

Munich, November 7, 2007

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

Strategic company decision

Siemens decides capital structure target and share buy back program

Siemens AG decided today, that it will set a capital structure target in line with its Fit 4 2010 program in order to optimise its capital structure. The capital structure target ratio "Adjusted industrial net debt" to "EBITDA" is set to be in the range of 0.8x – 1.0x, and shall be achieved by fiscal year end 2010.

In order to achieve the capital structure target Siemens intends to buy back shares of Siemens AG in the amount of up to EUR 10 billion by fiscal year end 2010. Through resolution of the Shareholders' Meeting of January 25, 2007, Siemens AG is authorized pursuant to section 71 para.1 no. 8 of the German Stock Corporation Act (Aktiengesetz, AktG) to acquire own shares up to 10% of the its capital stock until July 24, 2008. Within this authorization the Managing Board has adopted a share buy back program which has been approved by the Supervisory Board. Accordingly this allows to acquire by purchase over the stock exchange up to a maximum of 82 million shares of Siemens AG for the purpose of cancellation and reduction of capital stock as well as to buy back up to a maximum of 7 million shares of Siemens AG to fulfill obligations arising out of stock compensation programs. On the basis of the current share price this amounts to a volume of approximately EUR 8.5 billion.

Timing and details regarding the start of the share buy back program will be announced separately. The buy back will be carried out lead-managed by banks and will be executed

pursuant to the Regulation (EC) no. 2273/2003 of the Commission of December 22, 2003.

Siemens intends that the Managing Board and the Supervisory Board will propose at the Shareholders' Meeting to be held on January 24, 2008 to renew the authorization to buy back shares of up to 10 % of the share capital.

Disclaimer

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” 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 its operations, performance, business strategy and results and could cause the actual results, performance or achievements of Siemens worldwide 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 worldwide; changes in business strategy; the outcome of pending investigations and legal proceedings; our analysis of the potential impact of such matters on our financial statements; as well as various other factors. More detailed information about our risk factors is contained in Siemens' 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.

EBITDA (adjusted), Return on capital employed, Free cash flow, Cash conversion and Net debt are Non-GAAP financial measures. A reconciliation of these amounts to the most directly comparable IFRS financial measures is available on our Investor Relations website under www.siemens.com/ir, Financial Publications, Quarterly Reports. "Group profit from operations" is reconciled to "Income before income taxes" of Operations under "Reconciliation to financial statements" in the table "Segment Information."