

### Energy Sector

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#### **Siemens to strengthen its renewables business**

Company to set up two divisions for wind power, and solar and hydro

**Siemens is gearing up for further growth in renewables. Effective October 1, 2011, the company wants to realign its renewables business into two independent units. The existing Renewable Energy Division shall be divided into two new divisions Wind Power and Solar & Hydro. Dr. Felix Ferlemann, to date head of the Chassis Systems Division of Benteler Automotive, is to be appointed CEO of the Wind Power Division. “We want to continue our success story in wind power business and establish the basis for further growth,” said Michael Suess, CEO of the Siemens Energy Sector. Siemens also intends to bundle its solar and hydro power business activities in a new division Solar & Hydro. “We’re separating solar and wind power because these two markets are at very different stages of development. In the new unit Solar & Hydro we’ll be moving forward with research and development in the field of solar power to further increase our competitiveness. In our established wind power business we’ll be forging ahead with industrialization and internationalization. Germany, the rest of Europe and the whole world need power storage systems for the integration of renewables. Our Solar & Hydro Division will therefore also be handling the strategic issue of power storage,” Suess added. The future CEO of this division has not yet been appointed.**

Since 2004, Siemens wind power business has posted rapid growth. The work force has in the meantime increased approximately ten times over from 800 to approximately 7700, and revenue has even risen by a factor of twelve to approximately EUR3.2 billion. In the future, the industrialization of manufacturing and logistics with a view to reducing power generation costs through high-efficiency production will play a decisive role in wind power business. Particular importance will also be attached to regionalization in order to enhance customer intimacy. Siemens will therefore in the future be conducting its wind energy business below division level from three regional business units located in the U.S., Asia and Europe.

“With the new setup we want to ensure that we continue the success story with our wind power business in the future, too,” said Suess. “The starting position for that is good: We’ve got an order backlog of almost 11 billion euros, and we’re world market leader in offshore wind farms, the market sector posting the fastest growth. We also want to forge ahead with onshore wind turbines.” To further reduce wind-based power generating costs the company will focus on new products and industrialized manufacturing and logistics. For example, nacelles are now produced in a continuous flow manufacturing process, with the automation of rotor blade production to follow. Only recently Siemens installed the prototype of its new direct drive wind turbine rated at 6 megawatts and announced investments of 150 million euros in two new R&D locations in Denmark. In addition to innovation and industrialization, internationalization of the manufacturing and marketing & sales network will play a key role in Siemens strategy. Following the opening of two new factories in the U.S. and China in late 2010, the company is planning further production facilities in Canada, the UK, India and Russia, and now also in Brazil. Siemens wants to expand its market share in emerging countries with local value added and the development of wind turbines for China and India.

Siemens will bundle its activities in the fields of solar and hydro power in the Solar & Hydro Division. In this field Siemens acts as general contractor for large-area photovoltaic (PV) installations in the megawatt capacity range. Only recently, the company also acquired a minority stake in Semprius, a developer of high concentrating PV modules. In the field of solar thermal power the range of products offered extends from components such as solar receivers and solar fields to complete solar thermal power plants. In addition to business with small hydro power plants the new Division will also encompass the Siemens stakes in Voith Hydro (35 percent), one of the leading vendors in the hydro sector, and in Marine Current Turbines (approximately 10 percent), a pioneer in tidal current energy turbines. The new unit will also be a center of competence for the development of power storage technologies.

Wind turbines, solar power and components for hydro power plants are part of Siemens’ Environmental Portfolio. In fiscal 2010, revenue from the Portfolio totaled about EUR28 billion, making Siemens the world’s largest supplier of ecofriendly technologies. In the same period, our products and solutions enabled customers to reduce their carbon dioxide (CO<sub>2</sub>) emissions by 270 million tons, an amount equal to the total annual CO<sub>2</sub> emissions of the megacities Hong Kong, London, New York, Tokyo, Delhi and Singapore.

The **Siemens Energy Sector** is the world’s leading supplier of a complete spectrum of products, services and solutions for the generation, transmission and distribution of power and for the extraction, conversion and transport of oil and gas. In fiscal 2010 (ended September 30), the Energy Sector had revenues of approximately EUR25.5 billion and received

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new orders totaling more than EUR30.1 billion and posted a profit of more than EUR3.6 billion. On September 30, 2010, the Energy Sector had a work force of more than 88,000. Further information is available at: [www.siemens.com/energy](http://www.siemens.com/energy).