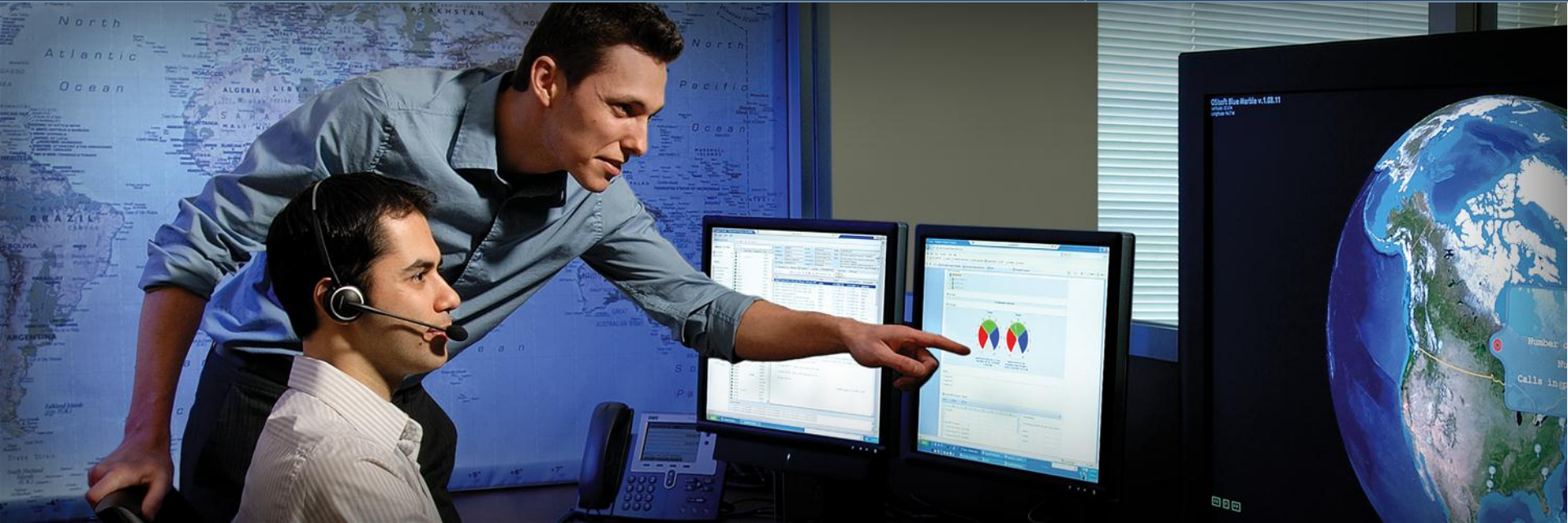




Johannesburg, South Africa 2011 Regional Seminar Series



OSIsoft EMEA Overview

**Martin Otterson,
Managing Director & VP Sales EMEA**



OSIsoft Overview EMEA- Europe Middle East Africa

- ❑ Established in 1980
- ❑ Founder - J. Patrick Kennedy
- ❑ Private
- ❑ Headquarters - San Leandro, CA
- ❑ 720 + employees
- ❑ 200 + employees in product development
- ❑ PI System Installed base
 - ❑ 14,000 + systems (excluding OEMs)
 - ❑ 110 + countries
- ❑ Footprint in:
 - ❑ 40% of Fortune 1 000 process & manufacturing companies
 - ❑ 65% of Global 500 process & manufacturing companies



- ❑ Core competencies
 - ❑ Strategic Focus
 - ❑ Customer Value
 - ❑ One product - The PI System
 - ❑ Expanding Infrastructure
 - ❑ Customer Support
 - ❑ Increased Local Presence.
 - ❑ Continuous Improvement
 - ❑ Agile Product Development
 - ❑ Standards Adoption (DEC/VMS/Unix -> Windows, 64bit)
- ❑ OSIsoft's energy and resource efficiency efforts
 - ❑ Significant move to remote installs—on site is rare today
 - ❑ Less shipment of products—downloads are preferred by many customers
 - ❑ Electronic books, CBT
- ❑ OSIsoft is an Enabler of Sustainability Initiatives

OSIsoft Announces \$135 Million Minority Investment by Technology Crossover Ventures and Kleiner Perkins Caufield & Byers 1-5-2011

Today 65 percent of Global 500 process and manufacturing companies use the OSIsoft PI System. The minority investment, which was co-led by TCV and KPCB, will enable OSIsoft to accelerate its expansion and address increasing global demand across the energy, manufacturing, utilities, life sciences, data centers, facilities, and the process industries it serves.

... “The minority stake by two of the world’s premier technology investors, TCV and KPCB, will provide both the resources and the deep industry expertise to help us expand strategically and serve growing markets around the world.” ...

... As part of the transaction, Jake Reynolds, TCV general partner, and Ben Kortlang, KPCB partner will join the OSIsoft board of directors. Mr. Kennedy will continue to serve as chairman of the board.





PI System

OSIsoft GmbH Campus



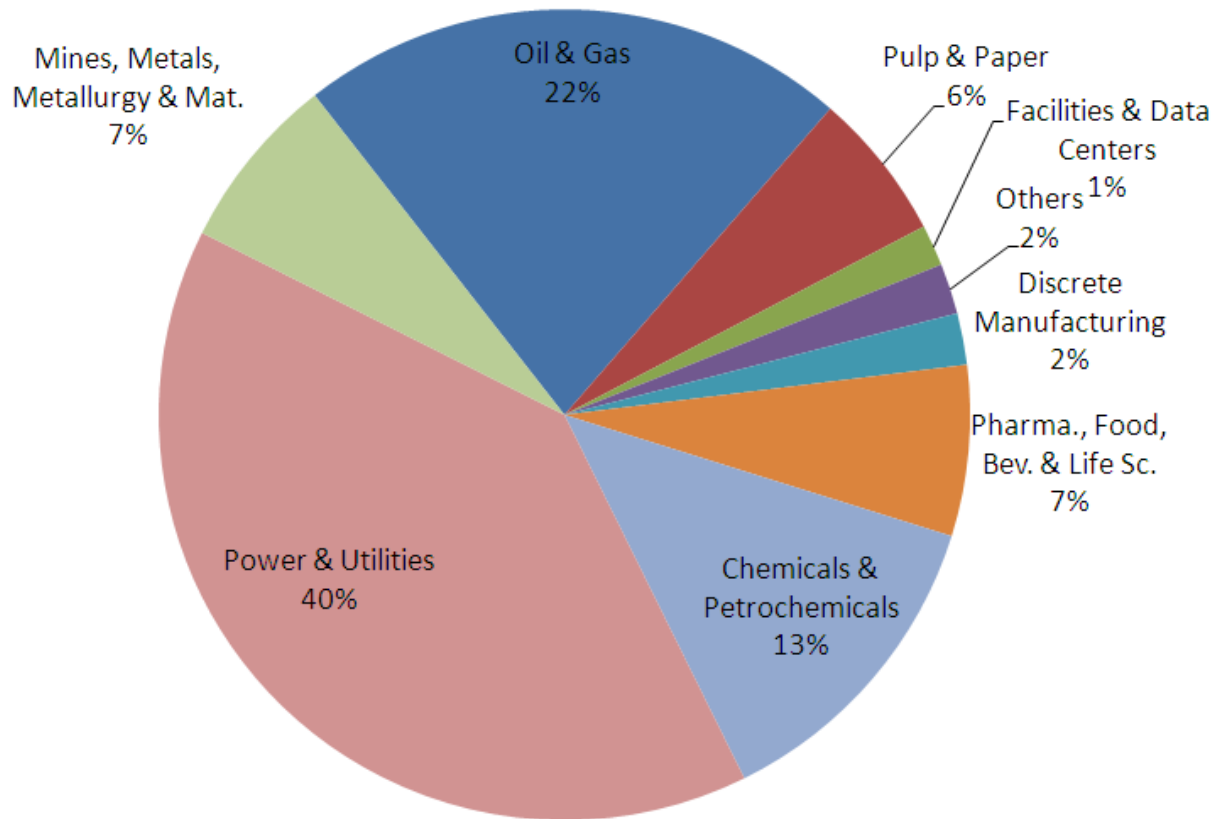


Voltastrasse 31, 60486 Frankfurt am Main

Where is OSIsoft in the world?



Invoices by Industry (%)



February 03, 2011

Telekom expands Smart Metering & Home Management platform

Consumption data fit for SAP industry solution

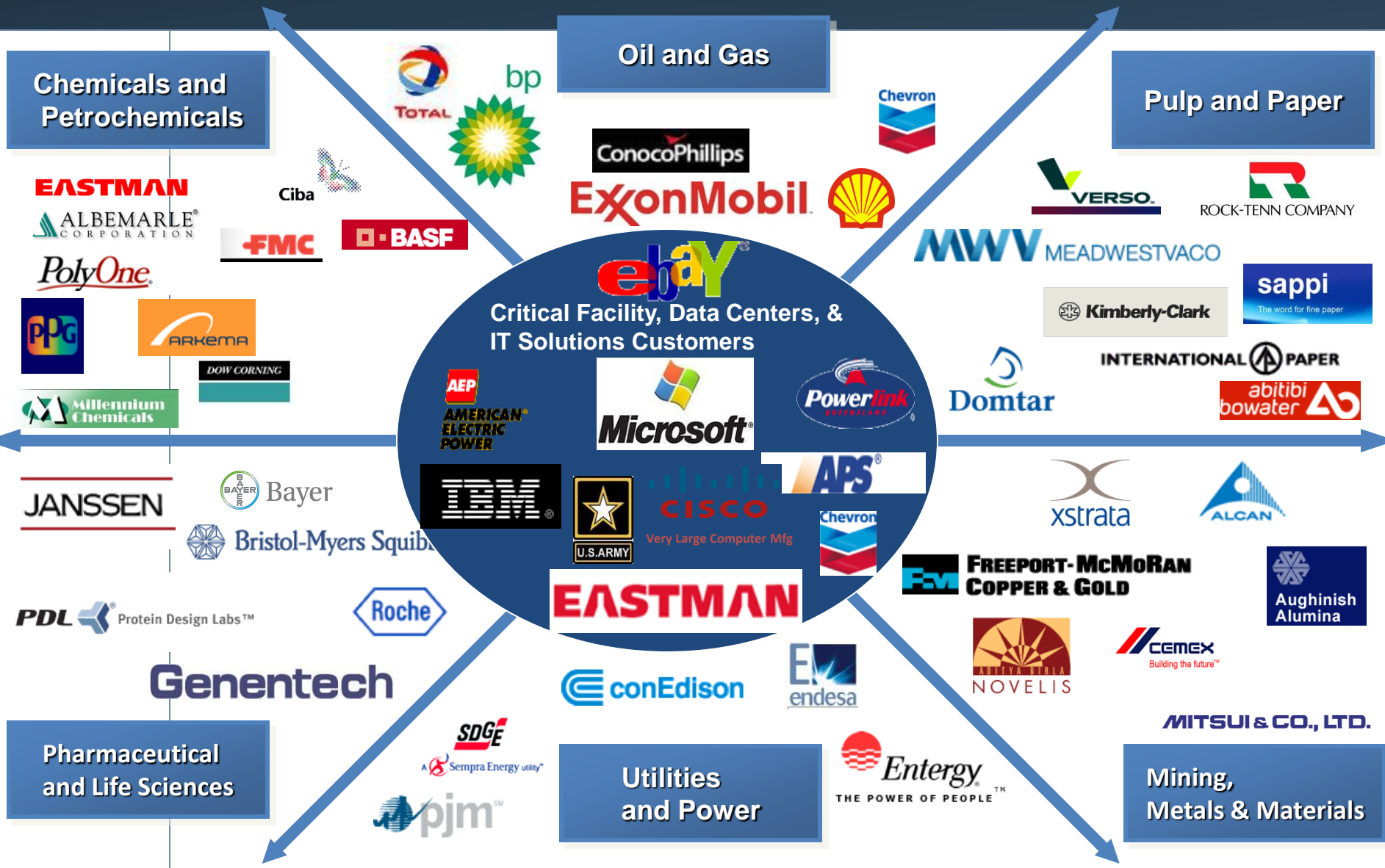
Energy solutions from a single source

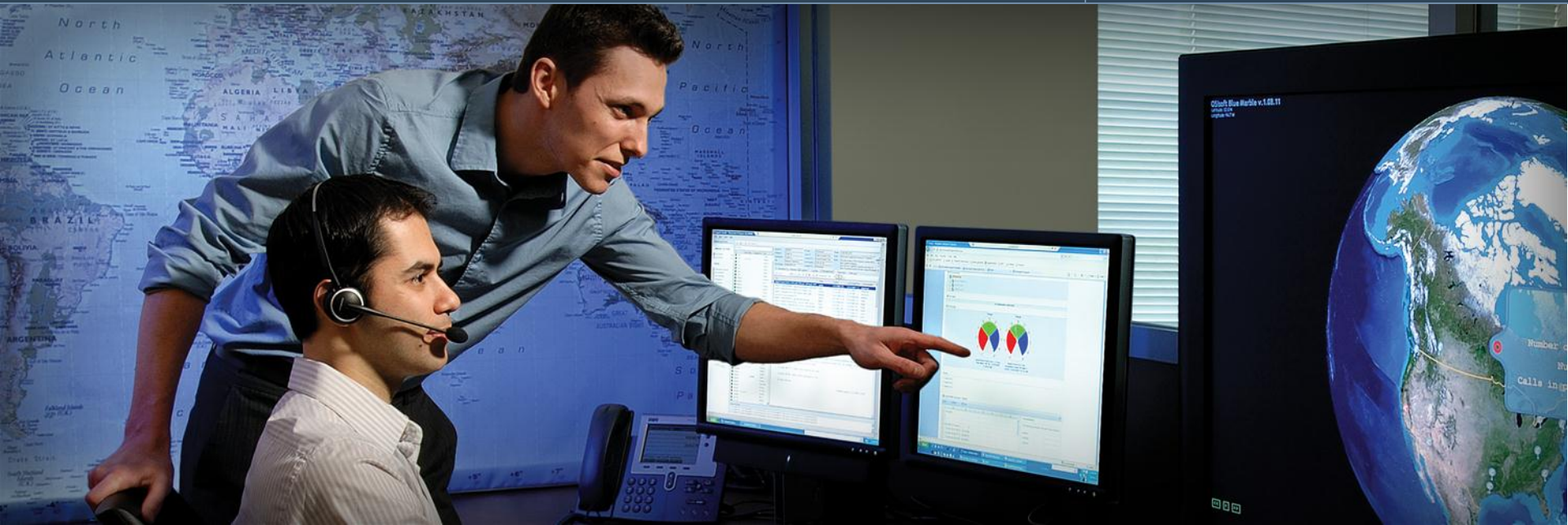
Deutsche Telekom and OSIsoft have formed a partnership: Deutsche Telekom will integrate the U.S. specialist's infrastructure for real-time data into its solution services using the Smart Metering & Home Management platform. This will allow Deutsche Telekom to deliver prepared consumption data directly from electronic meters to the SAP systems of customers such as meter operators, distribution network operators and energy suppliers.

"Millions of meters produce a huge amount of data. Our solution makes this data fit for use by the SAP industry solution - Utilities," said Martin Otterson, Managing Director and Vice President of Sales EMEA (Europe, Middle East and Africa) at Osisoft. "Many important international energy suppliers use SAP. We have found a strong partner for this market in Deutsche Telekom."

"We are expanding our core service for reading, transmitting and processing consumption data from electronic meters to include the Osisoft infrastructure," said Gabriele Riedmann de Trinidad, responsible for the Group's Energy business area. "In this way, our customers receive the complete service from a single source, from behind the meter to the customer's SAP systems. As a result, the industry is equipped to deal with the high volume of data from the meters and well positioned for the smart energy grid of the future. After all, only smart grids will be able to manage local energy production, from mini combined heat and power units to photovoltaic cells on the roofs of homes, on an economic and environmentally-friendly basis. Efficient meter reading and mass data processing are just the first step on this journey."

Diverse Customer Base Across Industries





Sustainability - “It’s Just Good Business”

Empowering Business in Real Time

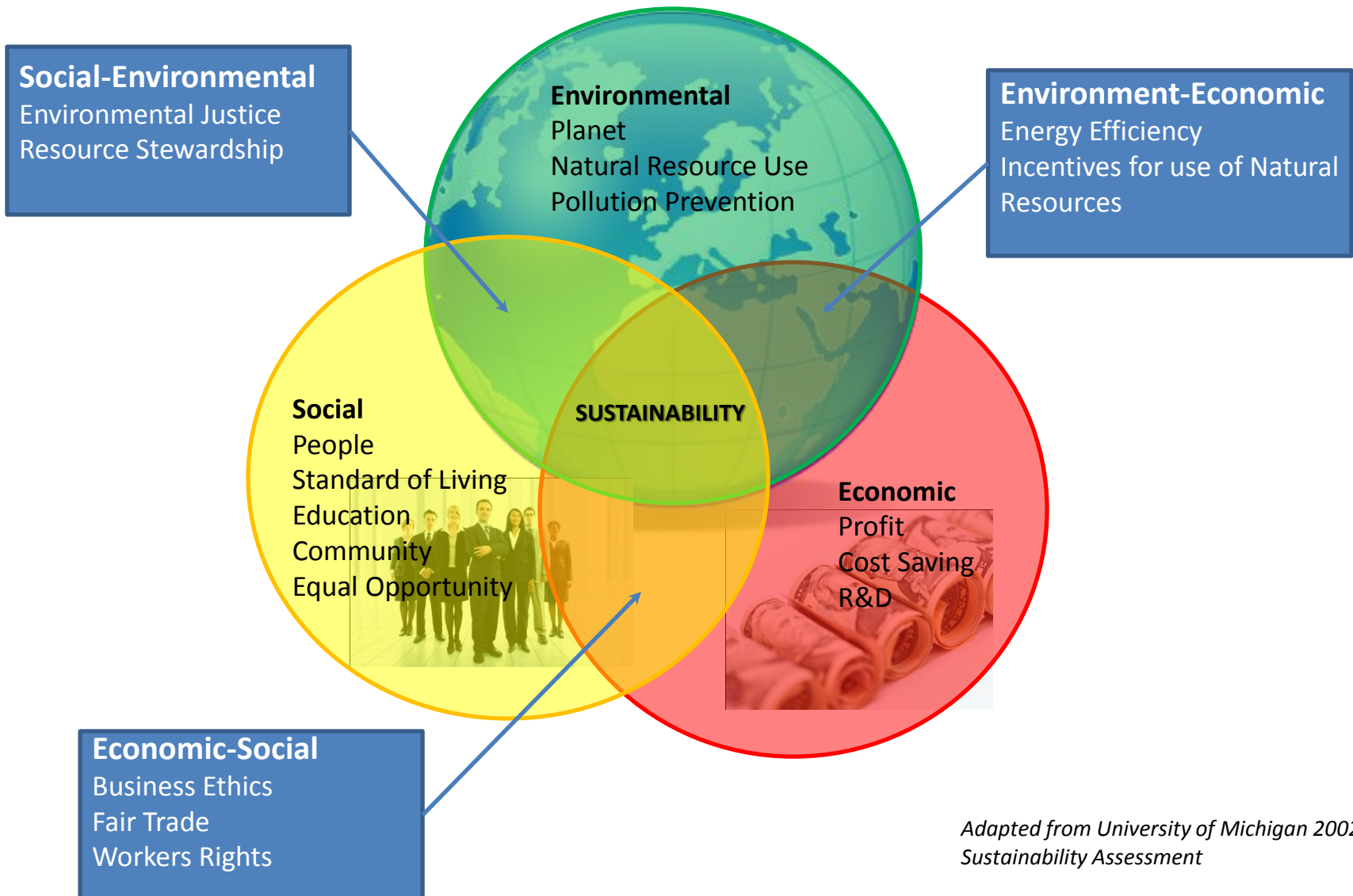
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The United Nations' "World Commission on Environment and Development" definition of *sustainable development*: "...meet the needs of the present without compromising the ability of future generations to meet their own needs."

Our Common Future (aka Brundtland Report) (Oxford: Oxford University Press, 1987), p. 43.

(23 years old, still heavily referenced in UN documents)

Sustainability - “It’s Just Good Business”



*Adapted from University of Michigan 2002
Sustainability Assessment*

Industry Roles in Sustainability



POWER & UTILITIES

Utilities supply the electrical energy and water infrastructure society cannot function without



OIL & GAS

Oil and Gas supply the energy source for many uses
Very important in transportation



CHEMICALS & PETROCHEMICALS

Strong light-weight polymers and fibers required for efficient transportation, renewable generation and many other structures



PHARMACEUTICALS, FOOD & LIFE SCIENCES

Extremely important for quality of life
Natural resources saved through disease prevention and cure



MATERIALS, MINES, METALS & METALLURGY

Fundamental to the modern infrastructure. Mechanical structures, electrical conductors, catalysts.



PULP & PAPER

True renewable resource. Very important to packaging and communication.



DATACENTERS, IT & TELECOM

Data and transactions for the information driven economy

What is Sustainability - Investor Perspective



Abatement Leaders						
Sector	Name	Ticker	Return on capital (CROCI)		Climate change score	
			Percentile rel to sector	09-11E ave	Percentile rel to sector	% of max
Utilities	Exelon Corp.	EXC	92%	12%	100%	85%
	Centrica	CNA.L	98%	16%	94%	75%
	Fortum	FUMV.HE	75%	8%	92%	73%
	Vestar	VERB.VI	59%	8%	88%	68%
	Energy Corp.	ETR	61%	8%	75%	65%
Non-power utilities	National Grid	NG.L	54%	7%	81%	68%
Steel & aluminum	POSCO	005490.KS	50%	7%	95%	82%
Airlines	Deutsche Post	DPWGA.DE	66%	9%	100%	75%
Chemicals	Syngenta	SYNN.VX	75%	11%	93%	85%
	Guardian	GMN.VX	56%	9%	90%	83%
	Praxair Inc.	PX	71%	10%	84%	77%
	PPG Industries, Inc.	PPG	53%	9%	78%	71%
	Sigma-Aldrich Corp.	SIAL	84%	14%	81%	75%
Mining	Vale	VALE	89%	18%	100%	86%
	BHP Billiton	BLT.L	73%	17%	85%	82%
	Stearns Industries	STRL.BO	94%	21%	80%	74%
Oil & Gas	EnCana Corp.	ECA	68%	13%	100%	83%
	Chevron Corp.	CVX	55%	12%	98%	80%
	Suncor Energy Inc.	SU	72%	14%	90%	74%
	BG Group	BG.L	88%	17%	90%	74%
	Exxon Mobil Corp.	XOM	87%	16%	83%	72%
	Hess Corp.	HES	77%	14%	79%	70%
	PTTEP	PTTE.BK	94%	18%	75%	68%
Road & rail	Burlington Northern Santa Fe	BNI	90%	11%	100%	70%

“GS SUSTAIN”

An emerging investment theme

Population growth and economic development are resulting in increasing pressure on the environment and climate. We are approaching a tipping point at which the issue's importance to business performance and investors will escalate. The equity market is only just beginning to reflect the magnitude of change that lies ahead.

Goldman Sachs, 2009

What is Sustainability - O&G Perspective



Shell 2009 Annual Report

“Making the world’s energy supply secure, affordable and sustainable is not just a worthy goal; it is a global imperative. It will take time, and it will take a lot of effort. But with our far-sightedness and technical prowess, we can contribute to the endeavour even as we deliver the results that our shareholders expect in the long term.”

Jorma Ollila

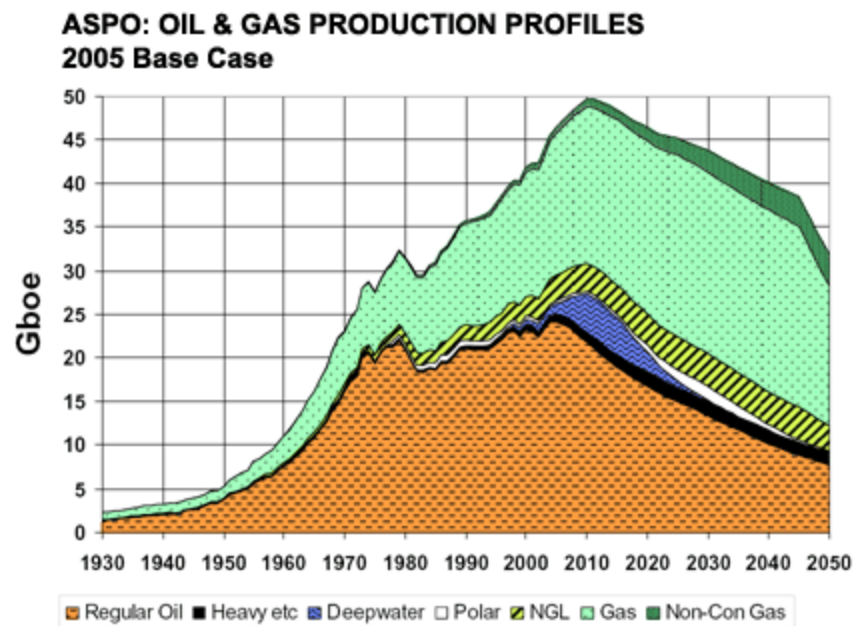
Chairman

BP 2009 Annual Report

“We are looking to build a future energy industry that provides energy that is available, sustainable, secure and affordable”.

Tony Hayward

Former Group Chief Executive



Sustainability in its simplest terms is about an enterprise's enduring success.

- ❑ It's about conducting business in a way that protects and preserves economic and environmental resources while also upholding social responsibilities.
- ❑ It requires a comprehensive enterprise wide approach.

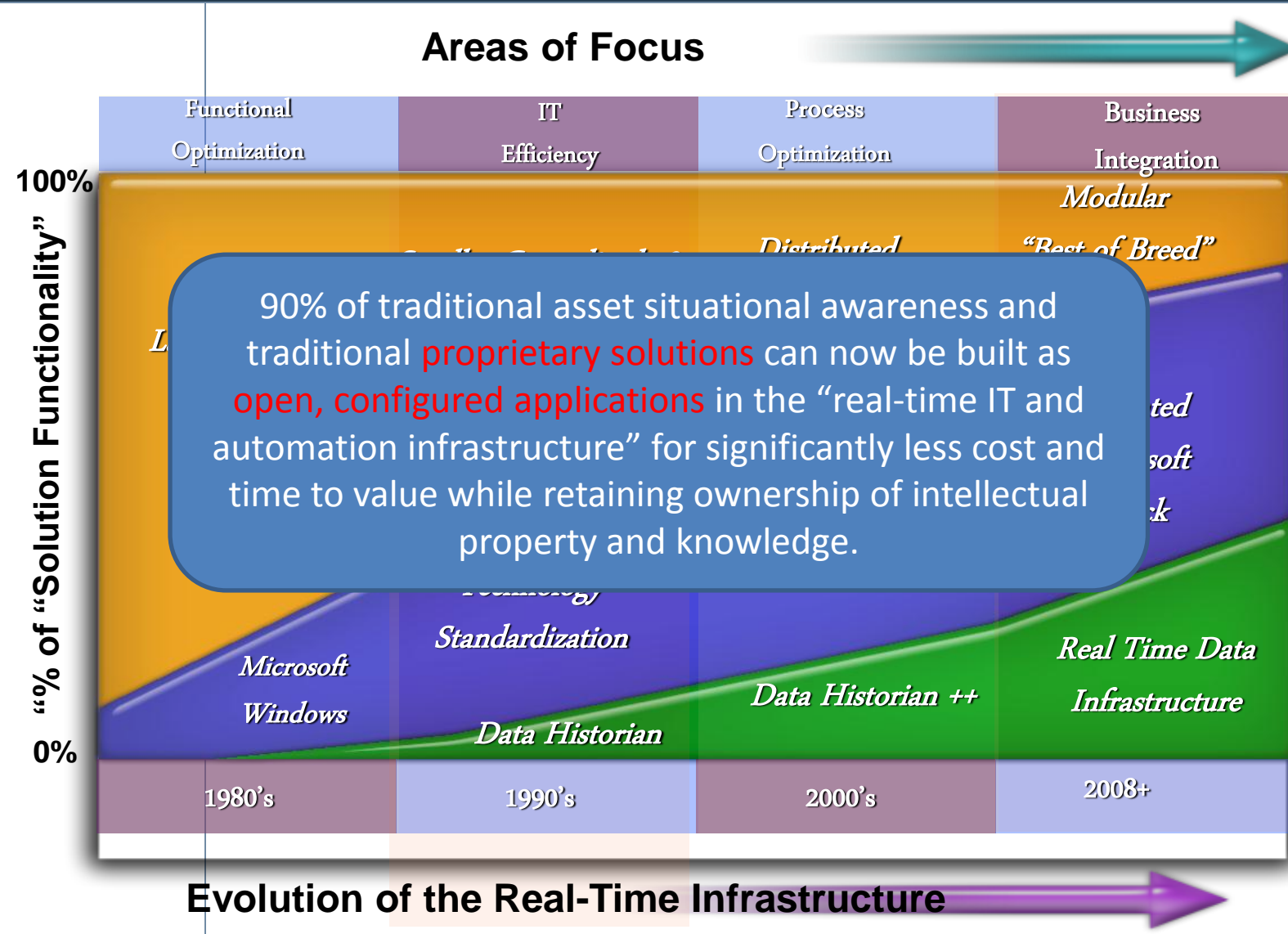
Organizations that tackle sustainability driving innovation and capitalizing on a culture of continuous improvement can simultaneously address profitability, pre-compliance, and public mandate.

OSIsoft as the maker of the PI System has been helping its customers better manage existing resources and empower data-driven decision-making for nearly 30 years.

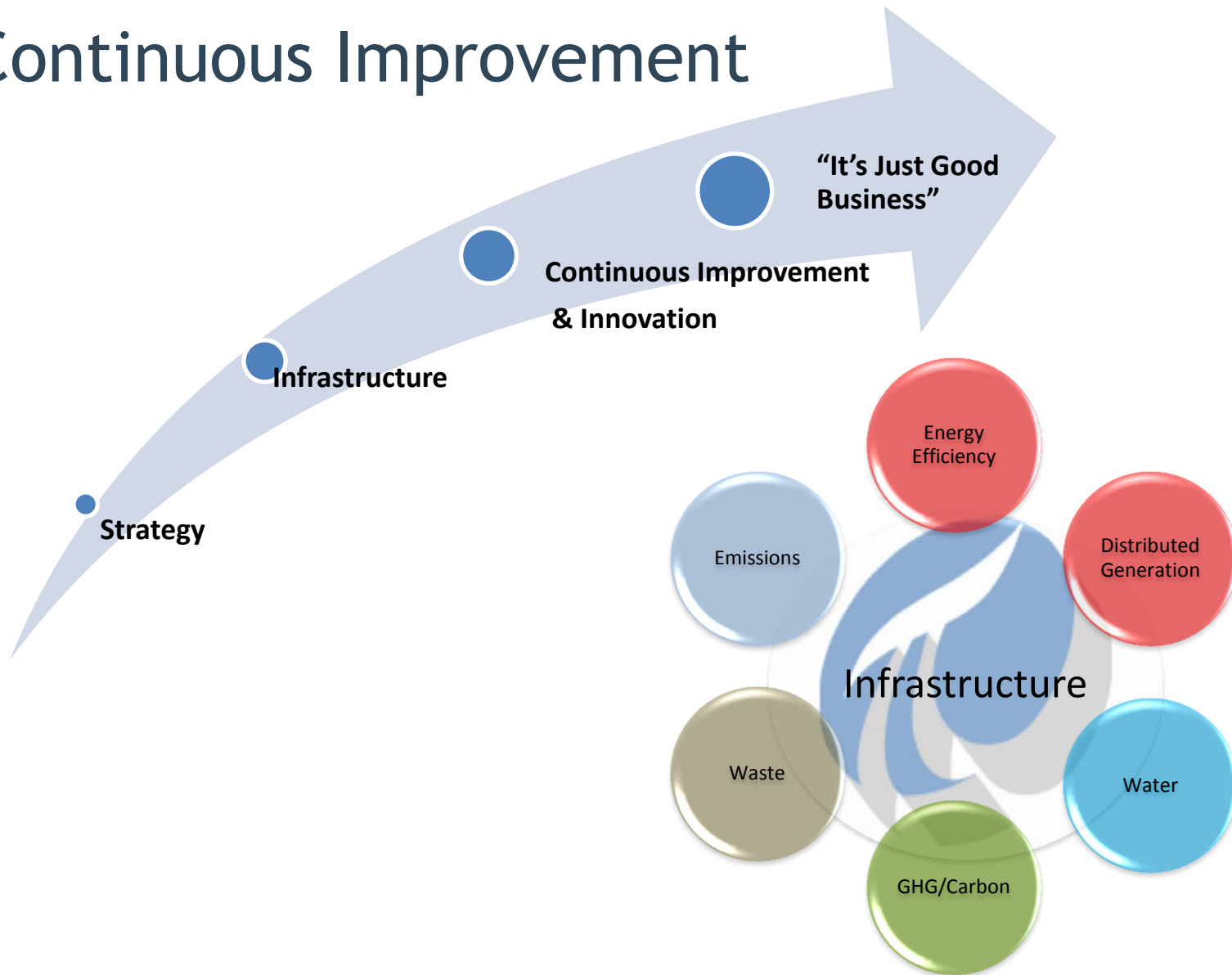
- ❑ The PI System helps drive Sustainability efforts by creating an infrastructure for innovation and continuous improvement resulting in positive business impact with ongoing payback.

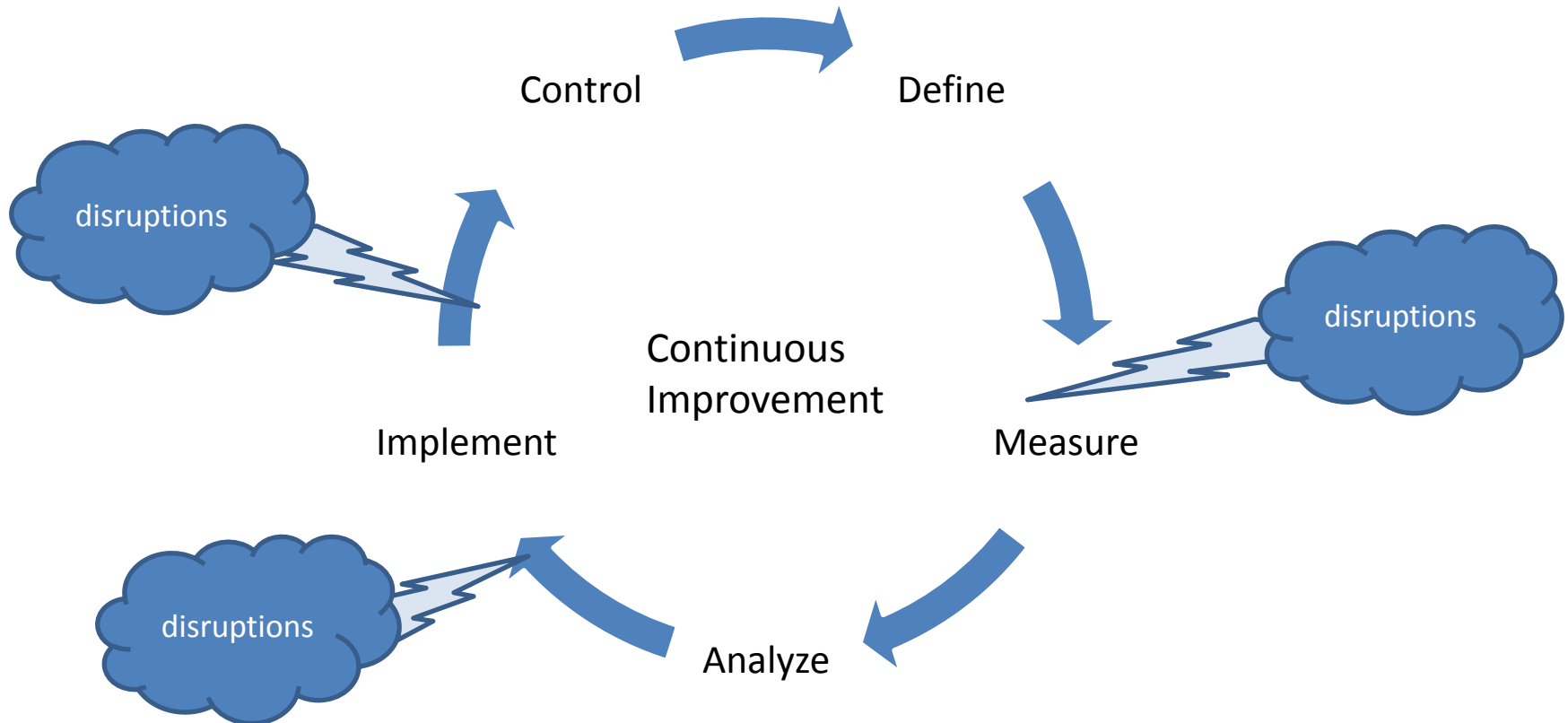
The PI System provides answers to today's business problems and an infrastructure for tomorrow's opportunities.

The Evolving Capability & Role of IT Infrastructure



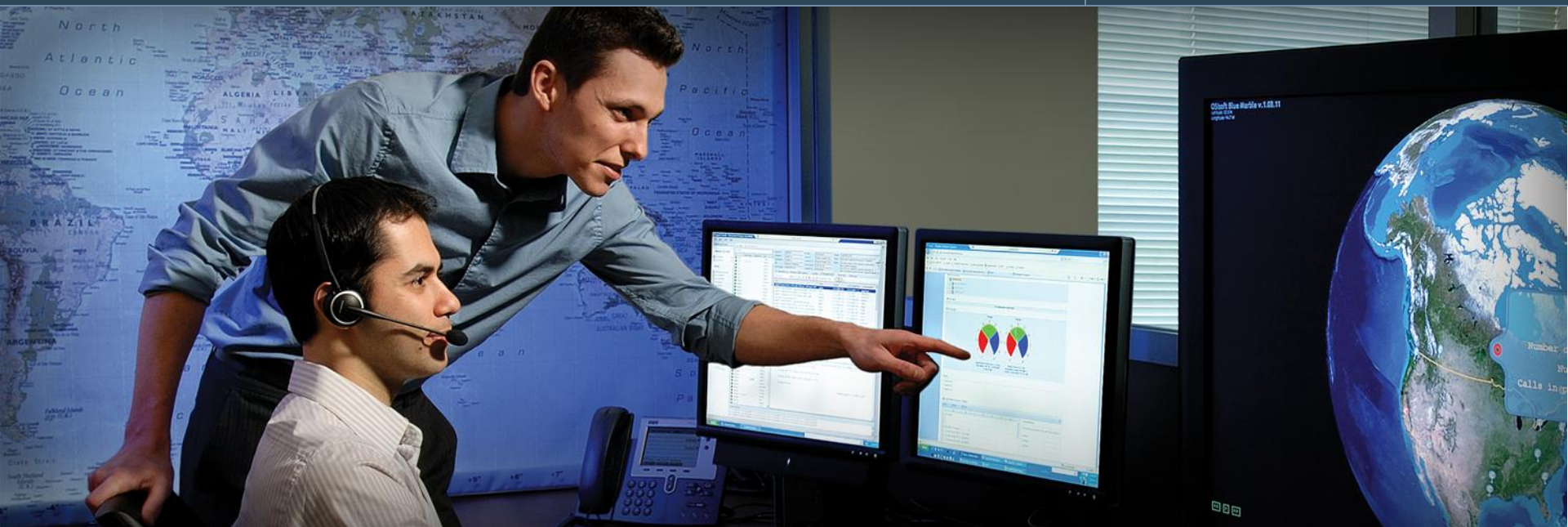
Continuous Improvement





“By far, the greatest benefit to IP was Environmental Monitoring, and this requirement wasn’t even on the radar screen when we justified the Enterprise roll-out. This came up very immediately after the deployment, and we were able to quickly respond to this operational challenge because we had a common infrastructure to integrate with. We had disguised many disparate systems under a common real-time layer, so our programs had enterprise applicability.”

International Paper Company

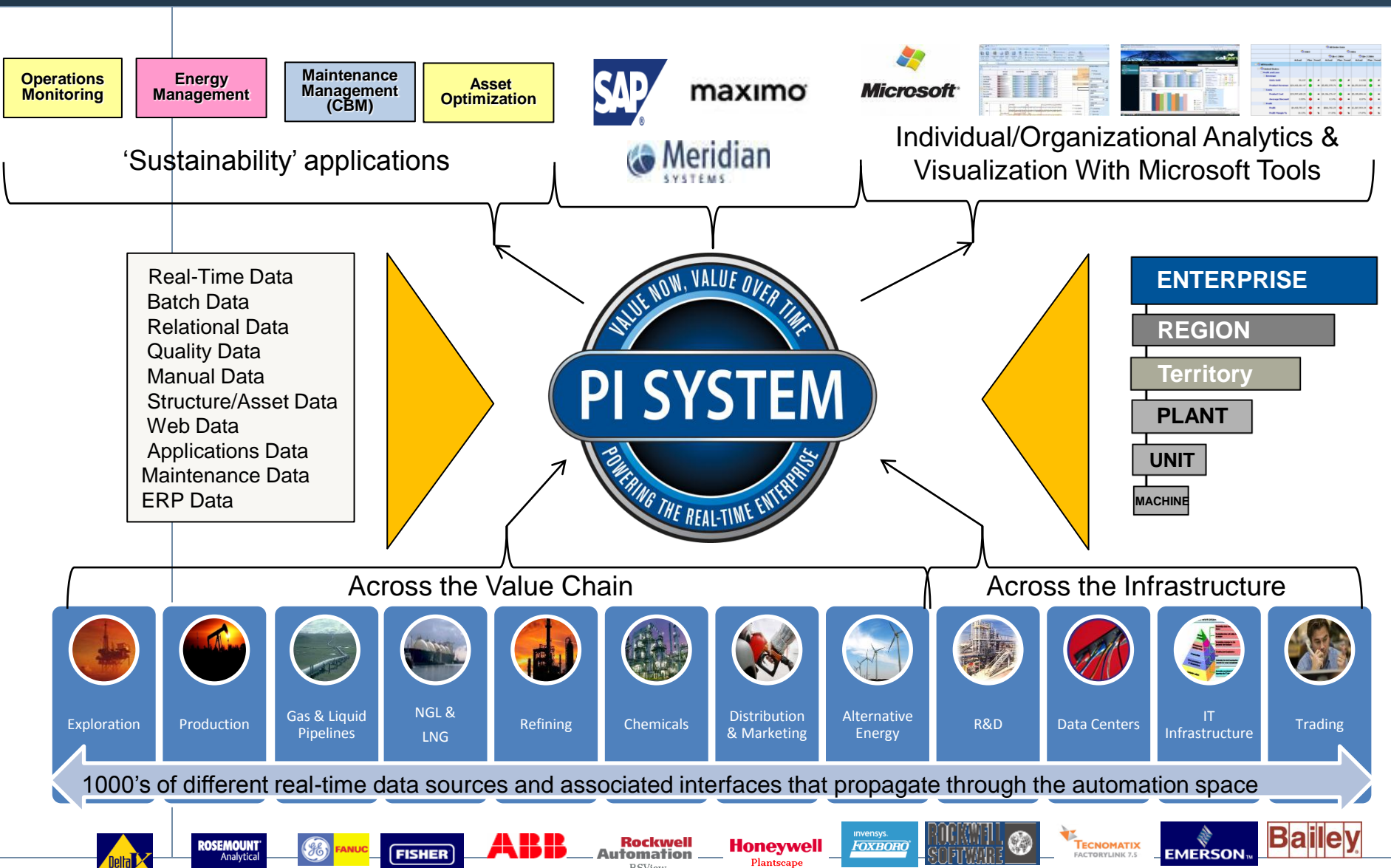


Sustainability - “It’s Just Good Business” Customer Examples

Empowering Business in Real Time

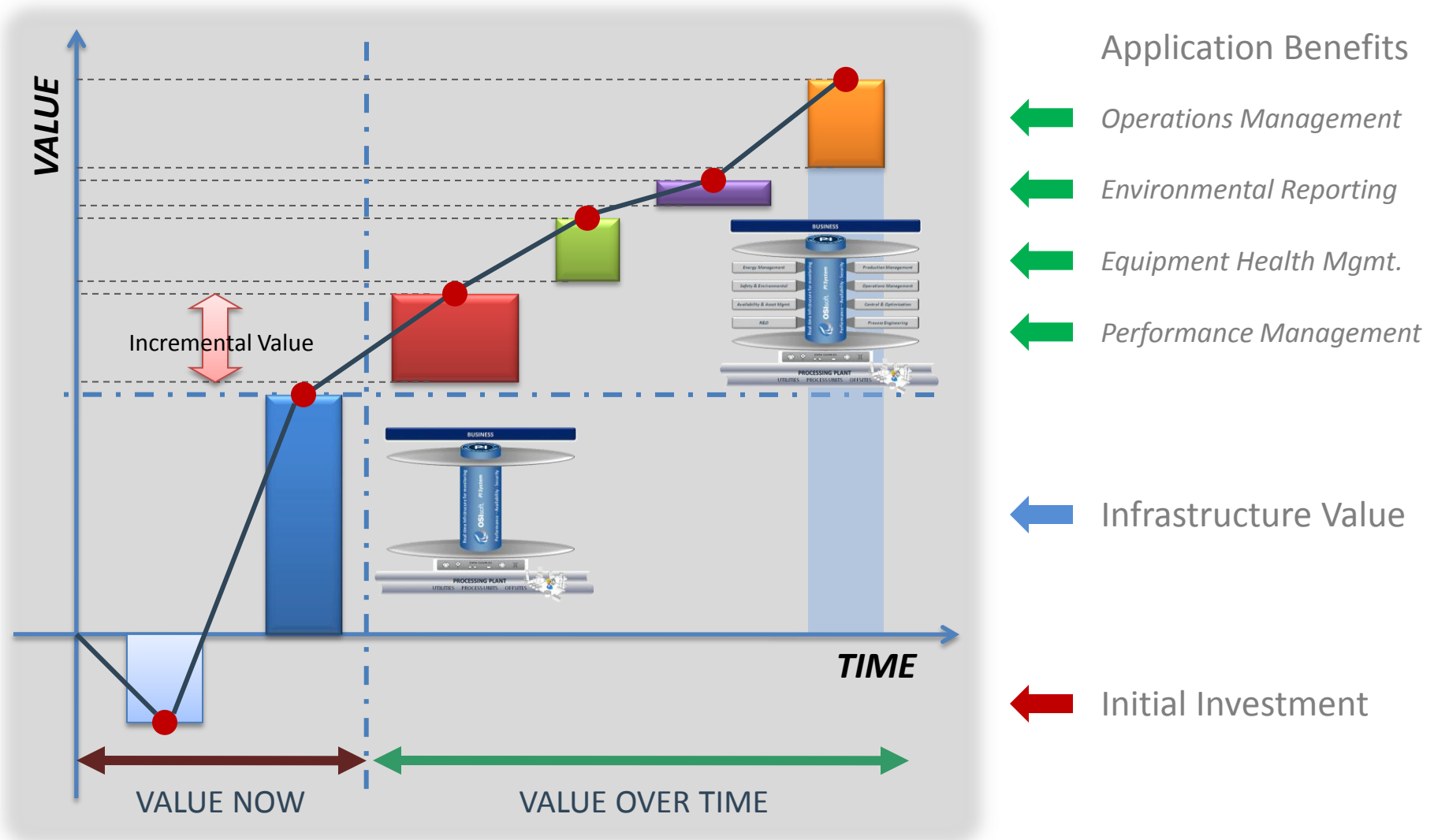
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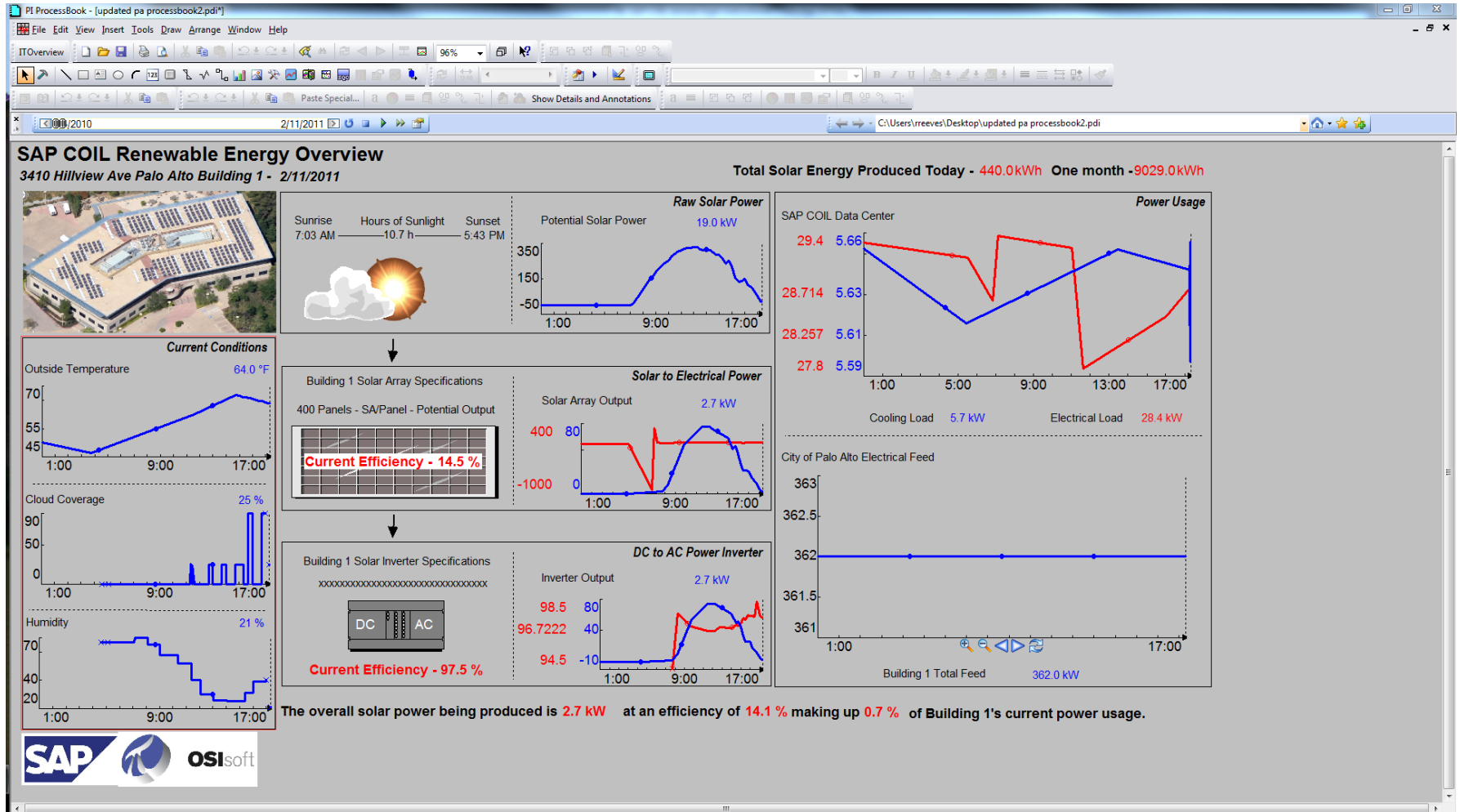
A PI Infrastructure - Enabling Real-Time Sustainability



Innovative Infrastructure for Continuous Improvement

Value Now, Value Overtime





BUSINESS SITUATION

Kodak Park wanted to find a way to present real-time energy data on their portal lowering the cost of curiosity and significantly reduce their energy utilization.

BENEFITS

Significant ROI –

Millions of dollars in savings Improved demand side management optimization of generation assets.

Continuous Process Improvement –

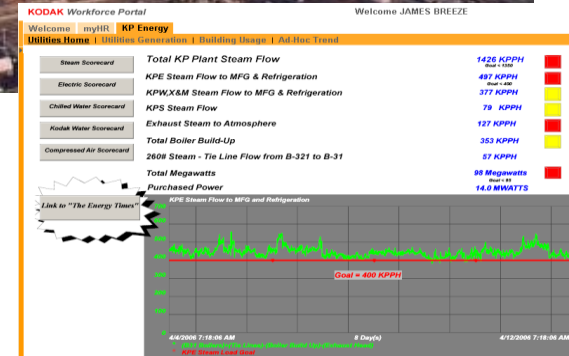
Identified opportunities in manufacturing to implement an energy conservation mode between product runs

Kodak Park facts

- Area > 20,000,000 Square Feet
- 11,000 Employees
- Operates its own fire department
- Operates its own rail road
- Performs its own water and waste water treatment
- Operated 2 power plants

Measurements

- 600 **Electric** Distribution **Meters**
- 600 Additional Distribution **Meters** for Steam, Chilled water, Brine, Compressed air, Process water, Nitrogen, Natural gas etc.
- Significant **Metering** Used within the Power Houses to Manage the **Generation** Side



Over \$27+\$30 Million In Savings

- ❑ Reduced utility costs with improved

“

- ❑ S
- tl

Summary of Results

Generation side findings

- Plant loading optimization
- Boiler fan optimization
- Exhaust head improvements
- Better management of self generation vs. purchased power

The Energy Information System (EIS) has been an essential tool to help us reach our Goal of:

“One Powerhouse for Eastman Business Park”

(10:41:53 March 28, 2007)

- Collectively the “annual” savings rate in 2007 was \$27 Million
- Today the “annual” savings has grown to more than \$30 Million
- The cumulative savings is now in excess of \$100 Million
(>50% Savings From Ongoing Operations)



ized water

- ☐ Kaizen and Gemba applied to water conservation



Water Reduction Results

- 2009 Kodak Water Reduction was 16.5%
- 1,087,000,000 Gallons (or 1,087,000 K Gallons) saved in 2009
- 1st Quarter of 2010 – an additional savings of 450 Million gallons from the 2008 Baseline
- Roughly 1.5 Billion Gallons saved in the last 15 Months
- This is enough water to fill approximately 250 average backyard swimming pools each and every day !!!
- \$0.00 In Capital Spent
- These Water Savings are calculated for only the last 15 months and are totally independent of the site's energy reductions

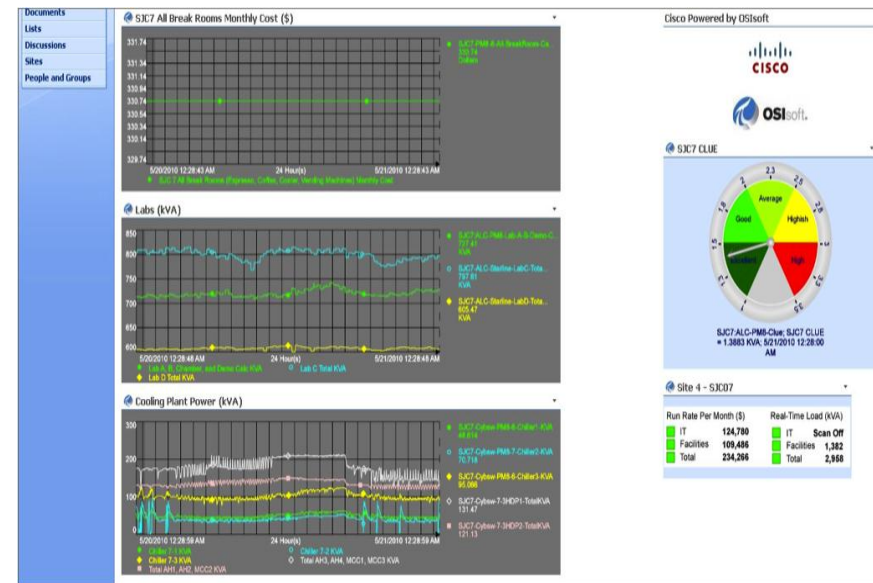


BUSINESS SITUATION

- July 2008, Publicly Announced 25% Absolute Reduction 2007-2012
- Global, Enterprise Wide Effort across Owned & Leased Properties
- \$150M USD Paid for Energy in FY 2006 ~80% Labs & Data Centers

BENEFITS

- **Faster Decision Making** – Data that took a month to access available in real time. Information manually distributed to 80 cost centers now available electronically.
- **Continuous Process Improvement** – Facilities and financial analysts collaborating to make profitable decisions.
- **Reduced Costs** – Adverted transformer overload/ outage saving hundreds of thousands of dollars in single event



IBM - Burlington Facility

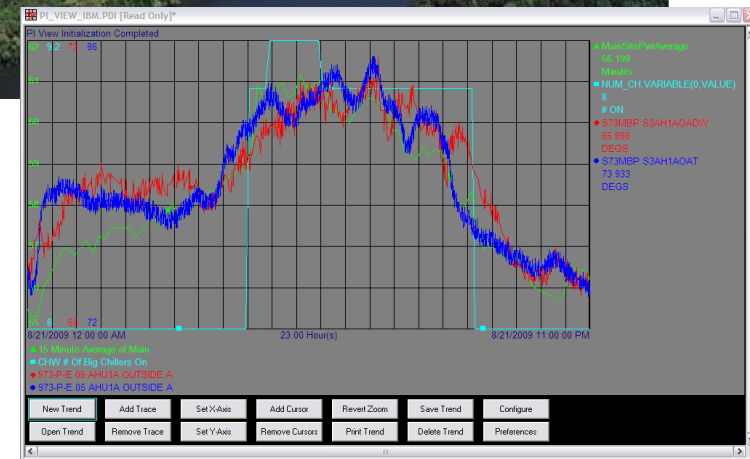
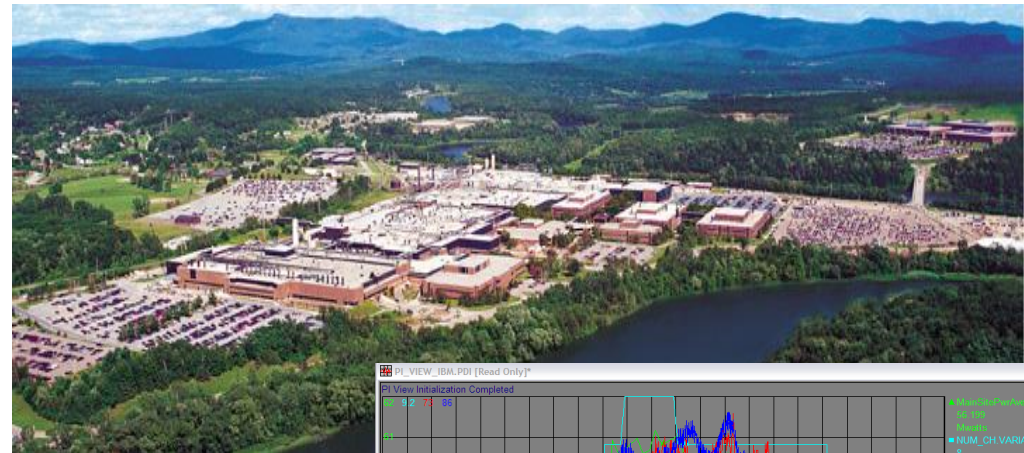


IBM Burlington is a large semiconductor manufacturing site which consumes 3.2 million gallons per day of water and 446 million kilowatt hrs. of electricity annually.

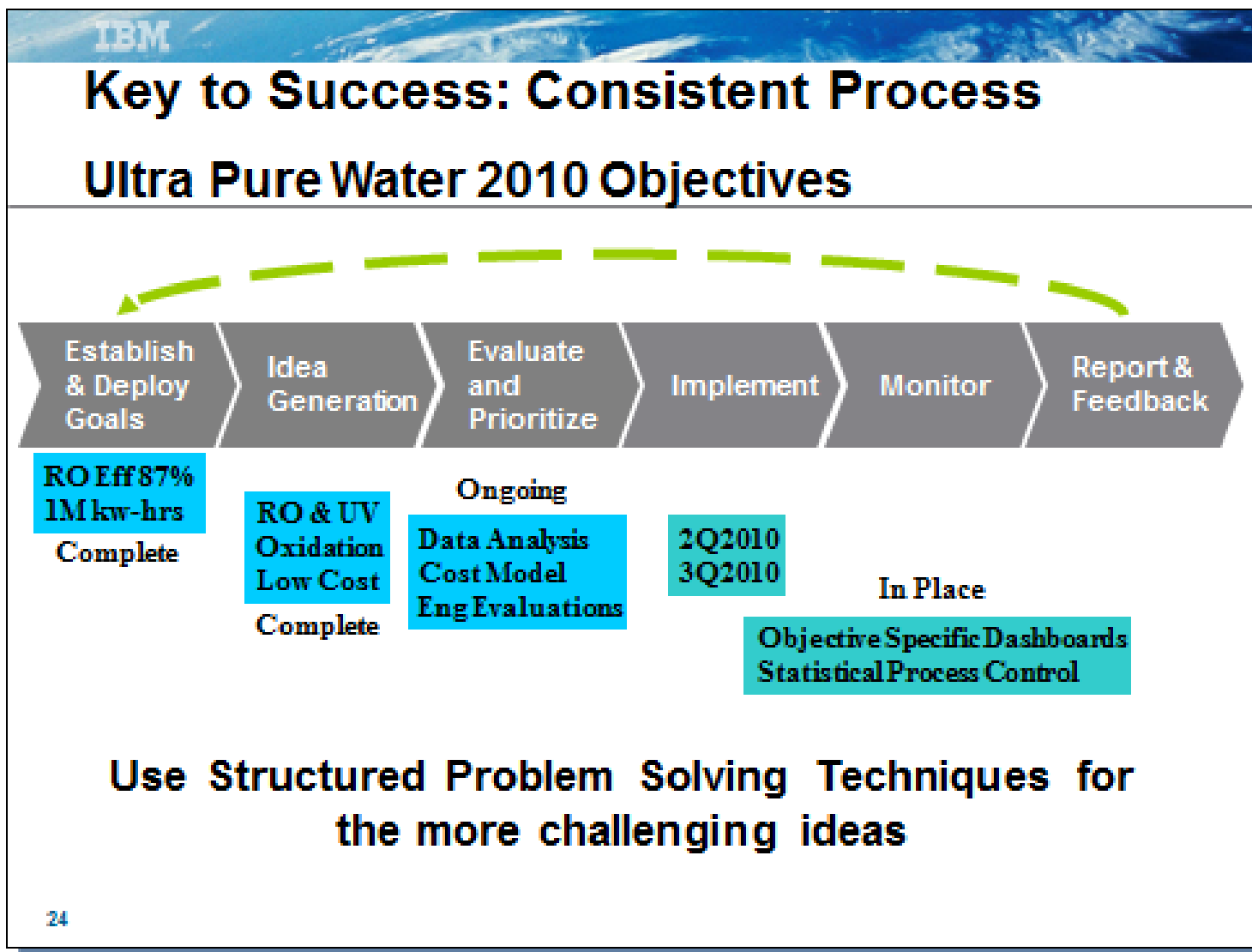
The management goals are quality, reliability, cost control and environmental stewardship.

IBM's Advanced Data Management techniques have supported nearly a decade of sustained improvements in energy and water management.

Data management techniques employed by IBM allow for a continuous stream of improvement projects.



Advanced Industrial Water & Energy Management Saves \$10 M Annually





- ❑ Aggressive, transparent Sustainability Program

- ❑ Some key concepts

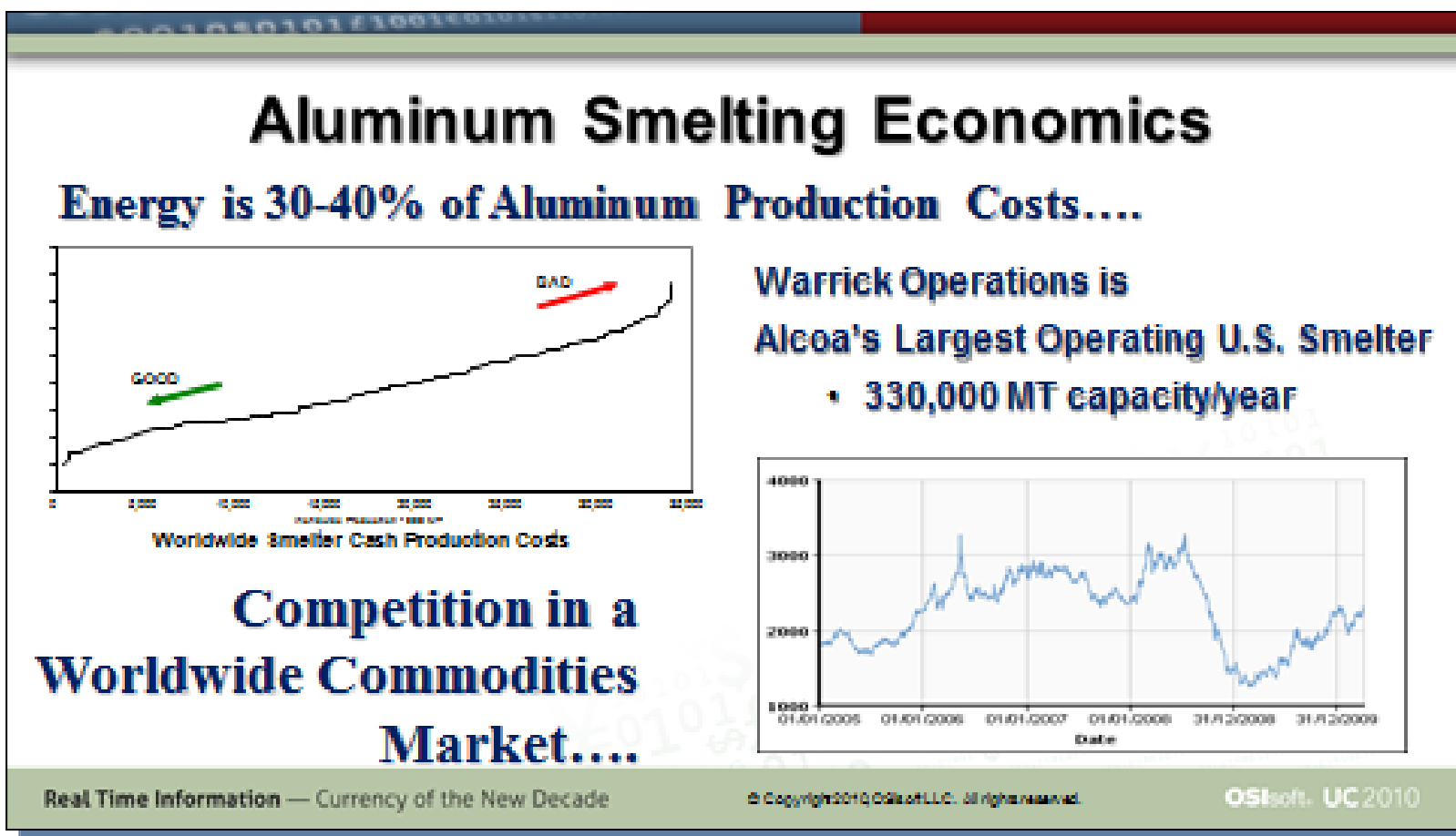
- ❑ Life cycle assessment
- ❑ Product design
- ❑ Economic value of products

- ❑ Industrial Demand Response

- ❑ Provide reliability to the grid
- ❑ Reduce energy costs



- ❑ Commodity business
- ❑ Competitive advantage comes from production efficiency



- ❑ 780 MW Generation
- ❑ FERC License—participate in markets as a generator

Warrick Power Plant



Generation Assets:

- 780 MW's Coal Generation
- (4) B&W Wall-Fired Boilers
- Vintage 1960's
- 2.8 mm tons coal/annual
- Illinois basin with Low NOx burners/SCR
- FGD Scrubbers

New Decade

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OSIsoft UC2010

Midwest ISO Interface

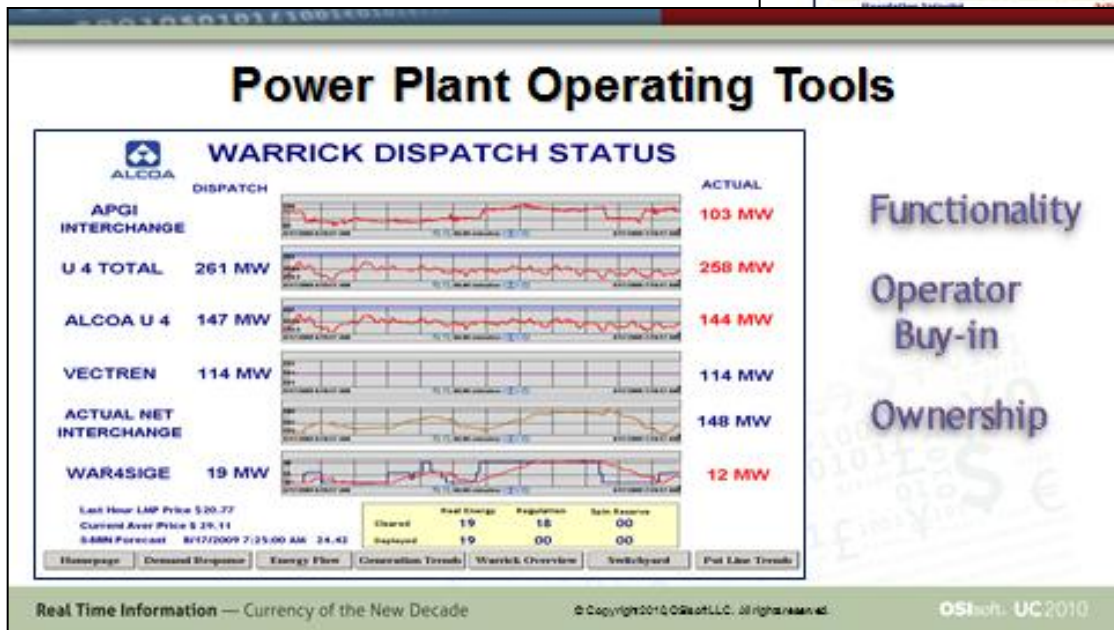
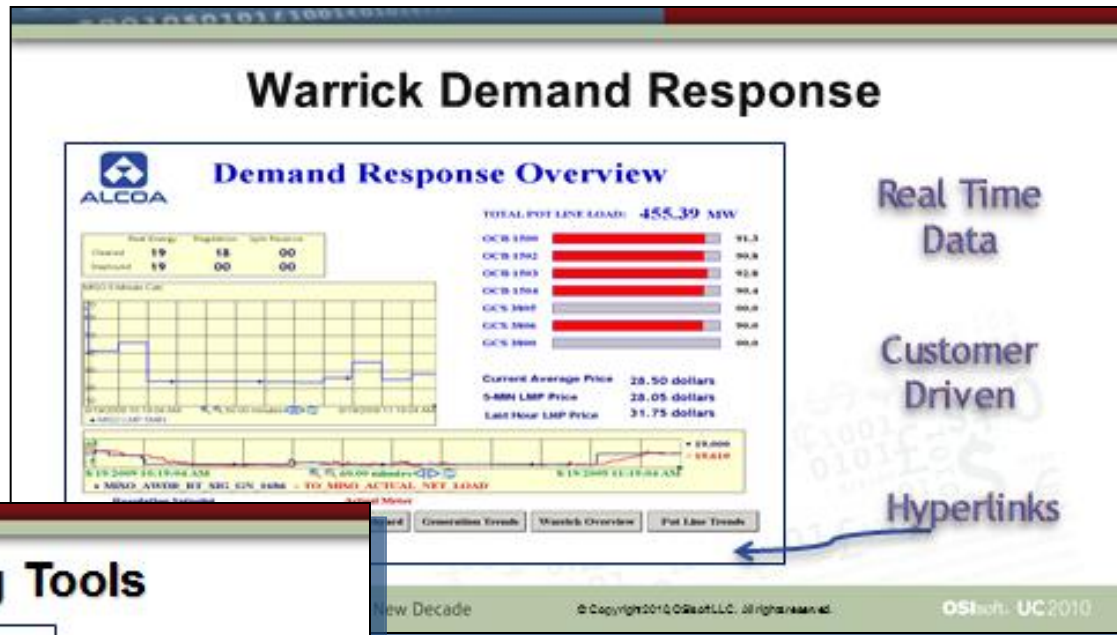


Real Time Information — Currency of the New Decade

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OSIsoft UC2010

- ❑ MISO (Grid operator)
 - ❑ Reliability
 - ❑ Generation capacity
 - ❑ Congestion mitigation
- ❑ Alcoa
 - ❑ Sell power
 - ❑ Purchase



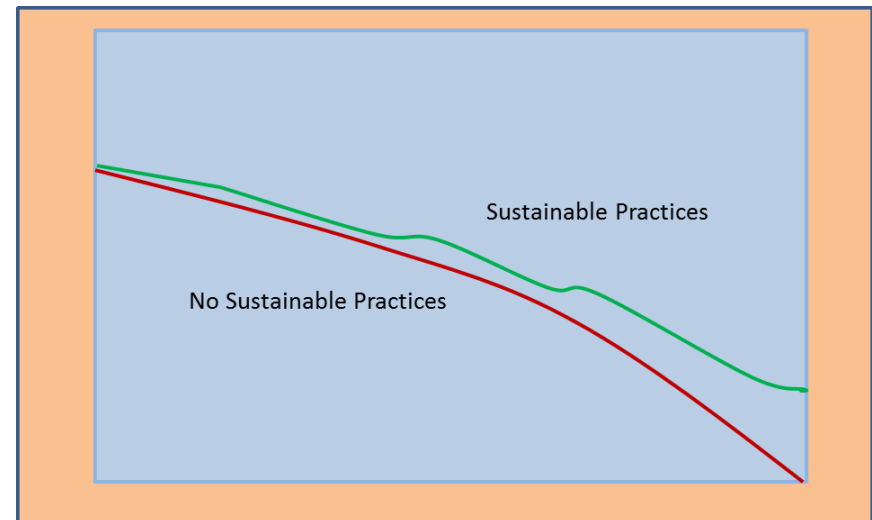
Functionality
 Operator Buy-in
 Ownership

❑ They studied the performance of sustainability-focused companies during financial crisis of 2008/2009

- ❑ Some continued to focus on long-term health vs. just short term survival
- ❑ Difficult to have this discipline

❑ Results

- ❑ Stock market performance was 15% higher for these companies vs. their peers



“Create value for shareholders and society”

- ❑ Sustainability is about your company’s long term survival
 - ❑ Not just carbon, Green House Gas (GHG) or other “green” initiatives
- ❑ Corporate initiatives
 - ❑ engage in a culture of continuous improvement
 - ❑ improve compliance, public perception, and profitability
- ❑ Increase profits
 - ❑ Manage economic, social and environmental risks and opportunities
- ❑ Gain and Sustain the Trust of the general public
- ❑ Sustainability needs your company to sustain, to thrive
- ❑ **This is just good business**



Thank you

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