

Registered in England and Wales, No. 188137

ALSTOM AUTOMATION INTERNATIONAL LTD

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2005



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DIRECTORS:

A D Cledwyn-Davies	
M Flicker	(appointed 1 October 2004)
S J Gardner	(resigned 1 October 2004)

SECRETARY:

A D Cledwyn-Davies

REGISTERED OFFICE:

Newbold Road
Rugby
Warwickshire CV21 2NH

AUDITORS:

Deloitte & Touche LLP
Birmingham

DIRECTORS' REPORT
Year Ended 31 March 2005

The Directors present their report and the financial statement for the year ended 31 March 2005.

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 Company made a profit for the year after taxation of £92,000 (2004: profit £132,000). The Directors do not recommend the payment of a dividend (2004: £nil).

DIRECTORS AND THEIR INTERESTS

The membership of the Board is shown on page 2.

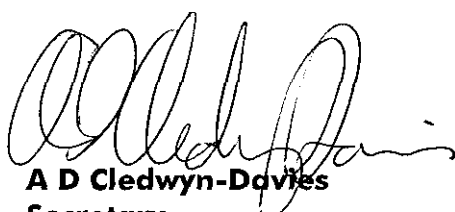
None of the Directors had a beneficial interest, other than in the normal course of business, in any contract to which the Company was a part during the year.

According to the Register kept by the Company in accordance with Section 325 of the Companies Act 1985, no Director of the Company had any disclosable interests in the shares or debentures of the Company or its ultimate parent company.

AUDITORS

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

2 June 2005

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 the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. 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;
- 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 the Company's system of internal financial control and have a general responsibility for taking such steps as are reasonably open to them and which they deem appropriate to safeguard the assets of the Company and to seek to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITORS' 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 2005 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 8. 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the Directors' report is not consistent with the financial statements, if 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 transactions with the Company is not disclosed.

We read the Directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

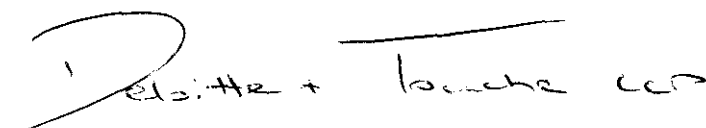
Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relating 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 of the state of the Company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

30 June 2005

PROFIT & LOSS ACCOUNT
Year Ended 31 March 2005

	Note	2005 £000	2004 £000
TURNOVER	1	-	-
COST OF SALES		-	(103)
GROSS LOSS		-	(103)
Other operating income		-	-
Other operating expense		-	(1)
OPERATING LOSS		-	(104)
Interest receivable and similar charge	3	133	314
Interest payable and similar charge	3	(2)	(10)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	131	200
TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES	2	(39)	(68)
PROFIT FOR THE FINANCIAL YEAR		92	132
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		(2,407)	(2,539)
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		(2,315)	(2,407)


Both turnover and operating loss relate to discontinued activities.

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

BALANCE SHEET
31 March 2005

	Note	2005 £000	2004 £000
CURRENT ASSETS			
Debtors	4	9,696	9,903
Cash at bank and in hand		-	-
		<u>9,696</u>	<u>9,903</u>
CREDITORS: amounts falling due within one year	5	<u>(11,392)</u>	<u>(11,691)</u>
NET CURRENT LIABILITIES		<u>(1,696)</u>	<u>(1,788)</u>
CAPITAL AND RESERVES			
Called up share capital	6	619	619
Profit and loss account		(2,315)	(2,407)
TOTAL EQUITY SHAREHOLDERS FUNDS		<u>(1,696)</u>	<u>(1,788)</u>

These financial statements were approved by the Board of Directors on 2 June 2005.



M Flicker

Director

NOTES TO THE ACCOUNTS
Year Ended 31 March 2005

1. ACCOUNTING POLICIES

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

(i) Basis of preparation

The Company has obtained written confirmation from ALSTOM of ALSTOM's continued financial support for a period of not less than 12 months from the date of approval of these financial statements; and on this basis the directors of the Company consider it appropriate to prepare the financial statements on a going concern basis.

(ii) Accounting Convention

The financial statements are prepared under the historical cost convention.

(iii) Turnover

Turnover is shown net of V.A.T. The Company records transactions as sales when the delivery of products or performance of services takes place in accordance with the terms of sale.

(iv) 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.

(v) Currency Translation

Transaction in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

2. TAX CHARGE 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.

	2005 £000	2004 £000
United Kingdom corporation tax at 30% (2004: 30%) based on the profit/(loss) for the year	39	60
Adjustment to prior period corporation tax	-	8
	<u>39</u>	<u>68</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 differs from the standard rate for the reasons set out in the following reconciliation :

	2005 £000	2004 £000
Profit on ordinary activities before tax	<u>131</u>	<u>200</u>
Tax on profit on ordinary activities at standard rate	39	60
<i>Factors affecting charge for the period :</i>		
Adjustment to tax charge in respect of prior periods	-	8
Total actual amount of current tax	<u>39</u>	<u>68</u>

3. 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.

	2005 £000	2004 £000
Interest payable		
- Other	-	(3)
- Exchange loss	(2)	(7)
	<u>(2)</u>	<u>(10)</u>
Interest receivable		
- Group	133	310
- Other	-	4
	<u>133</u>	<u>314</u>

4. DEBTORS DUE WITHIN ONE YEAR

	2005 £000	2004 £000
Amount owed by group undertakings	9,696	9,879
Other debtors	-	24
	<u>9,696</u>	<u>9,903</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£000	£000
Amounts owed to group undertakings	11,353	11,464
Corporation tax	39	227
	<u>11,392</u>	<u>11,691</u>

6. CALLED UP SHARE CAPITAL

	2005	2004
	£000	£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. ULTIMATE PARENT COMPANY

The Company's ultimate parent company and ultimate controlling party is ALSTOM a company incorporated in France. The Company's immediate parent company is ALSTOM UK Holdings Ltd.

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.

8. 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.