Creating a European champion in Mobility to better serve our customers worldwide

Analyst Call | Paris, September 27, 2017
Joe Kaeser, President and CEO
Ralf P. Thomas, CFO
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.
Our customers need an innovative and sustainable option to a dominant player in the industry

Revenue of rail activities (€bn)
Last available financial year

- Siemens: 8.0
- Alstom: 7.3
- Bombardier: 6.8
- GE: 4.3
- Hitachi: 4.1
- Caterpillar: 4.0
- CRSC: 4.0
- Wabtec: 3.7
- Stadler: 1.9
- Thales: 1.6
- CAF: 1.3
- Hyundai Rotem: 1.2
- Kawasaki: 1.1
- Vossloh: 0.9
- Pesa: 0.8
- Talgo: 0.6

Ongoing industry consolidation over last years...

<table>
<thead>
<tr>
<th>Year</th>
<th>Acquirer</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>Wabtec</td>
<td>Faiveley</td>
</tr>
<tr>
<td>2015</td>
<td>Stadler</td>
<td>Vossloh Lokomotiven</td>
</tr>
<tr>
<td>2015</td>
<td>Hitachi</td>
<td>Ansaldo STS &amp; Breda</td>
</tr>
<tr>
<td>2014</td>
<td>CRRC (merged entity)</td>
<td>CNR &amp; CSR</td>
</tr>
<tr>
<td>2014</td>
<td>Alstom</td>
<td>GE Signalling</td>
</tr>
<tr>
<td>2012</td>
<td>Siemens</td>
<td>Invensys Rail</td>
</tr>
</tbody>
</table>

1) Announcement date; 2) Including revenue related to Rail Traction Drives business currently reported in Process Industries & Drives; 3) Pro-forma including Faiveley

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Page 3 Paris, September 27, 2017 Analyst Call
Create a leading Mobility company with more than €60bn order backlog, €15bn revenue, and more than 60,000 experts

<table>
<thead>
<tr>
<th></th>
<th>Siemens FYE 30.09.2016</th>
<th>Alstom FYE 31.03.2017</th>
<th>Combined pro forma (Excl. synergies &amp; implementation costs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order backlog</td>
<td>€26.4bn</td>
<td>€34.8bn</td>
<td>€61.2bn</td>
</tr>
<tr>
<td>Orders</td>
<td>€8.0bn</td>
<td>€10.0n</td>
<td>€18.0bn</td>
</tr>
<tr>
<td>Revenue</td>
<td>€8.0bn</td>
<td>€7.3bn</td>
<td>€15.3bn</td>
</tr>
<tr>
<td>Adjusted EBIT¹ Margin</td>
<td>€0.8bn 10.1%</td>
<td>€0.4bn  5.8%</td>
<td>€1.2bn 8.0%</td>
</tr>
<tr>
<td>Employees²</td>
<td>29,500</td>
<td>32,800</td>
<td>62,300</td>
</tr>
</tbody>
</table>

**Note:** Siemens financial figures incl. Rail Traction Drives business currently reported in Siemens Division Process Industries & Drives

1) Adjusted Siemens EBIT including €110m pro-forma standalone savings
2) Siemens employee figure does not yet include transfers from central and support functions

**+**

€470m run-rate synergies
• 1/3 supply chain & procurement
• 1/3 SG&A
• 1/3 other scale impacts
Global market presence will drive growth and localization in emerging markets – European footprint to be consolidated over time

### Overview of employees by region

<table>
<thead>
<tr>
<th>Region</th>
<th>Alstom</th>
<th>Siemens</th>
<th>∑</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>20,700</td>
<td>22,700</td>
<td>43,400</td>
</tr>
<tr>
<td>Americas</td>
<td>5,200</td>
<td>2,500</td>
<td>7,700</td>
</tr>
<tr>
<td>Middle East &amp; Africa</td>
<td>2,900</td>
<td>800</td>
<td>3,700</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>4,000</td>
<td>3,500</td>
<td>7,500</td>
</tr>
</tbody>
</table>

1) Siemens employee figure does not yet include transfers from central and support functions
## Executing along Vision 2020 imperatives

Unlocking significant synergy potential in Mobility

<table>
<thead>
<tr>
<th>Areas of growth?</th>
<th>✓</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Solid growth in mobility market with ~3-4% p.a. driven by urbanization, sustainable development, economic &amp; population growth, E-A-D</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Potential profit pool?</th>
<th>✓</th>
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<tbody>
<tr>
<td>• Increased scale will make combined company stronger and more competitive to achieve double digit margins</td>
<td></td>
</tr>
<tr>
<td>• Combined digitalization capabilities along the entire value chain enhancing margins</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Why SIEMENS?</th>
<th>✓</th>
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<tbody>
<tr>
<td>• Power to create a European champion with global reach</td>
<td></td>
</tr>
<tr>
<td>• Bundle know-how and innovation power to create a European technology leader</td>
<td></td>
</tr>
<tr>
<td>• Providing digital industrial technologies from the leading industrial player in Automation and Digital Enterprise to the new Mobility entity for the benefit of its global customers</td>
<td></td>
</tr>
<tr>
<td>• Taking responsibility to create a sustainable European option for all stakeholders</td>
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<table>
<thead>
<tr>
<th>Synergetic value?</th>
<th>✓</th>
</tr>
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<tbody>
<tr>
<td>• €470m run-rate synergies expected latest 4 years after closing – all cost related (~50% to be reached in year 2 post closing)</td>
<td></td>
</tr>
<tr>
<td>• NPV of €4.7bn</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Paradigm shifts?</th>
<th>✓</th>
</tr>
</thead>
<tbody>
<tr>
<td>• NONE in a sense of changing business model</td>
<td></td>
</tr>
<tr>
<td>• BUT: Dominating competitor and industrial policy of its home country create long-term threat for competitors and thus, for customers’ choices in the long run</td>
<td></td>
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</table>
Merger of equals with listing in France and HQ in Paris
Siemens controls the combined business

Key deal terms

- **Merger of Siemens Mobility division plus Rail Traction Drives** (currently in PD) with Alstom
- Siemens’ stake will be 50% on a fully diluted basis; secures majority at closing and going forward; Siemens to receive a warrant for 2pps with strike price to be determined as of effective date
- Alstom’s existing shareholders to receive extraordinary dividends:
  - Control Premium: €4.00 per share (~€0.9bn) paid by Alstom and economically borne by Siemens (~13% of Alstom’s unaffected share price as of Sep. 20, 2017)
  - Up to €4.00 per share (~€0.9bn) after Alstom will have exercised its put options for various JVs (~€2.5bn)
- **Exclusivity agreement** until signing of the already fully agreed Business Combination Agreement with break-fee of €140m
- Bouygues, French and German State supporting the transaction
- Mobility Solutions HQ in Germany, Rolling Stock HQ in France; HQ in Paris and listed on Euronext
- **Board:** 11 members, 6x Siemens (incl. chairperson), 4x independent directors, CEO of NewCo
- **Management continuity ensured,** current Alstom CEO will lead NewCo
Ensuring long-term competiveness by unlocking substantial synergy potential – 50% reached by year 2 post closing

Key measures

- **Consolidation** of supplier base and procurement activities as well as making use of **best-of-best contract terms**
- **Economies of scale** in functional and operational areas
- **Optimization** and refocusing of sales efforts
- **Harmonization** and alignment of operational activities, in particular exploiting scale benefits
- **NPV of synergies** €4.7bn

<table>
<thead>
<tr>
<th>“Quick” realization</th>
<th>Supply chain management &amp; procurement optimization</th>
<th>G&amp;A, sales &amp; other functions</th>
<th>Scale effects in all industrial areas</th>
<th>Cost synergies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual synergies pre-tax run-rate, achieved latest in year 4</td>
<td>€470m</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
Merger goals are sustainable and attractive in the long term

- **Deal cash-neutral for Siemens** with contribution of Siemens Mobility division plus Rail Traction Drives business in exchange for shares in Alstom
- Extraordinary dividends incl. control premium financed with Alstom liquidity
- Pension underfunding as well as project related financing will be transferred as part of Siemens’s transaction perimeter
- Attractive synergies with upside: €470m expected latest four years after closing; NPV of €4.7bn
- EPS accretive after 2 years post closing
- Double-digit margins expected to kick in by FY 2020
- Listing as a public company provides flexibility

### Financial impact for Siemens

### Pro-forma combined revenue (in €bn)

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1) Means EBIT margin adjusted

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Page 9

Paris, September 27, 2017
Next steps

- Signing of Memorandum of Understanding (including agreed form of Business Combination Agreement)
- Alstom employee consultation process
- Signing Business Combination Agreement
  - Q1 CY18
- Alstom Shareholder Meeting
  - Q2 CY18
- Siemens Mobility Carve Out
  - Until Q2/Q3 CY18
- Expected Closing
  - End CY18

Closing conditions include:

- Merger control clearances
- Mandatory Takeover Waiver process and clearance by French Market Regulator AMF
- MINEFI clearance (French State – foreign investment control)
- Approval by Alstom’s shareholder meeting (2/3 of present votes needed; Bouygues will vote for the deal)
Q&A – your questions, please
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