

Siemens Energy – The company of choice

Driving productivity is
the key priority

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Capital Market Day Siemens Energy
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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, 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.



High performing, resilient business year after year

Focused on improving performance still further:

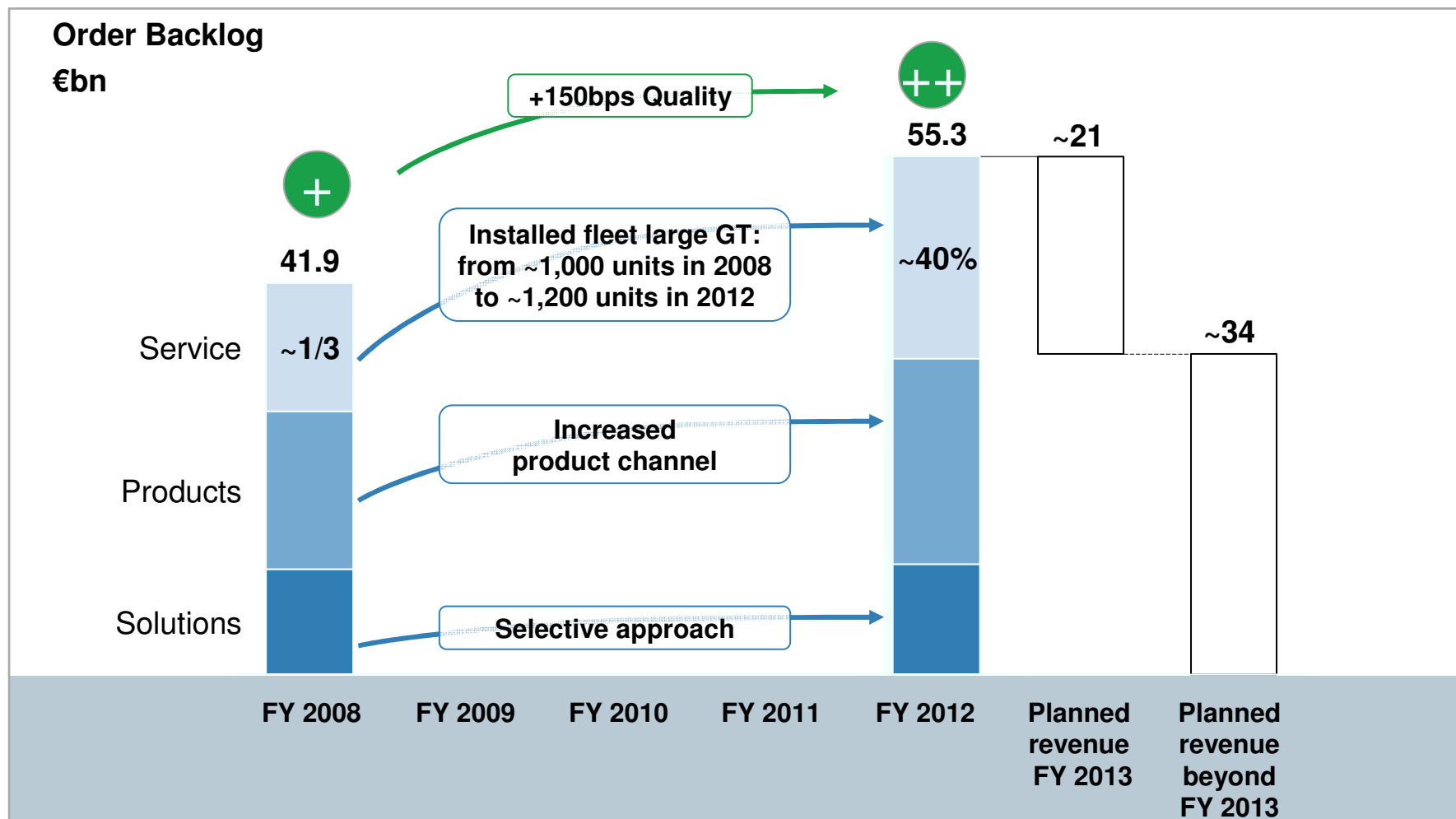
- **Margin gains as the key driver**
- **Cost reduction – to ensure our long-term competitive lead**

Delivering world class performance:

- **Industry leading margins, reliable cash conversion**

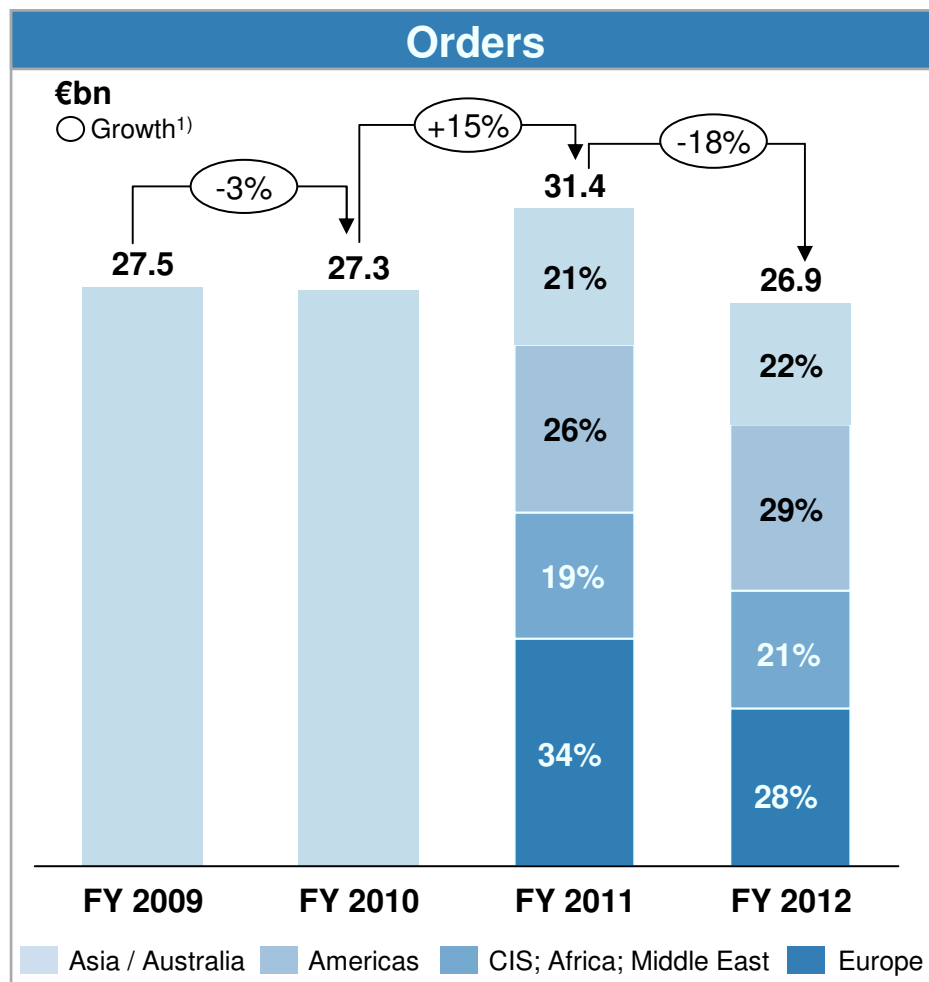
A growing and profitable order backlog – Discipline in order intake and execution

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Stable order entry in 3 regions – Higher volatility in Europe

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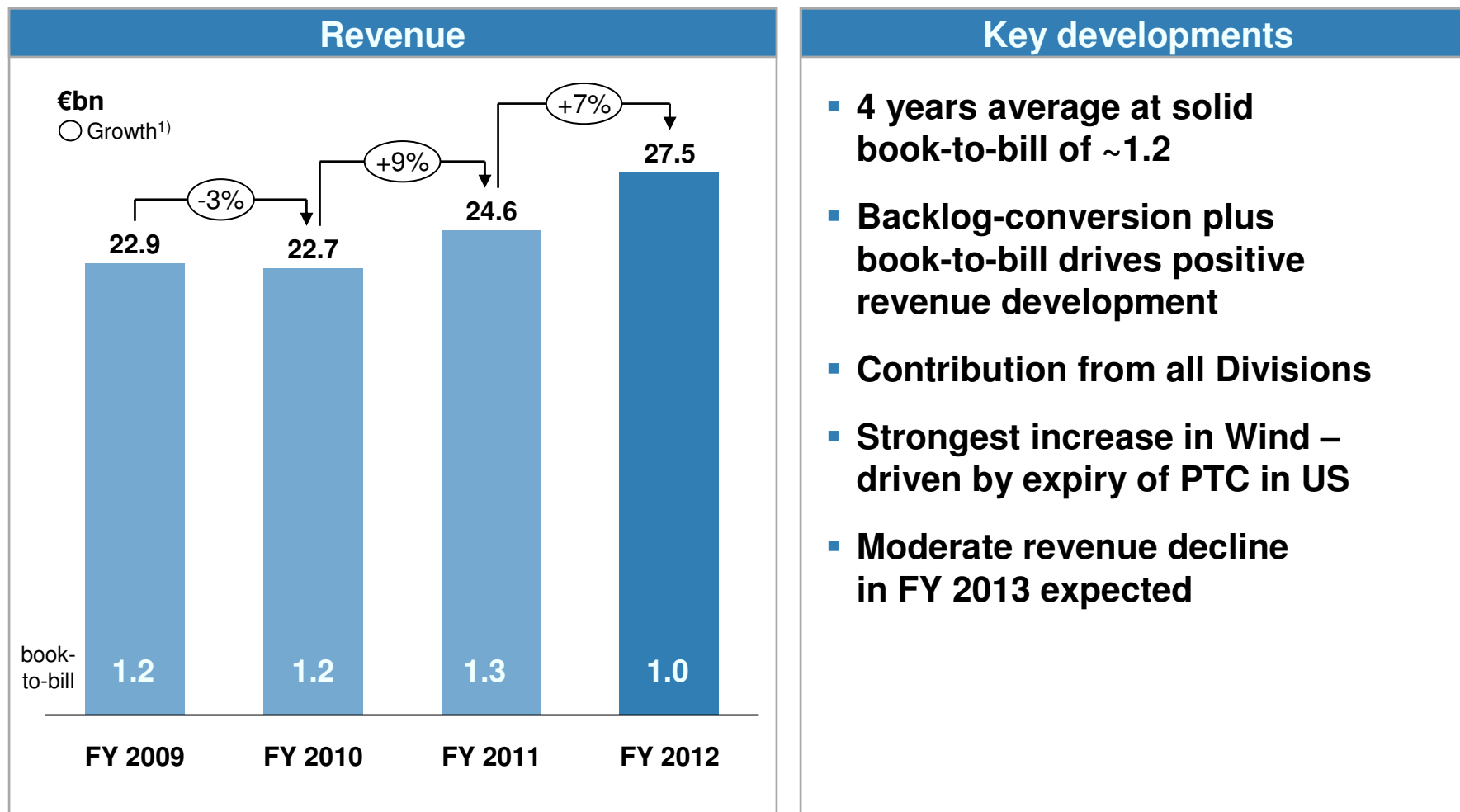
- Key developments**
- **Consistent performance – averaging last 4 years >€28bn**
 - **FY 2012 robust order entry in three out of four regions**
 - **Europe after strong FY 2011 weaker in FY 2012 – affected by Wind and Transmission**
 - **Asia / Australia:**
Korea up €900m in FY 2012 paced by strong gas turbine demand
 - **Moderate order growth expected for FY 2013**

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

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Broad based revenue growth driven by consistent backlog conversion

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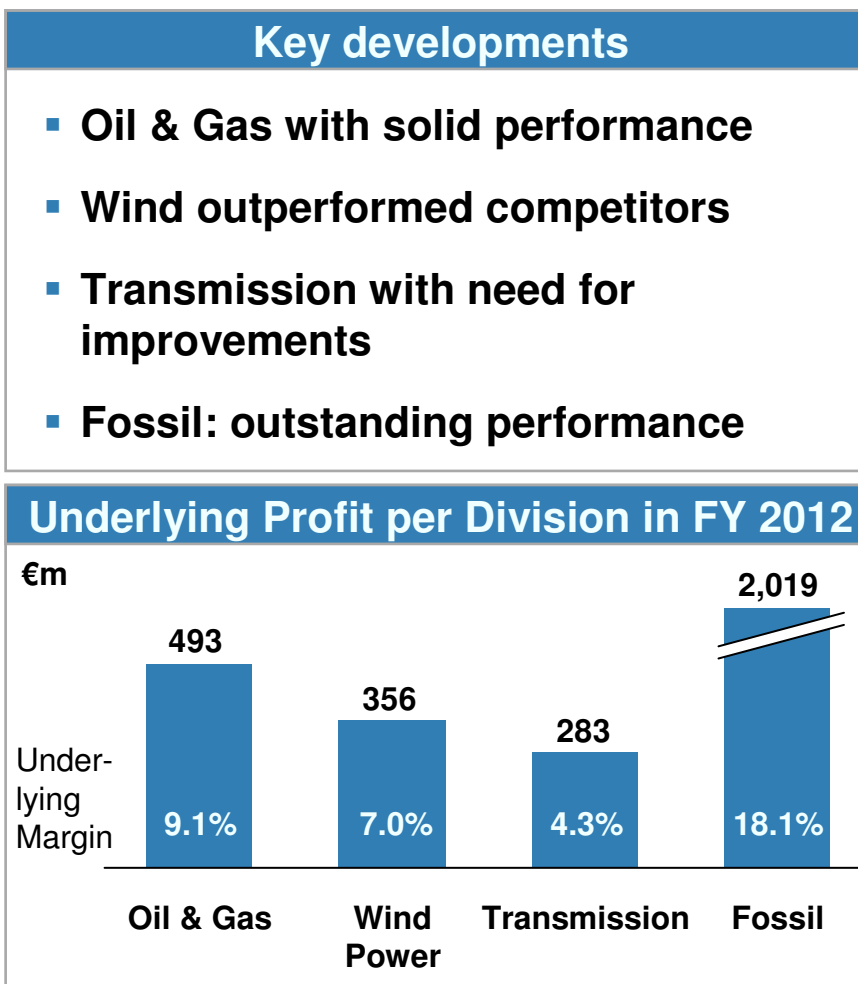
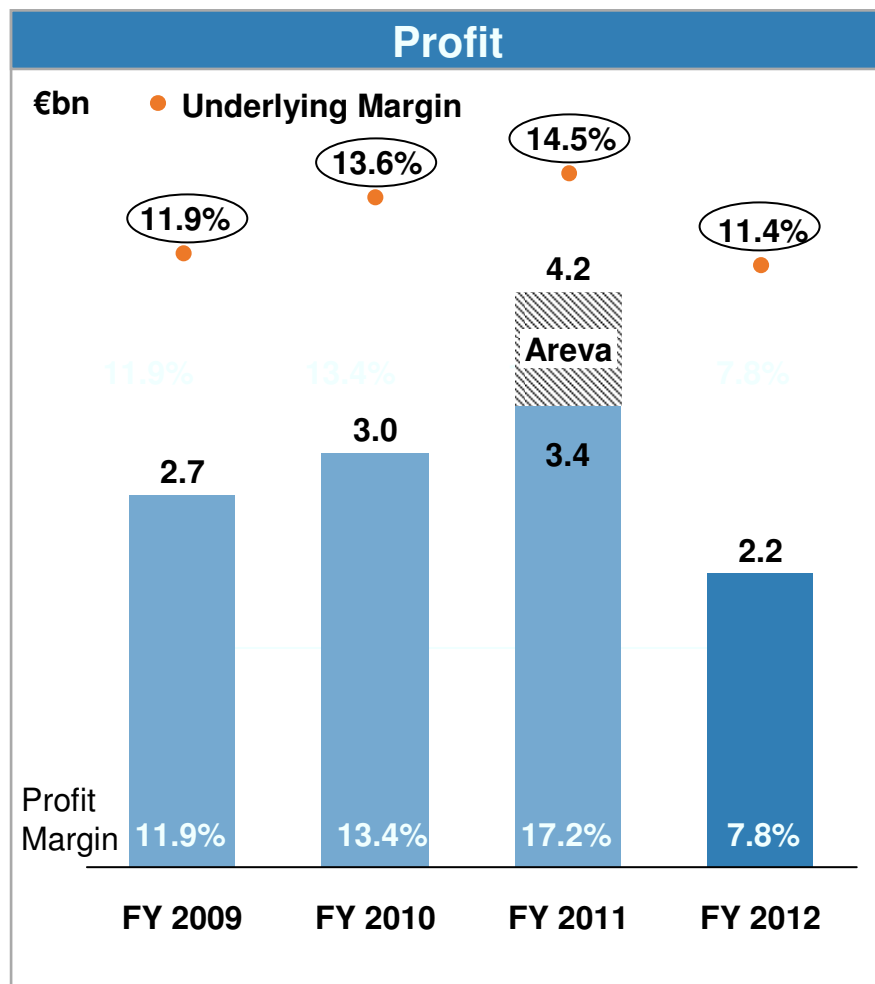


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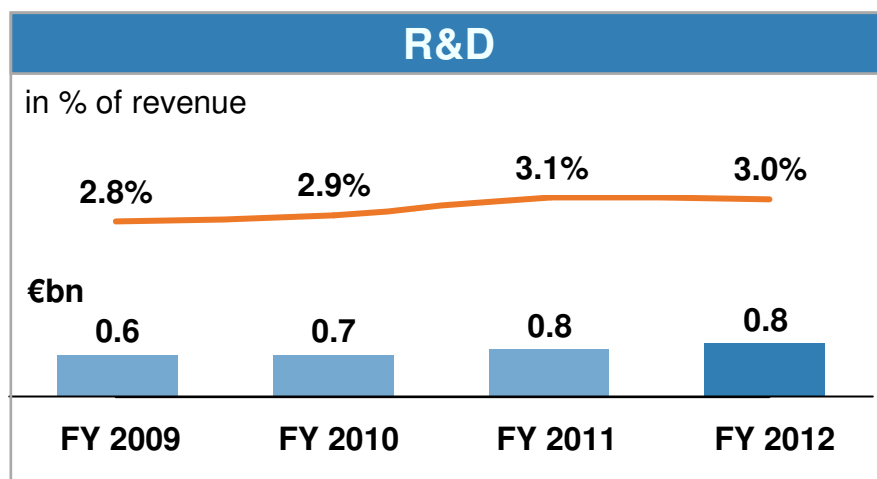
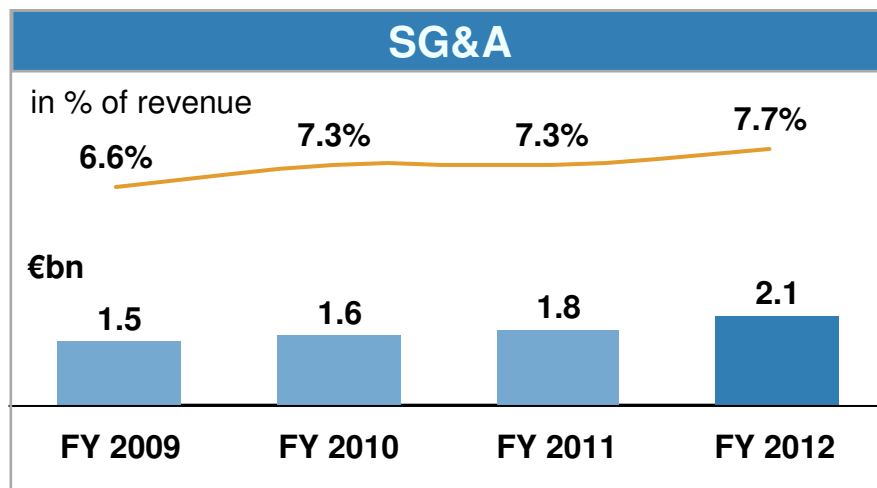
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Strong underlying profit-contribution in a competitive environment

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SG&A and R&D are supporting our strategy

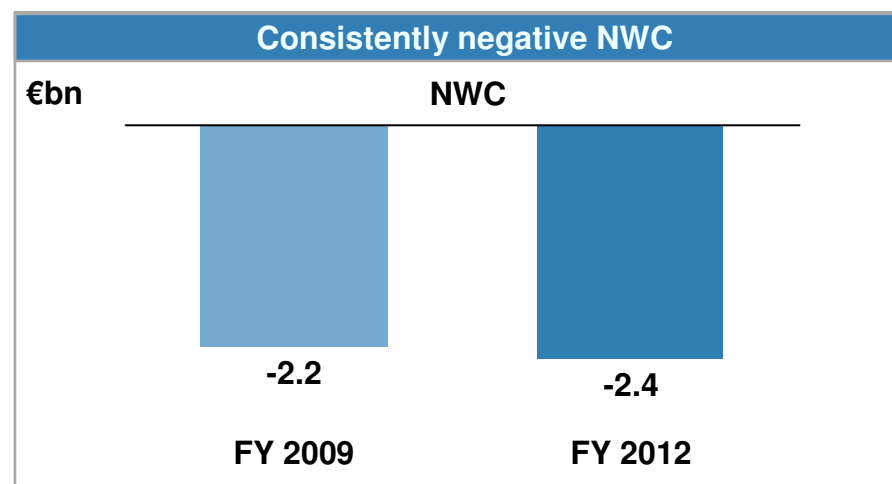
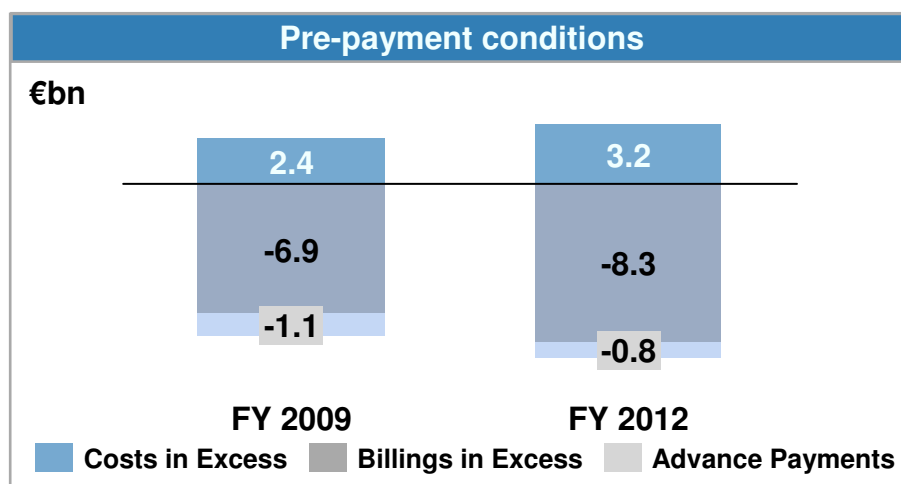
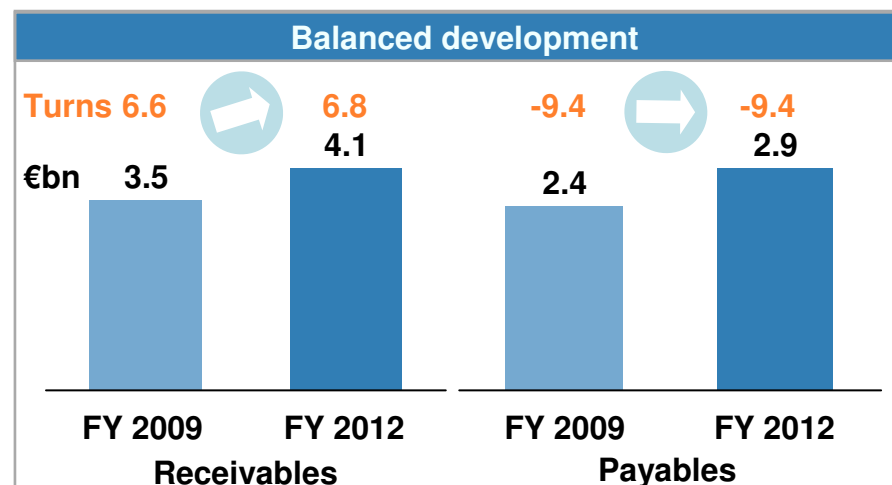
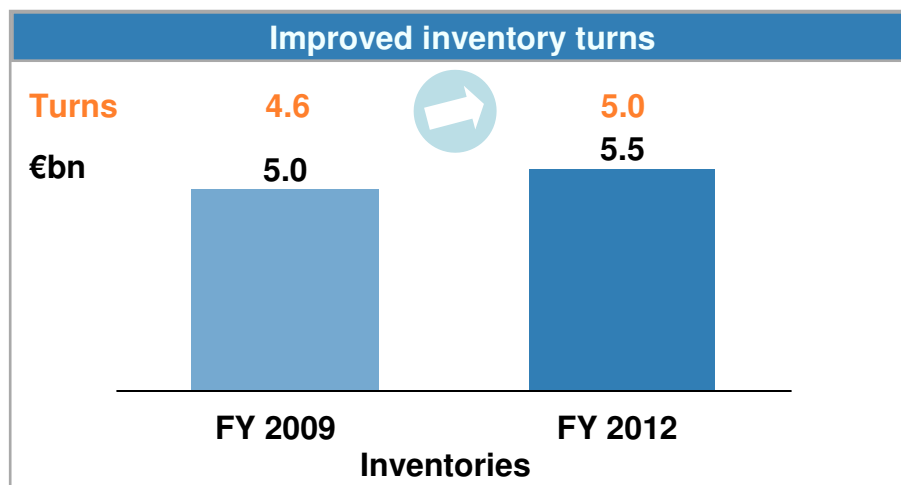


Key developments

- Industry leading SG&A level
- Volatility due to shift in business mix
- FY 2012 impacted by M&A integration (e.g. OOO Siemens Gas Turbine Technologies, NEM and Tronic and Matre Instruments AS)
- Focused invest into new products:
 - H-Class
 - 6 MW DD
 - SGT-750
 - HVDC
- Strong push in design to cost – share of 30% to drive cost reduction
- Tight return-on-invest criteria

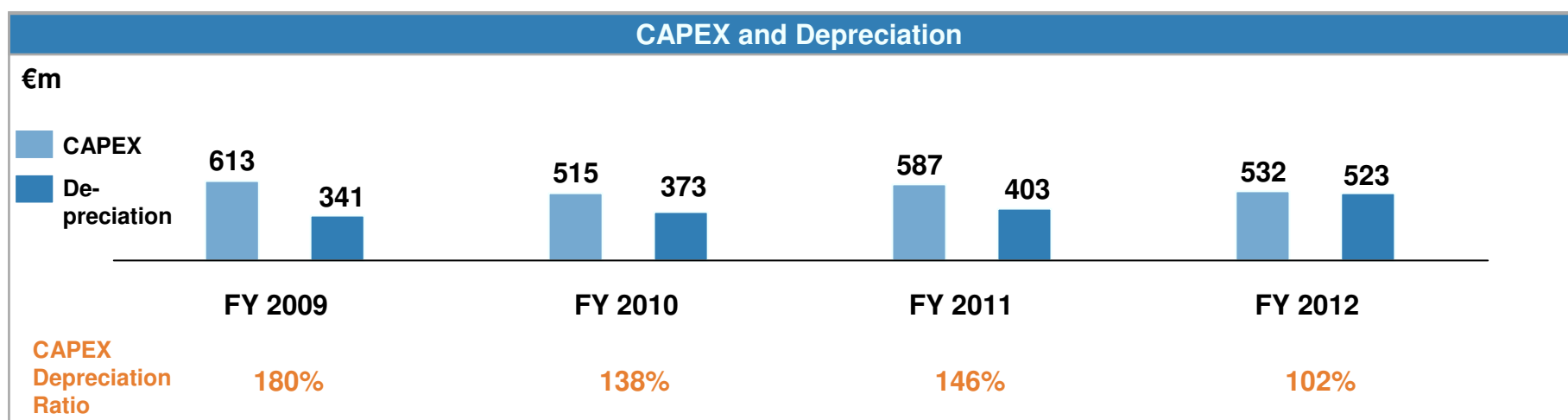
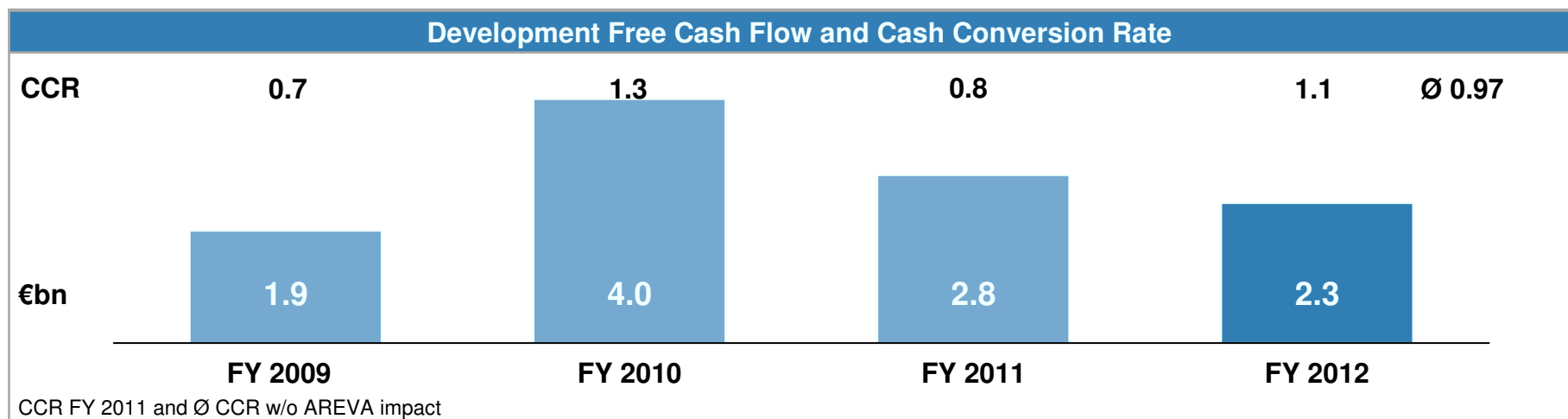
Tight working capital management drives strong cash generation

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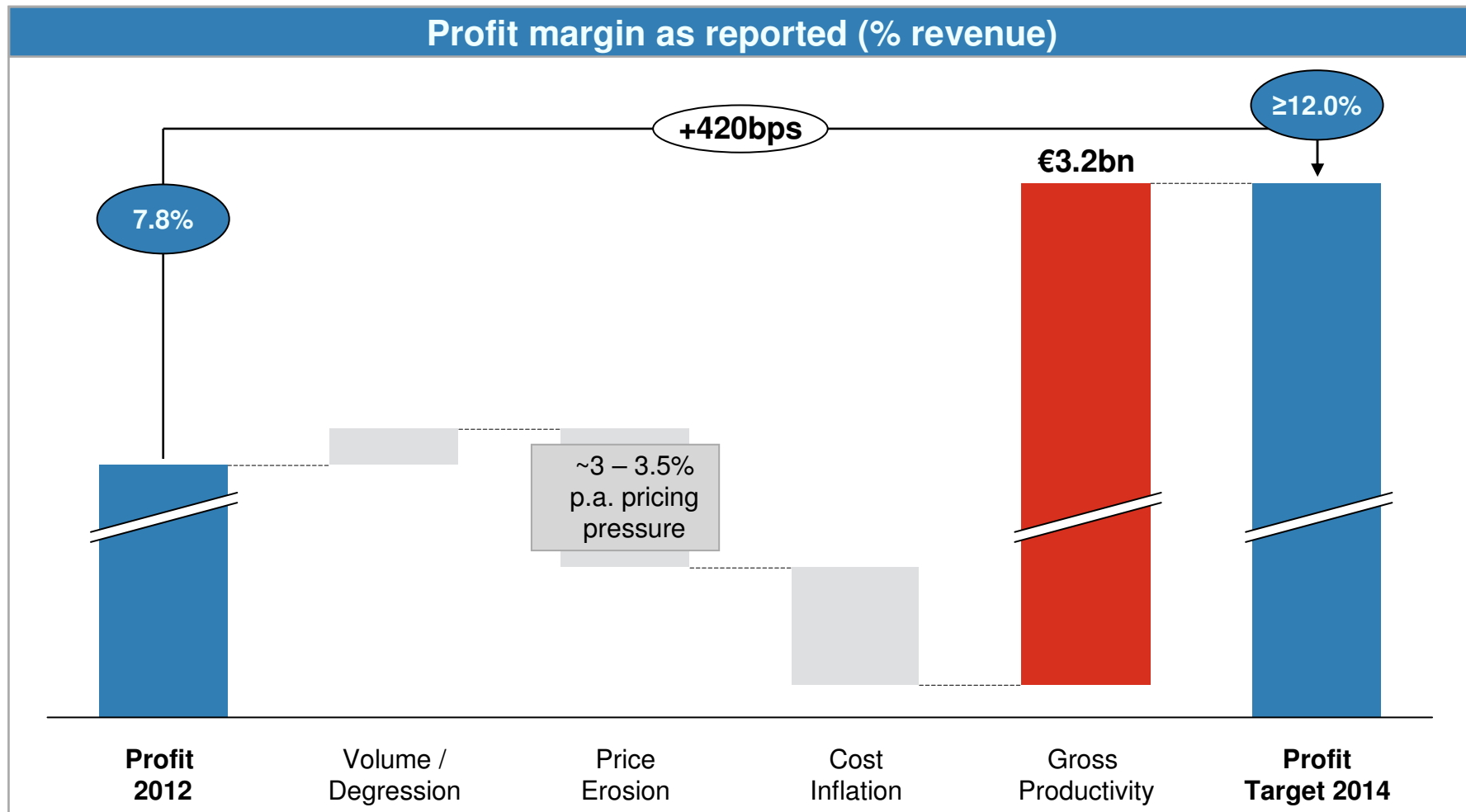
Energy with excellent cash conversion and tighter focus on CAPEX investments

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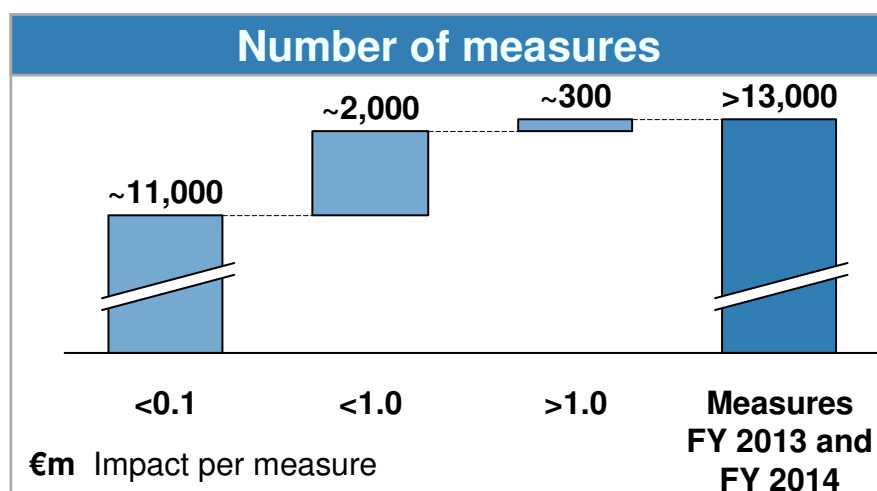
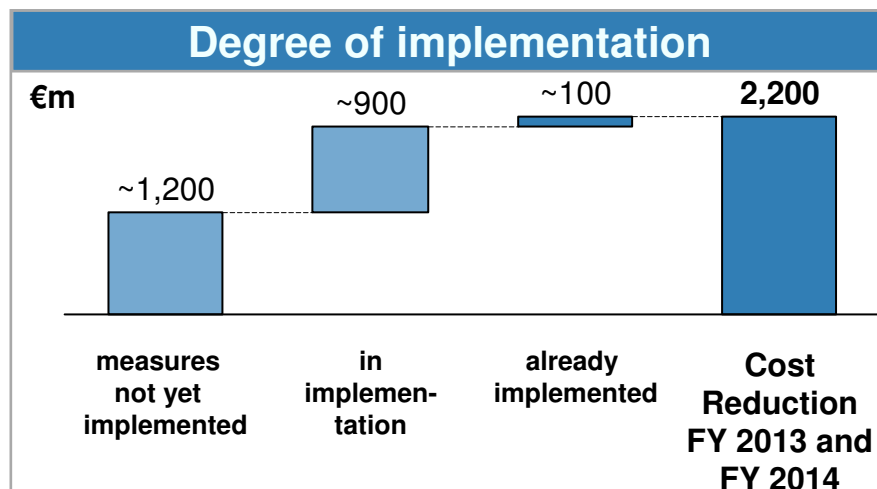


Energy 2014: Driving Sector Margin to at least 12% in FY 2014

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Cost reduction measures: Clear targets and responsibilities defined



- Comments**
- Continuous improvement is part of Energy Sector's DNA
 - Cost reduction targets mirrored in budget and incentives
 - Entire organization involved in execution
 - More than 13,000 measures identified and in implementation
 - Ambitious productivity improvement of ~5% per year

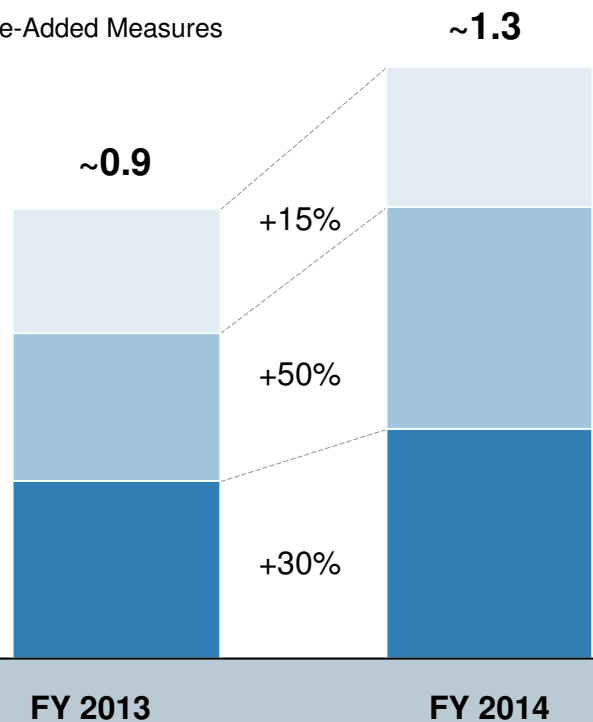
Cost reduction of ~€2.2bn is key to reach profitability target

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Three major areas for cost reduction

€bn

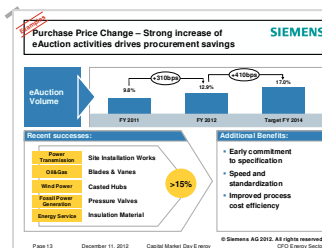
- Purchase Price Change
- Material Cost Productivity
- Value-Added Measures



Major levers:

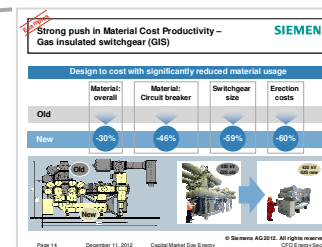
Purchase Price Change

⇒ e.g. eAuctions



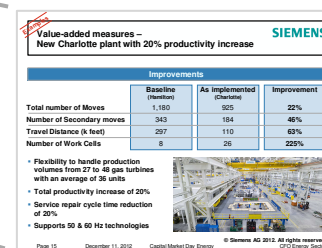
Material Cost Productivity

⇒ e.g. Design to cost



Value-Added Measures

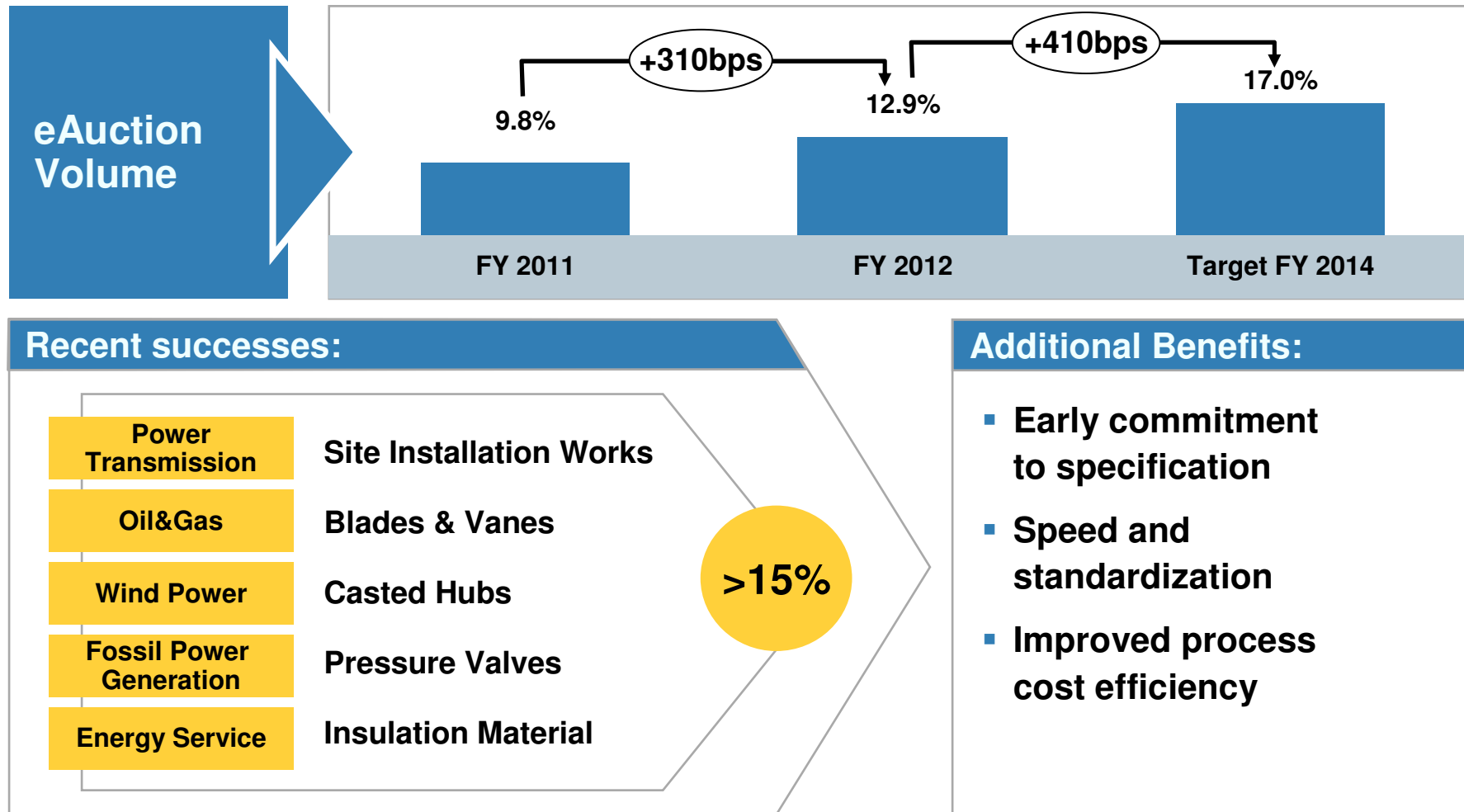
⇒ e.g. Lean manufacturing



Examples

Purchase Price Change – Strong increase of eAuction activities drives procurement savings

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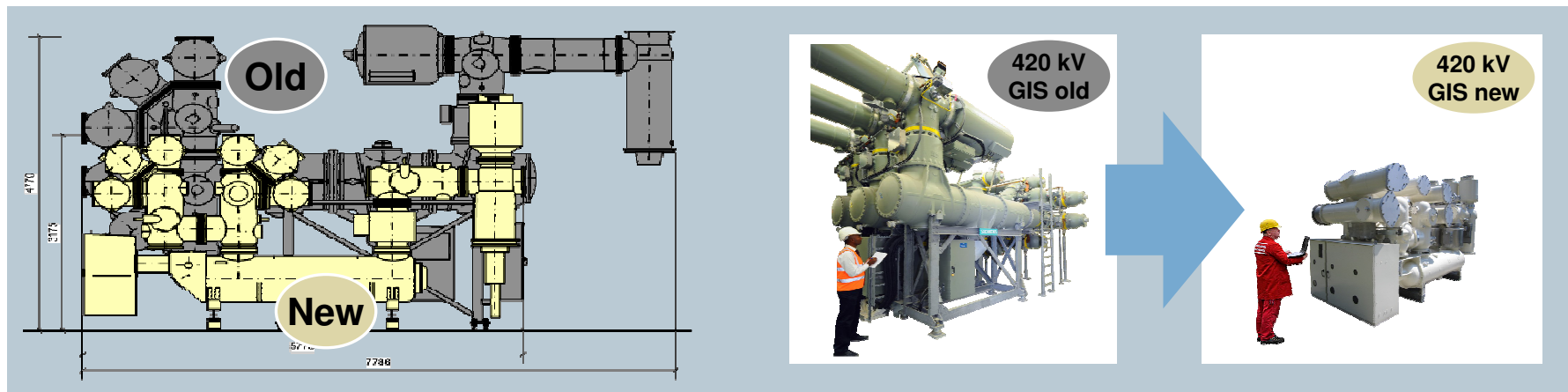
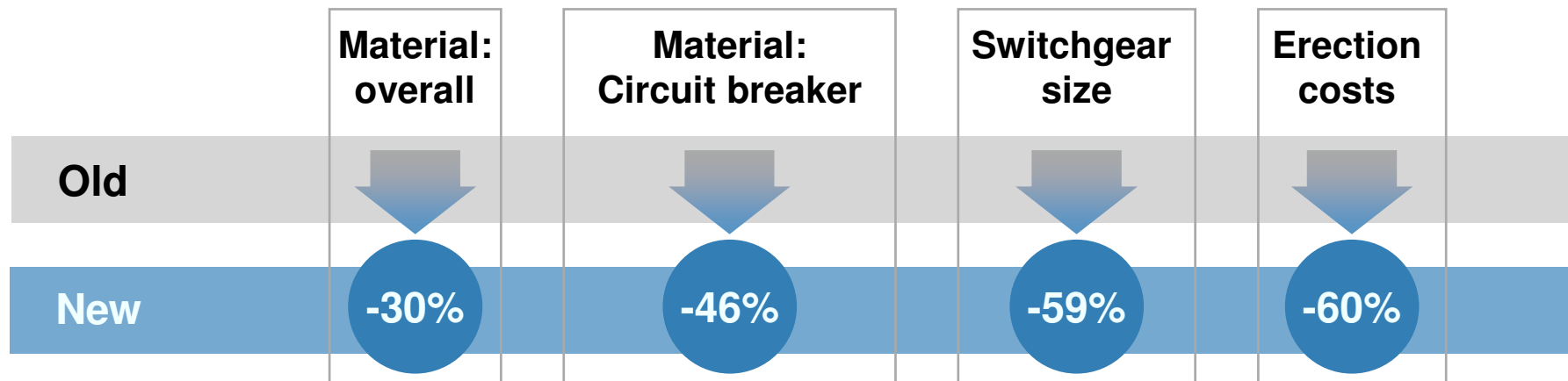


Examples

Strong push in Material Cost Productivity – Gas insulated switchgear (GIS)

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Design to cost with significantly reduced material usage



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CFO Energy Sector

Value-added measures – New Charlotte plant with 20% productivity increase

Improvements

	Baseline (Hamilton)	As implemented (Charlotte)	Improvement
Total number of Moves	1,180	925	22%
Number of Secondary moves	343	184	46%
Travel Distance (k feet)	297	110	63%
Number of Work Cells	8	26	225%

- Flexibility to handle production volumes from 27 to 48 gas turbines with an average of 36 units
- Total productivity increase of 20%
- Service repair cycle time reduction of 20%
- Supports 50 & 60 Hz technologies



Executing and delivering on our commitments



Resilient business through the cycles

- €55bn order backlog and high service share
 - ▶ robust recurrent revenue streams
- High underlying profitability and solid cash conversion

"Energy 2014" will improve profit margin

- €3.2bn gross productivity with clear targets and commitments
- Driving Sector Margin to at least 12% in FY 2014

Siemens Energy is a reliable value and cash generator

Reconciliation and Definitions for Non-GAAP Measures



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