

Siemens in the Republic of Korea

Siemens has been active in Korea since early 1960 and holds leading positions in its Industry, Energy and Healthcare Sectors. The company has been actively engaged in investing and developing domestic companies, and has enjoyed remarkable growth. In fiscal 2008 (October 1, 2007 – September 30, 2008), sales to customers in Korea amounted to more than EUR 1 billion. New orders totaled nearly EUR 1.5 billion. Siemens currently has about 1 460 employees in Korea.

In fiscal 2008, Siemens in Korea scored major successes in the following Sectors:

Industry Sector

Siemens supplied a number of systems and equipment for Hyundai Motors' Czech project and Beijing Plant. Those included: industrial automation systems, motion control systems, standard drives and low-voltage controls and distribution equipment. Its Competence Center Semiconductor supplied Hynix, Korea's second-largest semiconductor company, with a power monitoring control system and CU Line (Nano techniques initiation) project. Siemens also provided inverters to Samsung Everland for a 20 MW photovoltaic power plant in Gim Cheon - the largest domestic solar plant.

The Industry Solutions Division continued its successful business in Korea's basic industries and infrastructure sector. It received a number of major orders from Korean steel producers to supply technology for steel making plants and continuous casters. Those orders included several from POSCO and Hyundai Steel. The Industry Solutions Division also worked on a couple of metals projects for Taiwanese customers, and earned an excellent reputation among them. Building on last year's successes, the Division also landed orders from Daewoo Shipbuilding & Marine Engineering Co. to supply equipment for four additional drill-ships as well as a floating production storage and offloading (FPSO).

The Building Technologies Division won a contract for the Dongnamgwon Distribution Center, one of the largest construction projects in Korea. The Division also earned a contract from the Vaccine Factory of Green Cross, which is the first influenza vaccine factory in Korea. In the area of security and safety Siemens won several projects, including the Dalian Uni project and the Pohang Yeongil Container Wharf project, which is the first project to supply surveillance IQ (an intelligent video detection solution for wide areas). In the area of fire safety, Siemens became a leading player, as of May 1, by acquiring Shinwha Electronics and SH Engineering. Siemens-Shinwha has also been awarded a contract to supply a fire safety system for the new IFC Seoul project which was developed by AIG real estate.

The Mobility Division continued its successful business to supply high-powered electrical locomotives for Korean Rail together with Hyundai Rotem. Another twenty-eight 5th series units will be delivered in 2009.

Energy Sector

The Energy Sector has had a very successful year securing large and advanced gas turbines, steam turbines and generators for Posco Power, a total of 1,200 MW with a value of EUR 290 million including 12 years long-term service agreements. For the first time, Kyeongnam Enterprises awarded contracts for supplying four industrial gas turbines with a value of EUR 85 million. Siemens maintains its position as market leader in the industrial steam turbine business, securing 440 MW for Hyundai Green Power at Hyundai steel mill factory through Daelim. The GS EPS Bugok Block 2 combined cycle power plant is a highly efficient and environmental friendly power plant that has been successfully completed one month ahead of schedule.

The Power Transmission and Power Distribution Divisions signed a global contract with an engineering procurement construction (EPC) company – Daewoo Engineering & Construction, which is building Misurata (750 MW) & Benghagi (750 MW) combined cycle power plant of General Electricity Company of Libya (GECOL) in Libya. The Divisions also signed a global contract with another EPC company, Hyundai Engineering & Construction, which is building Ras Laffan C Independent Water & Power Plant (2,600 MW gas fired combined cycle power plant) in Qatar.

Healthcare Sector

The Healthcare Sector has outperformed the market with a compound annual growth rate of 47% over the last three years. New orders reached EUR 141 million in fiscal 2008 and product sales have been particularly successful, with a 60% surge in fiscal 2008.

Siemens proved its strong leadership in the Korean healthcare market through its innovative products, great teamwork and its large turnkey projects acquisitions. Those include a EUR 28 million contract for 70 systems with Catholic Medical Center and a EUR 14 million contract with Pusan National University Hospital for 44 systems. Siemens has also entered into long-term collaborative partnership with both hospitals.

Siemens Ultrasound Group Korea, as a hub of R&D and production in Asia, formed the new Siemens Ultrasound Systems Korea (SusKo) together with the former joint venture Ultrasonic Technologies Ltd. SusKo has developed new systems, including X150, X300 r1.0, 2.0, 3.0, and X300 PE, as well as its Japanese versions, and a broad range of ultrasound transducers. Sales of G40 and X-series products are continuously increasing; they reached 8,000 shipments in fiscal 2008.

Siemens' activities in Korea go back to the 1960s, when the company participated in rebuilding the country's infrastructure following the Korean War. In 1967, to keep pace with Korea's rapid economic expansion and its progress in information technology, Siemens established a liaison office in Korea and significantly increased its local business activities.

Siemens in Korea has been involved in a variety of social and charitable activities. The company sponsors the Siemens Student Program and has launched and run since 2007 its "Siemens Caring Hands Ai Sa-Rang Ki-Keum," a project to support single-parent children.

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