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## NEWS RELEASE

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### **Siemens to pay \$100m to fight corruption as part of World Bank Group settlement**

*Siemens agrees to four-year debarment for subsidiary; Siemens Group loses World Bank Business for two years*

**WASHINGTON, July 2, 2009** —The World Bank Group today announced a comprehensive settlement with Siemens AG in the wake of the company's acknowledged past misconduct in its global business and a World Bank investigation into corruption in a project in Russia involving a Siemens subsidiary. The settlement includes a commitment by Siemens to pay \$100 million over the next 15 years to support anti-corruption work, an agreement of up to a four-year debarment for Siemens' Russian subsidiary, and a voluntary two-year shut-out from bidding on Bank business for Siemens AG and all of its consolidated subsidiaries and affiliates

As part of the settlement, Siemens has also agreed to co-operate to change industry practices, clean up procurement practices and engage in collective action with the World Bank Group to fight fraud and corruption. Siemens will also provide information on any additional cases of wrongdoing to the Bank's Institutional Integrity Vice Presidency (INT), which investigates fraud and corruption in Bank Group-financed activities.

*"This settlement provides significant consequences for past wrongdoing by Siemens. At the same time, Siemens ongoing extensive cooperation could help the World Bank hold more corrupt firms and individuals accountable for diverting precious development resources away from the people who need them,"* said **Leonard McCarthy, Integrity Vice President at the World Bank**. *"This ground-breaking settlement advances the World Bank's Governance and Anti-corruption agenda while supporting the new management team at Siemens which has introduced a robust and comprehensive compliance program and has committed to clean up the company and end corrupt practices in Siemens operations world-wide."*

*"We look forward to continuing to work with the Bank to eliminate fraud and corruption in our markets and we see this as confirmation of our work to establish a robust compliance program and to pursue collective action together with the Bank in those markets,"* said **Andreas Pohlmann, Siemens Chief Compliance Officer**.

As part of the settlement agreement, the Siemens AG affiliate, 'Siemens Russia' will face up to a four year debarment in connection with violations, prior to 2007, following an investigation by the World Bank into corrupt practices under the Bank-financed transportation project in Russia, the Moscow Urban Transport Project. Siemens two year voluntary restraint means it loses the right to bid on Bank-financed projects until December 31, 2010. Siemens will now have to withdraw any bids not accepted as of January 2009 when the restraint period takes effect.

Siemens' commitment to pay \$100 million to support global efforts to fight fraud and corruption would include providing funds to organizations and projects aimed at combating corruption through collective action, training, education. The money will also be directed to helping governments to recover assets stolen by corrupt leaders, and strengthening efforts to identify and crack-down on corrupt practices.

The World Bank Group will have audit rights over the use of these funds and veto rights over the selection of anticorruption groups or programs receiving funds.

Siemens cooperation with the World Bank follows a series of international investigations and/or legal proceedings in numerous jurisdictions around the world related to fraud or corruption in Siemens' operations. In December of last year Siemens settled related allegations made by US and German authorities including the US Securities and Exchange Commission (SEC).

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