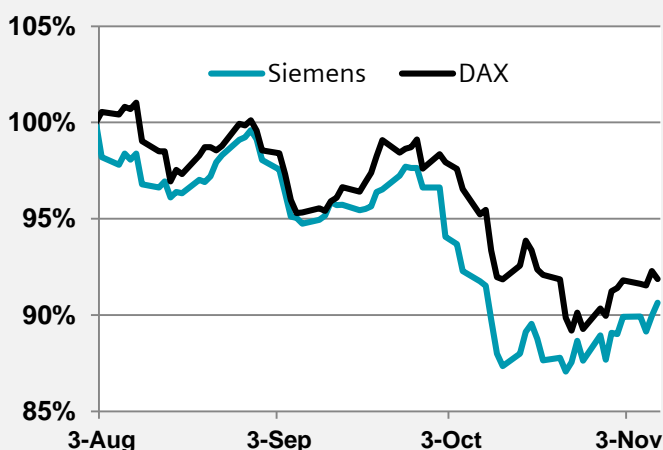




Share Performance Aug 3 – Nov 8, 2018



Siemens -9% | DAX -8%

GE -31% | Eaton -9% | ABB -8% | Schneider -4% | MHI +3%

[Link to the Siemens share information](#)

Ladies and gentlemen, dear shareholders,

last Thursday, CEO Joe Kaeser and CFO Ralf Thomas reviewed the performance of Siemens' 4th quarter and fiscal 2018 during an analyst conference call.

After a strong fiscal year, Siemens proposes an **increase of the dividend to €3.80** per share. Furthermore, a new **share buyback program** was announced (p. 2) and the **guidance for fiscal 2019** was provided (p.3).

Joe Kaeser said: "We again delivered what we promised and fully reached our guidance which we raised at mid-year. This shows the strength of our global team which competed convincingly in both growth markets and difficult environments, and achieved another strong performance. In fiscal 2019 we will give our businesses even greater entrepreneurial freedom, and lay the foundation for execution of Vision 2020+."

In **fiscal 2018, all ambitious targets were achieved:** Book-to-bill was at a strong 1.10. We had an Industrial business margin excluding severance of 11.3%, after most Divisions were within or even above their target margin ranges. Earnings per share excluding severance charges grew 2% to €7.88.

Q4 in fiscal 2018 was one of the best quarters for volume in Siemens' history. All Divisions except Power and Gas could grow their revenues. Orders slightly exceeded the high level of Q4 fiscal 2017, driven by double-digit growth in Mobility, Digital Factory, Power and Gas and Healthineers. Most Divisions increased margins, now in or even above the margin corridor. However, this excellent performance was held back by structural challenges in Power and Gas, which weighed on profitability. Net income of €0.7 billion, was burdened by €0.5 billion in severance charges (pre-tax) and substantial income tax expenses related to carve-out activities at Mobility. Another highlight was the Free cash flow of €3.3 billion, an increase of 38% year over year.

On the day of the announcement, the **Siemens share** closed at €103.52 (+0.8%) outperforming the DAX (-0.5%) and peers in a generally weak market environment. The Siemens share was supported by positive comments on favorable short cycle environment also into fiscal 2019, the announced dividend increase to €3.80 and the new share buyback program of up to €3bn over 3 years.

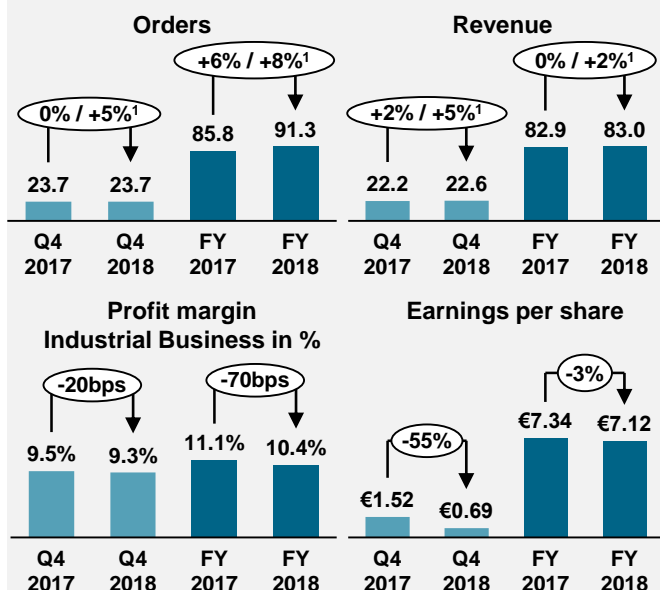
Dear shareholders, I want to thank you for your trust and interest and wish you already a wonderful pre-Christmas season.

Kind regards,

Sabine Reichel, Head of Investor Relations, Siemens AG

Selected Key Figures

(in € billion, except where otherwise stated)



1) Changes are adjusted for currency translation and portfolio effects

Our Industrial Business in Q4 2018



Siemens shareholder return – an attractive investment

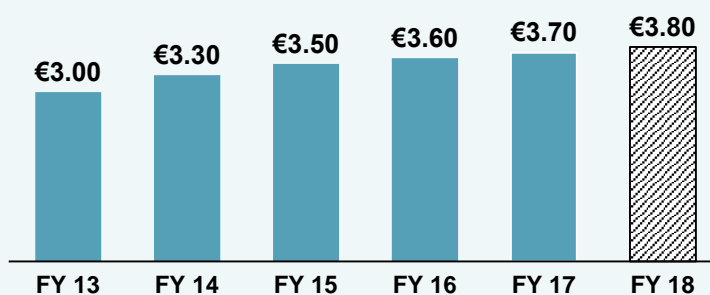
After a strong fiscal year, Siemens proposes a dividend of €3.80¹, an increase of 3% in comparison to the previous year and a dividend raise for the fifth year in a row.

This year's payout ratio of 53%² is in the upper half of the attractive target range of 40 to 60% of the Siemens dividend policy.

In relation to the Siemens Xetra closing price at fiscal year end (September 28, 2018: €110.34), this results in a dividend yield of 3.4% for fiscal 2018.

Siemens Dividend

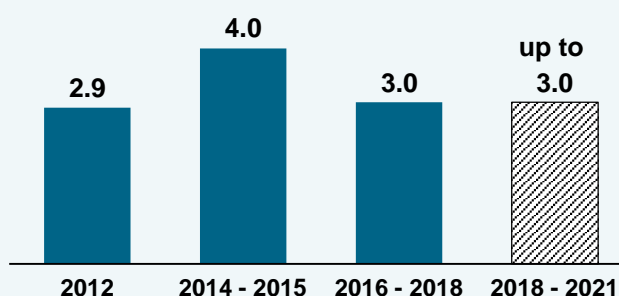
(FY13 – today)



„The share buyback is, in addition to an attractive dividend, another important element for enabling our shareholders to participate in our company's success.“, said Ralf Thomas, CFO of Siemens AG.

Siemens Share Buyback Programs

(2012 – today in €bn)



Siemens announced a new share buyback program with a volume of up to €3 billion in the period ending on November 15, 2021.

The shares that are to be bought back will serve exclusively to issue shares for employee share programs, to retire shares and to service the obligations in connection with convertible bonds or warrant bonds.

Since 2012, Siemens has bought back own shares with a value equivalent to around €10 billion. As part of its most recent share buyback program, Siemens acquired about 27 million shares worth about €3 billion between February 2, 2016, and October 10, 2018.

Information Corner – Vision 2020+

Vision 2020+ was announced in August 2018. The strategic framework was set and now the Companies have to use their entrepreneurial freedom to fill it with actions and execute on them.

When will Vision 2020+ be implemented?

We know where we want to go and we have a clear roadmap to achieve the go-live of the new organization by April 1st. And we will start optimizing it from there.

Will Vision 2020+ be further outlined in detail?

In the middle of the next fiscal year we plan a capital market day to provide more details such as strategic priorities and key action fields for accelerating growth and enhancing efficiencies.

Later in the year, we also plan an innovation day. We will show you how we make a difference in future fields together with our customers and partners.

What is the overall goal of Vision 2020+?

Vision 2020+ is about proactively delivering the future by raising the bar. We will tap new growth fields and lead the way in our industries. The goal is clear - to ultimately create value for all stakeholders in the long-term.

Financial Calendar



Jan. 30, 2019	1st quarter 2019 financial results and expected AGM
May 8, 2019	2nd quarter 2019 financial results
Aug. 1, 2019	3rd quarter 2019 financial results

For further information, please click [here](#)

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What does Siemens expect for fiscal 2019?

We expect a **continued favorable market environment, particularly for our short-cycle businesses, with limited risks related to geopolitical uncertainties.** For fiscal 2019, we **expect moderate growth in revenue, net of currency translation and portfolio effects.** We further anticipate that orders will exceed revenue for a **book-to-bill ratio above 1.** We expect a **profit margin of 11.0% to 12.0% for our Industrial Business based on our current organizational structure, excluding severance charges.** Furthermore we expect **basic EPS from net income in the range of €6.30 to €7.00 also excluding severance charges.** Fiscal 2018 basic EPS from net income of €7.12 benefited from €1.87 per share in portfolio gains related to our stakes in Atos SE and OSRAM Licht AG and was burdened by €0.76 from severance charges, resulting in €6.01 excluding these factors.

This outlook excludes charges related to legal and regulatory matters and post-closing results from combining our mobility business with Alstom SA, which we expect to close in the first half of calendar 2019.

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 the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-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 the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance 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.