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Alstom to sell its UK train renovation businesses

Alstom is to sell its UK train heavy renovation businesses located in Springburn (Glasgow) and Wolverton (Greater London area) to Railcare Ltd. The company hopes to complete the transaction by the end of first quarter 2007.

Earlier this year, Alstom conducted a review of its UK train heavy renovation businesses with annual sales of approximately 60 M€ (representing 15% of UK Transport sales) and 430 employees on the sites of Springburn and Wolverton. Considering that this activity is similar in nature to rolling stock manufacturing, which Alstom no longer carries out in the UK, and that its profitability profile is not in line with Alstom's targets, it was decided to sell it to a company within the industry who could take it forward.

Railcare Ltd is a group of personal investors operating in the rail market, including the general manager of the Wolverton site who will continue to manage the businesses in the future.

When the sale is completed, Alstom's Transport activities in the UK will be concentrated in the maintenance, electrical renovation, parts and signalling markets. Alstom Transport will also continue to bid for new rolling stock projects in the UK that will combine local project management and engineering skills with its European centres of manufacturing excellence.

Once the transaction is concluded, Alstom Transport will employ approximately 1600 people at some 20 locations across the UK and Ireland. Alstom's existing Transport activities in the UK include maintenance of one of the world's biggest Pendolino fleets, providing Virgin Trains with consistently high availability and ever increasing reliability. Alstom also maintains the Northern and Jubilee Line fleets on the London Underground fleets for Tube Lines and successfully introduced, ahead of schedule, 59 new cars and four new trains onto the Jubilee Line.

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