Consolidated Financial Statements

D.

Consolidated Financial Statements

Due to rounding, numbers presented throughout these Consolidated Financial Statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

D.1 Consolidated Statements of Income

For the fiscal years ended September 30, 2013 and 2012

(in millions of €, per share amounts in €)	Note	2013	2012[1]
Revenue		75,882	77,395
Cost of sales		(55,053)	(55,470)
Gross profit		20,829	21,925
Research and development expenses		(4,291)	(4,245)
Selling and general administrative expenses		(11,286)	(11,043)
Other operating income	5	503	523
Other operating expenses	6	(427)	(364)
Income (loss) from investments accounted for using the equity method, net	7	510	(333)
Interest income	8	948	939
Interest expenses	8	(789)	(760)
Other financial income (expenses), net	8	(154)	(5)
Income from continuing operations before income taxes		**5,843**	**6,636**
Income tax expenses	9	(1,630)	(1,994)
Income from continuing operations		**4,212**	**4,642**
Income (loss) from discontinued operations, net of income taxes	4	197	(360)
Net income		**4,409**	**4,282**
Attributable to:			
Non-controlling interests		126	132
Shareholders of Siemens AG		4,284	4,151
Basic earnings per share	35		
Income from continuing operations		4.85	5.15
Income (loss) from discontinued operations		0.23	(0.41)
Net income		**5.08**	**4.74**
Diluted earnings per share	35		
Income from continuing operations		4.80	5.10
Income (loss) from discontinued operations		0.22	(0.41)
Net income		**5.03**	**4.69**

1 Adjusted for effects of adopting IAS 19R, see → NOTE 1 BASIS OF PRESENTATION in → D.6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

The accompanying Notes are an integral part of these Consolidated Financial Statements.

D.2 Consolidated Statements of Comprehensive Income

For the fiscal years ended September 30, 2013 and 2012

(in millions of €)	Note	2013	2012[1]
Net income		4,409	4,282
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	23	394	(1,787)
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		(1,062)	855
Available-for-sale financial assets	10	183	209
Derivative financial instruments	30, 31	45	63
		(834)	1,127
Other comprehensive income, net of income taxes[2]		**(440)**	**(661)**
Total comprehensive income		**3,969**	**3,622**
Attributable to:			
Non-controlling interests		81	128
Shareholders of Siemens AG		3,888	3,494

1 Adjusted for effects of adopting IAS 19R, see → NOTE 1 BASIS OF PRESENTATION in → D.6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

2 Includes income (expenses) resulting from investments accounted for using the equity method of €(257) million and €28 million, respectively, in fiscal 2013 and 2012 of which €(121) million and €(99) million, respectively, are attributable to items that will not be reclassified to profit or loss.

The accompanying Notes are an integral part of these Consolidated Financial Statements.

D.3 Consolidated Statements of Financial Position

As of September 30, 2013 and 2012

(in millions of €)	Note	09/30/2013	09/30/2012[1]
Assets			
Cash and cash equivalents		9,190	10,891
Available-for-sale financial assets	10	601	524
Trade and other receivables	11	14,853	15,220
Other current financial assets	12	3,250	2,901
Inventories	13	15,560	15,679
Current income tax assets		794	836
Other current assets	14	1,297	1,277
Assets classified as held for disposal	4	1,393	4,799
Total current assets		**46,937**	**52,128**
Goodwill	15	17,883	17,069
Other intangible assets	16	5,057	4,595
Property, plant and equipment	17	9,815	10,763
Investments accounted for using the equity method	18	3,022	4,436
Other financial assets	19	15,117	14,666
Deferred tax assets	9	3,234	3,748
Other assets		872	846
Total non-current assets		**54,999**	**56,123**
Total assets		**101,936**	**108,251**
Liabilities and equity			
Short-term debt and current maturities of long-term debt	22	1,944	3,826
Trade payables		7,599	8,036
Other current financial liabilities	20	1,515	1,460
Current provisions	24	4,485	4,750
Current income tax liabilities		2,151	2,204
Other current liabilities	21	19,701	20,302
Liabilities associated with assets classified as held for disposal	4	473	2,049
Total current liabilities		**37,868**	**42,627**
Long-term debt	22	18,509	16,880
Post-employment benefits	23	9,265	9,801
Deferred tax liabilities	9	504	494
Provisions	24	3,907	3,908
Other financial liabilities		1,184	1,083
Other liabilities	25	2,074	2,034
Total non-current liabilities		**35,443**	**34,200**
Total liabilities		**73,312**	**76,827**
Equity	26		
Issued capital, no par value[2]		2,643	2,643
Capital reserve		5,484	6,173
Retained earnings		22,663	22,877
Other components of equity		268	1,058
Treasury shares, at cost[3]		(2,946)	(1,897)
Total equity attributable to shareholders of Siemens AG		**28,111**	**30,855**
Non-controlling interests		514	569
Total equity		**28,625**	**31,424**
Total liabilities and equity		**101,936**	**108,251**

1 Adjusted for effects of adopting IAS 19R, see → NOTE 1 BASIS OF PRESENTATION in → D.6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

2 Authorized: 1,084,600,000 and 1,084,600,000 shares, respectively. Issued: 881,000,000 and 881,000,000 shares, respectively.

3 37,997,595 and 24,725,674 shares, respectively.

The accompanying Notes are an integral part of these Consolidated Financial Statements.

D.4 Consolidated Statements of Cash Flows

For the fiscal years ended September 30, 2013 and 2012

(in millions of €)	Note	2013	2012[1]
Cash flows from operating activities			
Net income		4,409	4,282
Adjustments to reconcile net income to cash flows from operating activities – continuing operations			
(Income) loss from discontinued operations, net of income taxes		(197)	360
Amortization, depreciation and impairments		2,888	2,818
Income tax expenses		1,630	1,994
Interest (income) expenses, net		(159)	(178)
(Gains) losses on disposals of assets related to investing activities, net[2]		(292)	(345)
Other (income) losses from investments[2]		(326)	424
Other non-cash (income) expenses		674	110
Change in assets and liabilities			
Inventories		(218)	(89)
Trade and other receivables		(293)	104
Trade payables		(217)	199
Other assets and liabilities		576	(2,078)
Additions to assets leased to others in operating leases		(377)	(375)
Income taxes paid		(2,166)	(1,445)
Dividends received		356	301
Interest received		837	842
Cash flows from operating activities – continuing operations		**7,126**	**6,923**
Cash flows from operating activities – discontinued operations		214	188
Cash flows from operating activities – continuing and discontinued operations		**7,340**	**7,110**
Cash flows from investing activities			
Additions to intangible assets and property, plant and equipment		(1,869)	(2,195)
Acquisitions of businesses, net of cash acquired		(2,801)	(1,295)
Purchase of investments[2]		(346)	(252)
Purchase of current available-for-sale financial assets		(157)	(182)
Change in receivables from financing activities		(2,175)	(2,087)
Disposal of investments, intangibles and property, plant and equipment[2]		2,463	753
Disposal of businesses, net of cash disposed		(27)	87
Disposal of current available-for-sale financial assets		76	142
Cash flows from investing activities – continuing operations		**(4,836)**	**(5,029)**
Cash flows from investing activities – discontinued operations		(240)	(656)
Cash flows from investing activities – continuing and discontinued operations		**(5,076)**	**(5,685)**
Cash flows from financing activities			
Purchase of treasury shares	26	(1,394)	(1,721)
Other transactions with owners		(15)	158
Issuance of long-term debt	22	3,772	5,113
Repayment of long-term debt (including current maturities of long-term debt)		(2,927)	(3,218)
Change in short-term debt and other financing activities		3	(62)
Interest paid		(479)	(503)
Dividends paid to shareholders of Siemens AG	26	(2,528)	(2,629)
Dividends attributable to non-controlling interests		(152)	(155)
Financing discontinued operations[3]		298	(506)
Cash flows from financing activities – continuing operations		**(3,422)**	**(3,523)**
Cash flows from financing activities – discontinued operations		26	468
Cash flows from financing activities – continuing and discontinued operations		**(3,396)**	**(3,055)**
Effect of deconsolidation of OSRAM on cash and cash equivalents		(476)	–
Effect of changes in exchange rates on cash and cash equivalents		(108)	68
Change in cash and cash equivalents		(1,717)	(1,561)
Cash and cash equivalents at beginning of period		10,950	12,512
Cash and cash equivalents at end of period		9,234	10,950
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period		44	59
Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)		**9,190**	**10,891**

1 Adjusted for effects of adopting IAS 19R, see → NOTE 1 BASIS OF PRESENTATION in → D.6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

2 Investments include equity instruments either classified as non-current available-for-sale financial assets, accounted for using the equity method or classified as held for disposal. Purchase of investments includes certain loans to investments accounted for using the equity method.

3 Discontinued operations are financed generally through Corporate Treasury.

The accompanying Notes are an integral part of these Consolidated Financial Statements.

D.5 Consolidated Statements of Changes in Equity

For the fiscal years ended September 30, 2013 and 2012

(in millions of €)	Issued capital	Capital reserve	Retained earnings
Balance as of October 1, 2011 (as previously reported)	2,743	6,011	25,881
Effect of retrospectively adopting IAS 19R	–	–	116
Balance as of October 1, 2011[1]	2,743	6,011	25,996
Net income[1]	–	–	4,151
Other comprehensive income, net of income taxes[1]	–	–	(1,783)[2]
Dividends	–	–	(2,629)
Share-based payment	–	42	(129)
Purchase of treasury shares	–	–	–
Re-issuance of treasury shares	–	(6)	–
Cancellation of treasury shares	(100)	–	(2,410)
Transactions with non-controlling interests	–	–	(326)
Other changes in equity	–	126	7
Balance as of September 30, 2012	**2,643**	**6,173**	**22,877**
Balance as of October 1, 2012 (as previously reported)	2,643	6,173	22,756
Effect of retrospectively adopting IAS 19R	–	–	122
Balance as of October 1, 2012[1]	2,643	6,173	22,877
Net income	–	–	4,284
Other comprehensive income, net of income taxes	–	–	**395**[2]
Dividends	–	–	(2,528)
Share-based payment	–	21	(40)
Purchase of treasury shares	–	–	–
Re-issuance of treasury shares	–	5	–
Transactions with non-controlling interests	–	–	(52)
Spin-off related changes in equity	–	(163)	(2,270)
Other changes in equity	–	(553)	(3)
Balance as of September 30, 2013	**2,643**	**5,484**	**22,663**

1 Adjusted for effects of adopting IAS 19R, see → NOTE 1 BASIS OF PRESENTATION in → D.6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

2 Items of other comprehensive income that will not be reclassified to profit or loss consist of remeasurements of defined benefit plans of €395 million and €(1,783) million, respectively, in the fiscal years ended September 30, 2013 and 2012. Remeasurements of defined benefit plans are included in line item Retained earnings.

Total comprehensive income							
Other components of equity Items that may be reclassified subsequently to profit or loss							
Currency translation differences	Available-for-sale financial assets	Derivative financial instruments	Total	Treasury shares at cost	Total equity attributable to shareholders of Siemens AG	Non-controlling interests	Total equity
2	36	(106)	25,813	(3,037)	31,530	626	32,156
–	–	–	116	–	116	–	116
2	36	(106)	25,929	(3,037)	31,645	626	32,271
–	–	–	4,151	–	4,151	132	4,282
855	209	62	(657)	–	(657)	(4)	(661)[3]
–	–	–	(2,629)	–	(2,629)	(176)	(2,805)
–	–	–	(129)	–	(87)	–	(87)
–	–	–	–	(1,767)	(1,767)	–	(1,767)
–	–	–	–	397	391	–	391
–	–	–	(2,410)	2,510	–	–	–
–	–	–	(326)	–	(326)	24	(302)
–	–	–	7	–	134	(34)	100
857	**245**	**(44)**	**23,936**	**(1,897)**	**30,855**	**569**	**31,424**
857	245	(44)	23,814	(1,897)	30,733	569	31,302
–	–	–	122	–	122	–	122
857	245	(44)	23,936	(1,897)	30,855	569	31,424
–	–	–	4,284	–	4,284	126	4,409
(1,017)	183	43	(396)	–	(396)	(44)	(440)[3]
–	–	–	(2,528)	–	(2,528)	(119)	(2,647)
–	–	–	(40)	–	(18)	–	(18)
–	–	–	–	(1,349)	(1,349)	–	(1,349)
–	–	–	–	300	304	–	304
–	–	–	(52)	–	(52)	(10)	(62)
–	–	–	(2,270)	–	(2,433)	–	(2,433)
–	–	–	(3)	–	(556)	(8)	(564)
(160)	**428**	**(1)**	**22,930**	**(2,946)**	**28,111**	**514**	**28,625**

3 In fiscal years ended September 30, 2013 and 2012, Other comprehensive income, net of income taxes, includes non-controlling interests of €– million and €(4) million relating to remeasurements of defined benefit plans, €(45) million and €(1) million relating to currency translation differences, €– million and €– million relating to available-for-sale financial assets and €1 million and €1 million relating to derivative financial instruments.

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Segment information (continuing operations)

As of and for the fiscal years ended September 30, 2013 and 2012

	Orders[1]		External revenue		Intersegment revenue		Total revenue	
(in millions of €)	2013	2012	2013	2012	2013	2012	2013	2012
Sectors								
Energy	28,797	26,930	26,386	27,501	252	235	26,638	27,736
Healthcare	13,950	13,806	13,598	13,600	24	42	13,621	13,642
Industry	18,417	18,962	16,943	17,772	1,643	1,637	18,586	19,409
Infrastructure & Cities	21,894	17,150	17,128	16,731	750	853	17,879	17,585
Total Sectors	**83,057**	**76,848**	**74,055**	**75,605**	**2,669**	**2,767**	**76,724**	**78,372**
Equity Investments	–	–	–	–	–	–	–	–
Financial Services (SFS)	1,072	908	960	859	112	48	1,072	908
Reconciliation to Consolidated Financial Statements								
Centrally managed portfolio activities	296	283	264	281	10	11	274	292
Siemens Real Estate (SRE)	2,510	2,434	301	325	2,210	2,121	2,512	2,447
Corporate items and pensions	470	508	302	325	170	184	472	509
Eliminations, Corporate Treasury and other reconciling items	(5,055)	(5,041)	–	–	(5,172)	(5,132)	(5,172)	(5,132)
Siemens	**82,351**	**75,939**	**75,882**	**77,395**	**–**	**–**	**75,882**	**77,395**

1 This supplementary information on Orders is provided on a voluntary basis. It is not part of the Consolidated Financial Statements subject to the audit opinion.

2 Profit of the Sectors as well as of Equity Investments and Centrally managed portfolio activities is earnings before financing interest, certain pension costs and income taxes. Certain other items not considered performance indicative by Management may be excluded. Profit of SFS and SRE is Income before income taxes.

3 Assets of the Sectors as well as of Equity Investments and Centrally managed portfolio activities is defined as Total assets less income tax assets, less non-interest bearing liabilities other than tax liabilities. Assets of SFS and SRE is Total assets.

	Profit[2]		Assets[3]		Free cash flow[4]		Additions to intangible assets and property, plant and equipment		Amortization, depreciation and impairments[5]	
	2013	2012	09/30/2013	09/30/2012	2013	2012	2013	2012	2013	2012
	1,955	1,901	1,621	1,116	1,595	2,142	425	547	587	549
	2,048	1,815	11,023	11,757	2,238	1,861	291	354	638	726
	1,478	2,448	6,549	6,479	2,070	2,123	395	417	657	553
	306	1,102	5,694	4,012	384	737	239	290	332	276
	5,788	**7,266**	**24,886**	**23,364**	**6,288**	**6,863**	**1,350**	**1,608**	**2,215**	**2,104**
	396	(549)	1,767	2,715	114	100	–	–	–	–
	409	479	18,661	17,405	857	528	69	31	230	270
	(12)	(29)	(267)	(448)	(58)	12	7	3	3	6
	171	115	4,747	5,018	(108)	(231)	365	453	314	327
	(839)	(668)	(11,252)	(11,693)	(431)	(910)	83	103	91	67
	(70)	23	63,393	71,889	(1,405)	(1,634)	(4)	(4)	(34)	(41)
	5,843	**6,636**	**101,936**	**108,251**	**5,257**	**4,727**	**1,869**	**2,195**	**2,819**	**2,732**

4 Free cash flow represents Cash flows from operating activities less Additions to intangible assets and property, plant and equipment. Free cash flow of the Sectors, Equity Investments and Centrally managed portfolio activities primarily exclude income tax, financing interest and certain pension related payments and proceeds. Free cash flow of SFS, a financial services business, and of SRE includes related financing interest payments and proceeds; income tax payments and proceeds of SFS and SRE are excluded.

5 Amortization, depreciation and impairments contains amortization and impairments, net of reversals of impairments, of intangible assets other than goodwill as well as depreciation and impairments of property, plant and equipment, net of reversals of impairments.

NOTE 1 Basis of presentation

The accompanying Consolidated Financial Statements present the operations of Siemens AG with registered offices in Berlin and Munich, Germany, and its subsidiaries (the Company or Siemens). They have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union as well as with the additional requirements set forth in Section 315a (1) of the German Commercial Code (HGB). The financial statements are also in accordance with IFRS as issued by the International Accounting Standards Board (IASB).

Siemens prepares and reports its Consolidated Financial Statements in euros (€). Due to rounding, numbers presented may not add up precisely to totals provided.

Siemens is a German based multinational corporation with a business portfolio of activities predominantly in the field of electronics and electrical engineering.

The Consolidated Financial Statements were authorised for issue by the Managing Board on November 20, 2013. The Consolidated Financial Statements are generally prepared on the historical cost basis, except as stated in → NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

NOTE 2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements.

Basis of consolidation – The Consolidated Financial Statements include the accounts of Siemens AG and its subsidiaries which are directly or indirectly controlled. Control is generally conveyed by ownership of the majority of voting rights. Additionally, the Company consolidates special purpose entities (SPE's) when, based on the evaluation of the substance of the relationship with Siemens, the Company concludes that it controls the SPE. To determine when the Company should consolidate based on substance, Siemens considers the circumstances listed in SIC-12.10 as additional indicators regarding a relationship in which Siemens controls an SPE. Siemens looks at these SIC-12.10 circumstances as indicators and always privileges an analysis of individual facts and circumstances on a case-by-case basis. Associated companies are recorded in the Consolidated Financial Statements using the equity method of accounting. Companies in which Siemens has joint control are also recorded using the equity method.

Business combinations – Business combinations are accounted for under the acquisition method. Siemens as the acquirer and the acquiree may have a relationship that existed before they contemplated the business combination, referred to as a pre-existing relationship. If the business combination in effect settles a pre-existing relationship, Siemens as the acquirer recognizes a gain or loss for the pre-existing relationship. The cost of an acquisition is measured at the fair value of the assets given and liabilities incurred or assumed at the date of exchange. Any contingent consideration to be transferred by Siemens as the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognized either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured; subsequent settlement is accounted for within equity. Acquisition-related costs are expensed in the period incurred. Identifiable assets acquired and liabilities assumed in a business combination (including contingent liabilities) are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Uniform accounting policies are applied. Non-controlling interests may be measured at their fair value (full goodwill method) or at the proportional fair value of assets acquired and liabilities assumed (partial goodwill method). After initial recognition non-controlling interests may show a deficit balance since both profits and losses are allocated to the shareholders based on their equity interests. In business combinations achieved in stages, any previously held equity interest in the acquiree is remeasured to its acquisition date fair value. If there is no loss of control, transactions with non-controlling interests are accounted for as equity transactions not affecting profit and loss. At the date control is lost, any retained equity interests are remeasured to fair value. In case of a written put on non-controlling interests the Company distinguishes whether the prerequisites for the transfer of present ownership interest are fulfilled at the balance sheet date. Provided that the Company is not the beneficial owner of the shares underlying the put option, the exercise of the put option will be assumed at each balance sheet date and treated as equity transaction between shareholders with the recognition of a purchase liability at the respective exercise price. The non-controlling interests participate in profits and losses during the reporting period.

Associated companies and jointly controlled entities – Companies in which Siemens has the ability to exercise significant influence over operating and financial policies (generally through direct or indirect ownership of 20% to 50% of the voting rights) and jointly controlled entities are recorded in the

Consolidated Financial Statements using the equity method of accounting and are initially recognized at cost. The following policies equally apply to associated companies and jointly controlled entities. Where necessary, adjustments are made to bring the accounting policies in line with those of Siemens. The excess of Siemens' initial investment in associated companies over Siemens' ownership percentage in the underlying net assets of those companies is attributed to certain fair value adjustments with the remaining portion recognized as goodwill. Goodwill relating to the acquisition of associated companies is included in the carrying amount of the investment and is not amortized but is tested for impairment as part of the overall investment in the associated company. Siemens' share of its associated companies' post-acquisition profits or losses is recognized in the Consolidated Statements of Income, and its share of post-acquisition movements in equity that have not been recognized in the associates' profit or loss is recognized directly in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment in the associated company. When Siemens' share of losses in an associated company equals or exceeds its interest in the associate, Siemens does not recognize further losses, unless it incurs obligations or makes payments on behalf of the associate. The interest in an associate is the carrying amount of the investment in the associate together with any long-term interests that, in substance, form part of Siemens' net investment in the associate. Intercompany results arising from transactions between Siemens and its associated companies are eliminated to the extent of Siemens' interest in the associated company. Siemens determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, Siemens calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value. Upon loss of significant influence over the associate, Siemens measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Foreign currency translation – The assets, including goodwill, and liabilities of foreign subsidiaries, where the functional currency is other than the euro, are translated using the spot exchange rate at the end of the reporting period, while the Consolidated Statements of Income are translated using average exchange rates during the period. Differences arising from such translations are recognized within equity and reclassified to net income when the gain or loss on disposal of the foreign subsidiary is recognized. The Consolidated Statements of Cash Flow are translated at average exchange rates during the period, whereas cash and cash equivalents are translated at the spot exchange rate at the end of the reporting period.

The exchange rate of the U.S. dollar, Siemens' significant currency outside the euro zone used in the preparation of the Consolidated Financial Statements is as follows:

		Year-end exchange rate €1 quoted into currencies specified below September 30,		Annual average rate €1 quoted into currencies specified below Year ended September 30,	
Currency	ISO Code	2013	2012	2013	2012
U.S. dollar	USD	1.351	1.293	1.313	1.303

Foreign currency transaction – Transactions that are denominated in a currency other than the functional currency of an entity, are recorded at that functional currency applying the spot exchange rate at the date when the underlying transactions are initially recognized. At the end of the reporting period, foreign currency-denominated monetary assets and liabilities are revalued to functional currency applying the spot exchange rate prevailing at that date. Gains and losses arising from these foreign currency revaluations are recognized in net income. Those foreign currency-denominated transactions which are classified as non-monetary are remeasured using the historical spot exchange rate.

Revenue recognition – Under the condition that persuasive evidence of an arrangement exists revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. In cases where the inflow of economic benefits is not probable due to customer related credit risks the revenue recognized is subject to the amount of payments irrevocably received. Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods: Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Sales from construction contracts: A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. When the outcome of a construction contract can be estimated reliably, revenues from construction-type projects are recognized under the percentage-of-completion method, based on the percentage of costs to date compared to the total estimated contract costs. An expected loss on the construction contract is recognized as an expense immediately. When the outcome of a construction contract cannot be estimated reliably (1) revenue is recognized only to the extent contract costs incurred are probable of being recoverable, and (2) contract costs are recognized as an expense in the period in which they are incurred.

During project execution, variation orders by the customer for a change in the scope of the work to be performed under the contract may be received leading to an increase or a decrease in contract revenue. Examples of such variations are changes in the specifications or design of the asset and changes in the duration of the contract. As the scope of work to be performed changes also in case of contract terminations, such terminations are considered to be a subset of variations. Therefore the requirements of IAS 11 relating to variations are applied to contract terminations, irrespective of whether the contract is terminated by the customer, Siemens or both. In accordance with the requirements of IAS 11 relating to changes in estimates, the estimates of the total contract revenue and the total contract costs are adjusted reflecting the reduced scope of work to be performed, typically leading to a reversal of revenue recognized. This methodology is also applied to contracts for which it is management's best estimate that a termination is the most likely scenario, but which have not yet been terminated.

Rendering of services: Revenues from service transactions are recognized as services are performed. For long-term service contracts, revenues are recognized on a straight-line basis over the term of the contract or, if the performance pattern is other than straight-line, as the services are provided, i.e. under the percentage-of-completion method as described above.

Sales from multiple element arrangements: Sales of goods and services as well as software arrangements sometimes involve the provision of multiple elements. In these cases, the Company determines whether the contract or arrangement contains more than one unit of accounting. If certain criteria are met, foremost if the delivered element(s) has (have) value to the customer on a stand-alone basis, the arrangement is separated and the appropriate revenue recognition convention is then applied to each separate unit of accounting. Generally, the total arrangement consideration is allocated to the separate units of accounting based on their relative fair values. However, if in rare cases fair value evidence is available for the undelivered but not for one or more of the delivered elements, the amount allocated to the delivered element(s) equals the total arrangement consideration less the aggregate fair value of the undelivered element(s) (residual method). If the criteria for the separation of units of accounting are not met, revenue is deferred until such criteria are met or until the period in which the last undelivered element is delivered.

Interest income: Interest is recognized using the effective interest method.

Royalties: Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement.

Income from lease arrangements: Operating lease income for equipment rentals is recognized on a straight-line basis over the lease term. An arrangement that is not in the legal form of a lease is accounted for as a lease if it is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. Receivables from finance leases, in which Siemens as lessor transfers substantially all the risks and rewards incidental to ownership to the customer are recognized at an amount equal to the net investment in the lease. Finance income is subsequently recognized based on a pattern reflecting a constant periodic rate of return on the net investment using the effective interest method. A selling profit component on manufacturing leases is recognized based on the policies for outright sales. Profit from sale and leaseback transactions is recognized immediately if significant risks and rewards of ownership have passed to the buyer, the leaseback results in an operating lease and the transaction is established at fair value.

Dividends: Dividends are recognized when the right to receive payment is established.

Functional costs – In general, operating expenses by types are assigned to the functions following the functional area of the corresponding profit and cost centers. Expenses relating to cross-functional initiatives or projects are assigned to the respective functional costs based on an appropriate allocation principle. Regarding amortization see → NOTE 16 OTHER INTANGIBLE ASSETS, regarding depreciation see → NOTE 17 PROPERTY, PLANT AND EQUIPMENT and regarding employee benefit expenses see → NOTE 34 PERSONNEL COSTS.

Government grants – Government grants are recognized when there is reasonable assurance that the conditions attached to the grants are complied with and the grants will be received. Grants awarded for the purchase or the production of fixed assets (grants related to assets) are generally offset against the acquisition or production costs of the respective assets and reduce future depreciations accordingly. Grants awarded for other than non-current assets (grants related to income) are reported in the Consolidated Statements of Income under the same functional area as the corresponding expenses. They are recognized as income over the periods necessary to match them on a systematic basis to the costs that are intended to be compensated. Government grants for future expenses are recorded as deferred income.

Product-related expenses and losses from onerous contracts – Provisions for estimated costs related to product warranties are recorded in line item Cost of sales at the time the related sale is recognized, and are established on an individual basis, except for the standard product business. The estimates reflect historic experience of warranty costs, as well as information regarding product failure experienced during construction, installation or testing of products. In the case of new products, expert opinions and industry data are also taken into consideration in estimating product warranty provisions. Expected losses from onerous contracts are recognized in the period when the current estimate of total contract costs exceeds contract revenue.

Research and development costs – Costs of research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are expensed as incurred.

Costs for development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, are capitalized if (1) development costs can be measured reliably, the product or process is (2) technically and (3) commercially feasible, (4) future economic benefits are probable and (5) Siemens intends, and (6) has sufficient resources, to complete development and to use or sell the asset. The costs capitalized include the cost of materials, direct labour and other directly attributable expenditure that serves to prepare the asset for use. Such capitalized costs are included in line item Other intangible assets as other internally generated intangible assets. Other development costs are expensed as incurred. Capitalized development costs are stated at cost less accumulated amortization and impairment losses with an amortization period of generally three to five years.

Government grants for research and development activities are offset against research and development costs. They are recognized as income over the periods in which the research and development costs incur that are to be compensated. Government grants for future research and development costs are recorded as deferred income.

Earnings per share – Basic earnings per share are computed by dividing income from continuing operations, income from discontinued operations and net income, all attributable to ordinary shareholders of Siemens AG by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by assuming conversion or exercise of all potentially dilutive securities and share-based payment plans.

Goodwill – Goodwill is not amortized, but instead tested for impairment annually, as well as whenever there are events or changes in circumstances (triggering events) which suggest that the carrying amount may not be recoverable. Goodwill is carried at cost less accumulated impairment losses.

The goodwill impairment test is performed at the level of a cash-generating unit or a group of cash-generating units represented by a Division or equivalent, which is the lowest level at which goodwill is monitored for internal management purposes.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash-generating unit or the group of cash-generating units that is expected to benefit from the synergies of the business combination. If the carrying amount of the cash-generating unit or the group of cash-generating units, to which the goodwill is allocated, exceeds its recoverable amount, an impairment loss on goodwill allocated to this cash-generating unit or this group of cash-generating units is recognized. The recoverable amount is the higher of the cash-generating unit's or the group of cash-generating units' fair value less costs to sell and its value in use. If either of these amounts exceeds the carrying amount, it is not always necessary to determine both amounts. These values are generally determined based on discounted cash flow calculations. Impairment losses on goodwill are not reversed in future periods if the recoverable amount exceeds the carrying amount of the cash-generating unit or the group of cash-generating units to which the goodwill is allocated.

Other intangible assets – The Company amortizes intangible assets with finite useful lives on a straight-line basis over their respective estimated useful lives to their estimated residual values. Estimated useful lives for software, patents, licenses and other similar rights generally range from three to five years, except for intangible assets with finite useful lives acquired in business combinations. Intangible assets acquired in business combinations primarily consist of customer relationships and technology. Useful lives in specific acquisitions ranged from seven to twenty-five years for customer relationships and from three to 18 years for technology. Intangible assets which are determined to have indefinite useful lives as well as intangible assets not yet available for use are not amortized, but instead tested for impairment at least annually.

Property, plant and equipment – Property, plant and equipment is valued at cost less accumulated depreciation and impairment losses. This also applies to property classified as investment property. Investment property consists of property held either to earn rentals or for capital appreciation or both and not used in production or for administrative purposes. The fair value disclosed for investment property is primarily based on a discounted cash flow approach except for certain cases which are based on appraisal values.

If the costs of certain components of an item of property, plant and equipment are significant in relation to the total cost of the item, they are accounted for and depreciated separately. Depreciation expense is recognized using the straight-line method. Residual values and useful lives are reviewed annually and, if expectations differ from previous estimates, adjusted accordingly. Costs of construction of qualifying assets, i.e. assets that require a substantial period of time to be ready for its intended use, include capitalized interest, which is amortized over the estimated useful life of the related asset. The following useful lives are assumed:

Factory and office buildings	20 to 50 years
Other buildings	5 to 10 years
Technical machinery & equipment	5 to 10 years
Furniture & office equipment	generally 5 years
Equipment leased to others	generally 3 to 5 years

Impairment of property, plant and equipment and other intangible assets – The Company reviews property, plant and equipment and other intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In addition, intangible assets with indefinite useful lives as well as intangible assets not yet available for use are subject to an annual impairment test. Recoverability of assets is measured by the comparison of the carrying amount of the asset to the recoverable amount, which is the higher of the asset's value in use and its fair value less costs to sell. If assets do not generate cash inflows that are largely independent of those from other assets or groups of assets, the impairment test is not performed at an individual asset level, instead, it is performed at the level of the cash-generating unit the asset belongs to. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets or cash-generating unit exceeds their recoverable amount. If the fair value cannot be determined, the assets' value in use is applied as their recoverable amount. The assets' value in use is measured by discounting their estimated future cash flows. If there is an indication that the reasons which caused the impairment no longer exist, Siemens assesses the need to reverse all or a portion of the impairment.

The Company's property, plant and equipment and other intangible assets to be disposed of are recorded at the lower of carrying amount or fair value less costs to sell and depreciation is ceased.

Discontinued operations and non-current assets held for disposal – Discontinued operations are reported when a component of an entity comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity is classified as held for disposal or has been disposed of, if the component either (1) represents a separate major line of business or geographical area of operations and (2) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale. In the Consolidated Statements of Income, income (loss) from discontinued operations is reported separately from income and expenses from continuing operations; prior periods are presented on a comparable basis. In the Consolidated Statements of Cash Flow, the cash flows from discontinued operations are presented separately from cash flows of continuing operations; prior periods are presented on a comparable basis. The disclosures in the Notes to the Consolidated Financial Statements outside → NOTE 4 ACQUISITIONS, DISPOSITIONS AND DISCONTINUED OPERATIONS that refer to the Consolidated Statements of Income and the Consolidated Statements of Cash Flow relate to continuing operations. Siemens reports discontinued operations separately in → NOTE 4 ACQUISITIONS, DISPOSITIONS AND DISCONTINUED OPERATIONS. In order to present the financial effects of a discontinued operation revenues and expenses arising from intragroup transactions are eliminated except for those revenues and expenses that are considered to continue after the disposal of the discontinued operation. In any case no profit or loss is recognized for intragroup transactions.

Siemens classifies a non-current asset or a disposal group as held for disposal if its carrying amount will be recovered principally through a sale transaction or through distribution to shareholders rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale or distribution in its present condition subject only to terms that are usual and customary for sales or distributions of such assets or disposal groups and its sale or distribution must be highly probable. The disclosures in the Notes to Consolidated Financial Statements outside → NOTE 4 ACQUISITIONS, DISPOSITIONS AND DISCONTINUED OPERATIONS that refer to the Consolidated Statements of Financial Position generally relate to assets that are not held for disposal. Siemens reports non-current assets or disposal groups held for disposal separately in → NOTE 4 ACQUISITIONS, DISPOSITIONS AND DISCONTINUED OPERATIONS. Non-current assets classified as held for disposal and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell, unless these items presented in the disposal group are not part of the measurement scope as defined in IFRS 5, Non-current Assets held for Sale and Discontinued Operations.

Income taxes – The Company applies IAS 12, Income taxes. Current taxes are calculated based on the profit (loss) of the fiscal year and in accordance with local tax rules of the tax jurisdiction respectively. Expected and executed additional tax payments respectively tax refunds for prior years are also taken into account. Under the liability method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement, unless related to items directly recognized in equity, in the period the new laws are enacted or substantively enacted. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized.

Inventories – Inventories are valued at the lower of acquisition or production costs and net realizable value, costs being generally determined on the basis of an average or first-in, first-out method. Production costs comprise direct material and labor and applicable manufacturing overheads, including depreciation charges. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Defined benefit plans – Siemens measures the entitlements of the defined benefit plans by applying the projected unit credit method. The approach reflects an actuarially calculated net present value of the future benefit entitlement for services already rendered. In determining the net present value of the future benefit entitlement for service already rendered (Defined Benefit Obligation (DBO)), Siemens considers future compensation and benefit increases, because the employee's final benefit entitlement at regular retirement age depends on future compensation or benefit increases. The assumptions used for the calculation of the DBO as of the period-end of the preceding fiscal year are used to determine the calculation of service cost and interest income and expense of the following year. The net interest income or expense for the fiscal year will be based on the discount rate for the respective year multiplied by the net liability at the preceding fiscal year's period-end date. The fair value of plan assets and DBO and thus the interest income on plan assets and the interest expenses on DBO are adjusted for significant events after the fiscal year end, such as a supplemental funding, plan changes or business combinations and disposals. The DBO includes the present value from the effects of taxes payable by the plan on contributions or benefits relating to services already rendered.

Service cost and past service cost for post-employment benefits as well as other administration costs which are unrelated to the management of plan assets are allocated among functional costs (line items Cost of sales, Research and development expenses, Selling and general administrative expenses) following the functional area of the corresponding profit and cost centers. Past service cost and settlement gains (losses) are recognized immediately in profit or loss when the plan amendment, curtailment or settlement occurs. Administration Costs which are related to the management of plan assets and taxes directly linked to the return on plan assets and payable by the plan itself are included in the return on plan assets and are recognized in Other comprehensive income, net of income taxes. For unfunded plans, Siemens recognizes a post-employment benefit liability equal to the DBO. For funded plans, Siemens offsets the fair value of the plan assets with the benefit obligations. Siemens recognizes the net amount, after adjustments for effects relating to any asset ceiling, in line item Post-employment benefits or in line item Other current assets.

Remeasurements comprise actuarial gains and losses, resulting for example from an adjustment of the discount rate, as well as the difference between the return on plan assets and the amounts included in net interest on the net defined benefits liability (asset) and are recognized in Other comprehensive income, net of income taxes.

Provisions – A provision is recognized in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are recognized at present value by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognized as a provision and measured at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract as far as they exceed the expected economic benefits of the contract. Additions to provisions and reversals are generally recognized in the Consolidated Statements of Income. The present value of the recognized obligations associated with the retirement of property, plant and equipment (asset retirement obligations) that result from the acquisition, construction, development or normal use of an asset is added to the carrying amount of the related asset. The additional carrying amount is depreciated over the useful life of the related asset. Additions to and reductions from the present value of asset retirement obligations that result from changes in estimates are generally recognized by adjusting the carrying amount of the related asset and provision. If the asset retirement obligation is settled for other than the carrying amount of the liability, the Company recognizes a gain or loss on settlement.

Termination benefits – Termination benefits are recognized in the period incurred and when the amount is reasonably estimable. Termination benefits are provided as a result of an entity's offer made in order to encourage voluntary redundancy before the normal retirement date or from an entity's decision to terminate the employment. Termination benefits in accordance with IAS 19R, Employee Benefits, are recognized as a liability and an expense when the entity can no longer withdraw the offer of those benefits.

Financial instruments – A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets of the Company mainly include cash and cash equivalents, available-for-sale financial assets, trade receivables, loans receivable receivables from finance leases and derivative financial instruments with a positive fair value. Cash and cash equivalents are not included within the category available-for-sale financial assets as these financial instruments are not subject to fluctuations in value. Siemens does not make use of the category held to maturity. Financial liabilities of the Company mainly comprise notes and bonds, loans from banks, trade payables, obligations under finance leases and derivative financial instruments with a negative fair value. Siemens does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception (Fair Value Option). Based on their nature, financial instruments are classified as financial assets and financial liabilities measured at cost or amortized cost and financial assets and financial liabilities measured at fair value and as receivables from finance leases.

Financial instruments are recognized on the Consolidated Statements of Financial Position when Siemens becomes a party to the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e. purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned, are accounted for at the trade date.

Initially, financial instruments are recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are only included in determining the carrying amount, if the financial instruments are not measured at fair value through profit or loss. Receivables from finance leases are recognized at an amount equal to the net investment in the lease. Subsequently, financial assets and liabilities are measured according to the category – cash and cash equivalents, available-for-sale financial assets, loans and receivables, financial liabilities measured at amortized cost or financial assets and liabilities classified as held for trading – to which they are assigned.

Cash and cash equivalents – The Company considers all highly liquid investments with less than three months maturity from the date of acquisition to be cash equivalents. Cash and cash equivalents are measured at cost.

Available-for-sale financial assets – Investments in equity instruments, debt instruments and fund shares are all classified as available-for-sale financial assets and are measured at fair value, if reliably measurable. Unrealized gains and losses, net of applicable deferred income tax expenses, are recognized in line item Other comprehensive income, net of income taxes. Provided that fair value cannot be reliably determined, Siemens measures available-for-sale financial instruments at cost. This applies to equity instruments that do not have a quoted market price in an active market, and decisive parameters cannot be reliably estimated to be used in valuation models for the determination of fair value.

When available-for-sale financial assets incur a decline in fair value below acquisition cost and there is objective evidence that the asset is impaired, the cumulative loss that has been recognized in equity is removed from equity and recognized in the Consolidated Statements of Income. The Company considers all available evidence such as market conditions and prices, investee-specific factors and the duration as well as the extent to which fair value is less than acquisition cost in evaluating potential impairment of its available-for-sale financial assets. The Company considers a decline in fair value as objective evidence of impairment, if the decline exceeds 20% of costs or continues for more than six months.

An impairment loss for debt instruments is reversed in subsequent periods, if the reasons for the impairment no longer exist.

Loans and receivables – Financial assets classified as loans and receivables are measured at amortized cost using the effective interest method less any impairment losses. Impairment losses on trade and other receivables are recognized using separate allowance accounts. Loans and receivables bearing no or lower interest rates compared to market rates with a maturity of more than one year are discounted.

Financial liabilities – Siemens measures financial liabilities, except for derivative financial instruments, at amortized cost using the effective interest method.

Derivative financial instruments – Derivative financial instruments, such as foreign currency exchange contracts and interest rate swap contracts, are measured at fair value. Derivative financial instruments are classified as held for trading unless they are designated as hedging instruments, for which hedge accounting is applied. Changes in the fair value of derivative financial instruments are recognized periodically either in net income or, in the case of a cash flow hedge, in line item Other comprehensive income, net of income taxes (applicable deferred income tax). Certain derivative instruments embedded in host contracts are also accounted for separately as derivatives.

Fair value hedges – The carrying amount of the hedged item is adjusted by the gain or loss attributable to the hedged risk. Where an unrecognized firm commitment is designated as hedged item, the subsequent cumulative change in its fair value is recognized as a separate financial asset or liability with corresponding gain or loss recognized in net income.

For hedged items carried at amortized cost, the adjustment is amortized until maturity of the hedged item. For hedged firm commitments the initial carrying amount of the assets or liabilities that result from meeting the firm commitments are adjusted to include the cumulative changes in the fair value that were previously recognized as separate financial assets or liabilities.

Cash flow hedges – The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges are recognized in line item Other comprehensive income, net of income taxes (applicable deferred income tax), and any ineffective portion is recognized immediately in net income. Amounts accumulated in equity are reclassified into net income in the same periods in which the hedged item affects net income.

Share-based payment – IFRS 2, Share-based payment, distinguishes between cash-settled and equity-settled share-based payment transactions. For both types, the fair value is measured at grant date and compensation expense is recognized over the vesting period during which the employees become unconditionally entitled to the awards granted. Cash-settled awards are re-measured at fair value at the end of each reporting period and upon settlement. The fair value of share-based awards, such as stock awards, matching shares, and shares granted under the Jubilee Share Program, is determined as the market price of Siemens shares, considering dividends during the vesting period the grantees are not entitled to and market conditions and non-vesting conditions, if applicable.

Prior-year information – The presentation of certain prior-year information has been reclassified to conform to the current year presentation. In fiscal 2013, in the Consolidated Statements of Cash Flow, the Company changed retrospectively the presentation of salary withholdings of share-based payment granted to employees to better reflect the nature of the transaction. In fiscal 2012 €134 million were retrospectively reclassified from cash flows from financing activities to cash flows from operating activities (continuing operations).

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

As of October 1, 2012, the Company early adopted IAS 19, Employee Benefits (revised 2011; IAS 19R), which was issued by the IASB in June 2011. The standard is effective for annual periods beginning on or after January 1, 2013; early application is permitted. The standard is applied retrospectively. The amendment was endorsed by the EU in June 2012.

The following amendments to IAS 19 have a significant impact on the Company's Consolidated Financial Statements: IAS 19R replaces interest cost and expected return on assets with a net interest amount that is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability (asset). Net interest on the net defined benefit liability (asset) comprises interest income on plan assets and interest cost on the defined benefit obligation. The difference between the interest income on plan assets and the return on plan assets is included in line item Remeasurements of defined benefit plans and recognized in the Consolidated Statement of Comprehensive Income. A lesser effect results from the recognition of unvested past service costs in income immediately when incurred instead of amortization over the vesting period as well as from recognizing other administration costs which are unrelated to the management of plan assets when the administration services are provided. The elimination of the corridor approach does not affect the Company. The adoption of IAS 19R did not result in significant effects on line items Total comprehensive income as well as Total equity.

The following tables present the impacts of the changes in accounting policy. Impacts to the opening balance as of October 1, 2011 as well as impacts to the prior period presented are:

Consolidated Statements of Financial Position

(in millions of €)	September 30, 2012 pre-adjustment	adjustment	post-adjustment	As of October 1, 2011 pre-adjustment	adjustment	post-adjustment
Total assets	**108,282**	**(31)**	**108,251**	**104,243**	**(33)**	**104,210**
thereof Deferred tax assets	3,777	(29)	3,748	3,206	(31)	3,175
Total liabilities	**76,980**	**(153)**	**76,827**	**72,087**	**(149)**	**71,938**
thereof Post-employment benefits	9,926	(125)	9,801	7,307	(120)	7,188
Total equity	**31,302**	**122**	**31,424**	**32,156**	**116**	**32,271**
thereof Retained earnings	22,756	122	22,877	25,881	116	25,996

Consolidated Statement of Income

(in millions of €; per share amounts in €)	Year ended September 30, 2012 pre-adjustment	adjustment	post-adjustment	Year ended September 30, 2011 pre-adjustment	adjustment	post-adjustment
Income from continuing operations before income taxes	**7,002**	**(366)**	**6,636**	**9,248**	**(485)**	**8,763**
thereof Interest income	2,240	(1,301)	939	2,207	(1,362)	845
thereof Interest expenses	(1,727)	967	(760)	(1,715)	929	(786)
Income tax expenses	(2,068)	74	(1,994)	(2,225)	88	(2,137)
Income from continuing operations	**4,934**	**(292)**	**4,642**	**7,023**	**(397)**	**6,625**
Net income	**4,590**	**(307)**	**4,282**	**6,321**	**(422)**	**5,899**
Basic earnings per share						
Income from continuing operations	5.48	(0.33)	5.15	7.83	(0.46)	7.37
Net income	5.09	(0.35)	4.74	7.04	(0.48)	6.55
Diluted earnings per share						
Income from continuing operations	5.43	**(0.33)**	**5.10**	**7.74**	**(0.45)**	**7.29**
Net income	5.04	(0.35)	4.69	6.96	(0.48)	6.48

If the Company had not applied IAS 19R as of October 1, 2012, line items Interest income and Interest expenses recognized in the Consolidated Statement of Income for fiscal 2013 would have increased by €1,463 million and €798 million, respectively, based on the expected return on plan assets as applied for the fiscal year ended September 30, 2012. Correspondingly, line item Remeasurements of defined benefit plans recognized in the Consolidated Statement of Comprehensive Income would have decreased by €538 million net of tax in fiscal 2013.

Consolidated Statement of Comprehensive Income

(in millions of €)	Year ended September 30, 2012 pre-adjustment	adjustment	post-adjustment	Year ended September 30, 2011 pre-adjustment	adjustment	post-adjustment
Net income	4,590	(307)	4,282	6,321	(422)	5,899
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	(2,101)	314	(1,787)	(65)	412	347
Other comprehensive income, net of income taxes	**(974)**	**314**	**(661)**	**(116)**	**412**	**296**
Total comprehensive income	**3,615**	**6**	**3,622**	**6,205**	**(10)**	**6,195**

RECENT ACCOUNTING PRONOUNCEMENTS, NOT YET ADOPTED

The following pronouncements, issued by the IASB, are not yet effective and have not yet been adopted by the Company:

In December 2011, the IASB issued amendments to IAS 32, Financial Instruments: Presentation and IFRS 7, Financial Instruments: Disclosures regarding offsetting of financial assets and financial liabilities. The amendment to IAS 32 clarifies the existing offsetting rules and is effective for reporting periods beginning on or after January 1, 2014, early application is permitted, however it requires the application of the amendments to IFRS 7. These amendments to IFRS 7 expand the disclosure requirements for financial assets and financial liabilities offset in the statements of financial position including netting agreements where netting is subject to certain future events. This amendment is effective for reporting periods beginning on or after January 1, 2013. Both amendments were endorsed by the European Union in December 2012.

IFRS 10 provides a comprehensive concept of control as the determining factor in whether an entity should be included within the Consolidated Financial Statements. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

IFRS 11 provides guidance for the accounting of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.

IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and off balance sheet vehicles.

IFRS 10, 11, 12 and the consequential amendments to IAS 27 and IAS 28 are effective for annual periods beginning on or after January 1, 2013. These new or amended standards may be adopted early. The standards are to be applied on a retrospective basis. In December 2012, IFRS 10, 11, 12, and the consequential amendments to IAS 27 and IAS 28 were endorsed by the European Union. Siemens will adopt IFRS 10, 11, 12, and the consequential amendments to IAS 27 and IAS 28 in fiscal 2014. The Company does not expect a material impact on its Consolidated Financial Statements from these standards.

In May 2011, the IASB issued IFRS 13, Fair Value Measurement. The new standard defines fair value and standardizes disclosures on fair value measurements of both financial and non-financial instrument items. The new standard is applicable for annual periods beginning on or after January 1, 2013; early adoption is permitted. In December 2012, IFRS 13 was endorsed by the European Union. Siemens will adopt IFRS 13 in fiscal 2014. Regarding financial instruments, the majority of changes required by IFRS 13 have already been introduced, mainly by amendments to IFRS 7, Financial Instruments: Disclosures. The Company does not expect a material impact on the Consolidated Financial Statements upon adopting IFRS 13.

In November 2009, the IASB issued IFRS 9, Financial Instruments. This standard is the first phase of the IASB's three-phase project to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 amends the classification and measurement requirements for financial assets, including some hybrid contracts. It uses a single approach to determine whether a financial asset is measured at amortized cost or at fair value, depending on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. In October 2010, most of the requirements for financial liabilities were carried forward unchanged from IAS 39 to IFRS 9. In December 2011, IFRS 9 was amended to not require the restatement of comparative-period financial statements upon initial application, to require additional disclosures and to defer the mandatory effective date to annual reporting periods beginning on or after January 1, 2015. As part of its current project Classification and Measurement: Limited Amendments to IFRS 9, however, the IASB tentatively decided in July 2013 that the mandatory effective date should be deferred again and left open depending on the finalization of the limited amendments and the second phase of IFRS 9, Impairment Methodology. Early application would still be permitted. The European Financial Reporting Advisory Group has postponed its endorsement advice on IFRS 9 as currently issued. Due to the ongoing changes to IFRS 9 by the IASB the Company's assessment of the impacts of adopting IFRS 9 on the Company's Consolidated Financial Statements is still ongoing.

NOTE 3 Critical accounting estimates

Siemens' Consolidated Financial Statements are prepared in accordance with IFRS as issued by the IASB and as adopted by the EU. Siemens' significant accounting policies, as described in → NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES are essential to understanding the Company's results of operations, financial positions and cash flows. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and have a material impact on the Company's results of operations, financial positions and cash flows. Critical accounting estimates could also involve estimates where management reasonably could have used a different estimate in the current accounting period. Management cautions that future events often vary from forecasts and that estimates routinely require adjustment.

Revenue recognition on construction contracts – The Company's Sectors, particularly Energy, Industry and Infrastructure & Cities, conduct a significant portion of their business under construction contracts with customers. The Company accounts for construction projects using the percentage-of-completion method, recognizing revenue as performance on contract progresses. Certain long-term service contracts are accounted for under the percentage-of-completion method as well. This method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. Under the percentage-of-completion method, changes in estimates may lead to an increase or decrease of revenue. The creditworthiness of our customers is taken into account in estimating the probability that economic benefits associated with a contract will flow to the Company. In addition, we need to assess whether the contract is expected to continue or to be terminated. In determining whether the continuation or termination of a contract is expected to be the most likely scenario, all relevant facts and circumstances relating to the contract are considered on an individual basis. For contracts expected to be continued, amounts already included in revenue for which collectability ceases to be probable are recognized as an expense. For contracts expected to be terminated, including terminations due to expected payment defaults of our customers or terminations due to force majeure events, the estimates on the scope of deliveries and services provided under the contracts are revised accordingly, typically resulting in a decrease of revenue in the respective reporting period. Management of the operating Divisions continually reviews all estimates involved in such construction contracts and adjusts them as necessary.

Trade and other receivables – The allowance for doubtful accounts involves significant management judgment and review of individual receivables based on individual customer creditworthiness, current economic trends including the developments of the European sovereign debt crisis and analysis of historical bad debts on a portfolio basis. For the determination of the country-specific component of the individual allowance, Siemens also consider country credit ratings, which are centrally determined based on information from external rating agencies. Regarding the determination of the valuation allowance derived from a portfolio-based analysis of historical bad debts, a decline of receivables in volume results in a corresponding reduction of such provisions and vice versa. As of September 30, 2013 and 2012, Siemens recorded a total valuation allowance for trade and other receivables of €1,147 million and €1,190 million, respectively.

Impairment – Siemens tests at least annually whether goodwill has incurred any impairment, in accordance with its accounting policy. The determination of the recoverable amount of a cash-generating unit or a group of cash-generating units to which goodwill is allocated involves the use of estimates by management. The outcome predicted by these estimates is influenced e.g. by the successful integration of acquired entities, volatility of capital markets, interest rate developments, foreign exchange rate fluctuations and the outlook on economic trends. The recoverable amount is the higher of the cash-generating unit's or the group of cash-generating units' fair value less costs to sell and its value in use. The Company generally uses discounted cash flow based methods to determine these values. These discounted cash flow calculations use five-year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments. Cash flows after the planning period are extrapolated using individual growth rates. Key assumptions on which management has based its determination of fair value less costs to sell and value in use include estimated growth rates, weighted average cost of capital and tax rates. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any goodwill impairment. Likewise, whenever property, plant and equipment, other intangible assets and investments accounted for using the equity method are tested for impairment, the determination of the assets' recoverable amount involves the use of estimates by management that can have a material impact on the respective values and ultimately the amount of any impairment.

Non-current assets and disposal groups classified as held for disposal – Assets held for disposal and disposal groups are measured at the lower of their carrying amount and their fair value less costs to sell. The determination of the fair value less costs to sell includes the use of management estimates and assumptions that tend to be uncertain.

Employee benefit accounting – Post-employment benefits – Obligations for pension and other post-employment benefits and related net periodic benefit costs are determined in accordance with actuarial valuations. These valuations rely on key assumptions including discount rates, expected compensation increases, rate of pension progression and mortality rates. The discount rate assumptions are determined by reference to yields on high-quality corporate bonds of appropriate duration and currency at the end of the reporting period. In case such yields are not available discount rates are based on government bonds yields. Due to changing market, economic and social conditions the underlying key assumptions may differ from actual developments and may lead to significant changes in pension and other post-employment benefit obligations. Such differences are recognized in full through line item Other comprehensive income, net of income taxes in the period in which they occur without affecting profit or loss.

Provisions – Significant estimates are involved in the determination of provisions related to onerous contracts, warranty costs, asset retirement obligations and legal proceedings. A significant portion of the business of certain operating divisions is performed pursuant to long-term contracts, often for large projects, in Germany and abroad, awarded on a competitive bidding basis. Siemens records a provision for onerous sales contracts when current estimates of total contract costs exceed expected contract revenue. Such estimates are subject to change based on new information as projects progress towards completion. Onerous sales contracts are identified by monitoring the progress of the project and updating the estimate of total contract costs which also requires significant judgment relating to achieving certain performance standards, for example in the Fossil Power Generation Division, in the Power Transmission Division, in the Mobility & Logistics Division, in the Rail Systems Division and in the Healthcare Sector as well as estimates involving warranty costs and estimates regarding project delays including the assessment of responsibility splits between the contract partners for these delays. Significant estimates and assumptions are also involved in the determination of provisions related to major asset retirement obligations. Uncertainties surrounding the amount to be recognized include, for example, the estimated costs of decommissioning because of the long time frame over which future cash outflows are expected to occur including the respective interest accretion. Amongst others, the estimated cash outflows could alter significantly if, and when, political developments affect the government's plans to develop the final storage.

Siemens is subject to legal and regulatory proceedings in various jurisdictions. Such proceedings may result in criminal or civil sanctions, penalties, damage claims and other claims, or disgorgements against the Company. If it is more likely than not that an obligation of the Company exists and will result in an outflow of resources, a provision is recorded if the amount of the obligation can be reliably estimated. Regulatory and legal proceedings as well as government investigations often involve complex legal issues and are subject to substantial uncertainties. Accordingly, management exercises considerable judgment in determining whether there is a present obligation as a result of a past event at the end of the reporting period, whether it is more likely than not that such a proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. The Company periodically reviews the status of these proceedings with both inside and outside counsel. These judgments are subject to change as new information becomes available. The required amount of a provision may change in the future due to new developments in the particular matter. Revisions to estimates may significantly impact future net income. Upon resolution, Siemens may incur charges in excess of the recorded provisions for such matters. It cannot be excluded that the financial position or results of operations of Siemens will be materially affected by an unfavorable outcome of legal or regulatory proceedings or government investigations.

Income taxes – Siemens operates in various tax jurisdictions and therefore has to determine tax positions under respective local tax laws and tax authorities' views which can be complex and subject to different interpretations of taxpayers and local tax authorities. Deferred tax assets are recognized if sufficient future taxable profit is available, including income from forecasted operating earnings, the reversal of existing taxable temporary differences and established tax planning opportunities. As of each period-end, management evaluates the recoverability of deferred tax assets, based on projected future taxable profits. As future developments are uncertain and partly beyond management's control, assumptions are necessary to estimate future taxable profits as well as the period in which deferred tax assets will recover. Estimates are revised in the period in which there is sufficient evidence to revise the assumption. If management considers it probable that all or a portion of a deferred tax asset cannot be realized, that portion would not be recognized.

NOTE 4 Acquisitions, dispositions and discontinued operations

A) ACQUISITIONS

In fiscal 2013 and 2012, the Company completed a number of acquisitions, which are included in the Company's Consolidated Financial Statements since the date of acquisition.

aa) Acquisitions in fiscal 2013

At the beginning of May 2013, Siemens acquired all of the shares of six entities constituting the rail automation business of Invensys plc., U.K. (Invensys), which are being integrated in the Infrastructure & Cities Sector's Mobility and Logistics Division. With the acquisition, Siemens expanded and complemented the Infrastructure & Cities Sector's rail automation business. The preliminary purchase price amounts to €2,036 million (including €53 million cash acquired) of which €472 million were paid to the Invensys Pension Trust. The purchase price is preliminary mainly because it is subject to final agreement on the closing accounts. The following figures resulting from the preliminary purchase price allocation reflect the amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed: Intangible assets €902 million, Inventories €158 million, Receivables €127 million, Deferred income tax assets €68 million, Liabilities €485 million and Deferred income tax liabilities €139 million. Intangible assets mainly relate to customer relationships of €619 million with a useful life of 18 years and technology of €258 million with a useful life of 18 years. Provisional goodwill of €1,278 million comprises intangible assets that are not separable such as employee know-how and expected synergy effects. Including effects from purchase accounting and integration costs, the acquired business contributed revenues of €335 million and a net loss of €44 million to Siemens for the period from acquisition to September 30, 2013. If the acquired business had been included as of October 1, 2012, the impact on consolidated revenues and consolidated net income for the twelve months ended September 30, 2013 would have been €915 million and €(9) million, respectively.

At the beginning of January 2013, Siemens acquired all of the shares in LMS International NV, Belgium, a leading provider of mechatronic simulation solutions, which is being integrated in the Industry Sector's Industry Automation Division. With the acquisition, Siemens expanded and complemented the Industry Sector's product lifecycle management portfolio with mechatronic simulation and testing software. The preliminary purchase price amounts to €702 million (including €32 million cash acquired). The following figures represent the preliminary purchase price allocation and show the amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed: Intangible assets €398 million, Property, plant and equipment €22 million, Inventories €41 million, Receivables €58 million, Liabilities €128 million and Deferred income tax liabilities €87 million. Intangible assets mainly relate to technology of €290 million with a useful life of seven to eight years and customer relationships of €105 million with a useful life of 16 to 20 years. Provisional goodwill of €352 million comprises intangible assets that are not separable such as employee know-how and expected synergy effects. Including effects from purchase accounting and integration costs, the acquired business contributed revenues of €94 million and a net loss of €68 million to Siemens for the period from acquisition to September 30, 2013. If the acquired business had been included as of October 1, 2012, the impact on consolidated revenues and consolidated net income for the twelve months ended September 30, 2013 would have been €125 million and €(90) million, respectively.

ab) Acquisitions in fiscal 2012

At the beginning of May 2012, Siemens acquired all of the shares of five entities constituting the Connectors and Measurements division of Expro Holdings UK 3 Ltd. The acquired business engineers and manufactures subsea components such as cable connectors, sensors and measuring devices. With this acquisition, Siemens expanded its portfolio in the attractive future market for subsea power grids. The aggregate consideration amounts to €469 million (including €8 million cash acquired). The acquired business is integrated into Energy Sector's Oil & Gas Division. The following figures represent the final purchase price allocation and show the amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed: Intangible assets €162 million, Property, plant and equipment €21 million, Inventories €18 million, Receivables €25 million, Liabilities €41 million and Deferred income tax liabilities €35 million. Intangible assets mainly relate to customer relationships of €46 million with a useful life of nine to 13 years, technology of €98 million with a useful life of eight to twelve years and order backlog of €12 million with a useful life of two years. Goodwill of €307 million comprises intangible assets that are not separable such as employee know-how and expected synergy effects. Including effects from purchase accounting and integration costs, the acquired business contributed revenues of €57 million and a net income of €12 million to Siemens for the period from acquisition to September 30, 2012. If the acquired business had been included as of October 1, 2011, the impact on consolidated revenues and consolidated net income for the twelve months ended September 30, 2012 would have been €121 million and €41 million, respectively.

Furthermore, in fiscal 2012, Siemens completed the acquisition of a number of entities, presented in continuing operations, which are not significant individually including RuggedCom Inc., a provider of robust, industrial-quality Ethernet communication products and network solutions at the Industry Sector's Industry Automation Division, the NEM B.V. business, a specialist in heat recovery steam generators for combined-cycle (gas and steam) power plants at Energy Sector's Fossil Power Generation Division and eMeter Corporation, a meter data management specialist at Infrastructure & Cities Sector's Smart Grid Division. The aggregate consideration (including cash acquired) of all of these acquisitions amounts to €946 million.

The following figures represent the final purchase price allocations and show the amounts recognized for each major class of assets acquired and liabilities assumed:

(in millions of €)	
Goodwill	579
Technology	124
Customer relationships	113
Other intangible assets	50
Other long-lived assets	56
Trade and other receivables	82
Inventories	39
Other current assets	70
Cash and cash equivalents	138
Total assets acquired	**1,251**
Other liabilities and provisions	153
Deferred tax liabilities	51
Current liabilities	78
Total liabilities assumed	**282**

The respective acquisitions led to non-controlling interests of €23 million. Goodwill comprises intangible assets that are not separable such as employee know-how and expected synergy effects. Including purchase price accounting effects and integration costs, the acquired entities contributed revenues of €271 million and a net loss of €6 million to Siemens for the period from the respective acquisition date to September 30, 2012. If these acquired businesses had been included as of October 1, 2011, the impact on consolidated revenues and consolidated net income for the twelve months ended September 30, 2012 would have been €389 million and €(14) million, respectively.

B) DISPOSITIONS AND DISCONTINUED OPERATIONS

ba) Dispositions not qualifying for discontinued operations: closed transactions

Dispositions in fiscal 2013

On July 1, 2013, Siemens and Nokia have signed an agreement under which Nokia acquires the shares held in Nokia Siemens Networks Holding B.V. (NSN) by Siemens for an agreed purchase price of €1,700 million. The cash consideration amounts to €1,200 million with the remaining €500 million to be granted as an interest bearing loan to Nokia, maturing one year after closing.

The impairment recognized on the investment in fiscal 2009 was partly reversed since its recoverable amount, represented by its fair value less cost to sell, derived from the agreed purchase price, exceeds the carrying amount of NSN after applying the equity method. Thus, item Reversals of impairment presented in line item Income (loss) from investments accounted for using the equity method, net included €301 million relating to NSN held by segment Equity Investments. The investment in NSN was classified as held for disposal as of June 30, 2013 and equity method accounting ceased. The share of losses recognized for the investment in NSN in fiscal 2013 and 2012 amounted to €76 million and €741 million, respectively.

The transaction closed in August 2013 and resulted in a further gain on disposal for the investment previously presented as held for disposal of €76 million due to the reversal of amounts recognized in line item Other comprehensive income, net of income taxes. Nokia early redeemed the loan in September 2013.

bb) Dispositions not qualifying for discontinued operations: held for disposal

The Consolidated Statements of Financial Position as of September 30, 2013 and 2012 include assets held for disposal of €625 million and €106 million and liabilities held for disposal of €215 million and €39 million, respectively, that do not qualify as discontinued operations. As of September 30, 2013, the assets and liabilities mainly include the Business Unit TurboCare of the Energy Sector.

bc) Discontinued operations

General

Net income (loss) from discontinued operations presented in the Consolidated Statements of Income in fiscal 2013 and 2012 amount to €197 million (thereof €(158) million income tax) and €(360) million (thereof €(77) million income tax), respectively.

Net income (loss) from discontinued operations attributable to shareholders of Siemens AG for fiscal 2013 and 2012 amount to €191 million and €(360) million.

Water Technologies – discontinued operations, assets and liabilities held for disposal

In the first quarter of fiscal 2013, Siemens decided to sell its Business Unit Water Technologies. The conditions for Water Technologies to be classified as held for disposal and discontinued operations were fulfilled as of the fourth quarter of fiscal 2013.

Accordingly, the results of Water Technologies are disclosed as discontinued operations in the Company's Consolidated Statements of Income for all periods presented:

	Year ended September 30,	
(in millions of €)	2013	2012
Revenue	950	1,099
Expenses	(959)	(1,081)
Loss on the measurement to fair value less costs to sell or on the disposal of the disposal group constituting the discontinued operations	(24)	–
Pretax income (loss) from discontinued operations	**(32)**	**18**
Income taxes on ordinary activities	1	(9)
Income taxes on the loss on the measurement to fair value less costs to sell or on the disposal of the disposal group constituting the discontinued operations	6	–
Income (loss) from discontinued operations, net of income taxes	**(26)**	**9**

The assets and liabilities of Water Technologies are presented as held for disposal in the Consolidated Statements of Financial Position as of September 30, 2013. The carrying amounts of the major classes of assets and liabilities of Water Technologies were as follows:

	September 30,
(in millions of €)	2013
Trade and other receivables	155
Inventories	144
Financial assets	35
Goodwill	155
Other intangible assets	103
Property, plant and equipment	157
Other assets	19
Assets classified as held for disposal	**768**
Trade payables	79
Current provisions	36
Other current liabilities	92
Post-employment benefits	13
Other liabilities	37
Liabilities associated with assets classified as held for disposal	**258**

Upon classification as held for disposal and discontinued operations in the fourth quarter of fiscal 2013, Water Technologies was measured at the lower of its previous carrying amount and fair value less costs to sell. The associated loss recognized represents impairment of goodwill amounting to €13 million.

Solar business – reclassification to continuing operations

In the fourth quarter of fiscal 2012, Siemens decided to sell its solar business consisting of the former Business Units Solar Thermal Energy and Photovoltaics and classified it as held for disposal and discontinued operations since the end of fiscal 2012. In the second quarter of fiscal 2013, the solar business no longer fulfilled the conditions to be classified as held for disposal and discontinued operations as a disposal within one year was no longer considered highly probable. Regarding Photovoltaics, the disposal process was terminated in March 2013 and instead the phase out of existing orders with a subsequent closure of the activities is being pursued. Regarding Solar Thermal Energy the disposal within one year was no longer highly probable due to the worsened environment in the overall market for solar thermal energy as well as a decrease of output of a solar thermal power plant within the solar thermal energy activities of Siemens. Therefore, the solar business is reported within continuing operations of the Energy Sector. In the third quarter of fiscal 2013, Siemens decided to terminate the sales process for Solar Thermal Energy as well and instead is pursuing the phase out of existing orders with a subsequent closure of the activities except for the solar thermal power plant, which will be continued.

Loss from continuing operations before income taxes regarding the solar business presented in the Consolidated Statements of Income for fiscal 2013 and 2012 amounted to €(255) million and €(258) million, respectively.

As of September 30, 2012, the assets and liabilities of the solar business amounting to €224 million and €126 million were classified as assets and liabilities held for disposal.

OSRAM – discontinued operations, assets and liabilities held for disposal

In March 2011, Siemens announced that it planned to publicly list its subsidiary OSRAM. Siemens intended to retain a minority stake in OSRAM. The conditions for OSRAM to be classified as held for disposal and discontinued operations were fulfilled as of the end of the second quarter of fiscal 2011. Facing the market conditions Siemens decided in June 2012 to prepare, parallel and alternatively to the aforementioned plan of an initial public offering, an offering of OSRAM in the form of a spin-off by issuing OSRAM shares to the shareholders of Siemens AG and a subsequent listing of these shares.

The decision in June 2012 represented a significant change of the previous disposal plan. Siemens no longer considered it highly probable to complete the disposal of OSRAM via an initial public offering by the end of calendar year 2012, resulting in a reversal of the previous classification of the disposal group OSRAM as held for disposal and discontinued operations. By reversing the previous classification, Siemens recognized a negative effect on earnings of €443 million before taxes in the third quarter of fiscal 2012 that result from depreciation / amortization and impairments of property, plant and equipment and intangible assets and equity pick ups that were not recognized while OSRAM was previously classified as discontinued operations (€123 million referring to fiscal 2011). This effect on earnings is presented under expenses in the table below. Siemens considered a listing via spin-off as highly probable including the high probability of the shareholders approval based on past experience with other capital matters suggested for approval at the Annual Shareholders' Meeting, feedback from the financial market and the economic rationale of the decision from a shareholder perspective. Accordingly, Siemens classified OSRAM as held for disposal and discontinued operations again. Among other impacts on other income taxes (on costs to sell / spin-off costs), Siemens adjusted deferred tax assets according to the plan of issuing OSRAM shares in the form of a spin-off.

In November 2012, Siemens called off the initial public offering plan and made available a spin-off report to its shareholders in December 2012 in order to request their approval for the spin-off of 80.5% of OSRAM at the Annual Shareholders' Meeting in January 2013. At the Annual Shareholders' Meeting the shareholders of Siemens AG approved the spin-off of OSRAM by a majority of more than 98%. In July 2013, Siemens successfully completed its planned spin-off and listing of OSRAM. As a result, Siemens derecognized the net carrying amount of the disposal group OSRAM and the associated spin-off liability. The spin-off liability which was initially recognized in the second quarter of fiscal 2013 based on the shareholders' approval was presented in other current liabilities and reflected 80.5% of the fair value of OSRAM. At the end of each reporting period and at the date of the actual spin-off, Siemens measured the spin-off liability at fair value with any changes recognized in retained earnings.

Effective July 5, 2013 Siemens transferred 80.5% of its ownership interest in OSRAM in the spin-off transaction to its shareholders. Immediately after the effectiveness of the spin-off, Siemens contributed 2.5% to the Siemens Pension Trust e.V. and thereafter owns 17.0% in OSRAM. The effectiveness of the spin-off triggered a remeasurement of the spin-off liability at fair value. The loss of control resulted in the derecognition of OSRAM's net assets, including non-controlling interests, the reclassification of components of other comprehensive income and the recognition of the remaining stake in OSRAM at fair value. Siemens applied a multiple valuation technique in order to determine the fair value of the spin-off liability as of July 5, 2013 using the input of a discounted cash flow valuation and market multiples, derived from a report from an independent expert. The fair value of the spin-off liability representing 80.5% of the ownership interest in OSRAM amounted to €2,270 million; the derecognized net assets spun-off amounted to €2,182 million, resulting in a difference at the amount of €88 million. Siemens recognized a gain of €21 million due to the measurement of the remaining stake in OSRAM at fair value. The derecognition of the non-controlling interests and the reclassification of relevant components of other comprehensive income resulted in a gain of €23 million and of €19 million, respectively. In fiscal 2013 costs to sell/spin-off costs amounted to €98 million. As a result, Siemens recognized a total gain on the spin-off in the amount of €54 million in fiscal 2013. Due to the nature of the spin-off, the derecognition of the disposal group is presented as a non-cash transaction.

The results of OSRAM are disclosed as discontinued operations in the Company's Consolidated Statements of Income for all periods presented:

	Year ended September 30,	
(in millions of €)	2013	2012
Revenue	4,064	5,400
Expenses	(3,745)	(5,476)
Gain on the spin-off of the disposal group constituting the discontinued operations (prior years: costs to sell/spin-off costs)	54	(33)
Pretax income (loss) from discontinued operations	**372**	**(109)**
Income taxes on ordinary activities	(110)	–
Other income taxes (on costs to sell/spin-off costs)	15	(26)
Income (loss) from discontinued operations, net of income taxes	**277**	**(135)**

The assets and liabilities of OSRAM were presented as held for disposal in the Consolidated Statements of Financial Position until the effective date of the spin-off on July 5, 2013. The carrying amounts of the major classes of assets and liabilities of OSRAM were as follows:

(in millions of €)	July 5, 2013	Sep. 30, 2012
Cash and cash equivalents	476	28
Trade and other receivables	850	827
Inventories	1,009	1,044
Financial assets	271	111
Goodwill	274	277
Other intangible assets	193	161
Property, plant and equipment	1,459	1,416
Deferred tax assets	311	376
Other assets	204	212
Assets classified as held for disposal	**5,046**	**4,450**
Trade payables	610	609
Current provisions	98	92
Other current liabilities	434	379
Post-employment benefits	398	488
Other liabilities	796	304
Liabilities associated with assets classified as held for disposal	**2,336**	**1,872**

Revenue resulting from transactions between OSRAM and joint ventures and associates of Siemens in fiscal 2013 and 2012 amounted to €19 million and €156 million, respectively. Expenses resulting from transactions between OSRAM and joint ventures and associates of Siemens in fiscal 2013 and 2012 amounted to €11 million and €13 million, respectively. As of September 30, 2012, receivables from and liabilities to joint ventures and associates are €39 million and €2 million, respectively.

Siemens IT Solutions and Services – discontinued operations

Effective July 1, 2011, Atos S.A. (AtoS) acquired Siemens IT Solutions and Services for a cash payment of €177 million; Siemens received €12.5 million newly issued shares in AtoS with a five-year lock-up commitment, a five-year €250 million convertible bond (nominal value) and entered into a seven-year outsourcing contract worth around €5.5 billion, under which AtoS will provide managed services and system integration to Siemens. Siemens retains the equity method accounted project HERKULES, disclosed in Centrally managed portfolio activities. Siemens recognized a liability for purchase price adjustments and recorded contractual obligations, loss provisions and risk contingencies in connection with the sales agreements. In fiscal 2013 and 2012, a gain of €99 million and €53 million resulted from purchase price adjustments. A final settlement with AtoS was not yet reached in fiscal 2013.

(in millions of €)	Year ended September 30, 2013	2012
Revenue	–	–
Expenses	(40)	(35)
Gain (loss) on the measurement to fair value less costs to sell or on the disposal of the disposal group constituting the discontinued operations	99	45
Pretax income from discontinued operations	**59**	**10**
Income taxes on ordinary activities	12	15
Income taxes on the gain (loss) on the measurement to fair value less costs to sell or on the disposal of the disposal group constituting the discontinued operations	(1)	15
Income from discontinued operations, net of income taxes	**71**	**40**

Former segments SV and Com – discontinued operations

Net results from discontinued operations of SV activities and the former operating segment Com presented in the Consolidated Statements of Income in fiscal 2013 and 2012 amounted to €(117) million (thereof €(81) million income tax) and €(260) million (thereof €(73) million income tax), respectively. The net results in fiscal 2013 included an income tax expense of €84 million related to NSN. The net results in fiscal 2012 mainly relate to Com and include settlements of a matter with the Greek State with a pretax impact of €(143) million (€(104) million after tax) as well as negative tax effects of €115 million.

NOTE 5 Other operating income

In fiscal 2013 and 2012, Other operating income includes gains on sales of property, plant and equipment partially leased back under operating leases mainly in fiscal 2013 and of intangible assets of €228 million and €207 million, respectively, as well as income in connection with legal and regulatory matters.

NOTE 6 Other operating expenses

Other operating expenses in fiscal 2013 and 2012 include impairment losses on goodwill, charges related to legal and regulatory matters, losses on sales of property, plant and equipment and intangible assets and losses from the sale of businesses.

NOTE 7 Income (loss) from investments accounted for using the equity method, net

(in millions of €)	Year ended September 30, 2013	2012
Share of profit (loss), net	247	(371)
Gains (losses) on sales, net	78	103
Impairment	(116)	(68)
Reversals of impairment	301	4
Income (loss) from investments accounted for using the equity method, net	**510**	(333)

Items Share of profit (loss), net, Gains (losses) on sales, net and Reversals of impairment include the effects of disposing of Siemens' share in NSN in the fourth quarter of fiscal 2013, see → NOTE 4 ACQUISITIONS, DISPOSITIONS AND DISCONTINUED OPERATIONS. Item Share of profit (loss), net also includes Siemens' share in Enterprise Networks' earnings (EN) of €(96) million and €(23) million, in fiscal 2013 and 2012, respectively. Due to Siemens' commitment made to EN which forms part of Siemens' net investment in EN, Siemens recognized the previously unrecognized share of losses as well as the current share of losses in fiscal 2013.

Item Gains (losses) on sales, net, in fiscal 2012, include €79 million gain on the partial sale of interests in Bangalore International Airport Limited.

In fiscal 2013 and 2012, item Impairment includes €(97) million and €(46) million related to an investment of Siemens' solar business, see → NOTE 4 ACQUISITIONS, DISPOSITIONS AND DISCONTINUED OPERATIONS.

NOTE 8 Interest income, interest expenses and other financial income (expenses), net

(in millions of €)	Year ended September 30, 2013	2012
Interest income from post-employment benefits	3	8
Interest income, other than from post-employment benefits	945	930
Interest income	**948**	**939**
Interest expenses from post-employment benefits	(297)	(310)
Interest expenses, other than from post-employment benefits	(493)	(450)
Interest expenses	**(789)**	**(760)**
Income (expenses) from available-for-sale financial assets, net	(80)	103
Miscellaneous financial income (expenses), net	(74)	(108)
Other financial income (expenses), net	**(154)**	(5)

Total amounts of item Interest income and (expense), other than from post-employment benefits, were as follows:

(in millions of €)	Year ended September 30, 2013	2012
Interest income, other than from post-employment benefits	945	930
Interest expenses, other than from post-employment benefits	(493)	(450)
Interest income (expenses), net, other than from post-employment benefits	**452**	480
Thereof: Interest income (expenses) of operations, net	*(3)*	*9*
Thereof: Other interest income (expenses), net	*455*	*471*

Item Interest income (expense) of Operations, net includes interest income and expense primarily related to receivables from customers and payables to suppliers, interest on advances from customers and advanced financing of customer contracts. Item Other interest income (expense), net includes all other interest amounts primarily consisting of interest relating to corporate debt, and related hedging activities, as well as interest income on corporate assets.

Item Interest income (expense) other than from post-employment benefits includes the following with respect to financial assets (financial liabilities) not at fair value through profit or loss:

(in millions of €)	Year ended September 30, 2013	2012
Total interest income on financial assets	931	918
Total interest expenses on financial liabilites [1]	(767)	(796)

1 Relating to hedged positions, herein only the interest expenses on hedged items not at fair value through profit and loss is included, whereas item Interest expenses, other than pension also contains the offsetting effect on interest of the hedging instrument. The difference is due to the disparities of interest rate swap contracts.

The components of item Income (expense) from available-for-sale financial assets, net were as follows:

(in millions of €)	Year ended September 30, 2013	2012
Dividends received	18	18
Gains on sales, net	17	101
Impairment	(116)	(17)
Other	1	1
Income (expenses) from available-for-sale financial assets, net	**(80)**	**103**

In fiscal 2012, item Gains on sales, net includes €87 million gains from the sale of the 25% interest in OAO Power Machines held by the Energy Sector; €66 million of the gain relate to gains recycled from Other comprehensive income as of September 30, 2011. The investment was classified as held for disposal. The transaction closed in December 2011.

Item Miscellaneous financial income (expense), net, in fiscal 2013 and 2012, includes gains (losses) of €95 million and €(238) million, respectively, from the accretion of provisions and the increase (decrease) in the discount rate, as well as expenses as a result of allowances and write offs of finance receivables, net of reversals of €80 million and €89 million, respectively. Furthermore, gains (losses) related to derivative financial instruments are included.

NOTE 9 Income taxes

Income from continuing operations before income tax is attributable to the following geographic regions:

(in millions of €)	Year ended September 30, 2013	2012
Germany	1,227	2,266
Foreign	4,615	4,370
	5,843	**6,636**

Income tax expense (benefit) consists of the following:

(in millions of €)	Year ended September 30, 2013	2012
Current tax:		
German corporation and trade taxes	543	148
Foreign income taxes	1,236	1,510
	1,779	1,658
Deferred tax:		
Germany	233	419
Foreign	(382)	(83)
	(149)	336
Income tax expenses	**1,630**	**1,994**

The current income tax expenses in fiscal 2013 and 2012 includes adjustments recognized for current tax of prior years in the amount of €92 million and €(117) million, respectively. The current tax expense is positively impacted by the closing of a mutual agreement procedure regarding transfer prices between Germany and the U.S. in the fourth quarter of fiscal 2013 leading to an increase of German current taxes and an overcompensating decrease of foreign income taxes. In fiscal 2012 the German current tax expense is positively affected by receivables due to several mutual agreement procedures.

The deferred tax expense (benefit) in fiscal 2013 and 2012 includes tax effects of the origination and reversal of temporary differences of €(297) million and €(150) million, respectively. The German deferred tax expense in fiscal 2013 is mainly related to the utilization of tax loss carryforwards.

In Germany, the calculation of current tax is based on a corporate tax rate of 15% and a solidarity surcharge thereon of 5.5%, for all distributed and retained earnings. In addition to corporate taxation, trade tax is levied on profits earned in Germany. As the German trade tax is a non deductible expense, the average trade tax rate amounts to 15% and the combined total tax rate results in 31%. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

For foreign subsidiaries, current taxes are calculated based on the local tax laws and applicable tax rates in the individual foreign countries. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Income tax expense (current and deferred) differs from the amounts computed by applying a combined statutory German income tax rate of 31% as follows:

	Year ended September 30,	
(in millions of €)	2013	2012
Expected income tax expenses	1,811	2,058
Increase (decrease) in income taxes resulting from:		
Non-deductible losses and expenses	380	388
Tax-free income	(346)	(398)
Taxes for prior years	50	(59)
Change in realizability of deferred tax assets and tax credits	23	(17)
Change in tax rates	(31)	(39)
Foreign tax rate differential	(182)	(52)
Tax effect of investments accounted for using the equity method	(74)	115
Other, net	(1)	(2)
Actual income tax expenses	**1,630**	**1,994**

The tax free income in fiscal 2013 is amongst others attributable to the NSN disposal.

Deferred income tax assets and liabilities on a gross basis are summarized as follows:

	September 30,	
(in millions of €)	2013	2012
Assets:		
Financial assets	54	52
Other intangible assets	190	169
Property, plant and equipment	303	288
Inventories	558	551
Receivables	682	541
Post-employment benefits	2,954	3,238
Provisions	1,685	1,677
Liabilities	2,014	2,513
Tax loss and credit carryforward	918	1,296
Other	282	231
Deferred tax assets	9,640	10,556
Liabilities:		
Financial assets	239	236
Other intangible assets	1,582	1,407
Property, plant and equipment	631	782
Inventories	1,700	1,857
Receivables	1,776	2,061
Provisions	601	450
Liabilities	69	156
Other	312	353
Deferred tax liabilities	6,910	7,302
Total deferred tax assets, net	**2,730**	**3,254**

In assessing the realizability of deferred tax assets, management considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carryforwards become deductible. Management considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is probable the Company will realize the benefits of these deductible differences. As of September 30, 2013, the Company has certain tax losses subject to significant limitations. For those losses deferred tax assets are not recognized, as it is not probable that gains will be generated to offset those losses.

As of September 30, 2013 and 2012, the Company had in total €3,341 million and €4,721 million, respectively of gross tax loss carryforwards. The Company assumes that future operations will generate sufficient taxable income to realize the deferred tax assets.

Deferred tax assets have not been recognized with respect of the following items (gross amounts):

(in millions of €)	September 30, 2013	2012
Deductible temporary differences	150	165
Tax loss carryforward	941	662
	1,091	**827**

As of September 30, 2013 and 2012, €221 million and €214 million, respectively the major part of the unrecognized tax loss carryforwards expire over the periods to 2018.

The Company has ongoing regular tax audits concerning open income tax years in a number of jurisdictions. Adequate provisions for all open tax years have been foreseen. Among others, the German Tax Audit rejected the deductible treatment of expenses in connection with the buy-back of the convertible bond issued 2003. Accordingly, line item Capital reserve was reduced by €553 million and a tax expense of €53 million was recognized in fiscal 2013. The Company filed an appeal and will rigorously defend the position taken in tax returns. In addition, the Company has applied for several mutual agreement procedures to avoid double taxation.

The Company recorded deferred tax liabilities for income taxes and foreign withholding taxes on future dividend distributions from subsidiaries which are actually intended to be repatriated. Apart from this liability, the Company has not recognized deferred tax liabilities for income taxes or foreign withholding taxes on the cumulative earnings of subsidiaries of €19,214 million and €21,270 million, respectively in fiscal 2013 and 2012 because the earnings are intended to be permanently reinvested in the subsidiaries.

Including the items charged or credited directly to equity and the expense (benefit) from continuing and discontinued operations, the income tax expense (benefit) consists of the following:

(in millions of €)	Year ended September 30, 2013	2012
Continuing operations	1,630	1,994
Discontinued operations	158	77
Income and expenses recognized directly in equity	738	(1,194)
	2,526	**877**

NOTE 10 Available-for-sale financial assets

The following tables summarize the current portion of the Company's investment in available-for-sale financial assets:

(in millions of €)	September 30, 2013 Cost	Fair value	Unrealized Gain	Unrealized Loss
Equity instruments	6	8	2	–
Debt instruments	378	382	3	–
Fund shares	195	211	16	–
	580	**601**	**21**	**(1)**

(in millions of €)	September 30, 2012 Cost	Fair value	Unrealized Gain	Unrealized Loss
Equity instruments	6	8	2	–
Debt instruments	304	308	5	–
Fund shares	196	208	13	(1)
	506	**524**	**19**	**(1)**

Non-current available-for-sale financial assets, which are included in line item Other financial assets are measured at fair value, if reliably measurable. They primarily consist of equity instruments, mainly comprising shares in AtoS and, since July 2013, in OSRAM. As of September 30, 2013 and 2012 non-current available-for-sale financial assets measured at cost amount to €167 million and €293 million, respectively; available-for-sale financial assets measured at fair value amount to €1,394 million and €728 million, respectively. Unrealized gains (losses) in fiscal 2013 and 2012 resulting from non-current available-for-sale financial assets at fair value were €401 million and €215 million, respectively.

NOTE 11 Trade and other receivables

(in millions of €)	September 30, 2013	2012
Trade receivables from the sale of goods and services	12,932	13,310
Receivables from finance leases	1,921	1,910
	14,853	**15,220**

Changes to the valuation allowance of current and long-term receivables presented in → NOTE 11, 12 AND 19, which belong to the class of financial assets measured at (amortized) cost are as follows (excluding receivables from finance leases):

(in millions of €)	Year ended September 30, 2013	2012
Valuation allowance as of beginning of fiscal year	1,056	1,005
Increase in valuation allowances recorded in the Consolidated Statements of Income in the current period	205	191
Write-offs charged against the allowance	(208)	(108)
Recoveries of amounts previously written-off	9	7
Foreign exchange translation differences	(38)	14
Reclassifications to line item Assets held for disposal and dispositions of those entities	–	(54)
Valuation allowance as of fiscal year-end	**1,023**	**1,056**

In fiscal 2013 and 2012, receivables from finance leases, current amount to €1,921 million and €1,910 million, respectively; the long-term portion amounts to €3,340 million and €3,148 million, respectively. The valuation allowance on current and long-term receivables from finance leases changed as follows:

(in millions of €)	Year ended September 30, 2013	2012
Valuation allowance as of beginning of fiscal year	134	142
Increase in valuation allowances recorded in the Consolidated Statements of Income in the current period	35	23
Write-offs charged against the allowance	(47)	(40)
Recoveries of amounts previously written-off	5	6
Foreign exchange translation differences	(4)	5
Reclassifications to and from line item Assets held for disposal and dispositions of those entities	–	(2)
Valuation allowance as of fiscal year-end	**124**	**134**

Minimum future lease payments to be received are as follows:

(in millions of €)	September 30, 2013	2012
Within one year	2,318	2,273
After one year but not more than five years	3,406	3,240
More than five years	214	206
	5,938	**5,719**

The following table shows a reconciliation of minimum future lease payments to the gross and net investment in leases and to the present value of the minimum future lease payments receivable:

(in millions of €)	September 30, 2013	2012
Minimum future lease payments	5,938	5,719
Plus: Unguaranteed residual values	97	131
Gross investment in leases	6,034	5,850
Less: Unearned finance income	(649)	(657)
Net investment in leases	5,385	5,193
Less: Allowance for doubtful accounts	(124)	(134)
Less: Present value of unguaranteed residual value	(85)	(117)
Present value of minimum future lease payments receivable	**5,176**	**4,942**

The gross investment in leases and the present value of minimum future lease payments receivable are due as follows:

(in millions of €)	September 30, 2013	2012
Gross investment in leases	6,034	5,850
Within one year	2,345	2,388
One to five years	3,472	3,248
Thereafter	218	214
Present value of minimum future lease payments receivable	5,176	4,942
Within one year	1,946	2,012
One to five years	3,035	2,743
Thereafter	195	187

Investments in finance leases primarily relate to industrial machinery, medical equipment, transportation systems, equipment for information technology and office machines. Actual cash flows will vary from contractual maturities due to future sales of finance receivables, prepayments and write-offs.

NOTE 12 Other current financial assets

(in millions of €)	September 30, 2013	2012
Derivative financial instruments	435	530
Loans receivable	1,646	1,197
Other	1,169	1,174
	3,250	**2,901**

NOTE 13 Inventories

(in millions of €)	September 30, 2013	2012
Raw materials and supplies	2,476	2,629
Work in process	3,502	3,496
Costs and earnings in excess of billings on uncompleted contracts	8,604	8,005
Finished goods and products held for resale	2,311	2,643
Advances to suppliers	707	953
	17,601	17,726
Advance payments received	(2,040)	(2,047)
	15,560	**15,679**

Cost of sales rendered include inventories recognized as expense amounting to €53,778 million and €53,947 million, respectively, in fiscal 2013 and 2012. Raw materials and supplies, work in process as well as finished goods and products held for resale are valued at the lower of acquisition / production cost and net realizable value. The respective write-downs, as compared to prior year, increased by €39 million and €57 million as of September 30, 2013 and 2012.

Item Costs and earnings in excess of billings on uncompleted contracts relates to construction contracts, with net asset balances where contract costs plus recognized profits less recognized losses exceed progress billings. Construction contracts, here and as follows, include service contracts accounted for under the percentage of completion method. Liabilities from contracts for which progress billings exceed costs and recognized profits less recognized losses are recognized in line item Other current liabilities.

The aggregate amount of costs incurred and recognized profits less recognized losses for construction contracts in progress, as of September 30, 2013 and 2012 amounted to €83,187 million and €83,533 million, respectively. Revenue from construction contracts amounted to €31,178 million and €32,530 million, respectively, for fiscal 2013 and 2012.

Advance payments received on construction contracts in progress were €8,630 million and €9,295 million as of September 30, 2013 and 2012. Retentions in connection with construction contracts were €452 million and €343 million in fiscal 2013 and 2012.

In the fourth quarter of fiscal 2012, Siemens revised project calculations for long-term contracts with customers in Iran in accordance with accounting guidance for construction and service contracts. The resulting adjustments reduced income from continuing operations before income tax expenses by €347 million.

NOTE 14 Other current assets

(in millions of €)	September 30, 2013	2012
Miscellaneous tax receivables	735	668
Prepaid expenses	227	262
Other	335	346
	1,297	**1,277**

NOTE 15 Goodwill

(in millions of €)	Year ended September 30, 2013	2012
Cost		
Balance at beginning of year	18,517	17,252
Translation differences and other	(697)	599
Acquisitions and purchase accounting adjustments	1,719	913
Dispositions and reclassifications to assets classified as held for disposal	25	(246)
Balance at year-end	**19,564**	**18,517**
Accumulated impairment losses and other changes		
Balance at beginning of year	1,448	1,546
Translation differences and other	(66)	59
Impairment losses recognized during the period	70	85
Dispositions and reclassifications to assets classified as held for disposal	229	(242)
Balance at year-end	**1,681**	**1,448**
Carrying amount		
Balance at beginning of year	17,069	15,706
Balance at year-end	**17,883**	**17,069**

(in millions of €)	Carrying amount as of 10/01/2012	Translation differences and other	Acquisitions and purchase accounting adjustments	Dispositions, reclassifications incl. reclassifications to assets classified as held for disposal	Impairments	Carrying amount as of 9/30/2013
Sectors						
Energy	2,718	(61)	5	(34)	(23)	2,606
Healthcare	8,314	(362)	(3)	–	–	7,950
Industry	4,173	(146)	418	(169)	–	4,276
Infrastructure & Cities	1,742	(65)	1,299	–	(47)	2,930
Total Sectors	**16,949**	**(633)**	**1,719**	**(204)**	**(70)**	**17,761**
Financial Services (SFS)	121	2	–	–	–	122
Siemens	**17,069**	**(632)**	**1,719**	**(204)**	**(70)**	**17,883**

(in millions of €)	Carrying amount as of 10/01/2011	Translation differences and other	Acquisitions and purchase accounting adjustments	Dispositions, reclassifications incl. reclassifications to assets classified as held for disposal	Impairments	Carrying amount as of 9/30/2012
Sectors						
Energy	2,269	82	422	31	(85)	2,718
Healthcare	7,964	287	63	–	–	8,314
Industry	3,802	121	278	(28)	–	4,173
Infrastructure & Cities	1,558	40	150	(6)	–	1,742
Total Sectors	**15,594**	**530**	**913**	**(3)**	**(85)**	**16,949**
Financial Services (SFS)	112	10	–	(1)	–	121
Siemens	**15,706**	**539**	**913**	**(4)**	**(85)**	**17,069**

Siemens performs the mandatory annual impairment test in the three months ended September 30. Except as disclosed above, the recoverable amounts for the annual impairment test 2013 for Divisions or equivalents were estimated to be higher than the carrying amounts. Key assumptions on which management has based its determinations of the fair value less costs to sell for the Divisions' or equivalents' carrying amount include terminal value growth rates up to 2.3% in fiscal 2013 and 2.7% in fiscal 2012, respectively and after-tax discount rates of 6.0% to 10.8% in fiscal 2013 and 7.0% to 9.5% in fiscal 2012. Where possible, reference to market prices is made.

For the purpose of estimating the fair value less costs to sell of the Divisions or equivalents, cash flows were projected for the next five years based on past experience, actual operating results and management's best estimate about future developments as well as market assumptions.

The fair value less costs to sell is mainly driven by the terminal value which is particularly sensitive to changes in the assumptions on the terminal value growth rate and discount rate. Both assumptions are determined individually for each Division or equivalent. Discount rates reflect the current market assessment of the risks specific to each Division or equivalent and are based on the weighted average cost of capital for the Divisions or equivalents (for SFS the discount rate represents cost of equity). Terminal value growth rates take into consideration external macroeconomic sources of data and industry specific trends.

The following table presents the key assumptions used to determine fair value less costs to sell for impairment test purposes for the Divisions to which a significant amount of goodwill is allocated:

	Year ended September 30, 2013			Year ended September 30, 2012		
(in millions of €, rates in %)	Goodwill	Terminal value growth rate	After-tax discount rate	Goodwill	Terminal value growth rate	After-tax discount rate
Diagnostics of the Healthcare Sector	4,758	2.3%	6.0%	4,981	2.3%	7.0%
Industry Automation of the Industry Sector	2,986	1.7%	8.5%	2,897	1.8%	8.5%
Imaging & Therapy Systems of the Healthcare Sector	2,483	2.2%	7.5%	2,596	2.7%	7.0%

In the context of the ongoing disposal process, an impairment test was performed for the logistics and airport solutions business within the Mobility & Logistics Division of the Infrastructure & Cities Sector as of September 30, 2013. As a result, an impairment loss of €46 million was recognized.

In fiscal 2012 the entire remaining goodwill of the solar business amounting to €85 million was impaired upon classification as held for disposal and discontinued operations based on the measurement at its fair value less costs to sell. Due to the reclassification of the solar business to continuing operations in fiscal 2013, the amount of €85 million is now disclosed as impairment in continuing operations for fiscal 2012.

NOTE 16 Other intangible assets

(in millions of €)	Gross carrying amount as of 10/01/2012	Translation differences	Additions through business combinations	Additions	Retirements[1]	Gross carrying amount as of 9/30/2013	Accumulated amortization and impairment	Carrying amount as of 9/30/2013	Amortization and impairment in fiscal 2013[2]
Software and other internally generated intangible assets	3,270	(78)	2	265	(114)	3,346	(2,104)	1,241	(268)
Patents, licenses and similar rights	7,154	(253)	1,363	65	(259)	8,070	(4,254)	3,816	(659)
Other intangible assets	**10,424**	**(332)**	**1,365**	**330**	**(372)**	**11,415**	**(6,358)**	**5,057**	**(927)**

1 Includes Other intangible assets reclassified to Assets classified as held for disposal and dispositions of those entities.

2 Includes impairment expenses of €53 million in fiscal 2013, thereof €25 million at Infrastructure & Cities, €19 million at Energy, €8 million at Industry and €2 million at Healthcare.

(in millions of €)	Gross carrying amount as of 10/01/2011	Translation differences	Additions through business combinations	Additions	Retirements[1]	Gross carrying amount as of 9/30/2012	Accumulated amortization and impairment	Carrying amount as of 9/30/2012	Amortization and impairment in fiscal 2012[2]
Software and other internally generated intangible assets	2,955	68	36	334	(122)	3,270	(2,001)	1,269	(291)
Patents, licenses and similar rights	6,665	198	463	94	(266)	7,154	(3,828)	3,326	(576)
Other intangible assets	**9,620**	**266**	**499**	**427**	**(387)**	**10,424**	**(5,829)**	**4,595**	**(867)**

1 Includes Other intangible assets reclassified to Assets classified as held for disposal and dispositions of those entities.

2 Includes impairment expenses of €44 million in fiscal 2012, therein €43 million at Healthcare.

Amortization and impairment on intangible assets is contained in line items Cost of sales, Research and development expenses or, Selling and general administrative expenses, depending on the use of the asset.

As of September 30, 2013 and 2012, contractual commitments for purchases of other intangible assets amount to €14 million and €15 million.

NOTE 17 Property, plant and equipment

(in millions of €)	Gross carrying amount as of 10/01/2012	Translation differences	Additions through business combinations	Additions	Reclassifications	Retirements[1]	Gross carrying amount as of 9/30/2013	Accumulated depreciation and impairment	Carrying amount as of 9/30/2013	Depreciation and impairment in fiscal 2013[2]
Land and buildings	8,285	(189)	68	187	150	(824)	7,677	(3,651)	4,027	(292)
Technical machinery and equipment	7,076	(177)	30	269	284	(463)	7,020	(4,594)	2,426	(517)
Furniture and office equipment	5,664	(149)	27	681	131	(614)	5,740	(4,352)	1,387	(715)
Equipment leased to others	3,372	(117)	–	377	(7)	(689)	2,936	(1,662)	1,274	(362)
Advances to suppliers and construction in progress	859	(26)	5	465	(559)	(33)	710[3]	(9)	701	(6)
Property, plant and equipment	**25,255**	**(658)**	**129**	**1,979**	**–**	**(2,623)**	**24,083**	**(14,268)**	**9,815**	**(1,892)**

1 Includes Property, plant and equipment reclassified to/from Assets classified as held for disposal and dispositions of those entities.

2 Includes impairment expenses of €141 million in fiscal 2013, thereof €55 million at SRE, €34 million at Industry, €31 million at Energy, €10 million at Infrastructure & Cities, €8 million at SFS and €2 million at Healthcare.

3 Includes €594 million expenditures for property, plant and equipment under construction.

(in millions of €)	Gross carrying amount as of 10/01/2011	Translation differences	Additions through business combinations	Additions	Reclassifications	Retirements[1]	Gross carrying amount as of 9/30/2012	Accumulated depreciation and impairment	Carrying amount as of 9/30/2012	Depreciation and impairment in fiscal 2012[2]
Land and buildings	8,110	154	53	280	175	(487)	8,285	(3,946)	4,339	(339)
Technical machinery and equipment	6,589	125	35	306	305	(284)	7,076	(4,474)	2,602	(460)
Furniture and office equipment	5,207	91	53	639	206	(532)	5,664	(4,291)	1,373	(648)
Equipment leased to others	3,301	108	–	375	2	(414)	3,372	(1,770)	1,602	(408)
Advances to suppliers and construction in progress	937	28	1	596	(689)	(15)	859[3]	(11)	848	(10)
Property, plant and equipment	**24,144**	**506**	**143**	**2,195**	**–**	**(1,732)**	**25,255**	**(14,492)**	**10,763**	**(1,865)**

1 Includes Property, plant and equipment reclassified to Assets classified as held for disposal and dispositions of those entities.

2 Includes impairment expense of €140 million in fiscal 2012, of which €56 million relate to SRE, €38 million relate to Energy and €32 million relate to SFS.

3 Includes €741 million expenditures for property, plant and equipment under construction.

Depreciation and impairment is included in line items Cost of sales, Research and development expenses or Selling and general administrative expenses, depending on the use of the asset. As of September 30, 2013 and 2012, contractual commitments for purchases of property, plant and equipment amount to €503 million and €395 million, respectively.

In fiscal 2013 and 2012, government grants awarded for the purchase or the production of property, plant and equipment amounted to €9 million and €13 million, respectively. The award of further government grants of €62 million and €77 million in fiscal 2013 and 2012, respectively, related to costs incurred and future costs.

As of September 30, 2013 and 2012, minimum future lease payments receivable from lessees under operating leases are as follows:

(in millions of €)	September 30, 2013	2012
Within one year	321	384
After one year but not more than five years	578	754
More than five years	137	196
	1,035	**1,334**

Payments from lessees under operating leases primarily relate to buildings, medical equipment and transportation systems. Total contingent rent recognized in income in fiscal 2013 and 2012 amounts to €214 million and €205 million.

INVESTMENT PROPERTY

The carrying amount of investment property amounts to €116 million and €121 million compared to a fair value of €258 million and €232 million as of September 30, 2013 and 2012, respectively.

NOTE 18 Investments accounted for using the equity method

As of September 30, 2013, Siemens' principal investments accounted for under the equity method, which are all unlisted, are (in alphabetical order):

	Percentage of Ownership September 30, 2013	2012
BSH Bosch und Siemens Hausgeräte GmbH (BSH)	50%	50%
BWI Informationstechnik GmbH[1]	50%	50%
Enterprise Networks Holdings B.V.	49%	49%
Maschinenfabrik Reinhausen GmbH	26%	26%
Nokia Siemens Networks Holding B.V.[2]	–	50%
P.T. Jawa Power[3]	50%	50%
Shanghai Electric Power Generation Equipment Co. Ltd.	40%	40%
Voith Hydro Holding GmbH & Co. KG	35%	35%

1 The exact percentage equals 50.05%; it is not controlled by Siemens due to significant participating rights of the two other shareholders.

2 The investment was disposed of in the fourth quarter of fiscal 2013. Until the disposal, the exact percentage of voting rights was equal to 50% less 2,500 voting rights. Due to its classification as held for disposal as of June 30, 2013, the summarized revenue and net income (loss) include NSN for nine months in fiscal 2013.

3 The investment is no jointly controlled entity.

Siemens' interest in BSH, which is the principal jointly controlled entity of Siemens, is recognized using the equity method, applying BSH's twelve month periods ended June 30. The following information reflect BSH's most recent published financial statements, not adjusted for the percentage of ownership held by Siemens.

(in millions of €)	Year ended December 31, 2012	2011
Revenue	9,800	9,654
Net income	465	374

(in millions of €)	December 31, 2012	2011
Current assets	4,650	4,576
Non-current assets	3,215	2,859
Current liabilities	2,876	3,109
Non-current liabilities	2,410	1,917

Summarized financial information for principal investments in associates, not adjusted for the percentage of ownership held by Siemens, is presented below. Income statement information is presented for the twelve month period applied under the equity method of accounting.

(in millions of €)	Year ended September 30, 2013	2012
Revenue	16,002	20,178
Net income (loss)	92	(1,272)

Information related to the Statements of Financial Position is presented as of the date used in applying the equity method of accounting.

(in millions of €)	September 30, 2013	2012
Total assets	6,825	17,702
Total liabilities	4,676	12,949

The unrecognized share of losses in associates amounted to €10 million and €22 million as of September 30, 2013 and 2012.

NOTE 19 Other financial assets

(in millions of €)	September 30, 2013	2012
Loans receivable	6,805	6,085
Receivables from finance leases, see → NOTE 11 TRADE AND OTHER RECEIVABLES	3,340	3,148
Derivative financial instruments	1,894	2,798
Available-for-sale financial assets	1,560	1,021
Other	1,518	1,614
	15,117	**14,666**

Item Loans receivable primarily relate to long-term loan transactions of SFS.

NOTE 20 Other current financial liabilities

(in millions of €)	September 30, 2013	2012
Derivative financial instruments, see → NOTES 30 AND 31	350	462
Accrued interest expenses	221	237
Other	944	761
	1,515	**1,460**

NOTE 21 Other current liabilities

(in millions of €)	September 30, 2013	2012
Billings in excess of costs and estimated earnings on uncompleted contracts and related advances	10,559	11,877
Payroll obligations and social security taxes	1,561	1,627
Other employee related costs	2,103	1,988
Deferred income	1,035	1,123
Accruals for outstanding invoices	1,067	904
Bonus obligations	1,683	1,264
Miscellaneous tax liabilities	669	650
Deferred reservation fees received	101	21
Other	923	848
	19,701	**20,302**

Item Other employee related costs primarily includes vacation payments, accrued overtime and service anniversary awards, severance payments, as well as liabilities related to termination benefits.

NOTE 22 Debt

(in millions of €)	September 30, 2013	2012
Short-term		
Notes and bonds	1,431	2,018
Loans from banks	412	1,505
Other financial indebtedness	82	270
Obligations under finance leases	20	33
Short-term debt and current maturities of long-term debt	**1,944**	**3,826**
Long-term		
Notes and bonds (maturing until 2066)	17,060	16,194
Loans from banks (maturing until 2023)	1,233	449
Other financial indebtedness (maturing until 2027)	106	110
Obligations under finance leases	110	128
Long-term debt	**18,509**	**16,880**
	20,453	**20,707**

Interest rates in this Note are per annum. In fiscal 2013 and 2012, weighted-average interest rates for loans from banks, other financial indebtedness and obligations under finance leases were 2.7% (2012: 2.3%), 3.1% (2012: 2.1%) and 4.1% (2012: 4.6%), respectively.

A) COMMERCIAL PAPER PROGRAM

Siemens has a US$9.0 billion (€6.7 billion as of September 30, 2013) multi-currency commercial paper program in place including US$ extendible notes capabilities. As of September 30, 2013 and 2012 no commercial papers were outstanding. Siemens' commercial papers have a maturity of generally less than 90 days. Interest rates ranged from 0.01% to 0.37% in fiscal 2013 and from (0.03)% to 0.70% in fiscal 2012.

B) NOTES AND BONDS

interest/issued/maturity	September 30, 2013 Currency notional amount (in millions)		September 30, 2013 Carrying amount in millions of €[1]	September 30, 2012 Currency notional amount (in millions)		September 30, 2012 Carrying amount in millions of €[1]
5.625%/2006/March 2016/US$ fixed-rate instruments	US$	500	412	US$	500	450
5.375%/2008/June 2014/EUR fixed-rate instruments	€	1,000	1,031	€	1,000	1,071
5.625%/2008/June 2018/EUR fixed-rate instruments	€	1,600	1,844	€	1,600	1,912
4.125%/2009/February 2013/EUR fixed-rate instruments[2]	–	–	–	€	2,000	2,018
5.125%/2009/February 2017/EUR fixed-rate instruments	€	2,000	2,136	€	2,000	2,168
US$ 3m LIBOR+1.4%/2012/February 2019/US$ floating-rate instruments	US$	400	296	US$	400	309
0.375%/2012/September 2014/EUR fixed-rate instruments	€	400	400	€	400	400
1.5%/2012/March 2020/EUR fixed-rate instruments	€	1,000	994	€	1,000	994
2.75%/2012/September 2025/GBP fixed-rate instruments	£	350	416	£	350	436
3.75%/2012/September 2042/GBP fixed-rate instruments	£	650	760	£	650	791
1.75%/2013/March 2021/EUR fixed-rate instruments	€	1,250	1,242	–	–	–
2.875%/2013/March 2028/EUR fixed-rate instruments	€	1,000	995	–	–	–
1.5%/2013/March 2018/US$ fixed-rate instruments	US$	500	368	–	–	–
3.5%/2013/March 2028/US$ fixed-rate instruments	US$	100	72	–	–	–
2013/June 2020/US$ floating-rate instruments	US$	400	295	–	–	–
Total Debt Issuance Program			**11,262**			**10,549**
5.75%/2006/October 2016/US$ fixed-rate instruments	US$	1,750	1,389	US$	1,750	1,483
6.125%/2006/August 2026/US$ fixed-rate instruments	US$	1,750	1,759	US$	1,750	1,908
Total US$ Medium Notes			**3,147**			**3,391**
5.25%/2006/September 2066/EUR fixed-rate instruments	€	900	976	€	900	1,004
6.125%/2006/September 2066/GBP fixed-rate instruments	£	750	986	£	750	1,075
Total Hybrid Capital Bond			**1,962**			**2,079**
1.05% 2012/August 2017/US$ fixed-rate instruments	US$	1,500	1,068	US$	1,500	1,104
1.65% 2012/August 2019/US$ fixed-rate instruments	US$	1,500	1,052	US$	1,500	1,089
Total Bond with Warrant Units			**2,120**			**2,193**
			18,491			**18,212**

1 Includes adjustments for fair value hedge accounting. 2 Redeemed at face value at maturity in fiscal 2013.

Debt Issuance Program

The Company has a program for the issuance of debt instruments under which it may issue instruments up to €15.0 billion as of September 30, 2013 and 2012, respectively. As of September 30, 2013 and 2012 €10.9 billion and €9.9 billion in notional amounts were issued and are outstanding.

Siemens redeemed at face value €2.0 billion in 4.125% fixed-rate instruments in February 2013. In fiscal 2013, Siemens issued €2.25 billion and US$500 million in fixed-rate instruments in three tranches, comprising: €1.25 billion, 1.75% instruments due March 12, 2021, €1.0 billion, 2.875% instruments due March 10, 2028 and US$500 million (€370 million as of September 30, 2013), 1.5% instruments due March 12, 2018. Furthermore, Siemens issued two privately placed instruments of US$100 million (€74 million as of September 30, 2013) in 3.5% fixed-rate instruments due March 20, 2028 and US$400 million (€296 million as of September 30, 2013) in floating-rate instruments due June 5, 2020.

In fiscal 2012, Siemens issued €1.4 billion and £1.0 billion (€1.2 billion as of September 30, 2013) in fixed-rate instruments in four tranches as well as US$400 million (€296 million as of September 30, 2013) privately placed in floating-rate instruments.

Hybrid Bond

In September 2006, the Company issued a subordinated hybrid bond in a EUR tranche of €900 million and a GBP tranche of £750 million (€897 million as of September 30, 2013), both with a legal final maturity on September 14, 2066 and with a call option for Siemens in 2016 or thereafter. The instruments bear fixed-rate interests until September 14, 2016; thereafter, floating-rate interest is applied according to the conditions of the bond.

Bond with Warrant Units

In fiscal 2012, Siemens issued US$ fixed-rate bonds with warrant units in an aggregate principal amount of US$3 billion in two tranches, comprising: (1) US$1.5 billion (€1.1 billion as of September 30, 2013) in 1.05% instruments maturing on August 16, 2017 and (2) US$1.5 billion (€1.1 billion as of September 30, 2013) in 1.65% instruments maturing on August 16, 2019. Each of the US$1.5 billion instruments were issued with 6,000 detachable warrants. The warrants' exercise price was fixed in Euro. The warrants were classified as equity instruments with a fair value of €126 million at issuance presented in the capital reserve in line item Other changes in equity. The warrants entitle the holders, at their option, to receive 1,806.1496 Siemens AG shares per warrant at an exercise price per share of €104.0018 during the exercise period which matures on August 1, 2017 and August 1, 2019 for instruments (1) and instruments (2), respectively. After the spin-off of OSRAM in fiscal 2013, the warrants entitle the holders to obtain OSRAM shares in addition to Siemens shares. Accordingly, the warrants no longer qualify as equity instruments since the approval of the spin-off in January 2013 and the warrants' fair value of €163 million was reclassified from line item Capital reserve to non-current other financial liability. The warrants result in option rights relating to a total of 21.7 million Siemens AG shares.

C) ASSIGNABLE AND TERM LOANS

The Company has assignable loans. The loans were issued in four tranches, totaled €333 million and €447 million in notional amount as of September 30, 2013 and 2012 (carrying amount €356 million and €486 million as of September 30, 2013 and 2012) and are for general corporate purposes. They consist of two fixed-rate tranches: €113.5 million 5.283% notes due and redeemed at face value in June 2013 and €333 million 5.435% notes due on June 12, 2015. The floating-rate tranches of €370 million bearing interest of 0.55% above six months EURIBOR due June 12, 2013 and €283.5 million bearing interest of 0.70% above six months EURIBOR due June 12, 2015 were called in August 2011 and were redeemed in December 2011 at their face value.

Additionally, in fiscal 2013, the Company signed two bilateral US$500 million term loan facilities (in aggregate €740 million as of September 30, 2013). The facilities have a term of five years expiring March 28, 2018 with two one-year extension options, were fully drawn in fiscal 2013 and bear interest of 0.79% above three months LIBOR.

D) CREDIT FACILITIES

The credit facilities at September 30, 2013 and 2012 consisted of €6.7 billion and €7.5 billion, respectively, in committed lines of credit. As of September 30, 2013, those include: (1) a €4.0 billion undrawn syndicated multi-currency revolving credit facility, entered into in fiscal 2012; in fiscal 2013, its maturity has been extended by one year to April 4, 2018 with a remaining one-year extension option; (2) a US$3.0 billion (€2.2 billion as of September 30, 2013) undrawn syndicated multi-currency revolving credit facility provided by a syndicate of international banks with a five year tenor and two one-year extension options, which was signed in September 2013. It replaces the previous US$4.0 billion syndicated multi-currency credit facility which expired August 21, 2013. The US$4.0 billion facility comprised a US$1.0 billion floating-rate term loan bearing interest of 0.15% above three months LIBOR which was drawn in January 2007 and redeemed at face value at maturity as well as a US$3.0 billion revolving tranche undrawn; (3) a €450 million revolving credit facility provided by a domestic bank expiring September 30, 2014.

As of September 30, 2013 and 2012, €6.7 billion and €6.8 billion of these lines of credit remained unused. Commitment fees for the years ended September 30, 2013 and 2012 amount to €6 million and €4 million, respectively. The facilities are for general business purposes.

As of September 30, 2013 and 2012, the aggregate amounts of indebtedness maturing during the next five years and thereafter are as follows (excluding finance leases which are disclosed separately):

	September 30,	
(in millions of €)	2013	2012
Within one year	1,924	3,793
After one year but not more than five years	10,423	9,214
More than five years	7,976	7,539
	20,323	**20,546**

OTHER FINANCIAL INDEBTEDNESS

Item Other financial indebtedness includes €111 million and €153 million as of September 30, 2013 and 2012, respectively, for the Company's real estate assets that were sold or transferred and in which Siemens has retained significant risks and rewards of ownership, including circumstances in which Siemens participates directly or indirectly in the change in market value of the property. Therefore, these transactions have been accounted for as financing obligations. These real estate properties are carried on the Company's Consolidated Statements of Financial Position and no sale and profit has been recognized.

OBLIGATIONS UNDER FINANCE LEASES

	September 30, 2013		
(in millions of €)	Minimum future lease payment obligation	Unamortized interest expense	Present value of minimum future lease payment obligation
Due			
Within one year	32	12	20
After one year but not more than five years	94	9	86
More than five years	78	53	25
Total	204	74	130
Less: Current portion			(20)
			110

	September 30, 2012		
(in millions of €)	Minimum future lease payment obligation	Unamortized interest expense	Present value of minimum future lease payment obligation
Due			
Within one year	47	14	33
After one year but not more than five years	62	11	51
More than five years	132	55	76
Total	241	80	161
Less: Current portion			(33)
			128

NOTE 23 Post-employment benefits

Post-employment benefits provided by Siemens are organized through defined benefit plans as well as defined contribution plans which cover almost all of the Company's domestic employees and the majority of the Company's foreign employees. Post-employment defined benefit plans include pension benefits and other post-employment benefits, which primarily consist of transition payments to German employees after retirement as well as post-employment health care and life insurance benefits to employees in the U.S. and Canada.

DEFINED BENEFIT PLANS

Siemens regularly reviews the design of its post-employment defined benefit plans. In order to reduce the Company's exposure to certain risks associated with defined benefit plans, such as longevity, inflation, effects of compensation increases, the Company implemented new defined benefit plans in some of Siemens' major countries including Germany, the U.S. and the U.K. during the last several years. The benefits of these new defined benefit plans are based predominantly on contributions made by the Company and are still affected by longevity, inflation adjustments and compensation increases, but only to a minor extent. The Company's major defined benefit plans are funded with assets in segregated entities. The defined benefit plans cover 501,000 participants, including 215,000 active employees, 87,000 former employees with vested benefits and 199,000 retirees and surviving dependents. Individual benefits are generally based on eligible compensation levels and/or ranking within the Company hierarchy and years of service. The characteristics of the defined benefit plans and the risks associated with them vary depending on legal, fiscal and economic requirements in each country. For the major defined benefit plans of Siemens the characteristics and risks are as follows:

Germany:

In Germany, Siemens AG provides pension benefits through the cash-balance plan BSAV (Beitragsorientierte Siemens Altersversorgung), frozen legacy plans and deferred compensation plans. The majority of Siemens' active employees in Germany participate in the BSAV introduced in fiscal 2004, which is a funded defined benefit pension plan whose benefits are predominantly based on contributions made by the Company and returns earned on such contributions, subject to a minimum return guaranteed by the Company. The BSAV is funded via a contractual trust arrangement (CTA), the BSAV

Trust. Individual benefits under the frozen legacy plans are based on eligible compensation levels or ranking within the Company hierarchy and years of service. In connection with the implementation of the BSAV, benefits provided under the frozen legacy plans funded via a CTA, the Siemens Pension Trust were modified to substantially eliminate the effects of compensation increases by freezing the accretion of benefits under the majority of these plans. However, these frozen plans still expose the Company to actuarial risks such as investment risk, interest rate risk and longevity risk. Furthermore, deferred compensation plans are offered which are also funded via a CTA. In Germany no legal or regulatory minimum funding requirements apply. The Trusts, which are legally separate from the Company, manage their plan assets as trustees, in accordance with the respective trust agreements with the Company.

U.S.:

Siemens Corporation in the U.S. sponsors one major defined benefit plan, the Siemens Pension Plan, which is frozen to new entrants and accretion of new benefits (with the exception of one small group of union employees). Employees of Siemens U.S. companies hired prior to April 1st, 2006 participate in the Siemens Pension Plan. Most of the defined benefit plan participants' benefits are calculated using a cash balance formula; although a small group of participants are eligible for a benefit based on a final average pay formula. This frozen defined benefit plan exposes the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary increase risk.

The defined benefit plan assets are held in a Master Trust. Siemens Corporation, as the sponsoring employer, has delegated investment oversight of the plans' assets to the Investment Committee. The Investment Committee members have a fiduciary duty to act solely in the best interests of the beneficiaries according to the trust agreement and U.S. law. The Committee has established an Investment Policy Statement which articulates the goals and objectives of the plans' investment management, including diversifying the assets of the Master Trust with the intention of appropriately addressing concentration risks. The trustee of the Master Trust acts only by direction of the Investment Committee. It is responsible for the safekeeping of the trust, but generally has no decision making authority over the plan assets. The legal and regulatory framework for the plans is based on the applicable U.S. legislation Employee Retirement Income Security Act (ERISA). Based on this legislation a funding valuation is prepared annually. There is a regulatory requirement to maintain a minimum funding level of 80% in the defined benefit plans in order to avoid benefit restrictions.

U.K.:

Siemens plc in the U.K. sponsors a frozen defined benefit plan and a defined contribution plan for all new employees and for the active service of those members who have participated in the frozen defined benefit plan. There are several smaller defined benefit plans which result from previous acquisitions, those plans are in the process of being merged or de-risked. The goal is to have only one legacy plan for closed or frozen defined benefits. For most of the defined benefit plan members an inflation increase of the accrued benefits until the start of retirement is mandatory. Furthermore, the plans expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary increase risk. The funding environment is determined by the Pension Regulator and the applicable social and labor laws. The defined benefit plans are governed by a benefit trust whose decision making body is a Board of Trustees who have a fiduciary duty to act in the best interests of the beneficiaries according to the trust agreement and law. The required funding is determined by a funding valuation carried out every third year based on legal requirements, which measures the liabilities on a government bond basis rather than under a high quality corporate bond basis as under IAS 19R, thus the technical funding deficit is usually larger. The funding valuation assumptions are being negotiated between the Company and the Trustees. The latest funding valuation in U.K. in calendar year 2011 resulted in a technical underfunding of GBP 939 (€1,123) million, based on the assumptions at that date. As a result, in fiscal 2013, Siemens entered into an agreement with the trustees to provide an annual payment of GBP 31 (€37) million for the next 20 years, beginning in fiscal 2014. In addition to these payments the Company is obliged to pay GBP 15 (€18) million until the next funding valuation, when the funding requirements will be updated based on new assumptions. This valuation will take place approximately end of calendar year 2015.

Switzerland:

According to the Swiss law "Berufliches Vorsorgegesetz" (BVG) each employer has to grant post-employment benefits for qualifying employees. Siemens Switzerland sponsors funded defined benefit plans for its qualifying employees. These plans are administered by foundations that are legally separated from the entity and are subject to the BVG. For the main pension fund, which represents 95% of the defined benefit obligation in Switzerland, the board of the pension fund is composed of an equal number of representatives from both employer and employees. For the other pension funds the employer has the majority of the seats in the foundation board. The board of the pension funds is required by law and by the regulations of the funds to act in the interest of the fund and of all stakeholders in the schemes, i.e. active employees and retirees. The board of the pension fund is responsible for the investment policy with regard to the assets of the fund, changes of the plan rules and it determines the necessary contributions to finance the benefits. The plan is a cash balance plan and the Company is required to make contributions at least as high as the pre-determined employee contributions set out in the plan rules. The plans expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary increase risk. Employer and plan participants' contributions are determined by the respective foundation boards. About 40% of the necessary contributions are financed by the employees. In the case of a shortfall, the employer and plan participants' contribution might be increased according to decisions of the relevant foundation board. Strategies of the foundation boards to make up for potential shortfalls are subject to approval by the regulator.

The amounts included in the Company's Consolidated Financial Statements arising from its post-employment defined benefit plans are as follows:

	Defined benefit obligation (DBO)		Fair value of plan assets		Effects in connection with asset ceiling		Net defined benefit balance	
	September 30,		September 30,		September 30,		September 30,	
(in millions of €)	2013	2012	2013	2012	2013	2012	2013	2012
Germany	20,367	20,339	14,017	13,956	–	–	(6,350)	(6,383)
U.S.	3,769	4,324	2,575	2,819	–	–	(1,194)	(1,505)
U.K.	4,455	4,006	4,022	3,758	(65)	(104)	(498)	(352)
CH	2,828	2,985	2,489	2,437	(49)	(47)	(388)	(594)
Other	1,753	1,996	975	1,086	(32)	(19)	(810)	(930)
Total	**33,173**	**33,650**	**24,078**	**24,057**	**(146)**	**(170)**	**(9,241)**	**(9,764)**

The net defined benefit balance of €9,241 million and €9,764 million as of September 30, 2013 and 2012 comprises €9,265 million and €9,801 million net defined benefit liability and €24 million and €38 million net defined benefit asset, respectively.

Defined benefit costs are as follows:

	Year ended September 30,	
(in millions of €)	2013	2012
Current service cost	510	437
Past service (benefit) cost	(9)	(124)
Settlement (gains) losses	(7)	**(38)**
Net interest expenses	297	**310**
Net interest income	(3)	(8)
Liability administration expenses	16	26
Components of defined benefit costs recognized in the Consolidated Statements of Income	**803**	**604**
Return on plan assets (excluding amounts included in net interest expenses and net interest income)	(504)	(2,308)
Actuarial (gains) and losses	(50)	5,048
Effect from asset ceiling	(23)	(5)
Remeasurements of defined benefit plans recognized in the Consolidated Statements of Comprehensive Income	**(577)**	**2,734**
Defined benefit costs	**226**	**3,338**

A reconciliation of the funded status to the amounts recognized in the Consolidated Statements of Financial Position is as follows:

	September 30,	
(in millions of €)	2013	2012
Defined benefit obligation of pension benefit plans	32,594	32,965
Defined benefit obligation of other post-employment benefit plans	579	685
Total defined benefit obligation	**33,173**	**33,650**
Fair value of plan assets of pension benefit plans	24,073	**24,052**
Fair value of plan assets of other post-employment benefit plans	5	5
Total fair value of plan assets	**24,078**	**24,057**
Funded status of pension benefit plans	(8,520)	(8,914)
Funded status of other post-employment benefit plans	(575)	(680)
Total funded status (excluding effects in connection with asset ceiling)	**(9,095)**	**(9,593)**

The Company's defined benefit plans are explicitly explained in the subsequent sections with regard to:

> Reconciliation of defined benefit obligations and plan assets,
> Actuarial assumptions,
> Sensitivity analysis,
> Asset-liability matching strategies,
> Disaggregation of plan assets, and
> Future cash flows.

Reconciliation for defined benefit obligations and plan assets

A detailed reconciliation for the changes in the DBO for fiscal 2013 and 2012 is provided in the following table:

	September 30,	
(in millions of €)	2013	2012
Change in defined benefit obligations:		
Defined benefit obligation at beginning of year	33,650	27,849
Current service cost	510	437
Past service (benefit) cost	(9)	(124)
Settlement (gains) losses	(7)	(38)
Interest expenses	1,036	1,247
Remeasurements:		
Actuarial (gains) losses from changes in demographic assumptions	43	208
Actuarial (gains) losses from changes in financial assumptions	(249)	4,680
Experience (gains) losses	156	159
Plan participants' contributions	105	118
Benefits paid	(1,622)	(1,585)
Settlement payments	(67)	(17)
Business combinations, disposals and other	135	207
Foreign currency translation effects	(508)	508
Defined benefit obligation at end of year	**33,173**	**33,650**

The total defined benefit obligation at the end of fiscal 2013 includes €10,767 million for active employees, €4,645 million for former employees with vested benefits and €17,761 million for retirees and surviving dependents.

A detailed reconciliation of the changes in the fair value of plan assets for fiscal 2013 and 2012 is provided in the following table:

	September 30,	
(in millions of €)	2013	2012
Change in plan assets:		
Fair value of plan assets at beginning of year	24,057	20,969
Interest income	750	952
Remeasurements:		
Return on plan assets excluding amounts included in net interest income and net interest expenses	504	2,308
Employer contributions	536	586
Plan participants' contributions	105	118
Benefits paid	(1,480)	(1,470)
Settlement payments	(67)	(19)
Business combinations, disposals and other	87	189
Liability administration costs	(16)	(26)
Foreign currency translation effects	(398)	448
Fair value of plan assets at end of year	**24,078**	**24,057**

Actuarial assumptions

Assumed discount rates, compensation increase rates, pension progression rates and mortality rates used in calculating the DBO vary according to the economic and other conditions of the country in which the retirement plans are situated.

The weighted-average discount rate as well as the mortality tables used for the actuarial valuation of the DBO at period-end were as follows:

	Year ended September 30,	
	2013	2012
Discount rate	3.4%	3.2%
Germany	*3.1%*	*3.1%*
U.S.	*3.7%*	*2.9%*
U.K.	*4.5%*	*4.4%*
CH	*2.1%*	*1.7%*

Mortality tables (most significant countries):	
Germany	*Heubeck Richttafeln 2005G*
U.S.	*RP2000 Combined Healthy Fully Generational Mortality Table*
U.K.	*S1PxA (Standard mortality tables for Self Administered Pension Schemes (SAPS) with allowance for future mortality improvements)*
CH	*BVG 2010 G*

The rates of compensation increase for countries with significant effects with regard to this assumption were as follows in fiscal 2013 and 2012: U.S.: 3.13% and 3.69%, U.K.: 4.80% and 4.10%, Switzerland: 1.50% and 1.50%. The rates of pension progression for countries with significant effects with regard to this assumption were as follows in fiscal 2013 and 2012: Germany: 1.69% and 1.67%, U.K.: 3.2% and 2.6%.

The DBO is also affected by assumed future inflation rates. The effect of inflation is recognized within the assumptions above where applicable.

Sensitivity analysis

A one-half-percentage-point change of the established assumptions mentioned before, used for the calculation of the DBO as of September 30, 2013, would result in the following increase (decrease) of the DBO:

	Effect on DBO as of September 2013 due to a one-half percentage-point	
(in millions of €)	increase	decrease
Discount rate	(1,919)	2,159
Rate of compensation increase	136	(105)
Rate of pension progression	1,492	(1,339)

The reduction of the mortality rates by 10% results in an increase of life expectancy depending on the individual age of each beneficiary. That means for example, that the life expectancy of a male Siemens employee age 55 years as of September 30, 2013 increases by approximately one year. In order to determine the longevity sensitivity the mortality rates were reduced by 10% for all beneficiaries. The effect on DBO as of September 30, 2013 due to a 10% reduction in mortality rates would result in an increase of €985 million.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method) has been applied as when calculating the post-employment benefit obligation recognized in the Consolidated Statement of Financial Position. Increases and decreases in the discount rate, rate of compensation increase, rate of pension progression and mortality rates which are used in determining the DBO do not have a symmetrical effect on the DBO primarily due to the compound interest effect created when determining the net present value of the future benefit. If more than one of the assumptions are changed simultaneously, the combined impact due to the changes would not necessarily be the same as the sum of the individual effects due to the changes. Furthermore, the sensitivities reflect a change in the DBO only for a change in the assumptions in this specific magnitude, i.e. 0.5%. If the assumptions change at a different level, the effect on the DBO is not necessarily in a linear relation.

Asset Liability Matching Strategies

Siemens' funding policy for its funded defined benefit plans is part of the overall commitment to sound financial management, which also includes an ongoing analysis of the structure of Siemens' defined benefit liabilities. To balance return and risk, Siemens has developed a benefit risk management concept. The Company has identified as a major risk a decline in the plans' funded status as a result of the adverse development of plan assets and / or defined benefit obligations. Siemens monitors its investments and its defined benefit obligations in order to measure such risk. The risk quantifies the expected maximum decline in the principle plans' funded status for a given confidence level over a given time horizon. A risk limit on the Group level forms the basis for the determination of the Company's investment strategy, i.e. the strategic asset class allocation of principle plan assets and the degree of interest rate risk hedging. Both the risk limit and investment strategy are regularly reviewed with the participation of senior external experts of the international asset management and insurance industry to allow for an integral view on plan assets and benefit liabilities. The Company selects asset managers based on quantitative and qualitative analysis and subsequently constantly monitors their performance and risk, both on a stand-alone basis, and in the broader portfolio context. Siemens reviews the asset allocation of each plan in light of the duration of the related benefit liabilities and analyzes trends and events that may affect asset values in order to inform about appropriate measures at a very early stage.

Derivatives are used for risk reducing purposes to either reduce the fluctuations in the value of plan assets or reduce funded status volatility as part of an integrated risk management approach for assets and liabilities. Main risks mitigated are interest rate, credit, equity, currency and inflation risk. All over-the-counter derivatives are collateralized on a daily basis to eliminate counterparty risk. In addition, derivatives are permitted for investment managers to use as substitutes for traditional securities where appropriate to manage exposure to foreign exchange and interest rate risks.

Disaggregation of plan assets

The asset allocation of the plan assets of the benefit plans is as follows:

(in millions of €)	Fair value as of September 30, 2013	2012
Asset class		
Equity securities	6,604	5,876
U.S. equities	*1,416*	*1,660*
European equities	*2,214*	*1,636*
Emerging markets	*1,457*	*1,394*
Global equities	*1,517*	*1,187*
Fixed income securities	12,768	13,759
Government bonds	*3,003*	*3,336*
Corporate bonds	*9,765*	*10,423*
Alternative investments	2,961	2,309
Hedge Funds	*978*	*295*
Private Equity	*497*	*466*
Real estate	*1,487*	*1,548*
Derivatives	175	1,255
Interest risk	*263*	*1,562*
Foreign currency risk	*53*	*29*
Credit/Inflation/Price risks	*(141)*	*(335)*
Cash and cash equivalents	1,148	434
Other assets	422	423
Total	**24,078**	**24,057**

Virtually all equity and fixed income securities have quoted prices in active markets and almost all fixed income securities are investment grade. In addition, the asset class Other assets includes assets with quoted prices in active markets in the amount of €78 million and €169 million as of September 30, 2013 and 2012.

As of September 30, 2013, the major part of cash and cash equivalents is marked as cash in transition into corporate bond mandates.

The plan assets include own transferable financial instruments of the Company with a fair value of €89 million and €74 million as of September 30, 2013 and 2012.

Future cash flows

Employer contributions expected to be paid to the post-employment defined benefit plans in fiscal 2014 are €631 million.

Expected benefit payments

(in millions of €)	September 30, 2013
Expected benefit payments	
2014	1,647
2015	1,613
2016	1,624
2017	1,668
2018	1,713
2019 – 2023	8,958

The weighted average duration of the DBO for Siemens defined benefit plans was 13 years as of September 30, 2013.

MULTI-EMPLOYER DEFINED BENEFIT PLANS

Multi-employer plans mainly exist in the Netherlands and in the U.S. These plans are industry specific plans based on local laws, which are accounted for as defined contribution plans as Siemens has no right to obtain the necessary data for defined benefit plan accounting. These plans may expose the Company to investment and actuarial risk in case of a deficit.

In the Netherlands the Company is not liable for other entities' obligations under the terms and conditions of the multi-employer plan.

In the U.S. the Company may be liable for other entities' obligations in case of failure of other participating employers to make required contributions. In case of withdrawal from a plan the Company may be subject to a liability for the potential future statutory underfunding for its share in the plan. The Company has only a minor share in these plans compared to other participating entities and has no intention to withdraw from one of these plans.

Siemens is not aware of any probable significant risk due to multi-employer defined benefit plans accounted for as defined contribution plans.

Siemens expects contributions to multi-employer defined benefit plans accounted for as defined contribution plans for the next fiscal year of €31 million.

DEFINED CONTRIBUTION PLANS AND STATE PLANS

The amount recognized as expense for defined contribution plans amounts to €594 million and €545 million in fiscal 2013 and 2012, respectively. Contributions to state plans amount to €1,354 million and €1,584 million in fiscal 2013 and 2012, respectively.

NOTE 24 Provisions

(in millions of €)	Warranties	Order related losses and risks	Asset retirement obligations	Other	Total
Balance as of October 1, 2012	3,405	2,038	1,282	1,933	8,658
Additions	1,544	834	–	769	3,147
Usage	(828)	(603)	(8)	(304)	(1,742)
Reversals	(683)	(294)	(27)	(426)	(1,430)
Translation differences	(66)	(53)	(4)	(37)	(160)
Accretion expenses and effect of changes in discount rates	–	2	(106)	–	(104)
Other changes	(21)	4	1	40	23
Balance as of September 30, 2013	**3,350**	**1,929**	**1,138**	**1,976**	**8,392**
Thereof non-current	*1,200*	*686*	*1,113*	*908*	*3,907*

(in millions of €)	Warranties	Order related losses and risks	Asset retirement obligations	Other	Total
Balance as of October 1, 2011	3,506	2,017	1,130	2,169	8,822
Additions	1,446	1,123	1	562	3,132
Usage	(738)	(701)	(9)	(359)	(1,806)
Reversals	(847)	(418)	(21)	(455)	(1,741)
Translation differences	48	14	3	14	79
Accretion expenses and effect of changes in discount rates	1	13	172	8	195
Other changes	(12)	(10)	5	(6)	(22)
Balance as of September 30, 2012	**3,405**	**2,038**	**1,282**	**1,933**	**8,658**
Thereof non-current	*1,146*	*733*	*1,261*	*768*	*3,908*

In fiscal 2013 and 2012, item Other changes contains reclassifications (to) from line item Liabilities associated with assets classified as held for disposal including the disposal of those entities of €(47) million and €(25) million, respectively.

Except for asset retirement obligations, the majority of the Company's provisions are generally expected to result in cash outflows during the next one to 15 years.

Warranties – mainly relate to products sold.

In fiscal 2013, Wind Power Division of the Energy Sector took €94 million in charges related to inspecting and retrofitting installed onshore turbine blades mainly in the U.S.

Order related losses and risks – are provided for anticipated losses and risks on uncompleted construction, sales and leasing contracts.

Transportation & Logistics of the Infrastructure & Cities Sector incurred project charges of €270 million and €86 million in fiscal 2013 and 2012, respectively, for delays for receiving certification for new high-speed trains.

In fiscal 2013 and 2012, the Power Transmission Division of the Energy Sector incurred project charges primarily related to grid connections to offshore wind-farms. These charges were due to project delays resulting from a complex regulatory environment and the projects' complex marine environment, which required revised estimates of resources and personnel. This led to €(171) million and €(570) million pretax effects on the income statement in fiscal 2013 and 2012, which were mainly recorded as provisions for order related losses and risks.

Asset retirement obligations – The Company is subject to asset retirement obligations related to certain items of property, plant and equipment. Such asset retirement obligations are primarily attributable to environmental clean-up costs which amounted to €1,096 million and €1,224 million, respectively, as of September 30, 2013 and 2012 (the non-current portion thereof being €1,086 million and €1,215 million, respectively) and to costs primarily associated with the removal of leasehold improvements at the end of the lease term.

Environmental clean-up costs relate to remediation and environmental protection liabilities which have been accrued based on the estimated costs of decommissioning facilities for the production of uranium and mixed-oxide fuel elements in Hanau, Germany (Hanau facilities), as well as a nuclear research and service center in Karlstein, Germany (Karlstein facilities). According to the German Atomic Energy Act, when such a facility is closed, the resulting radioactive waste must be collected and delivered to a government-developed final storage facility. In this regard, the Company has developed a plan to decommission the Hanau and Karlstein facilities in the following steps: clean-out, decontamination and disassembly of equipment and installations, decontamination of the facilities and buildings, sorting of radioactive materials, and intermediate and final storage of the radioactive waste. This process will be supported by continuing engineering studies and radioactive sampling under the supervision of German federal and state authorities. The decontamination, disassembly and final waste conditioning are planned to continue until 2018; thereafter, the Company is responsible for intermediate storage of the radioactive materials until a final storage facility is available. With respect to the Hanau facility, the process of setting up intermediate storage for radioactive waste has nearly reached completion; on September 21, 2006, the Company received official notification from the authorities that the Hanau facility has been released from the scope of application of the German Atomic Energy Act and that its further use is unrestricted. The ultimate costs of the remediation are contingent on the decision of the federal government on the location of the final storage facilities and the date of their availability. Consequently, the provision is based on a number of significant estimates and assumptions. Several parameters relating to the development of a final storage facility for radioactive waste are based on the assumptions for the so called Schacht Konrad final storage. Parameters related to the life-span of the German nuclear reactors reflect a planned phase-out until 2022. The valuation uses assumptions to reflect the current and detailed cost estimates, price inflation and discount rates as well as a continuous outflow until the 2070's related to the costs for dismantling as well as intermediate and final storage.

Using the input of an independent advisor, management updated its valuation of the liability due to changes in estimates which resulted in minor adjustments in fiscal 2013 and 2012. Facts and circumstances of the changes were as follows:

In fiscal 2013, the parameters related to operating costs and the timeframe of the storage process of the radioactive waste in the Konrad final storage were updated by The Federal Office for Radiation Protection (Bundesamt für Strahlenschutz).

In fiscal 2012, the parameters related to the set up cost of the Konrad final storage were updated by The Federal Office for Radiation Protection.

The determination of the provisions related to major asset retirement obligations will continue to involve significant estimates and assumptions. Uncertainties surrounding the amount to be recognized include, for example, the estimated costs of decommissioning and final storage because of the long time frame over which future cash outflows are expected to occur. Amongst others, the estimated cash outflows related to the asset retirement obligation could alter significantly if, and when, political developments affect the government's plans to develop the so called Schacht Konrad. As of September 30, 2013 and 2012, the provision totals €1,096 million and €1,224 million, respectively, and is recorded net of a present value discount of €1,259 million and €1,418 million, respectively reflecting the assumed continuous outflow of the total expected payments until the 2070's.

The Company recognizes the accretion of the provision for environmental clean-up costs using the effective interest method applying current interest rates prevailing at the period-end date. In fiscal 2013 and 2012, the Company recognized €22 million and €23 million, respectively, in accretion expense for environmental clean-up costs in line item Other Financial income (expenses), net. Changes in discount rates decreased the carrying amount of provisions by €128 million as of September 30, 2013 and increased it by €149 million as of September 30, 2012.

Other – Other includes transaction-related and post-closing provisions in connection with portfolio activities as well as provisions for legal and regulatory matters.

NOTE 25 Other liabilities

(in millions of €)	September 30, 2013	2012
Employee related liabilities	604	475
Liabilities due to employees and retirees in the U.S. not qualifying for presentation as post-employment benefits	534	523
Deferred income	275	221
Accruals for pending invoices	96	124
Accruals for stand-ready obligations	74	79
Severance payments	133	71
Warranties for disposed of businesses	–	67
German pension insurance association – Pensionssicherungsverein (PSV)	39	56
Insurance liabilities	76	126
Other	243	292
	2,074	**2,034**

NOTE 26 Equity

CAPITAL STOCK

Siemens' issued capital is composed of no par value shares with a notional value of €3.00 per share. Each share of issued capital is entitled to one vote.

The following table provides a summary of outstanding authorized and conditional capital and the changes for fiscal years 2013 and 2012:

	Issued capital (authorized and issued)		Authorized capital (not issued)		Conditional capital (not issued)	
	in thousands of €	in thousand shares	in thousands of €	in thousand shares	in thousands of €	in thousand shares
As of September 30, 2011	2,742,610	914,203	610,800	203,600	1,027,517	342,506
Expired or cancelled capital	(99,610)	(33,203)	–	–	–	–
As of September 30, 2012	2,643,000	881,000	610,800	203,600	1,027,517	342,506
Expired, cancelled or newly approved capital	–	–	–	–	–	–
As of September 30, 2013	**2,643,000**	**881,000**	**610,800**	**203,600**	**1,027,517**	**342,506**

AUTHORIZED CAPITAL (NOT ISSUED)

The Company's shareholders authorized the Managing Board, with the approval of the Supervisory Board, to increase capital stock through the issuance of no par value shares registered in the names of the holders and to determine the further content of the rights embodied in the shares and the terms and conditions of the share issue as follows:

Authorized Capital 2011 by up to €90 million through the issuance of up to 30 million shares for contributions in cash. The authorization was granted on January 25, 2011 and expires on January 24, 2016. In accordance with Authorized Capital 2011, new shares can be issued solely to employees of Siemens AG and its subsidiaries. Pre-emptive rights of existing shareholders are excluded.

Authorized Capital 2009 by up to €520.8 million through the issuance of up to 173.6 million shares for contributions in cash and/or in kind (Authorized Capital 2009). The authorization was granted on January 27, 2009 and expires on January 26, 2014. With the approval of the Supervisory Board, the Managing Board can exclude shareholders' pre-emptive rights for capital increases in the form of contributions in kind and in certain pre-stipulated circumstances for contributions in cash.

CONDITIONAL CAPITAL (NOT ISSUED)

Conditional Capital is provided for the purpose of a) serving the issuance of bonds with conversion rights and (or) with warrants, b) accommodating the exercise of stock option plans and c) settling claims of former Siemens Nixdorf Informationssysteme AG (SNI AG) shareholders.

Conditional Capital 2011 to service the issuance of bonds with conversion rights and/or with warrants or a combination thereof in an aggregate principal amount of up to €15 billion, entitling the holders to subscribe to up to 90 million shares of Siemens AG with no par value, representing up to €270 million of capital stock. The authorization to issue such bonds was granted in January 2011 and will expire on January 24, 2016.

Conditional Capital 2010 to service the issuance of bonds with conversion rights and/or with warrants in an aggregate principal amount of up to €15 billion, entitling the holders to subscribe to up to 200 million shares of Siemens AG with no par value, representing up to €600 million of capital stock. The authorization to issue such bonds was granted on January 26, 2010 and will expire on January 25, 2015.

Conditional Capital to service the 2001 and 1999 Siemens Stock Option Plans amounts to €157 million, representing 52.32 million shares of Siemens AG as of September 30, 2013 and 2012. The last tranche of stock options expired in November 2010 and from that date on, no further shares are to be issued.

Conditional Capital provided to issue shares to settle claims offered to former SNI AG shareholders who had not tendered their SNI AG share certificates amounts to €0.6 million, representing 189 thousand shares as of September 30, 2013 and 2012. Such rights to claim Siemens shares expired in 2007 and no further shares are to be issued.

TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In connection with an acquisition in fiscal 2012, a minority shareholder was granted a put option on the non-controlling interests. This transaction with non-controlling interests impacted line item Retained earnings by €(301) million as of September 30, 2012.

TREASURY SHARES

The Company is authorized by its shareholders to acquire treasury shares of up to 10% of its capital stock existing at the date of the shareholders' resolution or – if this value is lower – as of the date on which the authorization is exercised. The authorization became effective on March 1, 2011 and remains in force through January 24, 2016. According to the resolution, repurchased shares may be (1) sold via a stock exchange or through a public sales offer made to all shareholders; (2) retired; (3) offered for purchase to individuals currently or formerly employed by the Company or any of its subsidiaries as well as to Board members of any of the Company's subsidiaries or awarded and (or) transferred to such individuals with a vesting period of at least two years, provided employment or Board membership exists at the time of the award; (4) offered and transferred with the approval of the Supervisory Board to third parties against contributions in kind, particularly in connection with business combinations or the acquisition of companies, businesses, parts of businesses or interests therein; (5) with the approval of the Supervisory Board sold to third parties against payment in cash if the price at which such Siemens shares are to be sold is not significantly lower than the market price of the Siemens stock at the time of selling; or (6) used to service convertible bonds or warrant bonds issued by the Company or any of its subsidiaries. In addition, the Supervisory Board may use repurchased shares to meet obligations or rights to acquire Siemens shares that were or will be agreed with members of the Managing Board within the framework of rules governing Managing Board compensation.

The current authorization to acquire Siemens shares is supplemented by an authorization to repurchase up to 5% of its capital stock existing at the date of the shareholders' resolution by using equity derivatives or forward purchases with a maximum maturity term of 18 months; the repurchase of treasury shares upon the exercise of such instruments shall be no later than January 24, 2016.

In August 2012, Siemens announced a share buyback amounting to up to €3 billion which ended in November 2012. The shares repurchased may be used for the purposes of cancellation and reduction of capital stock, issuance to employees, board members of affiliated companies and members of the Managing Board as well as to meet obligations arising under and in connection with convertible bonds and warrant bonds. In addition, in fiscal 2013, under the current authorization to acquire treasury shares given by resolution at the Annual Shareholders' Meeting, the Company repurchased as many treasury shares as were necessary to keep the number of treasury shares at a set level until the effective date of the spin-off of OSRAM in July 2013.

In fiscal 2012, the Company repurchased 23,202,500 treasury shares at a weighted average share price of €76.14. Additionally, in fiscal 2012, the Managing Board decided to cancel 33,203,421 treasury shares, which reduced issued capital from 914 million shares to 881 million shares. In fiscal 2013, Siemens repurchased 17,150,820 treasury shares at weighted average costs per share of €78.66.

In fiscal 2013 and 2012, 3,878,899 shares and 5,225,479 shares, respectively, were transferred in connection with equity settled share-based payment plans.

OTHER COMPREHENSIVE INCOME, NET OF INCOME TAXES

The changes in line item Other comprehensive income, net of income taxes including non-controlling interest holders are as follows:

(in millions of €)	Year ended September 30, 2013 Pretax	Tax effect	Net	Year ended September 30, 2012 Pretax	Tax effect	Net
Items that will not be reclassified to profit or loss:						
Remeasurements of defined benefit plans	543	(149)	394	(3,017)	1,231	(1,787)
Items that may be reclassified subsequently to profit or loss:						
Unrealized holding gains (losses) on available-for-sale financial assets	182	(3)	179	305	(10)	295
Reclassification adjustments for gains (losses) included in net income	4	1	4	(86)	–	(86)
Net unrealized gains (losses) on available-for-sale financial assets	185	(2)	183	219	(10)	209
Unrealized gains (losses) on derivative financial instruments	142	(48)	94	(64)	29	(35)
Reclassification adjustments for gains (losses) included in net income	(70)	21	(50)	144	(46)	98
Net unrealized gains (losses) on derivative financial instruments	72	(27)	45	79	(17)	63
Foreign-currency translation differences	(1,062)	–	(1,062)	855	–	855
	(805)	(29)	(834)	1,153	(27)	1,127
Other comprehensive income	**(262)**	**(178)**	**(440)**	**(1,865)**	**1,204**	**(661)**

OTHER CHANGES IN EQUITY

Line item Other changes in equity of the Consolidated Statement of Changes in Equity includes €126 million in fiscal 2012 which relate to the equity instruments of the US$ bonds with warrants issued in fiscal 2012. After completion of the spin-off of OSRAM in fiscal 2013, those warrants entitle the holders to obtain OSRAM shares in addition to Siemens shares. As a consequence, the warrants no longer qualify as equity instruments. The warrants' fair value of €163 million was reclassified from line item Capital reserve to non-current other financial liabilities as of the date of the approval at the Annual Shareholders' Meeting.

MISCELLANEOUS

Under the German Stock Corporation Act (Aktiengesetz), the amount of dividends available for distribution to shareholders is based upon the earnings of Siemens AG as reported in its statutory financial statements determined in accordance with the German Commercial Code (Handelsgesetzbuch). In fiscal 2013, Siemens AG management distributed an ordinary dividend of €2,528 million (€3.00 per share) of the fiscal 2012 earnings to its shareholders. In fiscal 2012, Siemens AG management distributed to its shareholders an ordinary dividend of €2,629 million (€3.00 per share) of the fiscal 2011 earnings.

The Managing Board and the Supervisory Board proposed a dividend of €3.00 per share of the fiscal 2013 Siemens AG earnings, in total representing approximately €2.5 billion in expected payments. Payment of the proposed dividend is contingent upon approval by the shareholders at the Annual Shareholders' Meeting on January 28, 2014.

NOTE 27 Additional capital disclosures

Siemens believes that sustainable revenue and profit development can be achieved only on the basis of a healthy capital structure. A key consideration of our capital structure management is maintaining ready access to the capital markets through various debt products and preservation of our ability to repay and service our debt obligations over time. Siemens set a capital structure target range of 0.5 – 1.0. The ratio is defined as the item Adjusted industrial net debt divided by the item Adjusted EBITDA (continuing operations). This financial performance measure indicates the approximate amount of time in years that would be needed to pay off Adjusted industrial net debt through continuing income, without taking into account interest, taxes, depreciation and amortization.

Siemens calculates the item Adjusted industrial net debt as set forth in the table below:

(in millions of €)	September 30, 2013	2012
Short-term debt and current maturities of long-term debt[1]	1,944	3,826
Plus: Long-term debt[1]	18,509	16,880
Less: Cash and cash equivalents	(9,190)	(10,891)
Less: Current available-for-sale financial assets	(601)	(524)
Net debt	**10,663**	**9,292**
Less: SFS Debt[2]	(15,600)	(14,558)
Plus: Post-employment benefits[3]	9,265	9,801
Plus: Credit guarantees	622	326
Less: 50% nominal amount hybrid bond[4]	(899)	(920)
Less: Fair value hedge accounting adjustment[5]	(1,247)	(1,670)
Adjusted industrial net debt	**2,805**	**2,271**
Adjusted EBITDA (continuing operations)	**8,215**	**9,613**
Adjusted industrial net debt/adjusted EBITDA (continuing operations)	**0.34**	**0.24**

1 The item Short-term debt and current maturities of long-term debt as well as the item Long-term debt included in total fair value hedge accounting adjustments of €1,247 million and €1,670 million for the fiscal year ended September 30, 2013 and 2012, respectively.

2 The adjustment considers that both Moody's and S&P view SFS as a captive finance company. These rating agencies generally recognize and accept higher levels of debt attributable to captive finance subsidiaries in determining credit ratings. Following this concept, Siemens excludes SFS Debt in order to derive an adjusted industrial net debt which is not affected by SFS's financing activities.

3 To reflect Siemens' total post-employment benefit liability, adjusted industrial net debt includes line item Post-employment benefits as presented in the Consolidated Statements of Financial Position.

4 The adjustment for our hybrid bond considers the calculation of this financial ratio applied by rating agencies to classify 50% of our hybrid bond as equity and 50% as debt. This assignment reflects the characteristics of our hybrid bond such as a long maturity date and subordination to all senior and debt obligations.

5 Debt is generally reported with a value representing approximately the amount to be repaid. However for debt designated in a hedging relationship (fair value hedges), this amount is adjusted by changes in market value mainly due to changes in interest rates. Accordingly Siemens deducts these changes in market value in order to derive an amount of debt that approximately will be repaid. Siemens believes this is a more meaningful figure for the calculation presented above.

SFS' capital structure differs from the capital structure of Siemens' industrial business, as SFS' business is capital intensive and requires a larger amount of debt to finance its operations, in particular to finance SFS's asset growth strategy. The following table provides information on the capital structure of SFS as of September 30, 2013 and 2012:

(in millions of €)	September 30, 2013	2012
Allocated equity	1,938	1,790
SFS Debt	15,600	14,558
Debt to equity ratio	8.05	8.13

For purposes of measuring capital efficiency at SFS, equity capital is allocated to SFS. Allocated equity capital differs from book capital as it is mainly determined and influenced by the size and quality of its portfolio of commercial finance as well as project and structured finance assets (primarily loans and leases) and equity investments. This allocation is designed to cover the risks of the underlying business. The actual risk of the SFS portfolio is evaluated and controlled on a regular basis.

Given the favorable capital market conditions at the end of fiscal 2012, Siemens announced in August 2012 that it would adjust its capital structure through share buybacks amounting to up to €3 billion by December 30, 2012. In fiscal 2012, the Company repurchased 23,202,500 treasury shares at a weighted average share price of €76.14. At the beginning of fiscal 2013 Siemens repurchased further 14,746,786 treasury shares at a weighted average price of €78.14 and completed this share buyback program in November 2012. In addition, in fiscal 2013, Siemens repurchased as many treasury shares as necessary to keep the number of treasury shares at a set level until the effective date of the spin-off of OSRAM and fulfilled commitments for share-based compensation through treasury shares.

In fiscal 2014, Siemens may again fulfill commitments for share-based compensation through treasury shares.

A key factor in maintaining a strong financial profile is our credit rating which is affected by, among other factors, Siemens' capital structure, profitability, ability to generate cash flow, geographic and product diversification as well as Siemens' competitive market position. Siemens' current corporate credit ratings from Moody's Investors Service (Moody's) and Standard & Poor's Ratings Services (S&P) are noted as follows:

	September 30, 2013		September 30, 2012	
	Moody's	S&P	Moody's	S&P
Long-term debt	Aa3	A+	Aa3	A+
Short-term debt	P-1	A-1+	P-1	A-1+

On May 14, 2013, Moody's changed its outlook for Siemens' credit rating from stable to negative, stating that despite the group's substantial cost reduction initiatives, we expect its profitability, cash flow generation and capital structure to be weaker than anticipated in 2013 and 2014. A rating outlook is an opinion regarding the likely direction of an issuer's long-term credit rating over the medium-term. Rating outlooks of Moody's fall into the following six categories: positive, negative, stable, developing, ratings under review and no outlook.

At the same time, Moody's affirmed our Aa3 long-term and our P-1 short-term credit rating. The classification Aa is the second highest category within Moody's long-term credit rating scale. The numerical modifier 3 indicates a ranking in the lower end of that category. The classification P-1 is the highest available rating in the prime rating system of Moody's, which assesses issuers' ability to honor senior financial obligations and contracts. It applies to senior unsecured obligations with an original maturity of less than one year.

S&P made no rating changes in fiscal 2013. S&P's long-term credit rating for Siemens is A+ and the rating outlook is stable. Within S&P's long-term credit rating scale, A is the third highest long-term rating category. The modifier + indicates that our long-term debt ranks in the upper end of the A category. Rating outlooks of S&P fall into the following four categories: positive, negative, stable and developing. S&P's short-term rating is A-1+, which is the highest rating within S&P's short-term rating scale.

NOTE 28 Commitments and contingencies

GUARANTEES AND OTHER COMMITMENTS

The following table presents the undiscounted amount of maximum potential future payments for each major group of guarantee:

	September 30,	
(in millions of €)	2013	2012
Guarantees		
Credit guarantees	622	326
Guarantees of third-party performance	1,593	1,562
HERKULES obligations	1,890	2,290
Other	1,864	3,632
	5,970	7,810

Item Credit guarantees cover the financial obligations of third parties in cases where Siemens is the vendor and (or) contractual partner. These guarantees generally provide that in the event of default or non-payment by the primary debtor, Siemens will be required to settle such financial obligations. In addition, Siemens provides credit guarantees generally as guarantees for credit-lines with variable utilization to joint ventures and associated and other companies accounted for using the equity method. The maximum amount of these guarantees is subject to the outstanding balance of the credit or, in case where a credit line is subject to variable utilization, the nominal amount of the credit line. These guarantees have terms up to twelve years and five years, respectively, in fiscal 2013 and 2012. Except for statutory recourse provisions against the primary debtor, credit guarantees are generally not subject to additional contractual recourse provisions. As of September 30, 2013, item credit guarantees include €299 million relating to a reclassification of a disposal group from discontinued to continuing operations. The Company accrued €38 million and €28 million, relating to credit guarantees as of September 30, 2013 and 2012, respectively.

Furthermore, Siemens issues guarantees of third-party performance, which include performance bonds and guarantees of advanced payments in cases where Siemens is the general or subsidiary partner in a consortium. In the event of non-fulfillment of contractual obligations by the consortium partner(s), Siemens will be required to pay up to an agreed-upon maximum amount. These agreements span the term of the contract, typically ranging from three months to ten years in fiscal 2013 and seven years in fiscal 2012. Generally, consortium agreements provide for fallback guarantees as a recourse provision among the consortium partners. As of September 30, 2013 and 2012, the Company accrued €66 million and €83 million, respectively, relating to performance guarantees.

In fiscal 2007, The Federal Republic of Germany commissioned a consortium consisting of Siemens and IBM Deutschland GmbH (IBM) to modernize and operate the non-military information and communications technology of the German Federal Armed Forces (Bundeswehr). This project is called HERKULES. A project company, BWI Informationstechnik GmbH (BWI), provides the services required by the terms of the contract. Siemens is a shareholder in the project company. The total contract value amounts to a maximum of approximately €6 billion. In connection with this project, Siemens issued several guarantees connected to each other legally and economically in favor of the Federal Republic of Germany and of the consortium member IBM in December 2006. The guarantees ensure that BWI has sufficient resources to provide the required services and to fulfill its contractual obligations. These guarantees are listed as a separate item HERKULES obligations in the table above due to their compound and multilayer nature. Total future payments potentially required by Siemens amount to €1.89 billion and €2.29 billion as of September 30, 2013 and 2012, respectively and will be reduced by approximately €400 million per year over the remaining four-year contract period as of September 30, 2013. Yearly payments under these guarantees are limited to €400 million plus, if applicable, a maximum of €90 million in unused guarantees carried forward from the prior year.

Item Other includes indemnifications issued in connection with dispositions of business entities. Such indemnifications, if customary to the relevant transactions, may protect the buyer from potential tax, legal and other risks in conjunction with the purchased business entity. Indemnifications include those for EN, disposed of in fiscal 2008, and Siemens IT Solutions and Services disposed of in fiscal 2011. As of September 30, 2013 and 2012, the total amount accrued for guarantees in item Other is €242 million and €528 million, respectively. Item Other guarantees decreased in fiscal 2013, mainly due to the expiration of indemnifications issued in connection with dispositions of business entities.

As of September 30, 2012, in addition to guarantees disclosed above, Siemens had credit guarantees of €309 million, guarantees of third-party performance of €4 million and other guarantees of €82 million (as of September 30, 2013, €3 million) relating to discontinued operations. Contingencies relating to businesses held for disposal not classified as discontinued operations are included in the above tabular.

As of September 30, 2013 and 2012, future payment obligations under non-cancellable operating leases are as follows:

	September 30,	
(in millions of €)	2013	2012
Within one year	807	812
After one year but not more than five years	1,556	1,586
More than five years	757	770
	3,120	**3,168**

Total operating rental expense for the years ended September 30, 2013 and 2012 were €1,073 million and €1,072 million, respectively. Total sublease income amounts to €62 million and €74 million, respectively in fiscal 2013 and 2012. Total future minimum sublease payments expected to be received under non-cancellable subleases as of September 30, 2013 and 2012 amount to €139 million and €162 million, respectively.

As of September 30, 2013 and 2012, the Company has commitments to make capital contributions to the equity of various companies of €223 million and €211 million, respectively.

The Company is jointly and severally liable and has capital contribution obligations as a partner in commercial partnerships and as a participant in various consortiums.

NOTE 29 Legal proceedings

PUBLIC CORRUPTION PROCEEDINGS

Governmental and related proceedings

As previously reported, in May 2011 Siemens AG voluntarily reported a case of attempted public corruption in connection with a project in Kuwait in calendar 2010 to the U.S. Department of Justice, the SEC, and the Munich public prosecutor. The Munich public prosecutor discontinued the investigations, which related to certain former employees, but imposed conditions on them. Siemens is cooperating with the U.S. authorities in their ongoing investigations.

As previously reported, in July 2011 the Nuremberg-Fuerth public prosecutor notified Siemens AG of an investigation against several employees in connection with payments related to the healthcare business in the Caribbean. In November 2012, the Nuremberg-Fuerth public prosecutor discontinued its investigation.

As previously reported, in July 2011 the Munich public prosecutor notified Siemens AG of an investigation against a former employee in connection with payments to a supplier related to the oil and gas business in Central Asia from calendar 2000 to 2009. Siemens is cooperating with the public prosecutor.

As previously reported, in October 2011, the Turkish Prime Ministry Inspection Board notified Siemens Sanayi ve Ticaret A.S., Turkey, of an investigation in connection with alleged bribery in Turkey and Iraq from calendar 1999 to 2007. Siemens is cooperating with the authority.

In February 2013, Siemens AG and the European Investment Bank (EIB) signed a settlement agreement addressing alleged past violations of the EIB's anti-fraud policy. The settlement includes a commitment by Siemens that the concerned business unit will voluntarily refrain from bidding on projects financed by the EIB for a period of 18 months. Further, Siemens commits to provide funds, totaling €13.5 million over five years, to organizations or institutions that promote good governance and the fight against corruption.

Since July 2013, following the voluntary self-reporting of certain facts by Siemens Ltda. Brazil to the Brazilian antitrust authorities in May 2013 mentioned below, several Brazilian prosecutorial offices have initiated or resumed investigations into alleged criminal conduct, including alleged bribe payments, anticompetitive conduct and undue influencing of public tenders, in connection with several metro transport projects. Among the resumed investigations are in particular two cases that had been reported before, namely the investigations by the Brasilia and Sao Paulo public prosecutors related to alleged misconduct in calendar 2007 and around 2000, respectively. Siemens is cooperating with the authorities.

In August 2013, a Brazilian Appellate Court upheld a decision to suspend Siemens Ltda. Brazil from participating in public bids and signing contracts with public administrations in Brazil for a five year term, based on alleged irregularities in calendar 1999 and 2004 public tenders. Siemens is seeking remedial action against the decision of the Appellate Court.

As previously reported, Siemens AG had filed a request for arbitration against the Republic of Argentina (Argentina) with the International Center for Settlement of Investment Disputes (ICSID) of the World Bank. Siemens AG claimed that Argentina had unlawfully terminated its contract with Siemens for the development and operation of a system for the production of identity cards, border control, collection of data and voters' registers (DNI project) and thereby violated the Bilateral Investment Protection Treaty between Argentina and Germany (BIT). A unanimous decision on the merits was rendered by the ICSID arbitration tribunal in February 2007, awarding Siemens AG, inter alia, compensation in the amount of US$217.8 million, plus compound interest thereon at a rate of 2.66% since May 18, 2001. Argentina subsequently filed applications with the ICSID aiming at the annulment and reversal of the decision and a stay of enforcement of the arbitral award. In August 2009, Argentina and Siemens AG reached an agreement to mutually settle the case and discontinue any and all civil proceedings in connection with the case without acknowledging any legal obligations or claims. No payment was made by either party. As previously reported, the Argentinean Anti-Corruption Authority is conducting an investigation against individuals into corruption of government officials in connection with the award of the contract for the DNI project to Siemens in calendar 1998. Searches were undertaken at the premises of Siemens Argentina and Siemens IT Services S.A. in Buenos Aires in August 2008 and in February 2009. The Company is cooperating with the Argentinean Authorities. The Argentinean investigative judge also repeatedly requested judicial assistance from the Munich public prosecutor and the federal court in New York. In December 2011, the U.S. Securities and Exchange Commission (SEC) and U.S. Department of Justice filed an indictment against nine individuals based on the same facts as the investigation of the Argentinean Anti-Corruption Authority. Most of these individuals are former Siemens employees. The former member of the Managing Board of Siemens AG, Dr. Uriel Sharef, is also involved. Siemens AG is not party to the proceedings.

As previously reported, in February 2010 a Greek Parliamentary Investigation Committee (GPIC) was established to investigate whether any politicians or other state officials in Greece were involved in alleged wrong-doing of Siemens in Greece. The GPIC's investigation was focused on possible criminal liability of politicians and other state officials. Greek public prosecutors are separately investigating certain fraud and bribery allegations involving – among others – former board members and former executives of Siemens A.E., Elektrotechnische Projekte und Erzeugnisse, Greece (Siemens A.E.), and Siemens AG. In January 2011, the GPIC alleged in a letter to Siemens A.E. that the damage suffered by the Greek state amounted to at least €2 billion. Furthermore, the GPIC issued a report repeating these allegations. In addition, the Hellenic Republic Minister of State indicated in a letter to Siemens that the Greek state will seek compensation from Siemens for the alleged damage. In April 2012, the Greek Parliament approved a settlement agreement between Siemens and the Greek State, the material provisions of which include the following: Siemens waives public sector receivables in the amount of €80 million. Furthermore Siemens agrees to spend a maximum of €90 million on various anti-corruption and transparency initiatives, as well as university and research programs and to provide €100 million of financial support to Siemens A.E. to ensure its continued presence in Greece. In exchange, the Greek State agrees to waive all civil claims and all administrative fines related to the corruption allegations and to utilize best efforts to resolve all pending disputes between Siemens and the Greek state-companies or its public authorities.

In February 2012, the Munich public prosecutor notified Siemens AG of a request for mutual assistance in criminal matters by the Swiss Federal Prosecution authority. The investigation of the Swiss Federal Prosecution involved the Swedish subsidiary Siemens Industrial Turbomachinery (SIT) in connection with alleged payments to employees of a Russian natural gas production company between calendar 2004 and 2006. In July 2013, the Swiss Federal Prosecution launched a criminal investigation against SIT for organizational neglect. In September 2013, the investigation was discontinued due to a settlement with the Swiss Federal Prosecution that included a restitution payment to a nonprofit organization and a compensation claim relating to forfeiture of profits in the lower double digit US$ million range.

As previously reported, the Vienna public prosecutor, Austria, is conducting an investigation into payments between calendar 1999 and 2006 relating to Siemens Aktiengesellschaft Österreich, Austria, and its subsidiary Siemens VAI Metal Technologies GmbH & Co., Austria, for which valid consideration could not be identified. In September 2011, the Vienna public prosecutor extended the investigations to include a potential corporate liability of Siemens AG Austria for tax evasion. Siemens is cooperating with the authorities.

As previously reported, in December 2009, the Anti-Corruption Commission of Bangladesh (ACC) sent a request for information to Siemens Bangladesh related to telecommunications projects of Siemens' former Communications (Com) Group undertaken prior to calendar 2007. In January 2010, Siemens Bangladesh was informed that in a related move the Anti Money Laundering Department of the Central Bank of Bangladesh is conducting a special investigation into certain accounts of Siemens Bangladesh and of former employees of Siemens Bangladesh in connection with transactions for Com projects undertaken in the period from calendar 2002 to 2006. In February 2010 and June 2012, the ACC sent requests for additional information. Siemens is cooperating with the authorities.

As previously reported, in November 2009 and in February 2010, a subsidiary of Siemens AG voluntarily self-reported possible violations of South African anti-corruption regulations in the period before calendar 2007 to the responsible South African authorities. The authorities have requested further documentation. Siemens is cooperating with the authorities.

As previously reported, in June 2010, the Frankfurt public prosecutor searched premises of Siemens in Germany in response to allegations of questionable payments relating to an Infrastructure & Cities project in Thailand. Siemens is cooperating with the authority.

As previously reported, in August 2010, the Inter-American Development Bank (IADB) issued a notice of administrative proceedings against, among others, Siemens IT Solutions and Services Argentina alleging fraudulent misstatements and antitrust violations in connection with a public invitation to tender for a project in the province of Cordoba, Argentina, in calendar 2003. Siemens is cooperating with the IADB.

As previously reported, in August 2010, the IADB issued a notice of administrative proceedings against, among others, Siemens Venezuela alleging fraudulent misstatements and public corruption in connection with a public invitation to tender for healthcare projects in the Venezuelan provinces of Anzoategui and Merida in calendar 2003. Siemens is cooperating with the IADB.

The Company remains subject to corruption-related investigations in several jurisdictions around the world. As a result, additional criminal or civil sanctions could be brought against the Company itself or against certain of its employees in connection with possible violations of law. In addition, the scope of pending investigations may be expanded and new investigations commenced in connection with allegations of bribery or other illegal acts. The Company's operating activities, financial results and reputation may also be negatively affected, particularly as a result of penalties, fines, disgorgements, compensatory damages, third-party litigation, including with competitors, the formal or informal exclusion from public invitations to tender, or the loss of business licenses or permits. Additional expenses and provisions, which could be material, may need to be recorded in the future for penalties, fines, damages or other charges in connection with the investigations.

Civil litigation

As previously reported, Siemens AG reached a settlement with nine out of eleven former members of the Managing and Supervisory Board in December 2009. The settlement relates to claims of breaches of organizational and supervisory duties in view of the accusations of illegal business practices that occurred in the course of international business transactions in calendar 2003 to 2006 and the resulting financial burdens for the Company. The Annual Shareholders' Meeting approved all nine settlements between the Company and the former members of the Managing and Supervisory Board in January 2010. The shareholders also approved a settlement agreement between the Company and its directors and officers insurers regarding claims in connection with the D&O insurance of up to €100 million. Siemens recorded €96 million gains, net of costs, from the D&O insurance and the nine settlements. In January 2010, Siemens AG filed a lawsuit with the Munich District Court I against the two former board members who were not willing to settle, Dr. Thomas Ganswindt and Heinz-Joachim Neubürger. The criminal proceedings pending with the Munich District Court I against Dr. Ganswindt were terminated in July 2011. Against this backdrop, Siemens AG reached a settlement with Dr. Thomas Ganswindt in November 2012, which was subject to the approval of the Annual Shareholders' Meeting. The Annual Shareholders' Meeting of Siemens AG approved the settlement agreement with Dr. Ganswindt in January 2013. Therefore Siemens withdrew from the proceedings pending before the Munich District Court I in March 2013, as provided for in the settlement. The lawsuit against Heinz-Joachim Neubürger is still pending. In January 2013, Mr. Neubürger filed a counter claim against Siemens AG, requesting the transfer of Stock Awards in fiscal 2004 and 2005 plus dividends and interest. Siemens AG is contesting this counterclaim.

As previously reported, in June 2008, the Republic of Iraq filed an action requesting unspecified damages against 93 named defendants with the United States District Court for the Southern District of New York on the basis of findings made in the "Report of the Independent Inquiry Committee into the United Nations Oil-for-Food Programme." Siemens S.A.S. France, Siemens Sanayi ve Ticaret A.S., Turkey, and the former Siemens subsidiary OSRAM Middle East FZE, Dubai, are among the 93 named defendants. In February 2013, the court dismissed the Republic of Iraq's action with prejudice. The Republic of Iraq has appealed this decision.

ANTITRUST PROCEEDINGS

As previously reported, in February 2007, the European Commission launched an investigation into possible antitrust violations involving European producers of power transformers, including Siemens AG and VA Technologie AG, Austria (VA Tech), which Siemens acquired in July 2005. The German Antitrust Authority (Bundeskartellamt) has become involved in the proceeding and is responsible for investigating those allegations that relate to the German market. Power transformers are electrical equipment used as major components in electric transmission systems in order to adapt voltages. In October 2009, the European Commission imposed fines totaling €68 million on seven companies with regard to a territorial market sharing agreement related to Japan and Europe. Siemens was not fined because it had voluntarily disclosed this aspect of the case to the authorities. The German Antitrust Authority continued its investigation with regard to the German market. In September 2012, the German Antitrust Authority and the Company ended the legal proceeding by entering into a settlement agreement. Siemens agreed to pay a fine in the single-digit € million range.

As previously reported, in April 2007, Siemens AG and former VA Tech companies filed actions before the European Court of First Instance in Luxemburg against the decisions of the European Commission dated January 24, 2007, to fine Siemens and former VA Tech companies for alleged antitrust violations in the European Market of high-voltage gas-insulated switchgear between calendar 1988 and 2004. Gas-insulated switchgear is electrical equipment used as a major component for power substations. The fine imposed on Siemens AG amounted to €396.6 million and was paid by the Company in calendar 2007. The fine imposed on former VA Tech companies, which Siemens AG acquired in July 2005, amounted to €22.1 million. In addition, former VA Tech companies were declared jointly liable with Schneider Electric for a separate fine of €4.5 million. In March 2011, the European Court of First Instance dismissed the case regarding the fine imposed on Siemens AG and re-calculated the fines for the former VA Tech companies. Former VA Tech companies were declared jointly liable with Schneider Electric for a fine of €8.1 million. Siemens AG and former VA Tech companies appealed the decision in May 2011.

In addition to these proceedings, authorities in Brazil, the Czech Republic and Slovakia are conducting investigations into comparable possible antitrust violations. In October 2010, the High Court of New Zealand dismissed corresponding charges against Siemens.

As previously reported, in September 2011, the Israeli Antitrust Authority requested Siemens to present its legal position regarding an alleged anti-competitive arrangement between April 1988 and April 2004 in the field of gas-insulated switchgear. In September 2013, the Israeli Antitrust Authority concluded that Siemens AG was a party to an illegal restrictive arrangement regarding the Israeli gas-insulated switchgear market between 1988 and 2004, with an interruption from October 1999 to February 2002. The Company is considering to appeal this decision.

Based on the above mentioned conclusion of the Israel Antitrust Authority, electricity consumer groups filed two class-actions for cartel damages against a number of companies including Siemens AG with an Israeli District Court in September 2013. The plaintiffs seek compensation for alleged damages, which are claimed to amount to €582 million. In addition, according to an ad hoc-notice of the Israel Electric Corporation (IEC), the IEC is concurrently preparing to file a separate claim for damages against Siemens AG and other companies that allegedly formed a cartel in the Israeli gas-insulated switchgear market. Siemens AG is defending itself.

As previously reported, in November 2010, the Greek Competition Authority searched the premises of Siemens S.A. in Athens in response to allegations of anti-competitive practices in the field of telecommunication and security. In August 2012, the proceedings were discontinued without sanctions based on the settlement agreement between Siemens and the Greek State mentioned above.

In connection with the January 24, 2007 decision of the European Commission regarding alleged antitrust violations in the high-voltage gas-insulated switchgear market, claims are being made against Siemens. Among others, a claim was filed by National Grid Electricity Transmission Plc. (National Grid) with the High Court of England and Wales in November 2008. 21 companies have been named as defendants, including Siemens AG and various of its subsidiaries. National Grid originally asserted claims in the aggregate amount of approximately £249 million for damages and compound interest. In November 2012, National Grid increased the aggregate amount to £364 million due to accrued compound interest. Siemens believes National Grid's claim to be without merit. As discussed, the European Commission's decision has been appealed to the

European Court of First Instance. In June 2009, the High Court granted a stay of the proceedings pending before it. In June 2009, the Siemens defendants filed their answers to the complaint and requested National Grid's claim to be rejected. A case management conference was held in November 2012. The High Court of England and Wales lifted the stay of the proceedings granted in June 2009 and decided on the scope of further discovery and set a time schedule leading up to a court session expected to be held in 2014.

As previously reported, in December 2010 and in March 2011, the Turkish Antitrust Authority searched the premises of several diagnostic companies including, among others, Siemens Healthcare Diagnostik Ticaret Limited Sirketi in Turkey, in response to allegations of anti-competitive agreements. Siemens cooperated with the authority. In May 2012, the Turkish Antitrust Authority decided that the law had not been violated, and discontinued the proceedings.

As previously reported, the Italian Antitrust Authority searched the premises of several healthcare companies, among others those of Siemens Healthcare Diagnostics S.r.l. and Siemens S.p.A. in February 2010. The investigation addresses allegations of anti-competitive agreements in relation to a tender of the procurement entity for the public healthcare sector in the region of Campania for the supply of medical equipment in calendar 2009. In May 2011, the Italian Antitrust Authority sent a Statement of Objections to the companies under investigation which confirmed that the proceedings against Siemens Healthcare Diagnostics S.r.l. were closed, but accused Siemens S.p.A. of having participated in an anti-competitive arrangement. In August 2011, the Italian Antitrust Authority fined several companies, including Siemens S.p.A. for alleged anti-competitive behavior. The fine imposed on Siemens S.p.A. amounts to €1.1 million. The company appealed the decision. In April 2012, the Regional Administrative Court overturned the decision of the Italian Antitrust Authority. In November 2012, the Italian Antitrust Authority appealed the decision of the Regional Administrative Court.

As previously reported, in September 2011, the Competition Commission of Pakistan requested Siemens Pakistan Engineering Co. Ltd., Pakistan (Siemens Pakistan), to present its legal position regarding an alleged anti-competitive arrangement since calendar 2007 in the field of transformers and air-insulated switchgears. Siemens cooperated with the authority. In December 2011, Siemens Pakistan filed a leniency application. In April 2012, the Competition Commission of Pakistan accepted the leniency application and granted Siemens Pakistan a 100% penalty reduction for the alleged behavior.

As previously reported, in June 2007, the Turkish Antitrust Agency confirmed its earlier decision to impose a fine in an amount equivalent to €6 million on Siemens Sanayi ve Ticaret A.S., Turkey, based on alleged antitrust violations in the traffic lights market. Siemens Sanayi ve Ticaret A.S. has appealed this decision and this appeal is still pending.

In May 2012, the Brazilian Anti-Trust Authority notified Siemens Ltda., Brazil of an investigation into anti-trust behavior in the field of air-insulated switchgear and other products from calendar 1997 to 2006. Siemens is cooperating with the authorities.

As mentioned above, in May 2013, Siemens Ltda. Brazil entered into a leniency agreement with the Administrative Council for Economic Defense and other relevant authorities relating to several Brazilian metro transport projects. The Company is cooperating with the authorities. It cannot be excluded that significant cartel damages claims will be brought by customers against Siemens Ltda. Brazil based on the outcome of the investigations.

OTHER PROCEEDINGS

As previously reported, Siemens AG is a member of a supplier consortium that has been contracted to construct the nuclear power plant "Olkiluoto 3" in Finland for Teollisuuden Voima Oyj (TVO) on a turnkey basis. Siemens AG's share of the consideration to be paid to the supplier consortium under the contract is approximately 27%. The other member of the supplier consortium is a further consortium consisting of Areva NP S.A.S. and its wholly-owned subsidiary, Areva NP GmbH. The agreed completion date for the nuclear power plant was April 30, 2009. Completion of the power plant has been delayed for reasons which are in dispute. In December 2011, the supplier consortium informed TVO that the completion of the plant is expected in August 2014. In February 2013 TVO announced that it is preparing for the possibility that the start of the regular electricity production of the plant may be postponed until calendar year 2016. The supplier consortium and TVO continue to assess the schedule and the risk of further slippage in detail. The final phases of the plant completion require the full cooperation of all parties involved. In December 2008, the supplier consortium filed a request for arbitration against TVO demanding an extension of the construction time, additional compensation, milestone payments, damages and interest. In June 2011, the supplier consortium increased its monetary claim to €1.94 billion. TVO rejected the claims and made counterclaims against the supplier consortium consisting primarily of damages due to the delay. In June 2012, the arbitral tribunal rendered a partial award ordering the release of withheld milestone payments to the supplier consortium of approximately €101 million plus interest. As of September 2012, TVO's alleged counterclaims amounted to €1.59 billion based on a delay of up to 56 months. Based on a completion in August 2014, TVO estimates that its counterclaims amount to €1.77 billion. The further delay beyond 56 months (beyond December 2013) as well as the further slippage in the schedule currently under assessment by the supplier consortium and TVO could lead TVO to further increase its counterclaims. In October 2013 the supplier consortium increased its claim for an extension of construction time and its monetary claims to €2.65 billion. The arbitration proceedings may continue for several years.

As previously reported, Siemens AG terminated its joint venture with Areva S.A. (Areva) in January 2009. Thereafter Siemens AG entered into negotiations with the State Atomic Energy Corporation Rosatom (Rosatom) with a view to forming a new partnership active in the construction of nuclear power plants, in which it would be a minority shareholder. In April 2009, Areva filed a request for arbitration with the ICC against Siemens AG. Areva sought an order enjoining Siemens AG from pursuing such negotiations with Rosatom, a declaration that Siemens AG is in material breach of its contractual obligations and a reduction of the price payable to Siemens AG for its stake in the Areva NP S.A.S. joint venture. The final award of the arbitral tribunal was notified in May 2011. According to this award, Siemens had to pay Areva liquidated damages of €648 million plus interest. Pursuant to the arbitral award, the disputed non-compete obligation was reduced to four years (ending in September 2013).

As previously reported, Siemens is involved in the construction of a power plant in the United States. Siemens Energy, Inc., USA, and Kvaerner North American Construction, Inc., USA (Kvaerner) are consortium partners in this project, commissioned by Longview Power LLC, USA (Longview). Foster Wheeler North America Corp, USA (Foster Wheeler) supplied the boiler for the project. Kvaerner filed an arbitration request before the American Arbitration Association in June 2011, and in October and November 2012, the parties filed claims for monetary damages against one another. The amounts claimed by Longview and Foster Wheeler from the consortium partners total approximately US$243 million. Siemens filed claims for monetary damages of approximately US$110 million against Longview and Foster Wheeler. Kvaerner is claiming approximately US$252.8 million from Longview and Foster Wheeler. Longview filed for bankruptcy under Chapter 11 of the US Bankruptcy Code, which may result in delay to the arbitration proceeding dealing with the claim and counterclaim.

In July 2008, Hellenic Telecommunications Organization S.A. (OTE) filed a lawsuit against Siemens AG with the district court of Munich, Germany, seeking to compel Siemens AG to disclose the outcome of its internal investigations with respect to OTE. OTE seeks to obtain information with respect to allegations of undue influence and / or acts of bribery in connection with contracts concluded between Siemens AG and OTE from calendar 1992 to 2006. In May 2009, OTE was granted access to the public prosecutor's files in Greece. At the end of July 2010, OTE expanded its claim and requested payment of damages by Siemens AG of at least €57.07 million to OTE for alleged bribery payments to OTE-employees. While Siemens AG continues to defend itself against the expanded claim, Siemens AG and OTE remain in discussions to resolve the matter.

As previously reported, Siemens A.E. entered into a subcontract agreement with Science Applications International Corporation, Delaware, USA, (SAIC) in May of 2003 to deliver and install a significant portion of a security surveillance system (the C4I project) in advance of the Olympic Games in Athens, Greece. Siemens A.E. fulfilled its obligations pursuant to the subcontract agreement. Nonetheless, the Greek government claimed errors related to the C4I-System and withheld amounts for abatement in a double-digit million € range. Furthermore, the Greek government is withholding the final payment in a double-digit million € range, claiming that the system has not yet been finally accepted. Although Siemens A.E. is not a contractual party of the Greek government, under Siemens A.E.'s subcontract agreement with SAIC non-payment by the Greek government also has an economic effect on Siemens A.E. SAIC has filed for arbitration contesting all the Greek government's claims and the withholding of payments. In July 2013, the arbitration court issued the arbitral award ordering the Greek State to pay €40 million to SAIC. The Greek State is contesting the enforcement of the arbitral award. The final resolution of this dispute has been complicated by public bribery and fraud allegations against Siemens A.E. in Greece, which have resulted in extensive negative media coverage concerning the C4I system.

As previously reported, Russian authorities are conducting widespread investigations regarding possible fraudulent activities of resellers and governmental officials relating to procurement of medical equipment in the public sector. As is the case with other providers of medical equipment, OOO Siemens, Russia, has received numerous information requests and inquiries were made on-site by the authorities regarding tenders in the public healthcare sector. OOO Siemens is cooperating in the ongoing investigations which also relate to certain individual employees.

As previously reported, in April 2009, the Defense Criminal Investigative Service of the U.S. Department of Defense conducted a search at the premises of Siemens Medical Solutions USA, Inc., United States, in Malvern, Pennsylvania, in connection with an investigation relating to a Siemens contract with the U.S. Department of Defense for the provision of medical equipment. Siemens is cooperating with the authorities.

As previously reported, in June 2009, Siemens AG and two of its subsidiaries voluntarily self-reported, among others, possible violations of U.S. Export Administration Regulations to the responsible U.S. authorities. In October, 2011, the U.S. Department of Commerce notified Siemens that it closed its case without taking further action. In January 2013, the U.S. Department of the Treasury notified Siemens that it closed its case without taking further action.

As previously reported, in December 2011, the United States Attorney's Office for the Northern District of New York served a Grand Jury subpoena on Siemens that seeks records of consulting payments for business conducted by the Building Technologies Business Unit in New York State over the period from January 1, 2000 through September 30, 2011. In June 2013, the authority notified Siemens that it closed its case.

In February 2012, the United States Attorney's Office for the Eastern District of New York served a subpoena on Siemens Healthcare Diagnostics Inc., United States, for information relating to a diagnostics process. Siemens is cooperating with the authority.

In January 2013, Siemens Electrical, LLC, USA (Siemens Electrical), an entity wholly-owned by Siemens Industry, Inc., USA, entered into a Deferred Prosecution Agreement (DPA) with the New York County District Attorney's Office. The DPA relates to misconduct concerning Master Electrician and Minority Business Enterprise requirements in connection with contracts with the New York City Department of Environmental Protection. The individuals responsible for the admitted misconduct were Siemens' former business partners to the predecessor to Siemens Electrical. Under the terms of the DPA, Siemens Electrical agreed to, among other things, forfeit US$10 million. The case will be dismissed after two years if the company meets certain specified conditions under the DPA.

In March 2013, Nokia Siemens Networks Holding B.V. (NSN), Nokia Corporation and Nokia Finance International B.V. (Nokia Finance) filed a request for arbitration against Siemens AG. NSN, Nokia Corporation and Nokia Finance sought damages in the amount of €238 million for alleged breaches of the framework agreement entered into among the parties in 2007. The claims related to a contract which had been transferred to a subsidiary of NSN. In connection with the sale of Siemens AG's shares in NSN to Nokia on July 1, 2013, the parties settled the dispute.

End of October 2013 Essent Wind Nordsee Ost Planungs- und Betriebsgesellschaft mbH filed a request for arbitration against Siemens AG alleging violations of a contract for the delivery of a High Voltage Substation entered into by the parties in 2010. The claimant claims damages in an amount of €256 million plus interest and a determination that Siemens AG shall be liable for any further damages, which are claimed to amount to €152 million. Siemens AG will defend itself against this action.

For legal proceedings information required under IAS 37, Provisions, Contingent Liabilities and Contingent Assets, is not disclosed, if the Company concludes that the disclosure can be expected to seriously prejudice the outcome of the litigation.

In addition to the investigations and legal proceedings described above, Siemens AG and its subsidiaries have been named as defendants in various other legal actions and proceedings arising in connection with their activities as a global diversified group. Some of these pending proceedings have been previously disclosed. Some of the legal actions include claims or potential claims for punitive damages or claims for indeterminate amounts of damages. Siemens is from time to time also involved in regulatory investigations beyond those described above. Siemens is cooperating with the relevant authorities in several jurisdictions and, where appropriate, conducts internal investigations regarding potential wrongdoing with the assistance of in-house and external counsel. Given the number of legal actions and other proceedings to which Siemens is subject, some may result in adverse decisions. Siemens contests actions and proceedings when it considers it appropriate. In view of the inherent difficulty of predicting the outcome of such matters, particularly in cases in which claimants seek indeterminate damages, Siemens may not be able to predict what the eventual loss or range of loss related to such matters will be. The final resolution of the matters discussed in this paragraph could have a material effect on Siemens' business, results of operations and financial condition for any reporting period in which an adverse decision is rendered. However, Siemens currently does not expect its business, results of operations and financial condition to be materially affected by the additional legal matters not separately discussed in this paragraph.

NOTE 30 Additional disclosures on financial instruments

The following table presents the carrying amounts of each category of financial assets and financial liabilities:

(in millions of €)	2013	September 30, 2012
Financial assets:		
Loans and receivables	29,331	28,439
Cash and cash equivalents	9,190	10,891
Derivatives designated in a hedge accounting relationship	625	1,918
Financial assets held for trading	1,705	1,410
Available-for-sale financial assets	2,161	1,546
	43,010	**44,203**
Financial liabilities:		
Financial liabilities measured at amortized cost	29,704	30,160
Financial liabilities held for trading	887	920
Derivatives designated in a hedge accounting relationship	160	204
	30,751	**31,284**

The following table presents the fair values and carrying amounts of financial assets and financial liabilities measured at cost or amortized cost:

	September 30, 2013		September 30, 2012	
(in millions of €)	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets measured at cost or amortized cost				
Trade and other receivables[1]	12,944	12,944	13,344	13,344
Receivables from finance leases	5,261	5,261	5,059	5,059
Cash and cash equivalents	9,190	9,190	10,891	10,891
Other non-derivative financial assets	11,126	11,126	10,036	10,036
Available-for-sale financial assets[2]	–	167	–	293
Financial liabilities measured at cost or amortized cost				
Notes and bonds	18,742	18,491	18,460	18,212
Trade payables[3]	7,599	7,599	8,036	8,036
Loans from banks and other financial indebtedness	1,821	1,832	2,340	2,334
Obligations under finance leases	167	130	202	161
Other non-derivative financial liabilities	1,651	1,651	1,418	1,418

1 Consists of (1) €12,932 million and €13,310 million trade receivables from the sale of goods and services in fiscal 2013 and 2012, respectively, as well as (2) €11 million and €34 million receivables included in line item Other financial assets in fiscal 2013 and 2012, respectively. As of September 30, 2013 and 2012, trade receivables from the sale of goods and services of €612 million and €685 million have a remaining term of more than twelve months.

2 Consists of equity instruments classified as available-for-sale, for which a fair value could not be reliably measured and which are therefore recognized at cost.

3 As of September 30, 2013 and 2012, trade payables of €32 million and €128 million have a remaining term of more than twelve months.

Cash and cash equivalents includes €320 million and €199 million as of September 30, 2013 and 2012, respectively, which are not available for use by Siemens mainly due to minimum reserve requirements with banks.

As of September 30, 2013 and 2012, the carrying amount of financial assets Siemens has pledged as collateral amounted to €344 million and €500 million, respectively.

The fair values of cash and cash equivalents, trade and other receivables and trade payables with a remaining term of up to twelve months, other current financial liabilities and borrowings under revolving credit facilities approximate their carrying amount, mainly due to the short-term maturities of these instruments.

Fixed-rate and variable-rate receivables with a remaining term of more than twelve months, including receivables from finance leases, are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer, and the risk characteristics of the financed project. Based on this evaluation, allowances for these receivables are recognized. As of September 30, 2013 and 2012, the carrying amounts of such receivables, net of allowances, approximate their fair values.

The fair value of quoted notes and bonds is based on price quotations at the period-end date. The fair value of unquoted notes and bonds, loans from banks and other financial indebtedness, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms and remaining maturities.

Financial instruments categorized as financial assets and financial liabilities measured at fair value are presented in the following table:

	September 30,	
(in millions of €)	2013	2012
Financial assets measured at fair value		
Available-for-sale financial assets	1,994	1,252
Derivative financial instruments	2,330	3,328
Not designated in a hedge accounting relationship	*1,587*	*1,202*
In connection with fair value hedges	*472*	*1,783*
Foreign currency exchange derivatives	*6*	*22*
Interest rate derivatives	*466*	*1,761*
In connection with cash flow hedges	*153*	*135*
Foreign currency exchange derivatives	*152*	*132*
Commodity derivatives	*1*	*3*
Embedded derivatives	*118*	*208*
	4,324	**4,580**
Financial liabilities measured at fair value		
Derivative financial instruments	1,047	1,125
Not designated in a hedge accounting relationship	*765*	*823*
In connection with fair value hedges	*8*	*11*
Foreign currency exchange derivatives	*3*	*2*
Interest rate derivatives	*5*	*9*
In connection with cash flow hedges	*152*	*193*
Foreign currency exchange derivatives	*148*	*185*
Interest rate derivatives	*–*	*8*
Commodity derivatives	*3*	*–*
Embedded derivatives	*122*	*98*
	1,047	**1,125**

The fair value of available-for-sale financial assets quoted in an active market is based on price quotations at the period-end date. The fair value of unquoted debt instruments is estimated by discounting future cash flows using current market interest rates.

The Company limits default risks resulting from derivative financial instruments by a careful counterparty selection. Derivative financial instruments are generally transacted with financial institutions with investment grade credit ratings. The fair valuation of derivative financial instruments at Siemens incorporates all factors that market participants would consider, including the counterparties' credit risks. The exact calculation of fair values of derivative financial instruments depends on the specific type of instrument:

Derivative interest rate contracts – The fair values of derivative interest rate contracts (e.g. interest rate swap agreements) are estimated by discounting expected future cash flows using current market interest rates and yield curves over the remaining term of the instrument. Interest rate futures and interest rate options are valued on the basis of quoted market prices when available. If quoted market prices are not available, interest rate options are valued based on option pricing models.

Derivative currency contracts – The fair value of foreign currency exchange contracts is based on forward exchange rates. Currency options are valued on the basis of quoted market prices or on estimates based on option pricing models.

Derivative commodity contracts – The fair value of commodity swaps is based on forward commodity prices. Commodity options are valued on the basis of quoted market prices or on estimates based on option pricing models.

In determining the fair values of the derivative financial instruments, no compensating effects from underlying transactions (e.g. firm commitments and forecast transactions) are taken into consideration.

The following table allocates financial assets and financial liabilities measured at fair value to the three levels of the fair value hierarchy.

	September 30, 2013			
(in millions of €)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale financial assets	1,884	110	–	1,994
Derivative financial instruments	–	2,330	–	2,330
Total	**1,884**	**2,440**	**–**	**4,324**
Financial liabilities measured at fair value				
Derivative financial instruments	–	1,047	–	1,047

	September 30, 2012			
(in millions of €)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale financial assets	1,252	–	–	1,252
Derivative financial instruments	–	3,328	–	3,328
Total	**1,252**	**3,328**	**–**	**4,580**
Financial liabilities measured at fair value				
Derivative financial instruments	–	1,125	–	1,125

The levels of the fair value hierarchy and its application to our financial assets and financial liabilities are described below:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for assets or liabilities, not based on observable market data.

Net gains (losses) of financial instruments are as follows:

	Year ended September 30,	
(in millions of €)	2013	2012
Cash and cash equivalents	(1)	11
Available-for-sale financial assets	(99)	83
Loans and receivables	(178)	(238)
Financial liabilities measured at amortized cost	408	(258)
Financial assets and financial liabilities held for trading	363	(189)

Net gains (losses) in fiscal 2013 and 2012 on available-for-sale financial assets include net gains on derecognition as well as impairment losses. Net losses on loans and receivables contain changes in valuation allowances, gains or losses on derecognition as well as recoveries of amounts previously written-off. Net gains (losses) in fiscal 2013 and 2012 on financial liabilities measured at amortized cost are comprised of gains (losses) from derecognition and the ineffective portion of fair value hedges. Net gains (losses) in fiscal 2013 and 2012 on financial assets and financial liabilities held for trading consist of changes in the fair value of derivative financial instruments, including interest income and expense, for which hedge accounting is not applied.

The amounts presented include foreign currency gains and losses from the realization and valuation of the financial assets and liabilities mentioned above.

NOTE 31 Derivative financial instruments and hedging activities

As part of the Company's risk management program, a variety of derivative financial instruments is used to reduce risks resulting primarily from fluctuations in foreign currency exchange rates, interest rates and commodity prices.

The fair values of each type of derivative financial instruments recorded as financial assets or financial liabilities are as follows:

(in millions of €)	September 30, 2013 Asset	September 30, 2013 Liability	September 30, 2012 Asset	September 30, 2012 Liability
Foreign currency exchange contracts	416	331	343	325
Interest rate swaps and combined interest/currency swaps	1,637	261	2,577	534
Commodity swaps	35	49	36	27
Embedded derivatives	118	122	208	98
Options	123	281	164	141
Credit Default Swaps	–	4	–	–
	2,330	**1,047**	**3,328**	**1,125**

FOREIGN CURRENCY EXCHANGE RATE RISK MANAGEMENT

Derivative financial instruments not designated in a hedging relationship

The Company manages its risks associated with fluctuations in foreign currency denominated receivables, payables, debt, firm commitments and forecast transactions primarily through a Company-wide portfolio approach. Under this approach the Company-wide risks are aggregated centrally, and various derivative financial instruments, primarily foreign currency exchange contracts, foreign currency swaps and options, are utilized to minimize such risks. Such a strategy does not qualify for hedge accounting treatment. Accordingly, all such derivative financial instruments are recorded at fair value on the Consolidated Statements of Financial Position, either in line items Other current financial assets (liabilities) or line items Other financial assets (liabilities); changes in fair values are charged to net income (loss).

The Company also has foreign currency derivatives, which are embedded in sale and purchase contracts denominated in a currency that is neither the functional currency of the substantial parties to the contract nor a currency which is commonly used in the economic environment in which the contract takes place. Gains (losses) relating to such embedded foreign currency derivatives are reported in line item Cost of sales in the Consolidated Statements of Income.

Hedging activities

The Company's operating units apply hedge accounting for certain significant forecast transactions and firm commitments denominated in foreign currencies. Particularly, the Company has entered into foreign currency exchange contracts to reduce the risk of variability of future cash flows resulting from forecast sales and purchases as well as firm commitments. This risk results mainly from contracts denominated in US$ both from Siemens' operating units entering into long-term contracts, e.g. project business, and from the standard product business.

Cash flow hedges – As of September 30, 2013 and 2012, the ineffective portion of cash flow hedges is not significant individually or in aggregate.

Periods in which the hedged forecast transactions or the firm commitments denominated in foreign currency are expected to impact profit or loss:

(in millions of €)	Year ended September 30, 2014	2015	2016 to 2018	2019 and thereafter
Expected gain (loss) to be reclassified from line item Other comprehensive income, net of income taxes into revenue or cost of sales	54	(14)	(36)	3

INTEREST RATE RISK MANAGEMENT

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market interest rates. The Company seeks to mitigate that risk by entering into interest rate derivatives such as interest rate swaps, options, interest rate futures and forward rate agreements.

Derivative financial instruments not designated in a hedging relationship

For the interest rate risk management relating to the Group excluding SFS' business, derivative financial instruments are used under a portfolio-based approach to manage interest risk actively relative to a benchmark. The interest rate management relating to the SFS' business remains to be managed separately, considering the term structure of SFS' financial assets and liabilities on a portfolio basis. Neither approach qualifies for hedge accounting treatment. Accordingly, all interest rate derivatives held in this relation are recorded at fair value, either in line items Other current financial assets (liabilities) or in line items Other financial assets (liabilities), and changes in the fair values are charged to line item Other financial income (expenses), net. Net cash receipts and payments relating to interest rate swaps used in offsetting relationships are also recorded in line item Other financial income (expenses), net.

Fair value hedges of fixed-rate debt obligations

Under the interest rate swap agreements outstanding during the years ended September 30, 2013 and 2012, the Company has agreed to pay a variable rate of interest multiplied by a notional principle amount, and receives in return an amount equal to a specified fixed rate of interest multiplied by the same notional principal amount. These interest rate swap agreements offset an impact of future changes in interest rates designated as the hedged risk on the fair value of the underlying fixed-rate debt obligations. The interest rate swap contracts are recorded at fair value in the Company's Consolidated Statements of Financial Position and the related portion of fixed-rate debt being hedged is recorded at an amount equal to the sum of its carrying amount plus an adjustment representing the change in fair value of the debt obligations attributable to the respective interest rate risk being hedged. Changes in the fair value of interest rate swap contracts and the offsetting changes in the adjusted carrying amount of the related portion of fixed-rate debt being hedged are recognized in line item Other financial income (expenses), net in the Consolidated Statements of Income. Adjustments in the carrying amount of the debt obligations resulted in a gain (loss) of €293 million and €(227) million in fiscal 2013 and 2012, respectively. During the same period, the related swap agreements resulted in a gain (loss) of €(305) million and €233 million, respectively. Accordingly, the net effect recognized in line item Other financial income (expenses), net, representing the ineffective portion of the hedging relationship, amounts to €(12) million and €7 million in fiscal 2013 and 2012, respectively. Net cash receipts and payments relating to such interest rate swap agreements are recorded as interest expenses.

The Company had interest rate swap contracts to pay variable rates of interest of an average of 0.3% and 0.5% as of September 30, 2013 and 2012, respectively and received fixed rates of interest (average rate of 3.5% and 5.1% as of September 30, 2013 and 2012, respectively). The notional amount of indebtedness hedged as of September 30, 2013 and 2012 was €7,100 million and €11,253 million, respectively. This changed 41% and 66% of the Company's underlying notes and bonds from fixed interest rates into variable interest rates as of September 30, 2013 and 2012, respectively. The notional amounts of these contracts mature at varying dates based on the maturity of the underlying hedged items. The net fair value of interest rate swap contracts (excluding accrued interest) used to hedge indebtedness as of September 30, 2013 and 2012 was €385 million and €1,586 million, respectively. To reduce counterparty risk, Siemens agreed in fiscal 2013 to adjust the fixed rate of several interest rate swaps to market levels in exchange for receiving a fair value compensation.

Cash flow hedges of a variable-rate term loan

As of September 30, 2012, the Company applied cash flow hedge accounting for 50% of a variable-rate US$1 billion term loan. To benefit from the low interest rates in the U.S., the Company entered into interest rate swap agreements to pay a fixed rate of interest and to receive in return a variable rate of interest. These interest rate swap agreements offset the effect of future changes in interest payments to be made for the underlying variable-rate term loan. The variable-rate term loan and the corresponding interest rate swap agreements matured in August 2013. In fiscal 2013 and 2012, the cash flow hedges of the variable-rate term loan did not result in any ineffective portion. Net cash receipts and payments relating to such interest rate swap agreements are recorded as interest expenses.

COMMODITY PRICE RISK MANAGEMENT

Derivative financial instruments not designated in a hedging relationship

The Company applies a portfolio approach to manage the Company-wide risks associated with fluctuations in commodity prices from firm commitments and forecast transactions by entering into commodity swaps and commodity options. Such a strategy does not qualify for hedge accounting treatment.

Cash flow hedging activities

The Company's corporate procurement applies cash flow hedge accounting for certain firm commitments to purchase copper. The ineffective portion as well as resulting gains and (losses) were not significant individually or in aggregate.

It is expected that €104 million of net deferred losses in line item Other comprehensive income, net of income taxes will be reclassified into line item Cost of sales in fiscal 2014, when the consumption of the hedged commodity purchases is recognized in line item Cost of sales. As of September 30, 2013 and 2012, the maximum length of time over which the Company is hedging its future commodity purchases is 87 months and 99 months, respectively.

NOTE 32 Financial risk management

Siemens' financial risk management is an integral part of how to plan and execute its business strategies. Siemens' financial risk management policy is set by the Managing Board. Siemens' organizational and accountability structure requires each of the respective managements of Siemens Sectors, Financial Services, Cross-Sector Services, regions and Corporate Units to implement financial risk management programs that are tailored to their specific industries and responsibilities, while being consistent with the overall policy established by the Managing Board.

Increasing market fluctuations may result in significant cash flow and earnings volatility risk for Siemens. The Company's operating business as well as its investment and financing activities are affected by changes in foreign exchange rates, interest rates, commodity prices and equity prices. In order to optimize the allocation of the financial resources across the Siemens segments and entities, as well as to secure an optimal return for its shareholders, Siemens identifies, analyzes and proactively manages the associated financial market risks. The Company seeks to manage and control these risks primarily through its regular operating and financing activities, and uses derivative financial instruments when deemed appropriate.

Within the various methodologies to analyze and manage risk, Siemens has implemented a system based on parametric variance-covariance Value at Risk (VaR). The VaR methodology provides a quantification of market risks based on historical volatilities and correlations of the different risk factors under the assumptions of the parametric variance-covariance Value at Risk model. The VaR figures are calculated based on

> historical volatilities and correlations,
> a ten day holding period, and
> a 99.5% confidence level

for foreign currency exchange rate risk, interest rate risk, commodity price risk and equity price risk as discussed below.

Actual results that are included in the Consolidated Statements of Income or Consolidated Statements of Comprehensive Income may differ substantially from VaR figures due to fundamental conceptual differences. The Consolidated Statements of Income and Consolidated Statements of Comprehensive Income are prepared in accordance with IFRS. The VaR figures are the output of a model with a purely financial perspective and represent the potential financial loss which will not be exceeded within ten days with a probability of 99.5%. The concept of VaR is used for internal management of the Corporate Treasury activities.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations including the following. A ten day holding period assumes that it is possible to dispose of the underlying positions within this period. While this is considered to be a realistic assumption in almost all cases, it may not be valid during prolonged periods of severe market illiquidity. A 99.5% confidence level does not reflect losses that may occur beyond this level. There is a 0.5% statistical probability that losses could exceed the calculated VaR. The use of historical data as a basis for estimating the statistic behavior of the relevant markets and finally determining the possible range of the future outcomes on the basis of this statistic behavior may not always cover all possible scenarios, especially those of an exceptional nature. Any market sensitive instruments, including equity and interest bearing investments, that our Company's pension plans hold are not included in the following quantitative and qualitative disclosures.

FOREIGN CURRENCY EXCHANGE RATE RISK

Transaction risk and foreign currency exchange rate risk management

Siemens' international operations expose the Company to foreign currency exchange rate risks, particularly regarding fluctuations between the U.S. dollar and the euro, in the ordinary course of business. The Company employs various strategies discussed below involving the use of derivative financial instruments to mitigate or eliminate certain of those exposures.

Foreign currency exchange rate fluctuations may create unwanted and unpredictable earnings and cash flow volatility. Each Siemens unit conducting business with international counterparties that leads to future cash flows denominated in a currency other than its functional currency is exposed to risks from changes in foreign currency exchange rates. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies as well as production activities and other contributions along the value chain in the local markets.

Operating units (including SFS) are prohibited from borrowing or investing in foreign currencies on a speculative basis. Intercompany financing or investments of operating units are preferably carried out in their functional currency or on a hedged basis.

Siemens has established a foreign currency exchange rate risk management system that has an established track record for years. Each Siemens unit is responsible for recording, assessing, monitoring, reporting and hedging its foreign currency transaction exposure. The binding guideline for Siemens' operating units provides the concept for the identification and determination of a single net foreign currency position for each unit and commits the units to hedge this aggregated position within a narrow band of at least 75% but no more than 100% of their net foreign currency position. In addition, the guideline provides a framework of the organizational structure necessary for foreign currency exchange rate risk management, proposes hedging strategies and defines the hedging instruments available to the entities: foreign currency exchange contracts, foreign currency put and call options and stop-loss orders. If there are no conflicting country specific regulations, hedging activities of the operating units are transacted internally with Corporate Treasury. Hedging transactions with external counterparties in the global financial markets are carried out under these limitations by Corporate Treasury. This includes hedging instruments which qualify for hedge accounting.

Siemens has a Company-wide portfolio approach which generates a benefit from any potential off-set of divergent cash flows in the same currency, as well as optimized transaction costs.

The VaR relating to foreign currency exchange rates is calculated by aggregating the net foreign currency positions after hedging by the operating units. As of September 30, 2013 the foreign currency exchange rate risk based on historical volatilities and correlations, a ten day holding period and a confidence level of 99.5% resulted in a VaR of €6 million compared to a VaR of €9 million in the year before. Changes in euro values of future cash flows denominated in foreign currency due to volatile foreign currency exchange rates might influence the unhedged portion of revenues, but would also affect the unhedged portion of cost of materials. Future changes in the foreign currency exchange rates can impact sales prices and may lead to margin changes, the extent of which is determined by the matching of foreign currency revenues and expenses.

Siemens defines foreign currency exchange rate exposure generally as items of the Consolidated Statement of Financial Position in addition to firm commitments which are denominated in foreign currencies, as well as foreign currency denominated cash inflows and cash outflows from forecast transactions for the following three months. This foreign currency exchange rate exposure is determined based on the respective functional currencies of the exposed Siemens' entities.

Effects of foreign currency translation

Many Siemens units are located outside the euro zone. Since the financial reporting currency of Siemens is the euro, the financial statements of these subsidiaries are translated into euro for the preparation of the Consolidated Financial Statements. To consider the effects of foreign currency translation in the risk management, the general assumption is that investments in foreign-based operations are permanent and that reinvestment is continuous. Effects from foreign currency exchange rate fluctuations on the translation of net asset amounts into euro are reflected in the Company's consolidated equity position.

INTEREST RATE RISK

Siemens' key consideration with respect to the interest rate risk management is to mitigate the risk resulting from changes in the fair value of future cash flows. Risk arises whenever interest terms of financial assets and liabilities are different. Siemens manages this risk using derivative financial instruments which allow the Company to hedge fair value changes by swapping fixed rates of interest into variable rates of interest. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the overall financial interest rate risk with respect to valuation risk affecting profit and loss and economic risk of changing interest rates, Corporate Treasury performs a comprehensive corporate interest rate risk management, under which the interest rate risk relating to the SFS' business and to the remaining group are managed separately.

If there are no conflicting country-specific regulations, all Siemens operating units generally obtain any required financing through Corporate Treasury in the form of loans or intercompany clearing accounts. The same concept is adopted for deposits of cash generated by the units.

Assuming historical volatilities and correlations, a ten day holding period and a confidence level of 99.5% the interest rate VaR was €236 million as of September 30, 2013, increasing from the comparable value of €89 million as of September 30,

2012. This interest rate risk results primarily from euro and U.S. dollar denominated long-term fixed rate debt obligations. The increase in VaR related mainly to a decrease in the portion of the Company's underlying notes and bonds being changed from fixed interest rates into variable interest rates by using interest rate swap contracts, and to an increased volatility of relevant medium-term interest rates.

COMMODITY PRICE RISK

Siemens' production operations expose the Company to various commodity price risks in the ordinary course of business. Especially in the Sectors Industry and Energy a continuous supply of copper was necessary for the operating activities. Commodity price risk fluctuations may create unwanted and unpredictable earnings and cash flow volatility. The Company employs various strategies discussed below involving the use of derivative financial instruments to mitigate or eliminate certain of those exposures.

Siemens has established a commodity price risk management system to reduce earnings and cash flow volatility. Each Siemens unit is responsible for recording, assessing, monitoring, reporting and hedging its risks from forecast and pending commodity purchase transactions (commodity price risk exposure). The binding guideline for Siemens operating units provides the concept for the identification and determination of the commodity price risk exposure and commits the units to hedge it within a narrow band of 75% to 100% of the commodity price risk exposure in the product business for the next three months and 95% to 100% of the commodity price risk exposure in the project business after receipt of order. Siemens operating units are prohibited from speculative transactions.

The aggregated commodity price risk exposure is hedged with external counterparties through derivative financial hedging instruments by Corporate Treasury. Derivative financial hedging instruments designated for hedge accounting are directly entered into with external counterparties. Additionally, Siemens applies a Company-wide portfolio approach which generates a benefit from optimizing the Company's position of the overall financial commodity price risk.

Using historical volatilities and correlations, a ten day holding period and a confidence level of 99.5%, the VaR, which comprises the net position of commodity derivatives and the commodity purchase transactions with price risk, was €4 million as of September 30, 2013 compared to €10 million as of September 30, 2012.

EQUITY PRICE RISK

Siemens' investment portfolio consists of direct and indirect investments in publicly traded companies held for purposes other than trading. The direct participations result mainly from strategic partnerships, strengthening Siemens' focus on its core business activities or compensation from M&A transactions; indirect investments in fund shares are mainly transacted for financial reasons.

These investments are monitored based on their current market value, affected primarily by fluctuations in the volatile technology-related markets worldwide. The market value of Siemens' portfolio in publicly traded companies increased from €796 million as of September 30, 2012 to €1.444 billion as of September 30, 2013, which was due primarily to the recognition of our 17.0% stake in OSRAM after the spin-off.

Based on historical volatilities and correlations, a ten day holding period and a confidence level of 99.5%, the VaR as of September 30, 2013 of Siemens' equity investments was €81 million compared to €85 million the year before.

LIQUIDITY RISK

Liquidity risk results from the Company's potential inability to meet its financial liabilities, e.g. for the settlement of its financial debt or for ongoing cash requirements from operating activities. In addition to having implemented effective working capital and cash management, Siemens mitigates liquidity risk by arranged credit facilities with highly rated financial institutions, via a debt issuance program and via a global multi-currency commercial paper program. Liquidity risk may also be mitigated by the Siemens Bank GmbH, which increases the flexibility of depositing cash or refinancing by using European Central Bank accounts.

In addition to the above-mentioned sources of liquidity, Siemens constantly monitors funding options available in the capital markets, as well as trends in the availability and costs of such funding, with a view to maintaining financial flexibility and limiting repayment risks.

The following table reflects all contractually fixed pay-offs for settlement, repayments and interest resulting from recognized financial liabilities as well as from irrevocable loan commitments. It includes expected net cash outflows from derivative financial liabilities that are in place as per September 30, 2013. Such expected net cash outflows are determined based on each particular settlement date of an instrument. The amounts disclosed are undiscounted net cash outflows for the respective upcoming fiscal years, based on the earliest date on which Siemens could be required to pay. Cash outflows for financial liabilities (including interest) without fixed amount or timing are based on the conditions existing at September 30, 2013.

(in millions of €)	Year ended September 30, 2014	2015	2016 to 2018	2019 and thereafter
Non-derivative financial liabilities				
Notes and bonds	2,077	622	9,937	9,368
Loans from banks	478	393	859	11
Other financial indebtedness	87	10	38	–
Obligations under finance leases	30	17	62	89
Trade payables	7,710	19	10	1
Other financial liabilities	1,188	42	422	4
Derivative financial liabilities	377	147	224	39
Irrevocable loan commitments	2,354	224	303	69

The risk implied from the values shown in the table above reflects the one-sided scenario of cash outflows only. Obligations under finance leases, trade payables and other financial liabilities mainly originate from the financing of assets used in Siemens' ongoing operations such as property, plant, equipment and investments in working capital – e.g. inventories and trade receivables. These assets are considered in the Company's overall liquidity risk management. A considerable portion of the irrevocable loan commitments result from asset-based lending transactions meaning that the respective loans can only be drawn after sufficient collateral has been provided by the borrower. To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, Siemens has established a comprehensive risk reporting covering its worldwide business units.

The balanced view of liquidity and financial indebtedness is stated in the calculation of the Net debt. Net debt results from total debt less total liquidity. **Total debt** comprises line item Short-term debt and current maturities of long-term debt as well as line item Long-term debt, as stated on the Consolidated Statements of Financial Position. Total debt comprises items Notes and bonds, Loans from banks, Obligations under finance leases and Other financial indebtedness such as commercial paper. Total liquidity refers to the liquid financial assets, which Siemens had available at the respective period-end dates to fund its business operations and to pay for near-term obligations. **Total liquidity** comprises line items Cash and cash equivalents as well as line item Available-for-sale financial assets, as stated on the Consolidated Statements of Financial Position. Management uses the Net debt measure for internal finance management, as well as for external communication with investors, analysts and rating agencies.

(in millions of €)	September 30, 2013	2012
Short-term debt and current maturities of long-term debt	1,944	3,826
Long-term debt	18,509	16,880
Total debt	**20,453**	**20,707**
Cash and cash equivalents	(9,190)	(10,891)
Available-for-sale financial assets (current)	(601)	(524)
Total liquidity	**(9,790)**	**(11,415)**
Net debt (Total debt less Total liquidity)	**10,663**	**9,292**

Siemens' **capital resources** consist of a variety of short- and long-term financial instruments including, but not limited to, loans from financial institutions, commercial paper, notes and bonds as well as credit facilities. In addition to cash and cash equivalents and to available-for-sale financial assets, liquid resources consist of future cash flows from operating activities.

Siemens' **capital requirements** include, among others, scheduled debt service, regular capital spending, ongoing cash requirements from operating and SFS financing activities, including cash outflows related to the announced growth strategy of SFS, dividend payments, pension plan funding, portfolio activities, and cash outflows in connection with "Siemens 2014," a Company-wide program aimed at improving profitability in the Sectors.

CREDIT RISK

Credit risk is defined as an unexpected loss in cash and earnings if the customer is unable to pay its obligations in due time or if the value of collateral declines.

Siemens provides its customers with various forms of direct and indirect financing particularly in connection with large projects. Siemens finances a large number of smaller customer orders, for example the leasing of medical equipment, in part through SFS. SFS is also exposed to credit risk by financing third-party equipment or by taking direct or indirect participations in financings, such as syndicated loans. In part, Siemens takes a security interest in the assets Siemens finances or Siemens receives additional collateral. Siemens may incur losses if the credit quality of its customers deteriorates or if they default on their payment obligations to Siemens, such as a consequence of a financial or political crisis and a global downturn.

The effective monitoring and controlling of credit risk is a core competency of our risk management system. Siemens has implemented a binding credit policy for all entities. Hence, credit evaluations and ratings are performed for all customers with an exposure or requiring credit beyond centrally defined limits.

Customer ratings, analyzed and defined by SFS, and individual customer limits are based on generally accepted rating methodologies, with the input consisting of information obtained from the customer, external rating agencies, data service providers and Siemens' customer default experiences. Ratings and credit limits are carefully considered in determining the conditions under which direct or indirect financing will be offered to customers. As part of the process, internal risk assessment specialists determine and continuously update ratings and credit limits for Siemens' public and private customers, both in the euro zone and around the world. For public customers our policy provides that the rating applied to individual customers cannot be better than the weakest of the sovereign ratings provided by Moody's, S&P's and Fitch for the respective country.

Credit risk is recorded and monitored on an ongoing basis applying different systems and processes dependent on the underlying product. Central systems are used for ongoing monitoring of counterparty risk. In addition, SFS uses own systems for its financing activities. There are also a number of decentralized tools used for management of individual credit risks within the operating units. A central IT application processes data from the operating units together with rating and default information and calculates an estimate which may be used as a basis for individual bad debt provisions. In addition to this automated process, qualitative information is considered, in particular to incorporate the latest developments.

To increase transparency with regard to credit risk Corporate Treasury has established the Siemens Credit Warehouse to which numerous operating units from the Siemens Group regularly transfer business partner data as a basis for a centralized rating process. In addition, numerous operating units transfer their trade receivables with a remaining term up to one year along with the inherent credit risk to the Siemens Credit Warehouse, but remain responsible for servicing activities such as collections and receivables management. The Siemens Credit Warehouse actively identifies, quantifies and manages the credit risk in its portfolio, such as by selling or hedging exposure to specific customers, countries and industries. In addition to an increased transparency with regard to credit risk, the Siemens Credit Warehouse may provide Siemens with an additional source of liquidity and strengthens Siemens' funding flexibility.

The maximum exposure to credit risk of financial assets, without taking account of any collateral, is represented by their carrying amount. As of September 30, 2013 and 2012 the collateral for financial instruments classified as financial assets measured at fair value in the form of netting agreements for derivatives in the event of insolvency of the respective counterparty amounted to €570 million and €716 million, respectively. As of September 30, 2013 and 2012 the collateral held for financial instruments classified as receivables from finance leases amounted to €1,902 million and €1,685 million, respectively, mainly in the form of the leased equipment. As of September 30, 2013 and 2012 the collateral held for financial instruments classified as financial assets measured at cost or amortized cost amounted to €2,141 million and €1,902 million, respectively. The collateral mainly consisted of property, plant and equipment and letters of credit. In addition, for this class Siemens holds collateral in the form of securities related to reverse repurchase agreements that can be sold or re-pledged in absence of default by the owner of the collateral. As of September 30, 2013 and 2012 the fair value of the collateral held amounted to €103 million and €500 million, respectively. In fiscal 2013 and 2012 Siemens has not exercised the right to sell or re-pledge the collateral. Credit risks arising from irrevocable loan commitments are equal to the expected future pay-offs resulting from these commitments. As of September 30, 2013 and 2012 the collateral held for these commitments amounted to €1,320 million and €1,178 million, respectively, mainly in the form of inventories and receivables. Credit risks arising from credit guarantees are described in → NOTE 28 COMMITMENTS AND CONTINGENCIES. There were no significant concentrations of credit risk as of September 30, 2013 and 2012.

Concerning trade receivables and other receivables, as well as loans or receivables included in line item Other financial assets that are neither impaired nor past due, there were no indications as of September 30, 2013, that defaults in payment obligations will occur, which lead to a decrease in the net assets of Siemens. Overdue financial instruments are generally impaired on a portfolio basis in order to reflect losses incurred within the respective portfolios. When substantial expected payment delays become evident, overdue financial instruments are assessed individually for additional impairment and are further allowed for as appropriate.

NOTE 33 Share-based payment

Share-based payment awards at Siemens, including Bonus Awards, Stock Awards, the Share Matching Program and its underlying plans as well as the Jubilee Share Program are predominately designed as equity-settled plans and to a limited extent as cash-settled plans. If participating Siemens companies cease to be part of the Siemens Group, they are no longer eligible to participate in future share-based payment awards at Siemens. In such cases the participating Siemens companies have the right to settle the share-based payment awards prematurely. Total pretax expense for share-based payment recognized in line item Income from continuing operations amounted to €185 million and €155 million for the years ended September 30, 2013 and 2012, respectively, and refers primarily to equity-settled awards, including the Company's Base Share Program.

STOCK AWARDS

The Company grants stock awards as a means for providing share-based compensation to members of the Managing Board, members of the senior management of Siemens AG and its domestic and foreign subsidiaries and other eligible employees. Stock awards are subject to a restriction period of about four years and entitle the beneficiary to Siemens shares without payment of consideration following the restriction period. Stock awards granted in fiscal 2008 to 2011 were generally subject to a restriction period of three years. In principle, stock awards forfeit if the beneficiary's employment with the Company terminates prior to the expiration of the restriction period. During the restriction period, beneficiaries are not entitled to dividends. Stock awards may not be transferred, sold, pledged or otherwise encumbered. Settlement of stock awards may occur in newly issued shares of capital stock of Siemens AG, treasury shares or in cash. The settlement method will be determined by the Managing Board and the Supervisory Board. Each fiscal year, the Company decides whether or not to grant stock awards. The Supervisory Board decides about the number of stock awards to the Managing Board and the Managing Board decides about the number of stock awards to members of the senior management and other eligible employees.

Since fiscal 2012, the allocation of stock awards as a share-based payment has been increasingly tied to corporate performance criteria. The target attainment for the performance criteria ranges between 0% and 200%.

Half of the annual target amount for stock awards is based on the average of earnings per share (EPS, basic) of the past three fiscal years. The target attainment determines the number of stock awards upon allocation. Settlement of these stock awards is in shares following the four-year restriction period.

The other half of the annual target amount for stock awards is based on the share price performance of Siemens shares relative to the share price performance of five important Siemens competitors (ABB, General Electric, Philips, Rockwell, Schneider) during the four-year restriction period. The target attainment is determined during the four-year restriction period for the stock awards and accordingly, determines the number of Siemens shares ultimately transferred following the restriction period. If the target attainment is up to 100%, settlement is in shares. If the target attainment exceeds 100% (up to 200%) an additional cash payment corresponding to the outperformance results.

Additionally one portion of the variable compensation component (bonus) for members of the Managing Board is granted in the form of non-forfeitable awards of Siemens stock (Bonus Awards).

Commitments to members of the Managing Board

In fiscal 2013 and 2012, agreements were entered into which entitle members of the Managing Board to stock awards contingent upon attaining an EPS-based target. The fair value of these entitlements amounting to €6 million in each of the fiscal years 2013 and 2012, was determined by calculating the present value of the target amount.

In fiscal 2013 and 2012, agreements were entered into which entitle members of the Managing Board to stock awards contingent upon attaining a prospective performance-based target of Siemens stock relative to five competitors. The fair value of these entitlements amounting to €7 million in each of the fiscal years 2013 and 2012, was calculated by applying a valuation model. Inputs to that model include an expected weighted volatility of Siemens shares of 24% in fiscal 2013 and 27% in fiscal 2012 and a market price of €78.94 in fiscal 2013 and €73.94 in fiscal 2012 per Siemens share. Expected volatility was determined by reference to historic volatilities in fiscal 2013 and by reference to implied volatilities in fiscal 2012. The model applies a risk-free interest rate of up to 0.8% in fiscal 2013 and up to 1.7% in fiscal 2012 and an expected dividend yield of 3.8% in fiscal 2013 and 4.1% in fiscal 2012. Assumptions concerning share price correlations were determined by reference to historic correlations.

Compensation expense related to stock awards is generally recognized over five years until they vest, including a restriction period of four years.

In fiscal 2013 and 2012, agreements were entered into which entitle members of the Managing Board to Bonus Awards contingent upon the target attainment. The fair value of these entitlements amounting to €5 million in each fiscal year reported, was determined by calculating the present value of the target amount. Compensation expense related to Bonus Awards is generally recognized over the vesting period of one year. Beneficiaries will receive one Siemens share without payment of consideration for each Bonus Award, following an additional waiting period of four years.

The remuneration system of the Managing Board and the changes in the stock awards held by Managing Board members are explained in detail at → B.4 COMPENSATION REPORT within chapter → B. CORPORATE GOVERNANCE.

Commitments to members of the senior management and other eligible employees

In fiscal 2013 and 2012, 1,308,171 and 1,080,609 stock awards were granted to members of the senior management and other eligible employees contingent upon attaining an EPS-based target. The fair value of these stock awards amounts to €85 million and €62 million, respectively, in fiscal 2013 and 2012 and corresponds to the target amount representing the EPS target attainment.

In fiscal 2013 and 2012, 849,908 and 947,945 stock awards were granted to members of the senior management and other eligible employees contingent upon attaining a prospective performance-based target of the Siemens stock relative to five competitors. The fair value of these stock awards amounting to €53 million and €58 million, respectively, in fiscal 2013 and 2012, of which €41 million and €46 million relate to equity instruments, was calculated by applying a valuation model. In fiscal 2013 and 2012, inputs to that model include an expected weighted volatility of Siemens shares of 24.32% and 25.33%, respectively, and a market price of €79.70 and €74.14 per Siemens share. Expected volatility was determined by reference to historic volatilities in fiscal 2013 and by reference to implied volatilities in fiscal 2012. The model applies a risk-free interest rate of up to 0.6% in fiscal 2013 and up to 1.8% in fiscal 2012 and an expected dividend yield of 3.76% in fiscal 2013 and 3.91% in fiscal 2012. Assumptions concerning share price correlations were determined by reference to historic correlations. Compensation expense related to these stock awards is recognized over four years until they vest.

The following table shows the changes in the stock awards held by members of the senior management and other eligible employees:

	Year ended September 30, 2013 Awards	2012 Awards
Non-vested, beginning of period	4,217,588	3,857,315
Granted	2,158,079	2,028,554
Vested and transferred	(1,073,355)	(1,531,944)
Forfeited/settled	(425,857)[1]	(136,337)[1]
Non-vested, end of period	**4,876,455**	**4,217,588**

1 Consists of 101,192 and 111,776 forfeited and 324,665 and 24,561 settled awards, respectively, in fiscal 2013 and 2012.

SHARE MATCHING PROGRAM AND ITS UNDERLYING PLANS

1. Share Matching Plan

In fiscal 2013 and 2012, the Company issued a new tranche under the Share Matching Plan. Senior managers of Siemens AG and participating Siemens companies may invest a specified percentage of their compensation in Siemens shares. Within a predetermined period in the first quarter of each fiscal year, plan participants decide on their investment amount for which investment shares are purchased. The shares are purchased at the market price at a predetermined date in the second quarter. Plan participants receive the right to one Siemens share without payment of consideration (matching share) for every three investment shares continuously held over a period of three years (vesting period) provided the plan participant has been continuously employed by Siemens AG or another Siemens company until the end of the vesting period. During the vesting period, matching shares are not entitled to dividends. The right to receive matching shares forfeits if the underlying investment shares are transferred, sold, pledged or otherwise encumbered. Matching shares may be settled in newly issued shares of capital stock of Siemens AG, treasury shares or in cash. The settlement method will be determined by the Managing Board. Each fiscal year, the Managing Board decides whether or not to issue a new tranche under the Share Matching Plan.

2. Monthly Investment Plan

In fiscal 2013 and 2012, the Company issued a new tranche under the Monthly Investment Plan that is a further component of the Share Matching Plan and which is available for employees – other than senior managers – of Siemens AG and participating Siemens companies. Plan participants may invest a specified percentage of their compensation in Siemens shares on a monthly basis over a period of twelve months. The shares are purchased at market price at a predetermined date once a month. The Managing Board of the Company will decide annually, whether shares acquired under the Monthly Investment Plan (investment shares) may be transferred to the Share Matching Plan the following year. If the Managing Board decides that shares acquired under the Monthly Investment Plan are transferred to the Share Matching Plan, plan participants will receive the right to matching shares under the same conditions applying to the Share Matching Plan described above. Each fiscal year the Managing Board decides, whether or not to issue a new tranche under the Monthly Investment Plan.

The Managing Board decided that shares acquired under the tranches issued in fiscal 2012 and 2011 are transferred to the Share Matching Plan as of February 2013 and February 2012, respectively.

3. Base Share Program

In fiscal 2013 and 2012, the Company issued a new tranche under the Base Share Program. Employees of Siemens AG and participating domestic Siemens companies can invest a fixed amount of their compensation into Siemens shares, sponsored by Siemens with a tax beneficial allowance. The shares are bought at market price at a predetermined date in the second quarter and grant the right to receive matching shares under the same conditions applying to the Share Matching Plan described above. Each fiscal year, the Managing Board decides whether or not to issue a new tranche under the Base Share Program. The fair value of the base share program equals the amount of the tax beneficial allowance sponsored by Siemens. In fiscal 2013 and 2012, the Company incurred pretax expense from continuing operations of €31 million and €29 million, respectively.

4. Resulting Matching Shares

	Year ended September 30, 2013	2012
	Entitlements to Matching Shares	Entitlements to Matching Shares
Outstanding, beginning of period	1,545,582	1,977,091
Granted	713,245	706,354
Vested and transferred	(351,548)	(1,037,292)
Forfeited	(140,307)	(57,596)
Settled	(33,475)	(42,975)
Outstanding, end of period	**1,733,497**	**1,545,582**

Fair value was determined as the market price of Siemens shares less the present value of expected dividends during the vesting period as matching shares do not carry dividend rights during the vesting period. Non-vesting conditions, i.e. the condition neither to transfer, sell, pledge nor otherwise encumber the underlying shares, were considered in determining the fair value. In fiscal 2013 and 2012, the weighted average grant-date fair value of the resulting matching shares is €57.77 and €50.35 per share respectively, based on the number of instruments granted.

JUBILEE SHARE PROGRAM

Under the Jubilee Share Program, eligible employees of Siemens AG and participating domestic Siemens companies receive jubilee shares after having been continuously employed by the Company for 25 and 40 years (vesting period), respectively. Generally, settlement of jubilee grants is in shares. Jubilee shares are measured at fair value considering biometrical factors. The fair value is determined as the market price of Siemens shares at grant date less the present value of dividends expected to be paid during the vesting period for which the employees are not entitled to. The weighted average fair value of each jubilee share granted in fiscal 2013 for the 25th and the 40th anniversary is €36.92 and €24.55, respectively, based on the number of shares granted. The weighted average fair value of each jubilee share granted adjusted by biometrical factors (considering fluctuation) is €18.24 and €9.99, respectively, in fiscal 2013. The weighted average fair value of each jubilee share granted in fiscal 2012 for the 25th and the 40th anniversary is €39.45 and €29.88 respectively, based on the number of shares granted. The weighted average fair value of each jubilee share granted adjusted by biometrical factors (considering fluctuation) is €19.01 and €13.12 respectively, in fiscal 2012.

In fiscal 2013 and 2012, 0.29 million and 0.43 million jubilee shares were granted; 0.18 million and 0.16 million were transferred, 0.12 million and 0.48 million forfeited, resulting in an outstanding balance of 4.68 million and 4.69 million jubilee shares as of September 30, 2013 and 2012. Considering biometrical factors, 3.28 million and 3.29 million jubilee shares are expected to vest as of September 30, 2013 and 2012.

NOTE 34 Personnel costs

(in millions of €)	Year ended September 30, 2013	2012
Wages and salaries	21,874	20,633
Statutory social welfare contributions and expenses for optional support payments	3,389	3,354
Expenses relating to post-employment benefits	1,148	886
	26,411	**24,873**

Item Expenses relating to post-employment benefits includes service costs for the period. Interest from post-employment benefits is included in line items interest income (expenses).

Wages and salaries, statutory social welfare contributions and expenses for optional support payments and expenses relating to post-employment benefits for continuing and discontinued operations amounts to €28,163 million and €27,009 million in fiscal 2013 and 2012.

The average number of employees in fiscal years 2013 and 2012 was 362.4 thousand and 362.9 thousand, respectively (based on continuing operations). Part-time employees are included on a proportionate basis. The employees were engaged in the following activities:

(in thousands)	Year ended September 30, 2013	2012
Manufacturing and services	224.2	221.3
Sales and marketing	73.6	76.9
Research and development	29.8	29.5
Administration and general services	34.9	35.2
	362.4	**362.9**

The average number of employees in fiscal years 2013 and 2012 was 394.9 thousand and 408.5 thousand, respectively (based on continuing and discontinued operations). Thereof, in fiscal 2013 and 2012, 248.3 thousand and 255.6 thousand employees were engaged in manufacturing and services, 78.2 thousand and 83.2 thousand employees were engaged in sales and marketing, 31.8 thousand and 32.4 thousand employees were in research and development and 36.6 thousand and 37.3 thousand employees were in administration and general services in fiscal 2013 and 2012, respectively.

NOTE 35 Earnings per share

(shares in thousands, earnings per share in €)	Year ended September 30, 2013	2012
Income from continuing operations	4,212	4,642
Less: Portion attributable to non-controlling interest	120	132
Income from continuing operations attributable to shareholders of Siemens AG	4,093	4,510
Weighted average shares outstanding – basic	843,819	876,053
Effect of share-based payment	8,433	8,259
Weighted average shares outstanding – diluted	852,252	884,311
Basic earnings per share (from continuing operations)	**€4.85**	**€5.15**
Diluted earnings per share (from continuing operations)	**€4.80**	**€5.10**

Share-based payment plans are dilutive at the Income from continuing operations level and so, in accordance with IAS 33, Earnings per Share, have been treated as dilutive for the purpose of diluted earnings per share. The diluted loss per share from discontinued operations is lower than basic loss per share from discontinued operations because of the effect of losses on discontinued operations.

The dilutive earnings per share computation in fiscal 2013 and 2012 does not contain 21,674 thousand shares relating to warrants issued with bonds. The inclusion of those shares would have been antidilutive in the years presented. In the future, the warrants could potentially dilute basic earnings per share.

NOTE 36 Segment information

Segment information is presented for continuing operations.

DESCRIPTION OF REPORTABLE SEGMENTS

The four Sectors comprise manufacturing, industrial and commercial goods, solutions and services in areas more or less related to Siemens' origins in the electrical business field.

Energy – offers a wide spectrum of products, solutions and services for generating and transmitting power, and for extracting, converting and transporting oil and gas. It primarily addresses the needs of energy providers, but also serves industrial companies, particularly in the oil and gas industry.

Healthcare – offers customers a comprehensive portfolio of medical solutions across the treatment chain – ranging from medical imaging to in-vitro diagnostics to interventional systems and clinical information technology systems – all from a single source. In addition, the Sector provides technical maintenance, professional and consulting services, and, together with Financial Services (SFS), financing to assist customers in purchasing the Sector's products.

Industry – offers a broad spectrum of products, services and solutions that help customers use resources and energy more efficiently, improve productivity, and increase flexibility. The Sector's integrated technologies and holistic solutions primarily address industrial customers, particularly those in the process and manufacturing industries. The portfolio spans industry automation, industrial software, drive products and services, system integration, and solutions for industrial plant businesses.

Infrastructure & Cities – offers a wide range of technologies for increasing the sustainability of metropolitan centers and urban infrastructures worldwide, such as integrated mobility solutions, building and security systems, power distribution equipment, smart grid applications and low and medium-voltage products.

Equity Investments – comprises equity stakes held by Siemens that are either accounted for by the equity method, at cost or as current available-for-sale financial assets and are not allocated to a Sector, SFS, Centrally managed portfolio activities, SRE, Corporate items or Corporate Treasury for strategic reasons.

Financial Services (SFS) – provides a variety of financial services and products to other Siemens units and their customers and to third parties. SFS has three strategic pillars: supporting Siemens units with finance solutions for their customers, managing financial risks of Siemens and offering third-party finance services and products.

RECONCILIATION TO CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation to Consolidated Financial Statements contains businesses and items not directly related to Siemens' reportable segments:

Centrally managed portfolio activities – generally includes activities intended for divestment or closure as well as activities remaining from divestments and discontinued operations such as from Siemens IT Solutions and Services and from the former Com business.

Siemens Real Estate (SRE) – owns and manages the Siemens real estate portfolio and offers a range of services encompassing real estate development, real estate disposal and asset management, as well as lease and services management.

Corporate items and pensions – includes corporate charges such as personnel costs for corporate headquarters, corporate projects and non-operating investments or results of corporate-related derivative activities and costs for carve out activities managed by corporate, which are charged to the respective segment when the disposal gain or loss is realized or when the activities are classified as discontinued operations. Pensions includes the Company's pension related income (expense) not allocated to the segments, SRE or Centrally managed portfolio activities.

Eliminations, Corporate Treasury and other reconciling items – comprise consolidation of transactions within the segments, certain reconciliation and reclassification items and the activities of the Company's Corporate Treasury. It also includes interest income and expense, such as, for example, interest not allocated to segments or Centrally managed portfolio activities (referred to as financing interest), interest related to Corporate Treasury activities or resulting consolidation and reconciliation effects on interest.

MEASUREMENT – SEGMENTS

Accounting policies for Segment information are generally the same as those used for Siemens, described in → NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. Lease transactions, however, are classified as operating leases for internal and segment reporting purposes. Intersegment transactions are based on market prices.

Profit of the Sectors and of Equity Investments:

Siemens' Managing Board is responsible for assessing the performance of the segments. The Company's profitability measure of the Sectors and Equity Investments is earnings before financing interest, certain pension costs, and income taxes as determined by the chief operating decision maker (Profit). Profit excludes various categories of items, not allocated to the Sectors and Equity Investments, which management does not regard as indicative of their performance. Profit represents a performance measure focused on operational success excluding the effects of capital market financing issues; for financing issues regarding Equity Investments see paragraph below. The major categories of items excluded from Profit are presented below.

Financing interest, excluded from Profit, is any interest income or expense other than interest income related to receivables from customers, from cash allocated to the Sectors and Equity Investments and interest expenses on payables to suppliers. Borrowing costs capitalized as part of qualifying long-term projects are not part of financing interest. Financing interest is excluded from Profit because decision-making regarding financing is typically made at the corporate level. Equity Investments include interest and impairments as well as reversals of impairments on long-term loans granted to investments reported in Equity Investments.

Similarly, decision-making regarding essential pension items is done centrally. Accordingly, Profit primarily includes amounts related to service cost of pension plans only, while all other regularly recurring pension related costs – including charges for the German pension insurance association and plan administration costs – are included in line item Corporate items and pensions. Curtailments are a partial payback with regard to past service cost that affect Segment Profit.

Furthermore, income taxes are excluded from Profit since income tax is subject to legal structures, which typically do not correspond to the structure of the segments.

The effect of certain litigation and compliance issues is excluded from Profit, if such items are not indicative of the Sectors' and Equity Investments' performance, since their related results of operations may be distorted by the amount and the irregular nature of such events. This may also be the case for items that refer to more than one reportable segment, SRE and (or) Centrally managed portfolio activities or have a corporate or central character.

Central infrastructure costs are primarily allocated to the Sectors. The total amount to be allocated is determined at the beginning of the fiscal year and is charged in installments in all four quarters.

Profit of Equity Investments mainly comprises income (loss) from investments presented in Equity Investments, such as the share in the earnings of associates or dividends from investments not accounted for under the equity method, income (loss) from the sale of interests in investments, impairment of investments and reversals of impairments. It also includes interest and impairments as well as reversals of impairments on long-term loans granted to investments reported in Equity Investments.

Profit of the segment SFS:

Profit of the segment SFS is Income before income taxes. In contrast to performance measurement principles applied to the Sectors and Equity Investments interest income and expenses is an important source of revenue and expense of SFS.

Asset measurement principles:

Management determined Assets as a measure to assess capital intensity of the Sectors and Equity Investments (Net capital employed). Its definition corresponds to the Profit measure. It is based on Total assets of the Consolidated Statements of Financial Position, primarily excluding intragroup financing receivables, intragroup investments and tax related assets, since the corresponding positions are excluded from Profit. A Division of Infrastructure & Cities includes the project-specific intercompany financing of a long-term project. The remaining assets are reduced by non-interest-bearing liabilities other than tax related liabilities, e.g. trade payables, to derive Assets. Equity Investments may include certain shareholder loans granted to investments reported in Equity Investments. In contrast, Assets of SFS is Total assets.

Orders:

Orders are determined principally as estimated revenue of accepted purchase orders and order value changes and adjustments, excluding letters of intent. New orders are supplementary information, provided on a voluntary basis. It is not part of the audited Consolidated Financial Statements.

Free cash flow definition:

Segment information discloses Free cash flow and Additions to property, plant and equipment and intangible assets. Free cash flow of the Sectors and Equity Investments constitutes cash flows from operating activities less additions to intangible assets and property, plant and equipment. It excludes Financing interest, except for cases where interest on qualifying assets is capitalized or classified as contract costs and it also excludes non-cash income tax as well as certain other payments and proceeds. Free cash flow of Equity Investments includes interest from shareholder loans granted to investments reported in Equity Investments. Pension curtailments are a partial payback with regard to past service cost that affect segment Free cash flow. Free cash flow of SFS, a financial services business, includes related financing interest payments and proceeds; income tax payments and proceeds of SFS are excluded.

Amortization, depreciation and impairments:

Amortization, depreciation and impairments presented in Segment information includes depreciation and impairments of property, plant and equipment, net of reversals of impairments as well as amortization and impairments of intangible assets, net of reversals of impairment. Goodwill impairment is excluded.

Measurement – Centrally managed portfolio activities and SRE:

Centrally managed portfolio activities follow the measurement principles of the Sectors. SRE applies the measurement principles of SFS; Total assets of SRE nets certain intercompany finance receivables with certain intercompany finance liabilities.

RECONCILIATION TO SIEMENS' CONSOLIDATED FINANCIAL STATEMENTS

The following table reconciles total Assets of the Sectors, Equity Investments and SFS to Total assets of Siemens' Consolidated Statements of Financial Position:

(in millions of €)	September 30, 2013	2012
Assets of Sectors	24,886	23,364
Assets of Equity Investments	1,767	2,715
Assets of SFS	18,661	17,405
Total segment assets	**45,314**	**43,484**
Reconciliation:		
Assets Centrally managed portfolio activities	(267)	(448)
Assets SRE	4,747	5,018
Assets of Corporate items and pensions[1]	(11,252)	(11,693)
Eliminations, Corporate Treasury and other reconciling items of Segment information:		
Asset-based adjustments:		
Intragroup financing receivables and investments	40,850	22,046
Tax-related assets	3,924	4,453
Liability-based adjustments:		
Post-employment benefits	9,265	9,801
Liabilities	39,336	42,072
Eliminations, Corporate Treasury, other items[2]	(29,981)	(6,482)
Total Eliminations, Corporate Treasury and other reconciling items of Segment information[1]	63,393	71,889
Total assets in Siemens' Consolidated Statements of Financial Position	**101,936**	**108,251**

1 In accordance with Siemens' segment measurement principles, effects from adopting IAS 19R retrospectively increased Assets of line item Corporate items and pension by €147 million and decreased line item Total Eliminations, Corporate Treasury and other reconciling items by €176 million compared to previously reported amounts as of September 30, 2012.

2 Includes assets and liabilities reclassified in connection with discontinued operations.

In fiscal years 2013 and 2012, Corporate items and pensions in the column Profit includes €(419) million and €(261) million related to Corporate items, as well as €(420) million and €(407) million related to Pensions, respectively. Remaining costs in connection with Siemens IT Solutions and Services charged to Corporate items in fiscal 2013 and 2012 amount to €58 million and €118 million. Effects from asset retirement obligations for environmental clean-up costs impacted Corporate items with €50 million and €19 million in fiscal 2013 and 2012, respectively. Legal and regulatory matters contributed positive effects to Corporate items in fiscal 2012.

ADDITIONAL SEGMENT INFORMATION

For the years ended September 30, 2013 and 2012, Profit of SFS includes interest income of €873 million and €778 million, respectively and interest expenses of €317 million and €316 million, respectively.

NOTE 37 Information about geographies

(in millions of €)	Revenue by location of customer Year ended September 30, 2013	2012	Revenue by location of companies Year ended September 30, 2013	2012
Europe, C.I.S.,[1] Africa, Middle East	39,874	39,947	44,337	44,957
Americas	20,916	22,078	20,828	21,793
Asia, Australia	15,092	15,370	10,717	10,645
Siemens	**75,882**	**77,395**	**75,882**	**77,395**
thereof Germany	*10,750*	*11,049*	*19,115*	*19,909*
thereof foreign countries	*65,132*	*66,346*	*56,766*	*57,487*
thereof U.S	*14,179*	*15,946*	*16,056*	*17,062*

1 Commonwealth of Independent States.

(in millions of €)	Non-current assets September 30, 2013	2012
Europe, C.I.S.,[1] Africa, Middle East	17,404	16,009
Americas	12,598	13,723
Asia, Australia	2,752	2,695
Siemens	**32,755**	**32,427**
thereof Germany	*6,510*	*6,446*
thereof U.S.	*11,205*	*12,133*

1 Commonwealth of Independent States.

Non-current assets consist of property, plant and equipment, goodwill and other intangible assets.

NOTE 38 Related party transactions

JOINT VENTURES AND ASSOCIATES

Siemens has relationships with many joint ventures and associates in the ordinary course of business whereby Siemens buys and sells a wide variety of products and services generally on arm's length terms. For information regarding our subsidiaries, joint ventures and associated companies in fiscal 2013 see → NOTE 18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD and → NOTE 42 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES PURSUANT TO SECTION 313 PARA. 2 OF THE GERMAN COMMERCIAL CODE. Information regarding our subsidiaries, joint ventures and associated companies for fiscal 2012 are presented in the List of subsidiaries and associated companies published separately in the German Electronic Federal Gazette (elektronischer Bundesanzeiger).

Sales of goods and services and other income from transactions with joint ventures and associates as well as purchase of goods and services and other expenses from transactions with joint ventures and associates are as follows:

(in millions of €)	Sales of goods and services and other income Year ended September 30, 2013	2012	Purchases of goods and services and other expenses Year ended September 30, 2013	2012
Joint ventures	336	432	12	16
Associates	1,008	528	214	228
	1,345	**959**	**226**	**244**

Receivables from joint ventures and associates and liabilities to joint ventures and associates are as follows:

(in millions of €)	Receivables September 30, 2013	2012	Liabilities September 30, 2013	2012
Joint ventures	54	49	12	23
Associates	222	145	121	241
	276	**194**	**133**	**264**

As of September 30, 2013 and 2012, loans given to joint ventures and associates amounted to €17 million and €60 million, respectively. In the normal course of business the Company regularly reviews loans and receivables associated with joint ventures and associates. In fiscal 2013 and 2012, the review resulted in net losses related to valuation allowances totaling €27 million and net gains related to valuation allowances totaling €7 million, respectively. As of September 30, 2013 and 2012, valuation allowances amounted to €42 million and €37 million, respectively. In fiscal 2013, Siemens increased its net investment in EN by €102 million. The carrying amount remains €0 by applying the equity method. For further information see → NOTE 7 INCOME (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET.

As of September 30, 2013 and 2012, guarantees to joint ventures and associates amounted to €2,789 million and €4,769 million, respectively, including the HERKULES obligations of €1,890 million and €2,290 million, respectively. As of September 30, 2012 the NSN obligations were included. For additional information regarding the HERKULES obligations as well as for information regarding guarantees in connection with the contribution of the SEN operations into EN see → NOTE 28 COMMITMENTS AND CONTINGENCIES. As of September 30, 2013 and 2012, guarantees to joint ventures amounted to €431 million and €474 million, respectively. As of September 30, 2013 and 2012, the Company had commitments to make capital contributions of €187 million and €176 million to its joint ventures and associates, therein €107 million and €113 million related to joint ventures, respectively. For a loan raised by a joint venture, which is secured by a Siemens guarantee, Siemens granted an additional collateral. As of September 30, 2013 and 2012 the outstanding amount totaled to €134 million and €139 million, respectively. As of September 30, 2013 and 2012 there were loan commitments to joint ventures and associates amounting to €90 million and €144 million, respectively, therein €90 million and €94 million, respectively related to joint ventures.

PENSION ENTITIES

For information regarding the funding of our pension plans refer to → NOTE 23 POST-EMPLOYMENT BENEFITS.

RELATED INDIVIDUALS

Related individuals include the members of the Managing Board and Supervisory Board.

In fiscal 2013 and 2012 members of the Managing Board received cash compensation of €17.0 million and €17.4 million. The fair value of stock-based compensation amounted to €17.6 million and €22.2 million for 213,394 and 345,382 Stock Awards, respectively, in fiscal 2013 and 2012. In fiscal 2013 and 2012 the Company granted contributions under the BSAV to members of the Managing Board totaling €6.4 million and €5.7 million.

Therefore in fiscal 2013 and 2012, compensation and benefits, attributable to members of the Managing Board amounted to €41.0 million and €45.3 million in total, respectively.

In addition, in connection with termination of Managing Board membership, compensatory payments amounting to €20.4 million (gross) and one-time special contributions amounting to €3.1 million to the BSAV were agreed. It was also agreed that these members of the Managing Board receive their long-term stock-based compensation for fiscal 2013 (41,554 Stock Awards), which will be settled in cash, and is included in the above mentioned stock-based compensation amount. The Company has furthermore agreed to reimburse out-of-pocket expenses up to a maximum of €130,000 plus value-added tax. The 175,382 Stock Awards that were granted in the past and for which the restriction period is still in effect, will be absolutely maintained. The respective fair value of these stock awards at grant date amounted to €11.5 million.

In fiscal 2013 and 2012, expense related to share-based payment and to the Share Matching Program amounted to €23.2 million (including the above mentioned Stock Awards in connection with the departure from members of the Managing Board) and €16.0 million, respectively. For additional information regarding the Share Matching Program see → NOTE 33 SHARE-BASED PAYMENT.

Former members of the Managing Board and their surviving dependents received emoluments within the meaning of Section 314 para. 1 No. 6 b of the German Commercial Code totaling €33.1 million (including €18.2 million in connection with the above mentioned departure from a member of the Managing Board) and €15.8 million in fiscal 2013 and 2012.

The defined benefit obligation (DBO) of all pension commitments to former members of the Managing Board and their survivors as of September 30, 2013 and 2012 amounted to €192.5 million and €181.6 million. For additional information see → NOTE 23 POST-EMPLOYMENT BENEFITS.

Compensation attributable to members of the Supervisory Board comprises in fiscal 2013 and 2012 of a base compensation and additional compensation for committee work and amounted to €4.9 million and €4.8 million (including meeting fees), respectively.

No loans and advances from the Company are provided to members of the Managing Board and Supervisory Board.

Information regarding the remuneration of the members of the Managing Board and Supervisory Board is disclosed on an individual basis in the Compensation Report, which is part of the Combined Management Report. The chapter → B.4 COMPENSATION REPORT is presented within the chapter → B. CORPORATE GOVERNANCE.

In fiscal 2013 and 2012, no other major transactions took place between the Company and the other members of the Managing Board and the Supervisory Board.

Some of our board members hold, or in the last year have held, positions of significant responsibility with other entities. We have relationships with almost all of these entities in the ordinary course of our business whereby we buy and sell a wide variety of products and services on arm's length terms. Michael Diekmann is the Chairman of the Board of Management of Allianz SE. Our transactions with Allianz Group are conducted on arm's length basis and include insurance business and asset management.

NOTE 39 Principal accountant fees and services

Fees related to professional services rendered by the Company's principal accountant, EY, for fiscal 2013 and 2012 were as follows:

	Year ended September 30,	
(in millions of €)	2013	2012
Type of fees		
Audit fees	45.6	44.2
Audit-related fees	10.2	10.6
Tax fees	0.1	0.4
All other services	0.4	–
Total	**56.3**	**55.2**

Audit fees and audit-related fees consist of fees associated with the services pre-approved by the Audit Committee described below. Tax fees and all other services require specific pre-approval by the Audit Committee. The tax fees primarily include fees for support services provided in connection with assistance for competent authority procedures according to Article 25 of the OECD Model Tax Convention regarding transfer pricing issues as well as for tax compliance advice on transition services from acquisitions. All other services consist of advisory services provided by EY for a transitional period until the end of fiscal 2013 after they acquired one of Siemens' IT-suppliers in the area of supply chain management in June 2013 and an attestation service not related to the financial statements.

In fiscal 2013, 50% of the total fees related to Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Germany.

AUDIT COMMITTEE PRE-APPROVAL POLICIES

In accordance with German law, Siemens' independent auditor is appointed by the Annual Shareholders' Meeting based on a recommendation of the Supervisory Board. The Audit Committee of the Supervisory Board prepares the board's recommendation on the election of the Company's independent auditor. Subsequent to the auditor's appointment, the Audit Committee engages the auditor and in its sole authority approves the terms and scope of the audit and all audit engagement fees. In addition, it monitors the auditor's independence.

In order to ensure the integrity of independent audits, Siemens' Audit Committee has established a policy to approve all audit and permissible audit-related services provided by our independent auditor prior to the auditor's engagement. As part of this approval process, the Audit Committee adopted pre-approval policies and procedures pursuant to which the Audit Committee annually pre-approves certain types of services to be performed by Siemens' independent auditor. Under the policies, the Company's independent auditor is not allowed to perform any non-audit services which either (1) may impair the auditor's independence under applicable German regulations or the rules and regulations of the International Ethics Standards Board for Accountants (IESBA), the International Federation of Accountants (IFAC), the U.S. Securities and Exchange Commission (SEC) or the Public Company Accounting Oversight Board (PCAOB) or (2) which can be more effectively or economically provided by another provider, even if permissible under the relevant independence rules. Furthermore, the Audit Committee has limited the sum total of all fees that may be incurred during a fiscal year for non-audit services, including audit-related services, tax services and other services, to 30% of the audit fees agreed upon for the respective fiscal year.

The Audit Committee has generally pre-approved the performance by EY of audit and audit-related services, including among others the following:

AUDIT SERVICES

> Annual audit of Siemens' Consolidated Financial Statements and its internal control over financial reporting;
> Quarterly review of Siemens' interim consolidated financial statements;
> Audit and review services that are required by statute or regulation, including statutory audits of financial statements of Siemens AG and of its subsidiaries under the rules of their respective countries;
> Opening balance sheet audits in connection with acquisitions, including audits with regard to the allocation of purchase prices.

AUDIT-RELATED SERVICES

> Voluntary local GAAP audits;
> Due diligence relating to actual or contemplated acquisitions and carve-outs, including consultation in accounting matters;
> Post-closing audits;
> Carve-out audits and attestation services in the context of carve-outs;
> Certification services required by regulation, law or contractual agreement;
> Consultation concerning financial accounting and reporting standards based on the auditor's knowledge of Siemens-specific circumstances, including:
  > Accounting advice relating to actual or contemplated transactions or events;
  > Advice on the introduction and review of new or revised accounting guidelines and requirements;
  > Training regarding accounting-related topics;
> Comfort letters;
> Employee benefit plan audits;
> ISAE 3402 / SSAE 16 reports;
> Attestation services subject to regulatory requirements, including regulatory advice;
> Attestation and audits in connection with the European Community Directive on Waste Electrical and Electronic Equipment;
> Attestation of compliance with provisions or calculations required by agreements;
> Attest services in accordance with applicable standards, other than audit services required by statute or other regulation.

Services that are not generally pre-approved as audit or audit-related services require specific pre-approval by the Audit Committee. An approval may not be granted if the service falls into a category of services not permitted by current law or if it is inconsistent with ensuring the auditor's independence, as expressed in the four principles promulgated by the U.S. Securities and Exchange Commission: (1) an auditor may not act as management or an employee of the audit client; (2) an auditor may not audit his or her own work; (3) an auditor may not serve in an advocacy role for his or her client; and (4) an auditor may not provide services creating a mutual or conflicting interest between itself and the audit client.

While non-audit-related services are not prohibited by law, except for certain types of non-audit services enumerated in the SEC's rules, the Audit Committee has decided as a matter of policy not to engage the principal accountant to provide non audit-related services unless there is a compelling advantage to the Company in using the principal accountant and it can clearly be demonstrated that there is no impairment of independence.

NOTE 40 Corporate Governance

The Managing Board and the Supervisory Board of Siemens Aktiengesellschaft provided the declaration required by Section 161 of the German stock corporation law (AktG) as of October 1, 2013, which is available on the Company's website at WWW.SIEMENS.COM/GCG-CODE.

The Managing Board and the Supervisory Board of IBS AG excellence, collaboration, manufacturing, currently Siemens' sole German publicly traded subsidiary which is included in the Consolidated Financial Statements provided the declaration required by Section 161 of the German stock corporation law (AktG) as of December 27, 2012, which is available at WWW.IBS-AG.DE/EN/COMPANY/INVESTOR-RELATIONS/CORPORATE-GOVERNANCE.

NOTE 41 Subsequent events

After the end of fiscal 2013, Siemens signed an agreement to sell its business for treating and processing municipal and industrial water and wastewater that are bundled in the Siemens Water Technologies Business Unit, as well as the related service activities, to funds managed by American European Associates Investors LP (AEA), U.S., for a purchase price of €640 million. Closing of the transaction is subject to approval by regulatory authorities and is expected in the first half of fiscal 2014.

In November 2013, Siemens announced a share buyback of up to €4 billion ending latest on October 31, 2015. The buybacks will be made under the current authorization granted at the Annual Shareholders' Meeting on January 25, 2011, which allows for further share repurchases of a maximum of 47.8 million shares under this program. Shares repurchased may be used for cancelling and reducing capital stock, for issuing shares to current and former employees, to members of the Managing Board and board members of affiliated companies and for meeting obligations from or in connection with convertible bonds or warrant bonds.

NOTE 42 List of subsidiaries and associated companies pursuant to Section 313 para. 2 of the German Commercial Code

September 30, 2013	Equity interest in %
Subsidiaries	
Germany (126 companies)	
Airport Munich Logistics and Services GmbH, Hallbergmoos	100
Alpha Verteilertechnik GmbH, Cham	100[10]
Anlagen- und Rohrleitungsbau Ratingen GmbH, Ratingen	100[7]
AS AUDIO-SERVICE Gesellschaft mit beschränkter Haftung, Herford	100
Atecs Mannesmann GmbH, Erlangen	100
Berliner Vermögensverwaltung GmbH, Berlin	100[10]
BWI Services GmbH, Meckenheim	100[10]
CAPTA Grundstücksgesellschaft mbH & Co. KG i.L., Grünwald	100[9]
CAPTA Grundstücks-Verwaltungsgesellschaft mbH, Grünwald	100
DA Creative GmbH, Munich	100
Dade Behring Beteiligungs GmbH, Eschborn	100
Dade Behring Grundstücks GmbH, Marburg	100
EDI – USS Umsatzsteuersammelrechnungen und Signaturen GmbH & Co. KG, Munich	100[9]
EDI – USS Verwaltungsgesellschaft mbH, Munich	100[7]
evosoft GmbH, Nuremberg	100[10]
FACTA Grundstücks-Entwicklungsgesellschaft mbH & Co. KG, Munich	100[9]
HanseCom Gesellschaft für Informations- und Kommunikationsdienstleistungen mbH, Hamburg	74
HSP Hochspannungsgeräte GmbH, Troisdorf	100[10]
IBS Aktiengesellschaft excellence, collaboration, manufacturing, Höhr-Grenzhausen	81
IBS Business Consulting GmbH, Höhr-Grenzhausen	100
IBS SINIC GmbH, Neu-Anspach	100
ILLIT Grundstücks-Verwaltungsgesellschaft mbH & Co. KG i.L., Grünwald	100[9]
ILLIT Grundstücksverwaltungs-Management GmbH, Grünwald	85
Immosuisse GmbH Immobilien Management i.L., Berlin	100
IPGD Grundstücksverwaltungs-Gesellschaft mbH, Grünwald	100
Jawa Power Holding GmbH, Erlangen	100[10]
KompTime GmbH, Munich	100[10]
Lincas Electro Vertriebsgesellschaft mbH, Hamburg	100
LINCAS Export Services GmbH, Hamburg	100[10]
LMS Deutschland GmbH, Kaiserslautern	100

September 30, 2013	Equity interest in %
Mannesmann Demag Krauss-Maffei GmbH, Munich	100
Mechanik Center Erlangen GmbH, Erlangen	100[10]
messMa GmbH, Irxleben	100
OPTIO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Tübingen KG, Grünwald	100[9]
Partikeltherapiezentrum Kiel Holding GmbH, Erlangen	100[10]
PETscape GmbH, Erlangen	100[10]
Project Ventures Butendiek Holding GmbH, Erlangen	100[10]
Projektbau-Arena-Berlin GmbH, Grünwald	100[10]
R & S Restaurant Services GmbH, Munich	100
REMECH Systemtechnik GmbH, Kamsdorf	100[10]
RHG Vermögensverwaltung GmbH, Berlin	100[10]
RISICOM Rückversicherung AG, Grünwald	100
Samtech Deutschland GmbH, Hamburg	100
SeaRenergy Offshore Projects GmbH & Cie. KG, Hamburg	100
Siemens Audiologische Technik GmbH, Erlangen	100
Siemens Bank GmbH, Munich	100
Siemens Beteiligungen Inland GmbH, Munich	100[10]
Siemens Beteiligungen Management GmbH, Grünwald	100[7]
Siemens Beteiligungen USA GmbH, Berlin	100[10]
Siemens Beteiligungsverwaltung GmbH & Co. OHG, Grünwald	100[9]
Siemens Building Technologies Holding GmbH, Grünwald	100
Siemens Convergence Creators GmbH & Co. KG, Hamburg	100[9]
Siemens Convergence Creators Management GmbH, Hamburg	100[7]
Siemens Energy Automation GmbH, Erlangen	100[10]
Siemens Finance & Leasing GmbH, Munich	100[10]
Siemens Financial Services GmbH, Munich	100[10]
Siemens Fonds Invest GmbH, Munich	100[10]
Siemens Fuel Gasification Technology GmbH & Co. KG, Freiberg	100[9]
Siemens Fuel Gasification Technology Verwaltungs GmbH, Freiberg	100[7]
Siemens Global Innovation Partners Management GmbH, Munich	100[7]
Siemens Grundstücksmanagement GmbH & Co. OHG, Grünwald	100[9]
Siemens Gusstechnik GmbH, Chemnitz	100
Siemens Healthcare Diagnostics GmbH, Eschborn	100
Siemens Healthcare Diagnostics Holding GmbH, Eschborn	100
Siemens Healthcare Diagnostics Products GmbH, Marburg	100
Siemens Immobilien Chemnitz-Voerde GmbH, Grünwald	100[10]
Siemens Industriegetriebe GmbH, Penig	100[10]
Siemens Industriepark Karlsruhe GmbH & Co. KG, Grünwald	100[9]
Siemens Industry Automation Holding AG, Munich	100[10]

1 Control due to a majority of voting rights.
2 Control due to contractual arrangements.
3 Control due to economic circumstances.
4 No control due to contractual arrangements or legal circumstances.
5 No significant influence due to contractual arrangements or legal circumstances.
6 Significant influence due to contractual arrangements or legal circumstances.
7 Not consolidated due to immateriality.
8 Not accounted for using the equity method due to immateriality.
9 Exemption pursuant to Section 264 b German Commercial Code.
10 Exemption pursuant to Section 264 (3) German Commercial Code.

September 30, 2013	Equity interest in %
Siemens Industry Software GmbH & Co. KG, Cologne	100[9]
Siemens Industry Software Management GmbH, Cologne	100[7]
Siemens Insulation Center GmbH & Co. KG, Zwönitz	100[9]
Siemens Insulation Center Verwaltungs-GmbH, Zwönitz	100[7]
Siemens Medical Solutions Health Services GmbH, Erlangen	100
Siemens Nixdorf Informationssysteme GmbH, Grünwald	100
Siemens Novel Businesses GmbH, Munich	100[10]
Siemens Postal, Parcel & Airport Logistics GmbH & Co. KG, Constance	100[7]
Siemens Postal, Parcel & Airport Logistics Verwaltungs GmbH, Constance	100[7]
Siemens Power Control GmbH, Langen	100[10]
Siemens Private Finance Versicherungs- und Kapitalanlagenvermittlungs-GmbH, Munich	100[10]
Siemens Project Ventures GmbH, Erlangen	100[10]
Siemens Real Estate GmbH & Co. OHG, Grünwald	100[9]
Siemens Real Estate Management GmbH, Grünwald	100[7]
Siemens Spezial-Investmentaktiengesellschaft mit TGV, Munich	100
Siemens Technology Accelerator GmbH, Munich	100[10]
Siemens Technopark Berlin Verwaltungs GmbH, Grünwald	100[7]
Siemens Technopark Mülheim GmbH & Co. KG, Grünwald	100[9]
Siemens Technopark Mülheim Verwaltungs GmbH, Grünwald	100[7]
Siemens Technopark Nürnberg GmbH & Co. KG, Grünwald	100[9]
Siemens Technopark Nürnberg Verwaltungs GmbH, Grünwald	100
Siemens Treasury GmbH, Munich	100[10]
Siemens Turbomachinery Equipment GmbH, Frankenthal	100[10]
Siemens VAI Metals Technologies GmbH, Willstätt-Legelshurst	100[10]
Siemens Venture Capital GmbH, Munich	100[10]
Siemens Water Technologies GmbH, Günzburg	100[7]
Siemens Wind Power GmbH, Hamburg	100[10]
SILLIT Grundstücks-Verwaltungsgesellschaft mbH, Munich	100
SIM 16. Grundstücksverwaltungs- und -beteiligungs-GmbH & Co. KG, Munich	100[9]
SIM 2. Grundstücks-GmbH & Co. KG, Grünwald	100[9]
SIMAR Nordost Grundstücks-GmbH, Grünwald	100[10]
SIMAR Nordwest Grundstücks-GmbH, Grünwald	100[10]
SIMAR Ost Grundstücks-GmbH, Grünwald	100[10]
SIMAR Süd Grundstücks-GmbH, Grünwald	100[10]
SIMAR West Grundstücks-GmbH, Grünwald	100[10]
SIMOS Real Estate GmbH, Munich	100[10]
SKAG Fonds C1, Munich	100
SKAG Fonds S7, Munich	100
SKAG Fonds S8, Munich	100

September 30, 2013	Equity interest in %
SKAG Principals, Munich	100
Sky Eye Transportation Systems GmbH i.L., Braunschweig	100[7]
Steinmüller Engineering GmbH, Gummersbach	100
SVM Star Ventures Managementgesellschaft mbH Nr. 3 & Co. Beteiligungs KG Nr. 2, Munich	99[3]
SVM Star Ventures Managementgesellschaft mbH Nr. 3 & Co. Beteiligungs KG Nr. 3, Munich	99[3]
SVM Star Ventures Managementgesellschaft mbH Nr. 3 & Co. Beteiligungs KG Nr. 4, Munich	99[3]
SYKATEC Systeme, Komponenten, Anwendungstechnologie GmbH, Erlangen	100[10]
Technopark Berlin Wohlrabedamm GmbH, Grünwald	94
TGB Technisches Gemeinschaftsbüro GmbH, Kassel	100
TLT-Turbo GmbH, Zweibrücken	100
Trench Germany GmbH, Bamberg	100[10]
Turbine Airfoil Coating and Repair GmbH, Berlin	100
Verwaltung SeaRenergy Offshore Projects GmbH, Hamburg	100[7]
VIB Verkehrsinformationsagentur Bayern GmbH, Munich	51
VMZ Berlin Betreibergesellschaft mbH, Berlin	100
VR-LEASING IKANA GmbH & Co. Immobilien KG, Eschborn	94[3]
VVK Versicherungsvermittlungs- und Verkehrskontor GmbH, Munich	100[10]
Weiss Spindeltechnologie GmbH, Schweinfurt	100
Europe, Commonwealth of Independent States (C.I.S.), Africa, Middle East (without Germany) (277 companies)	
ESTEL Rail Automation SPA, Algiers / Algeria	51
Siemens Spa, Algiers / Algeria	100
Siemens S.A., Luanda / Angola	51
ComBuild Kommunikations & Gebäudetechnologie GmbH, Vienna / Austria	100
ETM professional control GmbH, Eisenstadt / Austria	100
Hochquellstrom-Vertriebs GmbH, Vienna / Austria	100
IBS Engineering Consulting Software GmbH in Liqu., Linz / Austria	100
ITH icoserve technology for healthcare GmbH, Innsbruck / Austria	69
KDAG Beteiligungen GmbH, Vienna / Austria	100
Landis & Staefa (Österreich) GmbH, Vienna / Austria	100
Landis & Staefa GmbH, Vienna / Austria	100
Saudi VOEST-ALPINE GmbH, Linz / Austria	100
Siemens Aktiengesellschaft Österreich, Vienna / Austria	100
Siemens Convergence Creators GmbH, Eisenstadt / Austria	100

1 Control due to a majority of voting rights.
2 Control due to contractual arrangements.
3 Control due to economic circumstances.
4 No control due to contractual arrangements or legal circumstances.
5 No significant influence due to contractual arrangements or legal circumstances.
6 Significant influence due to contractual arrangements or legal circumstances.
7 Not consolidated due to immateriality.
8 Not accounted for using the equity method due to immateriality.
9 Exemption pursuant to Section 264 b German Commercial Code.
10 Exemption pursuant to Section 264 (3) German Commercial Code.

September 30, 2013	Equity interest in %
Siemens Convergence Creators GmbH, Vienna / Austria	100
Siemens Convergence Creators Holding GmbH, Vienna / Austria	100
Siemens Gebäudemanagement & -Services G.m.b.H., Vienna / Austria	100
Siemens Healthcare Diagnostics GmbH, Vienna / Austria	100
Siemens Industry Software GmbH, Linz / Austria	100
Siemens Konzernbeteiligungen GmbH, Vienna / Austria	100
Siemens Liegenschaftsverwaltung GmbH, Vienna / Austria	100
Siemens Personaldienstleistungen GmbH, Vienna / Austria	100
Siemens Urban Rail Technologies Holding GmbH, Vienna / Austria	100
Siemens VAI Metals Technologies GmbH, Linz / Austria	100
Steiermärkische Medizinarchiv GesmbH, Graz / Austria	52
Trench Austria GmbH, Leonding / Austria	100
URT Urban Rail Technologies Holding GmbH, Vienna / Austria	50[1]
VVK Versicherungs-Vermittlungs- und Verkehrs-Kontor GmbH, Vienna / Austria	100
Siemens W.L.L., Manama / Bahrain	51
Leuven Measurement & Systems Belgium BVBA, Leuven / Belgium	100
LMS Engineering NV, Leuven / Belgium	100
LMS International NV, Leuven / Belgium	100
LMS Numerical Technologies NV, Leuven / Belgium	100
Oktopus S.A./N.V., Brussels / Belgium	100
Samtech SA, Angleur / Belgium	60
Siemens Healthcare Diagnostics SA, Brussels / Belgium	100
Siemens Industry Software NV, Anderlecht / Belgium	100
Siemens Product Lifecycle Management Software II (BE) BVBA, Anderlecht / Belgium	100
Siemens S.A./N.V., Anderlecht / Belgium	100
Siemens d.o.o., Banja Luka / Bosnia and Herzegovina	100
Siemens d.o.o. Sarajevo, Sarajevo / Bosnia and Herzegovina	100
Siemens Pty. Ltd., Gaborone / Botswana	100
Siemens EOOD, Sofia / Bulgaria	100
Koncar Power Transformers d.o.o., Zagreb / Croatia	51
Siemens Convergence Creators d.o.o., Zagreb / Croatia	100
Siemens d.d., Zagreb / Croatia	98
J. N. Kelly Security Holding Limited, Larnaka / Cyprus	100
Kintec Cyprus Ltd, Larnaka / Cyprus	100
OEZ s.r.o., Letohrad / Czech Republic	100
Siemens Audiologická Technika s.r.o., Prague / Czech Republic	100
Siemens Convergence Creators, s.r.o., Prague / Czech Republic	100
Siemens Electric Machines s.r.o., Drasov / Czech Republic	100

September 30, 2013	Equity interest in %
Siemens Industry Software, s.r.o., Prague / Czech Republic	100
Siemens, s.r.o., Prague / Czech Republic	100
Siemens A/S, Ballerup / Denmark	100
Siemens Healthcare Diagnostics ApS, Ballerup / Denmark	100
Siemens Höreapparater A/S, Copenhagen / Denmark	100
Siemens Industry Software A/S, Allerød / Denmark	100
Siemens Wind Power A/S, Brande / Denmark	100
NEM Energy Egypt LLC, Alexandria / Egypt	100
Siemens Healthcare Diagnostics S.A.E, Cairo / Egypt	100
Siemens Ltd. for Trading, Cairo / Egypt	100
Siemens Technologies S.A.E., Cairo / Egypt	90
Siemens Healthcare Diagnostics OY, Espoo / Finland	100
Siemens Osakeyhtiö, Espoo / Finland	100
Flender-Graffenstaden SAS, Illkirch-Graffenstaden / France	100
LMS France S.A.R.L, Paris / France	100
LMS Imagine, Roanne / France	100
PETNET Solutions SAS, Saint-Denis / France	100
Preactor Europe SAS, Dardilly / France	100
Samtech France SA, Massy / France	100
Siemens Audiologie S.A.S., Saint-Denis / France	100
Siemens Financial Services SAS, Saint-Denis / France	100
Siemens France Holding, Saint-Denis / France	100
Siemens Healthcare Diagnostics S.A.S., Saint-Denis / France	100
Siemens Industry Software SAS, Vélizy-Villacoublay / France	100
Siemens Lease Services SAS, Saint-Denis / France	100
Siemens S.A.S., Saint-Denis / France	100
Siemens Transmission & Distribution SAS, Grenoble / France	100
Siemens VAI Metals Technologies SAS, Savigneux / France	100
Trench France S.A.S., Saint-Louis / France	100
Tecnomatix Technologies (Gibraltar) Limited, Gibraltar / Gibraltar	100
Broadcastle Finance Limited, Stoke Poges, Buckinghamshire / Great Britain	100
Broadcastle Ltd., Stoke Poges, Buckinghamshire / Great Britain	100
Electrium Sales Limited, Frimley, Surrey / Great Britain	100
eMeter International Limited, Frimley, Surrey / Great Britain	100
GyM Renewables Limited, Frimley, Surrey / Great Britain	100
GyM Renewables ONE Limited, Frimley, Surrey / Great Britain	100
Leuven Measurements & Systems UK Limited, Frimley, Surrey / Great Britain	100
Marine Current Turbines Limited, Frimley, Surrey / Great Britain	100
Preactor International Limited, Chippenham, Wiltshire / Great Britain	100

1 Control due to a majority of voting rights.
2 Control due to contractual arrangements.
3 Control due to economic circumstances.
4 No control due to contractual arrangements or legal circumstances.
5 No significant influence due to contractual arrangements or legal circumstances.
6 Significant influence due to contractual arrangements or legal circumstances.
7 Not consolidated due to immateriality.
8 Not accounted for using the equity method due to immateriality.
9 Exemption pursuant to Section 264 b German Commercial Code.
10 Exemption pursuant to Section 264 (3) German Commercial Code.

September 30, 2013	Equity interest in %
Project Ventures Rail Investments I Limited, Frimley, Surrey / Great Britain	100
Samtech UK Limited, Frimley, Surrey / Great Britain	100
SBS Pension Funding (Scotland) Limited Partnership, Edinburgh / Great Britain	57[3]
Sea Generation (Brough Ness) Limited, Frimley, Surrey / Great Britain	100
Sea Generation (Kyle Rhea) Limited, Frimley, Surrey / Great Britain	100
Sea Generation (Wales) Ltd., Frimley, Surrey / Great Britain	100
Sea Generation Limited, Frimley, Surrey / Great Britain	100
Siemens Financial Services Holdings Ltd., Stoke Poges, Buckinghamshire / Great Britain	100
Siemens Financial Services Ltd., Stoke Poges, Buckinghamshire / Great Britain	100
Siemens Healthcare Diagnostics Ltd., Frimley, Surrey / Great Britain	100
Siemens Healthcare Diagnostics Manufacturing Ltd, Frimley, Surrey / Great Britain	100
Siemens Healthcare Diagnostics Products Ltd, Frimley, Surrey / Great Britain	100
Siemens Hearing Instruments Ltd., Crawley, Sussex / Great Britain	100
Siemens Holdings plc, Frimley, Surrey / Great Britain	100
Siemens Industrial Turbomachinery Ltd., Frimley, Surrey / Great Britain	100
Siemens Industry Software Limited, Frimley, Surrey / Great Britain	100
Siemens Pension Funding (General) Limited, Frimley, Surrey / Great Britain	100
Siemens Pension Funding (Scotland) Limited, Edinburgh / Great Britain	100[7]
Siemens Pension Funding Limited, Frimley, Surrey / Great Britain	100
Siemens plc, Frimley, Surrey / Great Britain	100
Siemens Postal, Parcel & Airport Logistics Limited, Frimley, Surrey / Great Britain	100[7]
Siemens Protection Devices Limited, Frimley, Surrey / Great Britain	100
Siemens Rail Automation Holdings Limited, Frimley, Surrey / Great Britain	100
Siemens Rail Automation Limited, Frimley, Surrey / Great Britain	100

September 30, 2013	Equity interest in %
Siemens Rail Systems Project Holdings Limited, Frimley, Surrey / Great Britain	100
Siemens Rail Systems Project Limited, Frimley, Surrey / Great Britain	100
Siemens Real Estate Ltd., Frimley, Surrey / Great Britain	100
Siemens Transmission & Distribution Limited, Frimley, Surrey / Great Britain	100
Siemens VAI Metals Technologies Limited, Frimley, Surrey / Great Britain	100
Siemens Water Technologies Limited, Frimley, Surrey / Great Britain	100[7]
The Preactor Group Limited, Chippenham, Wiltshire / Great Britain	100
Tronic Ltd., Frimley, Surrey / Great Britain	100
VA TECH (UK) Ltd., Frimley, Surrey / Great Britain	100
VA Tech Reyrolle Distribution Ltd., Frimley, Surrey / Great Britain	100
VA TECH T & D UK Ltd., Frimley, Surrey / Great Britain	100
VTW Anlagen UK Ltd., Banbury, Oxfordshire / Great Britain	100
Kintec A.E., Athens / Greece	100
Siemens A.E., Elektrotechnische Projekte und Erzeugnisse, Athens / Greece	100
Siemens Healthcare Diagnostics ABEE, Athens / Greece	100
evosoft Hungary Szamitastechnikai Kft., Budapest / Hungary	100
Siemens Audiológiai Technika Kereskedelmi és Szolgáltató Korlátolt Felelösségü Társaság, Budapest / Hungary	100
Siemens PSE Program- és Rendszerfejlesztö Kft., Budapest / Hungary	100
Siemens Zrt., Budapest / Hungary	100
Siemens Sherkate Sahami (Khass), Teheran / Iran	97
Europlex Technologies (Ireland) Limited, Dublin / Ireland	100
iMetrex Technologies Limited, Dublin / Ireland	100
Siemens Limited, Dublin / Ireland	100
Robcad Limited, Airport City / Israel	100
RuggedCom Ltd., Herzliya / Israel	100
Siemens Concentrated Solar Power Ltd., Beit Shemesh / Israel	100
Siemens Industry Software Ltd., Airport City / Israel	100
Siemens Israel Ltd., Tel Aviv / Israel	100
Siemens Product Lifecycle Management Software 2 (IL) Ltd., Airport City / Israel	100
UGS Israeli Holdings (Israel) Ltd., Airport City / Israel	100
HV-Turbo Italia S.r.l., Mornago / Italy	51
LMS Italiana S.r.l., Turin / Italy	100
Samtech Italiana S.r.l., Milan / Italy	100

1 Control due to a majority of voting rights.
2 Control due to contractual arrangements.
3 Control due to economic circumstances.
4 No control due to contractual arrangements or legal circumstances.
5 No significant influence due to contractual arrangements or legal circumstances.
6 Significant influence due to contractual arrangements or legal circumstances.
7 Not consolidated due to immateriality.
8 Not accounted for using the equity method due to immateriality.
9 Exemption pursuant to Section 264 b German Commercial Code.
10 Exemption pursuant to Section 264 (3) German Commercial Code.

September 30, 2013	Equity interest in %
Siemens Healthcare Diagnostics S.r.l., Milan / Italy	100
Siemens Hearing Instruments Italy S.r.l., Milan / Italy	100
Siemens Industry Software S.r.l, Milan / Italy	100
Siemens Renting S.p.A. in Liquidazione, Milan / Italy	100
Siemens S.p.A., Milan / Italy	100
Siemens Transformers S.p.A., Trento / Italy	100
Trench Italia S.r.l., Savona / Italy	100
TurboCare S.p.A., Turin / Italy	100
Turboservice Torino S.p.A., Turin / Italy	100[7]
Siemens TOO, Almaty / Kazakhstan	100
Siemens Kenya Ltd., Nairobi / Kenya	100
Siemens Electrical & Electronic Services K.S.C.C., Kuwait City / Kuwait	49[2]
Tecnomatix Technologies SARL, Luxembourg / Luxembourg	100
TFM International S.A. i.L., Luxembourg / Luxembourg	100
Siemens d.o.o. Podgorica, Podgorica / Montenegro	100
SCIENTIFIC MEDICAL SOLUTION DIAGNOSTICS S.A.R.L., Casablanca / Morocco	100
Siemens Plant Operations Tahaddart SARL, Tanger / Morocco	100
Siemens S.A., Casablanca / Morocco	100
Siemens Lda., Maputo / Mozambique	100
Siemens Pty. Ltd., Windhoek / Namibia	100
LMS Instruments BV, Breda / Netherlands	100
NEM Energy B.V., Leiden / Netherlands	100
NEM Energy Holding B.V., The Hague / Netherlands	100
Siemens Audiologie Techniek B.V., The Hague / Netherlands	100
Siemens Diagnostics Holding II B.V., The Hague / Netherlands	100
Siemens Finance B.V., The Hague / Netherlands	100
Siemens Financieringsmaatschappij N.V., The Hague / Netherlands	100
Siemens Gas Turbine Technologies Holding B.V., The Hague / Netherlands	65
Siemens Healthcare Diagnostics B.V., Amersfoort / Netherlands	100
Siemens Industry Software B.V., s-Hertogenbosch / Netherlands	100
Siemens International Holding B.V., The Hague / Netherlands	100
Siemens Medical Solutions Diagnostics Holding I B.V., The Hague / Netherlands	100
Siemens Nederland N.V., The Hague / Netherlands	100
Siemens Train Technologies Holding B.V., The Hague / Netherlands	51
TurboCare B.V., Hengelo / Netherlands	100
Siemens Ltd., Lagos / Nigeria	100
Siemens AS, Oslo / Norway	100

September 30, 2013	Equity interest in %
Siemens Healthcare Diagnostics AS, Oslo / Norway	100
Siemens Höreapparater AS, Oslo / Norway	100
Siemens L.L.C., Muscat / Oman	51
Siemens Pakistan Engineering Co. Ltd., Karachi / Pakistan	66
Audio SAT Sp. z o.o., Poznan / Poland	100
Siemens Finance Sp. z o.o., Warsaw / Poland	100
Siemens Industry Software Sp. z o.o., Warsaw / Poland	100
Siemens Sp. z o.o., Warsaw / Poland	100
TurboCare Poland Spólka Akcyjna, Lubliniec / Poland	100
TurboCare Sp. z o.o., Wroclaw / Poland	80
Siemens Healthcare Diagnostics, Unipessoal Lda., Amadora / Portugal	100
Siemens S.A., Amadora / Portugal	100
Siemens W.L.L., Doha / Qatar	40[2]
LMS Romania S.R.L., Brasov / Romania	100
Siemens (AUSTRIA) PROIECT SPITAL COLTEA SRL, Bucharest / Romania	100
Siemens Convergence Creators S.R.L., Brasov / Romania	100
Siemens S.R.L., Bucharest / Romania	100
SIMEA SIBIU S.R.L., Sibiu / Romania	100
OOO Advanced Urban Rail Systems, Moscow / Russian Federation	100[7]
OOO Legion II, Moscow / Russian Federation	100
OOO Legion T2, Moscow / Russian Federation	100
OOO Russian Turbo Machinery, Perm / Russian Federation	51
OOO Siemens, Moscow / Russian Federation	100
OOO Siemens Elektroprivod, St. Petersburg / Russian Federation	66
OOO Siemens Gas Turbine Technologies, Novoe Devyatkino / Russian Federation	100
OOO Siemens High Voltage Products, Ufimsky District / Russian Federation	100
OOO Siemens Industry Software, Moscow / Russian Federation	100
OOO Siemens Train Technologies, Verkhnyaya Pyshma / Russian Federation	100
OOO Siemens Transformers, Voronezh / Russian Federation	100
OOO Siemens Urban Rail Technologies, Moscow / Russian Federation	100
Siemens Finance LLC, Vladivostok / Russian Federation	100
Siemens Research Center Limited Liability Company, Moscow / Russian Federation	100
Arabia Electric Ltd. (Equipment), Jeddah / Saudi Arabia	51
ISCOSA Industries and Maintenance Ltd., Riyadh / Saudi Arabia	51
Siemens Ltd., Jeddah / Saudi Arabia	51

1 Control due to a majority of voting rights.
2 Control due to contractual arrangements.
3 Control due to economic circumstances.
4 No control due to contractual arrangements or legal circumstances.
5 No significant influence due to contractual arrangements or legal circumstances.
6 Significant influence due to contractual arrangements or legal circumstances.
7 Not consolidated due to immateriality.
8 Not accounted for using the equity method due to immateriality.
9 Exemption pursuant to Section 264 b German Commercial Code.
10 Exemption pursuant to Section 264 (3) German Commercial Code.

September 30, 2013	Equity interest in %
VA TECH T&D Co. Ltd., Riyadh/Saudi Arabia	51
Westinghouse Saudi Arabia Ltd., Riyadh/Saudi Arabia	100[7]
Siemens d.o.o. Beograd, Belgrade/Serbia	100
OEZ Slovakia, spol. s r.o., Bratislava/Slovakia	100
SAT Systémy automatizacnej techniky spol. s.r.o., Bratislava/Slovakia	60
Siemens Program and System Engineering s.r.o., Bratislava/Slovakia	100
Siemens s.r.o., Bratislava/Slovakia	100
SIPRIN s.r.o., Bratislava/Slovakia	100
Siemens d.o.o., Ljubljana/Slovenia	100
Dade Behring South Africa (Pty) Ltd, Randfontein/South Africa	100
Linacre Investments (Pty) Ltd., Kenilworth/South Africa	0[3]
Marqott (Proprietary) Limited, Pretoria/South Africa	100
Marqott Holdings (Pty.) Ltd., Pretoria/South Africa	100
Siemens (Proprietary) Limited, Midrand/South Africa	70
Siemens Building Technologies (Pty) Ltd., Midrand/South Africa	100
Siemens Employee Share Ownership Trust, Johannesburg/South Africa	0[3]
Siemens Healthcare Diagnostics (Pty.) Limited, Isando/South Africa	100
Siemens Hearing Solution (Pty.) Ltd., Randburg/South Africa	100
Siemens IT Solutions and Services (Pty) Ltd., Johannesburg/South Africa	100
Fábrica Electrotécnica Josa, S.A., Barcelona/Spain	100
Petnet Soluciones, S.L., Sociedad Unipersonal, Madrid/Spain	100
Samtech Iberica Engineering & Software Services S.L., Barcelona/Spain	100
Siemens Fire & Security Products, S.A., Madrid/Spain	100
Siemens Healthcare Diagnostics S.L., Barcelona/Spain	100
Siemens Holding S.L., Madrid/Spain	100
Siemens Industry Software S.L., Barcelona/Spain	100
Siemens POSTAL, PARCEL & AIRPORT LOGISTICS, S.L. Sociedad Unipersonal, Madrid/Spain	100[7]
Siemens Rail Automation Holding S.A., Madrid/Spain	100
Siemens Rail Automation S.A.U., Madrid/Spain	100
Siemens Renting S.A., Madrid/Spain	100
Siemens S.A., Madrid/Spain	100
Telecomunicación, Electrónica y Conmutación S.A., Madrid/Spain	100
Siemens AB, Upplands Väsby/Sweden	100
Siemens Financial Services AB, Stockholm/Sweden	100

September 30, 2013	Equity interest in %
Siemens Healthcare Diagnostics AB, Södertälje/Sweden	100
Siemens Industrial Turbomachinery AB, Finspong/Sweden	100
Siemens Industry Software AB, Kista/Sweden	100
Dade Behring Diagnostics AG, Düdingen/Switzerland	100
Huba Control AG, Würenlos/Switzerland	100
Siemens Audiologie AG, Adliswil/Switzerland	100
Siemens Fuel Gasification Technology Holding AG, Zug/Switzerland	100
Siemens Healthcare Diagnostics AG, Zurich/Switzerland	100
Siemens Industry Software AG, Zurich/Switzerland	100
Siemens Postal & Parcel Logistics Technologies AG, Zurich/Switzerland	100[7]
Siemens Power Holding AG, Zug/Switzerland	100
Siemens Schweiz AG, Zurich/Switzerland	100
Stadt/Land Immobilien AG, Zurich/Switzerland	100
Siemens Tanzania Ltd., Dar es Salaam/Tanzania	100
Siemens S.A., Tunis/Tunisia	100
Siemens Finansal Kiralama A.S., Istanbul/Turkey	100
Siemens Isitme Cihazlari Sanayi Ve Ticaret Anonim Sirketi, Istanbul/Turkey	100
Siemens Sanayi ve Ticaret A.S., Istanbul/Turkey	100
100% foreign owned subsidiary “Siemens Ukraine”, Kiev/Ukraine	100
SD (Middle East) LLC, Dubai/United Arab Emirates	49[2]
Siemens LLC, Abu Dhabi/United Arab Emirates	49[2]
Siemens Middle East Limited, Masdar City/United Arab Emirates	100
Siemens Pvt. Ltd., Harare/Zimbabwe	100[7]
Americas (106 companies)	
Siemens IT Services S.A., Buenos Aires/Argentina	100
Siemens S.A., Buenos Aires/Argentina	100
VA TECH International Argentina SA, Buenos Aires/Argentina	100
Siemens Soluciones Tecnologicas S.A., Santa Cruz de la Sierra/Bolivia	100
Chemtech Servicos de Engenharia e Software Ltda., Rio de Janeiro/Brazil	100
Iriel Indústria Cómercio de Sistemas Eléctricos Ltda., Canoas/Brazil	100
LMS da América do Sul Servicos de Engenharia Ltda, São Paulo/Brazil	100
Siemens Aparelhos Auditivos Ltda., São Paulo/Brazil	100
Siemens Eletroeletronica Limitada, Manaus/Brazil	100

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2 Control due to contractual arrangements.
3 Control due to economic circumstances.
4 No control due to contractual arrangements or legal circumstances.
5 No significant influence due to contractual arrangements or legal circumstances.
6 Significant influence due to contractual arrangements or legal circumstances.
7 Not consolidated due to immateriality.
8 Not accounted for using the equity method due to immateriality.
9 Exemption pursuant to Section 264 b German Commercial Code.
10 Exemption pursuant to Section 264 (3) German Commercial Code.

September 30, 2013	Equity interest in %
Siemens Healthcare Diagnósticos Ltda., São Paulo / Brazil	100
Siemens Industry Software Ltda., São Caetano do Sul / Brazil	100
Siemens Ltda., São Paulo / Brazil	100
Siemens Rail Automation Ltda. , São Paulo / Brazil	100
Siemens SERVIÇOS DE MONITORAMENTO ELETRÔNICO LTDA., São Paulo / Brazil	100[7]
Siemens VAI Metals Services Ltda., Volta Redonda / Brazil	100
VAI – INGDESI Automation Ltda., Belo Horizonte / Brazil	100
Dade Behring Hong Kong Holdings Corporation, Tortola / British Virgin Islands	100
RuggedCom Inc., Ontario / Canada	100
Siemens Canada Ltd., Ontario / Canada	100
Siemens Financial Ltd., Oakville / Canada	100
Siemens Hearing Instruments Inc., Ontario / Canada	100
Siemens Industry Software Ltd., Ontario / Canada	100
Siemens Postal, Parcel & Airport Logistics Ltd., Oakville / Canada	100[7]
Siemens Transformers Canada Inc., Trois-Rivières / Canada	100
Siemens Water Technologies Ltd., Oakville / Canada	100
Trench Ltd., Saint John / Canada	100
Turbocare Canada Ltd., Calgary / Canada	100
Wheelabrator Air Pollution Control (Canada) Inc., Ontario / Canada	100
Siemens Healthcare Diagnostics Manufacturing Limited, George Town / Cayman Islands	100
Siemens S.A., Santiago de Chile / Chile	100
Siemens Manufacturing S.A., Bogotá / Colombia	100
Siemens S.A., Costado Sur – Tenjo / Colombia	100
Siemens Healthcare Diagnostics S.A., San José / Costa Rica	100
Siemens S.A., San José / Costa Rica	100
Siemens, S.R.L., Santo Domingo / Dominican Republic	100
Siemens S.A., Quito / Ecuador	100
Siemens S.A., San Salvador / El Salvador	100
Siemens HEALTHCARE DIAGNOSTICS GUATEMALA, S.A., Guatemala / Guatemala	99
Siemens S.A., Guatemala / Guatemala	100
Siemens S.A., Tegucigalpa / Honduras	100
Dade Behring, S.A. de C.V., México, D.F. / Mexico	100
Grupo Siemens S.A. de C.V., México, D.F. / Mexico	100
Indústria de Trabajos Eléctricos S.A. de C.V., Ciudad Juárez / Mexico	100
Ingdesi S.A. de C.V., Monterrey / Mexico	100
Proyectos de Energia S.A. de C.V., México, D.F. / Mexico	100

September 30, 2013	Equity interest in %
Siemens Healthcare Diagnostics, S. de R.L. de C.V., México, D.F. / Mexico	100
Siemens Industry Software, SA de CV, Santa Fe / Mexico	100
Siemens Inmobiliaria S.A. de C.V., México, D.F. / Mexico	100
Siemens Innovaciones S.A. de C.V., México, D.F. / Mexico	100
Siemens Servicios S.A. de C.V., México, D.F. / Mexico	100
Siemens, S.A. de C.V., México, D.F. / Mexico	100
Siemens S.A., Managua / Nicaragua	100
Siemens Healthcare Diagnostics Panama, S.A, Panama City / Panama	100
Siemens S.A., Panama City / Panama	100
Siemens S.A.C., Lima / Peru	100
Siemens S.A., Montevideo / Uruguay	100
Siemens Telecomunicaciones S.A., Montevideo / Uruguay	100
Audiology Distribution, LLC, Wilmington, DE / USA	100
eMeter Corporation, Wilmington, DE / USA	100
FCE International, LLC, Huntingdon Valley, PA / USA	100
HearUSA IPA, Inc., New York, NY / USA	100
HearX West LLC, West Palm Beach, FL / USA	50[2]
HearX West, Inc., Los Angeles, CA / USA	100
IBS America, Inc., Lexington, MA / USA	100
LMS North America, Inc., Wilmington, DE / USA	100
Mannesmann Corporation, New York, NY / USA	100
NEM USA Corp., Wilmington, DE / USA	100
Nimbus Technologies, LLC, Bingham Farms, MI / USA	100
P.E.T.NET Houston, LLC, Austin, TX / USA	51
Pace Global, LLC, Wilmington, DE / USA	100
PETNET Indiana LLC, Indianapolis, IN / USA	50[1]
PETNET Solutions Cleveland, LLC, Wilmington, DE / USA	63
PETNET Solutions, Inc., Knoxville, TN / USA	100
Preactor North America Inc., Dallas, TX / USA	100
Siemens Capital Company LLC, Wilmington, DE / USA	100
Siemens Convergence Creators Corp., Wilmington, DE / USA	100[7]
Siemens Corporation, Wilmington, DE / USA	100
Siemens Credit Warehouse, Inc., Wilmington, DE / USA	100
Siemens Demag Delaval Turbomachinery, Inc., Wilmington, DE / USA	100
Siemens Electrical, LLC, Wilmington, DE / USA	100
Siemens Energy, Inc., Wilmington, DE / USA	100
Siemens Financial Services, Inc., Wilmington, DE / USA	100
Siemens Financial, Inc., Wilmington, DE / USA	100
Siemens Fossil Services, Inc., Wilmington, DE / USA	100
Siemens Generation Services Company, Wilmington, DE / USA	100

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2 Control due to contractual arrangements.
3 Control due to economic circumstances.
4 No control due to contractual arrangements or legal circumstances.
5 No significant influence due to contractual arrangements or legal circumstances.
6 Significant influence due to contractual arrangements or legal circumstances.
7 Not consolidated due to immateriality.
8 Not accounted for using the equity method due to immateriality.
9 Exemption pursuant to Section 264 b German Commercial Code.
10 Exemption pursuant to Section 264 (3) German Commercial Code.

September 30, 2013	Equity interest in %
Siemens Government Technologies, Inc., Wilmington, DE / USA	100
Siemens Healthcare Diagnostics Inc., Los Angeles, CA / USA	100
Siemens Hearing Instruments, Inc., Wilmington, DE / USA	100
Siemens Industry, Inc., Wilmington, DE / USA	100
Siemens Medical Solutions USA, Inc., Wilmington, DE / USA	100
Siemens Molecular Imaging, Inc., Wilmington, DE / USA	100
Siemens Postal, Parcel & Airport Logistics LLC, Wilmington, DE / USA	100[7]
Siemens Power Generation Service Company, Ltd., Wilmington, DE / USA	100
Siemens Product Lifecycle Management Software Inc., Wilmington, DE / USA	100
Siemens Public, Inc., Wilmington, DE / USA	100
Siemens Rail Automation Carborne Systems Inc., Harrisburg, PA / USA	100
Siemens Rail Automation Corporation, Wilmington, DE / USA	100
Siemens Treated Water Outsourcing Corp., Wilmington, DE / USA	100
Siemens USA Holdings, Inc., Wilmington, DE / USA	100
Siemens Water Technologies LLC, Wilmington, DE / USA	100
SMI Holding LLC, Wilmington, DE / USA	100
TurboCare, Inc., Wilmington, DE / USA	100
Wheelabrator Air Pollution Control Inc., Baltimore, MD / USA	100
Winergy Drive Systems Corporation, Wilmington, DE / USA	100
Siemens Rail Automation, C.A., Caracas / Venezuela	100
Siemens S.A., Caracas / Venezuela	100
Asia, Australia (147 companies)	
Australia Hospital Holding Pty Limited, Bayswater / Australia	100
Exemplar Health (NBH) 2 Pty Limited, Bayswater / Australia	100[7]
Exemplar Health (NBH) Holdings 2 Pty Limited, Bayswater / Australia	100
Exemplar Health (NBH) Trust 2, Bayswater / Australia	100
Exemplar Health (SCUH) 3 Pty Limited, Bayswater / Australia	100[7]
Exemplar Health (SCUH) 4 Pty Limited, Bayswater / Australia	100[7]
Exemplar Health (SCUH) Holdings 3 Pty Limited, Bayswater / Australia	100
Exemplar Health (SCUH) Holdings 4 Pty Limited, Bayswater / Australia	100
Exemplar Health (SCUH) Trust 3, Bayswater / Australia	100
Exemplar Health (SCUH) Trust 4, Bayswater / Australia	100
Kaon Consulting Pty. Ltd., Loganholme QLD / Australia	100[7]
Kaon Electric Pty. Ltd., Loganholme QLD / Australia	100[7]

September 30, 2013	Equity interest in %
Kaon Holdings Pty. Ltd., Loganholme QLD / Australia	100[7]
Memcor Australia Pty. Ltd., South Windsor / Australia	100
Siemens Hearing Instruments Pty. Ltd., Bayswater / Australia	100
Siemens Ltd., Bayswater / Australia	100
Siemens Rail Automation Holding Pty. Ltd., Clayton / Australia	100
Siemens RAIL AUTOMATION INVESTMENT PTY. LTD., Clayton / Australia	100
Siemens RAIL AUTOMATION PTY. LTD., Clayton / Australia	100
Siemens Water Technologies Pty Ltd, Bayswater / Australia	100[7]
Westinghouse McKenzie-Holland Pty Ltd, Clayton / Australia	100
Siemens Bangladesh Ltd., Dhaka / Bangladesh	100
Beijing Siemens Cerberus Electronics Ltd., Beijing / China	100
Chengdu KK&K Power Fan Co., Ltd., Chengdu / China	51
DPC (Tianjin) Co., Ltd., Tianjin / China	100
GIS Steel & Aluminum Products Co., Ltd. Hangzhou, Hangzhou / China	51
IBS Industrial Business Software (Shanghai), Ltd., Shanghai / China	100
LMS (Beijing) Technology Co. Ltd, Beijing / China	100
MWB (Shanghai) Co Ltd., Shanghai / China	65
Siemens Building Technologies (Tianjin) Ltd., Tianjin / China	70
Siemens Business Information Consulting Co.,Ltd, Beijing / China	100
Siemens Circuit Protection Systems Ltd., Shanghai / China	75
Siemens Eco-City Innovation Technologies (Tianjin) Co., Ltd., Tianjin / China	60[7]
Siemens Electrical Apparatus Ltd., Suzhou / China	100
Siemens Electrical Drives (Shanghai) Ltd., Shanghai / China	100
Siemens Electrical Drives Ltd., Tianjin / China	85
Siemens Factory Automation Engineering Ltd., Beijing / China	100
Siemens Finance and Leasing Ltd., Beijing / China	100
Siemens Financial Services Ltd., Beijing / China	100
Siemens Gas Turbine Parts Ltd., Shanghai / China	51
Siemens Healthcare Diagnostics (Shanghai) Co. Ltd., Shanghai / China	100
Siemens Hearing Instruments (Suzhou) Co. Ltd., Suzhou / China	100
Siemens High Voltage Circuit Breaker Co., Ltd., Hangzhou / China	51
Siemens High Voltage Switchgear Co., Ltd. Shanghai, Shanghai / China	51
Siemens High Voltage Switchgear Guangzhou Ltd., Guangzhou / China	94

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2 Control due to contractual arrangements.
3 Control due to economic circumstances.
4 No control due to contractual arrangements or legal circumstances.
5 No significant influence due to contractual arrangements or legal circumstances.
6 Significant influence due to contractual arrangements or legal circumstances.
7 Not consolidated due to immateriality.
8 Not accounted for using the equity method due to immateriality.
9 Exemption pursuant to Section 264 b German Commercial Code.
10 Exemption pursuant to Section 264 (3) German Commercial Code.

September 30, 2013	Equity interest in %
Siemens Industrial Automation Ltd., Shanghai, Shanghai / China	100
Siemens Industrial Turbomachinery (Huludao) Co. Ltd., Huludao / China	84
Siemens Industry Software (Shanghai) Co., Ltd., Shanghai / China	100
Siemens International Trading Ltd., Shanghai, Shanghai / China	100
Siemens Investment Consulting Co., Ltd., Beijing / China	100
Siemens Ltd., China, Beijing / China	100
Siemens Manufacturing and Engineering Centre Ltd., Shanghai / China	51
Siemens Mechanical Drive Systems (Tianjin) Co., Ltd., Tianjin / China	100
Siemens Medical Solutions Diagnostics Ltd., Beijing / China	100
Siemens Medium Voltage Switching Technologies (Wuxi) Ltd., Wuxi / China	85
Siemens Numerical Control Ltd., Nanjing / China	80
Siemens PLM Software (Shenzhen) Limited, Shenzhen / China	100
Siemens Power Automation Ltd., Nanjing / China	100
Siemens Power Equipment Packages Co. Ltd., Shanghai, Shanghai / China	65
Siemens Power Plant Automation Ltd., Nanjing / China	100
Siemens Rail Automation Technical Consulting Services (Beijing) Co. Ltd., Beijing / China	100[7]
Siemens Real Estate Management (Beijing) Ltd., Co., Beijing / China	100
Siemens Sensors & Communication Ltd., Dalian / China	100
Siemens Shanghai Medical Equipment Ltd., Shanghai / China	100
Siemens Shenzhen Magnetic Resonance Ltd., Shenzhen / China	100
Siemens Signalling Co. Ltd., Xi'an, Xian / China	70
Siemens Special Electrical Machines Co. Ltd., Changzhi / China	77
Siemens Standard Motors Ltd., Jiangsu, Yizheng / China	100
Siemens Surge Arresters Ltd., Wuxi / China	100
Siemens Switchgear Co. Ltd., Shanghai / China	55
Siemens Technology Development (Beijing) Ltd. Corp., Beijing / China	90
Siemens Transformer (Guangzhou) Co., Ltd., Guangzhou / China	63
Siemens Transformer (Jinan) Company Ltd., Jinan / China	90
Siemens Transformer (Wuhan) Company Ltd., Wuhan City / China	100
Siemens VAI Manufacturing (Taicang) Co., Ltd., Taicang / China	100

September 30, 2013	Equity interest in %
Siemens VAI Metals Technologies Co., Ltd., Shanghai, Shanghai / China	100
Siemens Venture Capital Co., Ltd., Beijing / China	100
Siemens Water Technologies and Engineering (Tianjin) Co., Ltd., Tianjin / China	68
Siemens Water Technologies Ltd., Beijing / China	100
Siemens Wind Power Blades (Shanghai) Co., Ltd., Shanghai / China	100
Siemens Wind Power Turbines (Shanghai) Co. Ltd., Shanghai / China	49[2]
Siemens Wiring Accessories Shandong Ltd., Zibo / China	100
Siemens X-Ray Vacuum Technology Ltd., Wuxi / China	100
Smart Metering Solutions (Changsha) Co. Ltd., Changsha / China	60
Trench High Voltage Products Ltd., Shenyang, Shenyang / China	65
Winergy Drive Systems (Tianjin) Co. Ltd., Tianjin / China	100
Yangtze Delta Manufacturing Co. Ltd., Hangzhou, Hangzhou / China	51
Asia Care Holding Limited, Hong Kong / Hong Kong	100[7]
SAMTECH HK Ltd, Hong Kong / Hong Kong	100
Siemens Healthcare Diagnostics Limited, Hong Kong / Hong Kong	100
Siemens Industry Software Limited, Hong Kong / Hong Kong	100
Siemens Ltd., Hong Kong / Hong Kong	100
LMS India Engineering Solutions Pvt Ltd, Chennai / India	100
PETNET Radiopharmaceutical Solutions Pvt. Ltd., New Delhi / India	100
Powerplant Performance Improvement Ltd., New Delhi / India	50[1]
Preactor Software India Private Limited, Bangalore / India	100
Siemens Convergence Creators Private Limited, Mumbai / India	100
Siemens Financial Services Private Limited, Mumbai / India	100
Siemens Hearing Instruments Pvt. Ltd., Bangalore / India	100
Siemens Industry Software (India) Private Limited, New Delhi / India	100
Siemens Ltd., Mumbai / India	75
Siemens Postal and Parcel Logistics Technologies Private Limited, Mumbai / India	100[7]
Siemens Postal Parcel & Airport Logistics Private Limited, Mumbai / India	100
Siemens Rail Automation Pvt. Ltd., Bangalore / India	100
Siemens Technology and Services Private Limited, Mumbai / India	100
P.T. Siemens Indonesia, Jakarta / Indonesia	100

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2 Control due to contractual arrangements.
3 Control due to economic circumstances.
4 No control due to contractual arrangements or legal circumstances.
5 No significant influence due to contractual arrangements or legal circumstances.
6 Significant influence due to contractual arrangements or legal circumstances.
7 Not consolidated due to immateriality.
8 Not accounted for using the equity method due to immateriality.
9 Exemption pursuant to Section 264 b German Commercial Code.
10 Exemption pursuant to Section 264 (3) German Commercial Code.

September 30, 2013	Equity interest in %
PT. Siemens Industrial Power, Kota Bandung / Indonesia	60
Siemens Hearing Instruments Batam, PT, Batam / Indonesia	100
Acrorad Co., Ltd., Okinawa / Japan	57
Best Sound K.K., Sagamihara / Japan	93
LMS Japan KK, Kanagawa / Japan	100
Siemens Healthcare Diagnostics K.K., Tokyo / Japan	100
Siemens Hearing Instruments K.K., Tokyo / Japan	100
Siemens Industry Software K.K., Tokyo / Japan	100
Siemens Japan Holding K.K., Tokyo / Japan	100
Siemens Japan K.K., Tokyo / Japan	100
Siemens Product Lifecycle Management Software II (JP) K.K., Tokyo / Japan	100
LMS Korea Co. Ltd, Seoul / Korea	100
Siemens Industry Software Ltd., Seoul / Korea	100
Siemens Ltd. Seoul, Seoul / Korea	100
Siemens PETNET Korea Co. Ltd., Seoul / Korea	100
HRSG Systems (Malaysia) SDN. BHD., Kuala Lumpur / Malaysia	100
Reyrolle (Malaysia) Sdn. Bhd., Kuala Lumpur / Malaysia	100
Siemens Malaysia Sdn. Bhd., Petaling Jaya / Malaysia	100
Siemens Subsea Systems SDN. BHD, Kuala Lumpur / Malaysia	100
Siemens Transportation Turnkey Systems Sdn. Bhd., Petaling Jaya / Malaysia	100
Siemens Water Technologies SDN. BHD., Petaling Jaya / Malaysia	100[7]
VA TECH Malaysia Sdn.Bhd., Kuala Lumpur / Malaysia	100
Siemens (N.Z.) Limited, Auckland / New Zealand	100
Dade Behring Diagnostics Philippines, Inc., Manila / Philippines	100
Siemens Power Operations, Inc., Manila / Philippines	100
Siemens, Inc., Manila / Philippines	100
PETNET Solutions Private Limited, Singapore / Singapore	100
RuggedCom Asia Pte. Ltd., Singapore / Singapore	100
Siemens Industry Software Pte. Ltd., Singapore / Singapore	100
Siemens Medical Instruments Pte. Ltd., Singapore / Singapore	100
Siemens Postal, Parcel & Airport Logistics PTE. LTD., Singapore / Singapore	100[7]
Siemens Pte. Ltd., Singapore / Singapore	100
Siemens Rail Automation Pte. Ltd., Singapore / Singapore	100
Siemens Water Technologies Pte. Ltd., Singapore / Singapore	100[7]
Siemens Industry Software (TW) Co., Ltd., Taipei / Taiwan	100
Siemens Ltd., Taipei / Taiwan	100
Siemens Limited, Bangkok / Thailand	99
Siemens Water Technologies Limited, Bangkok / Thailand	100[7]

September 30, 2013	Equity interest in %
VA TECH Holding (Thailand) Co. Ltd., Bangkok / Thailand	100
VA TECH Transmission & Distribution Co. Ltd., Bangkok / Thailand	100
Siemens Ltd., Ho Chi Minh City / Vietnam	100
Associated companies and joint ventures	
Germany (30 companies)	
Advanced Power AG und Siemens Project Ventures GmbH in GbR, Hamburg	50
ATS Projekt Grevenbroich GmbH, Schüttorf, Schüttorf	25[8]
BELLIS GmbH, Braunschweig	49[8]
BSH Bosch und Siemens Hausgeräte GmbH, Munich	50
BWI Informationstechnik GmbH, Meckenheim	50[4]
DKS Dienstleistungsgesellschaft f. Kommunikationsanlagen des Stadt- und Regionalverkehrs mbH, Cologne	49[8]
EMIS Electrics GmbH, Lübbenau / Spreewald	49
FEAG Fertigungscenter für Elektrische Anlagen GmbH, Erlangen	49[8]
HANSATON Akustik GmbH, Hamburg	50[8]
IFTEC GmbH & Co. KG, Leipzig	50
Infineon Technologies Bipolar GmbH & Co. KG, Warstein	40
Infineon Technologies Bipolar Verwaltungs-GmbH, Warstein	40[8]
Innovative Wind Concepts GmbH, Husum	50
LIB Verwaltungs-GmbH, Leipzig	50[8]
Maschinenfabrik Reinhausen GmbH, Regensburg	26
MeVis BreastCare GmbH & Co. KG, Bremen	49
MeVis BreastCare Verwaltungsgesellschaft mbH, Bremen	49[8]
OWP Butendiek GmbH & Co. KG, Bremen	23
Partikeltherapiezentrum Kiel GmbH & Co. KG, Kiel	50[8]
Power Vermögensbeteiligungsgesellschaft mbH Die Erste, Hamburg	50[8]
PTZ Partikeltherapiezentrum Kiel Management GmbH, Wiesbaden	50[8]
Siemens Venture Capital Fund 1 GmbH, Munich	100[4,8]
Siemens-Electrogeräte GmbH, Munich	100[4,8]
SKAG Eurocash, Munich	11[6]
SKAG Qualität & Dividende Europa, Munich	34
Symeo GmbH, Neubiberg	65[4,8]
Transrapid International Verwaltungsgesellschaft mbH i.L., Berlin	50[8]
Voith Hydro Holding GmbH & Co. KG, Heidenheim	35
Voith Hydro Holding Verwaltungs GmbH, Heidenheim	35[8]
Wustermark Energie GKW Beteiligungs-GmbH, Hamburg	50[8]

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5 No significant influence due to contractual arrangements or legal circumstances.
6 Significant influence due to contractual arrangements or legal circumstances.
7 Not consolidated due to immateriality.
8 Not accounted for using the equity method due to immateriality.
9 Exemption pursuant to Section 264 b German Commercial Code.
10 Exemption pursuant to Section 264 (3) German Commercial Code.

September 30, 2013	Equity interest in %
Europe, Commonwealth of Independent States (C.I.S.), Africa, Middle East (without Germany) (63 companies)	
Arelion GmbH, Hagenberg im Mühlkreis/Austria	25[8]
Aspern Smart City Research GmbH, Vienna/Austria	44[8]
Aspern Smart City Research GmbH & Co KG, Vienna/Austria	44
E-Mobility Provider Austria GmbH, Vienna/Austria	50[8]
E-Mobility Provider Austria GmbH & Co KG, Vienna/Austria	50
Oil and Gas ProServ LLC, Baku/Azerbaijan	25[8]
Dils Energie NV, Brussels/Belgium	50
T-Power NV, Brussels/Belgium	20
Meomed s.r.o., Prerov/Czech Republic	47[8]
A2SEA A/S, Fredericia/Denmark	49
Compagnie Electrique de Bretagne, S.A.S., Paris/France	40
TRIXELL S.A.S., Moirans/France	25
Breesea Limited, London/Great Britain	50
Cross London Trains Holdco 2 Limited, London/Great Britain	33
Gwynt y Mor Offshore Wind Farm Limited, Swindon, Wiltshire/Great Britain	10[6]
Heron Wind Limited, London/Great Britain	33
Lincs Renewable Energy Holdings Limited, London/Great Britain	50
Njord Limited, London/Great Britain	33
Odos Imaging Ltd., Edinburgh/Great Britain	50[8]
Optimus Wind Limited, London/Great Britain	50
Plessey Holdings Ltd., Frimley, Surrey/Great Britain	50[8]
Pyreos Limited, Edinburgh/Great Britain	37[8]
Sesmos Limited, Edinburgh/Great Britain	50[8]
SMart Wind Limited, London/Great Britain	50
SMart Wind SPC 5 Limited, London/Great Britain	50[8]
SMart Wind SPC 6 Limited, London/Great Britain	50[8]
SMart Wind SPC 7 Limited, London/Great Britain	50[8]
SMart Wind SPC 8 Limited, London/Great Britain	50[8]
Unincorporated Joint Venture Gwynt y Mor, Swindon, Wiltshire/Great Britain	10[6]
Eviop-Tempo A.E. Electrical Equipment Manufacturers, Vassiliko/Greece	48
Szeged Energia Zrt., Szeged/Hungary	50
Arava Power Company Ltd., D.N. Eilot/Israel	40[8]
Global Sun Israel, L.P., D.N. Eilot/Israel	35
Metropolitan Transportation Solutions Ltd., Rosh HaAyin/Israel	20[8]
Transfima GEIE, Turin/Italy	42[8]
Transfima S.p.A., Milan/Italy	49[8]
VAL 208 Torino GEIE, Milan/Italy	86[4,8]

September 30, 2013	Equity interest in %
Temir Zhol Electrification LLP, Astana/Kazakhstan	49
Solutions & Infrastructure Services Limited, Gzira/Malta	50
Energie Electrique de Tahaddart S.A., Tanger/Morocco	20
Enterprise Networks Holdings B.V., Amsterdam/Netherlands	49
Infraspeed Maintainance B.V., Zoetermeer/Netherlands	46
Ural Locomotives Holding Besloten Vennootschap, The Hague/Netherlands	50
VOEST-ALPINE Technical Services Ltd., Abuja/Nigeria	40[8]
Wirescan AS, Torp/Norway	27[8]
Rousch (Pakistan) Power Ltd., Karachi/Pakistan	26
Windfarm Polska II Sp. z o.o., Koszalin/Poland	50[8]
OOO Northern Capital Express, Moscow/Russian Federation	25[8]
OOO Transconverter, Moscow/Russian Federation	35[8]
OOO UniPower Transmission Solutions, Region Moskau Krasnogorsky District/Russian Federation	50
OOO VIS Automation mit Zusatz "Ein Gemeinschaftsunternehmen von VIS und Siemens", Moscow/Russian Federation	49
ZAO Interautomatika, Moscow/Russian Federation	46
ZAO Nuclearcontrol, Moscow/Russian Federation	40[8]
ZAO Systema-Service, St. Petersburg/Russian Federation	26
Impilo Consortium (Pty.) Ltd., La Lucia/South Africa	31
Merida Power, S.L., Madrid/Spain	50[8]
Nertus Mantenimiento Ferroviario y Servicios S.A., Barcelona/Spain	51[4]
Soleval Renovables S.L., Sevilla/Spain	50
Solucia Renovables 1, S.L., Lebrija (Sevilla)/Spain	50
Termica AFAP S.A., Villacanas/Spain	23[8]
Certas AG, Zurich/Switzerland	50
Interessengemeinschaft TUS, Männedorf/Switzerland	50
Zentrum Oberengstringen AG, Oberengstringen/Switzerland	42[8]
Americas (12 companies)	
Cia Técnica de Engenheria Eletrica Sucursal Argentina VA TECH ARGENTINA S.A. Union transitoria de Empresas, Buenos Aires/Argentina	30[8]
BritePointe, Inc., Dover, DE/USA	40[8]
Brockton Power Company LLC, Boston, MA/USA	23
Brockton Power Holdings Inc., Boston, MA/USA	25[8]
Brockton Power Properties, Inc., Boston, MA/USA	25[8]
Cyclos Semiconductor, Inc., Dover, DE/USA	32

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5 No significant influence due to contractual arrangements or legal circumstances.
6 Significant influence due to contractual arrangements or legal circumstances.
7 Not consolidated due to immateriality.
8 Not accounted for using the equity method due to immateriality.
9 Exemption pursuant to Section 264 b German Commercial Code.
10 Exemption pursuant to Section 264 (3) German Commercial Code.

September 30, 2013	Equity interest in %
PhSiTh LLC, New Castle, DE / USA	33
Power Properties Inc., Boston, MA / USA	25 [8]
Rether networks, Inc., Berkeley, CA / USA	30
Siemens First Capital Commercial Finance, LLC, Oklahoma City, OK / USA	51 [4]
Treated Water Outsourcing, a Nalco/U.S. Filter Joint Venture, Naperville, IL / USA	50
Innovex Capital En Tecnologia, C.A., Caracas / Venezuela	20 [6]
Asia, Australia (21 companies)	
Exemplar Health (NBH) Partnership, Melbourne / Australia	50
Exemplar Health (SCUH) Partnership, Sydney / Australia	50
ChinaInvent (Shanghai) Instrument Co., Ltd, Shanghai / China	30 [8]
FCE (Beijing) Heat Treatment Technology Co., Ltd., Beijing / China	30 [8]
GSP China Technology Co., Ltd., Beijing / China	50
ROSE Power Transmission Technology Co., Ltd, Anshan / China	50
Saitong Railway Electrification (Nanjing) Co., Ltd., Nanjing / China	50 [8]

September 30, 2013	Equity interest in %
Shanghai Electric Power Generation Equipment Co., Ltd., Shanghai / China	40
Shanghai Electric Wind Energy Co., Ltd., Shanghai / China	49
Siemens Traction Equipment Ltd., Zhuzhou, Zhuzhou / China	50
Zhenjiang Siemens Busbar Trunking Systems Co. Ltd., Yangzhong / China	50
Bangalore International Airport Ltd., Bangalore / India	26
Transparent Energy Systems Private Limited, Pune / India	25 [8]
P.T. Jawa Power, Jakarta / Indonesia	50
PT Asia Care Indonesia, Jakarta / Indonesia	40
Kanto Hochouki Co., Ltd., Ibaragi / Japan	25 [8]
Kikoeno Soudanshitsu Co., Ltd., Tochigi / Japan	50 [8]
Koden Co., Ltd., Hiroshima / Japan	43 [8]
Yaskawa Siemens Automation & Drives Corp., Kitakyushu / Japan	50
Power Automation Pte. Ltd., Singapore / Singapore	49
Modern Engineering and Consultants Co. Ltd., Bangkok / Thailand	40 [8]

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6 Significant influence due to contractual arrangements or legal circumstances.
7 Not consolidated due to immateriality.
8 Not accounted for using the equity method due to immateriality.
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10 Exemption pursuant to Section 264 (3) German Commercial Code.

September 30, 2013	Equity interest in %	Net income in millions of €	Equity in millions of €
Other investments[12]			
Germany (10 companies)			
Ausbildungszentrum für Technik, Informationsverarbeitung und Wirtschaft gemeinnützige GmbH (ATIW), Paderborn	100[4,5]	0	2
BOMA Verwaltungsgesellschaft mbH & Co. KG, Grünwald	100[4,5]	3	(44)
BSAV Kapitalbeteiligungen und Vermögensverwaltungs Management GmbH, Grünwald	100[4,5]	3	50
Kyros Beteiligungsverwaltung GmbH, Grünwald	100[4,5]	46	339
MAENA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG, Grünwald	97[4,5]	1	(101)
OSRAM Licht AG, Munich	20[5,11]	(3)	0
Realtime Technology AG, Munich	9	5	35
Siemens Global Innovation Partners I GmbH & Co. KG, Munich	50[5]	7	75
Siemens Pensionsfonds AG, Grünwald	100[4,5]	0	8
SIM 9. Grundstücksverwaltungs- und -beteiligungs-GmbH, Munich	100[4,5]	1	10
Europe, Commonwealth of Independent States (C.I.S.), Africa, Middle East (without Germany) (4 companies)			
Atos S.A., Bezons Cedex / France	14	228	2,349
Siemens Benefits Scheme Limited, Frimley, Surrey / Great Britain	74[4,5]	0	0
Medical Systems S.p.A., Genoa / Italy	45[5]	7	79
Corporate XII S.A. (SICAV-FIS), Luxembourg / Luxembourg	100[4,5]	88	6,800
Americas (4 companies)			
Middle East Opportunities Fund SPC obo Solar Energy I Segregated Portfolio, George Town / Cayman Islands	42[5]	1	6
Global Healthcare Exchange LLC, Wilmington, DE / USA	7	(4)	204
iBAHN Corporation, South Jordan, UT / USA	9	(3)	34
Longview Intermediate Holdings B, LLC, Wilmington, DE / USA	7	(36)	810

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6 Significant influence due to contractual arrangements or legal circumstances.
7 Not consolidated due to immateriality.
8 Not accounted for using the equity method due to immateriality.
9 Exemption pursuant to Section 264 b German Commercial Code.
10 Exemption pursuant to Section 264 (3) German Commercial Code.
11 Interests in the capital of 2.5% are held by Siemens Pension Trust e.V.
12 Values according to the latest available local GAAP financial statements; the underlying fiscal year may differ from the Siemens fiscal year.

This is a translation of the German "Konzernabschluss gemäß §315a (1) HGB der Siemens AG zum 30. September 2013." Sole authoritative and universally valid version is the German language document.

D.7 Supervisory Board and Managing Board

D.7.1 Supervisory Board

Gerhard Cromme, Dr. iur.

Chairman

Chairman of the Supervisory Board of Siemens AG

Date of birth: February 25, 1943
Member since: January 23, 2003

External positions

German supervisory board positions:

> Axel Springer AG, Berlin

Berthold Huber*

First Deputy Chairman

First Chairman, IG Metall

Date of birth: February 15, 1950
Member since: July 1, 2004

External positions

German supervisory board positions:

> Audi AG, Ingolstadt (Deputy Chairman)
> Porsche Automobil Holding SE, Stuttgart
> Volkswagen AG, Wolfsburg (Deputy Chairman)

Josef Ackermann, Dr. oec.[1]

(until September 30, 2013)

Second Deputy Chairman[2]

Advisory board member

Date of birth: February 7, 1948
Member since: January 23, 2003

External positions

Positions outside Germany:

> Belenos Clean Power Holding AG, Switzerland (Deputy Chairman)
> EQT Holdings AB, Sweden
> Investor AB, Sweden
> Royal Dutch Shell plc, Netherlands

Lothar Adler*

Chairman of the Central Works Council, Siemens AG

Date of birth: February 22, 1949
Member since: January 23, 2003

Jean-Louis Beffa

(until January 23, 2013)

Honorary Chairman of Compagnie de Saint-Gobain

Date of birth: August 11, 1941
Member since: January 24, 2008

External positions[3]

Positions outside Germany:

> Claude Bernard Participations S.A.S., France (Chairman)
> GDF SUEZ S.A., France
> JL2B Conseils, France (Chairman)
> Le Monde S.A., France
> Le Monde & Partenaires Associés S.A.S., France
> Saint-Gobain Corporation, USA
> Société Editrice du Monde S.A., France

Gerd von Brandenstein

Member of the Supervisory Boards of Siemens AG and degewo AG

Date of birth: April 6, 1942
Member since: January 24, 2008

External positions

German supervisory board positions:

> degewo AG, Berlin

Michael Diekmann

Chairman of the Board of Management, Allianz SE

Date of birth: December 23, 1954
Member since: January 24, 2008

External positions

German supervisory board positions:

> Allianz Asset Management AG, Munich (Chairman)
> Allianz Deutschland AG, Munich
> BASF SE, Ludwigshafen am Rhein (Deputy Chairman)
> Linde AG, Munich (Deputy Chairman)

Positions outside Germany:

> Allianz France S.A., France (Deputy Chairman)
> Allianz S.p.A., Italy

Hans Michael Gaul, Dr. iur.

Supervisory board member

Date of birth: March 2, 1942
Member since: January 24, 2008

External positions

German supervisory board positions:

> BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg (Deputy Chairman)
> HSBC Trinkaus & Burkhardt AG, Düsseldorf

Peter Gruss, Prof. Dr. rer. nat.

President, Max-Planck-Gesellschaft zur Förderung der Wissenschaften e.V.

Date of birth: June 28, 1949
Member since: January 24, 2008

External positions

German supervisory board positions:

> Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München, Munich

Positions outside Germany:

> Actelion Ltd., Switzerland

Bettina Haller*

Chairwoman of the Combine Works Council, Siemens AG

Date of birth: March 14, 1959
Member since: April 1, 2007

Hans-Jürgen Hartung*

Chairman of the Works Council, Siemens Energy Sector, Erlangen, Germany

Date of birth: March 10, 1952
Member since: January 27, 2009

Robert Kensbock*

(since January 23, 2013)

Member of the Central Works Council, Siemens AG

Date of birth: March 13, 1971
Member since: January 23, 2013

Harald Kern*

Chairman of the Siemens Europe Committee

Date of birth: March 16, 1960
Member since: January 24, 2008

Jürgen Kerner*

Executive Managing Board Member, IG Metall

Date of birth: January 22, 1969
Member since: January 25, 2012

External positions

German supervisory board positions:

> Airbus Operations GmbH, Hamburg
> Eurocopter GmbH, Donauwörth
> MAN SE, Munich
> Premium Aerotec GmbH, Augsburg (Deputy Chairman)

Nicola Leibinger-Kammüller, Dr. phil.

President and Chairwoman of the Managing Board, TRUMPF GmbH + Co. KG

Date of birth: December 15, 1959
Member since: January 24, 2008

External positions

German supervisory board positions:

- Axel Springer AG, Berlin
- Deutsche Lufthansa AG, Cologne
- Voith GmbH, Heidenheim

Gérard Mestrallet

(since January 23, 2013)

Chairman of the Board and Chief Executive Officer of GDF SUEZ S.A.

Date of birth: April 1, 1949
Member since: January 23, 2013

External positions

Positions outside Germany:

- Compagnie de Saint-Gobain S.A., France
- Electrabel S.A., Belgium (Chairman)
- GDF Suez Energy Management Trading CVBA, Belgium (Chairman)
- GDF Suez Energie Services S.A., France (Chairman)
- International Power Ltd., UK
- Pargesa Holding S.A., Switzerland
- Sociedad General de Aguas de Barcelona S.A., Spain (Deputy Chairman)
- Suez Environnement Company S.A., France (Chairman)

Werner Mönius*

(until January 23, 2013)

Chairman of the Works Council, Siemens Healthcare Sector, Erlangen, Germany[4]

Date of birth: May 16, 1954
Member since: January 24, 2008

Güler Sabancı

(since January 23, 2013)

Chairwoman and Managing Director, Hacı Ömer Sabancı Holding A.Ş.

Date of birth: August 14, 1955
Member since: January 23, 2013

Håkan Samuelsson

(until January 23, 2013)

President and CEO, Volvo Car Corporation

Date of birth: March 19, 1951
Member since: January 24, 2008

External positions[3]

German supervisory board positions:

- Scandferries Holding GmbH, Rostock (Chairman)[5]
- Scandlines GmbH, Rostock (Chairman)

Positions outside Germany:

- Volvo Car Corporation, Sweden

Rainer Sieg*, Prof. Dr. iur.

Chairman of the Committee of Spokespersons, Siemens Group; Chairman of the Central Committee of Spokespersons, Siemens AG

Date of birth: December 20, 1948
Member since: January 24, 2008

Jim Hagemann Snabe[1]

(since October 1, 2013)

Co-Chief Executive Officer of SAP AG; CEO, Snabe ApS

Date of birth: October 27, 1965
Member since: October 1, 2013

External positions

Positions outside Germany:

- Bang & Olufsen A/S, Denmark (Deputy Chairman)
- Danske Bank A/S, Denmark
- SAP Labs LLC, USA
- Success Factors Inc., USA
- Syclo LLC, USA

Birgit Steinborn*

Deputy Chairwoman of the Central Works Council, Siemens AG

Date of birth: March 26, 1960
Member since: January 24, 2008

Lord Iain Vallance of Tummel

(until January 23, 2013)

Chairman, Amsphere Ltd.

Date of birth: May 20, 1943
Member since: January 23, 2003

Sibylle Wankel*

Attorney, Bavarian Regional Headquarters, IG Metall

Date of birth: March 3, 1964
Member since: April 1, 2009

External positions

German supervisory board positions:

- Audi AG, Ingolstadt
- Vaillant GmbH, Remscheid

Werner Wenning

(since January 23, 2013)

Second Deputy Chairman[6]

Chairman of the Supervisory Boards of Bayer AG and E.ON. SE

Date of birth: October 21, 1946
Member since: January 23, 2013

External positions

German supervisory board positions:

- Bayer AG, Leverkusen (Chairman)
- E.ON SE, Düsseldorf (Chairman)
- Henkel AG & Co. KGaA, Düsseldorf[7]
- Henkel Management AG, Düsseldorf

The Supervisory Board of Siemens AG has 20 members. As stipulated by the German Codetermination Act, half of the members represent Company shareholders, and half represent Company employees. The shareholder representatives were elected at the Annual Shareholders' Meeting on January 23, 2013. The employee representatives, whose names are marked with an asterisk (*), were elected in accordance with the provisions of the German Codetermination Act on September 25, 2012, effective as of the end of the Annual Shareholders' Meeting on January 23, 2013. The present Supervisory Board's term of office will expire at the conclusion of the Annual Shareholders' Meeting in 2018. As successor to Dr. Josef Ackermann, who resigned from the Supervisory Board effective September 30, 2013, Jim Hagemann Snabe has been appointed to the Supervisory Board by court order until the end of the Annual Shareholders' Meeting 2014.

1 As successor to Dr. Josef Ackermann, who resigned from the Supervisory Board effective September 30, 2013, Jim Hagemann Snabe has been appointed to the Supervisory Board by court order until the end of the Annual Shareholders' Meeting in 2014. It will be proposed to the Annual Shareholders' Meeting that Mr. Snabe be elected as a shareholder representative on the Supervisory Board for the remainder of Dr. Ackermann's term of office.

2 Until September 30, 2013.

3 As of January 23, 2013.

4 Until January 31, 2013.

5 Advisory board.

6 Since October 1, 2013.

7 Shareholders' Committee.

As of September 30, 2013

D.7.1.1 SUPERVISORY BOARD COMMITTEES

The Supervisory Board of Siemens AG has established seven standing committees. Information on their activities in fiscal 2013 is provided in → A.3 REPORT OF THE SUPERVISORY BOARD, pages 108-109 above.

Committees	Meetings in fiscal 2013	Duties and responsibilities	Members as of September 30, 2013
Chairman's Committee	9 3 decisions by notational voting using written circulations	The Chairman's Committee performs the collective tasks of a nominating and corporate governance committee to the extent that such tasks are not performed by the Nominating Committee and German law does not require that such tasks be performed by the full Supervisory Board. In particular, the Committee makes proposals regarding the appointment and dismissal of Managing Board members and handles contracts with members of the Managing Board. The Chairman's Committee concerns itself with questions regarding the Company's corporate governance and prepares the resolutions to be approved by the Supervisory Board regarding the Declaration of Conformity with the Code, including the explanation of deviations from the Code, and regarding the approval of the Corporate Governance Report and the Report of the Supervisory Board to the Annual Shareholders' Meeting. Furthermore, the Committee submits recommendations to the Supervisory Board regarding the composition of Supervisory Board committees and decides whether to approve business transactions with Managing Board members and parties related to them.	Gerhard Cromme, Dr. iur. (Chairman) Josef Ackermann, Dr. oec.[1] Lothar Adler Berthold Huber Werner Wenning[2]
Compensation Committee	1 1 decision by notational voting using written circulations	The Compensation Committee prepares the proposals for decisions by the Supervisory Board's plenary meetings regarding the system of Managing Board compensation, including the implementation of this system in the Managing Board contracts, the definition of the targets for variable Managing Board compensation, the determination and review of the appropriateness of the total compensation of individual Managing Board members and the approval of the annual Compensation Report. In addition, the Compensation Committee prepares the regular review by the Supervisory Board's plenary meetings of the system of Managing Board compensation.	Werner Wenning (Chairman) Josef Ackermann, Dr. oec.[1] Lothar Adler Gerhard Cromme, Dr. iur. Michael Diekmann[3] Berthold Huber Birgit Steinborn
Audit Committee	6	The Audit Committee oversees the accounting process. It also prepares the Supervisory Board's recommendation to the Annual Shareholders' Meeting concerning the election of the independent auditors and submits the corresponding proposal to the full Supervisory Board. In addition to the work performed by the independent auditors, the Audit Committee also discusses the Company's financial statements, which are prepared by the Managing Board quarterly, half-yearly and annually. On the basis of the independent auditors' report on the annual financial statements, the Audit Committee makes, after its own review, recommendations to the Supervisory Board regarding the approval of the Annual Financial Statements of Siemens AG and the Consolidated Financial Statements of Siemens worldwide. It concerns itself with the Company's risk monitoring system and oversees the effectiveness of the internal control system as this relates, in particular, to financial reporting, the risk management system and the internal audit system. The Internal Audit Department reports regularly to the Audit Committee. The Audit Committee awards the audit contract to the independent auditors elected by the Annual Shareholders' Meeting and monitors the independent audit of the financial statements – including, in particular, the auditors' independence, professional expertise and services – and performs other functions assigned to it under the Sarbanes-Oxley Act (SOA).	Hans Michael Gaul, Dr. iur.[4,5] (Chairman) Josef Ackermann, Dr. oec.[1] Gerd von Brandenstein[3] Gerhard Cromme, Dr. iur.[4] Bettina Haller Robert Kensbock[3] Jürgen Kerner Jim Hagemann Snabe[3] Birgit Steinborn

Committees	Meetings in fiscal 2013	Duties and responsibilities	Members as of September 30, 2013
Compliance Committee	5	The Compliance Committee concerns itself, in particular, with the Company's adherence to statutory provisions, official regulations and internal Company policies.	Gerhard Cromme, Dr. iur. (Chairman) Josef Ackermann, Dr. oec.[1] Lothar Adler Gerd von Brandenstein[3] Hans Michael Gaul, Dr. iur. Bettina Haller Harald Kern[3] Jim Hagemann Snabe[3] Sibylle Wankel
Finance and Investment Committee[6]	3	Based on the Company's overall strategy, which is the focus of an annual strategy meeting of the Supervisory Board, the Finance and Investment Committee prepares the discussions and resolutions of the Supervisory Board regarding questions relating to the Company's financial situation and structure as well as its fixed asset and financial investments. In addition, the Committee has been authorized by the Supervisory Board to decide on the approval of transactions and measures that require Supervisory Board approval and have a value of less than €600 million.	Gerhard Cromme, Dr. iur. (Chairman) Lothar Adler Gerd von Brandenstein[7] Peter Gruss, Prof. Dr. rer. nat.[3] Harald Kern Jürgen Kerner Gérard Mestrallet[7] Jim Hagemann Snabe[3] Birgit Steinborn Werner Wenning
Nominating Committee	5	The Nominating Committee is responsible for making recommendations to the Supervisory Board on suitable candidates for election as shareholder representatives on the Supervisory Board by the Annual Shareholders' Meeting.	Gerhard Cromme, Dr. iur. (Chairman) Josef Ackermann, Dr. oec.[1] Hans Michael Gaul, Dr. iur. Nicola Leibinger-Kammüller, Dr. phil. Werner Wenning[2]
Mediation Committee, under Section 27 para. 3 and Section 31 para. 3 and 5 of the German Codetermination Act	0	The Mediation Committee submits proposals to the Supervisory Board in the event that the Supervisory Board cannot reach the two-thirds majority required for the appointment or dismissal of a Managing Board member.	Gerhard Cromme, Dr. iur. (Chairman) Josef Ackermann, Dr. oec.[1] Lothar Adler Berthold Huber Werner Wenning[3]

1 Until September 30, 2013.
2 Since October 1, 2013.
3 Since November 2013.
4 Audit committee financial expert as defined by the Sarbanes-Oxley Act.
5 Fulfills the requirements of Section 100 para. 5 and Section 107 para. 4 of the German Stock Corporation Act (Aktiengesetz).
6 Renamed "Innovation and Finance Committee" in November 2013.
7 Until November 2013.

Further information on corporate governance at Siemens is available at
WWW.SIEMENS.COM/CORPORATE-GOVERNANCE

D.7.2 Managing Board

Joe Kaeser

President and Chief Executive Officer, Siemens AG[1]

Date of birth: June 23, 1957
First appointed: May 1, 2006
Term expires: July 31, 2018

External positions

German supervisory board positions:

- Allianz Deutschland AG, Munich

Positions outside Germany:

- NXP Semiconductors B.V., Netherlands

Group Company positions

German supervisory board positions:

- BSH Bosch und Siemens Hausgeräte GmbH, Munich (Deputy Chairman)[2]

Positions outside Germany:

- Siemens AG Österreich, Austria[3]
- Siemens Corp., USA (Deputy Chairman)[4]
- Siemens Ltd., India

Peter Löscher

(until July 31, 2013)

President and Chief Executive Officer, Siemens AG[5]

Date of birth: September 17, 1957
First appointed: July 1, 2007
Term originally to have expired: March 31, 2017

External positions[6]

German supervisory board positions:

- Deutsche Bank AG, Frankfurt am Main
- Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München, Munich

Positions outside Germany:

- TBG Limited, Malta (Thyssen-Bornemisza Group)

Roland Busch, Dr. rer. nat.

Date of birth: November 22, 1964
First appointed: April 1, 2011
Term expires: March 31, 2016

External positions

Positions outside Germany:

- Atos S.A., France

Group Company positions

Positions outside Germany:

- Siemens Industry Inc., USA
- Siemens Ltd., China (Chairman)
- Siemens Ltd., India
- Siemens Pte. Ltd., Singapore
- Siemens Schweiz AG, Switzerland (Chairman)

Brigitte Ederer

(until September 30, 2013)

Date of birth: February 27, 1956
First appointed: July 1, 2010
Term originally to have expired: June 30, 2015

External positions

German supervisory board positions:

- Jenoptik AG, Jena

Positions outside Germany:

- Boehringer Ingelheim RCV GmbH, Austria
- Österreichische Industrieholding AG (ÖIAG), Austria

Group Company positions[7]

Positions outside Germany:

- Siemens AG Österreich, Austria (Chairwoman)
- Siemens Holdings plc, UK
- Siemens Nederland N.V., Netherlands (Chairwoman)
- Siemens S.A., Spain (Chairwoman)
- Siemens S.p.A., Italy (Deputy Chairwoman)

Klaus Helmrich

Date of birth: May 24, 1958
First appointed: April 1, 2011
Term expires: March 31, 2016

External positions

German supervisory board positions:

- EOS Holding AG, Krailling

Group Company positions

German supervisory board positions:

- BSH Bosch und Siemens Hausgeräte GmbH, Munich

Barbara Kux

(until November 16, 2013)

Date of birth: February 26, 1954
First appointed: November 17, 2008
Term expired: November 16, 2013

External positions

German supervisory board positions:

- Henkel AG & Co. KGaA, Düsseldorf

Positions outside Germany:

- Firmenich International SA, Switzerland
- Total S.A., France

Hermann Requardt, Prof. Dr. phil. nat.

Date of birth: February 11, 1955
First appointed: May 1, 2006
Term expires: March 31, 2016

External positions

German supervisory board positions:

- Software AG, Darmstadt

Group Company positions

Positions outside Germany:

- Siemens Healthcare Diagnostics Inc., USA
- Siemens Japan Holding K.K., Japan (Chairman)
- Siemens Japan K.K., Japan (Chairman)
- Siemens Medical Solutions USA, Inc., USA (Chairman)

Siegfried Russwurm, Prof. Dr.-Ing.

Date of birth: June 27, 1963
First appointed: January 1, 2008
Term expires: March 31, 2017

External positions

German supervisory board positions:

- Deutsche Messe AG, Hanover
- inpro Innovationsgesellschaft für fortgeschrittene Produktionssysteme in der Fahrzeugindustrie mbH, Berlin
- OSRAM GmbH, Munich (Chairman)
- OSRAM Licht AG, Munich (Chairman)

Group Company positions

German supervisory board positions:

- BSH Bosch und Siemens Hausgeräte GmbH, Munich

Positions outside Germany:

- Arabia Electric Ltd. (Equipment), Saudi Arabia (Deputy Chairman)
- Siemens Industry Inc., USA (Chairman)
- Siemens Ltd., China
- Siemens Ltd., Saudi Arabia (Deputy Chairman)
- Siemens Ltd., South Africa (Chairman)
- Siemens Middle East, FZ-LLC, United Arab Emirates
- Siemens VAI Metals Technologies GmbH, Austria
- VA TECH T & D Co. Ltd., Saudi Arabia

Peter Y. Solmssen

Date of birth: January 24, 1955
First appointed: October 1, 2007
Term expires: March 31, 2017[8]

Group Company positions

Positions outside Germany:

- Siemens Corp., USA (Chairman)
- Siemens S.A., Colombia (Chairman)

Michael Süß, Dr. rer. pol.

Date of birth: December 25, 1963
First appointed: April 1, 2011
Term expires: March 31, 2016

External positions

German supervisory board positions:

- Herrenknecht AG, Schwanau

Ralf P. Thomas, Dr. rer. pol.

Date of birth: March 7, 1961
First appointed: September 18, 2013
Term expires: September 17, 2018

Group Company positions

Positions outside Germany:

- Siemens Holdings plc, UK
- Siemens Industry Inc., USA
- Siemens VAI Metals Technologies GmbH, Austria

1 Since August 1, 2013.
2 Until November 30, 2013.
3 Until November 5, 2013.
4 Until October 1, 2013.
5 Until July 31, 2013.
6 As of July 31, 2013.
7 Until September 30, 2013.
8 As a rule, reappointments are effected until the completion of the 60th year of life only, but with the added proviso that they may be extended one year at a time for a maximum of five additional years if neither the member of the Managing Board nor the Supervisory Board objects.

As of September 30, 2013

D.7.2.1 MANAGING BOARD COMMITTEES

Committee	Meetings in fiscal 2013	Duties and responsibilities	Members as of September 30, 2013
Equity and Employee Stock Committee	5 decisions by notational voting using written circulations	The Equity and Employee Stock Committee oversees the utilization of authorized capital in connection with the issuance of employee stock as well as the implementation of certain capital measures. It also determines the scope and conditions of the share-based compensation components and / or compensation programs for employees and managers (with the exception of the Managing Board).	Joe Kaeser (Chairman)[1] Brigitte Ederer[2] Klaus Helmrich[3] Ralf P. Thomas, Dr. rer. pol.[4]

1 Since August 1, 2013.
2 Until September 30, 2013.
3 Since October 1, 2013.
4 Since September 18, 2013.

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