ALSTOM

Financial report Half-year

As of 30 September 2020

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This document is a free translation of the French language original version

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Management report on condensed interim consolidated financial statements,

Half-year ended 30 September 2020

1. Main events of half-year ended 30 September 2020

1.1 The acquisition of Bombardier Transportation

Status

On 31 July 2020, the European Commission cleared Alstom's acquisition of Bombardier Transportation. The Commission's approval for the transaction is conditional on the proposed engagements that consist of:

- A transfer of Bombardier Transportation's contribution to the V300 ZEFIRO very high-speed train and an offer of IP licence to Hitachi for the train co-developed by Hitachi and Bombardier Transportation for use in future very high-speed tenders in the UK;
- the divestment of the Alstom Coradia Polyvalent and the Reichshoffen production site in France (see Note 9 of the condensed interim financial statements);
- the divestment of the Bombardier TALENT 3 platform and dedicated production facilities located within the Hennigsdorf site in Germany;
- providing access to certain interfaces and products for some of Bombardier Transportation's Signalling On-Board Units and Train Control Management Systems (TCMS).

On 16 September 2020, Alstom and Alstom Holdings signed a sale and purchase agreement with Bombardier Inc ("Bombardier") and Caisse de Dépôt et Placement du Québec (''CDPQ''), and certain subsidiaries of Bombardier and CDPQ for the acquisition of Bombardier Transportation by Alstom Holdings. Terms of the agreement were adapted due to the current situation. A €300 million reduction in the price range compared to the €5.8 billion to €6.2 billion range communicated on 17 February 2020 has been agreed with Bombardier and CDPQ.

On 16 September 2020, Alstom also signed investments agreements with, respectively, Bombardier and CDPQ. Pursuant to such investment agreements, Bombardier and CDPQ will subscribe to reserved capital increases to their benefit, in order to reinvest in Alstom's capital part of the proceeds from the sale of Bombardier Transportation, and, with respect to CDPQ only, to invest additional amounts in Alstom's capital.

On 7 October 2020, an amendment to the Universal Registration Document 2019/20 was filed with the French financial markets authority (Autorité des marchés financiers – AMF). On such date, the AMF also approved the prospectus related to the reserved capital increases for the benefit of, respectively, Bombardier and CDPQ.

On 29 October 2020, a combined shareholders' meeting approved all the resolutions presented, including the resolutions related to the proposed rights issue, the reserved capital increases and the removal of the double voting rights. Such removal was also approved by a special meeting of the double voting rights holders held on the same day.

The rights issue is contemplated to take place between Q4 2020 and H1 2021, subject to market conditions.

The closing of the acquisition of Bombardier Transportation is expected to take place in Q1 2021 subject to regulatory approvals and customary closing conditions.

Price structure and financing

Excluding the repayment of any Bombardier and/or CDPQ recapitalizations (up to €750 million) that may take place prior to closing and any downward adjustments linked to net cash protection mechanism, the price range for the acquisition of 100% of Bombardier Transportation shares has now been adjusted to a €5.5 billion to €5.9 billion range compared to a €5.8 billion to €6.2 billion range communicated on 17 February 2020.

Alstom considers that the proceeds are likely to amount up to €5.3 billion, based on estimated potential post-closing adjustment and obligations linked to the net cash protection mechanism. The cash proceeds to Bombardier (excluding the equivalent €500 million linked to the reserved capital increase of Bombardier) will be paid in US dollars at an agreed exchange rate EUR/USD of circa 1/1.17. This payment is hedged in USD.

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The financing structure is as follows:

- CDPQ will reinvest the proceeds from the purchase price in a total subscribed amount of between €1.9 billion and €2.1 billion through a reserved capital increase, plus an additional amount of €700 million.
- Bombardier will subscribe for a capital increase of Alstom in a fixed amount of €500 million (up to €650 million under certain circumstances).
- A €2.4 billion syndicated bridge loan, to be refinanced by:
    - the capital increase of Alstom with preservation of the preferential subscription rights for an amount, including issuance premium, of approximately €2 billion;
    - a contemplated bond issuance of approximately €400 million.
- The balance, if any, will be paid with Alstom's existing cash resources including Bombardier Transportation net cash at closing.

1.2 Shareholdership and stock market index

The Steering Committee of the Euronext Indices has decided to include Alstom in the list of the 40 stocks making up the French CAC40 index. This inclusion is effective since 21 September 2020.

On 30 September 2020, Bouygues announced the successful placement of around 4.8% of Alstom's share capital. Following the transaction, the settlement of which occurred on 3 November 2020, Bouygues' shareholding in Alstom stands at approximately 9.7%.

1.3 Key figures for Alstom in the first half of fiscal year 2020/21

Group's key performance indicators for the first half of fiscal year 2020/21:

(in € million)	Half-Year ended 30 September 2020	Half-Year ended 30 September 2019	% Variation Sep. 20/ Sep. 19 Actual	Organic
Orders Received	2,652	4,618	(43%)	(42%)
Orders Backlog	40,001	41,330	(3%)	2%
Sales	3,518	4,140	(15%)	(13%)
aEBIT	263	319	(18%)	
aEBIT %	*7.5%*	*7.7%*		
EBIT	190	281		
Net Profit - Group share	170	227		
Free Cash Flow	(253)	(19)		
Capital Employed	2,881	2,469		
Net Cash/(Debt)	843	991		
Equity	3,341	3,135		

Covid-19 crisis impacts

The Alstom Group does business in numerous countries that have significantly been affected by the Covid-19 epidemic and is carefully monitoring the situation while taking all necessary actions to protect its employees, suppliers and subcontractors, as well as to reduce the economic and financial impacts of this unprecedented crisis.

The identified incremental costs relating to Covid-19 incurred during the first half of fiscal year 2020/21, amounted to €68 million, stemming both from inefficiencies and expenses dedicating specifically to Covid-19 matters. These costs were all incurred in the first quarter of this fiscal year. Inefficiencies are costs induced by the inability of certain employees to come to the workplace in the wake of Covid-19 lockdowns. Alstom considers dedicated expenses to be costs mainly related to cleaning and purchase of equipment to protect its employees from the virus. These costs are not included in the percentage of completion formula of the project and have not generated revenue. They have been recognized in the primary statement of the income statement under the caption Cost of sales.

At the end of September, operations were running at a pace in line with the pre-existing Covid-19 crisis conditions.

Impairment tests have been performed on goodwill (see Note 11 of the condensed interim financial statements), tangible assets, intangible assets and deferred taxes (see Note 8 of the condensed interim financial statements) with no impairment risks identified as of end of September 2020.

The Group's response to the crisis focused on resuming production in a sanitary safe environment to ensure continuity of project execution while implementing company-wide cost saving measures. Alstom adapted the ways of working of its employees and limited non-essential travels and events. The Group also promoted salary moderation and kept a tight control over additional recruitments. The company has re-assessed investment priorities to rationalise cash spend while ensuring that R&D investments remained at the level that was deemed required to deliver on the Alstom in Motion strategy roadmap.

1.4 Organic growth

The above-mentioned figures are adjusted as follows for foreign exchange variation resulting from the translation of the original currency to Euro, as well as for change in scope.

The below table shows how the prior year actual figures are converted into a like-for-like set of numbers for comparison purposes:

	Half-Year ended 30 September 2020	Half-Year ended 30 September 2019			Sep. 20/ Sep. 19	
(in € million)	Actual figures	Actual figures	Exchange rate	Comparable Figures	% Var Act.	% Var Org.
Orders Backlog	40,001	41,330	(2,180)	39,150	(3%)	2%
Orders Received	2,652	4,618	(44)	4,574	(43%)	(42%)
Sales	3,518	4,140	(104)	4,036	(15%)	(13%)

The actual figures for the first half of fiscal year 2019/20 (orders backlog, orders received and sales) are restated to reflect September 2020 exchange rates.

- Orders backlog were significantly impacted by an unfavourable translation effect driven by the depreciation of the South African Rand (ZAR), the Indian Rupee (INR), the Canadian Dollar (CAD) and the US Dollar (USD) against the Euro (EUR).
- Orders received were marginally impacted by foreign exchange variations, and mostly driven by the depreciation of the Chilean Peso (CLP) against the Euro (EUR).
- Sales were mainly impacted by the depreciation of the South African Rand (ZAR) and the Brazilian Real (BRL) against the Euro (EUR).

1.5 Acquisitions and partnerships

SpeedInnov

Through its affiliate SpeedInnov, a joint-venture created in 2015 with ADEME, Alstom focused on its 'Very high-speed train of the future' project, aiming to promote a new generation of very high-speed trainset which will reduce acquisition and operating costs by at least 20% (compared to the previous train generation), optimise the environmental footprint and broaden commercial offer to improve passenger experience. In this context, Alstom subscribed to a capital increase in this joint-venture in an amount of €27 million in June 2020, increasing its stake from 71.0% to 74.0% with no change in the consolidation method (Joint control).

IBRE Acquisition

On 30 June 2020, Alstom acquired 100% of IBRE (International Braking & Railway Equipment) shares, a company based in France and renamed "Alstom IBRE". This company is specialized in the development, the manufacturing and the supply of railway brake discs. Their reliable high-quality products are recognized by the most important European railway administrations. The entity is fully consolidated in the Group's accounts. Preliminary goodwill amounts to €8 million. The purchase price allocation is not fully completed and will be finalized within twelve months after the acquisition date. The sales of the period are not material.

2. 2020/21 fiscal year outlook

The Covid-19 crisis has negatively affected financial performance to date in the 2020/21 fiscal year. However, anticipating a strong pipeline for the second semester 2020/21 and based on the production pick-up that was observed during the second quarter 2020/21, Alstom has the following forecasts for the full 2020/21 fiscal year:

- Sales will reach between €7.6 billion and €7.9 billion, while the adjusted EBIT margin will be within a 7.7% to 8.0% range.
- The company will generate a break-even to positive cash flow.
- The second semester commercial performance will support a book-to-bill ratio above 1.0x for the Group this fiscal year.

Underlying outlook assumptions

The forecasts for the fiscal year ending 31 March 2021 presented below have been prepared in accordance with the accounting policies applied in the consolidated financial statements of the Company for the fiscal year ended 31 March 2020 and the interim six-month period ended 30 September 2020. The definition of adjusted EBIT margin is the same as the definition used at 31 March 2020 and September 30, 2020. The adjusted EBIT margin excludes Covid-19 incremental and related inefficiencies costs.

These forecasts are based on Alstom's scope of consolidation at the end of September 2020, therefore exclude any scope impacts from the expected Bombardier Transportation acquisition. They are mainly based on the following assumptions:

Alstom internal assumptions

- The sales improvement in the second semester as compared to the first semester will primarily come from a decrease in the Covid-19 related disruptions that affected Alstom during the first half of this fiscal year, and from the execution of its orders backlog.
- The adjusted EBIT margin improvement compared to the first semester will primarily come from additional volume, rigorous project execution, and the delivery of projected sourcing savings.
- Standardisation of engineering tools and processes together with design to cost, and optimisation of our footprint both for engineering and manufacturing, will also support the improvement of Alstom performance. In addition, digital transformation, combined with efficient discipline in overhead cost management, will contribute to the improvement of the adjusted EBIT margin.
- Improved cash generation over the second semester as compared to the first semester will mainly come from accelerated deliveries and commercial performance. It remains subject to usual short-term volatility in down- and progress payments from clients.

Macro-economic assumptions

- They have been established excluding any major variations in exchange rates of the currencies of the main countries outside of Euro-zone in which the Group generates its revenues, compared to the rates in effect as at 30 September 2020.
- They assume an overall stable political environment in areas where Alstom operates or delivers products.
- They assume the absence of Covid-19 crisis-related production slowdowns, arising from partial or full lockdown situations, that would exceed the lockdown measures in place on the date of this document and affecting either Alstom or its key suppliers. In addition, they assume that customer tenders scheduled for the second semester will not considerably shift to later periods and that train mileage for purposes of calculating indexed payments under maintenance contracts will not decrease very significantly during the remainder of the second semester due to the ongoing health crisis.

Disclaimer

The above-described outlook contains forward-looking statements which are based on current plans and forecasts of Alstom's management. Such forward-looking statements are relevant to the current scope of activity and are by their nature subject to a number of important risks 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 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.

3. Commercial performance

Alstom's order intake amounted to €2.7 billion during the first half of fiscal year 2020/21, against €4.6 billion for the same period last year.

Geographic breakdown Actual figures *(in € million)*	Half-Year ended 30 September 2020	% of contrib	Half-Year ended 30 September 2019	% of contrib	% Variation Sep. 20/ Sep. 19 Actual	 Organic
Europe	1,088	41%	3,900	84%	(72%)	(72%)
Americas	249	10%	413	9%	(40%)	(34%)
Asia/Pacific	432	16%	255	6%	70%	72%
Africa/Middle East/Central Asia	883	33%	50	1%	1664%	1663%
ORDERS BY DESTINATION	**2,652**	**100%**	**4,618**	**100%**	**(43%)**	**(42%)**

Product breakdown Actual figures *(in € million)*	Half-Year ended 30 September 2020	% of contrib	Half-Year ended 30 September 2019	% of contrib	% Variation Sep. 20/ Sep. 19 Actual	 Organic
Rolling stock	890	34%	2,435	53%	(63%)	(63%)
Services	820	31%	1,453	31%	(44%)	(42%)
Systems	374	14%	51	1%	634%	638%
Signalling	568	21%	679	15%	(16%)	(16%)
ORDERS BY DESTINATION	**2,652**	**100%**	**4,618**	**100%**	**(43%)**	**(42%)**

In **Europe**, Alstom recorded €1.1 billion order intake during the first half of fiscal year 2020/21, as compared to €3.9 billion over the same period last year, mainly fuelled by an order to supply 49 tramways for Nantes, an additional order for 11 Citadis™ Dualis™ trains under the conditions of the SNCF framework contract TTNG, and a Signalling contract of the ARGOS partnership with SNCF to develop the new generation interlocking solution in France. Alstom also secured an order to provide digital train control, traffic management and electrification infrastructure as part of the rehabilitation and modernisation of the Sighisoara-Brasov section of the European Rhine-Danube rail corridor in Romania.

Last year, the order intake in Europe included additional Coradia™ Polyvalent regional trains and Avelia™ Euroduplex trains in France, additional Pendolino™ high-speed trains along with maintenance service, and Smart Coradia™ POP regional trains in Italy, and Coradia™ iLint trains and associated maintenance in Germany.

In **Americas**, Alstom continues to stabilise its footprint in Latin America for Services and to secure further Signalling products orders in North America. The Group reported €0.2 billion of orders for the first half of fiscal year 2020/21, notably with the renewal of a full maintenance contract for 158 locomotives of Ferrosur fleet in Mexico, down by 40% as compared to the same period of last year, which stood at €0.4 billion.

In **Asia/Pacific**, the order intake stood at €0.4 billion, up by 70% as compared to the same period of the last fiscal year, mainly thanks to the extension project of Taipei Metro Line 7 in Taiwan. Alstom will be responsible for the design, manufacturing, testing and commissioning of 16 additional fully automated, four-car Metropolis trains, Urbalis 400 Communication Based Train Control (CBTC) signalling system, Supervisory Control and Data Acquisition (SCADA) system, as well as platform screen doors. The Group was also awarded a 6-year Services contract in China to overhaul 180 locomotives.

In **Africa/Middle East/Central Asia**, the Group reported €0.9 billion order intake thanks to the securing of rolling stock and maintenance follow-on orders of currently active projects.

Alstom received the following major orders during the first semester of the 2020/21 fiscal year:

Country	Product	Description
China	Services	Overhaul of 180 locomotives for 6 years
France	Rolling stock	Supply of 49 Citadis X05™ trains to Nantes Métropole
France	Signalling	Supply of a new generation interlocking solution for SNCF
France	Rolling stock	Supply of 11 additional Citadis ™ Dualis ™ trains for SNCF
Mexico	Services	Renewal of full maintenance contract for 158 locomotives of Ferrosur fleet
Romania	Systems	Rehabilitation and modernisation of part of the Rhine-Danube rail corridor
Taiwan	Systems	Supply of integrated metro system for Taipei Metro Line 7 extension

4. Orders backlog

As of 30 September 2020, the orders backlog stood at €40.0 billion, providing the Group with strong visibility over future sales. This represents a decrease of 3% on an actual basis, but a 2% increase on an organic basis as compared to 30 September 2019.

Key Systems contracts are now nearing completion in Africa/Middle East/Central Asia and Latin America regions and come as an explanation to the product line backlog decrease.

The depreciation of the currencies against the Euro (EUR) since September 2019, mainly the South African Rand (ZAR) in Africa/ Middle East/Central Asia and the Indian Rupee (INR) in Asia/Pacific, negatively impacted backlog for a total amount of €2.2 billion. This mostly affected the rolling stock and systems products backlog.

Geographic breakdown **Actual figures** *(in € million)*	**Half-Year ended 30 September 2020**	% of contrib	**Half-Year ended 30 September 2019**	% of contrib
Europe	20,398	51%	20,024	48%
Americas	5,106	13%	6,220	15%
Asia/Pacific	6,262	16%	5,617	14%
Africa/Middle East/Central Asia	8,235	20%	9,469	23%
BACKLOG BY DESTINATION	**40,001**	**100%**	**41,330**	**100%**

Product breakdown

Actual figures (in € million)	Half-Year ended 30 September 2020	% of contrib	Half-Year ended 30 September 2019	% of contrib
Rolling stock	19,838	50%	21,340	52%
Services	13,899	35%	13,273	32%
Systems	2,218	5%	2,961	7%
Signalling	4,046	10%	3,756	9%
BACKLOG BY DESTINATION	**40,001**	**100%**	**41,330**	**100%**

5. Income statement

5.1 Sales

Alstom's sales amounted to €3.5 billion for the first half of fiscal year 2020/21, decreasing by 15% on an actual basis and by 13% organically compared to the same period of last year.

The Covid-19 crisis has mostly affected rolling stock sales due to the production slowdown during the lockdown period and, to a lesser extent, services due to the train traffic reduction.

Geographic breakdown

Actual figures (in € million)	Half-Year ended 30 September 2020	% of contrib	Half-Year ended 30 September 2019	% of contrib	% Variation Sep. 20/ Sep. 19 Actual	Organic
Europe	2,017	57%	2,269	54%	(11%)	(11%)
Americas	557	16%	687	17%	(19%)	(13%)
Asia/Pacific	424	12%	458	11%	(8%)	(4%)
Africa/Middle East/Central Asia	520	15%	726	18%	(28%)	(25%)
SALES BY DESTINATION	**3,518**	**100%**	**4,140**	**100%**	**(15%)**	**(13%)**

Product breakdown

Actual figures (in € million)	Half-Year ended 30 September 2020	% of contrib	Half-Year ended 30 September 2019	% of contrib	% Variation Sep. 20/ Sep. 19 Actual	Organic
Rolling stock	1,713	49%	1,898	46%	(10%)	(8%)
Services	662	19%	718	17%	(8%)	(5%)
Systems	452	13%	801	19%	(44%)	(42%)
Signalling	691	19%	723	18%	(4%)	(2%)
SALES BY DESTINATION	**3,518**	**100%**	**4,140**	**100%**	**(15%)**	**(13%)**

In **Europe**, sales reached just above €2.0 billion, accounting for 57% of the Group's total sales. It was mainly driven by the continued execution of large rolling stock contracts, including the Coradia Stream™ trains in Italy and the Netherlands, the Coradia™ Polyvalent regional trains in France, as well as the Coradia™ Continental and Coradia™ Lint™ train in Germany. In addition, Alstom carried on with the maintenance of Pendolino™ in the United Kingdom, which generated further sales.

In **Americas**, sales stood at €0.6 billion for the first half of fiscal year 2020/21, accounting for 16% of the Group's sales, down €0.1 billion compared to the same period of last year. The projects of Amtrak high-speed trains in the United

States and the light metro system for REM in Canada remain the top sales contributors within the region. In Latin America, sales were driven by the delivery of Guadalajara Line 3 metro system in Mexico. During last fiscal year, the systems contracts for Line 1 and Line 2 in Panama reached completion, generating an expected decrease in sales this year.

In **Asia/Pacific**, sales amounted to €0.4 billion, accounting for 12% of the Group's sales, slightly decreasing as compared to last year. These sales were driven by the ramp-up of the production of electric locomotives in India, the continued execution of subway contract in Singapore, and further sustained by the production ramp-up for Hanoi metro Line 3 system in Vietnam.

In **Africa/Middle East/Central Asia**, sales stood at €0.5 billion, contributing 15% to the Group's total sales, down €0.2 billion compared to the same period of last year. Systems contracts for the Dubai metro in the United Arab Emirates and the Riyadh metro in Saudi Arabia both come closer to the final completion stage, and the Coradia™ Polyvalent trains project for Senegal reached completion at the end of last fiscal year, generating an expected decrease in sales of the region comparing to the same period last year. The ramp-up on the rolling stock contracts of the X'trapolis™ trains for PRASA in South Africa, and the Prima™ freight locos for Kazakhstan and Morocco partly offset this decline.

5.2 Research & development

During the first half of fiscal year 2020/21, research and development gross costs amounted to €178 million, i.e. 5.1% of sales, reflecting the Group's continuous investments in innovation to develop smarter and greener mobility solutions, supporting Alstom In Motion strategy.

(in € million)	**Half-Year ended 30 September 2020***	**Half-Year ended 30 September 2019**
R&D Gross costs	(178)	(192)
R&D Gross costs (in % of Sales)	*5.1%*	*4.6%*
Funding received	45	56
Net R&D spending	(133)	(136)
Development costs capitalised during the period	39	32
Amortisation expense of capitalised development costs	(31)	(28)
R&D expenses (in P&L)	**(125)**	**(132)**
R&D expenses (in % of Sales)	*3.6%*	*3.2%*

(*) €15 million impairment reversal to the Coradia™ Polyvalent technology and €(15) million corresponding amortization have not been reported in this table.

Alstom notably continued its research and development effort on the very high-speed trains **Avelia Horizon™** range, which is funded by the SpeedInnov joint-venture, marked by the first delivery for test on tracks on Amtrak project in the United States.

In application of the Alstom In Motion strategy, the Group further invested in green solutions to offer zero carbon emission alternatives to diesel. The portfolio has been enlarged by BEMU battery powered trains solution in Germany, along with hydrogen fuel cell trains **Coradia iLint™** already running in Austria, Germany and the Netherlands.

The Group also invested in **HealthHub™**, an innovative condition-monitoring solution used for trains, infrastructure and signalling assets. This solution builds upon advanced data analytics to predict assets remaining useful life. It is now positioned as a backbone for Rolling Stock and Infrastructures maintenance solutions.

Alstom has continued the development of CBTC solutions, **Urbalis Fluence™** and **Urbalis 400™** for metros and tramways, with the launch of Fluence Baseline 2 now addressing a worldwide market.

In addition, Alstom carried on investing into the **ICONIS™** suite for Operation Control Centers, allowing to maximize traffic fluidity and remotely orchestrate operations. Further developments have been achieved with the cyber security framework of Alstom solutions through a partnership with Airbus signed in 2017, including a new generation of interlocking solution deployed for the ARGOS partnership with SNCF signed in September 2020.

5.3 Operational performance

In the first half of fiscal year 2020/21, Alstom's adjusted EBIT reached €263 million, equivalent to a 7.5% operational margin, as compared to €319 million or 7.7% during same period of last year.

The adjusted EBIT was impacted by the Covid-19 related production slowdown. Operating margin expressed as a percentage of sales improved however thanks to a reduction in cost of sales. Cost of sales at Alstom are primarily, but not only, made up of raw material procurement, applicative and system engineering, manufacturing and supply chain labour costs, as well as subcontracted services. The cost of sales ratio improvement was achieved across all product lines thanks to more efficient project execution. The increased signalling share within the overall company sales mix has also contributed to improving the cost of sales ratio.

Selling and Administrative costs as a percentage of sales marginally increased to 7.7%, as compared to 6.9% in the previous period, but decreased in absolute value terms, thus reflecting the Group's response to the sanitary crisis-driven volume drop.

Over the period, the CASCO contribution amounted to €24 million, increasing from the previous year's €19 million contribution. Alstom owns 49% of CASCO Signal Limited, a joint-venture operating the Chinese railway market. It was established with the China Railway Signal & Communication Corporation and it is based in Shanghai. CASCO provides signalling systems and services for subway, tramway and mainlines.

5.4 From adjusted EBIT to net profit

During the first half of fiscal year 2020/21, Alstom recorded restructuring and rationalization charges of €(7) million linked to small initiatives in Brazil and in the United States.

Over the period, Covid-19 incremental costs and related inefficiencies costs amounted to €(68) million.

Impairment loss and other non-operating items amounted to €26 million, consisting of the reversal of asset impairments linked to the sale of the Reichshoffen site for €47 million, legal proceedings provision adjustment for €30 million, costs related to the Bombardier Transportation acquisitions in an amount of €(44) million and amortisation of intangible assets and integration costs related to business combinations for €(7) million (see Note 6 of the condensed interim financial statements).

The EBIT stood at €190 million as compared to €281 million during the same period last year, with the Covid-19 crisis slowing down most activities across the world.

Net financial expenses of the period amounted to €(23) million, as compared to €(40) million in the previous year. This is due to a reduction of financing expenses incurred at the holding level following the repayment of bonds that matured during the previous fiscal year.

The Group recorded an income tax charge of €(38) million in the first half of fiscal year 2020/21 corresponding to an effective tax rate of 23%, compared to €(61) million for the same period last year and an effective tax rate of 25%. This year's effective tax rate is primarily driven by a lower pre-tax income to which projected tax rate is applied and takes into consideration discrete items for €4 million.

The share in net income from equity investments amounted to €37 million, mainly thanks to improved results of both Transmashholding Limited (TMH) and CASCO Signal Limited joint-ventures.

The net profit from discontinued operations stood at €9 million.

As a result, the Net profit (Group share) stood at €170 million for the first half of fiscal year 2020/21 compared to €227 million for the same period last fiscal year.

6. Free cash-flow

(in € million)	Half-Year ended 30 September 2020	Half-Year ended 30 September 2019
EBIT	**190**	**281**
Depreciation and amortisation	101	145
Restructuring variation	(15)	(9)
Capital expenditure	(54)	(60)
R&D capitalisation	(39)	(32)
Change in working capital	(433)	(323)
Financial cash-out	(21)	(37)
Tax cash-out	(30)	(54)
Other	48	70
FREE CASH FLOW	**(253)**	**(19)**

The Group's Free Cash Flow stands at €(253) million for the first half of fiscal year 2020/21 as compared to €(19) million during the same period of previous fiscal year.

Cash generation was notably impacted by an unfavourable €(433) million change in working capital compared to €(323) million during the same period last year as a result of delayed deliveries arising from the sanitary situation, combined with the ramp-up of major projects including Coradia Stream^{TM} for the Netherlands and Amtrak high-speed trains project in the USA, as well as an order intake shift from the first to the second semester resulting in lower customer down payments received.

Depreciation and amortisation amounted to €101 million, compared to €145 million last year, this €(44) million decrease being driven by re-evaluation of asset impairments. Right-of-use assets amortisation this semester, amounted to €33 million compared to €38 million for the first semester of fiscal year 2019/20.

Financial cash-out has decreased by €16 million mainly due to last year's repayment of senior bonds.

During the first half of fiscal year 2020/21, Alstom spent €54 million in capital expenditures notably on capacity development for Coradia Stream^{TM} in Poland. Other investments included production capabilities build-up for projects such as Mumbai Line 3, E-Loco in India, Amtrak high-speed trains in the USA and Avelia Horizon^{TM} in France.

"Other" Free Cash Flow items as listed above reached €48 million this semester and included mainly dividends from Casco Signal Limited and Transmashholding (TMH) joint-ventures.

7. Net Cash/(debt)

At 30 September 2020, the Group recorded a net cash position of €843 million, compared to the €1,178 million net cash balance that the group reported on 31 March 2020. This €(335) million decrease is driven by Free Cash Flow consumption.

In addition to its available cash and cash equivalents, amounting to €1,953 million as of 30 September 2020, the Group can access a €400 million Revolving Credit Facility (RCF), maturing in June 2022, together with a €1,750 million short term Revolving Credit Facility maturing in April 2021 with a 6-month extension option at the borrower's discretion and another 6-month extension at the lender's discretion. They are fully undrawn at 30 September 2020.

This resulted in a liquidity position as of 30 September 2020 of €4,103 million.

8. Equity

The Group Equity on 30 September 2020 amounted to €3,341 million (including non-controlling interests), from €3,328 million on 31 March 2020, mostly impacted by:

- net profit from the first half of fiscal year 2020/21 of €170 million (Group share);
- actuarial hypothesis variation on pensions (recorded in equity) of €(46) million net of tax;
- currency translation adjustment of €(120) million.

9. Non-GAAP financial indicators definitions

This section presents financial indicators used by the Group that are not defined by accounting standard setters.

9.1 Orders received

A new order is recognised as an order received only when the contract creates enforceable obligations between the Group and its customer.

When this condition is met, the order is recognised at the contract value.

If the contract is denominated in a currency other than the functional currency of the reporting unit, the Group requires the immediate elimination of currency exposure using forward currency sales. Orders are then measured using the spot rate at inception of hedging instruments.

9.2 Order backlog

Order backlog represents sales not yet recognised from orders already received.
Order backlog at the end of a financial year is computed as follows:

- order backlog at the beginning of the year;
- plus new orders received during the year;
- less cancellations of orders recorded during the year;
- less sales recognised during the year.

The order backlog is also subject to changes in the scope of consolidation, contract price adjustments and foreign currency translation effects.
Order backlog corresponds to the transaction price allocated to the remaining performance obligations, as per IFRS 15 quantitative and qualitative disclosures requirement.

9.3 Book-to-bill

The book-to-bill ratio is the ratio of orders received to the amount of sales traded for a specific period.

9.4 Adjusted EBIT

Adjusted EBIT ("aEBIT") is the Key Performance Indicator to present the level of recurring operational performance. This indicator is also aligned with market practice and comparable to direct competitors.

Starting September 2019, Alstom has opted for the inclusion of the share in net income of the equity-accounted investments into the aEBIT when these are considered to be part of the operating activities of the Group (because there are significant operational flows and/or common project execution with these entities), namely the CASCO Joint Venture. The company believes that bringing visibility over a key contributor to the Alstom signalling strategy will provide a fairer and more accurate picture of the overall commercial & operational performance of the Group. This change will also enable more comparability with what similar market players define as being part of their main non-GAAP profit aggregate disclosure.

aEBIT corresponds to Earning Before Interests and Tax adjusted for the following elements:

- net restructuring expenses (including rationalization costs);
- tangibles and intangibles impairment;
- capital gains or loss/revaluation on investments disposals or controls changes of an entity;
- any other non-recurring items, such as some costs incurred to realize business combinations and amortization of an asset exclusively valued in the context of business combination, as well as litigation costs that have arisen outside the ordinary course of business;
- and including the share in net income of the operational equity-accounted investments.

A non-recurring item is a "one-off" exceptional item that is not supposed to occur again in following years and that is significant.

Adjusted EBIT margin corresponds to Adjusted EBIT expressed as a percentage of sales.

The non-GAAP measure adjusted EBIT (aEBIT hereafter) indicator reconciles with the GAAP measure EBIT as follows:

(in € million)	**Half-Year ended 30 September 2020**	**Half-Year ended 30 September 2019**
Adjusted Earnings Before Interest and Taxes (aEBIT)	**263**	**319**
aEBIT (in % of Sales)	*7.5%*	*7.7%*
Restructuring and rationalisation costs	(7)	(7)
Impairment loss and other	26	(12)
Covid-19 inefficiencies & incremental costs	(68)	-
CASCO contribution reversal	(24)	(19)
EARNING BEFORE INTEREST AND TAXES (EBIT)	**190**	**281**

9.5 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. Free Cash Flow does not include any 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:

(in € million)	**Half-Year ended 30 September 2020**	**Half-Year ended 30 September 2019**
Net cash provided by / (used in) operating activities	**(162)**	**70**
Of which operating flows provided / (used) by discontinued operations		
Capital expenditure (including capitalised R&D costs)	(92)	(92)
Proceeds from disposals of tangible and intangible assets	1	3
FREE CASH FLOW	**(253)**	**(19)**

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 into the actual amount of cash generated or used by operations.

During the first half of fiscal year 2020/21, the Group Free Cash Flow was at €(253) million compared to €(19) million during the same period of the previous year.

9.6 Capital employed

Capital employed corresponds to hereafter-defined assets minus liabilities.

- Assets: sum of goodwill, intangible assets, property, plant and equipment, equity-accounted investments and other investments, other non-current assets (other than those related to financial debt and to employee defined benefit plans), inventories, costs to fulfil a contract, contract assets, trade receivables and other operating assets;
- Liabilities: sum of non-current and current provisions, contract liabilities, trade payables and other operating liabilities.

At the end of September 2020, capital employed stood at €2,881million, compared to €2,424 million at the end of March 2020. This movement was mainly driven by the decrease of Cash & Cash equivalent position, deferred tax assets and other current financial assets.

(in € million)	Half-Year ended 30 September 2020	Year ended 31 March 2020
Non current assets	4,470	4,628
less deferred tax assets	(226)	(234)
less non-current assets directly associated to financial debt	(163)	(177)
less prepaid pension benefits	-	-
Capital employed - non current assets **(A)**	4,081	4,217
Current assets	8,234	8,380
less cash & cash equivalents	(1,953)	(2,175)
less other current financial assets	(25)	(45)
Capital employed - current assets **(B)**	6,256	6,160
Current liabilities	7,407	7,775
less current financial debt	(384)	(270)
plus non current lease obligations	458	465
less other obligations associated to financial debt	(163)	(177)
plus non current provisions	137	160
Capital employed - liabilities **(C)**	7,456	7,953
CAPITAL EMPLOYED (A)+(B)-(C)	**2,881**	**2,424**

9.7 Net cash/(debt)

The net cash/(debt) is defined as cash and cash equivalents, marketable securities and other current financial asset, less borrowings. On 30 September 2020, the Group recorded a net cash level of €843 million, as compared to the net cash position of €1,178 million on 31 March 2020.

(in € million)	Half-Year ended 30 September 2020	Year ended 31 March 2020
Cash and cash equivalents	1,953	2,175
Other current financial assets	25	45
less:		
Current financial debt	384	270
Non current financial debt	751	772
NET CASH/(DEBT) AT THE END OF THE PERIOD	**843**	**1,178**

9.8 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.

Condensed interim consolidated financial statements,

As of September 30, 2020

ALSTOM

INTERIM CONSOLIDATED INCOME STATEMENT

(in € million)	Note	Half-year ended At 30 September 2020	At 30 September 2019
Sales	**(4)**	**3,518**	**4,140**
Cost of sales		(2,952)	(3,424)
Research and development expenses	(5)	(125)	(132)
Selling expenses		(101)	(109)
Administrative expenses		(169)	(175)
Other income/(expense)	(6)	19	(19)
Earnings Before Interests and Taxes		**190**	**281**
Financial income	(7)	1	2
Financial expense	(7)	(24)	(42)
Pre-tax income		**167**	**241**
Income Tax Charge	(8)	(38)	(61)
Share in net income of equity-accounted investments	(13)	37	36
Net profit from continuing operations		**166**	**216**
Net profit from discontinued operations	(9)	9	14
NET PROFIT		**175**	**230**
Net profit attributable to equity holders of the parent		170	227
Net profit attributable to non controlling interests		5	3
Net profit from continuing operations attributable to:			
• Equity holders of the parent		161	213
• Non controlling interests		5	3
Net profit from discontinued operations attributable to:			
• Equity holders of the parent		9	14
• Non controlling interests		-	-
Earnings per share (in €)			
• Basic earnings per share	(10)	0.75	1.01
• Diluted earnings per share	(10)	0.75	1.01

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € million)	Note	Half-year ended At 30 September 2020	At 30 September 2019
Net profit recognised in income statement		**175**	**230**
Remeasurement of post-employment benefits obligations	(22)	(50)	(59)
Equity investments at FVOCI		4	4
Income tax relating to items that will not be reclassified to profit or loss		-	13
Items that will not be reclassified to profit or loss		**(46)**	**(42)**
of which from equity-accounted investments		-	-
Fair value adjustments on cash flow hedge derivatives		24	(3)
Costs of hedging reserve		(25)	(1)
Currency translation adjustments (*)	(16)	(119)	24
Income tax relating to items that may be reclassified to profit or loss		-	-
Items that may be reclassified to profit or loss		**(120)**	**20**
of which from equity-accounted investments		*(35)*	*10*
TOTAL COMPREHENSIVE INCOME		**9**	**208**
Attributable to:			
• Equity holders of the parent		5	206
• Non controlling interests		4	2
Total comprehensive income attributable to equity shareholders arises from:			
• Continuing operations		(4)	192
• Discontinued operations		9	14
Total comprehensive income attributable to non controlling interests arises from:			
• Continuing operations		4	2
• Discontinued operations		-	-

(*) Includes currency translation adjustments on actuarial gains and losses for €3 million as of 30 September 2020 (€2 million as of 30 September 2019)

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

ALSTOM

INTERIM CONSOLIDATED BALANCE SHEET

Assets

(in € million)	Note	At 30 September 2020	At 31 March 2020
Goodwill	(11)	1,507	1,567
Intangible assets	(11)	439	470
Property, plant and equipment	(12)	1,330	1,371
Investments in joint-venture and associates	(13)	687	693
Non consolidated investments		66	60
Other non-current assets	(14)	215	233
Deferred Tax		226	234
Total non-current assets		**4,470**	**4,628**
Inventories	(15)	1,737	1,743
Contract assets	(15)	1,927	1,644
Trade receivables		1,382	1,581
Other current operating assets	(15)	1,210	1,192
Other current financial assets	(18)	25	45
Cash and cash equivalents	(19)	1,953	2,175
Total current assets		**8,234**	**8,380**
Assets held for sale	(9)	240	-
TOTAL ASSETS		**12,944**	**13,008**

Equity and Liabilities

(in € million)	Note	At 30 September 2020	At 31 March 2020
Equity attributable to the equity holders of the parent	(16)	3,281	3,271
Non controlling interests		60	57
Total equity		**3,341**	**3,328**
Non current provisions	(15)	137	160
Accrued pensions and other employee benefits	(22)	531	491
Non-current borrowings	(20)	751	772
Non-current lease obligations	(20)	458	465
Deferred Tax		24	17
Total non-current liabilities		**1,901**	**1,905**
Current provisions	(15)	765	853
Current borrowings	(20)	384	270
Current lease obligations	(20)	111	131
Contract liabilities	(15)	2,568	3,148
Trade payables		1,849	1,653
Other current liabilities	(15)	1,730	1,720
Total current liabilities		**7,407**	**7,775**
Liabilities related to assets held for sale	(9)	295	-
TOTAL EQUITY AND LIABILITIES		**12,944**	**13,008**

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

ALSTOM

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		Half-year ended	
(in € million)	**Note**	**At 30 September 2020**	**At 30 September 2019**
Net profit		**175**	**230**
Depreciation, amortisation and impairment	(11)/(12)	101	144
Expense arising from share-based payments		7	11
Cost of net financial debt and costs of foreign exchange hedging, net of interest paid and received (a) , and other change in provisions		(4)	(2)
Post-employment and other long-term defined employee benefits		7	9
Net (gains)/losses on disposal of assets		1	(2)
Share of net income (loss) of equity-accounted investments (net of dividends received)	(13)	(2)	19
Deferred taxes charged to income statement		14	19
Net cash provided by operating activities - before changes in working capital		**299**	**428**
Changes in working capital resulting from operating activities (b)	**(15)**	**(461)**	**(358)**
Net cash provided by/(used in) operating activities		**(162)**	**70**
Of which operating flows provided / (used) by discontinued operations		-	-
Proceeds from disposals of tangible and intangible assets		1	3
Capital expenditure (including capitalised R&D costs)		(92)	(92)
Increase/(decrease) in other non-current assets	(14)	12	(8)
Acquisitions of businesses, net of cash acquired	(2)	(39)	(38)
Disposals of businesses, net of cash sold		(6)	(9)
Net cash provided by/(used in) investing activities		**(124)**	**(144)**
Of which investing flows provided / (used) by discontinued operations	*(9)*	*(6)*	*(9)*
Capital increase/(decrease) including non controlling interests		1	3
Dividends paid including payments to non controlling interests		-	(1,238)
Repayments of bonds & notes issued	(20)	-	(283)
Changes in current and non-current borrowings	(20)	154	30
Changes in lease obligations	(20)	(52)	(50)
Changes in other current financial assets and liabilities		(46)	(11)
Net cash provided by/(used in) financing activities		**57**	**(1,549)**
Of which financing flows provided / (used) by discontinued operations		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(229)**	**(1,623)**
Cash and cash equivalents at the beginning of the period		2,175	3,432
Net effect of exchange rate variations		7	14
Transfer to assets held for sale		-	3
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**(19)**	**1,953**	**1,826**
(a) Net of interests paid & received		*(13)*	*(19)*
(b) Income tax paid		*(30)*	*(54)*

	Half-year ended	
(in € million)	**At 30 September 2020**	**At 30 September 2019**
Net cash/(debt) variation analysis		
Changes in cash and cash equivalents	(229)	(1 623)
Changes in other current financial assets and liabilities	46	11
Changes in bonds and notes	-	283
Changes in current and non-current borrowings	(154)	(30)
Net debt of acquired/disposed entities at acquisition/disposal date and other variations	2	25
Decrease/(increase) in net debt	(335)	(1 334)
Net cash (debt) at the beginning of the period	1 178	2 325
NET CASH/(DEBT) AT THE END OF THE PERIOD	**843**	**991**

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	Actuarial gains and losses	Cash-flow hedge	Currency translation adjustment	Equity attributable to the equity holders of the parent	Non controlling interests	Total equity
At 31 March 2019	**223,572,313**	**1,565**	**931**	**2,366**	**(311)**	**-**	**(460)**	**4,091**	**68**	**4,159**
Movements in other comprehensive income	-	-	-	2	(43)	(3)	23	(21)	(1)	(22)
Net income for the period	-	-	-	227	-	-	-	227	3	230
Total comprehensive income	**-**	**-**	**-**	**229**	**(43)**	**(3)**	**23**	**206**	**2**	**208**
Change in controlling interests and others	-	-	-	(5)	-	-	-	(5)	(3)	(8)
Dividends	-	-	-	(1,234)	-	-	-	(1,234)	(4)	(1,238)
Issue of ordinary shares under long term incentive plans	732,073	5	-	(5)	-	-	-	-	-	-
Recognition of equity settled share-based payments	135,062	1	2	11	-	-	-	14	-	14
At 30 September 2019	**224,439,448**	**1,571**	**933**	**1,362**	**(354)**	**(3)**	**(437)**	**3,072**	**63**	**3,135**
Movements in other comprehensive income	-	-	-	(11)	79	-	(185)	(117)	(2)	(119)
Net income for the period	-	-	-	240	-	-	-	240	4	244
Total comprehensive income	**-**	**-**	**-**	**229**	**79**	**-**	**(185)**	**123**	**2**	**125**
Change in controlling interests and others	-	-	-	5	-	-	-	5	(6)	(1)
Dividends	-	-	-	-	-	-	-	-	(2)	(2)
Issue of ordinary shares under long term incentive plans	1,449,668	10	45	-	-	-	-	55	-	55
Recognition of equity settled share-based payments	84,666	-	2	14	-	-	-	16	-	16
At 31 March 2020	**225,973,782**	**1,581**	**980**	**1,610**	**(275)**	**(3)**	**(622)**	**3,271**	**57**	**3,328**
Movements in other comprehensive income	-	-	-	(22)	(46)	23	(120)	(165)	(1)	(166)
Net income for the period	-	-	-	170	-	-	-	170	5	175
Total comprehensive income	**-**	**-**	**-**	**148**	**(46)**	**23**	**(120)**	**5**	**4**	**9**
Change in controlling interests and others	-	-	-	(3)	-	-	-	(3)	(1)	(4)
Dividends	-	-	-	-	-	-	-	-	-	-
Issue of ordinary shares under long term incentive plans	862,298	7	-	(7)	-	-	-	-	-	-
Recognition of equity settled share-based payments	33,682	-	1	7	-	-	-	8	-	8
At 30 September 2020	**226,869,762**	**1,588**	**981**	**1,755**	**(321)**	**20**	**(742)**	**3,281**	**60**	**3,341**

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Alstom is a leading player in the world rail transport industry. As such, the Company offers a complete range of solutions, including rolling stock, systems, services as well as signalling for passenger and freight railway transportation. It benefits from a growing market with solid fundamentals. The key market drivers are urbanisation, environmental concerns, economic growth, governmental spending and digital transformation.

In this context, Alstom has been able to develop both a local and global presence that sets it apart from many of its competitors, while offering proximity to customers and great industrial flexibility. Its range of solutions, one of the most complete and integrated on the market, and its position as a technological leader, place Alstom in a unique situation to benefit from the worldwide growth in the rail transport market. Lastly, in order to generate profitable growth, Alstom focuses on operational excellence and its product mix evolution.

The condensed interim consolidated financial statements are presented in euro and have been authorized for issue by the Board of Directors held on 10 November 2020.

A. MAJOR EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION

NOTE 1. MAJOR EVENTS

1.1 The acquisition of Bombardier Transportation

Status

On 31 July 2020, the European Commission cleared Alstom's acquisition of Bombardier Transportation. The Commission's approval for the transaction is conditional on the proposed engagements that consist of:

- a transfer of Bombardier Transportation's contribution to the V300 ZEFIRO very high-speed train and an offer of IP licence to Hitachi for the train co-developed by Hitachi and Bombardier Transportation for use in future very high-speed tenders in the UK;
- the divestment of the Alstom Coradia Polyvalent and the Reichshoffen production site in France (see note 9);
- the divestment of the Bombardier TALENT 3 platform and dedicated production facilities located within the Hennigsdorf site in Germany;
- providing access to certain interfaces and products for some of Bombardier Transportation's Signalling On-Board Units and Train Control Management Systems (TCMS).

On 16 September 2020, Alstom and Alstom Holdings signed a sale and purchase agreement with Bombardier Inc. (''Bombardier''), Caisse de Dépôt et Placement du Québec (''CDPQ''), and certain subsidiaries of Bombardier and CDPQ for the acquisition of Bombardier Transportation by Alstom Holdings. The terms of the agreement were adapted due to the current situation. A €300 million reduction in the price range compared to the €5.8 billion to €6.2 billion range communicated on 17 February 2020 has been agreed with Bombardier and CDPQ.

On 16 September 2020, Alstom also signed investments agreements with, respectively, Bombardier and CDPQ. Pursuant to such investment agreements, Bombardier and CDPQ will subscribe to reserved capital increases to their benefit, in order to reinvest in Alstom's capital part of the proceeds from the sale of Bombardier Transportation, and, with respect to CDPQ only, to invest additional amounts in Alstom's capital.

On 7 October 2020, an amendment to the Universal Registration Document 2019/20 was filed with the French financial markets authority (Autorité des marchés financiers – AMF). On such date, the AMF also approved the prospectus related to the reserved capital increases for the benefit of, respectively, Bombardier and CDPQ.

On 29 October 2020, a combined shareholders' meeting approved all the resolutions presented, including the resolutions related to the proposed rights issue, the reserved capital increases and the removal of the double voting rights. Such removal was also approved by a special meeting of the double voting rights holders held on the same day.

The rights issue is contemplated to take place between Q4 2020 and H1 2021, subject to market conditions.

The closing of the acquisition of Bombardier Transportation is expected to take place in Q1 2021 subject to regulatory approvals and customary closing conditions.

Price structure and financing

Excluding the repayment of any Bombardier and/or CDPQ recapitalizations (up to €750 million) that may take place prior to closing and any downward adjustments linked to net cash protection mechanism, the price range for the acquisition of 100% of Bombardier Transportation shares has now been adjusted to a €5.5 billion to €5.9 billion range compared to a €5.8 billion to €6.2 billion range communicated on 17 February 2020.

The cash proceeds to Bombardier (excluding the equivalent of €500m linked to the reserved capital increase of Bombardier) will be paid in US dollars at an agreed exchange rate EUR/USD of circa 1/1.17. This payment is hedged in USD.

The financing structure is as follows:

- CDPQ will reinvest the proceeds from the purchase price in a total subscribed amount of between €1.9 billion and €2.1 billion through a reserved capital increase, plus an additional amount of €700 million.
- Bombardier will subscribe for a capital increase of Alstom in a fixed amount of €500 million (up to €650 million under certain circumstances).
- A €2.4 billion syndicated bridge loan, to be refinanced by:
    - the capital increase of Alstom with preservation of preferential subscription rights in an amount, including issuance premium, of approximately €2 billion;
    - and a contemplated bond issuance of approximately €400million.
- The balance, if any, will be paid with Alstom's existing cash resources including Bombardier Transportation net cash at closing.

1.2 Covid-19 crisis impacts

The Alstom Group does business in numerous countries that have significantly been affected by the Covid-19 epidemic and is carefully monitoring the situation while taking all necessary actions to protect its employees, suppliers and subcontractors, as well as to reduce the economic and financial impacts of this unprecedented crisis.

The identified incremental costs relating to Covid-19 incurred during the first half of fiscal year 2020/21, amounted to €68 million, stemming both from inefficiencies and expenses dedicating specifically to Covid-19 matters. These costs were all incurred in the first quarter of this fiscal year. Inefficiencies are costs induced by the inability of certain employees to come to the workplace in the wake of Covid-19 lockdowns. Alstom considers dedicated expenses to be costs mainly related to cleaning and purchase of equipment to protect its employees from the virus. These costs are not included in the percentage of completion formula of the project and have not generated revenue. They have been recognized in the primary statement of the income statement under the caption Cost of sales.

At the end of September, operations were running at a pace in line with the pre-existing Covid-19 crisis conditions.

Impairment tests have been performed on goodwill (see Note 11), tangible assets, intangible assets and deferred taxes (see Note 8) with no impairment risks identified as of end of September 2020.

The Group's response to the crisis focused on resuming production in a sanitary safe environment to ensure continuity of project execution while implementing company-wide cost saving measures. Alstom adapted the ways of working of its employees and limited non-essential travels and events. The Group also promoted salary moderation and kept a tight control over additional recruitments. The company has re-assessed investment priorities to rationalise cash spend while ensuring that R&D investments remained at the level that was deemed required to deliver on the Alstom in Motion strategy roadmap.

1.3 Shareholdership and stock market index

The Steering Committee of the Euronext Indices has decided to include Alstom in the list of the 40 stocks making up the French CAC40 index. This inclusion is effective since Monday 21 September 2020.

On 30 September 2020, Bouygues announced the successful placement of around 4.8% of Alstom's share capital. Following the transaction, the settlement of which occurred on 3 November 2020, Bouygues shareholding in Alstom stands at approximately 9.7%.

NOTE 2. CHANGES IN CONSOLIDATION SCOPE

2.1 SpeedInnov

Through its affiliate SpeedInnov, a joint-venture created in 2015 with ADEME, Alstom focused on its 'Very high-speed train of the future' project, aiming to promote a new generation of very high-speed trainset which will reduce acquisition and operating costs by at least 20%, optimise the environmental footprint and develop the commercial offer to improve passenger experience. In this context, Alstom subscribed to a capital increase in this joint-venture in an amount of €27 million in June 2020 increasing its stake from 71.0% to 74.0% with no change in the consolidation method (Joint control).

2.2 IBRE Acquisition

On 30 June 2020, Alstom acquired the totality of IBRE (International Braking & Railway Equipment) shares, a company based in France and renamed "Alstom IBRE". This company is specialized in the development, the manufacturing and the supply of railway brake discs. Their reliable high-quality products are recognized by the most important European railway administrations. The entity is fully consolidated in the Group's accounts.

Preliminary Goodwill amounts to €8 million. The purchase price allocation is not fully completed and will be finalized within twelve months after the acquisition date. The sales of the period are not material.

B. ACCOUNTING POLICIES AND USE OF ESTIMATES

NOTE 3. ACCOUNTING POLICIES

3.1 Basis of preparation of the condensed interim consolidated financial statements

Alstom ("the Group") condensed interim consolidated financial statements for the half-year ended 30 September 2020 are presented and 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 at 1 April 2020, and in accordance with IAS 34, Interim Financial Reporting. This 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 at 31 March 2020.

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 2020 and described in Note 2 to the consolidated financial statements for the year ended 31 March 2020, except:

- new standards and interpretations mandatorily applicable presented in paragraph 3.2 below;
- the specific measurement methods of IAS 34 applied for the preparation of condensed interim consolidated financial statements regarding estimate of tax expense (as described in Note 8) and Post-employment and other long term employee defined benefits valuations (as described in Note 22).

3.2 New standards and interpretations mandatorily applicable for financial periods beginning on 1 April 2020

3.2.1 Other new standards and interpretations mandatorily applicable for financial periods beginning on 1 April 2020

Several amendments are applicable at 1 April 2020:

- amendments to References to IFRS 9, IAS 39 & IFRS7: Interest Rate Benchmark Reform; the Group has elected to early adopt these amendments as expressed within the Group's consolidated financial statements at 31 March 2020
- amendments to References to the Conceptual Framework in IFRS Standards;
- amendments to IFRS 3 Business Combinations;
- amendments to IAS 1 and IAS 8: Definition of material.

The last three amendments effective at 1 April 2020 for Alstom have no material impact on the Group's consolidated financial statements.

Moreover, Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions is applicable starting 1 June 2020 and is now endorsed by the European Union with no material impact on the condensed interim consolidated financial statements.

3.3 New standards and interpretations not yet mandatorily applicable

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

There are no new standards and interpretations endorsed by the European Union and not yet applicable on 1 April 2020.

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

- amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2. The amendments will be applicable for annual periods beginning after 1 January 2021.
- several amendments to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Annual Improvements 2018-2020. All these amendments will be applicable for annual periods beginning after 1 January 2022;
- amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current. The amendments will be applicable for annual periods beginning after 1 January 2023.

The potential impacts of these new pronouncements are currently being analyzed.

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C. SEGMENT INFORMATION

NOTE 4. SEGMENT INFORMATION

The financial information of Alstom Group is regularly reviewed by the Executive Committee, identified as Chief Operating Decision Maker, for assessing performance and allocating resources. This reporting presents Key Performance Indicators at Group level.

Sales by product

	Half-year ended	
(in € million)	At 30 September 2020	At 30 September 2019
Rolling stock	1,713	1,898
Services	662	718
Systems	452	801
Signalling	691	723
TOTAL GROUP	**3,518**	**4,140**

Sales by country of destination

	Half-year ended	
(in € million)	At 30 September 2020	At 30 September 2019
Europe	2 017	2 269
of which France	*617*	*778*
Americas	557	687
Asia & Pacific	424	458
Africa/Middle East/Central Asia	520	726
TOTAL GROUP	**3 518**	**4 140**

Backlog by product

(in € million)	At 30 September 2020	At 31 March 2020
Rolling stock	19,838	20,677
Services	13,899	13,794
Systems	2,218	2,288
Signalling	4,046	4,144
TOTAL GROUP	**40,001**	**40,903**

Backlog by country of destination

(in € million)	At 30 September 2020	At 31 March 2020
Europe	20 398	21 321
of which France	*7 960*	*7 974*
Americas	5 106	5 539
Asia & Pacific	6 262	6 120
Africa/Middle East/Central Asia	8 235	7 923
TOTAL GROUP	**40 001**	**40 903**

Information about major customers

No external customer represents individually 10% or more of the Group's consolidated sales.

D. OTHER INCOME STATEMENT

NOTE 5. RESEARCH AND DEVELOPMENT EXPENDITURE

	Half-year ended	
(in € million)	**At 30 September 2020 (*)**	**At 30 September 2019**
Research and development gross cost	(178)	(192)
Funding received	45	56
Research and development spending, net	**(133)**	**(136)**
Development costs capitalised during the period	39	32
Amortisation expense of capitalised development costs	(31)	(28)
Research and development expenses	**(125)**	**(132)**

(*) €15 million impairment reversal to the Coradia™ Polyvalent technology and €(15) million corresponding amortization have not been reported in this table.

As of end of September 2020, Alstom Group invested €178 million in Research and Development, notably to develop:

- its very high-speed trains Avelia Horizon™, fully re-invoiced to SpeedInnov, with the first delivery for test on tracks in the US on Amtrack project (final validation ongoing), while the development of the French market version is still ongoing;
- its BEMU battery train, for which a first contract has been awarded in Germany, complementing Alstom portfolio of green solutions, along with Hydrogen trains;
- its HealthHub™ predictive maintenance solution, which is now the backbone for Rolling Stock and Infrastructures maintenance solutions;
- its new generation interlocking solution, with the ARGOS partnership with SNCF signed in September 2020;
- its ERTMS level 2 on-board solution, in particular to equip the entire Norwegian railway fleet with ATLAS™ on-board train control solution;
- its CBTC solutions Urbalis Fluence™ and Urbalis 400™ for metros and tramways, with the launch of Fluence Baseline 2 addressing worldwide market;
- its ICONIST™ suite for Operational Control Centers, maximizing traffic fluidity and orchestrating operations from distance;
- the continuous development of innovative solutions, based on three pillars: Autonomous mobility, Data factory and Mobility orchestration.

NOTE 6. OTHER INCOME AND EXPENSE

	Half-year ended	
(in € million)	**At 30 September 2020**	**At 30 September 2019**
Restructuring and rationalisation costs	(7)	(7)
Impairment loss and other	26	(12)
Other income / (expense)	**19**	**(19)**

In the 6 months period ended 30 September 2020, restructuring and rationalisation costs are mainly related to the adaptation of the means of production. Over the period ended at 30 September 2020, Impairment loss and other represent mainly:

- €(7) million of amortisation of intangible assets and integration costs related to business combinations, such as GE Signalling, EKZ and Nomad;
- €(44) million of deal costs related to Bombardier Transportation acquisition;
- €47 million related to reversal of impairments (see Note 9);
- €30 million related to some legal proceedings (see Note 23) and other risks, arisen outside of the ordinary course of business.

NOTE 7. FINANCIAL INCOME AND EXPENSE

	Half-year ended	
(in € million)	At 30 September 2020	At 30 September 2019
Interest income	1	2
Interest expense on borrowings and on lease obligations	(15)	(29)
NET FINANCIAL INCOME/(EXPENSES) ON DEBT	**(14)**	**(27)**
Net cost of foreign exchange hedging	3	(10)
Net financial expense from employee defined benefit plans	(5)	(5)
Financial component on contracts	6	6
Other financial income/(expense)	(13)	(4)
NET FINANCIAL INCOME/(EXPENSES)	**(23)**	**(40)**

Over the period ended at 30 September 2020, interest expenses linked to accrued interest on financial debt amount to €(1) million (compared to €(16) million at 30 September 2019) and those linked to lease obligations are €(4) millions.

Other Financial expenses include amortization of expenses linked to the implementation of a Revolving Credit Facility in the context of the Covid-19 crisis (see note 21) and Bridge Facilities related to Bombardier acquisition financing.

NOTE 8. TAXATION

In accordance with IAS 34, income tax charge of €(38) million as of 30 September 2020, corresponding to an effective tax rate of 23.2%, is recognized based on management's estimate of the projected effective tax rate for the whole financial year applied to the pre-tax income of the interim period and takes into consideration discrete items for €4 million.

The decrease of the tax charge as compared to the amount of €(61) million booked as at September 30, 2019 is primarily driven by a lower pre-tax income to which projected tax rate is applied.

The recoverability of deferred tax assets has been assessed in light of the global economic context, based on business plans prepared as at March 31, 2020 and revised for the current fiscal year 2020/21. This assessment confirms the recoverability of deferred tax assets recognized on the balance sheet; consequently, no change of estimate in relation with deferred tax assets recognition has been taken into account in Group's projected and effective tax charge as at September 30, 2020.

NOTE 9. FINANCIAL STATEMENTS OF DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Discontinued Operations

Accounting methods and principles applicable to discontinued operations are identical to those used at 30 September 2019 and 31 March 2020.

The Group has no Assets Held For Sale at 30 September 2020 linked to the General Electric transaction.

The line "Net profit from discontinued operations", recognized in the Interim Consolidated Income Statement, includes the reassessment of liabilities related to the disposal of activities. Over the period ending 30 September 2020, Alstom recognized a €9 million profit.

Alstom's Interim Consolidated Statement of Cash Flows takes into account the cash flows of staggered and delayed transferred assets, and costs directly related to the sale of Energy activities. Cash flows arising from discontinued operations for the fiscal year amount to €(6) million.

In the context of the General Electric transaction, the release of some conditional and unconditional parent company guarantees formerly issued, mainly by Alstom Holdings SA, to cover obligations of the former Energy affiliates amount of €5.6 billion. The Group benefits from a general indemnification from General Electric in these matters.

Assets held for sale

The amounts presented in Assets and Liabilities held for sale correspond to the divestment of the Reichshoffen production site in France and related businesses. As mentioned in Note 1, Alstom considers that the conditions for the application of IFRS5 are met with respect to the plan to acquire Bombardier Transportation, even if this disposal is not yet finalized at 30 September 2020.

All group assets with directly associated liabilities of Reichshoffen site and related businesses are disposed of together in a single transaction and considered as a disposal group.

Immediately before initial classification as held for sales as well as on subsequent remeasurements of this disposal group, carrying amounts of assets and liabilities are remeasured according to applicable IFRSs. These considerations induced a reversal of a previously recognized (IAS 36) impairment for €47 million.

Additionally, the group of assets held for sale is measured at the lower of its carrying amount and fair value less costs to sell. A non-current asset, while part of disposal classified as held for sale, is neither depreciated nor amortized.

At 30 September 2020, no impairment loss of this disposal group is deemed necessary and the impacts reclassified on financial statements are as follows:

(in € million)	**At 30 September 2020**
Goodwill & Intangible assets (*)	65
Property, plant and equipment	45
Total non-current assets	**110**
Inventories & Contract assets	70
Trade receivables & other current assets	60
Total current assets	**130**
TOTAL ASSETS HELD FOR SALE	**240**

(*) of which €27 million of goodwill.

(in € million)	**At 30 September 2020**
Total non-current liabilities	**15**
Current provisions & contract liabilities	194
Trade payables & Other current liabilities	85
Total current liabilities	**279**
TOTAL LIABILITIES HELD FOR SALE	**295**

As this disposal group does not meet the definition of discontinued operations, Profit and Loss is presented within the current activities of the Group. The costs to sell this disposal group amount to €3 million at 30 September 2020.

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NOTE 10. EARNINGS PER SHARE

(in € million)	Half-year ended At 30 September 2020	Half-year ended At 30 September 2019
Net Profit attributable to equity holders of the parent :		
• From continuing operations	161	213
• From discontinued operations	9	14
EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**170**	**227**

number of shares	Half-year ended At 30 September 2020	Half-year ended At 30 September 2019
Weighted average number of ordinary shares used to calculate basic earnings per share	**226,576,921**	**224,238,795**
Effect of dilutive instruments other than bonds reimbursable with shares:		
• Stock options and performance shares (LTI plan)	1,500,745	1,501,787
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED TO CALCULATE DILUTED EARNINGS PER SHARES	**228,077,666**	**225,740,582**

(in €)	Half-year ended At 30 September 2020	Half-year ended At 30 September 2019
Basic earnings per share	0.75	1.01
Diluted earnings per share	0.75	1.01
Basic earnings per share from continuing operations	0.71	0.95
Diluted earnings per share from continuing operations	0.71	0.95
Basic earnings per share from discontinued operations	0.04	0.06
Diluted earnings per share from discontinued operations	0.04	0.06

E. NON-CURRENT ASSETS

NOTE 11. GOODWILL AND INTANGIBLE ASSETS

11.1 Goodwill

(in € million)	At 31 March 2020	Acquisitions and adjustments on preliminary goodwill	Disposals	Translation adjustments and other changes (*)	At 30 September 2020
GOODWILL	**1,567**	**8**	**-**	**(68)**	**1,507**
Of which:					
Gross value	1,567	8	-	(68)	1,507
Impairment	-	-	-	-	-

(*) of which €27 million concerning the reclassification of Reichshoffen goodwill in Asset held for sale.

Movements between 31 March 2020 and 30 September 2020 mainly arose from the acquisition of IBRE SAS and the reclassification of Reichshoffen site in non-current assets held for sale (see Notes 1 and 9).

Goodwill is reviewed for impairment at least annually and whenever events or circumstances indicate that it might be impaired.

The events linked to Covid-19 led the Group to take into consideration the global economy downturn and recent market conditions and to update some of the assumptions used for the impairment test performed in the frame of the preparation of the Group's consolidated financial statements at 31 March 2020.

The impairment tests confirmed that the recoverable amount comfortably exceeds its carrying value at 30 September 2020. The Group carried out these tests using business plans drawn up at 31 March 2020, and revised for the current fiscal year 2020/21, based on its best estimates and the visibility available for its operations at 30 September 2020.

11.2 Intangible assets

(in € million)	At 31 March 2020	Additions / disposals / amortisation / impairment	Other changes including CTA & scope (*)	At 30 September 2020
Development costs	1,361	39	(96)	1,304
Other intangible assets	460	2	(9)	453
Gross value	**1,821**	**41**	**(105)**	**1,757**
Development costs	(1,054)	(16)	58	(1,012)
Other intangible assets	(297)	(14)	5	(306)
Amortisation and impairment	**(1,351)**	**(30)**	**63**	**(1,318)**
Development costs	307	23	(38)	292
Other intangible assets	163	(12)	(4)	147
NET VALUE	**470**	**11**	**(42)**	**439**

(*) includes IFRS5 reclassification (see Note 9)

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

(in € million)	At 31 March 2020	Additions / amortisation / impairment	Disposals	Other changes of which translation adjustments and scope (*)	At 30 September 2020
Land	95	-	-	(4)	91
Buildings	1,445	38	(1)	(72)	1,410
Machinery and equipment	907	17	(8)	(29)	887
Constructions in progress	135	31	-	(52)	114
Tools, furniture, fixtures and other	225	5	(1)	-	229
Gross value	**2,807**	**91**	**(10)**	**(157)**	**2,731**
Land	(6)	-	-	-	(6)
Buildings	(600)	(29)	1	45	(583)
Machinery and equipment	(664)	(25)	8	35	(646)
Constructions in progress	(3)	1	-	-	(2)
Tools, furniture, fixtures and other	(163)	(18)	1	16	(164)
Amortisation and impairment	**(1,436)**	**(71)**	**10**	**96**	**(1,401)**
Land	89	-	-	(4)	85
Buildings	845	9	-	(27)	827
Machinery and equipment	243	(8)	-	6	241
Constructions in progress	132	32	-	(52)	112
Tools, furniture, fixtures and other	62	(13)	-	16	65
NET VALUE	**1,371**	**20**	**-**	**(61)**	**1,330**

(*) includes IFRS5 reclassification (see Note 9)

The renewal of Trains product range in France & Europe (TGV du Futur, Coradia Stream, …) together with the increased rates of production for largest contracts (E-Loco in India, Prasa in South Africa, KZ locos in Kazakhstan, …) confirmed investment programs across various geographies at a lower but close level to September 2019 and March 2020 (despite Covid-19).

The commitments of fixed assets which are mainly composed of property, plant and equipment and intangible assets amount to €34 million at 30 September 2020 (€56 million at 31 March 2020).

Right-of-Use

Property, Plant and Equipment balances include Right-of-Use related to Leased Assets for the following amounts:

(in € million)	At 31 March 2020	Additions / amortisation / impairment	Disposals	Other changes of which translation adjustments and scope	At 30 September 2020
Land	6	-	-	-	6
Buildings	463	29	-	(13)	479
Machinery and equipment	20	3	-	(1)	22
Tools, furniture, fixtures and other	33	2	-	(1)	34
Gross value	**522**	**34**	**-**	**(15)**	**541**
Buildings	(98)	(37)	-	9	(126)
Machinery and equipment	(8)	(2)	-	1	(9)
Tools, furniture, fixtures and other	(12)	(5)	-	1	(16)
Amortisation and impairment	**(118)**	**(44)**	**-**	**11**	**(151)**
Land	6	-	-	-	6
Buildings	365	(8)	-	(4)	353
Machinery and equipment	12	1	-	-	13
Tools, furniture, fixtures and other	21	(3)	-	-	18
NET VALUE	**404**	**(10)**	**-**	**(4)**	**390**

NOTE 13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Financial information

	Share in equity		Share of net income	
(in € million)	At 30 September 2020	At 31 March 2020	Half-year ended At 30 September 2020	Half-year ended At 30 September 2019
TMH Limited	454	469	18	17
Other Associates	128	137	24	20
Associates	**582**	**606**	**42**	**37**
SpeedInnov JV	104	86	(5)	(1)
Other Joint ventures	1	1	-	-
Joint ventures	**105**	**87**	**(5)**	**(1)**
TOTAL	**687**	**693**	**37**	**36**

Movements during the period

(in € million)	At 30 September 2020	At 31 March 2020
Opening balance	**693**	**711**
Share in net income of equity-accounted investments after impairment	37	102
Dividends	(36)	(80)
Acquisitions	27	56
Translation adjustments and other	(34)	(95)
CLOSING BALANCE	**687**	**693**

At 30 September 2020, Alstom invested into an increase in capital in SpeedInnov for €27 million during June 2020 (see Note 2).

13.1 TMH Limited

For practical reason, to be able to get timely and accurate information, data as of 30 June 2020 and 31 December 2019 are retained and booked within Alstom's 30 September 2020 and 31 March 2020 accounts. The length of the reporting periods and any difference between the ends of the reporting periods remain the same from period to period to allow comparability and consistency. The summarized financial information (at 100%) presented below are the figures disclosed in the financial statements of TMH Limited at 30 June 2020 and 31 December 2019 and are established in accordance with IFRS. These financial statements, established in Rubles, were converted to euros based on the rates used by the Group at 30 September 2020 and 31 March 2020.

Balance sheet

(in € million)	TMH Limited At 30 June 2020	TMH Limited At 31 December 2019
Non-current assets	3,254	3,335
Current assets	2,434	1,851
TOTAL ASSETS	**5,688**	**5,186**
Equity-attributable to the owners of the parent company	2,525	2,601
Equity-attributable to non-controlling interests	191	206
Non current liabilities	1,921	865
Current liabilities	1,051	1,514
TOTAL EQUITY AND LIABILITIES	**5,688**	**5,186**
Equity interest held by the Group	20%	20%
NET ASSET	**504**	**520**
Goodwill	36	38
Impairment of share in net asset of equity investments	(29)	(30)
Dividends	(5)	-
Other	(52)	(59)
CARRYING VALUE OF THE GROUP'S INTERESTS	**454**	**469**

Income statement

(in € million)	TMH Limited **Half-year ended 30 June 2020**	TMH Limited **Half-year ended 30 June 2019**
Sales	2,020	2,371
Net income from continuing operations	98	54
Share of non-controlling interests	-	8
Net income attributable to the owners of the parent company	**98**	**62**
Equity interest held by the Group	20%	20%
Share in the net income	**19**	**12**
Other items	(1)	5
GROUP'S SHARE IN THE NET INCOME	**18**	**17**

13.2 Other associates

The Group's investment in other associates comprises investment in CASCO, held by the Group at 49%, for €120 million (of which €24 million of net profit) as well as other associates which are not significant on an individual basis. On aggregate, the net carrying value of Alstom's Investment represents €128 million as of 30 September 2020 (€137 million as of 31 March 2020).

NOTE 14. OTHER NON-CURRENT ASSETS

(in € million)	At 30 September 2020	At 31 March 2020
Financial non-current assets associated to financial debt (*)	163	177
Long-term loans, deposits and other	52	56
Other non-current assets	**215**	**233**

(*) These non-current assets relate to a long-term rental of trains and associated equipment to a London metro operator (see Note 20).

Movements over the semester include a foreign exchange translation impact of €(9) million.

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F. WORKING CAPITAL

NOTE 15. WORKING CAPITAL

(in € million)	At 30 September 2020	At 31 March 2020	Variation
Inventories	1,737	1,743	(6)
Contract assets	1,927	1,644	283
Trade receivables	1,382	1,581	(199)
Other current operating assets / (liabilities)	(520)	(528)	8
Contract liabilities	(2,568)	(3,148)	580
Provisions	(902)	(1,013)	111
Trade payables	(1,849)	(1,653)	(196)
WORKING CAPITAL	**(793)**	**(1,374)**	**581**

(in € million)	For the half-year ended At 30 September 2020
Working capital at the beginning of the period	**(1,374)**
Changes in working capital resulting from operating activities	461
Changes in working capital resulting from investing activities	2
Translation adjustments and other changes	118
Total changes in working capital	**581**
Working capital at the end of the period	**(793)**

15.1 Inventories

(in € million)	At 30 September 2020	At 31 March 2020
Raw materials and supplies	1,135	1,099
Work in progress	604	692
Finished products	150	146
Inventories, gross	**1,889**	**1,937**
Raw materials and supplies	(140)	(129)
Work in progress	(7)	(58)
Finished products	(5)	(7)
Write-down	**(152)**	**(194)**
Inventories, net	**1,737**	**1,743**

15.2 Net contract Assets/(Liabilities)

(in € million)	At 30 September 2020	At 31 March 2020	Variation
Cost to fulfil a contract	17	15	2
Contract assets	1,910	1,629	281
Total contract assets	**1,927**	**1,644**	**283**
Contract liabilities	(2,568)	(3,148)	580
Net contract Assets/(Liabilities)	**(641)**	**(1,504)**	**863**

Net contract Assets/(Liabilities) include down-payments for €2,116 million at 30 September 2020 and €2,238 million at 31 March 2020.

15.3 Other current operating assets & liabilities

(in € million)	At 30 September 2020	At 31 March 2020
Down payments made to suppliers	53	63
Corporate income tax	71	85
Other taxes	314	326
Prepaid expenses	89	55
Other receivables	297	209
Derivatives relating to operating activities	104	207
Remeasurement of hedged firm commitments in foreign currency	282	247
Other current operating assets	**1,210**	**1,192**

(in € million)	At 30 September 2020	At 31 March 2020
Staff and associated liabilities	427	531
Corporate income tax	96	93
Other taxes	150	137
Deferred income	11	9
Other payables	720	572
Derivatives relating to operating activities	178	199
Remeasurement of hedged firm commitments in foreign currency	148	179
Other current operating liabilities	**1,730**	**1,720**

Over the period ended 30 September 2020, the Group entered into agreements of assignment of receivables that lead to the derecognition of tax receivables for an amount of €45 million. The total disposed amount outstanding at 30 September 2020 is €123 million.

15.4 Provisions

(in € million)	At 31 March 2020	Additions	Releases	Applications	Translation adjustments and other	At 30 September 2020
Warranties	275	89	(21)	(49)	(16)	278
Risks on contracts	578	42	(72)	(28)	(33)	487
Current provisions	**853**	**131**	**(93)**	**(77)**	**(49)**	**765**
Tax risks & litigations	63	3	(2)	(1)	(4)	59
Restructuring	30	4	(1)	(18)	-	15
Other non-current provisions	67	1	(1)	-	(4)	63
Non-current provisions	**160**	**8**	**(4)**	**(19)**	**(8)**	**137**
Total Provisions	**1,013**	**139**	**(97)**	**(96)**	**(57)**	**902**

Provisions for warranties relate to estimated costs to be incurred over the residual contractual warranty period on completed contracts.

Provisions for risks on contracts relate to provisions on contract losses and to commercial disputes and operating risks.

In relation to uncertain tax treatments and tax risks, the Group tax filings are subject to audit by tax authorities in most jurisdictions in which the Group operates. These audits may result in assessment of additional taxes that are subsequently resolved with the authorities or potentially through the courts. The Group believes that it has strong arguments against the questions being raised, that it 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. Following IFRIC 23 application in April 2019, it is reminded that liabilities for uncertainty over income tax treatments are now presented as tax liabilities on the line corporate income tax in the other current operating liabilities.

Restructuring provisions mainly derive from the adaptation of the means of production in certain countries, as Germany.

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

The management identifies and analyses on a regular basis current litigations and other risks, using its best estimate to assess, when necessary, provisions. These estimates take into account information available and different possible outcomes. Main disputes are described in Note 23.

G. EQUITY AND DIVIDENDS

NOTE 16. EQUITY

16.1 Capital

At 30 September 2020, the share capital of Alstom amounts to €1,588,088,334 consisting of 226,869,762 ordinary shares with a par value of €7 each. Over the period, the weighted average number of outstanding ordinary shares amounts to 226,576,921 after the dilutive effect of bonds reimbursable in shares "Obligations Remboursables en Actions" and to 228,077,666 after the effect of all dilutive instruments

During the period ended 30 September 2020:

- 33,682 ordinary shares were issued under equity settled share-based payments;
- 862,298 ordinary shares were issued under long term incentive plans.

16.2 Currency translation adjustment

As at 30 September 2020, the currency translation group reserve amounts to €(742) million.

The currency translation adjustment, presented within the consolidated statement of comprehensive income for €(120) million, primarily reflects the effect of variations of the US Dollar (€(48) million), Russian Federation Rouble (€(31) million), Brazilian Real (€(15) million), Indian Rupee (€(9) million), British pound (€(5) million) and against the Euro for the half-year ended 30 September 2020.

NOTE 17. DISTRIBUTION OF DIVIDENDS

As approved at the Combined Shareholders' Meeting on 8 July 2020, Alstom did not distribute dividend for fiscal year 2019/20 in the context of the sanitary crisis.

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H. FINANCING AND FINANCIAL RISK MANAGEMENT

NOTE 18. OTHER CURRENT FINANCIAL ASSETS

As at 30 September 2020, other current financial assets comprise the positive market value of derivatives instruments hedging financing activities.

(in € million)	At 30 September 2020	At 31 March 2020
Derivatives related to financing activities and others	25	45
OTHER CURRENT FINANCIAL ASSETS	**25**	**45**

Alstom Group's derivatives related to financing activities as of September 30st 2020 contain derivatives instruments entered to mitigate the Foreign Exchange Currency risk of the purchase price in the frame of the Bombardier Transportation acquisition for €12million. Hedges first designation is based so far on the highly probable value of the purchase price on the sale and purchase agreement date (see Note 1) and is therefore eligible for cash flow hedge accounting. This estimate will be reassessed based on new available information up to the closing.

NOTE 19. CASH AND CASH EQUIVALENTS

(in € million)	At 30 September 2020	At 31 March 2020
Cash	1,148	1,060
Cash equivalents	805	1,115
CASH AND CASH EQUIVALENT	**1,953**	**2,175**

In addition to bank open deposits classified as cash for €1,148 million, the Group invests in cash equivalents:

- Euro money market funds for an amount of €651 million (€853 million at 31 March 2020) qualified as "monetary" or "monetary short-term" under the French AMF classification;
- Bank term deposits that can be terminated at any time with less than three months notification period for an amount of €154 million (€262 million at 31 March 2020).

NOTE 20. FINANCIAL DEBT

		Cash movements	Non-cash movements	
(in € million)	At 31 March 2020	Net cash variation	Translation adjustments and other	At 30 September 2020
Bonds	694	-	1	695
Other borrowing facilities	290	126	8	424
Derivatives relating to financing activities	57	-	(43)	14
Accrued interests	1	(13)	14	2
Borrowings	**1,042**	**113**	**(20)**	**1,135**
Lease obligations	**596**	**(52)**	**25**	**569**
Total financial debt	**1,638**	**61**	**5**	**1,704**

Paid interests are disclosed in the net cash provided by operating activities part in the cash flow statement. Net interests paid and received amount to €(9) million and those related to lease obligations amount to €(4) million.

Lease obligations include obligations under long-term rental representing liabilities related to lease obligations on trains and associated equipment for €163 million at 30 September 2020 and €177 million at 31 March 2020 (see Note 14).

Bonds

The following table summarizes terms of the Group's bond:

	Initial Nominal value (in € million)	Maturity date (dd/mm/yy)	Nominal interest rate	Effective interest rate	Accounting value at At 30 September 2020	Market value at At 30 September 2020
Alstom October 2026	700	14/10/2026	0.25%	0.38%	695	687
Total and weighted average rate			**0.25%**	**0.38%**	**695**	**687**

Other borrowings facilities

Other borrowings facilities include:

- Negotiable European Commercial Papers for €215 million of which €190 million issued during the semester;
- Banking facilities drawn by affiliates.

NOTE 21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The main categories of financial assets and financial liabilities of the Group and Financial Risk Management are identical to those described in the consolidated financial statements at 31 March 2020.

Revolving Credit Facility

In addition to its available cash and cash equivalents, amounting to €1.953 million at 30 September 2020, the Group can access a €400 million revolving credit facility, maturing in June 2022, which is fully undrawn on September 2020.

In the context of COVID-19, Alstom has taken additional measures to bolster its liquidity.

Alstom secured a €1,750 million Revolving Credit Facility with a 1-year maturity, a 6-month extension option at the borrower's discretion and another 6 months extension at the lenders' discretion. This additional RCF aims at stepping in for Alstom's €1 billion Negotiables European Commercial Paper program, should the Commercial Papers market be no longer accessible, in addition to providing an extra liquidity buffer.

With these facilities in place and cash position, the Company has significant liquidity available to cope with additional cash requirements related to the coronavirus.

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.

To issue these bonds, the Group relies on both uncommitted bilateral lines in numerous countries and a €3 billion Committed Guarantee Facility Agreement ("CGFA") with five tier one banks allowing issuance until 2nd March 2023 of bonds with tenors up to 7 years. This bilateral line contains a change of control clause, which may result in the program being suspended, in the obligation to procure new bonds to replace outstanding bonds or to provide cash collateral, as well as early reimbursement of the other debts of the Group, as a result of their cross-default or cross-acceleration provisions.

As at 30 September 2020, the total outstanding bonding guarantees related to contracts from continuing operations, issued by banks or insurance companies, amounted to €9.6 billion (€9.6 billion at 31 March 2020).

The available amount under the Committed Guarantee Facility Agreement at 30 September 2020 amounts to €1.4 billion (€1.7 billion at 31 March 2020).

Issues under the syndicated line are also subject to certain financial criteria (debt ratio), based on consolidated Group data and consistent with the debt ratio of the credit line.

Financial covenant

The €400 million Revolving Credit Facility is subject to a covenant on the ratio of total net debt to EBITDA:

- Total net debt is defined as total financial debt except lease obligations under IFRS 16 scope, less cash and cash equivalents;
- The EBITDA is defined as earnings before financial expense, financing income, income taxes, amortisation and impairment charges on tangible and intangible assets less capital gain on disposal of investments less the rental costs related to Lease Obligations under IFRS 16 scope (over rolling 12 months for the semester).

This ratio should not exceed 2.5.

The financial covenant calculation is detailed below:

(in € million)	For the half-year ended At 30 September 2020	For the year ended At 31 March 2020
EBITDA	607	746
Total net debt	(832)	(1,190)
Total Net debt leverage	**(1.4)**	**(1.6)**

There is no financial covenant in the €3 billion Committed Guarantee Facility agreement, in the 1,750 million revolving credit facility and the bridge facilities that will fund the Bombardier Transportation acquisition.

I. POST-EMPLOYMENT AND OTHER LONG-TERM DEFINED EMPLOYEE BENEFITS

NOTE 22. POST-EMPLOYMENT AND OTHER LONG-TERM DEFINED EMPLOYEE BENEFITS

The net liability on post-employment and on other long term employee defined benefits is calculated using the latest valuation at the previous financial year closing date. Adjustments of actuarial assumptions are performed on main contributing areas (United Kingdom, Germany, France, Switzerland, Italy, Sweden and the US) if significant fluctuations or one-time events have occurred during the 6 months period. The fair value of main plan assets was reviewed at 30 September 2020.

Discount rates for main geographic areas (weighted average rates)

(in %)	At 30 September 2020	At 31 March 2020
United Kingdom	1.85	2.55
Euro Zone	0.90	1.54
Other	2.36	2.60

Movements of the period

At 30 September 2020, the net provision for post-employment benefits amounts to €531 million compared with €491 million at 31 March 2020. The variation of actuarial gains and losses arising from post-employment defined benefit plans recognized in the Other comprehensive income amounts to €50 million for the half-year ended 30 September 2020 because of the evolution of the discount rate by geographic areas.

Other variations in the period ended 30 September 2020 mainly arose from service costs related to defined benefits that are consistent with costs incurred in the previous period, and with projections estimated in actuarial valuations performed at 31 March 2020.

J. CONTINGENT LIABILITIES AND DISPUTES

NOTE 23. 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 these litigations 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

Some of the Group's subsidiaries are subject to civil proceedings in relation to the use of asbestos in France essentially and in Spain and the United Kingdom. In France, 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, employees and former employees of the Group 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.

The Group believes that the cases where it may be required to bear the financial consequences of such proceedings 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 would not have any material adverse effect on its financial condition.

Alleged anti-competitive activities

Transportation activities in Brazil

In July 2013, the Brazilian Competition Authority ("CADE") raided a number of companies involved in transportation activities in Brazil, including the subsidiary of Alstom, following allegations of anti-competitive practices and illegal payments. After a preliminary investigation stage, CADE notified in March 2014 the opening of an administrative procedure against several companies, of which the Alstom's subsidiary in Brazil, and certain current and former employees of the Group. CADE ruled in July 2019 a financial fine of BRL 133 million (approximately €20 million) on Alstom's subsidiary in Brazil as well as a ban to participate in public procurement bids in Brazil conducted by the

Federal, State, and Municipal Public Administration over a period of 5 years. The administrative decision is now considered final. In September 2020, Alstom's subsidiary in Brazil has lodged a judicial appeal against the July 2019 administrative decision before the Brasilia Civil Court as well as an injunction to suspend CADE´s decision until the final decision on the judicial appeal. On September 14th, 2020 the Court has responded positively to the injunction request. CADE has filed an appeal against this injunction on 3rd November 2020 solely on the merits and not on the suspension aspect, which therefore remains valid. The review and assessment of this appeal is ongoing with Alstom external lawyers. In parallel to this main case opened by CADE only in relation to entities and individuals formally notified when launching the proceedings in 2014, CADE launched in the Spring of 2018 formal notifications against individuals who had not yet been notified yet, mainly foreign individuals not residing in Brazil. The proceedings against these individuals are part of a second phase of the case. Current and former employees of Alstom are also subject to proceedings initiated by the public prosecutor of the state of Sao Paulo in connection with some of the Transport projects subject to CADE procedure.

The Prosecutor of the State of Sao Paulo launched in May 2014 a civil action against a Group's subsidiary in Brazil, along with a number of other companies, for a total amount asserted against all companies of BRL2.5 billion (approximately €439 million) excluding interests and possible damages in connection with a transportation project. The Group's subsidiary is actively defending itself against this action.

In December 2014, the public prosecutor of the state of Sao Paulo also initiated a lawsuit against Alstom's subsidiary in Brazil, along with a number of other companies, related to alleged anti-competitive practices regarding the first phase of a train maintenance project, which is also subject to administrative proceedings since 2013. In the last quarter of 2016, this Alstom subsidiary in Brazil, along with a number of other companies, faced the opening of another lawsuit by the public prosecutor of the state of Sao Paulo related to alleged anti-competitive practices regarding a second phase of the said train maintenance project. In case of proven illicit practices, possible sanctions can include the cancellation of the relevant contracts, the payment of damage compensation, the payment of punitive damages and/or the dissolution of the Brazilian companies involved.

Italy – new file

On 23th of June 2020, a series of searches and arrests have been carried out by the Milan police under instructions of the Milan Prosecution Office as part of a preliminary investigation into alleged bribes and bid-rigging in connection with public tenders for Azienda Transporte Milanesi ("ATM"), the municipal public transport company and operator of the Milan Subway. The investigation concerns at least seven companies and 28 individuals, including three current employees and one former employee of Alstom Ferroviaria S.p.A (the "Alstom Italy employees").

The Prosecution Office alleges that the Alstom Italy employees engaged in bid-rigging under Article 353 of the Italian Criminal Code, including colluding with an employee of ATM, to obtain confidential technical information in order to secure an undue advantage in the tender process for a 2019 contract for the Milan subway. Alstom did not ultimately submit a bid in respect of this contract.

Alstom Ferroviaria S.p.A. is also subject to investigation regarding alleged violation of Legislative Decree No. 231/2001 ("Decree 231/2001") for not having implemented (or not having efficiently applied) a system of control capable to avoid the commission by its employees of corruption. A company may only be held liable under Decree 231 if the criminal misconduct of its employees is established. In such a case, a company may seek to defend itself from corporate liability under Decree 231/2001 by showing that it had adopted and effectively implemented an organizational model (known as a "Modello") to prevent misconduct and established an independent supervisory body (known as an "organismo di vigilenza") to oversee compliance with the Modello. Alstom Ferroviaria S.p.A. has adopted a Modello and has established on organism di vigilenza.

Alstom is conducting an internal investigation into the allegations discussed above in coordination with external counsel and has taken certain interim measures in response to the allegations of the Prosecution Office, in particular by suspending one of its employee of Alstom Ferroviaria S.p.A. . The preliminary investigation by the Prosecution Office continues in parallel. Following its investigation, the Prosecution Office will decide whether to request a dismissal or to request an indictment.

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Alleged illegal payments

Certain companies and former employees of the Group are currently being investigated and/or subject to procedures, by judicial or administrative authorities (including in Hungary) or international financial institutions with respect to alleged illegal payments in certain countries.

With respect to these matters, the Group is cooperating with the concerned authorities or institutions. These investigations or procedures may result in criminal sanctions, including fines which may be significant, exclusion of Group subsidiaries from tenders and third-party actions.

CR-1 Marmaray railway infrastructure – Turkey

In March 2007, the Turkish Ministry of Transport (DLH) awarded the contract to upgrade approximately 75 km of railway infrastructure in the Istanbul region, known as the "Marmaray Commuter Rail Project (CR-1)" to the consortium Alstom Dogus Marubeni (AMD), of which Alstom Transport's main French subsidiary is a member. This project, which included works on the transcontinental railway tunnel under the Bosphorus, has undergone significant delays mainly due to difficulties for the DLH to make the construction site available. Thus, the AMD consortium terminated the contract in 2010. This termination was challenged by DLH, who thereafter called the bank guarantees issued by the consortium up to an amount of approximately €80 million. Following injunctions, the payment of such bank guarantees was forbidden, and the AMD consortium immediately initiated an arbitration procedure to resolve the substantive issues. The arbitral tribunal has decided in December 2014 that the contract stands as terminated by virtue of Turkish law and has authorized the parties to submit their claims for compensation of the damages arising from such termination. Following this decision on the merits, DLH made renewed attempts in 2015 to obtain payment of the bank guarantees but defense proceedings by the AMD consortium have enabled so far to reject these payment requests.

In the arbitration procedure, the phase of assessment of damages is over. Hearings took place in October 2017 and post-hearing submissions were exchanged in February 2018. In May 2018, the arbitral tribunal requested further submissions from the parties to clarify certain claims and the parties exchanged their submissions until July 2018. A second partial final award on quantum was issued to the parties' on 20 September 2019, which recognized (a) the significant delays caused by DLH and AMD's entitlements in the sum of approximately €41 million, and (b) DLH's alleged loss in the amount of approximately €68 million, resulting in a net principal sum, after set-off, ordered payable by the AMD consortium to DLH in the amount of approximately €27 million. An addendum to the second partial award was issued by the tribunal on 23 December 2019, reducing AMD's exposure to €21 million. The third and final award, which exclusively deals with legal costs, interests, tax and four minor claims, was communicated to Alstom on July 24th. 2020. The set off of the various amounts awarded by the tribunal to both parties results in an additional net amount of approx. 6M due by AMD to the Ministry (totalling approx. €28 million). On 29 August 2020, AMD filed a request for clarification of the award which could potentially decrease the consortium net exposure by €500.000. The draft of the award has been validated by the ICC on 29th of October 2020 and sent back to the Tribunal for finalization before communication. The communication date has not been shared with the parties yet.

On the other hand, through arbitration request notified on 29 September 2015, Marubeni Corporation launched proceedings against Alstom Transport SA taken as consortium leader in order to be compensated for the consequences of the termination of the contract with AMD. In a similar fashion, through arbitration request issued on 15 March 2016, the other consortium member Dogus launched proceedings against Alstom Transport SA with similar demands and a request to have the disputes between consortium members consolidated in a single case. Alstom Transport SA is rejecting these compensation requests and is defending itself in these proceedings between consortium members which, while having gone through a consolidation in a single case, have however been suspended by the arbitral tribunal pending the outcome of the main arbitral proceedings between AMD and DLH. In October 2018, Dogus applied for interim measures to clarify certain aspects of the consortium agreement and this request was rejected by the arbitral tribunal.

Regional Minuetto trains & high-speed Pendolino trains – Italy

Alstom Transport's subsidiary in Italy is involved in two litigation proceedings with the Italian railway company Trenitalia. One is related to a supply contract of regional Minuetto trains awarded in 2001 (the "Minuetto case"), and the other to a supply contract of high-speed Pendolino trains awarded in 2004 (the "Pendolino case"). Each of these contracts has undergone technical issues and delays leading the Trenitalia company to apply delay and technical penalties and, consequently, to withhold payments. Since the parties dispute certain technical matters as well as the causes and responsibilities of the delays, the matter was brought before Italian courts in 2010 and 2011 respectively. In the Minuetto case, the technical expertise report has been released and Alstom has challenged its contents with amendment requests. The technical expert submitted his final report in April 2017 and certain amendment requests were taken into account. The parties have exchanged final summary memorials, and the next step will be the decision of the tribunal. On 26 June 2019, the Court of Cuneo issued its decision, mainly (i) recognizing that Trenitalia abused of Alstom's economic dependence (which led Alstom to accept unfair contractual terms, some of which were declared null), (ii) acknowledging a substantial amount of penalties but for which the court ruled that Trenitalia could not obtain payment of on the basis of procedural grounds and (iii) dismissing all other claims of the parties. On 24 January 2020 Alstom appealed the decision before the Court of Appeal of Turin. On 12 May 2020 Trenitalia filed its defense and counter-appeal. The Court of Appeal of Turin fixed the first hearing of the proceedings on 4 November 2020.

In the Pendolino case, the technical expertise report was released, and Alstom has obtained certain corrections following its challenge on some of the conclusions of the report. After the closing of the expertise phase the proceedings continued their path on the legal aspects of the dispute. The tribunal rendered in March 2019 a decision acknowledging that a significant part of the delays was not attributable to Alstom and therefore reduced a large portion of the delay damages claimed by Trenitalia s. The tribunal also rejected the reliability penalties claimed by Trenitalia while accepting certain of its residual damage compensation requests. Finally, the tribunal accepted Alstom's claims linked to contract price adjustment formula while rejecting some of its other cost compensation claims. Alstom appealed the decision on 7 October 2019. On 15 January 2020 Trenitalia filed its defense and counter-appeal. The Court of Appeal of Rome fixed the first hearing of the proceedings on 13 January 2022.

Saturno

Following a dispute within a consortium involving Alstom's subsidiary in Italy and three other Italian companies, the arbitral tribunal constituted to resolve the matter has rendered in August 2016 a decision against Alstom by awarding €22 million of damage compensation to the other consortium members. Alstom's subsidiary strongly contests this decision and considers that it should be able to avoid its enforcement and thus prevent any damage compensation payment. On 30 November 2016, Alstom's subsidiary filed a motion in the Court of Appeals of Milan to obtain the cancellation of the arbitral award. On 1 December 2016, Alstom's subsidiary filed an ex parte motion for injunctive relief to obtain the suspension of the arbitral award pending the outcome of the appeal proceedings, which was temporarily accepted by the Court. After a phase of hearings in contradictory proceedings on the request for suspension of the arbitral award, the Court of Appeal of Milan decided on 3 March 2017 in favor of Alstom's subsidiary by confirming definitively the suspension of this arbitration decision pending the outcome of the proceedings relating to the cancellation of such decision. The Court of Appeal of Milan ruled on the merits in March 2019 in favour of the Alstom's subsidiary and cancelled the arbitration award of August 2016 including the €22 million of damage compensation. The members of the consortium (excluding Alstom) appealed the decision of the Court of Appeal of Milan on 19 October 2019. On 27 November 2019 Alstom filed its defense and counter-appeal. The parties are now waiting for a decision on the admissibility of the recourse, to be given by the so-called "Filter Section" of the Court of Cassation.

Sale of Alstom's Energy Businesses in November 2015

Finally, it shall be noted that, by taking over Alstom's Energy Businesses in November 2015, General Electric undertook to assume all risks and liabilities exclusively or predominantly associated with said businesses and in a symmetrical way, Alstom undertook to keep all risks and liabilities associated with the non-transferred business. Cross-indemnification for a duration of 30 years and asset reallocation ("wrong pocket") mechanisms have been established to ensure that, on the one hand, assets and liabilities associated with the Energy businesses being sold are indeed transferred to General Electric and on the other hand, assets and liabilities not associated with such businesses are borne by Alstom. As a result, the consequences of litigation matters that were on-going at the time of the sale and associated with these transferred activities are taken over by General Electric. Indemnity provisions protect Alstom in case of third-party claims directed at Alstom and relating to the transferred activities. For this reason and since Alstom no longer manages these litigation matters, Alstom is ceasing to include them in this section.

There are no other governmental, legal or arbitration procedures, including proceedings of which the Group is aware, and which are pending or threatening, which might have, or have had during the last twelve months, a significant impact on the financial situation or profitability of the Group.

K. OTHER NOTES

NOTE 24. RELATED PARTIES

There are no material changes in related-party transactions between 31 March 2020 and 30 September 2020.

NOTE 25. SUBSEQUENT EVENTS

The Group has not identified any subsequent event to be reported other than the items already described above or in the previous notes.

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NOTE 26. SCOPE OF CONSOLIDATION

PARENT COMPANY			
ALSTOM SA	France	-	Parent Company

Companies	Country	Ownership %	Consolidation Method
ALSTOM Algérie "Société par Actions"	Algeria	100	Full consolidation
ALSTOM Grid Algérie SPA	Algeria	100	Full consolidation
ALSTOM Argentina S.A.	Argentina	100	Full consolidation
ALSTOM Transport Australia Holdings Pty Limited	Australia	100	Full consolidation
ALSTOM Transport Australia Pty Limited	Australia	100	Full consolidation
NOMAD DIGITAL PTY LTD	Australia	100	Full consolidation
ALSTOM Transport Azerbaijan LLC	Azerbaijan	100	Full consolidation
ALSTOM Belgium SA	Belgium	100	Full consolidation
CABLIANCE BELGIUM	Belgium	100	Full consolidation
NOMAD DIGITAL BELGIUM	Belgium	100	Full consolidation
ALSTOM Brasil Energia e Transporte Ltda	Brazil	100	Full consolidation
ETE - EQUIPAMENTOS DE TRACAO ELETRICA LTDA	Brazil	100	Full consolidation
ALSTOM Transport Canada Inc.	Canada	100	Full consolidation
ALSTOM Chile S.A.	Chile	100	Full consolidation
ALSTOM Hong Kong Ltd	China	100	Full consolidation
ALSTOM Investment Company Limited	China	100	Full consolidation
ALSTOM Qingdao Railway Equipment Co Ltd	China	51	Full consolidation
SHANGHAI ALSTOM Transport Electrical Equipment Company Ltd	China	60	Full consolidation
Chengdu ALSTOM Transport Electrical Equipment Co., Ltd.	China	60	Full consolidation
TRANSLOHR INDUSTRIAL (TIANJIN) CO. LTD	China	100	Full consolidation
XI'AN ALSTOM YONGJI ELECTRIC EQUIPMENT CO., LTD	China	51	Full consolidation
ALSTOM Transport Danmark A/S	Denmark	100	Full consolidation
NOMAD DIGITAL APS	Denmark	100	Full consolidation
NOMAD DIGITAL (DENMARK) APS	Denmark	100	Full consolidation
ALSTOM Egypt for Transport Projects SAE	Egypt	99	Full consolidation
AREVA INTERNATIONAL EGYPT FOR ELECTRICITY TRANSMISSION & DISTRIBUTION	Egypt	100	Full consolidation
ALSTOM Transport Finland Oy	Finland	100	Full consolidation
ALSTOM APTIS	France	100	Full consolidation
ALSTOM Executive Management	France	100	Full consolidation
ALSTOM Holdings	France	100	Full consolidation
ALSTOM IBRE	France	100	Full consolidation
ALSTOM Kleber Sixteen	France	100	Full consolidation
ALSTOM Leroux Naval	France	100	Full consolidation
ALSTOM Network Transport	France	100	Full consolidation
ALSTOM Omega 1	France	100	Full consolidation
ALSTOM SHIPWORKS	France	100	Full consolidation
ALSTOM Transport SA	France	100	Full consolidation
ALSTOM Transport Technologies	France	100	Full consolidation
CENTRE D'ESSAIS FERROVIAIRES	France	95	Full consolidation
ETOILE KLEBER	France	100	Full consolidation
INTERINFRA (COMPAGNIE INTERNATIONALE POUR LE DEVELOPPEMENT D'INFRASTRUCTURES)	France	50	Full consolidation
LORELEC	France	100	Full consolidation
NEWTL	France	100	Full consolidation
NOMAD DIGITAL France	France	100	Full consolidation
NTL HOLDING	France	100	Full consolidation
StationOne	France	100	Full consolidation
ALSTOM Lokomotiven Service GmbH	Germany	100	Full consolidation
ALSTOM Transport Deutschland GmbH	Germany	100	Full consolidation
NOMAD DIGITAL GMBH	Germany	100	Full consolidation
VGT VORBEREITUNGSGESELLSCHAFT TRANSPORTTECHNIK GMBH	Germany	100	Full consolidation

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Companies	Country	Ownership %	Consolidation Method
ALSTOM Network UK Ltd	Great Britain	100	Full consolidation
ALSTOM NL Service Provision Limited	Great Britain	100	Full consolidation
ALSTOM Academy for rail	Great Britain	100	Full consolidation
ALSTOM Product and Services Limited	Great Britain	100	Full consolidation
ALSTOM Transport Service Ltd	Great Britain	100	Full consolidation
ALSTOM Transport UK (Holdings) Ltd	Great Britain	100	Full consolidation
ALSTOM Transport UK Limited	Great Britain	100	Full consolidation
NOMAD DIGITAL (INDIA) LIMITED	Great Britain	70	Full consolidation
NOMAD DIGITAL LIMITED	Great Britain	100	Full consolidation
NOMAD HOLDINGS LIMITED	Great Britain	100	Full consolidation
NOMAD SPECTRUM LIMITED	Great Britain	100	Full consolidation
WASHWOOD HEATH TRAINS LTD	Great Britain	100	Full consolidation
WEST COAST SERVICE PROVISION LIMITED	Great Britain	100	Full consolidation
WEST COAST TRAINCARE LIMITED	Great Britain	100	Full consolidation
21NET LTD	Great Britain	100	Full consolidation
J&P AVAX SA - ETETH SA - ALSTOM TRANSPORT SA	Greece	34	Full consolidation
ALSTOM Transport Hungary Zrt.	Hungary	100	Full consolidation
ALSTOM Manufacturing India Private Limited	India	100	Full consolidation
ALSTOM Systems India Private Limited	India	95	Full consolidation
ALSTOM Transport India Limited	India	100	Full consolidation
MADHEPURA ELECTRIC LOCOMOTIVE PRIVATE LIMITED	India	74	Full consolidation
NOMAD DIGITAL (INDIA) PRIVATE LIMITED	India	70	Full consolidation
TWENTY ONE NET (INDIA) PRIVATE LTD	India	100	Full consolidation
PT ALSTOM Transport Indonesia	Indonesia	67	Full consolidation
ALSTOM Khadamat S.A.	Iran	100	Full consolidation
ALSTOM Transport Ireland Ltd	Ireland	100	Full consolidation
CITADIS ISRAEL LTD	Israel	100	Full consolidation
ALSTOM Ferroviaria S.p.A.	Italy	100	Full consolidation
ALSTOM Services Italia S.p.A.	Italy	100	Full consolidation
NOMAD DIGITAL ITALIA S.R.L.	Italy	100	Full consolidation
ALSTOM Kazakhstan LLP	Kazakhstan	100	Full consolidation
EKZ Service Limited Liability Partnership	Kazakhstan	80	Full consolidation
ELECTROVOZ KURASTYRU ZAUYTY LLP	Kazakhstan	80	Full consolidation
ALSTOM Transport (Malaysia) Sdn Bhd	Malaysia	100	Full consolidation
ALSTOM Transport Mexico, S.A. de C.V.	Mexico	100	Full consolidation
ALSTOM CABLIANCE	Morocco	100	Full consolidation
ALSTOM Transport Maroc SA	Morocco	100	Full consolidation
ALSTOM Transport B.V.	Netherlands	100	Full consolidation
ALSTOM Transport Holdings B.V.	Netherlands	100	Full consolidation
NOMAD DIGITAL B.V.	Netherlands	100	Full consolidation
AT NIGERIA LIMITED	Nigeria	100	Full consolidation
ALSTOM Enio ANS	Norway	100	Full consolidation
ALSTOM Transport Norway AS	Norway	100	Full consolidation
ALSTOM Panama, S.A.	Panama	100	Full consolidation
ALSTOM Transport Peru S.A.	Peru	100	Full consolidation
ALSTOM Transport Construction Philippines, Inc	Philippines	100	Full consolidation
ALSTOM Konstal Spolka Akcyjna	Poland	100	Full consolidation
ALSTOM Pyskowice Sp. z o.o.	Poland	100	Full consolidation
ALSTOM Transporte Portugal Unipessoal Lda	Portugal	100	Full consolidation
NOMAD TECH, LDA.	Portugal	51	Full consolidation
ALSTOM Transport SA (Romania)	Romania	93	Full consolidation
ALSTOM Transport Rus LLC	Russian Federation	100	Full consolidation

Companies	Country	Ownership %	Consolidation Method
ALSTOM Transport (S) Pte Ltd	Singapore	100	Full consolidation
ALSTOM Southern Africa Holdings (Pty) Ltd	South Africa	100	Full consolidation
ALSTOM Transport Holdings SA (Pty) Ltd	South Africa	100	Full consolidation
ALSTOM Ubunye (Pty) Ltd	South Africa	51	Full consolidation
GIBELA RAIL TRANSPORT CONSORTIUM (PTY) LTD	South Africa	70	Full consolidation
ALSTOM Korea Transport Ltd	South Korea	100	Full consolidation
ALSTOM Espana IB, S.L.	Spain	100	Full consolidation
ALSTOM Transporte, S.A.	Spain	100	Full consolidation
APLICACIONES TECNICAS INDUSTRIALES, S.A.	Spain	100	Full consolidation
ALSTOM Transport AB	Sweden	100	Full consolidation
ALSTOM Transport Information Systems AB	Sweden	100	Full consolidation
ALSTOM Network Schweiz AG	Switzerland	100	Full consolidation
ALSTOM Schienenfahrzeuge AG	Switzerland	100	Full consolidation
ALSTOM Transport (Thailand) Co., Ltd.	Thailand	100	Full consolidation
ALSTOM T&T Ltd	Trinidad and Tobago	100	Full consolidation
ALSTOM Ulasim Anonim Sirketi	Turkey	100	Full consolidation
ALSKAW LLC	USA	100	Full consolidation
ALSTOM Transport Holding US Inc.	USA	100	Full consolidation
ALSTOM Transportation Inc.	USA	100	Full consolidation
ALSTOM Signaling Inc.	USA	100	Full consolidation
ALSTOM Signaling Operation, LLC	USA	100	Full consolidation
NOMAD DIGITAL, INC	USA	100	Full consolidation
ALSTOM Venezuela, S.A.	Venezuela	100	Full consolidation
ALSTOM Transport Vietnam Ltd	Vietnam	100	Full consolidation
METROLAB	France	50	Joint Operation
THE ATC JOINT VENTURE	Great Britain	38	Joint Operation
IRVIA MANTENIMIENTO FERROVIARIO, S.A.	Spain	51	Joint Operation
CITAL	Algeria	49	Equity Method
TMH ARGENTINA SA(*)	Argentina	14	Equity Method
CASCO SIGNAL LTD	China	49	Equity Method
SHANGHAI ALSTOM Transport Company Limited	China	40	Equity Method
TRANSMASHHOLDING LIMITED	Cyprus	20	Equity Method
SILASIO TRADING LIMITED(*)	Cyprus	20	Equity Method
TMH EGYPT FOR DEVELOPMENT S.A.E.(*)	Egypt	20	Equity Method
SPEEDINNOV	France	74	Equity Method
ABC ELECTRIFICATION LTD	Great Britain	33	Equity Method
TRANSMASHHOLDING HUNGARY INVEST KFT.(*)	Hungary	10	Equity Method
TRANSMASHHOLDING HUNGARY KFT(*)	Hungary	10	Equity Method
LKZ AO(*)	Kazakhstan	10	Equity Method
LLP JV KAZELEKTROPRIVOD	Kazakhstan	50	Equity Method
SMART TECHNOLOGY ALMATY COM TOO(*)	Kazakhstan	20	Equity Method
TRANSMASHHOLDING KAZAKHSTAN-KZ TOO(*)	Kazakhstan	20	Equity Method
TMHS(*)	Mongolia	20	Equity Method
MALOCO GIE	Morocco	70	Equity Method
RAILCOMP BV	Netherlands	60	Equity Method
THE BREAKERS INVESTMENTS B.V.(*)	Netherlands	20	Equity Method
TMH-ALSTOM BV	Netherlands	60	Equity Method
TMH DIESEL ENGINE BV(*)	Netherlands	20	Equity Method
AM-TEKH(*)	Russian Federation	20	Equity Method

Companies	Country	Ownership %	Consolidation Method
CENTRAL RESEARCH AND DEVELOPMENT INSTITUTE "TransElektroPribor"(*)	Russian Federation	20	Equity Method
CORPORATE UNIVERSITY OF LOCOMOTIVE TECHNOLOGIES(*)	Russian Federation	20	Equity Method
DEMIKHOVSKY MASHINOSTROITELNY ZAVOD OAO(*)	Russian Federation	20	Equity Method
DIESEL-INSTRUMENT SPB LLC(*)	Russian Federation	10	Equity Method
DIMICROS OAO(*)	Russian Federation	9	Equity Method
DOL BRIGANTINA LLC(*)	Russian Federation	15	Equity Method
ELTK-URAL LLC(*)	Russian Federation	10	Equity Method
FIRM LOCOTECH(*)	Russian Federation	20	Equity Method
IVSK OOO(*)	Russian Federation	12	Equity Method
IZD TMH LLC(*)	Russian Federation	17	Equity Method
KOLOMENSKY ZAVOD OAO(*)	Russian Federation	17	Equity Method
KOLOMNA ENERGO DIESEL LLC(*)	Russian Federation	17	Equity Method
LOCOTECH GLOBAL TRADING(*)	Russian Federation	20	Equity Method
LOCOTECH-FOUNDRY PLANTS(*)	Russian Federation	15	Equity Method
LOCOTECH-KOMPOSIT LLC(*)	Russian Federation	8	Equity Method
LOCOTECH-LEASING(*)	Russian Federation	15	Equity Method
LOCOTECH-PROMSERVICE(*)	Russian Federation	20	Equity Method
LOCOTECH-SERVICE(*)	Russian Federation	20	Equity Method
MASHCONSULTING ZAO(*)	Russian Federation	20	Equity Method
METROVAGONMASH OAO(*)	Russian Federation	15	Equity Method
METROVAGONMASH SERVICE LLC(*)	Russian Federation	15	Equity Method
MONTAZHNAYA BAZA OAO(*)	Russian Federation	2	Equity Method
NERZ LLC(*)	Russian Federation	8	Equity Method
NO TIV ZAO(*)	Russian Federation	18	Equity Method
NOVOCHERKASSKY ELEKTROVOZOSTROITELNY ZAVOD PROIZVODSTVENNAY KOMPANIYA OOO(*)	Russian Federation	20	Equity Method
NPO SYSTEMA LLC(*)	Russian Federation	19	Equity Method
NPP LCL ZAO(*)	Russian Federation	4	Equity Method
OKHOTRESURS LLC(*)	Russian Federation	20	Equity Method
OKTYABRSKY ELEKTROVAGONOREMONTNY ZAVOD OAO(*)	Russian Federation	15	Equity Method
OVK TMH ZAO(*)	Russian Federation	20	Equity Method
PENZADIESELMASH OAO(*)	Russian Federation	20	Equity Method
PENZENSKIYE DIESELNIYE DVIGATELY LLC(*)	Russian Federation	20	Equity Method
PO BEZHITSKAYA STAL OAO(*)	Russian Federation	12	Equity Method
PROFIL LLC(*)	Russian Federation	13	Equity Method
PSOM AO(*)	Russian Federation	15	Equity Method
RAILCOMP LLC	Russian Federation	60	Equity Method
REKOLD AO(*)	Russian Federation	6	Equity Method
ROSLOKOMOTIV ZAO(*)	Russian Federation	20	Equity Method
SAPFIR OOO(*)	Russian Federation	20	Equity Method
TMH ENGINEERING ASIA LLC(*)	Russian Federation	10	Equity Method
TMH ENGINEERING LLC(*)	Russian Federation	20	Equity Method
TMH FINANCE LLC(*)	Russian Federation	20	Equity Method
TMH INTERNATIONAL LLC(*)	Russian Federation	20	Equity Method
TMH INVESTMENTS LLC(*)	Russian Federation	20	Equity Method
TMH TECHNOLOGIE LLC(*)	Russian Federation	20	Equity Method
TMH TRACTION SYSTEMS LLC(*)	Russian Federation	10	Equity Method
TMH-ELECTROTEKH LLC(*)	Russian Federation	20	Equity Method
TMHS LOKALIZATSIYA LLC(*)	Russian Federation	10	Equity Method
TORGOVY DOM TMH ZAO(*)	Russian Federation	20	Equity Method
TRAMRUS LLC	Russian Federation	60	Equity Method
TRANSCONVERTER LLC(*)	Russian Federation	13	Equity Method
TRANSHOLDLEASING AO(*)	Russian Federation	4	Equity Method

Companies	Country	Ownership %	Consolidation Method
TRANSMASH OAO(*)	Russian Federation	12	Equity Method
TRANSMASHHOLDING ZAO(*)	Russian Federation	20	Equity Method
TRTrans LLC	Russian Federation	60	Equity Method
TSENTR PERSPEKTIVNYKH TECHNOLOGIY TMH LLC(*)	Russian Federation	20	Equity Method
TVER-SAFARI LLC(*)	Russian Federation	19	Equity Method
TVERSKOY VAGONOSTROITELNY ZAVOD OAO(*)	Russian Federation	19	Equity Method
UPRAVLYAUSCHAYA KOMPANIYA BRYANSKY MASHINOSTROITELNY ZAVOD ZAO(*)	Russian Federation	20	Equity Method
VOSKHOD LLC(*)	Russian Federation	9	Equity Method
VSEROSSIYSKY NAUCHNO-ISSLEDOVATELSKY I PROEKTNO-KONSTRUKTORSKY INSTITUT ELEKTROVOZOSTROENIYA OAO(*)	Russian Federation	13	Equity Method
YUZHDIESELMASH OAO(*)	Russian Federation	1	Equity Method
ZAVOD AIT(*)	Russian Federation	10	Equity Method
ZENTROSVARMASH OAO(*)	Russian Federation	20	Equity Method
ZHELDORREMMASH(*)	Russian Federation	15	Equity Method
ZTOV LLC(*)	Russian Federation	4	Equity Method
TMH AFRICA PLC(*)	South Africa	14	Equity Method
TMH INTERNATIONAL AG(*)	Switzerland	20	Equity Method
LUGANSKTEPLOVOZ OAO(*)	Ukraine	15	Equity Method
TRANSMASH EAST TRAIN TRADING LLC(*)	United Arab Emirates	20	Equity Method
RTA RAIL TEC ARSENAL FAHRZEUGVERSUCHSANLAGE GMBH	Austria	15	Non-consolidated investment
MOBILIEGE	Belgium	15	Non-consolidated investment
4iTEC 4.0	France	23	Non-consolidated investment
AIRE URBAINE INVESTISSEMENT	France	4	Non-consolidated investment
CADEMCE SAS	France	16	Non-consolidated investment
COMPAGNIE INTERNATIONALE DE MAINTENANCE - C.I.M.	France	1	Non-consolidated investment
EASYMILE	France	13	Non-consolidated investment
ESPACE DOMICILE SA HABITAT LOYER MODERE	France	1	Non-consolidated investment
FRAMECA - FRANCE METRO CARACAS	France	19	Non-consolidated investment
MOBILITE AGGLOMERATION REMOISE SAS	France	17	Non-consolidated investment
OC'VIA CONSTRUCTION	France	12	Non-consolidated investment
OC'VIA MAINTENANCE	France	12	Non-consolidated investment
RESTAURINTER	France	35	Non-consolidated investment
SOCIETE IMMOBILIERE DE VIERZON	France	1	Non-consolidated investment
SUPERGRID INSTITUTE SAS	France	3	Non-consolidated investment
IFB INSTITUT FUR BAHNTECHNIK GMBH	Germany	7	Non-consolidated investment
TRAMLINK NOTTINGHAM (HOLDINGS) LTD	Great Britain	13	Non-consolidated investment
PARS SWITCH	Iran	1	Non-consolidated investment
CRIT SRL	Italy	1	Non-consolidated investment
CONSORZIO ELIS PER LA FORMAZIONE PROFESSIONALE SUPERIORE	Italy	0	Non-consolidated investment
METRO 5 SPA	Italy	9	Non-consolidated investment
T.P.B. TRASPORTI PUBBLICI DELLA BRIANZA S.p.A. (in bankruptcy)	Italy	30	Non-consolidated investment
TRAM DI FIRENZE S.P.A.	Italy	9	Non-consolidated investment
VAL 208 TORINO GEIE	Italy	14	Non-consolidated investment
SUBURBANO EXPRESS, S.A. DE C.V.	Mexico	11	Non-consolidated investment
IDEON S.A.	Poland	0	Non-consolidated investment
INWESTSTAR S.A.	Poland	0	Non-consolidated investment
KOLMEX SA	Poland	2	Non-consolidated investment
ALBALI SEÑALIZACIÓN, S.A.	Spain	12	Non-consolidated investment
TRAMVIA METROPOLITA DEL BESOS SA	Spain	21	Non-consolidated investment
TRAMVIA METROPOLITA, S.A.	Spain	24	Non-consolidated investment

(*) Subsidiaries of TMH Limited., consolidated within Alstom financial statements by equity method.

ALSTOM

Report of independent auditors on the half-year financial information

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

MAZARS
61, rue Henri Regnault
92075 Paris La Défense

STATUTORY AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

(Period from 1 April 2020 to 30 September 2020)

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 SA
48 rue Albert Dhalenne
93400 Saint-Ouen
France

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 SA, for the period from 1 April 2020 to 30 September 2020;

- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors on November 10th, 2020, on the basis of the information available at that date in the evolving context of the crisis related to Covid-19 and of difficulties in assessing its impact and future prospects. Our role is to express a conclusion on these financial statements based on our review.

I. 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 we would 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.

II. Specific verification

We have also verified the information given in the interim management report prepared on November 10th, 2020 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 Paris La Défense, November 10, 2020

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	MAZARS
Edouard Demarcq	Jean-Luc Barlet

ALSTOM

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 certify that, to the best of my knowledge, the condensed consolidated financial statements of ALSTOM (the "Company") for the first half-year of fiscal year 2020/21 have been prepared under generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and of all entities included in its scope of consolidation, 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 transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Saint-Ouen-sur-Seine, on 10 November 2020,

Original signed by

Henri Poupart-Lafarge

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.*