



# Edgar Filing: ALSTOM - Form 6-K

## SHAREHOLDERS' MEETING

3 JULY 2002\*

### NOTICE OF MEETING

The shareholders of ALSTOM are invited by the Board of Directors to participate in the Ordinary and Extraordinary Shareholders' Meeting which will be held on:

Wednesday 3 July 2002 at 2:00 p.m.\*

at the CNIT,  
2 Place de la Defense  
92053 Paris La Defense

The agenda, the proposed resolutions of this Meeting, as well as the terms and conditions for participation at the meeting are contained in this notice.

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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

### 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.
- o Approval of the consolidated accounts and the operations for the fiscal year ended 31 March 2002.

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- o Appropriation of the 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.

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This document is a free translation of the official French version of the Notice of Meeting which is available upon request.  
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Should you wish to vote at the Shareholders' Meeting either in person, by mail or by proxy, we hereby request that you return the enclosed voting form as soon as possible to the financial institution which maintains your share account in order to allow the centralising bank to collect all of the forms, by no later than 18 June 2002, for first notice, and 30 June 2002, for second notice.

### CONDITIONS NECESSARY TO PARTICIPATE IN THE GENERAL MEETING

Each shareholder may attend the Meeting in person, authorise another shareholder or his spouse to represent him or her at the meeting, or vote by mail.

To attend this Meeting in person, be represented or vote by mail, you must provide proof of ownership:

- o if you are an owner of registered shares (meaning that your shares are registered in your name in ALSTOM's share register maintained by BNP PARIBAS Securities Services), you must be registered in the register held by BNP PARIBAS Securities Services on behalf of ALSTOM, at the latest one day before the date of the Meeting and until completion of the Meeting;
- o if you are an owner of bearer shares, you must obtain from the authorised financial intermediary (intermediaire habilite) with whom you have deposited your shares, a certificate indicating the number of shares owned by you and that such shares are not transferable (Attestation d'immobilisation), at the latest one day before the date of the Meeting, and evidence the non transfer of your shares until the completion of the Meeting.

### CONDITIONS FOR PARTICIPATING IN THE GENERAL MEETING

- o If you wish to attend in person:

You should apply for an attendance card (carte d'admission), which is required to be able to attend and vote at the Meeting. To obtain this attendance card, you should cross the box A of the attached voting form (the single form attached to the present Notice of Meeting) and send it (duly signed and dated in box C at the bottom), as early as possible to receive the card in due time:

- to BNP PARIBAS Securities Services if you are an owner of registered shares (as defined above);
- to your financial intermediary holding your shares, if you are an owner of bearer shares.

- o If you wish to be represented at the meeting (vote by proxy):

You should complete the attached voting form and send it (duly signed and dated in box C at the bottom) either to BNP PARIBAS Securities Services (if your shares are registered shares) in the attached envelope or to your financial intermediary holding your shares (if your shares are bearer shares) who will in turn forward it to the centralising bank.

This voting form (which includes on the reverse side the instructions for completion) enables you:

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- if you select to cross Box 1, to give your proxy to the Chairman of the Meeting: in which case the Chairman will vote your shares in favour of all the draft resolutions proposed or agreed by the Board of Directors and against all others;
- if you select to cross Box 3 (and give all the information required) to be represented by your spouse or another shareholder.
- o If you wish to vote by mail, resolution by resolution:

You should also send, as indicated above depending on the nature of your shares (registered or bearer form), the attached voting form duly signed, after having crossed and completed section 2.

Shareholders holding their shares in bearer form may obtain the said voting form from BNP PARIBAS Securities Services as from the date on which the Meeting is convened, by sending a request by recorded mail (and with acknowledgement of receipt). This letter must be received by BNP PARIBAS Securities Services - GIS-Emetteurs - Les Collines de l'Arche - 92057 La Defense Cedex, France, at least six days before the date of this Meeting.

In order to be taken into account, such voting forms must be received by BNP PARIBAS Securities Services or at ALSTOM's head office, duly completed, at least three days prior to the date of the Meeting.

Voting forms sent by owners of bearer shares must be accompanied by an Attestation d'immobilisation (Bearer Share Blocking Certificate) provided by the financial intermediary with whom your shares are deposited.

Once a registered shareholder has voted by mail, he is no longer permitted to attend the Meeting in person or to vote by proxy.

A shareholder is not permitted to return a voting form requesting to vote both by mail and by proxy.

### SUMMARY OF THE RESOLUTIONS SUBMITTED TO THE GENERAL MEETING

#### Ordinary part of the Shareholders' Meeting

The purpose of the first resolution is to approve the non-consolidated accounts and operations for the fiscal year ended 31 March 2002.

The purpose of the second resolution is to approve the consolidated accounts for the fiscal year ended 31 March 2002.

The purpose of the third resolution is to approve the proposed appropriation of the income.

Having examined the special Auditors' report, you will be asked in the fourth resolution to approve the related party agreements mentioned in this report to which article L. 225-38 of the French Code de commerce applies and which have had continuing effect during the past fiscal year.

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It shall be proposed, in the fifth and sixth resolutions to renew the mandate of Mr. James B. Cronin, as a Director and to appoint as a new Director, Mr. Georges Chodron de Courcel. If you approve the proposal for the reduction of the duration of the mandate of Directors set forth in the twelfth extraordinary resolution, these new mandates shall be for four years as opposed to six years.

The seventh resolution is a renewal of the previous authorisation granted to the Board of Directors. Its objective is to authorise the Company to purchase its own shares within the following limits: such authorisation would expire on the date of the Ordinary General Meeting which will be convened to approve the financial statements of the fiscal year commenced on 1 April 2001. The maximum number of shares which may be purchased would not exceed 21,538,745. The maximum purchase price would be 40 per share and the minimum sale price per share would be 10. The shares may be purchased with a view to regulating the market price, to allow sale or purchase depending on the market, to allocate shares to employees and executive officers of the Group and in particular through stock option plans, in order to hold, sell, transfer or exchange the shares purchased in the context of any financial transactions and in the context of a general and financial management of the share capital and the shareholders' equity of the Company and in particular with regard to its financing needs. The shares may also be cancelled in the conditions laid down by law. A notice approved by the French COB (Stock Exchange Authority) will be prepared prior to the use of this authorisation.

### Extraordinary part of the Shareholders' Meeting

Certain financial authorisations granted at the Shareholders' Meeting of 24 July 2001 approved an increase in share capital through the issue of securities with or without waiver of the preferential rights of subscription, up to a maximum overall limit of 400 million (twelfth, thirteenth and fourteenth resolutions) 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 the previous 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 shares of the Company, and/or securities redeemable, convertible or otherwise exchangeable or giving rights to capital shares of the Company, while maintaining the preferential subscription rights of existing shareholders of the Company, within the limit of an aggregate nominal amount of an 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.

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 preceding 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 the securities for a limited

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period. Total increases in share capital which may be realised immediately 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 issues of securities) and the aggregate nominal amount of debt securities which could be issued pursuant to this resolution could not exceed 1 billion. This authorisation would 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, also allows the issue of securities giving rights to shares in the Company, by companies in which the Company holds the majority of the share capital.

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 currently being implemented (excluding adjustments) and to limit the aggregate nominal amount of debt securities which could be issued pursuant to the eighth and ninth resolutions to not more than 1 billion or the equivalent thereof in any other currency.

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 authorisation, relating to share capital increases reserved to the Group employees, granted to the Board of Directors by the Shareholders' Meeting of 24 July 2001 (eighteenth resolution) which has not been used and is still valid.

Therefore, the eleventh resolution is a proposal 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.

The twelfth and thirteenth resolutions propose a reduction from six to four years of the duration of mandates of Directors and censors. For the Directors, this new duration shall apply to Directors elected during and after 2002.

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 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.

The fifteenth and last resolution, allows for the fulfilment of legal formalities following the present Meeting.

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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)

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
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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	0.250	0.750

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

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

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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 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 Shareholders' 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;

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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 euros 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;
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

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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;
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 euros, 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;

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- 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;
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.

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### Tenth resolution

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

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 euros 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.

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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:
  - 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

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(Modification of the duration of the mandate of censors)

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

### SECTION 1

Form of the Company  
Object - Name - Registered Office - Duration

Article 1 - Form

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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.

### 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.

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## SECTION 2

### Share Capital - Shares - Payments

#### 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.

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### 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.

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

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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.

### 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

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president of the board, a chief executive officer, the board member temporarily appointed to act as president or an authorised representative.

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

The president of the board of directors represents the board of directors. He

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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.

In case of the chief executive officer's death, resignation or removal, the delegated executive officer(s) will retain, unless otherwise decided by the

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board of 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

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for carrying out the audit required by Law. They are appointed for six financial 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.

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

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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 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.

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## SECTION 7

### Dissolution - Liquidation

#### Article 21 - Early Dissolution

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.

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.

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

#### Article 23 - Competent Courts

Any disputes that may arise during the life of the Company or its liquidation,

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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.

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### SUMMARY OF ACTIVITY

#### Simplified Consolidated Income Statement

In million	2002	2001
Order Backlog.....	35,815	39,429
Orders Received.....	22,686	25,727
Sales.....	23,453	24,550
Cost of Sales.....	(19,622)	(20,428)
Selling, Expenses.....	(1,078)	(1,140)
Operating income.....	941	1,151
Other income (expenses), net.....	(477)	(256)
Goodwill and acquired intangible assets amortisation...	(350)	(360)
Earnings before interest and tax.....	114	536
Financial income (expense), net.....	(207)	(116)
Pre-tax income (loss).....	(94)	419
Income tax.....	(10)	(174)
Share of net income (loss) from equity investments....	0.8	(4)
Net income (loss)	(139)	204

#### Other Key Consolidated Indicators

In million, unless otherwise stated	2002	2001
Operating Margin.....	4.0%	4.7%
Earnings per Share before Goodwill.....	1.0	2.6
Earnings per Share.....	(0.6)	0.9
Cashflow from Operating Activities.....	(418)	592
Net Debt.....	2,064	1,633
Net Debt/Equity.....	112%	74%

In the first six months of fiscal year 2002, orders and sales increased. More difficult market conditions in Power and Marine appeared later in fiscal year 2002 as the economic downturn in the US was further impacted by the tragic events of 11 September 2001 and the bankruptcy proceedings of Enron. The lower levels of global economic activity, notably in the US and Japan, are also affecting Asia. Due to this global economic environment, the orders we received in fiscal year 2002 declined whilst our sales were stable versus fiscal year 2001, in each case on a comparable basis. The order book proved resilient overall and amounted to 35.8 billion at 31 March 2002, representing 19 months of sales (excluding sales from our former Contracting Sector). Orders and sales were negatively impacted by the disposals of the former Contracting Sector and our 51% interest in GT Railway Maintenance Holdings Limited ("GTRM"), a UK rail maintenance company, by lower orders and deliveries in Marine and lower orders in Power.

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The Power Sector represented 57% of our sales in fiscal year 2002, Transport 19%, Transmission & Distribution (T&D), when combined with Power Conversion, 17%, and Marine 6% (these figures exclude sales of the former Contracting Sector, which we sold in July 2001). The geographical balance of our sales improved significantly, with approximately 62% of our fiscal year 2002 sales generated outside Europe, including 34% in the Americas (these figures exclude sales from the former Contracting Sector).

Operating income decreased to 941 million in fiscal year 2002 versus 1,151 million in fiscal year 2001 and operating margin decreased from 4.7% to 4%. The major factors were:

- o continued operating profit improvements in Power, reflecting cost savings and increased focus on higher-value business;
  
- o decrease in T&D operating margin as a result of pricing pressure, despite an increase in sales;
  
- o decrease in operating margin in Transport due to delivery problems on our UK regional train contracts;
  
- o lower sales volume and a lower margin in Marine compared with fiscal year 2001; and
  
- o sale of the Contracting Sector.

Our Net financial expenses amounted to 207 million during fiscal year 2002, versus 116 million during fiscal year 2001. The major impact on financial expenses for fiscal year 2002 was the substantially higher level of net debt versus fiscal year 2001 and higher other financial items.

During fiscal year 2002 we incurred other expenses of 477 million, compared with 256 million during fiscal year 2001. This increase was mainly due to higher restructuring expenses of approximately 150 million and a 90 million provision for Marine vendor financing, partly offset by capital gains. Other income and expenses included: gains and losses on disposal of fixed assets and investments; restructuring costs; pension costs; employee profit sharing; and securitisation.

Amortisation of goodwill and other acquired intangible assets amounted to 350 million in fiscal year 2002, compared with 360 million in fiscal year 2001. The slight decrease was mainly due to the disposals of Contracting and GTRM.

Income tax for fiscal year 2002 amounted to 10 million, at an effective rate of 4%, compared with 174 million in fiscal year 2001. The low tax charge for fiscal year 2002 was primarily due to the recognition of deferred tax income of 87 million.

We incurred a net loss of 139 million in fiscal year 2002 versus a net profit of 204 million in fiscal year 2001. This net loss was due essentially to lower operating margins, higher restructuring costs, provision charges for vendor financing and higher interest expense, partly offset by capital gains on disposals.

At 31 March 2002 shareholders' equity amounted to 1,752 million (1,844 million including minority interests), compared with 2,090 million at 31 March 2001 (2,193 million including minority interests).

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Due to a net cash outflow as a result of several operational and working capital issues, our net debt at 31 March 2002 increased to 2.1 billion from 1.6 billion at 31 March 2001. We define net financial debt as financial debt minus short-term investments, cash and cash equivalents. The balance of future receivables sold under our securitisation programme rose to 1.7 billion from 1.6 billion at 31 March 2001.

On 14 March 2002 we presented our "Restore Value" plan with the key objective of strengthening our balance sheet and cash flow generation. This plan focuses on three elements: reinforcing management, strengthening our balance sheet and improving operational excellence.

In connection with this plan, we have established a number of internal financial targets which are the following:

- o To increase operating margin from 4% to near 5% on broadly stable sales in fiscal year 2003 and to 6% by 2005;
- o To generate cumulative free cash flow from operations of 1.3 billion over the fiscal year 2003 to fiscal year 2005 period and for free cash flow from operations to equal EBIT (earnings before interest and tax) by fiscal year 2005; and
- o To generate overall proceeds of 2.1 billion by the end of fiscal year 2003 from real estate sales, non-core disposals and a capital increase.

These actions, plus the other cash management actions, are intended to allow us to achieve a gearing ratio (net financial debt divided by the sum of shareholders' equity and minority interests) of around 20% by the end of fiscal year 2005.

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

### FIVE-YEAR SUMMARY (Statutory Accounts)

	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					



