



**SIEMENS**

Peter Löscher, President and CEO – Joe Kaeser, CFO

# Mixed picture, Focus on Execution

Q2 FY 2013, Analyst Conference  
London, May 2, 2013

## 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 “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 stockholders 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.

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.

## Orders and EPS growth are highlights in an operationally challenging quarter

Siemens (continuing operations), €m	Q2 FY 12	Q2 FY 13	Change
<b>Orders</b>	17,880	<b>21,451</b>	<b>20%<sup>1)</sup></b>
<b>Revenue</b>	19,297	<b>18,011</b>	<b>-6%<sup>1)</sup></b>
<b>Book-to-bill</b>	0.93x	<b>1.19x</b>	
<b>Profit Total Sectors</b>	1,929	<b>1,374</b>	<b>-29%</b>
<b>Income from continuing operations</b>	979	<b>982</b>	<b>0%</b>
<b>Basic earnings per share (in €)</b>	1.08	<b>1.14</b>	<b>6%</b>
<b>Free cash flow</b>	532	<b>1,375</b>	<b>158%</b>

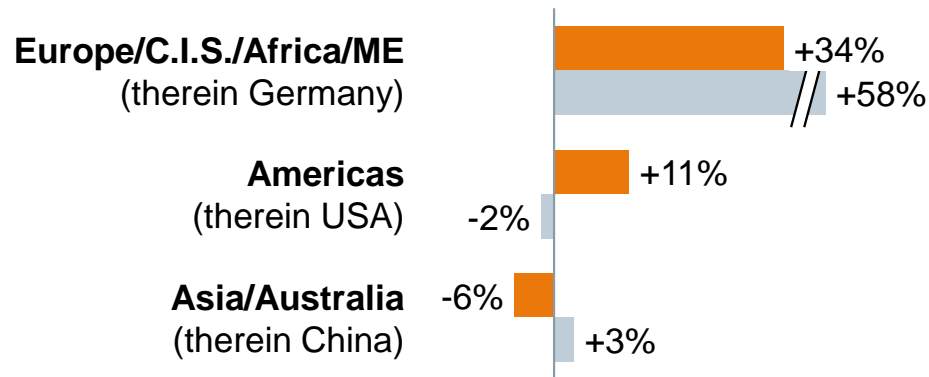
1) Change is adjusted for portfolio and currency translation effects

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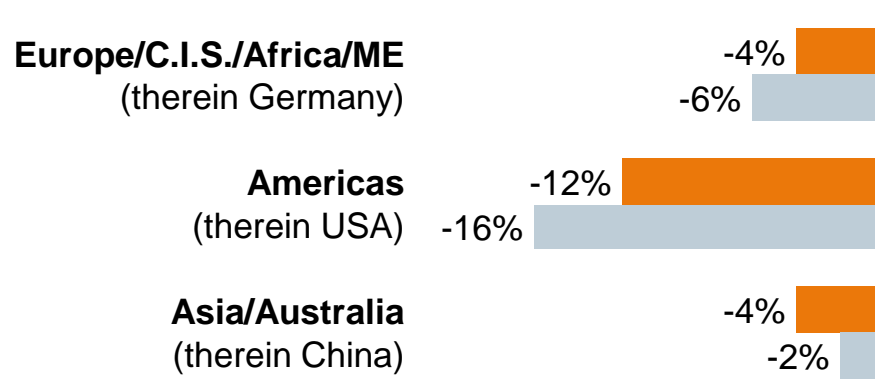
# Large project orders boost orders in Europe

## Regional business split

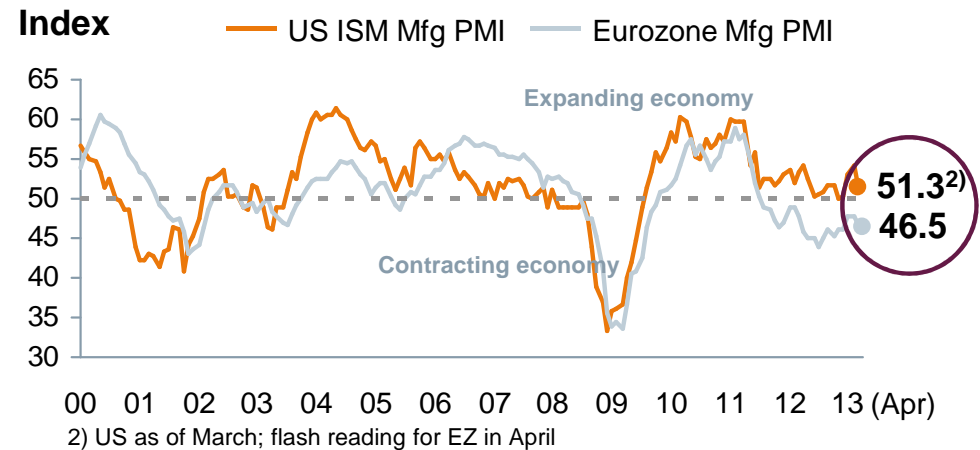
### Q2 FY 13 Order growth y-o-y<sup>1)</sup>



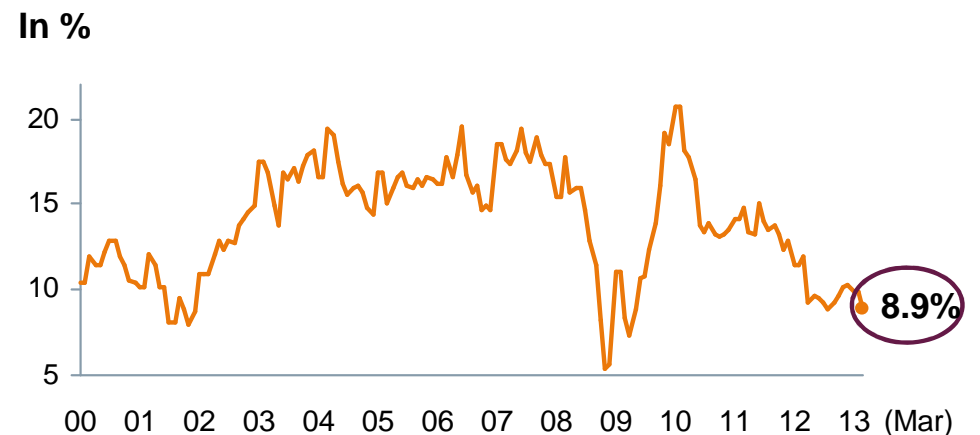
### Q2 FY 13 Revenue growth y-o-y<sup>1)</sup>



## Purchasing Managers Index



## China Industry Value Added

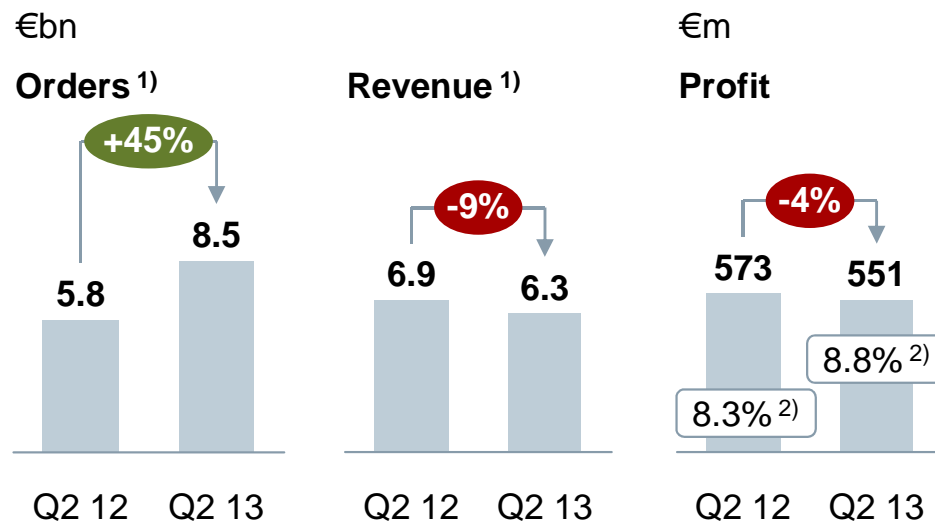


1) Change is adjusted for currency translation and portfolio effects

# Energy

## Continued strong performance backed by Fossil&Service

### Key Figures Energy



Division	Orders y-o-y <sup>1)</sup>	Revenue y-o-y <sup>1)</sup>	Profit margin	Underl. profit margin
Fossil Power	4%	-14%	17.6%	17.6%
Wind Power	480%	-18%	5.1%	5.1%
Oil & Gas	-5%	-6%	9.8%	9.8%
Power Transmission	-8%	3%	-3.2%	2.3%

### Main developments in Q2

- **Strong book-to-bill at 1.35; sharp order growth** driven by two large offshore wind orders in Europe
- **Revenue** impacted by **less turnkey** projects in **Fossil** and **declining Wind** business in the **US**
- **Fossil** – Strong service contribution
- **Wind** – Volume-driven earnings decline on tough comps
- **Transmission** – Turnaround program on plan; challenges from offshore grid access projects continue to affect margins
- **Solar** – Reclassification to Energy, pre-tax loss of €21m in Q2
- **€20m transformation charges** 'Siemens 2014'

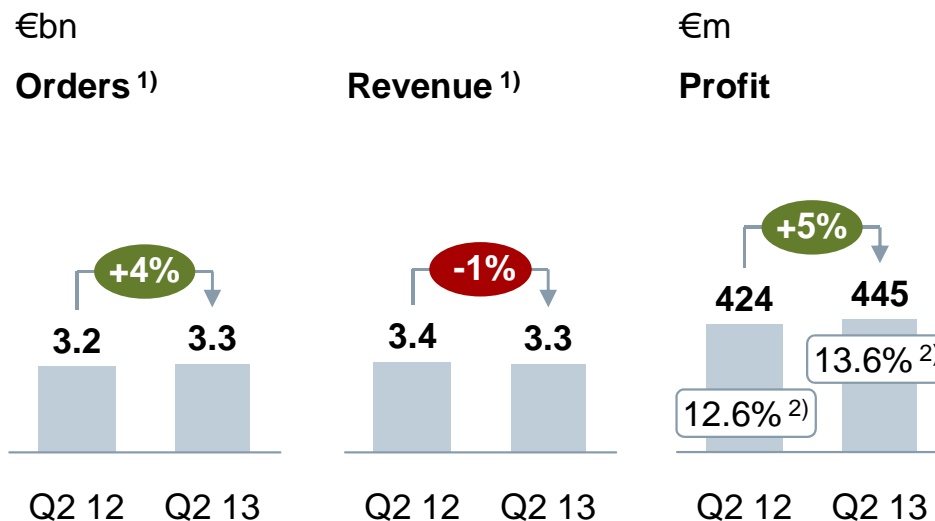
1) Comparable, i.e. adjusted for currency translation and portfolio effects

2) Underlying margin: Q2 12: 11.4%, Q2 13: 10.5%, for underlying margin calculation please refer to Flashlight document

# Healthcare

## Solid execution of 'Agenda 2013'

### Key Figures Healthcare



Division	Orders y-o-y <sup>1)</sup>	Revenue y-o-y <sup>1)</sup>	Profit margin	Underl. profit margin
Diagnostics	0%	0%	8.7%	13.9%

### Main developments in Q2

- **Order growth** driven by strength in **Emerging markets, especially in China**
- **Modest revenue decline** mainly due to revenue delays into H2
- **Improved profit margin** despite negative impact from medical device tax (-30 bps)
- **Diagnostics – Revenue growth** in emerging markets compensates weaknesses in advanced markets
- **€13m transformation charges** 'Siemens 2014'

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

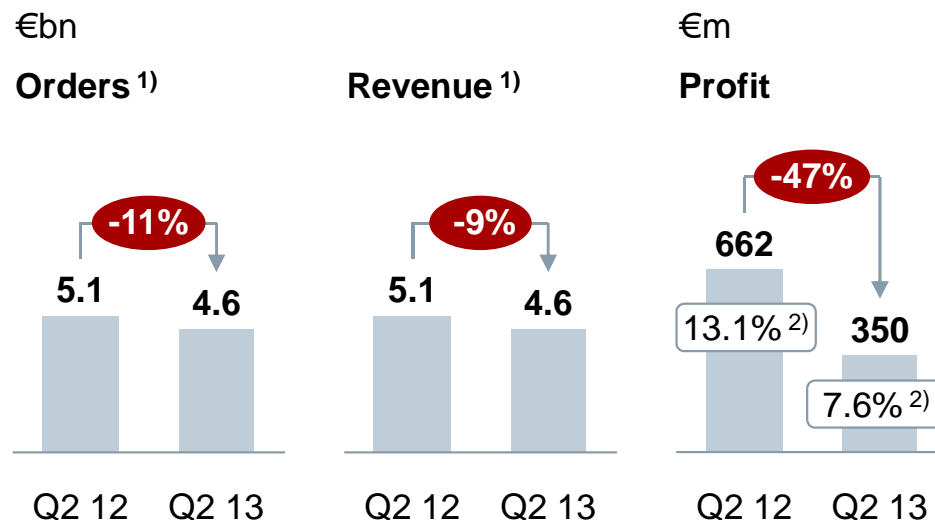
2) Underlying margin: Q2 12: 15.0%, Q2 13: 15.3%, for underlying margin calculation please refer to Flashlight document



# Industry

Weak markets & unfavourable product mix affect margins

## Key Figures Industry



Division	Orders y-o-y <sup>1)</sup>	Revenue y-o-y <sup>1)</sup>	Profit margin	Underl. profit margin
Industry Automation	-9%	-7%	9.2%	12.1%
Drive Technologies	-11%	-9%	6.7%	7.1%

## Main developments in Q2

- **Business volumes in short-cycle businesses** affected by more challenging market environment (in particular China and Germany)
- **Industry Automation – Earnings performance** significantly impacted by **volume decline** and significantly **less favourable mix** from solution business
- **Drive Technologies – Weaker market conditions** impact profit from **short-cycle businesses** and **renewable offerings**
- **Metals business severely affected by slow steel industry volume**
- **€49m transformation charges**'Siemens 2014'

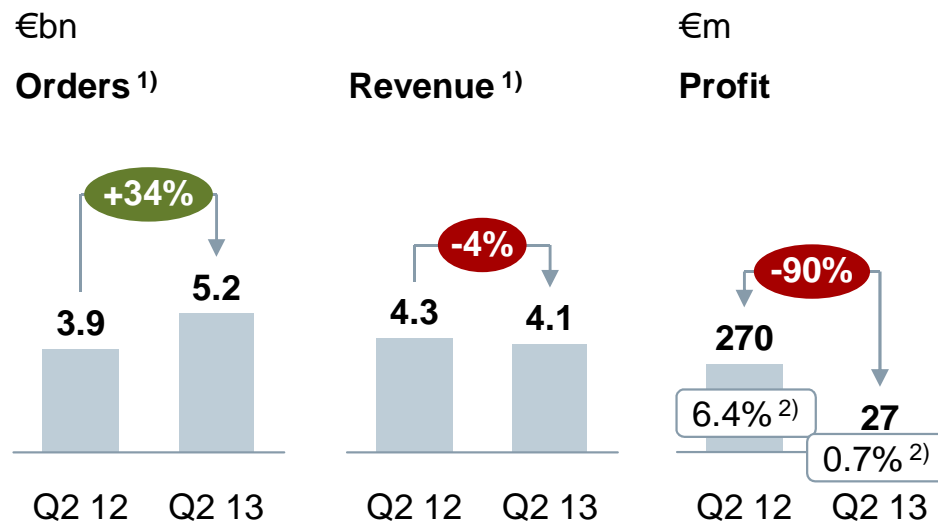
1) Comparable, i.e. adjusted for currency translation and portfolio effects

2) Underlying margin: Q2 12: 13.9%, Q2 13: 10.2%, for underlying margin calculation please refer to Flashlight document

# Infrastructure & Cities

## Charges for high speed trains severely impact profitability

### Key Figures Infrastructure & Cities



Division	Orders y-o-y <sup>1)</sup>	Revenue y-o-y <sup>1)</sup>	Profit margin	Underl. profit margin
Transportation & Logistics	148%	-6%	-11.9%	0.4%
Power Grid Solutions & Products	-5%	0%	6.8%	6.8%
Building Technologies	0%	-5%	4.3%	4.3%

### Main developments in Q2

- **Order intake** – Substantial increase driven by two major rail orders in Europe
- **Transportation & Logistics** – €161m charges primarily related to high-speed trains
- **Invensys Rail** acquisition passed regulatory hurdles (close expected on May 2<sup>nd</sup>, 2013)
- **Power Grid Solutions & Products** – higher earnings in Smart Grid solutions compensate for seasonally weaker development in LMV
- **€23m transformation charges**'Siemens 2014'

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

2) Underlying margin: Q2 12: 6.4%, Q2 13: 5.2%, for underlying margin calculation please refer to Flashlight document



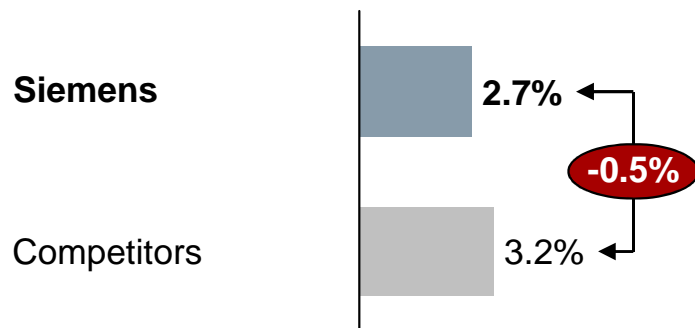
# One Siemens cockpit – H1 FY 2013

Deterioration of KPI's call for solid 'Siemens 2014' execution

## Financial target system

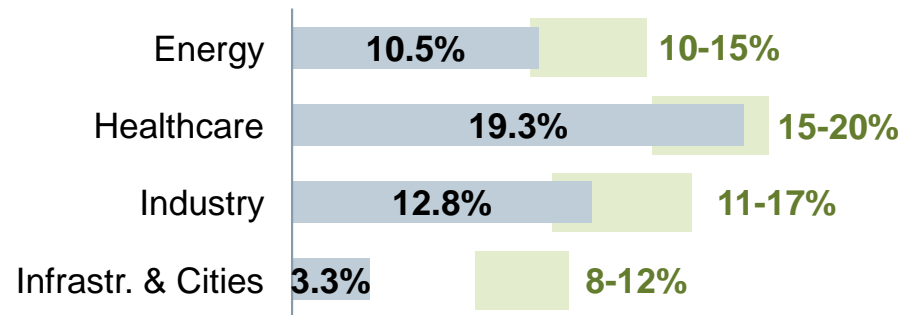
### Growth<sup>1)</sup>

Revenue growth (rolling 4 quarters Q2 FY 13)



### Margins compared to industry benchmarks

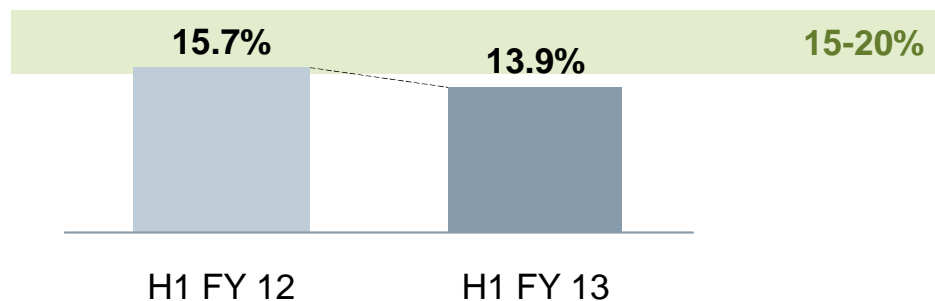
EBITDA Margins (H1 FY 2013)



EBITDA margins of respective markets throughout business cycles

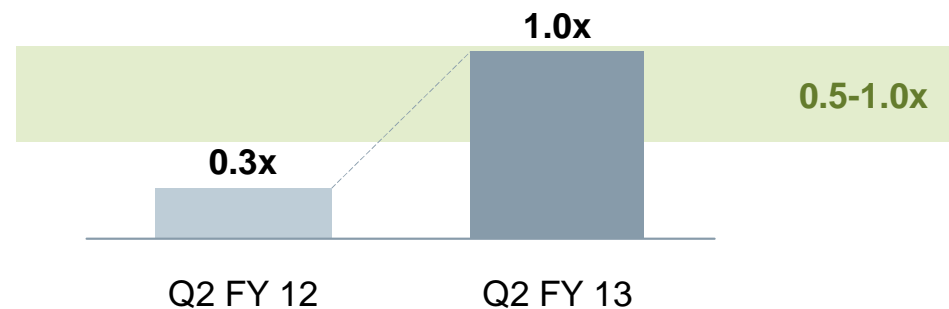
### Capital efficiency

ROCE adjusted (continuing operations)



### Capital structure

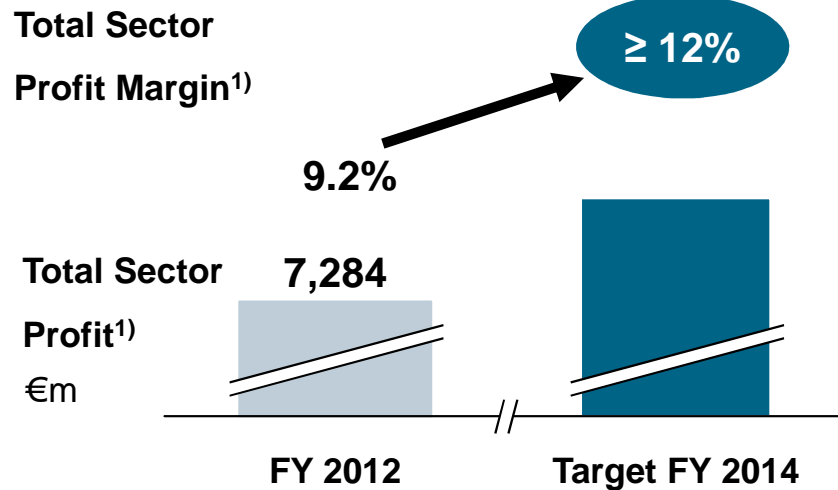
Adjusted industrial net debt/EBITDA



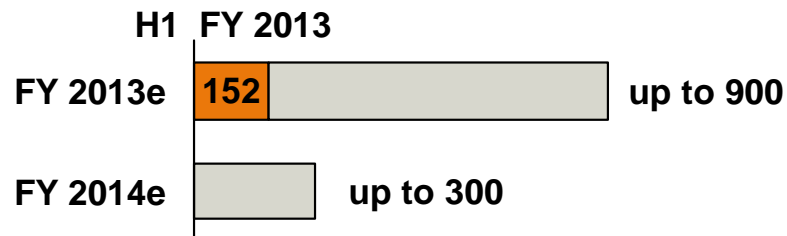
1) As reported

# Full commitment to deliver on 'Siemens 2014' throughout the organisation

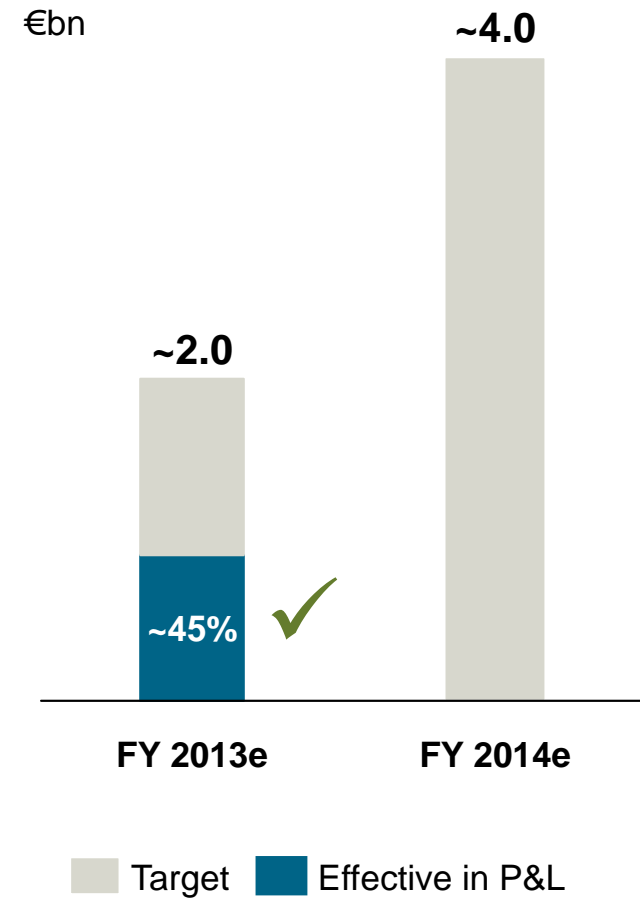
## Target 'Siemens 2014' confirmed



## Transformation Cost (in €m)<sup>2)</sup>



## H1 FY 2013 Productivity Ramp Up

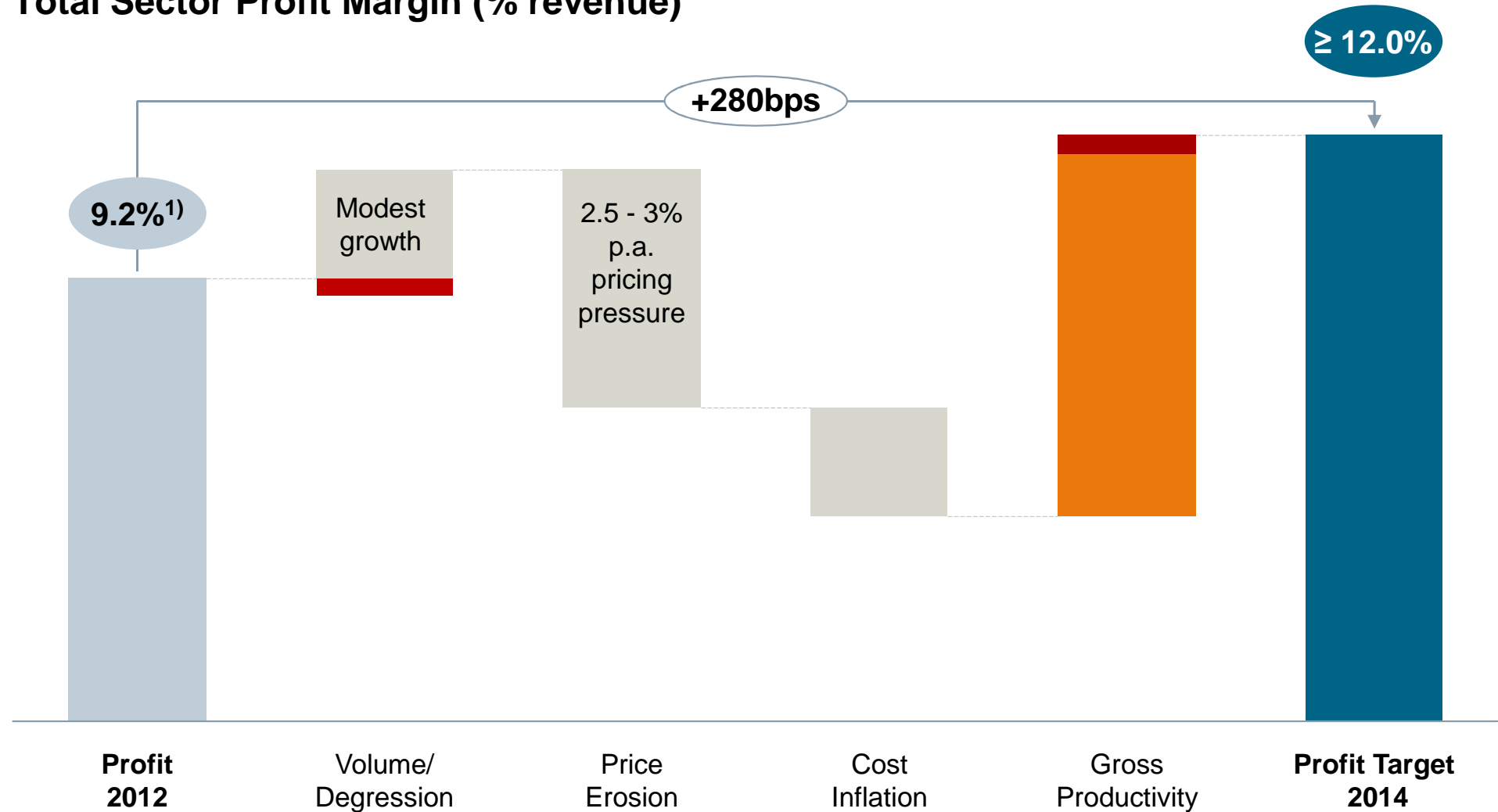


1) Incl. Solar 2) w/o Solar

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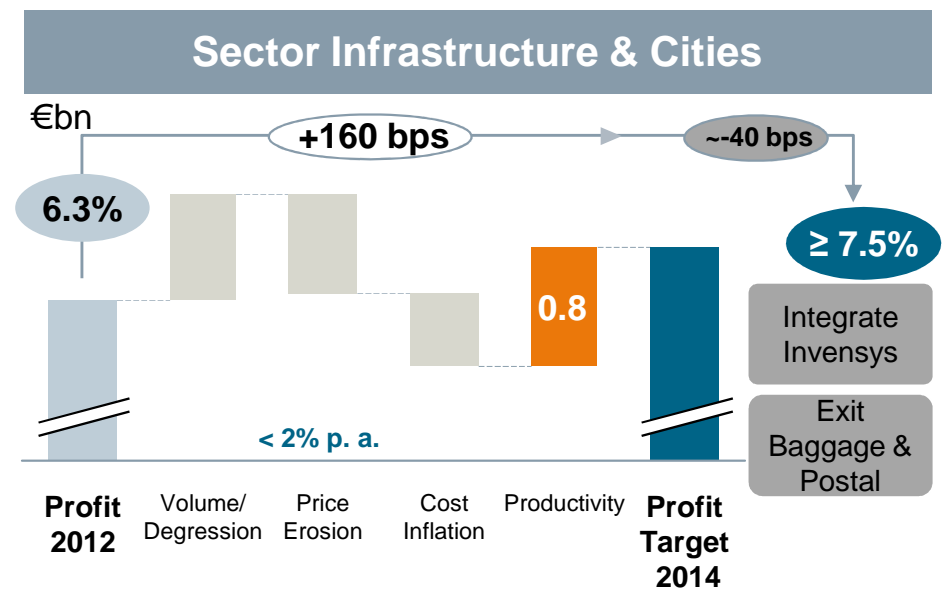
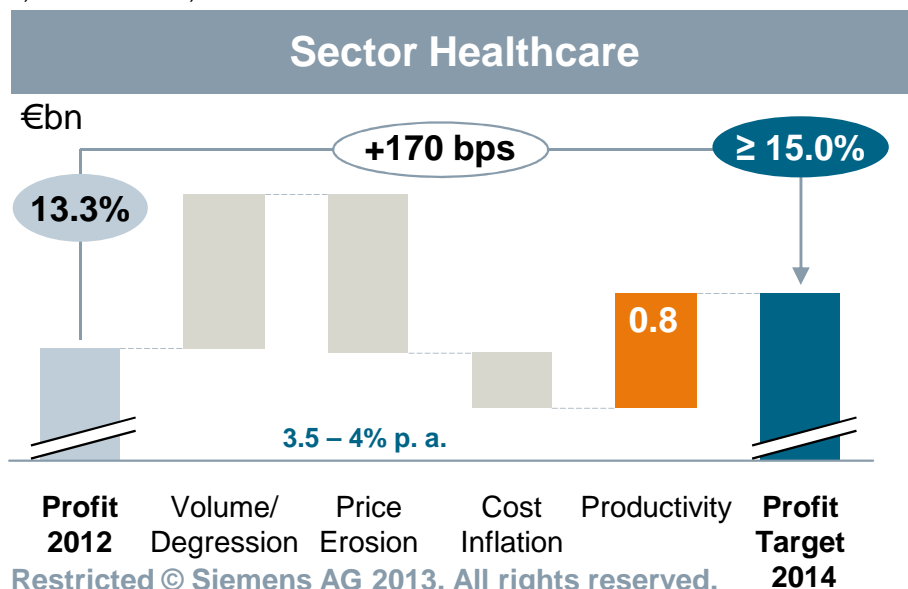
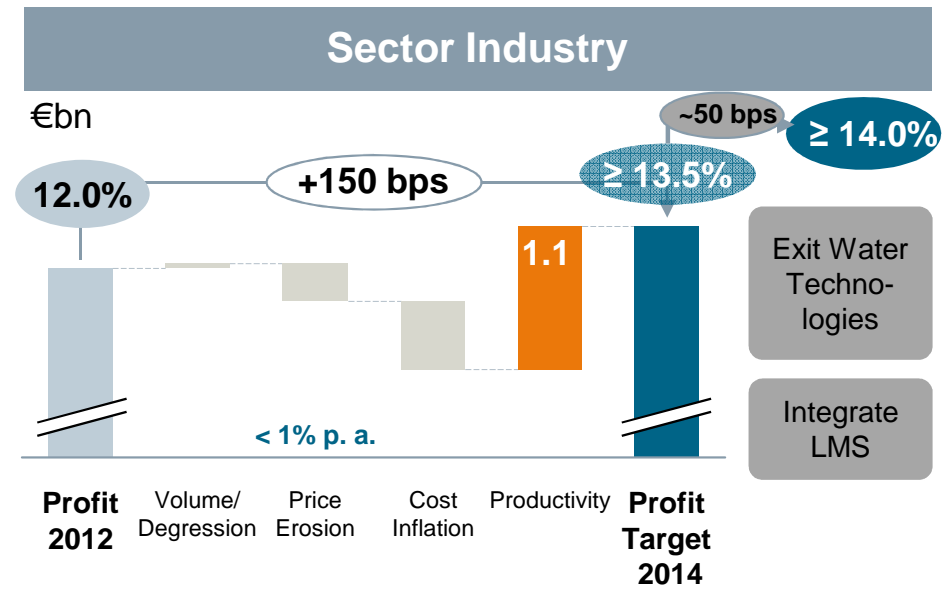
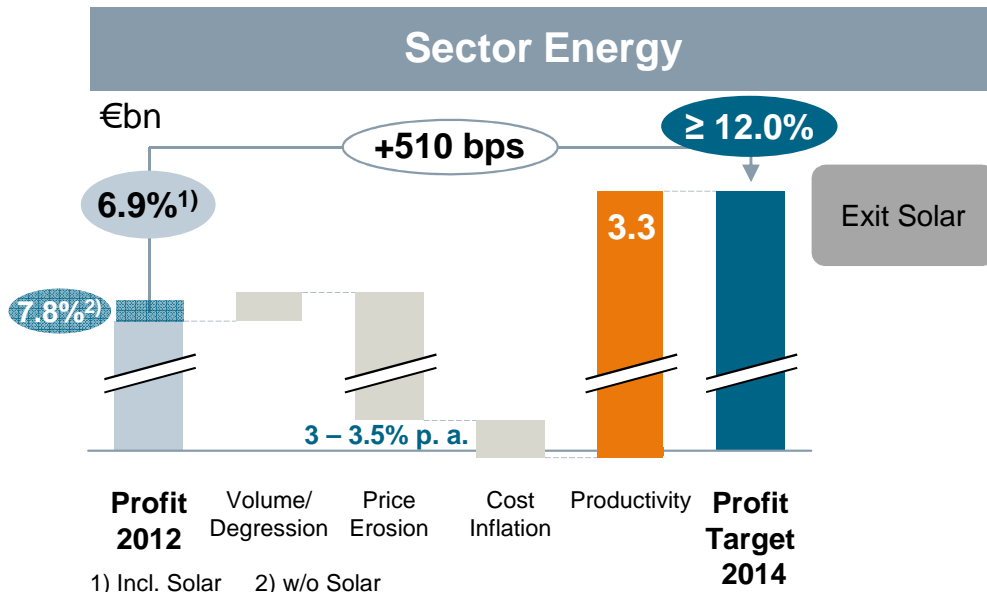
# Incremental savings of ~€300m targeted to compensate for adverse effect from more conservative growth expectation

## Total Sector Profit Margin (% revenue)



1) Incl. reclassification Solar

# Assumptions and goals for 'Siemens 2014' are aligned and cascaded down into the Sectors



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## Listing & transformation program well under way > 8% EBITA margin target from 2015 onwards

### Spin-off process

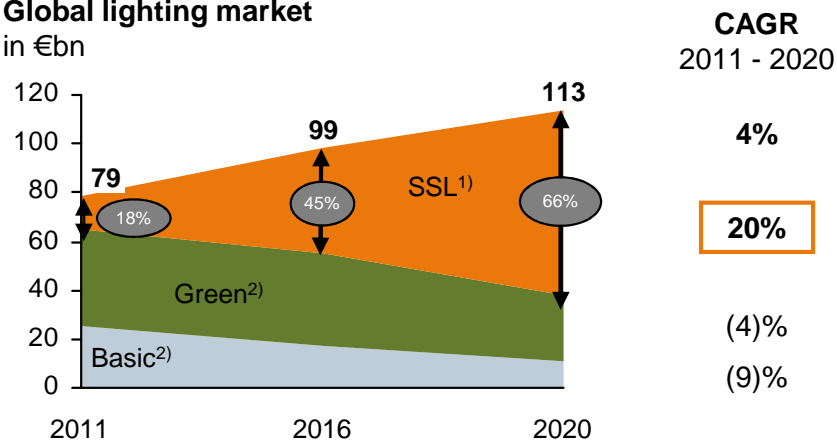
- **Jan 23:** AGM Approval by >98% ✓
- **May 17:** Capital Market Day OSRAM
- **End of June:** Management Roadshow
- **Early July:** OSRAM Listing

### Transformation program PUSH on track

- **Gross savings of ~€1bn** over three years (FY 13 – FY 15)
- **Headcount reduction of 8,000 FTE** until FY 14
- **Total transformation costs in mid triple-digit €m range** (FY 12 – FY 14)

### Lighting – a growth market in transition

Global lighting market in €bn

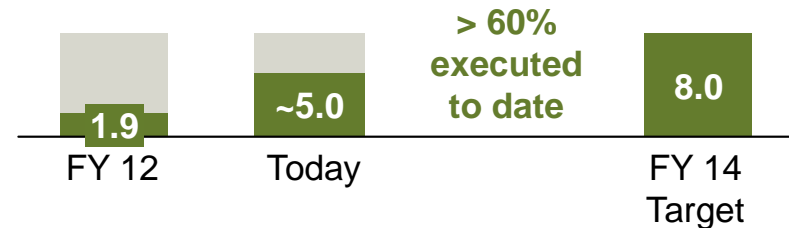


1) LED/IR/OLED/Laser-based products      xx% SSL penetration rate  
2) Lamps & components only

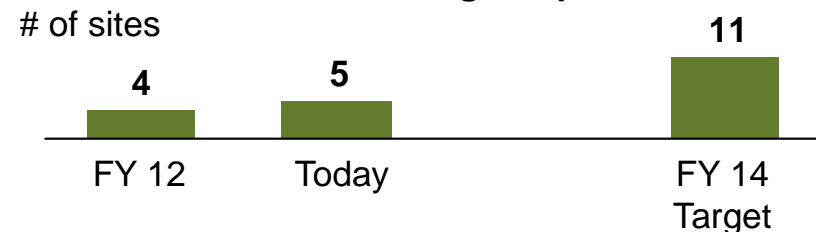
Source: OSRAM estimates based on McKinsey Market Report 2012, OSRAM data

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### Cumulative headcount reduction in '000 FTEs

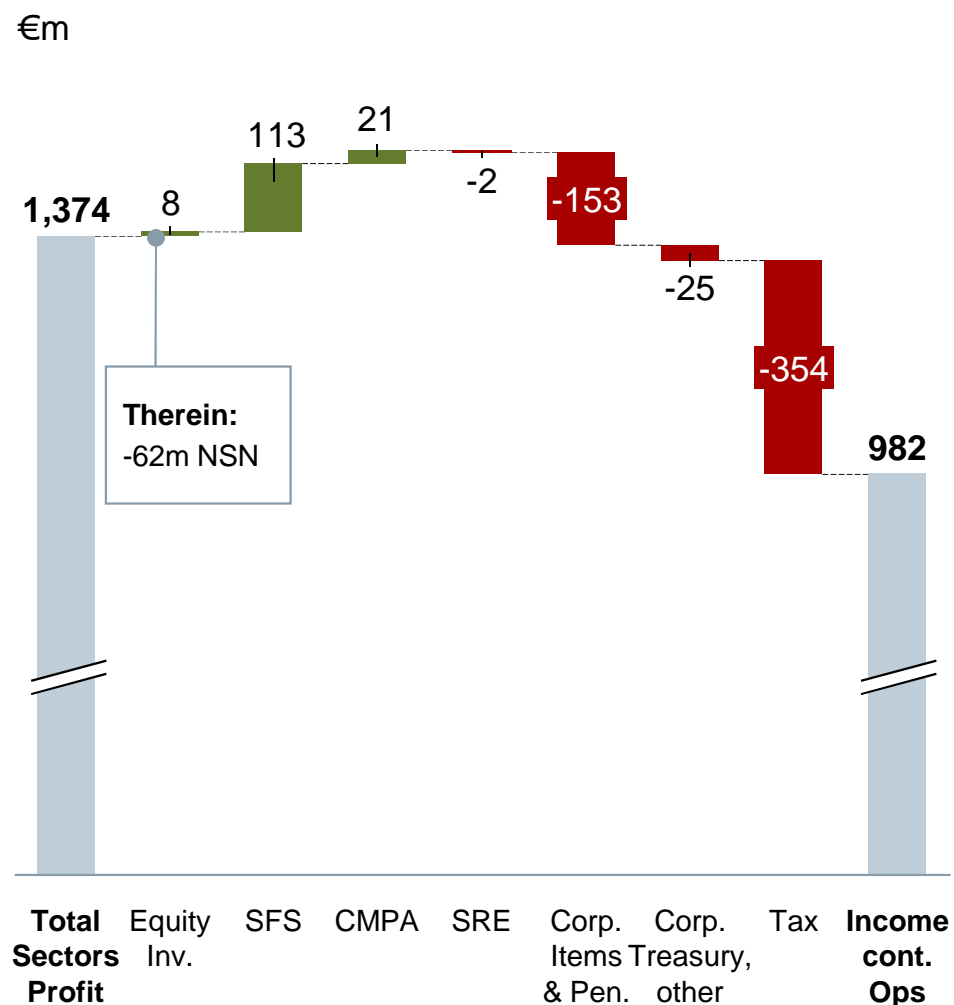


### Reduction of manufacturing footprint



# Significant swing in Equity Investments (NSN) boost 'below-the-line' performance

## Q2 FY 2013 'Below Total Sectors'



## What to expect for H2 FY13

### Equity Investments

- Operational progress in NSN continues, but results expected to remain volatile in coming quarters
- Further transformation charges expected in H2 FY 13

### SFS & CMPA in line with previous quarters

### SRE dependant on disposal gains

### Corporate Items & Pensions

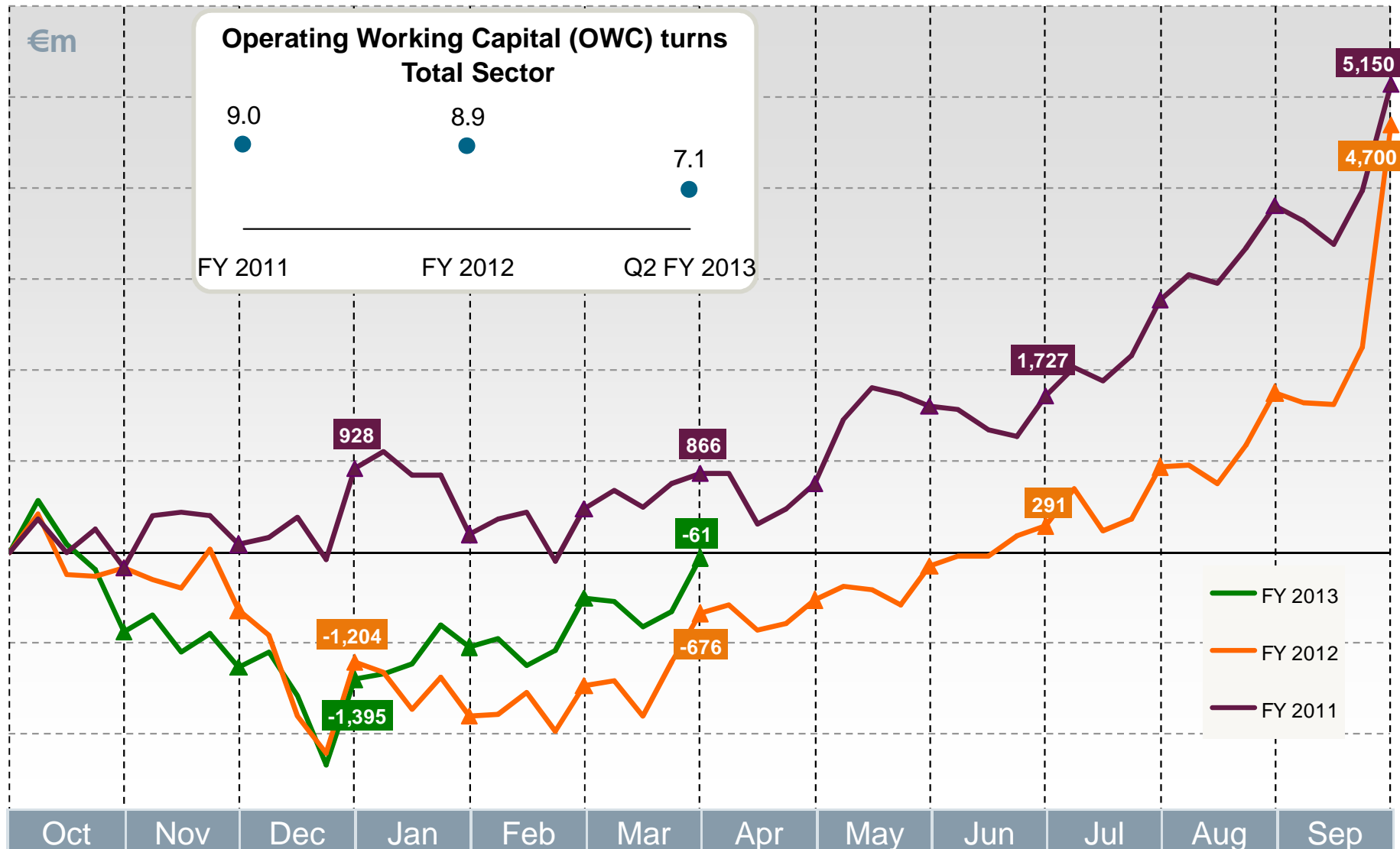
- Run rate of approx. -€250m per quarter
- H2 typically higher than H1

### Corp. Treasury run rate of approx. -€50m per quarter



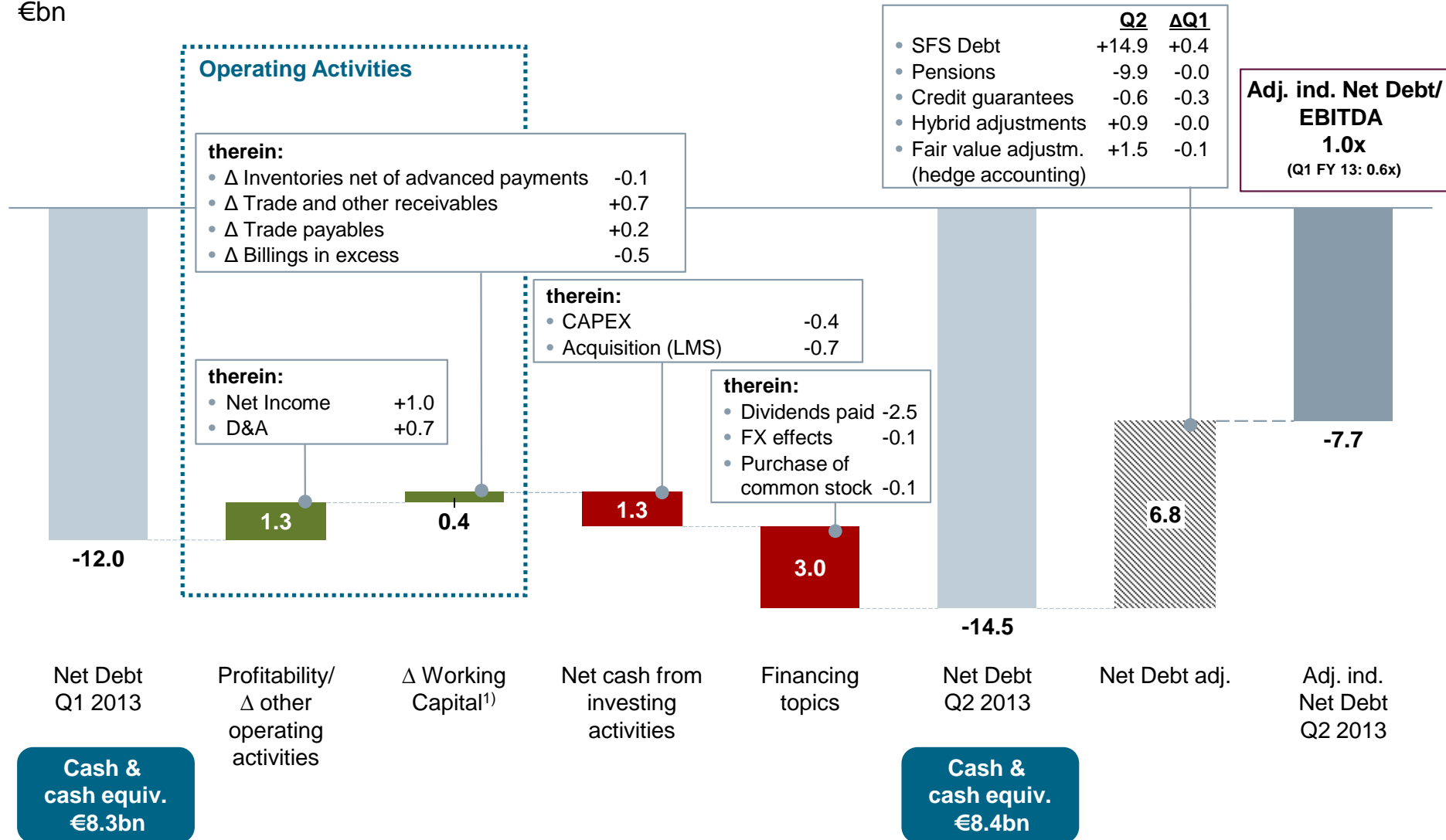
# Free Cash Flow

Decent performance in Q2 after a weak start in Q1



# Net debt increase in Q2 mostly due to dividend and LMS payment

€bn



**Adj. ind. Net Debt/ EBITDA**  
**1.0x**  
(Q1 FY 13: 0.6x)

**Cash & cash equiv.**  
**€8.3bn**

**Cash & cash equiv.**  
**€8.4bn**

1) Includes net cash used in inventories less advanced payments received, net cash provided by trade and other receivables, net cash provided by trade payables and net cash used in billings in excess of cost and in estimated earnings on uncompleted contracts and related advances (included in the consolidated statements of cash flow in change in other assets and liabilities)

# Outlook

- In fiscal 2013, Siemens is implementing '**Siemens 2014**', a company-wide program **supporting** our **One Siemens framework** for sustainable value creation.
- The **goal** of the program is to raise our **Total Sectors profit** margin to **at least 12% by fiscal 2014**.
- For fiscal 2013, we confirm our expectations of **moderate organic order growth**.
- With continuing challenges for our businesses whose results react strongly to short-term changes in the economic environment, we now anticipate a **moderate decline in revenue** on an organic basis compared to the prior year.
- **Charges** associated with the '**Siemens 2014**' program in the Sectors are expected to total **up to €0.9 billion** for the **full fiscal year**.
- Given these developments and financial results for the first half, we expect **income from continuing operations** in **fiscal 2013 to approach the low end** of our original expectation, **€4.5 billion, before impacts** related to **legal** and **regulatory matters** and **significant portfolio effects** which we expect to **burden** income by **up to €0.5 billion** due primarily to the **solar business**.

## Financial calendar

### May

**May 2, 2013**

Q2 Earnings Release / Analyst Conference

**May 3, 2013**

Q2 Roadshow Germany (Frankfurt)

**May 15, 2013**

Q2 Roadshow US (Boston, New York)

**May 17, 2013**

Capital Market Day Osram (Munich)

**May 27 – 30, 2013**

Asia Roadshow, Morgan Stanley China Conference (Beijing)

### June

**June 13, 2013**

JP Morgan Conference (London)

**June 14, 2013**

Exane Conference (Paris)

### July

**July 2013**

Listing Osram

## Siemens Investor Relations contact data



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# 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; cash conversion rate, or CCR; 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. Revenue growth - Performance against competition

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## Revenue growth - Performance against competition

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.