

Siemens in Russia

- In fiscal 2012 (October 1, 2011 – September 30, 2012), sales to customers in Russia amounted to nearly EUR 1.608 billion and new orders totaled around EUR 2.174 billion.
- Siemens currently has more than 2,950 employees in Russia.
- Siemens' strategy in Russia is centered on:
 - Regionalization, with representative offices in the Russian federal districts of Moscow, St. Petersburg, Yekaterinburg, Novosibirsk, Khabarovsk, Samara, and Rostov-on-Don as well as in over 30 Russian cities.
 - Localization, along the entire value added chain, including research and development, with Corporate Technology labs in Moscow and St. Petersburg; engineering and services provided by all Sectors at various locations nationwide; and manufacturing – primarily in the Energy and Industry Sectors. Over the coming years, Siemens plans to invest – together with its partners – EUR 1 billion in various localization projects.
 - Energy efficiency, based on the study conducted by Siemens for the city of Yekaterinburg and on defined levers and business models, is targeted at supporting Russia in achieving energy savings of 44 to 79 percent of its primary energy consumption.
- Siemens expanded its partnership with Russian Railways after providing Velaro RUS (Sapsan) high-speed trains for the rail routes between St. Petersburg, Moscow and Nizhny Novgorod.
- Siemens received LEED Gold Certification for its new office building in Moscow in 2012.

Siemens offers a wide range of solutions and services in Russia, where its Energy, Healthcare, Industry, and Infrastructure & Cities Sectors occupy leading positions. In fiscal 2012, Siemens in Russia scored major successes in all four Sectors:

Energy Sector

The Sector supplies a wide range of products, solutions and services covering a full spectrum of energy technologies. During the year, the Sector completed the modernization of Unit 6 at the Kirishskaya power plant operated by OGC-2, part of Gazprom Energoholding. This project is one of the biggest repowering projects in the country in the field of power generation. Siemens launched the project, its first repowering contract in Russia, on March 23, 2012. As part of the project, Siemens replaced the old steam turbine unit in Unit 6 with an efficient combined cycle power plant (CCPP) unit which nearly tripled the installed capacity from 300 to 800 MW. Siemens also inaugurated a transformer manufacturing facility in Voronezh in February 2012, making it the first Siemens transformer plant in Russia and the company's 21st such facility worldwide. The plant produces power transformers with a capacity of up to 220 kV and traction transformers for locomotives. These products contribute to the modernization of the nation's power grid and increase the efficiency of power supplies in Russia.

The Nord Stream natural gas pipeline through the Baltic Sea began commercial operation in May 2012. The Oil & Gas Division supplied a large-scale automation and distributed control system and emergency shutdown systems for the pipeline maintenance systems.

The Energy Service Division also signed long-term maintenance contracts with the Svetogorsk Paper Mill to supply and service an SGT-600 gas turbine, and with Inter RAO-Generation to service four SGT-700 gas turbine units at the Sochi combined heat and power plant.

Healthcare Sector

Siemens supplied advanced medical equipment for federal medical centers in Smolensk (orthopedic center), Barnaul (orthopedic center) and Novosibirsk (neurosurgery). The Diagnostics Division won two tenders for contributing to Moscow's modernization program: The contracts include the delivery of 444 items of DX laboratory equipment to various clinics in the city and made Siemens one of the

leading diagnostics players in Russia. Siemens also showed impressive results with its x-ray products, winning a contract for 95 mobile digital x-ray units to be supplied to 43 clinics in Moscow. This was the first large direct contract signed between Siemens and the Government of Moscow. As part of the national modernization program, Siemens will supply 100 computed tomography (CT) systems to hospitals and clinics in different regions of Russia and 12 magnetic resonance imaging (MRI) systems to a leading private diagnostic center. The Sector also landed a major order to install 17 angiography systems in a number of Russian clinics.

Industry Sector

The Industry Sector signed a strategic long-term partnership and cooperation agreement with Transneft oil company. Siemens also won an additional order for equipment worth EUR 66 million for the previously existing East Siberia-Pacific Ocean (ESPO) contract with Transneft.

Siemens gained several new strategic customers among the Russia's top 100 companies, such as Urals Mining Company (UGMK), Polyus Gold, Metalloinvest and Russian Machines. The Industry Automation Division continued its successful cooperation with the Volkswagen (VW) Group in Russia and won new orders worth approximately EUR 9 million for factory automation projects. The Drive Technologies Division was awarded a contract to supply generators to Lukoil, the biggest private oil company in Russia. The Customer Services Division initiated a new project to modernize oil pumping stations for Transneft. And the Metals Technologies Business Unit signed a contract, worth EUR 185 million, to set up a new hot briquetting iron plant for the Lebedinsky mining company.

Infrastructure & Cities

Siemens and Russian Railways (RZD) signed a contract, worth over EUR 650 million, for the delivery of a second series of eight Velaro RUS (Sapsan) trains and a 30-year service contract. The First Desiro RUS trains (Lastochka) were delivered to Russia for testing and newly designed sleeping coaches were delivered to the Tver coach manufacturing factory (TVZ).

The Mobility & Logistics Division executed its first engineering contract, valued at over EUR 3 million, for rail marshalling yards. This project will help modernize the world's largest freight railway network. Siemens won the contract to provide intelligent traffic management systems for Moscow's 3rd ring project. The company's technologies are already efficiently monitoring and managing street traffic on one of Moscow's busiest ring roads.

The Smart Grid Division signed an agreement with FSK and MRSK, federal energy utilities, paving the way to supply energy automation equipment throughout Russia for modernizing and extending the grids. Siemens also won a rail electrification contract to supply overhead contact line components for 6 tunnels with overall length of 10,5 km providing installation supervision in the region of Sochi.

The Low and Medium Voltage Division was awarded several contracts from major Russian customers like Lukoil and Rosneft in the oil & gas industry. The Moscow Oil Refinery signed a contract worth more than EUR 7 million with Siemens to modernize its medium-voltage equipment. FSK and MRSK also awarded several medium-voltage equipment contracts to Siemens. In addition, the Division won its first order for the Hypercube in Skolkovo Innovation City near Moscow.

The Building Technologies Division won Control Products and Systems (CPS) contracts for building infrastructure in Sochi for facilities such as the Central Stadium, the Bolshoi Ice Palace and the Oval Skating Center. Siemens also received several CPS contracts from several hotels in various parts of the country.

Siemens has been committed to Russia since the company's earliest days. After delivering 75 pointer telegraphs for the St. Petersburg-Moscow telegraph line in 1851, Siemens established an office in St. Petersburg in 1853 to handle construction of the first state telegraph network. The company's long-term involvement with Russia has been characterized by tradition and innovation. Over the years, Siemens has developed a close partnership with a number of educational and research institutions throughout Russia and has cooperated in various research and development projects. In 2012, Siemens became a participant in Russia's ambitious Skolkovo Innovation City project which is focusing on energy efficiency, material science, software development and other areas of innovation. Mr. Peter Löscher,

President and CEO of Siemens AG, is a member of the Skolkovo Foundation Council.

Siemens Russia is supporting the government in its efforts to improve the country's investment climate by serving as a member of the Foreign Investment Advisory Council to the Russian Prime Minister, and by heading the think tank for energy efficiency.

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