

SIEMENS

Ingenuity for life

Munich, Germany, May 4, 2017

Earnings Release

Q2 FY 2017

January 1 to March 31, 2017

Another strong quarter – profitable growth continuing

»We delivered another strong team performance and continue to outperform the markets. In the second half of the fiscal year, we will focus on duly integrating Mentor Graphics and on a successful start of Siemens Gamesa Renewable Energy, while keeping a close eye on our operational performance. And there is more work to do,« said Joe Kaeser, President and Chief Executive Officer of Siemens AG.

- Revenue rose 6% compared to Q2 FY 2016, to €20.2 billion, including a strong performance by short-cycle businesses, and orders were €22.6 billion, up 2% despite a high basis of comparison including orders totaling €3.1 billion in Q2 FY 2016 in Egypt; the book-to-bill ratio was 1.12
- On a comparable basis, excluding currency translation and portfolio effects, revenue rose 5% and orders increased 1%
- Strong margin expansion in nearly all industrial businesses due to strong operational execution, and a €138 million positive effect from pension plan amendments, took Industrial Business profit margin up to 12.1%
- Industrial Business profit climbed 18% year-over-year, to €2.5 billion
- Net income was level at €1.5 billion, despite a higher income tax rate and a lower contribution to net income from discontinued operations; basic earnings per share (EPS) of €1.79 compared to €1.78 in Q2 FY 2016
- At the end of Q2 FY 2017, Siemens acquired all shares of Mentor Graphics Corporation (Mentor Graphics) and, at the beginning of Q3 FY 2017, closed the merger of Siemens' wind power business with Gamesa Corporación Tecnológica S.A. (Gamesa)

Siemens

(in millions of €)	Q2		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	22,629	22,294	2%	1%
Revenue	20,219	18,996	6%	5%
Profit				
Industrial Business	2,492	2,115	18%	
<i>therein: severance</i>	(55)	(87)		
Profit margin				
Industrial Business	12.1%	10.9%		
<i>excl. severance</i>	12.4%	11.4%		
Income from continuing operations	1,458	1,394	5%	
<i>therein: severance</i>	(72)	(106)		
Net income	1,483	1,480	0%	
Basic earnings per share (in €)	1.79	1.78	0%	
Free cash flow (continuing and discontinued operations)	738	812	(9)%	
ROCE (continuing and discontinued operations)	13.3%	14.9%		

- Order growth in nearly all industrial businesses, with the strongest contributions from Wind Power and Renewables and Energy Management, both with large contract wins; substantial decline in Power and Gas relative to the high basis of comparison in Q2 FY 2016, which included orders totaling €3.1 billion in Egypt
- Industrial Business order backlog with new high at €117 billion
- Revenue increased in all industrial businesses, with double-digit growth in Digital Factory, Building Technologies and Energy Management
- Currency translation effects added one percentage point to both order and revenue development; portfolio effects had a minimal effect on volume development year-over-year
- Profit Industrial Business: up in all but one industrial business; highest profit from Healthineers, from Digital Factory with very strong contributions from its short-cycle businesses, and from Power and Gas; largest profit increase from Building Technologies due to strong operating performance and a €94 million positive effect related to amendments of pension plans (total effect for Industrial Business: €138 million); Q2 FY 2016 benefited from positive €130 million effects resulting from revised estimates related to contracts in Iran in Power and Gas
- Income from continuing operations: Centrally managed portfolio activities (CMPA) included a positive result related to a major asset retirement obligation, but was burdened by a non-tax-deductible impairment of an at-equity investment
- Net income: Lower income from discontinued operations compared to Q2 FY 2016, which included a €60 million gain related to the sale of the hearing aid business
- Industrial Business generated strong Free cash flow in the first half of fiscal 2017, totaling €3.2 billion, up sharply from € 1.5 billion in the prior-year period. Free cash flow from Industrial Business for the current quarter increased to €1.951 billion from €1.477 billion in Q2 FY 2016 due mainly to Power and Gas; this improvement was more than offset by cash outflows outside Industrial Business mainly due to higher income tax payments
- ROCE declined due to a clear increase in average capital employed, mainly resulting from the acquisition of Mentor Graphics at the end of Q2 FY 2017
- Provisions for pensions and similar obligations as of March 31, 2017: €10.5 billion (December 31, 2016: €11.1 billion)

Power and Gas

(in millions of €)	Q2		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	3,855	6,188	(38)%	(38)%
Revenue	4,104	3,926	5%	4%
Profit	461	535	(14)%	
<i>therein: severance</i>	(4)	(33)		
<i>therein: integration costs Dresser-Rand</i>	(9)	(18)		
Profit margin	11.2%	13.6%		
<i>excl. severance and integration costs</i>	11.5%	14.9%		

- Sharply lower volume from large orders compared to Q2 FY 2016, which included orders totaling €3.1 billion for combined-cycle power plants, including service, in Egypt
- Revenue growth driven by strong and rapid execution from the backlog, particularly including large orders in Egypt and Argentina; Q2 FY 2016 included positive effects on revenue totaling €174 million resulting from revised estimates related to contracts in Iran
- Improved execution of projects in the solutions business and continuing high contribution from the service business; Q2 FY 2016 included positive effects on profit totaling €130 million resulting from the above-mentioned revised estimates related to contracts in Iran
- Global energy trends continue to depress overall demand in markets for the Division's offerings, resulting in declining new-unit business and corresponding price pressure

Wind Power and Renewables

(in millions of €)	Q2		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	3,142	2,140	47%	48%
Revenue	1,516	1,460	4%	4%
Profit	155	137	13%	
<i>therein: severance</i>	(2)	(3)		
Profit margin	10.3%	9.4%		
<i>excl. severance</i>	10.4%	9.6%		

- Sharply higher volume from large orders included a €1.4 billion contract win for an offshore wind-farm, including service, in Germany, and several other large orders in each of the three reporting regions; Q2 FY 2016 included a €1.2 billion order for an offshore wind-farm, including service, in the U.K.
- Revenue growth in the onshore and service businesses; on a regional basis, increase mainly in Asia, Australia
- Strong profitability driven by higher productivity, positive effects related to project execution, higher capacity utilization, and a larger contribution from the service business

Energy Management

(in millions of €)	Q2		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	3,558	2,985	19%	17%
Revenue	2,996	2,709	11%	9%
Profit	225	172	31%	
<i>therein: severance</i>	(6)	(13)		
Profit margin	7.5%	6.3%		
<i>excl. severance</i>	7.7%	6.8%		

- Significant order growth, mainly due to a high volume from large orders that included a large order in the solutions business in the Middle East, and a large high-voltage direct current (HVDC) order of €0.4 billion in India
- Revenue up in all businesses and all three reporting regions, driven by increases in the Division's transmission businesses
- Broad-based profitability improvements, led by the high voltage products business

Building Technologies

(in millions of €)	Q2		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	1,632	1,460	12%	10%
Revenue	1,604	1,443	11%	10%
Profit	235	111	112%	
<i>therein: severance</i>	(2)	(3)		
Profit margin	14.7%	7.7%		
<i>excl. severance</i>	14.8%	7.9%		

- Another excellent quarterly performance
- Orders and revenue grew across the Division's businesses and in all three reporting regions
- Higher revenue continued to support profit growth
- Profit benefited from the €94 million gain related to pension plan amendments

Mobility

(in millions of €)	Q2		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	2,151	1,825	18%	19%
Revenue	2,022	1,915	6%	7%
Profit	213	153	39%	
<i>therein: severance</i>	(6)	(3)		
Profit margin	10.5%	8.0%		
<i>excl. severance</i>	10.8%	8.2%		

- Broad-based order growth with strongest contributions from the rolling stock and rail infrastructure businesses; on a geographic basis, orders nearly doubled in the U.S.
- Revenue rose on continued successful project execution
- Profit rose on higher revenue and a more favorable revenue mix including a larger share from the high-margin rail infrastructure business
- Profit benefited from a €28 million gain related to pension plan amendments

Digital Factory

(in millions of €)	Q2		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	2,864	2,576	11%	9%
Revenue	2,706	2,400	13%	11%
Profit	482	363	33%	
<i>therein: severance</i>	(11)	(8)		
Profit margin	17.8%	15.1%		
<i>excl. severance</i>	18.2%	15.5%		

- Another very strong quarter, with orders and revenue up in all businesses, most notably in the short-cycle businesses driven by strong demand from the automotive and the machine building industries
- On a regional basis, volume increases in all reporting regions including double-digit growth in Asia, Australia, particularly in China and in the region comprising Europe, C.I.S., Africa, Middle East
- Profit and profitability rose significantly in the high-margin short-cycle businesses; profit in the product lifecycle management software business was held back by expenses related to further advancing Siemens' MindSphere platform and transaction costs related to the acquisition of Mentor Graphics, which closed at the end of the quarter
- Siemens acquired all shares of Mentor Graphics, an electronic design automation software provider, to further strengthen and expand its industrial software portfolio; the purchase price amounts to US\$4.4 billion (€4.1 billion as of the acquisition date)

Process Industries and Drives

(in millions of €)	Q2		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	2,299	2,305	0%	(1)%
Revenue	2,185	2,145	2%	1%
Profit	134	89	50%	
<i>therein: severance</i>	(9)	(8)		
Profit margin	6.1%	4.1%		
<i>excl. severance</i>	6.5%	4.5%		

- Double-digit order growth in the process automation business was offset by declines in other businesses, most notably those serving commodity-related markets
- Revenue rose primarily in the higher-margin process automation business, lifting profit and profitability for the Division overall

Healthineers

(in millions of €)	Q2		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	3,369	3,245	4%	2%
Revenue	3,441	3,319	4%	2%
Profit	588	555	6%	
<i>therein: severance</i>	(14)	(15)		
Profit margin	17.1%	16.7%		
<i>excl. severance</i>	17.5%	17.2%		

- Orders rose in all businesses, with the strongest contribution from the diagnostic imaging and the advanced therapies businesses; on a regional basis, double-digit increase in China
- Revenue increased in nearly all businesses and resulted particularly from the diagnostic imaging business; on a regional basis, growth mainly in Asia, Australia
- Largest profit increase came from the advanced therapies business

Financial Services

(in millions of €)	Q2	
	FY 2017	FY 2016
Income before income taxes	207	226
therein: severance	–	(1)
ROE (after taxes)	26.3%	31.8%

(in millions of €)	Mar 31,	Sep 30,
	2017	2016
Total assets	27,161	26,446

- Strong earnings contribution driven by the equity business, which included a gain from the sale of SFS's stake in an offshore windfarm project; credit hits declined year-over-year
- Q2 FY 2016 benefited from a positive effect of €92 million resulting from an at-equity investment
- Total assets increased since the end of fiscal 2016, driven by positive currency translation effects

Reconciliation to Consolidated Financial Statements

(in millions of €)	Q2	
	FY 2017	FY 2016
Centrally managed portfolio activities	3	(99)
Siemens Real Estate	18	22
Corporate items	(181)	(36)
Centrally carried pension expense	(100)	(105)
Amortization of intangible assets acquired in business combinations	(168)	(167)
Eliminations, Corporate Treasury and other reconciling items	(75)	(51)
Reconciliation to Consolidated Financial Statements	(503)	(436)

- CMPA included primarily a positive swing related to a major asset retirement obligation due mainly to a gain of €314 million attributable to a reduced expected inflation rate, partly offset by a €230 million impairment of Siemens' stake in Primetals Technologies Ltd., related to continuing adverse conditions in the market environment
- Results of CMPA are expected to remain volatile in coming quarters

Outlook

We confirm our expectations for fiscal 2017 presented with our results for Q1 FY 2017. We continue to expect modest growth in revenue, net of effects from currency translation and portfolio transactions, and anticipate that orders will exceed revenue for a book-to-bill ratio above 1. We expect the profit margin of our Industrial Business in the range of 11.0% to 12.0%, and basic EPS from net income in the range of €7.20 to €7.70.

This outlook now includes portfolio changes already closed by the middle of fiscal 2017, particularly the acquisition of Mentor Graphics and the Gamesa merger, which are expected to burden Industrial Business profit margin and basic EPS from net income in fiscal 2017. The outlook continues to exclude charges related to legal and regulatory matters as well as potential burdens associated with pending portfolio matters.

Notes and forward-looking statements

Starting today at 8:00 a.m. CEST, the conference call for journalists at which Siemens CFO Dr. Ralf P. Thomas and Siemens CTO Dr. Roland Busch discuss the quarterly figures will be broadcast live at www.siemens.com/conferencecall.

Starting today at 10:00 a.m. CEST, the conference call for analysts and investors with Dr. Ralf P. Thomas can be followed live at www.siemens.com/analystcall.

Recordings of the conference call for journalists and the conference call for analysts and investors will subsequently be made available as well.

Financial publications are available for download at: www.siemens.com/ir.

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens' management, of which many are beyond Siemens' control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens' net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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Financial Results

Second Quarter and First Half of Fiscal 2017

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Key figures

(in millions of €, except where otherwise stated)

| Volume

	Q2		% Change		First half		% Change	
	FY 2017	FY 2016	Actual	Comp. ¹	FY 2017	FY 2016	Actual	Comp. ¹
Orders	22,629	22,294	2%	1%	42,182	45,095	(6)%	(7)%
Revenue	20,219	18,996	6%	5%	39,338	37,887	4%	4%
Book-to-bill ratio	1.12				1.07			
Order backlog (sum of industrial businesses, in billions of €)	117				117			

| Profitability and Capital efficiency

	Q2		% Change		First half		% Change	
	FY 2017	FY 2016			FY 2017	FY 2016		
Industrial Business								
Profit	2,492	2,115		18%	5,006	4,105		22%
Profit margin	12.1%	10.9%			12.5%	10.7%		
Continuing operations								
EBITDA	2,850	2,585		10%	5,794	5,048		15%
Income from continuing operations	1,458	1,394		5%	3,385	2,878		18%
Basic earnings per share (in €) ²	1.76	1.68		5%	4.10	3.48		18%
Continuing and discontinued operations								
Net income	1,483	1,480		0%	3,422	3,037		13%
Basic earnings per share (in €) ²	1.79	1.78		0%	4.14	3.67		13%
Return on capital employed (ROCE)	13.3%	14.9%			15.9%	15.7%		

| Capital structure and Liquidity

	Mar 31, 2017	Sep 30, 2016
Total equity (Shareholders of Siemens AG)	37,920	34,211
Industrial net debt	13,539	10,505
Industrial net debt / EBITDA ³	1.2	1.0

	Q2 FY 2017	Q2 FY 2016	First half FY 2017	First half FY 2016
Free cash flow				
Continuing operations	757	825	1,479	115
Continuing and discontinued operations	738	812	1,452	84

| Employees

	Mar 31, 2017	Sep 30, 2016
Number of employees (in thousands)	358	351
Germany	114	113
Outside Germany	245	238

¹ Throughout excluding currency translation and portfolio effects.

² Basic earnings per share – attributable to shareholders of Siemens AG. For fiscal 2017 and 2016 weighted average shares outstanding (basic) (in thousands) for the second quarter amounted to 810,156 and 808,893 and for the first half to 809,595 and 808,313 shares, respectively.

³ Accumulative EBITDA of the previous four quarters until the reporting date.

Consolidated Statements of Income

(in millions of €, per share amounts in €)	Q2		First half	
	FY 2017	FY 2016	FY 2017	FY 2016
Revenue	20,219	18,996	39,338	37,887
Cost of sales	(13,688)	(13,144)	(26,812)	(26,282)
Gross profit	6,531	5,852	12,525	11,605
Research and development expenses	(1,214)	(1,150)	(2,341)	(2,211)
Selling and general administrative expenses	(2,906)	(2,878)	(5,772)	(5,729)
Other operating income	64	39	395	96
Other operating expenses	(167)	(87)	(262)	(206)
Income (loss) from investments accounted for using the equity method, net	(127)	122	(81)	152
Interest income	371	322	731	656
Interest expenses	(242)	(247)	(486)	(496)
Other financial income (expenses), net	(114)	(70)	127	(89)
Income from continuing operations before income taxes	2,196	1,904	4,836	3,779
Income tax expenses	(738)	(510)	(1,452)	(902)
Income from continuing operations	1,458	1,394	3,385	2,878
Income from discontinued operations, net of income taxes	25	86	37	159
Net income	1,483	1,480	3,422	3,037
Attributable to:				
Non-controlling interests	35	37	68	68
Shareholders of Siemens AG	1,448	1,442	3,354	2,969
Basic earnings per share				
Income from continuing operations	1.76	1.68	4.10	3.48
Income from discontinued operations	0.03	0.11	0.05	0.20
Net income	1.79	1.78	4.14	3.67
Diluted earnings per share				
Income from continuing operations	1.72	1.66	4.02	3.43
Income from discontinued operations	0.03	0.11	0.04	0.19
Net income	1.75	1.76	4.06	3.63

Consolidated Statements of Comprehensive Income

(in millions of €)	Q2		First half	
	FY 2017	FY 2016	FY 2017	FY 2016
Net income	1,483	1,480	3,422	3,037
Remeasurements of defined benefit plans	296	(1,263)	2,261	(1,321)
<i>therein: Income tax effects</i>	(142)	430	(861)	497
Income (loss) from investments accounted for using the equity method, net	—	1	(2)	5
Items that will not be reclassified to profit or loss	296	(1,262)	2,259	(1,316)
Currency translation differences	(11)	(879)	444	(570)
Available-for-sale financial assets	355	31	358	15
<i>therein: Income tax effects</i>	(6)	5	(5)	10
Derivative financial instruments	62	170	37	177
<i>therein: Income tax effects</i>	(22)	(64)	(20)	(64)
Income (loss) from investments accounted for using the equity method, net	(17)	(102)	48	(122)
Items that may be reclassified subsequently to profit or loss	390	(779)	888	(500)
Other comprehensive income, net of income taxes	686	(2,041)	3,147	(1,815)
Total comprehensive income	2,169	(561)	6,568	1,221
Attributable to:				
Non-controlling interests	42	21	90	62
Shareholders of Siemens AG	2,127	(583)	6,479	1,159

Consolidated Statements of Financial Position

(in millions of €)	Mar 31, 2017	Sep 30, 2016
Assets		
Cash and cash equivalents	9,881	10,604
Available-for-sale financial assets	1,274	1,293
Trade and other receivables	16,871	16,287
Other current financial assets	7,318	6,800
Inventories	19,752	18,160
Current income tax assets	886	790
Other current assets	1,474	1,204
Assets classified as held for disposal	158	190
Total current assets	57,615	55,329
Goodwill	27,131	24,159
Other intangible assets	9,036	7,742
Property, plant and equipment	10,431	10,157
Investments accounted for using the equity method	2,873	3,012
Other financial assets	20,712	20,610
Deferred tax assets	2,145	3,431
Other assets	1,424	1,279
Total non-current assets	73,751	70,388
Total assets	131,366	125,717
Liabilities and equity		
Short-term debt and current maturities of long-term debt	5,184	6,206
Trade payables	7,968	8,048
Other current financial liabilities	1,919	1,933
Current provisions	3,989	4,166
Current income tax liabilities	2,034	2,085
Other current liabilities	20,493	20,437
Liabilities associated with assets classified as held for disposal	86	40
Total current liabilities	41,672	42,916
Long-term debt	31,977	24,761
Provisions for pensions and similar obligations	10,473	13,695
Deferred tax liabilities	1,175	829
Provisions	4,025	5,087
Other financial liabilities	971	1,142
Other liabilities	2,529	2,471
Total non-current liabilities	51,151	47,986
Total liabilities	92,823	90,901
Equity		
Issued capital	2,550	2,550
Capital reserve	5,985	5,890
Retained earnings	30,070	27,454
Other components of equity	2,788	1,921
Treasury shares, at cost	(3,473)	(3,605)
Total equity attributable to shareholders of Siemens AG	37,920	34,211
Non-controlling interests	623	605
Total equity	38,543	34,816
Total liabilities and equity	131,366	125,717

Consolidated Statements of Cash Flows

(in millions of €)	Q2	
	FY 2017	FY 2016
Cash flows from operating activities		
Net income	1,483	1,480
Adjustments to reconcile net income to cash flows from operating activities - continuing operations		
Income from discontinued operations, net of income taxes	(25)	(86)
Amortization, depreciation and impairments	669	686
Income tax expenses	738	510
Interest (income) expenses, net	(129)	(75)
(Income) loss related to investing activities	71	(177)
Other non-cash (income) expenses	68	209
Change in operating net working capital		
Inventories	(978)	(655)
Trade and other receivables	53	(101)
Trade payables	451	109
Billings in excess of costs and estimated earnings on uncompleted contracts and related advances	36	132
Additions to assets leased to others in operating leases	(138)	(113)
Change in other assets and liabilities	(748)	(550)
Income taxes paid	(747)	(461)
Dividends received	64	51
Interest received	363	285
Cash flows from operating activities - continuing operations	1,232	1,243
Cash flows from operating activities - discontinued operations	(19)	(13)
Cash flows from operating activities - continuing and discontinued operations	1,213	1,229
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment	(475)	(418)
Acquisitions of businesses, net of cash acquired	(3,468)	(54)
Purchase of investments	(154)	—
Purchase of current available-for-sale financial assets	(224)	(324)
Change in receivables from financing activities	(81)	(551)
Disposal of investments, intangibles and property, plant and equipment	181	122
Disposal of businesses, net of cash disposed	8	—
Disposal of current available-for-sale financial assets	238	197
Cash flows from investing activities - continuing operations	(3,975)	(1,028)
Cash flows from investing activities - discontinued operations	(1)	283
Cash flows from investing activities - continuing and discontinued operations	(3,975)	(744)
Cash flows from financing activities		
Purchase of treasury shares	(144)	(52)
Re-issuance of treasury shares and other transactions with owners	25	(13)
Issuance of long-term debt	6,958	—
Repayment of long-term debt (including current maturities of long-term debt)	(1,989)	(459)
Change in short-term debt and other financing activities	1,452	(873)
Interest paid	(233)	(187)
Dividends paid to shareholders of Siemens AG	(2,914)	(2,827)
Dividends attributable to non-controlling interests	(72)	(155)
Cash flows from financing activities - continuing operations	3,082	(4,566)
Cash flows from financing activities - discontinued operations	—	—
Cash flows from financing activities - continuing and discontinued operations	3,082	(4,566)
Effect of changes in exchange rates on cash and cash equivalents	34	(217)
Change in cash and cash equivalents	354	(4,298)
Cash and cash equivalents at beginning of period	9,528	10,605
Cash and cash equivalents at end of period	9,881	6,307
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	—	—
Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)	9,881	6,307

Consolidated Statements of Cash Flows

(in millions of €)	First half	
	FY 2017	FY 2016
Cash flows from operating activities		
Net income	3,422	3,037
Adjustments to reconcile net income to cash flows from operating activities - continuing operations		
Income from discontinued operations, net of income taxes	(37)	(159)
Amortization, depreciation and impairments	1,330	1,340
Income tax expenses	1,452	902
Interest (income) expenses, net	(245)	(160)
(Income) loss related to investing activities	(191)	(220)
Other non-cash (income) expenses	174	253
Change in operating net working capital		
Inventories	(1,277)	(1,483)
Trade and other receivables	261	(433)
Trade payables	(205)	(582)
Billings in excess of costs and estimated earnings on uncompleted contracts and related advances	403	790
Additions to assets leased to others in operating leases	(232)	(219)
Change in other assets and liabilities	(2,281)	(1,991)
Income taxes paid	(1,063)	(864)
Dividends received	184	139
Interest received	681	580
Cash flows from operating activities - continuing operations	2,375	929
Cash flows from operating activities - discontinued operations	(27)	(31)
Cash flows from operating activities - continuing and discontinued operations	2,348	898
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment	(896)	(814)
Acquisitions of businesses, net of cash acquired	(3,469)	(63)
Purchase of investments	(279)	(105)
Purchase of current available-for-sale financial assets	(392)	(509)
Change in receivables from financing activities	25	(416)
Disposal of investments, intangibles and property, plant and equipment	341	155
Disposal of businesses, net of cash disposed	(27)	10
Disposal of current available-for-sale financial assets	410	470
Cash flows from investing activities - continuing operations	(4,288)	(1,273)
Cash flows from investing activities - discontinued operations	(3)	276
Cash flows from investing activities - continuing and discontinued operations	(4,290)	(996)
Cash flows from financing activities		
Purchase of treasury shares	(144)	(285)
Re-issuance of treasury shares and other transactions with owners	27	(13)
Issuance of long-term debt	6,958	—
Repayment of long-term debt (including current maturities of long-term debt)	(3,581)	(467)
Change in short-term debt and other financing activities	1,311	743
Interest paid	(423)	(377)
Dividends paid to shareholders of Siemens AG	(2,914)	(2,827)
Dividends attributable to non-controlling interests	(115)	(162)
Cash flows from financing activities - continuing operations	1,119	(3,387)
Cash flows from financing activities - discontinued operations	—	—
Cash flows from financing activities - continuing and discontinued operations	1,119	(3,387)
Effect of changes in exchange rates on cash and cash equivalents	88	(165)
Change in cash and cash equivalents	(736)	(3,650)
Cash and cash equivalents at beginning of period	10,618	9,958
Cash and cash equivalents at end of period	9,881	6,307
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	—	—
Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)	9,881	6,307

Overview of Segment figures

(in millions of €)	Orders				Revenue				Profit		Profit margin / SFS: ROE		Net capital employed / SFS: Total assets		Free cash flow	
	Q2		Actual	% Change Comp.	Q2		Actual	% Change Comp.	Q2		Q2		Mar 31, 2017	Sep 30, 2016	Q2	
	FY 2017	FY 2016			FY 2017	FY 2016			FY 2017	FY 2016	FY 2017	FY 2016			FY 2017	FY 2016
Power and Gas	3,855	6,188	(38)%	(38)%	4,104	3,926	5%	4%	461	535	11.2%	13.6%	10,353	9,066	508	168
Wind Power and Renewables	3,142	2,140	47%	48%	1,516	1,460	4%	4%	155	137	10.3%	9.4%	44	(190)	(25)	32
Energy Management	3,558	2,985	19%	17%	2,996	2,709	11%	9%	225	172	7.5%	6.3%	4,652	4,335	(65)	9
Building Technologies	1,632	1,460	12%	10%	1,604	1,443	11%	10%	235	111	14.7%	7.7%	1,387	1,324	329	184
Mobility	2,151	1,825	18%	19%	2,022	1,915	6%	7%	213	153	10.5%	8.0%	2,965	2,868	178	260
Digital Factory	2,864	2,576	11%	9%	2,706	2,400	13%	11%	482	363	17.8%	15.1%	9,821	5,731	501	326
Process Industries and Drives	2,299	2,305	0%	(1)%	2,185	2,145	2%	1%	134	89	6.1%	4.1%	2,138	1,800	50	97
Healthineers	3,369	3,245	4%	2%	3,441	3,319	4%	2%	588	555	17.1%	16.7%	11,878	11,211	475	402
Industrial Business	22,870	22,725	1%	0%	20,575	19,317	7%	5%	2,492	2,115	12.1%	10.9%	43,238	36,145	1,951	1,477
Financial Services (SFS)	244	243	—	—	244	243	—	—	207	226	26.3%	31.8%	27,161	26,446	219	133
Reconciliation to Consolidated Financial Statements	(485)	(674)	—	—	(600)	(564)	—	—	(503)	(436)	—	—	60,967	63,126	(1,413)	(785)
Siemens (continuing operations)	22,629	22,294	2%	1%	20,219	18,996	6%	5%	2,196	1,904	—	—	131,366	125,717	757	825

Overview of Segment figures

(in millions of €)	Orders				Revenue				Profit		Profit margin / SFS: ROE		Net capital employed / SFS: Total assets		Free cash flow	
	First half		Actual	% Change Comp.	First half		Actual	% Change Comp.	First half		First half		Mar 31, 2017	Sep 30, 2016	First half	
	FY 2017	FY 2016			FY 2017	FY 2016			FY 2017	FY 2016	FY 2017	FY 2016			FY 2017	FY 2016
Power and Gas	7,164	11,725	(39)%	(39)%	7,999	7,605	5%	6%	918	884	11.5%	11.6%	10,353	9,066	234	(23)
Wind Power and Renewables	4,578	4,039	13%	14%	2,900	2,658	9%	10%	266	188	9.2%	7.1%	44	(190)	299	152
Energy Management	6,548	6,486	1%	0%	5,804	5,473	6%	6%	414	355	7.1%	6.5%	4,652	4,335	203	(393)
Building Technologies	3,347	3,007	11%	11%	3,156	2,922	8%	8%	405	242	12.8%	8.3%	1,387	1,324	371	174
Mobility	4,302	4,488	(4)%	(2)%	3,823	3,959	(3)%	(1)%	376	346	9.8%	8.7%	2,965	2,868	311	88
Digital Factory	5,556	5,068	10%	8%	5,268	4,865	8%	7%	1,150	780	21.8%	16.0%	9,821	5,731	896	640
Process Industries and Drives	4,431	4,609	(4)%	(4)%	4,305	4,350	(1)%	(1)%	268	215	6.2%	4.9%	2,138	1,800	103	204
Healthineers	6,820	6,595	3%	3%	6,723	6,607	2%	1%	1,208	1,095	18.0%	16.6%	11,878	11,211	820	701
Industrial Business	42,746	46,016	(7)%	(7)%	39,979	38,440	4%	4%	5,006	4,105	12.5%	10.7%	43,238	36,145	3,237	1,544
Financial Services (SFS)	471	515	—	—	471	515	—	—	347	394	22.1%	27.0%	27,161	26,446	460	371
Reconciliation to Consolidated Financial Statements	(1,035)	(1,437)	—	—	(1,113)	(1,068)	—	—	(516)	(720)	—	—	60,967	63,126	(2,217)	(1,800)
Siemens (continuing operations)	42,182	45,095	(6)%	(7)%	39,338	37,887	4%	4%	4,836	3,779	—	—	131,366	125,717	1,479	115

EBITDA Reconciliation

(in millions of €)	Profit		Amortization of intangible assets acquired in business combinations		Financial income (expenses), net		EBIT		Amortization, depreciation and impairments		EBITDA	
	Q2		Q2		Q2		Q2		Q2		Q2	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Power and Gas	461	535	(67)	(65)	2	2	392	468	134	149	526	617
Wind Power and Renewables	155	137	(2)	(2)	4	3	150	133	44	34	194	167
Energy Management	225	172	(5)	(5)	(1)	17	221	150	53	51	274	201
Building Technologies	235	111	(3)	(3)	(1)	—	234	108	21	22	255	130
Mobility	213	153	(15)	(15)	2	3	195	136	31	32	226	167
Digital Factory	482	363	(33)	(24)	(1)	12	449	327	77	70	526	397
Process Industries and Drives	134	89	(7)	(7)	—	(1)	127	83	51	54	178	137
Healthineers	588	555	(37)	(46)	5	4	546	505	134	140	679	646
Industrial Business	2,492	2,115	(167)	(167)	11	40	2,314	1,909	544	553	2,858	2,462
Financial Services (SFS)	207	226	—	—	173	151	34	75	53	55	87	130
Reconciliation to Consolidated Financial Statements	(503)	(436)	168	167	(169)	(185)	(166)	(84)	72	77	(95)	(7)
Siemens (continuing operations)	2,196	1,904	—	—	15	5	2,181	1,899	669	686	2,850	2,585

EBITDA Reconciliation

(in millions of €)	Profit		Amortization of intangible assets acquired in business combinations		Financial income (expenses), net		EBIT		Amortization, depreciation and impairments		EBITDA	
	First half		First half		First half		First half		First half		First half	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Power and Gas	918	884	(129)	(122)	3	16	786	746	256	269	1,042	1,015
Wind Power and Renewables	266	188	(3)	(3)	10	9	253	176	83	65	336	241
Energy Management	414	355	(10)	(11)	(1)	16	406	328	104	103	510	432
Building Technologies	405	242	(6)	(7)	(1)	—	400	235	45	42	444	277
Mobility	376	346	(29)	(30)	5	5	342	311	64	64	405	375
Digital Factory	1,150	780	(66)	(47)	—	12	1,083	721	151	138	1,235	859
Process Industries and Drives	268	215	(13)	(13)	1	(1)	255	203	102	109	357	312
Healthineers	1,208	1,095	(77)	(92)	12	8	1,119	996	266	282	1,385	1,278
Industrial Business	5,006	4,105	(335)	(325)	28	64	4,643	3,716	1,071	1,072	5,714	4,788
Financial Services (SFS)	347	394	(1)	1	315	310	32	85	105	109	137	194
Reconciliation to Consolidated Financial Statements	(516)	(720)	335	324	30	(303)	(210)	(93)	154	159	(57)	67
Siemens (continuing operations)	4,836	3,779	—	—	373	71	4,464	3,708	1,330	1,340	5,794	5,048

Orders & Revenue by region

(in millions of €)	Q2		Actual	Orders % Change Comp.	Q2		Actual	Revenue % Change Comp.
	FY 2017	FY 2016			FY 2017	FY 2016		
Europe, C.I.S., Africa, Middle East	12,578	13,539	(7)%	(6)%	10,436	9,965	5%	6%
<i>therein: Germany</i>	4,336	2,247	93%	94%	2,476	2,427	2%	3%
Americas	5,680	5,274	8%	4%	5,804	5,350	8%	4%
<i>therein: U.S.</i>	3,934	4,163	(6)%	(9)%	4,173	3,974	5%	1%
Asia, Australia	4,370	3,481	26%	22%	3,979	3,681	8%	6%
<i>therein: China</i>	1,758	1,616	9%	10%	1,624	1,492	9%	10%
Siemens (continuing operations)	22,629	22,294	2%	1%	20,219	18,996	6%	5%
<i>therein: Emerging markets</i>	7,481	8,487	(12)%	(13)%	6,823	6,501	5%	4%

(in millions of €)	First half		Actual	Orders % Change Comp.	First half		Actual	Revenue % Change Comp.
	FY 2017	FY 2016			FY 2017	FY 2016		
Europe, C.I.S., Africa, Middle East	22,696	26,790	(15)%	(14)%	20,567	19,763	4%	6%
<i>therein: Germany</i>	7,189	5,439	32%	32%	5,145	5,198	(1)%	(1)%
Americas	10,894	10,931	0%	(3)%	11,247	10,869	3%	1%
<i>therein: U.S.</i>	7,775	8,320	(7)%	(9)%	8,166	8,090	1%	(1)%
Asia, Australia	8,592	7,374	17%	16%	7,523	7,255	4%	3%
<i>therein: China</i>	3,471	3,272	6%	10%	3,253	3,103	5%	8%
Siemens (continuing operations)	42,182	45,095	(6)%	(7)%	39,338	37,887	4%	4%
<i>therein: Emerging markets</i>	13,298	17,066	(22)%	(22)%	13,362	12,602	6%	7%