Topline Growth, Record Sectors Profit

Orders grow in all three Sectors and all three regions
Total Sectors profit climbs 40%

Peter Löscher, President and Chief Executive Officer of Siemens AG

"Siemens gained further momentum in the third quarter," said Siemens CEO Peter Löscher. "Such order growth last occurred in 2008. Strong demand took our order backlog to a record level. At the same time, Sectors profit reached its highest point ever, and will clearly exceed the level of the prior year."

Financial Highlights:

- For the first time in more than a year, both revenue and orders increased year-over-year. Revenue also increased sequentially for the second quarter in a row.
- Orders of €20.871 billion were up 22% compared to the prior-year quarter (16% organically), including order growth in all three Sectors and all three reporting regions. The combined order backlog for the Sectors hit a new high of €89 billion.
- Revenue of €19.170 billion was 4% higher (level organically), despite substantial order declines throughout the prior fiscal year.
- Total Sectors profit for the quarter rose 40% year-over-year, to a record high €2.331 billion.
- Income from continuing operations was €1.441 billion (basic EPS €1.63), up 18% from the third quarter a year earlier, and net income of €1.435 billion (basic EPS €1.62) was 9% higher.
- Free cash flow from continuing operations improved substantially, to €2.145 billion from €1.064 billion in the third quarter a year ago.

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Earnings Release Q3 2010

April 1 to June 30, 2010

Munich, Germany, July 29, 2010

SIEMENS

Orders and Revenue

Strong order growth lifts backlog to new high

All Sectors delivered topline growth in the third quarter, particularly including Siemens' short-cycle businesses. Orders climbed 22%, the first quarterly increase in new orders compared to a prior-year period in more than a year. Revenue rose more modestly at 4%, due to lower order intake during prior periods. Both order and revenue growth benefited from currency translation effects. On an organic basis, excluding currency translation and portfolio effects, orders rose 16% and revenue came in level with the prior-year quarter. The combined book-to-bill ratio for the Sectors was 1.10, and their combined order backlog increased to a record-high €89 billion, which also includes positive currency translation effects.

Sequential revenue growth continues in all Sectors

Revenue in Industry rose 7% compared to the prior-year period on higher sales in five of the Sector's six Divisions. Healthcare revenue increased 10% year-over-year with contributions from all Divisions. Reported revenue in Energy came in just above the prior-year level. All three Sectors posted their second straight quarter of sequential revenue growth in fiscal 2010.

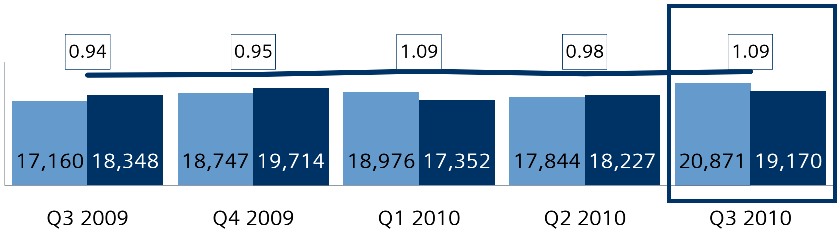
On a geographic basis, higher revenue included double-digit increases in Asia, Australia and the Americas, again including strong growth in emerging markets. Within an overall decline in the region comprising Europe, the Commonwealth of Independent States, Africa and the Middle East (Europe/CAME), revenue rose 9% in Germany.

Double-digit order growth in all Sectors

Order intake increased in all Sectors, led by a 33% rise in Industry including double-digit growth in all Divisions. Energy reported order growth of 18%, due mainly to substantially higher volume from major orders. Healthcare also posted double-digit demand growth with all Divisions contributing to the increase.

Orders grew in all three regions. The Americas reported the sharpest increase, due in part to a number of large Energy contracts won during the quarter. Double-digit growth in Europe/CAME was led by Industry. Within an overall increase for Asia, Australia, orders came in lower in India due to a large power transmission order in the prior-year period.

Book-to-Bill



Figures in millions of €

New Orders · Revenue · Book-to-Bill ratio

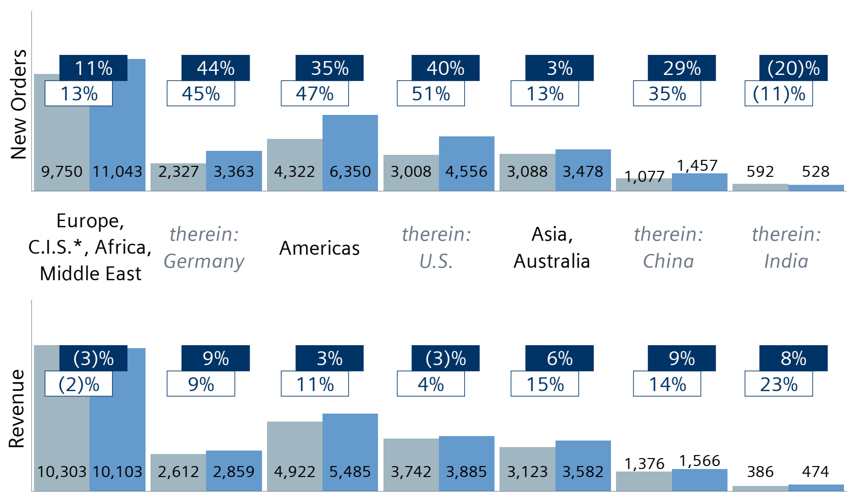
New Orders & Revenue

	Q3 2009	Q3 2010	% Change Actual	% Change Adjusted*
New Orders	17,160	20,871	22%	16%
Revenue	18,348	19,170	4%	0%

Figures in millions of €

* Excluding currency translation and portfolio effects

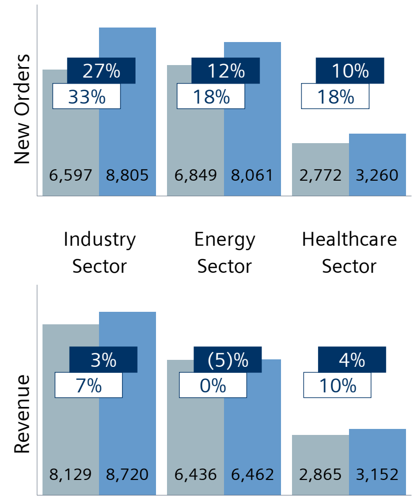
New Orders & Revenue by Region



Figures in millions of €

Q3 2009 · Q3 2010 · Actual change · * Commonwealth of Independant States
Adjusted change (throughout excluding currency translation and portfolio effects)

New Orders & Revenue by Sectors



Figures in millions of €

Q3 2009 · Q3 2010 · Actual change
Adjusted change

Income and Profit

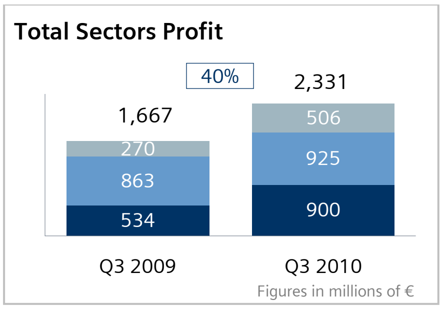
Record high for Total Sectors profit

Total Sectors profit reached a new high of €2.331 billion in the third quarter, including profit increases in all three Sectors compared to the prior-year period. Energy remained the top earnings contributor, again executing well on its large order backlog. Industry produced high double-digit profit growth, due mainly to recovery of its short cycle businesses as well as tight cost management. Healthcare also posted high double-digit profit growth, in part because the prior-year period was burdened by charges of €128 million associated with particle therapy contracts.

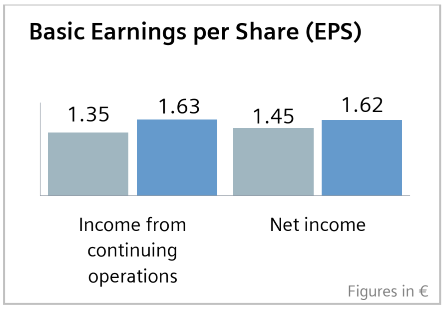
Income climbs on strong rise in Total Sectors profit

Income from continuing operations for the third quarter rose 18% year-over-year, to €1.441 billion. Basic earnings per share (EPS) on a continuing basis rose to €1.63 from €1.35 a year earlier. Higher Total Sectors profit was the main driver of these increases. Corporate items and pensions for the third quarter improved year-over-year, and Centrally managed portfolio activities recorded a lower loss. These improvements were more than offset by significantly lower profit from Equity Investments, lower gains from disposals of real estate at Siemens Real Estate (SRE), a loss at Siemens IT Solutions and Services, and negative results from Corporate Treasury activities.

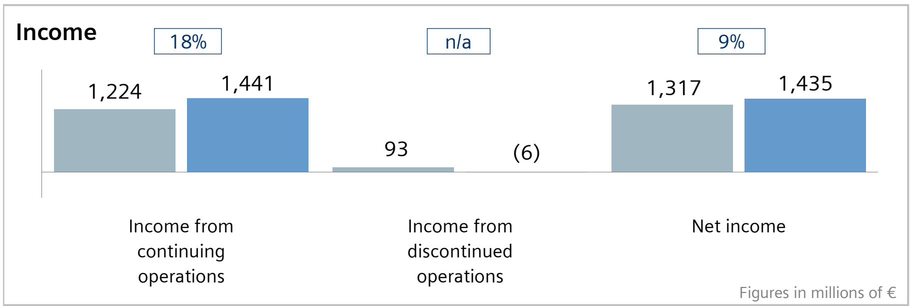
Net income rose to €1.435 billion in the third quarter. A year earlier, net income of €1.317 billion included €93 million in income from discontinued operations, which benefited from a €154 million effect related to the sale of a stake in the enterprise networks business. Basic EPS increased to €1.62 compared to €1.45 a year earlier.



Sectors: Industry Energy Healthcare
% Change



Q3 2009 Q3 2010



Q3 2009 Q3 2010 % Change

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

Sectors generate substantial increase in free cash flow

Free cash flow at the Sector level climbed to €2.867 billion in the third quarter, taking Free cash flow from continuing operations up to €2.145 billion from €1.064 billion in the prior-year period.

Free cash flow from continuing operations rose on the strong increase in Total Sectors profit compared to the prior-year period and positive changes in net working capital. The current period included approximately €0.1 billion in outflows related to severance charges. The prior-year quarter included approximately €0.3 billion in outflows stemming from previous charges related to project reviews and structural initiatives as well as to SG&A reduction. The cash conversion rate climbed to 1.49 compared to 0.87 in the same quarter a year earlier.

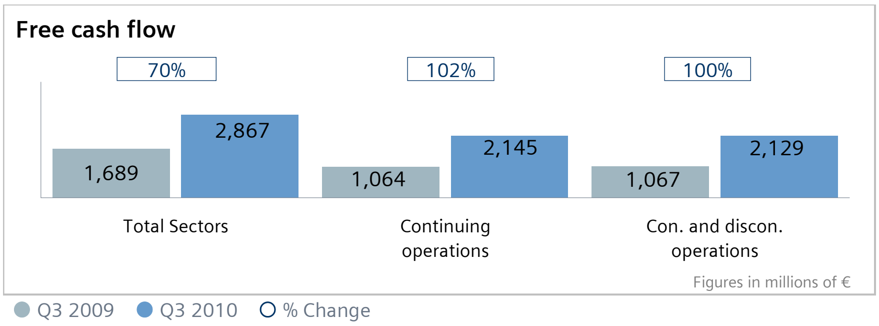
ROCE rises on higher income

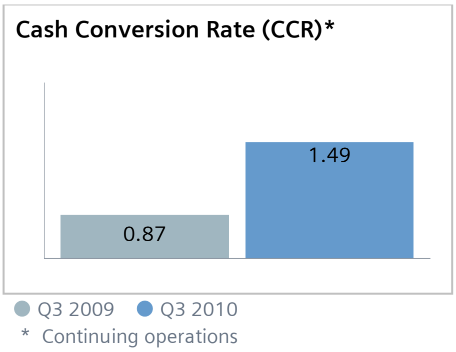
On a continuing basis, return on capital employed (ROCE) rose to 14.2% from 11.7% in the third quarter a year earlier. The increase was due mainly to higher income from continuing operations. To a lesser extent, ROCE improved on a decline in average capital employed.

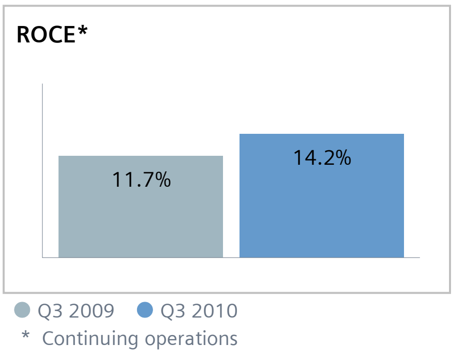
Pension underfunding increases

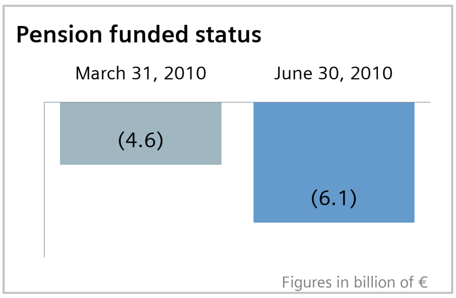
The estimated underfunding of Siemens' principal pension plans as of June 30, 2010, amounted to approximately €6.1 billion, compared to an underfunding of approximately €4.0 billion at the end of fiscal 2009 and approximately €4.6 billion at the end of the second quarter.

The decline in funded status since March 31, 2010 is due primarily to an increase in Siemens’ defined benefit obligation (DBO) and, to a minor extent, a negative return on plan assets. The DBO rose due to a decrease in the discount rate assumption as of June 30, 2010 as well as with accrued service and interest costs. While the change in funded status generally does not affect earnings for the current fiscal year, it affects Other comprehensive income within equity on the balance sheet.









Industry Sector

Broad-based growth, strong profit performance

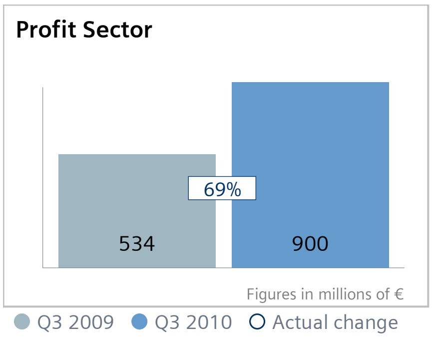
Industry clearly increased its third-quarter profit, revenue and orders compared to the prior-year period, when the Sector saw substantial weakness in its end markets. With an improved macroeconomic environment in the current quarter and continued execution on profitability initiatives, Industry generated Sector profit of €900 million. The Sector's steadily recovering short-cycle businesses posted strong revenue growth and volume-driven profit increases, led by Industry Automation and OSRAM. Revenue grew more slowly for Industry overall, at 7%. New orders climbed 33% year-over-year on growth at all Divisions. In addition to organic growth, the Sector's revenue and order totals benefited from currency translation effects amounting to seven percentage points for orders and five percentage points for revenue. Growth in orders was well-distributed geographically, with all three regions posting double-digit increases. While all three regions posted higher revenue, growth was driven by a double-digit increase in Asia, Australia, particularly including China. Industry's book-to-bill ratio was above 1 for the quarter, and its order backlog increased to €29 billion.

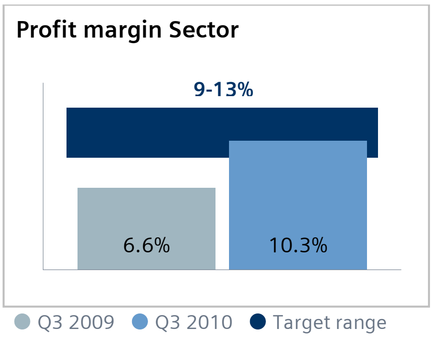
Profit climbs on strong revenue growth

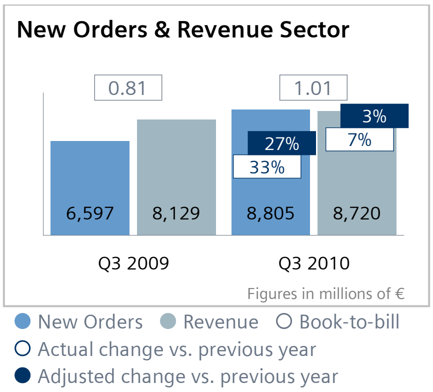
Industry Automation was the Sector's top profit contributor, delivering third-quarter profit of €278 million. Profit rose sharply compared to the prior-year period, due in part to economies of scale on significantly higher revenue. The Division also improved its business mix while maintaining cost discipline. Industry Automation recorded double-digit increases in revenue and orders in all three regions, with the fastest growth coming from Asia, Australia. Purchase price accounting (PPA) effects related to the fiscal 2007 acquisition of UGS Corp. were €37 million compared to €34 million in the third quarter a year earlier.

Longer-cycle businesses bottoming out

Third-quarter profit at **Drive Technologies** rose 28% year-over-year, to €219 million. The increase was driven by a strong earnings improvement in the Division's fast-growing short-cycle activities, which increased capacity utilization on higher revenue. Third-quarter revenue rose slowly for the Division overall due to the Division's longer cycle businesses. Against a low basis of comparison in the prior-year quarter, orders came in 37% higher with increases in all business units and all three regions.







Profit rises, volume stabilizing

Building Technologies increased its third-quarter profit year-over-year to €93 million, due mainly to earnings improvement in its low-voltage business. Revenue and orders grew in Asia, Australia and the Americas, even though the commercial construction market in the U.S. remained weak.

Global demand drives profit growth in lighting

Strong demand for **OSRAM**'s LEDs and automotive solutions fueled a 27% rise in third quarter revenue at OSRAM. The Division combined higher capacity utilization with an improved product mix and stream-lined cost structure to generate €127 million in profit. Revenue climbed strongly in all geographic regions compared to the prior-year quarter. With increasing demand for next-generation solid-state and LED lighting solutions, OSRAM intends to continue investing in market expansion and LED production capacity in coming quarters.

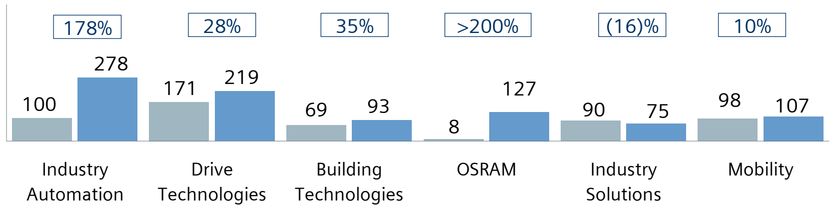
Process industries still challenging

Industry Solutions posted profit of €75 million in the third quarter, below the level of the prior-year period. Third-quarter revenue declined 6% year-over-year, strongly influenced by lower order intake in recent periods particularly in the metals technologies business. Against a low basis of comparison, orders came in 27% above the level of the prior-year quarter on growth in Asia, Australia and the Americas.

Steady profit performance, stable revenue generation

Mobility increased third-quarter profit to €107 million on level revenue, as the Division benefited from the execution of programs to improve performance in its project business. Order growth came primarily from significantly higher orders in the rolling stock business, including a major order in Russia.

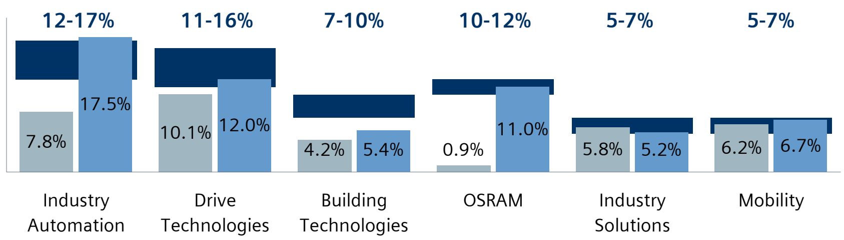
Profit by Division



Figures in millions of €

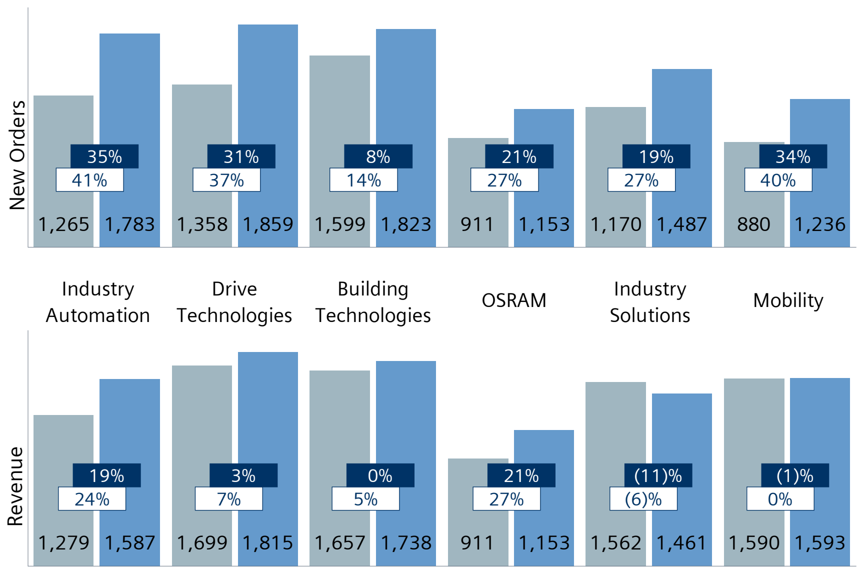
Q3 2009 Q3 2010 Actual change

Profit margin by Division



Q3 2009 Q3 2010 Target range

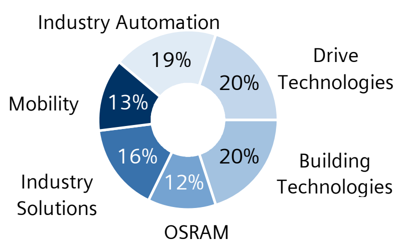
New Orders & Revenue by Division



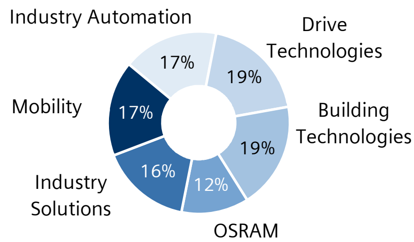
Figures in millions of €

Q3 2009 Q3 2010 Actual change Adjusted change

New Orders: Weight of Divisions*



Revenue: Weight of Divisions*



* Unconsolidated basis

Energy Sector

Continued profit performance, double-digit order growth

The **Energy Sector** was again the top contributor to Total Sectors profit, generating €925 million in profit in the third quarter. The Sector continued to execute well on its substantial order backlog, particularly at Fossil Power Generation, Renewable Energy and Power Transmission. As a result, third-quarter profit was up 7% year-over-year on higher earnings in nearly all Divisions.

The broad energy market showed signs of improvement, and for the first time in more than a year the Sector posted a quarterly increase in new orders compared to a prior-year period. Major orders played a substantial role in the Sector's 18% order increase, most notably in Power Transmission, Renewable Energy and Oil & Gas. In addition to organic growth, the Sector's order total benefited from currency translation effects amounting to six percentage points.

On a geographic basis, orders in the current period rose in Europe/CAME and the Americas, and declined in Asia, Australia. Third-quarter revenue remained flat year-over-year, due in part to a currency translation tailwind that added five percentage points to reported revenue. This result was due primarily to lower order intake in prior periods. Revenue was higher in the Americas and came in lower in Asia, Australia and Europe/CAME. Energy's book-to-bill ratio was 1.25 for the quarter. In combination with positive currency translation effects, this took the Sector's order backlog up to a new high at €54 billion.

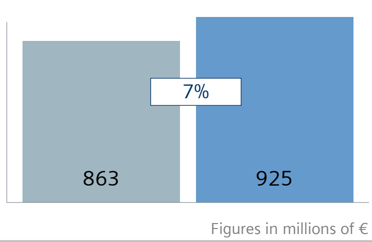
Profit climbs on strong execution

Fossil Power Generation led all Siemens Divisions with €379 million in profit, an increase of 9% compared to the third quarter a year earlier. The Division continued to execute well in its project business and benefited from a more favorable revenue mix. While the fossil power generation market remained challenging, the Division's 14% decline in new orders was smaller than the declines in recent quarters. Third-quarter revenue came in only slightly lower year-over-year, in part due to cushioning from Fossil Power Generation's large order backlog.

Exceptional order intake, profit at record level

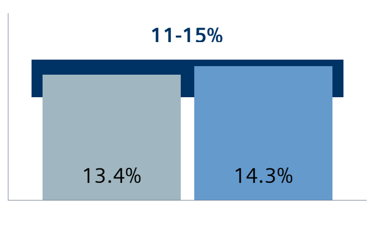
Renewable Energy delivered an impressive performance in the third quarter, reaching new highs for profit, revenue and orders. Third-quarter profit climbed 29% year-over-year, to €129 million, on a 25% rise in revenue. The Division demonstrated its global leadership in the off-shore wind-farm market by winning a number of major orders in Europe, and also took in its largest-ever onshore order. New orders overall came in at €2.271 billion, a 26% increase compared to the third quarter a year earlier.

Profit Sector



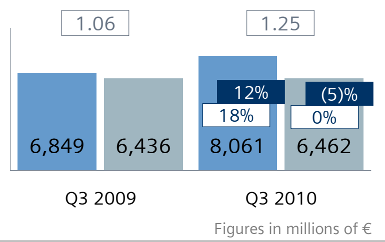
Q3 2009 Q3 2010 Actual change

Profit margin Sector



Q3 2009 Q3 2010 Target range

New Orders & Revenue Sector



New Orders Revenue Book-to-bill
Actual change vs. previous year
Adjusted change vs. previous year

Profit declines on lower revenue

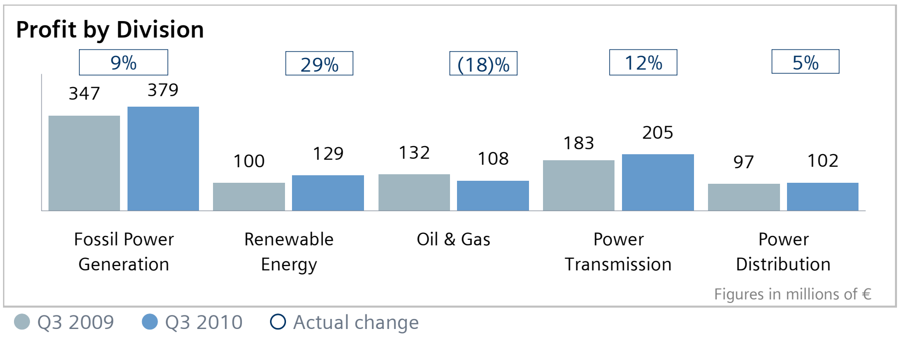
Oil & Gas posted third-quarter profit of €108 million, a volume-driven decline compared to the prior-year period. The Division's 9% revenue decline was strongly influenced by a drop in orders in prior periods. Against a low basis of comparison, third-quarter orders came in higher year-over-year due in part to a higher volume from major orders.

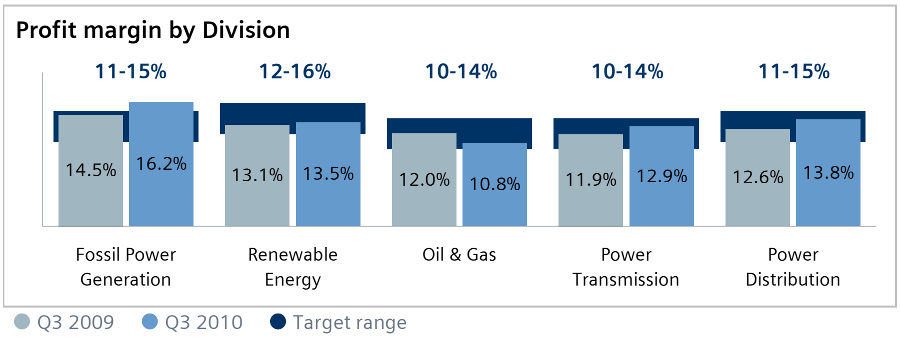
Profit growth, large contract wins

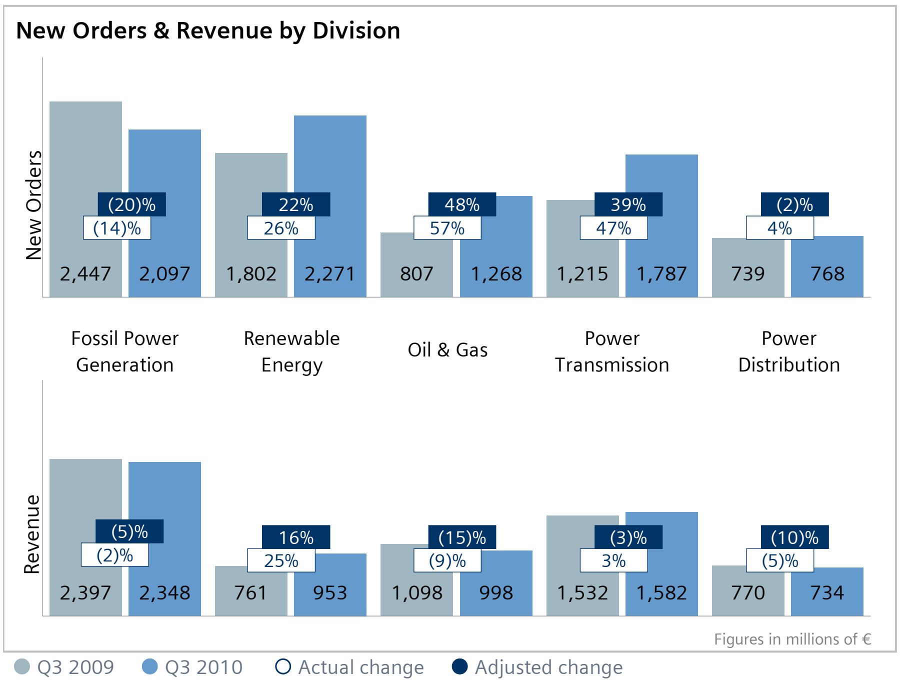
Power Transmission increased its third-quarter profit to €205 million on higher revenue and strong project performance. Orders surged 47% on the strength of two large contract wins for grid access to off-shore wind-farms.

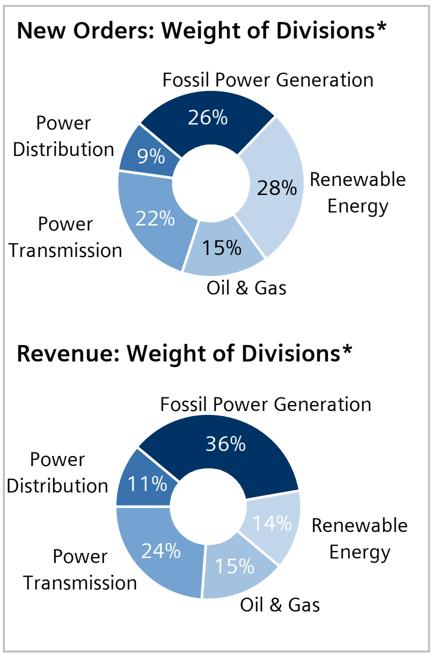
Profit rises, order development stabilizing

Third-quarter profit at **Power Distribution** rose to €102 million on a more favorable revenue mix, even as overall revenue came in lower due to weak order development during prior periods. The power distribution market continued to show signs of stabilization, and third-quarter orders came in 4% higher year-over-year.









* Unconsolidated basis

Healthcare Sector

Solid growth drives strong earnings conversion

The **Healthcare** Sector showed strong growth in profit, revenue and orders in a more favorable market environment. Third-quarter profit rose to €506 million on higher revenue and strong execution, including continued cost discipline. For comparison, profit in the same period a year earlier was burdened by €128 million in charges at the Workflow & Solutions Division, while the current period benefited from a gain of €40 million, taken at the Sector level, related to a joint venture. PPA effects related to past acquisitions at Diagnostics were €46 million in the third quarter. In addition, Healthcare recorded €18 million of integration costs associated with the next phase of integration activities at Diagnostics. In the same quarter a year earlier, PPA effects and integration costs totaled €52 million.

Third-quarter orders for Healthcare climbed 18% and revenue rose 10%. Orders came in higher in all three geographic regions compared to the prior-year quarter, while revenue rose in Asia, Australia and the Americas. In addition to organic growth, the Sector's order and revenue totals benefited from currency translation effects amounting to seven percentage points for orders and seven percentage points for revenue. Healthcare's book-to bill ratio was 1.03 for the quarter, and its order backlog was €7 billion.

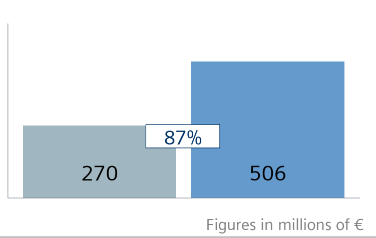
Strong execution in an improving environment

Imaging & IT delivered strong profit growth and double-digit increases in revenue and orders compared to the third quarter a year ago. Profit climbed to €329 million on higher revenue and structural cost savings. Third-quarter revenue came in 11% higher year-over-year, and orders climbed 21%, with most business units recording increases in both revenue and orders. Growth was driven by strong demand in Asia, Australia, particularly including China, and in the Americas region, which saw rapid growth in Brazil from a small base. On an organic basis, revenue was up 4% and orders rose 13% compared to the prior-year quarter.

Growth in the solutions business

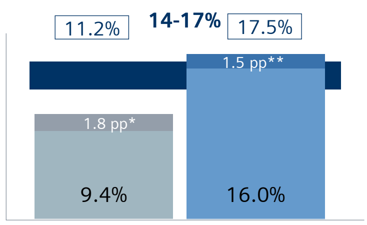
Workflow & Solutions contributed €22 million to Sector profit compared to a loss of €107 million in the prior-year period, when the Division took the €128 million in project charges mentioned earlier. Double-digit order growth included a major order for hospital equipment in Spain.

Profit Sector



Q3 2009 · Q3 2010 · Actual change

Profit margin Sector

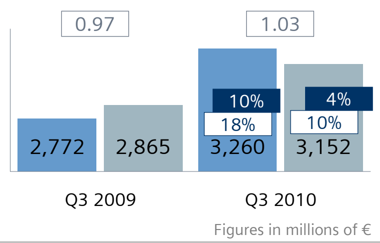


Q3 2009 · Q3 2010 · Target range

* Margin impact of PPA effects and integration costs in percentage points (pp)

** Margin impact of PPA effects in pp

New Orders & Revenue Sector



New Orders · Revenue · Book-to-bill

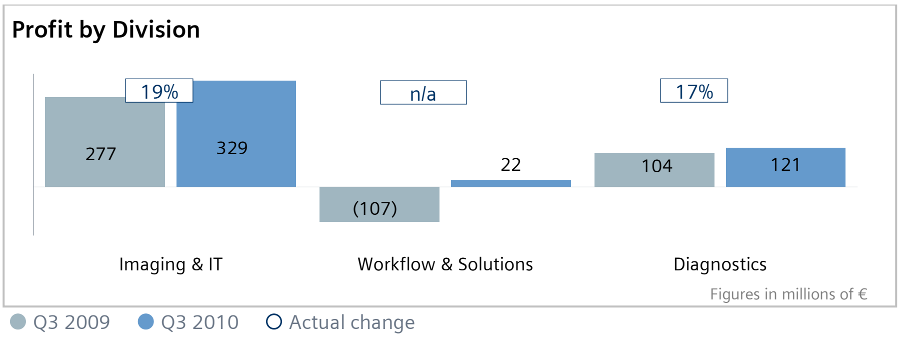
Actual change vs. previous year

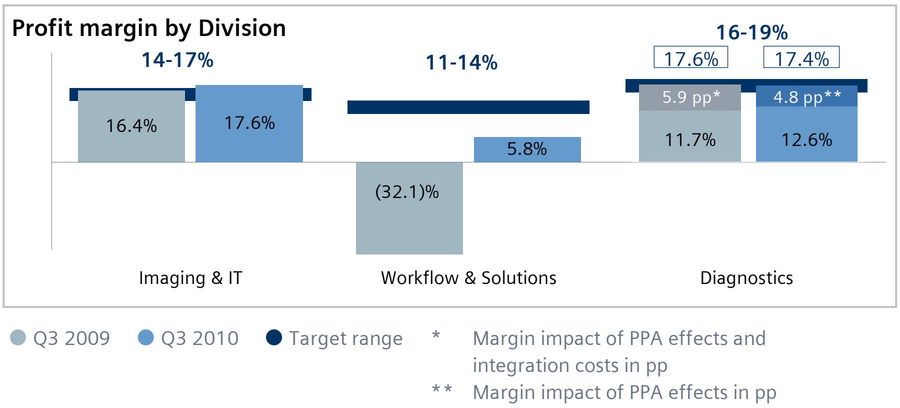
Adjusted change vs. previous year

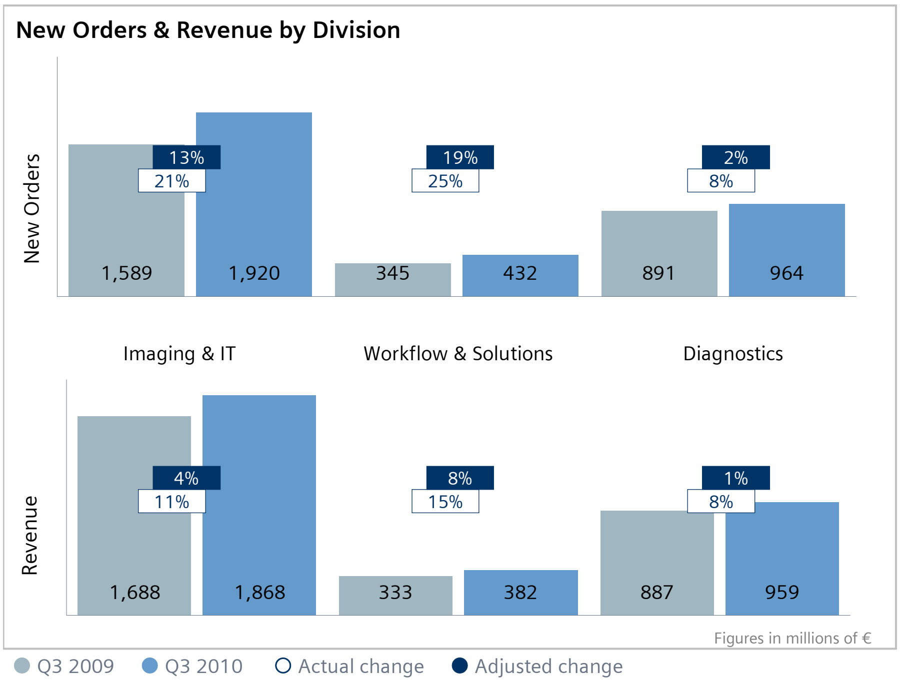
Stable profit performance on slow organic growth

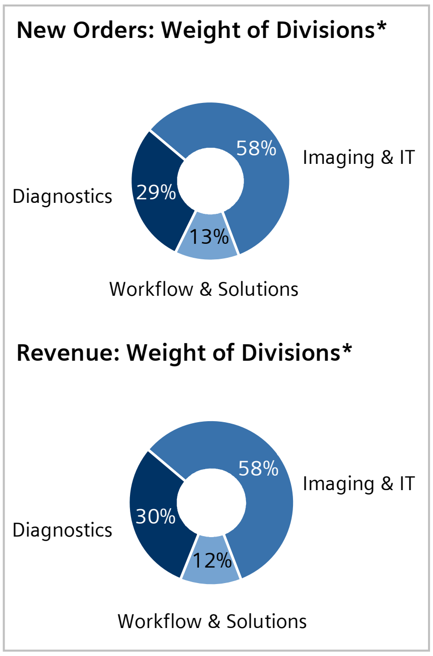
Revenue at **Diagnostics** rose 8% compared to the third quarter a year earlier, or 1% on an organic basis, excluding currency translation effects. The increase came from the Americas and Asia, Australia, particularly including double-digit growth in Brazil and China from a small base. Revenue declined in Europe/CAME.

Profit rose to €121 million despite an increase in total PPA effects and integration costs. In the third quarter a year earlier, these impacts were €45 million and €7 million, respectively. In the current period, PPA effects were €46 million, and the Division also recorded €18 million in costs for integration activities.









* Unconsolidated basis

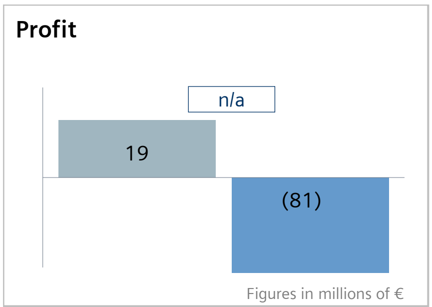
Equity Investments and Cross-Sector Businesses

Profit at **Equity Investments** was €2 million in the third quarter compared to €157 million a year earlier. The difference year-over-year is mainly due to a gain of €309 million in the prior- year period from the sale of Siemens' stake in Fujitsu Siemens Computers (Holding) B.V., partly offset by an equity investment loss of €121 million related to Enterprise Networks Holding B.V. Both periods included equity investment losses related to Nokia Siemens Networks B.V. (NSN), amounting to €81 million in the current period and €72 million a year earlier. NSN reported to Siemens that it took restructuring charges and integration costs totaling €114 million in the current quarter, compared to €69 million in the same period a year earlier. Profit from Equity Investments is expected to be volatile in coming quarters.

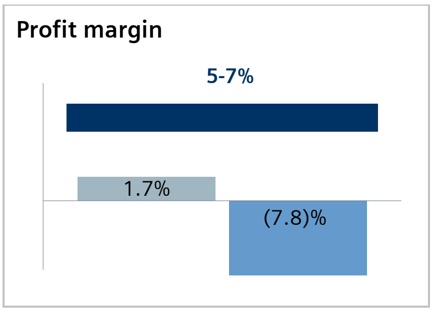
After the end of the quarter, NSN announced that it entered into an agreement with Motorola, Inc. to acquire the majority of Motorola's wireless network infrastructure assets subject to regulatory approval.

Loss on lower revenue at Siemens IT Solutions and Services

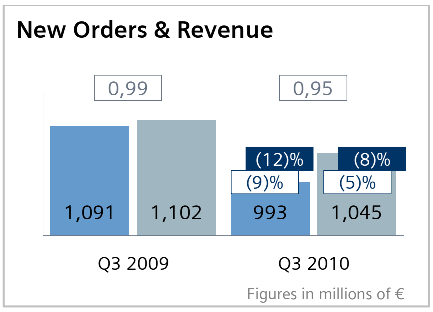
Siemens IT Solutions and Services posted a loss of €81 million in the third quarter, including charges of €38 million related to a loss contract in Europe/CAME. The business continued to face operational challenges while operating in highly competitive external markets, and expects substantial charges in coming quarters related to a previously announced plan to reduce its global workforce.



Q3 2009 Q3 2010 Actual change



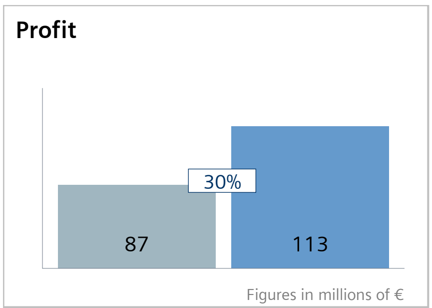
Q3 2009 Q3 2010 Target range



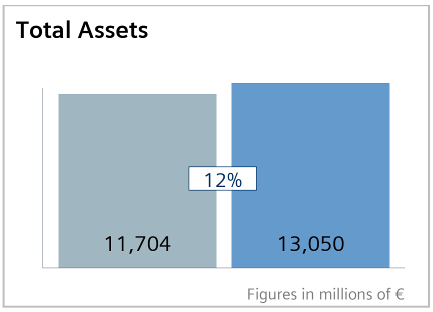
New Orders Revenue Book-to-bill
Actual change vs. previous year
Adjusted change vs. previous year

Exceptional results in the commercial finance business

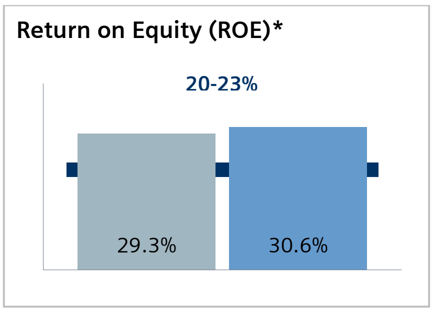
Siemens Financial Services delivered €113 million in profit (defined as income before income taxes) in the third quarter, up from €87 million in the prior-year quarter. The increase in profit compared to the prior-year period came mainly from the commercial finance business, which benefited from a favorable credit environment as well as early terminations of financings. These factors more than offset lower results from SFS's internal services business. Total assets rose to €13.050 billion, due primarily to currency translation effects.



Q3 2009 Q3 2010 Actual change



Sept. 30, 2009 June 30, 2010
Actual change



Q3 2009 Q3 2010 ROE Target range

* ROE is calculated as annualized Income before income taxes of Q3 divided by average allocated equity for Q3 2010, which was €1.475 billion compared to €1.186 billion in the prior-year period.

Centrally Managed Portfolio Activities, Corporate Activities and Eliminations

Lower loss at electronics assembly systems

Centrally managed portfolio activities posted a loss of €16 million in the third quarter compared to a loss of €99 million in the prior-year period. The current period includes a loss of €13 million related to electronics assembly systems. For comparison, the third quarter a year earlier included a higher loss related to electronics assembly systems, primarily including €59 million in operating losses and severance expenses. Divestment of the electronics assembly systems business is expected to result in a loss.

Lesser gains from real estate disposals

Income before income taxes at **Siemens Real Estate** (SRE) was €107 million in the third quarter. For comparison, income before income taxes of €244 million in the same period a year earlier included a gain of €221 million on the disposal of Siemens' residential real estate holdings. Assets with a book value of €130 million were transferred to SRE during the quarter as part of Siemens' program to bundle its real estate assets into SRE. SRE will continue to incur costs associated with the program in coming quarters, and expects to continue with real estate disposals depending on market conditions.

Expenses for Corporate items again lower than prior year

Corporate items and pensions totaled a negative €266 million in the third quarter compared to a negative €431 million in the same period a year earlier. The difference was due primarily to Corporate items, which were a negative €223 million compared to a negative €326 million in the third quarter of fiscal 2009. Results related to an asset retirement obligation swung from a loss in the prior-year period to a €64 million positive result in the current quarter, which was partly offset by carve-out costs related to Siemens IT Solutions and Services. For comparison, the third quarter a year earlier included a charge of €54 million related to a legal settlement as well as severance expenses of €33 million.

Interest rate derivatives effect burdens Corporate Treasury results

Income before income taxes from **Eliminations, Corporate Treasury and other reconciling items** was a negative €125 million in the third quarter compared to a positive €18 million in the same period a year earlier. The difference is due primarily to changes in fair market values for interest rate derivatives not qualifying for hedge accounting, which resulted from a decline in interest rates within the current quarter.

Outlook

We continue to expect a mid-single-digit percentage decline in organic revenue in fiscal 2010 due in part to the stabilizing effect of our strong order backlog. We expect Total Sectors profit for fiscal 2010 above the prior-year level of €7.466 billion. This increase from our earlier guidance of €6.0 to €6.5 billion correspondingly raises our expectation for after-tax growth in income from continuing operations. This outlook excludes major impacts that may arise from restructuring, portfolio transactions, impairments, and legal and regulatory matters.

Note and Disclaimer

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 → Financials.

New orders and backlog; adjusted or organic growth rates of Revenue and new orders; book-to-bill ratio; Total Sectors profit; return on equity, or ROE; return on capital employed, or ROCE; Free cash flow; cash conversion rate, or CCR; EBITDA (adjusted); EBIT (adjusted); earnings effect from purchase price allocation (PPA effects) and integration costs; 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.

A definition of these supplemental financial measures, a reconciliation to the most directly comparable IFRS financial measures and information regarding the usefulness and limitations of these supplemental financial measures can be found 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 Siemens' Investor Relations website or via the EDGAR system on the website of the United States Securities and Exchange Commission.

Today beginning at 09:00 a.m. CEST, the telephone 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/conferencecall. The accompanying slide presentation can also be viewed here, and a recording of the conference will subsequently be made available as well. Starting at 11:00 CEST, 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/analystcall.