

Facts and figures for shareholders

Fiscal 2008

(October 1, 2007 – September 30, 2008)

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Dr. Gerhard Cromme, Chairman of the Supervisory Board

In fiscal 2008, we made great strides in reorganizing our business activities. Despite restructuring-related expenditures, the year was a successful one for Siemens. In fiscal 2008, 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. 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 2008 another successful year for Siemens.



Peter Löscher, President and Chief Executive Officer of Siemens AG

Fiscal 2008 was another successful year for Siemens. We made impressive progress with the transformation of our Company. Now we've done our homework, and we're well-equipped for high performance in a rapidly changing business environment. For Siemens, fiscal 2008 was a year of transition in which we drove the comprehensive, targeted development of our Company. We focused on two goals: to reduce the complexity of our organization and further accelerate our business processes. And we made solid progress on both fronts. We simplified our management structure, bundled our operations into the three Sectors Industry, Energy and Healthcare, reorganized our local business activities worldwide by forming 20 Regional Clusters, and launched a program to reduce our general, sales and administrative (SG&A) costs. In short, in fiscal 2008 we successfully implemented the most extensive Company-wide restructuring program ever executed in the history of Siemens. This achievement will enable us to continue meeting our Fit42010 targets for sustainable, profitable growth – even in a difficult economic environment.



Fiscal 2008 Financial summary

In fiscal 2008 we achieved many operating goals. We exceeded our revenue target, identified substantial potentials to improve our cost structure, restructured business activities, divested or closed numerous non-strategic businesses, and made substantial progress in the integration of acquisitions. In addition, we closed a successful divestment of Siemens VDO Automotive (SV), resulting in a substantial gain and cash inflows. We further significantly strengthened our cash position under favorable conditions, ahead of the global financial crisis. We also reduced the number of outstanding shares by approximately 53 million shares through our share buyback plan.

Our three Sectors delivered profit close to the level of the previous year, despite dealing with more challenging economic conditions and managing the transitions mentioned above. At the same time, we took major steps under the transformation programs of Siemens which had the effect of reducing income by €1.7 billion. The largest of these steps were reducing selling and general administrative expenses (SG&A) and streamlining Other Operations. Another major step was accruing a provision against earnings of approximately €1 billion, in connection with ongoing settlement negotiations with authorities in Germany and the U.S. regarding legal and regulatory matters. This provision signals important progress toward closing a difficult chapter from the past.

Topline growth exceeds target. Our growth target for fiscal 2008 was to increase organic revenue at least twice the rate of growth in global gross domestic product (GDP), estimated at 2.7% in 2008 by Global Insight, Inc. We surpassed that with organic growth of 9%, excluding the net effect of currency translation and portfolio transactions. Including these effects, revenue was €77.327 billion, 7% higher than in fiscal 2007. Orders grew 11% year-over-year, to €93.495 billion, and were up 13% organically. Revenue and order growth was strong in all Sectors. On a geographic basis, we saw the fastest revenue growth in the Asia/Australia/Middle East region, and the fastest order growth in our largest region, which includes Europe, the Commonwealth of Independent States (C.I.S.) and Africa.

Total Sectors profit held back by charges relating to large projects and transformation costs. Total Sectors profit was held to €6.520 billion, 2% below the level of fiscal 2007. All three of our Sectors included one or more Divisions where profit declined in fiscal 2008, primarily due to charges related to large projects as well as charges taken after rigorous management reviews. Within

the Energy and Industry Sectors, respectively, the Fossil Power Generation and Mobility Divisions took a combined total of more than €1 billion in charges related to large projects. On the positive side, strong revenue growth helped the majority of our Divisions increase their profit in fiscal 2008.

Income from continuing operations impacted by transformation costs and legal and regulatory matters. These impacts include the charges under the transformation programs and the provision related to settlement negotiations as mentioned above. We also endowed a new Siemens foundation in Germany with €390 million in fiscal 2008, thus making our philanthropic programs self-funding. We believe all these steps will have positive long-term effects for Siemens. Income from continuing operations decreased to €1.859 billion in fiscal 2008, well below the prior-year level. Basic earnings per share (EPS) from continuing operations declined accordingly, to €1.91 from €4.13 a year earlier.

Successful sale of SV lifts net income. Fiscal 2008 net income was €5.886 billion, an increase from €4.038 billion in fiscal 2007. Basic EPS were €6.41 compared to €4.24 in fiscal 2007. The primary reason for these increases was the sale of SV, which contributed approximately €5.5 billion to income from discontinued operations. This was partly offset by a loss of approximately €1.0 billion associated with the divestment of a 51% stake in Siemens Enterprise Communications (SEN).

Free cash flow remains strong. Fiscal 2008 free cash flow from continuing operations was €5.739 billion. The higher level a year earlier benefited from substantial positive effects related to the carve-out of businesses.

ROCE reflects earnings impacts. Return on capital employed (ROCE) can be described as a ratio of income from continuing operations before interest to average capital employed. In fiscal 2008 ROCE was 4.8%. This reflects the earnings impacts in fiscal 2008 as discussed above.

Expenses for compliance investigations signal progress. Expenses related to investigations into legal and regulatory matters were €510 million in fiscal 2008. While this total was higher than in the prior year, quarterly expenses declined significantly on a consecutive basis after the second quarter.

Share buyback plan reduces shareholder dilution. Share purchases under the plan totaled €4.0 billion in two tranches and reduced our outstanding shares by approximately 53 million shares. We believe this benefits shareholders by optimizing our capital structure and supporting growth in earnings per share.

Management proposes dividend of €1.60. The Siemens Managing Board and Supervisory Board proposed a dividend of €1.60 per share for fiscal 2008, unchanged from fiscal 2007.

Outlook

Organic growth remains Siemens' focus, and despite macro-economic adversity the growth target for fiscal 2009 remains unchanged at twice the rate of global GDP growth. Achieving previously announced income targets for fiscal 2009 has also become more ambitious due to market conditions. Total Sectors profit is expected to be in the range from €8.0 to €8.5 billion. Growth in income from continuing operations is expected to exceed growth in Total Sectors profit. This outlook excludes earnings impacts that may arise from restructuring and legal and regulatory matters. Siemens continues to assess the effects of the financial crisis on the real economy on a quarter-by-quarter basis.

The Siemens Environmental Portfolio

Climate change, soaring energy costs, limited resources – these are only a few of the challenges now facing humankind. By the mid-21st century, our planet will be home to nine billion people, most of whom will be living in large cities. This development raises

questions that we have to answer now. How can we meet the growing worldwide demand for energy? How can we maximize the reliability of energy supplies while minimizing their environmental impact? The list goes on and on.

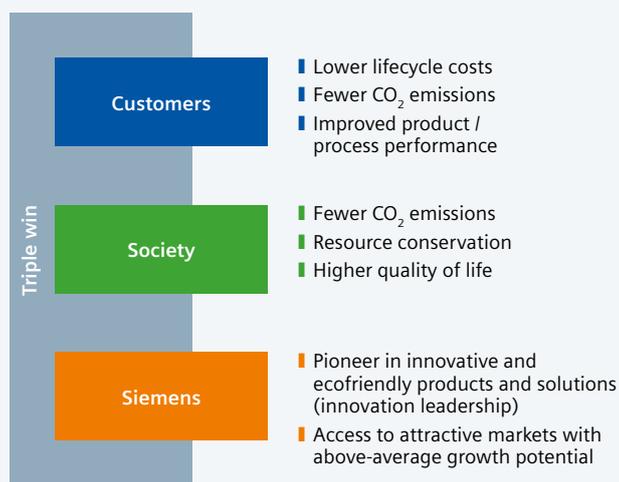
For over 160 years, Siemens has been working to answer such questions. And although the challenges and needs have changed over time, the source of our inspiration has always remained the same: responsible people dedicated to creating outstanding innovations.

Today, the Siemens Environmental Portfolio exemplifies how, as a global player, we're honoring our commitment to sustainable development. Our renewable energy technologies, our exceptionally energy-efficient products and solutions and our environmental technologies are creating benefits on three fronts. First, for our customers – whose success is being driven by lower energy costs and higher productivity. Second, for the societies of which we're a member – by supporting ecofriendly power and environmental protection and enhancing the quality of life for future generations. And third, for our own Company – which we're positioning for profitable growth in attractive markets.

These are just a few of the ways we're creating lasting value for our shareholders and customers while providing answers to the toughest questions of our time.

Our Environmental Portfolio

Triple win: Customers – Society – Siemens

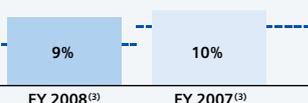


Key figures for fiscal 2008^{(1) (2)}

(in millions of €, except where otherwise stated)

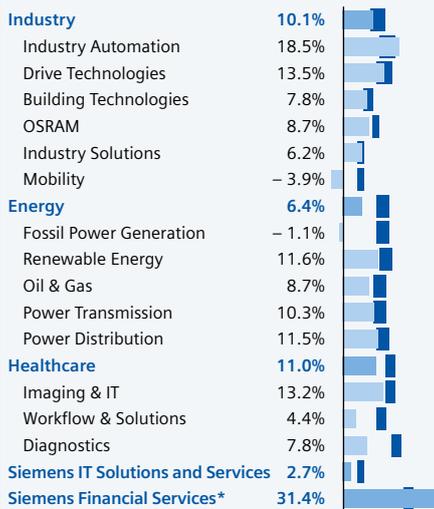
Revenue growth

Target:
2 x GDP*



* According to Global Insight Inc. as of November 14, 2008 for calendar year 2008 GDP is expected to grow by 2.7%, for calendar year 2007 GDP grew by 3.9%.

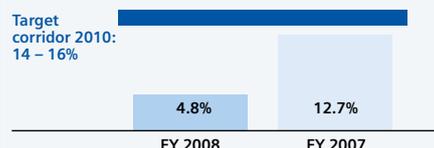
Profit margin FY 2008



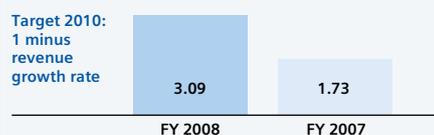
* Return on equity⁽⁷⁾

Margin ranges

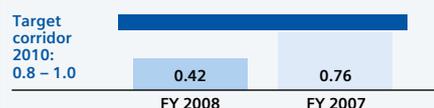
ROCE (continuing operations)



Cash conversion (continuing operations)



Adjusted industrial net debt/EBITDA (adjusted) (continuing operations)



Growth and profit

	FY 2008	FY 2007	% Change	
			Actual	Adjusted ⁽³⁾
Continuing operations				
New orders	93,495	83,916	11	13
Revenue	77,327	72,448	7	9
Total Sectors				
Profit Total Sectors	6,520	6,662	(2)	
in % of revenue (Total Sectors)	9.1%	10.1%		
EBITDA (adjusted)	8,528	8,230	4	
in % of revenue (Total Sectors)	11.9%	12.4%		
Continuing operations				
EBITDA (adjusted)	5,585	7,686	(27)	
Income from continuing operations	1,859	3,909	(52)	
Basic earnings per share (in euros) ⁽⁴⁾	1.91	4.13	(54)	
Continuing and discontinued operations⁽⁵⁾				
Net income	5,886	4,038	46	
Basic earnings per share (in euros) ⁽⁴⁾	6.41	4.24	51	

Return on capital employed

	FY 2008	FY 2007
Continuing operations		
Return on capital employed (ROCE)	4.8%	12.7%
Continuing and discontinued operations⁽⁵⁾		
Return on capital employed (ROCE)	14.8%	10.9%

Free cash flow and Cash conversion

	FY 2008	FY 2007
Total Sectors		
Free cash flow	7,892	7,235
Cash conversion	1.21	1.09
Continuing operations		
Free cash flow	5,739	6,755
Cash conversion	3.09	1.73
Continuing and discontinued operations⁽⁵⁾		
Free cash flow	4,903	3,577
Cash conversion	0.83	0.89

Net debt and Capital structure

	FY 2008	FY 2007
Net debt	9,034	11,299
Net debt/EBITDA (adjusted)	1.62	1.47
Adjusted industrial net debt	2,364	5,828
Adj. industrial net debt/EBITDA (adjusted)(cont.)	0.42	0.76

Employees (in thousands)

	Sept. 30, 2008		Sept. 30, 2007	
	Cont. Op.	Total ⁽⁶⁾	Cont. Op.	Total ⁽⁶⁾
Employees	427	428	398	471
Germany	132	133	126	152
Outside Germany	295	295	272	319

⁽¹⁾ EBITDA (adjusted), Return on capital employed (ROCE), Return on equity (ROE), Free cash flow, Cash conversion rate and Adjusted industrial net debt are non-GAAP financial measures. Information for a reconciliation of these amounts to the most directly comparable IFRS financial measures is available on our Investor Relations website under www.siemens.com/ir, Financial Publications. Profit of the Sectors and Siemens IT Solutions and Services is reconciled to Income before income taxes in the table „Segment Information“ of our Annual Report for fiscal 2008. Profit of Siemens Financial Services is Income before income taxes.

⁽²⁾ October 1, 2007 – September 30, 2008.

⁽³⁾ Adjusted for portfolio and currency translation effects.

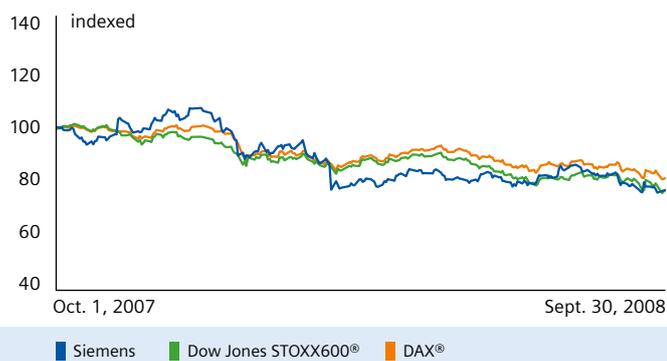
⁽⁴⁾ Earnings per share – attributable to shareholders of Siemens AG. For fiscal 2008 and 2007 weighted average shares outstanding (basic) (in thousands) amounted to 893,166 and 898,135 respectively.

⁽⁵⁾ Discontinued operations consist of Siemens VDO Automotive activities as well as of carrier networks, enterprise networks and mobile devices activities.

⁽⁶⁾ Continuing and discontinued operations.

⁽⁷⁾ Return on equity is calculated as Income before income taxes of fiscal 2008 divided by average allocated equity for fiscal 2008 (€ 911 million).

Share price



Stock market information (in euros)

	2008 ⁽¹⁾	2007 ⁽¹⁾
Stock price range (XETRA closing prices, Frankfurt)		
High	108.86	111.17
Low	64.91	66.91
Year-end	65.75	96.42
Number of shares (year-end, in millions)	914	914
Market capitalization (year-end, in millions of euros) ⁽²⁾	56,647	88,147
Earnings per share – continuing operations	1.91	4.13
Earnings per share⁽³⁾	6.41	4.24
Dividend	1.60 ⁽⁴⁾	1.60

⁽¹⁾ Fiscal year from October 1 to September 30

⁽³⁾ On the basis of continuing and discontinued operations

⁽²⁾ On the basis of outstanding shares

⁽⁴⁾ To be proposed at the Annual Shareholders' Meeting

Definitions of major key figures

- Free cash flow is calculated as net cash provided by (used in) operating activities less additions to intangible assets and property, plant and equipment.
- Cash conversion rate from continuing operations is calculated as free cash flow from continuing operations divided by income from continuing operations.
- ROCE is calculated as income before interest expense divided by average capital employed.

Free cash flow, Cash conversion rate and ROCE as well as the figures EBITDA adjusted, Return on Equity, Net debt and adjusted industrial net debt reported on page 3 are non-GAAP financial measures. The definitions for reconciling these amounts to the most directly comparable IFRS financial measures are available on our Investor Relations website under www.siemens.com/ir, Financial Publications, Annual Reports. For further information regarding these figures, please also refer to the Siemens Annual Report for fiscal 2008.

The Siemens share

As of September 30, 2008, the capital stock of Siemens AG totaled approximately €2.7 billion, representing some 914 million no-par value shares in registered form. Thereof outstanding shares as of September 30, 2008 amounted to approximately 862 millions of shares. Each share represents one vote at the Annual Shareholders' Meeting. On September 30, 2008, Siemens shares were listed on all German stock exchanges as well as on stock exchanges in New York, London, Zurich and Milan. On the New York Stock Exchange, Siemens shares are traded in the form of American Depository Receipts (ADRs), with one ADR corresponding to one Siemens share.

In recent years, we've consistently increased dividend payments to our shareholders. Our dividend payout ratio has averaged slightly more than 40 percent. For fiscal 2008, in which we repurchased Siemens stock worth about €4 billion, we're proposing an unchanged dividend of €1.60. We intend to continue pursuing an attractive dividend policy for our investors in the future.

Siemens financial calendar*

First-quarter financial report	Jan. 27, 2009
Annual Shareholders' Meeting – Olympiahalle, Munich, 10:00 a.m.	Jan. 27, 2009
Ex-dividend date	Jan. 28, 2009
Second-quarter financial report and Semiannual Press Conference	Apr. 29, 2009
Third-quarter financial report	July 30, 2009
Press conference	Dec. 3, 2009
Annual Shareholders' Meeting for fiscal 2009	Jan. 26, 2010

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

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 the Internet at: www.siemens.com/financialreports

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The Annual Report is available in German, English, French and Spanish. An abridged Japanese version will be available as of January 2009 at www.siemens.co.jp

The English and German versions can be downloaded at: www.siemens.com/annual-report and www.siemens.com/geschaeftsbericht

An abridged version of the Annual Report will no longer be published in German or English.

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

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Spanish: Order no. A19100-F-V75-X-7800

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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 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 our 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 us, particular uncertainties arise, among others, from changes in general economic and business conditions (including margin developments in major business areas); the behavior of financial markets, including fluctuations in interest and exchange rates, commodity and equity prices, debt prices (credit spreads) and financial assets generally; continued volatility and further deterioration of the capital markets; the commercial credit environment and, in particular, additional uncertainties arising out of the subprime, financial market and liquidity crises; future financial performance of major industries that we serve, including, without limitation, the Sectors Industry, Energy and Healthcare; the challenges of integrating major acquisitions and implementing joint ventures and other significant portfolio measures; introduction of competing products or technologies by other companies; 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, especially the corruption investigations we are currently subject to in Germany, the United States and elsewhere and actions resulting from the findings of these investigations; the potential impact of such investigations and proceedings on our ongoing business including our relationships with governments and other customers; the potential impact of such matters on our financial statements; as well as various other factors. More detailed information about certain of these factors is contained throughout this report and in our 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.