-------------------------------------------------------------------------------------------------------- Siemens 2012

Dear readers, we have only one planet to live on. Yet humanity is already consuming the equivalent of the natural resources of 1.5 planets. And the impact on the environment, the climate and society is unmistakable.

That’s why we must act today to ensure that future generations inherit a world worth living in. The children from São Paulo featured on the front cover of this report are already part of this future. They represent our stakeholders of tomorrow – our customers, partners, investors and employees. And they also represent the wide variety of requirements to be met as societies around the world join the quest for a sustainable future. At Siemens, we’re preparing for this future with an overarching strategy that has sustainability as its guiding principle. Sustainability is more than just a buzzword: It derives from ways of thinking and acting which were developed 300 years ago and affect many areas of our life today. The concept of sustainability also had an impact on our company’s founder. Werner von Siemens recognized early on that sustainability had great potential for an innovative company and that the principles of good business – that is, efficiency and growth on the one hand, and responsibility for society and the environment, on the other – were not mutually exclusive but mutually reinforcing. This understanding of sustainability as a business opportunity that drives economic, environmental and social progress has dominated our strategy and activities for 165 years.

And our Company’s structure reflects this focus. Sustainability is addressed at the Managing Board level and is firmly anchored in our organization. In 2009, we launched a comprehensive Sustainability Program and established the Sustainability Board, which comprises high-ranking representatives from throughout the Company, as well as the Sustainability Advisory Board, which consists of leading external experts. We’re fully committed to the goals of the Global Compact and the CEO Water Mandate of the United Nations. And we actively cooperate with organizations such as the World Business Council for Sustainable Development, the Global Reporting Initiative, the World Economic Forum and the World Resources Institute.

External assessments conducted in fiscal 2012 also attest that we’re on the right track. In the Dow Jones Sustainability Index, we were named the world’s most sustainable industrial company – not only capturing the No. 1 spot for diversified industrials for the fifth time in a row but also, for the first time, leading the industrial goods and services category which includes all nine different industries. We also again improved our score in the Carbon Disclosure Project, achieving an excellent result, with 98 out of 100 points. The action we’ve taken is impressive, and the facts speak for themselves – in terms of business and environmental performance alike. In fiscal 2012, we generated €33.2 billion with the products and solutions in our Environmental Portfolio while enabling our customers to cut their CO2 emissions by 332 million tons. We also took an important step forward in the area of healthcare, where we’re working with customers and partners to improve healthcare worldwide. In 2012, over 890 million people worldwide benefited from our medical imaging technologies, such as our Multix Select DR digital radiography system.

The following pages show how we’re driving sustainability with respect to our business, the environment and society. Focusing on selected everyday activities at our company, we invite you to take a look at how we’re demonstrating accountability while driving efficiency and growth – in other words, how we’re contributing to sustainable development. The report depicts how we’re pushing efficiency in the development and production of one of our products while also increasing its customer benefit, and how we’re enhancing the sustainability of our customers’ businesses with our products and solutions. Find out about the challenges confronting Siemens worldwide and how we’re tackling them to achieve our goals – to the benefit of the environment, society and our Company. See for yourselves how we’re tackling these challenges.

-------------------------------------------------------------------------------------------------------- Siemens 2013

For the first time, I’m addressing you as the President and CEO of your Company. I’ve been at this wonderful organization for 33 years now. Leading Siemens today is not only an enormous task; it is also a mission that I embrace with respect and dedication. The fact that millions of people benefit every day from infrastructures supported by Siemens technologies is an inspiration and an obligation as well as a source of pride. What Siemens can do, and what Siemens does, is relevant to people all around the world, whether our customers, users, employees or shareholders. Siemens stands for the electrification of the world. Digitization and automation are transforming this value chain – and offering us major opportunities.

I’m well aware of the importance of this task and of the tremendous responsibility I now also have for our more than 360,000 employees. Let me assure you of one thing: Siemens will continue to be guided by the values for which we’ve always stood − innovation, quality, reliability and engineering excellence. This will remain so in the future, and sustainability and responsibility will continue to inform our actions. These values have made us strong throughout our 166-year history, and our commitment to them will endure beyond the present and into the future.

Many things at Siemens are going well – some, even very well. Many of our businesses are very well positioned and poised for long-term success, as examples presented in this Annual Report show. This year, for the first time, the Report also includes our Sustainability Report, in which we clearly formulate our commitment to the aims of the United Nations Global Compact. The Annual Report provides a detailed account of a quite turbulent and eventful fiscal year in which there was much light but also some shadow.

At €75.9 billion, revenue was 1% below the prior-year level. New orders climbed to €82.4 billion, a substantial 10% gain. Our order backlog now totals €100 billion. Finally, income from continuing operations amounted to €4.2 billion, including transformation costs of €1.3 billion related to our Siemens 2014 productivity program and an extraordinary gain in connection with the divestment of our shares in Nokia Siemens Networks (NSN).

All in all, these are solid results, but we’re not satisfied with them – because we fell clearly short of our potential and did not meet our initial forecast for the year. In the summer, we had to retract the margin targets we’d set for our Sectors. Special burdens associated with projects in the areas of solar technology, high-speed trains, wind turbines and North Sea platforms for connecting offshore wind farms to the power grid put pressure on our profits. These burdens in operations were partially offset by the profits from the divestment of Nokia Siemens Networks (NSN) and from the cross-Sector activities of Siemens Real Estate (SRE) and Financial Services (SFS). The spinoff and public listing of OSRAM was also a welcome success. Our diligence and perseverance in preparing this move paid off, as the very gratifying development of the OSRAM share price over the past few months also confirms.

Based on these and other achievements, we’ll again propose an unchanged dividend of €3.00 per share at the upcoming Annual Shareholders’ Meeting. You’ll also profit from the share buyback program that we intend to implement over the next two years, which will have a volume of up to €4 billion.

Siemens has scored many successes recently – not just in fiscal 2013 but also between 2007 and 2011. Peter Loscher, my predecessor as President and CEO, played a pivotal role in our achievements during this period and, in particular, in the exemplary investigation of the corruption affair. On behalf of the Company and its employees, I’d like to express my gratitude to Mr. Loscher and my high regard for his commitment while in office over the past years.

I’d also like to thank the two other members of the Managing Board who have left the Company in recent months. Barbara Kux had been responsible for supply chain management and sustainability at our Company since 2008. Her work was instrumental in Siemens’ being ranked – once again this year – the most sustainable company across seven industries in the internationally renowned Dow Jones Sustainability Index. Brigitte Ederer also made many valuable contributions to the Company as a member of the Managing Board of Siemens AG and in her previous position as the long-time head of Siemens AG Osterreich. On behalf of the entire

Siemens workforce, I’d like to extend my sincere gratitude to both Ms. Kux and Ms. Ederer for their dedicated service.

Peter Y. Solmssen will resign from the Managing Board on December 31, 2013. He played a central role in establishing a sustainable corporate culture of integrity which is viewed as exemplary worldwide. This achievement will remain our benchmark and our beacon as we further align our legal and compliance organization. I’d like to thank Mr. Solmssen most sincerely for his service and his collegiality as a member of the Managing Board.

My appreciation also goes to Dr. Gerhard Cromme and the members of the Supervisory Board for their farsighted support for the work of the Managing Board. I’m very pleased that the Supervisory Board has appointed Dr. Ralf P. Thomas, an outstanding financial expert, to serve as Chief Financial Officer. Dr. Thomas will be responsible for ensuring that Siemens’ financial strategy remains as sound as it has always been – because in the future, as in the past, we always want to have the resources we need for investments in growth, jobs and innovation as well as employee training and continuing education.

We’ll leave many things as they are while taking decisive action on other fronts. What was not so successful will have to be adjusted and improved – not through lots of talk, but through decisive action and hard work. We’ll work together to make this happen. The entire Managing Board and Siemens’ global management team are in the front rank here.

I’m aware that you, our shareholders, have high expectations of us – and rightly so. We’ll work hard to meet your expectations. In doing so, we’ll act judiciously, decisively and rigorously while maintaining an unwavering focus on the sustainability of our measures. Our actions are geared not to turning a quick profit but to ensuring the long-term success of our Company. And I know I have a team behind me that’s unmatched and highly esteemed around the world. That’s why I’d like to extend my special thanks to all our employees for their dedication and achievements.

What we achieve as a team, the Siemens team, is the basis for our success. My personal conviction and my message to everyone at the Company is: Siemens will again take top priority at Siemens. This will be the guiding principle for each and every one of us – from Managing Board member to trainee, across all Sectors, Divisions and Regions as well as at the Company ’s headquarters. We’ll again focus more intensively on living Siemens’ virtues and values with renewed vigor every day: reliability and continuity, fairness and integrity, diligence and dedication, quality and innovation.

We don’t have to reinvent Siemens. Siemens is a company with a setup that spans the electrification value chain. The growing impact of digitization and the expanding use of automation are shaping our markets, changing our businesses and opening up opportunities for innovation. We’ll profit more strongly than others from the three pillars of electrification, digitization and automation. Many new competitors from other industries and technology fields are trying to penetrate our territory. We’re aware of this development and prepared to meet it. Many who see our business fields as attractive and want to establish a foothold in them will soon realize that we’re already on the scene. Nevertheless, we’re taking changes in technologies and customer behavior seriously. We’re closely following and preparing ourselves for paradigm shifts in our markets, businesses and environment, whether these shifts are driven by social media, data analytics – that is, the processing of enormous amounts of data – or biotechnology.

To leverage these changes for the benefit of our Company, we need unparalleled expertise in innovative technologies and unfailingly high productivity. And we must be willing to change in order to prevail against our competitors in hotly contested markets and maintain the upper hand. The best driver for any company is growth – controlled, focused, value-creating and, above all, sustainable growth. It’s essential that we set the right priorities for achieving growth. We must make wise investments, and this applies to everything from R&D expenditures to acquisitions and the systematic tapping of attractive markets.

A company like ours must aim to be a leader not only in technology but also in long-term profitability. This has nothing to do with greed – but everything to do with maintaining our innovative strength, enhancing our competitiveness and safeguarding jobs while remaining a trusted and attractive partner for our shareholders and investors worldwide.

We’re continuing to rigorously implement key elements of our Siemens 2014 program. We’ll bring the program to a successful conclusion, and it will drive our profitability. All the steps we’re taking must be geared to the long term, strengthen us on an ongoing basis and have an impact that extends beyond 2014. Because we don’t want a brief margin-boosting flash in the pan, but changes that will keep Siemens on the road to lasting success in order to preserve jobs and reinforce our technology and market leadership. These changes will position us to narrow and, in the medium term, close the gap in profitability to our competitors.

One thing is clear: Siemens will still be around after 2014. In fiscal 2013 – exactly a hundred years after the construction of our Berlin-Siemensstadt location, the site of our Company headquarters until 1949 – we laid the cornerstone for our new headquarters in Munich. We’ve now also begun planning a new Siemens campus in Erlangen, Germany. Both of these construction projects are more than a commitment to the future of two locations steeped in Company tradition. They also reflect our sense of obligation. We accept the responsibility that we have, day after day and year after year, for the future of our Company. Generations of Siemens employees have done their part to ensure that the Company in which you hold a stake is intrinsically sound today. I want our successors to be able to say the same thing about us in 20 or 30 years. Through our work, diligence and dedication, we – the Managing Board and the Company’s more than 360,000 employees around the world – can play a key role in shaping your Company’s future. Joining forces, we’ll act as though Siemens were our own company. That’s our pledge to you.