

Munich, January 27, 2009

Siemens starts fiscal 2009 well despite current market conditions

Siemens got off to a good start in fiscal 2009 despite challenging market conditions. Revenue rose 7% to €19.634 billion in the first quarter, which ended on December 31, 2008. Orders continued to exceed revenue, at €22.220 billion, but declined 8% compared to the record high first quarter a year earlier. Siemens has thus performed significantly better than most of its competitors. Total Sectors profit climbed 20%, to €2.005 billion, and net income was €1.230 billion in the first quarter. In spite of the adverse economic conditions, Siemens is sticking to its income goals for fiscal 2009.

“Siemens got off to a good start in fiscal 2009, including better order performance than most of our competitors in the December quarter,” commented Siemens CEO Peter Löscher. “Revenue increased strongly, yet orders again came in well above revenue. Total Sectors profit clearly increased year-over-year. Therefore we are sticking to our goals for fiscal 2009, even though reaching them has become more ambitious. While we continue to keep a close eye on market conditions, we are progressing through the year strong, confident and decisive.”

Revenue and orders increase – Orders remain well above revenue

First-quarter revenue rose to €19.634 billion, a 7% increase compared to the same period a year earlier. Revenue growth was supported strongly by high order growth in the past two fiscal years. Revenue rose in all three Sectors, led by double-digit growth throughout the Energy Sector. The Healthcare Sector also posted double-digit growth including new volume from the acquisition of Dade Behring at the Diagnostics Division. On a geographic basis, revenue rose in all three reporting regions of Siemens, with particular strength in the Americas and Asia, Australia.

In an environment of slowing global growth and a worldwide financial crisis, weaker demand was noticeable particularly in the Siemens businesses which are characterized by short cycles. Orders climbed 3% in Healthcare but declined in Industry and Energy. All regions posted lower orders. Orders however rose 12% in Germany on the strength of a large order for high speed trains at the Mobility Division.

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Total Sectors profit rises strongly – compliance expenses fall

Total Sectors profit for the first quarter climbed 20% year-over-year, to €2.005 billion. Energy more than doubled its profit, thus achieving the largest profit increase of all the Sectors. Healthcare increased both its revenue and its profits. Industry made the largest contribution in absolute terms to Total Sectors profit in the first quarter, but saw a decline compared to the prior-year period due primarily to a decline in the industrial automation business.

Income from continuing operations grew to €1.260 billion, up 17% compared to the first quarter a year earlier. Basic EPS on a continuing basis rose to €1.43 from €1.14 in the prior-year period. The major factor in these increases was higher Total Sectors profit year-over-year. Expenses for outside advisors engaged in connection with investigations into legal and regulatory matters totaled €50 million in the first quarter, down from €89 million in the fourth quarter of fiscal 2008.

Net income in the first quarter was €1.230 billion, with a corresponding EPS of €1.40. A year earlier, net income was €6.475 billion and EPS €7.04. The previous year's figures include approximately €5.4 billion, which primarily resulted from the sale of Siemens VDO Automotive.

Siemens sticks to its income goals for fiscal 2009

Achieving previously announced income targets for fiscal 2009 has become even more ambitious due to market conditions. Total Sectors profit is targeted to reach €8.0 to €8.5 billion in fiscal 2009, provided that customers do not materially slow conversion of booked orders to revenue and pricing does not further diminish due to continued adverse market development. This outlook excludes impacts from legal and regulatory matters. As in the past, Siemens continues to closely monitor global financial and macroeconomic developments and their potential impact on Siemens on a quarterly basis.

Siemens AG (Berlin and Munich) is a global powerhouse in electronics and electrical engineering, operating in the industry, energy and healthcare sectors. The company has around 430,000 employees (in continuing operations) working to develop and manufacture products, design and install complex systems and projects, and tailor a wide range of solutions for individual requirements. For over 160 years, Siemens has stood for technical achievements, innovation, quality, reliability and internationality. In fiscal 2008, Siemens had revenue of €77.3 billion and a net income of €5.9 billion (IFRS). Further information is available on the Internet at: www.siemens.com.

Beginning today at 07:45 a.m. CET, the press conference at which CEO Peter Löscher and CFO Joe Kaeser discuss the quarterly figures will be broadcast live on the Internet at www.siemens.com/pressconference. A recording of the press conference will subsequently be made available as well. Starting at 08:45 CET, Peter Löscher and Joe Kaeser will hold a telephone conference in English for analysts and investors, which can be followed live at www.siemens.com/analytscall.

Starting today at 10 a.m. CET, we will also provide a live video webcast on the internet of Chairman of the Supervisory Board Dr. Gerhard Cromme's and CEO Peter Löscher's speeches to the Annual Shareholders' Meeting at the Olympic Hall in Munich, Germany. You can access the webcast at www.siemens.com/pressconference. A video of the speeches will be available after the live webcast.

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 our current expectations and certain assumptions, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens’ control, affect our 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. For us, particular uncertainties arise, among others, from changes in general economic and business conditions (including margin developments in major business areas and recessionary trends); the possibility that customers will delay conversion of booked orders into revenue or that our pricing power will be diminished by continued adverse market developments, to a greater extent than we currently expect; the behavior of financial markets, including fluctuations in interest and exchange rates, commodity and equity prices, debt prices (credit spreads) and financial assets generally; continued volatility and further deterioration of the capital markets; the commercial credit environment and, in particular, additional uncertainties arising out of the subprime, financial market and liquidity crises; future financial performance of major industries that we serve, including, without limitation, the Sectors Industry, Energy and Healthcare; the challenges of integrating major acquisitions and implementing joint ventures and other significant portfolio measures; introduction of competing products or technologies by other companies; lack of acceptance of new products or services by customers targeted by Siemens; changes in business strategy; the outcome of pending investigations and legal proceedings, including corruption investigations to which we are currently subject and actions resulting from the findings of these investigations; the potential impact of such investigations and proceedings on our ongoing business including our relationships with governments and other customers; the potential impact of such matters on our financial statements; as well as various other factors. More detailed information about certain of these factors is contained throughout this report and in our 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 does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.