SIEMENS

We make the future electric

Annual Report 2013

www.siemens.no

Contents

We make the future electric

More wind power and increased electrification can take Norway from the oil age into a more sustainable future. At Siemens we are developing the technologies to enable this, and believe that the solutions of the future are electric. Electrification based on clean energy makes it possible to maintain standards of living while we build a sustainable society. Better utilisation of renewable energy resources and increased electrification represent fantastic opportunities for smarter energy use. At Siemens eco-friendly solutions from our green product portfolio now account for 40 per cent of our global revenues.

Technology will not solve all the challenges that the future will bring, but we will probably solve few of them without it. At Siemens we believe that good questions have a decisive impact on our creation of a sustainable future. Siemens has been synonymous with international focus and global presence for more than 160 years. Today we operate in 190 countries, and have just over 367,000 employees.

In Norway, Siemens has been answering difficult questions for the past 115 years. Dating back to the end of the 19th century when the company helped to expand hydroelectric power in Norway, Siemens has been a driving force for technological development and the modernisation of our country. Our innovations provide the solutions to many of the difficult challenges we face within industry, energy, healthcare and sustainable cities.

ENERGY EFFICIENT AND ECO-FRIENDLY

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

INDUSTRY AND SAFETY

With advanced control and automation solutions for industry, we are contributing to enhancing operational efficiency and reducing energy consumption. Our industrial clients achieve lower costs for both specialised and standardised production. In addition, Siemens is one of Norway's largest suppliers of advanced security solutions for access control, burglar and fire alarms and monitoring. Our security clients include banks, ports and airports.

SUSTAINABLE CITIES

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

MORE ENERGY EFFICIENT OIL AND GAS PRODUCTION

Responsibility for Siemens' global subsea operations is based in Norway, and the company has gradually accumulated extensive expertise over the years related to the offshore industry. With Siemens Subsea Power Grid we are working to develop the power grid of the future at a depth of 3,000 metres below the sea surface. This will contribute to increased extraction rates and more energy efficient production.

IMPROVED DIAGNOSES AND LOWER COSTS

Siemens is Norway's largest supplier of equipment and IT solutions in the field of imaging diagnostics, lab diagnostics and clinical IT. We also provide a number of specially designed solutions within areas such as cancer treatment, cardiology and neurology. We target our efforts towards helping provide early diagnoses and correct treatment of illnesses. We aim to be a partner for the public health authorities by delivering solutions which contribute towards quality improvements and lower costs.

Key figures as of 30 September 2013

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

The Board of Directors of Siemens AS as of 4 December 2013
Chairman Adil Farid Toubia
Board members Roland Armin Aurich, Jukka Pekka Pertola, Per Otto Dyb
Employee representatives Per Barsnes, Roy Lund, Ottar Skogseth

Organisation as of 30 September 2013

Per Otto Dyb (CEO)
Kjell Pettersen (CFO)

Industry Sector
Anne Marit Panengstuen

- **Industry Automation** – Anne Marit Panengstuen
- **Drive Technologies** – Anne Marit Panengstuen
- **Customer Services** – Erik Gravermoen
- **Business Administration** – Per Jacobsen

Energy Sector
Per Otto Dyb

- **Renewable, Fossil & Energy Service** – Tore Tomter
- **Transmission** [1] – Nils Klippenberg
- **Oil & Gas Solutions** [2] – Richard Jaros
- **Business Administration** – Kjell Pettersen

Infrastructure & Cities Sector
Per Otto Dyb

- **Low and Medium Voltage** [1] – Nils Klippenberg
- **Smart Grid** [1] – Nils Klippenberg
- **Rail Systems** – Lars J Andresen
- **Mobility & Logistics** – Lars J Andresen
- **Building Technologies** – Dag Otterstad

Healthcare Sector
Wesley Caple

- **Imaging & Therapy** – Christian Hermansen
- **Clinical Products** – Wesley Caple
- **Customer Solutions** – Wesley Caple
- **Diagnostics** [3] – Wesley Caple
- **Business Administration** – Niels Petter Hansen

Siemens Real Estate	Erlend Bærø
Siemens One	Olav Rygvold
City Account Management	Tom Christiansen

1) Operates as one division
2) Group Business, E O C&S OFS
3) Siemens Healthcare Diagnostics AS – operational integrated into Siemens AS

Corporate Functions

- **General Counsel, Legal and Compliance** – Matthias Geiger
- **Compliance Office** – Dag Roar Austmo
- **Communications and Sustainability** – Gry Rohde Nordhus
- **Business Development** – Erling Lunde Malisius
- **Human Resources** – Sissel Vien
- **Environment, Health and Safety** – Ann Hilde Veastad
- **Information Technology** – Kaare Loekka
- **Supply Chain Management** – Tore Torgersen
- **Export Control** – Wolfgang Röhl
- **Accounting and Controlling** – Claudie Bily
- **Governance Office and Quality Management** – Magnar Vik

Report from the Board of Directors

Profit performance
Allocation of profit for the year
Financial matters
Cash flow
Organisation
Technological developments
People
Corporate social responsibility and sustainability
Health, safety and environment (HSE)
Market
Strategy and future prospects

Report from the Board of Directors of Siemens AS 2013

Generally favourable market conditions throughout the year have resulted in positive trends in new orders and revenue. However, the bottom line is affected by high depreciation costs, high development costs and expenses relating to the acquisition and integration of companies within the Oil and Gas Subsea business area, as well as challenges in the execution of projects within oil and gas. Measures have been implemented to ensure that these projects will not continue to have a negative impact in the next fiscal year.

Siemens AS is a wholly owned subsidiary of the German group Siemens AG. In 2013, the company reported sales revenue of NOK 6,197 million and had 1,918 employees as of 30 September 2013.

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

Siemens is a global company that develops high technology and innovative solutions for industry, energy, cities and healthcare. The company is the largest supplier of sustainable and eco-friendly solutions in the world.

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

Siemens AS has a non-calendar year-end. The fiscal year 2013 runs from 1 October 2012 to 30 September 2013.

PROFIT PERFORMANCE

Over the course of the fiscal year 2013, new contracts were signed worth NOK 7,294 million. This is an increase of NOK 1,484 million compared to the previous year. However, there are substantial fluctuations between the sectors. The Energy sector shows a particularly marked increase compared with the previous year, while the other sectors have smaller changes. Siemens AS' backlog of orders for commenced projects was NOK 5,778 million as of 30 September 2013. This is an increase of NOK 1,135 million compared to the previous year.

Total operating revenues in 2013 were NOK 6,266 million, an increase of NOK 397 million from 2012. The operating profit in 2013 was NOK 74.9 million, which represents an increase of NOK 74.8 million compared with 2012. A large part of the increase in operating profit can be related to improved results in the Industry and Infrastructure & Cities sectors. Energy has a weaker growth due to technical challenges in several projects. At the same time, the subsidiary Matre AS was merged into the company during the year which has generated positive results.

The annual result after tax for 2013 amounted to NOK 78.6 million, compared with NOK 9.1 million in the previous fiscal year. Other operating income in 2013 was high due to the sale of shares in Poseidon Consulting AS and the sale of business operations in the Infrastructure & Cities sector. This resulted in a gain of NOK 49 million.

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

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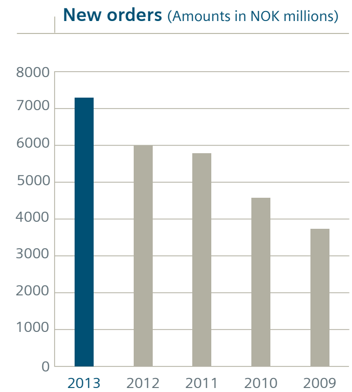


Siemens AG is listed on the New York Stock Exchange and, as a wholly-owned subsidiary, Siemens AS is obliged to comply with the requirements of The Sarbanes-Oxley Act regarding internal control and quality of financial reporting.

The Board of Directors confirms that the basis for continued operations is present, cf. section 3-3a of the Accounting Act. The annual accounts are prepared on the basis of the going concern assumption, and in the Board's opinion provide a satisfactory account of the company's development and result for the financial year and the financial position as at 30 September 2013. The Board of Directors is extremely satisfied with the objectives and results achieved during the year and would like to take the opportunity to thank all members of staff for their continued commitment and hard work.

ALLOCATION OF PROFIT FOR THE YEAR

In fiscal year 2013, Siemens AS recorded an annual profit of NOK 78.6 million after tax. The Board of Directors proposes the following allocations (in NOK millions):

Transferred to other equity	78,6
Profit for the year	78,6

The Board of Directors will propose to the annual general meeting that a dividend distribution of NOK 78.6 million be made. This is not reflected in the accounts for fiscal year 2013.

FINANCIAL MATTERS

As of 30 September 2013, equity capital constituted 22.5 per cent of the total balance sheet. The company has a prudent level of equity capital and satisfactory liquidity. As a consequence of the company's international operations, the currency risk attached to the value of future cash flows and balance sheet positions in foreign currencies is not insignificant. In line with Siemens' guidelines, this risk is hedged via the application of forward contracts and currency options. These are managed via Siemens Financial Services GmbH which is in charge of currency risk for the entire Siemens group and is the counterparty to Siemens AS' currency contracts.

All new customers are subjected to a credit rating when signing sales contracts, and advance payment is required in addition to various guarantee instruments for major deliveries. The Board of Directors has identified very few obvious risk customers on the company's portfolio. The imbalance in the global economy might result in a higher degree of loss. This has been taken into account, and the provisions made are deemed to be sufficient.

Financing for Siemens AS is wholly provided by the Siemens Group's internal bank, Siemens Financial Services GmbH. As of 30 September 2013, Siemens AS has a liability of NOK 311 million with Siemens Financial Services GmbH in connection with the Group account scheme. As of 30 September 2013, the Board considers there to be minimum risk associated with the company's future liquidity situation.

CASH FLOW

Net cash flow from operating activities was NOK 30 million, while the operating profit was NOK 75 million. The difference is primarily due to depreciation and the gain on the disposal of Poseidon Consulting AS. Net cash flow from investing activities was NOK 207 million. Of the investments undertaken this year, NOK 121 million represents the acquisition of the company Siemens Healthcare Diagnostics AS.

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

ORGANISATION

The Siemens Group adapts its global business strategy in line with the current trends in society and those which will affect society in the future. There are four main trends that have crystallised: demographic changes, urbanisation, globalisation and climate changes.

These megatrends are reflected in Siemens' global organisational structure, which is divided into the Industry, Energy, Infrastructure & Cities, and Healthcare sectors.

Excellent

We are dedicated and deliver the best results

The Industry sector is a complete supplier of products and solutions within the areas of energy, drive technology, automation and industrial IT, and helps to create energy efficient solutions for Norwegian industry and infrastructure. The sector includes the three divisions Industry Automation, Drive Technologies and Customer Services, and also has international responsibility for the supply of low voltage diesel-electric propulsion systems for ships.

The Energy sector is involved in the entire value chain, from oil and gas production, via fossil and renewable power generation to power transmission. The Energy sector comprises three divisions: Oil & Gas, Renewable & Fossil, and Power Transmission. On 1 September 2011 the sector opened its new Subsea centre in Trondheim. The new centre marked the inception of a global focus on subsea technology and the entire project is run from Norway.

The Infrastructure & Cities sector is primarily directed towards the needs of cities, and consists of the five divisions Building Technologies, Mobility & Logistics, Rail Systems, Low & Medium Voltage, and Smart Grid. The latter two divisions supply solutions for power distribution and are operationally organised together with Power Transmission in the Energy sector.

The Healthcare sector supplies innovative products and solutions, as well as services and consulting to the health sector. In Norway, this sector comprises the Imaging & Therapy, Clinical Products, and Customer Solutions divisions, as well as the companies Siemens Healthcare Diagnostics AS and Siemens Høreapparater AS.

TECHNOLOGICAL DEVELOPMENTS

The company is part of Siemens' global network for innovation, and benefits from the products, services and solutions which are being developed internationally. On a global basis, around 28,000 employees work in research and development, spread over 160 locations in 30 countries. Globally Siemens invests around NOK 35,000 million in research and development each year. More than half of this is invested within the areas of environment and climate.

Through customer adapted solutions, expertise and innovative solutions are fed back to Norway from the global network. In Norway, Siemens is steadily increasing its activities within technological development, and has global responsibility for research and development related to low voltage diesel electric propulsion systems for ships and motor drives for offshore drilling systems, in addition to power electronics for subsea oil production. In Norway Siemens AS invested NOK 137 million in research and development in fiscal year 2013. This is on par with the investments in 2012.

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

PEOPLE

Siemens is increasing its activities in several areas, and continues to grow. The manufacturing company Matre Instruments AS in Bømlo in Hordaland was merged with the company on 1 October 2012 for accounting purposes, with 90 new employees. This is part of the focus within the subsea area, and has given Siemens an important complementary contribution to the business development.

Siemens AS recruited 285 new members of staff and had a total growth of 112 employees. At year end, Siemens AS had 1,918 permanent employees. The company also has 21 trainees, mainly within grid fitting. The company had a staff turnover rate of 9.0 per cent, a little higher than the previous year.

Gender distribution among employees is uneven, which reflects the general situation within technological professions, and the electrical and automation fields in particular. The proportion of women at year end was 20 per cent. Women account for 13 per cent of the management staff, resulting in a total of 28 female managers.

As part of a focus on diversity for Siemens, management has now stipulated a specific goal of increasing the proportion of female managers to 20 per cent by the end of 2015. One of

Innovative

We are innovative and create sustainable solutions

the measures to achieve this goal is the commencement of a recruitment and competence programme directed towards female engineers in universities and colleges.

In 2012 the company chose to increase its focus on younger talents who have worked in the company for several years and thereby demonstrated very good results and significant potential for development. The process of active identification has been improved and in addition to follow-up activities in the divisions a smaller group of younger talents has completed a one-year central talent programme which mainly emphasises communication training, mentor assistance, self development and building relationships. During the same period, the participants in the programme have also participated in a newly established Young Advisory Board where the group discusses issues that are relevant to the company and where advice and viewpoints are then submitted and discussed with representatives from Group management.

Siemens has a very low level of absence due to illness. The aim is that this shall be kept below 3 per cent, which has been achieved throughout the last year.

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

The company has chosen to carry out its global employee satisfaction surveys every two years instead of annually. This is based on experiences that show there is a need for more time between the surveys in order to carry out follow-up and improvements. Each division has worked systematically to follow up the survey from 2012 which showed that 89 per cent of the employees are highly committed and 90 per cent are proud of working in Siemens. The next survey will be carried out prior to summer 2014.

The work on external activities with the school system is continuing and producing good results. Siemens has attracted significant attention after having been selected as the company in Europe that has developed the best partnership with an educational institution. Internally there has been an emphasis on showing the company's total remuneration package via a project that gives an overall impression of Siemens as an employer. A student competition – Smart Student Challenge – attracted several student groups who worked on projects to solve tasks related to future challenges. Systematic work on recruitment with active use of social media has given us employment relationships with several talented young people who we want to keep in coming years. Establishing a network and systematic skills development are important measures in this context.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

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

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

Corporate Social Responsibility starts with complying with the laws and regulations that society sets for our activities. Siemens has established a global compliance system, which focuses on preventing breaches of applicable laws and rules, as well as discovering and responding to cases in which rules are breached. A dedicated compliance organisation follows up all activities and assists the operative units by providing guidance and advice.

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

In Norway, we have followed a strict strategy to place energy efficiency at the top of the political agenda. A large number of the energy-related problems we face in the modern world can be solved by smarter utilisation of energy. The environmental gains of such initiatives would also be considerable.

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

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

In the mid-1960s the company moved into its current office premises in Østre Aker Vei 90 in Grorud Valley. On 2 January 2014 we are moving out of our old premises and into a modern and highly energy efficient head office.

Our new head office will be an energy class A building, which means a maximum energy consumption of 84 kilowatt-hours per square metre. In other words, our new building will have less than a quarter of the energy consumption of our old office building. This is made possible through the use of Siemens' systems for controlling lighting, heating and ventilation, the use of geothermal energy and a separate energy station. In addition, the building will be LEED certified in accordance with an international standard that Siemens uses as a requirement for all its new office buildings. LEED (Leadership in Energy and Environmental design) is a driving force for the development of sustainable buildings – buildings constructed with a long term perspective and a focus on the environment. All in all, this means that Siemens is moving into a building that will be among the most energy efficient office buildings in Norway.

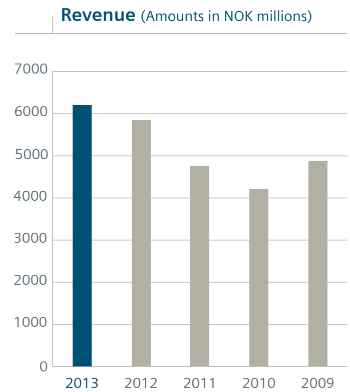
HEALTH, SAFETY AND ENVIRONMENT (HSE)

Siemens AS is working hard on its zero injury philosophy which requires that all accidents should be prevented and that no work-related injury, illness or accident should be ignored. We have stipulated a clear goals for zero injuries resulting in sick leave. The company's H value (number of injuries resulting in absence per million working hours) amounted to 1.5 in 2013, compared with 2.55 in 2012. This is a reduction from last year and it is important to work constantly to prevent injuries and accidents. The safety of each individual employee must be taken seriously both by management and by the individual employee. During the last business year, no serious accidents have occurred which have caused the company's employees to sustain long-term injury.

Sickness absence was 2.7 per cent for fiscal year 2013, which is roughly the same as the 2012 figure of 2.6 per cent. In total, the level of sickness absence is low. There continues to be some variation in sickness absence among the different units, from around 1.0 per cent in certain division to as high as around 4.0 per cent in others. It is important for us to maintain a low level of sickness absence and also ensure that units that have previously had high levels of absence continue the positive trend. Long-term sickness absence of more than 8 weeks was 0.51 per cent this year while it was 0.36 per cent last year.

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

In fiscal year 2013 revenues amounted to NOK 6,197 million. This is an increase of NOK 348 million compared with the previous year.



In the summer/autumn of 2010, Siemens AS carried out a comprehensive reconstruction of the heating and ventilation system at our headquarters in Linderud in Oslo. Buildings account for 40 per cent of the world's energy consumption and with modern technology this consumption can be relatively easily reduced by 15-35 per cent, without affecting comfort or standards of living. In addition to renovating the system itself, new control systems were introduced, and results so far indicate that we will achieve significant savings in terms of both energy expenses and CO_2 emissions. Measurements for the period from 1 January 2011 to 30 September 2013 show a saving of 14.5 GWh, i.e. around 35 per cent.

MARKET

Norway was affected by the financial crisis to a lesser extent than other countries. However, the ongoing debt crisis in Europe also has an effect on Norwegian industry. The oil and gas industry is experiencing record investments, while the same growth rate is not experienced by the rest of Norwegian industry. This dichotomy characterises the Norwegian market.

The economic situation in Norway is considered to be solid. Unemployment remains relatively stable at around 3.5 per cent, which is among the lowest rates in Europe. At the same time, Norwegian interest rates are generally low and Norwegian households are experiencing increased purchasing power due to relatively low inflation.

There are four main areas in which investment growth is, and is expected to remain, strong: transport and transport infrastructure, upgrade of the national grid, the oil and gas market and renewable energy production.

According to the international energy agency IEA, the energy requirement on a global scale is expected to increase by 44% by 2030 and climate changes require a focus on energy efficiency, cleaner production of energy and renewable energy. These are areas in which Siemens has a leading position. The company also expects to see an increased focus on energy efficiency in both industry and in the construction and operation of commercial buildings. The energy sector in Norway is still in a growth phase and there are expectations for high investments in modifications for oil and gas, the next generation of the central network and wind power.

Siemens is the leading supplier within the majority of areas related to transport. A general requirement for an infrastructure upgrade and governmental goals to transfer more freight traffic from the road to the railway provide a positive outlook for our markets in the years to come.

The healthcare sector is expected to become one of the most important areas for growth in Norway. The elderly represent a steadily increasing proportion of the population, and the need for care services is rising as more illness become treatable. The healthcare system is increasingly engaged in utilising new technology to enhance efficiency. Siemens is currently the leading supplier of photographic diagnostics and integrated IT systems. Recent acquisitions have provided Siemens with a leading position within laboratory diagnostics, also called In-Vitro diagnostics.

STRATEGY AND FUTURE PROSPECTS

In Norway, we have experienced growth throughout the year and enter the new fiscal year with a record high order book. At the same time, the global macroeconomic picture will continue to influence Siemens' development to some extent, and the company has a global focus on cutting costs and improving efficiency through the "Siemens 2014" programme. The programme was initiated in 2012 and we are seeing clear effects from the programme through firm cost control across the entire company. The programme will increase our competitiveness and make us more adaptable.

Innovative and skilled employees are a prerequisite for reaching Siemens' ambitious goals in the years ahead. With the company's vision, "Siemens – the Pioneer", the company highlights its fundamental values – Innovative, Responsible and Excellent as a basis for our organisation. With the "Pioneer People" project, these values become a much stronger and much clearer part of our culture. Employees and the advancement of their expertise will remain important areas for focus and

Electrification based on clean energy makes it possible to maintain living standards while we build a sustainable society.

the company follows a strategy for continuous measures to improve expertise, particularly within the areas of project management and sales.

Siemens has a high ethical standard in its relationships with employees, customers, partners and its surroundings. Siemens has carried out what is probably the world's most comprehensive compliance and integrity programme and we have observed positive results from this both locally and globally. Siemens is currently at the forefront of this area, and in 2013 for the sixth year in a row, we ranked as the world's most sustainable company within the capital goods segment on the Dow Jones Sustainability Index (DJSI), and for the second year in a row we were also ranked as the most sustainable industrial company in the world. Ethical business practices will continue to be an important focus area in the years ahead.

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

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

4. desember 2013

Roland Armin Aurich
Styremedlem

Adil Farid Toubia
Styreleder

Jukka Pekka Pertola
Styremedlem

Per Otto Dyb
Konsernsjef

Roy Lund
Ansattrepresentant

Per Barsnes
Ansattrepresentant

Ottar Skogseth
Ansattrepresentant

Accounts

Income statement

Income statement 1 October – 30 September

(Amounts in NOK 1,000)	Note	2013	2012
Sales income	2,3	6,196,875	5,848,237
Other operating income	4	69,353	21,530
Total income		**6,266,228**	**5,869,767**
Cost of materials	12, 25	2,978,435	3,080,953
Payroll expenses	5,26	1,817,981	1,578,106
Depreciation of tangible assets and amortisation of intangible assets	9,29	53,122	34,133
Bad debts	13	3,686	9,154
Other operating expenses	24	1,338,058	1,167,293
Total operating expenses		**6,191,282**	**5,869,638**
Operating profit/loss		**74,946**	**129**
Financial income	6	50,537	26,582
Financial expenses	7	31,877	10,519
Total financial items	29	**18,659**	**16,063**
Profit on ordinary activities before tax		**93,605**	**16,192**
Tax on profit on ordinary activities	8	14,991	7,052
Net profit for the year	15	**78,614**	**9,140**
Other revenues and expenses			
Items that shall not be reclassified through the income statement			
Actuarial gains and losses on defined benefit plans	26	-91,157	7,198
Tax related to items that shall not be reclassified	26	25,524	-2,015
Items that may be reclassified through the income statement in subsequent periods			
Change in fair value of hedging instruments relating to cash flow hedges	16	-30,902	42,558
Tax related to items that can be reclassified	16	8,653	-11,916
Other revenues and expenses		-87,882	35,824
TOTAL COMPREHENSIVE INCOME		**-9,269**	**44,964**

Balance sheet 30 September

Assets

(Amounts in NOK 1,000)	Note	2013	2012
Intangible assets			
Customer portfolio		43,013	20,586
Technology		66,092	49,225
Other intangible assets		4,585	984
Goodwill		543,673	468,002
Total intangible assets	9,29	**657,363**	**538,797**
Fixed assets			
Land, buildings and other real estate	9	113,614	92,783
Plant and machinery	9	100,607	42,016
Fixtures and fittings, equipment, tools, office machines and similar	9,29	23,957	23,674
Total fixed assets		**238,178**	**158,474**
Financial fixed assets			
Investments in subsidiaries	10,29	121,548	185,446
Investments in other shares and interests	16	481	481
Other non-current receivables	11,16,29	25,442	34,704
Total financial fixed assets		**147,470**	**220,631**
Total fixed assets		**1,043,011**	**917,902**
Current assets			
Inventories	12	198,725	271,561
Accounts receivable	13,16	1,103,924	1,103,517
Other current receivables	23,29	920,500	754,859
Other current receivables from Group companies	16,29	**0**	**50,901**
Total current assets		2,223,149	2,180,838
Total assets		**3,266,160**	**3,098,740**

Balance sheet 30 September

Equity and liabilities

(Amounts in NOK 1,000)	Note	2013	2012
Equity			
Share capital		140,000	140,000
Share premium		30,000	30,000
Total paid-in equity		170,000	170,000
Other equity		564,330	566,205
Total retained earnings		564,330	566,205
Total equity	15,29	**734,330**	**736,205**
Provisions for liabilities			
Pension obligations	26,29	251,175	185,938
Deferred tax	8,29	228,069	285,283
Other liabilities		0	0
Total provisions for liabilities		**479,243**	**471,221**
Other long-term liabilities	16,28	53,677	45,200
Total long-term liabilities		**53,677**	**45,200**
Current liabilities			
Accounts payable	16	333,750	452,372
Tax payable	8,29	55,294	0
Public duties payable		133,716	84,987
Current liabilities to Group account system	14,16	311,121	209,875
Advances from customers	16	33,169	47,720
Guarantee provisions		26,831	28,998
Other current liabilities	16,17	1,105,030	1,022,161
Total current liabilities		**1,998,910**	**1,846,114**
Total liabilities		**2,531,830**	**2,362,535**
Total equity and liabilities		**3,266,160**	**3,098,740**

4 December 2013

Roland Armin Aurich
Board member

Adil Farid Toubia
Chairman

Jukka Pekka Pertola
Board member

Per Otto Dyb
CEO

Roy Lund
Employee representative

Per Barsnes
Employee representative

Ottar Skogseth
Employee representative

Cash flow statement 1 October – 30 September

Amounts in NOK 1,000	Note	2013	2012
Cash flow from operating activities			
Profit before tax		93,605	16,192
Taxes paid for the period		0	0
Ordinary depreciation/amortisation	9	53,122	34,133
Gain/loss on sales of businesses	4	-48,806	0
Gain/loss on disposal of fixed assets	9	1,658	0
Changes in inventory, accounts receivable and accounts payable	12,13	-46,192	-453,816
Differences between recorded pensions and			
contributions/disbursements	27	47,474	-33,456
Changes in other accruals	11,14,17	-71,325	-101,083
Net cash flow from operating activities		**29,535**	**-538,030**
Cash flows from investing activities			
Proceeds from sale of fixed assets	9	40	2,758
Acquisitions of fixed assets	9	-85,377	-44,450
Proceeds from sale of businesses		25,439	0
Proceeds from sale of other investments or subsidiaries	10	43,262	0
Purchases of other investments / subsidiaries	10	-121,548	-179,388
Purchases of other investments		0	0
Net cash flow from investing activities		**-138,184**	**-221,080**
Cash flows from financing activities			
Change in intra-group balances in the Group account system	14	101,246	1,285,417
Payment of Group contribution	6	7,400	-45,000
Dividends paid		0	-491,000
Net cash flow from financing activities		**108,646**	**749,417**
Net change in cash and cash equivalents		0	**-9,690**
Cash and cash equivalents at 1 Oct.		0	9,690
Cash and cash equivalents at 30 Sept.		**0**	**0**

Notes

Note 1 Accounting principles

GENERAL
With effect from 1 October 2012 the company has changed accounting principles and prepares the annual accounts in accordance with Section 3–9 of the Norwegian Accounting Act and the Regulation on simplified application of International Financial Reporting Standards (IFRS) established by the Ministry of Finance on 21 January 2008. This principally entails that recognition and valuation follow International Financial Reporting Standards (IFRS) and the presentation and note disclosures are in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. The effect of the change in accounting principles is shown in a separate note, see note 29.

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

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

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

BASIS FOR PREPARATION OF THE ANNUAL ACCOUNTS
The company accounts have been prepared under the historical cost convention, with the exception of the following accounting items:

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

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

CONSOLIDATION PRINCIPLES
Siemens AS has made use of paragraph 10 of IAS 27 concerning exemption from the consolidated accounts obligation for parent companies in sub-groups. Consequently, Siemens AS does not prepare a separate set of consolidated accounts. Please refer to the annual report for Siemens AG. At 30 September 2013 the Group consists of the parent company Siemens AS and its subsidiaries in Norway. See Note 10 for details of shareholdings in subsidiaries.

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

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

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

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

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

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

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

LONG-TERM MANUFACTURING CONTRACTS

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

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

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

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

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

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

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

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

In a contractual relationship, uncertainty may arise due to different interpretations of the contents of the contract. The potential outcomes of disputes are assessed and a best estimate is used to make a provision in the accounts.

OTHER CONTRACTS

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

SERVICE CONTRACTS

Service contracts are recognised when the services are provided.

CLASSIFICATION OF BALANCE SHEET ITEMS

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

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

RECEIVABLES

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

INVENTORIES

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

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

SHARES AND INTERESTS

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

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

CONTINGENT OUTCOMES
Contingent losses that are probable and measurable are expensed.

FORWARD CURRENCY CONTRACTS
Siemens AS hedges cash flows from contracts signed in foreign currency as part of its risk management strategy. Forward contracts are measured at fair value on the balance sheet date. Siemens AS uses hedge accounting for contracts with a value of more than 1 million Euros. The purpose of hedge accounting is to treat the impact on the income statement of the item being hedged and the impact on the income statement of the hedging instrument as a single item. The effectiveness of the hedge is monitored and documented in accordance with the rules on hedge accounting. If the requirements for the use of hedge accounting are no longer met, the hedged item and the hedge are measured separately using the relevant accounting rules. When hedging cash flows (Cash Flow Hedge Accounting) unrealised gains and losses on the hedging instrument are recognised in equity. Deferred tax on the provision is recognised directly in equity.

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

FIXED ASSETS AND INTANGIBLE ASSETS
Tangible and intangible fixed assets are measured at cost less accumulated depreciation and write-downs. Tangible and intangible fixed assets are measured at the lower of cost and fair value. Plant and equipment with a useful life of less than three years or a cost price of under NOK 15,000 are expensed the year that they are bought. Costs relating to normal maintenance and repairs are expensed as they arise under operating expenses. The cost of significant improvements to an asset, which are expected to increase future value and profit, are capitalised and depreciated over the anticipated useful life of the asset.

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

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

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

PENSION COSTS AND PENSION OBLIGATIONS
At the beginning of its 2007 fiscal year, Siemens AS introduced a defined contribution occupational pension scheme for all employees with more than 10 years to go before reaching retirement age at the close of 2006. The period's pension costs comprise paid contributions. Contributions are 4 per cent of the individual employee's qualifying salary between 1G and 6G, where G is the National Insurance Scheme's basic amount. For qualifying salaries of between 6G and 12G, a pension contribution of 8 per cent is payable. Previously accrued pension rights were converted into individual paid-up policies. For employees with less than 10 years to go until retirement age, the old defined benefits pension scheme was maintained, but it is considered a closed scheme. This pension scheme is treated for accounting purposes in accordance with IAS 19R.

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

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

A curtailment occurs when the company is committed to making a material reduction in the number of employees covered by a plan or amends the terms of a defined benefit pension scheme such that a material element of future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits. The introduction of a new defined benefit scheme or an improvement to the current defined benefit scheme entails changes in the pension obligations. These are expensed on a straight-line basis until the effect of the change is accrued. The introduction of new plans or changes to current plans with retroactive effect such that the employees have immediately earned a paid-up policy (or change to the paid-up policy) are immediately recognised in the income statement. Gains or losses in connection with curtailments or the closure of pension plans are recognised in the income statement in the period in which they occur.

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

EMPLOYEES' OPTIONS AND SHARE PROGRAMME

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

GOVERNMENT GRANTS

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

TAX EXPENSE

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

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

CASH FLOW STATEMENT

Siemens AS uses the indirect model for presentation of the cash flow statement in accordance with Simplified IFRS for cash flow statements. The indirect model shows gross cash flows from investing and financing activities, while the accounting profit is reconciled with the net cash flow from operating activities. Siemens AS participates in a Group account scheme, in which the funds are defined as intercompany receivables and liabilities. Therefore the company has no cash and cash equivalents as at 30 September 2013.

Note 2 Information about the business areas

Sales revenues by business area

(Amounts in NOK 1,000)	2013	2012
Industry	1,263,013	1,005,103
Energy	3,467,025	3,385,333
Infrastructure & Cities	1,041,072	1,089,342
Healthcare	425,765	368,459
Total sales revenue	**6,196,875**	**5,848,237**

The majority of the company's sales revenues comes from activities in Norway. In fiscal year 2013, exports comprised NOK 1,558 million (25% of total revenues). This is a decline of around 10% from the 2012 fiscal year. The largest export markets in fiscal year 2013 are Singapore, Great Britain and China, which account for 40%, 20% and 10% of the total exports respectively.

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

(Beløp i 1 000 kroner)	2013	2012
Recognised revenue from work-in-progress	7,881,969	6,892,097
Cost of work-in-progress	7,100,814	6,110,617
Net profit/loss on work-in-progress	**781,155**	**781,480**

	2013	2012
Backlog of orders on work-in-progress	5,778,108	4,643,109
Estimated gross profit	212,660	972,027
Revenue from projects	4,679,372	4,591,306
Estimated remaining production costs for loss-making projects The entire expected loss on these projects is charged as a provision, which is reduced in parallel with the progress of the project or realisation of the losses.	576,280	80,131
Accrued, unbilled revenues from work-in-progress included under other current receivables, from manufacturing projects where the percentage of completion method is used (see note 23).	409,638	351,580
Production billed in advance, included under other current liabilities, from manufacturing projects where the percentage of completion method is used (see note 17).	707,638	662,575

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

Note 4 Other operating income

(Amounts in NOK 1,000)	2013	2012
Rental income from real property	20,547	21,530
Gains on the disposal of businesses (see note 10)	48,806	0
Total other operating income	**69,353**	**21,530**

Note 5 – Payroll, number of employees, remuneration

(Amounts in NOK 1,000)	2013	2012
Salaries and holiday pay	1,450,896	1,264,053
Employer's NICs	217,163	188,050
Net pension cost*	87,542	69,048
Other payroll expenses	62,380	56,955
Total payroll and other staff expenses	**1,817,981**	**1,578,106**
* In 2013 net pension costs consist of the cost of the defined contribution-based scheme of NOK 60 million excluding employer's NICs and new contractual pension (AFP) schemes of NOK 14 million excluding employer's NICs in addition to costs of NOK 13 million in connection with the defined benefit-based pension scheme including employer's NICs (see note 27)		
Average number of full-time equivalent employees 1 October 2011 – 30 September 2012		**1,729**
Average number of full-time equivalent employees 1 October 2012 – 30 September 2013		**1,859**

Directors' fees for the Board of Siemens AS totalled NOK 710,000 in fiscal year 2013.

The CEO's salary for the period 1 Oct. 2012 – 30 Sept. 2013 was NOK 4,592,344. Bonus comprised NOK 1,810,026 of this amount. Other reportable compensation totalled NOK 992,219.

The CEO is covered by the pension scheme for senior management at Siemens AS. A pension contribution of NOK 1,478,653 was made. The CEO's salary is performance-related and the bonus paid is included in the reportable compensation. There is no severance pay agreement for the CEO if he leaves his position.

The CEO exercised 987 stock awards with a resulting gain of NOK 571,455 in the current fiscal year. As of 30 September 2013 the CEO has reserved 3,294 stock awards. These can be received during the period 2013-2016.

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

Neither the Chair of the Board nor the CEO have loans from Siemens AS as at 30 September 2013.

In the period from 1 October 2012 to 8 March 2013 the Chair of the Board has received NOK 200,000 in Directors' fees. In the period 9 March to 30 September 2013 the Chair of the Board has not received any Director's fees. None of the Chairs has been allocated options or shares.

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

Auditor	2013	2012
Expensed auditor's fees		
Fees for statutory audits	2,650	2,100
Other services related to auditing	60	219
Tax consultancy services	**0**	**28**
Total auditor's fee	**2,710**	**2,347**

Fees are quoted excluding VAT.

Note 6 Financial income

(Amounts in NOK 1,000)	2013	2012
Interest income from Group companies	470	12,641
Other interest income	4,111	5,079
Dividends / Group contribution received	7,400	0
Exchange rate gains	38,556	8,862
Total financial income	**50,537**	**26,582**

Note 7 Financial expenses

(Amounts in NOK 1,000)	2013	2012
Interest payable to Group companies	4,979	1,324
Other interest expenses	3,931	6,132
Exchange rate losses	22,515	1,305
Total financial expenses	**31,425**	**8,761**

Note 8 Tax

Taxable profit

(Amounts in NOK 1,000)	2013	2012
Profit on ordinary activities before tax	93,605	16,192
Permanent differences/other differences	8,492	8,992
Changes in taxable/deductible temporary differences	**223,552**	**-63,350**
Impact of mergers and internal transactions[1]	-50,743	-1,621
Impact of items recognised in equity	0	0
Tax-free gains on disposal of shares	-35,019	0
Group contributions received	**0**	**0**
Application of tax loss carry forward	**-51,131**	**0**
Taxable profit	188,756	-39,787
28% tax payable of which	52,852	0
Tax merged companies	**-189**	**0**
Taxes paid to foreign countries, directly expensed	**466**	**0**
Tax payable in the tax expense	53,129	0

The tax expense for the year is as follows:

(Amounts in NOK 1,000)	2013	2012
Tax payable on profit for the year	52,852	0
Change in deferred tax	-57,214	20,021
Change in deferred tax, merged companies[1]	**-14,208**	**454**
Change in deferred tax recognised directly in equity[2]	**34,176**	**-19,034**
Correction for errors in previous years	-614	5,610
Total taxes for the year	14,992	7,051

Tax payable on the balance sheet is as follows:

(Amounts in NOK 1,000)	30,09,13	30,09,12
Tax payable on profit for the year	52,852	0
Tax payable from merged companies	**2,443**	**0**
SkatteFUNN	**0**	**0**
Deduction for tax paid abroad	0	0
Reduction in tax payable due to Group contribution	0	0
Corrections to tax payable for previous years, etc.	0	0
Total tax payable	**55,294**	**0**

Specification of deferred tax calculation

(Amounts in NOK 1,000)	30.09.13	01.10.12
Taxable / deductible differences that offset one another:		
Non-current assets/liabilities	98,035	78,663
Current assets/liabilities	1,022,596	1,164,033
Total	1,120,631	1,242,696
Accrued loss to carry forward	0	-39,787
Items recognised directly in equity[2]	-306,100	-184,042
Total basis for deferred tax	**814,531**	**1,018,867**
28% Deferred tax (+) / Deferred tax assets (-)	**228,069**	**285,283**
Change in deferred tax	**-57,214**	**20,021**
- of which without effect on tax expense	**0**	**0**

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

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

Nominal tax rate on profit before tax:	2013	2012
(Amounts in NOK 1,000)	Skattekostnad	i % av resultat før skatt
Tax calculated as average nominal tax rate on profit before tax	26,210	28.00%
Effect of permanent differences	2,378	2.54%
Permanent effect of equity transactions	0	0.00%
Effect of tax-free gains on disposal of shares	-9,805	-10.48%
Tax effect of group contribution received	0	0.00%
Effect of tax merged company	0	0.00%
Effect of previous year's tax	-3,790	-4.05%
Non-deductible goodwill amortisation	0	-4.05%
Tax expense according to income statement	**14,992**	**11.97%**

Note 9 Immaterielle eiendeler og varige driftsmidler

(Amounts in NOK 1,000)	Customer portfolio	Technological intangible assets	Market-related intangible assets	Other intangible assets	Goodwill	Development work in progress	**Total**
Cost 1 Oct. 2012	33,175	63,654	0	3,935	470,124	0	**570,888**
Merger Matre Instruments AS (see note 27)	48,533	32,171	3,666	0	77,650	0	**162,020**
Cost 1 Oct. 2012 after merger	81,708	95,825	3,666	3,935	547,774	0	**732,908**
Acquisitions during the year	0	0	0	0	0	1,568	**1,568**
Disposals during the year – cost	11,996	0	0	0	1,979	0	**13,975**
Cost 30 Sept. 2013	**69,712**	**95,825**	**3,666**	**3,935**	**545,795**	**1,568**	**720,501**
Accumulated depreciation and write-downs	26,699	29,733	649	3,935	2,122	0	63,138
Book value at 30 Sept. 2013	**43,013**	**66,092**	**3,017**	**0**	**543,673**	**1,568**	**657,363**
Accumulated depreciation and write-downs	**16,988**	**13,632**	**457**	**984**	**0**	**0**	**32,061**
Depreciation method	Straight-line	Straight-line	Straight-line	Straight-line			
Useful life	3–9 years	5–8 years	5–8 years	2–5 years			

During the fiscal year Siemens AS has sold an operating unit linked to the Building Technology division (in the Industry sector) and Poseidon Consulting Services AS. Disposals of intangible assets and goodwill are related to these events.

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

(Amounts in NOK 1,000)	2013	2012
Total expenses for research and development	137,157	134,777

It is assumed that the total expected earnings from ongoing research and development correspond to the total expenses.

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

(Amounts in NOK 1,000)	Land/ buildings	Plant and machinery	Company equipment and fixtures and fittings	Facilities under construction	Total
Cost 1 Oct. 2012		45,145	106,749	18,269	318,758
Merger Matre Instruments AS (see note 27)		12,837	13,784	0	36,823
Cost 1 Oct. 2012 after merger		57,982	120,533	18,269	355,581
Acquisitions during the year		9,060	6,892	48,555	83,733
Disposals during the year – cost		237	1,852	0	2,089
Cost 30 Sept. 2013		**66,805**	**125,573**	**66,824**	**437,225**
Accumulated depreciation and write-downs		33,022	101,616	0	199,047
Book value at 30 Sept. 2013		**33,783**	**23,957**	**66,824**	**238,178**
Depreciation and write-downs for the year		12,773	2,912	0	**21,061**
Depreciation method		Straight-line	Straight-line		
Useful life		10 years	3-5 years		

Lease contracts

(Amounts in NOK 1,000)	2013	2012
Offices and warehouses	80,986	70,343
Cars	10,332	12,040
Total lease costs	**91,318**	**82,383**

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

For an overview of the total liabilities, see note 19.

Note 10 Shares

Investments in subsidiaries (Amounts in NOK 1,000)	Business location	Company's share capital	Number of shares	Nominal value of shares	Book value	Ownership interest
Siemens Healthcare Diagnostics AS	Oslo	300,000	300	1,000	121,548,000	100%
Total investments in subsidiaries 2013					**121,548,000**	

(Amounts in NOK 1,000)	Net profit for the fiscal year 2011/2012	Equity fiscal year 2011/2012
Siemens Healthcare Diagnostics AS	16,262,490	63,378,319

In 2013 Siemens AS acquired Siemens Healthcare Diagnostics AS for a total consideration of NOK 121,548,000. The consideration was paid entirely in cash. Siemens Healthcare Diagnostics AS was acquired by Siemens Diagnostics Holding II B.V. 3 December 2012

In 2013 Siemens AS sold the subsidiary Poseidon Consulting AS for a total consideration of NOK 43,261,904. The consideration was paid entirely in cash. The wholly owned subsidiary Matre Instruments AS was merged with Siemens AS with accounting effect from 1 October 2012. See note 27 for further information.

Siemens AS has made use of the exception in the first paragraph of Section 3-7 of the Norwegian Accounting Act regarding not preparing consolidated accounts. The consolidated financial statements of Siemens AG can be obtained from the following address: Siemens AG, Wittelsbacherplatz 2, D-80333 Munich, Germany. http://www.siemens.com

DX equity

Note 11 Other non-current receivables

(Amounts in NOK 1,000)	2013	2012
Loans to employees (cf. note 5)	14,349	13,233
Other non-current receivables	11,093	21,472
Total other non-current receivables	**25,442**	**34,704**

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

Note 12 Inventories

(Amounts in NOK 1,000)	2013	2012
Raw materials	42,541	40,610
Goods in process	8,660	6,104
Finished goods	147,524	224,848
Total inventories	**198,725**	**271,562**
Provision for obsolete goods included in above figures:	23,951	18,506
Cost of inventories for the year comprised	2,978,435	3,080,953

Note 13 Accounts receivable

(Amounts in NOK 1,000)	2013	2012
Losses on accounts receivable	1,578	752
Changes in provisions	2,107	8,402
Net bad debts	**3,685**	**9,154**

(Amounts in NOK 1,000)	2013	2012
Gross accounts receivable	1,122,281	1,119,423
Provision for losses on accounts receivable	-18,357	-15,905
Net accounts receivable	**1,103,924**	**1,103,517**

Outstanding receivables older than 60 days comprise approximately 14% of gross receivables.

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

Note 14 Liquid assets

Siemens AS has no restricted liquid assets. Siemens AS has a bank guarantee worth NOK 97 million to cover tax liabilities. Furthermore, Siemens AS provided a bank guarantee of NOK 2.5 million for tax liabilities for Siemens Healthcare Diagnostics AS and a bank guarantee of NOK 1.5 million for tax liabilities for Poseidon Consulting Services AS, a former subsidiary of Siemens AS.

All banking activities are undertaken through Siemens Financial Services GmbH (SFS). Siemens AS has a low liquidity risk since the company is part of the Siemens Group's account scheme. As of 30 September 2013 holdings in SFS totalled net NOK 311 million and are classified as debt.

Note 15 Equity and shareholder information

(Amounts in NOK 1,000)	Share capital	Share premium	Own shares	Paid-in other equity	Cash flow hedge reserve	Actuarial gains and losses	Retained earnings	Other equity	Total equity
Equity as at 1 October 2011	**140,000**	**30,000**	**0**	**0**	**-5,792**	**-162,718**	**1,125,959**	**957,449**	**1,127,449**
Effect of implementing simplified IFRS (see note 29)	-	-			-	-37,085	88,701	51,616	51,616
Adjusted equity 1 October 2011	**140,000**	**30,000**	**0**	**0**	**-5,792**	**-199,803**	**1,214,660**	**1,009,065**	**1,179,065**
Merger of subsidiary Siemens Business Services AS	-	-	-	-	-	-	3,176	3,176	3,176
Extraordinary dividend	-	-	-	-	-	-	-491,000	-491,000	-491,000
Total comprehensive income	-	-	-	-	30,641	5,183	9,140	44,964	44,964
Equity as at 30 September 2012	140,000	30,000	0	0	24,849	-194,620	735,976	566,205	736,205

(Amounts in NOK 1,000)	Share capital	Share premium	Own shares	Paid-in other equity	Cash flow hedge reserve	Actuarial gains and losses	Retained earnings	Other equity	Total equity
Equity 1 October 2012	140,000	30,000	0	0	24,849	-170,892	577,740	431,697	601,697
Effect of implementing simplified IFRS (see note 29)	-	-	-	-	-	-23,728	158,236	134,508	134,508
Adjusted equity 1 October 2012	140,000	30,000	0	0	24,849	-194,620	735,976	566,205	736,205
Merger of subsidiary Matre Instruments AS (see note 27)	-	-	-	-	-	-5,157	13,479	8,322	8,322
Other equity effects	-	-			-		-928	-928	-928
Total comprehensive income	-	-	-	-	-22,249	-65,633	78,614	-9,269	-9,269
Equity as at 30 September 2013	**140,000**	**30,000**	**0**	**0**	**2,600**	**-238,291**	**800,022**	**564,330**	**734,330**

At 30 September 2013 the company's share capital consisted of 140,000 shares with a par value of NOK 1,000. All of the company's shares are owned by Siemens International Holding BV, which is in turn wholly owned by Siemens AG.

Note 16 Currency derivatives and financial instruments

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

Siemens AS's currency exposure relates to purchases and sales in CHF, EUR, GBP, USD, SEK and DKK. Options are also used to hedge against fluctuations during the bid phase of projects. All hedging is done through Siemens AG's internal bank, Siemens Financial Services GmbH. Siemens AS does not use financial instruments linked to raw materials and does not use interest-bearing financial instruments linked to interest-bearing derivatives.

(Amounts in NOK 1,000)	2013	2012
Realised income from expired hedging contracts:	7,561	3,551
Unrealised gain/loss (-) from valuation of hedging contracts:	-10,379	8,032

The following amounts relating to hedging contracts are recognised in other revenues and expenses (adjusted for deferred tax):
(see note 15)

(Amounts in NOK 1,000)	2013	2012
Unrealised gain/loss (-) recognised in fiscal year:	-22,249	30,642
Accumulated gain/loss (-) not reversed from equity:	2,601	24,850

List of unrealised currency futures as of 30 September 2013:
(Amounts in NOK 1,000)

Currency futures:	Amount in foreign currency	Amount in NOK	Agreed average exchange rate	Exchange rate as of 30 Sept. 2012	Average remaining maturity in days
Sell EUR/buy NOK	14,976	118,521	7.914	8.114	162
Sell USD/buy NOK	95,593	577,331	6.039	6.008	169
Buy SEK/sell NOK	10,402	9,734	0.936	0.937	28
Buy DKK /buy NOK	13,784	15,087	1.095	1.088	469
Buy GBP/sell NOK	1,978	17,684	8.940	9.705	83
Buy CHF/sell NOK	141	938	6.629	6.637	211

The fair values of the derivatives that are recognised on the balance sheet as at 30 Sept. are as follows:
(see the table for currency derivatives and financial instruments)

(Amounts in NOK 1,000)	2013	2012
CHF	10	0
DKK	145	407
EUR	-1,673	23,208
GBP	1,531	138
SEK	12	25
USD	-1,120	18,839
Total	**-1,095**	**42,618**
Positive holdings: Short-term portion	31,950	70,122
Positive holdings: Long-term portion	8,689	18,586
Negative holdings: Short-term portion	-33,255	-42,657
Negative holdings: Long-term portion	-8,479	-3,433
Total	**-1,095**	**42,618**

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

In the income statement, valuation and settlement of hedging contracts are entered under financial expenses and income. On the balance sheet, the values of open hedging contracts are recognised in current or long-term receivables or other current or long-term liabilities. The share of long-term positive holdings comprises NOK 8.7 million and long-term negative holdings NOK 8.5 million.

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

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

When hedging cash flows (Cash Flow Hedge Accounting) unrealised gains and losses on the hedging instrument are recognised in equity. Deferred tax on the provision is recognised directly in equity. Other hedging contracts that do not qualify as hedge accounting are recorded at fair value through the income statement.

As of 30 September 2013 there are no material ineffective hedges.

Periods during which hedged cash flows in foreign currencies are expected to affect the income statement:

(Amounts in NOK 1,000)	2014	2015	2016
Year in which hedged cash flows are expected to be reclassified from equity to the income statement.	-1,304	507	-298

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

Assets as of 30 Sept. 2012 (Amounts in NOK 1,000)	Loans and receivables	Assets at fair value through the income statement	Derivatives used for hedging purposes	Available for sale	Total
Investments in other shares and interests	481	-	-	-	481
Other non-current receivables	16,117		18,587		34,704
Accounts receivable	1,103,517	-	-	-	1,103,517
Other current receivables from Group companies	50,901	-	-	-	50,901
Other current receivables	684,738	-	70,121	-	754,859
Total	**1,855,754**	**-**	**88,708**	**-**	**1,944,462**

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

Liabilities as of 30 September 2012 (Amounts in NOK 1,000)		Liabilities at fair value through the income statement	Derivatives used for hedging purposes	Other financial liabilities	Total
Other long-term liabilities		-	3,433	41,767	45,200
Accounts payable		-	-	452,372	452,372
Current liabilities to Group account system		-	-	209,875	209,875
Advances from customers		-	-	47,720	47,720
Other current liabilities		-	42,657	979,504	1,022,161
Total		-	**46,090**	**1,731,238**	**1,777,328**

Note 17 Other current liabilities

(Amounts in NOK 1,000)	2013	2012
Salaries and holiday pay	226,326	201,300
Service contracts billed in advance	46,870	45,260
Provisions for liabilities	84,697	38,831
Production projects billed in advance (see note 3)	707,638	662,575
Currency derivatives (see note 16)	33,255	42,657
Other current liabilities	6,243	31,538
Total other current liabilities	**1,105,030**	**1,022,161**

Provisions for liabilities

(Amounts in NOK 1,000)	Onerous contracts	Other	Total
1 Oct. 2012	15,544	23,287	38,831
Deferred	65,469	35,591	101,060
Removed	14,061	6,734	20,795
Used provision	16,571	17,828	34,399
30 Sept. 2013	50,381	38,805	84,697

Note 18 Mortgages and guarantees

Guarantees

(Amounts in NOK 1,000)	2013	2012
Guarantees for subsidiaries	7,500	1,500
Guarantees for external companies	1,533	0
Total guarantees	**9,033**	**1,500**

Siemens AS has issued external financing guarantees for NOK 675 million for liabilities towards the authorities and counterparties, including guarantee obligations for subsidiaries and external companies.

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

Note 19 Off-balance sheet liabilities

At the end of fiscal year 2013, Siemens AS has the following off-balance sheet liabilities divided into the following categories:

Description	By period				
(Amounts in NOK 1,000)	Within 1 year	2-3 years	4-5 years	After 5 years	Total
Guarantees for subsidiaries			7,500	1,500	
Guarantees for external companies			1,533	0	
Total guarantees			**9,033**	**1,500**	

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

Note 20 Financial market risk

Siemens AS does not use financial instruments linked to raw materials and interest-bearing items. As a result of the strong liquidity of Siemens Financial Services GmbH, Siemens AS has a low liquidity risk. Accounts receivables are continually assessed based on changes in market conditions and management's assessment. We consider this to be taken account of in the provisions for losses on receivables. (see note 13)

Currency risk and the application of financial instruments are described in note 16.

Note 21 Transactions with related parties

		Sales	
(Amounts in NOK 1,000)		2013	2012
Siemens Pte. Ltd.	Siemens company	298,350	253,529
Siemens International Trading Ltd., Shanghai	Siemens company	150,364	278,232
Siemens Nederland N.V.	Siemens company	42,193	0
Siemens Wind Power A/S	Siemens company	27,966	49,504
Siemens Industry, Inc.	Siemens company	24,028	29,381
Siemens PLC	Siemens company	19,841	4,691
Siemens Energy, Inc. (US) – Oil&Gas (PT2)	Siemens company	16,079	162,618
Siemens Financial Services AB	Siemens company	0	9,475
Other	Siemens company	56,547	77,235
		635,368	**864,665**

Name		Purchases	
(Amounts in NOK 1,000)		2013	2012
Siemens AG	Siemens company	1,338,683	1,150,562
Siemens Wind Power A/S	Siemens company	271,233	295,331
Siemens Industrial	Siemens company	81,603	21,286
Siemens Schweiz AG	Siemens company	69,317	68,552
Siemens AG Oesterreich	Siemens company	60,367	128,423
Siemens plc	Siemens company	53,666	32,257
Siemens Electric Machines s.r.o	Siemens company	38,619	22,622
Siemens Medical Solutions USA Inc	Siemens company	31,297	-
Siemens Nederland N.V	Siemens company	17,250	-
Siemens Sanayi ve Ticaret AS	Siemens company	16,850	-
SIEMENS LTDA.	Siemens company	15,413	47,202
Siemens AG – Corporate Units	Siemens company	12,956	17,223
Loher GmbH	Siemens company	-	28
Siemens Pte Ltd	Siemens company		58,420
Other	Siemens company	169,540	141,252
		2,176,794	**1,983,158**

Purchases from and sales to related parties are regarded as commercial transactions. Purchases and sales between related parties principally take place in connection with project collaborations. There are also a number of cost allocations in connection with the use of common services in the Group.

Siemens AS has no intra-group balances relating to liabilities and receivables since purchases and sales are paid for directly from the Group cash pool. (see note 14)

During 2013 Siemens Healthcare Diagnostics has been acquired from Siemens Diagnostics Holding II B.V. (see note 10)

Note 22 Share price-based compensation

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

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

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

The total cost for these options is charged to payroll expenses. In fiscal year 2013 this amounted to NOK 2.1 million.
The book value of the liabilities amounted to NOK 3.9 million.

	2013		2012	
(Amounts in NOK 1,000)	Average exchange rate EUR per share	Options	Average EUR exchange rate per share	Options
As of 1 October	71.52	9, 800	56.14	9, 076
Awarded	64.93	5, 828	74.14	4, 349
Lapsed	-	-	-	-
Exercised	60.79	- 2,673	37.65	- 3,625
Expired	-	-	-	-
As of 30 September	**70.77**	**12, 955**	**71.52**	**9, 800**

Allocation/accrued			Number of options	
(Amounts in NOK 1,000)	Expiration date	Exercise price EUR per share	2013	2012
2009	16 Nov. 2012	60.79	-	2,673
2010	12 Nov. 2013	77.76	2,778	2,778
2011	11 Nov. 2014	74.14	4,349	4,349
2012	9 Nov. 2015	64.93	5,828	-
Total			**12,955**	**9,800**

Share options granted to employees:
In fiscal year 2013 all Siemens Group employees were offered the opportunity to purchase Siemens shares through the programme. Share Matching Plan. Employees who enter into this agreement have a fixed amount of 0–5% of their gross salary deducted each month. The amount is invested in Siemens shares in the following month. After a vesting period of three years, Siemens gives the employee one free share for every three shares the employee owns. Siemens AS is billed quarterly for the administration of the Share Matching Plan in addition to the fourth share the employee is given after three years. For fiscal year 2013 these costs amounted to NOK 0.6 million.

Note 23 Other current receivables

(Amounts in NOK 1,000)	2013	2012
Accrued, unbilled revenues from production contracts	409,638	351,581
Other accrued, unbilled revenues including work in progress	438,741	301,923
Currency derivatives	31,957	70,122
Other current receivables	40,164	31,233
Total other current receivables	**920,500**	**754,859**

Note 24 Other operating expenses

(Amounts in NOK 1,000)	2013	2012
Shipping and transportation expenses	33.340	27.788
Leasing of premises	80.986	70.343
Light and heat	15.971	13.213
Waste, water, sewage, cleaning, etc.	12.768	11.769
Leasing of machinery, equipment, etc.	10.562	8.673
Equipment, fixtures and fittings (not capitalised)	15.746	25.196
Building repair and maintenance	22.845	5.900
Other repair and maintenance	9.203	22.468
Office expenses	25.012	23.500
Contracted workers	505.000	486.498
Fuel, maintenance, insurance and taxes on transport	507	608
Travel and subsistence expenses	126.743	117.206
Sales and advertising expenses	13.889	14.897
Representation expenses	3.590	3.254
Subscriptions and gifts	5.431	5.590
Insurance premiums	7.002	6.761
Warranty and service expenses	5.952	9.013
License and patent costs*	24.060	20.782
Other expenses**	419.453	293.834
Total other operating expenses	**1.338.058**	**1.167.293**

Siemens AS presenterer sitt resultatregnskap basert på hva inntektene og kostnadene inneholder. Annen driftskostnad består av alle operasjonelle kostnader som ikke er relatert til prosjekter, lønnskostnad og kapitalkostnad i form av avskrivninger. Hovedelemenetene av annen driftskostnad har blitt gruppert i tabellen ovenfor.

*Lisens- og patentkostnad relaterer seg til software kostnader fra eksterne leverandører og interne lisenskostnader fakturert fra Siemens AG.

**Posten «annen kostnad» består hovedsakelig av generelle administrative kostnader som personaladministrasjon, kommunikasjonsadministrasjon, supply chain, forskning og utvikling, IT, legal, finans, strategisk planlegging og generell administrasjon.

Note 25 Government grants

In 2013 Siemens has been allocated a government grant in connection with DEMO 2000 by the Research Council of Norway. The grant will reduce the accrued project costs, entailing a net recognition in the accounts. The total amount of the grant is NOK 4,500,000 and will be disbursed on an ongoing basis and in arrears. The project is owned by the Oil&Gas division and will last for a period of 8-12 months, principally during fiscal year 2013/2014. The amount of the grant for fiscal year 2012/2013 is NOK 1,000,000. The grant is disbursed on an ongoing basis based on reports of the project costs incurred. The grant is a user-controlled innovation programme which requires 50% co-financing by trade and industry. The innovation programme is intended to stimulate R&D work in trade and industry, and is therefore a tool aimed at increasing trade and industry's own R&D efforts. There are no contingent obligations other than the requirement to document the accrued project costs that have formed the basis for the grant allocation.

Note 26 Pension costs and pension liabilities

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

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

Contribution plans
Siemens has a defined contribution-based occupational pension scheme. Contributions are 4% of the individual employee's qualifying salary between 1G and 6G (National Insurance scheme's basic amount), and 8% for qualifying salary between 6G and 12G. NOK 59.9 million was paid to the employees in 2013.

The Norwegian Parliament resolved that AFP shall be a life-long scheme from 1 January 2011, in which the employee can decide when to receive the pension after reaching the age of 62. The payments will be influenced by the qualifying period and expected remaining lifetime of each individual employee. The new AFP scheme is a defined benefit-based multi-employer pension plan that is financed through premiums that are determined as a percentage of salary. As there is not currently a reliable method for calculating the liability, in the meantime the scheme is accounted for as a defined contribution-based scheme in which the premium payments are expensed on an ongoing basis. NOK 14.1 million was paid into this scheme in 2013.

Benefit plans – funded schemes
For employees with less than 10 years to go until retirement age at the close of 2006, the company has a closed scheme which entitles members to future defined benefits. The closed scheme had 75 active members at the close of the fiscal year, as well as 988 pensioners. Pension benefits payable are primarily dependent on the number of qualifying years, salary on reaching retirement age and benefits from the National Insurance Scheme. Employees are guaranteed to receive 65% of their salary with full accrual, regardless of changes in the National Insurance Scheme. Liabilities are covered through Storebrand Livsforsikring AS, and the pension scheme assets are managed and invested in accordance with Storebrand's standards.

Benefit plans – unfunded schemes
In addition to the funded occupational pension schemes, Siemens AS has unfunded pension liabilities. These pension plans mainly comprise pension obligations for active and retired senior managers, as well as the remaining liabilities for the AFP and gratuity pension (old scheme). At the start of the fiscal year, the company also had an operating pension and compensation pension. However, it was decided to convert these into paid-up policies during fiscal year 2013. During the year, the schemes were closed and the accrued rights were disbursed to the members as salary. Future accrued rights are paid as salary on an ongoing basis. The discontinuation of the two schemes resulted in a net income of NOK 281,000, which is recognised in the income statement in fiscal year 2013.

Pension cost for defined benefit plans

(Amounts in NOK 1,000)	Total for 2013	Unfunded 2013	Funded 2013	Total for 2012
The year's pension claim / service cost	9,011	6,771	2,240	10,219
Interest expense on pension obligations	19,966	4,230	15,736	23,465
Return on plan assets	-15,656	0	-15,656	-14,912
Recognised pension costs incl. employer's NICs	13,321	11,001	2,320	18,773
Actuarial loss/gain (-)	91,157	20,469	70,688	-7,198
Pension costs recognised in Other revenues and expenses	**91,157**	**20,469**	**70,688**	**-7,198**

Changes in pension obligations

(Amounts in NOK 1,000)	Total for 2013	Unfunded 2013	Funded 2013	Total for 2012
Pension obligations at start of period	819,518	194,607	624,911	841,028
Service cost for the year	9,011	6,771	2,240	10,219
Interest cost on pension liabilities	19,966	4,230	15,736	23,465
Curtailment/settlement	-8,748	-8,748		0
Pension payments	-64,371	-17,213	-47,158	-64,891
Actuarial loss/gain (-)	85,689	20,469	65,220	9,698
Pension liabilities at end of period	**861,065**	**200,116**	**660,949**	**819,519**

Changes in pension plan assets

(Amounts in NOK 1,000)	Total for 2013	Unfunded 2013	Funded 2013	Total for 2012
Pension plan assets at start of period	633,580	0	633,580	633,245
Return on plan assets	15,656	0	15,656	14,912
Payments into the scheme	11,639	0	11,639	12,513
Pension payments	-45,517	0	-45,517	-43,985
Actuarial loss (-)/gain	-5,468	0	-5,468	16,896
Pension plan assets at end of period	**609,890**	**0**	**609,890**	**633,580**
Net pension obligation	**251,175**	**200,116**	**51,059**	**185,938**

Funded pension scheme is invested as follows:

(Amounts in NOK 1,000)	2013	I %	2012	I %
Bonds	441,122	72	392,111	62
Real property	74,706	12	94,424	15
Equity instruments	65,140	11	112,941	18
Funds	18,282	3	27,307	4
Bank deposits	10,640	2	6,797	1
Total	**609,890**	**100**	**633,580**	**100**

Note 26 Pension costs and pension liabilities (cont.)

Financial assumptions

(Amounts in NOK 1,000)	2013	2012
Discount rate	3.00%	2.20%
Expected salary adjustment	3.75%	3.25%
Expected pension increases	0.60%	0.00%
Expected NI base rate changes (G)	3.50%	3.00%
Expected return on pension plan assets	3.00%	3.60%

Actuarial assumptions:
Other actuarial assumptions have been applied in the calculations, such as the K-2013 mortality table, as well as other demographic factors prepared by Finance Norway (Finansnæringens Hovedorganisasjon). A staff turnover rate of 8 per cent for the age group 20-24 falling to 0 per cent for employees 51 or over has also been assumed. The turnover rate states the proportion of staff that is estimated to leave the company voluntarily during one year.

Sensitivity analysis

	Pension obligations (DBO)	
(Amounts in NOK 1,000)	Increase	Reduction
Discount rate	3.00%	2.20%
Expected salary adjustment	3.75%	3.25%
Expected pension increases	0.60%	0.00%
Expected NI base rate changes (G)	3.50%	3.00%
Expected return on pension plan assets	3.00%	3.60%

Note 27 Mergers

Siemens AS acquired 100% of the shares of Matre Instruments AS with effect from 2 May 2012. The compensation for the shares was NOK 177,204,000. Matre Instruments AS was merged into Siemens AS with accounting effect from 1 October 2012. Earned profit that relates to the period from 2 May 2012 to 30 September 2012 is recognised in equity in Siemens AS, see note 15. The merged company's operations are primarily directed towards the development and production of subsea sensors, but it also develops and manufactures instruments/alarm systems for the marine area.

The merger is a merger between the parent company and the subsidiary and is accounted for with Group continuity. Consideration shares were not issued for the merger.

Assets and liabilities were merged into Siemens AS with the following values:

(Amounts in NOK 1,000)	01.10.12
Assets	
Intangible assets	78,425
Goodwill	77,327
Total intangible assets	**155,752**
Fixed assets	
Land, buildings and other real estate	6,900
Plant and machinery	5,968
Fixtures and fittings, equipment, tools, office machines and similar	4,488
Total fixed assets	**17,356**
Total fixed assets	**173,108**
Current assets	
Bank deposits	6,540
Inventories	36,004
Accounts receivable	36,603
Other current receivables	1,475
Other current receivables from Group companies	31
Total current assets	**80,652**
Total assets	**253,760**
Liabilities	
Provisions for liabilities	
Pension obligations	4,500
Deferred tax	14,208

Assets and liabilities were merged into Siemens AS with the following values:

(Amounts in NOK 1,000)	01.10.12
Total provisions for liabilities	**18,708**
Current liabilities	
Accounts payable	15,114
Tax payable	6,134
Public duties payable	1,175
Other current liabilities to Group companies	10,402
Guarantee provisions	12,542
Other current liabilities	4,160
Total current liabilities	**49,527**
Total liabilities	68,235
Total assets – liabilities	**185,525**
Cost price of shares	177,203
Assets – liabilities	185,525
Net change in assets for the period	**8,322**
Gross change recognised in the income statement May – September 2012	13,479
Net changes in estimates for pensions recognised in equity	-5,157
Net change of assets – liabilities	**8,322**

Note 28 Other non-current liabilities

(Amounts in NOK 1,000)	2013	2012
Personnel provision for long period of service	17,841	16,221
Guarantee provision	17,892	10,959
Other non-current liabilities	17,944	18,020
Total other non-current liabilities	**53,677**	**45,200**

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

Note 29 Change of accounting principles

Implementation effect on equity as of 1 October 2011

(Amounts in NOK 1,000)		2011
Equity in accordance with the Norwegian Accounting Standard (NRS)		1,127,449
Implementation effect from introduction of IFRS:		
Unrecognised changes in estimates – pensions		
Goodwill	-51,507	
Deferred tax	93,183	
Other differences	15,765	51,616
Equity in accordance with IFRS 1 October 2011	-5,825	**1,179,065**

Implementation effect on equity as of 1 October 2012

(Amounts in NOK 1,000)		2012
Equity in accordance with the Norwegian Accounting Standard (NRS)		
Implementation effect from introduction of IFRS:		601,697
Unrecognised changes in estimates – pensions	-61,495	
Goodwill	179,937	
Deferred tax	19,978	
Group contributions received	-7,400	
Other differences	3,487	134,508
Equity in accordance with IFRS 1 October 2012		**736,205**

Auditor's report

State Authorised Public Accountants
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To the annual general meeting
of Siemens AS

AUDITOR'S REPORT

Statement on the annual accounts

We have audited the annual accounts of Siemens AS, which consist of the balance sheet as at 30 September 2013, the statement of comprehensive income and the cash flow statement for the fiscal year then ended and a description of the significant accounting policies applied and other note disclosures.

The Board of Directors' and the CEO's responsibility for the annual financial statements

The Board of Directors and the CEO are responsible for preparing the annual financial statements and for ensuring that they give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and the CEO find necessary in the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

The auditor's tasks and duties

Our task is to provide an opinion on the annual financial statements based on our audit. We have conducted our audit in accordance with laws, regulations and good auditing practices in Norway, including International Standards on Auditing. These auditing standards require that we comply with ethical requirements and plan and carry out the audit in order to achieve a reasonable assurance that the annual accounts are free of material misstatement.

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

In our opinion, the audit evidence obtained is sufficient and appropriate as a basis for our conclusion.

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Conclusion
In our opinion, the annual financial statements of Siemens AS have been prepared in accordance with laws and regulations and give a true and fair view of the financial position of the company as of 30 September 2013 and of its financial performance and cash flows for the year then ended in accordance with the Accounting Act and accounting standards and practices generally accepted in Norway.

Statement on other matters

Conclusion on the Report from the Board of Directors
Based on our audit of the annual financial statements as described above, in our opinion the information in the Report from the Board of Directors concerning the financial statements, the going concern assumption and the proposal for the allocation of the net income are consistent with the annual financial statements and in accordance with laws and regulations.

Conclusion on recording and documentation
Based on our audit of the annual financial statements as described above, and the procedures we have found necessary pursuant to the International Standard on Assurance Engagements (ISAE) 3000 ”Assurance engagements other than audits or reviews of historical financial information” in our opinion the Board of Directors and the CEO have fulfilled their obligation to ensure for the proper and clear recording and documentation of the company’s accounting information in accordance with the law and accounting standards and practices generally accepted in Norway.

Oslo, 4 December 2013

Tore Sørlie
State Authorised Public Accountant (Norway)

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