



PRESS RELEASE
For immediate publication

27 April 2006

With Bouygues taking a stake in ALSTOM

ALSTOM IS PLANNING BROAD COOPERATION WITH BOUYGUES AT THE COMMERCIAL AND OPERATIONAL LEVELS

Yesterday, Wednesday 26 April, ALSTOM and Bouygues signed a framework agreement for operational and commercial cooperation. Bouygues wished to strengthen this partnership by buying the stake of 21,03% held by the French State since July 2004, when it intervened to support ALSTOM's recovery. This sale is subject to the approval of European Commission antitrust authorities and to the closing of ALSTOM Marine disposal, which is planned to occur in the coming weeks.

At the commercial level, the two companies are planning cooperation of their sales networks to maximise their strengths on the markets and develop together integrated projects as opportunities arise. Bouygues and ALSTOM can provide a joint response to market demands by offering solutions that combine Bouygues' civil engineering with ALSTOM's equipment. It has been agreed that the cooperation between Bouygues and ALSTOM should not be exclusive: in the interest of their customers, the two companies will continue to work with the most suitable partners and suppliers for each project.

Exchanges at the operational level would involve the improvement of project execution by sharing best practices in organisation and project management, setting up joint training programmes for project directors and optimising costs on common projects.

Bouygues also intends to take a 50% equity share in ALSTOM's hydro power equipment business; the corresponding terms are under discussion. This operation would allow ALSTOM to fulfill the commitment made to the European Commission to set up a joint venture in this sector. ALSTOM is the world's number one hydro power equipment supplier and service provider.

The necessary procedures have been or will be implemented to inform and/or consult the various bodies representing ALSTOM personnel about the project.

ALSTOM had previously confirmed to the French State and Bouygues that the results for fiscal year 2005/2006 which will be published on 17 May would be in line with the objectives set, i.e. increase in orders of more than 5% on a comparable basis, increase in sales of more than 7% on a comparable basis, an operating margin of more than 5%, positive free cash flow and net income, after taking into account the disposal of the Marine activity, of more than €150 million. ALSTOM also confirmed its

objective of achieving an operating margin between 6% and 7% in March 2008 and indicated it should exceed these levels in March 2009.

Patrick Kron, Chairman and CEO of ALSTOM, stressed that *"Bouygues' investment in ALSTOM fully meets my objective of associating a reference shareholder with a long term view, which will contribute to the stability of our capital structure. Bouygues is a great company that shares our conviction that our energy and transport markets have a very bright outlook for the future and considers ALSTOM as ideally positioned to fully benefit from this growth. The envisaged cooperation with Bouygues will strongly support our strategy focused on improvement of performance and profitable growth."*

Press information:

Patrick Bessy
(33) (0) 1 41 49 3762
patrick.bessy@chq.alstom.com

Investor Relations:

Emmanuelle Châtelain
(33) (0) 1 41 49 3738
investor.relations@chq.alstom.com