

Press release

For immediate release

Converteam acquires Electric Machinery Company Inc. of the US

Massy, France -- December 4, 2006 – The Converteam group, a worldwide specialist in power-conversion engineering, today announced the signature of an agreement for the acquisition of Electric Machinery Company Inc., a company based in Minneapolis, Minnesota, which specializes in the design and manufacture of electrical motors and generators.

Following completion of this transaction, Electric Machinery Company Inc will be wholly owned by Converteam and operate as a stand-alone unit of Converteam Holdings USA Inc., a wholly-owned subsidiary of Converteam Group SAS, the holding company heading the group. Pierre Bastid, President and CEO of Converteam group, will take over as CEO of Electric Machinery while Mike Vucelic, the present President and CEO as well as majority shareholder, will become member of the Board of Directors of Converteam Holdings USA Inc.

The acquisition of Electric Machinery will reinforce the presence of the Converteam group in North America, providing support for its business with the U.S. Navy and speeding development in the strategic Oil and Gas and Power Generation markets. Combined with Converteam's existing facilities for power electronic drives in Pittsburgh, PA, Electric Machinery's manufacturing capabilities in electrical motors and generators will enable the group to supply local market with complete solutions entirely developed and manufactured in North America. This is in line with Converteam's strategy to act as a global organization operating locally on all its markets. Electric Machinery's product ranges also effectively round out Converteam's current offerings in rotating machines.

« I am delighted that Electric Machinery is joining our group », comments Pierre Bastid, President and CEO of Converteam group. « Motors and generators are at the heart of the power conversion systems that we design and supply, and Electric Machinery and its teams have won a deserved reputation for the high standards of reliability and performance built into their motors and generators. This acquisition demonstrates our commitment to the North American market and will create value for both our customers and our group. »

About Converteam

Converteam group, a former division of ALSTOM, is a world leader in power- conversion engineering. Building on over a century of experience, it is firmly placed at the leading edge of technology and innovation with a global reputation for excellence in the conversion of electrical energy. Serving specialized sectors as well as its core markets in Marine, Oil & Gas, Energy and Process Industries, its 3,500 staff members provide power conversion solutions worldwide. At year-end 06, the Converteam sales will total more than 650,000,000 EUR.

About Electric Machinery Company Inc.

Headquartered in Minneapolis (MN), Electric Machinery Company Inc, founded in 1891, designs and manufactures the motors and generators that serve thousands of customers, in the US and worldwide, in markets such as pulp and paper, oil and gas, power generation, etc. Engineering cost-effective solutions for both simple and complex applications, it provides standard or customized design for machines to comply with customers' specifications. Confirmed by ISO 9001 certification, Electric Machinery is trusted for delivering excellence and commitment worldwide. In 2006, the company employs 215 people and the number of sales is expected to reach more than 43,000,000 USD at year-end.

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