



SIEMENS

Sami Atiya | CEO Mobility and Logistics Division

# The #1 in Rail & Road Automation

Capital Market Day  
London, December 5, 2013

## Safe Harbour Statement



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 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, 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: Key information – 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](http://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](http://www.siemens.com), and on the SEC’s website, [www.sec.gov](http://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.

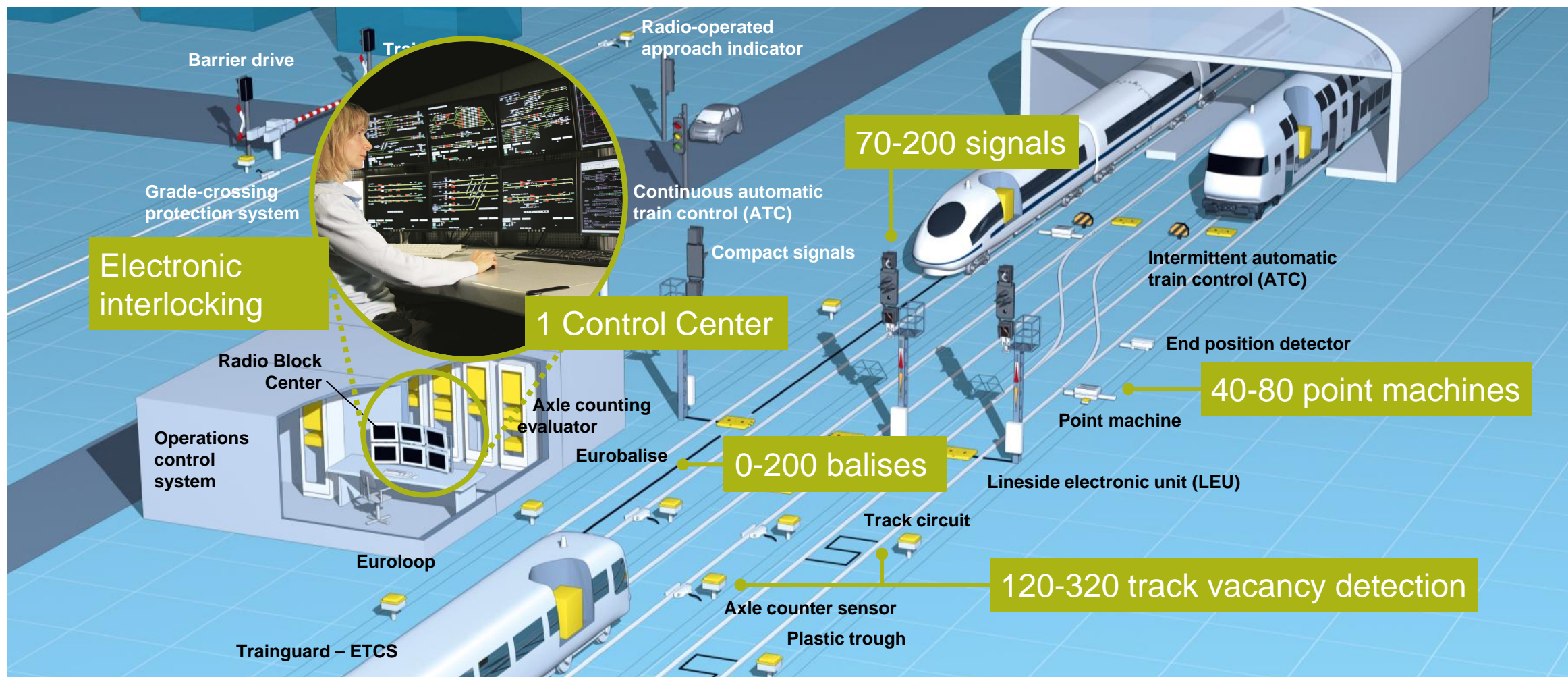
***We make transportation  
more productive, sustainable  
and based on  
highest safety standards***

# When you came here you experienced Siemens technology

		More productive	Sustainable	Highest safety standards
Rail	<p>Siemens signaling</p> <ul style="list-style-type: none"> <li>On all London underground lines</li> <li>Every network rail mainline into London</li> </ul> 	<ul style="list-style-type: none"> <li>Increased service frequency from 28 to 33 trains per hour: 21% capacity increase</li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emission reduced to 30%<sup>1)</sup></li> <li>Energy consumption 10<sup>1)</sup> times lower</li> </ul>	<ul style="list-style-type: none"> <li>Safe Metro Operations with minimal closures during Line upgrade works, serving 600,000 daily passengers</li> </ul>
Road	<ul style="list-style-type: none"> <li>Congestion charge</li> <li>Service and maintenance of the city's traffic signals</li> <li>Low emission zone</li> </ul> 	<ul style="list-style-type: none"> <li>Traffic flow in the City of London improved by 30%</li> <li>Income of more than £200m per year</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of London car CO<sub>2</sub> emissions of 16%</li> </ul>	<ul style="list-style-type: none"> <li>&gt;30% safety improvement by implementation of traffic management</li> </ul>

1) Metro vs. car transportation in passenger/km  
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# We make transportation more productive, sustainable and based on highest safety standards: Providing automation of the infrastructure



## IC Mobility and Logistics is set up to address the needs of the market

### Customer Services



### Mobility Turnkey Solutions



### Rail Automation (incl. Invensys Rail)



### Road and City Mobility



### Postal and Baggage Handling<sup>1)</sup>



- **Orders €3.3bn (FY 2013)**
- **Revenue €3.2bn (FY 2013)**
- **Approx. 17,500 employees worldwide**
- **Presence in more than 60 countries**
- **More than 160 years of history** in the industry
- **Approx. 2,300 R&D engineers** including **1,500 software developers**

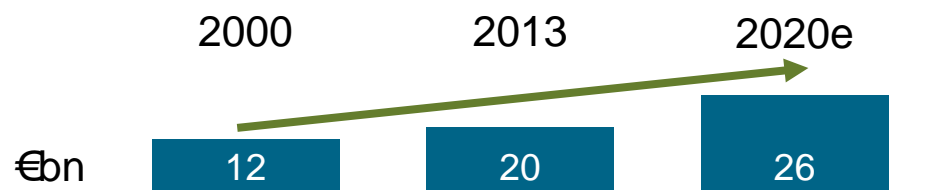
<sup>1)</sup> Logistics and Airport Solutions

Values are based on IC MOL FY2013 and include Invensys Rail closing as of 2 May 2013

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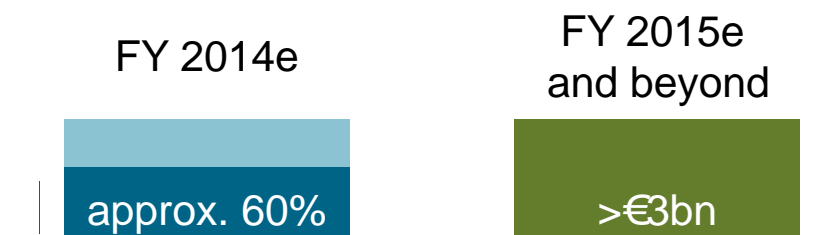
## Our markets are strong and the business is attractive

### Consistent market growth<sup>1)</sup>



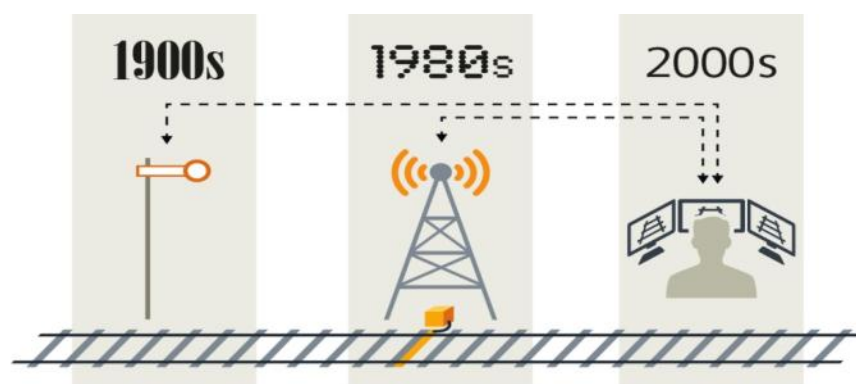
- Long-term CAGR 2000-2020e: >4%

### Strong backlog<sup>1)</sup>



- Approx. 60% of FY 2014 Revenue secured
- MOL backlog at €5.5bn at Sept 30, 2013
- Book to bill >1 over four consecutive years
- Backlog growth by 9% CAGR since FY 2011

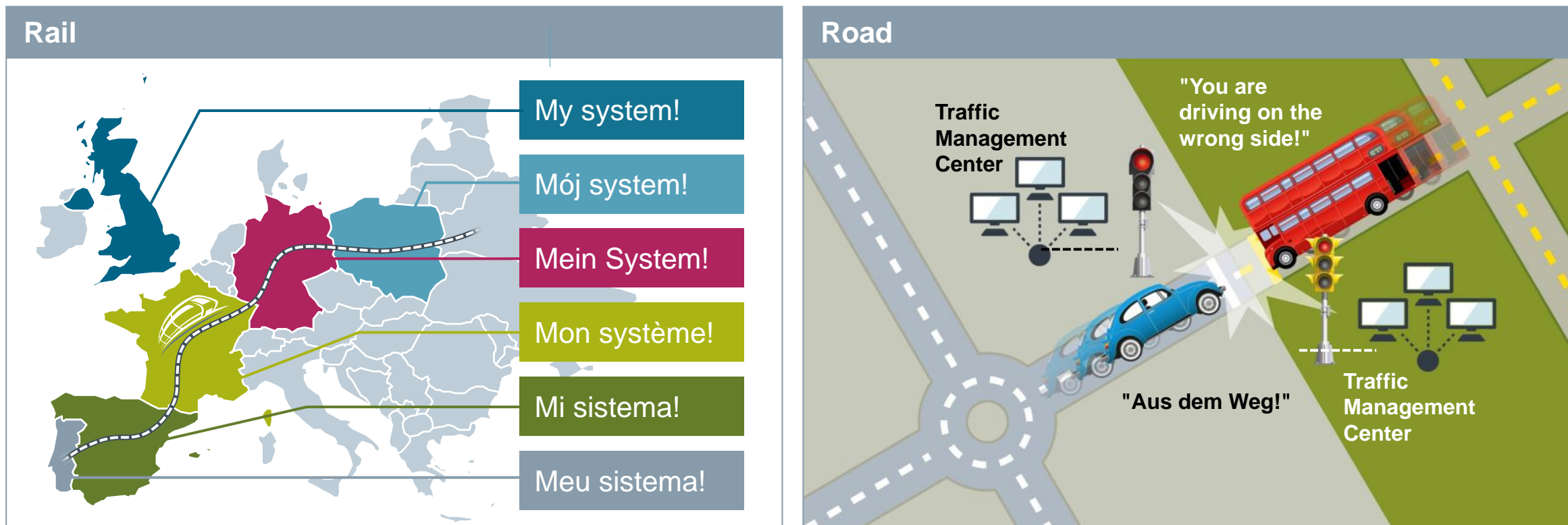
### Resilient and sticky<sup>1)</sup>



- High probability of MOL customer re-ordering: Repurchasing rate approx. 90%
- Length of service contracts between 7-15 years, max. 25 years
- Spare parts provision up to 30 years
- High installed base

1) Rail & Road Automation

## MOL business has grown into country-specific systems, but with underlying commonalities



- Intelligent traffic has grown in every country & region differently
- This creates natural entry barriers per country & region; local know-how needed

# Our business is based on global products implemented with local system engineering expertise

## Core markets

Country-by-Country approach



## Local know-how

Customer intimacy and service

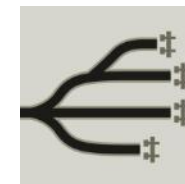
## System engineering expertise



Driverless metro system



Mainline solution



Freight marshalling yard

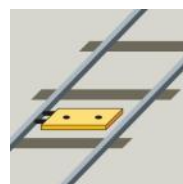


Traffic management syst.

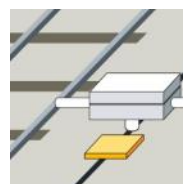


Tolling solution

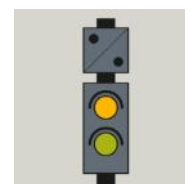
## Engineered, tested, high technology products



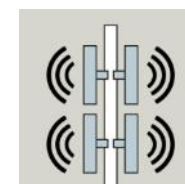
Balises



Point machines



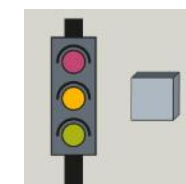
Signal heads



Radio tower



Train onboard units/TCS



Traffic controller



Tolling on-board units

## Synergies

Commonalities across products

# Portfolio management to focus on our strengths

## Customer Services



## Mobility Turnkey Solutions



## Rail Automation



## Road and City Mobility



### INVEST

## Invensys Rail

Sona Retarder Business,  
Sky Eye

- Pay-and-display Machines
- Cabinet Making Business USA
- Electrical Vehicle Infrastructure

## Postal and Baggage Handling<sup>1)</sup>



DIVEST

1) Logistics and Airport Solutions

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With Invensys Rail we are the global #1 in rail automation, with a significantly stronger set of "Home Countries"

### Before ...

#### Country

#### Ranking



#1

#5

#5

#5

#4

### Invensys Rail ...

- Approx. 3,400 employees
- 160 years of history
- More than 100 new customers
- Complementary portfolio
- Complementary footprint



### ... after

#### Country

#### Ranking



#1

#2

Representing >50% of the global market

# Invensys integration on track

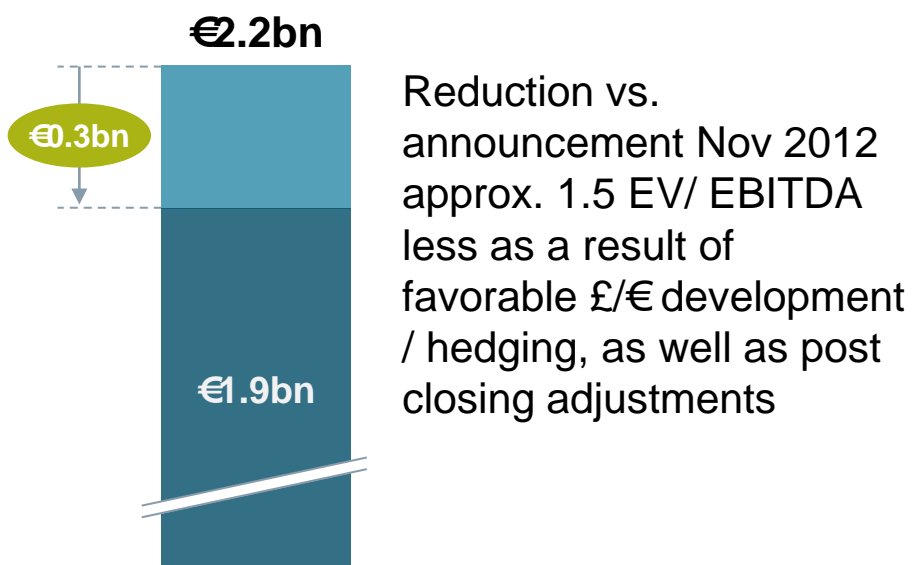
€270m less for Invensys than announced

- Top management identified and installed ✓
- Portfolio decisions taken and in execution ✓

- Regional setup integration on track ✓
- Synergy implementation on track ✓

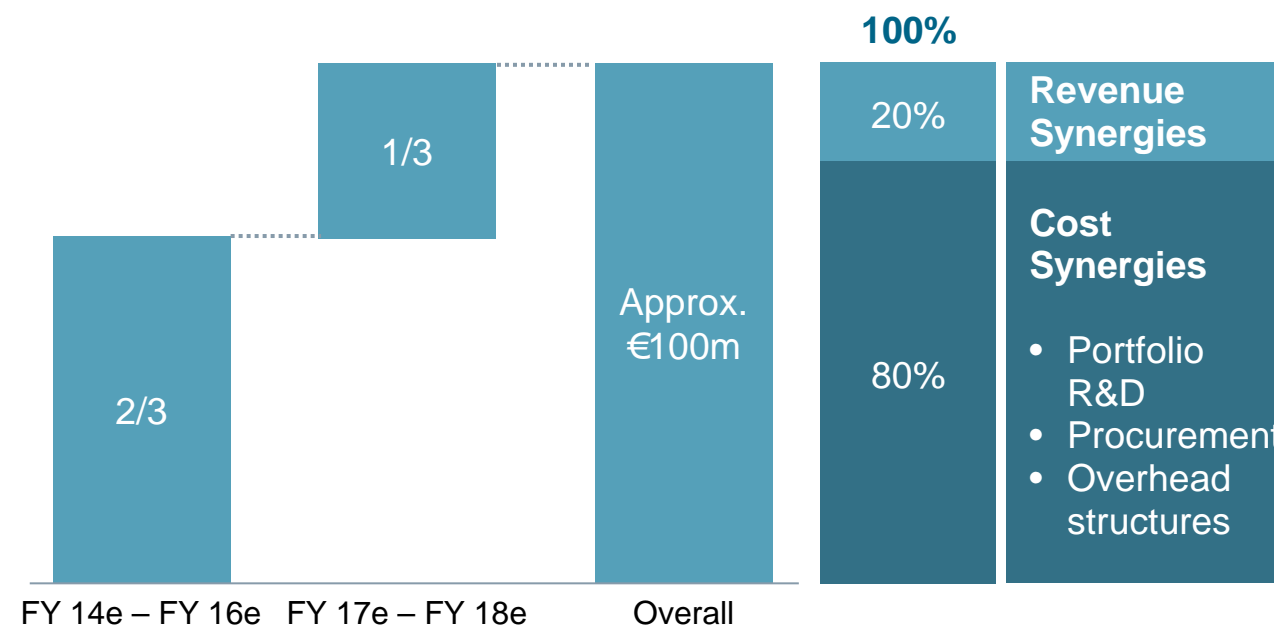
## €270m less than announced

Acquisition Price



## €100m planned Synergies

Synergy estimates are confirmed



# Significant MOL Transformation in FY 2013 leads to productivity effects of approx. €240m – Base productivity and Transformation program











Portfolio	<div>Divestments/Exit</div> <div>Postal and Baggage Handling</div> <div>Road and City Mobility</div> <div><div>• Pay-&amp;-display machines (PDM)</div><div>• Cabinet making USA (Cab)</div><div>• Electric Vehicle Infrastructure (EVI)</div></div>	<div>Acquisitions</div> <div><div>• Invensys Rail</div><div>• Sky Eye</div><div>• Sona Retarder Business</div></div>	<div>Improvement Effect</div> <div>FY 2012 – FY 2014:</div> <div>Approx.</div> <div>€240m<sup>1)</sup></div> <div>Productivity</div> <div>Gain</div>
Trans-formation	<div><div>• Siemens 2014: Optimize organizational set-up &amp; cost position</div><div>• Country focus (18 countries where 1 BU leaves, 8 full country exits)</div><div>• Optimizing HQ set-up (Postal and Baggage Handling remanences, cost degression due to Invensys Rail)</div><div>• Optimization within remaining regions (reduce employees in regions significantly)</div></div>		

1) Base productivity and Transformation program. Includes effects from all BUs, as well as countries

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# The portfolio is valued by customers' trust

## Recent project wins

<b>Riyadh</b> World's largest metro project   <b>Saudi Arabia</b>	<b>Gauteng 2</b> Extension of existing installation   <b>South Africa</b>	<b>Crossrail</b> Siemens + Invensys technology   <b>UK</b>	<b>Controlguide Ittis</b> From 25 control centers to 4   <b>Switzerland</b>	<b>Poznan/Bialystock</b> Optimization of traffic flow   <b>Poland</b>
<b>Mobility Turnkey Solution</b> <b>€1.6bn<sup>1)</sup></b> (MOL €0.8bn) Commissioned by 2018	<b>National Signaling</b> <b>€180m</b> Commissioned by 2018	<b>Control and Communication System</b> <b>€110m</b> Commissioned by 2018	<b>Operations control system</b> <b>€260m</b> Commissioned by 2025	<b>Intelligent traffic control system</b> <b>€21m</b> Commissioned by 2015

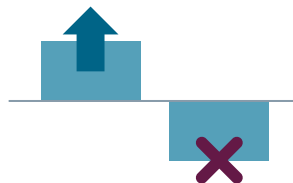
1) Incl. Rolling Stock, Rail Electrification

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**We have transformed MOL resulting in significantly improved profitability and will continue to follow this path**

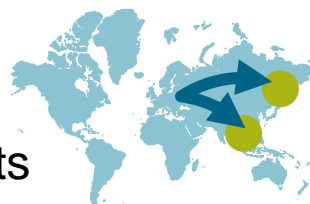
### 1. Execute portfolio decisions

- Integrate Invensys
- Divest non-core business
- Strengthen Road and City Mobility



### 2. Growth: Build on our country strength

- Build on home markets
- Invest in products for markets
- Enter promising greenfield and turnkey markets



### 3. Siemens 2014/Continued operational excellence

- Siemens 2014 as lever to optimize organizational set up
- Country focus and regional streamlining
- Ongoing drive for base productivity
- Building up turnkey business for IC



## Reconciliation and definitions for non-GAAP measures

This document includes supplemental financial measures that are or may be non-GAAP financial measures.

Orders and order backlog; adjusted or organic growth rates of revenue and 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; 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](http://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.