Disciplined execution of Vision 2020
Commerzbank German Investment Seminar
New York, January 12, 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.

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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.
# Siemens at a glance

## Divisional structure (as of Oct 1st, 2014) and Revenue / Profit FY 2014

### Industrial Business

<table>
<thead>
<tr>
<th>Division</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
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<td>Power and Gas</td>
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<td>69.6</td>
<td>74.7</td>
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<td>Wind Power and Renewabl.</td>
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<td>Power Generation Services</td>
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<td>Energy Management</td>
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<td>Building Technologies</td>
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<td>Mobility</td>
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<td>Digital Factory</td>
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<tr>
<td>Process Industries and Drives</td>
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<tr>
<td>Healthcare (separately managed)</td>
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<td>Financial Services</td>
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### Key Figures in €bn

<table>
<thead>
<tr>
<th></th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
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</thead>
<tbody>
<tr>
<td>Revenue&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>65.1</td>
<td>69.6</td>
<td>74.7</td>
<td>73.4</td>
<td>71.9</td>
</tr>
<tr>
<td>Net income</td>
<td>3.9</td>
<td>5.9</td>
<td>4.3</td>
<td>4.4</td>
<td>5.5</td>
</tr>
<tr>
<td>EPS (basic) in €</td>
<td>4.28</td>
<td>6.55</td>
<td>4.74</td>
<td>5.08</td>
<td>6.37</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>7.1</td>
<td>5.3</td>
<td>4.7</td>
<td>5.3</td>
<td>5.2</td>
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</tbody>
</table>

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1) Continuing operations

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Siemens – Vision 2020
Value creation & Cultural change

Foster ownership culture and leadership based on common values


Strategic direction
Operational consolidation
Optimization
Accelerated growth and outperformance

Scale up
Strengthen core
Drive performance
On track to deliver mid-term cost savings of €1bn through simplification

<table>
<thead>
<tr>
<th>Target</th>
<th>Key actions</th>
</tr>
</thead>
</table>
| Functional cost reduction | • Remove additional layers (Clusters, Sectors)  
  ~€1bn | ✓ |
| ~€1bn | • Combine certain Divisions and Businesses | ✓ |
| FY 2014 | • Stringent management governance through all levels of the organization (Corporate Core) | FY 2015 |
| Target | • Optimization and bundling of Corporate Services | FY 2015 |
| | • Final agreements with key stakeholders | Mid 2015 |

Positively impacting FY 2016, fully effective in FY 2017
Clear progress in fixing underperforming businesses

**Portfolio analysis**

Cluster "underperforming businesses"¹)

- **Revenue**: 18%
- **Profit**: none

**Execution**

- **Feb 2015**: Strategic review
- **Mar 2015**: Decide on resource allocation
- **Sep 2017**: Businesses fixed

**Fix ourselves**

- Low Voltage and Products

**Joint Venture or partner with others**

- Metals Technologies

**Divest to better owners**

- Healthcare IT
- Water Technologies

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¹) Internal analysis, May 2014

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Executing Vision 2020
Capital allocation along strategic imperatives

Aero-derivative gas turbines and compressors
£785m purchase price and £200m for exclusive access to long-term aero-technology developments

Compressors, turbines and engines for Oil & Gas
US$83 per share, total consideration of US$7.6bn

\[ \text{\textbf{SIEMENS}} \]

1| Areas of growth?
2| Potential profit pool?
3| Why Siemens?
4| Synergetic value?
5| Paradigm shifts?

Healthcare IT
Divestment to Cerner for US$1.3bn announced

Microbiology
Divestment to Beckman Coulter for US$ ~450m announced

Audiology
Divestment to EQT for €2.15bn announced

Water Technologies
Divestment to AEA Partners

Metals Technologies
Joint Venture Primetals Technologies with MHI

B/S/H/
Divestment of 50% share to Bosch
Equity value €3.25bn – thereof €3.0bn cash purchase price and €250m dividend & special dividend
Acquisitions on track –
Synergies exceed initial targets

Targets are a perfect fit

- Complementary ADGT and compressor portfolio and geographic footprint
- Oil & Gas brand strength, customer pull and references
- Large installed fleet with secured service revenues
  → Step up in Oil & Gas business
  → Drive decentralized energy focus

Synergies to exceed initial estimates

- Synergy drivers include sales, manufacturing, supply chain and technology
- Cross synergies: Global manufacturing and packaging optimization
- Additional pull-through of respective sales channels push customer penetration
  ✓ Rolls-Royce: Synergies on plan and schedule
  ✓ Dresser-Rand: Targeting synergies 30% greater than announced
Oil & Gas – Recent acquisitions leverage attractive offerings and market access

Onshore

Drilling  O&G Production  Pipeline  LNG

Siemens  Rolls-Royce  Dresser-Rand

Offshore

Drilling  Subsea  FPSO

FPSO = Floating, Production, Storage and Offloading; LNG = Liquefied Natural Gas
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New installed base secures recurring service revenues with robust after sales margin

Combined serviceable fleet (small turbines and compressors)

<table>
<thead>
<tr>
<th></th>
<th>Small/medium gas turbines</th>
<th>Aero-derivative gas turbines</th>
<th>Steam turbines</th>
<th>Compressors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rolls-Royce</strong></td>
<td></td>
<td>2,500</td>
<td></td>
<td>1,600</td>
</tr>
<tr>
<td><strong>Dresser-Rand</strong></td>
<td>1,500</td>
<td></td>
<td>62,000</td>
<td>32,500</td>
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<tr>
<td><strong>Siemens</strong></td>
<td>2,250</td>
<td></td>
<td>10,000</td>
<td>10,000</td>
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</tbody>
</table>

Six-fold increase of combined Siemens fleet from ~22,250 to >120,000
Next Generation Healthcare
Independent setup addresses paradigm shifts

Siemens Healthcare is a great business:

- Market attractiveness ✓✓
- Growth ✓
- Profit ✓✓
- Cash ✓✓✓

Healthcare of Tomorrow can be even GREATER

Optimized organization

1| Go-to-market
2| Research and innovation
3| Management model

"Company within the company" model drives growth and performance
Digitalization – From data to business

Major digitalization technologies … … leveraged along our entire portfolio … … to create attractive business opportunities

- **Mobile and collaboration**
- **Connectivity and Internet of Things**
- **Cloud technologies**
- **Big data and analytics**

**Digitalization**

**Automation**

**Electrification**

**Vertical software**
- **€2.4bn** Revenue FY 2014
- Profitability: ++
- Market growth: +9%

**Digital services**
- **€0.5bn** Revenue FY 2014
- Profitability: +++
- Market growth: +15%

**Enhanced automation**
- **€19bn** Revenue FY 2014
- Profitability: ++
- Market growth: +6%

**Classic services**
- **€14bn** Revenue FY 2014
- Profitability: +++
- Market growth: +3%

**Enhanced electrification** (~€37bn)

Note: Figures Industrial Business
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New York, January 12, 2015
Ownership culture drives change

"Always act as if it were your own company"

- Entrepreneurship
- Discipline
- Risk awareness
- Accountability
- Shareholding
Profit Margin and ROCE increase in low growth environment

<table>
<thead>
<tr>
<th>Orders</th>
<th>Revenue</th>
<th>Net Income</th>
<th>Total cost productivity</th>
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<tr>
<td>in €bn</td>
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<td>FY 13</td>
<td>FY 14</td>
<td>FY 13</td>
<td>FY 14</td>
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<td>B-t-B</td>
<td>79.1</td>
<td>77.7</td>
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<td>1.09</td>
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<td>FY 13</td>
<td>FY 14</td>
<td>FY 13</td>
<td>FY 14</td>
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<tr>
<td>Comp. (+0.8%) (nom.)</td>
<td>+0.5%</td>
<td>8.8%</td>
<td>10.6%</td>
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<tr>
<td>FY 13</td>
<td>FY 14</td>
<td>FY 13</td>
<td>FY 14</td>
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<tr>
<td>72.8</td>
<td>71.2</td>
<td>4.4</td>
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<td>FY 2013</td>
<td>FY 2014</td>
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<tr>
<td>8.8%</td>
<td>+1.1</td>
<td>13.5%</td>
<td>17.3%</td>
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<td>FY 2013</td>
<td>FY 2014</td>
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<td>FY 2014</td>
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<tr>
<td>ROCE (all-in”)</td>
<td>15-20%</td>
<td>17.3%</td>
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<td>FY 2013</td>
<td>FY 2014</td>
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<tr>
<td>EPS (“all-in”)</td>
<td>in €</td>
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<td>FY 2013</td>
<td>FY 2014</td>
<td>FY 2013</td>
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<td>5.08</td>
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<td>FY 2013</td>
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<td>Capital structure1)</td>
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<td>0.1x</td>
<td>0.3x</td>
<td>0.1x</td>
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1) Industrial Net Debt/EBITDA; EBITDA is without the elimination of income or loss from investments accounted for using the equity method

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Sustainable value generation delivers attractive shareholder returns

**Attractive dividend yield**

- Dividend increase by 10% to €3.30
- Payout ratio of 40-60% at high dividend yield

**Share buyback**

- Up to €4bn over 2 years
- Total buyback volume €1.8bn until Jan 2, 2015

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1) Effect of OSRAM stock distribution to shareholders of €2.40 per share; not reflected in CAGR or dividend payout ratio

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R&D focus on innovation in growth areas and profit strongholds

Research & Development allocation (FY 2014)

- €4.0bn R&D
- ~70%

Profit Industrial Business

- HC
- DF
- PG
- EM
- PD
- Other

R&D growth and focus topics for selected businesses

- Intelligent distribution grid to integrate decentralized generation and stabilize grid (+8%)
- Enhanced process control system for targeted verticals (+7%)
- Increase efficiency of large gas turbines (+11%)
- Harmonize small and medium GT portfolio
- Remote service and advanced diagnostics
- SIMATIC TIA Portal – Motion integration (+8%)
- Digital Enterprise Architecture
- Next-Gen Diagnostics (+5%)
- Extend entry level imaging portfolio
- Combine multi-modality applications

1) Without Rolls-Royce ADGT

Est. R&D growth FY 2014 – FY 2015 (subject to FX development)
Compensation system for Managing Board as of FY 2015

<table>
<thead>
<tr>
<th>1/3</th>
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<tbody>
<tr>
<td>Fixed base cash compensation</td>
<td>Variable compensation (Cash Bonus)</td>
<td>Variable stock-based compensation (Siemens Stock Awards)</td>
</tr>
</tbody>
</table>

- **Fixed base cash compensation**
- **Variable compensation (Cash Bonus)**
  - Capital efficiency
  - Profit
  - Individual
- **Variable stock-based compensation (Siemens Stock Awards)**
  - Share price development compared to competition

**Key imperatives for setting up the system**
- **Transparency** through simplicity
- **Performance** related incentives based on **internal** and **external benchmarks**
- Emphasis on **sustainability** through **share ownership guidelines** and **long-term stock-based compensation** component
- **System is consistent** with next management levels
• 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.

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*Effective with fiscal 2015, our enhanced profit definition excludes amortization of intangible assets acquired in business combinations.
<table>
<thead>
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<th>January</th>
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<td>January 12, 2015</td>
<td>Commerzbank German Investment Seminar (New York)</td>
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<td>January 27, 2015</td>
<td>Q1 Earnings Release; Annual General Meeting</td>
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<th>March</th>
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<td>March 11, 2015</td>
<td>Citi West Coast Symposium (San Francisco)</td>
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<td>March 19, 2015</td>
<td>Bank of America Merrill Lynch Conference (London)</td>
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## Siemens Investor Relations contacts

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<tr>
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