

PRESS RELEASE

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Alstom Transport and Russian rolling stock manufacturer Transmashholding agree on strategic partnership

Alstom Transport and the Russian firm, Transmashholding (TMH), announce the signature of a memorandum of understanding on a strategic partnership between the two companies. In addition, Alstom Transport and TMH will create a joint venture specialized in double-deck coaches to serve the Russian market.

Alstom Transport and the Russian firm TMH, the major supplier to Russia's rail transport operator, RZD (Russian Railways), have signed a memorandum of understanding to establish a strategic partnership. This memorandum provides for technical cooperation between the two firms and the possibility for Alstom Transport, subject to a due diligence audit and a final agreement between the parties, to buy a 25% plus one share in TMH equity.

In addition, Alstom Transport and TMH have decided to create a joint venture in the area of double-deck coaches. TMH will hold a 51% stake in the new firm, known as "TMH-Alstom DV", with Alstom Transport holding a 49% stake. The company has been created for the purpose of responding in October 2008 to a call for tenders launched by Russian Railways (RZD) to manufacture 1,210 double-deck passenger cars. Having pre-qualified in May 2008 to take part in this call for tenders, Alstom Transport was chosen by TMH as its technological partner in proposing a modern, innovative solution to RZD.

The rolling stock designed by TMH-Alstom DV has never before been manufactured in Russia. It consists of double-deck "hotel" cars equipped with every convenience—couchettes, restaurant, showers—for passenger travel over sometimes very long distances. If TMH-Alstom DV wins the contract, these trains will most likely be manufactured in Russia's Tver region, northwest of Moscow, and would connect the cities of Saint Petersburg, Moscow and Sochi at speed of up to 160 km/hr.

In the future, Alstom Transport and TMH are planning to create a joint platform for the manufacture of freight and passenger locomotives. This platform will be adapted to Russian railway standards and will draw on expertise within both Alstom and TMH in the design and manufacture of locomotives. Russia has a potential market of 1,000 locomotives annually between now and 2030.

About Alstom Transport

With the focus on sustainable transport, Alstom Transport develops and offers the most complete range of systems, equipment and services on the rail market. Alstom Transport is capable of offering turnkey solutions for an entire transport system, from rolling stock to signalling and infrastructure. Alstom Transport is present in over 60 countries and has a workforce of 26,000. During the 2007-2008 financial year, Alstom Transport recorded sales of €5.5 billion and a 39% increase in orders compared with the previous year.

Alstom Transport has had a presence in Russia's railway market since September 2007, when it signed a contract with Karelian Trains (a joint venture between RZD and VR of Finland) to supply Pendolino high-speed tilting trains that will operate between Saint Petersburg and Helsinki beginning in 2010.

About Transmashholding

Transmashholding is Russia's largest manufacturer of rolling stock. The company manufactures electric and diesel locomotives, converters, freight cars, passenger coaches, EMU, DMU and metro cars, diesel engines for locomotives and diesel generators. In 2007, TMH posted turnover of €1,9 billion. The company employs a workforce of 65.000.

Russia's railway market is Europe's largest, with over 85,000 kilometres of track, 1.3 billion passengers annually and annual freight totalling 1.3 billion tonnes.

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