



SIEMENS

Jan Mrosik | CEO Smart Grid Division

Leading the way towards a Smart Grid

Capital Market Day
London, December 5, 2013

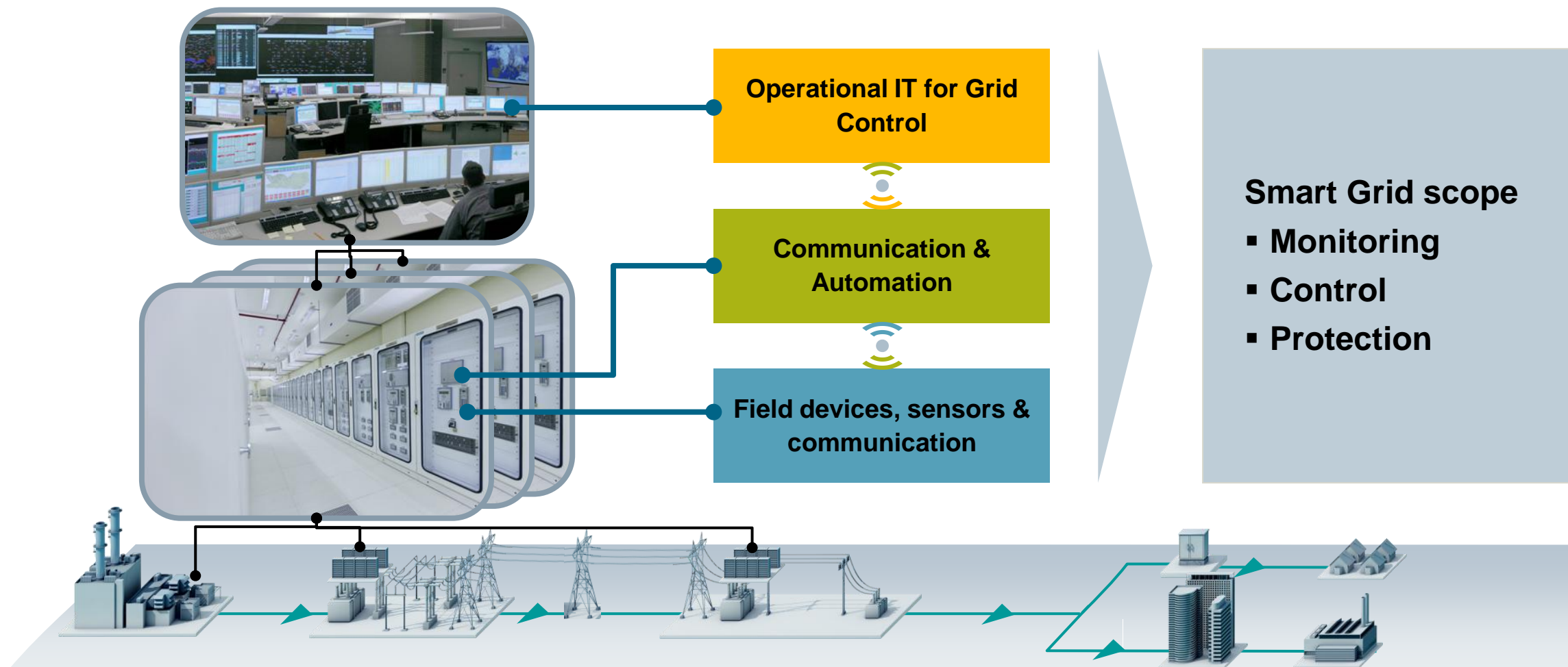
Safe Harbour Statement

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 “expects,” “looks forward to,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “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, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens’ control, affect Siemens’ operations, performance, business strategy and results and could cause the actual results, performance or achievements of Siemens to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends. These factors include in particular, but are not limited to, the matters described in Item 3: Key information – Risk factors of our most recent annual report on Form 20-F filed with the SEC, in the chapter “Risks” of our most recent annual report prepared in accordance with the German Commercial Code, and in the chapter “Report on risks and opportunities” of our most recent interim report.

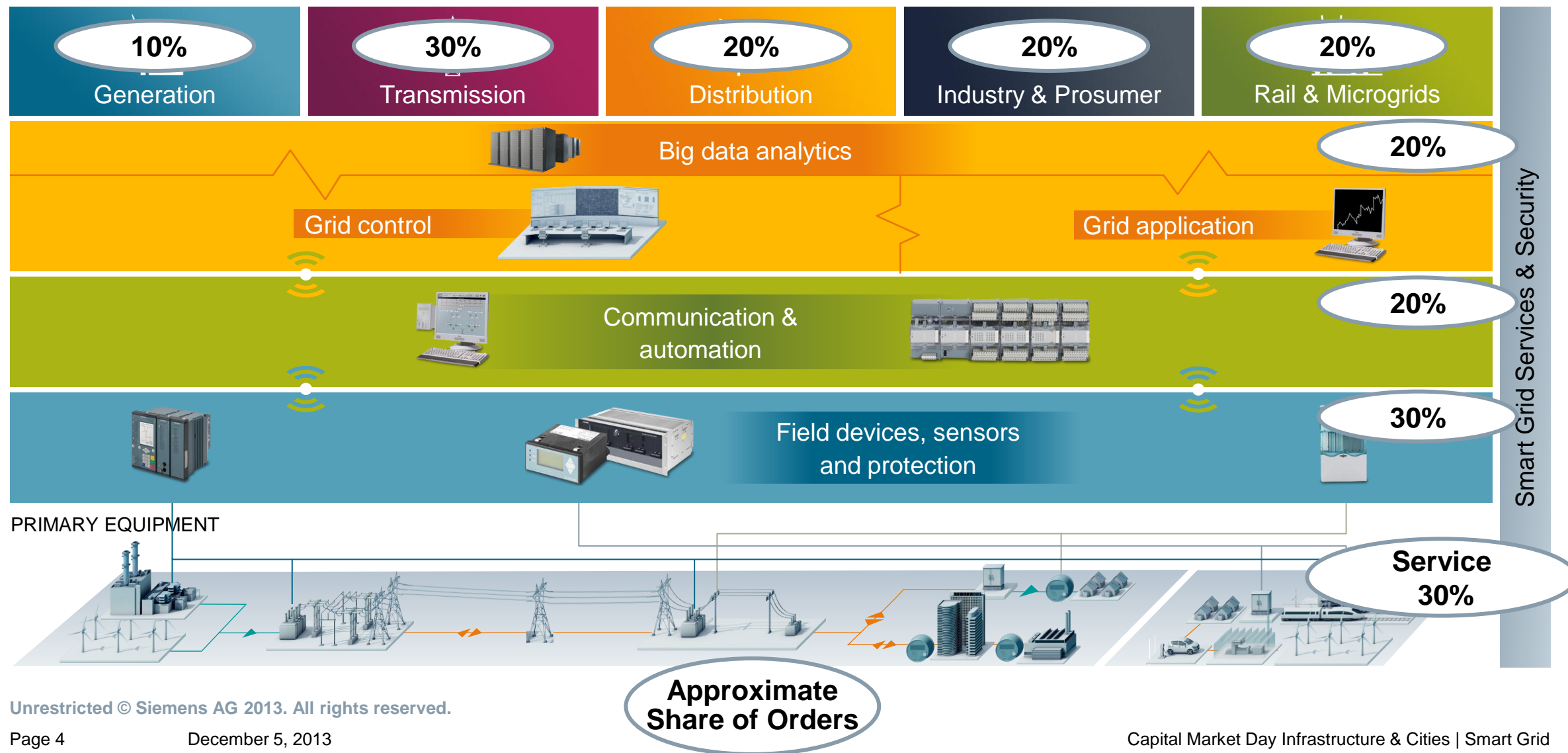
Further information about risks and uncertainties affecting Siemens is included throughout our most recent annual and interim reports, as well as our most recent earnings release, which are available on the Siemens website, www.siemens.com, and throughout our most recent annual report on Form 20-F and 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.

IC Smart Grid: We provide intelligence for Infrastructure Grids



Our Portfolio: The Siemens Smart Grid Suite



Smart Grid in brief:

We are a leading player in our industry

- **#1 market position in Grid Automation**
- **#2 market position in Rail Electrification and Smart Grid Services**



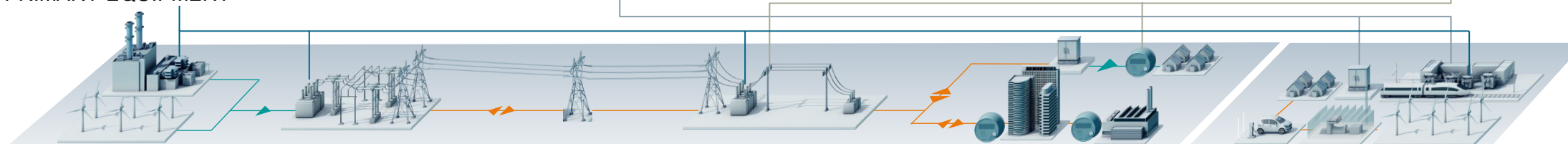
- **€2.1bn Revenue FY 2013**
- **EBITDA Margin in upper range of the IC Sector Target Range**
- **Growth in Orders: 9% (CAGR FY 2011 – FY 2013)**



- **Approx. 9,500 employees in > 70 countries**
- **> 1,600 Software engineers, > 40% in emerging countries**
- **1 lead factory with hubs in China & India**



PRIMARY EQUIPMENT



Smart Grid Services & Security

Our grid protection business

SIPROTEC

Market leader in power system protection.
More than 1 million devices installed.
Most innovative solution in
the market.



Our grid control business

SPECTRUM POWER™

World leader in grid control.
Largest installed base of more than 1,600
control centers worldwide.

© PJM Interconnection

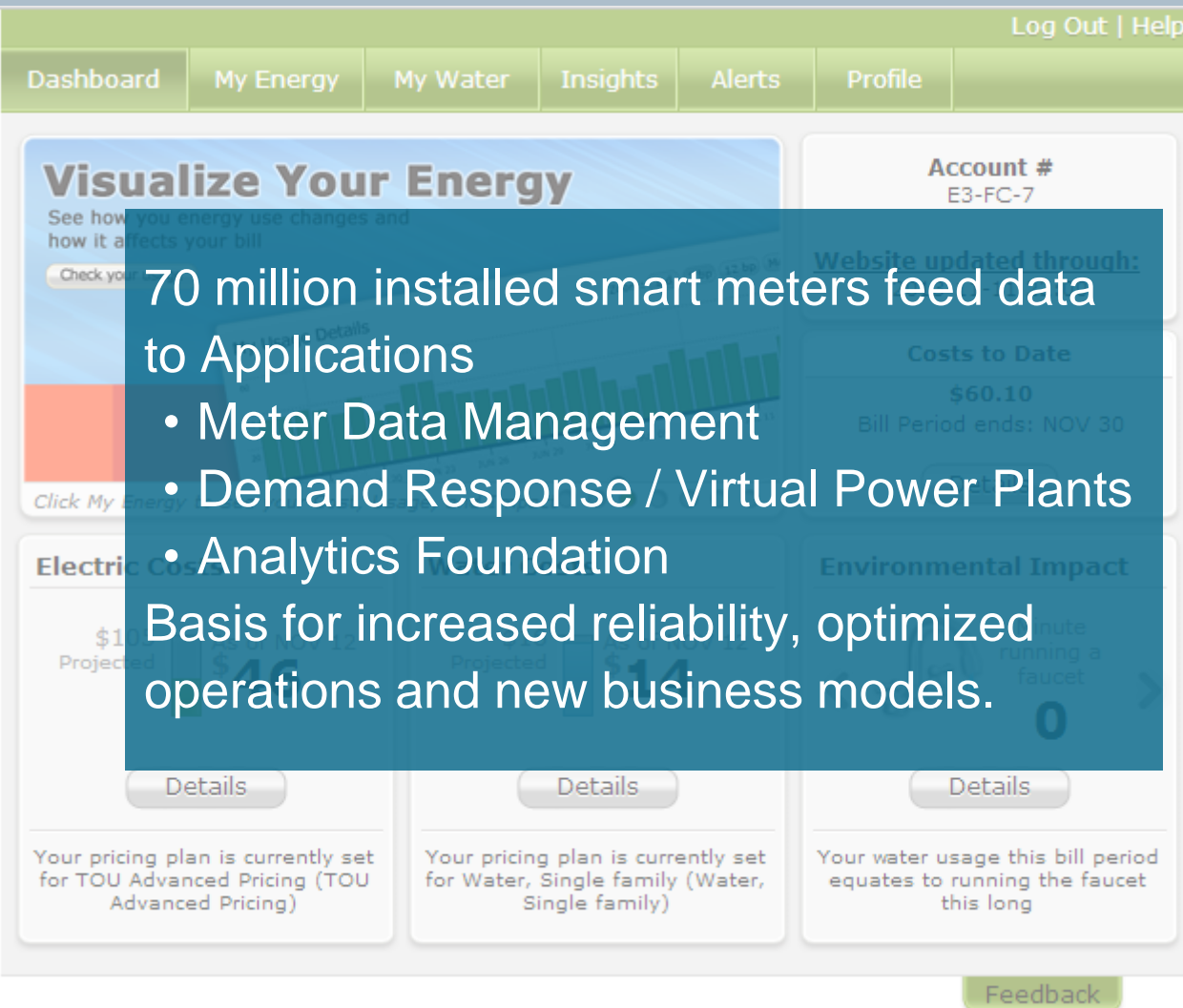
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Our rail electrification business

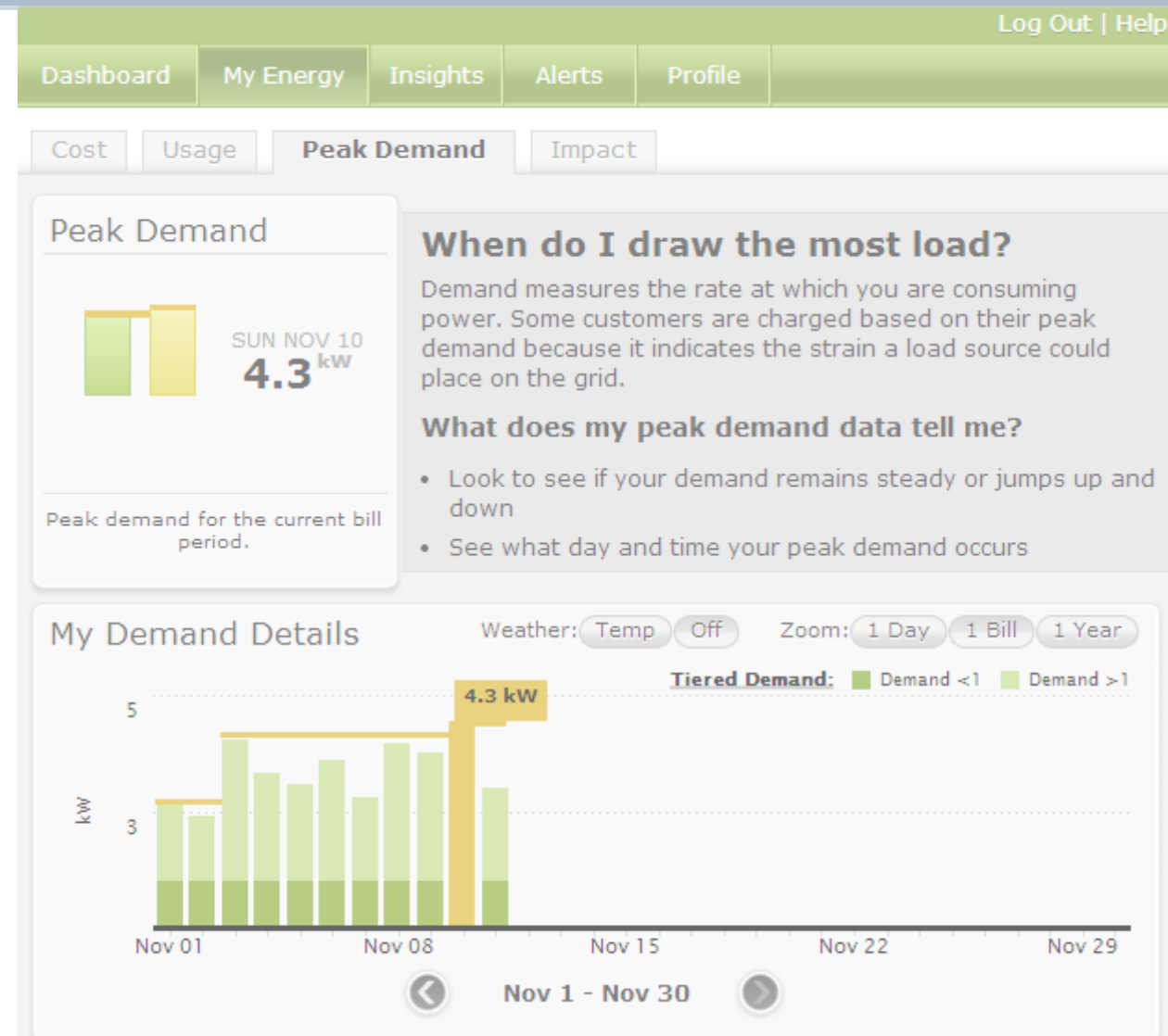
An aerial photograph of a rail electrification substation. The substation features a white building, several large green transformers, and various electrical components. It is surrounded by green grass and trees. A blue semi-transparent rectangular overlay is positioned on the left side of the image, containing white text.

We drive the convergence of rail
and utility power grids.

Our grid applications business



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Challenging environment triggers future opportunities in an attractive market

Business related challenges

Pressure on Revenue & Profitability



Limited ability to invest

Bloomberg
RWE to Tackle 'Challenging' Year With Investment Cuts, CEO Says

Utilities need to redefine business models



Grid related challenges

Germany: energy transition requires extension of grids by up to 193,000 kilometers



Blackouts: significant economic damages worldwide



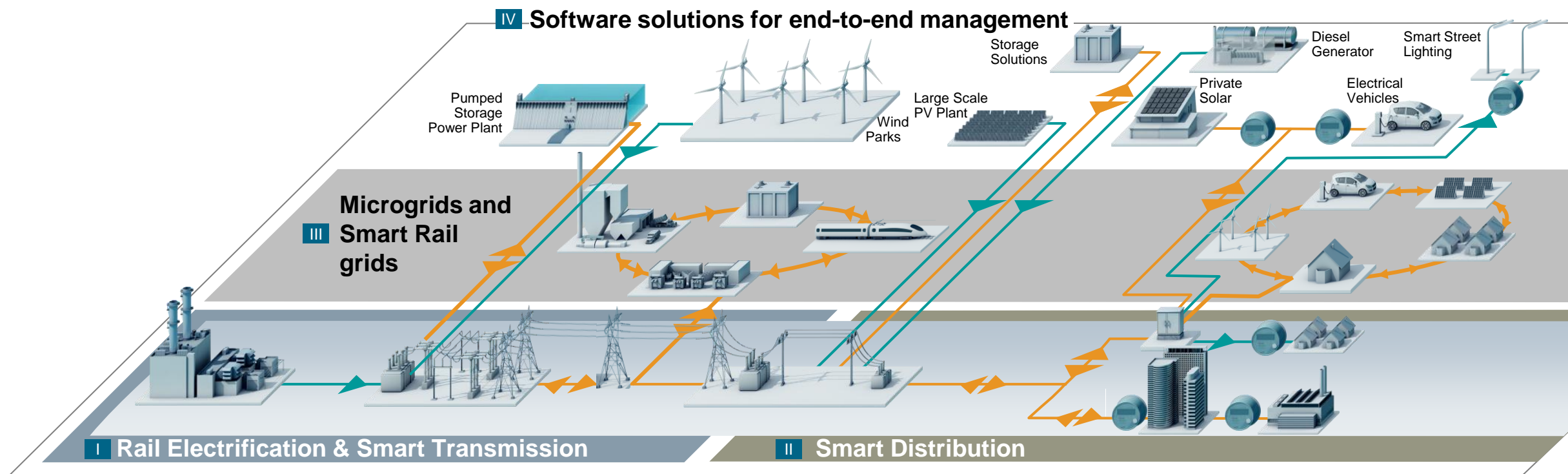
Brazil: \$5bn damage through electricity theft



US: Over 50% of infrastructure exceeded design life



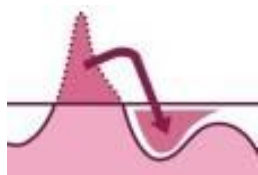
... to distributed energy and bidirectional energy balancing ...



Balancing



Peak avoidance



Resiliency



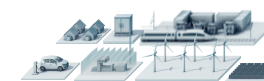
CO₂ & cost avoidance



Theft avoidance

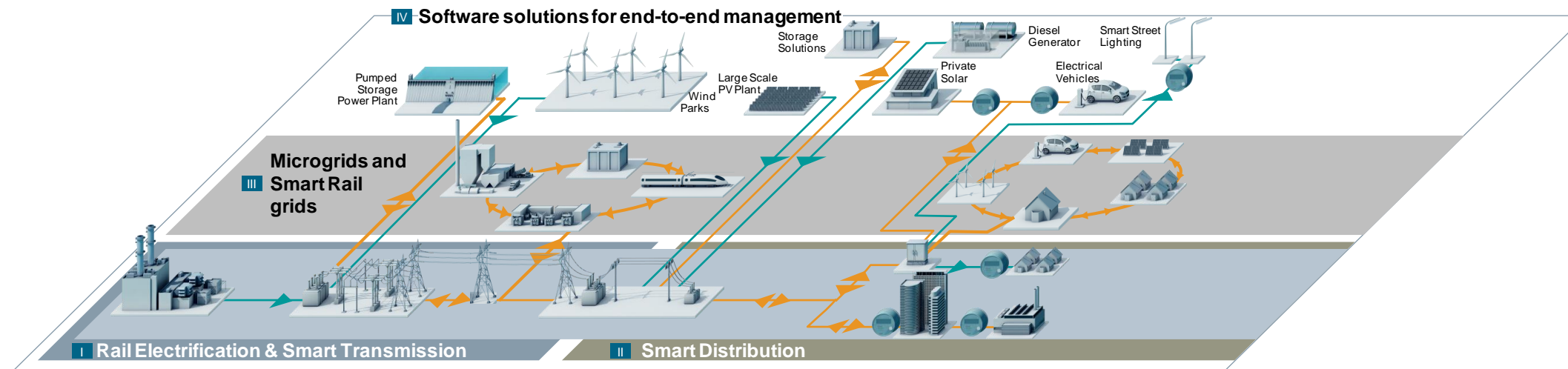


Decentral optimization



Capturing the opportunities: Smart Grid Growth Strategy

IV Drive Software solutions for Smart Grid end-to-end management



I Leverage installed base in Rail Electrification & Smart Transmission

II Boost growth in Smart Distribution

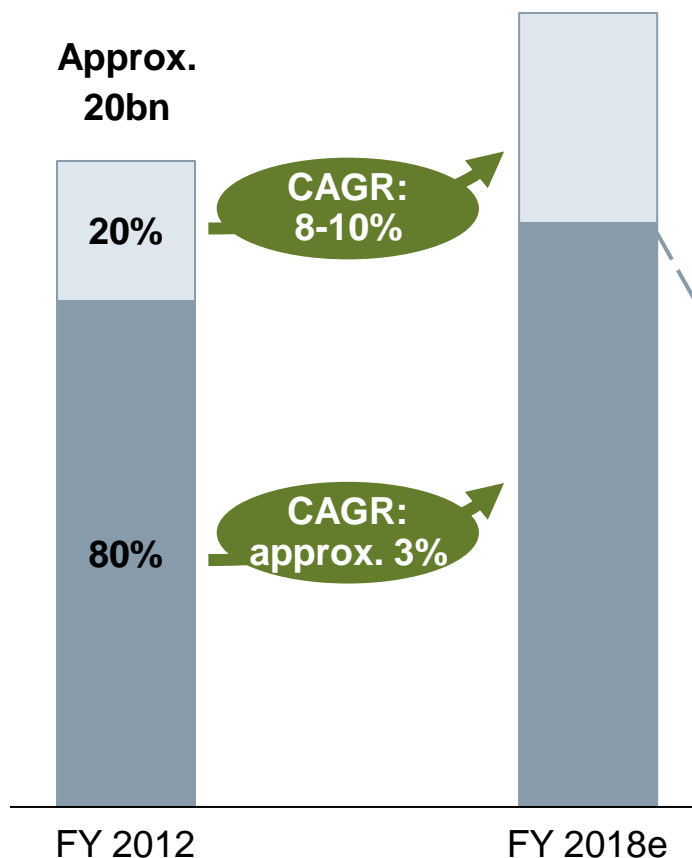
III Expand into Microgrids and Smart Rail Grids

Go-to-Market: Leverage broad customer base & channels, expand dedicated SW/IT sales

Operational Excellence: Productivity, Procurement, Design to Cost, R&D Footprint

Balanced mix of solid established businesses and attractive growth fields

Smart Grid Market in €



Strategic Levers

Growth Fields

- IV** Software solutions for Smart Grid end-to-end management
- III** Expand into Microgrids and Smart Rail Grids
- II** Boost growth in Smart Distribution

- New Software based business models
- Growing trend towards decentral electrification
- Automation of distribution grids drives scale & value

Established Businesses

- I** Leverage installed base in Rail Electrification & Smart Transmission




- High market entry barriers
- Driven by installed base
- Solid and profitable base business

Source: Navigant, Greentech Media, Unife, Internal


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I

Leverage installed base in Rail Electrification & Smart Transmission

	Innovate & execute in Smart Transmission	Develop Smart Grid Services & Consultancy	Expand Rail Electrification
Strategy	<ul style="list-style-type: none"> Leverage largest installed base Innovation and efficiency <ul style="list-style-type: none"> New Protection platform Control Centers consolidated Optimize value chain 	<ul style="list-style-type: none"> Ensure productive/reliable assets New business models/Consulting Higher value-added services 	<ul style="list-style-type: none"> Build on solid execution Regional expansion: India, Central Asia, Middle East Optimize engineering set-up via hubs & increased local sourcing
Customer Reference	<p>PJM Interconnection (USA) Grid Control for 60 million consumers</p> <p>→ 100% availability incl. storm "Sandy"</p>	<p>Major Utility (Hong Kong) Largest condition monitoring project</p> <p>→ Lower maintenance/higher reliability</p>	<p>Mecca Metro System (KSA) Reliable metro power supply</p> <p>→ 72,000 passengers/h per direction</p>
			

Boost growth in Smart Distribution

	Push Distribution Automation Controllers & Sensors	Capture growth with Distribution Grid Control	Customer Benefits
Strategy	<ul style="list-style-type: none"> • Cost-optimized Portfolio • Production hub in India • Leverage sales synergies within Power Grid & Siemens Industry 	<ul style="list-style-type: none"> • New Distribution Control Center • Integrated Outage Management 	
Customer Reference	<p>Turnkey project in Mumbai (India) Automated Distribution grids for 8 cities</p> <p>→ Reduction of losses up to 50%</p>	<p>Iberdrola (Spain) Distribution Control for 20 million people</p> <p>→ Increase in quality of service by 8%</p>	<ul style="list-style-type: none"> • Up to 40% CAPEX reduction • Faster restoration time • Reduced regulatory penalties • Lower grid operation costs
			

Expand into Microgrids and Smart Rail Grids

Capture Microgrid Solutions market

Strategy

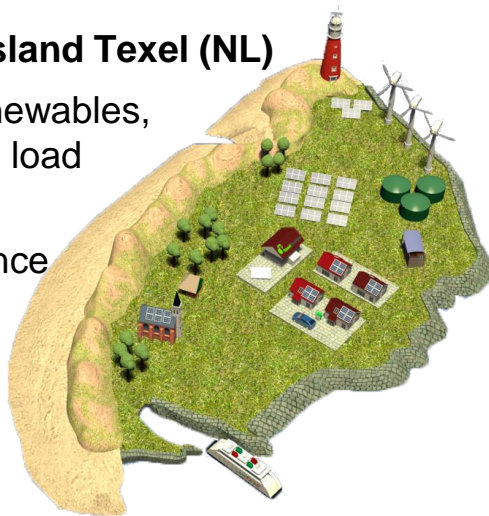
- **Focus** on full **Microgrid automation and control solution**
- **Variety of business models** (consulting, solutions, operations...)

Customer Reference

Northsea Island Texel (NL)

Balance renewables, storage and load

- Lower dependence on public grid



Drive Smart Rail Electrification business

- Connect Public and Rail Grids
- **Integrate renewables & storage**
- Expand **leadership** in **energy recovery**

Swedish Transport Administration (SE)

Meet higher rail power demand

- Stable power supply with 98% efficiency



Customer Benefits

- **Reduced energy cost**
- **Reliable power supply**
- **Reduced CO₂ footprint**
- **Increased power quality**

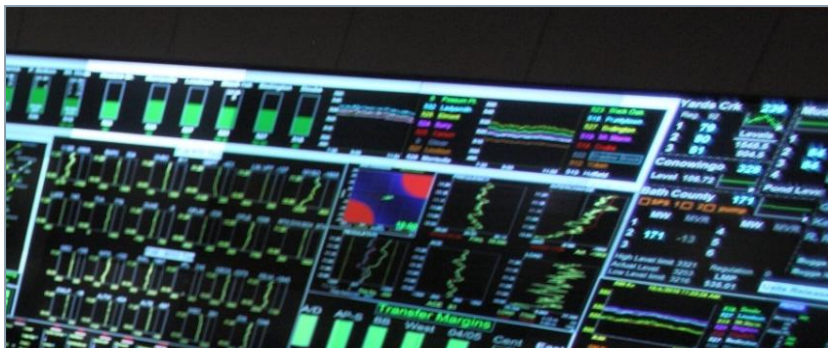
Software solutions for smart grid end-to-end management

D Software Solutions and Integration Services

OMNETRIC GROUP¹⁾

Strong Partner Ecosystem

C Big Data Analytics



A Grid Control Center

Demand Response

Consumer
Engagement

Prepayment

Meter Data
Management



Electrical Vehicle
Infrastructure Management

Virtual Power Plants

B Grid Application

A Expand leading position for grid control center

B Acquisition of eMeter as grid application platform

C Teradata partnership for business analytics

D Leverage OMNETRIC GROUP¹⁾ 'A Siemens & Accenture Company' and strong partner ecosystem

1) Omnetric Group will begin operations pending regulatory approval and other closing conditions.

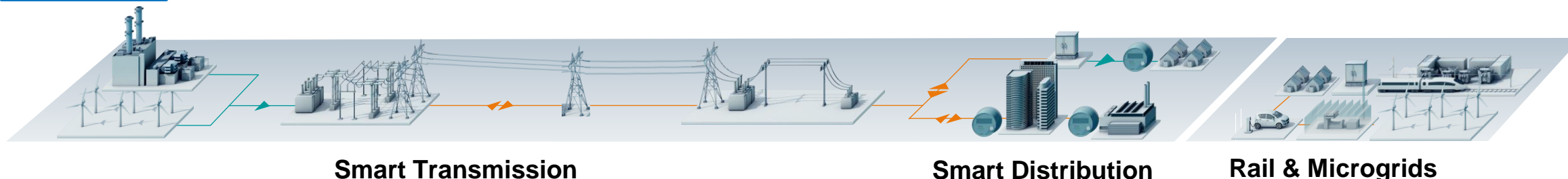
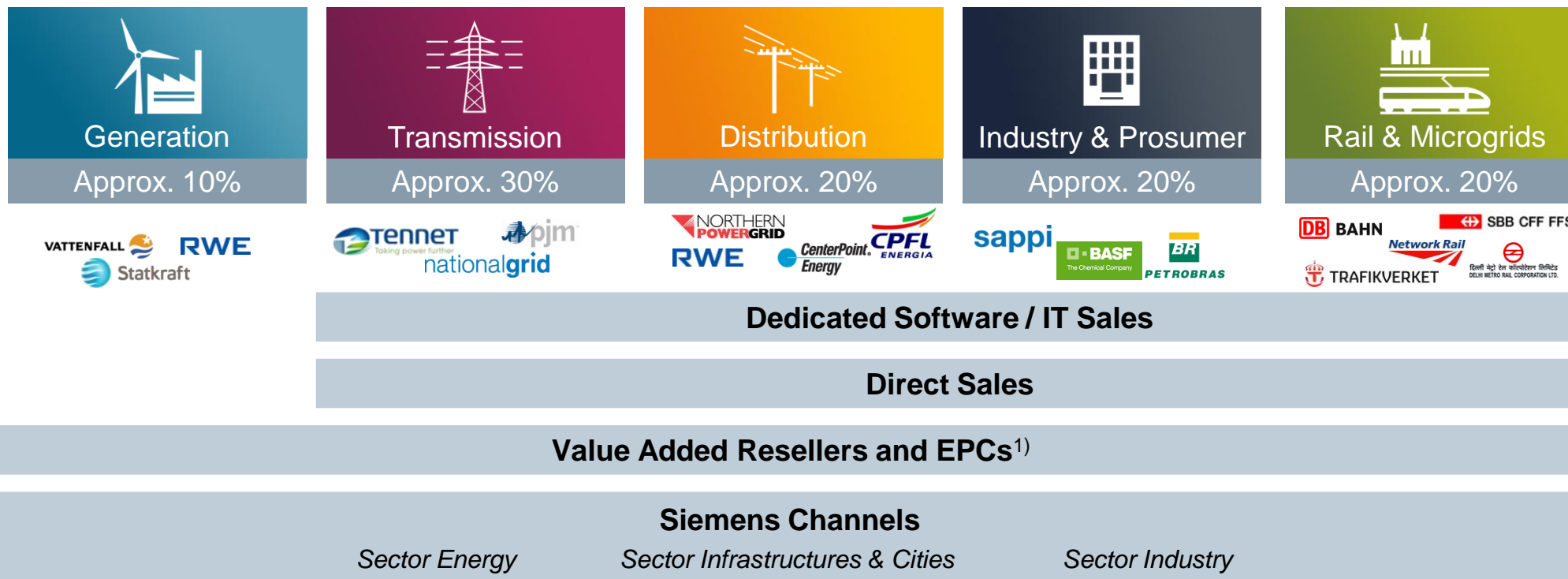
Broad customer base and multiple sales channels

Main customer groups

Share of Orders

References

Presence
in more than
70 countries



¹⁾ Engineering, Procurement & Construction

Siemens Smart Grid

Dedicated programs to achieve Aspirations

Productivity program

- Material cost improvement and R&D efficiency
- Streamlining overhead and processes
- Efficiency in go-to-market

Approx.
+€180m
Productivity Gain¹⁾

SG Growth program

- Leverage installed base in Rail Electrification & Smart Transmission
- Boost growth in Smart Distribution
- Expand into Microgrids and Smart Rail Grids
- Software solutions for Smart Grid end-to-end management

+9%
Orders
CAGR FY 11 – FY 13

Aspiration

- Orders above market growth
- EBITDA Margin above Sector Target Range
- ROCE above Siemens Target Range

¹⁾ Siemens 2014: Base productivity & Transformation program

The Smart Grid by Siemens

Attractive Growth Market

Leading Market Position

Continuously growing above Market

Strong Profitability and Cash Performance

What we stand for

We shape reliable, efficient and sustainable infrastructure grids together with our customers

Reconciliation and definitions for non-GAAP measures

This document includes supplemental financial measures that are or may be non-GAAP financial measures.

Orders and order backlog; adjusted or organic growth rates of revenue and 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; 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.