

SIEMENS

CONSOLIDATED STATEMENTS OF INCOME

For the three months and the fiscal years ended September 30, 2008 and 2007

(in millions of €, per share amounts in €)

	<u>Three months</u> <u>(unaudited)</u>		<u>Fiscal years</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenue.....	21,651	20,201	77,327	72,448
Cost of goods sold and services rendered.....	(16,705)	(14,279)	(56,284)	(51,572)
Gross profit.....	4,946	5,922	21,043	20,876
Research and development expenses.....	(1,103)	(963)	(3,784)	(3,399)
Marketing, selling and general administrative expenses.....	(4,093)	(3,436)	(13,586)	(12,103)
Other operating income.....	411	219	1,047	680
Other operating expense.....	(1,621)	(187)	(2,228)	(1,053)
Income (loss) from investments accounted for using the equity method, net.....	(23)	3	260	108
Financial income (expense), net.....	3	(17)	122	(8)
Income (loss) from continuing operations before income taxes.....	(1,480)	1,541	2,874	5,101
Income taxes.....	221	(147)	(1,015)	(1,192)
Income (loss) from continuing operations.....	(1,259)	1,394	1,859	3,909
Income (loss) from discontinued operations, net of income taxes.....	(1,161)	(1,468)	4,027	129
Net income (loss).....	<u>(2,420)</u>	<u>(74)</u>	<u>5,886</u>	<u>4,038</u>
Attributable to:				
Minority interest.....	45	81	161	232
Shareholders of Siemens AG.....	(2,465)	(155)	5,725	3,806
Basic earnings per share				
Income (loss) from continuing operations.....	(1.51)	1.45	1.91	4.13
Income (loss) from discontinued operations.....	(1.34)	(1.62)	4.50	0.11
Net income (loss).....	<u>(2.85)</u>	<u>(0.17)</u>	<u>6.41</u>	<u>4.24</u>
Diluted earnings per share				
Income (loss) from continuing operations.....	(1.51)	1.41	1.90	3.99
Income (loss) from discontinued operations.....	(1.34)	(1.60)	4.49	0.11
Net income (loss).....	<u>(2.85)</u>	<u>(0.19)</u>	<u>6.39</u>	<u>4.10</u>

CONSOLIDATED STATEMENTS OF INCOME AND EXPENSE RECOGNIZED IN EQUITY

For the three months and the fiscal years ended September 30, 2008 and 2007

(in millions of €)

	<u>Three months</u> <u>(unaudited)</u>		<u>Fiscal years</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Net income (loss).....	(2,420)	(74)	5,886	4,038
Currency translation differences.....	466	(322)	(313)	(536)
Available-for-sale financial assets.....	(21)	44	(122)	30
Derivative financial instruments.....	(305)	64	(237)	100
Actuarial gains and losses on pension plans and similar commitments.....	(1,569)	(532)	(1,719)	1,237
Revaluation effect related to step acquisitions.....	—	—	—	3
Total income and expense recognized directly in equity, net of tax ^{(1) (2)}	(1,429)	(746)	(2,391)	834
Total income and expense recognized in equity.....	<u>(3,849)</u>	<u>(820)</u>	<u>3,495</u>	<u>4,872</u>
Attributable to:				
Minority interest.....	80	82	159	265
Shareholders of Siemens AG.....	(3,929)	(902)	3,336	4,607

(1) Includes income and expense resulting from investments accounted for using the equity method of €(55) and € for the three months ended September 30, 2008 and 2007, respectively, and €(38) and €(26) for the fiscal years ended September 30, 2008 and 2007, respectively.

(2) Includes minority interest relating to currency translation differences of €38 and €(2) for the three months ended September 30, 2008 and 2007, respectively, and €1 and €30 for the fiscal years ended September 30, 2008 and 2007, respectively, as well as minority interests relating to actuarial gains and losses on pension plans and similar commitments of €(3) and €— for the three months ended September 30, 2008 and 2007, respectively, and €(3) and €3 for the fiscal years ended September 30, 2008 and 2007, respectively.

The Notes, included in the corresponding Annual Report, are an integral part of these Consolidated Financial Statements.

SIEMENS

CONSOLIDATED BALANCE SHEETS

As of September 30, 2008 and 2007

(in millions of €)

	<u>9/30/08</u>	<u>9/30/07</u>
ASSETS		
Current assets		
Cash and cash equivalents.....	6,893	4,005
Available-for-sale financial assets.....	152	193
Trade and other receivables.....	15,785	14,620
Other current financial assets.....	3,116	2,932
Inventories.....	14,509	12,930
Income tax receivables.....	610	398
Other current assets.....	1,368	1,322
Assets classified as held for disposal.....	809	11,532
Total current assets.....	<u>43,242</u>	<u>47,932</u>
Goodwill.....	16,004	12,501
Other intangible assets.....	5,413	4,619
Property, plant and equipment.....	11,258	10,555
Investments accounted for using the equity method.....	7,017	7,016
Other financial assets.....	7,785	5,561
Deferred tax assets.....	3,009	2,594
Other assets.....	735	777
Total assets.....	<u>94,463</u>	<u>91,555</u>
LIABILITIES AND EQUITY		
Current liabilities		
Short-term debt and current maturities of long-term debt.....	1,819	5,637
Trade payables.....	8,860	8,382
Other current financial liabilities.....	2,427	2,553
Current provisions.....	5,165	3,581
Income tax payables.....	1,970	2,141
Other current liabilities.....	21,644	17,058
Liabilities associated with assets classified as held for disposal.....	566	4,542
Total current liabilities.....	<u>42,451</u>	<u>43,894</u>
Long-term debt.....	14,260	9,860
Pension plans and similar commitments.....	4,361	2,780
Deferred tax liabilities.....	726	580
Provisions.....	2,533	2,103
Other financial liabilities.....	376	411
Other liabilities.....	2,376	2,300
Total liabilities.....	<u>67,083</u>	<u>61,928</u>
Equity		
Common stock, no par value ⁽¹⁾	2,743	2,743
Additional paid-in capital.....	5,997	6,080
Retained earnings.....	22,989	20,453
Other components of equity.....	(953)	(280)
Treasury shares, at cost ⁽²⁾	(4,002)	—
Total equity attributable to shareholders of Siemens AG.....	<u>26,774</u>	<u>28,996</u>
Minority interest.....	606	631
Total equity.....	<u>27,380</u>	<u>29,627</u>
Total liabilities and equity.....	<u>94,463</u>	<u>91,555</u>

1) Authorized: 1,137,913,421 and 1,137,913,421 shares, respectively.
Issued: 914,203,421 and 914,203,421 shares, respectively.

(2) 52,645,665 and 383 shares, respectively.

SIEMENS

CONSOLIDATED STATEMENTS OF CASH FLOW
For the fiscal years ended September 30, 2008 and 2007
(in millions of €)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Net income.....	5,886	4,038
Adjustments to reconcile net income to cash provided		
Amortization, depreciation and impairments.....	3,213	3,751
Income taxes.....	831	2,193
Interest (income) expense, net.....	(75)	193
(Gains) on sales and disposals of businesses, intangibles and property, plant and equipment, net.....	(5,092)	(2,051)
(Gains) on sales of investments, net ⁽¹⁾	(35)	(95)
(Gains) losses on sales and impairments of current available-for-sale financial assets, net.....	(5)	32
(Income) from investments ⁽¹⁾	(328)	(223)
Other non-cash (income) expenses.....	383	106
Change in current assets and liabilities		
(Increase) decrease in inventories.....	(1,631)	(986)
(Increase) decrease in trade and other receivables.....	(1,088)	(1,183)
(Increase) decrease in other current assets.....	167	(486)
Increase (decrease) in trade payables.....	719	1,158
Increase (decrease) in current provisions.....	1,414	(258)
Increase (decrease) in other current liabilities.....	4,417	2,858
Change in other assets and liabilities.....	200	(883)
Income taxes paid.....	(1,564)	(1,930)
Dividends received.....	337	337
Interest received.....	875	757
Net cash provided by (used in) operating activities - continuing and discontinued operations.....	<u>8,624</u>	<u>7,328</u>
Net cash provided by (used in) operating activities - continuing operations.....	9,281	9,822
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment.....	(3,721)	(3,751)
Acquisitions.....	(5,407)	(7,370)
Purchases of investments ⁽¹⁾	(151)	(261)
Purchases of current available-for-sale financial assets.....	(16)	(148)
(Increase) decrease in receivables from financing activities.....	(2,445)	(907)
Proceeds from sales of investments, intangibles and property, plant and equipment ⁽¹⁾	803	1,041
Proceeds from disposals of businesses.....	10,481	(380)
Proceeds from sales of current available-for-sale financial assets.....	49	419
Net cash provided by (used in) investing activities - continuing and discontinued operations.....	<u>(407)</u>	<u>(11,357)</u>
Net cash provided by (used in) investing activities - continuing operations.....	(9,989)	(10,068)
Cash flows from financing activities		
Proceeds from issuance of common stock.....	—	903
Purchase of common stock.....	(4,350)	(101)
Proceeds from re-issuance of treasury stock.....	248	66
Proceeds from issuance of long-term debt.....	5,728	766
Repayment of long-term debt (including current maturities of long-term debt).....	(691)	(4,595)
Change in short-term debt.....	(4,635)	4,386
Interest paid.....	(829)	(1,169)
Dividends paid.....	(1,462)	(1,292)
Dividends paid to minority shareholders.....	(138)	(151)
Net cash provided by (used in) financing activities - continuing and discontinued operations.....	<u>(6,129)</u>	<u>(1,187)</u>
Net cash provided by (used in) financing activities - continuing operations.....	3,730	(5,792)
Effect of exchange rates on cash and cash equivalents.....	(99)	(58)
Net increase (decrease) in cash and cash equivalents.....	1,989	(5,274)
Cash and cash equivalents at beginning of period.....	4,940	10,214
Cash and cash equivalents at end of period.....	6,929	4,940
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period.....	36	935
Cash and cash equivalents at end of period (Consolidated balance sheets).....	<u>6,893</u>	<u>4,005</u>

(1) Investments include equity instruments either classified as non-current available-for-sale financial assets or accounted for using the equity method.

The Notes, included in the corresponding Annual Report, are an integral part of these Consolidated Financial Statements.

SIEMENS

CONSOLIDATED CHANGES IN EQUITY
For the fiscal years ended September 30, 2008 and 2007
(in millions of €)

	<u>Common stock</u>	<u>Additional paid-in capital</u>	<u>Retained earnings</u>	<u>Other components of equity</u>			<u>Treasury shares at cost</u>	<u>Total equity attributable to shareholders of Siemens AG</u>	<u>Minority interest</u>	<u>Total equity</u>	
				<u>Currency translation differences</u>	<u>Available- for-sale financial assets</u>	<u>Derivative financial instruments</u>					<u>Total</u>
Balance at October 1, 2006.....	2,673	5,662	16,702	91	96	(31)	156	—	25,193	702	25,895
Income and expense recognized in equity.....	—	—	5,043	(566)	30	100	(436)	—	4,607	265	4,872
Dividends.....	—	—	(1,292)	—	—	—	—	—	(1,292)	(146)	(1,438)
Issuance of common stock and share-based payment.....	70	1,593	—	—	—	—	—	—	1,663	—	1,663
Purchase of common stock.....	—	—	—	—	—	—	—	(101)	(101)	—	(101)
Re-issuance of treasury stock.....	—	(7)	—	—	—	—	—	101	94	—	94
Other changes in equity.....	—	(1,168)	—	—	—	—	—	—	(1,168)	(190)	(1,358)
Balance at September 30, 2007.....	2,743	6,080	20,453	(475)	126	69	(280)	—	28,996	631	29,627
Balance at October 1, 2007.....	2,743	6,080	20,453	(475)	126	69	(280)	—	28,996	631	29,627
Income and expense recognized in equity.....	—	—	4,009	(314)	(122)	(237)	(673)	—	3,336	159	3,495
Dividends.....	—	—	(1,462)	—	—	—	—	—	(1,462)	(127)	(1,589)
Issuance of common stock and share-based payment.....	—	(1)	—	—	—	—	—	—	(1)	—	(1)
Purchase of common stock.....	—	—	—	—	—	—	—	(4,350)	(4,350)	—	(4,350)
Re-issuance of treasury stock.....	—	(67)	—	—	—	—	—	348	281	—	281
Other changes in equity.....	—	(15)	(11)	—	—	—	—	—	(26)	(57)	(83)
Balance at September 30, 2008.....	2,743	5,997	22,989	(789)	4	(168)	(953)	(4,002)	26,774	606	27,380

SIEMENS

SEGMENT INFORMATION (continuing operations - unaudited)
As of and for the three months ended September 30, 2008 and 2007
(in millions of €)

	<u>New orders</u>		<u>External revenue</u>		<u>Intersegment revenue</u>		<u>Total revenue</u>		<u>Profit</u> ⁽¹⁾		<u>Assets</u> ⁽²⁾		<u>Free cash flow</u> ⁽³⁾		<u>Additions to intangible assets and property, plant and equipment</u>		<u>Amortization, depreciation and impairments</u> ⁽⁴⁾		
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>9/30/08</u>	<u>9/30/07</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
Sectors																			
Industry.....	10,255	10,597	10,083	9,601	325	343	10,408	9,944	793	1,018	12,000	11,836	1,480	1,443	530	331	409	277	
Energy.....	7,246	6,066	6,626	5,816	123	156	6,749	5,972	466	594	1,670	3,367	1,345	1,022	385	177	105	95	
Healthcare.....	3,382	2,999	3,103	2,832	15	16	3,118	2,848	226	380	13,257	8,234	466	518	179	123	181	120	
Total Sectors.....	20,883	19,662	19,812	18,249	463	515	20,275	18,764	1,485	1,992	26,927	23,437	3,291	2,983	1,094	631	695	492	
Equity Investments.....	—	—	—	—	—	—	—	—	6	(7)	5,587	5,009	53	—	—	—	—	—	
Cross-Sector Businesses																			
Siemens IT Solutions and Services.....	1,393	1,595	1,060	1,041	404	397	1,464	1,438	45	80	241	253	258	211	57	39	62	75	
Siemens Financial Services (SFS).....	193	198	172	183	20	15	192	198	49	52	11,328	8,912	(22)	53	134	242	75	84	
Reconciliation to consolidated financial statements																			
Other Operations.....	520	587	448	570	104	93	552	663	(229)	(79)	(1,545)	(704)	35	(28)	29	56	118	33	
Siemens Real Estate (SRE).....	440	435	101	109	339	326	440	435	54	48	3,489	3,091	(37)	(23)	102	67	45	47	
Corporate items and pensions.....	82	87	58	49	7	6	65	55	(2,767)	(441)	(6,401)	(2,682)	(375)	(359)	10	32	13	120	
Eliminations, Corporate Treasury and other reconciling items.....	(1,306)	(1,236)	—	—	(1,337)	(1,352)	(1,337)	(1,352)	(123)	(104)	54,837	54,239	(417)	(284)	(14)	(27)	(17)	(17)	
Siemens.....	22,205	21,328	21,651	20,201	—	—	21,651	20,201	(1,480)	1,541	94,463	91,555	2,786	2,553	1,412	1,040	991	834	

- (1) *Profit* of the **Sectors** as well as of **Equity Investments, Siemens IT Solutions and Services** and **Other Operations** is earnings before financing interest, certain pension costs and income taxes, whereas certain other items not considered performance indicative by Management may be excluded. *Profit* of **SFS** and **SRE** is Income before income taxes.
- (2) *Assets* of the **Sectors** as well as of **Equity Investments, Siemens IT Solutions and Services** and **Other Operations** is defined as Total assets less income tax assets, less non-interest bearing liabilities/provisions other than tax liabilities. *Assets* of **SFS** and **SRE** is Total assets.
- (3) *Free cash flow* represents net cash provided by (used in) operating activities less additions to intangible assets and property, plant and equipment. *Free cash flow* of the **Sectors, Equity Investments, Siemens IT Solutions and Services** and **Other Operations** primarily exclude income tax, financing interest and certain pension related payments and proceeds. *Free cash flow* of **SFS**, a financial services business, and of **SRE** includes related financing interest payments and proceeds; income tax payments and proceeds of **SFS** and **SRE** are excluded.
- (4) *Amortization, depreciation and impairments* contains amortization and impairments of intangible assets other than goodwill and depreciation and impairments of property, plant and equipment. **Siemens'** Goodwill impairment and impairment of non-current available-for-sale financial assets and investments accounted for under the equity method amount to €3 and €60 for the three months ended September 30, 2008 and 2007, respectively.

Due to rounding, numbers presented may not add up precisely to totals provided.

SIEMENS

SEGMENT INFORMATION (continuing operations)
As of and for the fiscal years ended September 30, 2008 and 2007
(in millions of €)

	<u>New orders</u>		<u>External revenue</u>		<u>Intersegment</u>		<u>Total revenue</u>		<u>Profit</u> ⁽¹⁾		<u>Assets</u> ⁽²⁾		<u>Free cash flow</u> ⁽³⁾		<u>Additions to</u>		<u>Amortization,</u>		
	<u>(unaudited)</u>				<u>revenue</u>				<u>and property, plant</u>		<u>and equipment</u>		<u>depreciation and</u>		<u>impairments</u> ⁽⁴⁾				
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>9/30/08</u>	<u>9/30/07</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
Sectors																			
Industry.....	42,795	39,095	36,908	34,976	1,177	1,083	38,085	36,059	3,861	3,521	12,000	11,836	3,757	3,342	1,248	1,051	1,139	920	
Energy.....	33,428	28,543	22,191	19,875	386	434	22,577	20,309	1,434	1,818	1,670	3,367	2,940	2,513	681	426	345	341	
Healthcare.....	11,779	10,271	11,116	9,798	54	53	11,170	9,851	1,225	1,323	13,257	8,234	1,195	1,380	541	444	640	438	
Total Sectors.....	88,002	77,909	70,215	64,649	1,617	1,570	71,832	66,219	6,520	6,662	26,927	23,437	7,892	7,235	2,470	1,921	2,124	1,699	
Equity Investments.....	—	—	—	—	—	—	—	—	95	(96)	5,587	5,009	148	84	—	—	—	—	
Cross-Sector Businesses																			
Siemens IT Solutions and Services.....	5,272	5,156	3,845	3,988	1,480	1,372	5,325	5,360	144	252	241	253	156	18	158	204	224	282	
Siemens Financial Services (SFS).....	756	721	675	653	81	67	756	720	286	329	11,328	8,912	(50)	108	564	558	285	277	
Reconciliation to consolidated financial statements																			
Other Operations.....	2,478	2,830	2,072	2,516	398	368	2,470	2,884	(367)	(232)	(1,545)	(704)	(178)	(293)	99	166	191	118	
Siemens Real Estate (SRE).....	1,665	1,686	388	476	1,277	1,210	1,665	1,686	356	228	3,489	3,091	(42)	(35)	259	196	161	161	
Corporate items and pensions.....	167	175	132	166	16	14	148	180	(3,853)	(1,684)	(6,401)	(2,682)	(1,810)	(1,795)	41	88	97	151	
Eliminations, Corporate Treasury and other reconciling items.....	(4,845)	(4,561)	—	—	(4,869)	(4,601)	(4,869)	(4,601)	(307)	(358)	54,837	54,239	(377)	1,433	(49)	(66)	(67)	(63)	
Siemens.....	93,495	83,916	77,327	72,448	—	—	77,327	72,448	2,874	5,101	94,463	91,555	5,739	6,755	3,542	3,067	3,015	2,625	

- (1) *Profit* of the **Sectors** as well as of **Equity Investments, Siemens IT Solutions and Services** and **Other Operations** is earnings before financing interest, certain pension costs and income taxes, whereas certain other items not considered performance indicative by Management may be excluded. *Profit* of **SFS** and **SRE** is Income before income taxes.
- (2) *Assets* of the **Sectors** as well as of **Equity Investments, Siemens IT Solutions and Services** and **Other Operations** is defined as Total assets less income tax assets, less non-interest bearing liabilities/provisions other than tax liabilities. *Assets* of **SFS** and **SRE** is Total assets.
- (3) *Free cash flow* represents net cash provided by (used in) operating activities less additions to intangible assets and property, plant and equipment. *Free cash flow* of the **Sectors, Equity Investments, Siemens IT Solutions and Services** and **Other Operations** primarily exclude income tax, financing interest and certain pension related payments and proceeds. *Free cash flow* of **SFS**, a financial services business, and of **SRE** includes related financing interest payments and proceeds; income tax payments and proceeds of **SFS** and **SRE** are excluded.
- (4) *Amortization, depreciation and impairments* contains amortization and impairments of intangible assets other than goodwill and depreciation and impairments of property, plant and equipment. **Siemens'** Goodwill impairment and impairment of non-current available-for-sale financial assets and investments accounted for under the equity method amount to €108 and €158 for the fiscal years ended September 30, 2008 and 2007, respectively.

Due to rounding, numbers presented may not add up precisely to totals provided.