

**STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL REDUCTION
(General Shareholders' Meeting of 18 December 2015 – First resolution)**

Alstom
48, rue Albert Dhalenne
93400 Saint-Ouen

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Alstom and in accordance with the provisions of article L.225-204 of the French Commercial Code (*Code de commerce*), applicable in the event of a share capital reduction, we hereby report to you on our assessment of the reasons for and conditions of the planned share capital reduction.

The share capital will be reduced by cancelling up to 91,500,000 shares, acquired by the Company in accordance with the provisions of article L.225-207 of the French Commercial Code.

The Board of Directors proposes that the shareholders grant it full powers, for a 12-month period from the date of this Meeting, to carry out this transaction.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the reasons for and conditions of the proposed share capital reduction comply with the applicable legal provisions. In particular, we ensured that the proposed share capital reduction would not reduce the amount of the share capital to below the minimum legal threshold and would not affect shareholder equality.

We have no matters to report on the reasons for and conditions of this transaction to reduce the Company's share capital to a maximum amount of €640,500,000.

Neuilly-sur-Seine and Courbevoie, 18 November 2015

The Statutory Auditors

PricewaterhouseCoopers Audit

Mazars

Edouard Demarcq

Cédric Haaser