

SIEMENS

CONSOLIDATED STATEMENTS OF INCOME (unaudited)

For the three months ended December 31, 2006 and 2005

(in millions of € per share amounts in €)

	<u>Siemens</u>		<u>Eliminations, reclassifications and Corporate Treasury</u>		<u>Operations</u>		<u>Financing and Real Estate</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	Revenue.....	19,068	17,976	(401)	(326)	18,874	17,744	595
Cost of goods sold and services rendered.....	<u>(14,263)</u>	<u>(13,454)</u>	<u>401</u>	<u>326</u>	<u>(14,181)</u>	<u>(13,332)</u>	<u>(483)</u>	<u>(448)</u>
Gross profit.....	4,805	4,522	—	—	4,693	4,412	112	110
Research and development expenses.....	(781)	(791)	—	—	(781)	(791)	—	—
Marketing, selling and general administrative expenses.....	(2,843)	(3,006)	(1)	—	(2,750)	(2,928)	(92)	(78)
Other operating income.....	228	200	(23)	(22)	174	117	77	105
Other operating expense.....	(499)	(34)	—	—	(493)	(30)	(6)	(4)
Income from investments accounted for using the equity method, net.....	160	142	—	—	143	127	17	15
Financial income, net.....	<u>(5)</u>	<u>(262)</u>	<u>70</u>	<u>(290)</u>	<u>(119)</u>	<u>(6)</u>	<u>44</u>	<u>34</u>
Income (loss) from continuing operations before income taxes.....	1,065	771	46	(312)	867	901	152	182
Income taxes ⁽¹⁾	(351)	(164)	(15)	67	(286)	(192)	(50)	(39)
Income (loss) from continuing operations.....	714	607	31	(245)	581	709	102	143
Income from discontinued operations, net of income taxes.....	<u>74</u>	<u>332</u>	<u>—</u>	<u>—</u>	<u>74</u>	<u>332</u>	<u>—</u>	<u>—</u>
Net income (loss).....	<u><u>788</u></u>	<u><u>939</u></u>	<u><u>31</u></u>	<u><u>(245)</u></u>	<u><u>655</u></u>	<u><u>1,041</u></u>	<u><u>102</u></u>	<u><u>143</u></u>
Attributable to:								
Minority interest.....	49	53						
Shareholders of Siemens AG.....	739	886						
Basic earnings per share								
Income from continuing operations.....	0.75	0.64						
Income from discontinued operations.....	0.08	0.35						
Net income.....	<u>0.83</u>	<u>0.99</u>						
Diluted earnings per share								
Income from continuing operations.....	0.73	0.64						
Income from discontinued operations.....	0.07	0.35						
Net income.....	<u>0.80</u>	<u>0.99</u>						

CONSOLIDATED STATEMENTS OF INCOME AND EXPENSE RECOGNIZED IN EQUITY (unaudited)

For the three months ended December 31, 2006 and 2005

(in millions of €)

	<u>Siemens</u>	
	<u>2007</u>	<u>2006</u>
Net income.....	788	939
Currency translation differences.....	(167)	151
Available-for-sale financial assets.....	42	(220)
Derivative financial instruments.....	53	(69)
Actuarial gains and losses on pension plans and similar commitments.....	<u>509</u>	<u>(221)</u>
Total income and expense recognized directly in equity, net of tax ^{(2) (3)}	<u>437</u>	<u>(359)</u>
Total income and expense recognized in equity.....	<u><u>1,225</u></u>	<u><u>580</u></u>
Attributable to:		
Minority interest.....	37	64
Shareholders of Siemens AG.....	1,188	516

(1) The income taxes of **Eliminations, reclassifications and Corporate Treasury, Operations, and Financing and Real Estate** are based on the consolidated effective corporate tax rate applied to income before income taxes.

(2) Includes €5 and €2 in 2007 and 2006, respectively, resulting from investments accounted for using the equity method.

(3) Includes minority interest of €12 and €1 in 2007 and 2006, respectively, relating to currency translation differences.

SIEMENS

CONSOLIDATED BALANCE SHEETS (unaudited)
As of December 31, 2006 and September 30, 2006
(in millions of €)

	<u>Siemens</u>		<u>Eliminations, reclassifications and Corporate Treasury</u>		<u>Operations</u>		<u>Financing and Real Estate</u>	
	<u>12/31/06</u>	<u>9/30/06</u>	<u>12/31/06</u>	<u>9/30/06</u>	<u>12/31/06</u>	<u>9/30/06</u>	<u>12/31/06</u>	<u>9/30/06</u>
ASSETS								
Current assets								
Cash and cash equivalents.....	8,443	10,214	7,166	9,072	1,249	1,109	28	33
Available-for-sale financial assets.....	580	596	403	416	145	160	32	20
Trade and other receivables.....	16,125	15,148	(2)	—	12,370	10,885	3,757	4,263
Other current financial assets.....	3,195	2,370	337	145	1,502	1,314	1,356	911
Intragroup receivables.....	—	—	(13,722)	(15,736)	13,688	15,680	34	56
Inventories.....	13,814	12,790	(2)	(2)	13,715	12,735	101	57
Income tax receivables.....	480	458	3	2	467	445	10	11
Other current assets.....	1,432	1,274	—	48	1,253	1,122	179	104
Assets classified as held for disposal.....	8,258	7,164	(41)	(21)	8,299	7,180	—	5
Total current assets.....	<u>52,327</u>	<u>50,014</u>	<u>(5,858)</u>	<u>(6,076)</u>	<u>52,688</u>	<u>50,630</u>	<u>5,497</u>	<u>5,460</u>
Goodwill.....	9,709	9,689	—	—	9,578	9,557	131	132
Other intangible assets.....	3,327	3,385	—	—	3,312	3,368	15	17
Property, plant and equipment.....	11,990	12,072	—	—	8,247	8,310	3,743	3,762
Investments accounted for using the equity method.....	3,191	2,956	—	—	2,963	2,738	228	218
Other financial assets.....	5,714	5,042	395	215	1,734	1,232	3,585	3,595
Intragroup receivables.....	—	—	(331)	(348)	331	348	—	—
Deferred tax assets.....	3,667	3,860	204	222	3,354	3,532	109	106
Other assets.....	597	713	—	194	582	507	15	12
Total assets.....	<u>90,522</u>	<u>87,731</u>	<u>(5,590)</u>	<u>(5,793)</u>	<u>82,789</u>	<u>80,222</u>	<u>13,323</u>	<u>13,302</u>
LIABILITIES AND EQUITY								
Current liabilities								
Short-term debt and current maturities of long-term debt.....	3,127	2,175	2,148	1,433	757	530	222	212
Trade payables.....	8,100	8,443	(2)	28	7,877	8,140	225	275
Other current financial liabilities.....	2,191	1,035	843	508	1,156	483	192	44
Intragroup liabilities.....	—	—	(16,719)	(16,406)	10,225	9,886	6,494	6,520
Current provisions.....	3,766	3,859	—	—	3,685	3,770	81	89
Income tax payables.....	1,097	1,487	2	2	1,078	1,468	17	17
Other current liabilities.....	17,625	16,485	147	227	17,241	15,974	237	284
Liabilities associated with assets classified as held for disposal.....	5,580	5,385	(27)	(16)	5,607	5,401	—	—
Total current liabilities.....	<u>41,486</u>	<u>38,869</u>	<u>(13,608)</u>	<u>(14,224)</u>	<u>47,626</u>	<u>45,652</u>	<u>7,468</u>	<u>7,441</u>
Long-term debt.....	12,773	13,122	11,678	11,946	667	744	428	432
Pension plans and similar commitments.....	4,211	5,083	—	—	4,209	5,081	2	2
Deferred tax liabilities.....	92	102	(404)	(397)	82	95	414	404
Provisions.....	1,935	1,858	—	—	1,845	1,761	90	97
Other financial liabilities.....	333	248	64	19	207	177	62	52
Other liabilities.....	2,205	2,174	40	41	2,100	2,054	65	79
Intragroup liabilities.....	—	—	(3,360)	(3,178)	527	434	2,833	2,744
Total liabilities.....	<u>63,035</u>	<u>61,456</u>	<u>(5,590)</u>	<u>(5,793)</u>	<u>57,263</u>	<u>55,998</u>	<u>11,362</u>	<u>11,251</u>
Equity								
Common stock, no par value ⁽¹⁾	2,675	2,673	—	—	—	—	—	—
Additional paid-in capital.....	5,704	5,662	—	—	—	—	—	—
Retained earnings.....	18,330	17,082	—	—	—	—	—	—
Other components of equity.....	96	156	—	—	—	—	—	—
Treasury shares, at cost ⁽²⁾	—	—	—	—	—	—	—	—
Total equity attributable to shareholders of Siemens AG.....	<u>26,805</u>	<u>25,573</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Minority interest.....	682	702	—	—	—	—	—	—
Total equity.....	<u>27,487</u>	<u>26,275</u>	<u>—</u>	<u>—</u>	<u>25,526</u>	<u>24,224</u>	<u>1,961</u>	<u>2,051</u>
Total liabilities and equity.....	<u>90,522</u>	<u>87,731</u>	<u>(5,590)</u>	<u>(5,793)</u>	<u>82,789</u>	<u>80,222</u>	<u>13,323</u>	<u>13,302</u>

(1) Authorized: 1,116,635,721 and 1,116,087,241 shares, respectively.

Issued: 891,635,721 and 891,087,241 shares, respectively.

(2) 434 and 415 shares, respectively.

SIEMENS

CONSOLIDATED STATEMENTS OF CASH FLOW (unaudited)
For the three months ended December 31, 2006 and 2005
(in millions of €)

	Siemens		Eliminations, reclassifications and Corporate Treasury		Operations		Financing and Real Estate	
	2007	2006	2007	2006	2007	2006	2007	2006
	Cash flows from operating activities							
Net income (loss).....	788	939	31	(245)	655	1,041	102	143
Adjustments to reconcile net income to cash provided								
Amortization, depreciation and impairments.....	674	722	—	—	570	624	104	98
Income taxes.....	353	122	15	(67)	288	150	50	39
Interest (income) expense, net.....	19	(50)	(64)	(110)	114	97	(31)	(37)
(Gains) on sales and disposals of businesses, intangibles and property, plant and equipment.....	(161)	(106)	—	—	(111)	(24)	(50)	(82)
(Gains) on sales of investments, net ⁽¹⁾	(32)	(26)	—	—	(18)	(26)	(14)	—
(Gains) losses on sales and impairments of current available-for-sale financial assets, net.....	2	(351)	—	—	2	(351)	—	—
(Income) from investments ⁽¹⁾	(166)	(132)	—	—	(147)	(117)	(19)	(15)
Other non-cash (income) expenses.....	36	(44)	40	(92)	3	39	(7)	9
Change in current assets and liabilities								
(Increase) decrease in inventories.....	(935)	(813)	—	3	(891)	(787)	(44)	(29)
(Increase) decrease in trade and other receivables.....	(1,333)	(884)	512	274	(1,860)	(1,168)	15	10
(Increase) decrease in other current assets.....	(894)	(117)	(172)	26	(610)	(163)	(112)	20
Increase (decrease) in trade payables.....	(390)	(436)	(36)	(4)	(309)	(446)	(45)	14
Increase (decrease) in current provisions.....	(128)	(141)	—	—	(126)	(139)	(2)	(2)
Increase (decrease) in other current liabilities.....	2,492	1,348	241	404	2,124	924	127	20
Change in other assets and liabilities.....	(474)	(33)	8	(1)	(450)	(7)	(32)	(25)
Income taxes paid.....	(639)	(255)	(20)	(14)	(554)	(212)	(65)	(29)
Dividends received.....	14	33	—	—	12	33	2	—
Interest received.....	198	151	64	30	32	42	102	79
Net cash provided by (used in) operating activities - continuing and discontinued operations.....	(576)	(73)	619	204	(1,276)	(490)	81	213
Net cash provided by (used in) operating activities - continuing operations.....	299	486	619	212	(401)	61	81	213
Cash flows from investing activities								
Additions to intangible assets and property, plant and equipment.....	(759)	(865)	—	—	(633)	(709)	(126)	(156)
Acquisitions, net of cash acquired.....	(620)	(291)	—	—	(620)	(289)	—	(2)
Purchases of investments ⁽¹⁾	(68)	(158)	—	—	(65)	(146)	(3)	(12)
Purchases of current available-for-sale financial assets.....	(15)	(40)	—	—	—	(39)	(15)	(1)
(Increase) decrease in receivables from financing activities.....	(391)	(262)	(519)	(297)	—	—	128	35
Proceeds from sales of investments, intangibles and property, plant and equipment ⁽¹⁾	196	303	—	—	121	199	75	104
Proceeds from disposals of businesses.....	10	12	—	—	10	12	—	—
Proceeds from sales of current available-for-sale financial assets.....	13	475	—	—	11	475	2	—
Net cash provided by (used in) investing activities - continuing and discontinued operations.....	(1,634)	(826)	(519)	(297)	(1,176)	(497)	61	(32)
Net cash provided by (used in) investing activities - continuing operations.....	(1,459)	(1,210)	(519)	(297)	(1,001)	(881)	61	(32)
Cash flows from financing activities								
Proceeds from issuance of common stock.....	30	—	—	—	30	—	—	—
Purchase of common stock.....	—	(172)	—	—	—	(172)	—	—
Proceeds from re-issuance of treasury stock.....	—	81	—	—	—	81	—	—
Change in short-term debt.....	1,022	(213)	739	(6)	297	(139)	(14)	(68)
Interest paid.....	(163)	(83)	(126)	(35)	(23)	(29)	(14)	(19)
Dividends paid to minority shareholders.....	(39)	(36)	—	—	(39)	(36)	—	—
Intragroup financing.....	—	—	(2,599)	(980)	2,718	1,064	(119)	(84)
Net cash provided by (used in) financing activities.....	850	(423)	(1,986)	(1,021)	2,983	769	(147)	(171)
Effect of exchange rates on cash and cash equivalents.....	(28)	25	(20)	16	(8)	10	—	(1)
Net increase (decrease) in cash and cash equivalents.....	(1,388)	(1,297)	(1,906)	(1,098)	523	(208)	(5)	9
Cash and cash equivalents at beginning of period.....	10,214	8,121	9,072	6,603	1,109	1,471	33	47
Cash and cash equivalents at end of period.....	8,826	6,824	7,166	5,505	1,632	1,263	28	56
Less: Cash and cash equivalents of discontinued operations at end of period.....	383	—	—	—	383	—	—	—
Cash and cash equivalents of continuing operations at end of period.....	8,443	6,824	7,166	5,505	1,249	1,263	28	56

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

SIEMENS

CONSOLIDATED CHANGES IN EQUITY (unaudited)
For the three months ended December 31, 2006 and 2005
(in millions of €)

	<u>Other components of equity</u>						<u>Total</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>Common stock</u>	<u>Additional paid-in capital</u>	<u>Retained earnings</u>	<u>Currency translation differences</u>	<u>Available-for-sale financial assets</u>	<u>Derivative financial instruments</u>					
Balance at October 1, 2005.....	2,673	5,167	14,909	411	450	(89)	772	(1)	23,520	661	24,181
Income and expense recognized in equity.....	—	—	665	140	(220)	(69)	(149)	—	516	64	580
Dividends.....	—	—	—	—	—	—	—	—	—	(36)	(36)
Issuance of common stock and share-based payment.....	—	12	—	—	—	—	—	—	12	—	12
Purchase of common stock.....	—	—	—	—	—	—	—	(172)	(172)	—	(172)
Re-issuance of treasury stock.....	—	(13)	—	—	—	—	—	98	85	—	85
Other changes in equity.....	—	—	—	—	—	—	—	—	—	2	2
Balance at December 31, 2005.....	2,673	5,166	15,574	551	230	(158)	623	(75)	23,961	691	24,652
Balance at October 1, 2006.....	2,673	5,662	17,082	91	96	(31)	156	—	25,573	702	26,275
Income and expense recognized in equity.....	—	—	1,248	(155)	42	53	(60)	—	1,188	37	1,225
Dividends.....	—	—	—	—	—	—	—	—	—	(44)	(44)
Issuance of common stock and share-based payment.....	2	42	—	—	—	—	—	—	44	—	44
Purchase of common stock.....	—	—	—	—	—	—	—	—	—	—	—
Re-issuance of treasury stock.....	—	—	—	—	—	—	—	—	—	—	—
Other changes in equity.....	—	—	—	—	—	—	—	—	—	(13)	(13)
Balance at December 31, 2006.....	2,675	5,704	18,330	(64)	138	22	96	—	26,805	682	27,487

