

Oil & Gas Division: The door to exciting industries

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CEO
Oil & Gas Division

Siemens Energy - Capital Market Day
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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.




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 stockholders 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: 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.

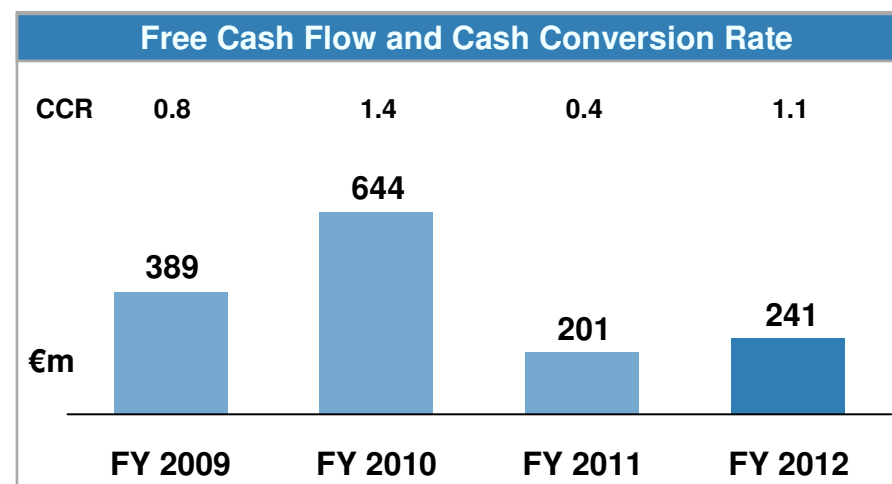
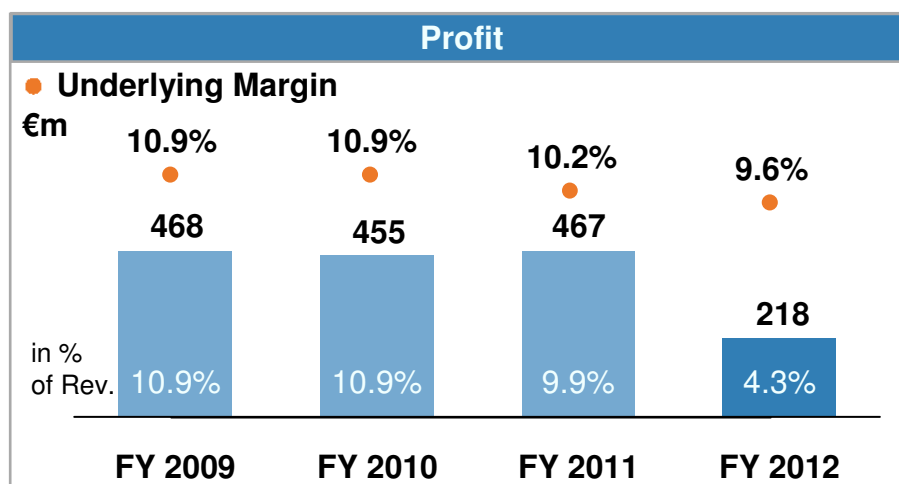
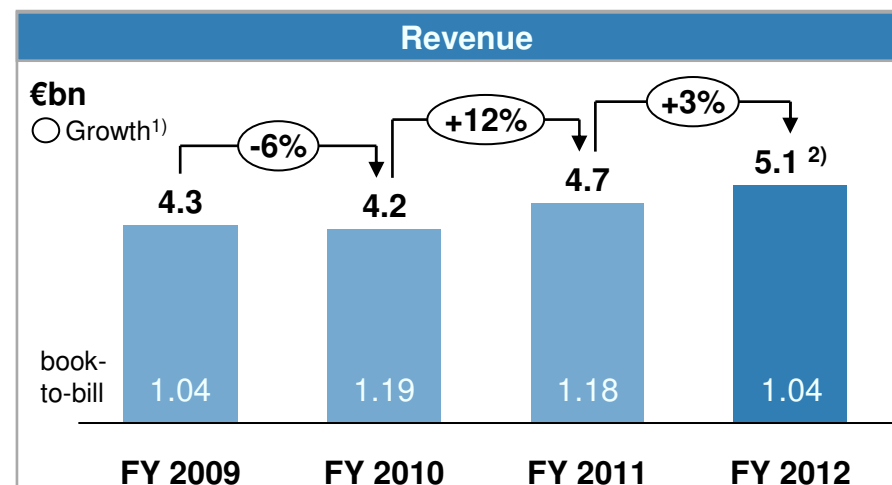
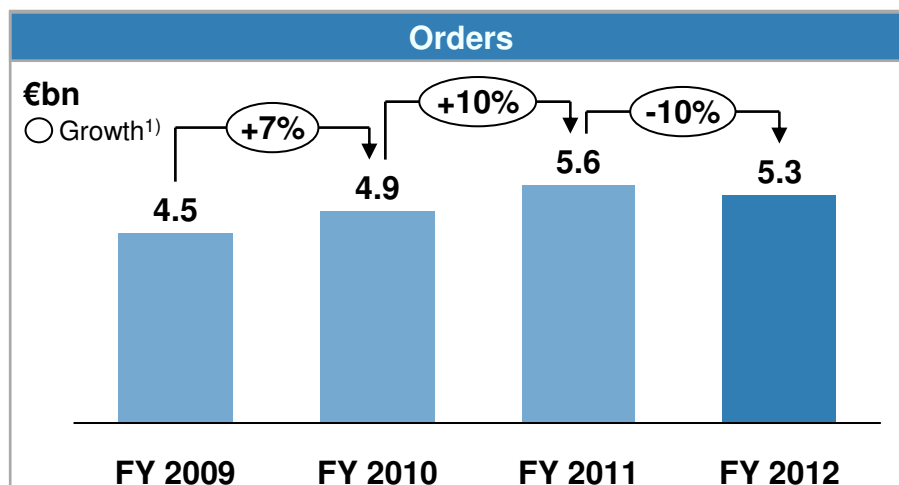
Leveraging Siemens core strengths into exciting industries: Oil & Gas and midsize power generation

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Oil & Gas				
Business Units	Power		Compression	Solutions
				
	Gas Turbines <60 MW	Steam Turbines <250 MW	Compressors	<ul style="list-style-type: none"> Electrical Instrumentation & Control Subsea
	Products (~60%)			Integrated Systems (~20%)
	Service (~20%)			
Fleet (units)	2,150	16,000	10,000	
Market position	No. 2	No. 1	No. 2	No. 2

Note: (% Revenue)

Focus on profitable growth



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

2) Underlying revenue €5.2bn before Iran impact

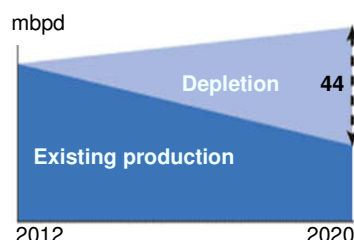
Oil & Gas and power opportunities are in the sweet spot of Siemens' core strengths

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Global trends lead to increased energy demand and gas utilization



Distributed PG



Reservoir depletion



Deepwater exploration

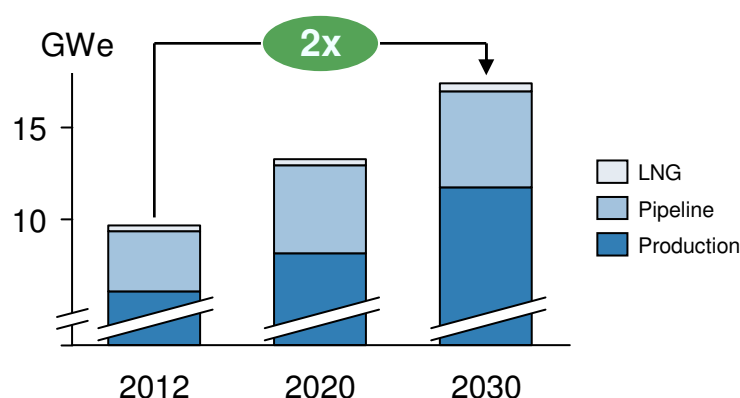


Unconventional Oil & Gas



CO₂ Mitigation

O&G Incremental* Annual Energy Demand



- Increased energy demand driven by enhanced recovery and unconventional development
- Current energy efficiency of installed O&G rotating equipment <25%
- **Increases demand for efficient rotating and electrical equipment**

* Installed capacity 450 GW (Source CERA)

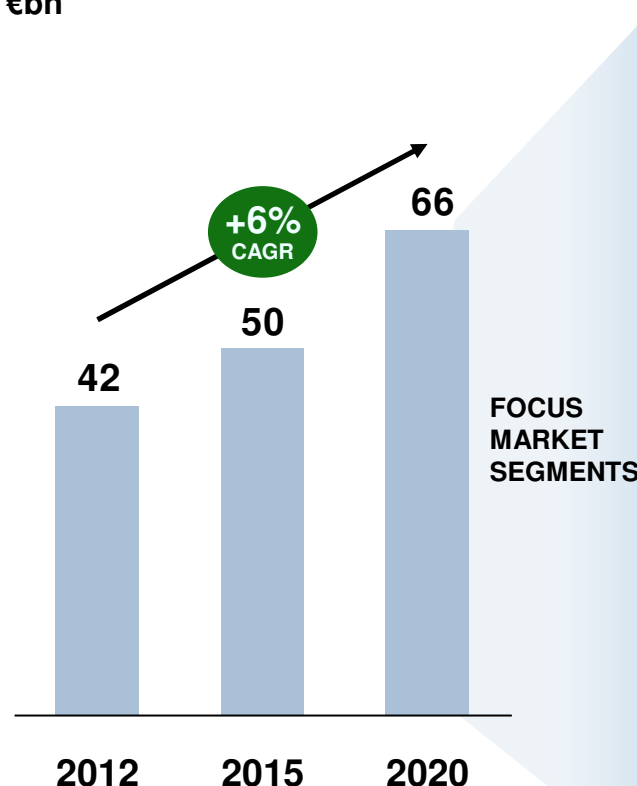
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Outgrowing the industry by focusing on high growth market segments

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Addressed market

€bn

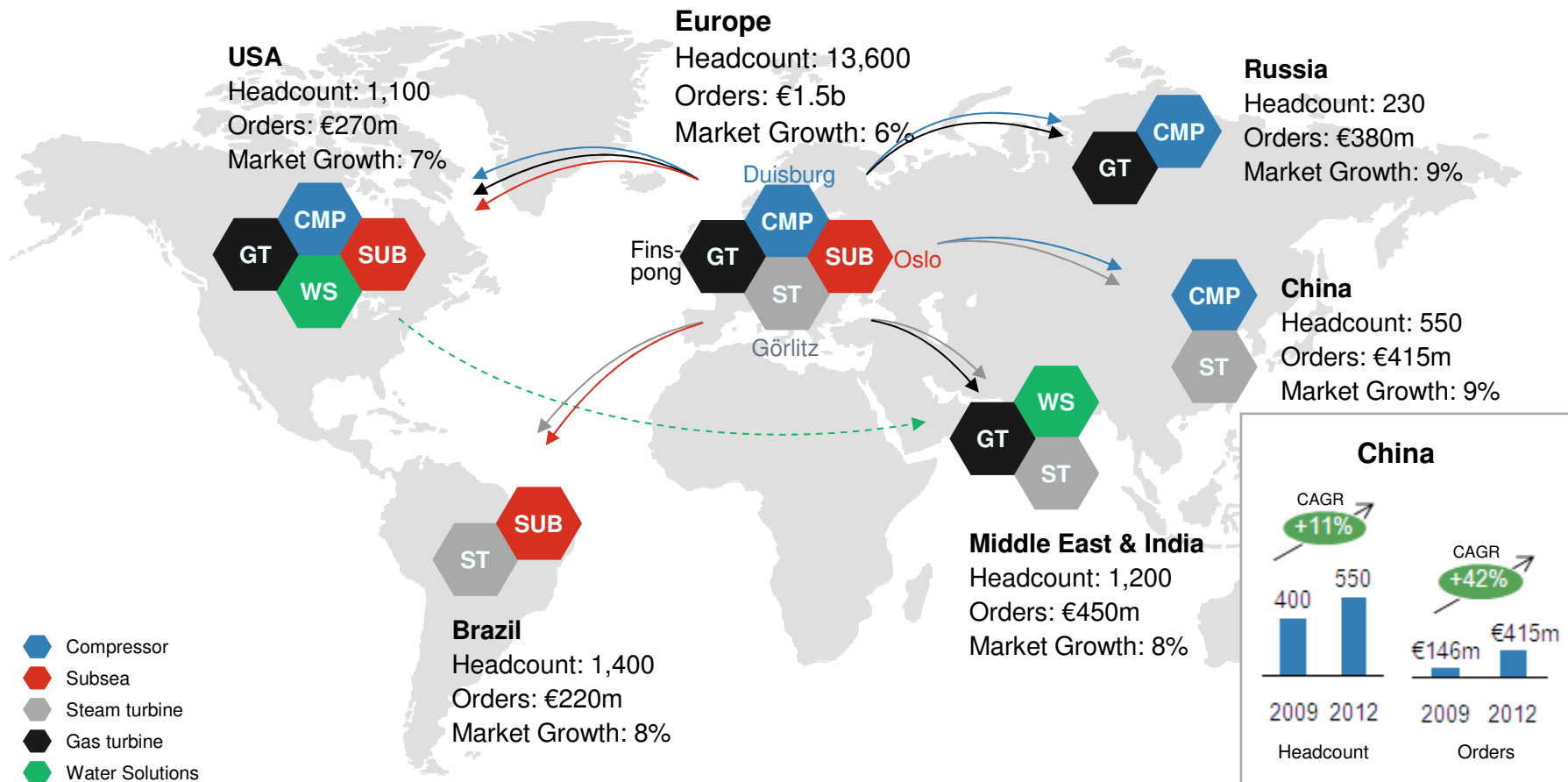


	2012-2017 Market CAGR	Portfolio	Application
Offshore production	10%	Power generation & distribution, automation, compression, water treatment	FPSO ¹⁾
Onshore production and EOR ²⁾	7%	Power generation & distribution, water treatment and gas injection	Gas & water injection
Liquefied natural gas	9%	Power generation & distribution, gas liquefaction compression	Gas liquefaction
Pipeline	9%	Compression & pump systems, automation, security	Compressor stations
Subsea	19%	Subsea power and subsea compression	Subsea power grid
CCPP/SCPP	10%	Gas turbines, steam turbines	Midsized power plants
Biomass/Geothermal	12%	Steam turbines	Small power plants

1) Floating Production, Storage & Offloading 2) Enhanced Oil Recovery

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Our global footprint targets high growth markets



Low cost manufacturing

Local content

Customer proximity

Head count and Orders data for 2012; Market growth CAGR 2012 -2017

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CEO Oil & Gas Division

Innovative products for new frontiers

Joint working groups with:



Arctic LNG



Joint development with:



PETROBRAS

Subsea power grid

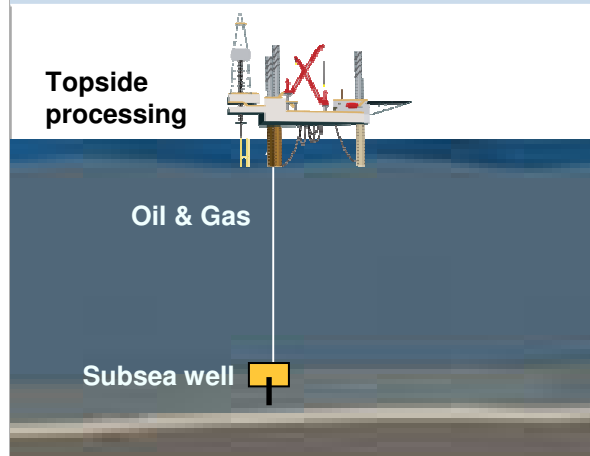


Leveraging our electrical competence to enable subsea oil & gas production

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Today : Topside processing

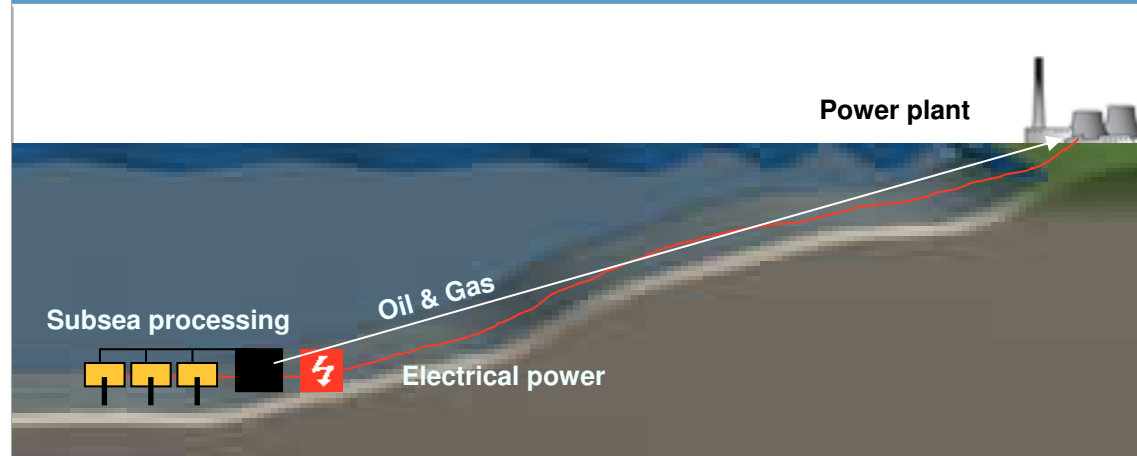
Water Depth [m]	500
Distance from shore [km]	100
Power [MW]	10



- Deepwater reserves cannot be developed economically with today's technology
- ▶ Topside processing needs to move subsea

Future: Subsea processing

>3000
>500
>100

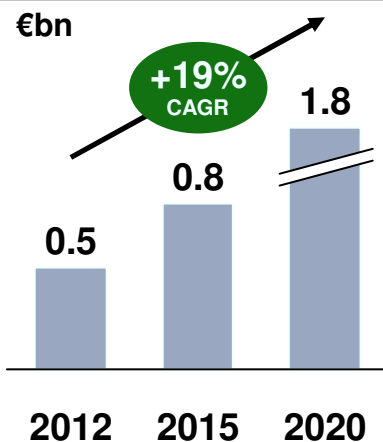


- Subsea electrical power required to enable deep water oil & gas production
- Transition from single well processing at short offsets (<10 km) to multiple well processing at longer offsets (10 to >100 km)

Our subsea power grid will enable subsea processing

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Subsea Market



Siemens **electrical competence** and **strategic acquisitions** deliver a unique **subsea power grid** solution

Bennex & Poseidon

Marinization and subsea engineering competence

Subsea offering

Power

Distribution

Control

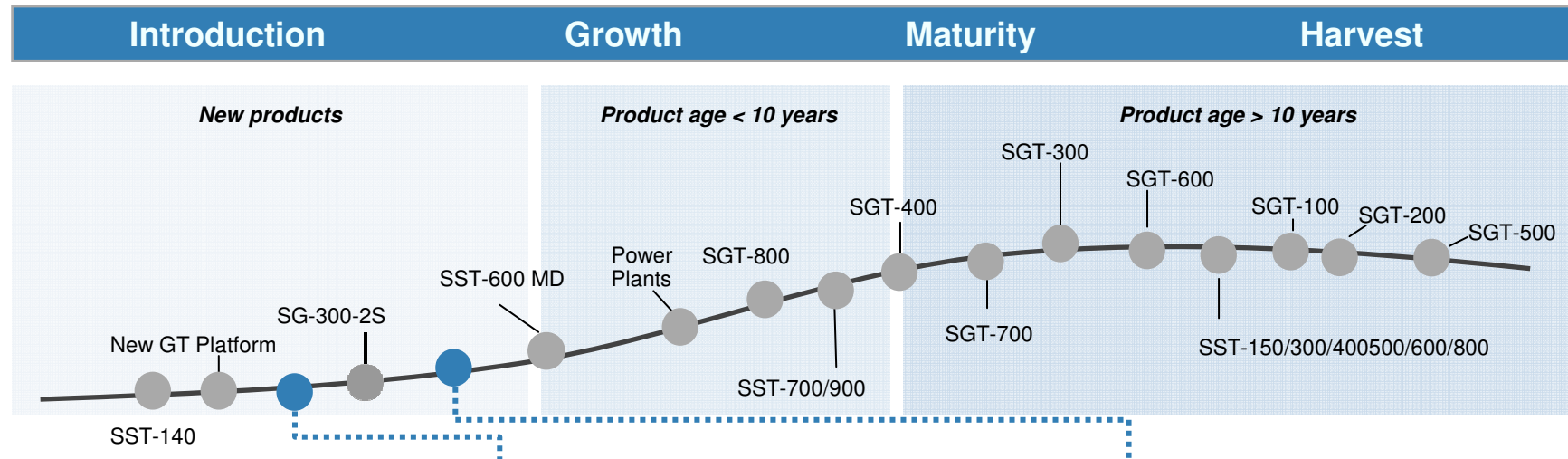
Tronic & Matre

Connectors & Measurement



Siemens' Subsea Power Grid will be commercially available in 2014

R&D focused on innovation and ROI



Enhanced Steam Turbine Platform

- One platform for 15 to 250 MW
- 2% efficiency increase and 20% cost reduction by 2016



Gas Turbine SGT-750

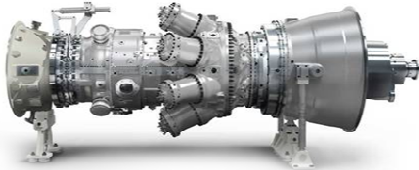
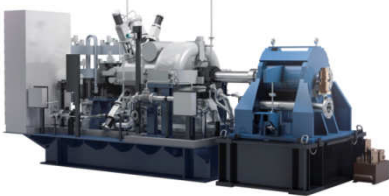


- High efficiency and availability
- 17 maintenance days in 17 years



Examples

Operational excellence and cost reduction measures make us more competitive

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Gas Turbines	Steam Turbines	Compressors	Solutions
			
Cost reduction of €240m by 2016	Cost reduction of €200m by 2016	Cost reduction of €310m by 2017	Cost reduction of €222m by 2017
<ul style="list-style-type: none">▪ Extend, localize and optimize packaging network▪ Target costing and productivity enhancement	<ul style="list-style-type: none">▪ Common platform for several product lines▪ 2% efficiency increase, high reliability▪ Target costing and productivity enhancement	<ul style="list-style-type: none">▪ Production system▪ Global load balancing / localization▪ Target costing▪ Platform	<ul style="list-style-type: none">▪ Stabilize and focus on project execution excellence▪ Global Resource Management▪ Solutions Standardization

Success stories with our customers

Unconventional Gas

€340m



Combined Cycle Power Plant

€420m



Customer	Conoco, Santos, British Gas	Gulf
Projects	Coal seam gas utilization Gladstone, Australia	7 x 130 MW Power Plants Thailand
Scope	<ul style="list-style-type: none"> 66 motor driven compressor trains 16 gas turbines Service 	<ul style="list-style-type: none"> 14 gas turbines for combined cycle Service

**Siemens Oil & Gas Division:
A solid foundation for profitable growth**

SIEMENS

1

**Strong player in exciting industries:
O&G and midsize power generation**

2

Leveraging Siemens core strengths into the O&G industry

3

**Outperform competitors by focusing on
high growth market segments and regions**

4

Building portfolio through innovation and M&A

5

**Operational excellence and cost reduction programs
targeted at continuous margin improvement**

Reconciliation and Definitions for Non-GAAP Measures



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