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Siemens invests \$ 15 million in Israeli solar company Arava Power

First solar farms for Israel – green technologies dynamically expanding at Siemens

Siemens is investing \$ 15 million in Arava Power Company, the Israeli market leader in developing solar power plants. An agreement was signed at Kibbutz Ketura yesterday, securing Siemens a 40 percent stake in the company. Arava Power develops, builds and operates photovoltaic plants in Israel. “This investment is another consequential step in further strengthening our green and sustainable technologies,” said Peter Löscher, President and CEO of Siemens AG. “Thanks to its intensive sunshine and steadily growing demand for energy, Israel is an ideal location for further developing our solar business.” The equity investment will make it possible to build Israel’s first commercial solar farms – to be located in the region between the Dead Sea and the Red Sea.

The investment is aimed at constructing the solar fields with a significant proportion of Siemens know-how, delivering technology, e.g. inverter and transformers, ensuring new projects for the group. As Engineering Procurement Construction (EPC) contractor, Siemens will handle project management including engineering and construction of the photovoltaic plants. Overall, Siemens has concluded a framework agreement to build solar plants with a total output of 40 megawatts (MW). The first project will be the construction of a plant with an output of up to 4.9 MW at Kibbutz Ketura, in the southern desert of Israel. Additional photovoltaic plants are already being planned for the Negev and Arava deserts and Israel’s aim is to meet around ten percent of its total energy needs with renewable energy plants by 2020.

Arava Power, the Israeli development company, was founded in 2006 and is headquartered at Kibbutz Ketura/Eilat. The company, with some 20 employees, is a subsidiary of Global Sun Power Ltd. Siemens is investing in Arava Power through its equity investment company Siemens Project Ventures GmbH (SPV). “This is the most comprehensive foreign investment to date for an Israeli solar energy firm,” said Johannes Schmidt, CEO of the Equity & Project Finance unit of Siemens Financial Services. “Through its early and extensive engagement in the field, Arava Power has

developed into Israel's leading solar energy company. Siemens will be supporting local solar projects with our full range of technologies, know-how and finance."

Jonathan Cohen, CEO of Arava Power, added: "Siemens is the ideal partner for Arava Power and our property partners for winning over others interested in producing solar energy in Israel. Our strategic partnership will make it possible for our country to reach its ambitious goals of clean air and renewable energy even faster."

The equity investment in Arava Power Company is a further move to strengthen the Siemens Environmental Portfolio. In fiscal 2008, Siemens' environmental technologies generated revenue of nearly €19 billion, roughly one-quarter of the company's total. By 2010, the company intends to increase the share of environmental technologies to around €25 billion.

Siemens announced in July that it is participating in the Desertec industrial initiative. Siemens is developing here together with other industrial companies on a technological and financial concept for providing clean power for Europe and Africa from solar-thermal power plants in the Sahara and wind farms in northern Africa.

Together with renowned partners, **Siemens Project Ventures (SPV)** has with equity capital contributions been involved worldwide in the development of infrastructure projects, particularly in the energy, transport and telecommunication sectors. SPV has already participated in the development of 11 international power plant projects with an overall capacity of more than 7.000 MW as well as in three telecommunication projects, two medical centers and an airport, with a cumulative project volume of 7 billion USD. **SPV** is a Group company of **Siemens Financial Services GmbH (SFS)**, an international provider of financial solutions in the business-to-business area. With about 1,900 employees and an international network of financial companies coordinated by Siemens Financial Services GmbH, Munich, we support Siemens as well as non-affiliated companies, focusing on the three sectors of energy, industry and healthcare. We finance infrastructure, equipment and working capital and act as a competent manager of financial risks within Siemens. By leveraging our financing expertise and our industrial know-how we create value for our customers and help them strengthen their competitiveness. For further information see: www.siemens.com/finance.

The **Arava Power Company Ltd. (APC)**, formed in 2006, is Israel's leading solar developer. Founded by a group of visionaries at Kibbutz Ketura, APC seeks to supply 10% of Israel's electricity needs with the development of solar energy plants with Kibbutzim, Moshavim and other land owners, especially in the south of Israel. APC is a pioneer in Solar Power in Israel with agreements with land owners and is the first and only solar developer in Israel with a commercial solar license, appropriately-zoned land and a building permit to construct a solar field. The company is owned by Global Sun Partners a partnership with Kibbutz Ketura and American Investors led by the company President Yosef Abramowitz. The chairman is Ed Hofland and the Vice Chairman is David Rosenblatt, and the three are founders of Arava Power. More information on Arava Power is available at www.aravapower.com.

This document contains forward-looking statements and information – that is, statements related to future, not past, events. These statements may be identified by words such as “expects,” “looks forward to,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “will,” “project” or words of similar meaning. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens’ control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of Siemens to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For us, particular uncertainties arise, among others, from changes in general economic and business conditions (including margin developments in major business areas and recessionary trends); the possibility that customers will delay conversion of booked orders into revenue or that our pricing power will be diminished by continued adverse market developments, to a greater extent than we currently expect; the behavior of financial markets, including fluctuations in interest and exchange rates, commodity and equity prices, debt prices (credit spreads) and financial assets generally; continued volatility and further deterioration of the capital markets; the commercial credit environment and, in particular, additional uncertainties arising out of the subprime, financial market and liquidity crises; future financial performance of major industries that we serve, including, without limitation, the Sectors Industry, Energy and Healthcare; the challenges of integrating major acquisitions and implementing joint ventures and other significant portfolio measures; introduction of competing products or technologies by other companies; lack of acceptance of new products or services by customers targeted by Siemens; changes in business strategy; the outcome of pending investigations and legal proceedings, including corruption investigations to which we are currently subject and actions resulting from the findings of these investigations; the potential impact of such investigations and proceedings on our ongoing business including our relationships with governments and other customers; the potential impact of such matters on our financial statements; as well as various other factors. More detailed information about certain of these factors is contained throughout this report and in our other filings with the SEC, which are available on the Siemens website, www.siemens.com, and on the SEC’s website, www.sec.gov. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Siemens does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.