

“Power Technologies” - Our Common Name for International Consulting Teams



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The following is an excerpt from a Siemens press release dated January 6, 2005:

“Siemens Power Transmission & Distribution (PT&D) announced that it has acquired the business activities of Shaw Power Technologies Inc. (USA) & Shaw Power Technologies International Limited (UK), commonly known as PTI.

“PTI is the global leader in network planning software and engineering studies. The company’s PSS/E (Power System Simulator for Engineering) software is widely used by power network experts in many regions, especially English speaking countries and China. PTI is headquartered in Schenectady, New York, and has over 80 network planning specialists located in the United States and UK as well as key partners in high growth regions such as Malaysia and China.”

In reaction to this press release, we have received enthusiastic messages from several of our customers, including a group of Chinese engineers who were in Schenectady for training during the days of the acquisition; and from staff at Hydro Quebec where a friendly letter stated:

“This is an excellent news for our partnership and I can assure you that the business relation with HQ-TransÉnergie will be completely changed by this intelligent acquisition from your part. I really must congratulate you for this excellent business move and I am certain that your penetration of the American (and HQ) markets will be greatly enhanced by this acquisition. These is really a good news to begin 2005!”

The acquisition of PTI had a long history, beginning with the first contact between PTI management and PTD SE NC during CIGRE 2002 in Paris, France. The intent of PTD SE NC was to establish a partnership in the global market, by bringing together the complementary consulting skills, software portfolio and local market presence of both teams. During the due diligence phase it became clear that the first expectations of synergies between the two companies could be exceeded many times.

Evidence of the complementary nature of the two companies is shown in the way the teams fit together perfectly in regard to the geographical focus, network type (transmission, distribution, industry), consulting & training skills and functionality of the planning tools. The synergies are therefore the opportunity to offer the complete portfolio of consulting and software by using a world wide network of local competence.

As a result of the acquisition, the new business unit now consists of three consulting centers. Their common name is the world known brand of PTI “Power Technologies” (PT):

- Siemens PTD SE PT Headquarter (HQ) in Germany
- Siemens PTI in USA (Power Technologies International)
- Siemens PTI in UK

The new global organization of the business unit "PT" is shown in principle in figure 1.

The most important synergies lay in the opportunity to offer the complete consulting and software portfolio with the main tools PSS/E for transmission and SINCAL for distribution accompanied by a fundamental improvement of the local support opportunities for our common customers.

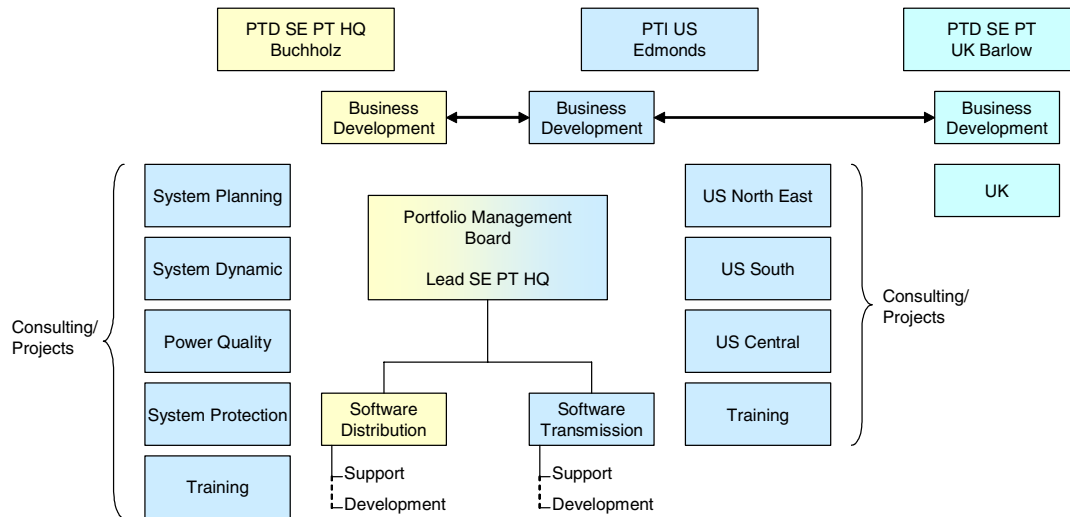


Figure 1 - Principle Organization Structure of the New Business Unit "Power Technologies"

The three above mentioned consulting centers are complemented by internal and external centers of competence (COC). Network planning experts with the expertise to provide the main network planning tasks and to support the application of the planning tools are concentrated in the COCs.

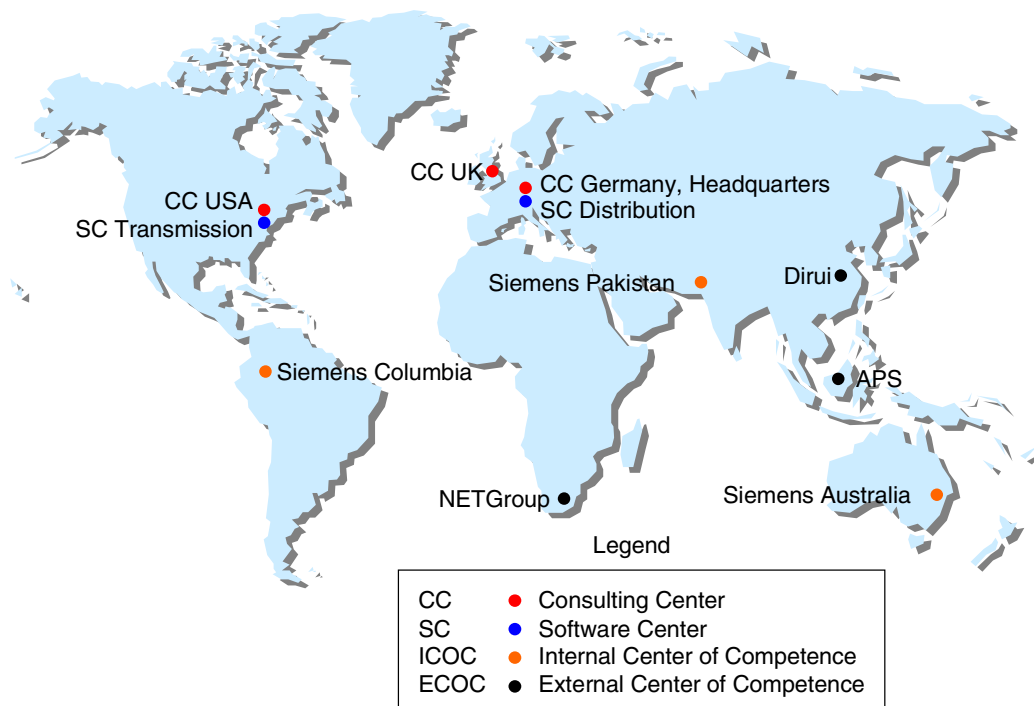


Figure 2 - Global Distribution of Our Consulting and Software Competency

The COCs act independently on their home markets providing consulting and software application support. The experts from the consulting centers will be involved in cases of special investigations which require complicated and rare applied simulation methods. The partnership with the external COCs is based on long term contracts and excellent experience. Figure 2 demonstrates the extended global distribution of the "PT" competency.

Thus, the new business unit is able to serve the clients on short distances. Further more, the experts of the consulting centers and from the centers of competence come from different regions in the world, understand the culture of our clients everywhere and speak their language. The following languages are available:

Arabian, Bulgarian, Chinese, Greek, English, German, Hindu, Indonesian, Malaysian, Russian, Pakistani, Persian, Polish, Portuguese, Serbo- Croatian, Spanish, Thai, Vietnamese.

In this way we are convinced that our goal for the future is realistic:

We will combine Siemens and PTI'S recognized expertise and support our common worldwide established customer base in the most comfortable way by providing innovative solutions to today's network reliability challenges, independent of the installed equipment.

Siemens and PTI will continue together to set the standard for quality in network planning. Our goal is to be the most competent and convenient partner in power system planning.

Our clients will benefit from this!

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