Ladies and gentlemen, dear shareholders,

Last Wednesday, CFO Ralf Thomas presented the Q2 results of fiscal 2018 during an analyst call together with Lisa Davis, member of the Managing Board, who explained the situation at Power and Gas.

Based on the strong results of the first half of Fiscal 2018 the outlook for earnings per share (EPS) for Fiscal 2018 was increased to €7.70 – €8.00 from previously €7.20 – €7.70.

„Most of our businesses, primarily our digital offerings, showed impressive performance and operationally more than offset structural challenges in fossil power generation. By raising our guidance, we demonstrate our commitment to the company’s capability to master structural change and shape digital industry“, said Siemens CEO Joe Kaeser.

The second quarter of Fiscal 2018 in a nutshell:

Comparable revenue remained flat at €20.1bn while orders declined by 1% to €22.3bn. The book-to-bill ratio was 1.11 with a new backlog record of €129bn.

The Industrial Business profit margin was at 11.0%, a strong performance – led by Digital Factory, 6 out of 8 businesses were in or above the margin target range and clearly beat market expectations.

Margin was held back, as expected, by a sharp profit decrease at Power and Gas, which is facing significant structural market challenges, but measures to drive cost out are already in place.

Net income was at €2.0bn and basic EPS increased by 36% year-over-year to €2.39.

Furthermore contributions totaling €1.8bn strengthened Siemens’ pension assets and further safeguard the post-employment benefits of employees in Germany. The funding level is well above the average of all DAX companies.

A highlight during this quarter was the successful Siemens Healthineers IPO (see p. 3).

On the day of the Q2 release, the Siemens share closed at €114.60 (+3.9%) clearly outperforming the DAX (+0.2%) and peers. The weak margin of the Power and Gas division was already anticipated by the market, however an outperformance across most divisions was not expected. The underlying operational performance was very good with Digital Factory standing out. This together with the EPS guidance upgrade drove overall market demand.

Dear shareholders, I want to thank you for your trust and interest and hope you enjoy reading our shareholder letter in the new format.

Kind regards,

Sabine Reichel, Head of Investor Relations, Siemens AG
Our Industrial Business in Q2 2018

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Revenue (€)</th>
<th>Profit (€)</th>
<th>Profit Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power and Gas</td>
<td>€2.9bn</td>
<td>€114m</td>
<td>3.9%</td>
</tr>
<tr>
<td>Energy Management</td>
<td>€3.0bn</td>
<td>€260m</td>
<td>8.8%</td>
</tr>
<tr>
<td>Building Technologies</td>
<td>€1.6bn</td>
<td>€175m</td>
<td>10.9%</td>
</tr>
<tr>
<td>Mobility</td>
<td>€2.1bn</td>
<td>€233m</td>
<td>11.1%</td>
</tr>
<tr>
<td>Digital Factory</td>
<td>€3.3bn</td>
<td>€682m</td>
<td>20.9%</td>
</tr>
<tr>
<td>Process Industries and Drives</td>
<td>€2.1bn</td>
<td>€143m</td>
<td>6.7%</td>
</tr>
<tr>
<td>Siemens Healthineers</td>
<td>€3.2bn</td>
<td>€531m</td>
<td>16.5%</td>
</tr>
<tr>
<td>Siemens Gamesa Renewable Energy</td>
<td>€2.2bn</td>
<td>€117m</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

Press Releases | Division Overview

Hannover Messe 2018

On 3,500 sqm of exhibition space in Hanover, Siemens showed under the motto "Digital Enterprise – Implement now!" how companies of any size can use the Digital Enterprise portfolio in various industries to secure real competitive advantages. "With our Digital Enterprise offerings, our customers are already achieving greater flexibility, shorter times to market, higher efficiency and better quality – and they’re accomplishing this during on-going operations. Our customers are thus attesting to the benefits and added value that the Siemens Digital Enterprise offers for the discrete manufacturing and process industries," said Klaus Helmrich, member of the Managing Board.

The focus here is on the further expanded range of offerings for the Digital Enterprise – with solutions featuring greater flexibility for design, manufacturing processes and structures. This includes solutions for digital twins, which are being used today to create a holistic virtual model of the value chain, along with Siemens' world-leading automation portfolio, as well as the open, cloud-based IoT operating system MindSphere. Connecting to MindSphere is one of the foundational aspects of new, data-driven business models for customers. A few examples can be found in the following videos:

Further information

Siemens CEO Joe Kaeser with German Chancellor Angela Merkel and the Mexican president Enrique Peña Nieto.
Siemens Healthineers AG successfully debuts on the Frankfurt Stock Exchange

Siemens Healthineers AG celebrated its successful market debut on March 16, 2018 with its shares trading for the first time on the Frankfurt Stock Exchange. At €29.10 per Siemens Healthineers share, the first stock exchange quotation was well above the placement price of €28.00. In total, 150,000,000 existing ordinary registered shares (including over-allotments) were placed at the IPO, representing a free float of 15 percent.

Michael Sen, Chairman of the Siemens Healthineers Supervisory Board and member of the Siemens AG Managing Board, Siemens AG CFO Ralf Thomas as well as the Siemens Healthineers CEO Bernd Montag, CFO Jochen Schmitz and Managing Board Member Michael Reitermann – rang the bell on the trading floor of the Frankfurt Stock Exchange to symbolically open the trading of shares.

“We are proud and excited to have reached this important milestone. The successful listing puts us in an even better position than before: As an independent global healthcare leader at the forefront of innovation and with a clear strategy to capture the opportunity our transforming market provides, we have the strength to help shape the future of healthcare”, said Bernd Montag. “The listing gives us the entrepreneurial flexibility necessary to lay the foundation for further growth, and with Siemens AG we retain a committed, long-term majority shareholder on board that fully supports our strategy and growth plans.”

Siemens Healthineers shares, trading under the ticker symbol SHL, are listed in the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange. The International Securities Identification Number (ISIN) is DE000SHL1006, and the German Securities Code (WKN) is SHL 100.

As the offer was oversubscribed, not all purchase orders from investors could be considered in full.

(further information)

Siemens Healthineers Share Price Development March 16 - May 9, 2018

<table>
<thead>
<tr>
<th>Date</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-Mar</td>
<td>€26.00</td>
</tr>
<tr>
<td>30-Mar</td>
<td>€28.00</td>
</tr>
<tr>
<td>13-Apr</td>
<td>€31.00</td>
</tr>
<tr>
<td>27-Apr</td>
<td>€33.00</td>
</tr>
<tr>
<td>9-May</td>
<td>€36.00</td>
</tr>
</tbody>
</table>

Closing: €33.00

Trade opening at the Frankfurt Stock Exchange

Distinction between Spin-off and IPO

Retail shareholders often asked about the distinction between the Osram spin-off and the Siemens Healthineers IPO. Both transactions are not directly comparable.

OSRAM Licht AG was listed on the stock exchange via a spin-off. Siemens AG shareholders received one Osram Licht AG share for ten Siemens AG shares after the spin-off.

For Siemens Healthineers AG, Siemens prepared the stock market listing as an Initial Public Offering (IPO). During an IPO, a company’s shares are initially offered publicly for sale to interested investors.

After the IPO Siemens holds 85% of the shares of Siemens Healthineers AG and received the IPO proceeds for 15% of the shares, which have been publicly listed.

Siemens Healthineers AG shares

Prior to the IPO

After the IPO

Free Float

Cash
Information Corner – Healthineers IPO

Which were the initial steps towards the IPO?

On January 16, 2018, Siemens Healthineers provided a first detailed overview of its businesses and strategy during a well attended public capital market day. Afterwards, the Siemens Healthineers management met with many institutional investors to answer further questions. In cooperation with the mandated group of banks the interest of the potential investors was subsequently analyzed.

How was the price range defined?

Based on detailed investor feedback the price range of €26 to €31 was defined by Siemens. During the so called “offer period” which started on March 6, 2018 and ended on March 15, 2018, investors could submit purchase orders for the offer shares.

How was the offer price determined?

The final offer price of €28.00 was set on the basis of purchase orders submitted by investors during the offer period that had been collated in the order book prepared during a bookbuilding process. The first quotation of €29.10 at the Frankfurt Stock Exchange was then about 4 percent higher than the final offer price.

Financial Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug. 2, 2018</td>
<td>3rd quarter 2018 financial results</td>
</tr>
<tr>
<td>Nov. 8, 2018</td>
<td>4th quarter 2018 financial results</td>
</tr>
<tr>
<td>Jan. 30, 2019</td>
<td>1st quarter 2019 financial results and AGM</td>
</tr>
</tbody>
</table>

For further information, please click here.

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How does Siemens assess the further course of fiscal 2018?

We continue to expect geopolitical uncertainties such as trade restrictions that may affect investment sentiment. Following the strong results achieved in the first half of fiscal 2018, we raise our outlook for basic EPS from net income to the range of €7.70 to €8.00, excluding severance charges, up from the range of €7.20 to €7.70. Furthermore we confirm our expectation of modest growth in revenue, net of effects from currency translation and portfolio transactions, and continue to anticipate that orders will exceed revenue for a book-to-bill ratio above 1 for the full fiscal year. We continue to expect a profit margin of 11.0% to 12.0% for our Industrial Business also excluding severance charges.

This outlook excludes charges related to legal and regulatory matters and potential effects which may follow the introduction of a new strategic program.

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 the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-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 the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them 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.