

Press Release

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Voith CEO Lienhard Advocates Strong European Energy Network

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- German energy transition could lead to a European energy network
- Subsidies in the energy sector must be stopped
- "Germany does currently not have a market for energy that really deserves this name."

BERLIN/HEIDENHEIM. At today's 12th Energy and Environmental Conference of the Economic Council of the German Christian Democratic Union (CDU), Dr. Hubert Lienhard, CEO and President of Voith GmbH, urged for a stronger coordination of the European participants in the German energy transition and spoke out in favor of a strong European energy network.

Among the attendants of the conference were EU Energy Commissioner Günther Oettinger, Minister of Economy Sigmar Gabriel of the German Social Democratic Party (SPD), Environment Minister Barbara Hendricks (SPD) as well as leading representatives from Germany's leading industry corporations.

"Today the energy transition stops at Germany's borders. In a European energy network we would be able to utilize geographical advantages much better." The north could feed wind energy into the grid, hydro power and solar energy could be produced in the southern countries. Germany, Austria and Switzerland could become the "battery" of Europe with the help of pumped storage plants. "If we succeed in creating new incentives for investment in our infrastructure and reduce energy costs on an overall level, we could see this approach generating new growth," was Lienhard's summary appeal.

In his speech, Lienhard agreed with the view of the EU Commissioner for Climate Action Connie Hedegaard and asked for a cessation of subsidized energy supplies. "At present, Germany does not have a market for energy

that really deserves this name. The current market design, by which energy prices are calculated in Germany, does not work," said Lienhard. While the intended limitation of subsidies for wind and solar energy is a step in the right direction, it is absolutely vital to change the market design itself and to establish a market that represents all energy costs and thus avoids compensation payments. "We cannot subsidize the expansion for all eternity. Subsidized markets have never been sustainable," stated the Voith CEO.

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In Lienhard's opinion, a future industrial model for Europe requires, above all, secure, affordable energy supplies with highest quality standards. This is the crucial point for all energy-intensive industries. "The industrial core of Germany - machine and plant engineering as well as the automobile industry - depends on these energy-intensive sectors, in order to be able to take recourse to the entire value creation chain." But at the moment, it is exactly this industrial sector that thinks about implementing its modernization and investment projects abroad. "Germany is the industrial heart of Europe. Its future is crucially dependent on these investments. And the latter depend on future energy supplies," continued Lienhard.

Voith sets standards in the markets energy, oil & gas, paper, raw materials and transport & automotive. Founded in 1867, Voith employs almost more than 43,000 people, generates €5.7 billion in sales, operates in over 50 countries around the world and is today one of the biggest family-owned companies in Europe.

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