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## **Alstom and Arabian Bemco to set up a joint venture to manufacture power generation equipment for the Middle East**

Alstom and Arabian Bemco Contracting Co. Ltd have signed an agreement to create a joint venture (JV) company, Alstom Arabia Power Factory Ltd, which will establish a world-class manufacturing facility in the Kingdom of Saudi Arabia (KSA) for power generation components, primarily heat recovery steam generators (HRSGs) which are used in combined cycle and cogeneration applications to increase thermal cycle efficiency and minimise fuel consumption. In the second phase, the partners envision expanding the scope of the factory to manufacture other power generation equipment.

The initial investment will be worth approximately €50 million (over 200 million Saudi Riyals). This operation reflects Alstom's ongoing commitment to its industrial presence in KSA and offers strong market opportunities across the Middle East. The factory will be located in King Abdullah Economic City, North of Jeddah, and will train and employ more than 500 Saudi nationals.

With more than 750 HRSGs installed globally Alstom is a world leader in the engineering and supply of HRSGs for all gas turbine types, while Arabian Bemco is an experienced turnkey contractor and local manufacturer within KSA. The two companies have already successfully worked together, including on the Riyadh PP12 steam-tail project bid, which was secured last year.

The joint venture will be a limited liability company incorporated under the laws of KSA with a registered office in Jeddah. Both Alstom and Arabian Bemco will take a 50% stake. Following technology transfer, the JV will be the exclusive licensee of Alstom HRSG technology in KSA. It will afford Alstom and Arabian Bemco a strong local base across the Middle Eastern region, which represents around 25% of the global market. In addition to the Saudi market, this facility will also cover key territories such as Iraq, Bahrain, Kuwait, Qatar, Oman, United Arab Emirates, Yemen, Jordan, Syria, Lebanon and Egypt.

Demand for gas-fired power plants is on the rise in the Middle East and KSA is also moving towards gas-fired power generation. The joint venture will be well equipped to cater to this demand by combining the product expertise and technological excellence of Alstom with the local presence and logistics support offered by Arabian Bemco. *"Having successfully executed some of SEC's most prestigious power projects in KSA including the world's largest combined cycle power plant, Arabian Bemco is one of the leading engineering, procurement and construction (EPC) contractors in the region. We are rapidly expanding*

*our presence in the Middle East and the JV will enable both partners to serve an increasingly important power generation market with technologically advanced and highly efficient equipment,”* said Henry M.Sarkissian, Chief Executive Officer, Arabian Bemco.

Philippe Cochet, President of Alstom Thermal Power underlined that *“The creation of this joint venture is another step towards increasing Alstom’s industrial presence in the Kingdom of Saudi Arabia. Working with reputable local partners such as Arabian Bemco is key to our growth strategy in the Middle East. This announcement follows other initiatives that Alstom has undertaken recently such as launching a services workshop and a training programme with SEC to further create employment and develop young talent in this country.”*

### **About Alstom**

Alstom is a global leader in the world of power generation, power transmission and rail infrastructure and sets the benchmark for innovative and environmentally friendly technologies. Alstom builds the fastest train and the highest capacity automated metro in the world, provides turnkey integrated power plant solutions and associated services for a wide variety of energy sources, including hydro, nuclear, gas, coal and wind, and it offers a wide range of solutions for power transmission, with a focus on smart grids. The Group employs 93,000 people in around 100 countries. It had sales of over €20 billion and booked close to €24 billion in orders in 2012/13.

### **About Arabian Bemco**

Arabian Bemco Contracting Co. Ltd. (BEMCO) is one of the top leading power and industrial EPC turnkey contractors in the Kingdom of Saudi Arabia with over 24,000 MW installed power generation capacity in power plants. With in-house engineering capability Arabian Bemco’s competence enables it to design, procure, construct, fabricate, erect, commission, operate and maintain power plants with different technologies that are in line with the growing demand of the Kingdom. BEMCO has undertaken some of the largest and most challenging turnkey projects in KSA and the region, where Arabian Bemco has successfully completed Power Plant #9 (PP9), the world’s largest grass root power plant with 60 turbines as well as the world’s largest combined cycle power plant, PP10, with 40 gas turbines, 10 steam turbines and 40 HRSGs in Riyadh, KSA on an EPC basis. Other capabilities include the construction of water treatment plants, fuel storage facilities, fire fighting systems, compressed air systems, cooling water systems (CCWS & OCWS), auxiliary steam boiler systems, turbine inlet air cooling systems, crude oil pipelines and large refrigeration and district cooling plants and civil works.

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