

NOT TO BE FORWARDED TO ANY PERSON OR ADDRESS
IN THE UNITED STATES OF AMERICA

PUBLIC BUYBACK OFFER (THE "OFFER") INITIATED BY

ALSTOM

presented by

 **CRÉDIT AGRICOLE CIB**

Deutsche Bank



Bank of America
Merrill Lynch



BNP PARIBAS

HSBC



NATIXIS

 **ROTHSCHILD**



SOCIÉTÉ GÉNÉRALE
Corporate & Investment Banking

OFFER PRICE: 35 EUROS PER SHARE

OFFER TERM: 29 CALENDAR DAYS

AMF

AUTORITÉ
DES MARCHÉS FINANCIERS

This press release is published pursuant to the provisions of Articles 231-27 1° and 2° of the general regulations of the *Autorité des marchés financiers* (the French financial markets authority, hereinafter the "AMF").

The AMF, pursuant to the terms of Article L. 621-8 of the French Monetary and Financial Code and to the terms of Article 231-23 of its general regulations, and in application of its statement of compliance concerning the tender offer dated 8 December 2015, granted visa No 15-620, dated 8 December 2015, to the Information Note filed by Alstom (hereinafter "**Alstom**" or the "**Company**").

Alstom's implementation of the public share buyback offer for 91.5 million of its own shares (hereinafter the "**Offer**") is subject to a Combined Ordinary and Extraordinary General Meeting of Alstom shareholders, to be held on 18 December 2015 (hereinafter the "**Combined Shareholders' Meeting**"), passing a resolution to reduce the share

capital by a maximum nominal amount of 640,500,000 Euros via a public share buyback offer for a maximum of 91.5 million shares of par value 7 Euros each.

This AMF-approved Information Note is available on the AMF (www.amf-france.org) and Alstom (www.Alstom.com) websites, and can be obtained free of charge from:

- Alstom: 48, rue Albert Dhalenne – 93400 Saint-Ouen
- Crédit Agricole Corporate and Investment Bank: 9, quai du Président Paul Doumer, 92920 Paris La Défense Cedex
- Deutsche Bank AG: 23-25 Avenue Franklin D. Roosevelt, 75008 Paris
- BNP Paribas: 4 rue d'Antin, 75002 Paris
- HSBC France: 103 avenue des Champs-Élysées, 75008 Paris
- Merrill Lynch International: 2 King Edward Street, London EC1A 1 HQ, United Kingdom
- Natixis: 30 avenue Pierre Mendès-France, 75013 Paris (mailing address: 47 quai d'Austerlitz, 75013 Paris)
- Rothschild & Cie Banque: 29 avenue de Messine 75008 Paris
- Société Générale: CORI/COR/FRA, 75886 Paris Cedex 18

Information on Alstom's legal, financial and accounting characteristics, among others, will be available to the public, in accordance with the provisions of Article 231-28 of the AMF's general regulations, no later than on the eve of the Offer's opening day pursuant to the same terms and conditions.

Having approved the repurchase in principle on 4 November 2014, the Board of directors of Alstom, a French *société anonyme* (public limited company) with a share capital of 2,173,426,346 Euros, the registered office of which is located at 48, rue Albert Dhalenne – 93400 Saint-Ouen, France, and registered in the Trade and Companies Registry of Bobigny, France under number 389 058 447, decided at its meeting dated 4 November 2015 to repurchase Alstom shares from the Company's shareholders in the context of a share buyback offer with a view to their cancellation, pursuant to the terms of Articles L. 225-204 and L. 225-207 of the French Commercial Code. The Company's shares are admitted to trading on Compartment A of the Euronext regulated market in Paris (hereinafter "**Euronext Paris**"), under ISIN Code FR0010220475.

This Offer is being conducted in accordance with the provisions of Book II, Title III and, in particular, Articles 233-1 (5th paragraph) et seq. of the AMF's general regulations, subject to the Combined Shareholders' Meeting passing the resolution to reduce the share capital by a maximum nominal amount of 640,500,000 Euros via a public share buyback offer for a maximum of 91.5 million shares of par value 7 Euros each.

The Offer, at a price of 35 Euros per Alstom share, concerns a maximum number of 91.5 million shares.

Pursuant to the provisions of Article 231-13 of the AMF's general regulations, the Offer is presented by Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, BNP Paribas, HSBC France, Merrill Lynch International, Natixis, Rothschild & Cie Banque and Société Générale (hereinafter the "**Presenting Institutions**"), it being specified that only Crédit Agricole Corporate and Investment Bank guarantees the Company's commitments in the context of the Offer, as well as the irrevocable nature of such commitments.

1. Rationale of the Offer

Following the completion of the sale of Alstom's energy business as well as shared and central services to General Electric (the "**Transaction with General Electric**"), which took place on 2 November 2015, the Company seeks to distribute part of the sale's proceeds to shareholders via a share buyback. The main objective in determining the amount to be distributed is to ensure that Alstom is left with a financial structure that enables it to deal with its operating needs, have the ability to finance itself over the short, medium and long term, taking into account the specific importance of bank guarantees for its activities, and seize value-creating external growth opportunities, should such opportunities happen.

The price of the Offer results in a 17.6% premium over the 3 November 2015 share price at closing, and a 21.8% and 25.5% premium over the volume weighted average prices of the shares over, respectively, the one month and twelve months periods preceding 4 November 2015¹.

2. Intentions of the Company for the next twelve months

Business strategy and objectives

Following the Transaction with General Electric, the Company decided to refocus on its Transport business and to develop it.

Composition of the governing and management bodies after the Offer

It is hereby reminded that, on 22 June 2014, Bouygues and the French Republic (hereinafter the “**State**”), the latter of which is represented by the *Agence des Participations de l’Etat* (French State Equity Investments Agency, hereinafter the “**APE**”), entered into an agreement protocol under the terms of which the French Republic, or any other entity of its choice controlled by the State, could exercise call options granted by Bouygues, enabling it to acquire up to 20% of Alstom’s share capital (hereinafter the “**Protocol**”).

It being specified that the APE has indicated to the Company that it held one Alstom share as of the Offer’s filing date.

In addition, as from the first trading day following the completion date of the distribution to shareholders of a portion of the proceeds from the sale (hereinafter the “**Reference Date**”, defined as the settlement-delivery date of the Offer) and up to the exercise or expiry of the put options granted to the State, Bouygues has undertaken to lend to the APE a number of shares such that the number of Alstom voting rights held by the APE equals 20%. Any sale of shares to the APE will extinguish the loan of shares in the amount of the shares sold.

A detailed description of the Protocol is included in Notice 214C1292 published by the AMF on 3 July 2014, in which the AMF concludes, after reviewing said Protocol, that the State and Bouygues are acting in concert vis-à-vis Alstom and on pages 332 and 333 of Alstom 2014/2015 registration document.

Under the terms of the Protocol, Bouygues and the State committed to making every effort, for 10 years as from the execution date of the Protocol, to ensure that the Company’s Board of directors include, following the Reference Date, a director appointed by Bouygues, provided Bouygues holds at least 1% of the Company’s share capital, and two directors recommended by the State.

In the context of the notification the Company received on 10 July 2014 from the members acting in concert, the APE notified the Company of its intention to request the nomination of two representatives on the Company’s Board of directors as from the Reference Date. The Protocol sets out that the Combined Shareholders’ Meeting called to approve the distribution to shareholders of a portion of the proceeds from the sale, also be asked to vote in favour of the first director representing the State on the Board. It also provides that one of the two directors recommended by the Bouygues group resign as of the Reference Date and that Bouygues make its best efforts to ensure that a second director representing the State be co-opted by the first Board of directors’ Meeting convened following the Reference Date.

¹ For information purposes, premium would be 12.9% on the basis of the closing price of €31.0 as of 4 November 2015 (last trading day before announcement of the offer parameters), and premia would be 20.6% and 33.6% over the volume weighted average prices of the shares over, respectively, the one month and twelve months periods ending on 4 November 2015

The Board of directors acknowledged Bouygues' decision to submit a draft resolution concerning the Combined Shareholders' Meeting's appointment of a director recommended by the State, to take office as from the Reference Date. The Board of directors decided to abstain from voting for or against this draft resolution, since it would be filed pursuant to an agreement between Bouygues and the State to which the Company was not made a party, and certain provisions of which are subject to a dispute prompted by one of its shareholders currently being on trial before the competent courts.

In addition, the Board of directors, based on Mr. Patrick Kron's announced desire to resign from his duties as Chairman and Chief Executive Officer after the completion of the Offer, and after having assessed the various possible corporate governance structures for the Company, indicated his intention to keep the functions of Chairman and Chief Executive Officer as combined into one, and to entrust such duties to Mr. Henri Poupart-Lafarge, currently Director and Executive Vice President of Alstom, who has already declared he would accept such duties.

In addition, Mrs. Lalita Gupte and Mrs. Katrina Landis have indicated their decisions to resign from their duties as directors on 31 December 2015. Following these resignations, the Board of directors does not plan to immediately co-opt new directors, in an effort to reduce the size of the Board of directors, and plans to review thereafter the composition of the Board's Committees accordingly.

Impact on employment

No change is expected with respect to employment as a result of the Offer.

Legal status of the Company

The Company does not plan to make any changes to its By-laws following the Offer, with the exception of any changes required to reflect the consequences of the Offer's completion.

Intention concerning the listing of the Company's shares following the Offer

The Company does not plan to request the delisting of its shares on the Euronext Paris stock exchange following the Offer.

Dividend distribution

The Company's dividend distribution policy will continue to be applied pragmatically based on the group's new configuration post-sale of the energy business, relative to its results, its future prospects, and its economic environment.

Synergies, economic gains, and merger plans

In the context of a public share buyback offer enabling Alstom to repurchase its own shares, the Offer is not part of a plan to merge with other companies. Consequently, it does not presuppose the subsequent completion of any synergy or economic gain.

3. Terms of the Offer

Following the Combined Shareholders' Meeting, and subject to its approval of the necessary resolutions, the Company will offer to repurchase a maximum number of 91.5 million Company shares from its shareholders, in cash, at a price of 35 Euros per share, via a public share buyback offer with the intent to cancel said shares, pursuant to the terms of Articles L. 225-204 and L. 225-207 of the French Commercial Code.

On 18 December 2015, under the conditions set out in Article 231-37 of the AMF's general regulations, the Company will publish a press release specifying whether or not said Combined Shareholders' Meeting approved the aforementioned resolutions. The press release will be uploaded to the Company's website (<http://www.Alstom.com>).

4. Summary indicative timetable of the Offer

9 November 2015	Filing of the planned Offer and the draft information note with the AMF Draft information note made available to the public at the registered office of the Company and from Presenting Institutions
8 December 2015	AMF publication of the statement of compliance of the Offer, implying approval of the information note. Information note approved by the AMF made available to the public at the registered office of the Company and from Presenting Institutions
18 December 2015	Combined Shareholders' Meeting deciding on the share capital reduction
23 December 2015	Opening day of the Offer
20 January 2016	Closing day of the Offer
26 January 2016	AMF publication of the notice on the results of the Offer
28 January 2016	Settlement-delivery of the shares tendered to the Offer

5. Commitments made by Alstom's main shareholders

After reviewing the Protocol signed on 22 June 2014 by the French Republic, represented by the APE, and Bouygues, the AMF concluded that the State and Bouygues are acting in concert vis-à-vis Alstom (refer to the AMF Decision and information note No. 214C1292 dated 3 July 2014).

As of the Offer's filing date, the State and Bouygues held 90,543,868 Company shares in concert (including one share held by the APE), representing, on aggregate, 29.16% of the share capital and of voting rights of Alstom².

The Bouygues' group informed the Company of its intention – in the context of the Offer - to maintain a percentage of share capital at a level of about 29%. For this purpose, it will tender all or part of its shares or, as the case may be and depending on market conditions, will tender no share to the Offer. If, upon the results of the Offer and the share capital reduction, the Bouygues' group would hold more than 30% of the share capital and voting rights of Alstom, it would not exercise the voting rights exceeding 30% and would sell the shares exceeding this threshold within the time limit provided in Article 234-4 of the AMF's general regulations. In this respect, the Bouygues' group has asked to the AMF an authorisation of temporary crossing of threshold.

With the exception of the commitments described above, the Company has no knowledge of any other commitment to tender or to refrain from tendering shares to the Offer.

For further details, refer to the opinion released by the Company's Board of directors (section 9 below).

6. Main criteria regarding the evaluation of the Offer price

The appraisal of the Offer price of 35 Euros per share presented below was established on behalf of the Company by the Presenting Institutions, based on available public information relating to the Company, its sector and its comparables.

² Calculated in accordance with the provisions of Article 223-11 of the AMF's general regulations.

The table below shows the conclusion of the valuations achieved through the various retained assessment criteria, as well as the premia inferred by the Offer price:

		Share price (€)		Premium / (discount) implied by the Offer price (%)
Share price				
Share price on the reference date (04/11/2015)		31.0		12.9%
1 month VWAP*		29.0		20.6%
6 months VWAP*		27.5		27.2%
12 months VWAP*		27.9		25.4%
2 years VWAP*		26.2		33.6%
Highest 2 years		31.0		12.9%
Lowest 2 years		18.8		86.1%
	Low value (€)	Central value (€)	High value (€)	Premium / (discount) implied by the Offer price (%)
Average of brokers' target prices	29.0	31.8	35.0	20.7% / 10.2% / 0.0%
Transport multiples in the sum-of-the-parts of comparable companies	30.5		31.9	14.6% / 9.8%
Trading multiples EV/Adjusted IFODA	32.9		33.5	6.3% / 4.5%
Trading multiples EV/Adjusted IFO	31.4		33.1	11.5% / 5.8%
Discounted cash flows (sensitivity to WACC and to perpetual growth rate)	33.9	35.8	38.2	3.3% / (2.2)% / (8.4)%
Discounted cash flows (sensitivity to WACC and to normalised operating margin)	33.2	35.8	38.9	5.4% / (2.2)% / (9.9)%

Note: *VWAP: Volume weighted average price

7. Agreements that could have a significant impact on the Offer's assessment or its completion

With the exception of the above, as of the filing date of the Offer the Company has no knowledge of any agreement or commitment that could have a significant impact on the Offer's assessment or its successful completion.

8. Conclusions of the independent expert's report

The following information shows the conclusions of the report prepared by the firm Duff & Phelps SAS, appointed by the Company, pursuant to the terms of Articles 261-3 et seq. of the AMF's general regulations, to provide an opinion on the fairness of the Offer.

"1 Summary of values

As a summary, the €35 share price contemplated for the OPRA implies the following premia and discounts when compared to the ranges of values derived from the multi-criteria approach:

In €		Value per Share		Premium Offer Price at €35	
		Minimum	Maximum	Minimum	Maximum
Share price reference	Spot (3 November 2015)		29.8		17.6 %
	1-month historical period	28.0	29.8	25.1 %	17.6 %
	1-year historical period	25.0	30.1	40.0 %	16.4 %
	Analyst's Target Price	30.0	35.0	16.7 %	0.0 %
	Discounted Cash Flows	34.4	37.0	1.6 %	(5.3)%
	Guideline Companies Multiples	33.9	36.0	3.2 %	(2.7)%

The €35 contemplated Offer price per share:

- Implies a 17.6 % premium compared to Alstom's last share price (observed as of 3 November 2015) and between 21.8 % and 25.5 % premium when compared to the 1-month and 1-year volume-weighted average price, respectively.
- Implies a premium between 0.0 % and 16.7 % when compared to the minimum and maximum of the analysts' target prices, respectively.
- Is included within the range of values obtained through the discounted cash flows and the guidelines companies multiples methods

2. Fairness opinion on the contemplated Offer price

Our assessment of the contemplated OPRA price is based on the intrinsic value summary of an Alstom share, derived from the application of a multi-criteria approach as well as our analysis of the facts and circumstances specific to the Offer.

In particular, our opinion is based on the premise that the Offer is optional and proposed to all Alstom shareholders, on an equal basis. All of them will be free to contribute their shares or keep them and will be subject to the same rules of reduction should the total number of tendered shares prove in excess of the maximum number of shares subject to the Offer.

It is also rooted in the principle that, if the Offer price reflects the intrinsic value of a share, the proprietary interests of the shareholders are preserved, whether they contribute their shares or not.

The €35 contemplated Offer price is included within the range of values implied by the values of reference and the utilized valuation methods.

In conclusion, we consider the €35 contemplated Offer price to be fair, from a financial standpoint, to the shareholders of the Company, as of the date of this report.

Paris, 3 November 2015

*Carine Tourneur
Managing Director*

Duff & Phelps

9. Reasoned opinion of the Board of Directors of Alstom

At its 4 November 2015 Meeting, the Board of directors studied the draft information note of the Offer, the valuation work carried out by Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, BNP Paribas, HSBC France, Merrill Lynch International, Natixis, Rothschild & Cie Banque and Société Générale, and the report prepared by the firm Duff & Phelps SAS, appointed by the Company, pursuant to the terms of Articles 261-3 et seq. of the AMF's general regulations, to provide an opinion on the fairness of the Offer.

The Board of directors unanimously considered that the Offer represented an opportunity for the Company's shareholders willing to tender their shares at a price that includes a 17.6% premium over the 3 November 2015 share price at closing, and a 21.8% and 25.5% premium over the volume weighted average prices of the shares over, respectively, the one month and twelve months periods preceding 4 November 2015, and that the Offer was in the interest of the Company, its shareholders and its employees. It noted that after the Offer, the Company will maintain a sound balance sheet structure, and that the Offer will neither carry any adverse consequences on the strategy the Company intends to implement, on its financial capacity, or on its dividend distribution policy, nor have any effects on employment.

Given these elements, and after having deliberated on the matter, subject to the approval of the Combined Shareholders' Meeting, the Board of directors voted unanimously in favour of the draft Offer, for the purpose of repurchasing and cancelling the maximum amount of 91,5 million shares, at a price of 35 Euros per share, in accordance with the terms and conditions exposed hereto, and unanimously recommended that shareholders contribute their shares to the Offer.

The Board of directors acknowledged Bouygues' commitment to vote in accordance with the recommendations of the Board of directors at the Combined Shareholders' Meeting.

At the Board of directors' Meeting dated 4 November 2015, all of the members of the Board of directors were in attendance or represented and voted.

10. Restrictions concerning the Offer outside France

The Offer is intended for Alstom shareholders located in France and abroad, provided the local legislation to which such shareholders are subject enables them to participate in the Offer without requiring the Company to complete any additional formalities.

The dissemination of this press release or the information note, the Offer, the approval of the Offer, as well as the delivery of shares can, in certain countries, be subject to specific regulations or restrictions. The Offer is not open or subject to the review and/or the authorisation of any regulatory authority other than in France, and no actions will be taken to do so. Neither this press release nor the information note, nor any other document relative to the Offer constitutes an offer to sell or acquire financial securities or a solicitation to participate in such offer in any country in which this type of offer or solicitation would be considered illegal, could not be validly carried out, or would require the publication of a prospectus or the completion of any other formality pursuant to local law. The shareholders of the Company located in countries other than France can only participate in the Offer insofar as such participation is authorised under the local laws to which such shareholders are subject. Therefore, the Offer is not made to persons directly or indirectly subject to such restrictions, and their participation cannot, in any way whatsoever, be accepted if originating from a country in which the Offer is subject to such restrictions.

Consequently, persons in possession of this press release or the information note are required to inform themselves regarding the local restrictions that could potentially apply, and to comply with such restrictions. Failure to comply with these restrictions could potentially constitute a violation of the laws and regulations applicable to financial markets. The Company hereby disclaims any liability for any person's violation of these restrictions.

In particular, the Offer is not made, neither directly nor indirectly, in the United States of America, to persons located in the United States of America, by means of the mails or any means or instrumentality (including without limitation,

facsimile transmission, telex, telephone or electronic mail) available in the United States, or any facilities of a national securities exchange of, the United States of America.

Consequently, no copy or version of this press release, the information note, and no other document pertaining thereto or to the Offer can be sent via mail, or transmitted or disseminated by an intermediary or any other person in the United States in any way whatsoever.

No shareholder of the Company may tender shares into the Offer unless such shareholder is able to represent that (i) it did not receive in the United States of America a copy of the information note or any other document related to the Offer and did not send such documents to the United States of America; (ii) it has not used, directly or indirectly, the mails or any other means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States of America in relation to the Offer; (iii) it was not within the territory of the United States of America when it accepted the terms of the Offer or gave its order to tender shares; and (iv) it is neither an agent nor a fiduciary acting for a person other than a person who gave instructions from outside the United States of America. Authorized intermediaries may not accept orders to tender shares that have not been made in conformity with the provisions set forth above.

11. Contacts

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