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Siemens guarantees 85 percent of net salary for short-time-work in Germany

Siemens is one of the first companies in Germany to reach a framework agreement with its Central Works Council on uniform provisions in the event of reductions in working hours. Regardless of the extent to which reduced working hours may be implemented, Siemens guarantees that all affected employees in Germany will receive at least 85 percent of their most recent net income. “The rules relating to reduced working hours in Germany have now been clearly defined. We’re taking a responsible approach to the matter. Working-hour cutbacks are a key measure which enables us to retain employees even in difficult times,” stated Peter Löscher, President and CEO of Siemens AG. Lothar Adler, Chairman of Siemens’ Central Works Council, noted, “We’re dealing with one another as partners. With this agreement, Siemens is exceeding the legal and most of the collectively-agreed provisions. Salary cuts attributable to reduced working hours will thus remain within limits.”

Regardless of the extent to which reduced working hours may be implemented, Siemens guarantees that all affected employees in Germany will receive at least 85 percent of their most recent net income. This substantially surpasses the 60 or 67 percent of net income legally established as a minimum. The framework agreement on reduced working hours is valid through September 30, 2010. Details relating to any necessary reductions in working hours will – as in the past – be negotiated by the involved parties at the affected locations.

Other measures which also safeguard jobs – such as the reduction of accrued compensatory and vacation time – will be implemented before working hours are cut at individual locations in response to declining demand. In addition, differences in capacity between locations will be compensated by means of cross-location personnel exchange.

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 430,000 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

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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.