Revenue growth continues in uncertain environment

Book-to-bill well above 1

Net income down 17% on lower Total Sectors profit

Peter Löscher, President and Chief Executive Officer of Siemens AG

"The uncertainties of the ongoing debt crisis have left their mark on the real economy. Our revenue increased again, while certain project delays burdened profits. Although a recovery is expected in the second half of the year, we must work hard to achieve our goals. With a backlog of more than 100 billion euros, a strong portfolio and a solid financial position, we are a trusted partner."

Financial Highlights:

- Revenue for the first quarter rose 2%, to €17.902 billion, including increases in all reporting regions and 8% growth in emerging markets. Organic revenue, excluding currency translation and portfolio effects, grew 3%.
- Orders came in at €19.809 billion, 5% below the prior-year period which included a significantly higher volume from large orders. The book-to-bill ratio for the quarter was 1.11, and the order backlog reached a new high at €102 billion.
- Total Sectors Profit declined 23%, to €1.601 billion, including lower profit in all Sectors.
- Income from continuing operations was down 27%, at €1.356 billion and corresponding basic EPS was €1.53. Net income declined 17%, to €1.457 billion and corresponding basic EPS of €1.64.

Remark: Siemens began in fiscal 2012 with a new Sector, Infrastructure & Cities, comprised of operations previously included in the Industry and Energy Sectors. Prior-period results for these three Sectors are reported on a comparable basis. For more information, see the supplemental data provided with this Earnings Release or Siemens' Annual Report for fiscal 2011.

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SIEMENS

Orders and Revenue

Revenue rises, order backlog hits new high

The macroeconomic environment grew more uncertain in the first quarter of fiscal 2012. Revenues rose 2%. Orders for Siemens declined 5% compared to the prior-year period, when the Sectors took in a higher volume from large orders, but again came in higher than revenue for a book-to-bill ratio of 1.11. The backlog (defined as the sum of the order backlogs of the Sectors) increased to a new high of €102 billion at the end of the quarter, benefiting from positive currency translation effects of €2 billion.

Higher revenue in all regions

Revenue in Energy was up 8% year-over-year, with all Divisions contributing to the increase. Revenue for Industry rose on increases in both of its Divisions. Revenue for the Healthcare Sector was up slightly, and Infrastructure & Cities posted a modest decline.

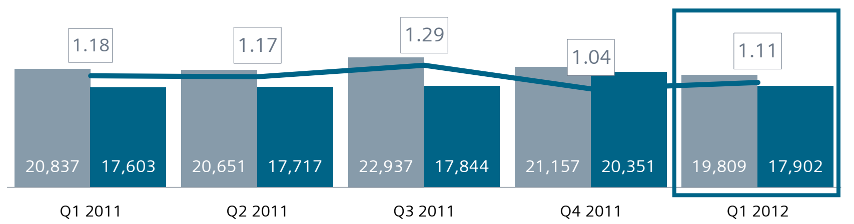
On a geographic basis, revenue was higher in all three regions compared to the prior-year period, led by 5% growth in Asia, Australia. Emerging markets on a global basis grew faster than revenue overall, at 8% year-over-year, and accounted for €5.749 billion, or 32%, of total revenue for the quarter.

Orders decline on lower volume from large orders

Orders rose 4% in Healthcare. The other Sectors posted order declines due to a significantly lower volume from large orders compared to the first quarter a year earlier. Orders in Industry in the prior year included a high volume of internal orders. Orders from external customers in Industry rose 6% year-over-year.

On a geographic basis, orders rose 3% in the Americas but declined 9% in Asia, Australia and 8% in the region comprising Europe, the Commonwealth of Independent States, Africa and the Middle East (Europe/CAME). Emerging markets on a global basis showed more strength than orders overall, declining only 3% and accounting for €7.192 billion, or 36%, of total orders for the quarter.

Book-to-Bill ratio



Figures in millions of €

New Orders · Revenue · Book-to-Bill ratio

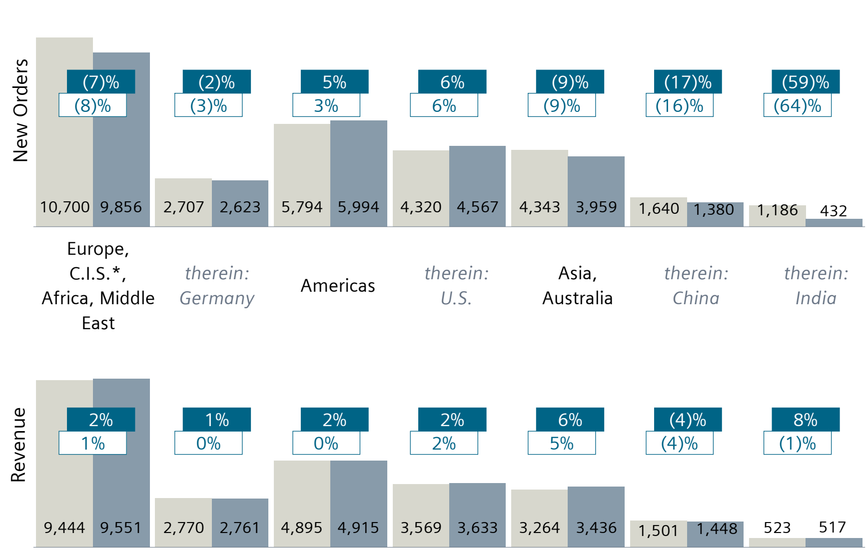
New Orders and Revenue

	Q1 2011	Q1 2012	% Change Actual	% Change Adjusted*
New Orders	20,837	19,809	(5)%	(4)%
Revenue	17,603	17,902	2%	3%

Figures in millions of €

* Excluding currency translation and portfolio effects.

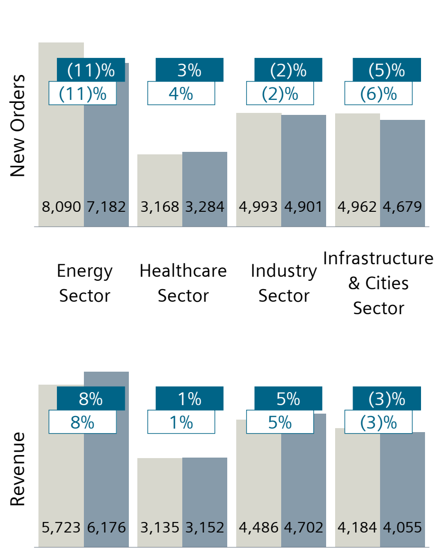
New Orders & Revenue by Region



Figures in millions of €

Q1 2011 · Q1 2012 · Actual change · * Commonwealth of Independant States
Adjusted change (throughout excluding currency translation and portfolio effects).

New Orders & Revenue by Sector



Figures in millions of €

Q1 2011 · Q1 2012 · Actual change
Adjusted change

Income and Profit

Total Sectors profit burdened by charges and higher functional costs

Total Sectors profit declined to €1.601 billion in the first quarter, down from €2.088 billion in the same period a year earlier. The difference was due mainly to project charges in Energy and Infrastructure & Cities. In addition, Healthcare took charges related to its two-year initiative “Agenda 2013” to increase competitiveness and innovation. Total Sectors profit was further held back by higher functional costs in all Sectors associated with growth, and by increased pricing pressure in renewable energy. For comparison, Total Sectors profit in the first quarter a year earlier was burdened by €240 million in expenses for special employee remuneration.

With its short-cycle businesses continuing to perform well, Industry contributed €556 million to Total Sectors profit in the first quarter, down from €641 million in the same period a year earlier. In the Energy Sector, profit fell to €481 million from €753 million a year earlier. The Sector took €203 million of the project charges mentioned above, related to delays in transmission projects, and posted losses in Renewable Energy. Fossil Power Generation delivered another strong earnings performance. Healthcare recorded profit of €364 million, down from €381 million in the prior-year period due largely to the charges mentioned above, totaling €72 million. First-quarter profit for Infrastructure & Cities fell to €200 million from €313 million a year earlier. This was due in part to €69 million of project charges mentioned above, related to delays in a rolling stock order in Germany.

Income falls with Sectors profit

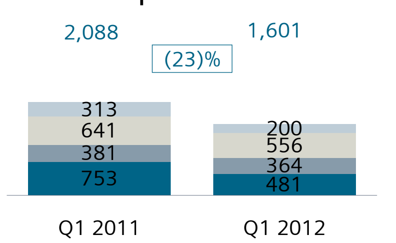
Income from continuing operations was €1.356 billion. Corresponding EPS was €1.53. In the prior-year period, income from continuing operations was €1.846 billion with corresponding basic EPS of €2.07. The main reason for the decline year-over-year was lower Total Sectors profit, while Financial Services (SFS) continued to deliver strong earnings contributions. Overall, results outside the Sectors remained nearly stable year-over-year, with the exception of the €240 million related to special employee remuneration allocated to the Sectors as mentioned above. The remuneration was accrued centrally at the end of fiscal 2010 before being debited to the Sectors in the first quarter of fiscal 2011. This created a corresponding positive effect within Corporate items.

Positive contributions from discontinued operations

Net income was €1.457 billion compared to €1.753 billion in the prior-year period. Corresponding basic EPS declined to €1.64 from €1.97 a year earlier. Within net income, discontinued operations swung to a positive €101 million from a negative €93 million a year earlier. The improvement was due to a sharply lower loss related to Siemens IT Solutions and Services, which was sold to AtoS S.A. (AtoS) between the periods under review. This loss was €2 million in the current period, down from €170 million in the first quarter a year earlier. Income from discontinued operations related to OSRAM came in slightly higher, reaching €115 million compared to €111 million a year earlier. OSRAM reported a 7% revenue increase

compared to the first quarter a year earlier, and 3% growth on an organic basis. OSRAM announced its intention to further strengthen its position in LED lighting while reducing its capacities for traditional lighting products.

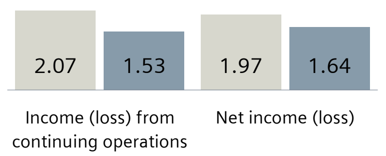
Total Sectors profit



Figures in millions of €

Sectors: Energy Healthcare Industry Infrastructure & Cities % Change

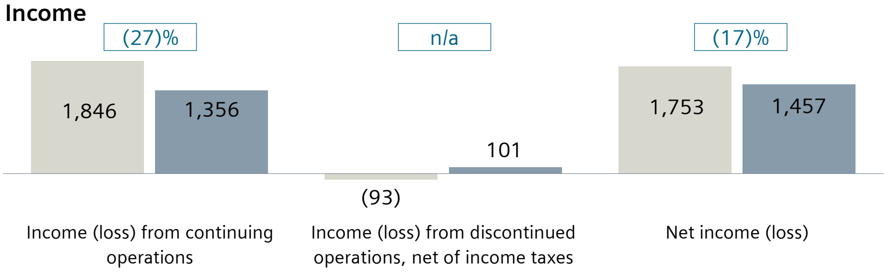
Basic Earnings per Share (EPS)



Figures in €

Q1 2011 Q1 2012

Income



Figures in millions of €

Q1 2011 Q1 2012 % Change

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

Weak cash performance at Total Sectors

After a strong year-end cash performance in fiscal 2011, Free cash flow at the Sector level was a negative €128 million in the current quarter compared to a positive €1.489 billion in the first quarter a year ago. The change year-over-year was due mainly to a substantial increase in trade and other receivables, especially in Energy, €0.3 billion related to the particle therapy business at Healthcare and also to lower Total Sectors profit. Free cash flow from continuing operations was a negative €1.029 billion compared to a positive €1.059 billion in the prior-year period, due mainly to the weak cash performance in the Sectors.

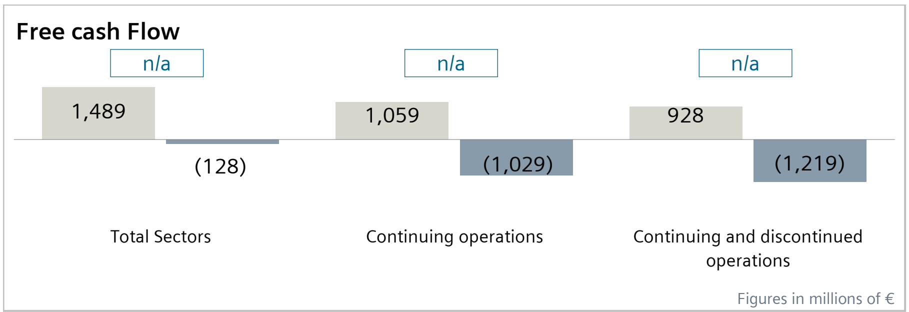
Free cash flow from discontinued operations was a negative €190 million compared to a negative €131 million in the first quarter a year ago. The decrease year-over-year related mainly to OSRAM, including net payments associated with contributions to pension plans, partly offset by lower cash outflows related to Siemens IT Solutions and Services.

ROCE declines on lower income from continuing operations

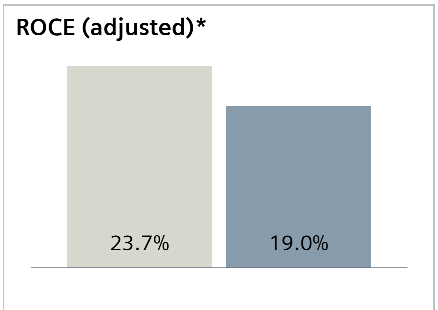
On a continuing basis, ROCE (adjusted) declined to 19.0% in the first quarter of fiscal 2012, down from 23.7% a year earlier. The difference was due to lower income from continuing operations, only slightly offset by lower average capital employed year-over-year.

Improvement in pension plan underfunding

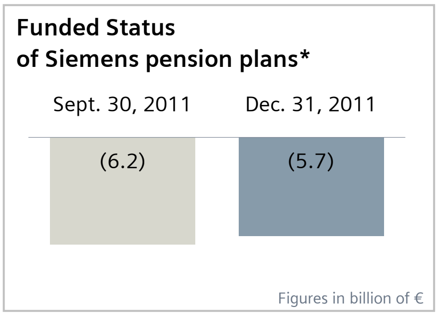
The estimated underfunding of Siemens' pension plans (continuing operations) as of December 31, 2011 amounted to approximately €5.7 billion, compared to an underfunding of approximately €6.2 billion at the end of fiscal 2011. The improvement in funded status since September 30, 2011 is due mainly to a positive actual return on plan assets. This was only partly offset by an increase in Siemens' defined benefit obligation (DBO) resulting from a decrease in the discount rate assumption as of December 31, 2011 and from accrued service and interest costs.



Q1 2011 Q1 2012 % Change



Q1 2011 Q1 2012
* Continuing operations



* Continuing operations

Energy Sector

Revenue growth continues, profit impact from grid projects

Effective with the beginning of fiscal 2012, the **Energy** Sector no longer includes the Power Distribution Division, which was transferred to the new Infrastructure & Cities Sector. Prior-period results for the Sector are reported on a comparable basis.

Energy reported a profit of €481 million in the first quarter, substantially below €753 million in the same period a year earlier. While Fossil Power Generation continued its strong project execution and earnings performance of recent quarters, Power Transmission recorded a substantial loss due to project charges, and Renewable Energy also posted a loss. Sector profit was further held back by higher functional costs resulting mainly from Energy's business expansion strategy. For comparison, profit in the prior-year period amount included the Sector's €60 million share of the special employee remuneration mentioned earlier.

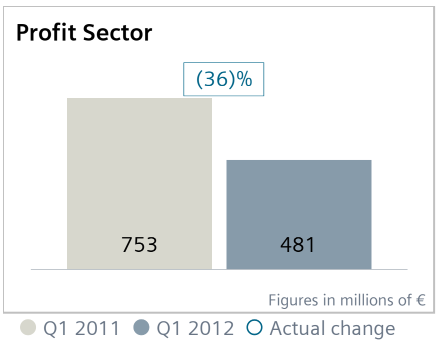
First quarter revenue rose 8% on conversion from Energy's strong order backlog, including double-digit revenue growth at Oil & Gas. On a regional basis, revenue grew rapidly in Asia, Australia, while Europe/CAME posted solid growth and revenue remained flat in the Americas. In contrast, order development was mixed in the first quarter. Orders at Fossil Power Generation came in substantially lower compared to the prior-year period, which included a much larger volume from major orders, and Power Transmission also posted significantly lower orders. These declines were only partly offset by Renewable Energy, where orders jumped from a low basis of comparison in the prior year period. As a result, orders for the Sector overall fell 11% compared to the first quarter a year ago. The regional picture for orders was also mixed, including a slight increase in the Americas and decreases in other regions. The book-to-bill ratio for Energy was 1.16, and the Sector's order backlog increased to €58 billion at the end of the quarter.

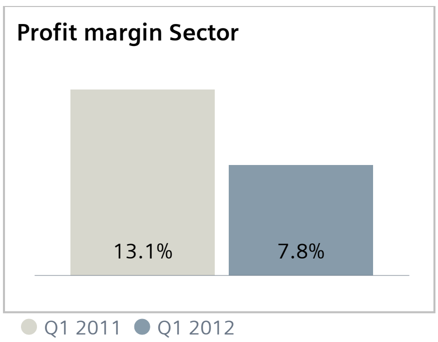
Revenue and profit climb on strong project execution

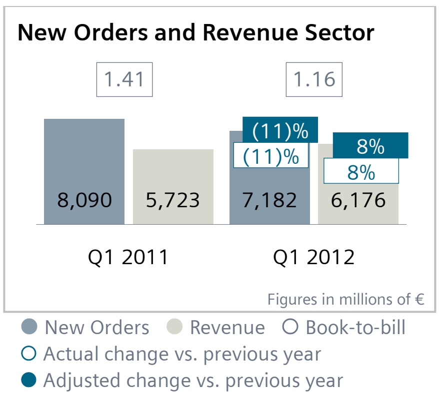
Fossil Power Generation generated profit of €580 million, up 22% compared to the prior-year period on strong project performance in the solutions business and, to a lesser extent, a higher earnings contribution from the service business. Profit also benefited from an €87 million gain on the divestment of the joint venture stake in OAO Power Machines, as part of the ongoing reorganization and expansion of its manufacturing network and service activities in Russia. This gain more than offset further project charges of €51 million related to the Olkiluoto project in Finland. Revenue rose 6% compared to the first quarter a year earlier, primarily on growth in Asia, Australia. Due to the lower volume from major orders mentioned above, first-quarter orders were down 30% including declines in all three reporting regions.

Growth continues, increased pricing pressure

The **Renewable Energy** business includes Siemens' Wind Power Division and Solar & Hydro Division. Higher expenses for R&D, marketing and selling associated with expansion in a highly competitive market, a less







favorable revenue mix, and increased pricing pressure resulted in a loss for Wind Power. As a result, Renewable Energy posted a loss of €48 million in the first quarter. Revenue for Renewable Energy rose 9% year-over-year, with nearly all growth coming from the Americas region. New orders climbed 65% compared to the first quarter a year earlier, which included a low volume from large orders. The Americas recorded a number of large orders for onshore wind-farms in the U.S., and led growth in all three reporting regions. The wind business expects continued revenue growth and a return to profitability in coming quarters.

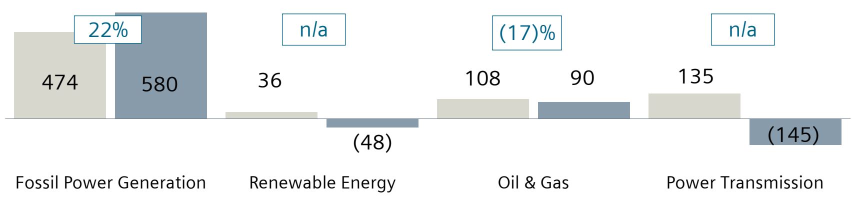
Steady contributions from Oil & Gas

Oil & Gas produced profit of €90 million in the first quarter, down from the prior-year period due primarily to recognition of a valuation allowance on receivables. Revenue increased 16% on growth in all reporting regions, with the highest increases coming from Asia, Australia. Orders edged up 2% as increases in Asia, Australia and Europe/CAME more than offset lower orders in the Americas.

Grid connection charges, pricing pressure burden profit

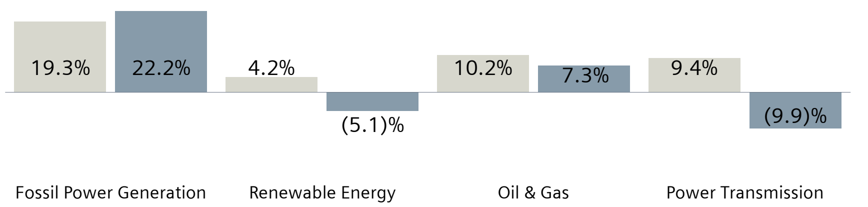
Power Transmission reported a loss of €145 million for the first quarter. The major factor was €203 million in project charges mainly related to grid connections to offshore wind-farms, in Germany, due to project delays resulting from a complex regulatory environment and cost increases associated with marine platforms. The Division was also impacted by a less favorable revenue mix. First-quarter revenue rose 3% year-over-year, as growth in Europe/CAME more than offset decreases in the Americas and Asia, Australia. First-quarter orders came in 21% lower compared to the prior-year quarter, including a sharp drop in orders in the solutions business. Orders were down in all three reporting regions, most notably Asia, Australia. The Division expects continuing challenges in coming quarters.

Profit by Business



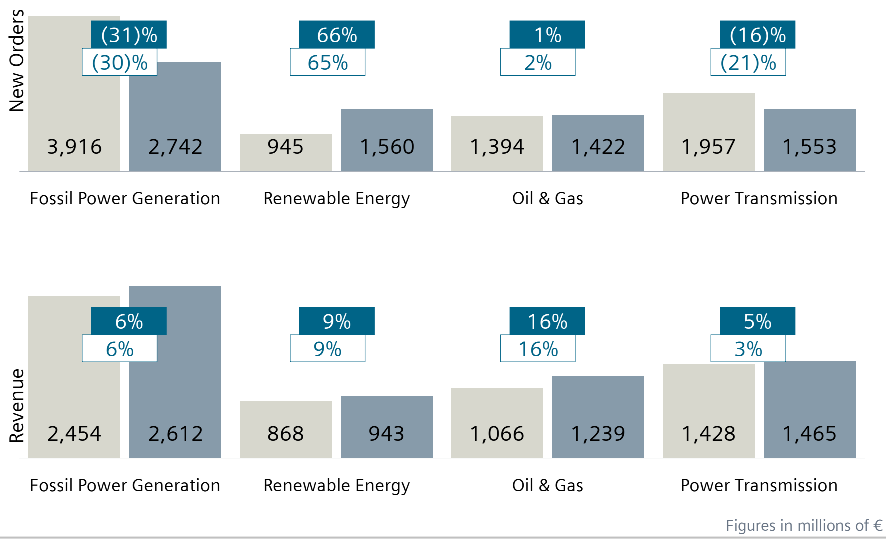
Q1 2011 Q1 2012 Actual change

Profit margin by Business



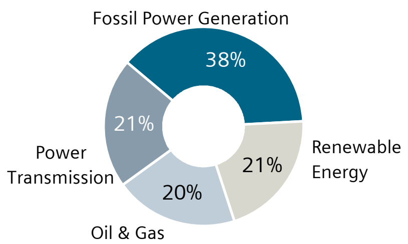
Q1 2011 Q1 2012

New Orders and Revenue by Business

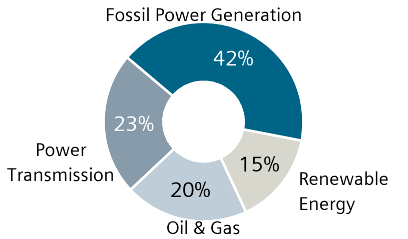


Q1 2011 Q1 2012 Actual change Adjusted change

New Orders: Weight of Business*



Revenue: Weight of Business*



* Unconsolidated basis

Healthcare Sector

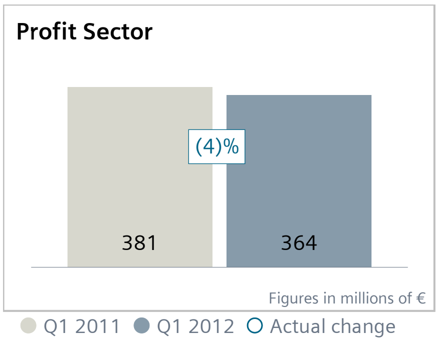
Orders and revenue grow, global initiative impacts profit

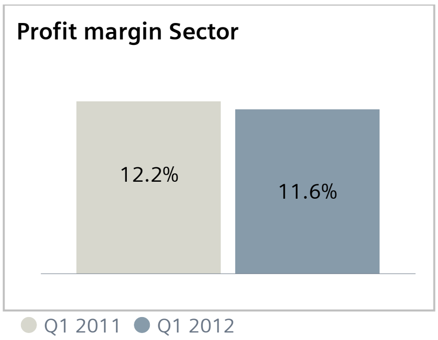
First-quarter profit in the **Healthcare** Sector was €364 million, influenced by a two-year global initiative "Agenda 2013" aimed at improving the Sector's competitive position and expanding its capacity for innovation. The Sector took €72 million in charges related to this initiative in the first quarter, in part for refocusing the radiation oncology business and improving the cost position at Diagnostics. Healthcare expects additional charges related to the initiative in coming quarters. Profit development in the current period also included higher marketing, selling and general administrative expenses. For comparison, Healthcare profit of €381 million in the first quarter a year earlier was held back by €32 million in charges related to the particle therapy business, a reserve of €19 million related to a customer loan and receivables in the audiology business, and the Sector's €43 million portion of the special employee remuneration mentioned earlier.

In connection with the "Agenda 2013" initiative, Diagnostics took €35 million charges related to improving its cost position. This was partly offset by positive results from a more favorable product mix. As a result, profit came in at €67 million compared to €78 million in the first quarter a year earlier. Purchase price allocation (PPA) effects related to past acquisitions at Diagnostics were €42 million in the first quarter. A year earlier, Diagnostics recorded €44 million in PPA effects. Operational challenges are expected to continue in coming quarters.

Healthcare increased revenue and orders 1% and 4%, respectively, compared to the prior-year period. Order growth came primarily from imaging and therapy systems and clinical products. On a regional basis, Asia, Australia was the primary growth driver for the Sector, including double-digit increases in China for both revenue and orders. The Americas region showed modest growth, while revenue and orders each declined in Europe/CAME. The book-to-bill ratio was 1.04, and Healthcare's order backlog was €7 billion at the end of the first quarter.

The Sector's Diagnostics business contributed to overall growth, with revenue of €925 million and orders of €927 million rising from €916 million and €926 million, respectively, in the prior-year period. On a geographic basis, Asia, Australia drove revenue and order growth on the strength of double-digit increases in China, while other regions showed slight declines.





Industry Sector

Short-cycle businesses holding up, ongoing investments in growth

Effective with the beginning of fiscal 2012, the **Industry** Sector no longer includes Siemens' transportation and logistics, building technologies and low voltage businesses, which were transferred to the new Infrastructure & Cities Sector. The Industry Solutions Division was dissolved and its business activities mainly divided up among the Industry Automation Division, the Drive Technologies Division and the Sector-led Metals Technologies Business Unit. Prior-period results for the Sector are reported on a comparable basis.

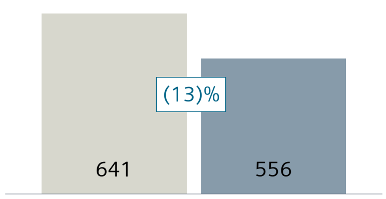
In a robust business environment, Industry's short cycle businesses continued to increase revenue year-over-year and the Sector further invested in growth and innovation. Higher associated expenses for functional costs held back profit and profitability in the current quarter. First-quarter profit was also burdened by pricing pressure for offerings in the markets for renewable energy. As a result, profit in Industry in the current period came in at €556 million. For comparison, first-quarter profit of €641 million a year earlier benefited from a more favorable revenue mix. Together with lower functional costs, this more than offset the Sector's €75 million share of the special employee remuneration costs mentioned above.

Revenue in the current quarter was up 5% compared to the prior-year period. On a regional basis, a double-digit revenue increase in Europe/CAME on strong demand from export-oriented customers more than offset declines in other regions. Orders came in somewhat lower compared to the same quarter a year earlier, which included a significantly higher volume from large orders at Drive Technologies. The Sector's book-to-bill ratio was 1.04 and its order backlog was €12 billion at the end of the quarter.

Growth continues, less favorable revenue mix

Industry Automation contributed first-quarter profit of €323 million, a decline from the prior-year period due mainly to increased expenses for marketing and selling associated with growth initiatives. The Division's revenue mix was also less favorable compared to the first quarter a year ago. Overall profitability for Industry Automation in both periods is strongly influenced by lower-margin industrial solutions activities including water technologies, which were transferred into Industry Automation effective with the beginning of fiscal 2012. Revenue was 4% higher in the current period, on increases in all three reporting regions. Orders came in 12% higher compared to the prior-year period. The change year-over-year included a positive effect from order recognition related to product lifecycle management software. On a regional basis, orders grew in all three regions including double-digit increases in the Americas and Europe/CAME. PPA effects related to the fiscal 2007 acquisition of UGS Corp. were €35 million in the current period, unchanged from the same quarter a year earlier.

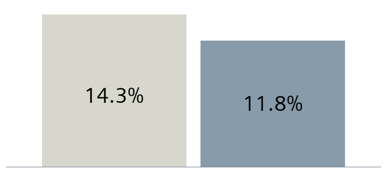
Profit Sector



Figures in millions of €

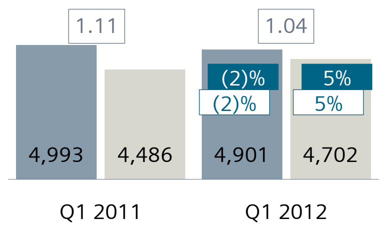
Q1 2011 Q1 2012 Actual change

Profit margin Sector



Q1 2011 Q1 2012

New Orders and Revenue Sector

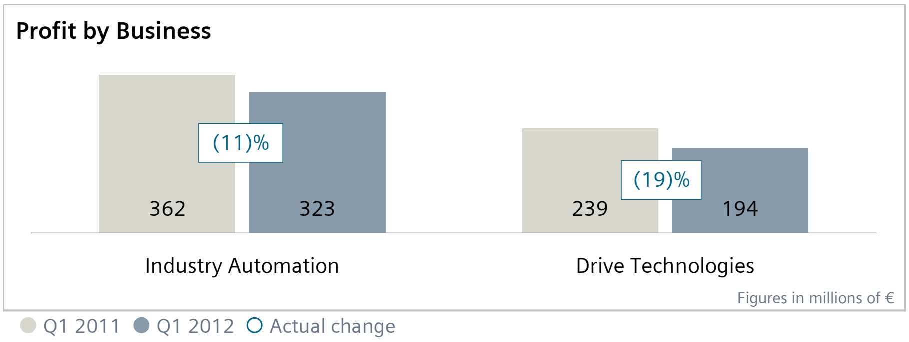


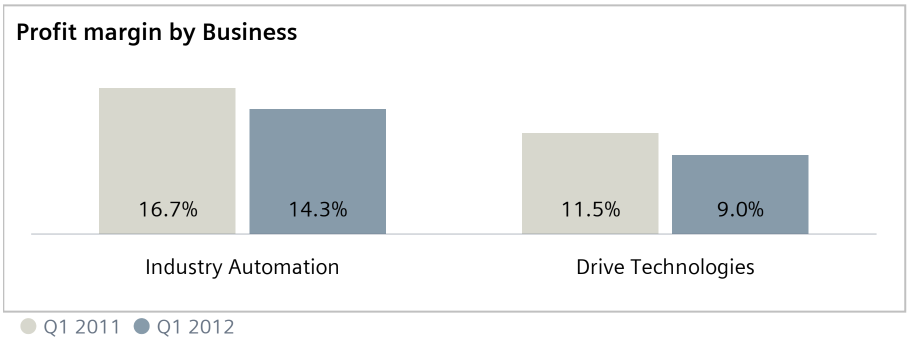
Figures in millions of €

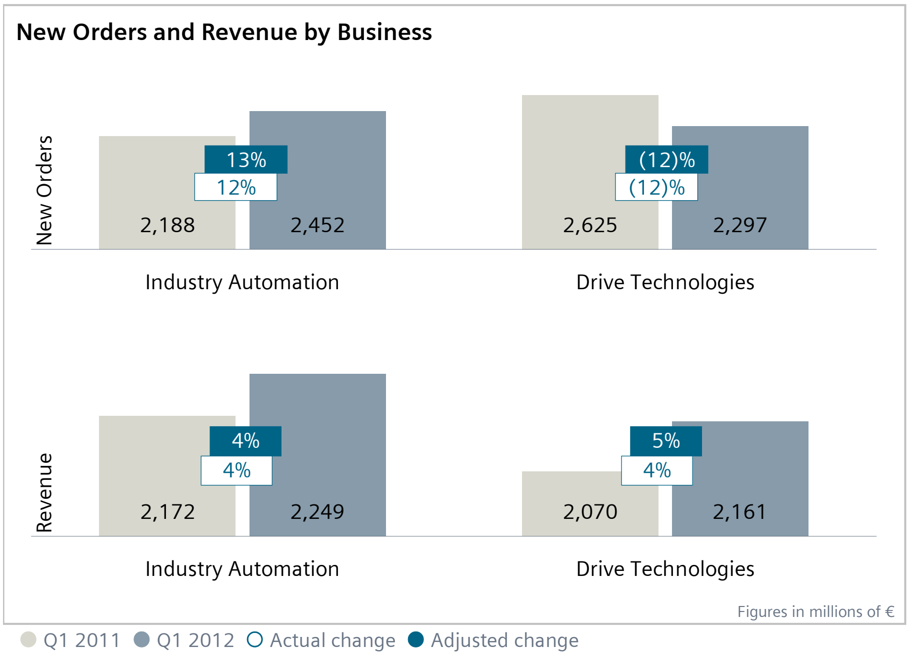
New Orders Revenue Book-to-bill
Actual change vs. previous year
Adjusted change vs. previous year

Profit under pressure

First-quarter profit at **Drive Technologies** was €194 million, down from €239 million a year earlier. The decline was due mainly to higher marketing and selling costs associated with growth and continuing increases in R&D expenses including for eCar. Furthermore, the Division's offerings for wind energy were negatively influenced by pricing pressure. In contrast, in a robust business environment, the Division's short-cycle businesses improved profit and profitability year-over-year. Overall profitability for Drive Technologies in both periods was influenced by lower-margin industrial solutions activities, which were transferred into the Division effective with the beginning of fiscal 2012. Revenue for the quarter was 4% higher than a year earlier, and orders declined 12% due to the large internal orders mentioned above, which were significantly higher in the prior-year period. On a regional basis, revenue and orders increased in the Americas and Europe/CAME.







Infrastructure & Cities Sector

Rolling stock and low and medium voltage pull down results for new Sector

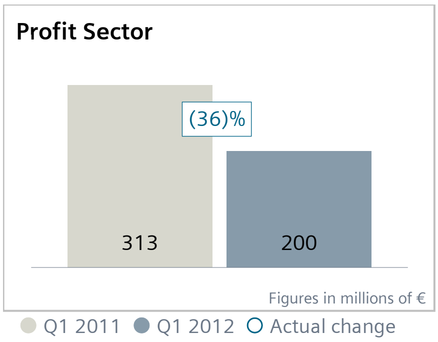
The **Infrastructure & Cities** Sector combines Siemens' businesses in transportation and logistics, power grid solutions and products, and building technologies. These businesses were formerly included within the Energy and Industry Sectors. Prior-period results for the Sector are reported on a comparable basis.

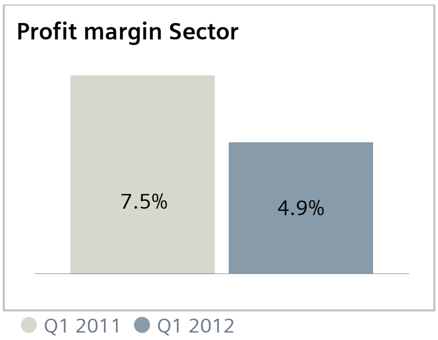
The Infrastructure & Cities Sector recorded a profit of €200 million in the first quarter, held back by a charge of €69 million at a rolling stock project, a less favorable business mix at the Low and Medium Voltage Division as well as higher functional costs associated with growth initiatives. For comparison, profit of €313 million in the prior-year period included a €63 million share of the special employee remuneration mentioned earlier. First-quarter revenue for Infrastructure & Cities declined 3% year-over-year. Orders came in 6% lower than the prior-year period, which included a significantly higher volume from major orders at Transportation & Logistics. The Power Grid Solutions & Products business and Building Technologies Division posted volume growth compared to the first quarter a year earlier. On a regional basis, revenue and orders grew in the Americas but declined in Europe/CAME and Asia, Australia.

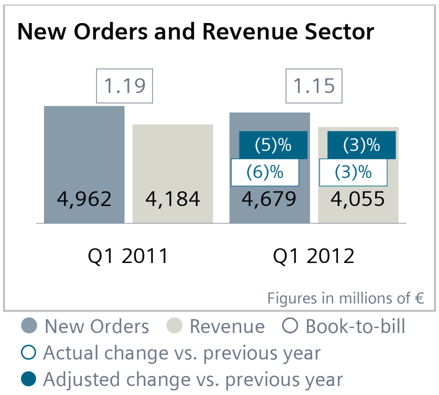
The Sector's book-to-bill ratio was 1.15 and its order backlog at the end of the quarter was €25 billion.

Project delay holds back profit and revenue

The **Transportation & Logistics** business includes Siemens' Rail Systems Division and Mobility and Logistics Division. Profit for Transportation & Logistics fell to €27 million in the first quarter, a significant decline from the prior-year period. The primary factor was charges of €69 million related to delays in fulfilling a rolling stock order in Germany. This delay also reduced revenue by €45 million during the quarter, and revenues overall came in 10% lower compared to the first quarter a year earlier. While the current period includes a major order for trains in Russia, the prior-year period included a number of such orders, including a major order for high-speed trains in the U.K. As a result, orders for the current period came in 15% lower than a year earlier. On a regional basis, revenue and orders declined in all three reporting regions compared to the prior-year period.







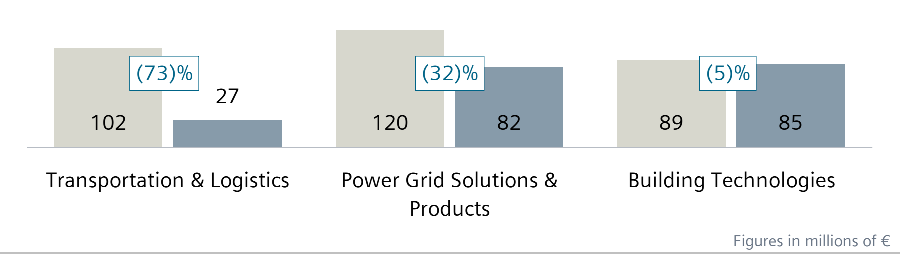
Higher revenue and orders, further spending for growth

The **Power Grid Solutions & Products** business includes Siemens' Low and Medium Voltage Division and its Smart Grid Division. First-quarter profit for Power Grid Solutions & Products declined to €82 million due to a less favorable business mix mainly at the low voltage business and higher expenses for smart grid growth initiatives. Revenue rose 2% compared to the first quarter a year ago, due to growth in the Americas. Orders increased 7%, as growth in the Americas and Asia, Australia more than offset a decline in Europe/CAME.

Revenue growth, slight profit decline

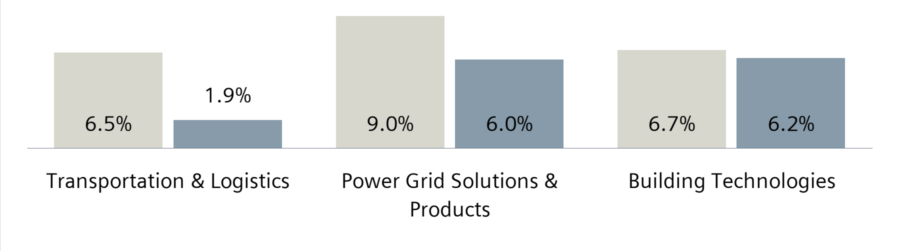
Building Technologies contributed profit of €85 million in the first quarter. The decline compared to the prior-year period was due to higher functional costs associated with growth initiatives. Revenue and orders were up 4% and 1%, respectively, compared to the prior-year period on broad-based growth throughout the Division. On a regional basis, revenue was up in all three reporting regions while order growth came from Asia, Australia and Europe/CAME.

Profit by Business



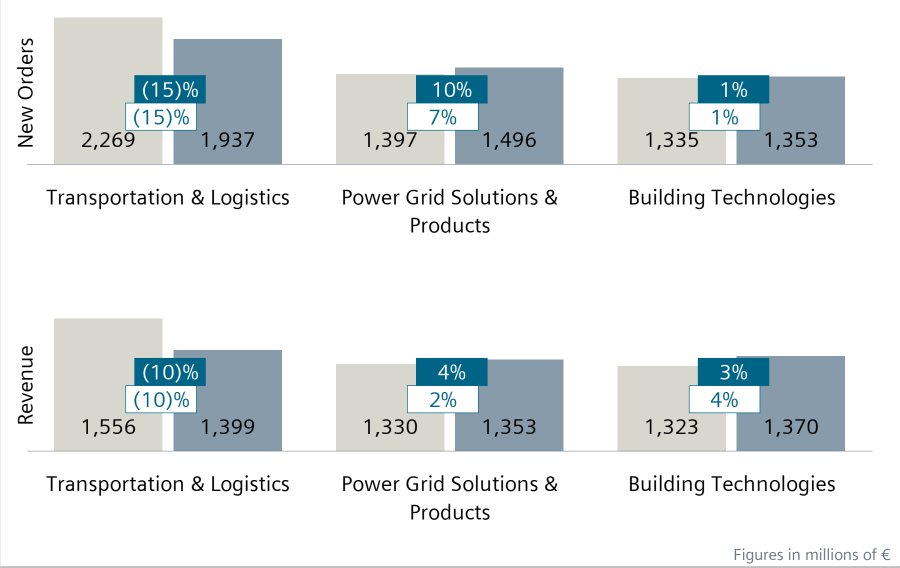
Q1 2011 Q1 2012 Actual change

Profit margin by Business



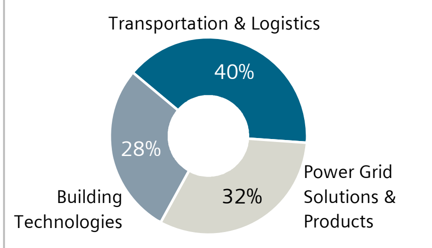
Q1 2011 Q1 2012

New Orders and Revenue by Business

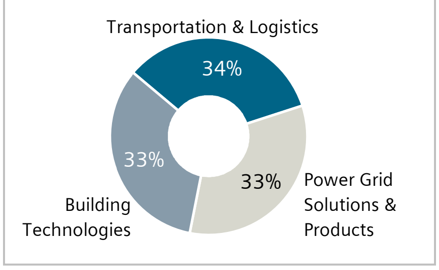


Q1 2011 Q1 2012 Actual change Adjusted change

New Orders: Weight of Business*



Revenue: Weight of Business*



* Unconsolidated basis

Equity Investments and Financial Services

Positive contributions from Equity Investments

Profit at **Equity Investments** in the current period was €75 million compared to €85 million a year earlier. The result related to Siemens' share in Nokia Siemens Networks B.V. (NSN) was equity investment income of €0 million compared to equity investment income of €18 million in the prior-year period. NSN reported to Siemens that it took restructuring charges and integration costs totaling €23 million, down from €29 million in the first quarter a year earlier. In the coming quarter, NSN expects substantial charges related to its previously announced global restructuring program aimed at maintaining long-term competitiveness and improving profitability.

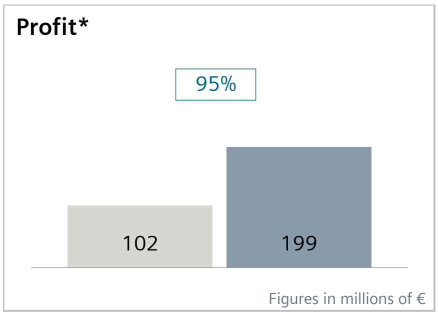
Profit from Equity Investments is expected to be volatile in coming quarters.

SFS's growth strategy drives strong profit performance, divestment gain

As previously announced, effective with the beginning of fiscal 2012 **SFS** realigned its resources and expertise in the capital business into two global business models: Project and Structured Finance and Commercial Finance.

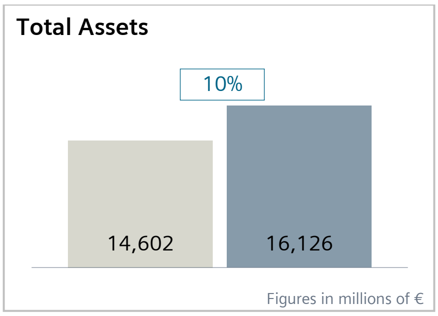
In the first quarter, SFS generated €199 million in profit (defined as income before income taxes), a sharp increase compared to €102 million in the prior-year period. The current period benefited from a €78 million gain on the sale of a stake in Bangalore International Airport Limited, a public-private partnership. This transaction reduced SFS's equity participation from 40% to 26%.

The capital business generated higher interest results compared to the prior-year period, partly offset by increased operating expenses associated with its growth strategy. SFS took advantage of a favorable environment to book new business, and Total assets increased significantly, to €16.126 billion, including positive currency translation effects. The resulting growth in new business reduced Siemens' Total liquidity.

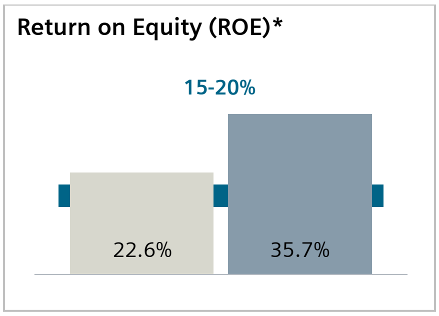


Q1 2011 Q1 2012 Actual change

* Financial Services (SFS) profit as reported in the Segment Information is defined as Income before income taxes (IBIT)



Sept. 30, 2011 Dec. 31, 2011 Actual change



Q1 2011 Q1 2012 ROE (after tax) target range

* ROE (after tax) is calculated as profit after tax (annualized for purposes of interim reporting) divided by SFS average allocated equity, which was €1.636 billion compared to €1.431 billion in the prior-year period

Siemens Real Estate, Corporate Activities and Eliminations

Lower gains on disposals of real estate

Income before income taxes at **Siemens Real Estate** (SRE) was €5 million in the first quarter, compared to €97 million in the same period a year earlier. This decrease is mainly attributable to significantly lower income related to the disposal of real estate.

Losses at Corporate items and pensions

Corporate items and pensions totaled a negative €74 million in the first quarter compared to a positive €259 million in the same period a year earlier. The difference was due primarily to Corporate items, which were a negative €61 million compared to a positive €231 million in the first quarter of fiscal 2011. The current quarter included net expenses of €46 million related to a major asset retirement obligation, compared to €24 million in the prior-year quarter. In addition, the current quarter includes an amount of €35 million related to reimbursements to AtoS for costs which arise in connection with AtoS becoming Siemens' external IT service provider. The prior-year quarter benefited from management's allocation of €267 million of personnel-related costs related to the special employee remuneration mentioned earlier, which had been accrued in Corporate Items in fiscal 2010. Within this amount are €240 million that were allocated to the Sectors as mentioned earlier. The prior period also included higher net expenses related to legal and regulatory matters.

Centrally carried pension expense totaled a negative €13 million in the first quarter, compared to a positive €28 million in the prior-year period. The change is due primarily to a negative effect resulting from a lower expected return on plan assets and higher interest costs.

Improved result from Corporate Treasury activities

Income before income taxes from **Eliminations, Corporate Treasury and other reconciling items** was a positive €39 million in the first quarter compared to a negative €32 million in the same period a year earlier. The primary factor in the improvement was higher income from Corporate Treasury activities due mainly to changes in the fair market value of interest rate derivatives used for interest rate management.

Notes and Forward-Looking Statements

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 → Publications & Events.

New orders and order backlog; adjusted or organic growth rates of revenue and new orders; book-to-bill ratio; Total Sectors profit; return on equity (after tax), or ROE (after tax); return on capital employed (adjusted), or ROCE (adjusted); Free cash flow, or FCF; cash conversion rate, or CCR; adjusted EBITDA; adjusted EBIT; adjusted EBITDA margins, earnings effects from purchase price allocation, or PPA effects; 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. Other companies that report or describe similarly titled financial measures may calculate them differently. Definitions of these supplemental financial measures, a discussion of the most directly comparable IFRS financial measures, information regarding the usefulness of Siemens' supplemental financial measures, the limitations associated with these measures and reconciliations to the most comparable IFRS financial measures are available 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 for fiscal 2011, which can be found on our Investor Relations website or via the EDGAR system on the website of the United States Securities and Exchange Commission.

Beginning today at 07:30 a.m. CET, the press conference at which CEO Peter Löscher and CFO Joe Kaeser discuss the quarterly figures will be broadcast live at www.siemens.com/pressconference.

Starting at 08:30 a.m. 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. Recordings of the press conference and the analysts and investors conference will subsequently be made available as well.

Starting today at 10 a.m. CET, we will also provide a live video webcast 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/press/agm. A video of the speeches will be available after the live webcast.

This document contains forward-looking statements and information – that is, statements related to future, not past, events. These statements may be identified by words such as "expects," "looks forward to," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "will," "project" or words of similar meaning. Such statements are based on the current expectations and certain assumptions of Siemens' management, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens' control, affect Siemens' 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. In particular, Siemens is strongly affected by changes in general economic and business conditions as these directly impact its processes, customers and suppliers. This may negatively impact our revenue development and the realization of greater capacity utilization as a result of growth. Yet due to their diversity, not all of Siemens' businesses are equally affected by changes in economic conditions; considerable differences exist in the timing and magnitude of the effects of such changes. This effect is amplified by the fact that, as a global company, Siemens is active in countries with economies that vary widely in terms of growth rate. Uncertainties arise from, among other things, the risk of customers delaying the conversion of recognized orders into revenue or cancelling recognized orders, of prices declining or expenditures increasing as a result of adverse market conditions by more than is currently anticipated by Siemens' management or of functional costs increasing in anticipation of growth that is not realized as expected. Other factors that may cause Siemens' results to deviate from expectations include developments in the financial markets, including fluctuations in interest and exchange rates (in particular in relation to the US$, British £ and the currencies of emerging markets such as China, India and Brazil), in commodity and equity prices, in debt prices (credit spreads) and in the value of financial assets generally. Any changes in interest rates or other assumptions used in calculating obligations for pension plans and similar commitments may impact Siemens' defined benefit obligations and the anticipated performance of pension plan assets resulting in unexpected changes in the funded status of Siemens' pension and other post-employment benefit plans. Any increase in market volatility, deterioration in the capital markets, decline in the conditions for the credit business, uncertainty related to the subprime, financial market and liquidity crises, including the sovereign debt crisis in the Eurozone, or fluctuations in the future financial performance of the major industries served by Siemens may have unexpected effects on Siemens' results. Furthermore, Siemens faces risks and uncertainties in connection with: disposing of business activities, certain strategic reorientation measures, including reorganization measures relating to its segments; the performance of its equity interests and strategic alliances; the challenge of integrating major acquisitions, implementing joint ventures and other significant portfolio measures; the performance, measurement criteria and composition of its Environmental Portfolio; the introduction of competing products or technologies by other companies or market entries by new competitors; changing competitive dynamics (particularly in developing markets); the risk that new products or services will not be accepted by customers targeted by Siemens or that there may be delays in the delivery of new products and services due to unexpected technical difficulties; changes in business strategy; the interruption of our supply chain, including the inability of third parties to deliver parts, components and services on time resulting for example from natural disasters; the outcome of pending investigations, legal proceedings and actions resulting from the findings of, or related to the subject matter of, such investigations; the potential impact of such investigations and proceedings on Siemens' business, including its relationships with governments and other customers; the potential impact of such matters on Siemens' financial statements, and various other factors. More detailed information about certain of the risk factors affecting Siemens is contained throughout this report and in Siemens' other filings with the SEC, which are available on the Siemens website, www.siemens.com, and on the SEC's website, www.sec.gov. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Siemens neither intends to, nor assumes any obligation to, update or revise these forward-looking statements in light of developments which differ from those anticipated.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.