

Press Release

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Baker & McKenzie Advises Siemens on Joint Venture with Power Machines

St. Petersburg, Russia, 21 December 2011 – Baker & McKenzie has advised Siemens AG on its joint venture with OJSC Power Machines. The two companies have set up a gas turbine joint venture in which Siemens holds a 65% stake and Power Machines the remaining shares. The investment will total approx. EUR 275 million and create approx. 500 jobs.

Headquartered in Leningrad Region, the joint venture will perform engineering, manufacturing and servicing of gas turbines in Russia and the other countries within the Commonwealth of Independent States. The joint venture will bundle Siemens engineering and technology competencies with the production capacities of Power Machines. In return, Siemens handed over its stake of 25% plus one share in Power Machines to the majority shareholder, Highstat Ltd.

As part of its work, Baker & McKenzie advised Siemens mainly on JV-related issues, participated in negotiations and performed a due diligence investigation of the respective production facilities. “We are pleased to advise one of our key clients on a significant market deal which marks the next step in modernizing the power plant industry in Russia,” said Maxim Kalinin, managing partner of the Firm’s St. Petersburg office, who led the team on the deal.

Support was provided by associates Olga Fadeeva, Anna Gavrilova, Ekaterina Gladkikh and Alisa Fomina in St. Petersburg; partners Margarita Divina and Marat Mouradov, as well as associates Konstantin Khromenkov and Elena Kudina in Moscow. The multijurisdictional Baker & McKenzie team also included Amsterdam partners Jeroen Hoekstra and Marc Rijkaart van Cappellen, with key input from associate Koen Bos who played the leading role in advising on Dutch law aspects, as well as partner Antonina Yaholnyk and associate Kateryna Tkachenko from the Kyiv office.

On the Siemens side the following in-house lawyers based in Erlangen and Munich were involved in the negotiations: Dr. Wolfgang Müller-Huschke (Corporate & Finance Legal M&A); Michael Schmid, Jörg Bauer, Friederike Scheel (Energy Legal); Jörn Eickhoff (Corporate & Finance Legal Competition); Dr. Tatiana Levina (Central Units Legal IP).

Siemens Energy Sector is the world's leading supplier of a complete spectrum of products, services and solutions for the generation, transmission and distribution of power and for the extraction, conversion and transport of oil and gas and has been active in Russia for more than 160 years.

Power Machines is Russia’s leading producer and supplier of end-to-end products and solutions for the power-plant industry.

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About Baker & McKenzie

Founded in 1949, Baker & McKenzie advises many of the world's most dynamic and successful business organizations through more than 3,800 locally qualified lawyers and over 5,800 professional staff in 70 offices in 42 countries. Baker & McKenzie is known for having a deep understanding of the language and culture of business, an uncompromising commitment to excellence, and world-class fluency in its client service. Baker & McKenzie's global revenues for the fiscal year ended June 30, 2011, were US\$ 2.27 billion. Eduardo Leite is Chairman of the Firm's Executive Committee. (www.bakermckenzie.com)