

Facts and figures for shareholders

Fiscal 2007

(October 1, 2006 – September 30, 2007)

www.siemens.com

SIEMENS

Contacts: Telephone

+ 49 89 636-33032 (Press Office)
+ 49 89 636-32474 (Investor Relations)

Fax

+ 49 89 636-30085 (Press Office)
+ 49 89 636-32830 (Investor Relations)

E-mail

press@siemens.com
investorrelations@siemens.com

Dr. Gerhard Cromme, Chairman

In addition to very successful business operations, fiscal 2007 was characterized by major changes and extraordinary events at the Company. These developments also affected the composition and work of the Supervisory Board and the topics with which it dealt.

Regular topics of discussion at the Supervisory Board's plenary meetings were revenue, earnings and employment development at Siemens AG, at the Groups and at Siemens worldwide as well as the Company's main investment and divestment projects. The Managing Board reported regularly and comprehensively on Company planning and the strategic development, business operations and current state of the Company. Compliance-related measures and the future structure of business operations at Siemens AG were discussed at several meetings. Decisions were also made regarding the composition of the Managing Board.

The Supervisory Board would like to thank the members of the Managing Board as well as the employees and employee representatives of all Siemens companies for their work. Together, they made fiscal 2007 another very successful year for Siemens' business.

Peter Löscher, President and Chief Executive Officer of Siemens AG

Looking back, fiscal 2007 was one the most turbulent years in Siemens' recent history, a year of unforeseen challenges, profound changes and major business successes. The beginning of fiscal 2008 marked the 160th anniversary of our Company's foundation. No other major company in our industry boasts such a long and distinguished history. All of us – employees, shareholders, customers and partners – can be proud of this achievement over many generations and grateful for the trust our Company has enjoyed since Werner von Siemens' day. Now we're working relentlessly to justify this trust and ensure Siemens' continued success.



Financial highlights in fiscal 2007

Fiscal 2007 was an eventful year that closed with one of Siemens' best operating quarters in history. We exceeded our targets for revenue and order growth, and profitability increased strongly throughout Operations.

Higher net income and EPS – Siemens' net income in fiscal 2007 was €4.038 billion, a 21% increase over €3.345 billion a year earlier. Basic earnings per share (EPS) was €4.24, up from €3.52 in fiscal 2006. In discontinued operations a tax expense associated with the carve-out of Siemens VDO Automotive (SV) reduced net income by approximately €1.1 billion while the transfer of the former Communications Group's carrier-related businesses to Nokia Siemens Networks B.V. (NSN) resulted in a preliminary non-cash pre-tax gain of €1.6 billion.

Increased profitability – Income from continuing operations was €3.909 billion for the year, 48% higher than a year earlier. Basic EPS on a continuing basis rose to €4.13, compared to €2.78 a year earlier. These increases were due to Group profit from Operations, which climbed 70% year-over-year to €6.560 billion, even with negative equity investment income of €429 million related to NSN. All Groups in Operations increased their Group profit and Group profit margin. Automation and Drives (A&D), Power Generation (PG), Medical Solutions (Med) and Power Transmission and Distribution (PTD) had the highest levels of Group profit. Rapid growth in Group profit more than offset a significant increase in Corporate items, pensions and eliminations year-over-year, which rose from a negative €527 million in fiscal 2006 to a negative €1.672 billion in the current year. The change is due primarily to legal and regulatory matters.

Strong global growth – Our revenue increased 9% year-over-year, to €72.448 billion, with higher revenue in every region of the world. On an organic basis, (that is, excluding the net effect of currency translation and portfolio transactions), revenue grew 10%. All our operating Groups increased revenue organically year-over-year, highlighted by double-digit rises at A&D, PG and PTD. Orders grew even faster, rising 12% to €83.916 billion, with double-digit increases at PG, PTD, A&D, Industrial Services and Solutions (I&S) and Med. On an organic basis, orders rose 13% year-over-year.

Higher cash flows and ROCE – We generated €6.755 billion in free cash flow⁽¹⁾ from continuing operations in fiscal 2007, well above €1.820 billion in free cash flow a year earlier. Our cash conversion rate⁽¹⁾ was 1.73 in fiscal 2007, well above our target of 0.90 for fiscal 2007. Free cash flow from continuing and discontinued



operations increased from €1.607 billion in fiscal 2006 to €3.577 billion in the current period. Return on capital employed (ROCE)⁽¹⁾ rose on a continuing basis to 12.7% for the year, up from 9.6% a year earlier. Our medium-term target for ROCE is 14–16%.

Progress with legal and regulatory matters – During the year we made substantial progress in addressing issues related to investigations of past misconduct by Siemens employees. We engaged these matters vigorously as a top priority throughout the year and retained highly regarded outside experts to help us cooperate fully with outside investigations, conduct our own internal investigations, and act upon the results of these investigations. We booked a number of penalties related to the completion of outside investigations during the year. These include European Commission antitrust penalties related to gas-insulated switchgear and a fine from German authorities related to past actions at Com. Meanwhile, we conducted our own internal investigations throughout Siemens, particularly to identify questionable payments made to outside parties under Business Consulting Agreements. We identified a substantial sum of these payments, determined how much of the total of these payments had been incorrectly booked as tax-deductible business expenses, and adjusted the comparative amounts for fiscal 2006 and 2005 in the Consolidated Financial Statements. Including the expenses associated with internal and external investigations and the penalties mentioned above, the total expense within Corporate items associated with legal and regulatory matters during fiscal 2007 was €843 million.

Dividend – The Siemens Managing Board and Supervisory Board have proposed a dividend of €1.60 per share. The dividend in the prior year was €1.45.

⁽¹⁾ Definitions and further information regarding the non-GAAP measures *free cash flow*, *cash conversion rate* and *return on capital employed* are provided on page 4.

Fit42010 program

By implementing Fit4More over the past two years, we laid the groundwork for our future success. To make further strides, we've now launched Fit42010, a new Company program focused on ensuring Siemens' sustainable development and creating enduring value for our shareholders.

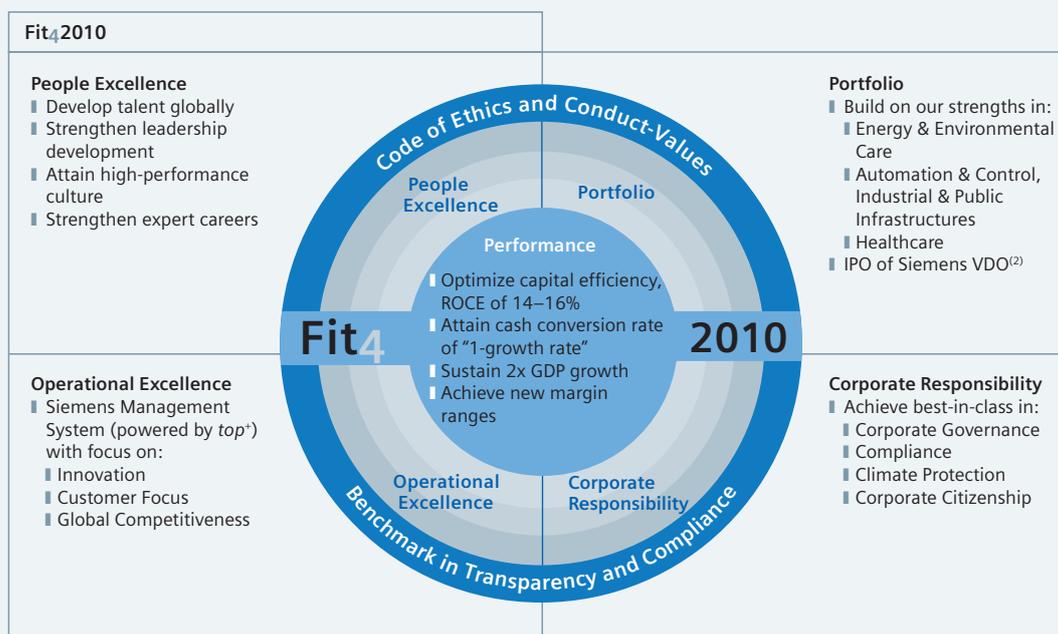
As part of the program, we've set new targets for 2010. We're aiming to boost sales, drive the profitability of our individual Groups, increase our return on capital employed, improve our cash flow and optimize our capital structure. To reach our ambitious targets, we're systematically leveraging our four Fit42010 drivers: People Excellence, Portfolio, Operational Excellence and Corporate Responsibility.

Fiscal 2008 – Opportunities worldwide

In our very successful fiscal year 2007, we reinforced and expanded our leading position on the world market. We restructured our portfolio and augmented it with a number of outstanding acquisitions. For the year ahead, we've set clear goals: We want to make Siemens faster, more focused and less complex.

We also intend to cut our expenses – in particular, our selling, general and administrative (SG&A) costs. To this end, we're implementing targeted measures at our Corporate Units, operating units and Regional Companies that will reduce our current SG&A outlays 10–20% by fiscal 2010, enabling us to close the gap to our best competitors.

By implementing our new organizational structure, we're creating a company with three strong pillars: Industry, Energy and Healthcare. In all three areas, our power of innovation, our global market presence and our solutions expertise are positioning us to provide answers to the toughest questions of our time – answers that cannot be surpassed by anyone anywhere. Building on our achievements, we're working with pride and passion to strengthen our Company – step by step, with great determination and a clear focus on the future.

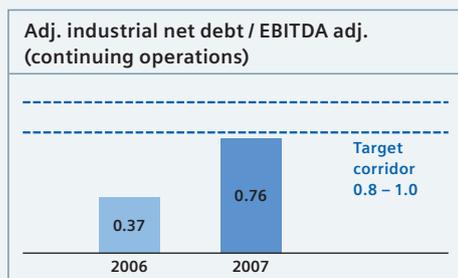
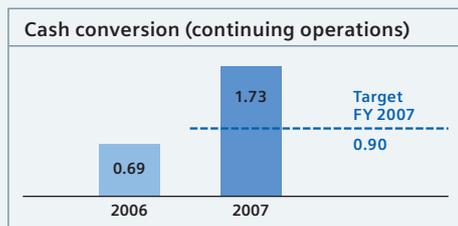
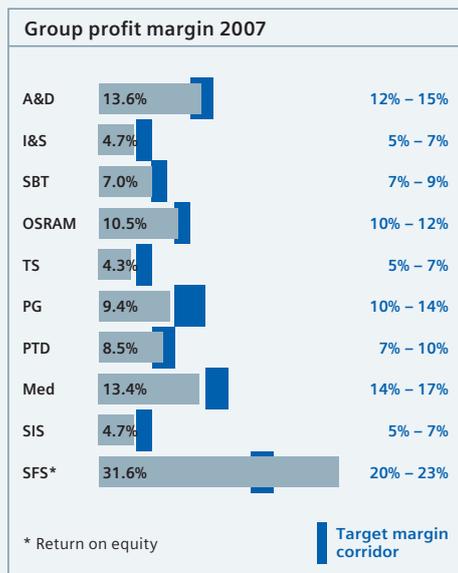


⁽²⁾ As part of our Fit42010 program, we originally planned to publicly list Siemens VDO Automotive. However, after reviewing all the options, our Managing and Supervisory Boards decided to sell the Group to Continental AG.

Key figures⁽¹⁾

Effective with the first quarter of fiscal 2007, Siemens prepares its primary financial reporting according to International Financial Reporting Standards (IFRS) on a retroactive basis.

(in millions of euros, except where otherwise stated)



Profit and growth

	2007	2006	% change Actual
Continuing operations			
New orders	83,916	74,944	12
Revenue	72,448	66,487	9
Total Operations Group			
Group profit from Operations	6,560	3,867	70
in % of revenue (Total Operations Groups)	8.6%	5.5%	
EBITDA adjusted	8,716	5,367	62
in % of revenue (Total Operations Groups)	11.4%	7.6%	
Continuing operations			
EBITDA adjusted	7,686	5,074	51
Income from continuing operations	3,909	2,642	48
Basic earnings per share (in euros) ⁽³⁾	4.13	2.78	49
Continuing and discontinued operations⁽²⁾			
Net income	4,038	3,345	21
Basic earnings per share (in euros) ⁽³⁾	4.24	3.52	20

Return on capital employed

	2007	2006	% change Actual
Continuing operations			
Return on capital employed (ROCE)	12.7%	9.6%	
Continuing and discontinued operations⁽²⁾			
Return on capital employed (ROCE)	10.9%	10.5%	

Free cash flow / Cash conversion

	2007	2006	% change Actual
Total Operations Groups			
Free cash flow	7,037	2,806	
Cash conversion	1.07	0.73	
Continuing operations			
Free cash flow	6,755	1,820	
Cash conversion	1.73	0.69	
Continuing and discontinued operations⁽²⁾			
Free cash flow	3,577	1,607	
Cash conversion	0.89	0.48	

Net debt / Capital structure

	2007	2006	% change Actual
Net debt	11,299	4,487	
Net debt / EBITDA adjusted	1.47	0.88	
Adjusted industrial net debt	5,828	1,878	
Adjusted industrial net debt / EBITDA adjusted	0.76	0.37	

Employees (in thousands)

	Sept. 30, 2007		Sept. 30, 2006	
	Con- tinuing opera- tions	Total ⁽⁴⁾	Con- tinuing opera- tions	Total ⁽⁴⁾
Employees	398	471	371	475
Germany	126	152	123	161
Outside Germany	272	319	248	314

⁽¹⁾ Prior-year numbers have been adjusted for the retroactive presentation of SV in discontinued operations, income tax charges relating to compliance matters and an adjustment of Med's Group profit. EBITDA adjusted, Return on capital employed, Return on equity, Free cash flow, Cash conversion, Net debt and adjusted industrial net debt are non-GAAP financial measures. Please refer to page 4 for further information. "Group profit from Operations" is reconciled to "Income before income taxes" of Operations under "Reconciliation to financial statements" in the table "Segment Information" in the 2007 Annual Report.

⁽²⁾ Discontinued operations consist of Siemens VDO Automotive activities as well as of carrier networks, enterprise networks and mobile devices activities.

⁽³⁾ Earnings per share – attributable to shareholders of Siemens AG

⁽⁴⁾ Continuing and discontinued operations

⁽⁵⁾ Adjusted for portfolio and currency translation effects

Stock market information

in euros	2007 ⁽¹⁾	2006 ⁽¹⁾
Stock price range (XETRA closing prices, Frankfurt)		
High	111.17	79.77
Low	66.91	60.08
Year-end	96.42	68.80
Number of shares (year-end, in millions)	914	891
Market capitalization (year-end, in millions of euros) ⁽²⁾	88,147	61,307
Per-share data		
Earnings per share ⁽³⁾	4.13	2.78
Earnings per share (fully diluted) ⁽³⁾	3.99	2.77
Dividend	1.60 ⁽⁴⁾	1.45

⁽¹⁾ Fiscal year from October 1 to September 30

⁽³⁾ On the basis of continuing operations

⁽²⁾ On the basis of outstanding shares

⁽⁴⁾ To be proposed at the Annual Shareholders' Meeting

Definitions of major Key Figures

- Free cash flow is calculated as net cash provided by (used in) operating activities less additions to intangible assets and property, plant and equipment.
- Cash conversion rate from continuing operations is calculated as free cash flow from continuing operations divided by income from continuing operations.
- ROCE is calculated as income before interest expense divided by capital employed.

Free cash flow, Cash conversion rate and ROCE as well as the figures EBITDA adjusted, Return on Equity, Net debt and adjusted industrial net debt reported on page 3 are non-GAAP financial measures. The definitions for reconciling these amounts to the most directly comparable IFRS financial measures are available on our Investor Relations website under www.siemens.com/ir, Financial Publications, Annual Reports. For further information regarding these figures, please also refer to the Siemens Annual Report for fiscal 2007.

The Siemens share

As of September 30, 2007, the capital stock of Siemens AG totaled approximately €2.7 billion, representing some 914 million no-par value shares in registered form. Each share represents one vote at the Annual Shareholders' Meeting. On September 30, 2007, Siemens shares were listed on all German stock exchanges, stock exchanges in New York, London and Zurich and the Milan stock exchange. On the New York Stock Exchange, Siemens shares are traded in the form of American Depositary Receipts (ADRs), with one ADR corresponding to one Siemens share.



In fiscal 2007 Siemens repurchased €1.9 bn of the € 2.5 bn convertible bond and converted the remaining € 0.6 bn to equity. This reduced dilution for Siemens shareholders by nearly 35 million shares.

As part of Fit42010 Siemens decided to set a capital structure target. As a step toward achieving the new target ratio Siemens announced a share buyback program in the amount of up to €10 billion by 2010.

Further information about investor relations and Siemens' share performance is available on the Internet at:

www.siemens.com/investors
www.siemens.com/governance

Siemens financial calendar*

First-quarter financial report	Jan. 24, 2008
Annual Shareholders' Meeting – Olympiahalle, Munich, 10:00 a.m.	Jan. 24, 2008
Ex-dividend date	Jan. 25, 2008
Second-quarter financial report and Semiannual Press Conference	Apr. 30, 2008
Third-quarter financial report	July 30, 2008
Preliminary figures for fiscal year / Press conference	Nov. 13, 2008
Annual Shareholders' Meeting for fiscal 2008	Jan. 27, 2009

* Provisional. Updates will be posted at: www.siemens.com/financial_calendar

In addition to an Annual Report at the end of each fiscal year, Siemens publishes quarterly consolidated financial statements. All of these financial reports are available on the Internet at: www.siemens.com/financialreports

Printed copies of the Siemens Annual Report 2007 are available free of charge from the addresses listed in the right-hand column.

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Siemens AG, Wittelsbacherplatz 2, 80333 Munich, Germany
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The Annual Report is available in German, English, French and Spanish. An abridged Japanese version will be available as of January 2008 at www.siemens.co.jp

The English and German versions can be downloaded at: www.siemens.com/annual-report and www.siemens.com/geschaeftsbericht
An abridged version of the Annual Report will no longer be published in German or English.

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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); the challenges of integrating major acquisitions and implementing joint ventures and other significant portfolio measures; changes in currency exchange rates and interest rates; 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, especially the corruption investigation we are currently subject to in Germany, the United States and elsewhere; 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 in our 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.