



**Speech for Telephone Conference  
3<sup>rd</sup> Quarter Fiscal 2010**

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Munich, Germany, July 29, 2010**

Check against delivery

### Siemens gains further momentum

One year ago, during the deepest recession of the world economy for 80 years, I said that: We are making good progress in emerging from this crisis stronger than before. That was my pronouncement. Today, one year later, I can say that we have kept our word – and here is the evidence: Siemens continues to gain momentum. The Sectors achieved the highest profit ever. So, Siemens is in great shape and in a strong position. And we want to build on that. The current world economic situation offers good opportunities to do that.

### Recovery of global economy is making progress

Recovery of the world economy continues. Experts have now raised their growth forecasts for the year as a whole to almost four percent. The emerging countries continue to experience above-average growth of six to seven percent. The so-called industrialized countries are at two to three percent. The economic importance of the emerging countries has further increased during the economic crisis, and this trend is likely to continue in coming years.

### Siemens is expanding business in growth markets

Siemens has deep roots in many of these countries. When the Chinese Premier Wen Jiabao visited our plant in Tianjin last May, he called Siemens a Chinese company. With this compliment he acknowledged that we have been working successfully in and for China for over one hundred years. The Chinese Premier's obvious desire for openness in his talks with German Chancellor Merkel and representatives of German and Chinese industry in mid-July also testifies to the closeness and quality of these relationships.

The recognition we received in so many places over the past few months made this quarter a special one: U.S. President Obama visited our wind turbine factory in Iowa

in late April. In late May I had the opportunity to talk to the Crown Prince of Abu Dhabi (Sheik Mohammed bin Zayed Al Nahyan) about the expansion of the energy infrastructure in the United Arab Emirates. I met with Boris Johnson, the Mayor of London, in mid-July. Urban development was one of the main topics. We want to partner with London to create a global showcase for sustainable urban infrastructure. Just a few days ago, the German Chancellor and the Chinese Premier toured our signaling system plant in Xi'an, China, on the spur of the moment. We agreed on a number of major rail and wind turbine projects worth several billion euros in Russia, with the German Chancellor Merkel and the Russian President Medvedev in attendance, and in Kazakhstan in the presence of that country's President. The meeting with former South African President Nelson Mandela on the occasion of our 150th anniversary celebration in South Africa was a very special tribute to Siemens – and a very moving moment for me.

The impression gained from all of these meetings is that our global roots form the basis for a unique relationship of trust and that doors everywhere are wide open to us as a preferred partner for the development of industrial and public infrastructure.

### Profit Total Sectors at record level

This brings me to the key figures for the third quarter, which paint a very pleasing picture. Siemens continued to gain momentum during the third quarter. For the first time in seven quarters, both new orders and revenue rose in comparison with the same period of the previous year. New orders rose by 22 percent year over year to almost 21 billion euros. The last time we experienced this kind of growth in new orders was in 2008. All three Sectors and all three Siemens reporting regions were above the previous year's level. In Germany alone, the increase was 45 percent! Revenue climbed up to over 19 billion euros. This is also our second quarter-on-quarter increase in succession. The ratio of new orders to revenue, the book-to-bill-ratio, is over one (1.09).

Our order books are again filling up. Strong demand drove our backlog of orders up to a record level of 89 billion euros, of which the Energy Sector alone accounted for 54 billion euros. Our profitability remains strong. For instance, Profit Total Sectors surged by 40 percent to over 2.3 billion euros. This is the best quarterly result ever! With a profit margin of almost 13 percent, we are where we belong: among the best.

All Sectors contributed to this positive trend. In the Industry Sector, there is every indication that we have passed the low point. We were able to achieve considerable growth in new orders, revenue, and profit. The Energy Sector is recovering faster than expected. We already see a significant upturn in new orders. Green technology is more in demand than ever. Among all 14 of our Divisions, the Renewable Energy Division achieved the absolute highest level of new orders and the Fossil Power Generation Division scored highest in profitability. The Healthcare Sector is also in great shape. The market environment has further improved. As we announced in April, we will be able to consistently tap into additional growth potential by focusing more intensively on individual customer and market segments. The trend in all three Sectors proves that Siemens is back on the growth track!

### Siemens is well set for the future

We will now strengthen our focus on our environmental portfolio, service, and growth markets. Let me briefly comment on these three growth drivers. First, our environmental portfolio: At eleven percent, growth of our green technology business was already above-average last year. This trend continues: We will exceed our target of 25 billion euros for 2011 in 2010, one year earlier than planned. We will therefore set a new target in our new company program. Environmental technology is becoming an ever more important pillar of our business. We are profiting from the booming market for green technologies: That market is projected to grow by more than six percent annually to a volume of over three trillion euros by 2020.

Our service business is the second key growth driver. Here, our broad installed base creates business opportunities for all Sectors in the area of services for customers. Take our Healthcare Sector, for example. Here we have the world's largest installed base of imaging equipment such as magnetic resonance imaging and computed tomography scanners. More than one-third of the world's installed gas turbine capacity comes from Siemens. We will aggressively expand the potential in this service business by offering additional services.

The dynamic markets of the emerging countries are the third key growth driver. Here we are in an excellent position. Over the past four years, our revenue in the BRIC countries (Brazil, Russia, India, and China) alone has more than doubled. From this position of local strength, we will aggressively expand our local business. Green technologies also have enormous potential in these markets.

We are on track in bringing this fiscal year to a very successful conclusion. Profit Total Sectors will be well above last year's levels. The crisis is unlikely to have any lasting effect on revenue. So, in comparison with the competition, we are in fantastic shape. In short: Siemens continues to gain momentum and is emerging from the crisis stronger than before!