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2 July 2003

## ANNUAL SHAREHOLDERS' MEETING OF 2nd JULY 2003

ALSTOM's Annual Shareholders' Meeting was held today, chaired by Patrick Kron, Chairman and CEO.

All the proposed resolutions were approved by shareholders.

In particular, shareholders have adopted:

- the 2nd resolution related to the approval of the modified consolidated accounts,
- the 12th resolution related to the reduction of the nominal value of the shares from 6 to 1.25,
- the 13th resolution authorising the Board of Directors to increase the share capital of the Company by the issue of shares, with maintenance of preferential subscription rights.

Patrick Kron commented: "The capital increase, which our shareholders have just approved, is an important step in our programme to strengthen the balance sheet of the Company; it will be implemented when we have adequate visibility on the disposal of our Transmission & Distribution Sector and on the refinancing of the part of our debt due to mature in the course of next year."

As a result of the losses registered during the fiscal year 2002/2003, no dividend will be paid to shareholders for this fiscal year.

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## UPDATE ON ORDERS TREND AND ACTION PLAN

Speaking at the Annual General Meeting in Paris today, ALSTOM's Chairman and Chief Executive Officer Patrick Kron gave the following update on trading and the execution of the Action Plan announced on 12 March:

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"In our full-year results announcement on 14th May we reported a slowdown in orders during fiscal year 2003, particularly during the final quarter of the year, reflecting the weak global economy, tightening financial markets and sharp deterioration in the worldwide power generation equipment market.

While these difficult market trends continue, we expect order intake for the first quarter 2003/04, on a comparable basis, to be above the preceding quarter's level ( 3.4 bn), although well below the high level registered during the equivalent period last year ( 5.2 bn). Detailed sales and orders figures for the first quarter 2003/04 will be published on 18th July.

We are actively implementing the action plan. We have already secured 1.5 billion proceeds from disposals. In the sales process of our Transmission & Distribution Sector, we are at the stage of receiving definitive offers. We have just received one such offer which we will study over the coming days. On the basis of an analysis of all the offers received, we will decide how to proceed. Furthermore, the actions aiming at improving our operational performance have been launched."

ALSTOM will publish a press release at the end of the Annual General Meeting covering the main resolutions adopted.

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This press release contains, and other written or oral reports and communications of ALSTOM may from time to time contain, forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Examples of such forward-looking statements include, but are not limited to (i) projections or expectations of sales, orders received, income, operating margins, dividends, provisions, cash flow, debt or other financial items or ratios, (ii) statements of plans, objectives or goals of ALSTOM or its management, (iii) statements of future product or economic performance, and (iv) statements of assumptions underlying such statements. Words such as "believes", "anticipates", "expects", "intends", "aims", "plans" and "will" and similar expressions are intended to identify forward looking statements but are not exclusive means of identifying such statements. By their very nature, forward-looking statements involve risks and uncertainties that the forecasts, projections and other forward-looking statements will not be achieved. Such statements are based on management's current plans and expectations and are subject to a number of important factors that could cause actual results to differ materially from the plans, objectives and expectations expressed in such forward-looking statements. These factors include: (i) the inherent difficulty of forecasting future market conditions, level of infrastructure spending, GDP growth generally, interest rates and exchange rates; (ii) the effects of, and changes in, laws, regulations, governmental policy, taxation or accounting standards or practices; (iii) the effects of currency exchange rate movements; (iv) the effects of competition in the product markets and geographic areas in which ALSTOM operates; (v) the ability to increase market share, control costs and enhance cash generation while maintaining high quality products and services; (vi) the timely development

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of new products and services; (vi) difficulties in obtaining bid, performance and other bonds with customary amounts or terms; (vii) the timing of and ability to meet the cash generation and other initiatives of the new action plan, particularly, the ability to dispose of the Transmission and Distribution business and certain real estate assets on favourable terms or in a timely fashion; (viii) the availability of adequate cash flow from operations or other sources to achieve management's objectives or goals; (ix) the effects of disposals and acquisitions generally; (x) the unusual level of uncertainty at this time regarding the world economy in general; and (xi) ALSTOM's success at adjusting to and managing the risks of the foregoing.

The foregoing list is not exhaustive; when relying on forward-looking statements to make decisions with respect to ALSTOM, you should carefully consider the foregoing factors and other uncertainties and events, as well as other factors described in other documents ALSTOM files or submits from time to time with the U.S. Securities and Exchange Commission ("SEC"), including ALSTOM's Annual Report on form 20-F and reports submitted on Form 6-K. Forward-looking statements speak only as of the date on which they are made, and ALSTOM undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

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### PRESS INFORMATION

July 18, 2003

#### First Quarter Orders & Sales (1st April - 30th June 2003)

- o Orders received down 22% on a comparable basis, on record first quarter of fiscal year 2002/03, but marked recovery (+17%) from final quarter of fiscal year 2002/03
- o Sales down 9% on a comparable basis on first quarter of fiscal year 2002/03

(in million)	FY 2002/03			FY 2003/04	% Variation
	Q1	Q2	Q3	Q4	Q1
Orders Received Actual figures	5,675	4,863	4,953	3,632	4,035
Orders Received Comparable figures	5,173	4,450	4,597	3,457	4,035
Sales Actual figures	5,269	5,499	5,132	5,451	4,341

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Sales Comparable figures	4,762	5,054	4,804	5,249	4,341
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Commenting on the first quarter's Orders and Sales announced this morning Patrick Kron, Chairman and Chief Executive Officer of ALSTOM, stated:

"As we signalled at our Annual General Meeting earlier this month, order intake in the first quarter was down on the very high level achieved in the comparable period of fiscal year 2002/03, but we are encouraged by the improvement compared with the final quarter of last year. In particular, Power orders show a strong recovery from the depressed level of the preceding three months.

The decrease in sales reflects, as expected, the lower order intake of last year. "

### Reported Figures (Unaudited)

Order Received Actual Figures (in million)	FY 2002/03				FY 2003/04	% Variati Q1 FY02/0 Q1 FY03/04
	Q1	Q2	Q3	Q4	Q1	
Power Turbo-Systems	987	381	405	48	514	
Power Environment	686	783	499	615	476	
Power Service	934	752	757	491	814	
T&D	1,092	976	703	961	922	
Transport	1,624	1,676	1,900	1,212	884	
Marine	19	6	110	28	105	
Corporate and others*	333	289	579	277	320	
<b>Total Group</b>	<b>5,675</b>	<b>4,863</b>	<b>4,953</b>	<b>3,632</b>	<b>4,035</b>	

\* Including Industrial turbines

Sales Actual Figures (in million)	FY 2002/03				FY 2003/04	% Variati Q1 FY02/0 vs Q1 FY03/04
	Q1	Q2	Q3	Q4	Q1	
Power Turbo-Systems	1,241	1,171	694	751	584	
Power Environment	715	742	749	892	624	
Power Service	721	629	749	579	705	
T&D	824	954	916	911	747	
Transport	1,116	1,224	1,278	1,454	1,060	
Marine	343	382	341	502	441	
Corporate and others*	309	397	405	362	180	
<b>Total Group</b>	<b>5,269</b>	<b>5,499</b>	<b>5,132</b>	<b>5,451</b>	<b>4,341</b>	

\* Including Industrial turbines

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Orders and sales, as reported, were impacted during the first three months of fiscal year 2003/04 by currency translation effects, particularly versus the US dollar (impact of approximately 5% on orders and 6% on sales), and by the disposal of our small industrial gas turbine business, on April 30, 2003. Comparable figures below adjust the figures for these impacts.

Both reported and comparable figures include for the first time orders and sales for the three new Power Sectors established in 2003.

### Comparable Figures (Unaudited)

Order Received Comparable Figures (in million)	FY 2002/03				FY 2003/04	% Variati Q1 FY02/0 Q1 FY03/04
	Q1	Q2	Q3	Q4	Q1	
Power Turbo-Systems	940	363	387	57	514	
Power Environment	629	719	488	608	476	
Power Service	849	706	708	479	814	
T&D	975	902	684	931	922	
Transport	1,555	1,570	1,818	1,148	884	
Marine	19	6	110	28	105	
Corporate and others*	206	184	402	206	320	
<b>Total Group</b>	<b>5,173</b>	<b>4,450</b>	<b>4,597</b>	<b>3,457</b>	<b>4,035</b>	

\* Including Medium-sized gas turbines and industrial steam turbines not already transferred to Sie

Orders received: -22%

Trading conditions continued to be difficult in the first three months of fiscal year 2003/04, with a weak global economy and tightening financial markets.

On a comparable basis, the order intake for the quarter declined by 22% compared with the high level registered during Q1 2002/03.

However, it shows a marked improvement on Q4 2002/03, increasing by 17% (from 3,457m to 4,035m) on a comparable basis, primarily due to higher orders in Power Service and Power Turbo-Systems.

The backlog, at around 30 billion, is equivalent to 20 months of sales.

Sales Comparable Figures (in million)	FY 2002/03				FY 2003/04	% Variati Q1 FY02/0 Q1 FY03/04
	Q1	Q2	Q3	Q4	Q1	
Power Turbo-Systems	1,160	1,107	669	744	584	

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Power Environment	626	683	708	879	624
Power Service	643	583	702	563	705
T&D	745	876	890	893	747
Transport	1,043	1,191	1,240	1,436	1,060
Marine	343	382	341	502	441
Corporate and others*	202	232	254	232	180
<b>Total Group</b>	<b>4,762</b>	<b>5,054</b>	<b>4,804</b>	<b>5,249</b>	<b>4,341</b>

\* Including Medium-sized gas turbines and industrial steam turbines not already transferred to Sie

Sales: -9%

Sales for the quarter, on a comparable basis, show a decline of 9% on Q1 2002/03. This reflects a stable performance in Transport, T&D and Power Environment, strong sales in Power Service and Marine and a decline in Power Turbo-Systems sales reflecting the low order intake of last year.

### Geographic Breakdown

(in million)	Actual Orders Received			Actual Sales	
	Q1	Q2		Q1	Q2
	FY2002/03	FY2003/04	change	FY2002/03	FY2003/04
Europe	2,860	1,957	-32%	1,918	2,000
North America	1,202	648	-46%	1,390	1,390
Latin America	324	147	-54%	398	398
Africa/Middle East	413	707	71%	550	550
Asia/Pacific	876	576	-34%	1,013	1,013
<b>Total</b>	<b>5,675</b>	<b>4,035</b>	<b>-29%</b>	<b>5,269</b>	<b>4,341</b>

### Reported Figures (Unaudited)

In Q1 2003/04, the geographic breakdown of orders received was broadly equivalent to that in Q1 2002/03. Europe remains the most important market. On an actual basis, orders decreased in this region by 32%, driven by Power Turbo-Systems and Transport. Americas decreased in all Sectors but Power Service due to currency translation effects and difficult market conditions. Africa/Middle East improved significantly, notably in Power Turbo-Systems with a major order recorded in Bahrain, and in T&D. Asia/Pacific decreased by 34% driven by Transport, Power Service and Power Turbo-Systems. This decrease was partly offset by an improvement of Power Environment in this region.

### Sector Reviews

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Power Turbo-Systems

The main order received in Q1 2003/04 is a turnkey extension of a gas power plant in Bahrain.

On a comparable basis, this quarter was below the exceptional high level of Q1 2002/03, when several gas turnkey and steam contracts were booked, but it was much higher than Q4 2002/03 when no major orders were registered.

The level of sales in Q1 2003/04 reflects the lower order volumes over the last few years.

Power Environment

The main orders received in Q1 2003/04 are contracts for heat recovery in Germany and for utility boiler in China.

Compared to Q1 2002/03, the decrease in orders was due to the postponement of several projects in Environmental Control and a slowdown in Hydro, partly offset by a good performance in Heat Recovery systems.

The sales registered in Q1 2003/04 remain stable versus the same period last year.

Power Service

Major orders booked in Q1 2003/04 include two long-term gas turbine maintenance contracts in the US and in Brazil.

Orders remain stable versus Q1 2002/03 and show a marked recovery as compared to Q4 2002/03, which was generally slow in all regions.

The sales increase in Q1 2003/04 versus both Q1 and Q4 2002/03 reflects a good performance in US boiler service and gas turbine service.

Transmission & Distribution (T&D)

The level of orders received in Q1 2003/04 remained globally stable versus Q1 2002/03.

This quarter was marked by the booking of an HVDC project between Sweden and Denmark. Globally, the Transmission market continues to be sound and a number of orders have been registered in the African/Middle-Eastern market. This offset continuous difficult market conditions in Western Europe, notably in Distribution products.

On a comparable basis, Q1 2003/04 sales were in line with Q1 2002/03 but below Q4 2002/03. The decline versus Q4 reflects a low order intake in the second half of last year and a generally slower first quarter in T&D.

Transport

The main orders received in Q1 2003/04 were Lausanne metro infrastructure, CORADIA "Minuetto" trains for Trenitalia in Italy and metro cars for the Jubilee Line to London Underground. While the level of orders during this quarter was unusually low, several contracts have been secured but not yet booked, e.g. Grenoble Tram and Barcelona Metro.



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2002/03 orders included a high level of booking in North America ( 1Bn) where we expect orders for the current year to be very limited. Excluding North America, we expect the 2003/04 order intake to be of the same magnitude as last year's.

Q1 2003/04 sales are in line with the same period last year.

### Marine

Q1 2003/04 orders included a ferry for Seafrance.

Sales reflected the delivery of the frigate 'Hassan II' for the Royal Moroccan Navy, the 1,000-cabin cruise-ship 'Island Princess' for P&O Princess (Carnival group) and the 550-cabin cruise-ship 'Crystal Serenity' for the Japanese Shipping Group NYK during the first quarter.

### Outlook

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We expect the 2003/04 orders and sales to be down around 5% versus last year on a comparable basis.

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### Forward-Looking Statements:

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