Selected Key Figures
(in € billion, except where otherwise stated)

<table>
<thead>
<tr>
<th>FY 2016</th>
<th>FY 2017</th>
<th>Q4 2016</th>
<th>Q4 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>86.5</td>
<td>85.7</td>
<td>20.3</td>
</tr>
<tr>
<td>Revenue</td>
<td>79.6</td>
<td>83.0</td>
<td>22.0</td>
</tr>
<tr>
<td>Net income</td>
<td>5.6</td>
<td>6.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Basic earnings per share in €</td>
<td>6.74</td>
<td>7.44</td>
<td>1.42</td>
</tr>
<tr>
<td>Dividend per share in €</td>
<td>3.60</td>
<td>3.70</td>
<td></td>
</tr>
</tbody>
</table>

1) Changes are adjusted for currency translation and portfolio effects
2) Proposed dividend for approval at Annual Shareholders’ Meeting on January 31, 2018

Ladies and gentlemen, dear shareholders,

in the course of last week’s analyst call, Siemens CEO Joe Kaeser and CFO Ralf P. Thomas reviewed the performance for Siemens’ 4th quarter and fiscal 2017. “Our global team delivered excellent results in fiscal 2017, surpassing even the historic success of last year. Most businesses are stronger than ever and well equipped for the digital age. Nevertheless, we have to tackle structural issues in some individual businesses.”

The twice-raised guidance for fiscal 2017 was fully achieved. For fiscal 2017, Siemens proposes a dividend of €3.70 per share, an increase of about 3%.

Fiscal 2017 in a nutshell: orders were strong at €85.7 billion, just 2% below the high level a year ago on a comparable basis, despite substantial, ongoing contraction in markets for the Power and Gas Division which recorded large orders in Egypt totaling €4.7 billion in the prior year. Revenue rose 3% on a comparable basis to €83.0 billion, with a book-to-bill ratio of 1.03. Industrial Business profit rose 8%, to €9.5 billion, with double-digit increases at Building Technologies, which closed its best year ever, Digital Factory, Mobility and Process Industries and Drives more than offsetting declines at Power and Gas and Siemens Gamesa Renewable Energy. Net income was up 11%, to €6.2 billion, driven by the strong operating performance. Basic earnings per share (EPS) of €7.44 were well within the guidance range.

A brief look at some details of the 4th quarter: orders climbed 16% year-over-year on a comparable basis, to €23.7 billion, driven by a higher volume from large orders. Revenue rose on a comparable basis 1%, to €22.3 billion, leading to a book-to-bill ratio of 1.06. Net income and basic EPS rose 10% to €1.3 billion and €1.57, respectively.

As a key pillar of Vision 2020, Siemens achieved major milestones in strengthening its portfolio during fiscal 2017: Siemens expanded its leadership in the digital enterprise through the Mentor Graphics acquisition.

For three important parts of the Siemens portfolio – Renewable Energy, Mobility and Healthineers – Siemens has set the strategic direction as more independent companies. They will be more focused while still benefiting from a strong Siemens brand and simplified governance.

Siemens Gamesa had a bumpy start, but is working hard to implement synergies, optimize footprint and portfolio as well as leverage the large installed base of 83 GW.

The preparation work for the Healthineers’ IPO is full on track. Listing is planned for the 1st half of calendar year 2018. Furthermore, Siemens will create a European Mobility champion with Siemens Alstom. You can find further information on page 4 in the feature topic. However, as a priority for fiscal 2018, Siemens has to tackle structural challenges at the Power and Gas Division in a prudent and consequent way.

Siemens’ new guidance for fiscal 2018 can be found on page 5.

Dear Shareholders, I want to thank you at this point for your trust and interest in Siemens and am looking forward to inform you in the new year, shortly after the AGM, about the Q1 results of fiscal 2018.

Kind regards,

Sabine Reichel, Head of Investor Relations, Siemens AG

1) Changes are adjusted for currency translation and portfolio effects
2) Proposed dividend for approval at Annual Shareholders’ Meeting on January 31, 2018
Share Performance

Share performance on November 9, 2017 (Quarterly results publication)
Good fiscal 2017 market expectations were partly disappointed by Q4 revenue and industrial business profit margin. The focus was mainly on the fiscal 2018 guidance. While the height of the guided tax rate and exchange rate headwinds came as a surprise, all key items and rationale were well understood. But investors are waiting for more clarity on the restructuring effects to better estimate the impact on the EPS. Reflecting this, the Siemens share (-3.7%) underperformed the DAX (-1.5%).

Share performance Aug 4 – Nov 9, 2017
In August, the North Korea crisis lead to very volatile market conditions. Despite continuing tensions as well as uncertainties regarding the Catalan independence elections, the DAX and the Siemens share showed a positive trend starting in September, which developed to a real rally at the end of October. The Dax crossed the first time significantly the 13,000 point mark, driven by positive company and economic results.

Siemens versus peers from Aug 4 – Nov 9, 2017
In comparison to the main competitors and the DAX, the Siemens share (+6%) outperformed GE (-22%) and Schnelder (+4%), but performed weaker than the DAX (+7%), ABB (+13%), Rockwell (+15%) and Toshiba (+22%).

News from our Industrial Business

The information below is a selection of press releases published by Siemens Divisions during the last quarter. A complete overview of all publications can be found [here](http://www.siemens.com/investor/en/siemens_share.htm)

Power and Gas
- In contracting markets, revenue down in all reporting regions; declines particularly in the solutions and large gas turbine businesses which in Q4 FY 2016 executed large orders from Egypt
- Despite continuing strong contribution from the service business, profit fell on reduced capacity utilization and price declines

Siemens receives power plant order from Pakistan
Siemens has received an order for a complete power island for the new combined cycle Punjab Power Plant Jhang. The order was placed by the China Machinery Engineering Corporation. As EPC contractor the Chinese company is building the project for the independent energy provider Punjab Thermal Power (Pvt) Ltd (PTPL). The liquefied natural gas-operated plant is being built 250 km southwest of Lahore and will provide a power generating capacity of 1.3 GW. (for further information, please click [here](http://www.siemens.com/investor/en/siemens_share.htm))

Energy Management
- Lower revenue mainly in the Division’s transmission businesses, particularly in the solutions business; on a regional basis, an increase in Asia, Australia was more than offset by declines in Europe/CAME and in the Americas
- Profit increase despite lower revenue mainly due to lower severance charges

Siemens overhauls 15 converter transformers at Cahora Bassa HVDC link in Mozambique
Siemens is modernizing 15 converter transformers at the Cahora Bassa dam in Mozambique for the operator Hidroeléctrica de Cahora Bassa. The transformers form part of the HVDC transmission link built in the 1970s to transmit electrical power from the hydropower plant over a distance of 1,450 km. The order volume is about €26 million, and the project, as scheduled by Siemens, will take three years. (for further information, please click [here](http://www.siemens.com/investor/en/siemens_share.htm))

Building Technologies
- Revenue up in all regions on strength in the service business
- Higher revenue and improvements in productivity drive growth in profit and profitability

Siemens adds location-based services to its portfolio for digital buildings
Building Technologies Division is adding location-based services to its digital service offering for buildings. These services link existing building infrastructures and processes with location-specific data. People working in the building enjoy enhanced comfort. For example, they are now able to use a smartphone app to individually control the room temperature and lighting in their immediate vicinity or find and reserve an available meeting room nearby. (for further information, please click [here](http://www.siemens.com/investor/en/siemens_share.htm))
### News from our Industrial Business

#### Mobility
- Revenue grew on successful execution of large rolling-stock and locomotive orders in Europe and the U.S.
- Profit rose due to higher revenue and a strong earnings contribution from the digital and automation businesses, more than offsetting higher severance charges year-over-year due to capacity adjustments.

#### Fifth major rail order for Siemens in Bangkok

Bangkok Expressway and Metro Public Company Limited and CH. Karnchang Public Company Limited are working with a consortium of Siemens and ST Electronics Limited to deliver rail technology for the extension of Bangkok's Blue Line Metro. The scope of Siemens' delivery includes 35 three-car metro trains, the signaling system, the traction power supply and complete equipment for the depot and workshop. In addition, Siemens will perform maintenance services of the transit system for a period of 10 years. Commissioning of the line extension is planned for 2019-2020. (for further information, please click [here](#))

#### Digital Factory
- Strong broad-based volume growth continues; another excellent performance in the short-cycle businesses; the product lifecycle management software business grew substantially driven by the acquisition of Mentor Graphics
- Strong profit performance in the factory automation business; overall profit and profitability impacted by severance charges, expenses related to advancing the MindSphere platform and burdens associated with the acquisition of Mentor Graphics

#### New Siemens services digitalize machine tools and optimize production

At the EMO 2017 in Hannover, Siemens was exhibiting new and expanded digital and classic Services for the machine tool industry – with new capabilities for identifying and exploiting additional productivity potential for machine tools. Machine tool operating companies use the new Digitalization Check as a Service from the portfolio of Manufacturing IT Services to create transparency of the digitalization capability of the machine park. With Virtual Commissioning as a Service, machine manufacturers use a virtual twin to significantly speed up both commissioning and time-to-market. (for further information, please click [here](#))

#### Process Industries and Drives
- Revenue decline due mainly to the large drives and the solutions businesses, only partly offset by moderate growth in the process automation business
- Improving operating performance in the process automation business; overall profit and profitability held back by ongoing operational challenges and by charges related to capacity adjustments

#### Siemens to equip Chinese aluminum factories with drive technology

Siemens is to equip several Chinese aluminum factories with medium and low voltage drives. The value of the order is in the low tens of millions of euros. Commissioning will be completed in several stages between November 2018 and April 2019. The objective is to safeguard the productivity in the rolling mills with powerful, reliable drive systems. (for further information, please click [here](#))

#### Siemens Healthineers
- Revenue level with the strong prior-year quarter despite negative currency translation effects; on a regional basis, growth mainly in China and Europe/CAME
- Continued strong earnings contribution from the diagnostic imaging business

#### Siemens Healthineers visualization experts nominated for the 2017 German Future Prize

Siemens Healthineers employees Dr. Klaus Engel and Dr. Robert Schneider have been nominated for the German Future Prize along with Professor Franz Fellner, MD, head of the Central Radiology Institute at Kepler University Hospital in Linz, Austria, for the development of the visualization technology Cinematic Rendering. They are one of three research teams in contention for the award. The prize, awarded by the President of Germany, is one of the country's highest distinctions for technology and innovation. (for further information, please click [here](#))

#### Siemens Gamesa Renewable Energy
- Revenue growth due primarily to the merger
- Development of profitability held back by sharp price declines in India and the U.S.

#### Siemens Gamesa to supply wind turbines totaling more than 780 MW in the U.S.

Siemens Gamesa Renewable Energy announced that the company will supply 310 wind turbines of different types for 5 projects in the U.S. With various output ratings and rotor diameters, the projects feature Siemens and Gamesa technology of the recently merged company. A total of 92 units of the SWT-2.3-108, 144 units of the SWT-2.625-120 and 74 units of the G126-2.625 MW wind turbines will be installed across the various project sites. (for further information, please click [here](#))

(for further company information, please click [here](#))
Siemens and Alstom have signed a Memorandum of Understanding to combine Siemens' mobility business including its rail traction drives business, with Alstom. The transaction brings together two innovative players of the railway market with unique customer value and operational potential. The two businesses are largely complementary in terms of activities and geographies. Siemens will receive newly issued shares in the combined company representing 50% of Alstom's share capital on a fully diluted basis and fully consolidate the company. The new entity will benefit from an order backlog of €61.2 billion, revenue of €15.3 billion, an adjusted EBIT of €1.2 billion and an adjusted EBIT-margin of 8.0 percent, based on information extracted from the last annual financial statements of Alstom and Siemens. In a combined setup, Siemens and Alstom expect to generate annual synergies of €470 million latest in year four post-closing and targets net-cash at closing between €0.5 billion to €1.0 billion.

Global headquarters as well as the management team for rolling stock will be located in Paris area and the combined entity will remain listed in France. Headquarters for the Mobility Solutions business will be located in Berlin, Germany. In total, the new entity will have 62,300 employees in over 60 countries.

European Champion in Mobility

The businesses of the two companies are largely complementary. The combined entity will offer a significantly increased range of diversified product and solution offerings to meet multi-faceted, customer-specific needs, from cost-efficient mass-market platforms to high-end technologies. The global footprint enables the merged company to access growth markets in Middle East and Africa, India, and Middle and South America where Alstom is present, and China, United States and Russia where Siemens is present. Customers will significantly benefit from a well-balanced larger geographic footprint, a comprehensive portfolio offering and significant investment into digital services. The combination of know-how and innovation power of both companies will drive crucial innovations, cost efficiency and faster response, which will allow the combined entity to better address customer needs.

"This Franco-German merger of equals sends a strong signal in many ways. We put the European idea to work and together with our friends at Alstom, we are creating a new European champion in the rail industry for the long term. This will give our customers around the world a more innovative and more competitive portfolio", said Joe Kaeser, President and CEO of Siemens AG.

"Today is a key moment in Alstom's history, confirming its position as the platform for the rail sector consolidation. Thanks to its global reach across all continents, its scale, its technological know-how and its unique positioning on digital transportation, the combination of Alstom and Siemens Mobility will bring to its customers and ultimately to all citizens smarter and more efficient systems. By combining Siemens Mobility's experienced teams, complementary geographies and innovative expertise with ours, the new entity will create value for customers, employees and shareholders," said Henri Poupart-Lafarge, Chairman and Chief Executive Officer of Alstom SA. "I am particularly proud to lead the creation of such a group which will undoubtedly shape the future of mobility."
Frequently Asked Questions

Siemens CEO Joe Kaeser mentioned in his speech that in fiscal 2018 Siemens will set the direction for the next level of Siemens’ strategic development – the working title is “Vision 2020+.”

What are the cornerstones of “Vision 2020+”?  
1) A strong brand, 2) powerful and focused businesses with clear accountability and 3) a lean, flexible governance

A strong Siemens brand: Siemens is one of the most powerful brands in the world. It stands for quality, stability, reliability and for engineering competency. A professional international community of 15,000 opinion leaders from 65 countries ranked Siemens as the number 1 of the most reputable companies of the Fortune 2000.

Powerful and focused businesses with clear accountability: The industrial units will need more focus on their specific needs and will assume more responsibility and accountability to drive their business needs. They will be benchmarked against the leading standards in their sectors and they will decide on their go-to market and their innovation priorities.

Lean flexible governance: Corporate governance and support functions will be significantly more focused and tailored to their specific business needs. Flexibility and speed will prevail over decelerating one size fits all support processes. Result-driven scope is preferred over taking lengthy processes as a proxy for impact and results. Clear accountability and responsibility is of the essence. And the businesses will decide on the scope and degree of service from support functions. This new fleet of ships concept will be designed to strengthen the businesses which are already for the most part on a very successful way.

The Siemens management team will work out more details in the upcoming months and plans to communicate more about “Vision 2020+” in the course of fiscal 2018.

Financial Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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</thead>
<tbody>
<tr>
<td>January 2018</td>
<td>1st quarter 2018 financial results and AGM</td>
</tr>
<tr>
<td>May 2018</td>
<td>2nd quarter 2018 financial results</td>
</tr>
<tr>
<td>August 2018</td>
<td>3rd quarter 2018 financial results</td>
</tr>
</tbody>
</table>

For further information, please click here

We are happy to answer all of your questions

Investor Relations:  +49 (89) 636 32474
investorrelations@siemens.com
http://www.siemens.com/investor

Address:  Siemens AG Werner-von-Siemens-Str. 1 80333 Munich Germany

Your Siemens IR Team

How does Siemens assess fiscal 2018?

We expect a mixed picture in our market environment in fiscal 2018, ranging from strong markets for our short-cycle businesses to unfavorable dynamics in our energy generation markets, as well as geopolitical uncertainties that may restrict investment sentiment. For fiscal 2018 we expect modest growth in revenue, net of effects from currency translation and portfolio transactions, and anticipate that orders will exceed revenue for a book-to-bill ratio above 1. We expect a profit margin of 11.0% to 12.0% for our Industrial Business and basic EPS from net income in the range of €7.20 to €7.70, both excluding severance charges.

This outlook excludes charges related to legal and regulatory matters, effects on EPS associated with minority holdings shares in Healthineers following the planned IPO, and potential effects which may follow the introduction of a new strategic program.

Adoption of IFRS 15, Revenue from Contracts with Customers

Beginning with fiscal 2018, Siemens will adopt IFRS 15, Revenue from Contracts with Customers, retrospectively, i.e. results for fiscal 2017 will be presented on a comparable basis. We do not expect the adoption of IFRS 15 to have a significant effect on Siemens’ Consolidated Financial Statements. On a preliminary basis, the adoption of IFRS 15 is expected to reduce reported revenue for fiscal 2017 by approximately €0.2 billion and reported basic EPS for fiscal 2017 by approximately €0.10, resulting mainly from Profit Industrial Business. Reported Industrial Business profit margin for fiscal 2017 is expected to decline by approximately 0.1 percentage points. As a result of the IFRS 15 adoption, starting with this earnings release, we report the backlog of the Siemens Group which, compared to the previous definition, now also includes the backlog in businesses outside the Industrial Business, eliminations for transactions between the businesses, and changes arising from the guidance in IFRS 15.

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 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.