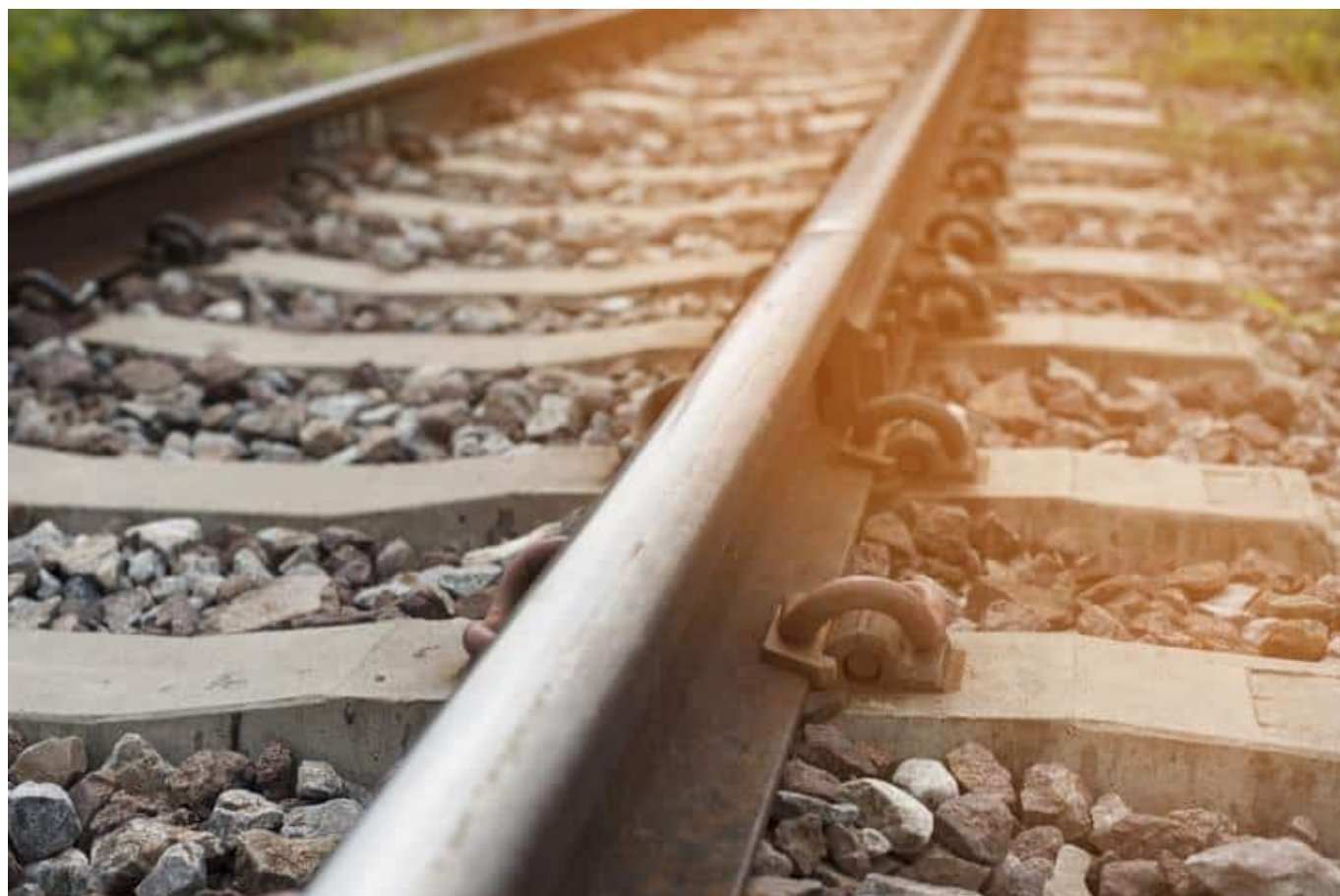


# Acquisition of Bombardier Transportation: accelerating Alstom's strategic roadmap

February 17, 2020



Alstom has announced that it has signed a Memorandum of Understanding with Bombardier Inc. and Caisse de dépôt et placement du Québec (CDPQ) in view of the acquisition of Bombardier Transportation.

The Canadian firm Bombardier has several sites in Britain, including the Litchurch Lane works in Derby.

Post-transaction, Alstom will have a backlog of around €75bn and revenues around €15.5bn.

The price for the acquisition of 100% of Bombardier Transportation shares will be €5.8bn to €6.2bn which will be paid via a mix of cash and new Alstom shares.

CDPQ will reinvest €2bn corresponding to 100% of cash proceeds to be received from the sale of its stake in Bombardier Transportation and further invest €0.7bn in Alstom, outlining its strong belief in the strategic rationale and value creation potential of the combination.

Henri Poupart-Lafarge, Chairman and CEO of Alstom, said: "I'm very proud to announce the acquisition of

Bombardier Transportation, which is a unique opportunity to strengthen our global position on the booming mobility market.

“This acquisition will improve our global reach and our ability to respond to the ever-increasing need for sustainable mobility. Bombardier Transportation will bring to Alstom complementary geographical presence and industrial footprint in growing markets, as well as additional technological platforms. It will significantly increase our innovation capabilities to lead smart and green innovation. We will be thrilled to welcome all the talent and energy of Bombardier Transportation employees.

“We are deeply committed to step up the turnaround of Bombardier Transportation activities and deliver significant value to all stakeholders, particularly our customers. We will also further develop Bombardier Transportation’s historical presence in Québec, drawing on Québec’s well-established strengths in innovation and sustainable mobility.

“We are pleased to welcome CDPQ as a new long-term shareholder. CDPQ is fully supportive of the transaction and Alstom’s strategy.”

The signing of the Memorandum of Understanding has been unanimously approved by each of Alstom’s and Bombardier Inc.’s board of directors and the envisaged transaction is fully supported by CDPQ.

The Memorandum of Understanding organises the information and consultation process by Alstom and Bombardier of their respective Works Councils and contains exclusive commitments by both parties.

An extraordinary general meeting (EGM) voting on the reserved capital increases and the rights issue should take place no later than October 31, 2020.

Bouygues undertook to vote in favour of the transaction-related resolutions at this EGM. Subject to the EGM, rights issue will take place between H2 2020 and H1 2021 and the reserved capital increases will take place at closing.

The transaction will also be subject to clearance from relevant regulatory authorities and anti-trust authorities. Closing is expected in the first half of 2021.

Alain Bellemare, President and Chief Executive Officer, Bombardier Inc, said: “Selling the rail business will allow us to reshape and redefine our capital structure. Adding a substantial amount of cash to the balance sheet, and removing la Caisse preferred equity in Transportation, will change the game for Bombardier.

“Including expected proceeds from previously announced transactions, Bombardier would have between \$6.5 and \$7.0 billion of pro forma cash on hand, putting the Company on a brand-new footing to address its \$9.3 billion of debt.

“The signing of the MOU has been unanimously approved by each of Bombardier and Alstom’s board of directors, and the transaction announced today is fully supported by la Caisse, who will become a new long-term shareholder of Alstom.

“We are confident that the sale of our rail business to Alstom is the right action for all stakeholders. As a company, their mission to provide the world’s most efficient mobility solutions, their commitment to technology and their focus on sustainability will serve our customers well. They also appreciate and value our technology and capabilities. Above all, they recognise our talented and passionate employees and the great work they have done.”