

The Siemens logo is displayed in a white rectangular box in the top left corner. The background of the entire page is a low-angle shot of a white wind turbine against a blue sky with scattered white clouds. Faint, light blue technical diagrams and binary code are overlaid on the background.

SIEMENS

Smarter use of resources

Annual Report 2014

www.siemens.no

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Siemens AS

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|| | A.1 Smarter use of resources

Siemens is a technology company that is constantly working to develop environmentally-friendly solutions for energy generation, transport and use. More wind power and increased electrification can take Norway from the oil age into a more sustainable future. At Siemens we are developing the technologies to enable this, and believe that the solutions of the future are electric. At the same time we know that it can be challenging to be competitive in a high-cost country like Norway. It is therefore important for our welfare, efficiency and productivity that we make smarter use of our resources. Norwegian industry must be smart and innovative in its thinking if it is to succeed in the future, not least when it comes to the use of modern technology.

People's ability to ask good questions about current solutions can help to give us the answer to tomorrow's challenges. At Siemens we believe that good questions have a decisive impact on our creation of a sustainable future. Dating back to the end of the 19th century when the company helped to expand hydroelectric power in Norway, Siemens has been a driving force for technological development and the modernisation of our country. Our innovations provide the solutions to many of the difficult challenges we face within industry, energy, healthcare and sustainable cities. Technology will not solve all the challenges that the future will bring, but we will probably solve few of them without it.

Siemens has been synonymous with international focus and global presence for more than 160 years. Today we operate in 190 countries, and have just over 357,000 employees.

This year Siemens aimed to increase awareness of how smart use of technology can increase industry's competitiveness. Therefore in 2014 Siemens collaborated with Norwegian industry on a competition to increase knowledge on why productivity and smarter use of resources are critical to maintaining the competitiveness of Norwegian industry. In March we launched a competition entitled "Norway's smartest industrial company", which helped to produce examples showing what Norwegian industrial companies are already doing to increase their productivity. 44 companies, of all sizes, entered the competition, and in the end Borregaard was named Norway's smartest industrial company at the Industry conference held in the start of May. The project has helped to place productivity on the agenda for businesses and the authorities, and the concept will continue to be a key focus area for Siemens.

Energy efficient and environmentally-friendly

Siemens is constantly working to develop environmentally-friendly solutions for energy generation, transport and use. In Norway we have supplied major deliveries within renewable energy, including wind turbines to several of the biggest wind farms in the country.

Industry and automation

With advanced control and automation solutions for industry, we are helping to enhance operational efficiency and reduce energy consumption. Our industrial clients achieve lower costs for both specialised and standardised production. If Norway is to remain a rich country capable of resolving its challenges and providing its citizens with greater prosperity and welfare, then the time has come for us to also succeed in increasing productivity. Over the long term, improved productivity is immeasurably more important than the oil fund.

Sustainable cities

Through its Smart City projects, Siemens has shown where major energy savings can be found within cities. The company is a key supplier to Norway's transport sector, and our subway and railway systems provide efficient transport and preserve roads and the environment. Siemens' building automation technology reduces energy consumption within buildings, and the savings are guaranteed through the "Performance Contracting" concept, which is an energy savings contract.

More energy efficient oil and gas production

Siemens' global offshore activities are situated in Norway, and the company has gradually accumulated extensive expertise

over the years related to the offshore industry. Our engineers operate the projects within subsea technology, called the Siemens Subsea Power Grid, which moves oil production facilities down to the seabed and helps to increase the extraction factor and improve the energy efficiency of oil and gas production.

Improved diagnoses and lower costs

Siemens is a key supplier of equipment and IT solutions in the fields of imaging diagnostics and lab diagnostics in Norway. We also provide a number of specially designed solutions within areas such as cancer treatment, cardiology and neurology. We target our efforts towards helping provide early diagnoses and correct treatment of illnesses. We are a driving force for smarter resource use in the healthcare system, enabling treatment costs to be lowered and the quality of treatment to rise.

Smart power grid

We are on the cusp of a new electric age. A secure and robust electric infrastructure will then be critical to our welfare, value creation and reaching the agreed climate goals. If we are to be successful, good solutions for controlling and monitoring the distribution and transfer of electrical power are needed. Siemens supplies solutions that satisfy future requirements for a sustainable, stable and secure power supply.

Future transport is electric

Oslo is now the fastest growing city in Europe. This tells us that the cities of the future will demand smart, efficient and environmentally-friendly solutions for transporting people from A to B. Siemens is developing technology that is leading to greener and more profitable transport solutions. Our technology for Underground trains, trains, eBuses and trams, as well as control systems for roads and railways, provides more secure and efficient transport that will benefit the city, the citizens and the climate.

|| | A.2 Report from the Board of Directors of Siemens AS 2014

Favourable market conditions in recent years helped Siemens AS to reach a record number of new orders in 2013. This resulted in high sales revenues in 2014. New orders in 2014 are lower than expected, due to several larger investments being rescheduled. The operating profit has been affected by high research and development costs, particularly in connection with the emphasis on subsea technology.

Siemens AS is a wholly owned subsidiary of the German group Siemens AG. In 2014, the company reported sales revenue of NOK 6,751 million and had 1,989 employees as of 30 September 2014.

Siemens AS' head office is located in Oslo and the company has 12 offices in Norway, with major departments in Trondheim, Bergen and Stavanger. The company's activities comprise sales, development, engineering, production and service.

The company offers technology-based products, services and solutions in the business areas of energy, automation, safety, transport, oil and gas and healthcare. All with a focus on sustainability.

Siemens AS invokes section 3-7 of the Accounting Act (Norway) relating to exemption from the consolidated accounts obligation for parent companies in sub-groups, and does not prepare a separate set of consolidated accounts for the company. Please refer to the annual report for Siemens AG.

Siemens AS has a non-calendar year-end. The fiscal year 2014 runs from 1 October 2013 to 30 September 2014.

Profit performance

Over the course of the fiscal year 2014 new contracts were signed worth NOK 5,801 million. The company saw a reduction in new orders of NOK 1,494 million compared to 2013. Siemens had a very high number of new orders in 2013 which has now been slightly revised downwards in 2014. The Industry sector reported a robust year, but a little below the record year 2013. Several substantial contracts within the Infrastructure & Cities sector are making a positive contribution to new orders, while the Healthcare sector is showing stable development. The Energy sector is showing a decline compared to the previous year, which is reflected in a number of large projects being rescheduled for later dates.

Siemens AS' backlog of orders on work-in-progress was NOK 4,514 million as of 30 September 2014. This is a decline of NOK 1,274 million compared to the previous year.

Total sales revenues in 2014 were NOK 6,751 million, an increase of NOK 555 million from 2013. The operating profit in 2014 was NOK 183.1 million, which represents an increase of NOK 108.1 million compared to 2013. A large part of the increase in operating profit can be related to improved results in the Industry and Energy sectors. Infrastructure & Cities has a weaker growth due to challenges in several projects. The Healthcare sector is facing stronger competition and reduced margins on its products.

The annual result after tax for 2014 amounted to NOK 98.1 million, compared to NOK 78.6 million in the previous fiscal year. Other operating income was NOK 21.5 million in 2014 compared to NOK 69.4 million. The reduction is due to the sale of shares in Poseidon Consulting AS during the previous fiscal year.

The company works purposefully to reduce sales and administration costs to ensure future competitiveness, and has continued its efforts to work smarter as well as to strengthen the project organisation in order to boost profitability.

Over the course of the fiscal year, Siemens AG chose to end its listing on the New York Stock Exchange.

The Board of Directors confirms that the basis for continued operations is present, cf. section 3-3a of the Accounting Act. The annual accounts are prepared on the basis of the going concern assumption, and in the Board's opinion provide a satisfactory account of the company's development and result for the financial year and the financial position as at 30 September 2014. The Board of Directors is extremely satisfied with the objectives and results achieved during the year and would like to take the opportunity to thank all members of staff for their continued commitment and hard work.

Allocation of profit for the year

In fiscal year 2014, Siemens AS recorded an annual profit of NOK 98.1 million after tax. The Board of Directors proposes the following allocations (in NOK millions):

Transferred to other equity	98.1
Profit for the year	98.1

The Board of Directors will propose to the annual general meeting that a dividend distribution of NOK 98.1 million be paid. This is not reflected in the accounts for fiscal year 2014.

Financial matters

As of 30 September 2014, equity capital constituted 24 per cent of the total balance sheet. The company has a prudent level of equity capital and satisfactory liquidity. As a consequence of the company's international operations, the currency risk attached to the value of future cash flows and balance sheet positions in foreign currencies is not insignificant. In line with Siemens' guidelines, this risk is hedged via the application of forward contracts and currency options. These are managed via Siemens Financial Services GmbH which is in charge of currency risk for the entire Siemens group and is the counterparty to Siemens AS' currency contracts.

The credit risk has been taken into account by recording a provision for losses on accounts receivable that reflects the uncertainty associated with the solvency of some of the company's customers. The decline in the global economy might result in a greater level of losses and the provisions made are deemed to be sufficient.

Financing for Siemens AS is wholly provided by the Siemens Group's internal bank, Siemens Financial Services GmbH. As of 30 September 2014, Siemens AS has a liability of NOK 35 million with Siemens Financial Services GmbH in connection with the Group account scheme. As of 30 September 2014, the Board considers there to be minimum risk associated with the company's future liquidity situation.

Cash flow

Net cash flow from operating activities was NOK 399 million, while the operating profit was NOK 183 million. The difference is primarily due to depreciation and changes in connection with customers, accounts payable and inventories. Net cash flow from investing activities was NOK 43.7 million.

Siemens AS is part of a Group account system. With such a system, outstanding items are not defined as cash, but as short-term receivables in the consolidated account system and short-term liabilities in the consolidated account system. However, in practice, these items can be regarded as deposits/overdraft.

Organisation

The Siemens Group adapts its global business strategy in line with the current trends in society and those which will affect society in the future. There are five main trends that have crystallised: demographic changes, urbanisation, globalisation, climate changes and digitalisation. These megatrends are reflected in Siemens' global organisation through the work carried out by our business units.

On 1 October 2014 Siemens AG reorganised its corporate structure. The sector division of the company's business activities was eliminated, and the businesses were divided into nine divisions rather than the existing 16 divisions under the sector division. The structural change was introduced to reduce complexity, improve customer focus and to position the company for future growth. Our work on smarter resource use and sustainable solutions for industry, energy, infrastructure & cities and health is not affected by the internal restructuring and will continue as before.

Technological developments

The company is part of Siemens' global network for innovation, and benefits from the products, services and solutions which are being developed internationally. On a global basis, around 30,000 employees work in research and development, spread over 30 countries. Globally Siemens invests around NOK 35,000 million in research and development each year. More than half of this is invested within the areas of environment and climate.

Through customer adapted solutions, expertise and innovative solutions are fed back to Norway from the global network. In Norway, Siemens is steadily increasing its activities within technological development, and has global responsibility for research and development related to low voltage diesel electric propulsion systems for ships and motor drives for offshore drilling systems, in addition to power electronics for subsea oil production. In fiscal year 2014, Siemens AS invested NOK 151 million in research and development in Norway, a slight increase compared to the investments undertaken in 2013.

The healthcare sector is involved in developing IT systems that will lead to an improved and more efficient healthcare system. The development group in Norway develops patient journal systems and X-ray information systems for the Norwegian healthcare market.

People

The number of employees in Siemens has increased slightly over the last fiscal year. At year-end, the company had 1,989 permanent employees, an increase of 54 from the previous

year-end. In addition, there are 16 apprentices in training, mainly connected to board systems manufacturing. Siemens has had a stable, low absence due to illness for many years, and it remains under three per cent.

The company rarely uses temporary and part-time workers, and the use of contracted workers is a little lower during the period. Siemens has had a stable, low absence due to illness for many years, and it remains under three per cent.

As in most technological professions the gender distribution remains uneven (19 per cent women), but there is agreement on the goal of increasing the number of women in management, project management and key positions generally. Over the last four years the proportion of female managers has increased from 15 to 18 per cent, and that is a larger increase than the growth in the overall proportion of women. The appointment of Anne Marit Panengstuen as the new CEO sends a clear signal about strengthening women's position in the executive management of Siemens. An internal networking programme has been initiated as one of the measures to support the continuation of women's skills and career development.

The company has a self-determined policy to maintain a working environment characterised by fairness, equality, respect and mutual trust. There is zero tolerance for discrimination and harassment.

Siemens continues to focus on following up and developing younger talents. Through centrally organised management development programmes, younger managers are given the opportunity to develop their skills and build a network with other managers. During the current year work has also been undertaken to train and develop the project managers in the company. Good project management is the key to maintaining high levels of customer satisfaction. In addition to our own internal programmes, we collaborate with external suppliers who provide a module-based competence programme which covers all the key parts of being a project manager. Siemens has also focused on management by, among other things, carrying out a management evaluation where managers have received feedback from their colleagues on important aspects of the execution of their role as managers. The aim is to uncover both strengths and areas for improvement for the individual manager, and an individual development plan is drawn up in connection with this evaluation.

Work on promoting Siemens as an employer and external activities with the school system are continuing and producing good results. Siemens has developed a separate recruitment and competence programme for students. This year we have

emphasised bringing women into the company, with offers of summer jobs, Master's programmes, courses and guidance during their studies.

The student competition – Smart Student Challenge – attracted several student groups who worked on projects to solve tasks related to future challenges. The winning team received a 4-week internship in our Healthcare organisation and worked on identifying savings through the use of technology in the healthcare system. We have also had graduating students at corporate presentations and tours in Trondheim, Stavanger and Bergen. We are maintaining our position as one of the most attractive employers of engineers in Universum's annual surveys.

Corporate social responsibility and sustainability

Sustainability is Siemens' guiding star and forms the basis for all our business activities. Through innovative solutions, Siemens helps to solve the greatest challenges faced by the world today, while also ensuring long-term profitability and value creation.

This is an integrated part of the company's overall strategy and builds on our core values: Responsible, Innovative and Excellent. Our ethical guidelines (Business Conduct Guidelines) provide specific guidance about the conduct Siemens expects of all the company's employees. All employees must complete training in the Business Conduct Guidelines in order to ensure that they understand the guidelines and their background.

Corporate Social Responsibility starts with complying with the laws and regulations that society sets for our activities. Siemens has established a global compliance system, which focuses on preventing breaches of applicable laws and rules, as well as discovering and responding to cases in which rules are breached. We have a separate compliance function that exercises control and assists operating units with guidance and advice.

Our global corporate social responsibility and sustainable development programme sets out the specific goals that Siemens has set at an overall level, as well as the measures that are necessary to achieve these. Three main areas are particularly important, and Siemens therefore focuses on the development of a profitable environmental portfolio, internal activities to minimise the company's footprint, and collaboration with interested parties in order to drive development in the right direction. Our primary pillars within sustainability are People, Planet and Profit.

In Norway this year we have followed a strict strategy to place electrification, productivity and energy efficiency at the top

of the political agenda. A large number of the energy-related problems we face in the modern world can be solved by smarter utilisation of resources. The environmental gains of such initiatives would also be considerable.

Siemens and Bellona have prepared a number of reports that show the potential inherent in energy efficiency. In collaboration with Trondheim municipality, Siemens and Bellona produced the first SmartCity report in 2009. Next was Bergen SmartCity in January 2011, and Oslo was the latest city in autumn 2011.

The SmartCity projects have attracted significant attention both locally and nationally, among central and local politicians and within industry and commerce. Together with Bellona, Siemens has highlighted the important role of improvements to energy efficiency in the fight against climate change. The SmartCity projects have played a central role in this work.

At the end of the 1960s the company moved into office premises in Grorud Valley. On 2 January 2014 we moved out of these premises and into a modern and highly energy efficient head office in Østre Aker vei. Our new head office is an energy class A building, which means a maximum energy consumption of 84 kilowatt-hours per square metre. In other words, our new building has less than a quarter of the energy consumption of our old office building. This is made possible through the use of Siemens' systems for controlling lighting, heating and ventilation, the use of geothermal energy and a separate energy station. In addition, the building is LEED certified in accordance with an international standard that Siemens uses as a requirement for all its new office buildings. LEED (Leadership in Energy and Environmental Design) is a driving force for the development of sustainable buildings – buildings constructed with a long term perspective and a focus on the environment. All in all, this means that Siemens moved into a building that will be among the most energy efficient office buildings in Norway. In 2015 Siemens is moving into a new building in Stavanger, which will also be a class A building.

Health, safety and environment (HSE)

Siemens AS is working hard on its zero injury philosophy which requires that all accidents should be prevented and that no work-related injury, illness or accident should be ignored. We have stipulated a clear goal for zero injuries resulting in sick leave. The company's H value (number of injuries resulting in absence per million working hours) amounted to 1.7 in 2014, compared to 1.5 in 2013. This is a small increase from last year and it is important to work constantly to prevent injuries and accidents. The safety of each individual employee must be taken seriously both by management and

by the individual employee. During the last business year, no serious accidents have occurred which have caused the company's employees to sustain long-term injury.

Sickness absence was 2.7 per cent for fiscal year 2014, which is the same as in 2013. In total, the level of sickness absence is low. There continues to be some variation in sickness absence among the different units, from around 2.0 per cent in certain division to as high as around 4.0 per cent in others. It is important for us to maintain a low level of sickness absence and also ensure that units that have previously had high levels of absence continue the positive trend. Long-term sickness absence of more than 8 weeks was 0.4 per cent this year while it was 0.5 per cent last year.

The company does not directly pollute the air, water or earth and generally uses very few polluting and damaging chemicals in its production processes. Siemens AS is a member of Renas and Batteriretur, organisations which deal with electrical and electronic returned goods. We are also a member of Grønt Punkt, which manages return schemes for several types of packaging.

Market

The economic situation in Norway has been very robust over the last several years. The oil and gas industry has seen record levels of investment. Falling oil prices over the last few months are leading to greater uncertainty about the future and the market is responding by indicating a lower level of investment within oil and gas in the years ahead. At the same time, lower oil prices will place greater demands on the efficiency of the extraction and distribution of oil and gas. Upgrades and new technology are important contributors towards being able to increase efficiency.

Norwegian industry has not had the same rate of growth as the oil and gas sector. At the same time, there is greater demand for energy efficient and smart digital solutions within industry. Technological development and innovative solutions are vital elements in maintaining industry's competitiveness.

There are three main areas in which investment growth is, and is expected to remain, strong: transport and transport infrastructure, upgrade of the national grid and intercontinental electrical connections, as well as renewable energy production.

Siemens is a leading supplier within the majority of areas related to transport. There is a general need for investments and work to upgrade the infrastructure within the transport sector which is resulting in a favourable market outlook over the next several years.

Norway is facing major investments and improvements to the national power grid. The investments will ensure that Norway has a more robust and secure power supply. In Norway, the electricity supply primarily originates from renewable sources and is generated by hydroelectric power. Upgrades and investments in the power grid offer good market opportunities to Siemens.

Upgrading and renovating the national power grid facilitates the development of renewable energy in the form of wind farms. Awarding green certificates for the production of renewable energy demonstrates a strong willingness to invest in the development of more large-scale wind farms in Norway. The green certificates are being awarded until the year 2020, and we expect to see major developments during this period.

The healthcare sector is expected to become one of the most important areas for growth in Norway. The elderly represent a steadily increasing proportion of the population, and the need for care services is rising as more illness become treatable. The healthcare system is increasingly focused on smarter resource use through investments in new technology.

Strategy and future prospects

The global macroeconomic picture will continue to influence Siemens' development. This is reflected in stronger competition from a number of international competitors. The company has a global focus on strengthening its competitiveness by reducing costs and improving efficiency through the Vision 2020 programme.

The Group aims to work smarter at the same time as we are focusing on our customers.

Innovative and skilled employees are a prerequisite for reaching Siemens' ambitious goals in the years ahead. With the company's vision, "Siemens - the Pioneer", the company highlights its fundamental values - Innovative, Responsible and Excellent as a basis for our organisation. Employees and the advancement of their expertise will remain important areas for focus and the company follows a strategy for continuous measures to improve expertise, particularly within the areas of project management and sales.

Siemens has a high ethical standard in its relationships with employees, customers, partners and its surroundings. The company has a comprehensive compliance programme which we have observed positive results from both locally and globally.

Our society today faces challenges in the form of demographic changes, an increased rate of urbanisation, globalisation and the threat of climate changes. An ever-increasing number of people are moving towards the more populated areas. The need for safe and environmentally-friendly transport, environmentally-friendly energy and efficient solutions for industry and the healthcare sector are on the rise.

Innovative solutions will help increase the volume of renewable energy production and the power grid of the future will be smarter and provide a more robust and reliable power supply. Even with current consumption patterns, our energy consumption can be made significantly more efficient with new technology. In the years to come, Siemens will continue to work to identify solutions to the challenges of the future.

4 December 2014

Anne Marit Panengstuen
CEO

Ulf Troedsson
Chairman

Kjell Pettersen
Board member

Roy Lund
Employee representative

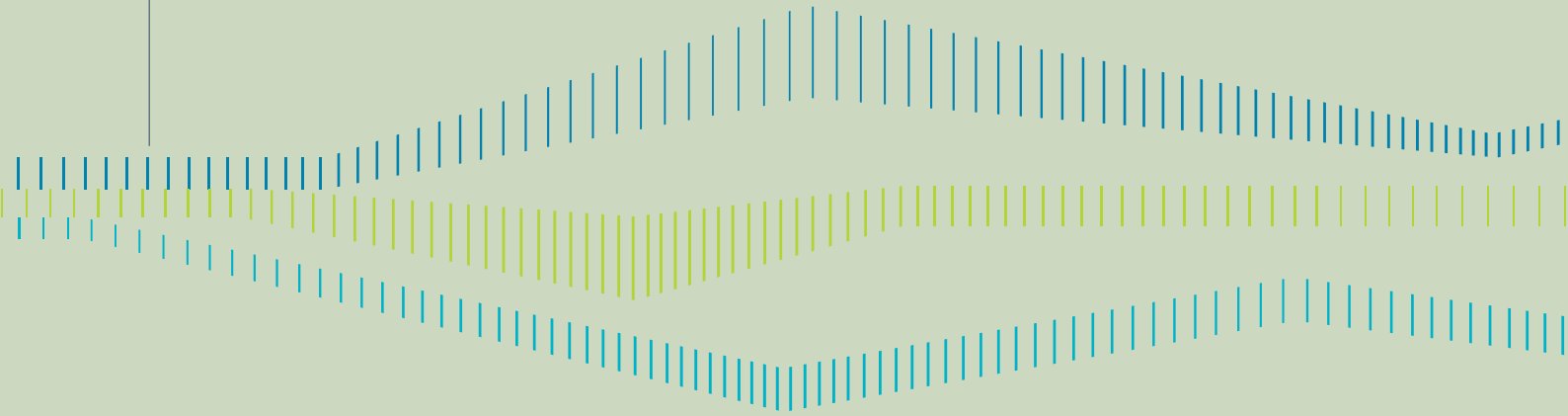
Per Barsnes
Employee representative

Ottar Skogseth
Employee representative

B.

Key figures

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|| | B.1 Key figures

| Key figures as of 30 September 2014

Amounts in NOK millions	2014	2013	2012	2011	2010	2009	2008	2007
New orders	5,801	7,294	5,987	5,779	4,572	3,737	5,823	6,945
Exports	1,840	1,558	1,727	1,037	1,092	1,412	396	591
Revenue	6,751	6,197	5,849	4,753	4,201	4,884	5,200	5,348
Operating revenue	6,773	6,266	5,868	4,816	4,242	4,996	5,289	5,502
Operating profit/loss	183	75	-80	140	359	339	292	259
Profit on ordinary activities before tax	137	94		245	408	678	315	257
Net profit/loss for the year	98	79	-69	182	289	512	223	177
Investments	44	85	45	594	3	21	21	33
Equity	769	734	602	1,127	995	888	427	415
Total assets	3,182	3,266	2,929	3,293	3,373	3,173	2,340	2,293
Number of employees	1,989	1,918	1,823	1,468	1,452	1,458	1,102	2,195

The Board of Directors of Siemens AS as of 4 December 2014

Chairman Ulf Troedsson

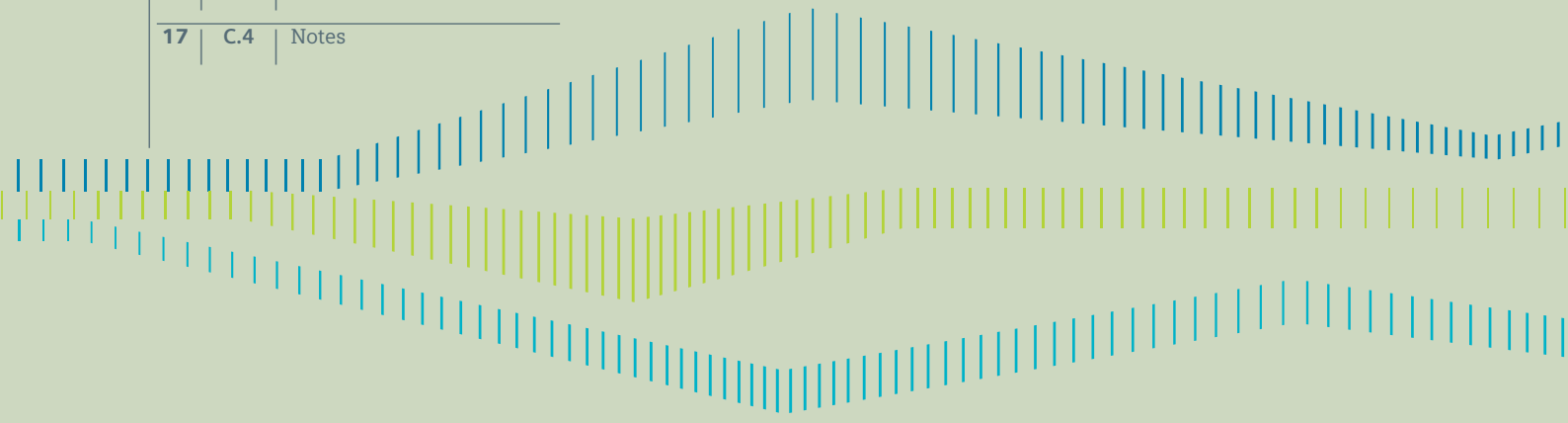
Board members Kjell Pettersen, Anne Marit Panengstuen

Employee representatives Roy Lund, Ottar Skogseth, Per Barsnes

C.

Annual Report

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C.1 Income statement

Statement of comprehensive income 1 October - 30 September

(Amounts in NOK 1,000)	Note	2014	2013
Sales income	2, 3	6,751,387	6,196,875
Other operating income	4	21,495	69,353
Total income		6,772,882	6,266,228
Cost of materials	12	3,335,344	2,978,435
Payroll expenses	5, 26	1,990,894	1,817,981
Depreciation of tangible assets and amortisation of intangible assets	9	50,843	53,122
Bad debts	13	-2,406	3,686
Other operating expenses	24	1,215,156	1,338,058
Total operating expenses		6,589,831	6,191,282
Operating profit/loss		183,051	74,946
Financial income	6	5,883	50,537
Financial expenses	7	51,973	31,877
Total financial items		-46,090	18,659
Profit on ordinary activities before tax		136,961	93,605
Tax on profit on ordinary activities	8	38,845	14,991
Net profit for the year	15	98,116	78,614
Other revenues and expenses			
<i>Items that shall not be reclassified through the income statement</i>			
Actuarial gains and losses on defined benefit plans	26	41,545	-91,157
Tax related to items that shall not be reclassified	26	-14,314	25,524
<i>Items that may be reclassified through the income statement in subsequent periods</i>			
Change in fair value of hedging instruments relating to cash flow hedges	16	-17,173	-30,902
Tax related to items that can be reclassified	16	4,673	8,653
Other revenues and expenses		14,731	-87,882
TOTAL COMPREHENSIVE INCOME		112,847	-9,269

|| | C.2 Balance sheet

| Balance sheet as at 30 September

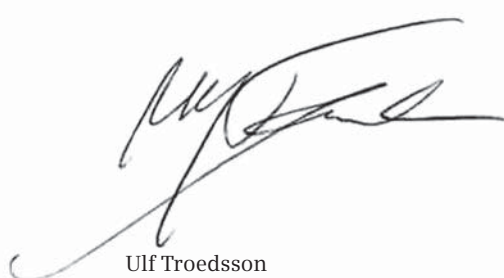
Assets			
(Amounts in NOK 1,000)	Note	2014	2013
Intangible assets			
Customer portfolio		33,184	43,013
Technology		49,692	66,092
Other intangible assets		4,115	4,585
Goodwill		543,673	543,673
Total intangible assets	9	630,663	657,363
Fixed assets			
Land, buildings and other real estate	9	148,639	113,614
Plant and machinery	9	62,350	100,607
Fixtures and fittings, equipment, tools, office machines and similar	9	43,023	23,957
Total fixed assets		254,012	238,178
Financial fixed assets			
Investments in subsidiaries	10	121,548	121,548
Investments in other shares and interests	16	450	481
Other non-current receivables	11	17,486	25,442
Total financial fixed assets		139,484	147,470
Total fixed assets		1024,159	1,043,011
Current assets			
Inventories	12	188,895	198,725
Accounts receivable	13, 16	1,022,070	1,103,924
Other current receivables	23	947,126	920,500
Other current receivables from Group companies	16	0	0
Total current assets	26	2,158,091	2,223,149
Total assets		3,182,250	3,266,160

| Balance sheet as at 30 September

Equity and liabilities (Amounts in NOK 1,000)	Note	2014	2013
Equity			
Share capital		140,000	140,000
Share premium		30,000	30,000
Total paid-in equity		170,000	170,000
Other equity		598,577	564,330
Total retained earnings		598,577	564,330
Total equity	15	768,577	734,330
Provisions for liabilities			
Pension obligations	26	228,100	251,175
Deferred tax	8	227,836	228,069
Total provisions for liabilities		455,936	479,243
Other non-current liabilities	16, 27	72,572	53,677
Total long-term liabilities		72,572	53,677
Current liabilities			
Accounts payable		421,104	333,750
Tax payable	8	35,614	55,294
Public duties payable		112,549	133,716
Current liabilities to Group account system	14, 16	34,762	311,121
Advances from customers	16	45,725	33,169
Guarantee provisions		31,591	26,831
Other current liabilities	16, 17	1,203,820	1,105,030
Total current liabilities		1,885,165	1,998,910
Total liabilities		2,413,673	2,531,830
Total equity and liabilities		3,182,250	3,266,160



Anne Marit Panengstuen
CEO



Ulf Troedsson
Chairman



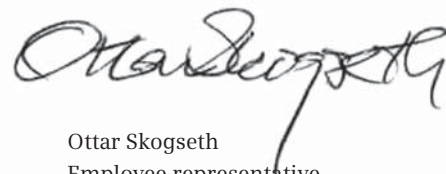
Kjell Pettersen
Board member



Roy Lund
Employee representative



Per Barsnes
Employee representative



Ottar Skogseth
Employee representative

C.3 Cash flow statement

Cash flow statement 1 October - 30 September

(Amounts in NOK 1,000)	Note	2014	2013
Cash flow from operating activities			
Profit before tax		136,961	93,605
Taxes paid for the period		-68,400	0
Ordinary depreciation/amortisation	9	50,843	53,122
Gain/loss on sales of businesses	4	0	-48,806
Gain/loss on disposal of fixed assets	9	3,571	1,658
Changes in inventory, accounts receivable and accounts payable	12, 13	179,038	-46,192
Differences between recorded pensions and contributions/disbursements	26	18,470	47,474
Changes in other accruals	11, 14, 17	78,202	-71,325
Net cash flow from operating activities		398,684	29,535
Cash flows from investing activities			
Proceeds from sale of fixed assets	9	0	40
Acquisitions of fixed assets	9	-43,729	-85,377
Proceeds from sale of businesses		0	25,439
Proceeds from sale of other investments or subsidiaries	10	0	43,262
Purchases of other investments / subsidiaries	10	0	-121,548
Net cash flow from investing activities		-43,729	-138,184
Cash flows from financing activities			
Change in intra-group balances in the Group account system	14	-276,359	101,246
Payment of Group contribution	6	0	7,400
Dividends paid	15	-78,600	0
Net cash flow from financing activities		-354,959	108,646
Net change in cash and cash equivalents		0	0
Cash and cash equivalents at 1 Oct.		0	0
Cash and cash equivalents at 30 Sept.		0	0

General

The company prepares the annual accounts in accordance with section 3-9 of the Norwegian Accounting Act and the Regulation on simplified application of International Financial Reporting Standards (IFRS) established by the Ministry of Finance on 21 January 2008. This principally entails that recognition and valuation follow International Financial Reporting Standards (IFRS) and the presentation and note disclosures are in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

The annual accounts consist of the statement of comprehensive income, balance sheet, cash flow statement and disclosures in the notes. The annual report and financial statements consist of the report from the Board of Directors, financial statements and auditor's report.

Siemens AS uses a non-calendar financial year that runs to 30 September. All figures are stated in thousands of NOK, unless otherwise specified.

Simplified IFRS

The company has not applied any simplifications from the recognition and valuation rules in IFRS.

Basis for preparation of the annual accounts

The company accounts have been prepared under the historical cost convention, with the exception of the following accounting items:

- > Financial instruments at fair value through the income statement, financial instruments available for sale that are reported at fair value.

Shares in subsidiaries are recognised and valued at cost. Dividends and Group contributions are recognised in the period in which they are declared.

Consolidation principles

Siemens AS has made use of paragraph 10 of IAS 27 concerning exemption from the consolidated accounts obligation for parent companies in sub-groups. Consequently, Siemens AS does not prepare a separate set of consolidated accounts. Please refer to the annual report for Siemens AG. At 30/9/2014 the Group consists of the parent company Siemens AS and its subsidiaries in Norway. See Note 10 for details of shareholdings in subsidiaries.

Currencies

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to Norwegian kroner at the exchange rates on the balance sheet date. Non-monetary items that are recorded at historical exchange rates expressed in foreign currency, are translated to Norwegian kroner using the exchange rate prevailing on the dates of the transactions. Non-monetary items that are recorded at fair value expressed in foreign currency, are translated using the exchange rates determined on the balance sheet date. Exchange rate fluctuations are recognised in the income statement on an ongoing basis and are presented in the accounts as financial income or financial expenses.

Principles for revenue recognition

Revenue is recognised when it is probable that transactions will generate future economic benefits that will flow to the company and the amount of revenue can be measured with reliability. Sales revenues are disclosed net of value added tax and discounts.

Revenues from the sale of goods are recognised in the income statement once delivery has taken place and when all the significant risks and rewards of ownership of the goods have been transferred.

Revenues from the sale of services and long-term manufacturing contracts are recognised in the income statement in line with the project's degree of completion. See separate paragraph on accounting for long-term manufacturing contracts.

Interest income is recognised based on the effective interest method as it is earned.

Dividends from subsidiaries and other companies are recognised once the shareholders' right to receive the dividends is established at the general meeting.

Borrowing costs

Borrowing costs are recognised as an expense when incurred. Borrowing costs are capitalised to the extent that they are directly related to the production of a fixed asset. The interest expenses accrue during the construction period until the fixed asset is capitalised. Borrowing costs are capitalised until the date on which the fixed asset is ready for use. If the cost price exceeds the fair value of the fixed asset, the value will be written down.

Long-term manufacturing contracts

Siemens' activities mainly consist of projects with a duration ranging from a few months to three or four years. Revenues and expenses are recognised through the income statement based on the percentage of completion of the project. This is calculated as the expenses accrued as a percentage of the total estimated expenses. Expenses and profit are estimated on an accruals basis and the percentage of completion is updated each accounting period which at Siemens means monthly. In the event of doubt, a best estimate is used.

Expected profit is recognised through profit on an accruals basis using the best estimate principle. The profit for individual projects is estimated each month prior to recognising the accrued share of the expected profit. For projects that are expected to result in a loss, the whole loss is charged as soon as it is known.

Balance sheet items related to manufacturing contracts are presented gross on the balance sheet.

Contract income which is not billed is shown as an asset under other receivables. Expenses in manufacturing contracts that, as at balance sheet date, are not included in the calculation of percentage of completion are carried as an asset on the balance sheet under other receivables.

Advance invoicing is calculated as the accrued income in the contract less invoicing. Advance invoicing of contracts is presented as a liability under other current liabilities and is not netted against other receivables.

Additional orders are taken into account in the contract's planned revenue when these are signed. On projects where there is an obligation to continue working, expenses incurred on unsigned but probable additional orders are recognised temporarily as an asset on the balance sheet.

If there is significant uncertainty regarding a customer's solvency, the principle of "cash-based accounting" is used. Here revenue is recognised in income only when payment is received.

Provisions are made for guarantee work and other areas of uncertainty. Past experience tells us that for some projects, disagreements with the client may arise with regard to the interpretation of contracts and additional work. In such cases, claims and counter-claims are made which are usually settled through negotiation, court cases or arbitration. These cases are included in the accounts using a best estimate.

In a contractual relationship, uncertainty may arise due to different interpretations of the contents of the contract. The

potential outcomes of disputes are assessed and a best estimate is used to make a provision in the accounts.

Other contracts

For projects that are not defined as long-term manufacturing contracts, the "completed contract method" is used for recognising income. Accrued costs are then capitalised as an asset under other receivables. Cost and revenue are recognised when the project is delivered to the client or when an agreed milestone is reached.

Service contracts

Service contracts are recognised when the services are provided.

Classification of balance sheet items

Assets and liabilities relating to the business cycle, and items that are due for payment within one year of the balance sheet date, are classified as current assets or current liabilities. Current assets and current liabilities are measured at the lower/higher of cost and fair value. The fair value of current assets is defined as the estimated future selling price less the anticipated cost of disposal.

Other assets are classified as fixed assets. Fixed assets are valued at cost. Fixed assets with a limited useful life are depreciated over their expected useful life. Fixed assets are written down to fair value in the event of a reduction in value that is not expected to be temporary. Write-downs are reversed if the reason for the write-down no longer exists.

Receivables

Accounts receivable are valued at their face value at the balance sheet date less provisions for estimated losses.

Inventories

Inventories of purchased goods are valued at the lower of average cost or expected net selling price. Obsolete goods are written down to expected future selling price.

Raw materials and goods in process, as well as work in progress, are booked at the lower of the complete manufacturing cost or expected net selling price. The manufacturing cost includes direct and indirect costs including the share of fixed manufacturing costs.

Shares and interests

Long-term shareholdings are included on the balance sheet as financial fixed assets and are valued at cost. Write-downs are made for permanent declines in value based on assessments of the individual investments. Siemens AS's financial statements use the historical cost method for all ownership

interests in limited companies. Shares in subsidiaries are recognised and valued at cost. Dividends received are recognised as financial income.

Use of estimates

In preparing the financial statements the management are required to make judgements, estimates and assumptions when applying the company's accounting policies. Even though the estimates are based on management's best judgement at the relevant time, actual results may differ from these estimates and underlying assumptions. Larger estimates are related to the allocation of fair values for acquisitions, determining lead times for the possession of fixed assets and intangible assets, recognised provisions and in determining pension obligations. The basis for the estimates is described in more detail in these accounting principles and elsewhere in the pertinent notes to the annual accounts.

Contingent outcomes

Contingent losses that are probable and measurable are expensed.

Forward currency contracts

Siemens AS hedges cash flows from contracts signed in foreign currency as part of its risk management strategy. Forward contracts are measured at fair value on the balance sheet date.

Siemens AS uses hedge accounting for contracts with a value of more than 1 million Euros. The purpose of hedge accounting is to treat the impact on the income statement of the item being hedged and the impact on the income statement of the hedging instrument as a single item. The effectiveness of the hedge is monitored and documented in accordance with the rules on hedge accounting. If the requirements for the use of hedge accounting are no longer met, the hedged item and the hedge are measured separately using the relevant accounting rules.

When hedging cash flows (Cash Flow Hedge Accounting) unrealised gains and losses on the hedging instrument are recognised in equity. Deferred tax on the provision is recognised directly in equity.

Fair Value Accounting is used for other hedging contracts. Unrealised gains and losses on the hedging instrument are recognised through the income statement on a monthly basis.

Tangible and intangible fixed assets

Tangible and intangible fixed assets are measured at cost less accumulated depreciation and write-downs. Tangible and intangible fixed assets are measured at the lower of cost and

fair value. Plant and equipment with a useful life of less than three years or a cost price of under NOK 15,000 are expensed the year that they are bought. Costs relating to normal maintenance and repairs are expensed as they arise under operating expenses. The cost of significant improvements to an asset, which are expected to increase future value and profit, are capitalised and depreciated over the anticipated useful life of the asset.

Assets are depreciated on a straight line basis over their useful lives, starting from the date on which they were first put into use.

Leases for cars and office equipment are treated as operating lease contracts for accounting purposes.

Development costs are capitalised to the extent that a future economic benefit associated with the development of an identifiable intangible asset can be identified and the costs can be reliably measured. Otherwise, such costs are expensed as they are incurred. Capitalised development costs are depreciated linearly over their useful lives. Research costs are expensed as they are incurred.

Pension costs and pension obligations

At the beginning of its 2007 fiscal year, Siemens AS introduced a defined contribution occupational pension scheme for all employees with more than 10 years to go before reaching retirement age at the close of 2006.

The period's pension costs comprise paid contributions. Contributions are 4 per cent of the individual employee's qualifying salary between 1G and 6G, where G is the National Insurance Scheme's basic amount. For qualifying salaries of between 6G and 12G, a pension contribution of 8 per cent is payable. Previously accrued pension rights were converted into individual paid-up policies.

For employees with less than 10 years to go until retirement age, the old defined benefits pension scheme was maintained, but it is considered a closed scheme. This pension scheme is treated for accounting purposes in accordance with IAS 19R.

Pension obligations are valued as the present value of future pension benefits accrued at the balance sheet date. Future pension benefits are calculated using estimated salaries and retirement dates. Pension scheme assets are valued at their estimated market value at the balance sheet date. The net liabilities of underfunded pension schemes are recognised on the balance sheet as a liability, whilst the net assets of overfunded schemes are recognised as financial fixed assets.

The company recognised all accumulated net actuarial losses and gains in equity on the date of transition to IFRS, 1 October 2012. Gains and losses on curtailment or settlement of a defined benefit-based pension scheme are recognised in the income statement when the curtailment or settlement occurs.

A curtailment occurs when the company is committed to making a material reduction in the number of employees covered by a plan or amends the terms of a defined benefit pension scheme such that a material element of future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

The introduction of a new defined benefit scheme or an improvement to the current defined benefit scheme entails changes in the pension obligations. These are expensed on a straight-line basis until the effect of the change is accrued. The introduction of new plans or changes to current plans with retroactive effect such that the employees have immediately earned a paid-up policy (or change to the paid-up policy) are immediately recognised in the income statement. Gains or losses in connection with curtailments or the closure of pension plans are recognised in the income statement in the period in which they occur.

Actuarial gains and losses are recognised in other revenues and expenses (OCI).

Employees' options and share programme

Siemens AG, the parent company of Siemens AS, has issued stock awards to staff in senior management positions at Siemens AS. In addition, all employees may join a savings agreement linked to the purchase of Siemens AG shares. For every three shares that the employee purchases, Siemens AS will give one share. Both of these options schemes are measured at fair value on the date of issue. The fair value on the date of issue is expensed on a straight-line basis over the duration of the option.

Government grants

Government grants are recognised as deferred income at fair value when there is reasonable assurance that the conditions for the grant will be complied with, and that the grant will be disbursed. Grants that become receivable as compensation for expenses on an ongoing basis are systematically recognised in the incomes statement of the period in which the expenses are recognised. Grants in which the Group is compensated for the acquisition cost of an asset are recognised in the income statement over the useful life of the asset.

Tax expense

Taxes consist of tax payable and changes in deferred tax. Tax payable is calculated on the basis of the profit or loss for tax purposes. Changes in deferred tax are calculated on the basis of changes in taxable and deductible temporary differences.

Deferred tax on the balance sheet is calculated on the basis of temporary differences between the tax and accounting values of assets and liabilities and losses and gains to carry forward at the end of the financial year. Deductible temporary differences and losses and gains to carry forward are offset against taxable temporary differences that reverse in the same period. A full provision has been made using the liability method, based on nominal values.

Cash flow statement

Siemens AS uses the indirect model for presentation of the cash flow statement in accordance with Simplified IFRS for cash flow statements. The indirect model shows gross cash flows from investing and financing activities, while the accounting profit is reconciled with the net cash flow from operating activities. Siemens AS participates in a Group account scheme, in which the funds are defined as intercompany receivables and liabilities. Therefore the company has no cash and cash equivalents as at 30/9/2014.

Note 2 Information about the business areas

(Amounts in NOK 1,000)	2014	2013
Sales revenues by business area:		
Industry	1,363,188	1,263,013
Energy	3,877,770	3,467,025
Infrastructure & Cities	1,138,479	1,041,072
Healthcare	371,953	425,765
Total sales revenue	6,751,387	6,196,875

The majority of the company's sales revenues comes from activities in Norway. In fiscal year 2014, exports comprised NOK 1,840 million (27% of total revenues). This is a decline of around 2% from the 2013 fiscal year. The largest export markets in fiscal year 2014 are Singapore, China and Great Britain, which account for 35%, 20% and 11% of the total exports respectively.

| Note 3 Long-term manufacturing contracts - where the percentage of completion method is used

(Amounts in NOK 1,000)	2014	2013
Recognised revenue from work-in-progress	7,997,032	7,314,258
Cost of work-in-progress	7,157,771	6,661,431
Net profit/loss on work-in-progress	839,261	652,827
Backlog of orders on work-in-progress	3,475,022	4,660,039
Estimated gross profit	76,465	80,684
Revenue from projects	3,368,711	4,679,372
Estimated remaining production costs for loss-making projects	595,199	576,280
The entire expected loss on these projects is charged as a provision, which is reduced in parallel with the progress of the project or realisation of the losses.		
Accrued, unbilled revenues from work-in-progress included under other current receivables, from manufacturing projects where the percentage of completion method is used (see note 23)	374,337	409,638
Production billed in advance, included under other current liabilities, from manufacturing projects where the percentage of completion method is used (see note 17)	790,892	707,638

Project risk and uncertainty

Siemens AS mainly has long-term contracts, many of which are fixed price contracts based on bids. Delays, quality issues or increases in project costs can result in costs not being covered by the revenues from the project in question. If a project is identified as loss-making, a provision is made for expected future losses. For accounting purposes, the recorded loss is the best estimate at the close of the financial period. Circumstances and information can change in subsequent periods and the final outcome may therefore be better or worse than the assessment made at the time the accounts were prepared.

| Note 4 Other operating income

(Amounts in NOK 1,000)	2014	2013
Rental income from real property	18,658	20,547
Re-invoicing of rent, subsidiaries	2,837	0
Proceeds from sale of businesses	0	48,806
Total other operating income	21,495	69,353

In 2013 Siemens AS sold the subsidiary Poseidon Consulting AS for a total consideration of NOK 43,261,904. The consideration was paid entirely in cash.

Note 5 Payroll, number of employees, remuneration

(Amounts in NOK 1,000)	2014	2013
Salaries and holiday pay	1,540,927	1,450,896
Employer's NICs	230,326	217,163
Net pension cost*	124,335	87,542
Other payroll expenses	95,307	62,380
Total payroll and other staff expenses	1,990,895	1,817,981

* In 2014 net pension costs consist of the cost of the defined contribution-based scheme of NOK 65.3 million excluding employer's NICs and new contractual pension (AFP) schemes of NOK 17.8 million excluding employer's NICs in addition to costs of NOK 41.5 million in connection with the defined benefit-based pension scheme including employer's NICs (see note 26)

Average number of full-time equivalent staff 1 Oct. 2012 - 30 Sept. 2013		1,859
Average number of full-time equivalent staff 1 Oct. 2013 - 30 Sept. 2014	1,957	

Directors' fees for the Board of Siemens AS totalled NOK 380,000 in fiscal year 2014.

The outgoing CEO's salary for the period 1 Oct. 2013 - 31 Jul. 2014 was NOK 4,795,836. Bonus comprised NOK 2,295,008 of this amount. Other reportable compensation totalled NOK 1,005,188.

The new CEO's salary for the period 1 Aug. 2014 - 30 Sept. 2014 was NOK 291,548. Reportable compensation amounted to NOK 51,552. Other reportable compensation totalled NOK 41,552.

The CEO is covered by the pension scheme for senior management at Siemens AS. A pension contribution of NOK 1,330,845 was made for the outgoing CEO and NOK 189,597 for the new director. The CEO's salary is performance-related and the bonus paid is included in the reportable compensation. The CEO is entitled to 12 months' salary as severance pay in case of notice from Siemens.

The previous CEO retired with a pension during the fiscal year. In this connection, a provision has been made for NOK 23,710,302 in accordance with the current agreement for the CEO.

The outgoing CEO exercised 900 stock awards with a resulting gain of NOK 704,513 in the current fiscal year.

The new CEO exercised 81 stock awards with a resulting gain of NOK 131,004 in the current fiscal year. As of 30 September 2014 the new CEO has reserved 681 stock awards. These can be received during the period 2014-2017.

The gain is calculated by comparing the Siemens AG share price with the strike price when the options are exercised.

Neither the Chair of the Board nor the CEO have loans from Siemens AS as at 30/9/2014.

The Chair of the Board has not received any Director's fees during the period. None of the Chairs has been allocated options or shares.

Other employees have loans from the company totalling NOK 14.3 million. The loans are repayable over a maximum of 10 years. A standard interest rate is charged on the loans. No particular security has been provided for the loans, other than the issue of a promissory note.

Auditor	2014	2013
Expensed auditor's fees		
Fees for statutory audits	1,389	2,650
Additional fees billed for 2013	236	0
Other services related to auditing	0	60
Total auditor's fee	1,625	2,710

Fees are quoted excluding VAT.

Note 6 Financial income

(Amounts in NOK 1,000)	2014	2013
Interest income from Group companies	613	470
Other interest income	4,333	4,111
Dividends / Group contribution received	0	7,400
Exchange rate gains	937	38,556
Total financial income	5,883	50,537

Note 7 Financial expenses

(Amounts in NOK 1,000)	2014	2013
Interest payable to Group companies	2,014	4,979
Other interest expenses	7,097	3,931
Other financial expenses	221	452
Exchange rate losses	42,641	22,515
Total financial expenses	51,973	31,877

Note 8 Tax

Taxable profit		
(Amounts in NOK 1,000)	2014	2013
Profit on ordinary activities before tax	136,960	93,605
Permanent differences/other differences	6,689	8,492
Changes in taxable/deductible temporary differences	-29,305	223,552
Effect of mergers and internal transactions ¹	0	-50,743
Effect of items recognised in equity	24,372	0
Tax-free gains on disposal of shares	0	-35,019
Application of tax loss carry forward	0	-51,131
Taxable profit	138,717	188,756
27% (2013: 28%) tax payable of which	37,454	52,852
Tax merged companies	0	-189
Taxes paid to foreign countries, directly expensed	0	466
Tax payable in the tax expense	37,454	53,129

The tax expense for the year is as follows:

(Amounts in NOK 1,000)	2014	2013
Tax payable on profit for the year	37,454	52,852
Change in deferred tax	-233	-57,214
Change in deferred tax, merged companies ¹	0	-14,208
Change in deferred tax recognised directly in equity ²	-9,641	34,176
Correction for errors in previous years	11,266	-614
Total taxes for the year	38,845	14,991

Tax payable on the balance sheet is as follows:

(Amounts in NOK 1,000)	2014	2013
Tax payable on profit for the year	37,454	52,852
Tax payable for previous years	-1,840	
Tax payable from merged companies	0	2,443
Total tax payable	35,614	55,294

Specification of deferred tax calculation

(Amounts in NOK 1,000)

	2014	2013
Taxable / deductible differences that offset one another:		
Non-current assets/liabilities	140,835	98,035
Current assets/liabilities	984,728	1,022,596
Total	1,125,564	1,120,631
Items recognised directly in equity ²	-281,728	-306,100
Total basis for deferred tax	843,835	814,531
27% (2013: 28% Deferred tax (+) / Deferred tax assets (-)	227,836	228,069
Change in deferred tax	-233	-57,214

1) The company merged Matre Instruments AS as at 1 October 2012. The merger was carried out with company continuity for accounting purposes as at 1 October 2012. The merger took effect for tax purposes from 1 October 2012. In this connection, temporary differences of NOK 50,743 were transferred, which corresponds to NOK -14,208 of deferred tax.

2) Changes in capitalised financial instruments and pensions as well as deferred tax relating to these items are partly recognised directly in equity.

Nominal tax rate on profit before tax:

(Amounts in NOK 1,000)

	2014 tax expense	2014 in % of profit before tax
Tax calculated as average nominal tax rate on profit before tax	36,979	27.00%
Effect of permanent differences	1,806	1.32%
Tax effect of change in tax rate from 28% to 27%	-11,206	-8.18%
Effect of previous year's tax	11,266	8.23%
Tax expense according to income statement	38,845	28.36%

Note 9 Intangible assets and fixed assets

(Amounts in NOK 1,000)	Customer portfolio	Technological intangible assets	Market-related assets	Research and development in progress	Goodwill	Total
Cost 1 Oct. 2014	73,647	95,825	3,666	1,568	545,794	720,500
Acquisitions during the year	0	0	0	0	0	0
Disposals during the year - cost	0	0	0	0	0	0
Cost 30 Sept. 2014	73,647	95,825	3,666	1,568	545,794	720,500
Accumulated depreciation and write-downs	40,462	46,133	1,107	0	2,122	89,824
Book value at 30 Sept. 2014	33,184	49,692	2,547	1,568	543,673	630,663
Depreciation and write-downs for the year	9,828	13,164	458	0	0	23,450
Depreciation method	Straight-line	Straight-line	Straight-line			
Useful life	3-9 years	5-8 years	5-8 years			

Market-related intangible assets are related to the brand name from the company which has now been merged with Siemens AS.

(Amounts in NOK 1,000)	2014	2013
Total expenses for research and development	151,081	137,157

It is assumed that the total expected earnings from ongoing research and development correspond to the total expenses. The company's development programmes are mainly related to products and systems for subsea application. Other important areas of development are power systems for boats and drillships, offshore water management and advanced IT solutions for the oil and gas market. Siemens has an extensive research collaboration with universities, colleges and external and internal research centres and partners.

(Amounts in NOK 1,000)	Land/ buildings	Plant and machinery	Company equip- ment and fixtures and fittings	Facilities under construction	Total
Cost 1 Oct. 2014	178,023	66,805	125,572	66,824	437,224
Acquisitions during the year	43,804	19,856	33,206	-53,137	43,729
Disposals during the year - cost	0	1,392	15,762		17,154
Cost 30 Sept. 2014	221,827	85,269	143,017	13,687	463,800
Accumulated depreciation and write-downs	73,188	36,606	99,994	0	209,787
Book value at 30/9/2014	148,639	48,663	43,023	13,687	254,012
Depreciation and write-downs for the year	8,779	4,976	13,638	0	27,393
Depreciation method	Straight-line	Straight-line	Straight-line		
Useful life	0-50 years	10 years	3-5 years		

Market-related intangible assets are related to the brand name from the company which has now been merged with Siemens AS.

Lease contracts	2014	2013
(Amounts in NOK 1,000)		
Offices and warehouses	83,840	80,986
Cars	9,523	10,332
Total lease costs	93,363	91,318

Siemens AS leases office and storage space in ten different locations in the country. Most of the agreements have a duration of 2-4 years. The lease agreement for the head office's premises in Oslo is valid until 2026. The company has leased various cars and vans for periods of between two and five years. For an overview of the total liabilities, see note 19.

Note 10 Shares

(Amounts in NOK 1,000)	Business location	Company's share capital	Number of shares	Nominal value of shares	Book value	Ownership interest
Investments in subsidiaries:						
Siemens Healthcare Diagnostics AS	Oslo	300,000	300	1,000	121,548,000	100%
Total investments in subsidiaries 2014					121,548,000	

(Amounts in NOK 1,000)	Net profit/loss for the year Fiscal year 2012/2013	Equity Fiscal year 2012/2013
Siemens Healthcare Diagnostics AS	22,402,828	90,781,148

In 2013 Siemens AS acquired Siemens Healthcare Diagnostics AS for a total consideration of NOK 121,548,000. The consideration was paid entirely in cash. Siemens Healthcare Diagnostics AS was acquired by Siemens Diagnostics Holding II B.V. 3 December 2012. The registered office of Siemens Healthcare Diagnostics is situated at Østre Aker vei 88, 0596 Oslo. Siemens AS has made use of the exception in the first paragraph of section 3-7 of the Norwegian Accounting Act regarding not preparing consolidated accounts. The consolidated financial statements of Siemens AG can be obtained from the following address: Siemens AG, Wittelsbacherplatz 2, D-80333 Munich, Federal Republic of Germany. <http://www.siemens.com>

| Note 11 Other non-current receivables

(Amounts in NOK 1,000)	2014	2013
Loans to employees (cf. note 5)	14,273	14,349
Other non-current receivables	3,212	11,093
Total other non-current receivables	17,486	25,442

The list shows the book value of receivables due more than one year after the balance sheet date.

| Note 12 Inventories

(Amounts in NOK 1,000)	2014	2013
Raw materials	56,029	42,541
Goods in process	11,806	8,660
Finished goods	121,060	147,524
Total inventories	188,895	198,725
Provision for obsolete goods included in above figures:	43,429	23,951
Cost of inventories for the year comprised	3,335,344	2,978,435

| Note 13 Accounts receivable

(Amounts in NOK 1,000)	2014	2013
Losses on accounts receivable	1,392	1,578
Changes in provisions	-3,798	2,107
Net bad debts	-2,406	3,685

(Amounts in NOK 1,000)	2014	2013
Gross accounts receivable	1,036,629	1,122,281
Provision for losses on accounts receivable	-14,559	-18,357
Net accounts receivable	1,022,070	1,103,924

Outstanding receivables older than 60 days comprise approximately 13.4% of gross receivables.

Siemens AS continually follows up and evaluates risk and believes that the provisions for bad debts are adequate based on an evaluation of the receivables.

Note 14 Liquid assets

Siemens AS has no restricted liquid assets. Siemens AS has a bank guarantee worth NOK 100 million to cover tax liabilities. In addition, Siemens AS has provided bank guarantees totalling NOK 7.5 million for duty and tax liabilities for Siemens Healthcare Diagnostics AS.

Banking activities are undertaken through Siemens Financial Services GmbH (SFS) and external banks. Siemens AS has a low liquidity risk since the company is part of the Siemens Group's account scheme. As of 30 September 2014 holdings in SFS amounted to net NOK -35 million and are classified as debt.

Note 15 Equity and shareholder information

(Amounts in NOK 1,000)	Share capital	Share premium	Own shares	Paid-in other equity	Cash flow hedge reserve	Actuarial gains and losses	Retained equity	Other equity	Total equity
Equity 1/10/2014	140,000	30,000	0	0	2,600	-238,291	800,022	564,330	734,330
Dividends	-	-	-	-	-	-	-78,600	-78,600	-78,600
Total comprehensive income	-	-	-	-	-12,500	27,231	98,116	112,847	112,847
Equity as at 30/9/2014	140,000	30,000	0	0	-9,900	-211,060	819,538	598,577	768,577

At 30/9/2014 the company's share capital consisted of 140,000 shares with a par value of NOK 1,000. All of the company's shares are owned by Siemens International Holding BV, which is in turn wholly owned by Siemens AG.

Note 16 Currency derivatives and financial instruments

Based on current guidelines, 75% - 100% of future cash flows and positions in foreign currencies shall be hedged using futures and options. Financial instruments are used for hedging purposes, as there is a matching item in the underlying cash flows from operations.

Siemens AS has significant currency exposure relating to purchases and sales in EUR, USD, GBP, SEK and DKK. In addition, options may be used to hedge against fluctuations during the bid phase of projects. Siemens uses financial futures contracts to hedge against exposure to raw materials.

All hedging is undertaken through Siemens Financial Services GmbH.

Siemens AS does not use financial instruments linked to interest rate exposure.

The following amounts relating to currency hedging contracts are recognised as financial income/expenses for the fiscal year:

(Amounts in NOK 1,000)

	2014	2013
Realised income from expired hedging contracts:	-442	7,561
Unrealised gain/loss (-) from valuation of hedging contracts:	1,813	-10,379

The following amounts relating to currency hedging contracts are recognised in other revenues and expenses (adjusted for deferred tax):

(see note 15)

(Amounts in NOK 1,000)

	2014	2013
Unrealised gain/loss (-) recognised in fiscal year:	-12,500	-22,249
Accumulated gain/loss (-) not reversed from equity:	-9,900	2,601

List of unrealised currency futures as of 30/9/2014:

(Amounts in NOK 1,000)

Currency futures (counter position NOK):	Amount in foreign currency	Amount in NOK	Agreed average exchange rate	Exchange rate as of 30/9/2014	Average remaining maturity in days
Sales EUR	158,478	1,312,334	8,281	8,119	127
Purchases EUR	153,892	1,272,358	8,268		151
Sales USD	74,578	461,578	6,189	6,452	120
Purchases USD	27,609	171,841	6,224		112
Sales SEK	0	0	-	0.888	-
Purchases SEK	1,040	927	0.891		31
Sales DKK	0	0	-	1.091	-
Purchases DKK	7,423	8,219	1.107		352
Sales GBP	5,564	56,444	10.145	10.445	60
Purchases GBP	11,469	116,179	10.130		92

The fair values of the derivatives that are recognised on the balance sheet as at 30 Sept. are as follows:

(see the table for currency derivatives and financial instruments)

	2014	2013
CHF	-	10
DKK	-7	145
EUR	2,738	-1,673
GBP	2,129	1,531
SEK	-3	12
USD	-15,119	-1,120
Total	-10,261	-1,095
Positive holdings: Short-term portion	39,684	31,950
Positive holdings: Long-term portion	755	8,689
Negative holdings: Short-term portion	-46,054	-33,255
Negative holdings: Long-term portion	-4,646	-8,479
Total	-10,261	-1,095

The fair value of hedging instruments is determined by multiplying the difference between the exchange rate on the balance sheet date and the agreed exchange rate by the hedged amount in foreign currency and applying a discount rate. An administration fee is included for the issuer of the hedging instrument (Siemens Financial Services GmbH).

In the income statement, valuation and settlement of hedging contracts are entered under financial expenses and income. On the balance sheet, the values of open hedging contracts are recognised in current or long-term receivables or other current or long-term liabilities.

The share of long-term positive holdings comprises NOK 0.8 million and long-term negative holdings NOK 4.7 million.

Note 16 Currency derivatives and financial instruments (cont.)

Siemens AS uses cash flow hedge accounting for significant cash flows. The purpose of hedge accounting is to avoid any impact on the income statement of unrealised gains and losses on the hedging instrument. The effectiveness of the hedge is monitored and documented in accordance with the rules on hedge accounting. If the requirements for the use of hedge accounting are no longer met, the hedged item and the hedge are measured separately using the relevant accounting rules. When hedging cash flows (Cash Flow Hedge Accounting) unrealised gains and losses on the hedging instrument are recognised in equity. Deferred tax on the provision is recognised directly in equity.

Other hedging contracts that are not classified as hedge accounting are recorded at fair value through the income statement.

As of 30 September 2014 there are no material ineffective hedges.

Periods during which hedged cash flows in foreign currencies, classified as cash flow hedge accounting, are expected to affect the income statement:

(Amounts in NOK 1,000)	2015	2016	2017
Year in which hedged cash flows are expected to be reclassified from equity to the income statement.	-7,736	-3,578	-107

The following amounts relating to raw material hedging contracts are recognised as financial income/expenses for the fiscal year:

(Amounts in NOK 1,000)	2014	2013
Unrealised gain/loss (-) from valuation of hedging contracts:	523	-

Financial instruments by category:

Assets As at 30/9/2014 (amounts in NOK 1,000)	Loans and receivables	Assets at fair value through the income statement	Derivatives used for hedging purposes	Available for sale	Total
Investments in other shares and interests	450	-	-	-	450
Other non-current receivables	16,731	-	755	-	17,486
Accounts receivable	1,022,070	-	-	-	1,022,070
Other current receivables	907,441	-	39,684	-	947,126
Total	1,946,692	-	40,439	-	1,987,131

Assets As at 30/9/2013 (amounts in NOK 1,000)	Loans and receivables	Assets at fair value through the income statement	Derivatives used for hedging purposes	Available for sale	Total
Investments in other shares and interests	481	-	-	-	481
Other non-current receivables	16,753	-	8,689	-	25,442
Accounts receivable	1,103,924	-	-	-	1,103,924
Other current receivables	888,550	-	31,950	-	920,500
Other receivables excluding advance payments	-	-	-	-	-
Total	2,009,708	-	40,639	-	2,050,347

Liabilities As at 30/9/2014 (amounts in NOK 1,000)	Liabilities at fair value through the income statement	Derivatives used for hedging purposes	Other financial liabilities	Total
Other long-term liabilities	-	4,646	67,926	72,572
Accounts payable	-	-	421,104	421,104
Current liabilities to Group account system	-	-	34,762	34,762
Advances from customers	-	-	45,725	45,725
Other current liabilities	-	45,954	1,157,866	1,203,820
Total	-	50,600	1,727,383	1,777,983

Liabilities As at 30/9/2013 (amounts in NOK 1,000)	Liabilities at fair value through the income statement	Derivatives used for hedging purposes	Other financial liabilities	Total
Other long-term liabilities	-	8,479	45,198	53,677
Accounts payable	-	-	333,750	333,750
Current liabilities to Group account system	-	-	311,121	311,121
Advances from customers	-	-	33,169	33,169
Other current liabilities	-	33,255	1,071,775	1,105,030
Total	-	41,734	1,795,013	1,836,747

| Note 17 Other current liabilities

(Amounts in NOK 1,000)	2014	2013
Salaries and holiday pay	252,589	226,326
Service contracts billed in advance	45,562	46,870
Provisions for liabilities	60,008	84,697
Production projects billed in advance (see note 3)	790,892	707,638
Currency derivatives (see note 16)	46,595	33,255
Other current liabilities	8,175	6,243
Total other current liabilities	1,203,820	1,105,030

Provisions for liabilities

(Amounts in NOK 1,000)	Onerous contracts	Other	Total
1/10/2013	50,381	34,316	84,697
Deferred	36,854	19,004	55,858
Removed	15,096	11,330	26,426
Used provision	45,564	8,557	54,121
30/9/2014	26,575	33,433	60,008

| Note 18 Mortgages and guarantees

(Amounts in NOK 1,000)	2014	2013
Guarantees		
Guarantees issued by external financial institutions	736,499	666,113
Guarantees issued by external financial institutions for subsidiaries	7,500	7,500
Guarantees issued by external financial institutions for external companies	0	1,533
Total guarantees	743,999	675,146

Siemens AS has guarantees with a face value of NOK 744 million, where the guarantees are issued by external financial institutions. The guarantees apply to liabilities towards the authorities and counterparties, including guarantee obligations for subsidiaries and external companies.

Siemens AS has registered a contract for factoring pursuant to section 4-10 of the Mortgages and Pledges Act. The contract handles individual commercial monetary claims of an amount up to NOK 80 million. The registration has as beneficiary Kredittanstalt für Wiederaufbau and was made in connection with project financing.

| Note 19 Off-balance sheet liabilities

At the end of fiscal year 2014, Siemens AS has the following off-balance sheet liabilities divided into the following categories:

Description (Amounts in NOK 1,000)	By period				Total
	Within 1 year	2-3 years	4-5 years	After 5 years	
Signed contracts relating to projects	1,547,526	71,927	0		1,619,453
Rent*	93,801	160,445	138,779	496,189	889,214
Outsourcing agreement	22,189	42,812	17,167	0	82,168
Consultants	29	0	0	0	29
Vehicle leasing	3,998	4,254	949	0	9,201
Total	1,667,543	279,438	156,895	496,189	2,600,065

* Siemens AS has signed a lease contract for the building in Østre Aker vei 88. The lease contract runs for 12 years with effect from 15 December 2013. After the lease period has expired Siemens AS has an option to extend the lease at market rates for 10 + 10 years.

Note 20 Financial market risk

Siemens uses financial futures contracts to hedge against exposure to currencies and raw materials through Siemens Financial Services GmbH (SFS). However, Siemens AS does not use financial instruments linked to interest-bearing items. As a result of the strong liquidity of Siemens Financial Services GmbH, Siemens AS has a low liquidity risk. Accounts receivables are continually assessed based on changes in market conditions and management's assessment. We consider this to be taken account of in the provisions for losses on receivables. (see note 13).
Currency and raw material risk as well as the application of financial instruments are described in note 16.

Note 21 Transactions with related parties

(Amounts in NOK 1,000)		Sales	
		2014	2013
Siemens International Trading Ltd., Shanghai	Siemens company	182,814	150,364
Siemens Pte. Ltd.	Siemens company	181,804	298,350
Siemens Industry, Inc.	Siemens company	110,435	24,028
Siemens plc	Siemens company	36,688	19,841
Siemens Wind Power A/S	Siemens company	25,477	27,966
Siemens Ltd., China	Siemens company	20,266	0
Siemens Energy, Inc. (US) - Oil& Gas (PT)	Siemens company	17,926	16,079
Siemens Financial Services AB	Siemens company	8,838	0
Siemens Nederland N.V	Siemens company	8,209	42,193
Other	Siemens company	32,123	56,548
		624,580	635,368

Name	(Amounts in NOK 1,000)	Purchases	
		2014	2013
Siemens AG	Siemens company	1,483,277	1,338,683
Siemens Wind Power A/S	Siemens company	232,062	271,233
Siemens plc	Siemens company	77,683	53,666
Siemens Schweiz AG	Siemens company	70,380	69,317
Siemens Electric Machines s.r.o	Siemens company	46,711	38,619
Siemens Industrial	Siemens company	36,587	81,603
SIEMENS LTDA.	Siemens company	26,467	15,413
Siemens AG Oesterreich	Siemens company	18,371	60,367
Siemens Sanayi ve Ticaret AS	Siemens company	14,301	16,850
Siemens AG - Corporate Units	Siemens company	10,976	12,956
Siemens Nederland N.V	Siemens company	8,209	17,250
Siemens Medical Solutions USA Inc	Siemens company	5,786	31,297
Other	Siemens company	193,908	169,540
		2,224,718	2,176,794

Purchases from and sales to related parties are regarded as commercial transactions. Purchases and sales between related parties principally take place in connection with project collaborations. There are also a number of cost allocations in connection with the use of common services in the Group.
Siemens AS has no intra-group balances relating to liabilities and receivables since purchases and sales are paid for directly from the Group cash pool. (see note 14)

Note 22 Share price-based compensation

Senior management in Siemens AS are granted options by Siemens AG. There is a 3 year delay between when the options are granted and when they can be exercised. The costs of the options are included in the accounts of Siemens AS.

Siemens AS is charged the expected monthly cost of options from Siemens AG on the date of the allocation. The cost builds up a liability in Siemens AS to Siemens AG. The cost is based on the fair value of the options as at balance sheet date. At the point when the options are exercised, their actual value is used. This forms the basis for the final cost billed from Siemens AG.

The Norwegian marginal tax is calculated and paid to the Norwegian tax authorities while the remainder is paid to the employee by Siemens AS.

The total cost for these options is charged to payroll expenses. In fiscal year 2014 this amounted to NOK 1.7 million. The book value of the liabilities amounted to NOK 3.5 million.

(Amounts in NOK 1,000)	2014		2013	
	Average exchange rate EUR per share	Options	Average exchange rate EUR per share	Options
As of 1 October	70.77	12,955	71.52	9,800
Awarded	80.88	4,168	64.93	5,828
Exercised	77.76	-2,778	60.79	-2,673
Expired	-	-	-	-
As of 30 September	80.88	14,345	70.77	12,955

(Amounts in NOK 1,000)	Expiration date	Exercise price EUR per share	Number of options	
			2014	2013
2010	12/11/2013	77.76	-	2,778
2011	11/11/2014	74.14	4,349	4,349
2012	12/9/2015	64.93	5,828	5,828
2013	8/11/2016	80.88	4,168	-
Total			14,345	12,955

Share options granted to employees:

In fiscal year 2014 all Siemens Group employees were offered the opportunity to purchase Siemens shares through the Share Matching Plan programme. Employees who enter into this agreement have a fixed amount of 0–5% of their gross salary deducted each month. The amount is invested in Siemens shares in the following month. After a vesting period of three years, Siemens gives the employee one free share for every three shares the employee owns. Siemens AS is billed quarterly for the administration of the Share Matching Plan in addition to the fourth share the employee is given after three years. For fiscal year 2014 these costs amounted to NOK 0.6 million.

| Note 23 Other current receivables

(Amounts in NOK 1,000)	2014	2013
Accrued, unbilled revenues from production contracts	374,337	409,638
Other accrued, unbilled revenues including work in progress	515,430	438,741
Currency derivatives	40,208	31,957
Other current receivables	17,151	40,164
Total other current receivables	947,126	920,500

| Note 24 Other operating expenses

(Amounts in NOK 1,000)	2014	2013
Shipping and transportation expenses	40,978	33,340
Leasing of premises	83,847	80,986
Light and heat	14,003	15,971
Waste, water, sewage, cleaning, etc.	11,646	12,768
Leasing of machinery, equipment, etc.	4,646	10,562
Equipment, fixtures and fittings (not capitalised)	19,059	15,746
Building repair and maintenance	20,852	22,845
Other repair and maintenance	14,901	9,203
Office expenses	24,800	25,012
Contracted workers	464,729	505,000
Fuel, maintenance, insurance and taxes on transport	468	507
Travel and subsistence expenses	144,084	126,743
Sales and advertising expenses	16,367	13,889
Representation expenses	4,525	3,590
Subscriptions and gifts	5,694	5,431
Insurance premiums	13,207	7,002
Warranty and service expenses	13,957	5,952
License and patent costs*	25,580	24,060
Other expenses**	291,814	419,453
Total other operating expenses	1,215,156	1,338,058

Siemens AS presents its income statement based on the content of the revenues and expenses. Other operating expenses comprise all operational costs that are not related to projects, payroll and the cost of capital in the form of depreciation. The main elements of other operating expenses have been placed into groups in the table above.

*License and patent costs relate to software costs from external suppliers and internal license costs billed by Siemens AG.

**The "other expenses" item mainly consists of general administration costs such as personnel administration, communication administration, supply chain, research and development, IT, legal, finance, strategic planning and general administration.

Note 25 Government grants

In 2013 Siemens was allocated a government grant in connection with DEMO 2000 by the Research Council of Norway. The grant will reduce the accrued project costs, entailing a net recognition in the accounts. The total amount of the grant is NOK 4,500,000 and will be disbursed on an ongoing basis and in arrears. The project is owned by the Oil&Gas division and will extend over 2015 and 2016, with the main emphasis during fiscal year 2014/2015. The amount of the grant for fiscal year 2013/2014 is NOK 606,849. The grant is disbursed on an ongoing basis based on reports of the project costs incurred. The grant is a user-controlled innovation programme which requires 50% co-financing by trade and industry. The innovation programme is intended to stimulate R&D work in trade and industry, and is therefore a tool aimed at increasing trade and industry's own R&D efforts. There are no contingent obligations other than the requirement to document the accrued project costs that have formed the basis for the grant allocation.

Note 26 Pension costs and pension liabilities

Siemens AS is obligated to provide an occupational pension in accordance with the Mandatory Occupational Pensions Act, and has a defined contribution pension scheme which satisfies the requirements of this Act.

The pension is treated for accounting purposes in accordance with IAS 19 Amended. Siemens AS has defined benefit plans, both funded and unfunded, as well as a defined contribution plan. In addition, the company has made a provision for the shortfall in the LO/NHO contractual pension scheme (AFP).

Contribution plans

Siemens has a defined contribution-based occupational pension scheme. Contributions are 4% of the individual employee's qualifying salary between 1G and 6G (National Insurance scheme's basic amount), and 8% for qualifying salary between 6G and 12G. NOK 65.3 million was paid to the employees in 2014.

The Norwegian Parliament resolved that AFP shall be a life-long scheme from 1 January 2011, in which the employee can decide when to receive the pension after reaching the age of 62. The payments will be influenced by the qualifying period and expected remaining lifetime of each individual employee. The new AFP scheme is a defined benefit-based multi-employer pension plan that is financed through premiums that are determined as a percentage of salary. As there is not currently a reliable method for calculating the liability, in the meantime the scheme is accounted for as a defined contribution-based scheme in which the premium payments are expensed on an ongoing basis. NOK 17.8 million was paid into this scheme in 2014.

Benefit plans - funded schemes

For employees with less than 10 years to go until retirement age at the close of 2006, the company has a closed scheme which entitles members to future defined benefits. The closed scheme had 56 active members at the close of the fiscal year, as well as 976 pensioners. Pension benefits payable are primarily dependent on the number of qualifying years, salary on reaching retirement age and benefits from the National Insurance Scheme. Employees are guaranteed to receive 65% of their salary with full accrual, regardless of changes in the National Insurance Scheme. Liabilities are covered through Storebrand Livsforsikring AS, and the pension scheme assets are managed and invested in accordance with Storebrand's standards.

Benefit plans - unfunded schemes

In addition to the funded occupational pension schemes, Siemens AS has unfunded pension liabilities. These pension plans mainly comprise pension obligations for active and retired senior managers, as well as the remaining liabilities for the AFP and gratuity pension (old scheme).

Note 26 Pension costs and pension liabilities (cont.)

Pension cost for defined benefit plans	Total for 2014	Unfunded 2014	Funded 2014	Total for 2013
Prior years' pension claim / service cost	23,710	23,710	0	9,011
The year's pension claim / service cost	9,826	8,267	1,559	19,966
Interest expense on pension obligations	28,681	6,226	22,455	-15,656
Return on plan assets	-20,692	0	-20,692	
Recognised pension costs incl. employer's NICs	41,525	38,203	3,322	13,321
Actuarial loss/gain (-)	-41,545	-1,165	-40,380	91,157
Pension costs recognised in Other revenues and expenses	-41,545	-1,165	-40,380	91,157

Changes in pension obligations	Total for 2014	Unfunded 2014	Funded 2014	Total for 2013
Pension obligations at start of period	861,065	200,116	660,949	819,518
Service cost for the year	9,826	8,267	1,559	9,011
Prior years' pension claim	23,710	23,710	0	0
Interest cost on pension liabilities	28,681	6,226	22,455	19,966
Curtailement/settlement	0	0	0	-8,748
Pension payments	-61,798	-13,396	-48,402	-64,371
Actuarial loss/gain (-)	-21,988	-1,165	-20,823	85,689
Pension liabilities at end of period	839,496	223,758	615,738	861,065

Changes in pension plan assets	Total for 2014	Unfunded 2014	Funded 2014	Total for 2013
Pension plan assets at start of period	609,890	0	609,890	633,580
Return on plan assets	20,692	0	20,692	15,656
Payments into the scheme	8,465	0	8,465	11,639
Pension payments	-47,209	0	-47,209	-45,517
Actuarial loss (-)/gain	19,558	0	19,558	-5,468
Pension plan assets at end of period	611,396	0	611,396	609,890
Net pension obligation	228,100	223,758	4,342	251,175

Funded pension scheme is invested as follows (in NOK thousands):	2014	In %	2013	In %
Bonds	445,224	73	441,122	72
Real property	60,299	10	74,706	12
Equity instruments	84,114	14	65,140	11
Funds	15,292	3	18,282	3
Bank deposits	6,467	1	10,640	2
Total	611,396	100	609,890	100

| Note 26 Pension costs and pension liabilities (cont.)

Financial assumptions:

	2014	2013
Discount rate	2.60%	3.00%
Expected salary adjustment	3.25%	3.75%
Expected pension increases	0.10%	0.60%
Expected NI base rate changes (G)	3.00%	3.50%
Expected return on pension plan assets	2.60%	3.00%

Actuarial assumptions:

Other actuarial assumptions have been applied in the calculations, such as the K-2013 mortality table, as well as other demographic factors prepared by Finance Norway (Finansnæringens Hovedorganisasjon). A staff turnover rate of 8 per cent for the age group 20-29 falling to 0 per cent for employees 60 or over has also been assumed. The turnover rate states the proportion of staff that is estimated to leave the company voluntarily during one year.

Sensitivity analysis

(NOK thousands)	Pension obligations (DBO)	
	Increase	Reduction
Discount rate (0.5% change)	-40,074	47,004
Expected salary adjustment (0.5% change)	11,106	-10,404
Expected pension increases (0.5% change)	40,984	-7,658

| Note 27 Other non-current liabilities

(Amounts in NOK 1,000)	2014	2013
Personnel provision for long period of service	20,695	17,841
Guarantee provision	26,095	17,892
Other non-current liabilities	25,781	17,944
Total other non-current liabilities	72,572	53,677

The list shows the book value of liabilities due more than one year after the balance sheet date.

D.

Auditor's Report

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42	D.2	Siemens' addresses in Norway



Statsautoriserte revisorer
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Medlemmer av Den norske revisorforening

To the Annual Shareholders' Meeting of
Siemens AS

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Siemens AS, which comprise the balance sheet as at 30 September 2014, income statement and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of Siemens AS have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 30 September 2014 and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Report on other legal and regulatory requirements*Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the net income are consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 4 December 2014
ERNST & YOUNG AS

Tore Sørli
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

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