New organization structure for Siemens

Peter Löscher

Press Briefing
Munich, November 29, 2007
Focus on three Sectors – closer to the customer

Strategic focus and leaner organization

- Strategy: Strengthen businesses
  - with leading world market positions
  - in attractive markets with the tailwind of the megatrends – demographic change, urbanization and climatic change

- Organization: faster, more flexible and less complex
  - Clear assignments/responsibilities
  - Reduced complexity
  - Flat hierarchies
  - Use of synergies
  - Closer to the customer

Basis for company alignment

- Focus on the three Sectors Industry, Energy and Healthcare

- Clearly defined profit & loss responsibility through CEO principle

- Market presence and closeness to customers based on strong regional organizations with “right-of-way rule” for the Sectors

- Increased efficiency in sales and administration

- Important control functions to be exercised under the direct worldwide responsibility of the Managing Board
Siemens is an integrated technology company with a clear focus on three Sectors

New corporate structure as of January 1, 2008

1) The SEI revenues are not consolidated in the financial statements of Siemens AG (BSH ~€8 billion, FSC ~€7 billion, NSN ~€17 billion; Siemens' share is 50% in every case)

2) Incl. € 1.4 bn revenue Dade Behring pro-forma

Note: Discontinuing activities (e.g., Siemens VDO, SEN), other operating activities (e.g., SHC) and SRE are not included. All revenues 2007 and not consolidated.
The future Sectors will be sub-divided into 15 Divisions

1) Incl. €1.4 bn revenues Dade Behring pro-forma
Note: Organizational structure does not show cross-Sector businesses, Corporate and Regional Units
All revenues 2007 and not consolidated
Roadmap for the new Siemens structure

- Announcement of the planned **reorganization** of Siemens in **early October**
- Set up **work groups** to define and plan the **3 Sectors in mid October**
- Publish new **margin target range** for **Healthcare Sector in early November**
- Announce **3 Sectors and their CEOs** and **Division structure at end of November**
- Appoint and announce **Division CEOs in early December**
- **Implement new** organizational structure **beginning of January 2008**
- Launch **project to reduce SG&A costs early in January 2008**
- Announce **new margin target bands for Sector levels**
  at **Annual Shareholders’ Meeting on January 24, 2008**
- **Pro-forma financial reporting** based on new organizational structure **as of Q3 in fiscal 2008**
Safe Harbour Statement

This document contains forward-looking statements and information – that is, statements related to future, not past, events. These statements may be identified by words as "expects," "looks forward to," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "will" or words of similar meaning. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens' control, affect its operations, performance, business strategy and results and could cause the actual results, performance or achievements of Siemens worldwide to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For us, particular uncertainties arise, among others, from: changes in general economic and business conditions (including margin developments in major business areas); the challenges of integrating major acquisitions and implementing joint ventures and other significant portfolio measures; changes in currency exchange rates and interest rates; introduction of competing products or technologies by other companies; lack of acceptance of new products or services by customers targeted by Siemens worldwide; changes in business strategy; the outcome of pending investigations and legal proceedings; our analysis of the potential impact of such matters on our financial statements; as well as various other factors. More detailed information about our risk factors is contained in Siemens' filings with the SEC, which are available on the Siemens website, www.siemens.com, and on the SEC's website, www.sec.gov. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Siemens does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.
Siemens’ business and financial press team

<table>
<thead>
<tr>
<th>Name</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eberhard Dombek</td>
<td>+49-89 636-33077</td>
</tr>
<tr>
<td>Dr. Constantin Birnstiel</td>
<td>+49-89 636-36669</td>
</tr>
<tr>
<td>Monika Brücklmeier</td>
<td>+49-89 636-34782</td>
</tr>
<tr>
<td>Jessika Gallitz</td>
<td>+49-89 636-36392</td>
</tr>
<tr>
<td>Dr. Marc Langendorf</td>
<td>+49-89 636-37035</td>
</tr>
<tr>
<td>Wolfram Trost</td>
<td>+49-89 636-34794</td>
</tr>
</tbody>
</table>

Webpage:  [http://www.siemens.com/presse](http://www.siemens.com/presse)
E-mail:   press@siemens.com
Telephone: +49-89 636-33443
Fax:       +49-89 636-32825