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.
## Q2 FY 2014 – Key figures

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

1) Change is adjusted for portfolio and currency translation effects

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Page 3, Berlin, May 7, 2014
Energy – Performance held back by lower revenues and execution challenges

Key Figures Energy

<table>
<thead>
<tr>
<th>Division</th>
<th>Orders y-o-y</th>
<th>Revenue y-o-y</th>
<th>Profit margin</th>
<th>Underl. Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Generation</td>
<td>-14%</td>
<td>-8%</td>
<td>18.4%</td>
<td>14.4%</td>
</tr>
<tr>
<td>Wind Power</td>
<td>-46%</td>
<td>13%</td>
<td>-4.3%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Power Transmission</td>
<td>7%</td>
<td>-14%</td>
<td>-24.2%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

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
2) for underlying margin calculation please refer to Flashlight document

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Healthcare – Continued excellent performance on high level despite currency headwinds

Key Figures Healthcare

<table>
<thead>
<tr>
<th>€bn</th>
<th>Orders 1)</th>
<th>Revenue 1)</th>
<th>€m</th>
<th>Profit 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.3</td>
<td>3.3</td>
<td></td>
<td>15.3%</td>
</tr>
<tr>
<td>Q2 13</td>
<td>3.2</td>
<td>3.2</td>
<td></td>
<td>15.5%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Division</th>
<th>Orders y-o-y 1)</th>
<th>Revenue y-o-y 1)</th>
<th>Profit margin</th>
<th>Underl. profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diagnostics</td>
<td>3%</td>
<td>3%</td>
<td>10.8%</td>
<td>15.2%</td>
</tr>
</tbody>
</table>
**Industry** – Profit climbs as short cycle businesses continue stabilizing

### Key Figures Industry

<table>
<thead>
<tr>
<th>€bn</th>
<th>Revenue 1)</th>
<th>€m</th>
<th>Profit 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders 1)</td>
<td>Revenue 1)</td>
<td>Profit 2)</td>
<td></td>
</tr>
<tr>
<td>4.4</td>
<td>4.8</td>
<td>345</td>
<td>10.5%</td>
</tr>
<tr>
<td>Q2 13</td>
<td>Q2 14</td>
<td>456</td>
<td>13.2%</td>
</tr>
</tbody>
</table>

+12% +5%

### 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 |

### Division

<table>
<thead>
<tr>
<th>Division</th>
<th>Orders y-o-y 1)</th>
<th>Revenue y-o-y 1)</th>
<th>Profit margin</th>
<th>Underl. profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Automation</td>
<td>11%</td>
<td>6%</td>
<td>15.8%</td>
<td>18.1%</td>
</tr>
<tr>
<td>Drive Technologies</td>
<td>14%</td>
<td>5%</td>
<td>9.5%</td>
<td>9.9%</td>
</tr>
</tbody>
</table>

---

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

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Page 6   Berlin, May 7, 2014
Infrastructure & Cities – Higher profit on improvements in execution, mix and productivity

**Key Figures Infrastructure & Cities**

<table>
<thead>
<tr>
<th>€bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders 1)</td>
</tr>
<tr>
<td>5.2</td>
</tr>
<tr>
<td>-12%</td>
</tr>
<tr>
<td>Q2 13</td>
</tr>
<tr>
<td>4.7</td>
</tr>
<tr>
<td>Q2 14</td>
</tr>
<tr>
<td>Revenue 1)</td>
</tr>
<tr>
<td>4.1</td>
</tr>
<tr>
<td>Q2 13</td>
</tr>
<tr>
<td>+7%</td>
</tr>
<tr>
<td>4.4</td>
</tr>
<tr>
<td>Q2 14</td>
</tr>
<tr>
<td>€m</td>
</tr>
<tr>
<td>Profit 2)</td>
</tr>
<tr>
<td>4.7%</td>
</tr>
<tr>
<td>Q2 13</td>
</tr>
<tr>
<td>7.2%</td>
</tr>
<tr>
<td>Q2 14</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Division</th>
<th>Orders y-o-y 1)</th>
<th>Revenue y-o-y 1)</th>
<th>Profit margin</th>
<th>Underl. profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation &amp; Logistics</td>
<td>-29%</td>
<td>21%</td>
<td>7.0%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Power Grid Solutions &amp; Products</td>
<td>9%</td>
<td>1%</td>
<td>8.2%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Building Technologies</td>
<td>-6%</td>
<td>-1%</td>
<td>6.9%</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

1) Comparable, i.e. adjusted for currency translation and portfolio effects
2) for underlying margin calculation please refer to Flashlight document

Berlin, May 7, 2014
Lower volume from large orders in Europe while China shows strength

### Regional business split

**Q2 FY 14 Order growth y-o-y**

<table>
<thead>
<tr>
<th>Region</th>
<th>Europe/C.I.S./Africa/ME (therein Germany)</th>
<th>Americas (therein USA)</th>
<th>Asia/Australia (therein China)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>-26%</td>
<td>+10%</td>
<td>+20%</td>
</tr>
<tr>
<td>Adjusted growth</td>
<td>-38%</td>
<td>+6%</td>
<td>+22%</td>
</tr>
</tbody>
</table>

**Q2 FY 14 Revenue growth y-o-y**

<table>
<thead>
<tr>
<th>Region</th>
<th>Europe/C.I.S./Africa/ME (therein Germany)</th>
<th>Americas (therein USA)</th>
<th>Asia/Australia (therein China)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>-2%</td>
<td>1%</td>
<td>9%</td>
</tr>
<tr>
<td>Adjusted growth</td>
<td>-1%</td>
<td>-2%</td>
<td>19%</td>
</tr>
</tbody>
</table>

1) Change is adjusted for currency translation and portfolio effects

### Purchasing Managers Index

**Index**

- **US ISM Mfg PMI**
- **Eurozone Mfg PMI**

![Graph showing PMI index values](image)

- Europe/C.I.S./Africa/ME (therein Germany): 53.7%
- Americas (therein USA): 53.3%
- Asia/Australia (therein China): 53.3%

2) US as of March; flash reading for EZ in April

### China Industry Value Added

**In %**

![Graph showing China Industry Value Added](image)

- Europe/C.I.S./Africa/ME (therein Germany): -1%
- Americas (therein USA): 1%
- Asia/Australia (therein China): 9%

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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

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Q2 FY 2014, Analyst and Press Conference
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
Siemens – Innovating the Electrical World

Global trends

- Digital transformation: Networked world of complex and heterogeneous systems
- Globalization: Global competition driving productivity & localization
- Urbanization: Infrastructure investment needs of urban agglomerations
- Demographic change: Decentralized demand of a growing and aging population
- Climate change: Higher resource efficiency in an all-electric world

Market development (illustrative)

- Digitalization: Market growth: ~7-9%
- Automation: Market growth: ~4-6%
- Electrification: Market growth: ~2-3%

Today

- Power Generation
- Power Transmission, Distribution & Smart Grid

Mid term-2020

- Efficient Energy Application
- Imaging & In-Vitro Diagnostics
Stringent resource allocation for growth fields in Electrification, Automation and Digitalization

Selected growth fields

**Digitalization**
- Business Analytics & Data-driven Services
- Software & IT solutions

**Automation**
- Flexible & Small GT
- Distribution Grid Automation & Software
- Road & City Mobility, tolling
- ‘Digital twin’ Software
- Key Verticals e.g. O&G, F&B
- Image guided Therapy, Molecular Diagnostics, etc.

**Electrification**
- Offshore
- Power to last
- Drive energy management
- Efficient urban mobility
- Shape Industrie 4.0
- Grow in Process Industries
- Next Generation Healthcare

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Q2 FY 2014, Analyst and Press Conference
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 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

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

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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Automation is key to success

While power electronics is a key enabler, integration and automation make the difference

- Integration of renewables such as PV, Wind and storage systems
- Mitigation of negative effects on power quality by mass renewable integration
- Enabling semi/full autonomous prosumers ranging from large campuses to buildings
- Better utilization of existing power grid infrastructure
Digitalization: From data to business

Attractive market in Siemens verticals

Market (€bn)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>56</td>
<td>100</td>
</tr>
<tr>
<td>CAGR</td>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

Substantial profit margins achievable

- IT enhanced Services: >30%
- Software products: >20%
- Combined SW & HW solutions: >15%

Innovative business models

- Meter data management in the cloud
- Data Analytics enriched plant control
- Siemens remote service platform across divisions

Key enablers

- Cloud strategy
- Data analytics platform
- Applications on top of platforms
- Strong partnerships

\(^1\) Source internal: Siemens market for vertical IT

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Berlin, May 7, 2014
Unconventional Oil & Gas opportunities in North America remain very attractive

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

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

Source: Rystad Ucube 2014
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Healthcare with higher entrepreneurial flexibility – separately managed under the Siemens umbrella

**Strong position, resilient performance**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue in €bn</th>
<th>Profit excl. ppa in % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011</td>
<td>12.5</td>
<td>12.0%</td>
</tr>
<tr>
<td>FY 2012</td>
<td>13.6</td>
<td>14.6%</td>
</tr>
<tr>
<td>FY 2013</td>
<td>13.6</td>
<td>16.3%</td>
</tr>
<tr>
<td>FY 2020e</td>
<td></td>
<td>15-19%</td>
</tr>
</tbody>
</table>

**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
Going public of Hearing Aids business creates an opportunity

Success factors in place

• Attractive market:
  Secular growth, good margins

• Strong Siemens performance
  • Competitive technological basis
  • Highly respected brand

• However, no synergetic value – business can better realize full industry potential outside of Siemens
  • Distinct customers and go-to-market
  • Hearing aids growth areas far from Siemens core: Implants, retail, consumer electronics

• Independently listed company
  • Build on strengths of the business
  • Focus management attention
  • Raise capital dedicated to build business

Timing is right:
Receptive stock markets, competitive position

Story is right:
Leading global pure-play hearing aids player

Execution is right:
Siemens experience, determined to succeed

Attractive market:

<table>
<thead>
<tr>
<th></th>
<th>€bn</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>FY2013</td>
<td>3.2</td>
<td></td>
</tr>
<tr>
<td>FY2014</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>FY2020e</td>
<td>4.0</td>
<td></td>
</tr>
</tbody>
</table>

Success factors in place

Timing is right:
Receptive stock markets, competitive position

Story is right:
Leading global pure-play hearing aids player

Execution is right:
Siemens experience, determined to succeed

Main competitors | Revenue reported¹)
---|------------------
1 Sonova | CHF 1.8bn ≈ €1.5bn
2 WDH   | DKK 7.9bn ≈ €1.0bn
3 GN Resound | DKK 4.2bn ≈ €0.8bn

¹) WDH and GN ReSound-Hearing Aids CY2013; Sonova as of FY12/13
In depth analysis of businesses has led to specific conclusions

Portfolio analysis

Cumulated Profit

Focus

Cumulated Revenue

Conclusions

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

• 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

'Siemens – Vision 2020'

Berlin, May 7, 2014

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Q2 FY 2014, Analyst and Press Conference
JV with Mitsubishi-Hitachi Heavy Machinery creates a global prime supplier of metals technologies

Siemens Metals Technologies

- One of the world’s leading life-cycle partners to the metallurgical industry, headquartered in Linz (Austria)
- FY 2013 revenues of €2bn and ~8,900 employees
- Business mainly acquired by Siemens as part of VA Technologie AG in 2005
- Siemens contributes whole business unit MT excl. the services business for Electrics/Automation

Transaction Structure

<table>
<thead>
<tr>
<th>Siemens</th>
<th>MHI</th>
<th>Hitachi</th>
<th>IHI</th>
</tr>
</thead>
<tbody>
<tr>
<td>56%</td>
<td>34%</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

The Joint Venture

- Mitsubishi Heavy Industry (MHI), Hitachi and IHI Metaltech contribute their metals machinery JV MHMM
- MHMM focuses on the hot and cold rolling mills and processing lines metals machinery business with revenues of ~€550m in 2013
- MT and MHMM with complementary regional footprint and product portfolio
- The JV will become a full-line supplier of metals technologies products and services on a global scale
- Strategic supply agreements between JV and Siemens (e.g. Components, automation)

- Siemens to receive 49% ownership in the JV
- 51% of the JV shares to be held by the HoldCo MHMM
- Closing expected by the end of calendar year 2014
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
Flat and market driven organization along the value chain will capture growth opportunities

1) Commonwealth of Independent States

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The Management model drives resource allocation and Ownership culture makes the difference.

Customer and business focus

People and leadership

Governance

Management model

One Siemens

Financial framework

Operating system – Corporate Memory

Customer proximity
Innovation
Business excellence
People excellence and care

Sustainability and Citizenship

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Berlin, May 7, 2014

Q2 FY 2014, Analyst and Press Conference
One Siemens Financial Framework sets the aspiration

Siemens Financial Framework

**Growth:**
Siemens > most relevant competitors\(^1\)
(Comparable revenue growth)

**Capital efficiency**
(ROCE\(^2\))
15-20%

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

**Total cost productivity**\(^3\)
3-5% p.a.

**Dividend payout ratio**
40-60%\(^4\)

**Profit Margin ranges of businesses (excl. PPA)**\(^5\)

<table>
<thead>
<tr>
<th>Business</th>
<th>Margin Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>PG</td>
<td>11-15%</td>
</tr>
<tr>
<td>EM</td>
<td>7-10%</td>
</tr>
<tr>
<td>MO</td>
<td>6-9%</td>
</tr>
<tr>
<td>PD</td>
<td>8-12%</td>
</tr>
<tr>
<td>SFS(^6)</td>
<td>15-20%</td>
</tr>
<tr>
<td>WP</td>
<td>5-8%</td>
</tr>
<tr>
<td>BT</td>
<td>8-11%</td>
</tr>
<tr>
<td>DF</td>
<td>14-20%</td>
</tr>
<tr>
<td>HC</td>
<td>15-19%</td>
</tr>
</tbody>
</table>

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

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Q2 FY 2014, Analyst and Press Conference
### Rigorous Operating System reinforces business excellence

#### Enabler

- **Customer proximity**
- **Innovation**
- **Business excellence**
- **People excellence and care**

#### Priorities & Results (by metrics)

<table>
<thead>
<tr>
<th>Enabler</th>
<th>Key account management</th>
<th>Market development boards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>Software architecture and platforms</td>
<td>New technology driven growth areas</td>
</tr>
<tr>
<td>Business excellence</td>
<td>Mandatory elements of <em>top</em> framework (Benchmarking, productivity programs)</td>
<td>Lean management</td>
</tr>
<tr>
<td>People excellence and care</td>
<td>Ownership culture</td>
<td>Continuous development &amp; learning, employability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Integrity &amp; compliance</td>
</tr>
</tbody>
</table>

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Corporate Memory for Project Management

Lessons learned from legacy projects

High Speed Trains

Offshore Grid conn.

Particle Therapy

Actions for project bid & execution phase

Typical risks and root causes identified

Early warning mechanisms defined

Mitigation measures identified

Concept for Corporate Memory

Learnings applied: BORWIN 3 Offshore grid-connection platform

- Extended project duration (5 years)
- Focus on HVDC grid – not a steel platform
- Partner accountable for platform; cable separately tendered
- Experience based pricing and contract design
- Avoid the 'resource trap'
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

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"

Ownership culture

Broad implementation of a Siemens Profit Sharing Pool (share based) planned
Siemens – Vision 2020
Value creation & Cultural change

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 ≥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
Siemens – Vision 2020
Clear milestones until 2016

<table>
<thead>
<tr>
<th>Until</th>
<th>Execution steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2014</td>
<td>Execution of ‘Siemens 2014’ measures</td>
</tr>
<tr>
<td></td>
<td>Implementation of new organization, start in new structure on Oct 1</td>
</tr>
<tr>
<td></td>
<td>Introduction of Incentive System 2015</td>
</tr>
<tr>
<td></td>
<td>Sharpening brand message starting in Oct 2014</td>
</tr>
<tr>
<td>Q2 2015</td>
<td>Update on cost reduction (stringent governance, efficient support functions)</td>
</tr>
<tr>
<td></td>
<td>Progress update on portfolio optimization</td>
</tr>
<tr>
<td>Q4 2015</td>
<td>Update on cost reduction (stringent governance, efficient support functions)</td>
</tr>
<tr>
<td></td>
<td>Update on performance in growth fields</td>
</tr>
<tr>
<td></td>
<td>Share buy-back executed (up to €4bn)</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>Update on portfolio optimization and cost reduction</td>
</tr>
</tbody>
</table>

Berlin, May 7, 2014
## Overview of businesses (I)

### Power and Gas

**CEO:** Roland Fischer

**Strongly positioned in core markets:**
- Gas Turbines, Generators, Steam Turbines, Solutions, Compressors, Instrumentation & Electrical

**Priorities**
- **Maintain leading position** with superior business model
- **Strengthen competitiveness** through operational excellence and cost out programs
- **Technology leadership** throughout portfolio via focused innovation and selective M&A
- **Strong local presence** to secure market proximity and customer care
- **High market share** and solid profit margin

(Split estimated based on FY 2013 revenues)

---

### Wind Power and Renewables

**CEO:** Markus Tacke

**Unique competitive position:**
- Clear #1 position in fast growing Offshore Wind
- Onshore Wind with selective approach on profitable projects

**Priorities**
- **Remain world leader** in sustainable offshore business through innovation and industrialization (e.g., new offshore facility in Hull/GB)
- **In offshore** further drive down Levelized Cost of Energy (LCoE) to reach <0.1 EUR/kWh by 2020; **onshore** to reach grid parity
- **Onshore:** Margin improvement and consecutive growth
- **Manage backlog execution** thoroughly across value chain

---

1) Estimated revenue based on FY 2013 financials (incl. Service)
## Overview of businesses (II)

### Power Generation Service

**CEO:** Randy Zwirn

**High margin/constant flow of revenue:**

Service, modernization and upgrades of Large Gas Turbines, Large Steam Turbines, Generators, Industrial Turbines (e.g. Oil&Gas) and Wind Turbines (onshore/offshore)

**Priorities**

- Continuously building up **highly profitable backlog** by strong increase in **growth regions** (e.g., Middle East, South Korea)
- Grow footprint in **Oil & Gas** industry
- **R&D investment** to make **fleet more valuable for customers** (e.g., condition based maintenance through data analytics)
- Expand **flexible value added service portfolio for Wind Power**

### Energy Management

**CEO:** Ralf Christian, Jan Mrosik

**Seamless offering**

- **Transmission** (High Voltage Products, Solutions) (T)
- **Transformers** (T)
- **Low and Medium Voltage** (LMV)
- **Energy Automation** (SG)
- **Software Solutions & Services** (SG)

**Priorities**

- **Optimized go-to-market** addressing all types of customers seamlessly
- Extend leadership in **digitalization**
- ‘**Transform to win**’ productivity program until 2015:
  - Stabilize execution of legacy projects
- Continue **optimization** of LMV
- Expand **power electronics** business to distribution grid applications

---

1) Estimated revenue based on FY 2013 financials

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Page 32  Berlin, May 7, 2014

Q2 FY 2014, Analyst and Press Conference
## Overview of businesses (III)

### Building Technologies

- **CEO:** Johannes Milde
- **Estimated revenue:** ~€6bn

### Mobility

- **CEO:** Jochen Eickholt
- **Estimated revenue:** ~€7bn

#### Strengthened portfolio

- **Mobility Management** (Rail Automation, Road and City Mobility) (MOL)
- **Turnkey Projects** (MOL) and **Electrification** (SG)
- **Mainline Transport** (High Speed, Commuter Rail, Locomotives) (RL)
- **Urban Transport** (RL)

#### Priorities

- **Selective country approach** (products in emerging countries to solutions/services in mature markets)
- **Focus** on organic growth in China
- **Advanced Services** through IT and SW-based analytics
- Expand joint **go-to-market** with Energy Management (e.g., LMV for Data Centers)

- Ensure **stringent project execution** of order backlog
- Expand on **market leadership in Rail Automation**, deliver on synergies of €100m until 2018
- **Integrated turnkey projects** with high Siemens product content
- **Grow services** e.g., remote monitoring

---

1) Estimated revenue based on FY 2013 financials

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Page 33, Berlin, May 7, 2014

Q2 FY 2014, Analyst and Press Conference

( ) Organizational home division of business until Sep 2014
### Overview of businesses (IV)

#### Digital Factory

**CEO:** Anton Huber

- **Shaping future of manufacturing**
  - **Factory Automation (IA)**
  - **Motion Control (DT)**
  - **Product Life-cycle Management (IA)**
  - **Services (CS)**

**Priorities**
- **Digital Revolution** changes product development and manufacturing process (‘Industrie 4.0’)
- Secure customer retention by leveraging PLM software and automation product offering
- Ongoing expansion of the product portfolio and installed base
- Develop business in data-driven services

#### Process Industries and Drives

**CEO:** Peter Herweck

- **Bundling process know-how**
  - **Large Drives, Mechanical Drives (DT)**
  - **Process Automation (IA)**
  - **Upstream and Midstream (P)**
  - **Metals Technologies (MT)**
  - **Services (CS)**

**Priorities**
- Growth momentum due to **focused approach** on **strong growing key verticals** such as O&G, F&B, chemicals
- Invest in growth with **life-cycle business** – service capabilities and local set-up
- **Expand software offering** for digital engineering and operations
- Further optimize **efficiency and cost position** (field devices and drive train)

---

1) Estimated revenue based on FY 2013 financials
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Berlin, May 7, 2014
Overview of businesses (V)

Healthcare

CEO: Hermann Requardt

~€13.6bn\(^1\)

Personalized and affordable Healthcare

- Imaging
- Clinical Products
- Diagnostics
- Customer Solutions
- Audiology

Priorities
- Individual set-up to succeed in changing environment
  - React more flexibly to customers’ requirements and improve market penetration
  - Invest in growth opportunities to respond to paradigm shifts
  - Focus resource allocation to address distinct Healthcare industry characteristics
  - Going public of Audiology

Financial Services

CEO: Roland Chalons-Browne

€18.7bn\(^2\)

Combine industrial and financial logic

- Commercial Finance
- Project & Structured Finance
- Insurance Financing & Investment Management
- Venture Capital
- Treasury

Priorities
- Financing as strategic differentiator and earnings contributor
  - Close alignment with Divisions to offer a joint customer and market approach
  - Sound financial risk management and portfolio diversity
  - Respected partner to the financial markets

1) Revenue FY 2013; 2) Total Assets Sep 30, 2013
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Q2 FY 2014, Analyst and Press Conference
One Siemens cockpit – H1 FY 2014
ROCE in target corridor despite impact on Energy margins

Financial target system

Growth1)
Revenue growth (rolling 4 quarters Q2 FY 14)

<table>
<thead>
<tr>
<th>Siemens</th>
<th>Competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1.9%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

Margins compared to industry benchmarks

EBITDA Margins (H1 FY 2014)

<table>
<thead>
<tr>
<th>Industry</th>
<th>EBITDA Margins</th>
<th>Target Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>8.5%</td>
<td>10-15%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>20.2%</td>
<td>15-20%</td>
</tr>
<tr>
<td>Industry</td>
<td>14.0%</td>
<td>11-17%</td>
</tr>
<tr>
<td>Infrastr. &amp; Cities</td>
<td>9.0%</td>
<td>8-12%</td>
</tr>
</tbody>
</table>

EBITDA margins of respective markets throughout business cycles

Capital efficiency

ROCE adjusted (continuing operations)

<table>
<thead>
<tr>
<th>H1 FY 13</th>
<th>H1 FY 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.9%</td>
<td>16.4%</td>
</tr>
</tbody>
</table>

15-20%

Capital structure

Adjusted industrial net debt/EBITDA

<table>
<thead>
<tr>
<th>Q2 FY 13</th>
<th>Q2 FY 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0x</td>
<td>0.6x</td>
</tr>
</tbody>
</table>

0.5-1.0x

1) As reported

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Free Cash Flow
Decent performance in Q2 after a weak start in Q1
Excellent fit – complementary technologies

Product portfolio with full power output range for both technologies

<table>
<thead>
<tr>
<th>MW</th>
<th>0</th>
<th>20</th>
<th>40</th>
<th>60</th>
</tr>
</thead>
<tbody>
<tr>
<td>IGT (Siemens)</td>
<td>SGT-100</td>
<td>SGT-200</td>
<td>SGT-300</td>
<td>SGT-400</td>
</tr>
<tr>
<td>ADGT (Rolls-Royce)</td>
<td>501</td>
<td>RB211 G62</td>
<td>RB211 GT61</td>
<td>TRENT 60</td>
</tr>
</tbody>
</table>

Complementary technology strengths

- Only on-site service possible
- Good gas fuel flexibility
- Stable proven DLE systems
- Designed for efficient combined cycle power plants

- Light cores and fast core change for service (changeable within 24h)
- Quality level inherited from aero engines
- Designed for high number of cycles with high efficiency

- Customers can choose from different technologies in the full output range
- Joint portfolio will be strong alternative for customers compared to other players in the sector

DLE = Dry Low Emissions: Emissions combustion system to minimize the emissions to atmosphere
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Strengthens focus area Oil & Gas and Decentralized Power

Rolls-Royce ADGT Business

- Improved access for Siemens to the Oil & Gas sector and the field of decentralized power generation
- Improved opportunities to sell into industrial power generation sector

Siemens

- Improved access for Siemens to the Oil & Gas sector and the field of decentralized power generation
- Improved opportunities to sell into industrial power generation sector

- Complementary strengths in different sectors
- Improved coverage to both Oil & Gas and industrial power generation sectors

1) Excluding aftermarket services business
Innovation leader with "best in breed" gas turbines supported by access to aero technology

Rolls-Royce: ADGTs

Industrialisation of ADGTs:
Improved competitiveness through industrial instead of aero parts

Siemens: IGTs

Application of aero technology to IGTs:
Improved competitiveness through increased efficiency

Significant innovation potential through combined technology know-how to develop 'best in breed' hybrid gas turbines

Access to aero derivative technology for Siemens and significant innovation potential of combining leading technologies
## World-class global service platform

### Strong combined service platform

<table>
<thead>
<tr>
<th>Sites over 5 FTEs</th>
<th>~5,600 employees in total</th>
</tr>
</thead>
</table>

- Siemens
  - ~4,600 service employees (Siemens Oil and Gas Service), thereof ~1,700 employees within transaction scope
- Rolls-Royce ADGT Business
  - ~1,000 service employees

### Large installed fleet

<table>
<thead>
<tr>
<th>Compressors</th>
<th>Small &amp; medium industrial gas turbines</th>
</tr>
</thead>
<tbody>
<tr>
<td>~2,250 units</td>
<td>&gt;10,000 units</td>
</tr>
<tr>
<td>&gt;1,700 units</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Aero derivative gas turbines</th>
<th>Siemens fleet</th>
</tr>
</thead>
<tbody>
<tr>
<td>~2,500 units</td>
<td></td>
</tr>
</tbody>
</table>

- Transaction strongly utilizes Siemens’ world-class sales and service organization
- Customers benefit from powerful global platform with further improved customer proximity
- Focus on long-term relationship with customers regarding service benefits both customers and service business

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Q2 FY 2014, Analyst and Press Conference
Significant synergies and enabling business

Cost synergies
- Purchasing synergies: Savings through higher purchase volume and broader supplier base
- Process optimisation & design to cost: Industrialisation of ADGT parts
- Manufacturing synergies: Implementing operational excellence
- Integration of sales force and service sites

Sales synergies
- Siemens' sales force and industrial power generation sector access to place ADGT products
- Siemens to improve access to Oil & Gas sector through comprehensive product range and the Rolls-Royce ADGT Business' sector access
- New equipment sales synergies will drive corresponding service synergies

£50m+ annual gross cost synergies in FY2017 with further upside thereafter 1)
(in FY2017 ~2/3 of long-term run-rate gross cost synergies reached)

Significant additional upside from sales synergies

The scope and scale of Siemens' Energy business will enable the acquired business to realize significant profit potential

1) Pre integration & transformation cost, synergy investments and allocations
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Financial calendar

**May**
- **May 7, 2014**
  Q2 Earnings Release and Strategy Update (Berlin)
- **May 21, 2014**
  Roadshow France (Paris)
- **May 22, 2014**
  Roadshow Germany (Frankfurt)
- **May 28, 2014**
  Roadshow Canada (Montreal)
- **May 29, 2014**
  Bernstein Conference (New York)

**June**
- **June 12, 2014**
  JP Morgan Conference (London)

**July**
- **July 31, 2014**
  Q3 Earnings Release and Analyst Call
# Siemens press contacts

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marc Langendorf</td>
<td>+49 89 636-41360</td>
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<td>Alexander Becker</td>
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<td>+49 89 636-33929</td>
</tr>
<tr>
<td>Wolfram Trost</td>
<td>+49 89 636-34794</td>
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</table>

<table>
<thead>
<tr>
<th>Information</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td><a href="mailto:press@siemens.com">press@siemens.com</a></td>
</tr>
<tr>
<td>Phone</td>
<td>+49 89 636-33443</td>
</tr>
<tr>
<td>Fax</td>
<td>+49 89 636-35260</td>
</tr>
</tbody>
</table>
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Fax: +49-89-636-32830
Internet: http://www.siemens.com/investorrelations
Email: investorrelations@siemens.com
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.