

Joint press release by:



German High-Speed Initiative

A joint approach of BWG, Pfleiderer and Siemens

Guangzhou, December 2, 2003

In the presence of the German Chancellor Gerhard Schröder and the Governor of Guangdong Province, Huang Huahua,

German companies agree on High-Speed Initiative in China

BWG, Pfleiderer and Siemens establish a Center of Competence in Guangzhou (Canton) in cooperation with the Guangdong Railway Group

In the presence of the German Chancellor Gerhard Schröder and the Governor of Guangdong Province, Huang Huahua, three German companies from the railway technology sector today agreed to establish a “German High-Speed Initiative” in the city of Guangzhou in southern China. These three companies are: BWG, the turnout - systems supplier with headquarters in Butzbach/Hessen; Pfleiderer Infrastrukturtechnik, the track systems and equipment supplier located in Neumarkt/Bavaria; and the Transportation Systems Group of Siemens AG. The purpose of this agreement is to establish Centers of Competence in China which will provide support and know-how to local and national rail operators. This assistance will be based on the experience that has been gained from large-scale railway projects in Germany and many other countries.

Today, the representatives of the three German companies and Guangdong Railway Group Corporation Ltd., represented by the General Manager, Yang Tu Sheng, also signed a Letter of Intent (LoI) for the first Center of Competence of the German High-Speed Initiative. The

facility is to be set up in Guangzhou and will support the development of the new 127-kilometer high-speed route from Guangzhou to Zhuhai. Like Foshan, Shenzhen and Hong Kong, Guangzhou and Zhuhai are the most important centers of industry in the Pearl River Delta. At present, this region is enjoying the fastest economic growth in China and is responsible for approximately one third of China's gross domestic product. In accordance with a program for improving the railway network, Guangdong Province, being the main region of the Pearl River Delta, is planning to link up these cities with a modern intercity railway network (designed to carry mixed traffic of high-speed and commuter trains). In its final phase, this network will have a total track length of up to 600 km.

BWG

BWG belongs to the Railway Systems Division of Austrian voestalpine AG, a company listed on the Vienna stock exchange. BWG is a leading partner for modern Turnout - System Technology and is a renowned specialist for High-Speed applications on many railroads worldwide. The company does much more than just deliver turnouts. The entire handling of a project together with the client starting with construction all the way to smooth, economic operation is as important as support in logistics and consulting at the installation of BWG's turnouts. With its continuous R & D and a top of the range product spectrum the company has specialized itself in Turnout - System Technology.

In the financial year 2003/2004 BWG will generate a turnover approx. €150 million with a staff of 840.

More information can be found on our homepage at <http://www.bwg.cc>

Pfleiderer Infrastrukturtechnik

Pfleiderer Infrastrukturtechnik - daughter of the SDAX listed Pfleiderer AG (ISIN DE0006764749) - has produced concrete sleepers and bearers for railways and urban traffic since 1954 in Germany and world-wide. As market leader in Germany, Pfleiderer provides engineering, production, supply, logistics, and quality management from a single source. With its own production plants in Germany, Spain, Hungary, Romania and Taiwan, Pfleiderer Infrastrukturtechnik achieved sales of more than 107 million euros for fiscal year 2002. Due to extensive research and development works Pfleiderer can offer a wide product range of innovative track systems on the basis of ballast, asphalt and concrete for various applications. The monolithic, ballastless RHEDA 2000® system for high-speed traffic applications is the most advanced development within the large product range of track systems on the basis of concrete. With optimised systems solutions in the range of ballastless track systems - Pfleiderer is setting new standards in urban traffic: There are systems with track-supporting layers out of concrete or asphalt for low speeds and reduced axle loads which are especially designed for the use of trams, underground and commuter transit.

Further information can be found in the internet at <http://pfleiderer-track.com>.HYPERLINK



Siemens Transportation Systems

The **Transportation Systems Group** (TS) of Siemens AG is one of the leading international suppliers to the railways industry. As single source supplier and system integrator, the Group combines in its business segments Automation & Power, Rolling Stock, Turnkey Systems and Integrated Services all the expertise necessary to cover the spectrum from signaling and control systems to traction power supplies, as well as rolling stock for mass transit, regional and main line services. Extensive experience in project management and forward-looking service concepts complement our portfolio. In fiscal 2002 (ended September 30) TS generated sales of EUR4.4 billion with a staff of around 17,100 the world over.

Further information on TS can be found at www.siemens.com/ts.

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