Twice-raised guidance exceeded – historic success through strong team performance

Joe Kaeser, President and CEO | Ralf P. Thomas, CFO
Q4 FY 2016 Analyst Call | Munich, November 10, 2016
Notes and forward-looking statements

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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 agenda for today

1. Strong performance in Q4 2016 despite tough comps
2. Convincing team effort beats improved FY 2016-guidance twice
3. Stringent progress in executing Vision 2020
4. Clear ambition for FY 2017 continues to create value
Raised FY 2016 guidance fully achieved

FY 2016 Outlook

We raise our previous expectation for basic EPS from net income in the range of €6.00 to €6.40 to the range of €6.50 to €6.70.

We continue to expect for fiscal 2016 moderate revenue growth, net of effects from currency translation.

We continue to anticipate that orders will materially exceed revenue for a book-to-bill ratio clearly above 1.

For our Industrial Business, we continue to expect a profit margin of 10% to 11%.

FY 2016 Actual performance

Orders (€bn) Revenue (€bn)

<table>
<thead>
<tr>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>82.3</td>
<td>86.5</td>
</tr>
<tr>
<td>comp. +4%</td>
<td>Book-to-bill 1.09</td>
</tr>
</tbody>
</table>

Revenue (€bn)

<table>
<thead>
<tr>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>75.6</td>
<td>79.6</td>
</tr>
<tr>
<td>comp. +4%</td>
<td>FX-comp. +6%</td>
</tr>
</tbody>
</table>

Profit Industrial Business (€bn)

<table>
<thead>
<tr>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.7</td>
<td>8.7</td>
</tr>
<tr>
<td>+10.1%</td>
<td>+10.8%</td>
</tr>
<tr>
<td>+11%</td>
<td></td>
</tr>
</tbody>
</table>

Basic Earnings per Share (€)

<table>
<thead>
<tr>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.18</td>
<td>6.74</td>
</tr>
<tr>
<td>+30%</td>
<td></td>
</tr>
</tbody>
</table>

Margin excl. severance

1) Excluding €3.66 per share in portfolio gains from the divestments of the hearing aid business and our stake in BSH
Power and Gas (PG)

- Significantly lower volume from large orders y-o-y
- 16 Large Gas Turbines delivered

Wind Power and Renewables (WP)

- Lower volume from large orders y-o-y
- Strong offshore backlog conversion
- Significant operational improvements

1) Comparable, i.e. adjusted for currency translation and portfolio effects

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Page 5  Munich, November 10, 2016
EM: Consistent improvement across all metrics
BT: Strong team drives digital transformation

### Energy Management (EM)

<table>
<thead>
<tr>
<th></th>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 15</td>
<td>3.3</td>
<td>259</td>
</tr>
<tr>
<td>Q4 FY 16</td>
<td>3.4</td>
<td>299</td>
</tr>
</tbody>
</table>

- Order strength in High Voltage Products and Digital Grid
- Broad based regional revenue growth
- Solutions and High Voltage Products with continued improvements

1) Comparable, i.e. adjusted for currency translation and portfolio effects

### Building Technologies (BT)

<table>
<thead>
<tr>
<th></th>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 15</td>
<td>1.7</td>
<td>222</td>
</tr>
<tr>
<td>Q4 FY 16</td>
<td>1.8</td>
<td>196</td>
</tr>
</tbody>
</table>

- Clear order growth driven by solution business in the U.S.
- Seasonally strong profitability on tough comps

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DF: Industry leading top line growth drives margin expansion
PD: Realignment to tackle structural challenges continues

**Digital Factory (DF)**

- Broad based order and revenue growth with strength in most product lines
- Integration of CD-adapco into a strong PLM-business ahead of plan

1) Comparable, i.e. adjusted for currency translation and portfolio effects

**Process Industries and Drives (PD)**

- Ongoing weak demand in commodity related industries with signs of finding a bottom
- Execution of structural measures to realign capacities

1) Margin as reported
2) Margin excl. severance

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Page 7 Munich, November 10, 2016

Q4 FY 2016 Analyst Call
**Mobility (MO)**

- **Orders**
  - Q4 FY 15: €2.4bn
  - Q4 FY 16: €2.3bn (-3%)

- **Revenue**
  - Q4 FY 15: €2.0bn
  - Q4 FY 16: €2.1bn (+8%)

- **Profit & Margin**
  - Q4 FY 15: €171m (10.2%)
  - Q4 FY 16: €173m (8.6%)  

**Healthineers (HC)**

- **Orders**
  - Q4 FY 15: €3.8bn
  - Q4 FY 16: €3.9bn (+1%)

- **Revenue**
  - Q4 FY 15: €3.6bn
  - Q4 FY 16: €3.7bn (+2%)

- **Profit & Margin**
  - Q4 FY 15: €696m (19.8%)
  - Q4 FY 16: €696m (19.2%)  

1) Comparable, i.e. adjusted for currency translation and portfolio effects

**Key Points**

- **MO**: Stringent execution drives sustainable high margins
- **HC**: Continued strength in Diagnostic Imaging
- **MO**: Solid project execution secures leading margins
- **HC**: Revenue increase and strong profit due to Diagnostic Imaging business, softness in Laboratory Diagnostics
- **HC**: Continued investment in innovation and go-to-market
Below the line volatility continues in all aspects
Favourable one-off impact in D/O affects EPS in FY 2016

Below Industrial Business - FY 2016

Expectations for FY 2017

- **SFS**: “operationally” in line with FY 2016
- **CMPA**: includes other portfolio elements; volatility remains in FY 2017
- **SRE**: in line with prior year, dependent on disposal gains
- **Corporate Items**: ~€150m per quarter on higher central innovation invest; H2>H1
- **Pension**: ~€125m per quarter
- **PPA**: in line with FY 2016
- **Elimination, Corporate Treasury, Other**: in line with FY 2016
- **Tax**: expect 26 – 30%
- **Discontinued Operations**: immaterial
Strong finish with significant full year improvement

Quarterly free cash flow ("all-in")

<table>
<thead>
<tr>
<th>Quarter</th>
<th>€m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY 16</td>
<td>-728</td>
</tr>
<tr>
<td>Q2 FY 16</td>
<td>812</td>
</tr>
<tr>
<td>Q3 FY 16</td>
<td>1,822</td>
</tr>
<tr>
<td>Q4 FY 16</td>
<td>3,570</td>
</tr>
</tbody>
</table>

FY 2016: €5,476m (+17% y-o-y)

Key drivers free cash flow Q4 FY 16 (cont. ops.)

<table>
<thead>
<tr>
<th>Δ</th>
<th>€m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories inc. Advan.</td>
<td>977</td>
</tr>
<tr>
<td>Receivables</td>
<td>166</td>
</tr>
<tr>
<td>Payables</td>
<td>600</td>
</tr>
<tr>
<td>BiE</td>
<td>-634</td>
</tr>
</tbody>
</table>

€1.1bn

- Broad based net operating working capital improvement across Divisions
- Inventory reduction driven by product and project businesses
- Lower billings in excess due to fewer large orders in Q4
Clear execution on pay-out ratio commitment of 40 – 60%
Dividend yield of 3.5%

Dividend development

Second endowment to Siemens Profit Sharing Pool of €100m

Ongoing share buyback execution of up to €3bn over up to 36 months (until November 2018)

1) Adjusted for exceptional non-cash items: 2010: impairments at DX; 2012: impairments at Solar and NSN restructuring
2) Effect of OSRAM stock distribution to shareholders of €2.40 per share; not reflected in dividend payout ratio
Note: Payout ratio assumes 808m shares outstanding at AGM, Dividend yield based on share price Sept. 30, 2016 of €104.20

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Siemens Vision 2020 – A strong foundation to drive profitable growth

Ownership culture drives high performance team

Drive performance
- Cost reduction support functions (€1bn)
- Stringent project execution
- Fix underperforming businesses

Strengthen core
- Stringent capital allocation

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

Strategic direction
- Operational consolidation
- Optimization
- Accelerated growth and outperformance
€1bn cost savings achieved ahead of plan
Continuous productivity drives operational performance

Cumulated savings achieved

Total cost productivity of 3-5% on track

Key value driver SCM

- Digitalization: target electronic connection with suppliers for >80% of all transactions & integrate with key business processes
- Innovation: leverage global suppliers’ R&D potential

Key value driver IT

- Own software offerings to reduce time to market by 30 - 50%
- Implement attractive working environment leveraging mobile and cloud with savings of ~€100m (FY15-17)
- New B2B platform to support customer centricity, sales efficiency and effectiveness
Project execution – focus on operational excellence continues

Mobility – Progress as planned

- **Velaro Eurostar**
  - Successful start of passenger service between London and Paris
  - 10 train units handed over to Eurostar

- **ICE4**
  - World premier for first train in Sep 2016
  - Homologation in Germany received as planned
  - Beginning of trial operation with two trains

- **Thameslink**
  - Passenger service started in June 2016
  - Delivery of 115 trains until end of 2018
  - Two new depots opened

Egypt megaproject on track

- June 2015: Signing of contracts for megaproject
- December 2015/March 2016: Financial closing of combined cycle power plants (CCPP 14.4 GW)
- October 2016: Twelve gas turbines on foundation
- December 2016: 4.4 GW open cycle connected to grid
- Until May 2018: 14.4 GW in combined cycle connected to grid

Revenue split of CCPP order (€3.6bn)

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017e</th>
<th>FYs 2018/19e</th>
</tr>
</thead>
<tbody>
<tr>
<td>~1/3</td>
<td>~40%</td>
<td>~1/4</td>
<td></td>
</tr>
</tbody>
</table>
Underperforming businesses on clear improvement trajectory

Underperforming businesses (~€14.5 bn revenue in FY 2016)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017e</th>
<th>2020e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Margin</td>
<td>-4%</td>
<td>-3%</td>
<td>+1%</td>
<td>+3%</td>
<td>~6%</td>
<td>&gt;8%</td>
</tr>
</tbody>
</table>

- Footprint adjustments ongoing
- Sharpened scope

Fiscal 2017 expectations: In 6% range
- Under special management attention

<table>
<thead>
<tr>
<th>FY 2017 Priorities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Clear accountability and tight monitoring</td>
</tr>
<tr>
<td>• Rigorous execution of business plans with focus on sustainable competitiveness</td>
</tr>
<tr>
<td>• Partnering and divestitures remain an option</td>
</tr>
</tbody>
</table>
Siemens Vision 2020 – A strong foundation to drive profitable growth

Ownership culture drives high performance team

Drive performance
• Cost reduction support functions (€1bn)
• Stringent project execution
• Fix underperforming businesses

Strengthen core
• Stringent capital allocation

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

Optimization

Operational consolidation

Strategic direction

Accelerated growth and outperformance

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Q4 FY 2016 Analyst Call
Early focus on digitalization drives value and growth

Revenue FY 2016:
- Siemens software: ~€3.3bn
- Digital services: ~€1.0bn
- Cloud data platform: MindSphere: +12% 1)
- Enhanced automation: ~€18bn
- Classic services: ~€17bn
- Enhanced electrification: ~€42bn

Market CAGR FY17-20:
- ~+8%
- +3-4%
- +1-2%

Strategic direction:
- Strengthen leadership by combining software, platforms & services
- Expand #1 position and utilize for digitalization
- Differentiate through enhanced offerings with automation & digitalization

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

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Q4 FY 2016 Analyst Call
Executing Vision 2020:
Portfolio optimization continues along our strategic imperatives

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

Closing of divestment to AtoS
January 16

Closing divestment of remaining assets to EQT
January 16

Closing of acquisition of CD-adapco
April 16

Merger of Siemens Wind Power with Gamesa announced
Siemens 59% / Gamesa 41%
Gamesa AGM approval with 99.75%

Listing preparation announced

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Q4 FY 2016 Analyst Call
Siemens Healthineers: From Good – to Great – to Fascinating

Leading position in key markets and resilient performance

<table>
<thead>
<tr>
<th>Parameter</th>
<th>FY 2011</th>
<th>FY 2016</th>
<th>CAGR (% FX comp.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue in €bn</td>
<td>11.1</td>
<td>13.5</td>
<td>+2.9%</td>
</tr>
<tr>
<td>Profit margin</td>
<td>13.2%</td>
<td>17.2%</td>
<td>+4pts</td>
</tr>
<tr>
<td>Free cash flow in €bn</td>
<td>1.8</td>
<td>2.2</td>
<td>+21%</td>
</tr>
</tbody>
</table>

1) FY2011 financials excluding Audiology and Hospital Information Systems business

Distinct trends at work

Transformation of Healthcare providers continues:

<table>
<thead>
<tr>
<th>Industry Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrialization</td>
<td>• that understand challenges in a changing Healthcare market and</td>
</tr>
<tr>
<td>Consolidation</td>
<td>• are able to address broad issues in multi-hospital provider systems</td>
</tr>
<tr>
<td>Health management</td>
<td></td>
</tr>
</tbody>
</table>

Growth fields: We will further strengthen our attractive business

<table>
<thead>
<tr>
<th>Growth Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Molecular Diagnostics</td>
<td>Build up molecular diagnostics portfolio utilizing our global presence and strong customer partnerships</td>
</tr>
<tr>
<td>Advanced Therapies</td>
<td>Grow rapidly into therapy: build upon our expertise in hybrid ORs and core imaging</td>
</tr>
<tr>
<td>Services</td>
<td>Build new services portfolio to solve system wide hospital challenges incl. clinical data analytics capabilities</td>
</tr>
</tbody>
</table>

Providers today seek relevant suppliers/partners
Strengthen our leading position by preparing listing of Siemens Healthineers

Transformation in the healthcare market continues...

- Paradigm shifts visible: Transition from
  - (i) product business to solving hospital system wide challenges
  - (ii) fee for service to managing outcome based health
- Race for customer relevance intensified
- Competitor & provider consolidation ongoing
- Investments required to respond to paradigm shifts

... listing best suited to manage transition

- Strengthen and build position in identified growth fields
- High strategic flexibility and capital allocation in light of changing healthcare market
- Focus on key success factors continues

STRENGTHEN THE HEALTHINEERS BUSINESS IN SIEMENS
Renewed customer focus shows results
Customer satisfaction up significantly – top line growth outpaces market

Siemens Net Promoter Score

**Target Vision 2020**

<table>
<thead>
<tr>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>+27%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Selected Growth Initiatives

**India**
- Strong public sector investments driving growth
- Siemens portfolio well aligned with government thrust areas

**Digital Sales**
- ~€7bn of sales via digital sales channels
- New B2B-platform under development
- Strong company presence in social media

**Food & Beverages**
- Grow market share, e.g. at end-customers & lead OEMs
- Leverage dedicated regional F&B set-ups
- Shape digitalization in F&B industry

**Selected Growth Initiatives**

- Broad based improvement across all Regions & Divisions
- **Vision 2020** target of at least 20% improvement achieved
Push for innovation drives competitiveness and customer value

**Significant R&D investment continues**

R&D expenses in €bn (% of revenue)

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;D Expenses in €bn</th>
<th>% of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014</td>
<td>4.0</td>
<td>5.6%</td>
</tr>
<tr>
<td>FY 2015</td>
<td>4.5</td>
<td>5.9%</td>
</tr>
<tr>
<td>FY 2016</td>
<td>4.7</td>
<td>5.9%</td>
</tr>
<tr>
<td>FY 2017e</td>
<td>~5.0</td>
<td>~25%</td>
</tr>
</tbody>
</table>

- Digital platform MindSphere
- Next47 – unique way of innovation management
- Expand Digital Enterprise Architecture
- Enhanced Process Control System
- Decentralized energy systems
- Upgrade Gas Turbine portfolio

**Successful outcomes**

BMW Supplier Innovation Award “Productivity” for DF
- Long-lasting successful partnership
- TIA Portal is important step into digitalization and Industrie 4.0

Healthineers:
- Unveiling of Atellica™ Solution\(^1\), a highly flexible immunoassay and clinical chemistry solution
- Commercial launch in the course of FY 2017

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\(^1\)System under FDA review. Not available for sale. Any features listed are part of the development design goals. Future availability cannot be guaranteed.
Siemens Vision 2020 delivers results as planned
Priorities for FY 2017 clearly identified

<table>
<thead>
<tr>
<th>Timing</th>
<th>Execution milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>New and simplified organization implemented</td>
</tr>
<tr>
<td></td>
<td>Portfolio optimization along strategic imperatives (acquisitions &amp; divestments)</td>
</tr>
<tr>
<td>FY 2016</td>
<td>Cost reduction target of €1bn achieved</td>
</tr>
<tr>
<td></td>
<td>Improvement of underperforming businesses to 3% profit margin</td>
</tr>
<tr>
<td>FY 2017</td>
<td>Fix underperforming businesses</td>
</tr>
<tr>
<td></td>
<td>Strengthen core e. g. through merger with Gamesa</td>
</tr>
<tr>
<td></td>
<td>Leadership of Digital Enterprise extended</td>
</tr>
<tr>
<td></td>
<td>Continue profitable growth - 8 out of 9 Divisions in target margin range</td>
</tr>
</tbody>
</table>
Assumptions for FY 2017 as basis for guidance

**Macroeconomic environment**
- Continued geopolitical tension and weak global investment demand

**Pricing**
- Pricing pressure around 2.5% of revenue

**Personnel cost inflation**
- 3 – 4% increase

**Productivity**
- Mid range of 3 – 5% total cost productivity target

**Opex**
- Continued additional invest in R&D and sales of ~€500m

**Capex**
- Moderate increase over FY 2016 levels

**Foreign exchange**
- Modest negative top line impact based on current exchange rates
We continue to anticipate headwinds for macroeconomic growth and investment sentiment in our markets due to the complex geopolitical environment.

Therefore, we expect modest growth in revenue, net of effects from currency translation and portfolio transactions. We further anticipate that orders will exceed revenue for a book-to-bill ratio above 1.

For our Industrial Business, we expect a profit margin of 10.5% to 11.5%.

We expect basic EPS from net income in the range of €6.80 to €7.20, compared to €6.74 in fiscal 2016 which included €0.23 from discontinued operations.

This outlook assumes stabilization in the market environment for our high-margin short-cycle businesses.

It further excludes charges related to legal and regulatory matters as well as potential burdens associated with pending portfolio matters.
One Siemens Financial Framework
Clear targets to measure success and accountability

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></th>
<th>PG</th>
<th>EM</th>
<th>MO</th>
<th>PD</th>
<th>SFS(^6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PG</td>
<td>11 – 15%</td>
<td>7 – 10%</td>
<td>6 – 9%</td>
<td>8 – 12%</td>
<td>15 – 20%</td>
</tr>
<tr>
<td>WP</td>
<td>5 – 8%</td>
<td>8 – 11%</td>
<td>14 – 20%</td>
<td>15 – 19%</td>
<td></td>
</tr>
</tbody>
</table>

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
### Financial Cockpit

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<tr>
<td>B-t-B</td>
<td>82.3</td>
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<td>Comp. (nom.)</td>
<td>75.6</td>
<td>79.6</td>
<td>Margin</td>
<td>10.8%</td>
<td>11.4%</td>
<td>7.7</td>
<td>3.01)</td>
<td>5.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+4% (+5%)</td>
<td></td>
<td></td>
<td>+13%</td>
<td></td>
<td></td>
<td>8.7</td>
<td></td>
<td></td>
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<table>
<thead>
<tr>
<th>EPS (&quot;all-in&quot;) in €</th>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.661)</td>
<td>5.18</td>
<td>6.74</td>
</tr>
<tr>
<td>8.84</td>
<td></td>
<td>-24%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ROCE (&quot;all-in&quot;)</th>
<th>FY 2015</th>
<th>FY 2016</th>
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</thead>
<tbody>
<tr>
<td>~12.3%2)</td>
<td>14.3%</td>
<td></td>
</tr>
<tr>
<td>21.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 – 20%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital structure</th>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.6x</td>
<td>1.0x</td>
<td></td>
</tr>
<tr>
<td>≤1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Portfolio gains from the divestments of the hearing aid business and our stake in BSH
2) Net Income and Capital Employed adjusted for hearing aid business and BSH

1.09 B-t-B Comp. (nom.) +4% (+5%)

-24% Revenue FY 2016

86.5 +4% (+5%)
Net Debt Bridge – Q4 FY 2016

<table>
<thead>
<tr>
<th>€bn</th>
<th>Adj. ind. Net Debt/ EBITDA (c/o)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Debt Q3 2016</td>
<td>1.0x</td>
<td>Q3 FY16: 1.3x</td>
</tr>
<tr>
<td>-21.1</td>
<td>-10.5</td>
<td></td>
</tr>
<tr>
<td>Operating Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>therein:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>· Δ Inventories</td>
<td>+1.0</td>
<td></td>
</tr>
<tr>
<td>· Δ Trade and other receivables</td>
<td>+0.2</td>
<td></td>
</tr>
<tr>
<td>· Δ Trade payables</td>
<td>+0.6</td>
<td></td>
</tr>
<tr>
<td>· Δ Billings in excess</td>
<td>-0.6</td>
<td></td>
</tr>
<tr>
<td>therein a.o.:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>· Net Income</td>
<td>+1.2</td>
<td></td>
</tr>
<tr>
<td>· D&amp;A &amp; Impairments</td>
<td>+0.7</td>
<td></td>
</tr>
<tr>
<td>· Income taxes</td>
<td>+0.6</td>
<td></td>
</tr>
<tr>
<td>Cash &amp; cash equiv. €7.61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Δ Working Capital</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>Cash flows from op. activities (w/o Δ working capital)</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>Δ Working Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>-2.2</td>
<td></td>
</tr>
<tr>
<td>Financing topics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>therein a.o.:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>· CAPEX</td>
<td>-0.8</td>
<td></td>
</tr>
<tr>
<td>· Change in receivables from financing activities (SFS)</td>
<td>-1.3</td>
<td></td>
</tr>
<tr>
<td>therein a.o.:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>· Share buyback</td>
<td>-0.1</td>
<td></td>
</tr>
<tr>
<td>Cash flows from op. activities (w/o Δ working capital)</td>
<td>-2.2</td>
<td></td>
</tr>
<tr>
<td>Net Debt Q4 2016</td>
<td>8.6</td>
<td></td>
</tr>
<tr>
<td>Net Debt adjustments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. ind. Net Debt Q4 2016</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Including current available-for-sale financial assets
### Key Financial Data SFS

- **Assets**: €26.4bn
- **Income before income taxes**: €121m
- **Return on Equity after tax**: 15.5%
- **Operating and Investing Cash Flow**: -€1.524m

### Assets

<table>
<thead>
<tr>
<th>Component</th>
<th>€bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leases &amp; Loans (^1)</td>
<td>23.4</td>
</tr>
<tr>
<td>Equity Investments</td>
<td>1.4</td>
</tr>
<tr>
<td>Other Assets &amp; Inventory (^2)</td>
<td>1.5</td>
</tr>
<tr>
<td>Cash</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>26.4</td>
</tr>
</tbody>
</table>

### Liabilities and Equity

<table>
<thead>
<tr>
<th>Component</th>
<th>€bn</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Liabilities &amp; Equity</strong></td>
<td>26.4</td>
</tr>
<tr>
<td><strong>Allocated Equity</strong></td>
<td>2.6</td>
</tr>
<tr>
<td><strong>Total Debt</strong></td>
<td>22.4</td>
</tr>
<tr>
<td><strong>Accruals &amp; Other Liabilities</strong></td>
<td>1.4</td>
</tr>
</tbody>
</table>

\(^1\) Operating and finance leases, loans, asset-based lending loans, factoring and forfaiting receivables

\(^2\) Intercompany receivables, securities, (positive) fair values of derivatives, tax receivables, fixed assets, intangible assets, land and building, prepaid expenses and inventories
Underfunding for Siemens’ pension plans increased to -€12.8bn in Q4 FY 2016

Funded status for Siemens’ pension plans increased in Q4, mainly due to ongoing decreased discount rate assumption

<table>
<thead>
<tr>
<th>in €bn¹)</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>Q1 FY 2016</th>
<th>Q2 FY 2016</th>
<th>Q3 FY 2016</th>
<th>Q4 FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit obligation (DBO) on pension benefit plans</td>
<td>(35.0)</td>
<td>(36.3)</td>
<td>(41.6)</td>
<td>(36.7)</td>
<td>(38.4)</td>
<td>(40.8)</td>
<td>(41.6)</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>26.5</td>
<td>27.3</td>
<td>28.8</td>
<td>27.4</td>
<td>27.5</td>
<td>28.1</td>
<td>28.8</td>
</tr>
<tr>
<td>Funded status of pension plans</td>
<td>(8.5)</td>
<td>(9.0)</td>
<td>(12.8)</td>
<td>(9.3)</td>
<td>(10.9)</td>
<td>(12.7)</td>
<td>(12.8)</td>
</tr>
<tr>
<td>DBO on other post-employment benefit plans (mainly unfunded)</td>
<td>0.5</td>
<td>0.5</td>
<td>0.6</td>
<td>0.5</td>
<td>0.5</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Discount rate²)</td>
<td>3.0%</td>
<td>3.0%</td>
<td>1.7%</td>
<td>3.0%</td>
<td>2.4%</td>
<td>1.9%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Interest Income²)</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Actual return on plan assets²)</td>
<td>2.9</td>
<td>0.5</td>
<td>3.3</td>
<td>0.2</td>
<td>0.9</td>
<td>1.0</td>
<td>1.2</td>
</tr>
</tbody>
</table>

¹) All figures are reported on a continuing basis.
²) If figures are based on the post-employment benefits in total.
Financial calendar

November

**November 10, 2016**
Q4-Earnings Release and Analyst Call

**November 11, 2016**
Roadshow London

**November 15 – 16, 2016**
Roadshow Frankfurt, Paris

**November 15 – 16**
Roadshow Boston, New York

December

**December 7, 2016**
Shaping Digitalization. Innovation at Siemens (Munich)

January

**January 10, 2017**
Commerzbank German Investment Seminar (New York)
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