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## **Alstom creates a third Sector, Alstom Grid, with the acquisition of the transmission business of Areva**

By its acquisition on 7 June 2010 of Areva T&D's transmission business, Alstom completes a decisive stage in its development by forming a new sector, named Alstom Grid, to supplement the existing two sectors in power generation and rail transport, Power and Transport. Priced at €2.3 billion, this acquisition gives a new dimension to the Group, which, now with its three activities, achieves sales of more than €23 billion<sup>1</sup> and employs more than 96,000 people.

This acquisition occurs after Alstom and Schneider Electric announced in July 2009 they were launching a joint acquisition offer of Areva T&D. At the end of November 2009, Alstom and Schneider Electric entered into exclusive negotiation with Areva for the acquisition of its transmission and distribution business, then signed the acquisition agreement end of January 2010. The closing of this transaction took place yesterday, according to the planned schedule.

*"Alstom Grid, which is Alstom's high-voltage transmission business, will be its third sector alongside Power and Transport. This sector will benefit from all the synergies and all the resources that the Group has, particularly in its international network having a presence in 70 countries, its technological and industrial capabilities and in the existing links between the high-voltage electricity transmission and power generation business",* says Patrick Kron, Alstom's Chief Executive Officer.

The Alstom Group's third sector, alongside Alstom Power (sales of €13.9 billion in 2009/10, 50,000 employees) and Alstom Transport (sales of €5.8 billion in 2009/10, 25,000 employees), Alstom Grid generated sales of over €3.5 billion in 2009. Employing 20,000 people on more than 90 manufacturing sites worldwide, Alstom Grid is among the top three groups specialising in electricity transmission, along with ABB and Siemens.

*"Alstom Grid brings its customers more than 100 years of experience in the development of the world electrical grids, advanced technologies and expertise in key domains such as power electronics, ultra high voltage, direct current interconnections, integration of renewables into the grid and network management solutions. Alstom Grid has all the necessary advantages in terms of technologies, manufacturing and people to continue to be a leading contributor to the smarter grids of the future,"* says Henri Poupart-Lafarge, President of Alstom Grid.

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<sup>1</sup> Pro forma accounts 2009/10

The new sector, headquartered in France at La Défense, the business district west of Paris, has four main businesses: Products (electrical equipment of the ultra-high-voltage and high-voltage electricity transmission system, 51% of sales), with world leading positions in disconnectors and instrument transformers; Systems (network management systems and big turnkey projects, 34% of sales), with a leading position in HVDC solutions (high voltage direct current) thanks to its expertise in power electronics; Automation (sophisticated information systems for real-time management of electricity grids); and Service.

Geographically, 2009 sales are equally divided between Europe (27%), Africa-Middle East (31%), Asia-Pacific (28%) and the Americas (14%). Beyond the current economic slowdown caused by the financial crisis, the transmission business is part of a world market which is estimated to be growing at approximately 3% per year over the next five years.

Alstom Grid expects to benefit from this dynamic to create a stable development by strengthening its positions in its target markets, both geographically and technologically. It already benefits from its strong positions in Europe, the Middle East, India and Latin America on which it is planning to build. Furthermore, it aims to reinforce its presence in the two key areas of China and North America, essential for its future growth and where there is scope to improve its market share.

### Alstom Grid key figures (2009)

Sales (in billions of Euros)	3.5
Workforce	20,000
Number of manufacturing sites* <i>*Including sites shared with Schneider Electric</i>	90
Sales* per geographic region (%)	
Europe	27
Middle East-Africa	31
Asia-Pacific	28
Americas	14
<i>*by destination</i>	
Sales by business (%)	
Products	51
Systems	34
Automation	10
Service	5

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