

Joint Press Release by Siemens and Chromalloy

Siemens and Chromalloy form casting joint venture

May 9, 2017

- New casting facility for turbine blade and vane components
- Company name Advanced Airfoil Components
- USD130 million investment will create up to 350 new jobs
- Shipment of initial components in 2018

Siemens and Chromalloy Gas Turbine Corporation have entered a partnership to form a new joint venture called Advanced Airfoil Components. The primary scope of the company will be turbine blade and vane cast components for power generation. Both partners are investing approximately USD130 million in combined value to create a new production facility. This investment will create up to 350 new jobs in the United States. The groundbreaking of the new manufacturing facility is scheduled to take place later this year. The location is being finalized and multiple southern states are under evaluation. The facility is scheduled for completion in the fall of 2018. The stand-alone manufacturing plant will supply only to Siemens. Start-up part qualifications and production shipments are in process at Chromalloy's existing facility.

"The decision to form a joint venture and a new production facility continues our strong commitment to the US as a business location," said Willi Meixner, CEO of the Siemens Power and Gas Division. Siemens has a strong footprint in the US with more than 60 manufacturing sites and approximately 50,000 employees. In the last 15 years, Siemens has invested USD40 billion in the United States. "Siemens and Chromalloy already have a long-lasting supplier relationship. Our new joint venture will exclusively supply Siemens with casting components for our gas turbines. We will continue our established key casting supplier partnerships and all the existing long-term agreements will be executed," Meixner added.

"Chromalloy is excited to take our relationship with Siemens to the next level," said Carlo Luzzatto, President of Chromalloy. "Continuing to build our partnership is very important and shows the value we place in each other's capabilities and expertise. Chromalloy continues to be a leader in providing innovative, high-technology manufacturing capabilities for gas turbine engines. And we are excited to bring those capabilities to help create and grow this new business with Siemens," Luzzatto continued.

Siemens AG (Berlin and Munich) is a global technology powerhouse that has stood for engineering excellence, innovation, quality, reliability and internationality for more than 165 years. The company is active in more than 200 countries, focusing on the areas of electrification, automation and digitalization. One of the world's largest producers of energy-efficient, resource-saving technologies, Siemens is a leading supplier of efficient power generation and power transmission solutions and a pioneer in infrastructure solutions as well as automation, drive and

software solutions for industry. The company is also a leading provider of medical imaging equipment – such as computed tomography and magnetic resonance imaging systems – and a leader in laboratory diagnostics as well as clinical IT. In fiscal 2016, which ended on September 30, 2016, Siemens generated revenue of €79.6 billion and net income of €5.6 billion. At the end of September 2016, the company had around 351,000 employees worldwide. Further information is available on the Internet at www.siemens.com.

Chromalloy has expanded from a gas turbine parts repair business into an OEM supplier of production parts and advanced repairs and services for gas turbines used in aviation and land-based applications. Chromalloy serves the airline, military, marine and energy segments with a broad range of services at locations around the globe. Chromalloy is authorized by the FAA and EASA and many other NAAs, and is qualified under ISO and NADCAP. Chromalloy is a subsidiary of Sequa Corporation.

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