

## Siemens to realign regional organization and strengthen corporate units

- **Cluster setup to be eliminated**
- **Countries to have more market competences and report directly to the Managing Board**
- **Corporate units to be bundled**

The regional cluster setup which is currently in effect at Siemens is to be eliminated. By implementing this move, which will give the individual countries more competences in the future, Siemens intends to intensify its customer access and expand its regional business. "Eliminating the clusters will make Siemens more streamlined and closer to the markets. We're substantially strengthening our regions, whose heads are our customers' most important contacts," stated Joe Kaeser, President and CEO of Siemens AG.

The realignment will eliminate an organizational level at the company, and the various countries will be more closely geared to the business of the Sectors. In the future, the countries which are most important for Siemens – based on their business volume and growth prospects – are to report directly to the four Managing Board members who are responsible for the Energy, Healthcare, Industry and Infrastructure & Cities Sectors. These so-called lead countries account for more than 85 percent of the company's revenue, and smaller countries will report directly to them.

As part of the realignment of the regional organization, Managing Board responsibility for the various regions will also be reassigned. In the future, Energy CEO Michael Süß will be responsible for the NAFTA region and the Middle East; Healthcare CEO Hermann Requardt, for South America and Japan; Industry CEO

Siegfried Russwurm, for Europe, Africa and the C.I.S.; and Infrastructure & Cities CEO Roland Busch, for Asia, excluding Japan, and Australia. The restructuring of the regional setup is aimed at enhancing local market penetration.

In addition, structures are to be optimized and bundled at Siemens' corporate units. For example, the Mergers & Acquisitions Department – responsible for portfolio measures and currently a part of Corporate Finance – is to be transferred to Corporate Development, which reports to the President and CEO. The same applies to the new corporate unit Governance & Markets, which will combine governance and capital market functions. The company's internal consulting unit, Siemens Management Consulting, will be integrated into the strategy department. The currently centrally managed sales unit Siemens One will become part of the Infrastructure & Cities Sector. Furthermore, business excellence functions, including project and quality management, will be bundled under the leadership of the Chief Technology Officer (CTO). "By strengthening and streamlining our corporate units, we're substantially increasing our clout," noted Kaeser.

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