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SIEMENS CLOSES ACQUISITION OF UGS; INTRODUCES BUSINESS AS UGS PLM SOFTWARE

UGS PLM Software to Operate as a Global Division of Siemens Automation and Drives

Affuso Named Chairman and CEO; Brandis President; Bichara CFO of Leading Provider of Product Lifecycle Management (PLM) Software and Services

PLANO, Texas, May 7, 2007 – UGS Corp., a leading global provider of product lifecycle management (PLM) software and services, today announced the close of its acquisition by Siemens AG effective May 4. As a result, the business will go to market as UGS PLM Software, a global division of the Siemens Automation and Drives (A&D) Group.

The companies announced on January 25 a definitive agreement for Siemens AG to acquire UGS for US\$3.5 billion, including assumption of existing debt. Most recently, the European Commission announced on April 27 that it had approved the planned acquisition of UGS by Siemens AG, thus completing the standard anti-trust reviews of the transaction.

“This is a great day for UGS PLM Software on the heels of an outstanding first quarter. While we are still finalizing our numbers, we had a very strong quarter in Q1, coming in near 11 percent on total revenue growth and 16 percent on software license growth,” said Tony Affuso, chairman and CEO of UGS PLM Software.

“Now the acquisition enables the company and its people to leverage a powerful and respected global organization like Siemens in strengthening our technology leadership in PLM,” Affuso said. “The acquisition also clearly sets a new agenda for the entire PLM industry. Customers across manufacturing and process industries will now

able to benefit from the integration of the physical world, through Siemens' leading automation design and production technology, and the virtual world, through UGS PLM Software's leading factory design, product design and digital collaboration software."

Expanded Management Team

UGS PLM Software also today announced the additions of two senior leaders from Siemens – each of whom is relocating to UGS PLM Software's global division headquarters in Plano, Texas -- to its management team:

- Tilo Brandis, president. Brandis, who has served as chief integration officer of the integration of UGS PLM Software into Siemens A&D, comes to UGS PLM Software from Siemens' Electronics Assembly Systems (EA) division, which he has headed since 2003. Brandis previously served in a variety of posts within the Siemens Transportation Systems group, including head of the global mass transit systems in Braunschweig, and the Siemens Logistics and Assembly Systems group. Prior to joining Siemens in 1997, Brandis served as CEO of HBS Consulting Partners GmbH in Prague.
- Peter Bichara, executive vice president and chief financial officer (CFO). Bichara most recently served as vice president of Mergers and Acquisitions for Siemens A&D including directing A&D's acquisition, divestiture and strategic project programs. Before joining Siemens in 2004, he was vice president of strategy and then chief executive officer of one of Bertelsmann AG's operating companies. Earlier in this career, Bichara worked for the Boston Consulting Group as a management consultant in the company's Düsseldorf and Los Angeles offices. Bichara succeeds Doug Barnett, who has agreed to stay with the company for six months to facilitate the integration process.

In addition, UGS PLM Software today announced the appointment of Rose Marie Glazer as general counsel and secretary. Prior to joining UGS in 2004 as associate general counsel, Glazer served as vice president and general counsel of Telvista, Inc. She was also in-house counsel at American Airlines and an attorney in the Dallas office

of the law firm Jones Day. She succeeds Tom Lemberg, who has decided, in light of the acquisition, to leave UGS PLM Software.

The majority of the current UGS PLM Software management team remains in place. The following members of the leadership team will continue to serve in their current roles and manage UGS' current operating model: John Graham, executive vice president, Global Sales and Services; Chuck Grindstaff, executive vice president, Products; Dave Shirk, executive vice president, Global Marketing; Craig Berry, senior vice president, chief information officer; Dan Malliet, senior vice president, Human Resources; and Mike Sayen, vice president, Strategy.

"I am very pleased that highly talented leaders from Siemens like Tilo and Peter, each of whom has a strong engineering and automation background, are joining our management team in Texas, as well as with the high level of continuity we enjoy with our leadership," Affuso said. "We have been working closely together over the past several months on the integration process, and it is clear that there is great advantage in combining their operational experience and knowledge of the Siemens enterprise with the considerable skills and resources of our team as we all drive toward even greater leadership in the PLM market in the future."

About UGS PLM Software

UGS PLM Software is a leading global provider of product lifecycle management (PLM) software and services with 4.4 million licensed seats and 47,000 customers worldwide. Headquartered in Plano, Texas, UGS PLM Software's vision is to enable a world where organizations and their partners collaborate through global innovation networks to deliver world-class products and services while leveraging UGS PLM Software's open enterprise solutions, fulfilling the mission of enabling them to transform their process of innovation. For more information on UGS PLM Software products and services, visit www.siemens.com/ugs.

About Siemens Automation and Drives

The Siemens Automation and Drives Group (A&D), Nuremberg, Germany, is the leading manufacturer in this field worldwide. Products supplied by A&D include standard products for the manufacturing and process industries and for the electrical installation industry as well as system solutions, for example for machine tools, and solutions for whole industries such as the automation of entire automobile factories or chemical plants. Supplementing this range of products and services, A&D also offers software for linking production and management (horizontal and vertical IT integration) and for

optimizing production processes. A&D employs 70,600 people worldwide and in fiscal year 2006 (to September 30) earned a group profit of \$1.572 billion on sales of \$12.848 billion and orders of \$14.108 billion, according to U.S. GAAP. Further information about A&D is available in the Internet at www.siemens.com/automation.

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