half of fiscal year 2012/13.

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 €48 million for the first half of 2012/13, compared to €77 million for the first half of 2011/12.

7.3 Related parties

During the first semester of 2012/13, there was no new significant transaction with related parties. Related parties are presented in Note 25 of the Condensed Interim Consolidated Financial Statements as of 30 September 2012.

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Condensed interim consolidated financial statements,
Half-Year ended 30 September 2012

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INTERIM CONSOLIDATED INCOME STATEMENT

(in € million)	Note	Half-year ended 30 September 2012	Half-year ended 30 September 2011	Year ended 31 March 2012
Sales	(4)	**9,748**	**9,389**	**19,934**
Cost of sales		(7,835)	(7,614)	(16,144)
Research and development expenses	(5)	(351)	(306)	(682)
Selling expenses		(471)	(438)	(900)
Administrative expenses		(388)	(404)	(802)
Income from operations	(4)	**703**	**627**	**1,406**
Other income	(6)	4	5	3
Other expense	(6)	(116)	(115)	(337)
Earnings before interest and taxes	(4)	**591**	**517**	**1,072**
Financial income	(7)	20	32	55
Financial expense	(7)	(133)	(106)	(232)
Pre-tax income		**478**	**443**	**895**
Income tax charge	(8)	(94)	(90)	(179)
Share in net income of equity investments	(12)	29	15	28
Net profit		**413**	**368**	**744**
Attributable to:				
- Equity holders of the parent		403	363	732
- Non controlling interests		10	5	12
Earnings per share (in €)	(9)			
- Basic earnings per share		1.37	1.23	2.49
- Diluted earnings per share		1.35	1.22	2.46

STATEMENT OF COMPREHENSIVE INCOME

(in € million)	Half-year ended 30 September 2012	Half-year ended 30 September 2011	Year ended 31 March 2012
Net profit recognised in income statements	**413**	**368**	**744**
Actuarial gains and losses on post-employment benefits	(190)	(293)	(317)
Income tax relating to items that will not be reclassified to profit or loss	20	59	31
Items that will not be reclassified to profit or loss	**(170)**	**(234)**	**(286)**
Fair value ajustments on available-for-sale assets	(22)	-	(13)
Fair value ajustments on cash flow hedge derivatives	8	(18)	(29)
Currency translation adjustments	10	24	60
Income tax relating to items that may be reclassified to profit or loss	(1)	2	4
Items that may be reclassified to profit or loss	**(5)**	**8**	**22**
Other comprehensive income	**(175)**	**(226)**	**(264)**
Total comprehensive income for the period	**238**	**142**	**480**
Attributable to:			
- Equity holders of the parent	229	138	473
- Non controlling interests	9	4	7

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

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INTERIM CONSOLIDATED BALANCE SHEET

(in € million)	Note	At 30 September 2012	At 31 March 2012
ASSETS			
Goodwill	(10)	5,522	5,483
Intangible assets	(10)	1,918	1,921
Property, plant and equipment	(11)	2,942	2,852
Associates and non consolidated investments	(12)	606	531
Other non-current assets	(13)	550	545
Deferred taxes		1,597	1,472
Total non-current assets		**13,135**	**12,804**
Inventories	(14)	3,339	3,138
Construction contracts in progress, assets	(15)	4,077	3,752
Trade receivables		5,326	5,692
Other current operating assets	(16)	3,756	3,557
Marketable securities and other current financial assets		14	13
Cash and cash equivalents		1,646	2,091
Total current assets		**18,158**	**18,243**
Total assets		**31,293**	**31,047**

(in € million)	Note	At 30 September 2012	At 31 March 2012
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent	(18)	4,343	4,327
Non controlling interests		106	107
Total equity		**4,449**	**4,434**
Non-current provisions	(19)	782	804
Accrued pension and other employee benefits	(20)	1,611	1,417
Non-current borrowings	(21)	3,851	3,863
Non-current obligations under finance leases	(21)	473	477
Deferred taxes		253	176
Total non-current liabilities		**6,970**	**6,737**
Current provisions	(19)	1,280	1,414
Current borrowings	(21)	591	634
Current obligations under finance leases	(21)	44	48
Construction contracts in progress, liabilities	(15)	9,603	9,508
Trade payables		4,209	4,080
Other current operating liabilities	(23)	4,147	4,192
Total current liabilities		**19,874**	**19,876**
Total equity and liabilities		**31,293**	**31,047**

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

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CONSOLIDATED STATEMENT OF CASH FLOWS

(in € million)	Note	Half-year ended 30 September 2012	Half-year ended 30 September 2011	Year ended 31 March 2012
Net profit		**413**	**368**	**744**
Depreciation, amortisation and expense arising from share-based payments		375	322	621
Post-employment and other long-term defined employee benefits		(19)	(38)	(61)
Net (gains)/losses on disposals of assets		(6)	(9)	1
Share in net income of associates (net of dividends received)		(25)	(15)	(27)
Deferred taxes charged to income statement		(6)	(20)	(94)
Net cash provided by operating activities - before changes in working capital		**732**	**608**	**1,184**
Changes in working capital resulting from operating activities	**(17)**	**(356)**	**(1,203)**	**(968)**
Net cash provided by /(used in) operating activities		**376**	**(595)**	**216**
Proceeds from disposals of tangible and intangible assets		15	9	24
Capital expenditure (including capitalised R&D costs)	(4)	(290)	(328)	(813)
Increase/(decrease) in other non-current assets		19	7	15
Acquisitions of businesses, net of cash acquired		(146)	(46)	(65)
Disposals of businesses, net of net cash sold		-	(15)	(73)
Net cash provided by/(used in) investing activities		**(402)**	**(373)**	**(912)**
Capital increase/(decrease) including non controlling interests		15	2	(1)
Dividends paid including payments to non controlling interests		(245)	(206)	(206)
Issuance of bonds & notes	(21)	-	-	560
Changes in current and non-current borrowings		(161)	(88)	13
Changes in obligations under finance leases		(26)	(19)	(42)
Changes in marketable securities and other current financial assets and liabilities		1	(101)	(237)
Net cash provided by/ (used in) financing activities		**(416)**	**(412)**	**87**
Net increase/(decrease) in cash and cash equivalents		**(442)**	**(1,380)**	**(609)**
Cash and cash equivalents at the beginning of the period		2,091	2,701	2,701
Net effect of exchange rate variations		(2)	(32)	-
Other changes		(1)	3	(1)
Cash and cash equivalents at the end of the period		**1,646**	**1,292**	**2,091**
Income tax paid		*(121)*	*(159)*	*(264)*
Net of interests paid & received		*(54)*	*(46)*	*(170)*

(in € million)	Half-year ended 30 September 2012	Half-year ended 30 September 2011	Year ended 31 March 2012
Net cash/(debt) variation analysis (*)			
Changes in cash and cash equivalents	(442)	(1,380)	(609)
Changes in marketable securities and other current financial assets & liabilities	(1)	101	237
Changes in bonds and notes	-	-	(560)
Changes in current and non-current borrowings	161	88	(13)
Changes in obligations under finance leases	26	19	42
Net debt of acquired entities at acquisition date and other variations	(123)	(290)	(303)
Decrease/ (increase) in net debt	*(379)*	*(1,462)*	*(1,206)*
Net cash/(debt) at the beginning of the period	**(2,492)**	**(1,286)**	**(1,286)**
Net cash/(debt) at the end of the period	**(2,871)**	**(2,748)**	**(2,492)**

(*) 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 (see Note 13), less financial debt (see Note 21).

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € million, except for number of shares)	Number of outstanding shares	Capital	Additional paid-in capital	Retained earnings	Other comprehensive income	Equity attributable to the equity holders of the parent	Non controlling interests	Total equity
At 31 March 2011	**294,419,304**	**2,061**	**624**	**2,699**	**(1,324)**	**4,060**	**92**	**4,152**
Movements in other comprehensive income	-	-	-	-	(225)	**(225)**	(1)	**(226)**
Net income for the period	-	-	-	363	-	**363**	5	**368**
Total comprehensive income	-	-	-	363	(225)	**138**	4	**142**
Change in scope and other	-	-	-	(7)	-	**(7)**	-	**(7)**
Dividends paid	-	-	-	(183)	-	**(183)**	(12)	**(195)**
Issue of ordinary shares under long term incentive plans	215,009	1	1	-	-	**2**	-	**2**
Recognition of equity settled share-based payments	-	-	-	8	-	**8**	-	**8**
At 30 September 2011	**294,634,313**	**2,062**	**625**	**2,880**	**(1,549)**	**4,018**	**84**	**4,102**
At 31 March 2012	**294,533,680**	**2,062**	**622**	**3,226**	**(1,583)**	**4,327**	**107**	**4,434**
Movements in other comprehensive income	-	-	-	-	(174)	**(174)**	(1)	**(175)**
Net income for the period	-	-	-	403	-	**403**	10	**413**
Total comprehensive income	-	-	-	403	(174)	**229**	9	**238**
Change in scope and other	3	-	-	13	-	**13**	1	**14**
Dividends paid	-	-	-	(236)	-	**(236)**	(11)	**(247)**
Issue of ordinary shares under long term incentive plans	314,278	2	1	-	-	**3**	-	**3**
Recognition of equity settled share-based payments	-	-	-	7	-	**7**	-	**7**
At 30 September 2012	**294,847,961**	**2,064**	**623**	**3,413**	**(1,757)**	**4,343**	**106**	**4,449**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Presentation of the Group

Alstom ("the Group") serves the power generation and transmission markets through its Thermal Power, Renewable Power and Grid Sectors, 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.

The operational activities of the Group are organised in four Sectors:

- **Thermal Power**

Thermal Power offers a comprehensive range of power generation solutions using gas or coal from integrated power plants and all types of turbines, generators, boilers, emission control systems to a full range of services including plant modernisation, maintenance and operational support. The Sector also supplies conventional islands for nuclear power plants.

- **Renewable Power**

Renewable Power offers EPC solutions, turbines and generators, control equipment and maintenance for Hydro power and Wind power activities. The Sector includes geothermal and solar thermal businesses.

- **Grid**

The Grid Sector designs and manufactures equipment and engineered turnkey solutions to manage power grids and transmit electricity from the power plant to the large end-user, be it a distribution utility or an industrial process or production facility.

- **Transport**

The Transport Sector serves the urban transit, regional/intercity passenger travel markets and freight markets all over the world with rail transport products, systems and services.

The condensed interim consolidated financial statements are presented in euro and have been authorised for issue by the Board of Directors held on 6 November 2012.

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Note 2. Accounting policies

2.1 Basis of preparation of the condensed interim consolidated financial statements

Alstom condensed interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations published by the International Accounting Standards Board (IASB), endorsed by the European Union and which application was mandatory as of 1 April 2012.
The full set of standards endorsed by the European Union can be consulted on the website of the European Commission at:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

Alstom condensed interim consolidated financial statements for the half-year ended 30 September 2012 are presented and have been prepared in accordance with IAS 34, Interim Financial Reporting. The standard provides that condensed interim financial statements do not include all the information required under IFRS for the preparation of annual consolidated financial statements. These condensed interim consolidated financial statements must therefore be read in conjunction with the Group's financial statements as at 31 March 2012.

The accounting policies and measurement methods used to prepare these condensed interim consolidated financial statements are identical to those used to prepare the consolidated financial statements for the year ended 31 March 2012, with the exceptions of the provisions specific to IAS 34 on the measurement of half year tax and post-employment benefit expenses.

2.1.1 Changes in accounting policies due to new, revised or amended standards and interpretations mandatorily applicable for financial periods beginning on 1 April 2012

The Group's condensed interim consolidated financial statements are not significantly affected by the enforcement of the new, revised, or amended standards and interpretations becoming effective in the European Union starting from 1 April 2012:

- Amendments to IFRS 7- disclosures- Transfers of financial assets

2.1.2 New standards and interpretations not yet mandatorily applicable

The Group has opted for an early application of the amendment to IAS 1, Presentation of items of other comprehensive income, endorsed by the European Union and which effective date is 1 April 2013. This amendment requests the distinction between comprehensive income elements that will be reclassified in profit or loss and elements that will not. This amendment does not have a material impact on the presentation of the Group's published consolidated statement of comprehensive income.

The Group has not opted for an early application of the amendment to IAS 19, Employee benefits, endorsed by the European Union and which effective date is 1 April 2013.
This amendment eliminates the option of applying the corridor approach. As a result, all actuarial gains and losses and past service costs will be recognized immediately in liabilities. Actuarial gains and losses for each period will be recorded systematically in "other comprehensive income" and past service costs will be recorded in the income statement. The amendment also specifies the calculation of the expected return on plan assets on the basis of the discount rate used to value the defined benefit obligation rather than on the basis of market expectations for returns.
The Group does not apply the corridor approach and already records all actuarial gains and losses in other comprehensive income. The calculation of the expected return on plan assets on the basis of the discount rate used to value the underlying obligation will increase the net financial expense, but the net impact on the consolidated financial statements should not be significant.

The Group has not opted for an early application of the following forthcoming IFRS requirements already published by the IASB but not yet endorsed by the European Union:

- Financial instruments: Classification and measurement of financial assets (IFRS 9);
- Consolidated financial statements (IFRS 10);
- Joint arrangements (IFRS 11);
- Disclosure of interests in other entities (IFRS 12);
- Investments in associates and joint ventures (IAS 28 revised);
- Fair value measurement (IFRS 13);
- Financial instruments disclosures (amendments to IFRS 7).

The Group is carrying on the assessment of the impact of applying these new standards for the first time, in particular IFRS 10, Consolidated financial statements and IFRS 11, Joint arrangements.

- **IFRS 10 Consolidated financial statements**

This standard defines control as being exercised when an investor is exposed, or has rights, to variable returns from his involvement with the investee and has the ability to affect those returns through his power over the investee. The impact of applying this new standard on the consolidated financial statements should not be significant.

- **IFRS 11 Joint arrangements**

The new standard mainly prescribes two different accounting treatments:

- Joint arrangements qualifying as joint operations will be recognised based on the proportion of assets, liabilities, revenue and expenses controlled by the Group. A joint operation may be conducted under a separate vehicle or not.
- Joint arrangements that are qualified as joint ventures will be accounted for using the equity method, because the parties have rights to the net assets of the arrangement.

The Group is currently analysing its jointly controlled entities in light of IFRS 11, Joint arrangements so as to determine if they shall be classified as joint operations or joint ventures. However, as the contribution of these entities to the Group's main financial indicators is currently not material, the impact of applying this new standard on the consolidated financial statements should be limited.

The consolidation standards (IFRS 10, IFRS 11 and IFRS 12) are of mandatory application as of 1 January 2013, subject to EU endorsement. Following the Accounting Regulatory Committee (ARC) vote on 1 June 2012, the application of these new consolidation standards may be postponed to 1 January 2014.

2.2. Specific measurement methods applied for the preparation of condensed interim consolidated 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

Transmashholding

On 27 May 2011, Alstom finalised its partnership agreement with Transmashholding ("TMH"), the leading Russian rail manufacturer, by acquiring a 25% stake (plus one share) of the Breakers Investments B.V., which holds 100% of Transmashholding. The deal was closed after Alstom received all approvals of the appropriate Russian authorities.

Alstom share in the Breakers Investments B.V. group is an investment in associates and is therefore accounted for according to the equity method.

Pursuant to the closing of the deal, Alstom made, during the fiscal year ended 31 March 2012, an initial payment of $75 million (€54 million) to the selling shareholders. The remainder of the price was calculated using a computation method based on TMH operating results over a four-year period (2008-2011) and was paid in October 2012 for an amount of $347 million (€268 million). The unpaid portion of the price was recorded as financial debt as at 30 September 2012.

In accordance with IAS 28, the Group has recognised its share in the net fair values of the associate's identifiable assets acquired and liabilities assumed at the acquisition date. The valuation of assets acquired and liabilities assumed was finalised on 27 May 2012. The resulting goodwill is included in the carrying amount of the investment.

Note 4. Segment information

4.1 Key indicators by operating segment

For the half-year ended 30 September 2012

(in € million)	Thermal Power	Renewable Power	Grid	Transport	Corporate & others	Elimina-tions	Total
Sales	4,287	856	1,881	2,773	-	(49)	9,748
Inter Sector eliminations	(29)	-	(18)	(2)	-	49	-
Total Sales	**4,258**	**856**	**1,863**	**2,771**	**-**	**-**	**9,748**
Income (loss) from operations	451	49	113	147	(57)	-	703
Earnings (loss) before interest and taxes	**444**	**24**	**48**	**147**	**(72)**	**-**	**591**
Financial income (expense)							(113)
Income tax							(94)
Share in net income of equity investments							29
Net profit							**413**
Capital expenditure	**(103)**	**(57)**	**(43)**	**(63)**	**(24)**	**-**	**(290)**
Depreciation and amortisation in EBIT	**115**	**19**	**86**	**59**	**23**	**-**	**302**

For the half-year ended 30 September 2011

(in € million)	Thermal Power	Renewable Power	Grid	Transport	Corporate & others	Elimina-tions	Total
Sales	4,071	1,048	1,863	2,462	-	(55)	9,389
Inter Sector eliminations	(24)	(11)	(19)	(1)	-	55	-
Total Sales	**4,047**	**1,037**	**1,844**	**2,461**	**-**	**-**	**9,389**
Income (loss) from operations	372	76	107	123	(51)	-	627
Earnings (loss) before interest and taxes	**371**	**76**	**36**	**92**	**(58)**	**-**	**517**
Financial income (expense)							(74)
Income tax							(90)
Share in net income of equity investments							15
Net profit							**368**
Capital expenditure	**(115)**	**(70)**	**(50)**	**(75)**	**(18)**	**-**	**(328)**
Depreciation and amortisation in EBIT	**107**	**16**	**103**	**65**	**19**	**-**	**310**

At 30 September 2012

(in € million)	Thermal Power	Renewable Power	Grid	Transport	Corporate & others	Elimina-tions	Total
Segment assets [(1)]	**11,719**	**2,898**	**5,167**	**6,239**	**1,577**	**-**	**27,600**
Deferred taxes (assets)							1,597
Prepaid employee defined benefit costs							8
Financial assets							2,088
Total assets							**31,293**
Segment liabilities [(2)]	**9,645**	**1,773**	**2,965**	**4,629**	**1,009**	**-**	**20,021**
Deferred taxes (liabilities)							253
Accrued employee defined benefit costs							1,611
Financial debt							4,959
Total equity							4,449
Total equity and liabilities							**31,293**
Capital employed [(3)]	**2,074**	**1,125**	**2,202**	**1,610**	**568**	**-**	**7,579**

(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 2012

(in € million)	Thermal Power	Renewable Power	Grid	Transport	Corporate & others	Elimina-tions	Total
Segment assets [(1)]	**11,570**	**2,674**	**5,197**	**5,778**	**1,814**	**-**	**27,033**
Deferred taxes (assets)							1,472
Prepaid employee defined benefit costs							12
Financial assets							2,530
Total assets							**31,047**
Segment liabilities [(2)]	**9,500**	**1,630**	**3,058**	**4,375**	**1,435**	**-**	**19,998**
Deferred taxes (liabilities)							176
Accrued employee defined benefit costs							1,417
Financial debt							5,022
Total equity							4,434
Total equity and liabilities							**31,047**
Capital employed [(3)]	**2,070**	**1,044**	**2,139**	**1,403**	**379**	**-**	**7,035**

(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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4.2 Key indicators by geographic area

Sales by country of destination

(in € million)	Half-year ended 30 September 2012	30 September 2011
Western Europe	3,492	3,430
thereof France	*1,155*	*1,030*
Eastern Europe	864	684
North America	1,183	1,178
thereof USA	*734*	*748*
South & Central America	707	903
Asia & Pacific	2,027	1,919
Middle East & Africa	1,475	1,275
Total Group	**9,748**	**9,389**

Note 5. Research and development expenditure

(in € million)	Half-year ended 30 September 2012	30 September 2011
Research and development expenses	**(351)**	**(306)**
Developments costs capitalised during the period (see Note 10.2)	(104)	(129)
Amortisation expense of capitalised development costs (see Note 10.2)	42	42
Amortisation of acquired technology (see Note 10.2)	47	39
Total research and development expenditure	**(366)**	**(354)**

During the half year ended 30 September 2012, the Group invested €366 million in research and development to develop new technologies and to extend its existing product offering.

These research and development programmes relate mainly to:

- the ongoing upgrade of the range of gas turbines and the development of CO2 capture technology,
- the improvement of the technological edge of Transport Sector's product offering (Coradia Polyvalent™ regional train, compact tramway),
- the development of Haliade offshore wind turbines,
- the development of Super Grid and Smart Grid technologies.

Note 6. Other income and other expenses

(in € million)	Half-year ended 30 September 2012	30 September 2011
Capital gains on disposal of businesses	4	2
Other	-	3
Other income	**4**	**5**
Capital losses on disposal of businesses	(3)	(3)
Restructuring costs	(29)	(38)
Expenses exclusively incurred in the context of business combinations	(43)	(65)
Other	(41)	(9)
Other expense	**(116)**	**(115)**
Other income (expenses)	**(112)**	**(110)**

Expenses exclusively incurred in the context of business combinations comprise the amortisation of acquired margin related to Grid's acquisition.

Other income and other expenses mainly derive from components of the post-employment and other long term defined benefit expense, costs of legal proceedings that have arisen outside the ordinary course of business and non-recurring impairment losses on assets.

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Note 7. Financial income (expense)

(in € million)	Half-year ended 30 September 2012	Half-year ended 30 September 2011
Interest income	16	22
Net exchange gain	-	5
Other financial income	4	5
Financial income	**20**	**32**
Interest expense	(100)	(84)
Net financial expense from employee defined benefit plans	(13)	(3)
Net exchange loss	(4)	-
Other financial expenses	(16)	(19)
Financial expense	**(133)**	**(106)**
Financial income (expense)	**(113)**	**(74)**

Interest income of €16 million represents the remuneration of the Group's cash positions over the period.

Interest expense of €(100) million represents the cost of the gross financial debt.

Other financial expense of €(16) million incorporates fees and commitment fees paid on guaranteed facilities, syndicated loans and other financing facilities for €(8) million versus €(7) million for the half-year ended 30 September 2011.

Note 8. Taxation

Using a projected annual effective tax rate of 20% for determination of the tax expense for the half-year ended 30 September 2012 (20% for the half-year ended 30 September 2011), the income tax charge for the period amounts to €(94) million (€(90) million for the half-year ended 30 September 2011).

Note 9. Earnings per share

9.1 Earnings

(in € million)	Half-year ended 30 September 2012	Half-year ended 30 September 2011
Net profit attributable to equity holders of the parent	403	363
Earnings attributable to equity holders of the parent used to calculate basic and diluted earnings per share	**403**	**363**

9.2 Number of shares

	Half-year ended 30 September 2012	Half-year ended 30 September 2011
Weighted average number of ordinary shares used to calculate basic earnings per share	**294,693,719**	**294,517,386**
Effect of dilutive instruments other than bonds reimbursables with shares:		
- Stock options and free shares (1) (LTI plan)	2,651,994	2,409,718
- Free shares (Alstom Sharing plans)	225,727	230,089
Weighted average number of ordinary shares used to calculate diluted earnings per share	**297,571,440**	**297,157,193**

(1) Stock options taken into consideration in the calculation of the diluted earnings per share only relate to plans 7 and 8, plans 9, 10, 12, 13 and 14 being out of the money as at 30 September 2012.

9.3 Earnings per share

(in €)	Half-year ended 30 September 2012	Half-year ended 30 September 2011
- Basic earnings per share	1.37	1.23
- Diluted earnings per share	1.35	1.22

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Note 10. Goodwill and intangible assets

Goodwill and intangible assets are reviewed for impairment at least annually and whenever events or circumstances indicate that they might 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.

10.1 Goodwill

(in € million)	At 31 March 2012	Acquisitions and adjustments on preliminary goodwill	Disposals	Translation adjustments and other changes	At 30 September 2012
Thermal Power	3,208	-	-	7	3,215
Renewable Power	489	-	-	-	489
Transport	661	29	-	2	692
Grid	1,125	-	-	1	1,126
Goodwill	**5,483**	**29**	**-**	**10**	**5,522**
of which:					
Gross value	5,483	29	-	10	5,522
Impairment	-	-	-	-	-

The impairment test at 31 March 2012 supported the Group's opinion that goodwill was not impaired. At 30 September 2012, the Group considers that the assumptions used to assess the recoverable value of goodwill at 31 March 2012 are not modified in a way that would lead to an impairment test at 30 September 2012.

10.2 Intangible assets

(in € million)	At 31 March 2012	Additions / disposals / amortisation	Acquisitions through business combinations	Translation adjustments and other changes	At 30 September 2012
Development costs	1,686	104	-	4	1,794
Acquired technology	1,422	-	-	-	1,422
Other intangible assets	697	13	19	2	731
Gross value	**3,805**	**117**	**19**	**6**	**3,947**
Development costs	(657)	(42)	-	(2)	(701)
Acquired technology	(748)	(47)	-	-	(795)
Other intangible assets	(479)	(53)	-	(1)	(533)
Amortisation and impairment	**(1,884)**	**(142)**	**-**	**(3)**	**(2,029)**
Development costs	1,029	62	-	2	1,093
Acquired technology	674	(47)	-	-	627
Other intangible assets	218	(40)	19	1	198
Net value	**1,921**	**(25)**	**19**	**3**	**1,918**

Technology and licence agreements acquired through the combination with ABB ALSTOM POWER in 1999 and 2000 and through the combination with Grid activities in 2010 represent the bulk of the gross amount reported as acquired technology.

The impairment test at 31 March 2012 supported the Group's opinion that intangible assets were not impaired.

At 30 September 2012, the Group considers that the assumptions used to assess the recoverable value of intangibles at 31 March 2012 are not modified in a way that would lead to an impairment test at 30 September 2012.

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Note 11. Property, plant and equipment

(in € million)	At 31 March 2012	Acquisitions/ Amortisation/ Impairments	Disposals	Acquisitions through business combinations	Translation adjustments and other changes	At 30 September 2012
Land	195	-	(1)	-	-	194
Buildings	1,760	16	(10)	73	44	1,883
Machinery and equipment	2,842	54	(31)	11	65	2,941
Constructions in progress	334	54	(1)	-	(55)	332
Tools, furniture, fixtures and other	584	28	(21)	-	(5)	586
Gross value	**5,715**	**152**	**(64)**	**84**	**49**	**5,936**
Land	(9)	-	(1)	-	-	(10)
Buildings	(673)	(37)	9	-	(7)	(708)
Machinery and equipment	(1,798)	(93)	25	-	(14)	(1,880)
Constructions in progress	-	-	-	-	-	-
Tools, furniture, fixtures and other	(383)	(27)	18	-	(4)	(396)
Amortisation and impairment	**(2,863)**	**(157)**	**51**	**-**	**(25)**	**(2,994)**
Land	186	-	(2)	-	-	184
Buildings	1,087	(21)	(1)	73	37	1,175
Machinery and equipment	1,044	(39)	(6)	11	51	1,061
Constructions in progress	334	54	(1)	-	(55)	332
Tools, furniture, fixtures and other	201	1	(3)	-	(9)	190
Net value	**2,852**	**(5)**	**(13)**	**84**	**24**	**2,942**

Note 12. Associates and non consolidated investments

12.1 Associates

Financial information on associates

(in € million)	At 30 September 2012	At 31 March 2012	At 30 September 2012 % ownership
The Breakers Investments B.V. (Transmashholding)(*)	364	307	25.0%
Shanghai Lingang Transformers	14	17	50.0%
Shanghai Alstom Transportation Company (SATCO)	12	12	40.0%
Cerrey - Babcock & Wilcox de Mexico	19	19	25.0%
Alstom Atomenergomash	11	13	49.0%
Other	13	9	-
Total Associates	**433**	**377**	

(*) see Note 3

Movements during the period

(in € million)	Half-year ended 30 September 2012	Year ended 31 March 2012
Opening balance	**377**	**43**
Share in net income/(loss) of equity investments	29	28
Dividends	(15)	(1)
Acquisitions	42	276
Translation adjustments and other	-	31
Closing balance	**433**	**377**

12.2 Non-consolidated investments

Financial information on non-consolidated investments

(in € million)	At 30 September 2012	At 31 March 2012	At 30 September 2012
			% ownership
Bright Source Energy [1]	79	97	17.8%
NTL (Translohr) [2]	25	-	51.0%
Other [3]	69	57	
Total	**173**	**154**	

(1) Bright Source is an entity located in the USA and specialised in solar energy.

(2) NTL was acquired on 28 September 2012. Its accounting treatment is finalised and will be reflected in the financial statements for the year ended 31 March 2013.

(3) No other investment's net value individually exceeds €10 million.

Movements during the period

(in € million)	Half-year ended 30 September 2012	Year ended 31 March 2012
Opening balance	**154**	**164**
Change in fair value (*)	(22)	(13)
Acquisitions	31	16
Translation adjustments and other	10	(13)
Closing balance	**173**	**154**

(*) variation recorded in other comprehensive income as fair value gains / (losses) on assets available for sale

Note 13. Other non-current assets

(in € million)	At 30 September 2012	At 31 March 2012
Financial non-current assets associated to financial debt (*)	428	426
Long-term loans, deposits and other	122	119
Other non-current assets	**550**	**545**

(*) These non-current assets relate to a long-term rental of trains and associated equipment to a London metro operator (see Notes 21 and 24). They are made up as follows:

- at 30 September 2012, €400 million receivables and €28 million deposit;
- at 31 March 2012, €400 million receivables and €26 million deposit.

Note 14. Inventories

(in € million)	At 30 September 2012	At 31 March 2012
Raw materials and supplies	960	910
Work in progress	2,342	2,207
Finished products	380	374
Inventories, gross	**3,682**	**3,491**
Raw materials and supplies	(145)	(154)
Work in progress	(144)	(144)
Finished products	(54)	(55)
Write-down	**(343)**	**(353)**
Inventories, net	**3,339**	**3,138**

Changes in inventory write-down recognised as income for the half-year ended 30 September 2012 amount to €14 million (€47 million for the year ended 31 March 2012).

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Note 15. Construction contracts in progress

(in € million)	At 30 September 2012	At 31 March 2012	Variation
Construction contracts in progress, assets	4,077	3,752	325
Construction contracts in progress, liabilities	(9,603)	(9,508)	(95)
Construction contracts in progress	**(5,526)**	**(5,756)**	**230**

(in € million)	At 30 September 2012	At 31 March 2012	Variation
Contract costs incurred *plus* recognised profits *less* recognised losses to date	58,155	55,138	3,017
Less progress billings	(60,448)	(57,463)	(2,985)
Construction contracts in progress excluding down payments received from customers	**(2,293)**	**(2,325)**	**32**
Down payments received from customers	(3,233)	(3,431)	198
Construction contracts in progress	**(5,526)**	**(5,756)**	**230**

Note 16. Other current operating assets

(in € million)	At 30 September 2012	At 31 March 2012
Down payments made to suppliers	574	515
Corporate income tax	200	192
Other taxes	1,073	1,046
Prepaid expenses	396	431
Other receivables	562	443
Derivatives relating to operating activities	300	283
Remeasurement of hedged firm commitments in foreign currency	651	647
Other current operating assets	**3,756**	**3,557**

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Note 17. Working capital

17.1 Balance sheet positions

(in € million)	At 30 September 2012	At 31 March 2012	Variation
Inventories	3,339	3,138	201
Construction contracts in progress, assets	4,077	3,752	325
Trade receivables	5,326	5,692	(366)
Other current operating assets	3,756	3,557	199
Assets	**16,498**	**16,139**	**359**
Non-current provisions	782	804	(22)
Current provisions	1,280	1,414	(134)
Construction contracts in progress, liabilities	9,603	9,508	95
Trade payables	4,209	4,080	129
Other current operating liabilities	4,147	4,192	(45)
Liabilities	**20,021**	**19,998**	**23**
Working capital	**(3,523)**	**(3,859)**	**336**

17.2 Analysis of variation in working capital

(in € million)	Half-year ended 30 September 2012
Working capital at the beginning of the period	**(3,859)**
Changes in working capital resulting from operating activities (1)	356
Changes in working capital resulting from investing activities (2)	(5)
Translation adjustments and other changes	(15)
Total changes in working capital	**336**
Working capital at the end of the period	**(3,523)**

(1) Item presented within "net cash provided by/(used in) operating activities" in the consolidated statement of cash flows

(2) Item presented within "net cash provided by/(used in) investing activities" in the consolidated statement of cash flows

Note 18. Equity

At 30 September 2012, the share capital of Alstom amounted to € 2,063,935,727 consisting of 294,847,961 ordinary shares with a par value of €7 each. For the half-year ended 30 September 2012, the weighted average number of outstanding ordinary shares amounted to 294,693,719 after the dilutive effect of bonds reimbursable in shares "Obligations Remboursables en Actions" and to 297,571,440 after the effect of all dilutive instruments.

During the half-year ended 30 September 2012, 48 bonds reimbursable in shares "Obligations Remboursables en Actions" were converted into 3 shares at a par value of €7. The 81,346 bonds reimbursable in shares outstanding at 30 September 2012 represent 5,109 shares to be issued.

The Shareholders' Meeting of ALSTOM held on 26 June 2012 decided to distribute a dividend for a total amount of €236 million corresponding to €0.8 per share.

Note 19. Provisions

(in € million)	At 31 March 2012	Additions	Releases	Applications	Translation adjustments and other	At 30 September 2012
Warranties	759	124	(83)	(97)	5	708
Litigations and claims	655	185	(141)	(128)	1	572
Current provisions (1)	**1,414**	**309**	**(224)**	**(225)**	**6**	**1,280**
Tax risks and litigations (2)	155	18	(7)	(2)	3	167
Restructuring	231	14	(8)	(50)	2	189
Other non-current provisions (3)	418	54	(25)	(24)	3	426
Non-current provisions	**804**	**86**	**(40)**	**(76)**	**8**	**782**
Total provisions	**2,218**	**395**	**(264)**	**(301)**	**14**	**2,062**

(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) Other non-current provisions mainly relate to guarantees delivered in connection with disposals, employee litigations, commercial disputes and environmental obligations. Environmental provisions amount to €33 million at 30 September 2012 and €38 million at 31 March 2012.

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Note 20. Post-employment and other long-term defined employee benefits

Net accrued benefits

(in € million)	At 30 September 2012	At 31 March 2012
Accrued pension and other employee benefit costs	(1,611)	(1,417)
Prepaid pension and other employee benefit costs	8	12
Net accrued benefits	**(1,603)**	**(1,405)**

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:

- €(190) million of actuarial gains and losses generated for the half-year ended 30 September 2012,
- no change generated by the asset ceiling for the half-year ended 30 September 2012.

Assumptions (weighted average rates)

(in %)	At 30 September 2012	At 31 March 2012
Discount rate	3.90	4.30
Rate of compensation increase	3.00	2.92
Expected return on plan assets	5.12	5.10

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.

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

	Half-Year ended	
(in € million)	30 September 2012	30 September 2011
Service cost	(39)	(42)
Defined contribution plans (*)	(98)	(91)
Income from operations	**(137)**	**(133)**
Actuarial gains/(losses) on other long-term benefits	0	0
Amortisation of unrecognised past service gain (cost)	(1)	(1)
Curtailments/settlements	(1)	0
Other income (expenses)	**(2)**	**(1)**
Interest cost	(120)	(118)
Expected return on plan assets	107	115
Financial income (expenses)	**(13)**	**(3)**
Total benefit expense	**(152)**	**(137)**

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

Note 21. Financial debt

Carrying amount (in € million)	**At 30 September 2012**	**At 31 March 2012**
Bonds	3,790	3,795
Other borrowing facilities	276	415
Put options and earn-out on acquired entities (*)	285	229
Derivatives relating to financing activities	5	17
Accrued interests	86	41
Borrowings	**4,442**	**4,497**
Non-current	*3,851*	*3,863*
Current	*591*	*634*
Obligations under finance leases	117	125
Other obligations under long-term rental	400	400
Obligations under finance leases	**517**	**525**
Non-current	*473*	*477*
Current	*44*	*48*
Total financial debt	**4,959**	**5,022**

(*) includes the remaining price of TMH's acquisition paid in October 2012 (see Note 3)

The following table summarises the significant components of the Group's bonds:

	Nominal value (in € million)	**Maturity date**	**Nominal interest rate**	**Effective interest rate**
Alstom September 2014	743	23/09/2014	4.00%	3.89%
Alstom March 2015	60	09/03/2015	4.25%	4.47%
Alstom October 2015	500	05/10/2015	2.88%	2.98%
Alstom March 2016	500	02/03/2016	3.87%	4.05%
Alstom February 2017	750	01/02/2017	4.13%	4.25%
Alstom October 2018	500	05/10/2018	3.63%	3.71%
Alstom March 2020	750	18/03/2020	4.50%	4.58%

The other obligations under long-term rental represent liabilities related to lease obligations on trains and associated equipment (see Note 13).

Note 22. Financial instruments and financial risk management

22.1 Financial instruments reported in the financial statements

The Group’s financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to raise funds for the Group’s operations.
The Group has loans, trade and other receivables, and cash and cash equivalents that are directly derived from its operations.

The Group is exposed to currency risk, interest rate risk, credit risk and liquidity risk.

The main valuation methods applied are as follows:
- borrowings, when unhedged, are stated at amortised cost, determined by the effective interest rate method,
- the fair value of cash, cash equivalents, trade receivables and trade payables is considered as being equivalent to carrying value, due to their short maturities,
- the fair value of the financial debt is estimated based on either quoted market prices for traded instruments or current rates offered to the Group for debt of the same maturity.

The fair value of derivative instruments is the estimated amount that the Group would receive or pay to settle the related contracts, valued on the basis of relevant yield curves and foreign exchange rates at closing date.

22.2. Liquidity risk management

Financial covenants

At 30 September 2012, to increase its liquidity, the Group has in place a €1,350 million revolving credit facility fully undrawn maturing in December 2016. This facility is subject to the following financial covenants, based on consolidated data:

Covenants	Minimum Interest Cover	Maximum total debt (€m)	Maximum total net debt leverage
	(a)	(b)	(c)
	3	5,000	3.6

(a) Ratio of EBITDA (Earnings Before Interest and Tax plus Depreciation and Amortisation) to net interest expense (excluding interests related to obligations under finance leases). It amounts to 11.5 as at 30 September 2012 (12.5 at year end 31 March 2012).
(b) Total debt corresponds to borrowings, i.e. total financial debt less finance lease obligations. This covenant ceases to apply since the Group has an "Investment grade" rating.
(c) Ratio of total net debt (Total debt less short-term investments or trading investments and cash and cash equivalents) to EBITDA. The net debt leverage as at 30 September 2012 is 1.5 (1.4 at 31 March 2012).

22.3 Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a loss. The Group is exposed to credit risk on its operating activities (primarily for trade receivables) and on its financing activities, including deposits, foreign currency hedging instruments and other financial instruments with banks and financial institutions.

Note 23. Other current operating liabilities

(in € million)	At 30 September 2012	At 31 March 2012
Staff and associated liabilities	991	1,069
Corporate income tax	86	116
Other taxes	698	643
Deferred income	281	98
Other payables	1,474	1,371
Derivatives relating to operating activities	358	642
Remeasurement of hedged firm commitments in foreign currency	259	253
Other current operating liabilities	**4,147**	**4,192**

Note 24. Contingent liabilities and disputes

24.1 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 2012, the Group has in place both uncommitted bilateral lines in numerous countries up to €19.9 billion and a Committed Bonding Facility Agreement allowing issuance of instruments up to €8.3 billion valid until 27 July 2013.

At 30 September 2012, the total outstanding bonding guarantees related to contracts, issued by banks or insurance companies, amounts to €15.7 billion (€15.9 billion at 31 March 2012).

The available amount under the Committed Bonding Facility at 30 September 2012 amounts to €1.6 billion (€1.4 billion at 31 March 2012). The available amount under bilateral lines at 30 September 2012 amounts to €10.3 billion.

Vendor financing

Until 2003, the Group provided some financial support, referred to as vendor financing, to financial institutions financing certain purchasers of Transport equipment.

At 30 September 2012, guarantees given as part of past vendor financing arrangements amount to €271 million.

Included in this amount are:

- guarantees totalling $63 million (€49million and €47 million at 30 September 2012 and 31 March 2012 respectively) given with respect to equipment sold to a US train operator,
- guarantees totalling £177 million (€222 million and €212 million at 30 September 2012 and 31 March 2012 respectively) given as part of a leasing scheme involving London Underground Limited (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 €400 million amount of "Other obligations under long-term rental" (see Note 21).

24.2 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, which may be significant, are claimed against the Group, sometimes jointly with its consortium partners.

In some proceedings the amount claimed is not specified at the beginning of the proceedings. 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.

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Other disputes

- **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 suffering from an occupational disease in relation to asbestos with the aim of obtaining a court decision allowing them to obtain a supplementary compensation from 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 and the number of outstanding cases is decreasing.

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.

- **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 (Alstom Grid). Alstom has requested the cancellation of this decision before the General Court of the European Union. On 3 March 2011 the Court reduced the amount of fines levied against Alstom to €58.5 million out of which €48.1 million on a joint and several basis with Areva T&D (Alstom Grid). On 20 May 2011, Alstom requested the cancellation of this decision before the Court of Justice of the European Union. The final decision is not expected to occur before beginning 2013.

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 from all manufacturers concerned of £ 249.3 million in total 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 to delay the trial until the European Commission decision of 24 January 2007 is final. Two other similar civil actions started in May and September 2010 before national jurisdictions for a global amount of €24 million are ongoing.

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 Grid). Alstom has requested the cancellation of the decision before the General Court of the European Union on 21 December 2009. The hearings on the merits took place on 9 July 2012 and the decision is expected to occur within one year.

- **Alleged illegal payments**

Certain companies and/or current and former employees of the Group have been or are currently being investigated in various countries, by judicial authorities and development banks 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 past operations in Zambia. Consistent with the French prosecutor final request, the French investigation judge issued an order for dismissal on 7 June 2011, which closed the criminal procedure in France. In addition the World Bank sanctioned Alstom for improper payment of €110,000 made in 2002 in relation to a World Bank–financed Zambian power rehabilitation project. On 22 February 2012, as part of a negotiated resolution agreement, the World Bank announced its decision to debar ALSTOM Hydro France and ALSTOM Network Schweiz AG (Switzerland) and their affiliates from public tenders financed by the World Bank for a period of 3 years, which can be reduced to 21 months subject to certain conditions Alstom intends to respect. The Group paid also a restitution amount of $9.5 million. This debarment qualifies for cross-debarment by the other multilateral development banks pursuant to the Agreement of Mutual Recognition of Debarments signed on 9 April 2010.

On 22 November 2011, the Swiss Office of Attorney General closed the investigations opened in 2007 to determine whether the Alstom Group and some of its entities had violated rules prohibiting the payment of foreign civil servants to unlawfully win commercial contracts. After thorough investigations, the Office of Attorney General has concluded the absence of any bribery system or so called slush funds used for bribery of civil servants to illegally obtain contracts and only sanctioned the company for corporate negligence in three isolated cases, imposing a fine of CHF 2.5 million, to which is added the payment of an amount corresponding to the estimated profits of the orders of CHF 36.4 million. Alstom has also paid reparation in the amount of CHF 1 million to the International Committee of the Red Cross. The Office of Attorney General has issued a dismissal order acquitting the Alstom Group and its entities of any additional wrongdoing, fully closing its investigations.

- **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. The claims against Alstom Signaling Inc. initially amounted to approximately $475 million. A report of the National Transportation Safety Board on the causes of the accident partially implicated equipment supplied by Alstom Signaling Inc. As of today, 120 claims have been made. The 29 most serious claims were asserted through lawsuits. Of these 29 claims, 18 have been settled for a cost to Alstom of about $8.4 million and one in the process of being settled. The hearings of the remaining lawsuits are scheduled for trial in November 2012 or June 2013 depending on the cases. The total amount claimed in relation to these 11 cases is approximately $156 million. The remaining cases are being asserted through an alternative claims process, of which 84 have been settled. These claims have been declared to the Group's insurers and Alstom believes it has adequate insurance coverage.

Note 25. Related parties

The Group has identified the following related parties:

- Shareholders of the Group
- Associates & joint ventures
- Key management personnel

25.1 Shareholders of the Group

Bouygues, a French company listed on Paris stock market, is the main shareholder of the Group, holding more than 5% of the parent company's share capital. At 30 September 2012, Bouygues holds 30.7% of Alstom's share capital and voting rights.

25.2 Related-party disclosures

	Half-year ended 30 September 2012		At 30 September 2012	
(in € million)	Income	Expenses	Receivables	Liabilities
Bouygues's Group (*)	5	1	2	2
Joint ventures	45	-	22	1
Associates	1	-	2	-

(*) These figures are related to the profit and loss from 1st January 2011 to 31st December 2011 and the balance sheet at 31 December 2011.

Note 26. Subsequent events

As of 4 October 2012, Alstom SA ("the Company") completed a €350 million share capital increase through a private placement to institutional investors. 13 133 208 new shares were issued at a subscription price of €26.65 per share. As a result of the capital increase, Bouygues notified the Company that it holds 29.4% of Alstom's share capital and voting rights as of 4 October 2012.

As of 4 October 2012, under its Euro Medium Term Note Programme listed in Luxembourg, the Company launched a new bond issue for an amount of €350 million. It bears an annual coupon of 2.25% and mature in October 2017.

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STATUTORY AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

ALSTOM

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STATUTORY AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

Period from 1 April to 30 September 2012

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 review of the accompanying condensed interim consolidated financial statements of Alstom, for the period from 1 April 2012 to 30 September 2012;
- 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 a difficult economic and financial environment as described in the interim management report. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A 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 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 the financial statements, taken as a whole, are free from material misstatements, as we would not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our 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.

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, 7 November 2012

The Statutory Auditors

French original signed by

Mazars
Thierry Colin

PricewaterhouseCoopers Audit
Olivier Lotz

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

STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT*

I hereby state that, to my knowledge, the condensed interim consolidated financial statements of ALSTOM (the "Company") for the half-year of fiscal year 2012/13, 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 half-year management report included herein 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, 7 November 2012

Patrick Kron
Chairman and Chief Executive Officer

**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.*