Strong Performance in Challenging Markets

Revenue and Income Rise
Book-to-Bill Robust

Peter Löscher, President and Chief Executive Officer of Siemens AG

"Siemens got off to a good start in fiscal 2009, including better order development than most of our competitors in the first quarter," commented Siemens CEO Peter Löscher. "Revenue increased strongly, and we have a robust book-to-bill above one. Total Sectors profit clearly exceeded the prior-year level. Therefore we are sticking to our 2009 targets, even though reaching them has become more ambitious. While we are closely monitoring market conditions on a quarterly basis, we are progressing through the year strong, confident and focused."

Financial highlights:

- Orders of €22.220 billion came in 8% below the record high level of the prior-year quarter. The order backlog included no major cancellations.
- Revenue rose 7% to €19.634 billion, supported by strong order growth in recent years.
- Total Sectors profit climbed 20%, to €2.005 billion, led by broad-based profit growth in Energy.
- Income from continuing operations rose 17%, to €1.260 billion, on higher Total Sectors profit.
- Net income was €1.230 billion in the first quarter. A year earlier, net income of €6.475 billion for the quarter included approximately €5.4 billion in income from discontinued operations related to Siemens VDO Automotive.
- Free cash flow was a negative €1.574 billion compared to a negative €217 million in the prior-year period. The current period includes payments totaling €1.230 billion associated with legal proceedings, SG&A reduction and transformation programs initiated in fiscal 2008.

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Earnings Release Q1 2009
(October 1 to December 31, 2008)

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SIEMENS

Orders and Revenue

Revenue rises and book-to-bill remains well above 1

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. Orders exceeded revenue, at €22.220 billion but declined 8% compared to the record high first quarter a year earlier. The book-to-bill ratio for the current period was 1.13.

The net effect of currency translation was neutral for revenues and orders. On an organic basis, excluding currency effects and portfolio transactions, revenue rose 8% and orders came in 7% lower compared to the prior-year quarter.

Revenue increases in all Sectors and regions

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 Holdings Inc. (Dade Behring) at the Diagnostics Division.

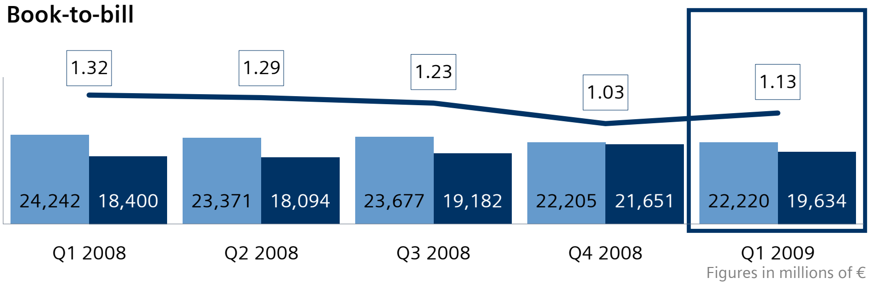
On a geographic basis, revenue rose in all three reporting regions of Siemens, with particular strength in the Americas and Asia, Australia. The Fossil Power Generation and Renewable Energy Divisions led revenue higher in the Americas, while in Asia, Australia the largest revenue increases came at the Power Transmission and Industrial Solutions Divisions.

Broad-based order decline takes in all regions, most Divisions

In an environment of slowing global growth and a worldwide financial crisis, weaker demand was noticeable throughout Siemens' business. Orders climbed 3% in Healthcare but declined in Industry and Energy where a majority of Divisions had lower or level orders year-over-year.

All regions posted lower orders. Within the Asia/Australia region volume declined significantly in China, where the Industry Solutions Division and Power Transmission Division had large orders in the prior-year period. Orders came in lower in the Americas due primarily to the Renewable Energy and Oil & Gas Divisions, which benefited from surging demand in the U.S. a year earlier. Orders rose 12% in Germany on the strength of a large order at the Mobility Division.

Book-to-bill



Figures in millions of €

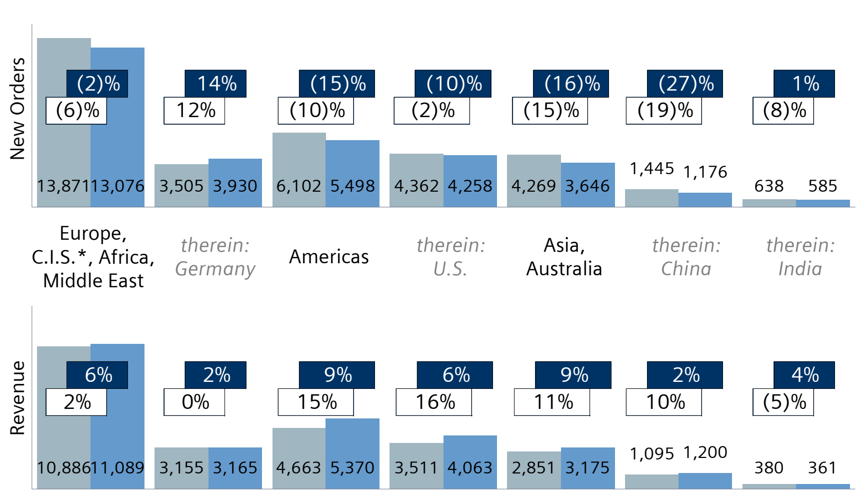
New Orders & Revenue

	Q1 2008	Q1 2009	% Change Actual	% Change Adjusted*
New Orders	24,242	22,220	(8)%	(7)%
Revenue	18,400	19,634	7%	8%

Figures in millions of €

* Excluding currency translation and portfolio effects

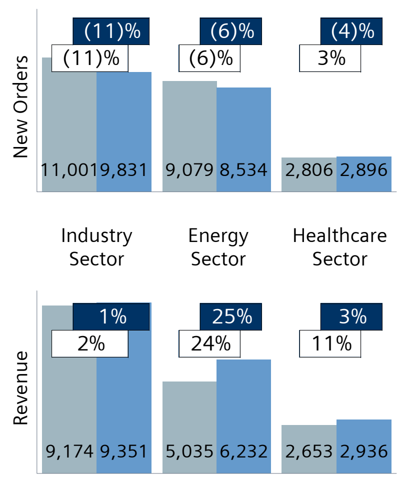
New Orders & Revenue by Region



Figures in millions of €

Q1 2008 Q1 2009 Actual change * Commonwealth of Independent States
Adjusted change (throughout excluding currency translation and portfolio effects)

New Orders & Revenue by Sectors



Figures in millions of €

Q1 2008 Q1 2009 Actual change
Adjusted change

Income and Profit

Total Sectors profit climbs led by Energy and Healthcare

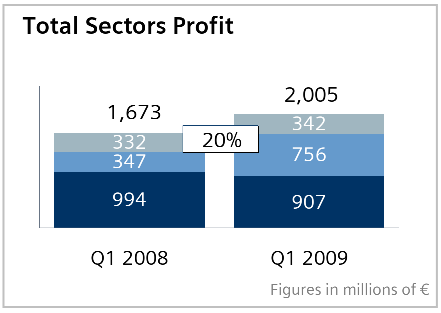
Total Sectors profit for the first quarter climbed 20% year-over-year, to €2.005 billion. Energy was the primary driver of Sectors profit growth, with a strong profit rebound in the fossil power business compared to the first quarter a year earlier and double-digit profit increases at all other Divisions. Higher revenue helped lift Sector profit at Healthcare as well. Industry made the largest contribution to Total Sectors profit in the first quarter, but saw a decline compared to the prior-year period due primarily to a sharp decline in the industrial automation business.

Income from continuing operations climbs on higher Sectors profit

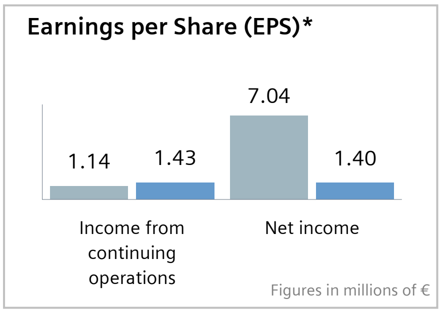
Income from continuing operations grew to €1.260 billion, up 17% compared to the first quarter a year earlier. Basic EPS on a continuing basis rose to €1.43 from €1.14 in the prior-year period. The major factor in these increases was higher Total Sectors profit year-over-year. Other positive factors were lower expenses for Corporate items including legal and regulatory matters, higher income from Equity Investments, and continued progress in closing out Other Operations. These positive factors more than offset lower income from Cross-Sector Businesses and Siemens Real Estate (SRE), as well as negative results of hedging activities not qualifying for hedge accounting.

Clean quarter for net income

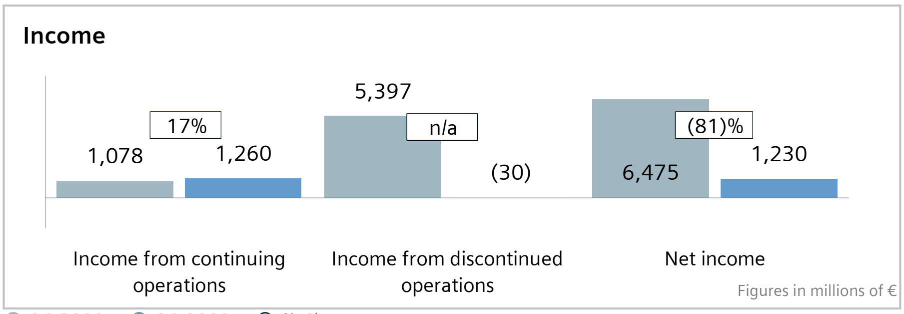
Net income in the first quarter was €1.230 billion, with a corresponding EPS of €1.40. A year earlier, net income of €6.475 billion and EPS of €7.04 benefited substantially from approximately €5.4 billion in income from discontinued operations, primarily related to the sale of Siemens VDO Automotive (SV).



Sectors: Industry Energy Healthcare
% Change



Q1 2008 Q1 2009
* Basic



Q1 2008 Q1 2009 % Change

Cash, Return on Capital Employed (ROCE), Pension Funding Status and Investigation Expenses

Free cash flow impacted by compliance payments

Free cash flow from continuing operations was a negative €1.574 billion compared to a negative €217 million in the first quarter a year ago. The current quarter includes substantial increases in net working capital in the Sectors and centrally taken cash outflows totaling €1.008 billion related to resolution of legal proceedings in the U.S. and Germany. Cash outflows for previously recorded charges related to project reviews, restructuring, and SG&A reduction totaled €222 million.

ROCE rises on higher income

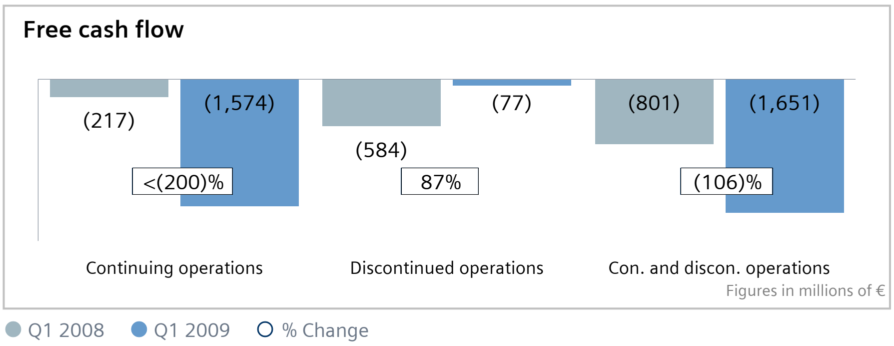
On a continuing basis, return on capital employed (ROCE) increased to 12.9% from 11.6% in the first quarter a year earlier on higher income from continuing operations in the current period.

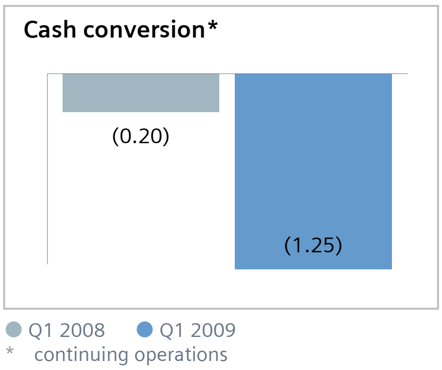
Compliance expenses fall again as major legal proceedings conclude

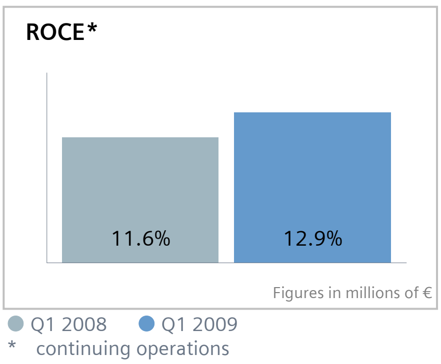
Siemens concluded the legal proceedings mentioned above during the first quarter. Expenses within continuing and discontinued operations for outside advisors in connection with these matters totaled €50 million, well down from €127 million in the prior-year period and €89 million in the previous quarter.

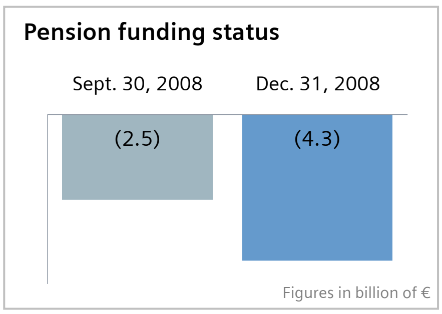
Pension underfunding increases on higher DBO

The estimated underfunding of Siemens' principal pension plans as of December 31, 2008 amounted to approximately €4.3 billion, compared to an underfunding of approximately €2.5 billion at the end of fiscal 2008. The decline in funding status is due primarily to a significant decrease in the discount rate assumption at December 31, 2008, which increased Siemens' estimated defined benefit obligation (DBO).









Industry

Industry Sector

Market conditions hold back Sector profit development

Industry led all Sectors with profit of €907 million in the first quarter. For comparison, Sector profit was €994 million in the first quarter a year earlier. The primary factor in the difference year-over-year was the Industry Automation Division, which remained the top income contributor in the Sector but saw profitability drop from a peak profit margin in the prior-year quarter due to lower volume and a less favorable product mix. Osram's contribution to Sector profit fell also, as its markets became more challenging. The other four Divisions within Industry all increased their profit, including double-digit increases at Building Technologies, Industry Solutions and Mobility.

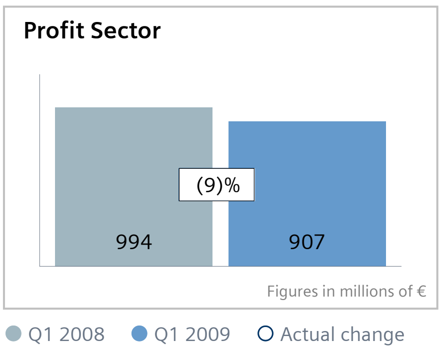
First-quarter revenue for Industry rose 2% compared to the prior-year period, while orders came in 11% lower. On an organic basis, excluding currency translation and portfolio effects, revenue rose 1% and orders declined 11% year-over-year. All Divisions except Industry Automation and Osram increased their revenues compared to the prior-year period. Revenue growth was strongest in the Asia, Australia region. Orders showed exposure to global macroeconomic conditions, with declines in all regions. The Industry Sector's book-to-bill ratio was 1.05 compared to 1.2 in the prior-year period.

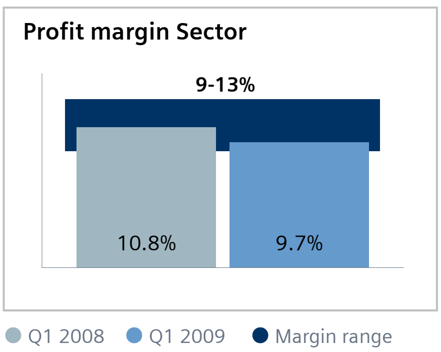
Profitability below peak but within target range

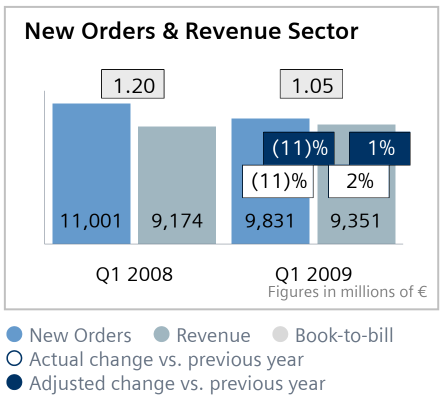
Industry Automation produced €255 million in profit in the first quarter and its profit margin remained in its target range. Nevertheless income declined year-over-year, with lower profits and margins in nearly all business units. For comparison, income in the prior-year period benefited from a €36 million gain on the sale of a business. Purchase price accounting (PPA) effects in the current quarter, associated with the acquisition of UGS Corp., were €35 million and trimmed approximately 180 basis points from the Division's profit margin. In the same quarter a year earlier, PPA effects of €48 million and integration costs of €5 million related to UGS took approximately 250 basis points from the profit margin. Revenue of €1.977 billion was 5% lower than in the prior-year quarter and orders came in 14% lower year-over-year, as customers delayed restocking in the face of uncertain downstream demand.

Rising revenue lifts profit

Drive Technologies produced profit of €233 million and 8% revenue growth from a large order backlog benefiting in part from the high-growth wind power business. The Division recorded PPA effects of €9 million in the current quarter and €10 million in the prior-year period. Orders declined mainly on slowing demand in short-cycle businesses, most notably the electronics assembly unit which posted a loss of €27 million on lower business volume.







Better business mix benefits profitability

Building Technologies raised its first-quarter profit to €124 million benefiting from a significant improvement in its business mix between the periods under review. Orders were level year-over-year despite a general slowdown in commercial construction, particularly in the U.S.

Revenue and profit lower in weakening markets

Profit at **Osram** decreased to €92 million despite positive effects from hedging activities not qualifying for hedge accounting. Profitability was influenced by lower capacity utilization, as revenue fell 8% including continued weakness in the automotive market. Osram expects charges in coming quarters related to improving its cost structure and product mix.

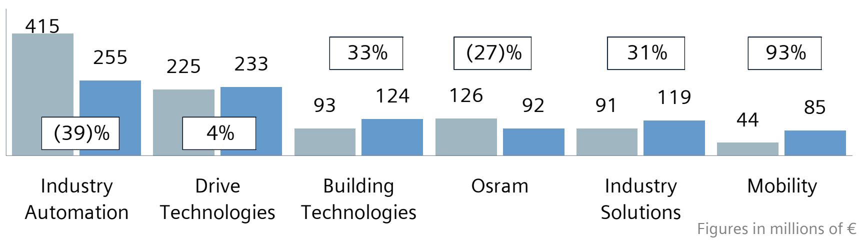
Metals technologies business again drives performance

All business units in **Industry Solutions** contributed to the increase in first-quarter profit. The Division's large metals technologies unit led first-quarter revenue and profit-growth, continuing to convert its substantial backlog into current business. Orders came in lower compared to the record level of the prior-year quarter.

Project execution on track

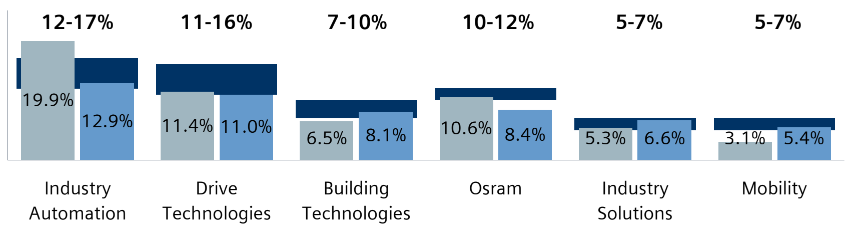
Mobility delivered profit of €85 million in the first quarter, benefiting from a €10 million positive effect related to settlement of a claim in the rolling stock business. For comparison, profit of €44 million in the prior-year period was burdened by €32 million in charges related to Combino. Orders rose 8% in the quarter, including a major contract win in Germany.

Profit by Division



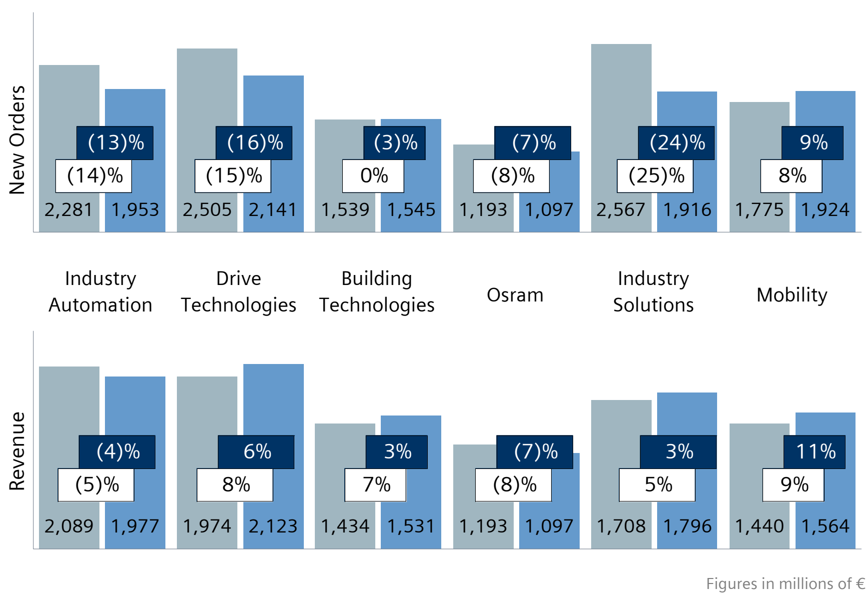
Q1 2008 Q1 2009 Actual change

Profit margin by Division



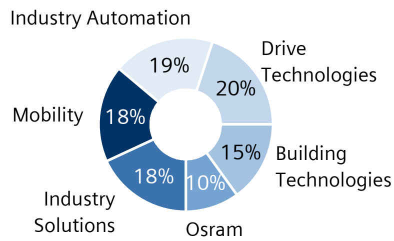
Q1 2008 Q1 2009 Margin ranges

New Orders & Revenue by Division

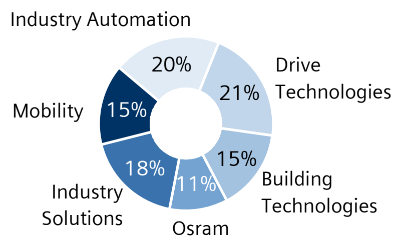


Q1 2008 Q1 2009 Actual change Adjusted change

New Orders: Weight of Divisions*



Revenue: Weight of Divisions*



* unconsolidated basis

Energy Sector

Energy

Conversion of order backlog drives profit increases

The **Energy Sector** turned in a strong first quarter, with all Divisions delivering higher profits compared to the prior-year period as well as profit margins within their target ranges. This sent Sector profit up to €756 million for the quarter, well above the prior-year period. Fossil Power Generation drove Sector profit growth year-over-year, as its prior-year results were burdened by more than €200 million in charges. Strong order backlogs at Renewable Energy and Oil & Gas enabled both Divisions to raise revenue, increase capacity utilization and significantly improve their profit margins. Power Transmission and Power Distribution continued to compete successfully in increasingly challenging markets for power infrastructure.

First-quarter revenue for Energy rose 24% year-over-year, to €6.232 billion, as all Divisions converted a high level of prior orders into current business. The Sector saw no material order cancellations in its backlog during the quarter. As expected, orders declined 6% due primarily to the Renewable Energy and Oil & Gas Divisions. While Renewable Energy took in a lower level of large orders compared to the prior-year quarter, market conditions for Oil & Gas cooled compared to surging demand in the prior-year period. On a geographic basis, revenue rose in all regions led by the Americas, while orders grew in the Asia, Australia region on particular strength at Fossil Power Generation.

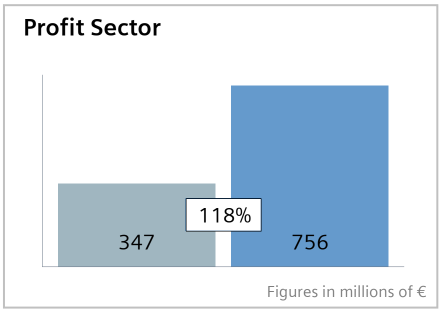
The Sector's book-to-bill ratio was strong at 1.37, though well down from 1.8 in the prior-year quarter.

Clean quarter, profitable growth

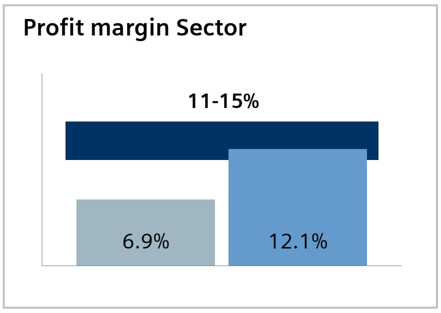
Fossil Power Generation led all Siemens Divisions with €289 million in profit and brought its profit margin into its target range. A year earlier, first-quarter profit was burdened by the substantial charges mentioned above. Revenue climbed 25%, reflecting strong order growth in recent years. Orders continued to grow at a robust rate, rising 16% to €3.997 billion including the growth in Asia, Australia mentioned above. The Division expects substantial volatility in equity investment income in coming quarters.

Continued ramp-up drives profit higher

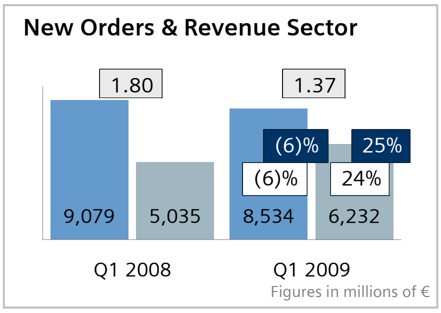
Renewable Energy generated €101 million in profit on revenue of €713 million in the first quarter. Both figures represent high double-digit increases compared to the first quarter a year ago, as the Division matched new production capacity to a robust order backlog. As expected, orders in the quarter came in lower compared to the prior-year period, which included a higher level of large orders.



● Q1 2008 ● Q1 2009 ○ Actual change



● Q1 2008 ● Q1 2009 ● Margin range



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

Energy

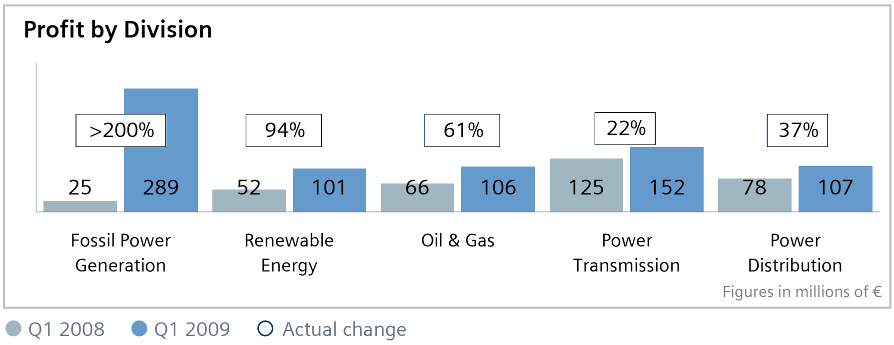
Strong increase in profitability

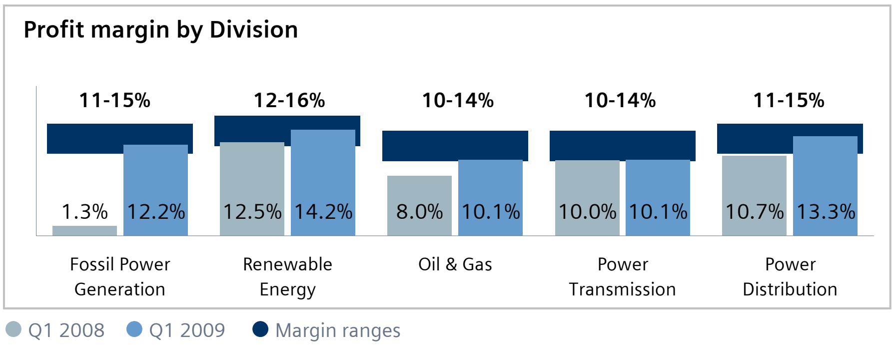
The **Oil & Gas** Division contributed €106 million to first-quarter Sector profit and brought its profit margin into the target range. Revenue rose 27% year-over-year on conversion of the Division's strong order backlog. Orders in the current period came in lower than in the prior-year period, as expected, but the Division's book-to-bill ratio for the quarter was well above 1 and its order backlog remained robust.

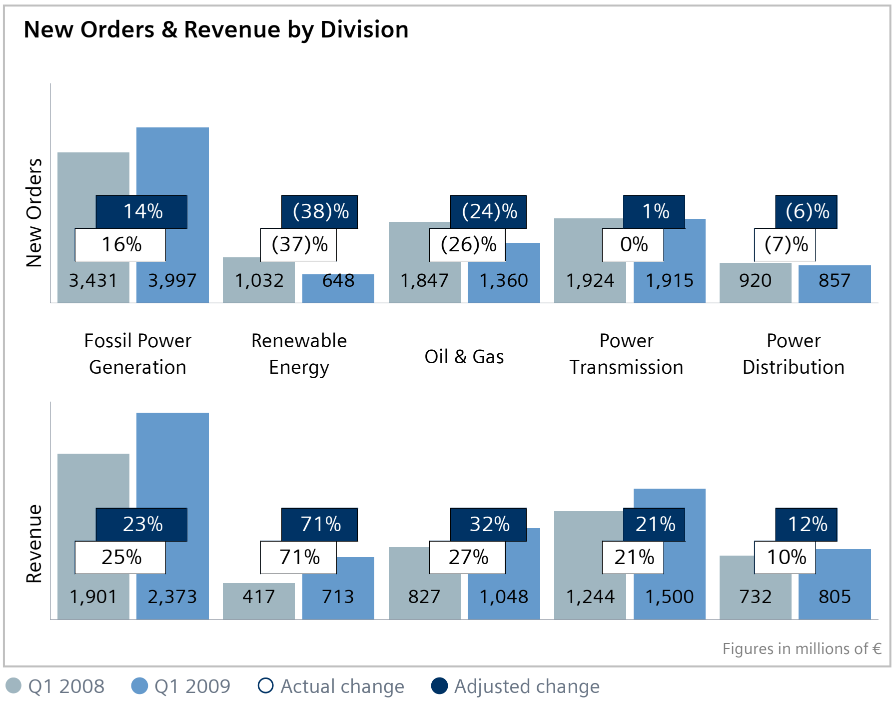
Delivering sustained profit growth

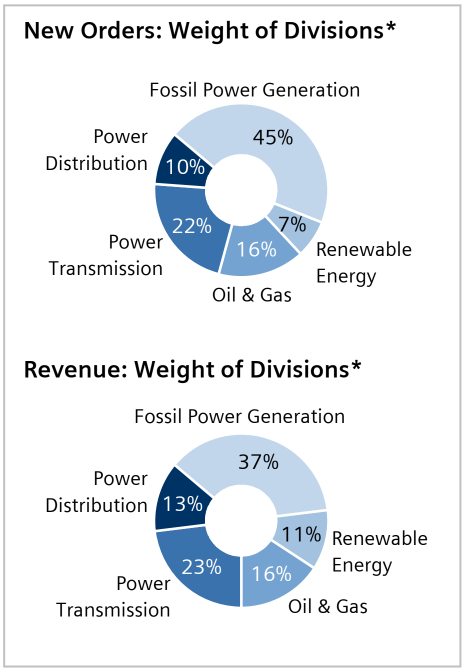
The Energy Sector's two power grid infrastructure businesses continued to deliver steady profit growth in their profit margin ranges.

Power Transmission posted profit of €152 million in the first quarter, up 22% compared to the prior-year period, on a 21% increase in revenue. First-quarter orders for the Division were nearly unchanged year-over-year. **Power Distribution** increased first-quarter profit even more sharply, to €107 million, as all business units improved profitability compared to the same period a year earlier. Revenue rose 10% year-over-year, while orders came in 7% lower.









* unconsolidated basis

Healthcare

Healthcare Sector

Solid revenue and profit growth in tough market conditions

The **Healthcare Sector** continued to compete successfully in a challenging environment, as slower growth and tighter credit conditions spread beyond the U.S. to other regions. First-quarter Sector profit increased to €342 million and the Imaging & IT Division was one of Siemens' top profit contributors in the quarter. Charges related to a major project at Workflow & Solutions held back profit growth year-over-year. The Diagnostics Division recorded a total of €66 million in PPA effects and integration costs associated with acquisitions, including Dade Behring. PPA effects and integration costs reduced Sector profit margin by 220 basis points in the first quarter, compared to 320 basis points in the prior-year period.

Healthcare's first-quarter revenue and orders rose 11% and 3%, respectively, including new volume from the acquisition of Dade Behring. Book-to-bill for the Sector was 0.99 compared to 1.06 in the same quarter a year ago.

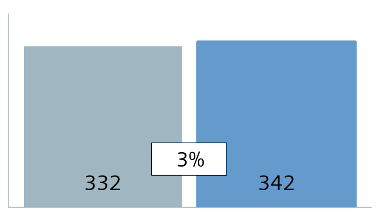
Profit margin expansion in a challenging environment

Imaging & IT increased first-quarter profit 13% year-over-year, to €262 million. The overall medical imaging market in the U.S. remains challenging, with demand limited by tight credit and the Deficit Reduction Act (DRA). Nevertheless, Imaging & IT achieved a 7% rise in revenue and a 1% increase in orders. On an organic basis, revenue was up 4% and orders were 2% below the level of the prior-year period.

Solid performance and lower integration costs

Diagnostics contributed €83 million to Sector profit in the first quarter, up from €67 million in the same quarter a year earlier. For comparison, that prior-year period included only two months of income from Dade Behring. PPA effects and integration costs related to acquisitions reduced Diagnostics' profit margin by approximately 760 basis points in the current quarter, including PPA effects of €46 million and integration costs of €20 million.

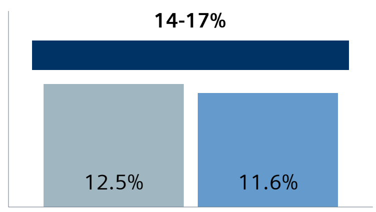
Profit Sector



Figures in millions of €

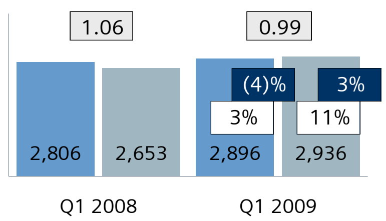
Q1 2008 Q1 2009 Actual change

Profit margin Sector



Q1 2008 Q1 2009 Margin range

New Orders & Revenue Sector



Figures in millions of €

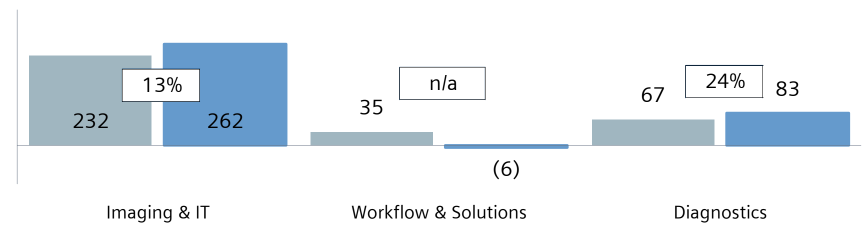
New Orders Revenue Book-to-bill
Actual change vs. previous year
Adjusted change vs. previous year

A year earlier, first-quarter PPA and integration costs at Diagnostics were €51 million and €35 million, respectively, and cut more than 1200 basis points from profit margin. Revenue and orders for the Division both rose more than 20% in the current period, benefiting from an additional month of volume from Dade Behring compared to the prior-year period. On an organic basis, revenue rose 2% and orders were up 1%.

Solutions business impacted by further charges

Workflow & Solutions posted a loss of €6 million in the first quarter. This result included €41 million in further charges related to project delays in the particle therapy business, partly offset by €11 million in divestment gains.

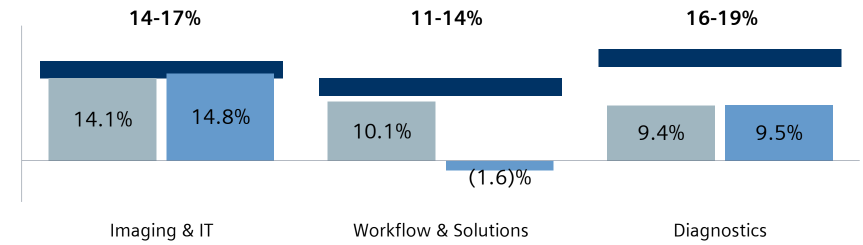
Profit by Division



Figures in millions of €

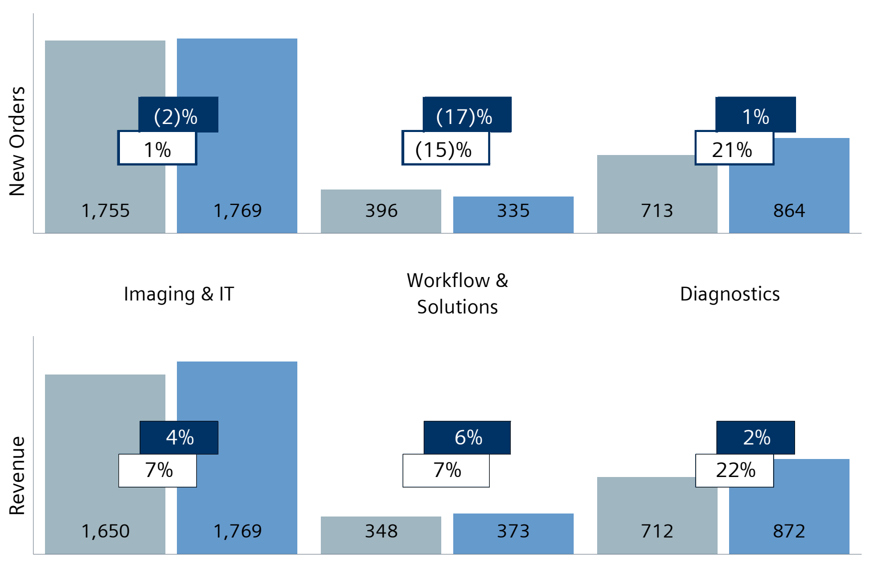
Q1 2008 Q1 2009 Actual change

Profit margin by Division



Q1 2008 Q1 2009 Margin ranges

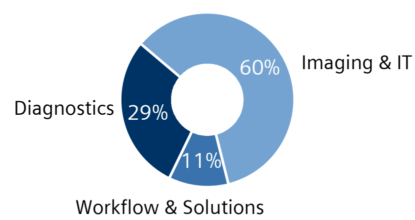
New Orders & Revenue by Division



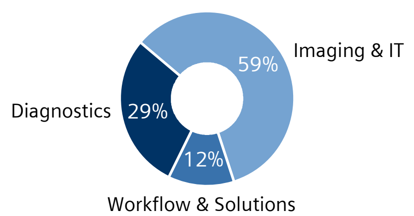
Figures in millions of €

Q1 2008 Q1 2009 Actual change Adjusted change

New Orders: Weight of Divisions*



Revenue: Weight of Divisions*



* unconsolidated basis

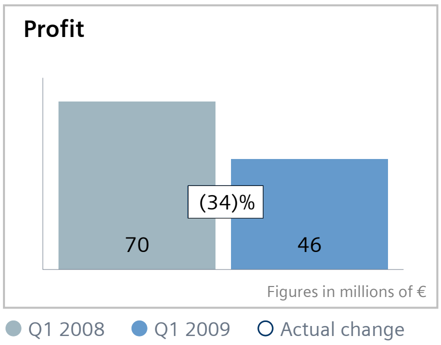
Equity Investments and Cross-Sector Businesses

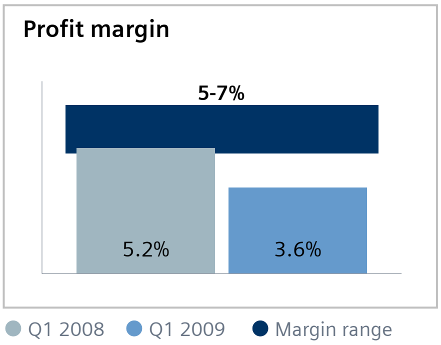
Higher profits benefit from lower loss related to NSN

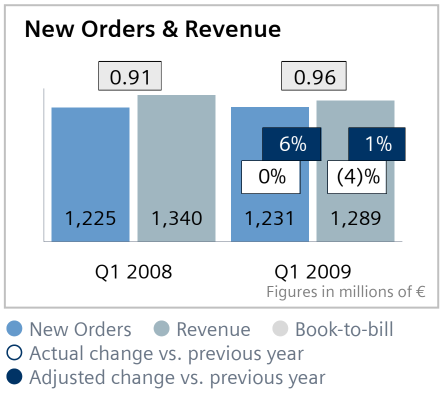
Equity Investments includes equity stakes not allocated to a Sector or Cross-Sector Business by reason of strategic fit as well as available-for-sale securities. Major components of Equity Investments include Nokia Siemens Networks B.V. (NSN) and Bosch und Siemens Hausgeräte GmbH. Equity investments in the first quarter recorded a profit of €85 million compared to €36 million in the first quarter a year earlier. The increase benefited from sales of equity investments. In addition, the equity investment loss related to NSN fell to €7 million from €37 million in the prior-year period. Income from Equity Investments is expected to be volatile in coming quarters.

Lower contribution from Cross-Sector Businesses

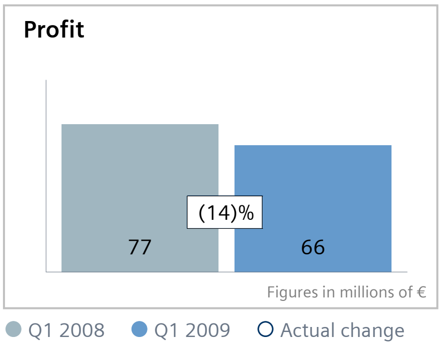
Siemens IT Solutions and Services posted a profit of €46 million compared to €70 million in the first quarter a year earlier. Revenue declined 4% year-over-year, to €1.289 billion. Orders came in slightly above the prior-year level at €1.231 billion. On an organic basis, revenue was up 1% and orders rose 6%.

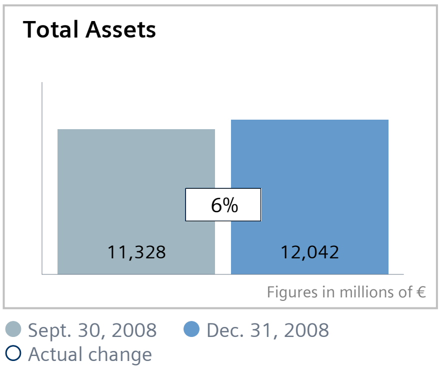


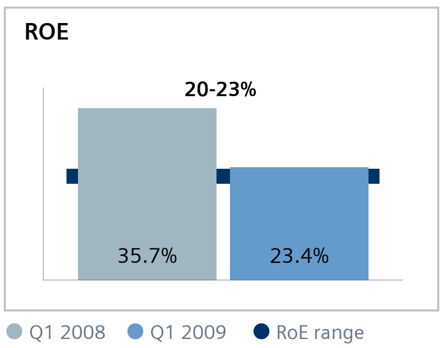




Income before income taxes at **Siemens Financial Services** (SFS) declined, due primarily to a significant increase in reserves for the commercial finance business. This was partly offset by a higher profit in the equity business. Total assets rose to €12.042 billion, driven in part by growth in customer financing activity. Return on Equity (ROE) decreased but remained above the target range. ROE calculated as Income before income taxes divided by average allocated equity, which was €1.129 billion in the first quarter of fiscal 2009 and €863 million in the first quarter of fiscal 2008.







Other Operations, Corporate Activities and Eliminations

SHC divested as close-out of Other Operations progresses

Other Operations consist primarily of operating business activities not allocated to a Sector or Cross-Sector Business. By the end of fiscal 2009, these activities are to be integrated into a Siemens Sector or Cross-Sector Business, divested, moved to a joint venture, or closed. During the first quarter, Siemens again made good progress in the implementation of the program. Accordingly, first-quarter revenue fell to €264 million from €708 million in the prior-year period, and the loss from Other Operations dropped to €13 million from €64 million in the first quarter a year earlier. The prior-year period included a goodwill impairment of €70 million related to a building and infrastructure business, and a profit of €14 million at Siemens Home and Office Communication Devices (SHC). As previously reported, Siemens completed the transfer of an 80.2% stake in Siemens Home and Office Communications Devices GmbH & Co. KG to ARQUES Industries AG at the beginning of the current quarter.

Real estate disposals continue

Income before income taxes at SRE was €45 million in the first quarter, down from €139 million in the same period a year earlier, primarily due to lower gains from sales of real estate. SRE intends to continue real estate disposals in coming quarters, depending on market conditions.

Central costs fall on lower compliance expenses, one-time gains

Corporate items and pensions totaled a negative €236 million in the first quarter compared to a negative €315 million in the same period a year earlier. The improvement was due to Corporate items, which were a negative €166 million compared to a negative €338 million in the prior-year period. Within this change, expenses for outside advisors engaged in connection with investigations into legal and regulatory matters fell to €49 million from €93 million in the first quarter a year earlier. In addition, the current period benefited from a gain relating to a major asset retirement obligation and a positive effect related to shifting an employment bonus program from cash-based to share-based payment.

Centrally carried pension expense swung to a negative €70 million from a positive €23 million in the first quarter a year earlier, due primarily to higher benefit costs related to Siemens' principal pension plans compared to the prior-year period.

Impact from U.S. interest rate hedges

Income before income taxes from Eliminations, Corporate Treasury and other reconciling items in the first quarter was a negative €263 million compared to a negative €99 million in the prior-year period. The decline was due mainly to results of hedging activities not qualifying for hedge accounting related to a decline in U.S. dollar interest rates.

Subsequent Events

On January 26, 2009, after the close of the first quarter, Siemens announced that it will terminate the Shareholders Agreement for the joint venture Areva NP S.A.S. as contractually specified effective latest January 30, 2012, and sell its 34% minority interest in Areva NP S.A.S. to the majority shareholder Areva S.A. under the terms of a put agreement. The transaction is subject to the approval of antitrust authorities.

Outlook

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.

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. More detailed disclosure, particularly regarding legal proceedings, is provided in the annual report.

Financial Publications are available for download at:
www.siemens.com/ir → Publications & Events.

Earnings before interest and taxes, or EBIT (adjusted); Earnings before interest, taxes, depreciation and amortization, or EBITDA (adjusted); Return on capital employed (ROCE); Return on equity (ROE); Free cash flow; and Cash conversion rate are non-GAAP financial measures. These non-GAAP financial measures should not be viewed in isolation as alternatives to measures of our financial condition, results of operations or cash flows as presented in accordance with IFRS in our Consolidated Financial Statements. Information for a reconciliation of these amounts to the most directly comparable IFRS financial measures is available on our Investor Relations website under www.siemens.com/investors -> Financial Publications. "Profit Total Sectors" is reconciled to "Income from continuing operations before income taxes" in the table "Segment Information."

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/analystcall.

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.