

Munich, March 17, 2008

Ad-hoc Announcement according to § 15 WpHG (Securities Trading Act)

Siemens corrects earnings forecast for the current fiscal year

As previously announced, Siemens AG has launched an extensive review of major projects in the current quarter, focusing particularly in the Divisions Fossil Power Generation of the Energy Sector, the Mobility Division in the Industry Sector, and Siemens IT Solutions and Services.

The results of the review so far indicate a substantial impact on earnings in the current fiscal year. Nevertheless going forward, the path to profitable growth has been charted. The commitment to the targets for 2010 is confirmed. Definite progress toward these targets is expected in 2009.

Siemens expects the negative impact on earnings to amount to approximately €900 million in the current quarter. The expectation is that this amount represents the largest piece of any additional financial burdens for 2008.

In the Fossil Power Generation Division, the large number of turnkey projects that have accumulated since 2004 has had an adverse effect. New exposure can be attributed to structural challenges in the supplier markets and to delays recruiting experienced project engineers.

New exposure in the Mobility Division resulted from delays in the awarding of major projects as well as from the ongoing product rehabilitation programs in the Combino business.

At Siemens IT Solutions and Services, new risks arose in UK projects, including among others a customer's cancellation of a major order.

The conference call for the press is starting on Monday at 8.00 a.m. CET, the analyst call at 9.00 a.m. CET. Both can be followed live on the internet, the press conference call under www.siemens.com/conferencecall and the analyst conference call under www.siemens.com/ir.

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EBITDA (adjusted), Return on capital employed, Free cash flow, Cash conversion and Net debt are Non-GAAP financial measures. 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, Quarterly Reports. "Group profit from operations" is reconciled to "Income before income taxes" of Operations under "Reconciliation to financial statements" in the table "Segment Information."