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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.

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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.

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.
Innovation at Siemens 2015 event

- Innovation fund (€100 million over 3 years) to support implementation of employees’ grass root innovation ideas
- Strengthen our global network of innovation
- Dedicated unit for start-ups announced (Innovation AG)

Innovation at Siemens 2016 event

- >60% of employees’ applications financed (25 projects with €18 million)
- New innovation centers in China and Israel, in particular for digital
- Establish a company-owned start-up unit: next47 (€1 billion fund)
next47 to foster disruptive ideas and to drive innovations

**Strategic focus**

- Focus on investments in start-ups
- Selectively:
  - M&A activities to support fast ramp-up of innovation fields
  - long-term R&D (“Moonshot”) projects, e.g., eAircraft

**next47 Innovation fields**

- Distributed electrification
- Artificial intelligence
- Connected (e-)mobility
- Autonomous machines
- Block chain applications
- eAircraft
We’re increasing R&D spending

Research and development spending in billions of €
and in % of revenue

FY 2014: 4.0 (5.6%)
FY 2015: 4.5 (5.9%)
FY 2016: 4.7 (5.9%)
FY 2017e: ~5.0

+~25%
Our focus is E-A-D – and there is strong growth in "D"
Our offering separates us clearly from competition

- **Deep domain-knowhow in broad range of markets and industries**
- **Strong installed base/connected fleet**
- **Unmatched digital portfolio:**
  MindSphere, Software, Services, Security
- **Numerous Siemens-internal use cases as proof points**
- **Powerful eco-system**
Siemens with long-standing #1 position in automation – now combined with the force of Siemens Software

Siemens Software – virtual world

Siemens automation – physical world

*In-house developments/digital upgrades
Electrification – Automation – Digitalization: a strong and complete offering for our customers

Siemens Software
- Design & Simulation
  - NX, LMS, CD-adapco
  - Comos, Tecnomatix
  - PSS grid simulation, ...
- Operations
  - Simatic IT
  - Siveness, ...
  - Energy IP

Siemens Digital Services
- FlexLTP
- Navigator based Services
- Railigent
- Guardian Program

MindSphere – the IoT operating system

Digitally enhanced Electrification and Automation
- Spectrum Power, Desigo CC, Controlguide OCS, SIMATIC, PCS7, Sinumerik, ...

Design & engineering
Automation & operation
Maintenance & services
Electrification – Automation – Digitalization:
Four business models with highly attractive profit pools

Siemens Software
Unmatched Software Suite
~70mn contracted meters
€3.3bn

Siemens Digital Services
800k connections, €3bn backlog @Power
Sinalytics Apps
€1bn

MindSphere – the IoT operating system FY17

Enhanced Automation
#1 position in automation, ~30mn automation systems
€19bn

Design & engineering
Automation & operation
Maintenance & services

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Creating internal value

Industrie 4.0
Siemens Factory Amberg:
Energy efficiency in production increased by 20% through energy monitoring
Creating customer value

Siemens monitors >9,000 turbines online – remote remedies for 85% of wind turbine alarms
Powerful eco-system

- next47
- Divisions
- Eco-System
- Go-to-market
- Technology
- Customer access
- Corporate
- Regions

Customer value
- Time-to-market
- Efficiency
- Flexibility
- Productivity