Analyst Meet
Half-Year FY 2013
Siemens Ltd., April 29, 2013
Operational Highlights

Financial Analysis

Future Outlook
Revival of Indian economy not in sight but lowest GDP growth of last 10 years witnessed instead

**Real GDP & IIP ( % Change )**

- GDP:
  - 2006-07: 12.9
  - 2007-08: 15.5
  - 2008-09: 9.6
  - 2009-10: 9.3
  - 2010-11: 2.5
  - 2011-12: 5.3
  - 2012-13: 8.2
  - 2013-14: 2.9

- IIP:
  - 2006-07: 9.6
  - 2007-08: 9.3
  - 2008-09: 6.7
  - 2009-10: 8.6
  - 2010-11: 6.2
  - 2011-12: 5.0
  - 2012-13: 5.3
  - 2013-14: 6.3

Source: CMIE, Prowess (FY 13 - CMIE Forecast)

**PMI: Purchasing Manager’s Index (HSBC)**

- FY 12-13 GDP numbers are the lowest in 10 years, while IIP has contracted in 6 out of 10 months
- PMI growth of March '13 was slowest in 16 months
- The Current Account Deficit (CAD) widened to record high 6.7% of GDP in Q3 FY12-13 mainly on account of muted exports
- New Capex investments declined by 57% in FY12-13 indicating a weak investment climate through the year
- In spite of RBI's recent move to reduce the repo rate, new investments are expected to remain weak even for FY13-14 on account of political uncertainties & upcoming elections
- Actual slight hope: Current inflation at record low 5.9%

**New Investments & Shelved Projects**

- Source: CapEx in INR Bill

<table>
<thead>
<tr>
<th>Month</th>
<th>New Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-10</td>
<td>5,816</td>
</tr>
<tr>
<td>Jun-10</td>
<td>5,436</td>
</tr>
<tr>
<td>Sep-10</td>
<td>3,881</td>
</tr>
<tr>
<td>Dec-10</td>
<td>3,116</td>
</tr>
<tr>
<td>Mar-11</td>
<td>3,508</td>
</tr>
<tr>
<td>Jun-11</td>
<td>3,063</td>
</tr>
<tr>
<td>Sep-11</td>
<td>2,050</td>
</tr>
<tr>
<td>Dec-11</td>
<td>2,242</td>
</tr>
<tr>
<td>Mar-12</td>
<td>1,148</td>
</tr>
<tr>
<td>Jun-12</td>
<td>1,148</td>
</tr>
<tr>
<td>Sep-12</td>
<td>1,546</td>
</tr>
<tr>
<td>Dec-12</td>
<td>2,343</td>
</tr>
<tr>
<td>Mar-13</td>
<td>868</td>
</tr>
<tr>
<td>Jun-13</td>
<td>735</td>
</tr>
<tr>
<td>Sep-13</td>
<td>519</td>
</tr>
<tr>
<td>Dec-13</td>
<td>673</td>
</tr>
</tbody>
</table>

Sources: CapEx in INR Bill
Siemens Ltd. – Key Achievements of H1 FY 2013

• Siemens IC Sector won an order worth over Rs. 350 crores to supply traction motors for Diesel Locomotive Works

• Siemens Energy Sector won a Rs. 100-crore order from BSRM – largest private sector-funded GIS project in Bangladesh

• Siemens Industry Sector won an order worth Rs. 97 crores for installing a pelletization plant at Surana Industries

• Siemens Healthcare Sector installed India’s first simultaneous PET-MRI at Indraprastha Apollo Hospital – enables diagnosis of diseases and precise therapy at a very early stage
SMART success by Siemens in India
Focus on strengthening portfolio

**SMART products**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of orders</td>
<td>5</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td># of SMART</td>
<td>10</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>products</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

A few significant SMART wins for H1 2013:

- **Rs 100-crore order for gas-insulated switchgear substation:** largest order for GIS in Bangladesh
- **Rs 97-crore order from Bhuvaneshwar Power for SST600 steam turbines**
- **Vandana Global:** First win in induction furnace iron-making segment
- **Order inflow of 17x Medium Voltage Drives (Perfect Harmony) from Cement Industry**

**Steam Turbines SST600 45 to 150MW**
- 13x units sold
- Localization ramp-up: from 30% to 100% in 3 yrs

**Steel Plant Products**
- Sinter plant, blast furnace, billet caster, converter, ladle furnace, vacuum arc degasser

**Ring Main Unit (RMU)**
- Cost savings up to 30%
- Key component of city power distribution and smart grid projects

**C-arm Mobile X-rays**
- Locally developed
- 100% local VA
- Exported to 12 countries
Siemens Ltd. has 22 factories in India
Ongoing optimization of utilized capacity

<table>
<thead>
<tr>
<th>Existing Industry Factories – 6</th>
<th>Existing Energy Factories – 7</th>
<th>Existing Healthcare Factories – 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>IIA LV Switchgear Kalwa</td>
<td>ET TR Power Transformer Kalwa</td>
<td>CP X-Rays &amp; C-Arms Goa</td>
</tr>
<tr>
<td>I DT Motors &amp; Generators Kalwa</td>
<td>ET HP HV Circuit Breaker Aurangabad</td>
<td></td>
</tr>
<tr>
<td>I DT MV Drives &amp; Relays Nashik</td>
<td>ET HP Instrument Trafo Aurangabad</td>
<td>DX Diagnostic Reagents Baroda</td>
</tr>
<tr>
<td>I DT MD Flender Kharagpur</td>
<td>ET HP GIS Aurangabad</td>
<td></td>
</tr>
<tr>
<td>I DT Winergy, Chennai</td>
<td>ET HP HV Isolators Hyderabad</td>
<td></td>
</tr>
<tr>
<td>I MT Morgan Turbhe, Navi Mumbai</td>
<td>EO Steam Turbine Baroda</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ES Gas Turbine service Bangalore</td>
<td></td>
</tr>
</tbody>
</table>

Existing Infrastructure & Cities Factories – 7

<table>
<thead>
<tr>
<th>LMV MS switchboards Kalwa</th>
</tr>
</thead>
<tbody>
<tr>
<td>LMV Ring Main Units Goa</td>
</tr>
<tr>
<td>LMV GP Aurangabad</td>
</tr>
<tr>
<td>SG Relays &amp; Systems Goa</td>
</tr>
<tr>
<td>RA Railway Bogies Aurangabad</td>
</tr>
<tr>
<td>BT Building Automation Pondicherry(2x)</td>
</tr>
</tbody>
</table>
Siemens is a strong performer in the Capital Goods sector – Ranked No.1

Siemens is perceived as one of the leaders in Sustainability as indicated by CII Sustainability Rating

- Labor Standards and Rights
- Human Capital Development
- Community Impact Management
- Occupational Health and Safety

Corporate Governance
- Risk & Crisis Management
- Codes of Conduct/ Compliance/ Corruption & Bribery
- Supply Chain Management

Average Score \(^1\) 39.9
Siemens Score 68.4

Average Score \(^1\) 37.9
Siemens Score 63.3

Environmental Policy / Management System
- Climate Change & Atmospheric Emissions
- Water Protection

1) Average score of all assessed companies in the Capital Goods sector

Source: Sustainability Office, Siemens Ltd. India
Urban Mela – Key Achievements

Promoting Brand Siemens:
- Interaction with ~2,400,000 citizens – creating awareness about how Siemens is ‘Transforming cities for the better through sustainable technology’.

Moving closer to customers:
- 35 expert dialogues on varied topics attended by over 450 customers / prospects
- ~40,000 (16%) visitors at Siemens pavilion across five cities were students from engineering and management institutes

Attracting young talent:
- Bringing multiple decision makers to a common platform to showcase our capabilities.
- Over 75 key decision makers visited our booth across five cities
- Panel discussion in association with Economic Times involving key stakeholders & decision makers, to discuss future of cities.
- 12 key decision makers participated across 3 cities, attended by 70 major customers.

Thought leadership dialogues:
Urban Mela – Taking it closer to our markets

Helping enhance image of brand Siemens

• 87% found the appearance, information & experience at Siemens pavilion excellent.

• 95% respondents opined that Siemens Pavilion helped create a more positive perception about Siemens.

• The theme ‘Turning grey cities into green’, children’s painting competition were much appreciated

• City simulation game, green city index, water calculator apps were star attractions across all age groups

• Corporate citizenship initiative – Project Asha & ‘Push Back Corruption’ were found engaging
Operational Highlights

Siemens Ltd. vigorously following global 5-point program

- **reduce costs**: Each Sector has clear targets for cutting costs, Manufacturing Community seeking ways to reduce cost of goods sold, optimizing worldwide utilized capacity

- **strengthen core activities**: HQ led initiatives of focusing on SMART Strategy

- **strengthen go-to-market approach across all Sectors**: Siemens One Program, City Account Management

- **optimize infrastructure**: consolidating Siemens group companies in India

- **reduce complexity**: streamlining internal processes and systems
Challenges in H1 FY2013

Prolonged slowdown in the economy – impact on Revenues

Capacity utilisation leads to Pricing pressures

Delays in offtake by customers due to unavailability of land or financing

Volatility in commodity and forex rates
Competitor Performance on BSE

Stock Performance

Current fiscal year FY 2012-13

Source: Bseindia

Companies

A
B
C
SL
D
E

Market Cap Swing
-16%
7%
-8%
-29%
-27%
-33%
-40%

BSE Capital Goods

April’12 To Mar’13

E
D
C
SL
B
A

Competitor Performance on BSE
Revenue growth Y-o-Y for last 12 months

- Siemens: +6%
- F: +2%
- E: +12%
- D: +5%
- C: +11%
- B: +3%
- A: +18%

Competition Basket: +6%
Siemens Ltd.: +6%
New Orders

(in Billion Rs.)

<table>
<thead>
<tr>
<th>Category</th>
<th>Mar-12</th>
<th>Mar-13</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRE etc.</td>
<td>5.0</td>
<td>5.1</td>
<td>+2%</td>
</tr>
<tr>
<td>HC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I&amp;C</td>
<td>17.4</td>
<td>15.3</td>
<td>-12%</td>
</tr>
<tr>
<td>Energy</td>
<td>11.3</td>
<td>14.5</td>
<td>+28%</td>
</tr>
<tr>
<td>Industry</td>
<td>13.3</td>
<td>13.0</td>
<td>-2%</td>
</tr>
</tbody>
</table>

Contribution to New Orders

<table>
<thead>
<tr>
<th>Category</th>
<th>Mar-12</th>
<th>Mar-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>I&amp;C</td>
<td>28%</td>
<td>32%</td>
</tr>
<tr>
<td>Energy</td>
<td>37%</td>
<td>30%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>11%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Mar-12: 24% Energy, 11% Healthcare
Mar-13: 27% Energy, 11% Healthcare
Sales

(in Billion Rs.)

<table>
<thead>
<tr>
<th></th>
<th>Mar-12</th>
<th>Mar-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>HC</td>
<td>4.9</td>
<td>5.1</td>
</tr>
<tr>
<td>I&amp;C</td>
<td>13.5</td>
<td>19.3</td>
</tr>
<tr>
<td>Energy</td>
<td>28.1</td>
<td>15.6</td>
</tr>
<tr>
<td>Industry</td>
<td>18.1</td>
<td>13.7</td>
</tr>
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</table>

-17% (-31%) (-14%)

Contribution to Sales

<table>
<thead>
<tr>
<th></th>
<th>Mar-12</th>
<th>Mar-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>43%</td>
<td>36%</td>
</tr>
<tr>
<td>Industry</td>
<td>28%</td>
<td>36%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>21%</td>
<td>9%</td>
</tr>
</tbody>
</table>

-17% (-31%) (-14%)
Book to Bill Ratio (Base business)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Mar-12</th>
<th>Mar-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>0.41</td>
<td>0.75</td>
</tr>
<tr>
<td>I&amp;C</td>
<td>1.29</td>
<td>1.12</td>
</tr>
<tr>
<td>Healthcare</td>
<td>1.03</td>
<td>1.00</td>
</tr>
<tr>
<td>Industry</td>
<td>0.73</td>
<td>0.83</td>
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</tbody>
</table>
Profit from Operations (PfO)

PfO down by 80% to Rs. 1.1 billion

Factors affecting PfO include:

- Reduced volumes
- Pricing pressures
- Delays in off take by customers
- Increase in project costs
- Currency & Commodity impacts
PFO – Impact of Cost Updates

March 2012

5’645

2’660

Cost Updates

March 2013

1’112

2’304

Cost Updates

1’192

2’985
## Financial highlights of Siemens Ltd. – H1 FY 2013

<table>
<thead>
<tr>
<th></th>
<th>Quarter ended Mar 2012</th>
<th>Quarter ended Mar 2013</th>
<th>+/-%</th>
<th>Six months ended Mar 2012</th>
<th>Six months ended Mar 2013</th>
<th>+/-%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New orders</strong></td>
<td>18,492</td>
<td>28,141</td>
<td>52%</td>
<td>47,355</td>
<td>48,075</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td>39,882</td>
<td>29,077</td>
<td>-27%</td>
<td>64,591</td>
<td>53,696</td>
<td>-17%</td>
</tr>
<tr>
<td><strong>Order backlog</strong></td>
<td>146,181</td>
<td>129,283</td>
<td>-12%</td>
<td>146,181</td>
<td>129,283</td>
<td>-12%</td>
</tr>
<tr>
<td><strong>Profit from Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% to Sales</td>
<td>12.4%</td>
<td>0.5%</td>
<td>-97%</td>
<td>8.7%</td>
<td>2.1%</td>
<td>-80%</td>
</tr>
<tr>
<td><strong>Other income &amp; Finance Costs</strong></td>
<td>13</td>
<td>41</td>
<td>215%</td>
<td>218</td>
<td>23</td>
<td>-89%</td>
</tr>
<tr>
<td><strong>Prior period items</strong></td>
<td>551</td>
<td>-</td>
<td>-100%</td>
<td>551</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% to Sales</td>
<td>11.1%</td>
<td>0.6%</td>
<td>-96%</td>
<td>8.2%</td>
<td>2.1%</td>
<td>-79%</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>2,975</td>
<td>299</td>
<td>-90%</td>
<td>3,577</td>
<td>936</td>
<td>-74%</td>
</tr>
</tbody>
</table>

### ROCE
- Mar12: 18.0%
- Mar13: 4.5%

### EPS
- Mar12: 10.16
- Mar13: 2.63

### P/E
- Mar12: 37.38
- Mar13: 104.39
Operational Highlights

Financial Analysis

Future Outlook
To Sum Up

- We expect the economic environment to continue be uncertain and challenging
- The Company will continue 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
Thank You!