

Annual Results Fiscal Year 2008/09

5 May 2009

We are shaping the future

ALSTOM

Agenda

- | | | |
|----|------------------------------|---------|
| 1. | Key events of the year | Page 3 |
| 2. | Operational review by Sector | Page 16 |
| 3. | Financial results | Page 28 |
| 4. | Outlook | Page 36 |

Key figures

In € million

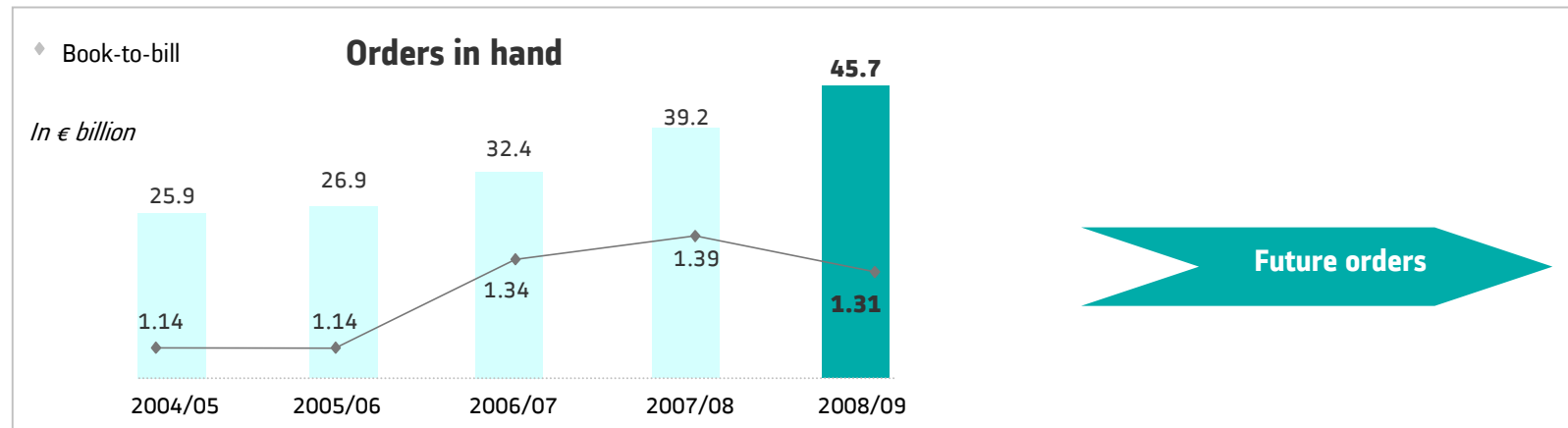
2008/09: another year of solid results

| | March 2008 | March 2009 | Variation | |
|---|---------------|---------------|-------------------------------|---|
| Orders received | 23,472 | 24,580 | +5% actual/ +6% organic* | ↗ |
| Backlog | 39,222 | 45,670 | +16% actual/ +16% organic* | ↗ |
| Sales | 16,908 | 18,739 | +11% actual/ +10% organic* | ↗ |
| Income from operations <i>Operating margin</i> | 1,295 7.7% | 1,536 8.2% | +19% actual/ +18% organic* | ↗ |
| Net income | 852 | 1,109 | +30% actual | ↗ |
| Free cash flow | 1,635 | 1,479 | -10% actual | ↘ |
| Dividend per share | 0.8€ | 1.12€** | +40% | ↗ |

(*) same scope and exchange rates
(**) to be proposed to the next AGM

Strong assets to face the challenging environment

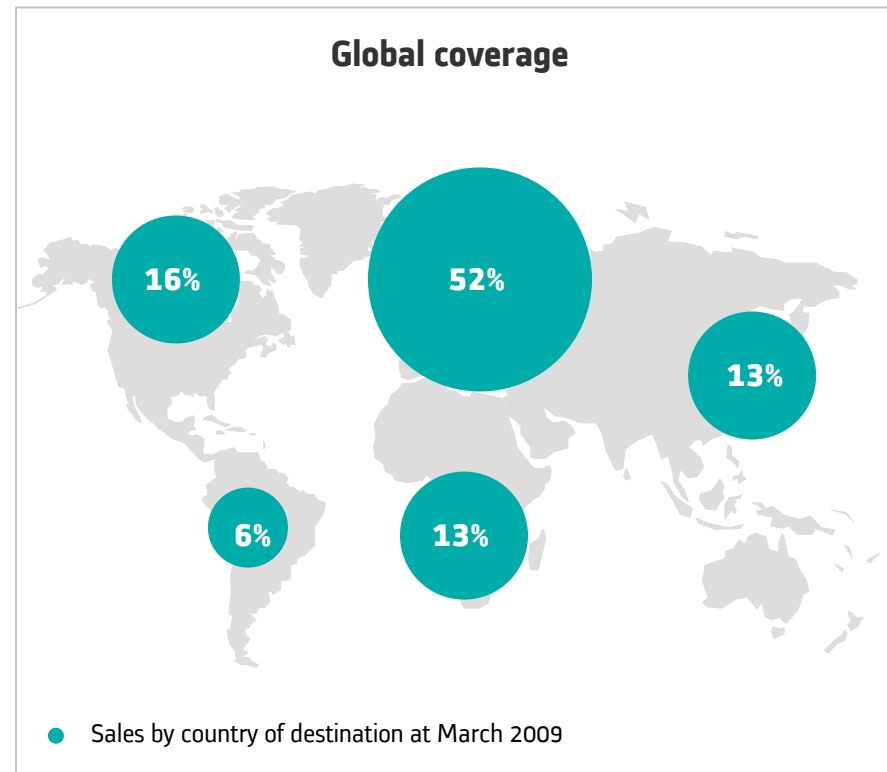
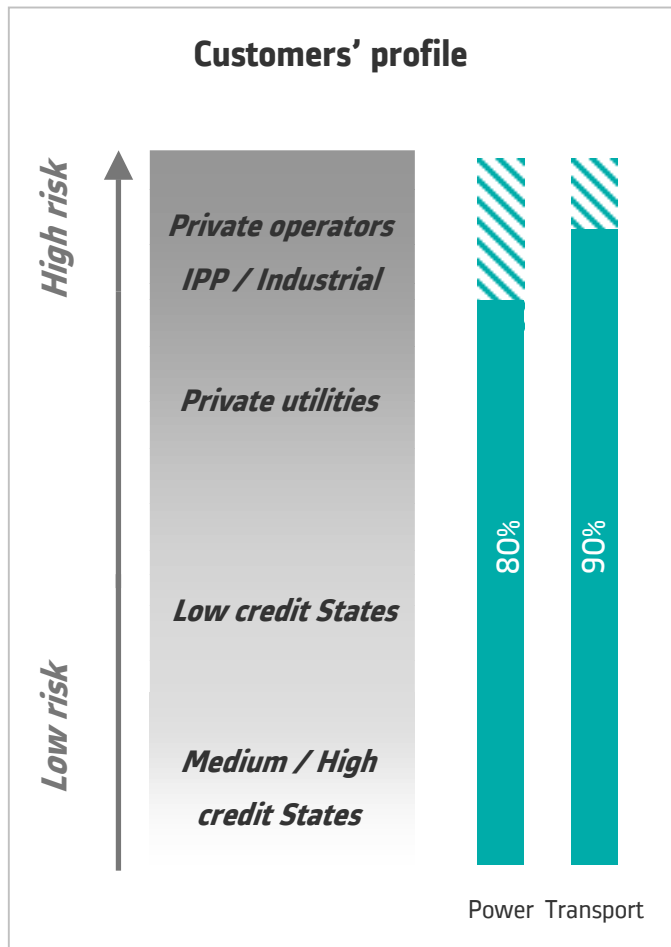
Record and secured backlog



- No cancellation
- No deferral
- Selectivity policy to be maintained
- Lower prices related to pass-through of supply chain costs
- Protection of margins
- Monitoring of terms and conditions

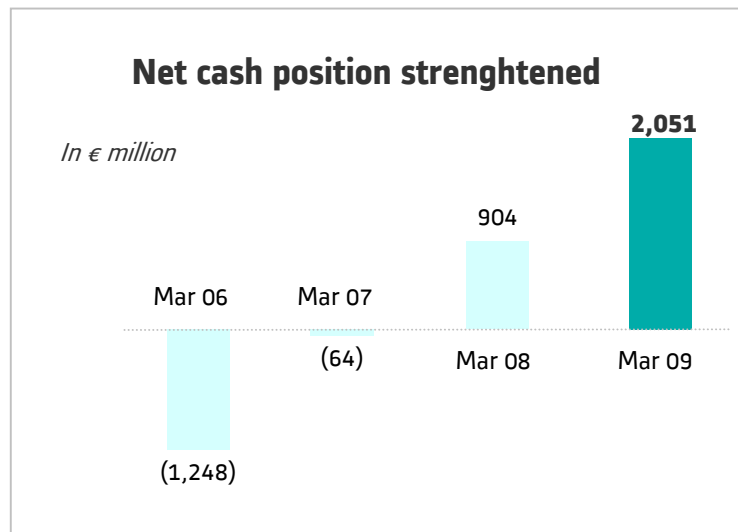
Strong assets to face the challenging environment

Solid customer base



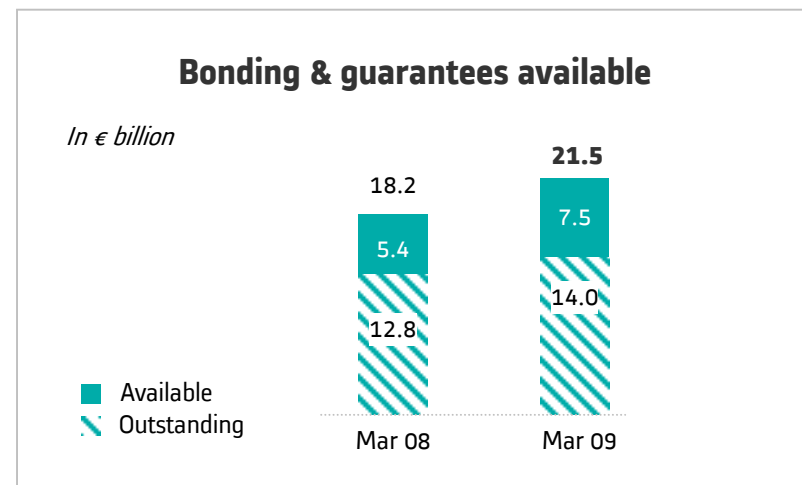
Strong assets to face the challenging environment

Sound financial situation



Rating maintained

BBB+ / Baa1



Preparing the future

Stricter control on S&A expenses

Immediate short term measures

- Freezing of consultancy projects
- Reduction of travel costs
- Prioritisation of communication initiatives (conventions, sponsoring...)
- Decrease of information systems (IS&T) spending

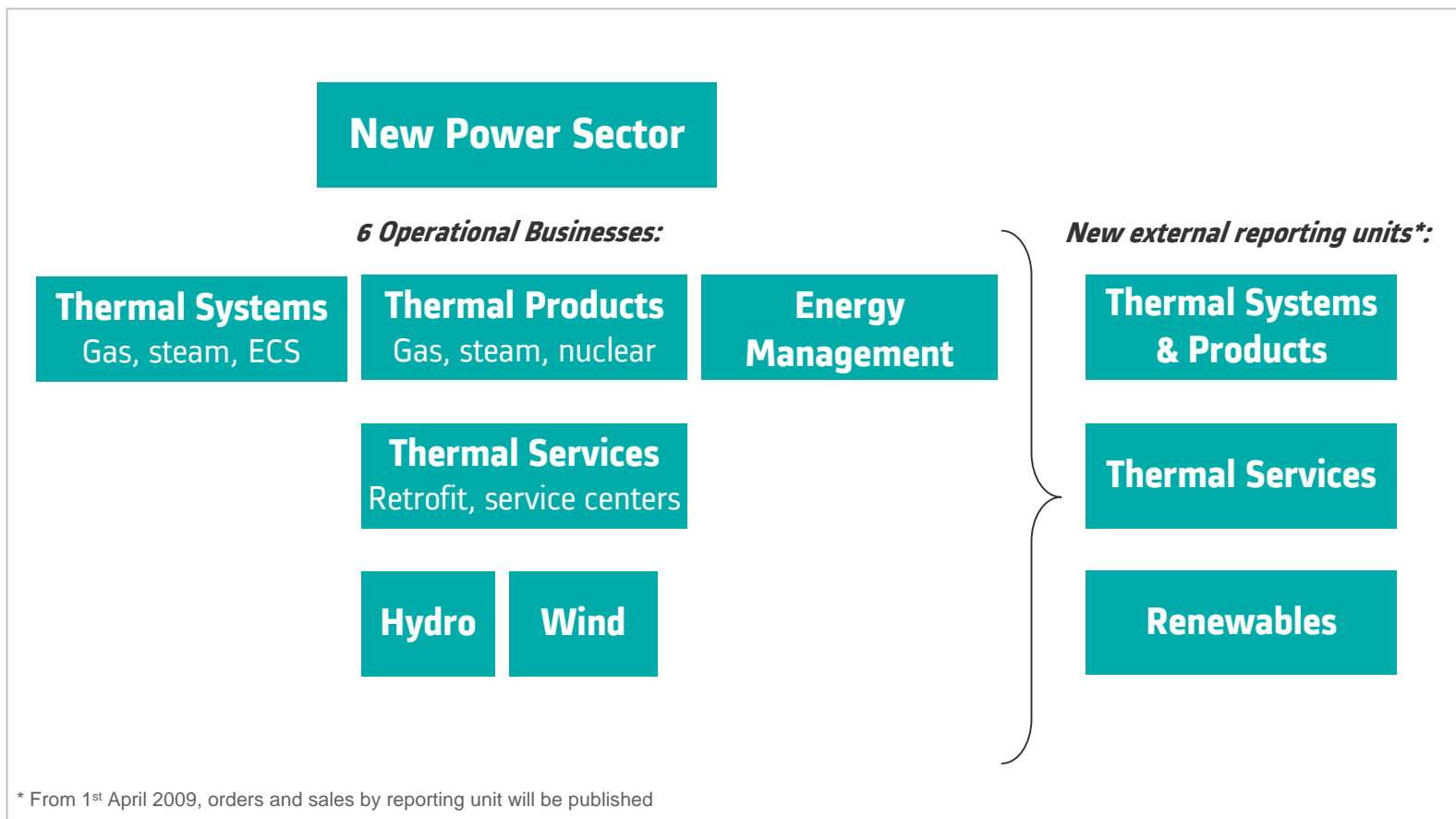
Structural transversal programmes

- Focus on functions efficiency to be deployed in HR, Finance, Communication and IS&T
- Renegotiation of indirect sourcing contracts



Preparing the future

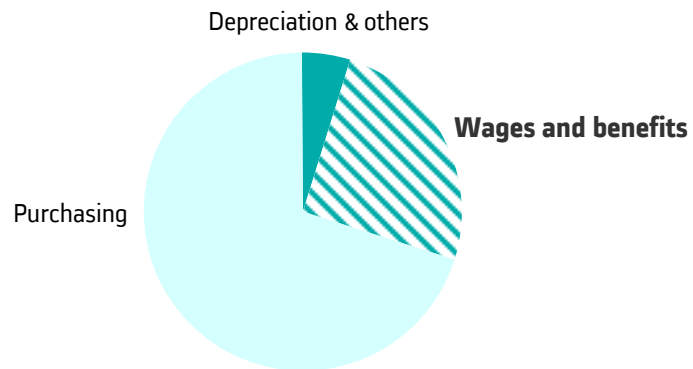
Streamlining of Power organisation



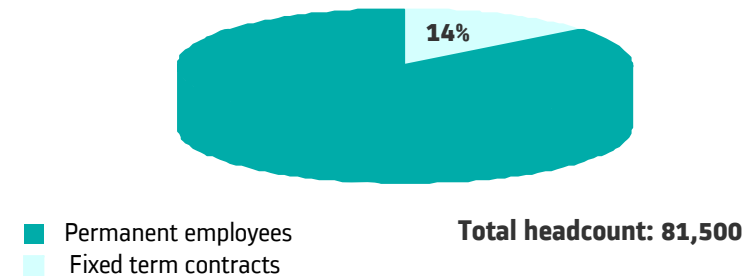
Preparing the future

Flexible structure

Cost structure at March 2009

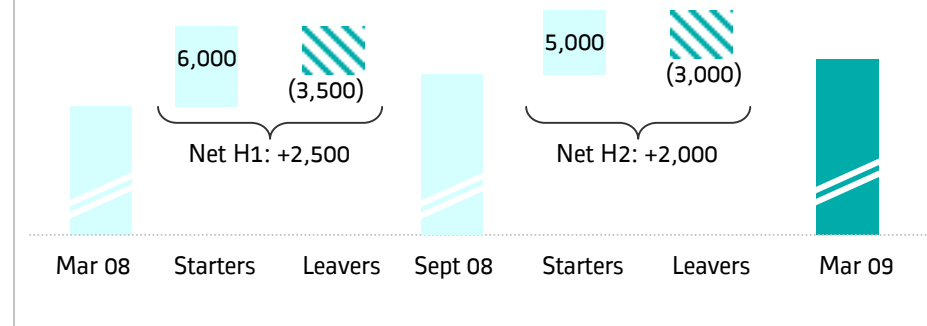


Breakdown of headcount at March 2009



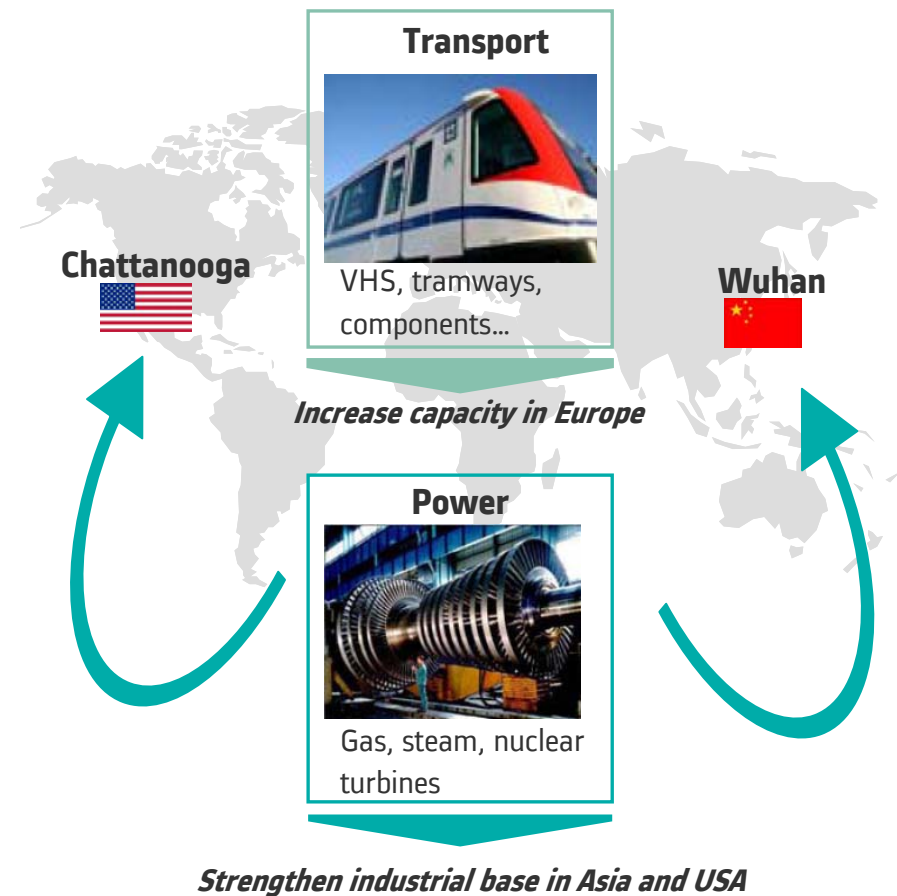
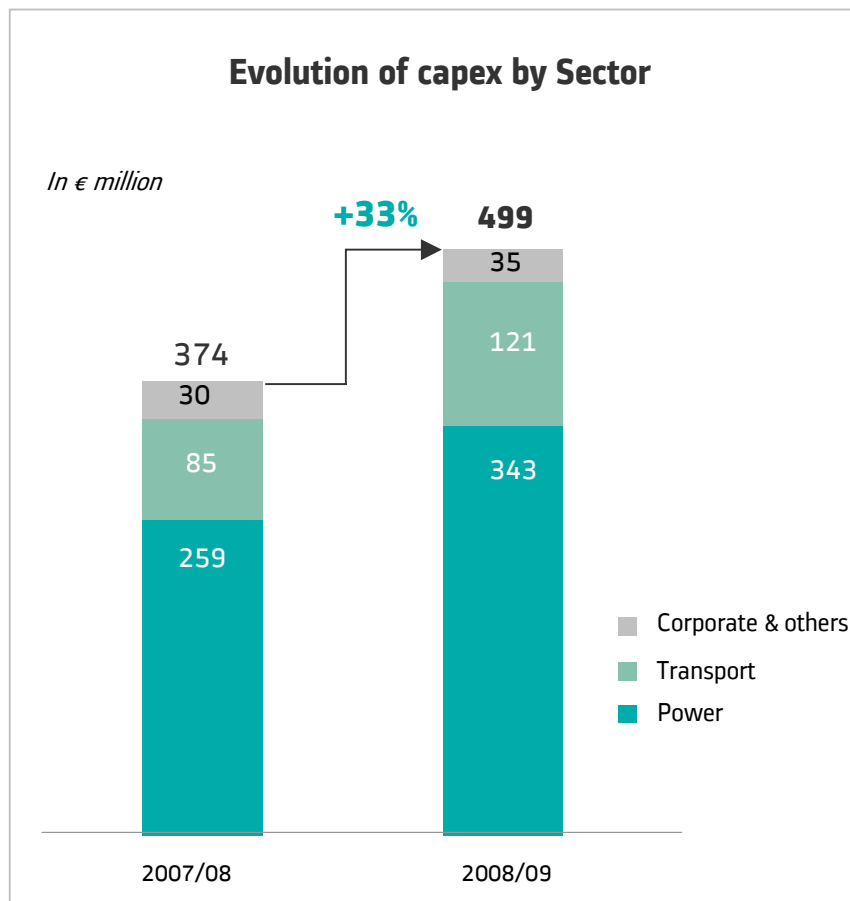
- Low level of fixed costs
- Flexibility in employees' structure
- Possibility to adjust recruitment rate

Evolution of permanent workforce



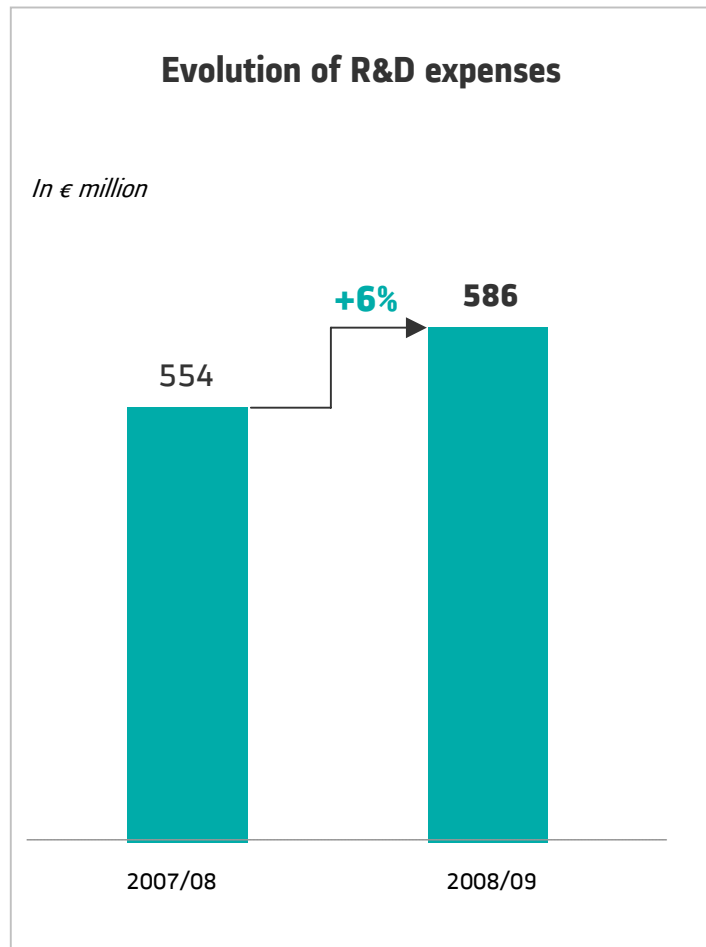
Preparing the future

Completion of launched projects Prioritisation of future capital expenditures



Preparing the future

Continuous efforts on Research & Development



Power

CO₂ capture,
turbine upgrades...

Keep the lead in clean power

Transport

AGV, signalling,
platforming...

- Pursue the standardisation strategy

- Become n°1 in tramways and remain n°1 in very high speed

Preparing the future

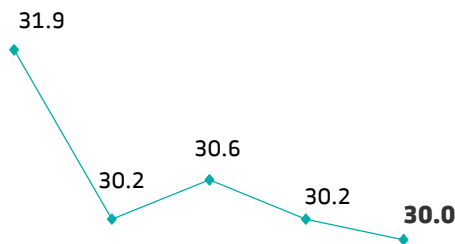
Environment



Responsible company



**CO₂ intensity
(Tons CO₂/M€ sales)**



Dec-07* Mar-08 Jun-08 Sep-08 Dec-08

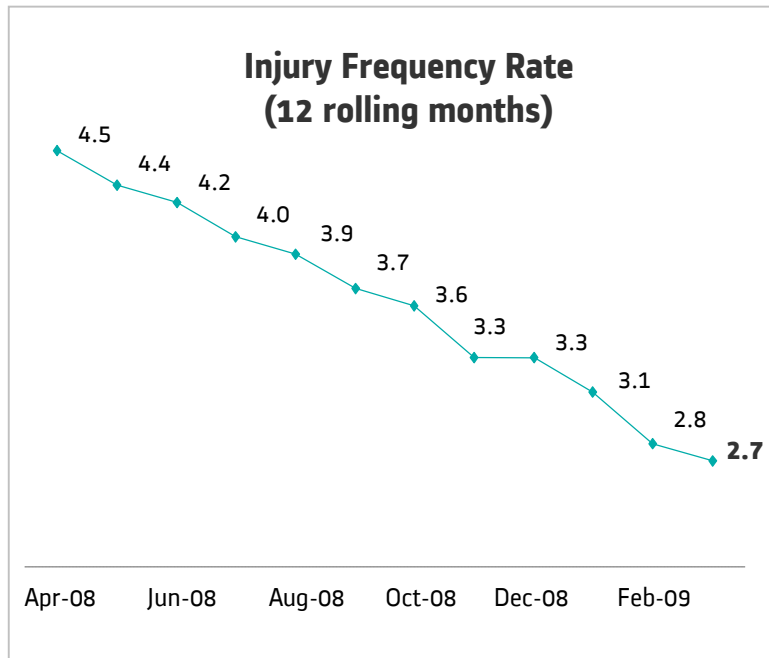
* Baseline

- Reduction of energy and Greenhouse Gases (GHG) intensities
 - Target: -20% by 2015
 - Action plan in sites
- Comprehensive environmental data reporting
 - On-going implementation
- Alstom Foundation for the Environment
 - 11 projects funded in 2008
 - 65 projects already submitted in 2009

Preparing the future



- New target of injury frequency rate
 - Below 2.5 by Dec. 2010
- Alstom University
 - 5,600 trainees/year: 60% increase as compared to 2007/08



- New employee share programme in 2009: 'Alstom Sharing'
 - 28% subscription rate
- Promotion of innovation within the Group
 - 250 projects submitted in 2008
 - 6 projects awarded



Preparing the future

Governance



- Adhesion to World Business Council for the Sustainable Development (WBCSD)
- Ethics and compliance:
 - Certificate granted by Ethic Intelligence International on rules and procedures governing relations with sales and marketing consultants and agents
- Sourcing:
 - Charter for sustainable development signed by 580 key suppliers
 - Training: 1,400 people from sourcing community

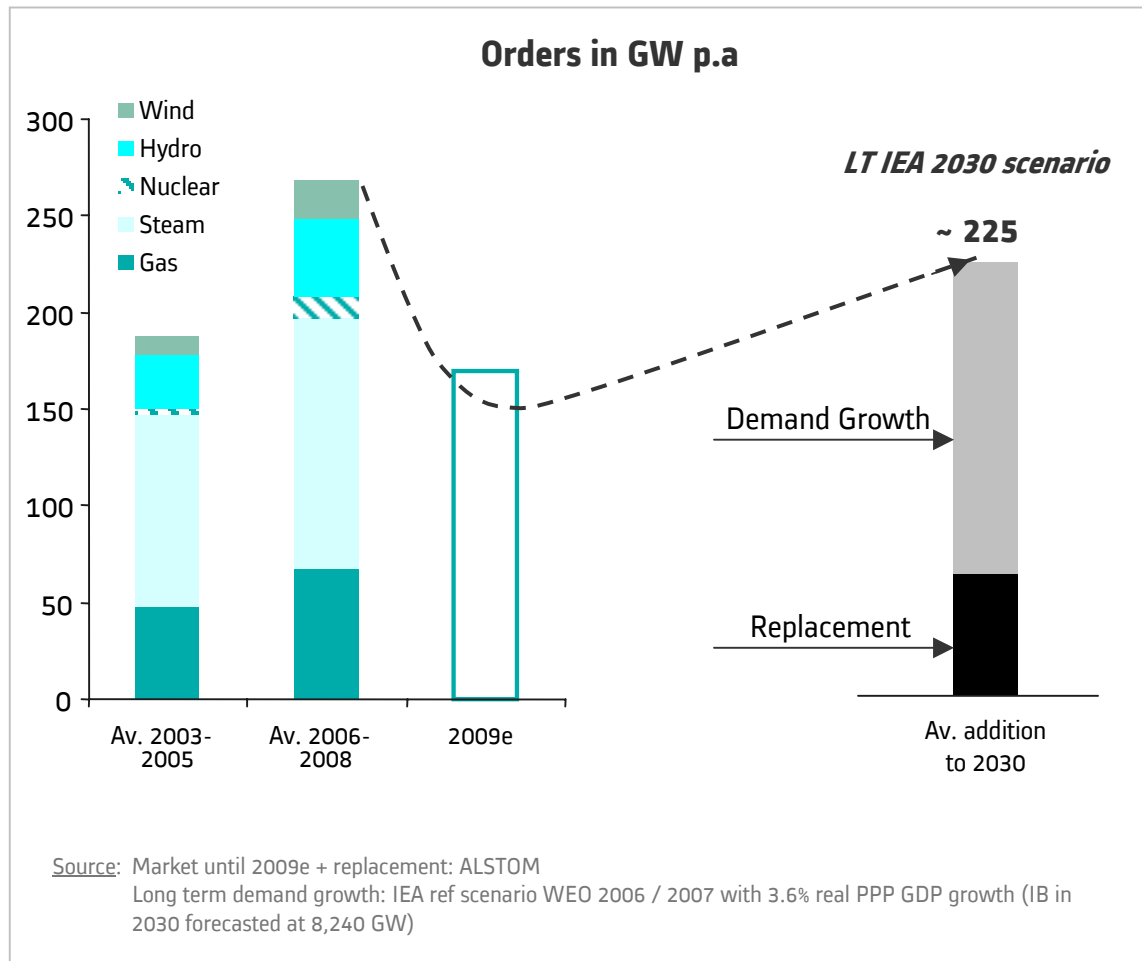
Agenda

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|----|------------------------------|---------|
| 1. | Key events of the year | Page 3 |
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| 3. | Financial results | Page 28 |
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Power

General context

Short term drop, medium term sustained



2009 power market

- Expected decrease of the new equipment market to around 170 GW
- Service and retrofit markets less volatile

Power

Key figures (1)

In € million

| | March 2008 | March 2009 | Variation |
|----------------------|---------------|---------------|-----------|
| Orders | | | |
| <i>Power Systems</i> | 11,569 | 11,879 | +3% |
| <i>Power Service</i> | 4,401 | 4,587 | +4% |
| Total Power | 15,970 | 16,466 | +3% |
| Backlog | | | |
| <i>Power Systems</i> | 16,039 | 19,385 | +21% |
| <i>Power Service</i> | 5,900 | 6,779 | +15% |
| Total Power | 21,939 | 26,164 | +19% |
| Sales | | | |
| <i>Power Systems</i> | 7,768 | 9,239 | +19% |
| <i>Power Service</i> | 3,602 | 3,815 | +6% |
| Total Power | 11,370 | 13,054 | +15% |

Power

Key figures (2)

In € million

| | March 2008 | March 2009 | Variation |
|-------------------------|--------------|--------------|-------------|
| Income from op. | | | |
| <i>Power Systems</i> | 415 | 600 | +45% |
| <i>Power Service</i> | 592 | 648 | +9% |
| Total Power | 1,007 | 1,248 | +24% |
| Operating margin | | | |
| <i>Power Systems</i> | 5.3% | 6.5% | |
| <i>Power Service</i> | 16.4% | 17.0% | |
| Total Power | 8.9% | 9.6% | |

Power

Commercial activity

Orders received by country of destination in 2008/09

North America

- **Retrofit, ECS and service** contracts in the USA



Central & South America

- **Hydro** projects in Brazil (Jirau and San Antônio) and in Panama



Middle East/Africa

- **Oil**-fired power plant in Saudi Arabia
- **Coal** power plant and **retrofit** in South Africa
- **Gas** turnkey plants in Tunisia and Algeria
- **O&M** contracts in UAE, Algeria and Tunisia



Europe

- **Gas** projects in the Netherlands and Spain
- **Power blocks and supercritical boilers** in Germany
- **Boilers** in the Netherlands
- **Hydro** project in Portugal & **wind** turbines in Spain
- **O&M** contracts in the Netherlands and in Spain



Asia/Pacific

- **Gas** project in Indonesia
- **Hydro** contract in India
- **Conventional islands** for nuclear plants in China



11%

36%

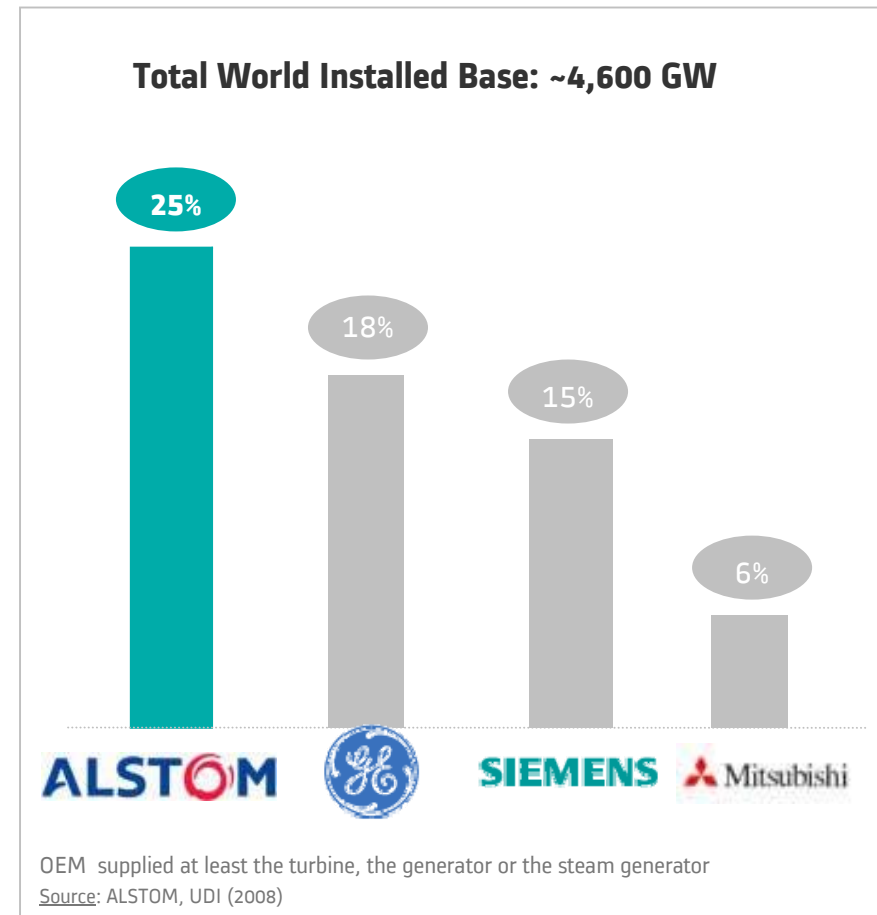
13%

7%

33%

Power Profile

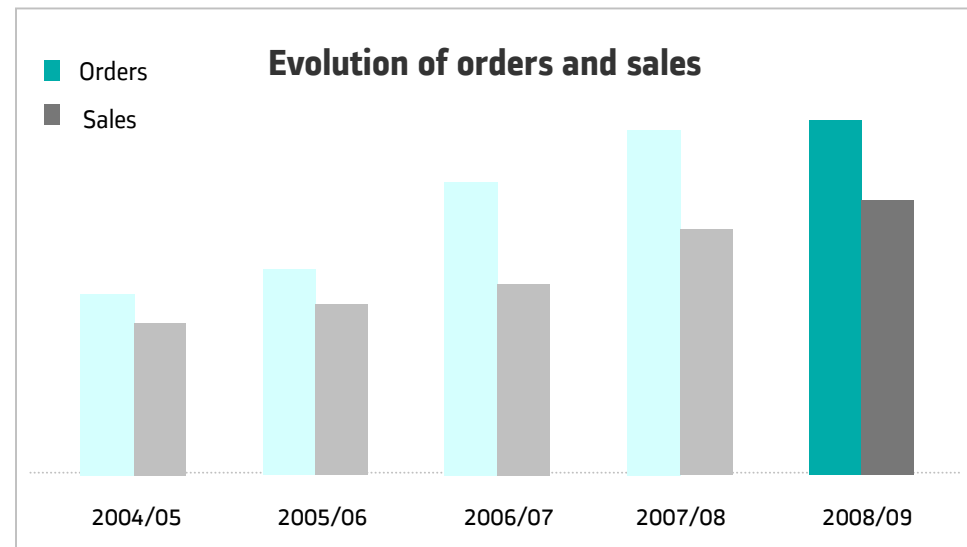
Resilient service activity



Power

Operational priorities

- Manage the load
 - Properly deliver the backlog
 - Adapt recruitment to execution needs
- Develop industrial footprint in Asia and the USA
- Strengthen positioning on broad portfolio of technologies
- Leverage opportunities on the installed base
- Boost growth by selective acquisitions



Transport

General context

Sustained market

Macro trends

- Demographics, urbanisation
- Climate change
- Economic growth
- Liberalisation

Rail business drivers

- Environment & Energy
- Urban integration
- Infrastructure saturation
- Freight development
- Global comfort

Stimulus packages for rail

Impact on Alstom



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Transport

Key figures

In € million

| | March 2008 | March 2009 | Variation |
|------------------|------------|------------|-----------|
| Orders | 7,467 | 8,114 | +9% |
| Backlog | 17,283 | 19,506 | +13% |
| Sales | 5,509 | 5,685 | +3% |
| Income from op | 397 | 408 | +3% |
| Operating margin | 7.2% | 7.2% | |

Transport

Commercial activity

Orders received by country of destination in 2008/09

North America

- **Metros** in the USA
- Turnkey contract for **metros** in Mexico



Central & South America

- **Metros** in Chile
- **Signalling** system in Brazil



Middle East/Africa

- **Tramways** in Algeria, Morocco and Dubai



Europe

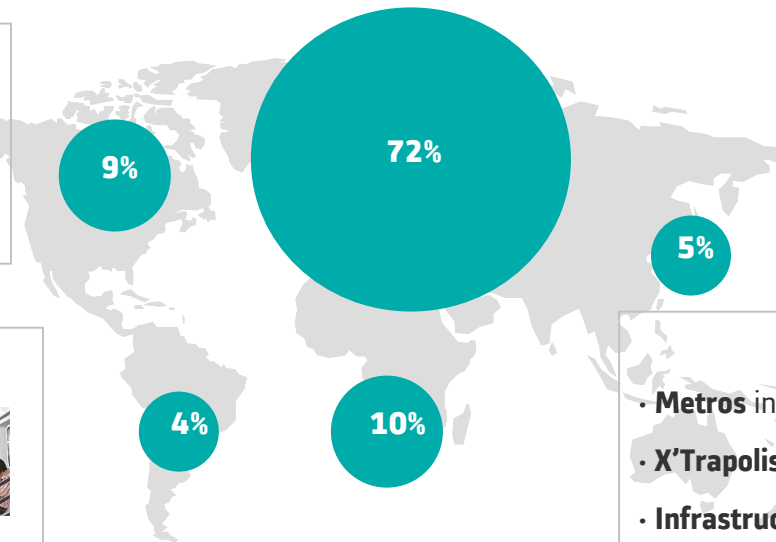
- **AGV** and **maintenance** in Italy
- **Pendolinos** and **maintenance** in the UK
- **Coradia** in Germany and in Sweden



5%

Asia/Pacific

- **Metros** in China
- **X'Trapolis** in Australia
- **Infrastructure** for Singapore metro



Transport

Strategic move



TRANSMASHHOLDING

Partnership with Transmashholding

- Technological support to modernise TMH's facilities
- Creation of a 50/50 JV for the development of new products in Russia
- Purchase of a 25% stake in TMH's equity
 - Downpayment of \$75 million
 - Final price depending on TMH's results over 2008-2011

Potential of the Russian market

- Largest railway market in Europe
- 85,000 kilometres of electrified track
- 1.3 billion passengers per year
- Annual freight of 1.3 billion tons



Transport

Operational priorities

- Secure project execution
 - Quality focus
 - Suppliers panel development
 - Cost optimisation
- Take advantage of market conditions
 - Large opportunities in France, UK and Germany
 - Good momentum worldwide for very high speed and mass transit
 - Development of service with the new private operators
- Differentiate through innovation and accelerate standardisation
- Develop worldwide positions through targeted acquisitions



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- | | | |
|----|------------------------------|---------|
| 1. | Key events of the year | Page 3 |
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| 3. | Financial results | Page 28 |
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Income statement (1/2)

In € million

| | March 2008 | March 2009 | Variation |
|-------------------------------|---------------|---------------|-----------|
| Sales | 16,908 | 18,739 | +11% |
| <i>Power</i> | <i>11,370</i> | <i>13,054</i> | +15% |
| <i>Transport</i> | <i>5,509</i> | <i>5,685</i> | +3% |
| <i>Corporate & others</i> | <i>29</i> | <i>-</i> | - |
| Income from operations | 1,295 | 1,536 | +19% |
| <i>Power</i> | <i>1,007</i> | <i>1,248</i> | +24% |
| <i>Transport</i> | <i>397</i> | <i>408</i> | +3% |
| <i>Corporate & others</i> | <i>(109)</i> | <i>(120)</i> | - |

Income statement (2/2)

In € million

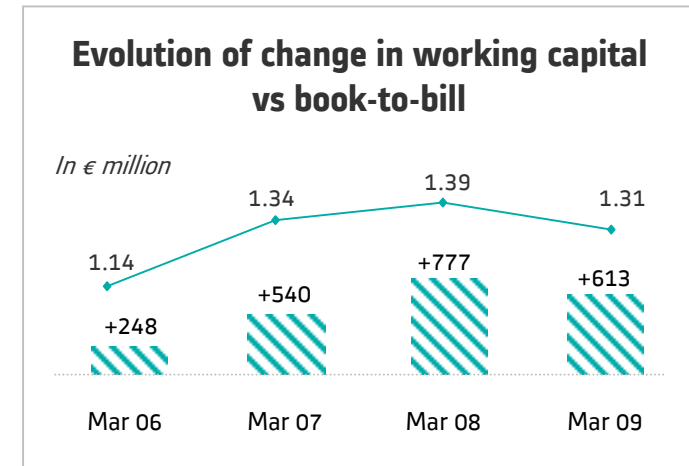
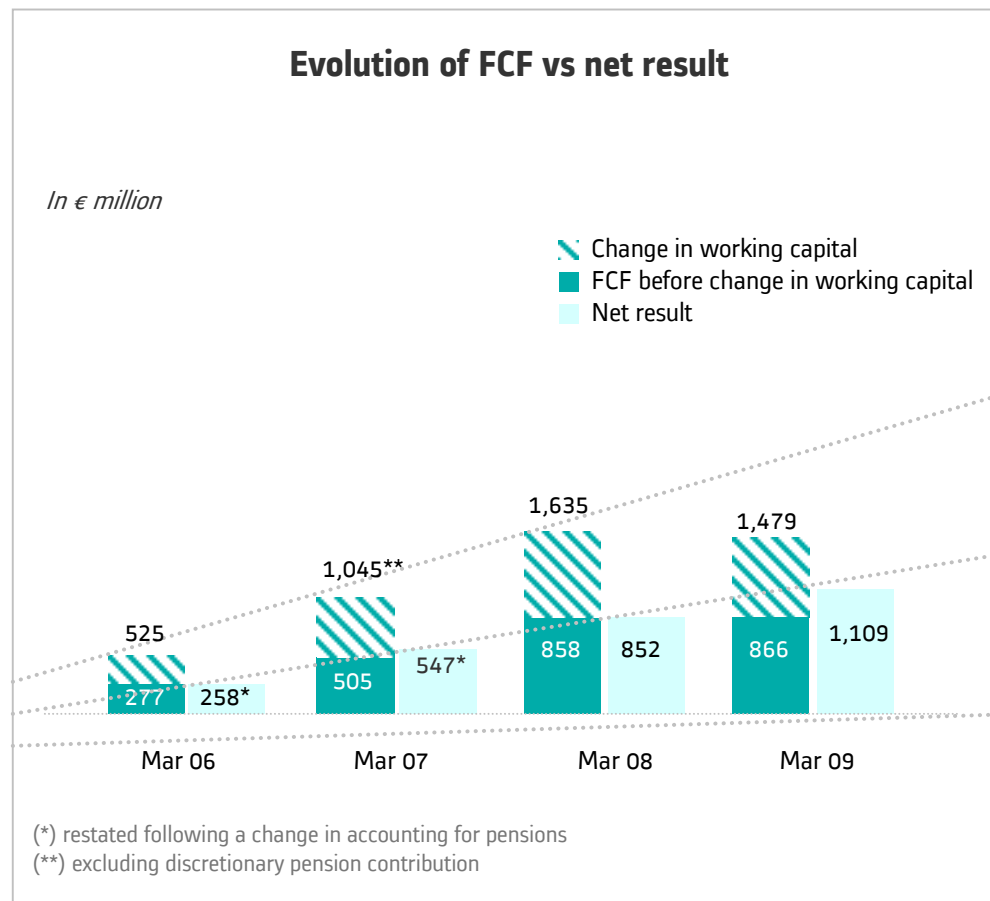
| | March 2008 | March 2009 | Variation |
|-------------------------------|--------------|--------------|-------------|
| Income from operations | 1,295 | 1,536 | +19% |
| Restructuring costs | (35) | (46) | |
| Capital gains & other | (39) | (47) | |
| EBIT | 1,221 | 1,443 | +18% |
| Financial result | (69) | 21 | |
| Tax result | (291) | (373) | |
| Minority interest & other | (9) | 18 | |
| Net result | 852 | 1,109 | +30% |

Free cash flow

In € million

| | March 2008 | March 2009 |
|-----------------------------------|--------------|--------------|
| Income from operations | 1,295 | 1,536 |
| Restructuring cash out | (87) | (84) |
| Depreciation | 223 | 247 |
| Capital expenditure | (374) | (499) |
| R&D cap. & amort. of acq. techno. | (7) | (35) |
| Pensions | (102) | (151) |
| Change in working capital | 777 | 613 |
| Tax cash out | (127) | (192) |
| Financial cash out | (56) | 13 |
| Others | 93 | 31 |
| Free cash flow | 1,635 | 1,479 |

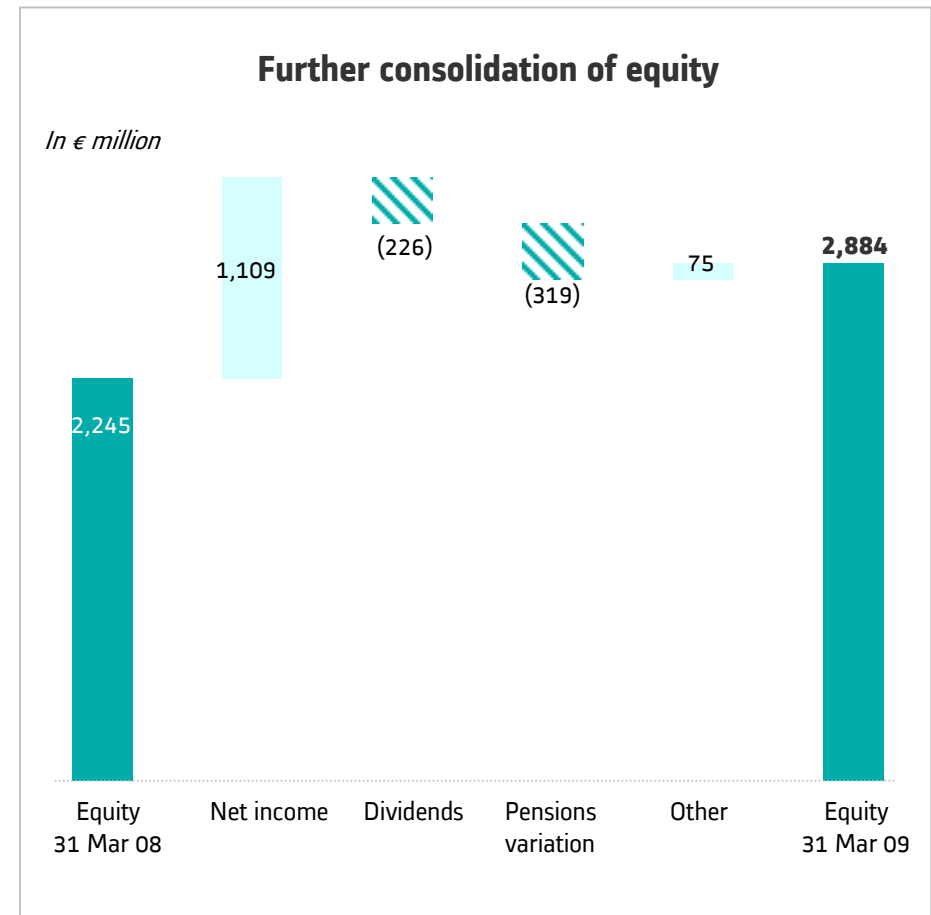
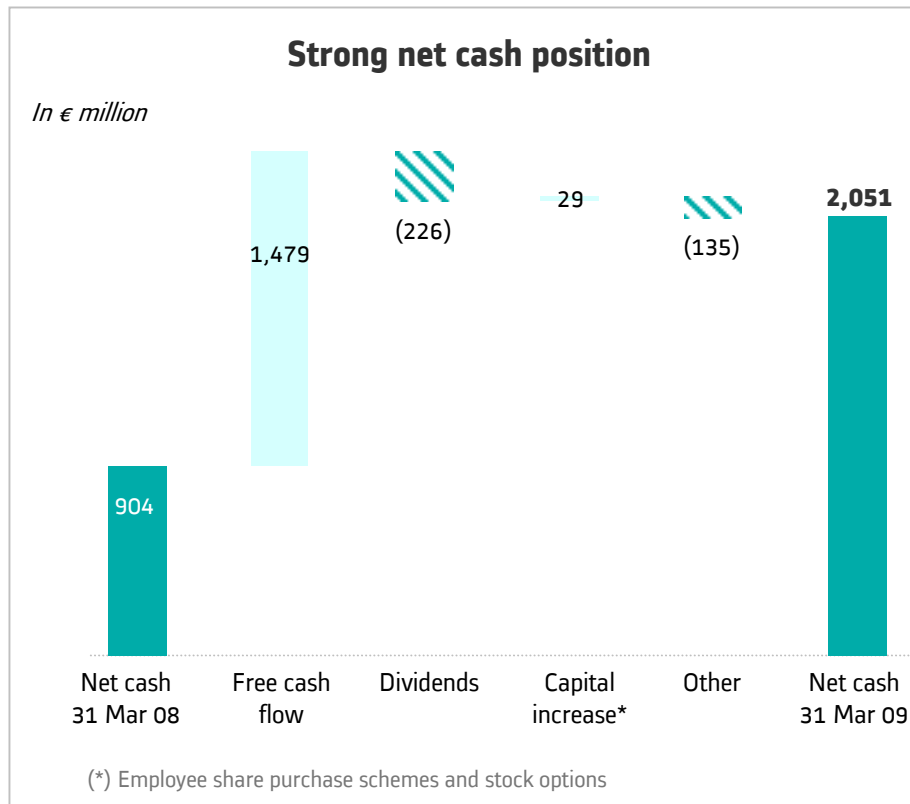
Free cash flow analysis



Change in working capital largely driven by book-to-bill variation

Profitability impact on free cash flow

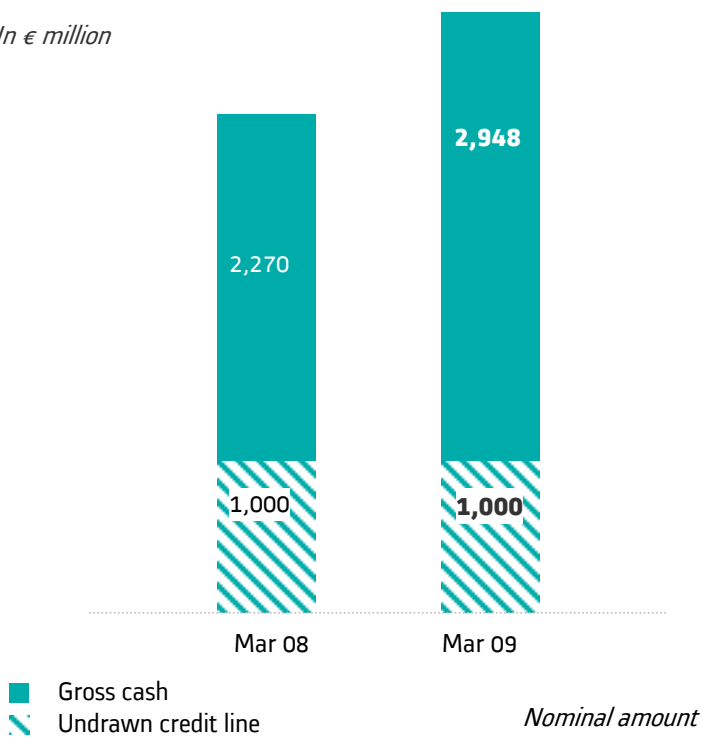
Evolution of net cash & equity



Liquidity

Liquidity position strengthened

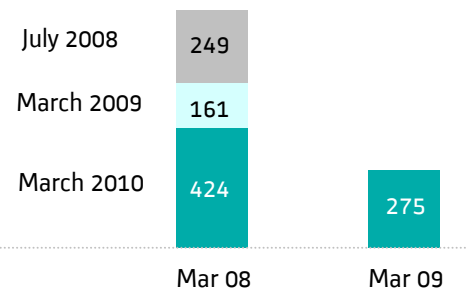
In € million



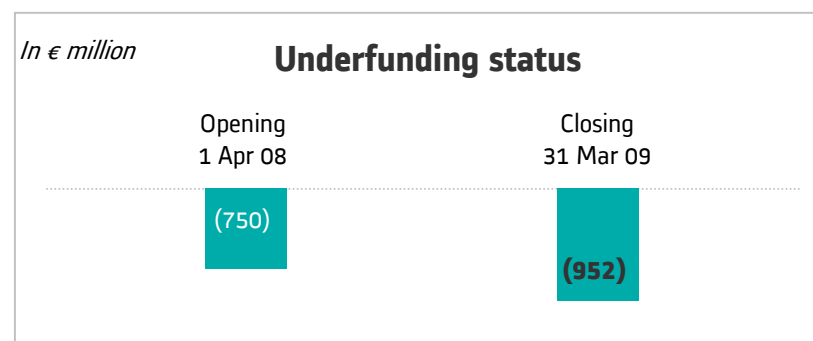
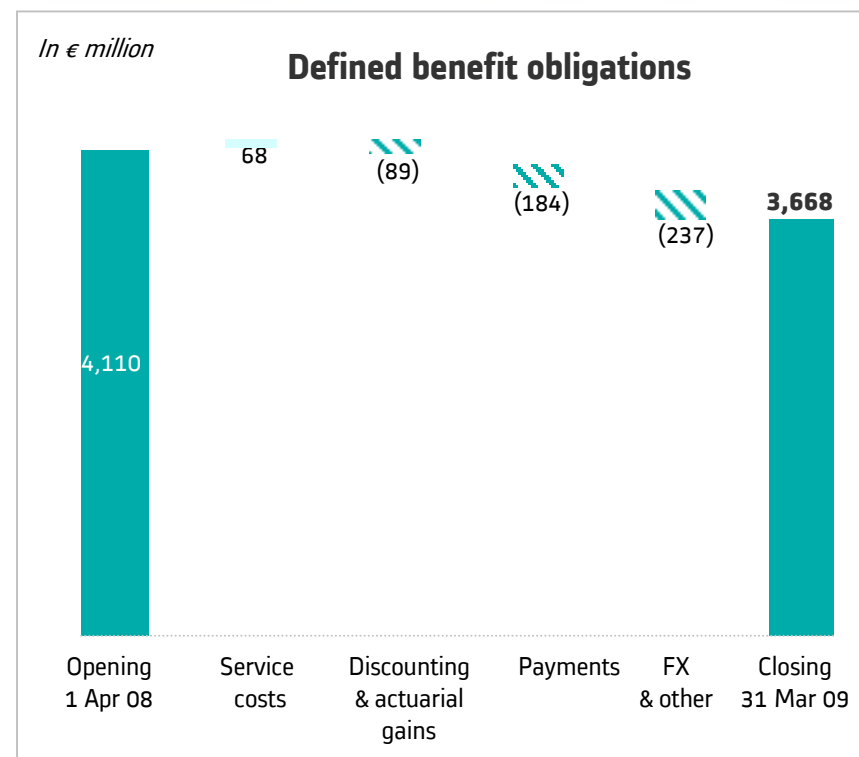
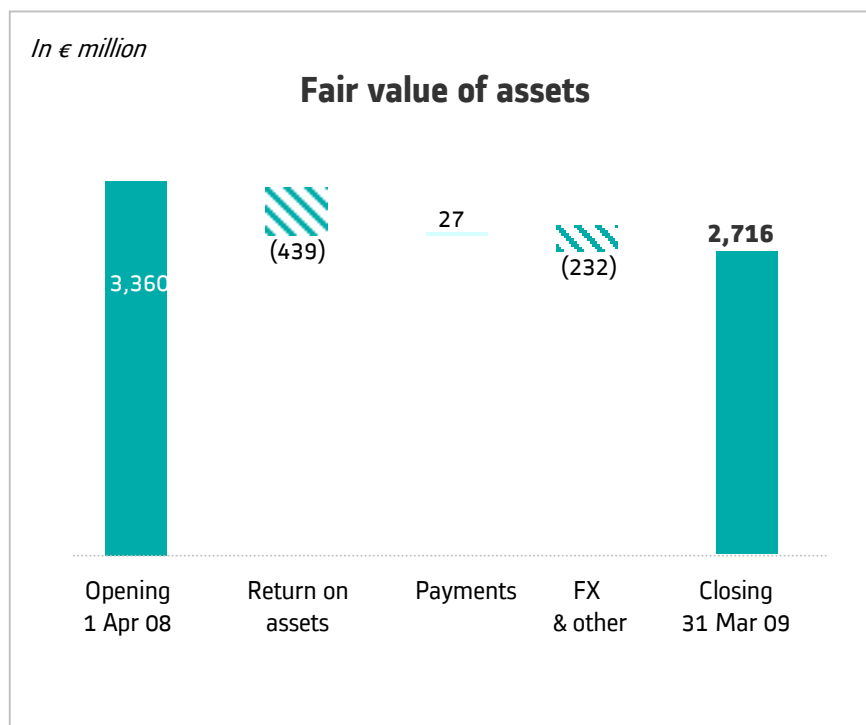
Reimbursement of bonds

In € million

Maturity



Pensions



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|----|------------------------------|---------|
| 1. | Key events of the year | Page 3 |
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| 3. | Financial results | Page 28 |
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Outlook

Short term priorities

- Smoothly execute the large backlog
- Increase flexibility and optimise costs
- Strengthen our positioning
- Grasp opportunistic acquisitions

Objectives

- March 2010 operating margin forecast confirmed: around 9% for the Group
 - Power: between 10% and 11%
 - Transport: between 7% and 8%

Disclaimer

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

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