

Registered in England and Wales, No. 188137

ALSTOM AUTOMATION INTERNATIONAL LTD

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2006



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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

A D Cledwyn-Davies
M Flicker

SECRETARY:

A D Cledwyn-Davies

REGISTERED OFFICE:

Newbold Road
Rugby
Warwickshire CV21 2NH

AUDITORS:

Deloitte & Touche LLP
Birmingham

DIRECTORS' REPORT
Year Ended 31 March 2006

The Directors present their report and the financial statements for the year ended 31 March 2006.

REVIEW OF THE COMPANY AND ITS ACTIVITIES

The Company has completed its contracts and has not taken on nor is active in pursuing new contracts.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £28,000 (2005 : £92,000 profit).

DIRECTORS AND THEIR INTERESTS

The membership of the Board is shown on page 1.

According to the register, kept by the Company in accordance with Section 325 of the Companies Act 1985, as at 31 March 2006, none of the Directors had any disclosable interests in the shares or debentures of the Company or its ultimate parent Company at any time during the year.

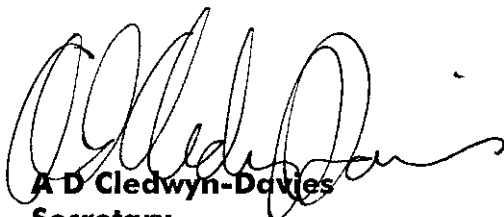
During the year the Company maintained appropriate insurance cover in respect of legal action against the Directors and it remains in force at the date of this report.

AUDITORS

The Directors believe that they have taken reasonable steps in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. Further, they believe that there is no relevant audit information of which the Company's auditors are unaware.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and they will be reappointed.

By Order of the Board


A D Cledwyn-Davies
Secretary

11 May 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of affairs of the Company and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ALSTOM AUTOMATION INTERNATIONAL LTD**

We have audited the financial statements of ALSTOM Automation International Ltd for the year ended 31 March 2006, which comprise the profit and loss account, the balance sheet and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

Basis of audit opinion

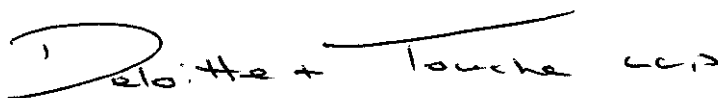
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham, UK

12 May 2006

PROFIT & LOSS ACCOUNT
Year Ended 31 March 2006

	Notes	2006 £000	2005 £000
INTEREST			
Interest receivable and similar charge	(2)	-	133
Interest payable and similar charge	(2)	<u>-</u>	<u>(2)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(2)	-	131
TAX CREDIT/(CHARGE) ON PROFIT ON ORDINARY ACTIVITIES	(3)	<u>28</u>	<u>(39)</u>
PROFIT FOR THE FINANCIAL YEAR	(7)	28	92
PROFIT AND LOSS BROUGHT FORWARD		<u>(2,315)</u>	<u>(2,407)</u>
PROFIT AND LOSS CARRIED FORWARD		<u>(2,287)</u>	<u>(2,315)</u>

All activities derive from continuing operations.

There are no recognised gains or losses shown in this or the preceding year except those shown in the profit and loss account above.

BALANCE SHEET
31 March 2006

	Notes	2006 £000	2005 £000
CURRENT ASSETS			
Debtors	(4)	<u>9,696</u>	<u>9,696</u>
CREDITORS: amounts falling due within one year	(5)	<u>(11,364)</u>	<u>(11,392)</u>
NET CURRENT LIABILITIES		<u>(1,668)</u>	<u>(1,696)</u>
CAPITAL AND RESERVES			
Called up share capital	(6)	619	619
Profit and loss account		<u>(2,287)</u>	<u>(2,315)</u>
TOTAL EQUITY SHAREHOLDERS DEFICIT	(7)	<u>(1,668)</u>	<u>(1,696)</u>

These financial statements were approved by the Board of Directors and issued to the shareholders on 11 May 2006.

Mark Flicker

M Flicker

Director

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2006

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards in the United Kingdom. The particular accounting policies are described below:

- a. Taxation.** Taxation on profit on ordinary activities is that which has become or becomes payable in respect of the profits of the period. Deferred taxation is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.
- b. Cash flow statement.** The directors have taken advantage of the exemption contained in Financial Reporting Standard No 1 from preparing a cash flow statement on the grounds that the Company is a wholly owned subsidiary of ALSTOM which itself has prepared a consolidated cash flow statement incorporating the Company.

2. PROFIT ON ORDINARY ACTIVITIES

The directors did not receive any remuneration during this year or the prior year. The Company has no employees.

Auditors' remuneration is borne by another group company.

		2006 £000	2005 £000
Interest payable	- Other	-	-
	- Exchange loss	-	(2)
		<u>-</u>	<u>(2)</u>
Interest receivable	- Group	-	133
	- Other	-	-
		<u>-</u>	<u>133</u>

3. TAX CHARGE/(CREDIT) ON PROFIT ON ORDINARY ACTIVITIES

Taxation on profit on ordinary activities is that which has become or becomes payable in respect of the profit for the year.

	2006 £000	2005 £000
United Kingdom corporation tax charge/(credit)		
(2005 : 30%) based on the profit for the year	-	39
Adjustment to prior period corporation tax	(28)	-
	<u>(28)</u>	<u>39</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax charge for the current and the previous year does not differ from the standard rate.

There is no provided or unprovided deferred tax.

4. DEBTORS DUE WITHIN ONE YEAR

	2006 £000	2005 £000
Amount owed by group undertakings	<u>9,696</u>	<u>9,696</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £000	2005 £000
Amounts owed to group undertakings	11,364	11,353
Group relief payable	-	39
	<u>11,364</u>	<u>11,392</u>

6. CALLED UP SHARE CAPITAL

	2006 £000	2005 £000
Authorised		
2,477,520 ordinary shares of 25p each	619	619
522,480 unclassified shares of 25p each	131	131
	<u>750</u>	<u>750</u>
Called up, allotted and fully paid		
2,477,520 ordinary shares of 25p each	<u>619</u>	<u>619</u>

7. RECONCILIATION OF MOVEMENT ON SHAREHOLDERS DEFICIT

	2006 £000	2005 £000
Profit for the year	28	92
Opening shareholders deficit	<u>(1,696)</u>	<u>(1,788)</u>
Closing shareholders deficit	<u>(1,668)</u>	<u>(1,696)</u>

8. PARENT UNDERTAKINGS

The Company's immediate parent undertaking is ALSTOM UK Holdings Ltd.

The Company's ultimate parent undertaking and ultimate controlling party is ALSTOM a company incorporated in France. The largest and smallest group in which the results of the Company are consolidated is that headed by ALSTOM. A copy of ALSTOM's accounts can be obtained from 3 avenue André Malraux, 92309 Levallois-Perret Cedex, France or via the ALSTOM website at www.alstom.com.

9. RELATED PARTY TRANSACTIONS

Pursuant to the exemption granted by Financial Reporting Standards 8 "Related Party Disclosures", transactions with other undertakings within the ALSTOM Group have not been disclosed in these financial statements.