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<Member>

<Address>

Dear <Member>

20 January 2012

Alstom Pension Scheme - Invitation to transfer funds from the Additional Benefits Scheme (ABS) to the Additional Voluntary Contributions (AVC) Scheme with Friends Life

The Trustee of the Scheme is offering members an opportunity to transfer funds in the Additional Benefits Scheme (ABS), to the Scheme's Additional Voluntary Contributions (AVC) arrangement with Friends Life (formerly Friends Provident).

The Trustee sets the rate of credited interest that is added to members' ABS funds each year. The credited interest rate for the last nine Scheme years has been set at 2.5%. The rules of the Scheme state that the Trustee cannot set a rate of credited interest below 2.5%. Due to the current funding position of the Scheme, the Trustee is unlikely to set a rate of credited interest above 2.5% for the foreseeable future. In view of this, the Trustee recognises that members may wish to consider the alternative investment options available to them through the Friends Life AVC.

What are my options and when do I need to make a decision?

The options available to you are detailed in the 'Questions and Answers Sheet' which is attached for your reference. For further details of your investment options please refer to the AVC Scheme Booklet and Investment Guide – please contact us to request a copy or view them on the Pensions Website at:

www.pensions.uk.alstom.com/quickfind_APS.htm

If you wish to transfer your ABS fund to the Friends Life AVC arrangement then you need to submit the transfer form by 28 February 2012. There may be another opportunity to transfer your ABS fund to the Friends Life AVC at a later date, but there is no guarantee of this.

If you have any questions about this letter please contact the Pensions Department at the above address or by telephone, 01788 557402 or 01788 557403. Alternatively, please email **alstom.ukpensions@chq.alstom.com**

Yours sincerely



Stuart Field
Pensions Administration Manager

Opportunity to Transfer to Friends Life AVC Questions and Answers Sheet

Name: <Member>

National Insurance Number: <NINO>

What is my ABS fund currently worth?

The value of your Additional Benefits Scheme (ABS) fund on 31 December 2011 was X. This is made up of:

- the contributions you paid to the ABS before it was closed to future contributions on 6 April 2003;
- plus the credited interest that the Trustee adds to your ABS fund each year.

What do the ABS and the Friends Life AVC fund cost?

There is no charge for having your funds invested in the ABS. Please refer to the AVC Investment Guide for details of the Friends Life AVC fund charges.

Would there be a charge if I decided to transfer to the Friends Life AVC?

There would be no explicit charge to transfer from your ABS fund to the Friends Life AVC.

How have the Friends Life AVC funds performed in the last few years?

The annual investment returns, after allowing for annual management charges specific to the Scheme, for each of the Scheme's Friends Life AVC funds for each of the five years prior to 30 September 2011, are shown below.

Year to 30 September	UK Index-Linked Gilt Index Fund	Global Equity (50:50) Index Fund	Diversified Growth Fund Introduced Nov 2009	Cash Fund Current cash fund (up to Feb 2012), managed by F&C	Cash Fund * (from Feb 2012), managed by BlackRock
2010/2011	11.6%	-3.7%	-1.3%	0.3%	0.4%
2009/2010	9.8%	9.5%	11.5%	0.1%	0.2%
2008/2009	1.7%	15.9%	n/a	1.9%	n/a
2007/2008	11.9%	-21.6%	n/a	5.6%	n/a
2006/2007	0.9%	13.8%	n/a	4.8%	n/a

Source: Friends Life and Mercer. Scheme specific returns estimated using data from Friends Life and taking into account level of management charges historically paid by Scheme members.

* Performance shown is for information only, as no members have been able to invest in this fund before February 2012. Performance only available for last two years.

Please note that the past performance of a fund is not necessarily a guide to the future performance of that fund.

The return for the Lifestyle strategy is simply the combined return of each of the underlying funds that you are invested in at any point in time. For further details on the Lifestyle strategy please refer to the AVC Booklet and Investment Guide.

I have read the AVC Booklet and Investment Guide and am interested in transferring my ABS fund to the Friends Life AVC. Is there anything else I should know?

You must transfer the whole of your ABS fund to the Friends Life AVC; you cannot just transfer some of it. Once the transfer of funds has been completed you cannot reverse this decision, but you can change the way you invest your Friends Life AVC as often as you like in the future.

By law, the Alstom Pensions Department, the Trustee and Company cannot advise you on what might be best for your personal situation. If you feel you need advice, you should speak to an authorised independent financial adviser (IFA). Details of how you can find an IFA in your area can be found in the Investment Guide enclosed.

What action do I need to take if I want to transfer my ABS fund to the Friends Life AVC?

If you want to transfer your ABS fund to the Friends Life AVC, please complete the enclosed 'Transfer of ABS funds to Friends Life' form APS25 and submit it to the address below before the transfer deadline quoted below.

Where do I send my completed APS25 form and what is the deadline?

Alstom Pensions Department
Freepost MID23316
RUGBY
CV21 2BR

This is a freepost address and therefore no stamp is required. Incorrect or incomplete forms received will not be processed and will be returned to you for amendment.

We must receive your completed forms by 28 February 2012 at the latest.

The Alstom Pensions Department will let you know that your form(s) have arrived. Remember that once you have transferred your ABS fund to the Friends Life AVC you will not be able to switch from the Friends Life AVC back to the ABS fund.

What happens next?

If you decide to transfer your ABS fund to the Friends Life AVC and we receive your completed APS25 form by **28 February 2012**, we will aim to transfer your fund within two weeks of this deadline. One bulk transfer payment will be made in respect of all members who have requested to transfer – transfers will not be individually processed upon receipt of each transfer form. Friends Life will send you a confirmation statement once the transfer has taken place.

We will add credited interest to your ABS fund up to the date the transfer is actually paid. Please remember that you will not receive any future credited interest on any ABS fund you transfer into the Friends Life AVC.

If we receive your APS25 form after **28 February 2012**, we cannot guarantee that we will be able to transfer your ABS fund to the Friends Life AVC. You may have another opportunity to transfer your ABS fund at a later date, but there is no guarantee of this.

What action do I need to take if I DO NOT wish to transfer my ABS fund to the Friends Life AVC?

If you do not want to transfer your ABS fund you do not need to take any action. Your funds will remain invested in the ABS and continue to receive credited interest each year. You may have another opportunity to transfer your ABS fund at a later date, but there is no guarantee of this.

Whom should I contact if I need more information?

If you need any more information please phone the Alstom Pensions Department on 01788 557402 or 557403.

January 2012