HALF-YEAR FINANCIAL REPORT
(Half-year ended 30 September 2013)

ALSTOM

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Management report on condensed interim consolidated financial statements,
Half-year ended 30 September 2013

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MANAGEMENT REPORT

ON CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS HALF YEAR ENDED 30 SEPTEMBER 2013

The following half-year report shall be read in conjunction with the Condensed Interim Consolidated Financial Statements for the half-year ended 30 September 2013 and the Company's Registration Document for fiscal year 2012/13 filed with the French Autorité des marchés financiers on 29 May 2013.

1. Main events of half year ended 30 September 2013

1.1 Despite limited large orders, good resilience in sales and margins

During the first half of fiscal year 2013/14, Alstom's order intake decreased by 20% on an organic basis at €9,431 million, with a sustained level of small and mid-sized orders but a limited numbers of large orders.

Thermal Power booked €3,801 million of orders, 17% below the level of the same period of last year on an organic basis, with a good commercial performance of Thermal Services including important service contracts for gas-fired power plants in the United States of America and in the United Kingdom. At €1,048 million, Renewable Power registered a sound performance thanks to several mid-sized contracts in Hydro. Grid booked €1,671 million of orders, 18% below the level of the same period of last year when a large HVDC contract was booked in India. Transport booked €2,911 million of orders, decreasing by 36% on an organic basis compared to the first half of fiscal year 2012/13 when the Sector recorded numerous large contracts.

On 30 September 2013, the Group had a sound backlog of €50.9 billion, representing 30 months of sales. The depreciation of emerging countries' currencies, mainly the South African Rand, the Indian Rupee and the Brazilian Real, impacted backlog negatively by €1.8 billion compared to the backlog at 31 March 2013.

On an organic basis, consolidated sales grew by 4% at €9,730 million. Renewable (+6%) and Grid (+5%) fuelled the growth as they started to trade large contracts won last year: Wind in Brazil for Renewable Power and HVDC contracts for Grid. Thermal Power and Transport grew by 4% and 2% respectively. Despite unfavourable exchange rate of Euro, notably against Indian Rupee and Brazilian Real, with a total translation impact of €344 million, sales remained stable on a real basis.

Thanks to a strict control of costs, the income from operations was stable at €695 million, versus €703 million for the same period last year. The operating margin reached 7.1% for the first half of fiscal year 2013/14, slightly below the 7.2% level of last fiscal year.

Impacted by higher financial expenses and increased restructuring costs, net profit (Group share) reached €375 million in the first half of fiscal year 2013/14, down 3% compared to the first half of fiscal year 2012/13 despite the end of the Grid PPA impact.

The Group's free cash flow was negative at €(511) million compared to a positive free cash flow of €101 million during the first half of fiscal year 2012/13.

In July 2013, Alstom issued a new bond for an amount of €500 million under its Euro Medium Term Note Programme listed in Luxemburg. It bears an annual coupon of 3% and will mature in July 2019.

The negative free cash flow, the payment of the dividend for €268 million and small-sized acquisitions for a total of €41 million were the main reasons in the increase of the Group's net financial debt which reached €(3,294) million at 30 September 2013 compared to €(2,342) million at 31 March 2013 and €(2,871) million at 30 September 2012.

On 30 September 2013, Alstom had a cash and cash equivalent position of €1,836 million, as well as an undrawn available credit line of €1.350 billion.

1.2 Support to the Group's development

1.2.1 Research & Development

In order to extend its existing product offering and to foster innovation in high-growth markets, the Group invested €390 million in research and development during first half of fiscal year 2013/14 (excluding capitalisation and amortisation).

Thermal Power

Thermal Power continued the development of its gas turbines' range. The existing test facility in Cologne, Germany, will be expanded to further increase the capability of combustors testing and at the same time to significantly reduce exhaust gas and noise emissions from gas turbines.

Renewable Power

Renewable Power kept on working on the development of its HALIADE™ offshore wind turbine. Its new generation HALIADE™150-6 MW turbine successfully obtained the International Electrotechnical Commission (IEC) power performance measurement confirming its technical specification. On the onshore technology, a prototype of the latest ECO 122-2.7 MW has been successfully installed in Holland, addressing the class III low-wind conditions. Alstom can now offer a unique POWEROF3™ solution based on a common ECO 100 platform and three dimensions of blades to address all classes of wind, optimizing the output of a wind farm with the lowest maintenance costs thanks to this shared platform.

Renewable Power also continued to improve its tidal turbine, as the full-scale tidal device currently tested in Scotland has reached the full nominal power of 1 MW. It has shown a reliability and performance in line with its design models in different operational conditions.

Grid

Grid kept on focusing its R&D efforts in the fields of Super Grid and Smart Grid through further development of High Voltage Direct Current (HVDC) and digital substation technologies.

- The Super Grid market has developed Voltage Source Convertors solutions (VSC). The Sector achieved 820kV bushing test for HVDC converter.
- Grid and RTE also announced, in June 2013, the launch of the Smart Substations Project, a world premiere optimising the capabilities of the electrical substation based on digital and optical technology, supporting the mass expansion of renewable energies. The Sector has also widened its product range with the launch of the DS Agile digital control system.

In France, Grid has inaugurated its new technology pole, the Smart Grid Centre of Excellence, in Montpellier, which will focus on command control and protection systems for digital control rooms.
In Chennai, India, Grid opened the country's first digital substation automation Competence Centre, strengthening the Sector's commitment to pursue R&D and deployment of smart grid technologies in India. The Competence Centre will allow the further development of digital technology, support the strategy of transforming the energy grid and help to create the substations of the future.

Transport

In May 2013, Transport presented two major innovations:

- Axonis, a fully integrated metro system available in a record time at an optimised cost and able to carry up to 45,000 passengers per hour and per direction. This solution is designed for easy urban insertion to meet specific transport needs of fast-growing and densely populated cities.
- Urbalis Fluence, a new urban signalling solution, the first to be vehicle-centric. This optimal architecture reduces equipment and improves system availability. With reduced headways, Urbalis Fluence increases transport capacity and decreases network saturation.

In September 2013, Transport and its partner Transmashholding (TMH) presented their jointly developed locomotives, the 2ES5 for Russia and the KZ8A for Kazakhstan, able to run in extreme weather conditions with up to 9,000 tonnes hauling capacity.
The two partners also continued to strengthen their alliance by signing an agreement for the development of the first Russian dual-voltage freight locomotive called "2ES20". This new high performing locomotive will enhance freight operations in the country.
In September 2013, the French government selected the "*TGV*[1] *of the Future*" project as a part of its plan to reindustrialize France by 2020. Alstom Transport will mobilise its R&D capabilities for this project focusing on increasing train capacity.

[1] TGV is a trademark of SNCF

1.2.2 *Investments*

During the first half of fiscal year 2013/14, Alstom invested €250 million in capital expenditures (excluding capitalised development costs) notably to support the reinforcement of its positions in growing markets and to improve the performance of its industrial footprint across the world.

In Russia, Transport and its Russian partner, Transmashholding (TMH), inaugurated a joint production site dedicated to asynchronous traction drives for electric locomotives in Novocherkassk, near Rostov. This modern traction drive will equip the locomotives jointly developed and manufactured by Alstom and TMH for Russia and Kazakhstan such as the EP20, the 2ES5 and the KZ8A.

In Canada, Transport inaugurated its new bogie manufacturing plant located in Sorel-Tracy. Built to serve Alstom's needs between the Bombardier-Alstom consortium and the Société de Transport de Montréal (STM), the plant will assemble more than 900 bogies for the supply of new metro cars.

In Brazil, Renewable Power launched its first wind tower factory in Latin America. This factory strengthened the existing industrial installation and completed the wind onshore industrial scheme which already included the Bahia plant for wind turbines. The new site in Canoas will have the capacity to produce 120 steel towers per year, enough to supply approximately 350 MW of electricity. Located in the state of Rio Grande do Sul, the factory aims to supply the southern region of Latin America, a market currently experiencing strong growth.

In China, Renewable Power inaugurated its largest hydropower industrial site, located in Tianjin, in September 2013. The existing hydropower facility was upgraded, a new production area was built as well as a Global Technology Centre (GTC), thus the new site will be able to deliver up to 26 turbine and generator units per year. This new manufacturing facility, together with the new global R&D centre, will contribute to strengthen Renewable Power's footprint in the booming Chinese market as well as to address the needs of the whole Asian market for all types of hydropower equipment.

Grid adapted its capacity in India for the HVDC market, and, thanks to this investment, the Sector consolidated its leader position in the 800kV network Indian market. Grid also reinforced its HVDC platform in the United Kingdom where the Sector has established its Worldwide HVDC Competence Center. The start of the VSC modules and sub-modules production lines also strengthened Grid "Know-How" and capacity on High Voltage segment.

1.2.3 Acquisitions and Partnerships

During the first half of fiscal year 2013/14, Alstom expanded its geographical presence in BRICs and opened new markets in advanced economies with focused partnerships and acquisitions.

<u>Thermal Power</u>

Thermal Power strengthened its position by reinforcing its ties with major actors of the Chinese energy market:

- In June 2013, the Sector signed a long term agreement to license its GT13™E2 gas turbine for manufacture, assembly and sales in China through the Harbin Turbine Corporation (HTC). HTC and Alstom will establish a service joint venture to address the aftermarket needs of Chinese GT13™E2 customers.
- In July 2013, Alstom renewed a cooperation agreement with China's Dongfang Electric (DEC) for the supply of turbine and generator packages for future Chinese AP 1000 nuclear projects.

<u>Renewable Power</u>

Concerning the Wind business, Renewable Power extended the alliance forged with EDF-EN and WPD Offshore in 2011 for the supply of HALIADE™150 – 6 MW turbines by working in partnership for the French government's second call for tenders, with a view to continuing the development of offshore wind energy in France.

In the Hydropower business, following the establishment in 2011 of a joint-venture to produce equipment for hydropower plants in Russia, Renewable Power and RusHydro signed an agreement to extend the scope of the joint venture to services including the inspection of power plants, supply of components, retooling, repair and upgrade of equipment. Both parties also intended to extend their cooperation to include innovation and R&D activities.

In order to refocus on its core activities and be ready for further opportunities, Renewable Power sold its ring motors activities and concentrated its Bilbao site on activities directly related to hydropower.

As for the New Energies business, a strategic agreement was also signed with Soitec in order to provide concentrated photovoltaic power plants for the call for tender issued by the French Energy Regulation Commission in March 2013.

In the United Kingdom, Renewable Power signed a Memorandum of Understanding with Scottish Power Renewables to include up to four of Alstom's 1 MW tidal devices in the tidal array located on the west coast of Scotland. This area is to become the largest tidal array in the world with a capacity of up to 10 MW and open the way for further development of tidal power in the United Kingdom. The Sector also signed an agreement with GDF Suez to cooperate on the tidal power pilot farm launched in France in October 2013.

Grid

After a successful collaboration for the Rio Madeira project, Grid announced in June 2013 the acquisition of the Brazilian company Engeman Serviços e Manutenção, a regional reference in medium and high voltage electrical services. The acquisition of the company, which serves a large portfolio of 300 customers in distribution and transmission markets, reinforces the Sector's market position in Latin America.

Transport

During the first half of fiscal year 2013/14, Transport focused on the development and the adaptation of the CITADIS™ tramways to new regions:

- In June 2013, Transport signed its first agreement with Japan Transport Engineering Company (J-TREC) in order to modernise existing tramway lines and develop new lines in Japan. The objective is to explore the light-rail trains and tram markets and identify possible opportunities for Alstom's CITADIS™ trams in Japan.
- During the same month, Transport and its Russian joint-venture TramRus, signed an agreement with City Transport Group, a subsidiary of LAZ Group to organise manufacturing, operation and maintenance of the modern tramways, based on a winterised version of CITADIS™, proposed to the Ukrainian market.

1.3 Corporate responsibility

1.3.1 Environment, Health and Safety (EHS)

During the first half of 2013/14, Alstom continued its focus on safety with the deployment across the Group of the "Alstom Zero Deviation Plan" with two new Alstom safety directives added. This programme targets high-risk activities controlling, employees and contractors safety in Alstom's workshops, factories, test facilities and construction sites. Its implementation and results are closely monitored through audits in order to achieve a target of zero severe accidents. This plan is supported by a training programme on safety targeting managers and employees.
Severe accidents and fatalities decreased. The injury frequency rate[1] went down to 1.2 on a 12-month rolling average at the end of September 2013, another step towards the objective of reaching 1.0 at the end of fiscal year 2015/16.

1.3.2 Corporate Social Responsibility

Alstom foundation supported this semester a batch of projects to favour access to electricity in developing countries. One major project consisted in a 900 kW hydro plant, benefitting 7,000 families in remote areas of Nepal. It is expected to be a role model project for further hydro-power development in the country.

[1] Number of accidents with time lost to injury per million hours worked

The CSR organisation has put in place some actions to increase Sustainable Development mind-set among employees and managers. External communication with ISR advisors and rating agencies has been fruitful, allowing Alstom to progress in the DJSI[1] for the third year in a row.

1.3.3 Ethics and compliance

As part of "Alstom Integrity Programme", the alert procedure has been updated in the first half of 2013/14 based on the most recent worldwide standards. The latter encompasses among others a secure website and a hotline which guarantee a confidential report of any violation of anti-corruption, competition, securities or accounting laws and regulations.

[1] Dow Jones Sustainability Index

2. Consolidated figures

2.1 Key Group figures

in € million	Half Year ended 30 September 2013	Half Year ended 30 September 2012 [1]	% Variation Sept. 13 / Sept. 12 Actual	% Variation Sept. 13 / Sept. 12 Organic
Order Backlog	50,890	52,015	(2%)	2%
Orders Received	9,431	12,129	(22%)	(20%)
Sales	9,730	9,748	0%	4%
Income from operations	695	703	(1%)	1%
Operating Margin	*7.1%*	*7.2%*		
EBIT	617	592	4%	
Net Profit - Group share	375	386	(3%)	
Free Cash Flow	(511)	101		
Capital Employed	8,387	7,579		
Net Cash/(Debt)	(3,294)	(2,871)		
Headcount	93,460	92,847		

(1) Figures have been adjusted following the application of IAS19 revised

2.2 Key geographical figures

Total Group	**Half year ended 30 September 2013**						
Actual figures, in € million	Western Europe	Eastern Europe	North America	South and Central America	Asia/Pacific	Middle East/Africa	**Total**
Orders Received	3,334	584	1,971	821	1,519	1,202	**9,431**
% of contrib	*35%*	*6%*	*21%*	*9%*	*16%*	*13%*	*100%*
Sales	3,184	1,132	1,147	764	1,945	1,558	**9,730**
% of contrib	*33%*	*11%*	*12%*	*8%*	*20%*	*16%*	*100%*
Headcount	46,636	8,164	10,366	6,016	19,206	3,072	**93,460**
% of contrib	*50%*	*9%*	*11%*	*6%*	*21%*	*3%*	*100%*

Total Group	**Half year ended 30 September 2012**						
Actual figures, in € million	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%*

3. Outlook

The Group maintains its guidance of a low-single digit sales growth on an organic basis and of a stable operating margin in 2013/14, which should then gradually increase to around 8% over the next two to three years. Free cash flow should be positive year after year over this period.

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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 2013**	**Half year ended** **30 September 2012**	*% Variation* *Sept. 13 / Sept. 12* *Actual*	 *Organic*
Order backlog	17,973	19,427	*(7%)*	*(3%)*
Orders received	3,801	4,765	*(20%)*	*(17%)*
Sales	4,248	4,258	*0%*	*4%*
Income from operations	450	451	*0%*	*1%*
Operating margin	10.6%	10.6%		
EBIT [(1)]	430	445	*(3%)*	
Capital employed	2,650	2,074	*28%*	

(1) Figures have been adjusted following the application of IAS19 revised

4.1.1 Orders received

Orders received by Thermal Power during the first half of fiscal year 2013/14 decreased by 17% on an organic basis compared to the same period of last fiscal year, at €3,801 million. Sector's orders showed a good performance in Services while large orders were limited. In advanced economies, the demand for new power plants was impacted by uncertainties on the economic recovery, low electricity consumption and excess of existing reserve margins for the utilities. In the emerging markets, the economic growth was slower than expected and undermined some projects for the construction of new power generation capacities.

The Thermal Services business maintained a strong commercial activity both for small and large orders, and was awarded with several long-term service contracts and upgrading packages mainly in the United States of America, in the United Kingdom and in Mexico. The resilience of Thermal Services business is the result of the two-fold strategy based on the proximity to customers and product portfolio development.

The Steam business remained active during the first half of fiscal year 2013/14 with a large contract in Saudi Arabia to supply four steam turbine generators for a power plant. This new order strengthened the Sector's position in the Middle-East after the award of a contract last fiscal year for the supply of five steam turbine generators for a HFO-fired steam power plant. In the Gas business, despite a very challenging market, Thermal Power was awarded a contract in Germany to supply a turnkey combined-cycle heat and power plant (CHP) equipped with a GT26™ gas turbine. In the Nuclear business, Thermal Power was awarded with the first contract concerning the supply of two steam turbines and generators for an AP1000 reactor power plant.

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Thermal Power					*% Variation*	
	Half yeard ended	% of	**Half yeard ended**	% of	*Sept. 13 / Sept. 12*	
Actual figures, in € million	**30 September 2013**	contrib	**30 September 2012**	contrib	*Actual*	*Org.*
Western Europe	1,350	36%	1,171	25%	*15%*	*17%*
Eastern Europe	204	5%	352	7%	*(42%)*	*(41%)*
North America	1,094	29%	947	20%	*16%*	*20%*
South and Central America	56	1%	35	1%	*60%*	*70%*
Asia/Pacific	653	17%	1,066	22%	*(39%)*	*(34%)*
Middle East/Africa	444	12%	1,194	25%	*(63%)*	*(62%)*
Orders by destination	**3,801**	**100%**	**4,765**	**100%**	***(20%)***	***(17%)***

At €1,350 million, Western Europe accounted for 36% of the orders received by Thermal Power including the operation and maintenance of nine GT26™ gas turbines in the United Kingdom, a new contract for a combined-cycle heat and power plant (CHP) equipped with a gas turbine GT26™ in Germany.

In Eastern Europe, orders received decreased significantly compared to the first half of fiscal year 2012/13, to €204 million, with mainly small orders. Last year's order intake included a long term service contract for a gas-fired power plant in Russia as well as the modernisation of a coal-fired power plant in Poland.

Accounting for 29% of the Sector's total orders received, North America was the most significant commercial performance of the Sector with a 20% organic increase in the first half of fiscal year 2013/14. €1,094 million of orders were recorded including notably the renewal of long-term service contracts for 16 gas turbines GT24™ and an emission control project in the United States of America. Thermal Power was also awarded the operation and maintenance of GT24™ and GT11™ gas turbines in Mexico and Canada.

In South and Central America, orders received increased by 70% on an organic basis, to reach €56 million, mainly with small orders.

In Asia/Pacific, orders received reached €653 million and decreased by 34% on an organic basis compared to the same period last fiscal year which included several large projects in India and Taiwan. In Malaysia, Thermal Power signed a contract for the operation and maintenance of a gas turbine GT13™ in a combined cycle power plant. The Sector was awarded in China with a contract for the delivery of parts of two steam turbine and generator packages for a nuclear plant, and in India with a contract for the supply of two boilers of 350 MW each.

With €444 million of orders received during the first half of fiscal year 2013/14, Middle East/Africa accounted for 12% of Thermal Power's order intake. In this region, Alstom was awarded a contract for the supply of four 720 MW steam turbine generators in Saudi Arabia.

The Thermal Power Sector received the following major orders during the first half of fiscal year 2013/14:

Country	Description
Germany	Turnkey combined-cycle heat and power plant with a GT26™ turbine
Saudi Arabia	Supply of 4 x 720 MW steam turbine generators
United Kingdom	Operation and maintenance of nine GT26™ turbines
United States of America	Long-term service contracts for four gas-fired power plants and one emission control project

4.1.2 Sales

Thermal Power sales increased by 4% on an organic basis to €4,248 million during the first half of 2013/14 in comparison with the same period of last fiscal year.

Thermal Power					*% Variation*	
	Half yeard ended	% of	**Half yeard ended**	% of	*Sept. 13 / Sept. 12*	
Actual figures, in € million	**30 September 2013**	contrib	**30 September 2012**	contrib	*Actual*	*Org.*
Western Europe	957	23%	1,117	26%	*(14%)*	*(14%)*
Eastern Europe	611	14%	499	12%	*22%*	*23%*
North America	622	15%	648	15%	*(4%)*	*0%*
South and Central America	86	2%	95	2%	*(9%)*	*(5%)*
Asia/Pacific	1,071	25%	1,067	25%	*0%*	*5%*
Middle East/Africa	901	21%	832	20%	*8%*	*22%*
Sales by destination	**4,248**	**100%**	**4,258**	**100%**	***(0%)***	***4%***

Limited milestone recognition in large turnkey projects caused a decrease of Western Europe's share in Thermal Power's sales (from 26% in the first half of fiscal year 2012/13 to 23% in the first half of fiscal year 2013/14). During the first half of fiscal year 2013/14, sales totalled €957 million, mainly driven by a new gas-fired power plant equipped with GT26™ gas turbines in the United Kingdom, and two new steam power plants located in the Netherlands and in Germany.

Thanks to progress made on contracts for two steam power plants located in Slovenia and Estonia, sales in Eastern Europe rose to €611 million, versus €499 million in the first half of fiscal year 2012/13, up by 23% on an organic basis.

Sales in North America were stable on an organic basis, at €622 million in the first half of fiscal year 2013/14, mainly driven by service activity which included a reduction of nuclear retrofit compensated by progress made on a coal-fired plant contract in Canada.

In South and Central America sales decreased by 5% on an organic basis to €86 million compared to €95 million during the same period last fiscal year.

With €1,071 million of sales compared to €1,067 million in the same period of last fiscal year, Asia/Pacific represented 25% of the Sector's total revenues, becoming the first region in terms of sales in the first half of fiscal year 2013/14. Thermal Power maintained a solid level of activity in the region thanks to progress on two supercritical coal-fired power plant contracts located in Malaysia and gas power plant contracts in Singapore and Thailand.

In Middle East/Africa, sales increased by 22% on an organic basis to €901 million, compared to €832 million during the same period of last fiscal year, as two major gas-fired power plant contracts were executed in Israel and in Iraq. Middle East/Africa accounted for 21% of Thermal Power's sales.

4.1.3 Income from operations and operating margin

Thanks to improved project execution and strict cost control, Sector's operating margin was stable at 10.6% with an income from operations at €450 million.

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 Actual figures in € million	**Half year ended 30 September 2013**	**Half year ended 30 September 2012**	*% Variation Sept. 13 / Sept. 12*	
			Actual	*Organic*
Order backlog	4,359	3,946	*10%*	*22%*
Orders received	1,048	602	*74%*	*91%*
Sales	864	856	*1%*	*6%*
Income from operations	44	49	*(10%)*	*0%*
Operating margin	5.1%	5.7%		
EBIT	35	24	*46%*	
Capital employed	1,455	1,125	*29%*	

4.2.1 Orders received

Orders received increased by 91% on an organic basis compared to the same period of last fiscal year at €1,048 million. Renewable Power came back to a normalized level of orders after a weak first semester last year, notably in Hydro business.

During the first half of fiscal year 2013/14, the Sector booked several hydro projects in emerging countries and another phase of its 1,200 MW frame agreement with Renova in Brazil to supply, operate and maintain onshore wind turbines.

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Renewable Power					*% Variation*	
	Half yeard ended	% of	**Half yeard ended**	% of	*Sept. 13 / Sept. 12*	
Actual figures, in € million	**30 September 2013**	contrib	**30 September 2012**	contrib	*Actual*	*Org.*
Western Europe	137	13%	62	10%	*121%*	*125%*
Eastern Europe	172	16%	22	4%	*682%*	*682%*
North America	216	21%	48	8%	*350%*	*370%*
South and Central America	358	34%	440	73%	*(19%)*	*(8%)*
Asia/Pacific	127	12%	27	4%	*370%*	*388%*
Middle East/Africa	38	4%	3	1%	*1167%*	*850%*
Orders by destination	**1,048**	**100%**	**602**	**100%**	***74%***	***91%***

Renewable Power recorded €137 million of orders in Western Europe (13% of total orders), mainly with small contracts in Hydro.

Orders received by Renewable Power in Eastern Europe reached €172 million, representing 16% of the total orders (compared to 4% during the first half of fiscal year 2012/13). This growth mainly stems from Hydro business with a contract in Albania to supply six Francis turbine-generator units and several contracts in Turkey.

North America accounted for 21% of the Sector’s orders with €216 million over the first half of fiscal year 2013/14, compared to €48 million during the same period of last fiscal year. The Sector was awarded the supply of 34 ECO 100 wind turbines in Mexico and two Francis hydro turbines of 200 MW each for a hydroelectric plant in Canada.

Representing 34% of orders received by Renewable Power, order intake in South and Central America decreased by 8% on an organic basis, at €358 million over the first half of fiscal year 2013/14, compared to €440 million in the same period of last year which included large wind contracts in Brazil. During the first half of fiscal year 2013/14, the Sector booked a contract to supply, operate and maintain 21 ECO 100, 26 ECO 110 and 32 ECO 122 onshore wind turbines in Brazil. The group also booked a contract in Brazil to supply three Kaplan hydro turbines.

Orders received in Asia/Pacific reached €127 million, almost five times the volume recorded during the same period of last fiscal year. Main order received in the region is the supply of four Francis turbines of 205 MW each and one Francis turbine of 30 MW for a new hydro power plant in India.

With orders received totalling €38 million, Middle East/Africa represented 4% of total orders.

The Renewable Power Sector received the following major orders during the first half of fiscal year 2013/14:

Country	Description
Albania	6 Francis turbine-generator units and auxiliaries
Brazil	Supply, operation and maintenance of 21 ECO 100, 26 ECO 110 and 32 ECO 122 wind turbines
Canada	2 x 220 MW vertical Francis turbine-generator units complete with butterfly valves and regulation system for a new hydro power plant
India	4 Francis hydro turbines of 205 MW and 1 Francis turbine of 30 MW for a new hydro power plant
Mexico	Supply of 34 ECO 100 wind turbines

4.2.2 Sales

Renewable Power sales increased by 6% on an organic basis at €864 million during the first half of fiscal year 2013/14 compared to €856 million for the same period of last fiscal year.

Renewable Power					*% Variation*	
	Half yeard ended	% of	**Half yeard ended**	% of	*Sept. 13 / Sept. 12*	
Actual figures, in € million	**30 September 2013**	contrib	**30 September 2012**	contrib	*Actual*	*Org.*
Western Europe	169	19%	127	15%	*33%*	*35%*
Eastern Europe	40	5%	47	6%	*(15%)*	*(15%)*
North America	171	20%	129	15%	*33%*	*39%*
South and Central America	323	37%	241	28%	*34%*	*52%*
Asia/Pacific	109	13%	200	23%	*(46%)*	*(44%)*
Middle East/Africa	52	6%	112	13%	*(54%)*	*(53%)*
Sales by destination	**864**	**100%**	**856**	**100%**	***1%***	***6%***

In Western Europe, sales soared by 35% on an organic basis from €127 million to €169 million in the first half of fiscal year 2013/14. This performance was mainly driven by the on-going execution of hydro projects in Switzerland.

Eastern Europe accounted for 5% of Renewable Power's total sales with €40 million. Contracts for a small steam turbine and hydro retrofit were executed in Russia.

In North America, sales increased to €171 million, up by 39% on an organic basis compared to the first half of fiscal year 2012/13 thanks to Wind trading in Mexico while hydro maintained its activity despite several Canadian hydro contracts which reached completion.

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South and Central America remained the first source of revenues of Renewable Power, driven by the execution of contracts in both hydro and wind businesses. Sales increased by 52% on an organic basis to reach €323 million.

In Asia/Pacific, sales decreased by 44% on an organic basis, to €109 million, compared to the first half of fiscal year 2012/13, when major milestones were reached on several hydro contracts in China.

In Middle East/Africa, sales decreased to €52 million, down by 53% on an organic basis. This is mainly due to the high reference of last year relating to the execution of a wind contract in Morocco.

4.2.3 Income from operations and operating margin

Renewable Power's income from operations decreased from €49 million last year to €44 million in the first half of fiscal year 2013/14, reflecting continued pressure on Wind prices partly offset by action on costs. Operating Margin declined from 5.7% in the first half of fiscal year 2012/13 to 5.1% during the same period 2013/14.

4.3 Grid

The following table presents the key performance indicators of Grid Sector for the half year 2013/14:

Grid			*% Variation*	
Actual figures	**Half year ended**	**Half year ended**	*Sept. 13 / Sept. 12*	
in € million	**30 September 2013**	**30 September 2012**	*Actual*	*Organic*
Order backlog	5,644	5,358	*5%*	*14%*
Orders received	1,671	2,180	*(23%)*	*(18%)*
Sales	1,836	1,863	*(1%)*	*5%*
Income from operations	105	113	*(7%)*	*(2%)*
Operating margin	5.7%	6.1%		
EBIT	91	48	*90%*	
Capital employed	2,193	2,202	*0%*	

4.3.1 Orders received

During half year 2013/14 the Grid market slowed down, as a difficult economical context led to some delays in infrastructure investments.

In this context, Grid maintained a sustained commercial performance with a good flow of small and mid-sized orders. The Sector's order intake 18% decreased on an organic basis, from €2.180 million to €1.671 million, which included the booking during the first half of fiscal year 2012/13 of a large HVDC project in India.

Grid					% Variation	
Actual figures, in € million	**Half yeard ended 30 September 2013**	% of contrib	**Half yeard ended 30 September 2012**	% of contrib	*Sept. 13 / Sept. 12 Actual*	*Org.*
Western Europe	268	16%	298	14%	*(10%)*	*(8%)*
Eastern Europe	159	9%	125	6%	*27%*	*30%*
North America	182	11%	148	7%	*23%*	*28%*
South and Central America	141	8%	141	6%	*0%*	*10%*
Asia/Pacific	494	30%	1,004	46%	*(51%)*	*(46%)*
Middle East/Africa	427	26%	464	21%	*(8%)*	*(5%)*
Orders by destination	**1,671**	**100%**	**2,180**	**100%**	***(23%)***	***(18%)***

In Western Europe, orders received reached €268 million, 16% of the Sector's orders received in fiscal year 2013/14. Main orders were registered in France and the United Kingdom.

Orders received in Eastern Europe increased by 30% on an organic basis at €159 million in the first half of fiscal year 2013/14, representing 9% of the Sector' order intake. Turkey and Russia remained strong contributors.

In North America, Grid recorded €182 million of orders received, 28% higher on an organic basis than during the same period of fiscal year 2012/13.

During the first half of fiscal year 2013/14, South and Central America registered €141 million of orders received. The region only represented 8% of the Sector's orders intake since few large orders were booked in this period.

€494 million of orders were registered in Asia/Pacific during the first half of fiscal year 2013/14, a 46% organic decrease compared to the same period of last year which was boosted by the award of the Champa-Kurukshetra HVDC project in India.

In Middle East/Africa, Grid booked orders for €427 million, representing 26% of the Sector's order intake. The region benefitted from turnkey projects coming from continuous investments made in infrastructure, mainly in Saudi Arabia.

The Grid Sector received the following major orders during first half of fiscal year 2013/14:

Country	Description
Albania	Substation related to hydropower plant
Germany	Maintenance and Service package
India	400kV Switchyard equipment
Morocco	Turnkey 400/225kV
Morroco	Two 400kV substations
Saudi Arabia	Turnkey 110kV - 13.8kV
Saudi Arabia	Turnkey "Bulk Supply Point" 380/230kV
Saudi Arabia	Turnkey Power Compensator 132kV 765kV Ultra high voltage substation

4.3.2 Sales

Grid sales reached €1,836 million during the first half of fiscal year 2013/14. On an organic basis, sales increased by 5%, boosted by progress made on large HVDC projects booked in the last two financial years.

Grid					*% Variation*	
	Half yeard ended	% of	**Half yeard ended**	% of	*Sept. 13 / Sept. 12*	
Actual figures, in € million	**30 September 2013**	contrib	**30 September 2012**	contrib	*Actual*	*Org.*
Western Europe	449	25%	340	18%	*32%*	*34%*
Eastern Europe	147	8%	199	11%	*(26%)*	*(25%)*
North America	188	10%	241	13%	*(22%)*	*(19%)*
South and Central America	150	8%	189	10%	*(21%)*	*(12%)*
Asia/Pacific	485	26%	535	29%	*(9%)*	*2%*
Middle East/Africa	417	23%	359	19%	*16%*	*22%*
Sales by destination	**1,836**	**100%**	**1,863**	**100%**	***(1%)***	***5%***

In Western Europe, Grid's sales amounted to €449 million, a 34% increase on an organic basis compared to the same period of last fiscal year and accounted for 25% of the Sector's total sales. Main contracts traded included offshore substations for wind power generation in Germany, turnkey projects in the United Kingdom and small equipment for France and United Kingdom.

Grid recorded sales at €147 million in Eastern Europe during the first half of 2013/14, a 25% organic decrease compared to the same period of last fiscal year. The activity was mainly supported by the execution of contracts in Turkey and in Russia.

Sales in North America amounted to €188 million, a decrease of 19% on an organic basis compared to the same period of fiscal year 2013/14. Turnkey projects were executed in Canada and circuit breaker products together with network management solutions were delivered in the United States of America.

Sales in South and Central America reached €150 million, a 12% decrease on an organic basis compared to the same period of last year.

During the first half of fiscal year 2013/14, Grid's sales in Asia/Pacific amounted to €485 million, a 2% organic increase compared to the same period of last year with the start of the Champa-Kurukshetra HVDC project in India.

In Middle East/Africa, sales increased by 22% on an organic basis, at € 417 million, accounting for 23% of Grid's total sales. The activity was mainly supported by the execution of projects in Iraq, Saudi Arabia and Libya.

4.3.3 Income from operations and operating margin

Grid's operating margin decreased from 6.1% last year to 5.7% at the end of first half fiscal year 2013/14 with significant efforts on costs partly mitigating the negative impact of price pressure in standard products.

4.4 Transport

The following table presents key performance indicators for Transport:

Transport **Actual figures** **in € million**	**Half year ended** **30 September 2013**	**Half year ended** **30 September 2012**	*% Variation* *Sept. 13 / Sept. 12* *Actual*	 *Organic*
Order backlog	22,914	23,284	*(2%)*	*0%*
Orders received	2,911	4,582	*(36%)*	*(36%)*
Sales	2,782	2,771	*0%*	*2%*
Income from operations	157	147	*7%*	*5%*
Operating margin	5.6%	5.3%		
EBIT	144	147	*(2%)*	
Capital Employed	1,957	1,610	*22%*	

4.4.1 Orders received

During the first half of fiscal year 2013/14, orders received by Transport reached a sound level of €2,911 million while the level of the same period of last fiscal year was boosted to €4,582 million by several large commercial successes in Western Europe. Large contracts were registered in France for very high speed trains as well as for regional trains. In North America, Transport signed a 30-year maintenance contract in Canada and a large renovation contract in the United States of America. The Sector was also boosted by the good performance in the United Kingdom, with a rail infrastructure contract and several signalling projects.

Transport					*% Variation*	
	Half yeard ended	% of	**Half yeard ended**	% of	*Sept. 13 / Sept. 12*	
Actual figures, in € million	**30 September 2013**	contrib	**30 September 2012**	contrib	*Actual*	*Org.*
Western Europe	1,579	54%	3,547	77%	*(55%)*	*(55%)*
Eastern Europe	49	2%	31	1%	*58%*	*53%*
North America	479	17%	161	4%	*198%*	*209%*
South and Central America	266	9%	518	11%	*(49%)*	*(47%)*
Asia/Pacific	245	8%	218	5%	*12%*	*14%*
Middle East/Africa	293	10%	107	2%	*174%*	*176%*
Orders by destination	**2,911**	**100%**	**4,582**	**100%**	***(36%)***	***(36%)***

Western Europe, with €1,579 million of orders received, represented 54% of total orders. In France, during the first half of fiscal year 2013/14, SNCF confirmed an option for ten additional very high speed trains and the Sector was awarded contracts for intercity trains, regional trains and tramways. In the United Kingdom, a major contract was signed for the delivery of a rail infrastructure under London. In Italy, Transport will overhaul regional trains Minuetto and in Germany the Sector won orders to provide CORADIA™ Lint regional trains.

Orders received in Eastern Europe increased by 53% on an organic basis at €49 million in the first half of fiscal year 2013/14. Transport was awarded a contract for the supply of 10,000 point machines for the Kazakhstan railways.

Orders reached €479 million in North America during the first half of fiscal year 2013/14, three times the volume recorded during the same period of last year, accounting for 17% of Transport's orders received. In Canada, the Sector was awarded a long-term maintenance contract for CITADIS™ Spirit light rail trains in Ottawa. In the United States of America, the Sector signed a contract with the Maryland Transit Administration to overhaul Baltimore's entire fleet of 53 light rail vehicles.

Orders received in South and Central America during the first half of fiscal year 2013/14 amounted to €266 million, significantly below the level of the same period of last year which was supported by several contracts for metro trains in Peru and in Venezuela. A contract was signed in Ecuador to provide for 14 CITADIS™ tramways to the city of Cuenca. In Argentina, Transport was awarded a contract for the supply of 120 cars for the Buenos Aires metro line H.

In Asia/Pacific, Transport recorded €245 million of orders in the first half of fiscal year 2013/14 compared to €218 million during the same period of last year. The Sector signed a contract for eight additional X'TRAPOLIS™ suburban double deck trains in Australia. In China, Transport was awarded the supply of traction systems for 174 metro cars of Nanjing metro.

During the first half of fiscal year 2013/14, Middle East/Africa registered €293 million of orders, three times the level recorded during the same period of last year. In Israel, a contract was signed for the maintenance of intercity trains and in Algeria Transport was awarded contracts for the supply of two tramway lines for the cities of Mostaganem and Ouargla.

The Transport Sector received the following major orders during the first half of fiscal year 2013/14:

Country	Description
Argentina	Supply of 20 trains of six cars each for the Buenos Aires metro
Canada	Maintenance of CITADIS™ Spirit light rail vehicles in Ottawa
France	Supply of 10 additional very high speed trains
France	34 CORADIA™ Liner Intercity trains
Israel	Maintenance of intercity trains
United Kingdom	Delivery of the Crossrail C610 infrastructure project
United States of America	Overhaul of Baltimore's 53 light rail vehicles

4.4.2 Sales

Transport's sales increased by 2% on an organic basis compared to the first half of fiscal year 2012/13 to reach €2,782 million. Growth was supported by good performance in Eastern Europe, South and Central America and Asia/Pacific.

Transport					*% Variation*	
	Half yeard ended	% of	**Half yeard ended**	% of	*Sept. 13 / Sept. 12*	
Actual figures, in € million	**30 September 2013**	contrib	**30 September 2012**	contrib	*Actual*	*Org.*
Western Europe	1,609	58%	1,908	69%	*(16%)*	*(15%)*
Eastern Europe	334	12%	119	4%	*181%*	*183%*
North America	166	6%	165	6%	*1%*	*3%*
South and Central America	205	7%	182	7%	*13%*	*18%*
Asia/Pacific	280	10%	225	8%	*24%*	*28%*
Middle East/Africa	188	7%	172	6%	*9%*	*11%*
Sales by destination	**2,782**	**100%**	**2,771**	**100%**	***0%***	***2%***

Transport registered €1,609 million of sales in Western Europe over the first half of fiscal year 2013/14, a decrease of 15% on an organic basis due to important milestones reached in the first half of fiscal year 2012/13 on major contracts (very high speed trains contracts in France and Italy, along with PENDOLINO™ intercity trains in the United Kingdom). However, the region still represented 58% of total sales. Main projects executed were contracts for the supply of very high speed trains in France, regional trainsets for Paris suburban network, CORADIA™ regional trains in Germany and the PENDOLINO™ maintenance contract in the United Kingdom.

During the first half of fiscal year 2013/14, Transport's sales in Eastern Europe amounted to €334 million, significantly above the level of the same period last fiscal year. Contracts for freight and passenger locomotives were traded in Kazakhstan and Russia and PENDOLINO™ intercity trains were delivered in Poland.

In North America, Transport registered €166 million of sales over the first half of fiscal year 2013/14, an organic increase of 3% versus the same period of last fiscal year. Sales were mainly made of signalling projects and parts supply in the United States of America.

Transport recorded sales at €205 million in South and Central America during the first half of fiscal year 2013/14, up 18% on an organic basis compared to the same period of last fiscal year. The activity was mainly supported by the execution of metro projects in Panama, Peru and Venezuela.

In Asia/Pacific, Transport's sales amounted to €280 million in the first half of fiscal year 2013/14, representing a 28% organic increase compared to the same period of last fiscal year. The main contracts traded included the Chennai metro in India and Downtown Line Track project in Singapore.

Sales in Middle East/Africa amounted to €188 million, an increase of 11% on an organic basis compared to the first half of fiscal year 2012/13 with the start of the delivery of CITADIS™ tramways in Dubai.

4.4.3 Income from operations and operating margin

Transport's income from operations reached €157 million or 5.6% of sales, compared to €147 million or 5.3% of sales in the first half of fiscal year 2012/13, thanks to strict action on costs and more mature new products.

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 2013**	**Half year ended 30 September 2012**
Income from operations	(61)	(57)
EBIT	(83)	(72)
Capital Employed	132	568

The decrease of capital employed mainly resulted from the transfer of associates to Sectors.

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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 2013**	**Half year ended 30 September 2012**
Net cash provided by operating activities	**(149)**	**376**
Capital expenditure (including capitalized development costs)	(372)	(290)
Proceeds from disposals of tangible and intangible assets	10	15
Free Cash Flow	**(511)**	**101**

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 2013**	**At 31 March 2013**
Cash and cash equivalents	1,836	2,195
Marketable securities and other current financial assets	22	36
Financial non-current assets directly associated to financial debt	373	382
less:		
Current financial debt	1,049	325
Non current financial debt	4,476	4,630
Net cash/(debt)	**(3,294)**	**(2,342)**

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 2013	Year ended 31 March 2013
Net cash provided by operating activities before changes in net working capital	618	1,239
Changes in net working capital resulting from operating activities	(767)	(150)
Net cash provided by operating activities	**(149)**	**1,089**
Net cash used in or provided by investing activities	(357)	(1,118)
Net cash used in financing activities	280	180
Net (decrease)/increase in cash and cash equivalents	**(226)**	**151**
Cash and cash equivalents at the beginning of the period	2,195	2,091
Net effect of exchange rate variations	(109)	(49)
Other changes	(24)	2
Cash and cash equivalents at the end of the period	**1,836**	**2,195**

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 5 to the Condensed Interim Consolidated Financial Statements as of 30 September 2013.

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.

At the end of September 2013, capital employed reached €8,387 million, compared to €7,651 million at the end of March 2013, mainly due to the change in working capital.

Total Group		
in € million	**At 30 September 2013**	**At 31 March 2013** [1]
Non current assets	13,265	13,480
less deferred tax assets	(1,595)	(1,719)
less non-current assets directly associated to financial debt	(373)	(382)
less prepaid pension benefits	(23)	(16)
Capital employed - non current assets **(A)**	11,274	11,363
Current assets	17,160	18,146
less cash & cash equivalents	(1,836)	(2,195)
less marketable securities and other current financial assets	(22)	(36)
Capital employed - current assets **(B)**	15,302	15,915
Current liabilities	18,603	19,272
less current financial debt	(1,049)	(325)
plus non current provisions	635	680
Capital employed - liabilities **(C)**	18,189	19,627
Capital employed (A)+(B)-(C)	**8,387**	**7,651**

(1) Figures have been adjusted following the application of IAS19 revised

6. Organic basis

Figures presented in this section include performance indicators presented on an actual basis and on an organic basis. Figures given on an organic basis 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 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 the first half of fiscal year 2012/13 (order backlog, orders received, sales and income from operations) are restated taking into account the exchange rates used for the first half of 2013/14, as used for preparing the Consolidated Financial Statements;
- in order to reflect the same scope of activity, actual figures for the first half of 2012/13 are restated from disposals made during the first half of fiscal year 2013/14 and the first half of fiscal year 2013/14 actual figures are restated from acquisitions made in the first half of fiscal year 2013/14.

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

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in € million	Half year ended 30 September 2012 Actual figures	Exchange rate	Scope impact	Comparable Figures	Half year ended 30 September 2013 Actual figures	Scope Impact	Organic figures	% Var Act. Sept. 13 / Sept. 12	% Var Org Sept. 13 / Sept. 12
Thermal Power	19,427	(896)	(11)	18,520	17,973		17,973	(7%)	(3%)
Renewable Power	3,946	(295)	(77)	3,574	4,359		4,359	10%	22%
Grid	5,358	(393)	(19)	4,946	5,644		5,644	5%	14%
Transport	23,284	(405)	-	22,879	22,914		22,914	(2%)	0%
Corporate & Others	-	-		-	-		-		
Orders backlog	**52,015**	**(1,989)**	**(107)**	**49,919**	**50,890**	**-**	**50,890**	**(2%)**	**2%**
Thermal Power	4,765	(159)	(1)	4,605	3,801		3,801	(20%)	(17%)
Renewable Power	602	(54)	-	548	1,048		1,048	74%	91%
Grid	2,180	(113)	(20)	2,047	1,671		1,671	(23%)	(18%)
Transport	4,582	(30)	-	4,552	2,911		2,911	(36%)	(36%)
Corporate & Others		-		-			-		
Orders Received	**12,129**	**(356)**	**(21)**	**11,752**	**9,431**	**-**	**9,431**	**(22%)**	**(20%)**
Thermal Power	4,258	(177)	(3)	4,078	4,248		4,248	0%	4%
Renewable Power	856	(37)	(6)	813	864		864	1%	6%
Grid	1,863	(86)	(24)	1,753	1,836		1,836	(1%)	5%
Transport	2,771	(44)	-	2,727	2,782		2,782	0%	2%
Corporate & Others	-			-	-		-		
Sales	**9,748**	**(344)**	**(33)**	**9,371**	**9,730**	**-**	**9,730**	**0%**	**4%**
Thermal Power	451	(13)	6	444	450		450	0%	1%
Renewable Power	49	(3)	(2)	44	44		44	(10%)	0%
Grid	113	(5)	(1)	107	105		105	(7%)	(2%)
Transport	147	2		149	157		157	7%	5%
Corporate & Others	(57)	3		(54)	(61)		(61)	7%	13%
Income from Operations	**703**	**(16)**	**3**	**690**	**695**	**-**	**695**	**(1%)**	**1%**
Thermal Power	10.6%			10.9%	10.6%		10.6%		
Renewable Power	5.7%			5.4%	5.1%		5.1%		
Grid	6.1%			6.1%	5.7%		5.7%		
Transport	5.3%			5.5%	5.6%		5.6%		
Corporate & Others									
Operating margin	**7.2%**			**7.4%**	**7.1%**		**7.1%**		
Sales	9,748	(344)	(33)	9,371	9,730	-	9,730	0%	4%
Cost of sales	(7,835)	301	31	(7,503)	(7,721)	-	(7,721)	(1%)	3%
R&D expenses	(351)	3	-	(348)	(359)		(359)	2%	3%
Selling expenses	(471)	12	2	(457)	(493)		(493)	5%	8%
Administrative expenses	(388)	12	3	(373)	(462)		(462)	19%	24%
Income from Operations	**703**	**(16)**	**3**	**690**	**695**	**-**	**695**	**(1%)**	**1%**

7. Other information

7.1 Risks

Legal risks are described in Note 25 of the Condensed Interim Consolidated Financial Statements as of 30 September 2013. Financial risks (currency, credit, interest rate and liquidity) and their management are described in Note 23 of the Condensed Interim Consolidated Financial Statements as of 30 September 2013 and in Note 25 of the Consolidated Interim Financial Statements as of 31 March 2013 and the other risk factors are described in the Registration document for the fiscal year 2012/13 filed with the Autorité des marchés financiers on 29 May 2013, with no significant evolution to be reported over the first half of fiscal year 2013/14.

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 €30 million for the first half of fiscal year 2013/14, compared to €48 million for the first half of fiscal year 2012/13.

7.3 Related parties

During the first semester of fiscal year 2013/14, there was no new significant transaction with related parties. Related parties are presented in Note 26 of the Condensed Interim Consolidated Financial Statements as of 30 September 2013.

Condensed interim consolidated financial statements,
Half-year ended 30 September 2013

INTERIM CONSOLIDATED INCOME STATEMENT

(in € million)	Note	Half-year ended 30 September 2013**	Half-year ended 30 September 2012*	Year ended 31 March 2013*
Sales	**(5)**	**9,730**	**9,748**	**20,269**
Cost of sales		(7,721)	(7,835)	(16,324)
Research and development expenses	(6)	(359)	(351)	(737)
Selling expenses		(493)	(471)	(952)
Administrative expenses		(462)	(388)	(793)
Income from operations	**(5)**	**695**	**703**	**1,463**
Other income	(7)	19	4	6
Other expense	(7)	(97)	(115)	(280)
Earnings before interest and taxes	**(5)**	**617**	**592**	**1,189**
Financial income	(8)	16	20	36
Financial expense	(8)	(156)	(155)	(302)
Pre-tax income		**477**	**457**	**923**
Income tax charge	(9)	(103)	(90)	(186)
Share in net income of equity investments	(13)	7	29	47
NET PROFIT		**381**	**396**	**784**
Attributable to:				
- Equity holders of the parent		375	386	768
- Non controlling interests		6	10	16
Earnings per share (in €)	**(10)**			
- Basic earnings per share		1.22	1.31	2.55
- Diluted earnings per share		1.20	1.30	2.52

* Figures have been adjusted as mentioned in Note 3 "Changes in accounting method" following the application of IAS 19 revised

** See Note 2 "Accounting policies": change in accounting estimate linked to the new costs allocation method in Transport Sector

INTERIM STATEMENT OF COMPREHENSIVE INCOME

(in € million)	Note	Half-year ended 30 September 2013	Half-year ended 30 September 2012*	Year ended 31 March 2013*
Net profit recognised in income statement		**381**	**396**	**784**
Actuarial gains and losses on post-employment benefits	(21)	143	(168)	(251)
Income tax relating to items that will not be reclassified to profit or loss		(58)	16	47
Items that will not be reclassified to profit or loss		**85**	**(152)**	**(204)**
Fair value adjustments on available-for-sale assets		-	(22)	(1)
Fair value adjustments on cash flow hedge derivatives		(2)	8	15
Currency translation adjustments		(250)	10	36
Income tax relating to items that may be reclassified to profit or loss		-	(1)	(2)
Items that may be reclassified to profit or loss		**(252)**	**(5)**	**48**
Other comprehensive income		**(167)**	**(157)**	**(156)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**214**	**239**	**628**
Attributable to:				
- Equity holders of the parent		223	230	613
- Non controlling interests		(9)	9	15

* Figures have been adjusted as mentioned in Note 3 "Changes in accounting method" following the application of IAS 19 revised

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

INTERIM CONSOLIDATED BALANCE SHEET

(in € million)	Note	At 30 September 2013	At 31 March 2013*
ASSETS			
Goodwill	(11)	5,550	5,536
Intangible assets	(11)	2,012	1,982
Property, plant and equipment	(12)	2,949	3,024
Associates and non consolidated investments	(13)	651	698
Other non-current assets	(14)	508	521
Deferred taxes		1,595	1,719
Total non-current assets		**13,265**	**13,480**
Inventories	(15)	3,412	3,144
Construction contracts in progress, assets	(16)	3,803	4,158
Trade receivables		4,674	5,285
Other current operating assets	(17)	3,413	3,328
Marketable securities and other current financial assets		22	36
Cash and cash equivalents		1,836	2,195
Total current assets		**17,160**	**18,146**
TOTAL ASSETS		**30,425**	**31,626**

(in € million)	Note	At 30 September 2013	At 31 March 2013*
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent	(19)	4,963	4,996
Non controlling interests		43	93
Total equity		**5,006**	**5,089**
Non-current provisions	(20)	635	680
Accrued pension and other employee benefits	(21)	1,510	1,671
Non-current borrowings	(22)	4,059	4,197
Non-current obligations under finance leases	(22)	417	433
Deferred taxes		195	284
Total non-current liabilities		**6,816**	**7,265**
Current provisions	(20)	1,328	1,309
Current borrowings	(22)	1,006	283
Current obligations under finance leases	(22)	43	42
Construction contracts in progress, liabilities	(16)	8,688	9,909
Trade payables		3,803	4,041
Other current operating liabilities	(24)	3,735	3,688
Total current liabilities		**18,603**	**19,272**
TOTAL EQUITY AND LIABILITIES		**30,425**	**31,626**

* Figures have been adjusted as mentioned in Note 3 "Changes in accounting method" following the application of IAS 19 revised

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(in € million)	Note	Half-year ended 30 September 2013	Half-year ended 30 September 2012*	Year ended 31 March 2013*
Net profit		**381**	**396**	**784**
Depreciation, amortisation and expense arising from share-based payments		336	375	543
Post-employment and other long-term defined employee benefits		(3)	2	(24)
Net (gains)/losses on disposal of assets		(17)	(6)	34
Share in net income of associates (net of dividends received)		(6)	(25)	(18)
Deferred taxes charged to income statement		(73)	(10)	(80)
Net cash provided by operating activities before changes in working capital		**618**	**732**	**1,239**
Changes in working capital resulting from operating activities	**(18)**	**(767)**	**(356)**	**(150)**
Net cash provided by/(used in) operating activities		**(149)**	**376**	**1,089**
Proceeds from disposals of tangible and intangible assets		10	15	57
Capital expenditure (including capitalised R&D costs)	(5)	(372)	(290)	(738)
Increase/(decrease) in other non-current assets		15	19	37
Acquisitions of businesses, net of cash acquired		(41)	(146)	(472)
Disposals of businesses, net of cash sold		31	-	(2)
Net cash provided by/(used in) investing activities		**(357)**	**(402)**	**(1,118)**
Capital increase/(decrease) including non controlling interests		2	15	351
Dividends paid including payments to non controlling interests		(268)	(245)	(243)
Changes in ownership interests with no gain/loss of control		-	-	(48)
Issuances of bonds & notes	(22)	500	-	350
Repayments of bonds & notes issued		(21)	-	-
Changes in current and non-current borrowings		68	(161)	(174)
Changes in obligations under finance leases		(18)	(26)	(45)
Changes in marketable securities and other current financial assets and liabilities		17	1	(11)
Net cash provided by/(used in) financing activities		**280**	**(416)**	**180**
Net increase/(decrease) in cash and cash equivalents		**(226)**	**(442)**	**151**
Cash and cash equivalents at the beginning of the period		2,195	2,091	2,091
Net effect of exchange rate variations		(109)	(2)	(49)
Other changes		(24)	(1)	2
Cash and cash equivalents at the end of the period		**1,836**	**1,646**	**2,195**
Income tax paid		*(144)*	*(121)*	*(240)*
Net of interests paid & received		*(48)*	*(54)*	*(186)*

(in € million)	Half-year ended 30 September 2013	Half-year ended 30 September 2012	Year ended 31 March 2013
Net cash/(debt) variation analysis (1)			
Changes in cash and cash equivalents	(226)	(442)	151
Changes in marketable securities and other current financial assets & liabilities	(17)	(1)	11
Changes in bonds and notes	(479)	-	(350)
Changes in current and non-current borrowings	(68)	161	174
Changes in obligations under finance leases	18	26	45
Net effect of exchange rate variations and other	(180)	(123)	119
Decrease/(increase) in net debt	(952)	(379)	150
Net cash/(debt) at the beginning of the period	**(2,342)**	**(2,492)**	**(2,492)**
Net cash/(debt) at the end of the period	**(3,294)**	**(2,871)**	**(2,342)**

* Figures have been adjusted as mentioned in Note 3 "Changes in accounting method" following the application of IAS 19 revised

(1) 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 14), less financial debt (see Note 22).

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

INTERIM 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 2012*	**294,533,680**	2,062	622	3,157	**(1,531)**	**4,310**	**107**	**4,417**
Movements in other comprehensive income		-	-	-	(156)	**(156)**	(1)	**(157)**
Net income for the period		-	-	386	-	**386**	10	**396**
Total comprehensive income		**-**	**-**	**386**	**(156)**	**230**	**9**	**239**
Change in controlling interests and others	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**	**3,327**	**(1,687)**	**4,327**	**106**	**4,433**
AT 31 MARCH 2013*	**308,158,126**	**2,157**	**875**	**3,650**	**(1,686)**	**4,996**	**93**	**5,089**
Movements in other comprehensive income		-	-	-	(152)	**(152)**	(16)	**(167)**
Net income for the period		-	-	375	-	**375**	6	**381**
Total comprehensive income		**-**	**-**	**375**	**(152)**	**223**	**(9)**	**214**
Change in controlling interests and others	16	-	-	(4)	-	**(4)**	(32)	**(36)**
Dividends paid		-	-	(259)	-	**(259)**	(9)	**(268)**
Issue of ordinary shares under long term incentive plans	473,593	3	-	(3)	-	**-**	-	**-**
Recognition of equity settled share-based payments		-	-	7	-	**7**	-	**7**
AT 30 SEPTEMBER 2013	**308,631,735**	**2,160**	**875**	**3,766**	**(1,838)**	**4,963**	**43**	**5,006**

* Figures have been adjusted as mentioned in Note 3 “Changes in accounting method” following the application of IAS 19 revised

The accompanying notes are an integral part of the condensed interim 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 5 November 2013.

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 2013.
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 2013 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 consolidated financial statements as at 31 March 2013.

The accounting policies and measurement methods used to prepare these condensed interim consolidated financial statements are identical to those applied by the Group at 31 March 2013 and described in Note 2 to the consolidated financial statements for the year ended 31 March 2013, except:

- New standards and interpretations mandatorily applicable presented in paragraph 2.1.1 below;
- The specific measurement methods of IAS 34 applied for the preparation of condensed interim consolidated financial statements described in paragraph 2.2 below; and
- The change in accounting estimates linked to the implementation of a new costs allocation method used for projects accounting in the Transport Sector started 1 April 2013. In accordance with IAS 8, this change in accounting estimates is recognised prospectively. The impact for the half-year ended 30 September 2013 is a decrease in Costs of sales for € 83 million and an increase in Selling expenses and Administrative expenses for respectively € 12 million and € 69 million.

2.1.1 New standards and interpretations mandatorily applicable for financial periods beginning on 1 April 2013

- IAS 19 revised, Employee benefits: the changes and impacts resulting from the revision of IAS 19, Employee benefits, are detailed in Note 3 “Changes in accounting method”;
- IFRS 13, Fair Value Measurement: this standard applies to IFRSs that require or permit fair value measurements or disclosures and provides a single IFRS framework for measuring fair value and requires disclosures about fair value measurement. The standard defines fair value on the basis of an ‘exit price’ notion and uses a ‘fair value hierarchy’ which results in a market based, rather than entity specific, measurement;
- Amendments to IAS 12, Income taxes – Deferred taxes: recovery of underlying assets;
- Amendments to IFRS 7, Financial instruments: Disclosures – Offsetting financial assets and financial liabilities;
- Improvements to IFRS 2009-2011.

Except the changes in accounting method linked to IAS 19 revised described in Note 3, the other standards, amendments and interpretations effective as of 1 April 2013 do not have a material impact on the Group’s consolidated financial statements.

2.1.2 New standards and interpretations not yet mandatorily applicable

2.1.2.1 New standards and interpretations endorsed by the European Union not yet mandatorily applicable

- **Standards on consolidation (IFRS 10, Consolidated Financial statements; IFRS 11, Joint arrangements; IFRS 12, Disclosure of interests in other entities; IAS 28 revised, Investments in associates and joint ventures) and related amendments (Transition guidance)**

The Group will apply the consolidation standards (IFRS 10, IFRS 11, IFRS 12 and IAS 28 revised) starting 1 April 2014.

The Group is currently carrying out the assessment of the impact of applying these new standards for the first time.

- o **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 is not expected to 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 as 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.
Entities over which the Group exercises joint control consolidated until now in accordance with the proportionate consolidation method and which should be classified as joint ventures under the new rules should mainly relate to Transport Sector.

The Group is assessing the impact of applying this new standard. However, as the contribution of the jointly controlled entities to the Group’s main financial indicators is currently not material, the impact on the consolidated financial statements is not expected to be significant.

2.1.2.2 New standards and interpretations not yet approved by the European Union

- **Financial instruments:**
  - Classification and measurement of financial assets (IFRS 9)
  - Mandatory effective date and transition guidance (amendments to IFRS 9 and IFRS 7)
  - Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)
- **Investments entities (amendments to IFRS 10, IFRS 12 and IAS 27)**
- **Recoverable amount disclosures for non-financial assets (amendments to IAS 36)**
- **Levies (IFRIC 21)**

The Group is carrying out the assessment of the impact of applying these new standards for the first time.

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. Changes in accounting method

As of 1 April 2013, the Group applies IAS 19 revised. The main changes of this revised standard are the following:

- Elimination of the option of applying the corridor approach for post-employment benefits: as a result, all actuarial gains and losses are recognized immediately in liabilities and are recorded for each period systematically in "other comprehensive income";
- Past service costs are also recognized immediately in liabilities and are recorded in the income statement;
- The expected return on plan assets is now calculated on the basis of the discount rate used to value the defined benefit obligation rather than on the basis of market expectations for returns.

In compliance with IAS 8, these changes in accounting method are applied retrospectively.

As the Group already applied the option offered by IAS 19 to recognize in other comprehensive income the actuarial gains and losses in the period in which they arise, Alstom is not impacted by the elimination of the corridor option. Other changes have the following impacts on the Group's consolidated financial statements.

CONSOLIDATED INCOME STATEMENT RESTATED

(in € million)	Half-year ended 30 September 2012 Published	Impacts IAS 19R	Restated	Year ended 31 March 2013 Published	Impacts IAS 19R	Restated
Sales	**9,748**		**9,748**	**20,269**		**20,269**
Cost of sales	(7,835)		(7,835)	(16,324)		(16,324)
Research and development expenses	(351)		(351)	(737)		(737)
Selling expenses	(471)		(471)	(952)		(952)
Administrative expenses	(388)		(388)	(793)		(793)
Income from operations	**703**	**-**	**703**	**1,463**	**-**	**1,463**
Other income	4		4	6		6
Other expense	(116)	1	(115)	(282)	2	(280)
Earnings before interest and taxes	**591**	**1**	**592**	**1,187**	**2**	**1,189**
Financial income	20		20	36		36
Financial expense	(133)	(22)	(155)	(259)	(43)	(302)
Pre-tax income	**478**	**(21)**	**457**	**964**	**(41)**	**923**
Income tax charge	(94)	4	(90)	(193)	7	(186)
Share in net income of equity investments	29		29	47		47
NET PROFIT	**413**	**(17)**	**396**	**818**	**(34)**	**784**
Attributable to:						
- Equity holders of the parent	403	(17)	386	802	(34)	768
- Non controlling interests	10	-	10	16	-	16
Earnings per share (in €)						
- Basic earnings per share	1.37		1.31	2.66		2.55
- Diluted earnings per share	1.35		1.30	2.64		2.52

STATEMENT OF COMPREHENSIVE INCOME RESTATED

(in € million)	Half-year ended 30 September 2012 Published	Impacts IAS 19R	Restated	Year ended 31 March 2013 Published	Impacts IAS 19R	Restated
Net profit recognised in income statement	**413**	**(17)**	**396**	**818**	**(34)**	**784**
Actuarial gains and losses on post-employment benefits	(190)	22	(168)	(295)	44	(251)
Income tax relating to items that will not be reclassified to profit or loss	20	(4)	16	55	(8)	47
Items that will not be reclassified to profit or loss	**(170)**	**18**	**(152)**	**(240)**	**36**	**(204)**
Fair value ajustments on available-for-sale assets	(22)		(22)	(1)		(1)
Fair value ajustments on cash flow hedge derivatives	8		8	15		15
Currency translation adjustments	10		10	36		36
Income tax relating to items that may be reclassified to profit or loss	(1)		(1)	(2)		(2)
Items that may be reclassified to profit or loss	**(5)**	**-**	**(5)**	**48**	**-**	**48**
Other comprehensive income	**(175)**	**18**	**(157)**	**(192)**	**36**	**(156)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**238**	**1**	**239**	**626**	**2**	**628**
Attributable to:						
- Equity holders of the parent	229	1	230	611	2	613
- Non controlling interests	9	-	9	15	-	15

CONSOLIDATED BALANCE SHEET RESTATED

	Year ended 31 March 2013			Year ended 31 March 2012		
(in € million)	Published	Impacts IAS 19R	Restated	Published	Impacts IAS 19R	Restated
ASSETS						
Goodwill	5,536		5,536	5,483		5,483
Intangible assets	1,982		1,982	1,921		1,921
Property, plant and equipment	3,024		3,024	2,852		2,852
Associates and non consolidated investments	698		698	531		531
Other non-current assets	515	6	521	545	6	551
Deferred taxes	1,711	8	1,719	1,472	9	1,481
Total non-current assets	**13,466**	**14**	**13,480**	**12,804**	**15**	**12,819**
Inventories	3,144		3,144	3,138		3,138
Construction contracts in progress, assets	4,158		4,158	3,752		3,752
Trade receivables	5,285		5,285	5,692		5,692
Other current operating assets	3,328		3,328	3,557		3,557
Marketable securities and other current financial	36		36	13		13
Cash and cash equivalents	2,195		2,195	2,091		2,091
Total current assets	**18,146**	**-**	**18,146**	**18,243**	**-**	**18,243**
TOTAL ASSETS	**31,612**	**14**	**31,626**	**31,047**	**15**	**31,062**

	Year ended 31 March 2013			Year ended 31 March 2012		
(in € million)	Published	Impacts IAS 19R	Restated	Published	Impacts IAS 19R	Restated
EQUITY AND LIABILITIES						
Equity attributable to the equity holders of the parent	5,011	(15)	4,996	4,327	(17)	4,310
Non controlling interests	93		93	107		107
Total equity	**5,104**	**(15)**	**5,089**	**4,434**	**(17)**	**4,417**
Non-current provisions	680		680	804		804
Accrued pension and other employee benefits	1,642	29	1,671	1,417	32	1,449
Non-current borrowings	4,197		4,197	3,863		3,863
Non-current obligations under finance leases	433		433	477		477
Deferred taxes	284		284	176		176
Total non-current liabilities	**7,236**	**29**	**7,265**	**6,737**	**32**	**6,769**
Current provisions	1,309		1,309	1,414		1,414
Current borrowings	283		283	634		634
Current obligations under finance leases	42		42	48		48
Construction contracts in progress, liabilities	9,909		9,909	9,508		9,508
Trade payables	4,041		4,041	4,080		4,080
Other current operating liabilities	3,688		3,688	4,192		4,192
Total current liabilities	**19,272**	**-**	**19,272**	**19,876**	**-**	**19,876**
TOTAL EQUITY AND LIABILITIES	**31,612**	**14**	**31,626**	**31,047**	**15**	**31,062**

CONSOLIDATED STATEMENT OF CASH FLOWS RESTATED

(in € million)	Half-year ended 30 September 2012			Year ended 31 March 2013		
	Published	**Impacts IAS 19R**	**Restated**	**Published**	**Impacts IAS 19R**	**Restated**
Net profit	**413**	**(17)**	**396**	**818**	**(34)**	**784**
Depreciation, amortisation and expense arising from share-based payments	375		375	543		543
Post-employment and other long-term defined employee benefits	(19)	21	2	(65)	41	(24)
Net (gains)/losses on disposals of assets	(6)		(6)	34		34
Share in net income of associates (net of dividends received)	(25)		(25)	(18)		(18)
Deferred taxes charged to income statement	(6)	(4)	(10)	(73)	(7)	(80)
Net cash provided by operating activities - before changes in working capital	**732**	**-**	**732**	**1,239**	**-**	**1,239**
Changes in working capital resulting from operating activities	**(356)**	**-**	**(356)**	**(150)**	**-**	**(150)**
Net cash provided by /(used in) operating activities	**376**	**-**	**376**	**1,089**	**-**	**1,089**
Proceeds from disposals of tangible and intangible assets	15		15	57		57
Capital expenditure (including capitalised R&D costs)	(290)		(290)	(738)		(738)
Increase/(decrease) in other non-current assets	19		19	37		37
Acquisitions of businesses, net of cash acquired	(146)		(146)	(472)		(472)
Disposals of businesses, net of net cash sold	-		-	(2)		(2)
Net cash provided by/(used in) investing activities	**(402)**	**-**	**(402)**	**(1,118)**	**-**	**(1,118)**
Capital increase/(decrease) including non controlling interests	15		15	351		351
Dividends paid including payments to non controlling interests	(245)		(245)	(243)		(243)
Changes in ownership interests with no gain/loss of control	-		-	(48)		(48)
Issuance of bonds & notes	-		-	350		350
Changes in current and non-current borrowings	(161)		(161)	(174)		(174)
Changes in obligations under finance leases	(26)		(26)	(45)		(45)
Changes in marketable securities and other current financial assets and liabilities	1		1	(11)		(11)
Net cash provided by/ (used in) financing activities	**(416)**	**-**	**(416)**	**180**	**-**	**180**
Net increase/(decrease) in cash and cash equivalents	**(442)**		**(442)**	**151**		**151**
Cash and cash equivalents at the beginning of the period	2,091		2,091	2,091		2,091
Net effect of exchange rate variations	(2)		(2)	(49)		(49)
Other changes	(1)		(1)	2		2
Cash and cash equivalents at the end of the period	**1,646**	**-**	**1,646**	**2,195**	**-**	**2,195**
Income tax paid	*(121)*		*(121)*	*(240)*		*(240)*
Net of interests paid & received	*(54)*		*(54)*	*(186)*		*(186)*

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY RESTATED

(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 2012 Published	**294,533,680**	**2,062**	**622**	**3,226**	**(1,583)**	**4,327**	**107**	**4,434**
Impacts IAS 19R				*(69)*	*52*	***(17)***	*-*	***(17)***
At 31 March 2012 Restated	**294,533,680**	**2,062**	**622**	**3,157**	**(1,531)**	**4,310**	**107**	**4,417**
Movements in other comprehensive income (published)					(174)	**(174)**	(1)	**(175)**
Net income for the period				403		**403**	10	**413**
Impacts IAS 19R				*(17)*	*18*	***1***		***1***
Total comprehensive income				386	(156)	230	9	239
Change in controlling interests and other	3	-	-	13	-	**13**	1	**14**
Dividends paid	-	-	-	(236)	-	**(236)**	(11)	**(247)**
Capital reduction								
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 Restated	**294,847,961**	**2,064**	**623**	**3,327**	**(1,687)**	**4,327**	**106**	**4,433**
Impacts IAS 19R				86	(70)	16	-	16
At 30 September 2012 Published	**294,847,961**	**2,064**	**623**	**3,413**	**(1,757)**	**4,343**	**106**	**4,449**
At 31 March 2013 Published	**308,158,126**	**2,157**	**875**	**3,753**	**(1,774)**	**5,011**	**93**	**5,104**
Impacts IAS 19R				*(103)*	*88*	***(15)***		***(15)***
At 31 March 2013 Restated	**308,158,126**	**2,157**	**875**	**3,650**	**(1,686)**	**4,996**	**93**	**5,089**

Note 4. Scope of consolidation

The Group did not conduct any significant acquisition or disposal in the period.

Note 5. Segment information

5.1 Key indicators by operating segment

For the half-year ended 30 September 2013

(in € million)	Thermal Power	Renewable Power	Grid	Transport	Corporate & Others	Eliminations	Total
Sales	4,280	869	1,881	2,784	-	(84)	9,730
Inter Sector eliminations	(32)	(5)	(45)	(2)	-	84	-
Total Sales	**4,248**	**864**	**1,836**	**2,782**	**-**	**-**	**9,730**
Income (loss) from operations	**450**	**44**	**105**	**157**	**(61)**	**-**	**695**
Earnings (loss) before interest and taxes	**430**	**35**	**91**	**144**	**(83)**	**-**	**617**
Financial income (expense)							(140)
Income tax							(103)
Share in net income of equity investments							7
NET PROFIT							**381**
Capital expenditure	**(120)**	**(98)**	**(50)**	**(74)**	**(30)**	**-**	**(372)**
Depreciation and amortisation in EBIT	**110**	**15**	**36**	**70**	**22**	**-**	**254**

For the half-year ended 30 September 2012*

(in € million)	Thermal Power	Renewable Power	Grid	Transport	Corporate & Others	Eliminations	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	**445**	**24**	**48**	**147**	**(72)**	**-**	**592**
Financial income (expense)							(135)
Income tax							(90)
Share in net income of equity investments							29
NET PROFIT							**396**
Capital expenditure	**(103)**	**(57)**	**(43)**	**(63)**	**(24)**	**-**	**(290)**
Depreciation and amortisation in EBIT	**115**	**19**	**86**	**59**	**23**	**-**	**302**

* Figures have been adjusted as mentioned in Note 3 "Changes in accounting method" following the application of IAS 19 revised

At 30 September 2013

(in € million)	Thermal Power	Renewable Power	Grid	Transport	Corporate & Others	Eliminations	Total
Segment assets (1)	**10,635**	**3,052**	**5,008**	**6,820**	**1,061**	**-**	**26,576**
Deferred taxes (assets)							1,595
Prepaid employee defined benefit costs							23
Financial assets							2,231
TOTAL ASSETS							**30,425**
Segment liabilities (2)	**7,985**	**1,597**	**2,815**	**4,863**	**929**	**-**	**18,189**
Deferred taxes (liabilities)							195
Accrued employee defined benefit costs							1,510
Financial debt							5,525
Total equity							5,006
TOTAL EQUITY AND LIABILITIES							**30,425**
Capital employed (3)	**2,650**	**1,455**	**2,193**	**1,957**	**132**	**-**	**8,387**

(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 2013*

(in € million)	Thermal Power	Renewable Power	Grid	Transport	Corporate & Others	Eliminations	Total
Segment assets (1)	**10,835**	**3,106**	**5,462**	**6,648**	**1,227**	**-**	**27,278**
Deferred taxes (assets)							1,719
Prepaid employee defined benefit costs							16
Financial assets							2,613
TOTAL ASSETS							**31,626**
Segment liabilities (2)	**8,571**	**1,906**	**3,280**	**4,724**	**1,146**	**-**	**19,627**
Deferred taxes (liabilities)							284
Accrued employee defined benefit costs							1,671
Financial debt							4,955
Total equity							5,089
TOTAL EQUITY AND LIABILITIES							**31,626**
Capital employed (3)	**2,264**	**1,200**	**2,182**	**1,924**	**81**	**-**	**7,651**

* Figures have been adjusted as mentioned in Note 3 "Changes in accounting method" following the application of IAS 19 revised

(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.

5.2 Key indicators by geographic area

Sales by country of destination

	Half-year ended	
(in € million)	30 September 2013	30 September 2012
Western Europe	3,184	3,492
thereof France	*946*	*1,155*
Eastern Europe	1,132	864
North America	1,147	1,183
thereof USA	*669*	*734*
South & Central America	764	707
Asia & Pacific	1,945	2,027
Middle-East & Africa	1,558	1,475
TOTAL GROUP	**9,730**	**9,748**

Note 6. Research and development expenditure

	Half-year ended	
(in € million)	30 September 2013	30 September 2012
Research and development expenses	**(359)**	**(351)**
Development costs capitalised during the period (see note 11.2)	(122)	(104)
Amortisation expense of capitalised development costs (see note 11.2)	48	42
Amortisation of acquired technology (see note 11.2)	43	47
TOTAL RESEARCH AND DEVELOPMENT EXPENDITURE	**(390)**	**(366)**

During the half year ended 30 September 2013, the Group invested €390 million in research and development in order to extend its existing product offering and to foster innovation in high-growth markets.

These research and development programmes relate mainly to:

- the ongoing development of the range of gas turbines,
- the improvement of Transport Sector product offering (Urbalis fluence, new Citadis, etc),
- the development of Haliade™ offshore wind turbines and Tidal turbines,
- further development of High Voltage Direct Current (HVDC) and digital substation technologies in the fields of Super Grid and Smart Grid.

Note 7. Other income and other expense

(in € million)	Half-year ended 30 September 2013	Half-year ended 30 September 2012*
Capital gains on disposal of businesses	19	4
Other income	**19**	**4**
Capital losses on disposal of businesses	-	(3)
Restructuring costs	(56)	(29)
Expenses exclusively incurred in the context of business combinations	(2)	(43)
Other	(39)	(40)
Other expense	**(97)**	**(115)**
OTHER INCOME (EXPENSE)	**(78)**	**(111)**

* Figures have been adjusted as mentioned in Note 3 “Changes in accounting method” following the application of IAS 19 revised

Other income comprises capital gain arising from Ring Motors business disposal following Renewable Power decision to concentrate its Bilbao site on activities directly related to hydropower.

Restructuring costs derive from the adaptation of the Group’s footprint in order to take into account the lower demand in developed countries, mainly in Europe, and the situation of global overcapacity faced in some segments.

As at 30 September 2012, expenses exclusively incurred in the context of business combinations comprise the amortisation of acquired margin related to Grid’s acquisition and the costs incurred to effect the acquisition of Grid.

Other expense mainly derives from costs of legal proceedings that have arisen outside the ordinary course of business and non-recurring impairment losses on assets.

Note 8. Financial income (expense)

(in € million)	Half-year ended 30 September 2013	Half-year ended 30 September 2012*
Interest income	9	16
Net exchange gain	3	-
Other financial income	4	4
Financial income	**16**	**20**
Interest expense	(101)	(100)
Net financial expense from employee defined benefit plans	(30)	(34)
Net exchange loss	-	(4)
Other financial expenses	(25)	(17)
Financial expense	**(156)**	**(155)**
FINANCIAL INCOME (EXPENSE)	**(140)**	**(135)**

* Figures have been adjusted as mentioned in Note 3 "Changes in accounting method" following the application of IAS 19 revised

Interest income of €9 million represents the remuneration of the Group's cash positions over the period.

Interest expense of €(101) million represents the cost of the gross financial debt.

The net financial expense from employee defined benefit plans of €(30) million represents the interest costs on obligations net of interest income from fund assets calculated using the same discount rate (see Note 3).

Other financial expenses of €(25) million include fees and commitment fees paid on guaranteed facilities, syndicated loans and other financing facilities for €(13) million versus €(8) million for the half-year ended 30 September 2012.

Note 9. Taxation

Applying a projected annual effective tax rate of 22% for determination of the tax expense for the half-year ended 30 September 2013 (20% for the half-year ended 30 September 2012), the income tax charge for the period amounts to €(103) million (€(90) million for the half-year ended 30 September 2012).

Note 10. Earnings per share

10.1 Earnings

(in € million)	Half-year ended 30 September 2013	30 September 2012*
Net Profit attributable to equity holders of the parent	375	386
Earnings attributable to equity holders of the parent used to calculate basic and diluted earnings per share	**375**	**386**

* Figures have been adjusted as mentioned in Note 3 "Changes in accounting method" following the application of IAS 19 revised

10.2 Number of shares

	Half-year ended 30 September 2013	30 September 2012
Weighted average number of ordinary shares used to calculate basic earnings per share	**308,436,692**	**294,693,719**
Effect of dilutive instruments and other than bonds reimbursables with shares:		
- Stock options and free shares (1) (LTI plan)	2,658,516	2,651,994
- Free shares (Alstom Sharing plans)	131,886	225,727
Weighted average number of ordinary shares used to calculate diluted earnings per share	**311,227,094**	**297,571,440**

(1) Stock options taken into consideration in the calculation of the diluted earnings per share only relate to plans 7, 8 and 14 as plans 9, 10, 12, 13 and 15 are out of the money as at 30 September 2013.

10.3 Earnings per share

(in €)	Half-year ended 30 September 2013	30 September 2012*
Basic earnings per share	1.22	1.31
Diluted earnings per share	1.20	1.30

* Figures have been adjusted as mentioned in Note 3 "Changes in accounting method" following the application of IAS 19 revised

Note 11. 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.

11.1 Goodwill

(in € million)	At 31 March 2013	Acquisitions and adjustments on preliminary goodwill	Disposals	Translation adjustments and other changes	At 30 September 2013
Thermal Power	3,221	-	-	(15)	3,206
Renewable Power	489	46	(12)	-	523
Transport	691	-	-	(3)	688
Grid	1,135	-	-	(2)	1,133
GOODWILL	**5,536**	**46**	**(12)**	**(20)**	**5,550**
Of which:					
Gross value	5,536	46	(12)	(20)	5,550
Impairment	-	-	-	-	-

Movements over the period ended 30 September 2013 arose from the acquisition of Tidal Generation Limited business (goodwill is calculated on a preliminary basis as at 30 September 2013) and the disposal of Ring Motors business.

The impairment test at 31 March 2013 supported the Group's opinion that goodwill was not impaired. At 30 September 2013, the Group considers that the assumptions used to assess the recoverable value of goodwill at 31 March 2013 are not substantially modified.

11.2 Intangible assets

(in € million)	At 31 March 2013	Additions / disposals / amortisation	Changes in consolidation scope	Translation adjustments and other changes	At 30 September 2013
Development costs	1,900	122	-	2	2,024
Acquired technology	1,422	-	-	-	1,422
Other intangible assets	822	20	-	(21)	821
Gross value	**4,144**	**142**	**-**	**(19)**	**4,267**
Development costs	(724)	(48)	-	-	(772)
Acquired technology	(842)	(43)	-	(1)	(886)
Other intangible assets	(596)	(18)	-	17	(597)
Amortisation and impairment	**(2,162)**	**(109)**	**-**	**16**	**(2,255)**
Development costs	1,176	74	-	2	1,252
Acquired technology	580	(43)	-	(1)	536
Other intangible assets	226	2	-	(4)	224
NET VALUE	**1,982**	**33**	**-**	**(3)**	**2,012**

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 2013 supported the Group's opinion that intangible assets were not impaired. At 30 September 2013, the Group considers that the assumptions used to assess the recoverable value of intangibles at 31 March 2013 are not substantially modified.

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Note 12. Property, plant and equipment

(in € million)	At 31 March 2013	Acquisitions/ amortisation / impairments	Disposals	Changes in consolidation scope	Translation adjustments and other changes	At 30 September 2013
Land	196	-	(3)	-	(6)	187
Buildings	1,923	77	(26)	-	(51)	1,923
Machinery and equipment	2,951	65	(40)	(7)	(21)	2,948
Constructions in progress	392	69	(1)	-	(81)	379
Tools, furniture, fixtures and other	496	12	(8)	-	(28)	472
Gross value	**5,958**	**223**	**(78)**	**(7)**	**(187)**	**5,909**
Land	(10)	-	-	-	-	(10)
Buildings	(736)	(42)	23	-	18	(737)
Machinery and equipment	(1,852)	(79)	39	4	(4)	(1,892)
Constructions in progress	-	-	-	-	1	1
Tools, furniture, fixtures and other	(336)	(17)	7	-	24	(322)
Amortisation and impairment	**(2,934)**	**(138)**	**69**	**4**	**39**	**(2,960)**
Land	186	-	(3)	-	(6)	177
Buildings	1,187	35	(3)	-	(33)	1,186
Machinery and equipment	1,099	(14)	(1)	(3)	(25)	1,056
Constructions in progress	392	69	(1)	-	(80)	380
Tools, furniture, fixtures and other	160	(5)	(1)	-	(4)	150
NET VALUE	**3,024**	**85**	**(9)**	**(3)**	**(148)**	**2,949**

Note 13. Associates and non consolidated investments

13.1 Associates

Financial information on associates

(in € million)	At 30 September 2013	At 31 March 2013	At 30 September 2013 % ownership
The Breakers Investment B.V. (Transmashholding)	389	388	25.0
BrightSource Energy	-	106	-
NTL (Translohr)	24	25	51.0
Cerrey - Babcock & Wilcox de Mexico	21	23	25.0
Other (1)	35	55	
TOTAL ASSOCIATES	**469**	**597**	

(1) No other investment's net value individually exceeds €15 million.

Movements during the period

(in € million)	Half-year ended 30 September 2013	Year ended 31 March 2013
Opening balance	**597**	**377**
Share in net income/(loss) of equity investments	29	47
Impairment (1)	(22)	-
Share in net income/(loss) of equity investments	**7**	**47**
Dividends	(23)	(29)
Acquisitions	5	80
Transfer to non consolidated investments (2)	(106)	118
Translation adjustments and other	(11)	4
CLOSING BALANCE	**469**	**597**

(1) Impairment relates to SEC Alstom Shangaï Lingang (Grid Sector) for € (13) million and to AWS Ocean Energy Limited (Renewable Power Sector) for (9) million.

(2) Given the limited effective influence and financial information available, BrightSource Energy investment is accounted for as a non-consolidated investment as at 30 September 2013.

13.2 Non-consolidated investments

Financial information on non-consolidated investments

(in € million)	At 30 September 2013	At 31 March 2013	At 30 September 2013 % ownership
Tidal Generation Ltd (1)	-	50	100.0
BrightSource Energy (2)	106	-	26.5
SEC Alstom (Shanghai Baoshan) Transformers Co., Ltd	22	-	50.0
Other (3)	54	51	
TOTAL	**182**	**101**	

(1) Alstom has completed the acquisition of Tidal Generation Limited which is now fully consolidated.

(2) Percentage of ownership: 22.36% in fully diluted.

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

Movements during the period

(in € million)	Half-year ended 30 September 2013	Year ended 31 March 2013
Opening balance	**101**	**154**
Change in fair value	-	(1)
Acquisitions	7	62
Transfer to non consolidated investments (1)	106	(114)
Translation adjustments and other	(32)	-
CLOSING BALANCE	**182**	**101**

(1) Given the limited effective influence and financial information available, BrightSource Energy investment is accounted for as a non-consolidated investment as at 30 September 2013.

Note 14. Other non-current assets

(in € million)	At 30 September 2013	At 31 March 2013*
Financial non-current assets associated to financial debt (1)	373	382
Long-term loans, deposits and other	135	139
OTHER NON-CURRENT ASSETS	**508**	**521**

* Figures have been adjusted as mentioned in Note 3 "Changes in accounting method" following the application of IAS 19 revised

(1) These non-current assets relate to a long-term rental of trains and associated equipment to a London metro operator (see Note 22). They are made up as follows:

- at 30 September 2013, €358 million receivables and €14 million deposit;
- at 31 March 2013, €368 million receivables and €14 million deposit.

Note 15. Inventories

(in € million)	At 30 September 2013	At 31 March 2013
Raw materials and supplies	1,057	989
Work in progress	2,334	2,145
Finished products	320	354
Inventories, gross	**3,711**	**3,488**
Raw materials and supplies	(156)	(138)
Work in progress	(114)	(157)
Finished products	(29)	(49)
Write-down	**(299)**	**(344)**
INVENTORIES, NET	**3,412**	**3,144**

Note 16. Construction contracts in progress

(in € million)	At 30 September 2013	At 31 March 2013	Variation
Construction contracts in progress, assets	3,803	4,158	(355)
Construction contracts in progress, liabilities	(8,688)	(9,909)	1,221
CONSTRUCTION CONTRACTS IN PROGRESS	**(4,885)**	**(5,751)**	**866**

(in € million)	At 30 September 2013	At 31 March 2013	Variation
Contracts costs incurred plus recognised profits less recognised losses to date	58,340	58,511	(171)
Less progress billings	(60,199)	(61,084)	885
Construction contracts in progress excluding down payments received from customers	**(1,859)**	**(2,573)**	**714**
Down payments received from customers	(3,026)	(3,178)	152
CONSTRUCTION CONTRACTS IN PROGRESS	**(4,885)**	**(5,751)**	**866**

Note 17. Other current operating assets

(in € million)	At 30 September 2013	At 31 March 2013
Down payments made to suppliers	517	735
Corporate income tax	178	184
Other taxes	881	842
Prepaid expenses	369	236
Other receivables	497	408
Derivatives relating to operating activities	388	333
Remeasurement of hedged firm commitments in foreign currency	583	590
OTHER CURRENT OPERATING ASSETS	**3,413**	**3,328**

Note 18. Working capital

18.1 Balance sheet positions

(in € million)	At 30 September 2013	At 31 March 2013	Variation
Inventories	3,412	3,144	268
Construction contracts in progress, assets	3,803	4,158	(355)
Trade receivables	4,674	5,285	(611)
Other current operating assets	3,413	3,328	85
ASSETS	**15,302**	**15,915**	**(613)**
Non-current provisions	635	680	(45)
Current provisions	1,328	1,309	19
Construction contracts in progress, liabilities	8,688	9,909	(1,221)
Trade payables	3,803	4,041	(238)
Other current operating liabilities	3,735	3,688	47
LIABILITIES	**18,189**	**19,627**	**(1,438)**
WORKING CAPITAL	**(2,887)**	**(3,712)**	**825**

18.2 Analysis of variation in working capital

(in € million)	Half-year ended 30 September 2013
Working capital at the beginning of the period	**(3,712)**
Changes in working capital resulting from operating activities (1)	767
Changes in working capital resulting from investing activities (2)	41
Translation adjustments and other changes	17
Total changes in working capital	**825**
WORKING CAPITAL AT THE END OF THE PERIOD	**(2,887)**

(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/(used in) investing activities" in the consolidated statement of cash flows.

Note 19. Equity

At 30 September 2013, the share capital of Alstom amounted to €2,160,422,145 consisting of 308,631,735 ordinary shares with a par value of €7 each. For the half-year ended 30 September 2013, the weighted average number of outstanding ordinary shares amounted to 308,436,692 after the dilutive effect of bonds reimbursable in shares "Obligations Remboursables en Actions" and to 311,227,094 after the effect of all dilutive instruments.

During the half-year ended 30 September 2013:

- 256 bonds reimbursable in shares "Obligations Remboursables en Actions" were converted into 16 shares at a par value of €7. The 81,010 bonds reimbursable in shares outstanding at 30 September 2013 represent 5,088 shares to be issued;
- 473,593 of ordinary shares were issued under long term incentive plans.

The Shareholders' Meeting of Alstom held on 2 July 2013 decided to distribute a dividend for a total amount of €259 million corresponding to €0.84 per share.

Note 20. Provisions

(in € million)	At 31 March 2013	Additions	Releases	Applications	Change in consolidation scope	Translation adjustments and other	At 30 September 2013
Warranties	767	147	(94)	(100)	-	9	729
Litigations and claims	542	172	(59)	(47)	-	(9)	599
Current provisions	**1,309**	**319**	**(153)**	**(147)**	**-**	**-**	**1,328**
Tax risks & litigations	180	2	(4)	(4)	-	(4)	170
Restructuring	182	24	(9)	(38)	-	-	159
Other non-current provisions	318	53	(32)	(29)	-	(4)	306
Non-current provisions	**680**	**79**	**(45)**	**(71)**	**-**	**(8)**	**635**
TOTAL PROVISIONS	**1,989**	**398**	**(198)**	**(218)**	**-**	**(8)**	**1,963**

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

In relation to tax risks, the Group tax filings are subject to audit by tax authorities in most juridictions 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 will 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.

Restructuring derive from the adaptation of the Group's footprint in order to take into account the lower demand in developed countries, mainly in Europe, and the situation of global overcapacity faced in some segments.

Other non-current provisions mainly relate to guarantees delivered in connection with disposals, employee litigations, commercial disputes and environmental obligations.

Note 21. Post-employment and other long-term defined employee benefits

Net accrued benefits

(in € million)	At 30 September 2013	At 31 March 2013*
Accrued pension and other employee benefit costs	(1,510)	(1,671)
Prepaid pension and other employee benefit costs	23	16
NET ACCRUED BENEFITS	**(1,487)**	**(1,655)**

* Figures have been adjusted as mentioned in Note 3 "Changes in accounting method" following the application of IAS 19 revised

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:

- €155 million of actuarial gains and losses generated for the half-year ended 30 September 2013,
- €(12) million generated by the asset ceiling for the half-year ended 30 September 2013.

Assumptions (weighted average rates)

(in %)	At 30 September 2013	At 31 March 2013
Discount rate	3.86	3.61
Rate of compensation increase	2.89	2.88

Actuarial assumptions used vary by country and type of plan. Compensation increase assumptions are determined at business unit level and reviewed centrally.

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

	Half-year ended	
(in € million)	30 September 2013	30 September 2012*
Service cost	(50)	(39)
Defined contribution plans (1)	(103)	(98)
Income from operations	**(153)**	**(137)**
Curtailments/settlements	-	(1)
Other income (expenses)	**-**	**(1)**
Interest cost	(107)	(120)
Expected return on plan assets	77	86
Administration expenses	(1)	(1)
Financial income (expenses)	**(31)**	**(35)**
TOTAL BENEFIT EXPENSE	**(184)**	**(173)**

* Figures have been adjusted as mentioned in Note 3 “Changes in accounting method” following the application of IAS 19 revised

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

Note 22. Financial debt

(in € million)	At 30 September 2013	At 31 March 2013
Bonds	4,612	4,141
Other borrowing facilities	280	232
Put options and earn-out on acquired entities	47	46
Derivatives relating to financing activities	30	18
Accrued interests	96	43
Borrowings	**5,065**	**4,480**
Non-current	*4,059*	*4,197*
Current	*1,006*	*283*
Obligations under finance leases	102	108
Other obligations under long-term rental	358	367
Obligations under finance leases	**460**	**475**
Non-current	*417*	*433*
Current	*43*	*42*
TOTAL FINANCIAL DEBT	**5,525**	**4,955**

€ 1,006 million of current borrowings include € 722 million of bonds which will be reimbursed in September 2014 as indicated below.

The following table presents a recap of the Group's bonds:

	Nominal value (in € million)	Maturity date	Nominal interest rate	Effective interest rate
Alstom September 2014	722	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 2017	350	11/10/2017	2.25%	2.44%
Alstom October 2018	500	05/10/2018	3.63%	3.71%
Alstom July 2019	500	08/07/2019	3.00%	3.18%
Alstom March 2020	750	18/03/2020	4.50%	4.58%

As at 8 July 2013, under its Euro Medium Term Note Programme listed in Luxembourg, the Company issued a new bond for an amount of € 500 million. It bears an annual coupon of 3% and matures in July 2019.

The other obligations under long-term rental represent liabilities related to lease obligations on trains and associated equipment (see Note 14).

Note 23. Financial instruments and financial risk management

23.1 Financial instruments reported in the financial statements

The main categories of financial assets and financial liabilities of the Group are identical to those identified in the consolidated financial statements at 31 March 2013. Furthermore, variations between their fair values and carrying values have not changed significantly compared to 31 March 2013.

23.2 Liquidity risk management

Financial covenants

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 (in € million)	Maximum total net debt leverage
	(a)	(b)	(c)
	3	6,000	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 10.4 as at 30 September 2013 (11.2 at year end 31 March 2013).
(b) Total debt corresponds to borrowings, i.e. total financial debt less finance lease obligations. This covenant would apply if the Group is rated "non-investment grade" by both rating agencies, which is not the case at 30 September 2013. The maximum total debt has been increased to € 6,000 million as of 4 November 2013.
(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 2013 is 1.8 (1.3 at 31 March 2013).

23.3 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 24. Other current operating liabilities

(in € million)	At 30 September 2013	At 31 March 2013
Staff and associated liabilities	1,006	1,145
Corporate income tax	82	76
Other taxes	531	458
Deferred income	214	95
Other payables	1,234	1,336
Derivatives relating to operating activities	327	363
Remeasurement of hedged firm commitments in foreign currency	341	215
OTHER CURRENT OPERATING LIABILITIES	**3,735**	**3,688**

Note 25. Contingent liabilities and disputes

25.1 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.

As at 30 September 2013, the Group has in place both uncommitted bilateral lines in numerous countries up to €20.1 billion and a Committed Syndicated Bonding Facility allowing issuance of instruments up to €9 billion valid up to 27 July 2016.

As at 30 September 2013, the total outstanding bonding guarantees related to contracts, issued by banks or insurance companies, amounts to €15.6 billion (€15.6 billion at 31 March 2013).

The available amount under the Committed Bonding Facility at 30 September 2013 amounts to €2.8 billion (€2.1 billion at 31 March 2013). The available amount under bilateral lines at 30 September 2013 amounts to €10.2 billion. The Committed Bonding Facility includes a certain number of financial covenants based on consolidated figures of the Group:

Covenants	Minimum Interest Cover	Maximum total debt (in € million)	Maximum total net debt leverage
	(a)	(b)	(c)
	3	6,000	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 10.4 as at 30 September 2013 (11.2 at year end 31 March 2013).
(b) Total debt corresponds to borrowings, i.e. total financial debt less finance lease obligations. This covenant would apply if the Group is rated "non-investment grade" by both rating agencies, which is not the case at 30 September 2013.
(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 2013 is 1.8 (1.3 at 31 March 2013).

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 2013, guarantees given as part of past vendor financing arrangements amount to €259 million.
Included in this amount are:

- guarantees totalling $63 million (€47 million and €49 million at 30 September 2013 and 31 March 2013 respectively) given with respect to equipment sold to a US train operator,
- guarantees totalling £177 million (€212 million and €209 million at 30 September 2013 and 31 March 2013 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. These £177 million are included in the €358 million amount of "Other obligations under long-term rental" (see Note 22).

25.2 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.

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 funds. In addition former employees not suffering from an asbestos related occupational disease have started lawsuits before the French courts with the aim of obtaining compensation for damages in relation to their alleged exposure to asbestos, including the specific "anxiety damage".

In the United States of America, 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 of America 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. A hearing took place on 2 May 2013 and the final decision could occur in the first half of calendar year 2014.

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 for a total reevaluated amount of £364 million since it bought GIS equipment at inflated prices due to alleged anti-competitive arrangements between manufacturers. Alstom contests the facts. The High Court of Justice in London decided that the final hearings would occur in June 2014. Two other similar civil actions started in May and September 2010 before national jurisdictions for a global amount of approximately €32 million are ongoing.

On 16 September 2013 the Israeli Antitrust Authority issued a decision whereby Alstom and other companies were held liable for anti-competitive arrangement in the GIS Israeli market. No fine will be imposed to Alstom arising out of this decision. Alstom intends to appeal this decision. Third party civil actions are likely to arise following this decision.

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 this 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 Alstom has no indication on the date when the decision will occur.

Rolling stock

In July 2013, the Brazilian Competition Authority raided a number of companies involved in the rolling stock business in Brazil including Alstom, following allegations of anti-competitive practices. Alstom is carrying out its own investigations on the matter.

- **Alleged illegal payments**

Certain companies and/or current and former employees of the Group are currently being investigated in various countries, by judicial authorities (including in France, in the United States of America and in the United Kingdom) 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.

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 three years, which can be reduced to 21 months subject to certain conditions. 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.

- **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, 26 have been settled for a cost of about $10.2 million and efforts are currently underway to settle the remaining three cases. All other cases have been settled. All the claims have been declared to the Group’s insurers and Alstom has adequate insurance coverage.

- **Budapest metro**

In 2006, Alstom was awarded by BKV a contract for the delivery of 22 Metropolis metros for Line 2 and 15 metros for Line 4 for the city of Budapest. During the execution of the project, Alstom experienced delays mostly related to technical change requests from BKV and the refusal by the Hungarian Authority "NKH" to deliver the final train homologation in 2010 (in August 2007, NKH granted a Preliminary Type License). On 19 October 2010 BKV terminated the contract and called immediately thereafter all bank guarantees amounting in total to approximately €130 million. This amount was paid in June 2011. In July 2011 the parties agreed the re-entry into force of the contract and the suspension of the arbitration procedure initiated by Alstom in January 2011. The homologation for the Final Type License was obtained in July 2012. On 17 December 2012, the arbitration resumed to solve notably the issue of the damages resulting from the past termination of the contract. The contract execution is ongoing as well as the arbitration proceedings.

- **Lignite-fired station in Maritza**

In 2006, Alstom was awarded by AES a contract for the manufacture of a lignite-fired station in Maritza, Bulgaria. During the execution of the project, Alstom experienced delays and works disruptions mostly due to the defective nature of the lignite supplied by AES. In February 2011, AES called the performance bank guarantee amounting to approximately €150 million. This amount was paid in July 2011. In addition, in March 2011, AES terminated the contract. An arbitration procedure initiated by Alstom, for wrongful termination notably, is on-going. According to the latest arbitral timetable, the hearings before the Arbitral Tribunal are postponed until December 2013 to January 2014.

Note 26. Related parties

The Group has identified the following related parties:

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

26.1 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 2013, Bouygues holds 29.34% of Alstom's share capital and voting rights.

Bouygues and Alstom are involved in various contracts which are part of the ordinary course of business (e.g. phone contracts, construction contracts). All these relations are subject to normal market terms and conditions. Those operating flows are not material at Group's level.

26.2 Related-party disclosures

Related party transactions are mainly transactions with companies over which Alstom exercises significant influence or joint ventures over which Alstom exercises joint control. Transactions with related parties are undertaken at market prices.

	Half-year ended 30 September 2013		At 30 September 2013	
(in € million)	Income	Expenses	Receivables	Liabilities
Joint ventures	51	1	33	2
Associates	4	-	12	20

Note 27. Subsequent events

The Group has not identified any subsequent event to be reported.

Statutory auditors' review report on the interim financial information

PricewaterhouseCoopers Audit
63 rue de Villiers
92200 Neuilly-sur-Seine

MAZARS
61, rue Henri Regnault
92400 Courbevoie

Statutory auditors' review report on the Interim financial information

(Period from 1 April to 30 September 2013)

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 2013 to 30 September 2013;
- 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 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.

Without qualifying our opinion, we draw your attention to the matter set out in note 3 "Changes in accounting method" to the condensed interim consolidated financial statements regarding the impacts resulting from the revision of IAS 19 "Employee benefits" as at April 1, 2013.

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.

Neuilly-sur-Seine and Courbevoie, 6 November 2013

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

Olivier Lotz

MAZARS

Thierry Colin

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 consolidated financial statements of ALSTOM (the "Company") for the half-year of fiscal year 2013/14, 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, 6 November 2013

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.*