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Siemens selects its three best suppliers worldwide

Siemens AG has honored its best suppliers worldwide in fiscal 2009. The German engineering office, BIS Gas Turbine Systems, located in Bremen, Germany, took first place in the overall ranking. Siemens also presented awards in particularly important subcategories to its best suppliers in the areas Innovation and Global Value Sourcing. These awards went to the French-Italian semiconductor producer STMicroelectronics and the U.S. developer of hearing aid components Knowles Electronics Holding Inc., respectively. "In presenting these awards, we want to honor the partners who have helped us reach the market better and faster," said Barbara Kux, Member of the Managing Board of Siemens AG, at the awards ceremony near Munich, Germany on Thursday.

The awards presentation took place for the first time at the newly established Supplier Forum, to which Siemens invites its 30 most important suppliers in order to develop joint strategies for even more effective cooperation. The Supplier Forum is part of the Supplier Initiative, which was set up by Barbara Kux in January 2009 and with which the company intends to help ensure its long-term profitability. As part of the initiative, purchasing will be bundled more tightly in the future in order to get better prices via volume discounts. In fiscal 2008, slightly less than €12 billion of Siemens' worldwide procurement volume of some €40 billion was centrally negotiated. By 2010, Siemens intends to increase this share by 60 percent to €19 billion. In the medium term, Siemens also wants to reduce the number of its suppliers, which totaled over 100,000 in fiscal 2008, by 20 percent and to work even more closely with its most important suppliers. Third, Siemens wants to increase the proportion of value added it generates in emerging markets from some 20 percent in 2008 to over 25 percent in the medium term.

The award winners

BIS Gas Turbine Systems, the winner in the overall ranking, has supported the Siemens Energy Sector since 2002 in the worldwide processing of project businesses with gas turbines. In addition to the criteria quality, reliability and price, the Bremen company convinced the jurors, in particular,

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by its ability to respond to the specific needs of customers in the various countries. In addition, the company has a regional network of suppliers with which it is supporting Siemens in increasing its proportion of value added in emerging markets over the long term. With some 20 employees, BIS Gas Turbine Systems, a company of Bilfinger Berger Industrial Services AG (BIS AG), generated revenue of about €70 million in fiscal 2008.

STMicroelectronics was honored as Siemens' most innovative supplier, in particular, due to its technological leadership in the semiconductor business and its close cooperation with Siemens in the development of components for industry automation. Located in Geneva, Switzerland, the company has been an important supplier to Siemens' Industry Sector and a market leader in its segment for more than 30 years. With some 50,000 employees, STMicroelectronics generated revenue of about €6.5 billion in fiscal 2008.

Knowles Electronics, Inc., winner in the category Global Value Sourcing, has developed and produced hearing aid components for the Siemens Healthcare Sector for over 60 years. Located in Chicago, U.S., the company impressed the jury with its economical value added in emerging markets and its outstanding on-time delivery. The company has some 5,000 employees in seven countries. Knowles Electronics does not publish its revenue figures.

Siemens AG (Berlin and Munich) is a global powerhouse in electronics and electrical engineering, operating in the industry, energy and healthcare sectors. The company has around 420,000 employees (in continuing operations) working to develop and manufacture products, design and install complex systems and projects, and tailor a wide range of solutions for individual requirements. For over 160 years, Siemens has stood for technical achievements, innovation, quality, reliability and internationality. In fiscal 2008, Siemens had revenue of €77.3 billion and a net income of €5.9 billion (IFRS). Further information is available on the Internet at: www.siemens.com.