

SIEMENS

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- The spoken word applies -

Ladies and gentlemen,

I would also like to offer you my warmest welcome to SPS/IPC/Drives here in Nuremberg. Since July of this year, I have been Head of the A&D Low-Voltage Controls and Distribution Division – known as A&D CD for short – or, in German “Niederspannungs-Schalttechnik”. I am delighted to have this opportunity to discuss the innovations and trends in my Division with you. Before I took up this position, I managed the Customer Focus group program at the Siemens head office in Munich. Originally, I come from the industrial side of the business: before working in Munich, I managed the A&D Sales arms for North Rhine-Westphalia and Brazil.

I would now like to give you an overview of the figures for the A&D Group over the past fiscal year, and say a few words about the Low-Voltage Controls and Distribution portfolio, the market situation, and our strategic orientation for the coming years.

The profit of the Automation and Drives Group rose in the 2003/2004 fiscal year to 1.077 billion EUR, alongside excellent growth rates for sales and new orders. Improved productivity and increased capacity utilization made significant contributions to a further improved profit margin. Strong growth rates on the

international markets, particularly with customers in the Asia-Pacific region, where growth reached 25 percent, led to a rise in sales to 8.829 billion EUR. New orders grew by 6 percent to 8.980 billion EUR. In the fourth quarter of 2004, A&D saw a strong 8 percent rise in sales to 2.469 billion EUR compared to the same quarter in the previous year, and a 15 percent increase in new orders to 2.310 billion EUR. The Group's profit grew by 30 percent to 313 million EUR.

A&D holds a 2.3 billion Euro share of the **switching and installation technology** market, and is the worldwide number 2 in this field. We hold a market share of 9 percent in this segment. The 2003/2004 fiscal year ended very positively for Low-Voltage Controls and Distribution – one of the two A&D business units working in the field of switching and installation technology. Low-Voltage Controls and Distribution achieved a sales of just under 1.6 billion Euro – 2 percent up on the previous year. We employ 10,500 people in 60 countries around the world. We have grown organically, i.e. by increasing market shares. We are particularly successful in Turkey and Italy, with equally excellent growth rates in China and India.

We have also grown exogenously and, this Summer, took over the power distribution systems arm of Moeller. With this takeover we have strengthened our power distribution portfolio, and improved our position in Europe, the Middle East and Asia. We decided on the takeover for three reasons: first, busbar trunking systems are replacing cable in increasing numbers of applications. The world market in busbar trunking systems is currently worth 700 million Euro, and is growing by three to four percent every year – and the trend is still rising. Second, it nicely completed our portfolio in the field of Totally Integrated Power, allowing us to offer the full power distribution range – from medium voltage, via low-voltage switchgear assemblies and busbar trunking systems right through to distribution boards. We do this in close collaboration with the PTD division that is responsible for medium voltage and transformers. Finally, we have taken over the entire planner support function from Moeller. This has one particular advantage: the busbars are defined at the early stage of power distribution projects since they affect the downstream construction stages. We are thus able to inject our expertise into the overall project right from the start, and are not just limited to the busbar business.

We therefore focus sharply on investment in innovations and the **extension of regional added value**. We have deliberately oriented ourselves with an international outlook – and now have customers in over 104 countries and production facilities in 11 countries. This ties in nicely with Heinrich von Pierer's motto of "Go for profit and growth!"

TIA and TIP

The backbone of our portfolio is formed by two systems that offer horizontal and vertical consistency, have been around for some years now, and are very familiar to you - Totally Integrated Automation (TIA) and Totally Integrated Power (TIP). Building on this base, we are better able to innovate than other companies, and, at the same time, to offer the best possible protection for our customers' investments. Platform concepts are becoming increasingly important as they offer a means to convert both manufacturers' scarce development resources and end-users' finite investment capital into maximum economic success. This is just one of the reasons that this strategy has been included in the "Innovation" corporate program within the Siemens Management System since last Autumn.

Totally Integrated Power (TIP) is of particular importance for our business in the infrastructure field. In TIP our range extends from power distribution through to IT integration with coordinated components at the plant management level. With this range of solutions, Siemens helps its customers to save energy, utilize their resources efficiently and respond with flexibility to market needs.

Product range at Siemens Low-Voltage Controls and Distribution

Siemens A&D Low-Voltage Controls and Distribution supplies products, systems and solutions, starting from switching devices for load feeders or for power distribution, via control circuit devices, through to complete cabinet systems. Our business is mainly divided between two market segments: solutions for low-voltage power distribution and solutions for industrial switching technology. Combined with Safety Integrated, our customers receive a universal solution for the safety equipment, while with Ecofast they gain a universal solution for decentralization without control cabinets.

Siemens A&D bundles the complete range of industrial switching technology under the name of Sirius. We claim to make our customers more profitable in terms of control cabinet technology, in the field or directly on the machine. A&D bundles its switching, protection and distribution products for low-voltage power distribution applications under the names of Sentron and Sivacon. Sentron represents a complete range of switch disconnecter and circuit-breaker products, while Sivacon comprises the power distributors, motor control centers and busbar trunking systems.

Safety Integrated

The protection of people and machines must be the primary focus in every safety-critical application. At A&D, this aspect is covered by Safety Integrated. Failsafe communication, switching technology, controllers, sensors, motion control and drives ensure maximum safety for industrial applications. Safety-oriented communication is implemented via AS Interface or Profibus DP. The signals are safely and directly incorporated into the automation, and protection functions are thus easier to implement. With Safety Integrated, the standard and safety components grow together to form a standardized, transparent overall system. Safety Integrated uses expertise gleaned from engineering through to maintenance, and also makes use of existing network structures for safe communication. The plant is made more cost-effective by reducing the engineering required, through simple and practical handling and rapid, effective diagnostic functions.

With **Sirius Safety Integrated**, the Siemens customer receives safety-oriented switching technology which includes failsafe detection, commands, signaling, monitoring and analysis, together with safe disconnection. Sirius Safety Integrated uses the AS Interface and Profibus standard fieldbus systems to implement complex, networked safety tasks. It can thus be integrated into the world of Totally Integrated Automation.

Ecofast: Decentralization without control cabinets

Ecofast (Energy and Communication Field Installation System) has given A&D a solution for decentralization without control cabinets. Systems designed to be decentralized can be flexibly adapted to the various tasks required for industrial automation. The use of standardized, decentralized assembly systems also saves

time and money during configuration, wiring, assembly, commissioning and in the course of operation. Siemens has a vast range of system modules for automation and drive tasks, offering the ideal solution for every application. Ecofast is an integral part of Totally Integrated Automation, and uses Siemens safety technology. The use of Ecofast system level 2 provides a number of new features, such as faster connection of motor branch circuits using new clamp connectors. Other innovations include a shock-protected terminal system for the energy bus and a greater power capability by increasing the maximum conductor cross-section. Customers also benefit from an integral EMC suppressor for the load circuit.

Highlights at SPS/IPC/Drives

Simocode pro is the new motor management system from Siemens A&D for motors with constant speeds in the low voltage range. Simocode pro is part of the successful Sirius family, and is the intelligent link between the control system and motor branch circuit. Its autonomous control functions combined with the operating, service and diagnostic data greatly increase plant availability, while the modular hardware structure and user-friendly software components offer considerable savings during construction, commissioning, operation and maintenance of a plant. Simocode pro is fully compatible with its predecessor Simocode-DP system.

The new Simocode motor management system can be easily connected directly to higher-level automation systems via Profibus DP. In terms of functionality, it covers everything between the motor branch circuit and automation system, and combines all the necessary protective, monitoring and control functions for each branch circuit in a single compact, modular system. The associated software also allows universal, time-saving parameter assignments, configuration and diagnostics. One unique feature is the use of drag&drop for graphically parameterizing motor management systems.

SIRUS soft starter family

The extended Sirius soft starter family offers a complete range covering all the standard and high-feature applications for starting motors. Thus, all the advantages of the soft start and shut-down can be used to easily and cost-effectively implement optimized machine concepts in the various applications. For example, Sirius soft

starters can be used to start cooling water pumps in power stations or to avoid water surges through the use of a special pump shut-down function. At SPS/IPC/Drives, we have two types of soft starter in the compact Sirius design. These are used to start three-phase AC asynchronous motors without impacting the load or mains supply. Both soft starters have an integral bridging contact system that minimizes the heat losses during operation, thus preventing the area around the switching device heating up. Sirius has a wide range of soft starters for gentle start-up and shut-down. These can be easily adapted to local conditions. The soft starter is safe and jerk-free, protects the motor mechanism and protects the power supply against dangerously high starting currents.

Ladies and gentlemen, this concludes my brief overview of the Low-Voltage Controls and Distribution Division and the current innovations for SPS/IPC/Drives. My colleague, Thomas Schott, will now discuss the new developments from the Industrial Automation Systems Division.

Thank you for your attention.