

A blurred photograph of a modern office hallway with large glass windows and a central revolving door. Several people in business attire are walking through the hallway, their figures out of focus to convey a sense of movement and activity.

SIEMENS

Joe Kaeser, President and CEO

Siemens – Vision 2020

Bernstein Strategic Decision Conference

May 29th, 2014

Safe Harbour Statement

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, 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 C.9.3 Risks of our most recent annual report prepared in accordance with the German Commercial Code, and in the chapter C.7 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, 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, and on the SEC’s website, 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.

All underlying margins are calculated by adjusting margins for the effects reported for the respective businesses in the relevant period. These effects are provided to assist in the analysis of the businesses’ results year-over-year and may vary from period to period. Underlying margins are not necessarily indicative of future performance. Other companies may calculate similar measures 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.

The financial measures identified in this document are in part transitional figures attained by comparison, classification, appreciation and rounding of historical financial measures; these financial measures and their transitional basis must be regarded as preliminary.

Siemens – Vision 2020: Strategic focus

1

Long-term growth agenda in attractive fields

2

Align portfolio along strategic imperatives

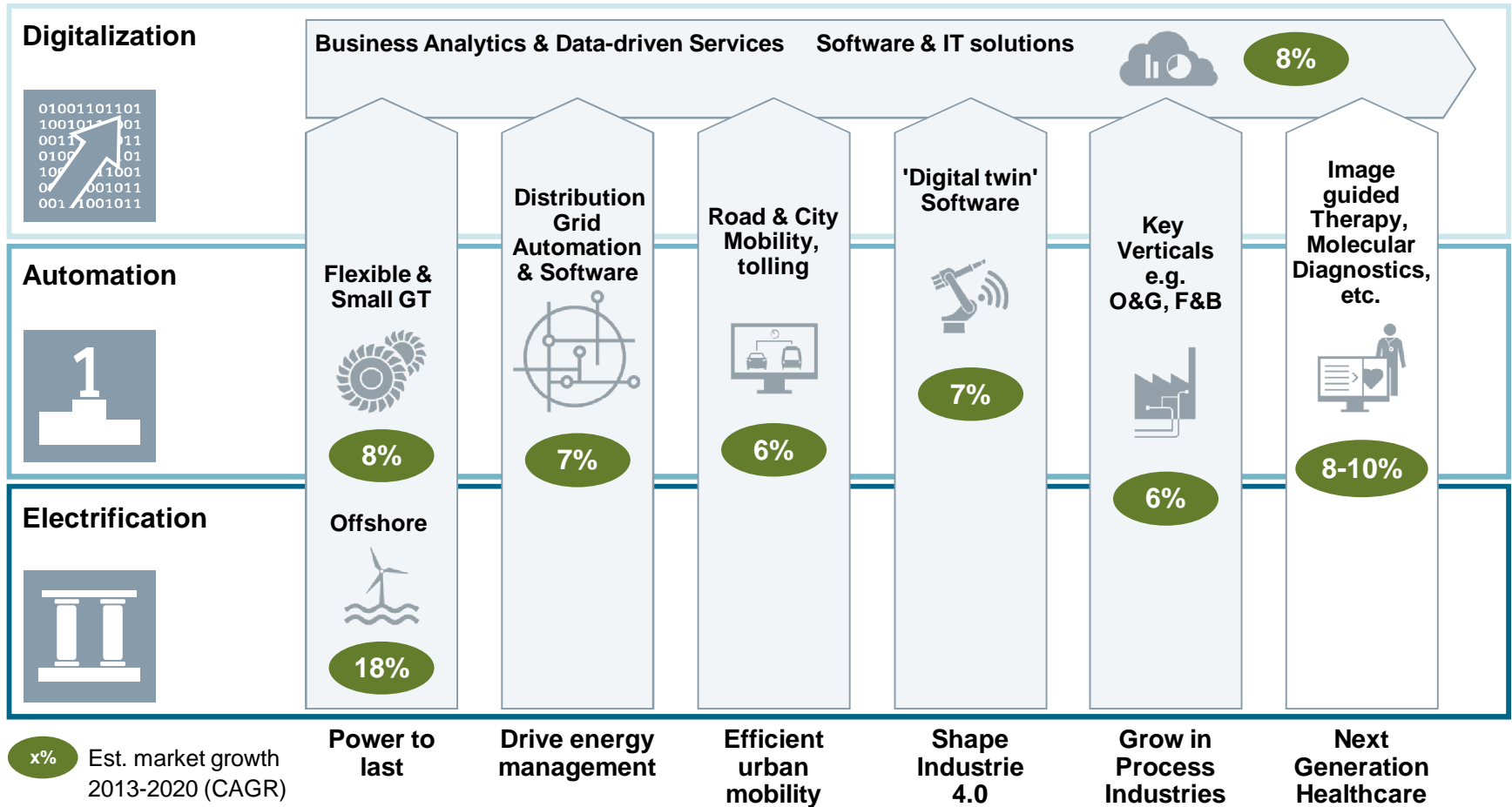
3

Cost reduction and business excellence

Ownership culture and leadership based on common values

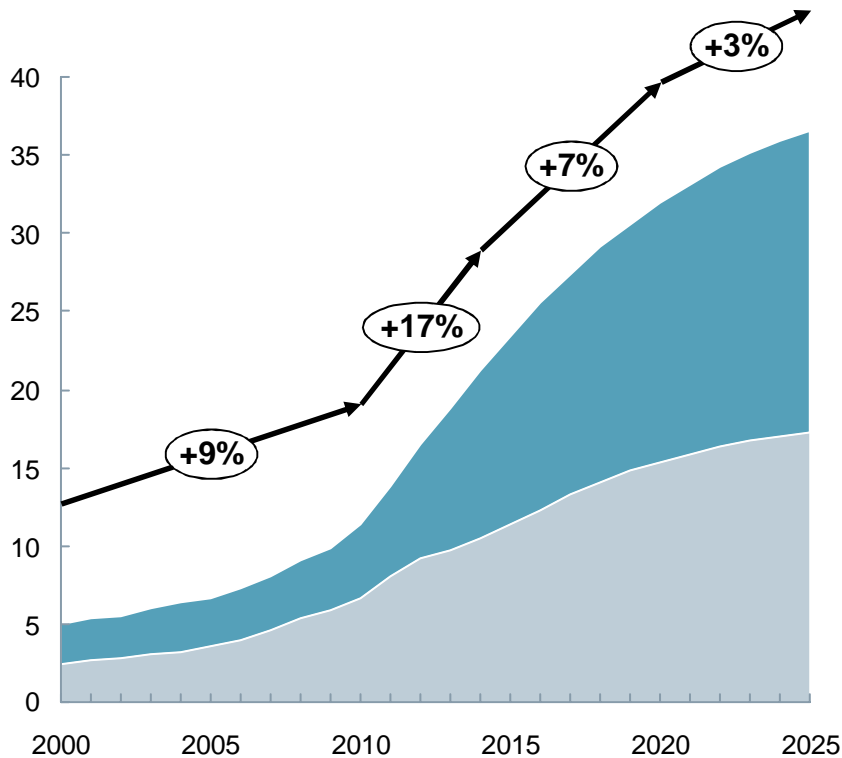
Stringent resource allocation for growth fields in Electrification, Automation and Digitalization

Selected growth fields

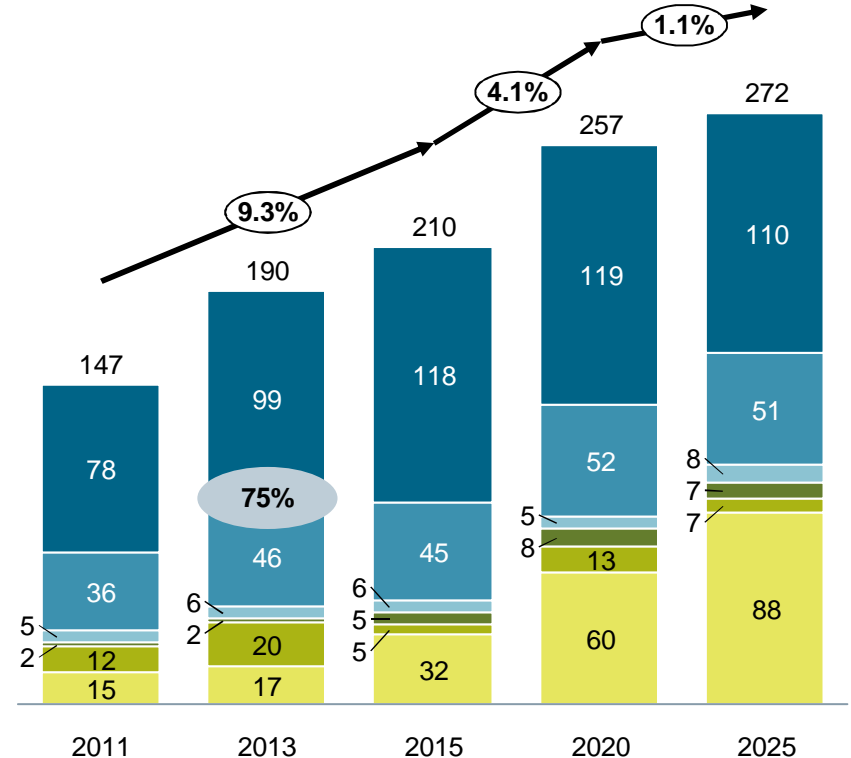


Unconventional Oil & Gas opportunities in North America remain very attractive

Global unconventional O&G supply development
Production, in Mbb/d



Regional capex split for unconventional, top 5 countries in 2025, USD billion



- United States
- Canada
- China
- Venezuela
- Australia
- Sum Others

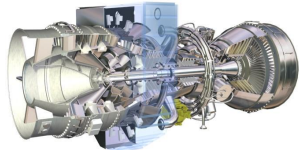
Source: Rystad Ucube 2014

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Acquisition of Rolls-Royce's Aero Derivative Gas Turbine business offers great value

Transaction scope

- Acquisition of **100% of Rolls-Royce's aero-derivative gas turbine (ADGT) and compressor business** including related **services business**
- Only **part** of Rolls-Royce's Energy Business



ADGT's are an attractive power supply option e.g. for offshore oil & gas and for decentralized power generation

Transaction facts

- **Purchase price of £785m** ¹⁾
- Additional **£200m** for 25 years **exclusive** access to future Rolls-Royce **aero-technology developments** and **preferred access to supply and engineering services**
- **Ramp up to £50m+** annual gross **cost synergies** until FY2017 ²⁾ (~2/3 of long-term run-rate gross cost synergies)
- **EVA accretive in FY2020**
- **Closing** expected by **end of December 2014** subject to regulatory approvals

Transaction rationale ³⁾

- 1 Excellent fit – complementary technologies**
- 2 Strengthens focus area Oil & Gas and Decentralized Power**
- 3 Innovation leader** with "best in breed" gas turbines supported by **access to aero-technology**
- 4 World-class global service platform**
- 5 Significant synergies and enabling business**

Selected Rolls-Royce ADGT business financials (2013)

- **Sales:** **£871m**, thereof **~60% service**
- **Installed fleet:** **~2,500 ADGT**
- **EBIT:** **£72m** (~8.3% EBIT margin)
- **Employees:** **~2,400**

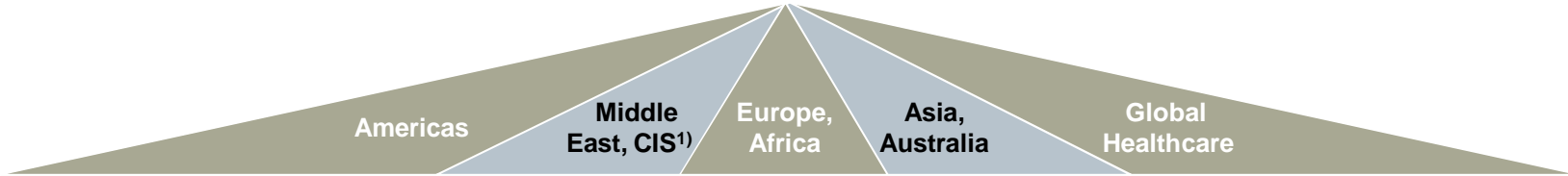
Portfolio completion with key **aero-derivative gas turbine** technology for growth in the **oil & gas industry** and in **decentralized power supply**

1) On a cash-and-debt-free basis; 2) Pre integration & transformation cost 3) Transaction rationale details – see slides in appendix

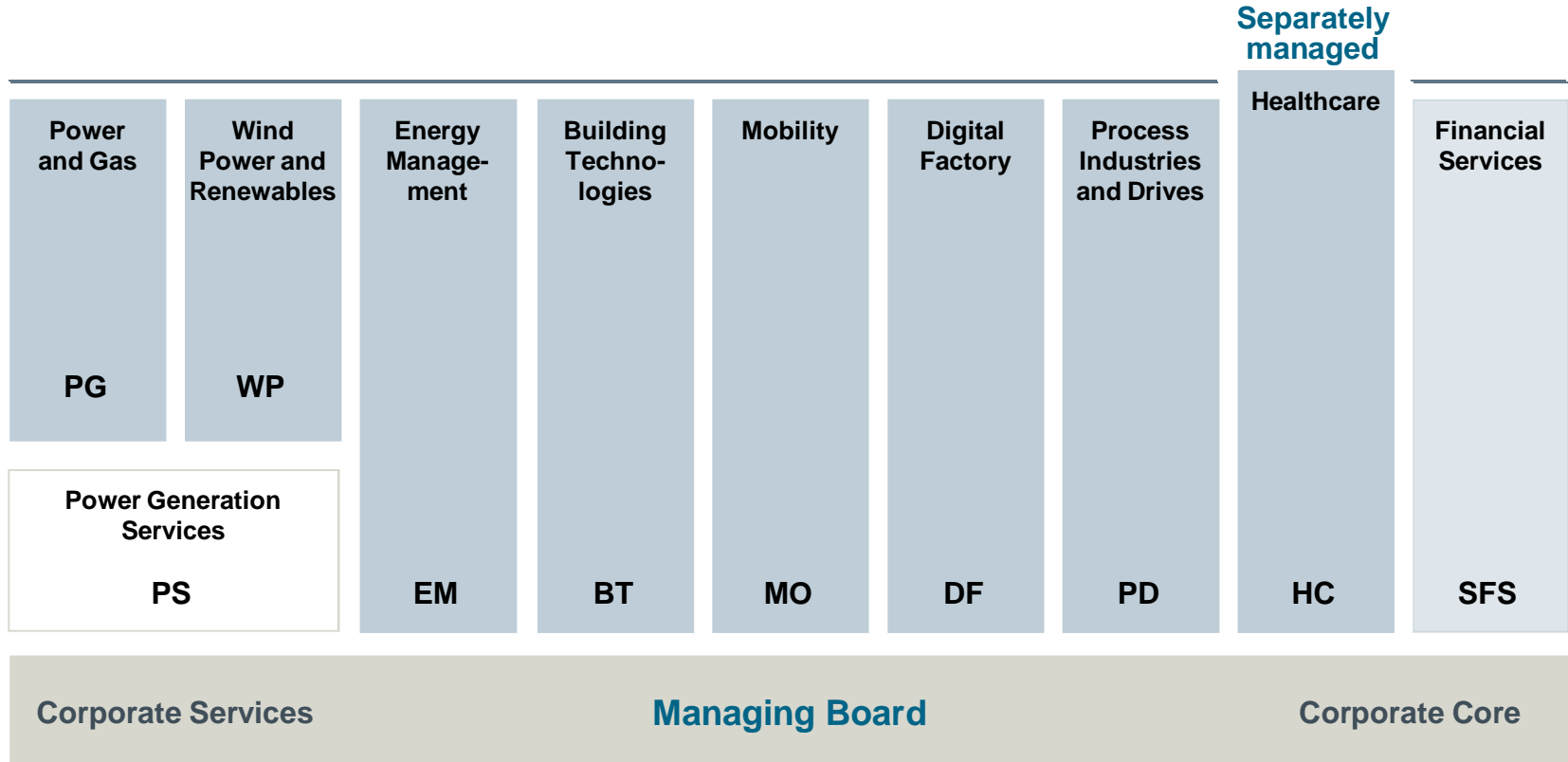
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Flat and market driven organization along the value chain will capture growth opportunities

Go-to-market



Divisions (Global P&L)

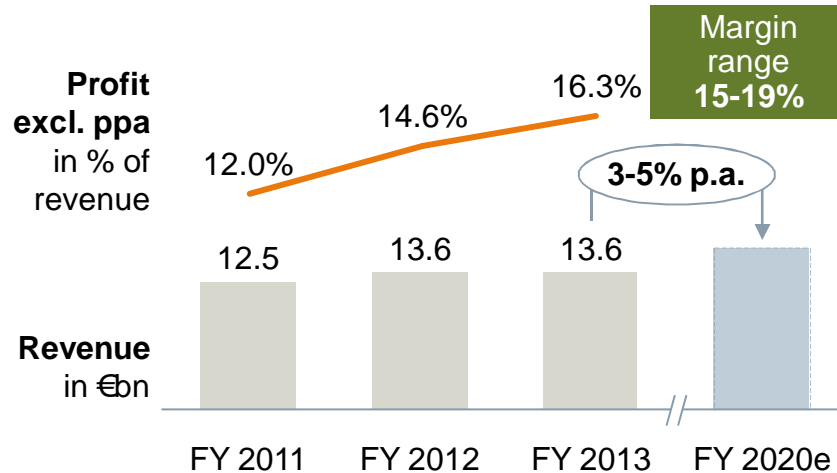


1) Commonwealth of Independent States

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Healthcare with higher entrepreneurial flexibility – separately managed under the Siemens umbrella

Strong position, resilient performance



Distinct trends at work

- Customer & market structures in transition (e.g. value-based reimbursement, convergence of diagnosis & therapy)
- Long-term paradigm shifts:
 - Potential disruptive technological changes (e.g. Big data analytics, knowledge based HC, molecular DX)
 - Point of Care/Mobile HC

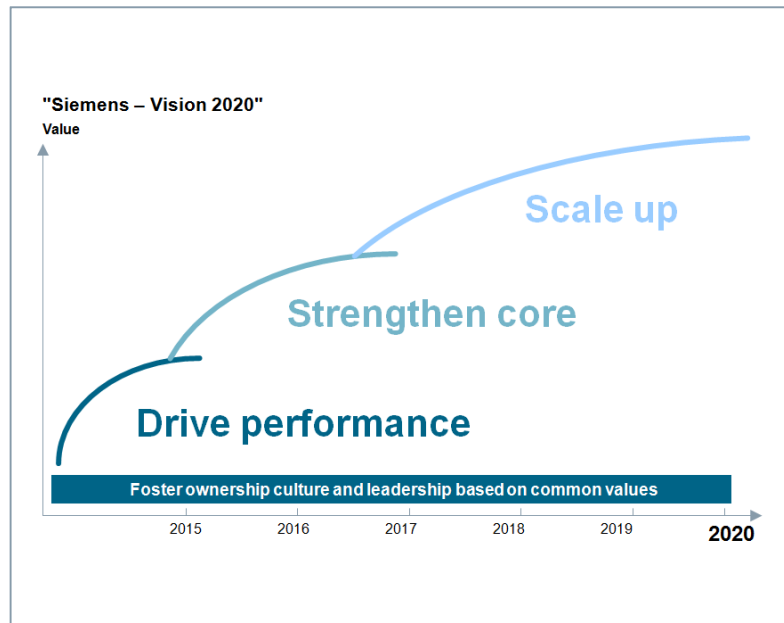


Healthcare with individual set-up to succeed in changing environment

- Focus flexibly on market requirements
- Invest in growth opportunities to respond to paradigm shifts in the system
- Focus resource allocation to address distinct Healthcare industry characteristics
- Going public of Audiology

Siemens – Vision 2020

Value creation & Cultural change



Siemens – Vision 2020

1. Stringent company governance with effective support functions (cost reduction ~€1bn)
2. 'Underperforming' businesses fixed
3. Solid execution of our financial target system
 - Capital efficiency: ROCE 15-20%
 - Growth > most relevant competitors
4. Global and decentralized management structures: more than 30% of Division and BU management outside Germany
5. Partner of choice for customers (NPS up $\geq 20\%$)
6. Employer of choice (Siemens Engagement Survey: Employee Engagement Index, Leadership and Diversity Index: >75%)
7. Ownership culture: Increase number of employee shareholders by at least 50%

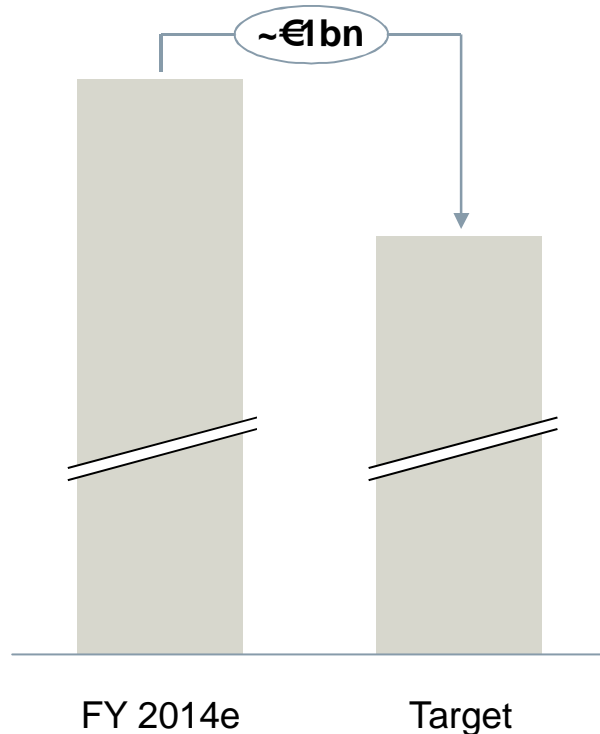
Innovating the electrical world

NPS: Net Promoter Score

Simplification leads to reduction of overhead and support function cost by ~€1bn

Target

Functional cost reduction



Key actions

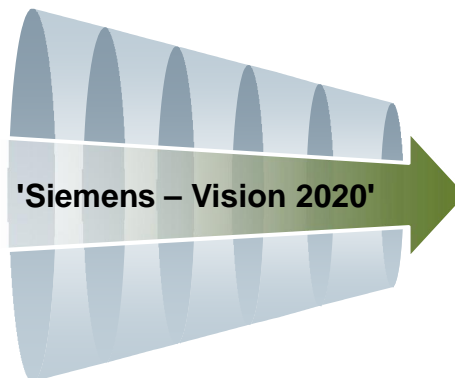
- Remove additional layers (Cluster, Sectors)
- Combine certain Divisions and Businesses
- Stringent management governance through all levels of the organization (Corporate Core)
- Optimization of Corporate Services on highest possible level
- Full savings to mainly materialize in FY 2016

In depth analysis of businesses has led to specific conclusions

Portfolio analysis



1. Areas of growth?
2. Potential profit pool?
3. Why Siemens?
4. Synergetic value?
5. Paradigm shifts in technology/markets?



Conclusions

- **Fix underperforming businesses** starting with '**bottom 10**' businesses
- **Decide along the Strategic Imperatives**
 - **Organic structural realignment**
 - **Strategic partnerships**
 - **Divestment** (best owner concept)
- Stringent resource allocation supported by **performance culture** and **One Siemens framework**

One Siemens Financial Framework sets the aspiration

One Siemens Financial Framework

Siemens

Growth:
Siemens > most relevant competitors¹⁾
 (Comparable revenue growth)

Capital efficiency
 (ROCE²⁾)
15-20%

Total cost productivity³⁾
3-5% p.a.

Capital structure
 (Industrial net debt/EBITDA)
up to 1.0x

Dividend payout ratio
40-60%⁴⁾

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

PG
11-15%

EM
7-10%

MO
6-9%

PD
8-12%

SFS⁶⁾
15-20%

WP
5-8%

BT
8-11%

DF
14-20%

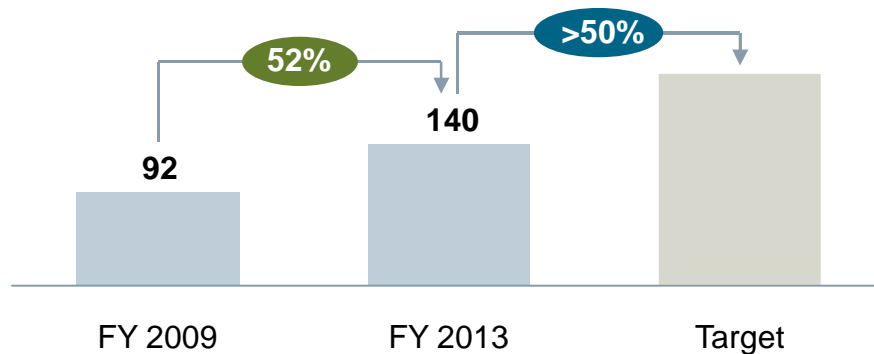
HC
15-19%

1) ABB, ALSTOM, GE, Rockwell and Schneider, 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

Foster ownership culture through equity ownership and leadership based on shared values

Foster equity ownership

Employees owning shares from Siemens Share plans
(in thousand)



- >3% of shares are held by current **employees**
- ~107k **employees participated** in share matching plan 2014, up 5% from 2013

Broad implementation of a Siemens Profit Sharing Pool (share based) planned

Ownership culture

Leadership based on shared values

"It is not the strategy which makes the difference, but the culture of a company, its values and what it stands for"

"Always act as if it were your own company"

Appendix

Q2 FY 2014 – Key figures

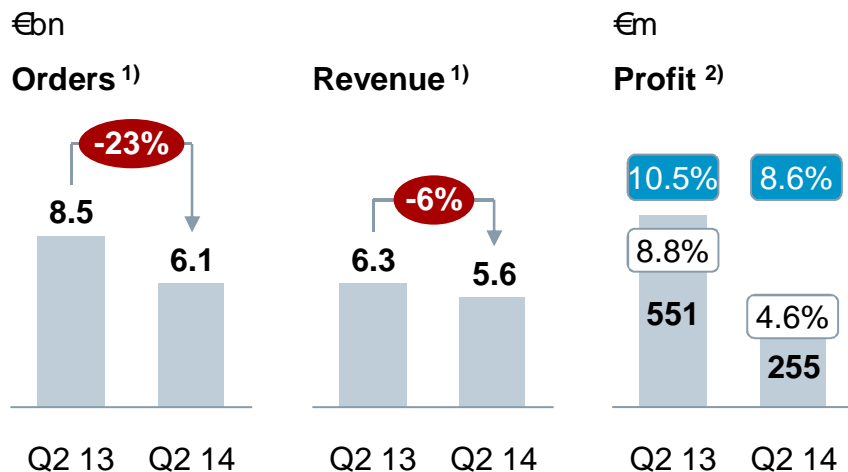
Siemens (continuing operations, in €m)	Q2 FY 13	Q2 FY 14	Change
Orders	21,235	18,430	-10%¹⁾
Revenue	17,779	17,449	1%¹⁾
Book-to-bill ratio	1.19x	1.06x	
Total Sectors profit	1,348	1,566	16%
Net income	1,030	1,153	12%
Basic earnings per share net income (in €)	1.20	1.33	11%
Free cash flow	1,360	1,390	2%

1) Change is adjusted for portfolio and currency translation effects

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Energy – Performance held back by lower revenues and execution challenges

Key Figures Energy



Division	Orders y-o-y ¹⁾	Revenue y-o-y ¹⁾	Profit margin	Underl. profit margin
Power Generation	-14%	-8%	18.4%	14.4%
Wind Power	-46%	13%	-4.3%	-0.2%
Power Transmission	7%	-14%	-24.2%	1.1%

Main developments in Q2

- **Book-to-bill** at **1.09** despite sharp order decline in Europe/CAME region
- **Market** environment remains challenging
- **Power Generation** – Positive gains overcompensate lower contribution due to decreasing revenue mainly from gas turbine business
- **Wind** – Significantly lower contribution from offshore business and charges related to defective components
- **Transmission** – Substantial execution challenges at two Canadian turnkey projects result in charges of €287m; further low margin projects

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

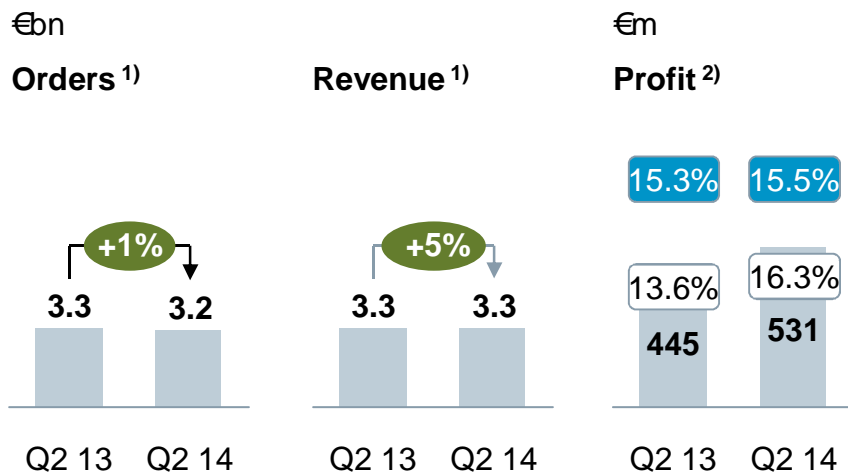
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% Profit margin % Underlying Profit margin

2) for underlying margin calculation please refer to Flashlight document

Healthcare – Continued excellent performance on high level despite currency headwinds

Key Figures Healthcare



Main developments in Q2

- **Order growth** supported by strong service business and improvement in Europe while revenue growth is broad based
- **Strong profit margin** – €66m gain from **expected sale of particle therapy installation** compensates for strongly **adverse** FX effects
- **Diagnostics** – Solid growth and profit development

Division	Orders y-o-y ¹⁾	Revenue y-o-y ¹⁾	Profit margin	Underl. profit margin
Diagnostics	3%	3%	10.8%	15.2%

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

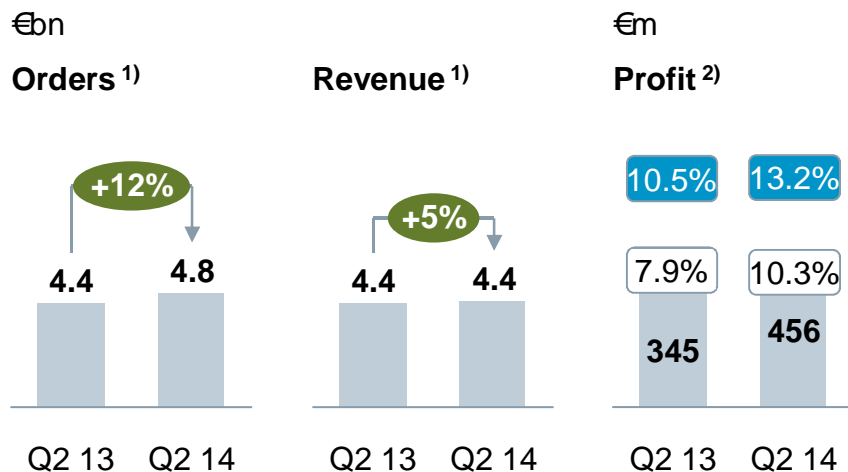
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% Profit margin % Underlying Profit margin

2) for underlying margin calculation please refer to Flashlight document

Industry – Profit climbs as short cycle businesses continue stabilizing

Key Figures Industry



Division	Orders y-o-y ¹⁾	Revenue y-o-y ¹⁾	Profit margin	Underl. profit margin
Industry Automation	11%	6%	15.8%	18.1%
Drive Technologies	14%	5%	9.5%	9.9%

Main developments in Q2

- **Short cycle** markets **show continuing stabilization**, with **positive order growth** particularly in **Germany** and **China**
- **Industry Automation** – Margin improvement due to higher capacity utilization
- **Drive Technologies** – Improved cost position and volume growth support gross margins
- **Metals Technologies** burdened by a project in the US; **Joint venture with Mitsubishi-Hitachi Heavy Machinery** signed

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

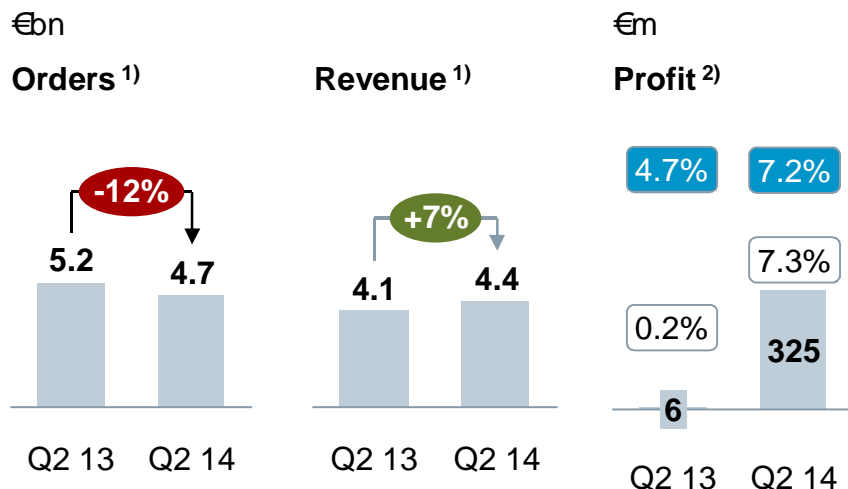
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% Profit margin % Underlying Profit margin

2) for underlying margin calculation please refer to Flashlight document

Infrastructure & Cities – Higher profit on improvements in execution, mix and productivity

Key Figures Infrastructure & Cities



Division	Orders y-o-y ¹⁾	Revenue y-o-y ¹⁾	Profit margin	Underl. profit margin
Transportation & Logistics	-29%	21%	7.0%	8.3%
Power Grid Solutions & Products	9%	1%	8.2%	8.2%
Building Technologies	-6%	-1%	6.9%	6.9%

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

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Main developments in Q2

- **Positive book-to-bill of 1.05 on tough comps** due to major rail orders
- **Transportation & Logistics** – Improved project execution of large rolling stock orders
- **Power Grid Solutions & Products** – Mainly benefitting from favourable mix and ‘Siemens 2014’ related productivity improvements
- **Building Technologies** – Continued improvement from successful implementation of ‘Siemens 2014’ measures

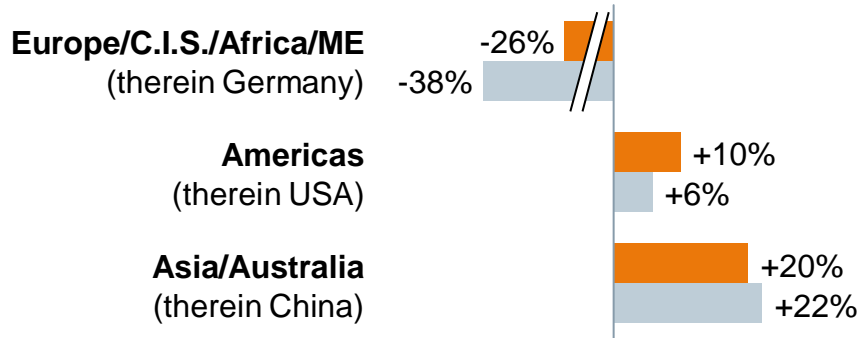
% Profit margin % Underlying Profit margin

2) for underlying margin calculation please refer to Flashlight document

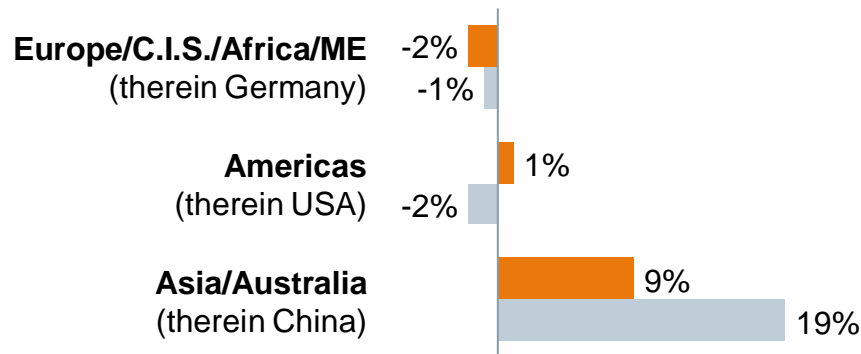
Lower volume from large orders in Europe while China shows strength

Regional business split

Q2 FY 14 Order growth y-o-y¹⁾



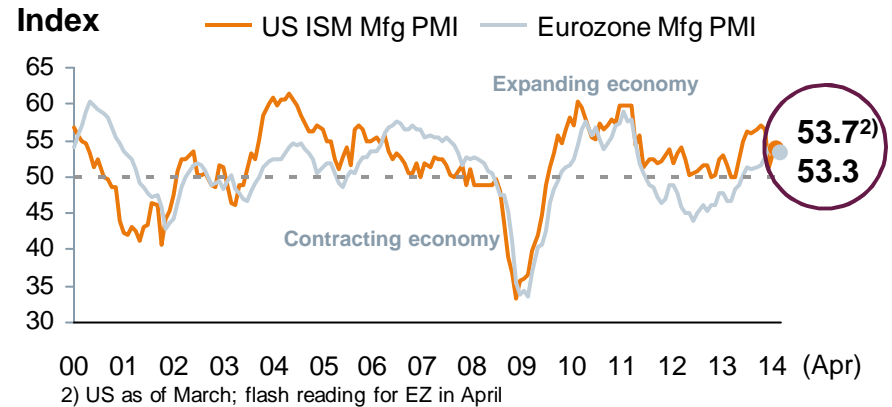
Q2 FY 14 Revenue growth y-o-y¹⁾



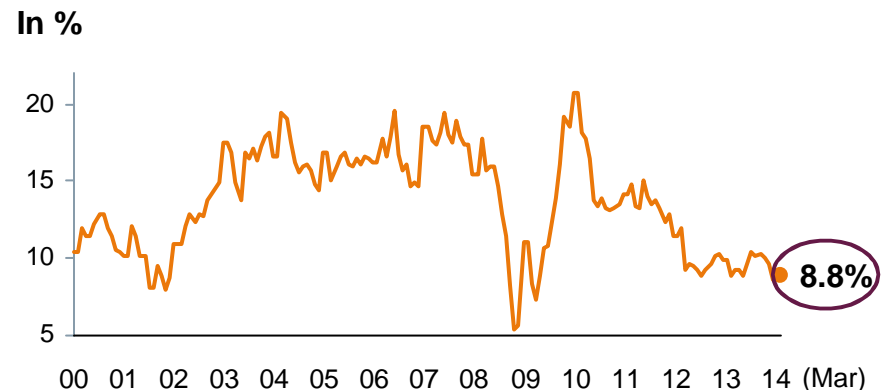
1) Change is adjusted for currency translation and portfolio effects

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Purchasing Managers Index



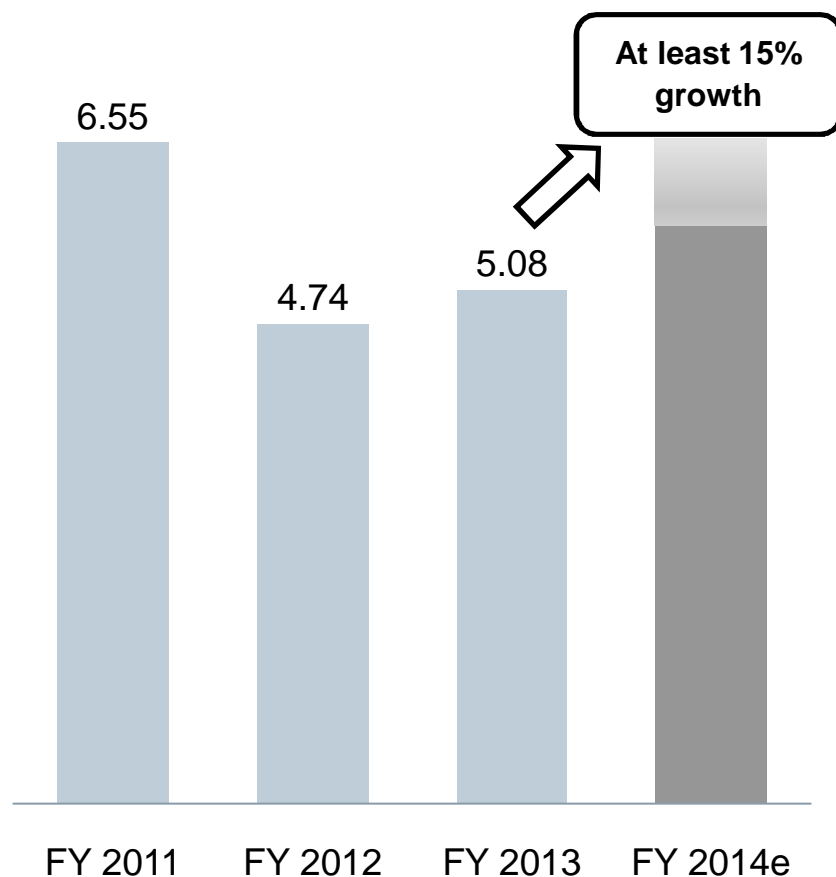
China Industry Value Added



Outlook Fiscal 2014

Basic earnings per share (Net income)

In €



- We expect our **markets** to remain **challenging** in Fiscal 2014
- Our **short cycle businesses** are **not anticipating a sustainable recovery until late in the fiscal year**
- We expect orders to exceed revenue, for a **book-to-bill ratio above 1**
- Assuming that **revenue** on an **organic basis remains level year-over-year**, we expect **basic earnings per share (Net Income)** for **Fiscal 2014** to **grow by at least 15%** from **€5.08** in Fiscal 2013
- This outlook is based on **shares outstanding** of **843 million** as of September 30, 2013
- Furthermore it excludes impacts related to legal and regulatory matters

Reconciliation and Definitions for Non-GAAP Measures

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 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.

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. 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.

Revenue growth - Performance against competition (Fiscal 2014)

To illustrate management's perspective on the Company's performance against competition, Siemens compares its own revenue growth rate with the weighted average revenue growth rate of its Sectors' most relevant competitors, including, among others, ABB, GE, Philips, Rockwell and Schneider. Revenue growth for Siemens and its competitors is calculated as the actual growth rate over a rolling four quarter period compared to the same period a year earlier. Siemens competitors revenue growth is derived as the weighted average growth rate of dedicated competitor baskets defined for each Siemens Sector. Each Sector basket's growth rate is based upon the most recent reported competitor revenues publicly available at the time of calculation. The Sector competitor baskets revenue growth rates are weighted by the revenue of the respective Siemens Sector.

This measure may provide useful information to investors with respect to management's view on Siemens' growth compared to competitor growth. However, we caution investors, that this measure is subject to certain limitations, which include the following: The metric is defined by Siemens and, as such, is not based on a generally accepted framework that is also relevant for other companies; accordingly, other companies may define a similarly titled measure differently. In calculating this measure, Siemens relies on data published by its competitors for which Siemens assumes no responsibility. In addition, the data may not be directly comparable as a result of differing presentation currencies and reporting standards being used by our competitors in the data's presentation. Furthermore, subject to limited exceptions, no adjustments are made for currency translation effects, portfolio changes and changes in reporting structure for either the Siemens or the competitor data. Because the public availability of relevant competitors' data at the time of calculation may not coincide with the availability of Siemens' data, some competitor data used may relate to a different time period than the Siemens data.