SIEMENS
Ingenuity for life

Siemens A/S
Annual report 2015/2016

CVR no. 16 99 30 85

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The year at a glance for the Siemens A/S Group

Overall, the Siemens A/S Group's financial performance in the financial year 2015/2016 was satisfactory.

The Group saw an increase in the order intake due to a number of major orders in the offshore wind farm sector and a number of major projects aimed at energy optimisation of public buildings. Furthermore, the Industry and Healthcare divisions developed positively in general.

Revenue grew by 10% relative to 2014/2015 due to increased activity in all divisions.

In the year, the Siemens A/S Group realised profit of DKK 153 million, which is up DKK 18 million on the year before. The Group expects to distribute dividend in the amount of DKK 152 million.

The Group's selling and administrative expenses rose compared to 2014/2015 as a result of the increased activity and general price and pay rises.

The organisation has been changed with effect from 1 October 2015, as Siemens A/S has carved out its Healthcare business to Siemens Healthcare Diagnostics ApS, which has subsequently been converted into a public limited company named Siemens Healthcare A/S.

The average number of employees decreased slightly on 2014/2015, primarily attributable to a lower level of activity in Siemens Flow Instruments, because part of the production has been outsourced. The number of employees in the project business has, on the other hand, increased due to the major orders won by Siemens A/S in recent years.

The Danish economy is still characterised by low growth and a low level of private investment, which puts a damper to market growth. However, investment activity is expected to rise in the coming years, among other reasons due to the increasing automation and digitalisation of Danish enterprises. Furthermore, investments in the expansion of infrastructure in the energy and transport area and the construction of new hospitals are expected to continue to contribute positively to growth.

Based on the increase in the order intake in 2015/2016, the Siemens A/S Group expects revenue growth of 7-10%. The Group's profit from ordinary activities is expected to increase in line with the revenue growth.

Jukka Pekka Pertola
CEO, Siemens A/S

Statement by Management on the annual report

The Supervisory and Executive Boards have today discussed and approved the annual report, including the Management's review, of Siemens A/S for 2015/2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies used to be appropriate. Accordingly, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 30 September 2016 and of the results of the Group's and the Company's operations and Group consolidated cash flows for the financial year 1 October 2015 – 30 September 2016.

In our opinion, the Management's review gives a fair review of the matters discussed in the Management's review. We recommend the adoption of the annual report at the annual general meeting.

Ballerup, 8 December 2016

Executive Board:

Jukka Pekka Pertola
(CEO)

Jürgen Lippert

Supervisory Board:

Peter Højland
(Chairman)

Torkil Bentzen

Ann Hald Delcomyn

Antonis Eleftheriou

Jukka Pekka Pertola

Maria Marit Rahelt

Ulf Gunnar Troedsson

Independent auditors' reports

To the shareholder of Siemens A/S
We have audited the consolidated financial statements and the parent company financial statements of Siemens A/S for the financial year 1 October 2015 – 30 September 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the parent company and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements
Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Further, Management is responsible for such internal control as it determines is required to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility
Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. The audit was conducted in accordance with International Standards on Auditing and additional requirements under Danish audit legislation. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and presentation of consolidated financial statements and parent company financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management as well as the overall presentation of the consolidated financial statements and the parent company financial statements.

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

Our audit has not resulted in any qualification.

Opinion
In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 30 September 2016 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 October 2015 – 30 September 2016 in accordance with the Danish Financial Statements Act.

Statement by Management on the annual report
In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 8 December 2016

Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Skov Larsen
State Authorised Public Accountant

Company details

Siemens A/S
Borupvang 9
2750 Ballerup

CVR no.:	16 99 30 85
Incorporated:	1993
Domicile:	Ballerup

Supervisory Board
Peter Højland, Chairman
Torkil Bentzen
Ann Hald Delcomyn (*employee representative)*
Antonis Eleftheriou (*employee representative)*
Maria Marit Rahelt *(employee representative, concern)*
Ulf Gunnar Troedsson
Jukka Pekka Pertola

Executive Board
Jukka Pekka Pertola
Jürgen Lippert

Auditors
Ernst & Young
Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4
2000 Frederiksberg

Søren Skov Larsen

General meeting
The annual general meeting is held on 8 December 2016.

Group chart

Siemens group 30 September 2016

Siemens A/S

Area of business

Industry	Building Technologies	Mobility	Energy
Digital Factory Process Industries and Drives Flow Instruments			Energy Management Power and Gas

Subsidiaries

Siemens Industry Software A/S	Siemens Healthcare A/S

Other Siemens activities in Denmark

The entities are sister companies and are not part of the consolidation of Siemens A/S.
• Siemens Finans Danmark – branch of Siemens Finans AB
• Siemens Wind Power A/S

Joint ventures
• A2Sea A/S

5-year financial highlights for the Siemens A/S Group

5-year financial highlights for the Siemens A/S Group

DKKm, except per share data	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
Revenue	3,656	3,323	3,507	3,646	3,243
Operating profit	209	191	181	150	101
Net financials	-9	-5	-4	-4	0
Profit for the year	**153**	**135**	**126**	**103**	**74**
Dividends	152	135	322	103	73
Non-current assets	357	430	388	225	234
Current assets	1,412	1,229	1,381	1,988	1,283
Total assets	**1,769**	**1.659**	**1,769**	**2,213**	**1,517**
Share capital	151	151	151	151	151
Equity	515	497	684	661	631
Cash flows from operating activities	150	180	47	180	57
Cash flows from investing activities	-6	-42	-260	-28	101
– of which investments in property, plant and equipment	-10	-43	-37	-34	-17
Cash flows from financing activities	-138	-343	-115	-73	-146
– of which net dividend distributions	-135	-322	-103	-73	-151
Total cash flows	**6**	**- 205**	**- 328**	**79**	**12**
Average number of employees	1,294	1,333	1,325	1,323	1,520
Asset turnover	2.1	1.9	1.8	2.0	2.0
Return on equity	30.2	22.9	18.7	16.0	11.0
Operating margin	5.7	5.7	5.1	4.1	3.1
Return on capital employed	12.2	11.1	9.1	8.0	6.2
Solvency ratio	29.1	30.0	38.7	29.9	41.6

Comparative figures are restated to reflect demergers and mergers.
Comparative figures have not been restated to reflect additions/disposals of business segments.

Definitions of financial ratios according to the Danish Society of Financial Analysts:

Asset turnover
The year's revenue relative to average operating assets.

Return on equity
Profit/loss for the year relative to average equity.

EBIT margin
Operating profit/loss before interest as a percentage of revenue.

Return on assets
Operating profit/loss before interest as a percentage of average operating assets.

Solvency ratio
Closing equity as a percentage of total liabilities at yearend.

Management's review

As one of Denmark's largest technology groups, Siemens A/S has been present in Denmark since the middle of the 19th century when the Group produced telegraphic equipment and the first lighting systems.

The Group was formally incorporated on 24 April 1893 when Technisches Bureau Kopenhagen opened. Since then, Siemens has participated actively in the modernisation of Danish society, supplying state-of-the-art products and solutions and with relentless focus on electrification, automation and – most recently – digitalisation.

Siemens is closely associated with the electrification of society, which has been – and still is – the prerequisite for the development of a modern society. It is Siemens' strategy to focus its business on the growth potentials inherent in the entire electrical value chain – from production and transmission of electricity to efficient utilisation of electrical energy. The digital revolution is paving the way for new innovative products and solutions that will affect all areas of social life.

A part of the global Siemens AG Group, Siemens A/S works on the basis of the same principles regarding social responsibility and sustainability (including CSR). Goals and activities within this area are laid down in an overall policy designed to support Siemens' activities as a responsible Danish business and contribute to driving Denmark in an even more sustainable direction.

The Group's efforts are multiple – in relation to the business, the employees and the environment and society.

To Siemens, sustainability is closely related to the business, where the efforts to mitigate climate change are reflected in a large portfolio of products and solutions that contribute to reducing our customers' CO_2 emission. As part of these efforts, Siemens AG announced in 2015 that the Group's target is to reduce its own CO_2 emission by 50% in the period to 2020 and to be a completely CO_2 neutral business by 2030. These targets also apply to Siemens' activities in Denmark.

As to our employees, we continued our overall focus on health, and our sports club Siemens@ctive contributed to increasing focus on the importance of exercise.

As part of our ongoing effort to improve the work environment, we performed a workplace assessment (APV) of the physical and psyko social work environment in June 2016.

In September 2015, Siemens A/S hosted a family day at the headquarters in Ballerup where all employees and their families were invited to visit our premises to see what we are doing.

Finally, Siemens prioritises contributing to the interest in natural science educational programmes, in particular the engineering profession, as it is essential to Siemens and the Danish society at large to have access to highly qualified manpower now and in future.

As part of the followup on our CSR efforts, Siemens has identified a number of KPIs, which are reported on a regular basis in order to follow trends and identify the need of new initiatives. A selection of these KPIs are reflected in the Management's review for this year.

Since 1999, Siemens AG has been rated by the Dow Jones Sustainability Index, and the most recent rating of 89 points out of 100 in September 2016 makes Siemens AG stay one of the leading enterprises in the index.

Danmarks Digitale Førertrøje

Digitalisation is one of the most important mega trends which will have a great impact on Denmark and Danish enterprises in the coming years. By digitalising our society, we can enhance the efficiency of the public sector and increase businesses' productivity and competitiveness. To focus on digitalisation, Siemens has joined forces with the financial daily Børsen to grant the award 'Danmark's Digitale Førertrøje'. The award is given to an enterprise or an organisation which leverages on the potential offered by digitalisation to increase competitiveness.

Our business – risks and management system

Siemens A/S' business is organised in five business areas each of which represents one or more of Siemens AG's divisions.

The divisions market Siemens AG's products and solutions to private and public customers in Denmark either directly or through distributors and agents. Cooperation between the divisions is ensured, e.g., through Siemens' Key Account Management, which has been implemented in relation to a number of major customers. Our targeted efforts in relation to a number of major customers also make Siemens less sensitive to general market fluctuations.

The portfolio is very broad, spanning sale of individual components and products to large, complex projects in which engineering and project management are important elements of the total service delivery. These projects are often longterm, and successful implementation calls for close cooperation with the customer's project organisation.

Corporate Governance

In addition to applicable law, the management processes of Siemens A/S reflect its position as a subsidiary of the German Siemens Group. Furthermore, Siemens A/S strives to observe current corporate governance standards. This is reflected in both the composition of the supervisory board, which consists of independent members, and in the board procedures, which basically reflect the recommendations on good corporate governance.

Risks

The Group's most significant operational risks relate to its ability to handle major, complex projects and construction projects in accordance with agreed performance specifications and deadlines. Therefore, Siemens focuses on training and certifying project managers. Moreover, Siemens has issued guidelines for the approval of projects of a certain size and complexity.

A large part of Siemens A/S' business relates to the wind sector, including the supply of components for the wind turbine industry and transmission solutions for offshore wind farms. Consequently, declining activity in the wind sector will have an adverse impact on potential revenue growth.

In addition to market decrease and large projects, also the hacking of Siemens' systems, breach of the provisions of the Danish Competition Act and supplier failures expose the business to risk. Siemens' management systems are, to a very high degree, designed to mitigate such risks. Siemens' handling of financial risks, including currency, interest rate and credit risks, is detailed in the Management's review.

Management system

Siemens A/S has an integrated management system, which includes the quality of Siemens' supplies as well as the internal and external environment. The management system is certified in accordance with ISO 9001 (quality), ISO 14001 (environment) and OHSAS 18001 (work environment), verified by Lloyds every six months in order to identify deviations and improvement initiatives. The management system is recertified every third year, most recently in February 2016.

Siemens Business Conduct Guidelines (BCG) hold Siemens AG's general principles and rules as to how we wish to run our business with due respect to applicable legislation and international and generally recognised conventions regarding human rights protection, anticorruption, etc. Once engaged, all employees must sign the BCG, which is explained to them in more detail during the introductory period. Furthermore, employees are offered courses on selected topics to ensure that they are up-to-date on statutory requirements and the Group's guidelines. In the year under review, 60 employees attended Siemens' basic compliance course. As part of the annual 'integrity dialogue', 216 employees were trained in how to prevent money laundering and use whistleblowing as a means to report potential violation of the Group's guidelines.

Compliance officers have been appointed to disseminate the compliance culture in the Company, and a whistleblower scheme has been established to allow employees and external parties to report irregularities anonymously. No irregularities were reported in the Siemens A/S Group in the year under review.

Furthermore, Siemens AG has established a comprehensive system to handle risks by means of systematic controls that ensure that Siemens' internal rules are observed and that the financial statements give a true and fair view. Risk and internal control officers have been appointed to organise the extensive control effort. Export control is another principal focus area, and Export Control and Customs (ECC) officers have been appointed to ensure that Siemens observes the export control rules.

Given today's increasing digitalisation, requirements as to protection against unauthorised intrusion into data and communication systems increase. Information security is a focal point to Siemens, and efforts are made to continuously improve preventive controls and to increase the ability to detect hacking attempts. In addition to technical solutions, it is essential that employees are constantly attentive to information security. Therefore, online training and courses are offered on an ongoing basis to increase information security.

Supplier responsibility

Suppliers make up a significant part of the overall value chain, and Siemens AG considers it part of its responsibility to ensure that the Company's suppliers live up to high standards.

For purposes of elucidating Siemens' principles for good business conduct, the Company has prepared a Code of Conduct to be observed by all the Company's suppliers. Siemens' 'Code of Conduct for Siemens Suppliers' is based on the UN's Global Compact, which lays down principles regarding, for instance, protection of human rights, freedom of association, abolition of child labour and discrimination, protection of the environment and anticorruption.

When entering into particularly close business relations with Siemens, enterprises and other stakeholders (Business Partners) are furthermore subjected to a compliance due diligence process.

Siemens AG is the principal, single supplier in relation to Siemens A/S. To ensure that the Company's third-party suppliers observe all applicable guidelines, all suppliers that provide services exceeding EUR 50,000 a year are subjected to an annual quality, supply security, environmental management and security check. This check contributes to reducing the risk of supplier failure and supply chain compliance issues.

Customer satisfaction

Customer satisfaction is measured once a year by means of the internationally recognised Net Promoter Score (NPS), which assesses to which extent customers would recommend Siemens to other parties. Based on the results of the survey, measures are taken to improve services and performance in areas pinpointed by our customers.

The latest NPS, which was performed in the spring of 2016, showed that customer satisfaction has remained at a high level despite a small decline relative to 2015. The development in the average score is listed in the table below.

Development in the customers' evaluation of Siemens A/S 2013/2014 – 2015/2016*

Customer satisfaction	2015/2016	2014/2015	2013/2014
Customers' evaluation of Siemens A/S (average on a scale from 1 to 10)	7.9	8.0	7.9

* Question: How likely is it that you would recommend Siemens to a colleague or a business partner?

In addition to the annual survey, some of Siemens' divisions regularly measure the level of customer satisfaction in connection with projects and service supplies.

Siemens' environmental portfolio

Global warming poses a challenge to our society, e.g., in the form of increasing water levels in the oceans. Therefore, it is important to reduce the increasing CO_2 emissions to the atmosphere.

However, as the world needs more and more energy, it is important to develop alternatives to fossil fuels and to optimise energy consumption. Siemens makes its contribution through the world's largest portfolio of environmentally friendly solutions and products that help reduce CO_2 emissions and thereby reduce global warming. Such solutions include measures to increase energy efficiency in the industry and in power plants, reduce energy consumption in buildings and produce renewable energy based on wind.

According to the latest statement at group level, Siemens AG's environmental portfolio accounted for 46% of total revenue at 30 September 2016, which represents an increase of three percentage points compared to the year before. According to the same statement, the Group's environmental portfolio also contributed to reducing the customers' CO_2 emissions by an accumulated 521 million tons, representing an increase of nearly 7% on the year before.

In Denmark, Siemens' environmental portfolio also contributes to reducing CO_2 emissions and improving the environment.

In the year under review, Siemens won several new orders for energy optimisation projects in municipalities and at hospitals, which contributes to reducing energy consumption in the buildings and, hence, CO_2 emissions. The interest in energy optimisation in the private sector is increasing, and Siemens won its first, big order for renovation of a shopping centre in the financial year.

Siemens is in the process, together with Aarsleff Rail A/S, of electrifying the remaining part of Denmark's railway network, which will reduce CO_2 emissions from the transport sector. The first stretch, Esbjerg-Lunderskov, is expected to be completed in 2017.

Siemens won the order for establishment of the HVDC connection to the Netherlands, which strengthens Denmark's connections to the surrounding world, which thus contributes to ensuring the basis for the expansion of renewable energy through a coherent transmission network with strong connections to other countries.

Siemens has won quite a few large orders for the supply of transmission equipment for offshore wind farms near the UK, and as subsupplier to the wind turbine industry, Siemens has furthermore supplied a great number of the components for the wind turbines produced in Denmark.

Siemens A/S' sister company, Siemens Wind Power A/S, also contributes considerably to the reduction of CO_2 emissions by installing wind turbines and has a leading position in the global market for offshore wind farms.

Siemens A/S – business segments

Industry

Industry represents Siemens AG's divisions Digital Factory and Process Industries and Drives.

Siemens' Danish Flow Instruments' production facilities are also part of the Industry segment.

Industrial software activities are handled by the subsidiary Siemens Industry Software A/S.

Overall, the Industry segment developed positively with revenue growth in 2015/2016 compared with the year before due to new customers and growth in the wind turbine industry.

Digital Factory and Process Industries and Drives

The two divisions' products and solutions range from standard products to system solutions for energy and automation technology. Siemens' products can thus be used in all areas of the industry, since they bridge state-of-the-art process instruments, installation and switching devices as well as the so-called drivetrain solutions, which optimise gear, clutch, motor and frequency converters to achieve lower energy consumption and innovative automation solutions.

As the leading supplier of industry software, Siemens optimises the entire value chain in production companies – from production design and development to sale and services.

The divisions' sales are divided into direct sales to end customers in the industry and sales handled by distributors and certified Solution Partners. A large part of the sale of products and components takes place online via Siemens Industry Mall.

Flow Instruments

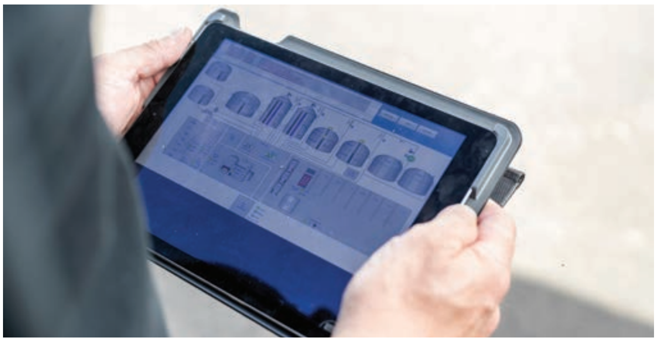
Flow Instruments produces electronic gauges based on the Coriolis technology. R&D activities are also carried on regarding mechanical and electronic meters based, e.g., on magnetic, inductive and ultrasound technologies.

In 2013/2014, SITRANS FC410, the lightest and most compact digital flow meter system on the market, was launched, and after a slow start, the sale of the new flow meters developed positively throughout 2015/2016.

Siemens Industry Software A/S

The subsidiary Siemens Industry Software A/S supplies product design solutions (Product Lifecycle Management, PLM) and the software solution COMOS, which is designed to optimise the entire production process.

Siemens' PLM software enables digital control of production information – from idea to phase-out – whereas COMOS covers everything from design and development to operation and maintenance of processing facilities.



Northern Jutland's largest biogas plant can be controlled from a smartphone

Through cooperation with a number of stakeholders, Siemens has participated in future-proofing North Jutland's largest biogas plant, GrønGas Vrå, which is going to contribute positively to Denmark's energy supply and green production in future. The automated plant has a high efficiency and utilisation rate and as much intelligence as possible built into the solution – and not least, the new plant can be controlled and monitored in a simple and safe manner via a smartphone or a tablet.

Siemens A/S – business segments

Building Technologies

Building Technologies supplies products and solutions for buildings, which save energy, increase comfort and provide security by protecting people and values. Solutions may be supplied individually or as end-to-end solutions comprising management of light, heating and ventilation as well as video surveillance, access control, antitheft protection and fire detection/fighting.

Siemens is one of the leading suppliers in the market, servicing a broad palette of private and public customers. The combination of a high competence level and a strong portfolio of solutions means that Siemens can meet very specific requirements in projects spanning, e.g., the pharmaceutical industry and buildings worthy of preservation.

Revenue generated by Building Technologies in 2015/2016 developed positively, among other reasons due to a number of major energy optimisation projects. As a socalled ESCO supplier (Energy Service Company), Siemens offers energy renovation solutions with guaranteed savings. This segment develops very positively, including continued expansion of the customer portfolio in municipalities, hospitals and private enterprises.

Denmark's largest ESCO agreement to date

In 2015/2016, Building Technologies won a number of major ESCO orders for energy optimisation projects, e.g., for Hvidovre Hospital. Siemens is to contribute to ensuring that the hospital executes its '5-10-15 plan', which implies that 10% of the hospital's electricity consumption should, in a matter of five years, be covered by renewable energy sources and that the hospital's energy consumption should be reduced by 15%. The agreement is the biggest of its kind in Denmark.

Mobility

Mobility supplies transportation and logistics solutions designed to ensure reliable and environmentally friendly infrastructure for railways, harbours, airports, etc. and solutions designed to handle challenges posed by growing traffic density due to increasing urbanisation. The division thus employs a large number of specialists supplying IT and communication solutions to the Danish transport sector and foreign projects.

In the year under review, revenue in the Mobility division increased, primarily due to a number of big projects won by the division in recent years, including the order for a new signalling system (CBTC) for the city railway and the order for electrification of the remaining part of the railway network in Denmark. These projects are longterm, and successful implementation calls for close cooperation with the customer's project organisation.

As for the new signalling system for the city railway, the first stretch between Hillerød and Jægersborg is now in operation. The total project is expected to be complete in 2021.

As for the electrification of the railway network, the first stretch between Esbjerg and Lunderskov is expected to be complete during spring 2017. The total electrification project is expected to be complete in about 10 years.

Other major ongoing projects include the installation of mobile communication equipment (GSM-R) in the Fjernbane trains and the S-trains, the lifetime extension of the existing train control system (ATC) and the development of communication modules ensuring that the ATC system can communicate with the new European Rail Traffic Management System (ERTMS) that is being implemented on the Fjernbane. The projects proceed according to plans.

The project to develop and install a new surveillance and control system for the Great Belt link has been completed.

Further investments in public transport are expected in the years to come, including a number of Letbane projects, new electrical trains for the Danish State Railways as well as new systems for more intelligent road traffic control and surveillance.

Electrical buses are in the pipeline as well as means to reduce the emission of CO_2 and other environmentally detrimental particles in cities. In May 2016, Siemens published the report 'Grøn omstilling med elektriske busser' (green change with electrically powered buses), which documents that electrically powered buses can contribute to more environmentally friendly transport in Copenhagen. Siemens, in cooperation with Volvo, showed examples of electrically powered buses and battery charging solutions during the 'Traffic days' conference in Aalborg in August.

Huge environmental benefits to be derived from electrically powered city buses

Siemens' 'Grøn omstilling med elektriske busser' report from May 2016 shows that electrically powered buses can contribute to more environmentally friendly transport in cities. If the 385 buses in Copenhagen were powered by green cooling electricity instead of diesel, the city would save 37,000 tons of carbon dioxide a year. At the same time, pollution and noise levels would be significantly reduced according to the report. The electrically powered buses as well as a mobile charging cradle were presented and tested in August at the 'Traffic days' conference in Aalborg.

Siemens A/S – business segments

Energy

Energy represents the Siemens AG Group's Energy Management and Power and Gas divisions, which also include Power Generation Services.

Revenue reported by the Energy division in 2015/2016 rose due to a positive development in the offshore business as well as progress on projects won in prior financial years.

Energy Management

Energy Management is engaged in transmission and distribution of energy where Siemens is a leading, global provider of products, systems and solutions for the electricity grid. The portfolio includes low- and medium-voltage equipment, net stations, switchgear and transformers as well as high-voltage equipment.

In Denmark, Energy Management supplies, e.g., HVDC systems and systems for transmission of power from the high-voltage grid to the distribution network used by the industry and private households as well as transformers for offshore wind farms. The primary customers are energy and utility companies as well as major industrial enterprises.

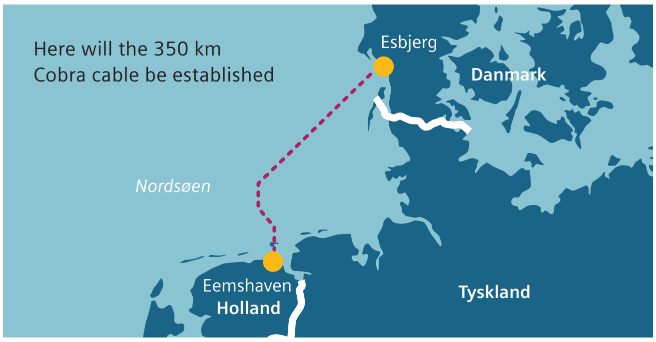
In the year, the division won a number of orders for electrical equipment for wind farms near the UK and in the German part of the North Sea. Energy Management further won the order for the establishment of an HVDC connection to the Netherlands (project Cobra). A substantial portion of the division's activities take place outside Denmark.

Power and Gas

Power and Gas develops innovative technologies designed to make power production as efficient as possible. The product range includes steam and gas turbines, compressors and plant control, adjustment and monitoring systems. The division further undertakes service and maintenance tasks, including modernisation and upgrading of equipment. The primary customers are power plants, industrial, energy and utility companies and the oil and gas industry.

Power and Gas also includes the Aeration Competence Center (ACC) in Elsinore, which handles the development and supply of environmentally friendly and energy efficient products and solutions for aeration in connection with, e.g., sewage treatment, flue gas desulphurisation and fermentation.

Major projects in 2015/2016 included the supply of steam turbines, generators and control systems for the new incineration plant on Amager. The project was initiated in 2013 and was, originally, to be completed in 2016. However, the plant is delayed and will not be complete until in 2017 at the earliest.



New submarine cable to the Netherlands to increase sales opportunities for renewable energy

Once the Cobra connection is complete in 2019, transmission connections to other countries will be strengthened, resulting in better electricity exportation opportunities. Siemens is to supply the two 700 MW HVDC converter stations in the Netherlands and Denmark, respectively.

Healthcare

Effective 1 October 2015, Siemens A/S has carved out its Healthcare business to Siemens Healthcare Diagnostics ApS, which has subsequently been converted into a public limited company named Siemens Healthcare A/S.

Siemens Healthcare A/S represents the Siemens AG Group's Healthcare division, which comprises the Diagnostics Imaging, Advanced Therapies, Ultrasound, Diagnostics, Point of Care Diagnostics and Services business segments. Services include workflow optimisation, operation and maintenance as well as servicing of equipment already installed.

Globally, Siemens Healthcare changed its name to Siemens Healthineers in May 2016.

Siemens Healthineers is one of the leading suppliers of innovative products and solutions for the public sector and private businesses in Denmark.

Siemens Healthineers is a fullline supplier of solutions within image diagnostics, digital and conventional X-ray equipment and MR, CT and PET scanners as well as laboratory equipment for hospitals and general practitioners.

In the healthcare IT segment, Siemens Healthineers supplies systems for electronic filing and exchange of images (RIS/PACS systems), the syngo.via visualisation platform, which can be applied across equipment and locations, as well as IT-based filing solutions (VNA), which can simplify and improve cooperation between health professionals in various areas.

Early diagnosis is becoming increasingly important to the healthcare sector, and Siemens Healthineers aims to strengthen its position in the market through innovative solutions in the constantly growing diagnostics area.

Siemens Healthineers strengthened its position in the Danish market in 2015/2016 through a number of new orders, including three MAGNETOM AERA 1.5T MR scanners for Sydvestjysk Sygehus, a number of 'high-end' CT scanners for, e.g., Herlev Sygehus and Odense University Hospital as well as several orders for Multitom Rax and Ysio MAX X-ray equipment. Add to this two PET-CT scanners for Vejle Sygehus. In addition, Denmark's oldest 3T MR scanner at Hvidovre Hospital has been upgraded. The scanner was originally installed in 2002.

In the diagnostics area, the level of activity was high when the won automation projects were installed at Aarhus University Hospital Skejby and Regionshospitalet Randers.

Revenue in 2015/2016 grew on 2014/2015.

SOMATOM Force is a new 'high-end' CT scanner in a class of its own

The scanner excels in that it can scan a patient from head to foot in a matter of just a few seconds, in a high quality of image, while at the same dispensing significantly fewer X-rays than other CT scanners. Also, the volume of contrast fluid given to patients during scanning has been significantly reduced to the benefit of the patients, hospital economy and – not least – the environment. In Denmark, Siemens has sold a total of six SOMATOM Force scanners, which means that Denmark is the country in the world that has most SOMATOM Force scanners per capita.

Employees

Employees

One of the Company's key assets is its skilled, creative and highly committed employees. Activities to support employees' skills and commitment are therefore prioritised, and measures are implemented on a current basis to improve employees' health and job satisfaction as well as their professional and personal development.

Employee commitment and job satisfaction is therefore gauged on a regular basis. The results of the most recent global survey, carried through in 2015, show a total 'engagement score' of 89%, which is above the Company's target of 85%. The next global employee survey will be carried through in 2017.

Employee engagement	2015/2016	2014/2015	2013/2014
Overall engagement score as a percentage 1)	Not completed	89%	87%

1) The engagement score is based on the answers to six selected questions. The figure includes the Siemens A/S Group excl. Flow Instruments and Siemens Industry Software A/S.

Diversity

Siemens AG strives to promote diversity across its global entities. The goal is for the business to reflect the surrounding society, and diversity is considered a valuable source of innovation and development.

On this basis, and by reference to Act no. 1383 regarding goals and policies for the underrepresented gender, the Supervisory Board of Siemens A/S has set the goal that the ratio of women appointed by the company in general meeting should be 20% in 2017. At As the Supervisory Board counted no female members appointed by the company in general meeting at 30 September 2016, the goal has not been met. The reason is that no members of the Supervisory Board were replaced in the year under review. Two out of three employee representatives on the Supervisory Board are, however, women.

Siemens A/S targeted a ratio of women in executive positions of at least 17% at 30 September 2015. However, the ratio was only 13% at the end of the financial year 2015/2016, which is down one percentage point on the year before. The Company still aims at turning around this trend and lifting the ratio of women at managerial level to 17% before 2020.

The Company's policy to meet this end includes the following elements:

- Preparation of individual development plans for female employees with identified leadership potential.
- Focus on selecting women for Siemens' talent programmes with a view to supporting women's career development.
- Assignment of mentors to female participants in talent programmes.

As these initiatives have proven insufficient to increase the ratio of females at managerial level, additional initiatives have had to been taken.

One of the challenges in this respect is the very low percentage of women in those parts of the engineering profession in which Siemens is operating. Therefore, Siemens is engaged in various activities, e.g., in cooperation with the Danish Association of Engineers, in order to increase women's interest in technical/natural science topics.

The ratio of female employees in the Siemens A/S Group is 27%, but only 10% in the more 'heavy' engineering related job functions (sale, technical service, project management and engineering). Since executive positions are to a wide extent filled by persons undertaking these job functions, reaching the 17% goal is some challenge.

Women in executive positions	2015/2016	2014/2015	2013/2014
No. of women in executive positions 1)	13%	14%	16%

1) Includes the ration of women employed at Siemens' position level PL5 and above.

Working environment

Siemens targets high standards for the Company's safety and health efforts in order to facilitate an attractive working life and ensure quality and efficiency in the design of solutions.

Siemens targets to reduce the number of work accidents and disease cases to a realistic minimum – beyond current workplace requirements. Siemens encourages its cooperation partners to share this ambition and works with both customers and suppliers to implement ongoing improvements.

As safety and health are an integral part of the business and day-to-day operations, it is important that all employees are allowed to work in a safe environment by providing safe processes, high educational standards and a working environment organisation that matches the Company's objective. As part of this effort, a nationwide occupational health and safety day was arranged for all the Company's work environment representatives.

Siemens A/S is OHSAS 18001-certified and regularly performs analyses of the physical and mental working environment (workplace assessment or APV). The latest workplace assessment took place in June 2016 and showed a generally high level of workplace satisfaction among the employees: 89% are satisfied with their job and 75% are satisfied with the working environment. 86% of all employees participated in the survey.

The results have been analysed in cooperation with the Company's work environment representatives in order to identify specific areas of improvement. The problems identified at company level were related to noise and stress, as 54% of the employees experience noise nuisance at their workspace (typically originating from colleagues or telephones) and 38% feel stressed at times. Consequently, a general campaign has been launched to remind the employees of the need to consider one's colleagues, and additional focus has been placed on the stress issue in the entire organisation (see the section on 'Health').

Besides these, general initiatives, specific measures will be taken in the individual divisions and departments. In 2015/2016, the Mobility division used a work-life balance app for a certain period, allowing the employees to indicate their stress level and – if they so requested – contact a consultant to get guidance on how to prevent and handle stress.

Experiences with this service have been positive, and the service will be offered to other areas, where relevant.

Statistics on time lost due to accidents show a slight increase on last year, which is ascribable to an increase in the number of traffic accidents. However, no pattern emerged from an analysis of these statistics. In spite of the increase, the incidents are still below the maximum number of three accidents, tolerated by Siemens, per one million working hours.

The statistics on absence due to illness showed a decline in 2015/2016, falling below the maximum level of 2.5%. However, as the reasons for such absence are not recorded, it is not possible to assess if there is any correlation between the employees' feeling of stress and the development in absence due to illness.

Accidents and absence due to illness	2015/2016	2014/2015	2013/2014
No. of accidents due to illness per million working hours 1)	2.80	1.32	1.36
Absence due to illness as a percentage 2)	2.4%	2.9%	1.9%

1) No. of accidents with absence per million working hours measured by reference to the total number of prescribed working hours.
2) No. of hours absent owing to own or child's illness as a percentage of the total number of prescribed working hours.

Health

Job satisfaction and health are top priorities in Siemens. This is, e.g., demonstrated in the canteens, which are committed to making healthy food. In addition, all employees have access to free fruit, and several locations have their own fitness centres.

A mandatory insurance programme in case of critical illness as well as a general health insurance programme cover all employees.

Furthermore, all salaried employees are covered by schemes under which they can be treated for workrelated muscle and joint injury by a chiropractor, physiotherapist, zonetherapist or masseur. They can also book a general health check.

The sports club Siemens@ctive provides the employees with various sports activities such as running, cycling and fitness. Siemens also participated in the 'cycle to work' campaign, which took place in May 2016, and 54 teams participated in the annual DHL baton race.

In response to the results of the workplace assessment (see above), Siemens launched the 'Wellbeing@Siemens' concept in September 2016. The purpose is to increase the employees' satisfaction, prevent and reduce absence due to workrelated stress and create openness and attention to the prevention and handling of stress.

The idea behind the concept is to offer a number of opportunities to managers and employees, of which they may avail themselves as required, and to ensure basic knowledge and tools for managers and employees via a new portal on the intranet, allowing our people to handle stressrelated problems before they get serious.

Competence development

Striving to be an attractive workplace for both current and new employees, Siemens prioritises ongoing training of its employees.

Therefore, competence development is a matter of high priority in Siemens. The Performance Management Process (PMP) is a management concept that has been implemented across the global Siemens organisation. The purpose of the PMP is to provide each individual employee with tools and motivation to do his or her best in accordance with the Company's objectives and strategy. As part of the PMP process, each employee's performance in the past financial year as well as his/her potential to undertake new positions in the future are evaluated.

Employees

Project manager certification

Siemens has its own project manager training programme, which is designed to ensure a high quality of the Company's projects and thereby minimise the risk of loss. All projects generating revenue in excess of EUR 2.5 million must therefore be manned by a certified project manager, and project managers are continuously being trained and certified to ensure that the necessary resources and skills are available at all times to handle the various project categories.

In 2015/2016, another four project managers were certified, bringing the total number of certified project managers to 24 at 30 September 2016.

Furthermore, the Siemens Group has established an internal programme for commercial project managers (project controllers). The programme is in the process of being rolled out, and 10 employees were certified in the year under review. More employees are expected to become certified in the coming year.

Key account manager certification

Similarly, Siemens has its own training programme for key account managers, who may become certified. This ensures high and uniform standards in relation to Siemens' advisory services and sales to key account customers. The programme also allows each individual key account manager to improve his or her competences in areas such as strategic sales, finance, management, cooperation, etc.

At 30 September 2016, one key account manager out of 14 in total was certified in Siemens A/S. The Company aims at increasing the ratio of certified key account managers in the coming years.

Environment

Environment

The Siemens AG Group aims at halving the Group's CO_2 emission in 2020 compared to 2015 and at being CO_2 neutral by 2030. These group targets also apply to Siemens A/S.

Certified according to ISO 14001, Siemens A/S has laid down general environmental impact reduction goals.

Key parameters in this connection are the consumption of electricity, heating and water, CO_2 emissions from cars and transportation and waste volumes.

Siemens A/S' headquarters at Borupvang are certified in accordance with the socalled LEED Gold standard (Leadership in Energy and Environment Design) where targets have been set for the consumption of electricity and heating. The gauges that have been made show a decline in the consumption in these areas. The total volume of waste is on the increase, but since the share that is recycled has gone up markedly, the total volume of waste to be deposited has dropped. Following a decline in 2014/2015, Siemens' consumption of water has now increased.

Waste and consumption of electricity, water and heating 1)	2015/2016	2014/2015	2013/2014
Total volume waste in tons	124.0	113.7	103.5
- hereof portion to be recycled as a percentage	54%	42%	37%
Consumption of electricity in kWH per m² (LEED target: 84)	75.0	76.7	78.3
Consumption of heating in kWH per m² (LEED target: 80)	36.0	39.0	43.0
Consumption of water in litres per m² (no target)	389.2	360.3	382.5

1) At the address Borupvang 9.

Siemens A/S meets its annual consumption of electricity via DONG Energy with renewable energy certificates from the Anholt wind farm. By purchasing certificates, Siemens A/S ensures that the Company contributes to more renewable energy production in Denmark. DONG Energy and independent auditors guarantee that an amount corresponding to the supplier's net income is reinvested or donated to promote the development of or research into the production of renewable energy in Denmark.

Another important source of CO_2 emission is the Siemens Group's company cars. As part of the goal to halve the Group's CO_2 emissions from company cars, Siemens AG aims to reduce the emission to 95 g/km in the period up to 2020. The former target for 2015 was 120 g/km.

The table below shows the trend in CO_2 emissions from company cars owned by the Siemens A/S Group.

CO_2 emissions from company cars 1)	2015/2016	2014/2015	2013/2014
Standard emission	120.4	128.6	136.0
Actual emission	169.3	175.1	176.1

1) The survey shows emissions from the total portfolio of company cars in the respective financial years. The figures for the actual emissions in 2013/2014 and 2014/2015 are updated by information about fuel purchased outside Denmark.

The standard figure for the total portfolio of company cars at 30 September 2016 was 120.4 g/km, which is close to the Group's 2015 target of 120 g/km. However, for company cars purchased in 2015/2016, the standard figure is 113.4 g/km.

Both the standard figure and the actual CO_2 emission from company cars were on the decrease in the period. However, the actual emission from company cars based on the mileage pattern is somewhat above the standard figure and does not decrease in line with the standard figure. The Group's new targets and the trend in internal combustion engines and the trend in electrically driven hybrid engines are expected to contribute to a decrease in the CO_2 emission from company cars.

The society

The society

Siemens takes an active part in the local community by living up to rules and regulations for the Company's operations and by contributing to society through numerous investments in research, development and production in Denmark. Siemens also supports a number of other social activities, primarily in relation to education.

Cooperation with research and educational institutions

Siemens has historically worked with the best educational institutions, including institutions of higher education and universities. The purpose of this cooperation is to establish direct contact to talented students who may one day wish to become part of the company's innovative staff.

Back in 2006, Siemens established a Nordic Center for Knowledge Interchange (CKI) at the Technical University of Denmark (DTU), the first CKI cooperation outside Germany. Today, there are similar strategic alliances with 10 universities around the world. The cooperation facilitates the exchange of experience and sharing of industry insights, while at the same time creating longterm relations between Siemens, students and researchers.

In connection with the CKI cooperation, Siemens in Denmark carries on research activities in the energy storage area as part of its investigation of alternative solutions in this area.

Storing energy will become necessary in the energy supply sector to cancel out over- and under-production of electricity from wind turbines. The research projects are carried out in cooperation with Danish universities and private enterprises. A number of these projects have received funding from the Danish National Advanced Technology Foundation and the Energy Technology Development and Demonstration Programme (EUDP).

As part of the CKI cooperation at DTU, Siemens participated in the year in the Oi-X (Open innovation X) competition for students working with cases in different industries. This year's competition pivoted on digitalisation and use of big data.

Students were asked to come up with suggestions for how to store renewable energy in the future in order for Denmark to meet its goal to be independent of fossil fuels by 2015. The various case solutions were presented at an event in SkyLab at DTU to a panel of specialists from the participating enterprises, including Siemens.

Innovative students are supported through the sponsorship of the RoboCup contest at the Technical University of Denmark where students develop self-propelled robots competing against each other, thus gaining experience in combining creative ideas with useful products.

In the elementary school area, Siemens works actively to encourage pupils to choose natural science subjects. The 'FIRST LEGO League' training project puts natural science on the agenda for pupils in the 5th to 8th grades, demonstrating how to apply natural science in practice.

Another initiative is the adoption programme with the Grantofte School in Ballerup. The programme, which started in the late 1990s, begins in the 7th grade and continues throughout the 9th grade. Siemens follows the same class throughout the programme, and the pupils visit the Company and have visiting teachers teaching subjects like new technology. The purpose of the programme is to give the children technical and social experiences to use later on in their adult lives. In recent years, the programme has been extended to other enterprises in the municipality of Ballerup.

The Siemens Foundation receives an annual amount from Siemens A/S. The Foundation makes donations to research and educational projects – primarily in the natural science area. In the year under review, the Foundation donated DKK 392 thousand covering a total of 14 projects most of which was awarded to Danish university students' final projects.

Finally, Siemens is co-sponsor in relation to the Danish Association of Engineers 'Engineer the Future' campaign, whose purpose is to attract more young people to the engineering profession. As part of the initiative, school classes can book an expert to come and talk about his or her work, and three of Siemens' employees have attended mediation courses to contribute to this.

Charity

Siemens takes an active part in Danish social society, supporting a number of social and cultural activities. For instance, Siemens has chosen not to give customers and business partners Christmas presents. Instead, the company donates an annual amount or a product to charity.

In 2015/2016, Siemens granted DKK 250 thousand to a project regarding energy renovation of SOS Children's Villages on Zanzibar. The aim of the project is sustainable solutions and is carried out in a unique partnership between SOS Children's Villages, Engineers Without Borders, Solar Group and Siemens, a partnership, which has been awarded the CSR Foundation's 'Partnership Prize'.

In the Christmas of 2015, a number of employees chose to donate their Christmas presents to SOS Children's Villages for a total sum of more than DKK 200 thousand.

These activities are in fine keeping with the 17 Global Goals adopted by the UN in September 2015 at its annual assembly to ensure a sustainable development in both the rich and the poor part of the world.

Siemens is the main sponsor of the Copenhagen Royal Library's internationally recognised classical music ensemble 'DiamantEnsemblet'. The support from Siemens enables the ensemble to attract internationally recognised foreign musicians for guest performances at Den Sorte Diamant.

Furthermore, Siemens sponsors StudentsOnly – the Royal Library's student programme giving free access to events in the areas of lectures, music and debates. Contact to the students supports Siemens' ambition to be an attractive place of work that can attract talented and innovative employees.

Through another sponsorship, ARKEN Museum of Modern Art in Ishøj receives funding from Siemens, enabling the museum to organise concerts in connection with its other activities.

Financial review – Siemens Group

In the year under review, consolidated revenue went up by DKK 333 million from DKK 3,323 million last year to DKK 3,656 million this year. The increase stems from all business segments.

Relative to 2014/2015, the Group's selling and administrative expenses increased in line with revenue.

In the year, the Siemens A/S Group realised profit of DKK 153 million, which is up DKK 18 million on the year before and in line with the expectations expressed in the annual report for 2014/2015.

Overall, the financial performance in the year is in line with the expectations expressed last year.

Profit for the year amounts to DKK 153 million, and DKK 152 million hereof is expected to be distributed as dividend to the parent company, Siemens International Holding B.V., Den Haag, the Netherlands.

Balance sheet

The balance sheet total increased by DKK 110 million on last year, primarily due to an increase in trade receivables and a decrease in noncurrent assets.

Cash flows

Cash flows from operating activities fell from DKK 180 million to DKK 150 million, mainly due to an increase in income taxes paid and an increase in cash generated from operations.

Investments

During the year, investments totalling DKK 10 million were made in items of property plant and equipment, which is below last year's level. The investments made in the year comprise operating equipment, fixtures and fittings.

Outlook

Based on the increase in the order intake in 2015/2016, the Siemens A/S Group expects revenue growth of 7-10%. The Group's profit from ordinary activities is expected to increase in line with the revenue growth.

Ownership

Siemens A/S is a wholly-owned subsidiary of Siemens International Holding B.V., Den Haag, the Netherlands.

Special risks

Financial risks

Due to its operations and financing, the Group is exposed to changes in exchange rates and interest rates to a relatively low degree. It is the Group's policy not to engage in active speculation in financial risks. Thus, the Group's financial management activities are aimed only at managing risks already assumed.

Currency risks

The Group's activities are affected by exchange rate fluctuations, as revenue is generated, in all material respects, in Danish kroner, whereas purchases of products are primarily effected in foreign currencies. The Group's exchange rate risks are primarily hedged through derivative financial instruments. It is the Group's currency policy to hedge projects with a net exposure worth more than EUR 1 million. The product business is hedged for 3-month periods at the time based on expected sales/purchases.

Furthermore, the Group hedges minimum 75% of its net currency positions, and net positions EUR 1 million are not hedged.

Interest rate risks

The Group's interestbearing debt primarily consists in financial debt to group entities. It is not the Siemens Group's policy to hedge interest rate risks relating to intragroup balances. An increase of 1 percentage point in the general interest rate level will imply an increase in the Group's annual interest expenses of DKK 0.1 million.

Credit risks

The Group is not exposed to any significant risks relating to any particular customer or business partner. The Group's credit policy implies that all major customers and other business partners are creditrated on a current basis.

Incentive plans

The Siemens AG Group has established a stock award plan allowing key executives to subscribe for stock awards in Siemens AG.

Settlement takes place on exercise. In this connection, an amount of DKK 3 million was expensed in the income statement for the parent company and in the Siemens A/S Group for 2015/2016.

Furthermore, the Siemens AG Group has established a programme for all employees, allowing them to acquire shares with an option to acquire extra shares after 3 years' ownership.

In this connection, an amount of DKK 2 million was expensed in the income statement for Siemens A/S for 2015/2016.

Events after the balance sheet date

No such significant events have occurred after the financial yearend as could affect the consolidated financial statements for 2015/2016.

Income statement

Consolidated financial statements and parent company financial statements 1 October – 30 September

		Group		Parent	
DKK'000	Note	**2015/2016**	2014/2015	**2015/2016**	2014/2015
Revenue	2	3,656,007	3,322,658	3,098,902	2,775,524
Production costs		-3,074,764	-2,792,039	-2,630,256	-2,372,846
Gross margin		**581,243**	**530,619**	**468,646**	**402,678**
Distribution costs		-372,159	-343,974	-291,446	-266,651
Administrative expenses		-20,447	-15,134	-14,068	-6,434
Profit before other operating expenses		**188,637**	**171,511**	**163,132**	**129,593**
Other operating expenses	3	-990	-243	-990	-206
Other operating income	4	21,349	19,462	27,136	22,444
Profit before net financials		**208,996**	**190,730**	**189,278**	**151,831**
Profit in subsidiaries	7	0	0	9,857	22,872
Financial income	5	383	336	315	205
Financial expenses	6	-8,999	-5,696	-8,291	-4,605
Profit from ordinary activities		**200,380**	**185,370**	**191,159**	**170,303**
Tax on profit from ordinary activities	8	-47,511	-50,178	-38,290	-35,111
Profit for the year		**152,869**	**135,192**	**152,869**	**135,192**
Recommended appropriation of profit					
Dividend proposed for the year				152,000	135,000
Profit and loss account				869	192
				152,869	**135,192**

Balance sheet

Consolidated financial statements and parent company financial statements 1 October – 30 September

Assets		Group		Parent	
DKK'000	Note	**2015/2016**	2014/2015	**2015/2016**	2014/2015
Non-current assets					
Intangible assets	9				
Goodwill		62,165	88,984	0	0
Development projects and software		34,023	48,131	0	0
Total intangible assets		**96,188**	**137,115**	**0**	**0**
Property, plant and equipment	10				
Land and buildings		160,627	166,845	160,627	166,845
Leasehold improvements		36,906	40,646	36,906	40,646
Operating equipment, fixtures and fittings		60,583	80,124	55,299	66,143
Construction in progress		2,498	4,977	2,498	4,977
Total property, plant and equipment		**260,614**	**292,592**	**255,330**	**278,611**
Investments					
Investments in subsidiaries	7	0	0	106,869	97,012
Other securities	11	100	100	100	100
Total investments		**100**	**100**	**106,969**	**97,112**
Total non-current assets		**356,902**	**429,807**	**362,299**	**375,723**
Current assets					
Inventories		**79,861**	**68,630**	**41,030**	**37,382**
Receivables					
Trade receivables		686,650	518,519	570,452	451,924
Receivables from group entities		25,019	34,150	0	10,166
Construction contracts, net	12	482,828	455,490	482,176	454,605
Deferred tax asset	13	0	0	0	0
Income tax receivable, joint taxation		83,528	101,500	83,528	101,500
Financial receivable, jointly taxed entities		4,031	92	9,805	5,866
Other receivables		40,195	38,065	39,298	38,027
Prepayments	14	10,307	12,746	7,058	6,778
Total receivables		**1,332,558**	**1,160,562**	**1,192,317**	**1,068,866**
Cash		**0**	**74**	**0**	**74**
Total current assets		**1,412,419**	**1,229,266**	**1,233,347**	**1,106,322**
Total assets		**1,769,321**	**1,659,073**	**1,595,646**	**1,482,045**

Consolidated financial statements and parent company financial statements 1 October – 30 September

Equity and liabilities		Group		Parent	
DKK'000	Note	2015/2016	2014/2015	2015/2016	2014/2015
Equity					
Share capital		151,000	151,000	151,000	151,000
Profit and loss account		364,313	346,444	212,313	211,444
Dividend proposed for the year		0	0	152,000	135,000
Total equity		**515,313**	**497,444**	**515,313**	**497,444**
Provisions					
Warranty commitments	15	65,723	75,159	48,167	56,185
Deferred tax	16	18,767	5,356	19,134	8,443
Other provisions	17	32,920	42,983	20,105	35,649
Total provisions		**117,410**	**123,498**	**87,406**	**100,277**
Liabilities					
Long-term liabilities					
Lease liability	18	63,817	66,251	63,817	66,251
Short-term liabilities					
Bank debt		1	0	1	0
Short-term lease liabilities	18	4,248	5,257	4,248	5,257
Financial debt to group entities		36,647	51,165	34,306	0
Prepayments from customers	12	313,651	201,257	303,791	192,965
Trade payables		112,829	126,687	104,310	122,694
Payables to group entities		132,439	172,479	128,248	172,368
Other payables		373,582	338,645	316,495	292,249
Deferred income	19	99,384	76,390	37,711	32,540
Total short-term liabilities		**1,072,781**	**971,880**	**929,110**	**818,073**
Total liabilities		**1,136,598**	**1,038,131**	**992,927**	**884,324**
Total equity and liabilities		**1,769,321**	**1,659,073**	**1,595,646**	**1,482,045**
Contingent liabilities	20				
Cash flow statement – adjustments	21				
Change in working capital	22				
Disposals on demerger	23				
Staff costs	24				
Fee to the auditors appointed by the general meeting	25				
Use of derivative financial instruments	26				
Related parties and related party transactions	27				
Permanent establishment	28				
Pending legal actions	29				

Changes in equity

Consolidated financial statements and parent company financial statements 1 October – 30 September

	Group			
DKK'000	Share capital	Profit and loss account	Dividend proposed for the year	Total
Equity at 1 October 2014	151,000	533,252	0	684,252
Dividend distribution	0	-322,000	0	-322,000
Profit for the year	0	135,192	0	135,192
Equity at 30 September 2015	**151,000**	**346,444**	**0**	**497,444**
Dividend distribution	0	-135,000	0	-135,000
Profit for the year	0	152,869	0	152,869
Equity at 30 September 2016	**151,000**	**364,313**	**0**	**515,313**

	Parent			
	Share capital	Profit and loss account	Dividend proposed for the year	Total
Equity at 1 October 2014	151,000	211,252	322,000	684,252
Dividend distribution	0	0	-322,000	-322,000
Profit for the year	0	192	135,000	135,192
Equity at 30 September 2015	**151,000**	**211,444**	**135,000**	**497,444**
Dividend distribution	0	0	-135,000	-135,000
Profit for the year	0	869	152,000	152,869
Equity at 30 September 2016	**151,000**	**212,313**	**152,000**	**515,313**

The share capital consists of 1,510,000 shares of DKK 100 each. The share capital has not changed in the past 5 years.

Cash flow statement

Consolidated financial statements and parent company financial statements 1 October – 30 September

		Group	
DKK'000	Note	**2015/2016**	2014/2015
Revenue		3,656,007	3,322,658
Expenses		-3,447,011	-3,131,928
Adjustments	21	61,550	65,796
Cash flows from operating activities before change in working capital		**270,546**	**256,526**
Changes in working capital	22	-50,880	-68,624
Net financials		-8,616	-5,360
Income taxes paid and prior-year adjustments		-61,002	-2,181
Cash flows from operating activities		**150,048**	**180,361**
Acquisition of property, plant and equipment		-9,717	-42,968
Disposal of property, plant and equipment		2,241	456
Disposal of activity		1,182	0
Cash flows from operating activities		**-6,294**	**-42,512**
Change in long-term liabilities		-3,443	-21,196
Change in bank debt		1	0
Dividend distribution		-135,000	-322,000
Cash flows from financing activities		**-138,442**	**-343,196**
Net cash flow for the year		**5,312**	**-205,347**
Cash and cash equivalents at 1 October		-16,941	188,406
Cash and cash equivalents at 30 September		**-11,629**	**-16,941**
Analysis of cash and cash equivalents:			
Receivables from group entities (Siemens Financial Services)		25,019	34,150
Financial debt to group entities		-36,647	-51,165
Other cash funds		-1	74
		-11,629	**-16,941**

Notes

Consolidated financial statements and parent company financial statements 1 October – 30 September

1 - Accounting policies

The financial statements and parent company financial statements of Siemens A/S are presented in accordance with the provisions of the Danish Financial Statements Act as regards large reporting class C entities.

The pooling-of-interests method is applied to mergers of or demergers into group entities.

The accounting policies are consistent with those of last year.

The financial statements and parent company financial statements are presented in Danish kroner.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Group, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is made up as the historic cost less instalments, if any, and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

In connection with recognition and measurement, allowance is made for gains, losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date. Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost.

Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the date of the transaction. Receivables and payables denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement under cost of sales and financial income and expenses relating to foreigncurrency loans, respectively. Exchange gains and losses related to hedging transactions where the hedged item is not included in the balance sheet, are, however, measured in the balance sheet as cutoff items once the hedged item is realised.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables' or 'Other payables', respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets and liabilities are recognised in the income statement together with changes in the value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in 'Other receivables' or 'Other payables' and in equity. If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

As for derivative financial instruments that do not qualify for hedge accounting, fair value adjustments are recognised in the income statement on a current basis.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Siemens A/S, and subsidiaries in which Siemens A/S – directly or indirectly – holds more than 50% of the voting rights or otherwise has a controlling interest.

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' audited financial statements all of which are presented in accordance with the Siemens Group's accounting policies. On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated. Investments in subsidiaries are set off against the proportionate share of the subsidiaries' net asset value at the time of acquisition (the past equity method).

Entities acquired or established during the year are recognised in the consolidated financial statements from the date of acquisition, and divested entities are recognised until the time of sale. Comparative figures are not restated in respect of recently acquired or sold entities.

Comparative figures are restated to reflect demergers and mergers. On the acquisition of entities, the acquired assets and liabilities are made up at market value at the time of acquisition, and a provision is made for expenses related to adopted and published restructurings in the acquired entity in connection with the acquisition. Allowance is made for the tax effect of revaluations made.

Any excess of the acquisition cost over the fair value of the assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, however not exceeding 15 years.

Consolidated financial statements and parent company financial statements 1 October – 30 September

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before yearend and that the income can be reliably measured and is expected to be received.

Major construction contracts are recognised in revenue using the percentage-of-completion method. Consequently, income from and gains on contract work are recognised as production is carried through, implying that revenue corresponds to the market value of contracts completed in the year.

Other construction contracts are recognised in revenue once delivery and invoicing have taken place.

Income from service contracts is accrued and recognised in the income statement in the period to which it relates. Preinvoiced services are measured as prepayments.

Production costs

Production costs comprise expenses, including amortisation/depreciation and wages/salaries, incurred to generate the year's revenue.

Distribution costs

Costs incurred in distributing goods sold during the year and in conducting sales campaigns, etc. during the year are recognised as distribution costs. Also, costs relating to sales staff, advertising, exhibitions and depreciation are recognised as distribution costs.

Administrative expenses

Administrative expenses comprise expenses paid in the year to manage and administer the Company, including expenses related to administrative staff, office expenses and amortisation/depreciation charges.

Other operating income

Other operating income comprises items of a secondary nature relative to the Company's primary objective, including net income from property leasing and gains/losses on the sale of fixed assets and activities.

Income from investments in subsidiaries

The parent company's share of the pretax profit or loss of the individual subsidiaries is recognised in the income statement after full elimination of intra-group gains/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, capital gains and losses, foreigncurrency payables and transactions, amortisation of financial assets and liabilities as well as surcharges and allowances under the advance payment-of-tax scheme, etc.

Tax for the year

The Company is subject to the Danish rules on joint taxation of the Siemens Group's Danish activities.

The Company acts as management company in respect of the joint taxation arrangement and, accordingly, pays all income taxes to the tax authorities.

The current Danish income tax charge is allocated by settling the joint taxation contributions between the jointly taxed entities in proportion to their taxable income. Lossmaking entities receive joint taxation contributions from entities which have been able to apply the loss to reduce their own taxable income.

Tax for the year, comprising the year's current tax charge, the year's joint taxation contributions and changes in the deferred tax charge – including changes arising from changes in the tax rate – is recognised in the income statement as regards the portion that relates to the profit/loss for the year and taken directly to equity as regards the portion that relates to entries directly in equity.

Notes

Consolidated financial statements and parent company financial statements 1 October – 30 September

Balance sheet

Intangible assets

Goodwill

Goodwill is measured at the lower of cost, less accumulated amortisation, and the recoverable amount.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. The amortisation period is maximally 15 years and is longest for strategically acquired entities with a strong market position and a long earnings profile.

The carrying amount of goodwill is tested for impairment and any impairment losses are taken to the income statement in cases where the carrying amount exceeds the expected future net income from the business or the activity to which the goodwill relates.

The accounting treatment of disposal of activities or entities to which goodwill is related is described under 'Consolidation'.

Development projects and software

Development projects and software are measured at the lower of cost, less accumulated amortisation, and the recoverable amount.

Development projects and software are amortised over the estimated economic life, however maximum 3 years. The carrying amount of development projects and software is tested for impairment on a regular basis, and any impairment losses are taken to the income statement in cases where the carrying amount exceeds the expected future net income from the entity or the activity to which the development projects and software relate.

Gains and losses on the disposal of development projects and software are made up as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Gains or losses are recognised in the income statement.

Property, plant and equipment

Land and buildings, leasehold improvements, fixtures and fittings, tools and equipment and plant under construction are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The cost comprises the purchase price and any costs directly attributable to the acquisition until such time as the asset is available for use. The cost of selfconstructed assets comprises direct and indirect costs of materials, components, subsuppliers and wages. Borrowing costs are not recognised in the cost.

Depreciation is provided on a straightline basis over the expected useful life of the assets. The depreciation periods are:

Buildings:	25-50 years
Leasehold improvements:	Term of the lease
Plant and machinery:	3-10 years

Depreciation is recognised in the income statement under 'Production costs', 'Distribution costs' and 'Administrative expenses', respectively.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less selling expenses and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively.

Leases

Leases concerning property, plant and equipment in respect of which the Company bears all significant risks and enjoys all significant benefits associated with the title to such assets (finance leases) are recognised in the balance sheet at the fair value of the leased asset if such a value exists. If the present value of future lease payments is lower at the acquisition date, the asset is recognised at this value. For calculation of the present value, the internal rate of return as a discount factor or an approximate value hereof is used.

Assets held under finance leases are depreciated and impaired as the Company's other items of property, plant and equipment.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement on a current basis over the term of the lease.

Leases in respect of which the lessor bears all significant risks and enjoys all significant benefits associated with the title to such equipment are classified as operating leases. Payments under operating leases are recognised on a straightline basis over the lease term. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

Consolidated financial statements and parent company financial statements 1 October – 30 September

Investments in subsidiaries

Investments in subsidiaries are measured, based on the parent company's accounting policies, at the parent company's proportionate share of the subsidiaries' net asset value less or plus unrealised intra-group gains and losses.

Subsidiaries with a negative net asset value are measured at DKK 0, and any receivable is written down by the parent company's share of the negative net asset value insofar as it is considered irrecoverable. If the negative equity value exceeds the receivable, the balance is recognised under 'Provisions' insofar as the parent company has a legal or constructive obligation to cover a deficit in the subsidiary.

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method to the extent the carrying amount exceeds the cost.

Additions of subsidiaries are accounted for using the purchase method of accounting, see the description above under 'Consolidation'.

Other securities

Securities are measured at the lower of cost and market.

Inventories

Inventories are measured at cost or weighted average. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production overheads. Production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the cost.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Receivables

Receivables are measured at amortised cost. A provision is made for bad debts.

Construction contracts

Major construction contracts are measured at the market value by reference to the stage of completion. The market value is measured according to the stage of completion at the balance sheet date and the expected, aggregate income from the individual construction contracts.

Other construction contracts are measured at cost, including materials, wages/salaries and production overheads.

Each construction contract is recognised in the balance sheet under 'Receivables' or 'Payables', depending on whether the net value of the order less amounts invoiced on account and prepayments is positive or negative.

When it is probable that the total contract costs will exceed the total contract revenue, a provision is made for the anticipated loss on the contract. The provision is expensed under production costs.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Dividend proposed for the year is recognised as a liability at the date it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is shown as a separate item in equity.

Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on construction contracts, reconstruction, etc. Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Guarantee commitments include expenses for remedial action in respect of the contract work within the guarantee period of 1-5 years. Provisions for guarantee commitments are measured and recognised based on experience gained from guarantee work.

Notes

Consolidated financial statements and parent company financial statements 1 October – 30 September

Income tax and deferred tax

The Company and all its Danish group entities are jointly taxed. Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years as well as for tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet under 'Balances with group entities'.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, no deferred tax is recognised as regards temporary differences regarding nonamortisable goodwill and office premises or other items in respect of which temporary differences – with the exception of corporate takeovers – have occurred at the time of acquisition without any resulting effect on the profit/loss for the year or the taxable income. In cases where the taxable value can be made up using alternative tax rules, deferred tax is measured on the basis of the planned use of the asset or the settlement of the obligation.

Deferred tax assets are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a setoff against deferred tax liabilities. Deferred tax assets are set off within the same legal tax entity and jurisdiction.

Deferred tax is measured based on the tax rules that will, given the legislation in force at the balance sheet, apply once the deferred tax is expected to crystallise as current tax. Any changes in deferred tax as a consequence of a change of the Danish corporate income tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received less transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include capitalised residual lease liabilities under finance leases. Other liabilities are measured at amortised cost.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent reporting years.

Cash flow statement

The cash flow statement shows the Group's net cash flows for the year, broken down by operating, investing and financing activities, and the Group's cash and cash equivalents at the beginning and the end of the year. The cash flow effect of additions and disposals of entities is shown separately in 'Cash flows from investing activities'. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are presented using the indirect method and are made up as the net profit or loss for the year, less operating expenses and adjusted for noncash operating items, changes in working capital, paid net financials and extraordinary items and paid income taxes.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities, property, plant and equipment and securities related to investing activities.

Cash flows from financing activities

Cash flows from financing activities comprise payments derived from changes in the size or composition of the Company's share capital, dividend distributed as well as the raising and repayment of mortgage debt, other longterm liabilities and shortterm bank debt.

Cash

Cash comprises cash, intra-group receivables and payables as well as shortterm securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to an immaterial risk of changes in value.

Consolidated financial statements and parent company financial statements 1 October – 30 September

DKK'000	Group 2015/2016	Group 2014/2015	Parent 2015/2016	Parent 2014/2015
2 - Revenue				
Geographic split				
Sale of goods and services, national	3,082,679	2,748,566	2,561,897	2,256,381
Sale of goods and services, international	573,328	574,092	537,005	519,143
	3,656,007	**3,322,658**	**3,098,902**	**2,775,524**
Segment split				
Industry	1,141,361	1,136,460	1,034,064	969,387
Energy	1,176,886	884,222	1,176,886	950,308
Mobility	366,163	352,399	366,163	352,399
Building Technologies	521,789	503,430	521,789	503,430
Healthcare	449,808	446,147	0	0
	3,656,007	**3,322,658**	**3,098,902**	**2,775,524**
3 - Other operating expenses				
Loss on disposal of activity	669	0	669	0
Loss on disposal of fixed assets	311	243	321	206
	990	**243**	**990**	**206**
4 - Other operating income				
Gain on disposal of fixed assets	1,191	348	1,102	348
Rental income	20,158	19,114	26,034	22,096
	21,349	**19,462**	**27,136**	**22,444**
5 - Financial income				
Interest receivable, other group entities	84	4	84	0
Other interest income	299	332	231	205
	383	**336**	**315**	**205**
6 - Financial expenses				
Interest payable, other group entities	4,972	1,788	4,388	1,038
Interest payable, bank debt and securities	26	92	0	81
Other interest expenses and warranty commitments	4,001	3,816	3,903	3,486
	8,999	**5,696**	**8,291**	**4,605**

	Parent 2015/2016	Parent 2014/2015
7 - Investments in subsidiaries		
Cost at 1 October	194,265	194,265
Adjustments at 1 October	**-97,253**	**-99,125**
Profit from ownership interests	9,857	22,872
Dividends received	0	-21,000
Adjustments at 30 September	**-87,396**	**-97,253**
Carrying amount at 30 September	**106,869**	**97,012**

Name	Domicile	Share capital	Equity	Net profit/loss
Siemens Industry Software A/S	Ballerup	500	-2,404	1,442
Siemens Healthcare A/S	Ballerup	10,000	64,549	27,580
Acquired rights			34,023	-14,108
Goodwill on consolidation			10,701	-5,057
			106,869	9,857

Both entities are wholly owned subsidiaries of Siemens A/S.

Notes

Consolidated financial statements and parent company financial statements 1 October – 30 September

	Group		Parent	
DKK'000	**2015/2016**	2014/2015	**2015/2016**	2014/2015
8 - Tax on profit/loss from ordinary activities				
Tax for the year	**47,511**	**50,178**	**38,290**	**35,111**
Analysed as follows:				
Tax on the taxable income for the year	38,273	27,472	31,423	18,440
Prior-year adjustments	-2,690	121	-2,366	132
Adjustment of deferred tax	11,928	22,585	9,233	16,539
	47,511	**50,178**	**38,290**	**35,111**

	Group			
	Goodwill	Acquired rights	Software	Total
9 - Intangible assets				
Cost at 1 October 2015	382,659	70,539	958	454,156
Cost at 30 September 2016	**382,659**	**70,539**	**958**	**454,156**
Amortisation at 1 October 2015	-293,675	-22,408	-958	-317,041
Amortisation for the year	**-26,819**	**-14,108**	**0**	**-40,927**
Amortisation at 30 September 2016	**-320,494**	**-36,516**	**- 958**	**-357,968**
Carrying amount at 30 September 2016	**62,165**	**34,023**	**0**	**96,188**
Carrying amount at 30 September 2015	**88,984**	**48,131**	**0**	**137,115**
Amortised over	Max. 15 years	Max. 7 years	3 years	

	Parent			
	Goodwill		Software	Total
Cost at 1 October 2015	204,079		958	958
Cost at 30 September 2016	**204,079**		**958**	**958**
Amortisation at 1 October 2015	-204,079		-958	- 958
Amortisation at 30 September 2016	**-204,079**		**- 958**	**- 958**
Carrying amount at 30 September 2016	**0**		**0**	**0**
Carrying amount at 30 September 2015	**0**		**0**	**0**
Amortised over	Max. 7 years		3 years	

Consolidated financial statements and parent company financial statements 1 October – 30 September

DKK'000	Group Land and buildings	Leasehold Improvements	Operating equipment, fixtures and fittings	Operating equipment under construction	Total
10 - Property, plant and equipment					
Cost at 1 October 2015	253,299	48,896	182,480	4,977	489,652
Additions for the year	4,117	699	4,178	723	9,717
Disposals for the year	-4,845	-763	-26,188	-72	-31,868
Reclassification	0	71	3,059	-3,130	0
Cost at 30 September 2016	**252,571**	**48,903**	**163,529**	**2,498**	**467,501**
Depreciation at 1 October 2015	-86,454	-8,250	-102,356	0	-197,060
Disposals for the year	-9,484	-4,510	-26,330	0	-40,324
Disposals for the year	3,994	763	25,740	0	30,497
Depreciation at 30 September 2016	**-91,944**	**-11,997**	**-102,946**	**0**	**-206,887**
Carrying amount at 30 September 2016	**160,627**	**36,906**	**60,583**	**2,498**	**260,614**
Carrying amount at 30 September 2015	**166,845**	**40,646**	**80,124**	**4,977**	**292,592**
Depreciated over	**25-50 years**	**Lease term**	**3-10 years**		
Hereof assets held under finance leases	65,217	0	0	0	65,217
Hereof leased assets	0	0	0	4,637	4,637

	Parent Land and buildings	Leasehold Improvements	Operating equipment, fixtures and fittings	Operating equipment under construction	Total
Cost at 1 October 2015	253,299	48,896	162,125	4,977	469,297
Additions for the year	4,117	699	2,502	723	8,041
Disposals for the year	-4,845	-763	-15,667	-72	-21,347
Reclassification	0	71	3,059	-3,130	0
Cost at 30 September 2016	**252,571**	**48,903**	**152,019**	**2,498**	**455,991**
Depreciation at 1 October 2015	-86,454	-8,250	-95,982	0	-190,686
Depreciation for the year	-9,484	-4,510	-16,142	0	-30,136
Disposals for the year	3,994	763	15,404	0	20,161
Depreciation at 30 September 2016	**-91,944**	**-11,997**	**-96,720**	**0**	**-200,661**
Carrying amount at 30 September 2016	**160,627**	**36,906**	**55,299**	**2,498**	**255.330**
Carrying amount at 30 September 2015	**166,845**	**40,646**	**66,143**	**4,977**	**278,611**
Depreciated over	**25-50 years**	**Lease term**	**3-10 years**		
Hereof assets held under finance leases	65,217	0	0	0	65,217

There are no recorded assets for rent in fixtures and fittings.

Notes

Consolidated financial statements and parent company financial statements 1 October – 30 September

	Group		Parent	
DKK'000	**2015/2016**	2014/2015	**2015/2016**	2014/2015
11 - Other securities				
Cost at 1 October 2015	100	100	100	100
Carrying amount at 30 September	**100**	**100**	**100**	**100**
12 - Construction contracts, net				
Construction contracts	2,302,297	2,076,021	2,301,645	2,075,136
Prepayments from customers	-2,133,120	-1,821,788	-2,123,260	-1,813,496
	169,177	**254,233**	**178,385**	**261,640**
Distributed as follows in the balance sheet:				
Construction contracts, net	482,828	455,490	482,176	454,605
Prepayments received from customers, net	-313,651	-201,257	-303,791	-192,965
	169,177	**254,233**	**178,385**	**261,640**
13 - Deferred tax asset				
Deferred tax asset at 1 October	0	17,384	0	13,652
Deferred tax adjustment resulting from a change of the Danish corporate income tax rate	0	-218	0	0
Prior-year adjustments	0	-155	0	-164
Adjustment of deferred tax in the year	0	-17,011	0	-13,488
Deferred tax asset at 30 September	**0**	**0**	**0**	**0**
14 - Prepayments				
Prepayments comprise costs incurred concerning subsequent financial years.				
15 - Warranty commitments				
Warranty commitments at 1 October	75,159	95,081	56,185	69,110
Used for the year	-5,291	-50,254	-3,777	-46,527
Release of unused warranty commitments	-33,692	-28,897	-22,663	-5,823
Additions for the year	29,547	59,229	18,422	39,425
Warranty commitments at 30 September	**65,723**	**75,159**	**48,167**	**56,185**
Expected maturities for warranty commitments:				
0-1 year	32,478	40,377	25,775	33,800
1-5 years	27,574	33,860	16,721	21,463
> 5 years	5,671	922	5,671	922
	65,723	**75,159**	**48,167**	**56,185**

Consolidated financial statements and parent company financial statements 1 October – 30 September

	Group		Parent	
DKK'000	**2015/2016**	2014/2015	**2015/2016**	2014/2015
16 - Deferred tax				
Deferred tax at 1 October	5,356	-17,384	8,443	5,392
Deferred tax adjustment resulting from a change of the Danish corporate income tax rate	0	218	0	0
Prior-year adjustments	1,483	155	1,458	0
Adjustment of deferred tax in the year	11,928	22,367	9,233	3,051
Deferred tax at 30 September	**18,767**	**5,356**	**19,134**	**8,443**
Deferred tax relates to the following:				
Intangible assets	5,652	1,233	-216	-291
Property, plant and equipment	19,585	21,553	21,107	21,777
Current assets	29,177	21,163	29,245	21,242
Provisions and liabilities	-35,647	-38,593	-31,002	-34,285
	18,767	**5,356**	**19,134**	**8,443**
17 - Other provisions				
Other provisions at 1 October	42,983	31,767	35,649	27,430
Used for the year	-16,979	-17,818	-11,317	-13,513
Release of unused provisions	-25,774	-26,919	-21,032	-25,536
Additions for the year	32,690	55,953	16,805	47,268
Other provisions at 30 September	**32,920**	**42,983**	**20,105**	**35,649**
Expected maturities for other provisions:				
0-1 year	31,600	42,203	18,785	34,869
1-5 years	445	180	445	180
> 5 years	875	600	875	600
	32,920	**42,983**	**20,105**	**35,649**
18 - Lease liabilities				
Lease liability	68,065	71,508	68,065	71,508
Current portion thereof	4,248	5,257	4,248	5,257
Lease liability falling due for payment after five years	43,523	43,267	43,523	43,267
19 - Deferred income				
Deferred income recognised as a liability comprises payments received concerning income in subsequent reporting years.				
20 - Contingent liabilities				
Performance bonds vis-à-vis third party	1,621,552	1,552,775	1,621,470	1,552,697
Hereof guaranteed by group entity	299,907	232,754	299,907	232,754
Rent obligations	145,516	162,717	145,516	160,998
Other lease liabilities	53,214	49,061	41,309	37,965

The Company is jointly and severally liable with other jointly taxed group entities for payment of corporate income taxes for the income years after 2013 and withholding taxes falling due for payment on or after 1 July 2012 in the group of jointly taxed entities.

Notes

Consolidated financial statements and parent company financial statements 1 October – 30 September

	Group		Parent	
DKK'000	**2015/2016**	2014/2015	**2015/2016**	2014/2015
21 - Cash flow statement – adjustments				
Amortisation/depreciation	81,251	73,641		
Gain on disposal of non-current assets	-870	-100		
Change in warranty provisions	-9,436	-14,672		
Change in other provisions	-10,063	8,219		
Miscellaneous adjustments	668	-1,292		
	61,550	**65,796**		
22 - Change in working capital				
Change in inventories	-11,231	-7,361		
Change in receivables	-197,011	-121,016		
Change in trade payables, etc.	157,362	59,753		
	-50,880	**-68,624**		
23 - Disposals on demerger				
Property, plant and equipment			-660	0
Inventories			-1,491	0
Receivables			-45,796	0
Deferred tax asset			-3,993	0
Provisions			27,875	0
Trade payables			1,435	0
Other payables			58,778	0
			36,148	**0**
Posted on 'Investments in subsidiaries'			-36,148	0
			0	**0**

Notes without reference

Consolidated financial statements and parent company financial statements 1 October – 30 September

	Group		Parent	
DKK'000	**2015/2016**	2014/2015	**2015/2016**	2014/2015
24 - Staff costs				
Fees to the Supervisory Board of the parent company	680	680	680	680
Remuneration to the Executive Board of the parent company	11,899	11,463	11,899	11,463
Other wages and salaries	815,714	788,106	694,244	686,342
Pensions	83,538	83,167	72,978	73,315
Other social security costs	11,776	14,123	10,856	12,820
Other staff costs	1,160	1,740	0	0
	924,767	**899,279**	**790,657**	**784,620**
Average number of employees	**1,294**	**1,333**	**1,139**	**1,182**
25 - Fee to the auditors appointed by the general meeting				
Total fee	**1,236**	**1,021**	**834**	**819**
Analysed as follows:				
Fee for statutory audit	1,129	946	756	756
Fee for other assurance assistance	78	43	78	43
Fee for non-audit services	29	32	0	20
	1,236	**1,021**	**834**	**819**

26 - Use of derivative financial instruments

As part of its hedging of recognised and non-recognised transactions, Siemens A/S makes use of forward exchange contracts.

Recognised transactions

Hedging of recognised transactions includes the most significant receivables and payables.

Valuta	Payment/ maturity	Receivables	Liability	Hedged through forward exchange contracts	Net position
USD	< 1 year	612	-344	0	268
EUR	< 1 year	377,456	-13,206	-30,811	333,439
NOK	< 1 year	0	-551	0	- 551
GBP	< 1 year	7,078	-7,380	-9,932	-10,234
CHF	< 1 year	279	-222	0	57
SEK	< 1 year	222	-254	0	- 32
AUD	< 1 year	0	-6	0	- 6
PLN	< 1 year	0	-21	0	- 21
		385,647	**-21,984**	**-40,743**	**322,920**

At 30 September 2016, unrealised net losses on derivative financial instruments entered into for foreign currency hedging purposes totalled DKK 1,946 thousand, which has been recognised in the income statement.

27 - Related parties and related party transactions

The Company's related parties include the Supervisory and Executive Boards, executive officers and these persons' close family members. Related parties further include entities in the Siemens AG Group. Siemens A/S' ultimate parent is Siemens AG, Wittelbacherplatz 2, Munich, Germany. The consolidated financial statements for Siemens AG may be obtained from the Company.

28 - Permanent establishment

The Company has a permanent establishment in the UK.

29 - Pending legal actions

The Company is not a party to any significant pending legal actions.

Notes

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