

Covering everything from rolling stock and maintenance to signaling and infrastructures, Alstom Transport develops and supplies the broadest range of solutions in the market, offering its customers greater comfort, increased safety and higher performance.

TLS Lands New Parts & Logistics Contract with Amtrak



Alstom TLS will be handling the new Amtrak parts supply contract out of its Naperville, IL, facility (above). Below left, an HHP Loco operates on part of Amtrak's Northeast Corridor in Bowie, Md. (Courtesy of Amtrak)



TRAIN LIFE SERVICES

The Alstom Train Life Services U.S. & Canada team was awarded a \$65 million 5-year parts supply contract with Amtrak

March 28, 2008, for 29 rebuilt Alternating Current ASEA Electro-Motive 7000 horsepower (AEM7) and 15 High-Horsepower (HHP) locomotives operating on the U.S. passenger service's Northeast Corridor.

The ability to win this contract was due in large part to TLS' strong partnership with Amtrak on the Acela Program. The Acela parts supply contract, originally signed in March 2006, was the first of its kind in terms of supply chain management for a major rail fleet in North America and represented a unique partnership between Alstom and the customer.

After only 11-months of operation under the 5-year contract, Amtrak extended it another 5 years.

An Alstom/Bombardier Consortium originally built the HHPs between 1998-2001. Additionally, Alstom provided Amtrak with the equipment to rebuild 29 AEM7s converting them to AC power.

Created by the U.S. Congress in 1970, Amtrak's nationwide rail network and nearly 19,000 employees now serve more than 500 destinations in 46 states on 21,000 miles of routes. During FY 2007 Amtrak had 25.8 million passengers, with an average of 70,000 riding on up to 300 trains each day. Amtrak's Northeast Corridor is the busiest railroad in North America, with more than 2,600 trains operating on some portion of the Washington-Boston route each day.

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VIEWPOINT

Selective Growth Based on Satisfied Customers



Roelof van Ark, SVP, Alstom Transport, North America

More than a year ago, we at Alstom Transport regrouped and put the customer back into our focus. Alstom Transport's recently published annual figures show a 40-percent growth in new orders and

prove that our actions are starting to pay dividends. In North America we also are already seeing the benefits of this refocus, with our success of being awarded the R160 Option 1 contract, having received numerous interesting signaling projects such as New York City Transit's (NYCT) East 180th Street just to single one out, and the recent signing of a new Parts & Logistics Contract with Amtrak for its locomotive fleet.

All these successes have only been made possible due to the good performance on present contracts – Hornell's record output of quality cars, Rochester's successful implementation of a growing number of current signaling projects, particularly for the NYCT, as well as the quality of the service our Train Life Services group has offered Amtrak on its existing Spares & Logistics contract for the Acelas.

This, however, is just the beginning. In order to benefit from changing market dynamics in North America, our commitment to the customer must continue to be based on a long-term relationship that goes well beyond the initial delivery of our products, to encompass

the overall product lifecycle. We need to be concentrating more on post delivery maintenance, spares and logistics.

Marketing studies show it costs 5 times more to attract business from a new customer than a repeat customer and as much as 16 times to bring the new customer up to the same level of profitability.

By the nature of our business, we must form long-term relationships with our customers. Increasingly, they are relying on us to provide post-contract support, and at the same time this offers Alstom a good business opportunity. This makes sense – it is our product, and we should have a technical advantage over third party aftermarket

suppliers in taking care of our products over their full lifecycle.

Moving forward, particularly as our region undergoes some geographic restructuring, there

will be changes ahead for us. Ultimately, however, our commitment remains with our customers because when they are satisfied, one contract should lead to the next.

Whether it is providing spares to Metropolitan Atlanta Rapid Transit Authority, parts and logistics support to Amtrak, or maintenance support to New Jersey Transit, we must remain cognizant of the fact that the job is not over when it goes out the door or has been accepted on-site. It continues, as does our relationship with our customers, ultimately bringing us repeat business, and a more selective and rewarding approach to our market.

We need to be concentrating more on post delivery maintenance, spares and logistics.

Calgary Site Recognized for EHS Achievements



Bob Beck, EHS and Training Manager, Calgary, speaks at an OmegaAT awards ceremony in January.

Alstom employees in Calgary, Alberta, Canada, are making great strides in safety and it is not going unnoticed. Bob Beck, EHS and Training Manager, Calgary, says the team lowered its Injury Frequency Rate (IFR) from 32.7 in

2005 to 10.2 in 2007.

Earlier this year Bob joined Mark Darrow, Vice President, Human Resources, North America, and Robert J. Smith, Environmental Health & Safety Manager, North America, for EHS Day at OmegaAT – Transport's headquarters in Paris, France, to receive one of 4 EHS Challenge 2008 awards.

In fact, Calgary is the only site in North America to receive the award in 2008, and worldwide it also is the only TLS site to receive this honor.

"We were able to achieve this by changing the way we looked at safety," Bob says. "We had to consider different ways to change our outlook from site management down to the employees."

Bob explains the Calgary team ultimately tied its EHS effort into each employee's objectives, and even bonuses.

"This was definitely looked at as a team effort," Bob adds. "If one of us failed, we all failed. Safety belongs to everybody. There is always a way to succeed."

In 2008, Calgary intends to continue the trend and further reduce its IFR to 9. By all accounts, the team is well on its way. In March, the team had an IFR of 0, reducing its 12-month IFR to 9.2.

SITE	Injury Frequency Rate	
	03/08	12 rolling months
Calgary	0.0	9.2
Washington/Chicago	0.0	6.2
Rochester	0.0	4.9
Hornell	0.0	2.9
TIS Montreal	0.0	0.0

Signaling Team Attends RSSI Trade Show



Alstom's booth was among the most visited at this year's RSSI trade show, which boasted an attendance of 1,400.



SIGNALING

From May 20-22, 2008, some 25 team members from Alstom Signaling in Rochester, N.Y., travelled to

Grapevine, Texas, for the 48th Annual Railway System Suppliers, Inc., C&S Exhibition, RSSI for short.

More than 1,000 attendees were exposed to new products and services, as well as technology upgrades at the event. The Signaling team showed off production-proven and new products, and provided an overview of Alstom Transport's offerings in North America.



Melissa Rosario,
Product Marketing
Specialist

"We go to RSSI because it is a key exhibit for the Class 1 railroad Signaling customers," says Melissa Rosario, Product Marketing Specialist, who noted that the Signaling team has

attended the event every year since the event's conception. "It is heavily supported and attended by the railroads' signaling decision makers. It is a great opportunity to show our capabilities and get in touch with current and potential customers of the Class 1 rail-

roads. In 2007 these represented 60 percent of our total product sales."

Melissa states the team showcased a number of Signaling products, including switch machines, vital relays, track circuits, train control/train management equipment, and interlocking product. Some of these are Signaling staples, but others are new products based on the operation's proven technologies. This includes Alstom Signaling's new line of Solid-State Electronic Relays — the most versatile

and direct replacements for mechanical relays on the market.

With more than 225 member companies, RSSI is a trade association serving the communication and signal segment of the rail transportation industry, and its primary effort is to manage the annual trade show. Before its incorporation as the Railway Signal and Communication Suppliers Association Inc. in 1966, what today is RSSI actually existed as 2 separate entities representing the signal and communications areas, respectively. Those entities could date back as far as 1906. In 1972 the corporate name was officially changed to Railway Systems Suppliers, Inc.

While RSSI's main focus is the exhibition, the group has clear objectives to go beyond the annual gathering. Among the group's priorities are promoting a greater understanding among management officials within the industry of the importance of the communication and signal functions. Additionally, RSSI seeks to improve the image of the railroad industry in the business community.



Solid-State Electronic Relays

- Solid-State Electronic Vane
- Solid-State Electronic Code Transmitter

Alstom's new line of **Solid-State Electronic Relays** is the most versatile and direct replacements for mechanical relays in the market.

Alstom is a leader in form, fit and functional replacement of mechanical relays with Solid-State Electronic versions.

We are shaping the future | **ALSTOM**

Graphic panel for RSSI

ENVIRONMENT, HEALTH & SAFETY

North America EHS Leader Offers Vision for the Region



Robert J. Smith, EHS Manager, North America, led a group of volunteers during an Earth Day cleanup event in Hornell, N.Y., April 22.

on the way Alstom Transport does business in North America.

“Caring about each other makes us a great team,” he says. “Caring about the

The Regional EHS Manager, Robert J. Smith, is looking forward to the year ahead — a year in which he wants everyone to put great importance

world around us makes us pacesetters.”

Robert says Alstom Transport North America is producing too much waste at its facilities. As recycling has fallen by the wayside, he fears this not only poses an environmental issue, but also equates to a loss of money for the company.

“The programs that are out there continuously need to be reviewed, renewed and embellished,” he says. “We need to be proactive about working for a brighter future.”

For those who might wonder what does EHS have to do with the environment, Robert would say everything. He explains the E stands for Environment, and that within that context Alstom Transport employees must care for

people, the elements, fauna and flower that make up our local ecosystems.

Likewise, the H, for Health, goes beyond wearing proper Personal Protective Equipment to protect us in our work environments. It means Alstom Transport employees must be aware of how they might be affecting air and water quality with the by-products of the business.

“No matter what you do for E and H, the safety component brings it all together,” he adds. “The nucleus of a good program is a commitment to the Environment and Health, and Safety is the cell wall that keeps it together. Nothing can be achieved unless it is done safely.”

Robert states employees will reap the benefits of taking EHS to heart; most notably because they can see just how important each person is to the organization.

“Who knows how to do the job better than the man on the floor,” he says. “That’s where we need to get the important information.”

Furthermore, Robert points out there is often a return on the investment when organizations such as Alstom achieve excellence in EHS. Each lost time accident costs the company around \$1,400. If that money can be saved it can be put back into the organization, particularly when it comes to reductions in insurance premiums.

Finally, however, Robert believes everyone must think of the benefits others will receive from our diligence.

“We are all stewards of the environment,” he states. “We have to treat it like we own it, and we do. We need to leave something for future generations. We have to look at the person next to us and care about each other.”

CARING FOR OUR WORK ENVIRONMENT

TLS Volunteers Clean Up for Earth Day



From left, Alstom TLS employees Don Hickey, Dean Lowrance, Vicki Owen, Mike Figliuolo, Eddie Montes, Roberto Campos, Debbie Knowles, Andreas Kwetkus, and Ana O'Rouke, pose for a picture during a cleanup event at the Naperville, Ill., office May 9. In all, 16 employees representing all departments participated in the belated Earth Day site cleanup during an extended lunch break.

Connect Your Laptop at the Airport with WiSE

Alstom Transport laptop users across the United States are utilizing a new way of remotely accessing Alstom Network Services, and soon users in Canada will be introduced to this versatile solution as well.

The Worldwide Intranet Secure Extension, or WiSE for short, replaces iPass for Intranet and secure VPN connectivity. It is a package of market leader technologies that includes iPassConnect software, and iPass' global infrastructure with Juniper Network's Secure Access SSL VPN client technology — Network Connect.

Users — who are pleased with WiSE's simplicity of use and expanded connection options — benefit from WiSE because it provides global access to Wireless Fidelity (Wi-Fi) and dial-up points eliminating the need in many cases for connection fees at places such as airports and hotels.

Additionally, WiSE makes Alstom more secure by providing strong authentication of users

In the U.S., Information Technology Center (ITC) team members in Rochester and Hornell conducted up to 30 ses-

sions at each site — as many as 4 a day. Currently, 360 people, or 86 percent of Alstom Transport's laptop users in New York state are using WiSE.

In fact, only 70 more installations remain to be done in the U.S. Many of these users are at remote sites and will be contacted in the coming weeks for completion. The deployment schedule for Canadian Transport sites will be announced in the near future.



AGV BY ALSTOM. THE LATEST REVOLUTION IN VERY HIGH SPEED TRAINS

Alstom Transport, leader in the railway sector and the very high speed train market, presents the AGV — a new train designed to carry passengers at 220 mph in comfort and total safety. The AGV's articulated architecture, distributed power, modularity and sleek profile have all benefited from Alstom Transport's leading-edge technologies. Alstom's new flagship of railway excellence is also environmentally-friendly*, thus contributing to sustainable mobility.

Covering everything from rolling stock and maintenance to signaling and infrastructures, Alstom Transport develops and supplies the broadest range of solutions in the market, offering its customers greater comfort, increased safety and higher performance.

* Compared with the competition, the AGV uses 15% less energy to generate 18% more power.

www.transport.alstom.com

We are Shaping the future

ALSTOM

COMMUNICATIONS CORNER High-Speed Americas

High-speed rail is making its presence known in the region. The May edition of *Railway Age* and the June editions of *Mass Transit* and *Metro Magazine* feature an ad promoting Alstom's new AGV — a train designed to carry passengers at 220 mph in comfort and total safety.

On April 29, a contract was signed for the construction of the first very high-speed line in the Americas, running between Buenos Aires, Rosario and Córdoba, in Argentina. When completed the approximately 441-mile trip between Buenos Aires and Córdoba will take 3 hours instead of the 14 it takes today.

With high-speed rail discussion growing in the United States, particularly in California, the entry of very high-speed rail into the Americas geographic region and the global interest in the AGV — Alstom's new flagship in railway excellence — the future of high-speed rail has never been brighter.

Recruiting Team Takes on a Changing Talent Market



Harry Brewer, Program Manager, Signaling, left, and Patti Brower, Recruiter, talk during a job fair at the Rochester Institute of Technology.

In an increasingly competitive talent market, companies are working harder than ever to attract and retain top talent. In Alstom Transport’s North America Region that is where the Recruiting Shared Service Center (RSSC) steps in, working to keep the company on top.



Drew Farren, Director of Talent Management, North America

“Today, market competition for critical talent is escalating, excellence in recruiting is no longer an option, it is a strategic necessity,” explains Drew Farren, who heads up the 5-member team as Director of

Talent Management. “The RSSC will help Alstom remain competitive despite this turbulence by centrally delivering core shared services while enabling local, business-specific recruitment needs.”

Drew emphasizes that Alstom is a large company offering an international experience, and says it is important to tell recruits about the focus on individual development and internal mobility opportunities, as well as promote Alstom as a leader on environmental issues.

“The future is bright for the transport industry,” he adds. “We’re entering a period of hyper growth in which we will see a 50-percent increase in the

number of jobs within the industry in the coming years.”

With this in mind, the RSSC has several major initiatives it is working to bring to fruition within the next year, including the full development and implementation of a college-recruiting program. Drew says this is a critical need for Alstom in North America in order to increase the company’s recognition among students and attract top talent earlier in their careers.

“Ultimately we all share the goal of recruiting talented individuals from diverse backgrounds because this diversity lends itself to our unique collaborative culture,” Drew adds. “This is what enables us to utilize a variety of competencies to develop keystone components for high-technology systems in our Rolling Stock, Signaling and Train Life Services businesses.”

Reference Roundup

If you know someone who might make a great addition to the Alstom Team, feel free to contact recruiters Patti Brower and Julie Holtfoth. Patti can be reached at (585) 279-1900, and Julie can be reached at (607) 281-2825.

COMMUNICATIONS CORNER

Alstom or ALSTOM?

It is easy to get used to doing things a certain way. For instance, for as long as most long-time employees can remember, Alstom was to be written “ALSTOM.”

The fact is that changed in January 2007, when the new Group Graphics Chart was introduced. It covers everything from business cards to letterhead and can be found on Altair, Alstom Intranet, today by clicking on “Graphics Chart” under the Communications tab at the top of the page.

For all communications purposes and in all communications texts, the Group name should be written as “Alstom.” This initial caps rule also holds true for other names, including Sector, Business or Unit names.

The only exceptions appear in Web site address such as www.alstom.com, the logo and legal names.

Legal Counsel: A Critical Support Function

Alstom Transport North America employs 3 legal counsel. We sat down with one of them, Ellen O'Neill, to get to know a little bit more about what the daily activities of a legal counsel are within Alstom.

Q. What are your responsibilities on a daily basis?

While I support all the Transport North America Units, I am primarily focused on the needs of Alstom Signaling in Rochester. I basically provide legal advice on a range of issues, including partnering agreements, tenders, project execution, product safety and day-to-day employee issues. Through legal guidance, my job is to minimize our business risks and help maximize our opportunities. I work to protect us from accepting contracts that could prove to have negative consequences for the business and engaging in conduct that could have negative repercussions.

Q. What does a legal counsel need in order to contribute to the Company's success?

To be most effective, an attorney needs to have a close working relationship with the business. Alstom benefits from having attorneys on its team who



Ellen O'Neill, Legal Counsel, reviews a document in the Legal Library in Rochester.

have developed an in-depth knowledge of the company and an understanding of the industry. The closer an attorney works with a business, the easier it is to manage risk because the attorney will know the issues, the players and the overall business goals. The lines of communication need to be open. We need to listen to and understand the concerns of our business partners, but we need to be heard as well.

Q. How do you use Alstom's Core Values of Team, Trust and Action in your role?

When it comes to Team, it is incredibly important to me to build strong, supportive and collaborative relationships with the contract managers.

Concerning Action, we need to be able to address multiple problems, questions and issues at the same time, to often work under pressure, and to respond to the business needs quickly and capably. Trust is incredibly important to the other 2 values. A large part of what we do focuses on transparency. A Legal Counsel needs to "tell it like it is" and provide a transparent, unbiased objective view so that the business can properly assess risk and make informed decisions.

Q. How does one become a legal counsel?

Obviously an attorney needs substantive legal training, but I think it is also important to have as much "real world" experience as you can if you want to work as a legal counsel for a corporation. In our job, you have to deal with a lot of different people, situations and issues — often on your own, under pressure and without any "correct answer." The broader your experience — legal and otherwise — the better equipped you'll be to handle the job of in-house legal counsel.

Hornell's Plant 1 Reaches One Year Without a Lost Time Accident

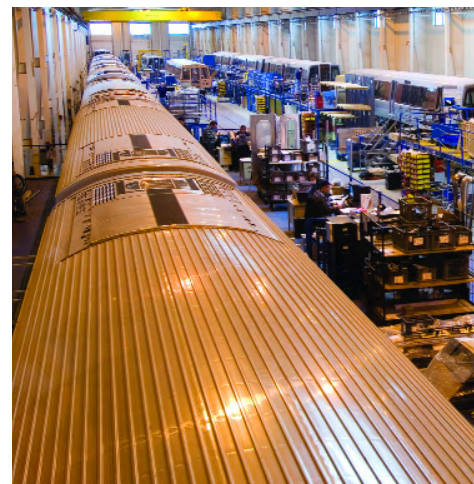
On Friday, May 16, Hornell's Plant 1 achieved a major milestone: One year without a lost time accident.

The previous record was 94 days, and as of Tuesday, May 27, Plant 1 was still moving forward with 372 days without a lost time accident.

Robert J. Smith, Environment, Health & Safety Manager, North America, says the accomplishment is

due to a number of factors, including the implementation of personal protection equipment, increasing the visibility of EHS staff and improving communications with employees.

Most notable, however, Robert says the success is due to all employees taking ownership of EHS at the site. The employees at Hornell's Plant 1, he adds, have a new challenge: To sustain this success.



APSYS Aims to Change Our Way of Working

Across the globe the Alstom Production SYStem, or APSYS, is promising to change our way of working at manufacturing sites. First introduced about 4 years ago, 21 Rolling Stock, Components and TIS sites from Hornell, N.Y., U.S.A., to Barcelona, Spain, and from Lapa, Brazil, to Satee, China, have initiated or are now initiating this process.

Aiming to deliver Quality, Cost, Delivery commitments with sustainable and efficient common practices, APSYS is enabling Alstom Transport to reach manufacturing excellence.



Kurt Gillish, Hornell
APSYS Leader

“Facilities that have deployed APSYS are experiencing a reduction in accidents, more efficient problem solving and increased efficiency for all employees,” explains Kurt

Gillish, Hornell Site APSYS Leader. “These sites also are becoming manufacturing centers of excellence.”

There are 5 main APSYS objectives:

1. 100 percent on-time delivery of train sets
2. Dividing non-quality costs — costs incurred that add no value to the product — by 2
3. Increasing plant productivity by at least 5 percent per year

4. 50 percent reduction of physical Work in Process — material that is going into a product that is on the floor or in warehouses
5. Increased flexibility and transferability.

Kurt indicates that as part of the program, every Alstom APSYS Manufacturing site will be audited on its use and deployment in every functional group. Along with activities in all functional areas, Kurt says Hornell has been conducting 5S office workshop projects in order to prepare for a June audit and achieve its APSYS goals.

“5S is the base for every single tool in the APSYS tool box,” Kurt explains. “No tool can be used to its full potential without first organizing our people, areas, thoughts and plans.

“The facilities that have successfully embraced APSYS are cleaner, their equipment is more dependable and their employees are proud of their respective work areas,” he adds. “They are competitive and now have the tools necessary to achieve continuous improvement. Lean manufacturing never stops, it just leads to the next best practice.”

