SIEMENS AKTIENGESELLSCHAFT
Form 6-K
August 02, 2013
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

of the Securities Exchange Act of 1934

August 2, 2013

Commission File Number: 1-15174

Siemens Aktiengesellschaft

(Translation of registrant s name into English)

Wittelsbacherplatz 2

80333 Munich

Federal Republic of Germany

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ¨ No x

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ¨ No x

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ¨ No x

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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INTRODUCTION

Siemens AG s Interim Report for the Siemens Group complies with the applicable legal requirements of the German Securities Trading Act (Wertpapierhandelsgesetz WpHG) regarding quarterly financial reports, and comprises Condensed Interim Consolidated Financial Statements and an Interim group management report in accordance with section 37x (3) WpHG. The Condensed Interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU). The Condensed Interim Consolidated Financial Statements also comply with IFRS as issued by the IASB. This Interim Report should be read in conjunction with our Annual Report for fiscal 2012, which includes a detailed analysis of our operations and activities.

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.

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KEY FIGURES Q3 AND FIRST NINE MONTHS OF FISCAL 2013[1,2]

unaudited; in millions of , except where otherwise stated

VOLUME								
				% Change	1st nine months			% Change
	Q3 2013	Q3 2012	Actual	Adjusted[3]	**2013**	2012	Actual	Adjusted[3]
Continuing operations								
Orders	**21,141**	17,770	19%	21%	**61,984**	55,458	12%	12%
Revenue	**19,248**	19,542	(2)%	(1)%	**55,404**	56,741	(2)%	(3)%

EARNINGS						
	Q3 2013	Q3 2012	% Change	**1st nine months 2013**	2012	% Change
Total Sectors						
Adjusted EBITDA	**1,823**	2,299	(21)%	**5,855**	6,735	(13)%
Total Sectors profit	**1,261**	1,817	(31)%	**4,175**	5,347	(22)%
in % of revenue (Total Sectors)	**6.5%**	9.2%		**7.5%**	9.3%	
Continuing operations						
Adjusted EBITDA	**1,831**	2,343	(22)%	**6,044**	7,085	(15)%
Income from continuing operations	**1,004**	1,152	(13)%	**3,131**	3,417	(8)%
Basic earnings per share (in [4])	**1.16**	1.28	(9)%	**3.64**	3.81	(4)%
Continuing and discontinued operations						
Net income	**1,098**	770	43%	**3,341**	3,092	8%
Basic earnings per share (in [4])	**1.27**	0.85	50%	**3.88**	3.43	13%

CAPITAL EFFICIENCY				
	Q3 2013	Q3 2012	**1st nine months 2013**	1st nine months 2012
Continuing operations				
Return on capital employed (ROCE) (adjusted)	**13.1%**	14.5%	**13.5%**	15.3%

CASH PERFORMANCE				
	Q3 2013	Q3 2012	**1st nine months 2013**	1st nine months 2012
Continuing operations				
Free cash flow	**973**	899	**915**	418
Cash conversion rate	**0.97**	0.78	**0.29**	0.12
Continuing and discontinued operations				
Free cash flow	**1,053**	967	**992**	291
Cash conversion rate	**0.96**	1.26	**0.30**	0.09

LIQUIDITY AND CAPITAL STRUCTURE		
	June 30, 2013	September 30, 2012
Cash and cash equivalents	**6,071**	10,891
Total equity (Shareholders of Siemens AG)	**27,393**	30,855
Net debt	**16,219**	9,292
Adjusted industrial net debt	**8,911**	2,271

EMPLOYEES (IN THOUSANDS)		
	June 30, 2013	September 30, 2012

	Continuing operations	**Total[5]**	Continuing operations	Total[6]
Employees	**368**	**404**	370	410
Germany	**119**	**129**	119	130
Outside Germany	**249**	**275**	251	280

1 Orders; Adjusted or organic growth rates of revenue and orders; Total Sectors profit; ROCE (adjusted); Free cash flow and cash conversion rate; Adjusted EBITDA; Net debt and adjusted industrial net debt are or may be non-GAAP financial measures. Definitions of these supplemental financial measures, a discussion of the most directly comparable IFRS financial measures, information regarding the usefulness of Siemens supplemental financial measures, the limitations associated with these measures and reconciliations to the most comparable IFRS financial measures are available on our Investor Relations website under **WWW.SIEMENS.COM/NONGAAP**

2 April 1 - June 30, 2013 and October 1, 2012 - June 30, 2013.

3 Adjusted for portfolio and currency translation effects.

4 Basic earnings per share - attributable to shareholders of Siemens AG. For fiscal 2013 and 2012 weighted average shares outstanding (basic) (in thousands) for the third quarter amounted to 843,107 and 879,228 and for the first nine months to 844,046 and 877,466 shares, respectively.

5 Calculated by dividing adjusted industrial net debt as of June 30, 2013 and 2012 by annualized adjusted EBITDA.

6 Continuing and discontinued operations.

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INTERIM GROUP MANAGEMENT REPORT

OVERVIEW OF FINANCIAL RESULTS FOR THE THIRD QUARTER OF FISCAL 2013

(THREE MONTHS ENDED JUNE 30, 2013)

- Orders for the third quarter rose 19% year-over-year, to 21.141 billion. Revenue was 19.248 billion, 2% below the prior-year level.

- The book-to-bill ratio was 1.10, and Siemens order backlog reached a new high at 102 billion.

- Total Sectors profit declined to 1.261 billion, due primarily to third-quarter charges totaling 436 million for the Siemens 2014 productivity improvement program.

- Income from continuing operations was lower year-over-year, at 1.004 billion.

- Net income rose to 1.098 billion. Corresponding basic EPS was 1.27, up from 0.85 in the prior-year period.

- Free cash flow from continuing operations increased to 973 million.

Management s perspective on third-quarter results. Our previous expectations for our markets are not likely to materialize. We therefore no longer expect to achieve a Total Sectors profit margin of at least 12% for fiscal 2014. We will continue to rigorously execute agreed measures under the Siemens 2014 program, to close the gap to our competitors. With the listing of OSRAM and sale of our stake in NSN, Siemens already has a clearer strategic focus.

Significant rise in orders, slight decline in revenue. Third-quarter orders rose 19% year-over-year, lifted by a higher volume of large orders. On a comparable basis, excluding currency translation and portfolio effects, orders were 21% higher. Reported revenue was 2% below the level a year earlier, and on a comparable basis revenue was less than 1% below the prior-year level. The book-to-bill ratio for Siemens was 1.10, and the order backlog (defined as the sum of the order backlogs of the Sectors) increased to a new high at 102 billion.

Orders climb on major contract win. Orders in the Infrastructure & Cities Sector rose on a contract win worth 3.0 billion for trains and maintenance in the U.K., one of Siemens largest train orders. Orders for the other three Sectors were close to their respective levels in the third quarter a year ago. On a geographic basis, the region comprising Europe, Commonwealth of Independent States (C.I.S.), Africa and Middle East reported sharp order growth due primarily to the large order mentioned above. Orders came in lower in the Asia, Australia and Americas regions. Emerging markets (according to the International Monetary Fund s definition of Emerging Market and Developing Economies) on a global basis grew 6% year-over-year, and accounted for 7.096 billion, or 34%, of total orders for the quarter.

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Revenue development shows mixed picture. The Sectors Infrastructure & Cities and Healthcare reported higher revenue compared to the prior-year quarter, with a majority of businesses in each Sector contributing to growth. These increases were more than offset by revenue declines in Energy and Industry compared to the third quarter a year earlier. On a regional basis, revenue rose in Asia, Australia and Europe, C.I.S., Africa, Middle East. In contrast, revenue fell in the Americas due primarily to the wind power market in the U.S. Emerging markets on a global basis reported a 2% increase in revenue year-over-year, and accounted for 6.458 billion, or 34%, of total revenue for the third quarter.

Update on Siemens 2014. In the third quarter, Siemens continued to implement Siemens 2014, a company-wide program aimed at improving profitability in the Sectors. One condition required for reaching the program s ambitious target margin was a return to moderate revenue growth in fiscal 2014. This growth is not expected to materialize, due mainly to the market environment. As a result, Siemens no longer expects to achieve a Total Sectors profit margin of at least 12% by fiscal 2014. Measures for optimizing Siemens portfolio and reducing costs are largely on track.

Cost reduction measures in the Sectors focused primarily on improving regional footprints, adjusting capacity, and increasing process efficiency. These measures resulted in charges of 436 million overall, taken

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primarily in Infrastructure & Cities (180 million), Industry (140 million), and Energy (102 million). Healthcare, which launched its productivity improvement measures a year ahead of Siemens 2014, recorded 14 million in related charges. Siemens expects substantial additional charges for Siemens 2014 in the fourth quarter of the fiscal year.

Total Sectors profit declines on Siemens 2014 charges. Total Sectors profit was 1.261 billion in the third quarter, down from the prior-year level due primarily to the Siemens 2014 charges mentioned above. While Healthcare increased its profit year-over-year to 499 million, the other three Sectors reported lower profit compared to the prior-year period. Energy recorded a 91 million profit impact related to inspecting and retrofitting onshore wind turbine blades, and reported profit of 430 million. Industry s profit declined to 347 million, and Infrastructure & Cities posted a loss of 15 million due to Siemens 2014 charges.

Positive effect from progress with portfolio optimization. Income from continuing operations came in at 1.004 billion, down from 1.152 billion a year earlier. Corresponding basic EPS was 1.16 in the current period compared to 1.28 a year earlier. The main factor in the decline was lower Total Sectors profit. This was partly offset by improved results outside the Sectors. In particular, Equity Investments included a positive 301 million stemming from a partial reversal of a fiscal 2009 impairment on our stake in Nokia Siemens Networks B.V. (NSN). In addition, the equity investment loss related to Siemens stake in NSN narrowed year-over-year.

Net income rises on income from discontinued operations. Net income for the third quarter increased to 1.098 billion from 770 million a year earlier. Corresponding basic EPS rose to 1.27 from 0.85 in the prior-year period. These increases were due primarily to discontinued operations, which recorded income of 94 million compared to a loss of 382 million a year earlier. The primary factor in this improvement was a positive contribution of 42 million from OSRAM, compared to a negative 354 million in the third quarter a year earlier. That prior-year period included a negative catch-up effect of 443 million (pretax), arising when Siemens deemed it no longer highly probable to complete its original plan to dispose of OSRAM via an initial public offering. After the close of the third quarter, Siemens completed the spin-off and listing of OSRAM. As of June 30, 2013, Siemens recognized a spin-off liability amounting to 2.2 billion, reflecting 80.5% of the fair value of OSRAM. For further information regarding OSRAM, see Notes 2 and 18 in Notes to Condensed Interim Consolidated Financial Statements. Income from discontinued operations related to Siemens IT Solutions and Services was a positive 47 million in the current period compared to a negative 10 million in the same period a year ago.

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Increase in operating net working capital holds back Free cash flow. Free cash flow from continuing operations increased to 973 million from 899 million in the same period a year ago. Free cash flow was held back by an increase in operating net working capital of 1.3 billion, in part due to outstanding customer payments in the project business particularly in Energy and Infrastructure & Cities.

ROCE declines on lower income from continuing operations. On a continuing basis, ROCE (adjusted) decreased to 13.1%, compared to 14.5% a year earlier. The difference was due to lower income from continuing operations, while average capital employed was nearly unchanged year-over-year.

Decrease in pension plan underfunding. The estimated underfunding of Siemens pension plans as of June 30, 2013 amounted to 8.5 billion, compared to an estimated underfunding of 9.0 billion at the end of the second quarter. Siemens defined benefit obligation (DBO) decreased in the third quarter due to an increase in the discount rate assumption as of June 30, 2013.

Results of Siemens for the nine months ended June 30, 2013

Orders and revenue

In the first nine months, Siemens won major long-cycle contracts for trains and offshore wind farms that drove a 12% increase in orders year-over-year. In contrast, revenue came in 2% lower compared to the prior-year period. The book-to-bill ratio for Siemens was 1.12, and the order backlog increased to 102 billion.

	Orders (location of customer)					
	Nine months ended June 30,		% Change		therein	
	2013	2012	Actual	Adjusted(1)	Currency	Portfolio
	(in millions of)					
Europe, C.I.S.(2), Africa, Middle East	35,176	28,041	25%	26%	(1)%	1%
therein Germany	*9,222*	*7,473*	*23%*	*23%*	*0%*	*0%*
Americas	15,617	15,609	0%	0%	0%	1%
therein U.S.	*10,349*	*11,317*	*(9)%*	*(10)%*	*1%*	*1%*
Asia, Australia	11,190	11,808	(5)%	(5)%	(1)%	1%
therein China	*4,972*	*4,501*	*10%*	*9%*	*1%*	*1%*
Siemens	**61,984**	**55,458**	**12%**	**12%**	**(1)%**	**1%**

(1) Excluding currency translation and portfolio effects.

(2) Commonwealth of Independent States.

Orders related to external customers increased 12% compared to the prior-year period. The Infrastructure & Cities and Energy Sectors both won a number of major orders, including a contract win worth 3.0 billion for trains and maintenance in the U.K., which drove their double-digit order increases compared to the prior-year period. Healthcare showed slight order growth year-over-year with increases in most of its businesses. The market environment for Industry in the first nine months of fiscal 2013 was clearly more challenging than a year earlier and as a result orders for the Sector showed a clear and broad-based decline.

In the region comprising **Europe, C.I.S., Africa, and the Middle East**, nine-month orders increased substantially driven by double-digit increases in Energy and Infrastructure & Cities, due to higher volumes from large orders. Orders were stable year-over-year in the **Americas**, where a double-digit increase in Energy was offset by declines in the other Sectors. In the region **Asia, Australia**, Infrastructure & Cities showed a double- digit increase and Healthcare orders increased moderately compared to the first nine months a year ago. This growth was more than offset by a double-digit order decline in Energy and a moderate decline in Industry in the region. Emerging markets on a global basis grew more slowly than orders overall, at 8% year-over-year, and accounted for 20.925 billion, or 34%, of total orders for the first nine months of fiscal 2013.

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	Revenue (location of customer)					
	Nine months ended June 30,		% Change		therein	
	2013	2012	Actual	Adjusted[1]	Currency	Portfolio
	(in millions of)					
Europe, C.I.S.[2], Africa, Middle East	28,786	29,139	(1)%	(2)%	0%	0%
therein Germany	*7,800*	*8,081*	*(3)%*	*(4)%*	*0%*	*0%*
Americas	15,765	16,582	(5)%	(5)%	0%	1%
therein U.S.	*11,015*	*12,303*	*(10)%*	*(11)%*	*0%*	*0%*
Asia, Australia	10,854	11,019	(1)%	(1)%	(1)%	1%
therein China	*4,268*	*4,475*	*(5)%*	*(6)%*	*1%*	*0%*
Siemens	**55,404**	**56,741**	**(2)%**	**(3)%**	**0%**	**1%**

(1) Excluding currency translation and portfolio effects.

(2) Commonwealth of Independent States.

Revenue related to external customers declined 2% compared to the prior-year nine-month period, due in part to weaker investment sentiment in recent quarters. Slight increases in Infrastructure & Cities and Healthcare were more than offset by moderate declines in Energy and Industry.

Revenue declined slightly in the region **Europe, C.I.S., Africa, Middle East**, where a moderate increase at Infrastructure & Cities was more than offset by declines in the other Sectors. In the **Americas** revenue was down moderately, on declines in all Sectors. **Asia, Australia** also showed a slight decline in revenue, as clear growth in Healthcare was more than offset by declines in Industry and Energy. Emerging markets on a global basis were up 1% year-over-year, and accounted for 18.363 billion, or 33%, of total revenue for the first nine months.

Consolidated Statements of Income

	Nine months ended June 30,		
	2013	2012	% Change
	(in millions of)		
Gross profit	15,430	16,174	(5)%
as percentage of revenue	*27.8%*	*28.5%*	
Research and development expenses	(3,122)	(3,137)	
as percentage of revenue	*5.6%*	*5.5%*	
Marketing, selling and general administrative expenses	(8,336)	(8,101)	(3)%
as percentage of revenue	*15.0%*	*14.3%*	
Other operating income	277	322	(14)%
Other operating expense	(250)	(171)	(46)%
Income (loss) from investments accounted for using the equity method, net	352	(391)	n/a
Interest income	710	704	1%
Interest expense	(578)	(576)	
Other financial income (expense), net	(103)	87	n/a
Income from continuing operations before income taxes	**4,380**	**4,911**	**(11)%**
Income taxes	(1,249)	(1,494)	16%
as percentage of income from continuing operations before income taxes	*29%*	*30%*	
Income from continuing operations	**3,131**	**3,417**	**(8)%**

Income (loss) from discontinued operations, net of income taxes	**210**	**(326)**	**n/a**
Net income	**3,341**	**3,092**	**8%**
Net income attributable to non-controlling interests	64	79	
Net income attributable to shareholders of Siemens AG	3,277	3,013	9%

Income from continuing operations before income taxes for the first nine months declined to 4.380 billion from 4.911 billion a year earlier, due primarily to 593 million in charges in the Sectors for the Siemens 2014 program. These charges resulted from measures taken in the current period to reduce costs by improving regional footprints, adjusting capacity, and increasing process efficiency. All Sectors took a portion of these charges. They were recognized primarily in cost of goods sold (and, accordingly, in gross profit) and in marketing, selling and general administrative expenses which as a result increased compared to the prior-year period. In addition to the Siemens 2014 program charges, gross profit was held back by lower capacity utilization in Industry as well as pricing pressure and a less favorable business mix in a number of Siemens businesses. In contrast, project charges were lower year-over-year, with a substantial decline in Energy more than offsetting an increase in Infrastructure & Cities.

Income from investments accounted for using the equity method, net was 352 million in the first nine months of fiscal 2013, compared to a loss of 391 million in the same period a year earlier. The major factor in this positive swing was the equity investment result related to our stake in Nokia Siemens Networks B.V. (NSN), which was a loss of 76 million in the current nine months compared to a loss of 768 million in the same period a year earlier. The change was due in part to a positive effect of 301 million in the current period, stemming from a partial reversal of a fiscal 2009 impairment of our stake in NSN. Improved results related to NSN were partly offset by a loss of 93 million related to our share in Enterprise Networks Holding B.V. (EN). The loss was due largely to additions to Siemens net investment in EN, which resulted in the recognition of previously unrecognized losses. The prior-year period benefited from a gain of 78 million on the sale of a portion of Financial Services (SFS) stake in Bangalore International Airport Limited.

Other financial income (expense), net was a negative 103 million, compared to a positive 87 million in the first nine months a year earlier. The current period included impairments of investments in Healthcare and SFS. The same period a year earlier included a gain of 87 million from the sale of our interest in OAO Power Machines.

The effective tax rate was 29% in the current reporting period, compared to 30% in the same period a year earlier.

As a result of the developments described above, **Income from continuing operations** decreased 8%.

Income from discontinued operations, net of income taxes in the first nine months of fiscal 2013 was 210 million, compared to a loss of 326 million in the first nine months of fiscal 2012. This positive swing was due mainly to OSRAM, which posted a profit of 178 million in the current period, compared to a loss of 218 million in the first nine months of fiscal 2012. The prior-year amount for OSRAM included a negative catch-up effect of 443 million (pretax), arising when we deemed it no longer highly probable to complete our original plan to dispose of OSRAM via an initial public offering. We subsequently completed the spinoff and listing of OSRAM according to a new plan, in the fourth quarter of fiscal 2013.

In addition, the loss from discontinued operations, net of income taxes in the first nine months of fiscal 2012 included a burden of 142 million (pretax) from a settlement related to Greece. For additional information on discontinued operations, see Note 2 in Notes to Condensed Interim Consolidated Financial Statements.

As a result, nine-month **net income** for Siemens was 8% higher than in the same period a year earlier. Net income attributable to shareholders of Siemens AG increased to 3.277 billion.

Portfolio activities

At the beginning of January 2013, Siemens acquired all of the shares in LMS International NV, Belgium (LMS), a leading provider of mechatronic simulation solutions. With the acquisition, which is being integrated in the Industry Sector s Industry Automation Division, Siemens intends to expand and complement the Industry Sector s product lifecycle management portfolio with mechatronic simulation and testing software. The preliminary purchase price amounts to 702 million (including 32 million cash acquired).

At the beginning of May 2013, Siemens acquired all the shares of six entities constituting the rail automation business of Invensys plc., U.K. (Invensys Rail). With the acquisition, which is being integrated in the Infrastructure & Cities Sector s Mobility and Logistics Division, Siemens intends to expand and complement the Infrastructure & Cities Sector s rail automation business. The preliminary purchase price amounts to 2.037 billion (including 57 million cash acquired) of which 472 million was paid to the Invensys Pension Trust.

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At the beginning of the fourth quarter of fiscal 2013, Siemens successfully completed the spin-off and listing of OSRAM and also announced the planned sale of its share in NSN.

For further information on portfolio activities, see Equity Investments and Subsequent events in the Interim Group Management Report and Note 2 in Notes to Condensed Interim Consolidated Financial Statements.

SEGMENT INFORMATION ANALYSIS FOR THE NINE MONTHS ENDED JUNE 30, 2013

Energy Sector

Sector	Nine months ended June 30, 2013	Nine months ended June 30, 2012	% Change Actual	% Change Adjusted(1)	therein Currency	therein Portfolio
	(in millions of)					
Profit	1,392	1,737	(20)%			
Profit margin	7.2%	8.6%				
Orders	21,188	18,244	16%	15%	0%	1%
Revenue	19,201	20,089	(4)%	(5)%	0%	1%

(1) Excluding currency translation and portfolio effects.

Energy reported a profit of 1.392 billion for the first nine months of fiscal 2013, down 20% year-over-year. The Sector took 149 million in charges under the Siemens 2014 program, primarily for reducing the Sector s cost structure, adjusting capacity and optimizing its regional footprint. Profit was also held back by 91 million in charges in the Wind Power Division related to inspecting and retrofitting onshore turbine blades mainly in the U.S. Fossil Power Generation contributed lower earnings than a year earlier, but still accounted for most of the Sector s profit and was the highest profit performer among all Siemens Divisions. Profit at Oil & Gas declined due mainly to charges related to Iran, and Wind Power s profit was also lower year-over-year, due mainly to the burden mentioned above. Power Transmission narrowed its loss compared to the prior-year period, due mainly to substantially lower project charges year-over-year. The solar business, which was reclassified to continuing operations in the second quarter and is reported within Energy on a retrospective basis, posted a loss of 225 million compared to a loss of 76 million in the same period a year earlier.

Revenue declined 4% compared to the prior-year period on decreases in all Divisions and all three reporting regions, while orders came in 16% higher due mainly to large orders at Wind Power. Order intake increased substantially in Europe, C.I.S., Africa, Middle East, due mainly to the higher volume from large orders at Wind Power. Order intake was significantly higher in the Americas, while orders declined substantially in the Asia, Australia region. The book-to-bill ratio for Energy was 1.10, and its order backlog was 55 billion at the end of the period.

Businesses	Orders					
	Nine months ended June 30, 2013	Nine months ended June 30, 2012	% Change Actual	% Change Adjusted(1)	therein Currency	therein Portfolio
	(in millions of)					
Fossil Power Generation	7,802	7,751	1%	0%	0%	0%
Wind Power	5,083	2,627	93%	93%	0%	0%
Oil & Gas	4,073	3,778	8%	5%	0%	3%
Power Transmission	4,168	4,273	(2)%	(2)%	(1)%	0%

(1) Excluding currency translation and portfolio effects.

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Businesses

	Revenue					
	Nine months ended June 30,		% Change		therein	
	2013	2012	Actual	Adjusted(1)	Currency	Portfolio
	(in millions of)					
Fossil Power Generation	7,461	8,172	(9)%	(9)%	0%	0%
Wind Power	3,555	3,595	(1)%	(1)%	0%	0%
Oil & Gas	3,816	3,880	(2)%	(5)%	0%	3%
Power Transmission	4,418	4,576	(3)%	(3)%	(1)%	0%

(1) Excluding currency translation and portfolio effects.

Businesses

	Profit			Profit margin	
	Nine months ended June 30,			Nine months ended June 30,	
	2013	2012	% Change	2013	2012
	(in millions of)				
Fossil Power Generation	1,305	1,557	(16)%	17.5%	19.1%
Wind Power	126	170	(26)%	3.6%	4.7%
Oil & Gas	282	329	(14)%	7.4%	8.5%
Power Transmission	(114)	(262)	57%	(2.6)%	(5.7)%

Fossil Power Generation generated profit of 1.305 billion in the first nine months of fiscal 2013, significantly below the profit of 1.557 billion in the first nine months of fiscal 2012. The Division recorded 67 million in charges for the Siemens 2014 program. Profit development was also held back by a decline in revenue, a lower contribution from the service business, and a less favorable revenue mix in the products business. Reported profit in the first nine months of fiscal 2012 included an 87 million gain on the Division s divestment of its joint venture stake in OAO Power Machines. Revenue was 9% lower year-over-year, resulting mainly from declining order intake for turnkey projects in prior quarters. On a geographic basis, revenue declined significantly in the Europe, C.I.S., Africa, Middle East region. Order intake was up 1%, as increases in the Americas and Europe, C.I.S., Africa, Middle East regions were almost offset by a substantial decrease in Asia, Australia.

Profit at **Wind Power** of 126 million in the first nine months of fiscal 2013 was substantially lower than in the same period a year earlier. Both periods included burdens on profit. In the current period, the Division took 91 million in charges related to inspecting and retrofitting onshore turbine blades mainly in the U.S. A year earlier, profit was held back by a 32 million provision related to a wind turbine component from an external supplier and a charge of 20 million related to capacity adjustment. Revenue was close to the prior-year level as a sharp decline in the Americas was almost offset by increases in other regions. Order intake almost doubled year-over-year, due mainly to a much higher volume from large orders, which included several large offshore wind-farms in Europe, C.I.S., Africa, Middle East.

Nine-month profit at **Oil & Gas** declined year-over-year, to 282 million. A more favorable revenue mix was more than offset by 46 million in charges in the first quarter resulting from compliance with newly enacted sanctions on Iran, primarily on its oil and gas industries, and 25 million in charges for the Siemens 2014 program. Revenue was slightly lower compared to the same period a year earlier. Order intake was up 8% as increases in Europe, C.I.S., Africa, Middle East and the Americas more than offset a decline in Asia, Australia.

Power Transmission sharply reduced its nine-month loss compared to a year earlier, to 114 million. The Division took 134 million in project charges related mainly to grid connections to offshore wind-farms, compared to 503 million in charges in the prior-year period. With respect to two of these projects, material milestones are expected to be reached in the fourth quarter of fiscal 2013, including the technically highly complex and challenging transport and installation of these platforms for grid connections. In addition, it recorded 51 million in charges for the Siemens 2014 program. Furthermore, profit development in the current period was held back by margin impacts related to these projects and by conversion of orders booked in prior periods with significant pricing pressure. In addition, operational challenges strongly cut back profit in the transformers and high-voltage products businesses. The prior-year period benefited from the release of a provision of 64 million related to successful project completion. Current nine-month revenue was down 3% year-over-year as declines in Europe, C.I.S., Africa, Middle East and Asia, Australia were partly offset by an increase in the Americas. Orders came in 2% lower compared to the prior-year period, due in part to more selective order intake in Europe, C.I.S., Africa, Middle East. This was partly offset by order increases in other regions. The Division expects continuing challenges in coming quarters.

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Healthcare Sector

Sector	**Nine months ended June 30,**		**% Change**		**therein**	
	2013	**2012**	**Actual**	**Adjusted(1)**	**Currency**	**Portfolio**
	(in millions of)					
Profit	1,447	1,184	22%			
Profit margin	14.6%	12.0%				
Orders	9,890	9,846	0%	1%	(1)%	0%
Revenue	9,897	9,857	0%	1%	(1)%	0%

(1) Excluding currency translation and portfolio effects.

For the first nine months of fiscal 2013, profit in the **Healthcare** Sector rose to   1.447 billion, led by earnings performances in its imaging and therapy systems businesses. Profit development benefited from lower charges associated with the Sector s ongoing Agenda 2013 initiative which declined to   35 million from   144 million in the prior-year period. Measures associated with this initiative resulted in an improved cost position. The current period was burdened by a   36 million impairment of an investment at Diagnostics in Italy. Effective January 1, 2013, results for Healthcare include an excise tax on medical devices which was introduced in the U.S., and affects most businesses in the Sector. For comparison, the prior-year period benefited from the successful pursuit of a patent infringement claim of   34 million.

Diagnostics contributed   268 million to Sector profit, up significantly from   227 million in the prior-year period. Profit development followed the pattern for the Sector with regard to Agenda 2013, including lower charges and improvements in cost position. In particular, the charges fell to   13 million from   66 million in the prior-year period. The current period included the   36 million profit burden mentioned above for the Sector. Purchase price allocation (PPA) effects related to past acquisitions at Diagnostics were   128 million in the first nine months. A year earlier, Diagnostics recorded   129 million in PPA effects.

Healthcare revenue and orders remained stable year-over-year. On a regional basis, clear revenue growth from Asia, Australia was largely offset by lower revenue in the other regions. Orders grew moderately in Asia, Australia but declined in the Americas. The book-to-bill ratio was 1.00, and Healthcare s order backlog was   7 billion at the end of the first nine months.

Revenue at Diagnostics was nearly unchanged year-over year, at   2.916 billion in the current period compared to   2.914 billion in the prior-year period. Diagnostics showed the same development as the Sector with regard to the regions.

Industry Sector

Sector	**Nine months ended June 30,**		**% Change**		**therein**	
	2013	**2012**	**Actual**	**Adjusted(1)**	**Currency**	**Portfolio**
	(in millions of)					
Profit	1,196	1,740	(31)%			
Profit margin	8.4%	11.7%				
Orders	14,268	15,161	(6)%	(7)%	0%	1%
Revenue	14,243	14,874	(4)%	(4)%	0%	0%

(1) Excluding currency translation and portfolio effects.

While the market environment for **Industry** in the first nine months of fiscal 2013 was clearly more challenging than a year earlier, the Sector saw signs of stabilizing at the end of the current period. This was particularly evident for the Sector s short-cycle businesses. Due mainly to lower capacity utilization and a less favorable business mix, particularly in the first half of the current fiscal year, profit at Industry declined to   1.196 billion. Another major factor in the decline was   197 million in charges in the current period for the   Siemens 2014   program primarily to reduce costs associated with administrative processes and improve the Sector s global footprint.

Revenue and orders for Industry in the first nine months were down 4% and 6%, respectively, including declines in both Divisions and the metals technologies business. On a geographic basis, revenue and orders declined in all three reporting regions, including double-digit declines in orders in the Americas. The Sector s book-to-bill ratio was 1.00 and its order backlog at the end of the first nine months of fiscal 2013 was 11 billion.

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Businesses	Orders					
	Nine months ended June 30,		% Change		therein	
	2013	2012	Actual	Adjusted(1)	Currency	Portfolio
	(in millions of)					
Industry Automation	6,705	7,160	(6)%	(7)%	0%	1%
Drive Technologies	6,614	7,071	(6)%	(7)%	0%	0%

(1) Excluding currency translation and portfolio effects.

Businesses	Revenue					
	Nine months ended June 30,		% Change		therein	
	2013	2012	Actual	Adjusted(1)	Currency	Portfolio
	(in millions of)					
Industry Automation	6,695	6,915	(3)%	(4)%	0%	1%
Drive Technologies	6,634	7,029	(6)%	(6)%	0%	0%

(1) Excluding currency translation and portfolio effects.

Businesses	Profit			Profit margin	
	Nine months ended June 30,			Nine months ended June 30,	
	2013	2012	% Change	2013	2012
	(in millions of)				
Industry Automation	745	931	(20)%	11.1%	13.5%
Drive Technologies	443	684	(35)%	6.7%	9.7%

Nine-month profit at **Industry Automation** declined to 745 million from 931 million a year earlier, as lower revenue reduced capacity utilization and resulted in a less favorable revenue mix compared to the prior-year period. These factors were most prominent during the first six months. Toward the end of the current period, markets for Industry Automation saw signs of stabilizing and the Division s business mix began to improve year-over-year. In the current nine months, Industry Automation took 78 million in charges for Siemens 2014. Revenue and orders were down 3% and 6%, respectively, on declines in most of the Division s businesses. A notable exception was the Division s industrial IT and software business, which benefited from recent acquisitions, including LMS. Revenue remained nearly stable in Asia, Australia and in Europe, C.I.S., Africa, Middle East, while it declined clearly in the Americas. The decline in orders was spread evenly across the regions. PPA effects related to the acquisition of UGS Corp. in fiscal 2007 were 111 million in the current period and 110 million in the prior-year period. PPA effects related to long-lived assets from the second-quarter acquisition of LMS were 22 million for the current nine months. Effects from deferred revenue adjustments and inventory step-ups related to LMS totaled an additional 28 million.

Profit at **Drive Technologies** for the first nine months declined to 443 million in the current period, down from 684 million a year earlier. This decline was due mainly to less favorable market conditions for the Division s higher-margin short-cycle businesses and offerings for renewable energy year-over-year. Furthermore, profit in the current period was burdened by 96 million in charges for Siemens 2014. Revenue and orders were down 6% on declines in all three reporting regions.

Infrastructure & Cities Sector

Sector	Nine months ended June 30,		% Change		therein	
	2013	2012	Actual	Adjusted(1)	Currency	Portfolio
	(in millions of)					
Profit	140	686	(80)%			

Profit margin	1.1%	5.5%				
Orders	17,078	12,760	34%	35%	(2)%	1%
Revenue	12,658	12,582	1%	0%	0%	1%

(1) Excluding currency translation and portfolio effects.

Profit for the first nine months in **Infrastructure & Cities** was 140 million, down sharply from 686 million a year earlier. The two main factors in the decline were sharply higher project charges in the

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Transportation & Logistics Business, including 260 million related to high-speed trains, and 212 million in charges for Siemens 2014, taken mainly for increasing cost efficiency in the rail business and improving Building Technologies setup in Europe. As a result, profit at Transportation & Logistics turned negative and profit at Building Technologies declined year-over-year. In contrast, Power Grid Solutions & Products improved its profit compared to the prior-year period.

Revenue came in slightly above the prior-year level, as higher revenue at Power Grid Solutions & Products and Transportation & Logistics more than offset a decline at Building Technologies. Orders rose by more than one third year-over-year, driven by Transportation & Logistics with a sharply higher volume from major orders year-over-year including an order worth 3.0 billion for trains and maintenance in the U.K. On a geographic basis, revenue rose in Europe, C.I.S., Africa, Middle East, remained level in Asia, Australia and declined in the Americas. Europe, C.I.S., Africa, Middle East and Asia, Australia posted double-digit order growth, while the Americas reported a slight decline. The Sector s book-to-bill ratio was 1.35 and its order backlog at the end of the first nine months of fiscal 2013 increased to 29 billion.

Businesses	Orders					
	Nine months ended June 30,		% Change		therein	
	2013	2012	Actual	Adjusted[1]	Currency	Portfolio
	(in millions of)					
Transportation & Logistics	8,289	4,155	99%	102%	(5)%	3%
Power Grid Solutions & Products	4,753	4,613	3%	3%	0%	0%
Building Technologies	4,245	4,228	0%	0%	0%	0%

(1) Excluding currency translation and portfolio effects.

Businesses	Revenue					
	Nine months ended June 30,		% Change		therein	
	2013	2012	Actual	Adjusted[1]	Currency	Portfolio
	(in millions of)					
Transportation & Logistics	4,333	4,264	2%	(1)%	0%	3%
Power Grid Solutions & Products	4,369	4,284	2%	2%	0%	0%
Building Technologies	4,158	4,221	(1)%	(2)%	0%	0%

(1) Excluding currency translation and portfolio effects.

Businesses	Profit			Profit margin	
	Nine months ended June 30,			Nine months ended June 30,	
	2013	2012	% Change	2013	2012
	(in millions of)				
Transportation & Logistics	(370)	163	n/a	(8.5)%	3.8%
Power Grid Solutions & Products	300	258	16%	6.9%	6.0%
Building Technologies	183	226	(19)%	4.4%	5.3%

The **Transportation & Logistics** Business posted a loss of 370 million in the first nine months of fiscal 2013 compared to a profit of 163 million a year earlier. The largest factor in the change was sharply higher project charges year-over-year, which included the above mentioned 260 million for delays for receiving certification for new high-speed trains in the current period, up from 69 million for these matters in the same period a year earlier. In addition, the Business took 118 million in charges for Siemens 2014. Profitability was influenced also by low margins associated with large long-term contracts. The acquisition of Invensys Rail during the third quarter of fiscal 2013 led to 42 million in transaction and integration costs. PPA effects related to the Invensys Rail acquisition were 11 million in the current period. Revenue increased slightly while orders nearly doubled year-over-year, due to the large orders mentioned above, particularly in the U.K. The Transportation & Logistics Business expects continuing challenges in coming quarters related to fulfillment of certain contracts for high-speed rail projects.

The **Power Grid Solutions & Products** Business increased its profit for the first nine months of the fiscal year by 16% year-over-year, to 300 million. This was due primarily to a substantially improved profit performance at the Low and Medium Voltage Division compared to the prior-year period. The Smart Grid Division kept nine-month profit stable year-over-year. Charges for Siemens 2014 totaled 23 million. Both revenue and orders rose compared to the prior-year period. The revenue increase of 2% included higher revenue in Asia, Australia and the Americas, partly offset by a slight decline in Europe, C.I.S., Africa, Middle East. Order growth of 3% year-over-year was supported by double-digit increases in Europe, C.I.S., Africa, Middle East and Asia, Australia, which more than offset a moderate decline in the Americas.

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Profit at **Building Technologies** came in at 183 million for the first nine months of the current fiscal year, below the prior-year level due to 71 million in Siemens 2014 charges. Selective order intake resulted in a more favorable business mix compared to the prior-year period, particularly including the Division s higher-margin product and service businesses. Revenue declined slightly year-over-year and orders remained stable.

Equity Investments

Equity Investments posted a profit of 286 million in the current nine-month period, compared to a loss of 593 million a year earlier. This improvement was due mainly to a substantially smaller loss related to our share in NSN. The loss was 76 million in the first nine months of fiscal 2013 compared to a loss of 768 million in the prior-year period. NSN reported to Siemens that in the first nine months of fiscal 2013 it took 694 million in restructuring charges and other associated items, including net charges related to country and contract exits. Restructuring charges and other associated items totaled 985 million in the same period a year earlier. Results related to NSN in the current period also benefited from a positive effect of 301 million stemming from partial reversal of a fiscal 2009 impairment of our stake in NSN. Improved results related to NSN were partly offset by a loss of 93 million related to our share in EN. The loss was due largely to additions to Siemens net investment in EN, which resulted in the recognition of previously unrecognized losses.

After the end of the third quarter of fiscal 2013, Siemens and Nokia Corporation (Nokia) signed an agreement that Nokia will acquire our 50% stake in NSN for a purchase price of 1.700 billion. The cash consideration amounts to 1.200 billion and the remaining 500 million comprise a loan to Nokia, maturing one year after the close of the transaction. Closing is expected in the fourth quarter of fiscal 2013.

Financial Services (SFS)

	Nine months ended June 30,		
	2013	2012	% Change
	(in millions of)		
Income before income taxes	303	379	(20)%
	June 30, 2013	September 30, 2012	
Total assets	18,046	17,405	4%

SFS continued to execute its growth strategy. Higher total assets year-over-year helped generate a higher interest result compared to the first nine months a year ago. This was partly offset by a 42 million impairment of SFS s equity stake in a power plant project in the U.S., and profit (defined as income before income taxes) came in at 303 million. For comparison, profit of 379 million in the prior-year period benefited from a 78 million gain on the sale of a portion of SFS s stake in Bangalore International Airport Limited. Total assets rose to 18.046 billion, a moderate increase from the level at the beginning of the fiscal year.

Reconciliation to Consolidated Financial Statements

Reconciliation to Consolidated Financial Statements includes Centrally managed portfolio activities, Siemens Real Estate and various categories of items which are not allocated to the Sectors and to SFS because Management has determined that such items are not indicative of their respective performance.

Centrally managed portfolio activities

Centrally managed portfolio activities reported a profit of 35 million in the first nine months of fiscal 2013, compared to a loss of 5 million in the same period a year earlier. The main factor in the change was a higher contribution from activities remaining from Siemens IT Solutions and Services.

Siemens Real Estate

Income before income taxes at **Siemens Real Estate** was 59 million in the first nine months of fiscal 2013, compared to 27 million in the same period a year earlier.

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Corporate items and pensions

Corporate items and pensions reported a loss of 446 million in the first nine months of fiscal 2013 compared to a loss of 282 million in the same period a year earlier. The loss at Corporate items was 127 million, compared to a positive 14 million in the same period a year earlier which included positive effects related to legal and regulatory matters. Centrally carried pension expense totaled 319 million in the first nine months of fiscal 2013, compared to 297 million in the same period a year earlier.

Eliminations, Corporate Treasury and other reconciling items

Income before income taxes from **Eliminations, Corporate Treasury and other reconciling items** was a negative 31 million in the first nine months of fiscal 2013, compared to a positive 39 million in the same period a year earlier. The decrease year-over-year included lower results from Corporate Treasury activities, due mainly to lower interest income from liquidity compared to the prior-year period.

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Reconciliation to adjusted EBITDA (continuing operations)

The following table gives additional information on topics included in Profit and Income before income taxes and provides a reconciliation to adjusted EBITDA based on continuing operations.

For the nine months ended June 30, 2013 and 2012 (in millions of)

	Profit[1]		Income (loss) from investments accounted for using the equity method, net[2]		Financial income (expense), net[3]		Adjusted EBIT[4]		Amortization[5]		Depreciation and impairments of property, plant and equipment and goodwill[6]		Adjusted EBITDA		Adjusted EBITDA margin	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Sectors																
Energy Sector	**1,392**	**1,737**	**(42)**	**43**	**(19)**	**66**	**1,453**	**1,628**	**85**	**67**	**325**	**281**	**1,863**	**1,977**	**9.7%**	**9.8%**
therein:																
Fossil Power Generation	1,305	1,557	25	28	(10)	72	1,291	1,457	14	15	103	100	1,408	1,572		
Wind Power	126	170	(10)	4	(4)	(5)	140	172	24	19	72	60	237	251		
Oil & Gas	282	329			(2)	(3)	284	332	37	25	59	50	380	407		
Power Transmission	(114)	(262)	16	20	(7)	(3)	(123)	(280)	10	7	75	65	(38)	(207)		
Healthcare Sector	**1,447**	**1,184**	**5**	**5**	**(30)**	**(9)**	**1,471**	**1,188**	**238**	**293**	**241**	**259**	**1,950**	**1,740**	**19.7%**	**17.7%**
therein:																
Diagnostics	268	227			(28)	4	296	223	148	181	160	167	604	571		
Industry Sector	**1,196**	**1,740**	**(4)**	**9**	**(14)**	**(10)**	**1,215**	**1,742**	**235**	**199**	**266**	**232**	**1,715**	**2,173**	**12.0%**	**14.6%**
therein:																
Industry Automation	745	931	1	2	(3)	(4)	747	933	186	155	106	97	1,039	1,186		
Drive Technologies	443	684	(5)	7	(10)	(6)	458	683	43	36	150	126	651	845		
Infrastructure & Cities Sector	**140**	**686**	**23**	**19**	**6**	**22**	**112**	**645**	**94**	**82**	**123**	**118**	**328**	**845**	**2.6%**	**6.7%**
therein:																
Transportation & Logistics	(370)	163	17	12	(5)	(11)	(381)	162	23	9	34	33	(324)	205		
Power Grid Solutions & Products	300	258	6	7	(5)	(2)	298	253	27	29	53	50	378	333		
Building Technologies	183	226				(2)	183	227	44	44	34	35	261	306		
Total Sectors	**4,175**	**5,347**	**(18)**	**76**	**(57)**	**69**	**4,250**	**5,202**	**651**	**642**	**954**	**890**	**5,855**	**6,735**		
Equity Investments	**286**	**(593)**	**264**	**(611)**	**6**	**6**	**15**	**12**					**15**	**12**		
Financial Services (SFS)	**303**	**379**	**67**	**145**	**289**	**288**	**(53)**	**(54)**	**4**	**5**	**173**	**196**	**124**	**147**		
Reconciliation to Consolidated Financial Statements																
Centrally managed portfolio activities	35	(5)	42	4	(1)		(6)	(9)	2	3	1	1	(3)	(4)		
Siemens Real Estate (SRE)	59	27			(83)	(82)	142	109	1	1	213	243	355	352		

Corporate items and pensions	(446)	(282)			(155)	(191)	(291)	(91)	13	11	59	37	(218)	(43)
Eliminations, Corporate Treasury and other reconciling items	(31)	39	(4)	(5)	30	126	(58)	(82)			(26)	(32)	(84)	(113)
Siemens	**4,380**	**4,911**	**352**	**(391)**	**29**	**216**	**3,999**	**5,087**	**670**	**662**	**1,374**	**1,336**	**6,044**	**7,085**

(1) Profit of the Sectors as well as of Equity Investments and Centrally managed portfolio activities is earnings before financing interest, certain pension costs and income taxes. Certain other items not considered performance indicative by Management may be excluded. Profit of SFS and SRE is Income before income taxes. Profit of Siemens is Income from continuing operations before income taxes. For a reconciliation of Income from continuing operations before income taxes to Net income see Consolidated Statements of Income.

(2) Includes impairments and reversals of impairments of investments accounted for using the equity method.

(3) Includes impairment of non-current available-for-sale financial assets. For Siemens, Financial income (expense), net comprises Interest income, Interest expense and Other financial income (expense), net as reported in the Consolidated Statements of Income.

(4) Adjusted EBIT is Income from continuing operations before income taxes less Financial income (expense), net and Income (loss) from investments accounted for using the equity method, net.

(5) Amortization and impairments, net of reversals, of intangible assets other than goodwill.

(6) Depreciation and impairments of property, plant and equipment, net of reversals. Includes impairments of goodwill of million and million for the nine months ended June 30, 2013 and 2012, respectively.

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LIQUIDITY, CAPITAL RESOURCES AND REQUIREMENTS

Cash flows

The following discussion presents an analysis of our cash flows from operating, investing and financing activities for the first nine months of fiscal 2013 and 2012 for both continuing and discontinued operations.

Cash flows	**Continuing operations**		**Discontinued operations**		**Continuing and discontinued operations**	
			Nine months ended June 30,			
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
			(in millions of)			
Net cash provided by (used in):						
Operating activities	**2,055**	**1,866**	**190**	**(9)**	**2,246**	**1,857**
Investing activities	**(4,800)**	**(3,379)**	**(198)**	**(530)**	**(4,998)**	**(3,909)**
therein: Additions to intangible assets and property, plant and equipment	*(1,140)*	*(1,448)*	*(113)*	*(118)*	*(1,253)*	*(1,566)*
Free cash flow	**915**	**418**	**77**	**(126)**	**992**	**291**
Financing activities	**(1,792)**	**(2,123)**	**8**	**539**	**(1,784)**	**(1,584)**

Cash flows from operating activities Continuing operations provided net cash of 2.055 billion in the first nine months of fiscal 2013, compared to net cash provided of 1.866 billion in the same period a year earlier. In the current period, the major component of cash inflows was income from continuing operations of 3.131 billion. Included therein were amortization, depreciation and impairments of 2.045 billion. A build-up of operating net working capital led to cash outflows of 3.5 billion. These cash outflows were due mainly to the Energy Sector, which in part was due to an increase in outstanding customer payments. In the prior-year period, income from continuing operations was 3.417 billion. Included therein were amortization, depreciation and impairments of 1.998 billion. A build-up of operating net working capital led to cash outflows of 3.0 billion in the same period a year ago. The prior-year period also included cash outflows due to a higher decrease in liabilities related to personnel costs and outflows of approximately 0.3 billion related to Healthcare s particle therapy business.

Discontinued operations provided net cash of 190 million in the first nine months of fiscal 2013, compared to net cash used of 9 million in the prior-year period. The change was due largely to a strong operating cash flow performance at OSRAM.

Cash flows from investing activities Net cash used in investing activities for continuing operations amounted to 4.800 billion in the first nine months of fiscal 2013, compared to net cash used of 3.379 billion in the prior-year period. The increase in cash outflows from investing activities was mainly due to acquisitions, net of cash acquired. Acquisitions, net of cash acquired, totaling 2.727 billion in the current period including the preliminary purchase price (excluding cash acquired) of 1.980 billion related to Infrastructure & Cities acquisition of Invensys Rail and of 670 million related to Industry s acquisition of LMS International NV. The prior-year period included acquisitions, net of cash acquired, totaling 1.272 billion, including among others the acquisition of the Connectors and Measurements Division of Expro Holdings UK 3 Ltd. Proceeds from sales of investments, intangibles and property, plant and equipment of 424 million in the first nine months of fiscal 2013 included proceeds related to the sale of AtoS convertible bonds of 0.3 billion. Proceeds from sales of investments, intangibles and property, plant and equipment were 466 million in the first nine months a year earlier including proceeds from the sale of our interest in OAO Power Machines.

Discontinued operations used net cash of 198 million in the first nine months of fiscal 2013, compared to net cash used of 530 million in the prior-year period. The change was primarily related to Siemens IT Solutions and Services, particularly including payments in the prior-year period for a cash purchase price adjustment related to net debt and net working capital of Siemens IT Solutions and Services.

Free cash flow from continuing operations amounted to 915 million in the first nine months of fiscal 2013, compared to 418 million a year earlier. The change year-over-year resulted from higher cash flows from operating activities as discussed above and lower additions to intangible assets and property, plant and equipment, due mainly to lower investments within the Sectors.

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On a sequential basis, Free cash flow during the first nine months of fiscal 2013 and during fiscal 2012 was as follows:

Cash flows from financing activities Continuing operations used net cash of 1.792 billion in the first nine months of fiscal 2013, compared to net cash used of 2.123 billion in the same period a year earlier. As described in more detail below, the current period included proceeds from the issuance of long-term debt of 3.772 billion related to the bonds issued and term loans taken, and also cash inflows for short-term debt and other financing activities of 978 million, primarily related to net cash inflows from the issuance of commercial paper. These cash inflows were partly offset by the repayment of long-term debt of 2.153 billion related to redemption of the fixed-rate-instruments and by the cash outflows for the purchase of common stock totaling 1.394 billion primarily under Siemens share buyback program, completed in November 2012. For comparison, prior-year period proceeds from the issuance of long-term debt were 2.473 billion, including the issuance of US$3.0 billion bonds with warrant units. Cash inflows from the change in short-term debt and other financing activities were 2.206 billion, which also included the cash inflows from the issuance of commercial paper. These cash inflows were partly offset by the repayment of long-term debt of 3.193 billion in the prior-year period for the redemption of 1.55 billion in 5.25%-fixed-rate-instruments, 0.7 billion in floating rate assignable loans, US$0.5 billion in floating rate notes and US$0.75 billion in 5.5% notes. Both periods included cash outflows for dividends, which were 2.528 billion (for fiscal 2012) in the first nine months of fiscal 2013 compared to 2.629 billion in the prior-year period (for fiscal 2011).

Capital resources and requirements

We have a US$9.0 billion (6.9 billion) global multi-currency commercial paper program in place. As of June 30, 2013, we had commercial paper outstanding in several currencies with a total amount corresponding to 1.4 billion.

Under the debt issuance program, in February 2009, we issued fixed rated instruments with an aggregate amount of 4.0 billion comprising two tranches. The first tranche, 2.0 billion in 4.125%-fixed-rate-instruments, matured in February 2013 and was redeemed at face value.

In the first nine months of fiscal 2013, we issued the following instruments under our debt issuance program:

- 1.25 billion in 1.75% instruments due in March 2021;
- 1.0 billion in 2.875% instruments due in March 2028;
- US$500 million in 1.5% instruments due in March 2018;
- US$100 million privately placed fixed rate instruments due in March 2028; and
- US$400 million privately placed floating rate instruments due in June 2020

The nominal amount of these instruments outstanding as of June 30, 2013 was a total corresponding to 3.0 billion.

In March 2013, we took two bilateral US$500 million floating rate term loans, bearing interest of 0.79% above the three months London Interbank Offered Rate (LIBOR). These loans are due in March 2018 and include options for two one-year extensions. The nominal amount outstanding as of June 30, 2013 was 0.8 billion.

In April 2012 we signed a 4.0 billion syndicated multi-currency revolving credit facility with an original term of five years. In February 2013, we extended this facility by one year, until April 2018. This facility has another one-year extension option still remaining.

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In June 2013, we redeemed at face value 113.5 million in 5.283% assignable loans.

Capital structure

A key consideration for Siemens is maintenance of ready access to the capital markets through various debt products and preservation of our ability to repay and service our debt obligation over time. Siemens set a capital structure target range of 0.5 1.0. The capital structure ratio is defined as the item Adjusted industrial net debt divided by the item Adjusted EBITDA (continuing operations). As of June 30, 2013 and September 30, 2012 the ratios were as follows:

	June 30, 2013	September 30, 2012
	(in millions of)	
Short-term debt and current maturities of long-term debt(1)	3,656	3,826
Plus: Long-term debt(1)	19,140	16,880
Less: Cash and cash equivalents	(6,071)	(10,891)
Less: Current available-for-sale financial assets	(506)	(524)
Net debt	**16,219**	**9,292**
Less: SFS Debt(2)	(15,004)	(14,558)
Plus: Pension plans and similar commitments(3)	9,325	9,801
Plus: Credit guarantees	581	326
Less: 50% nominal amount hybrid bond(4)	(887)	(920)
Less: Fair value hedge accounting adjustment(5)	(1,323)	(1,670)
Adjusted industrial net debt	**8,911**	**2,271**
Adjusted EBITDA (continuing operations)	**6,044**	**9,669**
Adjusted industrial net debt / adjusted EBITDA (continuing operations)(6)	**1.11**	**0.23**

(1) The item Short-term debt and current maturities of long-term debt as well as the item Long-term debt included in total fair value hedge accounting adjustments of 1,323 million as of June 30, 2013 and 1,670 million as of September 30, 2012.

(2) The adjustment considers that both Moody s and S&P view SFS as a captive finance company. Both rating agencies generally recognize and accept higher levels of debt attributable to captive finance subsidiaries in determining credit ratings. Following this concept, we exclude SFS Debt in order to derive an adjusted industrial net debt which is not affected by SFS s financing activities.

(3) To reflect Siemens total pension liability, adjusted industrial net debt includes line item Pension plans and similar commitments as presented in Consolidated Statements of Financial Position.

(4) The adjustment for our hybrid bond considers the calculation of this financial ratio applied by rating agencies to classify 50% of our hybrid bond as equity and 50% as debt. This assignment reflects the characteristics of our hybrid bond such as a long maturity date and subordination to all senior and debt obligations.

(5) Debt is generally reported with a value representing approximately the amount to be repaid. However for debt designated in a hedging relationship (fair value hedges), this amount is adjusted by changes in market value mainly due to changes in interest rates. Accordingly we deduct these changes in market value in order to end up with an amount of debt that approximately will be repaid. We believe this is a more meaningful figure for the calculation presented above. For further information on fair value hedges see Note 31 in D.6 Notes to Consolidated Financial Statements in our Annual Report for fiscal 2012.

(6) In order to calculate this ratio, adjusted EBITDA (continuing operations) needs to be annualized.

Credit ratings

On May 14, 2013 Moody s changed its outlook for Siemens credit rating from stable to negative , saying that despite the group s substantial cost reduction initiatives, we expect its profitability, cash flow generation and capital structure to be weaker than anticipated in 2013 and 2014. The Moody s rating outlook is an opinion regarding the likely direction of an issuer s rating over the medium-term. At the same time, Moody s affirmed our Aa3 long-term and P-1 short-term credit rating.

S&P made no rating changes in fiscal 2013.

We expect no significant impact on our funding costs as a consequence of the changed rating outlook by Moody s.

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Funding of pension plans and similar commitments

At the end of the first nine months of fiscal 2013, the combined funded status of Siemens pension plans showed an estimated underfunding of 8.5 billion, compared to an underfunding of 8.9 billion at the end of fiscal 2012. The decrease in Siemens DBO was partly offset by a decrease in the fair value of Siemens funded pension plan assets.

The estimated DBO of Siemens pension plans, which takes into account future compensation and pension increases, amounted to 32.3 billion on June 30, 2013, lower than the DBO of 33.0 billion on September 30, 2012. The decrease was due primarily to benefits paid during the nine-month period and an increase in the discount rate assumption as well as positive currency translation effects. These positive factors were partly offset by accrued service and interest cost and an increase in the inflation rate assumption in the U.K.

The fair value of Siemens funded pension plan assets as of June 30, 2013 was 23.8 billion compared to 24.1 billion on September 30, 2012. The decrease resulted from benefits paid and negative currency translation effects during the nine-month period. These negative effects were partly offset by the actual return on plan assets and by employer contributions. The actual return on plan assets for the first nine months of fiscal 2013 amounted to 746 million, resulting mainly from equity investments. Employer contributions amounted to 407 million.

The combined funded status of Siemens predominantly unfunded other post-employment benefit plans amounted to an underfunding of 0.6 billion and 0.7 billion, respectively, as of June 30, 2013 and September 30, 2012.

For more information on Siemens pension plans and similar commitments, see Note 8 in Notes to Condensed Interim Consolidated Financial Statements.

Report on risks and opportunities

Within the scope of its entrepreneurial activities and the variety of its operations, Siemens encounters numerous risks and opportunities which could negatively or positively affect business development. For the early recognition and successful management of relevant risks and opportunities we employ a number of coordinated risk management and control systems. Risk management facilitates the sustainable protection of our future corporate success and is an integral part of all our decisions and business processes.

In our Annual Report for fiscal 2012 we described certain risks which could have a material adverse effect on our financial condition, including effects on assets, liabilities and cash flows, and results of operations, certain opportunities as well as the design of our risk management system.

As previously disclosed, business with customers in Iran is subject to export control regulations, embargoes, sanctions or other forms of trade restrictions imposed by the U.S., the EU and other countries or organizations. The sanction regime against Iran was further tightened. Following the approval of Council Regulation (EU) No. 267/2012 on March 23, 2012 concerning restrictive measures against Iran and repealing Regulation (EU) No. 961/2010, the Implementing Regulations (EU) No. 945/2012 dated October 15, 2012 and No. 1264/2012 dated December 21, 2012, which were based on Council Regulation (EU) No. 267/2012, specify numerous additional companies and institutions as designated parties (primarily from the oil and gas industries). In addition, Amending Regulation (EU) No. 1263/2012 dated December 21, 2012, enhanced in particular the restrictions related to goods and products and sets time-limits for the execution of transactions under pre-existing contracts. Furthermore, the signing into law of the American Iran Threat Reduction and Syria Human Rights Act of 2012 on August 10, 2012 tightened the restrictions on the ability of non-U.S. companies to do business or trade with Iran and Syria and imposed additional disclosure obligations. As described in our Annual Report of fiscal 2012, we have issued, and regularly update, restrictive internal guidelines governing business with customers in Iran. We may, however, still conduct certain business activities and provide products and services to customers in Iran under limited circumstances. Although we believe that our business activities have not had a material negative impact on our reputation or share value, we cannot exclude any such impact in the future. New or tightened export control regulations, sanctions, embargoes or other forms of trade restrictions imposed on Iran, Syria or on other sanctioned countries in which we do business may result in a curtailment of our existing business in such countries and in an adaptation of our policies. In addition, the termination of our activities in Iran, Syria or other sanctioned countries may expose us to customer claims and other actions.

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During the first nine months of fiscal 2013 we identified no further significant risks and opportunities besides those presented in our Annual Report for fiscal 2012 and in the sections of this Interim Report entitled Overview of financial results for the third quarter of fiscal 2013, Segment information analysis for the nine months ended June 30, 2013, and Legal proceedings. Additional risks not known to us or that we currently consider immaterial could also impair our business operations. We do not expect to incur any risks that alone or in combination would appear to jeopardize the continuity of our business.

We refer also to Notes and forward-looking statements at the end of this Interim group management report.

Legal proceedings

For information on legal proceedings, see Note 12 in Notes to Condensed Interim Consolidated Financial Statements.

Subsequent events

At the beginning of the fourth quarter, Siemens successfully completed its planned spin-off and listing of OSRAM. As a result, Siemens derecognized the net carrying amount of the disposal group OSRAM and the associated spin-off liability. Siemens will present its remaining 17.0% stake in OSRAM within Equity Investments and has contributed an additional 2.5% stake to the Siemens Pension Trust e.V. Siemens expects a modest positive result related to the OSRAM spin-off within discontinued operations in the fourth quarter.

Joe Kaeser was appointed as new CEO of Siemens AG, effective August 1, 2013. Peter Löscher resigned as CEO and Member of the Managing Board, effective at the close of July 31, 2013 by mutual consent. These changes were unanimously approved by the Supervisory Board of Siemens AG.

Outlook

For fiscal 2013, we expect clear order growth and a moderate decline in revenue compared to the prior year, both on an organic basis. Charges associated with the Siemens 2014 program in the Sectors are expected to total approximately 1.0 billion for the full fiscal year.

Given these developments and financial results for the first nine months, we expect income from continuing operations of 4.0 billion in fiscal 2013 including the solar business and NSN. This outlook excludes other significant portfolio effects and legal and regulatory matters in the fourth quarter.

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Notes and forward-looking statements

This document includes supplemental financial measures that are or may be non-GAAP financial measures. Orders and order backlog; adjusted or organic growth rates of revenue and orders; book-to-bill ratio; Total Sectors profit; return on equity (after tax), or ROE (after tax); return on capital employed (adjusted), or ROCE (adjusted); Free cash flow, or FCF; cash conversion rate, or CCR; adjusted EBITDA; adjusted EBIT; adjusted EBITDA margins, earnings effects from purchase price allocation, or PPA effects; net debt and adjusted industrial net debt are or may be such non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation as alternatives to measures of Siemens financial condition, results of operations or cash flows as presented in accordance with IFRS in its Consolidated Financial Statements. Other companies that report or describe similarly titled financial measures may calculate them differently. Definitions of these supplemental financial measures, a discussion of the most directly comparable IFRS financial measures, information regarding the usefulness of Siemens supplemental financial measures, the limitations associated with these measures and reconciliations to the most comparable IFRS financial measures are available on Siemens Investor Relations website at www.siemens.com/nonGAAP. For additional information, see supplemental financial measures and the related discussion in Siemens most recent annual report on Form 20-F, which can be found on our Investor Relations website or via the EDGAR system on the website of the United States Securities and Exchange Commission.

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 expects, looks forward to, anticipates, intends, plans, believes, seeks, estimates, will, project or words of similar meaning. We may also make forward-looking in other reports, in presentations, in material delivered to stockholders 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, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens control, affect Siemens operations, performance, business strategy and results and could cause the actual results, performance or achievements of Siemens to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends. These factors include in particular, but are not limited to, the matters described in Item 3: Key information Risk factors of our most recent annual report on Form 20-F filed with the SEC, in the chapter Risks of our most recent annual report prepared in accordance with the German Commercial Code, and in the chapter Report on risks and opportunities of our most recent interim report.

Further information about risks and uncertainties affecting Siemens is included throughout our most recent annual and interim reports, as well as our most recent earnings release, which are available on the Siemens website, www.siemens.com, and throughout our most recent annual report on Form 20-F and in our other filings with the SEC, which are available on the Siemens website, www.siemens.com, and on the SEC s website, www.sec.gov. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of Siemens may vary materially from those described in the relevant forward-looking statement as being expected, anticipated, intended, planned, believed, sought, estimated or projected. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

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.

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SIEMENS

CONSOLIDATED STATEMENTS OF INCOME (unaudited)

For the three and nine months ended June 30, 2013 and 2012

(in millions of , per share amounts in)

	Note	Three months ended June 30, 2013	Three months ended June 30, 2012[1]	Nine months ended June 30, 2013	Nine months ended June 30, 2012[1]
Revenue		19,248	19,542	55,404	56,741
Cost of goods sold and services rendered		(14,103)	(14,004)	(39,975)	(40,566)
Gross profit		5,145	5,539	15,430	16,174
Research and development expenses		(1,081)	(1,083)	(3,122)	(3,137)
Marketing, selling and general administrative expenses		(2,938)	(2,848)	(8,336)	(8,101)
Other operating income	**3**	78	98	277	322
Other operating expense	**4**	(57)	(41)	(250)	(171)
Income (loss) from investments accounted for using the equity method, net	**5**	188	(26)	352	(391)
Interest income	**6**	251	235	710	704
Interest expense	**6**	(203)	(190)	(578)	(576)
Other financial income (expense), net		(32)	68	(103)	87
Income from continuing operations before income taxes		**1,350**	**1,753**	**4,380**	**4,911**
Income taxes		(346)	(600)	(1,249)	(1,494)
Income from continuing operations		**1,004**	**1,152**	**3,131**	**3,417**
Income (loss) from discontinued operations, net of income taxes	**2**	94	(382)	210	(326)
Net income		**1,098**	**770**	**3,341**	**3,092**
Attributable to:					
Non-controlling interests		27	27	64	79
Shareholders of Siemens AG		1,071	743	3,277	3,013
Basic earnings per share	**14**				
Income from continuing operations		1.16	1.28	3.64	3.81
Income (loss) from discontinued operations		0.11	(0.43)	0.24	(0.38)
Net income		**1.27**	**0.85**	**3.88**	**3.43**
Diluted earnings per share	**14**				
Income from continuing operations		1.15	1.27	3.61	3.77
Income (loss) from discontinued operations		0.11	(0.43)	0.24	(0.37)
Net income		**1.26**	**0.84**	**3.84**	**3.40**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

For the three and nine months ended June 30, 2013 and 2012

(in millions of)

	Three months ended June 30, 2013	Three months ended June 30, 2012[(1)]	Nine months ended June 30, 2013	Nine months ended June 30, 2012[(1)]
Net income	1,098	770	3,341	3,092
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit plans	404	(1,124)	349	(1,193)
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	(585)	613	(619)	1,062
Available-for-sale financial assets	34	41	42	122
Derivative financial instruments	41	(146)	83	(76)
	(510)	508	(494)	1,108
Other comprehensive income, net of tax [(2)]	**(106)**	**(616)**	**(145)**	**(85)**
Total comprehensive income	**992**	**154**	**3,196**	**3,006**
Attributable to:				
Non-controlling interests	6	42	45	95
Shareholders of Siemens AG	985	112	3,152	2,911

(1) Adjusted for effects of adopting IAS 19R, see Note 1 Basis of presentation.

(2) Includes income (expense) resulting from investments accounted for using the equity method of (12) million and (22) million, respectively, for the three months ended June 30, 2013 and 2012, and (126) million and 2 million for the nine months ended June 30, 2013 and 2012, respectively. Thereof - million and (40) million, respectively, for the three months ended June 30, 2013 and 2012, and (117) million and (89) million for the nine months ended June 30, 2013 and 2012, respectively, are attributable to items that will not be reclassified to profit or loss.

The accompanying Notes are an integral part of these Interim Consolidated Financial Statements.

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SIEMENS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30, 2013 (unaudited) and September 30, 2012

(in millions of)

	Note	6/30/13	9/30/12[1]
ASSETS			
Current assets			
Cash and cash equivalents		6,071	10,891
Available-for-sale financial assets		506	524
Trade and other receivables		15,918	15,220
Other current financial assets		3,372	2,901
Inventories		16,807	15,679
Income tax receivables		698	836
Other current assets		1,353	1,277
Assets classified as held for disposal	2	6,763	4,799
Total current assets		**51,488**	**52,128**
Goodwill		18,225	17,069
Other intangible assets		5,399	4,595
Property, plant and equipment		10,180	10,763
Investments accounted for using the equity method		2,997	4,436
Other financial assets		14,213	14,666
Deferred tax assets.		3,055	3,748
Other assets.		958	846
Total assets		**106,514**	**108,251**
LIABILITIES AND EQUITY			
Current liabilities			
Short-term debt and current maturities of long-term debt	7	3,656	3,826
Trade payables		7,067	8,036
Other current financial liabilities		1,806	1,460
Current provisions		4,630	4,750
Income tax payables		1,751	2,204
Other current liabilities		21,689	20,302
Liabilities associated with assets classified as held for disposal	2	2,075	2,049
Total current liabilities		**42,674**	**42,627**
Long-term debt	7	19,140	16,880
Pension plans and similar commitments	8	9,325	9,801
Deferred tax liabilities		593	494
Provisions	9	3,715	3,908
Other financial liabilities		1,040	1,083
Other liabilities		2,118	2,034
Total liabilities		**78,605**	**76,827**

Equity	**10**		
Common stock, no par value [(2)]		2,643	2,643
Additional paid-in capital		5,463	6,173
Retained earnings		21,669	22,877
Other components of equity		583	1,058
Treasury shares, at cost [(3)]		(2,966)	(1,897)
Total equity attributable to shareholders of Siemens AG		**27,393**	**30,855**
Non-controlling interests		516	569
Total equity		**27,909**	**31,424**
Total liabilities and equity		**106,514**	**108,251**

(1) Adjusted for effects of adopting IAS 19R, see Note 1 Basis of presentation.

(2) Authorized: 1,084,600,000 and 1,084,600,000 shares, respectively. Issued: 881,000,000 and 881,000,000 shares, respectively.

(3) 38,250,330 and 24,725,674 shares, respectively.

The accompanying Notes are an integral part of these Interim Consolidated Financial Statements.

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SIEMENS

CONSOLIDATED STATEMENTS OF CASH FLOW (unaudited)

For the nine months ended June 30, 2013 and 2012

(in millions of)

	Nine months ended June 30,	
	2013	**2012**[(1)]
Cash flows from operating activities		
Net income	3,341	3,092
Adjustments to reconcile net income to cash provided by (used in) operating activities continuing operations		
(Income) loss from discontinued operations, net of income taxes	(210)	326
Amortization, depreciation and impairments	2,045	1,998
Income taxes	1,249	1,494
Interest (income) expense, net	(131)	(128)
(Gains) losses on sales and disposals of businesses, intangibles and property, plant and equipment, net	(40)	(41)
(Gains) losses on sales of investments, net [(2)]	(6)	(198)
(Gains) losses on sales and impairments of current available-for-sale financial assets, net	(2)	1
(Income) losses from investments [(2)]	(326)	486
Other non-cash (income) expenses	470	41
Change in assets and liabilities		
(Increase) decrease in inventories	(943)	(1,569)
(Increase) decrease in trade and other receivables	(879)	(601)
Increase (decrease) in trade payables	(976)	(306)
Change in other assets and liabilities	(337)	(2,167)
Additions to assets held for rental in operating leases	(295)	(264)
Income taxes paid	(1,782)	(1,133)
Dividends received	255	191
Interest received	624	644
Net cash provided by (used in) operating activities continuing operations	**2,055**	**1,866**
Net cash provided by (used in) operating activities discontinued operations	190	(9)
Net cash provided by (used in) operating activities continuing and discontinued operations	**2,246**	**1,857**
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment	(1,140)	(1,448)
Acquisitions, net of cash acquired	(2,727)	(1,272)
Purchases of investments [(2)]	(223)	(217)
Purchases of current available-for-sale financial assets	(43)	(135)
(Increase) decrease in receivables from financing activities	(1,126)	(943)
Proceeds and (payments) from sales of investments, intangibles and property, plant and equipment [(2)]	424	466
Proceeds and (payments) from disposals of businesses	(27)	79
Proceeds from sales of current available-for-sale financial assets	62	92
Net cash provided by (used in) investing activities continuing operations	**(4,800)**	**(3,379)**
Net cash provided by (used in) investing activities discontinued operations	(198)	(530)
Net cash provided by (used in) investing activities continuing and discontinued operations	**(4,998)**	**(3,909)**
Cash flows from financing activities		
Purchase of common stock	(1,394)	

Proceeds (payments) relating to other transactions with owners	(14)	121
Proceeds from issuance of long-term debt	3,772	2,473
Repayment of long-term debt (including current maturities of long-term debt)	(2,153)	(3,193)
Change in short-term debt and other financing activities	978	2,206
Interest paid	(328)	(407)
Dividends paid	(2,528)	(2,629)
Dividends paid to non-controlling interest holders	(134)	(127)
Financing discontinued operations [3]	11	(568)
Net cash provided by (used in) financing activities continuing operations	**(1,792)**	**(2,123)**
Net cash provided by (used in) financing activities discontinued operations	8	539
Net cash provided by (used in) financing activities continuing and discontinued operations	**(1,784)**	**(1,584)**
Effect of exchange rates on cash and cash equivalents	(44)	121
Net increase (decrease) in cash and cash equivalents	(4,580)	(3,516)
Cash and cash equivalents at beginning of period	10,950	12,512
Cash and cash equivalents at end of period	6,370	8,996
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	298	32
Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)	**6,071**	**8,963**

(1) Adjusted for effects of adopting IAS 19R, see Note 1 Basis of presentation.

(2) Investments include equity instruments either classified as non-current available-for-sale financial assets, accounted for using the equity method or classified as held for disposal. Purchases of investments includes certain loans to investments accounted for using the equity method.

(3) Discontinued operations are financed principally through Corporate Treasury. The item Financing discontinued operations includes these intercompany financing transactions.

The accompanying Notes are an integral part of these Interim Consolidated Financial Statements.

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SIEMENS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (unaudited)

For the nine months ended June 30, 2013 and 2012

(in millions of)

				Total comprehensive income							
				Other components of equity							
				Items that may be reclassified subsequently to profit or loss							
	Common stock	**Additional paid-in capital**	**Retained earnings**	**Currency translation differences**	**Available-for-sale financial assets**	**Derivative financial instruments**	**Total**	**Treasury shares at cost**	**Total equity attributable to shareholders of Siemens AG**	**Non-controlling interests**	**Total equity**
Balance as of October 1, 2011 (as previously reported)	2,743	6,011	25,881	2	36	(106)	25,813	(3,037)	31,530	626	32,156
Effect of retrospectively adopting IAS 19R			116				116		116		116
Balance as of October 1, 2011[1]	2,743	6,011	25,996	2	36	(106)	25,929	(3,037)	31,645	626	32,271
Net income[1]			3,013				3,013		3,013	79	3,092
Other comprehensive income, net of tax[1]			(1,193)[2]	1,045	122	(76)	(102)		(102)	16	(85)[3]
Dividends			(2,629)				(2,629)		(2,629)	(137)	(2,766)
Share-based payment		1	(128)				(128)		(127)		(127)
Re-issuance of treasury stock		(6)						377	372		372
Transactions with non-controlling interests			(469)				(469)		(469)	1	(468)
Other changes in equity		126	6				6		132	(5)	127
Balance as of June 30, 2012	**2,743**	**6,133**	**24,597**	**1,046**	**158**	**(181)**	**25,620**	**(2,660)**	**31,836**	**581**	**32,417**
Balance as of October 1, 2012 (as previously reported)	2,643	6,173	22,756	857	245	(44)	23,814	(1,897)	30,733	569	31,302
Effect of retrospectively adopting IAS 19R			122				122		122		122
Balance as of October 1, 2012[1]	2,643	6,173	22,877	857	245	(44)	23,936	(1,897)	30,855	569	31,424
Net income			3,277				3,277		3,277	64	3,341
			349[2]	(598)	42	82	(125)		(125)	(20)	(145)[3]

Other comprehensive income, net of tax											
Dividends			(2,528)				(2,528)		(2,528)	(111)	(2,640)
Share-based payment		2	(35)				(35)		(33)		(33)
Purchase of common stock								(1,349)	(1,349)		(1,349)
Re-issuance of treasury stock		3						280	284		284
Transactions with non-controlling interests			(24)				(24)		(24)	1	(22)
Spin-off related changes in equity		(163)	(2,240)				(2,240)		(2,403)		(2,403)
Other changes in equity		(553)	(7)				(7)		(560)	12	(548)
Balance as of June 30, 2013	**2,643**	**5,463**	**21,669**	**258**	**287**	**38**	**22,253**	**(2,966)**	**27,393**	**516**	**27,909**

(1) Adjusted for effects of adopting IAS 19R, see Note 1 Basis of presentation.

(2) Items of other comprehensive income that will not be reclassified to profit or loss consist of remeasurements of defined benefit plans of 349 million and (1,193) million, respectively in the nine months ended June 30, 2013 and 2012. Remeasurements of defined benefit plans are included in line item Retained earnings.

(3) In the nine months ended June 30, 2013 and 2012, Other comprehensive income, net of tax, includes non-controlling interests of - million and - million relating to remeasurements of defined benefit plans, (21) million and 17 million relating to currency translation differences, - million and - million relating to available-for-sale financial assets and 1 million and (1) million relating to derivative financial instruments.

The accompanying Notes are an integral part of these Interim Consolidated Financial Statements.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SIEMENS

SEGMENT INFORMATION (continuing operations unaudited)

As of and for the three months ended June 30, 2013 and 2012 and as of September 30, 2012

(in millions of)

	Orders(1)		External revenue		Intersegment revenue		Total revenue		Profit(2)		Assets(3)		Free cash flow(4)		Additions to intangible assets and property, plant and equipment		Amorti depreci impairm
	2013	*2012*	2013	2012	2013	2012	2013	2012	2013	2012	6/30/13	9/30/12	2013	2012	2013	2012	2013
	5,353	*5,246*	6,578	6,962	61	63	6,639	7,025	430	683	2,503	1,116	(54)	(259)	85	116	136
are	*3,274*	*3,316*	3,362	3,329	5	15	3,367	3,343	499	396	11,565	11,757	678	786	77	89	159
	5,135	*5,116*	4,569	4,691	422	411	4,990	5,102	347	523	7,670	7,014	614	660	95	109	167
cture &	*7,505*	*4,185*	4,285	4,061	172	210	4,456	4,271	(15)	215	6,669	4,012	(196)	(71)	51	68	81
ectors	***21,266***	***17,863***	**18,793**	**19,042**	**660**	**699**	**19,453**	**19,741**	**1,261**	**1,817**	**28,407**	**23,899**	**1,043**	**1,115**	**308**	**382**	**543**
ents									143	(74)	2,793	2,715	115	98			
l (SFS)	*286*	*274*	245	267	41	8	286	274	73	105	18,046	17,405	183	83	8	6	58
liation olidated l nts																	
y l s	*51*	*62*	60	67	2	3	62	70	12	(11)	(281)	(448)	(29)	23	3	1	1
Real SRE)	*631*	*615*	70	80	562	535	632	615	16	22	4,863	5,018	16	(33)	68	102	74
te items sions	*116*	*134*	80	86	37	46	116	132	(127)	(128)	(10,898)	(11,693)	73	22	16	24	18
ions, te and ng	*(1,209)*	*(1,178)*			(1,302)	(1,290)	(1,302)	(1,290)	(27)	22	63,585	71,354	(428)	(408)	(1)		(8)
	21,141	***17,770***	**19,248**	**19,542**			**19,248**	**19,542**	**1,350**	**1,753**	**106,514**	**108,251**	**973**	**899**	**401**	**514**	**685**

(1) This supplementary information on Orders is provided on a voluntary basis. It is not part of the Interim Consolidated Financial Statements subject to the review opinion.

(2) Profit of the Sectors as well as of Equity Investments and Centrally managed portfolio activities is earnings before financing interest, certain pension costs and income taxes. Certain other items not considered performance indicative by Management may be excluded.

Profit of SFS and SRE is Income before income taxes.

(3) Assets of the Sectors as well as of Equity Investments and Centrally managed portfolio activities is defined as Total assets less income tax assets, less non-interest bearing liabilities other than tax liabilities. Assets of SFS and SRE is Total assets.

(4) Free cash flow represents net cash provided by (used in) operating activities less additions to intangible assets and property, plant and equipment. Free cash flow of the Sectors, Equity Investments and Centrally managed portfolio activities primarily exclude income tax, financing interest and certain pension related payments and proceeds. Free cash flow of SFS, a financial services business, and of SRE includes related financing interest payments and proceeds; income tax payments and proceeds of SFS and SRE are excluded.

(5) Amortization, depreciation and impairments contains amortization and impairments, net of reversals of impairments, of intangible assets other than goodwill as well as depreciation and impairments of property, plant and equipment, net of reversals of impairments.

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SIEMENS

SEGMENT INFORMATION (continuing operations unaudited)

As of and for the nine months ended June 30, 2013 and 2012 and as of September 30, 2012

(in millions of)

	***Orders*(1)**		**External revenue**		**Intersegment revenue**		**Total revenue**		**Profit(2)**		**Assets(3)**		**Free cash flow(4)**		**Additions to intangible assets and property, plant and equipment**		**Amo depre impa**
	2013	***2012***	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**6/30/13**	**9/30/12**	**2013**	**2012**	**2013**	**2012**	**2013**
	21,188	*18,244*	19,013	19,917	189	171	19,201	20,089	1,392	1,737	2,503	1,116	81	(159)	229	338	41
	9,890	*9,846*	9,882	9,822	15	34	9,897	9,857	1,447	1,184	11,565	11,757	1,353	1,010	191	248	47
	14,268	*15,161*	13,060	13,677	1,183	1,197	14,243	14,874	1,196	1,740	7,670	7,014	1,264	1,178	239	269	50
e &	*17,078*	*12,760*	12,143	11,994	516	589	12,658	12,582	140	686	6,669	4,012	(594)	119	150	191	21
s	***62,424***	***56,010***	**54,097**	**55,411**	**1,902**	**1,991**	**56,000**	**57,402**	**4,175**	**5,347**	**28,407**	**23,899**	**2,104**	**2,149**	**808**	**1,046**	**1,60**
									286	(593)	2,793	2,715	115	100			
S)	*725*	*660*	658	620	68	40	725	660	303	379	18,046	17,405	579	399	54	23	17
n ed																	
	219	*213*	190	216	7	7	197	224	35	(5)	(281)	(448)	(52)	(31)	5	3	
l	*1,853*	*1,779*	214	244	1,641	1,548	1,854	1,792	59	27	4,863	5,018	(61)	(180)	223	297	21
ms	*375*	*392*	246	250	130	142	376	391	(446)	(282)	(10,898)	(11,693)	(438)	(739)	52	81	7
	(3,613)	*(3,596)*			(3,748)	(3,729)	(3,748)	(3,729)	(31)	39	63,585	71,354	(1,333)	(1,280)	(2)	(2)	(2
	61,984	***55,458***	**55,404**	**56,741**			**55,404**	**56,741**	**4,380**	**4,911**	**106,514**	**108,251**	**915**	**418**	**1,140**	**1,448**	**2,04**

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(5) Amortization, depreciation and impairments contains amortization and impairments, net of reversals of impairments, of intangible assets other than goodwill as well as depreciation and impairments of property, plant and equipment, net of reversals of impairments.

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1. Basis of presentation

The accompanying Condensed Interim Consolidated Financial Statements (Interim Consolidated Financial Statements) present the operations of Siemens AG and its subsidiaries (the Company or Siemens). The Interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU). The Interim Consolidated Financial Statements also comply with IFRS as issued by the IASB.

Siemens prepares and reports its Interim Consolidated Financial Statements in euros ( ). Due to rounding, numbers presented may not add up precisely to totals provided. Siemens is a German based multinational corporation with a business portfolio of activities predominantly in the fields of electronics and electrical engineering.

Interim Consolidated Financial Statements The accompanying Consolidated Statement of Financial Position as of June 30, 2013, the Consolidated Statements of Income for the three and nine months ended June 30, 2013 and 2012, the Consolidated Statements of Comprehensive Income for the three and nine months ended June 30, 2013 and 2012, the Consolidated Statements of Cash Flow for the nine months ended June 30, 2013 and 2012, the Consolidated Statements of Changes in Equity for the nine months ended June 30, 2013 and 2012 and the explanatory Notes to Consolidated Financial Statements are unaudited and have been prepared for interim financial information. These Interim Consolidated Financial Statements are condensed and prepared in compliance with International Accounting Standard (IAS) 34 Interim Financial Reporting, and shall be read in connection with Siemens Annual IFRS Consolidated Financial Statements as of September 30, 2012. The interim financial statements apply the same accounting principles and practices as those used in the 2012 annual financial statements. In the opinion of management, these unaudited Interim Consolidated Financial Statements include all adjustments of a normal and recurring nature necessary for a fair presentation of results for the interim periods. Results for the three and nine months ended June 30, 2013, are not necessarily indicative of future results. The Interim Consolidated Financial Statements were authorized for issue by the Managing Board on August 2, 2013.

Financial statement presentation Information disclosed in the Notes relates to Siemens unless stated otherwise.

Use of estimates The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent amounts at the date of the financial statements as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes In interim periods, tax expense is based on the current estimated annual effective tax rate of Siemens.

Reclassification The presentation of certain prior-year information has been reclassified to conform to the current year presentation. In fiscal 2013, in the Consolidated Statements of Cash Flow, the Company changed retrospectively the presentation of salary withholdings of share-based payment granted to employees to better reflect the nature of the transaction. In the nine months ended June 30, 2012, 118 million were retrospectively reclassified from cash flows from financing activities to cash flows from operating activities (continuing operations). Free cash flow at Sector level is not impacted by this change; Corporate items in the nine months ended June 30, 2012 is equally adjusted by 118 million to reconcile Free cash flow to the consolidated amounts.

Recently adopted accounting pronouncements

As of October 1, 2012, the Company early adopted IAS 19, Employee Benefits (revised 2011; IAS 19R), which was issued by the IASB in June 2011. The standard is effective for annual periods beginning on or after January 1, 2013; early application is permitted. The standard is applied retrospectively. The amendment was endorsed by the EU in June 2012.

The following amendments to IAS 19 have a significant impact on the Company s Consolidated Financial Statements: IAS 19R replaces interest cost and expected return on assets with a net interest amount that is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit

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liability (asset). Net interest on the net defined benefit liability (asset) comprises interest income on plan assets and interest cost on the defined benefit obligation. The difference between the interest income on plan assets and the return on plan assets is included in line item Remeasurements of defined benefit plans and recognized in the Consolidated Statement of Comprehensive Income. A lesser effect results from the recognition of unvested past service costs in income immediately when incurred instead of amortization over the vesting period as well as from recognizing other administration costs which are unrelated to the management of plan assets when the administration services are provided. The elimination of the corridor approach does not affect the Company.

The following tables present the impacts of the changes in accounting policy. Impacts to the opening balance as of October 1, 2011 as well as impacts to the prior period presented are:

	September 30, 2012			As of October 1, 2011		
	pre-adjustment	adjustment	post-adjustment	pre-adjustment	adjustment	post-adjustment
	(in millions of)					
Consolidated Statements of Financial Position						
Total assets	**108,282**	**(31)**	**108,251**	**104,243**	**(33)**	**104,210**
thereof Deferred tax assets	3,777	(29)	3,748	3,206	(31)	3,175
Total liabilities	**76,980**	**(153)**	**76,827**	**72,087**	**(149)**	**71,938**
thereof Pension plans and similar commitments	9,926	(125)	9,801	7,307	(120)	7,188
Total equity	**31,302**	**122**	**31,424**	**32,156**	**116**	**32,271**
thereof Retained earnings	22,756	122	22,877	25,881	116	25,996

	Three months ended June 30, 2012			Nine months ended June 30, 2012		
	pre-adjustment	adjustment	post-adjustment	pre-adjustment	adjustment	post-adjustment
	(in millions of ; per share amounts in)					
Consolidated Statement of Income						
Income from continuing operations before income taxes	**1,846**	**(93)**	**1,753**	**5,189**	**(278)**	**4,911**
thereof Interest income	560	(325)	235	1,670	(966)	704
thereof Interest expense	(433)	243	(190)	(1,298)	722	(576)
Income taxes	(617)	17	(600)	(1,552)	58	(1,494)
Income from continuing operations	**1,229**	**(76)**	**1,152**	**3,637**	**(220)**	**3,417**
Net income	**850**	**(80)**	**770**	**3,322**	**(231)**	**3,092**
Basic earnings per share						
Income from continuing operations	1.37	(0.09)	1.28	4.06	(0.25)	3.81
Net income	0.94	(0.09)	0.85	3.70	(0.26)	3.43
Diluted earnings per share						
Income from continuing operations	1.35	(0.09)	1.27	4.02	(0.25)	3.77
Net income	0.93	(0.09)	0.84	3.66	(0.26)	3.40

If the Company had not applied IAS 19R as of October 1, 2012, line items Interest income and Interest expense recognized in the Consolidated Statement of Income for the three months ended June 30, 2013 would have increased by 366 million and 202 million, respectively, and increased by 1,096 million and 603 million, respectively, in the nine months ended June 30, 2013 based on the expected return on plan assets as applied for the fiscal year ended September 30, 2012. Correspondingly, line item Remeasurements of defined benefit plans recognized in the Consolidated Statement of Comprehensive Income would have decreased by 133 million and 400 million net of tax in the three and nine months ended June 30, 2013.

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	Three months ended June 30, 2012			Nine months ended June 30, 2012		
	pre-adjustment	adjustment	post-adjustment	pre-adjustment	adjustment	post-adjustment
			(in millions of)			
Consolidated Statement of Comprehensive Income						
Net income	850	(80)	770	3,322	(231)	3,092
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	(1,200)	76	(1,124)	(1,413)	220	(1,193)
Other comprehensive income, net of tax	**(692)**	**76**	**(616)**	**(305)**	**220**	**(85)**
Total comprehensive income	**158**	**(4)**	**154**	**3,017**	**(11)**	**3,006**

2. Acquisitions, dispositions and discontinued operations

A) Acquisitions

At the beginning of May 2013, Siemens acquired all the shares of six entities constituting the rail automation business of Invensys plc., U.K. (Invensys), which are being integrated in the Infrastructure & Cities Sector s Mobility and Logistics Division. With the acquisition, Siemens intends to expand and complement the Infrastructure & Cities Sector s rail automation business. The preliminary purchase price amounts to 2,037 million (including 57 million cash acquired) of which 472 million were paid to the Invensys Pension Trust. The following figures resulting from the preliminary purchase price allocation reflect the amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed: Intangible assets 924 million, Inventories 237 million, Receivables 107 million, Deferred income tax assets 99 million, Liabilities 359 million and Deferred income tax liabilities 269 million. Intangible assets mainly relate to customer relationships of 526 million with a useful life of 15 to 20 years, technology of 222 million with a useful life of ten to 15 years and order back log of 116 million with a useful life of four to six years. Provisional goodwill of 1,148 million comprises intangible assets that are not separable such as employee know-how and expected synergy effects. Including effects from purchase accounting and integration costs, the acquired business contributed revenues of 125 million and a net income of 3 million to Siemens for the period from acquisition to June 30, 2013. If the acquired business had been included as of October 1, 2012, the impact on consolidated revenues and consolidated net income for the nine months ended June 30, 2013 would have been 705 million and 32 million, respectively.

At the beginning of January 2013, Siemens acquired all of the shares in LMS International NV, Belgium, a leading provider of mechatronic simulation solutions, which is being integrated in the Industry Sector s Industry Automation Division. With the acquisition, Siemens intends to expand and complement the Industry Sector s product lifecycle management portfolio with mechatronic simulation and testing software. The preliminary purchase price amounts to 702 million (including 32 million cash acquired). The following figures represent the preliminary purchase price allocation and show the amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed: Intangible assets 392 million, Property, plant and equipment 21 million, Inventories 23 million, Receivables 59 million, Liabilities 109 million and Deferred income tax liabilities 52 million. Intangible assets mainly relate to technology of 285 million with a useful life of seven to eight years and customer relationships of 102 million with a useful life of 16 to 20 years. Provisional goodwill of 320 million comprises intangible assets that are not separable such as employee know-how and expected synergy effects. Including effects from purchase accounting and integration costs, the acquired business contributed revenues of 59 million and a net loss of 41 million to Siemens for the period from acquisition to June 30, 2013. If the acquired business had been included as of October 1, 2012, the impact on consolidated revenues and consolidated net income for the nine months ended June 30, 2013 would have been 88 million and (60) million, respectively.

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B) DISPOSITIONS AND DISCONTINUED OPERATIONS

ba) Dispositions not qualifying for discontinued operations: held for disposal

The Consolidated Statements of Financial Position as of June 30, 2013 include assets held for disposal of 1,980 million and liabilities held for disposal of 127 million that do not qualify as discontinued operations, which mainly relate to NSN, see Note 5 Income (loss) from investments accounted for using the equity method, net.

bb) Discontinued operations

General

Net results of discontinued operations presented in the Consolidated Statements of Income in the three and nine months ended June 30, 2013 amount to 94 million (thereof (26) million income tax) and 210 million (thereof (82) million income tax) compared to the three and nine months ended June 30, 2012 of (382) million (thereof 36 million income tax) and (326) million (thereof 21 million income tax), respectively.

Net income from discontinued operations attributable to the shareholders of Siemens AG amounts to 92 million and (381) million in the three months ended June 30, 2013 and June 30, 2012, respectively. Net income from discontinued operations attributable to the shareholders of Siemens AG amounts to 203 million and (329) million in the nine months ended June 30, 2013 and June 30, 2012, respectively.

Solar business reclassification to continuing operations

In the fourth quarter of fiscal 2012, Siemens decided to sell its solar business consisting of the former Business Units Solar Thermal Energy and Photovoltaics and classified it as held for disposal and discontinued operations since the end of fiscal 2012. In the second quarter of fiscal 2013 the solar business no longer fulfilled the conditions to be classified as held for disposal and discontinued operations as a disposal within one year was no longer considered highly probable. Regarding Photovoltaics the disposal process was terminated in March 2013 and instead the phase out of existing orders with a subsequent closure of the activities is being pursued. Regarding Solar Thermal Energy the disposal within one year was no longer highly probable due to the worsened environment in the overall market for solar thermal energy as well as a decrease of output of a solar thermal power plant within the solar thermal energy activities of Siemens. Therefore the solar business is reported within continuing operations of the Energy Sector. In the third quarter of fiscal 2013 Siemens decided to terminate the sales process for Solar Thermal Energy as well and instead is pursuing the phase out of existing orders with a subsequent closure of the activities except for the solar thermal power plant, which will be continued.

Income from continuing operations before income taxes regarding the solar business presented in the Consolidated Statements of Income for the three and nine months ended June 30, 2013 amounted to (47) million and (225) million, compared to the three and nine months ended June 30, 2012 of (30) million and (76) million, respectively. The income from continuing operations before income taxes in the nine months ended June 30, 2013 included a positive one-time adjustment of 5 million resulting from the reclassification to continuing operations. This adjustment represents the difference between impairments previously recognized due to the classification as held for disposal and the depreciation and impairments which are recognized in held for use.

OSRAM discontinued operations, assets and liabilities held for disposal

In June 2012 Siemens decided to prepare, parallel and alternatively to the previous plan of an initial public offering, an offering of OSRAM in the form of a spin-off by issuing OSRAM shares to the shareholders of Siemens AG and a subsequent listing of these shares. In November 2012, Siemens called-off the initial public offering plan and made available a spin-off report to its shareholders in December 2012 in order to request their approval for the spin-off at the Annual Shareholders Meeting in January 2013. At the Annual Shareholders Meeting the shareholders of Siemens AG approved by a majority of more than 98% the spin-off of OSRAM. In February 2013, an action was brought against this resolution. Siemens considered the action to be without merit and rigorously drove the planned spin-off and public listing by initiating a so called judicial release procedure according to Section 246a German Stock Companies Act. Accordingly, in March 2013 Siemens filed a motion at the relevant court. In April 2013 the court decided in favor of Siemens, that Siemens can record the spin-off in

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the commercial registers despite the action. After this decision, the action was withdrawn so that the legal procedure is finalized. Siemens will retain a 17.0% stake in OSRAM after the spin-off and will additionally contribute a 2.5% stake to the Siemens Pension Trust e.V. In July 2013 Siemens completed the spin-off, listing of OSRAM and contribution of the 2.5% stake to the Siemens Pension Trust e.V., see Note 18 Subsequent Events.

Based on the shareholders approval Siemens recognized a spin-off liability in other current liabilities with a carrying amount of 2.2 billion and 2.6 billion as of June 30, 2013 and March 31, 2013, respectively. The spin-off liability reflects 80.5% of the fair value of OSRAM. As of June 30, 2013, Siemens - using the input of an external advisor - determined the fair value of the spin-off liability based on a discounted cash flow valuation and market multiples analyses referring to relevant comparable entities. At the end of each reporting period and at the date of the actual spin-off, Siemens measures the spin-off liability at fair value with any changes recognized in retained earnings.

The results of OSRAM are disclosed as discontinued operations in the Company s Consolidated Statements of Income for all periods presented:

	Three months ended June 30,		Nine months ended June 30,	
	2013	2012	2013	2012
	(in millions of)			
Revenue	1,278	1,298	3,957	4,029
Expenses	(1,195)	(1,681)	(3,634)	(4,171)
Costs to sell/spin-off costs	(7)	(6)	(44)	(24)
Pretax gain from discontinued operations	**77**	**(389)**	**279**	**(167)**
Income taxes on ordinary activities	(36)	87	(120)	(1)
Income taxes on costs to sell/spin-off costs		(51)	20	(50)
Gain from discontinued operations, net of income taxes	**42**	**(354)**	**178**	**(218)**

The assets and liabilities of OSRAM are presented as held for disposal in the Consolidated Statements of Financial Position as of June 30, 2013 and September 30, 2012. The carrying amounts of the major classes of assets and liabilities of OSRAM were as follows:

	June 30, 2013	September 30, 2012
	(in millions of)	
Trade and other receivables	844	827
Inventories	1,010	1,044
Goodwill	274	277
Other intangible assets	193	161
Property, plant and equipment	1,460	1,416
Deferred tax assets	349	376
Other financial assets	448	138
Other assets	203	212
Assets classified as held for disposal	**4,781**	**4,450**
Trade payables	611	609
Current provisions	107	92
Other current liabilities	432	379
Pension plans and similar commitments	414	488
Other liabilities	381	304

Liabilities associated with assets classified as held for disposal	**1,946**	**1,872**

The items above are presented after elimination of intragroup balances; as of June 30, 2013, OSRAM has payables due to Siemens at the amount of 130 million.

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Former segments Siemens IT Solutions and Services, SV and Com discontinued operations

Net results of discontinued operations of Siemens IT Solutions and Services, SV activities and the former operating segment Com presented in the Consolidated Statements of Income in the three and nine months ended June 30, 2013 amounted to 52 million (thereof 10 million income tax) and 41 million (thereof 19 million income tax), compared to the three and nine months ended June 30, 2012 of (22) million (thereof million income tax) and (100) million (thereof 71 million income tax), respectively. The net results in the three months ended June 30, 2013 mainly relate to change in estimates with regard to transaction-related provisions regarding Siemens IT Solutions and Services and EN.

3. Other operating income

	Three months ended June 30,		Nine months ended June 30,	
	2013	2012	2013	2012
	(in millions of)			
Gains on disposals of businesses	5		13	5
Gains on sales of property, plant and equipment and intangibles	11	17	56	52
Other	62	82	208	265
Other operating income	**78**	**98**	**277**	**322**

4. Other operating expense

	Three months ended June 30,		Nine months ended June 30,	
	2013	2012	2013	2012
	(in millions of)			
Losses on disposals of businesses and on sales of property, plant and equipment and intangibles	(12)	(9)	(30)	(16)
Other	(45)	(33)	(220)	(156)
Other operating expense	**(57)**	**(41)**	**(250)**	**(171)**

5. Income (loss) from investments accounted for using the equity method, net

	Three months ended June 30,		Nine months ended June 30,	
	2013	2012	2013	2012
	(in millions of)			
Share of profit (loss), net	(104)	(35)	159	(468)
Gains (losses) on sales, net		9	1	100
Impairment	(9)		(109)	(24)
Reversals of impairment	301		301	
Income (loss) from investments accounted for using the equity method, net	**188**	**(26)**	**352**	**(391)**

In the three and nine months ended June 30, 2013 and 2012, item Share of profit (loss), net included (89) million and (93) million as well as (15) million and (17) million, respectively relating to EN. Due to Siemens commitment made to EN, which will form part of Siemens net investment in EN, Siemens recognized the previously unrecognized share of losses as well as the current share of losses.

In the three and nine months ended June 30, 2013, item Reversals of impairment included 301 million relating to NSN held by segment Equity Investments. On July 1, 2013, Siemens and Nokia have signed an

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agreement under which Nokia will acquire the shares held in NSN by Siemens for an agreed purchase price of 1,700 million. The cash consideration amounts to 1,200 million, the remaining 500 million will be granted as an interest bearing loan to Nokia, maturing one year after closing. Due to the expected closing in the fourth quarter of fiscal 2013, the investment in NSN was classified as held for disposal as of June 30, 2013. The impairment recognized on the investment in fiscal 2009 was partly reversed since its recoverable amount, represented by its fair value less cost to sell, derived from the agreed purchase price, exceeds the carrying amount of NSN after applying the equity method. The share of losses recognized for the investment in NSN in the three and nine months ended June 30, 2013 amounted to (65) million and (76) million, compared to the three and nine months ended June 30, 2012 of (128) million and (768) million, respectively.

In the nine months ended June 30, 2013, item Impairment included (97) million related to Siemens solar business, see Note 2 Acquisitions, dispositions and discontinued operations.

6. Interest income, interest expense and other financial income (expense), net

	Three months ended June 30,		Nine months ended June 30,	
	2013	2012	2013	2012
	(in millions of)			
Interest income	**251**	**235**	**710**	**704**
Pension related net interest expense	(72)	(78)	(222)	(232)
Interest expense, other than pension	(132)	(112)	(356)	(344)
Interest expense	**(203)**	**(190)**	**(578)**	**(576)**
Income (expense) from available-for-sale financial assets, net	(65)	13	(76)	96
Miscellaneous financial income (expense), net	33	56	(26)	(9)
Other financial income (expense), net	**(32)**	**68**	**(103)**	**87**

Total amounts of item Interest income and (expense), other than pension, were as follows:

	Three months ended June 30,		Nine months ended June 30,	
	2013	2012	2013	2012
	(in millions of)			
Interest income, other than pension	253	231	707	692
Interest (expense), other than pension	(132)	(112)	(356)	(344)
Interest income (expense), net, other than pension	**122**	**120**	**351**	**349**
Thereof: Interest income (expense) of operations, net	*(4)*	*8*	*(1)*	*2*
Thereof: Other interest income (expense), net	*125*	*112*	*352*	*347*

Item Interest income (expense) of operations, net includes interest income and expense primarily related to receivables from customers and payables to suppliers, interest on advances from customers and advanced financing of customer contracts. Item Other interest income (expense), net includes all other interest amounts primarily consisting of interest relating to corporate debt and related hedging activities, as well as interest income on corporate assets.

Item Income (expense) from available-for-sale financial assets, net includes 81 million and 100 million impairment on investments in the three and nine months ended June 30, 2013.

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7. Debt

	June 30, 2013	September 30, 2012
	(in millions of)	
Short-term		
Notes and bonds	1,040	2,018
Loans from banks	1,156	1,505
Other financial indebtedness	1,441	270
Obligations under finance leases	19	33
Short-term debt and current maturities of long-term debt	**3,656**	**3,826**
Long-term		
Notes and bonds (maturing until 2066)	17,655	16,194
Loans from banks (maturing until 2023)	1,266	449
Other financial indebtedness (maturing until 2027)	107	110
Obligations under finance leases	112	128
Long-term debt	**19,140**	**16,880**
	22,796	**20,707**

In the nine months ended June 30, 2013, Siemens issued 2.25 billion instruments in two tranches comprising 1.25 billion, 1.75% fixed-rate instruments due March 12, 2021 and 1.0 billion, 2.875% fixed-rate instruments due March 10, 2028. Additionally, Siemens issued US$500 million (382 million as of June 30, 2013), 1.5% fixed-rate instruments due March 12, 2018.

In the nine months ended June 30, 2013, Siemens also issued US$100 million (76 million as of June 30, 2013) in 3.5% fixed-rate, privately placed instruments maturing on March 20, 2028.

In the nine months ended June 30, 2013, the Company signed two bilateral US$500 million term loan facilities (in aggregate 765 million as of June 30, 2013). The facilities have a term of five years with two one-year extension options, were fully drawn in March 2013 and bear interest of 0.79% above three months London Interbank Offered Rate.

In the nine months ended June 30, 2013, the Company redeemed at face value 2.0 billion in 4.125% instruments on February 20, 2013. In the three months ended June 30, 2013, the Company redeemed at face value 114 million in 5.283% assignable loan.

In the nine months ended June 30, 2013, the 4.0 billion syndicated multi-currency revolving credit facility with an original term of five years has been extended by one year until April 5, 2018 with a remaining one-year extension option.

In the three month ended June 30, 2013, Siemens issued US$ 400 million (306 million as of June 30, 2013) instruments, privately placed, maturing on June 5, 2020.

As of June 30, 2013, commercial papers in several currencies with a corresponding amount of 1.37 billion were outstanding; as of September 30, 2012, none were outstanding.

After completion of the spin-off of OSRAM, warrants issued together with US$3 billion bonds in fiscal 2012 will entitle the holders to obtain OSRAM shares in addition to Siemens shares. As a consequence, the warrants no longer qualify as equity instruments since the approval of the spin-off by the Annual Shareholders Meeting in January 2013. Accordingly, the warrants fair value of 163 million was reclassified from Additional paid-in capital to non-current other financial liabilities.

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8. Pension plans and similar commitments

PENSION BENEFITS

Significant components of defined benefit cost recognized in the Consolidated Statements of Income:

	Three months ended June 30, 2013			**Three months ended June 30, 2012**		
	Total	**Domestic**	**Foreign**	**Total**	**Domestic**	**Foreign**
			(in millions of	**)**		
Current service cost	123	89	34	107	75	32
Net interest cost	69	47	22	70	41	29
Net interest income	(1)	(1)	(1)	(4)		(4)
Defined benefit cost (income)	**191**	**134**	**56**	**173**	**116**	**57**
Germany	*134*	*134*		*116*	*116*	
U.S.	*12*		*12*	*13*		*13*
U.K.	*4*		*4*	*(2)*		*(2)*
Other	*40*		*40*	*45*		*45*

	Nine months ended June 30, 2013			**Nine months ended June 30, 2012**		
	Total	**Domestic**	**Foreign**	**Total**	**Domestic**	**Foreign**
			(in millions of	**)**		
Current service cost	372	265	107	315	225	90
Net interest cost	205	139	67			