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Strengthening its presence in China

Alstom acquires a majority holding in Wuhan Boiler Company, a supplier of coal-fired power plants

Alstom has acquired 51% of the capital of the Wuhan Boiler Company Ltd (WBC), a Chinese company listed on the Shenzhen Stock Exchange, for €32.8 million after gaining the final approval by the Chinese Authorities on 6 July 2007 and after closure of the General Offer launched on 11 July 2007, in accordance with current Chinese stock market regulations.

WBC has been an industrial partner of Alstom for over ten years and currently generates a turnover of about €200 million per annum. Through WBC, Alstom will have access to the Chinese market for boilers used in coal-fired power plants, which is today the largest market in the world for these power plants. The partnership with WBC will also provide Alstom with a strategic industrial base for export. Ultimately, up to 35% of boilers produced by WBC will be exported.

In addition to providing WBC with access to markets abroad, Alstom will supply WBC with advanced technology, including supercritical and ultra-supercritical pulverized coal technology, circulating fluidized boilers and low-NOx burners, as well as expertise in international management. A new factory, fitted with the latest equipment, will be built on the outskirts of Wuhan and the production will be transferred to that location. With a covered area of 140,000 sq.-m, this new factory will have the capacity to produce 600 MW super critical and 1000 MW ultra-supercritical boilers as well as large circulating fluidized bed boilers.

With Alstom's technology, WBC will be able to respond to the Chinese market's increasing need for boilers while addressing environmental protection issues, in particular by cutting emissions and improving the efficiency of power plants.

This investment strengthens Alstom's product portfolio in the Chinese power market, where the group already produces 600 MW steam turbines and generators at one of its Chinese plants near Beijing and hydro turbines and generators in Tianjin.

Alstom now employs more than 8,500 people in China on five major industrial sites in Beijing, Shanghai, Tianjin, Qingdao and Wuhan.

Philippe Joubert, Alstom Executive Vice President and President, Power Systems, said: *"The acquisition of Wuhan Boiler Company is a milestone in Alstom's global strategy both in China and with respect to the deployment of our clean power solutions. Combining the manufacturing capacity of Alstom Beizhong Power, dedicated to steam turbines and generators, and Wuhan Boiler Company, dedicated to state-of-the-art*

boilers, will allow Alstom to offer the cleanest solutions for coal-fired power plants in this part of the world. China has a pivotal role to play in this context as a manufacturing, export and R&D centre for Alstom in Asia.”

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