

Pressekonferenz

Geschäftsjahr 2009 – zweites Quartal

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Berlin, 29. April 2009

Haftungsausschluss

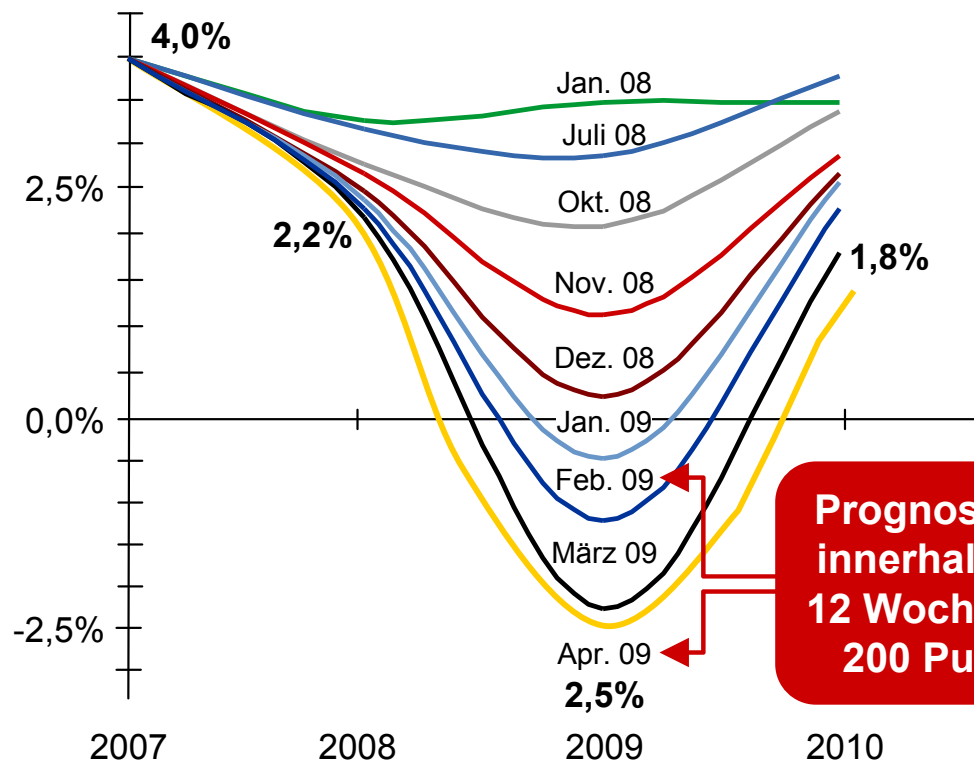
Um Währungs- und Portfolioeffekte bereinigte Angaben für Umsatz und Auftragseingang, Return on Equity (ROE), Return on Capital Employed (ROCE), Cash Conversion Rate, Free Cash Flow, Earnings before interest, taxes, depreciation and amortization oder EBITDA (angepasst) und Nettoverschuldung sind oder können sogenannte Non-GAAP-Kennzahlen sein. Für die Beurteilung unserer Finanz- und Ertragslage beziehungsweise für die Beurteilung von Zahlungsströmen sollten diese zusätzlichen Finanzkennzahlen nicht ausschließlich als Alternative zu den im Konzernabschluss dargestellten und in Einklang mit IFRS ermittelten Finanzkennzahlen herangezogen werden. Eine Definition dieser zusätzlichen Finanzkennzahlen, eine Überleitung zu vergleichbaren IFRS-Kennzahlen sowie Informationen zum Nutzen und zu den Grenzen in der Verwendung solcher ergänzenden Finanzkennzahlen finden Sie auf unserer Investor-Relations-Website unter www.siemens.com/nonGAAP.

Dieses Dokument enthält zukunftsgerichtete Aussagen und Informationen – also Aussagen über Vorgänge, die in der Zukunft, nicht in der Vergangenheit, liegen. Diese zukunftsgerichteten Aussagen sind erkennbar durch Formulierungen wie „erwarten“, „wollen“, „antizipieren“, „beabsichtigen“, „planen“, „glauben“, „anstreben“, „einschätzen“, „werden“ oder ähnliche Begriffe. Solche vorausschauenden Aussagen beruhen auf unseren heutigen Erwartungen und bestimmten Annahmen. Sie bergen daher eine Reihe von Risiken und Ungewissheiten. Eine Vielzahl von Faktoren, von denen zahl-reiche außerhalb des Einflussbereichs von Siemens liegen, beeinflussen die Geschäftsaktivitäten, den Erfolg, die Geschäftsstrategie und die Ergebnisse von Siemens. Diese Faktoren könnten dazu führen, dass die tatsächlichen Ergebnisse, Erfolge und Leistungen des Siemens-Konzerns wesentlich abweichen von den in zukunftsgerichteten Aussagen ausdrücklich oder implizit enthaltenen Angaben zu Ergebnissen, Erfolgen oder Leistungen. Für uns ergeben sich solche Ungewissheiten, neben anderen, insbesondere aufgrund folgender Faktoren: Änderungen der allgemeinen wirtschaftlichen und geschäftlichen Lage (einschließlich Margenentwicklungen in den wichtigsten Geschäftsbereichen), Entwicklung der Finanzmärkte, einschließlich Schwankungen bei Zinssätzen und Währungskursen, der Rohstoffpreise, der Fremd- und Eigenkapitalmargen (credit spreads) sowie der Finanzanlagen im Allgemeinen; zunehmender Volatilität und weiterem Verfall der Kapitalmärkte; Verschlechterung der Rahmenbedingungen für das Kreditgeschäft und insbesondere die zunehmenden Unsicherheiten, die aus der Hypotheken-, Finanzmarkt- und Liquiditätskrise entstehen sowie der zukünftige, wirtschaftliche Erfolg der Kerngeschäftsfelder, in denen wir tätig sind, zu denen, ohne Einschränkungen, der Industry, Energy und Healthcare Sector gehören; Herausforderungen der Integration wichtiger Akquisitionen und der Implementierung von Joint Ventures und anderer wesentlicher Portfoliomaßnahmen; Einführung konkurrierender Produkte oder Technologien durch andere Unternehmen; fehlender Akzeptanz neuer Produkte und Dienstleistungen seitens der Kundenzielgruppen des Siemens-Konzerns; Änderungen in der Geschäftsstrategie; des Ausgangs von offenen Ermittlungen und anhängigen Rechtsstreitigkeiten, insbesondere den Korruptionsuntersuchungen, denen wir derzeit in Deutschland, in den USA und anderswo unterliegen; der potenziellen Auswirkung dieser Untersuchungen und Verfahren auf unser laufendes Geschäft, einschließlich unserer Beziehungen zu Regierungen und anderen Kunden; der potenziellen Auswirkungen solcher Angelegenheiten auf unsere Abschlüsse sowie verschiedener anderer Faktoren. Detailliertere Informationen über unsere Risikofaktoren sind diesem Bericht und den Berichten zu entnehmen, die Siemens bei der US-amerikanischen Börsenaufsicht SEC eingereicht hat und die auf der Siemens-Website unter www.siemens.com und auf der Website der SEC unter www.sec.gov abrufbar sind. Sollten sich eines oder mehrere dieser Risiken oder Ungewissheiten realisieren oder sollte sich erweisen, dass die zugrunde liegenden Annahmen nicht korrekt waren, können die tatsächlichen Ergebnisse sowohl positiv als auch negativ wesentlich von denjenigen Ergebnissen abweichen, die in der zukunftsgerichteten Aussage als erwartete, antizipierte, beabsichtigte, geplante, geglaubte, angestrebte, projizierte oder geschätzte Ergebnisse genannt worden sind. Siemens übernimmt keine Verpflichtung und beabsichtigt auch nicht, diese zukunftsgerichteten Aussagen zu aktualisieren oder bei einer anderen als der erwarteten Entwicklung zu korrigieren.

Der Abschwung beschleunigt sich dramatisch

Abschwächung der Weltwirtschaft

Veränderung der weltweiten BIP-Prognosen seit 2007



Prognose fällt innerhalb von 12 Wochen um 200 Punkte

Wesentliche Daten / Feststellungen

- Die gesamte Weltwirtschaft befindet sich in der stärksten Rezession seit der Weltwirtschaftskrise
- Erhebliche Prognose-Korrekturen in den **Industrieländern (OECD)**: -3,9%
 - **USA** -3,5%
 - **Deutschland** -4,8%
- Wachstumsprognosen für **Schwellen- und Entwicklungsländer** nahe Null (letzte Prognose: +0,9%)

Zweites Quartal – Deutlicher Ergebnisanstieg

In Mio. € (fortgeführte Aktivitäten)	Q2/2008	Q2/2009	Veränderung
Auftragseingang	23.371	20.864	-11%
Umsatz	18.094	18.955	+5%
Ergebnis Summe Sektoren	1.288	1.844	+43%
Gewinn (nach Steuern) ¹	412	1.013	+146%
Ergebnis je Aktie (unverwässert) ¹ , in €	0,42	1,11	+0,69
Free Cash Flow	1.623	1.138	-30%

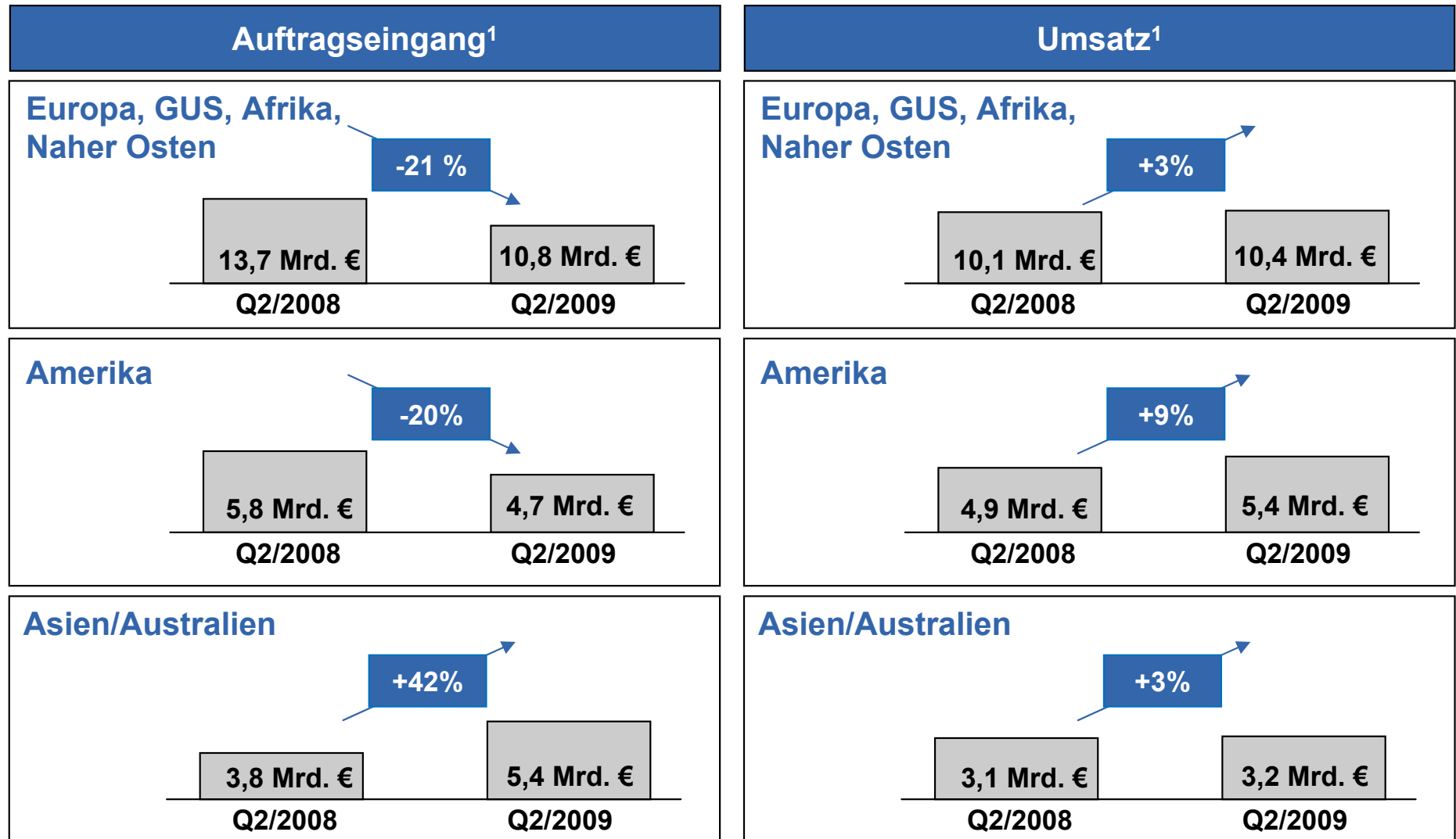
¹⁾ Einschließlich nicht fortgeführte Aktivitäten

Sektoren – Robust in schwierigem Marktumfeld

Operatives Geschäft	Auftrags-eingang ¹	Umsatz ¹	Ergebnis-marge	
Industry	-11%	-4%	7,8%	Industry
Industry Automation	-28%	-21%	5,8%	<ul style="list-style-type: none"> ▪ Rezession trifft Industry am stärksten, besonders die kurzzyklischen Divisionen ▪ Marktentwicklungen drücken Volumen ▪ Mobility profitiert von Großaufträgen
Drive Technologies	-37%	-7%	12,5%	
Building Technologies	-12%	+1%	6,7%	
Osram	-18%	-18%	0,8%	
Industry Solutions	-13%	+11%	6,7%	
Mobility	+69%	+14%	6,9%	
Energy	-9%	+28%	12,9%	Energy
Fossil Power Generation	-17%	+37%	13,1%	<ul style="list-style-type: none"> ▪ Auftragseingang 1,3 mal so hoch wie Umsatz ▪ Basiseffekt drückt Auftragseingang bei Fossil Power Generation
Renewable Energy	+65%	+92%	13,1%	
Oil & Gas	-16%	+6%	11,6%	
Power Transmission	-20%	+20%	11,2%	
Power Distribution	-17%	+23%	12,5%	
Healthcare	+6%	+10%	11,9%	Healthcare
Imaging & IT	+4%	+9%	14,9%	<ul style="list-style-type: none"> ▪ Robust in angespanntem Marktumfeld ▪ Erneut Weltmarktführer bei Imaging & IT
Workflow & Solutions	+7%	+10%	7,3%	
Diagnostics	+5%	+6%	6,2%	

¹⁾ Q2/2009 ggü. Q2/2008, rechnerisch

Regionen – Asien profitiert von Großaufträgen



¹⁾ Q2/2009 ggü. Q2/2008, rechnerisch

Ausblick auf das Geschäftsjahr 2009

- **Wachstumsziel bleibt unverändert bestehen: doppelt so schnell wie das Welt-Bruttoinlandsprodukt¹⁾**
- **Das Ergebnis der Sektoren soll den Vorjahreswert von 6,6 Mrd. € übersteigen**
- **Das Ergebnis aus fortgeführten Aktivitäten soll stärker wachsen als das Ergebnis der Sektoren**

Dieser Ausblick berücksichtigt keine Portfolioeffekte sowie Einflüsse, die aus rechtlichen und regulatorischen Themen entstehen könnten.



1) Falls das Wachstum des Welt-BIP negativ ist, entspricht das Siemens-Wachstumsziel weniger als dem halben Wert (Beispiel: Bei einem Wachstum des Welt-BIP von minus 2% wird ein Rückgang des Siemens-Umsatzes von weniger als 1% erwartet).

Siemens wird leistungs- und wettbewerbsfähiger

1. Ausrichtung auf die Megatrends

- Konzentration auf das Kerngeschäft
- Portfolio rigoros angepasst

2. Neue Organisationsstruktur

- CEO-Prinzip
- Klare Verantwortlichkeiten

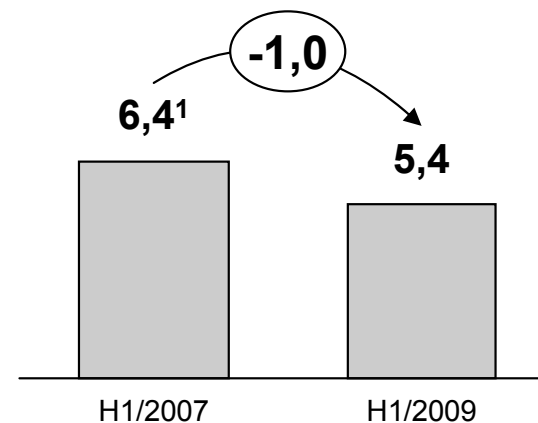
3. Verschlankeung der Verwaltungen

- Sektoren, Zentrale
- Regionen

4. Optimierung des Einkaufs

- Externe Einkäufe, Wertschaffung
- Lieferanten-Management

Vertriebs- und Verwaltungskosten



¹⁾ H1/2007 entspricht der Hälfte der Kosten GJ2007 (12,1 Mrd. €) plus Portfolioveränderungen = 12,8 Mrd. €

- Einsparziel von 1,2 Mrd. € bis 2010 wird erreicht.
- Einsparziel bei der Informationstechnologie wird bereits ein Jahr früher als geplant erreicht.

Supply Chain Management (SCM) vorantreiben

Bedeutung

- Externe Einkäufe belaufen sich auf rund 40 Mrd. €
- SCM ist ein Hebel zur Unterstützung der Profitabilität

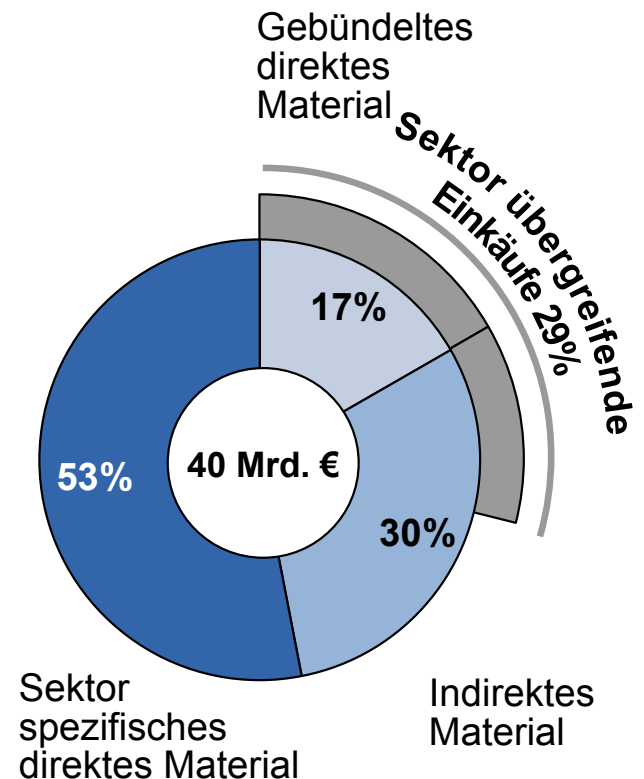
Kurzfristig

- Die Chancen des wirtschaftlichen Umfeldes nutzen
 - Fallende Rohmaterialpreise
 - Zunehmende Unterauslastung der Kapazitäten bei den Lieferanten
- Management von Risiken bei den Lieferanten
 - Materialverfügbarkeit und -qualität
 - Finanzielle Risiken

Strategisch

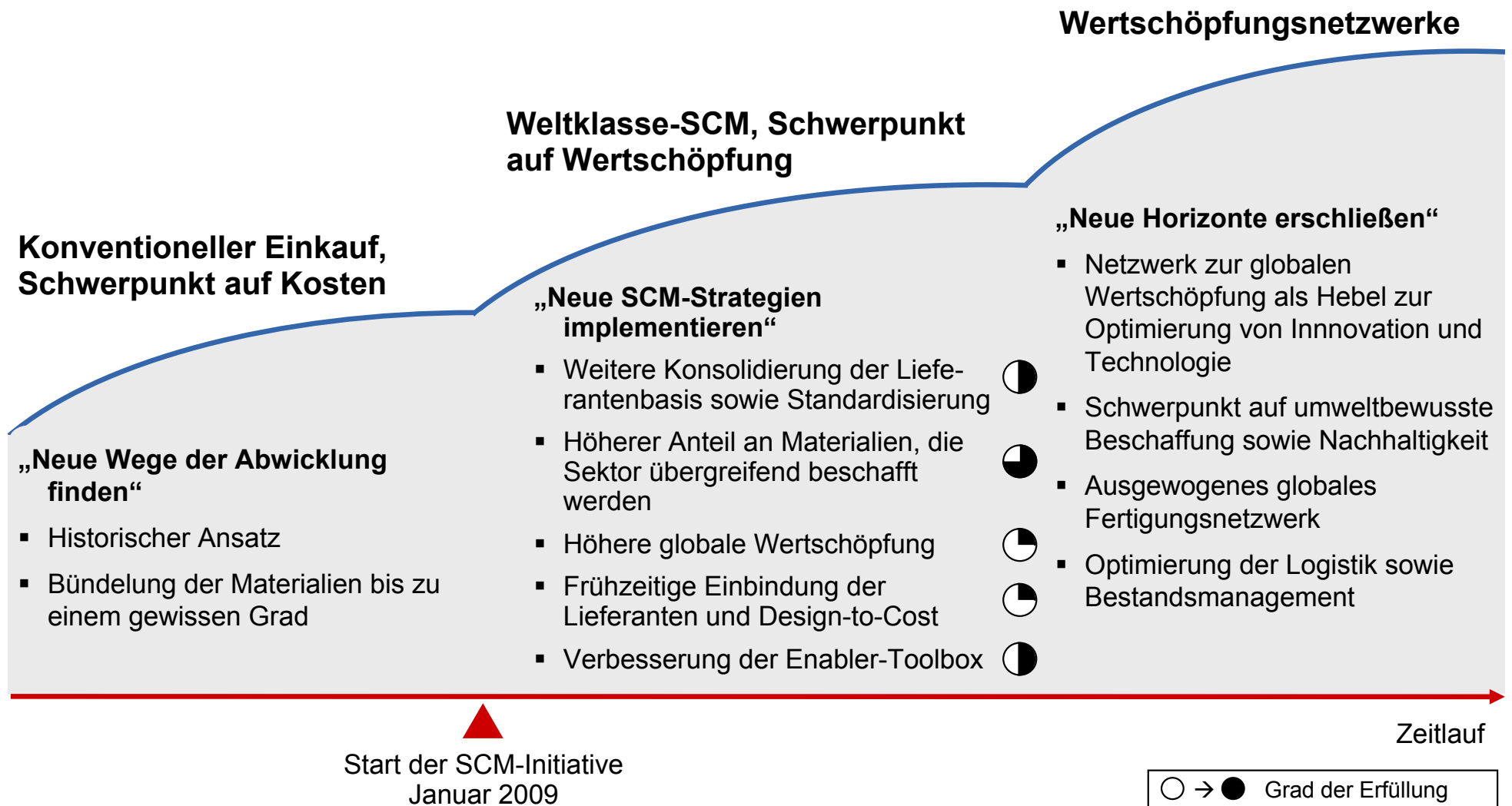
- Zur Unterstützung des Wachstums, Balance der weltweiten Produktions- und Lieferantenkapazitäten – Erhöhen des Anteils der globalen Wertschöpfung
- Aufbau eines Netzwerks für globale Wertschöpfung – Lieferanten, Innovationen und Nachhaltigkeit

Externes Einkaufsvolumen¹⁾

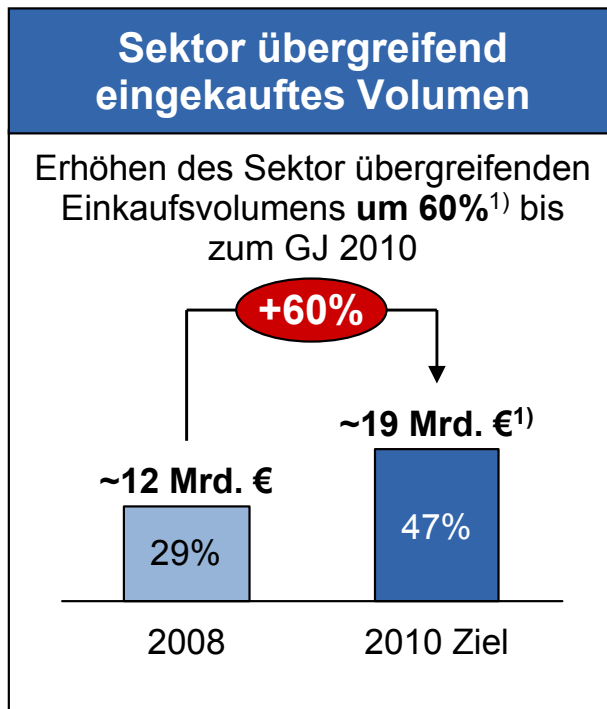


¹⁾ GJ 2008, ohne Investitionen, nicht testierte Zahlen

Nachhaltige Leistungssteigerung im SCM

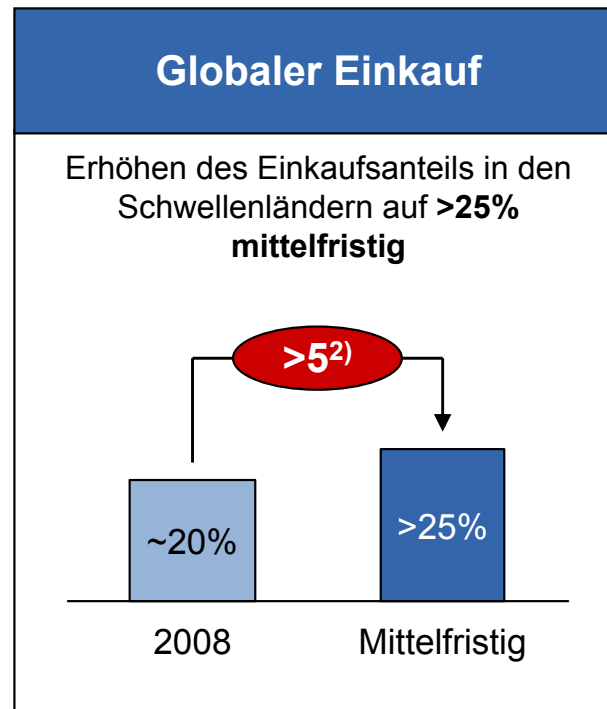


Klare Ziele für den Wertbeitrag durch SCM



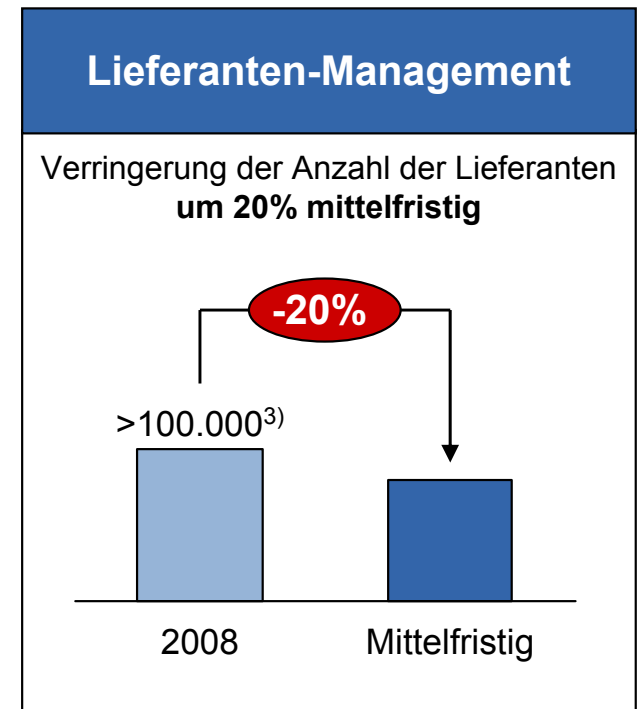
Ausgewählte Beispiele

- Mechanische Komponenten
- IT-Hardware und Software
- Reisen / Fuhrpark
- Fabrikbedarfe



Ausgewählte Beispiele

- Optimierung F&E und Produktion
- Lokale Verankerung des Portfolios und Wertschöpfungsketten
- Ausweitung der Lieferantenbasis in Schwellenländern



Ausgewählte Beispiele

- Fokus auf Lieferantenmanagement
- Zentrales Management für die Aufnahme neuer Lieferanten
- Integrationskonzepte
- Einkaufskarte

¹⁾ Auf Basis des Einkaufsvolumens und der Struktur im GJ 2008

²⁾ Prozentpunkte

³⁾ Analyse in Arbeit

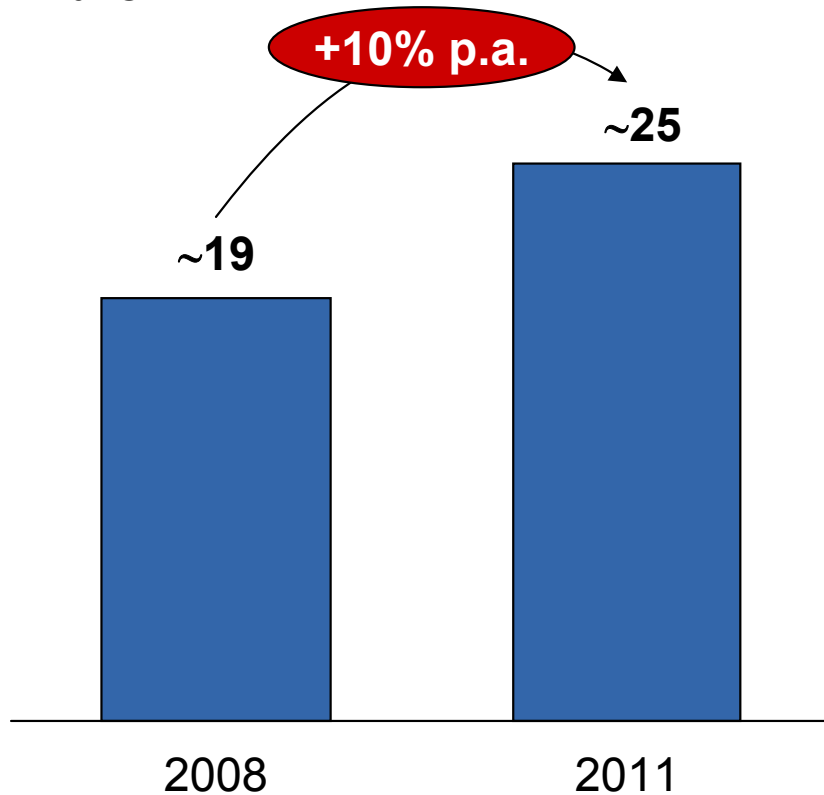
Anmerkung: Alle Zahlen sind nicht testiert, nur indikativ

Siemens ist ein grüner Infrastruktur-Gigant

Im GJ 2008 erlösten wir mit unserem „grünen“ Portfolio 19 Mrd. €

Wachstumshebel

In Mrd. €



Energieeffizienz



Windenergie



Solarenergie



Zusammenfassung

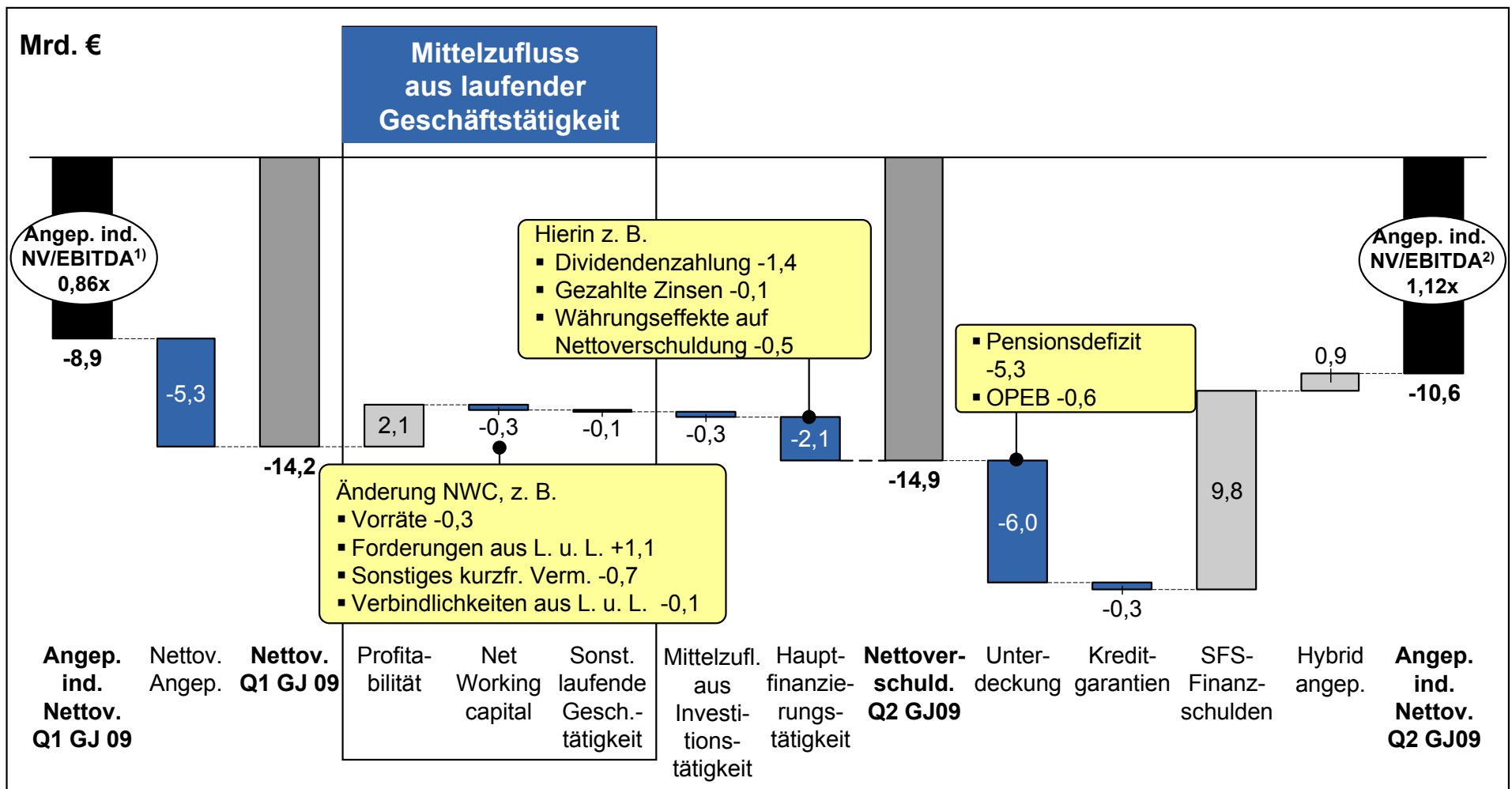
- **Siemens erweist sich in der Krise als robust**
 - Umsatz und Auftragsbestand sind weiter gestiegen
 - Siemens schlägt sich insbesondere im Vergleich zum Wettbewerb gut

- **Wir haben Siemens frühzeitig wetterfest gemacht und zusätzliche Hebel in Bewegung gesetzt**
 - Senkung der Verwaltungskosten
 - Einkaufsinitiative gestartet

- **Auch in der Krise verfolgen wir unser langfristiges Ziel der Stärkung unserer Wettbewerbsfähigkeit**
 - Siemens ist mit seinem „grünen“ Portfolio weltweit die Nummer eins
 - Wir setzen den Ausbau dieser Spitzenposition fort

Anhang

Anstieg der industriellen Nettoverschuldung vorrangig aufgrund der Deckungslücke bei Pensionen



1) EBITDA (annualisiert): Q1 GJ2009 x 4

2) EBITDA (annualisiert): H1 GJ2009 x 2

Reconciliation and Definitions for Non-GAAP Measures (I)

The United States (U.S.) Securities and Exchange Commission requires to reconcile financial measures, that are not compliant with International Financial Reporting Standards (IFRS) and that are targeted to U.S. investors to the closest comparable IFRS financial measures.

To supplement Siemens' Consolidated Financial Statements presented in accordance with International Financial Reporting Standards, or IFRS, Siemens presents the following financial measures:

- Adjusted or organic growth rates of Revenue and new orders;
- Return on equity, or ROE;
- Return on capital employed, or ROCE;
- Cash conversion rate, or CCR, and free cash flow;
- Earnings before interest, taxes, depreciation and amortization, or EBITDA (adjusted); and
- Net debt

These supplemental financial measures are or may be "non-GAAP financial measures," as defined in the rules of the U.S. Securities and Exchange Commission. They exclude or include amounts that are included or excluded, as applicable, in the calculation of the most directly comparable financial measures calculated in accordance with IFRS, and their usefulness is therefore subject to limitations, which are described below under "Limitations on Usefulness of Non-GAAP Financial Measures." Accordingly, they should not be viewed in isolation as alternatives to the most directly comparable financial measures calculated in accordance with IFRS, as identified in the following discussion, and they should be considered in conjunction with Siemens' Consolidated Financial Statements presented in accordance with IFRS and the Notes to Consolidated Financial Statements. Siemens' most recent annual Consolidated Financial Statements at any given time (the "Annual Financial Statements") can be found in the most recent Annual Report of Siemens (the "Annual Report"), which can be accessed at www.siemens.com/annual-report. Siemens' most recent interim Consolidated Financial Statements (the "Interim Financial Statements") at any given time can be found at www.siemens.com/investors under the heading "Publications" – "Financial Publications" – "Financial Statements" or in the most recent Quarterly Report of Siemens (the "Quarterly Reports"), which can be accessed at www.siemens.com/quarterly-reports.

In addition, in considering these supplemental financial measures, investors should bear in mind that other companies that report similarly titled financial measures may calculate them differently. Accordingly, investors should exercise appropriate caution in comparing these supplemental financial measures to similarly titled financial measures reported by other companies.

Definitions, most directly comparable IFRS financial measures and usefulness of Siemens' supplemental financial measures

Siemens' supplemental financial measures focus on growth, capital efficiency, cash generation, and optimization of Siemens' capital structure and therefore are included within Siemens' Fit42010 strategic program. The following discussion provides definitions of these supplemental financial measures, the most directly comparable IFRS financial measures and information regarding the usefulness of these supplemental financial measures.

Reconciliation and Definitions for Non-GAAP Measures (II)



Adjusted or organic growth rates of Revenue and orders

In its financial reports, Siemens presents, on a worldwide basis and for its Sectors and Cross-Sector Businesses, the percentage change from period to period in Revenue as adjusted for currency translation effects and portfolio effects, i.e., the effects of acquisitions and dispositions. These adjusted percentage changes are called adjusted or organic rates of growth in Revenue. The IFRS financial measure most directly comparable to adjusted or organic growth rates of Revenue is the growth rate of Revenue calculated based on the Revenue figure as presented in the Consolidated Income Statement. Siemens believes that meaningful analysis of trends in Revenue from one period to the next requires an understanding of the quantitative impact of these effects, and accordingly Siemens management considers adjusted or organic rates of growth in Revenue in its management of Siemens' business. For this reason, Siemens believes that investors' ability to assess Siemens' overall performance may be improved by disclosure of this information.

Under Siemens' policy for the recognition of new orders, Siemens generally recognizes a new order when it enters into a contract that it considers "effective and binding" based on its review of a number of different criteria. In general, if a contract is considered effective and binding, Siemens recognizes the total contract value as promptly as practicable. There is no standard system for compiling new order information among companies in our fields of activities. Accordingly, Siemens' new order totals may not be comparable with new order totals reported by other companies. Contract value is the agreed price or fee of the irrevocable portion of the contract to deliver goods and/or render services. New orders is not required or defined by IFRS. Furthermore, Siemens' new order totals are not audited; however Siemens does subject its new orders to internal documentation and review requirements.

Return on equity, or ROE

In contrast, and in line with common practice in financial services, the profitability measure for Siemens Financial Services (SFS) is return on equity, or ROE. Siemens defines ROE as annualized Income before income taxes

of SFS divided by the average allocated equity for SFS. The allocated equity for SFS is determined and influenced by the size and quality of its portfolio of commercial finance assets (primarily leases) and equity investments. This allocation is designed to cover the risks of the underlying business and is in line with common credit risk management standards in banking. The actual risk portfolio of the SFS portfolio is evaluated and controlled monthly and is reflected in the quarterly (commercial finance) and annual (equity investments) adjustments of allocated equity. Annualized income before income taxes of SFS for any quarter is calculated as Income before income taxes multiplied by four.

Return on equity is reported only for the segment SFS. Because Siemens management uses ROE as a supplement to Siemens' Consolidated Financial Statements in evaluating the business performance of SFS, Siemens believes that investors' ability to assess Siemens' overall performance may be improved by disclosure of this information.

Reconciliation and Definitions for Non-GAAP Measures (III)



Return on Capital Employed, or ROCE

Return on capital employed, or ROCE is Siemens' measure of capital efficiency. Siemens uses this financial performance ratio in order to assess its income generation from the point of view of its shareholders and creditors, who provide Siemens with equity and debt. ROCE is used as a measure of how capital invested in the Company or the Sectors yields competitive returns. Achievement of predetermined targets relating to ROCE is one of the factors taken into account in determining the amount of performance-based or variable compensation received by Siemens management.

Because Siemens management uses ROCE as a supplement to Siemens' Consolidated Financial Statements in evaluating Siemens' business performance, Siemens believes that investors' ability to assess Siemens' overall performance may be improved by disclosure of this information.

ROCE on a Siemens group level

Siemens defines ROCE as Net income (before interest) divided by average capital employed, or CE.

Net income (before interest), the numerator in the ROCE calculation, is defined as Net income excluding Other interest income (expense), net and excluding taxes on Other interest income (expense), net. Taxes on Other interest (expense), net are calculated in a simplified form by applying the current tax rate, which can be derived from the Consolidated Statements of Income, to Other interest income (expense), net.

Capital employed, the denominator in the ROCE calculation, is defined as Total equity plus Long-term debt plus Short-term debt and current maturities of long-term debt minus Cash and cash equivalents. Each of the components of capital employed appears on the face of the Consolidated Balance Sheet.

ROCE on a Siemens group level, on a continuing operations basis

Siemens also presents ROCE on a continuing operations basis. For this purpose, the numerator is Income from continuing operations and the denominator is capital employed, less Assets classified as held for disposal presented as discontinued operations net of Liabilities associated with assets held for disposal presented as discontinued operations.

ROCE on a Sector level

For the Sectors, ROCE is defined as Profit divided by average Assets. Profit for each Sector is defined as earnings before financing interest, certain pension costs and income taxes; certain items not considered performance-indicative by management may be excluded. Assets for each Sector are defined as Total assets less intragroup financing receivables and investments, less income tax assets, less non-interest-bearing liabilities/provisions other than tax liabilities.

Reconciliation and Definitions for Non-GAAP Measures (IV)



Cash conversion rate and free cash flow

Cash conversion rate, or CCR is a operational performance measure, which shows us how much of our income we are converting to free cash flow. Siemens defines cash conversion rate as free cash flow divided by Net income. Cash conversion rate is reported on a regular basis to Siemens management.

Siemens defines free cash flow as Net cash provided by (used in) operating activities less Additions to intangible assets and property, plant and equipment. The IFRS financial measure most directly comparable to free cash flow is Net cash provided by (used in) operating activities.

Free cash flow is a cash measure that is not impacted by cash flows related to portfolio activities, and it is therefore less volatile than the total of Net cash provided by (used in) operating activities and Net cash provided by (used in) investing activities. For this reason, free cash flow is reported on a regular basis to Siemens management and used by management to assess and manage cash generation among the various reportable segments of Siemens and for the worldwide Siemens group. Achievement of predetermined targets relating to free cash flow generation is one of the factors taken into account in determining the amount of performance-based or variable compensation received by Siemens management, both at the level of the worldwide Siemens group and at the level of individual reportable segments. For these reasons, Siemens believes that investors' ability to assess Siemens' overall performance may be improved by disclosure of this information.

EBITDA (adjusted)

Siemens defines EBITDA (adjusted) as EBIT (adjusted) before amortization (which is in turn defined as Amortization and impairments of intangible assets other than goodwill) and Depreciation and impairment of property, plant and equipment and goodwill. Siemens defines EBIT (adjusted) as Income from continuing operations before income taxes less Financial income (expense), net and Income (loss) from investments accounted for using the equity method, net. Each of these components of EBIT (adjusted) appears on the face of the Consolidated Financial Statements presented in accordance with IFRS. Each of the additional components of EBITDA (adjusted) appears in the Consolidated Financial Statements or the MD&A thereto. The IFRS financial measure most directly comparable to EBIT (adjusted) and EBITDA (adjusted) is Income from continuing operations before income taxes.

EBITDA (adjusted) is part of a capital structure measure which is calculated as the ratio of adjusted industrial net debt to EBITDA (adjusted). Adjusted industrial net debt is defined as net debt (see below) less (1) SFS debt excluding SFS internally purchased receivables, less (2) 50% of the nominal amount of our hybrid bond; plus (3) the funded status of pension benefits; plus (4) the funded status of other post-employment benefits; and plus (5) credit guarantees. Further information concerning adjusted industrial net debt can be found in the Annual Report under the heading "Management's discussion and analysis – Liquidity and capital resources – Capital structure." Siemens management uses this measure to manage its debt-equity ratio with the goal of ensuring both unrestricted access to debt financing instruments in the capital markets and its ability to meet scheduled debt service obligations.

Further EBIT (adjusted) and EBITDA (adjusted) are also broadly used by analysts, rating agencies and investors for performance assessment, and Siemens therefore believes that investors' ability to assess Siemens' overall performance may be improved by disclosure of this information.

Reconciliation and Definitions for Non-GAAP Measures (V)



Net debt

Siemens defines net debt as total debt less total liquidity. Total debt is defined as Short-term debt plus current maturities of long-term debt plus long-term debt. Total liquidity is defined as Cash and cash equivalents plus current Available-for-sale financial assets. Each of these components appears in the Consolidated Balance Sheet. The IFRS financial measure most directly comparable to net debt is total debt as reported in the Notes to Consolidated Financial Statements.

Siemens management reviews net debt regularly as part of its management of Siemens' overall liquidity, financial flexibility, capital structure and leverage. Furthermore, certain debt rating agencies, creditors and credit analysts monitor Siemens' net debt as part of their assessments of Siemens' business. For these reasons, Siemens believes that investors' ability to assess Siemens' overall performance may be improved by disclosure of this information.

Limitations Associated with Siemens' Supplemental Financial Measures

The supplemental financial measures reported by Siemens may be subject to limitations as analytical tools.

In particular:

- With respect to adjusted or organic percentage change in Revenue and new orders: These measures are not adjusted for other effects, such as increases or decreases in prices or quantity/volume.
- With respect to return on equity, or ROE: This measure is not adjusted for special items, such as the disposition of equity investments (allocated to SFS) or impairments, and therefore it has been volatile over prior year periods. In addition, the use of this measure is inherently limited by the fact that it is a ratio.
- With respect to return on capital employed, or ROCE: The use of this measure is inherently limited by the fact that it is a ratio.
- With respect to cash conversion rate and free cash flow: In addition to capital expenditures needed to maintain or grow its business, Siemens requires cash for a wide variety of non-discretionary expenditures, such as interest and principal payments on outstanding debt, dividend payments or other operating expenses. Free cash flow therefore should not be viewed as a measure of cash generated by operations that is available exclusively for discretionary expenditures. In addition, the use of cash conversion rate is inherently limited by the fact that it is a ratio.
- With respect to EBIT (adjusted) and EBITDA (adjusted): Financial income and taxes are significant cash expenses that may reduce the amount of cash available for distribution to shareholders or reinvestment in the business. EBIT (adjusted) does not reflect these expenses. Items such as depreciation and amortization, while not directly affecting Siemens' cash position, represent the loss in value of assets over time. The expense associated with, and accordingly the full economic effect of this loss in value are not reflected in EBITDA (adjusted).
- With respect to net debt: Siemens typically needs a considerable portion of its cash, cash equivalents and available-for-sale financial assets at any given time for purposes other than debt reduction. The deduction of these items from total debt in the calculation of net debt therefore should not be understood to mean that these items are available exclusively for debt reduction at any given time.

Reconciliation and Definitions for Non-GAAP Measures (VI)



Compensation for Limitations Associated with Siemens' Supplemental Financial Measure

Siemens provides a quantitative reconciliation of each supplemental financial measure to the most directly comparable IFRS financial measure either in this document, in the Notes to Consolidated Financial Statements or in the Annual Reports and Quarterly Reports under the heading "Management's discussion and analysis," and Siemens encourages investors to review those reconciliations carefully.

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