

SIEMENS

Annual Shareholders' Meeting of Siemens AG

Report by President and CEO Dr. Klaus Kleinfeld
Munich, January 25, 2007

Robust growth in new orders and sales

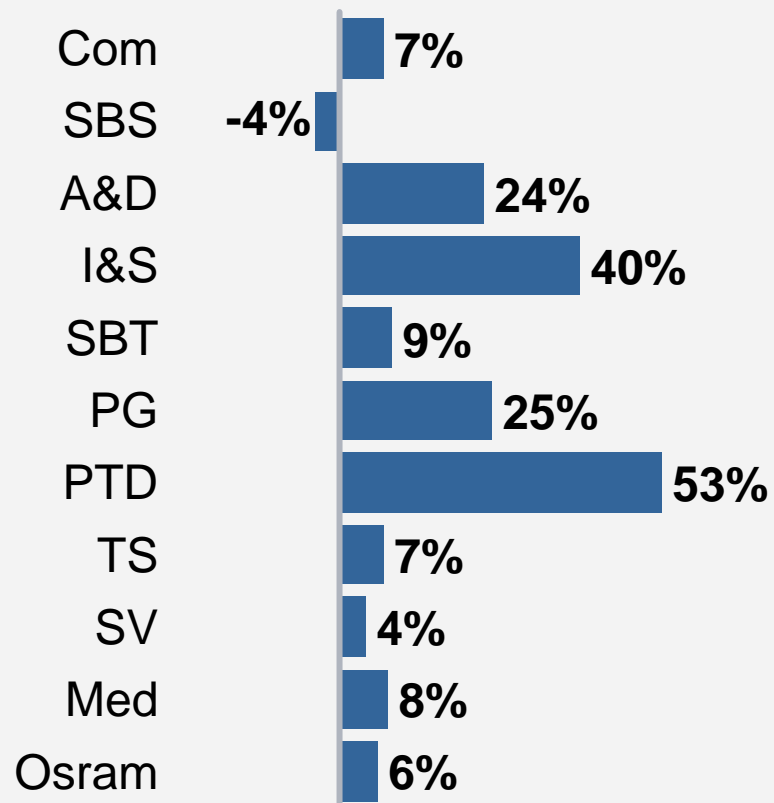
in millions of euros	U.S. GAAP FY 2006	Δ (FY 05 – 06)
New orders (continuing operations)	96,259	+15%
Sales (continuing operations)	87,325	+16%

Group profit from Operations substantially improved

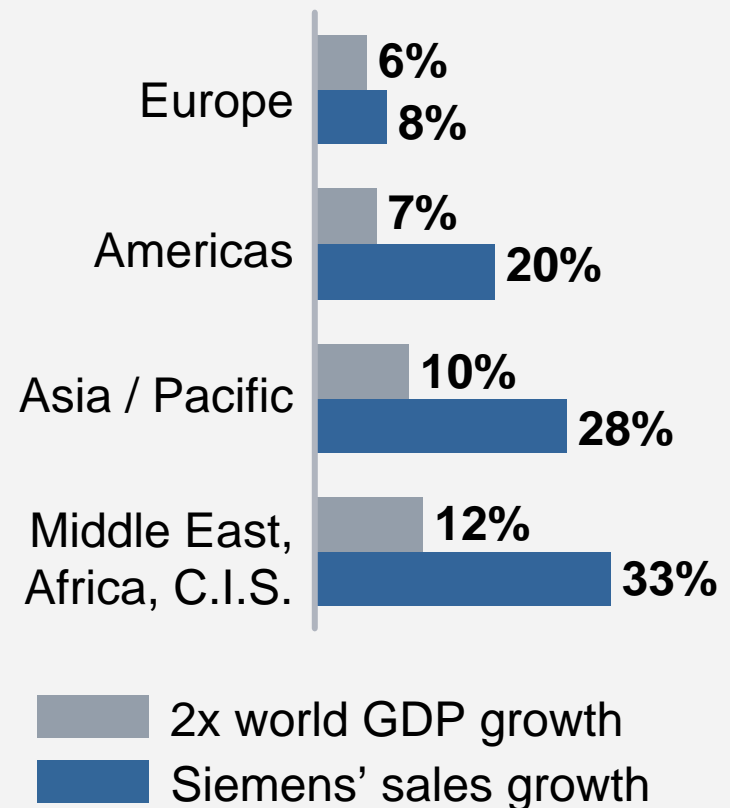
in millions of euros	U.S. GAAP FY 2006	U.S. GAAP FY 2005
Group profit from Operations (continuing operations)	5,256	4,687
Net income (continuing operations)	3,087	3,058
Net income	3,033	2,248
Earnings per share , in euros (continuing operations)	3.47	3.43
Dividend , in euros (proposed)	1.45	1.35

Dynamic growth – Well above 2x world GDP

Growth rates – Groups 2005 – 2006



Growth rates – Regions 2005 – 2006



Strong rise in Group profit from Operations

in millions of euros	IFRS Q1 2007	Δ (Q1/06 – Q1/07)
New orders (continuing operations)	24.582	+4%
Sales (continuing operations)	19.068	+6%
Group profit from Operations, (continuing operations)	1.631	+51%
Net income (continuing operations)	714	+18%
Net income	788	-16%
Net cash (continuing operations)	-1.160	-436

All Groups on track

Groups	Profit margin Q1 2007 IFRS	Target margin	Status
SBS	2,0%	5–6%	
A&D	13,3%	11–13%	
I&S	4,3%	4–6%	
SBT	5,9%	7–9%	
PG	6,2%	10–13%	
PTD	7,5%	5–7%	
TS	4,4%	5–7%	
SV	6,0%	5–6%	
Med	14,5%	11–13%	
Osram	10,5%	10–11%	
SFS*	31,9%	18–22%	

* Return on equity

Fit4More positive – On track to meet 2007 goals

Fit4More – Profit & Growth Program

Performance and Portfolio

- Solve Mobile Devices
- Finalize strategic reorientation of I&C (Com, SBS)
- Strategic reorientation of L&A
- Reach target margins at all Groups
- Build portfolio for 2x world GDP growth

Operational Excellence

- Execute Siemens Management System (powered by *top+*) with focus on:
 - Innovation
 - Customer Focus
 - Global Competitiveness

People Excellence

- Achieve high-performance culture
- Establish Leadership Excellence Program
- Increase global talent pool
- Strengthen expert careers

Corporate Responsibility

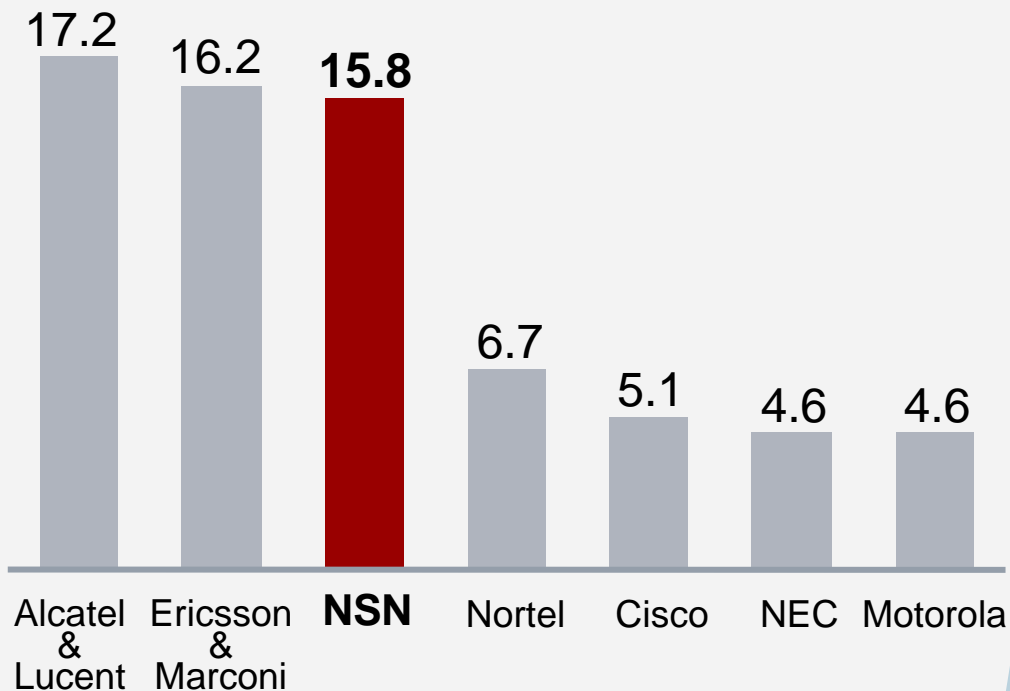
- Achieve best-in-class in:
 - Corporate Governance
 - Business Practices
 - Sustainability
 - Corporate Citizenship

Execution by April 2007!

With Nokia Siemens Networks – Among the leaders in the telecom industry

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Nokia Siemens Networks*



Status

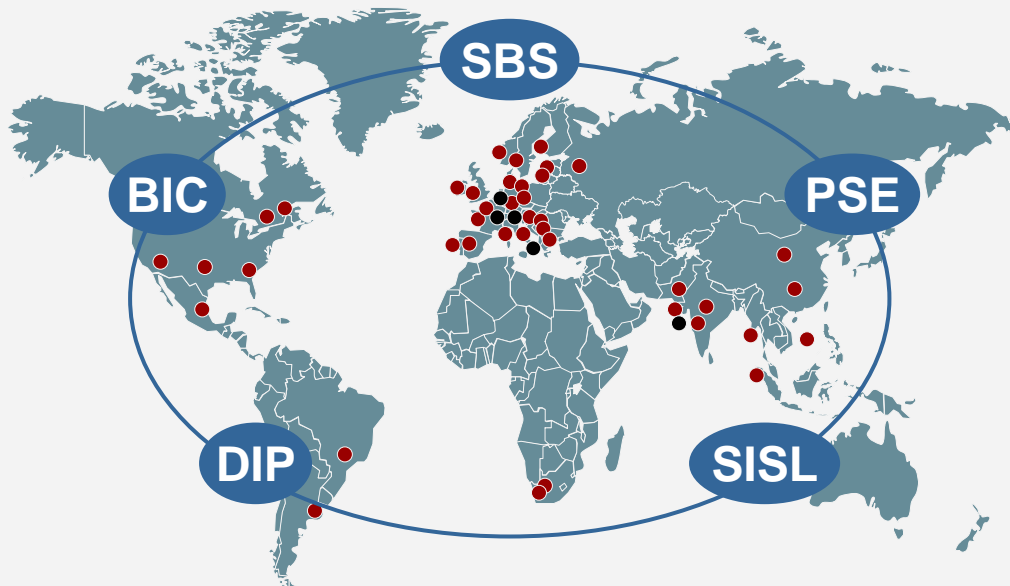
- **Regulatory approval** in all key countries
- Good progress in **integration planning**
- **Closing** expected in **Q2 FY 2007**

* Figures comparable on 2005 basis, in billions of euros

Siemens IT Solutions and Services – Strong partner for integrated, sector-specific solutions

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Siemens IT Solutions and Services



● SIS locations worldwide




Status

- Establishment of new Siemens IT Solutions and Services Group on January 15, 2007
- Turnaround program on schedule – SBS back in the black in Q1 2007

**Herkules order –
€7.1 billion
over 10 years***

* Siemens share 60%

We have consistently increased our strengths

Application fields	Acquisitions	Market position
 Energy & Environmental care	USFilter (May 2004)	U.S. # 1
	Bonus Energy (October 2004)	Worldwide # 5 Offshore # 1
	Flender (March 2005)	Industry & wind # 1
	Robicon (July 2005)	MV converters # 1
	VA Tech (July 2005)	VAI # 1 T&D # 4
 Automation & control, Industrial & public infrastructures	Wheelabrator (October 2005)	U.S. leader in flue gas desulphurization
	Electrium (December 2005)	UK # 3
	Sustec (May 2006)	Leader in fuel gasification
	Kühnle, Kopp & Kausch (July 2006)	Leader in DT <5MW
	 Healthcare	CTI Molecular Imaging (March 2005)*
Diagnostic Products (April 2006)		} IVD overall # 3 Immunodiagnosics # 2
Bayer Diagnostics (June 2006)		

* Positron emission tomography (PET)

Eco-friendly power generation – Siemens has the solutions

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Efficient power generation

Global leader in efficient combined cycle plants with world's most powerful gas turbine (H-frame turbine)

Efficiency
> 60%



Clean power generation

Fuel gasification (**Sustec**)
Flue gas desulphurization (**Wheelabrator**)

Low-
emission
power
plants



Renewable energies

Leader in offshore wind farms
Construction of Europe's largest **wind farm**

New orders in
U.S. since
2005
1,400 MW

World's first fully integrated diagnostics company

In-vitro diagnostics



No. 2 in immuno-diagnostics, strong **No. 3 position** in overall **IVD market**

In-vivo diagnostics



Innovation leader, e.g. **Somatom Definition** – World's first CT with **two imaging systems**

Healthcare IT



No. 1 in healthcare IT with **Soarian** and **syngo** clinical IT platforms

We are connecting the “Digital Factory” with the real manufacturing world

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UGS

- Sales 2005: ~USD 1.2 bn
- Workforce: >7,000
- Leading Supplier of Industrial Software (Product Lifecycle Management)
- Headquarter: Dallas / Texas

+

Siemens A&D

- Global Market Leader in Industrial Automation
- Trendsetter in the area of Digital Factory
- Comprehensive Portfolio in Automation Technology

An IPO of SV offers excellent opportunities

Siemens automotive systems – A success story

- EUR **10 billion** global **business**
- Average **growth** of **10%** a year (1989 - 2006)
- **Target margins** reached every year since 2003
- **Outstanding position** in high-growth automobile electronics sector



Future trends and basic requirements



- **Investments** to further **strengthen technology** position and **regional set-up**

intended IPO

- Siemens as **majority shareholder**
- Excellent access to **capital markets**, sector specific **capital structure**
- Creation of **acquisition currency**
- Realization of **full growth- and innovation potential**

Reconciliations and definitions

"Group profit from Operations" is reconciled to "Income before income taxes" of Operations under "Reconciliation to financial statements" on the table "Segment information". See "Financial Publications/Quarterly Reports, FY2007Q1, Financial Statements" at our Investor Relations website under www.siemens.com

ROE (Return on equity) margin for SFS was calculated as SFS' income before income taxes divided by the allocated equity for SFS. Allocated equity for SFS as of September 30, 2006 was € 1,131 million.

The allocated equity for SFS is determined and influenced by the respective credit ratings of the rating agencies and by the expected size and quality of its portfolio of leasing and factoring assets and equity investments and is determined annually. This allocation is designed to cover the risks of the underlying business and is in line with common credit risk management banking standards. The actual risk profile of the SFS portfolio is monitored and controlled monthly and is evaluated against the allocated equity.

Disclaimer

This document contains forward-looking statements and information – that is, statements related to future, not past, events. These statements may be identified by words as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “will” 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 its operations, performance, business strategy and results and could cause the actual results, performance or achievements of Siemens worldwide 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 worldwide; changes in business strategy; the outcome of investigations and legal proceedings as well as various other factors. More detailed information about certain of these factors is contained in Siemens’ 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.