Information related to the remuneration of ALSTOM’s Executive Officer published in compliance with AFEP-MEDEF recommendations dated December 2008

- Variable remuneration 2008/09
  €1,300,000 (€1,500,000 for 2007/08)
- Annual remuneration 2009/10
  + Fixed salary
    Unchanged since April 2006 at €1,035,000
    3% increase per year over the period April 2009-March 2012
    i.e €1,065,000 in 2009/10
  + Variable salary
    0 - 160% of the fixed part (terms unchanged)
- Allocations of stock options and shares subject to performance conditions
  + Annual allocation capped at 1% of the overall amount authorised by the Shareholders’ Meeting and 5% of the total annual allocation
  + Value of the allocation (IFRS 2) capped at one year’s total remuneration
  + Requirement to purchase shares equivalent to 25% of the performance shares delivered
- Benefits post mandate
  + Waiver of all rights to severance payment in the event of termination of the mandate for any reason
  + Upholding of only stock options and shares subject to performance conditions which are vested at the end of the mandate
  + Additional retirement pension scheme
    Rights progressively acquired per year of seniority (terms unchanged)

At its meeting held on 4 May 2009, the Board of Directors acknowledged the recommendations of the Nominations and Remuneration Committee and fixed the elements of the compensation of Mr Patrick Kron.

These elements, presented below, will be included in the Annual Report/Registration Document for the fiscal year 2008/09 which will be filed with the AMF (Autorité des marchés financiers).

**Variable remuneration in respect of fiscal year 2008/09**

The variable gross salary of Mr Patrick Kron in respect of fiscal year 2008/09 was fixed at €1,300,000 that is 125.75% of his fixed gross salary. Pursuant to the rules predetermined in May 2008, the variable part linked to the financial objectives was fixed at 85.75% by the Board of Directors within the range 0 - 120% (compared to 60% if the results achieved have been strictly in line with the objectives set). The part corresponding to the specific objectives was fixed at 40% in the 0 - 40% range.

For the previous fiscal year, his variable gross salary was €1,500,000 corresponding to 145% of his fixed gross salary for the said fiscal year. The variable part linked to the financial objectives
was fixed at 105% and the part corresponding to the specific objectives was fixed at 40%

**Fixed and variable remuneration in respect of fiscal year 2009/10**

**Fixed Part**

The amount of the fixed part of the Chairman and Chief Executive Officer’s remuneration remained unchanged for three years, as from 1st April 2006, at €1,035,000.

Upon the Nominations and Remuneration Committee’s proposal, the Board of Directors fixed the Chairman and Chief Executive Officer’s fixed salary over the three-year period 2009/2012 and decided a 3% increase per year, resulting in the following amounts:

- 2009/10: €1,065,000
- 2010/11: €1,100,000
- 2011/12: €1,130,000

**Variable part**

Upon the Nominations and Remuneration Committee’s proposal, the Board of Directors fixed the Group’s performance objectives and the specific qualitative objectives linked to the achievement of personal objectives which will be used to determine the variable remuneration for the fiscal year 2009/10, applying the same methods as for the preceding years.

For fiscal year 2009/10, the objectives set, are, on one side, the Group’s financial objectives – free cash flow, operational margin, and level of margin in the backlog – and on the other hand, the specific objectives linked to the actions plans and to the fiscal year’s priorities.

Since 1st April 2006, the Chairman and Chief Executive Officer’s variable remuneration’s range is between 0% and 160% of the annual base salary. The amount of the variable part linked to financial objectives can vary between 0% and 120% and the amount of the variable part linked to specific objectives between 0% and 40%, depending on results achieved. In case the set objectives are met, the variable remuneration represents 100% of the annual base salary, with the amount of the variable part linked to financial objectives representing 60% of the annual base salary and the variable part linked to the specific objectives representing 40% of the annual base salary.

**Rules applicable to future allocations of stock options subject to performance conditions and performance shares**

The Board of Directors decided upon the following principles, the final terms of which will be set at the time of the allocation:

- the IFRS 2 value of any annual allocation to the Chairman and Chief Executive Officer shall not exceed one year of fixed and targeted variable remuneration (the latter of which corresponds to the remuneration obtained when accomplishments are strictly compliant
with set objectives). In addition, the annual allocation shall not exceed neither 1% of the overall amount authorised by the Shareholders’ Meeting, nor 5% of the total amount allocated under an annual plan (calculated, as the case may be, according to a stock options equivalency in the event of a combined allocation of stock options and performance shares);

- in consideration of any new allocation of performance shares, the Chairman and Chief Executive Officer will have to acquire 25% of the performance shares which would be vested. The Chairman and Chief Executive Officer must also comply with the holding requirements set for each allocation.

**Benefits arising upon the termination of the mandate**

- Waiver of all rights to any severance payment

The Board of Directors held on 4 May 2009 acknowledged and approved the proposition made by the Chairman and Chief Executive Officer, to waive all rights, in the event of a termination of his mandate for any reason, to receipt of any severance payment.

- Waiver of certain rights related to stock options subject to performance conditions and to performance shares

The Board of Directors held on 4 May 2009 acknowledged and approved the proposition made by the Chairman and Chief Executive Officer to furthermore waive, in the event his mandate is terminated for any reason, all rights to stock options and performance shares, the vesting rights of which, with respect to the stock options, or the rights to delivery of which, with respect to the shares, are not yet acquired as of the end of his term of office.

Consequently, the commitments discussed in Article L. 225-42-1 of the French Commercial Code, undertaken with regard to Mr Patrick Kron, Chairman and Chief Executive Officer, presently concern (i) the entitlement to the additional collective retirement pension scheme composed of a defined contribution plan and a defined benefit plan from which benefit all persons exercising functions within the Group in France, the base annual remuneration of which exceeds eight times the French Social Security cap, as well as (ii) the upholding, in the event of termination of his mandate as initiated by either the Company or himself, of only the rights to exercise the stock options and the rights to the delivery of the performance shares, that will have been definitively vested as of the end of his term of office.

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