

EMPLOYEE SHAREHOLDING

ALSTOM SHARING

ALSTOM is going to carry out a new employee share purchase scheme reserved for group employees in 22 countries including France, representing approximately 90% of the group's payroll. This offer, made within the framework of the *Plan d'Epargne Groupe Alstom* (the Alstom Group Savings Plan, hereinafter referred to as the "PEG"), will include a maximum of 1.5 million shares (i.e., approximately 0.5% of the share capital as of December 31, 2008) that may be issued within the framework of both a "Two for One 2009" offer and a "classic" offer.

Objective of the transaction – Purposes of the offering:

Alstom's main objective is to continue associating the largest possible number of employees with the Group's common ambition of ensuring profitable growth, while enabling them to profit from this development potential under preferential conditions.

The Board of Directors, during its meeting on September 23, 2008, acting on the basis of capital increase authorizations with no preferential subscription right granted by the Ordinary and Extraordinary Shareholders' Meeting of June 24, 2008 and the free share grant authorization granted by the Shareholders' Meeting of June 26, 2007, decided on the principle of issuing company shares, within a limit of 1,500,000 new shares with a par value of €7, including (i) an issuance of shares reserved for members of the PEG, (ii) an issuance of shares reserved for Sharing Plus, a company held by a credit institution acting at the Company's request for the implementation of a structured offering entitled "Two for One 2009" proposed to the group's employees and corporate officers located in the countries participating outside of France, and (iii) an allocation of free shares that can be carried out by the Board of Directors following the offering, to those subscribing to the "Two for One 2009" offer and residing outside of France.

The Chairman and Chief Executive Officer, acting within the framework of the powers delegated to him by the Board of Directors, shall, at a later date, set the final terms and conditions for the issuances of shares, in particular the subscription price which shall be identical for both issuances, and the opening date of the subscription period.

Securities offered:

The maximum number of shares that can be issued within the framework of the Alstom Sharing offering is equal to 1,500,000 shares of par value €7 each, representing a total amount of approximately 0.5 % of ALSTOM's share capital as of December 31, 2008.

Two subscription plans are offered within the framework of the Alstom Sharing offering: an offer entitled "Two for One 2009", combining a Moderato formula and an employer matching contribution in France, and a "classic" offer.

1. The "Two for One 2009" offer

Within the framework of this offer, it is provided for to offer subscribers protection against a decrease in their personal contribution (the amount paid by the employee) supplemented by the payment of an employer matching contribution (for employees of French companies) or of a bonus or by the grant of free shares for the equivalent amounts (for employees of non-French companies).

For employees of French companies, the "Two for One 2009" offer will take the form of a subscription made by the intermediary of a *fonds commun de placement d'entreprise* (collective employee shareholding vehicle, hereinafter referred to as "FCPE") created within the framework of the Moderato formula, offering partial protection of the personal contribution. This protection is financed by a partner bank.

For employees of non-French companies, the "Two for One 2009" offer will take the form of a direct subscription or a subscription by the intermediary of the same FCPE as that created for the "classic" offer and protection of the personal contribution will take the form of a grant of *Stock Protection Rights* (hereinafter referred to as "SPR") by the employer. This protection is financed by the issuance of shares reserved for Sharing Plus, described above.

Furthermore, outside of France, the employer matching contribution generally will be replaced by free shares granted by ALSTOM. The free shares will be allocated after the offering has taken place, based on the subscriber's personal contribution in the "Two for One 2009" offer and within a limit of a maximum of 15 free shares per participant. These free shares will be delivered to the participant on July 1, 2014, after the acquisition period ending on June 30, 2014 (except in the event of early definitive allocation), provided that the employee is still part of the Alstom Group, save in exceptional cases as provided for in the free share plan. The free shares may be sold freely once delivered, except for beneficiaries residents of France for tax purposes or subject to the French social security regime as of the date the shares are delivered. Indeed, following the acquisition period, these latter beneficiaries may be subject to a two-year period during which the shares cannot be sold.

2. The "classic" offer

Under this offer, the subscriber is fully exposed to the variations in the price of the share. He or she may subscribe either via direct shareholding or via an FCPE depending on the country, and will benefit neither from an employer matching contribution nor from the free shares.

3. Characteristics of the shares offered

The shares offered are ordinary shares of the same class as the existing shares comprising the Company's share capital to this day. As of the date they are created, these shares will be subject to all of the stipulations set forth in the by-laws. They will bear benefit entitlement (*jouissance*) as of April 1, 2008, and shall grant the right to any dividend paid out for the 2008/09 fiscal year, if any. On the other hand, the free shares to be issued in 2014 will bear benefit entitlement as of April 1, 2014 and shall not grant the right to any dividend paid out for the 2013/14 fiscal year, as the case may be. These new shares will be fully assimilated with the existing shares as of the date the dividend payment for the 2013/14 fiscal year is carried out or, if this dividend was not distributed, after the annual shareholders' meeting approving that fiscal year's financial statements.

The voting rights at ALSTOM's shareholders' meetings are exercised by employee shareholders when subscription has been carried out via direct shareholding and by the FCPE's supervisory board when subscription has been carried out via an FCPE.

The shares or FCPE units subscribed within the framework of the PEG under the Alstom Sharing offering will remain locked up for a term of approximately 5 years ending on June 30, 2014, with the exception of the occurrence of early exit events set forth by regulatory provisions.

Subscription conditions:

1. Beneficiaries

The offering is intended for employees (and corporate officers who are eligible for it under current regulatory provisions) of the Alstom Group's subsidiaries (held by at least 50%) in the 22 countries who meet a seniority requirement of at least three months employment within the Group as of the last day of the subscription period, as well as for employees who are either retired or on early retirement and who have kept assets in the PEG.

2. Subscription Price

It is expected that the subscription price of the shares offered will be set by the Chairman and Chief Executive Officer on March 26, 2009. This price will be equal to 80% of the average of the opening prices of the ALSTOM share during the 20 trading days preceding the date of the Chairman and Chief Executive Officer's decision.

Tentative timetable for the transaction:

Reservation period: from February 6, 2009 to February 22, 2009 (inclusive).

Setting of the subscription price: expected to occur on March 26, 2009.

Subscription/revocation period: expected to occur from March 27, 2009 to April 1, 2009 (inclusive).

Capital increase: expected to be completed on April 23, 2009.

Allocation of free shares: expected to occur on May 4, 2009.

These dates are provided solely on a tentative basis and could be modified, as the case may be. The final dates will be determined by an upcoming decision rendered by the Chairman and Chief Executive Officer on the day the subscription price is set.

Listing:

The admission of the new ALSTOM shares to trading on the Eurolist market of Euronext Paris S.A. (ISIN Code: FR 0010220475) will be requested at the latest on the day the capital increase is completed, on the same listing line as that of the existing shares. The free shares' admission to trading on this market, on the other hand, will be requested at the latest on the day they are issued, on a listing line that may differ from that of the existing shares insofar as these shares will bear benefit entitlement as of April 1, 2014.

Hedging transactions:

The implementation of the "Two for One 2009" offer could, as the case may be, generate hedging transactions undertaken by the financial institution acting as counterparty to the swap transaction. These hedging transactions could occur prior to the implementation of the offer and over the entire duration of the swap transaction.

Special note regarding the international offering:

This press release does not constitute an offer to sell or a solicitation of offers to subscribe ALSTOM shares. The offering of ALSTOM shares reserved for employees will be conducted only in countries where such an offering has been registered with the competent local authorities and/or following the approval of a prospectus by the competent local authorities or in consideration of an exemption of the requirement to prepare a prospectus or register the offering. More generally, the offering will only be conducted in countries where all required filing procedures and/or notifications have been completed and the authorizations have been obtained. This press release is not destined for, and copies thereof should not be sent to, countries in which such a prospectus has not been approved or such an exemption is not available or where all of the required filing procedures and/or notifications have not been completed or where the authorizations have not been obtained.

Restriction regarding the United States of America:

The shares offered under Alstom Sharing, including the shares allocated within the framework of this allocation of free shares were not registered in accordance with the *1933 Securities Act* of the United States of America. Consequently, these shares may only be offered or sold on the Eurolist market of Euronext Paris.

Contact person for employees:

The beneficiaries may address all questions regarding this offering to their contact person whose name is indicated in the leaflet included in the reservation materials that have been made available to them, or on posters placed on their company's premises.

This press release constitutes the press release required by the Autorité des marchés financiers (French securities regulator, or AMF) in accordance with Article 14 of circular n° 2005-11 of December 13, 2005 and the press release required by the AMF in accordance with Article 222-3 of the AMF General Regulations.

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