

EMBARGOED: January 27, 2009, 10:00 am

Munich, Germany, January 27, 2009

Past successfully and systematically addressed

Cromme: Siemens again “on a firm foundation of integrity”

“With great relief, a dark chapter in Siemens’ history has been systematically and successfully addressed,” said Gerhard Cromme, Chairman of the Supervisory Board of Siemens AG, at the company’s Annual Shareholders’ Meeting. Around two years after the start of investigations, the legal proceedings connected with the bribery allegations against the company in Germany and the U.S. have now come to an end. “We would like to express our deep regret that there has been unacceptable misconduct at Siemens in the past. We have done everything in our power to clarify what happened and to identify and correct the causes of misconduct,” added Cromme. “Today, Siemens has a clear, transparent structure with no gray zones of responsibility. At the same time, the company is more efficient, more cost-effective and thus more competitive. Siemens’ internal control mechanisms are among the best in the world. After two difficult years, Siemens once again stands on a firm foundation of integrity. Building on this foundation, we can now move forward,” he said.

In December 2008, the investigating authorities in Germany and the U.S. concluded the legal proceedings connected with the bribery allegations against Siemens. Cromme spoke of a “fair and proportionate” verdict. The total fines imposed amounted to approximately €1.2 billion. The investigative authorities expressly emphasized the company’s exemplary cooperation. “It was clear from Day One that we were firmly committed to clearing up these matters, irrespective of the persons involved – and even if certain findings were hard to face. Wherever misconduct was proved beyond a doubt, we immediately took the necessary action. Wherever there were systematic weaknesses, we identified and corrected them. Wherever the necessary resources were lacking, we provided them,” said the Chairman of the Supervisory Board. Cromme also welcomed the decision of the U.S. authorities to appoint former German Finance Minister Theo Waigel as an independent Compliance Monitor at Siemens.

Changes in Siemens' Supervisory Board

There will soon be a number of changes in Supervisory Board personnel. Effective today, Ralf Heckmann, the First Deputy Chairman, is resigning his office for personal reasons. "We have accepted Mr. Heckmann's decision with regret, and would like to thank him for his many years of outstanding service on the Board. With his considerable experience and clear thinking, he has always helped us reach a consensus, even on difficult matters," said Cromme. Ralf Heckmann has been a member of the Supervisory Board since 1988 and First Deputy Chairman since 2002. Berthold Huber has been nominated to succeed him in this position. The Supervisory Board will vote on Mr. Heckmann's successor following today's Annual Shareholders' Meeting. Hans-Jürgen Hartung has been nominated as a new member of the Supervisory Board.

Ernst & Young proposed as future independent auditors

The Supervisory Board has proposed Ernst & Young as independent auditors for fiscal 2009. This was the result of a comprehensive bidding process and intensive discussions between the Supervisory Board, the Audit Committee and the Managing Board. The choice was ultimately narrowed down to the two accounting firms Ernst & Young and KPMG. Cromme emphasized that both companies had submitted compelling bids and met the requirements for appointment as independent auditors. By choosing Ernst & Young, the company would like to underscore its commitment to optimal corporate governance.

Adjustments to Supervisory Board remuneration

Both the Chairman's Committee and the Supervisory Board have been intensively occupied with the revision of the system of Supervisory Board remuneration and have also sought the prior advice of outside experts. The adjustments will primarily affect remuneration for committee participation. The intention is to increase compensation for the intensive work done in those committees that meet regularly. There will also be increases for the Deputy Chairmen and the Chairman. Profit from continuing operations will provide the basis for calculating remuneration. "This means, for example, that restructuring costs will always be taken into account in the calculation. This was not the case in the past." Cromme explained that the remuneration paid to the members of Siemens' Supervisory Board is "commensurate": "This will remain unchanged. However, if future developments suggest that an adjustment is required to keep Supervisory Board remuneration at an appropriate level, we will, of course, act." The compensation paid to the Chairman of Siemens' Supervisory Board is considerably below that at other DAX-listed companies.

Siemens AG (Berlin and Munich) is a global powerhouse in electronics and electrical engineering, operating in the industry, energy and healthcare sectors. The company has around 430,000 employees (in continuing operations) working to develop and manufacture products, design and install complex systems and projects, and tailor a wide range of solutions for individual requirements. For over 160 years, Siemens has stood for technical achievements, innovation, quality, reliability and internationality. In fiscal 2008, Siemens had revenue of €77.3 billion and a net income of €5.9 billion (IFRS). Further information is available on the Internet at: www.siemens.com.

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 and recessionary trends); the behavior of financial markets, including fluctuations in interest and exchange rates, commodity and equity prices, debt prices (credit spreads) and financial assets generally; continued volatility and further deterioration of the capital markets; the commercial credit environment and, in particular, additional uncertainties arising out of the subprime, financial market and liquidity crises; future financial performance of major industries that we serve, including, without limitation, the Sectors Industry, Energy and Healthcare; the challenges of integrating major acquisitions and implementing joint ventures and other significant portfolio measures; 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, including corruption investigations to which we are currently subject and actions resulting from the findings of these investigations; 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 throughout this report and in our 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 does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.