

Energy Sector Fossil Power Generation Division

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Siemens expands global manufacturing network for gas turbines

New facility in Charlotte produces for the U.S. and worldwide markets

Siemens is continuing to expand its worldwide network of gas turbine manufacturing facilities. The company has invested more than \$350 million in a 42,000-square-meter plant in Charlotte, North Carolina, creating 700 new jobs. “With our cutting-edge gas turbine production, we are setting new standards in quality, productivity, competitiveness, and flexibility,” said Michael Suess, member of the Siemens AG Managing Board and CEO of the company’s Energy Sector. “The Charlotte plant will not only supply the U.S. and other countries that use 60 hertz grids, but will also export our advanced power plant technology around the world. We project that exports from this location will increase to more than \$400 million annually. After Berlin, Charlotte is the second key pillar in our international manufacturing network, which we will further strengthen with facilities in Russia and Saudi Arabia.” Charlotte is the only Siemens plant in the world that makes both gas and steam turbines as well as generators. The facility also plays a key role in the important power plant service business.

Worldwide demand for high-efficiency gas power plants is driven by the high availability of natural gas, the aging power plant inventory, and the desire to reduce carbon dioxide emissions. “As market leader, with a market share of more than 40 percent in advanced gas turbines, Siemens will of course benefit from this,” added Suess. “We consider the U.S. a very attractive market, and we will play an important role in covering U.S. and worldwide demand for clean, affordable, and dependable energy.” With around 60,000 employees in all 50 states, Siemens has established itself as one of the major employers in the U.S. “Thanks to the support from the North Carolina state and local governments, which helped us locate in Charlotte, we have been able to establish the facility as an export hub for the worldwide export of power plant technology. By 2014 we hope to be able to add another 400 jobs there, for a total of 1,800,” said Suess. As a result of the

investment, an estimated 2,000 additional indirect jobs should be created at suppliers and service providers.

The U.S. electricity market is the world's largest, comprising one fifth of both global demand and power plant capacity. Power plant solutions from Siemens provide a third of the U.S. power supply. Siemens energy management and high-tension systems are used in a third of the American electricity transmission grid, and have improved its transmission performance by up to a quarter. Siemens is also one of the leading suppliers of wind turbines in the U.S.

The average age of coal-fired power plants in the U.S. is about 40 years. This means that there is great potential for replacing these with modern, more efficient power plants. Even in comparison with much newer gas power plants in the U.S., the latest-generation Siemens gas turbines, in combination with steam turbines, can reduce gas consumption as well as carbon dioxide (CO₂) by a third. And compared to coal-fired power plants, the reduction in emissions can be even higher. For example, in Irsching near Munich, Germany, innovative Siemens technology recently achieved a record 60.75 percent efficiency in a combined-cycle power plant. The company's highly flexible H-class turbines are also ideal for delivering reserve power in situations where a large proportion of the power comes from highly fluctuating renewable sources, such as wind or solar power.

High-efficiency gas turbines are part of Siemens' environmental portfolio, with which the company earned revenues of around €30 billion in fiscal year 2011. This makes Siemens the world's largest supplier of environmentally friendly technology.

The **Siemens Energy Sector** is the world's leading supplier of a complete spectrum of products, services and solutions for power generation in thermal power plants and using renewables, power transmission in grids and for the extraction, processing and transport of oil and gas. In fiscal 2011 (ended September 30), the Energy Sector had revenues of EUR27.6 billion and received new orders totaling approximately EUR34.8 billion and posted a profit of more than EUR4.1 billion. On September 30, 2011, the Energy Sector had a work force of more than 97,000. Further information is available at: www.siemens.com/energy.