

The Siemens logo is displayed in a white rectangular box in the top left corner. The word "SIEMENS" is written in a bold, teal, sans-serif font.A high-speed train, likely a Siemens Velaro, is shown traveling on a modern railway track. The train is white with a red stripe and the DB logo. The tracks are made of steel rails on a bed of gravel, with overhead power lines and support structures. The background shows a line of green trees under a clear sky.

SIEMENS

Annual report 2014/2015

CVR 16 99 30 85

This is an unofficial translation of the original Danish text. In the event of disputes or misunderstandings arising from the interpretation of the translation, the Danish language version shall prevail.

Siemens A/S

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1 October – 30 September

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|| | A.1 Innovation and technology for a sustainable future

Siemens is an integrated technology business carrying on a vast number of activities in the fields of energy, industry, healthcare and infrastructure and urban development.

Since Siemens was founded in Berlin almost 170 years ago, the Company has been occupied with creating the future through innovative technologies that improve people's lives and secure the future for the generations to come. Consequently, Siemens is today the world's leading supplier of environmentally friendly solutions that contribute to a sustainable future.

On a global scale, Siemens AG invests more than DKK 33 billion in research and development, and more than 29,000 employees are engaged in research and development work. So far, Siemens has been granted more than 56,000 patents worldwide.

The Company has 343,000 employees working from more than 190 countries.

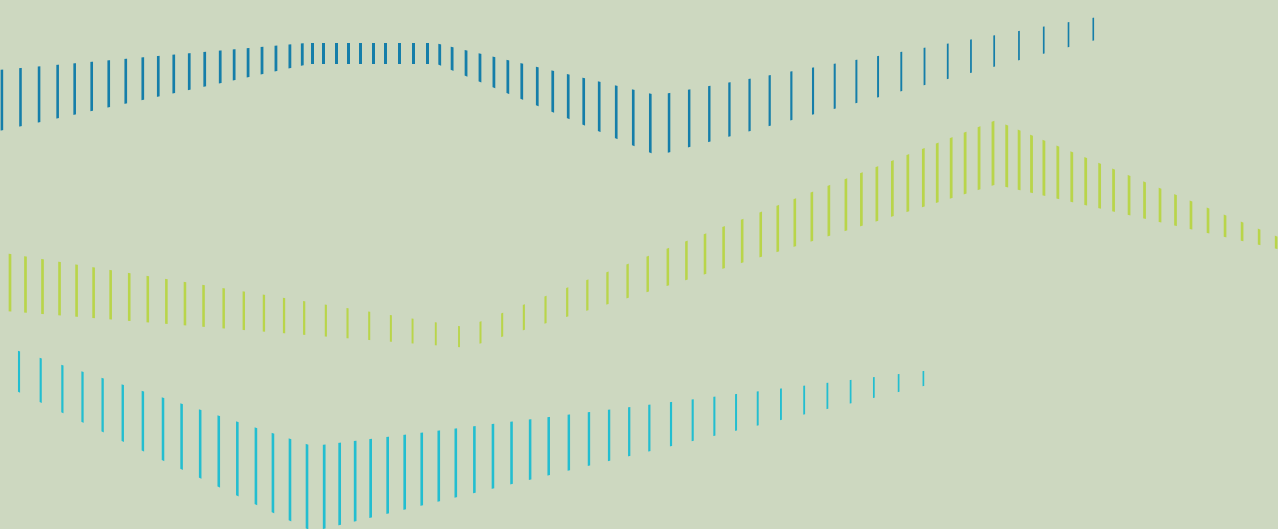
Further digital development is essential to develop society and, at the same time, protect our planet, and the world has started on a paradigm shift due to its digital transformation. Siemens is a global leader in the fields of electrification and automation and will, based on its technological competences and know-how apply the ongoing paradigm shift to integrate new digital solutions in the business segments.

Billions of intelligent machines and equipment generate huge amounts of data, bridging the virtual and the real world. Transforming all those data into value is one of the critical success factors of our time. Siemens' technologies and innovative strength, combined with knowledge of the requirements of the market, can contribute with solutions allowing the same data to be used crosswise of functions and in as many of companies' and organisations' business processes as possible.

Fundamentally, digitalization can contribute to establishing new and faster business processes, accelerated delivery time, faster development time for new products of even higher quality, better resource planning and energy optimisation opportunities and new possibilities of managing and supervising the production process. Digital solutions can thus contribute significantly to the development of Denmark's productive capacity, which is expected to have a great impact on the country's economy and ability to maintain and develop welfare.

Digitalization not only takes place in the industry, as it is going to contribute to the development of Danish society in a vast number of areas. Digitalization will make it possible to build up intelligent infrastructure in the traffic and energy supply areas, develop new methods to optimise the procedures and patient flow in the hospital sector as well as optimizing the energy consumption in buildings.

However, digitalization not only poses opportunities, but also challenges. In our era of increased digitalization, special purpose IT security solutions are crucial, both in the manufacturing industry and in relation to vital societal areas such as energy supply. In a digitalized world, the access to software needs to be ensured in an efficient manner based on IT security solutions allowing for functionality and flexibility and at the same time preventing unauthorized persons from getting access. Such efficient solutions exist in the market, and some of the best have been developed by Siemens.



|| | A.2 The year at a glance for the Siemens A/S Group

Overall, FY 2014/2015 was a satisfactory year for the Siemens A/S Group, which saw a pronounced increase in the order intake as a result of a number of large orders in the offshore wind sector, a number of large energy optimisation projects relating to public buildings and the order for electrification of the remaining part of the Danish railway network. Based on those projects, Siemens contributes to a more sustainable energy supply based on wind power, a reduction of the energy consumption in buildings and a reduction of the environmental impact from the transportation sector and, hence, a more sustainable Denmark.

Relative to FY 2013/2014, revenue in the year under review went down by 5% due to a lower level of activity in several divisions.

The Group's profit for the year came at DKK 135 million, which is up DKK 9 million on the year before. Dividend of DKK 135 million is expected to be distributed.

Selling and administrative expenses in the Group are largely unchanged relative to FY 2013/2014 in spite of general price and wage increases.

The organisation has been stable throughout the financial year. The average number of employees increased slightly compared to FY 2013/2014, primarily due to growth in the energy optimisation segment and the increased level of activity in the offshore wind sector.

To emphasize its commitment to sustainability and CSR, Siemens A/S in May 2015 hosted, in cooperation with a number of its business partners, a "Sustainability Week" at its headquarters in Ballerup, where Siemens A/S' activities in the field of climate, healthcare, transportation, diversity and the local community were presented to the employees.

Showing higher growth and employment rates, the Danish economy is recovering, although it has not yet returned to pre-crisis level. At the same time, however, there are prospects of a weakening of the international economic cycle, which may hamper the development in Denmark, particularly in trade and industry. However, infrastructure investments in the areas of energy and transportation as well as the construction of new hospitals contribute to maintaining the growth momentum.

Based on the significant increase in the order intake in FY 2014/2015 and positive expectations as to the general market development, the Siemens A/S Group expects revenue growth of 7-9 percent. The Group's profit from ordinary activities is expected to exceed the level attained in FY 2014/2015.

Effective 1 October 2015, Siemens A/S expects to carve out its Healthcare sector to Siemens Healthcare Diagnostics ApS, which is expected to be converted into a public limited company by the name of Siemens Healthcare A/S.



Jukka Pertola
CEO, Siemens A/S

||| B.1 Statement by management on the annual report

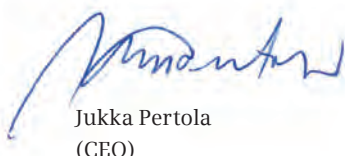
The Supervisory and Executive Boards have today discussed and approved the annual report, including the Management's review, of Siemens A/S for 2014/2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies used to be appropriate. Accordingly, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 30 September 2015 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 October 2014 - 30 September 2015.

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

Ballerup, 7 December 2015

Executive board:

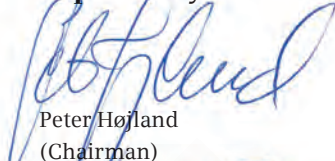


Jukka Pertola
(CEO)

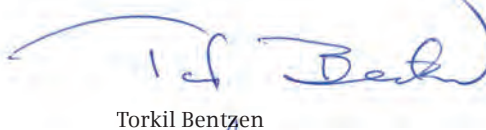


Jürgen Lippert

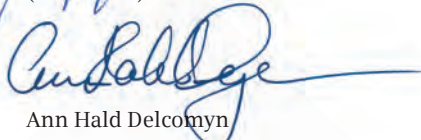
Supervisory board:



Peter Højland
(Chairman)



Torkil Bentzen



Ann Hald Delcomyn



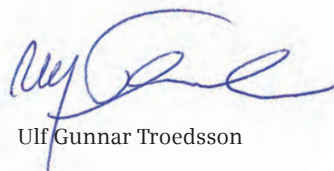
Antonis Eleftheriou



Jukka Pertola



Maria Marit Rahelt



Ulf Gunnar Troedsson

B.2 Independent auditors' report

To the shareholder of Siemens A/S

We have audited the consolidated financial statements and the parent company financial statements of Siemens A/S for the financial year 1 October 2014 - 30 September 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the parent company and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We performed the audit in accordance with international standards on auditing and additional requirements according to Danish audit regulations. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

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

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 30 September 2015 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 October 2014 - 30 September 2015 in accordance with the Danish Financial Statements Act

Statement on the Management's report

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

Copenhagen, 7 December 2015

Ernst & Young
Godkendt Revisionspartnerselskab



Thomas Kühn
state authorised public accountant

|| | C.1 Company details

Siemens A/S

Borupvang 9
2750 Ballerup

CVR-nr.: 16 99 30 85
Incorporated: 1993
Domicile: Ballerup

Supervisory board

Peter Højland, Chairman
Torkil Bentzen
Ann Hald Delcomyn
Antonis Eleftheriou
Jukka Pertola
Maria Marit Rahelt
Ulf Gunnar Troedsson

Executive board

Jukka Pertola
Jürgen Lippert

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4
DK-2000 Frederiksberg

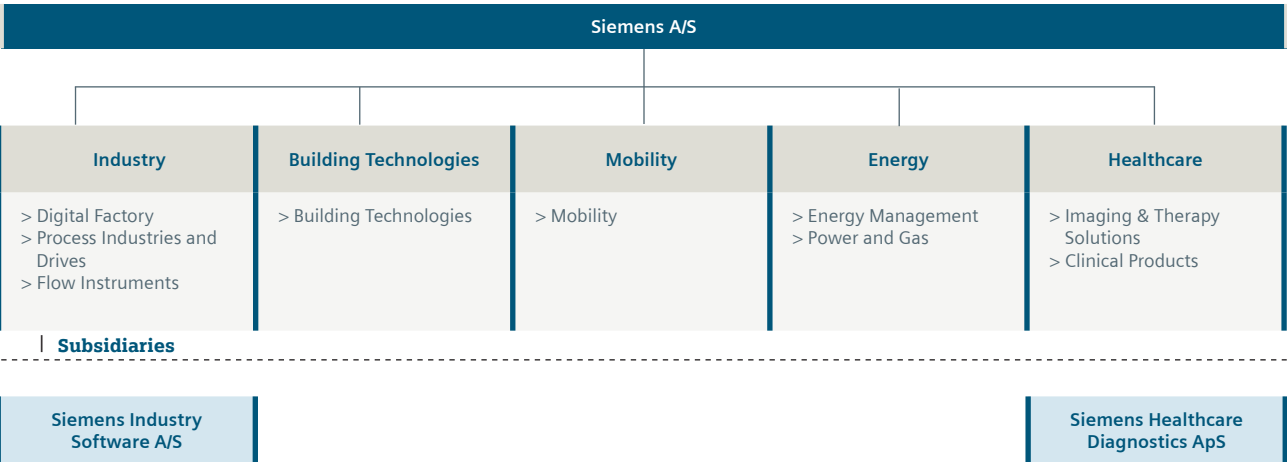
Thomas Kühn

General meeting

The annual general meeting is held on 7 december 2015.

C.2 Group chart

| Siemens group 30 September 2015



Other Siemens activities in Denmark

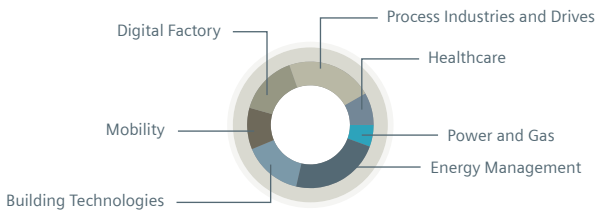
The entities are affiliated companies of Siemens A/S and not part of the consolidation of Siemens A/S.

- > Siemens Finans Danmark – branch of Siemens Finans AB
- > Siemens Wind Power A/S

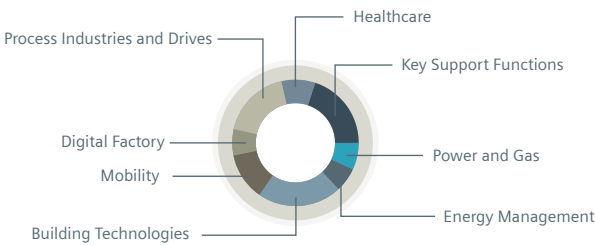
Joint venture

- > A2Sea A/S (til Siemens Wind Power A/S)

| Turnover (Group)



| Average number of employees (Group)



C.3 5-year financial highlights for the Siemens A/S Group

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

(in DKK millions, except per share data)	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011
Revenue	3.323	3.507	3.646	3.243	3.175
Operating profit	191	181	150	101	185
Net financials	-5	-4	-4	0	24
Profit for the year	135	126	103	74	152
Dividends	135	322	103	73	151
Non-current assets	430	388	225	234	317
Current assets	1.229	1.381	1.988	1.283	1.503
Total assets	1.659	1.769	2.213	1.517	1.820
Share capital	151	151	151	151	151
Equity	497	684	661	631	708
Cash flows from operating activities	180	47	180	57	70
Cash flow from investing activities	-42	-260	-28	101	102
– of which investments in property, plant and equipment	-43	-37	-34	-17	-21
Cash flows from financing activities	-343	-115	-73	-146	-604
– of which net dividend distributions	-322	-103	-73	-151	-604
Total cash flows	-205	-328	79	12	-432
Average number of employees	1.333	1.325	1.323	1.520	1.649
Asset turnover	1,9	1,8	2,0	2,0	1,5
Return on equity	22,9	18,7	16,0	11,0	16,3
Operating margin	5,7	5,1	4,1	3,1	5,8
Return on capital employed	11,1	9,1	8,0	6,2	9,0
Solvency ratio	30,0	38,7	29,9	41,6	39,0

Comparative figures are restated to reflect demergers and mergers.

Comparative figures have not been restated to reflect additions/disposals of business segments.

Definitions of financial ratios 2015 according to The Danish Finance Society:

Asset turnover

The year's revenue relative to average operating assets.

Return on equity

Profit/loss for the year relative to average equity.

EBIT margin

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

Return on assets

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

Solvency ratio

Closing equity as a percentage of total liabilities at year-end.

|| | C.4 Operating review

As one of Denmark's largest technology groups, Siemens has been present in Denmark since the middle of the 19th century when the group produced telegraphic equipment and the first lighting systems. The Group was formally incorporated on 24 April 1893 when Technisches Bureau Kopenhagen opened. Since then, Siemens has participated actively in the modernisation of Danish society, supplying state-of-the-art products and solutions.

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

As part of Siemens AG, Siemens A/S operates according to the same principles on social responsibility and sustainability (including CSR). CSR-related activities and goals are laid down in an overall policy designed to support Siemens' activities as a responsible Danish business and contribute to driving Denmark in an more sustainable direction.

The Group's efforts are multiple. To Siemens, sustainability is closely related to the company, and its efforts to reduce climate change are reflected in a large portfolio of products and solutions that contribute to reducing our customers' CO₂ emission. As part of these efforts, Siemens AG announced in September 2015 that the Group's target is to reduce its own CO₂ emission by 50% up until 2020 and to be a completely CO₂ neutral business in 2030.

As to our employees, we focused on health, offering our employees a range of forms of exercise opportunities. A workplace assessment (APV) was performed in FY 2014/2015, resulting in various improvement initiatives.

In May 2015 Siemens A/S hosted, in cooperation with a number of business partners, a "sustainability week" at its headquarters in Ballerup to present its activities in the areas of climate, healthcare, transportation, diversity and the local community to the employees. In that connection, Siemens decided to accede to The Danish Charter for Diversity to emphasize the importance of diversity and inclusion on the Danish labour market.

Siemens wishes to increase the interest in natural science educational programmes, in particular the engineering profession, which is essential to Siemens and the Danish society to have access to highly qualified labour both now and in future. A recent prognosis shows an increasing gap between the need for engineers and the number of graduates, it is important to motivate young people to study for a technical/natural science degree.

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

Since 1999, Siemens AG has been rated by the Dow Jones Sustainability Index, and its current rating of 90 points out of 100 makes it one of the leading enterprises in the index.

|| | C.5 Our business - risks and management system

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

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

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

As these large projects, including infrastructure projects, constitute a business risk, Siemens focuses on training and certifying project managers. Moreover, Siemens has issued guidelines for the approval of comprehensive projects of a certain size and complexity.

In addition to market decrease and large projects, also the hacking of Siemens' systems, breach of the Danish Competition Act and supplier failures expose the business to risk. Siemens' management systems are, to a very high degree, designed to mitigate such risks.

Management system

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

Siemens Business Conduct Guidelines (BCG) hold Siemens AG's general principles and rules as to how we wish to run our business with due respect to applicable legislation and international and generally recognised conventions to human rights, compliance, combating corruption, etc. Once engaged, all employees sign the BCG, which is explained to them in more detail during the introductory period. Furthermore, employees attend courses on selected topics to ensure that

they are updated on statutory requirements and the Group's policies and guidelines.

In order to promote the compliance culture further into the company compliance officers have been promoted and recently a "whistle blower scheme" has been introduced, enabling both employees and external parties to report anonymously in case of irregularities.

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

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

Supplier responsibility

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

In order to emphasize Siemens' focus on good business conduct, the Company has prepared a Code of Conduct which must be observed by all its suppliers. Siemens' "Code of Conduct for Siemens Suppliers" builds on the principles laid down in the UN Global Compact which, among other elements, involve the respect of human rights, employees' freedom of association, elimination of child labour and discrimination, environment and anti-corruption.

When entering into close business relations with Siemens companies and other stakeholders (Business Partners) are subject to an additional compliance due diligence.

Siemens AG is the principal, single supplier in relation to Siemens A/S. To ensure that the company's third-party suppliers observe all applicable guidelines, all suppliers that provide services exceeding EUR 50,000 a year are subject to an

|| | C.5 Our business - risks and management system

annual quality, supply security, environmental management and security check. This check contributes to reducing the risk of supplier failure and supply chain compliance issues.

Client satisfaction

Client satisfaction is measured once a year by means of the internationally recognised Net Promoter Score (NPS), which assesses to which extent customers would recommend Siemens to other parties. Based on the results of the survey, measures are taken to improve services and performance in areas pin-pointed by our customers. The latest NPS, which was performed in the spring of 2015, showed that customer satisfaction has remained at a high level. The development in the average score is listed in the below table:

Development in the customers'* evaluation of Siemens A/S 2012-2015

	2014/2015	2013/2014	2012/2013
Customers' satisfaction with Siemens (average on a score from 1-10)	8,0	7,9	7,9

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

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

C.6 Siemens' environmental portfolio

Global heating poses a challenge to our society, e.g., in the form of increasing water level in the oceans. Therefore, it is important to reduce the increasing CO₂ emissions to the atmosphere.

However, as the world needs more and more energy, it is important to develop new alternatives to fossil fuels and to optimise energy consumption. Siemens makes its contribution through the world's largest portfolio of environment friendly solutions and products that help reduce CO₂ emissions and thereby reduce global warming. Such solutions include measures to increase energy efficiency in the industry and in power plants, reduce energy consumption in buildings and produce renewable energy based on wind.

According to the latest statement at group level, Siemens AG's environmental portfolio accounted for 46% of total revenue at 30 September 2014, which represents an increase of 3 percentage points compared to the year before. According to the same statement, the Group's environmental portfolio helped reduce the customers' CO₂ emissions by 428 million tons.

In Denmark, Siemens' environmental portfolio also contributes to reducing CO₂ emissions and improving the environment.

In the year, Siemens completed the installation of three synchronous compensators which are to help secure transmission network stability as wind power spreads in Denmark.

Through its deliveries, Siemens contributes to making the new incineration plant on Amager outside Copenhagen the most efficient incineration plant in Denmark, offering significantly improved efficiency and significantly reduced CO₂ emissions compared to the old plant.

The wide range of local government energy optimisation projects contribute to reducing local government energy consumption in buildings and, thus, CO₂ emissions markedly. Siemens has won several new orders, and the area is generally growing.

As sub-suppliers to the wind industry, Siemens has supplied a large part of the components to the wind turbines which have been produced in Denmark, and Siemens also supplies equipment to offshore wind farms which ensure network connections and voltage quality.

Siemens recently won an order in cooperation with Aarsleff Rail A/S for the electrification of the remaining of Denmark's railway network, which will reduce CO₂ emissions from the transport sector.

Together with partners from various countries, Siemens A/S has made considerable contributions to the EcoGrid EU project on Bornholm, which is an international pilot project under which business enterprises and consumers have tested new opportunities to control their power consumption. Siemens has contributed to building a complete prototype of a power system of the future whereby consumption can be adjusted to fluctuations in the power production, which is essential to the development of an intelligent future power grid ("Smart Grid").

The project commenced in 2011 and after a extension of the test period until 31 August 2015, the project has now been finalised and results were published at a conference on 15 September 2015. Results are promising, as they show that price signals in real time can actually be used to adjust consumption, provided that consumers have installed equipment that automatically reacts to the price signals. Consumers who do not have such equipment did not show any behavioural changes.

C.7 Siemens A/S business areas

Industry

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

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

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

Digital Factory and Process Industries and Drives

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

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

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

Revenue fell slightly in 2014/2015 compared with the previous year, because market performance was generally weak and supplies to some large customers were lower than last year.

There has been a positive business development within the automation systems in 2014/2015, thanks to the market introduction of the TIA portal (Totally Integrated Automation) and related hardware.

Flow Instruments

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

In 2013/2014, Sitrans FC410, the lightest and most compact digital flow meter system on the market was launched. However, the sale of new flow meters did not develop as planned at the beginning of the business year which along with the closure of a production line - resulted in lower revenue in 2014/2015.

In the summer of 2015, Flow Instruments moved to new premises in Røgebøl near Sønderborg, and investments were made in new, highly automated production and test facilities.

Siemens Industry Software A/S

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

Siemens' PLM software enables digital control of the production information – from idea to phaseout. COMOS covers everything from design and development to operation and maintenance of processing facilities. This is made possible by reusing data from the design phase in the operation and maintenance phase.

In 2014/2015, Siemens Industry Software A/S maintained the level of revenue compared to the previous year.

|| | C.7 Siemens A/S business areas

Building Technologies

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

Building Technologies services a broad palette of private and public customers.

The revenue generated by the division in the year developed positively. The combination of a high competence level and a strong portfolio of solutions continues to strengthen the division's market position in general as well as in a number of highly specialised markets. For instance, Building Technologies is a leading player when it comes to its competences and solutions aimed at the pharmaceutical industry. The introduction of a range of new solutions which enhance the efficiency of building operations is expected to further strengthen the market position.

As an so-called ESCO supplier (Energy Service Company), Siemens offers energy renovation solutions with guaranteed savings. A segment developing very positively, including continued expansion of the customer portfolio within municipalities, hospitals and private enterprises in which areas the division won a number of major orders in the year under review.

Mobility

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

The revenue reported by Mobility fell below the level attained in the preceding financial year as a result of fewer product supplies.

A great number of the division's projects are long-term, and successful implementation calls for close cooperation with the customer's project organisation.

In FY 2014/2015, the division completed the extension of the luggage sorting system in Copenhagen Airports (phase 2).

The supply of a new signalling system (CBTC) for the city

railway is well under way, and the first stretch (Jægersborg – Hillerød) is scheduled to commence operations in the coming financial year. The project will be implemented over a number of years with expected completion in 2018.

The installation of mobile communication equipment (GSM-R) in the Fjernbane trains is proceeding according to the plan agreed with the customer. Further, the division is in the process of extending the life of the existing ATC train control system and developing communication modules ensuring that the ATC system can communicate with the new European Rail Traffic Management System (ERTMS) that is being implemented on the Fjernbane.

The efforts to develop and install a new surveillance and control system for the Great Belt link are drawing to a close. The shift from the old to the new system has been initiated and is expected to be complete at the end of 2016.

In cooperation with the contractor Aarsleff Rail A/S, Mobility has won the order for electrification of the remaining part of the Danish railway network, totalling 1,300 km. The project will be commenced on a 57-kilometre stretch between Esbjerg and Lunderskov, expected to be complete in 2016.

The electrification of the other stretches will take place stage by stage, and the entire project is expected to be complete during 2026.

Due to the electrification, the existing diesel-powered trains may be replaced by environmentally friendly and energy-efficient, electrical trains. This will also reduce the costs of operation and maintenance and increase the speed to between 160 and 250 km an hour, thus shortening the travel time.

Further investments in public transport are expected in the years to come, including a number of Letbane projects, new electrical trains for the Danish State Railways as well as new systems for more intelligent road traffic control and surveillance. Several pilot projects involving electrical buses allowing of more environmentally friendly transport in cities are in the pipeline as well. So, the coming financial year will also be characterised by many activities, the purpose of which is to electrify society to the benefit of the environment.

C.7 Siemens A/S business areas

Energy

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

Energy Management

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

In Denmark, Energy Management supplies HVDC systems and systems for transmission of power from the high-voltage grid into the low-voltage current used by industry and private households as well as transformers for offshore wind-mill parks. The division has its own engineering and service department. The primary customers are energy and utility companies as well as major industrial enterprises.

The revenue reported by Energy Management fell below the level attained in the preceding financial year as a result of fewer product supplies.

In the year, the division won orders for electrical equipment for several wind farms in the UK, including a major offshore project in the Irish Sea south of the island Walney where Siemens is to supply a compensator that is to secure stable connection of the wind farm Walney Extension to the grid. With these orders, Siemens has demonstrated its strong position in the offshore wind sector.

The division has won several orders for conversion of power plants for purposes of biomass utilisation, and furthermore the sale of transformers for the wind turbine sector has developed positively.

In the year, Energy Management completed the installation and test operation of three synchronous compensators that are to help secure transmission network stability as wind power spreads in Denmark. A similar project has been completed in Norway.

Power and Gas

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

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

Revenue in the year under review grew as a result of new orders for the power plants and progress on projects won in previous years. Major projects in the year included the supply of steam turbines, generators and control systems for the new incineration plant on Amager. The project was initiated in 2013 and is expected to be completed in 2016.

C.7 Siemens A/S business areas

Healthcare

Healthcare represents the Siemens AG Group's Healthcare division, which comprises the Imaging & Therapy Solutions, Clinical Products and Diagnostics business segments.

Siemens Healthcare is a leading supplier of innovative products and solutions for the public sector and private businesses in Denmark.

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

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

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

Imaging & Therapy Solutions

The Imaging & Therapy Solutions division has had a good year with a number of orders, including seven advanced angiography rooms for invasive heart procedures upgraded to a number of MR scanners for Region Sjælland and an order for several different diagnostic products for Region Syd. In the CT area, the first of a new series of state-of-the-art, low-dose CT scanners have been installed at Esbjerg Sygehus, and a number of Spect/CT scanners have been supplied to Hvidovre Hospital.

Siemens A/S has entered into a public-private innovation project (PPI) with CT Innovationsenheden at Herlev Hospital, giving Siemens Healthcare a unique possibility of getting closer to the daily routines in the clinic and allowing Herlev Hospital an opportunity to test new state-of-the-art image diagnostics methods, new ways of involving patients and optimising the work flow in the clinic.

Clinical Products

The Clinical Products division realised revenue growth – particularly in the area of conventional digital radiography systems and mammography systems. In times when the Danish regions make fewer investments, Siemens Healthcare has managed to grow and, hence, win market shares. Also, more installations of Inspiration PRIME low-dose mammography technology have implied lower doses of radiotherapy in particular in mammography screening of women in Denmark.

Siemens Healthcare is a party to the national framework agreement regarding ultrasound and has launched several new innovative ultrasound products.

Siemens Healthcare Diagnostics ApS

FY 2014/2015 was yet another strong year for Siemens Healthcare Diagnostics ApS with the main focus on installation of the fully automatic 24-7 lab in the new university hospital in Skejby (DNU). The installation is the result of an EU tender won in February 2015.

In the year, Siemens Healthcare Diagnostics ApS saw revenue growth corresponding to 2% relative to FY 2013/2014.

The 24-7 lab at DNU will receive 2,700 blood samples an hour in peak periods. The new lab will enhance the efficiency of the analysis process and, most likely, shorten the time spent waiting for analysis results.

Also in the Point of Care area was FY 2014/2015 very positive. Late in the year, Siemens Healthcare Diagnostics ApS won a large tender for installation of Clinitek Status instruments and supply of urine analysis strips for all hospitals in Region Hovedstaden.

Effective 1 October 2015, Siemens A/S expects to carve out its Healthcare sector to Siemens Healthcare Diagnostics ApS, which is expected to be converted into a public limited company by the name of Siemens Healthcare A/S.

C.8 Employees

Employees

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

Employee commitment and satisfaction is gauged on a regular basis, resulting in high scores. The results of the 2014/2015 survey show a two percentage point improvement on 2013/2014.

Employee commitment	2014/2015	2013/2014	2012/2013
Overall commitment score as a percentage ¹⁾	89 %	87%	not completed

¹⁾ The commitment score has been made up based on the answers to six selected questions. The figures include Siemens A/S excl. Flow Instruments and Siemens Healthcare Diagnostics ApS.

The survey shows differences depending on various parameters such as age, seniority and division.

Besides the generational challenge, the survey shows that many feel that the work load is too heavy and that the innovation culture ought to be improved.

Management is going to focus on these areas of improvement in the coming year. In addition to the above, there are specific areas of improvement to be addressed in the individual divisions.

The next employee survey is expected to be carried through in 2017.

Diversity

One of Siemens AG's objectives is to promote diversity in the organisation at a global level to reflect the local community and as a valuable source of innovation and development.

On this basis, and by reference to Act no. 1383 regarding goals and policies for the underrepresented gender, the Supervisory Board of Siemens A/S has set the goal that the ratio of women appointed by the company in general should be 20% in 2017, corresponding to one member out of five. The Supervisory Board counted no female members appointed by the company in general meeting at 30 September 2015. Two out of three employee representatives on the Board are, however, women.

Siemens A/S targeted a share of female leaders of at least 17% by 30 September 2015.

To meet this end, the following initiatives were taken, and they still apply:

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

During the "Sustainability Week" hosted by Siemens A/S in May 2015, a workshop for women was arranged in order to illustrate the possibilities of becoming a leader.

In spite of the above initiatives, the 17% goal has not yet been reached. One reason being that the percentage of women is very low in those parts of the engineering profession in which Siemens is operating.

Women leaders	2014/2015	2013/2014	2012/2013
Percentage of women in executive positions ¹⁾	14 %	16 %	13 %

¹⁾ Comprises the percentage of women placed in Siemens' rank level PL5 or higher. The percentage of women employed in the Siemens A/S Group is 28%.

However, as the result is not satisfactory, the goals and initiatives will be reconsidered in the coming year.

Working environment

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

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

Safety and health are an integral part of the business and day-to-day operations. Siemens works to ensure that all employees are allowed to work in a safe environment by providing safe processes, high educational standards and a working environment organisation that matches the company's objective. Thus, in 2015 a nationwide occupational health and safety

||| C.8 Employees

day was held for all company work environment representatives.

Siemens A/S is OHSAS 18001-certified and regularly performs analyses of the physical and mental working environment (workplace assessments). The latest workplace assessment took place in October 2014, and the results were analysed in cooperation with the work environment representatives in order to identify specific areas which need to be improved and to initiate initiatives.

The problems identified at company level were related to daylight reflection, temperature and drafts in the building in Ballerup. All the agreed initiatives have now been implemented and they are expected to improve the situation. The next workplace assessment is planned for 2017 at the latest.

Statistics on time lost due to accidents and general absence due to illness show that efforts to improve safety at work have borne fruit as the amount of absence as a result of accidents has been falling in recent years. On the other hand, absence due to illness increased in 2014/2015, and the reason for the increase in absence due to illness will be looked into.

	2014/2015	2013/2014	2012/2013
Accidents and absence due to illness			
No. of accidents with absence per million working hours ¹⁾	1,32	1,36	2,54
Absence due to illness relative to no. of employees ²⁾	2,6 %	1,7 %	1,8 %

¹⁾ The figure comprises Siemens A/S and Siemens Healthcare Diagnostics ApS.

²⁾ The figure comprises Siemens A/S excl. Flow Instruments.

Health

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

All employees are covered by a mandatory insurance programme in case of critical illness as well as a general health insurance programme.

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

The association Siemens@ctive provides the employees with various sports activities, for example, running, cycling and fitness. Siemens also participated in the "cycle to work" campaign which took place in May 2015.

Competence development

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

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

Project manager certification

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

In 2014/2015, a training project was initiated for project managers to strengthen the financial management of the projects.

Key account manager certification

Siemens has also developed its own training of key account managers which gives them the option to be certified. This ensures that Siemens' advice and sale to key account customers has a high general standard. The programme also allows each individual key account manager to improve his or her competences in areas such as strategic sales, finance, management, cooperation, etc.

C.9 Environment

Environment

Siemens AG Group has agreed to reduce the Group's CO₂-emissions by 50% in 2020 in comparison with 2015. The goal is to be totally CO₂ neutral in 2030. To this end, the Group has allocated EUR 100 million in order to reduce energy consumption in the Group's production facilities and buildings. To reach the Group's goal, Siemens A/S will also implement CO₂-reducing initiatives.

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

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

In November 2013, Siemens A/S moved to new, LEED Gold standard-certified (Leadership in Energy and Environment Design) premises. The aim of the certification is ensure that the building lives up to expected consumption the first two years, i.e. FY 2013/2014 and FY 2014/2015. New goals will then be set.

Evaluations for the first two business years show that all goals have been met and all parameters show a positive trend.

	2014/2015	2013/2014	2012/2013
Waste and consumption of electricity, heating and waste ¹⁾			
Total amount of waste in tons	113,7	103,5	150,8
- percentage hereof for re cycling	42 %	37 %	11 %
Consumption of electricity in kwh per m ² (LEED goal: 84)	76,7	78,3	88,0
Consumption of electricity in kwh per m ² (LEED goal: 80)	39,0	43,0	88,3
Consumption of water in litre per m ² (no goal)	360,3	382,5	417,6

¹⁾ Includes Borupvang 9.

In the summer of 2015, Flow Instruments moved to new premises in Røgebøl near Sønderborg. Even if the new building is not certified according to the LEED standard, the energy consumption will be markedly reduced due to the relocation.

Siemens A/S meets its annual electricity consumption via DONG Energy with renewable energy certificates from the Anholt wind farm. By purchasing certificates, Siemens A/S ensures that the company contributes to more renewable energy production in Denmark. DONG Energy and independent auditors guarantee that an amount corresponding the supp-

lier's net income is reinvested or donated to promote the development of or research into the production of renewable energy in Denmark.

Continuous efforts are made to reduce CO₂-emissions from company cars, and Siemens AG aims to reduce CO₂-emissions from company cars to 120 g/km in the period up to 2015.

The table below shows the trend in CO₂ -emissions from company cars owned by the Siemens A/S Group.

	2014/2015	2013/2014	2012/2013
Emission from company cars measured in g/km			
Standard emission	128,6	136,0	139,0
Actual emission	165,1	166,3	167,1

The standard figure for the total portfolio of company cars at 30 September 2015 was 128.6 g/km, which is higher than the Group's target. However, for company cars purchased in 2014/2015, the standard figure is 118.8 g/km.

However, the actual emission from company cars based on the mileage pattern is somewhat above the standard figure and does not decrease in line with the standard figure. Consequently, targets and initiatives will be reassessed in the coming financial year from the perspective of Siemens AG's next initiatives.

|| | C.10 The surrounding society

The surrounding society

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

Cooperation with research and educational institutions

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

In 2006, Siemens established a Nordic Center for Knowledge Interchange (CKI) at the Technical University of Denmark, the first CKI cooperation outside Germany, to facilitate the exchange of experience and sharing of industry insights, while at the same time creating long-term relations between Siemens, students and researchers.

In connection with the CKI cooperation, Siemens carries on research activities in the energy storage area in Denmark as part of its research into alternative solutions in this area. Storing energy will become necessary in the energy supply sector to balance over- and underproduction of electricity from wind turbines. The research projects are carried out in cooperation with Danish universities and private enterprises. A number of these projects have received funding from the Danish National Advanced Technology Foundation and the Energy Technology Development and Demonstration Programme (EUDP).

As part of the CKI cooperation, Siemens and DTU held a "case competition" for DTU students in 2015 for the third year in succession. Under the heading "Facing the big cities of today and tomorrow", students were asked to come up with suggestions to turn our cities into Smart Cities, including technology solutions for intelligent traffic management, micro grids to optimise the use of resources and/or ideas on how to use "Big Data" in the transformation from city to Smart City. The proposals were presented to a panel of specialists from Siemens in Germany and Denmark. The winner group, which presented a micro grid solution which can supply 10 households with sustainable energy, won a money prize of DKK 15 thousand and a study tour to Siemens Wind Power in Brande.

Innovative students are supported through the sponsorship of the RoboCup contest at the Technical University of

Denmark where students develop self-propelled robots competing against each other and gain experience in combining creative ideas with useful products.

In the elementary school area, Siemens works actively to encourage pupils to choose natural science subjects. In the education project "FIRST LEGO League", natural sciences is on the agenda for pupils in the 5th-8th grades when they participate in the project and thus gain an insight into how they can use science subjects in practice.

Another initiative is Siemens' adoption programme involving the Grantofte School in Ballerup. The programme has existed since late 1990s, and the cooperation begins when the pupils start the 7th grade and continues to the end of the 9th grade. Siemens follows the same class throughout the programme, and the students visit the Company and have visiting teachers teaching subjects like new technology. The purpose of the programme is to give the children technical and social experiences to use later on in their adult lives. The programme has been rolled out to other business enterprises in Ballerup.

The Foundation receives an annual amount from Siemens A/S. The Siemens Foundation makes donations to research and educational projects – primarily within the natural science area. During the financial year, the Foundation awarded DKK 441 thousand to 17 projects, most of which went to students' master projects at Danish universities.

Charity

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

In 2014/2015, Siemens granted DKK 250 thousand to a project regarding energy renovation of SOS Children's Villages on Zanzibar. The aim of the renovation project is sustainable solutions and is carried out in a unique partnership between SOS Children's Villages, Engineers Without Borders, Solar Group, and Siemens, a partnership which has been awarded CSR Foundation's "Partnership Prize".

In 2014, a number of employees chose to donate their Christmas presents to either SOS Children's Villages or Folkeskoven (Growing Trees Network) for a total sum of DKK 114 thousand. DKK 44 thousand was also collected among the employees and donated to the SOS Children's Villages in Nepal after the natural disaster in May. Siemens A/S donated a corresponding amount.

|| | C.10 The surrounding society

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

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

Through another sponsorship, ARKEN Museum for Moderne Kunst in Ishøj receives funding from Siemens, enabling it to organise concerts in connection with the museum's other activities.

|| | D.1 Financial review – Siemens A/S Group

In the year under review, consolidated revenue went down by DKK 184 million from DKK 3,507 million last year to DKK 3,323 million this year. The fall in revenue stems from several business segments.

The Group's selling and administrative expenses are largely unchanged relative to FY 2013/2014.

In the year, the Group realised a net profit of DKK 135 million, representing an improvement of DKK 9 million relative to last year.

In total, the financial performance in the year under review is in line with the expectations expressed last year.

The profit for the year is DKK 135 million all of which is expected to be distributed as dividend to the parent, Siemens International Holding B.V, Den Haag, the Netherlands.

Balance sheet

The balance sheet total has gone down by DKK 110 million on last year. The reduction is due to a fall in receivables from group entities and deferred tax assets and increases in construction contracts and non-current assets.

Cash flows

Cash flows from operating activities rose from DKK 47 million to DKK 180 million due to an increase in cash generated from operations, a decrease in working capital and settlement of income taxes.

Investments

During the year, investments totalling DKK 43 million were made in property, plant and equipment, which is above last year's level. The investments in the year were made in equipment, fixtures and fittings.

Outlook

Based on the significant increase in the order intake in FY 2014/2015 and positive expectations as to the general market development, the Siemens A/S Group expects revenue growth of 7-9 percent. The Group's profit from ordinary activities is expected to exceed the level attained in 2014/2015.

Ownership

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

Special risks

General risks

The Group's most significant operational risks are related to its ability to handle major, complex projects and construction projects in accordance with agreed performance specifications and deadlines. Also, the Siemens AG Group's vision to be at the cutting edge of technology implies risks in connection with the launch of new products.

Financial risks

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

Currency risks

The Group's activities are affected by exchange-rate fluctuations, as revenue is generated, in all material respects, in Danish kroner, whereas purchases of products are primarily effected in foreign currencies. The Group's exchange-rate risks are primarily hedged through derivative financial instruments. It is the Group's currency policy to hedge minimum 75% of its net currency positions. Net positions below 1 year and EUR 15 million are not hedged. At the financial year-end, the value of the Group's forward exchange contracts entered into to mitigate future exchange-rate risks was DKK 10 million.

Interest rate risks

The Group's interest-bearing debt primarily consists in financial debt to group entities. It is not the Siemens Group's policy to hedge interest-rate risks relating to intra-group balances. An increase of 1 percentage point in the general interest-rate level will imply an increase in the Group's annual interest expenses of approx. DKK 0.2 million.

Credit risks

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

|| | D.1 Financial review – Siemens A/S Group

Incentive schemes

The Siemens AG Group has established a stock award plan according to which key executives may be granted stock awards in Siemens AG.

Settlement takes place on exercise. In this connection, an amount of DKK 2 million was expensed in the income statement for the parent and in the Siemens A/S Group for 2014/2015.

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

In this connection, an amount of DKK 2 million was expensed in the income statement for Siemens A/S for 2014/2015.

Events after the balance sheet date

No such significant events have occurred after the financial year-end as could affect the consolidated financial statements for 2014/2015.

|| | D.2 Accounting policies

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

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

The accounting policies are consistent with those of last year.

The financial statements are presented in Danish kroner.

Recognition and measurement

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

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

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

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

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

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

Foreign currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the date of the transaction. Receivables and payables denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and

unrealised exchange gains and losses are recognised in the income statement under cost of sales and financial income and expenses relating to foreign-currency loans, respectively. Exchange gains and losses related to hedging transactions where the hedged item is not included in the balance sheet, are, however, measured in the balance sheet as cut-off items once the hedged item is realised.

Derivative financial instruments

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

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

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

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

Consolidated financial statements

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

The consolidated financial statements are prepared as a consolidation of the parent's and the individual subsidiaries' audited financial statements all of which are presented in accordance with the Siemens Group's accounting policies.

On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated. Investments in subsidiaries are set off

|| | D.2 Accounting policies

against the proportionate share of the subsidiaries' net asset value at the time of acquisition (the past equity method).

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

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

Any excess of the acquisition cost over the fair value of the assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, however not exceeding 7 years.

Income statement

Revenue

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

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

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

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

Production costs

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

Selling costs

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

Administrative expenses

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

Other operating income

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

Income from investments in subsidiaries

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

Finance income and expenses

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

Tax on profit/loss for the year

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

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

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

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

|| | D.2 Accounting policies

equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Goodwill

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

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. The amortisation period is maximally 10 years and is longest for strategically acquired entities with a strong market position and a long earnings profile.

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

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

Development projects and software

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

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

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

Property, plant and equipment

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

The cost comprises the purchase price and any costs directly attributable to the acquisition until such time as the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Borrowing costs are not recognised in the cost.

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

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

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

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

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

Leases

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

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

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

Leases in respect of which the lessor bears all significant risks and enjoys all significant benefits associated with the title to such equipment are classified as operating leases. Payments under operating leases are recognised on a straight-line basis

|| | D.2 Accounting policies

over the lease term. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingencies, etc."

Investments in subsidiaries

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

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

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

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

Other securities

Securities are measured at the lower of cost and market.

Inventories

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

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

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

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

Receivables

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

Construction contracts

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

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

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

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

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

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

Provisions

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

Guarantee commitments include expenses for remedial action in respect of the contract work within the guarantee period of 15 years. Provisions for guarantee commitments are measured and recognised based on experience gained from guarantee work.

Income tax and deferred tax

The Company and all its Danish group entities are jointly taxed.

|| | D.2 Accounting policies

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years as well as for tax paid on account.

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

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

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

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

Liabilities

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

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

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in sub-sequent reporting years.

Cash flow statement

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash

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

D.3 Income statement

Group- and annual report 1 October – 30 September

DKK'000	Note	Group		Parent	
		2014/2015	2013/2014	2014/2015	2013/2014
Revenue	1	3.322.658	3.506.720	3.050.340	3.311.412
Production costs		-2.792.039	-2.992.851	-2.586.676	-2.863.508
Gross margin		530.619	513.869	463.664	447.904
Selling expenses		-343.974	-332.370	-298.348	-282.792
Administrative expenses		-15.134	-26.408	-8.378	-18.361
Profit before other operating expenses		171.511	155.091	156.938	146.751
Other operating expenses	2	-243	-33	-206	-28
Other operating income	3	19.462	25.519	22.444	28.783
Profit before net financials		190.730	180.577	179.176	175.506
Net profit/loss in subsidiaries	6	0	0	2.141	-2.047
Financial income	4	336	184	213	142
Financial expenses	5	-5.696	-4.107	-4.869	-3.520
Profit from ordinary activities		185.370	176.654	176.661	170.081
Tax on profit from ordinary activities	7	-50.178	-50.900	-41.469	-44.327
Profit for the year		135.192	125.754	135.192	125.754
Recommended appropriation of profit					
Proposed dividend				135.000	322.000
Retained earnings				192	-196.246
				135.192	125.754

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D.4 Balance sheet

Group- and annual report 1 October – 30 September

Assets		Group		Parent	
DKK'000	Note	2014/2015	2013/2014	2014/2015	2013/2014
Fixed assets					
Intangible assets	8				
Goodwill		88.984	118.279	0	0
Development projects and software		48.131	62.239	0	0
Total intangible assets		137.115	180.518	0	0
Property, plant and equipment	9				
Land and buildings		166.845	86.016	166.845	86.016
Leasehold improvements		40.646	26.212	40.646	26.212
Operating equipment, fixtures and fittings		80.124	87.191	66.803	71.600
Construction in progress		4.977	7.994	4.977	7.994
Total property, plant and equipment		292.592	207.413	279.271	191.822
Investments					
Investments in subsidiaries	6	0	0	133.160	152.019
Other securities	10	100	105	100	105
Total investments		100	105	133.260	152.124
Total fixed assets		429.807	388.036	412.531	343.946
Current assets					
Inventories		68.630	61.269	38.873	49.919
Receivables					
Trade receivables		518.519	569.238	497.550	550.754
Receivables from group entities		34.150	297.615	10.166	236.050
Construction contracts, net	11	455.490	295.617	454.605	295.617
Deferred tax asset	12	0	17.384	0	13.652
Income tax receivable, joint taxation		101.500	100.483	101.500	100.483
Financial receivable, jointly taxed entities		92	596	5.866	596
Other receivables		38.065	29.489	38.025	29.449
Prepayments	13	12.746	9.460	6.950	4.255
Total receivables		1.160.562	1.319.882	1.114.662	1.230.856
Cash		74	242	74	242
Total current assets		1.229.266	1.381.393	1.153.609	1.281.017
Total assets		1.659.073	1.769.429	1.566.140	1.624.963

D.4 Balance sheet

Group- and annual report 1 October – 30 September

Equity and liabilities		Group		Parent	
DKK'000	Note	2014/2015	2013/2014	2014/2015	2013/2014
Equity					
Share capital		151.000	151.000	151.000	151.000
Retained earnings		211.444	211.252	211.444	211.252
Proposed dividend		135.000	322.000	135.000	322.000
Total equity		497.444	684.252	497.444	684.252
Provisions					
Warranty commitments		75.159	89.831	73.910	86.835
Deferred tax	14	5.356	0	4.450	0
Other provisions		42.983	34.764	42.983	34.764
Total provisions		123.498	124.595	121.343	121.599
Liabilities					
Long-term liabilities					
Lease obligation	15	66.251	0	66.251	0
Bonds		0	21.196	0	21.196
Total long-term liabilities		66.251	21.196	66.251	21.196
Current liabilities					
Short-term lease liabilities	15	5.257	0	5.257	0
Financial debt to group entities		51.165	109.451	0	0
Prepayments from customers	11	201.257	163.654	195.485	160.019
Trade payables		126.687	129.195	124.129	125.663
Payables to group entities		172.479	146.654	172.368	151.191
Other payables		338.645	314.171	317.039	289.745
Deferred income	16	76.390	76.261	66.824	71.298
Total current liabilities		971.880	939.386	881.102	797.916
Total liabilities		1.038.131	960.582	947.353	819.112
Total equity and liabilities		1.659.073	1.769.429	1.566.140	1.624.963
Contractual obligations and contingencies	17				
Notes not referred to	21–25				

|| | D.5 Statement of changes in equity

| Group- and annual report 1 October – 30 September

DKK'000	Group and parent			
	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 October 2013	151.000	407.498	103.000	661.498
Dividends distributed	0	0	-103.000	-103.000
Profit for the year	0	-196.246	322.000	125.754
Equity at 30 September 2014	151.000	211.252	322.000	684.252
Dividends distributed	0	0	-322.000	-322.000
Profit/loss for the year	0	192	135.000	135.192
Equity at 30 September 2015	151.000	211.444	135.000	497.444

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

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D.6 Cash flow statement

Group- and annual report 1 October – 30 September

		Koncern	
DKK'000	Note	2014/2015	2013/2014
Revenue		3.322.658	3.506.720
Expenses		-3.131.928	-3.326.143
Adjustments	18	65.796	42.994
Cash flow from operating activities before change in working capital		256.526	223.571
Changes in working capital	19	-68.624	-147.650
Net financials		-5.360	-3.923
Income taxes paid and prior-year adjustments		-2.181	-24.812
Cash flow from operating activities		180.361	47.186
Acquisition of property, plant and equipment	9	-42.968	-37.117
Disposal of property, plant and equipment		456	6.707
Addition of investments	20	0	-230.551
Cash flow from investing activities		-42.512	-260.961
Change in long-term liabilities		-21.196	-11.678
Change in bank debt		0	-2
Dividend distributed		-322.000	-103.000
Cash flows from financing activities		-343.196	-114.680
Net cash flow for the year		-205.347	-328.455
Cash and cash equivalents at 1 October		188.406	516.861
Cash and cash equivalents at 30 September		-16.941	188.406
Analysis of cash and cash equivalents:			
Receivables from group entities (Siemens Financial Services)		34.150	297.615
Financial debt to group entities		-51.165	-109.451
Other cash funds		74	242
		-16.941	188.406

D.7 Notes

| Group- and annual report 1 October – 30 September

DKK'000	Group		Parent	
	2014/2015	2013/2014	2014/2015	2013/2014
1 - Revenue				
Sale of goods and services, national	2.748.566	2.861.232	2.531.197	2.709.568
Sale of goods and services, international	574.092	645.488	519.143	601.844
	3.322.658	3.506.720	3.050.340	3.311.412
For competitive reasons, revenue is not broken down into segments.				
2 - Other operating expenses				
Loss on disposal of fixed assets	243	33	206	28
	243	33	206	28
3 - Other operating income				
Gain on disposal of fixed assets	348	633	348	493
Rental income	19.114	24.886	22.096	28.290
	19.462	25.519	22.444	28.783
4 - Financial income				
Interest receivable, other group entities	4	6	0	5
Other interest income	332	178	213	137
	336	184	213	142
5 - Financial expenses				
Interest payable, other group entities	1.788	528	1.038	41
Interest payable, bank debt and securities	92	528	92	518
Other interest expenses and warranty commissions	3.816	3.051	3.739	2.961
	5.696	4.107	4.869	3.520

	Parent	
	2014/2015	2013/2014
6 - Investments in subsidiaries		
Cost at 1 October	194.265	46.470
Additions for the year		147.795
Cost at 30 September	194.265	194.265
Adjustments at 1 October	-42.246	-40.199
Profit/loss from ownership interests	2.141	-2.047
Dividends received	-21.000	0
Adjustments at 30 September	-61.105	-42.246
Carrying amount at 30 September	133.160	152.019

Name	Registered office	Share capital	Equity	Profit/loss after tax
Siemens Industry Software A/S	Ballerup	500	-3.846	1.313
Siemens Healthcare Diagnostics ApS	Ballerup	500	73.117	22.096
Acquired rights			48.131	-14.108
Goodwill on consolidation			15.758	-7.160
			133.160	2.141
Both entities are wholly owned subsidiaries of Siemens A/S.				

D.7 Notes

Group- and annual report 1 October – 30 September

DKK'000	Group		Parent	
	2014/2015	2013/2014	2014/2015	2013/2014
7 - Tax on profit/loss from ordinary activities				
Tax for the year	50.178	50.900	41.469	44.327
Analysed as follows:				
Tax on taxable income for the year	27.472	64.038	23.399	60.582
Prior-year adjustments	121	-3.148	132	-676
Adjustment of deferred tax	22.585	-9.990	17.938	-15.579
	50.178	50.900	41.469	44.327

	Group			Total
	Goodwill	Acquired rights	Software	
8 - Intangible assets				
Cost at 1 October 2014	382.659	70.539	1.031	454.229
Adjustment	0	0	-73	-73
Acquisition cost at 30 September 2015	382.659	70.539	958	454.156
Amortisation at 1 October 2014	-264.380	-8.300	-1.031	-273.711
Adjustment	0	0	73	73
Amortisation for the year	-29.295	-14.108	0	-43.403
Amortisation at 30 September 2015	-293.675	-22.408	-958	-317.041
Carrying amount at 30 September 2015	88.984	48.131	0	137.115
Carrying amount at 30 September 2014	118.279	62.239	0	180.518
Amortised over	Max. 10 years	Max. 7 years	3 years	

	Parent			Total
	Goodwill		Software	
Acquisition cost at 1 October 2014	204.079		1.020	205.099
Adjustment	0		-62	-62
Acquisition cost at 30 September 2015	204.079		958	205.037
Amortisation at 1 October 2014	-204.079		-1.020	-205.099
Adjustment	0		62	62
Amortisation at 30 September 2015	-204.079		-958	-205.037
Carrying amount at 30 September 2015	0		0	0
Carrying amount at 30 September 2014	0		0	0
Amortised over	Max. 7 years		3 years	

D.7 Notes

| Group- and annual report 1 October – 30 September

	Group				
	Land and buildings	Leasehold improvements	Operating equipment, fixtures and fittings	Construction in progress	Total
DKK'000					
9 - Property, plant and equipment					
Cost at 1 October 2014	170.768	32.464	186.887	7.994	398.113
Additions for the year	82.719	16.024	8.848	8.177	115.768
Disposals for the year	-2.960	-1.478	-19.791	0	-24.229
Reclassification	2.772	1.886	6.843	-11.501	0
Acquisition cost at 30 September 2015	253.299	48.896	182.787	4.670	489.652
Depreciation at 1 October 2014	-84.752	-6.252	-99.696	0	-190.700
Depreciation for the year	-4.662	-3.441	-22.135	0	-30.238
Disposals for the year	2.960	1.443	19.475	0	23.878
Depreciation at 30 September 2015	-86.454	-8.250	-102.356	0	-197.060
Carrying amount at 30 September 2015	166.845	40.646	80.431	4.670	292.592
Carrying amount at 30 September 2014	86.016	26.212	87.191	7.994	207.413
Depreciated over	25-50 years	Lease term	3-10 years		

Assets under finance leases, DKK 71,283 thousand, appear under land and buildings.

Leased assets, DKK 13,168 thousand, appear under operating equipment, fixtures and fittings.

	Parent				
	Land and buildings	Leasehold improvements	Operating equipment, fixtures and fittings	Construction in progress	Total
Cost at 1 October 2013	170.768	32.464	169.382	7.994	380.608
Additions for the year	82.719	16.024	6.014	8.177	112.934
Disposals for the year	-2.960	-1.478	-17.027	0	-21.465
Reclassification	2.772	1.886	6.536	-11.194	0
Acquisition cost at 30 September 2015	253.299	48.896	164.905	4.977	472.077
Depreciation at 1 October 2014	-84.752	-6.252	-97.782	0	-188.786
Depreciation for the year	-4.662	-3.441	-17.068	0	-25.171
Disposals for the year	2.960	1.443	16.748	0	21.151
Reclassification	0	0	0	0	0
Depreciation at 30 September 2014	-86.454	-8.250	-98.102	0	-192.806
Carrying amount at 30 September 2015	166.845	40.646	66.803	4.977	279.271
Carrying amount at 30 September 2014	86.016	26.212	71.600	7.994	191.822
Depreciated over	25-50 years	Lease term	3-10 years		

Assets under finance leases, DKK 71,283 thousand, appear under land and buildings.

No assets held under leases have been recognized under 'Operating equipment', fixtures and fittings.

D.7 Notes

Group- and annual report 1 October – 30 September

DKK'000	Group		Parent	
	2014/2015	2013/2014	2014/2015	2013/2014
10 - Other securities				
Cost at 1 October	133	133	133	133
Disposals for the year	-33	0	-33	0
Cost at 30 September	100	133	100	133
Impairment at 1 October	-28	-28	-28	-28
Disposals for the year	28	0	28	0
Impairment at 30 September	0	-28	0	-28
Carrying amount at 30 September	100	105	100	105
11 - Construction contracts, net				
Construction contracts	2.076.021	1.624.550	2.075.136	1.624.550
Prepayments from customers	-1.821.788	-1.492.587	-1.816.016	-1.488.952
	254.233	131.963	259.120	135.598
Distributed as follows in the balance sheet:				
Construction contracts, net	455.490	295.617	454.605	295.617
Prepayments received from customers, net	-201.257	-163.654	-195.485	-160.019
	254.233	131.963	259.120	135.598
12 - Deferred tax asset				
Deferred tax asset at 1 October	17.384	0	13.652	0
Addition on acquisition of enterprise	0	7.184	0	0
Deferred tax adjustment resulting from a change of the Danish corporate income tax rate	-218	-69	0	197
Prior year adjustments	-155	-64	-164	383
Change in deferred tax in the year	-17.011	10.333	-13.488	13.072
Deferred tax asset at 30 September	0	17.384	0	13.652
Deferred tax relates to the following:				
Intangible assets	0	3.390	0	385
Property, plant and equipment	0	-4.816	0	-5.201
Current assets	0	-5.835	0	-5.984
Provisions and liabilities	0	24.645	0	24.452
Total deferred tax charge	0	17.384	0	13.652

13 - Prepayments

Prepayments recognised as assets include expenses incurrent concerning subsequent financial years.

14 - Deferred tax				
Deferred tax at 1 October	0	2.198	0	2.310
Change in deferred tax in the year	5.356	-2.198	4.450	-2.310
Deferred tax at 30 September	5.356	0	4.450	0
Deferred tax relates to:				
Intangible assets	1.233	0	-289	0
Property, plant and equipment	21.553	0	21.777	0
Current assets	21.163	0	21.313	0
Provisions and liabilities	-38.593	0	-38.351	0
Total deferred tax charge	5.356	0	4.450	0

D.7 Notes

Group- and annual report 1 October – 30 September

DKK'000	Group		Parent	
	2014/2015	2013/2014	2014/2015	2013/2014
15 - Lease liabilities				
Lease liability	71.508	0	71.508	0
Current portion thereof	5.257	0	5.257	0
Lease liability falling due for payment after five years	43.267	0	43.267	0

16 - Deferred income

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

17 - Contingent liabilities				
Performance bonds vis-à-vis third party	1.552.775	1.294.986	1.552.697	1.294.894
hereof guaranteed by group entity	232.754	142.782	232.754	142.782
Rent obligations	162.717	176.597	162.717	176.597
Other lease liabilities	49.061	34.110	42.422	28.119

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

	Group	
	2014/2015	2013/2014
18 - Cash flow statement – adjustments		
Amortisation/depreciation	73.641	69.229
Gain on disposal of fixed assets	-100	-551
Change in warranty provisions	-14.672	7.943
Changes in other provisions	8.219	-34.445
Miscellaneous adjustments	-1.292	818
	65.796	42.994
19 - Change in working capital		
Change in inventories	-7.361	13.604
Change in receivables	-121.016	-127.751
Change in trade payables, etc.	59.753	-33.503
	-68.624	-147.650
20 - Addition of investments		
Intangible assets	0	95.831
Property, plant and equipment	0	18.362
Inventories	0	24.166
Receivables	0	23.660
Deferred tax asset	0	7.184
Trade payables	0	-886
Provisions	0	-3.170
Other payables	0	-22.095
	0	143.052
Goodwill and acquired rights	0	87.499
Cost	0	230.551

I | D.8 Notes not referred to

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DKK'000	Group		Parent	
	2014/2015	2013/2014	2014/2015	2013/2014
21 - Staff costs				
Remuneration to the Supervisory Board of the parent	680	676	680	676
Remuneration to the Executive Board of the parent	10.856	9.403	10.856	9.403
Other wages and salaries	788.713	783.132	733.710	723.808
Pensions	83.167	81.564	78.037	76.054
Other social security costs	14.123	13.643	13.584	13.082
Other staff costs	1.740	1.852	0	0
	899.279	890.270	836.867	823.023
Average number of employees	1.333	1.325	1.253	1.238
22 - Fee to the auditors appointed by the general meeting				
	1.021	1.082	863	940
Analysed as follows:				
Fee for statutory audit	946	947	800	829
Fee for other assurance assistance	43	91	43	91
Fee for non-audit services	32	44	20	20
	1.021	1.082	863	940

23 - Use of derivative financial instruments

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

Recognised transactions

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

Exchange-rate risks

DKK'000	Payment/ Maturity	Receivables	Liability	Hedged through forward exchange contracts	Net position
Currency					
USD	<1 year	315	-61	0	254
EUR	<1 year	204.582	-10.292	-128.599	65.691
NOK	<1 year	166	-4	0	162
GBP	<1 year	394	-53	-18.593	-18.252
CHF	<1 year	289	-254	0	35
SEK	<1 year	18	-259	0	-241
PLN	<1 year	57	0	0	57
		205.821	-10.923	-147.192	47.706

At 30 September 2015, unrealised net losses on derivative financial instruments entered into for foreign currency hedging purposes totalled DKK 130 thousand, which has been recognised in the income statement.

24 - Related parties and related party transactions

The Company's related parties include the Supervisory and Executive Boards, executive officers and these persons' close family members. Related parties further include entities in the Siemens AG Group.

Siemens A/S' ultimate parent is Siemens AG, Wittelbacherplatz 2, Munich, Germany. The consolidated financial statements for Siemens AG may be obtained from the Company.

25 - Pending legal actions

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

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