

PRESS RELEASE



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Amtrak and Bombardier/Alstom Consortium Announce Resolution of Legal Claims

March 17, 2004 - The Consortium of Bombardier/Alstom and Amtrak today announced an agreement, settling all current legal disputes associated with the comprehensive \$1.2 billion US high-speed rail program. This program covered delivery, performance and maintenance, for a ten year period, of 20 high-speed *Acela Express*** trainsets, the purchase of 15 additional high-speed electric locomotives and the construction of three new maintenance facilities.

Under the terms of the agreement, the parties will drop all claims against each other relating to the program and the Consortium will be entitled to receive up to \$42.5 million US against approximately \$70 million US that Amtrak previously withheld. In addition, the parties will amend the maintenance services contract for the trainsets, allowing Amtrak to assume responsibility for the trains' maintenance in October 2006.

"Instead of continuing to spend unnecessary time and money on costly and attention-diverting litigation, the full focus of our efforts will now be on improving the performance of *Acela Express* and delivering the best service we know how for the passengers who enjoy and depend on it," said Amtrak President and CEO David L. Gunn.

"The Consortium is satisfied with the solution reached out of court with Amtrak," commented Paul Tellier, President and Chief Executive Officer of Bombardier Inc. "The Consortium will respect Amtrak's strategy to provide maintenance services and will take the necessary steps to ensure a seamless transition between now and October 2006," added Mr. Tellier.

In November 2001, Bombardier filed a lawsuit against Amtrak in the U.S. District Court for the District of Columbia seeking damages in connection with the high-speed rail project. Amtrak then countersued, seeking its own damages in connection with the project. The agreement announced today settles Bombardier's lawsuit and Amtrak's countersuit, and speeds up to October 2006 the transfer of the maintenance responsibility from the Northeast Corridor Maintenance Service Company (or NECMSC) to Amtrak. The transfer was originally foreseen in 2013.

Amtrak and NECMSC have committed to work closely together over the next three years to ensure and maximize the trains' operational reliability.

"During the transition period, training will be provided to Amtrak employees and after October 2006, NECMSC will continue to provide equipment parts and technical advice to Amtrak's Mechanical department, as needed," explained Mr. Fred Einbinder, Chairman of the Board of NECMSC and General Counsel of ALSTOM Transport.

Acela Express is Amtrak's premium service in the Northeast, with 10 daily roundtrips between Boston and New York, including intermediate stops, and 13 daily roundtrips between Washington and New York, with intermediate stops.

Development of the high-speed service began in 1996, when Amtrak and the Consortium agreed to the design and manufacture of the *Acela Express* trainsets, the building of maintenance facilities in Boston, New York and Washington, and maintenance of the equipment for a period of ten years. (The 10-year term started in 2003.) The first of the trainsets was delivered in December, 2000 and since its introduction into revenue service, more than 6 million passengers have ridden *Acela Express*.

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About Amtrak

Amtrak provides intercity passenger rail service in 500 communities in 46 states across a 22,000-mile route system. For schedules and fares, visit Amtrak's website at www.amtrak.com or call 800.USA.RAIL.

About Bombardier

A world-leading manufacturer of innovative transportation solutions, from regional aircraft and business jets to rail transportation equipment, Bombardier Inc. is a global corporation headquartered in Canada. Its revenues for the fiscal year ended Jan. 31, 2004, were \$21.3 billion Cdn and its shares are traded on the Toronto, Brussels and Frankfurt stock exchanges (BBD, BOM and BBDd.F). News and information are available at www.bombardier.com.

About Alstom

ALSTOM is a global leader in power generation and rail transport infrastructure. The Company serves the energy market through its activities in the field of power generation and the transport market through its activities in rail and marine. ALSTOM's annual sales are around €17 billion. It employs 75,000 people in over 70 countries worldwide. www.alstom.com

About NECMSC

The Northeast Corridor Maintenance Service Company (NECMSC) is jointly owned and operated by Bombardier and Alstom. It was created to provide maintenance and related services for high-speed trainsets operated by Amtrak. NECMSC conducts servicing activities at three maintenance facilities in Boston, New York and Washington, D.C. NECMSC management team oversees maintenance operations carried out by Amtrak.

** *Acela Express* is a trademark of Amtrak