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Klaus Helmrich | Member of the Managing Board

# Capturing opportunities in Europe and Africa

Siemens Capital Market Day | Berlin, December 9, 2014

# Notes and forward-looking statements

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 “expect,” “look forward to,” “anticipate” “intend,” “plan,” “believe,” “seek,” “estimate,” “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, of which many are beyond Siemens’ control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes – in IFRS not clearly defined – supplemental financial measures that are or may be non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens’ net assets and financial positions or results of operations 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.

All underlying margins are calculated by adjusting margins for the effects reported for the respective businesses in the relevant period. These effects are provided to assist in the analysis of the businesses’ results year-over-year and may vary from period to period. Underlying margins are not necessarily indicative of future performance. Other companies may calculate similar measures differently.

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.

## Strong base in Europe

We will continue to exploit opportunities in our **core market Europe**

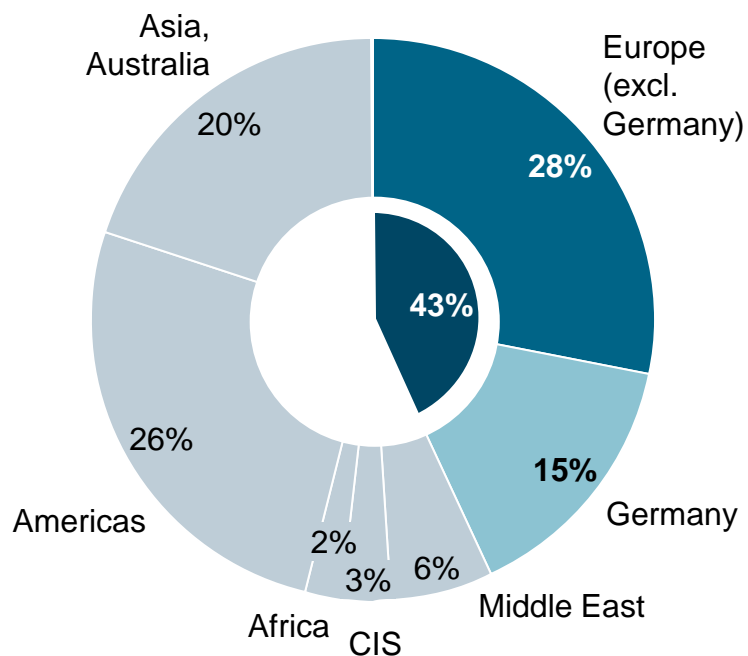
We have a **huge installed base** and a **unique customer base**

We target and exploit **opportunities** in **electrification, automation, digitalization and service**

We are **sharpening our customer focus** and **improve our go-to-market approach**

# Europe is our core market

## Revenue by region FY 2014 (€72bn)



FY 2014 based on customer location

## Market development Europe 2014-2020

in €bn

145

FY 2014

Long-term  
market growth  
**+3% CAGR**

- Opportunities vary across Europe
- Productivity and innovation as key drivers in core Europe
- Need for infrastructure in Europe

**Solid base for sustainable revenue generation and for targeting business opportunities**

CIS = Commonwealth of Independent States

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We have a huge installed base  
which we will harvest with our deep know-how

**700,000 customers**  
Trusted partner for customers and countries

### Strong network

#### Local presence

- **394** sales offices
- **541** service hubs
- **88** R&D locations

#### Siemens as industrial manufacturer

#### Continuously improving European footprint



### Domain know-how and strong installed base

#### Siemens technology for

- **>80%** of automobile factories
- **>50%** of installed wind power capacity
- **~60%** of machine builders
- **~20%** of rolling stock
- **>30%** of commercial buildings
- **~30%** of large gas turbines
- **~30%** of transmission technology

**We have unique customer relations and a strong local presence**

## Productivity pressure drives increase in automation market by 2 to 3% per year ...

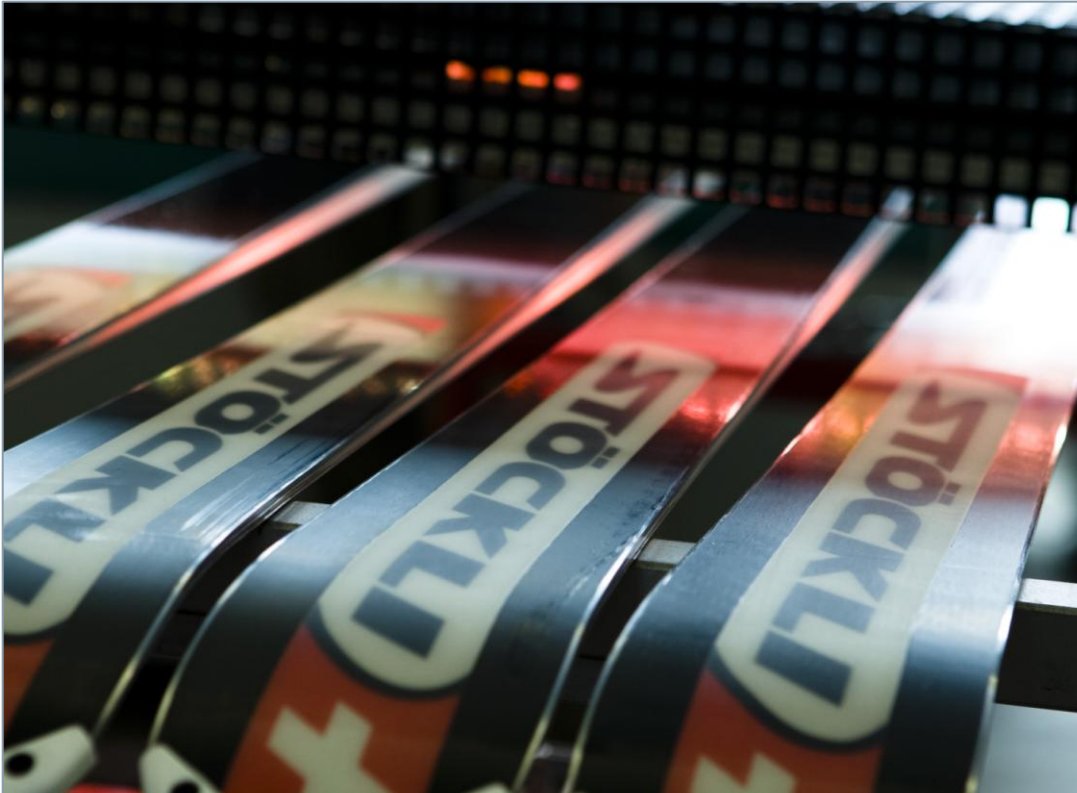


... and gives us the chance to further exploit our installed base.

### Audi (Hungary)

- **Higher productivity**  
Fully-automatic body buffer stores >400 car bodies
- **Complete solution**  
incl. 30m high warehouse and 2km conveyor system
- Products: **Simatic S7, Integrated Drive System, RFID system**
- **Increased efficiency**  
through energy-saving motors and recovery of kinetic energy
- Up to **40% energy saving**

# Mass customization drives industrial software and digitalization market growth at 6 to 8% per year ...

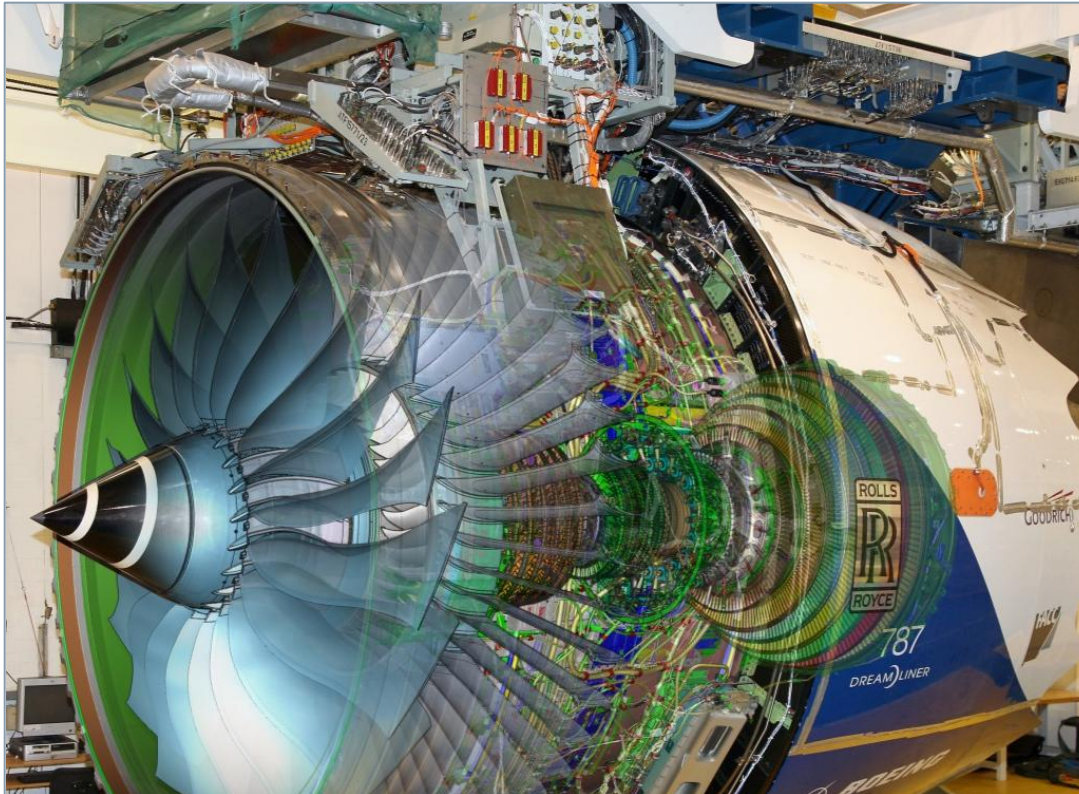


... and opens up new business opportunities.

## Stöckli Swiss Sports (Switzerland)

- **3D construction**  
Modelling, integrated data management, production planning, analysis with PLM software
- Product: **PLM Solid Edge**
- Time for development of individualized skis **reduced from 24 hours to 1 hour**
- **Cost reduction** through reusability of construction data for varying models

# Expanding cross-selling to maximize potential of customer base



Exploiting our installed base with our deep vertical know-how.

## Rolls-Royce (UK)

- Focused account plan to leverage **complete portfolio** (PLM/MES/automation/service) across aerospace business – Siemens as **lead partner** for the Digital Factory
- Partnering in **strategic research projects**
- Increased share from **39% to 74%**
- We drive this approach for our **focus verticals**, e.g., automotive, chemical, F&B



# Service agreements secure solid long-term customer relations and ongoing business



- **Airbus, Spain: Technology-based services** for the aerospace production facilities in the Toledo Province
- **3-year** contract including repairs and spare parts management
- Targets: Enhanced availability and less downtime



- **Gemini offshore project, Netherlands: 150 wind turbines** (4 MW each)
- **15-year** service and maintenance agreement (largest service order ever for Siemens energy service)
- Total order volume: **>€1.5bn**  
Service order volume: **>€700m** (CY 2017-2032)

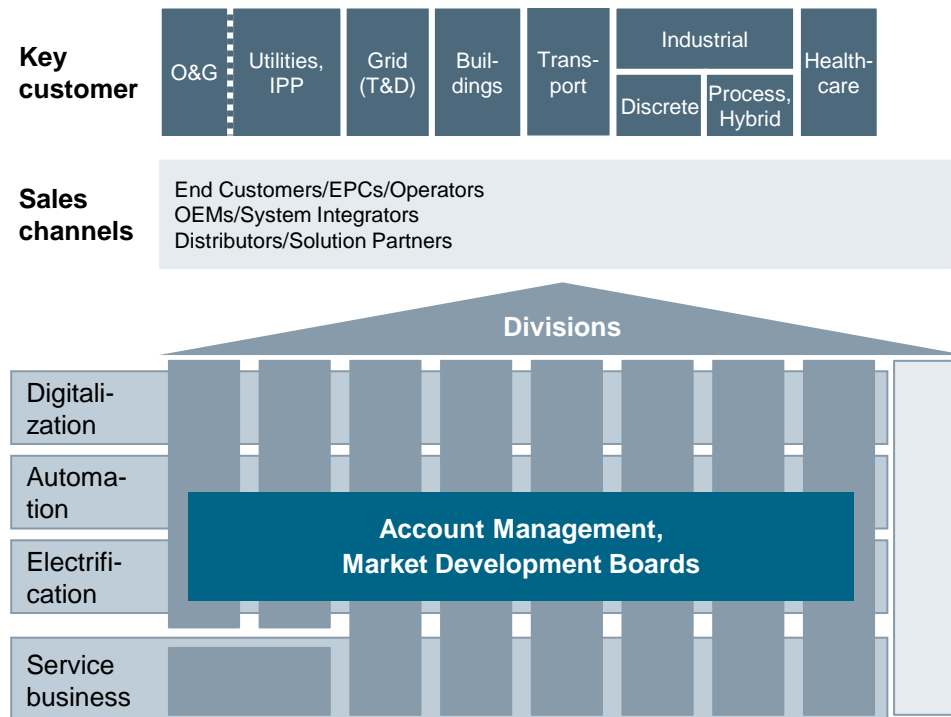


- **Tüpras, Turkey:** Service contracts for **5,000 motors** in oil refineries (CY 2010-2014)
- Reduced unplanned downtime losses of electrical motors by **~70%**
- Total volume of contracts: **€1.3m p.a.**

**Service revenue ~20% in Europe –  
We intend to grow our service business significantly**

# More targeted go-to-market through all sales channels ...

## ... ensures continuous tapping of European potential



- **Cross-selling** via all sales channels
- **Account Management in focus verticals** with specific business plans across Divisions
- **Distribution and partner business** optimized
- **Country CEO** accountable for demand creation and market penetration with direct access to Managing Board member
- **Leaner processes** in sales lead to **increased customer face time**

Europe: 13,000 sales people, thereof 510 certified account managers / 20+ Market Development Boards<sup>1)</sup> / 3,900 engineering experts / 20,300 service experts

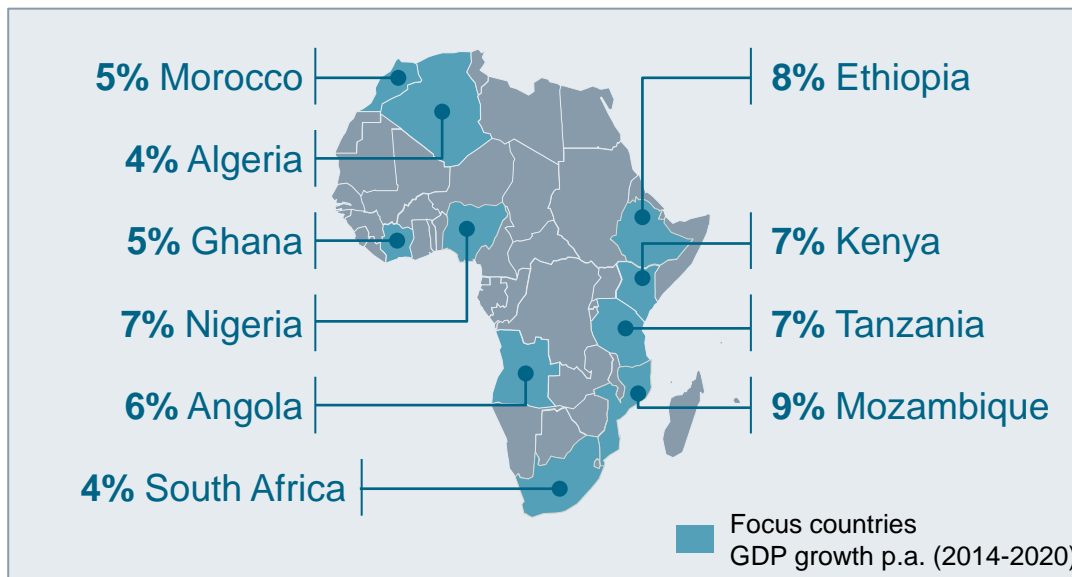
1) Market Development Boards/vertical market segments/competence centers

# Focus is key for Africa in both countries and verticals: We are on the spot to seize opportunities

**Market volume FY 2014**  
**€15bn**

**Revenue FY 2014**  
**~€1.6bn**

## Africa



## Growth pockets

### Electrical infrastructure

- Power generation
- Energy transmission
- Energy distribution

### Raw materials

- Mining
- Oil & Gas

### Supporting international customers in their investments in Africa

## We target opportunities in the countries and accompany our customers worldwide



### BMW Rosslyn plant, South Africa

- Average production capacity: **50,000 cars/year**
- Technology: SIMATIC S7-1500 hardware, Scalance switches, engineering, visualization software around TIA Portal
- **15-year** global automation partnership

Partnering with international customers and helping them grow their business in Africa



### GR 5 Pipeline, Algeria

- Scope: 3 compressors and 3 gas turbines (SGT-600)
- Contract value: **€32m**
- Delivery date: July 2015
- **Successful entry** in market segment dominated by competitor

Opening up new market segments for future business opportunities in Africa

## Summing up

We will continue to exploit opportunities in our **core market Europe**

We have a **huge installed base** and a **unique customer base**

We target and exploit **opportunities** in **electrification, automation, digitalization and service**

We are **sharpening our customer focus** and **improve our go-to-market approach**

Focus in Africa **on both countries and verticals**