

Munich, Germany, November 9, 2017

# Earnings Release

## Q4 FY 2017

July 1 to September 30, 2017

### Targets achieved – another outstanding year for Siemens

»Our global team delivered excellent results in fiscal 2017, surpassing even the historic success of last year. Most businesses are stronger than ever and well equipped for the digital age. Nevertheless, we have to tackle structural issues in some individual businesses. There is a lot of work ahead of us in fiscal 2018. We will take advantage of our opportunities in the market and handle challenges carefully, responsibly and rigorously,« said Joe Kaeser, President and Chief Executive Officer of Siemens AG.

#### Fiscal 2017

- Revenue rose 4%, to €83.0 billion; orders were strong at €85.7 billion, just 1% below the high level a year ago despite substantial, ongoing contraction in markets for the Power and Gas Division which recorded large orders in Egypt totaling €4.7 billion in the prior year; the book-to-bill ratio was 1.03
- On a comparable basis, excluding currency translation and portfolio effects, revenue rose 3% and orders declined 2%
- Industrial Business profit rose 8%, to €9.5 billion, with double-digit increases at Building Technologies, Digital Factory, Mobility and Process Industries and Drives more than offsetting declines at Power and Gas and Siemens Gamesa Renewable Energy (SGRE)
- Industrial Business profit margin reached 11.2%, with a majority of businesses within or above their target ranges
- Net income up 11%, to €6.2 billion, driven by the strong operating performance; basic earnings per share (EPS) of €7.44, well within the guidance range
- Siemens proposes to raise the dividend €0.10 per share, to €3.70 per share

#### Q4 Fiscal 2017

- Fourth-quarter orders climbed 16% year-over-year, to €23.7 billion, driven by a higher volume from large orders, and revenue rose 2%, to €22.3 billion, for a book-to-bill ratio of 1.06
- Excluding currency translation and portfolio effects, orders increased 16% and revenue was up 1%
- Industrial Business profit declined to €2.2 billion due primarily to a sharp drop in profit at Power and Gas and a loss at SGRE
- Net income and basic EPS rose 10%, to €1.3 billion and €1.57, respectively

## Siemens

(in millions of €)	Q4		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	23,663	20,326	16%	16%
Revenue	22,299	21,953	2%	1%
Profit				
Industrial Business	2,197	2,448	(10)%	
<i>therein: severance</i>	(188)	(333)		
Profit margin				
Industrial Business	9.7%	10.9%		
<i>excl. severance</i>	10.5%	12.4%		
Income from continuing operations	1,263	1,182	7%	
<i>therein: severance</i>	(221)	(349)		
Net income	1,293	1,176	10%	
Basic earnings per share (in €)	1.57	1.42	10%	
Free cash flow (continuing and discontinued operations)	2,376	3,570	(33)%	
ROCE (continuing and discontinued operations)	10.5%	11.9%		

- Higher orders in all industrial businesses; overall growth driven mainly by higher volume from large orders at SGRE, Energy Management and Power and Gas
- Order backlog for the Siemens Group at €126 billion, reported in accordance with IFRS 15
- Revenue up in the majority of industrial businesses, including sharp growth at SGRE due to portfolio effects, double-digit growth in Digital Factory and clear growth in Mobility; as expected, continuing significant decline in Power and Gas in contracting markets
- Portfolio transactions added four percentage points each to order and revenue growth; negative foreign currency translation effects took four percentage points from order growth and three percentage points from revenue growth
- Profit Industrial Business: improvements at the majority of the industrial businesses more than offset by a sharp profit decline at Power and Gas in a highly competitive market environment and by a loss at SGRE due mainly to a write-down of inventories; Healthineers exceeded the high profit it achieved in the prior-year quarter, while Digital Factory's strong profit contribution included excellent performance in its short-cycle businesses
- Income from continuing operations and Net income rose as lower Industrial Business profit was more than offset by positive factors outside Industrial Business, particularly including Corporate items, Siemens Real Estate and income tax expenses
- Decrease in Free cash flow from Industrial Business, to €2.837 billion from the high level of €4.034 billion in Q4 FY 2016; decline in Free cash flow was due mainly to Power and Gas, driven by lower customer project payments
- ROCE declined as higher net income was more than offset by a substantial increase in average capital employed, primarily resulting from the acquisition of Mentor Graphics and the SGRE merger
- Provisions for pensions and similar obligations as of September 30, 2017: €9.6 billion (June 30, 2017: €9.8 billion)

## Power and Gas

(in millions of €)	Q4		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	3,584	3,218	11%	17%
Revenue	3,649	4,545	(20)%	(17)%
Profit	303	509	(40)%	
<i>therein: severance</i>	11	(23)		
<i>therein: integration costs Dresser-Rand</i>	(6)	(14)		
Profit margin	8.3%	11.2%		
<i>excl. severance and integration costs</i>	8.2%	12.0%		

- Order growth due to a higher volume from large orders in the service business, partly offset by a decline in new-unit business
- In contracting markets, revenue down in all reporting regions, most notably in the region representing Europe, C.I.S., Africa, Middle East (Europe/CAME); declines particularly in the solutions and large gas turbine businesses which in Q4 FY 2016 executed large orders from Egypt
- Despite continuing strong contribution from the service business, profit fell on reduced capacity utilization and price declines; Q4 FY 2016 included positive effects totaling €70 million related to measurement of inventories
- Global energy trends continue to structurally reduce overall demand in markets for the Division's offerings, resulting in declining new-unit business and corresponding price pressure due to current overcapacities

## Energy Management

(in millions of €)	Q4		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	4,050	3,376	20%	23%
Revenue	3,435	3,573	(4)%	(1)%
Profit	311	299	4%	
<i>therein: severance</i>	(13)	(52)		
Profit margin	9.1%	8.4%		
<i>excl. severance</i>	9.4%	9.8%		

- Substantial increase in orders, primarily due to a large order totaling €0.8 billion for an offshore grid connection project in Germany
- Lower revenue mainly in the Division's transmission businesses, particularly in the solutions business; on a regional basis, an increase in Asia, Australia was more than offset by declines in Europe/CAME and in the Americas
- Profit increase despite lower revenue mainly due to lower severance charges

## Building Technologies

(in millions of €)	Q4		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	1,851	1,770	5%	8%
Revenue	1,759	1,698	4%	7%
Profit	213	196	9%	
<i>therein: severance</i>	(8)	(10)		
Profit margin	12.1%	11.5%		
<i>excl. severance</i>	12.6%	12.1%		

- Another strong fiscal year-end finish with orders, revenue and profit up
- Order growth included significant project wins in the solutions and service business in the U.S.
- Revenue up in all regions on strength in the service business
- Higher revenue and improvements in productivity drive growth in profit and profitability

## Mobility

(in millions of €)	Q4		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	2,333	2,274	3%	4%
Revenue	2,233	2,070	8%	11%
Profit	189	173	9%	
<i>therein: severance</i>	(29)	(5)		
Profit margin	8.4%	8.4%		
<i>excl. severance</i>	9.8%	8.6%		

- Higher volume from large orders, including significant contract wins in Europe and Asia, the largest for a driverless metro in Austria; Q4 FY 2016 included an €0.4 billion order for light rail vehicles from the U.S.
- Revenue grew on successful execution of large rolling-stock and locomotive orders in Europe and the U.S.
- Profit rose due to higher revenue and a strong earnings contribution from the Division's digital and automation businesses, more than offsetting higher severance charges year-over-year due to capacity adjustments
- Siemens and Alstom SA, France, signed a memorandum of understanding to combine Siemens' mobility business, including its rail traction drives business, with Alstom SA; the transaction is subject to customary closing conditions and is expected to close at the end of calendar 2018

## Digital Factory

(in millions of €)	Q4		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	2,949	2,700	9%	6%
Revenue	3,150	2,787	13%	9%
Profit	501	515	(3)%	
<i>therein: severance</i>	(86)	(21)		
Profit margin	15.9%	18.5%		
<i>excl. severance</i>	18.6%	19.2%		

- Strong broad-based volume growth continues; another excellent performance in the short-cycle businesses, which again benefited from a favorable market environment particularly in the automotive and machine building industries; the product lifecycle management software business grew substantially driven by the acquisition of Mentor Graphics
- On a geographic basis, volume increases in all reporting regions, including substantial growth in China
- Strong profit performance in the factory automation business; overall profit and profitability impacted by higher severance charges associated with previously announced efficiency measures, ongoing expenses related to further advancing Siemens' MindSphere platform and burdens associated with the acquisition of Mentor Graphics

## Process Industries and Drives

(in millions of €)	Q4		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	2,347	2,213	6%	9%
Revenue	2,389	2,441	(2)%	0%
Profit	69	(72)	n/a	
<i>therein: severance</i>	(23)	(199)		
Profit margin	2.9%	(3.0)%		
<i>excl. severance</i>	3.8%	5.2%		

- While oil and gas and other commodity-related markets showed signs of stabilization with increased orders, demand for wind power components fell substantially; on a regional basis, order growth came mainly from China
- Revenue decline due mainly to the large drives and the solutions businesses, only partly offset by moderate growth in the process automation business
- Improving operating performance in the process automation business; overall profit and profitability held back by ongoing operational challenges, particularly in the large drives business, and by charges related to capacity adjustments

## Healthineers

(in millions of €)	Q4		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	3,934	3,854	2%	7%
Revenue	3,705	3,698	0%	5%
Profit	702	696	1%	
<i>therein: severance</i>	(21)	(22)		
Profit margin	19.0%	18.8%		
<i>excl. severance</i>	19.5%	19.4%		

- Order intake up due to growth in the diagnostic imaging business and large orders in the service business; increases mainly in Europe/CAME and China
- Revenue level with the strong prior-year quarter despite negative currency translation effects; on a regional basis, growth mainly in China and Europe/CAME
- Continued strong earnings contribution from the diagnostic imaging business

## Siemens Gamesa Renewable Energy

(in millions of €)	Q4		% Change	
	FY 2017	FY 2016	Actual	Comp.
Orders	2,791	1,205	132%	84%
Revenue	2,329	1,597	46%	6%
Profit	(92)	132	n/a	
<i>therein: severance</i>	(19)	(2)		
Profit margin	(3.9)%	8.3%		
<i>excl. severance</i>	(3.1)%	8.4%		

- Order growth due to a higher volume from large orders, including an order for an offshore wind-farm including service in the Netherlands
- Revenue growth due primarily to the merger
- Development of profitability held back by sharp price declines in India and the U.S.; loss due to burdens of €134 million primarily from the write-down of inventories and €67 million for integration costs and capacity adjustments including severance
- In November 2017, after the close of the fiscal year, SGRE announced further capacity adjustment measures to address changing market conditions

## Financial Services

(in millions of €)	Q4	
	FY 2017	FY 2016
Income before income taxes	131	121
therein: severance	–	(2)
ROE (after taxes)	16.1%	15.5%

  

(in millions of €)	Sep 30,	Sep 30,
	2017	2016
Total assets	26,390	26,446

- Increased income before income taxes due primarily to a lower level of credit hits
- Despite growth in new business, total assets were on the level of the end of fiscal 2016, due mainly to substantial early terminations of financings along with negative currency translation effects

## Reconciliation to Consolidated Financial Statements

(in millions of €)	Q4	
	FY 2017	FY 2016
Centrally managed portfolio activities	(43)	(25)
Siemens Real Estate	90	(20)
Corporate items	(228)	(342)
Centrally carried pension expense	(105)	(127)
Amortization of intangible assets acquired in business combinations	(341)	(170)
Eliminations, Corporate Treasury and other reconciling items	(83)	(111)
<b>Reconciliation to Consolidated Financial Statements</b>	<b>(709)</b>	<b>(796)</b>

- Results of Centrally managed portfolio activities (CMPA) are expected to remain volatile in coming quarters
- Siemens Real Estate included higher gains from disposals of real estate
- Amortization of intangible assets acquired in business combinations: increase of €170 million related mainly to the SGRE merger and acquisition of Mentor Graphics

## Adoption of IFRS 15, Revenue from Contracts with Customers

Beginning with fiscal 2018, Siemens will adopt IFRS 15, Revenue from Contracts with Customers, retrospectively, i.e. results for fiscal 2017 will be presented on a comparable basis. We do not expect the adoption of IFRS 15 to have a significant effect on Siemens' Consolidated Financial Statements. On a preliminary basis, the adoption of IFRS 15 is expected to reduce reported revenue for fiscal 2017 by approximately €0.2 billion and reported basic EPS for fiscal 2017 by approximately €0.10, resulting mainly from Profit Industrial Business. Reported Industrial Business profit margin for fiscal 2017 is expected to decline by approximately 0.1 percentage points. As a result of the IFRS 15 adoption, starting with this earnings release, we report the backlog of the Siemens Group which, compared to the previous definition, now also includes the backlog in businesses outside the Industrial Business, eliminations for transactions between the businesses, and changes arising from the guidance in IFRS 15.

## Outlook

We expect a mixed picture in our market environment in fiscal 2018, ranging from strong markets for our short-cycle businesses to unfavorable dynamics in our energy generation markets, as well as geopolitical uncertainties that may restrict investment sentiment. For fiscal 2018 we expect modest growth in revenue, net of effects from currency translation and portfolio transactions, and anticipate that orders will exceed revenue for a book-to-bill ratio above 1. We expect a profit margin of 11.0% to 12.0% for our Industrial Business and basic EPS from net income in the range of €7.20 to €7.70, both excluding severance charges.

This outlook excludes charges related to legal and regulatory matters, effects on EPS associated with minorities holding shares in Healthineers following the planned IPO, and potential effects which may follow the introduction of a new strategic program.

## Notes and forward-looking statements

Starting today at 9:00 a.m. CET, the press conference at which Siemens Chief Executive Officer Joe Kaeser, Chief Financial Officer Dr. Ralf P. Thomas and Chief Human Resources Officer Janina Kugel discuss the financial figures will be broadcast live at [www.siemens.com/pressconference](http://www.siemens.com/pressconference).

Starting today at 11:00 a.m. CET, Joe Kaeser and Dr. Ralf P. Thomas will hold a telephone conference in English for analysts and investors, which can be followed live at [www.siemens.com/analystcall](http://www.siemens.com/analystcall).

Recordings of the press conference and the conference call for analysts and investors will subsequently be made available as well.

Financial publications are available for download at: [www.siemens.com/ir](http://www.siemens.com/ir).

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as “expect,” “look forward to,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “project” or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens’ management, of which many are beyond Siemens’ control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens’ net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

All information is preliminary.

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# Financial Results

Fourth Quarter and Fiscal 2017



## Key figures

(in millions of €, except where otherwise stated)

### | Volume

	Q4		% Change		Fiscal Year		% Change	
	FY 2017	FY 2016	Actual	Comp. <sup>1</sup>	2017	2016	Actual	Comp. <sup>1</sup>
Orders	<b>23,663</b>	20,326	16%	16%	<b>85,669</b>	86,480	(1)%	(2)%
Revenue	<b>22,299</b>	21,953	2%	1%	<b>83,049</b>	79,644	4%	3%
Book-to-bill ratio	<b>1.06</b>				<b>1.03</b>			
Order backlog (in billions of €)	<b>126</b>				<b>126</b>			

### | Profitability and Capital efficiency

	Q4		% Change		Fiscal Year		% Change	
	FY 2017	FY 2016	Actual	Comp. <sup>1</sup>	2017	2016	Actual	Comp. <sup>1</sup>
<b>Industrial Business</b>								
Profit	<b>2,197</b>	2,448		(10)%	<b>9,453</b>	8,744		8%
Profit margin	<b>9.7%</b>	10.9%			<b>11.2%</b>	10.8%		
<b>Continuing operations</b>								
EBITDA	<b>2,588</b>	2,496		4%	<b>10,946</b>	10,216		7%
Income from continuing operations	<b>1,263</b>	1,182		7%	<b>6,126</b>	5,396		14%
Basic earnings per share (in €) <sup>2</sup>	<b>1.53</b>	1.43		7%	<b>7.38</b>	6.51		13%
<b>Continuing and discontinued operations</b>								
Net income	<b>1,293</b>	1,176		10%	<b>6,179</b>	5,584		11%
Basic earnings per share (in €) <sup>2</sup>	<b>1.57</b>	1.42		10%	<b>7.44</b>	6.74		10%
Return on capital employed (ROCE)	<b>10.5%</b>	11.9%			<b>13.5%</b>	14.3%		

### | Capital structure and Liquidity

	Sep 30, 2017	Sep 30, 2016
Total equity	<b>44,527</b>	34,816
Industrial net debt	<b>9,876</b>	10,505
Industrial net debt / EBITDA <sup>3</sup>	<b>0.9</b>	1.0

	Q4 FY 2017	Q4 FY 2016	Fiscal Year 2017	Fiscal Year 2016
<b>Free cash flow</b>				
Continuing operations	<b>2,397</b>	3,579	<b>4,819</b>	5,533
Continuing and discontinued operations	<b>2,376</b>	3,570	<b>4,769</b>	5,476

### | Employees

	Sep 30, 2017	Sep 30, 2016
<b>Number of employees (in thousands)</b>	<b>372</b>	351
Germany	<b>115</b>	113
Outside Germany	<b>257</b>	238

<sup>1</sup> Throughout excluding currency translation and portfolio effects.

<sup>2</sup> Basic earnings per share – attributable to shareholders of Siemens AG. For fiscal 2017 and 2016 weighted average shares outstanding (basic) (in thousands) for the fourth quarter amounted to 816.703 and 808.579 and for the fiscal year to 812.180 and 808.686 shares, respectively.

<sup>3</sup> Accumulative EBITDA of the previous four quarters until the reporting date.

## Consolidated Statements of Income

(in millions of €, per share amounts in €)	Q4		Fiscal year	
	FY 2017	FY 2016	2017	2016
Revenue	22,299	21,953	83,049	79,644
Cost of sales	(15,963)	(15,731)	(58,021)	(55,826)
Gross profit	6,337	6,222	25,029	23,819
Research and development expenses	(1,477)	(1,322)	(5,164)	(4,732)
Selling and general administrative expenses	(3,279)	(3,029)	(12,225)	(11,669)
Other operating income	130	106	647	328
Other operating expenses	(241)	(187)	(595)	(427)
Income (loss) from investments accounted for using the equity method, net	100	(37)	43	134
Interest income	365	336	1,487	1,314
Interest expenses	(277)	(248)	(1,051)	(989)
Other financial income (expenses), net	(39)	(69)	135	(373)
<b>Income from continuing operations before income taxes</b>	<b>1,618</b>	<b>1,772</b>	<b>8,306</b>	<b>7,404</b>
Income tax expenses	(356)	(590)	(2,180)	(2,008)
<b>Income from continuing operations</b>	<b>1,263</b>	<b>1,182</b>	<b>6,126</b>	<b>5,396</b>
Income (loss) from discontinued operations, net of income taxes	31	(6)	53	188
<b>Net income</b>	<b>1,293</b>	<b>1,176</b>	<b>6,179</b>	<b>5,584</b>
Attributable to:				
Non-controlling interests	13	24	133	134
Shareholders of Siemens AG	1,280	1,152	6,046	5,450
<b>Basic earnings per share</b>				
Income from continuing operations	1.53	1.43	7.38	6.51
Income (loss) from discontinued operations	0.04	(0.01)	0.07	0.23
<b>Net income</b>	<b>1.57</b>	<b>1.42</b>	<b>7.44</b>	<b>6.74</b>
<b>Diluted earnings per share</b>				
Income from continuing operations	1.50	1.41	7.23	6.42
Income (loss) from discontinued operations	0.04	(0.01)	0.06	0.23
<b>Net income</b>	<b>1.54</b>	<b>1.40</b>	<b>7.29</b>	<b>6.65</b>

## Consolidated Statements of Comprehensive Income

(in millions of €)	Q4		Fiscal year	
	FY 2017	FY 2016	2017	2016
Net income	1,293	1,176	6,179	5,584
Remeasurements of defined benefit plans	99	(58)	2,734	(2,636)
<i>therein: Income tax effects</i>	6	40	(1,070)	1,065
Income (loss) from investments accounted for using the equity method, net	3	–	–	–
<b>Items that will not be reclassified to profit or loss</b>	<b>102</b>	<b>(58)</b>	<b>2,735</b>	<b>(2,636)</b>
Currency translation differences	(402)	(294)	(1,118)	(796)
Available-for-sale financial assets	48	372	687	436
<i>therein: Income tax effects</i>	1	(8)	(7)	4
Derivative financial instruments	(26)	65	136	256
<i>therein: Income tax effects</i>	7	(24)	(63)	(89)
Income (loss) from investments accounted for using the equity method, net	(61)	14	(30)	(141)
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>(441)</b>	<b>157</b>	<b>(326)</b>	<b>(244)</b>
<b>Other comprehensive income, net of income taxes</b>	<b>(339)</b>	<b>99</b>	<b>2,409</b>	<b>(2,879)</b>
<b>Total comprehensive income</b>	<b>955</b>	<b>1,275</b>	<b>8,588</b>	<b>2,705</b>
Attributable to:				
Non-controlling interests	(32)	27	55	134
Shareholders of Siemens AG	987	1,248	8,533	2,571

## Consolidated Statements of Financial Position

(in millions of €)	Sep 30, 2017	Sep 30, 2016
<b>Assets</b>		
Cash and cash equivalents	8,375	10,604
Available-for-sale financial assets	1,242	1,293
Trade and other receivables	17,160	16,287
Other current financial assets	7,664	6,800
Inventories	19,942	18,160
Current income tax assets	1,098	790
Other current assets	1,467	1,204
Assets classified as held for disposal	1,482	190
<b>Total current assets</b>	<b>58,429</b>	<b>55,329</b>
Goodwill	27,906	24,159
Other intangible assets	10,926	7,742
Property, plant and equipment	10,977	10,157
Investments accounted for using the equity method	2,727	3,012
Other financial assets	19,044	20,610
Deferred tax assets	2,297	3,431
Other assets	1,498	1,279
<b>Total non-current assets</b>	<b>75,375</b>	<b>70,388</b>
<b>Total assets</b>	<b>133,804</b>	<b>125,717</b>
<b>Liabilities and equity</b>		
Short-term debt and current maturities of long-term debt	5,447	6,206
Trade payables	9,755	8,048
Other current financial liabilities	1,444	1,933
Current provisions	4,247	4,166
Current income tax liabilities	2,355	2,085
Other current liabilities	20,049	20,437
Liabilities associated with assets classified as held for disposal	97	40
<b>Total current liabilities</b>	<b>43,394</b>	<b>42,916</b>
Long-term debt	26,777	24,761
Provisions for pensions and similar obligations	9,582	13,695
Deferred tax liabilities	1,599	829
Provisions	4,579	5,087
Other financial liabilities	902	1,142
Other liabilities	2,445	2,471
<b>Total non-current liabilities</b>	<b>45,884</b>	<b>47,986</b>
<b>Total liabilities</b>	<b>89,278</b>	<b>90,901</b>
Equity		
Issued capital	2,550	2,550
Capital reserve	6,368	5,890
Retained earnings	35,696	27,454
Other components of equity	1,671	1,921
Treasury shares, at cost	(3,196)	(3,605)
<b>Total equity attributable to shareholders of Siemens AG</b>	<b>43,089</b>	<b>34,211</b>
Non-controlling interests	1,438	605
<b>Total equity</b>	<b>44,527</b>	<b>34,816</b>
<b>Total liabilities and equity</b>	<b>133,804</b>	<b>125,717</b>

## Consolidated Statements of Cash Flows

(in millions of €)	Q4	
	FY 2017	FY 2016
<b>Cash flows from operating activities</b>		
Net income	1,293	1,176
Adjustments to reconcile net income to cash flows from operating activities - continuing operations		
(Income) loss from discontinued operations, net of income taxes	(31)	6
Amortization, depreciation and impairments	1,019	742
Income tax expenses	356	590
Interest (income) expenses, net	(88)	(88)
(Income) loss related to investing activities	(85)	(14)
Other non-cash (income) expenses	173	154
Change in operating net working capital		
Inventories	579	977
Trade and other receivables	106	166
Trade payables	355	600
Billings in excess of costs and estimated earnings on uncompleted contracts and related advances	(572)	(634)
Additions to assets leased to others in operating leases	(144)	(154)
Change in other assets and liabilities	349	832
Income taxes paid	(440)	(362)
Dividends received	58	70
Interest received	334	335
<b>Cash flows from operating activities - continuing operations</b>	<b>3,261</b>	<b>4,396</b>
Cash flows from operating activities - discontinued operations	(21)	(9)
<b>Cash flows from operating activities - continuing and discontinued operations</b>	<b>3,240</b>	<b>4,387</b>
<b>Cash flows from investing activities</b>		
Additions to intangible assets and property, plant and equipment	(864)	(817)
Acquisitions of businesses, net of cash acquired	(63)	(10)
Purchase of investments	(101)	(143)
Purchase of current available-for-sale financial assets	(281)	(354)
Change in receivables from financing activities	(833)	(1,308)
Disposal of investments, intangibles and property, plant and equipment	186	91
Disposal of businesses, net of cash disposed	(40)	(1)
Disposal of current available-for-sale financial assets	312	313
<b>Cash flows from investing activities - continuing operations</b>	<b>(1,684)</b>	<b>(2,230)</b>
Cash flows from investing activities - discontinued operations	4	(1)
<b>Cash flows from investing activities - continuing and discontinued operations</b>	<b>(1,680)</b>	<b>(2,232)</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(580)	(101)
Re-issuance of treasury shares and other transactions with owners	529	—
Issuance of long-term debt	—	5,300
Repayment of long-term debt (including current maturities of long-term debt)	(1,283)	(1,779)
Change in short-term debt and other financing activities	188	(1,120)
Interest paid	(342)	(167)
Dividends attributable to non-controlling interests	(52)	(51)
<b>Cash flows from financing activities - continuing operations</b>	<b>(1,540)</b>	<b>2,082</b>
Cash flows from financing activities - discontinued operations	—	—
<b>Cash flows from financing activities - continuing and discontinued operations</b>	<b>(1,540)</b>	<b>2,082</b>
Effect of changes in exchange rates on cash and cash equivalents	(116)	—
Change in cash and cash equivalents	(96)	4,237
Cash and cash equivalents at beginning of period	8,486	6,381
Cash and cash equivalents at end of period	8,389	10,618
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	15	13
<b>Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)</b>	<b>8,375</b>	<b>10,604</b>

## Consolidated Statements of Cash Flows

(in millions of €)	Fiscal year	
	2017	2016
<b>Cash flows from operating activities</b>		
Net income	6,179	5,584
Adjustments to reconcile net income to cash flows from operating activities - continuing operations		
Income from discontinued operations, net of income taxes	(53)	(188)
Amortization, depreciation and impairments	3,211	2,764
Income tax expenses	2,180	2,008
Interest (income) expenses, net	(436)	(325)
(Income) loss related to investing activities	(329)	(373)
Other non-cash (income) expenses	552	400
Change in operating net working capital		
Inventories	(1,250)	(1,009)
Trade and other receivables	148	(579)
Trade payables	306	327
Billings in excess of costs and estimated earnings on uncompleted contracts and related advances	(799)	20
Additions to assets leased to others in operating leases	(482)	(484)
Change in other assets and liabilities	(1,719)	(281)
Income taxes paid	(2,039)	(1,718)
Dividends received	381	302
Interest received	1,375	1,219
<b>Cash flows from operating activities - continuing operations</b>	<b>7,225</b>	<b>7,668</b>
Cash flows from operating activities - discontinued operations	(50)	(57)
<b>Cash flows from operating activities - continuing and discontinued operations</b>	<b>7,176</b>	<b>7,611</b>
<b>Cash flows from investing activities</b>		
Additions to intangible assets and property, plant and equipment	(2,406)	(2,135)
Acquisitions of businesses, net of cash acquired	(4,385)	(922)
Purchase of investments	(500)	(271)
Purchase of current available-for-sale financial assets	(882)	(1,139)
Change in receivables from financing activities	(686)	(1,356)
Disposal of investments, intangibles and property, plant and equipment	542	377
Disposal of businesses, net of cash disposed	(69)	9
Disposal of current available-for-sale financial assets	931	1,031
<b>Cash flows from investing activities - continuing operations</b>	<b>(7,456)</b>	<b>(4,406)</b>
Cash flows from investing activities - discontinued operations	(1)	262
<b>Cash flows from investing activities - continuing and discontinued operations</b>	<b>(7,457)</b>	<b>(4,144)</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(931)	(463)
Re-issuance of treasury shares and other transactions with owners	1,123	(13)
Issuance of long-term debt	6,958	5,300
Repayment of long-term debt (including current maturities of long-term debt)	(4,868)	(2,253)
Change in short-term debt and other financing activities	260	(1,408)
Interest paid	(1,000)	(809)
Dividends paid to shareholders of Siemens AG	(2,914)	(2,827)
Dividends attributable to non-controlling interests	(187)	(236)
<b>Cash flows from financing activities - continuing operations</b>	<b>(1,560)</b>	<b>(2,710)</b>
Cash flows from financing activities - discontinued operations	—	—
<b>Cash flows from financing activities - continuing and discontinued operations</b>	<b>(1,560)</b>	<b>(2,710)</b>
Effect of changes in exchange rates on cash and cash equivalents	(387)	(98)
Change in cash and cash equivalents	(2,228)	660
Cash and cash equivalents at beginning of period	10,618	9,958
Cash and cash equivalents at end of period	8,389	10,618
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	15	13
<b>Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)</b>	<b>8,375</b>	<b>10,604</b>

## Overview of Segment figures

(in millions of €)	Orders				Revenue				Profit		Profit margin / SFS: ROE		Net capital employed / SFS: Total assets		Free cash flow	
	Q4		Actual	% Change Comp.	Q4		Actual	% Change Comp.	Q4		Q4		Sep 30, 2017	Sep 30, 2016	Q4	
	FY 2017	FY 2016			FY 2017	FY 2016			FY 2017	FY 2016	FY 2017	FY 2016			FY 2017	FY 2016
Power and Gas	3,584	3,218	11%	17%	3,649	4,545	(20)%	(17)%	303	509	8.3%	11.2%	9,976	9,066	(61)	777
Energy Management	4,050	3,376	20%	23%	3,435	3,573	(4)%	(1)%	311	299	9.1%	8.4%	4,178	4,335	496	570
Building Technologies	1,851	1,770	5%	8%	1,759	1,698	4%	7%	213	196	12.1%	11.5%	1,241	1,324	295	261
Mobility	2,333	2,274	3%	4%	2,233	2,070	8%	11%	189	173	8.4%	8.4%	2,734	2,868	613	518
Digital Factory	2,949	2,700	9%	6%	3,150	2,787	13%	9%	501	515	15.9%	18.5%	9,217	5,731	556	555
Process Industries and Drives	2,347	2,213	6%	9%	2,389	2,441	(2)%	0%	69	(72)	2.9%	(3.0)%	2,002	1,800	147	231
Healthineers	3,934	3,854	2%	7%	3,705	3,698	0%	5%	702	696	19.0%	18.8%	10,973	11,211	719	752
Siemens Gamesa Renewable Energy	2,791	1,205	132%	84%	2,329	1,597	46%	6%	(92)	132	(3.9)%	8.3%	4,663	(190)	73	371
<b>Industrial Business</b>	<b>23,839</b>	<b>20,610</b>	<b>16%</b>	<b>16%</b>	<b>22,648</b>	<b>22,409</b>	<b>1%</b>	<b>0%</b>	<b>2,197</b>	<b>2,448</b>	<b>9.7%</b>	<b>10.9%</b>	<b>44,984</b>	<b>36,145</b>	<b>2,837</b>	<b>4,034</b>
Financial Services (SFS)	216	225	—	—	216	225	—	—	131	121	16.1%	15.5%	26,390	26,446	114	146
Reconciliation to Consolidated Financial Statements	(392)	(510)	—	—	(565)	(681)	—	—	(709)	(796)	—	—	62,430	63,126	(554)	(601)
<b>Siemens (continuing operations)</b>	<b>23,663</b>	<b>20,326</b>	<b>16%</b>	<b>16%</b>	<b>22,299</b>	<b>21,953</b>	<b>2%</b>	<b>1%</b>	<b>1,618</b>	<b>1,772</b>	<b>—</b>	<b>—</b>	<b>133,804</b>	<b>125,717</b>	<b>2,397</b>	<b>3,579</b>

## Overview of Segment figures

(in millions of €)	Orders				Revenue				Profit		Profit margin / SFS: ROE		Net capital employed / SFS: Total assets		Free cash flow	
	Fiscal year		Actual	% Change Comp.	Fiscal year		Actual	% Change Comp.	Fiscal year		Fiscal year		Sep 30, 2017	Sep 30, 2016	Fiscal year	
	2017	2016			2017	2016			2017	2016	2017	2016			2017	2016
Power and Gas	13,422	19,454	(31)%	(30)%	15,467	16,471	(6)%	(5)%	1,591	1,872	10.3%	11.4%	9,976	9,066	392	1,149
Energy Management	13,628	12,963	5%	5%	12,277	11,940	3%	3%	932	895	7.6%	7.5%	4,178	4,335	1,002	375
Building Technologies	6,913	6,435	7%	8%	6,523	6,156	6%	7%	784	577	12.0%	9.4%	1,241	1,324	820	598
Mobility	8,963	7,875	14%	16%	8,099	7,825	4%	6%	743	678	9.2%	8.7%	2,734	2,868	1,046	497
Digital Factory	11,532	10,332	12%	8%	11,378	10,172	12%	9%	2,135	1,690	18.8%	16.6%	9,217	5,731	1,963	1,771
Process Industries and Drives	9,034	8,939	1%	2%	8,876	9,038	(2)%	(1)%	440	243	5.0%	2.7%	2,002	1,800	373	618
Healthineers	14,218	13,830	3%	4%	13,789	13,535	2%	3%	2,490	2,325	18.1%	17.2%	10,973	11,211	2,153	2,154
Siemens Gamesa Renewable Energy	8,768	7,973	10%	(2)%	7,922	5,976	33%	7%	338	464	4.3%	7.8%	4,663	(190)	(279)	330
<b>Industrial Business</b>	<b>86,477</b>	<b>87,802</b>	<b>(2)%</b>	<b>(2)%</b>	<b>84,331</b>	<b>81,112</b>	<b>4%</b>	<b>3%</b>	<b>9,453</b>	<b>8,744</b>	<b>11.2%</b>	<b>10.8%</b>	<b>44,984</b>	<b>36,145</b>	<b>7,471</b>	<b>7,493</b>
Financial Services (SFS)	921	979	—	—	921	979	—	—	639	653	19.9%	21.6%	26,390	26,446	734	680
Reconciliation to Consolidated Financial Statements	(1,730)	(2,300)	—	—	(2,202)	(2,447)	—	—	(1,785)	(1,994)	—	—	62,430	63,126	(3,386)	(2,640)
<b>Siemens (continuing operations)</b>	<b>85,669</b>	<b>86,480</b>	<b>(1)%</b>	<b>(2)%</b>	<b>83,049</b>	<b>79,644</b>	<b>4%</b>	<b>3%</b>	<b>8,306</b>	<b>7,404</b>	<b>—</b>	<b>—</b>	<b>133,804</b>	<b>125,717</b>	<b>4,819</b>	<b>5,533</b>

## EBITDA Reconciliation

(in millions of €)	Profit		Amortization of intangible assets acquired in business combinations		Financial income (expenses), net		EBIT		Amortization, depreciation and impairments		EBITDA	
	Q4		Q4		Q4		Q4		Q4		Q4	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Power and Gas	303	509	(60)	(61)	11	20	232	428	124	132	356	560
Energy Management	311	299	(4)	(5)	5	2	302	292	56	62	357	355
Building Technologies	213	196	(3)	(3)	—	—	211	192	24	22	234	214
Mobility	189	173	(16)	(14)	—	—	173	159	35	36	208	194
Digital Factory	501	515	(108)	(36)	—	3	392	475	170	86	562	561
Process Industries and Drives	69	(72)	(2)	(7)	(1)	(1)	67	(78)	59	69	126	(10)
Healthineers	702	696	(34)	(41)	5	4	663	651	139	139	802	790
Siemens Gamesa Renewable Energy	(92)	132	(111)	(2)	(6)	3	(197)	128	238	38	41	165
<b>Industrial Business</b>	<b>2,197</b>	<b>2,448</b>	<b>(340)</b>	<b>(170)</b>	<b>15</b>	<b>32</b>	<b>1,842</b>	<b>2,246</b>	<b>846</b>	<b>583</b>	<b>2,687</b>	<b>2,829</b>
Financial Services (SFS)	131	121	—	—	155	144	(25)	(23)	50	57	25	34
Reconciliation to Consolidated Financial Statements	(709)	(796)	340	170	(121)	(157)	(248)	(469)	123	102	(125)	(367)
<b>Siemens (continuing operations)</b>	<b>1,618</b>	<b>1,772</b>	<b>—</b>	<b>—</b>	<b>49</b>	<b>18</b>	<b>1,569</b>	<b>1,754</b>	<b>1,019</b>	<b>742</b>	<b>2,588</b>	<b>2,496</b>



## EBITDA Reconciliation

(in millions of €)	Profit		Amortization of intangible assets acquired in business combinations		Financial income (expenses), net		EBIT		Amortization, depreciation and impairments		EBITDA	
	Fiscal year		Fiscal year		Fiscal year		Fiscal year		Fiscal year		Fiscal year	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Power and Gas	1,591	1,872	(251)	(249)	35	40	1,305	1,583	501	522	1,806	2,105
Energy Management	932	895	(19)	(22)	5	16	908	857	213	218	1,121	1,074
Building Technologies	784	577	(12)	(13)	(1)	—	773	564	89	85	862	649
Mobility	743	678	(60)	(60)	7	9	676	609	135	132	811	741
Digital Factory	2,135	1,690	(261)	(117)	1	15	1,873	1,559	450	304	2,323	1,862
Process Industries and Drives	440	243	(22)	(27)	—	(2)	417	219	213	231	630	450
Healthineers	2,490	2,325	(147)	(179)	22	18	2,321	2,128	538	563	2,858	2,691
Siemens Gamesa Renewable Energy	338	464	(240)	(6)	(4)	16	102	441	510	137	612	578
<b>Industrial Business</b>	<b>9,453</b>	<b>8,744</b>	<b>(1,013)</b>	<b>(673)</b>	<b>66</b>	<b>113</b>	<b>8,375</b>	<b>7,959</b>	<b>2,649</b>	<b>2,191</b>	<b>11,024</b>	<b>10,150</b>
Financial Services (SFS)	639	653	(1)	1	644	618	(7)	36	207	216	200	252
Reconciliation to Consolidated Financial Statements	(1,785)	(1,994)	1,014	671	(138)	(780)	(633)	(543)	354	357	(279)	(186)
<b>Siemens (continuing operations)</b>	<b>8,306</b>	<b>7,404</b>	<b>—</b>	<b>—</b>	<b>571</b>	<b>(48)</b>	<b>7,735</b>	<b>7,452</b>	<b>3,211</b>	<b>2,764</b>	<b>10,946</b>	<b>10,216</b>

## Orders & Revenue by region

(in millions of €)	Q4		Actual	Orders % Change Comp.	Q4		Actual	Revenue % Change Comp.
	FY 2017	FY 2016			FY 2017	FY 2016		
Europe, C.I.S., Africa, Middle East	12,293	8,934	38%	37%	11,774	11,498	2%	1%
<i>therein: Germany</i>	3,480	2,419	44%	43%	3,050	3,082	(1)%	(4)%
Americas	6,620	7,251	(9)%	(9)%	6,008	6,154	(2)%	(2)%
<i>therein: U.S.</i>	5,019	5,357	(6)%	(6)%	4,297	4,500	(5)%	0%
Asia, Australia	4,750	4,141	15%	15%	4,517	4,302	5%	6%
<i>therein: China</i>	2,218	1,762	26%	23%	2,109	1,794	18%	19%
<b>Siemens (continuing operations)</b>	<b>23,663</b>	<b>20,326</b>	<b>16%</b>	<b>16%</b>	<b>22,299</b>	<b>21,953</b>	<b>2%</b>	<b>1%</b>
<i>therein: Emerging markets</i>	7,281	6,684	9%	9%	7,772	7,852	(1)%	(2)%

(in millions of €)	Fiscal year		Actual	Orders % Change Comp.	Fiscal year		Actual	Revenue % Change Comp.
	2017	2016			2017	2016		
Europe, C.I.S., Africa, Middle East	45,048	46,185	(2)%	(2)%	43,367	41,819	4%	4%
<i>therein: Germany</i>	13,943	10,525	32%	32%	11,142	10,739	4%	2%
Americas	22,921	24,794	(8)%	(10)%	23,516	22,707	4%	(1)%
<i>therein: U.S.</i>	16,905	18,162	(7)%	(9)%	16,976	16,769	1%	(1)%
Asia, Australia	17,700	15,501	14%	13%	16,166	15,118	7%	6%
<i>therein: China</i>	7,484	6,850	9%	10%	7,209	6,439	12%	13%
<b>Siemens (continuing operations)</b>	<b>85,669</b>	<b>86,480</b>	<b>(1)%</b>	<b>(2)%</b>	<b>83,049</b>	<b>79,644</b>	<b>4%</b>	<b>3%</b>
<i>therein: Emerging markets</i>	27,239	30,448	(11)%	(11)%	28,464	27,195	5%	3%