

SIEMENS

CONSOLIDATED STATEMENTS OF INCOME (unaudited)

For the three months ended June 30, 2007 and 2006

(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.....	20,176	18,689	(359)	(376)	19,954	18,480	581
Cost of goods sold and services rendered.....	(14,576)	(13,915)	359	376	(14,451)	(13,771)	(484)	(520)
Gross profit.....	5,600	4,774	—	—	5,503	4,709	97	65
Research and development expenses.....	(995)	(848)	—	—	(995)	(848)	—	—
Marketing, selling and general administrative expenses.....	(3,226)	(2,988)	(1)	(3)	(3,145)	(2,896)	(80)	(89)
Other operating income.....	197	108	(6)	(21)	127	92	76	37
Other operating expense.....	(218)	(94)	(1)	2	(212)	(84)	(5)	(12)
Income (loss) from investments accounted for using the equity method, net.....	(207)	129	—	—	(218)	118	11	11
Financial income (expense), net.....	(59)	603	65	550	(151)	30	27	23
Income from continuing operations before income taxes.....	1,092	1,684	57	528	909	1,121	126	35
Income taxes ⁽¹⁾	(376)	(343)	(18)	(111)	(315)	(225)	(43)	(7)
Income from continuing operations.....	716	1,341	39	417	594	896	83	28
Income from discontinued operations, net of income taxes.....	1,349	3	—	—	1,349	3	—	—
Net income.....	<u>2,065</u>	<u>1,344</u>	<u>39</u>	<u>417</u>	<u>1,943</u>	<u>899</u>	<u>83</u>	<u>28</u>
Attributable to:								
Minority interest.....	39	49						
Shareholders of Siemens AG.....	2,026	1,295						
Basic earnings per share								
Income from continuing operations.....	0.75	1.45						
Income from discontinued operations.....	1.50	—						
Net income.....	<u>2.25</u>	<u>1.45</u>						
Diluted earnings per share								
Income from continuing operations.....	0.74	1.11						
Income from discontinued operations.....	1.44	—						
Net income.....	<u>2.18</u>	<u>1.11</u>						

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

For the three months ended June 30, 2007 and 2006

(in millions of €)

	<u>Siemens</u>	
	<u>2007</u>	<u>2006</u>
Net income.....	2,065	1,344
Currency translation differences.....	47	(353)
Available-for-sale financial assets.....	(12)	(120)
Derivative financial instruments.....	(17)	107
Actuarial gains and losses on pension plans and similar commitments.....	1,144	178
Revaluation effect related to step acquisitions.....	—	3
Total income and expense recognized directly in equity, net of tax ^{(2) (3)}	<u>1,162</u>	<u>(185)</u>
Total income and expense recognized in equity.....	<u><u>3,227</u></u>	<u><u>1,159</u></u>
Attributable to:		
Minority interest.....	86	21
Shareholders of Siemens AG.....	3,141	1,138

(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 €(1) and €(35) in 2007 and 2006, respectively, resulting from investments accounted for using the equity method.

(3) Includes minority interest of €(7) and €(28) in 2007 and 2006, respectively, relating to currency translation differences.

SIEMENS

CONSOLIDATED STATEMENTS OF INCOME (unaudited)
For the nine months ended June 30, 2007 and 2006
(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.....	59,870	55,489	(1,118)	(1,049)	59,225	54,810	1,763
Cost of goods sold and services rendered.....	(43,804)	(41,417)	1,118	1,049	(43,493)	(40,993)	(1,429)	(1,473)
Gross profit.....	16,066	14,072	—	—	15,732	13,817	334	255
Research and development expenses.....	(2,650)	(2,496)	—	—	(2,650)	(2,496)	—	—
Marketing, selling and general administrative expenses.....	(9,177)	(9,098)	(2)	(4)	(8,910)	(8,841)	(265)	(253)
Other operating income.....	537	502	(46)	(65)	386	378	197	189
Other operating expense.....	(880)	(163)	(3)	1	(861)	(145)	(16)	(19)
Income (loss) from investments accounted for using the equity method, net.....	143	468	—	—	89	426	54	42
Financial income (expense), net.....	(50)	304	185	54	(388)	176	153	74
Income (loss) from continuing operations before income taxes.....	3,989	3,589	134	(14)	3,398	3,315	457	288
Income taxes ⁽¹⁾	(1,163)	(744)	(39)	3	(991)	(687)	(133)	(60)
Income (loss) from continuing operations.....	2,826	2,845	95	(11)	2,407	2,628	324	228
Income from discontinued operations, net of income taxes.....	1,286	361	—	—	1,286	361	—	—
Net income (loss).....	<u>4,112</u>	<u>3,206</u>	<u>95</u>	<u>(11)</u>	<u>3,693</u>	<u>2,989</u>	<u>324</u>	<u>228</u>
Attributable to:								
Minority interest.....	151	152						
Shareholders of Siemens AG.....	3,961	3,054						
Basic earnings per share								
Income from continuing operations.....	3.01	3.04						
Income from discontinued operations.....	1.42	0.39						
Net income.....	<u>4.43</u>	<u>3.43</u>						
Diluted earnings per share								
Income from continuing operations.....	2.91	3.03						
Income from discontinued operations.....	1.35	0.36						
Net income.....	<u>4.26</u>	<u>3.39</u>						

CONSOLIDATED STATEMENTS OF INCOME AND EXPENSE RECOGNIZED IN EQUITY (unaudited)
For the nine months ended June 30, 2007 and 2006
(in millions of €)

	<u>Siemens</u>	
	<u>2007</u>	<u>2006</u>
Net income.....	4,112	3,206
Currency translation differences.....	(214)	(374)
Available-for-sale financial assets.....	(14)	(247)
Derivative financial instruments.....	36	60
Actuarial gains and losses on pension plans and similar commitments.....	1,769	1,015
Revaluation effect related to step acquisitions.....	3	3
Total income and expense recognized directly in equity, net of tax ⁽²⁾⁽³⁾	<u>1,580</u>	<u>457</u>
Total income and expense recognized in equity.....	<u>5,692</u>	<u>3,663</u>
Attributable to:		
Minority interest.....	183	123
Shareholders of Siemens AG.....	5,509	3,540

(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 €(31) and €(34) in 2007 and 2006, respectively, resulting from investments accounted for using the equity method.

(3) Includes minority interest of €32 and €(29) in 2007 and 2006, respectively, relating to currency translation differences.

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CONSOLIDATED BALANCE SHEETS (unaudited)
As of June 30, 2007 and September 30, 2006
(in millions of €)

ASSETS	<u>Siemens</u>		<u>Eliminations, reclassifications and Corporate Treasury</u>		<u>Operations</u>		<u>Financing and Real Estate</u>	
	<u>6/30/07</u>	<u>9/30/06</u>	<u>6/30/07</u>	<u>9/30/06</u>	<u>6/30/07</u>	<u>9/30/06</u>	<u>6/30/07</u>	<u>9/30/06</u>
Current assets								
Cash and cash equivalents.....	5,254	10,214	3,757	9,072	1,431	1,109	66	33
Available-for-sale financial assets.....	526	596	354	416	143	160	29	20
Trade and other receivables.....	16,225	15,148	—	—	14,217	10,885	2,008	4,263
Other current financial assets.....	3,150	2,370	236	145	1,853	1,314	1,061	911
Intragroup receivables.....	—	—	(9,730)	(15,736)	9,686	15,680	44	56
Inventories.....	14,555	12,790	(3)	(2)	14,475	12,735	83	57
Income tax receivables.....	479	458	2	2	438	445	39	11
Other current assets.....	1,551	1,274	—	48	1,415	1,122	136	104
Assets classified as held for disposal.....	2,241	7,164	(4)	(21)	2,225	7,180	20	5
Total current assets.....	<u>43,981</u>	<u>50,014</u>	<u>(5,388)</u>	<u>(6,076)</u>	<u>45,883</u>	<u>50,630</u>	<u>3,486</u>	<u>5,460</u>
Goodwill.....	14,144	9,689	—	—	14,013	9,557	131	132
Other intangible assets.....	4,955	3,385	—	—	4,941	3,368	14	17
Property, plant and equipment.....	12,441	12,072	—	—	8,772	8,310	3,669	3,762
Investments accounted for using the equity method.....	7,282	2,956	—	—	7,043	2,738	239	218
Other financial assets.....	5,600	5,042	386	215	1,526	1,232	3,688	3,595
Intragroup receivables.....	—	—	(257)	(348)	257	348	—	—
Deferred tax assets.....	2,861	3,860	137	222	2,619	3,532	105	106
Other assets.....	725	713	1	194	690	507	34	12
Total assets.....	<u>91,989</u>	<u>87,731</u>	<u>(5,121)</u>	<u>(5,793)</u>	<u>85,744</u>	<u>80,222</u>	<u>11,366</u>	<u>13,302</u>
	LIABILITIES AND EQUITY							
Current liabilities								
Short-term debt and current maturities of long-term debt.....	7,741	2,175	7,000	1,433	562	530	179	212
Trade payables.....	8,749	8,443	—	28	8,488	8,140	261	275
Other current financial liabilities.....	2,564	1,035	934	508	1,553	483	77	44
Intragroup liabilities.....	—	—	(20,027)	(16,406)	15,459	9,886	4,568	6,520
Current provisions.....	3,953	3,859	—	—	3,882	3,770	71	89
Income tax payables.....	1,467	1,487	14	2	1,404	1,468	49	17
Other current liabilities.....	17,470	16,485	165	227	17,093	15,974	212	284
Liabilities associated with assets classified as held for disposal.....	1,658	5,385	(2)	(16)	1,660	5,401	—	—
Total current liabilities.....	<u>43,602</u>	<u>38,869</u>	<u>(11,916)</u>	<u>(14,224)</u>	<u>50,101</u>	<u>45,652</u>	<u>5,417</u>	<u>7,441</u>
Long-term debt.....	11,062	13,122	9,978	11,946	650	744	434	432
Pension plans and similar commitments.....	2,394	5,083	—	—	2,392	5,081	2	2
Deferred tax liabilities.....	125	102	(420)	(397)	117	95	428	404
Provisions.....	1,866	1,858	—	—	1,757	1,761	109	97
Other financial liabilities.....	378	248	118	19	210	177	50	52
Other liabilities.....	2,472	2,174	9	41	2,386	2,054	77	79
Intragroup liabilities.....	—	—	(2,890)	(3,178)	2	434	2,888	2,744
Total liabilities.....	<u>61,899</u>	<u>61,456</u>	<u>(5,121)</u>	<u>(5,793)</u>	<u>57,615</u>	<u>55,998</u>	<u>9,405</u>	<u>11,251</u>
Equity								
Common stock, no par value ⁽¹⁾	2,708	2,673	—	—	—	—	—	—
Additional paid-in capital.....	5,314	5,662	—	—	—	—	—	—
Retained earnings.....	21,523	17,082	—	—	—	—	—	—
Other components of equity.....	(68)	156	—	—	—	—	—	—
Treasury shares, at cost ⁽²⁾	—	—	—	—	—	—	—	—
Total equity attributable to shareholders of Siemens AG.....	<u>29,477</u>	<u>25,573</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Minority interest.....	613	702	—	—	—	—	—	—
Total equity.....	<u>30,090</u>	<u>26,275</u>	<u>—</u>	<u>—</u>	<u>28,129</u>	<u>24,224</u>	<u>1,961</u>	<u>2,051</u>
Total liabilities and equity.....	<u>91,989</u>	<u>87,731</u>	<u>(5,121)</u>	<u>(5,793)</u>	<u>85,744</u>	<u>80,222</u>	<u>11,366</u>	<u>13,302</u>

(1) Authorized: 1,126,217,871 and 1,116,087,241 shares, respectively.
 Issued: 902,507,871 and 891,087,241 shares, respectively.

(2) 134 and 415 shares, respectively.

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CONSOLIDATED STATEMENTS OF CASH FLOW (unaudited)
For the nine months ended June 30, 2007 and 2006
(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).....	4,112	3,206	95	(11)	3,693	2,989	324	228
Adjustments to reconcile net income to cash provided								
Amortization, depreciation and impairments.....	2,740	2,308	—	—	2,428	1,983	312	325
Income taxes.....	990	666	39	(3)	818	609	133	60
Interest (income) expense, net.....	114	(135)	(238)	(326)	444	296	(92)	(105)
(Gains) on sales and disposals of businesses, intangibles and property, plant and equipment, net.....	(2,007)	(122)	—	—	(1,884)	(15)	(123)	(107)
(Gains) on sales of investments, net ⁽¹⁾	(84)	(95)	—	—	(52)	(89)	(32)	(6)
(Gains) losses on sales and impairments of current available-for-sale financial assets, net.....	2	(486)	—	—	2	(486)	—	—
(Income) from investments ⁽¹⁾	(198)	(448)	—	—	(95)	(401)	(103)	(47)
Other non-cash (income) expenses.....	74	332	2	272	84	75	(12)	(15)
Change in current assets and liabilities								
(Increase) decrease in inventories.....	(1,487)	(2,927)	—	(1)	(1,460)	(2,896)	(27)	(30)
(Increase) decrease in trade and other receivables.....	(709)	(5)	2,347	419	(3,043)	(463)	(13)	39
(Increase) decrease in other current assets.....	(199)	(261)	(9)	(17)	(269)	(378)	79	134
Increase (decrease) in trade payables.....	61	(393)	(45)	2	122	(404)	(16)	9
Increase (decrease) in current provisions.....	(226)	(147)	—	(2)	(203)	(157)	(23)	12
Increase (decrease) in other current liabilities.....	2,103	1,579	354	238	1,724	1,313	25	28
Change in other assets and liabilities.....	(943)	(105)	(239)	70	(678)	(143)	(26)	(32)
Income taxes paid.....	(1,210)	(876)	(41)	(74)	(1,030)	(728)	(139)	(74)
Dividends received.....	266	288	—	—	194	267	72	21
Interest received.....	578	480	156	129	114	85	308	266
Net cash provided by operating activities - continuing and discontinued operations.....	3,977	2,859	2,421	696	909	1,457	647	706
Net cash provided by operating activities - continuing operations.....	5,573	3,410	2,421	711	2,505	1,993	647	706
Cash flows from investing activities								
Additions to intangible assets and property, plant and equipment.....	(2,499)	(2,716)	—	—	(2,054)	(2,191)	(445)	(525)
Acquisitions, net of cash acquired.....	(7,349)	(638)	—	—	(7,349)	(635)	—	(3)
Purchases of investments ⁽¹⁾	(162)	(331)	—	—	(156)	(313)	(6)	(18)
Purchases of current available-for-sale financial assets.....	(34)	(77)	—	—	(17)	(70)	(17)	(7)
(Increase) decrease in receivables from financing activities.....	(553)	(394)	(2,382)	(413)	—	—	1,829	19
Proceeds from sales of investments, intangibles and property, plant and equipment ⁽¹⁾	647	665	—	—	364	473	283	192
Proceeds from disposals of businesses.....	(262)	(87)	—	—	(262)	(87)	—	—
Proceeds from sales of current available-for-sale financial assets.....	35	2,113	—	—	28	2,113	7	—
Net cash provided by (used in) investing activities - continuing and discontinued operations.....	(10,177)	(1,465)	(2,382)	(413)	(9,446)	(710)	1,651	(342)
Net cash provided by (used in) investing activities - continuing operations.....	(9,448)	(1,624)	(2,382)	(413)	(8,717)	(869)	1,651	(342)
Cash flows from financing activities								
Proceeds from issuance of common stock.....	798	—	—	—	798	—	—	—
Purchase of common stock.....	(101)	(389)	—	—	(101)	(389)	—	—
Proceeds from re-issuance of treasury stock.....	66	286	—	—	66	286	—	—
Proceeds from issuance of debt.....	—	833	—	833	—	—	—	—
Repayment of debt.....	(3,381)	(4)	(3,381)	(4)	—	—	—	—
Change in short-term debt.....	6,759	(1,118)	6,805	(550)	5	(422)	(51)	(146)
Interest paid.....	(881)	(361)	(745)	(226)	(94)	(86)	(42)	(49)
Dividends paid.....	(1,292)	(1,201)	—	—	(1,292)	(1,201)	—	—
Dividends paid to minority shareholders.....	(119)	(115)	—	—	(119)	(115)	—	—
Intragroup financing.....	—	—	(8,028)	(494)	10,201	675	(2,173)	(181)
Net cash provided by (used in) financing activities.....	1,849	(2,069)	(5,349)	(441)	9,464	(1,252)	(2,266)	(376)
Effect of exchange rates on cash and cash equivalents.....	3	(72)	(5)	(27)	7	(45)	1	—
Net increase (decrease) in cash and cash equivalents.....	(4,348)	(747)	(5,315)	(185)	934	(550)	33	(12)
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.....	5,866	7,374	3,757	6,418	2,043	921	66	35
Less: Cash and cash equivalents of discontinued operations at end of period.....	612	—	—	—	612	—	—	—
Cash and cash equivalents of continuing operations at end of period.....	5,254	7,374	3,757	6,418	1,431	921	66	35

(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 nine months ended June 30, 2007 and 2006
(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, 2005.....	2,673	5,167	14,909	411	450	(89)	772	(1)	23,520	661	24,181
Income and expense recognized in equity.....	—	—	4,072	(345)	(247)	60	(532)	—	3,540	123	3,663
Dividends.....	—	—	(1,201)	—	—	—	—	—	(1,201)	(115)	(1,316)
Issuance of common stock and share-based payment.....	—	33	—	—	—	—	—	—	33	—	33
Purchase of common stock.....	—	—	—	—	—	—	—	(389)	(389)	—	(389)
Re-issuance of treasury stock.....	—	(55)	—	—	—	—	—	390	335	—	335
Other changes in equity.....	—	486	—	—	—	—	—	—	486	(11)	475
Balance at June 30, 2006.....	2,673	5,631	17,780	66	203	(29)	240	—	26,324	658	26,982
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.....	—	—	5,733	(246)	(14)	36	(224)	—	5,509	183	5,692
Dividends.....	—	—	(1,292)	—	—	—	—	—	(1,292)	(130)	(1,422)
Issuance of common stock and share-based payment.....	35	847	—	—	—	—	—	—	882	—	882
Purchase of common stock.....	—	—	—	—	—	—	—	(101)	(101)	—	(101)
Re-issuance of treasury stock.....	—	(7)	—	—	—	—	—	101	94	—	94
Other changes in equity*.....	—	(1,188)	—	—	—	—	—	—	(1,188)	(142)	(1,330)
Balance at June 30, 2007.....	2,708	5,314	21,523	(155)	82	5	(68)	—	29,477	613	30,090

* For further information see also Note 14.

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SEGMENT INFORMATION (continuing operations - unaudited)
As of and for the nine months ended June 30, 2007 and 2006 and as of September 30, 2006
(in millions of €)

	<u>New orders</u>		<u>External revenue</u>		<u>Intersegment revenue</u>		<u>Total revenue</u>		<u>Group profit⁽¹⁾</u>		<u>Net capital employed⁽²⁾</u>		<u>Free cash flow⁽³⁾</u>		<u>Additions to intangible assets and property, plant and equipment</u>		<u>Amortization, depreciation and impairments⁽⁴⁾</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>	<u>2007</u>	<u>2006</u>	<u>6/30/07</u>	<u>9/30/06</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	
Operations Groups																			
Siemens IT Solutions and Services (SIS) ⁽⁵⁾	3,561	4,308	2,877	3,360	1,045	909	3,922	4,269	172	(501)	393	18	(193)	(650)	165	216	207	226	
Automation and Drives (A&D)	12,443	10,792	9,765	8,361	1,221	1,071	10,986	9,432	1,483	1,148	7,375	3,837	1,048	788	328	277	243	216	
Industrial Solutions and Services (I&S)	7,993	6,896	5,635	5,641	759	701	6,394	6,342	285	221	1,368	1,279	165	195	60	69	81	91	
Siemens Building Technologies (SBT)	4,019	3,833	3,642	3,330	67	63	3,709	3,393	252	146	1,831	1,764	189	(44)	93	93	94	81	
Power Generation (PG)	13,976	9,794	8,631	7,145	30	17	8,661	7,162	789	657	1,605	1,945	1,398	524	137	165	166	156	
Power Transmission and Distribution (PTD)	8,014	6,345	5,033	4,335	373	335	5,406	4,670	425	261	2,050	1,701	124	51	111	100	79	87	
Transportation Systems (TS)	2,591	5,430	3,214	2,993	26	54	3,240	3,047	129	53	(26)	111	238	64	32	90	41	38	
Siemens VDO Automotive (SV)	7,811	7,660	7,827	7,656	9	11	7,836	7,667	529	489	5,175	3,767	(754)	221	288	369	326	308	
Medical Solutions (Med)	7,272	6,340	6,965	5,834	38	34	7,003	5,868	943	737	8,631	4,975	862	577	321	217	318	182	
Osram	3,487	3,453	3,441	3,394	46	59	3,487	3,453	364	370	2,068	1,976	228	312	208	209	185	195	
Strategic Equity Investments (SEI) ⁽⁶⁾	—	—	—	—	—	—	—	—	(150)	150	5,051	1,008	76	63	—	—	—	—	
Other Operations	2,243	3,106	1,914	2,549	307	379	2,221	2,928	(122)	(109)	194	201	(247)	(367)	110	141	85	100	
Total Operations Groups	73,410	67,957	58,944	54,598	3,921	3,633	62,865	58,231	5,099	3,622	35,715	22,582	3,134	1,734	1,853	1,946	1,825	1,680	
Reconciliation to financial statements																			
Corporate items, pensions and eliminations	(3,901)	(3,779)	117	59	(3,757)	(3,480)	(3,640)	(3,421)	(1,273)	(50)	(3,014)	(6,584)	(2,499) ⁽⁷⁾	(1,668) ⁽⁷⁾	17	(19)	(15)	(10)	
Other interest expense	—	—	—	—	—	—	—	—	(428)	(257)	—	—	—	—	—	—	—	—	
Other assets related and miscellaneous reconciling items	—	—	—	—	—	—	—	—	—	—	53,043	64,224	—	—	—	—	—	—	
Total Operations (for columns Group profit/Net capital employed, i.e. Income before income taxes/Total assets)	69,509	64,178	59,061	54,657	164	153	59,225	54,810	3,398	3,315	85,744	80,222	635	66	1,870	1,927	1,810	1,670	
											<u>Income before income taxes</u>	<u>Total assets</u>							
Financing and Real Estate Groups																			
Siemens Financial Services (SFS)	523	476	458	410	64	66	522	476	277	186	8,705	10,543	55	40	316	323	193	176	
Siemens Real Estate (SRE)	1,251	1,259	351	422	900	837	1,251	1,259	180	102	3,242	3,221	(12)	(65)	129	202	114	139	
Eliminations	(10)	(7)	—	—	(10)	(7)	(10)	(7)	—	—	(581)	(462)	159 ⁽⁷⁾	206 ⁽⁷⁾	—	—	—	—	
Total Financing and Real Estate	1,764	1,728	809	832	954	896	1,763	1,728	457	288	11,366	13,302	202	181	445	525	307	315	
Eliminations, reclassifications and Corporate Treasury	(1,075)	(1,054)	—	—	(1,118)	(1,049)	(1,118)	(1,049)	134	(14)	(5,121)	(5,793)	2,421⁽⁷⁾	711⁽⁷⁾	—	—	—	—	
Siemens	70,198	64,852	59,870	55,489	—	—	59,870	55,489	3,989	3,589	91,989	87,731	3,258	958	2,315	2,452	2,117	1,985	

(1) Group profit of the **Operations** Groups is earnings before financing interest, certain pension costs and income taxes.

(2) Net capital employed of the **Operations** Groups represents total assets less tax assets, provisions and non-interest bearing liabilities other than tax liabilities.

(3) Free cash flow represents net cash provided by (used in) operating activities less additions to intangible assets and property, plant and equipment.

(4) Amortization and impairments of intangible assets other than goodwill and depreciation and impairments of property, plant and equipment.

(5) SIS was created effective April 1, 2007 and consists primarily of the activities of the former segment Siemens Business Services that were bundled with other information technology (IT) activities. Prior-year information was reclassified for comparability purposes.

(6) SEI was created as of October 1, 2006 and includes certain strategic investments accounted for using the equity method. Beginning in the third quarter of fiscal 2007, the Siemens investment in Nokia Siemens Networks is also reported in SEI.

(7) Includes cash paid for income taxes according to the allocation of income taxes to **Operations, Financing and Real Estate, and Eliminations, reclassifications and Corporate Treasury** in the Consolidated Statements of Income.

Furthermore, the reclassification of interest payments in the Consolidated Statements of Cash Flow from operating activities into financing activities is shown in **Eliminations**. Interest payments are external interest paid as well as intragroup interest paid and received.