

SIEMENS

Ingenuity for life

Munich, Germany, May 4, 2016

Earnings Release

Q2 FY 2016

January 1 to March 31, 2016

Continuing growth in orders, revenue and profitability

»We delivered another convincing performance in the second quarter, compared to both the prior year and our industry sector. Despite ongoing challenges in the market environment, we will continue to focus rigorously on profitable growth.« said Joe Kaeser, President and Chief Executive Officer of Siemens AG.

- Major orders in Egypt and the U.K. drive second-quarter orders up 7% year-over-year, to €22.3 billion; revenue 5% higher at €19.0 billion, for a book-to-bill ratio of 1.17
- Excluding currency translation effects, orders 10% higher and revenue up 7%
- Industrial Business profit climbs 28% year-over-year, to €2.1 billion, including significant margin expansion, with most industrial businesses contributing to the increase – profit margin Industrial Business at 10.9%
- Net income of €1.5 billion came in below the €3.9 billion in Q2 FY 2015 which included €3.0 billion in divestment gains from the sale of the hearing aid business and Siemens' stake in BSH Bosch und Siemens Hausgeräte GmbH (BSH); basic earnings per share (EPS) of €1.78 compared to €4.70 in Q2 FY 2015

Siemens

(in millions of €)	Q2		% Change	
	FY 2016	FY 2015	Actual	Comp.
Orders	22,294	20,754	7%	7%
Revenue	18,996	18,049	5%	5%
Profit				
Industrial Business	2,115	1,655	28%	
<i>therein: severance</i>	(87)	(98)		
Profit margin				
Industrial Business	10.9%	9.0%		
<i>excl. severance</i>	11.4%	9.6%		
Income from continuing operations	1,394	1,997	(30)%	
<i>therein: severance</i>	(106)	(140)		
Net income	1,480	3,908	(62)%	
Basic earnings per share (in €)	1.78	4.70	(62)%	
Free cash flow (continuing and discontinued operations)	812	(241)	n/a	
ROCE (continuing and discontinued operations)	14.9%	45.5%		

- Negative currency translation effects took two percentage points from both order and revenue development; portfolio effects added two percentage points to both order and revenue growth
- Large orders continued to drive order growth. Power and Gas with orders totaling €3.1 billion for power plants, including service, in Egypt; Wind Power and Renewables with a €1.2 billion order for an offshore wind-farm, including service, in the U.K.
- Industrial Business order backlog with new high at €115 billion
- Due to ending or easing of sanctions on Iran, Power and Gas was able to recognize revenue of €174 million and profit of €130 million which together added 2.8 percentage points to the Division's profit margin and 0.6 percentage points to Industrial Business profit margin
- Revenue increase driven by double-digit growth in Power and Gas and in Wind Power and Renewables
- Profit Industrial Business: strong improvement in Wind Power and Renewables, increases in the majority of the industrial businesses, particularly Power and Gas and Energy Management; weak demand in commodity-related industries continues to weigh on Process Industries and Drives
- Profit development benefited from currency hedging effects, most strongly in Healthcare and Process Industries and Drives
- Income from continuing operations included €226 million in profit from Financial Services; Q2 FY 2015 benefited from a gain of €1.4 billion from the sale of Siemens' stake in BSH, only partly offset by a loss of €0.2 billion related to Siemens' stake in Unify Holdings B.V. (Unify) and negative effects related to Corporate Treasury hedging instruments
- Net income: sale of remaining financial assets in hearing aid business resulted in a gain of €60 million within discontinued operations; Q2 FY 2015 included gains from the sale of the hearing aid (€1.6 billion) and hospital information (€0.2 billion) businesses within discontinued operations
- Increase in Free cash flow from Industrial Business, to €1.477 billion from €749 million in Q2 FY 2015, driven by Wind Power and Renewables, Mobility and Healthcare mainly due to positive effects from working capital management; Q2 FY 2015 was burdened by negative effects related to Corporate Treasury hedging activities
- ROCE of 14.9% due to strong Net income, even with substantial increase in average capital employed resulting from acquisition of Dresser-Rand between the periods under review; Q2 FY 2015 included the substantial divestment gains mentioned above
- Underfunding of Siemens' pension benefit plans as of March 31, 2016: €10.9 billion (December 31, 2015: €9.3 billion); increased due mainly to a lower discount rate assumption partly offset by a positive return on plan assets

Power and Gas

(in millions of €)	Q2		% Change	
	FY 2016	FY 2015	Actual	Comp.
Orders	6,188	3,108	99%	86%
Revenue	3,926	3,103	27%	15%
Profit	535	382	40%	
<i>therein: severance</i>	(33)	(57)		
<i>therein: integration costs Dresser-Rand</i>	(18)			
Profit margin	13.6%	12.3%		
<i>excl. severance and integration costs</i>	14.9%	14.1%		

- Sharply higher order intake driven by large orders totaling €3.1 billion for combined-cycle power plants, including service, in Egypt
- Higher revenue in the large gas turbine and steam turbine businesses, due mainly to the ramp-up for execution of orders from Egypt
- Portfolio effects added 16 percentage points to order and 13 percentage points to revenue growth
- Positive effects from revised estimates related to resumption of long-term construction and service contracts in Iran following the ending or easing of EU and U.S. sanctions: revenue increases totaling €174 million and profit increases totaling €130 million, which together added 2.8 percentage points to the Division's profit margin
- Continuing strong profit contribution from the service business
- Overcapacities and continuing challenges resulting in increased price pressure in most regional markets

Wind Power and Renewables

(in millions of €)	Q2		% Change	
	FY 2016	FY 2015	Actual	Comp.
Orders	2,140	1,410	52%	60%
Revenue	1,460	1,263	16%	18%
Profit	137	(44)	n/a	
<i>therein: severance</i>	(3)	(1)		
Profit margin	9.4%	(3.5)%		
<i>excl. severance</i>	9.6%	(3.4)%		

- Higher volume from large orders, including a €1.2 billion order for an offshore wind-farm, including service, in the U.K.
- Revenue up in all businesses due to strong conversion from the backlog
- Strong profitability includes lower production and installation costs, positive effects from project execution and completion, and a positive effect related to main bearings; loss in Q2 FY 2015 included burdens related to main bearings and ramp-up expenses for commercial-scale production of a new turbine offering

Energy Management

(in millions of €)	Q2		% Change	
	FY 2016	FY 2015	Actual	Comp.
Orders	2,985	3,100	(4)%	0%
Revenue	2,709	2,810	(4)%	(1)%
Profit	172	93	86%	
<i>therein: severance</i>	(13)	(3)		
Profit margin	6.3%	3.3%		
<i>excl. severance</i>	6.8%	3.4%		

- Order growth in the region comprising Europe, C.I.S., Africa, Middle East (Europe/CAME) and Asia, Australia; decline in the Americas compared to the prior-year period which included a large high-voltage direct current (HVDC) order for the solutions and transformer businesses
- Lower revenue contribution from the solutions business in Europe/CAME
- Continuing profitability improvements mainly in the solutions, transformer and high voltage products businesses; Q2 FY 2015 included a higher proportion of projects with low profit margins

Building Technologies

(in millions of €)	Q2		% Change	
	FY 2016	FY 2015	Actual	Comp.
Orders	1,460	1,464	0%	1%
Revenue	1,443	1,446	0%	1%
Profit	111	95	17%	
<i>therein: severance</i>	(3)	(3)		
Profit margin	7.7%	6.6%		
<i>excl. severance</i>	7.9%	6.8%		

- Order growth particularly in Germany, but weaker demand from China
- Higher revenue in the Americas, particularly within the product and service businesses, offset by a revenue decline in Europe/CAME
- Profit rises significantly on a larger share from the high-margin product and service businesses

Mobility

(in millions of €)	Q2		% Change	
	FY 2016	FY 2015	Actual	Comp.
Orders	1,825	3,782	(52)%	(50)%
Revenue	1,915	1,836	4%	6%
Profit	153	157	(3)%	
<i>therein: severance</i>	(3)	(3)		
Profit margin	8.0%	8.6%		
<i>excl. severance</i>	8.2%	8.7%		

- While the current period included a number of large contract wins in Europe/CAME, volume from large orders in the prior year was sharply higher, including a €1.7 billion order for regional trains and maintenance and an extension order worth €0.7 billion for high-speed trains and service
- Revenue increased as the Division successfully executes large projects from its high order backlog
- Profit near the prior-year level, which benefited from a net positive effect related to certain high-speed train projects

Digital Factory

(in millions of €)	Q2		% Change	
	FY 2016	FY 2015	Actual	Comp.
Orders	2,576	2,575	0%	1%
Revenue	2,400	2,426	(1)%	0%
Profit	363	343	6%	
<i>therein: severance</i>	(8)	(8)		
Profit margin	15.1%	14.1%		
<i>excl. severance</i>	15.5%	14.5%		

- Continued order and revenue growth in the product lifecycle management (PLM) software business compared to the prior-year period while the short-cycle businesses recorded market-driven declines
- Order and revenue growth in the U.S. more than offset by lower volume in China and Germany
- Profit rose due mainly to the factory automation business compared to a weak Q2 FY 2015
- After the end of the quarter, Digital Factory further strengthened and expanded its PLM software business by closing the acquisition of CD-adapco, a U.S.-based provider of simulation software; preliminary purchase price amounts to US\$970 million (€852 million)

Process Industries and Drives

(in millions of €)	Q2		% Change	
	FY 2016	FY 2015	Actual	Comp.
Orders	2,305	2,392	(4)%	(2)%
Revenue	2,145	2,244	(4)%	(3)%
Profit	89	103	(14)%	
<i>therein: severance</i>	(8)	(6)		
Profit margin	4.1%	4.6%		
<i>excl. severance</i>	4.5%	4.9%		

- Lower orders and revenue in the oil and gas and large drives businesses due to weak demand in commodity-related industries, only partly offset by growth in the wind power components business
- Volume development includes strong declines in Germany
- Ongoing operational challenges in the oil and gas and the large drives businesses, including overcapacities, take down profit, which benefited from currency hedging effects
- Planned capacity adjustments announced during the quarter are expected to burden profit particularly in the last quarter of fiscal 2016

Healthcare

(in millions of €)	Q2		% Change	
	FY 2016	FY 2015	Actual	Comp.
Orders	3,245	3,228	1%	2%
Revenue	3,319	3,212	3%	5%
Profit	555	526	5%	
<i>therein: severance</i>	(15)	(17)		
Profit margin	16.7%	16.4%		
<i>excl. severance</i>	17.2%	16.9%		

- Clear order and revenue growth in the U.S.
- Revenue increase resulted mainly from the diagnostic imaging business
- Profit increase due mainly to a strong earnings performance from the diagnostic imaging business; profit also benefited from currency hedging effects; Q2 FY 2015 included a €61 million gain from divestment of the microbiology business

Financial Services

(in millions of €)	Q2	
	FY 2016	FY 2015
Income before income taxes	226	195
therein: severance	(1)	(1)
ROE (after taxes)	31.8%	28.0%
(in millions of €)	Mar 31, 2016	Sep 30, 2015
Total assets	25,325	24,970

- Equity business results came in above the high level of Q2 FY 2015, due primarily to a positive effect of €92 million resulting from an at-equity investment, Q2 FY 2015 included a net gain in connection with the sale of renewable energy projects
- Despite substantial early terminations of financings and negative currency translation effects, total assets have increased since the end of fiscal 2015

Reconciliation to Consolidated Financial Statements

(in millions of €)	Q2	
	FY 2016	FY 2015
Centrally managed portfolio activities	(99)	1,172
Siemens Real Estate	22	38
Corporate items	(36)	(186)
Centrally carried pension expense	(105)	(119)
Amortization of intangible assets acquired in business combinations	(167)	(126)
Eliminations, Corporate Treasury and other reconciling items	(51)	(79)
Reconciliation to Consolidated Financial Statements	(436)	700

- Centrally managed portfolio activities (CMPA) were driven primarily by a negative effect related to a major asset retirement obligation and an equity investment loss from Siemens' stake in Primetals Technologies Ltd. which is operating in a difficult market environment; Q2 FY 2015 included a gain of €1.4 billion on disposal of Siemens' stake in BSH and a loss of €0.2 billion related to Siemens' stake in Unify
- Results of CMPA expected to remain volatile in coming quarters
- Corporate items: the change year-over-year was driven mainly by the fair value of warrants issued together with US\$3 billion in bonds in fiscal 2012, which in the prior period depended on the underlying Siemens and OSRAM share prices as well as their respective volatilities. Between the periods under review, holders of most of the existing warrants accepted Siemens' offer to exchange them for warrants related only to Siemens' shares, which had the effect of reducing volatility in the current period

Outlook

We confirm our financial guidance for fiscal 2016 although the market environment for our high-margin short-cycle businesses may not pick up materially in the second half. We still anticipate further softening in the macroeconomic environment and continuing complexity in the geopolitical environment in fiscal 2016. Nevertheless, we expect moderate revenue growth, net of effects from currency translation. We anticipate that orders will materially exceed revenue for a book-to-bill ratio clearly above 1. For our Industrial Business, we expect a profit margin of 10% to 11%. We expect basic EPS from net income in the range of €6.00 to €6.40.

This outlook excludes charges related to legal and regulatory matters.

Notes and forward-looking statements

Starting today at 9:00 a.m. CEST, the conference call for journalists at which Siemens CEO Joe Kaeser and Siemens CFO Ralf P. Thomas discuss the quarterly figures will be broadcast live at www.siemens.com/conferencecall.

Starting today at 10:15 CEST, the analysts and investors conference in English with Joe Kaeser and Ralf P. Thomas can be followed live at www.siemens.com/analystconference.

Recordings of the conference call for journalists and the analysts and investors conference will subsequently be made available as well.

Financial publications are available for download at: www.siemens.com/ir.

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.

Financial Media:
Alexander Becker
Phone: +49 89 636-36558
E-mail: becker.alexander@siemens.com

Wolfram Trost
Phone: +49 89 636-34794
E-mail: wolfram.trost@siemens.com

Siemens AG,
80333 Munich, Germany

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Financial Results

Second Quarter and First Half of Fiscal 2016

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Key figures

(in millions of €, except where otherwise stated)

| Volume

	Q2		% Change		First half		% Change	
	FY 2016	FY 2015	Actual	Comp. ¹	FY 2016	FY 2015	Actual	Comp. ¹
Orders	22,294	20,754	7%	7%	45,095	38,766	16%	13%
Revenue	18,996	18,049	5%	5%	37,887	35,464	7%	3%
Book-to-bill ratio	1.17				1.19			
Order backlog (Industrial Business, in billions of €)	115				115			

| Profitability and Capital efficiency

	Q2		% Change		First half		% Change	
	FY 2016	FY 2015			FY 2016	FY 2015		
Industrial Business								
Profit	2,115	1,655		28%	4,105	3,470		18%
Profit margin	10.9%	9.0%			10.7%	9.6%		
Continuing operations								
EBITDA	2,585	3,480	(26)%		5,048	5,702	(11)%	
Income from continuing operations	1,394	1,997	(30)%		2,878	3,103	(7)%	
Basic earnings per share (in €) ²	1.68	2.39	(30)%		3.48	3.70	(6)%	
Continuing and discontinued operations								
Net income	1,480	3,908	(62)%		3,037	5,004	(39)%	
Basic earnings per share (in €) ²	1.78	4.70	(62)%		3.67	5.99	(39)%	
Return on capital employed (ROCE)	14.9%	45.5%			15.7%	30.4%		

| Capital structure and Liquidity

	Mar 31, 2016	Sep 30, 2015
Total equity (Shareholders of Siemens AG)	32,833	34,474
Industrial net debt	11,217	6,107
Industrial net debt / EBITDA ³	1.1	0.6

	Q2 FY 2016	Q2 FY 2015	First half FY 2016	First half FY 2015
Free cash flow				
Continuing operations	825	(191)	115	(163)
Continuing and discontinued operations	812	(241)	84	(385)

| Employees

	Mar 31, 2016	Sep 30, 2015
Number of employees (in thousands)	348	348
Germany	114	114
Outside Germany	235	234

¹ Throughout excluding currency translation and portfolio effects.

² Basic earnings per share – attributable to shareholders of Siemens AG. For fiscal 2016 and 2015 weighted average shares outstanding (basic) (in thousands) for the second quarter amounted to 808,893 and 826,843 and for the first half to 808,313 and 828,777 shares, respectively.

³ For the interim calculation, EBITDA is annualized.

Consolidated Statements of Income

(in millions of €, per share amounts in €)	Q2		First half	
	FY 2016	FY 2015	FY 2016	FY 2015
Revenue	18,996	18,049	37,887	35,464
Cost of sales	(13,144)	(12,664)	(26,282)	(24,906)
Gross profit	5,852	5,385	11,605	10,557
Research and development expenses	(1,150)	(1,112)	(2,211)	(2,097)
Selling and general administrative expenses	(2,878)	(2,756)	(5,729)	(5,375)
Other operating income	39	119	96	211
Other operating expenses	(87)	(95)	(206)	(165)
Income (loss) from investments accounted for using the equity method, net	122	1,321	152	1,376
Interest income	322	312	656	606
Interest expenses	(247)	(185)	(496)	(361)
Other financial income (expenses), net	(70)	(440)	(89)	(645)
Income from continuing operations before income taxes	1,904	2,550	3,779	4,107
Income tax expenses	(510)	(554)	(902)	(1,004)
Income from continuing operations	1,394	1,997	2,878	3,103
Income from discontinued operations, net of income taxes	86	1,912	159	1,901
Net income	1,480	3,908	3,037	5,004
Attributable to:				
Non-controlling interests	37	21	68	38
Shareholders of Siemens AG	1,442	3,887	2,969	4,966
Basic earnings per share				
Income from continuing operations	1.68	2.39	3.48	3.70
Income from discontinued operations	0.11	2.31	0.20	2.29
Net income	1.78	4.70	3.67	5.99
Diluted earnings per share				
Income from continuing operations	1.66	2.36	3.43	3.66
Income from discontinued operations	0.11	2.29	0.19	2.27
Net income	1.76	4.65	3.63	5.93

Consolidated Statements of Comprehensive Income

(in millions of €)	Q2		First half	
	FY 2016	FY 2015	FY 2016	FY 2015
Net income	1,480	3,908	3,037	5,004
Remeasurements of defined benefit plans	(1,262)	(817)	(1,316)	(1,489)
<i>therein: Income tax effects</i>	430	525	497	870
Items that will not be reclassified to profit or loss	(1,262)	(817)	(1,316)	(1,489)
<i>therein: Income (loss) from investments accounted for using the equity method, net</i>	1	(16)	5	(20)
Currency translation differences	(946)	2,171	(661)	2,374
Available-for-sale financial assets	30	183	14	346
<i>therein: Income tax effects</i>	5	(11)	10	(15)
Derivative financial instruments	138	(230)	147	(293)
<i>therein: Income tax effects</i>	(64)	95	(64)	106
Items that may be reclassified subsequently to profit or loss	(779)	2,123	(500)	2,427
<i>therein: Income (loss) from investments accounted for using the equity method, net</i>	(102)	86	(122)	67
Other comprehensive income, net of income taxes	(2,041)	1,307	(1,815)	938
Total comprehensive income	(561)	5,215	1,221	5,941
Attributable to:				
Non-controlling interests	21	82	62	106
Shareholders of Siemens AG	(583)	5,133	1,159	5,835

Consolidated Statements of Financial Position

(in millions of €)	Mar 31, 2016	Sep 30, 2015
Assets		
Cash and cash equivalents	6,307	9,957
Available-for-sale financial assets	1,222	1,175
Trade and other receivables	16,105	15,982
Other current financial assets	6,182	5,157
Inventories	18,554	17,253
Current income tax assets	697	644
Other current assets	1,446	1,151
Assets classified as held for disposal	30	122
Total current assets	50,544	51,442
Goodwill	23,229	23,166
Other intangible assets	7,527	8,077
Property, plant and equipment	9,904	10,210
Investments accounted for using the equity method	3,054	2,947
Other financial assets	20,036	20,821
Deferred tax assets	2,864	2,591
Other assets	1,169	1,094
Total non-current assets	67,782	68,906
Total assets	118,327	120,348
Liabilities and equity		
Short-term debt and current maturities of long-term debt	6,825	2,979
Trade payables	7,148	7,774
Other current financial liabilities	1,914	2,085
Current provisions	4,491	4,489
Current income tax liabilities	1,766	1,828
Other current liabilities	19,917	20,368
Liabilities associated with assets classified as held for disposal	1	39
Total current liabilities	42,061	39,562
Long-term debt	22,550	26,682
Post-employment benefits	11,683	9,811
Deferred tax liabilities	530	609
Provisions	4,874	4,865
Other financial liabilities	1,088	1,466
Other liabilities	2,225	2,297
Total non-current liabilities	42,950	45,730
Total liabilities	85,011	85,292
Equity		
Issued capital	2,550	2,643
Capital reserve	5,748	5,733
Retained earnings	26,359	30,152
Other components of equity	1,669	2,163
Treasury shares, at cost	(3,494)	(6,218)
Total equity attributable to shareholders of Siemens AG	32,833	34,474
Non-controlling interests	483	581
Total equity	33,316	35,056
Total liabilities and equity	118,327	120,348

Consolidated Statements of Cash Flows

(in millions of €)	Q2	
	FY 2016	FY 2015
Cash flows from operating activities		
Net income	1,480	3,908
Adjustments to reconcile net income to cash flows from operating activities - continuing operations		
Income from discontinued operations, net of income taxes	(86)	(1,912)
Amortization, depreciation and impairments	686	617
Income tax expenses	510	554
Interest (income) expenses, net	(75)	(128)
(Income) loss related to investing activities	(177)	(1,441)
Other non-cash (income) expenses	209	(371)
Change in operating net working capital		
Inventories	(655)	(727)
Trade and other receivables	(101)	121
Trade payables	109	115
Billings in excess of costs and estimated earnings on uncompleted contracts and related advances	132	(419)
Additions to assets leased to others in operating leases	(113)	(113)
Change in other assets and liabilities	(550)	345
Income taxes paid	(461)	(677)
Dividends received	51	75
Interest received	285	270
Cash flows from operating activities - continuing operations	1,243	218
Cash flows from operating activities - discontinued operations	(13)	(39)
Cash flows from operating activities - continuing and discontinued operations	1,229	179
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment	(418)	(409)
Acquisitions of businesses, net of cash acquired	(54)	76
Purchase of investments	—	(307)
Purchase of current available-for-sale financial assets	(324)	(153)
Change in receivables from financing activities	(551)	(682)
Disposal of investments, intangibles and property, plant and equipment	122	3,014
Disposal of businesses, net of cash disposed	—	376
Disposal of current available-for-sale financial assets	197	89
Cash flows from investing activities - continuing operations	(1,028)	2,003
Cash flows from investing activities - discontinued operations	283	2,982
Cash flows from investing activities - continuing and discontinued operations	(744)	4,985
Cash flows from financing activities		
Purchase of treasury shares	(52)	(364)
Other transactions with owners	(13)	2
Issuance of long-term debt	—	18
Repayment of long-term debt (including current maturities of long-term debt)	(459)	(5)
Change in short-term debt and other financing activities	(873)	(415)
Interest paid	(187)	(169)
Dividends paid to shareholders of Siemens AG	(2,827)	(2,728)
Dividends attributable to non-controlling interests	(155)	(37)
Cash flows from financing activities - continuing operations	(4,566)	(3,699)
Cash flows from financing activities - discontinued operations	—	—
Cash flows from financing activities - continuing and discontinued operations	(4,566)	(3,699)
Effect of changes in exchange rates on cash and cash equivalents	(217)	469
Change in cash and cash equivalents	(4,298)	1,934
Cash and cash equivalents at beginning of period	10,605	6,910
Cash and cash equivalents at end of period	6,307	8,845
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	—	—
Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)	6,307	8,844

Consolidated Statements of Cash Flows

(in millions of €)	First half	
	FY 2016	FY 2015
Cash flows from operating activities		
Net income	3,037	5,004
Adjustments to reconcile net income to cash flows from operating activities - continuing operations		
Income from discontinued operations, net of income taxes	(159)	(1,901)
Amortization, depreciation and impairments	1,340	1,195
Income tax expenses	902	1,004
Interest (income) expenses, net	(160)	(245)
(Income) loss related to investing activities	(220)	(1,554)
Other non-cash (income) expenses	253	(162)
Change in operating net working capital		
Inventories	(1,483)	(1,156)
Trade and other receivables	(433)	1
Trade payables	(582)	(964)
Billings in excess of costs and estimated earnings on uncompleted contracts and related advances	790	364
Additions to assets leased to others in operating leases	(219)	(185)
Change in other assets and liabilities	(1,991)	(700)
Income taxes paid	(864)	(980)
Dividends received	139	325
Interest received	580	546
Cash flows from operating activities - continuing operations	929	594
Cash flows from operating activities - discontinued operations	(31)	(182)
Cash flows from operating activities - continuing and discontinued operations	898	412
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment	(814)	(756)
Acquisitions of businesses, net of cash acquired	(63)	(1,396)
Purchase of investments	(105)	(334)
Purchase of current available-for-sale financial assets	(509)	(361)
Change in receivables from financing activities	(416)	(1,113)
Disposal of investments, intangibles and property, plant and equipment	155	3,141
Disposal of businesses, net of cash disposed	10	382
Disposal of current available-for-sale financial assets	470	199
Cash flows from investing activities - continuing operations	(1,273)	(238)
Cash flows from investing activities - discontinued operations	276	2,890
Cash flows from investing activities - continuing and discontinued operations	(996)	2,651
Cash flows from financing activities		
Purchase of treasury shares	(285)	(1,092)
Other transactions with owners	(13)	2
Issuance of long-term debt	—	61
Repayment of long-term debt (including current maturities of long-term debt)	(467)	(11)
Change in short-term debt and other financing activities	743	1,280
Interest paid	(377)	(250)
Dividends paid to shareholders of Siemens AG	(2,827)	(2,728)
Dividends attributable to non-controlling interests	(162)	(65)
Cash flows from financing activities - continuing operations	(3,387)	(2,802)
Cash flows from financing activities - discontinued operations	—	5
Cash flows from financing activities - continuing and discontinued operations	(3,387)	(2,797)
Effect of changes in exchange rates on cash and cash equivalents	(165)	544
Change in cash and cash equivalents	(3,650)	810
Cash and cash equivalents at beginning of period	9,958	8,034
Cash and cash equivalents at end of period	6,307	8,845
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	—	—
Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)	6,307	8,844

Overview of Segment figures

(in millions of €)	Orders				Revenue				Profit		Profit margin / SFS: ROE		Net capital employed / SFS: Total assets		Free cash flow	
	Q2		Actual	% Change Comp.	Q2		Actual	% Change Comp.	Q2		Q2		Mar 31, 2016	Sep 30, 2015	Q2	
	FY 2016	FY 2015			FY 2016	FY 2015			FY 2016	FY 2015	FY 2016	FY 2015			FY 2016	FY 2015
Power and Gas	6,188	3,108	99%	86%	3,926	3,103	27%	15%	535	382	13.6%	12.3%	9,453	8,871	168	168
Wind Power and Renewables	2,140	1,410	52%	60%	1,460	1,263	16%	18%	137	(44)	9.4%	(3.5)%	(320)	(346)	32	(230)
Energy Management	2,985	3,100	(4)%	0%	2,709	2,810	(4)%	(1)%	172	93	6.3%	3.3%	4,605	3,929	9	(72)
Building Technologies	1,460	1,464	0%	1%	1,443	1,446	0%	1%	111	95	7.7%	6.6%	1,412	1,337	184	178
Mobility	1,825	3,782	(52)%	(50)%	1,915	1,836	4%	6%	153	157	8.0%	8.6%	2,838	2,526	260	67
Digital Factory	2,576	2,575	0%	1%	2,400	2,426	(1)%	0%	363	343	15.1%	14.1%	5,060	4,906	326	332
Process Industries and Drives	2,305	2,392	(4)%	(2)%	2,145	2,244	(4)%	(3)%	89	103	4.1%	4.6%	2,174	2,152	97	69
Healthcare	3,245	3,228	1%	2%	3,319	3,212	3%	5%	555	526	16.7%	16.4%	11,368	11,153	402	237
Industrial Business	22,725	21,059	8%	8%	19,317	18,340	5%	5%	2,115	1,655	10.9%	9.0%	36,589	34,527	1,477	749
Financial Services (SFS)	243	280	—	—	243	280	—	—	226	195	31.8%	28.0%	25,325	24,970	133	224
Reconciliation to Consolidated Financial Statements	(674)	(585)	—	—	(564)	(570)	—	—	(436)	700	—	—	56,413	60,851	(785)	(1,164)
Siemens (continuing operations)	22,294	20,754	7%	7%	18,996	18,049	5%	5%	1,904	2,550	—	—	118,327	120,348	825	(191)

Overview of Segment figures

(in millions of €)	Orders				Revenue				Profit		Profit margin / SFS: ROE		Net capital employed / SFS: Total assets		Free cash flow	
	First half		Actual	% Change Comp.	First half		Actual	% Change Comp.	First half		First half		Mar 31, 2016	Sep 30, 2015	First half	
	FY 2016	FY 2015			FY 2016	FY 2015			FY 2016	FY 2015	FY 2016	FY 2015			FY 2016	FY 2015
Power and Gas	11,725	6,860	71%	54%	7,605	6,021	26%	6%	884	713	11.6%	11.8%	9,453	8,871	(23)	27
Wind Power and Renewables	4,039	2,727	48%	48%	2,658	2,740	(3)%	(3)%	188	37	7.1%	1.3%	(320)	(346)	152	(119)
Energy Management	6,486	6,202	5%	5%	5,473	5,485	0%	0%	355	201	6.5%	3.7%	4,605	3,929	(393)	(303)
Building Technologies	3,007	2,893	4%	2%	2,922	2,823	4%	2%	242	212	8.3%	7.5%	1,412	1,337	174	192
Mobility	4,488	5,054	(11)%	(11)%	3,959	3,694	7%	6%	346	313	8.7%	8.5%	2,838	2,526	88	245
Digital Factory	5,068	4,959	2%	2%	4,865	4,819	1%	0%	780	793	16.0%	16.5%	5,060	4,906	640	661
Process Industries and Drives	4,609	4,625	0%	(1)%	4,350	4,518	(4)%	(4)%	215	263	4.9%	5.8%	2,174	2,152	204	141
Healthcare	6,595	6,208	6%	5%	6,607	6,062	9%	8%	1,095	939	16.6%	15.5%	11,368	11,153	701	494
Industrial Business	46,016	39,527	16%	13%	38,440	36,163	6%	2%	4,105	3,470	10.7%	9.6%	36,589	34,527	1,544	1,337
Financial Services (SFS)	515	501	—	—	515	501	—	—	394	341	27.0%	24.2%	25,325	24,970	371	467
Reconciliation to Consolidated Financial Statements	(1,437)	(1,262)	—	—	(1,068)	(1,200)	—	—	(720)	296	—	—	56,413	60,851	(1,800)	(1,966)
Siemens (continuing operations)	45,095	38,766	16%	13%	37,887	35,464	7%	3%	3,779	4,107	—	—	118,327	120,348	115	(163)

EBITDA Reconciliation

(in millions of €)	Profit		Amortization of intangible assets acquired in business combinations		Financial income (expenses), net		EBIT		Amortization, depreciation and impairments		EBITDA	
	Q2		Q2		Q2		Q2		Q2		Q2	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
Power and Gas	535	382	(65)	(19)	2	(4)	468	367	149	77	617	444
Wind Power and Renewables	137	(44)	(2)	(2)	3	6	133	(51)	34	31	167	(21)
Energy Management	172	93	(5)	(6)	17	(2)	150	89	51	54	201	143
Building Technologies	111	95	(3)	(4)	—	—	108	91	22	22	130	113
Mobility	153	157	(15)	(16)	3	—	136	142	32	32	167	174
Digital Factory	363	343	(24)	(24)	12	—	327	319	70	68	397	387
Process Industries and Drives	89	103	(7)	(11)	(1)	—	83	93	54	58	137	150
Healthcare	555	526	(46)	(45)	4	6	505	475	140	135	646	610
Industrial Business	2,115	1,655	(167)	(126)	40	5	1,909	1,524	553	478	2,462	2,002
Financial Services (SFS)	226	195	—	—	151	151	75	43	55	55	130	98
Reconciliation to Consolidated Financial Statements	(436)	700	167	126	(185)	(468)	(84)	1,295	77	85	(7)	1,380
Siemens (continuing operations)	1,904	2,550	—	—	5	(312)	1,899	2,862	686	617	2,585	3,480

EBITDA Reconciliation

(in millions of €)	Profit		Amortization of intangible assets acquired in business combinations		Financial income (expenses), net		EBIT		Amortization, depreciation and impairments		EBITDA	
	First half		First half		First half		First half		First half		First half	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
Power and Gas	884	713	(122)	(33)	16	(8)	746	688	269	141	1,015	829
Wind Power and Renewables	188	37	(3)	(3)	9	9	176	24	65	63	241	87
Energy Management	355	201	(11)	(12)	16	(2)	328	192	103	106	432	298
Building Technologies	242	212	(7)	(8)	—	(2)	235	206	42	42	277	248
Mobility	346	313	(30)	(31)	5	(2)	311	284	64	62	375	345
Digital Factory	780	793	(47)	(46)	12	—	721	747	138	133	859	880
Process Industries and Drives	215	263	(13)	(23)	(1)	(1)	203	241	109	115	312	356
Healthcare	1,095	939	(92)	(88)	8	10	996	842	282	263	1,278	1,105
Industrial Business	4,105	3,470	(325)	(243)	64	3	3,716	3,225	1,072	924	4,788	4,149
Financial Services (SFS)	394	341	1	(1)	310	313	85	27	109	108	194	134
Reconciliation to Consolidated Financial Statements	(720)	296	324	243	(303)	(717)	(93)	1,257	159	163	67	1,419
Siemens (continuing operations)	3,779	4,107	—	—	71	(401)	3,708	4,508	1,340	1,195	5,048	5,702

Orders & Revenue by region

(in millions of €)	Q2		Actual	Orders % Change Comp.	Q2		Actual	Revenue % Change Comp.
	FY 2016	FY 2015			FY 2016	FY 2015		
Europe, C.I.S., Africa, Middle East	13,539	11,418	19%	20%	9,965	9,302	7%	7%
<i>therein: Germany</i>	2,247	3,940	(43)%	(43)%	2,427	2,609	(7)%	(7)%
Americas	5,274	6,051	(13)%	(16)%	5,350	5,101	5%	3%
<i>therein: U.S.</i>	4,163	4,055	3%	(5)%	3,974	3,474	14%	10%
Asia, Australia	3,481	3,284	6%	7%	3,681	3,645	1%	1%
<i>therein: China</i>	1,616	1,459	11%	13%	1,492	1,640	(9)%	(8)%
Siemens (continuing operations)	22,294	20,754	7%	7%	18,996	18,049	5%	5%
<i>therein: Emerging markets</i>	8,501	6,655	28%	30%	6,523	6,045	8%	9%

(in millions of €)	First half		Actual	Orders % Change Comp.	First half		Actual	Revenue % Change Comp.
	FY 2016	FY 2015			FY 2016	FY 2015		
Europe, C.I.S., Africa, Middle East	26,790	19,971	34%	33%	19,763	18,609	6%	5%
<i>therein: Germany</i>	5,439	6,258	(13)%	(13)%	5,198	5,366	(3)%	(3)%
Americas	10,931	11,967	(9)%	(16)%	10,869	9,797	11%	3%
<i>therein: U.S.</i>	8,320	7,879	6%	(8)%	8,090	6,671	21%	8%
Asia, Australia	7,374	6,828	8%	5%	7,255	7,058	3%	(2)%
<i>therein: China</i>	3,272	2,942	11%	9%	3,103	3,219	(4)%	(8)%
Siemens (continuing operations)	45,095	38,766	16%	13%	37,887	35,464	7%	3%
<i>therein: Emerging markets</i>	17,103	12,890	33%	32%	12,642	11,637	9%	6%