

Converteam Group SAS
30 avenue Carnot
91300 Massy Cedex, France
www.converteam.com

Contact: Nathalie Renard
SVP, Communications
+33 1 64 53 83 33
nathalie.renard@converteam.com

Publicis/Alienor Miens
+33 1 57 32 86 68
alienor.miens@consultants.publicis.fr

Steady order intake for Converteam in 2008

Paris, France – Converteam, a world leader specializing in power conversion engineering, today announces its results. Sales reached €1,099 million in 2008, i.e. 26% increase compared to 2007 (33% excluding exchange-rate impact) and current income from operations (Ebita) rose by 32% at €161 million (42% excluding exchange-rate impact). As a result of the financial crisis, order intake suffered a slight setback, more significant in the second half, and amounted to €1,373 million in 2008 vs. €1,426 million in 2007, i.e. 4% decrease with regard to the previous year.

Converteam serves the Marine, Oil & Gas and Offshore, Energy and Industry sectors around the globe. In 2008, the company showed well-balanced, world-based growth in a diversified business base as its operations essentially concern long-term projects.

Pierre Bastid, President & CEO of Converteam commented: “Paradoxically, the biggest challenge our company is facing following the crisis is not the slowdown itself but the lack of visibility on the outcome of the crisis. Fortunately, our business model and the diversification of our markets make us fast-moving and flexible, allowing us to shift resources at short notice from one country to another and from one market segment to another, to take advantage of opportunities as they arise.”

Since the beginning of 2009, the Merchant Shipping sector has been facing a significant drop in investments for cruise ships and a decline in goods transportation worldwide, which hits the Group's activity. The Naval field is less affected as shown by two major orders secured by Converteam, e.g. podded propulsion systems for the BPC3 Landing Helicopter Dock (LHD) to be built for the French Navy, and an important contract from the U.S. Navy for long lead materials for the DDG 1000 Destroyer. This contract with Converteam as prime contractor positions the Group for further opportunities moving forward.

In the Offshore segment, 2008 saw a substantial order book for Dynamic Positioning systems. In the first quarter of 2009 Converteam was contracted for the supply of DP, automation and power & propulsion systems for a Noble Drilling Holdings LLC (USA) drillship, and automation and DP systems for Greatship Global Offshore Services (Singapore) multi-purpose supply vessels. Moreover, the Group won an order to upgrade the automation system of the Petrobras P23 semisubmersible platform in Brazil.

Although the Oil & Gas market is on the decline with regard to 2008, Converteam also recorded orders worth noting in the first half of 2009, including the provision of electrical equipment for three gas compression stations designed for Abu Dhabi Company for Onshore Oil Operations (ADCO) in the U.A.E. and upgrading and revamping work contracts, namely for the Ebocha Oil Center, Nigeria and the Petrogal Sines Refinery, Portugal.

Given the world's growing energy needs and with the European Union and China calling for a significant development of renewable source by 2020, the deployment of large offshore and onshore wind turbines will be necessary in the coming years, due to the relatively cheaper cost of wind energy compared to other types of renewable energies (solar or wet renewables). In 2009 Converteam confirmed its market position as a leading supplier of wind converters and generators among the independent wind power firms, with the signature of an agreement with a new Chinese wind turbine manufacturer –Baoding Huide Wind Power Engineering Co.– in addition to its existing references.

Besides, the Group also received an order to supply variable speed drive systems for the Jules Horowitz reactor (RJH) at the Center for Nuclear Energy (CEA - Commissariat à l'Energie Atomique) in Cadarache, France.

Converteam is an important player in the industry sector, one of the major segments of which is metals, severely hit by the crisis. The drop in global steel production, from 30 to 40% at the end of March, particularly affected Europe and North America with the freeze of projects by large steelmakers, customers of the Converteam Group. However, 2009 sees the return in strength of Converteam in the mining field with two major mine upgrade projects in Ontario (Sifto Canada Corp., Goderich Salt Mine) and in Saskatchewan (Agrium Inc., Vanscoy Potash Mine) with consortium partner SIEMAG M-TEC².

Moreover, Converteam is actively involved in several R&D initiatives, namely to develop energy from waves and tide. Other R&D projects include "Posei2don", an EU-funded project to make a clean fully-electric ship based on Converteam's new generation of superconducting motors and generators.

As part of a comprehensive strategy based on providing its customers with a local offering while lowering costs, Converteam pursues its geographical expansion. In addition to its long-established facilities in Europe and in the USA, the Group is present in Brazil, Russia, India, Korea, Singapore, China and in the Middle-East. A new rotating machines factory in Yantai, China will start its operations during summer 2009. Together with the existing plants in Europe and North America, it will enhance Converteam global market presence. In addition, after setting up a commercial presence in Algiers in 2008 to better address the North African market, we plan to open an office in Scandinavia, where there are many opportunities for the Group's core markets, namely in the Oil & Gas sector.

About Converteam

Converteam Group 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. Converteam develops and provides solutions built around three core components: rotating machines, drives and process automation. Serving specialized sectors as well as its core markets in Marine Offshore, Oil & Gas and Offshore, Energy and Industry, its 5,300 staff members provide power conversion solutions worldwide. At year-end 2008, Converteam sales totaled € 1,099,000,000.