**HISTORY**

Alstom is a French [multinational company](https://en.wikipedia.org/wiki/Multinational_company) operating worldwide in [rail transport](https://en.wikipedia.org/wiki/Rail_transport) markets, active in the fields of passenger transportation, signalling and locomotives, with products including the [AGV](https://en.wikipedia.org/wiki/AGV_(train)), [TGV](https://en.wikipedia.org/wiki/TGV), [Eurostar](https://en.wikipedia.org/wiki/British_Rail_Class_373), and [Pendolino](https://en.wikipedia.org/wiki/Pendolino) high-speed trains, in addition to suburban, regional and metro trains, and [Citadis](https://en.wikipedia.org/wiki/Citadis) trams. Alstom (originally as Alsthom) was formed from a merger between [Compagnie Française Thomson Houston](https://en.wikipedia.org/wiki/Compagnie_Francaise_Thomson-Houston) and the [Société Alsacienne de Constructions Mécaniques](https://en.wikipedia.org/wiki/Soci%C3%A9t%C3%A9_Alsacienne_de_Constructions_M%C3%A9caniques) in 1928; significant acquisitions included the Constructions Electriques de France (1932), shipbuilder [Chantiers de l'Atlantique](https://en.wikipedia.org/wiki/Chantiers_de_l%27Atlantique) (1976), and parts of [ACEC SA](https://en.wikipedia.org/wiki/ACEC_SA) (Belgium, late 1980s). A merger with parts of the [General Electric Company plc](https://en.wikipedia.org/wiki/General_Electric_Company_plc) (UK) formed GEC-Alsthom in 1989; the company became Alstom in 1998.

In 2004, Alstom was in financial crisis due to massive inherited unexpected costs (€4 billion) arising from a design flaw inherited from the acquisition of [ABB Group](https://en.wikipedia.org/wiki/ABB_Group)'s turbine business, in addition to losses in other areas of the business. The company required a €3.2 billion state-backed bailout in 2003 – and as a result was required to sell several divisions including shipbuilding and electrical transmission to comply with EU rules on state aid. In 2014, Alstom and [General Electric](https://en.wikipedia.org/wiki/General_Electric) (GE) announced that a US$17 billion (€12.4 billion) bid for the company's power and [grid](https://en.wikipedia.org/wiki/Power_grid) divisions had been made and provisionally accepted. After modification of the deal following political controversy in France relating to the take over by a foreign company of a strategic player in heavy industry, GE's bid was modified; to include joint ventures in power generation and electrical transmission, and the sale of its own rail signalling business to Alstom. The GE acquisition deal for the power and grid division was accepted by EU and US anticompetition authorities in mid 2015, subject to the sale of Alstom's heavy gas turbine business. The acquisition was finalised on 2 November 2015, with GE acquiring Alstom's power generation and electricity transmission business (combined as GE Power) leaving the Alstom company operating solely in the rail transport market.

In March 2016 a joint venture of Alstom and [Gibela](https://en.wikipedia.org/wiki/Gibela) began construction of a new 60,000 square metres (650,000 sq ft) train building factory in [Dunnotar](https://en.wikipedia.org/w/index.php?title=Dunnotar&action=edit&redlink=1) nr. Johannesburg, (South Africa). Initial orders for the factory included 580 [X'Trapolis Mega](https://en.wikipedia.org/wiki/X%27Trapolis_Mega) passenger trains for [PRASA](https://en.wikipedia.org/wiki/Passenger_Rail_Agency_of_South_Africa) - a €4 billion contract awarded in 2013. In September 2016 Alstom announced it was to cease locomotive manufacturing at its [Belfort](https://en.wikipedia.org/wiki/Belfort) (France) site by 2018 due to low orders, with remaining production transferred to [Reichshoffen](https://en.wikipedia.org/wiki/Reichshoffen) (Alsace). However, in early October 2016 the French state placed an order of about €650 million for 15 TGV Euroduplex trains; an order for 20 locomotives; plus an order for 30 intercity trains to be built at Reichshoffen. Together the orders were sufficient to prevent the plant closing in the short to medium term.

**Alstom’s values: Team, Trust and action**

**Team-** Alstom's business is based on our **collective discipline and efforts** to deliver and execute projects successfully, and networking to ensure we take full advantage of all the competencies available.This team spirit, grounded in our dedication to each employee's development, extends to our collaboration with our partners and customers.

**Trust- Mutual trust is essential for the proper conduct of our business and the efficient management of our projects.** Trust is built on the responsibility given to each decision maker, the delegation of authority, and the belief in the importance of each employee's role in Alstom's development. It is based on the openness of each individual to his or her professional environment to ensure transparency.

**Action-** To reach Alstom's commitment to deliver the very best products and services that exceed customer expectations, **action is a priority for all of us**. Action is built on strategic thinking and underlined by our customer care, integrated into our daily activities and into each project.

**PROBLEMS**

Bharat Salhotra, managing director of Alstom Transport  admitted there were problems and challenges. "The infrastructure in the region is not developed. Roads are bad, making access to the factory site difficult. We faced similar problems and conditions while working in South Africa," he said. However, he expressed confidence about meeting the February 2018 deadline to supply the first prototype loco that will have to undergo various tests. The research on the design was already in progress. The first five locos, out of the total 800 that are to be manufactured as part of the contract, will be imported, and the remaining will be made at Madhepura. Giving the schedule of supply, Salhotra said, after the first prototype, the second is to be supplied in 2019.The second one will also be tested. Only when it is approved that they will go for increased production - 35 locos in 2020, 60 in 2021 and then 100 each every year till 2029.

 They encountered impact of operational problems with GT24/26 gas turbines and in UK trains and reduce its high level of debt.

**Dealing with Past Issues**

**1. GT24/26 heavy-duty gas turbines**- Major progress has been made in developing the technical recovery package on the GT24/26 heavy-duty gas turbines. Commercial settlements have been reached on 61 of the 80 units sold, of which 20 are unconditional and 41 require additional  improvements, either to performance or to the lifetime of key components.  Of the 19 units on which commercial settlements have not been reached, seven are currently subject to litigation and negotiations are underway on the remainder.

**2. UK trains**- All trains under the UK regional contracts have been delivered, but a programme to improve the trains’ reliability is ongoing and leading to additional costs.  Trains are also being delivered on the West Coast Main Line (WCML) contract at the rate of two units per month, in line with customer requirements.  Services on the line began in January 2003 and the remaining 41 trains are scheduled for delivery by September 2004, but there have been major delays and cost-overruns on this contract.

**3. Marine Vendor Financing**- ALSTOM’s total gross exposure on Marine vendor financing has reduced to €900 million, largely due to currency effects.  The Company believes it has adequate provisions in its accounts, provided there is no further deterioration in the cruise-ship holiday market.

**4. Asbestos**- The Company reiterates that it believes it has no material liability in respect of asbestos personal-injury cases.  In France such liabilities are covered by publicly-funded systems.  In the USA the businesses purchased from ABB are covered by an ABB indemnity.  For its other US businesses, ALSTOM believes its exposure is insignificant and considers the cases filed against the Company are without merit.  Currently, the Company has 80 asbestos cases, grouping a total of 6,200 asbestos claims, following the filing of new cases and the dismissal of others.  ALSTOM has made no compensation payments.

**Action Plan**

The action plan comprises three main elements:

1. Focus ALSTOM’s range of activities, while strengthening its financial base extended disposal programme to generate proceeds of €3 billion. ALSTOM will refocus its activities on the power generation and transport markets by selling the Transmission & Distribution Sector (T&D) and the Industrial Turbines business.

2. Improve operational performance and adapt to market conditions  Cost Reduction: €500 million of annual recurring savings within 2 years. All existing cost-reduction initiatives will be accelerated, while new overhead reduction targets will be assigned at Corporate, International Network and Sector levels.

3. Overhaul of organisation and management. Immediate action will be taken to implement a more efficient organisation.

**BENEFITS**

27 June 2017 - Alstom has obtained the first AFAQ ISO 37001 certification awarded by AFNOR Certification following an audit carried out between March and May 2017 at seven sites in France and Europe, confirming its commitment to fight corruption.

*"We are very proud to be among the first companies in the world to receive this certification. It demonstrates our strong commitment to ethics and validates the considerable efforts made internally to increase communication and awareness of our ethical procedures and values, implemented by our Ethics and Compliance Department,"* says Henri Poupart-Lafarge, Chief Executive Officer of Alstom.

*"We have observed a strong desire by the top management and the teams to set up initiatives to fight corruption in Europe. Several procedures, coordinated with efficiency at the European level by the Ethics and Compliance team, were commended during the audit: alert systems, prevention within Purchasing, the sales teams and Human Resources. At the end of 2016, Alstom took advantage of the publication of the ISO 37001 standard to reinforce its approach by using best practices shared at the international level. Audits will be held every year to ascertain the sustainability of this new system of management,"* says Franck Lebeugle, Managing Director of AFNOR Certification.

**HISTORY**

<https://en.wikipedia.org/wiki/Alstom>

<http://www.alstom.com/about-us/>

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**PROBLEMS-ALSTOM**

<http://economictimes.indiatimes.com/industry/indl-goods/svs/engineering/alstom-starts-fencing-100-acre-locomotive-plant-site-at-madhepura/articleshow/52338725.cms>

<http://www.alstom.com/press-centre/2003/3/ALSTOM-presents-new-action-plan-20030312/>

**BENEFITS**

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**STATISTICS**

http://www.alstom.com/Global/Group/Resources/Documents/Investors%20document/Financial%20results/2015-16/FY15-16%20Notes%20annexes%20VA.pdf?epslanguage=en-GB

**VIDEOS**

<https://www.youtube.com/watch?v=Tfhh04sokzM>

<https://www.youtube.com/watch?v=Ez3L4BFB2Bo>

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