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**Siemens announces investments in Russia of €1 billion**

Expansion of technology partnership and presence in Russia

**Over the next three years, Siemens AG intends – together with its partners – to invest €1 billion in Russia. Peter Löscher, President and CEO of Siemens AG, announced this initiative in Moscow today at the annual meeting of the Foreign Investment Advisory Council chaired by Russian Prime Minister Vladimir V. Putin. As a provider of innovative technologies for power generation and transmission, mobility and solutions for urban infrastructures, Siemens can play a key role in Russia's modernization. The company will therefore systematically expand its presence in the country. For example, plans call for the new construction or expansion of locations for production, research and development (R&D) and services in regions such as Yekaterinburg, Perm, St. Petersburg and Voronezh. About 4,000 specialist jobs will be created overall. "Our far-reaching investments underscore Russia's great importance as a strategic core market for Siemens. By entering into a technology partnership, we're supporting the country's ambitious modernization plans and placing our close cooperation with our Russian partners on a new, even broader basis," said Peter Löscher.**

A large part of the planned investments – some €700 million – will focus on the future-oriented energy market. For example, plans call for about €400 million to be invested in new production facilities for efficient gas turbines and in the expansion of the service business. In August, Siemens announced a joint venture with the Russian company Power Machines to manufacture, market and service gas turbines. To be headquartered in St. Petersburg, this cooperative venture will be launched as soon as the relevant antitrust authorities approve the transaction. In the area of renewable energies, plans call for the construction of a new production plant for wind turbines and a rotor blade manufacturing facility, for which investments totaling roughly €120 million have been earmarked. An additional investment of some €115 million is slated for a local manufacturing plant for transformers and production facilities for high-voltage products and gas-insulated switchgear in Voronezh. Together with its Russian partners, Siemens also intends to spend a further €60 million to build a production plant in Perm to manufacture pipeline compressors for Russia's oil and gas industry.

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In addition to the energy segment, rail technology is also a very promising market in Russia – and one for which Siemens and its Russian partners can provide high-tech solutions. The joint venture established in Yekaterinburg with Russia's Sinara Group in 2010 has already received more than €3 billion in orders for the production of advanced freight locomotives and regional trains. Local manufacturing capacity – in particular, for the production of regional trains – will now be substantially expanded through investments of several hundred million euros. Siemens' joint venture in St. Petersburg for the production of drives systems for trains will also be expanded through additional investments of over €20 million.

Siemens' R&D center in the future Skolkovo Innovation City, in which €40 million are to be invested, will also be a very clear sign of a close technology partnership.

Russia is a strategic core market for Siemens. The technology company, which has been doing business in the country for nearly 160 years, now has about 4,000 employees in Russia and activities in more than 30 Russian cities. In fiscal 2010, Siemens generated revenue of €1.2 billion in Russia and new orders of around €2.6 billion. The business fields in its Energy, Industry, Infrastructure & Cities and Healthcare Sectors enable Siemens to offer the comprehensive portfolio and technology expertise required to drive Russia's modernization in the areas of energy efficiency, productivity and sustainability. Russia is the world's fourth-largest producer of electricity, after the U.S., China and Japan. The country's energy industry faces the major challenge of upgrading its existing range of outdated power plants and substantially increasing the share of electricity generated by high-efficiency combined-cycle power plants and wind power systems. Russia's grid operator, Federal Grid Company, intends to invest €12 billion in the medium term to upgrade the country's power grid. At 88,000 kilometers, Russia's rail network is the second-longest in the world. Russian Railways (RZD) plans to invest a total of nearly €300 billion by 2030 and commission 23,000 new locomotives and 24,000 new regional trains.

**Siemens AG** (Berlin and Munich) is a global powerhouse in electronics and electrical engineering, operating in the fields of industry, energy and healthcare as well as providing infrastructure solutions, primarily for cities and metropolitan areas. For over 160 years, Siemens has stood for technological excellence, innovation, quality, reliability and internationality. The company is the world's largest provider of environmental technologies. More than one-third of its total revenue stems from green products and solutions. In fiscal 2010, which ended on September 30, 2010, revenue from continuing operations (excluding Osram and Siemens IT Solutions and Services) totaled €69 billion and net income from continuing operations €4.3 billion. At the end of September 2010, Siemens had around 336,000 employees worldwide on the basis of continuing operations. Further information is available on the Internet at: [www.siemens.com](http://www.siemens.com).

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