

For the business and financial press

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## **Siemens organizes operations in three Sectors with total of 15 Divisions**

**Siemens AG has taken a further important step in restructuring the company. The company plans to organize its operations in the three Sectors Industry, Energy and Healthcare into 15 Divisions as of January 2008. “This new and more focused company structure will further increase our profitability and transparency. Clear responsibilities will ensure that we are faster in the market and closer to our customers,” said Siemens President and CEO Peter Löscher. The Industry and Energy Sectors will each have six Divisions, and the Healthcare Sector three. The new global heads of the Divisions will be announced early in December.**

The Industry Sector will be headed by Heinrich Hiesinger (47) and comprises six Divisions: Industry Automation, Motion Control, Building Technologies, Industry Solutions, Mobility and Osram. Wolfgang Dehen (53) will head the Energy Sector, which will also have six Divisions: Fossil Power Generation, Renewable Energy, Oil & Gas, Service Rotating Equipment, Power Transmission, and Power Distribution. Erich R. Reinhardt (61) will be responsible for the Healthcare Sector, which will be organized in three Divisions: Imaging & IT, Workflow & Solutions and Diagnostics.

Siemens IT Solutions and Services as well as Siemens Financial Services (SFS) will support Sector activities as business partners and, in addition, continue building up their own business with external customers. Christoph Kollatz (46) will continue to head Siemens IT Solutions and Services and Dominik Asam (38) will remain head of SFS.

In a next step, the heads of the new Divisions will be named early in December. The new margin target ranges for Industry and Energy will be announced at the Annual

Shareholders' Meeting on January 24, 2008. The target range for Healthcare was already raised early in November to 14-17 percent, up from 13-15 percent.

Siemens will maintain its basic matrix structure for its global businesses and Regional Companies, but will once again place greater emphasis on the so-called "right-of-way" regulation that gives priority to its global businesses. The concept for the company's future regional focus will be implemented in 2008. The tasks of the Regional Companies will be further developed, and the sales responsibility of the Regions will be strengthened for the benefit of the customers.

The company's financial reporting will be adapted to reflect the new organizational structure in the second half of the fiscal year, and the new form will be published for the first time in the third quarter.

## **Background material on the new Siemens Sectors and Divisions**

### **Industry**

The Industry Sector and its products and solutions address industry customers in the fields of production, transportation and building systems. The Sector is primarily comprised of the business activities of the Groups Automation and Drives (A&D), Industrial Solutions and Services (I&S), Transportation Systems (TS), Siemens Building Technologies (SBT) and Osram. Consolidating these business activities under one roof will offer major synergies in hardware and software platforms as well as for sales and marketing. Around 209,000 employees currently work in the new Siemens Sector. The Sector's businesses generated revenues of roughly €40 billion in fiscal 2007. Siemens anticipates that the Sector's target markets will show 5 percent annual growth and reach a volume of nearly €500 billion by 2010.

<b>Division</b>	<b>Description</b>
Industry Automation	The spectrum of offerings at Industry Automation extends from standard products to system solutions for energy and automation technologies used in manufacturing and process industries. As the leading provider of industry software, the Division optimizes entire value-added chains of manufacturing companies – from product design and development, to production, sales and service.
Motion Control	The Motion Control Division offers its customers solutions for electronics manufacturing as well as complete systems, including standard and large drives applications across the entire drive train. These solutions, comprised of numerical control systems, converters, motors and drives, are tailored to the respective application.
Building Technologies	The Building Technologies Division bundles Siemens' offerings for building security, automation and operations both as service provider as well as a manufacturer of products and systems. The spectrum of products ranges from heating and ventilation systems, to security and fire safety systems.
Osram	Osram's product portfolio includes lamps and optoelectronic semiconductor light sources such as light-emitting diodes (LEDs), control electronics and light management systems.
Industry Solutions	Industry Solutions is the systems and solutions integrator for plant business, and covers everything from planning and construction, to operation and maintenance over a plant's entire life-cycle. The Division has the process know-how for increasing the productivity and competitiveness of enterprises in various industries, and meets the need for environmentally compatible solutions with its water processing and raw material processing systems.
Mobility	With its Complete Mobility approach, the Division is pursuing the goal of networking various transportation systems with one another in order to move people and goods efficiently. Complete Mobility combines the competencies in operating systems for rail and road traffic with solutions for airport logistics, postal automation and rail electrification, as well as rail vehicles for mass transit, regional and long-distance transportation.

## Energy

The Energy Sector primarily addresses energy providers, but also industrial companies particularly in the oil and gas industry. The Sector is solidly positioned and holds leading market positions in all six of its Divisions. Its spectrum of offerings ranges from solutions for the oil and gas industry to products and solutions for the generation, transmission and

distribution of electrical energy. This makes the Energy Sector the world's only manufacturer with comprehensive know-how along the entire chain of energy conversion, particularly regarding interfaces such as between power plants and grids. The Sector primarily comprises the former Power Generation (PG) and Power Transmission and Distribution (PTD) Groups. Merging these two businesses offers new opportunities, particularly for sales and marketing, as with cross-selling. With a more extensive service network, the Sector will be even closer to its customers. In addition, the merger offers synergy potential in areas like research and development. In the rapidly growing global wind power market, the Energy Sector not only builds off- and onshore wind farms, but also ensures their efficient linking to power grids. The new Siemens Sector has currently roughly 71,000 employees, and posted revenue of nearly €20 billion in fiscal 2007. The prospects for the Energy Sector are outstanding, since the overall energy market is projected to grow 11 percent annually up to 2010. Siemens estimates that the total volume of the market in 2010 will be substantially over €300 billion.

Division	Description
Fossil Power Generation	The Fossil Power Generation Division offers highly efficient products and solutions for power generation based on fossil fuels. They range from individual gas and steam turbines and generators, to turnkey power plants. The Division also develops instrumentation and control systems for every type of power plant.
Renewable Energy	The Renewable Energy Division bundles Siemens' activities in the wind energy business (for off- and onshore wind parks).
Oil & Gas	The Oil & Gas Division offers customers products and solutions that are used for the extraction, conversion and transport of oil and gas. The Division portfolio also includes solutions for power generation and distribution, compressors with electrical and mechanical drives, process and automation technologies, water management and integrated IT solutions.
Service Rotating Equipment	The Division provides comprehensive services for complete power plants and for rotating machines such as gas and steam turbines, generators and compressors. The services utilize the most advanced plant diagnostics and systems technologies. The portfolio also offers systems for filtering air. As part of its long-term maintenance contracts, the Division also takes over the servicing and operation of power plants.

Power Transmission	The Power Transmission Division offers products and solutions in the high-voltage field – such as High Voltage Direct Current (HVDC) transmission systems, substations, switchgear and transformers.
Power Distribution	The specialties of the Power Distribution Division range from solutions for the automation of power grids, to products like medium-voltage switchgear and components.

## Healthcare

The Healthcare Sector stands for innovative products and complete solutions as well as service and consulting in the healthcare industry. The Sector comprises the former Medical Solutions Group. The new Siemens Sector has around 49,000 employees following the closing of the Dade Behring acquisition. In fiscal 2007, Medical Solutions had revenue on a pro forma basis (including Dade Behring) of roughly €11 billion. Following the acquisition of DPC, Bayer Diagnostics and Dade Behring, Siemens is the first fully integrated diagnostics provider in the world. The Healthcare Sector can thus offer its customers a unique and comprehensive portfolio of medical solutions covering the entire value-added chain – ranging from medical imaging and laboratory diagnostics to clinical IT – all from a single source. These solutions provide higher quality in healthcare delivery at lower cost. The Sector is addressing a market worth around €57 billion.

Division	Description
Imaging & IT	The Imaging & IT Division provides imaging systems for early diagnosis and intervention, as well as for more effective prevention. These systems are networked with high-performance healthcare IT to optimize processes (such as in hospital data systems like Soarian, image processing systems like syngo, and knowledge-based technologies for assisting diagnoses).
Workflow & Solutions	Workflow & Solutions provides complete solutions for fields such as cardiology and oncology (including conventional radiation systems and particle therapy) and neurology. The Division offers solutions, for example, for women's health (mammography), urology, surgery and audiology. It also provides turnkey solutions (including national health IT systems, solutions for complete clinics), and consulting. In addition, Workflow & Solutions is

	responsible for the Sector's service business, for supervising the sales regions, and for managing customer relations.
Diagnostics	The Diagnostics Division covers business with in-vitro diagnostics, including immune diagnostics and molecular analysis. The Division's solutions range from point-of-care applications to the automation of large laboratories. Diagnostics combines the acquisitions of DPC, Bayer Diagnostics and Dade Behring.

**Siemens AG** (Berlin and Munich) is a global powerhouse in electronics and electrical engineering, operating in the industry, energy and healthcare sectors. The company has around 400,000 employees (in continuing operations) working to develop and manufacture products, design and install complex systems and projects, and tailor a wide range of solutions for individual requirements. For over 160 years, Siemens has stood for technical achievements, innovation, quality, reliability and internationality. In fiscal 2007, Siemens had revenue of €72.4 billion and income from continuing operations of €3.9 billion (IFRS). Further information is available on the Internet at: [www.siemens.com](http://www.siemens.com).