SIEMENS

Press

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Strong finish for fiscal 2015

- **Guidance for fiscal 2015 met**
- **Ambitious outlook for 2016**
- **Substantial growth in orders expected despite weakening global economy**
- **Moderate revenue increase also anticipated**
- **Managing and Supervisory Boards propose dividend increase to €3.50**
- **New share buyback program of up to €3 billion over up to 36 months**
- **€200 million additional in employee profit sharing**

Siemens has met its guidance for fiscal 2015 as planned and announced an ambitious outlook for fiscal 2016. In fiscal 2015, orders climbed six percent to €82.3 billion. Revenue was also up six percent to €75.6 billion. Excluding currency translation and portfolio effects, orders and revenue were both down one percent, roughly at the prior-year level. The book-to-bill ratio was 1.09. The profit margin for the Industrial Business was 10.1 percent. Net income totaled €7.4 billion (fiscal 2014: €5.5 billion). At €8.84, basic earnings per share were 39 percent above the prior-year figure. For fiscal 2015, Siemens had anticipated revenue on an organic basis at the prior-year level and a book-to-bill ratio of over one. An increase in basic earnings per share of at least 15 percent above the prior-year value of €6.37 had been forecast. The profit margin for the Industrial Business had been expected to be 10 percent to 11 percent.

“We delivered what we promised, and are well positioned to deliver on our plans for the year ahead,” said Joe Kaeser, President and Chief Executive Officer of Siemens AG. For fiscal 2015, Siemens’ Managing Board and Supervisory Board will propose that shareholders at the company’s Annual Shareholders’ Meeting in January 2016 approve a dividend of €3.50 (fiscal 2014: €3.30). Siemens also intends to repurchase shares with a volume of up to €3 billion within the next 36 months. This repurchase will be accomplished under the authorizations granted by the Annual

Shareholders' Meeting on January 27, 2015. The repurchased shares will only be retired, issued to employees, the board members of affiliated companies or members of the Managing Board, or used to service convertible bonds or warrant bonds. "With the new planned share buyback program, we want to ensure that our shareholders continuously participate in our company's success," said Siemens CFO Ralf P. Thomas.

Employees will receive profit-sharing distributions totaling nearly €2.2 billion in cash and shares, plus €200 million that the company has approved for the Siemens Profit Sharing Pool. This new stock-based employee profit-sharing concept, which Siemens launched a year ago, enables employees to participate directly in the company's success. After particularly successful fiscal years, a part of the generated profit that is above expectations can be paid into the Profit Sharing Pool. If the pool reaches €400 million, all or part of the total will be distributed to employees worldwide, preferably as Siemens shares. "With an allocation of €200 million already in the first year, we've made a solid start," said Kaeser.

Siemens anticipates further softening in the macroeconomic environment and continuing complexity in the geopolitical environment in fiscal 2016. Nevertheless the company expects moderate revenue growth, net of effects from currency translation. Siemens anticipates that orders will materially exceed revenue for a book-to-bill ratio clearly above 1. For its Industrial Business, the company expects a profit margin of 10 percent to 11 percent. Furthermore, Siemens expects basic EPS from net income in the range of €5.90 to €6.20 as compared to €5.18, which it achieved in fiscal 2015 excluding €3.66 per share in portfolio gains from the divestments of the hearing aid business and the stake in BSH. As a result, EPS are expected to achieve double-digit growth of at least 14 percent on a comparable basis. This outlook assumes that momentum in the market environment for Siemens' high-margin short-cycle businesses will pick up in the second half of fiscal 2016. Additionally it excludes charges related to legal and regulatory matters.

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