

Munich, January 25, 2007

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

**Siemens A&D acquires software producer UGS for USD 3.5 billion**

**IPO for Siemens VDO Automotive planned**

**With its acquisition of U.S. software producer UGS Corp., of Plano, Texas, the Siemens Automation and Drives (A&D) Group will expand its product spectrum in automation technology to include industrial software for planning, design and simulation in Product Lifecycle Management (PLM). As a trendsetter in industrial automation, A&D will now be able to offer its customers worldwide solutions for creating digitized factories. The purchase price for the deal is around US\$3.5 billion including debt. The transaction is subject to approval by the relevant authorities.**

**In addition, Siemens AG plans an IPO of its automotive supply business Siemens VDO Automotive (SV), in which Siemens will hold a majority stake. This move will give SV the necessary financial resources and greater entrepreneurial flexibility for ensuring further sustainable and profitable growth. Preparations for an IPO will be initiated immediately.**

UGS generated just under USD 1.2 billion in sales and an EBITDA of USD 241 million in fiscal 2005. The company is one of the world's market leaders for Product Lifecycle Management (PLM), which is a critical part of industrial manufacturing that allows one to digitally control the development and manufacture of products. The market for PLM software and services has an annual volume of around USD 13 billion and growth rates

between 7 and 9 percent. Combining the PLM solutions of UGS with Siemens' automation technology will enable Siemens to offer integrated offerings covering the entire product life-cycle for the first time. Siemens is thus the first company in the world able to offer its customers fully integrated solutions for creating digitized factories that will give them decisive competitive advantages by saving costs and time and improving quality assurance.

At 8.30 a.m. CET on January 25, 2007, a conference call for investors and analysts regarding the quarterly results as well as the above mentioned topics with CEO Dr. Klaus Kleinfeld, CFO Joe Kaeser and Group President of Siemens A&D Helmut Gierse will be broadcasted live on the Internet at [www.siemens.com/analystcall](http://www.siemens.com/analystcall). The accompanying slide presentation and a recording of the conference call will be available at [www.siemens.com/investorrelations](http://www.siemens.com/investorrelations).

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