
The real stake in the Areva T&D disposal

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The debate over the coherence and competitiveness of the energy sector [in France and Europe] has just been launched by the recently appointed President of EDF. Beyond the sole domain of nuclear energy, it is an imperative to consolidate and specialise the overall industry and in particular the branch with the best future ahead of it, the electricity branch. This should be done in all its facets: power generation, transmission and distribution. This debate is essential.

Energy has once again become a top strategic and technological priority. Major changes and evolutions are revolutionising the historic landscape: decarbonisation in the electricity generation process, rebirth of nuclear power, the development of renewable energies, the deregulation and diversification of electrical providers, the interconnection between European countries, the necessity for efficiency at every stage in the power generation, transmission and distribution process. The energy sector is now re-inventing itself. There will be more investments in the sector in the next 25 years than there have been since the birth of electricity at the beginning of the 20th century. But the type of electricity we will have will not be the same as the one we have had in the century just gone. We will have to combine the need for increased requirements in electrical power with social progress and environmental protection.

In this sector, and this is worthy of particular note, Europe is the world technological leader. It is here that the number one company in the nuclear sector can be found as well as the biggest providers of clean power plants, the leader in the field of carbon capture, the most important companies in the field of renewable energies, leaders in transmission and “smart grid” development, as well as the distribution and the management of energy. Because of limited resources in fossil fuels and of advanced awareness of environmental issues, Europe has developed considerable technological advances in the strategically important domain of energy.

The sale of Areva’s T&D division, the world’s number three in electricity transmission and distribution is obviously at the centre of the debate. Choices that will be made will determine and shape the future. The project led by Alstom and Schneider Electric for Areva T&D is 100% industrial and 100% technological. It corresponds entirely to the strategic requirements which have been laid down.

This project reinforces the coherence of the electricity industry and the required specialisations where they are needed for the future. Moving from solutions of the past, it anticipates future needs, in order to create new commercial synergies and new hubs for innovation at the heart of the industry.

In a context of globalisation, faced by conglomerates often ten times their size, Alstom and Schneider Electric propose to make with the world’s number three, Areva T&D, two world leaders, Schneider Electric and Alstom, thus decisively consolidating the European energy industry.

Alstom and Schneider Electric are offering Areva T&D a coherent project based on simple principles: the specialisation of the key segments of the electrical network, cooperation founded on complementarities and consolidation of two human-sized companies.

Alstom and Schneider Electric cover the entire sector while remaining specialised and competitive at the same time. The Areva T&D Transmission activity know-how is close to Alstom’s as it is mostly project-based. The Distribution side of Areva T&D is close to Schneider Electric’s activity focusing on products and equipment. Complementing each other, we are determined to develop robust commercial relations with flows of products between our two companies wherever this is necessary.



By integrating the Transmission arm of Areva T&D into Alstom and the Distribution arm in Schneider Electric, we will create new synergies greater than those currently within Areva T&D's. Alstom already purchases €500 million of transmission equipment from its suppliers and Schneider Electric generates more than € one billion in sales of solutions combining its distribution activities.

We will launch large research and development projects in the field of "smart grids". These projects will naturally be specialised in our domains of excellence, but our teams will work together with ambitious targets and will guarantee a absolute coherence around international standards.

Finally, our competitiveness relies on an organisation of a human scale with well-defined scopes of activities. We have made clear and strong social commitments to Areva T&D employees. Our project will guarantee them long-term development in two companies who have a clear strategy with a culture and knowledge similar to theirs.

Our project has never been changed throughout the process. It is a winning project for the European energy industry. It creates coherence, where up until now, key players were acting in a dispersed manner. It creates the necessary conditions to consolidate in the future our technological and economical leadership. It creates two world champions, better prepared to face the challenges of tomorrow and to offer all employees of Areva T&D the perspectives they expect.

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About Alstom

Alstom is a global leader in the world of power generation 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, and provides turnkey integrated power plant solutions, equipment and associated services for a wide variety of energy sources, including hydro, nuclear, gas, coal and wind. The Group employs more than 80,000 people in 70 countries, and had orders of € 24.6 billion in 2008/09.

www.alstom.com

About Schneider Electric

As a global specialist in energy management with operations in more than 100 countries, Schneider Electric offers integrated solutions across multiple market segments, including leadership positions in energy and infrastructure, industrial processes, building automation, and data centres/networks, as well as a broad presence in residential applications. Focused on making energy safe, reliable, and efficient, the company's 114,000 employees achieved sales of more than 18.3 billion euros in 2008, through an active commitment to help individuals and organisations "Make the most of their energy".

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