

SIEMENS

Press

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Press Conference
Third Quarter, Fiscal 2013

Joe Kaeser
CFO, Siemens AG

Check against delivery.

You have heard, seen, and above all written quite a bit about Siemens of late. And we have given you a wealth of material: You've written and spoken of chaos and collapse, misfortune and mishaps, of the human and inhumane, and much more. But that is not what Siemens is, not what it stands for. Above all, not what it should stand for! That's why I look forward to taking your questions today and to reopening the dialog as we usher in a new beginning. I wish to make one thing clear: I have not arrived at a destination, as was reported. Rather, I am at the beginning of a journey.

Solid third-quarter figures

The third-quarter figures are solid – though punctuated by one-time effects: New orders in the third quarter of 2013 were up over the comparable third-quarter figures of the previous year by more than 20 percent to €21.1 billion. Although this was achieved through major train contracts that are still ongoing and that have a somewhat limited margin quality, we welcome the success that our employees fought so hard for. These long-term contracts help stabilize our capacities and workforce in a European environment that is otherwise rather flat.

Revenue fell as expected about 1 percent from the same quarter last year to €19.2 billion, and income from continuing operations came in at €1 billion. This is a satisfactory result – but it could be better if we once again succeed in limiting the ongoing series of project charges.

Confirmation of forecast for fiscal 2013

We confirm our April forecast for fiscal 2013. In this regard, we expect new orders to come in above the April projections. It's likely that we will achieve the projected income from continuing operations after taxes thanks to the special earnings from the sale of NSN stake. The risks that remain – as reported – are the uncertainties associated with the offshore grid integration projects in the North Sea.

As announced, the company program's forecast of a Sector margin of at least 12 percent in 2014 is currently no longer tenable, at least not from an operational perspective. However, we continue to work resolutely and rigorously on implementing the measures defined in the Siemens 2014 program. Whether the new target is then 12 percent or 10 percent or some other figure: that alone is not important. What is important is:

- 1) That we reduce or close the profitability gap between us and the competition.
- 2) That all measures are designed to be sustainable so that they have a structural impact beyond 2014.

Because Siemens will still be around after 2014.

Priority will be to bring calm to our company

Opportunities were missed – before 2007 and in recent years – and we will make mistakes in the future. But we have always had many successes at Siemens, in recent years as well, especially in the period from 2008 to 2011. These successes and the precedent-setting way that Siemens resolved the transgressions of its past during this period are the irrefutable legacy of Peter Löscher. That is why on behalf of all 370,000 employees I wish to extend my thanks and deep appreciation to Mr. Löscher for his hard work over the past six years. What he achieved would not have been conceivable or feasible with a Siemens insider!

Many Siemens businesses are currently quite successful. What counts now is to stabilize and expand these businesses. That's why we will largely leave things the way they are and change only a few things. We will correct and improve things that have not been so successful, and we'll do that not by talking a lot but by working hard. Our top priority will be to bring calm to our company and stabilize its internal order! All employees, customers, business partners, and our country should again be proud of Siemens – as proud as I have always been! We will work together toward this goal: the entire Managing Board and Siemens' worldwide leadership team. And I am sure that the entire Supervisory Board will not only oversee but also fully support this effort!

That's why my second thank you goes Dr. Cromme and the members of the Supervisory Board. I am grateful for their confidence in me and look forward to continuing

our long-time cooperation in my new role as CEO. I know that the circumstances do not necessarily make the task any easier, and that much is expected of me. That's why I assume this office with very great respect – but also with assurance and self-confidence, and with the certainty of being able to count on a strong team.

Expand our perspective beyond 2014

At Siemens, Siemens comes first. And all of us will submit to that principle– from the CEO to the trainee. That is the key to success! It's not a company's strategy that makes the difference but its culture – its values and what it stands for!

Our goal must be to put the virtues and values of Siemens into practice – day in, day out. People rightly think of Siemens as reliable, consistent, fair, honest, diligent, and dedicated – and value the unerring instinct for innovation and quality that has been our hallmark.

We want to refocus on these values. We owe this to our customers, shareholders, and over 370,000 employees. That's why it is so important that they are motivated, engaged, and satisfied with how the company is being run! Then – and only then – will we be able to sustainably build on the outstanding quality of their work, their innovation, and their instinct for the success of our company! We won't be able to satisfy everyone – the pace of global competition is too fast for that.

That's all the more reason to expand our perspective beyond 2014! And the best perspective is growth – controlled, focused, achievable, value-creating growth. And this growth must be driven by the values and expertise that made Siemens famous all over the world and for which Siemens stands: customer proximity, innovation, engineering prowess, quality and reliability and solid finances.

That is what we will build on. And that will determine the future course of the company! I will not try to reinvent Siemens. There's really no need for that. However, we need constant change, technological innovation capability and high productivity to survive in the fierce competitive environment. I will join all 370,000 Siemens employees in this effort.