

SIEMENS

THE GORES GROUP

PRESS CONFERENCE

Siemens and The Gores Group form Enterprise Networks Joint Venture

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Siemens Enterprise Communications Joint Venture

Highlights

- Gores to acquire 51 percent stake in the Joint Venture and assume operational responsibility
 - Siemens to retain 49 percent → Two from five board seats & Supermajority rights
- Gores will strengthen the Joint Venture by contributing two of its portfolio companies – Enterasys and SER Solutions
- Key Siemens patents and licenses will be transferred to the Joint Venture
 - The Joint Venture will be a preferred supplier to Siemens and use the Siemens One network
- Strongly capitalised at inception with an independent CTA, the Joint Venture will benefit employees and customers in the long-term and plans a key role in Industry consolidation!
- Gores and Siemens plan to invest roughly €350 million – in addition to R&D spend – in the Joint Venture
- Mark Stone will be chairman and designated interim CEO of the new Joint Venture

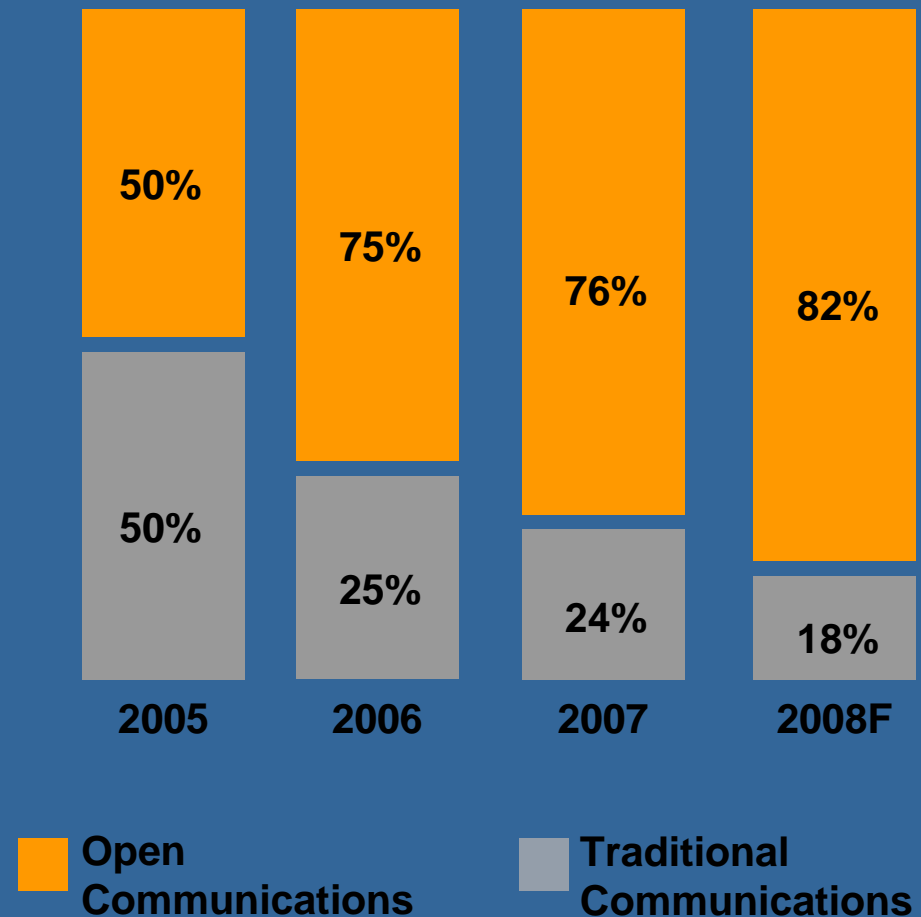
Siemens Enterprise Communications

Focused for a new beginning

- Leading market positions in high-growth markets
- Planned workforce restructuring almost complete
- Refocus R&D investment into innovation & growth

- Reduced costs
- Portfolio aligned with growth markets
- Refocus on customers & markets

R&D Investment



Partner process driven by three criteria

Gores – An experienced operational choice

Responsible

- Long-term commitment to the business
- Solid financial base and focus on growth
- Active partner in driving Industry consolidation

Excellence

- Operational experience in managing transitions and consolidation
- Strong track record
- Telecom & Datacom know-how

Innovation

- Complementary portfolio companies with strong synergies
- Management operational expertise in technology and telecommunications

Overview: The Gores Group

Strong track record of creating value

- **Private equity firm focused on investing in mature and growing businesses**
 - Operations-driven firm focused on acquiring controlling interests in mature and growing business which can benefit from the firm's operating experience and flexible capital base
- **Founded in 1987**
 - Offices in Los Angeles, Boulder (USA) and London (UK)
 - Highly experienced team of highly skilled operations professionals
 - Over 70 since inception
- **Consistent, operationally-oriented philosophy**
 - Create entrepreneurial environment supported by operational expertise
 - Empower management and employees
 - Focus on customers and growth
- **Investments:**
 - Currently 16 active in portfolio
 - All acquisitions successful

Enterasys and SER Solutions

Excellent fit with Siemens Enterprise Communications



- Sales: approx. 330 mil. USD (220 mil. EUR)*
- Employees: approx. 800

- **Based in Andover, MA, Enterasys is a global provider of Service Data Networks for enterprise customers**
- **Product portfolio includes multilayer switches, core routers, WAN routers, wireless LANs, network management, and intrusion defense systems**



- Sales: approx. 30 mil. USD (20 mil. EUR)*
- Employees: approx. 100

- **Based in Dulles, VA, SER Solutions delivers contact center management solutions on both hardware and software platforms**
- **Supplied business activities include planned and proactive customer care, telemarketing, collections, fundraising, emergency notifications, and political calling**

Contribution of Enterasys and SER will add to the Joint Venture's capabilities in the data networks and software space, and accelerate the transformation of SEN that is already underway

Customers to benefit from a more complete Enterprise Networking and Communications offering

	Unified Communications
Security	
	Applications

- Leveraging Siemens Enterprise Communications distribution capabilities and global reach
- Guarantees and service agreements to remain in effect
- Accelerated development of OpenScape UC Server for large enterprises
- Continuing upgrades of HiPath products to protect customer investment
- Transition to indirect sales channels and development of HiPath products to benefit SMEs
- Available capital to fund acquisition of additional technology platforms

Disclaimer

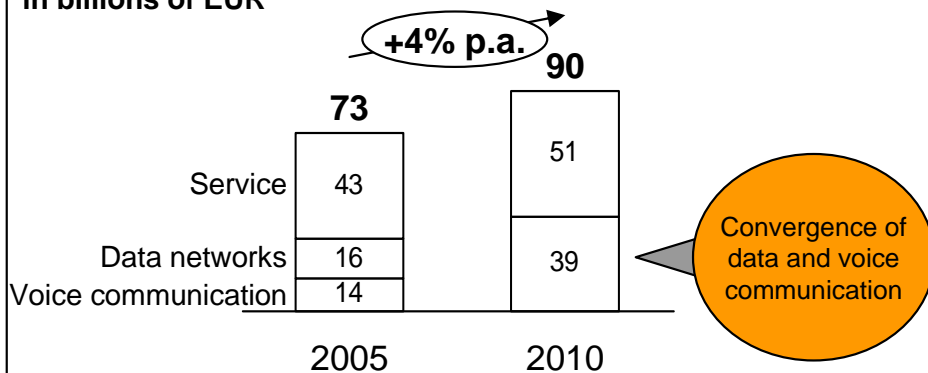
This document contains forward-looking statements and information – that is, statements related to future, not past, events. These statements may be identified by words such as “expects,” “looks forward to,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “will,” “project” or words of similar meaning. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens’ control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of Siemens to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For us, particular uncertainties arise, among others, from changes in general economic and business conditions (including margin developments in major business areas); the challenges of integrating major acquisitions and implementing joint ventures and other significant portfolio measures; changes in currency exchange rates and interest rates; introduction of competing products or technologies by other companies; lack of acceptance of new products or services by customers targeted by Siemens; changes in business strategy; the outcome of pending investigations and legal proceedings, especially the corruption investigation we are currently subject to in Germany, the United States and elsewhere; the potential impact of such investigations and proceedings on our ongoing business including our relationships with governments and other customers; the potential impact of such matters on our financial statements; as well as various other factors. More detailed information about certain of these factors is contained throughout this report and in our other filings with the SEC, which are available on the Siemens website, www.siemens.com, and on the SEC's website, www.sec.gov. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Siemens does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated. EBITDA (adjusted), Return on capital employed, Free cash flow, Cash conversion and Net debt are Non-GAAP financial measures. A reconciliation of these amounts to the most directly comparable IFRS financial measures is available on our Investor Relations website under www.siemens.com/ir, Financial Publications, Quarterly Reports.

Q&A / Back ups

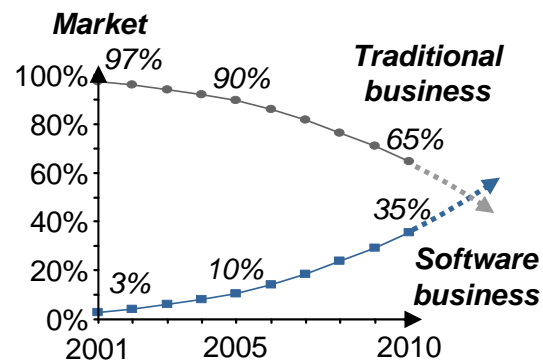
Enterprise IT and communications market is fundamentally changing and is dominated by a strong market leader

Development of ITC market*

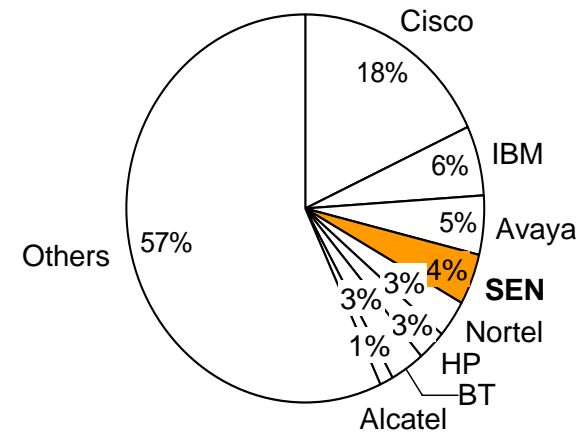
in billions of EUR



Changes of traditional vs. software business in voice communication



Market shares of SEN and competitors 2007

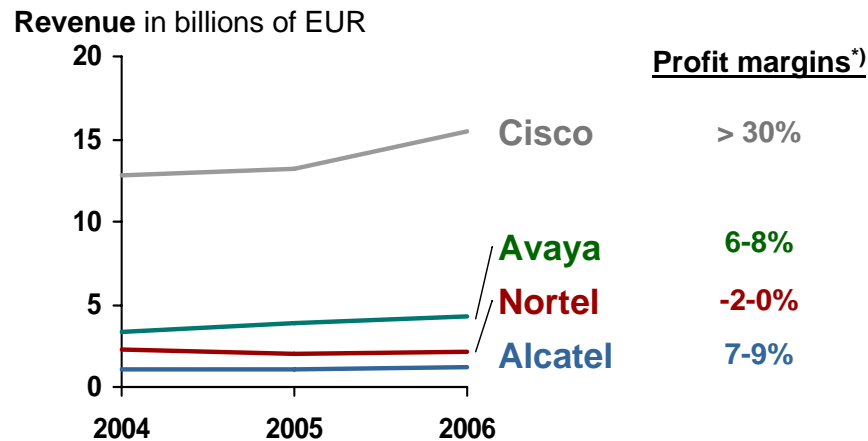


- **Cisco dominates the entire market** on basis of its market position in the data network sector
- **All traditional** voice communication providers under massive **pressure**
- **Intensified competition**, such as with systems integrators, software houses and data equipment manufacturers
- **SEN overall market share** has declined from 4.9% (in 2005) to 4%
- **Market consolidation expected**

* ITC market = market for enterprise IT / telecommunications solutions; excluding security market segment

SEN has a strong installed base but cannot escape the competitive pressure

Revenue / margins of competitors



Key figures for SEN

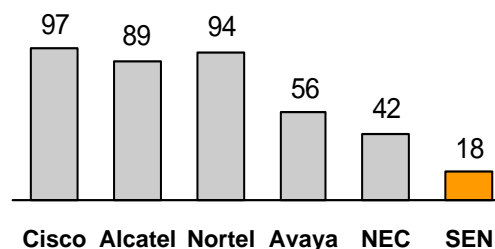
in millions of EUR

	<u>FY 2006</u>	<u>FY 2007</u>
Revenue	~ €3,500	~ €3,200
Group profit before tax (discontinued operations)	(€418)	(€602)

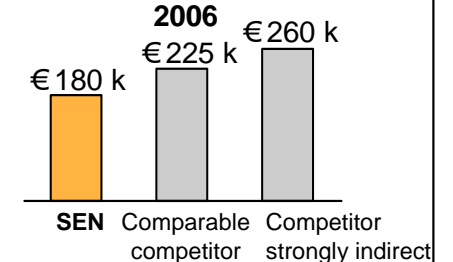
SEN has strong installed base but low revenue share via indirect sales channels and lower per-employee revenue

- Installed base**
(per no. of lines)
1. **Nortel**
 2. **SEN**
 3. **Avaya**
 4. **NEC**
 5. **Alcatel**

Indirect sales channels 2006 (in % of revenue)



Sales per employee in 2006



* Based on internal estimates