INTRODUCTION

Patrick KRON
Opening

Kareen CEINTRE – Company Secretary
• **Agenda of the Shareholders’ Meeting:**
  Notice of meeting, page 3

• **Resolutions:**
  Notice of meeting, page 16
Agenda

• Project with General Electric in Energy

• Transport perspectives
### GE to acquire Alstom Energy

- **Scope**: Thermal Power, Renewable Power & Grid, central and shared services
- **Price**: €12.35 billion (with **some ongoing adjustments**, estimated **as having globally no material impact** on the transaction)
- **Around 1/3** of proceeds expected to be distributed **to shareholders**

### Joint ventures creation

- **Grid**: combination of Alstom Grid and GE Digital Energy
- **Renewable energy**: Alstom’s hydro, offshore wind and tidal energy business
- **Global nuclear and French steam**: conventional islands for nuclear power plants globally and steam turbines in France

- Investments of **€2.6 billion** in the joint ventures
- Alstom to benefit from liquidity rights and downside protection at entry price

### Deal well perceived by financial markets

- **Alstom share price outperforming CAC 40 index**
### Reminder of the transaction scope

#### TRANSPORT
- Sales: €5.9 billion
- Employees: 28,000
- Trains
- Signalling
- Services
- Systems

#### THERMAL POWER
- Sales: €8.8 billion
- Employees: 36,000
- Gas power
- Coal power
- Nuclear power
- Services

#### RENEWABLE POWER
- Sales: €1.8 billion
- Employees: 9,000
- Hydro
- Wind
- New energies

#### GRID
- Sales: €3.8 billion
- Employees: 17,000
- High voltage
- Power electronics
- Automation & smart grid

#### CENTRAL & SHARED SERVICES
- Employees: 3,000

### Alstom Energy:
- Sales: €14.4 billion
- Employees: 65,000

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**Sales 2013/14, in € billion**
**Employees in ’000 as at March 2014**
Strong industrial rationale in Energy

Reinforced growth perspectives

• Critical size
• Diversification of geographical exposure
• Capacity to finance heavy investments

Value maximisation

• Complementarity of offers: products, systems, services
• Financial solidity and GE’s global commercial network
## Project with GE: key milestones completed

<table>
<thead>
<tr>
<th>Date</th>
<th>Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 April 2014</td>
<td>• Initial offer from General Electric</td>
</tr>
<tr>
<td></td>
<td>• Start of the in-depth examination of the offer by the committee of independent directors chaired by the lead independent director</td>
</tr>
<tr>
<td>20 June 2014</td>
<td>• Unanimously favourable opinion of the Board of Directors on revised offer of General Electric</td>
</tr>
<tr>
<td>31 October 2014</td>
<td>• Positive opinion from European Works Council and opinion received for each legal entity</td>
</tr>
<tr>
<td>4 November 2014</td>
<td>• Signing of all the agreements with GE</td>
</tr>
<tr>
<td>5 November 2014</td>
<td>• French Foreign Investment authorisation obtained</td>
</tr>
</tbody>
</table>
A transaction welcomed by financial markets

- **Shares outperforming** CAC 40 index by c. 40% since the start of FY 2014/15
Use of proceeds

• **Support development of the Group**
  - €0.6 billion for the GE Signalling acquisition
  - €2.6 billion in the JVs with GE

• **Provide the Group with a solid balance sheet structure**
  - Cash & cash equivalents, after reinvestment, offsetting gross financial debt
  - Pension deficit reduced to €0.35 billion (versus €1.5 billion)

• **Maintain strong liquidity**
  - Ample liquidity at closing
  - Reimbursement of part of the outstanding debt before maturity (€1 to 2 billion envisaged, as opportunities arise)

2/3 of proceeds reinvested in the Group & 1/3 returned to shareholders
## Alstom post transaction

### TRANSPORT (incl. GE Signalling)

<table>
<thead>
<tr>
<th>Joint ventures</th>
<th>100%</th>
<th>GRID (Alstom Grid + GE Digital Energy)</th>
<th>RENEWABLE POWER (Hydro, offshore wind, tidal energy)</th>
<th>NUCLEAR (+ STEAM France) (Conventional islands, EPC in France)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>100%</td>
<td>- 2013/14 pro-forma sales: €6.2 billion</td>
<td>- Acquisition price: €0.6 billion **</td>
<td>- Acquisition price: €0.1 billion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Employees: around 29,500</td>
<td>- Sales: €1.3 billion* **</td>
<td>- Sales: €1.4 billion*</td>
</tr>
<tr>
<td></td>
<td>50% - 1 share</td>
<td>- Acquisition price: €1.9 billion</td>
<td>- Employees: around 21,000*</td>
<td>- Employees: around 4,300* **</td>
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<td>50% - 1 share</td>
<td>- Acquisition price: €0.6 billion</td>
<td>- Sales: €1.3 billion*</td>
<td>- Employees: around 7,600*</td>
</tr>
<tr>
<td></td>
<td>20% - 1 share</td>
<td>- Acquisition price: €0.1 billion</td>
<td>- Sales: €1.4 billion*</td>
<td>- Employees: around 4,300* **</td>
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### Joint ventures

- **GRID (Alstom Grid + GE Digital Energy)**
  - Acquisition price: €1.9 billion
  - Sales: €4.9 billion*
  - Employees: around 21,000*

- **RENEWABLE POWER (Hydro, offshore wind, tidal energy)**
  - Acquisition price: €0.6 billion
  - Sales: €1.3 billion*
  - Employees: around 7,600*

- **NUCLEAR (+ STEAM France) (Conventional islands, EPC in France)**
  - Acquisition price: €0.1 billion
  - Sales: €1.4 billion*
  - Employees: around 4,300* **

### Liquidity rights in JVs

- **Sept. 2018 or Sept. 2019 ***
- **Exit price not to be lower than acquisition price +3% per year
- **For 3 months after the 5th and 6th anniversaries of the joint venture***
- **Exit price not to be lower than acquisition price +2% per year***

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* On the basis of 100%
** Specific governance rights for the French state
*** Under certain conditions
Alstom’s future governance

• **Board**
  
  • Mandate of six Directors to expire at the next Annual General Meeting
  
  • Agreement between Bouygues and the French State: after cash return to shareholders, Bouygues to support the appointment of two Directors designated by the French State, one of which would replace one of the two Bouygues’s representatives

• **Executive Management**
  
  • Evolution of the Group’s Executive Management after the transaction
Next key steps

**Today**

- Extraordinary Shareholders’ Meeting to vote on the transaction

**Ongoing**

- Antitrust and regulatory authorisations process

**H1 2015**

- Closing

Cash to be returned to shareholders after closing:

*Indicative range of € 3.5-4 billion*
Agenda

• Project with General Electric in Energy

• Transport perspectives
Alstom Transport – strong position in a solid market

Rail: a large, resilient and growing market

1. Solid growth expected in Signalling, Services and Urban trains as well as in Emerging countries

Alstom Transport: uniquely positioned to address critical client requirements

2. Customer-focused geographical footprint
3. Complete range of products and solutions
4. Differentiation through innovation and technology

Translating into profitable growth

5. Profitability improvement
6. Convincing strategy of global expansion
A growing worldwide market

2.8% market CAGR for 2011/13 – 2017/19 period

DRIVERS

Urbanisation
Public funding support
Sustainable development
Economic growth

Europe [€33bn] +1.7%

France [€5bn] +3.5%

CIS [€12bn] +0.8%

Asia Pacific [€19bn] +4.2%

North America [€22bn] +3.5%

Latin America [€5bn] +6.2%

MEA [€8bn] +2.2%

Source: UNIFE 2014
Note: size of the bubble reflects market size in 2011/13; % equals CAGR between 2011/13 and 2017/19
Alstom: a multi-local approach, focused on customers

Global footprint

- Capture the full potential of fast growing markets
- Mitigate local cycles
- Generate economies of scale, increase standardisation
- Serve globalising clients

Multi-local approach

- Strong requests for local content
- Customer proximity

**South Africa:** Suburban trains and maintenance services
- Based on X'Trapolis platform adapted to South African gauge
- First trains exported from Brazil
- A manufacturing site under construction near Johannesburg
- 65% of local content

**India:** Metropolis train sets and tracks for Chennai
- Industrial base built in Sricity
- Recent award of a new metro contract in Kochi
- Factory to be used as an export base
Alstom: a complete range of products and solutions

- Simple product
- Integrated solutions with several products
- Bundled offer between two segments
- Complete system

Increasing demand for integration

• A **complete portfolio** of activity to meet all customer needs
Alstom: differentiation through innovation

• Offering **best-in-class technology**
  – Safety and performance
  – Sustainable mobility
  – Passenger experience

• Strengthening the **offer**
  – Lowering total cost of ownership for customers

• Entering **new markets**
Alstom: examples of innovative offers

Energy savings
- Most recent HESOP system leading to **significant energy savings** (99% brake energy recovery)
- Energy costs may represent up to 20% of operating costs

Maintenance
- One of the largest footprint in Rail **Services**
- Launch of predictive maintenance tool HealthHub (up to 30% **reduction in maintenance cost**)
- Maintenance on trains built by competitors

**PRASA (South Africa) contract:**
- Technical support and spare parts for 18 years
- Use of latest Alstom technology, e.g., Traintracer
- Guarantee of reliability and of lifecycle cost for spares (price per km)

**Minuetto (Italy) contract:**
- 6 years full maintenance contract for 214 regional trains
- Management of 22 depots
- Average daily availability +11% since the start of the contract in 2011
Profitability improvement

Sound levers

• **Record backlog** providing for highly visible growth

• Growing share of **services** and **signalling** based on current market trends

• Innovative offering of **total cost of ownership** adapted to latest customer demands

• Tight cost control and cost savings through **d2e performance plan**

• Product **standardisation** allowing for economies of scale and easier local adaptations
Record backlog supported by commercial successes

**Backlog**
In € billion

<table>
<thead>
<tr>
<th></th>
<th>Mar'13</th>
<th>Mar'14</th>
<th>Sep'14</th>
</tr>
</thead>
<tbody>
<tr>
<td>In € billion</td>
<td>22.7</td>
<td>22.9</td>
<td>26.9</td>
</tr>
</tbody>
</table>

**Order intake**
In € billion

<table>
<thead>
<tr>
<th></th>
<th>2011/12 *</th>
<th>2012/13 *</th>
<th>2013/14</th>
<th>S1 2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>In € billion</td>
<td>6.2</td>
<td>6.9</td>
<td>6.1</td>
<td>6.4</td>
</tr>
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* Indicative pro-forma, non-audited figures
• R&D spending of around €130 million per year
  – Axonis and Urbalis Fluence, major innovative solutions in metro systems and signalling
  – New Citadis trams
  – HealthHub, a new predictive maintenance tool
Investing for future growth

• Over €100 million per year invested in expansion of manufacturing footprint during the last three years
  
  – Metro factory in Chennai, India
  
  – Bogie manufacturing plant in Sorel-Tracy, Canada
  
  – Tramway manufacturing facility in Tabauté, Brazil
Progress of sales and operating profit

Sales
In € billion

<table>
<thead>
<tr>
<th>Year</th>
<th>H1 2014/15</th>
<th>H2 2014/15</th>
<th>Total 2014/15</th>
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<tbody>
<tr>
<td>2011/12*</td>
<td>5.1</td>
<td>5.3</td>
<td>5.7</td>
</tr>
<tr>
<td>2012/13*</td>
<td>5.1</td>
<td>3.0</td>
<td>8.1</td>
</tr>
<tr>
<td>2013/14</td>
<td>2.7</td>
<td>5.6</td>
<td>8.7</td>
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* Former Alstom Transport Sector

Operating profit and margin
In € million/in % of sales

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<tr>
<td>2011/12*</td>
<td>264</td>
<td>5.1%</td>
<td>5.1%</td>
</tr>
<tr>
<td>2012/13*</td>
<td>297</td>
<td>5.4%</td>
<td>5.6%</td>
</tr>
<tr>
<td>2013/14*</td>
<td>330</td>
<td>5.7%</td>
<td>5.5%</td>
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Pro-forma, restated from IFRS 5 & 11

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<tr>
<td>2013/14</td>
<td>268</td>
<td>4.7%</td>
<td>4.7%</td>
</tr>
<tr>
<td>2014/15</td>
<td>152</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
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Convincing strategy of global expansion

- **1986**
  - CASCO (China): JV signalling
  - SATCO & SATEE JVs (China)

- **1995**
  - Acquisition of CMW (Brazil), beginning of production in Lapa

- **2000**
  - Fiat Ferroviaria (Italy): trains, propulsion and bogies as well as maintenance

- **2007**
  - JV with Balfour Beatty Rail Projects (UK): signalling

- **2011**
  - CITAL (Algeria): JV tramways

- **2014-15**
  - Acquisition of GE Signalling (USA)

- **1994**
  - Linke-Hofmann-Busch
  - Metro-Cammell
  - ACEC
  - Jeumot Schneider’s traction

- **1998/99**
  - Sites of Reichshoffen & Hornell
    - Acquisitions in Canada & Italy

- **2001**
  - Engineering site in Bangalore (India)

- **2009-11**
  - 25% acquisition in TMH (Russia)
    - EKZ: JV with KTZ and TMH (Kazakhstan)

- **2012-14**
  - Manufacturing site for metros in Chennai (India) and tramways in Taubaté (Brazil)

- **2014-15**
  - Manufacturing site construction in South Africa for suburban trains
Acquisition of GE Signalling and Global Rail Alliance with GE

GE Signalling: a strategic acquisition*

• Sales of around €400 million (1,200 employees)
• Reinforcing Alstom’s global position in Signalling
• Attractive synergies

Global Rail Alliance

• Commercial support from GE in selected geographies (notably in the USA)
• Service by Alstom of GE’s installed base of locomotives in selected regions outside the USA
• Mutual or joint sourcing and development of new products, technology and programmes
• GE Capital to support Alstom through financing solutions on a case by case basis

* Subject to closing, expected in Half-Year 2015
Alstom - Perspectives

• Sales and operating profit to increase
  – Organic sales growth over 5% per year
  – Gradual improvement of the operating margin within the 5-7% range

• A solid balance sheet after deal closing and cash to be returned to shareholders
  – Debt-free company with strong equity capital
  – Ample liquidity
DIALOGUE WITH SHAREHOLDERS
VOTE OF THE RESOLUTIONS
Kareen CEINTRE- Company Secretary
1st resolution

• Approval of the sale of the Energy (Power and Grid) businesses and corporate and shared services of Alstom to General Electric.
2nd resolution

• Authorisation to implement the Shareholders’ Meeting’s decisions and complete the formalities.