

An unprecedented scheme

ALSTOM SHARES THE SUCCESS OF ITS RECOVERY WITH ITS 60,000 EMPLOYEES

Under the 'Awards for All' scheme, each of the 60,000 employees working in ALSTOM's 62 countries have been granted 12 free shares, or their equivalent*.

This initiative allows employees to share in the Group's collective success, and to be closely linked to its development strategy. Announced in November 2005 by Patrick Kron, Chairman & CEO of ALSTOM, the initiative was dependent on the achievement of the Group's major financial objectives, considered important for the Group's recovery, stated as positive free cash-flow and an operating margin of 5%.

With the announcement of the 2005/06 fiscal year results last May, ALSTOM confirmed that its objectives had been achieved, indeed exceeded, with a positive cash-flow of €525 million and an operating margin of 5.6%.

In line with the commitment made, employees in the 62 countries where ALSTOM is present will benefit from this scheme. This distribution of free shares will represent 0.5% of the Group's capital and will increase the stake held by employees to 1.5%. ALSTOM intends to further increase employees' shareholding in the Group's capital.

In clear terms, after an initial acquisition period of two years, then a vesting period of the same length, employees can sell their shares from 20 May 2010 onwards. On the same day, in countries where the allocation of shares has not been possible, employees will receive a cash equivalent of the 12 shares, based on an average of the share price over the previous 20 trading days.

"With 'Awards for All', ALSTOM employees can see their efforts rewarded, after a number of difficult years" says Patrick Dubert, Senior Vice President, Human Resources. "What's more, at the heart of a redefined, stronger Group, enjoying restored profitability and strong development prospects, employees will share in the success of their company over the years to come, associating their individual contribution to ALSTOM's collective success. 'Awards for All' will equally be an important tool for dialogue and objective sharing within the Group".

* on June 26, 2006 at 11hrs, ALSTOM's share was listed at €69,50 on the Paris Bourse. Twelve actions thus represented on this date the equivalent of € 834.

Contacts presse :
Philippe Kasse (Corporate)
+ 33 1 41 49 29 82
press@chq.alstom.com