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## Siemens and Valeo join forces for global leadership in powertrains for electric cars

- **Form a 50:50 joint venture in high-voltage powertrains for electric cars**
- **Strong partners with complementary scope and portfolio**
- **New joint venture becomes strong player in the fast growing market of automotive electrification**
- **Focus to provide innovative and affordable high-voltage components and systems for electric cars in global mass markets**

Siemens and Valeo have signed an agreement to form a joint venture in high voltage powertrains. With this move the companies create a global leader of innovative and affordable high-voltage components and systems for the entire range of electric vehicles including hybrids, plug-in hybrids and full electric vehicles. Building upon their complementary scope and portfolio, the joint venture will provide substantial synergies in manufacturing and sourcing and create a base for sustained growth and profitability. The electric vehicle components market is expected to grow with a compound annual growth rate of more than 20% until 2020. According to the agreement, Siemens and Valeo will each hold a 50% stake in the joint venture, have joint control and account for their respective stake using the equity method.

“We are delighted at the perspective of combining our strengths with Siemens in electrified powertrain systems,” said Jacques Aschenbroich, Chairman and Chief Executive Officer of Valeo. “With the expertise offered by Siemens, a leader in power electronics and electric motor product, Valeo would maintain its technological lead by offering a comprehensive line-up of technologies ranging from micro-hybrid to all-electric solutions. This joint venture also illustrates the ability of European companies to develop leading industrial partnerships to bring breakthrough technologies to the global market.”

Klaus Helmrich, Member of the Managing Board of Siemens AG, said: "The Valeo Siemens joint venture is yet another example of forming a true Europe based company. Combining Siemens' extensive experience in electric motors and inverters with Valeo's automotive business expertise and worldwide customer base would provide both companies with a solid basis in the growing electro mobility market."

Valeo will be contributing its high-voltage power electronics business, including 200 employees of which 90 are based in France, and which is part of the Powertrain Systems Business Group (PTS), Siemens will be contributing its E-Car Powertrain Systems Business Unit, employing around 500 people of which 370 are based in Germany and 130 in China.

The joint venture will have full business responsibility for the development, the sales and the production of high-voltage electric motors and power electronics products above 60V, required for electrified passenger cars and light commercial vehicles. The joint-venture will be able to provide an extended range of products from hybrid drive-train modules and solutions, including electric motors, range-extenders, DC/DC converters, inverters and chargers, to a fully electrified powertrain.

Siemens and Valeo strongly complement one another with regard to their product portfolios, production know-how and geographical spread. As a leading automotive player with strong market intimacy, Valeo has a strong industrial expertise, providing a worldwide customer base in powertrains with competitive and advanced high-voltage electronics produced by automotive certified production lines. Siemens' e-car unit leverages the Group's system design competences in electric drivetrains, its strong engineering and validation base with an excellent experience in traction motor products.

The company's structures will be lean and adapted to global market requirements and the international competitive environment. Its headquarters will be located in Erlangen, Germany.

The joint-venture will have a global focus and cost-efficient regional set-up, providing access to key markets for automotive electrification, such as Europe and

China: headquartered in Germany, with facilities in France, Norway, Poland, Hungary and China.

The joint-venture will offer its 700 employees the opportunity to participate in the uptake of a global leader. Merging activities of two employers of choice, the joint-venture will become a solid, committed and reputable employer. As a high-tech automotive company, it will offer its employees attractive international careers, in the fields of electrification and digitalization.

The project is subject to consultation of the employee representatives. Subject to approval of the relevant authorities, the joint venture is expected to start operations in the last quarter of calendar year 2016.

This press release is available at [www.siemens.com/press/PR2016040250COEN](http://www.siemens.com/press/PR2016040250COEN)

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