

For the business press

Munich, April 30, 2008

## **Siemens shows strong order growth in second quarter of fiscal 2008**

Income from continuing operations will match fiscal 2007 level – 2010 targets remain unchanged

**Siemens again demonstrated its growth potential with the presentation of its second-quarter figures for fiscal 2008. Orders rose 12%, from €20.850 billion to €23.371 billion. On an organic basis, excluding the net effect of portfolio transactions and currency translation, orders climbed 15% year-over-year with good regional distribution. Revenue for the quarter rose 1%, from €18.001 billion to €18.094 billion, and 2% on an organic basis. The review of projects in Operations led to charges at Power Generation, Transportation Systems, and Siemens IT Solutions and Services totaling €57 million. As a result, Group profit from Operations was €1.203 billion in the second quarter, compared to €1.781 billion in the prior-year period. Net income was €412 million for the quarter, compared to €1.259 billion in the second quarter a year ago.**

“Our order growth in the first half has been excellent on a global basis, and our Industry and Healthcare Sectors combined strong growth with higher earnings,” said CEO Peter Löscher. “Furthermore, our energy portfolio performed well in most areas, with very strong overall order growth. We have now concluded our project reviews in the fossil power business and, in total, we have a clear picture of the relevant risks. We also demonstrated our commitment to increasing transparency and accountability at Siemens. We expect organic revenue to grow at twice the rate of GDP growth in fiscal 2008 and that our full-year Group profit from Operations and income from continuing operations will match the levels we achieved in fiscal 2007.” Löscher concluded, “we remain fully committed to our targets for 2010.”

## **Robust order growth generated a book-to-bill ratio of 1.3**

Strong demand in Germany included major contract wins at Power Generation (PG) and a large order at Medical Solutions (Med), while order growth in Asia-Pacific was more broad-based. High double-digit growth in the region comprising the Near and Middle East, Africa and Commonwealth

of Independent States (CIS) was driven by large energy infrastructure orders at Power Transmission and Distribution (PTD).

Revised estimates of project completion, mainly at PG, reduced revenue for Siemens as a whole by approximately €250 million. Europe outside Germany, Siemens' largest region, was on pace with 2% growth for the quarter. Revenue in the Asia-Pacific and Americas regions grew 6% and 3%, respectively.

### **Income and EPS reflect project review impacts**

The second quarter included strong profit performances at Automation and Drives, Med, PTD, and Industrial Solutions and Services. In contrast, PG, Transportation Systems and Siemens IT Solutions and Services posted losses in the second quarter due to charges related to the project reviews. Net income was €412 million compared to €1.259 billion in the second quarter a year earlier, resulting in basic EPS of €0.42 compared to €1.34 in the prior-year period. Income from continuing operations was €565 million compared to €1.286 billion in the second quarter a year ago, with corresponding basic EPS of €0.59 compared to €1.39 in the prior-year period. The declines are due largely to Group profit from Operations.

### **Outlook**

Siemens expects organic revenue to grow at twice the rate of GDP growth in fiscal 2008 and that full-year Group profit from Operations and income from continuing operations will match the levels achieved in fiscal 2007. This outlook excludes earnings impacts that may arise from legal and regulatory matters, which are not yet quantifiable, and from measures that may be taken as part of Siemens' transformation programs, including SG&A reduction. Within discontinued operations, divestment of the enterprise networks business is expected to result in a substantial loss.

**Siemens AG** (Berlin and Munich) is a global powerhouse in electronics and electrical engineering, operating in the industry, energy and healthcare sectors. The company has around 400,000 employees (in continuing operations) working to develop and manufacture products, design and install complex systems and projects, and tailor a wide range of solutions for individual requirements. For over 160 years, Siemens has stood for technological excellence, innovation, quality, reliability and internationality. In fiscal 2007, Siemens had revenue of €72.4 billion and income from continuing operations of €3.9 billion (IFRS). Further information is available on the Internet at: [www.siemens.com](http://www.siemens.com).

### **Note**

Beginning today at 09:00 a.m. CEST, the press conference at which CEO Peter Löscher, CFO Joe Kaeser and General Counsel and member of the managing board Peter Y. Solmssen discuss the quarterly figures will be broadcast live on the Internet at [www.siemens.com/pressconference](http://www.siemens.com/pressconference). A recording of the press conference will subsequently be made

available as well. Starting at 15:30 CEST, Peter Löscher and Joe Kaeser will hold a telephone conference in English for analysts and investors, which can be followed live at [www.siemens.com/analystcall](http://www.siemens.com/analystcall).

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 challenges of integrating major acquisitions and implementing joint ventures and other significant portfolio measures; changes in currency exchange rates and interest rates; 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 investigation 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](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.