

**SIEMENS**

# Interim Report

Siemens Financieringsmaatschappij N.V.

October 1, 2015 – March 31, 2016

# Siemens Financieringsmaatschappij N.V.

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# Siemens Financieringsmaatschappij N.V.

## INTERIM MANAGEMENT REPORT

### Introduction

The Interim Report of Siemens Financieringsmaatschappij N.V. (the “Company” or “SFM”) has been prepared in accordance with Dutch law and IAS 34, Interim Financial Reporting, as adopted by the European Union (EU). The Condensed Interim Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. This Interim Report should be read in conjunction with our Annual Report for fiscal 2015, which includes a detailed analysis of our operations and activities. The Annual Report 2015 of the Company has been prepared in accordance with International Financial Reporting Standards, as adopted by the EU and with Part 9 of Book 2 of the Dutch Civil Code.

The digital version of this interim report and other information of Siemens Financieringsmaatschappij N.V. is available on the website: [www.siemens.com/sfm](http://www.siemens.com/sfm).

### Interim Management Report

#### General

Siemens Financieringsmaatschappij N.V. is registered in The Hague, Prinses Beatrixlaan 800, a public company, founded on September 14, 1977 under the laws of the Netherlands and acts under its legal and commercial name Siemens Financieringsmaatschappij N.V.

The Company acts as a finance company for the benefit of Siemens AG and Siemens AG Group companies (“Associated Companies”). The Company is a 100% subsidiary of Siemens AG Berlin / Munich.

The Company forms part of the capital markets section of the Siemens’ Division Financial Services (“SFS”) which is responsible for safeguarding the Siemens Group’s liquidity by establishing the necessary capital market instruments such as commercial paper, medium-term notes and long-term bonds.

#### Objectives

The objectives of the Company, in accordance to article 3 of the Articles of Association, are participating in, financing and managing companies, enterprises and other business undertakings, withdrawing and lending money and, in general conducting financial transactions, issuing securities and doing all such further actions and taking measures as are consequential or may be conducive thereto in the broadest sense.

#### Strategy

The Company is a funding party of the Associated Companies. Interest risks and foreign exchange risks are covered by mirror deals or hedging instruments. Credit risks over €2 million are covered by an agreement with Siemens AG. Funding is found by borrowing on the money and capital markets by issuing loans, bonds, notes and commercial paper. The Company has no participations.

# Siemens Financieringsmaatschappij N.V.

## INTERIM MANAGEMENT REPORT

The Company acts as part of the Siemens' Division Financial Services (SFS). Given its interrelatedness with Siemens AG, management refrains from commenting on the activity level and expected results for the near future.

### Risk management

Under responsibility of the Board of Directors, systems for internal control and for the management of risks within the Company were set up, in cooperation with Siemens AG, to identify and subsequently manage the credit, interest rate, foreign exchange rate and liquidity risks which could endanger the realization of the objectives of the Company. For a detailed description of the risks defined below, we refer to our Annual Report 2015.

#### Credit risk

The Company is exposed to credit risk in connection with its significant size of loans granted to the Associated Companies and its derivative instruments. Credit risk is defined as an unexpected loss in cash and earnings if the ultimate counterparty is unable to pay its obligations in due time. Valuation and collectability of these receivables and instruments depend upon the financial position and creditworthiness of the companies involved and of Siemens AG as a whole. Receivables from Associated Companies are covered by a limited capital at risk agreement between Siemens AG and the Company mitigating the credit risk for the Company. The limited capital at risk agreement between the Company and Siemens AG reduces the risk of the Company to a maximum of €2 million.

#### Interest rate risk

The Company's interest rate risk exposure is mainly related to fixed-rate notes and bonds. It arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company seeks to mitigate such a risk either by lending onwards with the same structure to Associated Companies or by entering into interest rate derivative financial instruments such as interest rate swaps.

Under the interest rate swap agreements the Company agrees to pay a variable rate of interest multiplied by a notional principle amount, and receive in return an amount equal to a specified fixed rate of interest multiplied by the same notional principal amount.

The interest rate risk is covered by the limited capital at risk agreement between the Company and Siemens AG.

#### Exchange rate risk

Foreign exchange rate fluctuations may create unwanted and unpredictable earnings and cash flow volatility. In order to minimize exchange rate risks the Company seeks to lend and borrow in the same functional currency. Furthermore the Company uses cross currency swaps to limit foreign exchange risks. All such derivative financial instruments are recorded at fair value on the Statement of Financial Position and changes in fair values are charged to net income.

# Siemens Financieringsmaatschappij N.V.

## INTERIM MANAGEMENT REPORT

### **Liquidity risk**

Liquidity risk results from the Company's potential inability to meet its financial liabilities when they become due, at reasonable costs and in a timely manner. As the Company participates as potential issuer in different programs unconditionally and irrevocably guaranteed by Siemens AG this risk is considered to be low.

### **Business Review**

The Company participates as issuer in a €15.0 billion Program for the issuance of debt instruments (DIP) and in a \$9.0 billion Global Commercial Paper Program, both established by Siemens AG. Siemens AG unconditionally and irrevocably guarantees all debt securities of the Company.

During the six month period ended March 31, 2016, an instrument of \$500 million (€451.9 million) matured and was repaid.

### **Other items**

All personnel is employed by the regional company Siemens Nederland N.V.

During the six month period ended March 31, 2016, the Articles of Association were amended.

**Siemens Financieringsmaatschappij N.V.**  
CONDENSED INTERIM FINANCIAL STATEMENTS

## Condensed Interim Financial Statements

### Statement of Comprehensive Income (unaudited)

(in millions of €)	<b>Six months ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
Interest income	272.3	169.1
Interest expenses	(270.0)	(165.8)
<b>Net interest income (expenses)</b>	<b>2.3</b>	<b>3.3</b>
Fair value changes of financial instruments	20.1	(306.1)
Non-trading foreign exchange results	(19.8)	297.1
<b>Net operating income (loss)</b>	<b>2.6</b>	<b>(5.7)</b>
Other general expenses	(0.2)	(0.3)
<b>Profit (loss) before tax</b>	<b>2.4</b>	<b>(6.0)</b>
Income tax revenues (expenses)	(0.6)	1.6
<b>Profit (loss) after tax</b>	<b>1.8</b>	<b>(4.4)</b>
Other comprehensive income (expenses)	-	-
Income tax relating to components of other comprehensive income (expenses)	-	-
<b>Total other comprehensive income (expenses) after tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) for the period attributable to equity holders</b>	<b>1.8</b>	<b>(4.4)</b>

**Siemens Financieringsmaatschappij N.V.**  
CONDENSED INTERIM FINANCIAL STATEMENTS

**Statement of Financial Position (unaudited)**

<b>ASSETS</b> (in millions of €)	<b>March 31, 2016</b>	<b>Sept. 30, 2015</b>
Cash and cash equivalents	9.0	15.5
Receivables from Associated Companies	26,265.8	27,144.1
Tax receivables	0.9	-
Derivative financial instruments	953.4	1,045.5
Other financial assets	180.8	156.0
<b>Total assets</b>	<b>27,409.9</b>	<b>28,361.1</b>

<b>LIABILITIES AND EQUITY</b> (in millions of €)	<b>March 31, 2016</b>	<b>Sept. 30, 2015</b>
<b>Liabilities</b>		
Liabilities to Associated Companies	883.4	893.7
Debt	26,043.3	26,975.2
Derivative financial instruments	104.8	132.1
Tax liabilities	1.0	0.1
Deferred tax liabilities	6.1	6.5
Other liabilities	293.2	277.2
<b>Total liabilities</b>	<b>27,331.8</b>	<b>28,284.8</b>
<b>Equity attributable to equity holders</b>		
Issued and paid in share capital	10.3	10.3
Share premium reserve	1.5	1.5
Retained earnings	64.5	79.3
Undistributed profit (loss)	1.8	(14.8)
<b>Total equity attributable to equity holders</b>	<b>78.1</b>	<b>76.3</b>
<b>Total liabilities and equity</b>	<b>27,409.9</b>	<b>28,361.1</b>

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**Statement of Cash Flows (unaudited)**

(in millions of €)	<b>Six months ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
Profit (loss) before tax	2.4	(6.0)
Adjustments for non-cash income/ expenses		
Amortization (dis)agio	15.8	14.2
Amortization transaction cost	4.8	3.2
Non-trading foreign exchange results	19.8	(297.1)
Fair value change of debt in a hedging relationship	(102.1)	103.1
Change in derivative financial instruments	40.0	19.9
Change in interest accrual receivables	(81.9)	(14.8)
Other movements from operations		
Change in other liabilities	16.0	43.2
Net cash flows from receivables	541.9	(3,216.7)
Net cash flows from liabilities to Associated Companies	(10.2)	149.8
Transaction cost paid	-	-
Income taxes received (paid)	(1.1)	(1.6)
<b>Net cash (used in) provided by operating activities</b>	<b>445.4</b>	<b>(3,202.8)</b>
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>-</b>
Proceeds from issuance of debt	-	-
Redemption of debt	(451.9)	-
Dividends paid	-	(4.7)
<b>Net cash (used in) provided by financing activities</b>	<b>(451.9)</b>	<b>(4.7)</b>
Net change in cash and cash equivalents	(6.5)	(3,207.5)
Cash and cash equivalents at beginning of year	15.5	3,222.5
<b>Cash and cash equivalents at end of period</b>	<b>9.0</b>	<b>15.0</b>

Interest paid and received (in millions of €)	<b>Six months ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
Interest paid	(269.4)	(165.2)
Interest received	155.6	114.6
Interest related income received	35.1	39.6

**Siemens Financieringsmaatschappij N.V.**  
CONDENSED INTERIM FINANCIAL STATEMENTS

**Statement of Changes in Equity (unaudited)**

(in millions of €)	Issued and paid-in capital	Share premium reserve	Retained earnings	Undistributed profit (loss)	Total
Balance as at October 1, 2014	10.3	1.5	79.3	4.7	95.8
Appropriation of undistributed profit (loss)	-	-	-	-	-
Dividends	-	-	-	(4.7)	(4.7)
Total comprehensive income (loss) for the period ended March 31, 2015	-	-	-	(4.4)	(4.4)
<b>Balance as at March 31, 2015</b>	<b>10.3</b>	<b>1.5</b>	<b>79.3</b>	<b>(4.4)</b>	<b>86.7</b>

Balance as at October 1, 2015	10.3	1.5	79.3	(14.8)	76.3
Appropriation of undistributed profit (loss)	-	-	(14.8)	14.8	-
Dividends	-	-	-	-	-
Total comprehensive income (loss) for the period ended March 31, 2016	-	-	-	1.8	1.8
<b>Balance as at March 31, 2016</b>	<b>10.3</b>	<b>1.5</b>	<b>64.5</b>	<b>1.8</b>	<b>78.1</b>

# Siemens Financieringsmaatschappij N.V.

## NOTES to the CONDENSED INTERIM FINANCIAL STATEMENTS

### Notes to Condensed Interim Financial Statements

#### 1. Basis of presentation

##### Reporting entity

Siemens Financieringsmaatschappij N.V. is a company domiciled in the Netherlands. The address of the Company's registered office is Prinses Beatrixlaan 800, 2595 BN, The Hague, the Netherlands. The Company is registered in the Commercial Register on September 14, 1977, number 27092998. The Company has chosen Luxembourg as its home member state, pursuant to the law on transparency requirements for issuers of securities. The Company acts as a finance company for the benefit of Siemens AG and Siemens AG Group companies ("Associated Companies"). Since September 28, 1992, the Company is a 100% subsidiary of Siemens AG Berlin / Munich. The Company's financial statements are included in the Siemens AG consolidated financial statements.

The annual report of SFM for the period ending September 30, 2015 and this interim report as per March 31, 2016 are available at [www.siemens.com/sfm](http://www.siemens.com/sfm) and at request via Post Office Box 16068, 2500 BB, The Hague, the Netherlands.

##### Interim Financial Statements

These Interim Financial Statements are condensed and prepared in compliance with IAS 34, Interim Financial Reporting, as adopted by the European Union, and shall be read in conjunction with the Annual Report 2015 of the Company, which has been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

The published figures in these Condensed Interim Financial Statements are unaudited.

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.

The Condensed Interim Financial Statements were authorised for issue by the Board of Directors on May 9, 2016.

##### Significant accounting policies

The interim financial statements apply the same accounting principles and practices as those used in the 2015 annual financial statements.

# Siemens Financieringsmaatschappij N.V.

## NOTES to the CONDENSED INTERIM FINANCIAL STATEMENTS

### Adjustments and estimates

The preparation of the Interim Financial Statements in conformity with IFRS requires that the management makes adjustments and estimates and specifies the assumptions that influence the application of the accounting policies and the reported value of assets and liabilities, and of income and expenses. The actual results may deviate from these estimates.

Unless explained otherwise, the estimates made by the management in drawing up these Condensed Interim Financial Statements are similar to those used by drawing up the Annual Financial Statements 2015.

### 2. Debt

During the six month period ended March 31, 2016, an instrument of \$500 million (€451.9 million) matured and was repaid.

### 3. Income tax

Income tax expense is recognized based on management's best estimate of the effective income tax rate for the fiscal year.

### 4. Dividends

No dividends were paid during the six month period ended March 31, 2016.

**Siemens Financieringsmaatschappij N.V.**  
NOTES to the CONDENSED INTERIM FINANCIAL STATEMENTS

**5. Related parties**

During the first six months of this fiscal year, the Company lent the proceeds of issuances of notes and bonds to related parties only. The following table provides information regarding loans to, deposits from, interest related income and derivatives with related parties during the six months ended March 31, 2016 and 2015:

<b>Cash equivalents</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
(in millions of €)		
Siemens AG	9.0	15.0

<b>Receivables from Associated Companies</b>	<b>March 31, 2016</b>		<b>March 31, 2015</b>	
	<b>Interest income</b>	<b>Loans</b>	<b>Interest income</b>	<b>Loans</b>
(in millions of €)				
Dutch holding companies	0.0	286.0	0.6	431.3
Dutch treasury companies	29.2	7,077.7	29.2	6,617.3
Siemens AG	(0.3)	-	0.0	-
UK treasury / holding companies	0.7	107.4	1.9	301.6
USA treasury companies	207.7	18,681.1	97.8	13,577.0

<b>Liabilities to Associated Companies</b>	<b>March 31, 2016</b>		<b>March 31, 2015</b>	
	<b>Interest expenses</b>	<b>Deposits</b>	<b>Interest expenses</b>	<b>Deposits</b>
(in millions of €)				
Dutch treasury companies	3.1	883.4	2.2	945.3

<b>Interest related income</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
(in millions of €)		
Siemens AG	35.1	39.6

<b>Interest rate swaps with Associated Companies</b>	<b>March 31, 2016</b>		<b>March 31, 2015</b>	
	<b>Net interest</b>	<b>Fair value</b>	<b>Net interest</b>	<b>Fair value</b>
(in millions of €)				
Siemens AG	175.9	533.0	188.7	833.2

<b>Currency swaps with Associated Companies</b>	<b>March 31, 2016</b>		<b>March 31, 2015</b>	
	<b>Net interest</b>	<b>Fair value</b>	<b>Net interest</b>	<b>Fair value</b>
(in millions of €)				
Siemens AG	21.6	(92.0)	(294.3)	(202.1)

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 NOTES to the CONDENSED INTERIM FINANCIAL STATEMENTS

Geographic allocation of related parties:

<b>Receivables from Associated Companies</b>	<b>March 31, 2016</b>		<b>March 31, 2015</b>	
	<b>Interest income</b>	<b>Loans</b>	<b>Interest income</b>	<b>Loans</b>
<i>(in millions of €)</i>				
Netherlands	29.2	7,363.7	29.8	7,048.6
Germany	(0.3)	-	-	-
Great Britain	0.7	107.4	1.9	301.6
United States of America	207.7	18,681.1	97.8	13,577.0

<b>Liabilities to Associated Companies</b>	<b>March 31, 2016</b>		<b>March 31, 2015</b>	
	<b>Interest expenses</b>	<b>Deposits</b>	<b>Interest expenses</b>	<b>Deposits</b>
<i>(in millions of €)</i>				
Netherlands	3.1	883.4	2.2	945.3

**6. Financial instruments**

In the six months ended March 31, 2016, there were no changes in valuation techniques used and no transfers from one level of the fair value hierarchy to another level.

**7. Subsequent events**

Between March 31, 2016 and May 9, 2016 no events occurred that would have resulted in an adjustment to the book values of the Company.

# Siemens Financieringsmaatschappij N.V.

## RESPONSIBILITY STATEMENT

### Responsibility Statement

The interim report for the six months ended March 31, 2016, consists of the Interim Management Report, Condensed Interim Financial Statements, Notes to Condensed Interim Financial Statements and the Responsibility Statement by the Company's Board of Directors. The information in this interim report is unaudited.

The Board of Directors is responsible for preparing the Condensed Interim Financial Statements in accordance with Dutch law and IAS 34, Interim Financial Reporting, as adopted by the European Union.

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the Condensed Interim Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Siemens Financieringsmaatschappij N.V. and that the interim results release includes a fair review of the information required pursuant to section 5:25d, subsections 8 of the Dutch Act on Financial Supervision (Wet op het financieel toezicht) and as required by article 4 of the law and the Grand-ducal regulation of 11 January 2008 on transparency requirements for issuers of securities.

The Hague, May 9, 2016

G.J.J. van der Lubbe  
Chief Executive Officer

S. Galanzin  
Chief Financial Officer

