

For the business and financial press  
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## **Siemens sells automobile supplier business to Continental for €11.4 billion**

**Löscher: We have reached an outstanding result**

**Siemens AG is signing an agreement with Continental AG, Hanover, Germany, to sell its entire stake in Siemens VDO Automotive AG (SV). The price is €11.4 billion. The closing of the transaction is subject to approval by the responsible antitrust authorities and other closing conditions and is expected in the current calendar year. Peter Löscher, President and CEO of Siemens AG, said: “We have reached an outstanding result. We have carefully evaluated all options for SV and chose the best perspectives for the employees, customers, and our investors.” Preparations for the planned IPO of SV will be terminated.**

The sale of SV supports the goals set in the company's *Fitfor 2010* program. These goals include a focused further development of the business portfolio in the three application fields of *Energy and Environmental Care, Automation and Control/Industrial and Public Infrastructures, and Healthcare*. “We have already made major investments in these fields in the recent past,” commented Löscher. “As we pursue this course, we must be even more oriented to growth and margins, and keep an eye on the capital-intensity of our businesses. We will make Siemens more focused, less complex, and faster.”

The predecessor of SV, Siemens Automotive Systems (AT), was established around 20 years ago. The business developed rapidly and marked a major milestone when it merged with Mannesmann VDO in 2001. In fiscal 2006, SV had sales of roughly €10 billion and employed some 53,000 people at around 130 locations worldwide, including about 19,600 in Germany. Wolfgang Dehen, President of SV, said: “All employees can be proud of what

we as a team have achieved with SV so far. The new product portfolio, clearly focused on the growth field of automotive electronics, will offer great possibilities for the future.”

**Siemens VDO Automotive AG**, a Group of Siemens AG, is one of the world's leading suppliers of electronics and mechatronics for the automotive industry. With its products, it enables individual mobility and the efficient transportation of goods by road in modern societies. As development partner of the automotive industry, the company manufactures automotive electronics and mechatronics for reducing emissions, enhancing safety and driving comfort, and keeping drivers informed and in touch with the outside world. Siemens VDO generated sales of over €10 billion in fiscal year 2006 (to September 30) and Group profit of €669 million (based on US GAAP).

The **Continental Corporation** is a leading automotive supplier of brake systems, chassis components, vehicle electronics, tires and technical elastomers. In 2006 the corporation realized sales of EUR14.9 billion. It has a worldwide workforce of around 87,000.

**Siemens** (Berlin and Munich) is a global powerhouse in electrical engineering and electronics. The company has around 475,000 employees (including “discontinued operations”) working to develop and manufacture products, design and install complex systems and projects, and tailor a wide range of services for individual requirements. Siemens provides innovative technologies and comprehensive know-how to benefit customers in 190 countries. Founded more than 155 years ago, the company focuses on the areas of Information and Communications, Automation and Control, Power, Transportation, Medical, and Lighting. In fiscal 2006 (ended September 30), according to US GAAP, Siemens had sales of €87.3 billion and net income of €3.033 billion. Further information is available on the Internet at: [www.siemens.com](http://www.siemens.com).

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