SIEMENS

Background Information

Detroit, March 2015

Siemens Digital Factory

In order to adapt a major market trend Siemens dedicates a division solely to the Digital Factory (DF) effective from October 1, 2014, offering a comprehensive portfolio of seamlessly integrated hardware, software and technology-based services. The aim is to better support manufacturing companies worldwide in enhancing the flexibility and efficiency of their manufacturing processes and reducing the time to market of their products. Digital Factory solutions include automation systems, industrial controls, industrial communication, power supplies, industry services, operator control and monitoring systems, industry software, PC-based automation and motion control. By a complete digital representation of the entire physical value chain the "Digital Enterprise", for example, operates with greater agility.

The Digital Factory portfolio connects major parts of the product and production life cycle – building upon a rich history of software-based products. Product Lifecycle Management (PLM) software, for example, allows companies to develop and optimize new products on an entirely virtual basis. For manufacturers, Totally Integrated Automation (TIA) ensures the efficient interoperability of all automation components. The TIA Portal, for example, already enables significant time and cost savings in engineering.

Key figures fiscal year 2014 - Digital Factory division globally:

- Orders € 9.2 billion
- Margin target 14 to 20 percent
- Employees 43,100 (employees in the US 1,275)
- With a mid-term growth of 4 percent in the Industry Automation Market Siemens is positioned as number 1.
- With a mid-term market growth of 8 percent in the Industry Software Market the Digital Factory Division is a leading PLM player worldwide.



Financial figures fiscal year 2014

x.x% Profit margin as reported

1) Comparable, i.e. adjusted for currency translation and portfolio effects © Siemens AG 2014

Siemens' expansive role in the automotive industry

Siemens has an expansive role in the automotive industry with 80 percent of automotive factories around the world relying on Siemens automation equipment. Among global automakers, 14 of the top 15 OEMs and nearly 90 percent of the top 25 suppliers use Siemens PLM software.

- Daimler AG, the German premium car group, has selected CAD Software from Siemens as their standard for their worldwide vehicle development. Starting in the summer of 2012, Daimler has been integrating work from over 20 development centers and their most important suppliers on a single product development platform.
- PLM technology enabled Nissan Motor to cut its development cycle for new vehicles from 20 months to 10.5 months with 80% fewer problems reported after vehicle release.

 For more than 25 years, Siemens and Ford Motor Company have worked together, leveraging innovation and technology to maximize manufacturing efficiency. As a result, Ford has been able to reduce he energy needed to produce a vehicle, increase the safety for people building the vehicle and improve the flexibility of plants and processes.

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For further information, please see: <u>www.siemens.com/digitalfactory</u> <u>http://www.industry.usa.siemens.com/automation/us/en/events/ManufacturingInAme</u> <u>rica/Pages/Manufacturing-In-America.aspx</u> 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 No. 1 in offshore wind turbine construction, a leading supplier of combined cycle turbines for power generation, a major provider of 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 2014, which ended on September 30, 2014, Siemens generated revenue from continuing operations of €71.9 billion and net income of €5.5 billion. At the end of September 2014, the company had around 357,000 employees worldwide. Further information is available on the Internet at <u>www.siemens.com</u>.

Siemens Corporation is a U.S. subsidiary of Siemens AG, a global technology powerhouse that has stood for engineering excellence, innovation, quality, reliability and internationality for more than 165 years. With 343,000 employees in more than 200 countries, Siemens reported worldwide revenue of approximately \$98 billion in fiscal 2014. Siemens in the USA reported revenue of \$22.2 billion, including \$5.2 billion in exports, and employs approximately 46,000 people throughout all 50 states and Puerto Rico. More than 700 Siemens employees are based in the Detroit region, more than 1,000 Siemens employees in the state of Michigan. For more information on Siemens in the United States, visit www.usa.siemens.com.