

Moscow, Russia / Munich, Germany,
October 17, 2011

Siemens announces investments in Russia of €1 billion

Expansion of technology partnership and presence in Russia

Over the next three years, Siemens AG intends – together with its partners – to invest €1 billion in Russia. Peter Löscher, President and CEO of Siemens AG, announced this initiative in Moscow today at the annual meeting of the Foreign Investment Advisory Council chaired by Russian Prime Minister Vladimir V. Putin. As a provider of innovative technologies for power generation and transmission, mobility and solutions for urban infrastructures, Siemens can play a key role in Russia’s modernization. The company will therefore systematically expand its presence in the country. For example, plans call for the new construction or expansion of locations for production, research and development (R&D) and services in regions such as Yekaterinburg, Perm, St. Petersburg and Voronezh. About 4,000 specialist jobs will be created overall. “Our far-reaching investments underscore Russia’s great importance as a strategic core market for Siemens. By entering into a technology partnership, we’re supporting the country’s ambitious modernization plans and placing our close cooperation with our Russian partners on a new, even broader basis,” said Peter Löscher.

A large part of the planned investments – some €700 million – will focus on the future-oriented energy market. For example, plans call for about €400 million to be invested in new production facilities for efficient gas turbines and in the expansion of the service business. In August, Siemens announced a joint venture with the Russian company Power Machines to manufacture, market and service gas turbines. To be headquartered in St. Petersburg, this cooperative venture will be launched as soon as the relevant antitrust authorities approve the transaction. In the area of renewable energies, plans call for the construction of a new production plant for wind turbines and a rotor blade manufacturing facility, for which investments totaling roughly €120 million have been earmarked. An additional investment of some €115 million is slated for a local manufacturing plant for transformers and production facilities for high-voltage products and gas-insolated switchgear in Voronezh. Together with its Russian partners, Siemens also intends to spend a further €60 million to build a production plant in Perm to manufacture pipeline compressors for Russia’s oil and gas industry.

1 / 3

In addition to the energy segment, rail technology is also a very promising market in Russia – and one for which Siemens and its Russian partners can provide high-tech solutions. The joint venture established in Yekaterinburg with Russia's Sinara Group in 2010 has already received more than €3 billion in orders for the production of advanced freight locomotives and regional trains. Local manufacturing capacity – in particular, for the production of regional trains – will now be substantially expanded through investments of several hundred million euros. Siemens' joint venture in St. Petersburg for the production of drives systems for trains will also be expanded through additional investments of over €20 million.

Siemens' R&D center in the future Skolkovo Innovation City, in which €40 million are to be invested, will also be a very clear sign of a close technology partnership.

Russia is a strategic core market for Siemens. The technology company, which has been doing business in the country for nearly 160 years, now has about 4,000 employees in Russia and activities in more than 30 Russian cities. In fiscal 2010, Siemens generated revenue of €1.2 billion in Russia and new orders of around €2.6 billion. The business fields in its Energy, Industry, Infrastructure & Cities and Healthcare Sectors enable Siemens to offer the comprehensive portfolio and technology expertise required to drive Russia's modernization in the areas of energy efficiency, productivity and sustainability. Russia is the world's fourth-largest producer of electricity, after the U.S., China and Japan. The country's energy industry faces the major challenge of upgrading its existing range of outdated power plants and substantially increasing the share of electricity generated by high-efficiency combined-cycle power plants and wind power systems. Russia's grid operator, Federal Grid Company, intends to invest €12 billion in the medium term to upgrade the country's power grid. At 88,000 kilometers, Russia's rail network is the second-longest in the world. Russian Railways (RZD) plans to invest a total of nearly €300 billion by 2030 and commission 23,000 new locomotives and 24,000 new regional trains.

Siemens AG (Berlin and Munich) is a global powerhouse in electronics and electrical engineering, operating in the fields of industry, energy and healthcare as well as providing infrastructure solutions, primarily for cities and metropolitan areas. For over 160 years, Siemens has stood for technological excellence, innovation, quality, reliability and internationality. The company is the world's largest provider of environmental technologies. More than one-third of its total revenue stems from green products and solutions. In fiscal 2010, which ended on September 30, 2010, revenue from continuing operations (excluding Osram and Siemens IT Solutions and Services) totaled €69 billion and net income from continuing operations €4.3 billion. At the end of September 2010, Siemens had around 336,000 employees worldwide on the basis of continuing operations. Further information is available on the Internet at: www.siemens.com.

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 the current expectations and certain assumptions of Siemens' management, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens' control, affect Siemens' 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. In particular, Siemens is strongly affected by changes in general economic and business conditions as these directly impact its processes, customers and suppliers. This may negatively impact our revenue development and the realization of greater capacity utilization as a result of growth. Yet due to their diversity, not all of Siemens' businesses are equally affected by changes in economic conditions; considerable differences exist in the timing and magnitude of the effects of such changes. This effect is amplified by the fact that, as a global company, Siemens is active in countries with economies that vary widely in terms of growth rate. Uncertainties arise from, among other things, the risk of customers delaying the conversion of recognized orders into revenue or cancelling recognized orders, of prices declining as a result of adverse market conditions by more than is currently anticipated by Siemens' management or of functional costs increasing in anticipation of growth that is not realized as expected. Other factors that may cause Siemens' results to deviate from expectations include developments in the financial markets, including fluctuations in interest and exchange rates (in particular in relation to the U.S. dollar and the currencies of emerging markets such as China, India and Brazil), in commodity and equity prices, in debt prices (credit spreads) and in the value of financial assets generally. Any changes in interest rates or other assumptions used in calculating obligations for pension plans and similar commitments may impact Siemens' defined benefit obligations and the anticipated performance of pension plan assets resulting in unexpected changes in the funded status of Siemens' pension and other post-employment benefit plans. Any increase in market volatility, deterioration in the capital markets, decline in the conditions for the credit business, uncertainty related to the subprime, financial market and liquidity crises, or fluctuations in the future financial performance of the major industries served by Siemens may have unexpected effects on Siemens' results. Furthermore, Siemens faces risks and uncertainties in connection with: disposing of business activities, certain strategic reorientation measures; the performance of its equity interests and strategic alliances; the challenge of integrating major acquisitions, implementing joint ventures and other significant portfolio measures; the introduction of competing products or technologies by other companies or market entries by new competitors; changing competitive dynamics (particularly in developing markets); the risk that new products or services will not be accepted by customers targeted by Siemens; changes in business strategy; the interruption of our supply chain, including the inability of third parties to deliver parts, components and services on time resulting for example from natural disasters; the outcome of pending investigations, legal proceedings and actions resulting from the findings of, or related to the subject matter of, such investigations; the potential impact of such investigations and proceedings on Siemens' business, including its relationships with governments and other customers; the potential impact of such matters on Siemens' financial statements, and various other factors. More detailed information about certain of the risk factors affecting Siemens is contained throughout this report and in Siemens' 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 neither intends to, nor assumes any obligation to, update or revise these forward-looking statements in light of developments which differ from those anticipated.