

26 October 2006

Alstom signs major agreements in China for rail transport equipment and power generation

Alstom signed major agreements in its two business areas of rail transport equipment and power generation during the visit of the President of the French Republic, Jacques Chirac, to China. These include the supply of 500 locomotives (300 million euros) and hydro-electricity generation equipment (100 million euros).

In the field of rail transport, Patrick Kron, Chief Executive Officer of Alstom, has signed a letter of intent with the Minister of the Chinese railways, M. Liu Zhijun, to manufacture the world's most powerful electric freight locomotives. The overall value of this contract totals 1.2 billion euros, with Alstom's share worth 300 million euros and its Chinese partner's, Datong Electric Locomotives, some 900 million euros.

The contract concerns 500 "Co-Co" (triple axle) locomotives based on Alstom Transport's Prima 6000. These locomotives will feature AC-powered engines, with a nominal power of 9600 KW, enabling speeds of 120 km/74 miles per hour when hauling up to 8000 metric tons.

Alstom will be responsible for designing and industrialising these locomotives. Most of the production and quality control of the first 100 units will be carried out at the Belfort (France) plant, the Group's worldwide locomotive and engineering centre of excellence, which employs 600 people. Alstom will also provide technical training for its partners and manufacture spare parts and electronic components at its European sites (Charleroi in Belgium and Tarbes, Villeurbanne, Le Creusot and Ornans in France).

The remaining 400 locomotives will be built at the Datong Electric Locomotives site in China. This company has already partnered Alstom in a 2005 contract to manufacture 180 BoBo electric (twin axle) locomotives.

These agreements take place in a long tradition of partnerships with Chinese railways. Alstom signed its first contract to supply 25 electric locomotives in 1958 and since then, has become the leading foreign partner in rail development in China. In 2004, Alstom won an order for 60 EMU high-speed trains (224), another for 180 Prima locomotives (2005) and numerous contracts for the Nanjing and Shanghai metros. Alstom will also supply in 2008 the signalling for line 2 of the Beijing metro and the link between Beijing and its international airport.

*

In the field of power generation, Alstom has signed three contracts with Chinese partners to supply hydro-electric equipment for pumped storage plants located in Hohhot (Inner Mongolia) and Pushihe (Liaoning province) and for the Longkou hydro plant in the Shanxi province, for a total of 100 million euros.

Contracts for the Hohhot and Pushihe power plants have been signed with the Dongfang and Harbin companies respectively, and cover the supply of main equipment for four 300 MW turbogenerators for each of these two plants.

The Longkou power plant contract has been signed with JME Engineering Company, for the Yellow River Wanjiashai Hydro Corporation, to supply four 100 MW turbogenerators.

These orders further strengthen Alstom's position as the leading supplier in hydro-electricity with 25% of the Chinese market, the largest in the world.

Alstom has already participated in major projects in the hydro-electric sector in China, such as the Three Gorges Dam, the Guangzhou 1, Huizhou (Guangdong), Bailianhe (Hubei) and Baoquan (Henan) pumped storage plants. The Group's development in China is assured by its unit based in Tianjin which has the capacity to design and produce a full range of hydro-electric equipment of up to 800 MW per unit. This unit operates in tandem with specialist R&D centres in Grenoble and Levallois (France) and Birr (Switzerland).

*

Alstom has been operating in China for over fifty years, where it employs 2,800 people. The Group's orders in China for the 2005/2006 financial year are worth over 800 million euros.

Press contact

Philippe Kasse, Stéphane Farhi (Corporate)

Tel +33 1 41 49 29 82 /33 08

philippe.kasse@chq.alstom.com

stephane.farhi@chq.alstom.com

Investor Relations

Emmanuelle Chatelain

Tel + 33 1 41 49 37 38

investor.relations@chq.alstom.com

Website

www.alstom.com