Dear Shareholders,

The project with General Electric – unanimously recommended by Alstom’s Board of Directors on 20 June – is progressing. Following the completion of the information-consultation with works councils we have signed the final agreements with General Electric. The French Foreign Investment authorisation has also been granted. Alstom’s Board of Directors has consequently decided to call for a Shareholders’ Meeting on 19 December to vote on the transaction. Should you approve it, General Electric’s offer would be subject to authorisations from regulatory and competition bodies in a number of jurisdictions. After completion of this transaction, the Group will focus on its rail transportation activities. Alstom would rely on a strong balance sheet, as a large part of the proceeds from General Electric will be used to reinforce the Group and support its development. We intend to communicate shortly on the targeted financial structure, including the amount of cash to be returned to shareholders.

In this context and in compliance with IFRS 5, Thermal Power, Renewable Power and Grid activities, as well as some corporate costs, were classified as Discontinued Operations; they are therefore not included in orders, sales or income from operations and are reported under the “net income – discontinued operations” line.

Between 1 April and 30 September 2014, Alstom registered a record high level of orders at €6.4 billion thanks to a number of large projects, including a jumbo contract in South Africa for around €4 billion. Over this period, sales were up 13% and the operating margin after allocation of corporate costs improved to reach 5% thanks to sound project execution, the progressive implementation of our performance plan and despite ramp-up costs of new platforms. Group net result reached €255 million and free cash flow was mainly affected by negative working capital change over the period.

Over the current year, Alstom sales are expected to grow steadily and the operating margin (after corporate costs) to exceed 5%. Transport’s free cash flow (before tax and financial cash-out) should be positive over the full-year. After a strongly negative first half, Group global free cash flow is expected to recover and be significantly positive in the second half. Our priority in the coming months will be obviously to work for the realisation and implementation of our project with General Electric – and I am convinced you will recognise its value for all stakeholders – and pursuing a profitable growth strategy for the Group which will be centered on its transport activity.

I thank you once again for your support and your confidence.

Patrick Kron
Chairman and Chief Executive Officer

November 2014
**TRANSPORT**

**Jumbo contract for suburban trains in South Africa**

Gibela (a joint venture led by Alstom with South African partners) and PRASA (Passenger Rail Agency of South Africa) have signed a contract for the supply of 600 X’Trapolis Mega commuter trains (3,600 coaches) over a period of 10 years, as well as technical support and supply of spare parts over an 18-year period. The contract also includes the construction of a manufacturing facility in South Africa. This project is one of the biggest in rail transport worldwide and is the largest contract ever signed in Alstom’s history.

**A turnkey tramway system in Qatar**

Alstom will supply a turnkey tramway system to equip the city of Lusail (Qatar), which is expected to enter commercial service from 2018. It will be the second tramway system with APS technology deployed by Alstom in the Gulf countries after Dubai. Several French manufacturing sites will be involved in the project, particularly Le Creusot, Ornans, Tarbes and Villeurbanne.

**Australia’s first fully-automated rapid transit trains**

Alstom will deliver Sydney’s new generation of rapid transit trains as part of the North West Rail Link (NWRL), Australia’s first fully-automated rail network and largest public transport project. The Group will supply 22 six-car fully-automated Metropolis train sets and the Communications Based Train Control (CBTC) signalling system. This network is expected to open in 2019.

**ENERGY BUSINESSES**

**THERMAL POWER**

**A combined-cycle power plant in Mexico**

Alstom has been selected for the supply of a power island (KA24) for Iberdrola’s Monterrey III combined-cycle power plant, together with a Long Term Service Agreement (LTSA). The commissioning is scheduled in 2016.

**RENEWABLE POWER**

**ECO 122 turbines for a wind farm in Brazil**

Renewable Power signed a contract to supply 36 ECO 122 turbines for the Trairi II project, a 97.2 MW wind farm in the north-east of Brazil, the commissioning of which is scheduled for mid-2016. The Group will also be responsible for the operation and maintenance of the farm for ten years. The Trairi II project will be the first to use the new 119 meter concrete towers to better harness the site’s wind resources.

**GRID**

**Alstom to increase energy highways**

Alstom Grid has won three major High Voltage Direct Current (HVDC) contracts in Canada, South Korea and India. The Canadian HVDC turnkey project will connect the Muskrat Falls’ hydroelectric plant in north-eastern Canada to Newfoundland Island. It lays the foundation for a future energy corridor between Canada and the USA. The contract in South Korea involves HVDC solutions that will bring energy from the Dangjin power plant to the densely populated area of Pyeongtaek, meeting the growing demand in electricity in this area. Finally, the Champa 2 contract in India is the second HVDC contract awarded by Power Grid Corporation of India Limited (PGCIL), demonstrating its confidence in the Group’s technological capability and project management.
FOCUS

Project between Alstom and General Electric

“...The combination of Alstom’s and General Electric’s Energy businesses would create, through their complementarity, an ideally positioned entity to serve customers, and contribute to employment and technological innovation. Alstom would be associated with this ambitious combination through its Energy joint ventures. Alstom Transport, a solid leader with a large portfolio of technologies and a worldwide presence in a dynamic market, would be further strengthened through the acquisition of GE's signalling business as well as a far-reaching rail alliance with GE; it would rely on a strong balance sheet to pursue its development.,” said Patrick Kron.


GENERAL ELECTRIC BINDING OFFER ON ALSTOM’S ENERGY BUSINESSES

As announced on 20 June 2014, General Electric (GE) would acquire Alstom’s Energy businesses, i.e. Thermal Power, Renewable Power and Grid activities, as well as corporate and shared services for a fixed and unchanged price of €12.35 billion.

Under the terms of the offer, following completion of this operation, three joint ventures would be created between Alstom and GE:

- **In Grid**, each company would hold a 50% stake in a global business combining Alstom Grid and GE Digital Energy.
- **In Renewables**, each company would hold a 50% stake in Alstom’s Hydro and offshore Wind businesses.
- **The joint venture Global Nuclear & French Steam** would include the production and servicing of the “Arabelle” steam turbine equipment for nuclear power plants, as well as Alstom’s steam turbine equipment and servicing for applications in France. Alstom would invest 20% into the JV and would have 50% of voting rights. In addition, the French State would hold a preferred share giving it veto and other governance rights over issues relating to security and nuclear plant technology in France.


ACQUISITION OF GE SIGNALLING AND GLOBAL RAIL ALLIANCE

Alstom plans to acquire General Electric’s Signalling business, with sales of around €400 million in 2013 and 1,200 employees in 15 sites. The two Groups would also sign multiple collaboration agreements including service for GE locomotives outside of the United States, R&D, sourcing and manufacturing as well as commercial support from General Electric in certain geographic areas (particularly in the USA).


NEXT STEPS OF THE PROJECT

- Information – consultation with works councils
- Signing of sale contract and other associated agreements
- Finalisation of GE Signalling acquisition and global rail alliance
- French Foreign Investment authorisation obtained
- Competition and regulatory authorisations process
- General Meeting of Alstom’s shareholders for transaction approval
- Closing
- Cash return to shareholders
General Meeting of Alstom’s Shareholders

Alstom has called for a Shareholders’ Meeting on 19 December to vote on the project with General Electric. The Group offers the possibility to its shareholders to receive their notice of meeting via email and to vote by Internet. If you hold direct registered shares, we invite you to connect to the BNP Paribas Securities Services dedicated website: https://planetshares.bnpparibas.com/index.jsp with your account number and login information before 14 November 2014 to subscribe to the e-convocation. If you hold bearer shares and wish to subscribe to the e-vote platform, please contact your financial intermediary.

Alstom included for the fourth year in the Dow Jones Sustainability Index (DJSI)

For the fourth year in a row, Alstom has been included in the Dow Jones Sustainability Indices (DJSI) which recognise companies’ corporate social responsibility initiatives, with a score largely above the average for the industrial engineering sector included in the index.

Sites visits

For several years, the Group has been organising site visits in France for individual shareholders to give them a better insight into the way Alstom’s activities work. Last February, a few of them had the opportunity to visit the Belfort site and discovered the manufacturing lines of steam turbines and generators. On 2 October, another group visited the La Rochelle site, specialising in train manufacturing.

Help Alstom reduce its paper consumption!

Since last year, you may either download the shareholders’ letter directly from our website or sign up for automatic electronic delivery. By choosing this environmentally friendly distribution mode, you will help save paper and avoid transport-related CO₂ emissions. Please note that printed copies can still be obtained by sending a request to the Investor Relations Department. Sign up for automatic electronic delivery through our website: www.alstom.com, Investors/Individual Shareholders section.

SHARE PRICE

Alstom basis as of 31st October 2013: €27.40

Place of listing: Euronext Paris – Compartiment A
ISIN Code: FR0010220475
Mnemonic: ALO

Reference Index: CAC 40
Eligible for PEA: Yes
Eligible for differed settlement service: Yes

SHOULD YOU WISH TO RECEIVE OUR PRESS RELEASES OR THE SHAREHOLDERS LETTERS BY EMAIL, YOU CAN REGISTER ON OUR MAILING LIST VIA THE WEBSITE:

WWW.ALSTOM.COM

Investors/Shareholders corner section

NEXT EVENTS

19 December 2014
General Meeting of Alstom’s Shareholders
Le Méridien Etoile hotel, Paris (France)

21 January 2015
Orders and sales of the third quarter 2014/15

CONTACTS

ALSTOM
Investor Relations

By email:
investor.relations@chq.alstom.com

By telephone:
Calling from France, you can reach us on the following toll free number from Monday to Friday from 9 a.m. to 7 p.m. (CET)

+33 (0) 1 41 49 79 75
* Calls to this number will be charged at your operator’s standard international rate.

By post:
3, avenue André Malraux, 92309 Levallois-Perret cedex, France