Dynamic Close to Year of Transition

Topline Growth Again Above Target
Rapid Progress in Transformation Programs

Peter Löscher, President and Chief Executive Officer of Siemens AG

"We have done our homework. We did it more quickly than expected. That's a great help to us now," commented Siemens CEO Peter Löscher. "Coming out of our transition year in fiscal 2008, we confront new challenges in the macroeconomic environment. From our position of relative strength we intend to win market share profitably. Organic growth remains our focus, and despite the macroeconomic adversity we confirm our growth target. It has become clearly more ambitious to reach our income guidance for fiscal 2009. But we stick to it. As to the effects of the financial crisis on the real economy, we will assess them quarter by quarter."

Financial highlights:

- Revenue rose 7% year-over-year, to €21.651 billion, and orders were €22.205 billion, up 4% from the fourth quarter a year earlier. On an organic basis, revenue increased 9% and orders were up 6%.
- Total Sectors profit came in at €1.485 billion after transformation costs of €325 million.
- Continuing operations posted a loss of €1.259 billion, after total transformation costs of €1.539 billion (pretax), a provision of approximately €1 billion related to legal and regulatory matters, and an endowment of €390 million (pretax) to the Siemens Foundation.
- Net income was a negative €2.420 billion, including a loss of €1.161 billion in discontinued operations related mainly to divestment of a 51% stake in Siemens Enterprise Communications (SEN). EPS was a negative €2.85.
- Free cash flow from continuing operations was €2.786 billion, a 9% increase compared to the strong fourth quarter a year earlier.
- Siemens met operating guidance for the full fiscal year, and proposed a dividend of €1.60 per share compared to €1.60 per share in fiscal 2007.
- Fiscal 2008 net income rose to €5.886 billion, while income from continuing operations was €1.859 billion, well below the prior-year level due primarily to the factors mentioned above. Orders and revenue increased 11% and 7%, respectively, compared to fiscal 2007.

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Earnings Release Q4 2008

Munich, Germany, November 13, 2008

SIEMENS

Orders and Revenue

Topline growth again above target

Orders were €22.205 billion in the fourth quarter, up 4% from the prior-year period, while revenue rose 7% year-over-year, to €21.651 billion.

These results include negative currency translation effects of 4 percentage points on both orders and revenue. Excluding these effects and portfolio transactions, orders rose 6% and revenue increased 9%, both more than twice the rate of global GDP growth.

The book-to-bill ratio for the quarter was 1.03, close to the ratio of 1.06 in the same quarter a year earlier but below the book-to-bill ratio for fiscal 2008 as a whole.

Good balance in revenue growth

Revenue growth was well distributed among Siemens' three Sectors, with a 13% increase in Energy, Healthcare up 9% and 5% growth in Siemens's largest Sector, Industry.

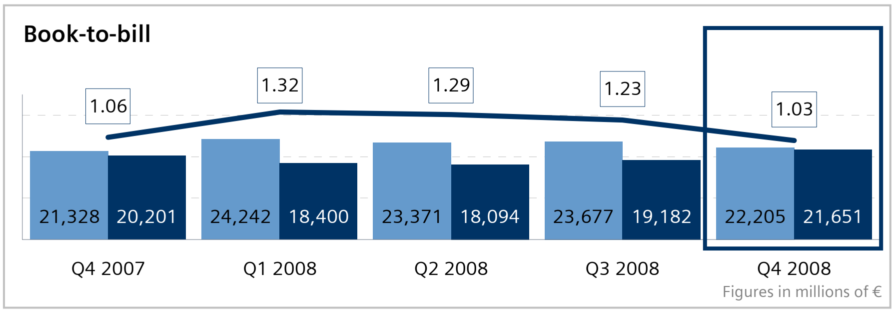
Order growth was particularly strong in the Energy Sector, with a 19% increase compared to the prior-year period.

Major Energy orders in Europe

Siemens' largest geographic region, comprising Europe, the Commonwealth of Independent States (CIS) and Africa, generated 11% order growth and 6% revenue growth in the fourth quarter, highlighted by large orders in Energy.

In the Americas, orders and revenue rose 2% and 1%, respectively, despite strong negative currency translation effects that took 7 percentage points from order growth and 8 percentage points from revenue growth. Market conditions in the U.S contributed to lower orders for all three Sectors, including a 14% decline at Energy.

The region consisting of Asia, Australia and the Middle East saw 18% revenue growth, including double-digit increases in China and India. Fourth-quarter orders came in 9% lower compared to a high basis of comparison in the prior-year period. This effect includes China, where a €334 million locomotive order at Mobility in the prior-year period accounted for more than the difference for China as a whole year-over-year.



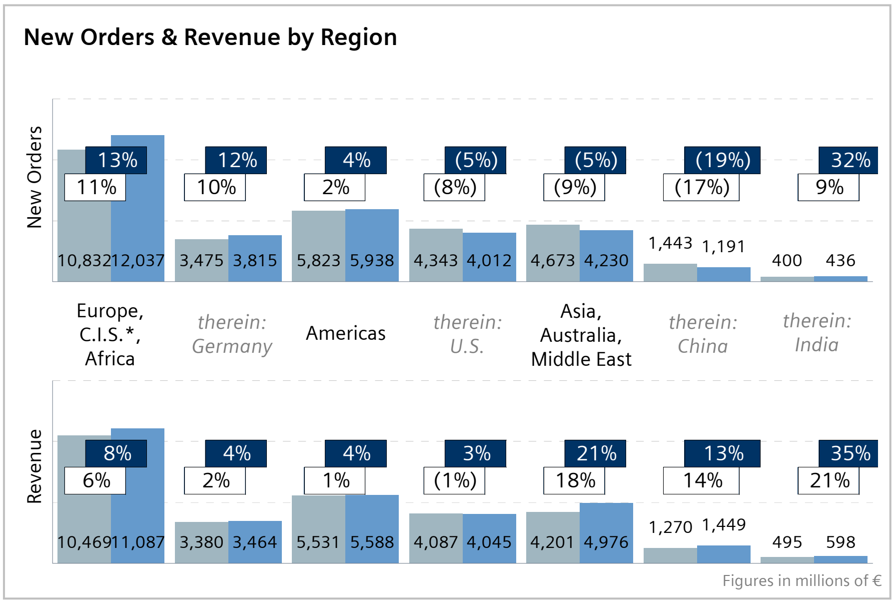
New Orders Revenue Book-to-bill ratio

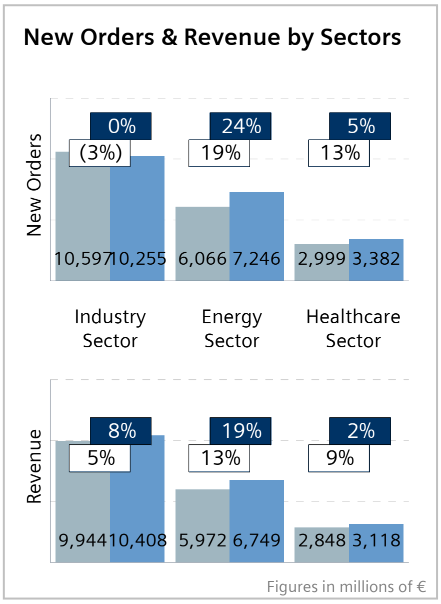
New Orders & Revenue

	Q4 2007	Q4 2008	% Change Act.	% Change Adj.
New Orders	21,328	22,205	4%	6%
Revenue	20,201	21,651	7%	9%

Figures in millions of €

Act.: Actual; Adj.: Adjusted change





Q4 2007 Q4 2008 Actual change * Commonwealth of Independent States
Adjusted change (Always: Excluding the net effect of currency translation and portfolio effects)

Q4 2007 Q4 2008 Actual change
Adjusted change

Income and Profit

Total Sector profit burdened by transformation costs

Total Sectors profit in the fourth quarter included a €325 million portion of transformation costs in the quarter, with €151 million for the "Mobility in Motion" program and €174 million at Healthcare. The quarter also included €162 million in impacts related largely to a fossil power generation project in Olkiluoto, Finland as well as additional software-related project charges at Mobility. Together these factors pulled Total Sectors profit down to €1.485 billion. Total Sectors profit of €1.992 billion in the prior-year quarter included fewer burdens on profitability.

Within the result for the current quarter, strong revenue growth year-over-year helped lift profit at the majority of Siemens' Divisions.

Results for the Industry Sector included double-digit profit increases at its four largest Divisions. Profit fell at Osram, and Mobility posted a substantial loss.

At Energy, profits were higher across the Sector except at Fossil Power Generation, which absorbed the impacts mentioned above.

Healthcare saw strong profit growth in the Diagnostics Division even after significant PPA effects and integration costs related to acquisitions. The relevant portion of the transformation costs mentioned above took profit lower in the Sector's other two Divisions.

Transformation costs and provision drive loss in continuing operations

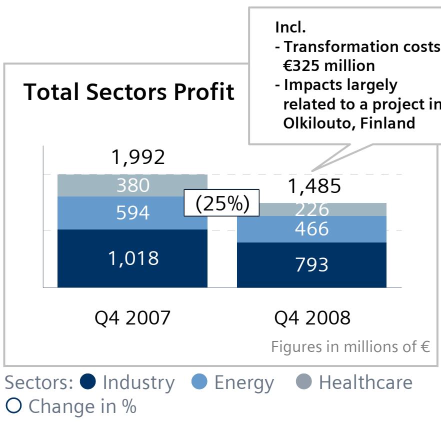
Continuing operations included substantial costs for transformation programs and a substantial provision related to ongoing settlement negotiations regarding legal and regulatory matters. Along with lower Total Sectors profit, these factors resulted in a loss of €1.259 billion from continuing operations in the fourth quarter. Basic EPS on a continuing basis was a negative €1.51 compared to a positive €1.45 in the fourth quarter a year ago.

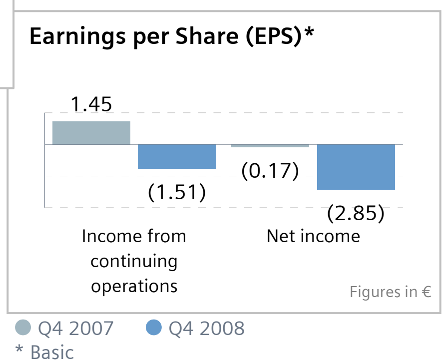
Total transformation costs were €1.539 billion on a pretax basis, including €1.081 billion in severance charges associated with reducing sales, general and administrative expenses (SG&A); €133 million related to streamlining Other Operations; and the €325 million for the Sectors. The provision mentioned above was approximately €1 billion pretax. These items will affect cash flows in coming quarters. Continuing operations also includes a one-time endowment of €390 million related to establishment of the Siemens Foundation.

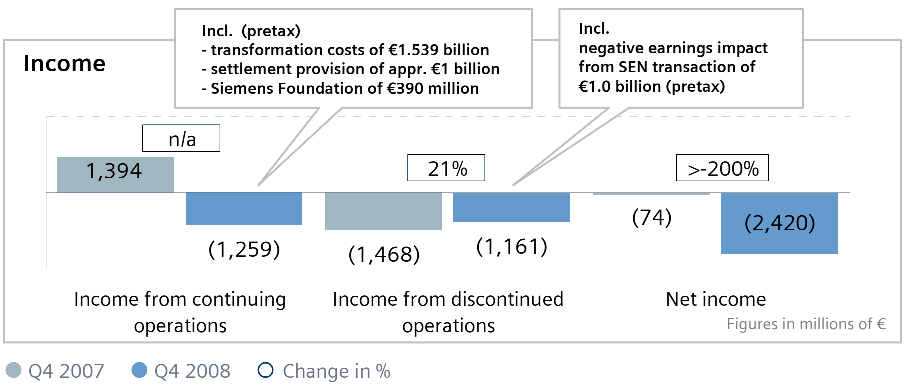
Discontinuing operations influence net income in both periods

Net income in the fourth quarter was a negative €2.420 billion, with a corresponding EPS of negative €2.85. A year earlier, net income was a negative €74 million and basic EPS were a negative €0.17. These results stem from the factors mentioned above for Total Sectors profit and continuing operations.

Discontinued operations posted a lower loss in the fourth quarter compared to the prior-year period. The current quarter includes €1.0 billion associated with the sale of 51% of Siemens Enterprise Communications (SEN) as well as a €120 million provision related to expected settlement of a claim by the insolvency administrator of BenQ Mobile GmbH & Co. OHG. The fourth quarter a year ago included approximately €1.0 billion in tax expense associated with the carve-out of Siemens VDO Automotive (SV) pending the close of its sale as well as a penalty of €201 million imposed by German authorities in ending their investigation of past misconduct at the former Communications Group (Com).







Cash, Return on Capital Employed (ROCE), Pension Funding Status and Investigation Expenses

Sectors generate strong Free cash flow from continuing operations

Free cash flow from continuing operations in the current quarter was €2.786 billion, an increase compared to €2.553 billion in the prior-year quarter. Strong improvement in working capital management in the Sectors more than offset the decline in income from continuing operations year-over-year. Free cash flow in coming quarters will be affected by the transformation costs and provision associated with legal and regulatory matters mentioned above.

ROCE shows expected decline

On a continuing basis, for the full fiscal year, return on capital employed (ROCE) declined to 4.8% from 12.7% a year earlier.

The change year-over-year includes the provision of approximately €1 billion (pretax) mentioned earlier, which cut approximately 220 basis points from ROCE. The effect of transformation costs, primarily including the fourth-quarter amount of €1.539 billion (pretax), took approximately 330 basis points from ROCE for the fiscal year. The Foundation endowment of €390 million (pretax) mentioned earlier reduced ROCE by 70 basis points. ROCE declined also on a substantial increase in capital employed due to major acquisitions in fiscal 2008 and fiscal 2007.

Continuing progress toward settlement of legal and regulatory issues

Continuing efforts to resolve legal and regulatory matters enabled Siemens in the fourth quarter to accrue the above-mentioned provision associated with ongoing settlement negotiations with authorities in Germany and the U.S.

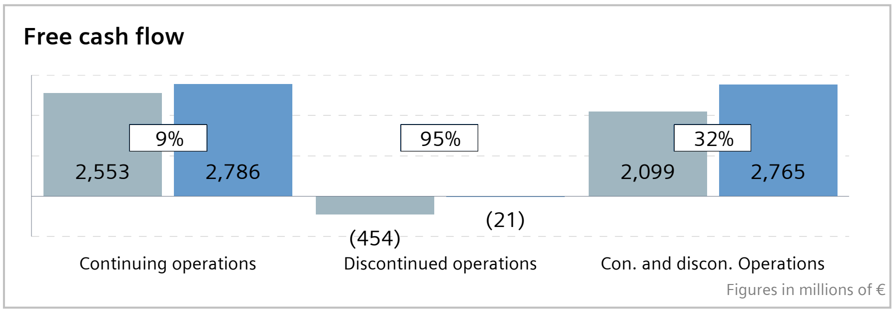
Progress was also evident in the continued decline of expenses for outside advisors in connection with investigations into alleged violations of anti-corruption laws and related matters as well as remediation activities. These expenses were €89 million in the fourth quarter, down from €119 million in the previous quarter and €159 million in the same quarter a year earlier. Within these totals, expenses in discontinued operations fell from €74 million in the prior-year period to €6 million in the current quarter.

In addition, the assessment system used by Dow Jones Sustainability Indexes to identify sustainability leaders rated Siemens best in class according to its criteria for corporate governance, risk and crisis management, and code of conduct and compliance.

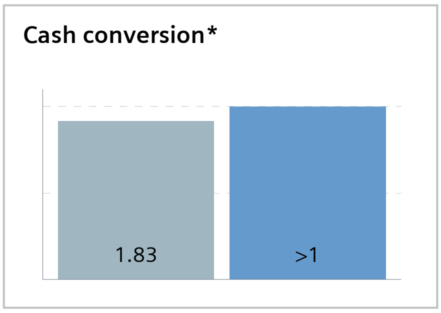
More information regarding these matters is provided in the document "Legal Proceedings."

Pension plan underfunding increases

The underfunding of Siemens' principal pension plans as of September 30, 2008, amounted to approximately €2.5 billion, compared to an underfunding of approximately €1.0 billion at the end of fiscal 2007. The increase in underfunding was due largely to the return on plan assets, which was pulled down sharply at the end of the fourth quarter by turmoil in global equity markets.

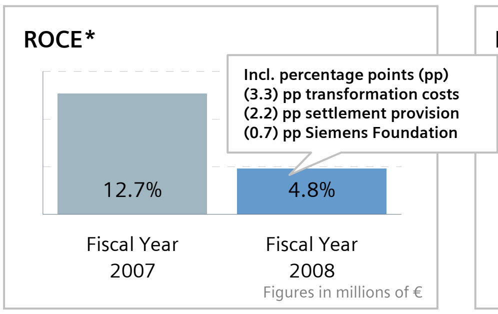


Q4 2007 Q4 2008 Change in %



Q4 2007 Q4 2008

* continuing operations



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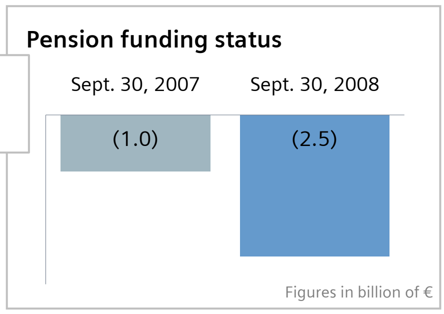


Industry Sector

Sector profit influenced by severance and impairments

The **Industry Sector's** four largest Divisions – Drive Technologies, Industry Automation, Industry Solutions and Building Technologies – all delivered higher profits, revenue and orders in the fourth quarter compared to the prior-year period. The latter three Divisions also increased their profit margin year-over-year, while Drive Technologies held its margin stable. Osram and Mobility each pursued structural initiatives, resulting in effects that contributed to lower profit at Osram and a substantial loss at Mobility. As a consequence, Sector profit came in at €793 million compared to €1.018 billion in the fourth quarter a year earlier.

Fourth-quarter revenue for Industry rose 5% compared to the prior-year period, while orders came in 3% lower. On an organic basis, excluding currency translation and portfolio effects, revenue climbed 8% and orders remained stable year-over-year. While the Sector's larger divisions posted healthy order growth, orders at the Mobility Division came down from a high basis of comparison in the prior-year quarter. A combination of industry challenges and market weakness held back order growth at Osram.

Continued profitable growth

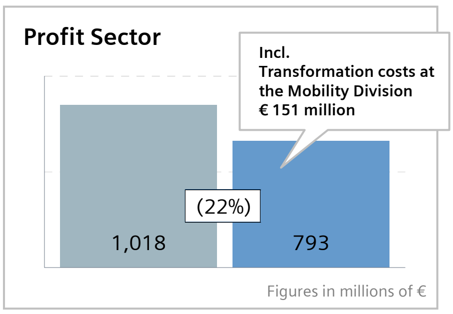
Industry Automation produced €353 million in profit, a 16% rise year-over-year on a 5% increase in revenues. As in past quarters, the Division's profitability benefited from high capacity utilization and economies of scale. Purchase price accounting (PPA) effects and integration costs associated with the acquisition of UGS Corp. were €35 million and €6 million, respectively, in the fourth quarter. These factors trimmed approximately 180 basis points from the Division's profit margin. In the same quarter a year earlier, PPA effects of €56 million and integration costs of €5 million took approximately 280 basis points from the profit margin. During the current period, Industry Automation acquired Innotec GmbH of Germany to further strengthen its software portfolio. Orders increased 2% and revenue was up 5% from the prior-year period.

Revenue drives profit growth

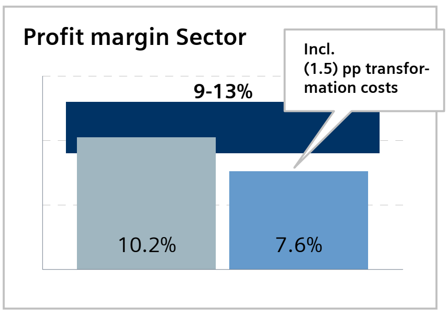
Drive Technologies generated profit of €302 million, up 11% from the prior-year level. As in past quarters, the Division's profitability benefited from high capacity utilization and economies of scale. PPA effects of €10 million related to the acquisition of Flender Holdings GmbH (Flender) in fiscal 2005 cut 40 basis points from the Division's profit margin in the quarter. A year earlier, PPA effects and integration costs related to Flender took approximately 60 basis points from the fourth-quarter profit margin. Orders in the fourth quarter rose 7% while revenue increased 12% compared to the prior-year period.

Rising revenue lifts profit

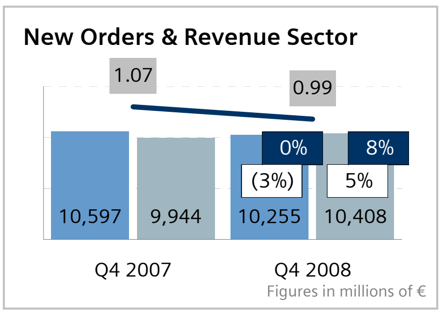
Building Technologies raised its profit to €169 million in a typically strong fourth quarter. The increase was driven by higher revenue and a favorable business mix.



Q4 2007 Q4 2008 Actual change



Q4 2007 Q4 2008 Margin range



New Orders Revenue Book-to-bill
Actual change vs. previous year
Adjusted change vs. previous year

Challenging market environment

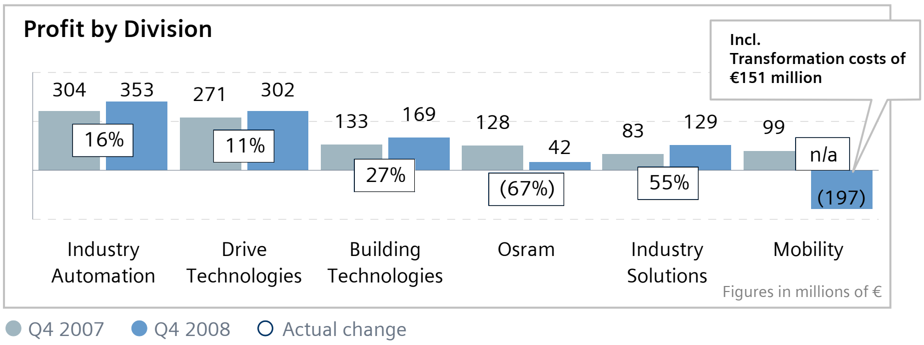
Revenue at **Osram** came in 6% lower than the prior-year quarter, as its two largest businesses, general and automotive lighting, were exposed to a challenging market environment. Lower capacity utilization and an unfavorable revenue mix contributed to the Division's decline in fourth-quarter profit, to €42 million from €128 million a year earlier. Charges related to Osram's structural initiatives were offset by a €130 million net gain on the sale of the Global Tungsten & Powders unit. Approximately one-third of the charges are expected to affect cash flows in coming quarters. On an organic basis, orders and revenues for the quarter were flat year-over-year. Osram expects challenging market conditions to continue in the coming quarters, particularly in the consumer and automotive markets.

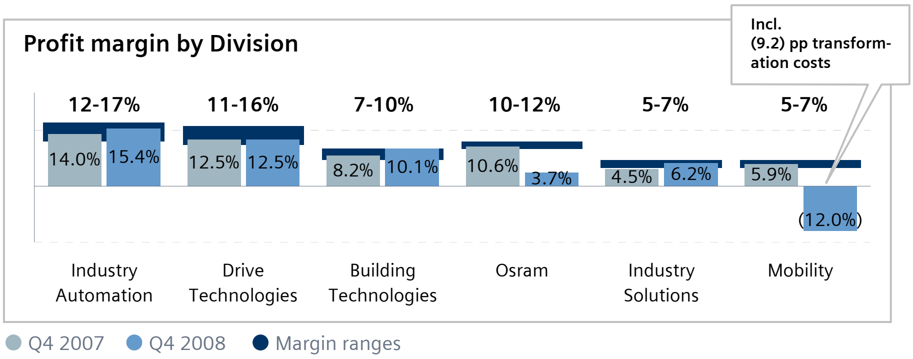
Strong momentum in metals

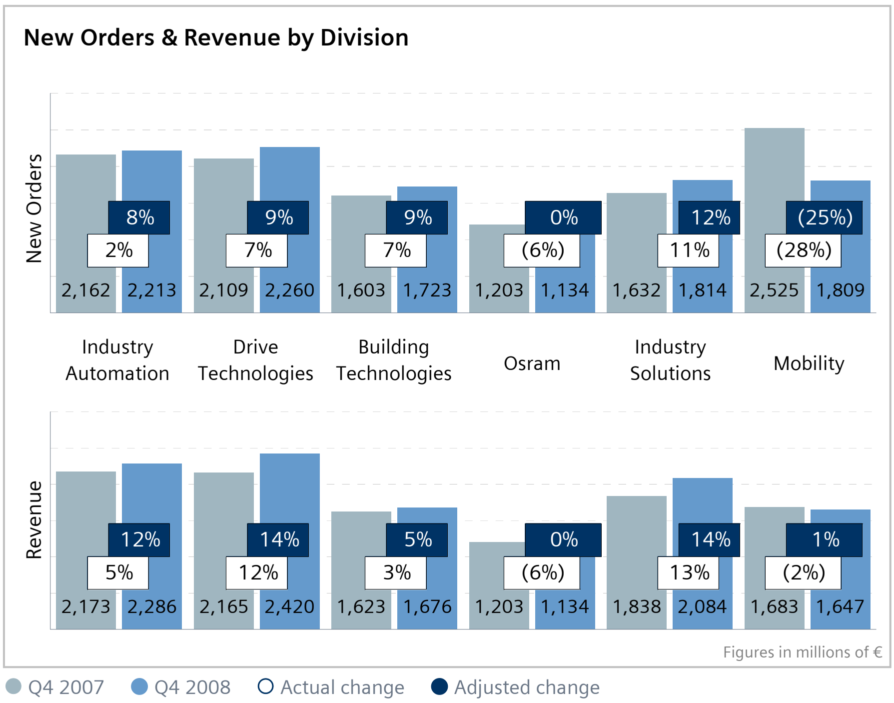
Industry Solutions contributed €129 million to Industry's Sector profit, a 55% jump on 13% revenue growth compared to the fourth quarter a year ago. These results were driven by a strong performance in the Division's metals technologies unit.

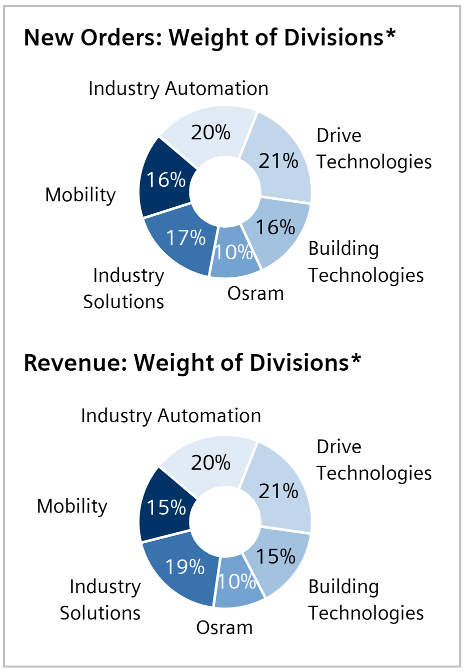
Mobility in motion

The "Mobility in Motion" transformation program entailed costs of €151 million, of which approximately two-thirds will affect cash flows in coming quarters. The **Mobility** Division also took provisions related primarily to software challenges with projects in the rail automation business. These factors resulted in a loss of €197 million in the fourth quarter. Mobility's book-to-bill ratio in the current period was 1.1. Orders were substantially lower than the high basis of comparison in the prior-year period, when the Division booked a higher level of major orders including the large locomotive order in China mentioned earlier.









* unconsolidated basis

Energy

Energy Sector

Broad-based topline growth and higher profits in most Divisions

The **Energy Sector** turned in a strong topline growth performance in the fourth quarter, including double-digit increases in sales and orders compared to the prior-year period. Four of the Sector's five Divisions generated higher profits, led by Power Distribution and Renewable Energy. In contrast, profit at Fossil Power Generation dropped to €2 million from €216 million in the prior-year quarter. As a result, Sector profit came in at €466 million, below €594 million in the fourth quarter a year ago.

Fourth-quarter revenue for Energy rose 13% year-over-year, to €6.749 billion, on growth in all Divisions. Orders for the period climbed 19%, to €7.246 billion, on numerous contract wins in the Fossil Power, Power Transmission, and Power Distribution Divisions. As expected, fourth-quarter orders came in lower at Renewable Energy. On a regional basis, revenue strength came from Asia/Australia/Middle East and the Americas, while orders climbed most rapidly in Europe/CIS/Africa and the Americas outside of the U.S.

Grid businesses continue to deliver

Power Transmission and Power Distribution combined for more than half of Sector profit and also increased their contribution to Sector profit compared to the prior-year quarter. Demand remained robust, with both Divisions recording double-digit sales and order growth.

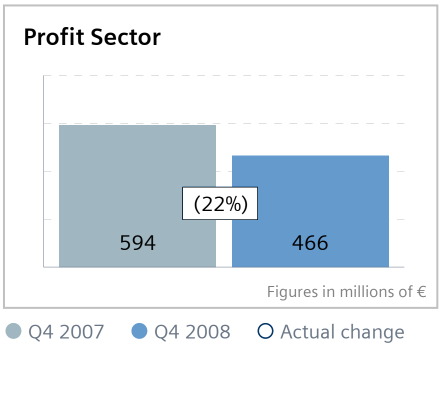
Power Transmission delivered €149 million in profit, above the prior-year quarter, which benefited from €25 million in hedging effects not qualifying for hedge accounting. The Division also won a substantial number of new contracts, including two major orders in the Middle East. The **Power Distribution** Division increased fourth-quarter profit sharply, to €126 million from €82 million a year earlier. All business units improved their profitability compared to the same period a year earlier.

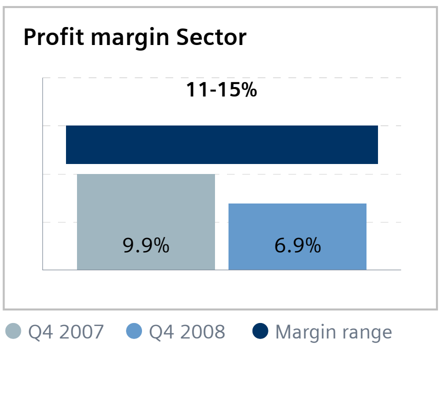
Renewable Energy ramps up Revenue and profits

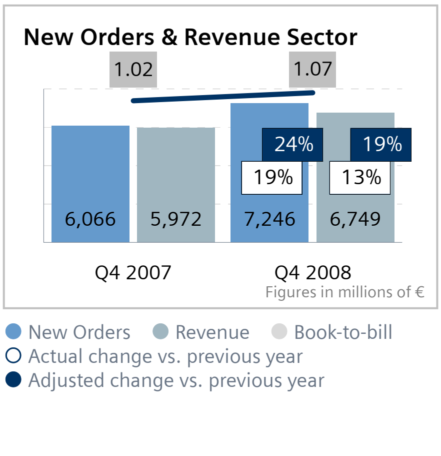
Renewable Energy turned in €83 million in profit, a 66% jump compared to the fourth quarter a year earlier. Revenue development also maintained the fast pace of recent quarters, with a 34% rise compared to the prior-year period. This trend has been driven by even faster growth in Renewable Energy's order backlog in previous quarters. As expected, fourth-quarter orders came in below the level of the prior-year quarter.

Profit momentum in oil and gas

Favorable market conditions helped the Oil & Gas Division increase its fourth-quarter profit 10% to €112 million. The Division thus closed the fiscal year with four straight quarters of year-over-year profit increases on steadily rising revenue.



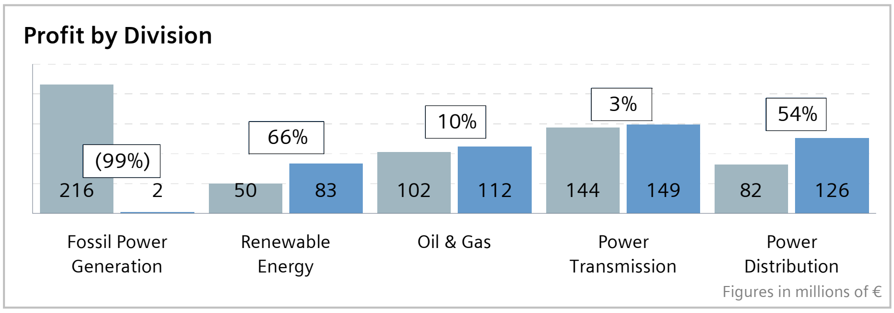


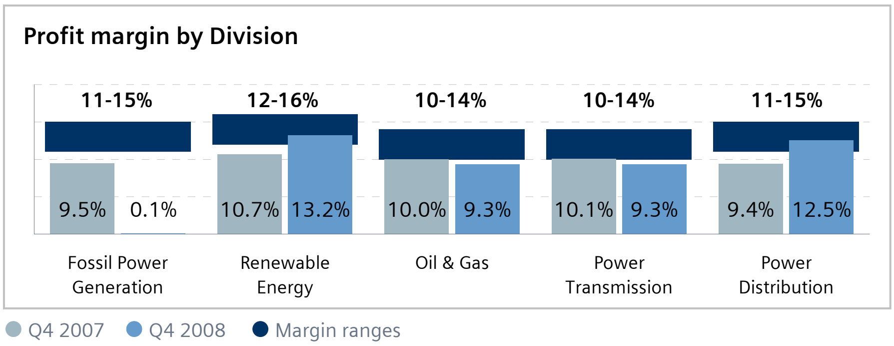


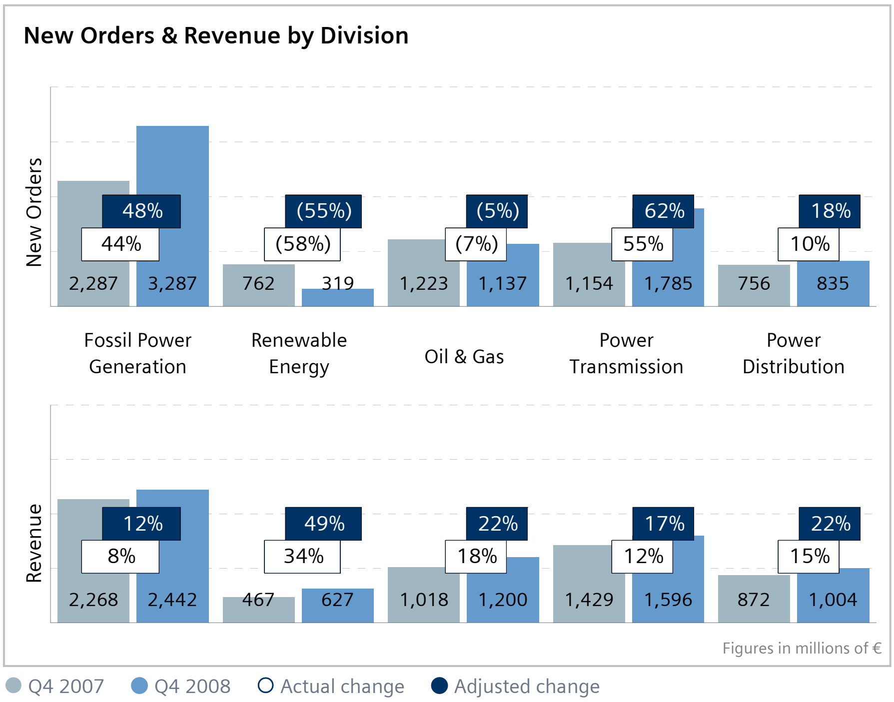
Fast growth, significant charges at Fossil Power Generation

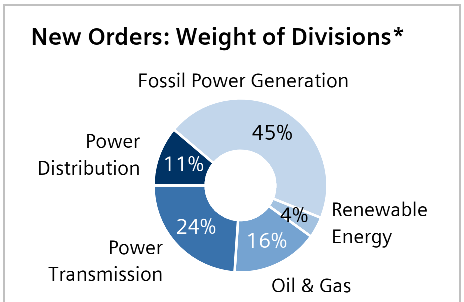
Profit in the **Fossil Power Generation** Division declined to €2 million due primarily to the Olkiluoto project mentioned earlier, which adversely affected both operating earnings and equity investment income. The impacts included €110 million in charges and €52 million in negative equity investment income associated with Areva NP. The fourth quarter a year ago included lesser impacts from these factors, and also benefited from a positive effect related to settlement of an arbitration proceeding and a gain on the sale of a business. Profitability in the current quarter further reflects expected margin effects from turnkey projects identified in the Division's project review earlier in the year.

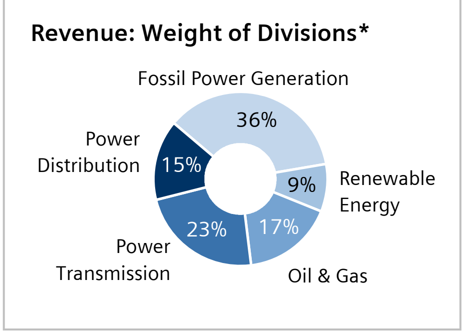
Fossil Power Generation continued to build up its backlog, posting €3.287 billion in fourth-quarter orders, including major new contracts in Germany, Austria, Australia and Russia. This represented a 44% increase from a low basis of comparison in the prior-year period. Sales were up 8% compared to the fourth quarter a year earlier. The Division expects continued volatility in equity investment income in coming quarters.











* unconsolidated basis

Healthcare Sector

Competing successfully in a challenging market

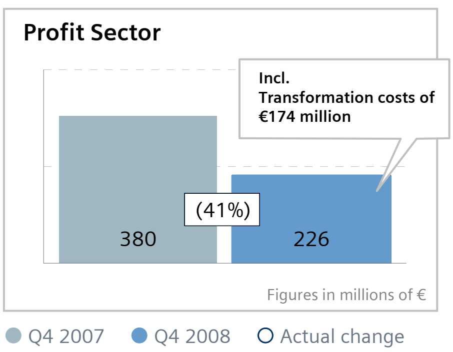
Market challenges multiplied for **Healthcare** in the fourth quarter, as economic contraction and tightening credit began to spread from the U.S. into the global economy. Nevertheless the Sector competed successfully for available market opportunities, and quarterly revenue and orders both passed the €3.0 billion level for the first time.

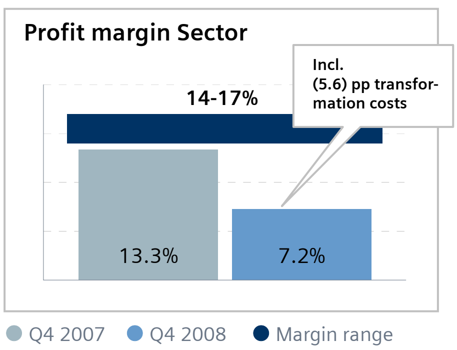
Sector profit came in at €226 million, compared to €380 million in the same quarter a year earlier. Healthcare's profit margin in the current quarter includes €272 million in negative impacts which reduced Sector profit margin by approximately 870 basis points. In anticipation of growing pressure on pricing and profitability, Healthcare took steps, including refocusing certain business activities in the Imaging & IT and the Workflow & Solutions Divisions. The resulting transformation costs of €174 million cut approximately 560 basis points from Healthcare's profit margin in the fourth quarter. In addition, the Diagnostics Division recorded a total of €98 million in PPA effects and net integration costs associated with acquisitions, including Dade Behring Holdings, Inc. (Dade Behring). These factors reduced Sector profit margin by another 310 basis points in the fourth quarter, compared to 270 basis points in the prior-year period.

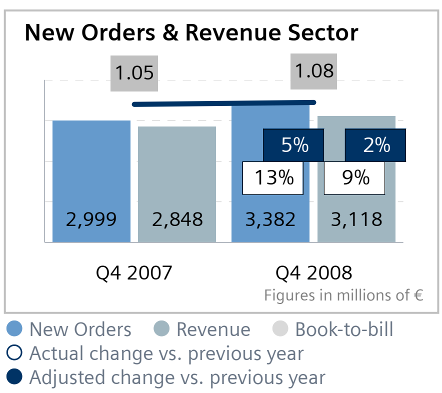
Healthcare's fourth-quarter revenue and orders rose 9% and 13%, respectively, including new volume from the acquisition of Dade Behring. On an organic basis, excluding currency translation and portfolio effects, Healthcare achieved 2% growth in revenue. Orders were up 5% from a low basis of comparison in the prior-year period, which included cancellation of a major order. On a regional basis, Healthcare successfully sought growth in emerging markets in the Europe/CIS/Africa and Asia/Australia/Middle East regions. Overall, the Sector's book-to-bill ratio for the fourth quarter was 1.08.

Challenges intensify in imaging market

Imaging & IT was again the Sector's profit leader, with €232 million in profit for the fourth quarter. The decline year-over-year was due primarily to €90 million in transformation costs, including severance charges, impairments and related costs following a review of certain business activities. Profit was influenced also by negative currency effects. On top of the Sector-wide challenges mentioned above, the Division faced challenges in the medical imaging market in the U.S., including the Deficit Reduction Act (DRA) and uncertainty regarding future reimbursements, and a persistently weak market in Japan. Nevertheless, reported revenue came in slightly below the level of the fourth quarter a year earlier and increased organically, including contributions from new products for magnetic resonance imaging and angiography. Orders remained level organically and were down 4% on a reported basis.







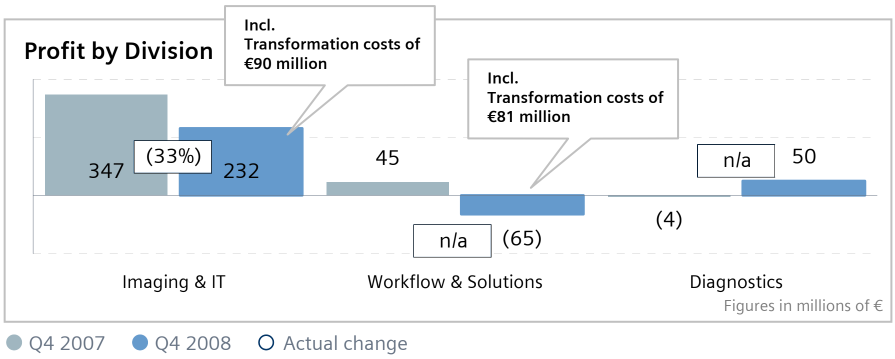
Profit and growth at Diagnostics

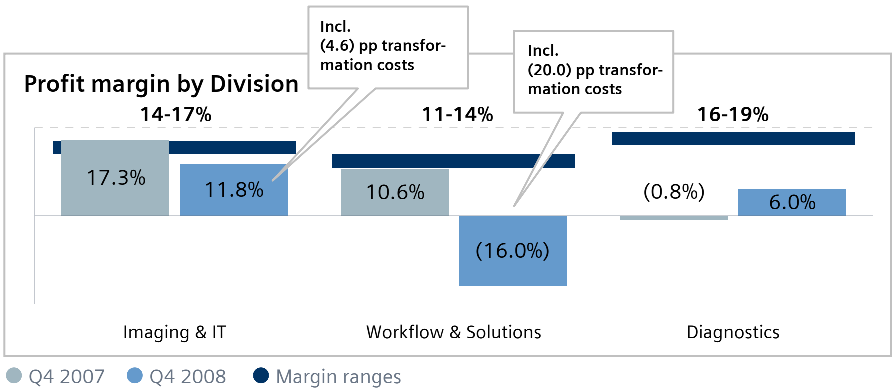
Diagnostics contributed €50 million to Sector profit in the fourth quarter, compared to a loss of €4 million in the prior-year period. PPA effects and integration costs related to acquisitions reduced profit margin by more than 1100 basis points in the current quarter, including PPA effects of €46 million and net integration costs of €52 million. A year earlier, fourth-quarter PPA and integration costs in the Division were €21 million and €55 million, respectively, and cut more than 1500 basis points from Diagnostics' profit margin.

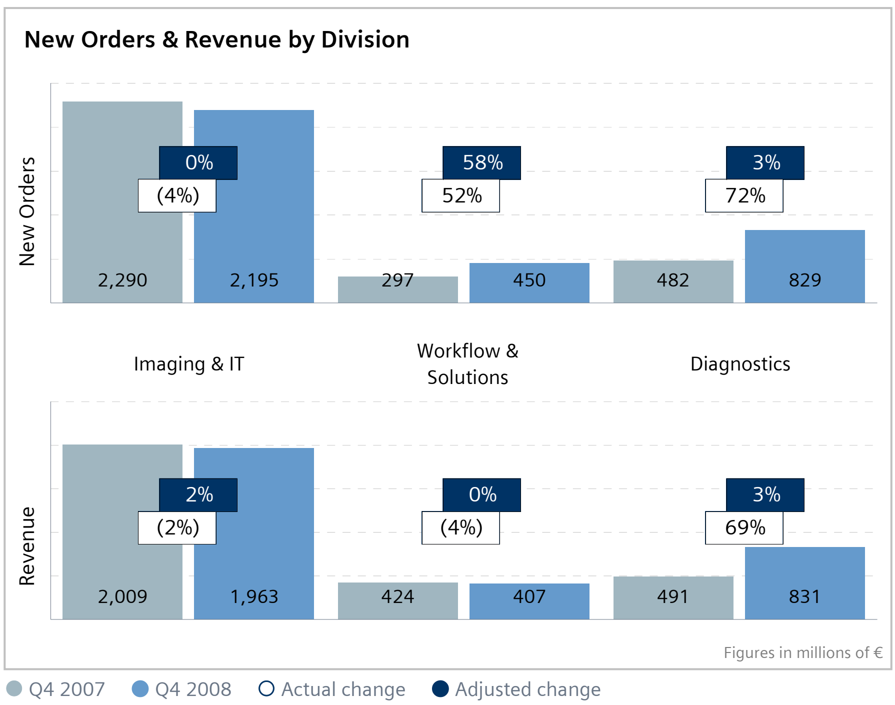
Revenue for the Division in the current period benefited substantially from new volume from Dade Behring. On a comparable basis, revenue rose 3%. Integration of the acquisition continued on or ahead of schedule, with a number of milestones passed in the fourth quarter.

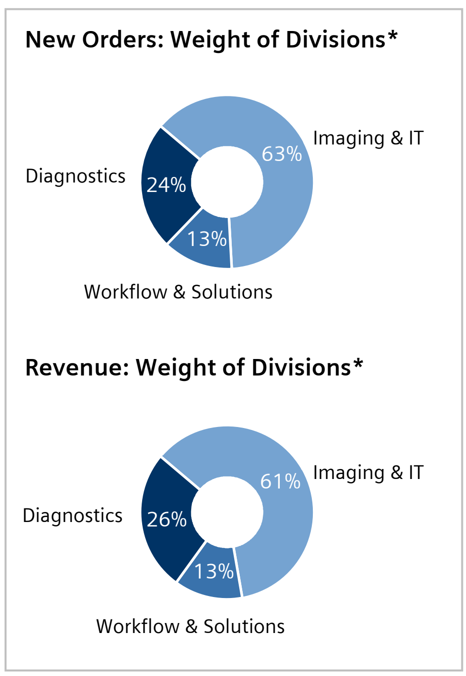
Transformation costs at Workflow & Solutions

Fourth-quarter profit at **Workflow & Solutions** was influenced strongly by €81 million in transformation costs primarily related to the strategic review of certain business activities. This resulted in a loss of €65 million compared to profit of €45 million in the fourth quarter a year earlier.









* unconsolidated basis

Equity Investments and Cross-Sector Businesses

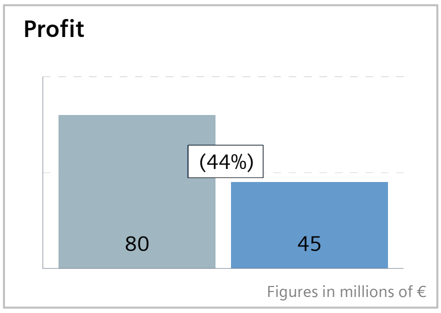
Equity Investments operating in difficult market environment

Effective with the fourth quarter, the former Strategic Equity Investments (SEI) has been expanded and renamed **Equity Investments**. Equity Investments now includes equity stakes not allocated to a Sector or Cross Sector Business by reason of strategic fit; available-for-sale securities; and assets held for disposal. Results for Equity Investments are stated on a retroactive basis to provide a meaningful comparison with prior periods. Major components of Equity Investments include Nokia Siemens Networks B.V. (NSN), which faces slowing growth in mobile infrastructure investments, and Bosch und Siemens Hausgeräte GmbH, a provider of retail products in consumer markets.

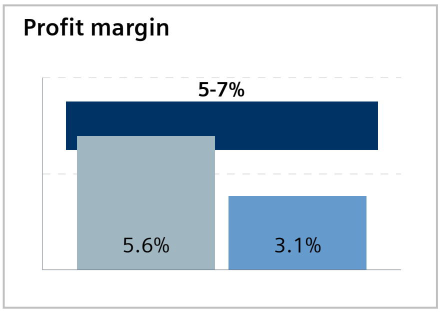
Equity Investments in the fourth quarter recorded a profit of €6 million. In the same period a year earlier, the result was a negative €7 million. The primary factor in the change was NSN, which posted improved operating results and lower restructuring charges and integration costs year-over-year. These costs and charges totaled €59 million in the current quarter, down from €86 million in the prior-year period. Siemens' equity investment loss related to NSN was €16 million compared to €58 million in the fourth quarter a year earlier.

Cross-Sector Businesses show mixed picture

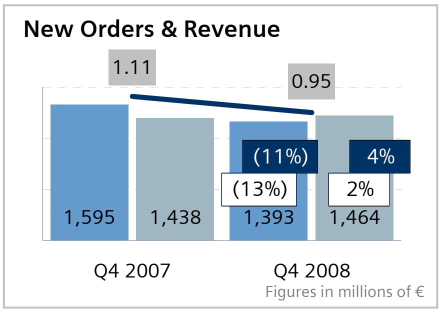
Profit at **Siemens IT Solutions and Services** was €45 million in the fourth quarter of fiscal 2008 compared to €80 million a year earlier. Revenue rose 2%, while orders declined 13% due primarily to a high basis of comparison a year earlier when the business won major new contracts in Europe.



Q4 2007 Q4 2008 Actual change

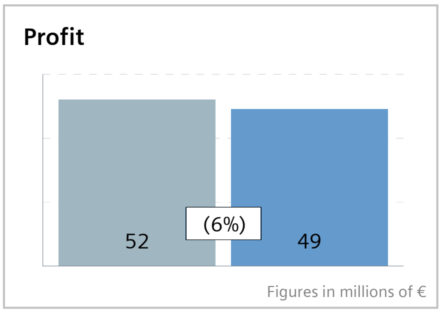


Q4 2007 Q4 2008 Margin range

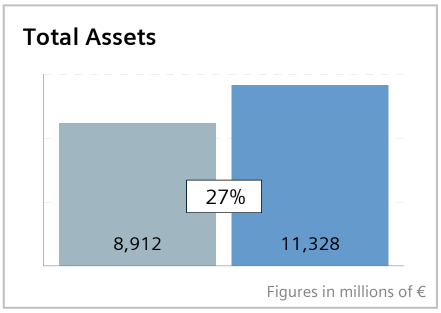


New Orders Revenue Book-to-bill
Actual change vs. previous year
Adjusted change vs. previous year

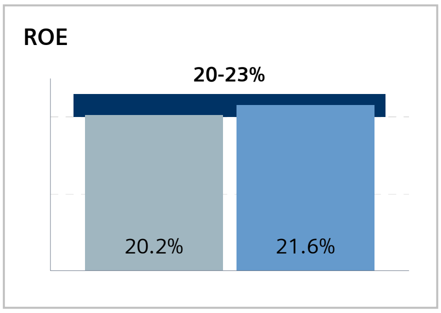
Income before income taxes at **Siemens Financial Services** (SFS) in the fourth quarter was €49 million, down from €52 million in the prior-year quarter. Total assets increased significantly, to €11.328 billion from €8.912 billion at the prior year end, primarily due to growth in the commercial finance business including asset purchases in secondary markets. Return on equity (ROE) is calculated as Income before income taxes divided by average allocated equity, which was €911 million in fiscal 2008 and €1.041 billion in fiscal 2007.



Q4 2007 Q4 2008 Actual change



Sept. 30, 2007 Sept. 30, 2008
Actual change



Q4 2007 Q4 2008 RoE range

Other Operations, Corporate Activities and Eliminations

Transformation of Other Operations includes divestment of SHC

Other Operations consist of centrally held business activities, shared services and central costs not allocated to a Sector or Cross-Sector Business. Under the transformation program for Other Operations, by the end of fiscal 2009 all business activities are to be integrated into an existing Siemens Sector or Cross-Sector Business, divested, moved to a joint venture, or closed. By the fourth quarter of fiscal 2008, Siemens reached or concluded the implementation phase for a majority of business activities. Partly as a result, fourth-quarter revenue for Other Operations declined to €552 million from €663 million, and Other Operations posted a loss of €229 million compared to a loss of €79 million in the fourth quarter a year earlier.

The major factor in the difference year-over-year was €133 million in transformation costs in the current quarter related mainly to Siemens Home and Office Communication Devices (SHC). Negative earnings impacts associated with the divestment of SHC, including a loss on the sale, totaled €124 million. In addition, the SHC transaction involved costs of €21 million related mainly to carve-out activities.

Real estate sales continue

Fourth-quarter income before income taxes at SRE was €54 million, up from €48 million a year earlier. Both periods benefited from gains on sales of real estate. SRE intends to continue real estate disposals in coming quarters, depending on market conditions.

Corporate items includes effects from SG&A reduction program

Corporate items and pensions totaled a negative €2.767 billion in the fourth quarter compared to a negative €441 million in the prior-year period. The main factor in the change was Corporate items, which totaled a negative €2.821 billion compared to a negative €480 million in the same quarter a year ago. The result in the current quarter includes the charges of €1.081 billion related to SG&A reduction and the provision of approximately €1 billion in connection with ongoing settlement negotiations, both mentioned earlier. In addition, the current period includes a one-time endowment of €390 million coinciding with establishment of the Siemens Foundation. The Foundation henceforth will fund substantial philanthropic programs that were previously included in Corporate items.

The prior-year period included €108 million in expenses related to Siemens' regional sales organization in Germany, primarily including an impairment.

Both periods included expenses for outside advisors engaged in connection with investigations into alleged violations of anti-corruption laws and related matters as well as remediation activities. These totaled €83 million in the fourth quarter, down slightly from €85 million in the prior-year quarter.

Counter-party risks are offset by lower debt and interest rates

Income before income taxes from Eliminations, Corporate Treasury and other reconciling items in the fourth quarter was a negative €123 million compared to a negative €104 million in the prior-year period. The increase includes charges of approximately €50 million related to counter-party risks, principally involving banks affected adversely by developments in international financial markets. This was partly offset by reduced interest expense stemming from lower indebtedness in Siemens' operating businesses combined with lower interest rates on U.S. dollar-denominated debt compared to the fourth quarter a year earlier.

Subsequent Events

On October 1, 2008, after the close of the fourth quarter and fiscal year, Siemens transferred an 80.2% stake in Siemens Home and Office Communications Devices GmbH & Co. KG (SHC) to ARQUES Industries AG of Germany, pursuant to an acquisition agreement announced in the fourth quarter of fiscal 2008.

At the beginning of November 2008, Siemens announced an agreement to sell its 50% stake in Fujitsu Siemens Computers (Holding) B.V. (FSC) to Fujitsu Limited. The transaction, which is subject to regulatory approval, is expected to close in the third quarter of fiscal 2009 and result in a gain.

Outlook

Organic growth remains Siemens' focus, and despite macroeconomic 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.

Note and Disclaimer

All figures are preliminary and unaudited. This Earnings Release should be read in conjunction with information Siemens published yesterday regarding legal proceedings. More detailed disclosure, particularly regarding legal proceedings, is provided in the annual report.

Financial Publications are available for download at:
www.siemens.com/ir -> Publications & Events

Earnings before interest and taxes, or EBIT (adjusted); Earnings before interest, taxes, depreciation and amortization, or EBITDA (adjusted); Return on capital employed (ROCE); Return on equity (ROE); Free cash flow; and Cash conversion rate are non-GAAP financial measures. These non-GAAP financial measures should not be viewed in isolation as alternatives to measures of our financial condition, results of operations or cash flows as presented in accordance with IFRS in our Consolidated Financial Statements. Information for reconciliation to the most directly comparable IFRS financial measures is available on our Investor Relations website under www.siemens.com/ir -> Publications & Events. "Profit Total Sectors" is reconciled to "Income from continuing operations before income taxes" in the table "Segment Information."

Starting today at 9.00 a.m. CET, we will provide a live video webcast of the annual press conference with CEO Peter Löscher and CFO Joe Kaeser. You can access the webcast at www.siemens.com/pressconference. The accompanying slide presentation can also be viewed here, and a recording of the conference will subsequently be made available as well.

Also today at 4.30 p.m. CET, you can follow a conference in English with analysts and investors live on the Internet by going to www.siemens.com/analystconference.

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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; 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.