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Siemens selects initial projects for US\$100 million Integrity Initiative

Siemens AG has announced the first anti-corruption projects that will receive financing from the US\$100 million integrity initiative to promote clean markets. This initiative is part of the World Bank-Siemens AG comprehensive settlement that was agreed on July 2, 2009. An initial tranche of US\$40 million will now be distributed to more than 30 initiatives from over 20 countries that have been selected. Around 300 nonprofit organizations from 66 countries had applied for funding during the first round.

“Siemens stands for top performance with the highest ethical standards,” said Peter Y. Solmssen, Member of the Managing Board and General Counsel of Siemens AG. “Together with the World Bank Group, we want to promote integrity and fair competition worldwide. With the selection of the projects for the Siemens Integrity Initiative, we have taken the first important step in this direction.”

“We welcome the company’s initiative and clear commitment to the principle that only clean business is good, sustainable business“, said Leonard McCarthy, Integrity Vice President of the World Bank Group. “Corruption steals from the poor, and it can only be tackled on a joint basis. The projects of the Siemens Integrity Initiative will help strengthen the will to combat corruption worldwide and improve conditions for everyone.”

In India, the local offices of the United Nations Global Compact Networks and United Nations Office on Drugs and Crime organizations will be supported by this initiative to ensure collective action amongst stakeholders to combat corruption.

Other initiatives will be supported in the following countries: Angola, Brazil, China, Egypt, Hungary, Indonesia, Italy, Mexico, Nigeria, the Philippines, Russia, the Slovak Republic, South Africa, the Czech Republic, the U.S. and Vietnam and various Middle Eastern states.

As part of the World Bank-Siemens AG settlement agreement, the World Bank has audit rights over the use of the funds and veto rights over the selection by Siemens of anti-corruption groups or

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programs receiving funds. The selection was made with a view to achieving a balance with respect to the topics and the regional distribution of the funds.

In December 2009, Siemens announced that funds totaling US\$100 million would be distributed over the next 15 years to nonprofit organizations worldwide that promote business integrity and fight corruption. This initiative is part of the agreement concluded between Siemens and the World Bank following an investigation by the World Bank's Integrity Vice Presidency and Siemens' acknowledgement of past misconduct in its global business.

"Siemens is now setting a global example," said Theo Waigel, the company's independent Compliance monitor. "Here a compliance organization with over 600 employees has been established. The new management operates according to the basic principle that only clean business is Siemens business."

Further funding agreements as part of the World Bank-Siemens Initiative will be announced in 2011.

Contacts:

World Bank: Dina El-Naggar, +1 202 473-3245

Siemens AG: Alexander Becker, +49 89 636 36558

Siemens Ltd. India: V.K. Menon, +91 22 24987026

Detailed information about the criteria for the selection and profiles of the projects to be funded can be found at: www.siemens.com/integrity-initiative.
