SIEMENS in China –
More than a 'BRIC - Fashion'
Morgan Stanley Industrial Summit
Beijing, May 30, 2013
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 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, 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, and on the SEC’s website, 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.
Why to buy Siemens?

Siemens is strong in markets with secular growth dynamics (examples)

Energy
- Efficient, clean power generation and grid infrastructure
- Dual home markets and strong presence in emerging markets

Infrastructure & Cities
- Lasting energy savings by building automation
- Optimizing traffic flows through automated rail infrastructure and intelligent traffic solutions

Industry
- Integration of the entire product development and production processes with innovative software
- Competitiveness through resource efficiency and increased productivity

Healthcare
- Access to a basic healthcare system in emerging countries
- Increasing value of diagnostics in preventive care and therapy guidance
Significant local investments drive value creation in Emerging Markets

Siemens in EM¹)

Revenue in €bn

<table>
<thead>
<tr>
<th></th>
<th>FY 2010</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging Markets (FY 2012)</td>
<td>21.8</td>
<td>25.7</td>
</tr>
</tbody>
</table>

+18%

Employees

<table>
<thead>
<tr>
<th></th>
<th>FY 2010</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging Markets (FY 2012)</td>
<td>85k</td>
<td>102k</td>
</tr>
</tbody>
</table>

+20%

Note: Bars not to scale

1) Emerging Markets

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'Second Wave' of Emerging Economies offer huge opportunities for Siemens

9 Emerging Economies build the 'Second Wave'

Revenue (in € bn)

<table>
<thead>
<tr>
<th></th>
<th>FY 2010</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>+22%</td>
<td>3.5</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Employees

<table>
<thead>
<tr>
<th></th>
<th>FY 2010</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>+15%</td>
<td>18,100</td>
<td>20,900</td>
</tr>
</tbody>
</table>
Economic development of nations usually evolves in stages ... from basic needs to societal aspiration.
Siemens is an established industrial partner in China

Siemens China key facts in FY 12

- Total revenue of €6.3bn, thereof
  - 44% Industry
  - 21% Energy
  - 18% Healthcare
  - 17% Infrastructure & Cities
- 73 Joint Ventures & wholly owned enterprises
- 65 regional sales offices
- 30,600 employees
- China is the 2nd largest Siemens overseas market

First multinational company (since 1985) with comprehensive cooperation with National Development and Reform Commission (NDRC) of China
With China's leadership transition completed, we expect reliable execution on the 12th Five Year Plan.

Recent Key Developments

China Leadership transition done
- Shift towards market-driven economy affirmed
- Shift from quantity to quality GDP growth of >7%

Siemens markets remain top priority
- Clean energy, emission reduction ➔ Energy
- Drive urbanization, mobility & quality of living ➔ IC
- Quality and productivity in production ➔ Industry
- Affordable healthcare ➔ Healthcare

Yet, China is not immune to global uncertainties
- Sovereign debt crisis in Europe
- Slow US recovery
- Foreign relation tensions with neighboring countries

Siemens is very well positioned to capture most 12th Five Year Plan opportunities
Siemens is perfectly positioned for effective energy management in China

**Power Generation**

- #1 in Gas turbines with 43% market share over the last 3 years
- Partnership with SEC (Cold parts in minority JV SEPG\(^1\), blades and vanes in majority JV SGTP\(^2\))
- Local R&D, Engineering & Service

- #1 in large advanced Steam Turbines (>=660MW) with 50% market share in China
- Partnership with SEC (minority JV SEPG\(^1\) and Licensing of Technology)

- Largest global wind market
- Market entry in offshore
- Partnership with SEC
- China as supply base for APAC, establish strong local supply chain

**Transmission / Distribution**

- Improved competitiveness through localization of portfolio
- Expansion of local footprint and solution competence
- >€150m HVDC wins in H1 13 (incl. breakthrough win at State Grid)

- Solid R&D & production footprint - strong localization competence
- Regionalization of sales to push market coverage & market share
- Additional focus on industrial & infrastructure customers

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1) SEPG = Shanghai Electric Power Generation Equipment
2) SGTP = Siemens Gas Turbine Parts
3) Part of IC Sector

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Beijing, May 30, 2013

Morgan Stanley Industrial Summit
**Rail Systems has been the Pioneer of transforming 'Global to local' into 'Local for Global' in China**

**We contributed effectively to changing market dynamics**

- **Expansion of Local China Portfolio**
  - Developing CRH 3G for high-speed
  - Adapting commuter train platform
  - Introducing light rail platform

- **Intensifying local setup**
  - Strengthening of local electrical and mechanical engineering

- **Leverage China-Tech for Global Markets**
  - Pursue opportunities in Asia and South America

**Recent Success Stories**

- **Successful roll-out** of prototype of CRH 3G in 02/2013
- **First commuter rail order** for pearl river delta: 128 cars for Dongguan-Huizhou
- **First light rail delivery agreement** for 80 boogies sets and 25 propulsion systems
- **Established successful export business**, e.g.,
  - Ankara
  - Kuala Lumpur
  - New Delhi

**Underlying China market dynamics**

<table>
<thead>
<tr>
<th>Super High-speed to bounce back</th>
<th>Investment shift to inter-city, commuter &amp; light rail</th>
<th>Localization opportunities increase</th>
<th>Local champions go global</th>
</tr>
</thead>
</table>

1) up to 250 km/h

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**Siemens Industry Sector is leading the way for advanced manufacturing in China**

<table>
<thead>
<tr>
<th>Pushing to new levels of productivity, efficiency and product quality in China within Siemens ...</th>
<th>... and for our customers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Example:</strong> Chengdu Digital Factory</td>
<td><strong>Example:</strong> COMAC C919 large civil airplane</td>
</tr>
</tbody>
</table>

- *Chengdu factory modeled after Amberg*
- Most modern Siemens digital factory in China
- Twin operations ensure security of supply
- Automation for China & the world
- €50m investment in phase I

**Siemens Footprint**
- ~18,800 production headcount
- 73 joint-ventures & wholly-owned enterprises – many with high-tech status

**Amberg** 🇩🇪  |  **Chengdu** 🇨🇳

- Siemens is the **total automation solution supplier**
- Around 60 new machine tools with Siemens Sinumerik
- Siemens automation solution was chosen in 4 assembly lines

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**We are continuously expanding our footprint in China**

*Between FY 11-14, Siemens plans to invest over €500m in manufacturing in China*
Portfolio and local presence fuel strong growth in China

Government health expenditure in China

- Health expenditure in % of GDP
- Health expenditure (in billion RMB)

- 2000: 4.6%
- 2005: 4.7%
- 2010: 5.3%
- 2015: 6.5%
- 2020: 7.0%

Footprint in China

- Highly competitive in entry-level market
- Production and R&D for CT, MR, X-Ray and Components
- Added headcount of +500 to a total of 4,300 in FY 12 (vs. FY 11)
- Therein >600 R&D experts

Healthcare offerings in China

- Somatom Definition Flash (CT)
- Magnetom Skyra (MRI)
- Magnetom Essenza (MRI)
- Multix Select DR (X-Ray)

Healthcare equipment in China

- Orders, in local currency
- +18% p.a.

- FY 10
- FY 12

- Orders, currency adjusted
- +36% p.a.

- FY 10
- FY 12

Imaging Equipment share of China

- U.S.: 25%
- RoW: 15%
- China: 60%
Our local R&D hubs are a backbone of global product developments and create valuable IPR in China

17 R&D hubs...

- Xi'an (1)
- Beijing (2)
- Yizheng (1)
- Wuxi (1)
- Suzhou (1)
- Nanjing (2)
- Hangzhou (1)
- Shenzhen (1)
- Shanghai (7)

Strong basis for innovation
- >4,700 R&D experts and engineers
- >8,200 patents & patent applications
- 3 new patent applications every day

Stringent patent strategy
- Patent protection for core technologies
- Build second line of defense with peripheral patents
- Continuous screening for patent infringements

... develop new products for all Sectors

- Multix Select DR
- Multix Fusion (VA20/30)
- Luminos Select
- Luminos Fusion FD
- SINUMERIK 808D
- SMART LINE V2
- S7-200 SMART PLC
- SINAMICS V20 Inverter
- SMART Device
- SIMOSEC
- Ball valve
- Apogee SYS
- Transformers
- SWT 2.5
- SST-400

Ongoing cost down for systems portfolio
Our Five Priorities for continued success in China

• Close strategic and operational alignment to China’s priorities

• Further localization of the entire value chain (Product Management, R&D, Supply chain) for locally designed and marketed products

• Enable China’s high-end manufacturing expertise and expand its base for global market penetration

• Optimize and expand sales and service channels into suburban and rural geographies

• Siemens is The Employer of Choice and an entrenched part of the Chinese Industrial society
Thank you for your attention – your questions, please!
Financial calendar

May

May 27 – 30, 2013
Asia Roadshow
Morgan Stanley China Conference (Beijing)

June

June 13, 2013
JP Morgan Conference (London)

June 14, 2013
Exane Conference (Paris)

June 24 – Early July
Osram Roadshow

July

July 2013
Listing Osram
Siemens Investor Relations contact data

Mariel von Drathen  +49-89-636-33780  
Munich Office  +49-89-636-32474  
Fax:  +49-89-636-32830  
Internet:  http://www.siemens.com/investorrelations  
Email:  investorrelations@siemens.com
One Siemens financial framework sets the aspiration

### The integrated technology company

#### Financial target system

<table>
<thead>
<tr>
<th>Siemens</th>
<th>Sectors</th>
<th>Continuous improvement relative to market / competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outperforming revenue growth</strong></td>
<td><strong>Top EBITDA margins of respective markets throughout business cycles</strong></td>
<td></td>
</tr>
<tr>
<td>Growth (nominal) &gt; most relevant competitors</td>
<td>Energy 10 – 15%</td>
<td>Healthcare 15 – 20%</td>
</tr>
<tr>
<td><strong>Capital efficiency</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROCE (cont. ops.)^1) 15 - 20%</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital structure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted industrial net debt / EBITDA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.5 - 1.0x</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>M&amp;A hurdle rates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) EVA accretive within 3 years after integration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) 15 percent cash return within 5 years after closing^3)</td>
<td></td>
<td></td>
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<tr>
<td><strong>SFS ROE</strong>^2)</td>
<td></td>
<td></td>
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<tr>
<td>15 - 20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Payout ratio</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Dividend + Share buyback) 40 - 60%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) After tax, adjusted primarily for SFS debt, pension plans and similar commitments, hedge accounting of bonds  
2) After tax  
3) Cash return: Free cash flow divided by average capital employed  
4) Of net income excluding exceptional non-cash items
Incremental savings of ~€300m targeted to compensate for adverse effect from more conservative growth expectation.

Total Sector Profit Margin (% revenue)

- Modest growth
- 2.5 - 3% p.a. pricing pressure
- +280bps
- Gross Productivity
- Profit Target 2014

9.2%\(^1\)

1) Incl. reclassification Solar

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# Key enabler 'Cost reduction' and 'Focus on core activities' with the highest impact expected

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>1</strong></td>
<td><strong>Cost reduction</strong></td>
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<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td>~ €3bn in procurement e.g. by stepping up design-to-cost effectiveness and material productivity of operational key processes (Engineering, Development and Manufacturing) by further integration of SCM</td>
</tr>
<tr>
<td></td>
<td>~ €1bn by optimizing global capacity and footprint (Manufacturing, Development)</td>
</tr>
<tr>
<td></td>
<td>~ €1bn by increasing systematically process efficiency and quality</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td><strong>Strengthen core activities</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Focus on core activities – strengthen leading businesses, find sustainable solutions for underperforming businesses</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td><strong>Go-to-market</strong></td>
</tr>
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<td></td>
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<tr>
<td></td>
<td>Optimize business specific go-to-market approach (e.g. key account vs. mass market, direct vs. indirect channels)</td>
</tr>
<tr>
<td></td>
<td>Improve local sales and service setup of countries based on current and future market potential</td>
</tr>
<tr>
<td><strong>4</strong></td>
<td><strong>Optimized infrastructure</strong></td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Optimize set-up of regional support functions in accordance with #3, leverage global shared services and infrastructure hubs</td>
</tr>
<tr>
<td></td>
<td>Optimize regional SRE set-up by moving closer to the 'internal' customer (REady)</td>
</tr>
<tr>
<td><strong>5</strong></td>
<td><strong>Simplified governance</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strengthen entrepreneurial responsibility by driving a risk focused governance approach</td>
</tr>
<tr>
<td></td>
<td>Re-design of selected governance functions and processes</td>
</tr>
</tbody>
</table>
Assumptions and goals for 'Siemens 2014' are aligned and cascaded down into the Sectors

### Sector Energy

<table>
<thead>
<tr>
<th>Profit 2012</th>
<th>Volume/ Degression</th>
<th>Price Erosion</th>
<th>Cost Inflation</th>
<th>Productivity</th>
<th>Profit Target 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.9%(^1)</td>
<td>3 – 3.5% p. a.</td>
<td>-</td>
<td>7.8%(^2)</td>
<td>+510 bps</td>
<td>≥ 12.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Exit Solar</td>
</tr>
</tbody>
</table>

\(^1\) Incl. Solar  \(^2\) w/o Solar

### Sector Healthcare

<table>
<thead>
<tr>
<th>Profit 2012</th>
<th>Volume/ Degression</th>
<th>Price Erosion</th>
<th>Cost Inflation</th>
<th>Productivity</th>
<th>Profit Target 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.3%</td>
<td>3.5 – 4% p. a.</td>
<td>0.8</td>
<td>-</td>
<td>+170 bps</td>
<td>≥ 15.0%</td>
</tr>
</tbody>
</table>

### Sector Industry

<table>
<thead>
<tr>
<th>Profit 2012</th>
<th>Volume/ Degression</th>
<th>Price Erosion</th>
<th>Cost Inflation</th>
<th>Productivity</th>
<th>Profit Target 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.0%</td>
<td>&lt; 1% p. a.</td>
<td>1.1</td>
<td>-</td>
<td>+150 bps</td>
<td>≥ 13.5%</td>
</tr>
</tbody>
</table>
|            |                   |              |                |              | Exit Water Technolo-
|            |                   |              |                |              |gies                   |

### Sector Infrastructure & Cities

<table>
<thead>
<tr>
<th>Profit 2012</th>
<th>Volume/ Degression</th>
<th>Price Erosion</th>
<th>Cost Inflation</th>
<th>Productivity</th>
<th>Profit Target 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3%</td>
<td>&lt; 2% p. a.</td>
<td>0.8</td>
<td>-</td>
<td>+160 bps</td>
<td>~40 bps</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>≥ 7.5%</td>
</tr>
</tbody>
</table>

\[^1\] Incl. Solar  \[^2\] w/o Solar

**Note:**
- \[^1\] Incl. Solar
- \[^2\] w/o Solar
Outlook

• 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. 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.

Revenue growth - Performance against competition

To illustrate management’s perspective on the Company’s performance against competition, Siemens compares its own revenue growth rate with the weighted average revenue growth rate of its Sectors’ most relevant competitors, including, among others, ABB, GE, Philips, Rockwell and Schneider. Revenue growth for Siemens and its competitors is calculated as the actual growth rate over a rolling four quarter period compared to the same period a year earlier. Siemens competitors revenue growth is derived as the weighted average growth rate of dedicated competitor baskets defined for each Siemens Sector. Each Sector basket’s growth rate is based upon the most recent reported competitor revenues publicly available at the time of calculation. The Sector competitor baskets revenue growth rates are weighted by the revenue of the respective Siemens Sector.

This measure may provide useful information to investors with respect to management’s view on Siemens’ growth compared to competitor growth. However, we caution investors, that this measure is subject to certain limitations, which include the following: The metric is defined by Siemens and, as such, is not based on a generally accepted framework that is also relevant for other companies; accordingly, other companies may define a similarly titled measure differently. In calculating this measure, Siemens relies on data published by its competitors for which Siemens assumes no responsibility. In addition, the data may not be directly comparable as a result of differing presentation currencies and reporting standards being used by our competitors in the data’s presentation. Furthermore, subject to limited exceptions, no adjustments are made for currency translation effects, portfolio changes and changes in reporting structure for either the Siemens or the competitor data. Because the public availability of relevant competitors’ data at the time of calculation may not coincide with the availability of Siemens’ data, some competitor data used may relate to a different time period than the Siemens data.