# Strong End to an Excellent Year

Revenue and income rise, Q4 cash hits new high
Full-year outlook achieved

**Peter Löscher, President and Chief Executive Officer of Siemens AG**

"With a strong fourth quarter in a turbulent economic environment, we ended fiscal 2011 with record operating results. With our new organization into four Sectors we have aligned our business even more closely with our customers. Siemens has a strong portfolio and stands for stability and confidence in troubled times. We are well positioned for moderate revenue growth in fiscal 2012 and surpassing the €100 billion revenue threshold in the medium term."

## Financial Highlights:

- Revenue for the fourth quarter rose 5%, to €20.351 billion, with increases in all regions including strong emerging market growth. Organic revenue grew 9% compared to the prior-year period, excluding currency translation and portfolio effects.
- Orders came in at €21.157 billion, below the prior-year period but 2% higher on an organic basis. The book-to-bill ratio for the quarter was 1.04 and the order backlog was €96 billion.
- Siemens' Sectors continued their strong execution, delivering Total Sectors Profit of €2.166 billion, including €231 million in impairment charges in the solar business.
- Income from continuing operations rose to €1.228 billion and corresponding basic EPS was €1.33.
- An outstanding fourth-quarter cash performance in the Sectors lifted Free cash flow from continuing operations to €3.480 billion, well above last year's strong closing quarter.
- For fiscal 2011, Siemens achieved its outlook for financial results. Revenue rose 7% year-over-year, to €73.515 billion, and orders increased 16%, to €85.582 billion. Total Sectors Profit climbed 36% year-over-year, to €9.093 billion, and income from continuing operations reached €7.011 billion. Siemens proposes a dividend of €3.00 per share compared to €2.70 per share in fiscal 2010.

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Media Relations:
Alexander Becker
Phone: +49 89 636-36558
E-mail: becker.alexander@siemens.com

Oliver Santen
Phone: +49 89 636-36669
E-mail: oliver.santen@siemens.com
Siemens AG,
80333 Munich, Germany


# Earnings Release Q4 2011

## July 1 to September 30, 2011

**Munich, Germany, November 10, 2011**

# Orders and Revenue

## Solid increase in revenue, stable order development

Revenue rose 5% compared to the fourth quarter a year earlier, reflecting rapid order growth in recent quarters. New orders came in 2% lower compared to the prior-year quarter. On an organic basis, excluding currency translation and portfolio effects, fourth-quarter revenue increased 9% year-over-year. Organic order growth of 2% included increases in Industry and Healthcare and level orders in Energy. The book-to-bill ratio for Siemens overall was 1.04, and the backlog (defined as the sum of the order backlogs of our Sectors) remained strong at €96 billion at the end of the quarter.

## Revenue rises in all regions

Revenue for Industry rose 8%, on higher revenue at all Divisions except Mobility. Energy took its revenue up 7%, with all Divisions contributing to the increase. Reported fourth-quarter revenue for the Healthcare Sector was nearly unchanged year-over-year. Organic revenue was higher for all three Sectors, including double-digit growth for Industry and Energy.

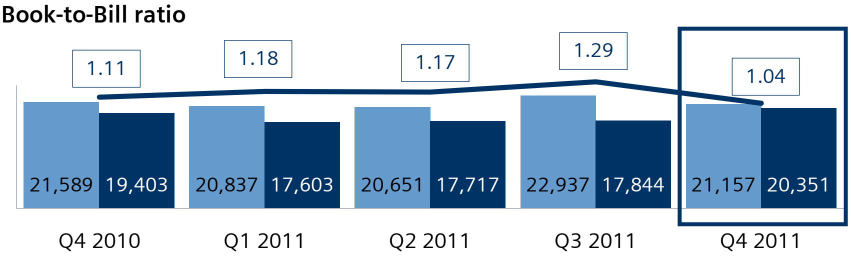
On a geographic basis, revenue rose in all three regions, led by 12% growth in Asia, Australia. Emerging markets on a global basis grew faster than revenue overall, at 8% year-over-year, and accounted for €7.235 billion, or 36%, of total revenue for the quarter.

## Sectors hold their ground in order development

Industry and Healthcare reported slight increases in new orders compared to the fourth quarter a year earlier. Energy saw a modest decline compared to the prior-year period, which included a higher volume from major orders.

On a geographic basis, the region comprising Europe, the Commonwealth of Independent States, Africa and the Middle East (Europe/CAME) delivered order growth of 3%. Orders fell in the Americas due primarily to strong negative currency translation effects in the U.S., and in Asia, Australia which had a lower volume from major orders. Emerging markets on a global basis accounted for €6.852 billion, or 32%, of total orders for the quarter. Due to a high basis of comparison in the prior-year period, emerging markets reported a 7% decrease year-over-year.

### Book-to-Bill ratio




Figures in millions of €

New Orders Revenue Book-to-Bill ratio

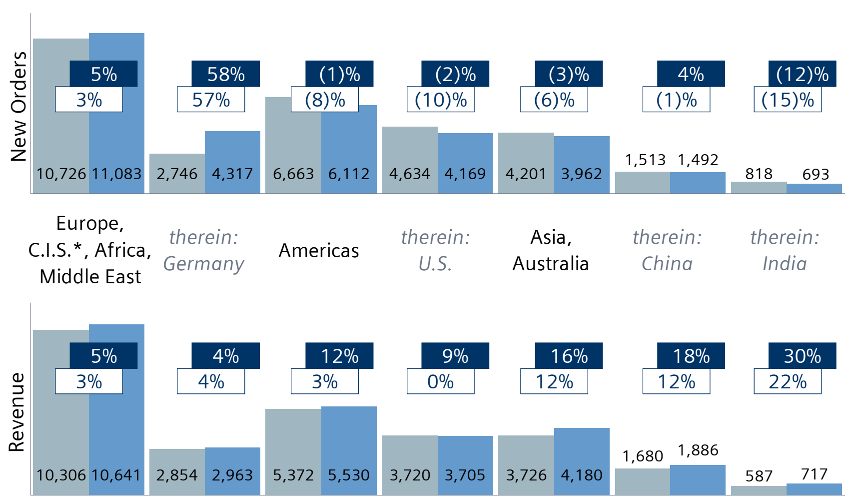
### New Orders & Revenue

| | Q4 2010 | Q4 2011 | % Change Actual | % Change Adjusted* |
|---|---|---|---|---|
| New Orders | 21,589 | 21,157 | (2)% | 2% |
| Revenue | 19,403 | 20,351 | 5% | 9% |

Figures in millions of €

* Excluding currency translation and portfolio effects.

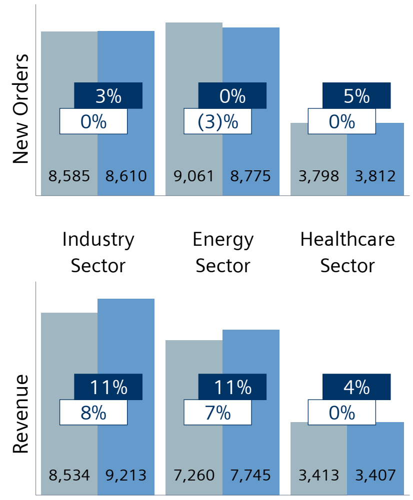
### New Orders & Revenue by Region




Figures in millions of €

Q4 2010 Q4 2011 Actual change * Commonwealth of Independant States
Adjusted change (throughout excluding currency translation and portfolio effects).

### New Orders & Revenue by Sector




Figures in millions of €

Q4 2010 Q4 2011 Actual change
Adjusted change

# Income and Profit

## Strong year-end quarter for Total Sectors Profit

Total Sectors Profit reached €2.166 billion in the fourth quarter, led by profit of €1.041 billion in Industry. Energy contributed €631 million, below the prior-year level due primarily to impairment charges of €231 million at the solar business, and Healthcare delivered a strong year-end quarter with €494 million in profit. Total Sectors Profit was held back by negative effects of €88 million from hedging activities not qualifying for hedge accounting related to price volatility in commodities markets, with the strongest influence on profit development coming in Power Transmission, Building Technologies and Drive Technologies.

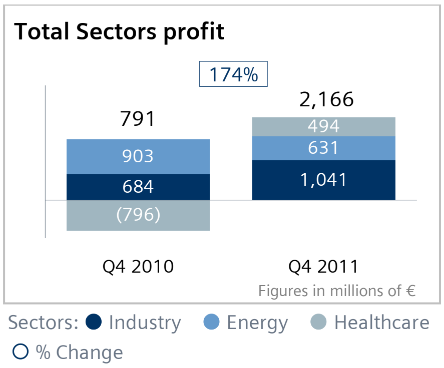
For comparison, Total Sectors Profit of €791 million in the same period a year earlier included a number of significant burdens on profit, primarily impairment charges in Healthcare's Diagnostics business totaling €1.204 billion. Healthcare also took €96 million in charges associated with the particle therapy business, while Industry took charges of €125 million related to a project engagement with a local partner in the U.S. and charges of €113 million related to staff reduction measures.

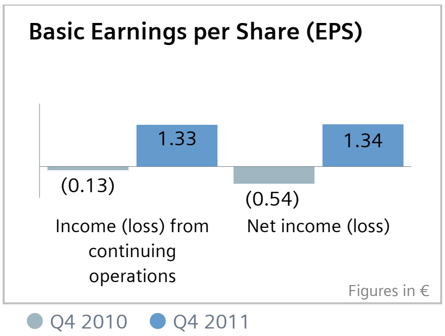
## Improved results below the Sectors

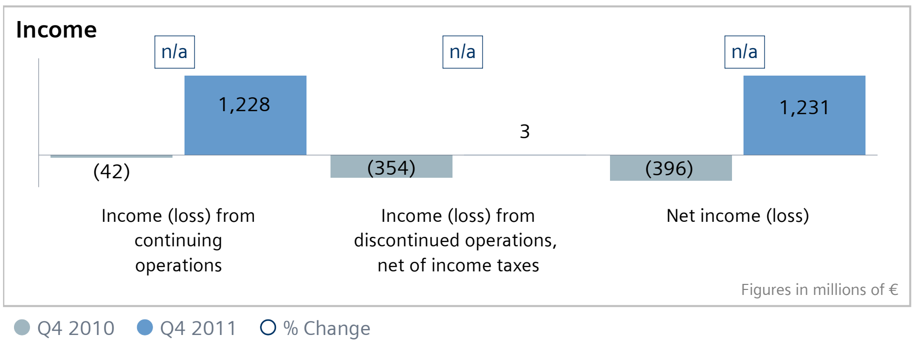
Income from continuing operations reached €1.228 billion in the fourth quarter, with a corresponding basic EPS of €1.33. In the prior-year period, continuing operations posted a loss of €42 million and basic EPS was a negative €0.13. While the main factor in the difference year-over-year was higher Total Sectors Profit, results below the Sectors also improved year-over-year. In particular, Corporate Treasury activities generated positive income before income taxes and the loss from Equity Investments fell sharply. Expenses for Corporate items came in lower compared to the prior-year period, which included €267 million (pre-tax) related to a special remuneration for non-management employees worldwide.

## Positive contribution from discontinued operations

Net income was €1.231 billion in the fourth quarter compared to a net loss of €396 million in the prior-year quarter. Corresponding basic EPS improved to €1.34 from a negative €0.54. Within net income (loss), discontinued operations swung to a positive €3 million compared to a negative €354 million a year earlier. This improvement was due to income (loss) from discontinued operations related to Siemens IT Solutions and Services, which was a negative €6 million in the current quarter compared to a negative €361 million in the fourth quarter a year earlier. Income from discontinued operations related to OSRAM was €54 million compared to €65 million in the prior-year period. OSRAM reported a 6% revenue increase compared to the fourth quarter a year earlier, and 7% growth on an organic basis, on demand for general and specialty lighting products.



# Cash, Return on Capital Employed (ROCE), Pension Funded Status

## Strong year-end cash performance in the Sectors

Free cash flow at the Sector level climbed to €4.256 billion in the fourth quarter, up 17% from an already high level in the same period a year earlier. Industry was the primary contributor to the increase, due to higher Sector profit and positive effects from net working capital management. Free cash flow from continuing operations increased from €2.931 billion in the prior-year period to €3.480 billion in the current quarter, due mainly to the exceptionally strong cash performance at the Sector level.

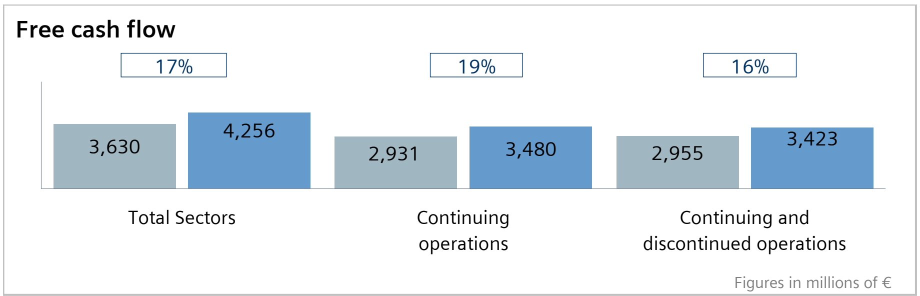
Free cash flow from discontinued operations was a negative €57 million compared to a positive €24 million in the fourth quarter a year ago. The change year-over-year is related primarily to OSRAM.

## ROCE increases on higher income from continuing operations

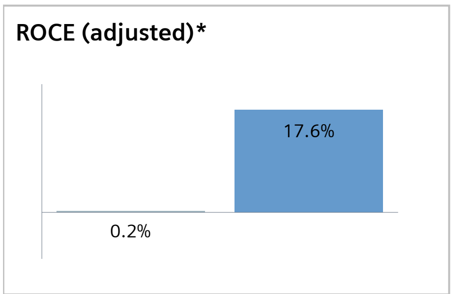
On a continuing basis, ROCE (adjusted) rose to 17.6% in the fourth quarter, up from 0.2% a year earlier. The increase was due mainly to higher income from continuing operations compared to the prior-year period, when ROCE was burdened by the €1.204 billion (pretax) in impairments at Healthcare. To a lesser extent, ROCE (adjusted) rose also on a reduction in average capital employed compared to the prior-year period.

## Pension plan underfunding increases

The underfunding of Siemens' pension plans as of September 30, 2011 amounted to approximately €6.5 billion, compared to an underfunding of approximately €5.4 billion at the end of the third quarter. The change was due to an increase in Siemens' defined benefit obligation (DBO) resulting from a decrease in the discount rate assumption as of September 30, 2011, and from accrued service and interest costs. The underfunding mentioned above included approximately €0.3 billion related to Osram as of September 30, 2011. A year earlier, pension plan underfunding as of September 30, 2010 amounted to €7.4 billion.

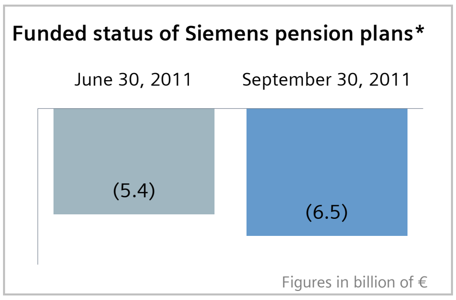



Q4 2010 Q4 2011 % Change




Q4 2010 Q4 2011

* Continuing operations




* Including OSRAM as of June 30, 2011 and September 30, 2011 and Siemens IT Solutions and Services as of June 30, 2011.

# Industry Sector

## Profit tops €1 billion on broad-based revenue growth

In a strong year-end quarter, the **Industry** Sector increased its profit to €1.041 billion, with Industry Automation and Drive Technologies Divisions accounting for the majority of Sector profit for the quarter. All Divisions in the Sector contributed higher profit in the current period, while profit in the prior-year period was held back by charges of €125 million related to a project engagement with a local partner in the U.S. and €113 million in charges related to staff reduction measures.

Double-digit revenue growth at Industry Automation and Drive Technologies drove revenue for the Sector up 8%. On a geographic basis, revenue was up in all three reporting regions. Industry Automation and Drive Technologies also generated double-digit increases in orders compared to the same quarter a year earlier. Due to a high basis of comparison at Industry Solutions in the prior-year period, fourth-quarter orders for the Sector increased only slightly year-over-year. On a regional basis, orders were up 13% in Europe/CAME and nearly level in Asia, Australia, while a decline in the Americas was due primarily to the high basis of comparison just noted for Industry Solutions. For the Sector as a whole, currency translation effects took 3 percentage points from reported growth in both revenue and orders. Industry's book-to-bill ratio was 0.93 and its order backlog was €32 billion at the end of the quarter.

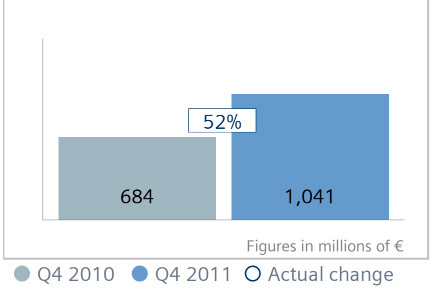
## Profit hits new high, all regions show growth

**Industry Automation** led all Divisions in the Sector with profit of €398 million, up 23% compared to the same quarter a year earlier. On the strength of 13% revenue growth, the Division kept capacity utilization high and improved its business mix year-over-year. For comparison, profit in the prior-year period benefited from a gain of €19 million on the sale of a business. Orders climbed 10%, with increases in all regions led by double-digit growth in Asia, Australia. Revenue also rose in all three reporting regions, with double-digit increases in Europe/CAME and the Americas. Purchase price allocation (PPA) effects related to the fiscal 2007 acquisition of UGS Corp. (UGS) were €34 million in the current period compared to €39 million a year earlier.

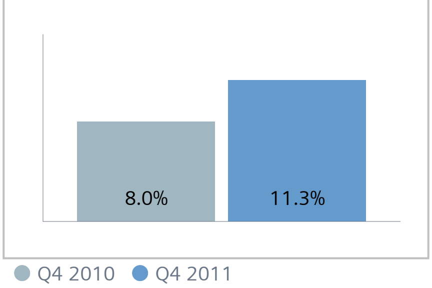
## Broad-based growth drives profit higher

Fourth-quarter profit at **Drive Technologies** climbed to €307 million. Profit development was influenced by continued spending for R&D and, to a lesser extent, negative effects related to commodities as described earlier. For comparison, profit in the prior-year period was burdened by €28 million related to staff reduction measures. Revenue rose 16% in the current quarter, driving capacity utilization higher. Revenue growth came from all regions, including double-digit increases in Europe/CAME and Asia, Australia. Orders jumped 30% compared to the fourth quarter a year ago, on increases in all regions led by strong demand in the Americas.

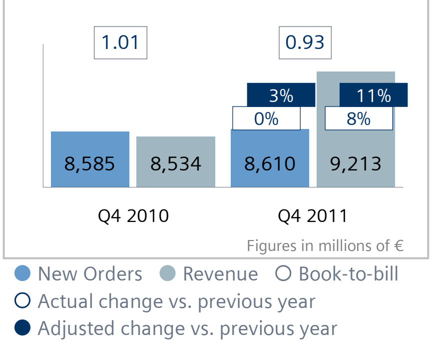
**Profit Sector**




**Profit margin Sector**




**New Orders & Revenue Sector**



Order development also included an internal order from the Mobility Division, which won a €3.7 billion rolling stock order in the third quarter.

## Stable profit and revenue growth

**Building Technologies** contributed €135 million to Sector profit in the fourth quarter, nearly unchanged compared to the prior-year quarter. Both periods included burdens on profit, including negative effects related to commodities in the current period as described earlier, and €20 million in charges related to staff reduction measures in the prior-year quarter. Revenue rose 6% year-over-year, on revenue increases in all regions led by Asia, Australia. Orders were up 2%, as growth in the Americas more than offset declines in Asia, Australia and Europe/CAME.

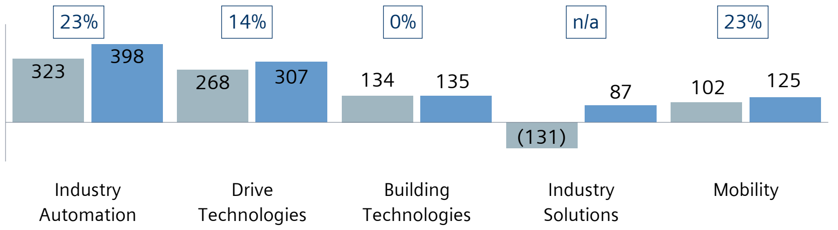
## Profit climbs on order conversion in metals

Profit at **Industry Solutions** reached €87 million in the fourth quarter. In the same period a year earlier, the Division posted a loss after taking €125 million in charges related to a project engagement with a local partner in the U.S. and €62 million in charges related to staff reduction measures. Fourth-quarter revenue rose 6%, driven by conversion of the Division's strong order backlog in its metals technologies business. Orders showed a decline compared to the prior-year period, which included two major orders in the Americas.

## Continued solid performance

**Mobility** took its profit up to €125 million in the fourth quarter. Revenue declined 3% and orders were up 1% compared to the same quarter a year earlier.

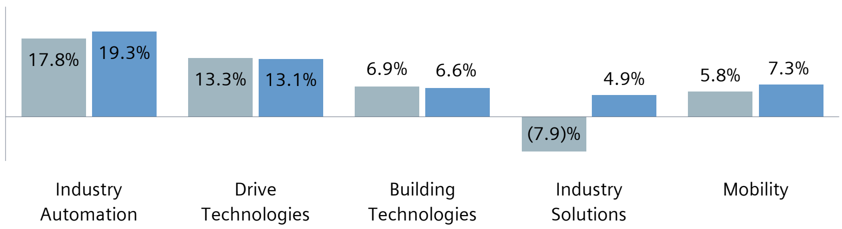
**Profit by Division**




Figures in millions of €

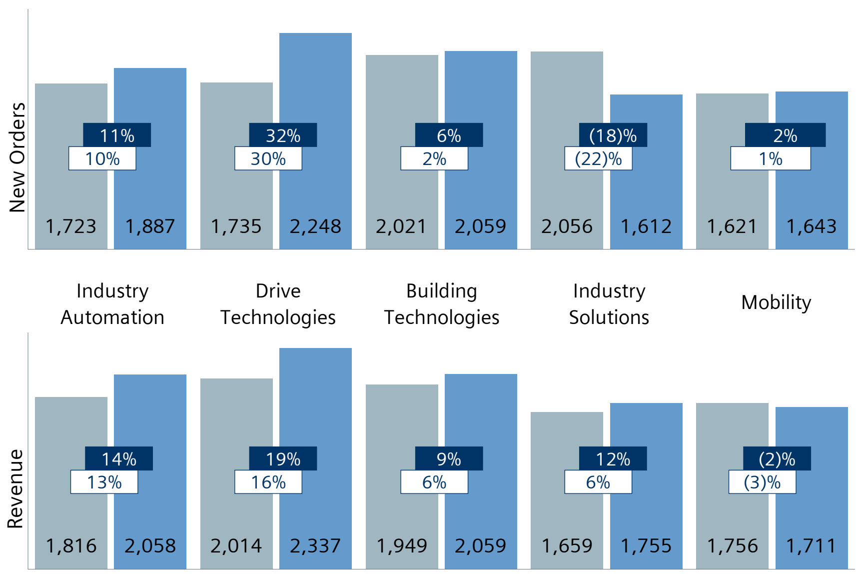
Q4 2010 Q4 2011 Actual change

**Profit margin by Division**




Q4 2010 Q4 2011

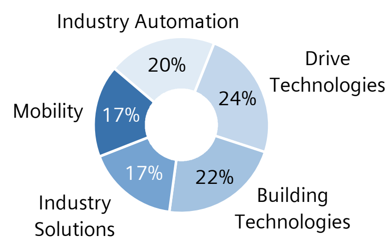
**New Orders & Revenue by Division**



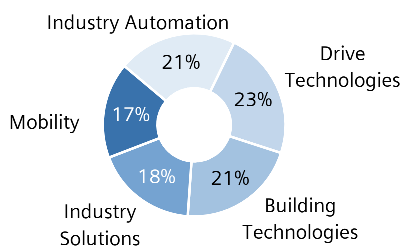

Figures in millions of €

Q4 2010 Q4 2011 Actual change Adjusted change

**New Orders: Weight of Divisions***




**Revenue: Weight of Divisions***




* Unconsolidated basis

# Energy Sector

## Broad-based revenue growth, profit impact from impairment

The **Energy** Sector reported profit of €631 million, significantly lower than a year earlier due primarily to impairment charges of €231 million at the Sector's solar business. Energy also increased spending for R&D associated with business expansion.

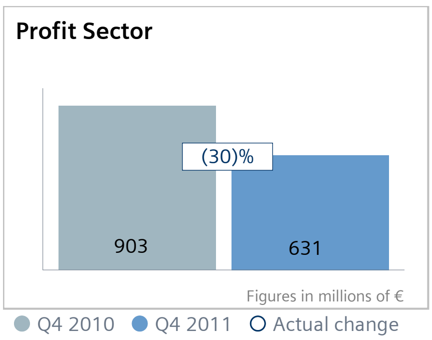
Conversion of the Sector's strong order backlog took fourth-quarter revenue up 7% year-over-year. All Divisions contributed to the revenue increase, led by double-digit growth at Renewable Energy and Oil & Gas. On a regional basis, revenue rose in all regions with the highest increases recorded in Asia, Australia. Strong fourth-quarter orders included two major contract wins for offshore wind farms at Renewable Energy, but still came in 3% lower than the prior-year period which included a higher volume from major orders in other Divisions, primarily in Fossil Power Generation. Orders climbed in the Americas and were lower in Asia, Australia and Europe/CAME. Negative currency translation effects took 4 percentage points from reported revenue growth and 3 percentage points from reported order growth in the quarter. The book-to-bill ratio was 1.13, and Energy's order backlog was €58 billion at the end of the fourth quarter.

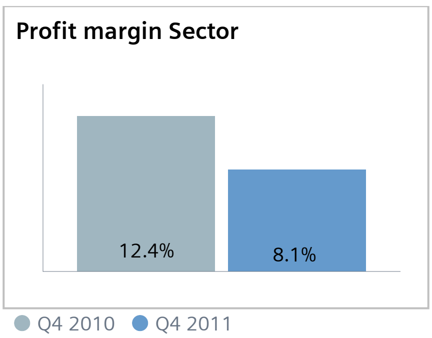
## Profit climbs on strong project execution

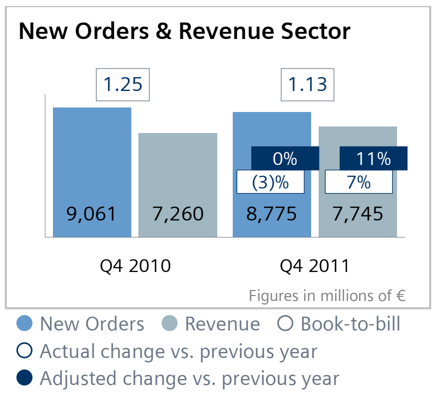
**Fossil Power Generation** led all Siemens Divisions with €407 million in fourth-quarter profit, a 10% increase year-over-year driven by excellent project execution in the solutions business. A less favorable business mix compared to recent periods included a lower contribution from the service business. Revenue rose 5% compared to the prior-year period on conversion of orders from the Division's strong order backlog. As expected, new orders came in substantially below the prior-year period after four consecutive quarters of particularly strong order intake. For comparison, the fourth quarter a year ago included a significantly higher volume from major orders in both the solutions and service businesses.

## Strong growth in wind, impairments at solar business

**Renewable Energy** continued its growth trend in the fourth quarter and recorded new highs for both revenue and orders. Fourth-quarter revenue came in 18% higher year-over-year. New orders were up 67% from the prior-year period, including a substantially higher volume from major orders. The largest contract wins were for two large offshore wind-farms from customers in Denmark and Germany. The Division also won several large orders for onshore wind-farms from other countries, further improving its regional balance. The wind power business maintained its earnings contribution year-over-year,



despite continuing pricing pressure. During the quarter Siemens completed an assessment of the growth prospects and long-term market development for the concentrated solar power business. Following completion of the impairment test, the solar business took impairment charges totaling €231 million in the fourth quarter, including €128 million for goodwill. Along with continued operational losses in the solar business, this resulted in a loss for Renewable Energy in the fourth quarter.

### Service business leads revenue and profit higher

Profit at **Oil & Gas** rose to €129 million on a 14% increase in revenue, including a revenue-driven earnings increase in the service business. Fourth-quarter orders for the Division came in slightly below the prior-year level.

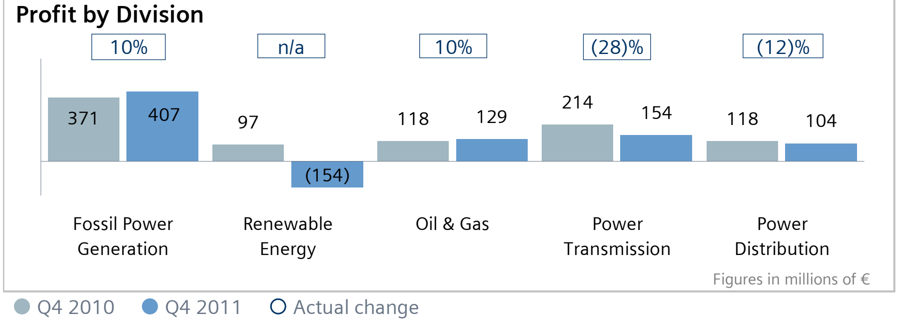
### Continued pricing pressure holds back profit

**Power Transmission** delivered revenue and orders at nearly the same levels as in the fourth quarter a year earlier, but saw its profit decline to €154 million due in part to ongoing pricing pressure. This effect was strongest in the transformers and high-voltage substation businesses, which have attracted new market entrants based in lower-cost countries. In addition, profit was held back by significant negative effects related to commodities as described earlier.

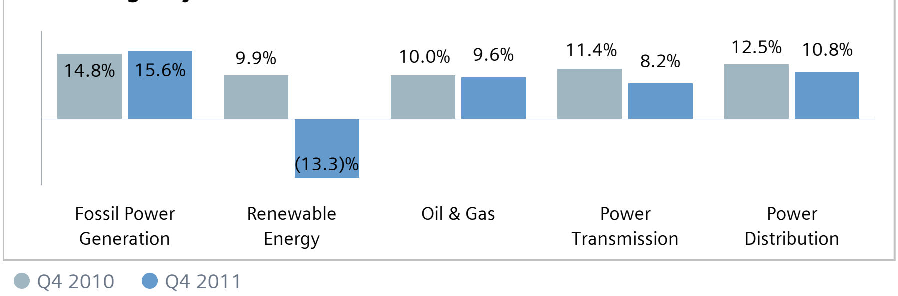
### Stable revenue and profit, continued focus on R&D

**Power Distribution** contributed €104 million in profit in the fourth quarter, after another increase in R&D spending, including on new technologies such as smart grids. Revenue rose 2% compared to the prior-year period, while fourth-quarter orders came in 3% lower year-over-year.

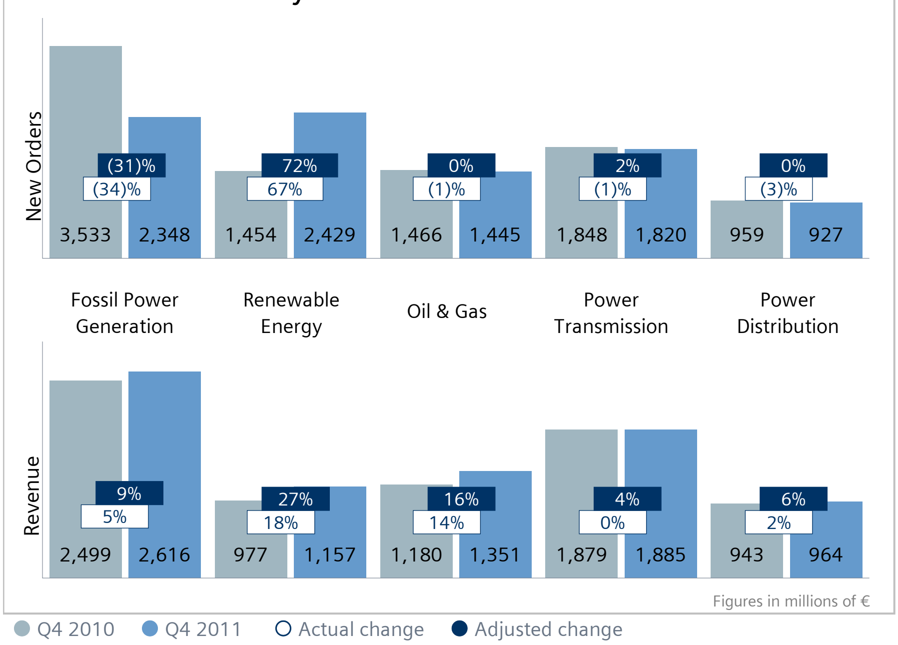
**Profit by Division**



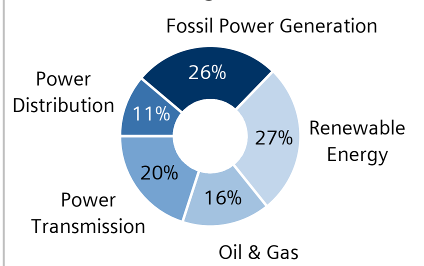

**Profit margin by Division**



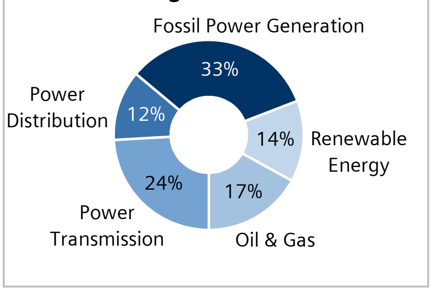

**New Orders & Revenue by Division**




**New Orders: Weight of Divisions***




**Revenue: Weight of Divisions***




* Unconsolidated basis

# Healthcare Sector

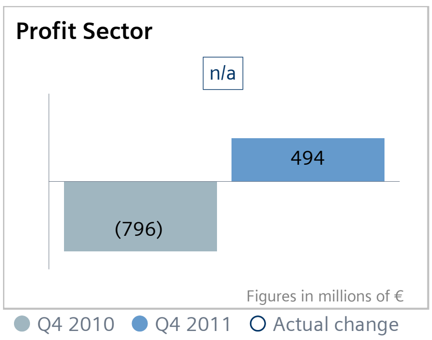
## Strong year-end profit performance

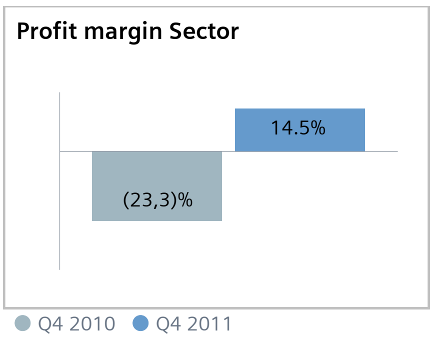
The **Healthcare** Sector took fourth-quarter profit up to €494 million, including a strong earnings performance from its major imaging and therapy systems businesses. For comparison, the Sector's loss of €796 million in the fourth quarter a year ago included charges for impairments totaling €1.204 billion at Diagnostics and €96 million in charges related to the particle therapy business. In the current period, a loss of €32 million on the sale of a healthcare IT business in France was largely offset by the release of reserves totaling €26 million related to a customer loan and receivables in the audiology business. The Sector expects burdens on profit in coming quarters from measures aimed at improving its competitive position.

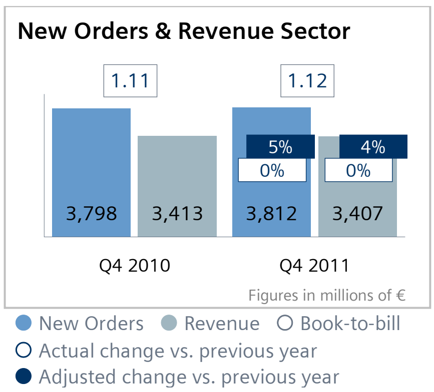
Profit at **Diagnostics** was €63 million, compared to a loss of €1.142 billion in the fourth quarter a year ago due to the impairments mentioned above. PPA effects related to past acquisitions at the diagnostics business were €42 million in the current quarter, compared to €47 million a year earlier. Operational challenges are expected to continue in coming quarters.

Fourth-quarter revenue for Healthcare was nearly unchanged year-over-year, and orders were up slightly. The imaging and therapy systems businesses delivered solid growth in both revenue and orders. For the Sector as a whole, negative currency translation effects took 5 percentage points from reported revenue growth and 4 percentage points from reported order growth in the quarter. The book-to-bill ratio was 1.12, and Healthcare's order backlog was €7 billion at the end of the fourth quarter. On a geographic basis, 11% revenue growth in Asia, Australia and modest growth in the Americas offset a decline in Europe/CAME. Orders grew even faster in Asia, Australia, with a 25% increase compared to the prior-year period. Europe/CAME posted a small increase and orders fell in the Americas. On a global basis, emerging markets delivered 6% revenue growth and 20% order growth.

Revenue and orders at Diagnostics for the current quarter reached their highest quarterly levels in fiscal 2011, but came in 4% below the respective prior-year levels. Revenue was €935 million and orders were €930 million, down from €978 million and €968 million, respectively, in the fourth quarter a year earlier. Negative currency translation effects took 5 percentage points from reported growth for both revenue and orders. On a geographic basis, revenue and orders both showed a double-digit increase in Asia, Australia, which was more than offset by declines in the other two reporting regions.



# Equity Investments and Financial Services

## Lower Loss from Equity Investments

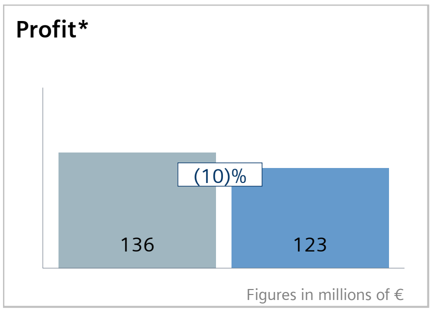
Equity Investments posted a loss of €49 million in the fourth quarter compared to a loss of €181 million in the same period a year earlier. The difference is related primarily to Siemens' stake in Nokia Siemens Networks B.V. (NSN), which resulted in an equity investment loss of €76 million compared to a loss of €241 million in the prior-year period. NSN reported to Siemens that it recorded restructuring charges and integration costs totaling €26 million in the current quarter compared to €49 million in the prior-year period, and continues to face broad business and market challenges in implementing its strategy.

At the end of the fourth quarter, in order to strengthen NSN's financial position, Nokia and Siemens each provided new equity of €500 million and received preferred shares in return. The increase in equity did not change the existing shareholding ratio between Nokia and Siemens. Results from Equity Investments are expected to remain volatile in coming quarters, including material impacts related to repositioning activities at NSN.

## Financial Services launches growth strategy

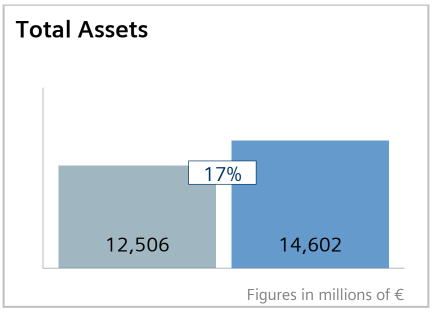
In the fourth quarter, **Financial Services (SFS)** generated €123 million in profit (defined as income before income taxes). For comparison, profit of €136 million in the prior-year period benefited from net gains related to various investments. In the current period, SFS announced a growth strategy which includes even stronger support for the operating businesses of Siemens, leading to increased expenses and to higher net cash outflows at the end of the quarter primarily relating to growth in the commercial finance business. These higher net cash outflows, which had no significant impact on Free cash flow, primarily led to an increase in Total assets to €14.602 billion.

In October 2011, after the close of the fourth quarter, SFS sold part of its stake in Bangalore International Airport Limited, a public-private partnership, reducing its participation from 40% to 26%. SFS recorded a high-double-digit million gain.

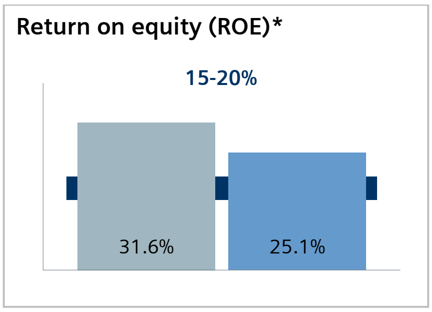



Q4 2010 Q4 2011 Actual change

* Financial Services (SFS) profit as reported in the Segment Information is defined as Income before income taxes (IBIT).




Sept. 30, 2010 Sept. 30, 2011
Actual change




Q4 2010 Q4 2011
ROE (after tax) target range

* ROE (after tax) is calculated as profit after tax (annualized for purposes of interim reporting) divided by SFS average allocated equity, which was €1.527 billion compared to €1.465 billion in the prior-year period.

# Centrally Managed Portfolio Activities, Corporate Activities and Eliminations

## Lower loss from Centrally managed portfolio activities

**Centrally managed portfolio activities** posted a loss of €23 million in the fourth quarter. For comparison, the loss of €85 million in the same quarter a year earlier included a net loss of €92 million related to the electronics assembly systems business, due primarily to provision of €106 million recorded in connection with an expected loss from the sale of the business. That sale was announced in the fourth quarter of fiscal 2010 and closed in the second quarter of fiscal 2011. While both periods under review included losses related to former business activities of Siemens IT Solutions and Services, which were not classified as discontinued operations and were therefore reclassified as Centrally managed portfolio activities, these losses were higher in the current period.

## Higher gains on real estate disposals

Income before income taxes at **Siemens Real Estate (SRE)** was €2 million in the fourth quarter, up from a loss of €25 million in the same period a year earlier. The current quarter included higher gains related to disposals of real estate. Siemens has now completed its multi-year program of bundling real estate assets into SRE. SRE expects to continue with real estate disposals depending on market conditions.

## Lower net expenses for Corporate items and pensions

**Corporate items and pensions** totaled a negative €414 million in the fourth quarter, compared to a negative €545 million in the same period a year earlier. Within this change, Corporate items improved to a negative €432 million from a negative €515 million in the fourth quarter a year earlier. The current period includes an amount of €53 million related to reimbursements to AtoS S.A. (AtoS), which will continue in coming quarters during the post-closing transition phase as AtoS becomes Siemens' external IT service provider. In addition, Corporate items included a provision of €54 million relating to regional risks.

The prior-year period included expenses of €267 million related to special remuneration for non-management employees, which were allocated primarily to the Sectors in the first quarter of fiscal 2011. In addition, the prior-year period included charges related to legal and regulatory matters, partly offset by a gain on the divestment of a business.

Centrally carried pension expense swung to a positive €18 million from a negative €29 million in the prior-year period, due primarily to lower interest costs and a higher expected return on plan assets.

## Improved result from Corporate Treasury

Income before income taxes from **Eliminations, Corporate Treasury and other reconciling items** was a positive €24 million in the fourth quarter, compared to a negative €162 million in the same period a year earlier. This improvement was due mainly to Corporate Treasury activities, which benefited from changes in the fair market value of interest rate and foreign currency derivatives not qualifying for hedge accounting.

# Divestment of Siemens IT Solutions and Services

In December 2010, Siemens and AtoS signed an option agreement which granted AtoS the right to acquire Siemens IT Solutions and Services. In February 2011, AtoS exercised its option to acquire Siemens IT Solutions and Services in exchange for 12.5 million newly issued shares in AtoS with a five-year lock-up commitment, a five-year convertible bond of €250 million (nominal value) and a cash payment of €177 million. Furthermore, Siemens is providing extensive support in order to foster Siemens IT Solutions and Services' business success including, among others, up to €250 million for integration and training costs as well as further protections and guarantees. Related to the transaction is a seven-year outsourcing contract worth around €5.5 billion, under which AtoS will provide managed services and system integration to Siemens. In order to reimburse AtoS for additional costs, which arise in the post-closing transition phase as AtoS becomes Siemens' external IT service provider, Siemens will pay approximately €200 million over the next two years. Therein in the fourth quarter of fiscal 2011 is an amount of €53 million taken within continuing operations and reported in Corporate Items.

Following signing, Siemens classified Siemens IT Solutions and Services as held for disposal and as discontinued operations. Closing of the transaction was on July 1, 2011 following clearance of the transaction by the relevant antitrust authorities and the approval from AtoS' shareholders on July 1, 2011. The transaction resulted in a negative pretax earnings impact of €903 million in fiscal 2011. In particular, this negative earnings impact consists of impairments and restructuring charges of €909 million booked in the first three quarters of fiscal 2011. In the fourth quarter, a gain of €6 million was recognized upon deconsolidation of Siemens IT Solutions and Services. In addition to these transaction-related results, and as previously disclosed, Siemens took charges in fiscal 2011 related to establishing Siemens IT Solutions and Services as a separate legal group. Charges reported within discontinued operations related to carve-out activities were €14 million for the quarter and €90 million for the full fiscal year. Charges related to personnel-related matters within discontinued operations were €9 million for the quarter and €78 million in fiscal 2011.
Siemens expects the transaction to result in substantial cash outflows in coming quarters.

# Outlook for fiscal 2012

For fiscal 2012 we expect moderate organic revenue growth compared to fiscal 2011, and orders again exceeding revenues for a book-to-bill well above 1. We anticipate continued strong earnings performances in our businesses, despite ongoing pricing pressure and higher operating expenses. We set our goal for fiscal 2012 income from continuing operations based on the high level we achieved in the prior year, excluding the net positive effect of €1.0 billion related to Areva that lifted income to €7.0 billion in fiscal 2011. Our expectations for income include anticipated profit impacts related to repositioning activities at NSN and in the Healthcare Sector and higher pension expenses.

This outlook excludes significant portfolio effects and impacts related to legal and regulatory matters. It is also conditional on continued revenue growth, particularly for businesses that are sensitive to short-term changes in the economic environment.

# Notes and Forward-Looking Statements

All figures are preliminary and unaudited. This Earnings Release should be read in conjunction with information Siemens published today regarding legal proceedings.
Financial Publications are available for download at:
www.siemens.com/ir → Publications & Events.

New orders and order backlog; adjusted or organic growth rates of revenue and new orders; book-to-bill ratio; Total Sectors Profit; return on equity (after tax), or ROE (after tax); return on capital employed (adjusted), or ROCE (adjusted); Free cash flow; cash conversion rate, or CCR; adjusted EBITDA; adjusted EBIT; adjusted EBITDA margins, earnings effects from purchase price allocation, or PPA effects; net debt and adjusted industrial net debt are or may be non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation as alternatives to measures of Siemens' financial condition, results of operations or cash flows as presented in accordance with IFRS in its Consolidated Financial Statements. Other companies that report or describe similarly titled financial measures may calculate them differently. Definitions of these supplemental financial measures, a discussion of the most directly comparable IFRS financial measures, information regarding the usefulness of Siemens' supplemental financial measures, the limitations associated with these measures and reconciliations to the most comparable IFRS financial measures are available on Siemens' Investor Relations website at www.siemens.com/nonGAAP. For additional information, see "Supplemental financial measures" and the related discussion in Siemens' annual report on Form 20-F, which can be found on our Investor Relations website or via the EDGAR system on the website of the United States Securities and Exchange Commission.

Starting today at 9.00 a.m. CET, we will provide a live video webcast of the annual press conference with CEO Peter Löscher and CFO Joe Kaeser. You can access the webcast at www.siemens.com/pressconference.

The accompanying slide presentation can also be viewed here, and a recording of the conference will subsequently be made available as well.

Also today at 4.00 p.m. CET, you can follow a conference in English with analysts and investors live on the Internet by going to www.siemens.com/analystconference.

Effective October 1, 2011 the operating businesses of Siemens are organized in the four Sectors Energy, Healthcare, Industry and Infrastructure & Cities.

On December 2, 2011 Siemens will provide historical comparable financial figures in the new structure on the Investor Relations homepage www.siemens.com/investor/en/.

This document contains forward-looking statements and information – that is, statements related to future, not past, events. These statements may be identified by words such as "expects," "looks forward to," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "will," "project" or words of similar meaning. Such statements are based on the current expectations and certain assumptions of Siemens' management, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens' control, affect Siemens' operations, performance, business strategy and results and could cause the actual results, performance or achievements of Siemens to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. In particular, Siemens is strongly affected by changes in general economic and business conditions as these directly impact its processes, customers and suppliers. This may negatively impact our revenue development and the realization of greater capacity utilization as a result of growth. Yet due to their diversity, not all of Siemens' businesses are equally affected by changes in economic conditions; considerable differences exist in the timing and magnitude of the effects of such changes. This effect is amplified by the fact that, as a global company, Siemens is active in countries with economies that vary widely in terms of growth rate. Uncertainties arise from, among other things, the risk of customers delaying the conversion of recognized orders into revenue or cancelling recognized orders, of prices declining 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; 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, and on the SEC's website, 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.