

Siemens Financieringsmaatschappij N.V.

# Interim Report 2010

October 2009 - March 2010

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**SIEMENS**

# Siemens Financieringsmaatschappij N.V.

## Interim Report 2010

October 2009 – March 2010

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# Siemens Financieringsmaatschappij N.V.

## Report of the Board of Directors

Herewith we present the half-yearly financial statements of Siemens Financieringsmaatschappij N.V. as of March 31, 2010.

### General

Siemens Financieringsmaatschappij N.V. ("the Company") is registered in The Hague, Prinses Beatrixlaan 800, a public company, founded on September 14, 1977 under the laws of the Netherlands and acts under its legal and commercial name Siemens Financieringsmaatschappij N.V.

The Company acts as a finance company for the benefit of Siemens AG and Siemens AG Group companies ("Associated Companies"). The Company is a 100% subsidiary of Siemens AG Berlin / Munich.

The Company forms part of the capital markets section of Siemens Financial Services which is responsible for safeguarding the Siemens Group's liquidity by establishing the necessary capital market instruments such as commercial paper, medium-term notes and long-term bonds.

### Objectives

The objectives of the Company, in accordance to article 2 of the Articles of Association, are participating in, financing and managing companies, enterprises and other business undertakings, withdrawing and lending money and, in general conducting financial transactions, giving securities and doing all such further actions and taking measures as are consequential or may be conducive thereto in the broadest sense.

### Strategy

The Company is the main funding party of the Associated Companies. Interest risks and foreign exchange risks are covered by effective hedging instruments. Credit risk is covered by agreements with Siemens AG. The needed funding is managed by borrowing from the money and capital markets by issuing loans, bonds, notes and Commercial Paper. The Company will continue its activities as financing company of Siemens AG and Siemens AG Group companies. Given its interrelatedness with Siemens AG, management refrains from commenting on the activity level and expected results for the near future.

### Liquidity risk

Liquidity risk results from the Company's potential inability to meet its financial liabilities when they become due, at reasonable costs and in a timely manner. The Company participates as issuer in a EUR 15.0 billion Programme for the issuance of debt instruments (EMTN) and in a USD 9.0 billion global Commercial Paper Program, both established by Siemens AG. Siemens AG unconditionally and irrevocably guarantees all debt securities of the Company.

# Siemens Financieringsmaatschappij N.V.

## **Business Review**

In the past six months Siemens Financieringsmaatschappij N.V. issued 7 Commercial Papers totalling an amount of EUR 325 million. At balance date no amount was outstanding.

## **Organizational Structure**

The Company is a directly wholly-owned subsidiary of Siemens Aktiengesellschaft.

## **Management representation**

Management declares that, to the best of their knowledge, the financial statements prepared in accordance with the applicable standards of IFRS as adopted by the European Union give a true and fair view of the assets, liabilities, financial position and results of the Company. The management report includes a fair review of the development and performance of the business and the position of the Company.

The Hague, April 27, 2010

G.J.J. van der Lubbe  
CEO

M.J.M. van der Bruggen  
CFO

# Siemens Financieringsmaatschappij N.V.

INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2010

(in millions of EUR, except where otherwise stated)

## Statement of Income (unaudited)

	Six months ended March 31,	
	2010	2009
Interest income	930.0	699.9
Interest expenses	(937.7)	(731.4)
<b>Net interest income</b>	<b>(7.7)</b>	<b>(31.5)</b>
Fair value changes of financial instruments	(562.4)	(395.3)
Non-trading foreign exchange results	573.9	449.2
<b>Net operating income</b>	<b>3.8</b>	<b>22.4</b>
Other general expenses	(0.2)	(0.2)
<b>Profit before tax</b>	<b>3.6</b>	<b>22.2</b>
Income tax expense	(0.9)	(5.3)
<b>Profit after tax</b>	<b>2.7</b>	<b>16.9</b>
<b>Profit for the period attributable to equity holders</b>	<b>2.7</b>	<b>16.9</b>

# Siemens Financieringsmaatschappij N.V.

## INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2010

(in millions of EUR, except where otherwise stated)

### Balance sheet (unaudited)

<b>ASSETS</b>	<b>March 31, 2010</b>	<b>Sept. 30, 2009</b>
<b>Current assets</b>		
Receivables from Associated Companies	10,757.6	10,032.5
Derivative financial instruments	3.7	243.7
Tax assets	1.2	0.1
Other current financial assets	327.8	265.7
	<b>11,090.3</b>	<b>10,542.0</b>
<b>Non-current assets</b>		
Loans to Associated Companies	6,712.9	6,319.2
Derivative financial instruments	1,251.4	1,198.1
	<b>7,964.3</b>	<b>7,517.3</b>
<b>Total assets</b>	<b>19,054.6</b>	<b>18,059.3</b>
<hr/>		
<b>EQUITY AND LIABILITIES</b>	<b>March 31, 2010</b>	<b>Sept. 30, 2009</b>
<b>Current liabilities</b>		
Liabilities to Associated Companies	351.9	-
Derivative financial instruments	217.5	7.5
Other current financial liabilities	370.9	320.9
	<b>940.3</b>	<b>328.4</b>
<b>Long term liabilities</b>		
Long term debt	18,036.3	17,650.5
Deferred tax liabilities	12.3	12.4
	<b>18,048.6</b>	<b>17,662.9</b>
<b>Equity</b>		
Issued and paid in share capital	10.3	10.3
Share premium reserve	1.5	1.5
Retained earnings	51.2	32.6
Undistributed profit	2.7	23.6
	<b>65.7</b>	<b>68.0</b>
<b>Total equity and liabilities</b>	<b>19,054.6</b>	<b>18,059.3</b>

# Siemens Financieringsmaatschappij N.V.

## INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2010

(in millions of EUR, except where otherwise stated)

### Statement of Cash Flows (unaudited)

	Six months ended March 31,	
	2010	2009
<b>Cash flows from operating activities:</b>		
Profit before tax	3.6	22.2
Transaction cost	-	(8.7)
(Increase) decrease in receivables from Associated Companies *	(1,203.6)	620.0
Increase (decrease) in liabilities to Associated Companies	351.9	(4,212.2)
Change in derivative financial instruments w/o hedging relationship	450.0	(520.9)
Increase (decrease) in other current financial liabilities	50.0	197.6
Increase (decrease) in fair value of notes	385.8	1,304.6
Income taxes paid	(2.1)	(1.8)
<b>Net cash provided by operating activities</b>	<b>35.6</b>	<b>(2,599.2)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of notes	-	3,981.6
Change in derivative fin. instruments designated as hedge instrument	(115.4)	(1,380.4)
Proceeds from issuance of Commercial Paper	324.9	843.6
Repayment of Commercial Paper	(324.9)	(693.9)
Dividend paid	(5.0)	(5.6)
<b>Net cash (used in) provided by financing activities</b>	<b>(120.4)</b>	<b>2,745.3</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(84.8)</b>	<b>146.1</b>
Cash and cash equivalents at beginning of year	91.3	41.9
<b>Cash and cash equivalents at end of period</b>	<b>6.5</b>	<b>188.0</b>

\* excluding cash equivalents

Interest paid and received	Six months ended March 31,	
	2010	2009
Interest paid	525.6	555.2
Interest received	408.6	449.6

# Siemens Financieringsmaatschappij N.V.

INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2010

(in millions of EUR, except where otherwise stated)

## Statement of Changes in Equity (unaudited)

	Issued and paid-in capital	Share premium reserve	Retained earnings	Un- distributed profit	Total
Balance as at October 1, 2008	10.3	1.5	2.4	35.8	50.0
Appropriation of undistributed profit	-	-	30.2	(30.2)	-
Dividend	-	-	-	(5.6)	(5.6)
Profit for the year ended September 30, 2009	-	-	-	23.6	23.6
Balance as at September 30, 2009	10.3	1.5	32.6	23.6	68.0
Appropriation of undistributed profit	-	-	18.6	(18.6)	-
Dividend	-	-	-	(5.0)	(5.0)
Profit for the period ended March 31, 2010	-	-	-	2.7	2.7
<b>Balance as at March 31, 2010</b>	<b>10.3</b>	<b>1.5</b>	<b>51.2</b>	<b>2.7</b>	<b>65.7</b>



# Siemens Financieringsmaatschappij N.V.

NOTES to the INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2010

(in millions of EUR, except where otherwise stated)

## Notes to the half yearly Financial Statements

### 1. Basis of presentation

#### Reporting entity

Siemens Financieringsmaatschappij N.V. ("the Company" or "SFM") is a company domiciled in the Netherlands. The address of the Company's registered office is Prinses Beatrixlaan 800, 2595 BN, The Hague, Netherlands. The company is registered in the Commercial Register at September 14, 1977, number 27092998.

The annual report 2009 of SFM and this half yearly Report as per March 2010 are available at [www.siemens.com/sfm](http://www.siemens.com/sfm) and at request via Post Office Box 16068, 2500 BB Den Haag.

### 2. Declaration of conformity

The half yearly accounts have been drawn up in accordance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. It does not contain all the information that is required for a full year financial report and needs to be read in combination with the annual accounts 2009 of the Company, which have been prepared in accordance with IFRS.

No segment information is included as the Company can not be divided into segments.

### 3. Principles applied in drawing up financial statements

The half yearly accounts have been drawn up in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and approved by the European Commission and the interpretations of these standards by the IASB. The principles applied in drawing up the half yearly accounts of the Company are similar to those applied by drawing up the annual accounts 2009 of the Company.

### 4. Adjustments and estimates

The preparation of the half yearly accounts in conformity with IFRS requires that the management makes adjustments and estimates and should specify the assumptions that influence the application of the accounting policies and the reported value of assets and liabilities, and of income and expenses. The actual results may deviate from these estimates.

Unless explained otherwise, the estimates made by the management in drawing up the half yearly accounts

# Siemens Financieringsmaatschappij N.V.

NOTES to the INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2010

(in millions of EUR, except where otherwise stated)

are similar to those used by drawing up the annual accounts 2009.

## 5. Cash and cash equivalents

For the purpose of the half yearly cash flow statement, cash and cash equivalents are comprised of the following:

<b>Cash and cash equivalents</b>	<b>March 31, 2010</b>	<b>March 31, 2009</b>
Current account (account with Siemens AG)	-	159.4
Interest receivables	6.5	28.6
<b>Total cash and cash equivalents</b>	<b>6.5</b>	<b>188.0</b>

## 6. Income taxes

Income tax expense is recognized based on management's best estimate of the effective income tax rate for the complete fiscal year. The estimated effective tax rate used for the year to September 30, 2010 is 25,5%.

## 7. Dividends

In December 2009 a dividend of EUR 5,010,414.12 relating to the fiscal year ending September 30, 2009 was paid.

## 8. Commitments and contingencies

The following table presents the undiscounted amount of maximum potential future payments for each major group of guarantees:

<b>Guarantees in Mio. EUR</b>	<b>March 31, 2010</b>	<b>Sept. 30, 2009</b>
Credit guarantees	0.1	6.0
Performance guarantees	23.5	24.0
<b>Total Commitments</b>	<b>23.6</b>	<b>30.0</b>

# Siemens Financieringsmaatschappij N.V.

NOTES to the INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2010

(in millions of EUR, except where otherwise stated)

Credit guarantees cover certain financial obligations of the Associated Companies and of third parties in cases where the Company is the contractual partner. These guarantees generally provide that in the event of default or non-payment by the primary debtor, the Company will be required to settle such financial obligations. In addition, the Company provided credit guarantees generally as credit-line guarantees with variable utilization to the Associated Companies. The maximum amount of these guarantees is subject to the outstanding balance of the credit or, in case where a credit line is subject to variable utilization, the nominal amount of the credit line. These guarantees usually have terms of between one year and five years. Any of these guarantees are guaranteed either as covering financial obligations of the Associated Companies or by means of explicit counter guarantees in case of third party guarantees on request of an Associate.

Furthermore, the Company issued performance guarantees of the Associated Companies, which include performance bonds and guarantees of advance payments in cases where Associated Companies are the general partner or are a subsidiary partner in a consortium. In the event of non-fulfillment of contractual obligations by the (consortium) partner(s), the Company will be required to pay up to an agreed-upon maximum amount. These agreements span the term of the contract, typically ranging from three months to seven years. Generally, consortium agreements provide for fallback guarantees as a recourse provision among the consortium partners. No significant liability has been recognized in connection with these guarantees. As of August 1, 2008 the Company discontinued the issuance of new guarantees.

## 9. Related party transactions

During the first 6 month's of this fiscal year, the Company lent the proceeds of issuances of notes and bonds to related parties only. The following table provides information regarding loans to and deposits from related parties during the six months ended March 31, 2010 and 2009.

<b>Loans to Associated Companies</b> (in millions of EUR)		<b>Interest received</b>	<b>Loans on March 31</b>
Dutch Holdings	2010	7.4	2,531.5
	2009	63.0	3,637.0
Dutch Treasury Companies	2010	6.9	2,779.2
	2009	43.2	1,642.1
UK Treasury Companies	2010	0.4	11.2
	2009	6.6	292.2

## Siemens Financieringsmaatschappij N.V.

NOTES to the INTERIM FINANCIAL STATEMENTS

Period ended March 31, 2010

(in millions of EUR, except where otherwise stated)

USA Treasury Companies	2010	23.7	12,128.7
	2009	168.7	12,186.9

<b>Deposits from Associated Companies</b> (in thousands of EUR)		<b>Interest received</b>	<b>Loans on March 31</b>
Dutch Treasury Companies	2010	65.8	-
	2009	54.1	-

### 10. Events after the balance sheet date

Between March 31, 2010 and April 27, 2009 no events occurred that would have resulted in an adjustment to the book values of the Company.

