Safe Harbor Statement

This presentation contains forward-looking statements and information – that is, statements related to future, not past, events. These statements may be identified either orally or in writing by words as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “will” or words of similar meaning. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens’ control, affect its operations, performance, business strategy and results and could cause the actual results, performance or achievements of Siemens worldwide to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For us, particular uncertainties arise, among others, from changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products or technologies by other companies, lack of acceptance of new products or services by customers targeted by Siemens worldwide, changes in business strategy and various other factors. More detailed information about certain of these factors is contained in Siemens’ filings with the SEC, which are available on the Siemens website, www.siemens.com and on the SEC’s website, www.sec.gov. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as anticipated, believed, estimated, expected, intended, planned 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.
A few coordinates about myself...

- Born in 1960
- Married since 1985
- Two sons
- Physicist, studied in Regensburg and New York
- 17 years with Siemens
- Turned Siemens Medical Computed Tomography into one of the most innovative and successful Siemens Business Units
- Since January 1st 2005 CEO Siemens China
China offers large business opportunities

China ...
- is the third largest “country” in the world
- with 1.3 billion of potential customers home to more than a fifth of the world’s population
- has 45 cities > 1 million
- is the second largest economy after the US on a purchasing power parity
- has mixed market demands
Despite the slackening world economy, China maintains its robust economic growth.

**Gross Domestic Product development**

- **China**
  - 1999: 7.1%
  - 2000: 8.0%
  - 2001: 7.5%
  - 2002: 8.0%
  - 2003: 9.1%
  - 2004: 9.4%
  - 2005e: 8.5%

- **US**
  - 1999: 4.4%
  - 2000: 3.7%
  - 2001: 2.9%
  - 2002: 0.8%
  - 2003: 2.2%
  - 2004: 3.1%
  - 2005e: 4.5%

- **Germany**
  - 1999: 2.0%
  - 2000: 0.5%
  - 2001: 0.8%
  - 2002: 0.2%
  - 2003: 0.1%
  - 2004: 1.0%
  - 2005e: 1.0%

**Major reasons for GDP growth**

- Accession to WTO in 2001
- World’s biggest FDI recipient
- World’s fastest growing exports
- Mega events (OGB 2008, EXPO 2010)
- Continuous introduction of market-orientated reforms
- Increasing income levels
- Expansionary fiscal policy

**Source:** DiW
China has an outstanding pool of talent

- China has a huge reserve of skilled talents and still low cost of labour
- Each year more than 300,000 engineers graduate from Chinese universities
China offers huge market opportunities

**Power**
- 280 GW power plant projects under construction, more than twice of Germany’s total energy production

**Automation & Control**
- World’s strongest growing market for automotive, chemical, infrastructure and light industry (market volume 6 billion EUR in 2005)

**Information & Communication**
- World’s largest mobile telecommunication market with 335 million subscribers (+65 million in 2004)

**Transportation**
- 1000 new high-speed trains (EMU) until 2010 = 5 times total number of ICEs running in Germany
- China’s car market surpassing Germany in FY 06

**Medical**
- Increased spending on primary healthcare and rural areas
In 2004 China’s GDP & E/E market grew faster than in any other region of the world. China – huge Opportunities

Siemens China – early Mover, great Name

Profit & Growth

What sets us apart

GDP  E/E

Americas

CIS/Middle East/Africa

Europe

China

Asia/Pacific

World 2004

China – huge Opportunities

Siemens China – early Mover, great Name

Profit & Growth

What sets us apart
China has become an important part in the global value chain of multinational companies.

**China – huge Opportunities**

- **Siemens China** - early Mover, great Name
- Profit & Growth
- What sets us apart

**Market Size**

China’s opening up in 1980s → MNCs attracted by huge market potential

**Access in Return for Technology**

MNCs set up manufacturing bases in China for its low cost skilled labor

**Manufacturing Center**

MNCs committed to local manufacturing and technology transfer, while first local champions emerged.

**Low cost global R&D and service centers**

**New Trend**

**Time**

- **1980s**
- **1990s**
- **2000s**

**Profit & Growth**

**What sets us apart**

**Siemens China** - early Mover, great Name
Siemens China - early mover, great name

China – huge Opportunities

Siemens China - early Mover, great Name

Profit & Growth

What sets us apart

Siemens & China - successful history of cooperation
Siemens Groups are well positioned in China
Siemens boasts a comprehensive portfolio

China – huge Opportunities

Siemens China - early Mover, great Name

Profit & Growth

What sets us apart

Siemens Groups are well positioned in China
Siemens boasts a comprehensive portfolio

Power
  - Involved in China's key development projects
  - Technology transfer and component supply for largest fossil fired power plants in China

Automation & Control
  - Largest supplier in China's CNC market
  - Fire alarm systems provider for facilities, e.g. SHA Pudong Intl. Airport and Jin Mao Plaza (highest building in China)

Information & Communication
  - Leading position with ~20% market share in GSM core
  - No. 2 market position in switching with 63 million EWSD ports
  - Global leader of TD-SCDMA through JV with Huawei

Transportation
  - Construction of the world's first Maglev in Shanghai
  - World's largest rail electrification project Harbin-Dalian
  - Award of 180 locomotives in 2004

Medical
  - Service centers all over China
  - Production of SOMATOM Smile & SOMATOM Spirit
Siemens China – Continuous growth

Total sales in billion RMB

- FY98: 12.3
- FY01: 26.0
- FY04: 38.4

CAGR:
- FY98: +28.3%
- FY01: +13.9%

1) Only consolidated companies
Siemens - A significant partner of China’s economy

- Leader in electrical and electronic engineering
- Sales of EUR 3.8 billion\(^{(1)}\) in FY04
- Long-term investment of EUR 1 billion\(^{(2)}\) by end of FY05
- More than 45 companies\(^{(3)}\) and 38 regional offices
- Providing employment for about 31,000 people
- All Siemens business segments are active

China – huge Opportunities

Siemens China - early Mover, great Name

Profit & Growth

What sets us apart

<table>
<thead>
<tr>
<th>Segment</th>
<th>Share of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>I &amp; C (Com, SBS)</td>
<td>37%(^{(4)})</td>
</tr>
<tr>
<td>Power (PG, PTD)</td>
<td>15%(^{(4)})</td>
</tr>
<tr>
<td>Transportation (TS, SV)</td>
<td>13%(^{(4)})</td>
</tr>
<tr>
<td>Medical</td>
<td>8%(^{(4)})</td>
</tr>
<tr>
<td>Lighting</td>
<td>3%(^{(4)})</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Total Business U.S. GAAP
\(^{(2)}\) U.S. GAAP Siemens Limited / Siemens AG consolidated and non-consolidated companies incl. BOT
\(^{(3)}\) Number of consolidated companies related to Total Business U.S. GAAP, including non-consolidated minority Siemens Limited investments and excluding BSH, Infineon and BOT
\(^{(4)}\) Share of sales in FY 2004
Profit & Growth - New leadership for Siemens in China

China – huge Opportunities

Siemens China - early Mover, great Name

Profit & Growth

What sets us apart

Development of China into the cornerstone of Siemens’ Global Business
Shaping the future of Siemens in China

Implementing the "12 Points for Profit and Growth" to achieve sustainable business success

- Doubling sales volume
- Ambitious growth targets for Groups
- Doubling number of regional offices to 60
- Prepared for every necessary investment
- Addition of another 5,000 people in FY05
- Purchasing volume in China of EUR 5 billion
- Construction of new EUR 100 million Siemens center in Beijing
Siemens China Business Excellence Program

Profitable Growth
... for stakeholders’ benefits

Siemens China Excellence
... to continue profitable growth

China – huge Opportunities

Siemens China - early Mover, great Name

Profit & Growth

What sets us apart
Siemens China – Combining the strengths of both cultures for serving our customers best

Western global player combined with strong Chinese presence

“If you know your market, know your opponent, and know yourself, you need not fear the result of a hundred battles.” (Sun Tsu)
Closest to the Customer
Siemens locations in China

- Most of Siemens Provincial General Managers are local Chinese
- All of our JV partnerships grow successfully

China – huge Opportunities
Siemens China - early Mover, great Name
Profit & Growth
What sets us apart

Regional Office
Company
Training Center

Profit & Growth
What sets us apart
China plays already a very important role in Siemens' worldwide manufacturing

- All Business Groups have manufacturing facilities in China
- In total there are 27 manufacturing companies in 15 cities with more than 10,000 manufacturing staff
Siemens China stands for Innovation – Broad local R&D activities

- Over 50% of all Siemens groups have R&D activities in China
  - Since July 1998, Siemens & CATT jointly develop TD-SCDMA
  - Siemens Program and System Engineering Co. (SPSE) Nanjing for local software development with 1000 engineers in medium term
- Increase of local R&D force by 50% in 2005
  - Set up of new Corporate Technology R&D center in Beijing with 200 employees in 2005
  - Localize worldwide R&D center for mobile devices in BJ expanding to 750 engineers by end of 2005
- Siemens is one of the top patent applicants in China
Siemens One - Single-source solutions from high profile facilities to airports

China – huge Opportunities

Siemens China - early Mover, great Name

Profit & Growth

What sets us apart

Yangshan Deep Water Harbor

National Stadium

Shanghai Pudong International Airport
Trendsetting Technologies in China
Medical: CT SOMATOM Sensation 64

Full-body CT with 0.4mm resolution in one exam

Whole-Body Scan Time 25 seconds

China – huge Opportunities

Siemens China - early Mover, great Name

Profit & Growth

What sets us apart
Trendsetting Technologies in China Transportation Systems

---

**Transrapid Maglev**
the world’s fastest train

**Locomotives**
modular concepts for maximum efficiency

**Velaro CX**
the best train in the world
... will come!

---

China – huge Opportunities

Siemens China - early Mover, great Name

Profit & Growth

What sets us apart
Developing local competencies through local education and training

- Siemens Management Institute founded in October 1997 in Beijing
- Milestone in March 2005: 1,500 local managers trained in 10-month long Management Learning Program for high potentials
- Establishment of mentorship program
- 90 percent of Siemens managers are Chinese nationals

Siemens ranks under the top 10 most preferred employers for students in China*

*(Study amongst universities by HR.com in 2004)
Siemens and China – Perfect Partners for the future!
西门子与中国 – 共创未来的完美合作伙伴!
Reconciliations and definitions


“ROE” (Return on equity) margin for SFS was calculated as SFS’ income before income taxes divided by the allocated equity for SFS. Allocated equity for SFS as of September 30, 2004 was €1.015 billion. See also Siemens’ Form 20-F at our Investor Relations website under www.siemens.com

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

Siemens ties a portion of its executive incentive compensation to achieving economic value added (EVA) targets. EVA measures the profitability of a business (using Group profit for the Operating Groups and income before income taxes for the Financing and Real estate businesses as a base) against the additional cost of capital used to run a business, (using Net capital employed for the Operating Groups and risk-adjusted equity for the Financing and Real estate businesses as a base). A positive EVA means that a business has earned more than its cost of capital, and is therefore defined as value-creating. A negative EVA means that a business is earning less than its cost of capital and is therefore defined as value-destroying. Other organizations that use EVA may define and calculate EVA differently.

A reconciliation of EVA may be found on our Investor Relations website under www.siemens.com
Siemens Investor Relations Team

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marcus Desimoni</td>
<td>+49-89-636-32445</td>
</tr>
<tr>
<td>Dr. Constantin Birnstiel</td>
<td>+49-89-636-36165</td>
</tr>
<tr>
<td>Irina Pchelova</td>
<td>+49-89-636-33693</td>
</tr>
<tr>
<td>Christina Schmöe</td>
<td>+49-89-636-32677</td>
</tr>
</tbody>
</table>

Webpage: http://www.siemens.com → Investor Relations

e-mail: investorrelations@siemens.com

Fax: +49-89-636-32830