Strong start into the fiscal year – earnings outlook raised

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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.

Pursuing our industrial software strategy
Unmatched offering for design, simulation & testing

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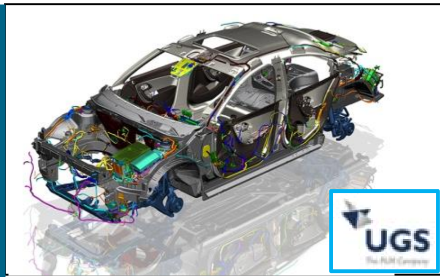
Year of acquisition

2007 — 3D Design



CAD Software NX Design, Nastran and PLM Software Teamcenter

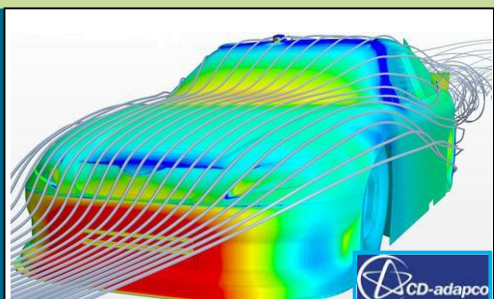
- Streamlines and accelerates the **product development** process in a **collaborative environment**
- Includes a modern, **multi-discipline CAE** environment
- Teamcenter as collaboration platform enables **consistent data management throughout the whole value chain**

2012 — Closed loop Perfor-mance analysis

Simulation & Testing: LMS Virtual.Lab, Imagine.Lab, Test.Lab

- **Behavioral simulation**: 1D cross-discipline simulation, like mechanical and electrics, e.g. fuel economy & range simulation for hybrid vehicles
- **3D mechanical simulation:** e.g. stiffness, noise, vibration
- **Testing**: Solutions for prototype testing (stationary & mobile)

2016 — Leading Portfolio



Multidisciplinary Design Exploration: STAR-CCM+ and others

- **Multidisciplinary Engineering Simulation:** primarily computational fluid dynamics (CFD) for analysis of fluid flow, heat transfer, and fluid-structure interaction
- **Design Exploration**: Engineering simulation workflows and design optimization algorithms to automatically drive product design, e.g. for reduction of weight & cost

CD-adapco – acquisition of a software technology leader in a fast growing industry

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Company description and strategic rationale

- **CD-adapco** is a leading provider of **Computational Fluid Dynamics (CFD) simulation software,** a sub-market of CAE, reducing time-to-market by up to 35%
- **Fast growing market; CD-adapco grew revenues by >12% CAGR** (constant currency) over last three years
- **Profitability** is **SW-typical double digit**
- **Modern SW-architecture and strong customer base**
- **Founder-led** and **privately held, established 1980, headquarters** in **Melville**, NY, US

Key figures

Enterprise Value	**$970m**
Revenues	**~$200m (thereof >80% recurring)**
Synergies	**Mid-double digit €m in year 5**
Employees	**~900 (therein ~280 in R&D)**
Customers	**~3,200**
Users	**~19,000**
Expected closing	**H2 FY 2016**

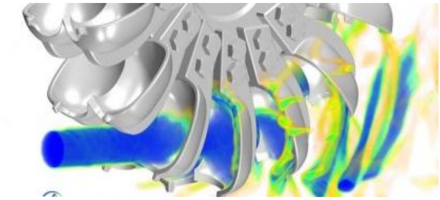
Key customer industries (% of billings FY 2015)

Ground Transportation (52%)

14 of top 15 [1)]

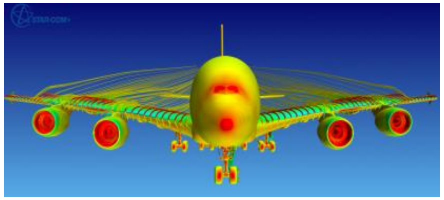
Energy (9%)

9 of top 10 [1)]



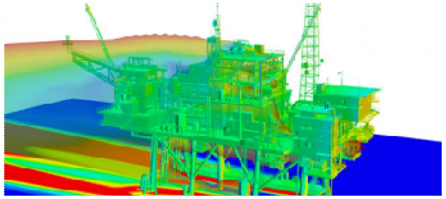
Aerospace & Defence (9%)

All top 10 [1)]



Marine (7%)

9 of top 10 [1)]



1) Number of industry leaders using CD-adapco software

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Q1 – Strong start into the fiscal year

- **Stringent execution of Vision 2020 and further portfolio optimization**
  - **Acquisition of CD-adapco announced**
  - **Closing of Unify and disposal of Sivantos assets in January**
- **Strong order increase of 27% to €22.8bn (excluding FX up by 22%)**
- **Backlog** at **€114bn; book to bill at healthy 1.21x**
- **Revenue up 8% at €18.9bn (excluding FX 4% higher)**
- **Solid Industrial Business margin** of **10.4% (up 20bps)**
- **Net Income** of **€1.6bn (+42%)**

PG: Strong orders point to market wins
WP: Strong orders boost backlog

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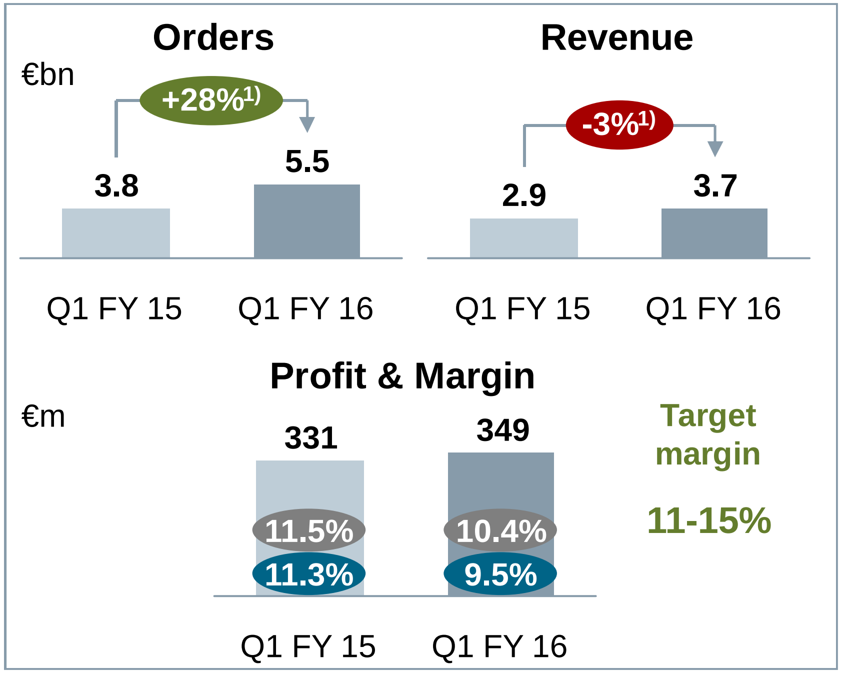
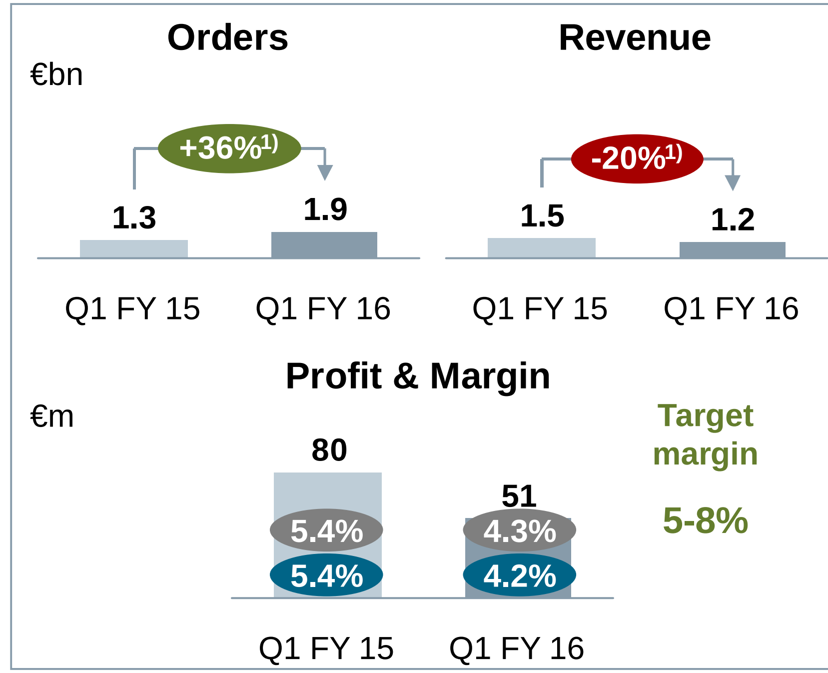
Power and Gas (PG)



Wind Power and Renewables (WP)



- **20 Large Gas Turbines booked; €1.6bn Egypt order incl. service**
- **Margin decline on weaker solution and distributed generation business, strong service contribution**

- **Major offshore order incl. service in UK**
- **Revenue down due to timing effects related to project execution**

1) Comparable, i.e. adjusted for currency translation and portfolio effects

x.x% Margin as reported

x.x% Margin excl. severance and Integration cost D-R (only PG)

EM: Turnaround continues – margins up
BT: Accelerated growth supports strong profitability

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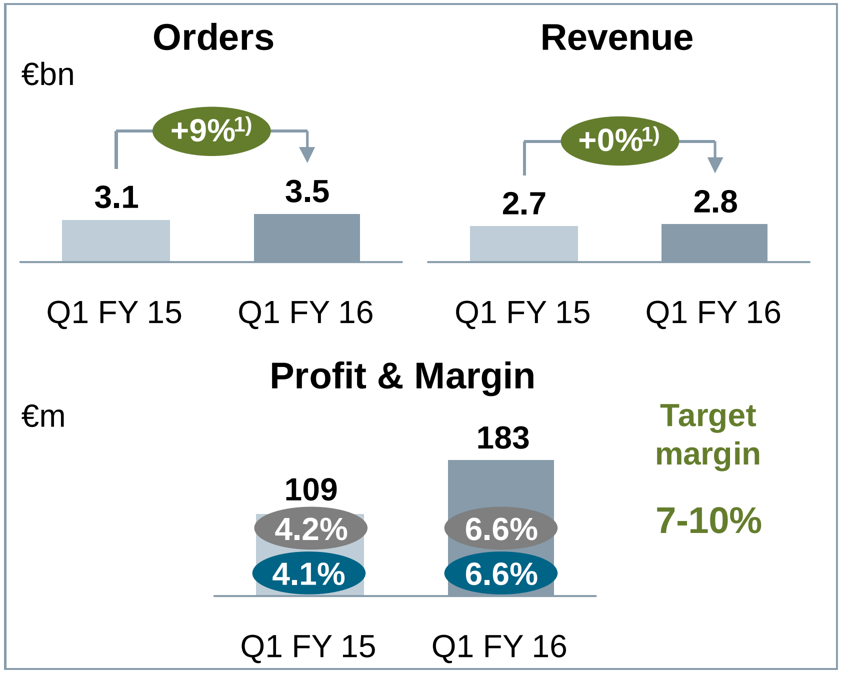
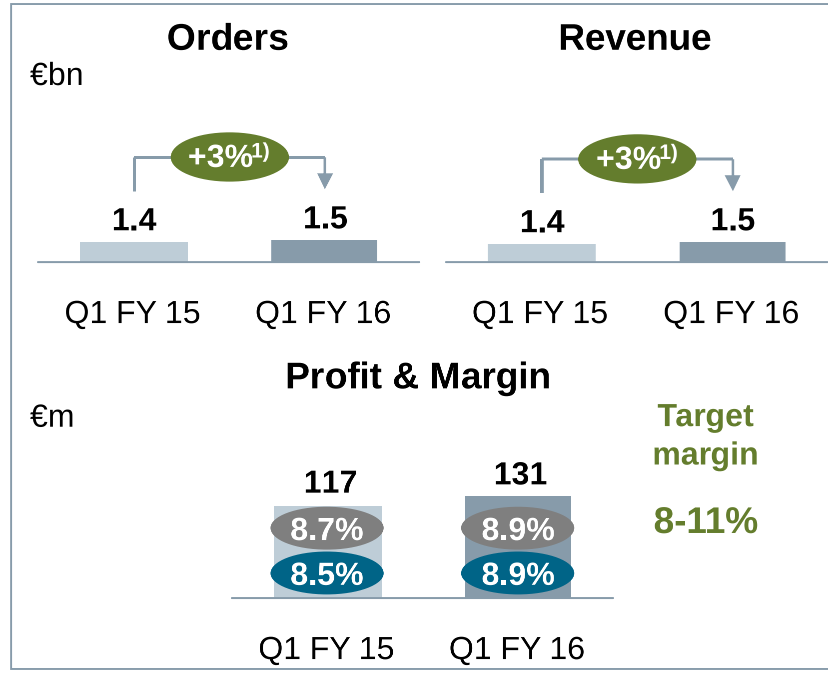
Energy Management (EM)



Building Technologies (BT)



- **Large orders in solution business driven by HVDC project in Africa**
- **Strong profit contribution from high voltage products and transmission solution business**

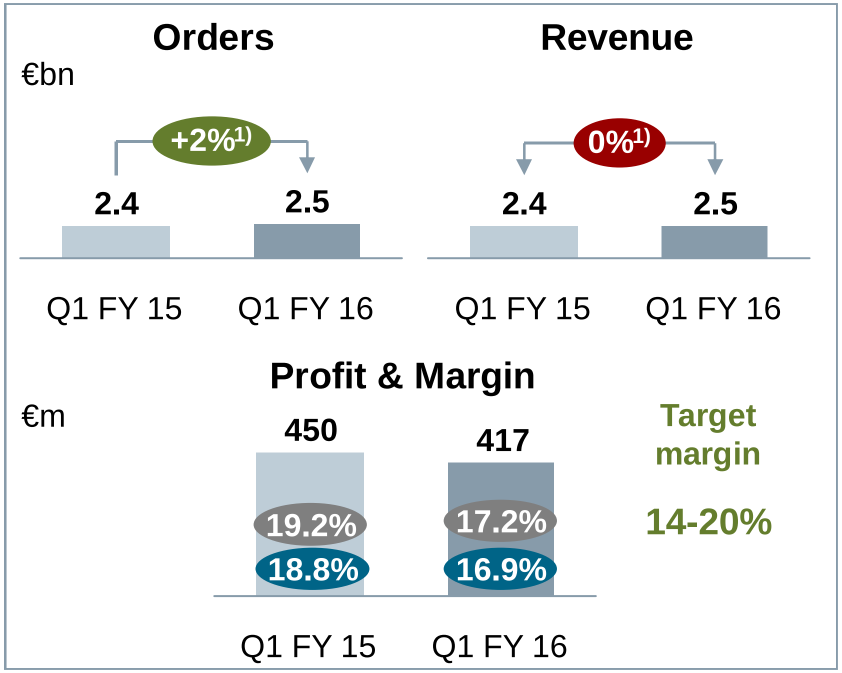
- **Order and revenue growth driven mainly by the Americas**
- **Larger share from higher margin service business**

1) Comparable, i.e. adjusted for currency translation and portfolio effects

x.x% Margin as reported   x.x% Margin excl. severance

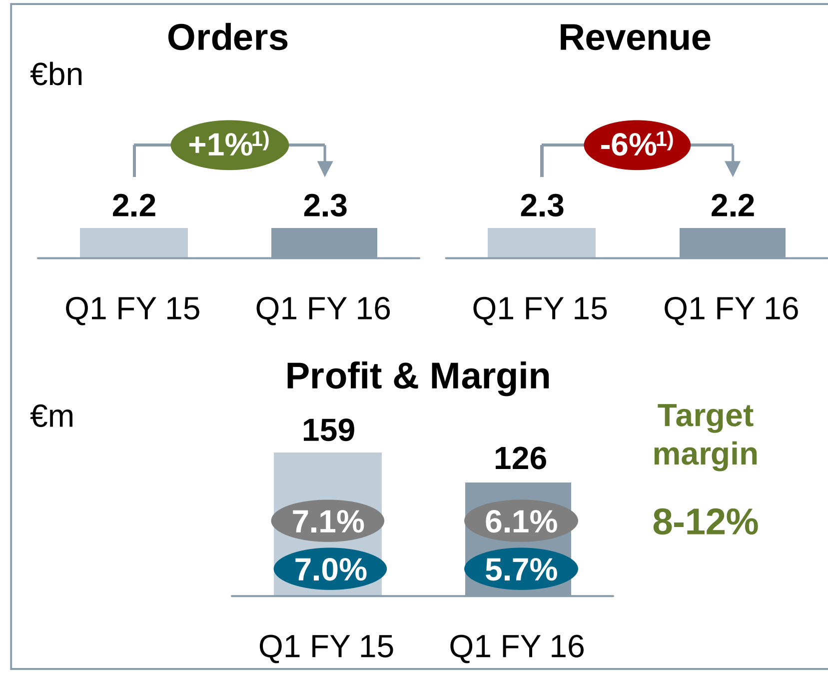
DF: Software shines - short cycle biz slow
PD: Structural weakness impacts business

Digital Factory (DF)



- Strong orders in Europe offset weak demand in China
- Strong volume growth and profit contribution from PLM Software

Process Industries and Drives (PD)



- Strength in wind power-related business offset by continued weak demand in commodity-related industries
- Structural challenges weigh on profit

1) Comparable, i.e. adjusted for currency translation and portfolio effects

x.x% Margin as reported   x.x% Margin excl. severance

MO: Excellent performance driven by Infrastructure
HC: Margin expansion on exceptional growth

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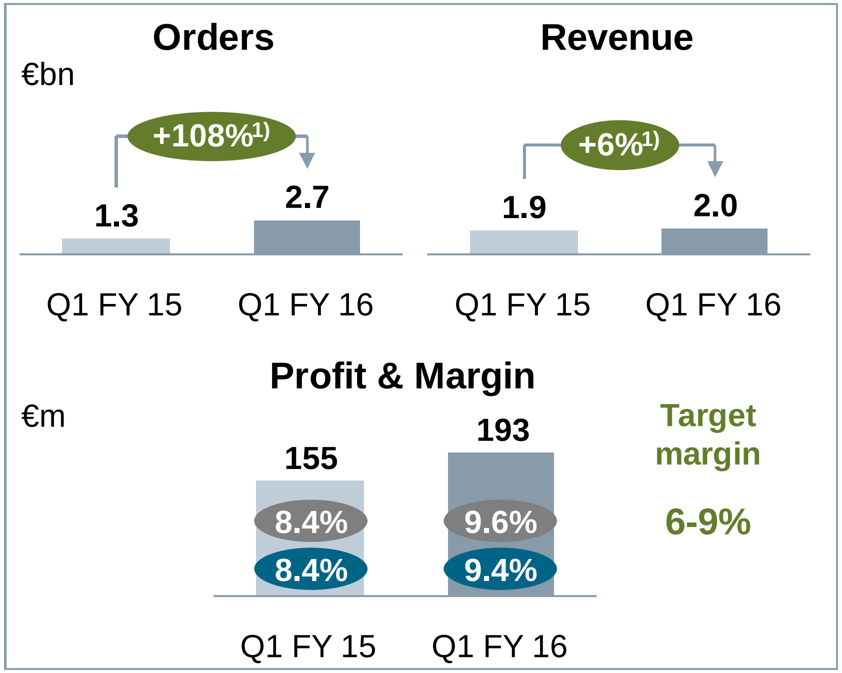
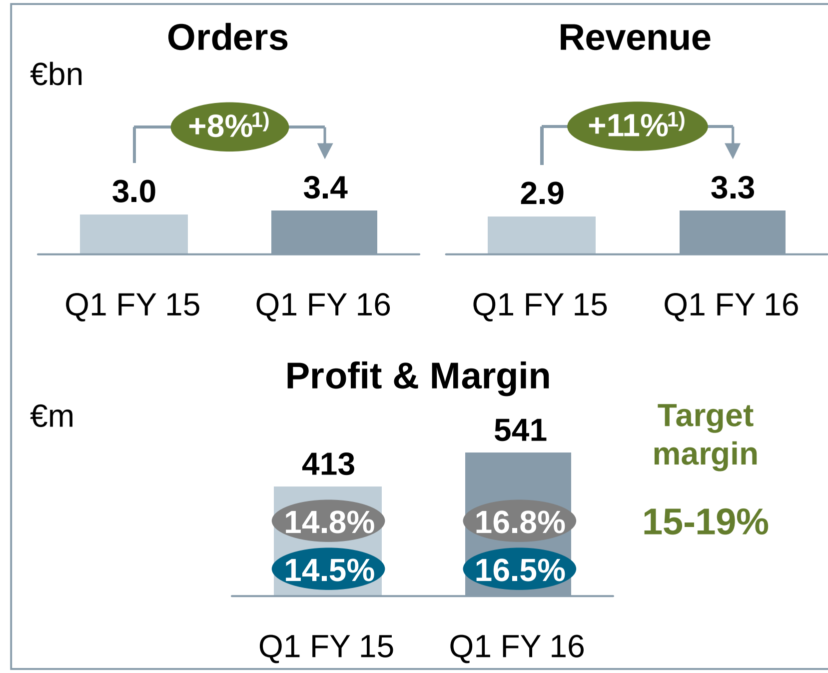
Mobility (MO)



- Big projects boost orders
- Broad based revenue increase
- Strong profit contribution from infrastructure business

Healthcare (HC)



- Strong order and revenue increase in China on easy comps
- Diagnostic imaging business drives volume and profitability

1) Comparable, i.e. adjusted for currency translation and portfolio effects

x.x% Margin as reported   x.x% Margin excl. severance

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Guidance FY 2016 – earnings outlook raised

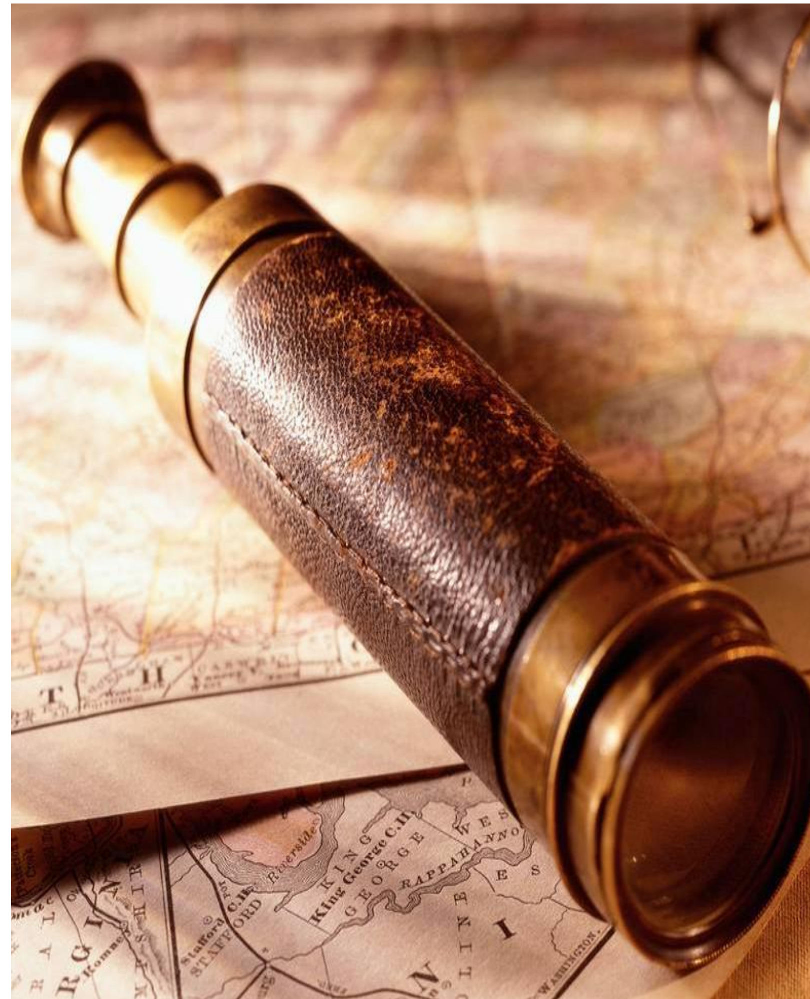
We anticipate **further softening** in the **macroeconomic environment** and **continuing complexity** in the **geopolitical environment in fiscal 2016.**

Nevertheless, we expect **moderate revenue growth**, **net of effects from currency translation**. We anticipate that **orders will materially exceed revenue** for a **book-to-bill ratio clearly above 1.**

For our **Industrial Business**, we expect a **profit margin of 10% to 11%. After** a **strong start** into the **fiscal year, we raise** our previous expectation for **basic EPS from net income** in the range of €5.90 to €6.20 **to the range of €6.00 to €6.40.**

This outlook assumes that **momentum in the market environment for our high-margin short-cycle businesses will pick up** in the **second half of fiscal 2016**.

Additionally, it excludes charges related to legal and regulatory matters.



Appendix

One Siemens Financial Framework – Clear targets to measure success & accountability

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One Siemens Financial Framework

Siemens

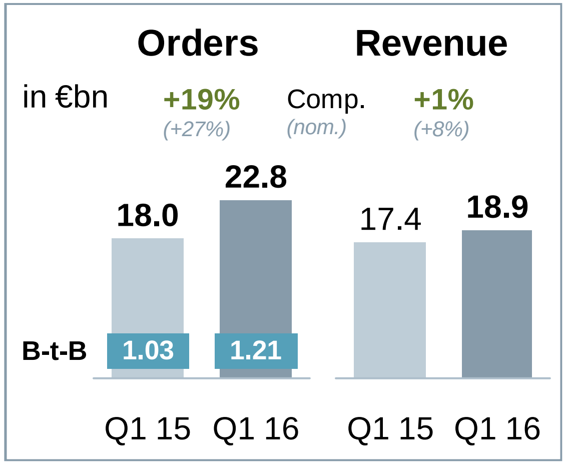
Growth	Capital efficiency	Capital structure
Growth: Siemens > most relevant competitors[1)] (Comparable revenue growth)	**Capital efficiency** (ROCE[2)]) **15-20%**	**Capital structure** (Industrial net debt/EBITDA) **up to 1.0x**
	Total cost productivity[3)] **3-5% p.a.**	**Dividend payout ratio 40-60%**[4)]

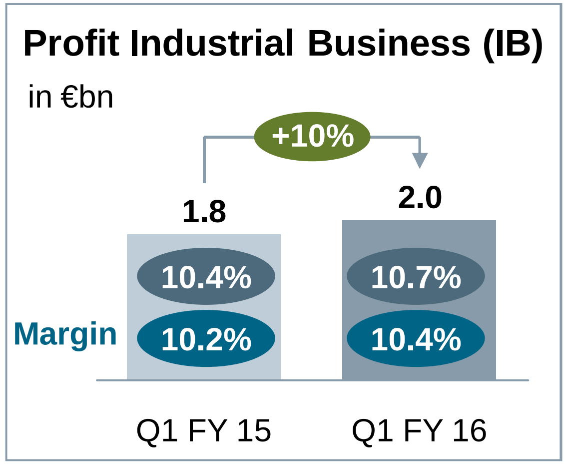
Profit Margin ranges of businesses (excl. PPA)[5)]

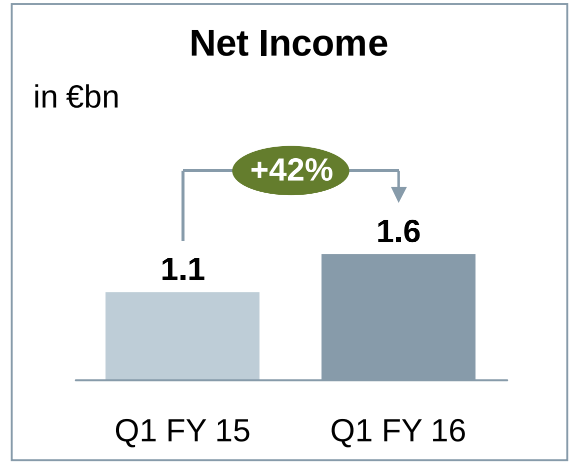
PG	EM	MO	PD	SFS[6)]
11-15%	7-10%	6-9%	8-12%	15-20%
WP	**BT**	**DF**	**HC**	
5-8%	8-11%	14-20%	15-19%	

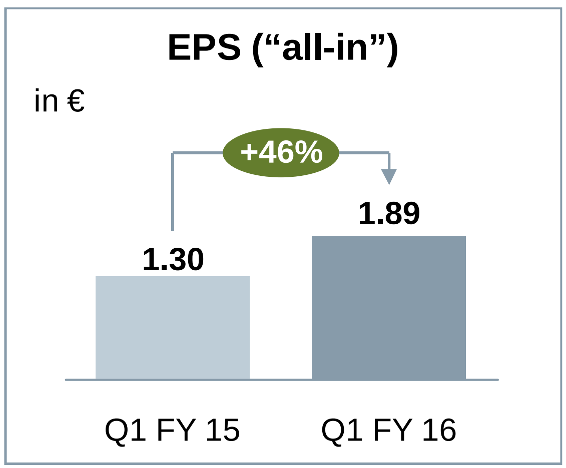
1) ABB, GE, Rockwell, Schneider, Toshiba, weighted; 2) Based on continuing and discontinued operations; 3) Productivity measures divided by functional costs (cost of sales, R&D, SG&A expenses) of the group; 4) Of net income excluding exceptional non-cash items; 5) Excl. acquisition related amortization on intangibles; 6) SFS based on return on equity after tax

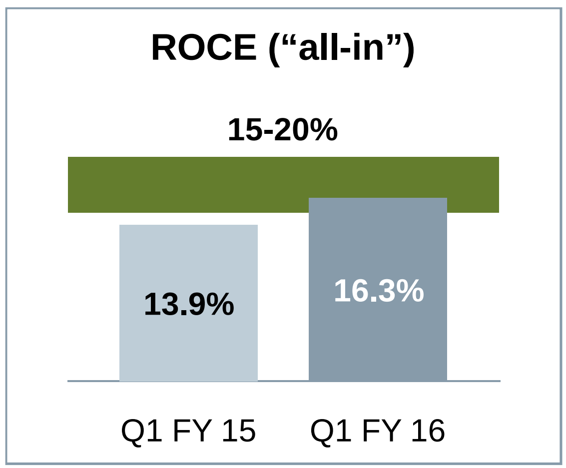
Financial Cockpit

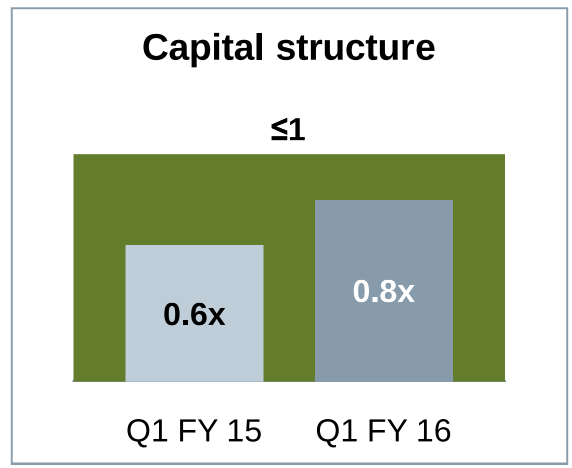






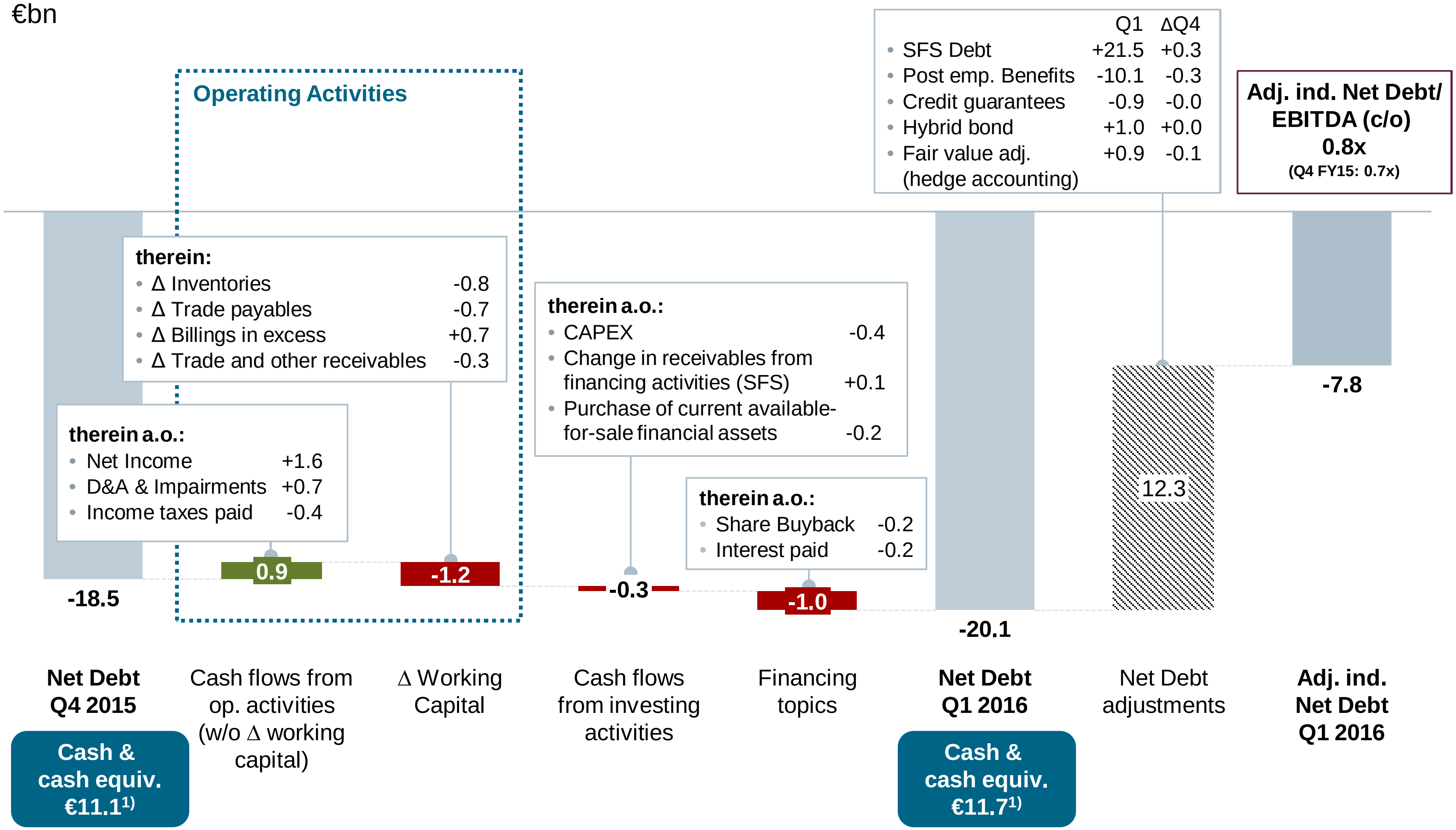






x.x% Margin as reported   x.x% Margin excl. severance

Net Debt Bridge as of Q1 FY 2016



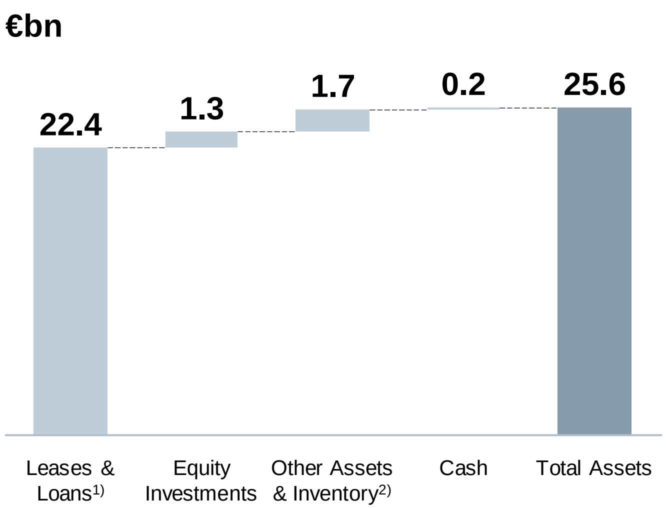
1) Including current available-for-sale financial assets

SFS Key Figures Q1 FY 2016

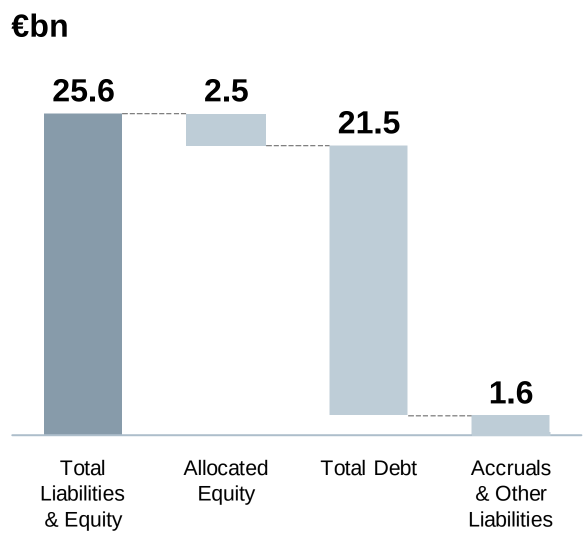
Key Financial Data SFS

Assets	€25.6bn
Income before income taxes	€168m
Return on Equity after tax	21,9%
Operating and Investing Cash Flow	€445m

Assets



Liabilities and Equity



1) Operating and finance leases, loans, asset-based lending loans, factoring and forfeiting receivables
2) Intercompany receivables, securities, (positive) fair values of derivatives, tax receivables, fixed assets, intangible assets, land and building, prepaid expenses and inventories

Underfunding for Siemens' pension plans increased to -€9.3bn in Q1

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Funding deficit for Siemens' pension plans increased in Q1, mainly due to slightly decreased discount rate assumption

in €bn[1)]	FY 2013	FY 2014	FY 2015	Q1 FY 16
Defined benefit obligation (DBO) on pension benefit plans	(32.6)	(35.0)	(36.3)	(36.7)
Fair value of plan assets	24.1	26.5	27.3	27.4
Funded status of pension plans	**(8.5)**	**(8.5)**	**(9.0)**	**(9.3)**
DBO on other post-employment benefit plans (mainly unfunded)	0.6	0.5	0.5	0.5
Discount rate[2)]	3.4%	3.0%	3.0%	3.0%
Interest Income[2)]	0.8	0.8	0.8	0.2
Actual return on plan assets[2)]	1.3	2.9	0.5	0.2

1) All figures are reported on a continuing basis and according to IAS 19 (revised 2011).
2) All figures are based on the post-employment benefits in total.

Strategic transaction rationale
An attractive business in an attractive market

Vision 2020	Rationale for acquiring CD-adapco	
Area of growth?	• **Attractive growth rates** in Computer Aided Engineering (CAE) and related disciplines (above PLM market growth of 8%) • Only 3% of engineers worldwide use Computer Fluid Dynamics (CFD) today, **implying significant whitespace**	✓
Potential profit pool?	• **Software-typical double-digit margin profile** • Sustainability of earnings supported by **high-value added engineering services** • **>80% of Revenues are recurring**	✓
Why Siemens?	• Siemens setup allows for **global scale across industries** • **Enhancing Siemens' mechanical simulation strength by fluid simulation**	✓
Synergetic value?	• **Enhances existing Siemens PL portfolio (NX CAE, LMS)** with critical simulation capabilities for multi-domain optimization • **Significant growth potential** fueled by integration of product design, engineering, simulation and test	✓
Paradigm shift	• **Siemens driving digitalization** trends with its **Digital Enterprise** suite	✓

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