

SIEMENS AKTIENGESELLSCHAFT

Form 6-K

November 13, 2003

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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 November 13, 2003

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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	Fiscal year ⁽¹⁾		4 th quarter ⁽²⁾	
	2003	2002	2003	2002
Net income (in millions of euros)				
Excluding a gain on sales of shares of Infineon Technologies AG (fiscal year 2002)	2,445 ₍₃₎	1,661	724	53
Tax-free gain on sales of shares of Infineon		936		
		<u>2,597</u>		
Earnings per share (in euros)				
Excluding a gain on sales of shares of Infineon (fiscal year 2002)	2.75	1.87	0.81	0.06
Tax-free gain on sales of shares of Infineon		1.05		
		<u>2.92</u>		
Net cash from operating and investing activities	1,773	4,754	1,246	1,548
(in millions of euros)				
<i>therein: Net cash provided by operating activities</i>	<i>5,712</i>	<i>5,564</i>	<i>2,402</i>	<i>1,217</i>
<i>Net cash (used in) provided by investing activities</i>	<i>(3,939)</i>	<i>(810)</i>	<i>(1,156)</i>	<i>331</i>
<i>Supplemental contributions to pension trusts (included in net cash provided by operating activities)</i>	<i>(1,192)</i>	<i>(1,782)</i>	<i>(750)</i>	<i>(1,782)</i>
Group profit from Operations	4,295	3,756	1,102	707
(in millions of euros)				
New orders	75,056	86,214 ₍₄₎	18,612	19,360
(in millions of euros)				
Sales	74,233	84,016 ₍₄₎	19,778	21,290
(in millions of euros)				
			<u>September 30, 2003</u>	<u>September 30, 2002</u>
Employees (in thousands)			417	426
Germany			170	175
International			247	251

(1) October 1 – September 30.

(2) July 1 – September 30.

(3) Includes a positive effect of 36 million (or 0.04 per share) due to the adoption of SFAS 143, *Accounting for Asset Retirement Obligations*.

(4) Beginning December 5, 2001 Infineon is accounted for under the equity method of accounting and is no longer consolidated in the financial statements of Siemens. Therefore, in fiscal year 2002, Infineon's orders and sales are included only for the approximately two months in which Infineon was consolidated in the financial statements of Siemens.

Note: Beginning during the second quarter of fiscal 2003, Siemens replaced the term EBIT from Operations with Group profit from Operations. This change and further terminology changes made in the second quarter are explained on the page Terminology update at the end of this

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document. Group profit from Operations is reconciled to Income before income taxes of Operations under Reconciliation to financial statements on the table Segment information.

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Press Presse Prensa

For the business and financial press

Munich, November 13, 2003

Siemens in fiscal 2003 (ended September 30, 2003)

Net income for fiscal 2003 was 2.445 billion, representing a 47% increase from 1.661 billion a year earlier, excluding a tax-free gain of 936 million from sales of Infineon shares.

Group profit from Operations increased to 4.295 billion. The majority of Siemens Groups reported higher earnings and margins year-over-year.

Net cash from operating and investing activities was 1.773 billion, including 5.712 billion in net cash from operating activities. Net cash provided by operating activities included cash outflows of 1.192 billion in supplemental cash contributions to Siemens pension trusts. Net cash used in investing activities of 3.939 billion included increases in investments and marketable securities of 957 million, and 929 million for a strategic acquisition at Power Generation.

Sales were 74.233 billion and orders were 75.056 billion, down 12% and 13%, respectively from the prior year. Adjusting for currency effects and portfolio activities, sales and orders were 4% and 5% lower, respectively, than a year earlier.

Siemens management proposes a dividend of 1.10 per share.

For the fourth quarter, net income rose sharply year-over-year, to 724 million, and Group profit from Operations climbed 56%, to 1.102 billion. Net cash from operating and investing activities of 1.246 billion included 750 million in supplemental cash pension contributions. Fourth-quarter sales and orders were 7% and 4% lower than the prior year quarter but rose 14% and 8%, respectively, compared to the third quarter of fiscal 2003.

In October 2003, at the beginning of the new fiscal year, Siemens made additional supplemental cash pension contributions of 1.255 billion.

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Operation 2003 has been a clear success, said Siemens CEO Heinrich v. Pierer. We increased net income nearly 50% compared to the prior year, on a comparable basis. The other objectives we achieved, such as strong cash flows from Operations, are also signs of improved operational performance. Given the difficult economic environment during fiscal 2003, these achievements represent a major success.

Following the volume declines of the past year, which were substantially driven by currency translation, our goal in fiscal 2004 is to restore growth and win market share, Pierer said. As a number of our Groups have demonstrated, we are well positioned for this effort, with our clear customer focus, strength in innovation, global competitiveness, and sound financial condition. These qualities also create the basis for double-digit percentage growth in net income for fiscal 2004, assuming generally stable economic conditions.

For the fiscal year ended September 30, 2003, Siemens reported net income of 2.445 billion and earnings per share of 2.75. Fiscal 2002 included a tax-free gain of 936 million on sales of shares in Infineon Technologies AG, which boosted net income in that period to 2.597 billion and earnings per share to 2.92. Excluding the Infineon gain, net income rose 47% year-over-year from 1.661 billion. The major component of this improvement was growth in Group profit from Operations, which climbed 14% to 4.295 billion for the year. Group profit margins rose at 10 of the 13 Groups in Operations and at Siemens Financial Services (SFS). Losses related to Siemens ownership of Infineon decreased and positive effects from Corporate Treasury also contributed to net income growth for the year.

Net cash from operating and investing activities was 1.773 billion in fiscal 2003 compared to 4.754 billion a year earlier, a period which included significant net proceeds from portfolio activities. Within Operations, net cash provided by operating activities was 4.123 billion compared to 4.277 billion in the prior year. Both periods included supplemental cash contributions to Siemens pension trusts, totaling 1.192 billion and 1.782 billion in fiscal 2003 and 2002, respectively. In fiscal 2003, net cash used in investing activities of 3.939 billion included 929 million to acquire the industrial turbine businesses of Alstom S.A., and 957 million in increases in investments and marketable securities.

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Sales of 74.233 billion and orders of 75.056 billion reflected macroeconomic conditions, the strong decline in the value of the U.S. dollar relative to the euro during the fiscal year, and the net effects of acquisitions and dispositions compared to fiscal 2002. Excluding currency and portfolio effects (i.e., on a comparable basis), sales and orders were within 4% and 5%, respectively, of prior-year levels. Against this backdrop, a number of Siemens earnings leaders increased both sales and orders year-over-year on a comparable basis, including Medical Solutions (Med), Automation and Drives (A&D), Siemens VDO Automotive (SV), and Osram.

Siemens worldwide results for the fourth quarter of fiscal 2003

For the fourth quarter of fiscal 2003, net income rose sharply, to 724 million from 53 million a year earlier, and earnings per share were 0.81, up from 0.06 in the same period a year earlier. The driver again was strong growth in Group profit from Operations, which climbed to 1.102 billion from 707 million in the fourth quarter a year ago. A majority of the Groups improved their bottom lines year-over-year, including a return to profitability at Information and Communication Networks (ICN). Fourth-quarter sales of 19.778 billion were within 2% of prior-year levels on a comparable basis, while fourth-quarter orders of 18.612 billion were 2% higher than a year earlier on a comparable basis. Sales grew 14% compared to the immediately prior quarter, on the strength of double-digit percentage increases at the majority of the Groups. Orders increased 8% compared to the third quarter of fiscal 2003. Net cash from operating activities was 2.402 billion for the fourth quarter, after Siemens made a supplemental cash pension contribution of 750 million. Net cash from operating and investing activities was 1.246 billion, including 424 million to complete the Alstom acquisition.

Table of Contents**Operations in fiscal 2003****Information and Communications****Information and Communication Networks (ICN)**

(in millions)	Fourth quarter ended Sept. 30		Comparable Change*	Fiscal Year ended Sept. 30		Comparable Change
	2003	Change		2003	Change	
New Orders	1,685	(10)%	(6)%	7,070	(19)%	(14)%
Total Sales	1,952	(14)%	(10)%	7,122	(26)%	(21)%
Group Profit	2003 57	2002 (325)		2003 (366)	2002 (691)	

in the discussions that follow, comparable basis and comparable change refer to comparison excluding the effects of currency translation and the net effects of acquisitions and dispositions

In the Information and Communications business area, ICN improved its performance despite ongoing market challenges. The positive trend was particularly evident in the fourth quarter, when ICN posted Group profit of 57 million compared to a loss of 325 million in the same period a year earlier. The Enterprise Networks and Carrier Networks and Services businesses both contributed positive earnings in the fourth quarter. For the year as a whole, ICN cut its loss to 366 million from 691 million in fiscal 2002, a period that benefited from gains on asset sales and a divestment, partially offset by an asset impairment. Charges for severance in fiscal 2003 were substantially lower than in the prior fiscal year. Sales of 7.122 billion and orders of 7.070 billion reflect the overall contraction in the telecom market year-over-year. At the division level, the Carrier Networks and Services business substantially reduced its loss and recorded sales of 3.455 billion for the year. Enterprise Networks reported progressively higher profits in all four quarters, and more than doubled its profit year-over-year. The division benefited primarily from a streamlined cost structure, and also from higher market demand for lease sales.

Table of Contents**Information and Communication Mobile (ICM)**

(in millions)	Fourth quarter ended Sept. 30			Fiscal Year ended Sept. 30		
	2003	Change	Comparable Change	2003	Change	Comparable Change
New Orders	2,838	12%	15%	9,960	(14)%	(10)%
Total Sales	2,619	(2)%	1%	9,964	(10)%	(6)%
Group Profit	49	24		180	96	

Group profit at ICM rose to 180 million in fiscal 2003, including charges for severance comparable in amount to the prior year. Sales of 9.964 billion and orders of 9.960 billion reflected the continuing decline in the wireless infrastructure market. Handset sales at Mobile Phones surged to 39.1 million units from 33.3 million units a year earlier on strong demand for new products and sales rose 5% to 4.474 billion for the year. Earnings of 27 million were down from 82 million a year earlier, as increased competition drove a reduction in average selling price per unit, and a separately branded handset line incurred operating losses and charges to inventory. The Cordless Products business again made a significant contribution to ICM's Group profit. Mobile Networks recorded earnings of 116 million, as charges for severance were more than offset by positive resolutions of customer financing risks and recorded sales of 4.311 billion. Fourth-quarter Group profit for ICM rose to 49 million from 24 million a year earlier. Within that total, Mobile Networks increased its profit to 60 million on sales of 1.078 billion. Handset sales in the fourth quarter at Mobile Phones rose to 12.0 million units from 7.8 million in the same period a year earlier, resulting in sales of 1.260 billion. Fourth-quarter profits of 14 million did not reach prior-year levels, however, as the period included most of the impacts related to the handset line mentioned above. Fourth-quarter sales for ICM overall were 2.619 billion, nearly level with the same period a year earlier, while fourth-quarter orders rose 12% year-over-year, to 2.838 billion, on strong handset orders.

Table of Contents**Siemens Business Services (SBS)**

(in millions)	Fourth quarter ended Sept. 30			Fiscal Year ended Sept. 30		
	2003	Change	Comparable Change	2003	Change	Comparable Change
New Orders	1,244	(17)%	(16)%	5,226	(16)%	(14)%
Total Sales	1,317	(11)%	(9)%	5,205	(10)%	(7)%
	2003	2002		2003	2002	
Group Profit	(41)	26		13	101	

SBS posted a Group profit of 13 million for the fiscal year compared to 101 million in fiscal 2002. The decline primarily reflects 77 million in charges for risks associated with a long-term business process outsourcing contract in the U.K. Sales of 5.205 billion and orders of 5.226 billion reflect relative weakness in the IT consulting market year-over-year, as well as pricing pressure in the IT maintenance and outsourcing markets. The charge referred to above occurred in the fourth quarter, resulting in a loss for the period of 41 million on sales of 1.317 billion.

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

(in millions)	Fourth quarter ended Sept. 30			Fiscal Year ended Sept. 30		
	2003	Change	Comparable Change	2003	Change	Comparable Change
New Orders	2,009	(5)%	(1)%	8,476	(3)%	2%
Total Sales	2,285	(5)%	(2)%	8,375	(3)%	2%
	2003	2002		2003	2002	
Group Profit	240	219		806	723	

In the Automation and Control business area, A&D was again a standout among Siemens Groups, increasing Group profit 11% year-over-year to 806 million, further improving its Group profit margin to 9.6%, and strengthening its market position. Sales of 8.375 billion and orders of 8.476 billion each rose 2% year-over-year on a comparable basis, as A&D continued to balance its business base with growth in the Asia-Pacific region and market-share gains in Europe. Group profit rose quarter by quarter throughout the year, reaching 240 million in the fourth quarter. A&D's Group profit margin of 10.5% in the fourth quarter enabled it to increase Group profit 10% over the prior-year quarter. On a comparable basis, sales and orders were nearly level with the prior year.

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

(in millions)	Fourth quarter ended Sept. 30			Fiscal Year ended Sept. 30		
	2003	Change	Comparable Change	2003	Change	Comparable Change
New Orders	959	1%	5%	3,955	(4)%	1%
Total Sales	1,134	(13)%	(10)%	4,012	(10)%	(6)%
	2003	2002		2003	2002	
Group Profit	(17)	(129)		(41)	(198)	

I&S significantly improved its bottom line, posting a Group loss of 41 million compared to a loss of 198 million a year earlier, in part due to lower charges for severance and capacity adjustments. Sales of 4.012 billion and orders of 3.955 billion reflected a continuing contraction in the market for industrial solutions. In the fourth quarter, I&S recorded a loss of 17 million compared to a loss of 129 million in the same period a year ago, which included significantly higher charges for severance and capacity adjustments. While fourth-quarter sales were lower year-over-year, fourth-quarter orders rose 5% on a comparable basis.

Siemens Dematic (SD)

(in millions)	Fourth quarter ended Sept. 30			Fiscal Year ended Sept. 30		
	2003	Change	Comparable Change	2003	Change	Comparable Change
New Orders	802	31%	41%	2,599	(8)%	2%
Total Sales	680	(3)%	4%	2,600	(13)%	(4)%
	2003	2002		2003	2002	
Group Profit	(178)	10		(218)	45	

SD posted a Group loss of 218 million for the year, compared to Group profit of 45 million in fiscal 2002. A substantial increase in loss provisions and charges related to two large contracts in Europe was the key factor in this result, together with other charges. On a comparable basis, sales of 2.600 billion were within 4% of the prior-year level, and orders were 2% higher at 2.599 billion. The Postal Automation Division increased its profit and earnings margin and won large orders from the U.S. Postal Service, while the Electronics Assembly Systems Division narrowed its loss year-over-year and restored sales growth in its large pick-and-place equipment business on a breakeven basis. Most of the increased provisions and charges mentioned above were recorded in the fourth quarter, resulting in a loss