Stringent execution of Vision 2020
Commerzbank German Investment Seminar
New York, January 12, 2016
Joe Kaeser, President and CEO
Notes and forward-looking statements

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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 – a leading industrial player driving the digital transformation

**Divisional structure and Revenue / Profit FY 2015**

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Power and Gas</td>
<td>69.0</td>
<td>74.1</td>
<td>72.8</td>
<td>71.2</td>
<td>75.6</td>
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<td>Wind Power and Renewables</td>
<td>5.9</td>
<td>4.3</td>
<td>4.4</td>
<td>5.5</td>
<td>7.4</td>
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<tr>
<td>Power Generation Services</td>
<td>6.55</td>
<td>4.74</td>
<td>5.08</td>
<td>6.37</td>
<td>8.84</td>
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<tr>
<td>Energy Management</td>
<td>5.3</td>
<td>4.7</td>
<td>5.3</td>
<td>5.2</td>
<td>4.7</td>
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</table>

1) Continuing operations

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Page 3 New York, January 12, 2016
Siemens Vision 2020 – The next decade starts now

Ownership culture drives high performance team

Drive performance
- Cost reduction support functions (€1bn)
- Global footprint optimization
- Fix underperforming businesses

Strengthen core
- Stringent capital allocation

Scale up
- Innovation initiative
- Customer and market focus
- Digitalization at work

Optimization

Accelerated growth and outperformance
## Siemens Vision 2020 – Executing as promised

<table>
<thead>
<tr>
<th>Until</th>
<th>Execution steps until 2017</th>
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<tbody>
<tr>
<td>Q4 2014</td>
<td>Implementation of new and simplified organization by Oct. 1 ✔</td>
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<tr>
<td></td>
<td>Introduction of incentive system 2015 ✔</td>
</tr>
<tr>
<td>Q2 2015</td>
<td>Stringent portfolio optimization - closing of announced divestments <em>(page 14)</em> ✔</td>
</tr>
<tr>
<td></td>
<td>Measures for structural optimization defined (governance &amp; support functions) ✔</td>
</tr>
<tr>
<td></td>
<td>Decision on resource allocation for underperforming businesses <em>(page 15)</em> ✔</td>
</tr>
<tr>
<td>Q4 2015</td>
<td>Cost reduction measures on track, €400m savings achieved <em>(page 16)</em> ✔</td>
</tr>
<tr>
<td></td>
<td>Accelerated growth in vertical software and digital services (€3.7bn in 2015) ✔</td>
</tr>
<tr>
<td></td>
<td>Share buy-back executed (€4bn) ✔</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>Update on execution of further portfolio optimization</td>
</tr>
<tr>
<td></td>
<td>Progress on cost reduction: Major portion of €1bn savings effective</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>Underperforming businesses fixed</td>
</tr>
<tr>
<td></td>
<td>€1bn cost savings fully effective</td>
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</tbody>
</table>

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Siemens Vision 2020 – The “System” matters

Global trends
- Digital transformation
- Globalization
- Urbanization
- Demographic change
- Climate change

Market development (illustrative)

- Electrification
  - 2–3% market growth
- Automation
  - 4–6% market growth
- Digitalization
  - 7–9% market growth

Today
Mid term – 2020

Power Generation
Power transmission, distribution, and smart grid
Efficient energy application
Imaging and in-vitro diagnostics
Platforms lead products
Sinalytics connects more than 300,000 devices

Customer value through applications

Sinalytics
Common technology platforms

Data analytics
- Data visualization
- Modeling/Analysis
- Data management
- Data integration

Cloud / Connectivity
Cyber Security

Productivity
- EM
- DF
- PD
- HC

Energy efficiency
- WP
- PG
- PS
- MO
- BT

Availability
Security
Digital Services powered by Sinalytics provide customer value and attractive business cases (I)

**Productivity** 
- EM
- DF
- PD
- HC

**Energy efficiency** 
- WP
- PG
- PS
- MO
- BT

Customer value through applications

**Availability**

**Security**

**Mobility Digital Services**

- 26 trains for Renfe (Spain)
- High Speed Train service between Madrid and Barcelona

- **99.9% availability**
- **Full reimbursement** of ticket prices for passengers when a train is >15 minutes late
- **Only one of 2,300 trips** is really late

Remote diagnosis facilitates predictive maintenance

Shift from corrective to preventive measures

Increased availability and avoidance of unplanned downtimes
Digital Services powered by Sinalytics provide customer value and attractive business cases (II)

**Power Generation Digital Services**

- Remote diagnostics and prediction of service needs
- Fleet statistics, benchmarking
- Spare parts analytics and additive manufacturing
- Asset availability and flexibility
- Operating efficiency
- Optimized service delivery

- > 40 Flex LTP-contracts sold
- Attractive customer value from performance based contracts
- Delivery and life cycle optimization
The E-A-D system: Vertical Software and Digital Services are key drivers for growth

<table>
<thead>
<tr>
<th>Digitalization</th>
<th>Vertical software</th>
<th>Enhanced electrification (~€39bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automation</td>
<td>Revenue FY 2015: ~€3.1bn</td>
<td>Profitability: ++</td>
</tr>
<tr>
<td>Electrification</td>
<td>Profitability: +++</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Classic services</th>
<th>Digital services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue FY 2015: ~€19bn</td>
<td>Profitability: ++</td>
</tr>
<tr>
<td>Profitability: +++</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enhanced automation</th>
<th>Revenue FY 2015: ~€15bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability: +++</td>
<td></td>
</tr>
</tbody>
</table>

+~16%

- Build on deep domain know-how
- Leverage M&A and R&D invest
- Roll-out of cross-divisional Sinalytics platform
- >300k connected devices; 17 Terabytes of data per month

+~9%

Note: Figures based on Industrial Business (Growth FY 2015 vs. FY 2014 rebased)
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Shareholder interests are aligned

**Attractive dividend yield**
- Dividend increase to **€3.50** resulting in an attractive 4.4% dividend yield\(^2\))

**Share buyback finalized**
- €4bn from May 2014 until October 2015
- 43m shares repurchased
- Average purchase price: €92.73\(^3\))

**First endowment to Siemens Profit Sharing Pool of €200m**

**New share buyback of up to €3.0bn over up to 36 months**

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1) Effect of OSRAM stock distribution to shareholders of €2.40 per share; not reflected in dividend payout ratio; 2) Assumes 808m shares outstanding at AGM, Share price Sept. 30, 2015 of €79.94; 3) Rounded average price per share including a final payment financially to be treated as purchase price adjustment

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Thank you for your attention – your questions, please!
Executing Vision 2020
Capital allocation along strategic imperatives

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

**Dresser-Rand**
Compressors, turbines and engines for Oil & Gas
Total consideration of US$7.8bn

**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

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

**Audiology**
Divestment to EQT for €2.15bn

**Water Technologies**
Divestment to AEA Partners

**Metals Technologies**
Joint Venture Primetals Technologies w. 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

**Unify**
Divestment of 49% stake to Atos announced

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Commerzbank German Investment Conference
Underperforming businesses show improvement

Underperforming businesses

Unconsolidated Revenue FY 2015 in €bn

- Siemens Compressors
- Underperforming businesses as of Q2 FY 2015
- Reverse integration into Dresser-Rand
- Remaining underperforming businesses

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2017e</th>
<th>2020e</th>
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<tbody>
<tr>
<td>Margin</td>
<td>-4%</td>
<td>-3%</td>
<td>+1%</td>
<td>~6%</td>
<td>&gt;8%</td>
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</table>

- Tight monitoring of business plans
- Footprint optimization
- Sharpening business scope
- Partnering and divestitures an option
Accelerated execution of functional cost reduction measures, target achievement of ~€1bn is on track

Cumulated effects of savings

View on distribution of savings as of Q2 FY 2015

FY 2015

€150m – €200m

€400m

FY 2016e

€700m – €800m

€900m

FY 2017e

€1bn

€1bn
One Siemens Financial Framework –
Clear targets to measure success & accountability

One Siemens
Financial Framework

Siemens

Growth:
Siemens > most relevant competitors\(^1\)
(Comparable revenue growth)

Capital efficiency
(ROCE\(^2\))
15-20%

Capital structure
(Industrial net debt/EBITDA)
up to 1.0x

Total cost productivity\(^3\)
3-5% p.a.

Dividend payout ratio
40-60\(^4\)

Profit Margin ranges of businesses (excl. PPA)\(^5\)

<table>
<thead>
<tr>
<th>Business</th>
<th>Profit Margin (%)</th>
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<tbody>
<tr>
<td>PG</td>
<td>11-15%</td>
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<tr>
<td>EM</td>
<td>7-10%</td>
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<tr>
<td>MO</td>
<td>6-9%</td>
</tr>
<tr>
<td>PD</td>
<td>8-12%</td>
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<tr>
<td>SFS(^6)</td>
<td>15-20%</td>
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<tr>
<td>WP</td>
<td>5-8%</td>
</tr>
<tr>
<td>BT</td>
<td>8-11%</td>
</tr>
<tr>
<td>DF</td>
<td>14-20%</td>
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<tr>
<td>HC</td>
<td>15-19%</td>
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1) ABB, GE, Rockwell, Schneider, Toshiba, weighted; 2) Based on continuing and discontinued operations; 3) Productivity measures divided by functional costs (cost of sales, R&D, SG&A expenses) of the group; 4) Of net income excluding exceptional non-cash items; 5) Excl. acquisition related amortization on intangibles; 6) SFS based on return on equity after tax

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Financial Cockpit

**Orders**
- FY 2014: 77.7 (B-t-B 1.09)
- FY 2015: 82.3 (B-t-B 1.09)

**Revenue**
- FY 2014: 71.2
- FY 2015: 75.6

**Profit Industrial Business (IB)**
- FY 2014: 7.7
- FY 2015: 7.8

**Net Income**
- FY 2014: 5.5
- FY 2015: 7.4

**EPS (“all-in”)**
- FY 2014: 6.37
- FY 2015: 8.84

**ROCE (“all-in”)**
- FY 2014: 17.2%
- FY 2015: 19.6%

**Capital structure**
- FY 2014: 0.1x
- FY 2015: 0.6x

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## Financial calendar

<table>
<thead>
<tr>
<th>January</th>
<th>January 12, 2016</th>
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<tbody>
<tr>
<td></td>
<td>Commerzbank German Investment Seminar (New York)</td>
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<td>January 26, 2016</td>
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<td>Q1 Earnings Release; Annual General Meeting</td>
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<td>February</td>
<td>February 17, 2016</td>
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<td></td>
<td>Roadshow Germany (Munich)</td>
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<td>Roadshow UK (Edinburgh)</td>
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<td>February 19, 2016</td>
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<tr>
<td></td>
<td>Roadshow Switzerland (Zurich)</td>
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<td>March</td>
<td>March 9, 2016</td>
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<td>Citi West Coast Symposium (San Francisco)</td>
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<td>March 18, 2016</td>
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<td>Bank of America Merrill Lynch Conference (London)</td>
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## Siemens Investor Relations contacts

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<tr>
<td><strong>Internet</strong>:</td>
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<td><a href="mailto:investorrelations@siemens.com">investorrelations@siemens.com</a></td>
</tr>
<tr>
<td><strong>IR-Hotline</strong>:</td>
<td>+49 89 636-32474</td>
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<tr>
<td><strong>Fax</strong>:</td>
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