

SIEMENS AKTIENGESELLSCHAFT

Form 6-K

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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 February 2, 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

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

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INTRODUCTION

We prepare the Interim Report as an update of our Annual Report, with a focus on the current reporting period. As such, the Interim Report should be read in conjunction with the Annual Report, which includes detailed analysis of our operations and activities.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF FINANCIAL RESULTS AND MARKET TRENDS

For the first quarter ended December 31, 2003, Siemens reported net income of 726 million and basic earnings per share of 0.82, up strongly from 521 million and 0.59 in the first quarter a year earlier. A majority of Siemens Groups achieved double-digit earnings growth year-over-year. Information and Communication Networks (ICN) and Information and Communication Mobile (ICM) achieved particularly strong profit improvements. Medical Solutions (Med), Power Generation (PG), Automation and Drives (A&D), Siemens VDO Automotive (SV), and Osram continued to deliver substantial profits.

First-quarter orders were 20.490 billion, up 6% year-over-year excluding currency translation effects and the net effect of acquisitions and dispositions (i.e., on a comparable basis). First-quarter sales of 18.329 billion were 2% higher year-over-year on a comparable basis. Including currency and portfolio effects, orders grew 2% and sales came within 3% of prior-year levels.

After supplemental cash contributions to Siemens pension plans totaling 1.255 billion, net cash from operating and investing activities was a negative 1.191 billion. While this is comparable to a negative 1.137 billion in the first quarter a year earlier, supplemental pension contributions in that period were 442 million. Excluding supplemental pension contributions, first-quarter net cash from operating and investing activities improved substantially year-over-year, from a negative 695 million to a positive 64 million. This improvement reflects both working capital management and ongoing positive effects from Corporate Treasury activities relating to intracompany financing activities.

On a macroeconomic level, global growth conditions did not significantly change since the end of the last fiscal year which ended on September 30, 2003 and a strong recovery in the global economy was not yet evident in the first quarter of fiscal 2004. The further strengthening of the euro particularly against the dollar could have potential adverse effects on the competitiveness of European industry.

RESULTS OF SIEMENS WORLDWIDE

Results of Siemens worldwide First quarter of fiscal 2004 compared to first quarter of fiscal 2003

Orders in the first quarter of fiscal 2004 were 20.490 billion compared to 20.145 billion a year earlier, and sales were 18.329 billion compared to 18.845 billion. On a comparable basis, sales rose 2% and orders increased 6% year over year. Sales in Germany increased 4% to 4.370 billion compared to the same period a year earlier, while orders in Germany for the first quarter of fiscal 2004 decreased 1%, to 4.614 billion. International orders rose 3% year-over-year, to 15.876 billion, and international sales fell 5% year-over-year, to 13.959 billion. On a comparable basis, international sales rose 2% and international orders climbed 9%.

Within international results, first-quarter sales in the U.S. of 3.073 billion were 21% lower compared to the same period a year earlier, and orders of 3.042 billion were 23% lower. Currency translation effects accounted for 15 percentage points of the decline in sales and 16 percentage points in orders. First-quarter orders in Asia-Pacific increased 3% to 2.220 billion and sales decreased 2%, to 2.026 billion. Excluding currency translation effects, orders in the region rose 13% and sales were up 7%.

Gross profit as a percentage of sales for Siemens worldwide in the first quarter of fiscal 2004 increased to 29.8% from 28.0% in the prior year, driven by improved profitability at a majority of Siemens Groups, partially offset by lower gross profit at Siemens Dematic (SD) and Transportation Systems (TS).

Research and development (R&D) expenses decreased from 1.295 billion to 1.246 billion. R&D spending within Operations was nearly unchanged year-over-year, at 6.8% of sales. Marketing, selling and general administrative expenses were 3.350 billion, or 18.3% of sales, down from 3.508 billion, or 18.6% of sales in the first quarter a year ago, due in particular to cost reductions at ICN and Med.

Other operating income (expense), net was 99 million, compared to 215 million in the first quarter of fiscal 2003, when project cancellations at PG resulted in significant net gains. The current period includes gains from portfolio transactions, particularly related to the sale of Med's Life Support Systems (LSS) business. Income from investments in other companies, net was 105 million compared to 4 million in the first quarter of the prior year, in part due to Siemens' equity share of Infineon's net result for the first quarter of fiscal 2004, which improved to a positive 14 million compared to a negative 17 million in the prior-year period. The prior year included charges from write-downs of venture capital and other investments at ICN totaling 25 million.

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The effective tax rate on income in the first quarter of fiscal 2004 was approximately 30%, positively impacted by the sale of LSS by Med, compared to 37% in the first quarter a year ago.

Net income in the first quarter for Siemens worldwide was 726 million and basic earnings per share were 0.82, up from 521 million and 0.59 in the first quarter a year earlier. Diluted earnings per share of 0.78 were also up from 0.59 in the first quarter last year.

As a result of the adoption of Statement of Accounting Financial Standards (SFAS) 143, *Accounting for Asset Retirement Obligations*, on October 1, 2002, the income in the first quarter of fiscal 2003 includes 59 million (36 million net of income taxes, or 0.04 per share), which was recorded as a cumulative effect of a change in accounting principle.

DISPOSITION

In the three months ended December 31, 2003, Med realized 116 million gains from portfolio transactions. Included in this amount was a pre-tax gain of 100 million in connection with Med's sale of its Life Support Systems business to Getinge AB, Sweden. Net proceeds from the sale totaled 171 million as of December 31, 2003. As stipulated by the contribution agreement for the joint venture Draeger Medical AG & Co. KGaA (Draeger), Siemens contributed these net proceeds less expected taxes on the sale to Draeger.

SEGMENT INFORMATION ANALYSIS**Operations***Information and Communications**Information and Communication Networks (ICN)*

(in millions)	First quarter ended December 31,			
	2003	2002	% Change	
			Actual	Comparable*
Group profit	51	(151)		
Group profit margin	3.0%	(8.4)%		
Sales	1,700	1,804	(6)%	(2)%
New orders	1,849	1,940	(5)%	0%

* Excluding currency translation effects.

ICN achieved a sharp improvement in first-quarter Group profit, reflecting cost structure improvements resulting from its rigorous restructuring efforts in the Enterprise Networks division and the Group's Carrier Networks and Services business. Enterprise Networks earned 47 million on sales of 870 million, compared to 44 million on 889 million in sales in the prior-year period. ICN's Carrier Networks and Services business earned 42 million on revenues of 834 million, compared to a loss of 157 million on sales of 914 million in the first quarter a year ago. For ICN overall, first-quarter sales were 1.700 billion and orders were 1.849 billion. On a comparable basis, sales came within 2% of the prior-year level and orders were level year-over-year.

Information and Communication Mobile (ICM)

First quarter ended December 31,

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(in millions)	2003	2002	% Change	
			Actual	Comparable*
Group profit	123	59	108%	
Group profit margin	4.2%	2.1%		
Sales	2,957	2,856	4%	6%
New orders	3,022	2,509	20%	23%

* Excluding currency translation effects.

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ICM more than doubled its first-quarter Group profit year-over-year, to 123 million, on a sharp earnings improvement at the Mobile Networks division, strong handset sales, and continuing profitability in its cordless products business. Sales of 2.957 billion were up 6%, and orders of 3.022 billion were 23% higher than in the prior-year period, excluding currency translation effects. The Mobile Networks division was in the black, with earnings of 26 million on sales of 1.162 billion compared to a loss of 25 million on sales of 1.199 billion in the first quarter a year earlier. ICM's Mobile Phones division sold 15.2 million handsets during the seasonally strong Christmas quarter, up from 11.0 million in the same period a year earlier, reflecting improved market conditions. The division contributed 64 million to Group profit on sales of 1.486 billion, compared to 52 million on revenues of 1.309 billion a year earlier. Competitive pressures and a product mix weighted toward lower-priced phones continued to limit average selling price per unit. ICM continues to take measures aimed at streamlining its cost structure and improving profitability.

Siemens Business Services (SBS)

(in millions)	First quarter ended December 31,			
	2003	2002	% Change	
			Actual	Comparable*
Group profit	44	12	267%	
Group profit margin	3.6%	0.9%		
Sales	1,210	1,267	(4)%	(2)%
New orders	1,399	1,394	0%	2%

* Excluding currency translation effects.

SBS posted a Group profit of 44 million for the first quarter, compared to 12 million in the same period of fiscal 2003. The improvement was due primarily to cost reductions between the periods under review, as first-quarter sales were down 4% year-over-year, to 1.210 billion, and orders of 1.399 billion were nearly unchanged. Market conditions for SBS remained weak, particularly in western Europe, and the Group continues to adjust its staffing requirements accordingly.

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

(in millions)	First quarter ended December 31,			
	2003	2002	% Change	
			Actual	Comparable*
Group profit	221	179	23%	
Group profit margin	10.8%	9.0%		
Sales	2,050	1,982	3%	7%
New orders	2,200	2,234	(2)%	2%

* Excluding currency translation effects of (5)% and portfolio effects of 1%.

A&D delivered 23% growth in earnings on a 3% rise in sales, posting Group profit of 221 million compared to 179 million in the first quarter a year earlier. As in past quarters, these results reflect operating leverage gained through a combination of higher productivity and lower costs. As market conditions showed signs of improvement, A&D added significant sales gains in the Asia-Pacific region to its established base in Europe and the U.S. First-quarter sales of 2.050 billion rose 7% on a comparable basis, excluding primarily currency translation effects. Orders of 2.200 billion were up 2% on a comparable basis.

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

(in millions)	First quarter ended December 31,			
	2003	2002	% Change	
			Actual	Comparable*
Group profit	15	(33)		
Group profit margin	1.5%	(3.6)%		
Sales	997	929	7%	11%
New orders	1,129	1,067	6%	10%

* Excluding currency translation effects.

I&S posted Group profit of 15 million, compared to a loss of 33 million in the first quarter a year ago, when I&S took charges of 31 million, primarily for severance. Reflecting improving market conditions, I&S recorded double-digit increases in both sales and orders excluding currency translation effects.

Siemens Dematic (SD)

(in millions)	First quarter ended December 31,			
	2003	2002	% Change	
			Actual	Comparable*
Group profit	(37)	12		
Group profit margin	(6.8)%	1.9%		
Sales	542	622	(13)%	(7)%
New orders	861	612	41%	46%

* Excluding currency translation effects of (8)%, and portfolio effects of 2% on sales and 3% on orders.

Group profit at **SD** was a negative 37 million, as the results of a largely concluded internal review of the Group's project estimates resulted in first-quarter charges of 33 million related to major projects. Sales of 542 million were 7% below the prior-year level on a comparable basis, excluding primarily currency translation effects. In contrast, orders rose sharply, to 861 million, on the strength of a major order in the Middle East.

Siemens Building Technologies (SBT)

(in millions)	First quarter ended December 31,			
	2003	2002	% Change	
			Actual	Comparable*
Group profit	39	43	(9)%	
Group profit margin	3.8%	3.6%		
Sales	1,040	1,206	(14)%	(1)%
New orders	1,105	1,254	(12)%	1%

* Excluding currency translation effects of (6)% and portfolio effects of (7)%.

SBT posted Group profit of 39 million in the first quarter, compared to 43 million in the same period a year earlier, which included charges for severance. The sale of the Group's facility management activities in Germany, Switzerland and North America, had a positive net effect on

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earnings. Sales of 1.040 billion and orders of 1.105 billion were within 1% of prior-year levels on a comparable basis, excluding similar effects from both currency translation and dispositions. SBT continues to streamline its business, with associated effects on earnings anticipated in coming quarters.

Table of Contents**Power***Power Generation (PG)*

(in millions)	First quarter ended December 31,			
	2003	2002	% Change	
			Actual	Comparable*
Group profit	245	409	(40)%	
Group profit margin	12.9%	22.9%		
Sales	1,902	1,785	7%	(1)%
New orders	2,676	2,270	18%	9%

* Excluding currency translation effects of (6)%, and portfolio effects of 14% on sales and 15% on orders.

PG was again a top earnings performer for Siemens, with 245 million in Group profit in the first quarter which also includes integration effects associated with the Group's acquisition of Alstom's industrial turbine business. For comparison, Group profit of 409 million in the prior-year period benefited from a net gain of 125 million related to project cancellations. PG's growing services business made a particularly strong contribution to Group profit. Sales at PG rose 7%, to 1.902 billion, reflecting new volume from the Alstom acquisition, negative currency translation effects and lower demand for gas turbines in the U.S. The 18% increase in first-quarter orders year-over-year, to 2.676 billion, was fueled by a major order in Finland, the Alstom acquisition, and contracts in the Middle East.

Power Transmission and Distribution (PTD)

(in millions)	First quarter ended December 31,			
	2003	2002	% Change	
			Actual	Comparable*
Group profit	51	40	28%	
Group profit margin	6.2%	5.0%		
Sales	820	802	2%	9%
New orders	1,020	1,109	(8)%	(2)%

* Excluding currency translation effects.

PTD achieved a 28% increase in first-quarter earnings, to 51 million from 40 million in the same period a year earlier. The High Voltage division was an especially strong earnings performer. First-quarter sales of 820 million were 9% higher year-over-year excluding currency translation effects. Despite sizable new contract wins, orders of 1.020 billion for the Group as a whole were still 2% lower on a comparable basis than in the same period a year earlier, which included a large order in Australia.

Transportation*Transportation Systems (TS)*

(in millions)	First quarter ended December 31,			
	2003	2002	% Change	
			Actual	Comparable*

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Group profit	32	68	(53)%	
Group profit margin	3.1%	6.3%		
Sales	1,049	1,080	(3)%	0%
New orders	1,020	1,100	(7)%	(5)%

* Excluding currency translation effects.

TS recorded Group profit of 32 million in the first quarter, compared to 68 million in the same period a year earlier. The result for the current period reflects continuing higher warranty charges in the Group's light rail business, which may adversely affect reported earnings in coming quarters and prior-year comparisons. Sales of 1.049 billion were level with the prior-year period, excluding currency translation effects. Orders of 1.020 billion included a major contract in India, but came in below the level a year earlier, which included a number of major contract wins in Europe.

Table of Contents*Siemens VDO Automotive (SV)*

(in millions)	First quarter ended December 31,			
	2003	2002	% Change	
			Actual	Comparable*
Group profit	100	73	37%	
Group profit margin	4.9%	3.4%		
Sales	2,039	2,133	(4)%	9%
New orders	2,039	2,133	(4)%	9%

* Excluding currency translation effects of (4)% and portfolio effects of (9)%.

SV achieved a 37% increase in earnings, posting Group profit of 100 million compared to 73 million in the first quarter a year earlier, as productivity initiatives increased the Group's operating leverage and SV's onboard infotainment systems business increased its profit year-over-year. First-quarter sales and orders of 2,039 billion rose 9% year-over-year on a comparable basis, excluding primarily the divestiture of SV's approximately 800 million (annualized) cockpit module business between the two periods under review.

Medical*Medical Solutions (Med)*

(in millions)	First quarter ended December 31,			
	2003	2002	% Change	
			Actual	Comparable*
Group profit	327	245	33%	
Group profit margin	19.8%	13.4%		
Sales	1,648	1,831	(10)%	5%
New orders	1,891	1,958	(3)%	12%

* Excluding currency translation effects of (10)% and portfolio effects of (5)%.

Med posted Group profit of 327 million, compared to 245 million in the first quarter a year earlier. The current period benefited from 116 million in gains from portfolio transactions, primarily the sale of Med's Life Support Systems (LSS) business. Sales of 1,648 billion were up 5% on a comparable basis, excluding ten percentage points in currency translation effects, the LSS sale, and the contribution of a portion of Med's remaining electromedical systems business into a joint venture between the periods under review. First-quarter orders of 1,891 billion were up 12% year-over-year on a comparable basis, reflecting continued strong demand for Med's innovative diagnostic imaging solutions.

Lighting*Osram*