

# Alstom Defined Contribution Plan

Pension Scheme Registry Number 10274962

## *Annual Report and Accounts*

Year ended 5 April 2009

**Alstom Defined Contribution Plan****Annual Report for the year ended 5 April 2009**

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**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**

**Chairman's Introduction**

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I am pleased to present the Annual Report of the Alstom Defined Contribution Plan (the Plan) for the year to 5 April 2009 on behalf of the Trustee, ALSTOM Defined Contribution Pension Trustee Ltd.

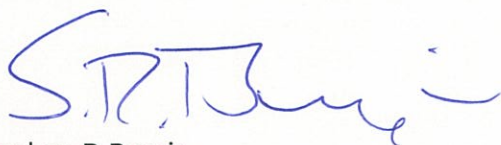
This year has seen a continued growth in the membership of the Plan, increasing from 1,277 members as at 5 April 2008 to 1,561 at the 5 April 2009. The value of the Plan has increased from £7.3 million to £10.0 million over the same period, although all funds apart from the Cash Fund have produced a negative return over the year as they were adversely affected by the universally poor market conditions.

In 2008, one suggestion that appeared on our feedback forms was to widen the members' choice of investment funds. We have discussed this on a number of occasions and decided that it was not the right time to introduce another fund option in the current economic climate. We have set up an Investment sub-committee which will review the situation later this year after which the Trustee will consider whether to extend the fund options.

There continues to be a restriction on disinvesting units from the Property Fund which has meant that members who have elected to transfer out of the Property Fund may have experienced a delay in switching their funds internally or transferring their funds on leaving service to another provider. The Trustee is hopeful that this restriction will be lifted over the next few months and continues, with its advisers, to monitor the situation closely.

Communications remains an important issue for the Trustee. The Trustee Directors have therefore formed a Communications sub-committee to review how we can best interact with our members and to make the Plan more easily understood and accessible to all members. One of our first tasks is to assess how many members have access to the internet with the view to introducing an interactive modeller.

We are keen to provide the best possible service to our members and I would like to take this opportunity to thank my fellow Trustee Directors who have shown dedication and commitment to ensure that this Plan runs as smoothly as possible and, I am sure, who will continue to do so into the future.



Stephen R Burgin

Chairman  
ALSTOM Defined Contribution Pension Trustee Ltd

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee and their Advisers**

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**Trustee**

ALSTOM Defined Contribution Pension Trustee Ltd, Newbold Road, Rugby, Warwickshire CV21 2NH

Pension Scheme Registry Number 10274962.

**Current Directors of ALSTOM Defined Contribution Pension Trustee Ltd**

S Burgin (*Chairman*)

H Austin

N Khalife

P Naughton

M Atkin

K B Jones

*There have been no changes to the Trustee Directors since 6 April 2008.*

**Secretary to the Trustee**

L Mills

**Banker**

HSBC Bank plc

**Investment Consultant**

Hewitt

**Investment Managers**

Winterthur Life as an investment platform for:  
Legal & General Investment Management  
Threadneedle Asset Management

**Legal Adviser**

Lovells LLP

**Life Assurance Company**

Norwich Union

**Annuity Broker (appointed 1 May 2009)**

Hargreaves Lansdown

**Pension Administrators**

dc-Link

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee and their Advisers (cont'd)**

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**Principal Employer**

ALSTOM Ltd

**Scheme Auditor**

Deloitte LLP (Formerly named Deloitte & Touche LLP)

**Contact for further information about the Plan or benefit enquiries**

dc-Link, Churchgate, One New Road, Peterborough PE1 1TT

Telephone Number: 01733 353 430

Email: [pensionsadmin@dc-link.co.uk](mailto:pensionsadmin@dc-link.co.uk)

Or

Louise Mills ([louise.mills@chq.alstom.com](mailto:louise.mills@chq.alstom.com)) or

Bryan Radford ([bryan.Radford@chq.alstom.com](mailto:bryan.Radford@chq.alstom.com))

Pensions Department, ALSTOM Ltd, Newbold Road, Rugby, CV21 2NH

01788 557400

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**

**Trustee's Report**

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**Introduction**

The Trustee of the Alstom Defined Contribution Plan is pleased to present its third report, together with the audited financial statements, for the year ended 5 April 2009.

The Plan is a defined contribution plan and was established by a trust deed dated 5 April 2006. The Plan is registered under the Finance Act 2004. Members are not contracted out of the State Second Pension.

**Management of the Plan**

In accordance with the Occupational Pension Scheme (Member Nominated Trustees and Directors) Regulations 2006, three of the seven directors of the Trustee Board are nominated by the members under the rules notified to the members of the Plan. Currently the Company has not appointed a fourth Company Nominated Director so that the Board operates with equal numbers of Company and Member Nominated Directors. The Company may, at some stage in the future, choose to make a fourth appointment.

The Trustee of the Plan is ALSTOM Defined Contribution Pension Trustee Ltd and for the year under review its Directors were:

**Company Nominated Trustee Directors:**

Nicolas Khalife  
Helena Austin  
Stephen Burgin  
Open position           *(see above)*

**Member Nominated Trustee Directors:**

Paul Naughton  
Mike Atkin  
Keith B Jones

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee's Report (cont'd)**

In accordance with the Trust Deed, the sponsoring employer has the power to appoint and remove the Trustees of the Plan and to appoint or remove directors of a Trustee Company, however, the removal of a Member Nominated Director can only be made with the agreement of all of the other Directors or on leaving service.

### Sponsoring Employers

The Plan is provided for employees of the Principal Employer ALSTOM Ltd, and three other participating employers, ALSTOM NL Service Provision Ltd, ALSTOM Resources Management Ltd, and West Coast Traincare Ltd. The Principal Employer's registered address is Newbold Road, Rugby, Warwickshire, CV21 2NH.

### Financial Statements

The financial statements on pages 20 to 27 have been prepared and audited in accordance with the Regulations made under Sections 41 (1) and (6) of the Pensions Act 1995 and guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised May 2007). They show that the value of the fund has grown to £10.000 million of which £9.845 million is directly invested in funds as at 5 April 2009. Total contributions received in the year amounted to £5.750 million (including employer contributions to fund Death in Service benefits and expenses).

### Membership Statistics

Details of the membership of the Plan at 5 April 2009 are given below:

Active Members	Year end 5 April	
	2009	2008
<i>Active members at the beginning of the year</i>	<b>1,171</b>	<b>1,046</b>
New entrants in the year	498	436
Members retiring	(1)	-
Member deaths	(1)	-
Members leaving with contribution refunds	(31)	(69)
Members leaving with preserved benefits	(75)	(7)
Members leaving pending a decision	(134)	(235)
<i>Active members at the end of the year</i>	<b>1,427</b>	<b>1,171</b>

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee's Report (cont'd)**

		Year end 5 April	
Members with deferred benefits as to their benefits		2009	2008
	<b><i>Deferred members at the beginning of the year</i></b>	<b>4</b>	<b>1</b>
	Leavers during the year with benefits	80	8
	Retirements	(2)	-
	Transfers out	(10)	(5)
	<b><i>Deferred members at the end of the year</i></b>	<b>72</b>	<b>4</b>

		Year end 5 April	
Members who have left pending a decision		2009	2008
	<b><i>Members pending a decision at the beginning of the year</i></b>	<b>102</b>	<b>41</b>
	Members leaving service pending a decision	139	235
	Members choosing preserved benefits	(5)	(1)
	Members choosing refunds	(110)	(103)
	Members choosing to transfer out	(64)	(70)
	<b><i>Members pending a decision at the end of the year</i></b>	<b>62</b>	<b>102</b>

		Year end 5 April	
Total		2009	2008
	<b><i>Total membership</i></b>	<b>1,561</b>	1,277

There were no pensioners of the Plan. Pensions are provided by purchasing annuities when members retire.



**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee's Report (cont'd)**

**Investment Report**

***Investment Strategy***

The Trustee determines the investment strategy of the Plan with guidance from its investment consultant. This strategy aims to meet the investment needs of the Plan members and is reviewed annually.

The Trustee has to prepare a Statement of Investment Principles (SIP) under section 35 of the Pensions Act 1995. This records the Trustee's policy covering investment strategy and risk management. A copy of the SIP is available from the Alstom Pensions Department. The information following on pages 7 to 14, is provided by the Plan's investment consultant, Hewitt.

***Investment Managers***

The Trustee has a Trustee Investment Plan (TIP) with Winterthur Life which allows it to access funds offered by a range of different investment managers, selected by its investment consultant, with which Winterthur Life has established separate reinsurance and/or investment management agreements. In conjunction with advice received from its investment consultant, the Trustee has selected a range of investment options available with the TIP for the members.

These are shown in the table below together with confirmation of the current underlying investment manager. Legal & General Investment Management invest the majority of the Plan's assets. Threadneedle Asset Management manages the property investment.

Fund	Underlying Funds
Annuity Protection Fund	100% Legal & General Investment Management Pre-Retirement Fund
Cash Fund	100% Legal & General Investment Management Cash Fund
Global Equity Fund	100% Legal & General Investment Management Global Equity Fixed Weights (50:50) Index Fund
Growth Fund	33.3% Threadneedle Pooled Pension Property Fund 33.4% Legal & General Investment Management Global Equity Fixed Weights 50:50) Index Fund 33.3% Legal & General Investment Management Pre-Retirement Fund
Property Fund	100% Threadneedle Pooled Pension Property Fund

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee's Report (cont'd)**

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The table above shows that all of the investment options (except for the Growth Fund) invest exclusively in one underlying fund. The Growth Fund was designed by the Trustee, with assistance from its investment consultant.

The table below shows the composition of the Growth Fund as at 31 March 2009 and compares this to the target allocation set by the Trustee. There are controls in place to monitor how far away the fund moves from its target and the Fund is re-aligned as and when necessary.

<b>Fund</b>	<b>Actual Allocation (%)</b>	<b>Target Allocation (%)</b>	<b>Relative to Target Allocation (%)</b>
Legal & General Investment Management Global Equity Fixed Weights (50:50) Index Fund	35.9	33.4	+2.5
Threadneedle Pooled Pension Property Fund	31.5	33.3	-1.8
Legal & General Investment Management Pre-Retirement Fund	32.6	33.3	-0.7

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee's Report (cont'd)**

**Investment Performance**

The table below shows the performance of the funds net of charges:

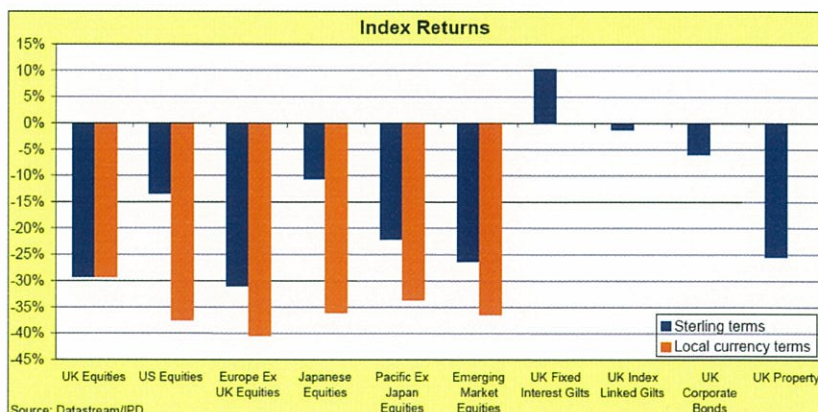
Fund	Quarter				1 Year	3 Years *
	Q2 2008	Q3 2008	Q4 2008	Q1 2009		
Growth Fund	-0.7	-4.8	-3.1	-6.3	-14.2	-4.9
Benchmark (see Page 35)	-2.1	-4.9	-4.6	-6.7	-16.6	-6.3
Difference	1.4	0.1	1.5	0.4	2.4	1.4
Annuity Protection Fund	-0.6	-1.4	5.2	-3.8	-0.8	-1.8
Benchmark(see Page 35)	-1.5	-0.9	4.5	-4.0	-2.1	-2.1
Difference	0.9	-0.5	0.7	0.2	1.3	0.3
Global Equity Fund	-1.9	-9.6	-5.4	-11.2	-25.6	-8.4
Benchmark (see Page 35)	-2.0	-9.6	-5.5	-10.5	-25.0	-8.6
Difference	0.1	0.0	0.1	-0.7	-0.6	0.2
Property Fund	0.2	-3.7	-10.5	-4.9	-17.8	-4.4
Benchmark (see Page 35)	-1.7	-4.7	-12.3	-5.7	-22.8	-8.3
Difference	1.9	1.0	1.8	0.8	5.0	3.9
Cash Fund	1.3	1.3	1.0	0.3	3.8	5.0
Benchmark (see Page 35)	1.3	1.3	0.8	0.2	3.7	4.8
Difference	0.0	0.0	0.2	0.1	0.1	0.2

\* Please note as the Plan has only been in force since 6 April 2006, the 3 years performance is based on the underlying fund performance

**Market Background**

The following sections outline the economic conditions experienced over the year to 31 March 2009.

**Summary: 12 months to 31 March 2009**



**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee's Report (cont'd)**

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## **General background**

The financial crisis, accompanied by the onset of a global recession, hurt all risk-bearing asset classes, especially equities. The Financial sector underperformed other sectors in both the equity and credit markets.

UK equities did not perform as badly as the other regions in local currency terms but relative performance was typically worse in sterling terms.

UK fixed interest gilts was the only major asset class to deliver a positive return, supported by falling interest rates and playing the role of a safe haven for investors avoiding risk-bearing assets.

Commercial property prices fell sharply. The -25.5% return over the twelve months to 31 March 2009 dragged the IPD Monthly Property index back to levels last seen in 2004.

## **UK Equities**

The twelve months UK equity return of -29.9% meant that the price index at its March 2009 trough was close to 10% off the lowest point it has been over the last 15 years.

The Financial sector (-55.3%) suffered from large write-downs by banks which forced the government to effectively nationalise several banks and led to fears over the prospects for the entire Financial sector.

Of the ten major sectors, only the defensive Healthcare sector (+9.7%) posted a positive return. Amongst the 38 sub-sectors, only Non-life Insurance (+7.5%) and Pharmaceuticals & Biotechnology (+14.3%) delivered positive returns.

Within the UK market, FTSE 100 stocks outperformed FTSE 250 stocks by 5.8% and FTSE Small Cap stocks by 12.3%.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee's Report (cont'd)**

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### Overseas Equities

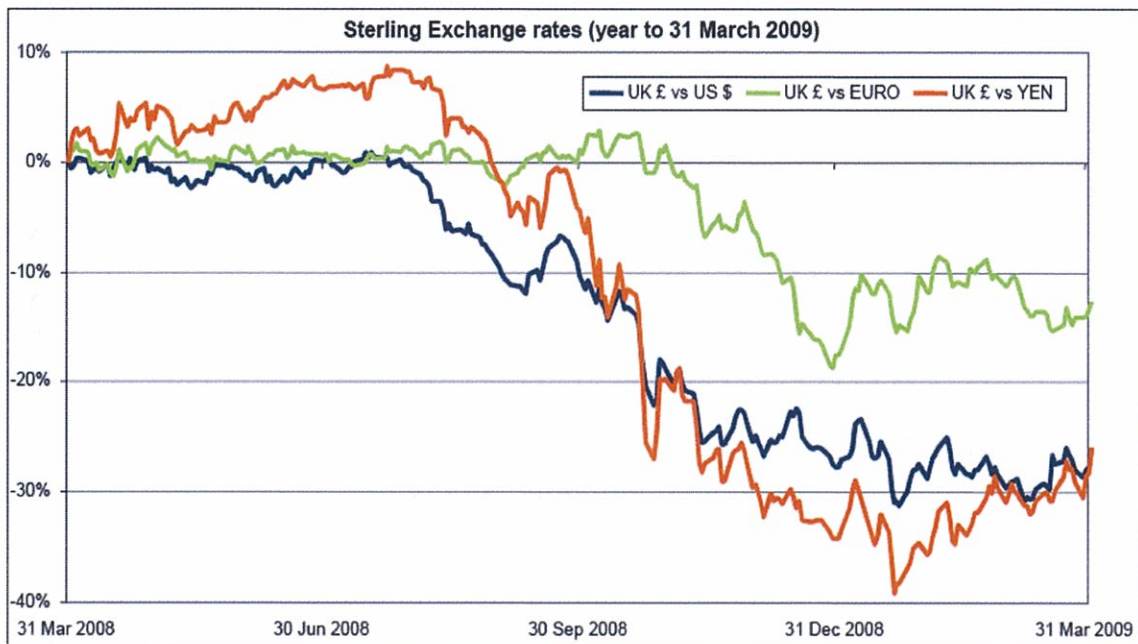
The major regional equity indices experienced similar performances in local currency terms, but US and Japanese equities performed much better in sterling terms due to dollar and yen strength.

Financial sector losses by high profile companies and the collapse of Lehman Brothers in September 2008 decimated confidence in the Financial sector and contributed to it returning -38.6%.

As in the UK, of the ten sectors, only the defensive Health Care sector (+9.8%) delivered a positive return. Amongst the 38 sub-sectors, only 5 delivered positive returns.

Emerging Market equities did not decouple from the developed world, returning -36.5% in local currently terms. Russia (-66.9%) suffered particularly badly.

### Currencies and interest rates



Source: Thomson Data stream

Over the twelve months period, sterling depreciated against the euro (-12.1%) and to a greater extent against both the US dollar (-25.5%), and the yen (-25.4%) as concerns over the UK economic outlook and the UK's exposure to the credit crisis took their toll.

The US, Eurozone, and the UK central banks cut interest rates by 2.0%, 2.5% and 4.75% respectively to combat their recessions.

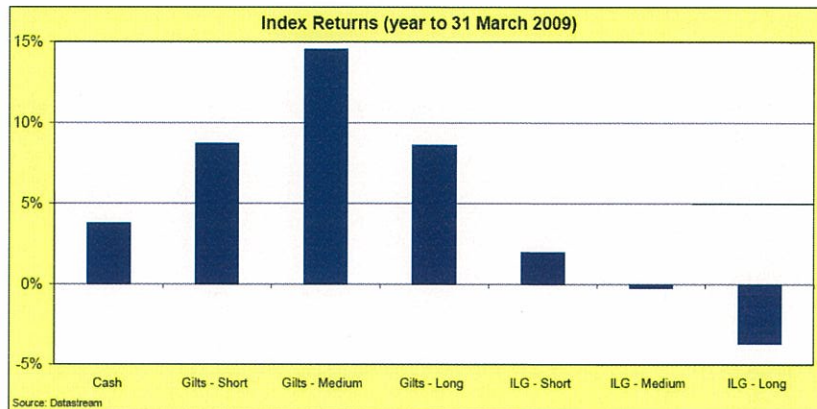
**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee's Report (cont'd)**

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Official short term interest rates are now at record lows in the Eurozone (1.5%), UK (0.5%), US and Japan (both close to 0%).

**Gilt returns and yields**

*Overall gilts market*



News flow relating to new gilt issuance and quantitative easing, as well as the ever-changing inflation outlook, all contributed to volatility in the gilt market increasing markedly over the period.

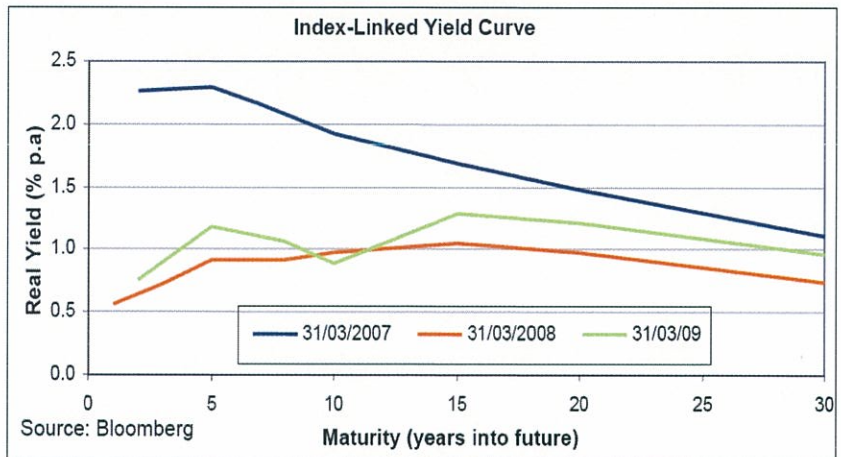
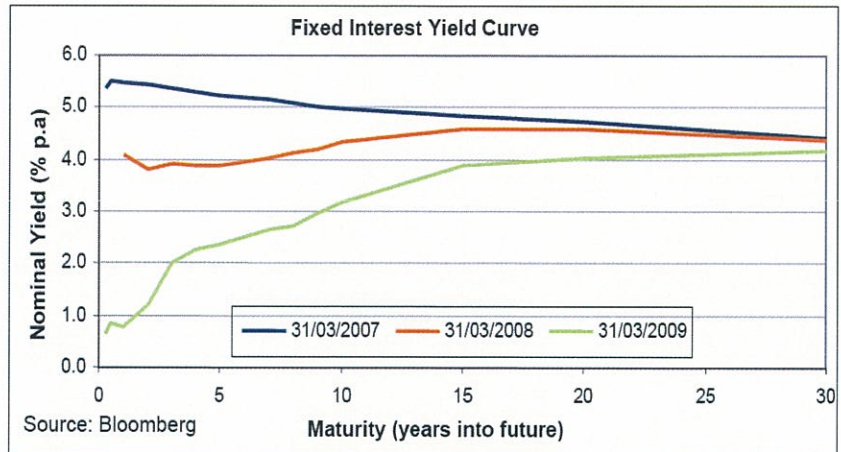
Fixed interest gilts outperformed index-linked gilts due to falling inflation expectations and their safe haven status for investors.

Short dated gilts performed well due to interest rates falling by 4.75% to 0.5% and medium dated gilts benefited from their safe haven status for investors avoiding risk-bearing assets.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee's Report (cont'd)**

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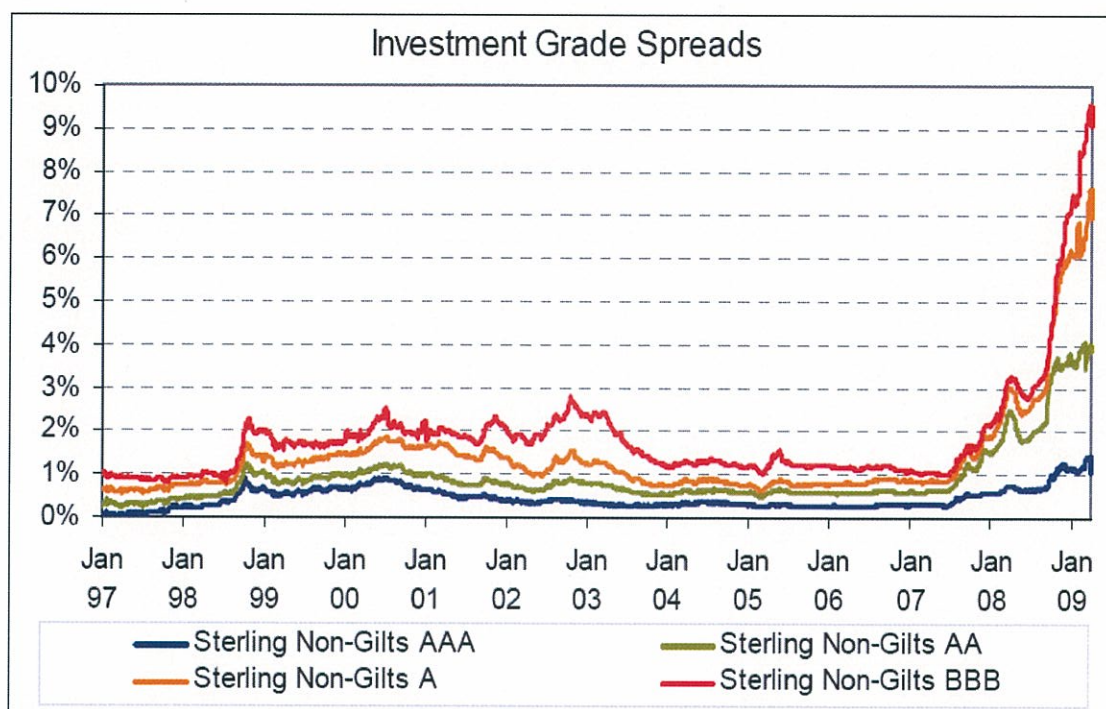
*Fixed interest and index-linked yield curves*



**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee's Report (cont'd)**

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**Corporate Bonds**



Source: Merrill Lynch

Spreads – the difference between the yields on non-government bonds and equivalent maturity government bonds – ballooned past previous record highs due to forced sales by investors and fears over companies defaulting on their debt.

Spreads on the lower rated issues increased by much more than spreads on their higher rated counterparts. For example, spreads increased by 5.8% on BBB rated issues, but only by 0.3% on AAA rated issues.



**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee's Report (cont'd)**

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**Distribution of investments**

The distribution of the Plan's investments at 5 April 2009 is set out below:

<b>Fund</b>	<b>Total</b>	<b>%</b>
Global Equity Fund	£3,921,047	39.8%
Annuity Protection Fund	£489,125	5.0%
Cash Fund	£290,814	3.0%
Property Fund	£418,025	4.2%
Growth Fund	£4,725,936	48.0%
<b>Total</b>	<b>£9,844,947</b>	<b>100.0%</b>

**Employer-related investments**

The Plan has no direct employer-related investments within the meaning of Section 40 (2) of the Pensions Act 1995. There may be, from time to time, indirect investments in the employer through the various unit trusts that the Plan holds.

**Custodial arrangements**

The Plan's managed fund units are held under managed fund policies in the name of the Trustee and the policy documents are held by the Secretary to the Trustee.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee's Report (cont'd)**

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**Basis of investment managers' fees**

The investment managers are remunerated on the value of the investments held. The current charges are calculated as follows:

<b>Fund</b>	<b>Annual charge</b>
Annuity Protection Fund	0.225%
Cash Fund	0.150%
Global Equity Fund	0.200%
Growth Fund	0.442%
Property Fund	0.900%

**Statement of Trustee's Responsibilities**

The financial statements are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to Plan members, beneficiaries and certain other parties, audited financial statements for each Plan year which:

- show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice); and
- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice, "Financial Reports of Pension Schemes (Revised May 2007)".

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The Trustee is also responsible for making available certain other information about the Plan in the form of an Annual Report.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Trustee's Report (cont'd)**

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The Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised, a payment schedule showing the rates of contributions payable towards the Plan by or on behalf of the Employer and the active members of the Plan and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Plan and for monitoring whether contributions are made to the Plan in accordance with the payment schedule. When breaches of the Schedule occur, the Trustee is required under the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and the members.

The Trustee has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal controls.

**Independent Auditor's Report and Statement**

The auditor's report relates to the audit of the financial statements. The auditors have expressed an unqualified opinion on the Plan's financial statements as detailed on page 18. They also issue a statement relating to contributions payable to the Plan. The auditors have also expressed an unqualified opinion on the contributions payable as detailed on page 28.

**Further information**

Further disclosures required by legislation are included in the Compliance Statement on pages 31 and 32.

  
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Dated: 9 June 2009

ALSTOM Defined Contribution Pension Trustee Ltd

## **Alstom Defined Contribution Plan**

### **Annual Report for the year ended 5 April 2009**

#### **Independent Auditor's Report to the Trustee of the Alstom Defined Contribution Plan**

We have audited the financial statements of the Alstom Defined Contribution Plan for the year ended 5 April 2009 which comprise the fund account, net assets statement and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Trustee, as a body, in accordance with regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee as a body, for our audit work, for this report, or for the opinion we have formed.

#### **Respective responsibilities of Trustee and auditors**

The Trustee's responsibilities for obtaining audited financial statements prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustee's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements show a true and fair view in accordance with the relevant financial reporting framework and contain the information specified in the schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if the information specified by law is not disclosed.

We read the other information presented with the financial statements as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Independent Auditor's Report to the Trustee (cont'd)**

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**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Plan's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

**Opinion**

In our opinion:

- the financial statements show a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial transactions of the Plan during the year ended 5 April 2009 and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the Plan year end; and
- the financial statements contain the information specified in regulation 3 and the schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.



**Deloitte LLP**

9 June 2009

Chartered Accountants and Statutory Auditors

Birmingham, United Kingdom

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Fund Account for the year ended 5 April 2009**

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	Note	2009 £ 000	2008 £ 000
<b>Contributions</b>			
Contributions	3	5,750	4,762
Transfers in	4	157	25
		5,907	4,787
Benefits	5	(72)	-
Leavers	6	(778)	(435)
Other payments	7	(183)	(177)
Administrative expenses	8	(533)	(412)
		(1,566)	(1,024)
<b>Net additions from dealings with members</b>		<b>4,341</b>	<b>3,763</b>
<b>Returns on investments</b>			
Investment income	9	15	9
Changes in market value of investments	10	(1,655)	(359)
<b>Net returns on investments</b>		<b>(1,640)</b>	<b>(350)</b>
<b>Net increase in fund during the year</b>		<b>2,701</b>	<b>3,413</b>
<b>Net assets of the Plan</b>			
<b>At 6 April</b>		<b>7,299</b>	<b>3,886</b>
<b>At 5 April</b>		<b>10,000</b>	<b>7,299</b>

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Net Assets Statement as at 5 April 2009**

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	<b>Note</b>	<b>2009</b> <b>£ 000</b>	<b>2008</b> <b>£ 000</b>
Investment assets	10	9,845	7,047
Current assets	11	500	664
Current liabilities	12	(345)	(412)
<b>Net assets of the Plan at 5 April</b>		<u><b>10,000</b></u>	<u><b>7,299</b></u>

Notes 1 to 13 form an integral part of these financial statements.

The accounts summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year.

These financial statements were approved by the Trustee on 9 June 2009

Signed on behalf of the Trustee:

  
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Director

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Notes to the Accounts**

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**1 BASIS OF PREPARATION**

The accounts are prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, and with the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised May 2007).

**2 ACCOUNTING POLICIES**

The principal accounting policies, which have been applied consistently with the previous year are as follows:

**Fund Account**

Items are brought into account on an accruals basis.

Contributions based on members' earnings are accounted for based on the payroll dates in the year. Other contributions are accounted for based on the due dates set out in the Payment Schedule or the contracts under which they are payable.

Individual transfers are accounted for at the date of transfer.

Investment income arising on the underlying assets is reinvested to enhance unit values.

Changes in market values of investments relate to increases and decreases arising from movements in the prices of investments including realised profits and losses arising from disposals of investments.

**Net Assets Statement**

Pooled investments vehicles are included at the closing bid price<sup>1</sup> if both bid and offer prices are published or, if single priced, at the closing single price.

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<sup>1</sup> The bid price is the price at which an investor may sell units and the offer price is the price at which the investor may buy units.



**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Notes to the Accounts (cont'd)**

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**3 CONTRIBUTIONS**

	<b>2009</b>	<b>2008</b>
	<b>£ 000</b>	<b>£ 000</b>
Employers		
Normal	2,539	2,005
Augmentations	77	83
Employer reserve	422	528
Members		
Normal	2,468	2,009
Additional voluntary contributions	244	137
	<u>5,750</u>	<u>4,762</u>

Certain employer contributions are in excess of the rates set out in the Payment Schedule to comply with the relevant members' contracts of employment.

Augmentations were to fund improved benefits as requested by the Company for specific members.

Contributions to the employer reserve are additional contributions paid by the employer to cover Group Life assurance and administration costs.

**4 TRANSFERS IN**

	<b>2009</b>	<b>2008</b>
	<b>£ 000</b>	<b>£ 000</b>
Individual transfers in from other schemes	<u>157</u>	<u>25</u>

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Notes to the Accounts (cont'd)**

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**5 BENEFITS**

	<b>2009</b>	<b>2008</b>
	<b>£ 000</b>	<b>£ 000</b>
Lump sums paid on retirement	18	-
Purchase of annuities	54	-
	72	-
	72	-

**6 LEAVERS**

	<b>2009</b>	<b>2008</b>
	<b>£ 000</b>	<b>£ 000</b>
Refunds to members leaving service	218	208
Individual transfers to other schemes	560	227
	778	435
	778	435

**7 OTHER PAYMENTS**

	<b>2009</b>	<b>2008</b>
	<b>£ 000</b>	<b>£ 000</b>
Premiums on group life insurance policies	183	177
	183	177
	183	177

Group life insurance policies are secured by a policy underwritten by Norwich Union to cover the Plan against lump sum payments in event of a member's death during service.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Notes to the Accounts (cont'd)**

**8 ADMINISTRATIVE EXPENSES**

	<b>2009</b>	<b>2008</b>
	<b>£ 000</b>	<b>£ 000</b>
Administration and processing	336	356
Audit fee	10	9
Legal and other professional fees	187	47
	<u>533</u>	<u>412</u>

The employer pays an additional amount into the Employer reserve fund to meet all administrative expenses incurred by the Plan. This includes £224,000 (2008: £263,000) incurred by Alstom Ltd in respect of the administration/secretarial services it provides to the Trustee, and forms part of Administration and processing costs above.

**9 INVESTMENT INCOME**

	<b>2009</b>	<b>2008</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest on cash deposits	15	9

The pooled investment vehicles units do not generate income. Income arising on the underlying assets is re-invested to enhance unit values.

**10 INVESTMENTS**

	<b>2009</b>	<b>2008</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Market value at the beginning of the year</b>	<b>7,047</b>	<b>3,747</b>
Purchases at cost	5,490	4,368
Disposals	(1,037)	(709)
Change in market value of investments	(1,655)	(359)
<b>Market value at the end of the year</b>	<b>9,845</b>	<b>7,047</b>

All of the Plan's investments are allocated to members.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Notes to the Accounts (cont'd)**

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**10 INVESTMENTS (Cont'd)**

All of the Plan's investments are held in pooled investment vehicles, being managed funds.

The companies managing the managed fund investments are registered in the United Kingdom.

Investments purchased by the Plan are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid.

The managed fund units are held in the name of the Plan. The Plan administrator allocates investment units to members. Income generated by these units are not distributed, but retained within the managed fund and reflected in the market value of the units.

The Trustee may hold investment units representing the value of employer contributions that have been retained by the Plan that relate to members leaving the Plan prior to vesting.

Indirect transaction costs are incurred through the bid-offer spread on investments within the pooled investment vehicles. The amount of indirect costs is not separately provided to the Plan.

**11 CURRENT ASSETS**

	<b>2009</b>	<b>2008</b>
	<b>£ 000</b>	<b>£ 000</b>
Bank balance	500	664

For the avoidance of doubt, no contributions due are shown as current assets as all contributions due to the Plan were paid in full to the Plan within the timescale required by the Payment Schedule currently in force and by the year-end.

Included in the bank balance is £478,000 (2008: £601,000) which is not allocated to members.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Notes to the Accounts (cont'd)**

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**12 CURRENT LIABILITIES**

	<b>2009</b>	<b>2008</b>
	<b>£ 000</b>	<b>£ 000</b>
Creditors and accruals	<u>(345)</u>	<u>(412)</u>

Included in the creditors and accruals balance is £337,000 (2008: £401,000) which is not allocated to members.

Creditors include £337,000. (2008: £385,000) due to the Alstom Ltd.

**13 TAXATION**

The Scheme is registered under the Finance Act 2004.

## **Alstom Defined Contribution Plan**

### **Annual Report for the year ended 5 April 2009**

#### **Independent Auditor's Statement about Contributions to the Trustee**

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We have examined the summary of contributions to the Alstom Defined Contribution Plan for the year ended 5 April 2009 to which this statement is attached.

This statement is made solely to the Trustee, as a body, in accordance with regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our work has been undertaken so that we might state to the Trustee those matters we are required to state to it in an auditors' statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee as a body for our work, for this statement, or for the opinion we have formed.

#### **Respective responsibilities of Trustee and auditors**

The Trustee's responsibilities for ensuring that there is prepared, maintained and from time to time revised a payment schedule which sets out the rates and due dates of certain contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan are set out in the Statement of Trustee's Responsibilities. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Plan and for monitoring whether contributions are made to the Plan by the employer in accordance with the payment schedule.

It is our responsibility to provide a statement about contributions paid under the payment schedule and to report our opinion to you.

#### **Basis of statement about contributions**

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to give reasonable assurance that contributions reported in the summary of contributions have in all material respects been paid at least in accordance with the payment schedule. For this purpose the work that we carried out included examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the payment schedule. Our statement about contributions is required to refer to those material breaches of the payment schedule which come to our attention in the course of our work.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**

**Independent Auditor's Statement about Contributions to the Trustee**

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**Statement about contributions**

In our opinion contributions for the Plan year ended 5 April 2009 as reported in the summary of contributions have in all material respects been paid at least in accordance with the payment schedule.

*Deloitte LLP*

**Deloitte LLP**

9 June 2009

Chartered Accountants and Statutory Auditors

Birmingham, United Kingdom

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Summary of Contributions Payable in the Year**

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During the year the contributions payable to the Plan by the employer under the payment schedule were, along with those for the previous year, as follows:

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Employer normal contributions	2,539	2,005
Employer contributions for group life premiums and expenses	422	528
Members' normal contributions	2,468	2,009
Members' additional voluntary contributions	244	137
Total contributions payable under the payment schedule	5,673	4,679
In addition, further contributions were payable:		
Employer augmentations	77	83
Total contributions included in the financial statements	<b>5,750</b>	<b>4,762</b>

Some of the employer normal contributions are in excess of the rates set out in the payment schedule to comply with the relevant members' contracts of employment. The employer augmentations were to fund additional benefits for specific members.

Approved by the Trustee and signed on behalf of the Trustee on 9 June 2009:




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Director



**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Compliance Statement**

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### **Constitution**

The Plan was established and is governed by a definitive Trust Deed dated 5 April 2006.  
The Registration number of the Plan is 10274962.

### **Taxation status**

The Plan is registered under Chapter 2 Part 4 of the Finance Act 2004. The Trustee knows of no reason why this status may be prejudiced or withdrawn.

### **Matters relating to the Plan's Advisers**

All advisers listed on pages 2 and 3 have been appointed by the Trustee.

### **Changes to Plan constitution, rules or basic information**

A Deed of amendment dated 4 February 2009 was executed to make the rules relating to confidential information more comprehensive and to update the restrictions on the indemnity under the trust deed and rules and the exoneration clause (16.1 and 16.2) so that they are restricted to the extent permitted by the Companies Act 2006.

### **Transfers**

All transfer values paid and received offered the full cash equivalent of early leavers' non-discretionary rights in the Plan.

### **The Pension Tracing Service**

The Pension Tracing Service's main purpose is to provide a tracing service for members (and their dependants) of previous employers' plans, who have lost touch with earlier employers and trustees. To trace a benefit entitlement under a former employer's scheme, enquiries should be addressed to:

Pension Tracing Service  
The Pension Service  
Whitley Road  
Newcastle Upon Tyne  
NE89 1BA  
Telephone: 0191 225 6316  
Website: [www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Compliance Statement (cont'd)**

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The information provided includes details of the address at which the Trustee of the Plan may be contacted.

**The Pensions Advisory Service**

Any concern connected with the Plan should be referred to the Secretary of the Trustee, who will try to resolve the problem as quickly as possible. Members and beneficiaries of occupational pension plans who have problems concerning their plan which are not satisfied by the information or explanation given by the administrators or the trustees can consult with The Pensions Advisory Service. A local adviser can usually be contacted through a Citizen's Advice Bureau. Alternatively The Pensions Advisory Service can be contacted at:

11 Belgrave Road  
London SW1V 1RB  
Telephone: 0845 601 2923  
E-mail: [enquiries@pensionsadvisoryservice.org.uk](mailto:enquiries@pensionsadvisoryservice.org.uk)  
Website: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

**Pensions Ombudsman**

In cases where a complaint or dispute cannot be resolved, normally after the intervention of The Pensions Advisory Service, an application can be made to the Pensions Ombudsman for him to investigate and determine any complaint or dispute of fact or law involving occupational pension plans. The address is:

11 Belgrave Road  
London SW1V 1RB  
Telephone: 020 7834 9144  
E-mail: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)  
Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Directors of ALSTOM Defined Contribution Trustee Ltd**

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**Michael Atkin**

Michael J Atkin has extensive experience of the role of Member Nominated Director having served as a trustee of the Norwest Holst Scheme for many years. He has looked after the interests of both defined benefit and defined contribution members with responsibility for approximately £200m of mixed assets and has passed the Pensions Management Institute examination for trustee knowledge and understanding called "Awards in Pension Trusteeship". Mike became a Member Nominated Director on 1 April 2008. Mike has completed and passed the Pensions Regulator's trustee's online assessment on Defined Contribution Plans.

**Helena Austin**

Helena is the Human Resources Director, Alstom UK, and has been with Alstom for 7 years. Helena's professional HR experience spans 20 years both in the UK and internationally. Key experiences include the management of Employee Relations issues within UK and Europe, formulating and planning remuneration strategies and implementation of benefit schemes, expatriate management and associated policies and systems to support international mobility of employees. Helena was appointed as a Company Nominated Director of the Alstom Defined Contribution Plan on 1 March 2007.

**Stephen Burgin**

Stephen Burgin joined GEC in 1975 as a student apprentice, and has worked for most of his career within the electricity transmission and distribution industry. Stephen worked in various senior management posts in GEC, GEC Alsthom up to 1993 before moving to ABB and then back to Alstom based in Paris in 2001. In January 2008 Stephen was appointed UK Country President of ALSTOM Ltd. He has an honours degree in Electrical Engineering and is a Fellow of the Institution of Engineering and Technology. He is married and has three daughters. He enjoys skiing, golf and keeping fit. He was appointed as a Company Nominated Director and Chairman on the 1 April 2008. Stephen recently completed and passed the Pensions Regulator's trustee's online assessment on Defined Contribution Plans.

**Keith Brian Jones**

Keith Jones has 20 years' experience in global purchasing in blue-chip companies, with a degree in Business and is a member of both the Chartered Institute of Purchasing & Supply and the European Institute of Purchasing Management. Through his role he maintains a daily focus on global commercial issues as Head of Purchasing for TTT, TSR, TTO and Naval and, as a committed Alstom employee, has a personal interest in supporting the success of this Plan. He describes his interests as skiing & potholing, and is a keen pianist. Keith became a Member Nominated Director on 1 April 2008. Keith has completed and passed the Pensions Regulator's trustee's online assessment on Defined Contribution Plans.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**  
**Directors of ALSTOM Defined Contribution Trustee Ltd**

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**Nicolas Khalife**

Nicolas is the Global Benefits Director at Alstom's headquarters in France. Prior to this appointment, he was working as an actuarial and international consultant in the United States and in France, advising multinational companies on all aspects of employee benefits, especially pension schemes. He is a member of the Society of Actuaries. Nicolas was appointed as a Company Nominated Director of the Alstom Defined Contribution Plan on 3 March 2006. Nicolas has attained a Certificate in trustee knowledge and understanding from the Pensions Management Institute and has completed and passed the Pensions Regulator's trustee's online assessment on Defined Contribution Plans.

**Paul Naughton**

Paul is a Project Planner within Alstom Power and is primarily located in Newcastle although he has supported Alstom offices in Stafford, Rugby, Ashby, Paris and Oslo since joining the company. He has been working for Alstom since 2005 and has previous experience in the Customer Service and Financial industries. He is married and has a son and a daughter who take up all his spare time. He enjoys most sport and is a committed Newcastle United fan and season ticket holder. Paul was elected and appointed as a Member Nominated Director of the Alstom Defined Contribution Plan on 1 November 2006. Paul has attained a Certificate in trustee knowledge and understanding from the Pensions Management Institute and has completed and passed the Pensions Regulator's trustee's on-line assessment on Defined Contribution Plans.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2009**

**Investment Benchmarks**

In the Report we refer to the benchmark. These are recognised stock-market indices against which the investment funds are compared.

The benchmarks are as follows:

<b>Underlying Fund</b>	<b>Benchmark</b>
Annuity Fund	10% FTSE A Government (Over 15 Year) Index 90% iBoxx Sterling Non-Gilts (ex-BBB) Index
Global Equity Fund	50% FTSE All Share Index 17.5% FTSE Local USA Index 17.5% FTSE Europe (ex-UK) Index 8.75% FTSE World Japan Index 6.25% FTSE World Asia Pacific (ex-Japan) Index
Property Fund	CAPS Pooled Property Median
Cash Fund	LIBID

The Growth Fund is a composite of the funds<sup>1</sup> above with 33.4% in the Global Equity Fund, 33.3% in the Annuity Fund, and 33.3% in the Property Fund. Its benchmark is therefore a composite of these funds' benchmarks.

<b>Fund</b>	<b>Benchmark</b>
Growth Fund	16.70% FTSE All Share Index 5.85% FTSE Local USA Index 5.85% FTSE Europe (ex-UK) Index 2.90% FTSE World Japan Index 2.10% FTSE World Asia Pacific (ex-Japan) Index 3.30% FTSE A Government (Over 15 Year) Index 30.0% iBoxx Sterling Non-Gilts (ex-BBB) Index 33.3% CAPS Pooled Property Median

<sup>1</sup> The Growth Fund has a benchmark that is a composite of the benchmarks of the underlying funds.