Speech at Press Conference
First Quarter, Fiscal 2013

Peter Löscher
President and CEO, Siemens AG
Welcome to our first press conference in 2013. The new year is still young; I would like to wish you all health, happiness and success. At the Annual Shareholders’ Meeting today, we will look back on an eventful and, on balance, very successful fiscal year 2012. This morning, we will look at the new fiscal year and a solid first quarter:

At 18 billion euros, our revenue was slightly above last year’s level. 33 percent of revenue came from the emerging countries. New orders amounted to roughly 19 billion euros, 36 percent of that came from emerging countries. Year-over-year, new orders declined moderately – primarily because the Rail Systems and Wind Power Divisions received an extraordinarily high volume of large orders during the same quarter last year. At Fossil and in the future-oriented Smart Grid business, project-related new orders developed positively. The book-to-bill ratio for the company as a whole bounced back to above 1 for the first time after three quarters.

Income from continuing operations, at around 1.3 billion euros, was marginally below the same quarter last year. It includes project charges of approximately 116 million euros, for the most part due to delays in the delivery of high-speed trains.

**Satisfactory development in operations**

Now let’s take a brief look at the four Sectors: We are generally satisfied with the development of revenue and margins. Total Sectors Profit grew by 4 percent to 1,698 billion euros. Year over year, new orders remained constant for Energy as a whole, while income increased. Fossil again did particularly well. The service business developed very well, too: With another three service contracts for industrial gas turbines, Energy won out over its major competitors for the seventh time in a row in Germany. That proves that Siemens’ power is undiminished in its home market.

In the first quarter, the Healthcare Sector once again achieved a very good profit. At 503 million euros, it came in 38 percent higher than in the same quarter in fiscal 2012. At the annual meeting of the Radiological Society of North America in November, Healthcare presented a number of highly innovative products – including the new Acuson Freestyle wireless ultrasound system. It simplifies the use of advanced ultrasound technology in sterile environments, such as operating rooms, and
enables completely new applications, such as pinpointing locations for therapeutic interventions and biopsies. Further evidence of the Sector's innovation power is the fact that Torsten Niederdränk, one of our researchers in Audiology Solutions, received the German Innovation Award. Mr. Niederdränk won the award for an invention that for the first time allows wireless communication between hearing aids in both ears.

The Industry Sector recently completed the acquisition of LMS, a Belgian industrial software company. With this acquisition, we continue to expand our competence in the growth market of Vertical IT as planned. New orders and income of the Sector declined moderately, particularly in the Drive Technologies Division. As the business climate continues to be restrained, our short-cycle business with industry customers is tapering off slightly.

The Infrastructure and Cities Sector achieved an impressive success in the first quarter: It won a contract to provide 58 driverless trains to Kuala Lumpur's public transportation system. The total order volume for Siemens amounts to 260 million euros. Overall, new orders at Rail Systems were down. This is due to a baseline effect: The same quarter last year included the second major order for the Sapsan high speed train in Russia.

**Siemens 2014**

2013 is the first year of our company program Siemens 2014 and thus a year of transition. We want to increase our competitive edge by strengthening our core businesses, and we want to focus Siemens on growth markets even more. We are making consistent progress in that direction:

I already mentioned that we have enhanced our vertical IT capabilities with the acquisition of LMS. The Infrastructure and Cities Sector is also proceeding as planned with its acquisition of the rail automation division of Invensys. Parallel to these acquisitions, we decided to divest ourselves of our baggage handling for airports, postal automation, and chemical water treatment businesses last quarter because their potential for synergies with our core businesses is only minor.

In addition, our proposal to publicly list Osram as an independent company will be voted on at today's Annual Shareholders' Meeting.
The Energy Sector presented its strategy and Siemens 2014-related goals in detail at its Capital Markets Day in the U.S. in December. The Industry Sector will follow suit in the next quarter at the Hanover Fair in April, and the I&C Sector toward the end of 2013. At its Capital Market Day, Energy announced the share of the transformation costs for Siemens 2014 it expects to shoulder; it amounts to 300 million euros. The approximate figures for the other Sectors are 80 million for Healthcare, 400 million for Industry, and 240 million for I&C.

No tailwinds from the global economy
I now turn to our outlook. We do not expect any tailwinds from the global economy in the course of this year. The mood in Europe calmed down in the second half of 2012, but economic output in the euro zone will most likely decline once again. The economic forecasts for the United States are still very cautious. However, we believe that the economic recovery there could pick up speed. It remains to be seen what impact the delay in reaching a decision on fiscal policy will have. The forecasts for China’s economic growth have improved.

Summary
The outlook for fiscal 2013 that we presented at the annual press conference remains unchanged: We expect moderate growth in new orders and revenue at about the same level as last year. We expect income from continuing operations in the range from 4.5 to 5.0 billion euros. This outlook takes into account the retrospective application of the IAS 19 reporting standard. To summarize: In an uncertain economic environment, we got off to a solid start in fiscal 2013. For the rest of the year as well, we do not expect any tailwinds from the global economy to help us reach our ambitious goals. Our full attention is on implementing our Siemens 2014 program.

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