Joe Kaeser, President and CEO
Ralf P. Thomas, CFO

Solid Q3 performance, softening market environment

Q3 FY 2015, Combined Press and Analyst Call
Munich, July 30, 2015

Notes and forward-looking statements

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, of which many are beyond Siemens’ control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes – in IFRS not clearly defined – supplemental financial measures that are or may be 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.

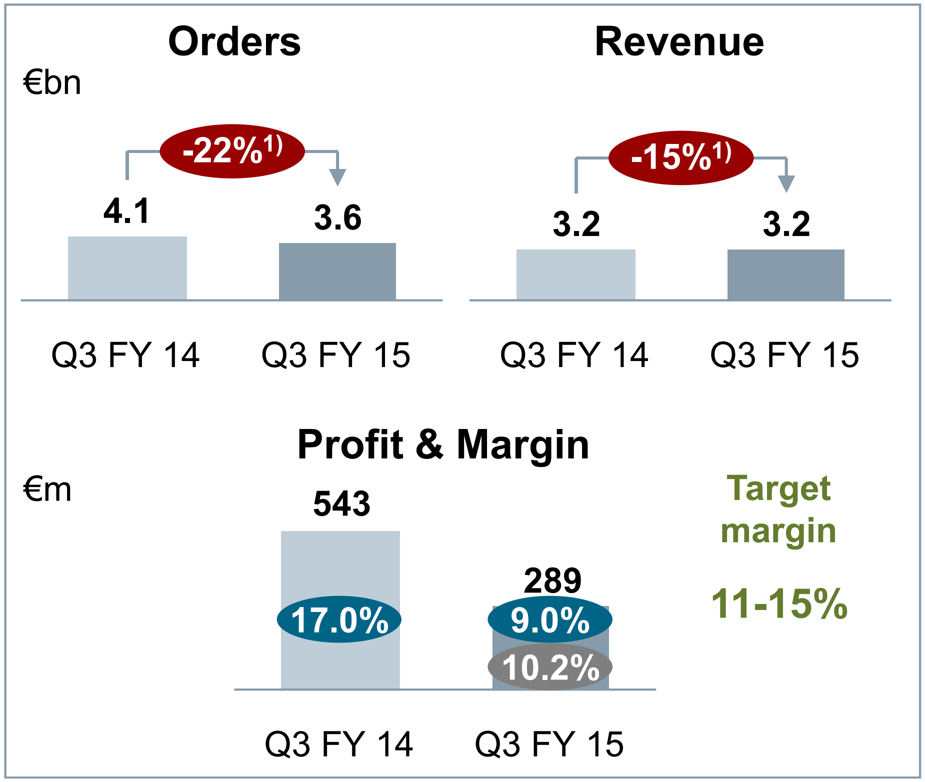
Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Q3 FY 2015
Solid performance, softening market environment

- **Market environment softens on the back of weaker Chinese markets**
- **Strong translational tailwind** from **FX** on **orders (+8%)** & **revenue (+9%)**
- **Moderate organic order decline (-5%)** driven by Power and Gas, Wind Power, Process Industries and Drives while other Divisions grow
- **Organic revenue slightly lower (-3%)** mainly driven by project businesses; strength in Healthcare, Digital Factory and Energy Management
- **Restructuring** efforts executed according to plan
- **Industrial Business margin** of **10.4%** (incl. €173m severance charges: 9.5%)
- **Net Income of €1.4bn**; modest increase in **basic EPS to €1.65**
- **Projects ramp up lead to softer Free Cash Flow** in Industrial Business
- **Share buy back** on track – **€3.2bn** executed
- **Closing of Dresser-Rand acquisition** on June 30, 2015

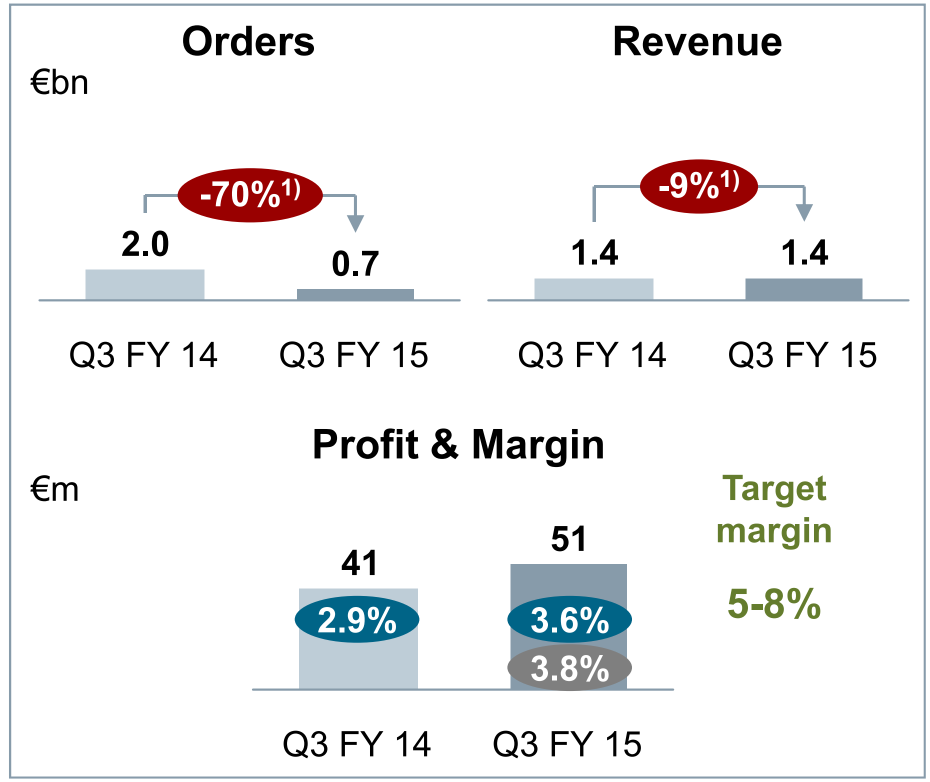
Stringent execution of PG 2020 ongoing
Wind Power turns to profit

Power and Gas (PG)



- Orders down due to fewer turnkey projects
- Profit impacted by -€106m project charges, partly offset by effects in other projects
- Continuing challenges expected

Wind Power and Renewables (WP)



- Extraordinary low level of large orders
- Revenue decline in onshore, growth in offshore and service businesses
- Strong profit contribution from service

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

x.x% Margin as reported   x.x% Margin excl. severance

EM: Continues with strong turn around
BT: Better mix & productivity offset adverse FX impact

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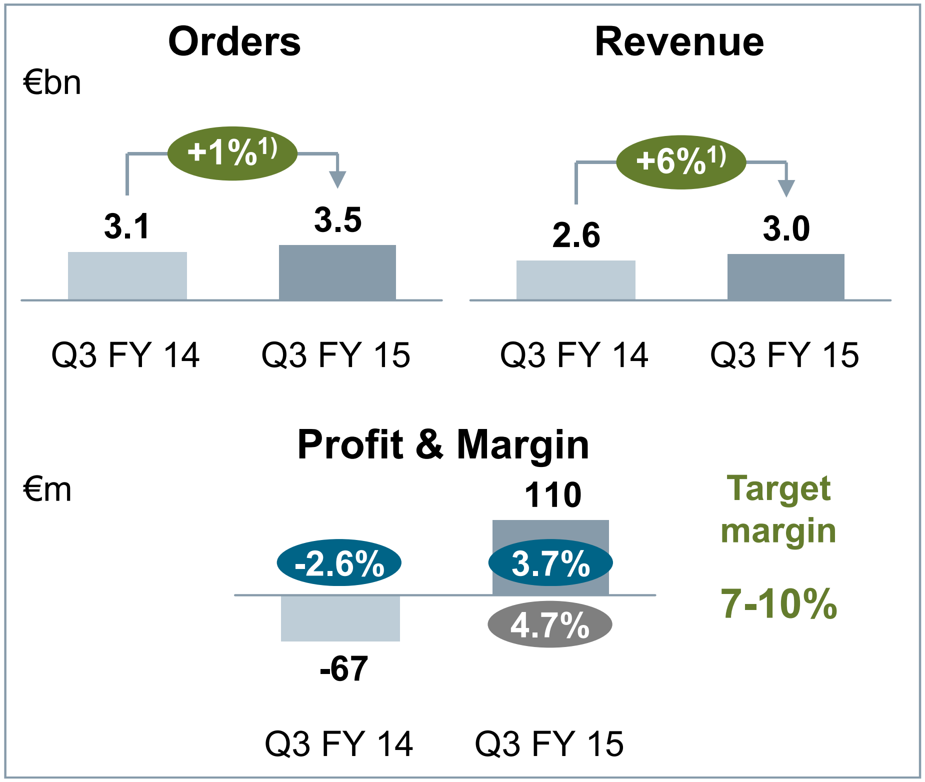
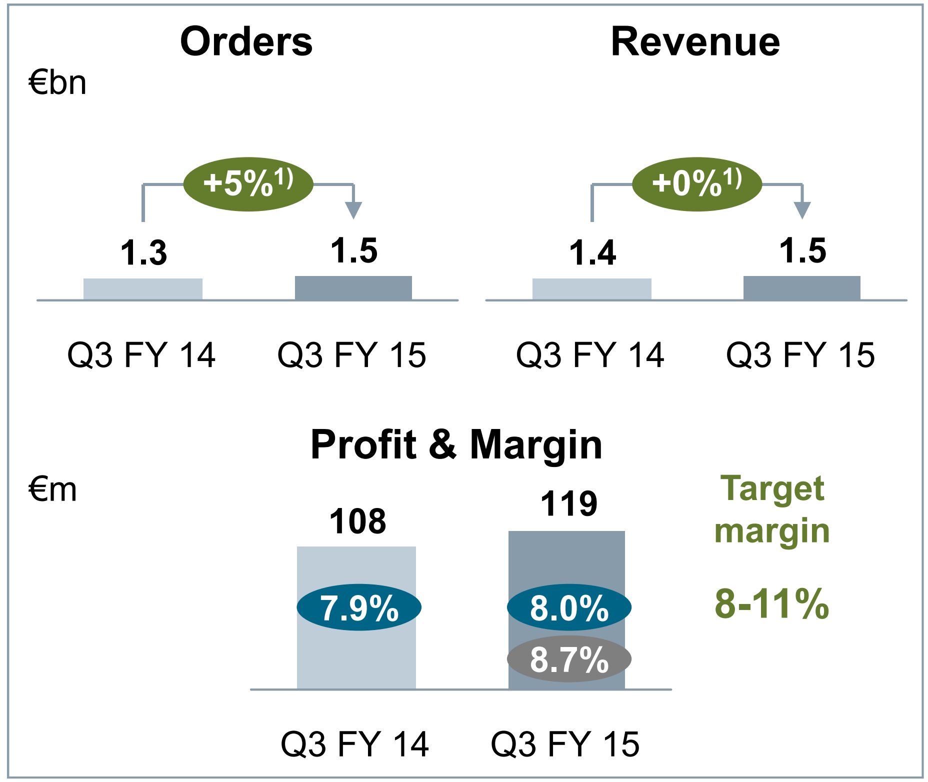
Energy Management (EM)



- Revenues up in all businesses and reporting regions
- Remaining two North Sea grid connection projects handed over to customer

Building Technologies (BT)



- Order growth driven mainly by the U.S.
- Profit improvement on better mix and higher productivity, only partly offset by impact from Swiss franc appreciation

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

x.x% Margin as reported   x.x% Margin excl. severance

DF: Strong performance in softer markets
PD: Continued weakness in Commodity markets

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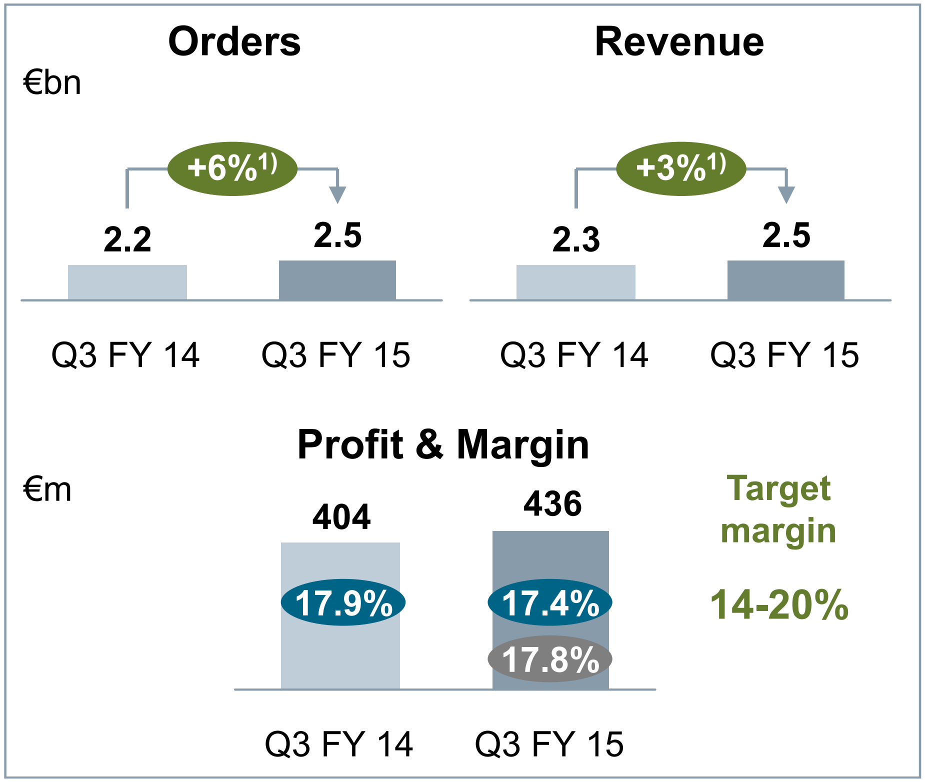
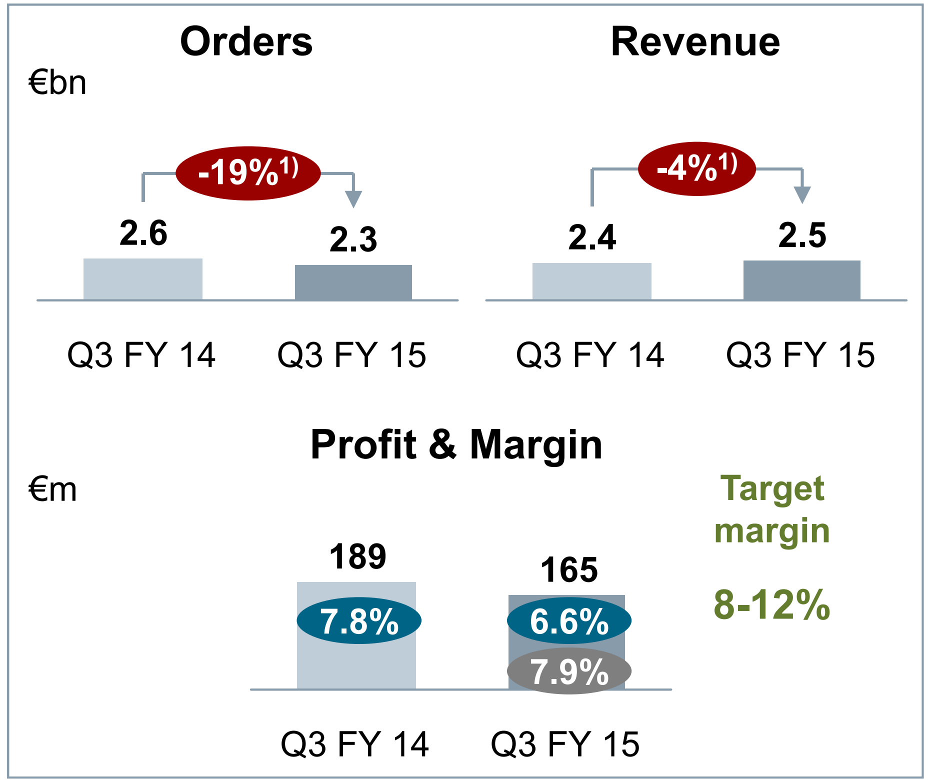
Digital Factory (DF)



- Orders and revenue up in all businesses
- China volume weaker as expected
- Margins impacted by higher R&D and selling expenses to invest in future growth

Process Industries and Drives (PD)



- O&G, Metals, Mining, Cement remain weak
- Strong productivity improvements lead to margin recovery q-o-q

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

x.x% Margin as reported   x.x% Margin excl. severance

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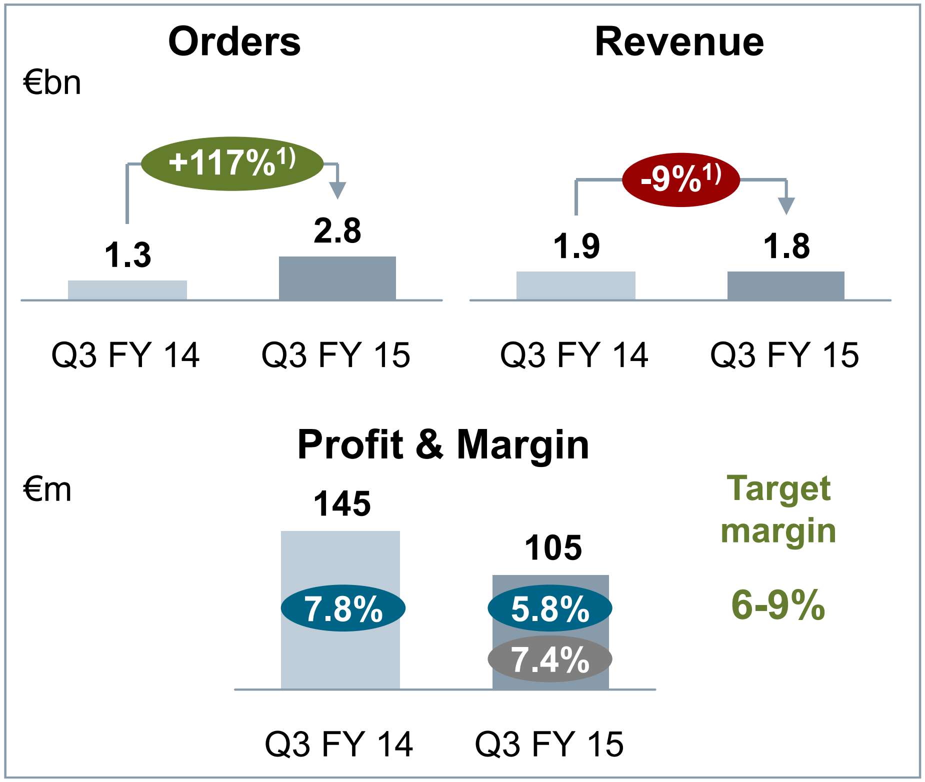
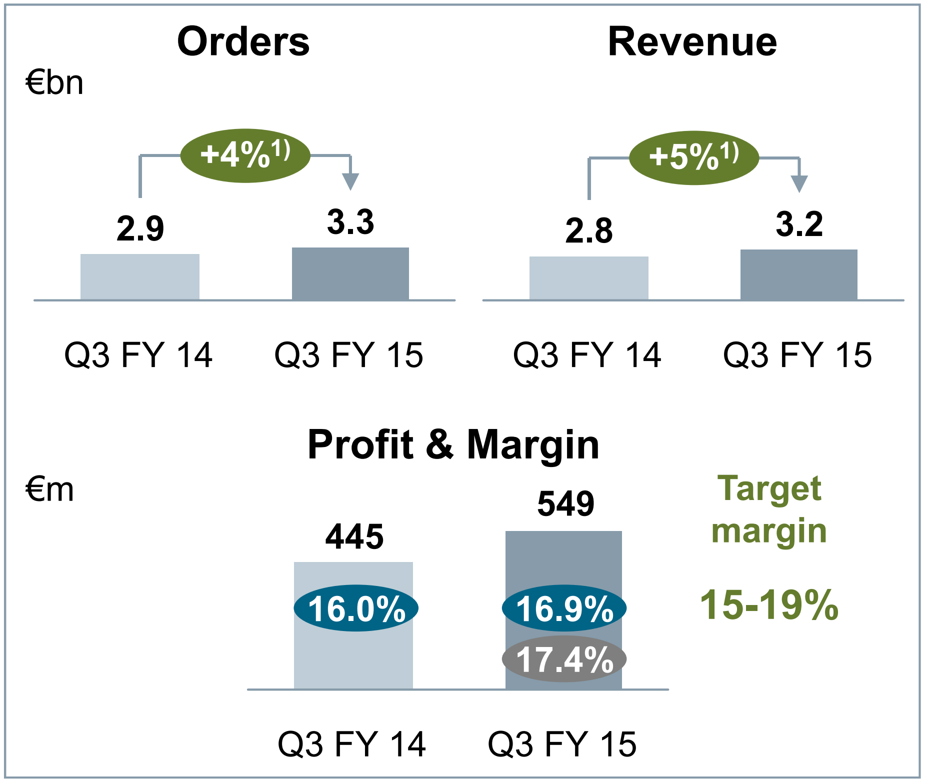
MO: Solid execution continues
HC: Leading performance in growth and profitability

Mobility (MO)



- Order growth driven by €1.6bn long-term maintenance order in Russia
- Lower revenue due to timing of projects
- Margin effect from improved revenue mix

Healthcare (HC)



- Orders and revenues up in all businesses led by Imaging and Therapy Systems
- Profitability lifted by currency tailwinds

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

x.x% Margin as reported   x.x% Margin excl. severance

Outlook Fiscal 2015 confirmed despite weakening indicators

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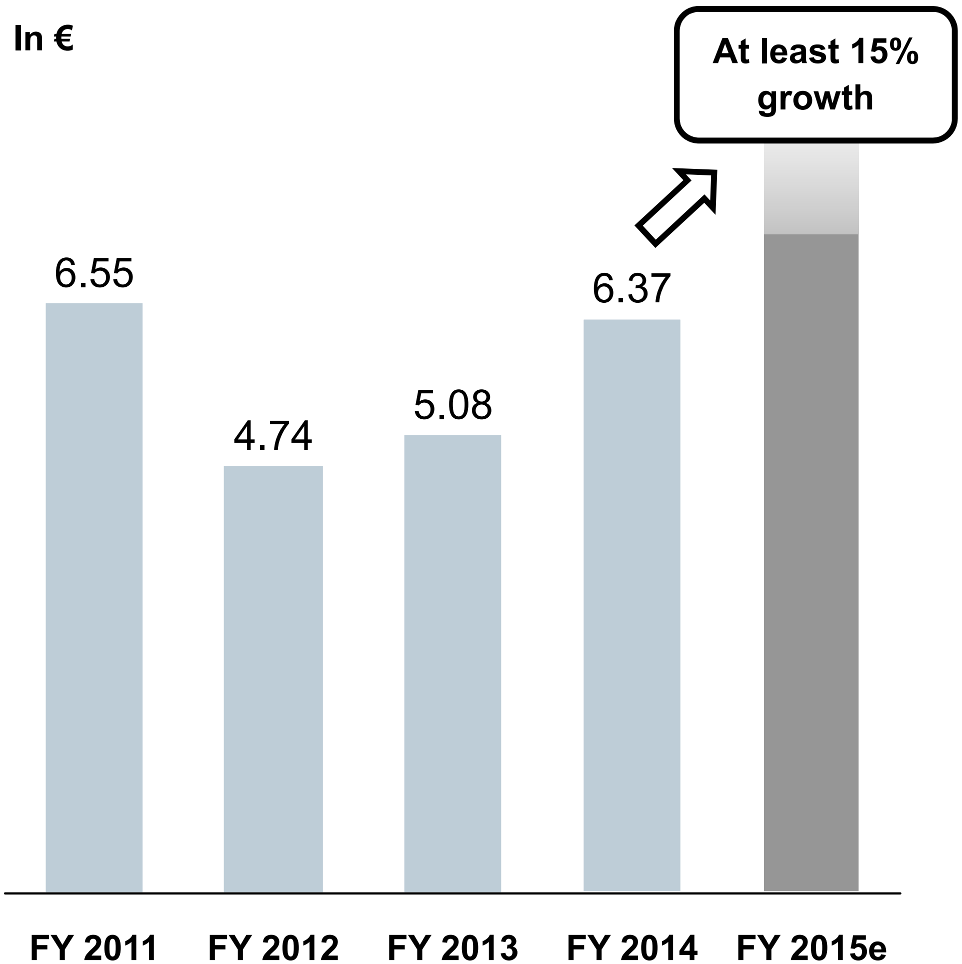
Basic earnings per share (Net income)

In €



- We believe that our business **environment will be complex in fiscal 2015**, among other things due to **geopolitical tensions**.
- We expect **revenue** on an **organic basis** to remain **flat year-over-year**, and orders to exceed revenue for a **book-to-bill** ratio **above 1.**
- Furthermore, we expect that **gains from divestments** will enable us to **increase basic earnings per share (EPS)** from **net income** by **at least 15% from €6.37 in fiscal 2014.**
- For our **Industrial Business**, we expect a profit **margin* of 10–11%.**
- This outlook excludes impacts from legal and regulatory matters.

**Effective with fiscal 2015, our enhanced profit definition excludes amortization of intangible assets acquired in business combinations.*

Appendix

One Siemens Financial Framework – Clear targets to measure success & accountability

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One Siemens Financial Framework

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Growth:
Siemens > most relevant competitors[1)]
(Comparable revenue growth)

Capital efficiency
(ROCE[2)])
15-20%

Total cost productivity[3)]
3-5% p.a.

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

Dividend payout ratio
40-60%[4)]

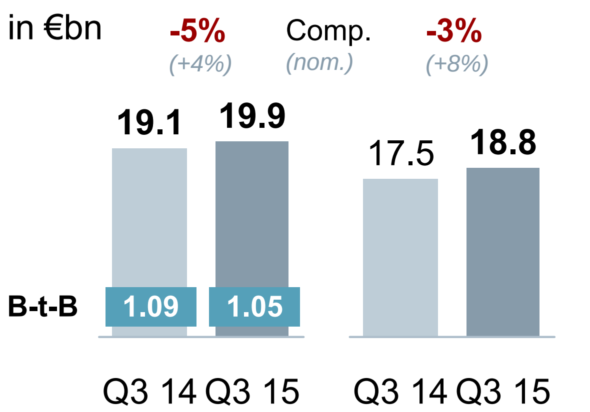
Profit Margin ranges of businesses (excl. PPA)[5)]

PG 11-15%	**EM** 7-10%	**MO** 6-9%	**PD** 8-12%	**SFS**[6)] 15-20%
WP 5-8%	**BT** 8-11%	**DF** 14-20%	**HC** 15-19%	

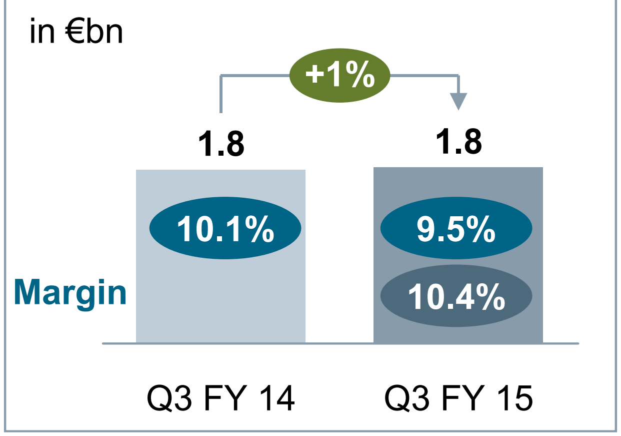
1) ABB, GE, Rockwell, Schneider, Toshiba, weighted; 2) Based on continuing and discontinued operations; 3) Productivity measures divided by functional costs (cost of sales, R&D, SG&A expenses) of the group; 4) Of net income excluding exceptional non-cash items; 5) Excl. acquisition related amortization on intangibles;
6) SFS based on return on equity after tax

Financial Cockpit

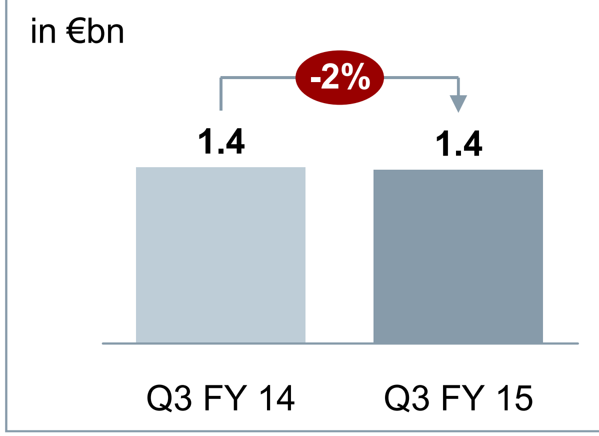
Orders / Revenue



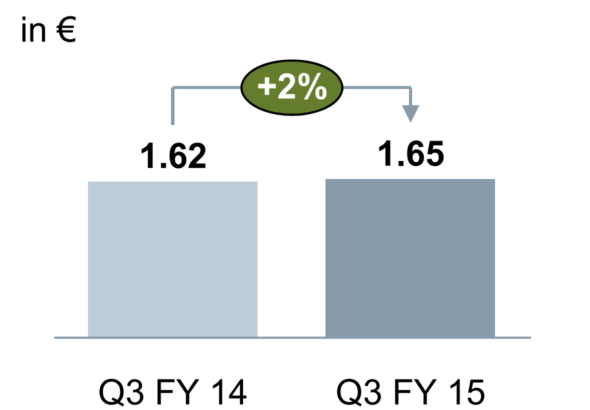
Profit Industrial Business (IB)



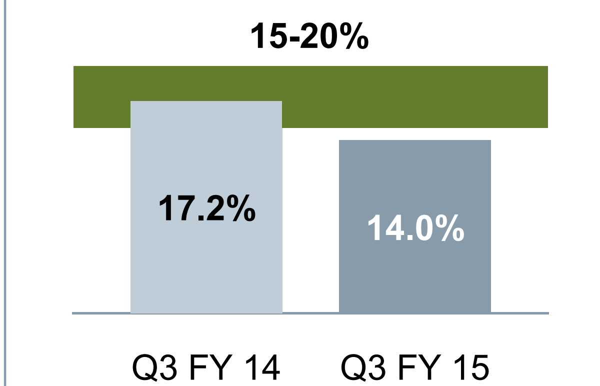
Net Income



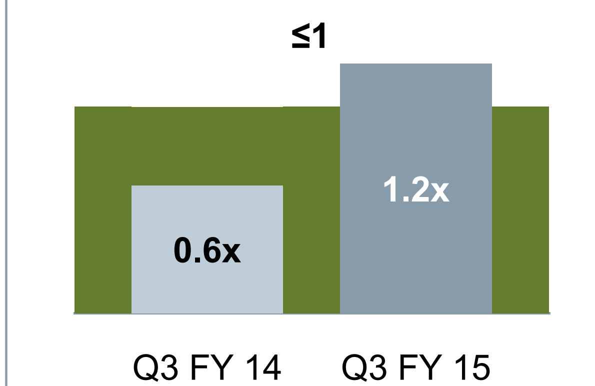
EPS ("all-in")



ROCE ("all-in")



Capital structure



x.x% Margin as reported x.x% Margin excl. severance

Americas show favourable development while other regions are softer

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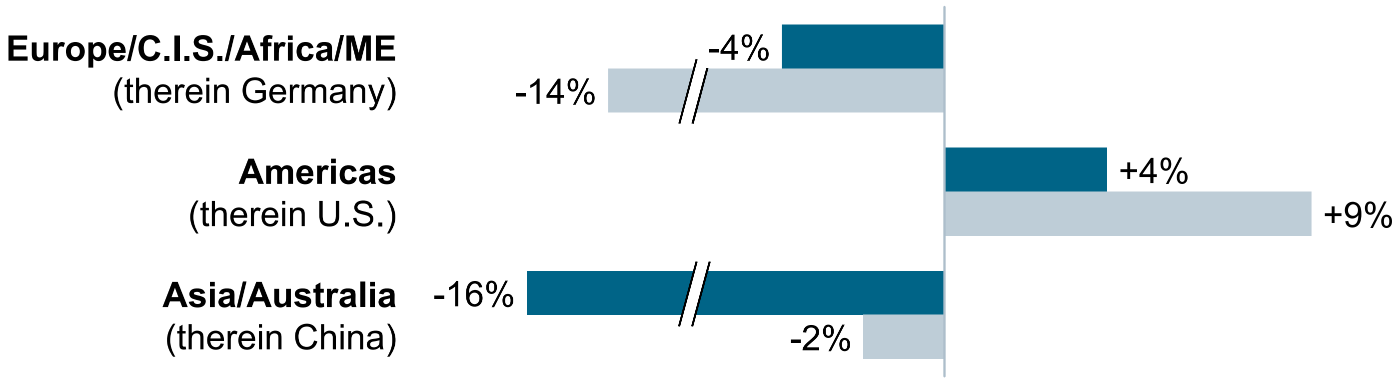
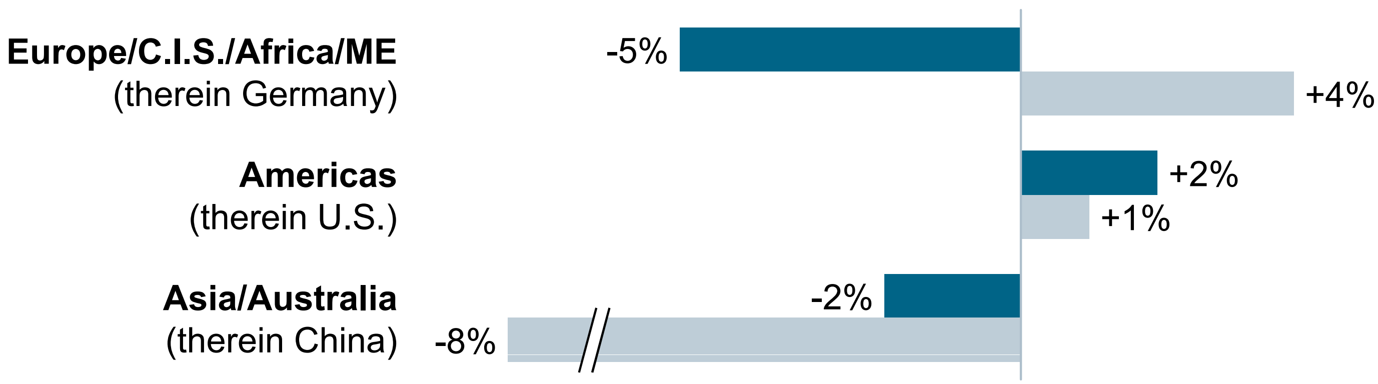
Orders Q3 FY 15 y-o-y[1)]



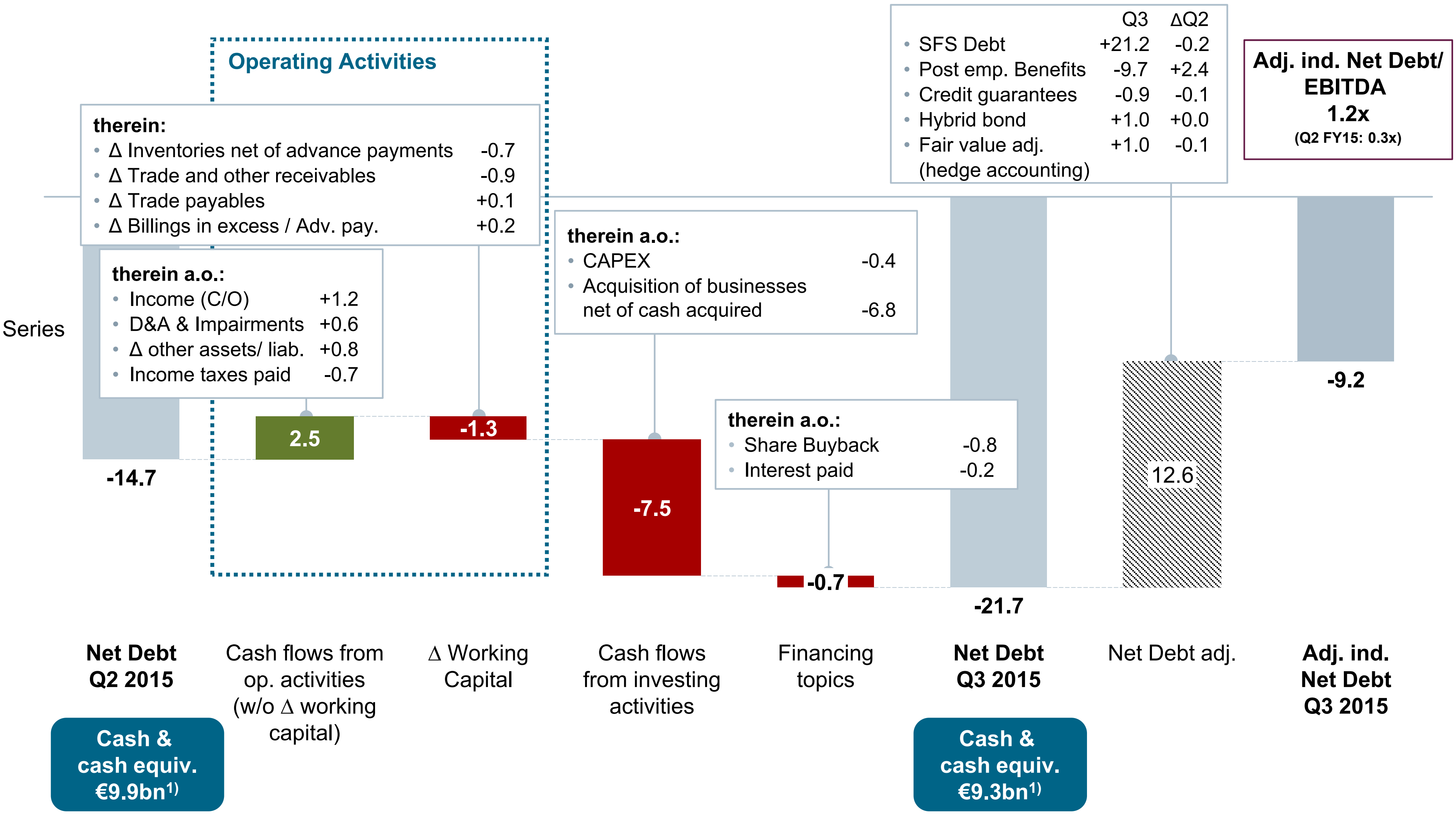
Revenue Q3 FY 2015 y-o-y[1)]



1) Change is adjusted for currency translation and portfolio effects

Net Debt Bridge as of Q3 FY 2015

€bn



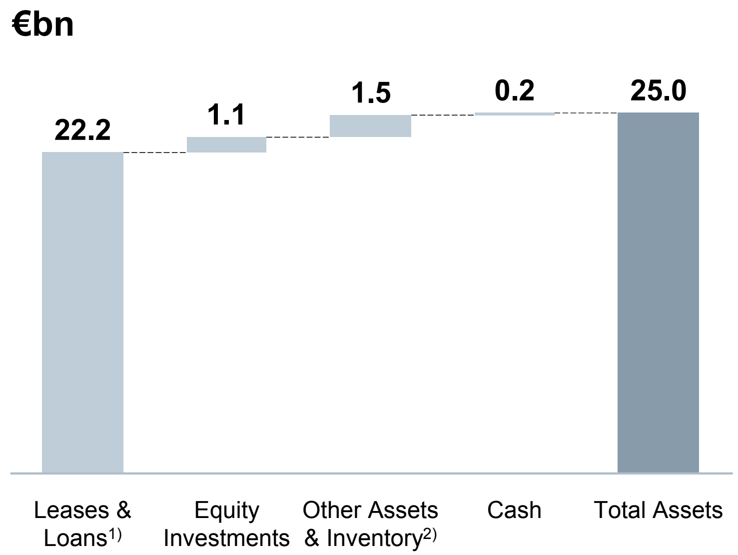
1) Including available-for-sale financial assets

SFS Key Figures Q3 FY15

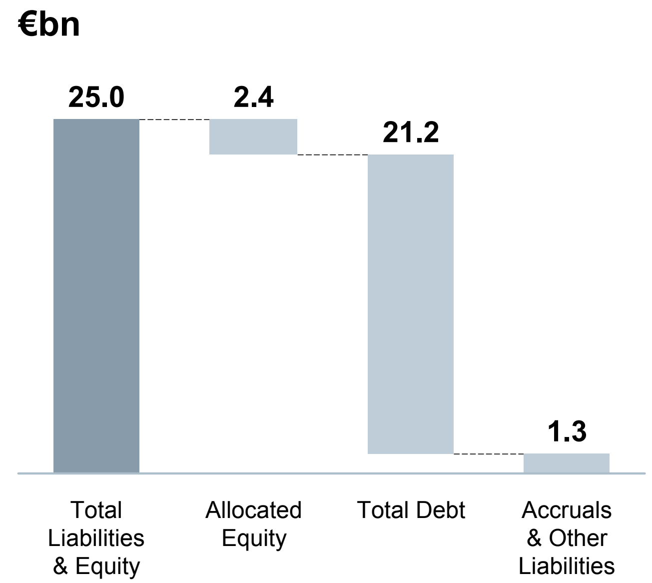
Key Financial Data SFS

• **Assets**	€25.0bn
• **Income before income taxes**	€116m
• **Return on Equity after tax**	15.7%
• **Operating and Investing Cash Flow**	- €124m

Assets



Liabilities and Equity



1) Operating and finance leases, loans, asset-based lending loans, factoring and forfeiting receivables
2) Intercompany receivables, securities, (positive) fair values of derivatives, tax receivables, fixed assets, intangible assets, land and building, prepaid expenses and inventories

Pension underfunding decreased to €-8.9bn in Q3

Deficit for Siemens' pension plans decreased in Q3, mainly due to increased discount rate assumption

in €bn[1)]	FY 2012	FY 2013	FY 2014	Q1 FY 2015	Q2 FY 2015	Q3 FY 2015
Defined benefit obligation (DBO) on pension benefit plans	(33.0)	(32.6)	(35.0)	(36.8)	(40.8)	(37.3)
Fair value of plan assets	24.1	24.1	26.5	27.3	29.8	28.4
Funded status of pension plans	**(8.9)**	**(8.5)**	**(8.5)**	**(9.6)**	**(11.0)**	**(8.9)**
DBO on other post-employment benefit plans (mainly unfunded)	0.7	0.6	0.5	0.6	0.6	0.5
Discount rate[2)]	3.2%	3.4%	3.0%	2.6%	2.1%	2.9%
Interest Income[2)]	0.9	0.8	0.8	0.2	0.2	0.2
Actual return on plan assets[2)]	3.2	1.3	2.9	0.8	1.6	-1.5

1) All figures are reported on a continuing basis and according to IAS 19 (revised 2011).
2) All figures are based on the post-employment benefits in total.

Financial calendar

July	**July 30, 2015** Q3 Earnings Release and Analyst Call (Munich)
August	
September	**September 10, 2015** Morgan Stanley Industrial Conference (London)

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