Dear shareholders,

Fiscal 2012 was not an easy year for us. Even though we achieved one of our best results ever – despite the difficult economic environment worldwide – we didn’t fully attain our goals of outperforming the market and our competitors.

To move forward, we’ve launched a new Company-wide program. Presented in November 2012, the initiative will enable us to make effective, concrete adjustments in our operations – changes we’ll have to make if we’re to continue generating profitable growth of the kind we’ve achieved in the last few years.

For my colleagues on the Managing Board and myself, the trust that you’ve placed in our Company is an invaluable source of support. Your commitment creates trust, and trust unites us all: you, our shareholders; our 370,000 employees worldwide; our customers in the industrial countries and emerging markets; our partners in business, government and the scientific community; and, above all, the countless people around the globe who use Siemens products and solutions every day.

Our strength – Customer proximity
This year, our Annual Report highlights the ways in which we’re creating trust by partnering closely with our customers worldwide and developing innovative technologies that meet the needs of people with different interests, from different cultures and with different aims and requirements. In five special reports, we’d like to show you how our products and solutions are improving the lives of people everywhere.
Our first report takes us to Bangalore, India, where explosive growth is pushing the local infrastructure to its limits. In planning a new airport for the booming South Asian metropolis and its surrounding region, the operators selected Siemens to supply a complete tailor-made solution and provide long-term technical support. This close partnership is a sign of enormous trust, since it entails tremendous responsibility: the reliable operation of such vital infrastructure facilities is indispensable for the Bangalore region’s further economic development.

From India, we move on to the town of Beuren in southern Germany, where our technology has helped give a young cancer patient new hope. In a long-term partnership, our engineers cooperated with doctors at Tübingen University Hospital to develop the Biograph mMR scanner, which enables physicians to monitor the impact of cancer therapies while minimizing radiation exposure. To the relief of 15-year-old Christian and his family, the Biograph mMR showed that his treatment had been successful. And we’re very pleased to report that – after a year of uncertainty – the young man is back in school and again leading a normal life.

A third report provides impressive evidence of how our IT-based services are uniting people all around the world. Johannes Zuckschwerdt is responsible for developing new services for a manufacturer of highly specialized machine tools in southwestern Germany. His customer, Ton de Bruine, heads a company that produces metal components in the Netherlands. Thanks to our ePS Network Services, Zuckschwerdt can monitor the operation of de Bruine’s machines remotely, via an encrypted online server. By notifying his customer when machine parts need to be replaced and indicating how work-flows can be improved and production increased, Zuckschwerdt saves de Bruine time and money while helping him meet tight deadlines and enhance the efficiency of his production processes.

In a fourth report, you’ll meet Jens Hald Jensen, head of the project team that’s assembling and testing six-megawatt wind turbines in the Danish town of Østerild. These powerful turbines are just one of the innovative products and solutions we’re creating to help shape the future of energy and tap the opportunities that Germany’s transition to a new energy system will provide in many other countries worldwide. We want to pass on to our children a world that’s as healthy, bountiful and beautiful as the one we’ve inherited. And we’re convinced that we’ll reach this goal if business leaders and government policymakers work together to tackle the challenges ahead, taking a balanced, targeted approach to achieving a reliable, clean and affordable energy supply.

I urge you to take a look at all five special reports. They’ll provide you with an inside look at our day-to-day operations and at the ways we’re leveraging our strengths as an integrated technology company, increasing our customers’ competitiveness, reinforcing our own business success and improving the lives of people worldwide through our investments in research and development – investments that totaled €4.2 billion in fiscal 2012.
Our goal – Excellence

We’re closely connected with people everywhere – with workers in factories, with the operators and users of infrastructure facilities, with engineers in laboratories and research centers. And it’s because we’re so closely connected with people in so many different regions and environments that we’re also able to precisely gauge their needs and their technology requirements. We know, for instance, that customers across the board are increasingly demanding tailor-made IT applications and software solutions. And we’re the ideal partner to provide these solutions, since we have the necessary industry expertise and products – in areas ranging from power plant controls and building management systems to healthcare solutions and manufacturing technologies. NASA, the U.S. space agency, utilized IT of this kind to develop the Mars rover Curiosity, whose fascinating images are yet further testimony to our engineering excellence. We know the challenges posed by the restructuring of the world’s energy supply. And we know the challenges facing today’s city planners. To address these urban challenges, we’ve been showcasing future-oriented solutions for the world’s fast-growing cities at the Crystal, our urban development center in London, since September 2012. As a company that’s been internationally oriented since its founding, we also know the world’s new high-growth markets: the BRIC countries and the so-called second-wave countries like South Africa, Indonesia and Turkey. We’ve been active in all four BRIC countries for more than 100 years. In Russia and South Africa, we’ve had operations for over 150 years. Long-term partnerships like these build trust and create opportunities to promote sustainable development on a local basis while generating profitable growth for our Company. All four of our Sectors are exploiting these opportunities worldwide by continuing to sharpen their focus on the megatrends of our globalized age – climate change, demographic change and urbanization. Our Healthcare Sector has also profited from the rigorous implementation of Agenda 2013, the efficiency-boosting program we launched in November 2011.

All in all, Siemens is well positioned to seize the opportunities of the future – as we demonstrated again in fiscal 2012. Continuing a decade of substantially improved performance, we posted a 7% increase in revenue and generated €5.2 billion in income from continuing operations, one of our largest profits ever. I would like to thank Siemens employees around the world for their commitment and their contribution to this success. As fiscal 2012 also confirmed, our earnings per share have considerably increased over the last decade as well: still just €2.92 in 2002, they now total more than €5. And thanks to our tradition of foresighted financial policies, we can be sure that our operations will continue to have a very stable basis in the future.

But fiscal 2012 makes clear that we haven’t always adapted flexibly enough to changes in our markets and in our market position, and we haven’t placed sufficient emphasis everywhere on continuously improving our Company and driving its efficiency. New orders declined 10% during the year, and, although we increased our revenue, we didn’t meet the targets we’d set for profitability relative to our competitors.

Our review of fiscal 2012 shows that we’re good – but not as good as we can be. Looking to the future, this means we’ll have to intensify our efforts in order to outpace our competitors once again and achieve the results that we as Siemens employees and you as our shareholders have a right to expect of our Company.
We aren’t anticipating any substantial boost from economic developments worldwide – at least not in fiscal 2013. For this reason, it’s all the more important that we ourselves take effective action to enhance our productivity, maintain the strong financial basis that’s always been our hallmark and better adapt to the challenges of our markets and the global economy.

And that’s why we’ve launched Siemens 2014, a Company-wide program that will help us recapture a leading competitive position within the next two years and thus continue to pursue our One Siemens targets. Siemens 2014 will strengthen the One Siemens system, drive its implementation and reinforce our strategy for achieving profitable growth and generating annual revenue of up to €100 billion. It will also keep us on the same track for success that we’ve followed in recent years and that enabled us to achieve record results in fiscal 2011.

Our goal is to raise our total Sectors profit from the latest figure of 9.5% to 12% by increasing our gross productivity by about €6 billion.

To help us reach these targets, Siemens 2014 will apply five levers:

> First, we want to cut costs. To this end, we’re optimizing our procurement operations, improving our global capacities and activities and enhancing the quality and efficiency of our processes and project management.
> Second, we want to continuously strengthen our core business activities by, among other things, making targeted acquisitions in key areas and scrutinizing our less profitable businesses to ensure that they don’t burden our long-term performance.
> Third, we want to refine our sales setup and optimize our local market access worldwide while making our organization more flexible and adjusting operations to regional conditions and potential.
> Fourth, we want to simplify our internal processes and regulations in order to provide our business units with greater leeway for independent entrepreneurial action and partnering with customers. For example, we’re substantially reducing the number of Company- and Sector-wide regulations for our global and regional businesses.
> And fifth, we’re streamlining our global support infrastructure by eliminating redundant functions and duplicate processes.

**Our capital – Trust**

The measures we’ve defined have been very carefully considered. We’ve made no secret of our Company’s weaknesses, and we’ve set transparent goals. To boost our competitiveness, we’ve assigned clear responsibilities and taken steps to ensure that Siemens 2014 will be rigorously executed. Some measures have already been taken. For example, we’ve decided to tighten the focus of our portfolio in the area of renewable energies, to exit from the water technologies business, which is highly fragmented by region, and to reinforce our market position in the area of vertical IT through the purchase of LMS International NV, a leading supplier of industry software for lifecycle management. As these moves demonstrate, the new Company-wide program is already having an impact and strengthening the trust that our customers, the capital markets and you, our shareholders, have placed in us. Over the next two years, we’ll keep you regularly informed of the steps we’re taking to implement it.
With your interests in mind, we’re proposing that OSRAM be publicly listed via a spinoff. We’re convinced that OSRAM Licht AG will be an attractive company for investors since, as an independent entity, it will operate even more successfully than before.

The share buyback program that we finalized at the beginning of November 2012 was also in your interest. In the course of the buyback, we repurchased Company shares with a total value of €2.9 billion. We financed the program primarily through bonds, and the interest rates we paid were the lowest to date on the European capital market – yet further proof of the great trust that our Company enjoys within the business community and beyond.

The unchanged dividend proposal of €3.00 that the Managing Board and the Supervisory Board will make to the 2013 Annual Shareholders’ Meeting is also a sign of trust and continuity. We want you to profit from the positive developments at our Company – and we want you to continue placing your trust in us. Because Siemens is and will remain a strong company – for our customers worldwide, for our employees, for our partners in the business and scientific communities, for our stakeholders in society and particularly for you, our shareholders.

I’m looking forward to the challenges of the year ahead and to our continuing dialogue.

Peter Löscher
President and CEO of Siemens AG
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In September 2012, we opened our flagship sustainability center, the Crystal, in the heart of the London Docklands – a district that’s a pioneer in urban renewal.

The Crystal, London’s newest landmark, is home to an exhibition showcasing infrastructure solutions that are already making our cities more sustainable, environmentally friendly and livable. The moment you enter the Crystal, with its futuristic architecture and construction, you’ll see why this iconic structure is one of the most sustainable buildings in the world. Thanks to green technologies from our Environmental Portfolio, the Crystal meets the highest environmental standards, raising the bar for sustainable building.

Join us at the Crystal. Talk to our experts about the options and opportunities for sustainable city development. Explore some fascinating urban projects. And see for yourself what the future holds for the world’s metropolises.

WWW.THECRYSTAL.ORG

The Crystal – A vision of the urban future
Managing Board of Siemens AG

Hermann Requardt
Healthcare

Michael Süß
Energy

Barbara Kux
Corporate Supply Chain Management, Corporate Sustainability, Global Shared Services

Peter Y. Solmsen
Corporate Legal and Compliance, Americas
Dear shareholders,

Despite a difficult economic environment and special burdens in the project business, Siemens’ overall performance in fiscal 2012 was respectable.

In fiscal 2012, the Supervisory Board performed the duties assigned to it by law, the Siemens Articles of Association and the Bylaws for the Supervisory Board. We regularly advised the Managing Board on the management of the Company and monitored the Managing Board’s activities. We were directly involved in all major decisions regarding the Company. In written and oral reports, the Managing Board regularly provided us with timely and comprehensive information on Company planning and business operations as well as on the strategic development and current state of the Company. Deviations from business plans were explained to us in detail. The Managing Board coordinated with us the Company’s strategic orientation. On the basis of reports submitted by the Managing Board, we considered in detail all business transactions of major significance to the Company. The proposals made by the Managing Board were approved after detailed examination and consultation. We held a total of six regular meetings.

In my capacity as Chairman of the Supervisory Board, I was in regular contact with the Managing Board between Supervisory Board meetings and was kept up-to-date on current developments in the Company’s business situation and on key business transactions. At separate strategy meetings, I discussed with the Managing Board the perspectives and future orientation of the Company’s individual businesses.

**Work in the Supervisory Board committees**

To ensure the efficiency of its work, the Supervisory Board has a total of six standing committees, which prepare the proposals for the Supervisory Board as well as the issues to be dealt with at the Board’s plenary meetings. Where legally permissible, the Supervisory Board’s decision-making powers are also delegated to these committees. The chairpersons of the committees report to the Supervisory Board on the committees’ work at the subsequent Board meetings. The composition of the individual Supervisory Board committees and the number of committee meetings and decisions are shown in chapter D.7 Supervisory Board and Managing Board, pages 234-235 below.

The **Chairman’s Committee** met six times in fiscal 2012. It also voted on five proposals using a notional, or written, voting process. Between meetings, I discussed topics of particular importance to the Company with the members of the Chairman’s Committee. The Committee dealt with corporate-governance-related matters, including the Declaration of Conformity with the German Corporate Governance Code, with the preparation of decisions concerning Managing Board compensation, with the assumption by Managing Board members of positions in other companies and institutions, and
A.3 Report of the Supervisory Board

Dr. Gerhard Cromme
Chairman
with a variety of personnel-related topics. The Committee endorsed a decision by the Managing Board to issue warrant bonds with a value of up to US$5 billion and amended the Articles of Association after the Company’s capital stock had been reduced as a result of the Managing Board’s decision to retire treasury stock that had been acquired as part of a share buyback program.

The **Mediation Committee** was not required to meet in fiscal 2012.

The **Finance and Investment Committee** met three times. It also voted on five proposals using a notional, or written, voting process. The focuses of its meetings included the preparation of the decision regarding the budget for fiscal 2012, the further development of the Company’s medium-term strategy, the Company’s pension system and the approval of Company investment projects.

The **Audit Committee** met six times. In the presence of the independent auditors, the President and Chief Executive Officer, the Chief Financial Officer and the General Counsel, the Committee discussed the financial statements and the Combined Management Report for Siemens AG and Siemens worldwide, the proposal for the appropriation of net income and the Annual Report on Form 20-F for the U.S. Securities and Exchange Commission (SEC). In addition, the Audit Committee made a recommendation to the Supervisory Board regarding the Supervisory Board’s proposal to the Annual Shareholders’ Meeting concerning the election of the independent auditors. The Audit Committee also gave in-depth consideration to the appointment of the independent auditors for fiscal 2012, to monitoring the auditors’ independence and qualifications as well as the additional services they perform, to determining their fee and to the audit reviews of the Company’s quarterly financial reports and the half-year financial report. In addition, the Audit Committee dealt with the Company’s financial reporting process and risk management system and with the effectiveness, resources and findings of the internal audit as well as with reports concerning potential and pending legal disputes. The Audit Committee also focused on Company compliance with the provisions of Section 404 of the Sarbanes-Oxley Act (SOA) and on the internal audit of the effectiveness of our internal controls, regulatory compliance and the integrity of our financial reporting.

The **Compliance Committee** met five times in fiscal 2012. At its meetings, which were generally attended by Dr. Theodor Waigel in his capacity as Monitor, the Committee discussed primarily the quarterly reports and the annual report submitted by the Chief Compliance Officer and the Chief Counsel Compliance. The Committee also concerned itself with the preparation of the communications measures to be implemented in connection with the conclusion of the Monitorship.

The **Nominating Committee** met six times in fiscal 2012 in order to prepare the election of the Supervisory Board’s shareholder representatives by the Annual Shareholders’ Meeting of Siemens AG on January 23, 2013. When preparing the list of candidates to be proposed to the Supervisory Board, the Nominating Committee took into account the requirements of the German Stock Corporation Act, the German Corporate Governance Code and the Bylaws for the Supervisory Board as well as the goals that the Supervisory Board had set for its own composition. The Nominating Committee considered, in particular, the character, integrity, commitment, professionalism and independence of the individuals recommended for nomination. With a view to the Company’s international orientation, the Nominating Committee attached particular importance to ensuring that a sufficient number of members had extensive international experience. It also endeavored to ensure that the participation of women was appropriate and that at least six shareholder representatives on the Supervisory Board
were independent in the meaning of Section 5.4.2 of the German Corporate Governance Code. The Nominating Committee recommended that the Supervisory Board propose to the Annual Shareholders’ Meeting on January 23, 2013 that Dr. Gerhard Cromme, Dr. Josef Ackermann, Gerd von Brandenstein, Michael Diekmann, Dr. Hans Michael Gaul, Prof. Dr. Peter Gruss and Dr. Nicola Leibinger-Kammüller be reelected and that Gérard Mestrallet, Güler Sabancı and Werner Wenning be elected for the first time to serve as shareholder representatives on the Supervisory Board. At an election held on September 25, 2012 in accordance with the provisions of the German Codetermination Act, the following individuals were elected to serve as employee representatives on the Supervisory Board, effective the end of the Annual Shareholders’ Meeting on January 23, 2013: Berthold Huber, Lothar Adler, Bettina Haller, Hans-Jürgen Hartung, Robert Kensbock, Harald Kern, Jürgen Kerner, Dr. Rainer Sieg, Birgit Steinborn and Sibylle Wankel.

**Topics at the plenary meetings of the Supervisory Board**

Regular topics of discussion at the Supervisory Board’s plenary meetings were revenue, profit and employment development at Siemens AG, at the Sectors and at Siemens worldwide as well as the Company’s financial position, profitability and major investment and divestment projects. The Managing Board reported to us regularly and comprehensively on Company planning and on the Company’s strategic development, business operations and current situation.

At our meeting on November 9, 2011, we discussed the key financial figures for fiscal 2011 and approved the budget for 2012. We also determined the compensation of Managing Board members for fiscal 2011 on the basis of their achievement of performance-related targets. The appropriateness of this compensation was confirmed by an independent compensation consultant.

At our meeting on November 30, 2011, we primarily discussed the financial statements and the Combined Management Report for Siemens AG and Siemens worldwide as of September 30, 2011 as well as the agenda for the Annual Shareholders’ Meeting on January 24, 2012. We also discussed the Annual Report for 2011 – in particular, the “Corporate Governance report” included therein – and established the targets for Managing Board compensation in fiscal 2012.

At our meeting on January 23, 2012, the Managing Board reported on the Company’s business and financial position following the conclusion of the first quarter. We also conducted by-elections for the Audit Committee and the Finance and Investment Committee.

At our meeting on April 24, 2012, the Managing Board reported on the Company’s business and financial position following the conclusion of the second quarter of fiscal 2012. In addition, the Energy Sector reported on the situation in its business. We also discussed profit protection measures with the Managing Board.

At our meeting on July 25, 2012, we discussed the Company’s business and financial position following the conclusion of the third quarter and decided to approve the Managing Board’s plan to acquire Siemens shares in order to retire them, offer them for purchase to employees, members of the governing bodies of Affiliated Companies and members of the Managing Board and/or use them to service convertible bonds or warrant bonds. In addition, we concerned ourselves with the new version of the German Corporate Governance Code of May 15, 2012. The Healthcare Sector also reported on the situation in its business.
At our meeting on September 19, 2012, the Managing Board provided us with an overview of the current state of the Company. On the occasion of the opening of an information and dialogue center for urban development in London, the Infrastructure & Cities Sector reported on the situation in its business. In addition, the Regional Company reported on business development in the UK. We were also provided with an overview of the activities of Siemens Corporate Technology and approved the acquisition of LMS International NV, Leuven (Belgium). LMS International NV is a leading provider of industry software for the testing and mechatronic simulation of complex products.

Corporate Governance Code

The Supervisory Board concerned itself with the provisions of and amendments to the German Corporate Governance Code. At our meeting on July 25, 2012, we discussed the amendments to the German Corporate Governance Code contained in the new version of May 15, 2012. At our subsequent meeting on September 19, 2012, the Bylaws for the Supervisory Board were amended to take into account the requirements of the new version of the Code. In addition, we adjusted the concrete goals for the Supervisory Board’s composition – which are set out in chapter 8.1 Corporate Governance Report, Pages 22-25 below – in order to take those requirements into account and determined that, in our estimation, the Supervisory Board had an appropriate number of independent members. Information on corporate governance at the Company and a detailed report on the level and structure of the compensation paid to the members of the Supervisory and Managing Boards is provided in chapter 8.4 Compensation Report, Pages 31-43 below. At their meetings on September 10 and 19, 2012, respectively, the Managing Board and the Supervisory Board approved the issuance of an unqualified Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz), stating that the Company complies with all the recommendations of the German Corporate Governance Code in the version of May 15, 2012 and will continue to do so in the future. The exception mentioned in the Declaration of Conformity of October 1, 2011 – namely, that the current compensation rules for the Supervisory Board do not stipulate a performance-related compensation component – no longer applies since the new version of the Code no longer includes a recommendation regarding the performance-related compensation of supervisory board members. Siemens’ Declaration of Conformity with the German Corporate Governance Code is permanently available to shareholders on the Company’s website.

Detailed discussion of the financial statements

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft audited the Annual Financial Statements of Siemens AG, the Consolidated Financial Statements of Siemens worldwide and the Combined Management Report for Siemens AG and Siemens worldwide for the fiscal year ended September 30, 2012 in accordance with the requirements of the German Commercial Code (HGB) and approved them without reservation. The Annual Financial Statements of Siemens AG and the Combined Management Report for Siemens AG and Siemens worldwide were prepared in accordance with the requirements of German commercial law. The Consolidated Financial Statements of Siemens worldwide were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and with the additional requirements set out in Section 315a (1) of the German Commercial Code (HGB). The financial statements also comply with the IFRS, as issued by the International Accounting Standards Board (IASB). The independent auditors conducted their audit in accordance with Section 317 of the HGB and in compliance with the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and with the International Standards on Auditing (ISA). The above-mentioned documents as well as the Managing Board’s proposal for the appropriation of net income were submitted to us by the Managing Board in a
timely manner. The Audit Committee discussed the Managing Board’s proposal for the appropriation of net income in detail at its meeting on November 6, 2012. The Committee discussed the Annual Financial Statements of Siemens AG, the Consolidated Financial Statements of Siemens worldwide and the Combined Management Report in detail at its meeting on November 27, 2012.

The audit reports prepared by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft were distributed to all members of the Supervisory Board and comprehensively reviewed at our meeting on November 28, 2012 in the presence of the independent auditors, who reported on the main findings of their audit. The independent auditors also reported that there were no major weaknesses in the Company’s internal audit or risk management systems. At this meeting, the Managing Board explained the financial statements of Siemens AG and Siemens worldwide as well as the Company’s risk management system. The independent auditors also discussed the scope, focal points and costs of the audit.

We concur with the results of the audit. Following the definitive findings of the examination by the Audit Committee and our own examination, we have no objections. The Managing Board prepared the Annual Financial Statements of Siemens AG and the Consolidated Financial Statements of Siemens worldwide. We adopted the Annual Financial Statements and approved the Consolidated Financial Statements. We endorse the Managing Board’s proposal that the net income available for distribution be used to pay out a dividend of €3.00 per share entitled to a dividend and that the amount of net income attributable to shares of stock not entitled to receive a dividend for fiscal 2012 be carried forward.

Changes in the composition of the Supervisory and Managing Boards
Dieter Scheitor resigned from the Supervisory Board, effective the end of the regular Annual Shareholders’ Meeting on January 24, 2012. Effective January 25, 2012, Jürgen Kerner was appointed to the Supervisory Board by court order. At the Supervisory Board meeting on January 23, 2012, Mr. Kerner was elected to succeed Mr. Scheitor as employee representative on the Audit Committee and the Finance and Investment Committee, effective January 25, 2012. The Supervisory Board would like to thank Mr. Scheitor for his many years of loyal support.

There were no changes in the composition of the Managing Board in fiscal 2012.

The Supervisory Board would like to thank the members of the Managing Board as well as the employees and the employee representatives of all Siemens companies for their work.

For the Supervisory Board

Dr. Gerhard Cromme
Chairman
Berlin and Munich, November 28, 2012
The Siemens share price developed positively over the course of fiscal 2012. However, the markets were volatile during this period due to ongoing uncertainty in the eurozone. After increasing at the beginning of the fiscal year, stock markets in general and the Siemens share price in particular declined for several months. Then, in June 2012, a positive stock market trend began. This trend continued until the end of fiscal 2012. In August 2012, the Company launched a share buyback program. From the start of the buyback program until the end of the fiscal year, the Siemens share price gained more than 13%.

In the last few years, we have increased our dividend several times – in some cases substantially – from €1.60 per share in fiscal 2009 to €3.00 per share in fiscal 2011. In line with the dividend policy of the One Siemens framework, we intend for our shareholders to profit significantly from Siemens’ financial success again this year. As a result, the Managing Board and Supervisory Board will propose a dividend payment of €3.00 per share for fiscal 2012, representing a payout ratio of 56%. Siemens AG continues to have a very sound financial basis. In an environment in which the ratings of many countries have come under pressure, the Company continues to enjoy good investment-grade credit ratings. In the course of the above-mentioned share buyback program, we repurchased shares up to the end of November 2012 with a value of about €2.9 billion. In September 2012, the Company also retired some 33.2 million of its own shares, thereby reducing its capital stock from about 914 million shares to 881 million.

**The Siemens share price developed positively over the course of fiscal 2012. However, the markets were volatile during this period due to ongoing uncertainty in the eurozone.** The markets subsequently recovered steadily from this trough, again reaching their previous high for the year toward the end of fiscal 2012.

Over the entire fiscal year, Siemens stock performed comparatively well in this market environment, closing at €77.61 per share on September 30, 2012. For shareholders who reinvested their dividends, this amounted to a gain of 18.6% (fiscal 2011: a loss of 9.5%) compared to the closing price a year earlier. The Siemens share performed somewhat more weakly than the leading international index, MSCI World (which rose 21.6%), and remained noticeably behind the leading index of the German stock market, the DAX (which advanced 31.2%).

**A.4.1 Stock markets – Siemens share price increases**

Reflecting economic developments, the stock market environment was characterized by continuously increasing share prices during the first four months of fiscal 2012 (October 1, 2011 to January 31, 2012). These gains were then lost in the following months, with prices bottoming out in June 2012.

**A.4.2 Stable dividend proposed**

At the Annual Shareholders’ Meeting, the Managing Board and the Supervisory Board will propose a dividend payment of €3.00. After the substantial dividend increases in fiscal 2010
and fiscal 2011, this proposal reflects our earnings position in fiscal 2012 and is in strict accordance with our payout policy. Representing a payout ratio of 56%, this proposal continues our tradition of paying attractive dividends to our investors.

A.4.3 Share buyback program and reduction of capital stock

In August 2012, against the backdrop of favorable capital market conditions, Siemens optimized its capital structure and initiated a buyback of Company stock with a value of approximately €2.9 billion. Under this program, which was finalized on November 7, 2012, a total of about 38 million shares were acquired at an average price of €76.90 per share. The repurchased shares can be used to cancel and reduce capital stock, to issue shares to employees, the board members of Affiliated Companies and members of the Managing Board and to service convertible bonds and warrant bonds. The share buyback was financed through long-term debt.

In addition to the share buyback program, the Company also retired approximately 33.2 million of its own shares in September 2012, thereby reducing its capital stock from about 914 million shares to 881 million.

A.4.4 Shareholder structure

With some 740,000 shareholders, Siemens AG is one of the world’s largest publicly owned companies. An analysis of our shareholder structure conducted in August 2012 showed that shareholders in Germany hold the largest percentage of our share capital, about 30% of all outstanding shares. Shareholders in the U.S. hold roughly 16% and shareholders in the U.K., around 9%, while investors in France and Switzerland hold 8% and 6%, respectively.

Some 59% of Siemens’ outstanding shares are currently held by institutional investors, about 20% by private shareholders and around 6% by members of the Siemens family.

A.4.5 Credit ratings

Siemens AG has good, investment-grade credit ratings: “Aa3/P-1/outlook stable” from Moody’s Investors Service and “A+/A-1+/outlook stable” from Standard & Poor’s are very positive ratings – particularly when compared to those of our competitors in the industry segment. Our solid financial position gives us unrestricted access to the international financial and capital markets.

### INVESTOR TYPE AND REGIONAL DISTRIBUTION

<table>
<thead>
<tr>
<th>Investor Type</th>
<th>Regional Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional investors: 59%</td>
<td>Germany: 30%</td>
</tr>
<tr>
<td>Siemens family members: 6%</td>
<td>Switzerland: 6%</td>
</tr>
<tr>
<td>Private investors: 20%</td>
<td>France: 6%</td>
</tr>
<tr>
<td>Unidentified investors: 15%</td>
<td>Rest of Europe: 8%</td>
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<tr>
<td></td>
<td>Rest of world: 7%</td>
</tr>
<tr>
<td></td>
<td>U.S.: 16%</td>
</tr>
<tr>
<td></td>
<td>Unidentified: 15%</td>
</tr>
</tbody>
</table>

1 This figure includes a 5.02% stake in Siemens’ capital stock held by BlackRock Holdco 2, Inc., Wilmington, U.S., a 5.01% stake in Siemens’ capital stock held by BlackRock, Inc., New York, U.S., and a 3.04% stake in Siemens’ capital stock held by the State of Qatar, Doha, Qatar (represented by the DIC Company Limited, George Town, Grand Cayman), as reported to us by these organizations.

2 This figure includes a 1.30% stake in Siemens capital stock for which the von Siemens Vermögensverwaltung GmbH exercises voting rights under powers of attorney and a 3.03% stake held by the Weiner von Siemens Stiftung, Zug, Switzerland, as reported to us by the Stiftung.
At the end of fiscal 2012, the net debt of Siemens AG was €9,292 million, with cash and cash equivalents of €10,891 million. For further information on our credit ratings and financial obligations, please see → NOTE 28 TO THE CONSOLIDATED FINANCIAL STATEMENTS, PAGES 190-191.

### CREDIT RATING

<table>
<thead>
<tr>
<th>September 30, 2012</th>
<th>Moody’s Investors Service</th>
<th>Standard &amp; Poor’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term debt</td>
<td>Aa3</td>
<td>A+</td>
</tr>
<tr>
<td>Short-term debt</td>
<td>P-1</td>
<td>A-1+</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>September 30, 2011</th>
<th>Moody’s Investors Service</th>
<th>Standard &amp; Poor’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term debt</td>
<td>Aa1</td>
<td>A+</td>
</tr>
<tr>
<td>Short-term debt</td>
<td>P-1</td>
<td>A-1+</td>
</tr>
</tbody>
</table>

### STOCK MARKET INFORMATION

<table>
<thead>
<tr>
<th>Stock price range (Xetra closing price)</th>
<th>FY 2012</th>
<th>FY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>79.71</td>
<td>99.38</td>
</tr>
<tr>
<td>Low</td>
<td>63.06</td>
<td>64.45</td>
</tr>
<tr>
<td>Fiscal year-end</td>
<td>77.61</td>
<td>68.12</td>
</tr>
</tbody>
</table>

| Number of shares issued (September 30, in millions) | 881     |
| Market capitalization (in millions of €)           | 66,455  | 59,554  |
| Basic earnings per share (from continuing operations) | 5.77    | 8.23    |
| Diluted earnings per share (from continuing operations) | 5.71    | 8.14    |
| Dividend per share                               | 3.00    |

1. Fiscal year from October 1 to September 30
2. On the basis of outstanding shares
3. Regarding activities classified as discontinued operations, prior periods are presented on a comparable basis
4. To be proposed to the Annual Shareholders’ Meeting

### A.4.6 Siemens on the capital market

We take our responsibility to maintain an intensive dialogue with the capital market very seriously. Cultivating close contacts with our shareholders, we keep them informed of all major developments throughout Siemens.

As part of our investor relations work, we provide information on the Company’s development in quarterly, semiannual and annual reports. Our CEO and CFO also maintain close contact with investors through roadshows and conferences. In addition, Siemens holds Sector Capital Market Days, at which the management of our Sectors informs investors and analysts about the Sectors’ business strategies and market environments.

We also provide extensive information online. Quarterly, semiannual and annual reports, analyst presentations, press releases and our financial calendar for the current year (please see → FINANCIAL CALENDAR, PAGE 251), which includes all major publication dates as well as the date of the Annual Shareholders’ Meeting, are available at www.siemens.com/investors

### A.4.7 Profit-sharing culture/ Stock-based compensation programs

Siemens has set itself the goal of more intensively fostering a profit-sharing culture at the Company and encouraging employees to become shareholders. That’s why we offer various share-based payment programs to our employees. In fiscal 2012, 5,225,138 Siemens shares were issued to service these programs, namely, the Stock Awards program, the Share Matching Program (including the Base Share Program, the Share Matching Plan and the Monthly Investment Plan) and the Jubilee Program. Non-vested and outstanding grants under the various plans will result in additional share issuances to employees in the future. For more detailed information on share-based payment, please see → NOTE 33 TO THE CONSOLIDATED FINANCIAL STATEMENTS, PAGES 208-211.

Our Company-wide Share Ownership Guidelines specify that the members of the Managing Board and roughly 550 senior executives must hold an interest in Siemens equal in value to between 50% and 300% of their base compensation for the period in which they hold office. For further information on our employee share programs, please see → NOTE 33 TO THE CONSOLIDATED FINANCIAL STATEMENTS, PAGES 208-211.