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### **Siemens' revenue growth continues in first quarter of fiscal 2012**

Debt crisis leaves mark on real economy

**In the first quarter of its new fiscal year 2012, Siemens achieved increased revenue and laid the cornerstone for future growth, despite the difficult economic environment. Thanks to a strong order backlog, revenue for the first quarter rose two percent compared to the same period a year earlier, while new orders declined five percent year-over-year. Profit was below the prior-year level due to project delays and increased investments. “The uncertainties of the ongoing debt crisis have left their mark on the real economy. Our revenue increased again, while certain project delays burdened profits. Although a recovery is expected in the second half of the year, we must work hard to achieve our goals. With a backlog of more than €100 billion, a strong portfolio and a solid financial position, we are a trusted partner,” said Siemens President and CEO Peter Löscher.**

In the first quarter of fiscal 2012, which ended on December 31, 2011, new orders declined five percent year-over-year to €19.8 billion. In the prior-year period, Siemens booked several major orders. Revenue, on the other hand, increased two percent to €17.9 billion. The book-to-bill ratio for the first quarter was 1.11. The order backlog reached €102 billion. Siemens also invested in innovation and growth: the number of employees worldwide rose in the first quarter by about 3,000, roughly a third of whom work in research and development.

For the four Sectors Energy, Healthcare, Industry and Infrastructure & Cities, the picture was mixed. In the Energy Sector, new orders were down 11 percent to €7.2 billion, and revenue increased eight percent to €6.2 billion. While new orders in the area of renewable energies rose by nearly two-thirds, orders in the Fossil Power Generation Division declined 30 percent after the major orders of the prior-year period. The Healthcare Sector reported new orders of €3.3 billion, a four percent increase year-over-year. Revenue development at the Sector was stable. In the Industry Sector, new orders totaled €4.9 billion, a slight decline of two percent. However, the Sector had profited from major orders in the comparable prior-year period – above all, at the Drive Technologies Division. Industry Sector revenue climbed five percent to €4.7 billion. In the new

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Infrastructure & Cities Sector, new orders and revenue were below the comparable prior-year figures. Here, too, there had been major orders in the prior year – for example, the Eurostar contract.

Profits were impacted by delays related to the approval process for connecting offshore wind turbines to power grids, mainly in Germany. Due to this factor, the Energy Sector's Power Transmission Division incurred project charges of €203 million. The Renewable Energy businesses posted a loss of €48 million due primarily to higher R&D expenses, costs related to the expansion of the business in a highly competitive environment, increased price pressure and a less favorable revenue mix. In the Healthcare Sector, profit was slightly below the comparable prior-year figure. In the Industry Sector, profit declined due to a less favorable product mix and higher operating costs resulting from growth-related investments. In the new Infrastructure & Cities Sector, delays related to the approval of Siemens' Velaro D trains had a negative impact on profit. The cause here was the previously reported difficulty of a foreign supplier to deliver key components for the multi-system capability that will enable the trains to operate between Germany and France. Total Sectors profit declined 23 percent year-over-year to €1.6 billion. Income from Siemens' continuing operations was down 27 percent overall to roughly €1.4 billion.

**Siemens AG** (Berlin and Munich) is a global powerhouse in electronics and electrical engineering, operating in the fields of industry, energy and healthcare as well as providing infrastructure solutions, primarily for cities and metropolitan areas. For over 160 years, Siemens has stood for technological excellence, innovation, quality, reliability and internationality. The company is the world's largest provider of environmental technologies. Around 40 percent of its total revenue stems from green products and solutions. In fiscal 2011, which ended on September 30, 2011, revenue from continuing operations totaled €73.5 billion and income from continuing operations €7.0 billion. At the end of September 2011, Siemens had around 360,000 employees worldwide on the basis of continuing operations. Further information is available on the Internet at: [www.siemens.com](http://www.siemens.com).

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other things, the risk of customers delaying the conversion of recognized orders into revenue or cancelling recognized orders, of prices declining or expenditures increasing as a result of adverse market conditions by more than is currently anticipated by Siemens' management or of functional costs increasing in anticipation of growth that is not realized as expected. Other factors that may cause Siemens' results to deviate from expectations include developments in the financial markets, including fluctuations in interest and exchange rates (in particular in relation to the US\$, British £ and the currencies of emerging markets such as China, India and Brazil), in commodity and equity prices, in debt prices (credit spreads) and in the value of financial assets generally. Any changes in interest rates or other assumptions used in calculating obligations for pension plans and similar commitments may impact Siemens' defined benefit obligations and the anticipated performance of pension plan assets resulting in unexpected changes in the funded status of Siemens' pension and other post-employment benefit plans. Any increase in market volatility, deterioration in the capital markets, decline in the conditions for the credit business, uncertainty related to the subprime, financial market and liquidity crises, including the sovereign debt crisis in the Eurozone, or fluctuations in the future financial performance of the major industries served by Siemens may have unexpected effects on Siemens' results. Furthermore, Siemens faces risks and uncertainties in connection with: disposing of business activities, certain strategic reorientation measures, including reorganization measures relating to its segments; the performance of its equity interests and strategic alliances; the challenge of integrating major acquisitions, implementing joint ventures and other significant portfolio measures; the performance, measurement criteria and composition of its Environmental Portfolio; the introduction of competing products or technologies by other companies or market entries by new competitors; changing competitive dynamics (particularly in developing markets); the risk that new products or services will not be accepted by customers targeted by Siemens or that there may be delays in the delivery of new products and services due to unexpected technical difficulties; changes in business strategy; the interruption of our supply chain, including the inability of third parties to deliver parts, components and services on time resulting for example from natural disasters; the outcome of pending investigations, legal proceedings and actions resulting from the findings of, or related to the subject matter of, such investigations; the potential impact of such investigations and proceedings on Siemens' business, including its relationships with governments and other customers; the potential impact of such matters on Siemens' financial statements, and various other factors. More detailed information about certain of the risk factors affecting Siemens is contained throughout this report and in Siemens' other filings with the SEC, which are available on the Siemens website, [www.siemens.com](http://www.siemens.com), and on the SEC's website, [www.sec.gov](http://www.sec.gov). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Siemens neither intends to, nor assumes any obligation to, update or revise these forward-looking statements in light of developments which differ from those anticipated. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.