# Siemens Industry, Inc.

## KICKS-OFF ENERGY INITIATIVE, ACQUIRES LMS

Siemens Drive Technologies has kicked off its Integrated Drive Systems initiative to highlight the energy efficiency benefits of its comprehensive and custom engineered product and service offerings, including gearboxes, couplings, motors and drives through a single source. The program offers end users, EPCs and OEMs the ability to reduce operational costs and improve engineering effectiveness. Siemens plans to focus its integrated drive systems program on vertical markets for oil and gas and mining and cement industries. Additionally, Siemens will support integrated drive systems in other markets, such as metals, power generation, water/wastewater, pulp and paper and general manufacturing. Doug Keith, president of Siemens Drive Technologies Division, highlighted several benefits of integrated drive systems. "Our integrated drive systems help to simplify the vendor process to maximize existing design specifications, yet ensure that projects are engineered without a waste of dollars, time and resources. Additionally, we are able to increase the speed and implementation of project development and commissioning, enhance design efficiencies and ensure the best, and most appropriate, components throughout the system," says Keith.

Siemens will support its Integrated Drive Systems initiative with a global team of trained and certified industry experts who handle consultation and proposals, delivery, installation, maintenance and service. The company will incorporate *PM@Siemens* within the offering, an extensive global training and certification program with methodology based on the essential success factors for project management. And, the company can fully support customized configurations for integrated drive systems; with its localized manufacturing and service footprint, customer needs are quickly met.

Siemens Drives Technologies Division has four primary U.S. manufacturing facilities, including Elgin, Illinois for gearboxes and couplings; Norwood, Ohio for motors; New Kensington, Pennsylvania. for medium voltage drives; Alpharetta, Georgia, for low voltage and traction drives; and Houston, Texas for sales support.

In other news, Siemens recently expanded its portfolio of industry software by acquiring LMS International NV (Leuven, Belgium), a provider of test and mechatronic simulation for complex products. "The mechatronic simulation will become more and more important for intelligent and competitive product development and production processes. With the acquisition of LMS we are entering a leading position in this software segment as well, and can significantly boost the pace and power of our clients' innovation," said Siegfried Russwurm, member of the Siemens AG Managing Board and CEO of the Industry Sector. The purchase price for LMS amounts to approximately 680 million euro. The transaction is subject to approval by regulatory authorities. With more than 1,200 employees and revenues of around 140 million euro for the first nine months of 2012 (January 1 to September 30), LMS is a global partner to some 5,000 companies in the automotive, aerospace and other industries. The privately held company is supporting all of the Fortune 500 automotive and aerospace manufacturers and their tier-one suppliers with a combination of mechatronic simulation software, testing systems and engineering services.

LMS offers a complete software platform to model, simulate and test vehicles, aircraft and other complex products, optimizing their acoustics, vibrations, oscillations, fatigue strength and dynamics. The business activities of LMS are to be integrated into the product lifecycle management (PLM) software portfolio within the Siemens Industry Automation Division. "With the acquisition of LMS, we are expanding our portfolio of industry software in an area that is critical for many customers. They will now be able to simulate, test, optimize and produce their products in a unified, consistent data environment. This will make them faster, more efficient, more flexible and more cost effective," explains Anton S. Huber, CEO of the Industry Automation Division.

# Bosch Rexroth

OPENS NEW CHINA PLANT


Bosch Rexroth has taken a new plant into operation in Wujin, China, which employs approximately 1,200 associates. In order to react to the special regional requirements even faster, the local development activities will be bundled in an internal R&D center starting in 2013. Overall, the company will invest €83 million in the expansion of its presence in the region. Bosch Rexroth produces hydraulic, linear motion technology, and pneumatics components and systems in Wujin.

"Our 'local for local' strategy will help us tap additional market segments that could not be reached from Germany. In the long run, this will also ensure higher utilization at the German plants," said Dr. Bertram Hoffmann, member of the board of Bosch Rexroth AG, before numerous representatives from politics and the economy. "But in addition to production, we will also establish an R&D center in Wujin, mainly for industrial automation," affirmed Fo Wai Lau, managing director of Bosch Rexroth in China. Here, engineers are developing regional variants based on the German product platforms that meet the requirements of the company's local customers.

Bosch Rexroth has been present in China for more than 30 years and is continuously expanding the local value creation. Last year, the company has made almost €1billion in sales in China and has thus more than quadrupled its business volume since 2005. The company employs a total of about 3,900 staff in China. Most of the components and systems from the new plant with a total area of about 70,000 square meters are supplied to the largest global market for all kinds of machines.

One focus, for example, is on system solutions for more energy efficiency. Machine concepts developed in close collaboration with Chinese manufacturers consume up to 50 percent less energy while offering the same level of productivity. All experts agree that China will be achieving clearly higher growth rates than Europe or America over the next decade.

The plant in Wujin is part of Bosch Rexroth's global growth strategy. Over the past years, the company has, for example, also expanded its capacities in North and South America, Eastern Europe and India.

"We are striving to achieve a balanced revenue distribution among the markets of the triad to be able to better compensate for regional fluctuations," said Hoffmann.

# Parker Aerospace

FORMS JOINT VENTURE WITH GE AVIATION

Parker Aerospace and GE Aviation recently announced that they have reached an agreement to form a joint venture, Advanced Atomization Technologies, LLC, to enhance the development and manufacture of commercial aircraft engine fuel nozzles. This represents a critical addition to the comprehensive GE fuel management team. The 50-50 joint venture — created specifically to produce fuel nozzles for current and future GE Aviation commercial engine platforms (including aerospace and aero-derivative engines) — will be located in the Parker Gas Turbine Fuel Systems Division facility in Clyde, New York. The joint venture will employ approximately 300 skilled assemblers, technicians, engineers, and other professionals in the production of advanced fuel nozzles and related products for GE Aviation. (No financial information on the joint venture has been disclosed.) "GE and Parker Aerospace are both world-class aviation businesses and this joint venture will allow us to further evolve our existing relationship and offer best-in-class design, manufacturing and program management for these critical components," said Mike Sims, GE Aviation Combustor General Manager. Continuing its long history in the Clyde community, the facility will be a center of excellence in lean manufacturing and fuel-nozzle development. Leanne Collazzo, current site leader of the Parker facility, has been named the general manager for the new Advanced Atomization Technologies, LLC. "Parker is excited to enter into a joint venture with GE Aviation to ensure the future of the Clyde facility through growth and increased synergy with our customer," said Manuel Bajaksouzian, General Manager of the Parker Aerospace Gas Turbine Fuel Systems Division. Pairing Parker's fuel nozzle technology and GE's advanced TAPS combustion technology will dramatically reduce engine emissions while increasing fuel efficiency; two of the most important elements for enhanced engine performance. Joint development and manufacturing expertise will result in superior fuel nozzles in future products. GE Aviation is currently developing a new family of engines for the aerospace industry including LEAP (in partnership with Snecma), GE9X and Passport. These important new programs are expected to fuel growth for the joint venture and generate strong production orders and a robust services business.

# AMT

## REPORTS TOTAL 2012 MANUFACTURING ORDERS UP

October U.S. manufacturing technology orders totaled $459.16 million according to the Association for Manufacturing Technology (AMT). This total, as reported by companies participating in the United States Manufacturing Technology Orders (USMTO) program, was down 31.3 percent from September and down 0.1 percent when compared with the total of $459.41 million reported for October 2011. With a year-to-date total of $4,753.68 million, 2012 is up 5.3 percent compared with 2011. These numbers and all data in this report are based on the totals of actual data reported by companies participating in the USMTO program.

"Orders continue to be on pace for a record-setting year, and a monthly drop was fully expected in the month following IMTS," said Douglas K. Woods, AMT president. "While manufacturing continues to play a strong role in economic recovery, our main concern heading toward the end of the year is that lawmakers do what's necessary to avoid the fiscal cliff, and the implications it could have on the broader economy."

The USMTO report, compiled by the trade association representing the production and distribution of manufacturing technology, provides regional and national U.S. orders data of domestic and imported machine tools and related equipment. Analysis of manufacturing technology orders provides a reliable leading economic indicator as manufacturing industries invest in capital metalworking equipment to increase capacity and improve productivity. U.S. manufacturing technology orders are also reported on a regional basis for five geographic breakdowns of the United States:

### Northeast Region

Manufacturing technology orders in the Northeast Region in October totaled $63.69 million, down 19.7 percent from September's $79.27 million and down 3.6 percent when compared with the October 2011 figure. At $640.83 million, 2012 year-to-date is down 5.7 percent when compared with 2011 at the same time.

### Southern Region

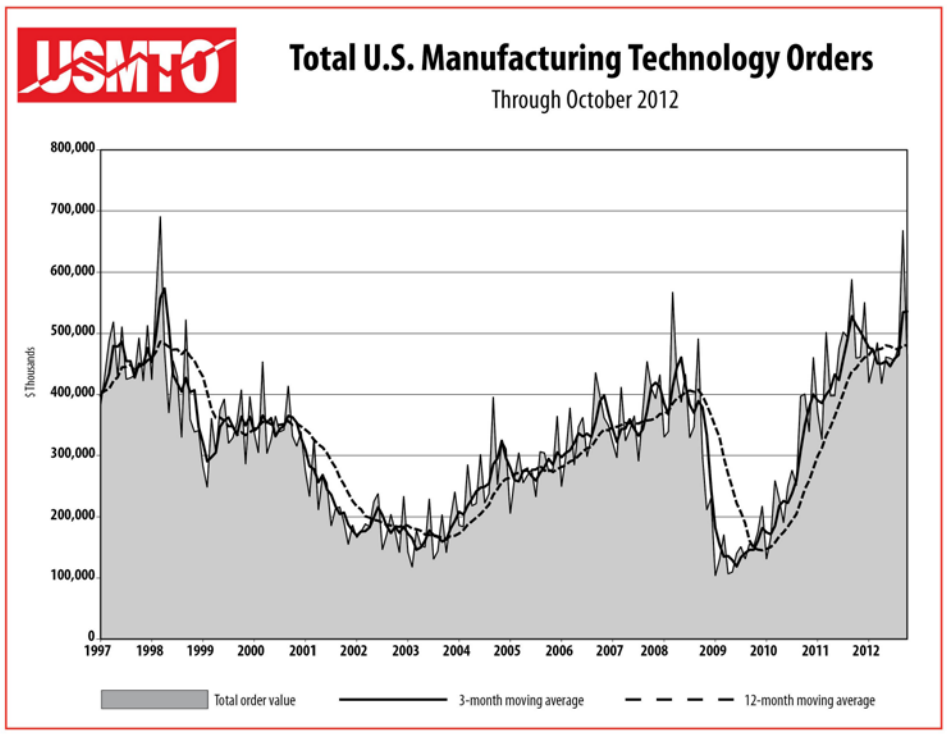
Southern Region manufacturing technology orders totaled $60.69 million in October, down 41.1 percent from the $102.99 million total for September but 12.8 percent higher than the total for October 2011. The year-to-date total of $683.23 million is 15.3 percent more than the comparable figure for 2011.

### Midwest Region

At $162.75 million, October manufacturing technology orders in the Midwest Region were down 20 percent when compared with the $203.33 million total for September but up 10.3 percent when compared with October a year ago. With a year-to-date total of $1,530.30 million, 2012 is up 4.9 percent when compared with 2011 at the same time.

### Central Region

October manufacturing technology orders in the Central Region totaled $124.77 million, 30.2 percent lower than September's $178.71 million and down 8.8 percent when compared with the October 2011 figure. At $1,341.76 million, the 2012 year-to-date total was 6.8 percent more than the comparable figure for 2011.




### Western Region

Western Region manufacturing technology orders in October stood at $47.27 million, down 54.6 percent from the September total of $104.07 million and 14.3 percent lower than the figure for October 2011. The $557.56 million year-to-date total was 5.7 percent above the total for the same period in 2011.

# Vacon

## ESTABLISHES SINGAPORE REGIONAL CENTER

Global AC drives manufacturer Vacon has established a regional center in Singapore. The new center started operations in August 2012. Vacon's regional center in Singapore ensures that Vacon's entire product portfolio and service network offering are available to customers in the region. The center is also in charge of effective sharing of best practices, know-how and the professional personnel that the company already has in the Middle East, India, South East Asia and Pacific region. This will open up new opportunities for Vacon to gain market share and increase volumes in this region with its huge population and great market potential.

"As a major world trade node with a business-friendly economy, Singapore was a logical location for Vacon to establish a regional center. We are at the heart of the region which is one of Vacon's major growth areas," says Olli Tevä, Vacon's vice president for Middle East, India, SEA, Pacific. "Singapore has also a rich supply of skilled and experienced workers, which will help us to continuously improve our customer service in the region. As many of Vacon's global customers have their regional offices in Singapore, it will help us in building seamless cooperation with them. This also reflects Vacon's values: keeping customers and partners at the heart of Vacon's operations," concludes Tevä.

# IECC

## PRAISES INDUSTRIAL EFFICIENCY LEGISLATION

The Industrial Energy Efficiency Coalition (IEEC) praised House passage of H.R. 6582, the American Energy Manufacturing Technical Corrections Act. "There are huge gains in industrial energy efficiency that we are leaving on the table by not addressing the inefficiencies in many manufacturing and industrial processes," said Paul Hamilton, chair of the IEEC. "Policies such as this are helping to understand and tackle these industrial energy efficiency opportunities." The bill directs the Department of Energy (DOE) to establish collaborative research and development partnerships with other programs to support the use of innovative manufacturing processes and to support applied research for development, demonstration, and commercialization of new technologies and processes to improve industrial efficiency. "Ensuring that all industrial energy-saving technologies are fully incorporated into the Department of Energy's activities is critical," Hamilton said. Energy intensive manufacturers have long been aware of the cost of inefficient energy use and have made major investments in sensors, controls, and automation to reduce their energy costs. "The challenge now is to drive awareness and deployment of these energy efficiency opportunities across the entire manufacturing sector, especially into the less energy intensive sites which represent some 150,000 facilities across the United States," said Bruce Quinn, a founding member of the IEEC.