

### Industry Sector Mobility Division

Erlangen, July 23, 2008

#### **Siemens Mobility to continue manufacturing in Germany – Locations are to be retained**

Siemens to give up its production facility in Prague – Selling option

**Within the context of its "Mobility in Motion" program, the Siemens Mobility Division intends to reorganize its manufacturing activities in Europe. The aim is to make its business operations competitive over the long term. As announced, approximately 1,800 jobs are to be cut in engineering and manufacturing worldwide. Siemens means to give up its production facility in Prague, which employs around 950 people, by the end of fiscal 2009 at the latest. Selling the factory is viewed as one of the options available. The German and Austrian locations of the Division are to be retained. In Krefeld-Uerdingen (Germany), Siemens proposes to cut 220 jobs after all the repair services for the Combino come to an end there. The planned reduction of a further 630 jobs will primarily affect the Mobility locations in Braunschweig, Nuremberg, Erlangen, Berlin, Offenbach, Constance, Düsseldorf, Vienna and Graz. No jobs are to be lost in Munich.**

"In the necessary reorganization process, excess capacity in our factories will be eliminated. This will ensure the long-term competitiveness of the Mobility Division", stated Hans-Jörg Grundmann, CEO of the Mobility Division. The main reason for the excess capacity is the increasing proportion of customers in growth markets such as China, for example, who more and more frequently demand the involvement of local partners. The Division is therefore planning to optimize its value adding and, for example, to hand over portions of production entirely to subcontractors, as is done in the automotive industry. Siemens also plans to give up its Mobility production facility in Prague. According to Grundmann: "In Prague, we have a number of very well trained specialists and can also imagine selling the factory to a reputable company."

In future, the production of rail vehicles for Mobility is to be concentrated in three centers of competence: aluminum vehicles are to be made in Krefeld-Uerdingen, steel vehicles in Vienna and locomotives in Munich. Production locations close to the customer such as the tram manufacturing

plant in Sacramento (USA) are to be retained. As already announced in early July, a total of 2,500 jobs are to be cut worldwide in the Siemens Mobility Division in the course of the comprehensive restructuring program. Around 700 of them will be in sales and administration and approximately 1,800 in engineering and manufacturing, primarily in Europe, where 850 jobs are to go (see table).

**Table: Planned reduction of 850 jobs in engineering and manufacturing (figures rounded off)**

Country	Location	Current workforce	Planned reduction
<b>Germany</b>	Braunschweig	2800	150
	Erlangen	2300	50
	Krefeld-Uerdingen	2000	220
	Berlin	1000	40
	Constance	900	20
	Nuremberg	500	60
	Offenbach	120	10
	Düsseldorf	30	10
<b>Austria</b>	Vienna	1000	80
	Graz	880	20
<b>Locations outside Europe</b>		~ 5000	190

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With around 209,000 employees worldwide Siemens Industry achieved in fiscal 2007 total sales of approximately EUR 40 billion (pro forma, unconsolidated). [www.siemens.com/industry](http://www.siemens.com/industry)

The Siemens Mobility Division (Erlangen, Germany) is the internationally leading provider of transportation and logistics solutions. With its "Complete Mobility" approach, the Division is focused on networking the various modes of transportation in order to ensure the efficient transport of people and goods. Complete Mobility combines the company's competence in operations control systems for railways and traffic control systems for roadways together with solutions for airport logistics, postal automation, traction power supplies and rolling stock for mass transit, regional and mainline services, as well as forward-looking service concepts. [www.siemens.com/mobility](http://www.siemens.com/mobility)

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