Siemens to acquire the Rolls-Royce Energy gas turbine and compressor business and enter into a long-term technology partnership

- Siemens completes portfolio with aero-derivative gas turbines for growth in the oil and gas and decentralized power generation sectors
- Purchase price for the acquired business is £785 million or about €950 million
- Transaction expected to close before the end of December 2014

Siemens is acquiring the Rolls-Royce Energy aero-derivative gas turbine and compressor business and thereby strengthening its position in the growing oil and gas industry as well as in the field of decentralized power generation. The purchase price is £785 million or about €950 million. The transaction is expected to close before the end of December 2014, subject to regulatory approvals.

In addition, as part of the transaction, Siemens will get exclusive access to future Rolls-Royce aero-turbine technology developments in the 4 to 85 megawatt power output range as well as preferred access to supply and engineering services. For this 25 year duration agreement, Siemens will pay Rolls-Royce an additional £200 million, or about €240 million.

By acquiring Rolls-Royce’s small and medium aero-derivative gas turbines with a power output of up to 66 megawatts (ISO/wet-rating), Siemens will close a technology gap in its extensive gas turbine portfolio.

Originally developed for use in the aviation industry, Rolls-Royce Energy’s aero-derivative gas turbines have a compact, weight-optimized construction and are highly efficient. These characteristics make aero-derivative gas turbines an
attractive power supply option in the oil and gas industry, in particular for the operators of offshore oil platforms where space is limited. Due to their efficiency and fast start-up capabilities, aero-derivative gas turbines are also used for the dependable decentralized power generation in industry – their flexibility helps meet peak electricity demands, provide emergency power reserves and stabilize the power grid.

Rolls-Royce Energy’s gas turbine and compressor business is one of the leading providers of aero-derivative gas turbines. In this segment, the acquired business, which has around 2,400 employees, delivered revenue of £871 million (approximately €1.1 billion) and earnings before interest and tax (EBIT) of £72 million (about €88 million) in fiscal 2013. With an installed base of about 2,500 gas turbines, Rolls-Royce Energy’s business has the world’s second-largest fleet of aero-derivative gas turbines.

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Find all information regarding Siemens' strategic realignment and the combined press and analyst conference on May 7, 2014 at 8:45 AM CEST at www.siemens.com/pressconference

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