

Half-Year Results Fiscal Year 2007/08

8 November 2007

We are shaping the future

ALSTOM

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Key figures

Continuous strong profitable growth in H1 2007/08

In € million

	Sept 2006*	Sept 2007	Variation
Orders received	9,664	12,847	+33%
Backlog	30,106	37,226	+24%
Sales	6,608	8,004	+21%
Income from operations	413	573	+39%
<i>Operating margin</i>	6.3%	7.2%	
Net income	261**	388	+49%
Free cash flow	747	1,248	+67%

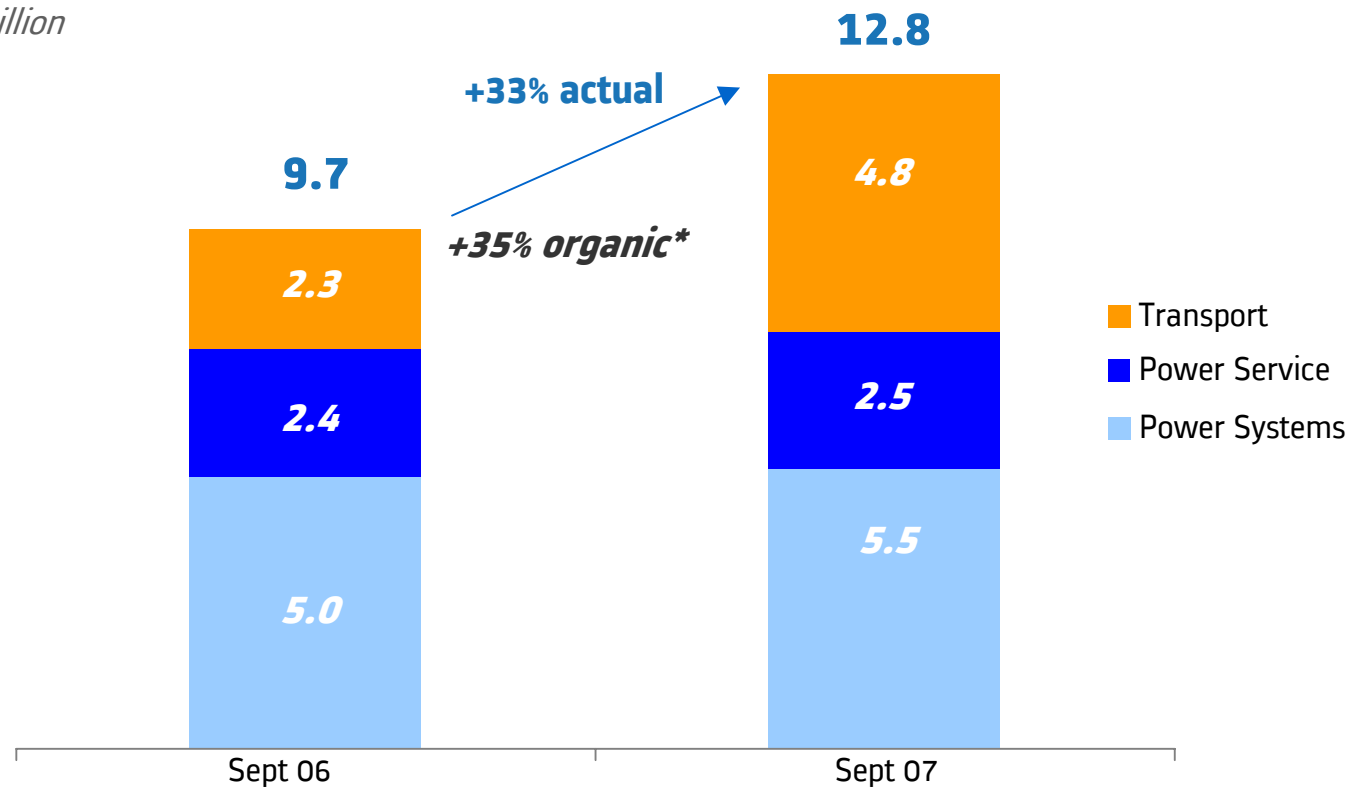
(*) actual figures

(**) restated following a change in pension accounting (last year reported net income: €227 million)

Orders received

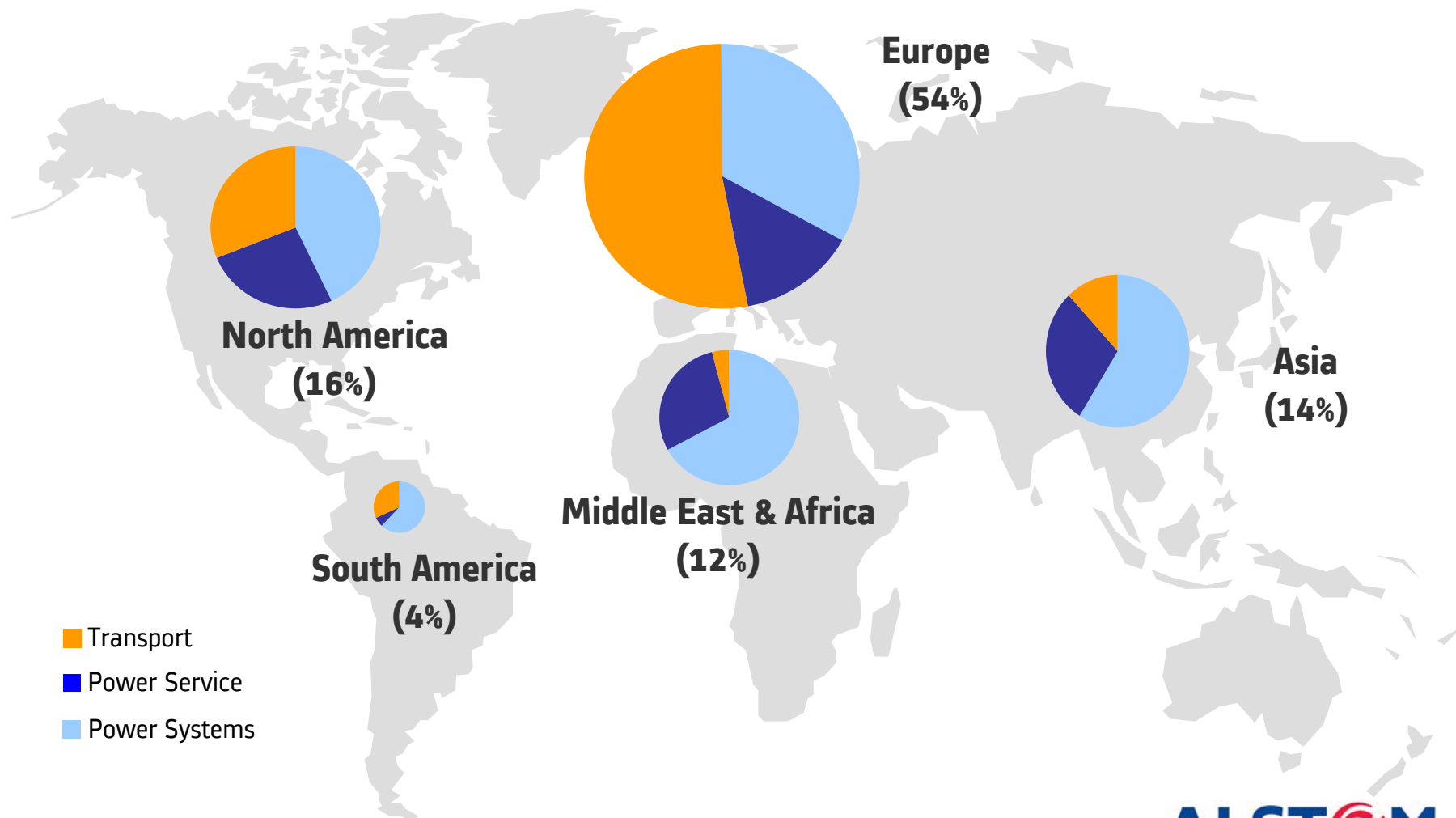
Excellent level of orders

In € billion



Orders received by country of destination

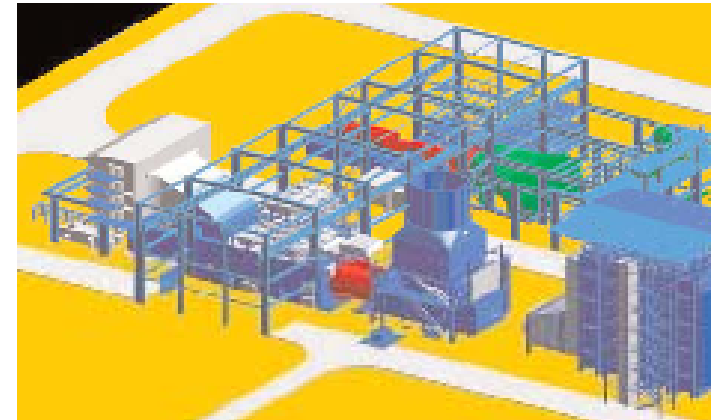
EU remaining dominant; strong growth in MEA in H1 2007/08



- Transport
- Power Service
- Power Systems

Major commercial successes in Power

- 29 **gas** turbines booked over 6 months (of which 10 GT26) in 12 countries
- Breakthrough on the **desalination market** (Fujairah award in Middle East incl. 5 GT26*)
- **Hydro**: major recent contract in Vietnam*; strong activity in Brazil and China
- Continuing participation in the **nuclear** program in China (award for 4 conventional islands)
- 6 **operation and maintenance** contracts in Italy, UK, Ireland, Morocco and India



* To be booked in H2 2007/08

Major commercial successes in Transport

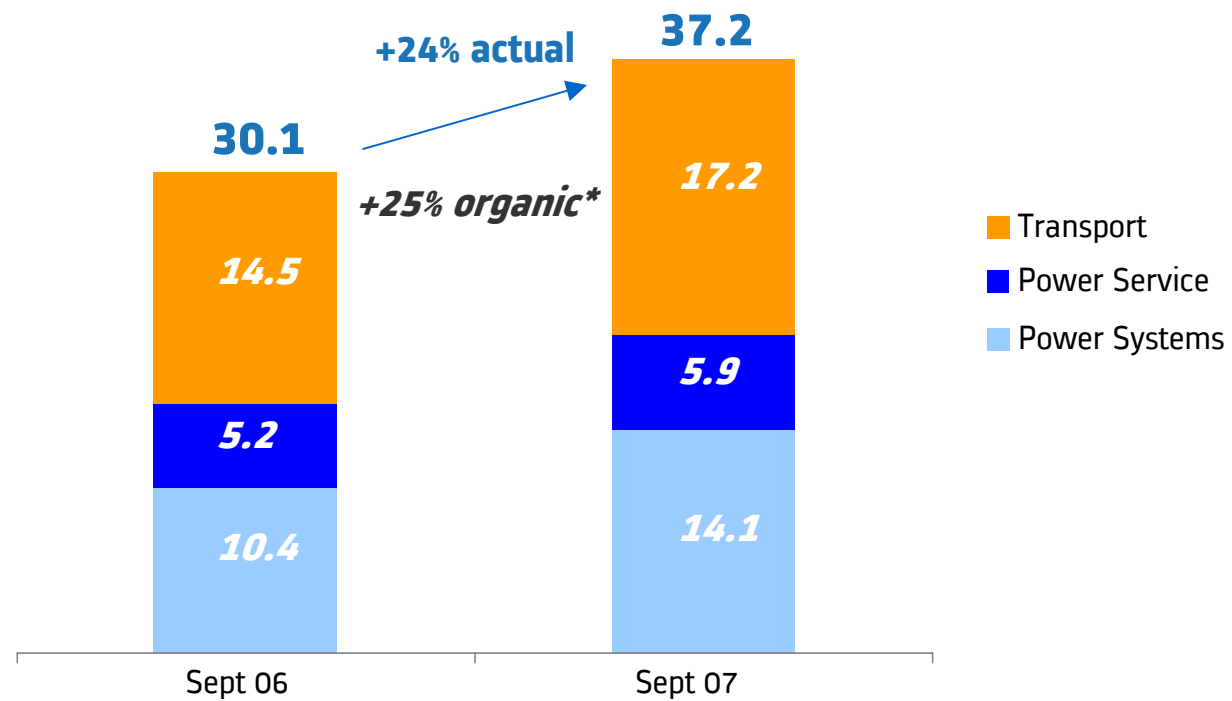
- Large order for **TGVs** in France (80 trains+40 optional)
- Contracts for **METROPOLIS** in New York, Brasil and China
- Booking of several **CITADIS** tramways (Dublin) and a tram-train in France
- Success of **CORADIA** regional trains in Germany
- **Signalling** system in Belgium and **maintenance** contract in the UK



Backlog

28 months of sales

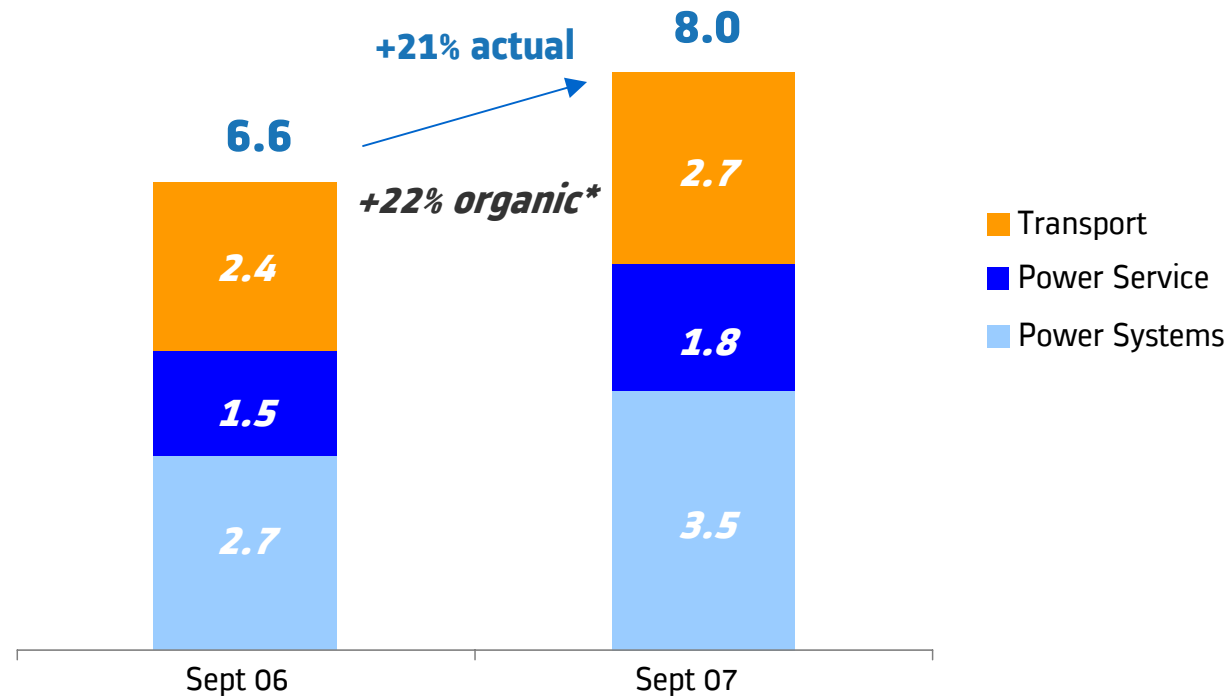
In € billion



Sales

Ramp-up of volume – High book-to-bill at 1.6

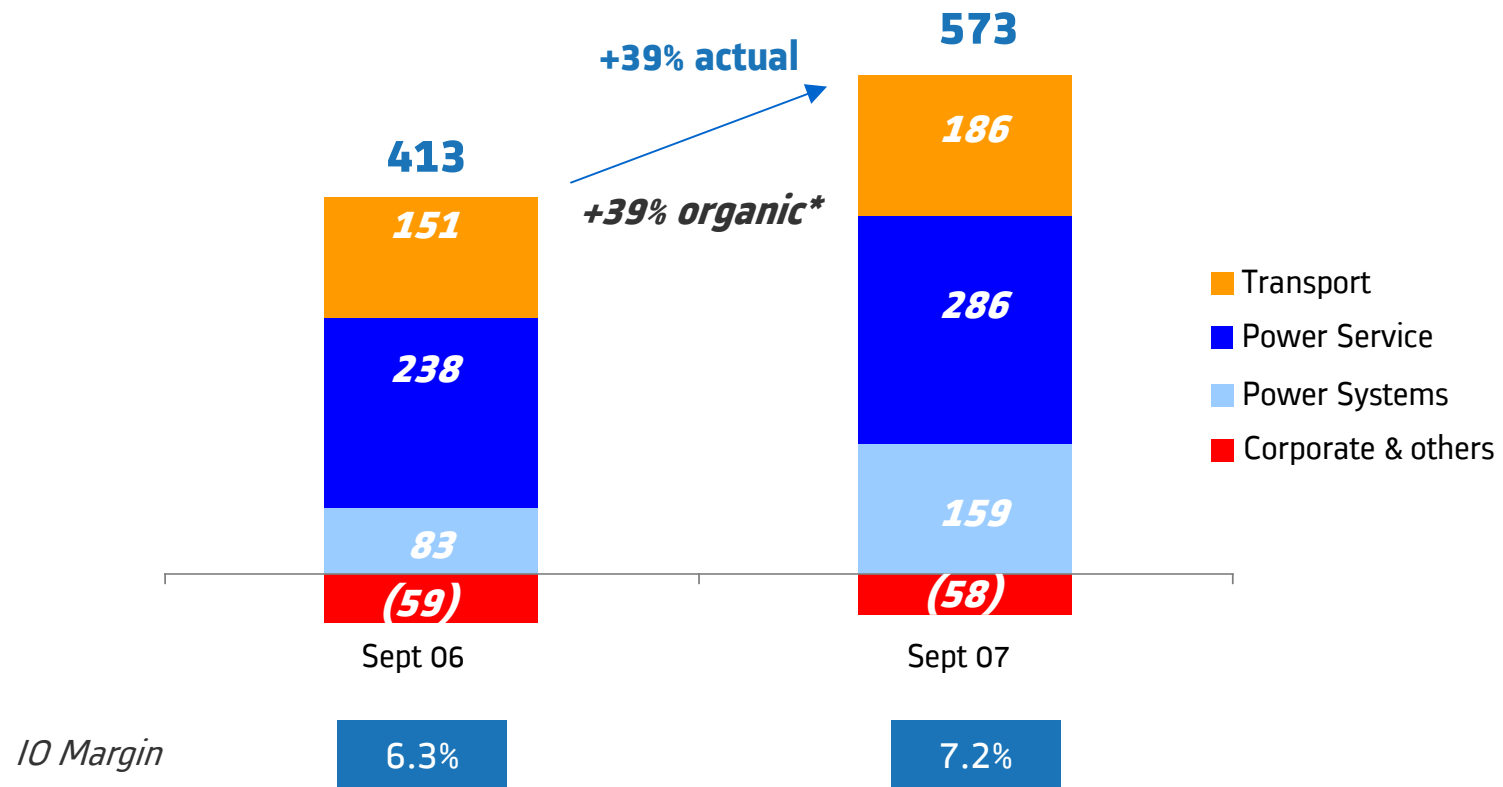
In € billion



Income from operations

Improvement in all Sectors

In € million



Capital expenditure

Increase in capex by **38%** (from €84 million to €116 million)

Supply chain

- Increase capacity of internal foundries (Poland)
- Long term agreements with suppliers
- Suppliers' to increase their own capacity
- Qualifying new suppliers

Manufacturing capacity

- New capacities on-stream in Beijing (China) / Morelia (Mexico)
- Increased blades production capacity
- Capacity doubled in hydro factory in China

R&D

Increase in R&D expenses by **23%** (from €205 million to €252 million)

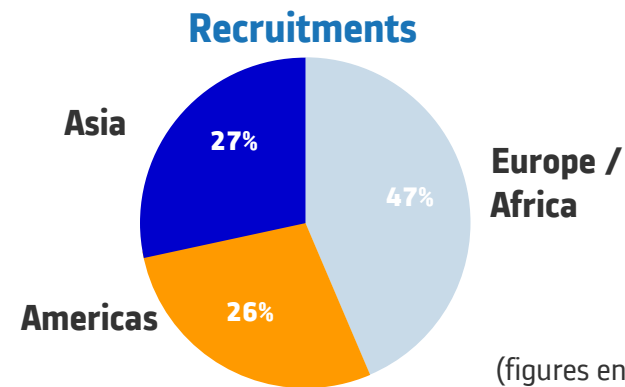
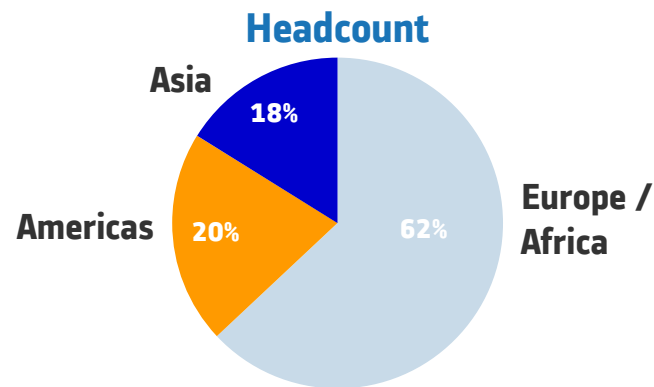
- **CO2 capture** strategy:
 - Pilot plants for **post combustion** capture to be developed in Northern Europe and Australia
 - Pilot plant for **oxyfiring** process in Germany
- **AGV**: first tests on Pégase by December 2007
- **X04 tramway**: prototype based on CITADIS for old networks to be launched by February 2008
- Project of **hybrid** (diesel/electric) **locomotives** to reduce fuel consumption and emissions



HR management

Headcount at end of September 2007: 71,600

- Sustained **recruitment**:
 - 4,800 newcomers over the first half 2007/08, including 2,550 engineers and managers



- Strong efforts on **training**: 6 new regional campuses within Alstom University
- New employee stock purchase scheme to be launched in November: **'Alstom sharing 2007'** (expected costs of around €20 million)

External growth

Acquisitions & partnerships in key areas

- **Wuhan Boiler Co.** acquisition in China closed; new factory to be built
- Wind: acquisition of **Ecotècnia** closed
- Implementation of the partnership with **Atomenergomash** in Russia
- Signalling: 50/50 JV created with **Balfour Beatty** to serve the UK and Irish markets



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Power market: update 2007-2011

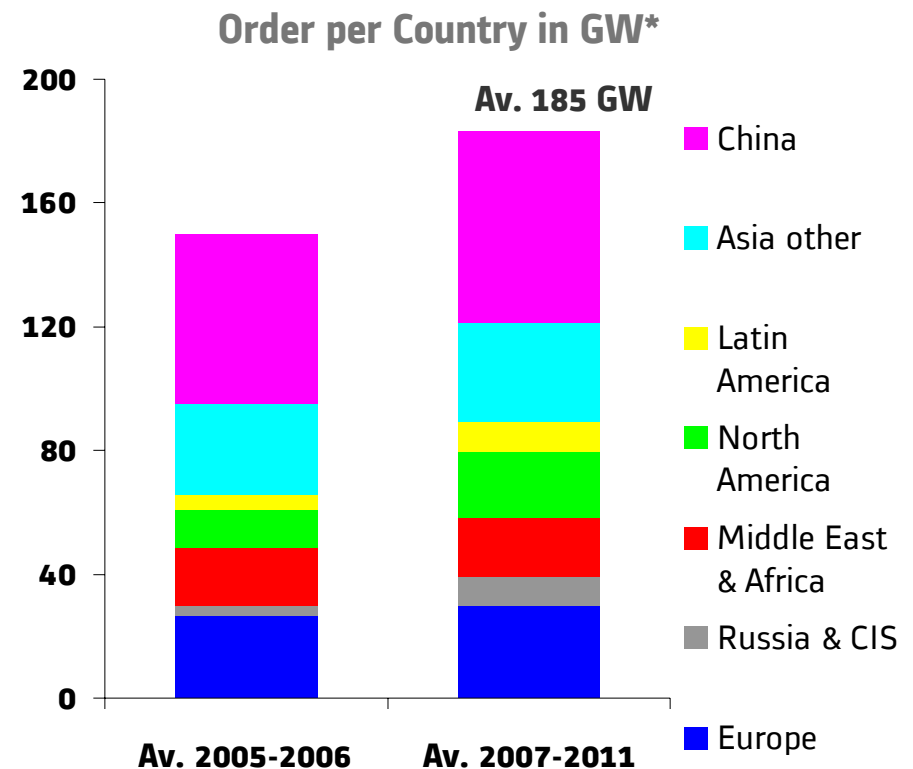
Strong demand worldwide with balanced mix of technologies

- Strong market with orders expected around **185 GW p.a.** on average over 2007-11 period, compared with 150 GW p.a. in 2005-06 period
- **Above our previous forecast** of 145 GW p.a. over 2006-10 period (including wind)

New equipment market – by geography

Alstom to benefit from its worldwide presence

- Ongoing investment cycle in **Europe** and **Middle-East**
- Upward trend in **Americas**
- Sustained high demand in **China**
- Large investment plan in **Russia**
- Strong demand in the **rest of the world**



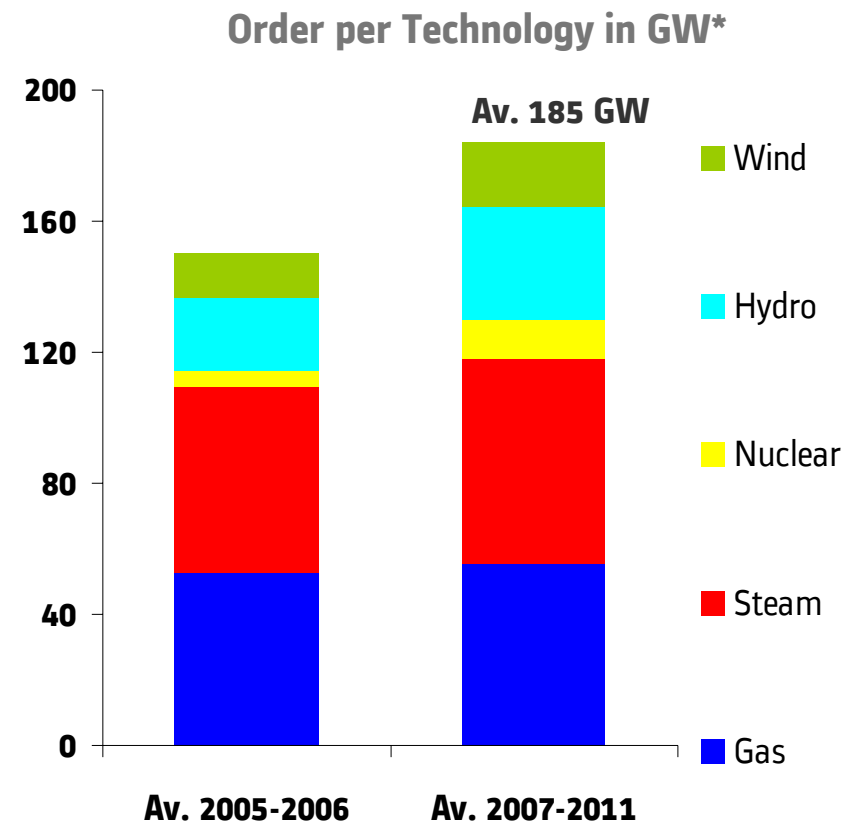
Source: Alstom

Note: *order forecasts include Large GTs> 40 MW, Large Conv STs, ST CC, nuclear, hydro and wind

New equipment market – by technology

Alstom well positioned to serve demand for diversified technologies

- **Gas:** 50-60 GW p.a. – 30%
 - Half in Europe and Middle-East
- **Coal:** 70 GW p.a. – 40%
 - Mostly for supercritical plants
- **Nuclear** revival – 5%
- **Hydro:** 30 GW p.a. – 15%
 - China dominant, Latin America back
- **Wind:** 20 GW p.a. – 10%
 - Growing regional distribution



Source: Alstom

Note: *order forecasts include Large GT plant > 40 MW, Large Conv STs, ST CC, nuclear, hydro and wind

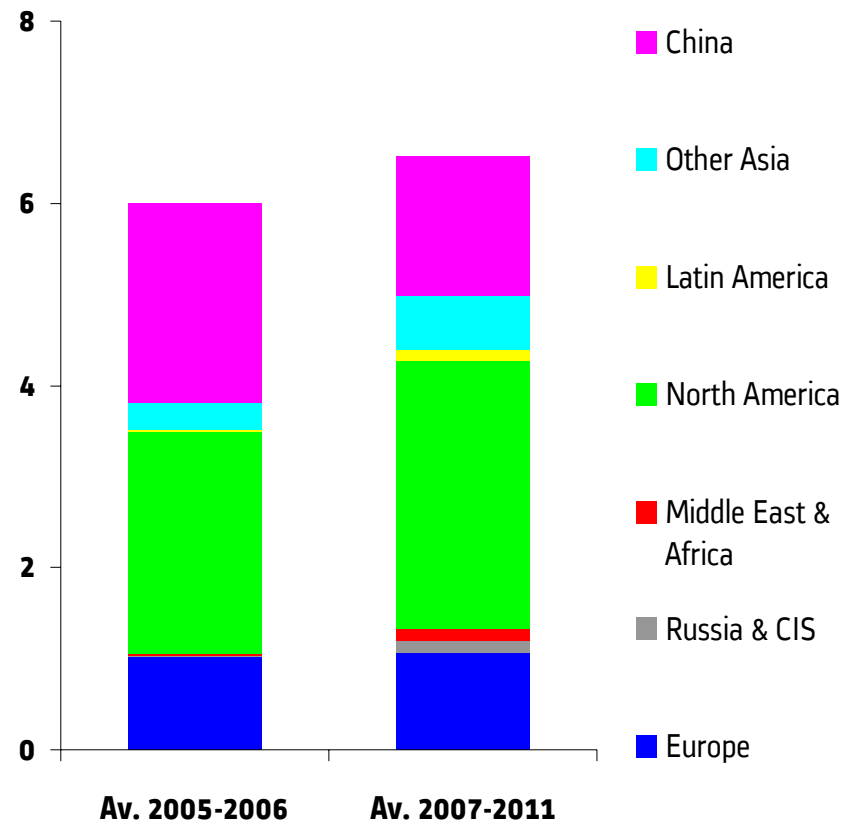
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Environmental product market

Alstom to leverage its leading position in ECS

- Over half of the market in **North America and Europe**
- Sustained De-SOx and De-NOx demand driven by **regulation** compliance deadlines
- Emerging opportunities for **CO2**

Environmental product market in billions euros*



Source: Alstom

Note: * Excluding inflation, power market only

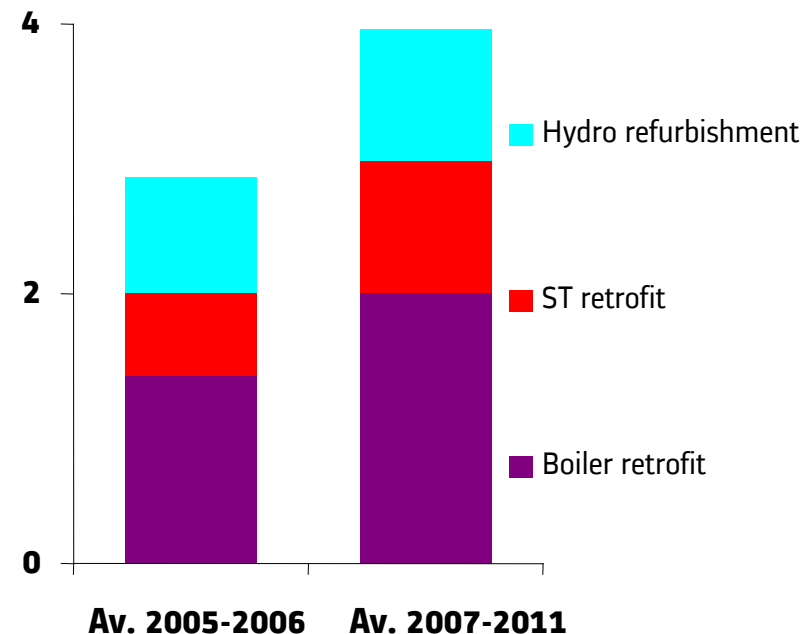


Retrofit market

Alstom to benefit from its largest installed base

- **Environmental constraints** and **ageing installed base** key drivers for steam turbine retrofit
 - Growing nuclear opportunities
- **Better economics** for modernisation projects (increased return for efficiency improvement)
- Sustained demand for **hydro refurbishment**

Retrofit market in billions euros*

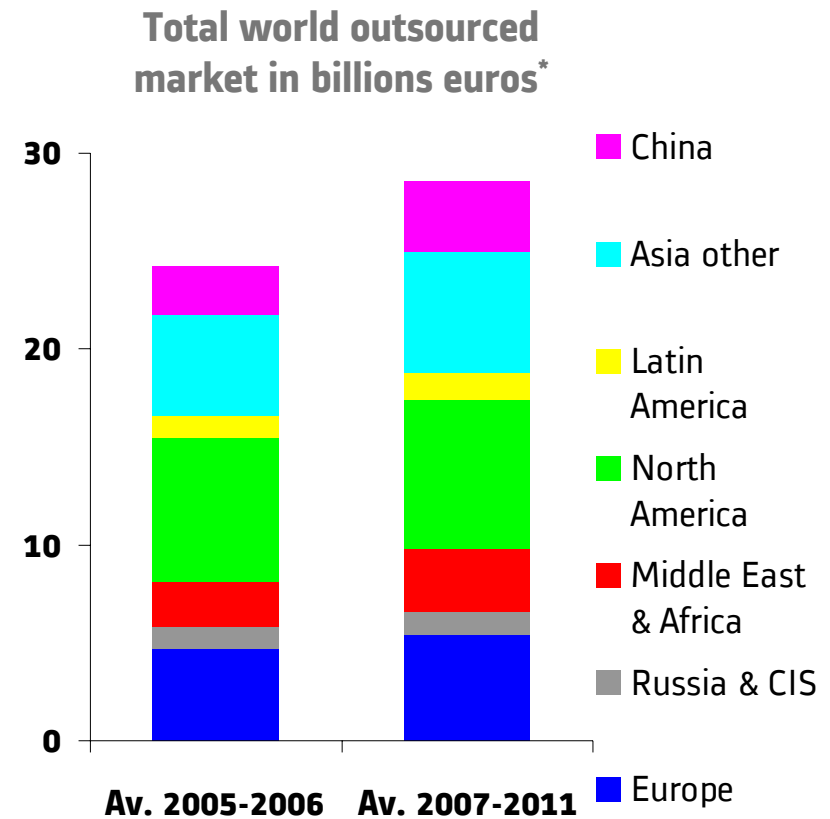


Source: Alstom
Note: * Excluding inflation

Service market

Alstom installed base worldwide to serve a growing service market

- Long-term demand for **outsourced** services
- Maintenance and life extension opportunities in **Europe and US**
 - Environmental constraints
 - Increasing fuel price volatility
 - Need for operational flexibility
- New service needs in **emerging markets**
 - Strong growth in installed base, notably in Asia
 - Focus on plant performance and environment



Source: Alstom

Note: * Excluding inflation. Thermal power stations >20MW only



Transport market

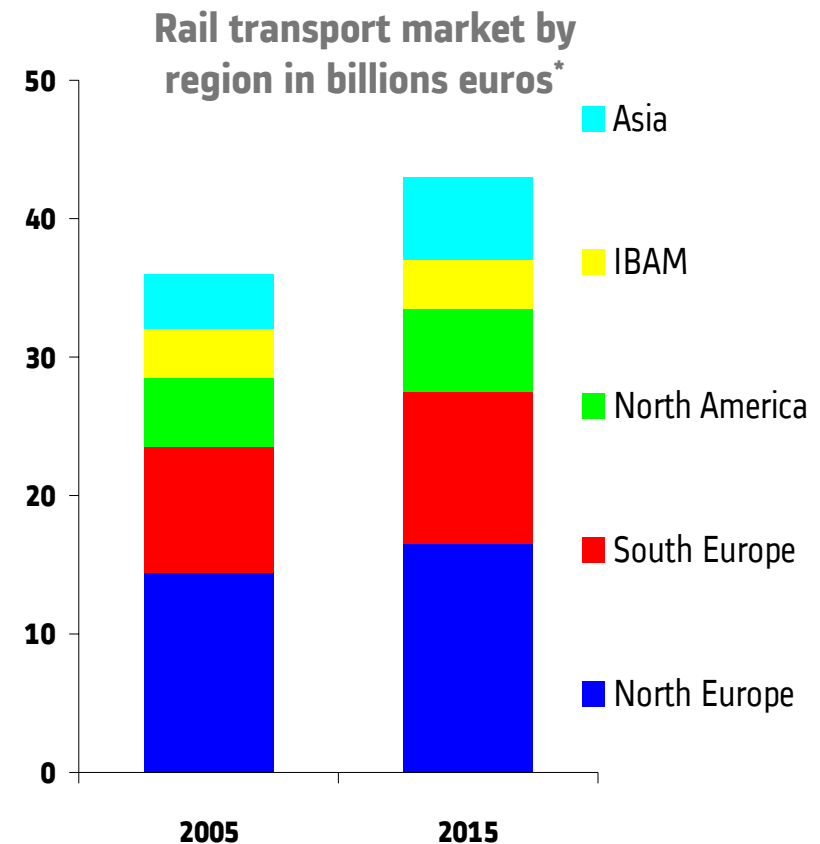
Sustained demand worldwide with growth in all market segments

- Alstom accessible market to reach **43 b€** in 2015 (vs. 36 b€ in 2005)
 - No change from previous forecast
- **Rolling stock** demand driven by growing need for mobility worldwide in main line and mass transit
- **Non-Rolling stock** activities accounting for two-thirds of accessible market
 - Need for modernisation of existing networks
 - New networks in emerging markets

Transport market – by geography

Alstom well positioned to benefit from growth in mature and new markets

- **Europe** to remain main market
 - Large ageing fleet
 - Increased regional and trans-national interconnections
- Growing opportunities **in the rest of the world**
 - Significant growth in new equipments and services in Asia



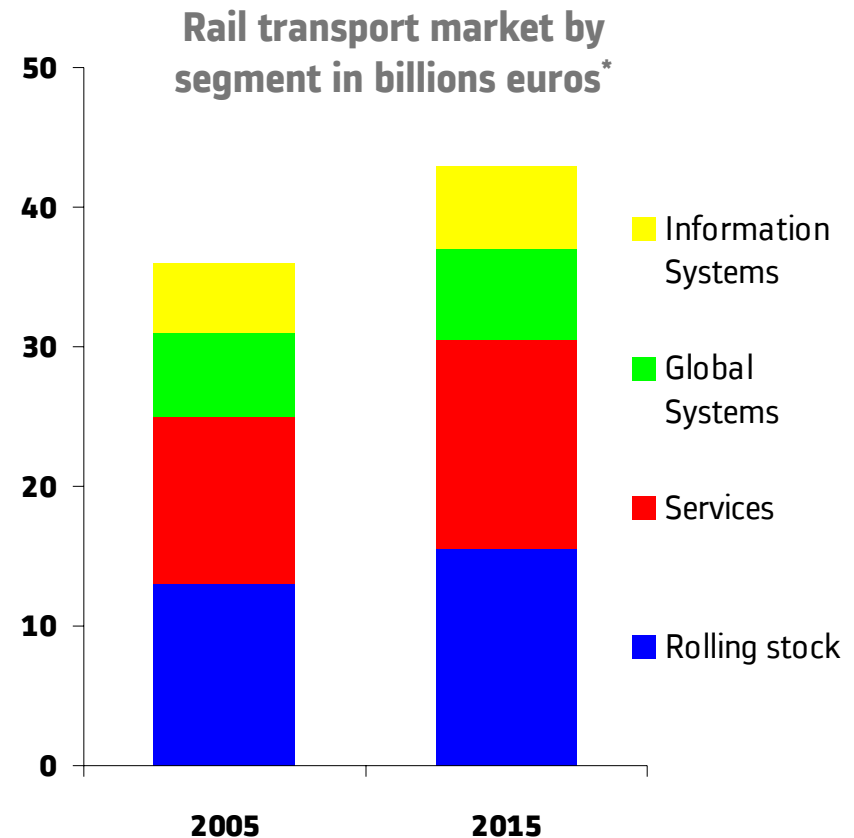
Source: Alstom, UNIFE

Note: * Alstom accessible market. IBAM=Latin America+ Iberian peninsula. South Europe includes Middle-East & Africa

Transport market – by technology

Alstom to leverage its broad portfolio

- Growing demand for **mass transit**: tramways and metros, driven by urbanisation
- Positive signs on **high speed market** worldwide
- **Service and Information & Global systems** opportunities
 - Increased traffic
 - Ageing installed base
 - Deregulation



Source: Alstom, UNIFE

Note: * Alstom accessible market

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Power

Key figures (1)

In € million

	Sept 2006 (*)	Sept 2007	Variation
Orders			
<i>Power Systems</i>	5,035	5,513	+9%
<i>Power Service</i>	2,364	2,512	+6%
Total Power	7,399	8,025	+8%
Backlog			
<i>Power Systems</i>	10,442	14,117	+35%
<i>Power Service</i>	5,176	5,882	+14%
Total Power	15,618	19,999	+28%
Sales			
<i>Power Systems</i>	2,732	3,538	+30%
<i>Power Service</i>	1,484	1,756	+18%
Total Power	4,216	5,294	+26%

(*) actual figures

Power

Key figures (2)

In € million

	Sept 2006 (*)	Sept 2007	Variation
Income from op			
<i>Power Systems</i>	83	159	+92%
<i>Power Service</i>	238	286	+20%
Total Power	321	445	+39%
Operating margin			
<i>Power Systems</i>	3.0%	4.5%	
<i>Power Service</i>	16.0%	16.3%	
Total Power	7.6%	8.4%	

(*) actual figures

Transport

Key figures

In € million

	Sept 2006 (*)	Sept 2007	<i>Variation</i>
Orders	2,241	4,796	+114%
Backlog	14,468	17,200	+19%
Sales	2,370	2,686	+13%
Income from op	151	186	+23%
Operating margin	6.4%	6.9%	

(*) actual figures

Income Statement

In € million

	Sept 2006	Sept 2007	Variation
Income from operations	413	573	+39%
Restructuring costs	(17)	(12)	
Capital gains & other	10	-	
EBIT	406*	561	+38%
Financial result	(61)	(41)	
Tax result	(78)	(129)	
Discontinued operations	(15)	-	
Minority interest & other	9	(3)	
Net result	261*	388	+49%

(*) restated following a change in pension accounting

Free Cash Flow

In € million

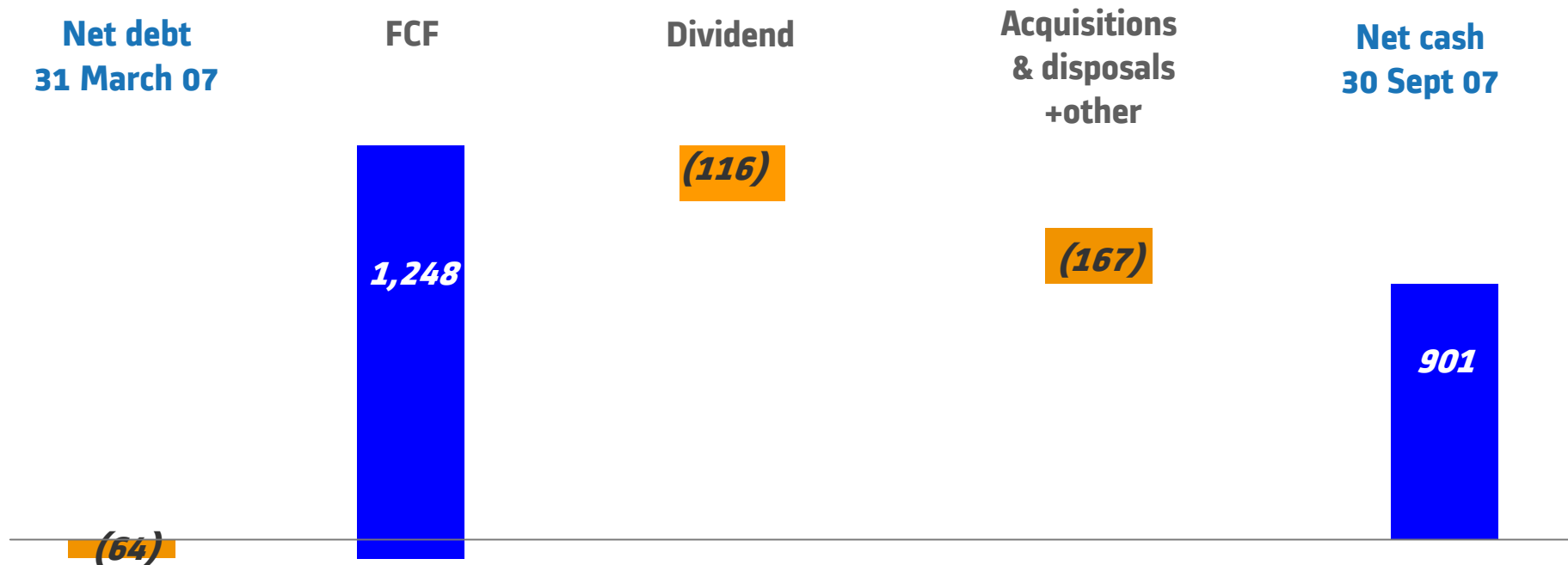
	Sept 2006	Sept 2007
EBIT before restructuring	423*	573
Capital gain/loss	(10)	-
Depreciation	97	107
R&D cap. & amort. of intang.	12	10
Restructuring cash out	(57)	(44)
Financial cash out	(57)	(52)
Tax cash out	(50)	(74)
Change in WC	523	867
Capex	(84)	(116)
Others	(50)	(23)
Free cash flow	747	1,248

(*) restated following a change in pension accounting

Evolution of net debt

Strong net cash position at the end of September 2007

In € million

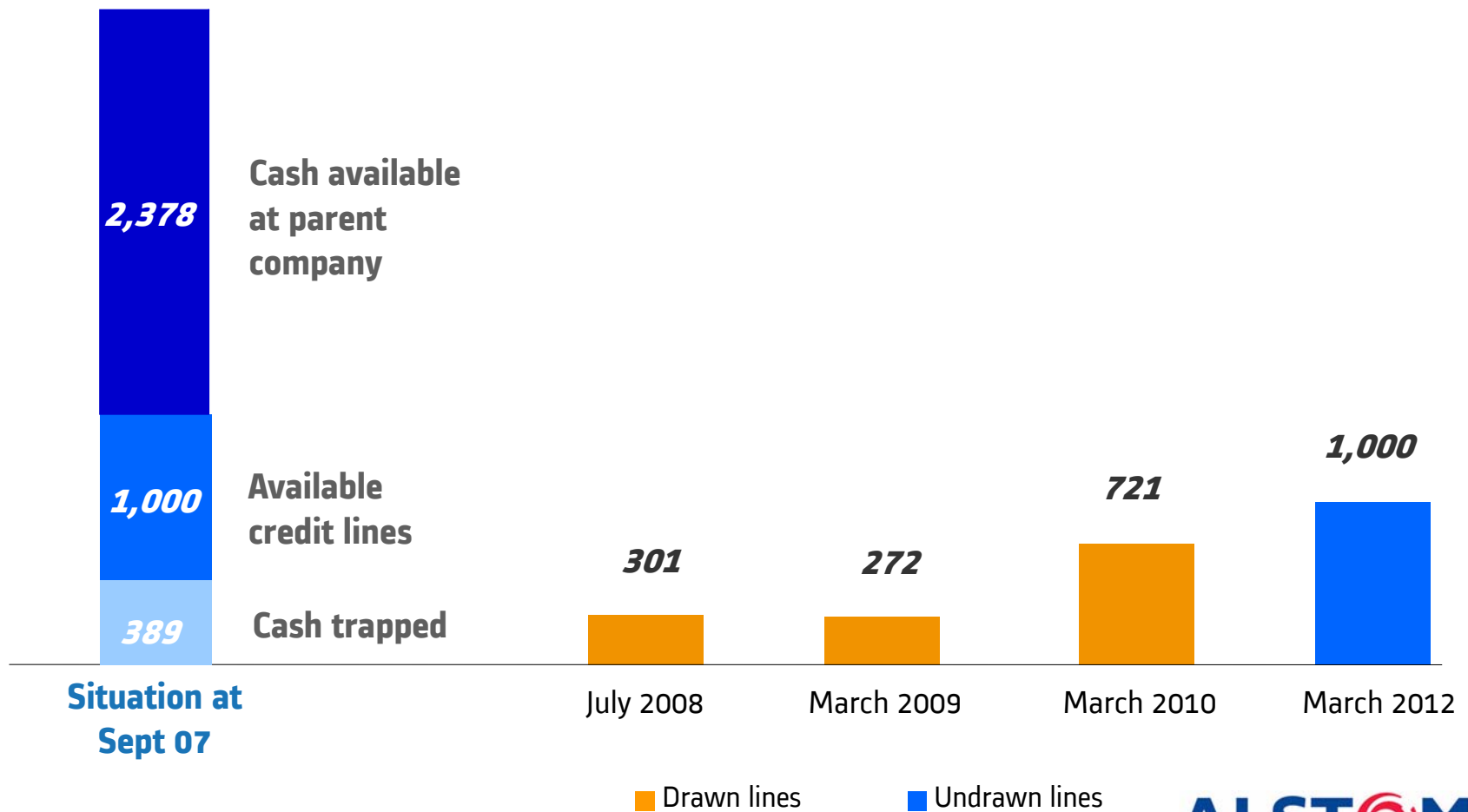


Main credit lines at 30 September 2007

In € million

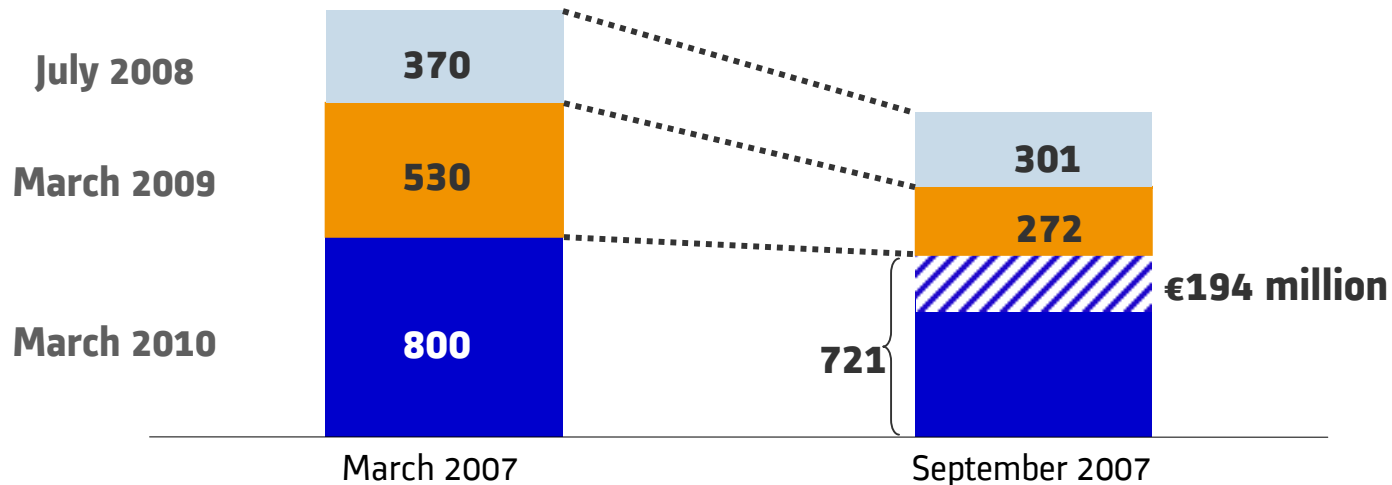
Liquidity further improved

Nominal amount



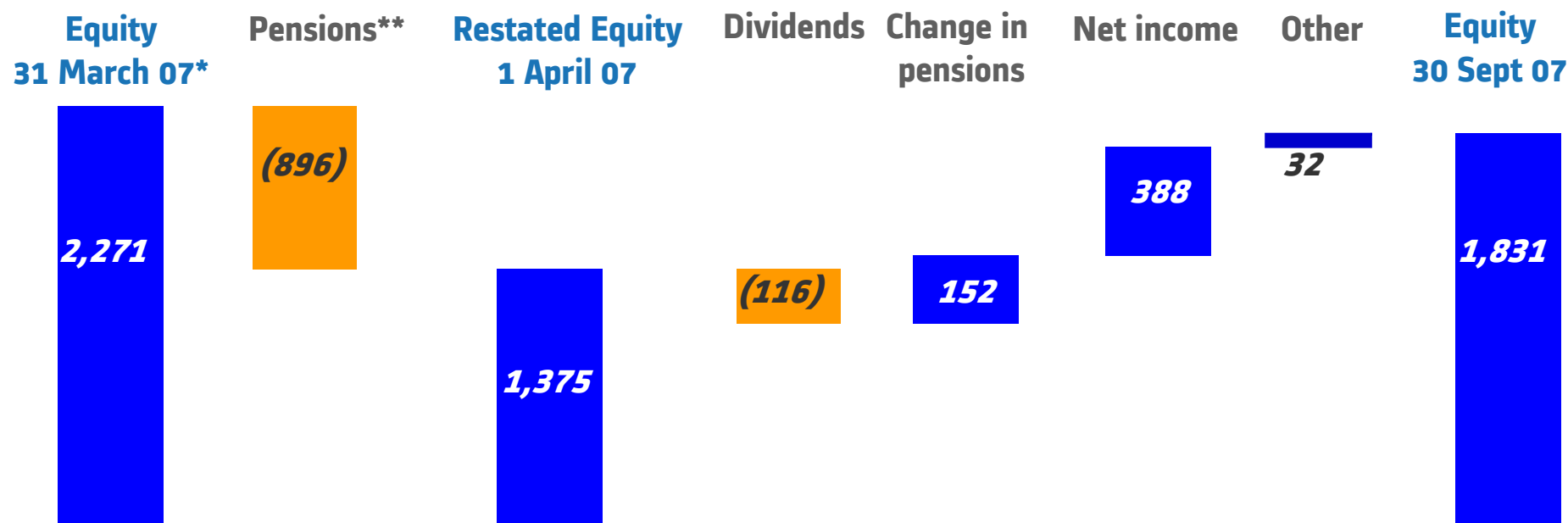
Other events in finance

- **Bonding program** renegotiated:
 - Needs covered until July 2010 (extended from July 2008)
 - Decrease in bonding costs
- **Debt buy-back** initiatives:
 - In October 2007, €194 million of the bond maturing in March 2010 bought back through public offering



Evolution of equity

In € million



(*) as reported as of 31 March 07

(**) Adoption of full amortisation of unrecognised pension underfunding in equity (SoRIE)

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Full year outlook

- **March 2008** forecasts:
 - **Sales:** organic* growth of approximately 15% versus prior year (previous guidance: above 10%)
 - **Operating margin:** around 7.5% with a further improvement expected in H2 (previous guidance: above 7%)

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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