

Alstom signs two contracts in China for rail transport equipment

Patrick Kron, Chairman and Chief Executive Officer of Alstom, has signed today in Beijing two contracts for a total amount of more than 350 million euros with the Chinese Ministry of railways, for the manufacture of electric freight locomotives and the electrification of a high speed line.

The first contract, which follows a letter of intent signed in October 2006, is for the manufacture of 500 electric freight "Co-Co" (triple axle) locomotives based on Alstom Transport's Prima 6000. The overall value of this contract totals around 1.1 billion euros, with Alstom's share worth 310 million euros and its Chinese partner's, Datong Electric Locomotives, some 800 million euros.

Alstom will be responsible for designing and industrialising these locomotives. Alstom's Belfort (France) plant, the Group's worldwide locomotive and engineering centre of excellence, will produce the first 10 locomotives and the components to be integrated into the 190 following ones, while this production will be gradually localised to its Chinese partner, Datong Electric Locomotives. This company has already partnered Alstom in a 2005 contract to manufacture 180 BoBo electric (twin axle) locomotives.

The second contract, worth 42 million euros, is for the electrification of the Shi-Tai high-speed line. This is the first infrastructure contract won by Alstom in the Chinese market. Stretching over 189 kilometres, this line will link the cities of Shijiazhuang and Taiyuan, located in the provinces of Hebei and Shanxi (about 600 kilometres to the southwest of Beijing). It will allow passengers to travel from Beijing to Taiyuan in 3 hours, enabling trains to peak at 250 km/h. Construction is expected to be completed by the end of 2008.

It includes the supply of electrification equipment for the overhead lines, as well as associated technical services (engineering support, supervision of installation). Delivery of equipment by Alstom is scheduled for between the end of 2007 and mid-2008.

Between now and 2010, China plans to build 9,800 kilometres of passenger track, with trains operating at speeds of over 200km/h. Construction of these new tracks will enable China's railway authorities to double their transport capacity, which currently amounts to 1 billion passengers transported each year.

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