



SIEMENS

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

# Sound start into fiscal year 2014

First quarter, fiscal year 2014 – Press conference  
Munich, January 28, 2014

## 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 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 “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.

## Q1 FY 2014 – Key figures

| Siemens (continuing operations, in €m)                         | Q1 FY 2013 | Q1 FY 2014    | Change                  |
|--|------------|---------------|-------------------------|
| <b>Orders</b>  | 19,173     | <b>20,836</b> | <b>12%<sup>1)</sup></b> |
| <b>Revenue</b>   | 17,925     | <b>17,325</b> | <b>-1%<sup>1)</sup></b> |
| <b>Book-to-bill ratio</b>                                      | 1.07x      | <b>1.20x</b>  |                         |
| <b>Total Sectors profit</b>                                    | 1,560      | <b>1,789</b>  | <b>15%</b>              |
| <b>Net income<sup>2)</sup></b>                                 | 1,214      | <b>1,457</b>  | <b>20%</b>              |
| <b>Basic earnings per share net income<sup>2)</sup> (in €)</b> | 1.42       | <b>1.70</b>   | <b>20%</b>              |
| <b>Free cash flow</b>  | -1,416     | <b>-658</b>   | <b>54%</b>              |

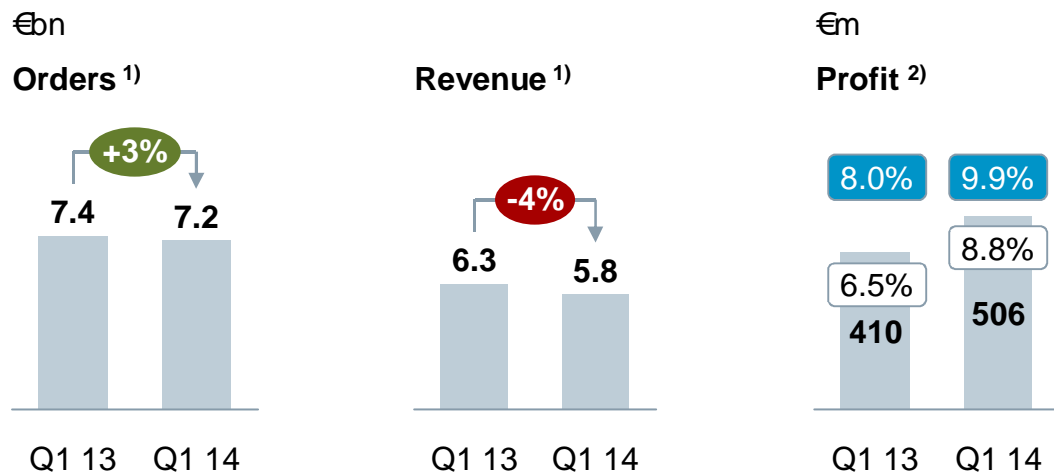
1) Change is adjusted for portfolio and currency translation effects

2) Including discontinued operations

# Energy – Improved Sector performance

## Challenges in Transmission remain

### Key Figures Energy



| Division           | Orders y-o-y <sup>1)</sup> | Revenue y-o-y <sup>1)</sup> | Profit margin | Underl. profit margin |
|--------------------|----------------------------|-----------------------------|---------------|-----------------------|
| Power Generation   | -12%                       | -11%                        | 16.6%         | 16.6%                 |
| Wind Power         | 100%                       | 20%                         | 4.8%          | 4.8%                  |
| Power Transmission | -9%                        | -3%                         | -6.6%         | -1.3%                 |

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

### Main developments in Q1

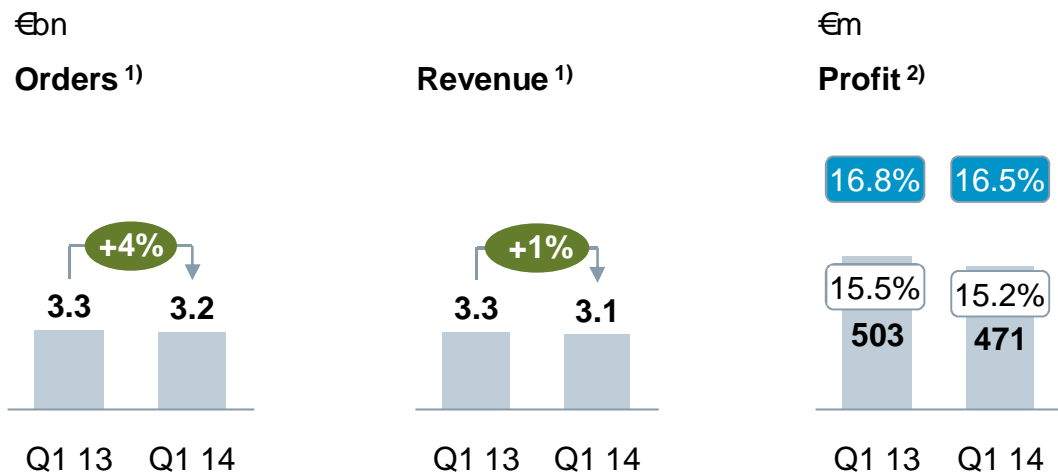
- Strong **book-to-bill** at **1.25** mainly driven by large orders in Wind
  - **Largest on-shore order ever** from **MidAmerican Energy** (1050 MW)
  - **Two offshore orders** for Godewind 1 + 2 projects from **Dong Energy** (582 MW)
- **Market** environment remains highly competitive
- **Power Generation** – Higher profit from service business compensates for lower contribution from gas turbine and solution business
- **Wind** – Solid performance, seasonal lower offshore revenue share
- **Transmission** – Continuing project execution challenges and higher proportion of low margin projects

% Profit margin      % Underlying Profit margin

2) for underlying margin calculation please refer to Flashlight document

# Healthcare – Strong performance on high level despite currency headwinds

## Key Figures Healthcare



| Division    | Orders y-o-y <sup>1)</sup> | Revenue y-o-y <sup>1)</sup> | Profit margin | Underl. profit margin |
|-------------|----------------------------|-----------------------------|---------------|-----------------------|
| Diagnostics | 1%                         | 1%                          | 11.0%         | 15.5%                 |

## Main developments in Q1

- **Strength in innovation reinforced at RSNA:**
  - **Somatom Force** – Low dose **high end CT** further opens new patient groups
  - **Artis One** – Highly flexible, efficient **angiography system** for routine interventions
- **Order growth** balanced between advanced and emerging markets in still challenging environment
- **Strong profit margin despite significant headwinds** from **U. S. medical device tax** (~30bps) and FX effects
- **Diagnostics** – Solid profit development

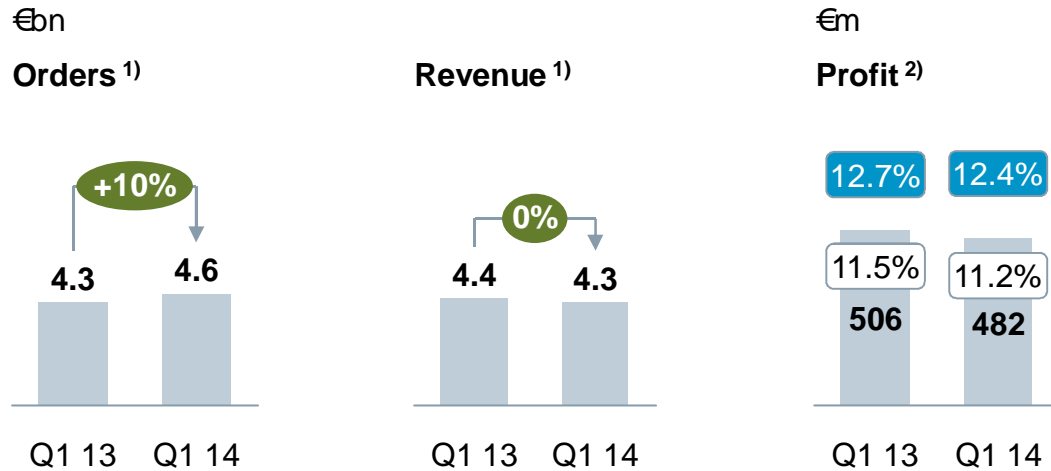
1) Comparable, i.e. adjusted for currency translation and portfolio effects

% Profit margin      % Underlying Profit margin

2) for underlying margin calculation please refer to Flashlight document

# Industry – Improving orders and stable profitability

## 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 | 7%                         | 2%                          | 16.8%         | 19.0%                 |
| Drive Technologies  | 6%                         | 1%                          | 6.5%          | 6.8%                  |

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

## Main developments in Q1

- **Short cycle markets only with few pockets of growth, order growth mainly driven by long-cycle business and PLM Software**
- **Industry Automation** – Margin improvement on better business mix due to higher share of product business
- **Drive Technologies** – Less favourable revenue mix held back profit on lower portion of higher margin short cycle offerings
- **Divestment of Water Technologies** closed in January 2014; preliminary consideration of €0.6bn, net cash inflow in the second quarter

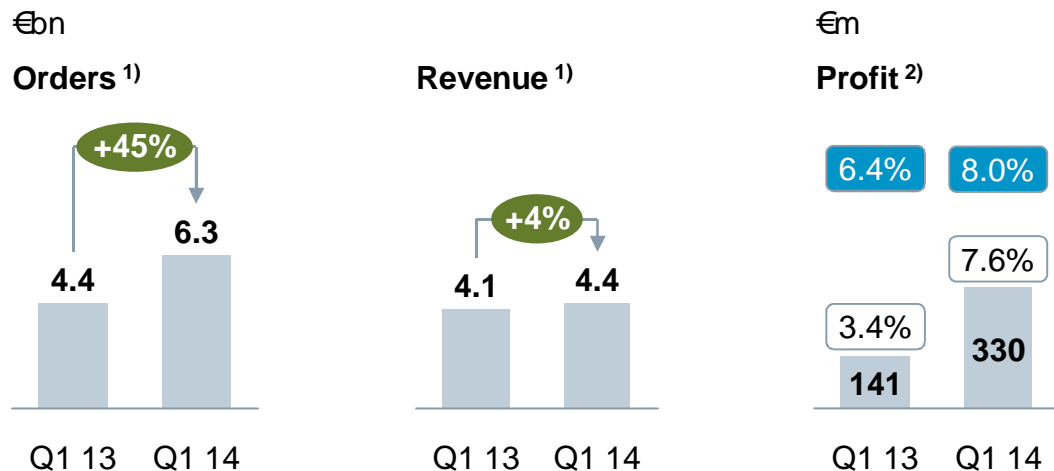
% Profit margin      % Underlying Profit margin

2) for underlying margin calculation please refer to Flashlight document



# Infrastructure & Cities – Transformation measures and progress in execution drive margin improvement

## 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      | 129%                       | 10%                         | 5.0%          | 6.0%                  |
| Power Grid Solutions & Products | 12%                        | 4%                          | 9.0%          | 9.0%                  |
| Building Technologies           | 1%                         | -2%                         | 8.6%          | 8.6%                  |

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

## Main developments in Q1

- **Order growth** driven by **Riyadh turnkey metro project (€1.6bn)** and further large transportation orders
- **Transportation & Logistics** – Progress in executing large rolling stock projects; regulatory approval for Velaro D high speed trains in Germany
- **Power Grid Solutions & Products** – Mainly benefitting from favorable mix in LMV
- **Building Technologies** – Exit of lower margin business and ‘Siemens 2014’ related productivity improvement drive profitability

% Profit margin      % Underlying Profit margin

2) for underlying margin calculation please refer to Flashlight document

Press conference, first quarter, fiscal year 2014

# Appendix



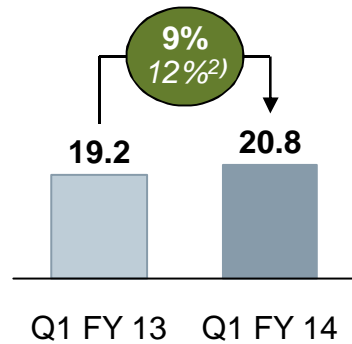
# One Siemens cockpit – Q1 FY 2014

## All Sectors have reached EBITDA Margin Range

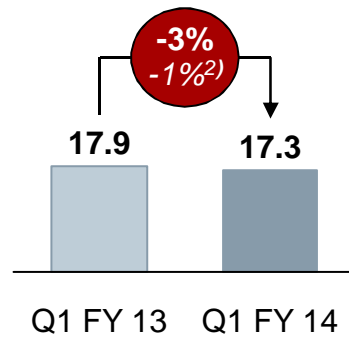
### Financial target system

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

##### New orders

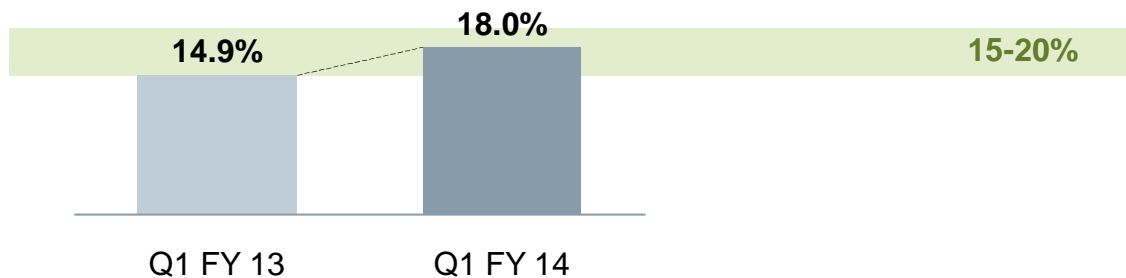


##### Revenue



#### Capital efficiency

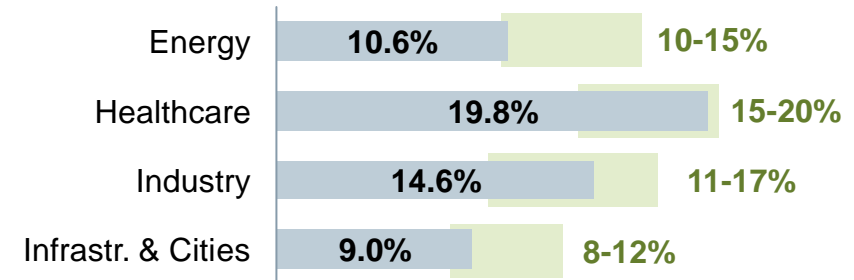
##### ROCE adjusted (continuing operations)



1) As reported, cont. operations 2) Comparable, i.e. adjusted for currency translation and portfolio effects

#### Margins compared to industry benchmarks

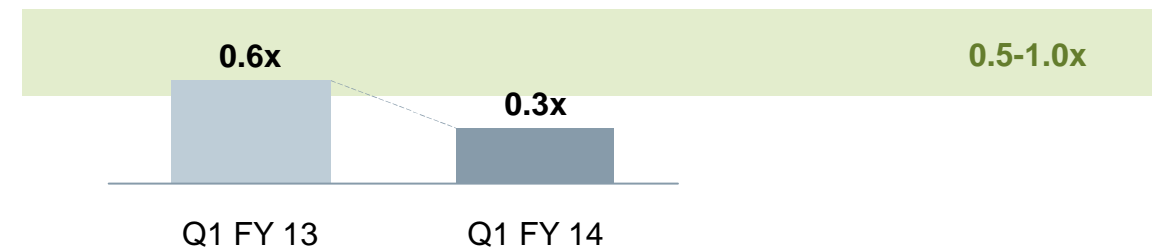
##### EBITDA Margins (Q1 FY 14)



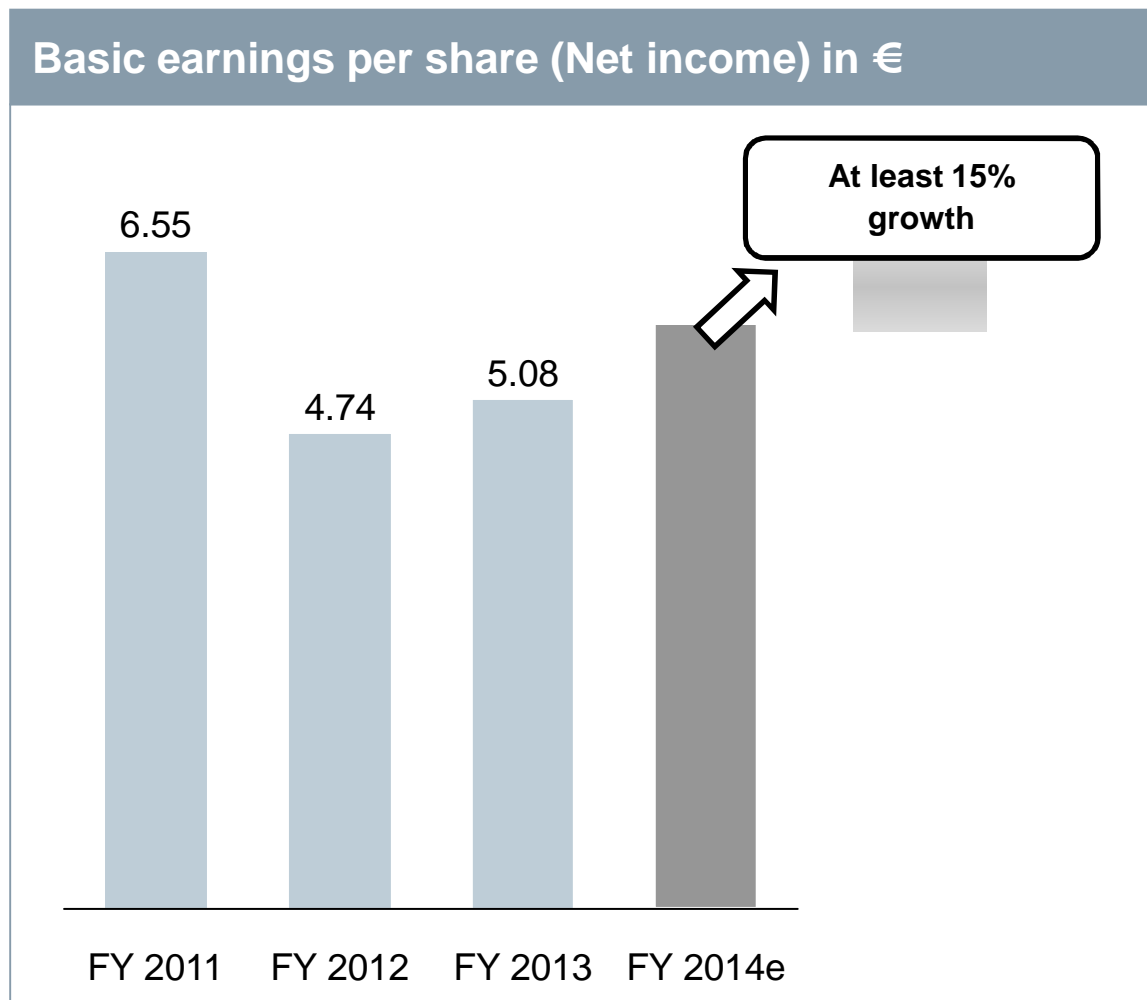
EBITDA margins of respective markets throughout business cycles

#### Capital structure

##### Adjusted industrial net debt/EBITDA



## Outlook Fiscal 2014



- We expect our **markets to remain challenging** in Fiscal 2014.
- Our **short-cycle businesses** are **not anticipating a 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.

## 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](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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