Operational Highlights

Financial Analysis

Future Outlook
New Investments show some glimpse of hope …but the recovery road is with many trouble spots

- GDP forecast is further revised downwards to 5% from 5.6%, based on weakness in manufacturing and services activities
- New investment proposals picked up marginally towards end of year
- Prevailing high interest rates, a dampener for Industry – New RBI governor has indicated that the interest rates will not be lowered any time soon due to high inflation
- Rupee depreciates by almost 18% from Sept. 12 to Oct. 13. This volatility is adding to uncertainty in business environment
Siemens Ltd. – Key Achievements of FY 2013

- Energy Sector won a Rs. 100-crore order from Bangladesh Steel Re-rolling Mill – largest private sector-funded GIS project in Bangladesh
- Healthcare Sector won a Rs. 47-crore order from Sir H N Hospital, Mumbai, for a complete Imaging package
- Industry Sector won a Rs. 271-crore order from the state-owned Rashtriya Ispat Nigam Ltd. to modernize blast furnace No. 2 at Visakhapatnam Steel Plant
- Infrastructure & Cities Sector won a Rs. 176-crore order for the electrification of Phase III of the Delhi Mass Rapid Transit System
SMART success by Siemens in India
Focus on strengthening portfolio

SMART Development in FY 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
- New solutions launched: SMART@MT package for metals industry; SMART numerical relays
- Drop in SMART volumes mainly due to poor market conditions in metals and power equipment

**SMART products**

<table>
<thead>
<tr>
<th>Year</th>
<th>% of orders</th>
<th># of SMART products</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>10%</td>
<td>10</td>
</tr>
<tr>
<td>2012</td>
<td>17%</td>
<td>17</td>
</tr>
<tr>
<td>2013</td>
<td>30%</td>
<td>30</td>
</tr>
</tbody>
</table>

- **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

- **Steam Turbines SST600 45 to 150MW**
  - 13x units sold
  - Localization ramp-up: from 30% to 100% in 3 yrs
Siemens Ltd. has 22 factories in India
Focus on productivity, optimized capacity utilization

### Existing Industry Factories – 6
- IA LV Switchgear: Kalwa
- IDT Motors & Generators: Kalwa
- IDT MV Drives & Relays: Nashik
- IDT MD Flender: Kharagpur
- IDT Winery: Chennai
- IMT Morgan: Turbhe, Navi Mumbai

### 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

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### Factories Locations in India

Status Sept. 2013

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Siemens Ltd. 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

Siemens Score: 68.4
Average Score: 39.9

Siemens Score: 70.66
Sustainable Plus
Platinum

Siemens Score: 63.3
Average Score: 37.9

Siemens Score: 77.8

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

- Project Asha completes one year of success at Amle village
- Siemens Scholarship launched in 40 engineering colleges across Maharashtra, Goa and Gujarat
- ITI upgradation project ongoing
- Disaster relief activities in Uttarakhand and Aurangabad
- Sanjeevan mobile clinics currently operating in remote areas of Bihar and Gurgaon
- Welfare Society for Destitute Children: Holistic development of over 240 children support annually
- 7-day Employee Volunteering leave
Initiated measures to improve customer proximity, service delivery

- Energy Sector set up Global Engineering Centers for Oil & Gas and Compressor solutions in Coimbatore and Mumbai, respectively.
- Industry Sector launched 86-city “Productivity Roadshow”: over 5,200 visitors generated around 3,500 business enquiries so far
- Healthcare Sector introduced m-Butler service: service engineers can speed up spare parts delivery
- Infrastructure & Cities Sector launched 24/7 call center rolled out to improve the customer satisfaction
Operational Highlights

- Performance at par with market
- 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 FY2013

Prolonged slowdown in the economy

High interest rates delays Capex spending

Delays in offtake by customers due to:

a) Unavailability of land, fuel and financing

b) Pressure on liquidity

c) Projects put on hold
Initiatives taken in FY 2013

- Intensified & partly restructured Sales organization
- Ramped up Service activities further
- Integrated SPEL and Winergy into Siemens Ltd. operations
- Improved Project management processes further – focus on Cash flow
- Optimized Opex
- Reviewed and optimized productivity in the 22 factories
- Increased focus on optimizing Operating Working Capital
## Operational improvement becoming visible

<table>
<thead>
<tr>
<th></th>
<th>Q3 2013</th>
<th>Q4 2013</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Orders</td>
<td>26,204</td>
<td>35,294</td>
<td>35%</td>
</tr>
<tr>
<td>Sales</td>
<td>25,884</td>
<td>31,879</td>
<td>23%</td>
</tr>
<tr>
<td>Profit from Operations</td>
<td>-688</td>
<td>1,075</td>
<td></td>
</tr>
</tbody>
</table>
New Orders
Products & Services: +15%; Projects: -8%

(2013-11-26) FY 2013, Analyst Presentation

- **Industry**: Mega order NMDC BOF 6”3 booked in PY
- **Energy**: Mega orders in Oil & Gas RIL IGCC 6”8 and RIL Kakinada 3”1) and Fossil Power including SPEL merger
- **InfraCities**: Smart Grid - 3 mega orders from DMRC 5”9 and Rail Systems from Diesel Locomotive Works 3”6
- **Healthcare**: Volume driver was Diagnostics business
Sales
Products & Services: +7%; Projects: -27%

- **Healthcare**: +3%
- **Infra & Cities**: +2%
- **Energy**: -24%
- **Industry**: -11%

- **Product & Services**:
  - Sept12: 127.1
  - Sept13: 111.5
  - Decrease: -12%

- **Projects**:
  - Sept12: 73.4
  - Sept13: 53.9
  - Decrease: -12%

- **Industry**: Decrease mainly in Metals business
- **Energy**: Decrease mainly in Power Transmission
  - Significant orders on hold in Oil & Gas due to customer offtake issues.
- **Export Sales**: Increased from 13.7% to 16%.
Book to Bill Ratio (Base business)

<table>
<thead>
<tr>
<th></th>
<th>Sept 12</th>
<th>Sept 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>0.52</td>
<td>0.79</td>
</tr>
<tr>
<td>Industry</td>
<td>0.90</td>
<td>0.91</td>
</tr>
<tr>
<td>Infrastructure &amp; Cities</td>
<td>1.14</td>
<td>1.28</td>
</tr>
<tr>
<td>Healthcare</td>
<td>0.98</td>
<td>1.12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>0.81</strong></td>
<td><strong>0.98</strong></td>
</tr>
</tbody>
</table>
## Gross Margin

<table>
<thead>
<tr>
<th></th>
<th>Sept. 12</th>
<th>Sept. 13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>127.1</td>
<td>111.5</td>
</tr>
<tr>
<td><strong>Cost of materials consumed (incl. direct project cost)</strong></td>
<td>75.1</td>
<td>61.5</td>
</tr>
<tr>
<td><strong>Purchases of stock-in-trade</strong></td>
<td>24.4</td>
<td>23.6</td>
</tr>
<tr>
<td><strong>Changes in inventories of finished goods, work-in-progress and stock-in-trade</strong></td>
<td>(1.0)</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total Direct Cost</strong></td>
<td>98.5</td>
<td>85.3</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>28.6</td>
<td>26.2</td>
</tr>
<tr>
<td><strong>% to Sales</strong></td>
<td>22.5%</td>
<td>23.5%</td>
</tr>
</tbody>
</table>
## Provisions

No significant movements

<table>
<thead>
<tr>
<th></th>
<th>Warranties</th>
<th>Liquidated damages</th>
<th>Loss on orders</th>
<th>Contingencies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening 1 Oct. ’12</td>
<td>2.9</td>
<td>3.6</td>
<td>3.6</td>
<td>3.4</td>
<td>13.5</td>
</tr>
<tr>
<td>Creations</td>
<td>1.4</td>
<td>1.2</td>
<td>2.7</td>
<td>1.5</td>
<td>6.8</td>
</tr>
<tr>
<td>Release</td>
<td>(0.8)</td>
<td>(1.2)</td>
<td>(0.3)</td>
<td>(1.5)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Utilized</td>
<td>(0.8)</td>
<td>(0.3)</td>
<td>(2.5)</td>
<td>(0.2)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Closing 30 Sept. ’13</td>
<td>2.7</td>
<td>3.3</td>
<td>3.5</td>
<td>3.2</td>
<td>12.7</td>
</tr>
</tbody>
</table>
## Total Costs

(in Billion Rs.)

<table>
<thead>
<tr>
<th></th>
<th>Sept. 12</th>
<th>+/- %</th>
<th>Sept. 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Costs</td>
<td>12.0</td>
<td>12.5%</td>
<td>13.5</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2.0</td>
<td>25%</td>
<td>2.5</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>9.8</td>
<td>6%</td>
<td>10.4</td>
</tr>
<tr>
<td>Total Cost</td>
<td>23.8</td>
<td>11%</td>
<td>26.4</td>
</tr>
<tr>
<td>% to Sales</td>
<td>19%</td>
<td></td>
<td>24%</td>
</tr>
</tbody>
</table>

- Employee costs include impact of Merger of SPEL/ Winergy
- Exchange gain in current year **Nil** v/s. previous year loss 0”4 [Gain impact 0”4]
- Deviation in Other expenses due to: Merger impact of SPEL & Winergy
Profit from Operations (PfO)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Sept 12</th>
<th>Sept 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>3.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Infra &amp; Cities</td>
<td>1.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Healthcare</td>
<td>0.1</td>
<td>0.4</td>
</tr>
<tr>
<td>SRE &amp; Others</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6.9</strong></td>
<td><strong>1.7</strong></td>
</tr>
</tbody>
</table>

-75%

Significant development in projects (net charge in CY 2"7 vs net credit in PY 0"2 ) 2"9

Impact of lower volumes 2"5

Page 21
## Exceptional Items
Impairment of Wind Assets in previous year

<table>
<thead>
<tr>
<th>Significant Impacts:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit on sale of LAS business <em>(Carve out w.e.f. 30 September 2013)</em>.</td>
<td></td>
</tr>
<tr>
<td>Cenvat credits on certain services pertaining to earlier years availed.</td>
<td></td>
</tr>
<tr>
<td>Impairment on re-assessment of usability of certain assets in the CY vs LY.</td>
<td></td>
</tr>
<tr>
<td>Impairment of Wind assets in Halol.</td>
<td></td>
</tr>
<tr>
<td>Employee costs on rationalization of operations.</td>
<td></td>
</tr>
</tbody>
</table>

### Exceptional Items

<table>
<thead>
<tr>
<th></th>
<th>Sept. 12</th>
<th>Sept. 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit on Sales of LAS business</td>
<td>-</td>
<td>1.1</td>
</tr>
<tr>
<td>Cenvat credit for earlier years availed</td>
<td>-</td>
<td>0.4</td>
</tr>
<tr>
<td>Impairment Loss</td>
<td>(1.2)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Employee Costs</td>
<td>-</td>
<td>(0.8)</td>
</tr>
<tr>
<td><strong>Exceptional Items</strong></td>
<td>(1.2)</td>
<td>0.3</td>
</tr>
</tbody>
</table>
## Financial highlights of Siemens Ltd. – FY 2013

<table>
<thead>
<tr>
<th></th>
<th>Q4 2012</th>
<th>Q4 2013</th>
<th>+/-%</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>+/-%</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Orders</td>
<td>20,074</td>
<td>35,294</td>
<td>76%</td>
<td>102,351</td>
<td>109,573</td>
<td>7%</td>
</tr>
<tr>
<td>Sales</td>
<td>32,694</td>
<td>31,879</td>
<td>-2%</td>
<td>127,081</td>
<td>111,452</td>
<td>-12%</td>
</tr>
<tr>
<td>Order backlog</td>
<td>136,604</td>
<td>129,264</td>
<td>-5%</td>
<td>136,604</td>
<td>129,264</td>
<td>-5%</td>
</tr>
<tr>
<td>Profit from Operations</td>
<td>435</td>
<td>1,075</td>
<td>147%</td>
<td>6,903</td>
<td>1,705</td>
<td>-75%</td>
</tr>
<tr>
<td>EPS</td>
<td>9.75</td>
<td>5.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P/E</td>
<td>72.74</td>
<td>87.69</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Q4 2012 Q4 2013 +/-% FY 2012 FY 2013 +/-%

- New Orders: 20,074 35,294 76% 102,351 109,573 7%
- Sales: 32,694 31,879 -2% 127,081 111,452 -12%
- Order backlog: 136,604 129,264 -5% 136,604 129,264 -5%
- Profit from Operations (% of Sales): 435 1,075 147% 6,903 1,705 -75%
- Other income & finance costs: 61 154 152% 305 156 -49%
- Exceptional items: -1,200 523 144% -1,200 325 127%
- Prior period items: -8 - 100% -799 - 100%
- Profit Before Tax % to sales: -712 -2.2% 1,752 5.5% 346% 5,209 4.1% 2,186 2.0% -58%
- Profit after Tax: -558 - 367% 1,492 1,940 -43%
- Dividend: - - - Rs. 6 Rs. 5 -
## Net Capital Employed

**Strong Working Capital: Significant reduction in Advances from Customers**

<table>
<thead>
<tr>
<th>Description</th>
<th>Sept. 12</th>
<th>+/-</th>
<th>Sept. 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Capital Employed</td>
<td>39.6</td>
<td>7%</td>
<td>42.4</td>
</tr>
<tr>
<td>Debtors (Trade and other receivables – net)</td>
<td>46.8</td>
<td>-5%</td>
<td>44.3</td>
</tr>
<tr>
<td>Total inventories (net)</td>
<td>9.4</td>
<td>-1%</td>
<td>9.3</td>
</tr>
<tr>
<td>Other Current Assets (mainly project work in progress)</td>
<td>10.8</td>
<td>-24%</td>
<td>8.2</td>
</tr>
<tr>
<td>Total Payables</td>
<td>-26.5</td>
<td>-4%</td>
<td>-25.5</td>
</tr>
<tr>
<td>Advances from customers</td>
<td>-17.2</td>
<td>-19%</td>
<td>-14.0</td>
</tr>
<tr>
<td>Provisions</td>
<td>-17.2</td>
<td>-19%</td>
<td>-14.0</td>
</tr>
<tr>
<td>Cash and ICDs</td>
<td>10.8</td>
<td>-41%</td>
<td>6.4</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>15.0</td>
<td>-2%</td>
<td>14.7</td>
</tr>
<tr>
<td>Other NCE Items (investments, loans and advanced, other liabilities, etc.)</td>
<td>7.7</td>
<td>30%</td>
<td>10.0</td>
</tr>
</tbody>
</table>
To Sum Up

- In view of sustained challenging economic environment, growth will be in moderation
- The Company will continue focus on:
  - people engagement
  - customer proximity
  - improve profitability
  through...
  - strengthening core activities
  - go-to-market approach across all sectors
  - optimizing infrastructure
  - reducing complexity

**Going ahead: Committed to sustainable profitable growth**
New Siemens Ltd. MD and CEO: Sunil Mathur

- Mr. Sunil Mathur will take over as Managing Director and Chief Executive Officer effective January 1, 2014
- Mr. Mathur has been in Siemens for over 25 years - at parent company Siemens AG and regions
- Mr. Mathur has been Executive Director and Chief Financial Officer of Siemens Ltd. since January 1, 2008
- Dr. Armin Bruck, current MD and CEO of Siemens Ltd., takes over as CEO, Singapore and ASEAN, Siemens
Thank You!