

Facts and figures for shareholders

Fiscal 2009

(October 1, 2008 – September 30, 2009)

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Dr. Gerhard Cromme

Chairman of the Supervisory Board

Fiscal 2009 was marked by the impact of the global financial and economic crisis. Despite the adverse conditions, we can look back on a successful fiscal year. The timely cost-cutting measures adopted by the Managing Board and the Company's new structure have proven their worth. 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. Actual deviations from business plans were explained to us in detail.

The Supervisory Board would like to thank the members of the Managing Board as well as the employees and employee representatives of all Siemens companies for their work. Together, they made fiscal 2009 another successful year for Siemens.



Peter Löscher

President and Chief Executive Officer

The current crisis and the measures taken to overcome it are bringing us not only tremendous challenges but also major opportunities. As an integrated technology company with outstanding infrastructure knowhow, we're a highly regarded partner worldwide when it comes to enhancing the energy efficiency and environmental compatibility of infrastructures. Enormous long-term growth prospects are also opening up for us in these fields. Energy-efficient, ecofriendly products and solutions that help mitigate climate change are the growth drivers in our markets. Today, we're already the world's leading provider of green technologies. In fiscal 2009, we sold ecofriendly products and solutions worth €23 billion – more than any other company in the world. For 2011, our target is to generate €25 billion in this segment with our Environmental Portfolio.

Having left the burdens of the past behind, we're now looking ahead to fiscal 2010 and the years beyond with determination and self-confidence. Thanks to our outstanding innovative strength, our global presence and, above all, our highly committed and motivated people, we have everything on board that we need to be a leader in the infrastructure markets of tomorrow.



Fiscal 2009

Financial summary

Siemens delivered a resilient performance in fiscal 2009. Despite operating in a contracting global economy struggling with the aftermath of a major financial crisis, we kept our revenue within 1% of the prior-year level. The many streamlining initiatives we launched in fiscal 2008, particularly including our global program for the reduction of marketing, selling and general administrative expenses (SG&A program), helped us surpass our mid-year outlook for Profit. New orders declined 16% year-over-year, due to deep downturns in industrial production, customer postponements of energy infrastructure projects and growing uncertainty in the healthcare equipment mar-

ket. Our Sectors are closely monitoring customer demand relative to production capacity.

Income from continuing operations and Net income were strongly influenced by our stake in Nokia Siemens Networks B.V. (NSN). Equity investment losses related to NSN totaled €543 million during the year, and at the end of the year we also took an impairment of €1.634 billion on our stake in NSN based on a review of its prospects in coming years. These impacts, reported within our Equity Investments segment, were only partly offset by a gain on the sale of our share of Fujitsu Siemens Computers (Holding) B.V.

Revenue was within 1% of the prior-year level, at €76.651 billion.

On an organic basis, excluding the net effect of currency translation and portfolio transactions, revenue was stable. The Energy and Healthcare Sectors delivered higher revenue year-over-year. This growth was offset by a revenue decline in the Industry Sector driven by recession-driven downturns in markets for factory automation, machine-building, automotive, construction and process automation. On a geographic basis, revenue grew in the Americas and in Asia, Australia but declined in the region which comprises Europe, the Commonwealth of Independent States (C.I.S.), Africa, and the Middle East.

Orders came in 16% lower, at €78.991 billion. On an organic basis, orders were down 14% year-over-year. Orders in Industry declined due to the market conditions mentioned above, while orders in Energy were lower due in part to customer postponements of large projects. Orders were stable in Healthcare. Orders declined in all three of Siemens' reporting regions. The Sectors' combined book-to-bill ratio (defined as the ratio of new orders and revenue) for fiscal 2009 was 1.04. The combined order backlog at the end of the year stood at €81.2 billion.

Total Sectors profit rose to €7.466 billion. Total Sectors profit – a measure of the combined profit from our three Sectors – climbed 13% from €6.606 billion in the prior year, driven by substantial profit turnarounds at the Fossil Power Generation and Mobility Divisions. A year earlier, these Divisions posted losses and took a combined total of more than €1 billion in project charges. At the Sector level, the Energy and Healthcare Sectors increased their profit in fiscal 2009. Industry's profit declined year-over-year despite the improvement at Mobility, as lower revenue and related factors reduced profit at other Divisions in the Sector.

Income from continuing operations rose to €2.457 billion. Basic earnings per share (EPS) rose to €2.60. A year earlier, Income from continuing operations was €1.859 billion and corresponding basic EPS were €1.91. Both periods included substantial negative profit impacts outside the Sectors. The current year was burdened by the NSN impacts mentioned above, totaling €2.177 billion. A year earlier, the loss related to NSN within Equity Investments was €119 million. Fiscal 2008 also included €1.081 billion (pretax) in charges for severance under our global SG&A reduction program, a provision of approximately €1 billion (pretax) associated with settlement negotiations with authorities in the U.S. and Germany, and a one-time endowment of €390 million (pretax) related to the establishment of the Siemens Stiftung (foundation) in Germany. Expenses for outside advisors engaged in connection with investigations into alleged violations of anti-corruption laws and related matters as well as remediation activities fell to €95 million in fiscal 2009 from €430 million a year earlier.

Net income was €2.497 billion compared to €5.886 billion in the prior year. Basic EPS were €2.65 compared to €6.41 in fiscal 2008. The difference is due to discontinued operations, which contributed €40 million to Net income in fiscal 2009 compared to €4.027 billion a year earlier. Fiscal 2008 Income from discontinued operations included a divestment gain and operating results related to Siemens VDO Automotive (SV) totaling approximately €5.5 billion, partly offset by a loss of approximately €1.0 billion associated with a transfer of 51% of Siemens Enterprise Communications into a joint venture.

Free cash flow from continuing operations was €3.786 billion and the cash conversion rate (ratio of Free cash flow and profit) was above target. A year earlier, Free cash flow from continuing operations was €5.739 billion. The decline year-over-year includes substantially lower billings in excess as well as a substantial decrease in trade payables compared to a year earlier. In addition, fiscal 2009 included substantial cash outflows corresponding to charges taken in fiscal 2008. Among these outflows were severance payments of €796 million for the global SG&A program and other personnel-related restructuring measures, €1.008 billion paid to authorities in the U.S. and Germany following resolution of legal proceedings, and substantial cash outflows stemming from project charges at Fossil Power Generation, Mobility and Siemens IT Solutions and Services.

Dividend. The Siemens Managing Board and Supervisory Board have proposed a dividend of €1.60 per share. The prior-year dividend was also €1.60 per share.

Outlook

Siemens anticipates that conditions in the manufacturing sector and world financial markets will remain challenging in fiscal 2010. Following a double-digit decline in orders in fiscal 2009, we expect only a mid-single-digit percentage decline in organic revenue in fiscal 2010 due to the stabilizing effect of our strong order backlog. We expect Total Sectors profit between €6.0 and €6.5 billion in fiscal 2010, and an increase of approximately 20% in Income from continuing operations compared to €2.457 billion in the prior year. This outlook is conditional on no material deterioration in our pricing power during the fiscal year and on improving market conditions in the second half, particularly for our shorter-cycle businesses. Furthermore this outlook excludes major impacts that may arise during the fiscal year from restructuring, portfolio transactions, impairments, and legal and regulatory matters.

Key figures for fiscal 2009^{1,2}

(in millions of €, except where otherwise stated)

Revenue growth

FY 2009 ³	0%	
FY 2008 ³	9%	

Target 2009: <0.5 GDP decline. As of October 14, 2009, IHS Global Insight Inc. expects negative growth of 2.1% in GDP in 2009.

Profit margin FY 2009

Industry	Profit Margin	Return on Equity
Industry	7.7%	
Industry Automation	9.1%	
Drive Technologies ⁴	11.1%	
Building Technologies	6.4%	
OSRAM	2.2%	
Industry Solutions	5.3%	
Mobility	6.1%	
Energy	12.9%	
Fossil Power Generation	13.0%	
Renewable Energy	13.0%	
Oil & Gas	11.7%	
Power Transmission	11.7%	
Power Distribution	13.2%	
Healthcare ⁸	14.2%	
Imaging & IT	16.2%	
Workflow & Solutions	(3.5)%	
Diagnostics ⁸	16.8%	
Siemens IT Solutions and Services	1.9%	
Siemens Financial Services*	25.9%	

Margin ranges * Return on equity⁹

ROCE (continuing operations)

FY 2009	6.1%	
FY 2008	4.8%	

Target corridor: 14 – 16%

Cash conversion (continuing operations)

FY 2009	1.54	
FY 2008	3.09	

Target: 1 minus revenue growth rate

Adjusted industrial net debt/EBITDA (continuing operations)

FY 2009	0.31	
FY 2008	0.39	

Target corridor: 0.8 – 1.0

Growth and profit

	FY 2009	FY 2008	Actual	% Change Adjusted ³
Continuing operations				
New orders	78,991	93,495	(16)	(14)
Revenue	76,651	77,327	(1)	0
Total Sectors⁴				
Profit Total Sectors	7,466	6,606	13	
in % of revenue (Total Sectors)	10.3%	9.3%		
EBITDA (adjusted)	9,524	8,605	11	
in % of revenue (Total Sectors)	13.1%	12.1%		
Continuing operations				
EBITDA (adjusted)	9,219	5,585	65	
Income from continuing operations	2,457	1,859	32	
Basic earnings per share (in euros) ⁵	2.60	1.91	36	
Continuing and discontinued operations⁶				
Net income	2,497	5,886	(58)	
Basic earnings per share (in euros) ⁵	2.65	6.41	(59)	

Return on capital employed

	FY 2009	FY 2008
Continuing operations		
Return on capital employed (ROCE)	6.1%	4.8%
Continuing and discontinued operations⁶		
Return on capital employed (ROCE)	6.2%	14.8%

Free cash flow and Cash conversion

	FY 2009	FY 2008
Total Sectors⁴		
Free cash flow	7,606	7,942
Cash conversion	1.02	1.20
Continuing operations		
Free cash flow	3,786	5,739
Cash conversion	1.54	3.09
Continuing and discontinued operations⁶		
Free cash flow	3,641	4,903
Cash conversion	1.46	0.83

Net debt and Capital structure

	FY 2009	FY 2008
Net debt	9,309	9,034
Net debt/EBITDA (adjusted) (cont.)	1.01	1.62
Adjusted industrial net debt	2,873	2,184
Ad. industrial net debt/EBITDA (adjusted) (cont.)	0.31	0.39

Employees (in thousands)

	Sept. 30, 2009		Sept. 30, 2008	
	Cont. Op.	Total ⁷	Cont. Op.	Total ⁷
Employees	405	405	427	428
Germany	128	128	132	133
Outside Germany	277	277	295	295

1 New orders; adjusted or organic growth rates of revenue and new orders; book-to-bill ratio; ROE, ROCE; free cash flow; cash conversion rate; EBITDA (adjusted); net debt and adjusted industrial net debt are or may be non-GAAP financial measures. A definition of these supplemental financial measures, a reconciliation to the most directly comparable IFRS financial measures and information regarding the usefulness and limitations of these supplemental financial measures are available on our Investor Relations website under www.siemens.com/nonGAAP.

2 October 1, 2008 – September 30, 2009.

3 Adjusted for portfolio and currency translation effects.

4 During the second quarter of fiscal 2009 Electronics Assembly Systems has been reclassified to Other Operations. The presentation of certain prior-year information has been reclassified respectively.

5 Earnings per share – attributable to shareholders of Siemens AG. For fiscal 2009 and 2008 weighted average shares outstanding (basic) (in thousands) amounted to 864,818 and 893,166 respectively.

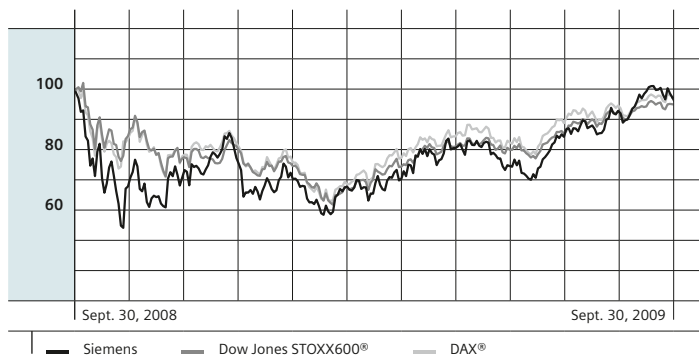
6 Discontinued operations consist of Siemens VDO Automotive activities as well as of carrier networks, enterprise networks and mobile devices activities.

7 Continuing and discontinued operations.

8 Profit margin including PPA effects and integration costs for Healthcare is 12.2% and for Diagnostics 9.7%.

9 Return on equity is calculated as annualized Income before income taxes of fiscal 2009 divided by average allocated equity for fiscal 2009 (€ 1.175 billion).

Share price



Stock market information (in euros)

	2009 ¹	2008 ¹
Stock price range (Xetra closing prices, Frankfurt)		
High	66.45	108.86
Low	35.52	64.91
Year-end	63.28	65.75
Number of shares (year-end, in millions)	914	914
Market capitalization (year-end, in millions of euros)²	54,827	56,647
Earnings per share – continuing operations	2.60	1.91
Earnings per share³	2.65	6.41
Dividend	1.60 ⁴	1.60

- 1 Fiscal year from October 1 to September 30
- 2 On the basis of outstanding shares
- 3 On the basis of continuing and discontinued operations
- 4 To be proposed at the Annual Shareholders' Meeting

Information to supplemental financial measures

New orders and backlog; adjusted or organic growth rates of Revenue and new orders; book-to-bill ratio; return on equity, or ROE; return on capital employed, or ROCE; Free cash flow; cash conversion rate, or CCR; EBITDA (adjusted); EBIT (adjusted); earnings effect from purchase price allocation (PPA effects) and integration costs; 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. A definition of these supplemental financial measures, a reconciliation to the most directly comparable IFRS financial measures and information regarding the usefulness and limitations of these supplemental financial measures can be found on Siemens' Investor Relations website at www.siemens.com/nonGAAP.

The Siemens share

As of September 30, 2009, the capital stock of Siemens AG totaled approximately €2.7 billion, representing some 914 million no-par value shares in registered form. Of these shares, about 866 million were outstanding at the end of fiscal 2009. Each share represents one vote at the Annual Shareholders' Meeting. On September 30, 2009, Siemens shares were listed on all German stock exchanges as well as on stock exchanges in New York, London and Zurich. They were also traded on the stock exchange in Milan. On the New York Stock Exchange, Siemens shares are traded in the form of American Depositary Receipts (ADRs), with one ADR corresponding to one Siemens share. For fiscal 2009, we're proposing a dividend of €1.60.¹ Despite the weakened economic environment, our dividend has remained stable for the third year in a row. Our dividend payout ratio for fiscal 2009 is 56%.² We intend to continue pursuing an attractive dividend policy for our investors in the future.

- 1 To be proposed at the Annual Shareholders' Meeting
- 2 Anticipated dividend payment/Net income

Siemens' financial calendar/Information resources

Siemens' financial calendar¹

First-quarter financial report	Jan. 26, 2010
Annual Shareholders' Meeting – Olympiahalle, Munich, 10:00 a.m.	Jan. 26, 2010
Ex-dividend date	Jan. 27, 2010
Second-quarter financial report and Semiannual Press Conference	Apr. 29, 2010
Third-quarter financial report	July 29, 2010
Preliminary figures for fiscal 2010/Press conference	Nov. 11, 2010
Annual Shareholders' Meeting for fiscal 2010	Jan. 25, 2011

¹ Provisional. Updates will be posted at: www.siemens.com/financial_calendar

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Detailed information about fiscal 2009 and the Company can be found in the Annual Report 2009. This report is available in English, German, French and Spanish and can be downloaded at: www.siemens.com/annual-report
In addition, an abridged Japanese version will be available as of January 2010 at: www.siemens.co.jp

In addition to an Annual Report at the end of each fiscal year, Siemens publishes quarterly consolidated financial statements. All of these financial reports are available on our Internet site at: www.siemens.com/financialreports

Printed copies of the Annual Report are available free of charge from:

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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. For Siemens, particular uncertainties arise, among others, from changes in general economic and business conditions (including margin developments in major business areas and recessionary trends); the possibility that customers may delay the conversion of booked orders into revenue or that prices will decline as a result of continued adverse market conditions to a greater extent than currently anticipated by Siemens' management; developments in the financial markets, including fluctuations in interest and exchange rates, commodity and equity prices, debt prices (credit spreads) and financial assets generally; continued volatility and a further deterioration of the capital markets; a worsening in the conditions of the credit business and, in particular, additional uncertainties arising out of the subprime, financial market and liquidity crises; future financial performance of major industries that Siemens serves, including, without limitation, the Sectors Industry, Energy and Healthcare; the challenges of integrating major acquisitions and implementing joint ventures and other significant portfolio measures; the introduction of competing products or technologies by other companies; a 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 and actions resulting from the findings of these investigations; the potential impact of such investigations and proceedings on Siemens' ongoing business including its relationships with governments and other customers; the potential impact of such matters on Siemens' financial statements; as well as 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 does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.