SIEMENS

Interim Report

Third Quarter and First Nine Months 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 Third quarter of fiscal 2015: Solid performance, softening market environment

Management's perspective on third-quarter results: Overall our businesses delivered solid underlying profitability despite a softening market environment. We expect to maintain our momentum with a strong closing quarter for fiscal 2015.

- Third-quarter orders up 4% year-over-year, at €19.9 billion, including a €1.6 billion order in Mobility; excluding currency translation and portfolio effects, orders down 5%
- Revenue 8% higher at €18.8 billion, for a book-to-bill ratio of 1.05; revenue 3% lower on a comparable basis
- Industrial Business profit level, at €1.8 billion; strong improvements in Energy Management and Healthcare largely offset by a decline in Power and Gas
- Net income at €1.4 billion; basic earnings per share (EPS) increased to €1.65, up from €1.62 in Q3 FY 2014
- At the end of the quarter, the Power and Gas Division closed its acquisition of Dresser-Rand, substantially expanding its offerings for the oil and gas industry and distributed power generation

Siemens

(in millions of €)	Q3 FY 2015	Q3 FY 2014	% Change Actual	% Change Comp.
Orders	19,858	19,110	4%	(5)%
Revenue	18,844	17,518	8%	(3)%
Profit Industrial Business	1,823	1,807	1%	
therein: severance	*(173)*			
Profit margin Industrial Business	9.5%	10.1%		
excl. severance	*10.4%*			
Income from continuing operations	1,245	1,345	(7)%	
therein: severance	*(274)*			
Net income	1,376	1,399	(2)%	
Basic earnings per share (in €)	1.65	1.62	2%	
Free cash flow (continuing and discontinued activities)	684	1,048	(35)%	
ROCE (continuing and discontinued activities)	14.0%	17.2%		

- Third-quarter volume growth influenced strongly by currency translation tailwinds, which added eight percentage points to order and nine percentage points to revenue development
- €1.6 billion long-term order for train maintenance in Mobility and order growth in Healthcare, Energy Management, Digital Factory and Building Technologies
- Industrial Business order backlog rose to €110 billion, including €2.3 billion related to Dresser-Rand acquisition
- Reported revenue increase driven by double-digit growth in Healthcare, Energy Management, Digital Factory and Building Technologies
- Within Industrial Business profit, strong improvements in Energy Management and Healthcare largely offset by a decline in Power and Gas
- Continued increase in selling and R&D expenses as planned, particularly evident in Power and Gas and Digital Factory
- Profit development benefited from positive currency effects, particularly in Healthcare
- Severance charges for continuing operations were €274 million with €173 million taken within Industrial Business
- Income from continuing operations: decline due mainly to negative swings in Corporate items, which took €97 million in severance charges, and in Centrally managed portfolio activities (CMPA)
- Net income: income from discontinued operations increased due mainly to positive tax effects related to previously divested businesses
- Free cash flow: decline was driven by lower Free cash flow in Industrial Business of €1.163 billion compared to €1.571 billion in Q3 FY 2014, largely due to project business in Wind Power and Renewables as well as Power and Gas
- Underfunding of Siemens' pension plans as of June 30, 2015 decreased significantly due mainly to a higher discount rate assumption to €8.9 billion (March 31, 2015: €11.0 billion)
- Siemens issued US$7.75 billion (€7.1 billion) bonds with different maturities up to 30 years; cash outflows related to the acquisition of Dresser-Rand, net of cash acquired, were US$ 7.6 billion (€6.8 billion)

Power and Gas

	Q3		% Change	
(in millions of €)	FY 2015	FY 2014	Actual	Comp.
Orders	3,571	4,093	(13)%	(22)%
Revenue	3,213	3,184	1%	(15)%
Profit	289	543	(47)%	
therein: severance	*(41)*			
Profit margin	9.0%	17.0%		
excl. severance	*10.2%*			

- Dresser-Rand acquisition closed on June 30, 2015
- Acquisition of Rolls-Royce Energy aero-derivative gas turbine and compressor business (Rolls-Royce) between the periods under review added three percentage points to order and eight percentage points to revenue development
- Orders down compared to the strong growth in prior-year quarter
- Slight revenue increase benefited from currency translation and portfolio effects
- Profit includes charges of €106 million related to a project resulting from higher costs for materials and from customer delays, partly offset by positive effects related to other projects
- Continuing challenges resulting in increased price pressure and overcapacities

Wind Power and Renewables

	Q3		% Change	
(in millions of €)	FY 2015	FY 2014	Actual	Comp.
Orders	693	2,007	(65)%	(70)%
Revenue	1,416	1,426	(1)%	(9)%
Profit	51	41	26%	
therein: severance	*(2)*			
Profit margin	3.6%	2.9%		
excl. severance	*3.8%*			

- Low level of large orders; Q3 FY 2014: €1.6 billion order for an offshore wind-farm in the Netherlands
- Revenue decline in the onshore business; revenue growth in the offshore and service businesses

Energy Management

	Q3		% Change	
(in millions of €)	FY 2015	FY 2014	Actual	Comp.
Orders	3,464	3,076	13%	1%
Revenue	2,964	2,575	15%	6%
Profit	110	(67)	n/a	
therein: severance	*(30)*			
Profit margin	3.7%	(2.6)%		
excl. severance	*4.7%*			

- Order growth driven primarily by the solutions business which won large contracts in the Middle East
- Revenue up in all businesses and in all three reporting regions
- Siemens handed over the remaining two of the original four North Sea grid connection platforms to the customer; Q3 FY 2014 included project charges of €155 million related mainly to these projects

Building Technologies

(in millions of €)	Q3 FY 2015	Q3 FY 2014	% Change Actual	% Change Comp.
Orders	1,544	1,338	15%	5%
Revenue	1,496	1,359	10%	0%
Profit	119	108	11%	
therein: severance	*(11)*			
Profit margin	8.0%	7.9%		
excl. severance	*8.7%*			

- Orders up in all three reporting regions; U.S. the main growth driver
- Revenue growth due to the services and products businesses, partly held back by a decline in the solution business
- Profit development included a more favorable business mix and improved productivity, which more than offset impacts from substantial appreciation of the Swiss franc between the periods under review

Mobility

(in millions of €)	Q3 FY 2015	Q3 FY 2014	% Change Actual	% Change Comp.
Orders	2,821	1,263	123%	117%
Revenue	1,817	1,852	(2)%	(9)%
Profit	105	145	(28)%	
therein: severance	*(30)*			
Profit margin	5.8%	7.8%		
excl. severance	*7.4%*			

- €1.6 billion long-term order for maintenance of trains in Russia
- Revenue growth in the infrastructure and service businesses; as expected, lower revenue overall due to timing of large rail projects
- Profitability benefited from an improved revenue mix; profit in Q3 FY 2014 included a €27 million positive effect

Digital Factory

(in millions of €)	Q3 FY 2015	Q3 FY 2014	% Change Actual	% Change Comp.
Orders	2,536	2,232	14%	6%
Revenue	2,499	2,266	10%	3%
Profit	436	404	8%	
therein: severance	*(10)*			
Profit margin	17.4%	17.9%		
excl. severance	*17.8%*			

- Orders and revenue up in all businesses, led by industry software, and in all three reporting regions
- Excluding currency translation effects, volume in China declined as the country experiences weaker growth dynamics
- Higher profit on increased revenue; lower margin includes higher R&D and selling expenses targeted at future growth

Process Industries and Drives

(in millions of €)	Q3 FY 2015	Q3 FY 2014	% Change Actual	% Change Comp.
Orders	2,295	2,600	(12)%	(19)%
Revenue	2,509	2,414	4%	(4)%
Profit	165	189	(12)%	
therein: severance	*(33)*			
Profit margin	6.6%	7.8%		
excl. severance	*7.9%*			

- Substantially lower volume from large orders in the region comprising Europe, C.I.S., Africa, Middle East and weaker demand in commodity-related industries, especially oil & gas, mining, metals and cement
- Revenue in all businesses and all three reporting regions benefited from currency translation tailwinds

Healthcare

(in millions of €)	Q3 FY 2015	Q3 FY 2014	% Change Actual	% Change Comp.
Orders	3,318	2,897	15%	4%
Revenue	3,246	2,788	16%	5%
Profit	549	445	23%	
therein: severance	*(16)*			
Profit margin	16.9%	16.0%		
excl. severance	*17.4%*			

- Orders and revenue up in all businesses, led strongly by imaging and therapy systems businesses and benefiting from currency translation tailwinds
- All regions contributed to volume growth except for orders in Asia, Australia, which included a large order in China in Q3 FY 2014
- Profitability lifted by currency tailwinds

Financial Services

(in millions of €)	Q3 FY 2015	Q3 FY 2014
Income before income taxes	116	122
therein: severance	–	
ROE (after taxes)	15.7%	18.4%

(in millions of €)	Jun 30, 2015	Sep 30, 2014
Total assets	24,951	21,970

- Higher interest results associated with growth in total assets were more than offset by a higher level of credit hits compared to the prior-year quarter
- Despite substantial early terminations of financings, total assets have increased since the end of fiscal 2014, including positive currency translation effects

Reconciliation to Consolidated Financial Statements

Profit

(in millions of €)	Q3 FY 2015	Q3 FY 2014
Centrally managed portfolio activities	(47)	48
Siemens Real Estate	91	67
Corporate items	(93)	71
Centrally carried pension expense	(119)	(103)
Amortization of intangible assets acquired in business combinations	(131)	(117)
Eliminations, Corporate Treasury and other reconciling items	(76)	(87)
Reconciliation to Consolidated Financial Statements	**(373)**	**(120)**

- Centrally managed portfolio activities (CMPA): were impacted by a number of items; Q3 FY 2014 included equity investment income related to Siemens' stake in BSH Bosch und Siemens Hausgeräte GmbH which was divested between the periods under review
- Results of CMPA may be volatile in coming quarters
- Corporate items: included €97 million in severance charges; influenced also by a decrease of 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

C.2 Siemens Group in the first nine months of fiscal 2015

C.2.1 Results of operations

C.2.1.1 ORDERS AND REVENUE BY REGION

Orders (location of customer)

	Q1 - Q3		% Change	
(in millions of €)	FY 2015	FY 2014	Actual	Comp.
Europe, C.I.S., Africa, Middle East	30,433	30,986	(2)%	(4)%
therein: Germany	*8,474*	*8,087*	*5%*	*5%*
Americas	17,315	14,701	18%	4%
therein: U.S.	*11,969*	*10,183*	*18%*	*(1)%*
Asia, Australia	10,876	11,421	(5)%	(14)%
therein: China	*4,800*	*5,078*	*(5)%*	*(17)%*
Siemens	**58,624**	**57,108**	**3%**	**(4)%**
therein: emerging markets	*21,386*	*21,041*	*2%*	*(4)%*

Siemens worldwide

- Order development influenced strongly by changes in the volume from large orders year-over-year, as well as by the weaker euro compared to a year earlier
- Book-to-bill ratio of 1.08
- Industrial Business order backlog rose to €110 billion, including €2.3 billion from the Dresser-Rand acquisition

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

- Decline due to sharply lower volume from large orders in Wind Power and Renewables offsetting substantial growth from large orders in Mobility
- Higher volume in Germany, where a €1.7 billion order for regional trains and maintenance more than offset lower volume from large wind orders

Americas

- Large orders in Energy Management
- U.S. growth in all industrial businesses influenced by favorable currency translation effects, except Wind Power and Renewables due to lower volume from large orders

Asia, Australia

- Lower volume from large orders in Mobility in China and in Power and Gas in the region, both offsetting growth in Wind Power and Renewables

Revenue (location of customer)

	Q1 - Q3		% Change	
(in millions of €)	FY 2015	FY 2014	Actual	Comp.
Europe, C.I.S., Africa, Middle East	28,076	27,689	1%	(1)%
therein: Germany	*8,092*	*7,618*	*6%*	*6%*
Americas	15,357	13,154	17%	2%
therein: U.S.	*10,639*	*9,051*	*18%*	*0%*
Asia, Australia	10,874	9,946	9%	(1)%
therein: China	*5,023*	*4,489*	*12%*	*(1)%*
Siemens	**54,308**	**50,789**	**7%**	**0%**
therein: emerging markets	*17,917*	*17,011*	*5%*	*(2)%*

Siemens worldwide

- Higher revenue in all industrial businesses due in part to currency translation effects; double-digit growth in Energy Management and Healthcare

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

- Regional increase due mainly to Energy Management; in Germany, growth driven by offshore business of Wind Power and Renewables

Americas

- Broad-based increase, all industrial businesses benefited from favorable currency translation effects in the U.S.

Asia, Australia

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

C.2.1.2 INCOME

(in millions of €, earnings per share in €)	Q1 - Q3 FY 2015	FY 2014	% Change
Power and Gas	1,006	1,672	(40)%
Wind Power and Renewables	88	66	34%
Energy Management	311	(211)	n/a
Building Technologies	331	321	3%
Mobility	417	408	2%
Digital Factory	1,254	1,199	5%
Process Industries and Drives	406	540	(25)%
Healthcare	1,488	1,454	2%
Industrial Business	**5,301**	**5,448**	**(3)%**
Profit margin Industrial Business	9.6%	10.5%	
Financial Services (SFS)	456	345	32%
Reconciliation to Consolidated Financial Statements	(85)	(495)	83%
Income from continuing operations before income taxes	**5,673**	**5,299**	**7%**
Income tax expenses	(1,325)	(1,475)	10%
Income from continuing operations	**4,347**	**3,824**	**14%**
Income from discontinued operations, net of income taxes	2,032	185	>200%
Net income	**6,379**	**4,009**	**59%**
Basic earnings per share	7.65	4.65	65%
ROCE	22.8%	16.8%	

Industrial Business

- Power and Gas: lower margins in several businesses, in particular the large gas turbine business; charges of €106 million related to a project resulting from higher costs for materials and from customer delays; prior-year period benefited from a €73 million gain on the sale of the turbo fan business
- Energy Management: prior-year period included charges totaling €297 million related to two HVDC transmission line projects in Canada and charges totaling €218 million related mainly to grid connections to offshore wind-farms in Germany
- Process Industries and Drives: operational challenges, mainly in the oil & gas and marine business related partly to secondary effects from oil price decline
- As planned, higher selling and R&D expenses, primarily in Power and Gas, Digital Factory and Healthcare
- Severance charges for Industrial Business were €302 million

Income from continuing operations before income taxes

- Higher contribution at SFS from the equity business, primarily including a net gain in connection with the sale of renewable energy projects
- Gain of €1.4 billion on disposal of Siemens' stake in BSH; prior-year period benefited from equity investment income related to BSH
- Loss of €249 million related to Siemens' stake in Unify Holdings B.V.
- Negative effects at Corporate Treasury related to changes in the fair value of interest rate derivatives not qualifying for hedge accounting
- Severance charges for continuing operations were €461 million

Income from continuing operations

- Tax rate: 23%
- Disposal of stake in BSH is mostly tax-free; in addition, positive effects from the completion of tax audits in Germany and the United States

Income from discontinued operations, net of income taxes

- Gains from the disposal of the hearing aid and hospital information businesses totaling €1.7 billion and €0.2 billion, respectively

Net income, Basic earnings per share, ROCE

- Higher percentage increase in basic earnings per share than for Net income, due to share buybacks which reduced number of average shares outstanding; substantial benefit from disposal gains
- Despite a significant increase in average capital employed, ROCE rose due mainly to the substantial disposal gains

C.2.2 Financial position

Cash flows

(in millions of €)	Q1 - Q3 FY 2015 Continuing operations	Discontinued operations	Continuing and discontinued operations
Cash flows from:			
Operating activities	1,783	(253)	1,530
Investing activities	(7,767)	2,898	(4,869)
therein: Additions to intangible assets and property, plant and equipment	*(1,190)*	*(40)*	*(1,231)*
Free cash flow	593	*(293)*	300
Financing activities	3,261	5	3,266

Cash flows from operating activities

- Conversion of income from continuing operations of €4.3 billion into cash held back by outflows of €3.1 billion for a build-up of operating net working capital
- Within this build-up of operating net working capital, the main factor was increased inventories in all industrial businesses, particularly Power and Gas, Wind Power and Renewables as well as Mobility
- Cash outflows from discontinued operations related primarily to the metals technologies business contributed into a joint venture with Mitsubishi-Hitachi Metals Machinery Inc.

Cash flows from investing activities

- Cash outflows of €8.2 billion for acquisitions of businesses, net of cash acquired, included payments totaling €6.8 billion related to the acquisition of Dresser-Rand and €1.3 billion related to the acquisition of Rolls-Royce
- Cash inflows of €3.3 billion for disposal of investments, intangibles and property, plant and equipment included €2.8 billion from the sale of Siemens' stake in BSH
- Cash outflows of €1.3 billion for increase in receivables from financing activities related to a net increase in business volume at SFS
- Cash inflows from discontinued operations included €1.9 billion from the sale of the hearing aid business and €1.2 billion from the sale of the hospital information business

Cash flows from financing activities

- Cash inflows of €7.1 billion for issuance of US$7.75 billion long-term bonds and €1.6 billion from the change in short-term debt and other financing activities mainly due to issuance of US$-commercial paper
- Cash outflows of €2.8 billion for dividends paid and €1.8 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 €)	Jun 30, 2015	Sep 30, 2014	% Change
Current assets	51,057	48,076	6%
therein: total liquidity	*9,336*	*8,938*	*4%*
Non-current assets	70,574	56,803	24%
Total assets	**121,631**	**104,879**	**16%**
Current liabilities	39,816	36,598	9%
Non-current liabilities	46,542	36,767	27%
Equity	35,273	31,514	12%
Total liabilities and equity	**121,631**	**104,879**	**16%**

Net assets position strongly influenced by weaker euro

Current assets

- Acquisition of Dresser-Rand and Rolls-Royce resulted in an increase mainly in Trade and other receivables and in Inventories; large build-up of Inventories in Power and Gas, Wind Power and Renewables as well as in Energy Management
- Decrease in Assets classified as held for disposal due to the derecognition of assets resulting from contribution of the metals technologies business into the Primetals Technologies Ltd. joint venture, and from the sale of Siemens' stake in BSH and the hospital information and microbiology businesses

Non-current assets

- Acquisition of Dresser-Rand and Rolls-Royce resulted in an increase mainly in Goodwill and Other intangible assets
- Investments accounted for using the equity method includes Siemens' share in Primetals Technologies Ltd.
- Increase in Other financial assets related mainly to financing activities of SFS

Current liabilities

- Issuance of commercial paper increased Short-term debt and current maturities of long-term debt
- Increase in Other current liabilities mainly driven by higher billings in excess of costs and estimated earnings on uncompleted contracts and related advances, in part due to the acquisition of Rolls-Royce; the acquisition of Dresser-Rand also led to an increase
- Decrease in Liabilities associated with assets classified as held for disposal due to the derecognition of liabilities related to the metals technologies business mentioned above, and also to the sale of the hospital information 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 June 30, 2015: €9.5 billion (September 30, 2014: €9.1 billion); therein underfunding of pension plans as of June 30, 2015: €8.9 billion (September 30, 2014: €8.5 billion); weighted-average discount rate as of June 30, 2015: 2.9% (September 30, 2014: 3.0%)

Equity

- Increase related to Net income and Other comprehensive income, net of income taxes partly offset by dividend payments and share buybacks

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.

In this Annual Report we described changes in the oil price as a factor with an impact on the worldwide economy and thus to Siemens business. With the closing of the acquisition of Dresser-Rand we will be further exposed to the volatile development of the global oil and gas markets.

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 5 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. At present, no risks have been identified that either individually or in combination with other risks 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	Q3 FY 2015	Q3 FY 2014	Q1 - Q3 FY 2015	Q1 - Q3 FY 2014
Revenue		18,844	17,518	54,308	50,789
Cost of sales		(13,535)	(12,490)	(38,441)	(36,045)
Gross profit		5,309	5,028	15,867	14,744
Research and development expenses		(1,122)	(994)	(3,219)	(2,882)
Selling and general administrative expenses		(2,937)	(2,465)	(8,311)	(7,369)
Other operating income		109	125	321	568
Other operating expenses		(79)	(94)	(245)	(348)
Income (expenses) from investments accounted for using the equity method, net		(15)	76	1,361	425
Interest income		330	269	936	780
Interest expenses		(211)	(198)	(572)	(569)
Other financial income (expenses), net		181	61	(465)	(51)
Income from continuing operations before income taxes		**1,566**	**1,808**	**5,673**	**5,299**
Income tax expenses		(321)	(463)	(1,325)	(1,475)
Income from continuing operations		**1,245**	**1,345**	**4,347**	**3,824**
Income from discontinued operations, net of income taxes	2	131	54	2,032	185
Net income		**1,376**	**1,399**	**6,379**	**4,009**
Attributable to:					
Non-controlling interests		18	28	56	82
Shareholders of Siemens AG		1,357	1,371	6,323	3,927
Basic earnings per share					
Income from continuing operations		1.49	1.56	5.19	4.43
Income from discontinued operations		0.16	0.06	2.46	0.22
Net income		**1.65**	**1.62**	**7.65**	**4.65**
Diluted earnings per share					
Income from continuing operations		1.47	1.54	5.13	4.39
Income from discontinued operations		0.16	0.06	2.43	0.22
Net income		**1.63**	**1.61**	**7.56**	**4.60**

D.2 Consolidated Statements of Comprehensive Income

(in millions of €)	Q3 FY 2015	Q3 FY 2014	Q1 - Q3 FY 2015	Q1 - Q3 FY 2014
Net income	1,376	1,399	6,379	4,009
Remeasurements of defined benefit plans	1,295	(650)	(194)	(881)
therein: Income tax effects	*(866)*	*261*	*4*	*368*
Items that will not be reclassified to profit or loss	**1,295**	**(650)**	**(194)**	**(881)**
therein: Income (expenses) from investments accounted for using the equity method, net	*(29)*	*(20)*	*(49)*	*(12)*
Currency translation differences	(512)	301	1,862	(209)
Available-for-sale financial assets	(16)	(225)	330	99
therein: Income tax effects	*(3)*	*2*	*(17)*	*(5)*
Derivative financial instruments	142	(113)	(151)	(137)
therein: Income tax effects	*(54)*	*26*	*52*	*32*
Items that may be reclassified subsequently to profit or loss	**(385)**	**(36)**	**2,042**	**(247)**
therein: Income (expenses) from investments accounted for using the equity method, net	*123*	*(31)*	*190*	*(111)*
Other comprehensive income, net of income taxes	**910**	**(686)**	**1,848**	**(1,129)**
Total comprehensive income	**2,286**	**712**	**8,227**	**2,880**
Attributable to:				
Non-controlling interests	(3)	30	103	85
Shareholders of Siemens AG	2,288	682	8,123	2,795

D.3 Consolidated Statements of Financial Position

(in millions of €)	Note	Jun 30, 2015	Sep 30, 2014
Assets			
Cash and cash equivalents		8,206	8,013
Available-for-sale financial assets		1,131	925
Trade and other receivables		16,423	14,526
Other current financial assets		4,487	3,710
Inventories		18,521	15,100
Current income tax assets		734	577
Other current assets		1,326	1,290
Assets classified as held for disposal	2	228	3,935
Total current assets		**51,057**	**48,076**
Goodwill		24,074	17,783
Other intangible assets		7,286	4,560
Property, plant and equipment		10,444	9,638
Investments accounted for using the equity method		3,160	2,127
Other financial assets		21,360	18,416
Deferred tax assets		3,115	3,334
Other assets		1,136	945
Total non-current assets		**70,574**	**56,803**
Total assets		**121,631**	**104,879**
Liabilities and equity			
Short-term debt and current maturities of long-term debt	3	4,225	1,620
Trade payables		7,340	7,594
Other current financial liabilities		2,153	1,717
Current provisions		4,236	4,354
Current income tax liabilities		1,846	1,762
Other current liabilities		19,853	17,954
Liabilities associated with assets classified as held for disposal	2	163	1,597
Total current liabilities		**39,816**	**36,598**
Long-term debt	3	26,860	19,326
Post-employment benefits		9,724	9,324
Deferred tax liabilities		743	552
Provisions		4,782	4,071
Other financial liabilities		2,164	1,620
Other liabilities		2,268	1,874
Total non-current liabilities		**46,542**	**36,767**
Total liabilities		**86,358**	**73,365**
Equity	4		
Issued capital		2,643	2,643
Capital reserve		5,606	5,525
Retained earnings		29,075	25,729
Other components of equity		2,798	803
Treasury shares, at cost		(5,423)	(3,747)
Total equity attributable to shareholders of Siemens AG		**34,699**	**30,954**
Non-controlling interests		574	560
Total equity		**35,273**	**31,514**
Total liabilities and equity		**121,631**	**104,879**

D.4 Consolidated Statements of Cash Flows

(in millions of €)	Q1 - Q3 FY 2015	FY 2014
Cash flows from operating activities		
Net income	6,379	4,009
Adjustments to reconcile net income to cash flows from operating activities - continuing operations		
Income from discontinued operations, net of income taxes	(2,032)	(185)
Amortization, depreciation and impairments	1,826	1,766
Income tax expenses	1,325	1,475
Interest (income) expenses, net	(364)	(211)
(Income) loss related to investing activities	(1,655)	(745)
Other non-cash (income) expenses	28	241
Change in operating net working capital		
Inventories	(1,905)	(1,008)
Trade and other receivables	(877)	(173)
Trade payables	(857)	(486)
Billings in excess of costs and estimated earnings on uncompleted contracts and related advances	542	320
Additions to assets leased to others in operating leases	(301)	(272)
Change in other assets and liabilities	128	(1,210)
Income taxes paid	(1,702)	(1,424)
Dividends received	402	239
Interest received	846	714
Cash flows from operating activities - continuing operations	**1,783**	**3,051**
Cash flows from operating activities - discontinued operations	(253)	(110)
Cash flows from operating activities - continuing and discontinued operations	**1,530**	**2,941**
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment	(1,190)	(1,134)
Acquisitions of businesses, net of cash acquired	(8,244)	1
Purchase of investments	(544)	(275)
Purchase of current available-for-sale financial assets	(566)	(390)
Change in receivables from financing activities	(1,313)	(1,682)
Disposal of investments, intangibles and property, plant and equipment	3,258	382
Disposal of businesses, net of cash disposed	465	95
Disposal of current available-for-sale financial assets	367	69
Cash flows from investing activities - continuing operations	**(7,767)**	**(2,934)**
Cash flows from investing activities - discontinued operations	2,898	357
Cash flows from investing activities - continuing and discontinued operations	**(4,869)**	**(2,577)**
Cash flows from financing activities		
Purchase of treasury shares	(1,848)	(419)
Other transactions with owners	14	(17)
Issuance of long-term debt	7,149	218
Repayment of long-term debt (including current maturities of long-term debt)	(349)	(1,033)
Change in short-term debt and other financing activities	1,563	3,044
Interest paid	(433)	(467)
Dividends paid to shareholders of Siemens AG	(2,728)	(2,533)
Dividends attributable to non-controlling interests	(108)	(101)
Cash flows from financing activities - continuing operations	**3,261**	**(1,309)**
Cash flows from financing activities - discontinued operations	5	(2)
Cash flows from financing activities - continuing and discontinued operations	**3,266**	**(1,311)**
Effect of changes in exchange rates on cash and cash equivalents	246	(55)
Change in cash and cash equivalents	173	(1,003)
Cash and cash equivalents at beginning of period	8,034	9,234
Cash and cash equivalents at end of period	8,207	8,231
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	1	20
Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)	**8,206**	**8,210**

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 shareholders 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	–	–	3,927	–	–	–	–	3,927	82	4,009
Other comprehensive income, net of income taxes	–	–	(882)	(212)	99	(137)	–	(1,132)	4	(1,129)
Dividends	–	–	(2,533)	–	–	–	–	(2,533)	(102)	(2,636)
Share-based payment	–	(33)	(21)	–	–	–	–	(54)	–	(54)
Purchase of treasury shares	–	–	–	–	–	–	(440)	(440)	–	(440)
Re-issuance of treasury shares	–	28	–	–	–	–	261	289	–	289
Transactions with non-controlling interests	–	–	(25)	–	–	–	–	(25)	(2)	(27)
Other changes in equity	–	–	(8)	–	–	–	–	(8)	3	(5)
Balance as of June 30, 2014	**2,643**	**5,479**	**23,122**	**(372)**	**527**	**(137)**	**(3,125)**	**28,136**	**497**	**28,633**
Balance as of October 1, 2014	2,643	5,525	25,729	745	373	(314)	(3,747)	30,954	560	31,514
Net income	–	–	6,323	–	–	–	–	6,323	56	6,379
Other comprehensive income, net of income taxes	–	–	(194)	1,814	330	(150)	–	1,801	47	1,848
Dividends	–	–	(2,728)	–	–	–	–	(2,728)	(117)	(2,844)
Share-based payment	–	59	(40)	–	–	–	–	19	–	19
Purchase of treasury shares	–	–	–	–	–	–	(1,883)	(1,883)	–	(1,883)
Re-issuance of treasury shares	–	21	–	–	–	–	208	229	–	229
Transactions with non-controlling interests	–	–	(4)	–	–	–	–	(4)	7	3
Other changes in equity	–	–	(11)	–	–	–	–	(11)	20	9
Balance as of June 30, 2015	**2,643**	**5,606**	**29,075**	**2,559**	**703**	**(464)**	**(5,423)**	**34,699**	**574**	**35,273**

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 June 30, 2015 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 July 29, 2015.

NOTE 2 Acquisitions, dispositions and discontinued operations

Acquisitions

In June 2015, Siemens acquired all shares of Dresser-Rand Group Inc., Houston, Texas (U.S.) and Paris (France), a world-leading supplier for the oil and gas industry and for distributed power generation. With Dresser-Rand on board, Siemens has a comprehensive portfolio of equipment and capability for the oil and gas industry and a much expanded installed base, allowing Siemens to address the needs of the market with world-class products, solutions and services. The acquired business will be integrated in the Division Power and Gas. The purchase price amounts to US$6.7 billion (€6.0 billion as of the acquisition date) paid in cash. It comprises US$6.6 billion (€5.9 billion as of the acquisition date) for all outstanding shares and US$0.1 billion (€0.1 billion as of the acquisition date) to settle the outstanding equity-based compensation programs. Siemens assumed cash amounting to US$0.2 billion (€0.2 billion as of the acquisition date). Further, Siemens settled outstanding financial debt of US$1.1 billion (€1.0 billion as of the acquisition date). The following figures result from the preliminary purchase price allocation as of the acquisition date: Other intangible assets €2.0 billion, Property, plant and equipment €0.6 billion, Trade and other receivables €0.4 billion, Inventories €0.4 billion, Other assets €0.2 billion, Deferred tax assets €0.2 billion, Liabilities €1.0 billion, Outstanding debt to be redeemed €1.0 billion and Deferred tax liabilities €0.7 billion. Intangible assets mainly relate to technology of €0.7 billion, customer-related intangible assets of €1.0 billion and trademarks of €0.3 billion. Preliminary goodwill of €4.7 billion comprises intangible assets that are not separable such as employee know-how and expected synergy effects.

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 contractually agreed purchase price amounts to £785 million (€990 million as of the acquisition date). That amount was subject to post-closing adjustments amounting to £29 million (€37 million as of the acquisition date). The purchase price was paid in cash. 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: Other intangible assets €766 million, Property, plant and equipment €142 million, Trade and other receivables €246 million, Inventories €501 million, Provisions €235 million, Trade payables €312 million and Other current liabilities €196 million. Other intangible assets mainly relate to acquired technology including licences and similar rights of €473 million and customer-related intangible assets of €281 million. Preliminary goodwill of €377 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 €496 million and a net income of €(5) million to Siemens for the period from acquisition to June 30, 2015. If the acquired business had been included as of October 1, 2014, the impact on consolidated revenues and consolidated net income for the nine months ended June 30, 2015 would have been €711 million and €(23) million, respectively.

Dispositions and discontinued operations

Dispositions not qualifying for discontinued operations – closed transactions

In January 2015, Siemens completed the sale of its 50% stake in the joint venture BSH Bosch und Siemens Hausgeräte GmbH (BSH) to Robert Bosch GmbH. As of the closing date, Siemens derecognized the equity investment and recognized a pretax gain on disposal of €1.4 billion in the nine months ended June 30, 2015.

In January 2015, Siemens completed the sale of its microbiology business to Beckman Coulter Inc., a subsidiary of Danaher Corporation. As of the closing date, assets and liabilities amounting to €345 million and €13 million, respectively, were derecognized. Healthcare recognized a pretax gain on disposal of €63 million in the nine months ended June 30, 2015.

Discontinued operations – closed transactions

In January 2015, Siemens completed the sale of its hearing aid business – presented as held for disposal and discontinued operations since Q1 2015 – 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 sold entities will also be allowed to continue using the Siemens product brand for the hearing aid business over the medium term. As of the closing date, assets and liabilities amounting to €624 million and €304 million, respectively, were derecognized. Siemens recognized a pretax gain on disposal of €1.7 billion in the nine months ended June 30, 2015.

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 Ltd.). As of the closing date, assets and liabilities amounting to €1,709 million and €1,170 million, respectively, were derecognized. Siemens initially recognized the new investment in Primetals Technologies Ltd. at fair value.

In February 2015, Siemens completed the sale of its hospital information business to Cerner Corp. As of the closing date, assets and liabilities amounting to €814 million and €210 million, respectively, were derecognized. Siemens recognized a pretax gain on disposal of €481 million in the nine months ended June 30, 2015.

NOTE 3 Debt and contingencies

Debt

(in millions of €)	Current debt Jun 30, 2015	Current debt Sep 30, 2014	Non-current debt Jun 30, 2015	Non-current debt Sep 30, 2014
Notes and bonds	462	–	25,589	18,165
Loans from banks	413	773	1,099	968
Other financial indebtedness	3,305	825	63	60
Obligations under finance leases	45	23	109	134
Total debt	**4,225**	**1,620**	**26,860**	**19,326**

In the nine months ended June 30, 2015, the two bilateral US$500 million floating and drawn term loan facilities (in aggregate €894 million as of June 30, 2015) have been extended by one year until March 26, 2020 with no more extension option remaining. The €4.0 billion syndicated loan facility has been extended by one year until June 26, 2020 with one extension option remaining. On June 12, 2015 Siemens redeemed a €333 million assignable loan.

In May 2015, Siemens issued instruments totaling US$7.75 billion (€6.93 billion as of June 30, 2015) in six tranches: (1) US$500 million floating rate instruments (3 months USD London Interbank Offered Rate + 0.28%) due May 2018, (2) US$1.25 billion 1.450% fixed rate instruments due May 2018, (3) US$1.0 billion 2.150% fixed rate instruments due May 2020, (4) US$1.75 billion 2.900% fixed rate instruments due May 2022, (5) US$1.5 billion 3.250% fixed rate instruments due May 2025, (6) US$1.75 billion 4.400% fixed rate instruments due May 2045.

As of June 30, 2015, US$3.6 billion (€3.2 billion) in commercial paper were outstanding, as of September 30, 2014, US$1.0 billion (€795 million) were outstanding.

Contingencies

Contingencies increased due to total changes in guarantees of third-party performance, Herkules obligations and indemnifications issued in connection with dispositions of businesses. This resulted in the Company accruing €399 million in the nine months ended June 30, 2015.

NOTE 4 Shareholders' equity

In the nine months ended June 30, 2015, Siemens repurchased 20,322,010 treasury shares at average costs per share of €92.67. Siemens transferred a total of 2,492,975 and 3,358,716 of treasury stock, respectively, in connection with share-based payments in the nine months ended June 30, 2015 and 2014.

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. Additionally, Conditional Capital 2015 was authorized, serving the issuance of bonds of up to €15 billion until January 26, 2020, 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 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. In March 2015, the Republic of Iraq filed a petition for U.S. Supreme Court review, which was denied in June 2015.

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. As previously reported, in May 2014 the Public Affairs Office (Ministério Público) São Paulo initiated a lawsuit against Siemens Ltda. as well as other companies and several individuals claiming, inter alia, damages in an amount of BRL2.5 billion (approximately €720 million as of June 2015) plus adjustments to inflation and related interest in relation to train refurbishment contracts entered into between 2008 and 2011. A technical note issued by the Brazilian cartel authority CADE earlier in calendar year 2014 had not identified evidence suggesting Siemens Ltda.'s involvement in anticompetitive conduct in relation to these refurbishment contracts. 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. In March 2015, the district court of São Paulo admitted a lawsuit of the Public Affairs Office (Ministério Público) São Paulo against Siemens Ltda. and other companies claiming, inter alia, damages in an amount of BRL487 million (approximately €140 million as of June 2015) plus adjustments to inflation and related interest in relation to train maintenance contracts entered into in 2000 and 2002. 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.

As previously reported, in August 2013, a Brazilian Appellate Court upheld a decision to suspend Siemens Ltda., Brazil, from participating in public tenders and signing contracts with public administrations in Brazil for a five year term, based on alleged irregularities in calendar 1999 and 2004 public tenders with the Brazilian Postal Authorities. Siemens Ltda., Brazil, has further appealed the decision. The appeal was rejected beginning of June 2015. Mid of June 2015, Siemens Ltda., Brazil, introduced another remedy to the Supreme Court. A parallel petition that enforcement of the debarment decision should be suspended was successful.

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 6 Financial instruments

In the nine months ended June 30, 2015, increasing share prices resulted in higher fair values of Available-for-sale equity instruments; the weakening of the euro impacted the fair value of derivative financial instruments and of foreign currency denominated financial assets and liabilities.

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

		Jun 30, 2015		Sep 30, 2014
(in millions of €)	Fair value	Carrying amount	Fair Value	Carrying amount
Notes and bonds	26,615	26,051	18,787	18,165
Loans from banks, other financial indebtedness and finance leases	5,065	5,034	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:

				Jun 30, 2015
(in millions of €)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value, thereof:	**1,959**	**4,263**	**371**	**6,593**
Available-for-sale financial assets: equity instruments	*1,959*	-	*322*	*2,282*
Available-for-sale financial assets: debt instruments	-	*1,081*	*4*	*1,085*
Derivative financial instruments	-	*3,181*	*45*	*3,226*
Financial liabilities measured at fair value – Derivative financial instruments	-	**2,247**	-	**2,247**

(in millions of €)	Level 1	Level 2	Level 3	Sep 30, 2014 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 7 Segment information

(in millions of €)	Orders[1] Q1 - Q3 FY 2015	Orders[1] Q1 - Q3 FY 2014	External revenue Q1 - Q3 FY 2015	External revenue Q1 - Q3 FY 2014	Intersegment Revenue Q1 - Q3 FY 2015	Intersegment Revenue Q1 - Q3 FY 2014	Total revenue Q1 - Q3 FY 2015	Total revenue Q1 - Q3 FY 2014	Profit Q1 - Q3 FY 2015	Profit Q1 - Q3 FY 2014	Assets Jun 30, 2015	Assets Sep 30, 2014	Free cash flow Q1 - Q3 FY 2015	Free cash flow Q1 - Q3 FY 2014	Additions to intangible assets and property, plant & equipment Q1 - Q3 FY 2015	Additions to intangible assets and property, plant & equipment Q1 - Q3 FY 2014	Amortization, depreciation & impairments Q1 - Q3 FY 2015	Amortization, depreciation & impairments Q1 - Q3 FY 2014
Power and Gas	10,391	10,260	9,068	9,015	75	44	9,144	9,059	1,006	1,672	9,739	(275)	188	801	114	129	216	174
Wind Power and Renewables	3,420	5,949	4,154	3,929	2	2	4,156	3,931	88	66	277	(146)	(341)	(4)	75	91	96	104
Energy Management	9,666	8,479	8,030	7,173	419	415	8,449	7,588	311	(211)	4,856	3,986	(377)	(350)	124	112	163	153
Building Technologies	4,437	4,023	4,231	3,946	89	79	4,320	4,025	331	321	1,389	1,250	298	329	36	31	64	59
Mobility	7,875	6,546	5,495	5,128	16	11	5,511	5,140	417	408	2,412	2,102	26	(161)	88	41	93	87
Digital Factory	7,495	6,923	6,632	6,097	670	578	7,302	6,676	1,254	1,199	5,010	4,652	1,250	896	118	132	203	261
Process Industries and Drives	7,016	7,745	5,844	5,642	1,322	1,287	7,166	6,929	406	540	2,359	2,169	263	399	99	76	180	157
Healthcare	9,526	8,536	9,283	8,312	26	24	9,309	8,336	1,488	1,454	11,498	10,822	1,189	1,211	239	194	403	395
Industrial Business	**59,826**	**58,462**	**52,738**	**49,242**	**2,618**	**2,441**	**55,356**	**51,683**	**5,301**	**5,448**	**37,539**	**24,559**	**2,496**	**3,121**	**891**	**806**	**1,419**	**1,390**
Financial Services (SFS)	788	706	645	566	143	140	788	706	456	345	24,951	21,970	710	413	10	26	163	146
Reconciliation to Consolidated Financial Statements	(1,990)	(2,060)	925	981	(2,761)	(2,581)	(1,836)	(1,600)	(85)	(495)	59,140	58,351	(2,613)	(1,616)	289	302	244	229
Siemens (continuing operations)	**58,624**	**57,108**	**54,308**	**50,789**	**–**	**–**	**54,308**	**50,789**	**5,673**	**5,299**	**121,631**	**104,879**	**593**	**1,917**	**1,190**	**1,134**	**1,826**	**1,766**

[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 - Q3	
(in millions of €)	FY 2015	FY 2014
Centrally managed portfolio activities	1,056	196
Siemens Real Estate	196	216
Corporate items	(342)	(169)
Centrally carried pension expense	(334)	(297)
Amortization of intangible assets acquired in business combinations	(375)	(389)
Eliminations, Corporate Treasury, and other reconciling items	(286)	(52)
Reconciliation to Consolidated Financial Statements	**(85)**	**(495)**

In the nine months ended June 30, 2015, asset retirement obligations for environmental clean-up costs included in Centrally managed portfolio activities resulted in a loss of €196 million primarily due to a decrease in the discount rate and a gain of €61 million from related interest rate swaps not designated in a hedging relationship, both reported in Other financial income (expenses), net, as well as a gain of €260 million reported in Cost of sales which is attributable to a reduced assumed inflation rate.

In January 2015, Siemens committed itself to provide additional funding of €293 million to Unify Holdings B.V. disclosed in Centrally managed portfolio activities. Part of the funding was paid out to Unify in the nine months ended June 30, 2015. As a consequence of the commitment, Siemens recognized prior and current periods' proportionate losses of €249 million in Income from investments accounted for using the equity method, net, in the nine months ended June 30, 2015.

Assets

(in millions of €)	Jun 30, 2015	Sep 30, 2014
Assets Centrally managed portfolio activities	1,418	2,116
Assets Siemens Real Estate	4,760	4,696
Assets Corporate items and pensions	(1,908)	(1,779)
Asset-based adjustments:		
Intragroup financing receivables and investments	42,479	42,129
Tax-related assets	3,719	3,781
Liability-based adjustments	41,550	37,779
Eliminations, Corporate Treasury, other items	(32,878)	(30,372)
Reconciliation to Consolidated Financial Statements	**59,140**	**58,351**

NOTE 8 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 - Q3		Q1 - Q3	
(in millions of €)	FY 2015	FY 2014	FY 2015	FY 2014
Joint ventures	184	254	17	7
Associates	476	524	138	135
	660	**778**	**156**	**142**

	Receivables		Liabilities	
(in millions of €)	Jun 30, 2015	Sep 30, 2014	Jun 30, 2015	Sep 30, 2014
Joint ventures	89	198	138	72
Associates	163	82	672	255
	252	**280**	**811**	**327**

As of June 30, 2015 and September 30, 2014, guarantees to joint ventures and associates amounted to €3,092 million and €2,904 million, respectively, including the HERKULES obligations of €1,090 million and €1,490 million, respectively.

NOTE 9 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 is the Board-level partner for the separately managed Healthcare business and kept his responsibilities for the regions CIS and Middle East and as Chief Technology Officer. Hermann Requardt resigned from the Managing Board and serves as advisor. All changes became effective 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 June 30, 2015 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, July 29, 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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