Shaping the future of Industrial Automation

Anton S. Huber
CEO Industry Automation Division

Capital Market Day Siemens Industry
Hanover, April 11, 2013
Safe Harbour Statement

This document includes supplemental financial measures that are or may be non-GAAP financial measures. New orders and order backlog; adjusted or organic growth rates of revenue and new 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; cash conversion rate, or CCR; 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. 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.

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 stockholders 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: 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, 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, 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, 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.
Industry Automation
Four business units serve the automation market

2012 Revenue: €9.6bn, employees: 40,000

1) As of Dec. 31, 2012, excluding CS and w/o LMS

Market growth CAGR (2012 >2018e)
Despite market weakness, core automation business shows robust performance.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>First Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Orders</strong></td>
<td></td>
</tr>
<tr>
<td>€bn</td>
<td>+4% ¹)</td>
</tr>
<tr>
<td>FY 2011</td>
<td>9.0</td>
</tr>
<tr>
<td>FY 2012</td>
<td>9.5</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
</tr>
<tr>
<td>€bn</td>
<td>+3% ¹)</td>
</tr>
<tr>
<td>FY 2011</td>
<td>9.0</td>
</tr>
<tr>
<td>FY 2012</td>
<td>9.6</td>
</tr>
<tr>
<td><strong>Profit (% of Rev.)</strong></td>
<td></td>
</tr>
<tr>
<td>€m</td>
<td>-5%</td>
</tr>
<tr>
<td>FY 2011</td>
<td>1,411 (15.7%)</td>
</tr>
<tr>
<td>FY 2012</td>
<td>1,335 (14.0%)</td>
</tr>
<tr>
<td>Q1 FY 2012</td>
<td>2.2</td>
</tr>
<tr>
<td>Q1 FY 2013</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Bottom line impacted by restructuring projects, change of business mix and M&A activities.

1) Y-o-Y on a comparable basis, i.e. excluding currency translation and portfolio effects.
Worldwide presence to tap global opportunities

<table>
<thead>
<tr>
<th>External revenue ¹) by regions FY 2012</th>
<th>We are where the market is</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>€bn/CAGR in %</strong></td>
<td>17 factories worldwide ²):</td>
</tr>
<tr>
<td>World</td>
<td>▪ Asia: 3</td>
</tr>
<tr>
<td></td>
<td>▪ Americas: 5</td>
</tr>
<tr>
<td></td>
<td>▪ Europe: 9; thereof Germany: 4</td>
</tr>
<tr>
<td>Europe, Middle East, Africa</td>
<td>43 R&amp;D centers worldwide:</td>
</tr>
<tr>
<td></td>
<td>▪ Asia: 6</td>
</tr>
<tr>
<td></td>
<td>▪ Americas: 14</td>
</tr>
<tr>
<td></td>
<td>▪ Europe: 23</td>
</tr>
<tr>
<td></td>
<td>▪ &gt;80% of R&amp;D staff are software engineers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>6.2</td>
<td>8.5</td>
<td>+11%</td>
<td>100%</td>
</tr>
<tr>
<td>Europe, Middle East, Africa</td>
<td>3.4</td>
<td>4.6</td>
<td>+10%</td>
<td>54%</td>
</tr>
<tr>
<td>Americas</td>
<td>1.8</td>
<td>2.2</td>
<td>+7%</td>
<td>26%</td>
</tr>
<tr>
<td>Asia, Australia</td>
<td>1.0</td>
<td>1.7</td>
<td>+20%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Adapting our footprint to follow the global growth pattern
### Signature industries of Industry Automation

#### Discrete Automation
- **Automotive**
  - BMW
  - HYUNDAI
  - Mahindra
  - MAN
  - MAZDA
  - MAZDA
  - MITSUBISHI
  - NISSAN
  - TATA
  - DAIMLER

- **Machine Builders**
  - TRUMPF
  - MORI SEIKI
  - HEIDELBERG
  - EISENMANN
  - DÜRR
  - KRONES
  - DMG

- **Aerospace and Defense**
  - SIKORSKY
  - BOEING
  - NASA
  - HUGHES AIRCRAFT
  - ROLLS-ROYCE
  - AIRBUS
  - Cessna
  - BAE SYSTEMS

#### Process Automation
- **Food & Beverage**
  - Kraft Foods
  - Carlsberg
  - Sadia
  - DANONE
  - Coca Cola
  - ABInBev
  - PEPSICO
  - SAB MOLLE
  - Nestle

- **Pharma**
  - Cipla
  - Sanofi
  - Pfizer
  - Jubilant Life Sciences
  - Novartis
  - GSK
  - Johnson & Johnson
  - MERCK
  - Roche

- **Chemical**
  - BASF
  - Braskem
  - DuPont
  - Bayer
  - Linde
  - Dow
  - Evonik
  - Borealis
SIMATIC DCS system enables full exploitation of PLC potential in hybrid vertical markets

Discrete (PLC)

Hybrid
Primary (DCS)/Secondary (PLC)

Process (DCS)

Covered by Sector Energy

Source market: ARC 2011

€x PLC/DCS market size for respective verticals

Hybrid industries

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Installed base of PLC systems is foundation of the excellent profitability of manufacturing automation.

Installed base SIMATIC S7/S5 (cumulated revenue > €20bn)


SIMATIC S5/S7

Installed base of PLC business has been built up 100% through organic growth.
Driving growth in developed markets
New high performance CPU will accelerate organic growth

SIMATIC S7-1500

Enhanced IT security by hardware and software based access protection

Integrated drive systems

Engineering fully supported by new engineering platform TIA Portal
Driving growth in developed markets
New, fully integrated automation engineering environment

TIA Portal
One engineering tool for all automation engineering tasks

- Supporting customer engineering workflow
- Intuitive Engineering

Industry Automation

- SIMATIC Controller
  - S7-300/400
  - WinAC
  - S7-1200
  - S7-1500 *NEW

- SIMATIC HMI
  - Basic panels
  - Comfort panels
  - WinCC runtime

- SIMATIC NET
  - Profibus
  - Profinet
  - IWLAN

Drive Technologies

- SINAMICS
  - G120 *NEW

- SIMOTION
  - Next expansion stages

- SINUMERIK
  - Future expansion stages

Providing customer software tools to significantly reduce engineering hours for advanced automation solutions
TIA Portal
Highly attractive software tools for customers

Long-term partnership with BMW

- Unique long-term commitment (15 years) from automotive customer
- PLC hardware, engineering and visualization based on TIA Portal in all plants worldwide

BMW commits to Siemens for 15 years as single preferred supplier of new automation technology – globally
Driving growth in emerging markets: Example China
Long-term strategy and investments are starting to pay off

Portfolio SIMATIC CPUs

High Performance CPUs
- SIMATIC S7-1500
- SIMATIC S7-300

Mainstream CPUs
- SIMATIC S7-1200
- SIMATIC S7-200CN
- S7-200 SMART PLC

China has become Siemens' most important PLC market

Siemens Industry Automation is the leading PLC provider in China

1) CAGR
Industrial Software business with high growth and margin potential based on recurring license fees

Siemens operates its software business as a product business and cooperates with all IT service providers selected by customers to build their IT solutions!
Seamless software support along the whole value-add process is key to accelerate time-to-market

![Diagram showing product design/engineering, development, simulation, MES, production, and MRO.]

**Product Design/Engineering**
- Requirement Engineering
- Specification
- Development
- Simulation

**Production**
- MES

**MRO**
- Maintenance, Repair, Overhaul

**Time-to-market**
- Early adopters reduce time-to-market by up to 50%

1) MRO: Maintenance, Repair, Overhaul
Siemens Industry Software supports the whole design, make and maintenance process of Rolls-Royce turbines.
## IA's contribution to Industry 2014 targets

### Main levers

**Top Priority: Strengthen core activities**

- **Cost Reduction**
  - Optimized global footprint – Procurement
  - SG&A Process Optimization
  - R&D Process Optimization

### Strengthen core activities

- **Sell water treatment activities:**
  - ~€1bn revenue; 4,500 FTE
- **Ramp down of:**
  - Solar inverters and Electronic Design and Manufacturing Services ~350 FTE
- **Reduce low margin solution business** in non-core applications

### Process Optimization

- Streamline **Product Lifecycle Management** processes to increase overall **efficiency** and **effectiveness**
- Accelerate innovation speed: Significantly **reduce Time to Profit**
- Increase sales productivity by expanding partner network

### Optimized global footprint

- **Expanding Chinese manufacturing footprint:**
  - Chengdu
  - Dalian
  - Suzhou
Remaining in the driver seat
to shape the future of industrial automation

Strengthen leading position in Automation
by driving growth with recent innovations TIA Portal and S7 1500 CPU

Continue to expand the industry software business
primarily by organic efforts but also by M&A opportunities

Drive operational excellence and profitability
by optimizing portfolio and business processes
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