

Energy Sector Renewable Energy Division

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Siemens to decisively strengthen its position in the growth market solar thermal power
Acquisition of Solel Solar Systems for about \$418 million

Siemens AG is to acquire the solar thermal power company Solel Solar Systems Ltd. To date, the majority stake has been held by Ecofin Ltd., a London-based investment firm, and another major shareholder. “After the rapid and highly successful expansion of our wind power business, we now want to continue this success story in the solar sector. With the acquisition of Solel, Siemens can now strengthen its market position in the promising business of solar thermal power plants. We can thus further expand our extensive Environmental Portfolio – and, as already announced, we will become even greener,” said Siemens President and CEO Peter Löscher. Solel Solar Systems has a workforce of over 500 and is one of the world’s two leading suppliers of solar receivers, which are key components of so-called parabolic trough power plants. The high-growth company, which posted revenue totaling almost \$90 million in the first six months of its current fiscal year (January 1 to June 30, 2009), is also a leader in the planning and construction of solar fields. The purchase price is about \$418 million (currently equivalent to around €284 million¹). The transaction is subject to approval by the responsible authorities. It is anticipated that the closing will take place before the end of this calendar year.

Solel is a successful company in the future-oriented solar power sector, with decades of experience in the development and manufacture of solar field equipment and the planning and construction of solar fields. Since 2006, Solel has also been present on the Spanish market, supplying key components for 15 solar thermal power plants with a combined capacity of 750 megawatts. In addition, the company is also active on the important U.S. market.

“Siemens and Solel are a perfect match,” said René Umlauf, CEO of Siemens’ Renewable Energy Division. “We are the market leader in steam turbines for solar thermal power plants and, with the

¹ At a US\$ rate of 1.47

power block, we can offer a key part for solar power plants – the part that is responsible for power generation. Solel boasts high-efficiency receiver technology and comprehensive expertise in the engineering and construction of solar fields. In the future, we'll be able to offer the key components for the construction of parabolic trough power plants from a single source and to further enhance the efficiency of these plants.”

Until 2020, the market for solar thermal power plants will show annual double-digit growth rates and attain a volume of over €20 billion. In the future, the primary focal growth regions will be the U.S., South Africa, Australia, Spain, India, North Africa and the Middle East.

“Together, we will utilize our know-how in these core competencies to further optimize the water/steam cycle and to further boost the efficiency of solar thermal power plants. Thus we can accelerate the use of this clean technology,” said Avi Brenmiller, CEO of Solel Solar Systems. “Combined with Siemens’ financial strength and its global sales and marketing activities, this will open up promising prospects for our business and hence also for all of Solel’s employees.”

Parabolic trough power plants are the solar-based power generation technology with the best track record of all utility-scale solar technologies. They are particularly suitable for regions with high levels of direct insolation. The principle is simple: curved sun-tracking mirrors capture the sunlight and concentrate it on the solar receiver. A heat transfer medium, which is heated by the concentrated solar radiation, flows through the solar receiver. In a heat exchanger, steam is then generated for a steam turbine, which drives a generator, which in turn generates electricity. Together with the electrical and instrumentation and control equipment and the cooling systems, these components form the power block of a solar power plant.

Products and solutions for solar thermal power plants are part of the Siemens Environmental Portfolio, with which the company posted revenue of nearly €19 billion in fiscal 2008 – about a quarter of Siemens’ total sales – making Siemens the world’s leading provider of ecofriendly technologies.

Siemens AG (Berlin and Munich, Germany) is a global powerhouse in electronics and electrical engineering, operating in the industry, energy and healthcare sectors. The company has around 410,000 employees (in continuing operations) working to develop and manufacture products, design and install complex systems and projects, and tailor a wide range of solutions for individual requirements. For over 160 years, Siemens has stood for technical achievements, innovation, quality, reliability and internationality. In fiscal 2008, Siemens had revenue of €77.3 billion and a net income of €5.9 billion (IFRS). Further information is available on the Internet at: www.siemens.com.

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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 2008 (ended September 30), the Energy Sector had revenues of approximately €22.6 billion and received new orders totaling approximately €33.4 billion and posted a profit of €1.4 billion. On September 30, 2008, the Energy Sector had a work force of approximately 83,500. Further information is available at: www.siemens.com/energy.

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