

Siemens Medical Solutions in India

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Siemens Capital Market Days in India

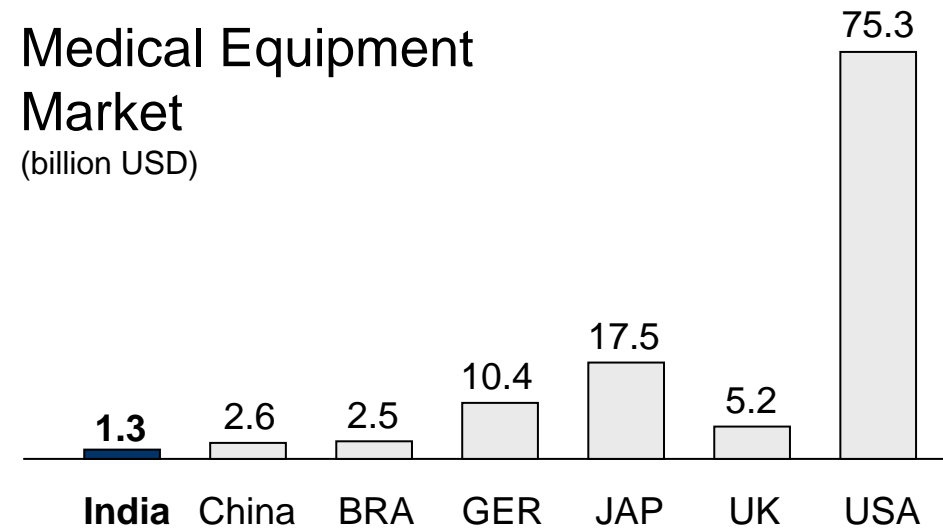
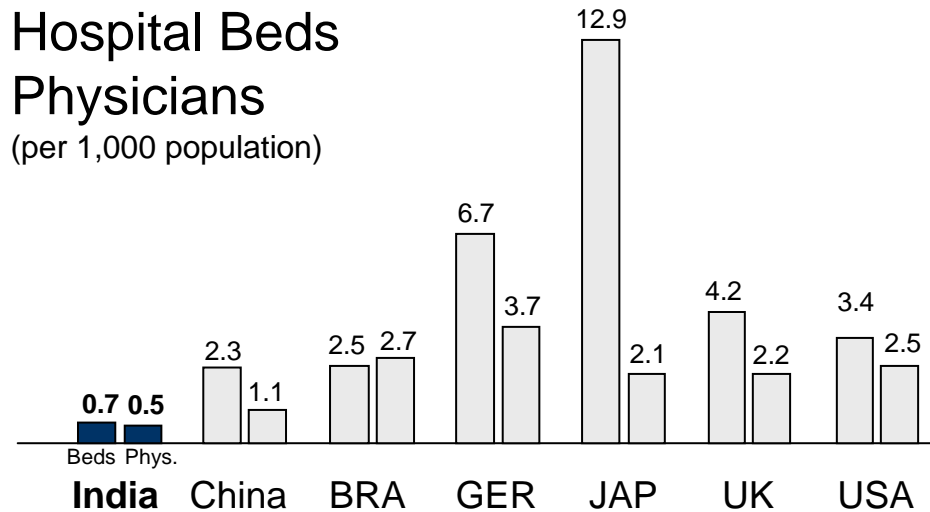
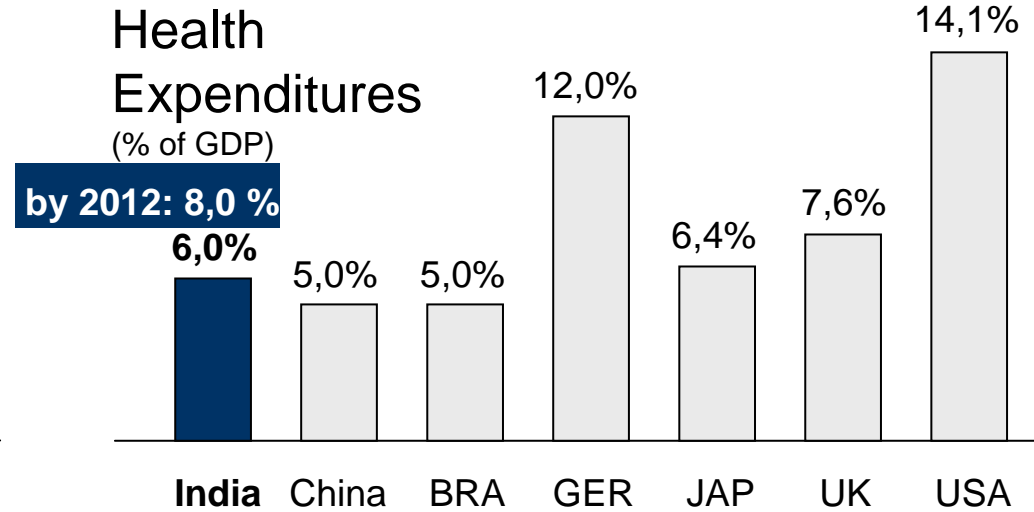
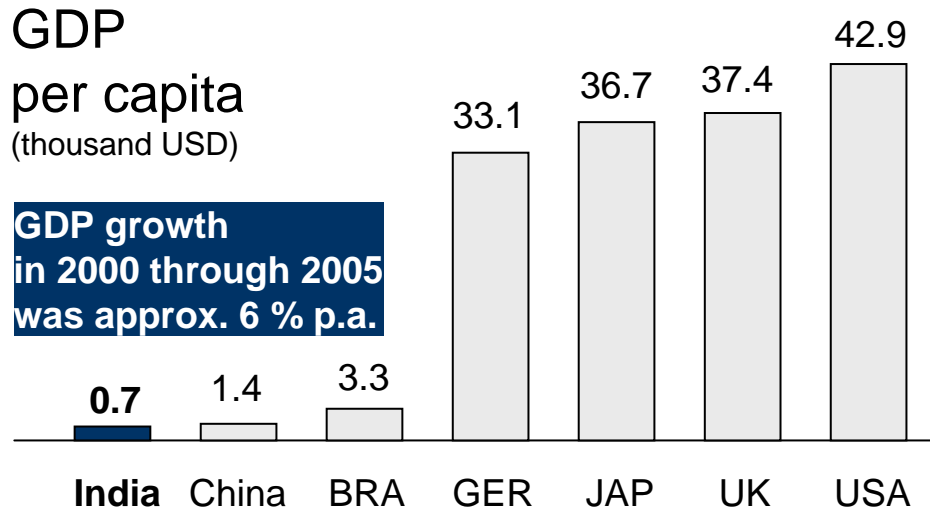
November 28th, 2005

Safe Harbor Statement



This presentation contains forward-looking statements and information – that is, statements related to future, not past, events. These statements may be identified either orally or in writing by words as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “will” or words of similar meaning. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens' control, affect its operations, performance, business strategy and results and could cause the actual results, performance or achievements of Siemens worldwide to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For us, particular uncertainties arise, among others, from changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products or technologies by other companies, lack of acceptance of new products or services by customers targeted by Siemens worldwide, changes in business strategy and various other factors. More detailed information about certain of these factors is contained in Siemens' 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 may vary materially from those described in the relevant forward-looking statement as anticipated, believed, estimated, expected, intended, planned or projected. Siemens does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.

India: Large potential



Strengths

Potentially huge market with a growing middle class

Growing private hospital sector aiming to attract health tourists

Opportunities

High quality, high tech products are sought after by the private sector

Overseas aid assisted projects to improve the healthcare infrastructure

Weaknesses

Low per capita expenditure

Healthcare infrastructure remains underdeveloped, particularly in rural areas

Threats

Lack of regulation for medical devices

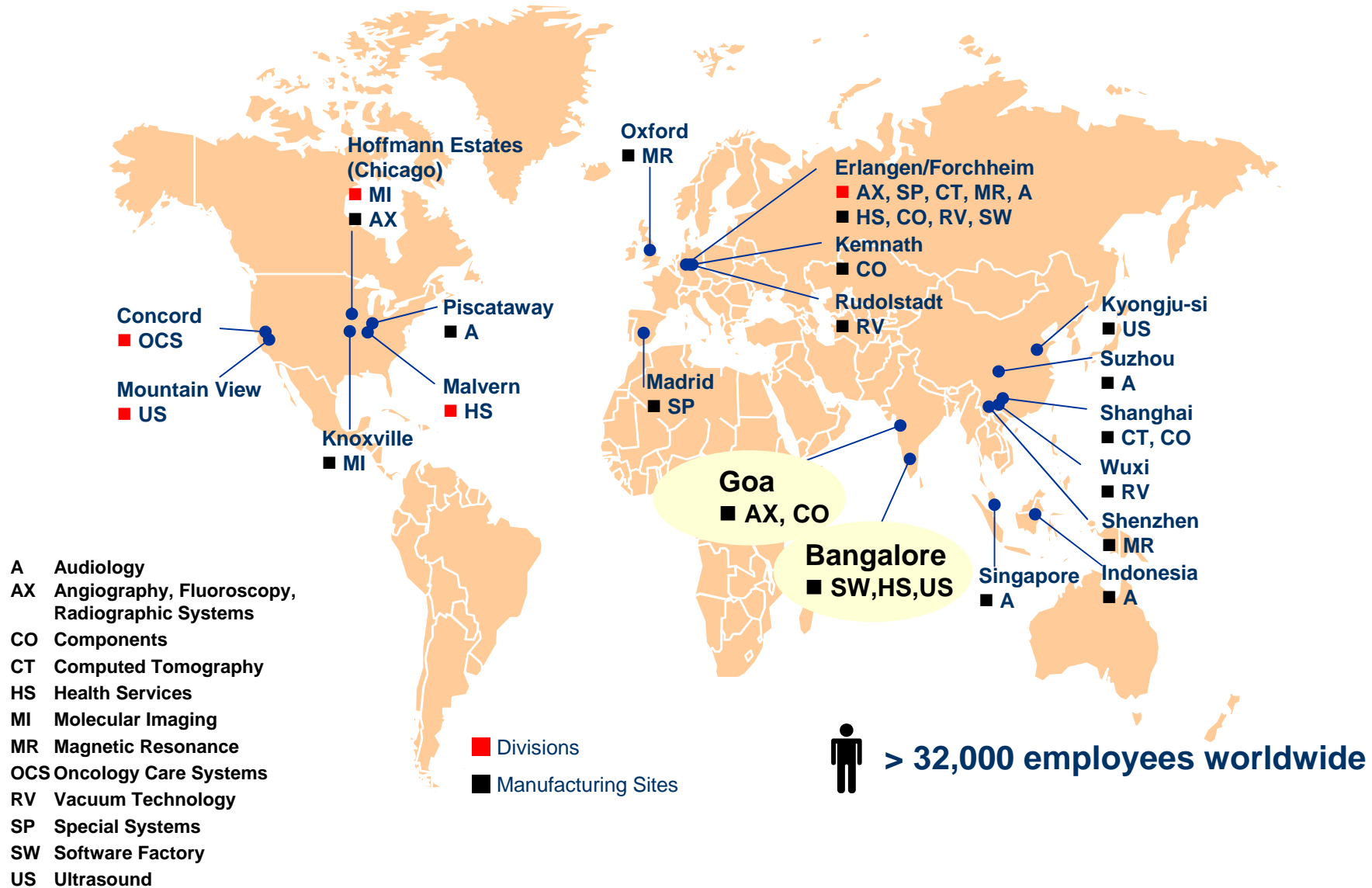
- ❑ India is being promoted as a “Global Healthcare Destination” by Government, industry bodies and healthcare providers.
 - estimated potential to attract 1 million „medical value travellers“
 - current focus on European clients

- ❑ Boom in corporate hospital chains, e.g. Apollo, Wockhardt, Max, Fortis, Reliance, as well as Aid Projects


- ❑ Participation in setting up healthcare facilities within Government institutions spurs demand from entrepreneurs

- ❑ Tele Healthcare
 - excellent Indian medical expertise opens up potential for providing cross-border „tele-health“ support
 - telemedicine to connect distant healthcare providers to specialty centers
 - mobile hospitals for rural areas

India is part of our global operations



Medical Solutions in India: Major Milestones



1847 Siemens starts its activities in India:
First telegraph line between London and Calcutta

Our Medical Solutions Group has been doing business with India for many decades.

1922 Siemens organization established

1957 Incorporation of Siemens India

1954 Medical equipment added to product range at Worli

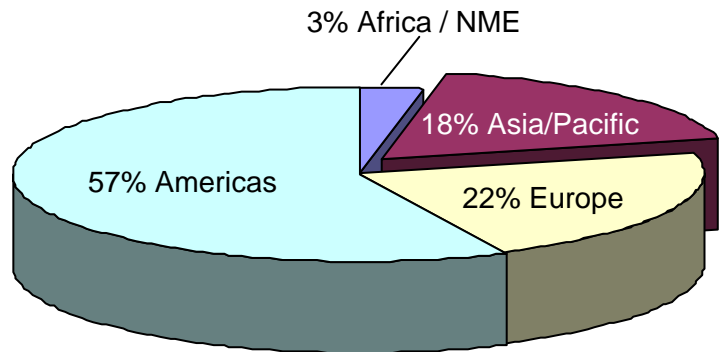
1996 Start of medical equipment manufacturing at Goa works

1998 Incorporation of Siemens Hearing Instruments Pvt. Ltd.

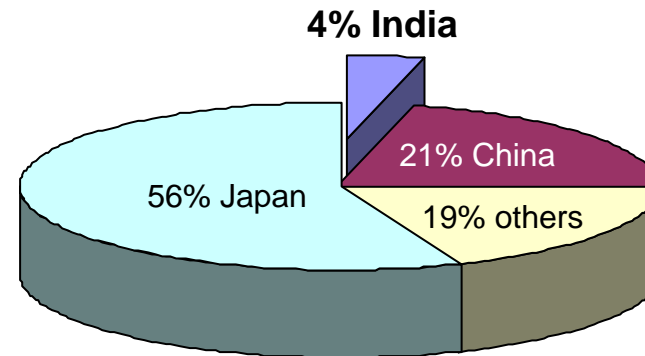
Currently we have more than 1,500 employees in India

Fast growing market

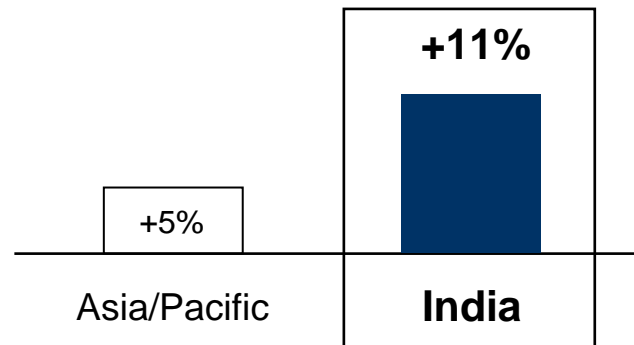
World market 2005E *)
EUR 35.6 bn



Asia / Pacific market 2005E
EUR 6.5 bn



Projected market growth
(CAGR 2004 – 2007)



India: Excellent Market Positions
We are # 1 in most segments.
We are # 2 in the other segments.

*) Market segments covered by Siemens Medical Solutions

Broad market coverage

- ❑ **Offices in 16 locations**
 - Head Office and Uptime Service Centre: Mumbai
 - Regional Sales Offices: Bangalore, Chennai, Delhi, Hyderabad, Kolkata, Mumbai
 - Branch Offices: Ahmedabad, Bhopal, Chandigarh, Coimbatore, Jaipur, Kochi, Lucknow, Nagpur, Patna, Pune

- ❑ **Resident Representatives in 13 Locations:** Aurangabad, Baroda, Cuttack, Goa, Guwahati, Indore, Ludhiana, Madurai, Pondicherry, Raipur, Srinagar, Surat, Thiruvananthapuram

- ❑ **Current Med sales and service manpower: 360**
approx. 200 systems connected on Remote Service

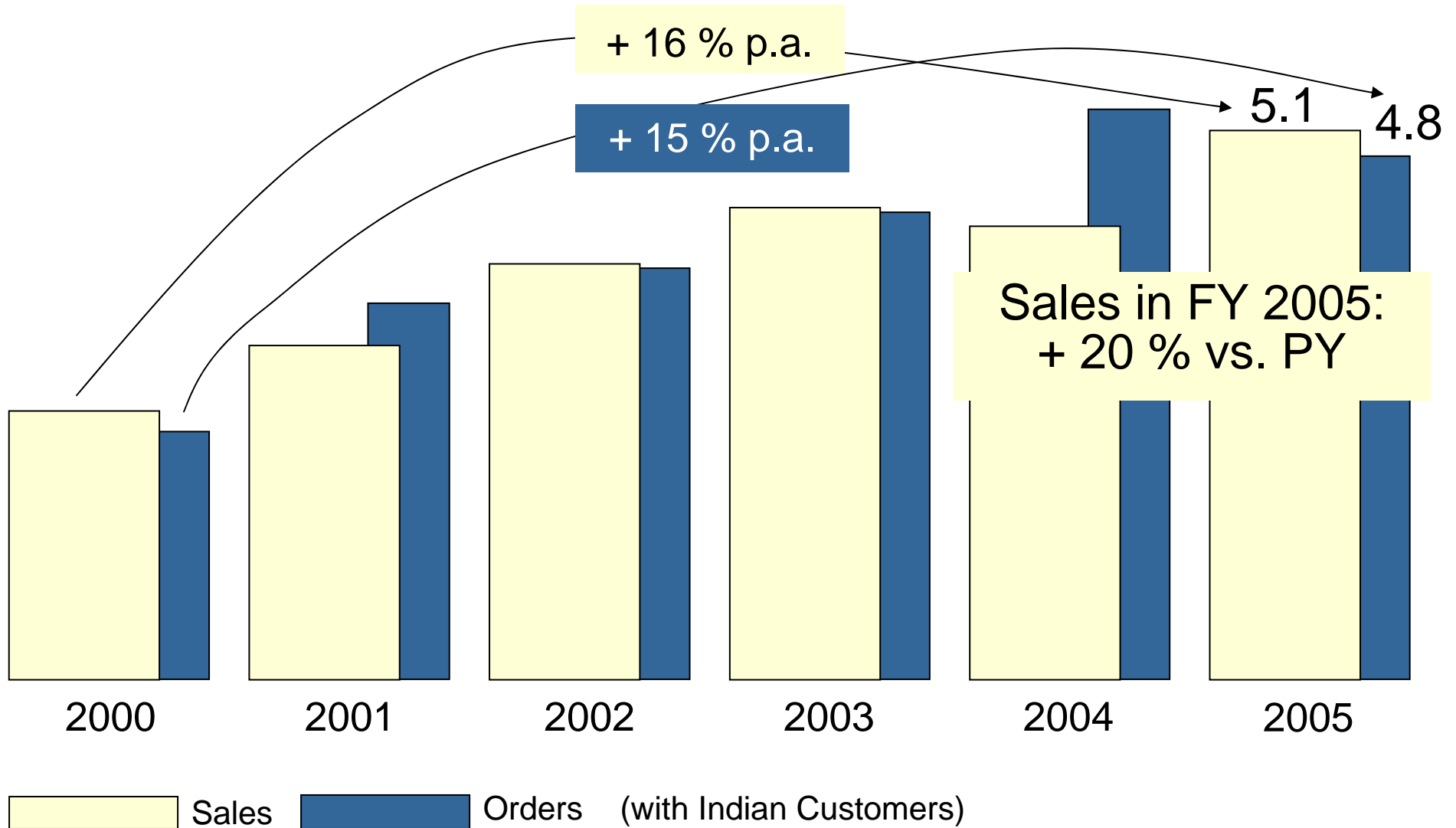
- ❑ **Current sales and service partners: approx. 110**

- ❑ **10+ Siemens-made Mobile Hospitals serving parts of rural India**
(cooperation with Nargis Dutt Foundation, Mumbai, Bhagwan Mahaveer Cancer Hospital, Jaipur, Government of Delhi, Government of Uttaranchal, North Eastern Council, Tibet etc.)

Milestones: Many „Firsts“

- 1987 First MRI System in India - INMAS, Delhi
- 1998 First Medical Engineering Company in India to obtain ISO 9001 Certification
- 1999 First Filmless Digital Hospital in India – Amrita Institute, Kochi
- 2001 First 4-Slice Cardiac CT in India – Jupiter Heart Scan, Mumbai
- 2004 First 64-Slice Cardiac CT in Asia – Jankharia Imaging, Mumbai
- 2005 First 16-Slice PET/CT Scanner in India – Apollo, Hyderabad
First Image Guided RadioTherapy site in India – Ruby Hall, Pune
First Neuro Interventional MRI order in India – Max, Delhi

Med Business Development in India

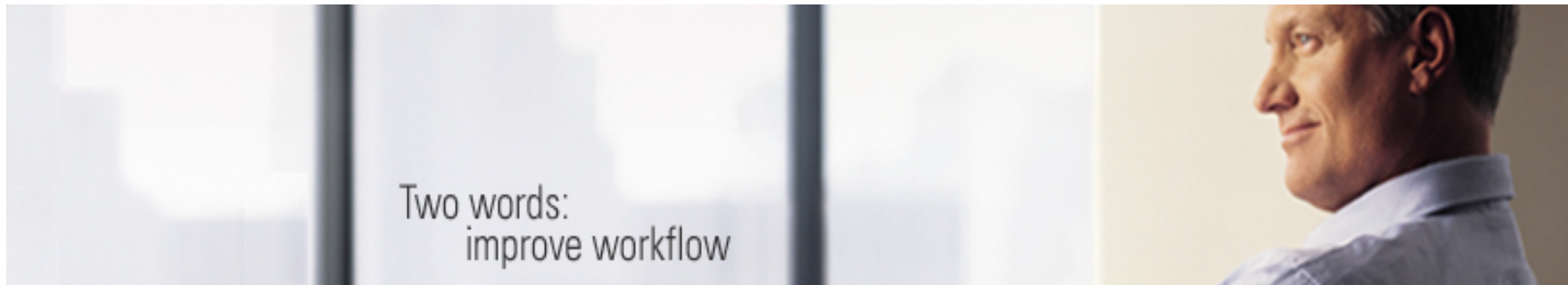


(in billions of INR)



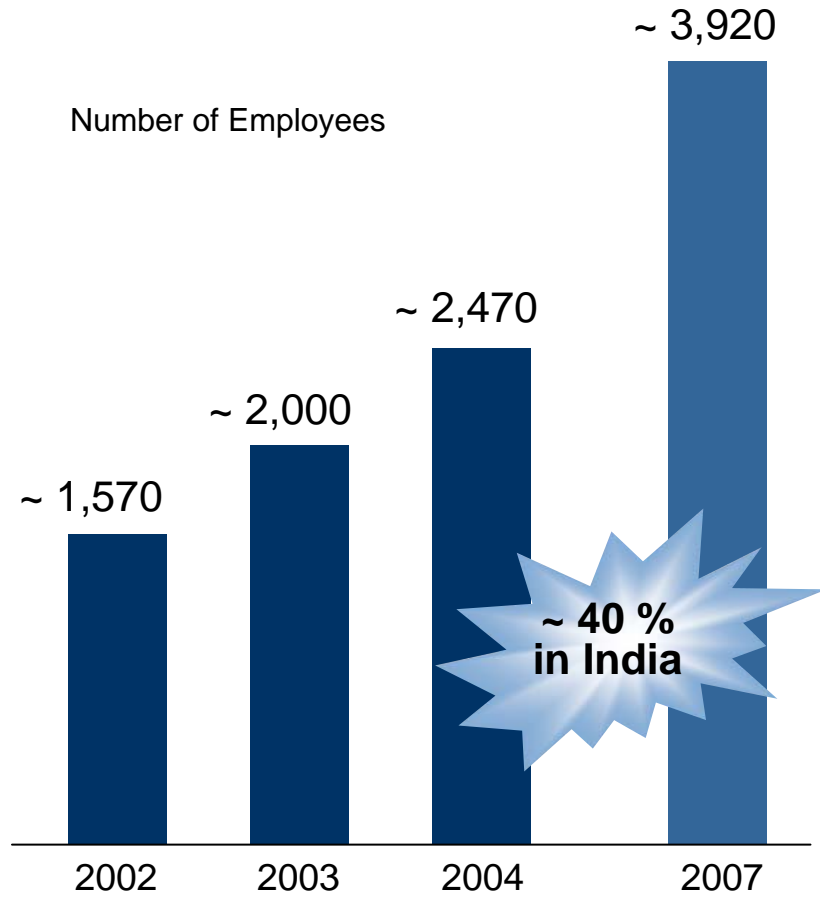
By: Innovation

Process optimization

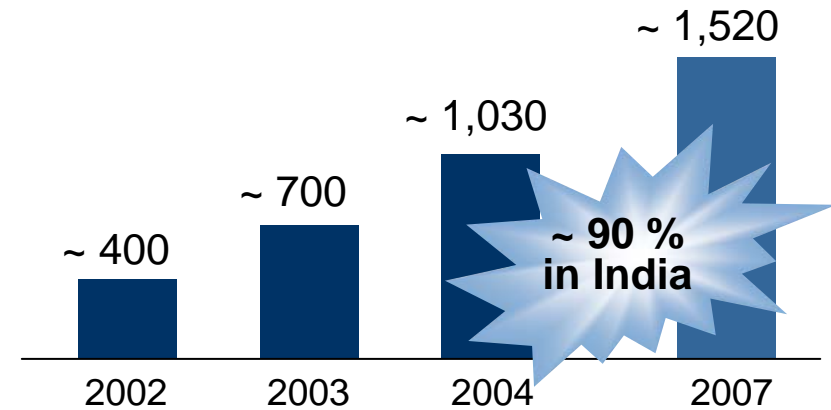


Global cost competitiveness

Expansion of value added in LCC *)



R&D and Production Total

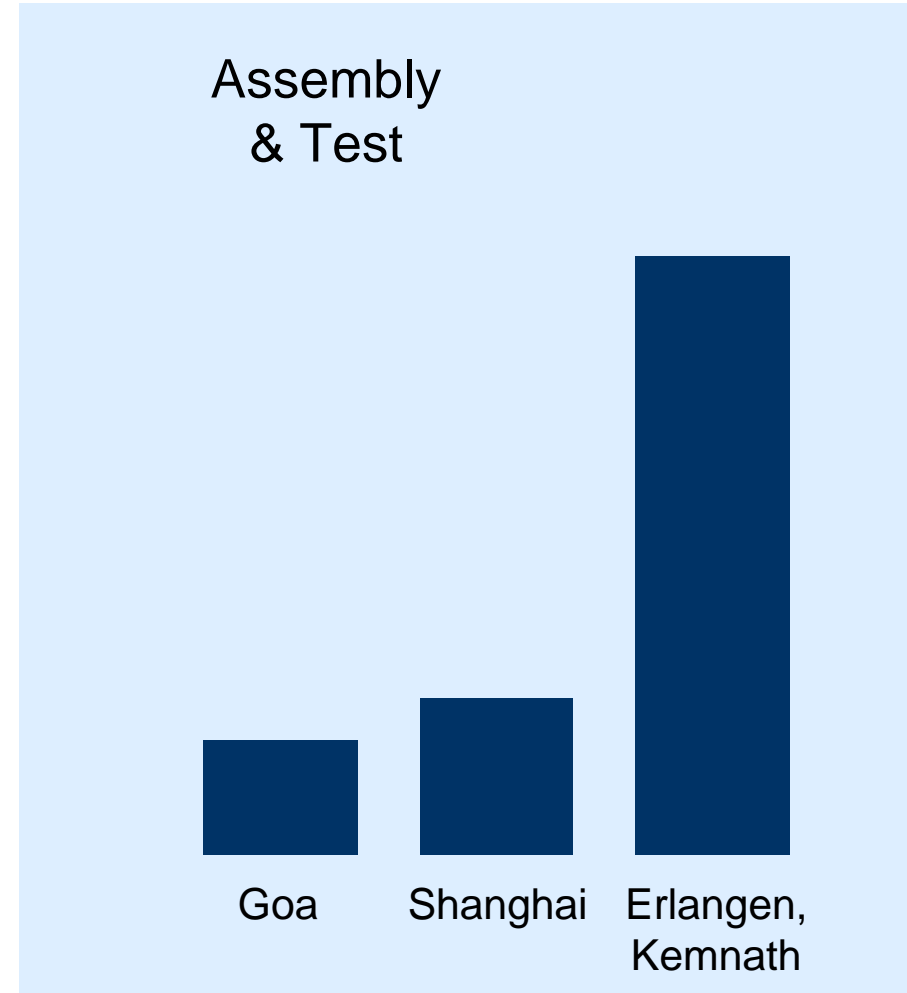
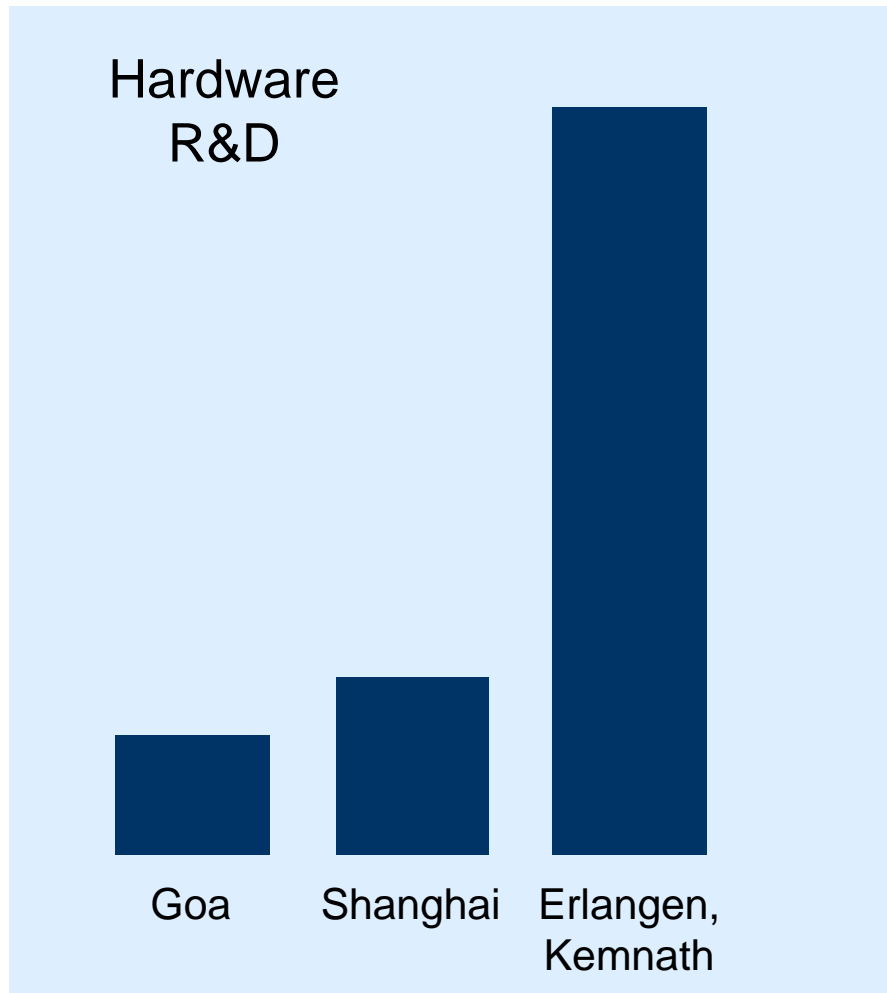


SW Development

*) LCC = Low Cost Countries

Cost of workplaces LCC *) versus HCC *)

(Indexed costs per productive hour in EURO; costs = personnel + workplace + overhead)

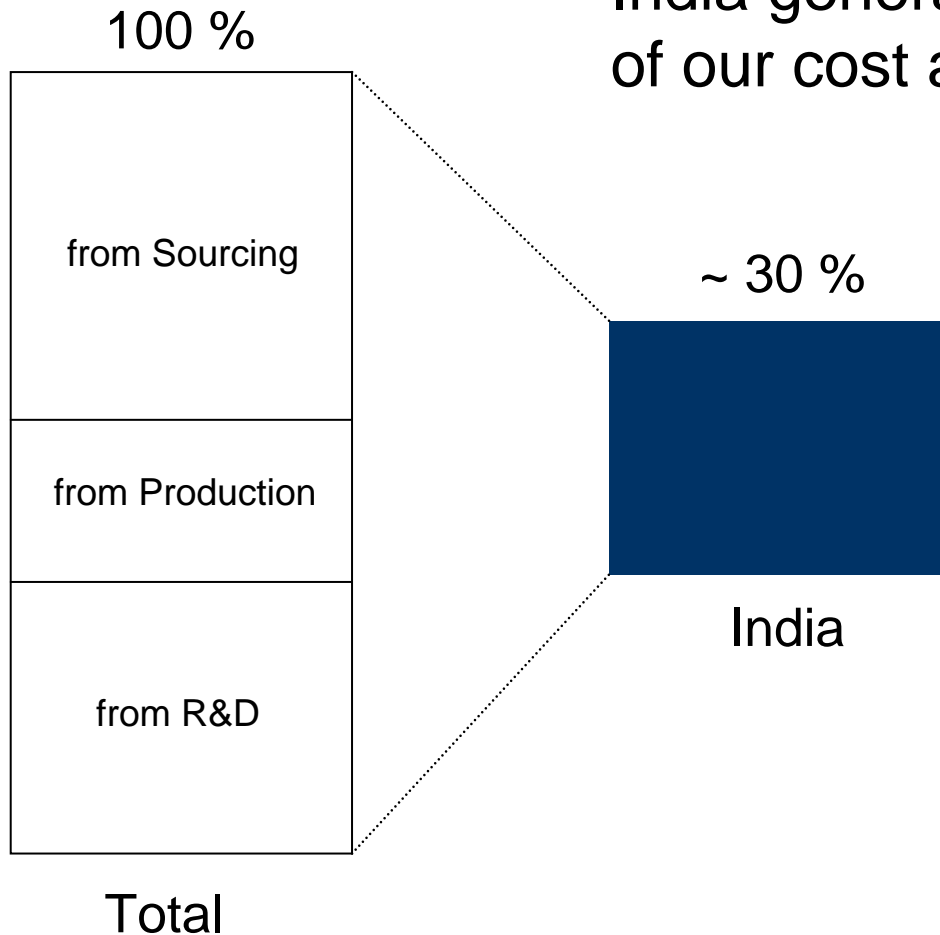


*) LCC = Low Cost Countries; HCC = High Cost Countries

Expansion of value added in LCC *)

The importance of India

India generates a large share of our cost advantages from LCC



Focus Areas India

- ❑ Development of medical software in Bangalore, India
- ❑ Sourcing for India and „HCC“
- ❑ Design and production of medical x-ray products and components in Goa

*) LCC = Low Cost Countries

- ❑ Major projects
 - *syngo*
 - post processing applications,
e.g. for Oncology Care Systems, Ultrasound, Computed Tomography,
Magnetic Resonance Imaging, Molecular Imaging
 - Health Information Systems
- ❑ Ongoing SW research for clinical imaging

- ❑ Research on deployment of RFID technology for healthcare

Current manpower for Med: ~ 1,100 SW engineers

- ❑ **1996: Start of manufacturing**
Approx 4,300 sqm engineering & production; currently 80+ employees. 70% of activities are outsourced.
- ❑ **Global Competency Center for Mobile x-ray Units**
Current products: Multimobil 2.5 / 10 (mobile x-ray generator); Multimobil 5C (mobile x-ray image intensifier).
- ❑ **Global Production Center for „Polydoros“ range of x-ray generators**
Current products: POLYDOROS IT / LX.
- ❑ **RAD Components Center**
Current product: MULTIX Ease (radiographic table)
- ❑ **Portfolio of 15 products for the Indian market**



Factory Sales

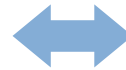
Actual 2003 – 2005: + 45%; export share from 14% to 40%

Plan 2005 – 2007: + 115%; export share from 40% to 65%

Internationally Linked
Processes and Quality Standards



Germany



India

Siemens
Quality Products

All operations abroad are controlled by the respective headquarters

Expanding our leadership position

What we announced

“The Medical Division is confident of maintaining and gaining market share in all critical segments with a focused strategy of increasing direct and indirect market coverage, appointment of regional product specialists and introduction of new customer initiatives in sales, service and project management.”

(Source: Annual Report 2004, Siemens Ltd., Outlook)

What we achieved

- ❑ Market share gains in Cardiac CT, Ultrasound, X-Ray, Mammography, Radiation Therapy
- ❑ Realisation of first mover advantage in first year of PET/CT in India
- ❑ Appointment of regional product specialists for Magnetic Resonance Imaging, Computed Tomography, Molecular Imaging and Radiation Therapy
- ❑ Start of clinical workshops for customers in Molecular Imaging and Radiation Therapy; further workshops in Magnetic Resonance Imaging and Computed Tomography
- ❑ Strengthening of service network through investment in remote services
- ❑ Increase of market coverage through enlarged channel network

- ❑ Large installed base of Computed Tomography and Magnetic Resonance Imaging
 - potential for growing replacement business and after-sales business

- ❑ Enhancement of Ultrasound and X-ray product lines
 - improved market coverage

- ❑ Growing market demand in Cardiology and Oncology
 - benefits our leadership position

- ❑ Expansion of Medical Solutions value added in Goa
 - increase of exports from India

Medical

Systems for diagnosis and therapy, including electronic archival and transmission of patient data

Financial Services

Complete financing, from project planning through to final hand-over

Power

Reliable power supply, including emergency backup systems

Lighting

Standard and specialty lights for operating rooms, wards etc.

Automation and Control

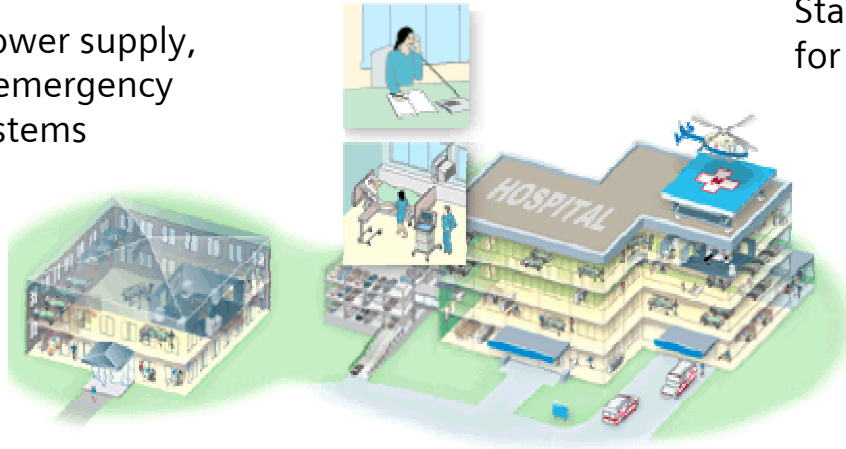
Control and monitoring of equipment and installations, room climate, elevators, parking garages etc.

Transportation

Access via public transport, e.g. streetcar or metro

Information and Communications

Integrated PC and phone networks for medical personnel, patients and administrative staff



Takeaways

- ❑ India is a relatively small market – but one of the fastest growing
- ❑ Siemens Med India is market leader in most segments
- ❑ Broad market coverage and competitive product lines allow us to take advantage of future growth opportunities in India
- ❑ Siemens Med India is an integral part of our worldwide cost optimization strategy. We generate a substantial share of our cost advantages from LCC in India
- ❑ Value added in India and exports from India continue to grow

Competitive advantage for continuous profitable growth

Reconciliations and definitions

"Group profit from Operations" is reconciled to "Income before income taxes" of Operations under "Reconciliation to financial statements" on the table "Segment information." See "Financial Reports/Fiscal 2005, Quarter 4 / Financial Statements" at our Investor Relations website under www.siemens.com

"ROE" (Return on equity) margin for SFS was calculated as SFS' income before income taxes divided by the allocated equity for SFS. Allocated equity for SFS as of September 30, 2005 was €983 million. See also Siemens' Form 20-F at our Investor Relations website under www.siemens.com

The allocated equity for SFS is determined and influenced by the respective credit ratings of the rating agencies and by the expected size and quality of its portfolio of leasing and factoring assets and equity investments and is determined annually. This allocation is designed to cover the risks of the underlying business and is in line with common credit risk management standards in banking. The actual risk profile of the SFS portfolio is monitored and controlled monthly and is evaluated against the allocated equity.

Siemens ties a portion of its executive incentive compensation to achieving economic value added (EVA) targets. EVA measures the profitability of a business (using Group profit for the Operating Groups and income before income taxes for the Financing and Real estate businesses as a base) against the additional cost of capital used to run a business, (using Net capital employed for the Operating Groups and risk-adjusted equity for the Financing and Real estate businesses as a base). A positive EVA means that a business has earned more than its cost of capital, and is therefore defined as value-creating. A negative EVA means that a business is earning less than its cost of capital and is therefore defined as value-destroying. Other organizations that use EVA may define and calculate EVA differently.

A reconciliation of EVA may be found on our Investor Relations website under www.siemens.com

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