

FAIVELEY TRANSPORT STRENGTHENS ITS NORTH AMERICAN BUSINESS WITH THE ACQUISITION OF A CONTROLLING INTEREST IN GRAHAM-WHITE MANUFACTURING CO., A US-BASED RAIL EQUIPMENT COMPANY.

Faiveley Transport signed an agreement to acquire a controlling interest in Graham-White, a leading designer and manufacturer of compressed air drying technology and brake components for locomotives and rail transit markets.

Graham-White employs 300 people and operates six facilities across the United States, with a central manufacturing site located in Salem, Virginia. With 97 years of experience in the railway industry, Graham-White supplies a wide range of high-quality, engineered components such as air dryers, compressed air valves and parking brakes. Annual sales are expected to reach \$70 million in 2011, of which 90% are generated in the USA. A large share of revenue comes from after market and re-manufacturing.

Faiveley Transport and Graham-White have worked together for several years as Faiveley Transport is the primary licensee for Graham-White's air dryers in India. This transaction will enhance Faiveley Transport's position in the US, notably in the locomotive market and customer services. The combination creates significant global opportunities, particularly in North America, thanks to an enlarged product range and complementary customer bases.

"I am very pleased to welcome Graham-White into the Faiveley Transport group. Graham-White will reinforce our commitment to North American original equipment manufacturers and rail operators, which is fully in line with our strategic focus on the US. The companies have similar cultures, and have already worked together successfully in the past, which will help to make it a very compelling combination" said Thierry Barel, CEO of Faiveley Transport.

"The new organisation will create considerable cross selling opportunities that will benefit Graham-White and our customers; we will be well positioned for the locomotive and transit industry in the US and worldwide" explained Jim Frantz, President & CEO of Graham White.

Jim Frantz will continue his role at Graham-White and will also lead the newly formed Faiveley Transport North America organisation. The transaction is expected to be closed in the first quarter of 2012. It will be funded mainly through Faiveley Transport's credit lines and partially through an issue of new shares to the sellers (issue of approximately \$15 million or 1.7% of capital). The transaction should have an accretive impact on Faiveley Transport's earnings per share as of the 2012/13 financial year.

Faiveley Transport, world leader in the railway industry

Faiveley Transport is one of the world's leading suppliers of railway systems and services. The Group supplies manufacturers, operators and railway maintenance bodies with the most comprehensive range of systems in the market: air conditioning, passenger access systems, platform doors and gates, braking systems, couplers, passenger information and services. Faiveley Transport employs more than 5,000 people in 24 countries.

FAIVELEY TRANSPORT

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