

SIEMENS AKTIENGESELLSCHAFT

Form 6-K

April 27, 2005

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**FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Report of Foreign Private Issuer

**Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934**

For April 27, 2005

Commission File Number: 1-15174

Siemens Aktiengesellschaft
(Translation of registrant's name into English)

Wittelsbacherplatz 2
D-80333 Munich
Federal Republic of Germany
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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| | 2nd quarter⁽²⁾ | | first six months⁽³⁾ | |
|---|---|--------------|---------------------------------------|----------------|
| | 2005 | 2004 | 2005 | 2004 |
| Net income | 781 | 1,210 | 1,782 | 1,936 |
| <i>(in millions of euros)</i> | | | | |
| <i>Effects related to Infineon share sale and a goodwill impairment⁽⁴⁾</i> | | 403 | | 403 |
| | | <hr/> | | <hr/> |
| | | 807 | | 1,533 |
| | | <hr/> | | <hr/> |
| Earnings per share⁽⁵⁾ | 0.88 | 1.36 | 2.00 | 2.17 |
| <i>(in euros)</i> | | | | |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net cash from operating and investing activities | (193) | 3,565 | (2,498) | 2,374 |
| <i>(in millions of euros)</i> | | | | |
| <i>therein: Net cash provided by (used in) operating activities</i> | <i>572</i> | <i>2,175</i> | <i>(684)</i> | <i>1,578</i> |
| <i>Net cash provided by (used in) investing activities</i> | <i>(765)</i> | <i>1,390</i> | <i>(1,814)</i> | <i>796</i> |
| <i>Supplemental contributions to pension trusts</i> | | | <i>(1,496)</i> | <i>(1,255)</i> |
| <i>(included in net cash provided by (used in) operating activities)</i> | | | | |
| <i>Net proceeds from the sale of Infineon shares</i> | | <i>1,794</i> | | <i>1,794</i> |
| <i>(included in net cash provided by (used in) investing activities)</i> | | | | |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Group profit from Operations | 1,098 | 1,076 | 2,531 | 2,437 |
| <i>(in millions of euros)</i> | | | | |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| New orders | 20,674 | 19,716 | 42,211 | 40,206 |
| <i>(in millions of euros)</i> | | | | |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Sales | 18,563 | 17,794 | 36,730 | 36,123 |
| <i>(in millions of euros)</i> | | | | |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | March 31, 2005 | | September 30, 2004 | |

| | | |
|--|------------|-----|
| Employees (<i>in thousands</i>) | 440 | 430 |
| Germany | 164 | 164 |
| International | 276 | 266 |

(1) Unaudited.

(2) January 1 – March 31, 2005 and 2004, respectively.

(3) October 1, 2004 and 2003 – March 31, 2005 and 2004, respectively.

(4) Pretax gain of 590 million on sale of Infineon shares plus related 246 million reversal of deferred tax liability, less a goodwill impairment of 433 million.

(5) Earnings per share – basic.

Note: Group profit from Operations is reconciled to Income before income taxes of Operations under Reconciliation to financial statements on the table Segment information included in this release.

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Press Presse Prensa

For the business and financial press

Lisbon, April 27, 2005

Siemens in the second quarter (January 1 to March 31) of fiscal 2005

Net income was 781 million, resulting in earnings per share of 0.88.

Reported net income of 1.210 billion in the prior-year period included significant effects, primarily a gain on the sale of shares in Infineon Technologies AG. Excluding these effects, the prior-year result was 807 million.

Group profit from Operations was 1.098 billion, up from 1.076 billion in the second quarter a year ago.

Orders rose 5% year-over-year, to 20.674 billion, and sales increased 4%, to 18.563 billion.

Net cash from operating and investing activities was a negative 193 million. A year earlier, net cash from operating and investing activities was a positive 3.565 billion, including net proceeds of 1.794 billion from the sale of Infineon shares.

As we expected, most of our Groups delivered good performance in the second quarter, especially considering the modest economic growth in European markets. This goes most of all for our top earnings performers. Taken together, these Groups showed solid progress which should continue through the rest of the fiscal year. The acquisitions we've announced will expand the competitive position of these businesses and further strengthen the growth opportunities for our entire company, said Siemens CEO Klaus Kleinfeld. In addition, the

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three smaller Groups in the Automation and Control business area clearly improved their earnings compared to the prior year and continue to move toward their margin targets.

Against this generally positive background we intensified the restructuring measures in our Information and Communications Groups, as part of the previously announced strategic reorientation of their businesses, Kleinfeld continued. These measures will continue and lead to further charges, which from today's standpoint we can't specify as to amount or timing. The goal, however, is clear: to position our Information and Communications activities for the future, while keeping in mind the interests of our customers, suppliers, and employees.

For the second quarter of fiscal 2005, ended March 31, 2005, Siemens reported net income of 781 million and basic and diluted earnings per share of 0.88 and 0.84, respectively. In the second quarter a year earlier, net income was 1.210 billion and basic and diluted earnings per share were 1.36 and 1.30, respectively. Prior-year results included a 590 million pretax gain on the sale of shares in Infineon plus a related 246 million reversal of deferred tax liability, partly offset by a 433 million goodwill impairment. Excluding the net result of these effects, 403 million, net income in the prior-year period was close to the level in the current period.

Group profit from Operations in the second quarter rose 2% year-over-year, to 1.098 billion. Top earnings performers included Automation and Drives (A&D), Power Generation (PG), Medical Solutions (Med), Siemens VDO Automotive (SV), Osram and Power Transmission and Distribution (PTD). Transportation Systems (TS) was in the black. Communications (Com) posted a loss, primarily due to its Mobile Devices business, while the negative result at Siemens Business Services (SBS) included significant charges arising from strategic reorientation measures.

Financing and Real Estate activities contributed 124 million in income before income taxes in the second quarter, up from 111 million a year earlier. Corporate Treasury activities contributed 77 million compared to 128 million in the prior-year period.

Second-quarter sales were up 4% year-over-year, to 18.563 billion, and orders increased 5%, to 20.674 billion. Excluding currency translation effects and the net effect of

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acquisitions and dispositions, sales and orders increased 1% compared to the second quarter a year earlier. International sales rose 8%, compared to a 7% decline in Germany. Within international sales, growth in the Americas and Asia-Pacific regions outpaced growth in Europe. International orders were up 5% year-over-year, compared to 3% growth in Germany. Within international orders, the primary growth driver was Asia-Pacific with an 16% rise.

Operations used 490 million in net cash from operating and investing activities in the second quarter, including a build-up of net working capital and higher capital expenditures. In the second quarter a year earlier, net cash provided of 2.719 billion included net proceeds of 1.794 billion from the sale of Infineon shares. Financing and Real Estate and Corporate Treasury activities provided net cash of 297 million in the second quarter, compared to net cash provided of 846 million in the same period a year earlier. For Siemens as a whole, operating and investing activities used net cash of 193 million, compared to 3.565 billion in net cash provided in the prior-year period.

Operations in the second quarter of fiscal 2005**Information and Communications****Communications (Com)***

| (in millions) | Second quarter | | | |
|---------------------|----------------|-------|----------|--------------|
| | 2005 | 2004 | % Change | |
| | | | Actual | Comparable** |
| Group profit | (19) | 146 | | |
| Group profit margin | (0.5)% | 3.5% | | |
| Sales | 4,000 | 4,196 | (5)% | (6)% |
| New orders | 4,084 | 4,402 | (7)% | (7)% |

* Com includes the activities of Siemens former Information and Communication Networks (ICN) and Information and Communication Mobile (ICM) Groups, which were combined into a single Group at the beginning of the fiscal year. Prior-year results have been recast into the new structure for purposes of comparison.

** Excluding currency translation effects of (1)% on orders, and portfolio effects of 1% on sales and orders. Com posted a loss of 19 million in the second quarter, due primarily to the Mobile Devices business which had a loss of 138 million (prior year: positive 13 million). Second-quarter sales were 4.000 billion and orders were 4.084 billion, compared to 4.196 billion and

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4.402 billion, respectively, a year earlier. Revenue growth in the Mobile Networks and Fixed Networks businesses was more than offset by lower demand at Mobile Devices, where handset volume of 9.3 million units (prior year: 12.8 million) generated sales of 842 million (prior year: 1.243 billion).

Siemens Business Services (SBS)

| (in millions) | Second quarter | | | |
|---------------------|----------------|-------|----------|-------------|
| | 2005 | 2004 | % Change | |
| | | | Actual | Comparable* |
| Group profit | (129) | 26 | | |
| Group profit margin | (10.0)% | 2.3% | | |
| Sales | 1,284 | 1,121 | 15% | 6% |
| New orders | 1,549 | 1,334 | 16% | (7)% |

* Excluding portfolio effects of 9% and 23% on sales and orders, respectively.

A loss of 129 million at SBS in the second quarter included 63 million in charges for capacity adjustments and disposal of its Sinitec business, arising from implementation of ongoing restructuring measures. Long-term outsourcing contracts, partly involving acquisitions, pushed sales up 15%, to 1.284 billion, and orders up 16%, to 1.549 billion.

Automation and Control**Automation and Drives (A&D)**

| (in millions) | Second quarter | | | |
|---------------------|----------------|-------|----------|-------------|
| | 2005 | 2004 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 277 | 235 | 18% | |
| Group profit margin | 12.3% | 11.2% | | |
| Sales | 2,258 | 2,102 | 7% | 8% |
| New orders | 2,352 | 2,180 | 8% | 9% |

* Excluding currency translation effects.

A&D again led all Groups with 277 million in second-quarter Group profit. Further increases in productivity and capacity utilization improved A&D's earnings margin more than a full point year-over-year, to 12.3%. Sales rose 7% to 2.258 billion, including double-digit growth in the Americas and Asia-Pacific regions. Order growth for the quarter was broad-based, rising 8% from the prior-year level to 2.352 billion.

Table of Contents**Industrial Solutions and Services (I&S)**

| (in millions) | Second quarter | | | |
|---------------------|----------------|-------|----------|-------------|
| | 2005 | 2004 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 41 | 26 | 58% | |
| Group profit margin | 3.5% | 2.6% | | |
| Sales | 1,169 | 983 | 19% | 6% |
| New orders | 1,291 | 1,085 | 19% | 7% |

* Excluding currency translation effects of (2)% on sales and orders, and portfolio effects of 15% and 14% on sales and orders, respectively.

Second-quarter sales and orders at I&S rose 19% year-over-year, to 1.169 billion and 1.291 billion, respectively, reflecting the Group's USFilter acquisition between the periods under review. Second-quarter Group profit of 41 million also benefited from the acquisition.

Logistics and Assembly Systems (L&A)

| (in millions) | Second quarter | | | |
|---------------------|----------------|--------|----------|-------------|
| | 2005 | 2004 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 7 | (30) | | |
| Group profit margin | 1.3% | (6.0)% | | |
| Sales | 536 | 503 | 7% | 13% |
| New orders | 866 | 761 | 14% | 18% |

* Excluding currency translation effects of (3)% and (2)% on sales and orders, respectively, and portfolio effects of (3)% and (2)% on sales and orders, respectively.

L&A recorded Group profit of 7 million in the second quarter on broad-based earnings improvement. For comparison, the loss in the prior-year period was burdened by charges related to excess capacity and project cost overruns.

Second-quarter sales rose 7%, to 536 million, while orders climbed 14%, to 866 million, including large contracts in Europe and Asia-Pacific.

Table of Contents**Siemens Building Technologies (SBT)**

| (in millions) | Second quarter | | | |
|---------------------|----------------|-------|----------|-------------|
| | 2005 | 2004 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 22 | 16 | 38% | |
| Group profit margin | 2.1% | 1.6% | | |
| Sales | 1,030 | 996 | 3% | 1% |
| New orders | 1,128 | 1,030 | 10% | 7% |

* Excluding currency translation effects of (2)% on sales and orders, and portfolio effects of 4% and 5% on sales and orders, respectively.

Second-quarter Group profit at SBT rose to 22 million from 16 million a year earlier, reflecting improvement in the Group's cost position. Sales of 1.030 billion were up 3% from the prior-year level, while orders rose 10% to 1.128 billion on strong demand in the Security Systems division.

Power**Power Generation (PG)**

| (in millions) | Second quarter | | | |
|---------------------|----------------|-------|----------|-------------|
| | 2005 | 2004 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 257 | 274 | (6)% | |
| Group profit margin | 12.7% | 16.0% | | |
| Sales | 2,024 | 1,713 | 18% | 14% |
| New orders | 2,515 | 2,414 | 4% | 4% |

* Excluding currency translation effects of (2)% on sales and orders, and portfolio effects of 6% and 2% on sales and orders, respectively.

PG generated Group profit of 257 million in the second quarter, including a positive contribution from equity investment income. Group profit in the prior-year period benefited from the release of accruals associated with project

completion. Second-quarter sales of 2.024 billion included services growth and the acquisition of the Group's Wind Power business between the periods under review. Two major contracts in Spain, for components and service, fueled the increase in second-quarter orders, which reached 2.515 billion.

Table of Contents**Power Transmission and Distribution (PTD)**

| (in millions) | Second quarter | | | |
|---------------------|----------------|------|----------|-------------|
| | 2005 | 2004 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 61 | 63 | (3)% | |
| Group profit margin | 6.9% | 7.9% | | |
| Sales | 890 | 793 | 12% | 6% |
| New orders | 1,229 | 907 | 36% | 31% |

* Excluding currency translation effects of (2)% on sales and orders, and portfolio effects of 8% and 7% on sales and orders, respectively.

Second-quarter orders climbed 36%, to 1.229 billion, on a broad-based increase in new business including large orders in China and the Middle East. Sales of 890 million, up 12% year-over-year, benefited from the Group's acquisition of Trench Electric Holding between the periods under review. Second-quarter Group profit at PTD was 61 million compared to 63 million a year earlier.

Transportation**Transportation Systems (TS)**

| (in millions) | Second quarter | | | |
|---------------------|----------------|---------|----------|-------------|
| | 2005 | 2004 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 4 | (289) | | |
| Group profit margin | 0.4% | (28.4)% | | |
| Sales | 940 | 1,017 | (8)% | (8)% |
| New orders | 1,011 | 1,121 | (10)% | (10)% |

* No currency translation effects and portfolio effects.

TS posted second-quarter Group profit of 4 million compared to a loss of 289 million in the prior-year period, when technical issues in the Group's rolling stock business required TS to take substantial charges. Sales of 940 million

came in below prior-year levels. Orders were 1.011 billion, as growth in Asia-Pacific only partially offset lower orders in Europe.

Table of Contents**Siemens VDO Automotive (SV)**

| | Second quarter | | | |
|-----------------------|----------------|-------|----------|-------------|
| | 2005 | 2004 | % Change | |
| | | | Actual | Comparable* |
| (in millions) | | | | |
| Group profit | 160 | 128 | 25% | |
| Group profit margin | 6.8% | 5.9% | | |
| Sales | 2,348 | 2,162 | 9% | 0% |
| New orders | 2,343 | 2,160 | 8% | (1)% |

* Excluding currency translation effects of (1)% on sales and orders, and portfolio effects of 10% on sales and orders.

SV's second-quarter sales and orders were 2.348 billion and 2.343 billion, respectively. As demand softened on an industry-wide basis, volume growth year-over-year was driven by acquisitions between the periods under review, including an automotive electronics unit in the U.S. With a larger revenue base and more favorable revenue mix, SV was able to increase Group profit to 160 million from 128 million in the same period a year earlier.

Medical**Medical Solutions (Med)**

| | Second quarter | | | |
|-----------------------|----------------|-------|----------|-------------|
| | 2005 | 2004 | % Change | |
| | | | Actual | Comparable* |
| (in millions) | | | | |
| Group profit | 218 | 228 | (4)% | |
| Group profit margin | 12.3% | 13.3% | | |
| Sales | 1,774 | 1,708 | 4% | 7% |
| New orders | 1,923 | 1,736 | 11% | 15% |

* Excluding currency translation effects of (3)% and (4)% on sales and orders, respectively.

In the second quarter, Med contributed 218 million in Group profit in the highly competitive market for medical solutions. On the strength of its core diagnostic imaging businesses, Med increased second-quarter sales to

1.774 billion, up 4% year-over year, and took in orders of 1.923 billion, 11% higher than in the second quarter a year earlier. Excluding currency translation effects, growth in sales and orders was even stronger.

Table of Contents**Lighting****Osram**

| | Second quarter | | | |
|---------------------|-----------------------|-------------|-----------------|--------------------|
| | | | % Change | |
| | 2005 | 2004 | Actual | Comparable* |
| (in millions) | | | | |
| Group profit | 117 | 116 | 1% | |
| Group profit margin | 11.1% | 10.7% | | |
| Sales | 1,057 | 1,088 | (3)% | 0% |
| New orders | 1,057 | 1,088 | (3)% | 0% |

* Excluding currency translation effects of (3)% on sales and orders.

Osram increased Group profit to 117 million on the strength of higher-margin new products and tight cost control. These factors enabled the Group to improve its earnings margin despite softening demand that held Osram's sales at 1.057 billion, level with the prior year excluding negative currency translation effects.

Other Operations

Other Operations consist of centrally held equity investments and other operating businesses not related to a Group. These activities contributed 82 million in Group profit in the second quarter, compared to 137 million in the same period a year earlier. The decline was driven by lower equity earnings from joint ventures, particularly at BSH Bosch und Siemens Hausgeräte GmbH.

Corporate items, pensions and eliminations

Corporate items, pensions and eliminations were a negative 290 million in the second quarter, compared to a negative 108 million in the same period a year earlier. The difference is due primarily to effects in the second quarter a year earlier, when a centrally taken goodwill impairment of 433 million related to L&A was more than offset by a pre-tax gain of 590 million on the sale of Infineon shares. Higher expenses for corporate items in the current period were partially offset by a decrease in centrally carried pension expense year-over-year.

Table of Contents**Financing and Real Estate****Siemens Financial Services (SFS)**

| | Second quarter | | |
|----------------------------|---------------------------|---------------------------|-----------------|
| | 2005 | 2004 | % Change |
| (in millions) | | | |
| Income before income taxes | 90 | 66 | 36% |
| | March 31, 2005 | Sept. 30, 2004 | |
| Total assets | 9,123 | 9,055 | 1% |

Income before income taxes at SFS was 90 million, up from 66 million in the second quarter a year earlier, due primarily to a special dividend related to an investment held by the Equity division. Assets rose slightly compared to the end of fiscal 2004 despite negative currency translation effects.

Siemens Real Estate (SRE)

| | Second quarter | | |
|----------------------------|---------------------------|---------------------------|-----------------|
| | 2005 | 2004 | % Change |
| (in millions) | | | |
| Income before income taxes | 34 | 45 | (24)% |
| Sales | 404 | 399 | 1% |
| | March 31, 2005 | Sept. 30, 2004 | |
| Total assets | 3,448 | 3,455 | 0% |

Income before income taxes at SRE was 34 million compared to 45 million in the second quarter a year earlier, due to lower income from rental activities and property disposals in the weak domestic commercial real estate market.

Eliminations, reclassifications and Corporate Treasury

Income before income taxes from Eliminations, reclassifications and Corporate Treasury activities was 77 million in

the second quarter of fiscal 2005, compared to 128 million in the same period a year earlier. The difference was primarily due to lower income from derivatives not qualifying for hedge accounting.

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Income statement highlights in the second quarter

Siemens reported second-quarter net income of 781 million. Net income of 1.210 billion in the same quarter a year earlier benefited from a pre-tax gain of 590 million on the sale of Infineon shares plus a related 246 million tax benefit, partially offset by a 433 million goodwill impairment.

Gross profit margin was 28.9% in the second-quarter, up from 28.6% a year earlier. A majority of the Groups in Operations achieved a gross profit improvement year-over-year, overcoming a decline in gross profit in the I&C Groups. Research and development expenses were 7.2% of sales compared to 7.0% in the second quarter a year ago, while marketing, selling and general administrative expenses as a percent of sales moved lower, to 17.9% of sales from 18.1% in the prior-year period.

Other operating income (expense), net was a negative 23 million in the second quarter, compared to negative 423 million a year earlier. The prior-year period included the goodwill impairment mentioned above. Income from investments in other companies was 212 million, compared to 777 million in the same period a year earlier, which included the Infineon share sale gain.

Income and earnings per share in the first six months

Net income for the first six months of fiscal 2005 was 1.782 billion. A year earlier, first-half net income of 1.936 billion included the net benefit of the share sale and goodwill effects mentioned above. Group profit from Operations for the first six months was 2.531 billion, up 4% compared to 2.437 billion in the prior year. Basic earnings per share were 2.00 and diluted earnings per share were 1.91 for the current period, compared to 2.17 and 2.08, respectively, in the first half a year earlier.

Sales and order trends for the first six months

Sales in the first six months of fiscal 2005 were 36.730 billion, a 2% increase from 36.123 billion in the prior-year period. Orders increased 5%, from 40.206 billion to 42.211 billion, primarily on growing demand in the Americas and Asia-Pacific. Excluding the net effects of acquisitions and dispositions and currency translation effects, orders were up 3% and sales remained stable year-over-year.

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International sales rose 4%, to 28.653 billion, and orders increased 6%, to 33.628 billion. In contrast, sales in Germany declined 6% year-over-year, to 8.077 billion, while acquisitions between the periods under review kept orders in Germany level with the prior year, at 8.583 billion. In Europe outside Germany, sales declined 2%, to 12.336 billion, and orders slid 3%, to 14.064 billion. The weakness in European markets was more than offset by growth in the Americas and Asian-Pacific regions. Within the Americas, sales in the U.S. in the first half increased 10%, to 6.806 billion, and orders climbed 12%, to 7.357 billion, as organic growth and acquisitions combined to more than offset negative currency translation effects. Sales in Asia-Pacific increased 3%, to 4.436 billion, while orders climbed 22%, to 5.902 billion. Within Asia-Pacific, first-half sales in China were down 3%, at 1.276 billion. Orders in China surged to 2.120 billion, up 39% year-over-year, including major orders at TS, L&A, PG and PTD.

Liquidity for the first six months

Within Operations, operating and investing activities used net cash of 2.788 billion in the first half of fiscal 2005. Net cash provided in the same period a year earlier, 1.226 billion, included 1.794 billion in net proceeds from the sale of Infineon shares. The change year-over-year is also attributable to increases in net working capital in existing businesses and higher cash used for acquisitions. Both periods included supplemental cash contributions to Siemens pension plans, totaling 1.496 billion in the first half of fiscal 2005 and 1.255 billion in the first half a year earlier.

The two other components of Siemens, consisting of Financing and Real Estate and Corporate Treasury activities, provided net cash from operating and investing activities of 290 million in the first six months of fiscal 2005. The difference relative to net cash provided of 1.148 billion in the prior-year period is primarily due to a build-up of assets at SFS and lower proceeds from intracompany hedging activities at Corporate Treasury. In aggregate, net cash used in operating and investing activities for Siemens in the first six months was 2.498 billion compared to net cash provided of 2.374 billion a year earlier.

Funding status of pension plans

The funding status of Siemens principal pension plans on March 31, 2005 improved significantly compared to the end of the prior fiscal year, with an underfunding of approximately 1.1 billion compared to an underfunding of approximately 3.1 billion at

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September 30, 2004. The improvement in funding status is mainly due to both supplemental and regular contributions plus a higher than expected actual return on plan assets during the first six months. The return on plan assets during the last six months amounted to 936 million. This represents a 10.1% return on an annualized basis, compared to an expected annualized return of 6.7%.

Economic Value Added

Economic Value Added (EVA) in the first half of fiscal 2005 was positive but below the level a year earlier. Excluding Infineon and the goodwill impairment mentioned above, EVA improved compared to the prior year.

Starting today at 10 a.m. CET, we will provide a live video webcast of the semiannual press conference with CEO Dr. Klaus Kleinfeld and CFO Heinz-Joachim Neubürger. You can access the webcast at www.siemens.com/pressconference. You will also be able to download the speeches and the presentation. Starting at 3:00 p.m. CET, Siemens CEO Dr. Klaus Kleinfeld and CFO Heinz-Joachim Neubürger will hold a conference with analysts and investors. You can follow the conference live on the internet by going to www.siemens.com/analystconference.

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, anticipates, intends, plans, believes, 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 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, 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, changes in business strategy and various other factors. More detailed information about certain of these factors is contained in Siemens filings with the SEC, which are available on the Siemens website, www.siemens.com and on the SEC's website, 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 anticipated, believed, estimated, expected, intended, planned 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.

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As of and for the three months ended March 31, 2005 and 2004 and as of September 30, 2004
(in millions of)

| | New orders | | External sales | | Intersegment sales | | Total sales | | Group profit ⁽¹⁾ | |
|--|---------------|---------------|----------------|---------------|--------------------|--------------|---------------|---------------|-----------------------------|---------------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Operations Groups | | | | | | | | | | |
| Communications (Com) ⁽⁷⁾ | 4,084 | 4,402 | 3,951 | 4,087 | 49 | 109 | 4,000 | 4,196 | (19) | 146 |
| Siemens Business Services (SBS) | 1,549 | 1,334 | 959 | 858 | 325 | 263 | 1,284 | 1,121 | (129) | 26 |
| Automation and Drives (A&D) | 2,352 | 2,180 | 1,942 | 1,794 | 316 | 308 | 2,258 | 2,102 | 277 | 235 |
| Industrial Solutions and Services (I&S) | 1,291 | 1,085 | 917 | 706 | 252 | 277 | 1,169 | 983 | 41 | 26 |
| Logistics and Assembly Systems (L&A) | 866 | 761 | 497 | 469 | 39 | 34 | 536 | 503 | 7 | (30) |
| Siemens Building Technologies (SBT) | 1,128 | 1,030 | 1,000 | 979 | 30 | 17 | 1,030 | 996 | 22 | 16 |
| Power Generation (PG) | 2,515 | 2,414 | 2,023 | 1,709 | 1 | 4 | 2,024 | 1,713 | 257 | 274 |
| Power Transmission and Distribution (PTD) | 1,229 | 907 | 820 | 721 | 70 | 72 | 890 | 793 | 61 | 63 |
| Transportation Systems (TS) | 1,011 | 1,121 | 936 | 1,010 | 4 | 7 | 940 | 1,017 | 4 | (289) |
| Siemens VDO Automotive (SV) | 2,343 | 2,160 | 2,342 | 2,154 | 6 | 8 | 2,348 | 2,162 | 160 | 128 |
| Medical Solutions (Med) | 1,923 | 1,736 | 1,767 | 1,678 | 7 | 30 | 1,774 | 1,708 | 218 | 228 |
| Osram | 1,057 | 1,088 | 1,038 | 1,064 | 19 | 24 | 1,057 | 1,088 | 117 | 116 |
| Other Operations ⁽⁵⁾ | 481 | 528 | 176 | 307 | 258 | 171 | 434 | 478 | 82 | 137 |
| Total Operations Groups | 21,829 | 20,746 | 18,368 | 17,536 | 1,376 | 1,324 | 19,744 | 18,860 | 1,098 | 1,076 |
| Reconciliation to financial statements | | | | | | | | | | |
| Corporate items, pensions and eliminations | (1,306) | (1,574) | 24 | 58 | (1,314) | (1,300) | (1,290) | (1,242) | (290) (36) | (108) (33) |

| | | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|--------------|--------------|---------------|---------------|------------|-----------------------------------|
| Other interest expense | | | | | | | | | | |
| Other assets related reconciling items | | | | | | | | | | |
| Total Operations (for columns Group profit/Net capital employed, i.e. Income before income taxes/Total assets) | 20,523 | 19,172 | 18,392 | 17,594 | 62 | 24 | 18,454 | 17,618 | 772 | 935 |
| | | | | | | | | | | Income before income taxes |
| Financing and Real Estate Groups | | | | | | | | | | |
| Siemens Financial Services (SFS) | 132 | 145 | 109 | 124 | 23 | 21 | 132 | 145 | 90 | 66 |
| Siemens Real Estate (SRE) | 404 | 399 | 62 | 76 | 342 | 323 | 404 | 399 | 34 | 45 |
| Eliminations | (3) | | | | (3) | (3) | (3) | (3) | | |
| Total Financing and Real Estate | 533 | 544 | 171 | 200 | 362 | 341 | 533 | 541 | 124 | 111 |
| Eliminations, reclassifications and Corporate Treasury | (382) | | | | (424) | (365) | (424) | (365) | 77 | 128 |
| Siemens | 20,674 | 19,716 | 18,563 | 17,794 | | | 18,563 | 17,794 | 973 | 1,174 |

[Additional columns below]

[Continued from above table, first column(s) repeated]

Net cash from

Amortization,

| | Net capital employed ⁽²⁾ | | operating and investing activities | | Capital spending ⁽³⁾ | | depreciation and impairments ⁽⁴⁾ | |
|---|-------------------------------------|---------------|------------------------------------|----------------------|---------------------------------|------------|---|--------------|
| | 3/31/05 | 9/30/04 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Operations Groups | | | | | | | | |
| Communications (Com) ⁽⁷⁾ | 2,831 | 2,134 | (297) | 108 | 168 | 104 | 125 | 144 |
| Siemens Business Services (SBS) | 835 | 632 | (122) | (129) | 69 | 55 | 64 | 51 |
| Automation and Drives (A&D) | 1,979 | 1,951 | 263 | 194 | 38 | 70 | 48 | 67 |
| Industrial Solutions and Services (I&S) | 972 | 1,003 | 49 | 34 | (12) | 5 | 21 | 9 |
| Logistics and Assembly Systems (L&A) | 459 | 537 | 15 | (43) | 1 | 10 | 7 | 8 |
| Siemens Building Technologies (SBT) | 1,435 | 1,359 | 71 | 112 | 21 | 21 | 25 | 31 |
| Power Generation (PG) | 2,604 | 1,997 | 24 | 287 | 38 | 40 | 52 | 45 |
| Power Transmission and Distribution (PTD) | 1,306 | 1,162 | (64) | 44 | 32 | 25 | 16 | 15 |
| Transportation Systems (TS) | 292 | 49 | (84) | (139) | 15 | 13 | 13 | 17 |
| Siemens VDO Automotive (SV) | 3,469 | 3,542 | 123 | 346 | 116 | 97 | 95 | 93 |
| Medical Solutions (Med) | 3,332 | 3,173 | 133 | 278 | 107 | 57 | 48 | 45 |
| Osram | 1,967 | 2,011 | 44 | 136 | 77 | 52 | 62 | 64 |
| Other Operations ⁽⁵⁾ | 1,905 | 1,672 | (16) | (20) | 16 | 17 | 15 | 16 |
| Total Operations Groups | 23,386 | 21,222 | 139 | 1,208 | 686 | 566 | 591 | 605 |
| Reconciliation to financial statements | | | | | | | | |
| Corporate items, pensions and eliminations | (1,755) | (3,116) | (629) ⁽⁶⁾ | 1,511 ⁽⁶⁾ | 23 | (3) | | 438 |
| Other interest expense | | | | | | | | |
| Other assets related reconciling items | 42,460 | 49,821 | | | | | | |
| Total Operations (for columns Group profit/Net capital employed, i.e. Income before income taxes/Total assets) | 64,091 | 67,927 | (490) | 2,719 | 709 | 563 | 591 | 1,043 |
| | Total assets | | | | | | | |
| Financing and Real Estate Groups | | | | | | | | |
| Siemens Financial Services (SFS) | 9,123 | 9,055 | 342 | 688 | 90 | 106 | 49 | 49 |
| Siemens Real Estate (SRE) | 3,448 | 3,455 | 76 | 112 | 56 | 27 | 48 | 52 |

| | | | | | | | | |
|---|---------------|---------------|---------------------------|-------------------------|------------|------------|------------|--------------|
| Eliminations | (461) | (576) | (23) ⁽⁶⁾ | (17) ⁽⁶⁾ | — | — | — | — |
| Total Financing and Real Estate | <u>12,110</u> | <u>11,934</u> | <u>395</u> | <u>783</u> | <u>146</u> | <u>133</u> | <u>97</u> | <u>101</u> |
| Eliminations, reclassifications and Corporate Treasury | <u>1,270</u> | <u>(343)</u> | <u>(98)⁽⁶⁾</u> | <u>63⁽⁶⁾</u> | — | — | — | — |
| Siemens | <u>77,471</u> | <u>79,518</u> | <u>(193)</u> | <u>3,565</u> | <u>855</u> | <u>696</u> | <u>688</u> | <u>1,144</u> |

-
- (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, certain accruals and non-interest bearing liabilities other than tax liabilities.
 - (3) Intangible assets, property, plant and equipment, acquisitions, and investments.
 - (4) Includes amortization and impairments of intangible assets, depreciation of property, plant and equipment, and write-downs of investments.
 - (5) *Other Operations* primarily refer to certain centrally-held equity investments and other operating activities not associated with a Group.
 - (6) Includes (for *Eliminations* within **Financing and Real Estate** consists of) 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.
 - (7) The Groups ICN and ICM were combined into one Group named Communications (Com) as of October 1, 2004.
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Table of Contents**SIEMENS AG****SEGMENT INFORMATION (unaudited)**

As of and for the six months ended March 31, 2005 and 2004 and as of September 30, 2004
(in millions of)

| | New orders | | External sales | | Intersegment sales | | Total sales | | Group profit ⁽¹⁾ | |
|--|---------------|---------------|----------------|---------------|--------------------|--------------|---------------|---------------|-----------------------------|--------------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Operations Groups | | | | | | | | | | |
| Communications (Com) ⁽⁷⁾ | 8,754 | 9,181 | 8,091 | 8,573 | 152 | 190 | 8,243 | 8,763 | 221 | 320 |
| Siemens Business Services (SBS) | 3,399 | 2,733 | 1,905 | 1,804 | 635 | 527 | 2,540 | 2,331 | (154) | 70 |
| Automation and Drives (A&D) | 4,785 | 4,380 | 3,794 | 3,526 | 621 | 626 | 4,415 | 4,152 | 539 | 456 |
| Industrial Solutions and Services (I&S) | 2,757 | 2,214 | 1,871 | 1,452 | 481 | 528 | 2,352 | 1,980 | 61 | 41 |
| Logistics and Assembly Systems (L&A) | 1,458 | 1,622 | 1,035 | 981 | 80 | 64 | 1,115 | 1,045 | 45 | (67) |
| Siemens Building Technologies (SBT) | 2,216 | 2,135 | 1,989 | 2,004 | 51 | 32 | 2,040 | 2,036 | 71 | 55 |
| Power Generation (PG) | 5,000 | 5,090 | 3,590 | 3,609 | 12 | 6 | 3,602 | 3,615 | 471 | 519 |
| Power Transmission and Distribution (PTD) | 2,322 | 1,927 | 1,598 | 1,471 | 126 | 142 | 1,724 | 1,613 | 113 | 114 |
| Transportation Systems (TS) | 2,241 | 2,141 | 1,925 | 2,053 | 29 | 13 | 1,954 | 2,066 | 24 | (257) |
| Siemens VDO Automotive (SV) | 4,637 | 4,199 | 4,623 | 4,191 | 10 | 10 | 4,633 | 4,201 | 304 | 228 |
| Medical Solutions (Med) | 3,953 | 3,627 | 3,406 | 3,300 | 24 | 56 | 3,430 | 3,356 | 433 | 555 |
| Osram | 2,140 | 2,161 | 2,103 | 2,116 | 37 | 45 | 2,140 | 2,161 | 237 | 225 |
| Other Operations ⁽⁵⁾ | 947 | 968 | 404 | 585 | 499 | 325 | 903 | 910 | 166 | 178 |
| Total Operations Groups | 44,609 | 42,378 | 36,334 | 35,665 | 2,757 | 2,564 | 39,091 | 38,229 | 2,531 | 2,437 |
| Reconciliation to financial statements | | | | | | | | | | |
| Corporate items, pensions and eliminations | (2,699) | (3,233) | 36 | 95 | (2,639) | (2,506) | (2,603) | (2,411) | (561) | (465) |
| | | | | | | | | | (64) | (67) |

| | | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|--------------|--------------|---------------|---------------|--------------|--|
| Other interest expense | | | | | | | | | | |
| Other assets related reconciling items | | | | | | | | | | |
| Total Operations (for columns Group profit/Net capital employed, i.e. Income before income taxes/Total assets) | <u>41,910</u> | <u>39,145</u> | <u>36,370</u> | <u>35,760</u> | <u>118</u> | <u>58</u> | <u>36,488</u> | <u>35,818</u> | <u>1,906</u> | <u>1,905</u> |
| | | | | | | | | | | <u>Income before income taxes</u> |
| Financing and Real Estate Groups | | | | | | | | | | |
| Siemens Financial Services (SFS) | 272 | 277 | 233 | 230 | 39 | 47 | 272 | 277 | 189 | 123 |
| Siemens Real Estate (SRE) | 788 | 784 | 127 | 133 | 661 | 651 | 788 | 784 | 72 | 99 |
| Eliminations | (6) | | | | (6) | (5) | (6) | (5) | | |
| Total Financing and Real Estate | <u>1,054</u> | <u>1,061</u> | <u>360</u> | <u>363</u> | <u>694</u> | <u>693</u> | <u>1,054</u> | <u>1,056</u> | <u>261</u> | <u>222</u> |
| Eliminations, reclassifications and Corporate Treasury | <u>(753)</u> | | | | <u>(812)</u> | <u>(751)</u> | <u>(812)</u> | <u>(751)</u> | <u>181</u> | <u>126</u> |
| Siemens | <u>42,211</u> | <u>40,206</u> | <u>36,730</u> | <u>36,123</u> | | | <u>36,730</u> | <u>36,123</u> | <u>2,348</u> | <u>2,253</u> |

[Additional columns below]

[Continued from above table, first column(s) repeated]

| | Net capital employed ⁽²⁾ | | Net cash from operating and investing activities | | | | Amortization, depreciation and impairments ⁽⁴⁾ | |
|---|-------------------------------------|---------------|--|----------------------|--------------|--------------|---|--------------|
| | | | Capital spending ⁽³⁾ | | | | | |
| | 3/31/05 | 9/30/04 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Operations Groups | | | | | | | | |
| Communications (Com) ⁽⁷⁾ | 2,831 | 2,134 | (616) | 202 | 260 | 179 | 251 | 287 |
| Siemens Business Services (SBS) | 835 | 632 | (312) | (260) | 132 | 90 | 120 | 106 |
| Automation and Drives (A&D) | 1,979 | 1,951 | 481 | 407 | 77 | 123 | 93 | 116 |
| Industrial Solutions and Services (I&S) | 972 | 1,003 | 21 | 2 | | 40 | 40 | 18 |
| Logistics and Assembly Systems (L&A) | 459 | 537 | 96 | (148) | 17 | 16 | 16 | 20 |
| Siemens Building Technologies (SBT) | 1,435 | 1,359 | (2) | 138 | 88 | 35 | 49 | 63 |
| Power Generation (PG) | 2,604 | 1,997 | (191) | 327 | 412 | 80 | 91 | 88 |
| Power Transmission and Distribution (PTD) | 1,306 | 1,162 | (40) | 103 | 63 | 37 | 31 | 30 |
| Transportation Systems (TS) | 292 | 49 | (257) | (187) | 30 | 24 | 25 | 30 |
| Siemens VDO Automotive (SV) | 3,469 | 3,542 | 321 | 442 | 222 | 190 | 191 | 186 |
| Medical Solutions (Med) | 3,332 | 3,173 | 139 | 294 | 163 | 282 | 95 | 90 |
| Osram | 1,967 | 2,011 | 248 | 319 | 128 | 99 | 126 | 127 |
| Other Operations ⁽⁵⁾ | 1,905 | 1,672 | (200) | (79) | 159 | 29 | 37 | 33 |
| Total Operations Groups | 23,386 | 21,222 | (312) | 1,560 | 1,751 | 1,224 | 1,165 | 1,194 |
| Reconciliation to financial statements | | | | | | | | |
| Corporate items, pensions and eliminations | (1,755) | (3,116) | (2,476) ⁽⁶⁾ | (334) ⁽⁶⁾ | 8 | (13) | 3 | 450 |
| Other interest expense | | | | | | | | |
| Other assets related reconciling items | 42,460 | 49,821 | | | | | | |
| Total Operations (for columns Group profit/Net capital employed, i.e. Income before income taxes/Total assets) | 64,091 | 67,927 | (2,788) | 1,226 | 1,759 | 1,211 | 1,168 | 1,644 |
| Total assets | | | | | | | | |

Financing and Real Estate

| | | | | | | | | |
|---|---------------|---------------|--------------------------|--------------------------|--------------|--------------|--------------|--------------|
| Groups | | | | | | | | |
| Siemens Financial Services (SFS) | 9,123 | 9,055 | 166 | 526 | 170 | 164 | 95 | 98 |
| Siemens Real Estate (SRE) | 3,448 | 3,455 | (27) | 173 | 117 | 63 | 92 | 101 |
| Eliminations | (461) | (576) | (49) ⁽⁶⁾ | (39) ⁽⁶⁾ | | | | |
| Total Financing and Real Estate | <u>12,110</u> | <u>11,934</u> | <u>90</u> | <u>660</u> | <u>287</u> | <u>227</u> | <u>187</u> | <u>199</u> |
| Eliminations, reclassifications and Corporate Treasury | <u>1,270</u> | <u>(343)</u> | <u>200⁽⁶⁾</u> | <u>488⁽⁶⁾</u> | | | | |
| Siemens | <u>77,471</u> | <u>79,518</u> | <u>(2,498)</u> | <u>2,374</u> | <u>2,046</u> | <u>1,438</u> | <u>1,355</u> | <u>1,843</u> |

-
- (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, certain accruals and non-interest bearing liabilities other than tax liabilities.
 - (3) Intangible assets, property, plant and equipment, acquisitions, and investments.
 - (4) Includes amortization and impairments of intangible assets, depreciation of property, plant and equipment, and write-downs of investments.
 - (5) *Other Operations* primarily refer to certain centrally-held equity investments and other operating activities not associated with a Group.
 - (6) Includes (for *Eliminations* within **Financing and Real Estate** consists of) 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.
 - (7) The Groups ICN and ICM were combined into one Group named Communications (Com) as of October 1, 2004.
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Table of Contents**SIEMENS AG**

CONSOLIDATED STATEMENTS OF INCOME (unaudited)
For the three months ended March 31, 2005 and 2004
(in millions of €, per share amounts in €)

| | Siemens | | Eliminations, reclassifications and Corporate Treasury | | Operations | | Financing and Real Estate | |
|---|----------------|-------------|---|-------------|-------------------|-------------|--|-------------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Net sales | 18,563 | 17,794 | (424) | (365) | 18,454 | 17,618 | 533 | 541 |
| Cost of sales | (13,198) | (12,705) | 424 | 365 | (13,190) | (12,637) | (432) | (433) |
| Gross profit on sales | 5,365 | 5,089 | | | 5,264 | 4,981 | 101 | 108 |
| Research and development expenses | (1,345) | (1,246) | | | (1,345) | (1,246) | | |
| Marketing, selling and general administrative expenses | (3,330) | (3,213) | | | (3,252) | (3,151) | (78) | (62) |
| Other operating income (expense), net | (23) | (423) | (22) | (17) | (31) | (426) | 30 | 20 |
| Income from investments in other companies, net | 212 | 777 | | | 167 | 762 | 45 | 15 |
| Income (expense) from financial assets and marketable securities, net | 37 | 113 | 35 | 79 | 15 | 43 | (13) | (9) |
| Interest income (expense) of Operations, net | (10) | 5 | | | (10) | 5 | | |
| Other interest income (expense), net | 67 | 72 | 64 | 66 | (36) | (33) | 39 | 39 |
| Income before income taxes | 973 | 1,174 | 77 | 128 | 772 | 935 | 124 | 111 |
| Income taxes | (161) | 84 | (13) | (14) | (127) | 88 | (21) | 10 |
| Minority interest | (31) | (48) | | | (31) | (48) | | |
| Net income | 781 | 1,210 | 64 | 114 | 614 | 975 | 103 | 121 |
| Basic earnings per share | 0.88 | 1.36 | | | | | | |
| Diluted earnings per share | 0.84 | 1.30 | | | | | | |

Table of Contents**SIEMENS AG****CONSOLIDATED STATEMENTS OF INCOME (unaudited)****For the six months ended March 31, 2005 and 2004****(in millions of \$, per share amounts in \$)**

| | Siemens | | Eliminations, reclassifications and Corporate Treasury | | Operations | | Financing and Real Estate | |
|---|----------------|-------------|---|-------------|-------------------|-------------|--------------------------------------|-------------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Net sales | 36,730 | 36,123 | (812) | (751) | 36,488 | 35,818 | 1,054 | 1,056 |
| Cost of sales | (25,762) | (25,576) | 812 | 751 | (25,731) | (25,498) | (843) | (829) |
| Gross profit on sales | 10,968 | 10,547 | | | 10,757 | 10,320 | 211 | 227 |
| Research and development expenses | (2,574) | (2,492) | | | (2,574) | (2,492) | | |
| Marketing, selling and general administrative expenses | (6,849) | (6,563) | (1) | (1) | (6,697) | (6,436) | (151) | (126) |
| Other operating income (expense), net | (6) | (324) | (47) | (35) | (20) | (337) | 61 | 48 |
| Income from investments in other companies, net | 356 | 882 | | | 282 | 854 | 74 | 28 |
| Income (expense) from financial assets and marketable securities, net | 336 | 75 | 104 | 37 | 246 | 59 | (14) | (21) |
| Interest income (expense) of Operations, net | (24) | 4 | | | (24) | 4 | | |
| Other interest income (expense), net | 141 | 124 | 125 | 125 | (64) | (67) | 80 | 66 |
| Income before income taxes | 2,348 | 2,253 | 181 | 126 | 1,906 | 1,905 | 261 | 222 |
| Income taxes ⁽¹⁾ | (497) | (236) | (38) | (13) | (404) | (200) | (55) | (23) |
| Minority interest | (69) | (81) | | | (69) | (81) | | |
| Net income | 1,782 | 1,936 | 143 | 113 | 1,433 | 1,624 | 206 | 199 |
| Basic earnings per share | 2.00 | 2.17 | | | | | | |
| Diluted earnings per share | 1.91 | 2.08 | | | | | | |

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- (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.
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Table of Contents**SIEMENS AG**

CONSOLIDATED STATEMENTS OF CASH FLOW (unaudited)
For the six months ended March 31, 2005 and 2004
(in millions of)

| | Siemens | | Eliminations, reclassifications and Corporate Treasury | | Operations | | Financing and Real Estate | |
|--|----------------|-------------|---|-------------|-------------------|-------------|--------------------------------------|-------------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| | | | | | | | | |
| Cash flows from operating activities | | | | | | | | |
| Net income | 1,782 | 1,936 | 143 | 113 | 1,433 | 1,624 | 206 | 199 |
| Adjustments to reconcile net income to cash provided | | | | | | | | |
| Minority interest | 69 | 81 | | | 69 | 81 | | |
| Amortization, depreciation and impairments | 1,355 | 1,843 | | | 1,168 | 1,644 | 187 | 199 |
| Deferred taxes | 49 | (158) | 4 | (9) | 39 | (133) | 6 | (16) |
| Losses (gains) on sales and disposals of businesses and real estate, net | 2 | (121) | | | 12 | (104) | (10) | (17) |
| Gains on sales of investments, net | (17) | (592) | | | (17) | (592) | | |
| (Gains) on sales and impairments of marketable securities, net | (231) | (39) | | (10) | (231) | (28) | | (1) |
| Loss (income) from equity investees, net of dividends received | (251) | (259) | | | (242) | (274) | (9) | 15 |
| Change in current assets and liabilities | | | | | | | | |
| (Increase) decrease in inventories, net | (1,138) | (783) | | | (1,130) | (800) | (8) | 17 |
| (Increase) decrease in accounts receivable, net | 876 | 332 | 212 | 164 | 646 | 179 | 18 | (11) |
| Increase (decrease) in outstanding balance of receivables sold | (43) | 19 | (59) | 17 | 16 | 2 | | |
| (Increase) decrease in other current assets | (149) | 551 | (47) | 279 | (76) | 23 | (26) | 249 |
| Increase (decrease) in accounts payable | (600) | 101 | (6) | (13) | (584) | 103 | (10) | 11 |
| Increase (decrease) in accrued liabilities | (147) | 20 | (16) | | (79) | 20 | (52) | |

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| | | | | | | | | |
|---|-------------|------------|-----------|------------|-------------|------------|-------------|------------|
| Increase (decrease) in other current liabilities | (728) | (552) | 100 | (27) | (904) | (564) | 76 | 39 |
| Supplemental contributions to pension trusts | (1,496) | (1,255) | | | (1,496) | (1,255) | | |
| Change in other assets and liabilities | (17) | 454 | 65 | 151 | (70) | 304 | (12) | (1) |
| | <u>(17)</u> | <u>454</u> | <u>65</u> | <u>151</u> | <u>(70)</u> | <u>304</u> | <u>(12)</u> | <u>(1)</u> |
| Net cash provided by (used in) operating activities | (684) | 1,578 | 396 | 665 | (1,446) | 230 | 366 | 683 |
| Cash flows from investing activities | | | | | | | | |
| Additions to intangible assets and property, plant and equipment | (1,366) | (1,111) | | | (1,111) | (893) | (255) | (218) |
| Acquisitions, net of cash acquired | (599) | (93) | | | (582) | (88) | (17) | (5) |
| Purchases of investments | (81) | (234) | | | (66) | (230) | (15) | (4) |
| Purchases of marketable securities | (4) | (32) | (1) | (10) | (3) | (22) | | |
| (Increase) decrease in receivables from financing activities | (345) | (174) | (262) | (243) | | | (83) | 69 |
| Increase (decrease) in outstanding balance of receivables sold by SFS | | | 59 | (17) | | | (59) | 17 |
| Proceeds from sales of long-term investments, intangibles and property, plant and equipment | 276 | 2,078 | | | 139 | 1,980 | 137 | 98 |
| Increase (decrease) from sales and dispositions of businesses | (15) | 224 | | | (16) | 205 | 1 | 19 |
| Proceeds from sales of marketable securities | 320 | 138 | 8 | 93 | 297 | 44 | 15 | 1 |
| | <u>320</u> | <u>138</u> | <u>8</u> | <u>93</u> | <u>297</u> | <u>44</u> | <u>15</u> | <u>1</u> |
| Net cash provided by (used in) investing activities | (1,814) | 796 | (196) | (177) | (1,342) | 996 | (276) | (23) |
| Cash flows from financing activities | | | | | | | | |
| Proceeds from issuance of common stock | | 3 | | | | 3 | | |
| Purchase of common stock | (150) | | | | (150) | | | |
| Proceeds from re-issuance of treasury stock | 113 | | | | 113 | | | |
| Repayment of debt | | (265) | | (265) | | | | |
| Change in short-term debt | 640 | 101 | 706 | 213 | (96) | (82) | 30 | (30) |
| Dividends paid | (1,112) | (978) | | | (1,112) | (978) | | |
| Dividends paid to minority shareholders | (77) | (62) | | | (77) | (62) | | |
| Intracompany financing | | | (3,875) | 899 | 3,980 | (228) | (105) | (671) |

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| | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net cash provided by (used in) financing activities | (586) | (1,201) | (3,169) | 847 | 2,658 | (1,347) | (75) | (701) |
| Effect of exchange rates on cash and cash equivalents | (57) | (89) | (53) | (77) | (4) | (11) | | (1) |
| Net increase (decrease) in cash and cash equivalents | (3,141) | 1,084 | (3,022) | 1,258 | (134) | (132) | 15 | (42) |
| Cash and cash equivalents at beginning of period | <u>12,190</u> | <u>12,149</u> | <u>11,251</u> | <u>11,345</u> | <u>908</u> | <u>725</u> | <u>31</u> | <u>79</u> |
| | | | | | | | | |
| Cash and cash equivalents at end of period | <u>9,049</u> | <u>13,233</u> | <u>8,229</u> | <u>12,603</u> | <u>774</u> | <u>593</u> | <u>46</u> | <u>37</u> |

Table of Contents**SIEMENS AG**

CONSOLIDATED BALANCE SHEETS (unaudited)
As of March 31, 2005 and September 30, 2004
(in millions of)

| | Siemens | | Eliminations, reclassifications and Corporate Treasury | | Operations | | Financing and Real Estate | |
|--|----------------|----------------|---|----------------|-------------------|----------------|--|----------------|
| | 3/31/05 | 9/30/04 | 3/31/05 | 9/30/04 | 3/31/05 | 9/30/04 | 3/31/05 | 9/30/04 |
| ASSETS | | | | | | | | |
| Current assets | | | | | | | | |
| Cash and cash equivalents | 9,049 | 12,190 | 8,229 | 11,251 | 774 | 908 | 46 | 31 |
| Marketable securities | 1,613 | 1,386 | 1 | 8 | 1,609 | 1,361 | 3 | 17 |
| Accounts receivable, net | 14,774 | 15,470 | (8) | (8) | 10,626 | 11,275 | 4,156 | 4,203 |
| Intracompany receivables | | | (7,736) | (12,257) | 7,734 | 12,251 | 2 | 6 |
| Inventories, net | 12,533 | 11,358 | (3) | (2) | 12,463 | 11,295 | 73 | 65 |
| Deferred income taxes | 1,087 | 1,144 | 96 | 61 | 919 | 1,018 | 72 | 65 |
| Other current assets | 4,847 | 4,398 | 792 | 710 | 3,080 | 2,793 | 975 | 895 |
| Total current assets | 43,903 | 45,946 | 1,371 | (237) | 37,205 | 40,901 | 5,327 | 5,282 |
| Long-term investments | 3,889 | 4,122 | | | 3,591 | 3,790 | 298 | 332 |
| Goodwill | 6,685 | 6,476 | | | 6,603 | 6,394 | 82 | 82 |
| Other intangible assets, net | 2,412 | 2,514 | | | 2,401 | 2,501 | 11 | 13 |
| Property, plant and equipment, net | 10,706 | 10,683 | | 1 | 7,229 | 7,242 | 3,477 | 3,440 |
| Deferred income taxes | 4,838 | 4,811 | 1,166 | 1,133 | 3,595 | 3,598 | 77 | 80 |
| Other assets | 5,038 | 4,966 | 39 | 44 | 2,161 | 2,217 | 2,838 | 2,705 |
| Other intracompany receivables | | | (1,306) | (1,284) | 1,306 | 1,284 | | |
| Total assets | 77,471 | 79,518 | 1,270 | (343) | 64,091 | 67,927 | 12,110 | 11,934 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | | | | | | |
| Current liabilities | | | | | | | | |
| Short-term debt and current maturities of | 2,353 | 1,434 | 1,506 | 850 | 533 | 451 | 314 | 133 |

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| | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| long-term debt | | | | | | | | |
| Accounts payable | 8,759 | 9,326 | (9) | (3) | 8,558 | 9,109 | 210 | 220 |
| Intracompany liabilities | | | (6,641) | (7,449) | 694 | 1,703 | 5,947 | 5,746 |
| Accrued liabilities | 9,057 | 9,240 | 120 | 6 | 8,823 | 9,055 | 114 | 179 |
| Deferred income taxes | 1,568 | 1,522 | (182) | (282) | 1,474 | 1,528 | 276 | 276 |
| Other current liabilities | 11,066 | 11,850 | 407 | 452 | 10,373 | 11,173 | 286 | 225 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total current liabilities | 32,803 | 33,372 | (4,799) | (6,426) | 30,455 | 33,019 | 7,147 | 6,779 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Long-term debt | 9,593 | 9,785 | 8,495 | 8,538 | 681 | 750 | 417 | 497 |
| Pension plans and similar commitments | 3,065 | 4,392 | | | 3,065 | 4,392 | | |
| Deferred income taxes | 515 | 569 | 182 | 184 | 225 | 274 | 108 | 111 |
| Other accruals and provisions | 3,779 | 4,016 | 25 | 25 | 3,437 | 3,586 | 317 | 405 |
| Other intracompany liabilities | | | (2,633) | (2,664) | 415 | 457 | 2,218 | 2,207 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 49,755 | 52,134 | 1,270 | (343) | 38,278 | 42,478 | 10,207 | 9,999 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Minority interests | 531 | 529 | | | 531 | 529 | | |
| Shareholders' equity | | | | | | | | |
| Common stock, no par value | | | | | | | | |
| Authorized: 1,113,292,506 and 1,113,285,711 shares, respectively | | | | | | | | |
| Issued: 891,082,506 and 891,075,711 shares, respectively | 2,673 | 2,673 | | | | | | |
| Additional paid-in capital | 5,144 | 5,121 | | | | | | |
| Retained earnings | 26,117 | 25,447 | | | | | | |
| Accumulated other comprehensive income (loss) | (6,749) | (6,386) | | | | | | |
| Treasury stock, at cost 1,751 and 250 shares, respectively | | | | | | | | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total shareholders' equity | 27,185 | 26,855 | | | 25,282 | 24,920 | 1,903 | 1,935 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities and shareholders' equity | 77,471 | 79,518 | 1,270 | (343) | 64,091 | 67,927 | 12,110 | 11,934 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SIEMENS AKTIENGESELLSCHAFT

Date: April 27, 2005

/s/ Dr. Ralf Thomas

Name: Dr. Ralf Thomas

Title: Vice President Reporting and Taxes

/s/ Dr. Klaus Patzak

Name: Dr. Klaus Patzak

Title: Vice President and Corporate
Controller