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# Mixed picture in the second quarter, fiscal 2013

## Disclaimer

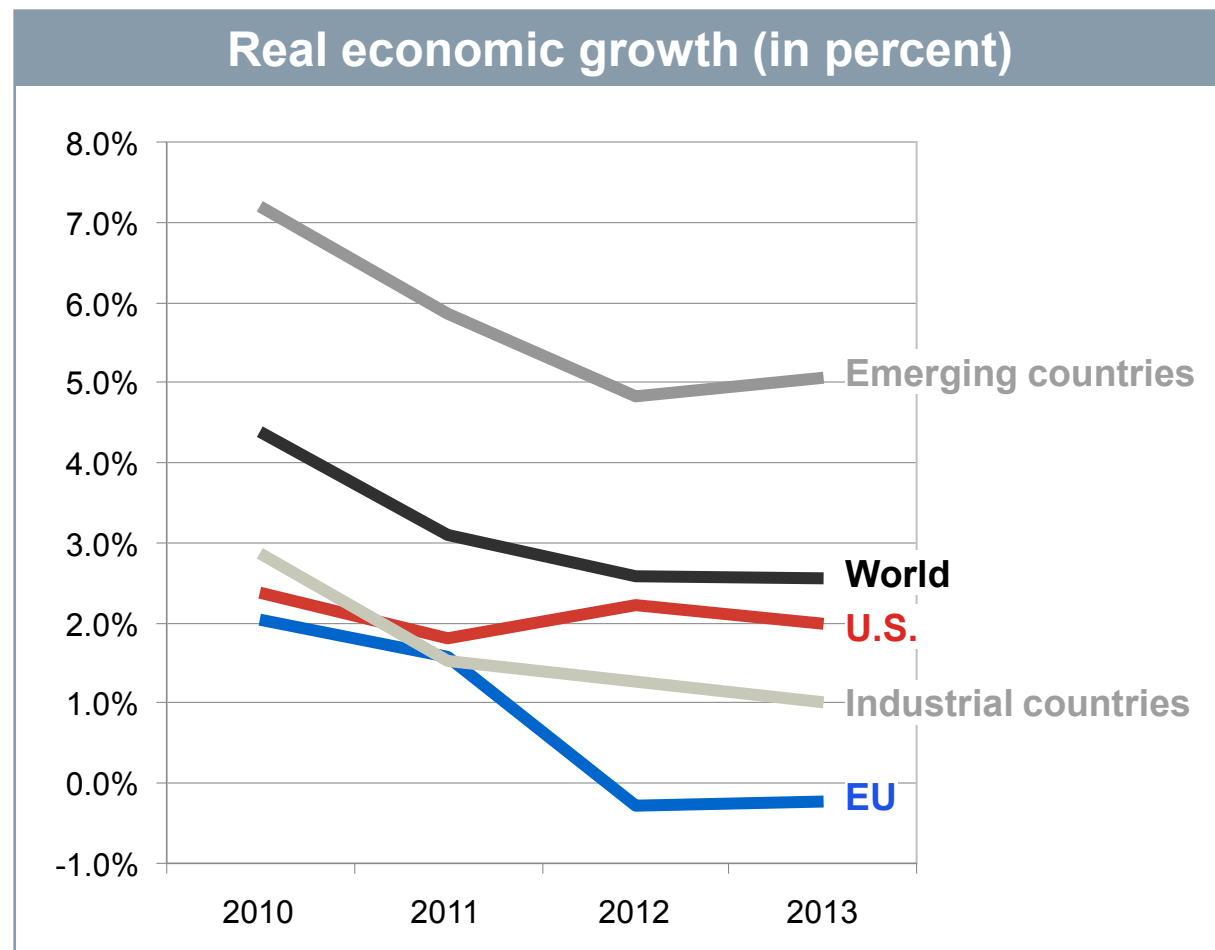
This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as "expects," "looks forward to," "anticipates," "intends," "plans," "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 stockholders 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.

## Global economy lacks an economic driver



Source: Global Insight, April 2013

- **Economic development worldwide worse than expected**
- **Still no sign of recovery in the eurozone**
- **Few impulses from the rest of the world**
- **Growth stimulus primarily from emerging countries, China below expectations**

## Second quarter, fiscal 2013

| Continuing operations in millions of euros  | Q2 2012 | Q2 2013       | Change             |
|---|---------|---------------|--------------------|
| New orders                                  | 17,880  | <b>21,451</b> | +20% <sup>1)</sup> |
| Revenue                                     | 19,297  | <b>18,011</b> | -7% <sup>1)</sup>  |
| Income from continuing operations           | 979     | <b>982</b>    | 0%                 |
| Earnings per share <sup>2)</sup> (in euros) | 1.03    | <b>1.20</b>   | +16%               |
| Free cash flow                              | 532     | <b>1,375</b>  | +158%              |

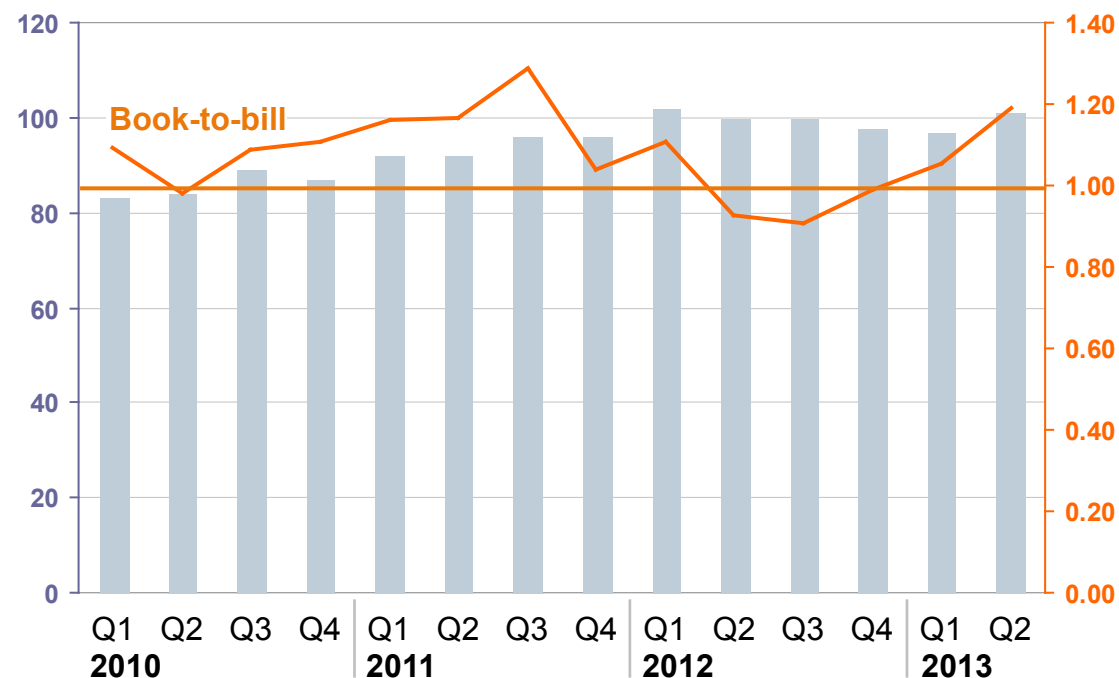
1) Excluding currency translation and portfolio effects, new orders increased 20 percent and revenue fell six percent.

2) Including discontinued operations

## Order books full

### Development of order backlog and book-to-bill

Order backlog (as reported, in billions of euros)



- **New orders grow faster than revenue for second quarter in a row (book-to-bill > 1)**
- **Order backlog again above €100 billion**
- **Solid foundation for the future**

## Development mixed – New orders driven by major projects

### Energy



- New orders up 46 percent
- Two substantial major orders for wind turbines in the North Sea
- Profit declines to €551 million
- Profit burdened by charges from offshore grid connection projects

### Industry



- Decline in short-cycle industry business in the U.S. and Germany, growth in China weaker than expected
- New orders down ten percent, revenue down nine percent, profit declines to €350 million

### Healthcare



- Positive business development continues
- Strategy with attractive entry-level devices paying off – Magnetom Essenza one of the world's top-selling magnetic resonance imaging systems
- Successful implementation of Agenda 2013

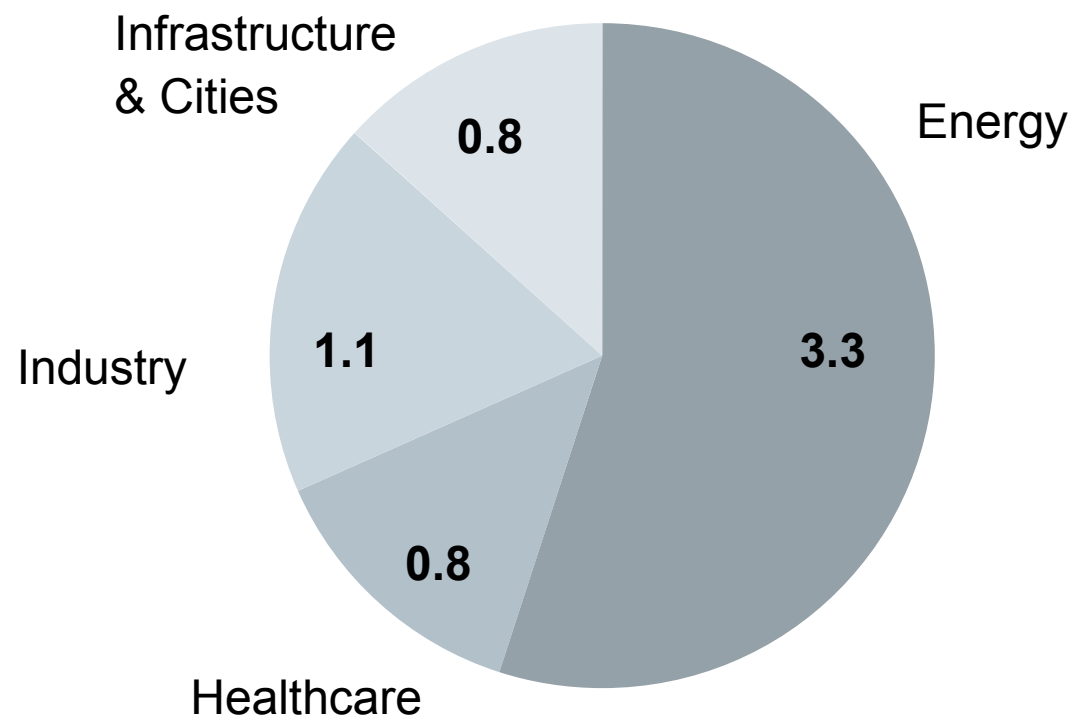
### Infrastructure & Cities



- New orders up 34 percent
- Two major orders for ICx and mass transit / regional trains
- Profit burdened by project charges from Velaro D and Velaro Eurostar
- Acquisition of Invensys Rail nearly concluded

## Rigorous execution of Siemens 2014

### Savings of at least €6 billion



- **Siemens 2014 off to a good start – pace now increasing**
- **Progress in procurement – 2013 savings target of €1.5 billion likely to be exceeded**
- **Transformation costs for implementation in 2013 up to €900 million – in 2014 probably up to €300 million**

## Summary

- **Economic situation remains challenging**
- **Free cash flow increased sharply**
- **Profit expected at low end of our current forecast**
- **Full order books provide strong basis for the future**
- **Focus on execution of Siemens 2014**



## Outlook for fiscal 2013

- **In fiscal 2013, Siemens is implementing Siemens 2014, a company-wide program supporting our One Siemens framework for sustainable value creation.**
- **The goal of the program is to raise our Total Sectors profit margin to at least 12% by fiscal 2014.**
- **For fiscal 2013, we confirm our expectations of moderate organic order growth.**
- **With continuing challenges for our businesses whose results react strongly to short-term changes in the economic environment, we now anticipate a moderate decline in revenue on an organic basis compared to the prior year.**
- **Charges associated with the Siemens 2014 program in the Sectors are expected to total up to €0.9 billion for the full fiscal year.**
- **Given these developments and financial results for the first half, we expect income from continuing operations in fiscal 2013 to approach the low end of our original expectation, €4.5 billion, before impacts related to legal and regulatory matters and significant portfolio effects which we expect to burden income by up to €0.5 billion due primarily to the solar business.**

## 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; cash conversion rate, or CCR; 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 as alternatives to measures of Siemens' financial condition, results of operations or cash flows 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.

## Siemens Business and Financial Press

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