

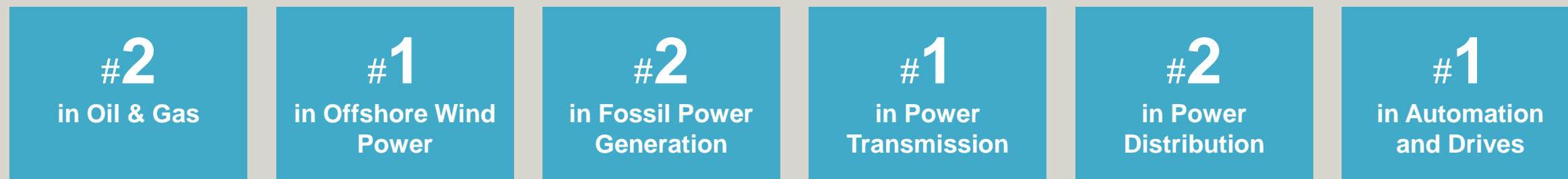
Siemens Energy and Oil & Gas

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Siemens Energy and Oil & Gas – Leading market positions along the entire energy value chain

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Market drivers



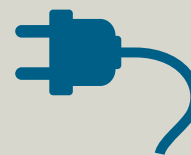
+90 million
people every
year

Growing population



More people
living in cities

Increasing Urbanization



+2.5% electricity
demand p.a.

Further electrification



Massive
reduction
in CO₂

Climate change

A strong portfolio in Electrification, Automation and Digitalization with a focus on Innovation

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Oil & Gas

Power Generation

Power Transmission & Distribution

Consumption

Portfolio highlights

Oil & Gas

- Compression and drives
- Power generation and distribution
- Process, automation and digital solutions

Power Generation

- Gas turbines (4-400 MW)
- Steam turbines (45 kW-1,900 MW)
- Onshore/Offshore Wind turbines (2.3-7 MW)

Power Transmission

- High voltage transmission systems (DC/AC)
- Grid access solutions
- Power transformer
- High voltage switchgear

Power Distribution

- Low and medium voltage products
- Grid protection, automation and power quality
- Distribution transformer

Automation & Drives

- Electrical, automation and instrumentation packages
- Integrated engineering to remote operations
- Industrial security

Powered by
Sinalytics

Sinalytics - Siemens' technology platform for digital services, processing 550 gigabytes per day from more than 300,000 devices

Innovation
underpins
success

Refinery with largest IGCC¹



Jazan

Records in combined heat and power gen.



Fortuna Düsseldorf

Integration of renewables



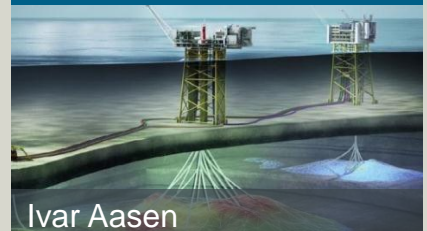
BORWIN3

Real-time grid control



Spectrum Power Platform

Digital oil & gas solution



Ivar Aasen

Service

1) Integrated Gasification Combined Cycle.

Wind Power and Renewables is a crucial pillar of the Siemens energy portfolio – High mutual benefits with other Siemens businesses

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Key figures FY 2015: €6.1bn Orders | €5.7bn Revenues | 2.8% Margin | 12,800 Employees | 5 to 8% Margin target

Wind Power and Renewables Division

Onshore



Geared Platform



Direct Drive Platform

- ~15,000 turbines or 27GW installed until H1 FY16
- 37 years of experience in onshore wind
- 56% of Revenue H1 FY16

Offshore



Geared Platform



Direct Drive Platform

- ~2,100 turbines or 7GW installed until H1 FY16
- 25 years of experience in offshore wind, clear #1 with 58% of global capacity installed
- 44% of Revenue H1 FY16

Order backlog H1 FY16: €15bn (largest ever)

Service

~34GW installed base by H1 FY16 – ~160% growth since FY11

Mutual benefits within Siemens AG

- **Full-fledged energy solutions for customers**
e.g. Egypt deal together with **Power & Gas** and **Energy Management**
- **Financing solutions**
e.g. participation of **Siemens Financial Services** in Gemini offshore project
- **Joint R&D efforts**
e.g. new offshore grid access solutions with **Energy Management**
- **Utilization of wide array of internal suppliers**
e.g. gearboxes from **Winergy**, generators from **Process Industries and Drives**

Onshore to stay successful in traditional strongholds and to tap into new growth markets


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Selected examples


Ensure success in largest markets


Capture growth in upcoming markets


Efficiently serve small/opportunistic markets


 Large frame contract with SH-Wind for new D3 platform


 Joint energy solution together with PG and EM with 2 GW wind frame contract


 Drive partial localization with local partners


 Further expand local setup and capabilities – maintain #1 position

 First mover with 61 MW at Siahpoush Wind farm

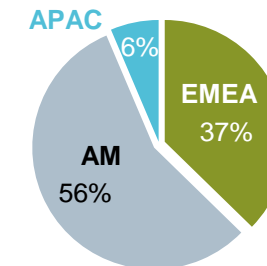
 Introduction of new G2 platform (2.3-120) and new concrete tower solution

 Preferred supplier for 850 MW e.g. Midelt, together with EGP. New blade factory for local market and export

 Support developers to optimize financial arrangements

 Hub-based sales, e.g. in South Africa to efficiently serve small markets like Kenya and Ghana

Orders Split FY15¹⁾



1) Excluding Service ↑ Market development

Complete product portfolio overhaul underway – Main impact starting from FY18

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Development measures

ON geared platform, e.g. SWT-2.3-120

- Longer blades
- New gearbox
- Upgraded bedframe

- Build on proven design
- Re-use of components



ON direct drive platform, e.g. SWT-3.3-130

- Longer blades
- Upgraded Generator
- New cooling system

- Upgrade of all critical elements



OF direct drive platform, e.g. SWT-7.0-154

- New Converter
- Upgraded transformers
- Stronger magnets

- Re-use of established supply chain



Clear evidence of success

- +9% more energy output
- Optimal rotor giving strong capacity factor to fill US customer demand

- +10% more energy output
- First order for Finland in Q4 FY15

- +10% more energy output
- First order for UK in Q4 FY15, largest order with 102 units in Q2 FY16
- Certificate received 8 months earlier than planned

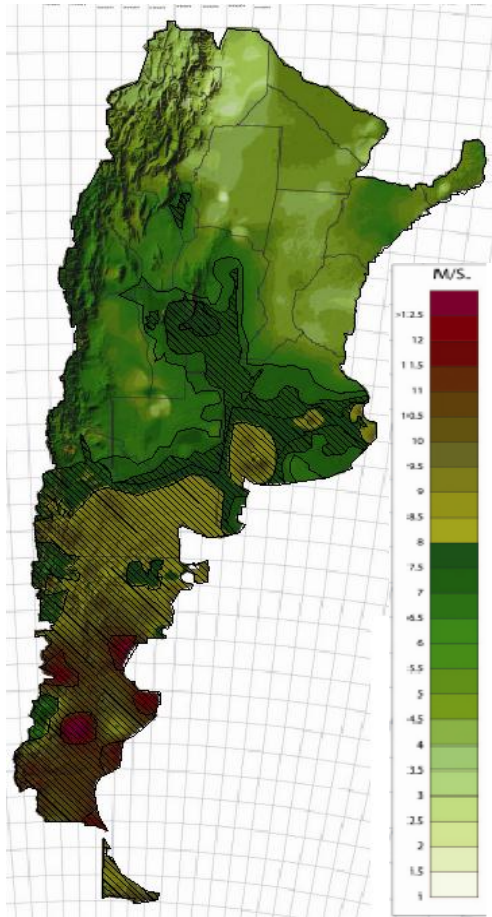
Execution according to plan ✓



Further developments ongoing – Communication expected still in 2016 | In FY18 ~80% of deliveries will be new developments

Argentina - Significant market potential driven by the implementation of the new renewable energy law

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Favorable market conditions for wind energy resources

- ✓ **Excellent wind resources with mainly Class I and II sites.**
Nearly 70% of Argentina's territory is covered with winds whose annual average speed, measured at 50 meters above
- ✓ **It's has a potential of 2 TW of wind energy.**
More than 1GW ready to build projects
- ✓ **Wind Energy is the most competitive renewable source of generation in country**
- ✓ **Renewable energy law with clear generation targets up to 2025 (20%) and high penalties for non compliance**
Aggressive target of 8% by 2017
- ✓ **Stable energy demand growth with low power reserve requiring addition of new generation**

Siemens ambitions

- ✓ **The ambition of Siemens Wind Power is to become a market leader by 2020**
- ✓ **Support Wind developers to optimize financial arrangements and develop long-term strategic partnerships**
- ✓ **Bring new technology to maximize energy production (e.g. new wind turbines, concrete towers) and continue to lower the cost of energy.**
- ✓ **Consolidate as technological leader in the development of the overall Argentinean infrastructure.**
- ✓ **Continue our more than 100 years history of contribution to Argentina's sustainable development**