SIEMENS AKTIENGESELLSCHAFT
Form 6-K
February 02, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 6-K
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934
February 2, 2009
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 þ Form 40-F o

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 o No þ

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 o No þ

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 o No þ

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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Introduction

Siemens AG s Interim Report for the Siemens Group complies with the applicable legal requirements of the Securities Trading Act (Wertpapierhandelsgesetz WpHG) regarding the quarterly financial report, and comprises Interim Consolidated Financial Statements and an interim group management report in accordance with § 37x (3) WpHG. The Interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU). The Interim Consolidated Financial Statements also comply with IFRS as issued by the IASB. This Interim Report should be read in conjunction with our Annual Report of fiscal 2008, which includes detailed analysis of our operations and activities.

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

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Key figures[1] Q1 2009[2]

(unaudited; in millions of , except where otherwise stated)

Growth and profit	Q1 2009	Q1 2008	% Change Actual	% Change Adjusted[3]
Continuing operations				
New orders	22,220	24,242	(8)	(7)
Revenue	19,634	18,400	7	8
Total Sectors				
Profit Total Sectors	2,005	1,673	20	
in % of revenue (Total Sectors)	10.8%	9.9%		
EBITDA (adjusted)	2,489	2,102	18	
in % of revenue (Total Sectors)	13.4%	12.5%		
Continuing operations				
EBITDA (adjusted)	2,590	2,103	23	
Income from continuing operations	1,260	1,078	17	
Basic earnings per share (in euros)[4]	1.43	1.14	25	
Continuing and discontinued operations[5]				
Net income	1,230	6,475	(81)	
Basic earnings per share (in euros)[4]	1.40	7.04	(80)	

Return on capital employed	Q1 2009	Q1 2008
Continuing operations		
Return on capital employed (ROCE)	12.9%	11.6%
Continuing and discontinued operations[5]		
Return on capital employed (ROCE)	12.6%	62.8%

Free cash flow and Cash conversion	Q1 2009	Q1 2008
Total Sectors		
Free cash flow	356	965
Cash conversion	0.18	0.58
Continuing operations		
Free cash flow	(1,574)	(217)
Cash conversion	(1.25)	(0.20)

Continuing and discontinued operations[5]		
Free cash flow	(1,651)	(801)
Cash conversion	(1.34)	(0.12)

Employees (in thousands)	Dec. 31, 2008 Cont. Op.	Dec. 31, 2008 Total[6]	Sept. 30, 2008 Cont. Op.	Sept. 30, 2008 Total[6]
Employees	425	425	427	428
Germany	131	131	132	133
Outside Germany	294	294	295	295

(1) EBITDA (adjusted), Return on capital employed (ROCE), Return on equity (ROE), Free cash flow, Cash conversion rate and adjusted or organic growth rates of revenue and new orders are or may be non-GAAP financial measures. Information for a reconciliation of these amounts to the most directly comparable IFRS financial measures is available on our Investor Relations website under www.siemens.com/investors, Financial Publications. Profit of the Sectors and Siemens IT Solutions and Services is reconciled to Income before income taxes in the table Segment Information. Profit of Siemens Financial Services is Income before income taxes.

(2) October 1, 2008 December 31, 2008.

(3) Adjusted for portfolio and currency translation effects.

(4) Earnings per share attributable to shareholders of Siemens AG. For fiscal 2009 and 2008 weighted average

shares outstanding (basic) (in thousands) for the first quarter amounted to 862,005 and 914,098 respectively.

(5) Discontinued operations consist of Siemens VDO Automotive activities as well as of carrier networks, enterprise networks and mobile devices activities.

(6) Continuing and discontinued operations.

(7) Return on equity is calculated as annualized Income before income taxes of Q1 divided by average allocated equity for the first three months of fiscal 2009 (1.129 billion).

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Interim group management report
Overview of financial results for the first quarter of fiscal 2009
(October 1, 2008 to December 31, 2008)

Orders of 22.220 billion came in 8% below the high level of the prior-year quarter. The order backlog included no major cancellations.

Revenue rose 7% to 19.634 billion, supported by strong order growth in recent years.

Total Sectors profit climbed 20%, to 2.005 billion, led by broad-based profit growth in Energy.

Income from continuing operations rose 17%, to 1.260 billion, on higher Total Sectors profit.

Net income was 1.230 billion in the first quarter. A year earlier, net income of 6.475 billion for the quarter included approximately 5.4 billion in income from discontinued operations related to Siemens VDO Automotive.

Free cash flow was a negative 1.574 billion compared to a negative 217 million in the prior-year period. The current period includes payments totalling 1.230 billion associated with legal proceedings, project charges and transformation programs initiated in fiscal 2008.

Revenue rose and book-to-bill remained well above 1. First-quarter revenue rose to 19.634 billion, a 7% increase compared to the same period a year earlier. Revenue growth was supported strongly by high order growth in the past two fiscal years. Orders exceeded revenue, at 22.220 billion, but declined 8% compared to the record high level in the first quarter a year earlier. The book-to-bill ratio for the current period was 1.13.

The net effect of currency translation for Siemens was neutral for revenues and orders. On an organic basis, i.e. excluding currency effects and portfolio transactions, revenue rose 8% and orders came in 7% lower compared to the prior-year quarter.

Revenue increased in all Sectors and regions. Revenue rose in all three Sectors, led by double-digit growth throughout the Energy Sector. The Healthcare Sector also posted double-digit growth including new volume from the acquisition of Dade Behring Holdings Inc. (Dade Behring) at the Diagnostics Division.

On a geographic basis, revenue rose in all three reporting regions of Siemens, with particular strength in the Americas and Asia/Australia. The Fossil Power Generation and Renewable Energy Divisions led to higher revenue in the Americas, while in Asia/Australia the largest revenue increases came at the Power Transmission and Industrial Solutions Divisions.

Broad-based order decline in all regions, most Divisions. In an environment of slowing global growth and a worldwide financial and economic crisis, weaker demand was noticeable throughout Siemens business. Orders climbed 3% in Healthcare but declined in Industry and Energy, where a majority of Divisions had lower or level orders year-over-year.

All regions posted lower orders. Within the Asia/Australia region volume declined significantly in China, where the Industry Solutions Division and Power Transmission Division had large orders in the prior-year period. Orders came in lower in the Americas due primarily to the Renewable Energy and Oil & Gas Divisions, which benefited from surging demand in the U.S. a year earlier. Orders rose 12% in Germany on the strength of a large order at the Mobility Division.

Total Sectors profit climbed, led by Energy and Healthcare. Total Sectors profit for the first quarter climbed 20% year-over-year, to 2.005 billion. Energy was the primary driver of Sectors profit growth, with a strong profit rebound in the fossil power business compared to the first quarter a year earlier and double-digit profit increases at all other Divisions. Higher revenue helped lift Sector profit at Healthcare as well. Industry made the largest contribution to Total Sectors profit in the first quarter but saw a decline compared to the prior-year period due primarily to a decline in the industrial automation business.

Income from continuing operations climbed on higher Sectors profit. Income from continuing operations grew to 1.260 billion, up 17% compared to the first quarter a year earlier. Basic EPS on a continuing basis rose to 1.43 from 1.14 in the prior-year period. The major factor in these increases was higher Total Sectors profit year-over-year. Other positive factors were lower expenses for Corporate items including legal and regulatory matters, higher income from Equity Investments and continued progress in closing out Other Operations. These positive factors more than offset lower income from Cross-Sector Businesses and Siemens Real Estate (SRE), as well as negative results of finance related hedging activities not qualifying for hedge accounting.

Year-over-year development of net income included the sale of Siemens VDO Automotive (SV) in fiscal 2008. Net income in the first quarter was 1.230 billion, with a corresponding EPS of 1.40. A year earlier, net income of 6.475 billion and EPS of 7.04 benefited substantially from 5.397 billion in income from discontinued operations, primarily related to the sale of SV. In the current period, discontinued operations posted a loss of 30 million related mainly to the fiscal 2008 sale of a 51% stake in Siemens Enterprise Communications (SEN).

ROCE rose on higher income. On a continuing basis, return on capital employed (ROCE) increased to 12.9% from 11.6% in the first quarter a year earlier on higher income from continuing operations in the current period.

Compliance expenses fell again as major legal proceedings conclude. Siemens concluded previously disclosed major legal proceedings in the U.S. and Germany during the first quarter. Expenses within continuing and discontinued operations for outside advisors in connection with these matters totaled 50 million, substantially lower than 127 million in the prior-year period and 89 million in the previous quarter. Within these totals, discontinued operations accounted for 1 million in the current quarter compared to 34 million in the prior-year period.

Pension underfunding increased on higher DBO. The estimated underfunding of Siemens principal pension plans as of December 31, 2008, amounted to approximately 4.3 billion, compared to an underfunding of approximately 2.5 billion at the end of fiscal 2008. The decline in funding status is due primarily to a significant decrease in the discount rate assumption at December 31, 2008, which increased Siemens estimated defined benefit obligation (DBO).

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Results of Siemens

Results of Siemens First quarter of fiscal 2009

The following discussion presents selected information for Siemens for the first quarter of fiscal 2009:

Revenue rose 7% year-over-year, to 19.634 billion, with revenue still robust due to a strong order backlog in many of our businesses. Orders were 22.220 billion, down 8% from the first quarter of fiscal 2008, reflecting slowing demand due to global economic conditions and the ongoing financial and economic crisis. The book-to-bill ratio was 1.13 for the current quarter, lower than 1.32 in the prior-year period, but up from the last quarter of fiscal 2008. On an organic basis, excluding the net effect of currency translation and portfolio transactions, revenue rose 8% year-over-year and orders decreased by 7%.

	New Orders (location of customer)					
	First three months of fiscal		% Change		therein	
(in millions)	**2009**	**2008**	**Actual**	**Adjusted***	**Currency**	**Portfolio**
Europe, C.I.S.**, Africa, Middle East	13,076	13,871	(6)%	(2)%	(2)%	(2)%
therein Germany	*3,930*	*3,505*	*12%*	*14%*	*0%*	*(2)%*
Americas	5,498	6,102	(10)%	(15)%	5%	0%
therein U.S.	*4,258*	*4,362*	*(2)%*	*(10)%*	*8%*	*0%*
Asia, Australia	3,646	4,269	(15)%	(16)%	1%	0%
therein China	*1,176*	*1,445*	*(19)%*	*(27)%*	*8%*	*0%*
therein India	*585*	*638*	*(8)%*	*1%*	*(9)%*	*0%*
Siemens	**22,220**	**24,242**	**(8)%**	**(7)%**	**0%**	**(1)%**

* Excluding currency translation and portfolio effects.

** Commonwealth of Independent States.

Order growth related to external customers in the first quarter of fiscal 2009 showed a mixed picture across the three Sectors. The Industry Sector Siemens largest Sector saw orders decline by 11% compared to the strong prior-year period. All Divisions in the Sector reported lower orders except Mobility and Building Technologies, with Industry Solutions, Drive Technologies and Industry Automation experiencing the largest drops. While the Energy Sector saw orders increase compared to the last two quarters of fiscal 2008, they declined 6% compared to the first quarter a year earlier, largely due to a high volume of major orders in the prior-year period, in particular at Renewable Energy and Oil & Gas. The Energy Sector s book-to-bill ratio remained strong at 1.37. Healthcare increased orders 3%, benefiting from new volume at Diagnostics due to the acquisition of Dade Behring, which was completed one month into the first quarter of the prior year.

In the region comprising Europe, C.I.S., Africa and the Middle East Siemens largest reporting region orders declined by 6% on decreases in Energy and Industry, while orders in Healthcare were stable compared to the prior-year period. While the decline in Industry orders was broad-based reflecting exposure to current macroeconomic conditions, orders in the Energy Sector came in lower mainly due to fewer major orders compared to the first quarter of fiscal 2008. In Germany, order growth included a major contract win at Mobility. In the Americas, reported orders of 5.498 billion were 10% lower than in the prior-year period. This was due primarily to a double-digit decline in Energy, particularly including Renewable Energy and Oil & Gas. Orders in Industry also were lower in the region, while they rose in Healthcare supported by new volume from Dade Behring. On an organic basis, excluding positive currency translation effects primarily in the U.S., orders declined by 15% in the Americas region. In the region comprising Asia and Australia, orders came in 15% lower, as growth in Energy and Healthcare was more than offset by a significant decline in the Industry Sector. Within the region, volume declined significantly in China, where the Industry Solutions Division and Power Transmission Division had large orders in the prior-year period.

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	Revenue (location of customer)					
	First three months of fiscal		% Change		therein	
(in millions)	2009	2008	Actual	Adjusted*	Currency	Portfolio
Europe, C.I.S.**, Africa, Middle East	11,089	10,886	2%	6%	(2)%	(2)%
therein Germany	*3,165*	*3,155*	*0%*	*2%*	*0%*	*(2)%*
Americas	5,370	4,663	15%	9%	6%	0%
therein U.S.	*4,063*	*3,511*	*16%*	*6%*	*10%*	*0%*
Asia, Australia	3,175	2,851	11%	9%	2%	0%
therein China	*1,200*	*1,095*	*10%*	*2%*	*9%*	*(1)%*
therein India	*361*	*380*	*(5)%*	*4%*	*(10)%*	*1%*
Siemens	**19,634**	**18,400**	**7%**	**8%**	**0%**	**(1)%**

* Excluding currency translation and portfolio effects.

** Commonwealth of Independent States.

Revenue related to external customers rose 7% year-over-year in the first quarter, on double-digit increases in Energy and Healthcare. Industry delivered revenue growth of 2% on increases at Mobility, Industry Solutions, Building Technologies and Drive Technologies. OSRAM and Industry Automation were more exposed to weakening market conditions in close-to-consumer businesses, and posted lower revenue. The Energy Sector recorded a broad-based 24% growth in revenue, including double-digit increases in all five Divisions. The difference year-over-year includes revenue conversion from a more substantial order backlog. Revenue in the Healthcare Sector was up 10% compared to the prior-year quarter, with Diagnostics contributing most of the increase year-over-year.

In the Europe, C.I.S., Africa, Middle East region, revenue rose 2% year-over-year. All Sectors delivered higher revenue compared to the prior-year period, led by double-digit growth in Energy. Reported revenue for the region was held back by negative portfolio effects, particularly related to the divestment of Siemens Home and Office Communication Devices GmbH & Co. KG (SHC) between the periods under review. Revenue in Germany was level year-over-year. The Americas region posted a 15% revenue increase, benefiting from positive currency translation effects. Energy generated the highest growth and increased its revenue in the region for the fourth consecutive quarter. Revenue rose 14% in Healthcare and was stable in Industry. On an organic basis, revenue rose 9% for the Americas and 6% in the U.S. The Asia, Australia region saw 11% expansion in revenue, including double-digit growth in Energy and Healthcare and a 6% increase in Industry. While revenue in China showed a similar pattern as for the region as a whole, India reported a decline due primarily to strong negative currency translation effects.

	First three months of fiscal		
(in millions)	2009	2008	% Change
Gross profit on revenue	5,640	5,305	6%
as percentage of revenue	*28.7%*	*28.8%*	

Gross profit for the first quarter of fiscal 2009 increased 6% year-over-year, as Energy significantly improved its gross profit compared to the prior-year period that included substantial project charges at Fossil Power Generation. Lower gross profit in Industry was mainly driven by a decline at Industry Automation, while a decrease in Healthcare included charges in its particle therapy business in the current period. The gross profit margin for Siemens came in near the prior-year level.

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(in millions)	First three months of fiscal 2009	2008	% Change
Research and development expenses	(914)	(847)	8%
as percentage of revenue	*4.7%*	*4.6%*	
Marketing, selling and general administrative expenses	(2,868)	(3,055)	(6)%
as percentage of revenue	*14.6%*	*16.6%*	
Other operating income	185	190	(3)%
Other operating expense	(117)	(206)	(43)%
Income from investments accounted for using the equity method, net	117	108	8%
Financial income (expense), net	(308)	22	n.a.

Research and development (R&D) expenses increased to 914 million, or 4.7% of revenue, from 847 million or 4.6% of revenue in the first quarter of fiscal 2008, led by higher outlays in Industry and Energy. Marketing, selling and general administrative (SG&A) expenses declined to 2.868 billion, or 14.6% of revenues, from 3.055 billion or 16.6% of revenue in the prior-year period, on a broad-based improvement in SG&A expense ratio across all Sectors.

Other operating income decreased slightly to 185 million in the first quarter, compared to 190 million a year earlier. Other operating expense was 117 million, down from 206 million in the first quarter a year earlier. The prior-year period included a goodwill impairment of 70 million related to a building and infrastructure business, 50% of which was divested between the periods under review. In addition, expenses for outside advisors engaged in connection with investigations into alleged violations of anti-corruption laws and related matters as well as remediation activities decreased from 93 million a year earlier to 49 million in the current period.

Income from investments accounted for using the equity method, net was 117 million compared to 108 million in the same period a year earlier. The increase included a lower equity investment loss related to Nokia Siemens Networks B.V. (NSN), amounting to 7 million in the current quarter, compared to 37 million a year earlier. Siemens expects substantial volatility in equity investment income in coming quarters.

Financial income (expense), net decreased to a negative 308 million, down from a positive 22 million in the first quarter of the prior fiscal year, primarily due to negative results of hedging activities not qualifying for hedge accounting. In addition, Income (expense) from pension plans and similar commitments, net, swung from a positive 35 million in the prior year period to a negative 58 million, due to higher interest cost and lower expected return on plan assets.

(in millions)	First three months of fiscal 2009	2008	% Change
Income from continuing operations before income taxes	1,735	1,517	14%
Income taxes	(475)	(439)	8%
as percentage of income from continuing operations before income taxes	*27%*	*29%*	
Income from continuing operations	1,260	1,078	17%
Income (loss) from discontinued operations, net of income taxes	(30)	5,397	n.a.
Net income	1,230	6,475	(81)%
Net income attributable to minority interest	27	43	
Net income attributable to shareholders of Siemens AG	1,203	6,432	(81)%

Income from continuing operations before income taxes was 1.735 billion in the first quarter of fiscal 2009, compared to 1.517 billion a year earlier. The change year-over-year was due mainly to an increase in gross profit, accompanied by a decline in SG&A expenses and partly offset by a reduction in financial income due to the factors mentioned above. The effective tax rate on income from continuing operations was 27% in the current quarter, down from 29% in the prior-year period. The current-period rate was influenced by positive tax effects in connection with the divestment of a business. As a result, income from continuing operations after taxes was 1.260 billion, up from 1.078 billion in the first quarter of fiscal 2008.

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Discontinued operations include former Com activities as well as SV, which was sold to Continental AG in the first quarter of fiscal 2008. The former Com activities include SEN, 51% of which were divested during the fourth quarter of fiscal 2008; telecommunications carrier activities transferred into NSN in the third quarter of fiscal 2007; and the mobile devices business sold to BenQ Corporation in fiscal 2005. Income from discontinued operations in the current quarter was a negative 30 million, compared to a positive 5.397 billion a year earlier. The difference is due mainly to approximately 5.4 billion in the prior-year period related to SV, including operating results along with a substantial gain on the sale of the business. For additional information regarding discontinued operations, see Notes to Interim Consolidated Financial Statements within this Interim Report.

Net income for Siemens in the first quarter of fiscal 2009 was 1.230 billion, compared to 6.475 billion in the same period a year earlier, primarily due to the development in discontinued operations discussed above. Net income attributable to shareholders of Siemens AG was 1.203 billion, down from 6.432 billion in the first quarter of fiscal 2008.

Portfolio activities

At the beginning of October 2008, Siemens completed the transfer of an 80.2% stake in Siemens Home and Office Communication Devices GmbH & Co. KG (SHC), reported in Other Operations, to ARQUES Industries AG. The transaction resulted in a preliminary net loss of 118 million (including an impairment loss of 78 million) and additional costs of 21 million related mainly to carve-out activities. The expenses were already recognized in the fiscal year 2008.

We completed certain other portfolio transactions during the first three months of fiscal 2009 which did not have a significant effect on our Interim Consolidated Financial Statements. For further information on acquisitions and dispositions, see Notes to Interim Consolidated Financial Statements.

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Segment information analysis
Sectors
Industry

Sector	**First three months of fiscal**		**% Change**		**therein**	
(in millions)	**2009**	**2008**	**Actual**	**Adjusted***	**Currency**	**Portfolio**
Profit	907	994	(9)%			
Profit margin	9.7%	10.8%				
New orders	9,831	11,001	(11)%	(11)%	0%	0%
Revenue	9,351	9,174	2%	1%	1%	0%

* Excluding currency translation and portfolio effects.

Industry led all Sectors with profit of 907 million in the first quarter. For comparison, Sector profit was 994 million in the first quarter a year earlier. The primary factor in the difference year-over-year was the Industry Automation Division, which remained the top income contributor in the Sector but saw profitability drop from a peak profit margin in the prior-year quarter due to lower volume and a less favorable product mix. OSRAM s contribution to Sector profit fell also, as its markets became more challenging. The other four Divisions within Industry all increased their profit, including double-digit increases at Building Technologies, Industry Solutions and Mobility.

First-quarter revenue for Industry rose 2% compared to the prior-year period, while orders came in 11% lower. On an organic basis, excluding currency translation and portfolio effects, revenue rose 1% and orders declined 11% year-over-year. All Divisions except Industry Automation and OSRAM increased their revenues compared to the prior-year period. Revenue growth was strongest in the Asia, Australia region. Orders showed exposure to global macroeconomic conditions, with declines in all regions. The Industry Sector s book-to-bill ratio was 1.05 compared to 1.2 in the prior-year period.

Divisions	**New Orders**					
	First three months of fiscal		**% Change**		**therein**	
(in millions)	**2009**	**2008**	**Actual**	**Adjusted***	**Currency**	**Portfolio**
Industry Automation	1,953	2,281	(14)%	(13)%	1%	(2)%
Drive Technologies	2,141	2,505	(15)%	(16)%	1%	0%
Building Technologies	1,545	1,539	0%	(3)%	1%	2%
OSRAM	1,097	1,193	(8)%	(7)%	2%	(3)%
Industry Solutions	1,916	2,567	(25)%	(24)%	(1)%	0%
Mobility	1,924	1,775	8%	9%	(1)%	0%

* Excluding currency translation and portfolio effects.

Divisions	**Revenue**					
	First three months of fiscal		**% Change**		**therein**	
(in millions)	**2009**	**2008**	**Actual**	**Adjusted***	**Currency**	**Portfolio**

Industry Automation	1,977	2,089	(5)%	(4)%	1%	(2)%
Drive Technologies	2,123	1,974	8%	6%	1%	1%
Building Technologies	1,531	1,434	7%	3%	1%	3%
OSRAM	1,097	1,193	(8)%	(7)%	2%	(3)%
Industry Solutions	1,796	1,708	5%	3%	0%	2%
Mobility	1,564	1,440	9%	11%	(2)%	0%

* Excluding currency translation and portfolio effects.

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