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### **Siemens expects strong profitability again in third quarter of fiscal 2010**

New orders and revenue at Sectors to again exceed prior-year figures

**In the third quarter of the current fiscal year, Siemens AG expects continued strong profitability at its Sectors with growth in new orders and revenue again exceeding the corresponding prior-year figures. The last time Siemens posted a plus in both orders and revenue was in the fourth quarter of fiscal 2008. Driving this positive development in the third quarter of 2010 were, among other things, a recovery in the company's short-cycle businesses and strong demand in the emerging countries, explained CFO Joe Kaeser at the Energy Sector's Capital Market Days. He added that, due to continuing cost productivity in the third quarter, total Sectors profit was likely to closely approach the results from operations in the strong previous quarter while including no significant one-time effects. In the second quarter of the current fiscal year, Siemens reported total Sectors profit of some €2.1 billion. However, all third quarter projections reflect substantial currency translation effects due to the strength of the U.S. dollar during the quarter.**

The total orders and revenue - including the impact of currency effects - of the three Siemens Sectors Industry, Energy and Healthcare in the third quarter of 2010 will probably exceed the corresponding figures reported for both the prior year and the previous quarter. In the third quarter of 2009, the total orders of Siemens' three Sectors came to about €16.2 billion and total revenue to about €17.4 billion. In the second quarter of fiscal 2010, new orders were roughly €17.1 billion and revenue about €17.5 billion.

The Industry Sector profited again in the third quarter of 2010 from improvements in the business climate for its shorter-cycle activities. For example, Osram reported continued strong demand for light-emitting diodes (LEDs). The car industry's interest in Osram products also continued to be high. In the third quarter, both volume and profit at the Industry Sector will probably surpass the prior-year figures. The profit of €783 million from operations in the previous quarter may even be exceeded. Revenue is expected to be above the previous-quarter figure of about €8.3 billion. New orders will also probably be above the previous-quarter figure of roughly €8.0 billion.

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Third-quarter revenue and profit at the Energy Sector will both probably be slightly below the prior-year level. In the third quarter of fiscal 2009, the Sector reported profit of €863 million on revenue of some €6.4 billion. New orders will probably exceed the prior-year figure of roughly €6.9 billion and, thereby, also be considerably above the previous-quarter figure of about €6.1 billion.

In the Healthcare Sector, the implementation of the U.S. healthcare reform is reducing demand backlog somewhat. This development is expected to have a positive impact on growth at the Imaging & IT Division, in particular. Sector profit will probably be significantly above the prior-year figure of €270 million and at about the same level as in the previous quarter, when it totaled €492 million. Third-quarter revenue and new orders are expected to be above the corresponding figures for both the prior year and the previous quarter. In the second quarter of fiscal 2010, new orders came to about €2.9 billion and revenue to roughly €3 billion. Unlike in the previous two quarters, positive effects from currency hedging will probably no longer be noticeable at the Sector in the third quarter.

Below the Sector level, Siemens expects its Equity Investments to make a negative contribution to profit in the third quarter. Siemens IT Solutions and Services (SIS) is operating in a very difficult environment. SIS is expected to report negative earnings for the third quarter.

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