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CREDIT OPINION
18 February 2019

Update

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RATINGS

Siemens Aktiengesellschaft

Domicile	Germany
Long Term Rating	A1
Type	LT Issuer Rating - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Siemens Aktiengesellschaft

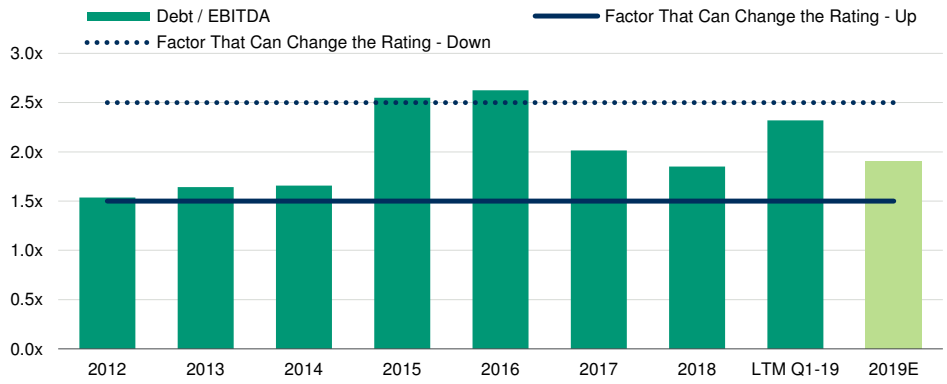
Update to credit analysis

Summary Rating Rationale

Siemens A1 ratings reflect (1) its diversified revenue base by product and geography; (2) leading market positions in a range of key industrial technologies and services with high barriers to entry; (3) the ability to consistently generate high positive free cash flow (FCF) during the cycle, sometimes offset by share buy back programmes reducing excess cash, (4) its improved profitability to above 10%, although still somewhat low compared with sector peers, and (5) a strong liquidity profile supported by a well-balanced debt maturity profile, sizeable cash and cash equivalents on hand as well as good access to the capital markets.

After debt-funded acquisitions and share buybacks lifted Siemens' leverage to more elevated levels in 2015 and 2016, the company has reduced its (Moody's adjusted) leverage to 1.8x (FYE18), which is in line with our expectations for the rating. Despite a weakness in the structurally challenged Power and Gas division, the company maintained double-digit EBITA margins of 10.4% in FY18 (11.6% in FY17; 10.8% in FY16). We also note an increasing share of minorities (15% in the case of Siemens Healthineers, 41% for Siemens Gamesa Renewable Energy (SGRE)), which now became more visible, but is still not too material in terms of the overall EBITDA leakage (estimated to be around €700-€800 million per year compared to Siemens group EBITDA of about €11.4 billion in FY18).

Exhibit 1
Moody's expects adjusted gross leverage to remain within the guidance for A1 rating



[1] LTM Q1-19 Moody's adjusted gross leverage of 2.3x is currently elevated, but expected to reduce to below 2.0x at FYE19 driven by improvements in profitability and cash flow generation after somewhat weaker operating result reported in Q1-19.
[2] Metric incorporates Moody's Standard Adjustments and represents Moody's forward view; not the view of the issuer.
Source: Moody's Financial Metrics™, Moody's estimates

The rating also takes into account the growing asset size of Siemens' finance captive Siemens Financial Services (SFS), which more than doubled in the past eight years to about €28.3

billion (as of FYE18). SFS assets grew at around 2.3% CAGR over FY16-FY18 suggesting that SFS has now reached a scale when it will not grow with the same rates as in the previous decade. The presence of SFS' activities adds risks typical for a vendor financing operation (i.e a prolonged contingency risk) to the risks that a manufacturing company is usually exposed to. This is balanced by Siemens' ability to offer its customers bespoke financing solutions, which is differentiating Siemens from some of its competitors.

Credit Strengths

» Global scale, multiple market leadership positions, broad customer and geographic diversification

» New "Vision 2020+" strategy results in a new, leaner corporate structure that can yield efficiencies and improve profitability

» Float of Healthineers provides further future monetisation or strategic options for one of Siemens most valuable assets; Mobility division likely to follow similar route following the failure of merger with Alstom

» Strong liquidity profile, underpinned by diversity of internal and external sources

Credit Challenges

» Structural challenges in certain divisions, such as Power and Gas and Process Industries and Drives, pose a constraint for group performance

» Siemens has lost direct access to Healthineers cash flows, a significant source of group cash flow; more visible presence of structurally subordinated debt; potential of further increasing share of minorities

» Growing asset size of Siemens Financial Services (SFS), its finance captive arm

Rating Outlook

The stable outlook reflects our expectation that Siemens retains its leading positions in the global power generation, industrial automation and medical equipment sectors. We also expect that even with cyclical pressures and periodic shareholder return initiatives, the company's operating performance and financial policies will remain supportive of an A1 rating over the long-term, as evidenced by EBITA margins of above 10% and debt to EBITDA of around 1.8x (Moody's adjusted at FYE18). With expected leverage of below 2.0x at FYE19 (1.8x at FYE18) and EBITA margins slightly above 10% (both Moody's-adjusted), the rating is now more strongly positioned than it was at FYE15 and FYE16 when leverage was 2.6x and margins reached 9.1% (FY15) and 10.8% (FY16) respectively.

Factors that Could Lead to an Upgrade

» Reduced competitive pressures and revenue growth throughout Siemens' broad operations

» EBITA margins > 13%

» Adjusted gross debt / EBITDA < 1.5x

» Strong liquidity

Factors that Could Lead to a Downgrade

» Evidence of a sustained erosion in Siemens' competitive strength, profitability and cash flow generation

» A more aggressive financial policy, either through additional debt-funded acquisitions or share buybacks exceeding free cash flow generation

» Adjusted gross debt / EBITDA > 2.5x

» EBITA margin meaningfully below 10%

» Weak asset quality in Siemens' captive finance operations

Key Indicators

Exhibit 2
Siemens Aktiengesellschaft

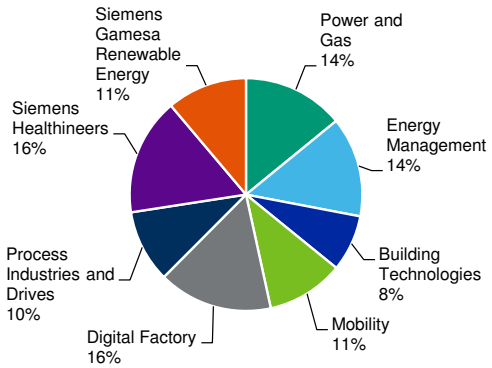
	9/30/2015	9/30/2016	9/30/2017	9/30/2018	12/31/2018(L)	12-18 months forward view
Revenue (USD Billion)	$85.9	$87.6	$90.7	$97.9	$98.2	$98-$102
EBITA Margin	9.1%	10.8%	11.6%	10.4%	10.2%	10-12%
EBITA / Interest Expense	12.4x	14.9x	11.7x	12.3x	12.4x	12x-16x
Debt / EBITDA	2.6x	2.6x	2.0x	1.8x	2.3x	1.5x-2x
Retained Cash Flow / Net Debt	32.7%	34.2%	46.6%	64.6%	41.6%	50%-70%
Free Cash Flow / Debt	4.0%	4.6%	2.3%	10.5%	4.3%	5%-10%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures
Source: Moody's Financial Metrics™, Moody's estimates

Profile

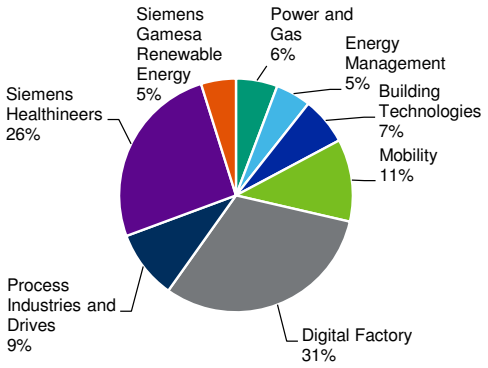
Siemens Aktiengesellschaft (Siemens) is one of the world's leading manufacturers of power generation equipment and energy management systems, industrial automation products and services, building technologies, transportation equipment, as well as medical equipment and diagnostics. Siemens generated revenues of €82.5 billion with its industrial businesses in the last twelve months to December 31, 2018. As of December 2018 end the order backlog of Siemens Group stood at a record high of €137 billion. In August 2018 the company disclosed its strategic update Vision 2020+ and a new corporate structure, which will be implemented until the end of March 2019. Once implemented, Siemens will be made up of three operating companies - "Gas and Power", "Smart Infrastructure" and "Digital Industries" - and what Siemens calls strategic companies, namely Siemens Healthineers, Siemens Gamesa Renewable Energy (SGRE) and likely Mobility, following EU's decision to veto the merger with Alstom (Baa2 stable).

Exhibit 3
Siemens has a very broad industry diversification
Revenue split by segment, Q1 FY19



Source: Siemens quarterly statements

Exhibit 4
Digital Factory and Healthineers generate the highest margin
Operating profit (as defined by company) split by segment, Q1 FY19



Source: Siemens quarterly statements

Detailed Credit Considerations

IPO of Healthineers provided cash injection and further future monetisation options, Mobility division likely to follow similar route following the failure of merger with Alstom

Siemens netted €4.2 billion from the share float of 15% of Siemens Healthineers. The listing of Healthineers as a separate independent legal entity allows Siemens to monetise its equity stake (market capitalisation of €35.6 billion as of February 17, Siemens stake is 85%) more easily.

Following a failure of the proposed merger of Siemens' Mobility business and Alstom due to competition concerns, we regard an IPO of the Mobility division as a viable and likely alternative. This would further allow for significant, flexible monetising options, comparable to Siemens' strategy for Healthineers, which would however come at the expense of further cash leakage due to the increasing share of minorities.

Loss of direct access to Healthineers cash - a significant source of group cash flow, potential of further increasing share of minorities and cash leakage

Siemens has lost direct access to the cash of Healthineers. This is important as Healthineers is currently the largest source of cash flow generation within Siemens' Industrial Business. Healthineers in FY18 accounted for 24% of free cash flow (Siemens definition; for Industrial Business, excluding Siemens Financial Services). Although Siemens continues to consolidate Healthineers given its control of Healthineers, it will no longer have direct access to Healthineers' cash except through dividend payments. Healthineers communicated a dividend payout ratio of 50-60% of net income, which would net Siemens almost €600 million in dividend income (assuming €0.70 dividend per share, equivalent of 55% payout and an 85% stake), significantly less than CFO less capex of €1.1 billion reported by Siemens Healthineers in FY18. This situation will lead to a cash leakage of around €500 million. We note, however, that Moody's adjusted FCF calculation for Siemens AG includes fully consolidated FCF from Siemens Healthineers, but the cash leakage impact is nevertheless considered analytically.

Siemens Healthineers continues to be funded by Siemens group internal sources (as of December 2018 liabilities to Siemens group amounted to nearly €4.6 billion and receivables from Siemens group amounted to €0.9 billion). So at the moment the preponderance of group debt is still firmly at the Siemens AG level, but this represents a significant strategic step away from a one-tier debt structure, and further similar transactions might shift the balance to a point where we might feel it appropriate to notch down the Siemens AG unsecured issuer rating because of the aggregate level of debt at operating company level.

Somewhat weaker operating result in Q1 FY19 and increased pension deficit leave leverage elevated at 2.3x (LTM 12/18), but expected to reduce to below 2.0x at FYE19

The group's adjusted debt/EBITDA ratio stood at 2.3x as of last twelve months to December 31, 2018 (1.8x at FYE18), which is point-in-time elevated, but still within the expected range of 1.5x-2.5x for Siemens' A1 rating. The increase in gross leverage on LTM December-end 2018 basis compared to FYE19 level can be explained by: (1) somewhat weaker profitability and FCF recorded in Q1 FY19 (company adjusted Industrial Business profit margin excluding severance charges of 10.6% in Q1 FY19 vs. 11.4% in Q1 FY18; company reported Industrial Business FCF of €515 in Q1 FY19 vs. €1,587 million in Q1 FY18), (2) the increased Moody's adjusted pension liabilities to €8.6 billion at December-end 2018 from €7.1 billion at FYE18 due to decrease in fair value of pension plan assets and lower discount rate assumptions, (3) an increase in short-term debt in Q1 FY19 of around €3.2 billion, which has an impact on Moody's adjusted leverage on gross basis.

However, Siemens leverage should reduce to below 2.0x by the end of September 2019 based on our expectations that: (1) earnings develop in line with the company's guidance for FY19 of moderate growth in revenue, net of currency translation and portfolio effects, and company adjusted Industrial Business profit margin excluding severance charges of 11.0% to 12.0% (10.6% in Q1 FY19), (2) reported free cash flow of the Industrial Business improves in the next three quarters of fiscal 2019 reaching the level of at least €7 billion in FY19 (€7.1 billion in FY18 and €7.5 billion in FY17), supported by earnings growth and release of net working capital, (3) the short-term debt drawings in Q1 FY19 will be largely redeemed out of the company's sizeable cash balance, and (4) the company will refinance its upcoming bond debt maturities.

Global scale, multiple market leadership positions, broad customer and geographic diversification

Siemens' very large and diversified portfolio of industrial businesses spans over a broad range of customers, regions and end markets, with a majority of businesses having leading market positions on a global scale, supported by high barriers to entry. The main contributors to the group's industrial operating profits are the Digital Factory and Siemens Healthineers divisions, together representing 55% (FY18) of the profits from its industrial operations. The market presence, reputation and consistent investments, in particular in R&D and more recently complemented by acquisitions, continue to translate in multiple market leading positions.

Siemens holds number 1 or 2 market positions in the areas of gas turbines, power transmission and distribution equipment and solutions. Its Digital Factory division holds leading market shares globally in programmable logic controllers, industrial switching and industrial software. This position has been further strengthened by the acquisitions of CD adapco (2016), Mentor Graphics (2017) and mendix (2018). Following the integration of Mentor Graphics, Siemens is the first provider of a fully integrated digital enterprise software suite to design, simulate, build and analyse products and the respective production processes.

The Process Industries and Drives division is a global leader in inverters and controls, motors, generators and gear-boxes. Siemens Healthineers is one of the leading companies in imaging equipment and in-vitro diagnostics. Each of these divisions has multiple business units that compete against a range of strong companies worldwide.

Siemens' diverse range of businesses exhibit a combination of stability and volatility depending on (among other things) the end market exposure, the ticket size of orders as well as whether sales are linked to short or long-cycle businesses. Consequently, revenue and profitability in divisions such as Power and Gas or Mobility tends to be more volatile than for Digital Factory or Healthineers.

Structural challenges in certain divisions, such as Power and Gas and Process Industries and Drives, pose a constraint for group performance ...

Siemens has announced plans to reduce its global workforce by 6,900 in its Power and Gas (PG) as well as Process Industries and Drives (PD) divisions owing to the structural challenges the company faces in each of these divisions. PG in particular is suffering from global overcapacities for gas turbines and PD from lower demand and increased competition from low-cost producers. In order to offset input price inflation, competitiveness and to achieve productivity gains, the company targets annual productivity savings of between 3% and 5%.

In the past, Siemens had a long track record in terms of "execution" challenges, particulary in activities related to Energy Management and Mobility and as evidenced by sizeable write offs and restructuring charges. These charges had been a drag on operating profitability and cash flow generation. However, Siemens has responded to these charges by focusing on operational excellence and has not recorded any significant charges since 2015.

... against implementation of new corporate structure with less complexity and potential for lower cost base

As part of Siemens' new financial framework, it has set up an industrial business EBITA margin target of 11%-15% through the cycle. The new corporate structure will result in a leaner company and less organisational complexity, from which Siemens expects a more agile company. We anticipate that these changes will result in a lower cost base and will thus contribute in large part to the higher margin target.

Apart from the new EBITA margin ranges, Siemens will retain its capital structure target of up to 1.0x industrial net debt/EBITDA, its dividend payout ratio of 40%-60% (with net income after minorities as the basis) and ROCE of 15%-20%. In addition, Siemens introduces a cash conversion target and now has an absolute revenue growth target of 4%-5% rather than growing stronger than most relevant competitors as was the case previously (and against actual annual revenue growth of around 2.0% over the last three years).

Strong R&D capabilities, complemented by acquisitions funded through asset disposals

Siemens has a strong commitment to research and development (R&D) as witnessed by the sizeable annual R&D spent of around €5.6 billion in FY18 (compared to €5.2 billion in FY17), or 6.7% of sales (compared to 6.2% in FY17). Siemens is amongst the largest patent application and grant filers in Europe as well as globally. The group held approximately 65,000 patents and employed, on average, 41,800 staff in R&D in FY18.

In order to complement its internal research and product development, Siemens has a long history of strategically complementing its product and service portfolio with acquisitions. An important source of funding for acquisitions have been disposals of non-

core activities, such as the white goods joint venture BSH (in 2015) the sale of the hearing aid business Sivantos (in 2015) and the divestment of (loss-making) IT services company Unify. The group's portfolio has sufficient depth and breadth to allow for further future asset disposals and we anticipate Siemens to continue to complement the funding of acquisitions through such measures.

Growing asset size of finance captive

Siemens Financial Services (SFS) is one of nine divisions and responsible for managing a portfolio of €28.3 billion of assets (as of FY18), including project and commercial finance, equity investments and financial leases. SFS' activities support the other eight industrial business-related divisions and hence are an integral part of Siemens' strategy. Although asset size of Siemens' finance captive Siemens Financial Services (SFS) more than doubled in the last eight years, SFS assets grew at around 2.3% CAGR over FY16-FY18, which was more in line with revenue growth of the group, in the low to mid single digit range (%).

The counterparties of SFS are strictly other businesses and are not consumer-related. This also holds true for Siemens Bank GmbH (A1 stable), a wholly-owned bank that is regulated. SFS benefits from its access to Siemens global deal flow and to sector specialists with technical know how. Funding is obtained through Siemens treasury operations, and is maturity and currency matched. As part of its mandate, SFS is engaged in long-term project finance transactions in line with Siemens' project business. Although the life of some projects, especially those related to infrastructure and energy projects, is long, SFS is engaged in the early years (especially during the construction phase) of the overall life span of a project to facilitate the respective financing. Consequently, SFS may not hold the exposure over the full project life cycle. Therefore we expect average maturities for SFS to be between three and four years and generally believe the portfolio is well-diversified and with low defaults.

We monitor SFS' asset growth, gearing and income before income taxes to assess any potential impact its activities might have on the industrial business of Siemens. Under the new corporate structure SFS along with its Business and Real Estate Services will be bundled into the unit Service Companies. Siemens will continue to publish financial headline figures for SFS allowing to assess the leverage of Siemens' captive finance operations.

Liquidity Analysis

Strong liquidity profile, underpinned by diverse internal and external sources

Siemens' liquidity is strong. For the quarter ending December 31, 2018 the company reported nearly €12.4 billion of cash and cash equivalents and around €1.3 billion of interest-bearing debt securities (formerly reported as current available-for-sale financial assets), which was supported with strong funds from operations (Moody's definition) amounting to around €8.3 billion for the last twelve months ending December 31, 2018, comparing to an average of €8.5 billion between FY14 and FY18.

Among the external liquidity sources are, a €4.0 billion syndicated credit facility (maturing on June 25, 2021), a $3.0 billion syndicated credit facility maturing on September 27, 2020 and a €450 million revolving bilateral credit facility maturing in September 2019. Liquidity sources also included a subsidiary's €2.5 billion syndicated multi-currency term and revolving credit facility which contains a fully drawn term credit facility tranche of €500 million maturing in 2021 and a revolving credit facility tranche of €2.0 billion maturing in 2023 of which €700 million were drawn at FYE18. As of September 2018 the equivalent of €8.3 billion of lines of credit were unused.

The multiple sources of liquidity allow Siemens to cover cash uses such as working cash (approximated as 3% of annual sales), working capital movements, capital expenditures (5-year average: €3.2 billion), dividend payments (5-year average: €3.0 billion) and share buy-backs (5-year average: €1.3 billion). Siemens has between December 2018 and January 2019 bought back shares worth around €0.3 billion under its new €3.0 billion buyback programme, which is to be executed in the period ending on November 15, 2021. We expect Siemens to retain financial flexibility in particular with regards to the commitment to its own capital structure target of (Siemens defined) industrial net debt to EBITDA below 1.0x (LTM 12/18: 0.7x).

Rating Methodology and Scorecard Factors

Mapping to Moody's Global Manufacturing Methodology

Utilizing the rating factors identified in our Global Manufacturing rating methodology, Siemens' rating factors indicate an A2 grid indicated outcome, one notch below the assigned rating. While Siemens' scale and financial policy point to Aaa/Aa outcomes, the company scores weaker on operating margins, leverage and free cash flow-based metrics. Moody's 12-18 months forward view of Siemens' financial profile suggests a grid indicated outcome of A1, reflecting our expectation of modest improvement in operating

performance, cash generation and a conservative financial policy over the rating horizon evidenced by debt/EBITDA reducing to 1.8x at FYE18 (2.0x at FYE17).

Exhibit 5

Methodology Grid Siemens Aktiengesellschaft

Manufacturing Industry Grid [1][2]	Current LTM 12/31/2018		Moody's 12-18 Month Forward View As of 2/7/2019 [3]	
Factor 1 : Business Profile (20%)	**Measure**	**Score**	**Measure**	**Score**
a) Business Profile	A	A	A	A
Factor 2 : Scale (20%)				
a) Revenue (USD Billion)	$98.2	Aaa	$98 - $102	Aaa
Factor 3 : Profitability (10%)				
a) EBITA Margin	10.2%	Baa	10% - 12%	Baa
Factor 4 : Coverage and Leverage (40%)				
a) EBITA / Interest Expense	12.4x	Aa	12x - 16x	Aa
b) Debt / EBITDA	2.3x	Baa	1.5x - 2x	Baa
c) Retained Cash Flow / Net Debt	41.6%	A	50% - 70%	Aaa
d) Free Cash Flow / Debt	4.3%	B	5% - 10%	Ba
Factor 5 : Financial Policy (10%)				
a) Financial Policy	Aa	Aa	Aa	Aa
Rating:				
a) Indicated Rating from Grid		A2		A1
b) Actual Rating Assigned				A1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 12/31/2018(L);
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures
Source: Moody's Financial Metrics™

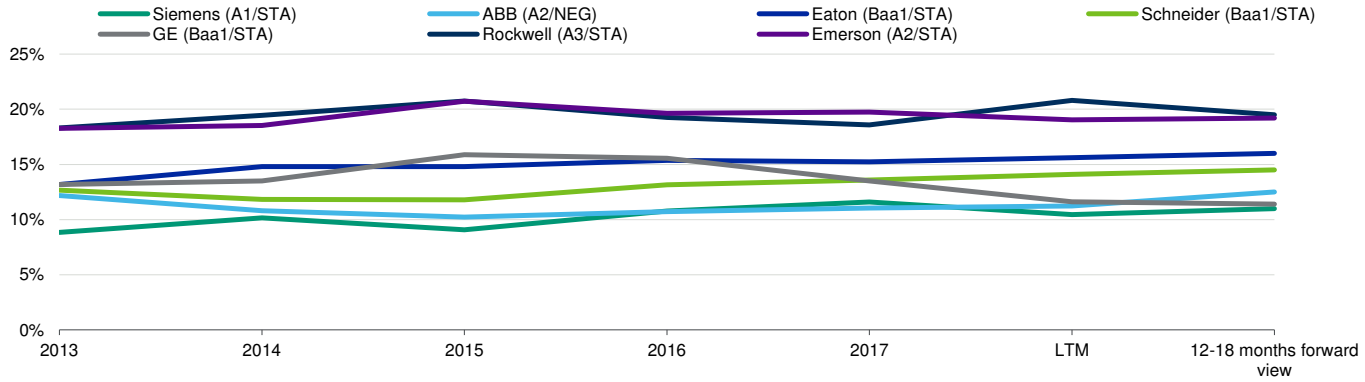
Appendix

Peers

Siemens' main peers include General Electric Company (Baa1 Stable), Eaton Corporation (Baa1 Stable), ABB Ltd. (A2 Negative), Schneider Electric SE (Baa1 Stable), Emerson Electric Company (A2 stable), Rockwell Automation (A3 stable).

Exhibit 6

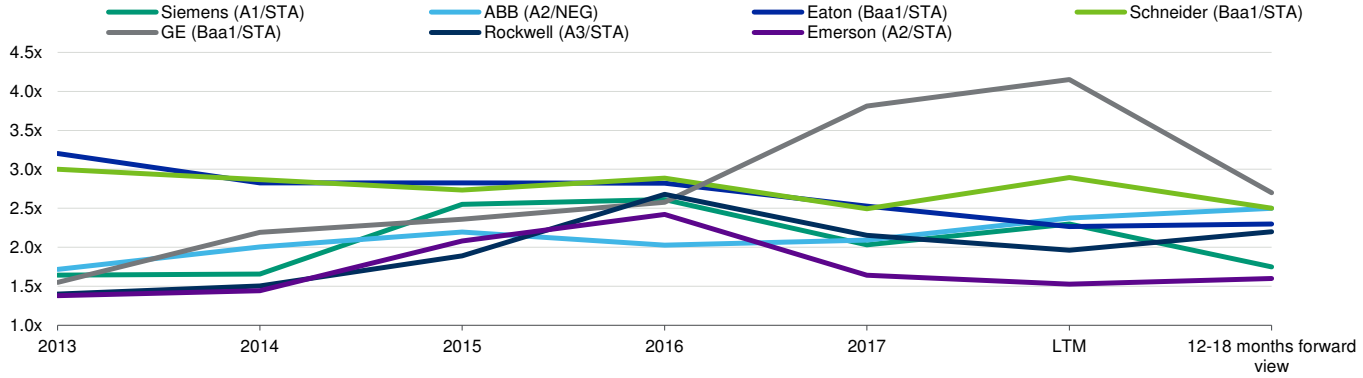
Siemens' EBITA margins are on the lower end of peers



Source: Moody's Financial Metrics™, Moody's estimates

Exhibit 7

Siemens' gross leverage is on the lower end of its peer group



Source: Moody's Financial Metrics™, Moody's estimates

Exhibit 8

Moody's Adjustments to EBITDA include operating leases and SFS adjustment

Siemens' adjusted EBITDA breakdown

(in EUR millions)	FYE Sep-15	FYE Sep-16	FYE Sep-17	FYE Sep-18	LTM Dec-18
Reported pre-tax income	**7,217**	**7,403**	**8,189**	**8,050**	**7,252**
Add back interest expense	818	989	1,051	1,089	1,102
Add back D&A	2,549	2,764	3,211	3,414	3,388
Reported EBITDA	**10,584**	**11,156**	**12,451**	**12,553**	**11,742**
Equity Income Adjustment	(1,235)	(134)	(43)	3	(33)
SFS Adjustment [1]	(945)	(1,001)	(977)	(932)	(899)
Operaitng Lease Adjustment	1,118	1,158	1,242	1,249	1,249
Pension Adjustment	2	(10)	(117)	153	153
Unsual items [2]	(312)	(122)	(327)	(1,633)	(976)
Adjusted EBITDA	**9,213**	**11,048**	**12,229**	**11,393**	**11,236**

[1] SFS adjustment includes SFS EBT as reported by Siemens (€653m in FY18) and depreciation of equipment leased to others (€279 million in FY18)
[2] Unusual items mainly include gains/losses on disposals. Main items in FY18 included €0.9bn gain on transfer of Atos SE shares to Siemens Pension Trust and €0.7bn gain related to sale of OSRAM licht shares
Source: Moody's Financial Metrics™

Exhibit 9

Moody's adjusts for SFS debt

Siemens' adjusted debt breakdown

(in EUR millions)	FYE Sep-15	FYE Sep-16	FYE Sep-17	FYE Sep-18	LTM Dec-18
Total Unadjusted Debt	**31,746**	**32,900**	**33,668**	**33,662**	**37,130**
Pension Adjustments [1]	9,311	13,195	9,082	7,084	8,611
Operating Lease Adjustments [2]	3,354	3,474	3,726	3,747	3,747
Hybrid Securities Adjustments	(995)	-	-	-	-
Other Standard Adjustments [3]	(19,916)	(20,711)	(21,616)	(23,418)	(23,418)
Total Adjusted Debt	**23,501**	**28,858**	**24,860**	**21,075**	**26,070**

[1] Pension liability (€7.7bn at FYE18) excluding other post-employment benefits (OPEB) liability (€0.6bn at FYE18)
[2] Operating lease adjustment will be restated with implementation of IFRS 16 - Moody's will use a reported finance lease liability on BS instead of own estimates
[3] Includes adjustment for SFS debt (-€24.2bn at FYE18), credit guarantees (+€0.4bn), environmental clean-up provision (+€0.7bn at FYE18) and hedge accounting adjustment (-€0.3bn at FYE19)
Source: Moody's Financial Metrics™

Exhibit 10

Siemens Aktiengesellschaft

Selected Historic Moody's Adjusted Financial Data

EUR Millions	FYE Sep-15	FYE Sep-16	FYE Sep-17	FYE Sep-18	LTM Dec-18
INCOME STATEMENT					
Revenue/Sales	74,781	78,820	82,089	82,232	82,516
EBITDA	9,213	11,048	12,229	11,393	11,236
EBITA	6,779	8,495	9,517	8,582	8,436
EBIT	6,002	7,563	8,236	7,158	7,012
Interest Expense	545	569	811	700	678
BALANCE SHEET					
Cash & Cash Equivalents	11,132	11,897	9,617	12,352	13,675
Total Debt	23,501	28,858	24,860	21,075	26,070
CASH FLOW					
Funds from Operations (FFO)	6,913	8,872	10,199	8,771	8,299
Cash Flow from Operations (CFO)	6,713	7,586	7,194	9,045	8,005
Capital Expenditures (CAPEX)	(2,907)	(3,205)	(3,526)	(3,702)	(3,725)
Dividends	(2,873)	(3,063)	(3,101)	(3,137)	(3,148)
Retained Cash Flow (RCF)	4,040	5,809	7,098	5,634	5,151
RCF / Net Debt	32.7%	34.2%	46.6%	64.6%	41.6%
Free Cash Flow (FCF)	933	1,318	567	2,206	1,133
FCF / Debt	4.0%	4.6%	2.3%	10.5%	4.3%
Business acquisitions	(8,254)	(922)	(4,385)	(525)	(764)
Share buybacks	(2,700)	(463)	(931)	(1,409)	(1,678)
PROFITABILITY					
% Change in Sales (YoY)	5.0%	5.4%	4.1%	0.2%	-0.2%
EBIT Margin %	8.0%	9.6%	10.0%	8.7%	8.5%
EBITA Margin %	9.1%	10.8%	11.6%	10.4%	10.2%
EBITDA Margin %	12.3%	14.0%	14.9%	13.9%	13.6%
INTEREST COVERAGE					
EBIT / Interest Expense	11.0x	13.3x	10.2x	10.2x	10.3x
EBITA / Interest Expense	12.4x	14.9x	11.7x	12.3x	12.4x
EBITDA / Interest Expense	16.9x	19.4x	15.1x	16.3x	16.6x
LEVERAGE					
Debt / EBITDA	2.6x	2.6x	2.0x	1.8x	2.3x
Net Debt / EBITDA	1.3x	1.5x	1.2x	0.8x	1.1x

Source: Moody's Financial Metrics™

Ratings

Exhibit 11

Category	Moody's Rating
SIEMENS AKTIENGESELLSCHAFT	
Outlook	Stable
Issuer Rating	A1
Senior Unsecured MTN	(P)A1
Commercial Paper	P-1
Other Short Term	(P)P-1
SIEMENS BANK GMBH	
Outlook	Stable
Issuer Rating	A1
ST Issuer Rating	P-1
SIEMENS FINANCIERINGSMAATSCHAPPIJ N.V.	
Outlook	Stable
Bkd Senior Unsecured	A1
Bkd Commercial Paper	P-1
Bkd Other Short Term	(P)P-1
SIEMENS CAPITAL COMPANY, LLC	
Outlook	Stable
Bkd Senior Unsecured	A1
Bkd Commercial Paper	P-1
Bkd Other Short Term	(P)P-1

Source: Moody's Investors Service

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

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