

Munich, February 16, 2017

Siemens to secure long-term competitiveness of mechanical drives unit

- Next step in further improvement of competitive position
- Setup of standalone company under Siemens umbrella

Siemens is giving its mechanical drives unit (Mechanical Drives, MD) a new setup that will enable the business to operate more efficiently and flexibly in implementing its growth plans in a competitive environment. MD's market, which is dominated by medium-sized companies, is currently characterized by weak growth, increasing competition from the Asian region and overcapacities, with correspondingly high price pressure. To achieve greater room to maneuver and intensify its business-specific orientation, the unit is to be managed in the future as a separate company under the Siemens umbrella.

Siemens is also planning to invest in the business's locations worldwide and product portfolio in order to ensure its continued market and technology leadership. With the strong brands Flender and Winergy, MD is the market leader particularly in applications with high torques in the wind and cement industries, for example.

"In the last two years, the business has considerably improved its competitiveness. We've focused MD on its core business and, among other things, created a separate sales organization that has considerably improved customer proximity," said Jürgen Brandes, CEO of Siemens' Process Industries and Drives Division. "Setting up a separate unit is the next step toward achieving long-term success."

Mechanical Drives (MD), which belongs to Siemens' Process Industries and Drives Division, currently has around 6,000 employees worldwide. It is a leading global supplier of components for mechanical drives systems, with offerings ranging from

an extensive portfolio of drives and couplings to services. The unit serves key industries such as wind power, cement production, marine, conveyor and crane technology. Its products and services combine latest technology with extremely high quality and have been reliably guaranteeing the optimal transmission of power for decades.

This press release, press photos and additional material is available at www.siemens.com/press/PR2017020165COEN

Contacts for journalists

Günter Gaugler

Phone: +49 89 636 34782

E-mail: guenter.gaugler@siemens.com

Richard Speich

Phone.: +49 89 636 30017

E-mail: richard.speich@siemens.com

Follow us on Twitter at www.twitter.com/siemens_press.

Siemens AG (Berlin and Munich) is a global technology powerhouse that has stood for engineering excellence, innovation, quality, reliability and internationality for more than 165 years. The company is active in more than 200 countries, focusing on the areas of electrification, automation and digitalization. One of the world's largest producers of energy-efficient, resource-saving technologies, Siemens is a leading supplier of efficient power generation and power transmission solutions and a pioneer in infrastructure solutions as well as automation, drive and software solutions for industry. The company is also a leading provider of medical imaging equipment – such as computed tomography and magnetic resonance imaging systems – and a leader in laboratory diagnostics as well as clinical IT. In fiscal 2016, which ended on September 30, 2016, Siemens generated revenue of €79.6 billion and net income of €5.6 billion. At the end of September 2016, the company had around 351,000 employees worldwide. Further information is available on the Internet at www.siemens.com.