

# SIEMENS

*Ingenuity for life*

Munich, Germany, August 3, 2017

# Earnings Release

## Q3 FY 2017

April 1 to June 30, 2017

## Fully on track for another strong year

»Our global team delivered a solid quarter with revenue up 8% and net income growing by 7%. Our digital enterprise business impressively underscored its leading position in the market. We are fully on track with Vision 2020 and for another strong year,« said Joe Kaeser, President and Chief Executive Officer of Siemens AG.

- Revenue rose 8% compared to Q3 FY 2016, to €21.4 billion, including a strong performance by short-cycle businesses
- Orders came in 6% lower, at €19.8 billion, due to sharply lower volume from large orders at Power and Gas and at Siemens Gamesa Renewable Energy, the business resulting from the merger of Siemens' wind power business with Gamesa Corporación Tecnológica S.A. (Gamesa) beginning with Q3 FY 2017; the book-to-bill ratio for Siemens overall was 0.93
- On a comparable basis, excluding currency translation and portfolio effects, revenue rose 3% and orders were 9% lower
- Profit Industrial Business rose 3% to €2.3 billion; as expected, negative merger and acquisition effects related to Gamesa and Mentor Graphics Corporation (Mentor Graphics) reduced Industrial Business profit margin to 10.4%
- Net income rose 7%, to €1.5 billion; basic earnings per share (EPS) of €1.74, up from €1.64 in Q3 FY 2016 despite negative merger and acquisition effects

## Siemens

(in millions of €)	Q3		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	19,824	21,060	(6)%	(9)%
Revenue	21,413	19,804	8%	3%
Profit				
Industrial Business	2,250	2,191	3%	
<i>therein: severance</i>	(94)	(69)		
Profit margin				
Industrial Business	10.4%	10.8%		
<i>excl. severance</i>	10.8%	11.2%		
Income from continuing operations	1,479	1,337	11%	
<i>therein: severance</i>	(110)	(82)		
Net income	1,464	1,372	7%	
Basic earnings per share (in €)	1.74	1.64	6%	
Free cash flow (continuing and discontinued operations)	941	1,822	(48)%	
ROCE (continuing and discontinued operations)	12.1%	13.7%		

- Orders down due to a sharply lower volume from large orders year-over-year, particularly in Power and Gas and Siemens Gamesa Renewable Energy; orders rose significantly excluding the change in large order volume
- Industrial Business order backlog remained at €117 billion, as an increase from portfolio transactions was partly offset by negative foreign currency translation effects
- Revenue increased in the majority of industrial businesses, including sharp growth at Siemens Gamesa Renewable Energy due to the merger, as well as double-digit growth in Mobility and Digital Factory; revenue was up in all three reporting regions; as expected, significant decline in Power and Gas in contracting markets
- Portfolio transactions added three percentage points to order development and six percentage points to revenue growth; foreign currency translation effects had a minimal negative effect on volume development year-over-year
- Profit Industrial Business rose on improvements in the majority of the industrial businesses; Healthineers and Digital Factory made the largest contributions to profit and profit improvement, the latter on an excellent performance in its short-cycle businesses; as expected, Industrial Business profit margin development was clearly impacted by negative effects related to the acquisition of Mentor Graphics in Digital Factory and the merger with Gamesa into Siemens Gamesa Renewable Energy, amounting to 0.6 percentage points; also as expected, profit in Power and Gas declined in a highly competitive market environment
- Income from continuing operations and Net income: outside Industrial Business, amortization of intangible assets acquired in business combinations climbed by €161 million to €339 million due mainly to the merger with Gamesa and the acquisition of Mentor Graphics; lower tax rate than in the prior-year period
- Industrial Business generated strong Free cash flow in the first nine months of fiscal 2017, totaling €4.6 billion, up significantly from €3.5 billion in the prior-year period; Free cash flow from Industrial Business for the current quarter decreased to €1.397 billion from €1.914 billion in Q3 FY 2016; decline in Free cash flow was due mainly to Siemens Gamesa Renewable Energy, driven by a build-up of operating net working capital
- ROCE declined due to a substantial increase in average capital employed, primarily resulting from the acquisition of Mentor Graphics and the merger with Gamesa
- Provisions for pensions and similar obligations as of June 30, 2017: €9.8 billion (March 31, 2017: €10.5 billion); decreased clearly due mainly to higher discount rate assumptions

## Power and Gas

(in millions of €)	Q3		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	2,674	4,512	(41)%	(41)%
Revenue	3,819	4,321	(12)%	(11)%
Profit	369	480	(23)%	
<i>therein: severance</i>	(26)	9		
<i>therein: integration costs Dresser-Rand</i>	(14)	(14)		
Profit margin	9.7%	11.1%		
<i>excl. severance and integration costs</i>	10.7%	11.2%		

- Sharply lower volume from large orders, particularly in the Americas region which in Q3 FY 2016 included an order in the U.S. totaling €0.7 billion and an order in Bolivia totaling €0.5 billion; the current quarter included an order in the U.S. related to the Division's advanced-class gas turbine technologies in connection with a strategic partnership
- In contracting markets, revenue down in all reporting regions due mainly to weaker order intake in prior periods; declines particularly in the large gas turbine and compression businesses
- Profit down due to the revenue decline, lower capacity utilization, and higher severance; in addition, Q3 FY 2016 included positive effects from the measurement of inventories
- Global energy trends continue to reduce overall demand in markets for the Division's offerings, resulting in declining new-unit business and corresponding price pressure due to overcapacities

## Energy Management

(in millions of €)	Q3		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	3,030	3,102	(2)%	(3)%
Revenue	3,038	2,894	5%	5%
Profit	207	240	(14)%	
<i>therein: severance</i>	(8)	(6)		
Profit margin	6.8%	8.3%		
<i>excl. severance</i>	7.1%	8.5%		

- Orders came in lower in the transformers business, which in Q3 FY 2016 won a large order in Asia, Australia; orders rose in the Division's other businesses and reporting regions
- Revenue up in nearly all businesses; on a regional basis, increases in Asia, Australia and the region comprising Europe, C.I.S., Africa, Middle East (Europe/CAME)
- Profit held back by a less favorable business mix

## Building Technologies

(in millions of €)	Q3		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	1,715	1,658	3%	3%
Revenue	1,608	1,536	5%	4%
Profit	165	140	18%	
<i>therein: severance</i>	(3)	(3)		
Profit margin	10.3%	9.1%		
<i>excl. severance</i>	10.5%	9.3%		

- Orders grew across the Division's businesses, driven by strong demand in the U.S. and Germany
- Revenue growth was mainly driven by the product and service businesses; on a geographic basis, revenue increased in the Americas and Asia, Australia
- Profit momentum continues on the back of strong execution, with higher revenue and improved productivity

## Mobility

(in millions of €)	Q3		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	2,328	1,112	109%	111%
Revenue	2,042	1,795	14%	15%
Profit	178	158	13%	
<i>therein: severance</i>	(7)	(4)		
Profit margin	8.7%	8.8%		
<i>excl. severance</i>	9.1%	9.1%		

- Orders up in all businesses and all reporting regions, driven by a number of large contract wins, including a large order for Mobility's new commuter rail platform Mireo in Germany
- Broad-based revenue growth led by the rolling stock business, including execution of large projects and locomotive orders
- Profit rose on higher revenue; Q3 FY 2016 benefited from positive effects from larger contracts

## Digital Factory

(in millions of €)	Q3		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	3,027	2,563	18%	11%
Revenue	2,960	2,519	18%	11%
Profit	485	395	23%	
<i>therein: severance</i>	(30)	(13)		
Profit margin	16.4%	15.7%		
<i>excl. severance</i>	17.4%	16.2%		

- Strong volume growth across the businesses; excellent performance in the short cycle businesses, which continued to benefit from a favorable market environment particularly in the automotive and machine building industries; the product lifecycle management software business grew sharply due to strong demand combined with new volume from the acquisition of Mentor Graphics
- On a geographic basis, volume increases in all reporting regions, including sharp growth in China and substantial growth in the U.S.
- Profit rose significantly, driven by the high-margin short-cycle businesses; profitability for the Division overall was held back by deferred revenue adjustments, transaction costs and integration costs totaling €77 million related to the acquisition of Mentor Graphics (Q3 FY 2016: €39 million related to the acquisition of CD-adapco), as well as severance and ongoing expenses related to further advancing Siemens' MindSphere platform; expenses for MindSphere and profit margin impacts related to Mentor Graphics are expected to continue in coming quarters

## Process Industries and Drives

(in millions of €)	Q3		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	2,257	2,117	7%	7%
Revenue	2,182	2,247	(3)%	(3)%
Profit	103	101	2%	
<i>therein: severance</i>	(8)	(39)		
Profit margin	4.7%	4.5%		
<i>excl. severance</i>	5.1%	6.2%		

- Orders rose due mainly to large orders in the solutions business; on a regional basis, order growth came primarily from Asia, Australia, particularly including China
- Slight revenue growth in the process automation business more than offset by declines in other businesses
- Profit and profitability continue to be held back by ongoing operational challenges, particularly in the large drives business

## Healthineers

(in millions of €)	Q3		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	3,463	3,382	2%	3%
Revenue	3,361	3,230	4%	4%
Profit	579	534	9%	
<i>therein: severance</i>	(11)	(13)		
Profit margin	17.2%	16.5%		
<i>excl. severance</i>	17.5%	16.9%		

- Moderate order increase driven by the diagnostic imaging business; on a regional basis, growth in Europe/CAME and Asia, Australia
- Revenue up in nearly all businesses, particularly diagnostic imaging and advanced therapies; on a regional basis, largest increase in Asia, Australia driven by double-digit growth in China
- Continued strong earnings performance by the diagnostic imaging business

## Siemens Gamesa Renewable Energy

(in millions of €)	Q3		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	1,398	2,729	(49)%	(64)%
Revenue	2,693	1,722	56%	3%
Profit	164	143	14%	
<i>therein: severance</i>	(3)	1		
Profit margin	6.1%	8.3%		
<i>excl. severance</i>	6.2%	8.3%		

- Merger of Siemens' wind power business with Gamesa beginning with Q3 FY 2017
- Sharp decline in order intake; volatility in the offshore business which is characterized by tenders for large orders; order intake in the major onshore market India temporarily impacted by the introduction of an auction system for new wind-farm tenders
- Revenue supported by the offshore and service businesses; revenue in the onshore business impacted by the market conditions in India mentioned above
- Profitability held back by integration costs of €36 million

## Financial Services

(in millions of €)	Q3	
	FY 2017	FY 2016
Income before income taxes	161	139
therein: severance	–	(2)
ROE (after taxes)	19.4%	17.4%

  

(in millions of €)	Jun 30,	Sep 30,
	2017	2016
Total assets	25,865	26,446

- Increased income before income taxes due primarily to a lower level of credit hits
- Despite growth in new business, total assets decreased since the end of fiscal 2016, due mainly to substantial early terminations of financings along with negative currency translation effects

## Reconciliation to Consolidated Financial Statements

(in millions of €)	Q3	
	FY 2017	FY 2016
Centrally managed portfolio activities	120	(107)
Siemens Real Estate	6	107
Corporate items	(221)	(65)
Centrally carried pension expense	(104)	(104)
Amortization of intangible assets acquired in business combinations	(339)	(178)
Eliminations, Corporate Treasury and other reconciling items	(22)	(130)
<b>Reconciliation to Consolidated Financial Statements</b>	<b>(560)</b>	<b>(478)</b>

- Centrally managed portfolio activities (CMPA): primarily income from reversals of provisions for post-closing guarantees related to a former divestment and for warranties; Q3 FY 2016 included a negative result related to a major asset retirement obligation
- Results of CMPA are expected to remain volatile in coming quarters
- Siemens Real Estate: decrease in profit due primarily to lower gains from disposals of real estate
- Amortization of intangible assets acquired in business combinations: increase of €161 million related mainly to the merger with Gamesa and the acquisition of Mentor Graphics
- Eliminations, Corporate Treasury and other reconciling items: mainly positive effects related to changes in the fair value of derivatives not qualifying for hedge accounting

## Outlook

We confirm our expectations for fiscal 2017 presented with our results for Q2 FY 2017. We continue to expect modest growth in revenue, net of effects from currency translation and portfolio transactions, and anticipate that orders will exceed revenue for a book-to-bill ratio above 1. We expect the profit margin of our Industrial Business in the range of 11.0% to 12.0%, and basic EPS from net income in the range of €7.20 to €7.70.

This outlook includes portfolio changes already closed in the first nine months of fiscal 2017, particularly the acquisition of Mentor Graphics and the Gamesa merger, which burden Industrial Business profit margin and basic EPS from net income in fiscal 2017. The outlook continues to exclude charges related to legal and regulatory matters as well as potential burdens associated with pending portfolio matters.

## Notes and forward-looking statements

Starting today at 8:00 a.m. CEST, the conference call for journalists at which Siemens CEO Joe Kaeser, CFO Dr. Ralf P. Thomas and Managing Board Member Michael Sen discuss the quarterly figures will be broadcast live at [www.siemens.com/conferencecall](http://www.siemens.com/conferencecall).

Starting today at 10:00 a.m. CEST, the conference call for analysts and investors with Dr. Ralf P. Thomas and Michael Sen can be followed live at [www.siemens.com/analystcall](http://www.siemens.com/analystcall).

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

Financial publications are available for download at: [www.siemens.com/ir](http://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 the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-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 the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance 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 a Quarterly Statement according to § 50 of the Exchange Rules for the Frankfurter Wertpapierbörse.

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# Financial Results

Third Quarter and First Nine Months of Fiscal 2017



## Key figures

(in millions of €, except where otherwise stated)

### | Volume

	Q3		% Change		Q1 - Q3		% Change	
	FY 2017	FY 2016	Actual	Comp. <sup>1</sup>	FY 2017	FY 2016	Actual	Comp. <sup>1</sup>
Orders	19,824	21,060	(6)%	(9)%	62,006	66,155	(6)%	(7)%
Revenue	21,413	19,804	8%	3%	60,750	57,691	5%	4%
Book-to-bill ratio	0.93				1.02			
Order backlog (sum of industrial businesses, in billions of €)	117				117			

### | Profitability and Capital efficiency

	Q3		% Change		Q1 - Q3		% Change	
	FY 2017	FY 2016			FY 2017	FY 2016		
<b>Industrial Business</b>								
Profit	2,250	2,191		3%	7,256	6,297		15%
Profit margin	10.4%	10.8%			11.8%	10.7%		
<b>Continuing operations</b>								
EBITDA	2,564	2,672	(4)%		8,358	7,721		8%
Income from continuing operations	1,479	1,337		11%	4,864	4,215		15%
Basic earnings per share (in €) <sup>2</sup>	1.76	1.60		10%	5.85	5.07		15%
<b>Continuing and discontinued operations</b>								
Net income	1,464	1,372		7%	4,886	4,408		11%
Basic earnings per share (in €) <sup>2</sup>	1.74	1.64		6%	5.88	5.31		11%
Return on capital employed (ROCE)	12.1%	13.7%			14.5%	15.0%		

### | Capital structure and Liquidity

	Jun 30, 2017	Sep 30, 2016
Total equity	43,521	34,816
Industrial net debt	12,565	10,505
Industrial net debt / EBITDA <sup>3</sup>	1.2	1.0

	Q3 FY 2017	Q3 FY 2016	Q1 - Q3 FY 2017	Q1 - Q3 FY 2016
<b>Free cash flow</b>				
Continuing operations	942	1,839	2,422	1,954
Continuing and discontinued operations	941	1,822	2,393	1,906

### | Employees

	Jun 30, 2017	Sep 30, 2016
<b>Number of employees (in thousands)</b>	370	351
Germany	114	113
Outside Germany	256	238

<sup>1</sup> Throughout excluding currency translation and portfolio effects.

<sup>2</sup> Basic earnings per share – attributable to shareholders of Siemens AG. For fiscal 2017 and 2016 weighted average shares outstanding (basic) (in thousands) for the third quarter amounted to 812,828 and 809,539 and for the first nine months to 810,673 and 808,722 shares, respectively.

<sup>3</sup> Accumulative EBITDA of the previous four quarters until the reporting date.

## Consolidated Statements of Income

(in millions of €, per share amounts in €)	Q3		Q1 - Q3	
	FY 2017	FY 2016	FY 2017	FY 2016
Revenue	21,413	19,804	60,750	57,691
Cost of sales	(15,246)	(13,813)	(42,058)	(40,095)
Gross profit	6,166	5,991	18,692	17,597
Research and development expenses	(1,347)	(1,200)	(3,688)	(3,410)
Selling and general administrative expenses	(3,173)	(2,911)	(8,945)	(8,640)
Other operating income	122	126	517	222
Other operating expenses	(91)	(35)	(354)	(240)
Income (loss) from investments accounted for using the equity method, net	24	18	(57)	171
Interest income	390	322	1,122	978
Interest expenses	(287)	(245)	(774)	(741)
Other financial income (expenses), net	47	(214)	175	(303)
<b>Income from continuing operations before income taxes</b>	<b>1,852</b>	<b>1,853</b>	<b>6,688</b>	<b>5,632</b>
Income tax expenses	(373)	(516)	(1,825)	(1,417)
<b>Income from continuing operations</b>	<b>1,479</b>	<b>1,337</b>	<b>4,864</b>	<b>4,215</b>
Income (loss) from discontinued operations, net of income taxes	(15)	35	22	194
<b>Net income</b>	<b>1,464</b>	<b>1,372</b>	<b>4,886</b>	<b>4,408</b>
Attributable to:				
Non-controlling interests	51	43	120	111
Shareholders of Siemens AG	1,413	1,329	4,766	4,298
<b>Basic earnings per share</b>				
Income from continuing operations	1.76	1.60	5.85	5.07
Income (loss) from discontinued operations	(0.02)	0.04	0.03	0.24
<b>Net income</b>	<b>1.74</b>	<b>1.64</b>	<b>5.88</b>	<b>5.31</b>
<b>Diluted earnings per share</b>				
Income from continuing operations	1.72	1.58	5.73	5.01
Income (loss) from discontinued operations	(0.02)	0.04	0.03	0.24
<b>Net income</b>	<b>1.70</b>	<b>1.62</b>	<b>5.76</b>	<b>5.24</b>

## Consolidated Statements of Comprehensive Income

(in millions of €)	Q3		Q1 - Q3	
	FY 2017	FY 2016	FY 2017	FY 2016
Net income	1,464	1,372	4,886	4,408
Remeasurements of defined benefit plans	374	(1,257)	2,635	(2,578)
<i>therein: Income tax effects</i>	(215)	528	(1,076)	1,024
Income (loss) from investments accounted for using the equity method, net	—	(5)	(2)	—
<b>Items that will not be reclassified to profit or loss</b>	<b>374</b>	<b>(1,262)</b>	<b>2,633</b>	<b>(2,578)</b>
Currency translation differences	(1,161)	68	(717)	(502)
Available-for-sale financial assets	280	49	639	64
<i>therein: Income tax effects</i>	(4)	3	(9)	13
Derivative financial instruments	124	14	161	191
<i>therein: Income tax effects</i>	(50)	(1)	(70)	(65)
Income (loss) from investments accounted for using the equity method, net	(16)	(33)	32	(155)
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>(773)</b>	<b>99</b>	<b>115</b>	<b>(401)</b>
<b>Other comprehensive income, net of income taxes</b>	<b>(399)</b>	<b>(1,163)</b>	<b>2,748</b>	<b>(2,979)</b>
<b>Total comprehensive income</b>	<b>1,065</b>	<b>208</b>	<b>7,634</b>	<b>1,430</b>
Attributable to:				
Non-controlling interests	(3)	44	87	107
Shareholders of Siemens AG	1,068	164	7,547	1,323

## Consolidated Statements of Financial Position

(in millions of €)	Jun 30, 2017	Sep 30, 2016
<b>Assets</b>		
Cash and cash equivalents	8,485	10,604
Available-for-sale financial assets	1,271	1,293
Trade and other receivables	17,563	16,287
Other current financial assets	7,424	6,800
Inventories	20,802	18,160
Current income tax assets	941	790
Other current assets	1,600	1,204
Assets classified as held for disposal	242	190
<b>Total current assets</b>	<b>58,328</b>	<b>55,329</b>
Goodwill	28,633	24,159
Other intangible assets	11,008	7,742
Property, plant and equipment	10,922	10,157
Investments accounted for using the equity method	2,725	3,012
Other financial assets	20,243	20,610
Deferred tax assets	1,992	3,431
Other assets	1,375	1,279
<b>Total non-current assets</b>	<b>76,898</b>	<b>70,388</b>
<b>Total assets</b>	<b>135,227</b>	<b>125,717</b>
<b>Liabilities and equity</b>		
Short-term debt and current maturities of long-term debt	6,863	6,206
Trade payables	9,599	8,048
Other current financial liabilities	1,546	1,933
Current provisions	4,076	4,166
Current income tax liabilities	2,431	2,085
Other current liabilities	20,387	20,437
Liabilities associated with assets classified as held for disposal	82	40
<b>Total current liabilities</b>	<b>44,983</b>	<b>42,916</b>
Long-term debt	27,520	24,761
Provisions for pensions and similar obligations	9,778	13,695
Deferred tax liabilities	1,205	829
Provisions	4,742	5,087
Other financial liabilities	1,024	1,142
Other liabilities	2,454	2,471
<b>Total non-current liabilities</b>	<b>46,723</b>	<b>47,986</b>
<b>Total liabilities</b>	<b>91,706</b>	<b>90,901</b>
Equity		
Issued capital	2,550	2,550
Capital reserve	6,201	5,890
Retained earnings	34,287	27,454
Other components of equity	2,067	1,921
Treasury shares, at cost	(3,158)	(3,605)
<b>Total equity attributable to shareholders of Siemens AG</b>	<b>41,947</b>	<b>34,211</b>
Non-controlling interests	1,574	605
<b>Total equity</b>	<b>43,521</b>	<b>34,816</b>
<b>Total liabilities and equity</b>	<b>135,227</b>	<b>125,717</b>

## Consolidated Statements of Cash Flows

(in millions of €)	Q3	
	FY 2017	FY 2016
<b>Cash flows from operating activities</b>		
Net income	1,464	1,372
Adjustments to reconcile net income to cash flows from operating activities - continuing operations		
(Income) loss from discontinued operations, net of income taxes	15	(35)
Amortization, depreciation and impairments	863	682
Income tax expenses	373	516
Interest (income) expenses, net	(103)	(77)
(Income) loss related to investing activities	(53)	(139)
Other non-cash (income) expenses	206	(7)
Change in operating net working capital		
Inventories	(553)	(503)
Trade and other receivables	(218)	(311)
Trade payables	156	309
Billings in excess of costs and estimated earnings on uncompleted contracts and related advances	(630)	(135)
Additions to assets leased to others in operating leases	(106)	(111)
Change in other assets and liabilities	213	877
Income taxes paid	(536)	(493)
Dividends received	139	93
Interest received	361	304
<b>Cash flows from operating activities - continuing operations</b>	<b>1,589</b>	<b>2,342</b>
Cash flows from operating activities - discontinued operations	(1)	(16)
<b>Cash flows from operating activities - continuing and discontinued operations</b>	<b>1,588</b>	<b>2,326</b>
<b>Cash flows from investing activities</b>		
Additions to intangible assets and property, plant and equipment	(647)	(504)
Acquisitions of businesses, net of cash acquired	(853)	(849)
Purchase of investments	(121)	(22)
Purchase of current available-for-sale financial assets	(209)	(276)
Change in receivables from financing activities	121	368
Disposal of investments, intangibles and property, plant and equipment	16	131
Disposal of businesses, net of cash disposed	(2)	—
Disposal of current available-for-sale financial assets	209	249
<b>Cash flows from investing activities - continuing operations</b>	<b>(1,485)</b>	<b>(903)</b>
Cash flows from investing activities - discontinued operations	(3)	(13)
<b>Cash flows from investing activities - continuing and discontinued operations</b>	<b>(1,487)</b>	<b>(916)</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(208)	(77)
Re-issuance of treasury shares and other transactions with owners	568	—
Repayment of long-term debt (including current maturities of long-term debt)	(4)	(8)
Change in short-term debt and other financing activities	(1,238)	(1,031)
Interest paid	(236)	(265)
Dividends attributable to non-controlling interests	(20)	(23)
<b>Cash flows from financing activities - continuing operations</b>	<b>(1,138)</b>	<b>(1,404)</b>
Cash flows from financing activities - discontinued operations	—	—
<b>Cash flows from financing activities - continuing and discontinued operations</b>	<b>(1,138)</b>	<b>(1,404)</b>
Effect of changes in exchange rates on cash and cash equivalents	(358)	67
Change in cash and cash equivalents	(1,396)	73
Cash and cash equivalents at beginning of period	9,881	6,307
Cash and cash equivalents at end of period	8,486	6,381
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	—	—
<b>Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)</b>	<b>8,485</b>	<b>6,380</b>

## Consolidated Statements of Cash Flows

(in millions of €)	Q1 - Q3	
	FY 2017	FY 2016
<b>Cash flows from operating activities</b>		
Net income	4,886	4,408
Adjustments to reconcile net income to cash flows from operating activities - continuing operations		
Income from discontinued operations, net of income taxes	(22)	(194)
Amortization, depreciation and impairments	2,192	2,022
Income tax expenses	1,825	1,417
Interest (income) expenses, net	(348)	(237)
(Income) loss related to investing activities	(244)	(359)
Other non-cash (income) expenses	380	246
Change in operating net working capital		
Inventories	(1,830)	(1,987)
Trade and other receivables	43	(744)
Trade payables	(49)	(273)
Billings in excess of costs and estimated earnings on uncompleted contracts and related advances	(227)	655
Additions to assets leased to others in operating leases	(338)	(330)
Change in other assets and liabilities	(2,068)	(1,114)
Income taxes paid	(1,599)	(1,357)
Dividends received	323	232
Interest received	1,042	884
<b>Cash flows from operating activities - continuing operations</b>	<b>3,964</b>	<b>3,272</b>
Cash flows from operating activities - discontinued operations	(29)	(47)
<b>Cash flows from operating activities - continuing and discontinued operations</b>	<b>3,935</b>	<b>3,224</b>
<b>Cash flows from investing activities</b>		
Additions to intangible assets and property, plant and equipment	(1,542)	(1,318)
Acquisitions of businesses, net of cash acquired	(4,322)	(912)
Purchase of investments	(399)	(127)
Purchase of current available-for-sale financial assets	(601)	(784)
Change in receivables from financing activities	146	(48)
Disposal of investments, intangibles and property, plant and equipment	356	285
Disposal of businesses, net of cash disposed	(29)	10
Disposal of current available-for-sale financial assets	618	718
<b>Cash flows from investing activities - continuing operations</b>	<b>(5,772)</b>	<b>(2,176)</b>
Cash flows from investing activities - discontinued operations	(5)	264
<b>Cash flows from investing activities - continuing and discontinued operations</b>	<b>(5,777)</b>	<b>(1,912)</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(352)	(362)
Re-issuance of treasury shares and other transactions with owners	594	(13)
Issuance of long-term debt	6,958	—
Repayment of long-term debt (including current maturities of long-term debt)	(3,585)	(474)
Change in short-term debt and other financing activities	73	(288)
Interest paid	(659)	(642)
Dividends paid to shareholders of Siemens AG	(2,914)	(2,827)
Dividends attributable to non-controlling interests	(135)	(185)
<b>Cash flows from financing activities - continuing operations</b>	<b>(19)</b>	<b>(4,791)</b>
Cash flows from financing activities - discontinued operations	—	—
<b>Cash flows from financing activities - continuing and discontinued operations</b>	<b>(19)</b>	<b>(4,791)</b>
Effect of changes in exchange rates on cash and cash equivalents	(271)	(98)
Change in cash and cash equivalents	(2,132)	(3,577)
Cash and cash equivalents at beginning of period	10,618	9,958
Cash and cash equivalents at end of period	8,486	6,381
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	—	—
<b>Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)</b>	<b>8,485</b>	<b>6,380</b>

## Overview of Segment figures

(in millions of €)	Orders				Revenue				Profit		Profit margin / SFS: ROE		Net capital employed / SFS: Total assets		Free cash flow	
	Q3		Actual	% Change Comp.	Q3		Actual	% Change Comp.	Q3		Q3		Jun 30, 2017	Sep 30, 2016	Q3	
	FY 2017	FY 2016			FY 2017	FY 2016			FY 2017	FY 2016	FY 2017	FY 2016			FY 2017	FY 2016
Power and Gas	2,674	4,512	(41)%	(41)%	3,819	4,321	(12)%	(11)%	369	480	9.7%	11.1%	9,895	9,066	219	395
Energy Management	3,030	3,102	(2)%	(3)%	3,038	2,894	5%	5%	207	240	6.8%	8.3%	4,430	4,335	303	198
Building Technologies	1,715	1,658	3%	3%	1,608	1,536	5%	4%	165	140	10.3%	9.1%	1,354	1,324	154	163
Mobility	2,328	1,112	109%	111%	2,042	1,795	14%	15%	178	158	8.7%	8.8%	3,200	2,868	121	(109)
Digital Factory	3,027	2,563	18%	11%	2,960	2,519	18%	11%	485	395	16.4%	15.7%	9,418	5,731	512	577
Process Industries and Drives	2,257	2,117	7%	7%	2,182	2,247	(3)%	(3)%	103	101	4.7%	4.5%	2,090	1,800	123	182
Healthineers	3,463	3,382	2%	3%	3,361	3,230	4%	4%	579	534	17.2%	16.5%	11,334	11,211	614	701
Siemens Gamesa Renewable Energy	1,398	2,729	(49)%	(64)%	2,693	1,722	56%	3%	164	143	6.1%	8.3%	4,906	(190)	(650)	(192)
<b>Industrial Business</b>	<b>19,892</b>	<b>21,175</b>	<b>(6)%</b>	<b>(9)%</b>	<b>21,703</b>	<b>20,263</b>	<b>7%</b>	<b>2%</b>	<b>2,250</b>	<b>2,191</b>	<b>10.4%</b>	<b>10.8%</b>	<b>46,627</b>	<b>36,145</b>	<b>1,397</b>	<b>1,914</b>
Financial Services (SFS)	234	238	—	—	234	238	—	—	161	139	19.4%	17.4%	25,865	26,446	161	163
Reconciliation to Consolidated Financial Statements	(303)	(354)	—	—	(525)	(697)	—	—	(560)	(478)	—	—	62,735	63,126	(615)	(239)
<b>Siemens (continuing operations)</b>	<b>19,824</b>	<b>21,060</b>	<b>(6)%</b>	<b>(9)%</b>	<b>21,413</b>	<b>19,804</b>	<b>8%</b>	<b>3%</b>	<b>1,852</b>	<b>1,853</b>	<b>—</b>	<b>—</b>	<b>135,227</b>	<b>125,717</b>	<b>942</b>	<b>1,839</b>

## Overview of Segment figures

(in millions of €)	Orders				Revenue				Profit		Profit margin / SFS: ROE		Net capital employed / SFS: Total assets		Free cash flow	
	Q1 - Q3		Actual	% Change Comp.	Q1 - Q3		Actual	% Change Comp.	Q1 - Q3		Q1 - Q3		Jun 30, 2017	Sep 30, 2016	Q1 - Q3	
	FY 2017	FY 2016			FY 2017	FY 2016			FY 2017	FY 2016	FY 2017	FY 2016			FY 2017	FY 2016
Power and Gas	9,838	16,236	(39)%	(40)%	11,818	11,926	(1)%	0%	1,288	1,364	10.9%	11.4%	9,895	9,066	453	372
Energy Management	9,578	9,588	0%	(1)%	8,842	8,367	6%	5%	621	595	7.0%	7.1%	4,430	4,335	506	(195)
Building Technologies	5,062	4,665	9%	8%	4,764	4,458	7%	6%	570	382	12.0%	8.6%	1,354	1,324	525	337
Mobility	6,630	5,601	18%	20%	5,865	5,754	2%	4%	554	504	9.5%	8.8%	3,200	2,868	433	(20)
Digital Factory	8,583	7,632	12%	9%	8,228	7,385	11%	9%	1,634	1,175	19.9%	15.9%	9,418	5,731	1,408	1,217
Process Industries and Drives	6,688	6,726	(1)%	0%	6,487	6,597	(2)%	(1)%	371	316	5.7%	4.8%	2,090	1,800	227	387
Healthineers	10,284	9,977	3%	3%	10,084	9,837	3%	2%	1,787	1,629	17.7%	16.6%	11,334	11,211	1,434	1,402
Siemens Gamesa Renewable Energy	5,976	6,768	(12)%	(17)%	5,593	4,380	28%	7%	430	331	7.7%	7.6%	4,906	(190)	(352)	(40)
<b>Industrial Business</b>	<b>62,638</b>	<b>67,191</b>	<b>(7)%</b>	<b>(8)%</b>	<b>61,683</b>	<b>58,703</b>	<b>5%</b>	<b>3%</b>	<b>7,256</b>	<b>6,297</b>	<b>11.8%</b>	<b>10.7%</b>	<b>46,627</b>	<b>36,145</b>	<b>4,634</b>	<b>3,459</b>
Financial Services (SFS)	705	754	—	—	705	754	—	—	508	533	21.3%	23.8%	25,865	26,446	620	534
Reconciliation to Consolidated Financial Statements	(1,337)	(1,791)	—	—	(1,638)	(1,765)	—	—	(1,076)	(1,197)	—	—	62,735	63,126	(2,832)	(2,039)
<b>Siemens (continuing operations)</b>	<b>62,006</b>	<b>66,155</b>	<b>(6)%</b>	<b>(7)%</b>	<b>60,750</b>	<b>57,691</b>	<b>5%</b>	<b>4%</b>	<b>6,688</b>	<b>5,632</b>	<b>—</b>	<b>—</b>	<b>135,227</b>	<b>125,717</b>	<b>2,422</b>	<b>1,954</b>

## EBITDA Reconciliation

(in millions of €)	Profit		Amortization of intangible assets acquired in business combinations		Financial income (expenses), net		EBIT		Amortization, depreciation and impairments		EBITDA	
	Q3		Q3		Q3		Q3		Q3		Q3	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Power and Gas	369	480	(61)	(67)	21	4	287	409	121	121	408	530
Energy Management	207	240	(5)	(5)	1	(1)	201	236	53	52	254	288
Building Technologies	165	140	(3)	(3)	—	—	163	137	21	21	183	158
Mobility	178	158	(15)	(15)	2	4	162	139	36	33	198	171
Digital Factory	485	395	(87)	(33)	1	—	398	363	129	80	526	442
Process Industries and Drives	103	101	(6)	(7)	—	—	96	94	51	54	147	148
Healthineers	579	534	(36)	(46)	5	6	539	482	132	142	671	623
Siemens Gamesa Renewable Energy	164	143	(126)	(2)	(7)	4	45	137	190	34	235	171
<b>Industrial Business</b>	<b>2,250</b>	<b>2,191</b>	<b>(338)</b>	<b>(178)</b>	<b>22</b>	<b>17</b>	<b>1,890</b>	<b>1,996</b>	<b>733</b>	<b>536</b>	<b>2,623</b>	<b>2,533</b>
Financial Services (SFS)	161	139	—	—	174	165	(14)	(25)	52	50	38	25
Reconciliation to Consolidated Financial Statements	(560)	(478)	338	178	(47)	(319)	(175)	19	78	96	(97)	115
<b>Siemens (continuing operations)</b>	<b>1,852</b>	<b>1,853</b>	<b>—</b>	<b>—</b>	<b>150</b>	<b>(137)</b>	<b>1,702</b>	<b>1,990</b>	<b>863</b>	<b>682</b>	<b>2,564</b>	<b>2,672</b>



## EBITDA Reconciliation

(in millions of €)	Profit		Amortization of intangible assets acquired in business combinations		Financial income (expenses), net		EBIT		Amortization, depreciation and impairments		EBITDA	
	Q1 - Q3		Q1 - Q3		Q1 - Q3		Q1 - Q3		Q1 - Q3		Q1 - Q3	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Power and Gas	1,288	1,364	(191)	(188)	24	20	1,073	1,155	377	390	1,450	1,545
Energy Management	621	595	(14)	(16)	—	15	607	564	157	155	764	719
Building Technologies	570	382	(9)	(10)	(1)	—	562	371	65	63	628	435
Mobility	554	504	(44)	(45)	7	9	503	450	100	96	603	546
Digital Factory	1,634	1,175	(153)	(80)	1	12	1,481	1,083	280	218	1,761	1,301
Process Industries and Drives	371	316	(19)	(20)	1	(2)	350	297	153	162	504	460
Healthineers	1,787	1,629	(113)	(138)	17	14	1,658	1,477	399	424	2,056	1,901
Siemens Gamesa Renewable Energy	430	331	(129)	(5)	2	13	299	314	272	99	571	412
<b>Industrial Business</b>	<b>7,256</b>	<b>6,297</b>	<b>(673)</b>	<b>(503)</b>	<b>51</b>	<b>82</b>	<b>6,533</b>	<b>5,712</b>	<b>1,804</b>	<b>1,608</b>	<b>8,337</b>	<b>7,320</b>
Financial Services (SFS)	508	533	(1)	1	489	475	18	60	157	159	175	219
Reconciliation to Consolidated Financial Statements	(1,076)	(1,197)	674	502	(17)	(622)	(385)	(73)	231	255	(154)	182
<b>Siemens (continuing operations)</b>	<b>6,688</b>	<b>5,632</b>	<b>—</b>	<b>—</b>	<b>523</b>	<b>(66)</b>	<b>6,166</b>	<b>5,698</b>	<b>2,192</b>	<b>2,022</b>	<b>8,358</b>	<b>7,721</b>

## Orders & Revenue by region

(in millions of €)	Q3		Actual	Orders % Change Comp.	Q3		Actual	Revenue % Change Comp.
	FY 2017	FY 2016			FY 2017	FY 2016		
Europe, C.I.S., Africa, Middle East	10,058	10,461	(4)%	(5)%	11,025	10,559	4%	3%
<i>therein: Germany</i>	3,274	2,667	23%	23%	2,947	2,459	20%	15%
Americas	5,407	6,613	(18)%	(22)%	6,261	5,684	10%	(3)%
<i>therein: U.S.</i>	4,111	4,485	(8)%	(11)%	4,513	4,179	8%	(3)%
Asia, Australia	4,358	3,987	9%	5%	4,126	3,562	16%	11%
<i>therein: China</i>	1,795	1,815	(1)%	(1)%	1,846	1,543	20%	18%
<b>Siemens (continuing operations)</b>	<b>19,824</b>	<b>21,060</b>	<b>(6)%</b>	<b>(9)%</b>	<b>21,413</b>	<b>19,804</b>	<b>8%</b>	<b>3%</b>
<i>therein: Emerging markets</i>	6,660	6,698	(1)%	(5)%	7,329	6,741	9%	2%

(in millions of €)	Q1 - Q3		Actual	Orders % Change Comp.	Q1 - Q3		Actual	Revenue % Change Comp.
	FY 2017	FY 2016			FY 2017	FY 2016		
Europe, C.I.S., Africa, Middle East	32,755	37,251	(12)%	(12)%	31,593	30,322	4%	5%
<i>therein: Germany</i>	10,463	8,106	29%	29%	8,092	7,657	6%	4%
Americas	16,301	17,543	(7)%	(10)%	17,508	16,553	6%	0%
<i>therein: U.S.</i>	11,886	12,805	(7)%	(10)%	12,679	12,269	3%	(2)%
Asia, Australia	12,950	11,360	14%	12%	11,649	10,816	8%	6%
<i>therein: China</i>	5,266	5,088	4%	6%	5,100	4,645	10%	11%
<b>Siemens (continuing operations)</b>	<b>62,006</b>	<b>66,155</b>	<b>(6)%</b>	<b>(7)%</b>	<b>60,750</b>	<b>57,691</b>	<b>5%</b>	<b>4%</b>
<i>therein: Emerging markets</i>	19,958	23,764	(16)%	(17)%	20,691	19,343	7%	5%