Controls and procedures

Disclosure controls and procedures (SOA 302)
For its fiscal year 2005, Siemens performed an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures (Sarbanes-Oxley Act (SOA) Section 302). Disclosure controls and procedures are designed to ensure that the material financial and non-financial information required to be disclosed in the Form 20-F and filed with the U.S. Securities and Exchange Commission is recorded, processed, summarized and reported timely. The evaluation was performed with the participation of our key corporate senior management, senior management of each business Group, and under the supervision of the CEO, Dr. Klaus Kleinfeld, and the CFO, Heinz-Joachim Neubürger, who sign the appropriate certificates. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable, rather than absolute, assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the foregoing, the Company's management, including the CEO and CFO, concluded that Siemens’ disclosure controls and procedures were effective as of September 30, 2005.

Management's annual report on internal control over financial reporting (SOA 404)
The management of Siemens is responsible for establishing and maintaining adequate internal control over financial reporting. Siemens' internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management’s assessment of the effectiveness of Siemens’ internal control over financial reporting as of September 30, 2005 excludes, in accordance with applicable guidance provided by the Securities and Exchange Commission, various acquisitions completed in fiscal 2005. For further information on significant acquisitions excluded see “Notes to Consolidated Financial Statements, Note 3 aa).” Total assets and revenues of these acquisitions constituted less than 9% and 3%, respectively, of the related Consolidated Financial Statement line item as of and for the year ended September 30, 2005.
Siemens management assessed the effectiveness of the company’s internal control over financial reporting, in accordance with the requirements of SOA 404, as of September 30, 2005. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in “Internal Control – Integrated Framework.”

Based on the assessment under these criteria, Siemens management has concluded that, as of September 30, 2005, the company’s internal control over financial reporting was effective.

Management’s assessment as well as the effectiveness of internal control over financial reporting as of September 30, 2005 have been audited by KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, an independent registered public accounting firm (“KPMG”), as stated in their report at the end of this Annual Report.

Changes in internal control over financial reporting

In addition, there have been no changes in the company’s internal control over financial reporting that occurred during fiscal year 2005, which have materially affected or are reasonably likely to materially affect the company’s internal control over financial reporting.