

For the business and financial press
Munich, Germany, July 25, 2007

- **Siemens shows strong profit growth for third quarter**
- **Business further focused through sale of Siemens VDO Automotive**
- **Strengthening of diagnostics business through planned takeover of Dade Behring**

Siemens showed substantial growth in Operations in the third quarter of fiscal 2007 and boosted Group profit 22% to €1.504 billion. Every Group in Operations increased its profit year-over-year. Net income jumped 54% to €2.065 billion. Siemens also grew revenue and new orders: Revenue rose 8% to €20.176 billion and orders climbed 13% to €22.147 billion. With the release of its quarterly figures, Siemens also announced the sale of its automobile supplier business Siemens VDO Automotive to Continental AG for €1.4 billion as well as the planned acquisition of the medical diagnostics company Dade Behring, Inc., based in the U.S., by the Medical Solutions Group for approx. US\$7.0 billion (approx. €5 billion).

“Siemens’ third quarter demonstrates that the company is on track, and we are off to a good start on our Fit for 2010 program,” said Peter Löscher, who joined Siemens as CEO at the beginning of the fourth quarter. “This program includes ambitious new targets for profitability, cash, and return on capital employed as well as leadership in corporate responsibility.

In the third quarter, ended June 30, 2007, Siemens’ net income rose to €2.065 billion, an increase of 54% compared to €1.344 billion in the third quarter a year earlier. Basic earnings per share rose to €2.25 from €1.45 in the prior-year quarter, and diluted earnings per share increased to €2.18 from €1.11 a year earlier. Group profit from Operations for the quarter climbed 22% year-over-year to €1.504 billion despite negative equity investment income of €371 million related to Nokia Siemens Networks (NSN). Most Groups delivered strong double-digit profit growth. Leading earnings contributors included Automation and Drives (A&D), Medical Solutions (Med), Power Generation (PG), Siemens VDO Automotive (SV), Power Transmission and Distribution (PTD), and Osram. The profit margins at a majority of the Groups are within the new margin ranges established at the start of the Fit for 2010 program in April of this year.

Research and development (R&D) expense rose to €995 million from €848 million in the third quarter a year earlier, primarily at A&D and Med which made acquisitions between the periods under review. R&D as a percent of sales rose to 4.9% from 4.5% a year earlier.

In a favorable macroeconomic environment, third-quarter orders increased 13%, to €22.147 billion, and revenue of €20.176 billion was up 8% compared to the prior-year quarter. Excluding currency translation and portfolio effects, third-quarter orders rose 12% and revenue was up 7%. A majority of Groups in Operations increased both orders and revenue year-over-year, with particularly strong growth at A&D, Med, PTD and PG. On a regional basis, Asia-Pacific and Europe outside Germany posted double-digit growth in both orders and revenue compared to the prior-year period.

Looking forward, Löscher noted: "In the fourth quarter, I will be concentrating on five areas: compliance, leadership culture and organizational structure, business portfolio, high-growth markets, and innovation. Ultimately, Siemens needs to get faster, less complex and more focused. Today's announcements regarding Siemens VDO Automotive and Medical Solutions are important steps in that direction."

Focused further development of the business portfolio

Siemens AG has signed an agreement with Continental AG, Hanover, Germany, to sell its entire stake in Siemens VDO Automotive AG (SV). The price is €11.4 billion. The closing of the transaction is subject to approval by the responsible antitrust authorities and other closing conditions and is expected in the current calendar year. Preparations for the planned IPO of SV will be terminated. The sale of SV supports the goals set in the company's Fit for 2010 program. These goals include a focused further development of the business portfolio in the three application fields of Energy and Environmental Care, Automation and Control/Industrial and Public Infrastructures, and Healthcare.

Siemens aims to further expand the application field of Healthcare through the planned takeover of Dade Behring, Inc., headquartered in Deerfield, Illinois/USA. The company intends to buy all available shares of Dade Behring and is making Dade Behring shareholders an offer of US\$77 in cash per share. The planned acquisition has a transaction volume of roughly US\$7 billion (ca. €5 billion). Closing is expected in the second quarter of fiscal 2008. Completion of the merger is subject to receipt of customary, regulatory approvals and other customary closing conditions. This deal, together with the acquisitions of Diagnostic Products Corporation and Bayer Diagnostics in fiscal 2006, puts Siemens in a position to become No. 1 in the field of laboratory diagnostics.

Siemens (Berlin and Munich) is a global powerhouse in electrical engineering and electronics. The company has around 475,000 employees (including discontinued 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 more than 155 years ago, the company focuses on the areas of Information and Communications, Automation and Control, Power, Transportation, Medical, and Lighting. In fiscal 2006 (ended September 30), Siemens had sales from continuing operations of €87.3 billion and net income of €3.033 billion (U.S. GAAP). Further information is available on the Internet at: 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, Financial Publications, Quarterly Reports.

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