

Munich, October 12, 2006

Ad-hoc Announcement according to § 15 WpHG (Securities Trading Act)

Siemens AG: Managing board decides about the strategic reorientation of SBS and bundles its worldwide competencies in IT and software from January 2007

Siemens strategically realigns the activities of Siemens Business Services (SBS) and bundles its worldwide IT solutions, IT services and software activities within the company. The activities of SBS will be merged into one Group „Siemens IT Solutions and Services“ (SIS) with the four software development units Program and System Engineering (PSE) and Siemens Information Systems Ltd. (SISL), Development Innovation and Projects (DIP) and the Business Innovation Center (BIC) from January 2007.

Siemens IT Solutions and Services will generate sales of about €5 billion and employ about 43,000 people.

The SBS turnaround program announced in September 2005 will be rigorously continued. Cost cuts of €1.5 billion by the spring of 2007 are part of this program. Against this backdrop, Siemens is currently negotiating with employee representatives and the IG Metall trade union whether to apply the supplementary labor contract in force in Region Germany to the former SBS. Concluding current negotiations is therefore a decisive prerequisite for finalizing the setup of Siemens IT Solutions and Services in Germany.

On October 12, 2006 at 2:00 p.m. CEST a telephone conference with CEO Dr. Klaus Kleinfeld, CFO Joe Kaeser and Dr. Christoph Kollatz, Group President SBS will be broadcasted live on the internet at www.siemens.com/conferencecall. The call can be accessed by calling +49 (0)69 2222 2242.

A conference call for financial analysts and investors will take place at 3:00 p.m. CEST. The analyst call can be accessed by calling +44 20-7365-8426 (UK dial-in) or +1 617-597-5313 (US dial-in) or +49 69-5007-1846 (Germany dial-in). The participant code is 'Siemens'. The analyst conference call can also be accessed via internet at: www.siemens.com/analyystcall. A replay of the call will be available until October 13, 2006 by calling +44 20-7365-8427 (UK dial-in) or +1 617-801-6888 (US dial-in). The pass code is: 55287471.

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