SIEMENS

Interim Report

First Quarter of Fiscal 2015

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A. Table of contents

B. Introduction

Siemens AG's Interim Report for the Siemens Group complies with the applicable legal requirements of the German Securities Trading Act (Wertpapierhandelsgesetz - WpHG) regarding quarterly financial reports, and comprises Condensed Interim Consolidated Financial Statements and an Interim Group Management Report in accordance with section 37x (3) WpHG. The Condensed Interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU). The Condensed Interim Consolidated Financial Statements also comply with IFRS as issued by the IASB. This Interim Report should be read in conjunction with our Annual Report for fiscal 2014, which includes a detailed analysis of our operations and activities.

C. Interim Group Management Report

C.1 First quarter of fiscal 2015: Overall performance as expected

Management's perspective on first-quarter results: The performance of most of our businesses was within our expectations. While some Divisions provided excellent performance, Healthcare needs to step up its efforts to quickly resume to its outstanding performance and Power and Gas will need a more comprehensive concept to return to historical margins longer turn.

- First-quarter revenue up 5% to €17.415 billion; on a comparable basis, excluding currency translation and portfolio effects, revenue up 3%
- Orders of €18.013 billion for a book-to-bill ratio of 1.03; 11% decline compared to Q1 FY 2014, which included a €1.6 billion order in Saudi Arabia
- Industrial Business profit of €1.819 billion 4% lower due mainly to Power and Gas as expected; Industrial Business profit margin within the expected range
- Income from continuing operations of €1.106 billion burdened outside the Industrial Business; furthermore negative swing within discontinued operations affects Net income which was €1.095 billion, with basic earnings per share (EPS) of €1.30
- Strong contribution to Free cash flow from Industrial Business
- During the first quarter, Siemens classified the hearing aid business as discontinued operations; prior-period results are presented on a comparable basis

- Portfolio milestones include closing the acquisition of the Rolls-Royce Energy aero-derivative gas turbine and compressor business in the first quarter; followed, in January 2015, by closing the divestment of the hearing aid business (expected pretax gain: approximately €1.6 billion), closing the divestment of Siemens' stake in BSH Bosch und Siemens Hausgeräte GmbH (BSH) (expected pretax gain: approximately €1.4 billion), and completing the contribution of the metals technologies business into a joint venture; furthermore, we expect a profit impact due to a funding commitment of €0.3 billion related to Unify Holdings B.V. in the second quarter

Siemens

(in millions of €)	Q1 FY 2015	Q1 FY 2014	% Change Actual	% Change Comp.
Orders	18,013	20,140	(11)%	(13)%
Revenue	17,415	16,576	5%	3%
Profit Industrial Business	1,819	1,896	(4)%	
in % of revenue Industrial Business	10.2%	11.3%		
Income from continuing operations	1,106	1,348	(18)%	
Net income	1,095	1,457	(25)%	
Basic earnings per share (in €)	1.30	1.70	(23)%	
Free cash flow (continuing and discontinued activities)	(144)	(699)	79%	
ROCE (continuing and discontinued activities)	12.9%	18.6%		

- Lower volume from large orders in Mobility, Wind Power and Renewables, and Process Industries and Drives; Q1 FY 2014 included €1.6 billion order in Saudi Arabia
- Industrial Business order backlog higher, at €100 billion
- Revenue higher in nearly all Divisions in Industrial Business; tailwinds from currency translation
- Industrial Business profit: increases primarily in Digital Factory, Energy Management, and Mobility; declines primarily in Power and Gas and in Healthcare
- As planned, higher selling and R&D expenses particularly evident in Power and Gas
- Income from continuing operations: decline mainly outside Industrial Business, including negative effects related to Corporate Treasury hedging instruments and a major asset retirement obligation, resulting from decreases in long-term interest rates; Q1 FY 2014 benefited from income related to Siemens' stake in BSH as well as higher gains from disposals of real estate
- Severance charges for continuing operations were €47 million
- Net income: includes loss of €11 million from discontinued operations due partly to the metals technologies business; Q1 FY 2014 income of €109 million from discontinued operations benefited from positive €65 million tax effect related to former Communications activities
- Free cash flow: Industrial Business improved to €584 million from negative €229 million in Q1 FY 2014, largely due to Wind Power and Renewables; Corporate Treasury turned negative due mainly to settlements of hedging instruments
- Underfunding of Siemens' pension plans as of December 31, 2014: €9.6 billion (September 30, 2014: €8.5 billion); increased due mainly to a lower discount rate assumption

Power and Gas

(in millions of €)	Q1 FY 2015	Q1 FY 2014	% Change Actual	% Change Comp.
Orders	3,733	3,490	7%	6%
Revenue	2,886	2,946	(2)%	(3)%
Profit	325	536	(39)%	
therein: severance	*(4)*			
Profit margin	11.3%	18.2%		
excl. severance	*11.4%*			

- Current quarter includes figures for the Rolls-Royce Energy aero-derivative gas turbine and compressor business for one month
- Higher orders due mainly to a large service contract in Malaysia
- Revenue declines in the service, solutions and steam turbine businesses partly offset by increases in other businesses, particularly the distributed generation business
- Lower margins in the solutions, large gas turbine and steam businesses, higher R&D and selling expenses, and lower profit contribution from the service business
- Continuing challenges resulting in increased price pressure and production overcapacities

Wind Power and Renewables

(in millions of €)	Q1 FY 2015	Q1 FY 2014	% Change Actual	% Change Comp.
Orders	1,317	2,261	(42)%	(44)%
Revenue	1,477	1,323	12%	8%
Profit	80	66	21%	
therein: severance	*1*			
Profit margin	5.4%	5.0%		
excl. severance	*5.4%*			

- Sharply lower volume from large orders, particularly in Germany and the U.S.
- Revenue increase primarily in Germany
- Increased profit contribution from the service business; expenses for first commercial-scale production of a new turbine offering

Energy Management

(in millions of €)	Q1 FY 2015	Q1 FY 2014	% Change Actual	% Change Comp.
Orders	3,101	2,581	20%	17%
Revenue	2,675	2,544	5%	3%
Profit	109	43	153%	
therein: severance	*(3)*			
Profit margin	4.1%	1.7%		
excl. severance	*4.2%*			

- Orders up in all three reporting regions and across all businesses, led by the solutions business which won a large high–voltage direct current (HVDC) order in Canada
- Strong revenue contribution from the low voltage business, and a double-digit increase in the Americas
- Profit in Q1 FY 2014 included project charges of €67 million related mainly to offshore grid connections in Germany

Building Technologies

(in millions of €)	Q1 FY 2015	Q1 FY 2014	% Change Actual	% Change Comp.
Orders	1,430	1,347	6%	3%
Revenue	1,377	1,340	3%	0%
Profit	117	120	(2)%	
therein: severance	*(2)*			
Profit margin	8.5%	8.9%		
excl. severance	*8.7%*			

- Order growth driven by the U.S. and the Middle East
- Higher revenue in the service business and increase in the Americas from currency translation effects
- Future profit impacts expected from substantial appreciation of the Swiss franc

Mobility

(in millions of €)	Q1 FY 2015	Q1 FY 2014	% Change Actual	% Change Comp.
Orders	1,271	3,448	(63)%	(64)%
Revenue	1,858	1,589	17%	15%
Profit	155	109	42%	
therein: severance	*(1)*			
Profit margin	8.4%	6.9%		
excl. severance	*8.4%*			

- Lower volume from large orders; Q1 FY 2014 included among others a €1.6 billion contract in Saudi Arabia
- Revenue growth due to delivery of component orders, the rail infrastructure business and execution of turnkey projects
- Profit included higher revenue with positive mix effect from high-margin business

Digital Factory

(in millions of €)	Q1 FY 2015	Q1 FY 2014	% Change Actual	% Change Comp.
Orders	2,390	2,299	4%	2%
Revenue	2,382	2,163	10%	8%
Profit	463	386	20%	
therein: severance	*(8)*			
Profit margin	19.4%	17.8%		
excl. severance	*19.8%*			

- Order growth driven by the motion control and industry software businesses, including another strong quarter in China
- Revenue up in all businesses, primarily motion control, factory automation and industry software, as well as in all three reporting regions, led by China and the U.S.
- Increased revenue contributed to improved profitability

Process Industries and Drives

(in millions of €)	Q1 FY 2015	Q1 FY 2014	% Change Actual	% Change Comp.
Orders	2,279	2,455	(7)%	(8)%
Revenue	2,331	2,218	5%	3%
Profit	155	163	(5)%	
therein: severance	*(3)*			
Profit margin	6.7%	7.4%		
excl. severance	*6.8%*			

- Lower volume from large orders in the large drives business and weaker demand in commodity-related industries
- Revenue up in all businesses, led by large drives which converted large orders from prior periods into current business
- Higher selling and R&D expenses for sales footprint in growth regions and product development in process automation business

Healthcare

(in millions of €)	Q1 FY 2015	Q1 FY 2014	% Change Actual	% Change Comp.
Orders	2,980	2,814	6%	2%
Revenue	2,851	2,694	6%	2%
Profit	413	473	(13)%	
therein: severance	*(10)*			
Profit margin	14.5%	17.6%		
excl. severance	*14.8%*			

- Growth in orders driven by recovery in Europe and the U.S., Asia weak
- Revenue driven by replacement demand in Europe
- Profit development held back by an unfavorable revenue mix and higher R&D expenses targeted at future growth
- Currency tailwinds not yet evident in profit due to hedging

Financial Services

	Q1	
(in millions of €)	FY 2015	FY 2014
Income before income taxes	146	110
therein: severance	–	
ROE (after taxes)	20.5%	18.1%

(in millions of €)	Dec 31, 2014	Sep 30, 2014
Total assets	22,739	21,970

- Higher income before income taxes driven by increased interest result associated with growth in total assets
- Despite substantial early terminations of financings, total assets increased since the end of fiscal 2014, including positive currency translation effects

Reconciliation to Consolidated Financial Statements

Profit

	Q1	
(in millions of €)	FY 2015	FY 2014
Centrally managed portfolio activities	(69)	99
Siemens Real Estate	67	131
Corporate items	(59)	(114)
Centrally carried pension expense	(97)	(98)
Amortization of intangible assets acquired in business combinations	(117)	(137)
Eliminations, Corporate Treasury and other reconciling items	(131)	32
Reconciliation to Consolidated Financial Statements	**(408)**	**(87)**

- Centrally managed portfolio activities: includes expenses of €53 million related to a major asset retirement obligation due to lower interest rates; Q1 FY 2014 included income related to Siemens' stake in BSH
- Siemens Real Estate: Income continues to be highly dependent on disposals of real estate
- Corporate items: influenced by the fair value of warrants issued together with US$3 billion in bonds in fiscal 2012, which depends on the underlying Siemens and OSRAM share prices as well as their respective volatilities; therefore results are expected to remain variable in coming quarters
- Eliminations, Corporate Treasury and other reconciling items: substantial negative effects related to changes in the fair value of derivatives not qualifying for hedge accounting

C.2 Siemens Group in the first quarter of fiscal 2015

C.2.1 Results of operations

C.2.1.1 ORDERS AND REVENUE BY REGION

Orders (location of customer)

	Q1		% Change	
(in millions of €)	FY 2015	FY 2014	Actual	Comp.
Europe, C.I.S., Africa, Middle East	8,553	11,174	(23)%	(23)%
therein: Germany	*2,318*	*3,125*	*(26)%*	*(26)%*
Americas	5,916	5,340	11%	4%
therein: U.S.	*3,824*	*3,914*	*(2)%*	*(11)%*
Asia, Australia	3,544	3,626	(2)%	(6)%
therein: China	*1,483*	*1,778*	*(17)%*	*(22)%*
Siemens	**18,013**	**20,140**	**(11)%**	**(13)%**
therein: emerging markets	*6,244*	*8,260*	*(24)%*	*(25)%*

Siemens worldwide

- Order decline against high basis of comparison; Q1 FY 2014 included €1.6 billion driverless subway lines order in Saudi Arabia
- Book-to-bill ratio of 1.03
- Industrial Business order backlog higher, at €100 billion

Europe, C.I.S., Africa, Middle East

- Lower volume from large orders in Mobility
- Lower volume from large offshore orders in Wind Power and Renewables in Germany

Americas

- Large order in Energy Management in Canada
- Growth in Power and Gas, Healthcare and Mobility mainly in the U.S. including favorable currency effects
- Lower volume from large wind orders in the U.S.

Asia, Australia

- Lower volume from large orders in Mobility in China, offsetting growth in Power and Gas due to large service order in Malaysia

Revenue (location of customer)

	Q1		% Change	
(in millions of €)	FY 2015	FY 2014	Actual	Comp.
Europe, C.I.S., Africa, Middle East	9,306	9,097	2%	2%
therein: Germany	*2,757*	*2,563*	*8%*	*8%*
Americas	4,696	4,317	9%	3%
therein: U.S.	*3,197*	*2,943*	*9%*	*0%*
Asia, Australia	3,412	3,161	8%	4%
therein: China	*1,579*	*1,381*	*14%*	*8%*
Siemens	**17,415**	**16,576**	**5%**	**3%**
therein: emerging markets	*5,603*	*5,405*	*4%*	*3%*

Siemens worldwide

- Revenue growth includes nearly all Divisions in Industrial Business, led by Mobility

Europe, C.I.S., Africa, Middle East

- Regional development includes nearly all Divisions, while Germany was driven by Wind Power and Renewables' offshore business

Americas

- Broad-based increase in Industrial Business, benefitting from favorable currency effects in the U.S.

Asia, Australia

- Mobility and Digital Factory drive growth for China and the region

C.2.1.2 INCOME

(in millions of €, earnings per share in €)	Q1 FY 2015	Q1 FY 2014	% Change
Power and Gas	325	536	(39)%
Wind Power and Renewables	80	66	21%
Energy Management	109	43	153%
Building Technologies	117	120	(2)%
Mobility	155	109	42%
Digital Factory	463	386	20%
Process Industries and Drives	155	163	(5)%
Healthcare	413	473	(13)%
Industrial Business	**1,819**	**1,896**	**(4)%**
Profit margin Industrial Business	10.2%	11.3%	
Financial Services (SFS)	146	110	33%
Reconciliation to Consolidated Financial Statements	(408)	(87)	>(200)%
Income from continuing operations before income taxes	**1,557**	**1,918**	**(19)%**
Income tax expenses	(451)	(570)	21%
Income from continuing operations	**1,106**	**1,348**	**(18)%**
Income (loss) from discontinued operations, net of income taxes	(11)	109	n/a
Net income	**1,095**	**1,457**	**(25)%**
Basic earnings per share	1.30	1.70	(23)%
ROCE	12.9%	18.6%	

Industrial Business

- As planned, higher selling and R&D expenses
- Severance charges for Industrial Business were €31 million (pre-tax)
- Industrial Business profit margin within the expected range

Income from continuing operations

- Decline mainly outside Industrial Business, including negative effects related to Corporate Treasury hedging instruments and a major asset retirement obligation, resulting from decreases in long-term interest rates
- Q1 FY 2014 benefited from income related to Siemens' stake in BSH as well as higher gains from disposals of real estate
- Severance charges for continuing operations were €47 million (pre-tax)
- Tax rate: 29%

Income (loss) from discontinued operations, net of income taxes

- Loss due partly to the metals technologies business; positive contributions by the hospital information system business and the hearing aid business
- Q1 FY 2014 benefited from a positive €65 million tax effect related to former Communications activities

Net income, Basic earnings per share, ROCE

- Smaller percentage decrease in basic earnings per share than for Net income, due to share buybacks which reduced number of average shares outstanding
- ROCE outside the expected range and below Q1 FY 2014 due mainly to lower Net income, and a higher average capital employed

C.2.2 Financial position

Cash flows

(in millions of €)	Q1 FY 2015 Continuing operations	Discontinued operations	Continuing and discontinued operations
Cash flows from:			
Operating activities	375	(142)	233
Investing activities	(2,242)	(92)	(2,334)
therein: Additions to intangible assets and property, plant and equipment	*(347)*	*(30)*	*(376)*
Free cash flow	28	(172)	(144)
Financing activities	897	5	902

Cash flows from operating activities

- Conversion of income from continuing operations of €1.1 billion into cash held back by cash outflows of €0.8 billion related to build up in operating net working capital
- Main factor within build up in operating net working capital was a decrease in trade payables in all Industrial Business Divisions; partly offset by positive effects related to billings in excess of costs and estimated earnings on uncompleted contracts and related advances, particularly in Wind Power and Renewables and in Mobility

Cash flows from investing activities

- Cash outflows for acquisitions of businesses, net of cash acquired, of €1.5 billion included payments totaling €1.3 billion related to the acquisition of Rolls-Royce Energy aero-derivative gas turbine and compressor business
- Cash outflows for increase in receivables from financing activities of €0.4 billion related to a net increase in new business volume at SFS

Cash flows from financing activities

- Cash inflows of €1.7 billion from the change in short-term debt and other financing activities mainly due to issuance of US$-commercial paper, partly offset by cash outflows of €0.7 billion for the purchase of treasury shares under Siemens' share buyback program

For information with respect to portfolio activities, see Note 2 in D.6 Notes to Condensed Interim Consolidated Financial Statements.

C.2.3 Net assets position

(in millions of €)	Dec 31, 2014	Sep 30, 2014	% Change
Current assets	49,534	48,076	3%
therein: total liquidity	*7,768*	*8,938*	*(13)%*
Non-current assets	59,195	56,803	4%
Total assets	**108,729**	**104,879**	**4%**
Current liabilities	38,498	36,598	5%
Non-current liabilities	38,668	36,767	5%
Equity	31,563	31,514	–
Total liabilities and equity	**108,729**	**104,879**	**4%**

Current assets

- Increase due to classification of the hearing aid business as Assets classified as held for disposal and corresponding decrease in line items of other current and non-current assets
- Acquisition of the Rolls-Royce Energy aero-derivative gas turbine and compressor business mainly resulted in an increase in Trade and other receivables and in Inventories, as well as in a decrease in Cash and cash equivalents

Non-current assets

- Acquisition of the Rolls-Royce Energy aero-derivative gas turbine and compressor business mainly resulted in an increase of Other intangible assets and Property plant and equipment
- Increase of Other financial assets related to financing activities of SFS
- Influenced by positive currency translation effects

Current liabilities

- Issuance of commercial paper increased Short-term debt and current maturities of long-term debt
- Decrease in Trade payables recorded in all of the Industrial Business Divisions except Power and Gas which included effects from acquisition of the Rolls-Royce Energy aero-derivative gas turbine and compressor business

Non-current liabilities

- For information related to Long term debt, see Note 3 in D.6 Notes to Condensed Interim Consolidated Financial Statements
- Underfunding of Siemens' defined benefit plans as of December 31, 2014: €10.1 billion (September 30, 2014: €9.1 billion); therein underfunding of pension plans as of December 31, 2014: €9.6 billion (September 30, 2014: €8.5 billion); increase due mainly to a lower discount rate assumption; weighted-average discount rate as of December 31, 2014: 2.6% (September 30, 2014: 3.0%)

Equity

- Increase related to Net income nearly offset by share buybacks and a decrease of Other comprehensive income, net of income taxes

C.3 Outlook

We confirm our outlook. We believe that our business environment will be complex in fiscal 2015, among other things due to geopolitical tensions. We expect revenue on an organic basis to remain flat year-over-year, and orders to exceed revenue for a book-to-bill ratio above 1. Furthermore, we expect that gains from divestments will enable us to increase basic EPS from net income by at least 15% from €6.37 in fiscal 2014. For our Industrial Business, we expect a profit margin of 10% to 11%. This outlook excludes impacts from legal and regulatory matters.

C.4 Risks and opportunities

In our Annual Report for fiscal 2014 we described certain risks, which could have a material adverse effect on our business, financial condition (including effects on assets, liabilities and cash flows), results of operations and reputation, our most significant opportunities as well as the design of our risk management system.

During the reporting period, we identified no further significant risks and opportunities besides those presented in our Annual Report for fiscal 2014, in this Interim Group Management Report and in legal proceedings in Note 6 in D.6 Notes to Condensed Interim Consolidated Financial Statements. Additional risks and opportunities not known to us or that we currently consider immaterial could also affect our business operations. We do not expect to incur any risks that either individually or in combination could endanger our ability to continue as a going concern. We refer also to E.2 Notes and forward-looking statements.

D. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

D.1 CONSOLIDATED STATEMENTS OF INCOME

(in millions of €, per share amounts in €)	Note	Q1 FY 2015	Q1 FY 2014
Revenue		17,415	16,576
Cost of sales		(12,242)	(11,601)
Gross profit		5,173	4,975
Research and development expenses		(985)	(894)
Selling and general administrative expenses		(2,619)	(2,443)
Other operating income		92	313
Other operating expenses		(70)	(164)
Income from investments accounted for using the equity method, net		55	154
Interest income		294	256
Interest expenses		(177)	(188)
Other financial income (expenses), net		(206)	(92)
Income from continuing operations before income taxes		**1,557**	**1,918**
Income tax expenses		(451)	(570)
Income from continuing operations		**1,106**	**1,348**
Income (loss) from discontinued operations, net of income taxes	2	(11)	109
Net income		**1,095**	**1,457**
Attributable to:			
Non-controlling interests		17	25
Shareholders of Siemens AG		1,079	1,432
Basic earnings per share			
Income from continuing operations		1.31	1.57
Income (loss) from discontinued operations		(0.01)	0.13
Net income		**1.30**	**1.70**
Diluted earnings per share			
Income from continuing operations		1.30	1.55
Income (loss) from discontinued operations		**(0.01)**	**0.13**
Net income		**1.28**	**1.68**

D.2 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of €)	Q1 FY 2015	Q1 FY 2014
Net income	1,095	1,457
Remeasurements of defined benefit plans	(673)	376
therein: Income tax effects	*345*	*(113)*
Items that will not be reclassified to profit or loss	**(673)**	**376**
therein: Income (expenses) from investments accounted for using the equity method	*(4)*	*1*
Currency translation differences	204	(368)
Available-for-sale financial assets	163	223
therein: Income tax effects	*(4)*	*–*
Derivative financial instruments	(63)	9
therein: Income tax effects	*11*	*(5)*
Items that may be reclassified subsequently to profit or loss	**304**	**(136)**
therein: Expenses from investments accounted for using the equity method	*(19)*	*(49)*
Other comprehensive income, net of income taxes	**(369)**	**240**
Total comprehensive income	**726**	**1,697**
Attributable to:		
Non-controlling interests	24	26
Shareholders of Siemens AG	702	1,671

D.3 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of €)	Note	Dec 31, 2014	Sep 30, 2014
Assets			
Cash and cash equivalents		6,743	8,013
Available-for-sale financial assets		1,025	925
Trade and other receivables		15,030	14,526
Other current financial assets		4,197	3,710
Inventories		15,941	15,100
Current income tax assets		529	577
Other current assets		1,349	1,290
Assets classified as held for disposal	2	4,720	3,935
Total current assets		**49,534**	**48,076**
Goodwill		18,050	17,783
Other intangible assets		5,149	4,560
Property, plant and equipment		9,727	9,638
Investments accounted for using the equity method		2,326	2,127
Other financial assets		19,211	18,416
Deferred tax assets		3,489	3,334
Other assets		1,242	945
Total non-current assets		**59,195**	**56,803**
Total assets		**108,729**	**104,879**
Liabilities and equity			
Short-term debt and current maturities of long-term debt	3	3,556	1,620
Trade payables		6,825	7,594
Other current financial liabilities		2,111	1,717
Current provisions		4,499	4,354
Current income tax liabilities		1,794	1,762
Other current liabilities		18,101	17,954
Liabilities associated with assets classified as held for disposal	2	1,612	1,597
Total current liabilities		**38,498**	**36,598**
Long-term debt	3	19,628	19,326
Post-employment benefits		10,626	9,324
Deferred tax liabilities		572	552
Provisions		4,142	4,071
Other financial liabilities		1,809	1,620
Other liabilities		1,890	1,874
Total non-current liabilities		**38,668**	**36,767**
Total liabilities		**77,166**	**73,365**
Equity	4		
Issued capital, no par value		2,643	2,643
Capital reserve		5,589	5,525
Retained earnings		26,109	25,729
Other components of equity		1,099	803
Treasury shares at cost		(4,445)	(3,747)
Total equity attributable to shareholders of Siemens AG		**30,996**	**30,954**
Non-controlling interests		567	560
Total equity		**31,563**	**31,514**
Total liabilities and equity		**108,729**	**104,879**

D.4 CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of €)	Q1 FY 2015	Q1 FY 2014
Cash flows from operating activities		
Net income	1,095	1,457
Adjustments to reconcile net income to cash flows from operating activities - continuing operations		
(Income) loss from discontinued operations, net of income taxes	11	(109)
Amortization, depreciation and impairments	577	588
Income tax expenses	451	570
Interest (income) expenses, net	(117)	(68)
(Income) loss related to investing activities	(112)	(281)
Other non-cash (income) expenses	209	267
Change in operating net working capital		
Inventories	(428)	(666)
Trade and other receivables	(119)	100
Trade payables	(1,079)	(929)
Billings in excess of costs and estimated earnings on uncompleted contracts and related advances	783	237
Additions to assets leased to others in operating leases	(72)	(79)
Change in other assets and liabilities	(1,046)	(1,216)
Income taxes paid	(303)	(420)
Dividends received	251	101
Interest received	275	227
Cash flows from operating activities - continuing operations	**375**	**(220)**
Cash flows from operating activities - discontinued operations	(142)	(119)
Cash flows from operating activities - continuing and discontinued operations	**233**	**(339)**
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment	(347)	(339)
Acquisitions of businesses, net of cash acquired	(1,472)	2
Purchase of investments	(27)	(104)
Purchase of current available-for-sale financial assets	(208)	(74)
Change in receivables from financing activities	(431)	(597)
Disposal of investments, intangibles and property, plant and equipment	126	193
Disposal of businesses, net of cash disposed	6	12
Disposal of current available-for-sale financial assets	110	20
Cash flows from investing activities - continuing operations	**(2,242)**	**(887)**
Cash flows from investing activities - discontinued operations	(92)	(89)
Cash flows from investing activities - continuing and discontinued operations	**(2,334)**	**(976)**
Cash flows from financing activities		
Purchase of treasury shares	(728)	–
Other transactions with owners	–	(6)
Issuance of long-term debt	43	–
Repayment of long-term debt (including current maturities of long-term debt)	(5)	(5)
Change in short-term debt and other financing activities	1,695	1,138
Interest paid	(81)	(78)
Dividends attributable to non-controlling interests	(28)	(4)
Cash flows from financing activities - continuing operations	**897**	**1,045**
Cash flows from financing activities - discontinued operations	5	–
Cash flows from financing activities - continuing and discontinued operations	**902**	**1,045**
Effect of changes in exchange rates on cash and cash equivalents	75	(53)
Change in cash and cash equivalents	(1,124)	(323)
Cash and cash equivalents at beginning of period	8,034	9,234
Cash and cash equivalents at end of period	6,910	8,911
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	167	25
Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)	**6,743**	**8,885**

D.5 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions of €)	Issued capital	Capital reserve	Retained earnings	Currency translation differences	Available-for-sale financial assets	Derivative financial instruments	Treasury shares at cost	Total equity attributable to share-holders of Siemens AG	Non controlling interests	Total equity
Balance as of October 1, 2013	2,643	5,484	22,663	(160)	428	(1)	(2,946)	28,111	514	28,625
Net income	–	–	1,432	–	–	–	–	1,432	25	1,457
Other comprehensive income, net of income taxes	–	–	376	(368)	223	9	–	239	–	240
Dividends	–	–	–	–	–	–	–	–	(14)	(14)
Share-based payment	–	(28)	(7)	–	–	–	–	(36)	–	(36)
Re-issuance of treasury shares	–	3	–	–	–	–	110	113	–	113
Transactions with non-controlling interests	–	–	(4)	–	–	–	–	(4)	(9)	(13)
Other changes in equity	–	–	2	–	–	–	–	2	–	2
Balance as of December 31, 2013	**2,643**	**5,458**	**24,461**	**(528)**	**651**	**8**	**(2,837)**	**29,856**	**516**	**30,372**
Balance as of October 1, 2014	2,643	5,525	25,729	745	373	(314)	(3,747)	30,954	560	31,514
Net income	–	–	1,079	–	–	–	–	1,079	17	1,095
Other comprehensive income, net of income taxes	–	–	(673)	196	163	(63)	–	(376)	7	(369)
Dividends	–	–	–	–	–	–	–	–	(37)	(37)
Share-based payment	–	63	(5)	–	–	–	–	58	–	58
Purchase of treasury shares	–	–	–	–	–	–	(721)	(721)	–	(721)
Re-issuance of treasury shares	–	1	–	–	–	–	24	25	–	25
Transactions with non-controlling interests	–	–	(24)	–	–	–	–	(24)	15	(9)
Other changes in equity	–	–	2	–	–	–	–	2	4	7
Balance as of December 31, 2014	**2,643**	**5,589**	**26,109**	**941**	**536**	**(377)**	**(4,445)**	**30,996**	**567**	**31,563**

D.6 Notes to Condensed Interim Consolidated Financial Statements

NOTE 1 Basis of presentation

The accompanying Condensed Interim Consolidated Financial Statements (Interim Consolidated Financial Statements) as of December 31, 2014 present the operations of Siemens AG and its subsidiaries (the Company or Siemens). These Interim Consolidated Financial Statements are in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the EU and shall be read in conjunction with the Siemens Consolidated Financial Statements as of September 30, 2014. The interim financial statements apply the same accounting principles and practices as those used in the 2014 annual financial statements. Results for the interim reporting period are not necessarily indicative of future results. In interim periods, tax expense is based on the current estimated annual effective tax rate of Siemens. The presentation of certain prior-year information has been reclassified to conform to the current year presentation. The Interim Consolidated Financial Statements are unaudited and were authorized for issue by the Managing Board on January 30, 2015.

NOTE 2 Acquisitions, dispositions and discontinued operations

Acquisitions

In December 2014, Siemens acquired the Rolls-Royce Energy aero-derivative gas turbine and compressor business of Rolls-Royce plc, U.K. (Rolls-Royce). The acquired business will be integrated in the Division Power and Gas. The preliminary purchase price amounts to £866 million (€1,093 million as of the acquisition date). The purchase price is preliminary because it is subject to final agreement on the closing accounts. In addition, as part of the transaction, Siemens paid Rolls-Royce £200 million (€252 million as of the acquisition date) for a 25 year technology licensing agreement granting exclusive access to future Rolls-Royce aero-turbine technology developments in the four to 85 megawatt power output range as well as preferred access to supply and engineering services of Rolls-Royce. The following figures result from the preliminary purchase price allocation as of the acquisition date: Intangible assets €654 million, Property, plant and equipment €235 million, Inventories €399 million, Investments accounted for using the equity method €165 million, Receivables €431 million, Liabilities €553 million and Deferred income tax liabilities €106 million. Intangible assets mainly relate to technology of €313 million (with a useful life of 12 to 25 years) and customer-related intangible assets of €229 million (with a useful life of four to 14 years). Preliminary goodwill of €120 million comprises intangible assets that are not separable such as employee know-how and expected synergy effects. Including earnings effects from purchase price allocation and integration costs, the acquired business contributed revenues of €82 million and a net income of €1 million to Siemens for the period from acquisition to December 31, 2014. If the acquired business had been included as of October 1, 2014, the impact on consolidated revenues and consolidated net income for the three months ended December 31, 2014 would have been €298 million and €(17) million, respectively.

Dispositions and discontinued operations

In November 2014, Siemens announced the sale of its hearing aid business (so far a business unit within Healthcare) to the investment company EQT and the German entrepreneurial family Strüngmann as co-investors. The transaction volume is €2.15 billion plus earn-out components and includes that the new owners will also be allowed to continue using the Siemens product brand for the hearing aid business over the medium term. The hearing aid business is presented as held for disposal and discontinued operations since the first quarter of fiscal 2015. As of December 31, 2014, assets and liabilities reclassified to assets and liabilities held for disposal amount to €605 million and €208 million, respectively. For the three months ended December 31, 2014, the audiology business contributed €192 million to revenues from discontinued operations and € 35 million to pretax income from discontinued operations.

Subsequent Events

In January 2015, Siemens completed the sale of the hearing aid business. In the second quarter of fiscal 2015, Siemens estimates to recognize a pretax gain on disposal of approximately €1.6 billion.

In January 2015, Siemens completed the contribution of its metals technologies business into a joint venture with Mitsubishi-Hitachi Metals Machinery Inc. (majority-owned by Mitsubishi Heavy Industries). In the second quarter of fiscal 2015, Siemens initially recognizes the investment in the joint venture at fair value.

In January 2015, Siemens completed the sale of its 50% stake in the joint venture BSH Bosch und Siemens Haushaltsgeräte GmbH (BSH) to Robert Bosch GmbH. In the second quarter of fiscal 2015, Siemens estimates to recognize a pretax gain on disposal of approximately €1.4 billion.

NOTE 3 Debt

(in millions of €)	Current debt Dec 31, 2014	Sep 30, 2014	Non-current debt Dec 31, 2014	Sep 30, 2014
Notes and bonds	–	–	18,396	18,165
Loans from banks	913	773	1,043	968
Other financial indebtedness	2,618	826	83	85
Obligations under finance leases	25	21	106	108
Total debt	**3,556**	**1,620**	**19,628**	**19,326**

As of December 31, 2014, US$2.9 billion (€2.4 billion) in commercial paper were outstanding; as of September 30, 2014, US$1.0 billion (€795 million) were outstanding.

NOTE 4 Shareholders' equity

In the three months ended December 31, 2014, Siemens repurchased 8,180,594 treasury shares at average costs per share of €88.17. Siemens transferred a total of 287,691 and 1,413,798 of treasury stock, respectively, in connection with share-based payment plans in the three months ended December 31, 2014 and 2013.

At the Annual Shareholders' Meeting on January 27, 2015, the shareholders approved a dividend of €3.30 per share, representing a €2.7 billion dividend payment. The dividend was paid on January 28, 2015. As resolved at the Annual Shareholders' Meeting, until January 26, 2020, treasury shares of up to 10% of capital stock may be repurchased and used in accordance with the German Stock Corporation Act and as stipulated in Siemens' Articles of Association. Additionally, Conditional Capital 2015 was authorized, permitting the issuance of bonds of up to €15 billion entitling the holders to subscribe to up to 80 million Siemens shares representing a conditional capital stock increase of up to €240 million.

NOTE 5 Commitments and contingencies

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

(in millions of €)	Dec 31, 2014	Sep 30, 2014
Guarantees		
Credit guarantees	838	774
Guarantees of third-party performance	2,038	2,061
HERKULES obligations	1,090	1,490
Other	2,291	2,362
	6,257	**6,687**

NOTE 6 Legal proceedings

Proceedings out of or in connection with alleged breaches of contract

As previously reported, Essent Wind Nordsee Ost Planungs- und Betriebsgesellschaft mbH filed a request for arbitration against Siemens AG in October 2013 alleging breaches of a contract for the delivery of a high-voltage substation entered into by the parties in 2010. The parties settled the dispute in December 2014.

Proceedings out of or in connection with alleged compliance violations

As previously reported, Siemens AG agreed on a settlement with nine out of eleven former members of the Managing and Supervisory Board in January 2010 relating to claims of breaches of organizational and supervisory duties. In January 2013, Siemens AG agreed on a settlement with Dr. Thomas Ganswindt. In August 2014, Siemens AG reached a settlement with Mr. Joachim Neubürger. The Annual Shareholders' Meeting of Siemens AG approved the proposed settlement between the Company and Mr. Neubürger on January 27, 2015.

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 trial court dismissed the Republic of Iraq's action. The Republic of Iraq appealed the decision, which was then affirmed by the court of appeals. The Republic of Iraq thereafter petitioned for an »en banc« review of the appellate decision. The court of appeals rejected the Republic of Iraq's request in December 2014.

As previously reported, several authorities in Brazil opened proceedings in connection with alleged anticompetitive irregularities in metro and urban train projects, in which Siemens Ltda., Brazil, and partially Siemens AG, as well as a number of other companies participated. In December 2014, the Public Affairs Office (Ministério Público) São Paulo initiated a lawsuit against Siemens Ltda. and other companies claiming damages in an amount of BRL487 million (approximately €151 million) and inflation calculated as of December 2014 in an amount of BRL504 million (approximately €156 million) plus interests. In January 2015 the district court of São Paulo admitted a lawsuit of the State of São Paulo and two customers against Siemens Ltda., Siemens AG and other companies and individuals claiming damages in an unspecified amount. Siemens will defend itself against these actions. It cannot be excluded that further significant damage claims will be brought by customers or the state against Siemens.

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.

NOTE 7 Financial instruments

Financial instruments measured at cost or amortized cost for which the carrying amount does not approximate fair value:

		Dec 31, 2014		Sep 30, 2014
(in millions of €)	Fair value	Carrying amount	Fair Value	Carrying amount
Notes and bonds	19,264	18,396	18,787	18,165
Loans from banks, other financial indebtedness and finance leases	4,830	4,788	2,821	2,782

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

				Dec 31, 2014
(in millions of €)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value, thereof:	**1,664**	**3,874**	**321**	**5,860**
Available-for-sale financial assets: equity instruments	*1,664*	*1*	*321*	*1,986*
Available-for-sale financial assets: debt instruments	-	*802*	-	*802*
Derivative financial instruments	-	*3,072*	-	*3,072*
Financial liabilities measured at fair value – Derivative financial instruments	**-**	**2,006**	**-**	**2,006**

				Sep 30, 2014
(in millions of €)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value, thereof:	**1,527**	**3,272**	**307**	**5,105**
Available-for-sale financial assets: equity instruments	*1,527*	*1*	*307*	*1,834*
Available-for-sale financial assets: debt instruments	-	*702*	-	*702*
Derivative financial instruments	-	*2,569*	-	*2,569*
Financial liabilities measured at fair value – Derivative financial instruments	**-**	**1,749**	**-**	**1,749**

NOTE 8 Segment information

	Orders[1]		External revenue		Intersegment Revenue		Total revenue		Profit		Assets		Free cash flow		Additions to intangible assets and property, plant & equipment		Amortization, depreciation & impairments	
	Q1		Q1		Q1		Q1		Q1		Dec 31,	Sep 30,	Q1		Q1		Q1	
(in millions of €)	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	2014	2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Power and Gas	*3,733*	*3,490*	2,864	2,931	22	14	2,886	2,946	325	536	1,625	(275)	(112)	9	30	31	63	57
Wind Power and Renewables	*1,317*	*2,261*	1,476	1,323	1	–	1,477	1,323	80	66	(173)	(146)	112	(371)	17	25	32	32
Energy Management	*3,101*	*2,581*	2,558	2,416	117	127	2,675	2,544	109	43	4,339	3,986	(231)	(256)	36	33	52	51
Building Technologies	*1,430*	*1,347*	1,352	1,318	25	22	1,377	1,340	117	120	1,360	1,250	13	29	11	11	20	20
Mobility	*1,271*	*3,448*	1,850	1,586	9	3	1,858	1,589	155	109	2,062	2,102	178	(67)	40	14	30	29
Digital Factory	*2,390*	*2,299*	2,155	1,982	226	182	2,382	2,163	463	386	4,950	4,652	338	105	30	35	63	92
Process Industries and Drives	*2,279*	*2,455*	1,831	1,826	500	392	2,331	2,218	155	163	2,265	2,169	29	13	29	22	59	52
Healthcare	*2,980*	*2,814*	2,841	2,687	10	7	2,851	2,694	413	473	11,107	10,822	256	309	73	57	128	129
Industrial Business	***18,502***	***20,695***	**16,927**	**16,069**	**910**	**748**	**17,837**	**16,817**	**1,819**	**1,896**	**27,534**	**24,559**	**584**	**(229)**	**266**	**227**	**447**	**463**
Financial Services (SFS)	*222*	*226*	175	183	46	44	222	226	146	110	22,739	21,970	242	106	3	9	53	51
Reconciliation to Consolidated Financial Statements	*(711)*	*(781)*	313	324	(957)	(791)	(644)	(468)	(408)	(87)	58,456	58,351	(797)	(436)	78	103	77	74
Siemens (continuing operations)	***18,013***	***20,140***	**17,415**	**16,576**	**–**	**–**	**17,415**	**16,576**	**1,557**	**1,918**	**108,729**	**104,879**	**28**	**(560)**	**347**	**339**	**577**	**588**

[1] This supplemental information on Orders is provided on a voluntary basis. It is not part of the Interim Consolidated Financial Statements subject to the review opinion.

As of October 1, 2014, Siemens realigned its organizational structure. Siemens eliminated the Sector level and arranged its business primarily based on its Divisions managing Healthcare separately. Instead of the previously six reportable segments composed of the four Sectors Energy, Healthcare, Industry and Infrastructure & Cities, and of SFS and Equity Investments, Siemens has nine reportable segments as of October 1, 2014, being:

- Power and Gas (PG), which offers products and solutions for generating electricity from fossil and renewable fuels and for transporting oil and natural gas,
- Wind Power and Renewables (WP), a provider of solutions for on- and offshore wind power,
- Energy Management (EM), a supplier of products, systems, solutions and services for transmission and distribution of electrical energy,
- Building Technologies (BT), a provider of save, secure and energy-efficient buildings and infrastructure systems,
- Mobility (MO), a provider of passenger and freight transportation systems and solutions,
- Digital Factory (DF), which offers automation technology, industrial switchgear, industry software and services primarily to the manufacturing industry,
- Process Industries and Drives (PD), which offers products, systems, solutions and services to industry sectors,
- Healthcare (HC), a technology supplier to the healthcare industry with products in medical imaging, laboratory diagnostics and IT solutions,
- Financial Services (SFS), a provider of business-to-business financial solutions.

The reportable segments HC and SFS primarily remained unchanged; Equity Investments ceased to be a reportable segment and became part of the reconciling item Centrally managed portfolio activities. Prior period information has been reclassified to correspond to the new reporting structure.

Goodwill has been reallocated to the reorganized reporting structure generally based on relative values. The reallocation did not result in goodwill impairments. As of October 1, 2014, for goodwill impairment testing purposes, Siemens' groups of cash-generating units are generally the segments. The groups of cash-generating units of HC remained unchanged and are represented by its operations one level below the segment.

Segment information is presented for continuing operations. Accounting policies and segment measurement principles are the same as those described in the September 30, 2014 Annual Report, except for Profit. Commencing with fiscal 2015, Profit of reportable segments retrospectively excludes amortization expenses of intangible assets acquired in business combinations.

Reconciliation to Consolidated Financial Statements

Profit

	Q1	
(in millions of €)	FY 2015	FY 2014
Centrally managed portfolio activities	(69)	99
Siemens Real Estate	67	131
Corporate items	(59)	(114)
Centrally carried pension expense	(97)	(98)
Amortization of intangible assets acquired in business combinations	(117)	(137)
Eliminations, Corporate Treasury, and other reconciling items	(131)	32
Reconciliation to Consolidated Financial Statements	**(408)**	**(87)**

Assets

(in millions of €)	Dec 31, 2014	Sep 30, 2014
Assets Centrally managed portfolio activities	2,028	2,116
Assets Siemens Real Estate	4,675	4,696
Assets Corporate items and pensions	(1,173)	(1,779)
Asset-based adjustments:		
Intragroup financing receivables and investments	36,563	42,129
Tax-related assets	3,892	3,781
Liability-based adjustments	37,944	37,779
Eliminations, Corporate Treasury, other items	(25,473)	(30,372)
Reconciliation to Consolidated Financial Statements	**58,456**	**58,351**

NOTE 9 Related party transactions

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.

The transactions with joint ventures and associates were as follows:

	Sales of goods and services and other income		Purchases of goods and services and other expenses	
	Q1		Q1	
(in millions of €)	FY 2015	FY 2014	FY 2015	FY 2014
Joint ventures	63	75	5	3
Associates	169	233	42	44
	233	**307**	**46**	**47**

	Receivables		Liabilities	
(in millions of €)	Dec 31, 2014	Sep 30, 2014	Dec 31, 2014	Sep 30, 2014
Joint ventures	40	229	159	72
Associates	87	82	512	255
	127	**311**	**672**	**327**

As of December 31, 2014 and September 30, 2014, guarantees to joint ventures and associates amounted to €2,503 million and €2,904 million, respectively, including the HERKULES obligations of €1,090 million and €1,490 million, respectively.

NOTE 10 Board Member Changes

At its meeting on January 26, 2015, the Supervisory Board appointed Janina Kugel to the Managing Board as Head of Human Resources and Labor Director of Siemens AG. Siegfried Russwurm will be the Board-level partner for the separately managed Healthcare business and retains his responsibilities for the regions CIS and Middle East and as Chief Technology Officer. Hermann Requardt will step down from the Managing Board and will serve as advisor. All changes will take effect on February 1, 2015.

Gerd von Brandenstein, Peter Gruss and Berthold Huber resigned from the Supervisory Board. Nathalie von Siemens and Norbert Reithofer were elected as new shareholder representatives and Reinhard Hahn was appointed to succeed Berthold Huber by court resolution as an employee representative of the Supervisory Board; Birgit Steinborn was elected to succeed Berthold Huber as Deputy Chairperson of the Supervisory Board and Jürgen Kerner joined the Chairman's Committee of the Supervisory Board as an employee representative. All changes became effective as of the end of the Annual Shareholders´Meeting on January 27, 2015.

E. Additional information

E.1 Review report

To Siemens Aktiengesellschaft, Berlin and Munich

We have reviewed the condensed interim consolidated financial statements comprising the consolidated statements of income, comprehensive income, financial position, cash flows and changes in equity, and notes to the condensed interim consolidated financial statements, and the interim group management report, of Siemens Aktiengesellschaft, Berlin and Munich for the period from October 1, 2014 to December 31, 2014 which are part of the quarterly financial report pursuant to Sec. 37x (3) WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW - Institute of Public Auditors in Germany) and in supplementary compliance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the EU, and that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed a financial statement audit and, accordingly, we do not express an audit opinion.

Based on our review nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Munich, January 30, 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Spannagl	Prof. Dr. Hayn
Wirtschaftsprüfer	Wirtschaftsprüfer

E.2 Notes and forward-looking statements

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 IFRS not clearly defined – supplemental financial measures that are or may be non-GAAP financial 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 IFRS in its Consolidated Financial Statements. Other companies that report or describe similarly titled financial 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.

This document is an English language translation of the German document. In case of discrepancies, the German language document is the sole authoritative and universally valid version.

For technical reasons, there may be differences between the accounting records appearing in this document and those published pursuant to legal requirements.

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