

Alstom Board of Directors recommends General Electric's offer

23 June 2014

ALSTOM
Shaping the future

Key Highlights

Alstom Board of Directors recommending GE's amended offer to acquire Alstom Energy, to form JVs in selected Energy segments and to strengthen Alstom Transport

- Strategic and industrial merits of GE's amended offer acknowledged unanimously
- Financial fairness and favourable legal terms of the offer confirmed by the Board *ad hoc* committee

GE to acquire Alstom Energy for €12.35bn Equity Value, as previously announced

- Scope: Energy business (€14.4bn sales) and corporate and shared services, including all related assets and liabilities
- Binding and fixed price with locked box mechanism as at March 31, 2014.

Alstom to re-invest part of the proceeds in 3 50/50 Energy JVs

- Renewable: Hydro and Offshore Wind
- Enlarged Grid, including GE Digital Energy
- Global Nuclear and French Steam
- Total investment of about €2.5bn, assuming debt free/cash free JVs

Proposed GE Signalling acquisition and global rail alliance with GE

Cash Return to Alstom shareholders

- Sizing to take into account need for robust capital structure

GE Binding Offer on Energy

GE to Acquire Alstom Energy

- Scope: Thermal Power, Renewable Power and Grid sectors, Corporate and shared services, including all related assets and liabilities
- Binding and fixed price of €12.35bn equity value (€11.4bn enterprise value or 13.8x FY14 EBIT)
- All terms and conditions unchanged

50/50 Joint Ventures

- 1 Grid**
 - Combination of Alstom Grid and GE Digital Energy (€1.1bn sales, 4,000 FTE), allowing JV to benefit from enhanced scale and broader offering
- 2 Renewable**
 - Hydro, Offshore Wind and Tidal business
 - Alstom to have the right to buy up to 100% of GE shares in the Renewable JV
- 3 Global Nuclear and French Steam**
 - Steam turbines equipment for nuclear power plants and steam turbine equipment and services in France
 - French state to hold a preferred share and governance rights to ensure protection of national interests

JVs Value and Liquidity

- Investment in JVs of about €2.5bn (debt free/cash free)
- Alstom to benefit from liquidity rights with upside sharing and downside protection at entry price

Alstom to acquire GE Signalling

€600m Enterprise value subject to confirmatory due diligence

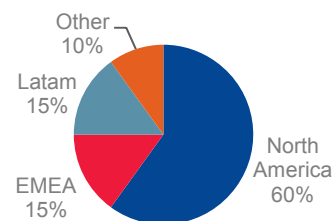
Acquisition Rationale

- ✓ **Reinforcing Alstom global position in Signalling**
 - Signalling sales to increase by about 40%
 - Improved geographic diversification and coverage
 - Leader in North America freight Signalling
- ✓ **Strengthening Positive Train Control (PTC) and Freight positions**
 - Strong and established references, customers and installed base
 - Largely complementary products offering
- ✓ **Cross-selling opportunities for GE products (esp. freight) and Alstom products (PTC on board)**
- ✓ **Synergies to be expected**

GE Signalling Overview

Leading provider of signalling systems and solutions to freight and passenger systems globally

- c.€400m sales



Products and solutions portfolio

- Positive Train Control (PTC), Interlocking (freight USA), Axle counter, track circuit, level crossing, Control center, CBTC in development

Footprint

- About 1,200 FTE in c.15 sites
- Main presence in North America (c. 700 FTE)

Alstom to set up Global Rail Alliance with GE

Memorandum of Understanding between Alstom and GE covering:

- **Commercial support from GE in selected geographies, notably the USA**
- **Service by Alstom of GE's installed base of locomotives in selected geographies outside the USA**
- **Assembly by Alstom of GE's diesel locomotives in selected geographies**
- **Mutual or joint sourcing**
- **GE Capital to support Alstom through financing solutions on a case by case basis**
- **Development of new products, technology and programs**

Alstom Post Transaction

Transport	Grid (Alstom Grid + GE Digital Energy)	Renewable (Hydro + offshore renewable)	Global Nuclear and French Steam
100% Ownership	50/50 JVs		
Sales: €6.2bn	Sales: c.€4.9n ⁽¹⁾	Sales: c.€1.3bn ⁽¹⁾	Sales: c.€1.4bn ⁽¹⁾
Employees: c.28,200	Employees: c.21,000 ⁽¹⁾	Employees: c.7,600 ⁽¹⁾	Employees: c.4,300 ⁽¹⁾

(1) Based on 100%

Next Steps and Timetable

Immediately

- **Initiating relevant works councils information – consultation**
- **Implementing JVs agreements, Signalling acquisition and global rail alliance**
- **Launching Antitrust and regulatory authorizations process**

H2 2014

- **Finalization and Signing of acquisition contract and other agreements**
- **General Meeting of Alstom shareholders for transaction approval**

H1 2015

- **Closing**

Conclusion

€12.35bn (equity value) acquisition of Alstom Energy firm and fixed

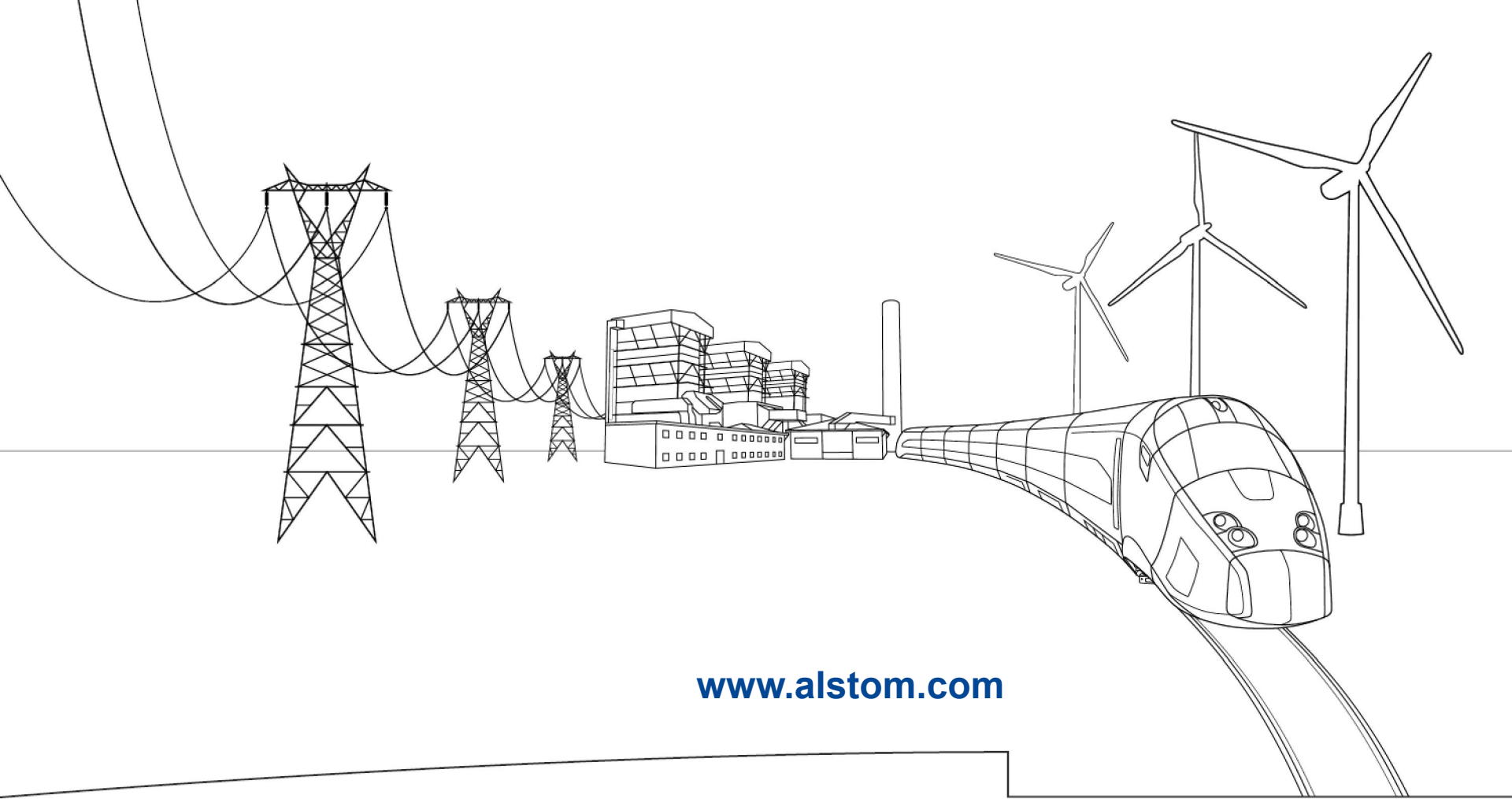
- with unchanged terms and conditions

Reinvestment by Alstom of about €2.5bn in 3 Energy JVs

- Assuming cash free/debt free balance sheet in the JVs

Transport strengthened through Signalling acquisition and global rail alliance with GE

Use of proceeds including cash return to shareholders to be decided taking into account need for Alstom robust capital structure



www.alstom.com

ALSTOM
Shaping the future