

Automation and Drives

For the Business and Trade Press
Nuremberg, Dec. 12, 2005

Siemens establishes new joint venture in the field of low-voltage motors in China

Siemens Automation and Drives (A&D) and Jiangsu Beide Electrical Machinery Corporation signed a contract to establish a new joint venture, Siemens Standard Motor Ltd. (SSML) in Yangzhou, China. With about 1500 employees, SSML will focus on the development and manufacturing of a comprehensive range of small and medium size low-voltage motors. Based on the SSML product offering and the strong market presence of Siemens Ltd. China, Siemens plans to achieve a leading position in the medium price market segment in China. The joint-venture is subject to approval by the relevant authorities. The Chinese market for low-voltage motors has a volume of around EUR 700 million and a yearly growth rate of around five per cent.

Siemens is the world's leading industrial automation provider. Jiangsu Beide is one of the top local small and medium size low-voltage motor suppliers in China. The new joint venture will combine the strengths of both companies, namely the state-of-the-art technology of A&D's comprehensive product, system and solutions offering and the well established product lines and extensive local sales network of Jiangsu Beide Co. Ltd. The joint venture is a part of the Siemens growth strategy in China which is founded on a locally manufactured business portfolio through partnership with major local Chinese suppliers.

Klaus Helmrich, Head of Standard Drives division at Siemens A&D, said: "This joint venture is an important step as it supplements to our existing portfolio by a strong motor offering. It enables us now to offer locally manufactured products for the complete drives chain: Inverter, Motor and Gearbox leading into an optimized solution for our

customers to support their productivity gains. With this move Siemens can serve its customers' needs in this market even faster and better."

Zhang Gui Lin, Chairman of the board of Jiangsu Beide Electrical Machinery Corporation commented: "The new joint venture between Siemens A&D and Beide is based on both parties' common wish for significant growth in the field of low voltage motors. With locally manufactured comprehensive motors from Jiangsu Beide and the utilization of the wide Siemens market access in China, SSML will have great growth opportunities. We are confident that, with both parties' joint efforts, we will satisfy our customers' increasing demands better."

Siemens is committed to long-term cooperation and partnership for the development of China. With the new joint venture SSML, local manufacturing and R&D will be further strengthened to tailor products according to the requirements of its customers. For the same reason, Siemens will also further extend the established sales and service network.

The Siemens Automation and Drives Group (A&D), Nuremberg, Germany, is the leading manufacturer in this field worldwide. Products supplied by A&D include standard products for the manufacturing and process industries and for the electrical installation industry as well as system solutions, for example for machine tools, and solutions for whole industries such as the automation of entire automobile factories or chemical plants. Supplementing this range of products and services, A&D also offers software for linking production and management (horizontal and vertical IT integration) and for optimizing production processes. A&D employs 60,800 people worldwide and in fiscal year 2005 (to September 30) earned a group profit of €1,210 million on sales of €9,844 million and orders of €10,190 million.