

*The Analyst Call is being held  
on January 28, at 7.30 am GMT / 8.30 am CET / 2.30 am EST, and will be webcast on  
[www.siemens.com/investorrelations](http://www.siemens.com/investorrelations)*

*The Press Conference is taking place in Munich  
on January 28, at 6.30 am GMT / 7.30 am CET / 1.30 am EST, and will be webcast on  
[www.siemens.com/press](http://www.siemens.com/press)*

# Siemens Q1 FY14 IR Flashlight

# Safe Harbour Statement

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 “expects,” “looks forward to,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “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, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens’ control, affect Siemens’ operations, performance, business strategy and results and could cause the actual results, performance or achievements of Siemens to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends. These factors include in particular, but are not limited to, the matters described in Item 3: Key information—Risk factors of our most recent annual report on Form 20-F filed with the SEC, in the chapter “Risks” of our most recent annual report prepared in accordance with the German Commercial Code, and in the chapter “Report on risks and opportunities” of our most recent interim report.

Further information about risks and uncertainties affecting Siemens is included throughout our most recent annual and interim reports, as well as our most recent earnings release, which are available on the Siemens website, [www.siemens.com](http://www.siemens.com), and throughout our most recent annual report on Form 20-F and in our other filings with the SEC, which are available on the Siemens website, [www.siemens.com](http://www.siemens.com), and on the SEC’s website, [www.sec.gov](http://www.sec.gov). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of Siemens may vary materially from those described in the relevant forward-looking statement as being expected, anticipated, intended, planned, believed, sought, estimated or projected. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

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 Q1 FY14

- **Significant Order increase +12%<sup>1)</sup>** on a higher volume from large orders: **IC +45%** including a €1.6bn subway order, **Industry +10%**, **Healthcare +4%** and **Energy +3%**;  
**Strong growth across all regions: Europe / ME<sup>2)</sup> +15%**, **Germany +12%**, **U.S. +28%**, **China +23%**
- **Slight Revenue decline -1%**, driven by **Energy -4%**, partly offset by **IC +4%** and **Healthcare +1%**, **Industry flat**;  
**Mixed regional picture: Europe<sup>2)</sup> flat**, **Germany +1%**, **U.S. -7%** and **China +11%**
- **Total Sectors Profit at €1.8bn**, margin at **10.2% (underlying 11.2%)**:
  - **Energy margin 8.8% (underlying 9.9%)** incl. **-€67m project charges at Transmission** mainly related to grid connection to offshore wind-farms in Germany
  - **Stable Healthcare margin 15.2% (underlying 16.5%)** impacted by currency effects
  - **Industry margin 11.2% (underlying 12.4%)** impacted by Fx headwinds; underlying IA 19.0%, underlying DT 6.8%; **continued stagnation in DT's short-cycle business**
  - **Strong IC margin 7.6% (underlying 8.0%)** on improved results across the Sector
- **Income continued operations improved by 21% to €1.4bn**
- **Net income at €1.5bn** and **EPS of €1.70**, both up **+20%**
- **ROCE at 18%** well within target range and **all Sectors within the targeted EBITDA margin bandwidths**

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 Q1 FY14 (I)

### Energy

- **Sector Level**
  - **Margin:** 8.8%
  - **Underlying margin:** 9.9%
- **Power Generation**
  - **Margin:** 16.6%
  - Beginning of FY14 the former Fossil Power Generation and Oil & Gas Divisions were combined into the single Division Power Generation
- **Wind Power**
  - **Margin:** 4.8%
- **Power Transmission**
  - **Margin:** -6.6%
  - Incl. -€67m project charges related mainly to grid connections to offshore wind-farms resulting from revised estimates of required resources and personnel as well as delays associated with the projects' complex marine environment
  - **Underlying margin:** -1.3%
  - The division expects challenges to continue in coming quarters

### Healthcare

- **Sector Level**
  - **Margin:** 15.2%
  - Incl. PPA<sup>1)</sup> -€41m from Diagnostics
  - **Underlying margin:** 16.5%
  - The sector expects burdens on profit from currency effects to continue based on the strength of the Euro compared to FY13
- **Diagnostics**
  - **Margin:** 11.0%
  - Incl. PPA<sup>1)</sup> -€41m
  - **Underlying margin:** 15.5%

1) PPA = purchase price allocation

## Key items relating to Q1 FY14 (II)

### Industry

- **Sector Level**
  - **Margin:** 11.2%
  - **Underlying margin:** 12.4%
  - The sector expects burdens on profit from currency effects to continue based on the strength of the Euro compared to FY13
- **Industry Automation**
  - **Margin:** 16.8%
  - Incl. PPA<sup>1)</sup> -€35m related to UGS
  - Incl. PPA<sup>1)</sup> -€11m related to LMS
  - **Underlying margin:** 19.0%
- **Drive Technologies**
  - **Margin:** 6.5%
  - Incl. PPA<sup>1)</sup> -€7m related to Flender
  - **Underlying margin:** 6.8%

### Infrastructure & Cities

- **Sector Level**
  - **Margin:** 7.6%
  - **Underlying margin:** 8.0%
- **Transportation & Logistics**
  - **Margin:** 5.0%
  - Incl. PPA<sup>1)</sup> -€13m and -€4m integration costs related to Invensys Rail
  - **Underlying margin:** 6.0%
- **Power Grid Solutions & Products**
  - **Margin:** 9.0%
- **Building Technologies**
  - **Margin:** 8.6%

1) PPA = purchase price allocation

## Key items relating to Q1 FY14 (III)

### Below Sector

- **Equity Investments**
  - Profit: +€81m
- **Financial Services (SFS)**
  - Profit: +€110m
  - Total assets: €19.0bn
- **Corporate Items & Pensions -€186m**
  - Corporate items -€88m
  - Pensions -€98m
- **Siemens Real Estate (SRE)**
  - Income of +€132m (before income tax), including considerably higher disposal gains
- **Eliminations, Corporate Treasury and other reconciling items**
  - Income of +€32m (before income tax)

### Discontinued Operations

- **Discontinued operations: Total +€71m**
  - **Incl. +€65m** tax effect related to former Communications activities
  - **Water Technologies:**
    - The sale of the Water Technologies Business Unit closed shortly after the end of the first quarter with a preliminary consideration of €0.6bn
    - The transaction is not expected to result in significant effects on income from discontinued operations in coming quarters
    - Second-quarter results will include a net cash inflow related to the transaction

# Orders

€m	Q1 FY13	Q4 FY13	Q1 FY14	Y-o-Y Q1 FY13 - Q1 FY14 (nominal)	Y-o-Y Q1 FY13 - Q1 FY14 (comparable) <sup>1)</sup>	Q-o-Q Q4 FY13 - Q1 FY14 (nominal)
<b>Energy Sector</b>	<b>7,372</b>	<b>7,609</b>	<b>7,217</b>	<b>-2%</b>	<b>3%</b>	<b>-5%</b>
Power Generation	4,598	4,586	3,825	-17%	-12%	-17%
Wind Power	1,162	1,511	2,258	94%	100%	49%
Power Transmission	1,386	1,532	1,189	-14%	-9%	-22%
<b>Healthcare Sector</b>	<b>3,286</b>	<b>4,060</b>	<b>3,199</b>	<b>-3%</b>	<b>4%</b>	<b>-21%</b>
Diagnostics	961	1,026	909	-5%	1%	-11%
<b>Industry Sector</b>	<b>4,289</b>	<b>4,800</b>	<b>4,611</b>	<b>8%</b>	<b>10%</b>	<b>-4%</b>
Industry Automation	1,961	2,089	2,102	7%	7%	1%
Drive Technologies	2,253	2,410	2,321	3%	6%	-4%
<b>Infrastructure &amp; Cities Sector</b>	<b>4,364</b>	<b>4,816</b>	<b>6,323</b>	<b>45%</b>	<b>45%</b>	<b>31%</b>
Transportation & Logistics	1,357	1,752	3,233	138%	129%	85%
Power Grid Solutions & Products	1,709	1,639	1,820	7%	12%	11%
Building Technologies	1,367	1,524	1,347	-1%	1%	-12%
<b>Total Sectors</b>	<b>19,311</b>	<b>21,285</b>	<b>21,350</b>	<b>11%</b>	<b>14%</b>	<b>0%</b>
Equity Investments						
SFS	203	347	226			
<b>Reconciliations</b>						
CMPA	67	77	61			
SRE	600	657	587			
Corp. Items & Pensions	126	96	83			
Elim., CT & Other recon.	-1,134	-1,450	-1,472			
<b>Siemens (Cont. Ops.)</b>	<b>19,173</b>	<b>21,011</b>	<b>20,836</b>	<b>9%</b>	<b>12%</b>	<b>-1%</b>

1) Adjusted for currency translation and portfolio effects

# Revenue

€m	Q1 FY13	Q4 FY13	Q1 FY14	Y-o-Y Q1 FY13 - Q1 FY14 (nominal)	Y-o-Y Q1 FY13 - Q1 FY14 (comparable) <sup>1)</sup>	Q-o-Q Q4 FY13 - Q1 FY14 (nominal)
<b>Energy Sector</b>	<b>6,303</b>	<b>7,436</b>	<b>5,782</b>	<b>-8%</b>	<b>-4%</b>	<b>-22%</b>
Power Generation	3,794	4,079	3,224	-15%	-11%	-21%
Wind Power	1,137	1,619	1,310	15%	20%	-19%
Power Transmission	1,384	1,749	1,267	-8%	-3%	-28%
<b>Healthcare Sector</b>	<b>3,252</b>	<b>3,724</b>	<b>3,094</b>	<b>-5%</b>	<b>1%</b>	<b>-17%</b>
Diagnostics	961	1,026	909	-5%	1%	-11%
<b>Industry Sector</b>	<b>4,411</b>	<b>5,042</b>	<b>4,319</b>	<b>-2%</b>	<b>0%</b>	<b>-14%</b>
Industry Automation	1,995	2,200	2,017	1%	2%	-8%
Drive Technologies	2,092	2,574	2,044	-2%	1%	-21%
<b>Infrastructure &amp; Cities Sector</b>	<b>4,141</b>	<b>5,220</b>	<b>4,364</b>	<b>5%</b>	<b>4%</b>	<b>-16%</b>
Transportation & Logistics	1,370	1,985	1,672	22%	10%	-16%
Power Grid Solutions & Products	1,435	1,733	1,408	-2%	4%	-19%
Building Technologies	1,402	1,596	1,340	-4%	-2%	-16%
<b>Total Sectors</b>	<b>18,106</b>	<b>21,423</b>	<b>17,559</b>	<b>-3%</b>	<b>0%</b>	<b>-18%</b>
Equity Investments						
SFS	203	347	226			
<b>Reconciliations</b>						
CMPA	67	77	61			
SRE	600	657	587			
Corp. Items & Pensions	126	96	83			
Elim., CT & Other recon.	-1,178	-1,431	-1,192			
<b>Siemens (Cont. Ops.)</b>	<b>17,925</b>	<b>21,168</b>	<b>17,325</b>	<b>-3%</b>	<b>-1%</b>	<b>-18%</b>

1) Adjusted for currency translation and portfolio effects



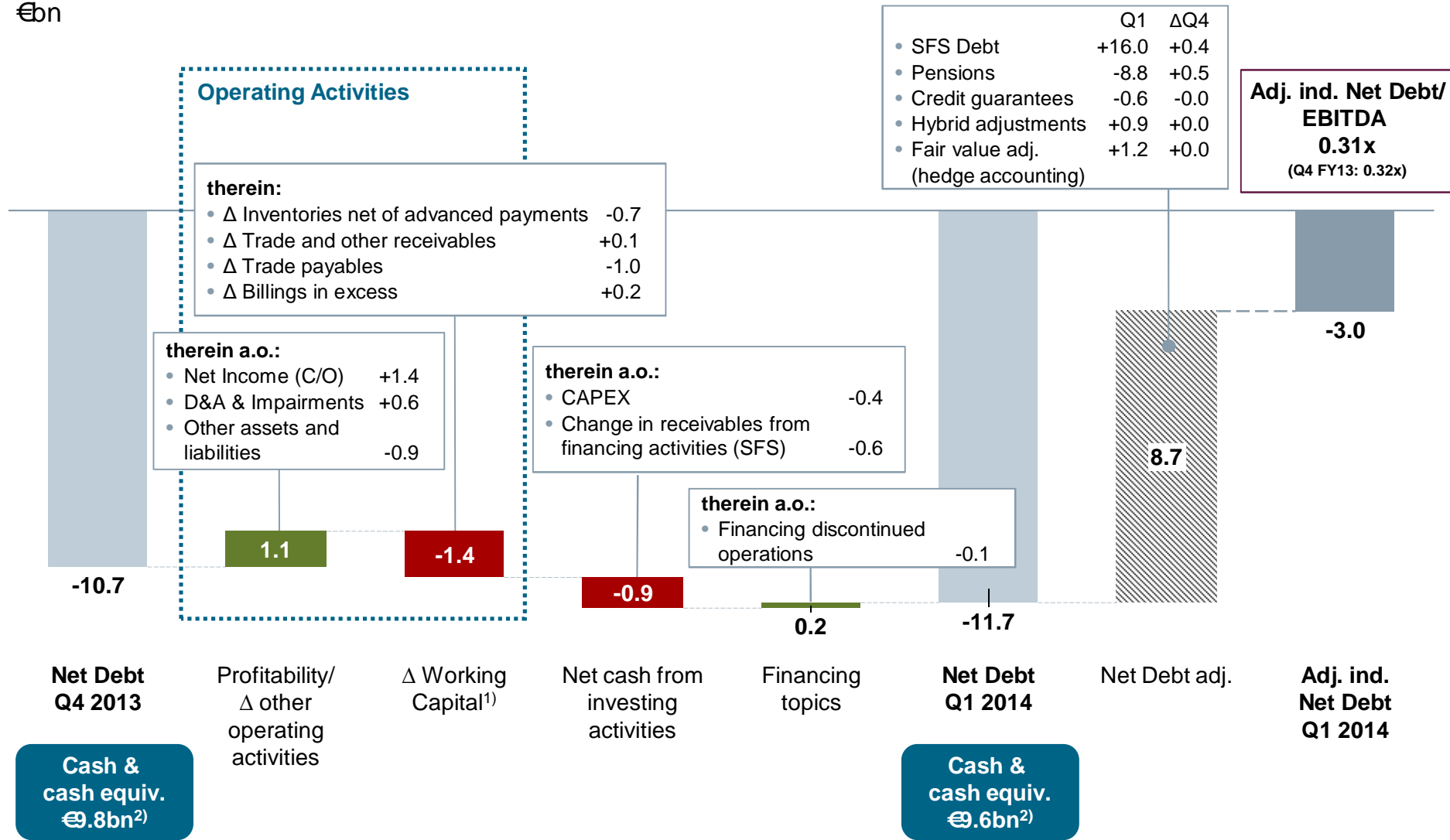
# Profit & Margins

€m	Q1 FY13	Q4 FY13	Q1 FY14	Margin Q1 FY13	Margin Q4 FY13	Margin Q1 FY14	EBITDA Margin Q1 FY14
<b>Energy Sector</b>	<b>410</b>	<b>564</b>	<b>506</b>	<b>6.5%</b>	<b>7.6%</b>	<b>8.8%</b>	<b>10.6%</b>
Power Generation	531	538	536	14.0%	13.2%	16.6%	
Wind Power	52	179	63	4.6%	11.1%	4.8%	
Power Transmission	-16	-42	-84	-1.2%	-2.4%	-6.6%	
<b>Healthcare Sector</b>	<b>503</b>	<b>601</b>	<b>471</b>	<b>15.5%</b>	<b>16.1%</b>	<b>15.2%</b>	<b>19.8%</b>
Diagnostics	111	82	100	11.6%	8.0%	11.0%	
<b>Industry Sector</b>	<b>506</b>	<b>278</b>	<b>482</b>	<b>11.5%</b>	<b>5.5%</b>	<b>11.2%</b>	<b>14.6%</b>
Industry Automation	313	289	338	15.7%	13.2%	16.8%	
Drive Technologies	169	84	133	8.1%	3.3%	6.5%	
<b>Infrastructure &amp; Cities Sector</b>	<b>141</b>	<b>167</b>	<b>330</b>	<b>3.4%</b>	<b>3.2%</b>	<b>7.6%</b>	<b>9.0%</b>
Transportation & Logistics	-54	-78	83	-3.9%	-4.0%	5.0%	
Power Grid Solutions & Products	100	103	127	6.9%	6.0%	9.0%	
Building Technologies	92	168	115	6.6%	10.5%	8.6%	
<b>Total Sectors</b>	<b>1,560</b>	<b>1,610</b>	<b>1,789</b>	<b>8.6%</b>	<b>7.5%</b>	<b>10.2%</b>	
Equity Investments	122	109	81				
SFS	117	107	110	20.3% <sup>1)</sup>	17.0% <sup>1)</sup>	18.1% <sup>1)</sup>	
<b>Reconciliations</b>							
CMPA	1	-47	10				
SRE	45	112	132				
Corporate Items and Pensions	-166	-396	-186				
Elim., CT & Other recon.	20	-39	32				
<b>Siemens Pre-Tax Profit (Cont. Ops.)</b>	<b>1,700</b>	<b>1,456</b>	<b>1,967</b>				
Taxes	-550	-381	-581				
<b>Income from Cont. Ops.</b>	<b>1,150</b>	<b>1,075</b>	<b>1,386</b>				
Income from discontinued operations	64	-7	71				
<b>Net Income (All-In)</b>	<b>1,214</b>	<b>1,068</b>	<b>1,457</b>				
<i>therein</i> Minority interest	16	62	25				
Basic EPS from Cont. Ops. (in €)	1.34	1.20	1.61				
Basic EPS from Net income All-in (in €)	1.42	1.19	1.70				

1) SFS: RoE after tax

# Net Debt Bridge as of Q1 FY14

€bn



1) Includes net cash used in inventories less advanced payments received, net cash provided by trade and other receivables, net cash provided by trade payables and net cash 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 at -€8.0bn in Q1 FY14

- **Funded status** for pensions improved in Q1 FY14, mainly due to increased discount rate level

in €bn	FY 2012 <sup>1)2)</sup>	FY 2013 <sup>2)3)</sup>	Q1 FY 2014 <sup>3)</sup>
<b>Defined benefit obligation (DBO) of pension benefits</b>	33.0	32.6	32.3
<b>Fair value of plan assets</b>	24.1	24.1	24.2
<b>Funded status of pension benefits</b>	<b>(8.9)</b>	<b>(8.5)</b>	<b>(8.0)</b>
<b>DBO of other post-employment benefits (mainly unfunded)</b>	<b>0.7</b>	<b>0.6</b>	<b>0.6</b>
<b>Discount rate</b>	3.2%	3.4%	3.5%
<b>Interest Income</b>	0.9	0.2	0.2
<b>Actual return on plan assets</b>	3.2	0.5	0.4

1) IAS 19R (revised) has been adopted as of beginning of FY 2013 (leading to interest income based on a "high-quality corporate bond" rate). Therefore, FY 2012 information have been adjusted accordingly

2) Figures exclude Osram which is classified as "discontinued operations"

3) Figures exclude Water Business which is classified as "discontinued operations"

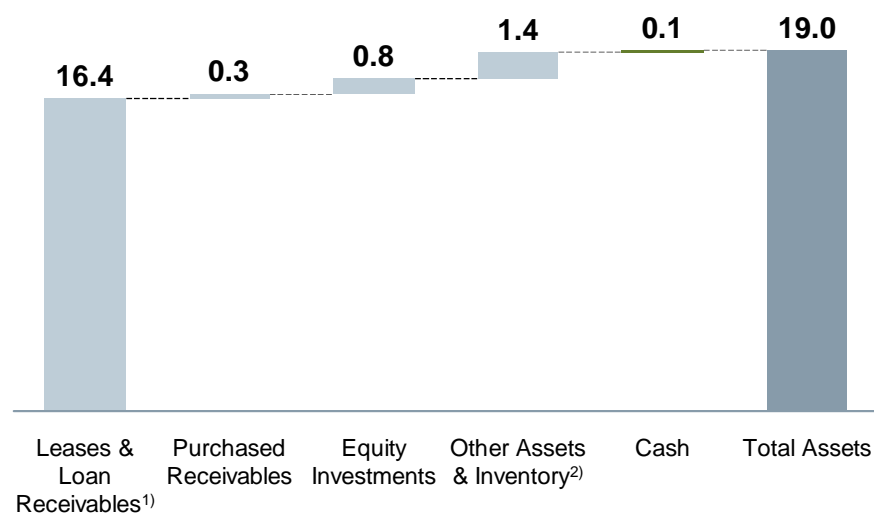
# SFS Key Figures Q1 FY14

## Key Financial Data SFS

- **Assets** €19.0bn
- **Profit before Tax** €110m
- **Return on Equity after tax** 18.1%
- **Operating and Investing Cash Flow** - €368m

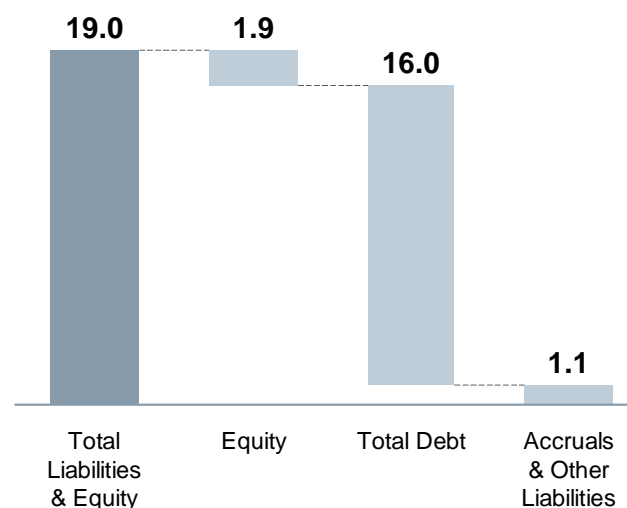
## Assets

€bn



## Liabilities and Equity

€bn



1) Operating and finance leases, originated and purchased loans and 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

## Siemens investor relations contact data



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# Reconciliation and Definitions for Non-GAAP Measures

This document includes supplemental financial measures that are or may be non-GAAP financial measures.

Orders and order backlog; adjusted or organic growth rates of revenue and orders; book-to-bill ratio; Total Sectors profit; return on equity (after tax), or ROE (after tax); return on capital employed (adjusted), or ROCE (adjusted); Free cash flow, or FCF; adjusted EBITDA; adjusted EBIT; adjusted EBITDA margins, earnings effects from purchase price allocation, or PPA effects; net debt and adjusted industrial net debt are or may be such 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.

Definitions of these supplemental financial measures, a discussion of the most directly comparable IFRS financial measures, information regarding the usefulness of Siemens' supplemental financial measures, the limitations associated with these measures and reconciliations to the most comparable IFRS financial measures are available on Siemens' Investor Relations website at [www.siemens.com/nonGAAP](http://www.siemens.com/nonGAAP). For additional information, see supplemental financial measures and the related discussion in Siemens' most recent annual report on Form 20-F, which can be found on our Investor Relations website or via the EDGAR system on the website of the United States Securities and Exchange Commission.