Wind – the essential renewable energy source!

Felix Ferlemann
CEO
Wind Power Division

Capital Market Day Siemens Energy
Charlotte, December 11, 2012
Safe Harbour Statement

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, 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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Further information about risks and uncertainties affecting Siemens is included throughout our most recent annual and interim reports, as well as our most recent earnings release, which are available on the Siemens website, www.siemens.com, and throughout our most recent annual report on Form 20-F and in our other filings with the SEC, which are available on the Siemens website, www.siemens.com, and on the SEC's website, www.sec.gov. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of Siemens may vary materially from those described in the relevant forward-looking statement as being expected, anticipated, intended, planned, believed, sought, estimated or projected. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

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.
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!

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

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

<table>
<thead>
<tr>
<th>Business Unit EMEA</th>
<th>Business Unit AM</th>
<th>Business Unit APAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>HQ: Brande, DK</td>
<td>HQ: Orlando, US</td>
<td>HQ: Shanghai, CN</td>
</tr>
</tbody>
</table>

- **EMEA ON**: 7.0 GW
- **EMEA OFF**: 2.6 GW
- **AM ON**: 8.0 GW
- **AM OFF**: N/A
- **APAC ON**: 0.4 GW
- **APAC OFF**: <0.1 GW

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

- 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

**Total installed capacity in GW installations**

<table>
<thead>
<tr>
<th>Year</th>
<th>Wind</th>
<th>Gas</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>5,800</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>8,100</td>
<td>16%</td>
<td>9%</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Yearly capacity additions in GW installations**

- **EMEA**: +10% p.a.
- **APAC**: +16% p.a.
- **Other**: +38% p.a.
- **Gas**: +0% p.a.
- **Wind**: +13% p.a.
Changing market conditions in Wind – Siemens well positioned

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 %**

<table>
<thead>
<tr>
<th></th>
<th>Dec 10</th>
<th>Mar 11</th>
<th>Jun 11</th>
<th>Sep 11</th>
<th>Dec 11</th>
<th>Mar 12</th>
<th>Jun 12</th>
<th>Sep 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIEMENS</td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

**Profit margins rolling 4 quarters in %**

<table>
<thead>
<tr>
<th></th>
<th>Dec 10</th>
<th>Mar 11</th>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

Range of OEMs with publically available data
Priorities are clear: Drive margin improvement and order growth

Orders

<table>
<thead>
<tr>
<th>€bn</th>
<th>Growth ¹</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>4.8</td>
<td>5.9</td>
<td>6.5</td>
<td>4.9</td>
</tr>
</tbody>
</table>

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

Revenue

<table>
<thead>
<tr>
<th>€bn</th>
<th>Growth ¹</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2.8</td>
<td>3.1</td>
<td>3.7</td>
<td>5.1</td>
</tr>
</tbody>
</table>

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

Profit

<table>
<thead>
<tr>
<th>€m</th>
<th>Profit</th>
<th>Underlying Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2009</td>
<td>12.5%</td>
</tr>
<tr>
<td>351</td>
<td>FY 2010</td>
<td>12.8%</td>
</tr>
<tr>
<td>398</td>
<td>FY 2011</td>
<td>12.8%</td>
</tr>
<tr>
<td>357</td>
<td>FY 2012</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

Free Cash Flow and Cash Conversion Rate

<table>
<thead>
<tr>
<th>€m</th>
<th>Free Cash Flow</th>
<th>CCR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2009</td>
<td>42</td>
</tr>
<tr>
<td>423</td>
<td>FY 2010</td>
<td>423</td>
</tr>
<tr>
<td>423</td>
<td>FY 2011</td>
<td>423</td>
</tr>
<tr>
<td>582</td>
<td>FY 2012</td>
<td>582</td>
</tr>
</tbody>
</table>
Optimal balance of onshore and offshore on back of unparalleled backlog

### Backlog in €bn
- >€11bn
  - ~30%
  - ~70%
- 2012

### Revenue split in € and revenue growth trend y-o-y
- 2011: 28% Onshore, 31% Offshore, ~45% Growth
- 2012: 72% Onshore, 69% Offshore, ~55% Growth
- 2013e: 28% Onshore, 31% Offshore, ~45% Growth
- 2016e: 28% Onshore, 31% Offshore, ~50% Growth

### 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

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

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

- Cost reduction of products
- Process excellence
- Partnering
- Service

CAPEX (incl. BoP) + OPEX + FUEL

Lifetime Electricity Production

Technology

LCoE =

Target 2020: <9 €ct/kWh

Onshore LCoE
Offshore LCoE
Cost of electricity EEX Leipzig
Highest potential for LCoE reduction on nacelle – enabler direct drive technology

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

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

From single products …

… to 4 platforms …

… with 6 modules broken down into sub-modules

Small geared SWT-2.3

Small DD SWT-3.0

Large geared SWT-4.0

Large DD SWT-6.0

13 different product lines

Example Split nacelle:

€175m productivity by 2014
Increased automation reduces production costs – modularization reduces transportation costs

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

Plant capacity

- 2012
- 2014+

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CEO Wind Power Division
Siemens is the innovation leader:
More power, less complexity, less weight

Portfolio transition:
Leading Direct Drive technology

<table>
<thead>
<tr>
<th>Model</th>
<th>2.3 MW</th>
<th>3.0 MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>SWT-2.3-101</td>
<td>49 m</td>
<td>55 m</td>
</tr>
<tr>
<td>Blades</td>
<td>10.2 t</td>
<td>11.3 t</td>
</tr>
<tr>
<td>Weight</td>
<td>82 t</td>
<td>73 t</td>
</tr>
<tr>
<td>Swept area</td>
<td>8,000 m²</td>
<td>11,300 m²</td>
</tr>
<tr>
<td>Nacelle</td>
<td>2.3 MW</td>
<td>3.0 MW</td>
</tr>
<tr>
<td>Weight</td>
<td>82 t</td>
<td>73 t</td>
</tr>
<tr>
<td>Drive train</td>
<td>Geared</td>
<td>Direct drive</td>
</tr>
<tr>
<td>Modular</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Total weight</td>
<td>145 t</td>
<td>139 t</td>
</tr>
<tr>
<td>AEP per weight</td>
<td>100%</td>
<td>134%</td>
</tr>
<tr>
<td>Introduced</td>
<td>2008</td>
<td>2012</td>
</tr>
</tbody>
</table>

SWT-3.0-113 DD (small DD)

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

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Focus countries: Coverage in % of regional installations in MW

**Americas**
~75%

**APAC**
~80%

**EMEA**
~75%

**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

Cumulated Siemens offshore installations in GW

- Installed base 2012: ~2.6 GW
- Order backlog 2012: ~4.1 GW
- Installed base 2016: ~10.6 GW

First project
- 1991: 5 MW Vindeby, DK

MW turbines
- 2000: 40 MW Middelgrunden, DK

GW project
- 2011: 1 GW London Array, UK

UK Round 3
- 2012: 1.8 GW DONG master agreement
Fleet growth accelerating with significant profit potential for service business

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<thead>
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<tr>
<td>Installed base in GW and # of units</td>
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</tr>
<tr>
<td>GW</td>
<td>Units #</td>
<td>GW</td>
</tr>
<tr>
<td>Offshore</td>
<td>Onshore</td>
<td>Offshore</td>
</tr>
<tr>
<td>4.0</td>
<td>5.600</td>
<td>18.0</td>
</tr>
<tr>
<td>95%</td>
<td>2%</td>
<td>86%</td>
</tr>
<tr>
<td>5%</td>
<td>98%</td>
<td>14%</td>
</tr>
</tbody>
</table>

4.2 GW added in 2012

Average turbine size installed in MW

- 0.7 MW
- 1.6 MW
- 2.1 MW
Siemens Wind Power: Focused on profitable growth and long term leadership!

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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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