

The Analyst Conference Call is being held on November 6, at 10.00 am GMT / 11.00 am CET / 5.00 am EST, and will be webcast on www.siemens.com/investorrelations

The Press Conference is taking place in Berlin on November 6, at 8.00 am GMT / 9.00 am CET / 3.00 am EST, and will be webcast on www.siemens.com/press

Siemens Q4 FY14 IR Flashlight

Notes and forward-looking statements

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as “expect,” “look forward to,” “anticipate” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “project” or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens’ management, of which many are beyond Siemens’ control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes – in IFRS not clearly defined – supplemental financial measures that are or may be non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens’ net assets and financial positions or results of operations as presented in accordance with IFRS in its Consolidated Financial Statements. Other companies that report or describe similarly titled financial measures may calculate them differently.

All underlying margins are calculated by adjusting margins for the effects reported for the respective businesses in the relevant period. These effects are provided to assist in the analysis of the businesses’ results year-over-year and may vary from period to period. Underlying margins are not necessarily indicative of future performance. Other companies may calculate similar measures differently.

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

Financial Highlights of Q4 FY14

- **FY14 Outlook achieved**
- **Orders +2%¹⁾: Energy -5%, Industry -5%** offset by **Healthcare +1%** and mainly **IC +21%** (major contract wins in T&L); **Regions: Europe²⁾ +11%** therein **Germany +14%** while **Americas -9%** on a drop in Energy orders
- **Revenue +1%: Healthcare +3%, Industry +4%** and **IC +4%** partly offset by **Energy -2%**; **Regions** mixed with **US +8%, China +7%** while **Europe²⁾ -1%** therein **Germany +9%**
- **Total Sectors Profit at €2.2bn (margin 10.5%) up 28%** on strong improvements in IC and Industry more than offsetting a decline in Energy
 - **Energy margin 5.7% (underlying 9.0%) impacted by -€223m charges in Wind** related to defective main bearings and replacement of blades; +€48m impairment gain from fair value measurement of an equity investment in Wind; **HVDC related project charges of -€41m in Transmission; PG margin of 13.0%**
 - **Healthcare margin 17.1% (underlying 18.2%), strong Q4 performance despite unfavorable FX effect**
 - **Industry margin 14.5% (underlying 15.1%)** due to more favorable revenue mix and increasing productivity; **IA margin 18.1%, DT margin 10.7%** on improved cost position and higher share of motion control business
 - **IC margin 8.9% (underlying 9.1%)** with higher profit across all divisions; continued solid execution in T&L; **BT margin at 12.4%**
- **Net income at €1.5bn (+40%) and EPS of €1.72 (+44%)**
- **FCF cont. ops. at €3.4bn; ROCE in target range at 18.8%**
- **Proposed Dividend of €3.30**

1) All figures y-o-y on a comparable basis excluding currency translation and portfolio effects

2) Incl. Europe, C.I.S., Africa, Middle East

3) PPA = purchase price allocation

Key Items relating to Q4 FY14 (I)

Energy

- **Sector Level**
 - **Margin:** 5.7%
 - **Underlying margin:** 9.0%
 - Ongoing challenges within the sector
- **Power Generation**
 - **Margin:** 13.0%
 - Division continues to face challenges in an increasingly competitive market for large gas turbines
- **Wind Power**
 - **Margin:** -4.0%
 - Incl. -€223 charges for inspecting and replacing defective main bearings in onshore wind turbines and for repairing offshore and onshore wind blades
 - Incl. +€48m gain related to the fair value measurement for an equity investment
 - **Underlying margin:** 6.7%
- **Power Transmission**
 - **Margin:** -4.3%
 - Incl. -€41 charges related to offshore grid connections and an HVDC transmission project in the UK
 - Incl. -€25m charges primarily for capacity adjustments
 - **Underlying margin:** -0.1%
 - Legacy projects are expected to hold back results in coming quarters

Healthcare

- **Sector Level**
 - **Margin:** 17.1%
 - Incl. PPA¹⁾ -€40m from Diagnostics
 - **Underlying margin:** 18.2%
- **Diagnostics**
 - **Margin:** 10.6%
 - Incl. PPA¹⁾ -€40m
 - **Underlying margin:** 14.5%
- During the fourth quarter, Siemens classified the activities of Healthcare's hospital information system business as discontinued operations which will be sold to the U.S.-based company Cerner Corp. Prior-period results are presented on a comparable basis.

1) PPA = purchase price allocation

Key Items relating to Q4 FY14 (II)

Industry

- **Sector Level**
 - **Margin:** 14.5%
 - **Underlying margin:** 15.1%
- **Industry Automation**
 - **Margin:** 18.1%
 - Incl. PPA¹⁾ -€7m related to UGS (versus -€17m in Q3 FY14)
 - Incl. PPA¹⁾ -€11m related to LMS
 - **Underlying margin:** 18.9%
- **Drive Technologies**
 - **Margin:** 10.7%
 - Incl. PPA¹⁾ -€8m related to Flender
 - **Underlying margin:** 11.0%

Infrastructure & Cities

- **Sector Level**
 - **Margin:** 8.9%
 - **Underlying margin:** 9.1%
- **Transportation & Logistics**
 - **Margin:** 4.9%
 - Incl. PPA¹⁾ -€14m related to Invensys Rail
 - **Underlying margin:** 5.6%
- **Power Grid Solutions & Products**
 - **Margin:** 11.6%
- **Building Technologies**
 - **Margin:** 12.4%

1) PPA = purchase price allocation

Key Items relating to Q4 FY14 (III)

Below Sector

- **Equity Investments**
 - Profit: +€65m
- **Financial Services (SFS)**
 - Profit: +€120m
 - Total assets: €22.0bn
- **CMPA**
 - Profit +€72m
- **Siemens Real Estate (SRE)**
 - Income of +€26m (before income tax)
- **Corporate Items & Pensions -€440m**
 - **Corporate items** -€343m includes expenses resulting from changes in the fair value of warrants issued together with US\$3bn in bonds in FY12. The fair value of the warrants depends on the underlying Siemens and OSRAM share prices as well as their respective volatilities. Results for Corporate items are expected to remain variable in coming quarters
 - **Pensions** -€96m
- **Eliminations, Corporate Treasury and other reconciling items**
 - Income of +€4m (before income tax)

Discontinued Operations

- **Discontinued operations: -€4m**

Orders

€m	Q4 FY13	Q3 FY14	Q4 FY14	Y-o-Y Q4 FY13 - Q4 FY14 (nominal)	Y-o-Y Q4 FY13 - Q4 FY14 (comparable) ¹⁾	Q-o-Q Q3 FY14 - Q4 FY14 (nominal)
Energy Sector	7,609	8,228	7,097	-7%	-5%	-14%
Power Generation	4,586	4,628	3,994	-13%	-10%	-14%
Wind Power	1,511	2,006	1,805	19%	17%	-10%
Power Transmission	1,532	1,631	1,321	-14%	-14%	-19%
Healthcare Sector	3,726	3,071	3,773	1%	1%	23%
Diagnostics	1,026	951	1,037	1%	2%	9%
Industry Sector	4,397	4,145	4,141	-6%	-5%	0%
Industry Automation	2,089	2,022	2,114	1%	2%	5%
Drive Technologies	2,410	2,244	2,174	-10%	-9%	-3%
Infrastructure & Cities Sector	4,816	4,154	5,862	22%	21%	41%
Transportation & Logistics	1,752	1,305	2,759	58%	54%	111%
Power Grid Solutions & Products	1,639	1,572	1,591	-3%	-2%	1%
Building Technologies	1,524	1,338	1,564	3%	2%	17%
Total Sectors	20,548	19,597	20,872	2%	2%	7%
Equity Investments						
SFS	347	243	231			
Reconciliations						
CMPA	77	57	93			
SRE	653	594	631			
Corp. Items & Pensions	96	84	47			
Elim., CT & Other recon.	-1,422	-1,291	-1,142			
Siemens (Cont. Ops.)	20,298	19,284	20,733	2%	2%	8%

1) Adjusted for currency translation and portfolio effects

Revenue

€m	Q4 FY13	Q3 FY14	Q4 FY14	Y-o-Y Q4 FY13 - Q4 FY14 (nominal)	Y-o-Y Q4 FY13 - Q4 FY14 (comparable) ¹⁾	Q-o-Q Q3 FY14 - Q4 FY14 (nominal)
Energy Sector	7,436	6,111	7,138	-4%	-2%	17%
Power Generation	4,079	3,474	3,990	-2%	2%	15%
Wind Power	1,619	1,415	1,619	0%	0%	14%
Power Transmission	1,749	1,264	1,551	-11%	-11%	23%
Healthcare Sector	3,480	2,962	3,584	3%	3%	21%
Diagnostics	1,026	951	1,037	1%	2%	9%
Industry Sector	4,650	4,231	4,804	3%	4%	14%
Industry Automation	2,200	2,045	2,291	4%	4%	12%
Drive Technologies	2,574	2,317	2,648	3%	4%	14%
Infrastructure & Cities Sector	5,220	4,712	5,437	4%	4%	15%
Transportation & Logistics	1,985	1,957	2,195	11%	10%	12%
Power Grid Solutions & Products	1,733	1,455	1,780	3%	4%	22%
Building Technologies	1,596	1,359	1,544	-3%	-3%	14%
Total Sectors	20,787	18,015	20,963	1%	2%	16%
Equity Investments						
SFS	347	243	231			
Reconciliations						
CMPA	84	71	126			
SRE	653	594	631			
Corp. Items & Pensions	96	86	48			
Elim., CT & Other recon.	-1,407	-1,317	-1,379			
Siemens (Cont. Ops.)	20,559	17,692	20,621	0%	1%	17%

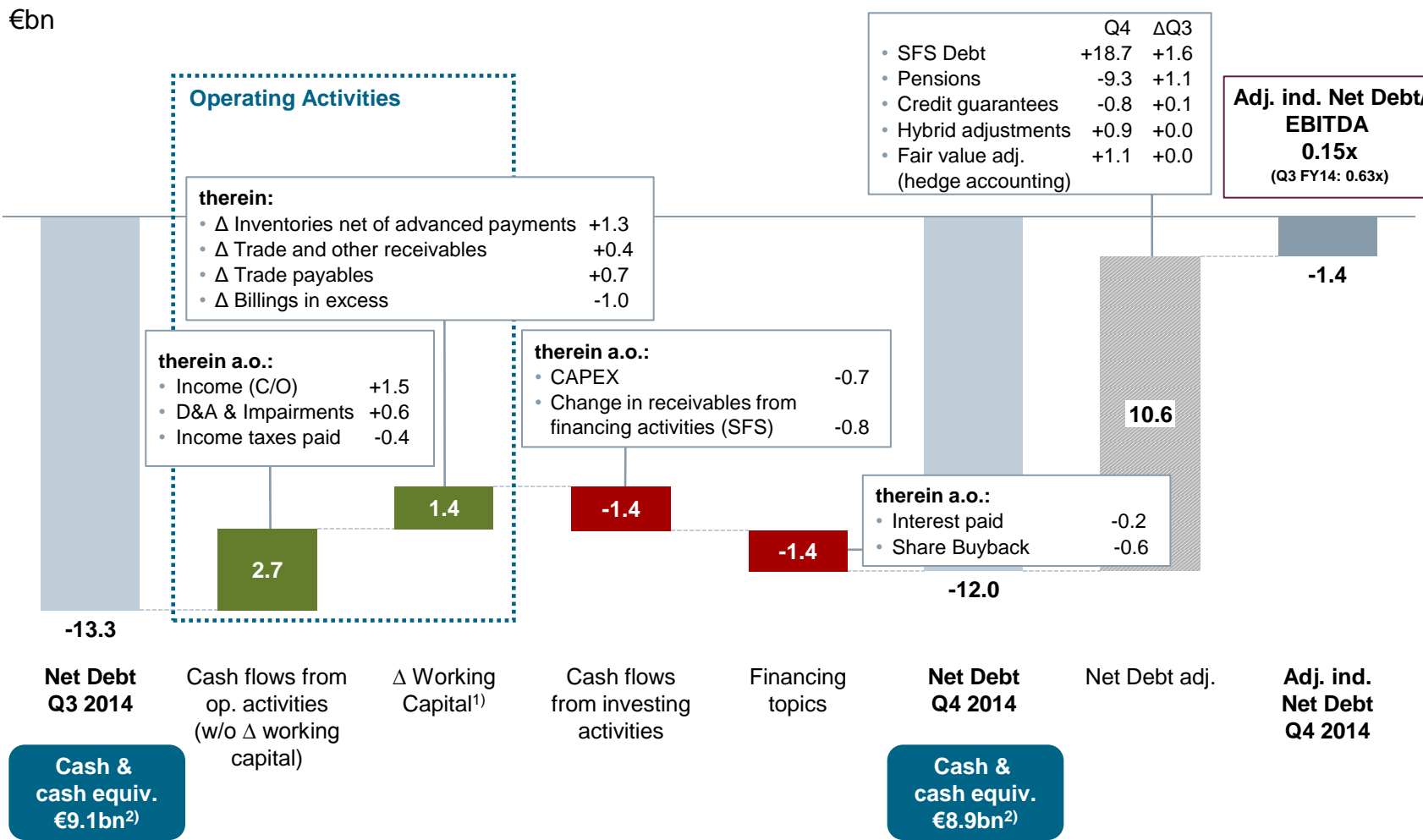
1) Adjusted for currency translation and portfolio effects

Profit & Margins

€m	Q4 FY13	Q3 FY14	Q4 FY14	Margin Q4 FY13	Margin Q3 FY14	Margin Q4 FY14	EBITDA Margin Q4 FY14
Energy Sector	564	405	403	7.6%	6.6%	5.7%	6.8%
Power Generation	538	538	520	13.2%	15.5%	13.0%	
Wind Power	179	38	-66	11.1%	2.7%	-4.0%	
Power Transmission	-42	-188	-67	-2.4%	-14.8%	-4.3%	
Healthcare Sector	616	433	611	17.7%	14.6%	17.1%	20.9%
Diagnostics	82	105	110	8.0%	11.0%	10.6%	
Industry Sector	365	548	698	7.8%	12.9%	14.5%	17.2%
Industry Automation	289	332	414	13.2%	16.2%	18.1%	
Drive Technologies	84	217	283	3.3%	9.4%	10.7%	
Infrastructure & Cities Sector	167	350	482	3.2%	7.4%	8.9%	10.3%
Transportation & Logistics	-78	122	108	-4.0%	6.2%	4.9%	
Power Grid Solutions & Products	103	122	206	6.0%	8.4%	11.6%	
Building Technologies	168	103	192	10.5%	7.6%	12.4%	
Total Sectors	1,711	1,736	2,195	8.2%	9.6%	10.5%	
Equity Investments	109	59	65				
SFS	107	121	120	17.0% ¹⁾	18.4% ¹⁾	18.3% ¹⁾	
Reconciliations							
CMPA	-99	6	72				
SRE	113	67	26				
Corporate Items and Pensions	-395	-65	-440				
Elim., CT & Other recon.	-39	-87	4				
Siemens Pre-Tax Profit (Cont. Ops.)	1,506	1,837	2,042				
Taxes	-403	-468	-539				
Income from Cont. Ops.	1,103	1,369	1,503				
Income from discontinued operations	-35	30	-4				
Net Income (All-In)	1,068	1,399	1,498				
therein Minority interest	62	28	52				
Basic EPS from Cont. Ops. (in €)	1.23	1.59	1.73				
Basic EPS from Net income All-in (in €)	1.19	1.62	1.72				

1) SFS: RoE after tax

Net Debt Bridge as of Q4 FY14



1) Includes cash flows from inventories net of advanced payments received, cash flows provided by trade and other receivables, cash flows provided by trade payables and cash flows used in billings in excess of cost and in estimated earnings on uncompleted contracts and related advances (included in the consolidated statements of cash flow in change in other assets and liabilities)

2) Including available-for-sale financial assets

Pension underfunding decreased to -€8.5bn in Q4

The major factor in the Q4 decrease in underfunding was the discount rate assumption, which increased due to a refinement in how it is determined.

in €bn	FY 2012	FY 2013	Q1 FY 2014	Q2 FY 2014	Q3 FY 2014	Q4 FY 2014
Defined benefit obligation (DBO) on pension benefits	33.0	32.6	32.3	33.7	35.3	35.0
Fair value of plan assets	24.1	24.1	24.2	24.8	25.6	26.5
Funded status of pension benefits	(8.9)	(8.5)	(8.0)	(8.9)	(9.7)	(8.5)
DBO on other post-employment benefits (mainly unfunded)	0.7	0.6	0.6	0.6	0.6	0.5
Discount rate	3.2%	3.4%	3.5%	3.1%	2.7%	3.0%
Interest Income	0.9	0.8	0.2	0.2	0.2	0.2
Actual return on plan assets	3.2	1.3	0.4	0.8	0.9	0.7

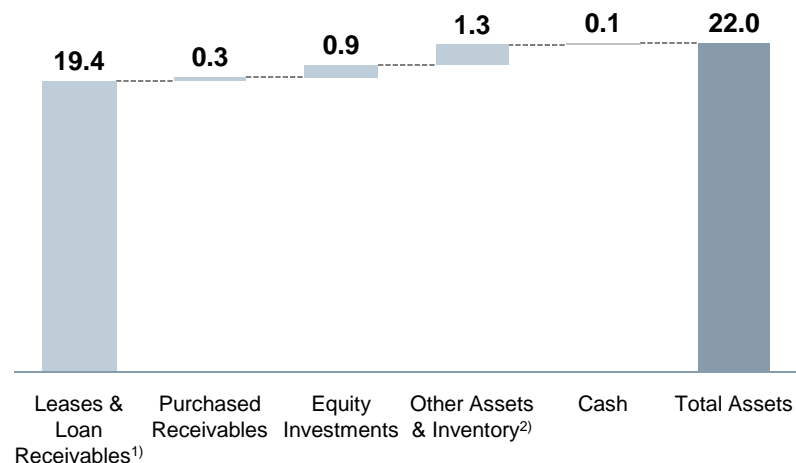
SFS Key Figures Q4 FY14

Key Financial Data SFS

- **Assets** €22.0bn
- **Profit before Tax** €120m
- **Return on Equity after tax** 18.3%
- **Operating and Investing Cash Flow** - €733m

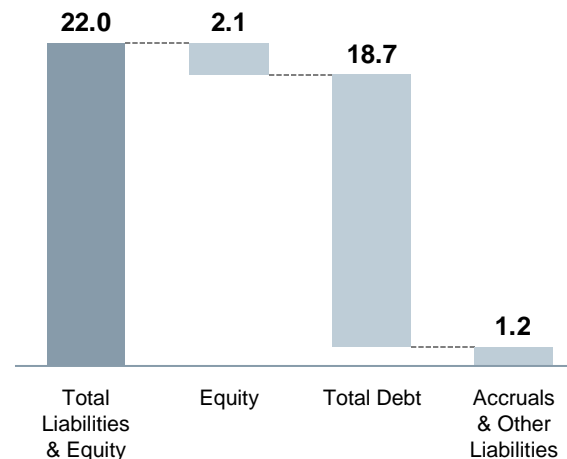
Assets

€bn



Liabilities and Equity

€bn

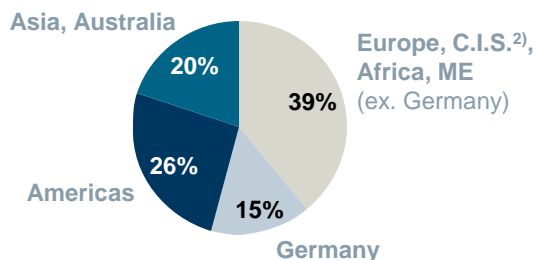


1) Operating and finance leases, originated and purchased loans as well as asset-based lending loans

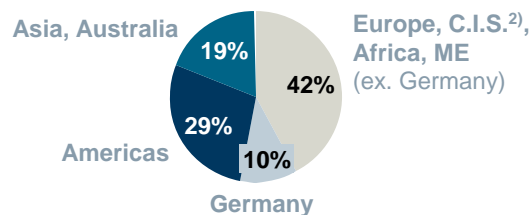
2) Intercompany receivables, securities, (positive) fair values of derivatives, tax receivables, fixed assets, intangible assets, land and building, prepaid expenses and inventories

External Revenue by Regions¹⁾ for FY14

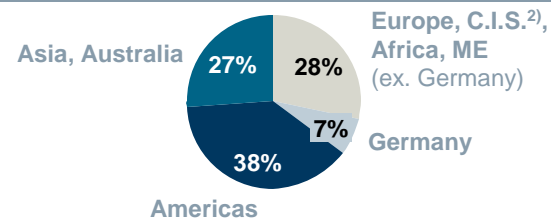
Siemens Revenue (€71.9bn)



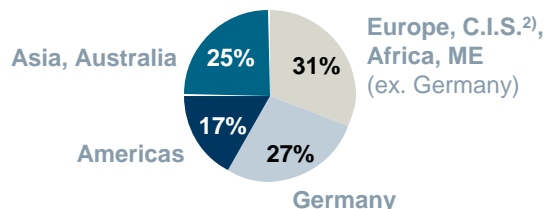
Energy Revenue (€24.4bn)



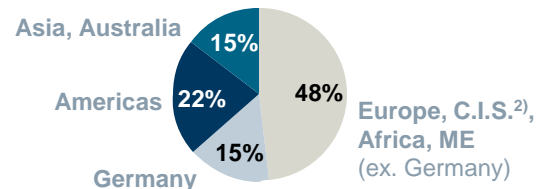
Healthcare Revenue (€12.4bn)



Industry Revenue (€15.3bn)



Infrastructure & Cities Revenue (€18.3bn)

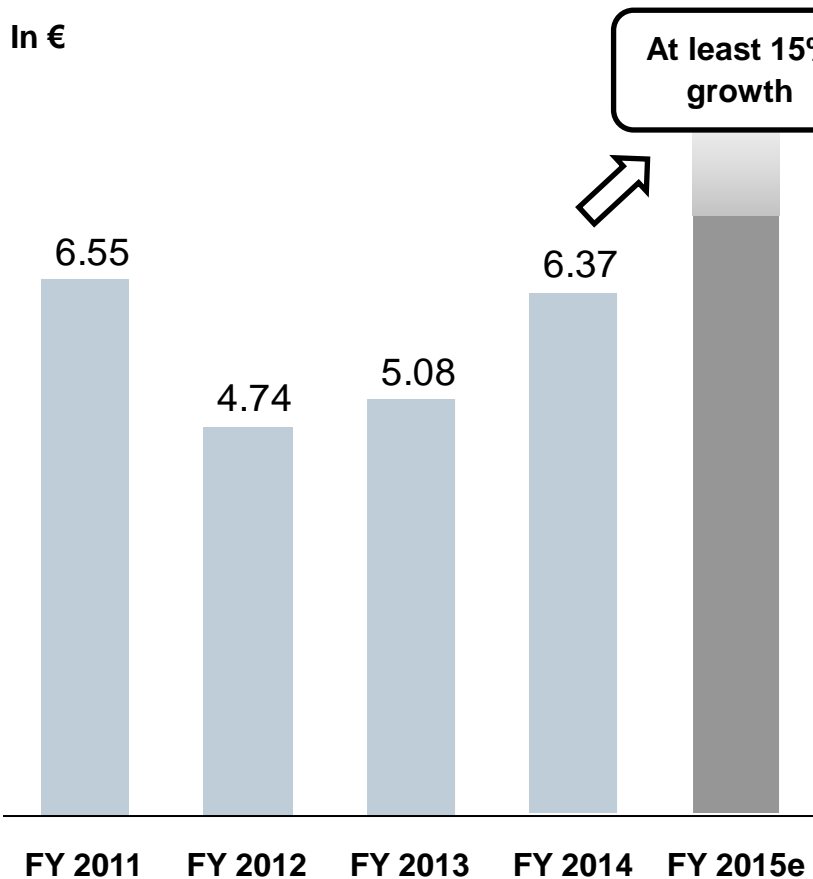


1) External revenue by location of customer 2) Commonwealth of Independent States

Outlook Fiscal 2015

Basic earnings per share (Net income)

In €



- We believe that our business **environment will be complex in fiscal 2015**, among other things due to **geopolitical tensions**.
- We expect **revenue** on an **organic basis** to remain **flat year-over-year**, and orders to exceed revenue for a **book-to-bill ratio above 1**.
- Furthermore, we expect that **gains from divestments** will enable us to **increase basic earnings per share (EPS) from net income by at least 15% from €6.37 in fiscal 2014**.
- For our **Industrial Business**, we expect a profit **margin* of 10–11%**.
- This outlook excludes impacts from legal and regulatory matters.

**Effective with fiscal 2015, our enhanced profit definition excludes amortization of intangible assets acquired in business combinations.*

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