

Siemens Financieringsmaatschappij N.V.

# Interim Report 2012

October 2011 - March 2012

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# Siemens Financieringsmaatschappij N.V.

## Interim Report 2012

Covering the period October 1, 2011 – March 31, 2012

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# Siemens Financieringsmaatschappij N.V.

## Report of the Board of Directors

Herewith we present the half-yearly financial statements of Siemens Financieringsmaatschappij N.V. for the six months ending March 31, 2012.

### General

Siemens Financieringsmaatschappij N.V. ("the Company") 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 Siemens' Financial Services organization which is responsible for safeguarding the Siemens Group's liquidity by establishing the necessary capital market instruments such as commercial paper, medium-term notes, loans and long-term bonds.

### Objectives

The objectives of the Company, in accordance to article 2 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, giving 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. The needed funding is managed by borrowing from the money markets and capital markets mainly by issuing bonds, notes and commercial paper. The Company has no participations.

The Company will continue its activities as financing company of Associated Companies. 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 and foreign exchange rate risks which could endanger the realization of the objectives of the Company. Interest rate risks of borrowings and foreign exchange rate risks related to loans and receivables are hedged. If the Company lends to Associated Companies, the credit risk of these loans is in principle

# Siemens Financieringsmaatschappij N.V.

covered by an internal limited capital at risk agreement entered into between the Company and Siemens AG.

## **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. The Company participates as issuer in a EUR 15.0 billion Programme for the issuance of debt instruments (EMTN) and in a USD 9.0 billion global Commercial Paper Program, both established by Siemens AG. Siemens AG unconditionally and irrevocably guarantees all debt securities of the Company.

## **Business Review**

In the six months ended March 31, 2012, the Company issued USD bonds in an aggregate principal amount of USD 3.0 billion. In the six months ended March 31, 2012, the Company also issued USD 400 million in floating rate notes maturing on February 21, 2019.

In the six months ended March 31, 2012, the Company redeemed at face value the first tranche of the EUR 1.55 billion, 5.25% debt issuance program, two tranches of the assignable loans of EUR 370 million and EUR 283.5 million, the USD 500 million floating rate notes of the debt issuance program as well as USD 750 million in 5.5% notes.

In the six months ended March 31, 2012, the USD 5.0 billion syndicated multi-currency revolving credit facility expired. On April 5, 2012, the Company signed a EUR 4.0 billion syndicated multi-currency revolving credit facility, which has a tenor of five years with two one-year extension options, in which it participates as borrower.

## **Other items**

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

## **Management representation**

Management declares that, to the best of their knowledge, the financial statements prepared in accordance with the applicable standards of IFRS as adopted by the European Union give a true and fair view of the assets, liabilities, financial position and results of the Company. The management report includes a fair review of the development and performance of the business and the position of the Company.

The Hague, April 26, 2012

On behalf of the Board of Directors

G.J.J. van der Lubbe  
CEO

# Siemens Financieringsmaatschappij N.V.

## INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2012

(in millions of EUR, except where otherwise stated)

### Statement of Comprehensive Income (unaudited)

	Six months ended March 31,	
	2012	2011
Interest income	518.9	586.9
Interest expenses	(509.5)	(577.5)
<b>Net interest income</b>	<b>9.4</b>	<b>9.4</b>
Fair value changes of financial instruments	(44.3)	196.8
Non-trading foreign exchange results	32.5	(234.8)
<b>Net operating income</b>	<b>(2.4)</b>	<b>(28.6)</b>
Other general expenses	(0.2)	(0.1)
<b>Profit before tax</b>	<b>(2.6)</b>	<b>(28.7)</b>
Income tax expense	0.7	7.3
<b>Profit after tax</b>	<b>(1.9)</b>	<b>(21.4)</b>
Other comprehensive income	-	-
Income tax relating to components of other comprehensive income	-	-
<b>Total comprehensive other income after tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period attributable to equity holders</b>	<b>(1.9)</b>	<b>(21.4)</b>

# Siemens Financieringsmaatschappij N.V.

## INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2012

(in millions of EUR, except where otherwise stated)

### Statement of Financial Position (unaudited)

	March 31, 2012	Sept. 30, 2011
<b>ASSETS</b>		
Cash and cash equivalents	24.0	9.0
Receivables from Associated Companies	14,540.3	15,212.9
Tax receivables	0.7	0.1
Derivative financial instruments	1,594.3	1,597.7
Other financial assets	217.5	244.0
<b>Total assets</b>	<b>16,376.8</b>	<b>17,063.7</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Debt issued	15,839.0	16,499.7
Derivative financial instruments	174.5	160.4
Deferred tax liabilities	16.6	18.2
Other financial liabilities	261.3	298.1
<b>Total liabilities</b>	<b>16,291.4</b>	<b>16,976.4</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	75.5	78.0
Undistributed profit	(1.9)	(2.5)
<b>Total equity attributable to equity holders</b>	<b>85.4</b>	<b>87.3</b>
<b>Total liabilities and equity</b>	<b>16,376.8</b>	<b>17,063.7</b>

# Siemens Financieringsmaatschappij N.V.

## INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2012

(in millions of EUR, except where otherwise stated)

### Statement of Cash Flows (unaudited)

	<b>Six months ended</b>	
	<b>March 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>Cash flows from operating activities:</b>		
Profit before tax	(2.6)	(28.7)
Transaction cost	(7.2)	-
(Increase) decrease in receivables from Associated Companies	672.6	(143.8)
Increase (decrease) in liabilities to Associated Companies	-	299.1
Fair value change in derivative fin. instruments w/o hedging relationship	14.1	(109.4)
Increase (decrease) in other financial liabilities	(36.7)	45.4
Increase (decrease) in debt	54.1	(1,008.0)
Income taxes paid	(1.6)	(2.0)
<b>Net cash (used in) provided by operating activities</b>	<b>692.7</b>	<b>(947.4)</b>
<b>Cash flows from financing activities:</b>		
Fair value change in derivative fin. instruments designated as hedge instrument	29.9	820.7
Proceeds from issuance of long-term debt	2,454.8	151.2
Repayment of long-term debt	(3,162.4)	(18.9)
Proceeds from issuance of Commercial Paper	298.0	-
Repayment of Commercial Paper	(298.0)	-
Dividends paid	-	(6.0)
<b>Net cash (used in) provided by financing activities</b>	<b>(677.7)</b>	<b>947.0</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>15.0</b>	<b>(0.4)</b>
Cash and cash equivalents at beginning of year	9.0	10.7
<b>Cash and cash equivalents at end of period</b>	<b>24.0</b>	<b>10.3</b>
<b>Interest paid and received</b>		
	<b>Six months ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Interest paid	546.1	523.1
Interest received	415.7	413.4

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## INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2012

(in millions of EUR, except where otherwise stated)

### Statement of Changes in Equity (unaudited)

	Issued and paid-in capital	Share premium reserve	Retained earnings	Un- distributed profit	Total
Balance as at October 1, 2010	10.3	1.5	51.2	32.8	95.8
Appropriation of undistributed profit	-	-	26.8	(26.8)	-
Dividends	-	-	-	(6.0)	(6.0)
Total comprehensive income for the period ended March 31, 2011	-	-	-	(21.4)	(21.4)
Balance as at March 31, 2011	10.3	1.5	78.0	(21.4)	68.4
Balance as at October 1, 2011	10.3	1.5	78.0	(2.5)	87.3
Appropriation of undistributed profit	-	-	(2.5)	2.5	-
Dividends	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2012	-	-	-	(1.9)	(1.9)
<b>Balance as at March 31, 2012</b>	<b>10.3</b>	<b>1.5</b>	<b>75.5</b>	<b>(1.9)</b>	<b>85.4</b>



# Siemens Financieringsmaatschappij N.V.

NOTES to the INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2011

(in millions of EUR, except where otherwise stated)

## Notes to the half yearly Financial Statements

### 1. Basis of presentation

#### Reporting entity

Siemens Financieringsmaatschappij N.V. ("the Company" or "SFM") is a company domiciled in the Netherlands. The address of the Company's registered office is Prinses Beatrixlaan 800, 2595 BN, The Hague, Netherlands. The Company is registered in the Commercial Register at 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 annual report of SFM for the period ending September 30, 2011 and this half yearly Report as per March 2012 are available at [www.siemens.com/sfm](http://www.siemens.com/sfm) and at request via Post Office Box 16068, 2500 BB Den Haag.

### 2. Declaration of conformity

The half yearly accounts have been drawn up in accordance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. It does not contain all the information that is required for a full year financial report and needs to be read in combination with the annual accounts 2011 of the Company, which have been prepared in accordance with IFRS.

No segment information is included as the Company can not be divided into segments.

### 3. Principles applied in drawing up financial statements

The half yearly accounts have been drawn up in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and approved by the European Commission and the interpretations of these standards by the IASB. The principles applied in drawing up the half yearly accounts of the Company are similar to those applied by drawing up the annual accounts 2011 of the Company.

# Siemens Financieringsmaatschappij N.V.

NOTES to the INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2011

(in millions of EUR, except where otherwise stated)

## 4. Adjustments and estimates

The preparation of the half yearly accounts in conformity with IFRS requires that the management makes adjustments and estimates and should specify 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 the half yearly accounts are similar to those used by drawing up the annual accounts 2011.

## 5. Debt

In the six months ended March 31, 2012, the Company issued USD bonds in an aggregate principal amount of USD 3 billion. The bonds are composed of (1) nominal USD 1.5 billion, maturing on August 16, 2017 bearing interest of 1.05% per annum, and (2) nominal USD 1.5 billion, maturing on August 16, 2019 bearing interest of 1.65% per annum. Each of the USD 1.5 billion bonds were complemented with warrants issued by Siemens AG. The bonds are initially measured at fair value; subsequently at amortized costs using the effective interest method.

In the six months ended March 31, 2012, the Company also issued USD 400 million in floating rate notes maturing on February 21, 2019.

In the six months ended March 31, 2012, the Company redeemed at face value the first tranche of the EUR 1.55 billion, 5.25% debt issuance program, two tranches of the assignable loans of EUR 370 million and EUR 283.5 million, the USD 500 million floating rate notes of the debt issuance program as well as USD 750 million in 5.5% notes.

In the six months ended March 31, 2012, the USD 5.0 billion syndicated multi-currency revolving credit facility expired.

On April 5, 2012, the Company signed a EUR 4.0 billion syndicated multi-currency revolving credit facility, which has a tenor of five years with two one-year extension options, in which it participates as borrower.

## 6. Income taxes

Income tax expense is recognized based on management's best estimate of the effective income tax rate for the complete fiscal year. The estimated effective tax rate used for the year to September 30, 2012 is 25%.

## 7. Dividends

No dividends were paid in the first six months of the fiscal year.

# Siemens Financieringsmaatschappij N.V.

NOTES to the INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2011

(in millions of EUR, except where otherwise stated)

## 8. Commitments and contingencies

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

<b>Guarantees</b>	<b>March 31, 2012</b>	<b>Sept. 30, 2011</b>
Credit guarantees	1.2	22.0
Performance guarantees	-	0.2
<b>Total guarantees</b>	<b>1.2</b>	<b>22.2</b>

Credit guarantees cover certain financial obligations of the Associated Companies and of third parties in cases where the Company is the contractual partner. These guarantees generally provide that in the event of default or non-payment by the primary debtor, the Company will be required to settle such financial obligations. In addition, the Company provided credit guarantees generally as credit-line guarantees with variable utilization to the Associated Companies. The maximum amount of these guarantees is subject to the outstanding balance of the credit or, in case where a credit line is subject to variable utilization, the nominal amount of the credit line. These guarantees usually have terms of between one year and five years. Any of these guarantees are guaranteed either as covering financial obligations of the Associated Companies or by means of explicit counter guarantees in case of third party guarantees on request of an Associated Company. No significant liability has been recognized in connection with these guarantees.

As of August 1, 2008 the Company discontinued the issuance of new guarantees.

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NOTES to the INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2011

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## 9. Related party transactions

During the first 6 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 and deposits from related parties during the six months ended March 31, 2012 and 2011.

<b>Receivables from Associated Companies</b> (in millions of EUR)		<b>Interest received</b>	<b>Loans on March 31</b>
Dutch Holdings	2012	7.7	734.0
	2011	9.7	2,171.0
Dutch Treasury Companies	2012	20.2	5,093.4
	2011	15.2	4,215.0
UK Treasury Companies	2012	0	12.0
	2011	0.8	371,4
USA Treasury Companies	2012	32.2	8,686.4
	2011	26.4	10,219.1
<b>Liabilities to Associated Companies</b> (in millions of EUR)		<b>Interest paid</b>	<b>Deposits on March 31</b>
Dutch Treasury Companies	2012	0.1	-
	2011	0.1	-

## 10. Events after the balance sheet date

Between March 31, 2012 and April 26, 2012 no events occurred that would have resulted in an adjustment to the book values of the Company.

