

Facts and figures for shareholders

Fiscal 2010

(October 1, 2009 – September 30, 2010)

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Dr. Gerhard Cromme

Chairman of the Supervisory Board

Although the consequences of the global financial and economic crisis continued to impact some of our businesses, we can look back on an extraordinarily successful fiscal year, with record results.

In fiscal 2010, 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 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 2010 another successful year for Siemens.



Peter Löscher

President and Chief Executive Officer

Sustainable, capital-efficient growth and continuous improvement for the benefit of our customers, employees and shareholders: that's what we're aiming for in everything we do. And the success we achieved in fiscal 2010 – despite a business environment that is still difficult in some parts of the world – confirms that we're on the right track.

Throughout the crisis, we performed well compared to our most important competitors, returning our company to the ranks of the world's leading players. This positive development is primarily due to steps we took early on, even before the crisis hit. Siemens is again in an excellent competitive position and wields enormous business clout.

Building on this success, we've now established a framework for achieving further continuous improvement for the benefit of our customers, employees and shareholders – our new One Siemens financial target system. Charting our company's path for sustainable development in the years ahead, One Siemens defines metrics for revenue growth, capital efficiency and profitability as well as the optimization of our capital structure. It also specifies our future dividend policy, which will provide reliable orientation for all long-term investors. The unprecedented dividend of €2.70 that we'll be proposing for fiscal 2010 is a first step in implementing this new policy.



Fiscal 2010 – Financial summary

In fiscal 2010, we emerged from the economic downturn as a more focused company with strong operating momentum. Net income and Total Sectors profit climbed above the prior-year levels, and all three Sectors generated strong increases in free cash flow which resulted in a substantial increase in free cash flow for Siemens compared to the prior year. We also restored order growth following the economic downturn, particularly in our shorter-cycle businesses, and kept revenue almost level with the prior year. Order development was clearly more robust in the second half of fiscal 2010 than in the first half, as our Sectors took advantage of improving market conditions.

Successful completion of Fit42010. Fiscal 2010 also marked the culmination of our Fit42010 transformation program. The overarching aim of this program was to make our company a leading global competitor once again. To this end, we set clear targets for growth, profitability and liquidity. And we reached nearly all of these targets – a tremendous success in the face of the worldwide economic and financial crisis, which impaired our business growth in fiscal 2009 and 2010.

We kept revenue stable year-over-year. In fiscal 2010, revenue for Siemens was €75.978 billion compared to €76.651 billion a year earlier. At the Sector level, revenue was nearly unchanged compared to fiscal 2009. Industry, our largest Sector by volume, offset declines in its longer-cycle businesses with revenue growth in faster-recovering, shorter-cycle businesses. Healthcare revenue increased steadily throughout the year, and came in above the prior-year level. Revenue at Energy was down in the first half of the fiscal year, but recovered well in the second half. The modest revenue decline for Siemens overall was due mainly to lower revenue at Siemens IT Solutions and Services and streamlining of Centrally managed portfolio activities. Revenue in fiscal 2010 benefited from positive currency translation effects. On a geographic basis, revenue rose 10% in Asia, Australia. This offset much of the decline in revenue in the much larger region Europe, C.I.S., Africa, and the Middle East. Revenue in the Americas was nearly unchanged, as double-digit growth in the region's emerging markets largely offset a decrease in the U.S.

We restored growth in new orders, which rose to €81.163 billion from €78.991 billion a year earlier. The patterns described above for revenue development in the Sectors were also evident in order development. Industry's shorter-cycle businesses delivered the majority of the Sector's order growth year-over-year, and Energy's strong second half included high double-digit growth in the fourth quarter compared to the prior-year quarter. Healthcare orders rose steadily through the year. Order development differed somewhat from revenue on a geographic basis. Orders climbed 18% in the Americas, with both the U.S. and emerging markets showing double-digit increases. Asia, Australia saw solid order growth, and together these regions offset lower orders in Europe, C.I.S., Africa, Middle East.

We increased Total Sectors profit to €7.789 billion. The Sectors' combined profit came in 4% higher than the prior year, even after impairment charges at Healthcare's Diagnostics Division in the fourth quarter. Industry took its profit up 29% year-over-year, to €3.478 billion, as successful profitability initiatives improved capacity utilization and reduced costs. Energy generated profit of €3.562 billion, a 7% increase compared to the prior fiscal year, on strong project execution. Profit at Healthcare was significantly lower, at €748 million compared to €1.450 billion in fiscal 2009, due to the impairment charges mentioned above.

During the fourth quarter of fiscal 2010 we completed a strategic review that reassessed the medium-term growth prospects and long-term market development of the laboratory diagnostics business. Following completion of the annual impairment test, Diagnostics took impairment charges at the close of the fourth quarter of €1.204 billion, including €1.145 billion for goodwill.

Income from continuing operations rose substantially. Total Sectors profit in fiscal 2010 came in higher despite the impairment charges related to Healthcare's Diagnostics Division, while burdens below the Sectors were lower in the current fiscal year than in fiscal

2009. These factors combined to increase income from continuing operations to €4.112 billion from €2.457 billion in the prior year. The difference year-over-year was due mainly to Equity Investments, which had a loss of €191 million in fiscal 2010 compared to a loss of €1.851 billion in fiscal 2009, including impairment charges primarily related to our stake in NSN. The lower loss from Equity Investments in fiscal 2010 was partly offset by a loss of €537 million (pretax) at Siemens IT Solutions and Services, which posted a profit of €90 million (pretax) a year earlier. The loss in the current period stemmed from a strategic reorientation aimed at strengthening the competitive position of the business in preparation for operating on a standalone basis. Completing previously announced staff reductions occasioned charges of €399 million (pretax) in fiscal 2010 at Siemens IT Solutions and Services. In contrast, Siemens Financial Services raised its pretax profit significantly compared to the previous year, to €447 million, and contributed substantially to the strong results of Siemens. Net Income rose to €4.068 billion, up from €2.497 billion. Basic EPS was €4.49 compared to €2.65 in fiscal 2009.

We generated substantial cash flow from continuing operations.

A strong cash performance in the Sectors, particularly in the second half of the fiscal year, drove free cash flow from continuing operations from 3.786 billion in fiscal 2009 up to €7.111 billion in fiscal 2010. Besides a strong operating performance in the Sectors, cash flow from operating activities also benefited from positive changes in net working capital including substantially higher billings in excess of costs, particularly in the Energy Sector, compared to a decrease in these payments in fiscal 2009. In contrast, fiscal 2010 included higher cash outflows related to income taxes and pension plans. For comparison, negative changes in net working capital in fiscal 2009 included €1.008 billion in cash outflows for payments to authorities in the U.S. and Germany following resolution of legal proceedings, and substantial cash outflows stemming from project charges. The impairment charges at Diagnostics and NSN mentioned above had no cash impact in the periods under review. Free cash flow in both periods included approximately €0.8 billion in outflows related to staff reduction measures.

To our shareholders and employees. The Siemens Managing Board and Supervisory Board propose a dividend of €2.70 per share. The prior-year dividend was €1.60 per share. Our employees played an invaluable role in keeping Siemens on a positive, stable course during the worst global economic crisis in generations. We're now rewarding their tremendous achievements with a special remuneration totaling €310 million for non-management employees.

Outlook for fiscal 2011. With continuing improvement in Siemens' markets, we expect organic order intake to show a clear increase compared to fiscal 2010. Supported also by our already strong order backlog, we expect revenue to return to moderate organic growth. We further anticipate income from continuing operations to exceed reported fiscal 2010 results by at least 25% to 35%. This outlook excludes effects that may arise from legal and regulatory matters.

Revenue growth	
FY 2010 ³	(3)%
FY 2009 ³	0%

Profit margin FY 2010	
Industry	10.0%
Industry Automation	16.8%
Drive Technologies	12.3%
Building Technologies	6.6%
OSRAM	12.2%
Industry Solutions	0.7%
Mobility	7.9%
Energy	14.0%
Fossil Power Generation	15.9%
Renewable Energy	11.3%
Oil & Gas	11.7%
Power Transmission	12.4%
Power Distribution	13.9%
Healthcare^{7,8}	7.5%
Imaging & IT	19.6%
Workflow & Solutions	1.8%
Diagnostics ^{7,8}	(16.3)%
Siemens IT Solutions and Services	(12.9)%
Siemens Financial Services*	30.4%

Margin ranges * Return on Equity⁹

ROCE (continuing operations)	
FY 2010 ¹⁰	10.4%
FY 2009 ¹⁰	6.1%

Target corridor: 14 – 16%

Cash conversion (continuing operations)	
FY 2010 ¹¹	1.73
FY 2009 ¹¹	1.54

Target: 1 minus revenue growth rate

Adjusted industrial net debt/adjusted EBITDA (continuing operations)	
FY 2010	0.08
FY 2009	0.31

Target corridor: 0.8 – 1.0

Growth and profit		FY 2010	FY 2009	% Change Actual	% Change Adjusted ³
Continuing operations					
New orders		81,163	78,991	3%	1%
Revenue		75,978	76,651	(1)%	(3)%
Total Sectors					
Profit Total Sectors		7,789	7,466	4%	
in % of revenue (Total Sectors)		10.7%	10.3%		
EBITDA (adjusted)		11,042	9,524	16%	
in % of revenue (Total Sectors)		15.2%	13.1%		
Continuing operations					
EBITDA (adjusted)		10,034	9,219	9%	
Income from continuing operations		4,112	2,457	67%	
Basic earnings per share (in euros) ⁴		4.54	2.60	75%	
Continuing and discontinued operations⁵					
Net income		4,068	2,497	63%	
Basic earnings per share (in euros) ⁴		4.49	2.65	69%	

Return on capital employed		FY 2010	FY 2009
Continuing operations			
Return on capital employed (ROCE)		10.4%	6.1%
Continuing and discontinued operations⁵			
Return on capital employed (ROCE)		10.3%	6.2%

Free cash flow and Cash conversion		FY 2010	FY 2009
Total Sectors			
Free cash flow		10,934	7,606
Cash conversion		1.40	1.02
Continuing operations			
Free cash flow		7,111	3,786
Cash conversion		1.73	1.54
Continuing and discontinued operations⁵			
Free cash flow		7,013	3,641
Cash conversion		1.72	1.46

Net debt and Capital structure		FY 2010	FY 2009
Net debt		5,560	9,309
Net debt/adjusted EBITDA (cont.)		0.55	1.01
Adjusted industrial net debt		819	2,873
Ad. ind. net debt/adjusted EBITDA (cont.)		0.08	0.31

Employees (in thousands)		Sept. 30, 2010		Sept. 30, 2009	
		Cont. Op.	Total ⁶	Cont. Op.	Total ⁶
Employees		405	405	405	405
Germany		128	128	128	128
Outside Germany		277	277	277	277

1 New orders and order backlog; adjusted or organic growth rates of Revenue and new orders; book-to-bill ratio; Total Sectors Profit; ROE; ROCE; Free cash flow; cash conversion rate; adjusted EBITDA; adjusted EBIT; 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. 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 our Investor Relations website under www.siemens.com/nonGAAP.

2 October 1, 2009 – September 30, 2010.

3 Adjusted for portfolio and currency translation effects.

4 Earnings per share – attributable to shareholders of Siemens AG. For fiscal 2010 and 2009 weighted average shares outstanding (basic) (in thousands) amounted to 868,244 and 864,818 shares, respectively.

5 Discontinued operations primarily consist of former Com activities, comprising carrier networks, enterprise networks and mobile devices activities.

6 Continuing and discontinued operations.

7 Including (9.7)pp for Healthcare and (32.8)pp for Diagnostics related to €1.204 billion (pretax) impairments at Diagnostics.

8 Profit margin including PPA effects for Healthcare is 6.1% and for Diagnostics (21.2)%.

9 Return on equity is calculated as Income before income taxes divided by average allocated equity of fiscal 2010 (€1.470 billion).

10 FY 2010: including (2.8)pp related to the impairments at Diagnostics as well as (0.8)pp related to €460 million (pretax) charges for strategic reorientation of the IT business; FY 2009: including (4.6)pp related to €1.850 billion (pretax) impairments at NSN.

11 FY 2010: including (0.44) related to the impairments at Diagnostics as well as to the charges for strategic reorientation of the IT business; FY 2009: including (0.66) related to the impairments at NSN.

The Siemens share / Investor relations

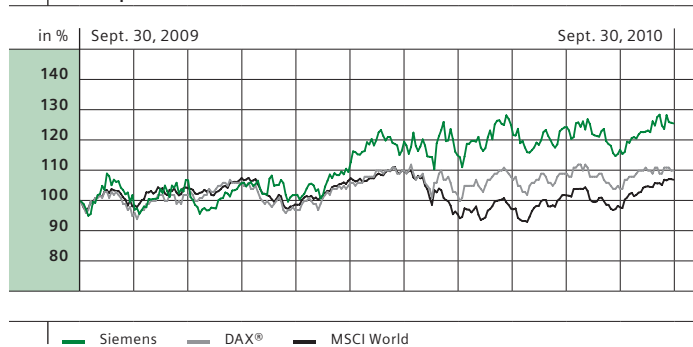
Siemens on the capital market. Siemens stock performed exceptionally well in fiscal 2010, closing at €77.43 per share on September 30, 2010. This was an increase of 22.4% over the closing price a year earlier. For shareholders who reinvested their dividends, the gain amounted to 25.4% (fiscal 2009: 1.3%). The Siemens share clearly outperformed the German and international stock markets, whose leading indices, DAX 30 and MSCI World, appreciated in the same period by 9.8% and 6.8%, respectively. At the Annual Shareholders' Meeting, the Managing Board and the Supervisory Board will propose significantly increasing the dividend payment by €1.10 to €2.70 per share. After three years in which our dividend remained stable despite a weak economic environment, this proposal reflects our improved earnings situation in fiscal 2010.

In dialogue with our investors. 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 Markets 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 at www.siemens.com/investors.

Share price



Stock market information

(in €, except where otherwise stated)

	FY 2010 ¹	FY 2009 ¹
Stock price range (Xetra closing prices, Frankfurt)		
High	79.37	66.45
Low	60.20	35.52
Year-end	77.43	63.28
Number of shares (year-end, in millions)	914	914
Market capitalization (year-end, in millions of euros) ²	67,351	54,827
Basic earnings per share – continuing operations	4.54	2.60
Basic earnings per share ³	4.49	2.65
Dividend	2.70 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 to the Annual Shareholders' Meeting

Financial calendar¹

First-quarter financial report	Jan. 25, 2011
Annual Shareholders' Meeting – Olympiahalle, Munich, 10:00 a.m.	Jan. 25, 2011
Ex-dividend date	Jan. 26, 2011
Second-quarter financial report/Semiannual Press Conference	May 4, 2011
Third-quarter financial report	July 28, 2011
Preliminary figures for fiscal 2011/Press conference	Nov. 10, 2011
Annual Shareholders' Meeting for fiscal 2011	Jan. 24, 2012

¹ Provisional. Updates will be posted at www.siemens.com/financial-calendar.

Detailed information about fiscal 2010 and the Company can be found in the Siemens Annual Report for 2010. Available in English, German, French and Spanish, the Report can be downloaded at www.siemens.com/annual-report.

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

E-mail siemens@bek-gmbh.de
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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, or ROE; return on capital employed, or ROCE; ROCE (adjusted); Free cash flow; cash conversion rate, or CCR; adjusted EBITDA; adjusted EBIT; 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. 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, 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. 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 cancellations of recognized orders, of prices declining as a result of continued 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 U.S. dollar), 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 pension obligations 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 post-employment benefit plans. Any increase in market volatility, further deterioration in the capital markets, decline in the conditions for the credit business, continued uncertainty related to the subprime, financial market and liquidity crises, 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 certain strategic reorientation measures; the performance of its equity interests and strategic alliances; the challenge of integrating major acquisitions and implementing joint ventures and other significant portfolio measures; 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; changes in business strategy; 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.