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ALSTOM  
Form 6-K  
June 14, 2002

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the month of June 2002

ALSTOM

-----  
(Exact Name of Registrant as Specified in its Charter)

25, avenue Kleber, 75116 Paris, France  
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(Address of Registrant's Principal Executive Office)

(Indicate by check mark whether the Registrant files or will file annual reports under cover of Form 20-F or Form 40-F)

Form 20-F    X  
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Form 40-F  
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(Indicate by check mark whether the Registrant, by furnishing the information contained in this Form, is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934)

Yes  
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No    X  
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(If "Yes" is marked, indicate below the file number assigned to the Registrant in connection with Rule 12g3-2(b):\_\_\_\_)

ORDINARY AND EXTRAORDINARY  
SHAREHOLDERS' MEETING

3 JULY 2002\*

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\* In accordance with the law, the General Meeting is convened on first notice, on Friday 21 June 2002, at 3:00 p.m. (Paris time), at the Company's registered office, 25, avenue Kleber, -- 75116 Paris. However, in the likely event that the quorum requirement is not met on that date, the General Meeting will be held on second notice, on Wednesday 3 July 2002, at 2:00 p.m. (Paris time), at the CNIT, 2 Place de la Defense, 92053 Paris La Defense.

ALSTOM, societe anonyme with capital of 1,292,324,754  
25, Avenue Kleber-- 75116 Paris (France)-- 389 058 447 RCS PARIS

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This document is a free translation of the original French version of the brochure for ALSTOM's Ordinary and Extraordinary shareholder's Meeting, which is available upon request.

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### AGENDA OF THE GENERAL MEETING

Deliberating as an Ordinary shareholders' Meeting

- o Board of Directors' report.
- o General Auditors' report for the fiscal year ended 31 March 2002.
- o General Auditors' report on the consolidated accounts of the fiscal year ended 31 March 2002.
- o Approval of the non-consolidated accounts and the operations for the fiscal year ended 31 March 2002.

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- o Approval of the consolidated accounts and the operations for the fiscal year ended 31 March 2002.
- o Appropriation of income.
- o Special Auditors' report on related party agreements.
- o Renewal of the mandate of a Director.
- o Appointment of a Director.
- o Authorisation to be given to the Board of Directors to deal in the Company's shares.

### Deliberating as an Extraordinary Shareholders' Meeting

- o Board of Directors' report.
- o Special Auditors' reports.
- o Authorisation to be given to the Board of Directors to increase the share capital of the Company by the issue of shares or of any type of securities which give immediate or future access to the Company's shares, with maintenance of preferential subscription rights.
- o Authorisation to be given to the Board of Directors to increase the share capital of the Company by the issue of shares or of any type of securities which give immediate or future access to the Company's shares, with no preferential subscription rights.
- o Limitation of the global amount of the issues decided pursuant to the eighth and ninth resolutions.
- o Authorisation given to the Board of Directors to increase the share capital of the Company through issues reserved for members of a Company savings plan.
- o Modification of duration of the mandate of Directors.
- o Modification of duration of the mandate of censors.
- o Amendments to the Articles of Association in accordance with law no 2001- 420 of 15 May 2001 relating to new economic regulations. Statutory modifications and revision of the Articles of Association.
- o Power to implement the decisions of the Shareholders' Meeting and to complete the formalities.

\* \* \*

REPORT OF THE BOARD OF DIRECTORS  
TO THE GENERAL MEETING  
OF 21 JUNE 2002 ON FIRST CALL OR  
3 JULY 2002 ON SECOND CALL

The consolidated financial statements for the fiscal year ended 31 March 2002 together with the corresponding Notes, are included in ALSTOM's Annual Report for the fiscal year 2002.

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Report of the Board of Directors on the group's management and the consolidated financial statements

This report is included in ALSTOM's Annual Report 2001/02 within the section "Operating and Financial Review and Prospects".

Report of the Board of Directors on the Ordinary part of the General Meeting

Comments on ALSTOM's statutory accounts

ALSTOM is the holding company of the ALSTOM group. ALSTOM's investments consist exclusively of the shares of ALSTOM Holdings.

ALSTOM centralises a large part of the external financing of the group and directs the funds so obtained to its subsidiary ALSTOM Holdings through loans and a current account. Fees from its indirect subsidiaries for the use of the ALSTOM name are ALSTOM's main other source of revenue.

Income

ALSTOM's net income amounted to 90.8 million and comprised:

- income of 94.4 million arising from fees for the right to use the ALSTOM name;
- operating expenses of 42.5 million;
- financial income of 1.9 million (dividends received from ALSTOM Holdings amounted to 0.3 million); and
- income tax credit of 36.9 million which represents the tax savings resulting from a tax group treatment adopted by ALSTOM ("integration fiscale").

Balance sheet

The balance sheet amounts to a total of 11,927.5 million, the main elements of which are as follows:

- included in assets, investments of 6,553.5 million including the value of the shares of ALSTOM Holdings held by ALSTOM and advances to ALSTOM Holdings of 4,623.9 million.
- included in liabilities, a financial debt of 4,415.4 million including bonds with a principal amount of 1,200 million, commercial paper with a principal amount of 455 million and various loans amounting to 2,183.2 million which include syndicated lines of credit for 1,550 million.
- included in liabilities, undated subordinated notes of 250 million issued during the fiscal year 2001 with an indeterminate duration.

Presentation of the resolutions

Approval of the annual non-consolidated and consolidated financial statements (first and second resolutions)

The shareholders will be asked in these resolutions to approve the transactions and statutory and consolidated financial statements for the year ended 31 March 2002 as presented to them.

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Proposal for the appropriation of net income (third resolution)

Taking into account the income for the fiscal year ended 31 March 2002 which amounts to 90,818,472.19, we propose the following appropriation in this resolution:

- Income for the financial year.....	90,818,472.19
- Amount previously carried forward.....	142,760,709.38
- Allocation to the legal reserve.....	-
- Distributable income.....	233,579,181.57
- Distributable income carried forward.....	233,579,181.57

Given the consolidated net loss recorded for the fiscal year 2002, the Board of Directors decided not to recommend the payment of a dividend for this fiscal year.

During the three preceding fiscal years, the following dividends were distributed:

	Number of Shares	Dividend	Tax Credit	Global amount
	-----	-----	-----	-----
2000/2001.....	215,387,459	0.55	0.275	0.825
1999/2000.....	213,698,403	0.55	0.275	0.825
1998/1999				
- Interim dividend(*).....	200,000,000	1.13	0.565	1.696
- Final dividend.....	213,698,403	0.50	0.25	0.75

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(\*) paid on 22 June 1998 solely to the two principal shareholders as of such date.

Related party agreements (fourth resolution)

After review of the special report prepared by the statutory auditors, the shareholders will be requested in this resolution to approve the agreements referred to in this report to which article L. 225-38 of the French Code de commerce applies which have had continuing effect during the past fiscal year.

Board of Directors - Appointments of Directors (fifth and sixth resolutions)

The composition of the Board of Directors has changed during the past fiscal year.

At its meeting of 14 May 2001, the Board acknowledged the resignations of Mr. Mayo and Mr. Tchuruk from their positions as Directors and agreed to replace them by Mr. James B. Cronin and Mr. Paolo Scaroni, respectively, for the outstanding duration of their mandates.

The General Meeting of 24 July 2001 ratified the nominations of Mr. Jean-Paul Bechat, Mr. James B. Cronin and Mr. Paolo Scaroni for the remaining periods of the directorships of Mr. de Larosiere de Champfeu, Mr. John Mayo and Mr. Serge Tchuruk respectively. This General Meeting also appointed, for a period of six years, Ms. Candace Beinecke and Mr. Patrick Kron as directors. As a result of these changes, the Board of Directors modified the composition of its committees on 24 July 2001. On 8 January 2002, the Board of Directors formally acknowledged the resignation of Mr. Paolo Scaroni who has not been replaced.

The mandates of Mr. Jean-Pierre Halbron and Mr. James B. Cronin shall end during the General Meeting. Mr. Jean-Pierre Halbron has indicated to the Board that he

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does not wish his mandate to be renewed. We propose, upon the recommendation of the Nominations and Remuneration Committee, the renewal of Mr. James B. Cronin's mandate (fifth resolution) and the replacement of Mr. Jean-Pierre Halbron by Mr. Georges Chodron de Courcel (sixth resolution). If the extraordinary resolution for the reduction of Directors' mandates from six to four years is approved, these two Directors shall be deemed appointed for four years.

The Board of Directors met five times during the course of the fiscal year ended 31 March 2002. The average attendance rate for the board meetings was 93%.

The Board's committees set up immediately following the Company's initial public offering, i.e. the Audit Committee and the Nominations and Remuneration Committee met twice and five times respectively during the fiscal year and made regular reports of their work and findings to the Board of Directors. The attendance rates at such committee meetings were respectively 88% and 91%.

The Audit Committee examined the annual and bi-annual financial statements and heard the reports of the statutory auditors and the Company's management regarding the Company's internal audit and inspection procedures and its risk analysis procedures.

The Nominations and Remuneration Committee reviewed the remuneration of the Chairman and Chief Executive Officer (in his absence) and the members of the Executive Committee as well as the principles of remuneration for the members of the Board of Directors, proposed stock option plans and employee share purchase schemes. In addition, it reviewed the succession plans for the Company's senior management and proposed nominations for new Directors.

Acquisition by the Company of its own shares (seventh resolution)

The authorisation, which the General Meeting of 24 July 2001 gave to the Company to acquire its shares, was not used during the course of the past fiscal year.

It is proposed in this resolution to cancel this former authorisation which shall expire and to renew it for a period expiring on the date of the General Meeting which will approve the financial statements for the fiscal year beginning on 1 April 2002.

This authorisation will allow the Company to acquire its own shares not only for stabilisation purposes or to allow sale and purchase of shares depending on the market, but also to allocate such shares to employees and management of the Group (in particular through stock option plans), to retain the shares acquired and, if need be, to sell, transfer or exchange the shares acquired in the context of any financial transaction (including the exercise of rights attached to securities), as well as in the context of the general and financial management of its share capital and shareholders' equity, in particular with regard to its financing requirements. The shares may also be cancelled pursuant to the twentieth resolution of the General Meeting of 24 July 2001.

The purchase, sale, transfer or exchange of these shares may be effected on or off the market, at any time, including during any take-over bid, and by any means, including through block transfer or the use or exercise of any financial instruments, derivative products and, particularly, through optional transactions such as the purchase and sale of put and call options. These shares may be transferred free of charge under the conditions specified by law, in particular articles L. 443-1 et seq. of the French Code du travail.

The number of shares which may be purchased pursuant to the present

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authorisation cannot exceed 10% of the share capital as of 31 March 2002, i.e. 21,538,745 shares.

We propose that the maximum purchase price of shares be fixed at 40 and that the minimum sale price be fixed at 10.

### Additional information

Details of shareholding taken during the fiscal year 2002

In May 2001, ALSTOM via ALSTOM UK Ltd acquired from Babcock Management Ltd, Babcock International Group plc. and Siemens plc., the entirety of the shares of Railcare Ltd.

In June 2001, ALSTOM via ALSTOM USA Inc. acquired from two natural persons the entirety of the shares of the American company BITRONICS Inc.

In September 2001, ALSTOM via ALSTOM Holdings acquired from ALSTOM UK Ltd 51% of the shares of the British company GT Railway Maintenance Holdings Ltd, a percentage that ALSTOM then transferred to Carillon plc. who already held the remaining 49%.

Details of direct or indirect shareholdings sold during the fiscal year 2002

In July 2001, ALSTOM via ALSTOM Holdings transferred the entirety of the shares of ALSTOM Industrie to Cegelec Holdings and consequently the whole of its Contracting sector.

### Share capital and Shareholders

As of 31 March 2002, ALSTOM's share capital amounts to 1,292,324,754 consisting of 215,387,459 shares, nominal value 6 per share, which are all of the same class and fully paid. There has been no increase in the share capital during the 2002 fiscal year.

Following the public offering carried out jointly between Alcatel and Marconi plc., where these two companies both sold 33,538,930 shares each (representing 16.49% of the share capital of ALSTOM) on 14 February 2001, Alcatel and Marconi plc. sold in June 2001 their remaining 5.66% each.

To our knowledge and based upon the notices received, the shareholders who as of 6 May 2002 had a direct or indirect shareholding in the Company which exceeded the thresholds set out in art. L. 233-7 of the French Code de commerce are the following:

	Number of shares -----	% of share capital and of voting rights -----
Franklin Resources Inc. (*) .....	28,679,379	13.32%

-----  
(\* ) shares held through various investment funds and unit trust.

Neither the Company nor its controlled subsidiaries hold any of the Company's shares.

As of 31 March 2002, Company employees (through the Group Employee Share Purchase Scheme) held 4,016,966 shares representing 1.86% of the share capital.



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### Issuance of bonds

We remind you that the General Meeting held on 24 July 2001 authorised the Board of Directors, for a period of five years from the date thereof, with the power to subdelegate to the Chairman and Chief Executive Officer, to issue, on one or several occasions, in France and/or abroad, bonds or all other financial instruments representing debt for an aggregate principal amount of 2.5 billion.

This authorisation has not been used during the fiscal year 2002.

Other directorships and positions held during fiscal year 2002 by executive and non-executive Directors

- o Pierre Bilger  
Chairman and Chief Executive Officer  
Other directorships and positions: Mr. Pierre Bilger is a Director of ALSTOM UK Ltd and ALSTOM GmbH. He has been a director of Societe Generale since January 1999 and a member of the "International Advisory Board" of the Renault-Nissan alliance since January 2000.
- o William Purves  
Vice Chairman  
Other directorships and positions: Sir William Purves is Chairman of the Board of Hakluyt & Company Ltd. and non-executive Director of Shell Transport & Trading Company Ltd., Worldwide Shipping and Investment Company Ltd., Reuters Founders Share Company Ltd., Trident Safeguards Ltd. and Scottish Medicine Ltd. He is also a member of the International Advisory Council of the Chief Executive of Hong Kong and of Textron Inc.
- o Jean-Paul Bechat  
Director  
Other directorships and positions: Mr. Jean-Paul Bechat is Chairman and CEO of Snecma. He is a member of the Board of Directors of Messier-Dowty International Ltd, France Telecom, Natexis Banques Populaires and SOGEPA. He is Honorary Chairman of GIFAS and Chairman of AECMA since October 2001. He has been appointed by the French government as a member of the "Economic Council for Defense" and the "General Council for Armaments".
- o Candace Beinecke  
Director  
Other directorships and positions: Ms. Candace Beinecke has been Chair of Hughes Hubbard & Reed LLP, New York, USA, since 1999, trustee of First Eagle Funds, USA, since 1998 and Director of First Eagle SoGen, Inc., USA, and of First Eagle SoGen Variables Funds, Inc., USA, since 1999.
- o James B. Cronin  
Director  
Other directorships and positions: Mr. James B. Cronin is a Director of AWG plc.
- o Klaus Esser  
Director  
Other directorships and positions: Dr. Klaus Esser is a partner in General Atlantic Partners LLC. He is Chairman of the Board of Apollis AG and a member of the Supervisory Board of Victoria Versicherung AG and of GWI AG. Until 2002, he was a non executive member of the Board of Easynet Group plc. Until 2001, he also was a non executive member of the Board of Philipp Holzmann AG.

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- o Jean-Pierre Halbron  
Director  
Other directorships and positions: Mr. Jean-Pierre Halbron is President of Alcatel. He is Chairman and CEO of Electro Banque, Chairman of the Board of Alcatel Finance Inc., Chairman of the Board of Alcatel USA, Inc. and a Director of Alcatel, Alcatel USA Holdings Corp., Alcatel USA LP, Inc. and Alcatel Finance Australia Ltd. He is also a member of the Supervisory Board of Alcatel Deutschland GmbH.
  
- o Patrick Kron  
Director  
Other directorships and positions: Mr. Patrick Kron has been Chief Executive Officer of Imerys since 1998 and a Director of Carbone Lorraine since 1993. He is Chairman and CEO of Mircal (France), Chairman of Imerys USA, Inc. and Imerys UK Limited, Chairman and Delegated Director of Plibrico International SA (Luxembourg), Chairman of Beirat of Plibrico GmbH (Deutschland), Member of the Supervisory Board of Treibacher Schleifmittel AG (Austria), and Director of C-E Minerals, Inc. (USA) and Timcal SA (Switzerland).
  
- o George Simpson  
Director  
Other directorships and positions: Lord Simpson is a Director of Nestle S.A. He was a Director of Halifax Bank of Scotland plc.

Compensation paid to executive and non executive directors during fiscal year 2002

All compensations and benefits of any kind paid during fiscal year 2002 to members of the Board of Directors are mentioned in the table hereunder:

	In
Pierre Bilger (1).....	1,202,744
Sir William Purves (2).....	42,500
Jean-Paul Bechat (2).....	15,000
Candace Beinecke (2).....	15,000
James B. Cronin (2).....	15,000

	In
Dr. Klaus Esser (2).....	37,500
Jean-Pierre Halbron (2).....	27,500
Patrick Kron (2).....	15,000
John Mayo (2) (3).....	12,500
Paolo Scaroni (2) (4).....	15,000
Lord Simpson (2).....	32,500
Serge Tchuruk (2) (5).....	15,000

- 
- (1) compensation and benefit only, no directors' fees being paid to the Chairman and Chief Executive Officer,
  - (2) directors fees only,
  - (3) director and member of audit committee until 14 March 2001,
  - (4) director and member of audit committee until 12 December, 2001,
  - (5) director and member of the nominations and remuneration committee until 8 March 2001.

No compensation or benefits of any kind are paid to Directors by any company controlled by the Company as defined under article L. 233-16 of the French Code de commerce.

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Report of the Board of Directors on the extraordinary part of the General Meeting

Renewal of financial authorisations (eighth, ninth, tenth and eleventh resolutions)

As part of the extraordinary resolutions, the eighth and ninth resolutions concern a renewal of the financial authorisations granted at the General Meeting of 24 July 2001 in its twelfth, thirteenth and fourteenth resolutions.

These financial authorisations granted at the General Meeting of 24 July 2001 delegated to the Board the powers to decide an increase in share capital through the issue of shares and any other securities giving access to shares with or without waiver of the preferential rights of subscription, up to a maximum overall limit of 400 million, representing approximately 31% of the share capital as of 31 March 2002.

Due to this overall upper limit, these financial authorisations have been fully used following the decision taken by the Company to proceed with an increase in share capital by a nominal amount of 397,638,384, with preferential rights of subscription, the closing of which is expected to be realised soon after the General Meeting.

It is therefore proposed to cancel these former authorisations to the extent that they remain unused and to renew them.

The aim of the eighth resolution is to authorise the Board of Directors, for a period of 26 months, to issue, in any currency and on any financial market, shares of the Company, and/or securities redeemable, convertible or otherwise exchangeable immediately or in the future into capital shares of the Company, while maintaining the preferential subscription rights of existing shareholders of the Company, including warrants issued independently of other securities with or without consideration, within the limit of an aggregate nominal amount of increase in share capital of 600 million, which will represent approximately 35.5% of the share capital after completion of the capital increase currently being implemented (excluding adjustments linked to subsequent issues of securities) and the nominal amount of debt securities which could be issued pursuant to this resolution could not exceed 1 billion or its exchange value in any other currency.

The ninth resolution is a proposal that the Board of Directors should be given the necessary authorisation to issue the securities referred to in the eighth resolution, for the same period but without maintaining the preferential subscription rights of existing shareholders and with the option to grant existing shareholders a priority to subscribe shares for a limited period. Total increases in share capital which may be realised immediately and/or in the future shall not exceed 300 million, which will represent approximately 17.8% of the share capital after completion of the capital increase currently being implemented (excluding adjustments linked to subsequent financial operations) and the aggregate nominal amount of debt securities which could be issued pursuant to this resolution could not exceed 1 billion. This authorisation would also allow the Board of Directors to issue securities as consideration for securities tendered to the Company pursuant to a public exchange offer initiated by the Company. This authorisation, with the prior agreement of the Board of Directors, would also allow the issue of securities

giving rights to shares in the Company, by companies in which the Company holds directly or indirectly the majority of the share capital.

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The objective of the tenth resolution is to limit the total increases in share capital to be effected immediately or in the future pursuant to the eighth and ninth resolutions to not more than 600 million, which will represent approximately 35.5% of the share capital after completion of the capital increase being implemented (excluding adjustments linked to subsequent issue of securities) and to limit the aggregate nominal amount of debt securities which could be issued pursuant to these resolutions to not more than 1 billion or the equivalent thereof in any other currency.

It appears necessary to renew these authorisations to give the Board of Directors, in accordance with applicable law, the flexibility necessary to allow it to proceed with the issue of all financial instruments in order to refinance or reduce the Company's debt with the objective to improve the debt maturity profile and/or reduce financial expenses.

The right to issue these instruments without preferential subscription rights will allow the Board of Directors to react quickly to financing opportunities depending upon the changes in the financial markets and to issue simultaneously on foreign financial markets, in particular those on which the Company is listed, by optimising the harmonisation of placement procedures.

For those issues effected without any preferential subscription rights, the Board of Directors will fix the issue price of the securities to be issued so that the Company will receive, for each share created, an amount at least equal to the minimum value fixed by law, currently the average share price during ten consecutive trading days chosen from among the last twenty trading days preceding date of issuance, after adjustment of this average to take into account the difference in the dividend accrual dates, and after taking into account, where warrants to subscribe for shares are issued, the issue price of the warrants.

In cases where the applicable law does not provide that the authorisation automatically waives the preferential subscription rights of existing shareholders, the shareholders are requested to expressly waive their preferential subscription rights to subscribe to capital shares issued upon conversion of debt securities or upon exercise of warrants.

For those issues effected with maintenance of preferential subscription rights under the eighth resolution, the amount to which the Company is or may be entitled for each of the shares issued will be at least equal to the nominal value of the share of the Company.

If bonds or other debt securities with warrants or otherwise giving right to capital shares of the Company are issued pursuant to these authorisations, their issue price will be fixed in accordance with market practice.

The right to receive shares attached to securities issued pursuant to these resolutions may be exercised on fixed dates or during one or several periods to be determined by the Board of Directors in accordance with any rules applicable to the securities issued, starting at the earliest as from the issue of such securities and expiring, in the event of the redemption, conversion or exchange of debt securities, at the latest three months after their maturity date, and in other cases at the latest seven years after the issuance of the securities unless an earlier limit is required by applicable law.

Where the Board of Directors decides to use the authorisation granted by the eighth and ninth resolutions, in accordance with the provisions of article 155-2 of the French decree of 23 March 1967, the final conditions of the issue as well as its effect shall be subject to complementary reports by the Board of Directors and the statutory auditors.

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Pursuant to the new provisions of applicable law, the renewal of the authorisations we propose in the eighth and ninth resolutions, lead us to propose in the eleventh resolution to renew the authorisations granted to the Board of Directors at the General Meeting of 24 July 2001 in the eighteenth resolution to proceed with capital increases reserved for employees although this resolution has not been used and is still valid.

We propose in the eleventh resolution to cancel the previous authorisation and to renew it by authorising the Board of Directors, for a period of five years,

to undertake increases in the share capital of the Company by the issue of shares or any other securities which give access to the share capital of up to a maximum nominal amount of 100 million which will represent approximately 5.9% of the share capital after taking into account the capital increase currently being implemented (excluding adjustments), reserved for members (who may subscribe to these new shares, in accordance with the laws and regulations currently in force, directly or indirectly through mutual funds) of a Company savings plan belonging to the Company or its subsidiaries. This will result in the express waiver by the existing shareholders, of their preferential subscription right for the benefit of the persons to whom the issue is reserved.

The subscription price of the issued shares, in accordance with the laws and regulations currently in force, shall not be lower by more than 20% of the average price of the Company share prices during the last twenty trading days preceding the date on which the issue is decided, or higher than such average price. A free allocation of shares or other securities giving access to the Company's capital may be effected.

Where the Board decides to use this authorisation, in accordance with the provisions of article 155-2 of the French decree of 23 March 1967, the final conditions of the issues as well as its effect shall be the subject of additional reports by the Board of Directors and the statutory auditors.

Amendments to the Articles of Association (twelfth, thirteenth and fourteenth resolutions)

The twelfth resolution proposes a reduction to four years from six years of the duration of mandates of Directors starting from the nomination of Directors during and after 2002. The thirteenth resolution proposes to reduce the duration of the mandate of censors to four years maximum.

The purpose of the fourteenth resolution is to update the Articles of Association in accordance with French law no 2001-420 of 15 May 2001 relating to new economic regulations in order to include the new legal provisions relating to the role and powers of the Board of Directors, the Chairman of the Board, the Chief Executive Officer and the delegated Chief Executive Officer(s), the role of intermediaries acting for non-resident shareholders and to provide the terms under which the Board of Directors chooses the method of general management of the Company, to facilitate the giving of notice of Board Meetings and to adopt the text of the new Articles of Association attached to the resolutions.

The method of general management of the Company will be selected by the Board of Directors in its first meeting to be held after the General Meeting.

As a final resolution, in the fifteenth resolution, we ask you to grant all powers allowing the decisions of the General Meeting to be executed and the necessary formalities to be completed.

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The Board of Directors

FIVE-YEAR SUMMARY

(Statutory accounts)

This table is attached to the Board of Directors' report.

	31 March 1998	31 March 1999	31 March 2000	31 March 2001	31 March 2002
Capital at year end					
a) Share capital (in thousands).....	38	1,303,124	1,282,190	1,292,325	1,292,325
b) Number of outstanding issued shares.....	2,500	213,698,403	213,698,403	215,387,459	215,387,459
Operations and income for the year (in thousands)					
a) Dividend received.....	-	307,332	157,964	110,167	263
b) Income before tax, profit sharing, depreciation and provisions.....	-	390,910	166,450	106,212	59,378
c) Income tax.....	-	(21,662)	50,171	33,232	36,875
d) French legal profit sharing.....	-	-	-	-	-
e) Net income after tax, profit sharing, depreciation and provisions.....	-	346,381	215,232	158,743	90,818
f) Dividends.....	-	106,856 (a)	117,534	118,463	-
Earnings per share (in )					
a) Net earning after tax, profit sharing, but before depreciation and provisions.....	-	1.73	1.01	0.65	0.45
b) Net earning after tax, profit sharing, depreciation and provisions.....	-	1.62	1.01	0.74	0.42
c) Net dividend per share.....	-	0.50 (a)	0.55	0.55	-
Personnel (b)					
a) Number of personnel employed during the year.....	-	-	-	-	-
b) Amount of gross wages and salaries for the year (in thousands).....	-	-	-	-	-
c) Amount of social charges for the year (Social security and other welfare benefits).....	-	-	-	-	-

(a) To which an interim dividend of 226 millions (i.e. 1.13 per share) paid on 22 June 1998 solely to the two principal shareholders as of that date, must be added.

(b) The Company has no employee.

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STATUTORY ACCOUNTS  
For the year ended 31 March 2002

## INCOME STATEMENT

	Note	Year ended 31 March		
		2000	2001	2002
				(in million)
TOTAL SALES.....		2.5	2.8	-
Release of provisions and depreciation.....		5.0	22.6	-
Other operating income.....		75.9	87.7	94.4
<b>Total Operating Income (I).....</b>		<b>83.4</b>	<b>113.1</b>	<b>94.4</b>
Other supplies purchased and external expenses.....		49.3	46.4	39.6
Taxes and duties.....		1.3	0.5	0.7
Depreciation and Provisions for risks and charges..		0.7	-	1.9
Other operating expenses.....	(2)	0.1	0.4	0.3
<b>Total Operation Expenses (II).....</b>		<b>51.4</b>	<b>47.3</b>	<b>42.5</b>
<b>OPERATING INCOME (I - II).....</b>		<b>32.0</b>	<b>65.8</b>	<b>51.9</b>
Dividends received.....		157.9	110.2	155.6
Other interest income and related income.....		57.7	154.2	88.0
Reallocation of expenses.....		12.2	-	-
Foreign exchange gains.....		-	-	-
<b>Total Financial Income (III).....</b>		<b>227.8</b>	<b>264.4</b>	<b>243.6</b>
Depreciation and provisions.....		0.9	1.7	3.5
Interest expenses and related expenses.....		93.8	203.7	238.2
Foreign exchange losses.....		-	-	-
<b>Total Financial Expenses (IV).....</b>		<b>94.7</b>	<b>205.4</b>	<b>241.7</b>
<b>Financial Income (III - IV).....</b>		<b>133.1</b>	<b>59.0</b>	<b>1.9</b>
<b>OPERATING INCOME AFTER FINANCING</b>				
<b>(I - II + III - IV).....</b>	(1)	<b>165.1</b>	<b>124.8</b>	<b>53.8</b>
<b>NON RECURRING INCOME (V).....</b>		<b>-</b>	<b>0.7</b>	<b>0.1</b>
Current income tax (VI).....	(3)	(50.1)	(33.2)	(36.9)
<b>Total Income (I + III + V).....</b>		<b>311.2</b>	<b>378.2</b>	<b>338.1</b>
<b>Total Expenses (II + IV + VI).....</b>		<b>96.0</b>	<b>219.5</b>	<b>247.3</b>
<b>NET INCOME.....</b>		<b>215.2</b>	<b>158.7</b>	<b>90.8</b>

## BALANCE SHEET

### ASSETS

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	Note	Net value at 31 March		
		2000	2001	2002
		(in million)		
FIXED ASSETS				
Intangible fixed assets.....		1.7	1.7	1.7
Financial Assets.....	(1)			
Investments.....		8,038.0	6,553.5	6,553.5
Advanced to subsidiary.....		-	954.8	4,623.9
Total Fixed Assets (I).....		8,039.7	7,510.0	11,179.1
CURRENT ASSETS				
Other receivables.....	(2)	884.2	4,136.6	658.5
Cash.....	(3)	15.5	15.2	77.7
Prepaid expenses.....	(4)	14.5	19.4	12.2
Total (II).....		914.2	4,171.2	748.4
TOTAL ASSETS (I + II).....		8,953.9	11,681.2	11,927.5

BALANCE SHEET

SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES

	Note	Net value at 31 March		
		2000	2001	2002
		(in million)		
SHAREHOLDERS' EQUITY				
Share capital.....	(5)	1,282.2	1,292.3	1,292.3
Capital surplus.....		5,500.0	5,530.4	5,530.4
Reserves				
Legal reserves.....		130.3	130.3	130.3
Non distributable reserves.....		20.9	20.9	20.9
Retained earnings.....		4.8	102.5	142.9
Net profit for the current year.....		215.2	158.7	90.8
Interim dividend.....		-	-	-
Net shareholders' equity (I).....		7,153.4	7,235.1	7,207.6
OTHER SHAREHOLDERS' EQUITY				
Undated subordinated notes.....		-	250.0	250.0
Total (II).....	(6)	-	250.0	250.0
PROVISIONS FOR RISKS and CHARGES				
Provision for risks (III)		22.6	-	1.9
Total (III).....		22.6	-	1.9
LIABILITIES.....				
Bonds issued.....	(7) (8)	672.3	1,227.1	1,226.8
Borrowings.....		438.1	834.6	2,187.1
Other financial debt.....		622.0	2,087.7	1,001.5
Trade payables.....		1.8	41.1	10.4



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Tax, social security debts and dividend payable....	34.6	0.5	40.4
Other payables and accrued expenses.....	9.1	5.1	1.8
	-----	-----	-----
SUB-TOTAL LIABILITIES (IV).....	1,777.9	4,196.1	4,468.0
	-----	-----	-----
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES (I + II + III + IV).....	8,953.9	11,681.2	11,927.5
	-----	-----	-----

### NOTES TO THE FINANCIAL STATEMENTS

#### Summary of accounting policies

The accounts as of 31 March 2002 have been prepared in accordance with the provisions of the French Law dated 30 April 1983, pursuant to the French decree dated 29 November 1983 and of the French General Accounting Rules 1999 as described by French CRC regulation 99-03 dated 21 September 1999.

#### Main events of the financial year

No main events have to be reported.

#### Basic principles

French Generally Accepted Accounting Principles have been applied:

- o Going concern status;
- o Cut-off between accounting periods; and
- o Consistency of accounting methods.

The accounting methods are based on the historical cost.

#### Investments

Investments are recorded at direct acquisition cost. Any additional costs are recorded as expenses to be amortised over a five-year period.

Investments are valued at the lower of cost or valuation. If the valuation of the investment is lower than the book value, a provision is recorded to cover the difference. The year end valuation is made on the basis of the current use value defined as the value of the investment to the Company employing a number of valuation methods, including return on assets, fair value and other methods, as appropriate.

#### Borrowings

Borrowings are recorded at the nominal value. Borrowing costs are recorded as expenses to be amortised over the duration of the borrowings.

#### Exchange operations

There were no specific foreign exchange operations during fiscal year 2002 other than in the ordinary course of business.

#### New financial instruments

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New financial instruments are used to cover interest rate risks on bonds and other long-term debt.

### Tax consolidation

The Company is the leader of the French Tax group and any tax savings are recorded in its books.

## NOTES TO THE BALANCE SHEETS

### Note 1: Financial Assets

ALSTOM Holdings is the only subsidiary of ALSTOM. It owns all operating entities of the group. Financial assets that correspond to the shares of ALSTOM Holdings amount to 6,553.5 million and ALSTOM Holdings' advances of 4,623.9 million, including 32.1 million as accrued interest.

Main figures of ALSTOM Holdings are:

(in million)	
Share capital.....	401.5
Sales.....	74.1
Net result.....	(2.8)
Dividend received by ALSTOM.....	0.3

### Note 2: Other Receivables

Receivables due within one year:

	Gross value	Affiliated corporations
	-----	-----
	(in million)	
Trade receivables(1).....	570.4	22.0
Current account ALSTOM Holdings.....	33.0	33.0
Other receivables.....	55.1	-
	-----	-----
	658.5	55.0

(1) including 546.3 million of receivables acquired from Group companies to guarantee the Commerzbank line of credit.

### Note 3: Cash

Cash includes interest income received on swap operations and a one month revolving deposit of 67 million from Commerzbank.

### Note 4: Prepaid expenses

	Initial amount	Amortisation during the year	Net value 31 March 2002
	-----	-----	-----
	(in million)		
Borrowings costs.....	13.4	2.6	8.4
Issuing cost of undated subordinated note.	2.4	0.6	1.5
Others.....	0.2	0.2	-

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Prepaid expenses(1).....	-	-	2.1
Bonds discounts.....	-	-	0.2
	-----	-----	-----
	16.0	3.4	12.2

-----  
 (1) including 1.3 million financial expenses on credit lines.

### Note 5: Shareholders' equity

	Number	Per value
	-----	-----
Existing shares at beginning of year.....	215,387,459	6
Shares issued.....	-	6
Existing shares at year end.....	215,387,459	6

Charges in net shareholders' equity include dividends of 118.3 million and net income.

	Amount
	-----
	(in million)
Retained earnings as of 1 April 2001.....	102.5
Prior fiscal year result.....	158.7
Dividend paid.....	(118.3)
Retained earnings as of 31 March 2002.....	142.9

### Note 6: Undated subordinated notes

ALSTOM issued on 29 September 2000, 250 million Auction Rate Coupon Undated Subordinated Notes. These notes may be redeemed at the option of the issuer except in certain exceptional circumstances, including any failure to pay interest when due, when they may be redeemed at the option of the holders. They rank pari passu with holders of other subordinated indebtedness. Interest will be payable semi-annually, at variable rates based on EURIBOR. The payment of the interest accrued may be suspended if both of the following conditions are satisfied:

- The annual non-consolidated accounts of ALSTOM (parent Company) show an absence of income available for distribution; and
- The annual consolidated accounts of ALSTOM show that the consolidated net income available for distribution to common shareholders is less than or equal to zero.

### Note 7: Liabilities

	Amount as of	Within	One to	More than
	31 March 2002	one year	five years	five years
	-----	-----	-----	-----
	(in million)			
Financial debt.....				
Bonds issued.....	1,226.8	26.8	1,200.0	-
Borrowings.....	2,187.1	703.9	1,283.2	200.0
Other financial debt....	1,001.5	1,001.5	-	-
Trade creditors and related accounts.....	10.4	10.4	-	-
Tax, social security debts.....	40.4	40.4	-	-

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Other liabilities.....	1.8	1.8	-	-
	-----	-----	-----	-----
Total.....	4,468.0	1,784.8	2,483.2	200.0

### Bonds

A 650 million 5% bond was issued in July 1999 with a redemption date of 26 July 2006.

A 550 million 5.625% bond was issued in February 2001 with a redemption date of 6 February 2004.

Accrued interest amounts to 26.8 million.

The bond issue, nominal value of 650 million, was initially swapped up to 600 million from fixed to floating rate. 280 million has been returned to a fixed rate exposure and 320 million remain swapped from fixed to floating rate at 31 March 2002.

### Borrowings

Borrowings of 2,187.1 million include:

- A Commerzbank debt for 400 million;
- Syndicated bank credit lines of 1,550 million;
- C.N.C.E.P debt of 200 million;
  
- CRCA Mutuel Charente Perigord debt of 33.2 million; and
- Accrued interest of 3.7 million.

### Other financial debt

Other financial debt comprises internal borrowings linked to the purchase of trade receivables amounting to 546.5 million and commercial paper amounting to 455.0 million.

### Trade payables and related accounts

Trade payables and related accounts amounting 10.4 million included 6.4 million payable to group companies.

### Note 8: Accrued expenses

	Amount
	(in million)
Other financial debt.....	0.2
Trade payables and related accounts.....	1.4
Other debts.....	0.2
	-----
Total.....	1.8

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The net income of the year ended 31 March 2002 amounted to 90.8 million.

Note 1: Operating Income after financing

Operating Income

Income from operations of 51.9 million is mainly composed of management fees invoiced to the companies of the ALSTOM Group for the use of the ALSTOM name of 94.4 million, less the management fees invoiced by ALSTOM Holdings ( 6.0 million) and other purchases and expenses.

Financial income

Financial income amounted to 1.9 million and includes:

- o 243.6 million dividends received and other interest income; and
- o 238.2 million interest on bonds and borrowings.

Note 2: Other operating expenses

- o Included in other operating expenses is directors' fees of 300,000.
- o The directors of the Company do not receive any other compensation from the Company.

Note 3: Current Income tax

The Company is the leader of the French Tax Group. The tax savings are recorded in its accounts.

The tax credit of 36.9 million comprises 22.1 million from the tax grouping profit over consolidated organisation and 14.8 million prior-year tax credits.

### OTHER INFORMATION

Commitments

The Company issued commitments of 91.0 million, including commitments in respect of its sub-subsidiaries.

At the end of March 2002, the Company had credit lines of 3,110 million available of which 1,550 million had been utilised.

### PROPOSED APPROPRIATION OF NET INCOME

The net income for the fiscal year ended 31 March 2002 amounts to 90,818,472.19. The following appropriation will be proposed to the shareholders:

- Income for the financial year.....	90,818,472.19
- Amount previously carried forward.....	142,760,709.38
- Allocation to the legal reserve.....	-
- Distributable income.....	233,579,181.57

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- Distributable income carried forward..... 233,579,181.57

Given the consolidated net loss recorded for the fiscal year 2002, the Board of directors decided not to recommend the payment of a dividend for this fiscal year.

### DIVIDENDS DISTRIBUTED FOR THE THREE PREVIOUS FINANCIAL YEARS

	Number of Shares -----	Dividend -----	Tax credit -----	Global amount -----
2000/2001.....	215,387,459	0.55	0.275	0.825
1999/2000.....	213,698,403	0.55	0.275	0.825
1998/1999.....				
- Interim dividend(*)....	200,000,000	1.13	0.565	1.696
- Final dividend.....	213,698,403	0.50	0.25	0.75

-----  
 (\*) Paid on 22 June 1998 solely to the two principal shareholders as of such date.

### AUDITORS' REPORTS

#### STATUTORY AUDITORS' REPORT Year ended 31 March 2002 (translated from French)

In compliance with the assignment entrusted to us at your Shareholders' Annual General Meeting, we hereby report to you, for the year ended 31 March 2002 on:

- the audit of the accompanying financial statements of ALSTOM reported in euro,
- the specific verifications and information required by law.

These financial statements have been approved by the board of directors. Our role is to express an opinion on these financial statements based on our audit.

#### 1. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, presented in accordance with the accounting principles generally accepted in France, give a true and fair view of ALSTOM's financial position and its assets and liabilities, and of the results of its operations for the year then ended.

#### 2. SPECIFIC VERIFICATIONS AND INFORMATION

## Edgar Filing: ALSTOM - Form 6-K

We also performed the specific verifications required by law, in accordance with the professional standards applicable in France.

We have no comment as to the fair presentation and the conformity with the financial statements of the information given in the management report of the board of directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

In accordance with the law, we verified that the management report contains appropriate disclosure as to the percentage interests and votes held by shareholders, and as to the acquisition of shares and controlling interests.

Neuilly-sur-Seine, 7 May 2002

The Statutory Auditors

BARBIER FRINAULT & AUTRES  
ERNST & YOUNG NETWORK  
Gilles Puissochet

DELOITTE TOUCHE TOHMATSU  
Alain Pons

### SPECIAL AUDITORS' REPORT ON RELATED PARTY TRANSACTIONS Year ended 31 March 2002 (translated from French)

To the Shareholders of ALSTOM,

In accordance with our appointment as statutory auditors at your Company, we hereby report on the agreements involving members of the board of directors of your Company.

The terms of our engagement do not require us to identify such agreements, if any, but to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to article 92 of the decree of 23 March 1967, to assess the various interests involved in respect of the conclusion of these agreements for the purpose of approving them.

Authorised Agreements for Fiscal Year 2002

We hereby, inform you that we have not had been notified of any agreements covered by article L. 225-38 of the Code de commerce.

Agreements Approved During Previous Fiscal Years and Executed during Fiscal Year 2002

In addition, pursuant to Decree of 23 March 1967, we have been advised that the following agreements entered into and authorised by the board of directors of your Company in previous years have had continuing effect during the year.

With Alcatel and Marconi plc. (formerly The General Electric Company plc.) ("Marconi")

As part of the sale of shares of ALSTOM by Alcatel and Marconi plc., signature

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of a guarantee and placement agreement among ALSTOM, Alcatel, Marconi plc. and a group of banks and financial institutions.

With Marconi plc. (formerly The General Electric Company, plc.) ("Marconi") and GEC ALSTHOM N.V.

Provisional services agreement of 16 June 1998: this agreement sets forth the terms and conditions governing the gradual execution of maintenance for an interim period following flotation of certain support services provided by Marconi, namely those pertaining to insurance matters, intellectual ownership, pension schemes, real estate management, environmental issues and profits on group purchasing agreements.

For fiscal year 2002 no amount has been paid under this agreement.

With Alcatel and GEC ALSTHOM N.V.

Provisional services agreement of 16 June 1998: this agreement sets forth the terms and conditions governing the gradual execution of maintenance for an interim period following flotation, of certain assistance services provided by Alcatel, namely those pertaining to insurance matters, intellectual ownership, real estate management, profits on group purchasing agreements and telecommunications.

For fiscal year 2002 no amount has been paid under this agreement.

With GEC ALSTHOM N.V.

Agreement covering the transfer by GEC ALSTHOM N.V. of its rights and commitments to ALSTOM, as set forth in the shareholders' agreements of 21 February 1990 between GEC ALSTHOM N.V., General Electric and European Gas Turbine N.V. ("EGT"), a subsidiary of GEC ALSTHOM N.V. Under this transfer agreement, ALSTOM undertakes to compensate GEC ALSTHOM N.V. for any losses or damages incurred as a result of such shareholders' agreement.

For fiscal year 2002 no amount has been paid under this agreement.

With Marconi plc. (formerly The General Electric Company, plc.) ("Marconi") and Alcatel

Within the framework of the initial public offering of ALSTOM, signature of a guarantee and placement agreement on 21 June 1998 among ALSTOM, Alcatel, Marconi and a group of banks and financial institutions.

With Marconi plc. (formerly The General Electric Company, plc.) ("Marconi") and Alcatel

As part of the initial public offering of ALSTOM, signature of counter guarantee on 21 June 1998 between ALSTOM, Alcatel and Marconi, under which ALSTOM undertakes to compensate its shareholders Marconi and Alcatel for any sums that they may have to pay as part of the guarantee and placement agreement.

For fiscal year 2002 no amount has been paid under this agreement.

With Alcatel and Marconi plc. (formerly The General Electric Company, plc.) ("Marconi")

As part of the initial public offering of ALSTOM, signature of an agreement



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covering the registration of rights on 21 June 1998 among ALSTOM, Alcatel and Marconi, under which Alcatel and Marconi are entitled to register their shares in ALSTOM with the Securities and Exchange Commission with a view to making a public offering in the US.

With GEC ALSTHOM N.V.

Compensation and repayment agreement signed on 21 June 1998 between GEC ALSTHOM N.V. and its receiver ALSTOM. As part of the restructuring of the group and, namely of the winding-up of GEC ALSTHOM N.V., the purpose of this agreement was to assure the receivers of GEC ALSTHOM N.V. that ALSTOM that was to become shareholder was willing to repay an amount equivalent to the excess distribution it may receive from the wind-up, and, subject to certain conditions, to finance any taxation payable by GEC ALSTHOM N.V. as part of the distribution of its assets.

We conducted our procedures in accordance with professional standards applicable in France. Those standards require that we confirm the information provided to us with the relevant source documents.

Neuilly-sur-Seine, 7 May 2002

The Statutory Auditors

BARBIER FRINAULT & AUTRES  
ERNST & YOUNG NETWORK  
Gilles Puissechet

DELOITTE TOUCHE TOHMATSU  
Alain Pons

### STATUTORY AUDITORS' REPORT Year ended 31 March 2002 (translated from French)

To the Shareholders of ALSTOM,

In compliance with the assignment entrusted to us at your Shareholders' Annual General Meeting, we hereby report to you, for the year ended 31 March 2002 on the audit of the accompanying consolidated financial statements of ALSTOM reported in euro.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on those financial statements based on our audit.

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements presented in accordance

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with the accounting principles generally accepted in France, give a true and fair view of the group's financial position and of its assets and liabilities, and of the results of its operations for the year then ended.

We also performed the verification of the information given in the management report of the Board of Directors in accordance with the professional standards applicable in France. We have no comment as to its fair presentation and its conformity with the consolidated financial statements.

Neuilly-sur-Seine, 7 May 2002

The Statutory Auditors

BARBIER FRINAULT & AUTRES  
ERNST & YOUNG NETWORK  
Gilles Puissochet

DELOITTE TOUCHE TOHMATSU  
Alain Pons

SPECIAL AUDITORS' REPORT ON THE PROPOSED  
ISSUE OF CAPITAL SHARES AND SECURITIES  
(translated from French)  
(eighth, ninth and tenth Resolution)

To the Shareholders of ALSTOM,

In our capacity as Statutory Auditors of your Company and in accordance with the provisions set forth in Articles L. 225-135 and L. 228-92 of the Code de commerce, we hereby present you with our report related to the eighth and ninth resolutions submitted for the approval of your ordinary and extraordinary General Meeting of 21 June 2002, which provide for the issuance of capital shares and/or securities giving immediate or future access to shares of the Company with or without preferential subscription rights (eighth and ninth resolutions).

The capital increases that may be realised immediately or in the future, in connection with the issuance of shares, may not exceed a maximum nominal aggregate amount of 600 million and the maximum nominal amount of the securities representative of debt which may be issued may not exceed 1 billion or the exchange value of this amount (tenth resolution).

The Board of Directors has requested the shareholders grant it powers to approve the terms of such operations for a period of 26 months and ask you to waive your preferential subscription rights for the issues of shares under the ninth resolution.

We have examined the proposed issue of capital shares and securities by conducting the procedures deemed necessary by us in accordance with generally accepted standards in France.

Subject to the subsequent examination of the terms of the proposed issue, we have no observation to make as to:

- the terms governing the calculation of the share price,
- the terms governing the allocation of rights to shares attached to the transferable securities,

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as set forth in the Report of Directors.

As the share issue prices, the conditions of conversion, exchange or redemption, the exercise price of the subscription rights, and the amount of such issues have not yet been determined, we provide no opinion on the definitive conditions under which the operations proposed in the ninth resolution could be performed, and as a result, on the related proposed suppression of your preferential subscription right, which in theory, would appear reasonable in the context of such operation.

Pursuant to the provisions of article 155-2 of the Decree of 23 March 1967, we shall issue a further report once the Board of Directors has performed such operation.

Neuilly-sur-Seine, 28 May 2002

The Statutory Auditors

BARBIER FRINAULT & AUTRES  
ERNST & YOUNG NETWORK  
Gilles Puissechet

DELOITTE TOUCHE TOHMATSU  
Alain Pons

SPECIAL AUDITORS' REPORT ON THE PROPOSED ISSUE OF  
SHARES RESERVED FOR MEMBERS IN A COMPANY SAVINGS PLAN  
WITH FULL WAIVER OF THE PREFERENTIAL SUBSCRIPTION RIGHT  
(translated from French)  
(eleventh Resolution)

To the Shareholders of ALSTOM,

In our capacity as Statutory Auditors of your Company and in accordance with the provisions set forth in Article L. 225-135 of the Code de commerce, we hereby present to you our report on the proposed issue of shares reserved for employees that contribute to the employee savings fund, of a maximum nominal amount of 100 million, operation submitted for your approval (eleventh resolution).

The Board of Directors has requested authorisation to approve the terms of such operation, which by their nature imply full suppression of your preferential subscription rights.

We have examined the proposed capital increase by conducting those procedures deemed necessary by us in accordance with generally accepted standards in France.

Subject to our subsequent examination of the terms of the proposed issue, we have no observation to make as to the terms governing the setting of issue prices provided in the Report of Directors.

As the issue price has not yet been set, we provide no opinion on the definitive conditions of the issue and, as a result, on the related proposed suppression of your preferential subscription rights, which in theory, would appear reasonable in the context of such operation.

Pursuant to the provisions of article 155-2 of the Decree of 23 March 1967, we shall issue a further report once the Board of Directors has performed such operation.

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Neuilly-sur-Seine, 28 May 2002

The Statutory Auditors

BARBIER FRINAULT & AUTRES  
ERNST & YOUNG NETWORK  
Gilles Puissochet

DELOITTE TOUCHE TOHMATSU  
Alain Pons

## INFORMATION ON THE NEW DIRECTOR

Director whose nomination is proposed to the Shareholders' Meeting

- Mr. Georges Chodron de COURCEL -  
Date of birth: 20 May 1950  
Nationality: French  
Number of ALSTOM shares held: 0

Professional references and current directorships:

France: Member of the Executive Committee - Head of Investment Banking BNP Paribas  
Director of BOUYGUES  
Director of NEXANS  
Director of SCOR  
Member of the Supervisory Board of LAGARDERE

Foreign countries: None

Past directorships and functions (held during the last five years):

France: Member of the Supervisory Board of Sommer Allibert  
Director of Saint-Louis  
Director of Comptoirs Modernes

Foreign countries: None

## TEXT OF THE RESOLUTIONS SUBMITTED TO THE GENERAL MEETING

1. Resolutions falling within the powers of an Ordinary shareholders' Meeting

First resolution

(Approval of the non-consolidated accounts and operations of the fiscal year ended 31 March 2002)

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The shareholders, voting under the conditions of quorum and majority required for ordinary general meetings, having reviewed the report of the Board of Directors, the statutory auditors' report and the non-consolidated accounts for the fiscal year ended 31 March 2002 approve the accounts for the fiscal year ended 31 March 2002, as drafted and presented to them.

The shareholders approve specifically the amount of non-deductible charges (art. 39-4 of the French Code General des Impots) referred to in the financial statements.

The shareholders approve the operations shown in these accounts and/or referred to in the reports.

### Second resolution

(Approval of the consolidated accounts and the operations for the fiscal year ended 31 March 2002)

The shareholders, voting under the conditions of quorum and majority required for ordinary general meetings, having reviewed the report of the Board of Directors, the statutory auditors' report and the consolidated accounts for the fiscal year ended 31 March 2002, approve the consolidated accounts, as drafted and presented to them.

The shareholders approve the operations shown in these accounts and/or referred to in the reports.

### Third resolution

(Appropriation of income)

The shareholders, voting under the conditions of quorum and majority required for ordinary general meetings, approve the following proposal of the Board of Directors, regarding the appropriation of the income for the fiscal year ended 31 March 2002:

-	Income for the financial year.....	90,818,472.19
-	Amount previously carried forward.....	142,760,709.38
-	Allocation to the legal reserve.....	-
-	Distributable income.....	233,579,181.57
-	Distributable income carried forward.....	233,579,181.57

The shareholders acknowledge, pursuant to applicable law, that the dividends distributed for the previous three fiscal years were the following:

	Number of Shares -----	Dividend -----	Tax credit -----	Global amount -----
2000/2001.....	215,387,459	0.55	0.275	0.825
1999/2000.....	213,698,403	0.55	0.275	0.825
1998/1999				
- Interim dividend(*)..	200,000,000	1.13	0.565	1.696
- Final dividend.....	213,698,403	0.50	0.25	0.75

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 (\*) Paid on 22 June 1998 solely to the two principal shareholders as of such date.

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### Fourth resolution

(Special auditors' report on related party agreements)

The shareholders, voting under the conditions of quorum and majority required for ordinary general meetings, having examined the special auditors' report on the agreements to which article L. 225-38 of the French Code de commerce applies, approve the agreements mentioned in such report.

### Fifth resolution

(Renewal of mandate of a director)

The shareholders, voting under the conditions of quorum and majority required for ordinary General Meetings agree to renew the mandate of the Director Mr. James B. Cronin, for a duration of six years, until the end of the Shareholders' Meeting which shall approve the accounts for the fiscal year 2007/2008. However, if the twelfth resolution is adopted at the present Shareholders' Meeting, this Director shall be deemed reappointed for a period of four years, until the end of the Shareholders' Meeting which shall approve the accounts for the fiscal year 2005/2006.

### Sixth resolution

(Appointment of a director)

The shareholders, voting under the conditions of quorum and majority required for ordinary General Meetings, appoint as Director, Mr. Georges Chodron de Courcel, for a duration of six years, until the end of the Shareholders' Meeting which shall approve the accounts for the fiscal year 2007/2008. However, if the twelfth resolution is adopted at the present Shareholders' Meeting, this Director shall be deemed appointed for a period of four years, until the end of the Shareholders' Meeting which shall approve the accounts for the fiscal year 2005/2006.

### Seventh resolution

(Authorisation to be given to the Board of Directors to deal in the Company's shares)

The shareholders, voting under the conditions of quorum and majority required for ordinary General Meetings, having examined the report of the Board of Directors, authorise the Board of Directors under the conditions set out in art. L. 225-209 et seq. of the French Code de commerce, to purchase existing shares of the Company within the limit of a number of shares representing 10% of the share capital of the Company as of 31 March 2002, i.e. 21,538,745 shares as of 31 March 2002 and for a maximum aggregate purchase price of 861,549,800.

This authorisation may be used to regulate the market price of the shares, to allow sale or purchase of shares depending on the market, to allocate or sell shares to employees, former employees or executive officers of ALSTOM and its affiliated companies (as defined in art. L. 225-180 and L. 233-16 of the French Code de commerce), in particular through stock option plans, in order to hold the shares purchased, and, as the case may be, to sell, transfer or exchange the shares purchased in the context of, or following, any financial transactions (including upon exercise of rights attached to securities) and in the context of a general and financial management of the share capital and the stockholders' equity of the Company and in particular with regard to its financing needs. The shares purchased may also be cancelled under the conditions laid down by law.

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The purchase, sale, transfer or exchange of the shares may occur, in accordance with the rules enacted by the relevant regulatory bodies, on or off the stock exchange, at any time, including at the time of a takeover bid, and by all means, including block transfer, the use or exercise of financial instruments, derivatives and, in particular through optional transactions such as the purchase and sale of put or call options.

The purchase price may not exceed 40 per share and the sale price must not be less than 10 per share, subject to adjustments relating to transactions affecting the share capital of the Company. If the Company proceeds under one of the transactions described by the third paragraph of art. L. 225-209, the sale price will then be determined in accordance with the then applicable law. Moreover, these shares could be transferred free of charge under the conditions specified by law, in particular article L. 443-1 et seq. of the French Code du travail.

The authorisation hereby given shall cancel and replace the authorisation granted by the Shareholder's Meeting of 24 July 2001 in its tenth resolution, and shall be valid until the next Shareholders' Meeting called to approve the accounts of the current financial year.

The shareholders hereby grant full powers to the Board of Directors, with authority to delegate such powers, to make all stock market orders, to conclude all agreements in order to undertake all formalities and all declarations for and to all bodies and, generally, to do all that is necessary to implement this resolution.

### 2. Resolutions falling within the powers of an Extraordinary Shareholders' Meeting

#### Eighth resolution

(Authorisation to be given to the Board of Directors to increase the share capital of the Company by the issue of shares or of any type of securities which give immediate or future access to the Company's shares, with maintenance of preferential subscription rights)

The shareholders, voting under the conditions of quorum and majority required for extraordinary General Meetings, having examined the report of the Board of Directors and the special report of the statutory auditors, and in accordance with the provisions of the French Code de commerce, notably its art. L. 225-129 III:

- 1 - cancel the unused portion of the authorisations granted to the Board of Directors by the Shareholders' Meeting of 24 July 2001 in the twelfth, thirteenth and fourteenth resolutions;
- 2 - delegate to the Board of Directors, for a period of twenty-six months from the date of this meeting, all powers necessary to increase the share capital, in one or more times, with maintenance of preferential subscription rights, through the issue in euro or in any foreign currency, both in France and abroad, of shares and/or any other securities which give immediate or future access to shares in the Company including warrants issued autonomously with or without consideration, which can be subscribed for either cash or by set-off of debt and which have the same rights as those attached to existing shares except for the date at which they give rise to a dividend;

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- 3 - decide that:
- o the aggregate nominal amount of the increases in share capital that may be carried out immediately and/or at a later date shall not exceed 600 million to which may be added the nominal amount of the additional shares to be issued in order to maintain the rights of the holders of securities;
  - o the aggregate nominal amount of the securities that are representative of debt of the Company and which may be issued by virtue of this authorisation, shall not exceed 1 billion or the exchange value of this amount;

- 4 - decide that in the event of an offer to subscribe for securities, the shareholders will be allowed to exercise their preferential subscription rights in accordance with the conditions set out by law. In addition, the Board of Directors will have the power to grant the shareholders the right to subscribe further securities in order to obtain a greater number than that to which they are entitled by virtue of their preferential subscription rights, in accordance with the provisions of the law.

If subscriptions by way of exercise of preferential rights do not account for the whole issuance, the Board of Directors may, in the order that it shall decide, exercise either or both of the following options:

- o limit the issuance to the amount of the subscriptions received, provided that these subscriptions amount to at least three quarters of the proposed issuance;
  - o freely allot and/or offer to the public all or part of the securities which have not been subscribed;
- 5 - decide that, if free warrants by scrip issue are allocated to holders of existing shares, the Board of Directors shall have the power to decide that rights to fractions of warrants will not be negotiable and that the

corresponding instruments will be sold, the proceeds of the sale being allocated to those entitled to such fractions at the latest within 30 days of the date of registration in their accounts of the number of warrants allotted to them;

- 6 - note that this authorisation and delegation of powers implies, for the benefit of the holders of the securities which may be so issued and which will give access to shares of the Company, the waiver by the shareholders of their preferential subscription rights to the securities to which the securities issued give right; decide in case of issuance of warrants not attached to any securities, to subscribe for the Company's shares or of bonds convertible into the Company's shares, to cancel the preferential subscription rights of the shareholders to the benefit of the holders of the warrants or of the convertible bonds as the case may be;
- 7 - decide that the amount to which the Company is or may be entitled for each of the shares which may be issued under this authorisation and delegation of powers will be at least equal to the nominal value of the share of the Company;



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- 8 - decide that the Board of Directors will have all powers to implement this authorisation, with the right to subdelegate, within the limits of the law, and in particular to set the dates and terms and conditions of the issuances, the terms and conditions and method under which the securities issued will be fully paid up, the conditions in which they will give rights to shares of the Company, in particular in the event of an issue of debt securities whether or not they have subordinated status, their redemption terms and conditions, their fixed or variable redemption price with or without premium, and the terms and conditions by which securities issued may be repurchased or exchanged. The Board of Directors will also have powers to fix the date (which may be retroactive) from which the new shares will bear dividends, to suspend the exercise of the rights attached to these securities for a period not exceeding three months, to determine the terms and conditions by which the rights of the holders of securities issued and giving rights to shares will be maintained in accordance with the law, to offset the share capital increase expenses against the amount of premiums relating to such increases, and to take generally all necessary measures and enter into any arrangement to bring the contemplated issuance to a successful conclusion, record the increase(s) in share capital and amend the Articles of Association accordingly.

### Ninth resolution

(Authorisation to be given to the Board of Directors to increase the share capital of the Company by the issue of shares or of any type of securities which give immediate or future access to the Company's shares, with no preferential subscription rights)

The shareholders, voting under the conditions of quorum and majority required for extraordinary general meetings, having examined the report of the Board of Directors and the special report of the statutory auditors, and in accordance with the provisions of the French Code de commerce, in particular the third paragraph of art. L. 225-129 III and art. L. 225-148:

- 1 - cancel the unused portion of the authorisations granted to the Board of Directors by the Shareholders' Meeting of 24 July 2001 in the twelfth, thirteenth and fourteenth resolutions;
- 2 - delegate to the Board of Directors for a period of twenty-six months from the date of this Meeting all powers necessary to issue with no preferential subscription rights for the shareholders, either in euro, or in any foreign currency, both in France and abroad, the securities referred to in the eighth resolution above;
- 3 - decide that:
  - o the aggregate nominal amount of the increase in share capital that may be carried out immediately and/or at a later date by virtue of such authorisation and delegation of powers, may not exceed 300 million, to which may be added the nominal amount of the additional shares to be issued in order to maintain the rights of the holders of securities;
  - o the aggregate nominal amount of the securities representative of debts and which may be issued by virtue of this authorisation and delegation of powers shall not exceed 1 billion or the exchange value of this amount;

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- 4 - decide that the capital increase(s) may result from the exercise of any right of allotment, whether by conversion, exchange, redemption, presentation of a warrant or by any other means, linked to any securities issued, with the agreement of the Company, by any of the companies in which the Company holds, either directly or indirectly, more than one half of the share capital;
- 5 - decide that the Board of Directors may elect to grant the shareholders a priority of subscription for all or part of the issue, for a period and under the terms and conditions which the Board of Directors will set. Such a priority of subscription will not result in the creation of negotiable rights;
- 6 - decide that if subscriptions by the shareholders and the general public do not account for the whole issuance of securities, the Board of Directors may, in the order that it shall determine, exercise either or both of the following options: o limit the issue to the amount of the subscriptions received provided that these reach at least three quarters of the issue agreed; o freely allot all or part of the securities which have not been subscribed;
- 7 - note that this authorisation and delegation of powers implies, for the benefit of the holders of securities giving access to shares of the Company, the waiver by the shareholders of their preferential subscription rights to the securities to which the securities issued give right; decide in case of issuance of warrants not attached to any securities, to subscribe for the Company's shares or of bonds convertible into the Company's shares, to cancel the preferential subscription rights of the shareholders to the benefit of the holders of the warrants or of the convertible bonds as the case may be; further decide, in case of issuance of bonds with warrants to subscribe for the Company's shares, by a subsidiary of the Company pursuant to art. L. 225-150 et seq. of the French Code de commerce, to cancel the preferential subscription rights of the shareholders to the benefit of such bondholders;
- 8 - decide that the amount to which the Company is or may be entitled for each of the shares issued in the context of this authorisation and delegation of powers, after having taken into account in the event of an issue of equity warrants not attached to any securities, the issue price of such warrants, will be at least equal to the minimum value as stated by the applicable law, i.e. currently the average of the quoted price of the shares of the Company on the Premier Marche of Euronext Paris over ten consecutive trading days selected among the twenty trading days prior to the start of the issue of the securities, after adjustment of this average, where applicable, in the event of a difference in the dates of entitlement to dividends;
- 9 - decide that the Board of Directors, within the limits of the total share capital increase authorised at paragraph 3 above, may use this authorisation and delegation of powers to issue securities for the purpose of paying securities contributed to the Company following a public offer to exchange securities made by the Company in accordance with the limits and conditions laid down by law;
- 10 - decide that the Board of Directors will have all powers to implement this authorisation, with the right to subdelegate, within the limits of the law, and in particular the powers set out in the eighth resolution.

Tenth resolution

(Limitation of the global amount of the issues decided pursuant to the eighth and ninth resolutions)

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The shareholders, voting under the conditions of quorum and majority required for extraordinary General Meetings, having examined the report of the Board of Directors and the special report of the statutory auditors, and as a result of the eighth and ninth resolutions, decide:

- to set at 600 million, the maximum nominal amount of the capital increases, that may be realised immediately or in the future, by virtue of the authorities granted to the Board of Directors under the eighth and ninth resolutions, provided that to this amount will be added the nominal amount of the shares that may be issued to maintain the rights of the holders of these securities giving right to shares pursuant to the law;
  
- to fix at 1 billion or the exchange value of this amount, the maximum nominal amount of the securities representative of debt of the Company, that may be issued by virtue of the authority granted to the Board of Directors under the eighth and ninth resolutions.

### Eleventh resolution

(Authorisation given to the Board of Directors to increase the share capital of the Company through issues reserved for members of a Company savings plan)

The shareholders, voting under the conditions of quorum and majority required for extraordinary general meetings, having examined the report of the Board of Directors and the special report of the statutory auditors, in accordance with, the provisions of art. L. 443-1 et seq. of the Code du travail and the Code de commerce, in particular art. L. 225-138:

- 1 - authorise the Board of Directors for a period of five years from the date of this meeting, to increase the share capital, in one or more times, by a maximum nominal amount of 100 million, through the issuance, in euro or any other currency, of new shares and/or other securities giving access to the Company's share capital, reserved for the members of a savings plan of the Company and/or of its affiliated companies and economic interest groups (as defined under art. L. 233-16 of the Code de commerce). This decision will result in the express waiver by the shareholders of their preferential subscription rights for the benefit of the beneficiaries to whom the issue is reserved;
  
- 2 - decide that the issue price of the shares issued pursuant to this authorisation, shall not be lower by more than 20% of the average of the Company share prices during the twenty trading days preceding the decision of the Board of Directors relating to the capital increase, or higher than such average price; the characteristics of the other securities giving access to the Company's share capital shall be determined by the Board of Directors in the conditions fixed by the rules and regulations;
  
- 3 - decide that the Board of Directors may provide for the free allocation of shares or other securities giving access to the Company's share capital, within the limits of the provisions of art. L. 443-5 of the Code du travail;
  
- 4 - decide that the Board of Directors will have full powers, with authority to subdelegate such powers within the limits of the law, to implement this authorisation within the limits and under the conditions mentioned above, and in particular to:

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- o determine the companies whose employees and executive officers, as the case may be, may participate in the issues;
  - o fix all the conditions that must be met by the beneficiaries;
  - o fix the terms and conditions of each issue and in particular the amount and the terms of the securities to be issued, the issue price, the date (which may be retroactive) from which the shares will bear dividends, the method and schedule of payment of the issue price, the subscription period;
  - o record the completion of the share capital increases in accordance with the amount of shares which are actually subscribed and amend the Articles of Association accordingly;
  - o enter into any agreements, carry out, directly or by proxy, any operations and formalities;
  - o offset expenses against the amount of the premiums if the need arises;
  - o take any measures necessary for the completion of the issuances, carry out all the formalities following the capital increases and generally do whatever is necessary;
- 5 - decide that this authorisation cancels the authorisation granted to the Board of Directors by the Shareholders' Meeting of 24 July 2001 in the eighteenth resolution.

### Twelfth resolution

(Modification of the duration of the mandate of Directors)

The shareholders, voting under the conditions of quorum and majority required for extraordinary General Meetings, having acknowledged the report of the Board, agree to reduce from six to four years the duration of the mandate of Directors, it being specified that this new duration applies only to the mandates of Directors being nominated during and after 2002. The shareholders agree consequently on a modification of article 9 of the Articles of Association as follows:

The 2nd paragraph should read as follows:

"Directors appointed during and after 2002 are appointed for a term of four years. However, when a director is appointed to replace another director during his term of office, he only carries out his duties for the remaining period of his predecessor's term of office. The term of office of a director finishes at the conclusion of the General Meeting called to consider the Company accounts for the preceding financial year and held during the year in which his term expires. The age limit for directors is that provided for by the Law. Directors are eligible for re-election."

### Thirteenth resolution

(Modification of the duration of the mandate of censors)

The shareholders, voting under the conditions of quorum and majority required

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for extraordinary General Meetings, having acknowledged the report of the Board, decide to reduce to four years maximum the duration of the mandate of censors and, consequently, to modify article 9 of the Articles of Association as follows:

The 3rd sentence of the 5th paragraph is amended to read as follows:

"They are appointed for a maximum term of four years, which may be renewed and which may also be terminated at any moment."

Fourteenth resolution

(Amendments to the Articles of Association in accordance with law no 2001-420 of 15 May 2001 relating to new economic regulations. Statutory modifications and revision of the Articles of Association)

The shareholders, voting under the conditions of quorum and majority required for extraordinary General Meetings, having acknowledged the report of the Board, agree to amend the Articles of Association in accordance with the provisions of French law no 2001-420 of 15 May 2001 relating to new economic regulations, in order in particular to include the new legal provisions relating to the role and powers of the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer and the delegated Executive Officer(s), the role of intermediaries acting for non-resident shareholders and to provide the terms under which the Board of Directors chooses the method of general management of the Company and to facilitate the giving of notice of Board Meetings.

Consequently, the shareholders decide to proceed with a general revision of the Articles of Association and adopt in its entirety the text of the new Articles of Association of the Company attached to the present resolutions.

Fifteenth resolution

(Powers to implement the decisions of the shareholders' Meeting and to complete the formalities)

The shareholders, voting under the conditions of quorum and majority required for extraordinary General Meetings, hereby give full authority to the holder of an original, a copy or an extract of the minutes of this Meeting for the purposes of accomplishing all legal or administrative formalities and to proceed with all required filings and publications.

### NEW ARTICLES OF ASSOCIATION PROPOSED

New Articles of Association attached to the resolutions

#### SECTION 1

Form of the Company

Object - Name - Registered Office - Duration

Article 1 - Form

A societe anonyme, regulated by the provisions of the Code de commerce and any other legal or regulatory provisions in force (the "Law") as well as by the Articles of Association, is formed between holders of shares hereinafter created and shares that will be created in the future.

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### Article 2 - Name

The name of the Company is ALSTOM.

### Article 3 - Object

The objects of the Company are, directly or indirectly:

- o the conduct of all industrial, commercial, shipping, financial, real property and asset transactions in France and abroad, notably in the following fields:
  - energy;
  - transmission and distribution of energy;
  - transport;
  - industrial equipment;
  - naval construction and repair work;
  - engineering and consultancy, design and/or production studies and general contracting associated with public or private works and construction; and
  - more generally activities related or incidental to the above;
- o participation, by every means, directly or indirectly, in any operations which may be associated with its objects, by the creation of new companies, capital contributions, subscription or purchase of stocks or rights, merger with such companies or otherwise; the creation, acquisition, lease or take-over of business goodwill or businesses; the adoption, acquisition, operation or sale of any processes and patents concerning such activities; and
- o generally undertaking all industrial, commercial, financial and civil operations and real property and asset transactions that may be directly or indirectly associated with the Company's objects or with any similar or related object.

Furthermore, the Company can take an interest, of whatever form, in any French or foreign business or organisation.

### Article 4 - Registered Office

The registered office is located at: 25, avenue Kleber, 75116 Paris.

### Article 5 - Duration of the Company

The Company is established for a period of 99 years from the date of its registration in the Trade and Companies Register, unless it is wound up prematurely or its life is extended.

## SECTION 2

### Share Capital - Shares - Payments

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### Article 6 - Share Capital

The share capital is set at one billion two hundred and ninety two million three hundred and twenty four thousand seven hundred and fifty four (1,292,324,754) euro.

It is divided into 215,387,459 shares, each with a nominal value of 6, of a single class and fully paid up.

The share capital may be increased in the future, in accordance with the Law from time to time.

### Article 7 - Nature and Form of Shares - Obligation to Give Notification of Shareholding Exceeding Certain Levels Set Forth in the Articles of Association

The fully-paid up shares are registered shares or bearer shares, as the shareholder chooses.

In addition to the legal obligation to notify the Company of certain shareholding levels, any individual or legal entity acquiring a number of shares in the Company giving a shareholding in excess of 0.5% of the total number of shares issued must notify the Company by letter, fax or telex of the total number of shares that he possesses within fifteen days of this threshold being exceeded. Notification is to be repeated under the same conditions whenever an additional 0.5% threshold is exceeded, up to and including a threshold of 50%.

To determine these thresholds, both indirectly held shares and shares classified with shares owned as defined by the provisions of art. L. 233-7 et seq. of the Code de commerce, will be taken into account.

In each of the above-mentioned notifications, the declaring person must certify that the notification includes all stock held or owned in the sense of the preceding paragraph. Such notification must also indicate the acquisition date(s).

In the event of non-observance of the above provisions and in accordance with the conditions and levels established at Law, a shareholder shall lose the voting rights relating to the shares in excess of the thresholds which should have been notified, if one or more shareholders holding at least 3% of the share capital so requires.

Any shareholder whose shareholding falls below one of the above-mentioned thresholds is also under an obligation to notify the Company within the same length of time of 15 days and by the same means.

Shares are registered in the name of their owner either in the books of the Company or with an officially authorised intermediary.

The Company may, under the conditions laid down by the Law from time to time, request any officially authorised organisation or intermediary to pass on all information concerning its shareholders or holders of its stock conferring an immediate or subsequent right to vote, their identity and the number of shares that they hold.

### Article 8 - Shareholders' Rights and Obligations

Each share confers the right to participate in the capital of the Company and the distribution of profits, subject to Articles 20 and 22 of these Articles of Association, save that the rights assigned to shares of different classes that may be created in the future will be peculiar to such shares alone.

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No distinction will be made between shares with regard to taxation charges, so that each share of the same class entitles its holder to payment of the same net amount when any distributions or repayments are made during the life of the Company or on its liquidation.

The liability of shareholders is limited to the amount unpaid on each share.

Dividends and income on shares issued by the Company will be paid in accordance with the Law and in accordance with the methods determined by the General Meeting, or, failing that, by the board of directors.

Each share is indivisible as far as the Company is concerned: joint owners must arrange to be represented by one and the same person in all dealings with the Company. If shares are subject to usufruct, this should be indicated when they are entered in the register of shareholders.

The rights and obligations associated with the shares are transferred to any subsequent owner of the shares.

Share ownership automatically involves acceptance of the present Articles of Association and the decisions of the General Meeting.

### SECTION 3

#### Management of the Company and General Management

##### Article 9 - Board of Directors

The Company shall be managed by a board of directors comprising a minimum of four (4) and a maximum of eighteen (18) members, save that in the case of a merger this number may be exceeded under the conditions provided for by the Law. Directors are appointed and may be removed by the General Meeting.

Directors appointed during and after 2002 are appointed for a term of four years. However, when a director is appointed to replace another director during his term of office, he only carries out his duties for the remaining period of his predecessor's term of office. The term of office of a director finishes at the conclusion of the General Meeting called to consider the Company accounts for the preceding financial year and held during the year in which his term expires. The age limit for directors is that provided for by the Law. Directors are eligible for re-election.

If vacancies arise through the death or resignation of one or more of its members, the board may make provisional appointments between General Meetings, as legally provided for.

Each director must hold at least ten (10) shares in the Company.

The board of directors may appoint one or two censors on the suggestion of the president. The censors are called to attend board meetings, where they participate in a consultative capacity. They are appointed for a maximum term of four years, which may be renewed and which may also be terminated at any moment. They may be chosen either from among the shareholders or from outside them and can receive a remuneration determined annually by the board.



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### Article 10 - Organisation of the Board of Directors

The board will appoint from among its members a president, together with one or more vice-presidents if it so desires, who may be re-elected. The length of their appointment is determined by the board within the limits of their term of office as members of the board. The age limit provided for in Law for the position of president applies.

If the president or vice-president(s) is/are unable to attend, the former, or, failing this the board, will appoint one of its members to chair each meeting.

The board also appoints the person who is to act as secretary; it may arrange for the latter to be assisted by a deputy secretary chosen under the same conditions.

The board will meet as often as the interests of the Company require, at the registered office or at any other place determined by the president.

The board is convened by the president or by the secretary of the board by any means, even verbally depending on the urgency. A meeting can be convened at the request of the directors or the chief executive officer under the conditions determined by Law.

Notice of meetings will mention the date, time, place and agenda of each meeting.

Resolutions are made according to the quorum and majority conditions provided by Law.

However, if a transaction involving a contribution in kind or a merger (or an acquisition where all or part of the consideration is paid in shares of the Company), with a person holding directly or indirectly 10% or more of the equity capital of the Company (or with a company directly or indirectly controlled by such person) whether such contribution, merger or acquisition takes place with the Company or a company directly or indirectly controlled by the Company, is submitted to the board for approval pursuant to paragraph 4 of article 12 of the Articles of Association, then the directors who have been appointed on the proposal of the said person, shall not be entitled to vote.

Directors taking part in the board meeting by means of a "visioconference" (as referred to in the Law), the nature and rules governing the application of which are determined by current regulations (subject to the reservations provided for by these regulations), are deemed to be present for the calculation of the quorum and the majority.

In the event that votes are equally shared, the Chairman or the director acting chairman will cast the deciding vote. However, the Chairman's or the director acting chairman's vote will not be the deciding vote for decisions of authorisations of agreements described in art. L. 225-38 et seq. of the Code de commerce.

If the chief executive officer is not a director, he will take part in the board meetings on a consultative basis.

Copies or summaries of the minutes of meetings are duly certified correct by the president of the board, a chief executive officer, the board member temporarily appointed to act as president or an authorised representative.

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A record of attendance is kept and is signed by all members taking part in the meeting.

Mention of the names of the members present or represented and the names of absent members in the minutes of each meeting and in the summaries of them that are distributed shall be sufficient proof to third parties of the number of board members in office and of their appointment.

### Article 11 - Powers of the Board - Responsibilities

The board of directors determines the direction of Company business and ensures that this is implemented. Subject to the powers expressly attributed to the Shareholders' meetings and within the Company objects, it shall take up any issue related to the successful running of the Company and shall resolve by deliberation matters which concern it.

With respect to third parties, the Company is bound even by decisions of the board of directors that do not relate to the Company objects, unless it can prove that the third party either knew that the act exceeded the objects or could not have been unaware under the circumstances that the act exceeded the objects, the publication of the Articles of Association alone being insufficient to constitute this proof.

The board of directors performs the checks and controls that it deems appropriate. Each director receives all information required for the performance of his duties and can obtain disclosure of all documents that he deems necessary.

The board of directors decides whether general management responsibility for the Company shall be assumed by the president of the board of directors, or by another individual appointed by the board of directors having the title of chief executive officer. At least two thirds of the board members must be present or represented for such a decision to be valid. The decisions of the board of directors on the terms and conditions of exercise of the general management of

the Company are taken in conformity with the Articles of Association. The shareholders and third parties are informed under the conditions defined by Law.

The terms and conditions of exercise of the general management shall be decided for the first time during the first meeting of the board of directors after the adoption of the amended Articles of Association.

Members of the board are not personally or jointly liable for the commitments of the Company by virtue of their position, except as provided for by Law, notably by the provisions concerning the president of the board. Their sole responsibility, within the limits laid down by Law, is the execution of the mandate they have been given.

### Article 12 - President - Chief Executive Officer - Delegated Executive Officer(s)

The functions of president, chief executive officer and delegated executive officer are exercised under the conditions provided for by Law.

#### 1. President

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The president of the board of directors represents the board of directors. He organises and directs its work and is accountable for it to the shareholders' meeting. He ensures the proper functioning of the Company's management organs, and in particular, ensures that the directors are fit to perform their duties.

In the event of the president's temporary incapacity or death, the board of directors can delegate the president's duties to a director. In the event of temporary incapacity, this delegation is made for a limited period which may be renewed. In the event of death, this delegation of position remains valid until the election of a new president.

The board of directors determines the remuneration of the president of the board of directors.

When general management responsibility for the Company is assumed by the president of the board of directors, the provisions of the Articles of Association concerning the chief executive officer shall also apply to him.

### 2. Chief Executive Officer

The chief executive officer is invested with the most extensive powers to act on behalf of the Company in all circumstances. He exercises these powers within the limits of the Company objects and subject to those that the Law and regulations expressly confer on shareholders' meetings and on the board of directors.

A chief executive officer's term of office, set by the board of directors, cannot exceed, if relevant, that of his mandate as board member, nor the age limit applicable to the chief executive officer's term set down by Law.

He represents the Company with respect to third parties. The Company is bound even by acts of the chief executive officer that do not relate to the Company objects, unless it is proved that the third party either knew that the act exceeded these objects or could not have been unaware under the circumstances that the act exceeded the objects, the publication of the Articles of Association alone being insufficient to constitute proof of this.

The board of directors determines the remuneration of the chief executive officer.

### 3. Delegated Executive Officer(s)

On the proposal of the chief executive officer, the board of directors can further appoint one or more individuals having the responsibility of assisting the chief executive officer with the title of delegated executive officer. There can be no more than five delegated executive officers. The board determines the remuneration of the delegated executive officer(s) on the proposal of the chief executive officer.

With the agreement of the chief executive officer, the board of directors determines the extent and duration of the powers of the delegated executive officer(s). With respect to third parties they have the same powers as the chief executive officer.

The term of office of a delegated chief executive officer cannot exceed, if relevant, that of his mandate as director, nor exceed the age limit applicable to the delegated chief executive officer's term set down by Law.

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In case of the chief executive officer's death, resignation or removal, the delegated executive officer(s) will retain, unless otherwise decided by the board directors, their powers and functions until a new chief executive officer is appointed.

### 4. Particular conditions

No transaction involving a contribution in kind or a merger (or an acquisition or any similar transactions where all or part of the consideration is paid in shares of the Company), shall be entered into by the chief executive officer or the delegated executive officer(s) with a person holding directly or indirectly 10% or more of the share capital of the Company (or with a company directly or indirectly controlled by such person), whether such contribution, merger or acquisition involves the Company or a company directly or indirectly controlled by the Company, unless it has received prior approval from the board under the conditions provided by article 10.

The board of directors at the suggestion of the chief executive officer or the chief executive officer himself, may, within the limits laid down by the legislation in force from time to time, delegate whatever powers they consider useful, either for management purposes or the assumption of responsibility within the Company, or for one or more specified purposes. The persons to whom such powers may be delegated need not necessarily be members of the board or even part of the Company. Such powers may be delegated on an individual basis or to committee. Such powers may be permanent or temporary, and may or may not include the possibility of subdelegation.

Such persons, or certain of them, may also be given authority to certify copies or summaries of documents of which the method of certification is not fixed by Law, notably all powers, Company financial statements or Articles of Association, and to issue attestations in connection therewith.

Any delegation of powers by the board or the chief executive officer pursuant to the present Articles of Association will remain in full effect despite the expiry of the term of office of the president or of the directors in office at the time such powers were granted.

### Article 13 - Remuneration of Directors

The General Meeting may allocate an amount by way of remuneration to directors in the form of directors' fees. The amount determined by the General Meeting will continue to apply until a new decision is taken.

The board will distribute this amount between its members as it thinks fit and in accordance with the Law.

Board members may not receive any remuneration from the Company, whether permanent or not, other than as provided for, or at least not proscribed, by Law.

Board members may be reimbursed for any expenses incurred in the exercise of their office, provided that they provide satisfactory proof of such expenses.

## SECTION 4

### Auditors

### Article 14 - Auditors

The General Meeting will appoint at least two auditors, who shall be responsible for carrying out the audit required by Law. They are appointed for six financial

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years.

Auditors may be re-elected.

The number of replacement auditors appointed is the same as the number of auditors appointed under paragraph 1 of this article.

The auditors are called to attend the board meeting which finalises the accounts for the preceding financial year, and all Shareholders' meetings.

### SECTION 5

#### General Meetings

##### Article 15 - Conduct of General Meetings

###### 1. Convening and proceedings - Agenda

Ordinary and extraordinary General Meetings, satisfying the legal conditions for quorum and majority voting, exercise the powers respectively attributed to them by the Law.

They are convened in accordance with the rules and the terms laid down by Law.

Meetings are held at the registered office of the Company or at any other place determined by the board, either within the "departement" in which the registered office is located or in any other French territory. The agenda of the meeting is drawn up by the board of directors if the board has called the meeting and, if not, by the person calling the meeting.

However, one or more shareholders satisfying the conditions laid down by Law may request the inclusion of draft resolutions on the agenda.

Questions not appearing on the agenda may not be considered.

###### 2. Admission and representation

Ordinary and extraordinary General Meetings are made up of all shareholders without distinction between the class of shares which they hold.

In all Shareholders' Meetings, holders of registered shares will not be entitled to vote unless their shares are registered under their names at the latest two days before the Meeting and remain so registered until the end of such Meeting. Holders of bearer shares must, two days at the latest before the date of such Meeting, provide evidence that they have deposited their securities under legal conditions or produce one of the certificates described in art. 136 of the decree of 23 March 1967. These time periods may be changed by the board of directors.

Any shareholder who has voted by correspondence or designated a proxy by presenting a certificate of immobilisation delivered by the share depositary, may nevertheless sell all or part of the shares by which he has cast his vote or his designation, provided that he notifies the issuing Company of the elements allowing his vote or proxy to be cancelled or to modify the number of shares and corresponding votes, no later than noon on the day prior to the Meeting.

A shareholder may arrange to be represented by another shareholder or by his or

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her spouse.

However, the holders of shares listed in the 3rd paragraph of article L. 228-1 of the Code de commerce can be represented by a registered intermediary in the conditions set down by Law.

Shareholders may vote by proxy or by postal vote at General Meetings under the conditions laid down by Law.

The board of directors shall have the powers to organise, within the limits of the Law, the participation and voting of the shareholders by "visioconference" or any other telecommunication means permitting the identification of such shareholders. Where relevant, this decision of the board shall be communicated in the notice of the meeting and/or the invitation to attend. The shareholders who participate by "visioconference" or by any of those other telecommunication means shall be deemed present for purposes of the calculation of the quorum and majority.

### 3. Voting rights

Each member of the meeting is entitled to a vote for each share held.

At all ordinary, extraordinary or special General Meetings, the voting right on shares shall, in cases where such shares are subject to usufruct, be exercisable by the usufructuary.

### 4. Minutes of General Meetings

The proceedings of General Meetings are recorded in minutes written and preserved in accordance with the provisions of the Law.

Copies or summaries of the minutes are duly certified correct by the president of the board, the secretary of the Meeting or the board member appointed to chair the Meeting.

#### Article 16 - Ordinary General Meetings

Ordinary General Meetings are General Meetings called to make decisions that do not alter the Articles of Association.

They are held at least once a year, within the legal and regulatory time limits in force, to consider the accounts for the preceding financial year.

The proceedings of an ordinary General Meeting are only valid the first time it is called if the shareholders present, represented or exercising a postal vote own at least a quarter of the shares with voting rights.

No quorum is required if the meeting has to be called a second time.

Decisions are taken by a majority of the votes held by the shareholders present, represented or exercising a postal vote.

#### Article 17 - Extraordinary General Meetings

Only extraordinary General Meetings have authority to alter the Articles of Association. They may not, however, increase the shareholders' liability, except for operations resulting from a properly decided and conducted exchange or

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consolidation of shares.

Extraordinary General Meetings can only transact business if the shareholders present, represented or exercising a postal vote own at least a third of the shares with voting rights where the Meeting is called for the first time, or a quarter of such shares if the Meeting has to be called a second time. If there is no quorum in the latter case, the second Meeting may be deferred to a date not more than two months from the date on which it was first called.

Decisions at extraordinary General Meetings require a two-thirds majority of the votes held by the shareholders present or represented, including those exercising a postal vote.

Notwithstanding the above provisions, General Meetings deciding on an increase in capital by capitalisation of reserves, profits or additional paid-up capital shall be held under the same quorum and majority voting conditions as ordinary General Meetings.

### SECTION 6

#### Financial Year - Accounting Records - Profits

##### Article 18 - Financial Year

The financial year starts on April 1 and ends on March 31.

##### Article 19 - Accounting Records

At the close of each financial year, the board of directors establishes the Company financial statements and draws up the annual management report. It examines the consolidated accounts and the annual management report for the group, all in accordance with the Law.

These reports are sent to shareholders in the forms and within the time limits legally required. They are presented to the annual General Meeting.

##### Article 20 - Profits

The profits for the financial year consist of the revenues relating to the preceding financial year, less overheads and other Company expenditure including provisions and depreciation allowances.

At least 5% is set aside from the profits less any previous losses if appropriate to form the legal reserve fund. This provision ceases to be mandatory once the value of the fund reaches one-tenth of the share capital.

The remainder (less the above deductions) of the retained earnings and withdrawals from the reserves which the General Meeting has at its disposal shall, if the General Meeting so desires, be distributed among the shares, once the sums carried forward by the said meeting or transferred by it to one or more reserve funds have been deducted.

After the accounts have been approved by the General Meeting, any losses are carried forward, to be charged against the profits of subsequent financial years until they are cancelled out.

Each shareholder may be granted at the General Meeting, for all or part of the

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dividend or interim dividend distributed, an option to be paid the dividend or interim dividends in cash or in shares of the Company, under the current legal and regulatory conditions.

### SECTION 7

#### Dissolution - Liquidation

##### Article 21 - Early Dissolution

- o The General Meeting, convened under the conditions laid down by Law, may at any time and for whatever reason decide on the early dissolution of the Company.
- o If the losses shown in the accounting records indicate that the Company's net asset value has fallen below half the value of the issued share capital, the board must call an extraordinary General Meeting within four months of the approval of the accounts showing such losses, in order to decide whether the Company should be dissolved.
- o If dissolution is not decided on, the Company must, by the end of the second financial year following the financial year during the course of which the losses were recorded, reduce its share capital by an amount equal to the losses which it has been impossible to charge against the reserves, if the net asset value of the Company has not returned over this period to a value at least equal to half the issued share capital.

In either case, publication of the decision adopted by the General Meeting shall be given in accordance with legal provisions.

##### Article 22 - Liquidation - Appointment - Powers of Liquidators

When the period fixed for the duration of the Company expires or in case of early dissolution, the General Meeting shall determine the form of liquidation, appoint one or more liquidators and determine their remuneration.

In the event of the death, resignation or inability to act of the liquidators, an ordinary General Meeting convened under the conditions laid down by law shall provide for their replacement.

During liquidation, the powers of the General Meeting remain the same as while the Company was in normal business.

A meeting of shareholders shall be called at the end of the liquidation process to consider the liquidator's accounts, to approve his release and to note the closure of the liquidation procedure.

Once the liabilities have been paid off, the balance of assets will first be used to pay shareholders a sum equal to the paid-up and non-amortised capital.

Any remaining surplus will constitute profit and will be distributed between all the shares in proportion to their nominal value, taking the provisions of Article 8 above into account.

### SECTION 8

#### Disputes



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### Article 23 - Competent Courts

Any disputes that may arise during the life of the Company or its liquidation, either between the shareholders and the Company or between the shareholders themselves, concerning the activities of the Company, shall be submitted to the appropriate courts having jurisdiction over the place of the registered office of the Company.

This document is a free translation of the official French document.

ALSTOM

#### Information Memorandum

issued for the purpose of ALSTOM's share purchase programme submitted for the approval of the Ordinary and Extraordinary Shareholder's Meeting to be held on 3 July 2002

COB

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In accordance with the article L 621-8 du Code monetaire et financier, the Commission des Operations de Bourse has issued visa no 02-675 dated 4 June 2002 on this information memorandum, pursuant the provisions of its regulation no 98-02.

This document was prepared by ALSTOM and will be binding on its signatories. The visa does not imply approval of the share purchase programme neither authentication of the accounting and financial information presented in it.  
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Pursuant to the provisions of regulation no 98-02 amended by regulation no 2000-06, the purpose of the present information memorandum is to describe the objectives and terms and conditions of the share purchase programme submitted for the approval of ALSTOM's Ordinary and Extraordinary Shareholder's Meeting to be held on 3 July, 2002\* and the estimated impact of such a programme on the shareholder's position.

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I. | STATUS OF THE PREVIOUS SHARE PURCHASE PROGRAMMES  
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None of the previous share purchase programmes has been implemented by the Company. As of 21 March 2002, the Company did not own any of its own shares and no shares have been cancelled.

ALSTOM's shares are traded on the Premier Marche of Euronext Paris S.A., on the New York Stock Exchange in the form of American Depositary Shares and on the London Stock Exchange directly or in the form of UK Depositary Receipts.

ALSTOM's sector of activity (on the Premier Marche of Euronext Paris S.A.) is: "Manufacturing of high power or high tension electronic equipment".

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\* The General Meeting is convened on first notice, on 21 June 2002 ; however,

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in the likely event that the quorum requirement is not met on that date, the General Meeting will be held on second notice, on 3 July 2002.

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II. | OBJECTIVES OF THE SHARE PURCHASE PROGRAMME

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ALSTOM wishes to dote itself with the ability to implement a share purchase programme the objectives of which would, currently, in order of priority, be as follows:

- the holding of the purchased shares;
- the sale, transfer or exchange of the purchased shares, in the context of any financial transactions (including following exercise of rights attached to securities) and in the context of the general and financial management of the share capital and the shareholders' equity of the Company and in particular with regards to its financing needs;
- the regulation of the market price of the shares (within the limit of 2% of the share capital) through systematic action against the general trend;
- the purchase and sale of shares depending on market conditions;
- the allocation or sale of the shares to employees, former employees or executive officers, in particular through stock option plans or employee share purchase schemes pursuant to provisions set forth by law;
- the cancellation of shares in accordance with the authorisation granted by the Ordinary and Extraordinary Shareholders' Meeting held on 24 July 2001 (twentieth resolution).

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III. | LEGAL FRAMEWORK

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As of 6 May 2002, the previous share purchase programme (approved by ALSTOM Ordinary and Extraordinary Shareholders' Meeting held on 24 July 2001 - COB visa no 01-803 dated 15 June 2001) has not been implemented.

A new programme set up in accordance with articles L.225-09 et seq. of the French Code de Commerce will be submitted to the prior approval of the ALSTOM Ordinary and Extraordinary Shareholders' Meeting, convened on first notice on 21 June 2002 and on 3 July 2002 on second notice in the likely event that the quorum is not met on first notice, deliberating pursuant to the quorum and majority requirements for ordinary general meetings (seventh resolution):

"The shareholders, voting under the conditions of quorum and majority required for ordinary general meetings, having examined the report of the Board of

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Directors, hereby authorise the Board of Directors under the conditions set out in art. L. 225-209 et seq. of the French Code de Commerce, to purchase existing shares of the Company within the limit of a number of shares representing 10% of the share capital of the Company as of 31 March 2002, i.e. 21,538,745 shares as of 31 March 2002 and for an aggregate purchase price of 861,549,800.

This authorisation may be used to regulate the market price of the shares, to allow sale or purchase of shares depending on the market, to allocate or sell shares to employees, former employees or executive officers of ALSTOM and its affiliated companies (as defined in art. L. 225-180 and L. 233-16 of the French Code de Commerce), in particular through stock option plans, in order to hold the shares purchased, and, as the case may be, to sell, transfer or exchange the shares purchased in the context of, or following, any financial transactions (including upon exercise of rights attached to securities) and in the context of a general and financial management of the share capital and the stockholders' equity of the Company and in particular with regard to its financing needs. The shares purchased may also be cancelled under the conditions laid down by law.

The purchase, sale, transfer or exchange of the shares may occur, in accordance with the rules enacted by the relevant regulatory bodies, on or off the stock exchange, at any time, including at the time of a take-over bid, and by all means, including block transfer, the use or exercise of financial instruments, derivatives and, in particular through optional transactions such as the purchase and sale of put or call options.

The purchase price may not exceed 40 per share and the sale price must not be less than 10 per share, subject to adjustments relating to transactions affecting the share capital of the Company. If the Company proceeds under one of the transactions described by the third paragraph of art. L. 225-209, the sale price will then be determined in accordance with the then applicable law. Moreover, these shares could be transferred free of charge under the conditions specified by law, in particular article L. 443-1 et seq. of the French Code du Travail.

The authorisation hereby given shall cancel and replace the authorisation granted by the Shareholder's Meeting of 24 July 2001 in its tenth resolution, and shall be valid until the next shareholders' meeting called to approve the accounts of the current financial year.

The shareholders hereby grant full powers to the Board of Directors, with authority to delegate such powers within the limits of the law, to make all stock market orders, to conclude all agreements, to draw up all documents, to undertake all formalities and all declarations for and to all bodies and, generally, to do all that is necessary to implement this resolution."

Pursuant to the twentieth resolution of the Ordinary and Extraordinary Shareholders' Meeting held on 24 July 2001, the Board of Directors has been authorised, for a 24 month period from the date of such Meeting expiring on 24 July 2003, to reduce the share capital by cancelling all or part of the shares that the Company may hold following purchases made pursuant to authorisations granted by Shareholders' Meetings, subject to a limit of 10% of the share capital.

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IV. | TERMS AND CONDITIONS

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1. Maximum amount of the share capital which may be acquired and maximum amount payable by ALSTOM.

The number of shares which may be purchased is limited to 10% of the share capital as at March 31, 2002, i.e. 21,538,745 shares, and the global purchase cost is limited to 861,549,800 million. The purchase price may not exceed 40 per share. The sale price may not be less than 10 per share.

ALSTOM reserves the right to implement this programme in its entirety, no shares being directly or indirectly held by ALSTOM.

The amount of the programme may not exceed the amount of distributable reserves ( 233 million as of 31 March 2002).

2. Terms and conditions of purchase

The shares may be purchased, in whole or in part, at any time, including in the event of a take-over bid in compliance with applicable stock market regulations, by all means, on or off the stock exchange, including through the purchase of blocks of shares and the use of any financial instrument notably through optional transactions, except by purchase of call options.

The authorisation may be used in whole through the purchase of blocks of shares. However, in case of regulation of the market price of the shares, the purchase of blocks of shares is limited. ALSTOM shall not hold directly or indirectly more than 10 % of its share capital.

3. Duration and agenda of the share purchase programme

Pursuant to the seventh resolution submitted for approval of the forthcoming Ordinary and Extraordinary Shareholders' Meeting, the programme would be

valid until the next general meeting to be called to deliberate on the financial statements for the financial year commenced on April 1, 2002. In any event and in accordance with the law, the programme may be implemented for a maximum period of 18 months as from the date of the general meeting which has authorised the programme.

4. Financing of purchases

Purchases of shares would be financed by long and medium terms credit lines. As of 31 March 2002, financial net debt amounts to 2,064.1 million, net short-term investments, cash and cash equivalents to (2,064.1) million and shareholders' equity to 1,752.5 million.

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- V. | IMPACT OF THE PROGRAMME ON THE FINANCIAL SITUATION OF THE ALSTOM'S GROUP

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The following calculations of the theoretical impact of the share purchase programme on the ALSTOM's accounts, are purely indicative, are based on the consolidated accounts of the financial year ended March 31, 2002 and made on the

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following assumptions:

- o Number of shares purchased : 21,538,745 representing 10% of the share capital.
- o Average purchase price : 14.167 per share (average quoted price over the months of February, March and April 2002).
- o Financing cost before tax : 5.5% (tax rate: 36.2%).

Based on these assumptions, the theoretical impact of the programme on the 2001/02 ALSTOM consolidated accounts for a full year would have been as indicated below:

In million except amounts per share	Consolidated accounts as at 31 March 2002	Purchase of 10% of the share capital	Pro forma after purchase of 10% of the share capital	Impact in %
Shareholders' equity excluding minority interests	1,752.5	(305.1)	1,447.4	-17.4 %
Shareholders' equity including minority interests	1,843.6	(305.1)	1,538.5	- 16.5 %
Financial net debt (1)	2,064.1	305.1	2,369.2	+ 14.8 %
Net income excluding minority interests	(116.5)	(10.7)	(127.2)	- 9.2 %
Number of shares as of end of fiscal year	215,387,459	21,538,746	193,848,713	- 10 %
Earnings per share	(0.54)	(0.12)	(0.66)	- 22.2 %
Number of shares after dilution (2)	215,387,459	21,538,746	193,848,713	- 10 %
Earnings per share after dilution (3)	(0.54)	(0.12)	(0.66 %)	- 22.2 %

- (1) including long term deposits
- (2) no adjustment, in the absence of dilutive instrument
- (3) Earnings per share after dilution are identical to current earnings per share, in the absence of dilutive instrument.

An increase of the average purchase price to 18 per share, would bring the earnings per share to (0,67) after purchase of 10% of the share capital, representing an impact of - 1,5 % on the earnings per share.

An increase of the financing cost to 6,5% would bring the earnings per share

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to (0,67) after purchase of 10% of the share capital, representing an impact of - 1,5 % on the earnings per share.

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VI. |TAXATION (French rules)  
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For ALSTOM:

The purchase by ALSTOM of its own shares with a view to their cancellation will have no effect on the taxable income. In particular, the re-evaluation of the shares if any, recorded between the purchase date and the cancellation date, is not considered as a taxable capital gain and the "precompte" or prepayment by

the Company is not applicable. The purchase of shares without their subsequent cancellation might have an effect on the taxable income, if the shares were subsequently re-transferred at a different price from their purchase price.

For the seller:

French tax on capital gains will apply to any purchase of shares irrespective of the objectives of such purchase, except when the shares are purchased in a public share purchase offer. When the shares are not purchased in a public share purchase offer, any capital gain derived from the sale of shares attributable to a French Company which is subject to the Company Income Tax (impôt sur les sociétés), is subject to the provisions of article 39 duodécies of the Code General des Impôts.

Any such capital gain attributable to an individual resident of France is subject to the tax provisions of article 150-OA of the French Code General des Impôts, pursuant to which capital gains are only taxable if the total amount of sales of shares completed by such individual over the year exceeds 7650, at the rate of 26%.

Sales of shares are not subject to Capital Gains Tax in France by virtue of Article 244 bis C of the Code General des Impôts if the shareholders is either an individual and not tax resident in France in accordance with Article 4-B of the Code General des Impôts or is a company with its registered address outside of France addition the shareholder and its family must not have been entitled directly or indirectly to more than 25% of the statutory results of the company in the period of 5 years prior to the sale of shares (Art. 224 bis of the Code General des Impôts).

This above information is intended only as a descriptive summary of current applicable French tax law. Each seller should consider the potential tax effects of the sale of his/her shares with his/her tax adviser.

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VII. |INTENT OF THE PERSON(S) WHICH CONTROLS ALONE OR IN CONCERT THE COMPANY  
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To the knowledge of the Company, there is no shareholder controlling alone or with others the Company. ALSTOM is not aware of the intent of its shareholders with respect to the sale of shares in case of implementation of this share

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purchase programme.

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VIII. OWNERSHIP OF SHARES OF THE COMPANY AS OF 31 MAY 2002

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	Number of shares	% of the share capital and voting rights
Franklin Resources Inc (1)	28,679,379	13.32%
Atout France (2)	4,481,322	2.08%
Groupe Societe Generale (3)	4,674,530	2.17%
Caisse des Depots et Consignations (4)		
	4,307,972	1.98%
Salaries (5)	4,016,966	1.86%
Credit Agricole Asset Management (6)		
	1,893,798	0.88%
Public	167,333,492	77.71%
Total	215,387,459	100%

- (1) shares held through various investment funds and unit trusts (notice received on 2 April 2002)
- (2) notice received on 23 October 2001
- (3) notice received on 23 May 2002
- (4) notice received on 25 February 2002
- (5) shares held as of 31 March 2002 by employees participating in the ALSTOM Group saving plan
- (6) shares held through investment funds (notice received on 11 April 2002)

To the knowledge of the Company, on the basis of the declarations received, there is no shareholder other than Franklin Resources Inc. holding directly or indirectly more than 5% of the share capital and voting rights.

No shareholder's agreement has been notified to the Company. The Company does not hold, directly or indirectly, any of its own shares.

There are no securities which give access to ALSTOM's share capital other than the outstanding 14,231,100 stock options which are outstanding as of 31 March 2002 and not yet exercisable. Subject to applicable exercise conditions, 4,084,000 options will expire on 7 May 2010; 4,157,800 options on 23 July 2009; 4,070,500 options on 13 February 2008 and 1,918,800 on 21 April 2007.

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IX. RECENT DEVELOPMENTS

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ALSTOM filed on 7 May 2002 with the French Commission des Operations de Bourse its Annual Report 2001/02 as Document de Reference for the benefit of its shareholders. The filing is numbered D.02- 826. Additional information was filed with the French Commission des Operations de Bourse under no D.02-826/A1 on 16 May 2002.

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X. | PERSON ASSUMING THE RESPONSIBILITY OF THE PRESENT INFORMATION MEMORANDUM  
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To my knowledge the content of this information memorandum is accurate and includes all the information which is necessary for investors to judge the ALSTOM share purchase programme. There is no other information, the omission of which would make this document misleading in any material respect.

Paris, 4 June 2002,

The Chairman and Chief Executive Officer  
Pierre Bilger