

Alstom Considering the Proposed Acquisition
of Alstom Energy Activities by GE
Alstom to Create a Strong Standalone Market Leader in Rail

30 April 2014

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Key Highlights

Binding offer from GE to acquire Alstom Energy activities

- Alstom Energy activities include Thermal Power, Renewable Power and Grid sectors, as well as corporate and shared services
- €12.35bn Equity Value, equivalent to €11.4bn Enterprise Value

Board of Directors to set up a committee of independent Directors to review the proposed transaction

- Acknowledging the strategic and industrial merits of this offer and having noted the publicly announced undertakings by GE
- Board to make a determination on the Transaction by the end of May
- No shop obligation for Alstom but right to discuss unsolicited third-party offers for the Energy business

Final approval of the transaction to be submitted to the shareholders

Strong strategic and industrial rationale

- Complementary offerings across all Energy product lines
- Alstom Energy business to benefit from increased scale and enhanced financial firepower

Cash Return to Alstom shareholders

- Sizing to take into account robust Transport capital structure and existing Alstom debt

Alstom Transport ideally positioned to grow

- A global leader with a full product offering serving a dynamic rail market
- Worldwide presence, recognized technological leadership and excellence in execution
- Robust targeted capital structure

Key Terms of Binding Offer Received from GE

Offer from General Electric

Binding offer to acquire Alstom Energy business in cash for €12.35bn (Equity Value)

- All assets and liabilities related to the Energy activities transferred to GE
- Consideration to include €1.9bn of net cash and €(0.9)bn of other net liabilities (of which €(1.2)bn of net pension liabilities) as at 31-Mar-14

Transaction scope

- Thermal Power, Renewable Power and Grid sectors
- Corporate and shared services

Price

- Valuing the Energy activities at a €11.4bn Enterprise Value
- Implied EV / Mar-13 EBIT⁽¹⁾ multiple of 12.2x

Clear separation of assets and liabilities between Energy and Transport

Immediate Next Steps

Offer to be assessed by Alstom Board of Directors

- Acknowledging the strategic and industrial merits of this offer and having noted the publicly announced undertakings by GE
- Set up of a Committee of independent Board members chaired by Jean-Martin Folz
- Alstom Board of Directors to reconvene by the end of May to make a determination regarding GE's offer
- Bouygues to support the recommendation of the Board of Directors
- Should the Board conclude positively, information and consultation of Alstom employees' representative bodies to be conducted before entering into a definitive agreement

(1) Multiple based on EBIT for the contemplated perimeter

Key Terms of the Proposed Transaction

Fixed Price

Price not subject to any adjustment at closing

No representations & warranties on the Energy business

Usual interim covenants (Energy business to be operated in the ordinary course of business)

No Shop – Fiduciary Out

No shop obligation

- Non solicitation of third-party offers on Alstom Energy business
- Alstom allowed to discuss with third parties submitting unsolicited offers on Alstom Energy business demonstrating a serious interest that could lead to a superior proposal
- Information right for GE as first mover on third-party offers and to improve its bid

Should GE offer be recommended by the Board, following additional provision to apply

- In case Board decides to change its recommendation, Alstom to pay GE a break-up fee of 1.5% of the offer price

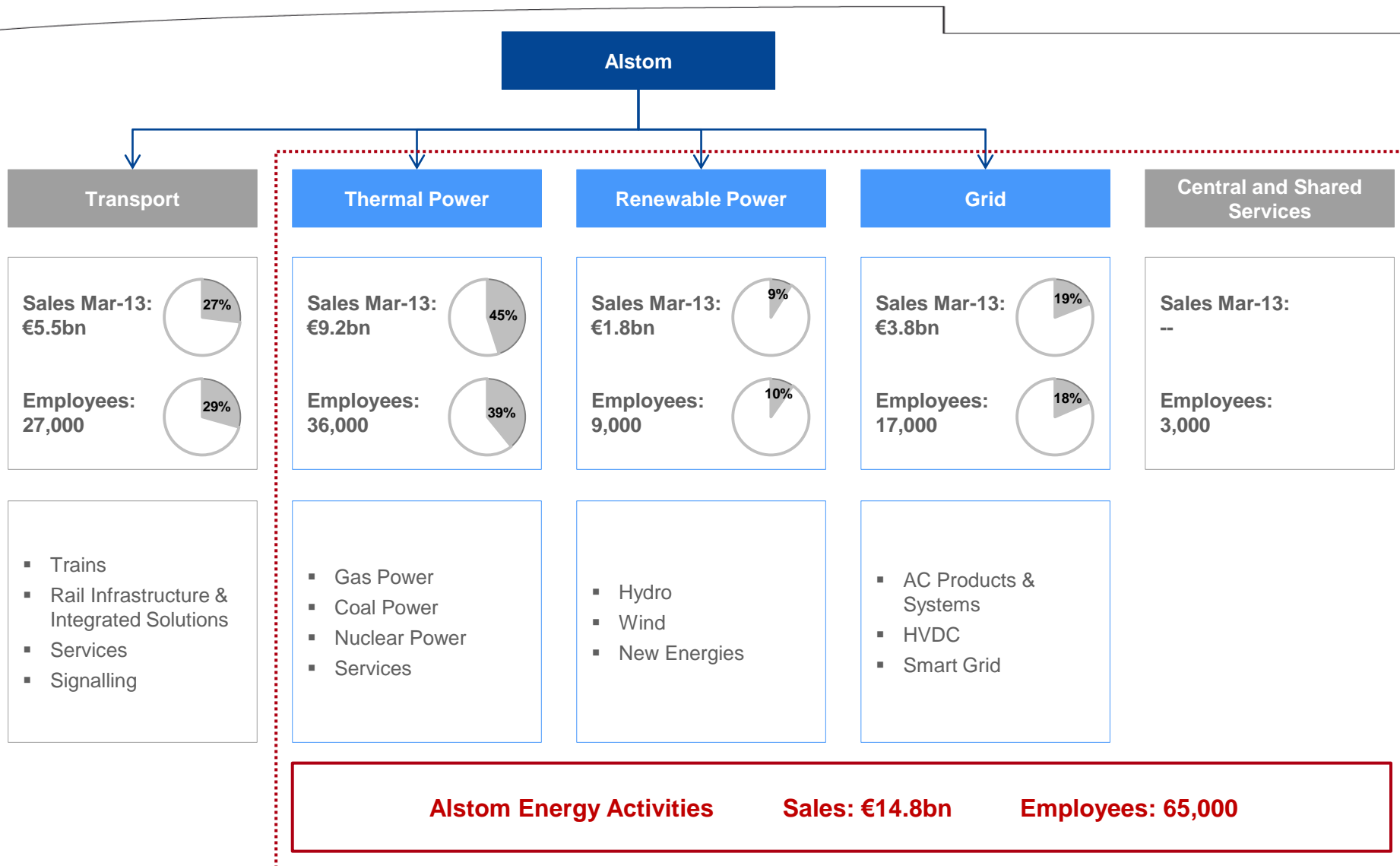
Very Limited Conditions Precedent

Merger control clearances and regulatory approvals

Approval of the transaction by Alstom's shareholders' meeting – in accordance with the AFEP-Medef code

Completion of the carve out of Energy and Transport businesses

Proposed Transaction Perimeter



A Strong Industrial Logic

Integration of Alstom Energy activities within GE to strengthen its future development prospects

- Enhanced size
- Diversity of geographic exposure towards dynamic markets
- Ability to fund heavy investments in new technologies and market developments

GE well placed to maximise Alstom Energy's business growth and value

- Complementary offerings
- Leverage on GE's financial strength and global sales network
- Strong anchorage of GE in Europe

Complementary Offering	
GE Strengths	Alstom Strengths
✓ Gas Turbines	✓ Steam Turbines
✓ Wind onshore	✓ Hydro
	✓ Grid

Rationale for All Stakeholders

Shareholders

- Enterprise value of €11.4bn, implying an EV / Mar-13 EBIT⁽¹⁾ multiple of 12.2x
- Limited execution risk

Employees

- Integration within a recognized major global player
- Sound industrial logic
- Significant career opportunities in a global Group

Customers and suppliers

- Respected player in the industry with a superior financial position

Financial partners

- Positively impacted by the transaction, with Transport adequately capitalized

Implied Transaction Multiple	
Equity Value (€bn)	12.4
Net Debt - 31-Mar-14	(1.9)
Other Liabilities - 31-Mar-14	0.9
EqV to EV Bridge (€bn)	(1.0)
Implied Enterprise Value (€bn)	11.4
<hr/>	
	Mar-13
Energy EBIT ⁽¹⁾ (€bn)	0.9
Implied EV / EBIT ⁽¹⁾	12.2x

(1) Multiple based on EBIT for the contemplated perimeter

Planned Significant Cash Return to Shareholders

Sizing Considerations

Cash Return sizing to take into account

- Robust Transport capital structure to fund future development
- Existing Alstom debt

Process and Timetable

- Cash Return terms and conditions to be submitted to shareholders' vote simultaneously with proposed Transaction on Alstom Energy
- Cash Return process to be launched post Closing of the proposed Transaction

Alstom to Refocus as a Leading Transport Group

Alstom Transport: Ideally Positioned to Grow

- **Critical size and worldwide presence**
- **Strong underlying rail market trends**
- **Proven global / multi-local strategic agility**
- **Differentiation through Integrated Solutions, Services and Innovation & Technology**
- **Operational excellence supported by continuous improvement initiatives**
- **Financial flexibility based on robust balance sheet**
- **Led by its current management and with Bouygues as a long term strategic shareholder**

Alstom Transport: a Full Offering with Leadership Positions

Trains, Systems & Services (TSS)

Trains 	Systems 	Services 
		
<ul style="list-style-type: none"> Trains: tram, LRV, metro, suburban/regional, high speed, very high speed, locomotive Components: traction, bogie, motor 	<ul style="list-style-type: none"> Rail Infrastructure Integrated solutions 	<ul style="list-style-type: none"> Maintenance Modernisation Parts & Repairs Support Services

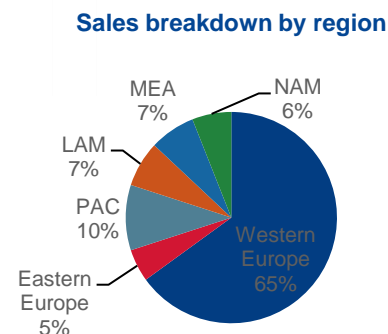
Transport Information Solutions (TIS)



- Broad portfolio of signaling solutions for:
 - Mainline
 - Urban
 - Security & control
- Can be sold as products or solutions

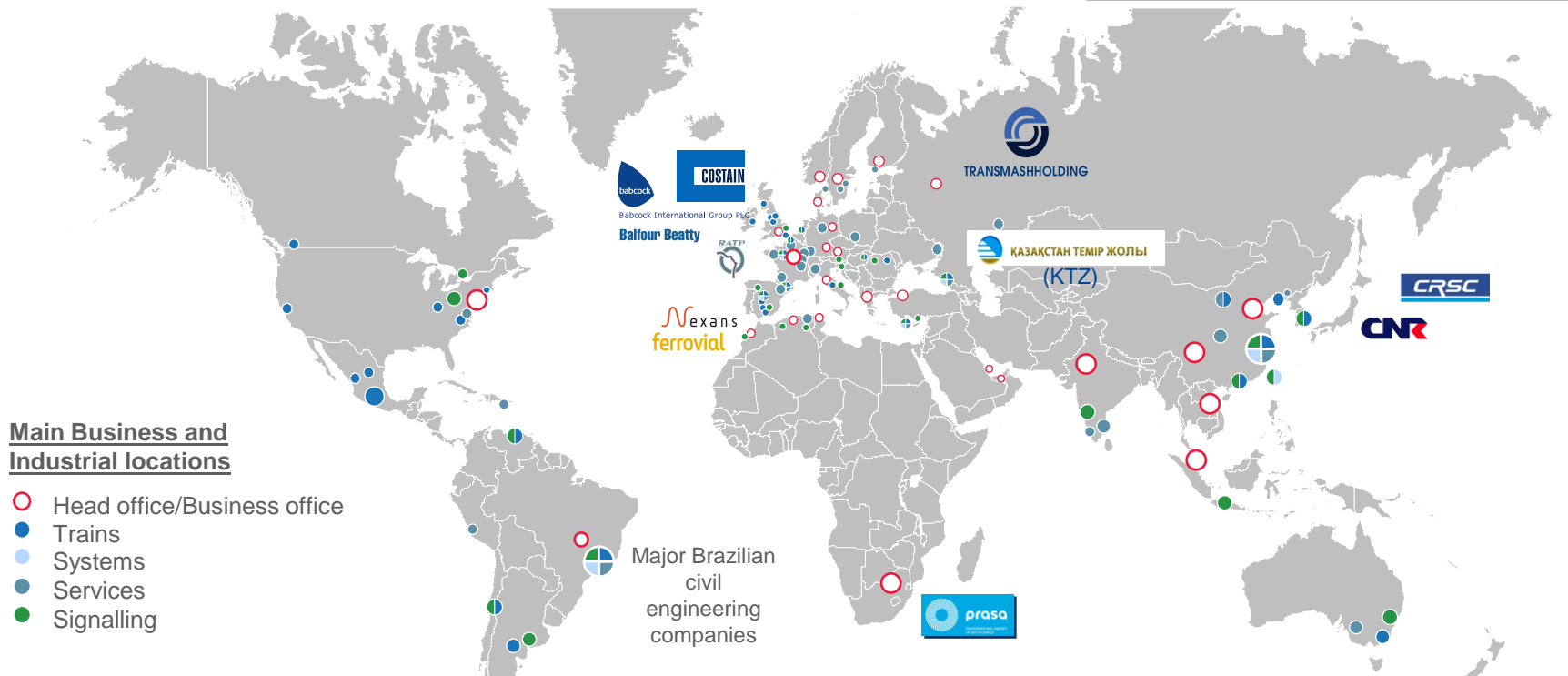
Key Financials

(€m)	Mar-13
Backlog	22,965
Orders	7,109
Sales	5,458
IFO ⁽¹⁾	297
IFO ⁽¹⁾ Margin	5.4%



(1) Income from operations, before allocation of corporate costs

Alstom Transport: Global / Multi-local Strategic Agility



Global footprint

- Capture the full potential of fast growing markets and mitigate local cycles
- 1 Product platform / 1 Process platform
 - Standardisation
 - Economies of scale
- Ability to serve globalizing clients

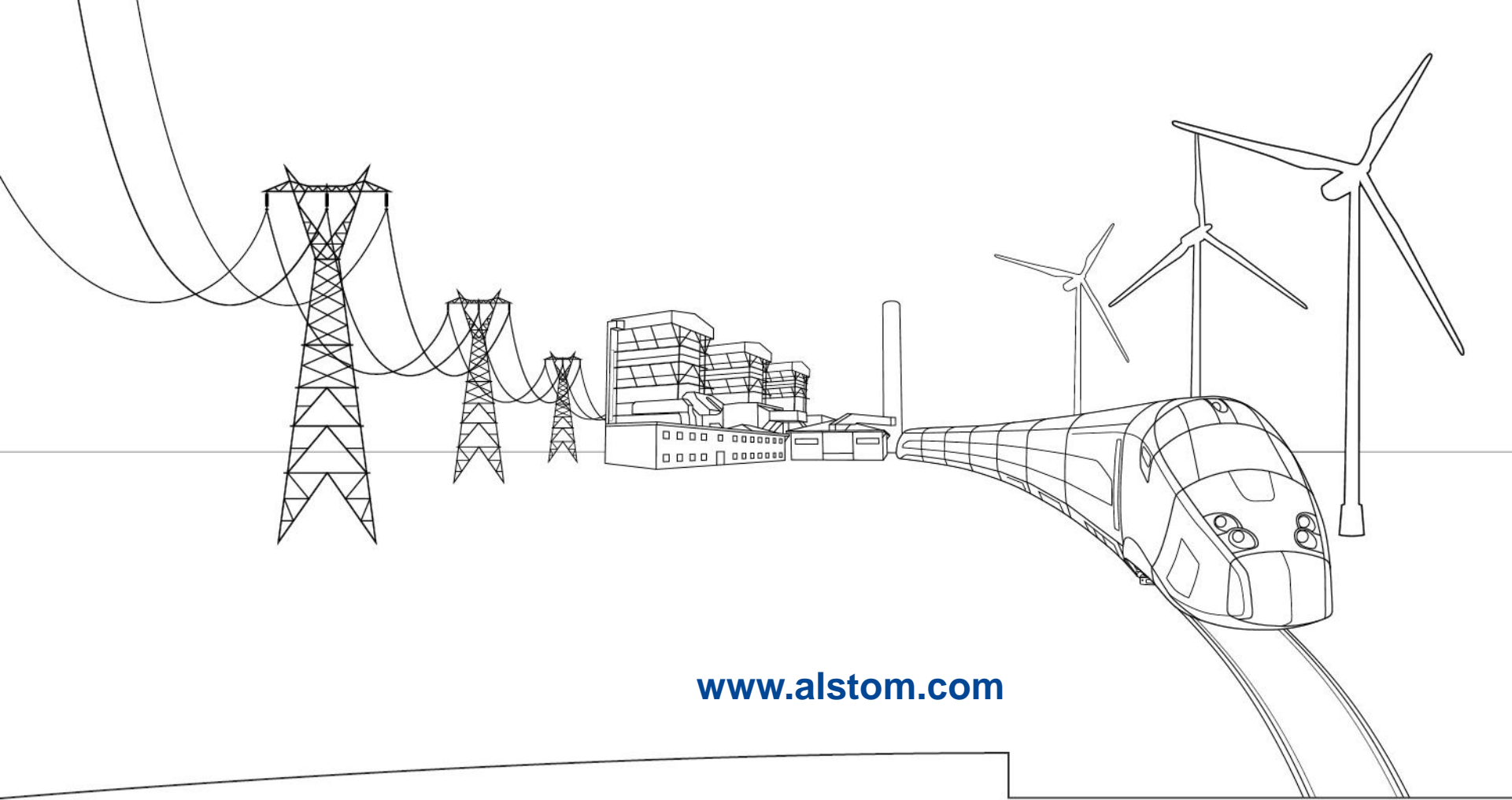
Multi-Local approach

- Fragmented regulatory framework
- Strong requests for local content
- Customer intimacy and service proximity

Uniquely positioned to tap global demand and meet customers strong ask for localisation

Note: Map includes selected partners names; such partnerships include JV with CRSC for signalling (CASCO), alliance with TMH for trains, JVs with CNR for components and trains (SATEE, SATCO)

Conclusion



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