

**Siemens Immobilien Chemnitz-
Voerde GmbH**
(renamed: Flender GmbH)

Annual Financial Statements
as of September 30, 2016

Annual Financial Statements
of Siemens Immobilien Chemnitz-Voerde GmbH
Grünwald

as of September 30, 2016

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A. Annual Financial Statements

A.1 Statement of income

| For the period from October 1, 2015 to September 30, 2016

(in €)	Note	Fiscal year	
		2016	2015
Revenue	1	2,260,424.04	2,127,730.98
Cost of sales	2	-789,841.49	-857,759.60
Gross profit		1,470,582.55	1,269,971.38
General administrative expenses		-43,662.00	-48,857.99
Other operating income		1,250.00	1,250.00
Operating result		1,428,170.55	1,222,363.39
Other interest and similar income	3	-317.99	0.00
thereof from affiliated companies		(-317.99)	0.00
thereof negative interest from cash investment		(-317.99)	0.00
Interest and similar expenses	3	-259.51	-6,466.93
thereof to affiliated companies		(-259.51)	(-6,466.93)
hereof negative interest from borrowing		(2,000.79)	0.00
Result from ordinary activities		1,427,593.05	1,215,896.46
Income taxes	4	-337,189.00	-264,839.00
Net income		1,090,404.05	951,057.46
Appropriation of profits			
Net income		1,090,404.05	951,057.46
Unappropriated net income ⁽¹⁾		1,090,404.05	951,057.46

⁽¹⁾ thereof distributable: €1,090,404.05

A.2 Balance sheet

(in €)	Notes	September 30	
		2016	2015
Assets			
Fixed assets			
Property, plant and equipment			
Land, land rights and buildings, including buildings on third-party land		11,884,839.13	12,429,451.25
Advances to suppliers and construction in progress		270,300.00	0.00
		12,155,139.13	12,429,451.25
Financial assets			
Shares in affiliated companies		2,350.00	2,350.00
	5	12,157,489.13	12,431,801.25
Current assets			
Receivables and other assets			
Other assets		9,043.46	0.00
	6	9,043.46	0.00
Total assets		12,166,532.59	12,431,801.25
Liabilities and equity			
Equity			
Issued capital		25,000.00	25,000.00
Capital reserve		8,350,000.00	8,350,000.00
Unappropriated net income		1,090,404.05	951,057.46
	7	9,465,404.05	9,326,057.46
Provisions			
Provisions for taxes	8	637,329.47	314,336.00
Other provisions		913.50	0.00
		638,242.97	314,336.00
Liabilities			
Trade payables		48,429.45	90,000
Liabilities to affiliated companies		1,789,391.34	2,487,599.49
Other liabilities		12,965.68	1,394.60
thereof taxes		(0.00)	(1,394.60)
	9	1,850,786.47	2,578,994.09
Deferred income		32,586.10	37,413.70
Deferred tax liabilities	10	179,513.00	175,000.00
Total liabilities and equity		12,166,532.59	12,431,801.25

A.3 Notes

A.3.1 Basis of presentation of the financial statements of Siemens Immobilien Chemnitz-Voerde GmbH

The Annual Financial Statements of Siemens Immobilien Chemnitz-Voerde GmbH are prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Limited Liability Companies Act (GmbHG). The statements are reported in euros (€).

At the balance sheet date, Siemens Immobilien Chemnitz-Voerde GmbH meets the criteria for being classified as a small company in accordance with Section 267 (1) of the German Commercial Code (HGB).

A.3.2 Accounting policies

Proceeds from the leasing of commercial premises, granting of heritable building rights, and the provision of services are carried as **revenue**.

Negative interest from financial assets is carried as a deduction under **interest income**, while positive interest from financial liabilities is carried as a deduction under **interest expenses**.

The item **property, plant and equipment** is recognized at average costs or the lower current values. In principle, depreciation of property, plant and equipment is calculated using the straight-line method. The declining-balance method is used in certain cases. In such cases, a switch is made to the straight-line method as soon as it results in higher depreciation. Depreciation is calculated on a pro rata temporis basis in the year of addition.

Movable fixed assets that can be used independently and are subject to depreciation are expensed immediately if they cost up to €150. Additions that cost more than €150, but no more than €410, are recognized as assets and written off in full in the year of their addition.

Useful lives of property, plant and equipment

Factory and office buildings	40 years
Outdoor facilities	10 years

Financial assets: These are written down if the impairment in their value is expected to be permanent. This is the case if there are objective indications, in particular events or changes in circumstances, that point to a significant or lengthy impairment in their value.

The **other provisions** include all contingent liabilities. They are recognized at the settlement amount dictated by prudent business practice.

Liabilities are recognized at their settlement amount.

Deferred taxes: An excess of deferred tax liabilities is recognized on differences between the carrying amount in the financial accounts and in the tax accounts for assets, liabilities and prepaid expenses and deferred income and including eligible loss carryforwards and interest carryforwards, if a net tax burden in future fiscal years can be assumed. If deferred tax assets match the existing deferred tax liabilities, the latter are presented after netting off. If there is a net tax credit, the option to recognize it as an asset pursuant to Section 274 (1) No. 2 of the German Commercial Code (HGB) is not utilized.

Deferred taxes are measured on the basis of the applicable corporate tax rate and in accordance with the rates of assessment for trade tax.

Method of classification used in the financial statements: Siemens Immobilien Chemnitz-Voerde GmbH groups individual items in the statement of income and balance sheet if they contain an amount that is not material in providing a true and fair view of circumstances and if greater clarity in the presentation is achieved by grouping them. Siemens Immobilien Chemnitz-Voerde GmbH discloses these items separately in the notes. Value-added tax assets and value-added tax liabilities are netted off.

A.3.3 Disclosures on the statement of income

NUMBER 1 Revenue

The revenue of €2,260,424.04 (previous year: €2,127,730.98) is solely from proceeds from the leasing of commercial premises, granting of heritable building rights, and provision of services in connection with leasing.

NUMBER 2 Cost of sales

The cost of sales essentially comprises depreciation and amortization totaling €64,548.45 (previous year: €64,050.06), property taxes totaling €78,333.52 (previous year: €56,805.77) and costs of material used in connection with property management totaling €9,159.62 (previous year: €136,891.88).

NUMBER 3 Interest income, interest expenses

The interest income of €-317.99 (previous year: €0.00) is negative interest from cash investments.

The interest paid to affiliated companies totals €259.51 (previous year: €6,466.93) and is attributable to the interest expense from raising of liquid assets totaling €1,260.16 and interest income (negative interest) totaling €1,000.67.

NUMBER 4 Income taxes

The income taxes recognized comprise corporate tax plus solidarity surcharge and trade tax totaling €32,676.00 (previous year: €272,839.00), as well as deferred taxes totaling €4,513.00 (previous year: €8,000.00).

A.3.4 Disclosures on the balance sheet

NUMBER 5 Fixed assets

| Cost

	9/30/2015	Additions	Transfers	Retire- ments	9/30/2016	Accumulated depreciation/ amortization	Net value at 9/30/2016	Net value at 9/30/2015	Reversals of write-downs in the fiscal year	Depreciation/ amortization in the fiscal year
Property, plant and equipment (in €million)										
Land, land rights and buildings including buildings on third-party land	15.98	0.02	0.00	0.00	16.00	4.12	11.88	12.43	0.00	0.56
Advances to suppliers and construction in progress	0.00	0.27	0.00	0.00	0.27	0.00	0.27	0.00	0.00	0.00

Property, plant and equipment consists of an area comprising plots of land and buildings in Voerde. The construction in progress relates to the extension of a hall.

Financial assets (in € million)

Shares in affiliated companies	0.002	0.000	0.000	0.000	0.002	0.000	0.000	0.000	0.000	0.000
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The 94% stake in the limited liability capital of VR-LEASING IKANA GmbH & Co. Immobilien KG, Eschborn, is carried under the financial assets.

NUMBER 6 Receivables and other assets

(in €million)	Sept 30, 2016	of which due in more than 1 year	Sept 30, 2015	of which due in more than 1 year
Other assets	0.009	0.000	0.000	0.000
Receivables and other assets	0.009	0.000	0.000	0.000

An input tax claim against the tax office is carried under "Other assets".

NUMBER 7 Equity

The issued capital is €25,000.00 (previous year: €25,000.00). It is fully held by Siemens Aktiengesellschaft, Berlin and Munich.

The capital reserve of €8,350,000.00 is unchanged from the previous year.

NUMBER 8 Provisions for taxes

Provisions for taxes relate to corporate tax plus solidarity surcharge and trade tax for fiscal year 2016 totaling €605,515.00 (previous year: €72,839.00). The item also contains unpaid property tax totaling €1,814.47 (previous year: €1,497.00).

NUMBER 9 Liabilities

(in €)	of which due in		of which due in	
	Sept 30, 2016	up to 1 year	Sept 30, 2015	Up to 1 year
Trade payables	61,395.13	61,395.13	90,000.00	90,000.00
Liabilities to affiliated companies	1,789,391.34	1,789,391.34	2,487,599.49	2,487,599.49
Other liabilities	0.00	0.00	1,394.60	1,394.60
Liabilities	1,850,786.47	1,850,786.47	2,578,994.09	2,578,994.09

The trade payables relate to various small invoices that are payable in the next fiscal year.

The liabilities to affiliated companies relate to liabilities to the shareholder.

NUMBER 10 Deferred tax liabilities

The resultant deferred tax liabilities are attributable to different carrying amounts for fixed assets in the financial accounts and in the tax accounts. Deferred taxes were measured using a tax rate of 31%.

A.3.5 Other disclosures

NUMBER 11 Personnel expenses

The company does not have any employees of its own.

NUMBER 12 Proposal for the appropriation of profits

We propose to the shareholders' meeting that it distribute the unappropriated net income of €1,090,404.05 (previous year: €951,057.46) in full.

NUMBER 13 Members of management

Paul Erdmann, industrial manager (Industriekaufmann), Raubling
Uwe Heßeling, qualified engineer (Dipl. Ingenieur), Bad Soden

NUMBER 14 List of subsidiaries and associated companies

(in €)	Net income in €	Equity in €	Equity interest in %
VR-LEASING IKANA GmbH & Co. Immobilien KG, Eschborn	30,392.50	7,013.69	94

NUMBER 15 **Group affiliation**

The Annual Financial Statements of Siemens Immobilien Chemnitz-Voerde GmbH are included in the Consolidated Financial Statements of Siemens AG, Berlin and Munich. In accordance with Section 291 (1) of the German Commercial Code (HGB), Siemens Immobilien Chemnitz-Voerde GmbH is exempted from the obligation to prepare consolidated financial statements.

The Consolidated Financial Statements of Siemens AG are submitted to the electronic Federal Gazette for publication.

Grünwald, November 24, 2016

Siemens Immobilien Chemnitz-Voerde GmbH

Management

[signed]

[signed]

Paul Erdmann

Uwe Heßeling

