Wind – the essential renewable energy source!

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Wind Power Division

Capital Market Day Siemens Energy
Charlotte, December 11, 2012

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This document includes supplemental financial measures that are or may be non-GAAP financial measures. New orders and order backlog; adjusted or organic growth rates of revenue and new orders; book-to-bill ratio; Total Sectors profit; return on equity (after tax), or ROE (after tax); return on capital employed (adjusted), or ROCE (adjusted); Free cash flow, or FCF; cash conversion rate, or CCR; adjusted EBITDA; adjusted EBIT; adjusted EBITDA margins, earnings effects from purchase price allocation, or PPA effects; net debt and adjusted industrial net debt are or may be such non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation as alternatives to measures of Siemens' financial condition, results of operations or cash flows 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. Definitions of these supplemental financial measures, a discussion of the most directly comparable IFRS financial measures, information regarding the usefulness of Siemens' supplemental financial measures, the limitations associated with these measures and reconciliations to the most comparable IFRS financial measures are available on Siemens' Investor Relations website at www.siemens.com/nonGAAP. For additional information, see supplemental financial measures and the related discussion in Siemens' most recent annual report on Form 20-F, which can be found on our Investor Relations website or via the EDGAR system on the website of the United States Securities and Exchange Commission.

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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.

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Wind – the essential renewable energy source!

- Wind is 4% of aggregate global installations
- Onshore and Offshore wind are integral parts of a broad energy mix
- Wind is natural hedge against fuel price volatility
- Wind is further gaining importance and increasing reliability

Siemens Wind Power:
Focused on profitable growth and long term leadership!

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1	**Build on strengths**	**Offshore:**	Remain world leader in fastest growing sector
		Service:	Expand long-term offering for rapidly growing installed base
2	**Be selective**	**Onshore:**	Focus on profitable markets and projects
3	**Drive wind industry to subsidy-free cost level**	**Cost reduction:**	Focus on industrialization and cost reduction along the entire value chain
		Innovation:	More power from products, less complexity, less weight

Wind is an integral part of future energy mix –
Siemens to remain global leader in the industry

Wind Power Division:
Organized to serve diverse regional markets

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Division Wind Power / HQ: Hamburg, Germany

Business Unit EMEA HQ: Brande, DK		Business Unit AM HQ: Orlando, US		Business Unit APAC HQ: Shanghai, CN	
EMEA ON	EMEA OFF	AM ON	AM OFF	APAC ON	APAC OFF

Global functions: Engineering, Project Management, Supply Chain Management, Operations





	EMEA ON	EMEA OFF	AM ON	AM OFF	APAC ON	APAC OFF
Installed base	7.0 GW	2.6 GW	8.0 GW	N/A	0.4 GW	<0.1 GW
Backlog	>€11bn incl. service business					

Wind and Gas are the future winners – mix of generating source is a priority worldwide

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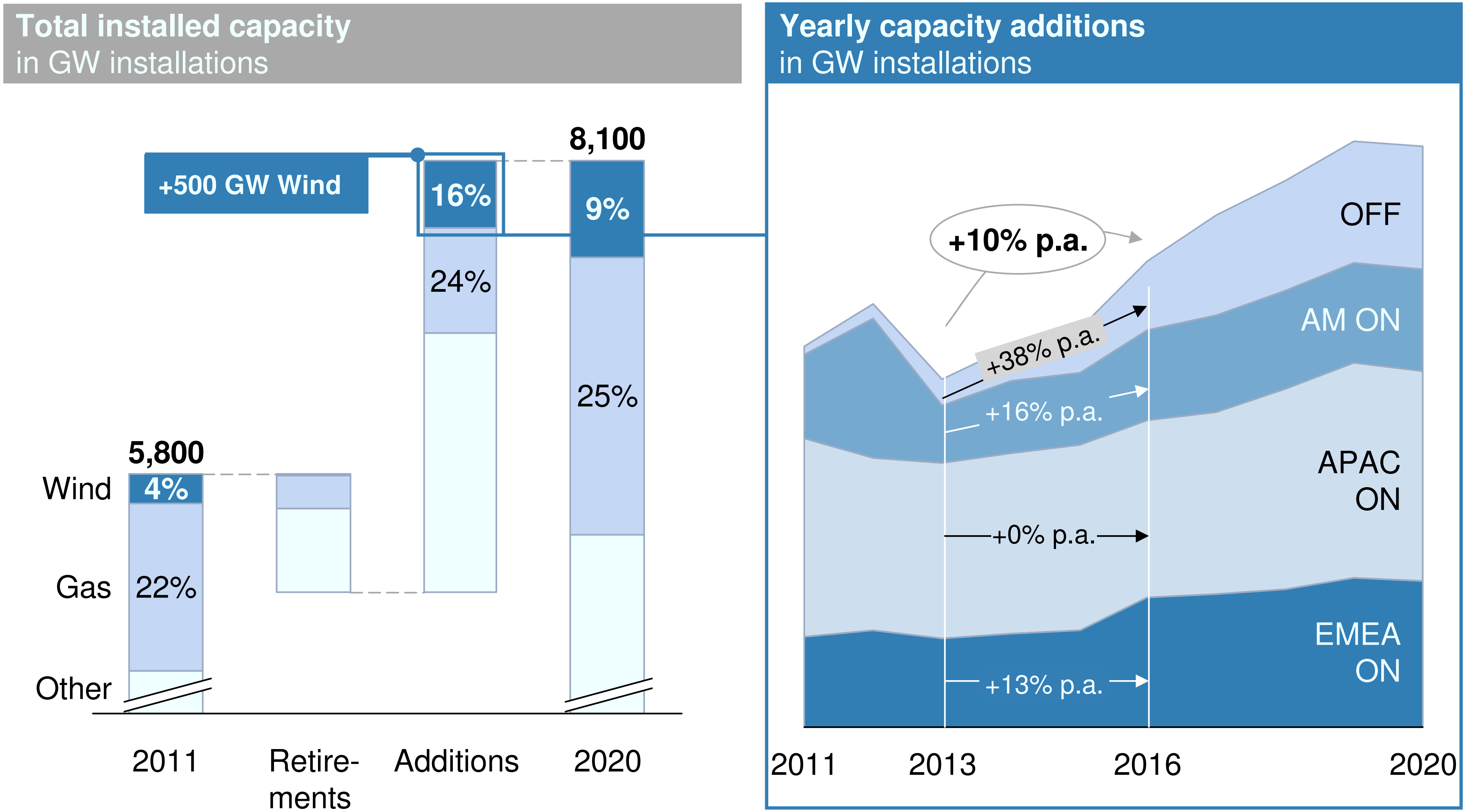

Changing market conditions in Wind – Siemens well positioned

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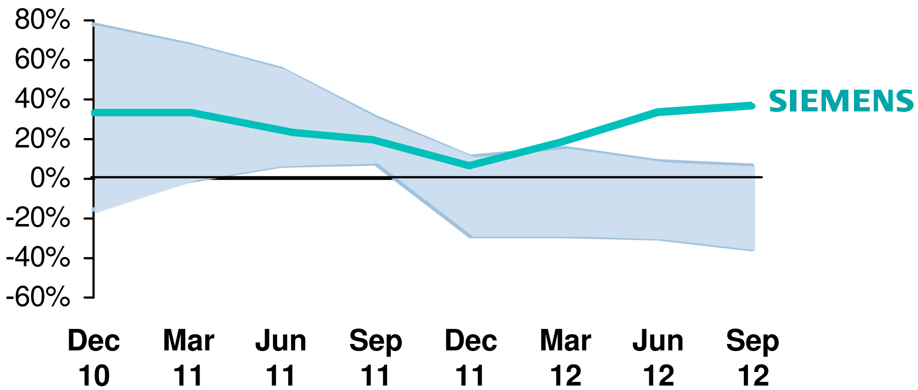
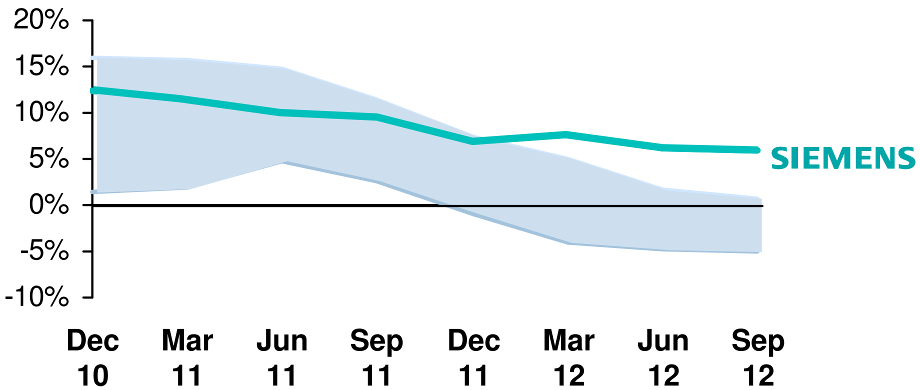
GLOBAL

- Pressure on subsidy regimes – positive long-term perspective
- Changed market weights to Asia, China biggest market
- Large overcapacities driving price pressure
- Increasing competition in onshore and offshore

Revenue nominal growth rolling 4 quarters
in %



Profit margins rolling 4 quarters
in %



Range of OEMs with publically available data

Priorities are clear:
Drive margin improvement and order growth

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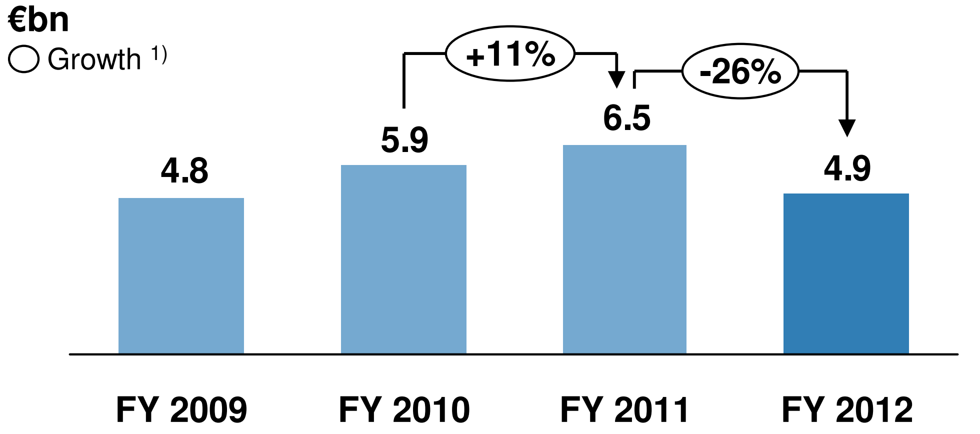
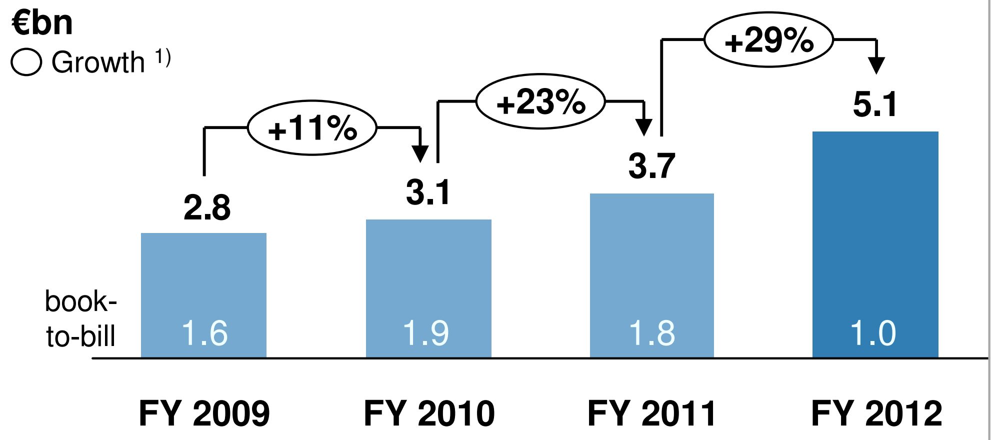
Orders

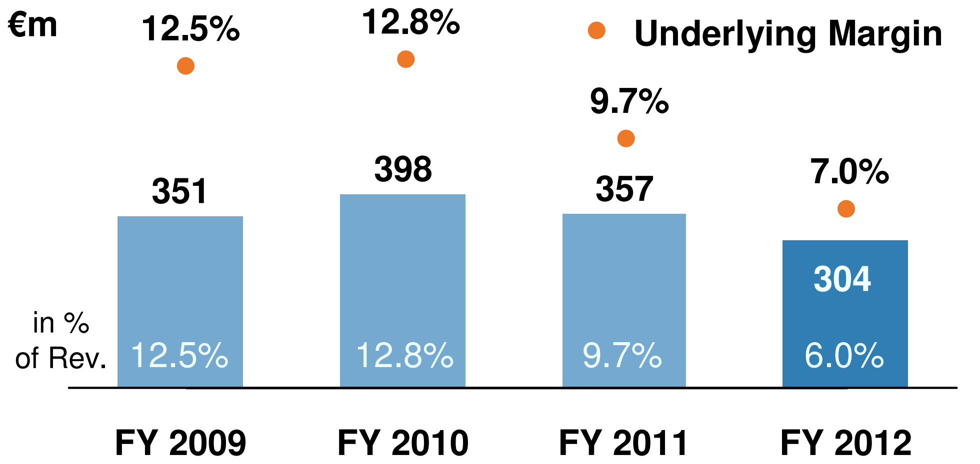


Growth FY 2009 to FY 2010 not applicable due to portfolio changes

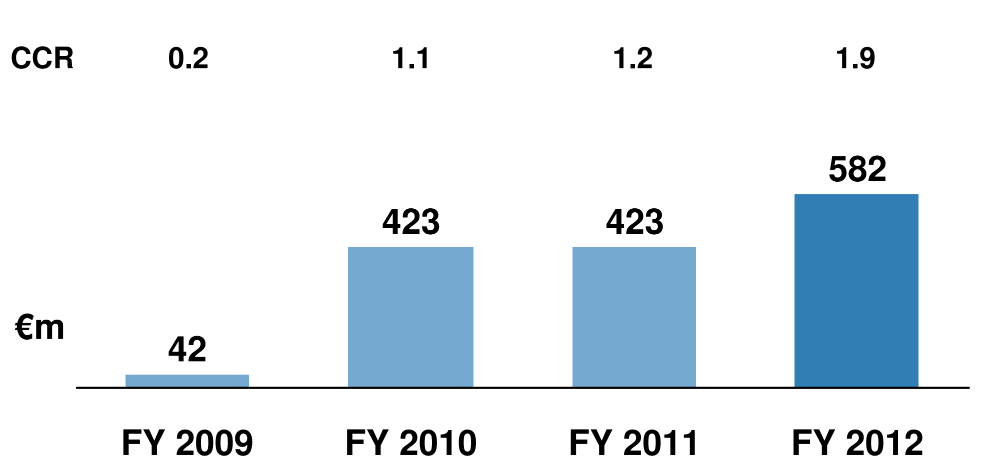
Revenue



Profit



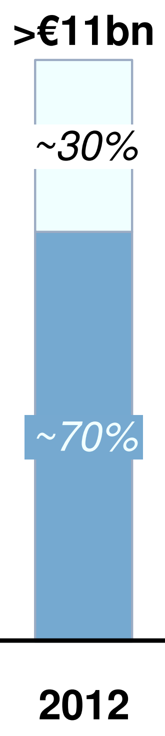
Free Cash Flow and Cash Conversion Rate



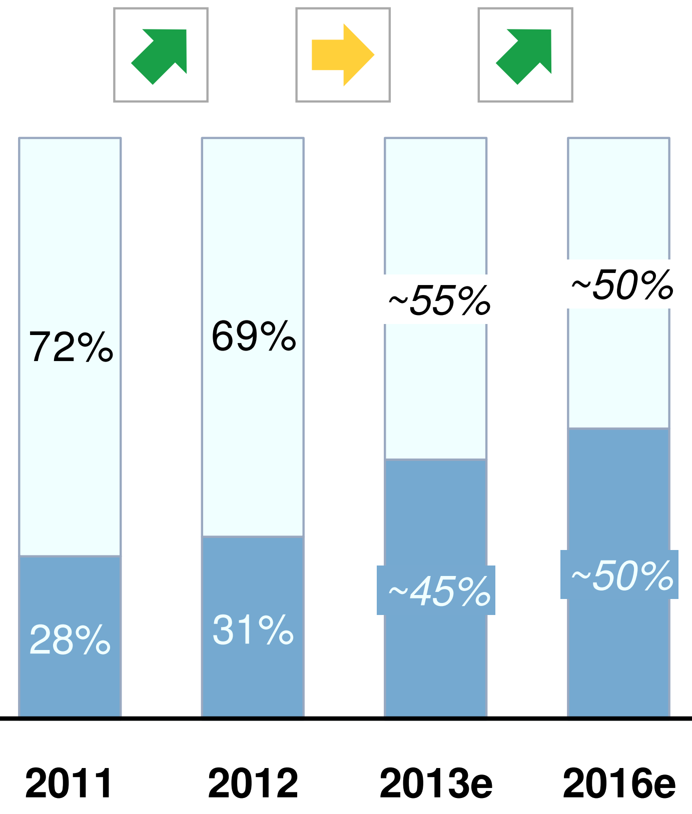
1) year-on-year on a comparable basis, i.e. excluding currency translation and portfolio effects

Optimal balance of onshore and offshore on back of unparalleled backlog

Backlog
in €bn



Revenue split in € and
revenue growth trend y-o-y



Onshore Offshore

Complementary business

Onshore:

- Stable base load
- Independence from subsidies within reach
- Technology base for offshore

Offshore:

- Strongest growth potential
- Long-term experience
- Strong technical capabilities

Independence from subsidies is in sight – onshore sooner than offshore

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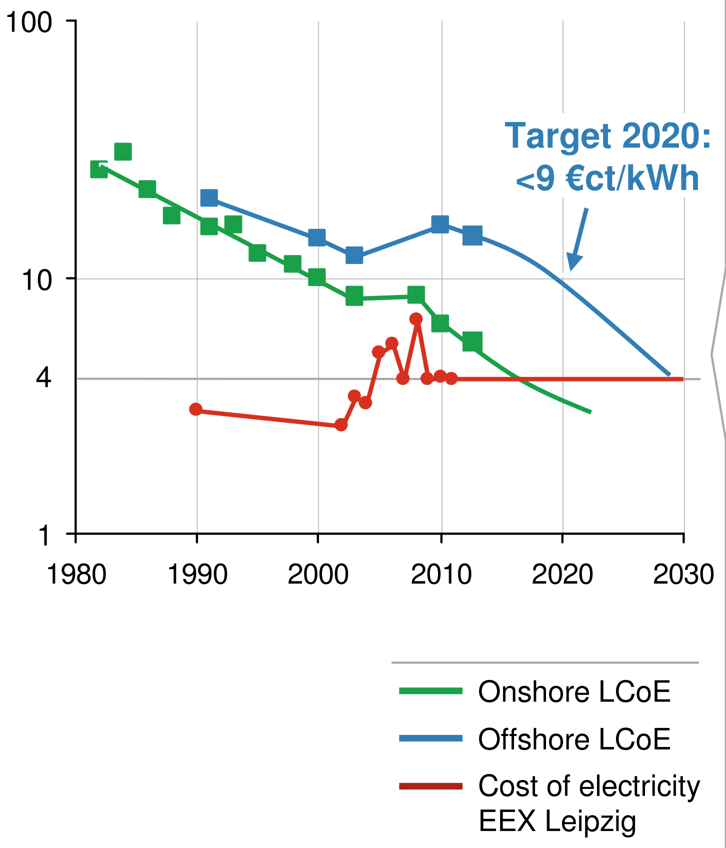
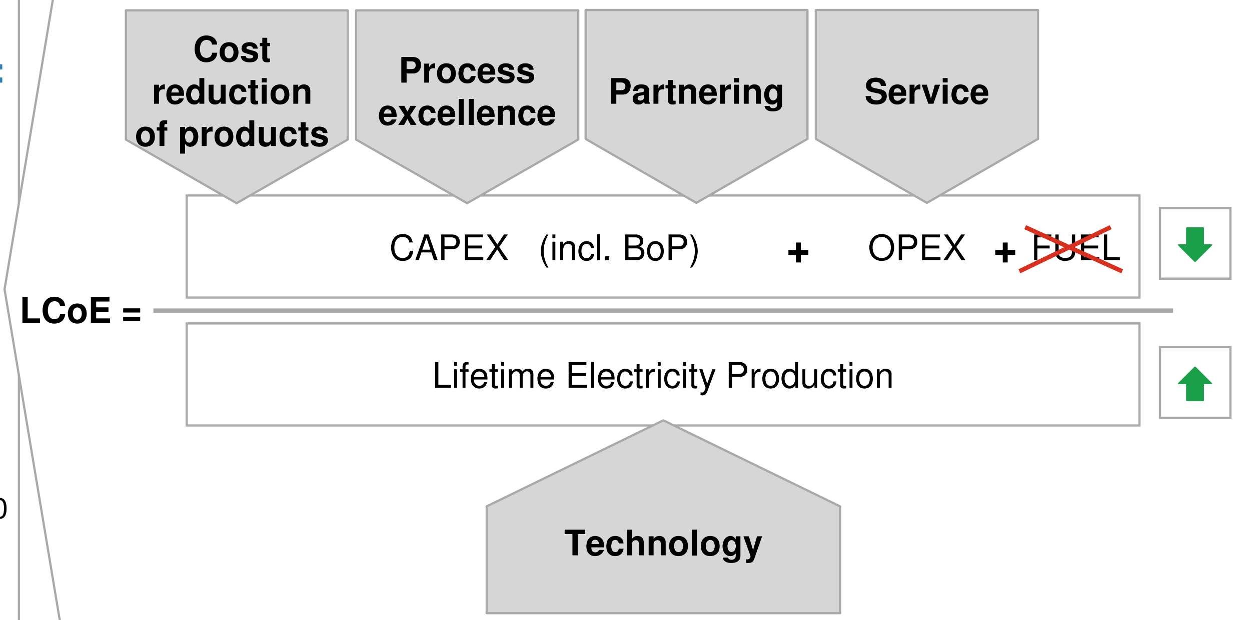
Siemens' Levelized Cost of Electricity development in Europe, in €ct/kWh



Levelized Cost of Electricity (LCoE), in €ct/kWh



Highest potential for LCoE reduction on nacelle – enabler direct drive technology

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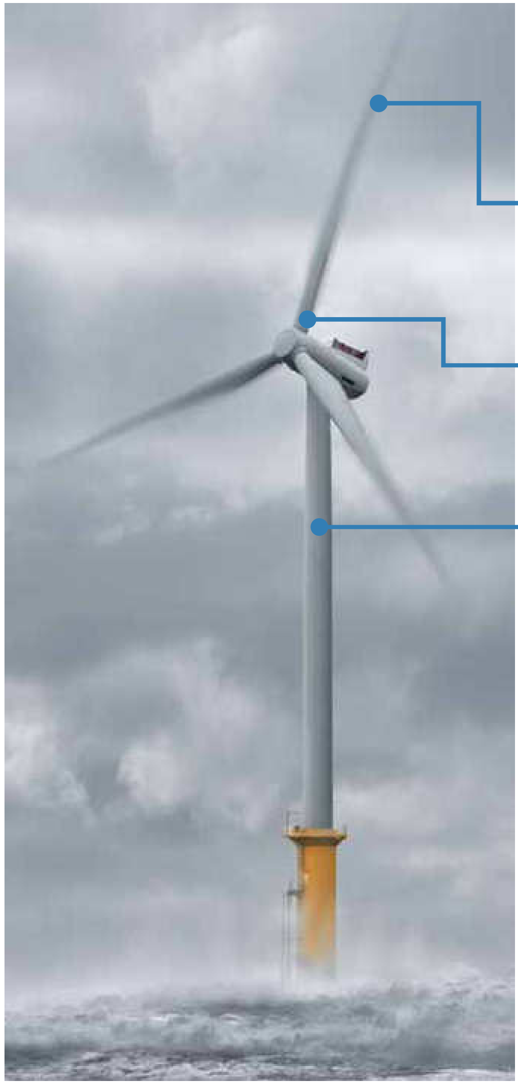

Average factory costs
in % of turbine costs

1. **Blades:**
   Determine energy capture — **~20%**
2. **Nacelle incl. hub and power unit:**
   Contains drive train, key to reliability — **~60%**
3. **Tower:**
   Height important for turbine output — **~20%**
4. Project mgmt, transport & Installation:
   Important cost block
5. Balance of plant (BoP):
   Offshore only, outside current scope
6. Service:
   Profitable long-term business for Siemens

Leading product offering on- and offshore – driving modularization and standardization

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From single products …

13 different product lines

… to 4 platforms …

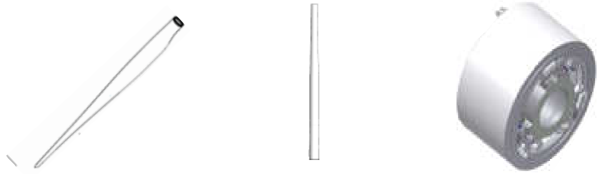
Small geared
SWT-2.3
+ Smart

Small DD
SWT-3.0

Large geared
SWT-4.0
+ Smart

Large DD
SWT-6.0

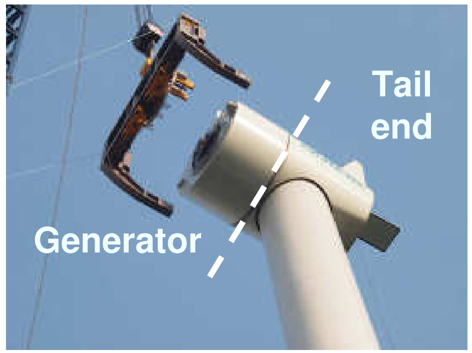
… with 6 modules broken down into sub-modules



Blade | Tower | Generator

Tail end | Hub | Power Unit

Example Split nacelle:



€175m productivity by 2014

Examples

Increased automation reduces production costs – modularization reduces transportation costs

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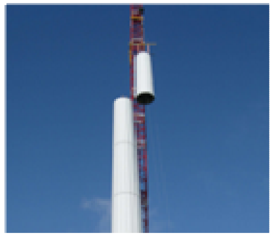
1 Towers: Cost reduction via modularization and industrialization


Fully automated production line


Transportation in standard container

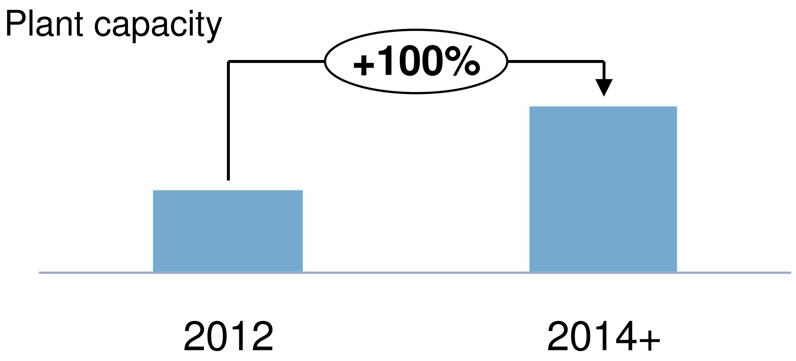

Usage of tension-control bolts – no re-tightening


Suitable for up to 200m hub heights

- Bolted steel shell towers most cost efficient for high hub heights
- Serial production started in 2012

Benefit: €15m productivity improvement until 2014 as compared to tubular steel tower

1 Blades: Cost reduction via manufacturing innovation



- Hand lay-up
- 32 hours cycle time
- 300 man-hours

- Partly automated
- 16 hours cycle time
- 150 man-hours

Benefit: €30m productivity improvement until 2014 for B55 blades

Siemens is the innovation leader: More power, less complexity, less weight

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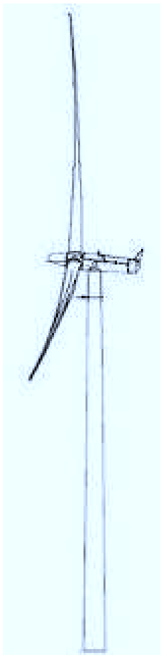
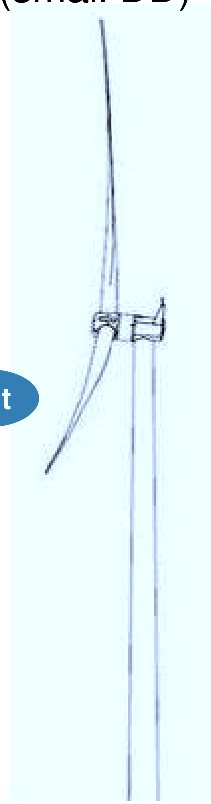
Portfolio transition: Leading Direct Drive technology

SWT-2.3-101
(small geared)



+28% AEP

SWT-3.0-113 DD
(small DD)

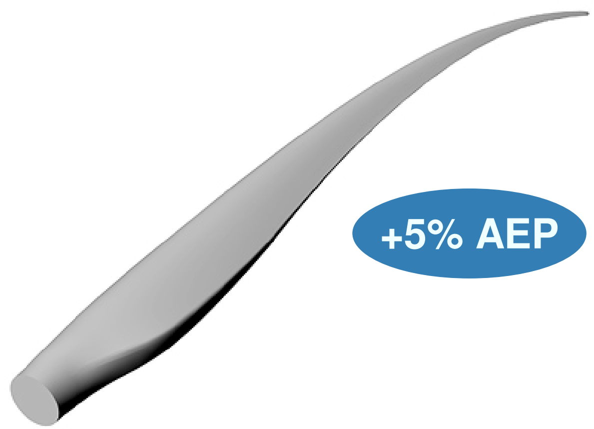


	SWT-2.3-101 (small geared)	SWT-3.0-113 DD (small DD)
Blades	**49 m**	**55 m**
Weight	**10.2 t**	**11.3 t**
Swept area	**8,000 m²**	**11,300 m²**
Nacelle	**2.3 MW**	**3.0 MW**
Weight	82 t	73 t
Drive train	**Geared**	**Direct drive**
Modular	**No**	**Yes**
Total weight	**145 t**	**139 t**
AEP per weight	**100%**	**134%**
Introduced	**2008**	**2012**

-9 t

USP in blades: Integral-Blade-Technology

- **Lighter than competition**
- **Cast in one piece**
- **Higher energy output**
  Aero-elastic tailored blades for record electricity production at lower cost



AEP: Annual Electricity Production

Onshore:
Selective approach with focus on profitability

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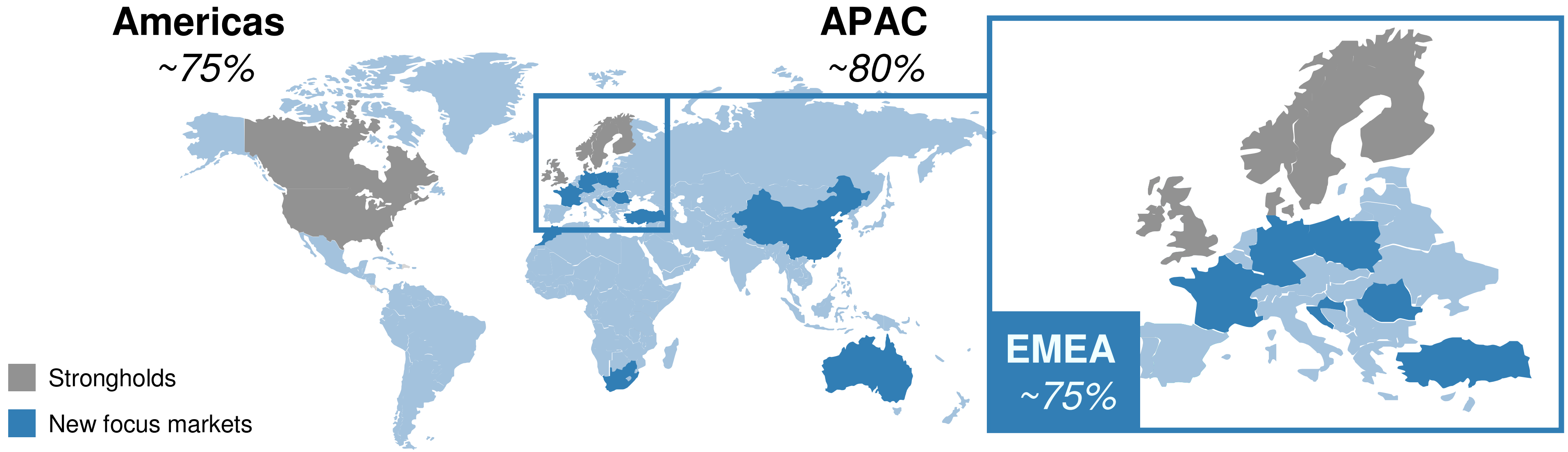
Focus countries: Coverage in % of regional installations in MW



Key enablers

- Launch of SWT-3.0-113 DD turbine
- High tower concept for low wind regime

Exemplary successes in Germany

First successes:

- Largest ever orders in Germany
- First turnkey project on high tower

Offshore:
Leading player in strongest growing market

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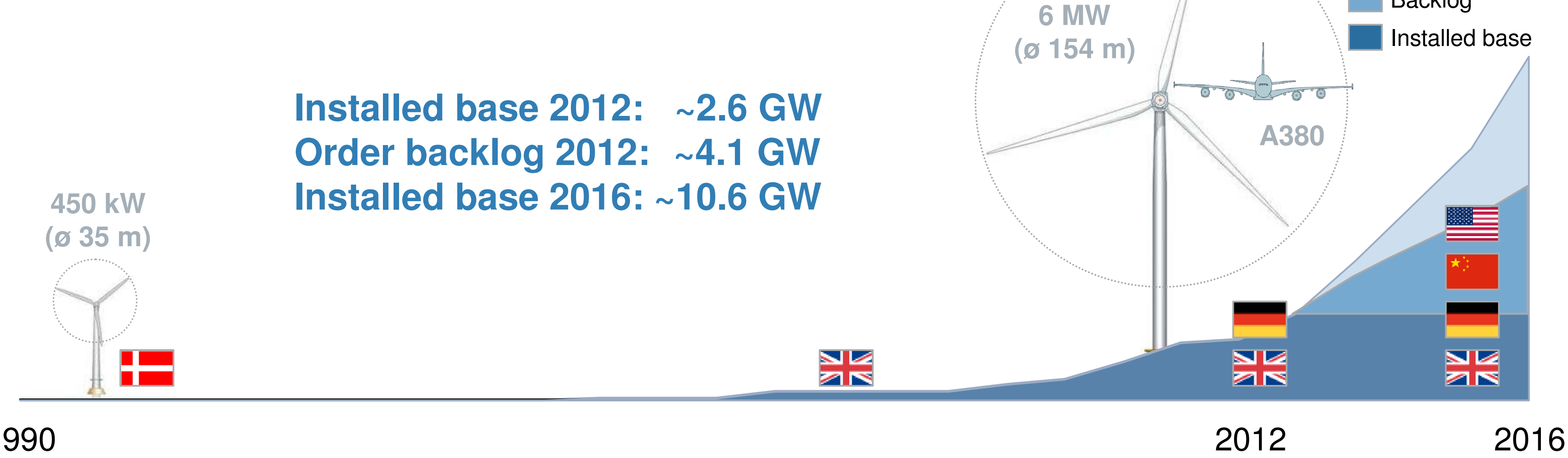
Cumulated Siemens offshore installations in GW



First project	MW turbines	GW project	UK Round 3
			
1991: 5 MW Vindeby, DK	2000: 40 MW Middelgrunden, DK	2011: 1 GW London Array, UK	2012: 1.8 GW DONG master agreement

Fleet growth accelerating with significant profit potential for service business

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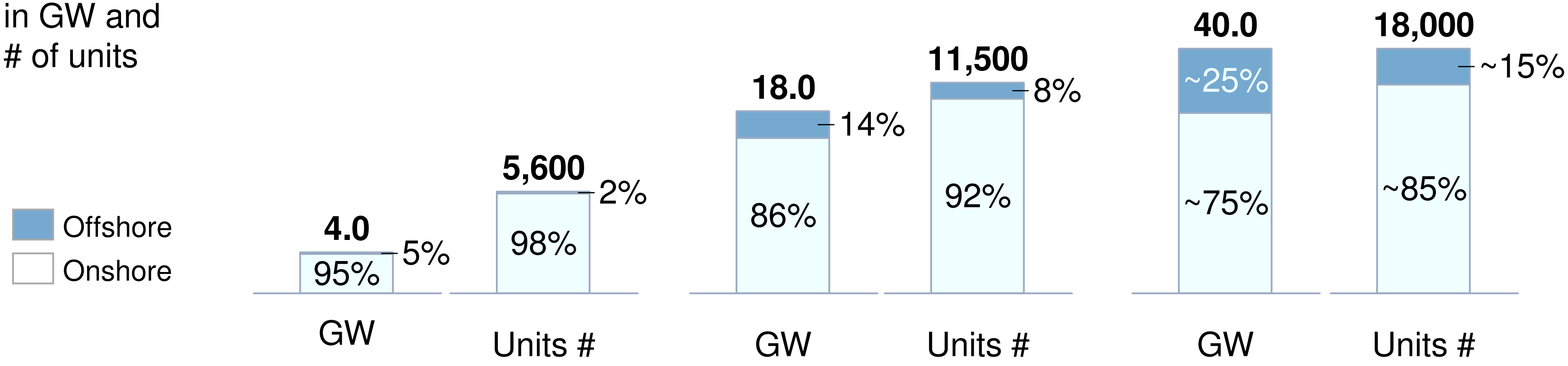
	Past (2005)	Present (2012)	Future (2016e)

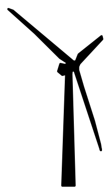
Installed base
in GW and
# of units

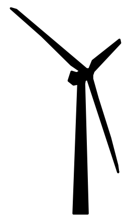


4.2 GW added in 2012

Average turbine size installed
in MW

 **0.7 MW**

 **1.6 MW**

 **2.1 MW**

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Focused on profitable growth and long term leadership!

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		Innovation:	More power from products, less complexity, less weight

We will be the leading player in a non-subsidized and industrialized wind market – we grow orders and achieve low double digit margins

Reconciliation and Definitions for Non-GAAP Measures

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