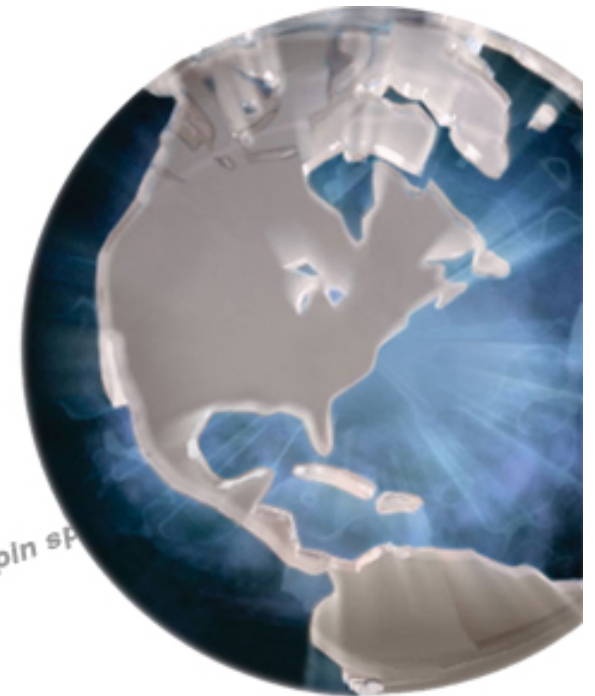


**Massachusetts Alliance for
Economic Development
2005 Annual Conference**

Paul Maier, Senior Vice President
Siemens



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Siemens...A Global View

SIEMENS

Siemens AG: Worldwide figures for fiscal 5337⁴ (U.S. GAAP)²



- New Orders: \$98.2 billion
- Sales: \$91.3 billion
- Group Profit from Operations: \$6.1 billion
- Net Income: \$4.1 billion
- Capital spending : \$5.6 billion
- Research and Development: \$6.2 billion
- Dedicates more than 45,000 employees to global R&D
- Derives 75% of total sales from products and services developed in the last five years
- Employs 430,000 people

¹Fiscal Year October 1 – September 30

²Average annual exchange rate for FY 2004: €1.00 = \$1.215

The USA is Siemens' Second Largest Market

SIEMENS

Siemens in the USA: Key statistics for fiscal 2004 (U.S. GAAP)

- Sales \$16.6 billion*
- Orders \$17.7 billion*
- U.S. sales account for 18 percent of worldwide sales
- 70,000 employees in all 50 states
- 6,829 employees and \$800 million dedicated to R&D
- 9,500 U.S. patents**
- Some \$9.5 billion invested in U.S. acquisitions since 1995



* Sales/Orders by U.S. Operating Companies exclusive of transactions with affiliated companies

** As of 9-30-04.

Siemens at Work Across New England

SIEMENS

15 Siemens Operating Companies in Massachusetts; 2 headquarters

4,825 employees in New England; 3,700 employees in local Boston-area

<\$140M Siemens VC funds invested in Commonwealth based companies

More than half of Boston's Top 100 Companies are Siemens clients



Siemens at Work Across New England

SIEMENS

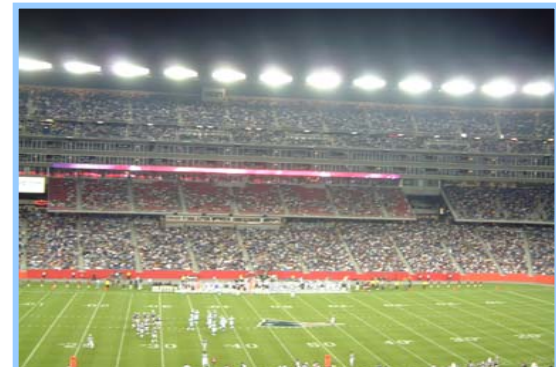
Siemens diagnostic & radiation equipment used to treat patients across the state

Siemens provides equipment to generate 1/3 of New England's electricity

Siemens installed the surveillance equipment in Boston's "Big Dig"

Siemens lights Gillette Stadium as well as several Massachusetts monuments

Nearly 57,000 MBTA customers travel each day on Siemens heavy-rail cars



U.S. acquisitions: Diverse ownership structures of targets

SIEMENS

Approximately \$10 billion of direct U.S. investment in the past 10 years

Profile

- Private companies
- Public companies
- Divisions of large corporations
- VC backed / development stage companies

Deal Examples

- Entex; Security Technologies Group
- Shared Medical; Acuson; Moore Products
- **GTE/OSRAM Sylvania**, Westinghouse/Power Generation; Veolia/US Filter
- **Chantry Networks; Castle Networks; Redstone; Argon**

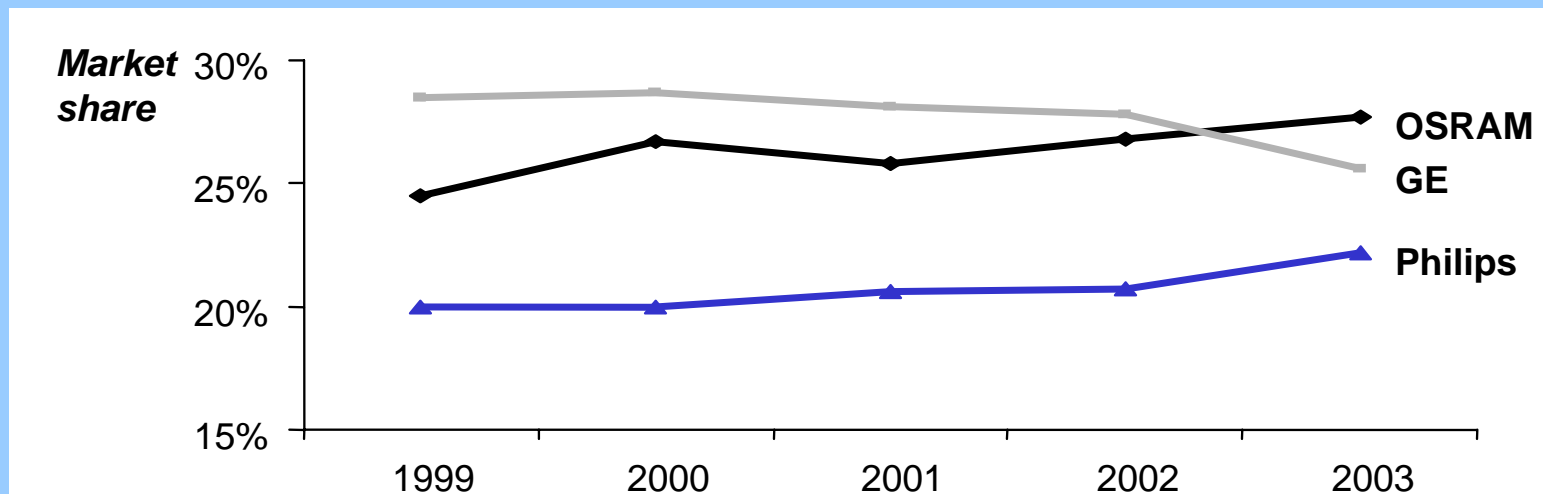
- Assets/businesses have also been added to the U.S. portfolio through the purchase of non-U.S. companies such as Atecs Mannesmann & Elektrowatt

Note: Companies in red are Massachusetts-based

Case Study: Osram-Sylvania

SIEMENS

- Challenges**
- Accelerated development toward global competition
 - GE entered Europe through acquisition of Tungsram and Thorn
- Action**
- U.S. market share 3% in 1991
 - Extensive study of the global lighting business and investigation of strategic alternatives
 - Purchased Sylvania from GTE Corp. in 1993
- Results**
- Osram market position today is No. 1 worldwide and No. 2 in the USA
 - Technology leader and highly profitable



Our Massachusetts Vision:
Invest Locally To Grow Globally

SIEMENS

INVESTING IN COMPANIES -- VC investment focused in the areas of wireline and wireless communication and healthcare solutions and medical solutions.

Approximately \$146 million of Siemens Venture Capital (\$729 million funds) is invested in Commonwealth based companies.

INVESTING IN INNOVATION -- R&D investment at both the university level, early-stage adoption level and organic level.

INVESTING IN COMMUNITIES -- Enhancing and growing areas where our employees live and work.

With nearly 5,000 employees throughout New England, the company contributes locally through donations, commitment to education and community involvement.

Why Massachusetts: Invest Locally To Succeed Globally

SIEMENS

- Need for local know-how – including customer research, engineering, distribution, marketing and sales
- Siemens woven into the fabric of Massachusetts' infrastructure
- Excellent partnerships with top-tier universities fuels innovation
- Established client base: Citizens Financial Group, 3Com, Biogen, Genzyme, Pfizer, Millenium Pharmaceuticals, Inc., Service Point USA, EMC Corporation, Monster, Aetna

In Conclusion

SIEMENS

Siemens is a global company committed to growth in the U.S.

Massachusetts remains one of Siemens key areas for growth and expansion

Acquisition can have positive impact for local economies

It is up to the companies involved in an acquisition to work together for success and sustainable growth

