

**ANNUAL FINANCIAL STATEMENTS OF
Siemens Finance GmbH, Munich
(up to October 4, 2010, Kyros 40 GmbH, Munich)**

for the short fiscal year
April 7 to September 30, 2010

Income statement

for the short fiscal year April 7 to September 30, 2010 (EUR)

	Note	2010
General and administrative expenses	1	-54,864.09
Net loss for the year		-54,864.09
Loss carried forward from the opening balance sheet		-1,000.00
Accumulated loss		-55,864.09

Balance sheet

as of September 30, 2010 (EUR)

Assets	Note	September 30, 2010	April 7, 2010
Current assets			
Receivables and other assets	2	880.76	0.00
Bank balances		10,099,150.61	25,000.00
		10,100,031.37	25,000.00
Total assets		10,100,031.37	25,000.00

Equity and liabilities	Note	September 30, 2010	April 7, 2010
Equity	3		
Subscribed capital		5,000,000.00	0.00
Subscribed capital to establish the company		0.00	25,000.00
Capital reserves		5,100,000.00	0.00
Accumulated loss		-55,864.09	-1,000.00
		10,044,135.91	24,000.00
Provisions	4	49,000.00	1,000.00
Liabilities	5	6,895.46	0.00
Total equity and liabilities		10,100,031.37	25,000.00

Notes to the annual financial statements

Establishment of Siemens Finance GmbH

The company was formed as Kyros 40 GmbH, Munich, with articles of incorporation dated March 17, 2010 and entered in the commercial register under reference number HRB 185214 on April 15, 2010. On September 30, 2010, the shareholder approved a resolution to change the name of the company to Siemens Finance GmbH, Munich. The new name of the company was entered in the commercial register on October 5, 2010.

The company has submitted an application to the German Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht / BaFin) for a license to conduct banking business.

Basis of accounting in the annual financial statements of Siemens Finance GmbH

The annual financial statements of Siemens Finance GmbH have been prepared in accordance with the provisions of the German Commercial Code (HGB) taking into account the requirements of the German Accounting Law Modernization Act (BilMoG), and in accordance with the provisions of the German Private Limited Companies Act (GmbHG). All figures are stated in Euros (EUR). For the purposes of the presentation of the items on the face of the balance sheet, Siemens Finance GmbH has made use of the exemptions available for small corporations in the above provisions.

Comparative figures on the balance sheet have been taken from the opening balance sheet of Kyros 40 GmbH prepared as of April 7, 2010. The date of the opening balance sheet is the date on which the share capital was paid in.

Accounting policies

Income statement

The income statement of Siemens Finance GmbH has been prepared using the function-of-expense format.

Current assets

Receivables and other assets are carried at their principal amounts or at cost. It was not necessary to write down any receivables in the short fiscal year. Liquid assets are carried at cost.

Provisions

Provisions comprise individual provisions of an appropriate and adequate amount recognized for all identifiable risks from contingent liabilities taking into account estimated future increases in prices and costs.

Liabilities

Liabilities are carried at their settlement amount on the balance sheet date.

Currency translation

There were no items denominated in foreign currency in the short fiscal year.

Income statement disclosures

1 General and administrative expenses

The general and administrative expenses comprise, in particular, the expense arising from the recognition of provisions.

Balance sheet disclosures

2 Receivables and other assets

This item comprises receivables due within one year.

3 Equity

The changes in equity during the short fiscal year under review were as follows:

EUR	April 7, 2010	Additions	Reclassifications	September 30, 2010
Equity				
Subscribed capital	0.00	4,975,000.00	25,000.00	5,000,000.00
Subscribed capital to establish the company	25,000.00	0.00	-25,000.00	0.00
Capital reserves	0.00	5,100,000.00	0.00	5,100,000.00
Accumulated loss	-1,000.00	-54,864.09	0.00	-55,864.09
	24,000.00	10,020,135.91	0.00	10,044,135.91

The accumulated loss as of April 7, 2010 had arisen from transactions in connection with the formation of the company. It was specifically attributable to the expense related to a provision recognized to cover the formation costs incurred under German company law. With a resolution passed by the shareholder on July 29, 2010, the subscribed capital of Kyros 40 GmbH was increased by EUR 4,975,000 to EUR 5,000,000. The subscribed capital was fully paid up in cash. In the short fiscal year, the shareholder also contributed cash of EUR 5,100,000 to capital reserves.

4 Provisions

Provisions are recognized as 'Other provisions' and for the most part comprise provisions for anticipated expenses in connection with the application for a license to conduct banking business. All provisions have a maturity of less than one year.

5 Liabilities

EUR	September 30, 2010	within 1 year	of which due in 1 to 5 years	after more than 5 years
Liabilities				
Trade payables	6,895.46	6,895.46	0.00	0.00
	6,895.46	6,895.46	0.00	0.00

Other disclosures

6 Proposed appropriation of profit

The Management Board will propose to the annual shareholders' meeting that the accumulated loss of EUR 55,864.09 be carried forward in full to the next fiscal year.

7 Members of the Management Board and the Advisory Board

The annual shareholders' meeting appointed the following to the Management Board of Siemens Finance GmbH:

- Roland Chalons-Browne, CEO of Siemens Financial Services GmbH, Munich, and CEO of the Financial Services Cross-Sector Business of Siemens AG, Berlin and Munich,
- Dr. Ingeborg Hampl, CRO of the Commercial Finance Europe & Asia Pacific (COFEA) Division of the Financial Services Cross-Sector Business of Siemens AG, and
- Dr. Peter Rathgeb, Head of Risk Controlling of the Financial Services Cross-Sector Business of Siemens AG.

Roland Chalons-Browne was appointed CEO of Siemens Finance GmbH. The members of the Management Board did not receive any compensation for their activities in the short fiscal year. In addition, the shareholders' meeting held on September 27, 2010 set up an Advisory Board.

The members of the Advisory Board are as follows:

- Dr. Peter Moritz, member of the Management Board of Siemens Financial Services GmbH and CFO of the Financial Services Cross-Sector Business of Siemens AG, and
- Hans-Peter Rupprecht, CEO of Siemens Treasury GmbH and Corporate Treasurer of Siemens AG.

The members of the Advisory Board did not receive any compensation for their activities in the short fiscal year. Dr. Peter Moritz was elected chairman, and Hans-Peter Rupprecht deputy chairman, of the Advisory Board.

8 Employees

Siemens Finance GmbH did not have any employees in the short fiscal year.

Annual financial statements of Siemens Finance GmbH (up to October 4, 2010, Kyros 40 GmbH)
for the short fiscal year April 7 to September 30, 2010

9 Group affiliation

The annual financial statements of Siemens Finance GmbH are included in the consolidated financial statements of Siemens AG, Berlin and Munich. The consolidated financial statements of Siemens AG are submitted to the electronic German Federal Gazette for publication.

Munich, October 29, 2010

The Management Board

sgd. Roland Chalons-Browne

sgd. Dr. Ingeborg Hampl

sgd. Dr. Peter Rathgeb

Audit Opinion

To Siemens Finance GmbH (formerly Kyros 40 GmbH)

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system of Siemens Finance GmbH (formerly Kyros 40 GmbH), Munich, for the short fiscal year from 7 April 2010 to 30 September 2010. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB ["Handelsgesetzbuch": "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting.

Munich, 11 November 2010

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Pfitzer
Wirtschaftsprüfer
[German Public Auditor]

Bauer
Wirtschaftsprüfer
[German Public Auditor]

Engagement Terms, Liability and Conditions of Use

In the audit report, the auditors summarize the results of their work, reporting in particular to those bodies of the Company responsible for its oversight. By documenting material audit findings, the audit report supports the bodies responsible in the process of overseeing the Company. For this reason, the report - notwithstanding any right of third parties based on special legal provisions to receive or inspect it - is addressed exclusively to the bodies of the Company for internal use.

Our work is based on our engagement letter for the audit of these financial statements, the Special Engagement Terms for Assurance and Advisory Business of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (dated July 1, 2007) and the General Engagement Terms for "Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften" [German Public Auditors and Public Audit Firms] as issued by the IDW ["Institut der Wirtschaftsprüfer": Institute of Public Auditors in Germany] on January 1, 2002.

This audit report is solely intended to serve as a basis for decisions of bodies of the Company and must not be used for purposes other than those intended. We therefore assume no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we do not update the audit report and/or audit opinion to reflect events or circumstances arising after the audit opinion was issued unless required to do so by law.

It is the sole responsibility of anyone taking note of the information contained in this audit report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Kyros 40 GmbH, a company in the process of establishment, Munich
Opening balance sheet pursuant to section 242 (1) German Commercial Code (HGB)
as of April 7, 2010

Assets	EUR	Equity and liabilities	EUR
Current assets		Equity	
Bank balances	25,000.00	Subscribed capital to establish the company	25,000.00
		Accumulated loss from formation transactions	-1,000.00
		Provisions for formation costs	1,000.00
	25,000.00		25,000.00

Munich, April 8, 2010

sgd. Roland Chalons-Browne
sgd. Dr. Ingeborg Hampl
sgd. Dr. Peter Rathgeb

Disclaimer

This version of the Annual Financial Statements of Siemens Finance GmbH, Munich (up to October 4, 2010, Kyros 40 GmbH, Munich), for the short fiscal year April 7 to September 30, 2010 and of the Opening Balance Sheet of Kyros 40 GmbH, Munich, pursuant to section 242 (1) German Commercial Code (HGB), prepared for the convenience of English-speaking readers, is a translation of the German original. For purposes of interpretation the German text shall be authoritative and final.