

Analyst Meet 2011-12

**Siemens Ltd.
November 23, 2012**



Operational Highlights

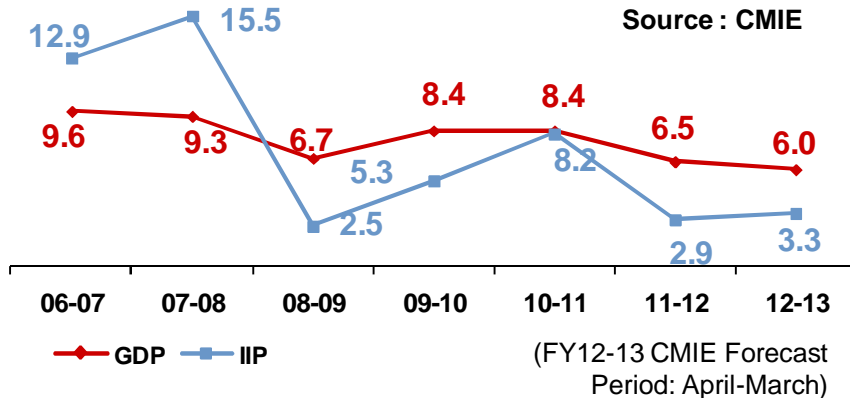
Financial Analysis

Future Outlook

Economy facing rough weather

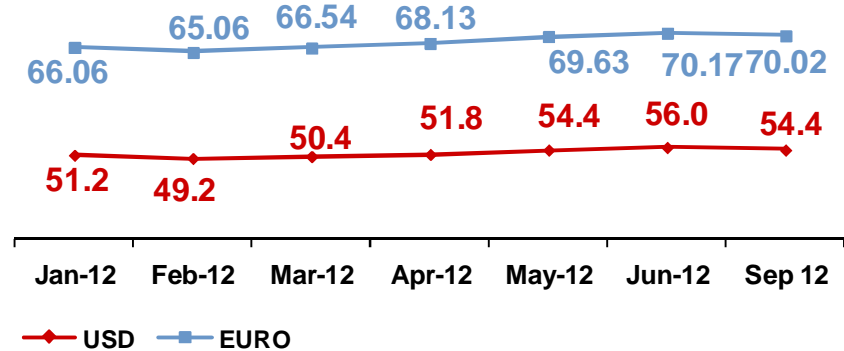
Real GDP & IIP dropped

Source : CMIE



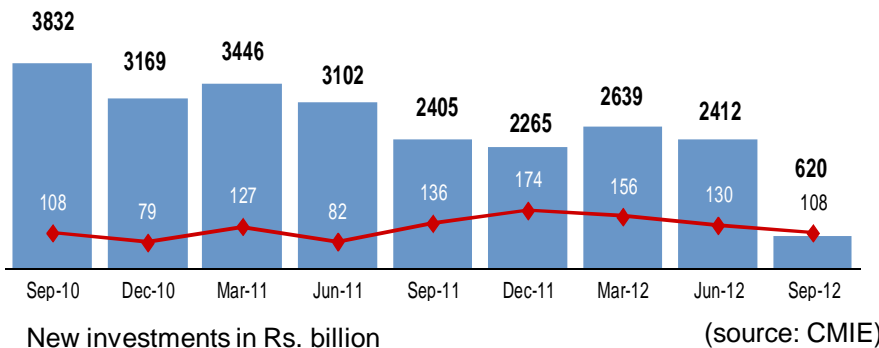
Rupee depreciated, impacting profitability

*Avg. Monthly Rates



New investments, projects shelved

■ New Investments ◆ Shelved Projects



- Monetary policy tightened by Reserve Bank to control inflation
- Drastic drop in industry growth in 2011-12 compared to 2010-11 – from 8.2 to 2.9%. GDP growth y-o-y at 9-year-low.
- Power generation capacity addition fell short of targets, due to issues with environmental clearances, coal linkages and gas shortage
- New investments drying up consistently and high number of shelved projects

Siemens Ltd. – Key Achievements of FY 2012

- Siemens manufactured the world's first 1200kV SF6 circuit breaker
- Siemens became the first company in India to launch locally-manufactured IE2 and IE3 efficiency class motors
- Siemens is laying the foundations of Smart Grid in India through SCADA/DMS implementation across 8 cities in Maharashtra
- Siemens provides state-of-the-art automation technology to NMDC to produce high-quality steel at low raw material and energy consumption
- Siemens' automated mail processing system processes up to 55,000 mails per hour for the Department of Post, New Delhi
- Siemens supplies Computed Tomography Systems to Director General Armed Forces Medical Services



SMART success by Siemens in India 30 products launched, 33 in pipeline

SIEMENS



Steam Turbines SST600 45 to 150MW

- 13x units sold
- Localization ramp-up: from 30% to 100% in 3 yrs



Ring Main Unit (RMU)

- Competitive localized product for MV distribution
- Manufacturing started at Goa



Steel Plant Products

- Sinter plant
- Blast furnace
- Billet caster
- Converter
- Ladle furnace
- Vacuum arc degasser



C-arm Mobile X-rays

- Locally developed
- 100% local VA
- Exports to 12x countries

SMART contributed 15% to Order Intake in FY 12

Siemens Ltd. has 22 factories in India doubling the amount since 2007



Existing Industry Factories – 6

I IA LV Switchgear
Kalwa



I DT Motors & Generators
Kalwa



I DT MV Drives & Relays
Nashik



I DT MD Flender
Kharagpur



I DT Winergy,
Chennai



I MT Morgan
Turbhe, Navi Mumbai



Existing Infrastructure & Cities Factories – 7

LMV MS switchboards
Kalwa



LMV Ring Main Units
Goa



LMV GP
Aurangabad



SG Relays & Systems
Goa



RA Railway Bogies
Aurangabad



BT Building Automation
Pondicherry (2x)



Existing Energy Factories – 7

ET TR Power Transformer
Kalwa



ET HP HV Circuit Breaker
Aurangabad



ET HP Instrument Trafo
Aurangabad



ET HP GIS
Aurangabad



ET HP HV Isolators
Hyderabad



EO Steam Turbine
Baroda



ES Gas Turbine service
Bangalore



Existing Healthcare Factories – 2

CP X-Rays & C-Arms
Goa



DX Diagnostic Reagents
Baroda



Twin state-of-the-art factories in Goa

- Two new state-of-the-art factories in Goa for Energy Automation and Medium Voltage solutions
- Products for industries, utilities, power plants, infrastructure and cities
- Additional capacity to address Indian market demand
- Modeled along award-winning Energy factory in Berlin
- Both factories LEED-certified for green factories
- Total investment: Rs 200 crores



Wind energy investment – impairment decision

- Uncertainty due to change in government policy from accelerated depreciation to generation-based incentive model
- Additionally, due to global economic downturn, overcapacities in wind expected from 2013 onwards
- Wind energy solutions will be developed on a case-to-case basis for the Indian market by leveraging existing global Siemens manufacturing capacities



Siemens Financial Services Pvt. Ltd. Reliable financing partner for Siemens Ltd.

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- Fully-owned subsidiary of Siemens AG offering broad portfolio of commercial financial solutions
- NBFC license granted by RBI in May 2011, started operations in November 2011
- Reliable financing partner for Siemens Ltd. customers in times when financing of investments has become increasingly important
- Supports over 100 new and existing customers of Siemens Ltd. through offices in 8 locations in India



Operational Highlights

- FY 2012 was year of turbulent macro-economic situation
- Localization initiatives – 30 SMART products, 33 in pipeline
- 22 factories in India
- Bundling of financing solutions from SFSPIL supports Siemens Ltd. business



Operational Highlights

Financial Analysis

Future Outlook

To summarize 2012

Slow down in the economy impacted Order Intake & Revenue

Further reduction in Revenues due to liquidity issues and project delays faced by customers

Increase in project costs partly due to the above

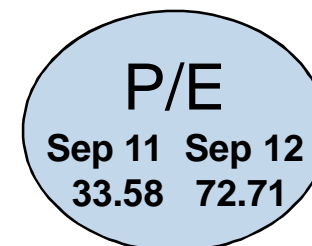
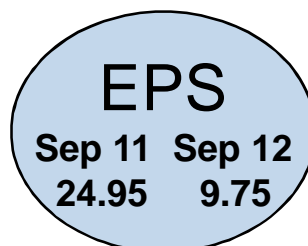
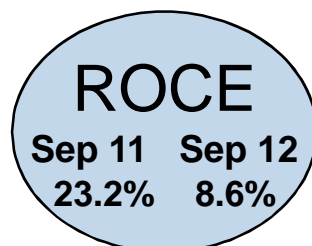
Impact on OPEX on account of above

Review of Wind Power business leading to impairment decision

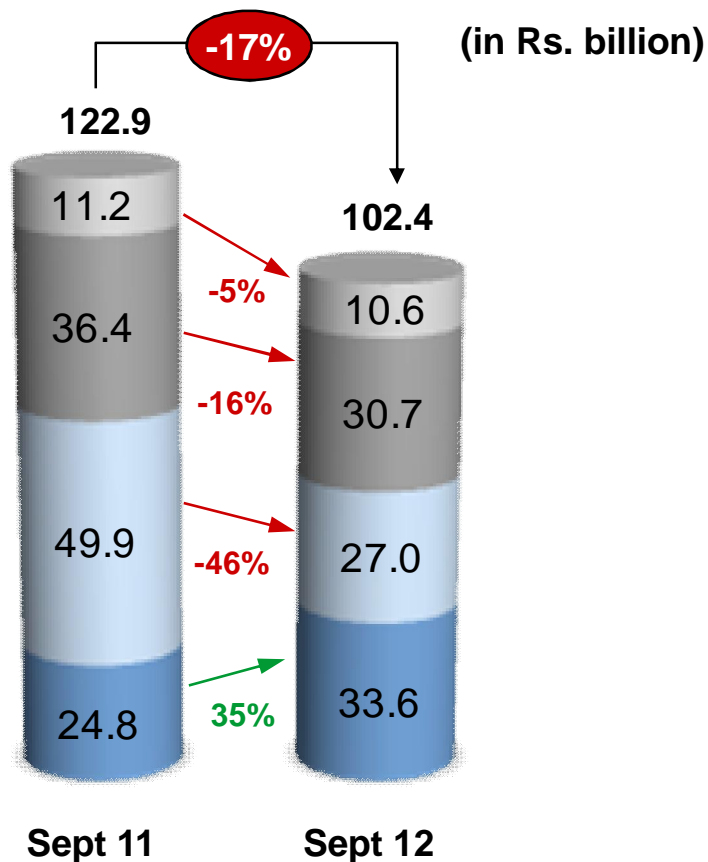
Financial highlights of Siemens Ltd. – FY12

In Rs. million

	2011	2012	+/-%
New Orders	122,887	102,351	-17
Sales	118,183	127,081	8
Profit from Operations (% of Sales)	11,830 10%	6,903 5%	-42
Profit Before Tax	12,750	5,209	-59
Profit after Tax	8,454	3,432	-59
Dividend	Rs. 6	Rs. 6	-

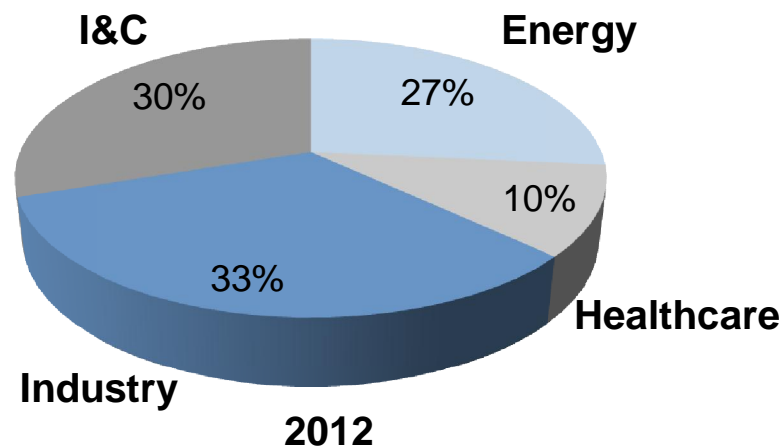
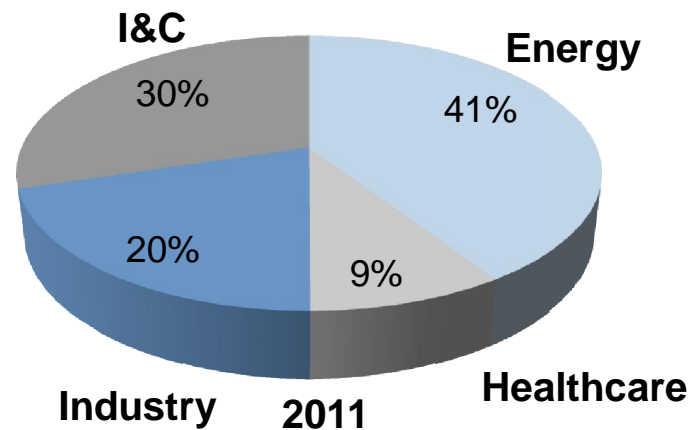


New Orders

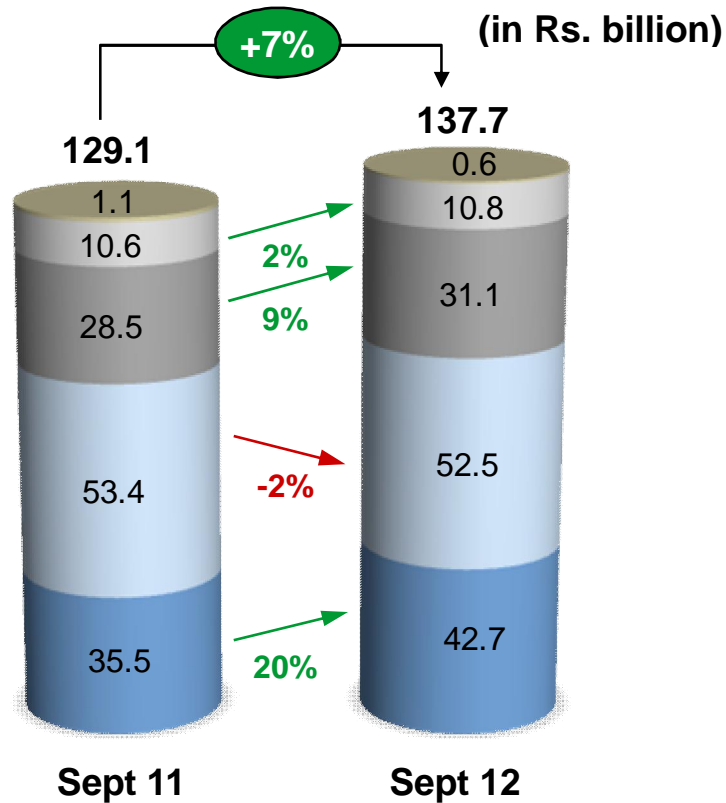


■ Industry ■ Energy ■ I&C ■ Healthcare

Contribution to New Orders



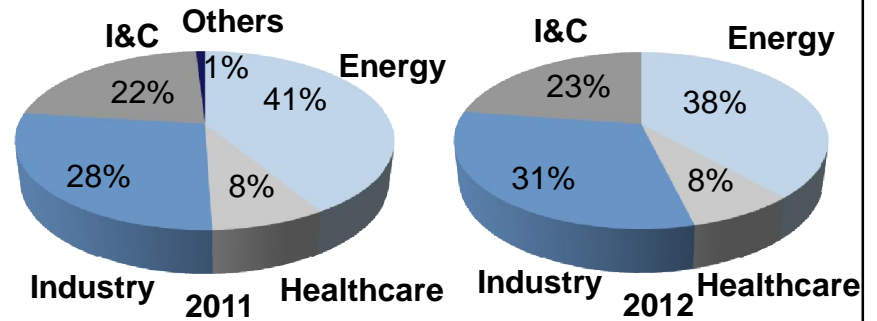
Total Income from Operations (net) (including inter-segment)



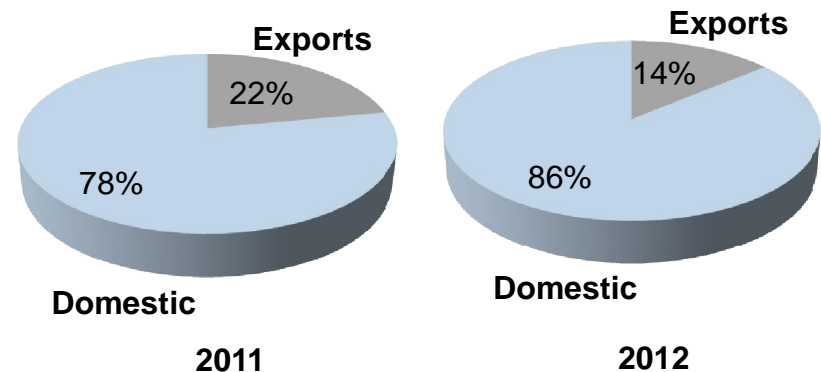
■ Industry ■ Energy ■ I&C ■ Healthcare ■ Others

Without inter-segment	Sep 11	Sep 12
	120.3	129.2

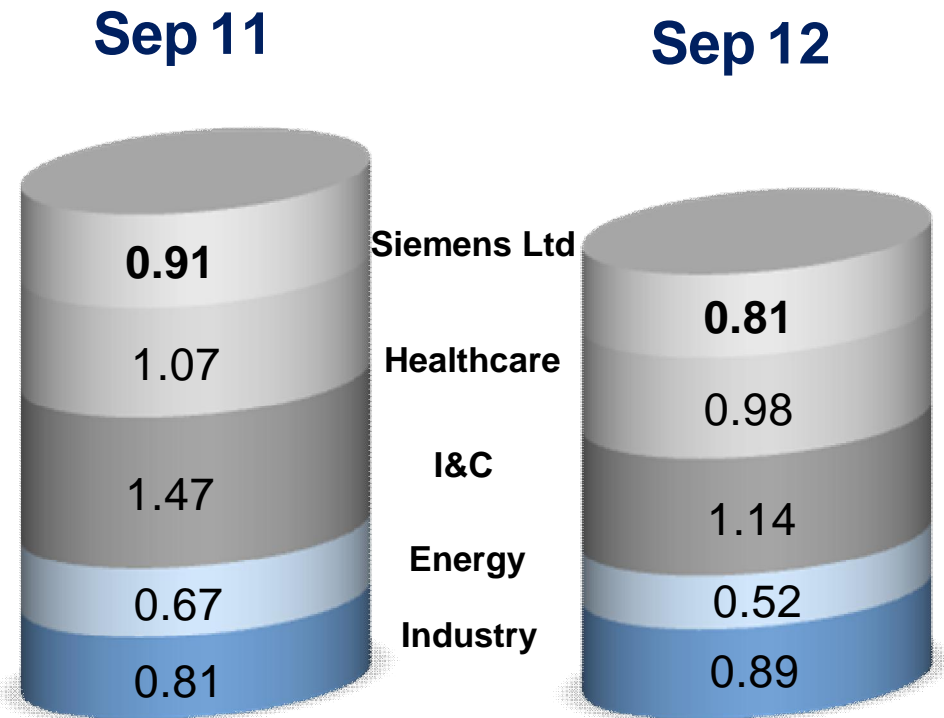
Contribution to Sales



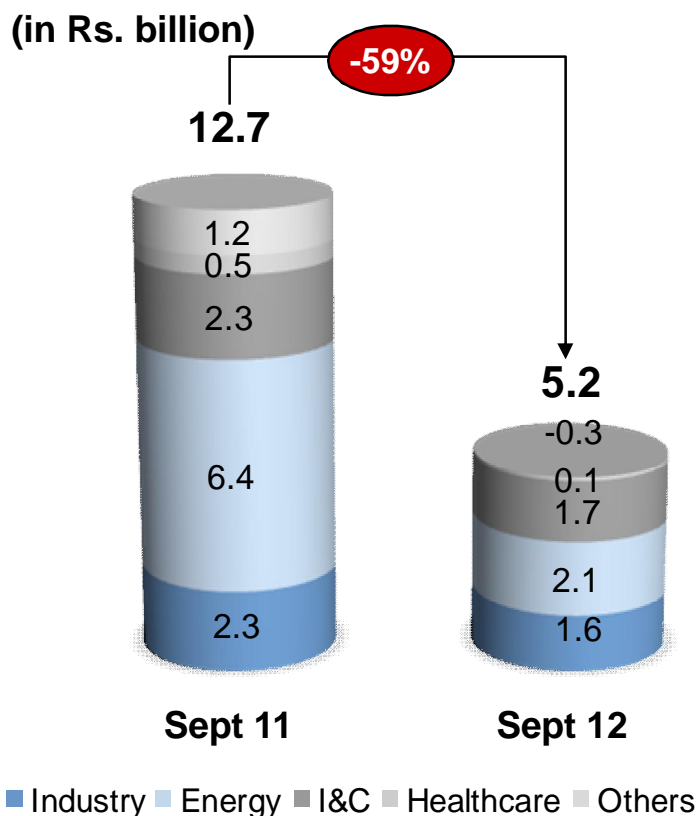
Domestic versus Exports – Sales



Book to Bill Ratio (Base business)



Profit before Tax



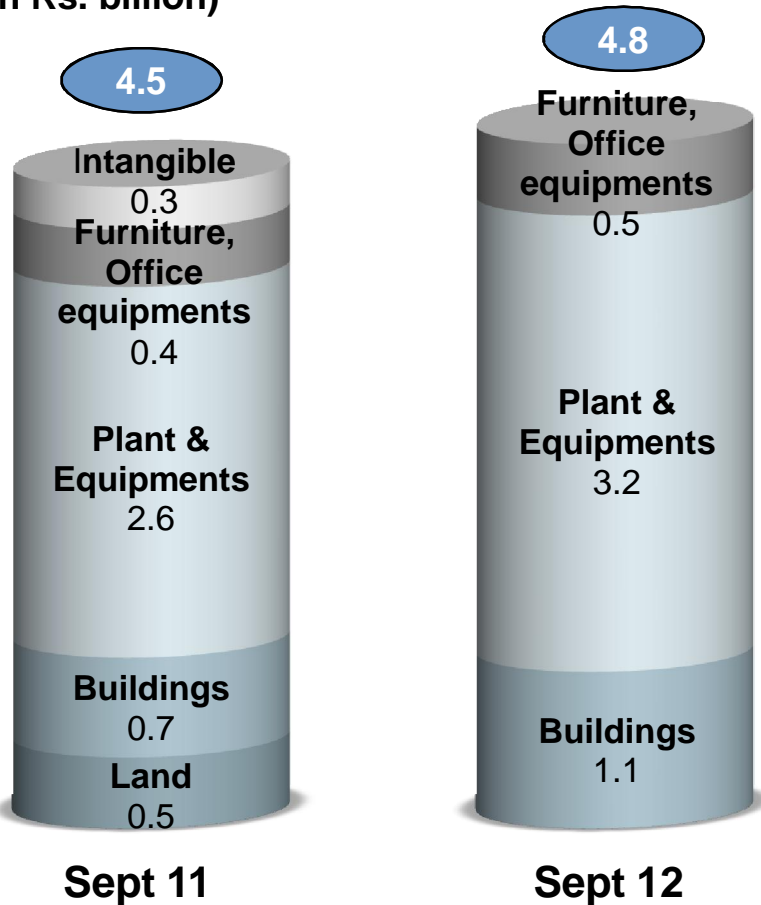
Profit before Tax (PBT) down by 59% to Rs. 5.2 billion

Factors affecting PBT include:

- Reduced volumes
- Delays in offtake – environmental, liquidity and land issues
- Increase in project costs
- Impairment of Wind factory
- Forex impact

Capital Expenditure

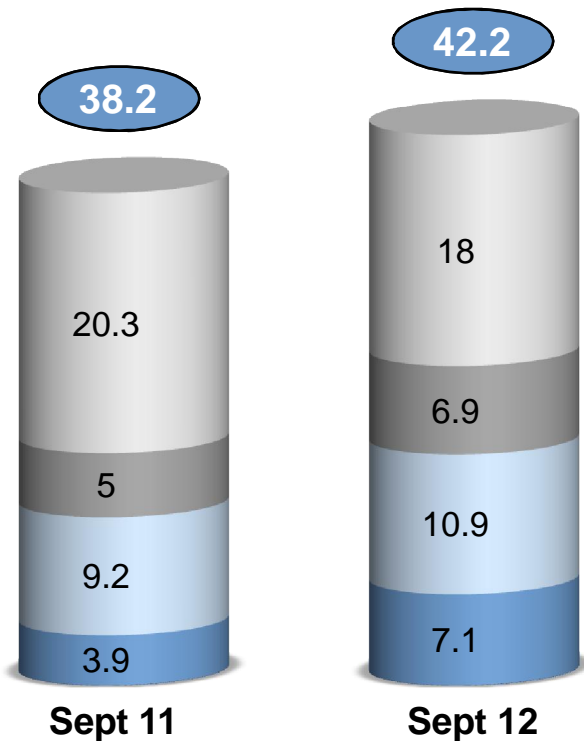
(in Rs. billion)



- Wind Power factory in Vadodara
- Two factories in Goa

Capital Employed

(in Rs. billion)



■ Industry ■ Energy ■ Infra & Cities ■ Healthcare ■ Others

- Increase in receivables due to merger of SVAI and Morgan
- Inventories at a stable level
- Lower advances from customers
- Lower profitability in FY 2012

To sum up

- Difficult economic environment
- Increase in project costs
- Impairment of Wind Power factory

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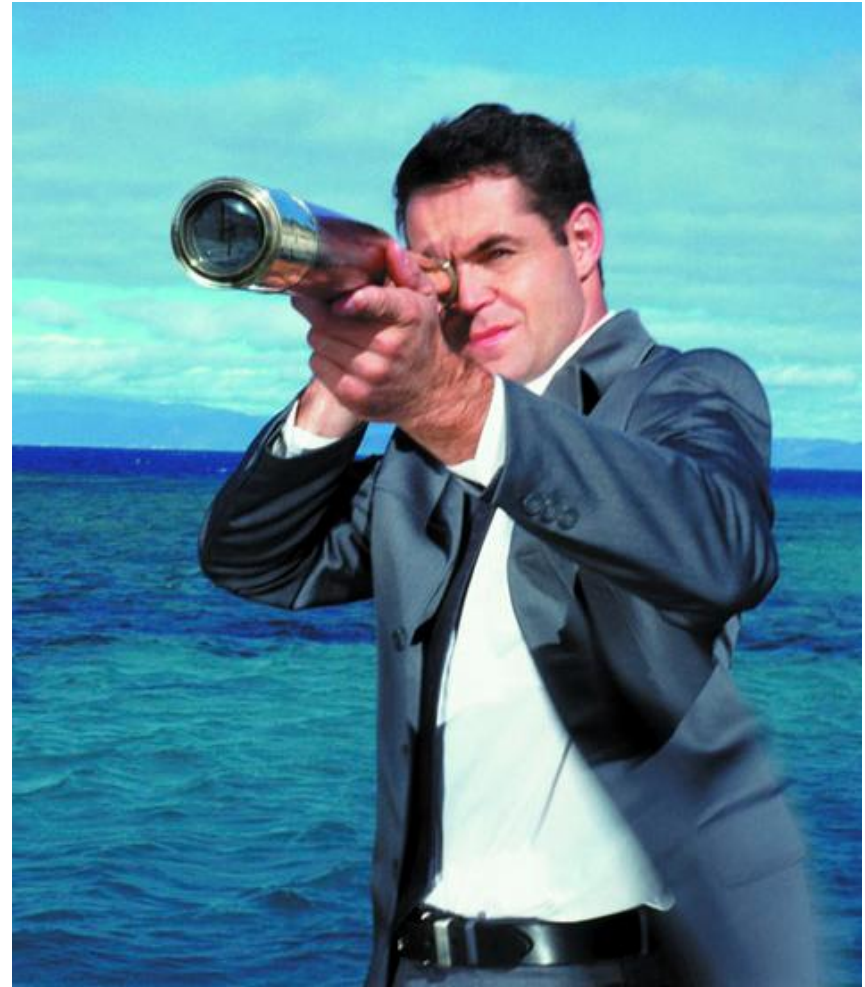
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To Sum Up

- We expect economy to open up and offer opportunities for growth once the government speeds up decisions and interest rates come down
- The Company will focus on globally-announced 5-point program:
 - reduce costs
 - strengthen core activities
 - strengthen go-to-market approach across all Sectors
 - optimize infrastructure
 - reduce complexity

**Going ahead:
Committed to sustainable growth**



SIEMENS

Thank You

