

MEDIA RELEASE

Tuesday, 13 November 2007

Hitachi Power to build six Utility Steam Generators for Eskom's Medupi Power Station

A consortium comprising Hitachi Power Europe GmbH, Germany, and Hitachi Power Africa (Pty) Ltd has received an order from Eskom to design, manufacture, supply, erect and commission 6 x 800MW Utility Steam Generators for Medupi Power Station at Lephalele, Limpopo Province, South Africa. Total order value is in the region of R20 billion.

Design of the plant has already started with manufacturing of the boilers scheduled to commence mid next year. Site activities will start in the first half of 2009 and the units will go online as from late 2011. When commissioned, the steam generators will be the most modern in South Africa with a plant operating efficiency increase of 25% over Eskom's existing power plant fleet.

Klaus-Dieter Rennert, Chief Operating Officer of Hitachi Power Europe, said at the signing ceremony "We are very pleased to have been awarded the Medupi contract, which by international standards is a substantial order. It confirms Hitachi Power's position as a leading supplier of high quality, efficient and reliable supercritical boiler technology. To support Eskom in the challenges, which it is facing, we have committed to substantial investment in developing local engineering, manufacturing and artisan skills capacities. This will be our contribution to the overall sustained success of Eskom's capacity expansion programme".

Robin Duff, MD of Hitachi Power Africa, confirms, "Together with our parent company, we have made every effort to maximise local content, and have committed to invest in new manufacturing facilities, construction equipment, artisan training centres, and to bring about know-how transfer on a structured and sustainable basis. Approximately 60% of the order will be executed locally, which will be a boost for the local power sector. Together with local partners, a number of enterprise development initiatives will be pursued to meet Eskom's empowerment targets. As we get going we will inject new life and new blood in to the SA power sector".

Hitachi Power will take the lead in developing and extending the local manufacturing base coupled with diverse artisan training and qualification of its local partner's workforces to equip them to do the job. "Our commitment in South Africa is for the long-term" stresses Chief Operating Officer Rennert. "We also look upon these considerable investments we will be making in people and machines for Eskom's capacity expansion programme as a contribution towards the development of South African society". During the peak, more than 2,000 people will be involved on Hitachi Power's side in engineering, manufacture and construction of Medupi. The setting up of a broad based value added supply chain will make Hitachi Power a valuable partner, especially for future challenges in the field of environmental protection measures.

Hitachi Power is the leading supplier in Europe for both bituminous and lignite coal fired boilers in the range of 780 – 1,100MWe. Hitachi Power tendered a Supercritical Tower Type Benson Boiler for Medupi, which has a proven record of reliability and an efficient thermal cycle with flexible operation. This means that a wide range of coals with diverse ash characteristics can be fired without difficulty.

The Medupi order from Eskom provides Hitachi Group the opportunity to extend its global strategy, which focuses on business areas in which it can demonstrate its strength in social innovation. This consists of social infrastructure, industrial infrastructure, life infrastructure and information infrastructure. Apart from Power Plants, this means for example modern railway systems, telecommunication products for secure and economic user-friendly data storage solutions and finger vein authentication technology. Hitachi will endeavour to maximise the synergies with infrastructure technology / product businesses that underpin social innovation business operations. This should be a win-win situation for both South African society and Hitachi.

Press Contacts:

Hitachi Power Africa (Pty) Ltd
Xoliswa Ntambam
Tel: +27 11 656 3601
Fax: +27 11 656 3609
x_ntambam@hitachi-power.co.za

Hitachi Power Europe GmbH
Helge Schulz
Tel: +49 203 8038 2929
Fax: +49 203 8038 1809
h_schulz@hitachi-power.com

Hitachi Power Europe Ltd
Masanao Sato
Tel: +44 1628 585379
Fax: +44 1628 585373
masanao.sato@hitachi-eu.com
