

Siemens and AES join forces to create Fluence, a new global energy storage technology company

- § **Fluence combines the extensive technology expertise, unique energy storage market experience, and global reach of Siemens and AES to offer proven and cost-competitive energy storage systems for a rapidly transforming sector.**
- § **Fluence will deliver the Advancion and Siestorage energy storage platforms and will continue to develop new storage solutions and services, reaching customers in over 160 countries.**
- § **The transaction is expected to close in the fourth quarter of calendar year 2017 following regulatory approvals.**

Siemens AG (“Siemens”) and The AES Corporation (NYSE: AES, “AES”) announced today their agreement to form a new global energy storage technology and services company under the name Fluence. The joint venture will bring together AES’ ten years of industry-defining experience deploying energy storage in seven countries with over a century of Siemens’ energy technology leadership and its global sales presence in more than 160 countries. Combining the proven AES Advancion and Siemens Siestorage energy storage platforms with expanded services, Fluence will offer customers a wider variety of options to meet the challenges of a rapidly transforming energy landscape. The company will empower customers around the world to better navigate the fragmented but rapidly growing energy storage sector and meet their pressing needs for scalable, flexible, and cost-competitive energy storage solutions.

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Siemens and AES will have joint control of the company with each holding a 50 percent stake. Fluence's global headquarters will be located in the Washington, DC area with additional offices located in Erlangen, Germany and select cities worldwide. The transaction is expected to close in the fourth quarter of calendar year 2017, subject to regulatory and other approvals.

Fluence will operate independently of its parent companies, combining the robust capabilities and expertise from Siemens' battery-based energy storage solutions group under the Energy Management division with AES' subsidiary, AES Energy Storage. AES and Siemens are currently ranked among the leading energy storage integrators worldwide by Navigant Research. Together, the two companies have deployed or have been awarded 48 projects totaling 463 MW of battery-based energy storage across 13 countries, including the world's largest lithium-ion battery-based energy storage project near San Diego, California.

"As the energy storage market expands, customers face the challenge of finding a trusted technology partner with an appropriate portfolio and a profound knowledge of the power sector. Fluence will fill this major gap in the market. With the global reach of an experienced international sales force as well as Siemens' leading technology platform Siestorage at its disposal, Fluence will be perfectly equipped to serve this very interesting market," said Ralf Christian, CEO of Siemens' Energy Management Division.

"Over the past ten years, AES has become a global leader in utility-scale, battery-based energy storage. Today AES' Advancion platform is present in seven countries with more than 200 MW of energy storage deployed, including the largest installed system of its kind in the world," said Andrés Gluski, AES President and CEO. "Partnering with Siemens to form Fluence will offer both large and small customers the full gamut of proven, state-of-the-art energy storage solutions in over 160 countries. This will accelerate the integration of renewables into the energy network of tomorrow."

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The grid-connected energy storage sector is expected to expand from a total installed capacity of three gigawatts (GW) at the end of 2016 to 28 GW by 2022 according to IHS Markit, which is equivalent to the power used by 18.6 million households. By incorporating energy storage across the electric power network, utilities and communities around the world will optimize their infrastructure investments, increase network flexibility and resiliency, and accelerate cost-effective integration of renewable electricity generation.

The AES Advancion and Siemens Siestorage technology platforms each support a multitude of energy storage applications, together representing an industry-leading suite of choices for customers. Siemens brings its experience in microgrid and islanding applications, renewable hybrid technology, black-start capability, and consumer peak shaving, building on its intimate knowledge of customer power needs as a leading global original equipment manufacturer (OEM). AES brings its deep expertise in utility-scale battery-based energy storage solutions for flexible peaking capacity, ancillary services such as frequency regulation, transmission and distribution reliability, and renewable integration applications dating back a decade and representing several of the largest energy storage installations in the world.

To learn more about Fluence, visit www.fluenceenergy.com.

Watch the announcement livestream July 11th, 2017 9:05 am ET or recorded afterward at www.siemens.com/press/fluence. On this website you will also find this press release as well as corresponding press material.

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Joint Press Release
Siemens and AES

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Siemens AG (Berlin and Munich) is a global technology powerhouse that has stood for engineering excellence, innovation, quality, reliability and internationality for more than 165 years. The company is active in more than 200 countries, focusing on the areas of electrification, automation and digitalization. One of the world's largest producers of energy-efficient, resource-saving technologies, Siemens is a leading supplier of efficient power generation and power transmission solutions and a pioneer in infrastructure solutions as well as automation, drive and software solutions for industry. The company is also a leading provider of medical imaging equipment – such as computed tomography and magnetic resonance imaging systems – and a leader in laboratory diagnostics as well as clinical IT. In fiscal year 2016, which ended on September 30, 2016, Siemens generated revenue of €79.6 billion and net income of €5.6 billion. At the end of September 2016, the company had around 351,000 employees worldwide. Further information is available on the Internet at www.siemens.com.

The AES Corporation (NYSE: AES) is a Fortune 200 global power company. We provide affordable, sustainable energy to 17 countries through our diverse portfolio of distribution businesses as well as thermal and renewable generation facilities. Our workforce of 19,000 people is committed to operational excellence and meeting the world's changing power needs. Our 2016 revenues were \$14 billion and we own and manage \$36 billion in total assets. To learn more, please visit www.aes.com. Follow AES on Twitter [@TheAESCorp](https://twitter.com/TheAESCorp).

AES Energy Storage, LLC a subsidiary of The AES Corporation, is a leader in commercial energy storage solutions, which improve flexibility and reliability of the power system, and provide customers with a complete alternative to traditional energy infrastructure investments such as peaking power plants. The company's Advancion[®] 4 energy storage solution is available for sale to leading utilities, power markets, and independent power producers, and AES Energy Storage and its partners can manage installations from concept to operation with a market-proven solution that integrates best-in-class battery and power conversion technologies. To learn more, please visit www.aesenergystorage.com.

Siemens Safe Harbor Disclosure

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Joint Press Release Siemens and AES

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate" "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens' management, of which many are beyond Siemens' control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

AES Safe Harbor Disclosure

This news release contains forward-looking statements within the meaning of the Securities Act of 1933 and of the Securities Exchange Act of 1934. Such forward-looking statements include, but are not limited to, those related to future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES' current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to, our accurate projections of future interest rates, commodity price and foreign currency pricing, continued normal levels of operating performance and electricity volume at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as achievements of planned productivity improvements and incremental growth investments at normalized investment levels and rates of return consistent with prior experience.

Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in AES' filings with the Securities and Exchange Commission (the "SEC"), including, but not limited to, the risks discussed under Item 1A "Risk Factors" and Item 7: Management's Discussion & Analysis in AES' 2016 Annual Report on Form 10-K and in subsequent reports filed with the SEC. Readers are encouraged to read AES' filings to learn more about the risk factors associated with AES' business. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Any Stockholder who desires a copy of the Company's 2016 Annual Report on Form 10-K dated on or about February 24, 2017 with the SEC may obtain a copy (excluding Exhibits) without charge by addressing a request to the Office of the Corporate Secretary, The AES Corporation, 4300 Wilson Boulevard, Arlington, Virginia 22203. Exhibits also may be requested, but a charge equal to the reproduction cost thereof will be made. A copy of the Form 10-K may be obtained by visiting the Company's website at www.aes.com.

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