

For the business and financial press  
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### **Siemens strong in Operations**

#### **Group profit from Operations nearly €2 billion in Q4**

**In the fourth quarter of fiscal 2007, Siemens achieved one of the biggest operating profits in the company's history. Group profit from Operations climbed 166%, year-over-year, to €1.990 billion. All nine Groups within Operations posted significantly higher profit and profit margins, and reached their new Fit for 2010 target margin ranges. Automation and Drives (A&D), Medical Solutions (Med), Power Generation (PG) and Power Transmission and Distribution (PTD) contributed the biggest profits in the fourth quarter. Income from continuing operations soared more than ten-fold to €1.394 billion year-over-year. Earnings per share from continuing operations increased to €1.45 compared to €0.10 a year earlier. Net income was a negative €74 million due to non-operating items in discontinued operations, including approximately €1.0 billion in tax expense related to the carve-out of Siemens VDO Automotive. Closure of the sale of Siemens' automobile industry supplier will have a high positive impact on income in the current fiscal year. At the Annual Shareholders' Meeting, the company will propose a dividend of €1.60 per share compared to €1.45 per share in the prior year.**

Revenue in the fourth quarter rose 9%, compared to the prior-year period, to €20.201 billion, and new orders climbed 21% to €21.328 billion. Siemens continued to grow twice as fast as the global GDP. Growth in the Asia-Pacific region remained robust, with revenue up 19% and orders up 62%. Europe also had a strong quarter, with 7% growth in revenue and 26% growth in orders. Excluding currency and portfolio effects, revenue grew 8% and orders climbed 19%.

Group profit from Operations rose 70% year-over-year to €6.560 billion, even with negative equity investment income of €429 million related to our share in Nokia Siemens Networks. All Groups in Operations increased their profit and profit margin on a full-year basis. Siemens IT Solutions and Services benefited strongly from severance programs in past years. The Group posted a profit of €252 million for the year compared to a loss of €731 million in the prior year.

Income from continuing operations for the year climbed 48% to €3.909 billion. Earnings per share on a continuing basis was €4.13, compared to €2.78 a year earlier. Siemens grew its net income 21% in fiscal 2007 to €4.038 billion.

Revenue for fiscal 2007 totaled €72.448 billion, a 9% increase compared to fiscal 2006. Revenue in Europe outside Germany rose 11% year-over-year, to €22.801 billion, with A&D, PG and Med leading the increase. In fiscal 2007, Siemens recorded a 12% increase in new orders to €83.916 billion. Europe outside Germany and the Americas were the two largest regions by volume, followed by Germany and Asia Pacific. Europe outside Germany showed the fastest growth of any region, with a 19% increase to €26.648 billion for the year led by strong demand at PG, Med, PTD and A&D and numerous large new contracts.

“Operationally, we expect more quality growth in fiscal 2008. Specifically, we anticipate volume growth that is twice as high as the rate of global GDP growth, and that our operating profit will grow at least twice as fast as our volume,” Löscher said.

**Siemens AG** (Berlin and Munich) is a global powerhouse in electrical engineering and electronics. The company has around 400,000 employees (continuing operations) working to develop and manufacture products, design and install complex systems and projects, and tailor a wide range of services for individual requirements. Siemens provides innovative technologies and comprehensive know-how to benefit customers in some 190 countries. Founded 160 years ago, the company focuses on the areas of Information and Communications, Automation and Control, Power, Transportation, Medical, and Lighting. In fiscal 2007 (ended September 30), Siemens had revenue from continuing operations of €72.4 billion and net income from continuing operations of €3.909 billion (IFRS) – preliminary figures, unaudited. Further information is available on the Internet at: [www.siemens.com](http://www.siemens.com).

All figures are preliminary and unaudited. Reconciliation and Definitions of our Non-GAAP Measures are available on our Investor Relations website under [www.siemens.com/ir](http://www.siemens.com/ir), Financial Publications, Quarterly Reports.

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](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.