### Key performance figures 1994–1998

#### Siemens AG Austria

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</thead>
<tbody>
<tr>
<td>New orders</td>
<td>19,662</td>
<td>20,535</td>
<td>24,126</td>
<td>25,129</td>
<td>26,724</td>
<td>+6.3</td>
</tr>
<tr>
<td>Sales</td>
<td>20,365</td>
<td>20,486</td>
<td>21,530</td>
<td>23,245</td>
<td>24,223</td>
<td>+4.2</td>
</tr>
<tr>
<td>Exports (as a % of total sales)</td>
<td>35.1%</td>
<td>35.2%</td>
<td>36.1%</td>
<td>36.7%</td>
<td>36.0%</td>
<td>+2.2</td>
</tr>
<tr>
<td>Employees (as of 30 Sept.)</td>
<td>10,027</td>
<td>9,793</td>
<td>9,684</td>
<td>9,873</td>
<td>9,586</td>
<td>-2.9</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>8,301</td>
<td>8,397</td>
<td>8,678</td>
<td>9,037</td>
<td>9,254</td>
<td>+2.4</td>
</tr>
<tr>
<td>Research and Development expenditure</td>
<td>3,751</td>
<td>4,064</td>
<td>4,507</td>
<td>4,840</td>
<td>5,219</td>
<td>+7.8</td>
</tr>
<tr>
<td>Employee training expenditure</td>
<td>236</td>
<td>237</td>
<td>240</td>
<td>244</td>
<td>275</td>
<td>+12.7</td>
</tr>
</tbody>
</table>

1 Euro = ATS 13.8450 (mean rate as of 30 September 1998)

#### Siemens Group Austria

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>New orders</td>
<td>32,381</td>
<td>36,535</td>
<td>43,085</td>
<td>49,468</td>
<td>49,726</td>
<td>+0.5</td>
</tr>
<tr>
<td>Sales</td>
<td>33,217</td>
<td>38,153</td>
<td>37,984</td>
<td>43,062</td>
<td>47,306</td>
<td>+9.9</td>
</tr>
<tr>
<td>Exports (as a % of total sales)</td>
<td>41.2%</td>
<td>46.3%</td>
<td>48.9%</td>
<td>51.9%</td>
<td>54.3%</td>
<td>+14.9</td>
</tr>
<tr>
<td>Capital expenditure (as a % of total sales)</td>
<td>1,738</td>
<td>1,964</td>
<td>2,969</td>
<td>2,968</td>
<td>2,286</td>
<td>-23.0</td>
</tr>
<tr>
<td>Employees (as of 30 Sept.)</td>
<td>18,234</td>
<td>20,448</td>
<td>20,173</td>
<td>20,728</td>
<td>20,414</td>
<td>-1.5</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>13,235</td>
<td>14,250</td>
<td>14,294</td>
<td>14,542</td>
<td>15,079</td>
<td>+3.7</td>
</tr>
<tr>
<td>Research and Development expenditure</td>
<td>4,290</td>
<td>4,590</td>
<td>5,556</td>
<td>6,016</td>
<td>6,522</td>
<td>+8.4</td>
</tr>
<tr>
<td>Employee training expenditure</td>
<td>288</td>
<td>302</td>
<td>308</td>
<td>306</td>
<td>339</td>
<td>+10.8</td>
</tr>
</tbody>
</table>

1 Euro = ATS 13.8450 (mean rate as of 30 September 1998)

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1) Property, plant and equipment plus equipment leased to customers
2) Excluding employees on leave for military duty, on leave of absence and apprentices
3) Starting with fiscal year 1994/95 also includes MKM Budapest, STG Budapest, Siemens Ljubljana, Siemens Zagreb, Siemens Bratislava, ANF Data Prague, SWH Bratislava, SYSDATA Budapest, EH-Schrack Components
4) Starting with fiscal year 1995/96 also includes Kablo Bratislava, SKT Bratislava, Duna Kabel Budapest
5) Starting with fiscal year 1996/97 also includes SNI Bratislava, without Alex. Friedmann Ges.m.b.H.
6) Starting with fiscal year 1997/98 also includes Landis & Staefa (Austria) AG, Landis & Gyr Leit- und Fernwirkeotechnik Gesellschaft mbH, Siemens-Leasing GmbH & Co, no longer includes Austrodent Handelsges.m.b.H., i-center Elektrogroßhandel GmbH & Co KG, Knoblich Licht Ges.m.b.H.
A model for the future.

A large, global company that wants to meet successfully the many different challenges the future brings, needs an appropriate model which it can act on. It needs a corporate philosophy where aims are defined and visions are set out. Whether it’s “Partnership creates success,” “Creating tomorrow’s world,” “Team works” or “Leadership now” – Siemens Austria’s new business model shows that the company has set itself plenty to do for the future.

Each of our eight basic principles will be presented to you in detail in this annual report – by Siemens staff, without whom it would be impossible to realise our set aims. One of these core principles – perhaps the most important – is that “Everything is possible” – if we work together on reaching our goals and carry out our corporate visions as “People-oriented solutions” in the interests of Siemens customers and Siemens employees all over the world.

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Report of the Supervisory Board

Over the course of the reporting period, the Supervisory Board convened four meetings and was presented with a detailed account of affairs by the Managing Board of Siemens AG Austria. Along with the company’s business performance, the capital investments requested by the Managing Board for the current business year and issues regarding company structure were considered.

Changes in group structure

At our Supervisory Board Meeting of 13 November 1997 we set up a Supervisory Board Committee made up of Dkfm. Radomski (Chairman), Dkfm. Dr. Becker and Hans Judmann (nominated by the Works Council), with the purpose of checking and preparing the approval of Siemens AG Austria’s year-end financial statements.

In accordance with the basic agreement for Siemens to purchase the worldwide metering business of Landis & Gyr from ELEKTROWATT (alongside Siemens taking over ELEKTROWATT’s worldwide business activities in the field of building engineering), at our Supervisory Board Meeting of 26 February 1998 we approved the take-over of all shares of Landis & Gyr Energiemanagement (Austria) GmbH, Vienna, by Siemens AG Austria. Consolidated meter activities are to be continued by “Siemens Metering AG Austria for Meters and Electronic Systems” (subsidiary of Siemens AG Austria) registered in Vienna.

At this meeting we gave our consent to the sale of Siemens AG Austria’s cable television companies. In concrete terms we approved the sale of our stakes in LiWESt located in Linz; in Attersee/Salzkammergut located in Vöcklabruck; and in AFREG, which is registered in Salzburg, to Oberösterreichische Kraftwerke AG (Upper Austrian Power Stations company) and to the St. Pölten Kabelfernsehgesellschaften (cable television companies) located in St. Pölten; and our interest in Kabelsignal of Maria Enzersdorf to Energieversorgung Niederösterreich AG (Lower Austrian power supply company). Furthermore we gave our preliminary approval to the sale of Siemens SGP-Verkehrs-technik GmbH’s 95.6% stake in SKT, a cable TV company in Bratislava.

At the Supervisory Board Meeting of 26 February 1998 we also gave our consent to Siemens AG Austria’s studio business being moved into the activities of “BFE Studio und Medien-Systeme GmbH”, located in Vienna. At the same time, it was approved that the rest of the activities in the audio and video systems division of Siemens AG Austria should be wound up step-by-step.

Further, we approved that the activities of Bautechnik Linz be removed from Siemens AG Austria and operate as a wholly-owned subsidiary, with these activities being sold off in due course.

On presentation of the necessary company agreements at the Supervisory Board Meeting of 26 February 1998 we finally gave our approval to the founding of a company pension fund for Siemens AG Austria with the company name “Siemens Pensionskasse AG” with equity capital of ATS 50,000,000 (Euro 3,611,412) and its head office in Vienna. Siemens AG Austria is the sole shareholder.

The most significant resolutions that were passed at our Supervisory Board Meeting of 29 June 1998 concerned restructuring Siemens activities in Hungary by transferring Siemens AG Austria’s interest in Siemens Telefongyár Kft. Budapest (a 5.38% stake) and in Siemens Telefongyár Kft. Budapest (100% stake) to Siemens AG Berlin and Munich.

At our Supervisory Board Meeting of 15 September 1998 we agreed to the reorganisation of Siemens Austria IT and communications technology (in line with the global reorganisation of Siemens) as of 1 October 1998 into three new units:

- “UC-Networks” (ICN; in particular the core areas of the divisions Public Communications Systems for Corporate Networks, Private Communications Systems, the network business of the Private Communications division and of Siemens Nixdorf Informationsysteme GmbH),
- “Product Business” (ICP; the product-oriented business of the Private Communications Systems division and of Siemens Nixdorf Informationsysteme GmbH) and
- “Siemens Business Services GmbH” (SBS; the solutions and Services business of Siemens AG Austria and of Siemens Nixdorf Informationsysteme GmbH).

Restructuring of Siemens Austria’s cabling activities, in particular in view of the sale of Siemens worldwide power-cable activities to Pirelli

By way of a contract concluded on 16 July 1998, taking effect as of 1 October 1998, Siemens AG Berlin and Munich sold its worldwide power-cable activities to Pirelli (subject to antitrust approvals). This general agreement is to be implemented in individual countries – and particularly

Prof. Dipl.-Phys. Dr.-Ing. Karlheinz Kaske deceased

It is with great sadness that we have to report that Prof. Dipl.-Phys. Dr.-Ing. Karlheinz Kaske, Chairman of the Supervisory Board of Siemens AG Austria from 1982 to 1993, passed away on 27 September 1998.

In his ten years as Chairman of the Supervisory Board, Mr. Kaske played a decisive role in building up the company and its subsidiaries. During his time of service, corporate activities were greatly expanded, especially due to significant acquisitions both in the domestic market and abroad.

We owe our great thanks to this man, who, after leaving the Supervisory Board, was appointed as its Honorary Chairman. We will treasure his memory.

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as far as Siemens AG Austria’s cabling activities are concerned – by way of local agreements. All business assets used in the power cable business belonging to the Siemens group were sold off, meaning that it was necessary for the activities of “Österreichische Kabelwerke” to be split into power-cable and data-cable activities. Furthermore, Österreichische Kabelwerke GmbH’s 80.5% stake in MKM, the Hungarian cable producer, is to be transferred to Pirelli after the data-cable activities have been divested. Likewise, Kablo Bratislava spol s r.o. (a wholly-owned subsidiary of Österreichische Kabelwerke GmbH) was acquired by Pirelli.

At our Supervisory Board Meeting of 15 September 1998 we acknowledged the Managing Board’s report on negotiations held with Pirelli concerning the local agreement for Siemens Austria’s cabling activities. Official approval of the transfer of these activities is still outstanding.

Against the background of the continued difficult economic situation for the remaining data-cable activities of Siemens Austria, we gave our consent to Österreichische Kabelwerke’s data-cable (NK) activities being taken over by Siemens AG Austria, as well as consenting to the sale of Österreichische Kabelwerke’s interests in Dörfler Kabelwerk GmbH, Klosterneuburg (100%), in Duna Kabel Kft, Budapest (97.5%) and in Haryana Telecom Ltd., Haryana, India and the winding up of the remaining data-cable activities of MKM (Hungarian cable producer).

Transfer of the 74% stake of Siemens Beteiligungen AG, Zurich, in Siemens AG Austria to Siemens AG, Berlin and Munich.

For the sake of completeness, within the scope of this report we would like to set out that, with effect from 30 September 1998, Siemens Beteiligungen AG, Zurich, transferred its 74% interest in Siemens AG Austria to Siemens AG, Berlin and Munich.

Auditor’s certification
The accounting procedures, the financial statements and the Management Report were examined and approved without qualification by KPMG Alpen-Treuhand GmbH, Certified Public Accountants and Tax Consultants, Vienna. The Supervisory Board has examined and approved the financial statements and the Management Report. The point value for the bonus premium of the 1996/97 business year was set by the Supervisory Board at 82 schillings (5.92 euro). In total this amounted to a sum of 90.6 million schillings (6.54 million euro), which was paid out as special thanks from the company to our employees.

The Supervisory Board would like to thank all employees for their performance and all employee representatives for their constructive cooperation.

After final completion of our audit no objections were raised. Hence the financial statements as of 30 September 1998 have been approved in accordance with § 125 para. 2 of Austrian Corporation Law; the Supervisory Board endorses the proposal of the Managing Board with regard to the distribution of net earnings.

Vienna, December 1998
Supervisory Board

Dr. Heinrich v. Pierer
Chairman of the Supervisory Board
According to the latest forecast made by WIFO, the Austrian economic research institute, real GDP rose by 3.3% in 1998, representing the highest growth rate since 1991. Unemployment will remain almost unchanged at 4.5%, a figure which is once more significantly lower than the European average. Inflation is continuing to fall and is at an historic low of 1.0%. These particularly good economic figures are mainly due to significant increases in both exports and capital expenditure.

For 1999 the economic research institutes expect growth rates of 2.8%, which are again higher than those in the European Union. For the first time since 1994, unemployment is expected to fall (to 4.4%). The inflation rate should remain at its extraordinarily low level, mainly due to the decline in prices of raw material. It is further predicted for 1999 that private consumption, whose growth was hampered in 1998 by a tendency towards saving, will play a stronger part in economic growth.

Inflation is continuing to fall and is at an historic low of 1.0%. These particularly good economic figures are mainly due to significant increases in both exports and capital expenditure.

Business performance at Siemens AG Austria

New orders totalled ATS 26.724 billion (Euro 1.931 billion) in the year under review, up 6.3% on the previous year’s figures. Total turnover amounted to ATS 24.223 billion (Euro 1.750 billion), 4.2% higher than in the previous year. Target figures for both new orders and turnover were thus exceeded to a considerable extent. Export sales were up 2.2% on comparable figures of the previous year.

Business in communications again outperformed our expectations for the year under review. In the Public Communications Networks division we were able to beat our target figures significantly, both for new orders and turnover. The main factor responsible for this favourable development was business in the domestic market which is being boosted through the expansion of digital mobile telephone systems. On the export side, particularly notable contracts were concluded in Croatia and Slovakia.

In the Private Communications Systems division, positive business in terminals has led to above target figures for both new orders and turnover. Business in terminals is characterised by over-proportional growth in the mobile phone market, which is however experiencing a fall in prices due to strong competition.

In connection with the gradual phasing out of activities in the Audio and Video Systems division, a concept for discontinuing business in sound engineering was drawn up, while the studio engineering field of business was shifted to BFE Studio- und Mediensysteme GmbH in Vienna, with effect from 1 June 1998.

From an organisational point of view we have rearranged the activities of our information and communications divisions and the resulting reorganisations formally came into force on 1 October 1998. Siemens Nixdorf Informationssysteme GmbH was integrated into Siemens AG Austria with effect from that date and, together with the Public Communications Networks and Private Communications Systems divisions, forms the three new I&C divisions, namely ICN (Information and Communication Networks), ICP (Information and Communication Products) as well as Siemens Business Services GmbH, which is a separate legal entity.

In the Energy division, the market was shaped by stiff competition and – as in previous years – a lack of investments on the part of the power supply companies. In spite of this, we were still able to reach our targeted level of business as the trend towards plant automation has continued. Furthermore, numerous modernisation projects for power stations and network and distribution plants were carried out. As of the beginning of the 1999/99 business year, following the takeover of ELEKTRONAUT AG (respectively Landis & Gyr) by Siemens AG, Siemens Austria’s metering business is now consolidated in “Siemens Metering AG Austria”.

In the Transportation division, the brisk demand for passenger cars, rail vehicles and rail infrastructure equipment ensured satisfactory performance. The division was able to achieve its targets for new orders and turnover. Particular mention should be made of completing 120 double-decker cars in co-operation with the Austrian Federal Railways workshops and a contract awarded to a consortium headed up by Siemens AG Austria, by the Vienna Public Transport authority (Wiener Linien) to develop a prototype for the third generation of the Viennese underground. Business at the competence centre for rail vehicles in Graz developed particularly favourably and in the year under review contributed more than one third to the turnover of Siemens SGP Verkehrstechnik GesmbH. Business in power line construction which was switched to Siemens Powerlines GmbH & Co KG in the previous financial year also developed favourably in its initial year.

The market for consumer electronics in Austria is going through a difficult phase. In contrast to the European trend, a decline of around 4% is expected in the Austrian market. The Siemens Electrical Appliances division was able to further expand on its position in the market and maintain its level of business of the previous year despite the market trend. However, due to the fact that figures for
New orders of around ATS 970 million took place in total. In the field of plant construction, the year under review was shaped mainly by a moderate level of overall construction activity and by an investment squeeze on the part of public authorities. We achieved our targets in our security and alarm systems business, with notably favourable performance in particular in the field of intelligent video systems and integrated access control solutions. Targets for the year under review for the field of “Production and Logistics Systems” could not be achieved due to various investment projects being postponed.

From an organisational point of view, the preconditions for consolidating building activities through the acquisition of the industrial arm of ELEKTROWATT AG were fulfilled. In future, Siemens AG Austria building business activities in the segments of building automation (today Landis & Staefa), security engineering, project business/installation engineering and facility management will be consolidated in “Siemens Building Technologies Austria”, which made its mark as a development centre for mobile terminals and building engineering were also satisfactory.

In Slovaks, Siemens d.o.o, with almost 50 employees, was satisfied with performance in all four countries for which Siemens AG Austria has regional responsibility. Within the scope of regional responsibility, new orders amounting to a total of ATS 5.6 billion (Euro 404.5 million) compared with ATS 4.1 billion (Euro 296.1 million) were achieved. The number of employees amounted to 1,620 in the year under review.

As in previous years, we were extremely satisfied with business performance in all four countries for which Siemens AG Austria has regional responsibility. Within the scope of regional responsibility, new orders amounting to a total of ATS 5.6 billion (Euro 404.5 million) compared with ATS 4.1 billion (Euro 296.1 million) were achieved. The number of employees amounted to 1,620 in the year under review.

In “Siemens Building Technologies Austria”, which made its mark as a development centre for mobile terminals and building engineering were also satisfactory.
Business in the year under review was also successful in Bosnia and Herzegovina. The good performance here was mainly due to contracts in the field of medical engineering, in the power supply and power stations business as well as in public communications systems, for example with the three EWSD centres going into operation.

**Investments**

Investments in property, plant and equipment amounted to ATS 735 million (Euro 53.1 million), 10.4% up on comparable figures of the previous years (ATS 666 million/Euro 48.1 million).

Investments in property, plant and equipment mainly included equipment leased by the Private Communications Systems Division, further expansion and upgrading of our in-house communications systems and completion work on the Vienna Electronics Plant.

ATS 1.685 billion (Euro 121.7 million) was invested in acquiring equity interests or raising our shareholdings in existing affiliated companies. There were substantial increases in equity capital at Kabel- und Drahtwerke AG, Vienna, Wiener Kabel- und Metallwerke GmbH, Vienna, Siemens SGP Verkehrstechnik Ges.m.b.H. and at Siemens s.r.o. in Bratislava. Mention should be made of considerable new investments which include the Siemens Pensionskassen AG, BFE Studio- u. Medien Systeme Ges.m.b.H. and Landis & Gyr Energiemanagement Ges.m.b.H., Vienna.

**Assets, Financial and Earnings Position:**

The liabilities side shows, in relation to the balance sheet total, an almost unchanged net equity ratio (12.5% without retained earnings, compared with 12.4% in the previous year). The appropriate balance sheet provision was liquidated in the amount of the transfer of employees’ pension entitlements to the Siemens pension fund (Pensionskassen AG).

The result from ordinary activities was slightly down on the previous year (ATS –74 million/Euro –5.3 million). The reason for this was a decrease in the financial result, due to the necessary valuation adjustment of the equity holding in OEKW GmbH, whereas the result in operating activities improved considerably.

**Prospects for the 1998/99 financial year:**

For 1998/99, Siemens AG Austria again plans to increase the volume of its business substantially. We expect this increase to come about in particular in the Communications, Industry and Energy divisions as well as at the Vienna Electronics Plant and in the PSE division. In the Transportation division we will maintain our high turnover level by processing the large backlog of orders. As far as Information and Communication are concerned, we can expect dynamic business performance due to the preparations we have made in accordance with market conditions. In the field of Energy, the difficult competitive conditions in the domestic market will continue in the 1998/99 financial year which is why we want to carry on expanding our presence in neighbouring countries. In the Industrial and Systems sectors we want to continue on our course of offering more complex solutions as a universal supplier as well as being suppliers of technology. We expect the positive trends in automation engineering and in facility management – which, as mentioned, was set up as of 1 October 1998 – to continue.

For the 1998/99 financial year we estimate that there will be less expenditure on restructuring than in previous years since substantial measures have now been taken on this front.

**Proposal for the distribution of net income**

The Managing Board of Siemens Aktiengesellschaft Austria proposes the payment of a dividend of 26% of share capital and a special dividend of ATS 400 million (Euro 28.9 million). The Managing Board furthermore proposes that the balance of the net profit be carried forward as a reserve available for use at any time.

Vienna, November 1998
The Managing Board

Dipl.-Ing. Albert Hochleitner
Chief Executive Officer
Executive Board

Chief Executive Officer
Dipl.-Ing. Albert Hochleitner
Bauleitung, PA, U, BM, UK PR, WR11, PSE, EWW, BG, Responsible for Technical Management of all Regional Organisations

Mag. Alfred Otsh
EL, FRV, OI, KAM, UK W, U TopPlus, STR, Responsible for Commercial Management of all Divisions, Commercial Management of Regional Organisations and the Regions

Dr. Peter Flicker
ATD/PL, MED, B, MED, SBT, PD, SITEC, SGS, LG&S

Dr.-Ing. Eduard Uhl
ICN, IOT-CCN/ICU, SBS

Dr. Anton Wals
EV/KWU, VT 01, SE, VTS, SGP-VT

Information and Communication Networks ICN
Ing. Oektor Appeltauer
Dipl.-Ing. Herbert Gütz
Mag. Dr. Harald Wasserburger

Information and Communication Products ICP
Ing. Hans Paul

Siemens Business Services Ges.m.b.H. SBS
Ing. Franz Geiger

Competence Center Information-Technology & Networking CCN
Erwin Chladek

Siemens Powerlines GmbH & Co. KG SPL
Ing. Wolfgang Kospik

Siemens SGV Verkehrs-technik GmbH SGPVT
Ing. Mag. Friedrich Pressl
Dipl.-Ing. Hans M. Schabert

Siemens Electrical Appliances SE
Dkfm. Franz Schlichta
Mag. Erich Schindlauer

Power Transmission and Distribution, Power Generation
Dipl.-Ing. Gottfried Schuster
Ing. Dkfm. Johann-Ludwig Wurzel

Traffic Engineering Austria
Ing. Dkfm. Georg Kindelmann
Ing. Mag. Friedrich Pressl
Dipl.-Ing. Helmut Tröpfel
Christian Knie

Siemens Systems Engineering & Production Technologies System Engineering & Production Technologies Systems
Dipl.-Ing. Werner Becker
Dipl.-Ing. Herbert Weigelmeier

Automation and Drive Engineering A&D
Ing. Wolfgang Moreith
Ing. Mag. Rudolf Preisler

Components and Special Engineering B
Ing. Walter Nitsch
Rudolf Wöll

Medical Engineering MED
Dr. Thomas Habersicht
Dipl. Dr. Michael Jäfert

Project Development PD
Dr. Albert Fellbauer

Siemens Building Technologies SBT
Ing. Mag. Herbert Weigelmeier

Landis & Staefa L & S
Dipl.-Ing. Heinz Fellner

Siemens Gebäude Management & Services GmbH SGS
Ing. Karl Möhr
Mag. Gerhard Schwerl
Harald Reisler

Basel u. Anlagennerrichtungs-Gea.m.b.H. SITEC
Dipl.-Ing. Dr. Siegfried Glatz
Mag. Heinz Meisner-Pfouly

Vienna Electronics Plant EWW
Ing. Helmut Brunnauer
Mag. Arnulf Wolfum

Large-scale Interdivisional Projects BG
Wolfgang Horak

Program and System Engineering PSE
Dipl.-Ing. Udo Schöbelhäuser
Rudolf David

ANF Data spol. s r.o., Prague
Stastná Klem Jiri Svanda

Slovakia
Ing. Rudolf Hämmerl

Croatia
KRO
Slovenia
SLD
Bosnia-Herzegovina
BIH

Regional Responsibilities for Slovakia, Croatia, Slovenia, Bosnia-Herzegovina REG
Dipl.-Ing. Eduard Uhl
Mag. Dr. Harald Wasserburger

Key Account Management KAM
Mag. Alfred Otsh

Industry and Insurance
Dipl.-Ing. Dr. Alexander Hartig

Industry and Public Contractors
Dipl.-Ing. Manfred Wölfl
Banks, Insurance Companies and other services
Dkfm. Dr. Christoph Langhans-Hansel

Verbund and Provincial Power Supply Companies
Dipl.-Ing. Wolfgang Flardinolf
Ing. Hermann Sageder

Alternative Operators
Wolfgang Horak

Management Office/ Group Press
Bd/P
Dr. Heinz Dorfwirth
Mag. Gerhard Heic

Corporate Development
(Strategy, Auditing, TopPlus, Quality Management)
U
Heinrich-Wolfgang Hämmerl

Human Resources Development PE
Karri Schröder

Equity Investment Management BM
Dr. Hans Heinsing

Organisation and Data Processing BI
Ulrich Bickert

Co-ordination of Economic Area No. 11 WR11
Ing. Karl-Heinz Söhrer

Finance and Accounting FRW
Dr. Alfred Zahorak

Materials Management EL
Dr. Josef Kinast

Taxes, Legal Services STR
Dr. Horst Günther Ludwig

Corporate Communications UK
Mag. Peter Baumgartner

R e g i o n a l  O r g a n i z a t i o n s / K e y  A c c o u n t  M a n a g e r s

Graz
Dipl.-Ing. Gerhard Gieslowski
Karl Komatz

Klagenfurt
Ing. Mag. Wilhelm J. Laufer
Prof. Ing. Hans M. Stoschur

Linz
Ing. Wolfgang Laub
Gerhard Gruber

Salzburg
Dipl.-Ing. Dr. Peter Korszak
kom. Gerhard Gruber

Innsbruck
Ing. Paul Wurtsberger
Mag. Wolfgang Richter

Bregenz
Ing. Heinz Weinberger
Peter Wölfl

St. Pölten
Mag. Josef Klenz-Lakenhauer
Christiane Gottweiss

Eisenstadt
(Representative Office)
Ing. Josef Klementschitz

Graz
Dipl.-Ing. Gerhard Gieslowski
Karl Komatz

Klagenfurt
Ing. Mag. Wilhelm J. Laufer
Prof. Ing. Hans M. Stoschur

Linz
Ing. Wolfgang Laub
Gerhard Gruber

Salzburg
Dipl.-Ing. Dr. Peter Korszak
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Innsbruck
Ing. Paul Wurtsberger
Mag. Wolfgang Richter

Bregenz
Ing. Heinz Weinberger
Peter Wölfl

St. Pölten
Mag. Josef Klenz-Lakenhauer
Christiane Gottweiss

Eisenstadt
(Representative Office)
Ing. Josef Klementschitz

1) separate legal entity
2) Siemens AG operational sector
3) until 31 Oct. 1997, Industrial Sales Products & Systems ASIAGUT
4) Head of quality control reports direct to the Chief Executive Officer
5) Spokesperson for Österreichische Kabelwerke GmbH, Vienna

As of
1 December 1998
This overview shows the ownership structure that exists between Siemens Aktiengesellschaft Austria and its principal subsidiaries and associated companies. The companies in the diagram marked with *) or **) belong to the Siemens Group Austria. New additions emanated from the founding of Information Technologies for Health Care GmbH (ITH), Linzbruck, the Siemens Pensionskasse AG, Vienna, and Innovest Finanzdienstleistungs AG, Vienna. As a result of Siemens taking over Elektrowatt’s worldwide activities in the field of building engineering, Landis & Staefa (Austria) AG is a new addition.

Our equity holdings in the Austrian cable TV companies and the Hungarian companies Siemens Telefongyár Kft., Budapest as well as Siemens Rt. Budapest were sold. Siemens handed over its worldwide power cable activities as of 1 Oct. 1998 to Pirelli Cavi e Sistemi Budapest as well as Siemens Rt. Budapest, the Siemens Pensionskasse AG, Vienna and Innovest Finanzdienstleistungs AG, Vienna.

One of the minority shareholdings of the Group not included in the overview is that in the Austrian Research Centre (Forschungszentrum) Seibersdorf Ges.m.b.h., Seibersdorf. In connection with Siemens taking over Landis & Gyr’s worldwide metering business, metering activities in Austria have now been grouped under Siemens Metering AG Austria for Zähler und elektronische Systeme, Vienna (formerly Uhler AG für Zähler und elektronische Geräte, Vienna).

Energy

- Siemens Metering AG für Zähler und elektronische Systeme, Vienna* 100% N: ATS 1.0
- SITEC Bau- und Anlagenerrichtungs Ges.m.b.h., Vienna* 100% N: ATS 1.0
- Landis & Gyr Leit- und Fernwecktechnik GmbH, Eissendorf 74% N: ATS 5.0

Communications

- BFE Studio und Medien Systeme GmbH, Mainz/Germany* 100% N: DEM 11.0
- BFE Studio und Medien Systeme GmbH, Vienna* 100% N: ATS 10.0
- max.mobil, Telekommunikation Service GmbH, Vienna 19.8% N: ATS 200.0
- SKT spol. s r.o., Bratislava/Slovakia* 95.63% N: SKK 720.0

Building Technologies

- Landis & Staefa (Austria) AG, Vienna* 100% N: ATS 29.5
- Siemens Gebäudemanagement & Services G.m.b.h., Vienna** 100% N: ATS 1.0

Transport

- Siemens SGP Verkehrstechnik Ges.m.b.h., Vienna* 74% N: ATS 250.0
- SPL Siemens Powerlines GmbH & Co KG, Vienna 100% N: ATS 5.0
- SML Service Montage Personalleasing GmbH, Wildenrainbach** 100% N: ATS 0.5

Healthcare

- ITH Information Technologies for Health Care GmbH, Linzbruck** 52% N: ATS 10.0

Components

- Siemens Baulemente OHG, Villach* 25% N: ATS 220.0
- EH-Schrack Components AG, Vienna* 100% N: ATS 1.0
- Siemens Matsushita Components OHG, Deutschlandberg* 100% N: ATS 1870

Information

- Siemens Nixdorf Informationsysteme Ges.m.b.h., Vienna 66.67% N: ATS 324.0
- Siemens Nixdorf Informationsgesellschaft d.o.o., Ljubljana/Slovenia* 100% N: SIT 13.4
- Siemens Nixdorf informationsysteme spol. s r.o., Bratislava/Slovakia* 100% N: SKK 12.2
- Siemens Nixdorf Informaticki Sustavi d.o.o., Zagreb/Croatia* 100% N: HRK 0.5

Cables & Wiring

- ÖKW Kabelproduktionsanlagen GmbH, Vienna 100% N: ATS 10.0
- Österreichische Kabelwerke Ges.m.b.h., Vienna 100% N: ATS 150.0
- DÖRFLER Kabelwerk GmbH, Klosterneuburg* 100% N: ATS 0.5
- Duna Kabel Kft., Budapest/Hungary* 93.46% N: HUF 1300.0

Research, Development, Production

- SYSDATA Kft., Budapest/Hungary* 100% N: HUF 510.0
- ANF Data spol. s r.o., Prague/Czech Republic* 75% N: CZK 4.8
- SWH spol. s r.o., Bratislava/Slovakia 98% N: SKK 15.2
- Siemens Entwicklungszentrum für Mikroelektronik Ges.m.b.h., Vienna 100% N: ATS 0.5

Other

- Teletronic-Remech Wiederherstellung und Vertrieb technischer Systeme Ges.m.b.h., Vienna 100% N: ATS 2.5
- Siemens-Leasing GmbH & Co.Vien* 99% N: ATS 0.5
- OSRAM Österreichische Glühlampenfabrik Ges.m.b.h., Vienna* 100% N: ATS 36.0
- Siemens Pensionskasse AG, Vienna 100% N: ATS 56.0
- Innovest Finanzdienstleistungs AG, Vienna 100% N: ATS 2.0
- Siemens s.r.o., Bratislava/Slovakia 100% N: SKK 409.0
- Siemens d.d., Ljubljana/Slovenia* 100% N: SIT 322.2
- Siemens d.d., Zagreb/Croatia* 96.57% N: HRK 94.6
- Siemens d.j.i., Sarajevo/Bosnia- Herzegovina* 100% N: DEM 0.1

Notes:
1) Shares held by Siemens Leasing Ges.m.b.H. & Co. KG, Munich
2) Indirectly, i.e. stake held by the wholly-owned subsidiary KDAG
3) Shares held by Siemens Kabelwerke GmbH, Frankfurt/Main, Germany
4) Shares held by Landis & Staefa (Österreich) AG, Vienna
5) Indirectly, i.e. stake held by the wholly-owned subsidiary KDAG
6) Shares held by Siemens Leasing Ges.m.b.H. & Co. KG, Munich
7) Shares held by Siemens Leasing Ges.m.b.H. & Co. KG, Munich
8) Shares held by Siemens Leasing Ges.m.b.H. & Co. KG, Munich
9) Shares held by Siemens Nixdorf Technologies Ges.m.b.H., Vienna
10) Nominal capital in indicated currency in millions

* The business figures for these companies and those of Siemens Aktiengesellschaft Austria are presented in this report as “Siemens Group Austria.”
** These companies belong to “Siemens Group Austria” but have not been included in the general report.
We've set ourselves plenty to do for the future.

The knowledge, know-how and enthusiasm of the people in our company are decisive factors in our success. The corporate philosophy we have created for ourselves shapes the ways in which we think and act. It's binding for all of us. Our organisation and all our systems – in particular our management system – are guided by it. Through immediate feedback – both positive and negative – we make sure it is implemented in practice. Our philosophy releases the power we need to succeed. We are a daily example of it.

Martin Fasching,
EWW, Production Planning

Martina Spirik,
EWW, Productivity Centre

Claudia Seemann,
EWW, Electrician, Customer Service

Johann Wagner,
EWW, Quality Management

»Everything is possible.«

»It's up to you!«
PSE’s expertise in the field of network control systems was confirmed by initial orders from the deregulated energy market and for DEMS – decentralised energy management system – which is based on the PSE product ECANSE as an integral component.

The main activities in our co-operation with SNI/SBS involved our ROMAN routing management products for railway administration; counter terminal solutions for the German and Austrian Post Office administrations; object-oriented systems architecture for the INFOWAS environment information systems of the Bavarian federal environment office and also the integration of call centre solutions with customer care and billing systems. Deutsche Telekom AG’s large-scale NIKE project – a back-office system for administering coin and smart card systems – was completed.

Comprehensive improvements in the performance of the world’s most successful digital public switching networks, EWSD, bear PSE’s trademark: PSE has carried out considerable work in implementing the 11C EWSD versions for wide area switches at Deutsche Telekom and Swisscom. The new components improve signalling performance by 6 to up to 10 times.

PSE successfully completed network integration for the IRIDIUM satellite project. The space technology area of business supplied two testing systems to Aerospatiale for the second meteosat generation. ESA/EUMETSAT placed a follow-up order for METOP. The Development Centre for Electronics, EZE for short, made its mark as a development centre for mobile terminals by developing, among other things, a new generation of GSM engines.

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Participation in important EU telecommunications projects underlines PSE’s particularly high level of innovative ability: In the FRAMES and INSURED projects, PSE is integrated in further developing the UMTS (Universal Mobile Telephone System) standard for mobile telephoning of the future. Within the scope of the PHOTON research project, the first optically switched route with transmission capacity was put into operation between Vienna and Munich via Passau. This route has the capacity to transmit one million telephone calls simultaneously.

As of 1 October 1998, the Software Services division was integrated into Program and System Engineering.

The MagicSAS workflow management system was developed together with the Medical engineering division. This product integrates all patient data including images and test results and optimises diagnosis procedures in radiology.

The world’s first biometric fingertip sensor system has now laid the foundation for using innovative technologies in the low-cost sector.

Research & Development, Production

2000, 2010, 2020. What is in store for us? What developments can we expect? What measures are essential for shaping the coming decades in the interest of future generations? Questions about the future. The answers to them can be found in the present: We must step up research and development and optimise production methods. The power of innovation and technological leadership are the keys for the future.
The Development Centre for Microelectronics in Graz (EZM for short) is engaged in R&D, product-defining, and starting up production of integrated system solutions. Due to the strong rise in demand for developments, the number of employees in Villach has increased significantly and in April 1998 a second location in Graz, where 50 engineers work, was set up. The main focus of EZM is on integrated performance switches and mixed analog/digital circuits for applications in automobile electronics, telecommunications, consumer and industrial electronics. Parallel to this, business in "integrated sensor systems" in Villach has been extended and the areas of high frequency circuits, chipcards, ICs and safety components have been established in Graz.

The focus of our business year was on optimising and restructuring the activities of electronics manufacturing activities which were merged last year. The newly-founded “New Products” division systematically generates innovative product ideas such as the “pocket reader“, it stands at the core of our planned increase in business volume. In the year under review, turnover of ATS 142 million (Euro 10.3 million) was achieved in this division. In the Automation and Drives segment, turnover reached ATS 1.276 million (Euro 92.5 million). ATS 506 million (Euro 36.6 million) of this was accounted for by power converters and ATS 770 million (Euro 55.6 million) by power supply equipment. It should be mentioned that we have taken on responsibility for the direct distribution of power converters in world region 3 and that production of the second generation of SITOP products has now begun.

In the car engineering sector, product innovations and concerted expansion of our systems business in the comfort electronics segment (e.g. control systems for sunroofs and electric windows) gave rise to a 27% increase in turnover to ATS 349 million (Euro 25.2 million). Turnover in meters and ripple control receivers amounted to ATS 92 million (Euro 6.6 million).

In the face of technological change to purely electronic products, the new generation of ripple control receivers was launched. The Public Networks sector generated turnover of ATS 326 million (Euro 23.6 million). Within the scope of increasing digitalisation of the Austrian telephone network, more systems and components were supplied to Post & Telekom Austria. The traffic engineering equipment systems segment is involved in providing flexible customised solutions for public rail transport networks (both local and regional). Turnover in this business sector reached a level of ATS 349 million (Euro 25.2 million).
Our innovations are shaping the future.

With our new ideas we create new products, new services and more benefits for our customers. We enjoy experimenting and we encourage imaginative thinking. Making use of creativity and the willingness to take risks, we make sure that good ideas can quickly be put into practice. By this, we can also promote other people’s ideas.

Peter Eitler,
CCN, Team leader

Wolfgang Seidl,
CCN, Internet and intranet specialist

Silvia Fischer,
CCN, Data bank administration, software applications
The global demand for energy will quadruple over the next 100 years. It is therefore becoming increasingly important to deal with scarce resources responsibly. Getting valuable energy from valuable raw materials: Siemens high-tech solutions help to increase the efficiency of power engineering equipment and to reduce the level of emissions. For example at power plants or waste incineration plants.

**Power Generation**

Against the backdrop of the liberalisation of the European electricity market, business was characterised by stiff competition and a capital expenditure squeeze. Despite this, we were able to achieve our targeted level of business. The trend towards automated equipment with a view to increasing efficiency and saving resources continued. Demand in the field of power station control equipment focused on our innovative TELEPERM XP process control system.

Siemens equipment supplied to EVN’s Theiß 2000 power station include the gas turbine which has now been completed (delivery is expected this year), electrical equipment and also the complete block control equipment. Further notable contracts both at home and abroad included extension and modernising work at the Simmering, Donaustadt, Korneuburg and Dürnrohr power stations, control equipment for power stations at Vojany in Slovakia and Solitan in Slovenia, as well as for the Bratislava waste incineration plant and replacement of the power centre in Hirschwang for the Mayr-Melnhof company. In the field of hydroelectric power, several projects were successfully completed. These include, for exam-

**Power Transmission and Distribution**

The focus of our activities was on numerous modernisation projects for grid and distribution equipment. In the high voltage sector, WIENSTROM work was carried out at the Leopoldstadt transformer station on connecting the station’s control equipment to the new 110 kV switchgear and the 20 kV switching station at Bürs was equipped with new 420 kV SF6 switchgear, for WIENSTROM work was carried out at the Leopoldstadt transformer station.

In Slovenia, Siemens was awarded the contract to construct 110kV SF6 switchgear at Zlato Polje. Significant new orders are being executed at ESTAG’s Baumkirchen and Gleisdorf sub-stations (for dual bus bar equipment); the Arnstein switch is to receive gas-insulated 10 kV equipment.

Business in secondary equipment (control and safety equipment) was successful both at home and abroad. Notable contracts include those from Verbundgesellschaft (Dürnrohr), KELAG (Lassendorf sub-stations), ESG (entire safety equipment for the Mauthausen, Enns-Industrie and Katzbach sub-stations), EL-TO Zagreb and for the Vojany power station in Slovakia.

**Business in secondary equipment**

- The division is currently carrying out renovation work on the 110 kV outdoor switchgear at the Frauenkirchen (ESTAG) and Mattersburg (BEWAG) sub-stations.
- Significant new orders are being executed at ESTAG’s Baumkirchen and Gleisdorf sub-stations (for dual bus bar equipment); the Arnstein switch is to receive gas-insulated 10 kV equipment.

The load distributor in Varaždin Croatia was equipped with our innovative SINAUT spectrum network control system and the plant was put into operation. For the Slovenian ELES a network control system based on SINAUT Spectrum with additional state-of-the-art software components is being installed.
In contrast to the growth figures in the rest of western Europe, the Austrian market for domestic appliances showed a decrease in value of around 4% in 1997/98.

In view of this scenario the volume of business we generated is proof of the quality of our products and of our successful sales campaigns. Close co-operation with retailers through the “Siemens special class” has become a stable platform for our successful business.

The innovative range of Siemens products covers all domestic appliances. At every stage of production we are paying more and more attention to the most economical use – as technologically possible – of all resources. The result is new generations of appliances that perform convincingly due to the use of newly designed components and processes. An example is our innovative Aquasensor with intelligent fuzzy control ensuring a significant reduction in water consumption of dishwashers and washing machines.

The number of radio transmission stations erected for the Austrian GSM network operators rose to 600. Within the scope of a contract for max.mobil. to erect 150 directional radio links, the majority have now been put into operation.

SITEC’s activities were rounded off by project management and medical engineering planning along with technical co-ordination within the scope of Siemens role as general contractor for the “engineering” side of preparing Austria’s EU presidency.

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Successful economising means: We profit from profit.

Our benchmark is international competition. We work with results in mind and strive for outstanding success and a sustained increase in the value of our company. This ensures we have the necessary freedom to act and creates confidence. We take the necessary measures for economic success and optimise them according to time, quality and cost.

Anton Lienhart,
Alternative Operators, Account Manager

Harald Rast,
Alternative Operators, Commercial Manager

Elke Neumann,
Alternative Operators, In-house project management

Gunther Hipfinger,
BFE, Planning

»Committed to success.«
SIGMASYS, TELEMAT, SIPART or SHOP MILL: Siemens electronic solutions control, regulate and automate. For example in building engineering or as system elements in innovative traffic management systems. And it’s hard to imagine any industrial processes without “electronic systems” by Siemens: They help cut costs and make just-in-time manufacturing possible to world-class standards.

Business in the industry division developed well and our positioning in the home market was consolidated further. In the field of road traffic engineering, our business in traffic regulation, the new market segments of car park management and control systems are being worked on. Our business in production and logistics systems did not reach expected levels due to the postponing of projects.

The systems engineering business sector was involved in numerous projects, both domestic and international, in the field of building technology (safety engineering, project business, installations). Developments in the overall level of construction and the postponing of considerable investments made it more difficult to achieve our targets.

SIEMENS BUILDING TECHNOLOGIES Zurich, which has been created out of the merger of the industrial arm of Elektrowatt AG, a Swiss company (i.e. up to now Landsis & Staefa and Cerberus), and the activities of Siemens building technology division, is geared up for the developments on the Austrian market. By 1 October 1999 at the latest SBT, Landsis & Staefa and SGS, which are now separate legal entities (see organisation chart on pages 14/15), will have been merged into one company in Austria under the management of Heinz Felsner and Herbert Wegleitner. Thus it will be possible to expand and consolidate the market positions of technical building equipment in the sectors of installation/project management, building automation, safety and alarm technology and facility management under one roof.

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On the motorway, on aeroplanes or on trains: We are being confronted with the limits and negative aspects of our mobile society more and more. How can we improve safety? How can we get rid of weaknesses and minimise potential risks? There are many possibilities – one of which is certainly setting up and expanding intelligent traffic management systems to monitor and control both public and private traffic flows.

In the rail infrastructure sector, a five-year framework agreement was signed with the Austrian Federal Railways (ÖBB) for the supply of operating systems. At Wiener Linien (Vienna Public Transport Authority), the new computer-controlled LZB-513 line management system went into operation. Bratislava’s Petrzalka station was equipped with an automatic signalling system based on SMC 86 equipment. The Siemens competence centre in Graz generated more than one third of SGP business. Investments in Graz focused on further automation of our bogie production and investments in Vienna for developing a so-called “V-Wagen” (“V”-car), a prototype for underground trains, and a framework agreement for 360 cars was also concluded. More ULF low-floor tramcars were delivered for Vienna, and for ÖBB three 1062-type high-speed locomotives and 62 sets of cab equipment were supplied. We won a contract in Slovenia to supply 30 light rail vehicles with DC traction.

Since 1 October 1997 our VT5/ Heavy Rail department (organisational merger of Siemens SGP Verkehrs- technik’s Vienna, Graz and Erlangen plants) has been located in Vienna. Notable projects include the Lisbon underground, Line 1 at Guangzhou and Tanayong metro in Bangkok, ISAP3 in Athens and the Munich and Lille under- grounds. The Siemens competence centre for rail vehicles in Graz generated more than one third of SGP business. Investments in Graz focused on further automation of our bogie production and investments in Vienna.

Traffic Engineering

Turnover: ATS 2.324 billion (Euro 167.9 million)
Employees: 185

Executive Management
Ing. Friedrich Scharrer
Rudolf Klug
Ing. Friedrich Scharrer

Delegates of the Works Council:
Walter Hörhammer
Otmar Fluch
Rudolf Kug
Ing. Friedrich Schärer

In co-operation with the Austrian Federal Railways, the first half of a delivery of 240 double-decker cars was completed. We fulfilled our order for fully air-conditioned dining cars for Czech railways (CD). Slovenia placed an order for 50 wagons with sliding walls.

Strong demand for passenger cars, rail vehicles and rail infrastructure equipment led to very satisfactory business results.

Turnover and new orders increased significantly once again; exports accounted for more than 60%. These good results were due, on the domestic front, to further deliveries of ULF low-floor tramcars and a contract for the development of a new generation of underground trains for Wiener Linien (Vienna Public Transport).

Furthermore, another order for double-decker cars for ÖBB (Austrian Federal Railways) was successfully negotiated.

The Siemens competence centre for rail vehicles in Graz generated more than one third of SGP business. Investments in Graz focused on further automation of our bogie production and investments in Vienna.

Turnover of investment on the part of the power supply companies. In contrast, more expansion in the GSM and fixed networks sectors led to successes in this area. In the face of increased investments by ÖBB, HLAG and Wiener Linien (extension of the U3 underground line to Simmering and bus network improvements) the overhead contact line sector was busy with a large number of projects.

On 1 October 1997 our VT5/ Heavy Rail department (organisational merger of Siemens SGP Verkehrs- technik’s Vienna, Graz and Erlangen plants) has been located in Vienna. Notable projects include the Lisbon underground, Line 1 at Guangzhou and Tanayong metro in Bangkok, ISAP3 in Athens and the Munich and Lille undergrounds. The Siemens competence centre for rail vehicles in Graz generated more than one third of SGP business. Investments in Graz focused on further automation of our bogie production and investments in Vienna.

Silicon Powerlines GmbH

1101 Vienna
Birkenstrasse 18
Turnover: ATS 3.050 billion (Euro 220.3 million)
Employees: 1 235

Executive Management
Ing. Wolfgang Knapik
Rudolf Schütz

Our overhead power transmission activities are consolidated in this company. Our first business year went satisfactorily; restructur- ing and cost-cutting led to an increase in competitiveness.

Developments in the outdoor sector were hampered by low levels
We keep improving by learning.

We measure ourselves against the best in the world. Each of us is working on learning all the time. We look for and give open feedback and learn from our mistakes. We are faster than others at recognising new opportunities and adjust our solutions, organisation and behaviour accordingly. We are creating an international network of knowledge where everyone gives and takes.

Hannes Mattes,
Communication, sales

Monika Angelmayr,
Communication, telephone marketing

Rudolf Spitaler,
Communication, sales

»One step ahead.«
Siemens Nixdorf Informationsysteme Gesellschaft m.b.H.

Turnover: ATS 4.349 billion (Euro 314.1 million)
Employees: 567

Siemens Nixdorf is the number 2 in Austria. With innovative products and complete solutions for a whole range of applications. For example, electronic commerce, data warehousing and multimedia. Scanner cash registers, flight reservation systems, electronic shelf ticketing or car park ticket machines: You name it – IT works better with us!

Siemen Nixdorf and IBM for the Federal Computing Centre’s (BRZ) decentralised hardware infrastructure – 15,000 PCs, 7,000 printers, 1,700 notebooks, 440 servers and 330 routers – made for a considerable increase in the level of service, better availability of the BRZ network and shorter reaction times.

In the PC business SNI again showed a rise in growth rates and in Internet connections. With integrated workflow components, considerable improvements in the efficiency of administrative procedures are expected. Besides expertise from the Federal Accounting Office and the Federal Computing Centre (Bundesrechenzentrum GmbH) SNI will be supported by its subcontractors IBM and SAP as a future centre of expertise.

Siemens Nixdorf continued its successful business course in 1997/98 and carried out numerous significant projects in all sectors on the basis of our motto “we make IT work.” The Federal Ministry of Finance appointed Siemens Nixdorf as general contractor for reorganising the entire federal administration’s budgeting and accounting procedures on the basis of SAP R/3 standard software, using state-of-the-art information technology such as client-server architecture and intranet/

Our Unit Retail Systems division showed considerable gains from concentrating on its R/3 Retail and Data-Warehouse merchandise management solutions in addition to its traditional Point of Sale business. With the help of these products Raiffeisen warehouses were able to start up their retail systems.

Equipping Austria’s EU presidency in the second half of 1998 brought us a high level of prestige, with up to 260 SNI PCs with ISDN-Internet connections in continuous use. Service co-operation between the second quarter, with a market share of 17%, was Austria’s number 1. The Austrian Central Bank (Nationalbank) was fully re-equipped with 1,000 PC workstations featuring the new euro keyboard.

As an outsourcing partner, SNI acted as co-ordinator of EDP activities (hardware and software) for Hirsch Armbränder GmbH. The benefits for Hirsch: Low costs, automatic solution to the “millennium problem” and concentration on its core business – the manufacture and sale of watch straps.

In July 1998, with an extraordinarily tight schedule, the 2,000th JET workplace was set up at one of the branches of Creditanstalt Bankverein. More than 50 employees of Siemens Nixdorf and Program and System Engineering (PSE) as well as other partner firms were involved in this highly ambitious project to realise a complete solution for CA.

With its ProCash CRS, Siemens Nixdorf is the first company in the world to start manufacturing a self-service system for deposits and withdrawals with a self-contained money flow. The first of these fifth generation ATMs are already in use at the Swiss bank UBS in Zurich.

In the hardware sector, new standards were set by our innovative PRIMERGY server equipment range with Intel processors and by the SCENIC MOBILE 800 high-end notebook with detachable keyboard, smart card reader and environment-friendly magnesium casing.
If there’s one building block for the future, then it’s the microchip. Developments in semiconductor technology are being made at break-taking speed according to the maxim: “smaller, faster, better performing.” Siemens Austria is the worldwide centre of expertise for developing and manufacturing power semiconductors. This includes special chip solutions for the automotive and space industries.

Our position as market leader for electromechanical components was further consolidated with new products in the area of motronic relays.

Good results in the special components sector were mainly due to the high quality of our RXS products for cable connectors and splicing equipment for fibre-optic cables.

In the special engineering division, demand rose considerably for new miniature relay for the construction of switching cabinets.

The PT relay will be launched – a brand new miniature relay for the construction of switching cabinets.

The year under review again saw considerable growth rates. Innovative micro-controllers for TV sets, SiPMOS power semiconductors and EUPEC power modules contributed to our successful results for semiconductors. Gains in market share for aluminium electrolytic capacitors, tantalum capacitors and ferrites for current transformers made for dynamic development in passive components and tubes.

Our position as market leader for electromechanical components was further consolidated with new products in the area of motronic relays.

Good results in the special components sector were mainly due to the high quality of our RXS products for cable connectors and splicing equipment for fibre-optic cables.

In the special engineering division, demand rose considerably for new miniature relay for the construction of switching cabinets.

The PT relay will be launched – a brand new miniature relay for the construction of switching cabinets.

The PT relay will be launched – a brand new miniature relay for the construction of switching cabinets.
Creating tomorrow’s world.

We bear responsibility for society.

With our knowledge and solutions we are doing our bit for a better world. We are committed to protecting the environment. We are a recognised member of society in all countries where we have a business presence. The future of our employees is secured by their knowledge. Integrity is an integral part of the way we deal with our business partners, employees, shareholders and the public. Cultural differences enrich our company.

Florian Gravogl
Apprentice for electrical engineering, deaf

Silvia Pfeifer
Apprentice for electrical engineering

Martina Cadilek
Deaf apprenticeship project
Sign language interpreter
GSM, ATM, ISDN, WWW: The world of telecommunications has many facets, but only one market leader – Siemens. In public telecommunications networks or in industry: tailor-made solutions by Siemens can be found everywhere.

Mobile radio communications, call centres, video conferencing and multimedia – every Siemens product is state-of-the-art, every Siemens solution is customised to suit the needs of the users and customers.

The division was once again highly successful in the year under review both in the domestic market and abroad. Our wide-ranging activities for max.mobil., with 700,000 subscribers now being catered for, (setting up a further 900 base stations and integrating 4 mobile switching centres and 2 home location registers) deserve a mention. The klax.max. (prepaid mobile phone card) project based on a supraregional transmission equipment. Furthermore there was a qualitative improvement in the performance of the IN system. Particularly good developments in the expansion of ISDN led to a strong increase in orders from ADSA in the field of digital switching technology. There are now more than 2 million ports and the degree of digitalisation has reached around 90 per cent. With the implementation of OESE V11 software upgrading which took place in the first half of 1998, the functional prerequisites for a deregulated market are now in place. In the field of OAM we were commissioned to centralise system management for PTA. Involvement in many other projects, such as carrying out an ADSL pilot project or initial delivery of radio link systems, is more proof of Siemens expertise.

Business activities for Post und Telekom Austria AG included further extension work on the ATM network, optimising it by using upgraded software features and putting cross connects into operation connecting an intelligent network (IN) platform, which was successfully concluded at the beginning of the reporting period, is an example of the very latest technology in this field. Our second IN service involved setting up a virtual private network (private numbering plan for extensions and mobile phones).

In the cordless sector Siemens Austria is the market leader in telecommunications and as such is committed to its customers as it is our aim to keep our pole position and consolidate it even further. In the information age, businesses are calling for all-in-one solutions to increase their competitiveness, to cut costs and to raise productivity. In the consumer goods sector, innovative, high-performance mobile and cordless phones are in demand.

In the growing market for call centre solutions Siemens was able to carry out several interesting projects, examples being the call centres for the Bregenz Festival and for max.mobil. Our Compact Call Centre which makes call centre functionality affordable for all SMEs was developed in Austria and underlines Siemens’ expertise when it comes to innovative solutions. Special solutions packages for self-employed people, such as lawyers, notary publics and architects, round off our wide-ranging product mix.

On the mobile phone market, which is continuing to boom, Siemens’ market share is still growing thanks to new attractive products such as the S10 active, the first cellular phone for outdoors with an infrared interface for cableless data transmission and a stylised marketing strategy. In the cordless sector Siemens Austria’s turnover ranks among the best in the world within the Siemens group.
Supervisory Board:
Dr. Paul Dax
Chairman
Dipl.-Ing. Oec. Péter Hetényi
Vice Chairman
Klaus Helsen
Mag. Dr. Harald Wasserburger
Delegates of the Works Council:
Krisztina Kéri
(later 12 May 1998)
László Teréni
(later 12 May 1998)
László Schöller
(since 12 May 1998)
János Ihnatisin
(since 12 May 1998)

Executive Management
Dr. Gábor Beke-Martos
Managing Director
Dieter Heise
(later 31 Dec. 1997)
Mag. Wolfgang Wrumnig
(since 1 Jan. 1998)

The dynamic upward trend at the company continued. Turnover went up to ATS 1.430 billion (Euro 103.3 million) and new orders reached ATS 1.748 billion (Euro 126.3 million). Our market position was thus consolidated even further.

The signing of an agreement for the finance to construct a nation-wide communications network for MAV, the Hungarian Railways should be given mention. By concluding framework agreements with MATAV, the Hungarian telephone company, and through other projects with local telephone operators, Siemens Telefongyár introduced innovative technologies – such as MILN (Managed Leased Line Network) and DECT (Digital European Cordless Telecommunication) – on the Hungarian telecommunications market. Parallel to this the company successfully won tenders for supplies in the cable TV technology sector.

The merger of our subsidiary Tertainstall Kft. at the beginning of 1998 and the amalgamation of internal services with the Siemens Rt. regional organisation led to considerable synergies.

Shares in Siemens Telefongyár Kft. were transferred to Siemens AG Berlin and Munich.

CCN provides platform-independent IT services for infrastructure projects as well as for the integration of voice and data communication. Automated proactive security and safety checks, cryptograph and antivirus checks round off our range of services. Among others, AAAG, Veitsch Radex and Hirsch became new customers of ours. CCN specialists proved their expertise in setting up a 34 Mb ring in Vienna and by expanding the Austrian backbone network. The division is currently busy on a project which will enable Verund-gesellschaft’s business applications to be transferred from SAP R/2 to SAP R/3.

Test operation of the “PHOTON” high-speed network and its “MOON” management system is being carried out at the moment.

AB managed to achieve market leadership in its first full business year. In addition to the national network operators Citykom, tele.ring, UTA and MIT, also regional carriers and service providers such as Pegas-sus, Stadtwerke Feldkirch, NOKOM and DBS have chosen to co-operate with Siemens. For UTA, Citykom and tele.ring all-in-one solutions – switching centres, call centres, customer care and billing and access systems – were provided. UTAs further expansion of its Austrian-wide ATM network went according to plan.

New services – customer business development, customer connection strategies and outsourcing – met with great interest from users. In the field of multimedia, pilots for “tele.learning” and “tele.social” were successfully launched.

As of 1 October 1998 AB will no longer be run as an autonomous business unit.

Executive Management
Dr. Galer Bako-Martos
Managing Director
Dietmar Hesse
(later 31 Dec. 1997)
Mag. Wolfgang Wrumnig
(since 1 Jan. 1998)

The dynamic upward trend at the company continued. Turnover went up to ATS 1.430 billion (Euro 103.3 million) and new orders reached ATS 1.748 billion (Euro 126.3 million). Our market position was thus consolidated even further.

The signing of an agreement for the finance to construct a nation-wide communications network for MAV the
The AV division provides innovative sound and studio engineering and acoustic systems.

The cost situation in international markets gave rise to broad restructuring measures: Studio engineering was divested to BFE/Vienna as of 1 June 1998 and at the same time close co-operation with BFE/Mainz was started. Notable contracts included equipping the St. Pölten radio broadcasting house and handling over two audio outside broadcast vans to the ORF.

In the field of sound engineering we focused on our core products and repair of technical systems and facilities (switchgear, production facilities and buildings) right through to carrying out total damage management after fires, floods and environmental disasters. In this way plant interruptions are kept to a minimum.

A typical example of the activities of Relectronic-Remech was a large-scale operation lasting several weeks after a fire in the control room of a wind-driven power station in the north of Vienna. In spite of difficult conditions – the giant rotor blades had to be dismounted at a height of 50 metres with the help of special cranes while there were very strong winds – the specialists managed to repair the equipment.

Dolny Kubín, Trenčín and Žilina: The number of subscribers rose by approx. 19,000 to a total of 156,000 households that are now connected to the high-capacity networks.

In addition to an increase in the density of connections in the cabled areas, preparatory work began on transmitting voice, data and telemetry. A team of well trained technicians guarantees the network’s high levels of availability and quality.

The year under review was shaped by continued extension work on the wideband networks in Bratislava, Dunajská Streda, Banska Bystrica, Dolny Kubín, Trenčín and Žilina.
We achieve top performance by excellent management.

Our leaders set clear, ambitious and inspiring goals. We constantly want to outperform ourselves, otherwise it’ll be the others who do so. We lead on the basis of trust and give our staff as much leeway as possible in decision-making.

Heinz Cvetkovic,
SPS, IT Outsourcing

Gerhard Hilscher,
Entire project manager, Technology

Annemarie Fazekas,
SITEC, PA

Alexander Hartig,
Group account manager

Franz Daberger,
Project manager, Energy management
The international cable market continues to be characterised by over-capacities and ensuing stiff competition as well as global concentration. The companies of the ÖEKW group reacted to this by continuing to take measures to adjust and rationalise, at the same time keeping up with the increasing requirements of our customers. In this tight situation Siemens AG managed to find a strong partner for its power cables business – PIRELLI S.p.A. Milan – who took over power cable activities with 6,200 employees worldwide as of 1 October 1998. In the Danube area this will effect the relevant sectors of ÖEKW as well as our subsidiaries MKM Budapest and Kablo Bratislava. Our alliance with Pirelli – one of the world’s largest cable manufacturers – will offer long-term solutions for this area of business and also for our customers. Continual increases in productivity across the whole company enabled optimum supplies to our customers in spite of reduced capacities. Notable contracts on the domestic market included those signed with the electricity companies and turnkey projects for high-voltage equipment. We stepped up the expansion of fibre optic networks in seven urban centres in Austria. Capacity utilisation was also improved by increased investments by the Federal Railways, in particular in the long-distance cable sector. Furthermore, contracts in the Mediterranean and in the Far East were successfully concluded. Pirelli is entering the Siemens’ power cable business with continued good relations with our customers and with an assurance of the usual high standards in Austria.
Due to the concentration of all Siemens manufacturing activities Duna Kábel was able to consolidate its leading role as manufacturer of data cables in Hungary. Despite strong price competition on international markets we managed to win significant orders in neighbouring countries. Flexibility, quality and meeting deadlines were responsible for our success under the given difficult market conditions.

With over 1,200 different products, Dörfler manufactures a wide range of special cables and wires for telecommunications, electronics, data and audio engineering. Growth was achieved by determined product innovation. We supplied the fast growing market for hand-free mobile phone equipment with highly flexible connecting cables. In the industrial sector, in addition to our successful market entry in the field of temperature probe connecting wires, long-term supply agreements were also signed.

Our innovative digital AES/EBU modulation cable which is increasingly being used in audio engineering shows our commitment to development. In the data cable sector Dörfler was the first company to launch a 1 GHz cable made in Austria and thus proved its leading market position.

The company achieved turnover of just over ATS 700 million in 1997/98 with a limited average number of 500 staff. Further reductions in prices slowed business and meant fewer deliveries to Germany than in the previous year. However, market share in Slovakia and the Czech Republic went up slightly. The distribution warehouses that were set up last year continued to prove their efficiency.

Shares in Kablo Bratislava spol. s r.o. were transferred to Pirelli Cavi e Sistemi S.p.A. Milan as of 1 October 1998.
Partnership creates success.

Our customers determine our actions.

Our utmost goal is to satisfy our customers’ needs. Our success depends on our customers’ satisfaction. With our solutions they can achieve their goals faster, better and more easily.

Peter Gärtner,
Michelfeit, Head of technical department

Sabine Kavalir,
Corporate Network Solutions, Instructor

Sieghrid Östeil,
Head of sales for PN in Linz and Salzburg
Siemens in Croatia

Siemens d.d., Zagreb
HR 10000 Zagreb
Hrinjeva 78a
Turnover: ATS 1.047 billion (Euro 75.6 million)
Employees: 496

Regional responsibility
Ing. Wolfgang Hax
Executive management
Dipl.-Ing. Mirko Banić
Uwe Gregorius
Gregro Weiher

Siemens d.d., which was founded at the end of 1996, has made great progress and has been busy in all its business sectors.

With some 500 employees, the company received new orders worth ATS 1.265 billion (Euro 91.4 million).

The most important area of business is still telecommunications. This sector continued to grow and accounted for almost half of Siemens d.d.’s turnover. In the field of Public Communications Networks, Siemens is still the sole supplier for the GSM network in Croatia. Siemens is also the second biggest supplier of EWSD digital switching systems. Business in telephone terminals is also very successful.

In addition to these activities, Siemens carried out notable projects in the field of automation with the Pliva pharmaceuticals company and with Podravak, a food company. Results in our medical engineering division were also good. Contracts in the energy sector focused mainly on upgrading and modernising domestic power stations.

Siemens is also the second biggest supplier of EWSD digital switching systems. Business in telephone terminals is also very successful.

In future we expect to become even more successful in this area, particularly in building up a tourist infrastructure.
Siemens d.o.o. in Sarajevo
BH-7100 Sarajevo
Dubravačka 6
Turnover: ATS 300 million (Euro 21.7 million)
Employees: 38

Regional responsibility
Ing. Ranko Alijas
Executive management
Borut Ogrin

Siemens Nixdorf successfully began trading in the region, with numerous projects being carried out. For example, computer facilities were supplied for the government buildings and ATMs were delivered to the country’s largest bank. Another on-going project involves expansion work on the GSM network in the republic of Srpska. Extending the PN distribution network is paving the way for increased sales of mobile and fixed telephone terminal equipment.

Siemens d.o.o. Sarajevo
BH-7100 Sarajevo
Dubravačka 6
Turnover: ATS 300 million (Euro 21.7 million)
Employees: 38

Regional responsibility
Ing. Wolfgang Hirzi
Executive management
Dipl.-Ing. Ranko Alijas

Modrac and Osanica hydroelectric power station projects and the project for 6 kV equipment for the Kakanj power station were completed. Notable contracts in medical engineering included equipping Sarajevo’s cardio-surgical clinic (total value ATS 70 million/Euro 5.1 million) and large supply contracts for the hospitals in Zenica, Tuzla, Travnik and Nova Bila (contract size: ATS 70 million/Euro 5.1 million).

The Public Networks division put three EWSD exchanges into operation in Bihac, Kakanj and Zenica. Integration of 5 RDLU (Remote Digital Line Units) to the exchanges in Mostar, Buhajno and Zenica is underway.

Siemens in Bosnia and Herzegovina

Siemens d.o.o., Ljubljana
SI-1511 Ljubljana
Dunajska 22
Turnover: ATS 494 million (Euro 35.7 million)
Employees: 49

Regional responsibility
Ing. Wolfgang Hirzi
Executive management
Dipl.-Ing. Janko Hrvačić
Dr. Jörg Aufhammer

The Siemens d.o.o. regional sales and distribution company in Ljubljana, with its workforce having now increased to 49, managed to further consolidate its market positions in the individual fields of business. New orders at Siemens in Slovenia amounted to ATS 2.162 billion (Euro 156.2 million).

The large-scale telecommunications network project for the Slovenian Railways was successfully completed. A significant new order was received for setting up a telephone network in Ljubljana – with an option for it to be extended for data communication use.

Particular mention should be made of new contracts to construct 30 urban transit trains with a total value of ATS 1.4 billion (Euro 101 million) sectors. And decisions will also be made for signalling and safety equipment for the rail route between Ljubljana and Sebnica. In addition to this, Siemens is counting on its chances of becoming systems supplier to the second GSM network operator.

Siemens in Slovenia

Siemens in Slovenia

1 Wagon with sliding walls for Slovenia
2 8DH switchgear at the Radovljica substation in Slovenia
3 Design sketch for Slovenian multiple units
4 COROSCOP for diagnostics and treatment of the heart at the cardio-surgical clinic in Sarajevo
5 Turbine room at the small-scale hydroelectric power station in Osanica near Goražde
6 Modrac hydroelectric power station near Tuzla

The Siemens in Bosnia and Herzegovina section provides details on the company’s operations and projects in Sarajevo. The text explains the growth in turnover and the addition of new projects, including those related to medical engineering, hydroelectric power stations, and rail network projects. The Siemens Nixdorf division is also mentioned for its contributions to the region's technological infrastructure. Additionally, the Siemens in Slovenia section highlights the company's expanded market presence and new orders received, along with ongoing projects in various sectors.
Team works.

Our teamwork has no limits. We are a global company making use of our worldwide skills. In this way we can become the best competing team. Our way of thinking and acting is shaped by responsibility for mutual goals. The features of our teamwork are trust, personal integrity, mutual respect and open communication.

Martin Ramharter,
ATD ETD, Emission measuring systems

August Scharinger,
ATD ETD, Systems planner

Wolfgang Springer,
ATD ETD, Project manager

Margit Mueller,
ATD ETD, Software programmer
Control engineering

»Team works.«
World economy with falling growth rates

In spite of a slow-down in the world electronics business, Siemens increased its sales by 10% to DM 117.7 billion (Euro 59.8 billion). New orders were up 6% at DM 119.6 billion (Euro 60.8 billion). International business continues to be the strongest performer: New orders outside Germany (foreign business) went up 10% to DM 84.9 billion (Euro 43.1 billion), accounting for 71% of total orders. Foreign sales were up 15% at DM 81.4 billion (Euro 41.4 billion). In Germany, sales maintained their previous year’s level at DM 36.3 billion (Euro 18.4 billion).

Globalisation of workforce

As of 30 September 1998, Siemens employed 416,000 staff worldwide; 30,000 up on the previous year. Most of the new employees came from the takeover of parts of the Westinghouse Corp. (8,000), from increased activities in China (4,000) and Landis & Gyr (4,000). The number of employees outside Germany went up from 189,000 to 222,000. In Germany, comparable figures – i.e. after adjustments for those leaving due to the i-centers and safety and dental engineering divisions having been sold off – showed a rise of 3,000 employees.

High growth rates in Europe again

The favourable economic situation in western Europe again led to double-digit growth in business volume. New orders climbed to DM 32.5 billion (Euro 16.5 billion) (compared with DM 29.3 billion/Euro 14.9 billion). Scandi

Business in America still on the upswing

Whilst the good economic climate continued for another year in North America, South America experienced a considerable slowdown. However, new orders increased by 29% and sales by 26% to DM 271 billion (Euro 13.8 billion). The American share of global orders accounted for 25% (20% last year). There was again increased growth in the USA. Sales were up 16%, new orders up 28%. In Central America we also achieved high growth rates, although business in Brazil only increased slightly.

Significant slowdown in the Asia-Pacific Rim

Business in this region fluctuates continually due to large contracts being settled. In the year under review, however, the difficult economic and currency situation in this region led to a decline in the level of business. On the one hand, turnover again increased by 8% due to the settlement of large-scale projects, but orders were down by 25% to DM 12.3 billion (Euro 6.3 billion). Business in China continues to be stable, whilst there were losses in Indonesia and Thailand in particular.

New orders

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<tbody>
<tr>
<td>German business</td>
<td>35,101</td>
<td>38,049</td>
<td>37,998</td>
<td>35,639 (18,112)</td>
<td>34,718 (17,644)</td>
</tr>
<tr>
<td>International business</td>
<td>53,270</td>
<td>53,851</td>
<td>62,807</td>
<td>77,481 (39,376)</td>
<td>84,883 (43,138)</td>
</tr>
<tr>
<td>Siemens</td>
<td>88,371</td>
<td>91,900</td>
<td>100,805</td>
<td>113,120 (57,488)</td>
<td>119,601 (60,782)</td>
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Change on previous year

+5% +4% +10% +12% +6%

Sales

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<tr>
<td>German business</td>
<td>35,771</td>
<td>37,857</td>
<td>36,391</td>
<td>36,299 (18,447)</td>
<td>36,252 (18,424)</td>
</tr>
<tr>
<td>International business</td>
<td>48,827</td>
<td>50,906</td>
<td>57,789</td>
<td>70,631 (35,895)</td>
<td>81,444 (41,350)</td>
</tr>
<tr>
<td>Siemens</td>
<td>84,598</td>
<td>88,763</td>
<td>94,180</td>
<td>106,930 (54,343)</td>
<td>117,696 (55,814)</td>
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Change on previous year

+4% +5% +6% +14% +10%

Employees* (in thousands as of 30 Sept.)

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<tbody>
<tr>
<td>in Germany</td>
<td>222</td>
<td>211</td>
<td>203</td>
<td>197</td>
<td>194</td>
</tr>
<tr>
<td>outside Germany</td>
<td>160</td>
<td>162</td>
<td>176</td>
<td>189</td>
<td>222</td>
</tr>
<tr>
<td>Siemens</td>
<td>382</td>
<td>373</td>
<td>379</td>
<td>386</td>
<td>416</td>
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Personnel costs

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<tbody>
<tr>
<td>Siemens</td>
<td>35,999</td>
<td>35,467</td>
<td>35,958</td>
<td>38,060 (19,342)</td>
<td>39,375 (20,011)</td>
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Investments

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<tr>
<td>in Germany</td>
<td>2,649</td>
<td>3,478</td>
<td>3,767</td>
<td>3,964 (1,964)</td>
<td>3,291 (1,673)</td>
</tr>
<tr>
<td>outside Germany</td>
<td>3,072</td>
<td>3,897</td>
<td>4,095</td>
<td>5,897 (2,997)</td>
<td>10,995 (5,588)</td>
</tr>
<tr>
<td>Siemens</td>
<td>5,721</td>
<td>7,465</td>
<td>7,862</td>
<td>9,761 (4,961)</td>
<td>14,286 (7,260)</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>of which acquisitions of equity stakes</td>
<td>1,188</td>
<td>2,021</td>
<td>1,213</td>
<td>2,030 (1,032)</td>
<td>6,787 (3,449)</td>
</tr>
<tr>
<td>of which fixed assets</td>
<td>4,553</td>
<td>5,444</td>
<td>6,649</td>
<td>7,731 (3,091)</td>
<td>7,499 (3,811)</td>
</tr>
<tr>
<td>depreciation on fixed assets</td>
<td>4,473</td>
<td>4,564</td>
<td>4,556</td>
<td>5,051 (2,567)</td>
<td>7,045 (3,580)</td>
</tr>
<tr>
<td>as a % of fixed asset investments</td>
<td>99%</td>
<td>84%</td>
<td>69%</td>
<td>56%</td>
<td>94%</td>
</tr>
</tbody>
</table>

Research and Development

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<tr>
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</thead>
<tbody>
<tr>
<td>Siemens</td>
<td>7,508</td>
<td>7,274</td>
<td>7,296</td>
<td>8,132 (4,133)</td>
<td>9,088 (4,619)</td>
</tr>
</tbody>
</table>

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<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>as a % of sales</td>
<td>8.9%</td>
<td>8.2%</td>
<td>7.7%</td>
<td>7.6%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

* does not include student interns and trainees, part-time employees included on a pro-rata basis

Amounts shown in DM million (Euro million)
1 Euro = DM 1.9677 (mean rate as of 30 Sept. 1998)
At the Siemens Forum Vienna.

The Siemens Forum located in Vienna’s “Erdberg” district is now moving into its 3rd successful year. It’s not only the interactive technical exhibition called “Journey in time,” which is visited daily by many school groups, that contributes to this success, but also in particular the numerous cultural events which take place here. In the past year these have included the “12 artists from the artLab” exhibition, “Virtual dialogue” featuring the Homunculus dance theatre and – as an Austrian premiere – the 3-day-long series of events on literature and technology called “LITERATnik-TEKTUR” with podium discussions, readings and an adventure exhibition. In the coming year there are plans for many interesting events, including a sequel to the “LITERATnikTEKTUR” series. If you would like to hold a seminar, workshop or conference at the Siemens Forum, you can register online:

Siemens Forum Vienna, Dietrichgasse 25, A-1030 Vienna, Tel.: 1707-37200, Fax: 1707-57399
E-mail: siemensforumwien@siemens.at

“Journey in time”: every Saturday, Sunday and public holiday from 9.00 a.m. to 5.00 p.m., groups also on weekdays with prior notice.

And all over Austria and in the Regions.

<table>
<thead>
<tr>
<th>Vienna</th>
<th>Rum bei Innsbruck</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-1211 Vienna</td>
<td>A-6063 Rum bei Innsbruck</td>
</tr>
<tr>
<td>Siemensstrasse 92</td>
<td>Siemensstrasse 24</td>
</tr>
<tr>
<td>Tel: (01) 1707-0</td>
<td>Tel: (0512) 1707-0</td>
</tr>
<tr>
<td>A-1030 Vienna</td>
<td>A-9020 Klagenfurt</td>
</tr>
<tr>
<td>Erdberger Lände 26</td>
<td>Siemens-von-Siemens-Park 1</td>
</tr>
<tr>
<td>Tel: (01) 1707-0</td>
<td>Tel: (0463) 1707-0</td>
</tr>
<tr>
<td>A-1100 Vienna</td>
<td>Linz</td>
</tr>
<tr>
<td>Gudrunstrasse 11</td>
<td>A-4020 Linz</td>
</tr>
<tr>
<td>Tel: (01) 1707-0</td>
<td>Wolfgang-Pauli-Strasse 2</td>
</tr>
<tr>
<td>Tel: (01) 1707-0</td>
<td>Tel: (0732) 1707-0</td>
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<tr>
<td>A-3100 St. Pölten</td>
<td>A-9020 Klagenfurt</td>
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<tr>
<td>Werner-von-Siemens-Strasse 1</td>
<td>Siemens-von-Siemens-Park 1</td>
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<tr>
<td>Tel: (02742) 1707-0</td>
<td>Tel: (0463) 1707-0</td>
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<tr>
<td>Salzburg</td>
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</tr>
<tr>
<td>A-5020 Salzburg</td>
<td>Siemens s.r.o. Bratislava</td>
</tr>
<tr>
<td>Innsbrucker Bundesstrasse 35</td>
<td>Stromová 9</td>
</tr>
<tr>
<td>Tel: (0662) 1707-0</td>
<td>SK-83007 Bratislava 37</td>
</tr>
<tr>
<td>A-5020 Salzburg</td>
<td>Tel: 00421/7/538-1111</td>
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<tr>
<td>Fürstenalle 4</td>
<td>Croatia</td>
</tr>
<tr>
<td>Tel: (0662) 83 04 35-0</td>
<td>Siemens d.d. Zagreb</td>
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<tr>
<td>A-5033 Salzburg</td>
<td>Heinzelova 70 a</td>
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<tr>
<td>Petersbrunnerstrasse 19</td>
<td>HR-10000 Zagreb</td>
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<tr>
<td>Tel: (0662) 84 15 81-0</td>
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<tr>
<td>A-6901 Bregenz</td>
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<tr>
<td>Josef-Hutter-Strasse 6</td>
<td>Siemens d.o.o. Ljubljana</td>
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<tr>
<td>Tel: (05574) 1707-0</td>
<td>Dunavska 22</td>
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<tr>
<td>A-7000 Eisenstadt</td>
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<td>Marktstrasse 3</td>
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<tr>
<td>Tel: (02682) 1707-0</td>
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Imprint: