

# Stronger Headwinds, Steady Execution

Revenue and Income Rise  
Book-to-Bill Again Above 1

Peter Löscher, President and Chief  
Executive Officer of Siemens AG



"In view of the deepening crises in the world economy, we are satisfied with our results in the second quarter," commented Siemens CEO Peter Löscher.

"We did particularly well compared to our competitors. The Energy and Healthcare Sectors continued their strong run. In the Industry Sector, short-cycle businesses were again clearly weaker. We introduced measures to safeguard profitability early on. We've already made a strong impact with the SG&A reduction program. Additional measures, such as our supply chain initiative, have been set in motion. Therefore we go forward with the expectation of exceeding Total Sectors profit of the prior fiscal year."

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## Financial Highlights

- Revenue rose 5% to €18.955 billion on competitive strength at Energy and Healthcare.
- While orders of €20.864 billion came in 11% below the prior-year quarter, book-to-bill remained above 1. The order backlog of Siemens' three Sectors increased to €87 billion, and included no material cancellations during the quarter.
- Total Sectors profit rose 43% from the prior-year level, to €1.844 billion, led by broad-based profit growth in Energy. A year earlier, Total Sectors profit included substantial charges stemming from reviews of large projects.
- Income from continuing operations climbed 69%, to €955 million, primarily on higher Total Sectors profit. SG&A expenses declined significantly compared to the prior-year quarter.
- Net income was €1.013 billion, up from €412 million in the second quarter a year earlier.
- Free cash flow from continuing operations was €1.138 billion, including substantially improved net working capital management in the Sectors.

Media Relations: Alexander Becker  
Phone: +49 89 636-36558  
E-mail: [becker.alexander@siemens.com](mailto:becker.alexander@siemens.com)  
Siemens AG, 80200 Munich, Germany

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Munich, April 29, 2009

**SIEMENS**

## Orders and Revenue

### Revenue rises, book-to-bill remains above 1

Revenue rose to €18.955 billion, up 5% from the second quarter a year earlier. Order intake was down 11% in a significantly weaker macroeconomic and financing environment, yet orders of €20.864 billion kept the book-to-bill ratio above 1 for the quarter and for the first half. On an organic basis, excluding currency translation effects and portfolio transactions, revenue rose 5% and orders came in 10% lower compared to the prior-year quarter. Customers slowed conversion of booked orders to revenue, and also postponed potential new orders.

### Energy and Healthcare take revenue higher

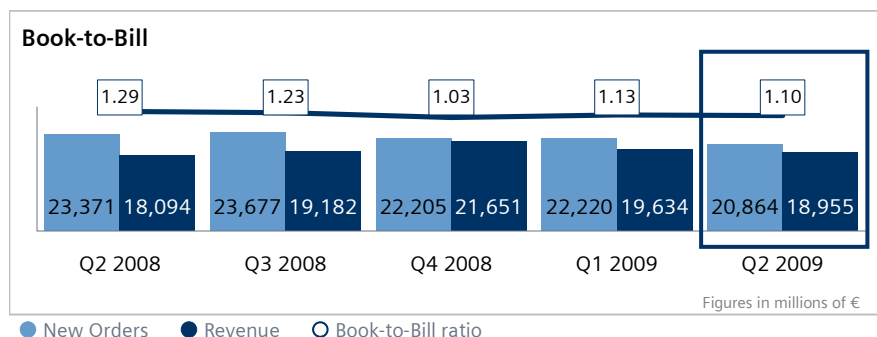
Energy delivered double-digit growth in Sector revenue and higher revenues at Healthcare benefited from positive currency translation effects. This more than offset a 4% decrease at Industry driven by lower demand in short-cycle businesses.

On a geographic basis, Siemens showed particular strength in the Americas and the region comprising Europe, the Commonwealth of Independent States, Africa and the Middle East (Europe/CAME). Energy and Healthcare led revenue higher in the Americas, which benefited from positive currency translation effects in the U.S. Fossil Power Generation and Mobility were the primary revenue drivers in Europe/CAME.

### Macroeconomic conditions hold back order intake

Global macroeconomic and financing conditions continued to reduce consumer spending, business confidence and capital expenditures in the second quarter. This was particularly evident in such short-cycle industries as automotive, manufacturing and lighting. Longer-cycle energy and infrastructure customers postponed potential new business. Healthcare orders rose due mainly to positive currency translation effects, while Industry and Energy saw reduced order intake in most Divisions.

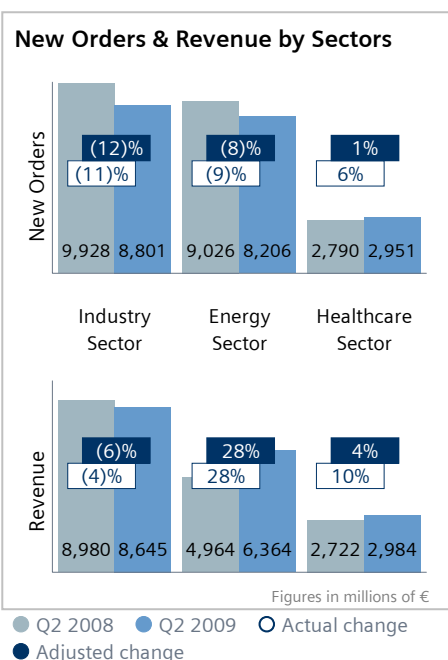
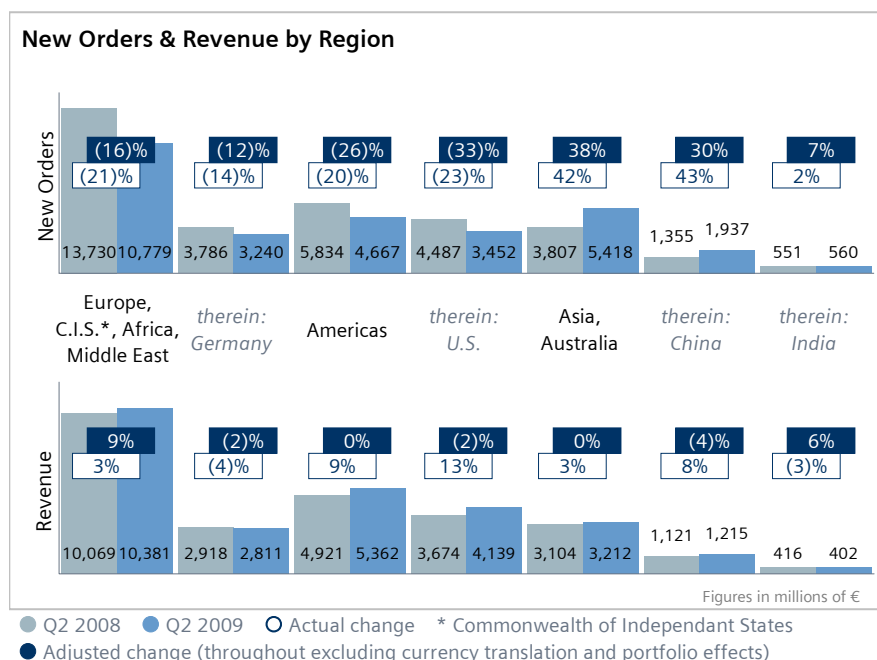
On a geographic basis, orders declined significantly in Europe/CAME and the Americas. In contrast, Asia, Australia posted higher orders compared to the prior-year period on the strength of major contract wins for high-speed trains in China and energy infrastructure in Iraq.



	Q2 2008	Q2 2009	% Change Actual	% Change Adjusted*
New Orders	23,371	20,864	(11)%	(10)%
Revenue	18,094	18,955	5%	5%

Figures in millions of €

\* Excluding currency translation and portfolio effects



## Income and Profit

### Total Sectors profit climbs led by Energy and Healthcare

Total Sectors profit for the second quarter climbed 43% year-over-year, to €1.844 billion. A year earlier, Total Sectors profit included charges of €768 million stemming from project reviews in the Fossil Power Generation Division and former Transportation Systems Group.

Energy was again the primary driver of Total Sectors profit growth, with all Divisions generating increases year-over-year. A year earlier, Fossil Power Generation took €559 million of the charges mentioned above. Healthcare also increased its Sector profit despite challenging market conditions. Sector profit declined significantly at Industry primarily due to volume-driven margin pressure.

### Higher Total Sectors profit, substantial SG&A reduction

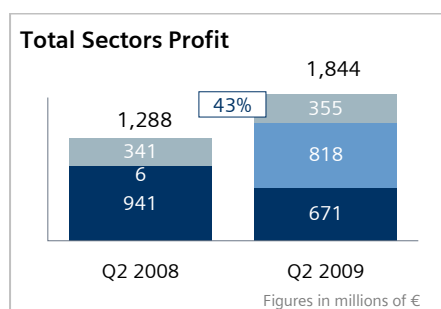
Income from continuing operations was €955 million, up 69% compared to the second quarter a year earlier. Basic EPS on a continuing basis rose to €1.05 from €0.59 in the prior-year period. The primary factor in these increases was higher Total Sectors profit. Other contributors included lower expenses for Corporate items and higher profits from Cross-Sector businesses, due mainly to significantly lower project charges at Siemens IT Solutions and Services.

Following a strategic review during the current period, the electronic assembly systems business was classified as held for sale and management responsibility was transferred from the Drive Technologies Division to Other Operations. This business had a loss of €86 million, increasing the loss from Other Operations as a whole. In addition, Equity Investments turned negative due to Nokia Siemens Networks B.V. (NSN).

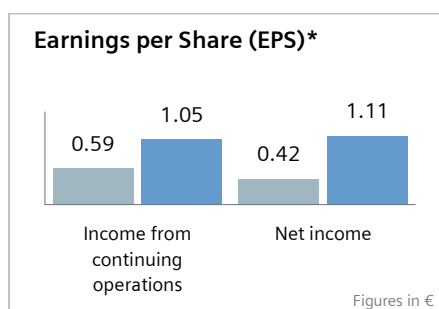
Positive results from Siemens' SG&A reduction program were already evident in the quarter, with SG&A expenses coming in significantly below the second-quarter level a year earlier.

### Net income rises strongly on higher income from continuing operations

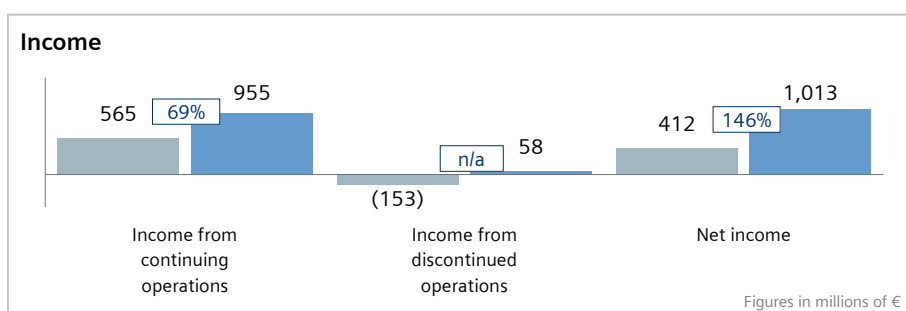
Net income was €1.013 billion, up from €412 million in the second quarter a year earlier. Basic EPS rose to €1.11 from €0.42 in the prior-year period. Income from continuing operations was the dominant factor in net income. Discontinued operations benefited from settlement of legal matters related to the former Communications Group (Com). A year earlier, discontinued operations included severance charges in the enterprise networks business, which was divested between the periods under review.



Sectors: ● Industry ● Energy ● Healthcare  
○ % Change



● Q2 2008 ● Q2 2009  
\* Basic



● Q2 2008 ● Q2 2009 ○ % Change

## Cash, Return on Capital Employed (ROCE), Pension Funding Status

### Free cash flow improves from Q1 on asset management

At a Sector level, Free cash flow was €1.901 billion, nearly level compared to the prior-year quarter despite outflows related to project review charges and restructuring. Net working capital management substantially improved Free cash flow in the Sectors compared to the first quarter of the fiscal year.

Free cash flow from continuing operations was lower than in the prior-year period. The current period included the cash outflows mentioned above as well as payments related to Siemens' SG&A reduction program. These factors together totaled approximately €350 million.

### ROCE rises on higher income

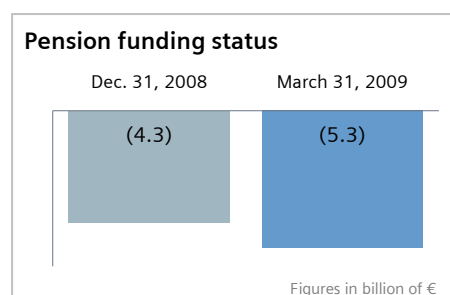
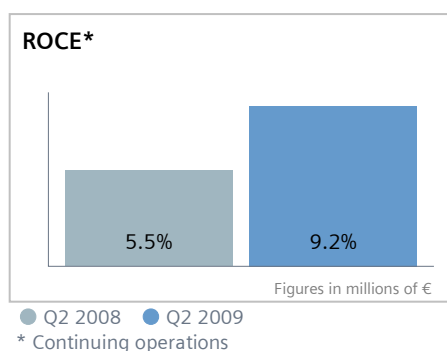
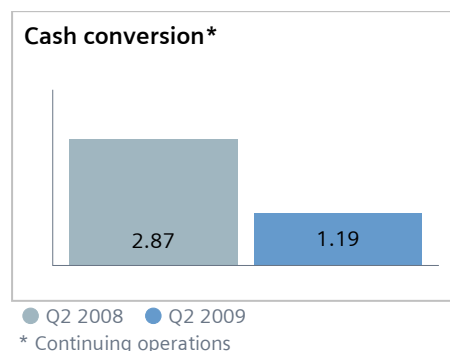
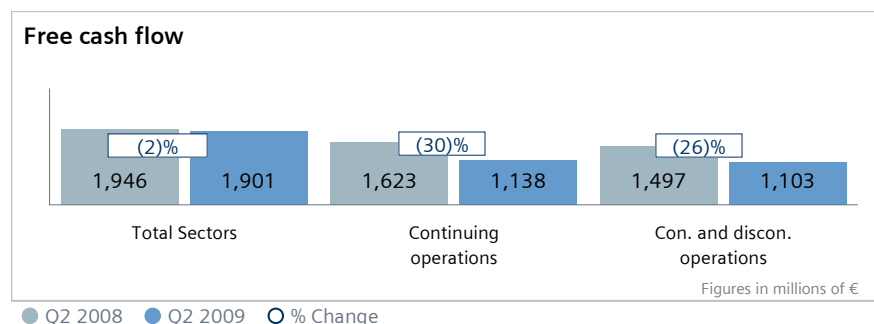
On a continuing basis, ROCE for the second quarter increased to 9.2% from 5.5% in the prior-year period. This improvement was due primarily to higher income from continuing operations. For comparison, income from continuing operations in the second quarter a year ago was burdened by significant charges resulting from project reviews as mentioned above.

### Successful bond issue

Siemens enhanced its liquidity position with €4.0 billion in proceeds from a second-quarter bond issue, which was heavily oversubscribed.

### Pension underfunding increases

The estimated underfunding of Siemens' principal pension plans as of March 31, 2009, amounted to approximately €5.3 billion, compared to an underfunding of approximately €4.3 billion at the end of the first quarter and approximately €2.5 billion at the end of fiscal 2008. The decline in funding status since December 31, 2008 is due primarily to a negative return on plan assets. While the change in funding status in general does not affect earnings for the current fiscal year, it reduces equity on the balance sheet.



## Industry Sector

### Strong headwinds from market conditions

As expected, the **Industry Sector** experienced significant impact from the macroeconomic environment. This was particularly evident at Industry Automation, Drive Technologies and OSRAM, where cost-reduction measures are still ramping up. Revenue declines in these Divisions reversed economies of scale that produced peak margins in prior periods, and Sector profit fell to €671 million. While revenue increased at Industrial Solutions and Building Technologies, customers at both Divisions began to postpone booked orders from prior periods. With improved execution and lower exposure to macroeconomic conditions, the Mobility Division delivered profitable growth in the second quarter.

On a geographic basis, revenue and orders declined in Europe/CAME and the Americas. Order growth in Asia, Australia included a particularly large train order in China, which kept the Sector's book-to-bill ratio above 1 and its order backlog at €32 billion. Industry expects continued impacts from the macroeconomic environment, especially in its short-cycle activities.

### Demand declines put pressure on profit margins

The factors discussed above for the Sector were most pronounced at **Industry Automation**, producing substantially reduced results compared to both the prior-year period and the preceding quarter.

Destocking continued among the Division's manufacturing customers. Revenues declined 21% and orders fell 28%, led by Europe/CAME, the Division's largest regional market. With smaller business volumes and lower capacity utilization, Industry Automation saw profit margins fall in all business units. As a result, profit came in at €97 million, well below the prior-year quarter. Both periods included margin impacts from the Division's acquisition of UGS in fiscal 2007. PPA effects were €36 million in the current quarter. In the prior-year period, purchase price accounting (PPA) effects were €26 million along with integration costs of €2 million.

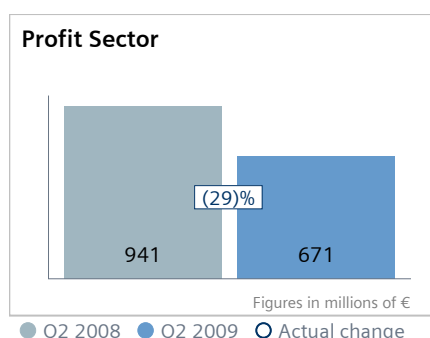
### Demand drops for short-cycle manufacturing solutions

Continuing deterioration in market conditions took revenue down 7% at **Drive Technologies**. Lower capacity utilization in turn pressured profit margins in all business units. Profit declined compared to the second quarter a year earlier, and also fell for the third consecutive quarter.

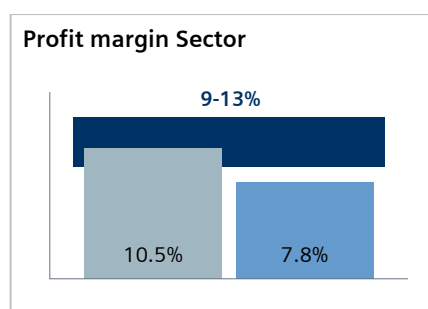
The current and prior-year periods both included €9 million in PPA effects from the acquisition of Flender Holding GmbH in 2005. PPA effects are expected to continue at this level in coming quarters. Orders fell sharply in all regions compared to the prior-year quarter, with the sharpest declines in Europe/CAME and the Americas. Following a strategic review during the second quarter, the electronic assembly business for which Siemens initiated a carve-out during fiscal 2008 was classified as held for sale and management responsibility was transferred from Drive Technologies to Other Operations. The presentation of prior year financial information has been reclassified accordingly.

### Initial effects from construction slowdown

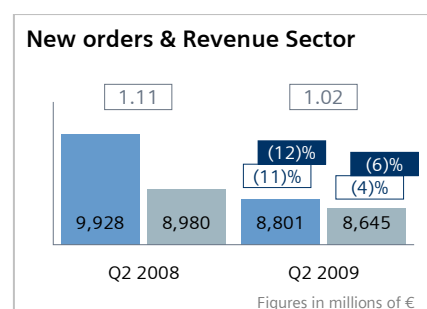
The slowdown in the global construction industry began reaching **Building Technologies** in the second quarter. Orders fell throughout the division, including customer postponement of projects. As a result, the Division's book-to-bill ratio came in below 1 for the quarter. On a geographic basis, orders declined in all regions, most notably in Europe/CAME. While revenue remained stable compared to the same period a year earlier, customers began to delay execution of booked orders. Profit fell to €97 million due to a less favorable business mix.



● Q2 2008 ● Q2 2009 ○ Actual change



● Q2 2008 ● Q2 2009 ● Target range



● New orders ● Revenue ○ Book-to-bill  
○ Actual change vs. previous year  
● Adjusted change vs. previous year

### Challenges spreading across lighting business

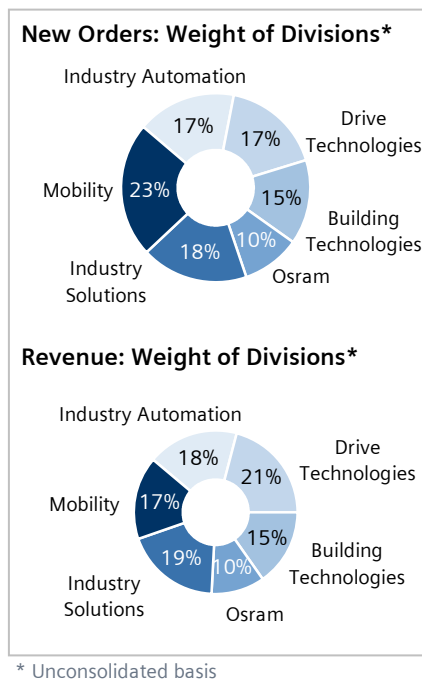
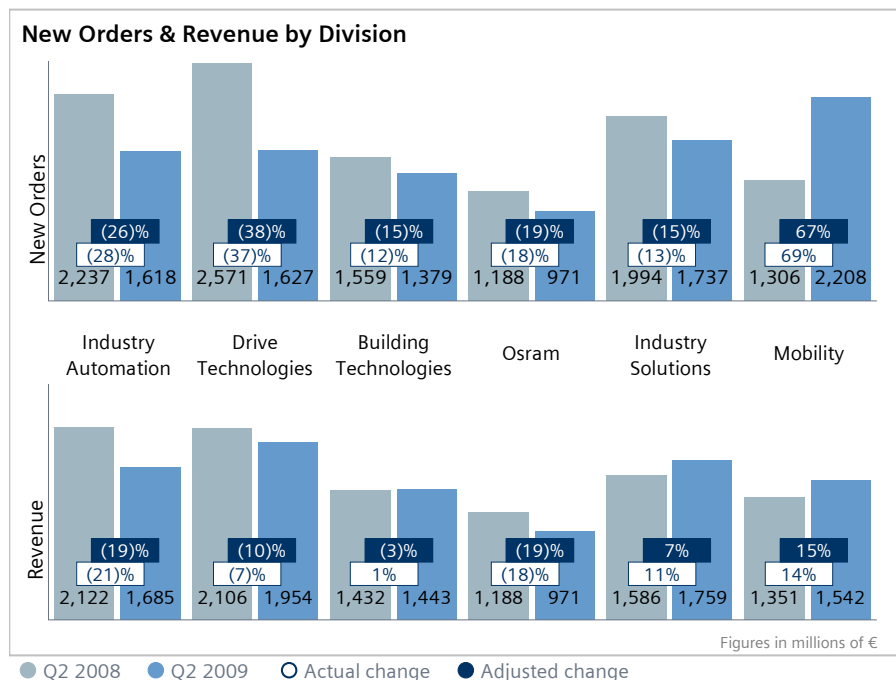
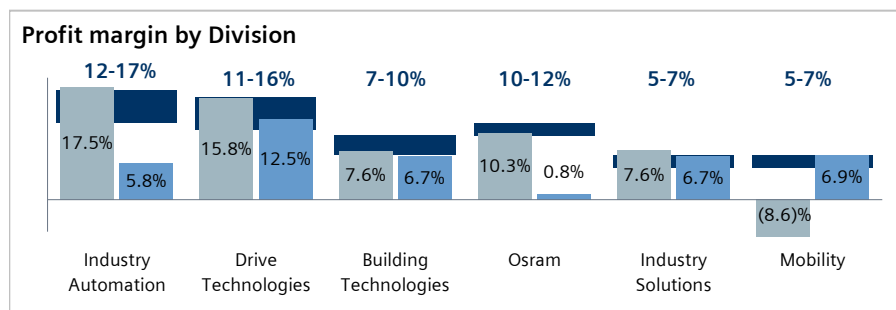
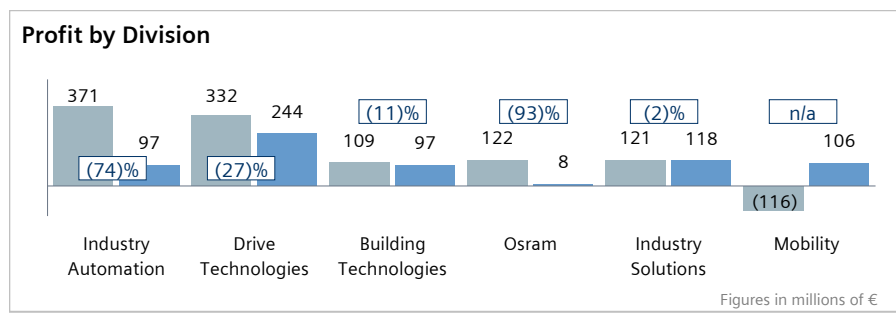
Macroeconomic conditions remained challenging for OSRAM throughout the Division. Revenue fell 18%, including substantial demand declines in the automotive, construction and semiconductor markets. Lower capacity utilization took profits and profit margins down in all business units. OSRAM posted a profit of €8 million compared to €122 million in the prior-year period.

### Prior orders lift revenue as new demand declines

Industry Solutions delivered profit of €118 million. For comparison, the prior-year quarter benefited from a €30 million gain on the sale of a business. Revenue was up 11% due to peak orders in metals technologies in prior periods. In contrast, new orders for metals technology solutions fell sharply in the current quarter. Orders overall declined 13% year-over-year, including customer postponement of projects. During the quarter, customers began to delay execution of booked orders.

### Continued project execution, profitable growth

Mobility contributed another strong quarter, including order growth of 69%, revenue growth of 14%, and €106 million in profit. The Division's profit margin improved on execution of higher-margin orders compared to the second quarter a year earlier. In addition, the prior-year period included €209 million in charges related to extensive project reviews. Orders in the rolling stock business rose substantially from a low base in the prior-year period. The increase year-over-year includes a particularly large contract for high-speed trains in China.



## Energy Sector

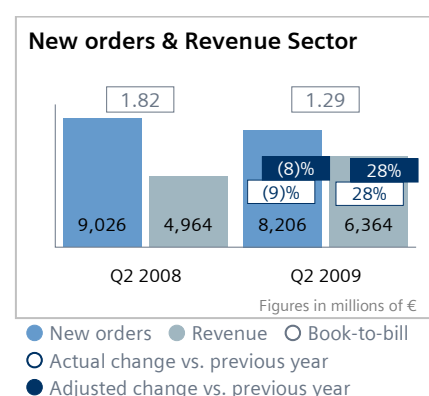
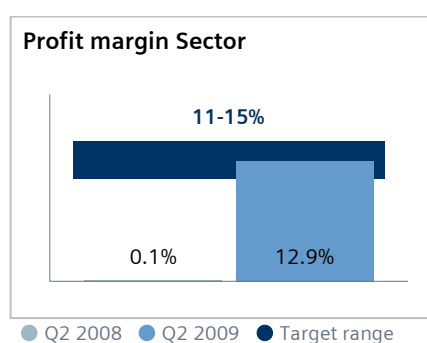
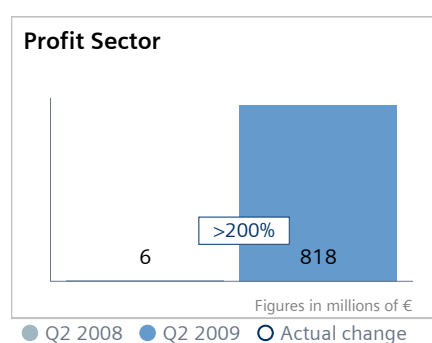
### Global growth in revenue, broad-based profit performance

With a strong performance across all Divisions, the **Energy Sector** was the top contributor to Total Sectors profit in the second quarter. Sector profit rose to €818 million, as Energy combined economies of scale with improvements in project execution compared to the prior-year quarter. For comparison, that period included charges of €559 million stemming from a review of projects in the fossil power generation business. All Divisions within the Sector posted at least double-digit increases in profit year-over-year, and profit margins remained in their target ranges at all Divisions.

Revenue for Energy climbed 28% compared to the prior-year period, including growth in all regions. Due to deterioration in the macroeconomic and financing environment, customers postponed potential new business. Order intake slowed at nearly all Divisions, and orders for the Sector overall came in 9% below the high level of the prior-year period. Nevertheless, the book-to-bill ratio was 1.29 and there were no material order cancellations during the quarter, so Energy's order backlog grew to €48 billion, including approximately €1.5 billion in new contracts for power generation and transmission in Iraq. The Sector expects continued pressure on order intake through fiscal 2009.

### Improved execution drives continued profit growth

The **Fossil Power Generation** Division was the top profit contributor among all Siemens Divisions, producing €312 million in profit in the second quarter, including a strong contribution from the service business. In the same period a year earlier, the Division took the €559 million in charges mentioned above following a review of turnkey projects, and subsequently focused on improving its margin quality and project execution. The project review also resulted in a €200 million revenue reduction in the prior-year period, lowering the basis of comparison for the Division's 37% increase in revenue in the current quarter. While orders included approximately €1.1 billion from the contracts in Iraq mentioned above, customers postponed potential new projects. This reduced the volume from major orders year-over-year. As a result, second-quarter orders for Fossil Power Generation came in 17% lower compared to a peak level in the prior-year quarter. Siemens announced that it would exit its Areva NP joint venture, and its equity stake is now accounted for as held for sale. These changes are expected to substantially reduce volatility in the Division's equity investment income.



### Better business mix, economies of scale

The **Renewable Energy** Division delivered sharp increases in profit, revenue and orders in the second quarter. Profit climbed to €105 million from €35 million, driven by a combination of improved business mix and economies of scale. Orders surged to €1.587 billion after two quarters at relatively reduced levels, driven by a large order for turbines

for offshore wind-farms in Europe. This and other major contract wins have weighted the Division's backlog toward long-lead-time offshore projects.

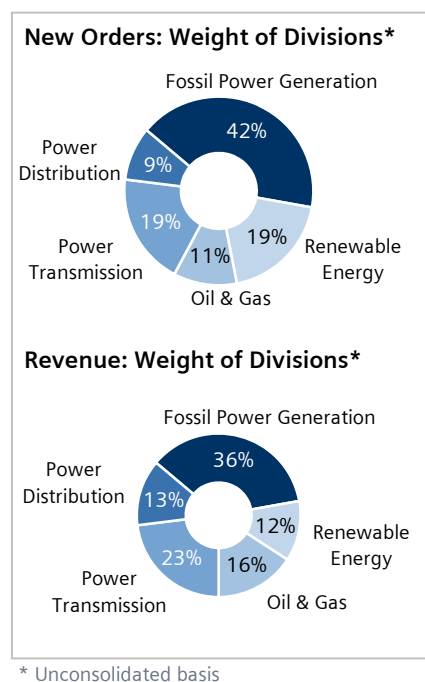
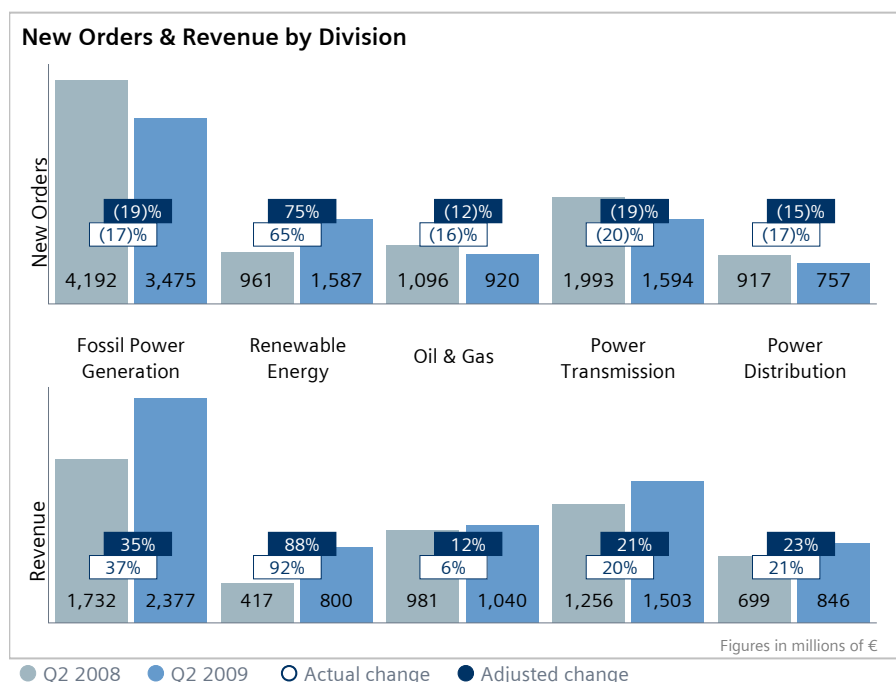
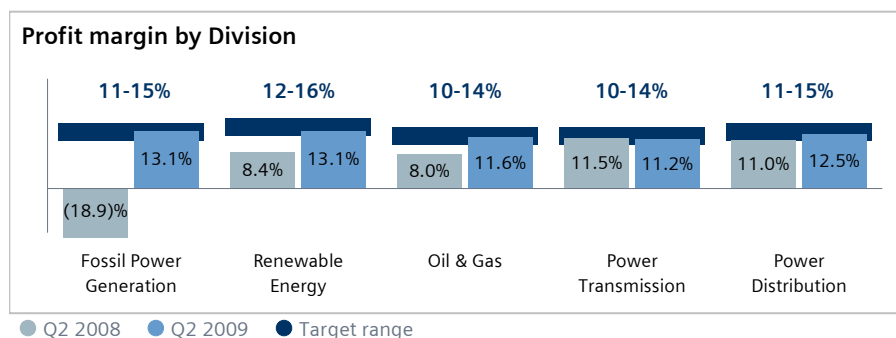
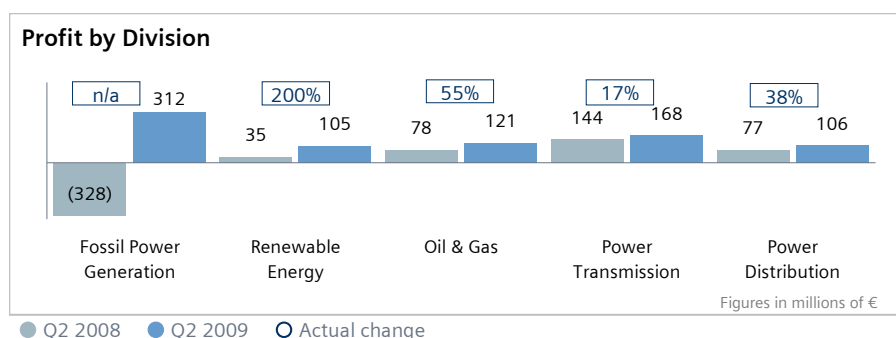
### Balanced profit growth, improved margins

The **Oil & Gas** Division produced €121 million in profit in the second quarter, and all business units increased their profit margins com-

pared to the same quarter a year earlier. Macroeconomic and financing conditions slowed order intake compared to the same quarter a year earlier.

### Sustained profit performances in the power grid businesses

**Power Transmission** brought in €168 million in profit on a 20% increase in revenue. Orders fell 20% from the prior-year level, as the macroeconomic and financing environment led customers to postpone a significant volume of planned projects. This trend had a similar effect on orders at **Power Distribution**, and is expected to have an impact on revenue in coming quarters because the Division's business mix includes a significant proportion of industrial customers whose postponements affect near-term order conversion into revenue. In the current quarter Power Distribution generated €106 million in profit and revenue rose 21% in part due to a low basis of comparison in the prior-year period.





## Healthcare Sector

### Strong competitive performance drives profit and volume growth

The **Healthcare Sector** again showed its strength under tough market conditions, as the financing and macroeconomic environment continued to depress demand and increase competitive pressure. Sector profit increased 4%, to €355 million. The Diagnostics Division recorded a total of €64 million in PPA effects and integration costs associated with acquisitions. PPA effects and integration costs reduced Sector profit margin by approximately 210 basis points in the second quarter, compared to approximately 370 basis points in the prior-year period.

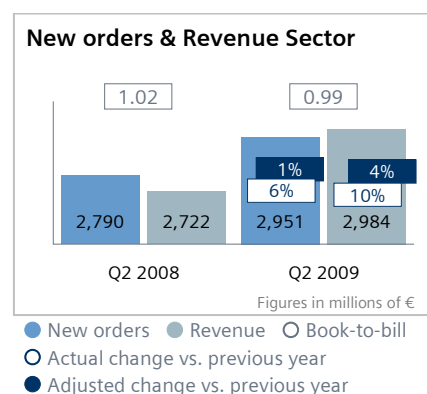
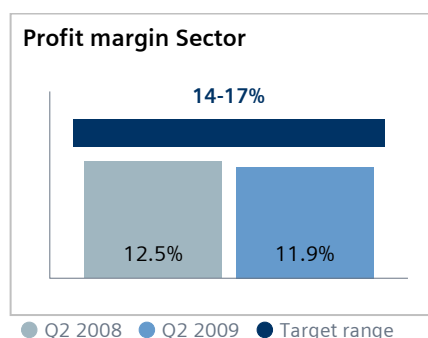
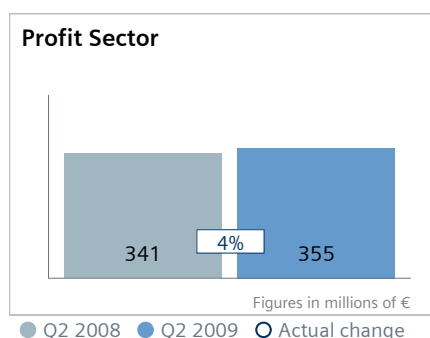
Healthcare posted a 10% increase in revenue and 6% rise in orders. Excluding the benefit of positive currency translation effects, revenue was up 4% and orders were up 1%. The book-to-bill ratio came in just below 1 and the backlog remained at €7 billion. Healthcare expects continued deterioration in market conditions.

### Strong execution in tough market conditions

**Imaging & IT** was again a top earnings performer for Siemens, with second-quarter profit rising to €265 million on an increase in profit margin year-over-year. Tight credit and the economic downturn continued to constrain market growth, particularly in the U.S. and Japan. Growth in the region Asia, Australia outside of Japan and in Europe/CAME offset this weakness. On an organic basis, revenue for the Division was up 3% and orders declined 1%. The book-to-bill ratio was below 1.

### New product introduction takes toll on profit margin

Profit at **Diagnostics** rose to €54 million for the second quarter, up 10% from the prior-year quarter. The Division's profit margin was reduced by PPA effects of €47 million and integration costs of €17 million associated with acquisitions. These factors together amounted to approximately 750 basis points. A year earlier, second-quarter PPA and integration costs at Diagnostics were €50 million and €52 million, respectively, and cut approximately 1,240 basis points from profit margin.

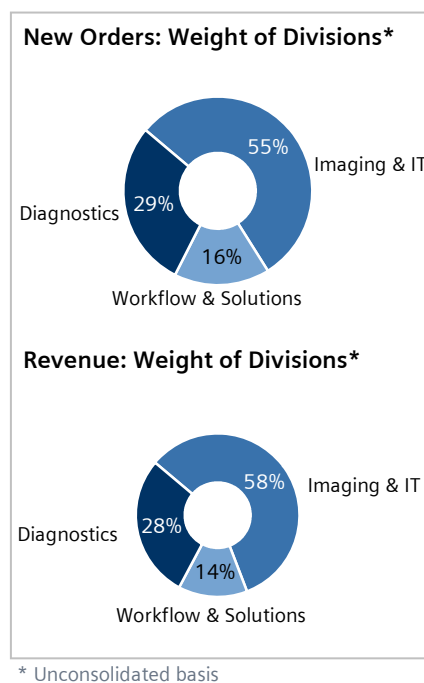
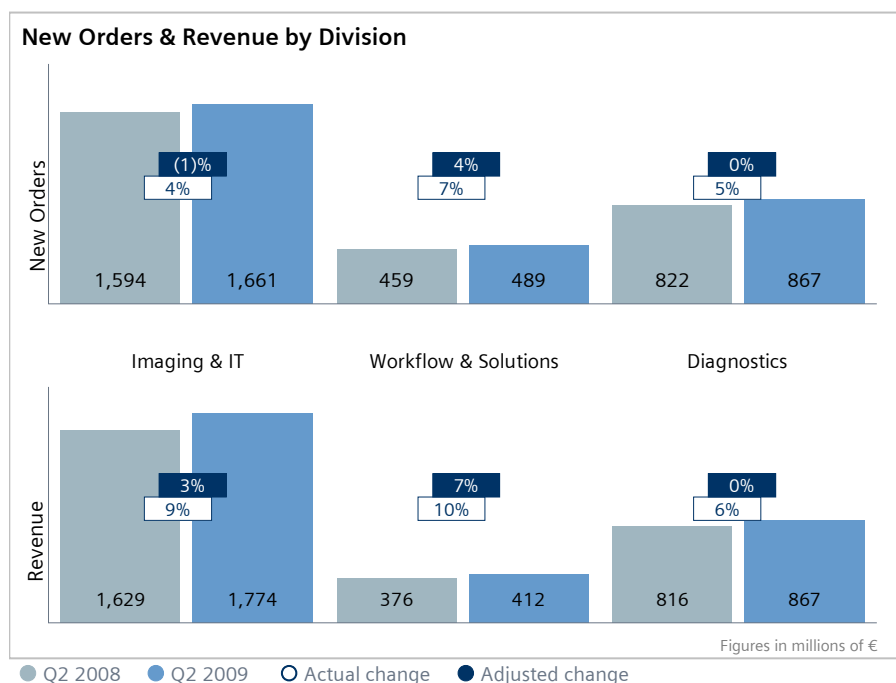
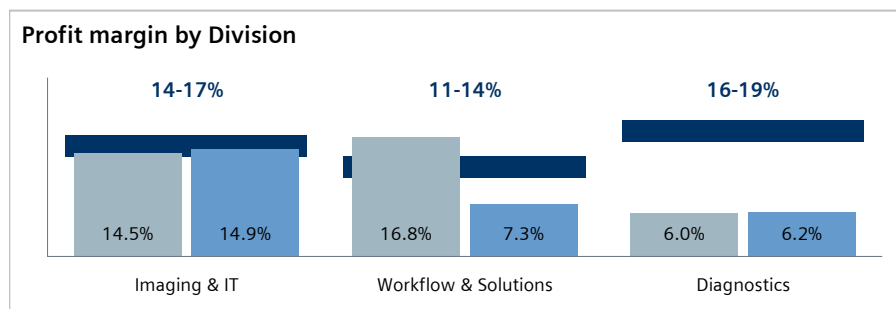
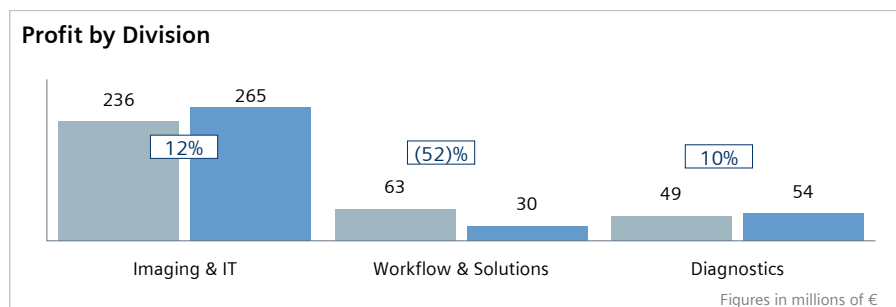


Profit margin was influenced by effects related to new product introduction. Second-quarter revenue was up 6% year-over-year and orders rose 5%. On an organic basis, primarily excluding currency translation

effects, both revenue and orders were level with the prior-year period, as growth in Asia, Australia excluding Japan offset weakness in the Division's large U.S. market.

**Economic headwinds push down profit in solutions businesses**

Challenges related to the macroeconomic and financing environment intensified at **Workflow & Solutions**. While the Division posted higher revenue overall, key solutions businesses experienced revenue declines that reduced their profitability compared to the prior-year period. Combined with pricing pressure, this reduced profit and profit margin for the Division overall.



## Equity Investments and Cross-Sector Businesses

### Equity Investments turns negative due to NSN

Equity Investments includes equity stakes not allocated to a Sector or Cross-Sector Business by reason of strategic fit as well as available-for-sale securities. Major components of Equity Investments include our

shares in NSN and BSH Bosch und Siemens Hausgeräte GmbH. Equity Investments recorded a loss of €113 million in the second quarter compared to a profit of €35 million a year earlier. The difference was mainly due to NSN, which posted a loss of €136 million compared to a loss of €45 million in the prior-year

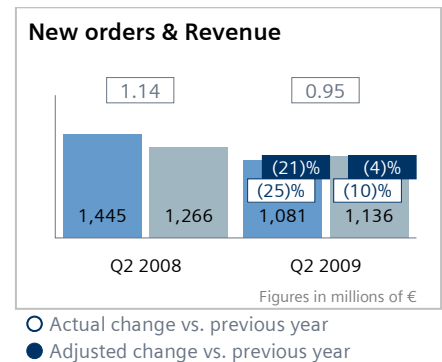
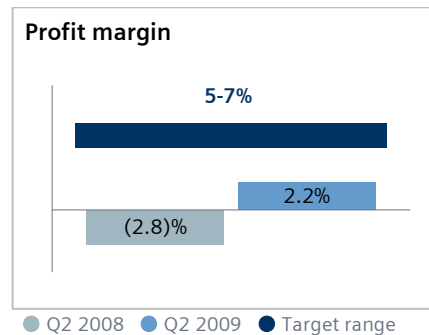
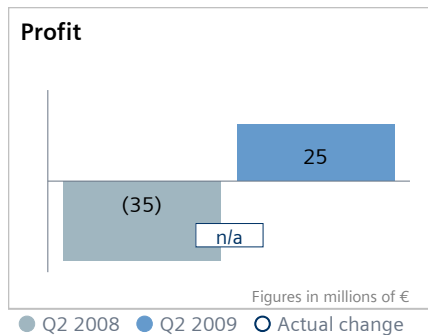
period. The change year-over-year included an operating loss as well as higher restructuring and integration costs. Income from equity investments is expected to be volatile in coming quarters.

### Higher contribution from Cross Sector Businesses

Siemens IT Solutions and Services posted a profit of €25 million compared to a loss of €35 million in the

second quarter a year earlier, which included significant charges related to large projects in the U.K. Project charges were significantly lower in the current period. Profitability was held back by pricing pressure and

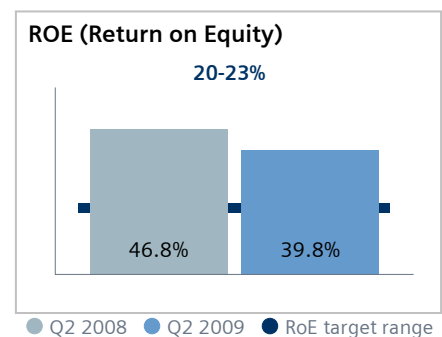
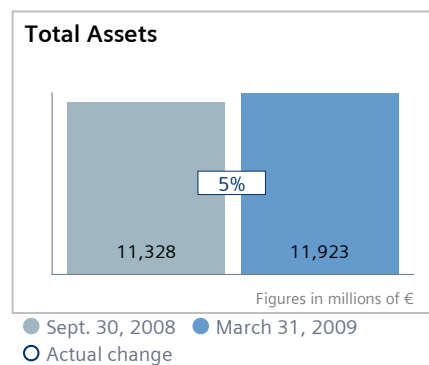
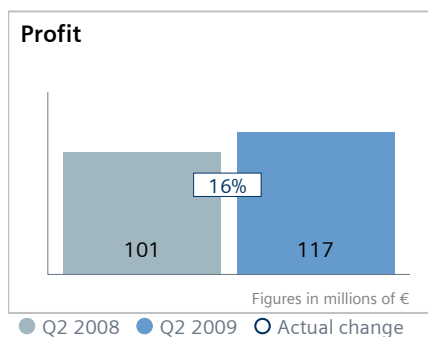
a 10% decline in revenue year-over-year. Orders fell 25% compared to the prior-year period, which included two major orders.



Income before income taxes at **Siemens Financial Services (SFS)** was €117 million in the second quarter compared to €101 million in the same period a year earlier. The current quarter included higher

interest income and higher results from internal services business, partly offset by a further increase in reserves for the commercial finance business. Return on Equity (ROE) decreased but remained significantly

above the target range. ROE is calculated as annualized Income before income taxes divided by average allocated equity, which was €1.176 billion compared to €863 million in the prior-year period.



## Other Operations, Corporate Activities and Eliminations

### Electronics assembly business impacts Other Operations

Other Operations consist primarily of operating business activities not allocated to a Sector or Cross-Sector Business which are to be integrated into a Siemens Sector or Cross-Sector Business, divested, moved to a joint venture, or closed. Progress with these actions reduced revenue from Other Operations to €211 million in the second quarter, down from €730 million in the same period a year earlier.

Following a strategic review during the current period the electronic assembly systems business was classified as held for sale. Management responsibility was transferred from Drive Technologies to Other Operations. The electronic assembly business held for sale posted a loss of €86 million including charges related to impairments and severance expenses. This in turn increased the loss from Other Operations to €105 million from a loss of €64 million in the second quarter a year earlier. A loss related to the divestment of an industrial manufacturing unit in Austria was mostly offset by positive effects related to former Com activities. The prior-year period included expenses of €46 million related to the closure of a regional payphone unit in Europe, primarily for severance.

### Real estate disposals continue

Income before income taxes at Siemens Real Estate (SRE) was €37 million in the second quarter, down from €60 million in the same period a year earlier, primarily due to lower gains from sales of real estate. SRE intends to continue real estate disposals in coming quarters, depending on market conditions.

During the second quarter, Siemens sold residential real estate holdings to a consortium comprising Wohnbau GmbH, the GBW Gruppe and the Volkswohnung GmbH. This transaction is expected to produce a substantial gain in the third quarter.

### Central costs again decline on lower compliance expenses

Corporate items and pensions totaled a negative €442 million in the second quarter compared to a negative €522 million in the same period a year earlier. The improvement was due to Corporate items, which were a negative €359 million compared to a negative €526 million in the prior-year period. Within this change, expenses for outside advisors engaged in connection with investigations into legal and regulatory matters declined again, to €33 million from €148 million in the second

quarter a year earlier. This more than offset €33 million in net negative effects related to severance programs and a charge related to legal and regulatory matters. The prior-year period included €64 million related to a regional sales organization in Germany, primarily including an impairment, as well as a €32 million donation to the Siemens Foundation in the U.S. Similar to the first quarter, centrally carried pension expense swung to a negative €83 million from a positive €4 million in the second quarter a year earlier, due primarily to higher benefit costs related to Siemens' principal pension plans.

### Impact from interest rate hedges

Income before income taxes from Eliminations, Corporate Treasury and other reconciling items in the second quarter of fiscal 2009 was a negative €28 million, compared to a negative €74 million in the prior-year period. The difference was due mainly to improved results from hedging activities not qualifying for hedge accounting related in particular to a decline in euro interest rates.

## Subsequent Events

After the close of the second quarter, Siemens completed the previously announced sale of its stake in Fujitsu Siemens Computers B.V. to Fujitsu Limited.

On April 24, 2009, after the close of the second quarter, Siemens and

The Gores Group agreed to a settlement regarding pending requirements for purchase price adjustment and further mutual obligations. Siemens expects this settlement to result in a positive income effect within discontinued operations in the third quarter.

## Outlook

The current macroeconomic and financing environment shows no evidence of near-term improvement. Despite these conditions, Total Sectors profit for fiscal 2009 is expected to exceed the prior-year level of €6.6 billion. We expect growth in income from continuing operations in fiscal 2009 to exceed growth in Total Sectors profit. This outlook excludes

portfolio effects and impacts from legal and regulatory matters. For fiscal 2009 Siemens targeted revenue growth at least twice the rate of actual global GDP growth. If GDP growth is negative, this means that a percentage decline in revenue for Siemens would be targeted at less than half the rate of decline in global GDP.

## Note and Disclaimer

All figures are preliminary and unaudited. This Earnings Release should be read in conjunction with information Siemens published today 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](http://www.siemens.com/ir) → Publications & Events.

Starting today at 9.00 a.m. CEST, we will provide a live video webcast of the press conference with CEO Peter Löscher, CFO Joe Kaeser and Barbara Kux, Member of the Managing Board. You can access the webcast at [www.siemens.com/pressconference](http://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 4.00 p.m. CEST, you can follow a conference in English with analysts and investors live on the Internet by going to [www.siemens.com/analystconference](http://www.siemens.com/analystconference).

Adjusted or organic growth rates of revenue and new orders; Return on equity, or ROE; Return on capital employed, or ROCE; Cash conversion rate, or CCR; Free cash flow; Earnings before interest, taxes, depreciation and amortization, or EBITDA (adjusted); and Net debt are or may be non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation as alternatives to measures of our financial condition,

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 and recessionary trends); the possibility that customers will delay conversion of booked orders into revenue or that our pricing power will be diminished by continued adverse market developments, to a greater extent than we currently expect; 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

results of operations or cash flows as presented in accordance with IFRS in our Consolidated Financial Statements. A definition of these supplemental financial measures, a reconciliation to the most directly comparable IFRS financial measures and information regarding the usefulness and limitations of these supplemental financial measures can be found on our Investor Relations website at [www.siemens.com/nonGAAP](http://www.siemens.com/nonGAAP).

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, including corruption investigations to which we are currently subject 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](http://www.siemens.com), and on the SEC’s website, [www.sec.gov](http://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.