

Siemens Financieringsmaatschappij N.V.

Interim Report 2007

October 2006 - March 2007

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SIEMENS

Siemens Financieringsmaatschappij N.V

Interim Report

General

Siemens Financieringsmaatschappij N.V. ("SFM") acts as a finance company for corporate activities. SFM's objectives, as contained in its Articles of Association (Article 2), 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 acts as are incidental or may be conducive thereto in the broadest sense.

Because SFM acts as a finance company for the Siemens group, it does not have any markets in which it competes and, therefore, SFM cannot make a statement regarding its competitive position in any markets.

SFM is economically depended on Siemens AG. Siemens AG acts as a guarantor for all bonds and notes issued by SFM. The capital raised through the issuance of Bonds and Notes is invested within the Siemens group for at least 95%.

Revenues and earnings

Given its interrelatedness with the Siemens Group, management refrains from commenting on the activity level and expected results for the near future.

Business Overview

The company's net assets and liabilities declined over the first six months of fiscal 2006/2007 after the repayment of two loans that matured in 2007, the CHF 250 million 2001 / 2007 bond in February 2007 and the EUR 991 million 1997 / 2007 bond in March 2007.

In the past six months Siemens Financieringsmaatschappij N.V. issued 15 Commercial Papers totaling an amount of EUR 1,245 million. At balance date EUR 455 million was outstanding.

Organisational Structure

SFM is a directly wholly-owned subsidiary of Siemens Aktiengesellschaft. Siemens Finance B.V. is directly wholly-owned subsidiary of SFM.

Trend Information

There are no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the company's prospects for at least the current financial year.

Siemens Financieringsmaatschappij N.V

Consolidated Statement of Income (unaudited)

In thousands of EUR

	For the period ended March 31,	
	2007	2006
Interest income	332,200	180,481
Interest expenses	(283,705)	(107,612)
Net balance of fair value measurement of financial instruments	(51,775)	(183,335)
Total operating income	(3,280)	(110,466)
Miscellaneous income and expenses	(391)	(252)
Profit before tax	(3,671)	(110,718)
Income tax expense	848	32,461
Profit from ordinary activities after tax	(2,823)	(78,257)
Result from Divestment	-	-
Profit for the period		
Attributable to equity holders of the parent	(2,823)	(78,257)

Siemens Financieringsmaatschappij N.V

Consolidated Balance sheet (unaudited)

(In thousands of EUR before appropriation of result)

ASSETS	March 31, 2007	September 30, 2006
Current assets		
Cash and Cash equivalents	-	-
Receivables from Associates	9,065,516	9,958,231
Derivative assets	272,997	305,496
	9,338,513	10,263,727
Non-current assets		
Investments in Associates	-	-
Loans to Associates	2,496,700	2,496,700
Deferred tax assets	2,960	1,294
	2,499,660	2,497,994
Total Assets	11,838,173	12,761,721
LIABILITIES AND EQUITY		
Current liabilities		
Short term debt and current maturities of long term debt	453,500	1,161,181
Liabilities to Associates	37,916	39,005
Tax accruals	108	238
Other current financial liabilities	259,953	118,808
	751,477	1,319,232
Long term liabilities		
Long term debt	11,072,199	11,425,169
Deferred Income Tax	-	-
	11,072,199	11,425,169
Shareholders' equity		
Issued and paid in share capital	10,256	10,256
Share premium reserve	1,561	1,561
Retained earnings	5,503	72,027
Undistributed profit	(2,823)	(66,524)
	14,497	17,320
Total liabilities and equity	11,838,173	12,761,721

Siemens Financieringsmaatschappij N.V

Consolidated Statements of Cash Flows (unaudited)

In thousands of EUR	Period ended March 31,	
	2007	2006
Cash flows from operating activities:		
Profit before taxation	(3,671)	(110,718)
Proceeds from issuance of notes	-	837,051
Repayment of notes	(1,146,415)	-
Proceeds from issuance of commercial paper, net	453,500	(174,030)
Payment of transaction cost	-	(2,088)
(Increase) decrease in receivables from associates	933,696	(509,132)
Increase (decrease) in liabilities to Associates	(1,089)	(60,691)
(Increase) decrease in derivative assets	32,499	50,424
(Increase) decrease in loans to associates	-	-
Increase (decrease) in other current financial liabilities	141,144	90,385
Increase (decrease) in fair value of notes	(367,735)	(61,708)
Income taxes paid	(948)	(1,229)
<i>Net cash provided by operating activities</i>	<i>40,981</i>	<i>58,264</i>
Cash flows from investing activities:		
Divestment of subsidiary (deconsolidation)	-	(2,000)
<i>Net cash provided by investing activities</i>	<i>-</i>	<i>(2,000)</i>
Cash flows from financing activities:		
Dividends paid	-	(6,556)
<i>Net cash (used in) provided by financing activities</i>	<i>-</i>	<i>(6,556)</i>
Net (decrease) increase in cash and cash equivalents	40,981	49,708
Cash and cash equivalents at beginning of the period	47,282	26,081
Cash and cash equivalents at end of the period	88,263	75,789

Siemens Financieringsmaatschappij N.V

Consolidated Statement of Changes in Equity (unaudited)

Shareholders' equity					
In thousands of EUR	Issued and paid- in capital	Share premium reserve	Retained earnings	Un- distributed profit	Total
Balance as at October 1, 2005	10,256	1,561	3,964	74,619	90,400
Appropriation of undistributed profit	-	-	74,619	(74,619)	-
Dividend	-	-	(6,556)	-	(6,556)
Profit for the year ended September 30, 2006	-	-	-	(66,524)	(66,524)
Balance as at September 30, 2006	10,256	1,561	72,027	(66,524)	17,320
Appropriation of undistributed profit	-	-	(66,524)	66,524	-
Dividend	-	-	-	-	-
Profit for the period ended March 31, 2007	-	-	-	(2,823)	(2,823)
Balance as at March 31, 2007	10,256	1,561	5,503	(2,823)	14,497

Siemens Financieringsmaatschappij N.V

Notes to the interim Consolidated 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 consolidated financial statements of the Company as at and for the semi-annual period ending March 31, 2007 comprise the Company and its subsidiary (together referred to as the “Group”). The Group primarily is involved in the financing of Siemens AG Group companies.

The consolidated annual report 2006 of the Group is available at www.siemens.com/sfm and at request via Post Office Box 16068, 2500 BB Den Haag.

2. Declaration of conformity

The consolidated interim 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 2006 of the Group.

3. Principles applied in drawing up financial statements

The consolidated interim 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 interim accounts of the Group are similar to those applied by drawing up the annual accounts 2006 of the Group.

4. Adjustments and estimates

The preparation of the interim 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 interim accounts are similar to those used by drawing up the annual accounts 2006.

5. Business Overview

The company’s net assets and liabilities declined over the first six months of fiscal 2006/2007 after the repayment of two loans that matured in 2007, the CHF 250 million 2001 / 2007 bond in February 2007 and the EUR 991 million 1997 / 2007 bond in March 2007.

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6. 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.

7. Events after the balance sheet date

Between March 31, 2007 and June 7, 2007 no events occurred that would have resulted in an adjustment of the book values of the Company.

