

SIEMENS AKTIENGESELLSCHAFT

Form 6-K

July 29, 2004

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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 July 29, 2004

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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| | 3rd quarter⁽¹⁾ | | first nine months⁽²⁾ | |
|---|----------------------------------|-------------|--|-------------------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Net income <i>(in millions of euros)</i> | 815 | 632 | 2,751 | 1,721 |
| Earnings per share ⁽³⁾ <i>(in euros)</i> | 0.91 | 0.71 | 3.09 | 1.93 |
| Net cash from operating and investing activities <i>(in millions of euros)</i> | 279 | 266 | 2,653 | 527 |
| <i>therein: Net cash provided by operating activities</i> | 1,107 | 2,038 | 2,685 | 3,310 |
| <i>Net cash used in investing activities</i> | (828) | (1,772) | (32) | (2,783) |
| <i>Supplemental contributions to pension trusts</i> <i>(included in net cash provided by operating activities)</i> | | | (1,255) | (442) |
| <i>Net proceeds from the sale of Infineon shares</i> <i>(included in net cash used in investing activities)</i> | | | 1,794 | |
| Group profit from Operations <i>(in millions of euros)</i> | 1,239 | 1,023 | 3,676 | 3,193 |
| New orders <i>(in millions of euros)</i> | 19,077 | 17,215 | 59,283 | 56,444 |
| Sales <i>(in millions of euros)</i> | 18,216 | 17,380 | 54,339 | 54,455 |
| | | | June 30, 2004 | September 30, 2003 |
| Employees <i>(in thousands)</i> | | | 418 | 417 |
| Germany | | | 165 | 170 |
| International | | | 253 | 247 |

- (1) April 1 June 30, 2004 and 2003, respectively
- (2) October 1, 2003 and 2002 June 30, 2004 and 2003, respectively
- (3) 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

Munich, July 29, 2004

Siemens in the third quarter (April 1 to June 30) of fiscal 2004

Net income was 815 million, up 29% from 632 million in the third fiscal quarter a year ago.

Group Profit from Operations was 1.239 billion, up 21% from 1.023 billion in the same period a year earlier.

Orders rose 11% to 19.077 billion and sales were up 5% to 18.216 billion from the third-quarter levels of fiscal 2003.

Net cash from operating and investing activities for the third quarter was 279 million, up from 266 million in the third quarter a year earlier.

I am pleased about the developments in the third quarter. Order intake is developing well, supported particularly by a very strong June. Also, net income is progressing ahead of our expectations and should allow us to exceed our own earnings objectives for the full year, said Siemens CEO Heinrich v. Pierer. These trends show that improvement in the broader macroeconomic environment is now arriving in our industry, and that we are succeeding with our enterprise-wide initiative, Go for profit and growth. To ensure our earnings momentum into the next fiscal year we are targeting further operational improvements by the Groups.

For the third quarter ended June 30, 2004, Siemens reported net income of 815 million compared to 632 million in the same period a year earlier. Basic and diluted earnings per share rose to 0.91 and 0.88, respectively, compared to 0.71 per share in the prior-year period. Net income rose on the strength of Group Profit from Operations, which climbed to 1.239 billion from 1.023 billion in the same period a year ago.

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In Operations, a majority of Siemens Groups achieved double-digit earnings growth and higher profit margins compared to the same quarter of fiscal 2003. Top earnings performers included Automation and Drives (A&D), Power Generation (PG), Medical Solutions (Med), Siemens VDO Automotive (SV), and Osram. Challenges remain at Transportation Systems (TS) and Siemens Business Services (SBS), which reported losses.

Third-quarter orders climbed 11% to 19.077 billion from 17.215 billion a year earlier, and third-quarter sales rose 5% to 18.216 billion from 17.380 billion in the prior year. Business volume was particularly strong in the closing month of the quarter. International business drove order growth, rising 16% year-over-year. Significantly reduced capital expenditures for rail transportation projects contributed to an 8% decline in orders in Germany year-over-year.

Operations generated 379 million in net cash in the third quarter, despite a build-up in net working capital associated with volume growth. In the prior-year period, Operations used net cash of 569 million due to major investments. The two other components of Siemens worldwide, which include Financing and Real Estate and Corporate Treasury activities, used net cash of 100 million in the current period, particularly reflecting renewed asset growth in the financing business. In contrast, these activities provided net cash of 835 million in the prior-year period. In aggregate, net cash from operating and investing activities for Siemens worldwide was 279 million in the third quarter, up year-over-year from 266 million.

Table of Contents**Operations in the third quarter of fiscal 2004**Information and Communications**Information and Communication Networks (ICN)**

| (in millions) | Third quarter ended June 30, | | | |
|---------------------|------------------------------|--------|----------|-------------|
| | 2004 | 2003 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 51 | (125) | | |
| Group profit margin | 3.0% | (7.4)% | | |
| Sales | 1,678 | 1,687 | (1)% | 0% |
| New orders | 1,608 | 1,756 | (8)% | (7)% |

*Excluding currency translation effects.

ICN posted Group profit of 51 million compared to a loss a year earlier, when the Group took 72 million in charges primarily related to Efficient Networks, Inc. Third-quarter earnings at the Carrier Networks and Services business were 15 million compared to a loss of 128 million in the prior-year period, which included the charges mentioned above. Sales were 816 million, up from 801 million a year earlier. The Enterprise Networks division contributed 49 million in third-quarter earnings on sales of 859 million, compared to 62 million and 893 million in the prior-year quarter. For ICN overall, third-quarter sales were nearly level with the prior-year total, while orders were down 8%.

Information and Communication Mobile (ICM)

| (in millions) | Third quarter ended June 30, | | | |
|---------------------|------------------------------|-------|----------|-------------|
| | 2004 | 2003 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 64 | 17 | 276% | |
| Group profit margin | 2.6% | 0.8% | | |
| Sales | 2,446 | 2,160 | 13% | 15% |
| New orders | 2,851 | 2,313 | 23% | 25% |

*Excluding currency translation effects.

ICM improved third-quarter Group profit year-over-year to 64 million in a market that remained intensely competitive. Earnings at the Mobile Networks division were 133 million on sales of 1.180 billion, compared to earnings of 36 million on sales of 968 million in the third quarter a year earlier. The Mobile Phones division generated 996 million in sales on a volume of 10.4 million handsets, up from 922 million and 8.1 million units in the same period a year earlier. Average selling price declined year-over-

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year, contributing to a loss of 88 million in the third quarter. For comparison, the division posted a loss of 42 million in the prior-year quarter, which included a positive effect related to warranty performance. For ICM as a whole, sales rose 13%, to 2.446 billion. Order growth of 23% included a major infrastructure order in Italy and market interest in the Mobile Phones new 65 series.

Siemens Business Services (SBS)

| (in millions) | Third quarter ended June 30, | | | |
|---------------------|-------------------------------------|-------------|-----------------|--------------------|
| | 2004 | 2003 | % Change | |
| | | | Actual | Comparable* |
| Group profit | (2) | 17 | | |
| Group profit margin | (0.2)% | 1.3% | | |
| Sales | 1,140 | 1,283 | (11)% | (11)% |
| New orders | 1,218 | 1,297 | (6)% | (6)% |

*Excluding currency translation effects.

SBS posted a loss for the quarter, reflecting pricing pressure in a weak market for IT solutions as well as delays in implementing capacity adjustments. Third-quarter sales declined to 1.140 billion and orders were also down year-over-year, at 1.218 billion.

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

| (in millions) | Third quarter ended June 30, | | | |
|---------------------|-------------------------------------|-------------|-----------------|--------------------|
| | 2004 | 2003 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 308 | 203 | 52% | |
| Group profit margin | 13.9% | 9.8% | | |
| Sales | 2,208 | 2,074 | 6% | 7% |
| New orders | 2,290 | 2,078 | 10% | 11% |

*Excluding currency translation effects of (2)% and portfolio effects of 1% on sales and orders.

A&D was Siemens' top earnings performer in the third quarter. Group profit rose 52% to a record high of 308 million, driven by continuing productivity increases across all divisions in an improved macroeconomic environment. The Industrial Automation Systems division contributed particularly strong profitability, helping to push A&D's earnings margin close to 14%. Third-quarter sales rose 6% year-over-year, to 2.208 billion. Orders climbed 10% to 2.290 billion, reflecting rapid growth in Asia-Pacific, particularly in China, and improving demand in Europe.

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

| (in millions) | Third quarter ended June 30, | | | |
|---------------------|------------------------------|------|----------|-------------|
| | 2004 | 2003 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 19 | 5 | 280% | |
| Group profit margin | 1.9% | 0.5% | | |
| Sales | 1,001 | 959 | 4% | 5% |
| New orders | 952 | 911 | 5% | 6% |

*Excluding currency translation effects.

Third-quarter Group profit at I&S was 19 million, benefiting from a positive effect related to capacity reduction programs. Sales of 1.001 billion and orders of 952 million for the quarter increased from the prior-year quarter 4% and 5%, respectively.

Logistics and Assembly Systems (L&A)

| (in millions) | Third quarter ended June 30, | | | |
|---------------------|------------------------------|---------|----------|-------------|
| | 2004 | 2003 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 14 | (64) | | |
| Group profit margin | 2.5% | (10.0)% | | |
| Sales | 568 | 640 | (11)% | (9)% |
| New orders | 513 | 571 | (10)% | (6)% |

*Excluding currency translation effects of (2)% and (5)% on sales and orders, respectively, and portfolio effects of 1% on orders.

L&A (formerly called Siemens Dematic) returned to profitability compared to the third quarter a year earlier, when the Group took charges for capacity reduction and project risks. The Electronics Assembly division was the primary contributor to L&A's improvement in Group profit, while losses at the Airport Logistics and Distribution & Industry Logistics divisions continued to slow earnings progress for the Group as a whole. Lower sales of 568 million reflect completion of projects between the periods under review, while lower orders of 513 million reflect more selective

order intake.

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

| (in millions) | Third quarter ended June 30, | | | |
|---------------------|------------------------------|-------|----------|-------------|
| | 2004 | 2003 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 14 | 18 | (22)% | |
| Group profit margin | 1.4% | 1.6% | | |
| Sales | 997 | 1,156 | (14)% | (5)% |
| New orders | 1,070 | 1,137 | (6)% | 3% |

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

Lower sales in its existing businesses, particular in its building automation business, led to lower earnings at SBT compared to the third quarter a year earlier, when the Group took significant charges for capacity reduction. Divestment of SBT's facility management business between the periods under review further reduced sales for the Group overall, to 997 million. Orders of 1.070 billion, however, were up 3% year-over-year on a comparable basis.

Power**Power Generation (PG)**

| (in millions) | Third quarter ended June 30, | | | |
|---------------------|------------------------------|-------|----------|-------------|
| | 2004 | 2003 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 236 | 279 | (15)% | |
| Group profit margin | 12.2% | 18.2% | | |
| Sales | 1,933 | 1,530 | 26% | 14% |
| New orders | 2,029 | 1,596 | 27% | 10% |

*Excluding currency translation effects of (2)% and (1)% on sales and orders, respectively, and portfolio effects of 14% and 18% on sales and orders, respectively.

PG achieved double-digit growth in both sales and orders, to 1.933 billion and 2.029 billion, respectively. Sales rose on expansion of the Group's service business and consolidation of the Alstom industrial turbine business between the periods under review. Order growth included large new contracts in Australia and the Middle East. Third-quarter Group profit was 236 million compared to 279 million a year earlier, which included 65 million in cancellation gains.

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

| (in millions) | Third quarter ended June 30, | | | |
|---------------------|-------------------------------------|-------------|-----------------|--------------------|
| | | | % Change | |
| | 2004 | 2003 | Actual | Comparable* |
| Group profit | 62 | 52 | 19% | |
| Group profit margin | 7.5% | 6.0% | | |
| Sales | 822 | 869 | (5)% | (4)% |
| New orders | 848 | 868 | (2)% | 1% |

*Excluding currency translation effects.

PTD increased Group profit 19% despite lower sales compared to the prior-year quarter, as nearly all divisions within the Group improved their earnings margins year-over-year. The High Voltage division was again the Group's leading earnings contributor. While third-quarter sales of \$822 million came in below the prior-year level, orders were up on a comparable basis as PTD won new contracts in Latin America, Africa, and the Middle East.

Transportation**Transportation Systems (TS)**

| (in millions) | Third quarter ended June 30, | | | |
|---------------------|-------------------------------------|-------------|-----------------|--------------------|
| | | | % Change | |
| | 2004 | 2003 | Actual | Comparable* |
| Group profit | (48) | 74 | | |
| Group profit margin | (4.7)% | 6.7% | | |
| Sales | 1,019 | 1,100 | (7)% | (7)% |
| New orders | 942 | 732 | 29% | 30% |

*Excluding currency translation effects.

Third-quarter orders of \$942 million at TS were up 29% due to comparison with a prior-year quarter marked by unusually low order intake. Slowing demand for rail transportation systems, particularly in Germany, reduced third-quarter sales 7% year-over-year, to \$1.019 billion. The loss of \$48 million at TS in the third quarter reflects

charges in its rolling stock business. The smaller part of the charges related to the Group's Combino railcar business.

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

| (in millions) | Third quarter ended June 30, | | | |
|---------------------|-------------------------------------|-------------|-----------------|--------------------|
| | 2004 | 2003 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 174 | 111 | 57% | |
| Group profit margin | 7.0% | 5.3% | | |
| Sales | 2,502 | 2,090 | 20% | 15% |
| New orders | 2,517 | 2,090 | 20% | 14% |

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

SV maintained its positive momentum, boosting Group profit 57% compared to the third quarter of fiscal 2003 and earning its cost of capital for the first time since its fiscal 2001 merger. Profits rose year-over-year throughout the Group, driven by a particularly strong increase at the Interior & Infotainment division. The 20% increases in third-quarter sales and orders, to 2.502 billion and 2.517 billion, respectively, include SV's acquisition of a U.S. automotive electronics business from DaimlerChrysler between the periods under review. On a comparable basis, SV still delivered double-digit sales and order growth.

Medical**Medical Solutions (Med)**

| (in millions) | Third quarter ended June 30, | | | |
|---------------------|-------------------------------------|-------------|-----------------|--------------------|
| | 2004 | 2003 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 219 | 332 | (34)% | |
| Group profit margin | 13.1% | 19.3% | | |
| Sales | 1,670 | 1,721 | (3)% | 5% |
| New orders | 1,999 | 1,702 | 17% | 26% |

*

Excluding currency translation effects of (3)% and (4)% on sales and orders, respectively, and portfolio effects of (5)% on sales and orders.

Med was again a leading earnings contributor, recording Group profit of 219 million. For comparison, the prior-year period included a 74 million gain related to Med's contribution of a portion of its electromedical systems business to a joint venture. Orders surged 26% year-over-year on a comparable basis, to nearly 2 billion, reflecting broad strength in Med's diagnostics imaging and medical information systems businesses. Third-quarter sales of 1.670 billion were up 5% year-over-year on a comparable basis.

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

| (in millions) | Third quarter ended June 30, | | | |
|---------------------|-------------------------------------|-------------|-----------------|--------------------|
| | 2004 | 2003 | % Change | |
| | | | Actual | Comparable* |
| Group profit | 111 | 98 | 13% | |
| Group profit margin | 10.8% | 10.1% | | |
| Sales | 1,029 | 968 | 6% | 10% |
| New orders | 1,029 | 968 | 6% | 10% |

*Excluding currency translation effects.

Osram's Group profit rose on the strength of higher sales and orders in its large North America and Asia-Pacific markets. Third-quarter sales and orders of 1.029 billion were up 10% year-over-year excluding currency translation effects, with all divisions reporting revenue growth year-over-year.

Other operations

Other operations consist of centrally held equity investments and other operating businesses not related to a Group. These activities contributed 17 million in Group profit in the third quarter, up from 6 million in the same period a year earlier.

Corporate Items, Pensions and Eliminations

Corporate items, pensions and eliminations were a negative 323 million in the third quarter, compared to a negative 377 million in the same period a year earlier. In the prior-year period, Corporate items included a negative 43 million representing Siemens' equity share of the net loss for the quarter at Infineon Technologies AG. Corporate items no longer include an equity share of Infineon's net results.

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

| (in millions) | Third quarter ended June 30, | | | |
|----------------------------|-------------------------------------|-------------|-----------------|--------------------|
| | 2004 | 2003 | % Change | |
| | | | Actual | Comparable* |
| Income before income taxes | 67 | 71 | (6)% | |
| Sales | 130 | 135 | (4)% | (3)% |

*Excluding currency translation effects.

Income before income taxes at SFS was 67 million compared to 71 million in the third quarter a year earlier, due to lower earnings in the Group's Equipment and Sales Financing division.

Siemens Real Estate (SRE)

| (in millions) | Third quarter ended June 30, | | | |
|----------------------------|-------------------------------------|-------------|-----------------|--------------------|
| | 2004 | 2003 | % Change | |
| | | | Actual | Comparable* |
| Income before income taxes | 10 | 77 | (87)% | |
| Sales | 390 | 391 | 0% | 0% |

*Excluding currency translation effects.

Income before income taxes at SRE was 10 million compared to 77 million in the third quarter a year earlier. The decrease in earnings was due largely to termination of a major development project in Frankfurt and continued weakness in the commercial real estate market.

Eliminations, reclassifications and Corporate Treasury

Income before income taxes from Eliminations, reclassifications and Corporate Treasury in the third quarter was 46 million, up from 43 million in the same period a year ago.

Income statement highlights for Operations in the third quarter

In Operations, net sales increased to 18.077 billion, up from 17.249 billion a year earlier. Third-quarter gross profit margin improved to 29.4% of sales, from 28.9% a year ago. Most of Siemens Groups increased their gross profit margins, led by significant improvements at A&D and SV. Gross profit margins were lower at TS and Med.

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Research and development expenses remained level with the prior year, but represented a smaller percentage of sales due to revenue growth year-over-year. Marketing, selling, and general administration expenses rose more slowly than revenues, decreasing to 17.7% of sales from 18.1% in the same period a year earlier. Other operating income (expense), net was a negative 1 million, compared to a positive 81 million in the prior-year period, which reflected higher cancellation gains at PG and a gain arising from Med's contribution of assets to a joint venture. Income from investments in other companies, net improved to 51 million compared to a negative 3 million in the third quarter a year earlier. The prior-year period included a negative 43 million representing Siemens' equity share of Infineon's net loss.

Income and earnings per share in the first nine months

Net income for the first nine months of fiscal 2004 increased to 2.751 billion from 1.721 billion in the same period a year earlier. Group Profit from Operations contributed much of the increase, rising 15% year-over-year, to 3.676 billion, despite expected earnings reductions at PG related to the U.S. power generation market and losses at TS due to charges in its rolling stock businesses. The current period also benefited from a pre-tax gain of 590 million related to the sale of Infineon shares and reversal of 246 million in deferred tax liabilities, partially offset by a 433 million goodwill impairment. These effects occurred in the second quarter. Basic and diluted earnings per share for the first nine months were 3.09 and 2.96, respectively, well above basic and diluted earnings per share of 1.93 in the same period a year earlier.

Sales and order trends for the first nine months

Sales in Germany for the first nine months of fiscal 2004 were 12.500 billion, up 2% compared to the same period a year earlier, while orders in Germany decreased 3% year-over-year, to 12.244 billion. International sales decreased 1% year-over-year, to 41.839 billion, and international orders increased 7%, to 47.039 billion. Excluding currency translation effects and the net effect of acquisitions and dispositions, international sales for the first nine months rose 3% and international orders climbed 10%.

Within international results, sales in the U.S. of 9.768 billion for the first nine months were 15% lower compared to the same period a year earlier. Orders of 10.381 billion

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for the first nine months were 4% lower year-over-year. Excluding currency translation effects, sales were 4% lower and orders were up 9% in the U.S. year-over-year. Sales in the Asia-Pacific region for the first nine months increased 8% year-over-year, to 6.615 billion, and orders decreased 3%, to 7.271 billion. Excluding currency translation effects, sales in the Asia-Pacific region rose 13% and orders rose 2%. Sales in China were 2.131 billion, 11% above the prior-year level, while orders reached 2.265 billion, up 12%. Excluding currency translation effects, sales in China rose 19% and orders climbed 21%.

Liquidity for the first nine months

Operations generated net cash of 1.605 billion in the first nine months. This period includes the net effect of 1.794 billion from the sale of Infineon shares as well as substantial supplemental contributions to Siemens pension plans. In contrast, Operations used net cash of 950 million in the same period a year earlier, including PG's 505 million initial payment to acquire Alstom's industrial turbine business as well as other cash outflows for investments and marketable securities.

The two other components of Siemens worldwide, which include Financing and Real Estate and Corporate Treasury activities, provided net cash of 1.048 billion for the first nine months compared to 1.477 billion in the prior-year period. Both periods include positive net effects from Corporate Treasury activities primarily related to the hedging of intra-company financings. These positive effects were substantially higher in the prior-year period. In aggregate, net cash provided by operating and investing activities for Siemens worldwide was 2.653 billion for the first nine months, up year-over-year from 527 million.

Funding status of pension plans

The funding status of Siemens principal pension plans on June 30, 2004, improved significantly compared to the end of the prior fiscal year, with an underfunding of approximately 3.4 billion compared to an underfunding of approximately 5.0 billion at September 30, 2003. The improvement in funding status is due to both supplemental contributions in the first quarter and regular funding of pension plan service costs. The return on plan assets during the first nine months amounted to approximately 1.0 billion. This represents a 8.1% return on an annualized basis, compared to an expected

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annualized return of 6.7%. The projected benefit obligation of Siemens' pension plans increased by approximately 500 million during the first nine months, due to the net of pension service and interest costs less benefits paid.

Economic Value Added

Economic Value Added (EVA) for Siemens worldwide improved significantly in the first nine months compared to the positive EVA in the same period a year earlier. The improvement in EVA was driven by higher earnings despite a volume-driven increase in net working capital.

Subsequent event

During the third quarter, Siemens agreed to acquire the water systems and services business of US Filter Corporation, with an annual turnover of approximately 1 billion, from Veolia Environnement of France. Completion of the acquisition is expected in early August 2004, after which the US Filter business will become part of I&S.

Note: Siemens CEO Heinrich v. Pierer and CFO Heinz-Joachim Neubürger will hold a German-language telephone conference with journalists on July 29, 2004 at 11.00 a.m. CET. You can follow this conference live on the Internet by going to www.siemens.com/telefonkonferenz. A recording of the telephone conference will be available later at the same location.

Note: Siemens CEO Heinrich v. Pierer and CFO Heinz-Joachim Neubürger will hold an English-language telephone conference with analysts on July 29, 2004 at 13.00 p.m. CET. You can follow this conference live on the Internet by going to www.siemens.com/analytistcall. A recording of the telephone conference will be available later at the same location.

This press release report contains forward-looking statements based on beliefs of Siemens' management. The words anticipate, believe, estimate, forecast, expect, intend, plan, should and project are used to identify forward-looking statements. Such statements reflect the company's current views with respect to future events and are subject to risks and uncertainties. Many factors could cause the actual results to be materially different, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products, lack of acceptance of new products or services and changes in business strategy. Actual results may vary materially from those projected here. Siemens does not intend or assume any obligation to update these forward-looking statements.

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As of and for the three months ended June 30, 2004 and 2003 and as of September 30, 2003
(in millions of)

| | New orders | | External sales | | Intersegment sales | | Total sales | | Group profit ⁽¹⁾ | |
|--|---------------|---------------|----------------|---------------|--------------------|--------------|---------------|---------------|-----------------------------|--------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Operations Groups | | | | | | | | | | |
| Information and Communication Networks (ICN) | 1,608 | 1,756 | 1,489 | 1,533 | 189 | 154 | 1,678 | 1,687 | 51 | (125) |
| Information and Communication Mobile (ICM) | 2,851 | 2,313 | 2,406 | 2,124 | 40 | 36 | 2,446 | 2,160 | 64 | 17 |
| Siemens Business Services (SBS) | 1,218 | 1,297 | 872 | 992 | 268 | 291 | 1,140 | 1,283 | (2) | 17 |
| Automation and Drives (A&D) | 2,290 | 2,078 | 1,891 | 1,751 | 317 | 323 | 2,208 | 2,074 | 308 | 203 |
| Industrial Solutions and Services (I&S) | 952 | 911 | 723 | 692 | 278 | 267 | 1,001 | 959 | 19 | 5 |
| Logistics and Assembly Systems (L&A) | 513 | 571 | 542 | 622 | 26 | 18 | 568 | 640 | 14 | (64) |
| Siemens Building Technologies (SBT) | 1,070 | 1,137 | 960 | 1,082 | 37 | 74 | 997 | 1,156 | 14 | 18 |
| Power Generation (PG) | 2,029 | 1,596 | 1,928 | 1,529 | 5 | 1 | 1,933 | 1,530 | 236 | 279 |
| Power Transmission and Distribution (PTD) | 848 | 868 | 754 | 795 | 68 | 74 | 822 | 869 | 62 | 52 |
| Transportation Systems (TS) | 942 | 732 | 1,014 | 1,086 | 5 | 14 | 1,019 | 1,100 | (48) | 74 |
| Siemens VDO Automotive (SV) | 2,517 | 2,090 | 2,494 | 2,088 | 8 | 2 | 2,502 | 2,090 | 174 | 111 |
| Medical Solutions (Med) | 1,999 | 1,702 | 1,651 | 1,698 | 19 | 23 | 1,670 | 1,721 | 219 | 332 |
| Osram | 1,029 | 968 | 1,004 | 946 | 25 | 22 | 1,029 | 968 | 111 | 98 |
| Other operations ⁽⁵⁾ | 415 | 372 | 290 | 248 | 182 | 147 | 472 | 395 | 17 | 6 |
| Total Operations Groups | 20,281 | 18,391 | 18,018 | 17,186 | 1,467 | 1,446 | 19,485 | 18,632 | 1,239 | 1,023 |
| Reconciliation to financial statements | | | | | | | | | | |

| | Net capital employed ⁽²⁾ | | Net cash from operating and investing activities | | | | Amortization depreciation and impairments ⁽⁴⁾ | |
|---|-------------------------------------|---------------|--|----------------------|------------|--------------|--|------------|
| | | | Capital spending ⁽³⁾ | | | | | |
| | 6/30/04 | 9/30/03 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Operations Groups | | | | | | | | |
| Information and Communication Networks (ICN) | 1,366 | 722 | (192) | (110) | 98 | 43 | 55 | 110 |
| Information and Communication Mobile (ICM) | 1,376 | 1,367 | (95) | 105 | 70 | 89 | 76 | 83 |
| Siemens Business Services (SBS) | 536 | 294 | 83 | (56) | 57 | 56 | 48 | 60 |
| Automation and Drives (A&D) | 1,987 | 1,925 | 230 | 315 | 107 | 49 | 48 | 55 |
| Industrial Solutions and Services (I&S) | 180 | 167 | 22 | 42 | 8 | 4 | 9 | 13 |
| Logistics and Assembly Systems (L&A) | 545 | 877 | (24) | (88) | 5 | 7 | 7 | 13 |
| Siemens Building Technologies (SBT) | 1,391 | 1,447 | (1) | 38 | 23 | 21 | 27 | 27 |
| Power Generation (PG) | 1,921 | 1,712 | 159 | (289) | 42 | 542 | 42 | 47 |
| Power Transmission and Distribution (PTD) | 869 | 798 | 20 | 128 | 19 | 14 | 15 | 16 |
| Transportation Systems (TS) | 102 | (252) | (250) | (131) | 11 | 19 | 16 | 14 |
| Siemens VDO Automotive (SV) | 3,520 | 3,949 | 423 | 67 | 258 | 150 | 109 | 97 |
| Medical Solutions (Med) | 3,172 | 3,128 | 206 | 212 | 77 | 90 | 54 | 59 |
| Osram | 2,030 | 2,074 | 19 | 93 | 57 | 54 | 69 | 65 |
| Other operations ⁽⁵⁾ | 1,930 | 1,515 | 94 | (473) | 17 | 471 | 18 | 14 |
| Total Operations Groups | 20,925 | 19,723 | 694 | (147) | 849 | 1,609 | 593 | 673 |
| Reconciliation to financial statements | | | | | | | | |
| Corporate items, pensions and eliminations | (3,755) | (3,781) | (315) ⁽⁶⁾ | (422) ⁽⁶⁾ | 10 | 10 | 10 | 31 |
| Other interest expense | | | | | | | | |
| Other assets related reconciling items | 47,539 | 48,533 | | | | | | |
| Total Operations (for columns Group profit/Net capital employed, i.e. Income before income taxes/Total assets) | 64,709 | 64,475 | 379 | (569) | 859 | 1,619 | 603 | 704 |
| | Total assets | | | | | | | |

Financing and Real Estate Groups

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| | | | | | | | | |
|---|-------------------|-------------------|--------------------------|--------------------------|-------------------|-------------------|-------------------|-------------------|
| Siemens Financial Services (SFS) | 8,638 | 8,445 | (194) | 307 | 52 | 56 | 48 | 55 |
| Siemens Real Estate (SRE) | 3,573 | 3,607 | 109 | 80 | 22 | 71 | 43 | 47 |
| Eliminations | (631) | (465) | (14) ⁽⁶⁾ | (37) ⁽⁶⁾ | | | | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Financing and Real Estate | 11,580 | 11,587 | (99) | 350 | 74 | 127 | 91 | 102 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Eliminations, reclassifications and Corporate Treasury | 2,108 | 1,543 | (1)⁽⁶⁾ | 485⁽⁶⁾ | | | | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Siemens worldwide | 78,397 | 77,605 | 279 | 266 | 933 | 1,746 | 694 | 806 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </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.

Table of Contents**SIEMENS AG****SEGMENT INFORMATION (unaudited)**

As of and for the nine months ended June 30, 2004 and 2003 and as of September 30, 2003
(in millions of)

| | New orders | | External sales | | Intersegment sales | | Total sales | | Group profit ⁽¹⁾ | |
|--|---------------|---------------|----------------|---------------|--------------------|--------------|---------------|---------------|-----------------------------|--------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Operations Groups | | | | | | | | | | |
| Information and Communication Networks (ICN) | 5,230 | 5,385 | 4,526 | 4,834 | 470 | 336 | 4,996 | 5,170 | 139 | (423) |
| Information and Communication Mobile (ICM) | 8,586 | 7,122 | 7,942 | 7,239 | 122 | 106 | 8,064 | 7,345 | 296 | 131 |
| Siemens Business Services (SBS) | 3,951 | 3,982 | 2,676 | 2,981 | 795 | 907 | 3,471 | 3,888 | 68 | 54 |
| Automation and Drives (A&D) | 6,670 | 6,467 | 5,417 | 5,169 | 943 | 921 | 6,360 | 6,090 | 764 | 566 |
| Industrial Solutions and Services (I&S) | 3,166 | 2,996 | 2,175 | 2,106 | 806 | 772 | 2,981 | 2,878 | 60 | (24) |
| Logistics and Assembly Systems (L&A) | 2,135 | 1,797 | 1,523 | 1,853 | 90 | 67 | 1,613 | 1,920 | (53) | (40) |
| Siemens Building Technologies (SBT) | 3,205 | 3,629 | 2,964 | 3,395 | 69 | 195 | 3,033 | 3,590 | 69 | 63 |
| Power Generation (PG) | 7,119 | 6,079 | 5,537 | 4,993 | 11 | 13 | 5,548 | 5,006 | 755 | 950 |
| Power Transmission and Distribution (PTD) | 2,775 | 2,788 | 2,225 | 2,342 | 210 | 175 | 2,435 | 2,517 | 176 | 142 |
| Transportation Systems (TS) | 3,083 | 3,256 | 3,067 | 3,257 | 18 | 24 | 3,085 | 3,281 | (305) | 206 |
| Siemens VDO Automotive (SV) | 6,716 | 6,408 | 6,685 | 6,401 | 18 | 7 | 6,703 | 6,408 | 402 | 303 |
| Medical Solutions (Med) | 5,626 | 5,505 | 4,951 | 5,330 | 75 | 52 | 5,026 | 5,382 | 774 | 832 |
| Osram | 3,190 | 3,154 | 3,120 | 3,120 | 70 | 34 | 3,190 | 3,154 | 336 | 305 |
| Other operations ⁽⁵⁾ | 1,383 | 1,294 | 875 | 847 | 507 | 460 | 1,382 | 1,307 | 195 | 128 |
| Total Operations Groups | 62,835 | 59,862 | 53,683 | 53,867 | 4,204 | 4,069 | 57,887 | 57,936 | 3,676 | 3,193 |

| | | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|--------------|--------------|---------------|---------------|-----------------------------------|--------------|
| Reconciliation to financial statements | | | | | | | | | | |
| Corporate items, pensions and eliminations | (5,133) | (5,012) | 113 | 76 | (4,105) | (3,962) | (3,992) | (3,886) | (788) | (1,256) |
| Other interest expense | | | | | | | | | (98) | (37) |
| Other assets related reconciling items | | | | | | | | | | |
| Total Operations (for columns Group profit/Net capital employed, i.e. Income before income taxes/Total assets) | <u>57,702</u> | <u>54,850</u> | <u>53,796</u> | <u>53,943</u> | <u>99</u> | <u>107</u> | <u>53,895</u> | <u>54,050</u> | <u>2,790</u> | <u>1,900</u> |
| | | | | | | | | | <u>Income before income taxes</u> | |
| Financing and Real Estate Groups | | | | | | | | | | |
| Siemens Financial Services (SFS) | 407 | 410 | 336 | 322 | 71 | 88 | 407 | 410 | 190 | 213 |
| Siemens Real Estate (SRE) | 1,174 | 1,182 | 207 | 188 | 967 | 994 | 1,174 | 1,182 | 109 | 187 |
| Eliminations | | | | | (8) | (9) | (8) | (9) | | |
| Total Financing and Real Estate | <u>1,581</u> | <u>1,592</u> | <u>543</u> | <u>510</u> | <u>1,030</u> | <u>1,073</u> | <u>1,573</u> | <u>1,583</u> | <u>299</u> | <u>400</u> |
| Eliminations, reclassifications and Corporate Treasury | | 2 | | 2 | (1,129) | (1,180) | (1,129) | (1,178) | 172 | 144 |
| Siemens worldwide | <u>59,283</u> | <u>56,444</u> | <u>54,339</u> | <u>54,455</u> | | | <u>54,339</u> | <u>54,455</u> | <u>3,261</u> | <u>2,444</u> |

[Additional columns below]

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

| | Net capital employed ⁽²⁾ | | Net cash from operating and investing activities | | Capital spending ⁽³⁾ | | Amortization depreciation and impairments ⁽⁴⁾ | |
|---|-------------------------------------|---------------|--|------------------------|---------------------------------|--------------|--|--------------|
| | 6/30/04 | 9/30/03 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Operations Groups | | | | | | | | |
| Information and Communication Networks (ICN) | 1,366 | 722 | (315) | (58) | 192 | 131 | 187 | 346 |
| Information and Communication Mobile (ICM) | 1,376 | 1,367 | 230 | 272 | 155 | 235 | 231 | 221 |
| Siemens Business Services (SBS) | 536 | 294 | (177) | (224) | 147 | 120 | 154 | 185 |
| Automation and Drives (A&D) | 1,987 | 1,925 | 637 | 753 | 230 | 153 | 164 | 161 |
| Industrial Solutions and Services (I&S) | 180 | 167 | 24 | (11) | 48 | 25 | 27 | 37 |
| Logistics and Assembly Systems (L&A) | 545 | 877 | (172) | (326) | 21 | 30 | 27 | 41 |
| Siemens Building Technologies (SBT) | 1,391 | 1,447 | 137 | 214 | 58 | 68 | 90 | 101 |
| Power Generation (PG) | 1,921 | 1,712 | 486 | (218) | 122 | 627 | 130 | 113 |
| Power Transmission and Distribution (PTD) | 869 | 798 | 123 | 246 | 56 | 43 | 45 | 48 |
| Transportation Systems (TS) | 102 | (252) | (437) | (537) | 35 | 69 | 46 | 43 |
| Siemens VDO Automotive (SV) | 3,520 | 3,949 | 865 | 64 | 448 | 405 | 295 | 292 |
| Medical Solutions (Med) | 3,172 | 3,128 | 500 | 406 | 359 | 230 | 144 | 157 |
| Osram | 2,030 | 2,074 | 338 | 407 | 156 | 172 | 196 | 198 |
| Other operations ⁽⁵⁾ | 1,930 | 1,515 | 15 | (529) | 46 | 494 | 51 | 42 |
| Total Operations Groups | 20,925 | 19,723 | 2,254 | 459 | 2,073 | 2,802 | 1,787 | 1,985 |
| Reconciliation to financial statements | | | | | | | | |
| Corporate items, pensions and eliminations | (3,755) | (3,781) | (649) ⁽⁶⁾ | (1,409) ⁽⁶⁾ | (3) | 3 | 460 | 63 |
| Other interest expense | | | | | | | | |
| Other assets related reconciling items | 47,539 | 48,533 | | | | | | |
| Total Operations (for columns Group profit/Net capital employed, i.e. Income before income taxes/Total assets) | 64,709 | 64,475 | 1,605 | (950) | 2,070 | 2,805 | 2,247 | 2,048 |

| | Total assets | | | | | | | |
|---|---------------------|---------------|--------------------------|----------------------------|--------------|--------------|--------------|--------------|
| Financing and Real Estate Groups | | | | | | | | |
| Siemens Financial Services (SFS) | 8,638 | 8,445 | 332 | 300 | 216 | 137 | 146 | 163 |
| Siemens Real Estate (SRE) | 3,573 | 3,607 | 282 | 214 | 85 | 138 | 144 | 145 |
| Eliminations | (631) | (465) | (53) ⁽⁶⁾ | (111) ⁽⁶⁾ | | | | |
| Total Financing and Real Estate | 11,580 | 11,587 | 561 | 403 | 301 | 275 | 290 | 308 |
| Eliminations, reclassifications and Corporate Treasury | 2,108 | 1,543 | 487⁽⁶⁾ | 1,074⁽⁶⁾ | | | | |
| Siemens worldwide | 78,397 | 77,605 | 2,653 | 527 | 2,371 | 3,080 | 2,537 | 2,356 |

- (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.

Table of Contents**SIEMENS AG****CONSOLIDATED STATEMENTS OF INCOME (unaudited)****For the three months ended June 30, 2004 and 2003****(in millions of \$, per share amounts in \$)**

| | Siemens worldwide | | Eliminations, reclassifications and Corporate Treasury | | Operations | | Financing and Real Estate | |
|---|--------------------------|-------------|---|-------------|-------------------|-------------|--|-------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Net sales | 18,216 | 17,380 | (378) | (392) | 18,077 | 17,249 | 517 | 523 |
| Cost of sales | (12,816) | (12,274) | 378 | 393 | (12,762) | (12,258) | (432) | (409) |
| Gross profit on sales | 5,400 | 5,106 | | 1 | 5,315 | 4,991 | 85 | 114 |
| Research and development expenses | (1,264) | (1,248) | | | (1,264) | (1,248) | | |
| Marketing, selling and general administrative expenses | (3,287) | (3,190) | | 2 | (3,203) | (3,119) | (84) | (73) |
| Other operating income (expense), net | 13 | 124 | (25) | (16) | (1) | 81 | 39 | 59 |
| Income (loss) from investments in other companies, net | 70 | 16 | | | 51 | (3) | 19 | 19 |
| Income (expense) from financial assets and marketable securities, net | (5) | (63) | (8) | (3) | 7 | (62) | (4) | 2 |
| Interest income of Operations, net | 11 | 6 | | | 11 | 6 | | |
| Other interest income (expense), net | 70 | 75 | 79 | 59 | (31) | (11) | 22 | 27 |
| Income before income taxes | 1,008 | 826 | 46 | 43 | 885 | 635 | 77 | 148 |
| Income taxes | (157) | (183) | (8) | (9) | (136) | (140) | (13) | (34) |
| Minority interest | (36) | (11) | | | (36) | (11) | | |
| Net income | 815 | 632 | 38 | 34 | 713 | 484 | 64 | 114 |

| | | |
|----------------------------|------|------|
| Basic earnings per share | 0.91 | 0.71 |
| Diluted earnings per share | 0.88 | 0.71 |

Table of Contents**SIEMENS AG**

CONSOLIDATED STATEMENTS OF INCOME (unaudited)
For the nine months ended June 30, 2004 and 2003
(in millions of \$, per share amounts in \$)

| | Siemens worldwide | | Eliminations, reclassifications and Corporate Treasury | | Operations | | Financing and Real Estate | |
|---|--------------------------|-------------|---|-------------|-------------------|-------------|--|-------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Net sales | 54,339 | 54,455 | (1,129) | (1,178) | 53,895 | 54,050 | 1,573 | 1,583 |
| Cost of sales | (38,392) | (38,899) | 1,129 | 1,180 | (38,260) | (38,872) | (1,261) | (1,207) |
| Gross profit on sales | 15,947 | 15,556 | | 2 | 15,635 | 15,178 | 312 | 376 |
| Research and development expenses | (3,756) | (3,821) | | | (3,756) | (3,821) | | |
| Marketing, selling and general administrative expenses | (9,850) | (9,930) | (1) | 2 | (9,639) | (9,712) | (210) | (220) |
| Other operating income (expense), net | (311) | 408 | (60) | (53) | (338) | 347 | 87 | 114 |
| Income (loss) from investments in other companies, net | 952 | 44 | | | 905 | (18) | 47 | 62 |
| Income (expense) from financial assets and marketable securities, net | 70 | (26) | 29 | 39 | 66 | (64) | (25) | (1) |
| Interest income of Operations, net | 15 | 27 | | | 15 | 27 | | |
| Other interest income (expense), net | 194 | 186 | 204 | 154 | (98) | (37) | 88 | 69 |
| Income before income taxes | 3,261 | 2,444 | 172 | 144 | 2,790 | 1,900 | 299 | 400 |
| Income taxes ⁽¹⁾ | (393) | (701) | (21) | (41) | (336) | (545) | (36) | (115) |
| Minority interest | (117) | (58) | | | (117) | (58) | | |
| Income before cumulative effect of change in accounting principle | 2,751 | 1,685 | 151 | 103 | 2,337 | 1,297 | 263 | 285 |
| Cumulative effect of change in accounting principle, net | | 36 | | | | 39 | | (3) |

of income taxes

| | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Net income | 2,751 | 1,721 | 151 | 103 | 2,337 | 1,336 | 263 | 282 |
| | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Basic earnings per share | | | | | | | | |
| Income before cumulative effect of change in accounting principle | 3.09 | 1.89 | | | | | | |
| Cumulative effect of change in accounting principle, net of income taxes | | 0.04 | | | | | | |
| | _____ | _____ | | | | | | |
| Net income | 3.09 | 1.93 | | | | | | |
| | _____ | _____ | | | | | | |
| Diluted earnings per share | | | | | | | | |
| Income before cumulative effect of change in accounting principle | 2.96 | 1.89 | | | | | | |
| Cumulative effect of change in accounting principle, net of income taxes | | 0.04 | | | | | | |
| | _____ | _____ | | | | | | |
| Net income | 2.96 | 1.93 | | | | | | |
| | _____ | _____ | | | | | | |

-
- (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

Table of Contents**SIEMENS AG**

CONSOLIDATED STATEMENTS OF CASH FLOW (unaudited)
For the nine months ended June 30, 2004 and 2003
(in millions of)

| | Siemens worldwide | | Eliminations, reclassifications and Corporate Treasury | | Operations | | Financing and Real Estate | |
|--|--------------------------|-------------|---|-------------|-------------------|-------------|--|-------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Cash flows from operating activities | | | | | | | | |
| Net income | 2,751 | 1,721 | 151 | 103 | 2,337 | 1,336 | 263 | 282 |
| Adjustments to reconcile net income to cash provided | | | | | | | | |
| Minority interest | 117 | 58 | | | 117 | 58 | | |
| Amortization, depreciation and impairments | 2,537 | 2,356 | | | 2,247 | 2,048 | 290 | 308 |
| Deferred taxes | (186) | 10 | (10) | | (159) | 12 | (17) | (2) |
| Gains on sales and disposals of businesses and property, plant and equipment, net, and gain from issuance of subsidiary and associated company stock | (141) | (188) | | | (114) | (125) | (27) | (63) |
| Losses (gains) on sales of investments, net | (599) | 7 | | | (599) | 7 | | |
| Losses (gains) on sales and impairments of marketable securities, net | (48) | 25 | (11) | 9 | (36) | 15 | (1) | 1 |
| Loss (income) from equity investees, net of dividends received | (216) | 59 | | | (224) | 103 | 8 | (44) |
| Change in current assets and liabilities | | | | | | | | |
| (Increase) decrease in inventories, net | (1,357) | (874) | | | (1,389) | (932) | 32 | 58 |
| (Increase) decrease in accounts receivable, net | (153) | 1,303 | (153) | 252 | 5 | 1,049 | (5) | 2 |
| Increase (decrease) in outstanding balance of receivables sold | 81 | (550) | 64 | (259) | 17 | (291) | | |
| (Increase) decrease in other current assets | 595 | 823 | 354 | 593 | (26) | 270 | 267 | (40) |
| | 182 | (873) | (12) | (9) | 200 | (892) | (6) | 28 |

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| | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Increase (decrease) in accounts payable | | | | | | | | |
| Increase (decrease) in accrued liabilities | 117 | 124 | | | 79 | 124 | 38 | |
| Increase (decrease) in other current liabilities | (452) | (870) | (140) | 521 | (352) | (1,225) | 40 | (166) |
| Supplemental contributions to pension trusts | (1,255) | (442) | | | (1,255) | (442) | | |
| Change in other assets and liabilities | 712 | 621 | 196 | 180 | 471 | 417 | 45 | 24 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net cash provided by (used in) operating activities | 2,685 | 3,310 | 439 | 1,390 | 1,319 | 1,532 | 927 | 388 |
| Cash flows from investing activities | | | | | | | | |
| Additions to intangible assets and property, plant and equipment | (1,752) | (1,888) | | | (1,461) | (1,619) | (291) | (269) |
| Acquisitions, net of cash acquired | (314) | (547) | | | (309) | (547) | (5) | |
| Purchases of investments | (305) | (645) | | | (300) | (639) | (5) | (6) |
| Purchases of marketable securities | (56) | (203) | (20) | (92) | (36) | (109) | | (2) |
| (Increase) decrease in receivables from financing activities | (267) | (144) | 28 | (508) | | | (295) | 364 |
| Increase (decrease) in outstanding balance of receivables sold by SFS | | | (64) | 259 | | | 64 | (259) |
| Proceeds from sales of long-term investments, intangibles and property, plant and equipment | 2,258 | 499 | | | 2,124 | 313 | 134 | 186 |
| Proceeds from sales and dispositions of businesses | 225 | 96 | | | 206 | 96 | 19 | |
| Proceeds from sales of marketable securities | 179 | 49 | 104 | 25 | 62 | 23 | 13 | 1 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net cash provided by (used in) investing activities | (32) | (2,783) | 48 | (316) | 286 | (2,482) | (366) | 15 |
| Cash flows from financing activities | | | | | | | | |
| Proceeds from issuance of common stock | 3 | | | | 3 | | | |
| Proceeds from issuance of treasury shares | | 4 | | | | 4 | | |
| Proceeds from issuance of debt | | 2,702 | | 2,702 | | | | |
| Repayment of debt | (544) | (742) | (430) | (742) | (114) | | | |

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| | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Change in short-term debt | 184 | (171) | 175 | (544) | (9) | 433 | 18 | (60) |
| Dividends paid | (978) | (888) | | | (978) | (888) | | |
| Dividends paid to minority shareholders | (88) | (82) | | | (88) | (82) | | |
| Intracompany financing | | | 1,005 | (978) | (386) | 1,316 | (619) | (338) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net cash provided by (used in) financing activities | (1,423) | 823 | 750 | 438 | (1,572) | 783 | (601) | (398) |
| Effect of exchange rates on cash and cash equivalents | (95) | (309) | (74) | (245) | (20) | (62) | (1) | (2) |
| Net increase (decrease) in cash and cash equivalents | 1,135 | 1,041 | 1,163 | 1,267 | 13 | (229) | (41) | 3 |
| Cash and cash equivalents at beginning of period | 12,149 | 11,196 | 11,345 | 10,269 | 725 | 873 | 79 | 54 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Cash and cash equivalents at end of period | 13,284 | 12,237 | 12,508 | 11,536 | 738 | 644 | 38 | 57 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Table of Contents**SIEMENS AG**

CONSOLIDATED BALANCE SHEETS (unaudited)
As of June 30, 2004 and September 30, 2003
(in millions of)

| | Siemens worldwide | | Eliminations, reclassifications and | | | | Financing and Real | |
|--|----------------------|---------------|--|--------------|---------------|---------------|-----------------------|---------------|
| | | | Corporate Treasury | | Operations | | Estate | |
| | 6/30/04 | 9/30/03 | 6/30/04 | 9/30/03 | 6/30/04 | 9/30/03 | 6/30/04 | 9/30/03 |
| ASSETS | | | | | | | | |
| Current assets | | | | | | | | |
| Cash and cash equivalents | 13,284 | 12,149 | 12,508 | 11,345 | 738 | 725 | 38 | 79 |
| Marketable securities | 2,096 | 650 | 8 | 101 | 2,069 | 529 | 19 | 20 |
| Accounts receivable, net | 14,621 | 14,511 | (7) | (9) | 10,921 | 10,894 | 3,707 | 3,626 |
| Intracompany receivables | | | (11,164) | (10,777) | 11,138 | 10,742 | 26 | 35 |
| Inventories, net | 11,624 | 10,366 | (4) | (4) | 11,575 | 10,284 | 53 | 86 |
| Deferred income taxes | 1,176 | 1,063 | 93 | 77 | 998 | 909 | 85 | 77 |
| Other current assets | 4,328 | 4,750 | 714 | 736 | 2,612 | 3,143 | 1,002 | 871 |
| Total current assets | 47,129 | 43,489 | 2,148 | 1,469 | 40,051 | 37,226 | 4,930 | 4,794 |
| Long-term investments | 4,167 | 5,992 | 19 | 19 | 3,816 | 5,636 | 332 | 337 |
| Goodwill | 6,107 | 6,501 | | | 6,023 | 6,421 | 84 | 80 |
| Other intangible assets, net | 2,187 | 2,358 | | | 2,172 | 2,338 | 15 | 20 |
| Property, plant and equipment, net | 10,347 | 10,756 | 1 | 1 | 6,822 | 7,114 | 3,524 | 3,641 |
| Deferred income taxes | 4,292 | 4,359 | 1,113 | 1,127 | 3,115 | 3,165 | 64 | 67 |
| Other assets | 4,168 | 4,150 | 64 | 131 | 1,473 | 1,371 | 2,631 | 2,648 |
| Other intracompany receivables | | | (1,237) | (1,204) | 1,237 | 1,204 | | |
| Total assets | 78,397 | 77,605 | 2,108 | 1,543 | 64,709 | 64,475 | 11,580 | 11,587 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | | | | | | |
| Current liabilities | | | | | | | | |
| Short-term debt and current maturities of | 1,667 | 1,745 | 981 | 977 | 574 | 646 | 112 | 122 |

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| | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| long-term debt | | | | | | | | |
| Accounts payable | 8,567 | 8,404 | (8) | 4 | 8,397 | 8,216 | 178 | 184 |
| Intracompany liabilities | | | (6,778) | (7,426) | 1,303 | 1,771 | 5,475 | 5,655 |
| Accrued liabilities | 8,991 | 8,884 | 5 | 6 | 8,746 | 8,748 | 240 | 130 |
| Deferred income taxes | 908 | 870 | (265) | (271) | 891 | 877 | 282 | 264 |
| Other current liabilities | 11,707 | 12,125 | 498 | 284 | 10,902 | 11,578 | 307 | 263 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total current liabilities | 31,840 | 32,028 | (5,567) | (6,426) | 30,813 | 31,836 | 6,594 | 6,618 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Long-term debt | 11,074 | 11,433 | 9,868 | 10,176 | 693 | 748 | 513 | 509 |
| Pension plans and similar commitments | 4,934 | 5,843 | | | 4,902 | 5,813 | 32 | 30 |
| Deferred income taxes | 496 | 534 | 170 | 182 | 225 | 250 | 101 | 102 |
| Other accruals and provisions | 3,733 | 3,418 | 27 | 21 | 3,338 | 3,101 | 368 | 296 |
| Other intracompany liabilities | | | (2,390) | (2,410) | 353 | 378 | 2,037 | 2,032 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 52,077 | 53,256 | 2,108 | 1,543 | 40,324 | 42,126 | 9,645 | 9,587 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Minority interests | 660 | 634 | | | 660 | 634 | | |
| Shareholders' equity | | | | | | | | |
| Common stock, no par value | | | | | | | | |
| Authorized: 1,113,265,813 and 1,129,742,969 shares, respectively | | | | | | | | |
| Issued: 891,055,813 and 890,866,301 shares, respectively | 2,673 | 2,673 | | | | | | |
| Additional paid-in capital | 5,090 | 5,073 | | | | | | |
| Retained earnings | 24,793 | 23,020 | | | | | | |
| Accumulated other comprehensive income (loss) | (6,896) | (7,051) | | | | | | |
| Treasury stock, at cost 156 and 1,184 shares, respectively | | | | | | | | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total shareholders' equity | 25,660 | 23,715 | | | 23,725 | 21,715 | 1,935 | 2,000 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities and shareholders' equity | 78,397 | 77,605 | 2,108 | 1,543 | 64,709 | 64,475 | 11,580 | 11,587 |
| | <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: July 29, 2004

/s/ DR. KLAUS PATZAK

Name: Dr. Klaus Patzak
Title: Vice President and Corporate
Controller

/s/ DR. GEORG KLEIN

Name: Dr. Georg Klein
Title: Head of Financial Disclosure