Merger of Siemens Wind Power with Gamesa

Analyst & Press Call | Munich, June 17, 2016
Joe Kaeser, President and CEO
Ralf P. Thomas, CFO
Lisa Davis, Member of the Managing Board
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.

This document includes – in IFRS not clearly defined – supplemental financial measures that are or may be non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens’ net assets and financial positions or results of operations 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.

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.
Executing Vision 2020
Capital allocation along strategic imperatives

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

Closing of acquisition of CD-adapco for $970m to pursue industrial software strategy

Closing of divestment to AtoS

Closing divestment of remaining assets to EQT for €300m

Strategic asset combination

50/50 joint venture for powertrain in E-cars announced

Merger of Siemens Wind Power with Gamesa announced to create a leading wind power player
Siemens ownership 59%

Merger of Siemens Wind Power with Gamesa announced to create a leading wind power player

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“Siemens Wind Power & Gamesa combined” is uniquely positioned in a promising market and perfectly fits into Vision 2020

Siemens Vision 2020

<table>
<thead>
<tr>
<th>Areas of growth?</th>
<th>Combined entity “Siemens Wind Power &amp; Gamesa”</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Combined entity “Siemens Wind Power &amp; Gamesa” is <strong>strongly positioned in growth pockets</strong>:</td>
</tr>
<tr>
<td></td>
<td>• Offshore</td>
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<td></td>
<td>• Emerging markets</td>
</tr>
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<td></td>
<td>• Onshore Services</td>
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<tr>
<td>Potential profit pool?</td>
<td>• Combined entity to <strong>target best-in-class industry margins</strong> post integration with additional future opportunities in service</td>
</tr>
<tr>
<td>Why Siemens?</td>
<td>• <strong>Siemens committed</strong> to further grow and develop <strong>Wind Power</strong> based on the success story: Revenue increased ~15x since acquisition of Bonus 2004</td>
</tr>
<tr>
<td></td>
<td>• <strong>Strategic partnership agreement</strong> (e.g. supply agreement, SFS financing partnership, Siemens One)</td>
</tr>
<tr>
<td>Synergetic value?</td>
<td>• <strong>€230m run-rate EBIT synergies in Year 4 post closing</strong> – thereof ~70% cost (&gt;-50% to be reached in Year 2 post closing)</td>
</tr>
<tr>
<td>Paradigm shifts?</td>
<td>• <strong>US PTC</strong>(^1) extension, renewable targets in <strong>emerging markets &amp; coal phase out</strong> in Europe and <strong>COP 21</strong> (Paris) drive <strong>future growth</strong></td>
</tr>
<tr>
<td></td>
<td>• Combined business uniquely positioned to capitalize on future potential: <strong>Strong onshore and offshore player, scale, global footprint, service network and comprehensive offering</strong></td>
</tr>
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</table>

1) Production Tax Credit

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Creating a leading wind player with substantial growth potential and highly complementary strength

Company description & rationale

- **Merger** of the entire Siemens Wind business incl. Service with Gamesa to create a **leading wind player**
- Combination of two major highly complementary global wind players with a well balanced geographic footprint
- **Ownership**: Siemens 59%, Iberdrola ~8%, free float ~33%
- **Global HQ and listing in Spain**: onshore HQ in Spain, offshore HQ in Hamburg (Germany) / Vejle (Denmark)
- Siemens to **fully consolidate** the combined entity
- **Solution on Adwen JV reached** – Areva to decide within 3 months: Put / call options and drag-along right for 3rd party sale

Key figures (pro forma, LTM March 2016)

<table>
<thead>
<tr>
<th></th>
<th>Combined business</th>
<th>Siemens WP scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installed Base</td>
<td>69 GW</td>
<td>34 GW</td>
</tr>
<tr>
<td>Backlog</td>
<td>~€20.2bn</td>
<td>~€14.8bn</td>
</tr>
<tr>
<td>Revenue</td>
<td>~€9.3bn</td>
<td>~€5.5bn</td>
</tr>
<tr>
<td>EBIT Adjusted&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>€839m</td>
<td>€492m</td>
</tr>
<tr>
<td>EBIT Margin adjusted&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>9.1%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Synergies</td>
<td>~€230m EBIT full impact in year 4 post closing</td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>~21,000</td>
<td>~13,000</td>
</tr>
</tbody>
</table>

<sup>1)</sup> EBIT adjusted for normalisation and stand-alone effects as displayed on page 12
Siemens is committed to Wind Power and will own 59% of combined business post merger

Transaction highlights

• Ownership post merger: 59% Siemens (controlling), 41% others

• Cash payment to Gamesa shareholders of €3.75 per share, ~€1.05bn in total (represents 26% of Gamesa’s unaffected share price at market close on January 28, 2016) funded by Siemens

• Closing conditions, including:
  • Merger control clearances
  • Confirmation by Spanish regulator CNMV that no mandatory takeover bid has to be launched
  • Approval by Gamesa’s shareholder meeting

Post Deal structure

<table>
<thead>
<tr>
<th>Siemens</th>
<th>Iberdrola</th>
<th>Free float</th>
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</thead>
<tbody>
<tr>
<td>59%</td>
<td>~8%</td>
<td>~33%</td>
</tr>
</tbody>
</table>

Cash payment¹ €1.05bn

Fully consolidated at Siemens
¹ Funded by Siemens

Next steps

• Signing of merger agreement Q3 CY16
• Gamesa shareholder approval Q1 CY16
• Siemens Wind Power carve out Q1 CY17
• Expected closing Q1 CY17
• Cash payment to existing Gamesa shareholders Shortly post closing
Combination of two major, highly complementary global wind players

Gamesa

- Onshore market strongholds
  - China, LatAm, India
  - 71% of LTM March 2016 onshore order intake

- Offshore
  - Very limited

- Products & technology
  - Strong for "capacity restricted" markets
  - High capacity factor turbines & tight cost control

- Positioned for growth
  - Onshore growth markets and Service of installed fleet (~35GW)

- Customers
  - Southern European Utilities
  - Local Independent Power Producers in Emerging Markets

Siemens Wind Power

- US, Canada and Europe
  - 95% of LTM March 2016 onshore order intake

- Offshore
  - A market leader

- Products & technology
  - Small overlap
  - "Perfect match"

- Positioned for growth
  - Offshore and Service of installed fleet (~34GW)

- Customers
  - Northern European and US Utilities
  - Local Independent Power Producers in Developed Markets

1) Incl. Turkey
Well diversified and balanced geographical footprint

Siemens Wind Power Stronghold

Gamesa Stronghold

Siemens Wind Power existing factory
Gamesa existing factory
Siemens Wind Power factory under construction
Gamesa factory under construction

Market served by both

Siemens Wind Power key market
Gamesa key market

Note: Manufacturing facility in Mexico under construction through equity holding in Windar

Merger of Siemens Wind Power with Gamesa, Analyst & Press Call
Siemens-Gamesa combination is the best possible strategic fit in the wind power industry

- Limited overlap and compelling customer benefits with most comprehensive product offering and widest service network
- Enhanced opportunities to boost sustainable energy innovation
- Commitment to affordable, reliable and sustainable energy supply
- Significant value creation potential for both Siemens and Gamesa shareholders
Thank you for your attention – your questions, please!
Siemens Wind Power: Normalised, stand-alone EBIT

EBIT bridge LTM March 2016 (in €m)

<table>
<thead>
<tr>
<th>Normalised Stand-alone EBIT Scope</th>
<th>Stand-alone adjustments</th>
<th>Normalisation</th>
<th>Reported EBIT Scope</th>
<th>EBIT from scope adjustments of transaction</th>
<th>Profit Siemens Wind Power Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>492</td>
<td>114</td>
<td>74</td>
<td>304</td>
<td>8</td>
<td>312</td>
</tr>
</tbody>
</table>

Normalisation:
- Elimination of one-time impacts mainly related to segments
- Stringent measures implemented to fix issues

Stand-alone adjustments:
- Certain carve-out and pro-forma adjustments resulting from separation of Siemens Wind Power

Scope adjustments:
- E.g. hydro, solar: excluded

1) Profit for last twelve months, period ended March 2016, as reported for Siemens Wind Power & Renewables Division

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## Siemens Wind Power: EBIT normalisation adjustments

### EBIT Normalisations (€m)

<table>
<thead>
<tr>
<th>Description</th>
<th>LTM March 2016</th>
</tr>
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<tbody>
<tr>
<td>EBIT as reported Scope</td>
<td>304</td>
</tr>
<tr>
<td>1 Blade Quality</td>
<td>-</td>
</tr>
<tr>
<td>2 Main Bearings</td>
<td>79</td>
</tr>
<tr>
<td>3 Segments</td>
<td>-5</td>
</tr>
<tr>
<td>Other</td>
<td>74</td>
</tr>
<tr>
<td>Normalisations</td>
<td></td>
</tr>
<tr>
<td>Therein: Onshore</td>
<td>~30%</td>
</tr>
<tr>
<td>Therein: Offshore</td>
<td>~70%</td>
</tr>
<tr>
<td>EBIT normalized Scope</td>
<td>378</td>
</tr>
</tbody>
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### Concepts / Agreements

- Product issues exceptional in nature
- Estimated provision of approx. €250m as of March 2017 (current best estimate of potential cash out from quality issues)
- An additional indemnity of €250m by Siemens for potential additional expenses relating to the three one-off quality items that resulted in losses in 2014 and 2015
June 28 – 29, 2016
Capital Market Day “Energy and Oil & Gas” (Houston)

August 4, 2016
Q3-Earnings Release
Siemens Investor Relations contacts

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