



**Speech of Annual Shareholders' Meeting
of Siemens AG**

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Check against delivery.

Pride in Siemens is our inspiration

What you just heard from many Siemens employees in the film is true for me too: “We are proud to be Siemens.” When I first introduced myself at Wittelsbacher Platz here in Munich nearly four years ago, I said, “I’m looking forward to join the community of more than 400,000 Siemens people worldwide.” Today we are once again an esteemed and respected corporation. Siemens is again a world-class company. We are pleased about that. And we are proud of that.

We’re proud of our strength and of our achievements: of our innovation power, of our excellent business results, of our responsible way of doing business, of the recognition we receive, and of the trust and expectations placed in us as a pioneer in sustainable technologies. For many years, pride in being part of Siemens was overshadowed – first, by our own crisis, and then by the gloomy mood in the global economy. Today, we’re at peace with ourselves again and back at the top. We’re back where Siemens belongs. As our owners, you too can be pleased by your company’s success, just as we do. That success includes the performance of Siemens stock, whose value rose 44 percent last year. Our stock also performed very well last year in comparison with our competitors. Siemens stock is one of the best on the DAX. And globally, with a market capitalization of 81 billion euros, Siemens has moved up significantly in the ranks of the most valuable companies in the world.

With these accomplishments, we gratefully and respectfully carry on the baton with which Werner von Siemens founded the company in 1847. We uphold the tradition that he began, of value-based business management, pioneering technical achievements, and integration in countries, cultures and societies around the globe. In addition, our company’s culture has always been marked by a perspective that extends beyond the short term: in other words, durability, stability and sustainability.

Now let me tell you in more detail about what we achieved last year, and what we intend to do in the future. In the first part of my report, I would like to tell you about how we successfully weathered the global economic crisis, and what we accomplished last year. What can we be proud of?

Siemens is more innovative than ever

First, Siemens is more innovative than ever: During fiscal 2010, Siemens employees came up with some 40 inventions per business day – 8,800 inventions for the entire fiscal year. The number of registrations per inventor has doubled over the past ten years. That is a fantastic achievement! Siemens has never been so innovative! We hold nearly 58,000 active patents – more than 18,000 of them in “green” technologies. More than 30,000 employees work in our research departments in 30 countries – 13,000 of them in Germany alone.

Even during the global economic crisis, we consistently kept up the intensity of our research, spending more than 5 percent of our revenue on R&D – in 2010 that amounted to 3.8 billion euros. This year we will be increasing our R&D spending even more.

In 2010, thanks to our innovative strength, we were the first worldwide to introduce innovations like the “Biograph mMR” – a pioneering achievement in medical imaging. It combines two diagnostic methods in a single unit that so far required two scanners: magnetic resonance tomography and positron emission tomography. For the first time, doctors can see the organs inside the body, their functioning, and cellular metabolism all at the same time! That opens up entirely new dimensions in diagnosing illness and tracking the results of medical therapies – for example in the fight against cancer and dementia.

We delivered the first Biograph this November to the “Klinikum rechts der Isar” here in Munich. Bavarian Prime Minister Horst Seehofer was there, and said: “Without flagships like Siemens, the blessing that this ultimately means for patients would simply not be possible.”

Innovations are not successful until they are also market successes. There are outstanding examples of that. This year, we will be handing over the “Irsching 4” power plant to our customer E.ON – a facility with the most efficient, most powerful gas turbine in the world. And we have also received our first commercial orders for this turbine from the USA and Asia. The U.S. utility Florida Power and Light has already ordered six turbines of this generation. This step forward in technology will save our customer about 1 billion U.S. dollars over the systems’ entire life cycle. In 2013, the “Bugok 3” gas and steam power plant is to go on line in South Korea. With a capacity of 400 Megawatts, it will achieve efficiencies above the previous record of 60 percent, and will supply electricity to some 300,000 people.

Along with the Healthcare and Energy Sectors, the Industry Sector also recorded major successes as an innovation leader last year. For example, the Mobility Division: In September, it presented the Velaro D, the latest generation of ICE trains, in Berlin. By April 2012, Siemens will deliver a total of 15 ICE trains to Deutsche Bahn, for a total value of 500 million euros. We're proud that Mobility's lead customer is counting on Siemens' innovative strength in further developing its high-speed fleet. As Deutsche Bahn's upcoming modernization campaign advances, we see a great deal more potential here. The European rail operator Eurostar International has also ordered ten high-speed trains for the route across the English Channel, subject to approval, which we are currently clarifying. A Siemens train that provides the link between the French and English capitals – that is a very nice success.

Siemens emerges from the crisis with strong momentum and delivers record results

Above and beyond our innovative strength, we're also proud of our financial strength. This traditional strength of Siemens again proved its worth during the economic crisis. It enabled and provided continuity and stability in an environment that was sometimes both uncertain and insecure. We were able to navigate through the crisis without damage and prepare for the time that followed. That's exactly what we did. And we came out of the crisis with strong momentum.

Orders from our customers picked up substantially over the year. By year's end, our order backlog was 87 billion euros – that's 6 billion euros higher than a year earlier. We posted a record profit for the second time in a row. The total profit from the Sectors soared to 7.8 billion euros. Net income after taxes likewise grew significantly: at 4.1 billion euros, that's nearly two-thirds again as high as in 2009.

The largest contribution among our three Sectors once again came from Energy. In particular, the Fossil Power Generation and Renewable Energy Divisions landed numerous major contracts in the past quarters.

The Industry Sector's performance was just as satisfying. Here the recovery in short-cycle businesses is having a significant impact on the books. Almost every Division showed an

increase in new orders and profit. Our traditional industry businesses – Industrial Automation and Drive Technologies – returned to accustomed strength and growth. Osram, as well, has left the "valley of the crisis" far behind.

The Healthcare Sector has emerged safe and sound from the difficult past few quarters. It especially profited from a strong year at the Imaging & IT Division. It was once again able to assert its clear world market leadership. In other fields, especially particle therapy and the diagnostics, we took steps to consolidate. And by restructuring the Sector, we laid the groundwork to take full advantage of our skills and innovation power here.

At the end of 2010, after long and careful consideration, we charted a new course for Siemens IT Solutions and Services. With Atos Origin, an excellent strategic partner now manages this business. Together, SIS and Atos Origin have the potential to become a world-class European IT champion. We are convinced that this move will create significant added value for our customers, our shareholders, and our employees.

Our strong financial performance continues in the new fiscal year. This is evident from the first quarter results, which we released early today: New orders grew 13 percent compared to the same quarter last year, to 22.5 billion euros. Also our order backlog grew further, to 92 billion euros. Revenue grew 6 percent, to 19.5 billion euros. The income from continuing operations climbed 17 percent, to 1.8 billion euros. So we are off to a good start and fully on track in meeting our targets for fiscal 2011.

Transformation successfully completed

In fiscal 2010 we also completed our Fit₄ 2010 company program. The objective of that program was to guide Siemens back into the group of the leading global competitors. For that purpose, we set clear goals for growth, profitability and liquidity. We achieved those goals, and in some cases clearly exceeded them by far. Over the course of the program, and in spite of the economic crisis, Siemens' growth rate was twice as high as that of global GDP. In terms of profitability, every Sector achieved its target operating margins and now ranks among the world leaders.

Two initiatives made significant contributions in this regard: The reduction of our sales, general and administrative costs by about 2 billion euros. And our Supply Chain Initiative, which also had a significant impact on our bottom line. We intentionally stopped short of our capital structure target to make sure that we would have greater financial independence during the crisis.

The transformation over the past few years extended far beyond achieving financial goals. Evolution, not revolution – but at a brisk pace, that was the course I presented to you with the reorganization of the company three years ago. We have consistently followed that plan: We have focused our portfolio on future business fields and systematically strengthened it. We structured our business operations in Sectors, Divisions and Regional Clusters. And by introducing the CEO Principle, we clearly, transparently, and unmistakably defined our executives' responsibilities.

Clear commitment to integrity and sustainability

We also worked constantly on sharpening our positioning. Today, like no other company, Siemens stands for integrity and sustainability. Siemens employees have a clear understanding of the values that go all the way back to our company's founder: responsible, excellent, innovative. Our guiding principle here is: Clean business only! Always and everywhere. No exceptions.

In November I spoke with World Bank President Robert Zoellick about these values and our support for the fight against corruption. We have joined the World Bank in launching 30 projects worldwide in which Siemens will support nonprofit organizations in their commitment to integrity and fair competition. In this context as well, we received advice and support from our Compliance Monitor, Dr. Theo Waigel. We have the greatest appreciation for his help in setting up and maintaining our compliance culture as it is today. We owe him our heartfelt thanks and special esteem for his work. He also deserves at least credit for the fact that today Siemens is considered an example of integrity and consistency.

We once again achieved a top score in the Dow Jones Sustainability Index. This shows that throughout the world Siemens is considered a role model in compliance, in corporate governance, and in the comprehensive practice of sustainability. Today, Siemens is the

green infrastructure pioneer. I must admit that I do have to smile a bit when people sometimes call this positioning the “Löscher Doctrine.” Nevertheless, we are pleased and honored shareholders, customers and partners, people in politics, and the general public see us that way.

The old battle line between economy and ecology is no longer relevant. Our aim is to apply our innovative power to develop resource-saving technologies, and so to uncouple growth from the use of resources. Humanity currently consumes the resources of 1.3 Earths, because the world population continues to grow and because people are striving for an ever higher standard of living, both in industrialized countries and now in the emerging countries as well.

But if one harvests more than one sows, and IF more is used than can be replenished, then that is the predatory exploitation of the natural resources that sustain life at the expense of future generations. This is not just about “rare earths.” It’s not just about dependence on individual suppliers of raw materials, or the environmental damage caused by individual pollutants. Rather, it’s about managing natural resources in a sustainable way. We at Siemens are focusing on sustainable solutions for our customers and for society as a whole. That is where we are applying the creativity and innovative strength of our company and of Siemens engineers and scientists.

If we are able to uncouple growth from the use of resources, that will be the key to sustainability and the key to improving quality of life – without diminishing the joy of life. That’s what we have set our sights on. That’s how we want the expression “Made in German.” to resonate.

Our “Green Portfolio” is a triple win: for the environment, for society, and for you, our owners. “Green” is worth it. For example, last fiscal year the answers we have in our environmental portfolio helped our customers reduce their CO₂ emissions by about 270 million metric tons worldwide. That’s equivalent to the annual emissions of Hong Kong, London, New York, Tokyo, Delhi and Singapore combined! Our environmental portfolio generated revenue of some 28 billion euros – meaning that today we have already outperformed our initial goal for fiscal 2011. We now plan to increase our “green” revenue to more than 40 billion euros by 2014.

Siemens is a preferred partner all over the world

We received recognition all over the world last year for focus on green technology and for our role as a leader of the “Green Revolution.” For the first time in the history of our company, the President of the United States visited one of our plants. Barack Obama came to Fort Madison, Iowa, and praised our new wind turbine production site as a prime example of how green technology creates jobs and so can become a beacon of hope in a structurally weak region. He told the plant’s 600 employees: “To all the folks who work here at Siemens, I want you to understand. You’re making it possible. You are blazing a trail. You’re showing America our future.” What a compliment from the President of the United States!

German President Wulff also visited Siemens, at our new solar thermal technology plant in Israel. He called our involvement there a contribution toward “solving the world’s problems.” Chinese Premier Wen Jiabao visited the Siemens plant in Tianjin, where we produce energy-efficient drives. He said how impressed he was with the quality and efficiency “made by Siemens” – and called Siemens a “Chinese company!” That shows how solid our base in China is and how appreciated we are there. Generations of Siemens employees have helped achieve that status: with our first orders in 1872, and then in 1985 with a pioneering cooperation agreement between the Chinese leadership and our company, which was then headed by Dr. Kaske. Today we enjoy a very sound foundation of trust in China. This was again evident at the beginning of this month, when Chinese Vice-Premier Li Keqiang visited Germany. Doors are wide open to Siemens worldwide as a partner with deep local roots.

For example in South Africa, where last summer we celebrated both the Soccer World Cup and our 150th anniversary. The respect Siemens enjoys and the confidence people have in us were especially evident at a meeting with Nobel Peace Prize Laureate Nelson Mandela. That meeting moved me deeply, and was an extraordinary honor for our company. In Yekaterinburg, Russia, we signed joint agreements to deliver wind power and railroad technology worth several billion euros, attended by Chancellor Merkel and President Medvedev. Prime Minister Putin visited “Ural Locomotives”, our railroad joint venture there. And this year Siemens also became a strategic partner for Skolkovo, the planned Russian innovation city. All of this shows that Siemens is a company trusted by private and public

sector customers and that our advice, technologies and partnership are in demand worldwide.

In conjunction with what I've just said, I'd like to add one general remark: Siemens is a company that operates all over the world, so it goes without saying that we must address the question of how we should assess varying national conditions and take them into account in our activities – in other words, different forms of government, legal systems, political constellations, power structures, and also human rights issues. As a company, we obviously always operate within the boundaries of a society and are a part of each society's public life. National and international rules apply to us just as they do to everyone else. At the same time, our activities are always based on the openness of markets and borders and on the exchange of goods and ideas. But more than anything else, our activities are based on people working together.

For us, respect for every individual and every person's dignity has the same high priority everywhere in our company, no matter where in the world we do business. And in my personal experience, I've learned that dialogue develops wherever people meet and work together – and understanding of one another improves. That often leads to the discovery that differences in background, personal traits, and talents can greatly inspire, enrich, and expand the horizons – of individuals, companies and communities. I'm convinced that communication, trade and international cooperation contribute to the solidarity and partnership among countries, economies and cultures.

But it takes continuity and staying power to build bridges that improve understanding among people and peoples and that strengthen the solidarity of the global community. All that is what we mean when we speak of a civilization of sustainability. Through all crises and setbacks, that is the aspiration we have sought to live up to for more than 160 years. And we remain true to that aspiration even more so in today's fast-changing world. Siemens' standing in the world and our operational and financial results at the end of the economic crisis show that our transformation is complete. Siemens is back! It has been a long road getting here. Twelve years have passed since the start of the 10 Point Program in 1998 to the completion of Fit 4 2010.

Siemens is back! – a joint success

And today I want to say Thank you: I want to thank our company's Supervisory Board for its close and trusting collaboration – especially Dr. Cromme and the members of the Chairman's Committee: Dr. Ackermann, Mr. Huber and Mr. Adler. The quality of our cooperation and the foundation of trust and confidence we enjoy, are by no means something to be taken for granted. This greatly benefits our company, its employees and its owners.

I also want to thank the works councils and employee representatives for their open, constructive dialogue and for their straightforwardness in dealing with us. Co-determination as we practice it at Siemens is one of the special strengths of the German corporate constitution. Our company proved that once again last year – for example, in the decisions that we had to make about our location in Bad Neustadt an der Saale. During the global economic crisis, we worked together and were able to create conditions under which – Siemens actually increased employment despite the strong economic headwinds! Between the end of fiscal 2007 and the end of 2010, the number of our employees increased by 7,000 worldwide. In Germany, we now have 2,000 more employees than we did in 2007, before the crisis. In the light of our positive experience, last year corporate management, the General Works Council and the IG Metall union renewed and expanded the 2008 agreement to secure locations and jobs in Germany. This signals security and reliability, and this signal strengthens the culture of trust within the company. We are committed to Germany as a place to do business, and to the sustainability of our company in our home country.

I especially want to thank every employee for his or her contribution to our joint success in fiscal 2010. To the more than 400,000 Siemens employees in 190 countries: Thank you! Throughout the global crisis, they proved their strength and endurance. They showed flexibility and remained confident. They were the doers. And they made sure we emerged from the crisis stronger than before. As a concrete expression of our thanks, Siemens employees worldwide are receiving a special bonus for which we have set aside 310 million euros. In Germany, as a rule, that amounts to an additional 1,000 euros for every employee. The 130,000 Siemens employees who are already enrolled in our global employee share purchase plan additionally profit from the rise in the price of Siemens stock.

Of course I also want to thank our company's management team, my colleagues on the Managing Board and the expanded management at the business units, the Regions, and

corporate headquarters. The success in the past few years, managing the crisis, and positioning the company for post-crisis growth – all this was a great team effort.

And finally, I also want to express my special THANKS to all of you, our company's owners – the von Siemens family, our institutional investors, our employee shareholders, and all the former employees who remain loyal Siemens shareholders and continue to follow their company with great interest. You are the ones who have confidence in our long-term course of sustainable growth. You are the ones who represent Siemens values. You invest in the sustainable enhancement of our company's value. And all of you are ambassadors for our company wherever you are.

Siemens introduces new dividend policy

For fiscal 2010, the Supervisory Board and Managing Board propose a dividend of 2 euros and 70 cents per share. That's an increase of nearly 70 percent relative to the previous year. The payout ratio is thus 46 percent. Our proposed dividend sets a new level. At the same time, it begins a new chapter for Siemens and its owners. Because in the future we will provide clear guidance for our dividend policy: measured in terms of net income after taxes, adjusted for non-recurring, non-cash factors, from now on we will pay out between 30 and 50 percent. With this new dividend policy, we want to give long-term investors yet another incentive to become Siemens shareholders.

"Siemens One" sets ambitious targets for growth and capital efficiency

That brings me to the second part of my report: the look ahead, and the question of: What does our pride in Siemens inspire us to do? That question has a clear answer: Growth, growth, growth! We climbed new peaks last year. But we cannot and will not stop where we are today. We have to make the most of the lead we have earned. As a pioneering company, our motto is: no mountain is too high for us, and no climb is too tough. Or, as the song in the film goes: "Ain't no mountain high enough." But that's not a matter of merely going "higher, faster, farther." It's a matter of continuously improving relative to the market and the competition in order to achieve sustainable growth and to increase the value of the company. We have a compass to guide us on the way – our new One Siemens target system.

With One Siemens, we count on revenue growth, but also on our innovation power, on customer proximity, and on our employees' skills. At the same time, as we pursue this growth course, we must attend to clear financial goals: First, we expect the revenue growth of our businesses to be greater than that of our relevant competitors. Here, organic growth has clear priority. Of course, within the boundaries defined by our strategic focus, we will also keep our eyes open for opportunities for outside growth. Second, we want to grow in a capital-efficient way. That's why we have defined an ambitious target range for our return on capital employed. And on the Sector level, we will steadily earn top margins relative to competitors throughout industry cycles. Third, we will continue to optimize our capital structure to put our growth on a sound, sustainable foundation. And fourth, as mentioned, we will make sure that our dividend payout remains attractive to you, our shareholders.

In addition to financial goals, One Siemens defines strategic directions for our future growth: We want to be a leader in growth markets driven by innovation and technology. We are focusing on greater proximity to markets and customers as the driver for profitable, sustainable growth. And we will strengthen Siemens by further developing our employees' skills and by improving collaboration.

Cities are the growth markets of the future

To turn first to our innovation and technology-driven growth markets: We view cities as a special focal point for expanding our business. That is where demand for our innovations – or, expressed in general terms, demand for green infrastructure solutions – is concentrated. Mayors, city administrators and urban planners worldwide face urgent questions. Such as: How can cities enhance quality of life and competitiveness and at the same time protect the environment and preserve resources?

Today more than half of the world's population lives in cities – more than 3.5 billion people. By mid-century, that figure will rise to more than 6 billion. Six billion people that need a place to live, education, healthcare, mobility, leisure activities, and most of all, jobs! The world's 600 largest cities account for about half of the world's economic output. Over the next 15 years, their economic strength will grow faster than the global economy as a whole. In the future, cities will be the economic centers – and they will also be the problem centers. For example, cities account for some 80 percent of the world's greenhouse gas emissions, and

75 percent of global energy consumption. So the fight against climate change must be won in cities.

Many of you here today are former Siemens employees. Many of you have contributed, through your work and as taxpayers, in building the infrastructures of German cities, infrastructures that are admired worldwide. You paved the way to economic success for my generation, and for the quality of life that we prize so much in this region, especially in places like Munich.

Today, we are called upon to rebuild these infrastructures. And what counts in the emerging countries, where the vast majority of the world's population lives, is to build sustainable infrastructures. Smart grids, efficient buildings, the healthcare and water supply systems, and efficient local public transportation – it is the infrastructures of today that will define what the cities of tomorrow will look like, and in what kind of world our children and grandchildren will live. We asked the children of Siemens employees around the world to draw their cities of tomorrow. A selection of their pictures is on exhibit on the upper level, and they show their ideas and fantasies: Houses under water, in trees, and on legs that walk wherever their inhabitants want to go. Energy from the sun, wind and water. Solar cars and flying cars.

Their city visions are colorful, imaginative, and full of ideas: And it's a green, colorful, healthy, lively world of the future. Or in the words of grown-ups: a civilization of sustainability. The task of our generation is to shape that future. This includes making energy and resource efficiency pervasive in both private and public infrastructures. Our environmental portfolio offers a large number of solutions for that purpose even today, with building technologies and traffic management systems, with lighting and industrial automation, with sustainable healthcare solutions – such as low-radiation imaging or minimally invasive treatment options that are easier on patients and shorten hospital stays. All of this saves energy, resources and costs – it helps the environment and improves the quality of life. These are sustainable answers to urgent questions of our time! These are answers that last!

Our long-standing partnership with Munich is a good example of such answers, and of time-tested cooperation. Our ties to Munich go back about 120 years. We have managed our worldwide activities from here since 1945. In Munich, we enjoy a first-rate environment for that purpose: competitive infrastructures, attractive working conditions, and highly qualified

employees. We also find outstanding partners for cooperation – in Munich's universities, research institutes, and businesses; in the state government, state institutions, and of course in the city administration – with Mayor Ude himself. Munich is taking the lead and setting an example: by 2015, for instance, all private homes will be supplied with electricity generated without producing CO₂. And by 2025, the same will hold true for businesses. We are a partner in this initiative, and for example, are working with RWE and the municipal power company to build the “Gwynt y Mor” wind farm for that purpose off the Welsh coast.

The city and Siemens are joined together by a large number of partnership projects: The City of Munich is working with us as pioneers in future technologies – for example, as one of eight model regions for electromobility in Germany. Here in Munich, “MINI” electric cars from BMW are being driven through the streets to test the infrastructure, jointly with the municipal power company, the drives, the recharging stations, the grid connections, and more. We are also working with the city to strengthen Munich's attractions as a location for the future – for example, with the construction of our new corporate headquarters. By the end of 2015, we will create a prime example of the synergy between efficient building technology and urban architecture that will lend new elegance to the transitional area between the Old Town and the Maxvorstadt. And we are also working together toward the sustainable development of the city's infrastructures – for example with the new Munich Underground. On top of that, our urban study indicates that Munich has further potential for saving energy and reducing CO₂ emissions.

Munich and Siemens: this successful, long-term partnership with its cooperation projects is a role model for other cities! For example, in cooperation with Britain's Economist Group, we developed a series of international urban studies – the “Green City Index.” This index helps cities to compare their environmental performance and identify efficiency potentials and improvement measures. We have already prepared a Green City Index for Europe and Latin America. Further regions will follow this year, including the USA and Asia.

Projects like these strengthen our partnership with cities around the world. They often lead to follow-up projects – here are just a few examples from cities large and small: In Trondheim, Norway, we are a partner in the “Smart City” initiative, with which Trondheim aims to become the most efficient city in the world. I visited Trondheim this August and was impressed at how

much support the initiative has attracted in just a short time – among local businesses and among the population of 160,000.

In London, we are building our global center of competence for sustainable urban development. It will open in 2012, in the heart of the planned Green Enterprise District. We want to make this a meeting point for experts and city planners, as well as a public showcase for green urban solutions.

And Siemens is one of the key strategic partners for the green model city of Masdar in the Emirate of Abu Dhabi. Among other projects there, we'll be setting up a smart grid that works interactively on the feed-in and demand sides – for example, by processing the energy consumption data of buildings and using that data to manage their electricity needs in the best possible way.

Siemens in 190 countries – a tradition of customer proximity

In the 19th century, our company's nameplate was attached to the telegraph lines from London to Calcutta. Today, piece-by-piece, a mosaic of sustainability solutions is evolving in cities around the world. And once again it is our company that is pointing the way. This goes hand in hand with greater proximity to markets and customers, and our local presence – the second growth driver I mentioned earlier. Siemens has always been a multi-local company. We have our roots in Germany. And in 190 countries, we operate as a local company – often for more than one hundred years. In 2011 we will again be celebrating a number of impressive anniversaries: For example, we'll be celebrating the 160th anniversary of our first major order from Russia. In 1851 the Russian government ordered pointer telegraphs for the line connecting Saint Petersburg and Moscow. 125 years ago, Siemens & Halske's first permanent representative in the USA opened his office in New York. 110 years ago, we opened our first technical office in the Egyptian capital of Cairo. And 100 years ago, we founded our branch office in Hong Kong.

We want to become an even stronger partner for our customers worldwide – especially in regions where major growth opportunities are opening up. That means the emerging countries in particular. By 2015, these countries will contribute more than half of global

economic growth! But in business volume, all the same, the industrialized countries will still remain in the lead – if only because of the size of their markets.

But from our point of view, apart from statistical considerations, categorizing countries as industrialized or emerging countries does not lead anywhere. These are not two homogeneous groups – and certainly not camps or blocs that are organized as such and face each other. That is evident in the group of the G20 countries. This group brings together a great variety of interests under a single roof – from Argentina to China, Germany and Russia, and from Saudi Arabia to South Africa, Turkey and the United States. Depending on the issue, entirely different groupings and coalitions may develop there. For us, rather, it is markets, competitors and cooperating partners that make the crucial difference, both in the business world and in the world of R&D and science. It's the opportunities and challenges the world offers that count for us.

That's where big things are happening: The urbanization and industrialization that took industrialized world several decades to complete are taking place in just a few years in many places in the world. That opens up excellent business opportunities for us. But at the same time and just as fast, it is changing the world map of competition.

Last year, I explained to you in some detail how we are adjusting to these changes – for example, with the answers from our green portfolio, or by developing products that target the lower and medium-price segments in large growth markets. We also want to get closer to our customers by expanding our service business. Our large installed base worldwide is an excellent springboard for that purpose. With our Regional Companies and our local roots we are close to events wherever they happen. We have everything that's needed to respond to needs flexibly and appropriately for each market, and thus to participate in growth all over the world.

Our employees are the power of Siemens

On our worldwide growth course, we can count on our employees' skills and pioneering spirit, and on our access to the next generation of talent. Yet, all over the world, we also face a shortage of qualified employees, and with the consequences of demographic change. Life expectancies are rising everywhere, and so is the number of older people. Moreover, in

many countries the population is shrinking because of declining birth rates. Demographic change, combined with dynamic economic growth, will heat up the war for talent, and in many countries lead to recruiting practices on the part of some companies.

That makes our attractiveness as an employer even more important. According to surveys, Siemens is one of the world's most attractive employers. To give you an example; In Germany alone, we receive some 40,000 applications for our training and student intern positions each year. Nevertheless, we have to strengthen our recruiting activities. And that is not just a task for our HR organization; every member of the Managing Board and the executive team is actively involved. Every one of us visits universities. Every one of us is personally involved in the recruiting process. Every one of us is a mentor for young talents.

In addition, we continue to develop our broad range of programs in employee training and continuing education. With some 10,000 trainees and student interns, Siemens is one of the largest private providers of training and education in Germany. We invest some 160 million euros in training and education every year. Last fall, 2,300 secondary school graduates began training at Siemens. Once again, they filled every training position. Our number of trainees with disabilities is higher than ever. And for the third time in a row, we made 250 training positions available to disadvantaged young people all over Germany. Our experience with this program has been very good: According to the German government's education report, some 20 percent of young people nationwide quit their training prematurely. But at Siemens, 95 percent of all participants finish the program and successfully complete their training. Doing so gives them a solid foundation for self-sufficiency, and they start their working life in a structured way. Our educators deserve most of the credit for this. They not only do a good job; they also serve as role models in the best sense, and do good deeds to boot!

Demographic change will lead to longer working lives. That's why continuing education and on-the-job qualification are so important – in other words, “lifelong learning.” During fiscal 2010, we invested 225 million euros in continuing education programs worldwide. But money by itself is not enough. Determination is key on both sides: on the part of the employee and on the part of the company. We want to keep older people qualified and professionally active for a longer time. Capable, motivated, experienced employees are just as dear to us as ambitious young people just starting their careers.

What Siemens has to offer as an employer everywhere in the world is truly unique: Challenging work, worldwide development opportunities, and a culture of diversity in professions, nationalities and age groups. We have also made it our objective to inspire women to enter technical professions, and to recruit more women for the executive levels of our company. The fact that we now have two women on the Managing Board demonstrates something that should really be quite obvious: Men do not have a monopoly on professional experience and qualifications! And diversity is not just a nice ornament for the company's image. For us, diversity is a fundamental success factor. It enriches the lives of everyone who experiences it.

Siemens is shaping the future

The 400,000 people at Siemens are proud of what they have accomplished. They are relieved at having pulled through the crises of the past few years. And they are hungry – hungry to lead the green revolution. The green revolution will pay off. For people and for nature. And it will also pay off quite concretely for us: It will create green jobs and improve profitability; It will generate growth, boost our stock price, and deliver return on investment.

“A giant awakens” – that was the headline of an article about Siemens in Britain's Economist last year. The giant is awake, and strong, and determined. He knows what he wants; he knows what he can do. No one confirmed that more accurately last year than President Obama: “You are blazing a trail. You're showing America our future.”

Shaping the future – that's what we've been doing for more than 160 years. And that remains our commitment as we set out for new horizons – on every continent and in every one of our fields. Werner von Siemens dreamed of creating a “global enterprise like that of the Fuggers.” Today, people have the vision of a green planet. 400,000 Siemens employees are working on making that vision a reality, day in and day out. That is our passion. That is what makes Siemens unique. That is what we are proud of!