

SIEMENS

CONSOLIDATED STATEMENTS OF INCOME (unaudited)

For the first three months of fiscal 2009 and 2008 ended December 31, 2008 and 2007

(in millions of € per share amounts in €)

	<u>2009</u>	<u>2008</u>
Revenue.....	19,634	18,400
Cost of goods sold and services rendered.....	(13,994)	(13,095)
Gross profit.....	5,640	5,305
Research and development expenses.....	(914)	(847)
Marketing, selling and general administrative expenses.....	(2,868)	(3,055)
Other operating income.....	185	190
Other operating expense.....	(117)	(206)
Income from investments accounted for using the equity method, net.....	117	108
Financial income (expense), net.....	(308)	22
Income from continuing operations before income taxes.....	1,735	1,517
Income taxes.....	(475)	(439)
Income from continuing operations.....	1,260	1,078
Income (loss) from discontinued operations, net of income taxes.....	(30)	5,397
Net income.....	<u>1,230</u>	<u>6,475</u>
Attributable to:		
Minority interest.....	27	43
Shareholders of Siemens AG.....	1,203	6,432
Basic earnings per share		
Income from continuing operations.....	1.43	1.14
Income (loss) from discontinued operations.....	(0.03)	5.90
Net income.....	<u>1.40</u>	<u>7.04</u>
Diluted earnings per share		
Income from continuing operations.....	1.42	1.13
Income (loss) from discontinued operations.....	(0.03)	5.87
Net income.....	<u>1.39</u>	<u>7.00</u>

CONSOLIDATED STATEMENTS OF INCOME AND EXPENSE RECOGNIZED IN EQUITY (unaudited)

For the first three months of fiscal 2009 and 2008 ended December 31, 2008 and 2007

(in millions of €)

	<u>2009</u>	<u>2008</u>
Net income.....	1,230	6,475
Currency translation differences.....	(456)	(267)
Available-for-sale financial assets.....	7	10
Derivative financial instruments.....	94	44
Actuarial gains and losses on pension plans and similar commitments.....	(1,551)	19
Total income and (expense) recognized directly in equity, net of tax ^{(1) (2)}	(1,906)	(194)
Total income and (expense) recognized in equity.....	<u>(676)</u>	<u>6,281</u>
Attributable to:		
Minority interest.....	43	40
Shareholders of Siemens AG.....	(719)	6,241

(1) Includes income and (expense) resulting from investments accounted for using the equity method of €37 and €25 for the three months ended December 31, 2008 and 2007, respectively.

(2) Includes minority interest relating to currency translation differences of €16 and €(3) for the three months ended December 31, 2008 and 2007, respectively.

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CONSOLIDATED BALANCE SHEETS (unaudited)

As of December 31, 2008 and September 30, 2008

(in millions of €)

	<u>12/31/08</u>	<u>9/30/08</u>
ASSETS		
Current assets		
Cash and cash equivalents.....	6,071	6,893
Available-for-sale financial assets.....	144	152
Trade and other receivables.....	16,145	15,785
Other current financial assets.....	4,720	3,116
Inventories.....	15,146	14,509
Income tax receivables.....	608	610
Other current assets.....	1,319	1,368
Assets classified as held for disposal.....	449	809
Total current assets.....	<u>44,602</u>	<u>43,242</u>
Goodwill.....	16,095	16,004
Other intangible assets.....	5,361	5,413
Property, plant and equipment.....	11,196	11,258
Investments accounted for using the equity method.....	7,121	7,017
Other financial assets.....	9,260	7,785
Deferred tax assets.....	3,123	3,009
Other assets.....	664	735
Total assets.....	<u>97,422</u>	<u>94,463</u>
LIABILITIES AND EQUITY		
Current liabilities		
Short-term debt and current maturities of long-term debt.....	4,914	1,819
Trade payables.....	7,878	8,860
Other current financial liabilities.....	2,973	2,427
Current provisions.....	3,921	5,165
Income tax payables.....	1,835	1,970
Other current liabilities.....	21,384	21,644
Liabilities associated with assets classified as held for disposal.....	101	566
Total current liabilities.....	<u>43,006</u>	<u>42,451</u>
Long-term debt.....	15,511	14,260
Pension plans and similar commitments.....	6,296	4,361
Deferred tax liabilities.....	841	726
Provisions.....	2,536	2,533
Other financial liabilities.....	334	376
Other liabilities.....	2,137	2,376
Total liabilities.....	<u>70,661</u>	<u>67,083</u>
Equity		
Common stock, no par value ⁽¹⁾	2,743	2,743
Additional paid-in capital.....	6,021	5,997
Retained earnings.....	22,641	22,989
Other components of equity.....	(1,324)	(953)
Treasury shares, at cost ⁽²⁾	(3,934)	(4,002)
Total equity attributable to shareholders of Siemens AG.....	<u>26,147</u>	<u>26,774</u>
Minority interest.....	614	606
Total equity.....	<u>26,761</u>	<u>27,380</u>
Total liabilities and equity.....	<u>97,422</u>	<u>94,463</u>

(1) Authorized: 1,137,913,421 and 1,137,913,421 shares, respectively.
 Issued: 914,203,421 and 914,203,421 shares, respectively.

(2) 51,751,449 and 52,645,665 shares, respectively.

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CONSOLIDATED STATEMENTS OF CASH FLOW (unaudited)
For the first three months of fiscal 2009 and 2008 ended December 31, 2008 and 2007
(in millions of €)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Net income.....	1,230	6,475
Adjustments to reconcile net income to cash provided		
Amortization, depreciation and impairments.....	620	754
Income taxes.....	469	390
Interest (income) expense, net.....	(11)	34
(Gains) on sales and disposals of businesses, intangibles and property, plant and equipment, net.....	(4)	(5,683)
(Gains) on sales of investments, net ⁽¹⁾	(21)	(6)
(Gains) losses on sales and impairments of current available-for-sale financial assets, net.....	6	(1)
(Income) from investments ⁽¹⁾	(66)	(117)
Other non-cash (income) expenses.....	318	(26)
Change in current assets and liabilities		
(Increase) decrease in inventories.....	(922)	(614)
(Increase) decrease in trade and other receivables.....	(556)	(751)
(Increase) decrease in other current assets.....	(4)	(123)
Increase (decrease) in trade payables.....	(839)	(523)
Increase (decrease) in current provisions.....	(955)	231
Increase (decrease) in other current liabilities.....	(1)	591
Change in other assets and liabilities.....	(244)	(425)
Income taxes paid.....	(375)	(416)
Dividends received.....	113	11
Interest received.....	223	206
Net cash provided by (used in) operating activities - continuing and discontinued operations.....	(1,019)	7
Net cash provided by (used in) operating activities - continuing operations.....	(942)	487
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment.....	(632)	(808)
Acquisitions, net of cash acquired.....	(121)	(4,463)
Purchases of investments ⁽¹⁾	(562)	(94)
Purchases of current available-for-sale financial assets.....	(1)	(5)
(Increase) decrease in receivables from financing activities.....	(545)	(413)
Proceeds from sales of investments, intangibles and property, plant and equipment ⁽¹⁾	165	341
Proceeds and Payments from disposals of businesses.....	(252)	11,062
Proceeds from sales of current available-for-sale financial assets.....	5	9
Net cash provided by (used in) investing activities - continuing and discontinued operations.....	(1,943)	5,629
Net cash provided by (used in) investing activities - continuing operations.....	(1,747)	(5,267)
Cash flows from financing activities		
Purchase of common stock.....	—	(340)
Proceeds from re-issuance of treasury stock.....	—	189
Change in short-term debt.....	2,457	(3,573)
Interest paid.....	(298)	(268)
Dividends paid to minority shareholders.....	(49)	(35)
Net cash provided by (used in) financing activities - continuing and discontinued operations.....	2,110	(4,027)
Net cash provided by (used in) financing activities - continuing operations.....	1,837	6,992
Effect of exchange rates on cash and cash equivalents.....	(6)	(47)
Net increase (decrease) in cash and cash equivalents.....	(858)	1,562
Cash and cash equivalents at beginning of period.....	6,929	4,940
Cash and cash equivalents at end of period.....	6,071	6,502
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period.....	—	344
Cash and cash equivalents at end of period (Consolidated Balance Sheets).....	<u>6,071</u>	<u>6,158</u>

(1) Investments include equity instruments either classified as non-current available-for-sale financial assets or accounted for using the equity method.

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CONSOLIDATED CHANGES IN EQUITY (unaudited)
For the three months ended December 31, 2008 and 2007
(in millions of €)

	<u>Common stock</u>	<u>Additional paid-in capital</u>	<u>Retained earnings</u>	<u>Other components of equity</u>			<u>Treasury shares at cost</u>	<u>Total equity attributable to shareholders of Siemens AG</u>	<u>Minority interest</u>	<u>Total equity</u>	
				<u>Currency translation differences</u>	<u>Available- for-sale financial assets</u>	<u>Derivative financial instruments</u>					<u>Total</u>
Balance at October 1, 2007.....	2,743	6,080	20,453	(475)	126	69	(280)	—	28,996	631	29,627
Income and expense recognized in equity.....	—	—	6,451	(264)	10	44	(210)	—	6,241	40	6,281
Dividends.....	—	—	—	—	—	—	—	—	—	(32)	(32)
Issuance of common stock and share-based payment.....	—	18	—	—	—	—	—	—	18	—	18
Purchase of common stock.....	—	—	—	—	—	—	—	(340)	(340)	—	(340)
Re-issuance of treasury stock.....	—	(79)	—	—	—	—	—	274	195	—	195
Other changes in equity.....	—	—	—	—	—	—	—	—	—	(44)	(44)
Balance at December 31, 2007.....	2,743	6,019	26,904	(739)	136	113	(490)	(66)	35,110	595	35,705
Balance at October 1, 2008.....	2,743	5,997	22,989	(789)	4	(168)	(953)	(4,002)	26,774	606	27,380
Income and expense recognized in equity.....	—	—	(348)	(472)	7	94	(371)	—	(719)	43	(676)
Dividends.....	—	—	—	—	—	—	—	—	—	(28)	(28)
Issuance of common stock and share-based payment.....	—	24	—	—	—	—	—	—	24	—	24
Purchase of common stock.....	—	—	—	—	—	—	—	—	—	—	—
Re-issuance of treasury stock.....	—	—	—	—	—	—	—	68	68	—	68
Other changes in equity.....	—	—	—	—	—	—	—	—	—	(7)	(7)
Balance at December 31, 2008.....	2,743	6,021	22,641	(1,261)	11	(74)	(1,324)	(3,934)	26,147	614	26,761

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SEGMENT INFORMATION (continuing operations - unaudited)

As of and for the three months ended December 31, 2008 and 2007 (first quarter of fiscal 2009 and 2008) and as of September 30, 2008

(in millions of €)

	<u>New orders</u>		<u>External revenue</u>		<u>Intersegment revenue</u>		<u>Total revenue</u>		<u>Profit</u> ⁽¹⁾		<u>Assets</u> ⁽²⁾		<u>Free cash flow</u> ⁽³⁾		<u>Additions to intangible assets and property, plant and equipment</u>		<u>Amortization, depreciation and impairments</u> ⁽⁴⁾		
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>12/31/08</u>	<u>9/30/08</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	
Sectors																			
Industry.....	9,831	11,001	9,071	8,906	280	268	9,351	9,174	907	994	12,843	12,000	133	563	212	228	253	232	
Energy.....	8,534	9,079	6,134	4,951	98	84	6,232	5,035	756	347	1,517	913	66	333	116	88	85	78	
Healthcare.....	2,896	2,806	2,918	2,641	18	12	2,936	2,653	342	332	13,557	13,257	157	69	124	140	158	150	
Total Sectors.....	21,261	22,886	18,123	16,498	396	364	18,519	16,862	2,005	1,673	27,917	26,170	356	965	452	456	496	460	
Equity Investments.....	—	—	—	—	—	—	—	—	85	36	6,120	5,587	68	—	—	—	—	—	
Cross-Sector Businesses																			
Siemens IT Solutions and Services.....	1,231	1,225	997	1,007	292	333	1,289	1,340	46	70	357	241	(170)	(144)	28	22	43	57	
Siemens Financial Services (SFS).....	188	182	155	156	33	25	188	181	66	77	12,042	11,328	152	(120)	122	143	79	71	
Reconciliation to Consolidated Financial Statements																			
Other Operations.....	226	735	242	610	22	98	264	708	(13)	(64)	(1,098)	(1,545)	(165)	(161)	12	26	13	24	
Siemens Real Estate (SRE).....	429	394	96	99	333	295	429	394	45	139	3,578	3,489	4	(32)	25	55	37	39	
Corporate items and pensions.....	32	31	21	30	2	3	23	33	(236)	(315)	(7,415)	(6,483)	(1,341)	(799)	3	12	11	9	
Eliminations, Corporate Treasury and other reconciling items.....	(1,147)	(1,211)	—	—	(1,078)	(1,118)	(1,078)	(1,118)	(263)	(99)	55,921	55,676	(478)	74	(10)	(10)	(15)	(17)	
Siemens.....	22,220	24,242	19,634	18,400	—	—	19,634	18,400	1,735	1,517	97,422	94,463	(1,574)	(217)	632	704	664	643	

(1) *Profit of the Sectors* as well as of *Equity Investments, Siemens IT Solutions and Services* and *Other Operations* is earnings before financing interest, certain pension costs and income taxes, whereas certain other items not considered performance indicative by Management may be excluded. *Profit of SFS and SRE* is Income before income taxes.

(2) *Assets of the Sectors* as well as of *Equity Investments, Siemens IT Solutions and Services* and *Other Operations* is defined as Total assets less income tax assets, less non-interest bearing liabilities/provisions other than tax liabilities. *Assets of SFS and SRE* is Total assets.

(3) *Free cash flow* represents net cash provided by (used in) operating activities less additions to intangible assets and property, plant and equipment. *Free cash flow* of the *Sectors, Equity Investments, Siemens IT Solutions and Services* and *Other Operations* primarily exclude income tax, financing interest and certain pension related payments and proceeds. *Free cash flow* of *SFS*, a financial services business, and of *SRE* includes related financing interest payments and proceeds; income tax payments and proceeds of *SFS* and *SRE* are excluded.

(4) *Amortization, depreciation and impairments* contains amortization and impairments of intangible assets (other than goodwill) and depreciation and impairments of property, plant and equipment, net of reversals of impairments. *Siemens'* Goodwill impairment and impairment of non-current available-for-sale financial assets and investments accounted for under the equity method, net of reversals of impairments amount to €44 income and €87 expense for the three months ended December 31, 2008 and 2007, respectively.

Due to rounding, numbers presented may not add up precisely to totals provided.