

# Facts and figures for shareholders – Fiscal 2013

For the first time, I'm addressing you as the President and CEO of your Company. I've been at this wonderful organization for 33 years now. Leading Siemens today is not only an enormous task; it is also a mission that I embrace with respect and dedication. The fact that millions of people benefit every day from infrastructures supported by Siemens technologies is an inspiration and an obligation as well as a source of pride. What Siemens can do, and what Siemens does, is relevant to people all around the world, whether our customers, users, employees or shareholders. Siemens stands for the electrification of the world. Digitization and automation are transforming this value chain – and offering us major opportunities.

2013 was an eventful year. The Supervisory Board had to make a number of difficult decisions – decisions that were, however, necessary in the interest of the Company.

The Supervisory Board performed with great diligence the duties assigned to it by law, the Siemens Articles of Association and the Bylaws for the Supervisory Board. We regularly advised the Managing Board on the management of the Company and monitored the Managing Board's activities. We were directly involved in all major decisions regarding the Company at an early stage. In written and oral reports, the Managing Board regularly provided us

This document provides a detailed account of a quite turbulent and eventful fiscal year in which there was much light but also some shadow. At €75.9 billion, revenue was 1% below the prior-year level. New orders climbed to €82.4 billion, a substantial 10% gain. Our order backlog now totals €100 billion. Finally, income from continuing operations amounted to €4.2 billion.

Based on these results, we'll again propose an unchanged dividend of €3.00 per share at the upcoming Annual Shareholders' Meeting. You'll also profit from the share buyback program that we intend to implement over the next two years, which will have a volume of up to €4 billion.

with timely and comprehensive information on Company planning and business operations as well as on the strategic development and current state of the Company.

On behalf of the Supervisory Board, I would like to thank the members of the Managing Board and the employees and employee representatives at all Siemens companies for their outstanding commitment and constructive cooperation over the last few unsettled months at our Company.

We must now join forces under Mr. Kaeser's leadership in order to narrow the gap to our competitors.

## Joe Kaeser

President and Chief Executive Officer of Siemens AG



## Dr. Gerhard Cromme

Chairman of the Supervisory Board of Siemens AG



## Fiscal 2013 – Financial summary

In fiscal 2013, our **revenue** came in 2% below the prior fiscal year. A slight increase at Infrastructure & Cities was more than offset by lower revenue at Industry and Energy. Revenue at Healthcare was stable year-over-year. On an organic basis, excluding currency translation and portfolio effects, revenue was 1% down year-over-year, within our forecast given in our Annual Report for fiscal 2012. We increased **orders** by 8% year-over-year. This increase was driven by our Infrastructure & Cities Sector and the Energy Sector. Both Sectors won a sharply higher volume from major contracts – Infrastructure & Cities within its Transportation & Logistics Business and Energy within its Wind Power Division.

In fiscal 2013, we achieved **income from continuing operations** of €4.212 billion. This was lower than income from continuing operations of €4.642 billion a year earlier and also below our expectation of €4.5 to €5.0 billion as presented in our Annual Report for 2012. A condition of that forecast was an expected recovery in the markets for our short-cycle businesses in the second half of fiscal 2013. This did not materialize. Additionally, that forecast assumed "Siemens 2014" charges for fiscal 2013 of €1.0 billion (pretax). In fact, the amount came in €0.3 billion higher. Other factors largely offset each other. While profit in the Energy Sector was burdened by portfolio topics related to the solar business, this impact



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was more than offset by positive effects related to the sale of our stake in Nokia Siemens Networks Holding B.V. (NSN). Due mainly to these factors, we adjusted our forecast for Income from continuing operations to €4.0 billion in the Interim Report for the third quarter of fiscal 2013.

Lower Income from continuing operations year-over-year was due mainly to sharply lower profit in Infrastructure & Cities and Industry. These Sectors took the two largest shares in the above-mentioned "Siemens 2014" charges. Profit at Infrastructure & Cities was also burdened by sharply higher project charges while profit development at Industry was also held back by challenging market conditions, particularly in the Sector's short-cycle businesses as mentioned above. In contrast, Healthcare significantly improved profit year-over-year due mainly to successful execution of its "Agenda 2013" and lower charges associated with the initiative compared to the prior year. Profit at Energy rose moderately year-over-year. In both fiscal years, the Sector's profit development was heavily burdened by charges. While profit in the current period was particularly impacted by "Siemens 2014" charges, charges related to projects and Iran were substantially higher in the prior-year period. While Total Sectors profit fell year-over-year, this was partly offset by a strong improvement outside the Sectors. In particular, Equity Investments posted a profit in fiscal 2013 following a loss a year earlier, as it benefited from a positive effect stemming from a partial reversal of an impairment of our stake in NSN and a gain related to the sale of this stake during the fourth quarter of fiscal 2013. In the prior fiscal year, results at Equity Investments were burdened by substantial restructuring charges at NSN.

**Net income** in fiscal 2013 increased to €4.409 billion, up from €4.282 billion a year earlier, as results related to discontinued operations swung to a positive €197 million in fiscal 2013 from a negative €360 million a year earlier. The improvement in discontinued operations year-over-year was due mainly to OSRAM, which we successfully spun off in the fourth quarter of fiscal 2013. Due to higher Net income and a lower number of shares outstanding year-over-year following the share buyback program which we initiated in the fourth quarter of fiscal 2012, basic EPS rose to €5.08 in the current period, up from €4.74 a year earlier.

In fiscal 2013, Healthcare reached the upper end of its adjusted EBITDA margin target range. Adjusted EBITDA margin at Industry fell year-over-year, but the Sector remained in its target range. Despite burdens from the solar business, Energy nearly reached the lower end of its adjusted EBITDA target range, while Infrastructure & Cities clearly missed its range.

As a result of a combination of lower-than-expected Income from continuing operations and a higher average capital employed, **ROCE (adjusted)** for continuing operations declined to 13.8% in fiscal 2013. This was below the lower end of our target range of 15% to 20%, which we expected to reach. ROCE (adjusted) for continuing operations a year earlier was 15.5%.

Our **Free cash flow from continuing operations** rose 11% to €5.257 billion year-over-year, as we increased our cash flows from operating activities and reduced investments in intangible assets and property, plant and equipment year-over-year.

We made further progress in fiscal 2013 with regard to reaching our capital structure target. This target is defined as the ratio of adjusted industrial net debt to adjusted EBITDA, and set at 0.5 to 1.0 for the medium term. As forecast in our Annual Report for 2012, we increased the ratio year-over-year, to 0.34 from 0.24 a year earlier.

Overall, we believe that we achieved the goals for revenue and our capital structure announced in our Annual Report for 2012. Also we exceeded our revised target for Income from continuing operations announced in our Interim Report for the third quarter of fiscal 2013. ROCE (adjusted) for continuing operations was below our expectations due primarily to lower Income from continuing operations than we forecast a year ago.

During the course of fiscal 2013, it became less likely that our previous expectations for our markets would materialize. We therefore no longer expect to achieve a Total Sectors profit margin of at least 12% in fiscal 2014. But we will continue to rigorously execute our "Siemens 2014" program that was designed to achieve the margin target. At the end of fiscal 2013, we were ahead of identifying and implementing the measures within the program aimed at sustainably improving our productivity. We expect that "Siemens 2014" will help us to narrow or close the gap to our competitors in coming years.

During fiscal 2013, we also made strong progress in focusing our portfolio. Our successful spin-off of OSRAM was the first such partial spin-off by a German company. With the spin-off, Siemens shareholders received one OSRAM share per ten Siemens AG shares. Independence gives OSRAM the entrepreneurial flexibility to focus exclusively on its own market, with additional sources for financing. A stake in OSRAM gives shareholders of Siemens AG an additional opportunity to participate in OSRAM's potential growth and value creation. The shares of Siemens AG rose on the first day of trading for OSRAM, July 8, 2013, and the shares of both companies clearly outperformed the German DAX stock index through the remainder of the fiscal year. We also sold our 50% stake in NSN. After the end of fiscal 2013, we signed an agreement to sell our business of mechanical, biological and chemical water treatment and processing. Furthermore, we intend to sell our airport logistics and postal automation business and exit our solar business after completion of projects under execution. At the same time, we strengthened our core activities by acquiring LMS International NV (LMS) to expand and complement the Industry Sector's industrial IT and software business, and by acquiring Invensys Rail to expand Infrastructure & Cities' presence in the growing global rail automation market.

We intend to continue providing an attractive return to shareholders. As in the past, we intend to fund the dividend payout from Free cash flow. The Siemens Managing Board, in agreement with the Supervisory Board, proposes a **dividend** of €3.00 per share, unchanged from a year earlier.

## Financial calendar<sup>1</sup>



<sup>1</sup> Provisional. Updates will be published at: [WWW.SIEMENS.COM/FINANCIAL-CALENDAR](http://WWW.SIEMENS.COM/FINANCIAL-CALENDAR)

# Key figures fiscal 2013<sup>1,2</sup>

## Volume

### Orders – continuing operations (in millions of €)

FY 2013	82,351		10% <sup>3</sup>
FY 2012	75,939		

### Revenue – continuing operations (in millions of €)

FY 2013	75,882		(1)% <sup>3</sup>
FY 2012	77,395		

## Profitability and Capital efficiency

### Income from continuing operations (in millions of €)

FY 2013	4,212		(9)%
FY 2012	4,642		

### Basic earnings per share – continuing operations (in €)<sup>4</sup>

FY 2013	4.85		(6)%
FY 2012	5.15		

### ROCE (adjusted) – continuing operations (in %)

FY 2013	13.8		Target corridor: 15–20%
FY 2012	15.5		

Target corridor: 15–20%

## Capital structure and Liquidity

### Adjusted industrial net debt / Adjusted EBITDA – continuing operations (in millions of €)<sup>5</sup>

FY 2013	0.34		Target corridor: 0.5–1.0%
FY 2012	0.24		

Target corridor: 0.5–1.0%

### Free cash flow – continuing operations (in millions of €)<sup>5</sup>

FY 2013	5,257		11%
FY 2012	4,727		

## Employees

	in thousands	September 30, 2013		September 30, 2012	
		Continuing operations	Total <sup>6</sup>	Continuing operations	Total <sup>6</sup>
<b>Employees</b>		<b>362</b>	<b>367</b>	366	410
Germany		118	119	119	130
Outside Germany		244	248	247	280

		FY 2013	FY 2012	Actual	Adjusted <sup>3</sup>
<b>Continuing operations</b>					
Orders	in millions of €	82,351	75,939	8%	10%
Revenue	in millions of €	75,882	77,395	(2)%	(1)%

		FY 2013	FY 2012	% Change
<b>Total Sectors</b>				
Adjusted EBITDA	in millions of €	8,141	9,329	(13)%
Total Sectors profit	in millions of €	5,788	7,266	(20)%
in % of revenue (Total Sectors)	in %	7.5	9.3	
<b>Continuing operations</b>				
Adjusted EBITDA	in millions of €	8,215	9,613	(15)%
Income from continuing operations	in millions of €	4,212	4,642	(9)%
Basic earnings per share <sup>4</sup>	in €	4.85	5.15	(6)%
Return on capital employed (ROCE (adjusted))	in %	13.8	15.5	
<b>Continuing and discontinued operations</b>				
Net income	in millions of €	4,409	4,282	3%
Basic earnings per share <sup>4</sup>	in €	5.08	4.74	7%
Return on capital employed (ROCE (adjusted))	in %	13.5	13.1	

		September 30, 2013	September 30, 2012
Cash and cash equivalents	in millions of €	9,190	10,891
Total equity (Shareholders of Siemens AG)	in millions of €	28,111	30,855
Adjusted industrial net debt	in millions of €	2,805	2,271

		FY 2013	FY 2012
<b>Continuing operations</b>			
Free cash flow	in millions of €	5,257	4,727
<b>Continuing and discontinued operations</b>			
Free cash flow	in millions of €	5,328	4,700

1 Orders; Adjusted or organic growth rates of revenue and orders; Total Sectors profit; ROCE (adjusted); Free cash flow; Adjusted EBITDA; Adjusted industrial net debt are or may be non-GAAP financial measures. 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 our Investor Relations website under [www.siemens.com/nongAAP](http://www.siemens.com/nongAAP).

2 October 1, 2012 – September 30, 2013.

3 Adjusted for currency translation and portfolio effects.

4 Basic earnings per share – attributable to shareholders of Siemens AG. For fiscal 2013 and 2012 weighted average shares

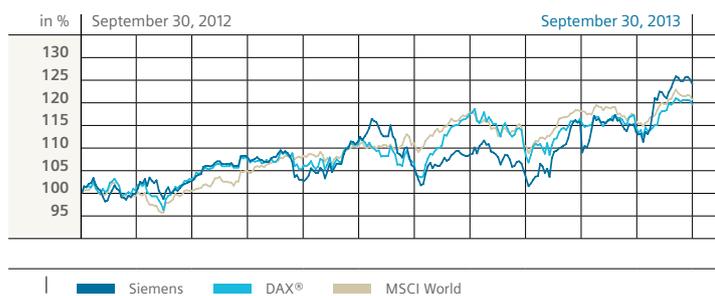
outstanding (basic) (in thousands) amounted to 843,819 and 876,053 shares, respectively.

5 Calculated by dividing adjusted industrial net debt as of September 30, 2013 and 2012 by adjusted EBITDA.

6 Continuing and discontinued operations.

# The Siemens Share / Investor Relations

**Change in the value of an investment in Siemens shares in fiscal 2013**  
(with dividends and the corresponding value of the OSRAM spinoff reinvested; indexed)



## Stock market information

		FY 2013 <sup>1</sup>	FY 2012 <sup>1</sup>
<b>Stock price range (Xetra closing price)</b>			
High	in €	90.33	79.71
Low	in €	76.00	63.06
Fiscal year-end	in €	89.06	77.61
Number of shares issued (September 30)	in millions	881	881
Market capitalization <sup>2</sup>	in millions of €	75,078	66,455
Basic earnings per share <sup>3</sup>	in €	5.08	4.74
Diluted earnings per share <sup>3</sup>	in €	5.03	4.69
Dividend per share	in €	3.00 <sup>4</sup>	3.00

- 1 Fiscal year from October 1 to September 30.
- 2 On the basis of outstanding shares.
- 3 Adjusted for effects of adopting IAS 19R. The prior year is presented on a comparable basis.
- 4 To be proposed to the Annual Shareholders' Meeting.

**Stock performance.** The Siemens share price developed positively over the course of fiscal 2013, but did not perform as well as the share prices of major benchmark companies. Due to uncertainties regarding economic growth in Europe and the emerging countries, the stock markets were highly volatile in the reporting period. During the first half of fiscal 2013, Siemens' share price development was largely in line with the overall market trend.

In July, several events led to a positive development of the Siemens share. At the beginning of the month, we sold our stake in the NSN joint venture to Nokia. A few days later, OSRAM Licht AG was spun off from Siemens. As a result of these events, shareholders profited both from an increase in the Siemens share price and from a grant of OSRAM shares free of charge. At the end of July 2013, our Supervisory Board unanimously appointed the long-time CFO Joe Kaeser as President and CEO of Siemens AG. In August and September 2013, the Company's share price gained substantially, reaching a new high for the year.

**Siemens on the capital market.** We take our responsibility to maintain an intensive dialogue with the capital market very seriously. Cultivating close contacts with our shareholders, we keep them informed of all major developments throughout Siemens.

As part of our investor relations work, we provide information on our Company's development in quarterly, semiannual and annual reports. Our CEO and CFO also maintain close contact with investors through roadshows and conferences. In addition, Siemens holds Sector Capital Market Days, at which the management of our Sectors informs investors and analysts about the Sectors' business strategies and market environments.

We also provide extensive information online. Quarterly, semi-annual and annual reports, analyst presentations, press releases and our financial calendar for the current year (please see → **FINANCIAL CALENDAR ON THE MIDDLE PAGE**), which includes all major publication dates as well as the date of the Annual Shareholders' Meeting, are available at [WWW.SIEMENS.COM/INVESTORS](http://WWW.SIEMENS.COM/INVESTORS).

## Further information

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Additional information on our investor relations activities is available at:  
[WWW.SIEMENS.COM/INVESTORS](http://WWW.SIEMENS.COM/INVESTORS)  
and in the Siemens Annual Report 2013, the English and German versions of which can be downloaded at:  
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**Copies of the Annual Report can be ordered free of charge at:**  
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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 as alternatives to measures of Siemens' financial condition, results of operations or cash flows 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.

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.

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.