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.
The Siemens strategy is built on
Electrification – Automation – Digitalization

Digitalization

Siemens Digital Services
MindSphere
Siemens Software

Digitally enhanced
Electrification and
Automation

Electrification

Automation
Early focus on digitalization drives value and growth

- Digitalization ➔ Leader
  - Siemens software: ~€3.3bn
  - Digital services: ~€1.0bn
  - IoT operating system MindSphere: +12%¹

- Automation ➔ Global #1
  - Enhanced automation: ~€18bn

- Electrification ➔ Leader
  - Enhanced electrification: ~€42bn

Revenue FY 2016:
- Classic services: ~€17bn

Market CAGR FY17-20:
- Strengthen leadership by combining software, platforms & services
  - ~+8%
- Expand #1 position and utilize for digitalization
  - +3-4%
- Differentiate through enhanced offerings with automation & digitalization
  - +1-2%

¹) Figures based on Industrial Business 1) Growth FY15 to FY16, rebased

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Siemens with long-standing #1 position in automation – combined with the power of Siemens Software

Siemens Software – virtual world

Siemens automation – physical world

* In-house developments/digital upgrades
** Cooperation
© Siemens AG 2017

Announced:
Desigo CC*
Spectrum Power ADMS*

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<th>Year</th>
<th>Event</th>
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<tr>
<td>1996</td>
<td>Totally Integrated Automation – TIA*</td>
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<td>2016</td>
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Digital Enterprise is our leading and most comprehensive portfolio of solutions for the digital transformation

Digital Enterprise

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<th>Process Industries</th>
<th>Discrete Industries</th>
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<td>Operation</td>
<td>Production execution</td>
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<td>Services</td>
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Industrial Software and Automation for process industries

Industrial Communication

Industrial Security

Industrial Services

Digitalization of the field level

Industrial Software and Automation for discrete industries

Digital Enterprise Suite

© Siemens AG 2017
Digital Enterprise is our leading and most comprehensive portfolio of solutions for the digital transformation

### Digital Enterprise

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**Industrial Software and Automation for process industries**

- Industrial Communication
- Industrial Security
- Industrial Services

**Industrial Software and Automation for discrete industries**

- Digital Enterprise Suite

**Digitalization of the field level**

© Siemens AG 2017
We help our customers to meet their essential requirements – throughout the manufacturing industry

Speed
Flexibility
Quality
Efficiency

Security
Integrating and digitalizing the entire value chain is key to staying competitive in the future.

Cloud-based, open IoT operating system: MindSphere

Third party applications

1. Product design
2. Production planning
3. Production engineering
4. Production execution
5. Services

Collaboration platform: Teamcenter

Suppliers and logistics
Creating a Digital Twin of the entire value chain
Integrating technical domains into ONE data model

Digital Twin of the product

Digital Twin of the production process

Digital Twin of the equipment

Cloud-based, open IoT operating system: MindSphere

Collaboration platform: Teamcenter

Suppliers and logistics
Publishing the optimized Digital Twin to all stakeholders
Integrating and digitalizing the entire value chain with a holistic approach
Design a product by integrating CAD/CAE/CAM
Innovate with 3D simulation
Simulate, analyze and optimize assembly processes and ergonomics
Simulate and validate automation equipment virtually

Digital Twin of SIMATIC S7-1500
Coordinate manufacturing of individualized products
Transform data into knowledge with MindSphere
MindSphere – the cloud-based, open IoT operating system from Siemens

MindConnect
- Installed base of millions of devices
- Open standards (e.g. OPC UA) for connectivity
- Secure plug-and-play connection of Siemens and 3rd party products

MindSphere
- Various cloud infrastructures: Public, private or on-premise
- Operational data integrated with the Digital Twin to optimize simulation and engineering (model-based analytics)

MindApps
- Open ecosystem of applications
- Apps from Siemens, manufacturers, operators and app developers
Digital Enterprise Suite – Siemens’ answer to customer requirements
The perfect fit to expand our leadership in the Digital Enterprise
Mechanical and environmental design and simulation
Mechanical and environmental design and simulation
Embedded software design and simulation
NEW – Electronics design and simulation with Mentor Graphics
The most holistic Digital Twin

Design and simulation of mechanics, environment, software, and electronics on a single collaboration platform
Our offering separates us clearly from competition

- Deep domain know-how in broad range of markets and industries
- Strong installed base / connected fleet
- Unmatched Digital Enterprise portfolio: Industrial Software, Automation, MindSphere, Communication, Security, Services
- Numerous use cases as proof points
- Powerful ecosystem