

### Energy Sector

Erlangen (Germany), October 22, 2012

#### **Siemens to focus its renewable energy activities on wind and hydro power**

Exit from solar business planned

**In connection with the previously announced company program 2014, Siemens will modify its business strategy and organizational setup with respect to renewable energy. The company plans to divest its solar business activities and is currently holding talks with potential buyers on this subject. Siemens intends to focus its renewable energy activities on wind and hydro power. As part of this reorganization, the Energy Sector will be slimmed down and the Solar & Hydro Division will be discontinued. Strengthening the company's focus on core activities is one of the five main points of the new company program 2014, the broad outline of which was recently announced to the public.**

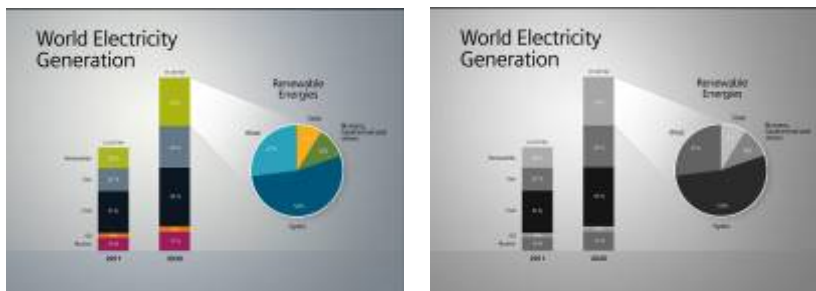
Due to the changed framework conditions, lower growth and strong price pressure in the solar markets, the company's expectations for its solar energy activities have not been met. "The global market for concentrated solar power has shrunk from four gigawatts to slightly more than one gigawatt today. In this environment, specialized companies will be able to maximize their strengths," said Michael Süß, member of the Managing Board of Siemens AG and CEO of the Energy Sector. Siemens also intends to part with the photovoltaic activities of the Solar & Hydro Division. Siemens is holding talks with interested parties on selling these activities. Siemens will continue to offer suitable products for solar thermal and photovoltaic power plants, such as steam turbines, generators, grid technology and control systems, which are produced outside of the Solar & Hydro Division.

Siemens will continue to operate the two Business Units Solar Thermal Energy and Photovoltaic until the sale. Thus, existing contractual obligations will currently not be affected. In the company's financial statements, the two Business Units will be presented separately from the Energy Sector, as Discontinued Operations. The remaining business activities of the Solar & Hydro Division (hydro power and solutions for energy storage devices) will remain within the Energy Sector. The company's hydroelectric activities include the joint venture Voith Hydro for conventional hydro

plants and the business of tidal turbines, which was fully acquired in the spring of 2012. "The importance of renewable energies in the global power mix will continue to grow and hydro power and wind energy will remain the major renewable contributors. Our renewable energy activities will be focused on these two areas. More than 7,000 employees work in the Wind Power Division and another 2,000 work in the related service business; and the Division has an order backlog of more than EUR 10 billion. Furthermore, we have established our company as the clear market leader for offshore wind power farms and we are also making very good progress in onshore business," Süß said.

In the future, the Energy Sector will comprise the Divisions of Fossil Power Generation (thermal power plants), Wind Power, Oil & Gas (solutions for the oil and gas industry and small to mid-sized thermal power plants) and Power Transmission. The related service business will be reported within Fossil Power Generation, Wind Power and Oil & Gas. The Solar & Hydro Division generated revenue in the low triple-digit millions in the past fiscal year and has roughly 800 employees, thereof 200 in Germany.

The **Siemens Energy Sector** is the world's leading supplier of a complete spectrum of products, services and solutions for power generation in thermal power plants and using renewables, power transmission in grids and for the extraction, processing and transport of oil and gas. In fiscal 2011 (ended September 30), the Energy Sector (including the activities now classified as Discontinued Operations) had revenues of EUR24.9 billion and received new orders totaling approximately EUR31.8 billion and posted a profit of EUR3.9 billion. On October 1, 2011, the Energy Sector had a work force of more than 82,000. Further information is available at: [www.siemens.com/energy](http://www.siemens.com/energy).



### Siemens Press photos

Download of this press photo: <http://www.siemens.com/energy/picture/E201210007e>

### Caption:

The importance of energy from renewable sources is growing throughout the world. Siemens predicts that energy from renewable sources will account for 28 percent of the global power mix in 2030. According to Siemens' estimates, global power consumption will rise from 22,100 terawatt-hours (TWh) to 37,100 TWh in

2030. Hydro power and wind energy will continue to contribute the largest share of energy from renewable sources.

## NOTES AND FORWARD-LOOKING STATEMENTS

This document includes supplemental financial measures that are or may be non-GAAP financial measures. New orders and order backlog; adjusted or organic growth rates of revenue and new orders; book-to-bill ratio; Total Sectors profit; return on equity (after tax), or ROE (after tax); return on capital employed (adjusted), or ROCE (adjusted); Free cash flow, or FCF; cash conversion rate, or CCR; adjusted EBITDA; adjusted EBIT; adjusted EBITDA margins, earnings effects from purchase price allocation, or PPA effects; net debt and adjusted industrial net debt are or may be such non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation as alternatives to measures of Siemens' financial condition, results of operations or cash flows as presented in accordance with IFRS in its Consolidated Financial Statements. Other companies that report or describe similarly titled financial measures may calculate them differently. Definitions of these supplemental financial measures, a discussion of the most directly comparable IFRS financial measures, information regarding the usefulness of Siemens' supplemental financial measures, the limitations associated with these measures and reconciliations to the most comparable IFRS financial measures are available on Siemens' Investor Relations website at [www.siemens.com/nonGAAP](http://www.siemens.com/nonGAAP). For additional information, see supplemental financial measures and the related discussion in Siemens' most recent annual report on Form 20-F, which can be found on our Investor Relations website or via the EDGAR system on the website of the United States Securities and Exchange Commission.

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as "expects," "looks forward to," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "will," "project" or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to stockholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens' management, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens' control, affect Siemens' 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 or anticipated on the basis of historical trends. These factors include in particular, but are not limited to, the matters described in Item 3: Risk factors of our most recent annual report on Form 20-F filed with the SEC, in the chapter "Risks" of our most recent annual report prepared in accordance with the German Commercial Code, and in the chapter "Report on risks and opportunities" of our most recent interim report.

Further information about risks and uncertainties affecting Siemens is included throughout our most recent annual, and interim reports as well as our most recent earnings release, which are available on the Siemens website, [www.siemens.com](http://www.siemens.com), and throughout our most recent annual report on Form 20-F and in our other filings with the SEC, which are available on the Siemens website, [www.siemens.com](http://www.siemens.com), and on the SEC's website, [www.sec.gov](http://www.sec.gov). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of Siemens may vary materially from those described in the relevant forward-looking statement as being expected, anticipated, intended, planned, believed, sought, estimated or projected. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.