

Drive Change for Future Success

China and India are growth machines

... but it takes something

Tim Dawidowsky, Siemens VAI

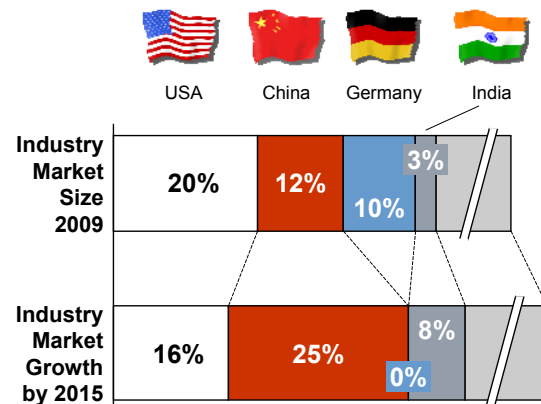
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Growth is driven by the emerging markets

Changes in the market environment

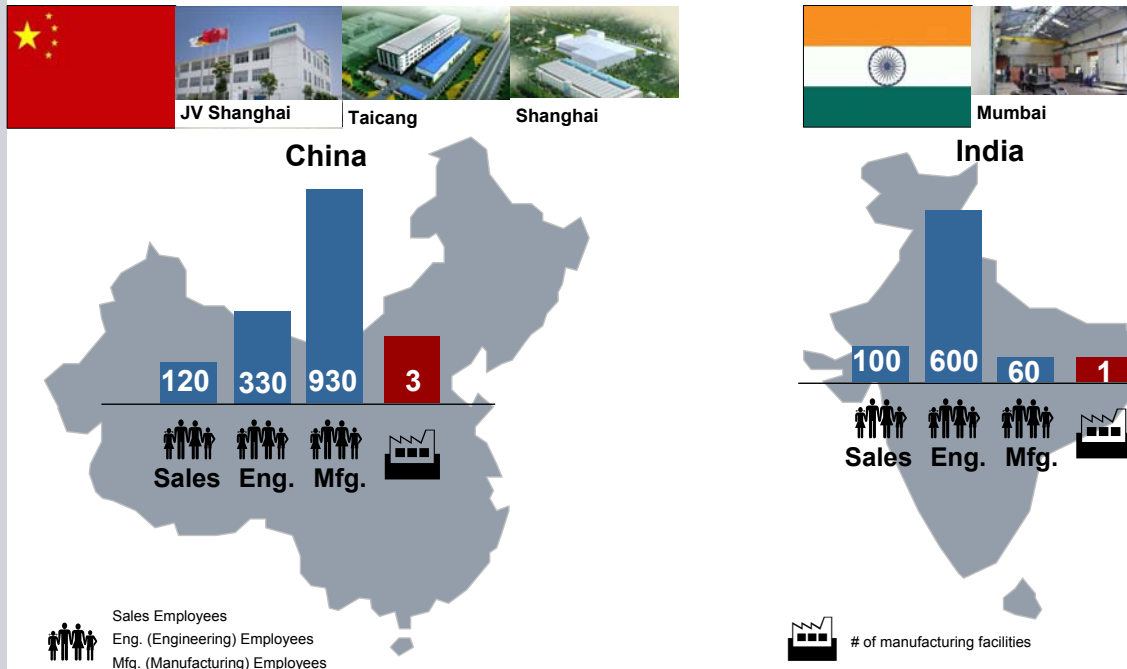
- China continues to grow, also due to public support
- Middle East and India show considerable growth rates
- Brazil experiences growth due to large-scale projects (soccer world cup, Olympic Games)
- USA and Germany will reach the bottom of the valley in 2010

Emerging markets are the strongest growth drivers



To be successful in the future, markets such as Brazil, China, India and Middle East must be won

Siemens VAI has a good foundation in the growth regions



Success needs integration of local activities in global network



Four reasons to increase local value:

1. To participate in the growth potential.
2. To have a say as a local market participant.
3. To develop technologies that meet specific market requirements.
4. To retain the competitiveness (today's local competitors are tomorrow's global competitors).

**Global Plant Builder
Siemens VAI**

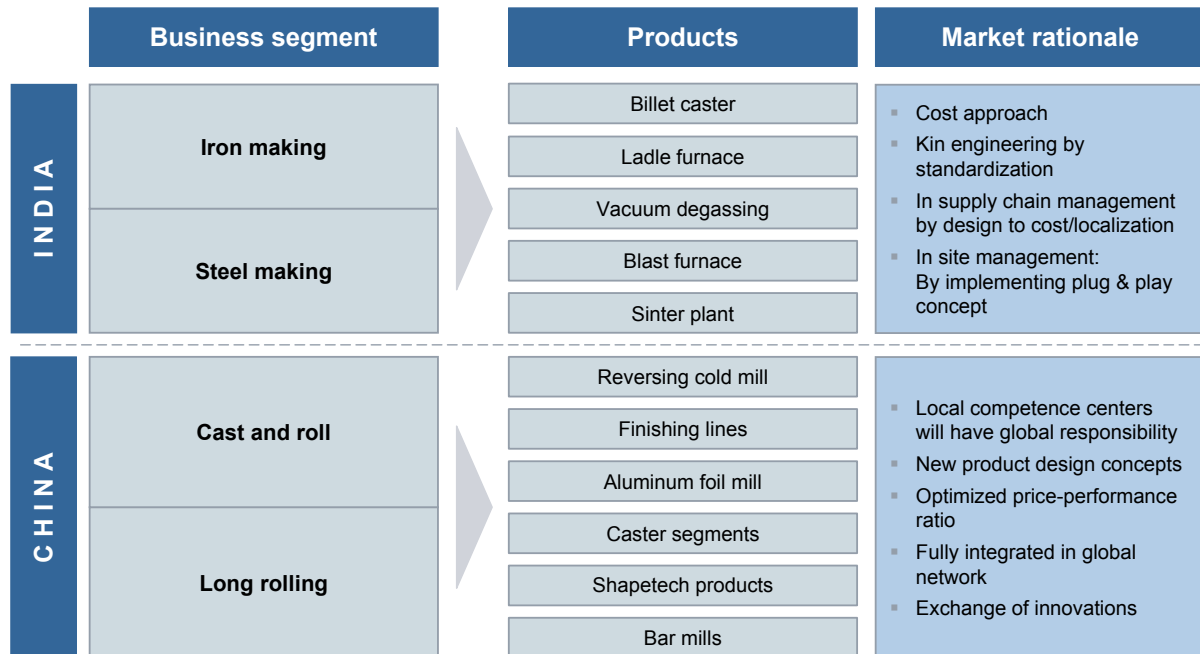
**Local Plant Builder
(China/India)**

Engineering and Manufacturing Network

**Performance Driven
Solutions**

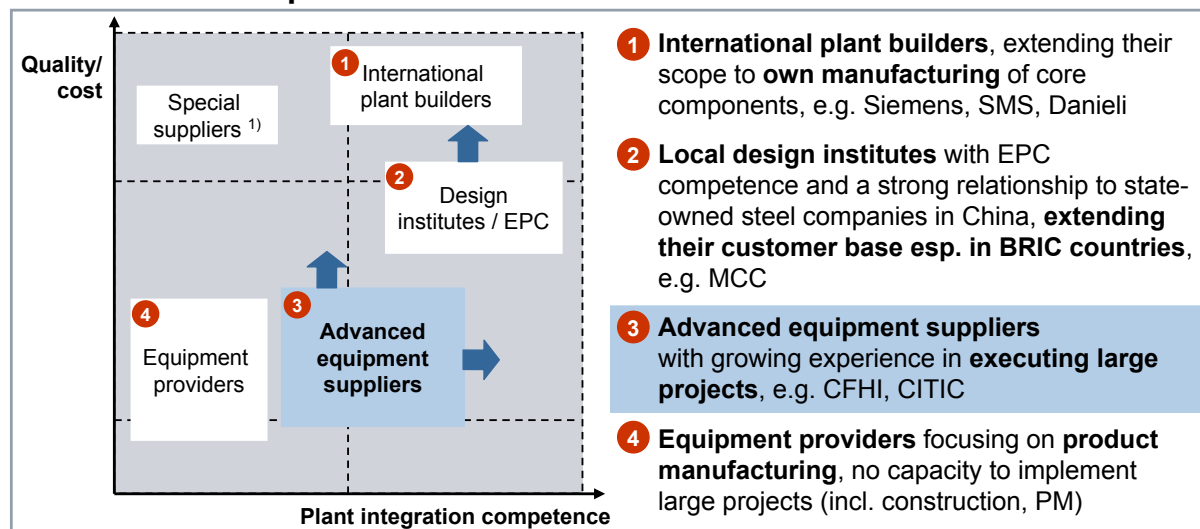
**Price-Performance Ratio Driven
Solutions**

Portfolio expansion through China and India



New players set new rules in old markets

Competitors in Chinese downstream metals market



Advanced equipment suppliers with standard offering and competitive prices are now the major competitors in the Chinese market

We can not buy, we have to win markets and customers

Portfolio expansion needs time, people, investment and passion.

With an investment of double digit million euros over 2 to 3 years, we will win 300 engineers / project managers and 200 shop floor people in China and India, who love to develop their countries and conquer the rest of the world.

