

Munich, January 28, 2014

## Siemens delivers sound start to fiscal 2014

- **New orders up 12 percent – Revenue development nearly stable**
- **Book-to-bill ratio 1.20 – Order backlog at record level of €102 billion**
- **Double-digit growth in net income and earnings per share**

Siemens delivered a sound quarter to start its fiscal year 2014. Supported by several major orders, new orders rose 12 percent year-over-year, while revenue development was nearly stable. “We delivered a sound quarter to start our fiscal year. As expected, market conditions were not in our favor. We continue to focus on our productivity program for the year, and on the actions we will take beyond 2014,” said Siemens President and CEO Joe Kaeser.

Excluding currency and portfolio effects, new orders at Siemens increased in the first quarter of fiscal 2014 (ended December 31, 2013) 12 percent to €20.8 billion. At €17.3 billion, revenue was one percent below the prior-year level. The book-to-bill ratio was 1.20. The order backlog at the end of the first quarter again reached the record level of €102 billion. Total Sectors profit was up 15 percent to €1.8 billion, while the Sectors’ profit margin rose to 10.2 percent, compared to 8.6 percent in the prior-year quarter. Net income increased to €1.5 billion from €1.2 billion. Earnings per share climbed to €1.70 from €1.42.

### **Sector overview**

New orders at the Energy Sector increased three percent to €7.2 billion in a market environment that remained highly competitive. While declining at the Power Generation and Power Transmission Divisions, new orders doubled at the Wind Power Division. Revenue at the Sector declined four percent to €5.8 billion. Due in part to lower charges compared to the prior-year quarter, profit at the Sector improved to €506 million from €410 million, while the profit margin rose to

8.8 percent from 6.5 percent a year earlier.

The Healthcare Sector contributed €471 million to profit in the first quarter, compared to €503 million in the first quarter of the prior year. The decrease includes burdens on profit from currency effects. The Sector also faced ongoing market challenges, including weak economic conditions in Europe, uncertainty in the healthcare market, an excise tax on medical devices in the U.S. and slowing growth in China. The profit margin was 15.2 percent, compared to 15.5 percent in the prior-year quarter. New orders at the Sector climbed four percent to €3.2 billion and revenue increased one percent to €3.1 billion.

At the Industry Sector, new orders rose ten percent to €4.6 billion, driven by a substantially higher volume from major orders in the Sector's long-cycle businesses. At €4.3 billion, revenue remained at the prior-year level. Profit was down five percent to €482 million. Profit increased at the Industry Automation Division while declining at the Drive Technologies Division. The profit margin at the Sector was 11.2 percent, compared to 11.5 percent in the prior-year period.

At the Infrastructure & Cities Sector, new orders soared 45 percent, driven by a major order totaling €1.6 billion for two driverless subway lines in Saudi Arabia to be supplied by the Sector's Transportation & Logistics and Power Grid Solutions & Products businesses. Revenue increased four percent year-over-year to €4.4 billion. Profit at the Infrastructure & Cities Sector climbed to €330 million from €141 million in the comparable period a year earlier, supported by profit increases in all the Sectors' businesses. Improved project execution at the Transportation & Logistics business was a key factor. The profit margin rose to 7.6 percent, compared to 3.4 percent in the prior-year period.

## Outlook

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

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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](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.

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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.

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