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Siemens to Acquire LMS International NV

Becoming the first PLM software company to provide a ***closed-loop, systems-driven product development solution*** *with integrated test management*

LMS International
A worldwide leader in engineering innovation

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LMS® ENGINEERING INNOVATION

- The leading partner in test and mechatronic simulation in the automotive, aerospace and other advanced manufacturing industries, helping customers get better products to market faster
- #1 for Global Auto & Aero manufacturers
- Servicing more than 100,000 R&D engineers**… in 5,000 manufacturing companies**
- Top talent in 45+ offices Worldwide… **more than 1,200 professionals**

Headquarters: Leuven, Belgium
www.lmsintl.com

LMS International
Strategically complementing Siemens PLM Software

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LMS International	Strategic Fit
Technological fit: Adding simulating and testing technologies for mechatronic systems to Siemens PLM portfolio.	Business scope: *50 % Simulation* *50 % Testing*
Solid profitable growth track record: 3 year average growth rate of 20%+ per year.	Revenue growth: *FY 2010-2012; CAGR 25%*
Geographic breakdown: Business represented in 15 industrial and emerging countries.	Breakdown: Europe 40% Asia 37% US 23%
Vertical coverage: Serving approx 5,000 companies in leading high-growth vertical markets like automotive, aerospace, energy, electronics, etc.	Endmarkets: 55 %Automotive 25%Aerospace 20% Energy and others

Solution Overview

Enabling the next generation platform for product development

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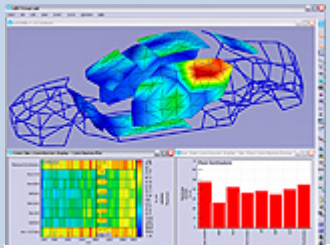
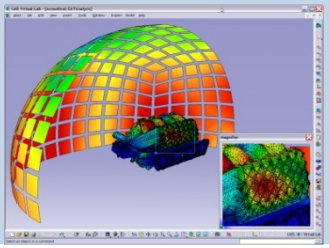
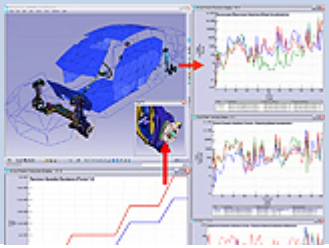
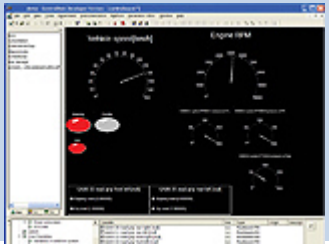
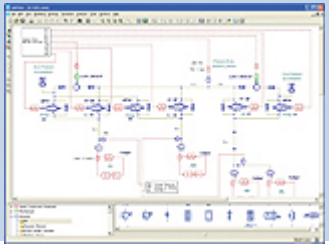
3D Simulation

3D Performance Simulation
3D Structural Analysis

Mechatronic System Simulation

System Synthesis
Multi-physics Modeling

Testing



Laboratory Testing
Mobile Testing

Customers
Some of the 5,000 References

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Automotive

BMW
Daimler
Fiat
Ford
GM
Harley-Davidson
Honda
Renault
Toyota
Volkswagen
Bosch
Delphi
Denso
Michelin
Rieter
TRW
Visteon
Volvo
John Deere

Aerospace

Airbus
Boeing
Cessna
EADS
Hughes
Lockheed Martin
Thales
TRW
NASA
Northrop
Pratt & Whitney
Rolls Royce
SNECMA
ESA
JAXA

Other discrete

Apple
Braun
HP
Hitachi
Husqvarna
IBM
JVC
Miele
Motorola
Nokia
Sony
ABB
AT&T
Eaton
Ericcson
Exxon
Sanyo
Siemens
Westing-house

Developing Successful Products Has Never Been More Complex...

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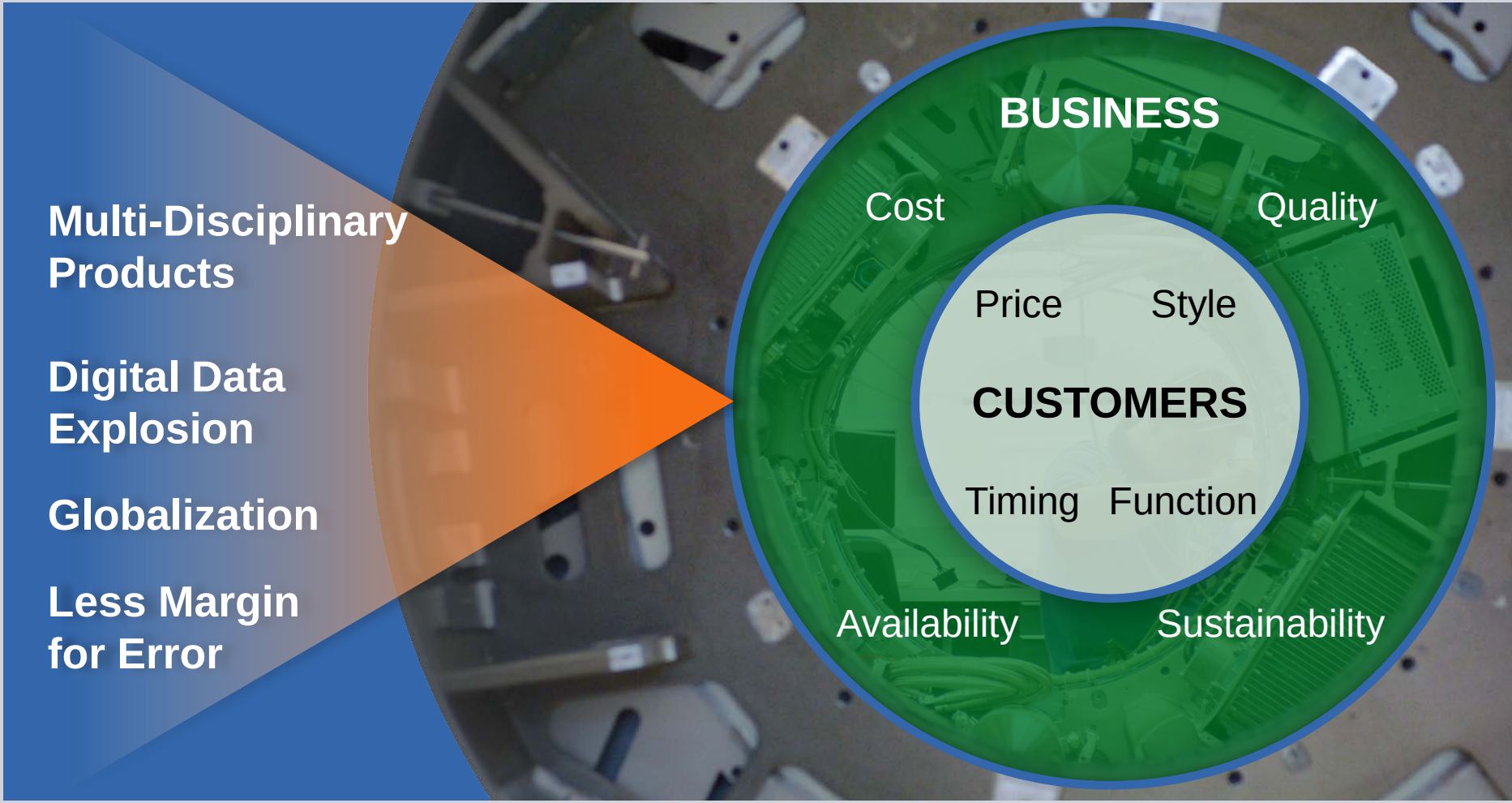
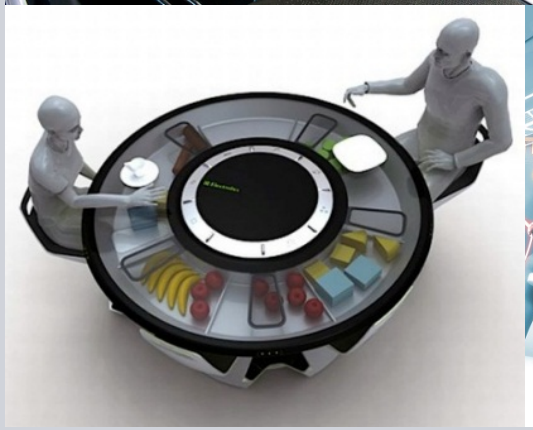
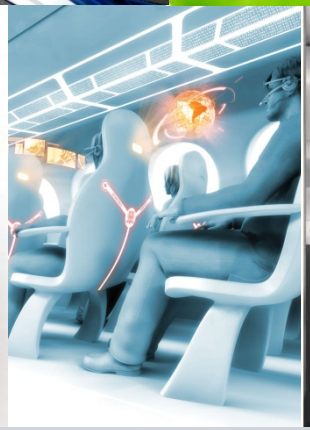


Changing Requirements for Product Development

- Developing a next generation platform for product development to meet the complexities of tomorrow's products





Meeting the Challenge of Next Generation Product Development

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Development Challenge	Next Generation Requirements
Environment to simulate complex interaction of mechanical, electrical and software	Multi-physics system simulation in combination with controls/ mechatronics simulation
Accuracy of complex product virtual models to simulate real-life behavior	Integrated testing with simulation making simulation accurate, efficient and realistic
Multi-domain data and process integration	A platform which exposes a data and workflow continuum between virtual and real domains
Greater confidence and reliance on simulation models in final launch decision-making	An accurate model-based product development environment including data from virtual and physical domains

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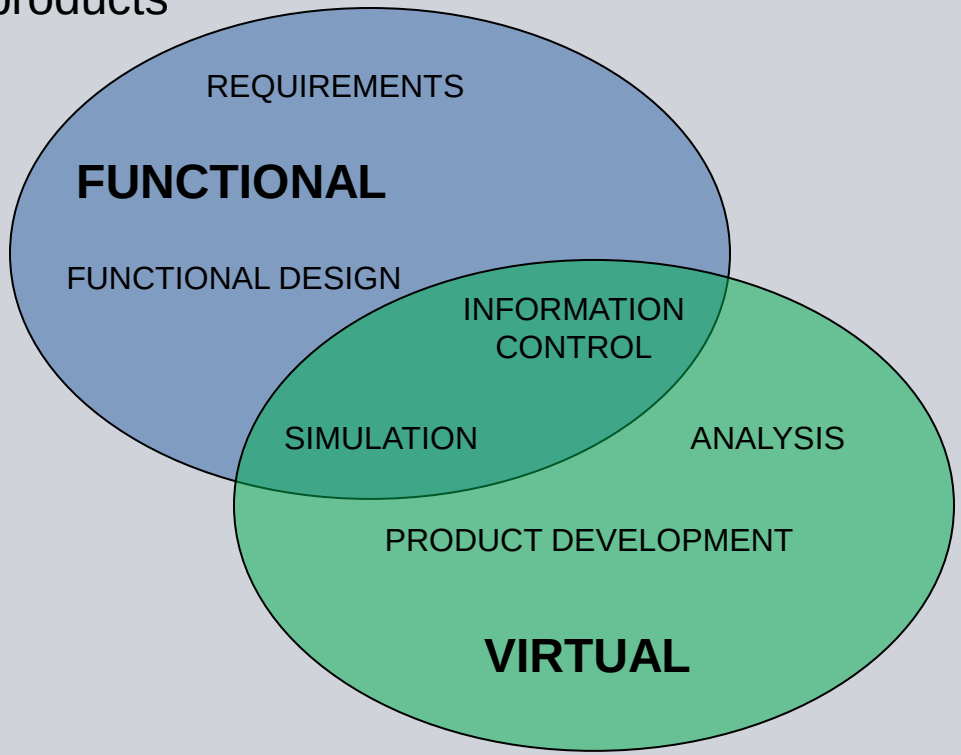
Creating New Levels of Customer Value

- Developing a next generation platform for product development to meet the complexities of tomorrow's products

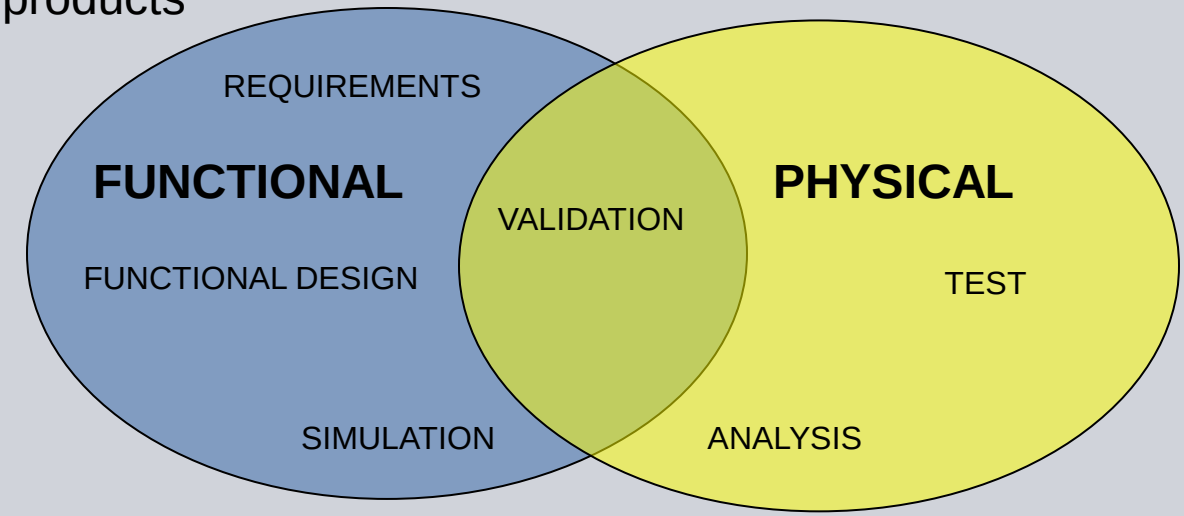


Siemens PLM Software

- Integrated systems driven product development

Creating New Levels of Customer Value

- Developing a next generation platform for product development to meet the complexities of tomorrow's products



LMS International

- Model-based systems engineering

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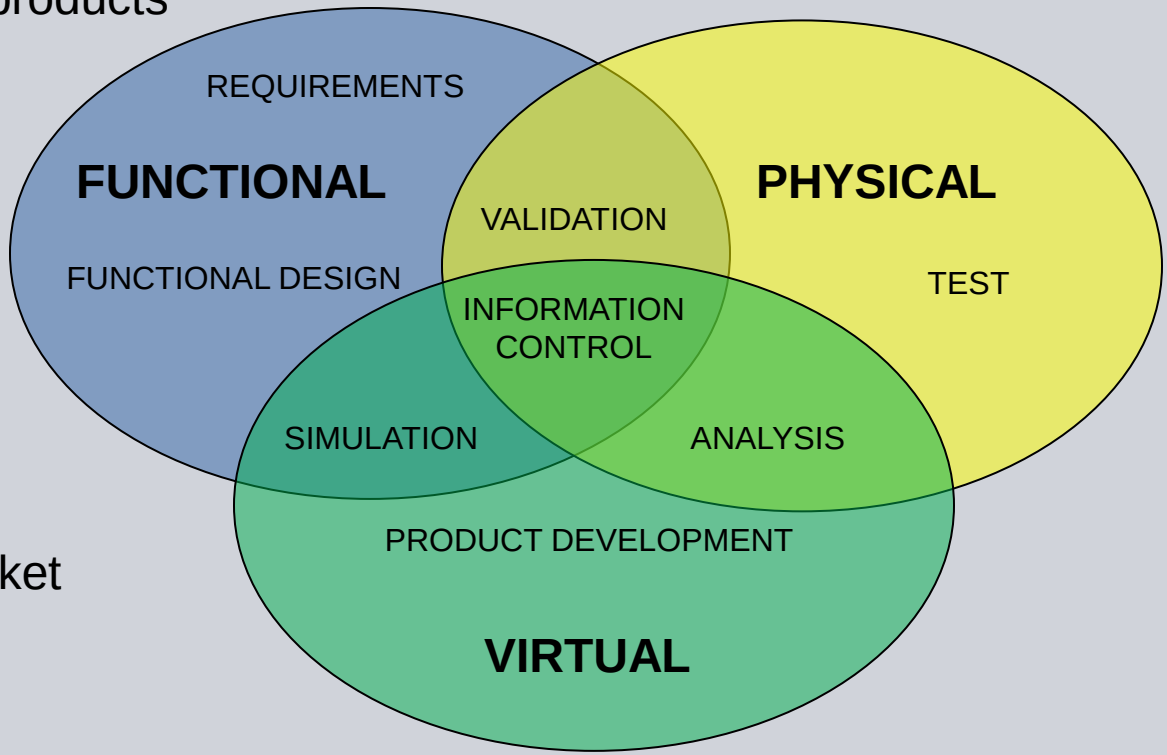
Creating New Levels of Customer Value

- Developing a next generation platform for product development to meet the complexities of tomorrow's products

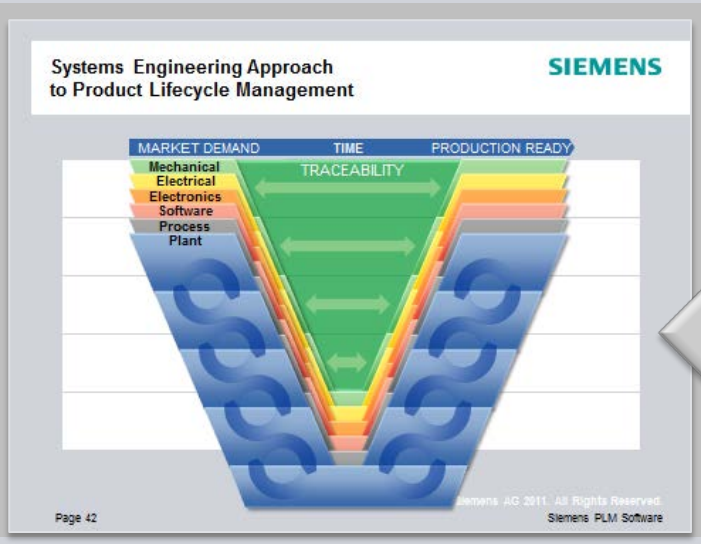
- An immersive decision-making environment
  - Significantly faster to market
  - Right, first time
    - Far fewer prototypes
  - Right quality
    - Meet customer and market expectations

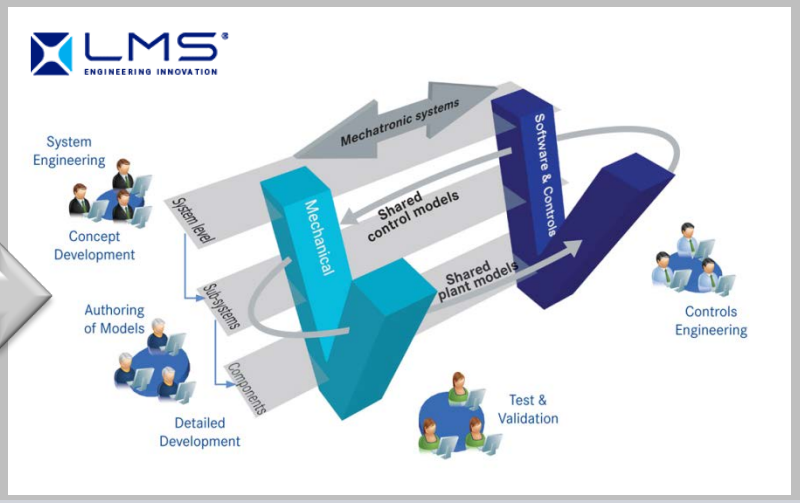


Functional, virtual design, simulation and physical performance testing

Siemens and LMS Common Vision

Systems Engineering





Virtual to Real

LMS View

Historical Relationship

Siemens PLM and LMS have a history in simulation

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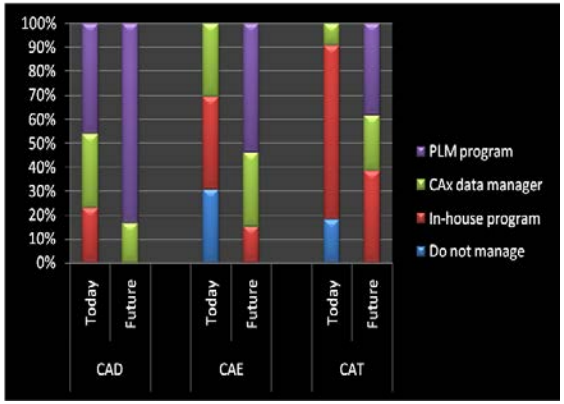
- **Product alignment:**
  - Seamless connection between LMS Virtual.Lab and NX Nastran solver to analyze and visualize model performance
- **Common customers include:**
  - Daimler, GM, Ford, Fiat, Nissan, General Electric, Voith, United Aircraft, Canon…
- **The future need to collaborate:**
  - In the future PLM places an increasingly important role in managing simulation and test data along with other critical product data

LMS Virtual.Lab

NX
Multi-discipline Simulation



Survey of Auto and Aero OEMs:
"Where do you expect to manage your CAx data?"

Portfolio Alignment

A next generation platform for product development

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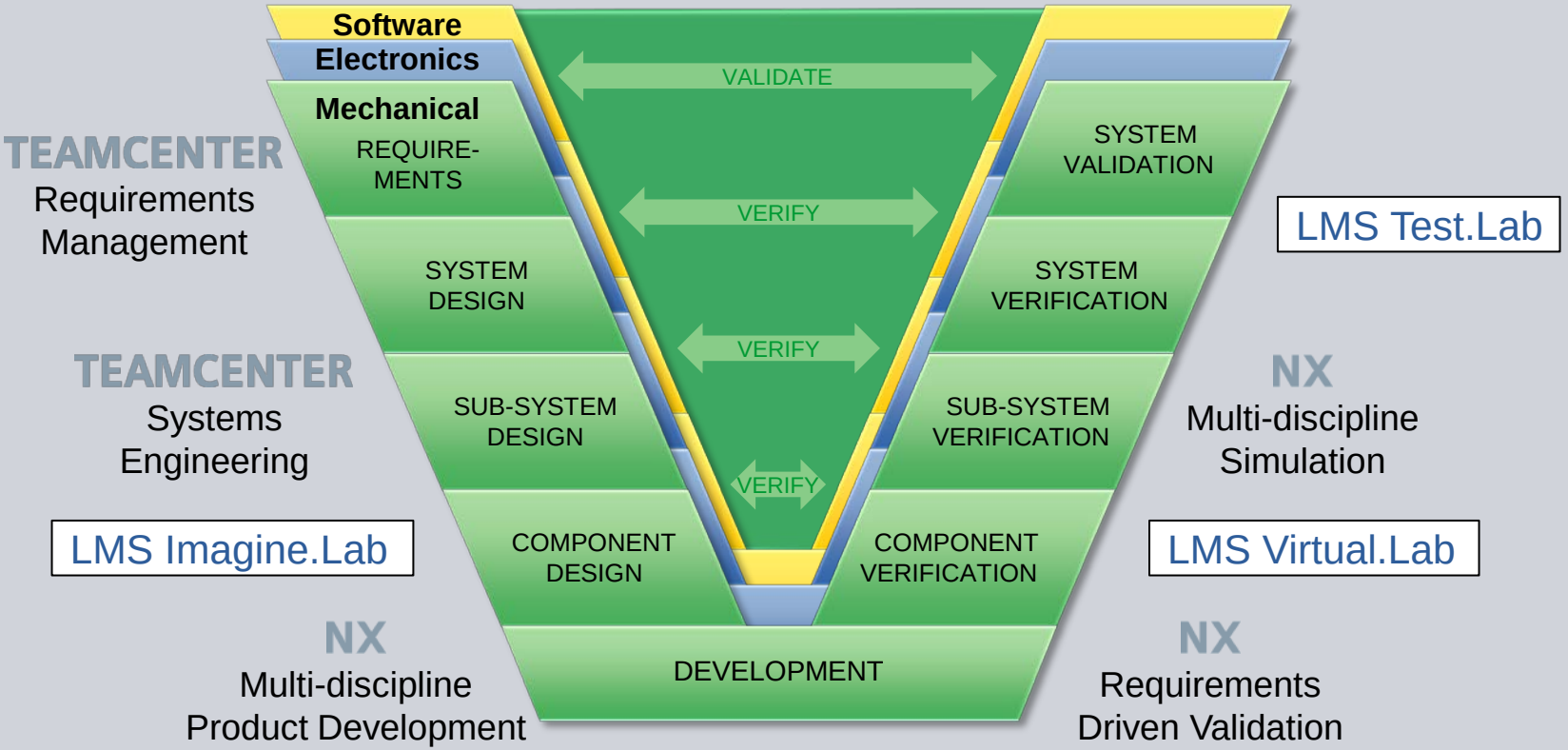

Complete coverage from customer requirements to test and validation

Portfolio Alignment

A next generation platform for product development

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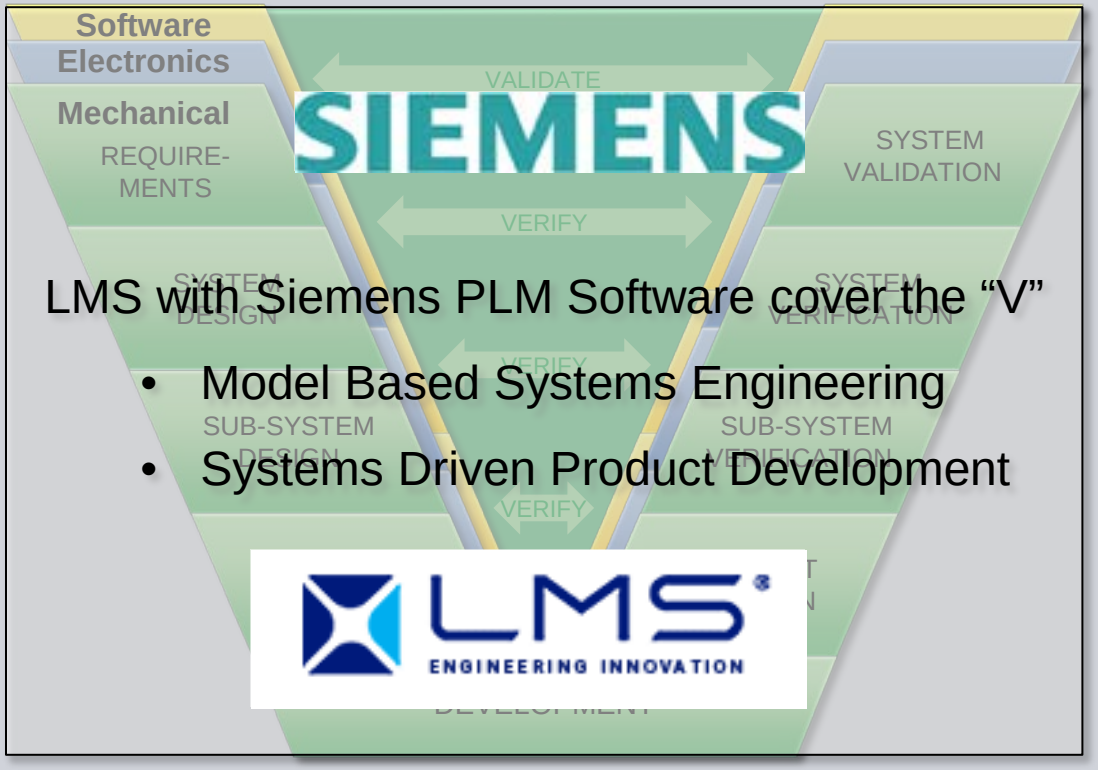

LMS with Siemens PLM Software cover the “V”

- Model Based Systems Engineering
- Systems Driven Product Development

Complete coverage from customer requirements to test and validation

LMS –
Engineering Heritage and Track Record of Success

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LMS - Commitment to Openness

Open Products

- Support for MATLAB/Simulink for co-simulation of dynamic systems
- Support the Modelica standard for multi-physics system modeling
- Support for industry standard FE solvers like NASTRAN, ABAQUS, LS-DYNA, RADIOSS and MADYMO for linear, non-linear, crash and safety analysis
- Support for ISO test standards

Open Communities

- Lead participant in “MODRIO” – Model Driven Physical Systems Operation seeks solutions to support adoption of model-based systems
  - A three-year European ITEA2 research project to extend the state-of-the-art in modeling and simulation based on open standards
  - In cooperation with leading European companies including EDF (project coordinator), ABB, Siemens, EADS, Dassault Aviation and SCANIA

LMS and Siemens Differentiated Value

Siemens is the leader in next generation product development merging the virtual and physical domains immersing our customer in a full virtual to physical environment

- Leadership in CAE, simulation and test tied to PLM
- Leadership in data and process management across the virtual and physical domains
- Leadership in providing the depth, breadth and scale in core PLM for developing tomorrow's next generation products

Improving the accuracy of simulations is the only way to make high definition decisions early in the process before massive cost is committed

Since the Acquisition of UGS Corp., Siemens is Merging Virtual and Physical Manufacturing Worlds

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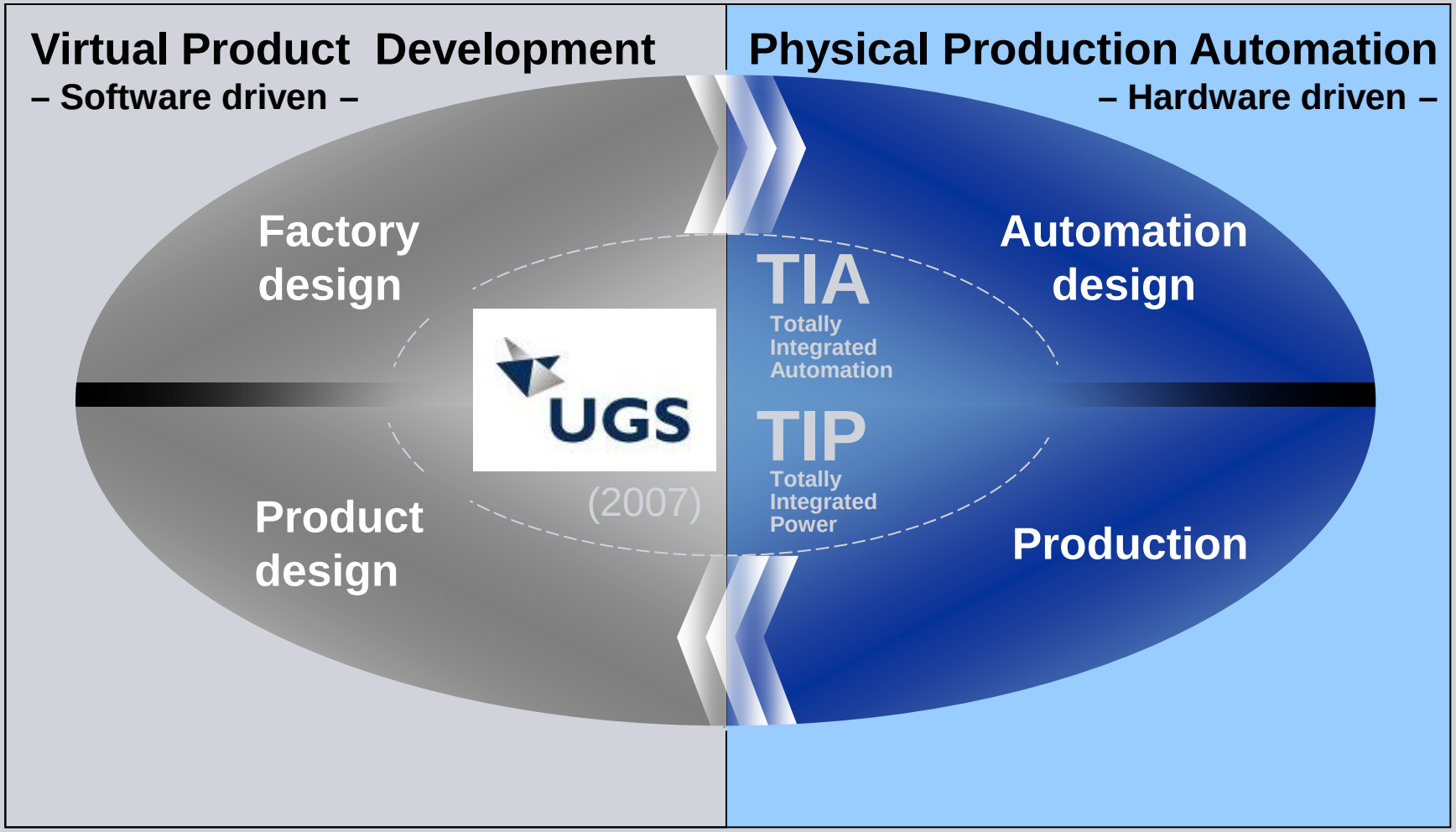

Completing the Landscape with Acquisitions in Industrial IT and Software

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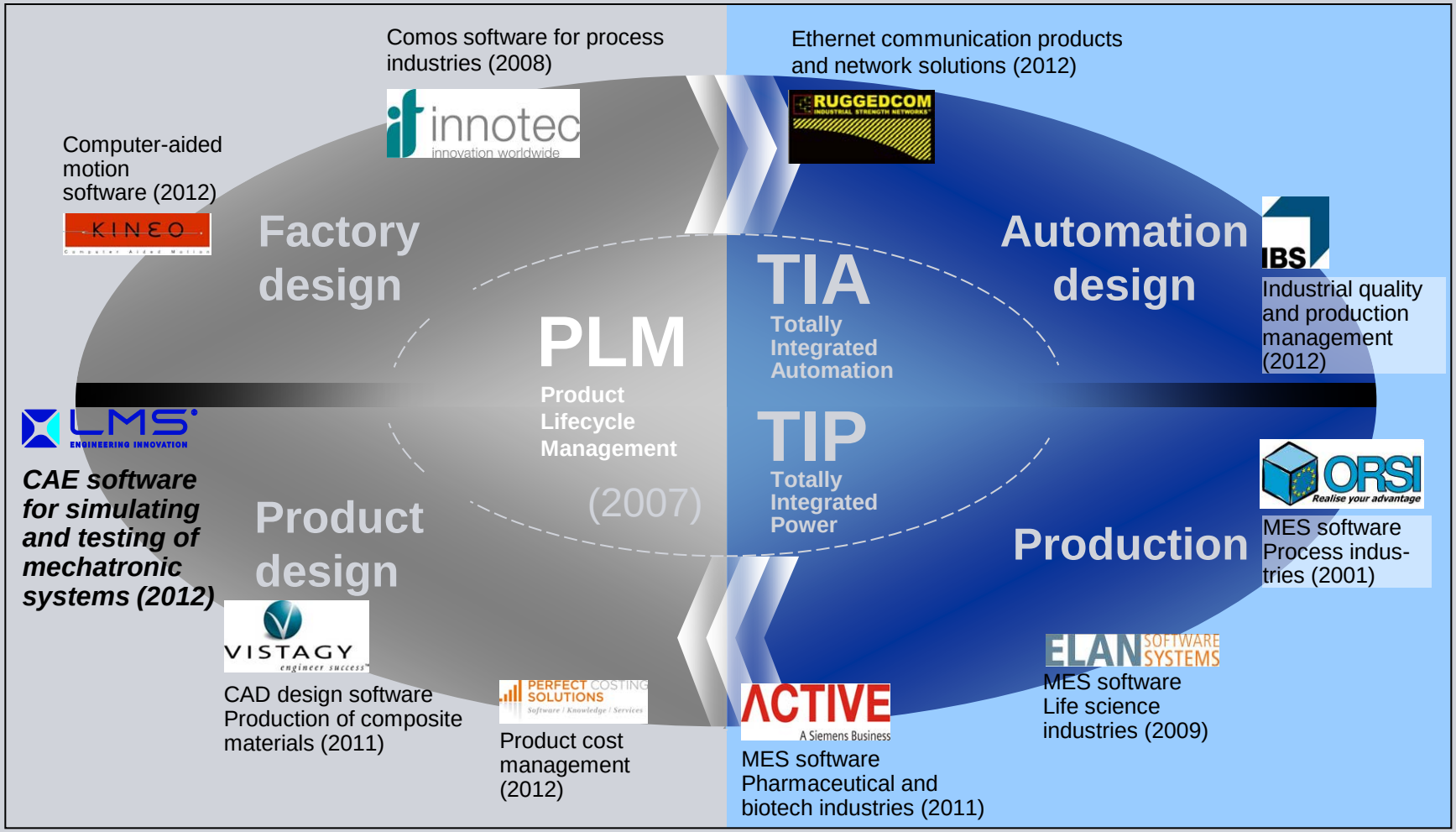
More than 4.7 bn EUR invest since 2007 *



* excluding LMS International

LMS acquisition closes gaps in mechatronic and behavioral simulation and in physical testing

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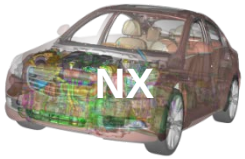
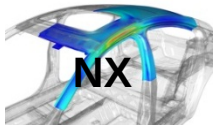
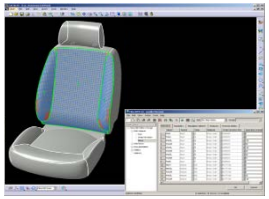
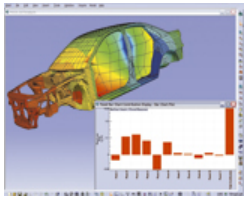
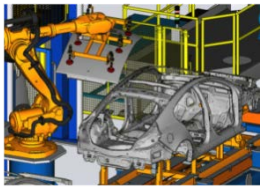
Product Planning	Product Develop-ment	Production Planning	Production Engineer-ing	Production Execution	Service and Support
 Requirements Project Plans Costing PERFECT COSTING SOLUTIONS Software / Knowledge / Services TEAMCENTER	 Product Design KINEO Computer Aided Motion NX	 Structural Analysis NX	 Physical Testing LMS ENGINEERING INNOVATION	 Virtual Commissioning TECNOMATIX	 Sustainability Maintenance Repair Overhaul TEAMCENTER
 Mechatronic Simulation LMS ENGINEERING INNOVATION	 Composite materials VISTAGY engineer success	 Behavioral Simulation LMS ENGINEERING INNOVATION	 Manufacturing Engineering KINEO Computer Aided Motion TECNOMATIX		

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Summary

Bringing together LMS with Siemens PLM makes Siemens the leader in next generation product development

- Merging the worlds of simulation and test to improve the fidelity of models to make better product development decisions and create new levels of customer value
- The common vision and portfolio alignment ensure success in virtual to real product development with advanced simulation and integrated testing
- Establish the platform and domain expertise to advance systems driven product development with integrated model based systems engineering to design products right, first time