

## Siemens ends fiscal 2013 with a solid fourth quarter

- **Clear plus in orders, slight decline in revenue**
- **Income from continuing operations at €4.2 billion**
- **Profit includes €1.3 billion in charges related to Siemens 2014 (before taxes)**
- **At least 15 percent increase in basic earnings per share (net income) expected for fiscal 2014**

Siemens AG met its previously adjusted targets for the fiscal year ended on September 30, 2013, thanks to a solid fourth quarter. Income from continuing operations was €4.2 billion, compared with €4.6 billion in the previous year. Total Sectors Profit included €1.3 billion (before taxes) related to the Siemens 2014 efficiency program. "With a solid fourth quarter, we completed an eventful year in fiscal 2013. Now we're looking ahead and concentrating on measures aimed at improving our profitability, which we are implementing rigorously and prudently. With realignment of the regions, we've made the first strategic moves," said Joe Kaeser, President and CEO of Siemens AG.

Siemens expects its markets to remain challenging in fiscal 2014. The company's short-cycle businesses are not anticipating a recovery until late in the fiscal year. It is expected that orders will exceed revenue, for a book-to-bill ratio above 1. Assuming that revenue on an organic basis remains level year-over-year, the company expects basic earnings per share (net income) for fiscal 2014 to grow by at least 15 percent from €5.08 in fiscal 2013.

In fiscal 2013, orders climbed by ten percent, excluding portfolio and currency translation effects, to €82.4 billion. The order backlog at the end of the fiscal year totaled €100 billion. Revenue declined slightly by one percent to €75.9 billion. The

decline in revenue was due to, among other factors, the drop in orders in the prior year and a continuing difficult market environment for the company's short-cycle businesses.

Total Sectors Profit was €5.8 billion, compared to €7.3 billion a year earlier. Above all, the charges of €1.3 billion related to the Siemens 2014 program had an impact here. Thanks to a positive contribution from outside the Sectors and from discontinued operations, net income climbed to €4.4 billion, compared to €4.3 billion the previous year. Basic earnings per share were €5.08, compared to €4.74 a year earlier.

Siemens had launched the Siemens 2014 program in fiscal 2013 to close the gap in profitability with competitors and become faster and less complex. The charges of €1.3 billion previously mentioned were primarily related to personnel measures. Yet, as announced, the number of employees in continuing operations at Siemens remained virtually unchanged year-over year at 362,000.

The Sectors showed a mixed picture in fiscal 2013. In the Energy Sector, orders grew by eight percent, excluding portfolio and currency translation effects. Revenue declined by three percent. Sector profit was around €2 billion, up three percent year-over-year. The Industry Sector showed a three-percent decline in orders and a four-percent drop in revenue on an adjusted basis. The Sector was burdened by, among other factors, a more difficult market environment for short-cycle businesses than in the previous year. The Sector profit was €1.5 billion, compared with €2.4 billion a year earlier.

The Infrastructures & Cities Sector increased its orders by 28 percent, on an adjusted basis, thanks to a number of major contracts. While revenue was slightly above the prior-year level, profit was sharply reduced to €306 million from €1.1 billion in fiscal 2012 as a result of charges for Siemens 2014, project burdens and value adjustments. The Healthcare Sector profited in fiscal 2013 from the successful implementation of its Agenda 2013 program. Orders climbed four percent and revenue rose two percent, excluding portfolio and currency translation effects. Healthcare contributed the biggest share, €2 billion, of the Total Sectors Profit. Healthcare had launched its Agenda 2013 in calendar year 2011 to improve its innovative strength and competitiveness, and completed the initiative in fiscal 2013.

Based on the results of fiscal 2013, the Supervisory Board and Managing Board will propose a dividend of €3.00 per share for approval at the Annual Shareholders' Meeting in January 2014. For the future, Siemens is continuing to aim at a payout rate of 40 to 60 percent from dividends and eventual share buybacks.

**Contact for journalists:**

Alexander Becker, Tel.: +49 89 636-36558

E-mail: [becker.alexander@siemens.com](mailto:becker.alexander@siemens.com)

Additional information is available at: [www.siemens.com/pressconference](http://www.siemens.com/pressconference)

Follow us on Twitter: [www.twitter.com/siemens\\_press](https://www.twitter.com/siemens_press)

**Siemens AG** (Berlin and Munich) is a global powerhouse in electronics and electrical engineering, operating in the fields of industry, energy and healthcare as well as providing infrastructure solutions, primarily for cities and metropolitan areas. For over 165 years, Siemens has stood for technological excellence, innovation, quality, reliability and internationality. The company is one of the world's largest providers of environmental technologies. Around 43 percent of its total revenue stems from green products and solutions. In fiscal 2013, which ended on September 30, 2013, revenue from continuing operations totaled €75.9 billion and income from continuing operations €4.2 billion. At the end of September 2013, Siemens had around 362,000 employees worldwide on the basis of continuing operations. Further information is available on the Internet at: [www.siemens.com](http://www.siemens.com).

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.