

# SIEMENS

**SIEMENS FINANCIERINGSMAATSCHAPPIJ N.V.,**  
*(A public company incorporated with limited liability in the Netherlands)*

*as Issuer*

**SIEMENS AKTIENGESellschaft**  
*(A stock corporation incorporated with limited liability in the  
Federal Republic of Germany)*

*as Guarantor*

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*Joint Lead Managers/Joint Bookrunners*

**DEUTSCHE BANK**

**UBS INVESTMENT BANK**

*Joint Lead Managers*

**MORGAN STANLEY**

**THE ROYAL BANK OF SCOTLAND**

*Senior Co-Lead Managers*

**ABN AMRO**

**Credit Suisse**

**Merrill Lynch International**

*Co-Lead Managers*

**BBVA**

**CALYON Corporate and Investment Bank**

**Fortis**

**ING Wholesale Banking**

**Landesbank Baden-Württemberg**

**Santander**

*September 8, 2006*



**Siemens Financieringsmaatschappij N.V.**  
(*A public company incorporated with limited liability in The Netherlands*)

**€900,000,000 Subordinated Fixed to Floating Rate Bonds**  
**Issue price: 99.832%**

**£750,000,000 Subordinated Fixed to Floating Rate Bonds**  
**Issue price: 99.056%**  
*guaranteed, on a subordinated basis, by*

**Siemens Aktiengesellschaft**  
(*A stock corporation incorporated in the Federal Republic of Germany*)

Siemens Financieringsmaatschappij N.V. (the **Issuer**) will issue €900,000,000 principal amount of Subordinated Fixed to Floating Rate Bonds (the **EUR-Bonds**) and £750,000,000 principal amount of Subordinated Fixed to Floating Rate Bonds (the **GBP-Bonds** and together with the EUR-Bonds, the **Bonds**) on September 14, 2006 at an issue price of 99.832% of their principal amount in respect of the EUR-Bonds and 99.056% of their principal amount in respect of the GBP-Bonds. The Bonds are guaranteed, on a subordinated basis, by Siemens Aktiengesellschaft (the **Guarantor**).

The Bonds will bear interest from (and including) September 14, 2006 to (but excluding) September 14, 2016 at a rate of 5.25% per annum in respect of the EUR-Bonds and 6.125% per annum in respect of the GBP-Bonds, payable annually in arrears on September 14 in each year, commencing on September 14, 2007. Thereafter, unless previously redeemed, the EUR-Bonds will bear interest at the Euro Interbank offered rate for three-month Euro deposits plus 1.25% plus a step-up of 1.00%, and the GBP-Bonds will bear interest at the London Interbank offered rate for three-month Sterling deposits plus 1.25% plus a step-up of 1.00%, in each case payable quarterly in arrears on December 14, March 14, June 14 and September 14 in each year.

The Issuer is entitled to defer payments of interest on an Optional Interest Payment Date (as defined in § 5(3)(a) of the Conditions of Issue). The Issuer may pay such voluntarily deferred interest (in whole or in part) at any time upon due notice (as set out in § 5(4)(a) of the Conditions of Issue) and it shall pay such voluntarily deferred interest (in whole, but not in part) (as set out in § 5(4)(b) of the Conditions of Issue) (i) if it decides to pay interest on an Optional Interest Payment Date thereafter, or (ii) under certain other circumstances, but no later than the fifth anniversary from the date on which such interest was voluntarily deferred. In the case of a Mandatory Deferral Event (as defined in § 5(5) of the Conditions of Issue), the Issuer shall not pay interest on the Bonds. The Issuer is entitled to pay voluntarily such unpaid interest at any time and must do so on the earliest of (i) one year following a resolution on, payment or making of a dividend, other distribution or payment on any class of shares of the Guarantor, (ii) the fifth anniversary on which such unpaid interest was deferred and (iii) the calendar day which is the due date for redemption of the Bonds. Such payments of mandatory deferred interest may only be settled through the Alternative Coupon Satisfaction Mechanism (ACSM) and may be cancelled under certain conditions as set out in § 5(6), (7) and (8) of the Conditions of Issue.

The Bonds will be redeemed on September 14, 2066.

The Bonds are redeemable in whole but not in part at the option of the Issuer at their principal amount together with any interest accrued thereon and upon payment of any outstanding Arrears of Interest (as defined in § 5(3)(b) of the Conditions of Issue), on September 14, 2016 and on any Floating Interest Payment Date (as defined in § 1 of the Conditions of Issue) thereafter. The Issuer may also redeem the Bonds in whole but not in part at any time before September 14, 2016 following a Tax Event, a Gross-up Event, a Capital Event or a Conversion Event (each as defined in § 6(2) of the Conditions of Issue) at their Early Redemption Amount (as defined in § 6(3) of the Conditions of Issue).

The obligations of the Issuer in respect of the Bonds and the obligations of the Guarantor under its subordinated guarantee (the **Subordinated Guarantee**) are subordinated to all other creditors in insolvency, liquidation or similar proceedings (see § 4 of the Conditions of Issue).

This Prospectus has been approved by the Commission de Surveillance du Secteur Financier (**CSSF**), has been filed with said authority and will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). It will also be available free of charge upon request at the specified office of the Luxembourg Paying Agent.

Application has been made to list the Bonds on the official list of the Luxembourg Stock Exchange and to trade on the Regulated Market of the Luxembourg Stock Exchange. The Bonds will be issued in bearer form in denominations of €1,000 or £1,000, as applicable.

The Issuer has requested CSSF to provide the competent authorities in Austria, Germany, Ireland, The Netherlands and the United Kingdom with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the *Loi relative aux prospectus pour valeurs mobilières* which implements Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 (the **Prospectus Directive**) into Luxembourg law (**Notification**).

**Joint Lead Managers/Joint Bookrunners**

**Deutsche Bank**  
(Joint Structuring Advisor)

**UBS Investment Bank**  
(Joint Structuring Advisor)

**Joint Lead-Managers**

**Morgan Stanley**

**The Royal Bank of Scotland**

**Senior Co-Lead Managers**

**ABN AMRO**

**Credit Suisse**

**Merrill Lynch International**

**Co-Lead Managers**

**BBVA**

**CALYON Corporate and Investment Bank**

**Fortis**

**ING Wholesale Banking**

**Landesbank Baden-Württemberg**

**Santander**

The date of this prospectus (the **Prospectus**) is September 8, 2006. This Prospectus constitutes a "prospectus" pursuant to, and is in compliance with the requirements of, the Prospectus Directive.

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## IMPORTANT NOTICE AND OTHER INFORMATION

### Responsibility of the Issuer and of the Guarantor

Siemens Financieringsmaatschappij N.V. (the **Issuer**) (in relation to itself and the Bonds only) and Siemens Aktiengesellschaft (the **Guarantor**) (in relation to itself and the Subordinated Guarantee only) accepts responsibility for the information contained in this Prospectus. The Issuer and the Guarantor declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

### Prospectus

This Prospectus should be read and construed together with any supplement(s) thereto and with any other documents incorporated by reference.

### Exclusiveness

No person has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the issue of the Bonds or any information supplied by the Issuer or the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Managers (as defined herein) or any of them.

### No Responsibility of the Managers

No representation or warranty is made or implied by the Managers or any of their respective affiliates, and neither the Managers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in this Prospectus.

### Significance of Delivery

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Bonds shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date thereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial situation of the Issuer or the Guarantor since the date thereof or, as the case may be, the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the issue of the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

### Binding Language

The legally binding language of this Prospectus is the English language; except for the conditions of Issue of the Bonds, the Subordinated Guarantee and the Subordinated Undertaking where the legally binding language is the German language.

### Restriction on Distribution, Offer and Sale

The distribution of this Prospectus and the offering, sale and delivery of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of the Bonds and on the distribution of this Prospectus and other offering material relating to the Bonds, see “Subscription and Sale”.

Neither the Bonds nor the Subordinated Guarantee nor the Subordinated Undertaking have been, or will be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**), and the Bonds may include Bonds in bearer form that are subject to U.S. tax law requirements. Accordingly, the Bonds are being

offered and sold only outside the United States of America (as such term is defined in Regulation S under the Securities Act (**Regulation S**)) to non-U.S. persons in reliance on Regulation S. For further details, see “Subscription and Sale”.

The Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission in the United States of America nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or the adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States of America.

**This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.**

### **Exclusion**

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase the Bonds and should not be considered as a recommendation by the Issuer, the Guarantor, the Managers or any of them that any recipient of this Prospectus should subscribe for or purchase the Bonds. Each recipient of this Prospectus shall be obligated to make its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantor.

### **Interest of Natural or Legal Persons involved in the Issue and Offer**

Certain of the Managers or their employees/directors/officers and their affiliates may be customers of the Issuer and/or the Guarantor and/or their affiliates. In addition, certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and/or the Guarantor and/or their affiliates in the ordinary course of business.

### **Stabilisation**

In connection with the issue of the Bonds, Deutsche Bank AG London Branch (the **Stabilisation Manager**) (or persons acting on behalf of any Stabilisation Manager) may over allot Bonds or effect transactions with a view to supporting the price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin at any time after the adequate public disclosure of the Prospectus of the offer and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any such over-allotment or stabilisation shall be conducted in accordance with all applicable laws and rules.

## Documents Incorporated by Reference

The following documents shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (1) the Annual Reports of Siemens Financieringsmaatschappij N.V. for 2005 and 2004;
- (2) the unaudited Consolidated Interim Report of Siemens Financieringsmaatschappij N.V. for the first six months of fiscal 2006 (March 31, 2006);
- (3) the audited Consolidated Financial Statements of Siemens Aktiengesellschaft in accordance with § 292a of the German Commercial Code (HGB) as of September 30, 2004 and September 30, 2005, including Management's Discussion & Analysis (MD&A) and Notes to Consolidated Financial Statements, as well as the respective Independent Auditors' Reports to both Consolidated Financial Statements;
- (4) the unaudited Consolidated Interim Report of Siemens Aktiengesellschaft for the third quarter and the first nine months of fiscal 2006 (June 30, 2006), including Management's Discussion and Analysis and Notes to the unaudited Consolidated Financial Statements.

### **Siemens Financieringsmaatschappij N.V.**

*Audited Consolidated Financial Statements as of September 30, 2004 as set out in the Annual Report 2004*

*Annual Report 2004 page reference*

— Consolidated Balance Sheet	p. 6
— Consolidated Statement of Income	p. 7
— Notes to the Consolidated Financial Statements	p. 8 to 12
— Independent Auditors' Report	p. 19

*Audited Consolidated Financial Statements as of September 30, 2005 as set out in the Annual Report 2005*

*Annual Report 2005 page reference*

— Consolidated Balance Sheet before Appropriation of Profit	p. 5
— Consolidated Statement of Income	p. 6
— Consolidated Statements of Cash Flows	p. 7
— Notes to the Consolidated Financial Statements	p. 8 to 13
— Independent Auditors' Report	p. 20

*Unaudited Consolidated Interim Report for the first six months of fiscal 2006 (March 31, 2006) as set out in the Semi-annual Report (March 31, 2006)*

*Semi-annual Report page reference*

— Consolidated Balance Sheet	p. 4
— Consolidated Statement of Income	p. 5
— Notes to the Consolidated Interim Financial Statements	p. 7-12

### **Siemens Aktiengesellschaft**

*Management's Discussion & Analysis, audited Consolidated Financial Statements as of September 30, 2004 including Notes to Consolidated Financial Statements, as well as the Independent Auditors' Report as set out in the audited Consolidated Financial Statements in accordance with § 292a of the German Commercial Code (HGB) as of September 30, 2004\**

*September 30, 2004 audited Consolidated Financial Statements page reference*

\* The English translation of this document (original in German) was prepared by Siemens Aktiengesellschaft, which takes full responsibility for the correctness thereof.

— Independent Auditors' Report	p. 3
— Management's Discussion & Analysis	p. 4 to 43
— Consolidated Financial Statements	
— Consolidated Statements of Income	p. 44 to 45
— Consolidated Balance Sheets	p. 46 to 47
— Consolidated Statements of Cash Flow	p. 48 to 49
— Consolidated Statements of Changes in Shareholders' Equity	p. 50 to 51
— Notes to Consolidated Financial Statements	p. 52 to 125
<i>Management's Discussion &amp; Analysis, audited Consolidated Financial Statements as of September 30, 2005 including Notes to Consolidated Financial Statements, as well as the Independent Auditors' Report as set out in the audited Consolidated Financial Statements in accordance with § 292a of the German Commercial Code (HGB) as of September 30, 2005*</i>	<i>September 30, 2005 audited Consolidated Financial Statements page reference</i>
— Independent Auditors' Report	p. 3
— Management's Discussion & Analysis	p. 4 to 47
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— Consolidated Statements of Changes in Shareholders' Equity	p. 54 to 55
— Notes to Consolidated Financial Statements	p. 56 to 129
<i>Information concerning the principal future investments, on which the management bodies have already made firm commitments</i>	<i>p. 27</i>
<i>Information regarding the anticipated sources of funds needed to fulfil commitments referred to above</i>	<i>p. 26 to 27</i>
<i>Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects for at least the current financial year</i>	<i>p. 4 to 47</i>

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\* The English translation of this document (original in German) was prepared by Siemens Aktiengesellschaft, which takes full responsibility for the correctness thereof.



*Management's Discussion & Analysis, unaudited Consolidated Interim Financial Statements for the third quarter and first nine months of fiscal 2006 (June 30, 2006), including Notes to the unaudited Consolidated Financial Statements as set out in the Interim Report for the third quarter and first nine months of fiscal 2006 (June 30, 2006)*

— Management's Discussion & Analysis	p. 4 to p. 29
— Consolidated Financial Statements	
— Consolidated Statements of Income	p. 30 to p. 33
— Consolidated Balance Sheets	p. 34 to p. 35
— Consolidated Statements of Cash Flow	p. 36 to p. 37
— Consolidated Statements of Changes in Shareholders' Equity	p. 38 to p. 39
— Notes to Consolidated Financial Statements	p. 40 to p. 60

*June 30, 2006 unaudited Interim Report page reference*

Information contained in the documents incorporated by reference other than information listed in the table above is for convenience only.

### **Documents Available for Inspection**

For so long as the Bonds shall be outstanding, copies of the following documents may be inspected (and in the case of (b), (c), (d) and (e) will be available free of charge) during normal business hours at the specified office of the Luxembourg Paying Agent, namely:

- (a) the constitutional documents of the Issuer and the Guarantor;
- (b) the Prospectus and any document incorporated by reference therein;
- (c) the Subordinated Guarantee;
- (d) the Subordinated Undertaking; and
- (e) the terms and conditions of the 2003/2010 convertible bond issued by Siemens Finance B.V. and convertible into shares of the Guarantor (ISIN XS0169534582).

The Issuer will, at the specified offices of the Luxembourg Paying Agent, provide, free of charge, upon the oral or written request therefore, a copy of this Prospectus (or any document incorporated by reference in this Prospectus). Written or oral requests for such documents should be directed to the specified office of the Paying Agent or the specified office of the Luxembourg Listing Agent (please refer to Part I for the specified office address of the Paying Agent and the Listing Agent).

The Prospectus and the documents incorporated by reference will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## PART A: SUMMARY OF CONDITIONS OF ISSUE, RISK FACTORS AND DESCRIPTION OF ISSUER AND GUARANTOR

*This summary must be read as an introduction to this Prospectus. Any decision to invest in the Bonds should, however, be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference. Where a claim relating to the information contained in this Prospectus is brought before a competent court, the plaintiff may, under the national legislation of the country where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated. No civil liability attaches to the Issuer, the Guarantor or the Managers solely on the basis of this summary, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.*

### 1. Summary of the Conditions of Issue

<b>Issuer</b>	Siemens Financieringsmaatschappij N.V.
<b>Guarantor</b>	Siemens Aktiengesellschaft
<b>Principal Amount</b>	€1,000 per EUR-Bond and £1,000 per GBP-Bond, subject to an increase in case of a Payment In Kind (as defined below) pursuant to § 5(6) of the Conditions of Issue
<b>Aggregate Principal Amount</b>	€900,000,000 in respect of the EUR-Bonds and £750,000,000 in respect of the GBP-Bonds.
<b>Issue Price</b>	99.832% of the Principal Amount in respect of the EUR-Bonds and 99.056% of the Principal Amount in respect of the GBP-Bonds
<b>Issue Date</b>	September 14, 2006
<b>Form of Bonds</b>	The Bonds are in bearer form and will initially be represented by two or more temporary global bonds without interest coupons which will be deposited with Deutsche Bank Aktiengesellschaft, Grosse Gallusstraße 10-14, 60272 Frankfurt am Main, Germany, as common depositary for the Clearing System (as set out below). Each temporary global bond will be exchangeable for a permanent global bond without interest coupons not earlier than 40 and not later than 180 calendar days after the issue of the respective temporary global bond upon certification as to non-U.S. beneficial ownership. Payments on a temporary global bond will only be made against presentation of such certifications. No definitive bonds or interest coupons will be issued.
<b>Status of the Bonds</b>	The obligations of the Issuer under the Bonds rank <i>pari passu</i> among themselves and, in the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer, rank junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise required by mandatory provisions of law.
<b>Status of the Subordinated Guarantee and the Subordinated Undertaking</b>	The obligations of the Guarantor under the Subordinated Guarantee (as defined in § 3(1) of the Conditions of Issue) and the Subordinated Undertaking (as defined in § 3(2) of the Conditions of Issue) constitute direct, unsecured and subordinated obligations of the Guarantor. In the event of the liquidation, dissolution or insolvency of the Guarantor or composition or other proceedings for the avoidance of insolvency of the Guarantor the Guarantor's obligations under the Subordinated Guarantee and the Subordinated Undertaking rank junior to all other present and future obligations of the

Guarantor, whether subordinated or unsubordinated, except as otherwise required by mandatory provisions of law.

#### **Prohibition of Set-Off**

No Bondholder may set-off any claims arising under the Bonds or the Subordinated Guarantee or the Subordinated Undertaking against any claims that the Issuer or the Guarantor may have against it. The Issuer may not set-off any claims it may have against the Bondholders against any of its obligations under the Bonds. The Guarantor may not set-off any claims it may have against the Bondholders against any of its obligations under the Subordinated Guarantee or the Subordinated Undertaking.

#### **Interest/Step-Up after year 10**

From (and including) September 14, 2006 until (but excluding) September 14, 2016, the EUR-Bonds will bear interest at a rate of 5.25% *per annum* and the GBP-Bonds will bear interest at a rate of 6.125% *per annum*, in each case payable annually in arrears on September 14 of each year. Thereafter, the EUR-Bonds will bear interest at the rate of 1.25% *per annum* over the Euro Interbank offered rate for three-month deposits in Euro (**EURIBOR**) (plus a step-up of 1.00% *per annum* after year 10) and the GBP-Bonds will bear interest at the rate of 1.25% *per annum* over the London Interbank offered rate for three-month deposits in Pounds Sterling (**LIBOR**), (plus a step-up of 1.00% *per annum* after year 10) as applicable, payable quarterly in arrears on December 14, March 14, June 14 and September 14 of each year, up to the final maturity.

#### **Optional Interest Deferral**

The Issuer may elect that payments of interest which would otherwise be due and payable shall not be due and payable if since the Guarantor's last annual general meeting (*Jahreshauptversammlung*):

- (i) no dividend, other distribution or payment was validly resolved on, paid or made in respect of any class of the Guarantor's shares; and
- (ii) no dividend, interest, other distribution or payment has been validly resolved on, paid or made in respect of any Junior Securities (as defined below) or Parity Securities (as defined below); and
- (iii) neither the Guarantor nor a Group Entity (as defined below) has repurchased or otherwise acquired any Parity Security, Junior Security or any shares of any class of shares of the Guarantor for any consideration except by conversion into or exchange for shares.

Payments of interest which the Issuer has elected to not be due and payable will constitute **Arrears of Interest**. Arrears of Interest will not bear interest themselves.

**Junior Securities** means (i) any security issued by the Issuer which ranks junior to the Bonds and (ii) any security issued by the Guarantor which ranks junior to the Guarantor's obligations under the Subordinated Guarantee and (iii) any security guaranteed by the Guarantor where the Guarantor's obligations under the relevant guarantee are subordinated to the Guarantor's obligations under the Subordinated Guarantee (however, in each case, exclusive of securities issued to Group Entities).

**Parity Securities** means (i) any security issued by the Issuer which ranks *pari passu* with the Bonds, (ii) any security issued by the Guarantor which ranks *pari passu* with the Guarantor's obligations under the Subordinated Guarantee, and (iii) any security guaranteed by the Guarantor where the Guarantor's obligations under the relevant guarantee rank *pari passu* with the Guarantor's obligations under the Subordinated Guarantee (however, in each case, exclusive of securities issued to Group Entities).

**Group Entity** means any of the Guarantor's affiliated enterprises (*verbundene Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).

#### **Payment of Arrears of Interest**

The Issuer shall pay Arrears of Interest (in whole but not in part) on the earlier of:

- (i) the calendar day on which a dividend, other distribution or payment is validly resolved on, paid or made in respect of any class of the Guarantor's shares;
- (ii) the calendar day on which a dividend, interest, other distribution or payment is validly resolved on, paid or made in respect of any Junior Securities;
- (iii) the calendar day the Guarantor or any Group Entity repurchases or otherwise acquires any Parity Security, Junior Security or any shares of any class of shares of the Guarantor for any consideration except by conversion into or exchange for shares;
- (iv) the calendar day which is the due date for redemption of the Bonds;
- (v) the calendar day on which an order is made for the winding-up, dissolution or liquidation of the Issuer or the Guarantor (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer or the Guarantor (as applicable)); or
- (vi) the calendar day which is the fifth anniversary of the interest payment date on which the relevant interest amount could have fallen due for the first time.

The Issuer may pay Arrears of Interest at any time at its own discretion in whole or in part.

If the Guarantor or a Group Entity makes any payment of interest on any Parity Security, the Issuer shall, on the next interest payment date make a corresponding payment on Arrears of Interest (in full or, in case of a partial payment on Parity Securities, *pro rata*).

#### **Mandatory Interest Deferral**

If on the 12th Business Day prior to any Interest Payment Date (as defined in § 1 of the Conditions of Issue) a Mandatory Deferral Event (as defined below) exists, such interest payment must be deferred. Interest payments deferred in such manner shall constitute **Outstanding Payments**.

A **Mandatory Deferral Event** shall exist if the following fraction, determined annually on the basis of the most recently published

annual consolidated financial statements of the Guarantor, is less than 3.00:

$$(CF+I)/I$$

where:

CF = “Net Income” plus “Minority Interest” plus “Amortization, Depreciation and Impairments”

in each case as such positions are shown in the consolidated cash flow statement contained in the most recently published annual consolidated financial statements of the Guarantor; and

I = “Interest and Similar Expense”

as such position is shown in the notes to the most recently published annual consolidated financial statements of the Guarantor;

and the time of publication shall be the point in time when the annual consolidated financial statements of the Guarantor are publicly available for the first time.

#### **Payment of Outstanding Payments**

The Issuer may only settle Outstanding Payments by means of ACSM (as defined below). It may do so (in whole or in part) at any time on the giving of not less than eight and not more than fifteen Business Days’ notice to holders of the Bonds (**Bondholders**) and it must do so (in each case subject to postponement upon occurrence of a Market Disruption Event (as defined in § 5(6)(c) of the Conditions of Issue)) at the earliest of (i) one year following valid resolution on, payment or making of a dividend, other distribution or payment (including payments for the purposes of a redemption or repurchase of shares) on any class of shares of the Guarantor, (ii) the fifth anniversary on which the relevant Interest Amount (as defined in § 1 of the Conditions of Issue) would have fallen due but for the Mandatory Deferral Event (as defined in § 5(5) of the Conditions of Issue) and (iii) the calendar day which is the due date for redemption of the Bonds.

#### **Alternative Coupon Settlement Mechanism (ACSM)**

**ACSM** means the settlement of Outstanding Payments with Eligible Funds or Payment In Kind.

**Eligible Funds** means cash proceeds made available to the Issuer by the Guarantor which the Guarantor, in accordance with § 5(6) of the Conditions of Issue, has generated by either (i) issuing new shares of the Guarantor and/or selling treasury shares of the Guarantor and/or (ii) issuance of Eligible Securities.

**Eligible Securities** means Parity Securities and/or Junior Securities which (a) are issued by the Guarantor or by the Issuer or any other wholly-owned direct or indirect Finance Subsidiary (as defined in § 1 of the Conditions of Issue) of the Guarantor, in each case with the benefit of a guarantee from the Guarantor, (b) have a maturity of at least 75 years or no maturity, (c) are not redeemable (other than for certain taxation reasons and loss of initial rating agency equity credit) before five years after their issue date (if such Eligible

Securities do not provide for a step-up in the rate of interest applicable to them), or before ten years after their issue date if such Eligible Securities provide for a step-up in the rate of interest applicable to them, (d) provide for a mandatory cancellation of cash interest payments if certain events or circumstances occur; and (e) contain a replacement provision identical to such provision under the Bonds if such Eligible Securities provide for an increase in the rate of interest applicable to them.

To the extent the Guarantor, employing reasonable efforts, cannot raise the necessary funds by issuing/selling shares or Eligible Securities, the Issuer shall, in lieu of a payment in cash, make a payment in kind by increasing the principal amount of each Bond by an aggregate amount corresponding to the relevant Outstanding Payments (**PIK** or **Payment In Kind**). The aggregate amount (in each case as calculated per Bond) (i) from funds generated by issuing of Eligible Securities and (ii) through PIK may not exceed 25% (and PIK may not exceed 20%) of the Initial Principal Amount (as defined in § 1 of the Conditions of Issue) per Bond.

#### **Subordinated Undertaking and Payment In Kind**

In case Outstanding Payments become due and payable and the Issuer becomes obliged to settle Outstanding Payments by means of ACSM, the Guarantor has unconditionally and irrevocably undertaken in the Subordinated Undertaking to generate Eligible Funds in accordance with the requirements of § 5(6) of the Conditions of Issue and to make the cash proceeds available to the Issuer. Under the Subordinated Undertaking, the Guarantor shall use, in the light of market conditions then prevailing, its reasonable efforts to cause the issuance of new shares of the Guarantor and/or sale of treasury shares of the Guarantor and/or the issuance of Eligible Securities.

The Issuer shall only make use of Payment In Kind if the Guarantor does not make Eligible Funds available which are sufficient for the payment of Outstanding Payments (subject to the limitation of maximum Payment In Kind described at the end of the preceding paragraph).

#### **Further Limitations on ACSM**

According to the provisions of the Subordinated Undertaking, the Guarantor is only obliged to generate Eligible Funds through the issuance of new shares and/or sale of treasury shares and provide these to the Issuer if and to the extent that it

- (i) holds shares itself (save for treasury shares which have been acquired against cash within a period of six months before the relevant payment date); or
- (ii) can for the purpose of implementing ACSM issue new shares, provided that the number of shares issued is, for each period of continuing deferral of Outstanding Payments, not in excess of 2% of the Guarantor's aggregate amount of the relevant outstanding shares; and
- (iii) has appropriate corporate authorizations; and

(iv) is not subject to any restriction (whether by applicable law, articles of association, contractual obligations or provisions or internal rulings) as applicable in each case.

The Guarantor is under no obligation to buy back its own shares to generate Eligible Funds.

Eligible Securities for the financing of settlement of Outstanding Payments may only be issued (i) if the Guarantor or the respective issuing entity of such Eligible Securities is not subject to any restriction (whether by applicable law, the relevant articles of association, contractual obligations or provisions or internal ruling) and (ii) to the extent the sum of all increases of the Principal Amount per Bond and payments out of Eligible Funds raised through the issuance of Eligible Securities (in each case as calculated per Bond) does not exceed 25% of the Initial Principal Amount per Bond (i.e. €250 per EUR-Bond and £250 per GBP-Bond).

**Bondholders are notified that the Guarantor may be prevented by compulsory provisions of German stock corporation law or otherwise from issuing new shares and/or selling treasury shares of the Guarantor and/or issuing Eligible Securities.**

#### **Cancellation of Outstanding Payments**

To the extent the settlement of Outstanding Payments by means of ACSM proves to be impossible, unreasonable or inadmissible for the Issuer or the Guarantor or would otherwise not be in accordance with the provisions of § 5(6) of the Conditions of Issue, the Issuer's obligation to settle the relevant Outstanding Payments shall be cancelled. In such case, the Guarantor's corresponding obligations under the Subordinated Guarantee and the Subordinated Undertaking are also cancelled in accordance with their respective terms.

#### **Partial Settlement**

If, on the due date of Outstanding Payments, the Issuer has not received sufficient Eligible Funds from the Guarantor to settle all Outstanding Payments, the Issuer shall pay the Eligible Funds to Bondholders on a *pro rata* basis. In such case the remaining part of the relevant Outstanding Payment shall be cancelled to the extent it cannot be settled by Payment In Kind in accordance with the Conditions of Issue.

#### **Reduction and Ranking of Claim for Outstanding Payments in case of Insolvency; Cancellation of Remainder**

In the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer, each Bondholder has a direct claim against the Issuer to receive a pro rata payment on account of Outstanding Payments (to the extent not previously cancelled) per Bond up to an amount corresponding to 25% of its Bonds' Initial Principal Amount less the sum of all (i) payments made up to such point out of Eligible Funds raised through the issuance of Eligible Securities and (ii) increases of the Bonds' Initial Principal Amount made up to such point pursuant to § 5(6)(a) of the Conditions of Issue (in each case as calculated per Bond) (i.e., in the maximum amount of € 250 or £ 250, as applicable). Such claim shall constitute an unsecured and subordinated obligation of the Issuer ranking *pari passu* with the



Bonds. The remaining claim for settlement of Outstanding Payments shall be cancelled.

#### **Taxation and Gross-up**

All payments in respect of the Bonds and the Subordinated Guarantee shall be made free and clear of, and without deduction or withholding on account of taxes at source. Otherwise, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts necessary for the Bondholders to receive net amounts which are equal to the amounts which would have been received by them without such deduction or withholding, subject to customary exceptions as set out more fully in the Conditions of Issue, the Subordinated Guarantee and the Subordinated Undertaking.

#### **Maturity**

If not redeemed or purchased and cancelled earlier, the Bonds will be redeemed on September 14, 2066.

#### **Optional Redemption**

Subject to the replacement provision below, the Issuer may call and redeem the Bonds (in whole but not in part) on September 14, 2016 or on any Floating Interest Payment Day (as defined in § 1 of the Conditions of Issue) thereafter at their principal amount plus accrued interest and upon payment of all outstanding Arrears of Interest to the date of redemption.

#### **Special Event Redemption**

In case of a grossing-up obligation for Dutch or German withholding taxes, the Issuer may redeem the Bonds prior to September 14, 2016 at par plus accrued interest and all outstanding Arrears of Interest.

Upon (i) loss of deductibility for German or Dutch corporate income tax purposes of payments by the Issuer or Guarantor under the Bonds or the Subordinated Guarantee or (ii) adverse change to the initial rating agency equity credit for the Bonds, the Issuer may redeem the Bonds prior to September 14, 2016 at the higher of (i) their principal amount or (ii) the Make-Whole Amount (as defined in § 6(3) of the Conditions of Issue), which will be equal to the sum of the present values (calculated on the basis of the Euro benchmark security yield plus 0.75% for the EUR-Bonds and calculated on the basis of the Sterling benchmark security yield plus 0.75% for the GBP-Bonds) on the redemption date of the Principal Amount and the remaining scheduled interest payments to but excluding September 14, 2016 plus, in either case, any interest accrued until the date of redemption and all outstanding Arrears of Interest.

If the Issuer exercises its right to terminate the Bonds within six months following conversion of more than 60% of the 2003/2010 convertible bond issued by Siemens Finance B.V. and convertible into shares of the Guarantor (ISIN XS0169534582)<sup>1</sup> (**Conversion Event**) the Issuer may redeem the Bonds at an amount calculated as the greater of the Principal Amount of the Bonds and the Special Make-Whole Amount (as defined in § 6(3) of the Conditions of Issue) (calculated on the basis of the annual Euro swap rate plus 0.50% for the EUR-Bonds and the annual GBP swap rate plus

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<sup>1</sup> The terms and conditions of the convertible bond will be available at the specified office of the Luxembourg Paying Agent as further set out in the section “Important Notice and Other Information — Documents Available for Inspection”.



0.50% for the GBP-Bonds) plus any interest accrued until the date of redemption and all outstanding Arrears of Interest.

In each case, other than the redemption following a Conversion Event, the redemption is subject to the replacement provision below.

#### **Replacement Provision**

It is the intention of the Guarantor that the Bonds will constitute permanent funding of the Guarantor's group. In case of redemption of the Bonds (other than the redemption following a Conversion Event), the Guarantor intends to make available to the Issuer for the purposes of redemption of the Bonds proceeds raised through the issuance of new shares and/or the sale of treasury shares of the Guarantor (save for treasury shares which have been acquired against cash within a period of six months before the relevant payment date) and/or through the issuance of Replacement Securities within a period of 6 months prior to the redemption date of the Bonds.

**Replacement Securities** are securities issued (i) by the Guarantor or (ii) by the Issuer or any other wholly-owned direct or indirect Finance Subsidiary (as defined in § 6(5) of the Conditions of Issue) of the Guarantor, in each case with the benefit of a guarantee from the Guarantor, and must (a) have a maturity of at least 60 years, (b) rank *pari passu* with or junior to the Bonds or the obligations pursuant to the guarantee rank *pari passu* with or junior to the obligations pursuant to the Subordinated Guarantee, (c) have equal or greater rating agency equity credit than the Bonds, (d) not be redeemable prior to the expiration of five years (if the Replacement Securities do not contain a step-up of the interest rate) or expiration of ten years of their issue date (if the Replacement Securities contain a step-up), other than for tax and rating agency equity credit reasons pursuant to the conditions in § 6(2) of the Conditions of Issue, and (e) permit the Issuer in their terms to defer interest payments in the same or a similar manner as under the Bonds.

#### **Repurchase and Squeeze-Out**

The Issuer, the Guarantor or any Group Entity may at any time, in compliance with applicable laws, purchase Bonds in the open market or otherwise and at any price. Such acquired Bonds may be cancelled, held or resold. In the event that Bonds equal to or more than 75% of the original aggregate principal amount have been so repurchased, the Issuer may call and redeem the remaining Bonds (in whole but not in part) at the higher of (i) their Principal Amount or (ii) the Make-Whole Amount plus, in either case, interest accrued until (but excluding) the date of redemption and all outstanding Arrears of Interest.

#### **Rating of Bonds**

The Bonds are expected to be rated A2 (neg) by Moody's Investors Service Limited and A- (cw neg) by Standard & Poor's upon issuance.

#### **Negative Pledge**

Neither the Issuer nor the Guarantor may incur or issue (or, in the case of the Guarantor, guarantee) any additional subordinated indebtedness which by its terms or by mandatory provisions of law would rank junior to the Bonds or the obligations under the Subordinated Guarantee and the Subordinated Undertaking, respectively, in the event of their respective liquidation, dissolution or insolvency or composition or other proceedings for the avoidance

of their respective insolvency, save for the issuance of Eligible Securities pursuant to § 5(6) of the Conditions of Issue. Neither the Conditions of Issue nor the Subordinated Guarantee nor the Subordinated Undertaking provide for any further limitations on the Issuer and the Guarantor, respectively, to incur additional indebtedness or to grant collateral to creditors.

**Events of Default**

Bondholders, by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer or to the Principal Paying Agent, can only declare the Bonds due and payable if (i) the Issuer or the Guarantor enters into a liquidation and winding up or dissolution (other than for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer or the Guarantor, as the case may be) or (ii) insolvency proceedings are commenced against the Issuer or the Guarantor.

**Cross Default**

The Conditions of Issue do not contain a cross-default clause.

**Principal Paying Agent**

Deutsche Bank Aktiengesellschaft

**Luxembourg Paying Agent**

Deutsche Bank Luxembourg S.A.

**Luxembourg Listing Agent**

Dexia Banque Internationale à Luxembourg

**Listing**

Application has been made to list the Bonds on the official list of the Luxembourg Stock Exchange and trade on the Regulated Market of the Luxembourg Stock Exchange

**Clearing and Settlement**

Clearstream Banking S.A., Luxembourg; Luxembourg and Euroclear Bank S.A./N.V. as operator of the Euroclear System.

**Governing Law**

German

**Security Codes**

	EUR-Bonds	GBP-Bonds
ISIN:	XS0266838746	XS0266840486
Common		
Code:	026683874	026684048
WKN:	A0GXZH	A0GXZJ

## **2. Summary of the Description of Risk Factors**

### **2.1 Risk Factors relating to the Bonds**

An investment in the Bonds involves certain risks associated with the characteristics of the Bonds and which could lead to substantial losses for Bondholders when selling their Bonds or with regard to receiving interest payments under the Bonds. These risks include the following:

- Payments of interest under the Bonds may under certain circumstances be deferred at the election of the Issuer.
- No interest will be paid on the Bonds if a Mandatory Deferral Event (as such term is defined in § 5(5) of the Conditions of Issue) prevails on a due date for interest and the claim to receive such interest may be cancelled.
- Claims under the Bonds, under the Subordinated Guarantee and under the Subordinated Undertaking are subordinated.
- The Bonds are long term securities and Bondholders may only declare the Bonds due and payable in very limited circumstances.
- There is no limitation on the Issuer and the Guarantor incurring additional indebtedness ranking senior or *pari passu* with the Bonds and/or the Subordinated Guarantee.
- The Issuer is a funding vehicle for the Siemens group and has no operative cash flows.
- The Bonds are subject to certain redemption risks.
- An active trading market for the Bonds may not develop.
- Investors are exposed to risks associated with fixed rate bonds.
- Investors are exposed to risks associated with floating rate bonds.

### **2.2. Risk Factors relating to Siemens Financieringsmaatschappij N.V. and Siemens Aktiengesellschaft**

An investment in the Bonds involves certain risks relating to the Issuer and/or the Guarantor of the Bonds. While all of these risk factors involve contingencies which may or may not occur, potential investors should be aware that the risks involved with investing in the Bonds may, among other things, (i) affect the ability of the Issuer and the Guarantor to fulfil its respective obligations under the Bonds and/or (ii) lead to a volatility and/or decrease in the market value of the Bonds whereby the market value falls short of the expectations (financial or otherwise) of an investor upon making an investment in such Bonds.

Prospective investors should consider, among other things, the factors described in Part B (“Risk Factors”) below which identify certain risks inherent in investing in the Bonds and in regards to the Issuer and the Guarantor.

However, each prospective investor of the Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its (or if it is acquiring the Bonds in a fiduciary capacity, the beneficiary’s) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Bonds as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Bonds in a fiduciary capacity, for the beneficiary), notwithstanding all of the risks inherent in investing in or holding the Bonds.

## **3. Summary of the Description of Siemens Financieringsmaatschappij N.V.**

Siemens Financieringsmaatschappij N.V. (SFM), a directly wholly-owned subsidiary of Siemens Aktiengesellschaft was incorporated on September 14, 1977 as a public company with limited liability (*naamloze*

*vennootschap*) under the laws of The Netherlands and acts under its legal and commercial name Siemens Financieringsmaatschappij N.V.

SFM acts as a finance company for corporate activities. SFM's objectives, as contained in its Articles of Association, are participating in, financing and managing Siemens companies, enterprises and other business undertakings, withdrawing and lending money and, in general conducting financial transactions, giving securities and doing all such further acts as are incidental or may be conducive thereto in the broadest sense.

#### **4. Summary of the Description of Siemens Aktiengesellschaft**

Siemens Aktiengesellschaft traces its origins to 1847. Beginning with advances in telegraph technology, the Company quickly expanded its product line and geographic scope, and was already a multi-national business by the end of the 19th century. The Company formed a partnership under the name Siemens & Halske in 1847, reorganised as a limited partnership in 1889 and as a stock corporation in 1897. The Company moved its headquarters from Berlin to Munich in 1949, and assumed its current name as Siemens Aktiengesellschaft, a stock corporation under the Federal laws of Germany, in 1966. The address of our principal executive offices is Wittelsbacherplatz 2, D-80333 Munich, Germany, telephone number +49 (89) 636 00.

During fiscal 2005, Siemens employed an average of 439,400 people and operates in approximately 190 countries worldwide. In fiscal 2005, Siemens had net sales of € 75.445 billion. Its balanced business portfolio is based on leadership in electronics and electrical engineering. Siemens has combined this expertise with a commitment to original research and development (R&D) to build strong global market positions in equipment for telecommunications and networking, industrial automation, power generation and medical diagnostics. Siemens is also a major world competitor in rail transportation systems, automotive electronics and lighting. Its businesses operate under a range of regional and economic conditions. In internationally-oriented long-cycle industries, for example, customers have multi-year planning and implementation horizons that tend to be independent of short-term economic trends. Siemens' activities in these areas include power generation, power transmission and distribution, medical solutions and rail systems. In fields with more industry-specific cycles, customers tend to have shorter horizons for their spending decisions and greater sensitivity to current economic conditions. Siemens' activities in these areas include information and communications, automation and drives, and lighting. Some activities, especially information and communications, medical solutions and automotive, are also influenced by technological change and the rate of acceptance of new technologies by end users.

## TRANSLATION OF PART A: GERMAN LANGUAGE VERSION

### TEIL A: ZUSAMMENFASSUNG DER ANLEIHEBEDINGUNGEN, DER RISIKOFAKTOREN UND DER BESCHREIBUNG DER EMITTENTIN UND DER GARANTIN

*Diese Zusammenfassung ist als Einleitung zu diesem Prospekt zu verstehen. Jede Entscheidung über eine Investition in die Schuldverschreibungen sollte stets auf Grundlage des gesamten Prospektes, einschließlich der Dokumente, die durch Bezugnahme einbezogen sind, erfolgen. Für den Fall, dass vor einem zuständigen Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, hat der Kläger nach den nationalen Gesetzen des Staates, in dem die Ansprüche vorgebracht werden, möglicherweise die Kosten für die Übersetzung des Prospektes zu tragen, bevor der Prozess eingeleitet werden kann. Die Emittentin und die Garantin übernehmen eine zivilrechtliche Haftung für diese Zusammenfassung nur, soweit sie, wenn sie im Zusammenhang mit den anderen Teilen dieses Prospektes gelesen wird, irreführend, unrichtig oder widersprüchlich ist.*

#### 1. Zusammenfassung der Anleihebedingungen

<b>Emittentin</b>	Siemens Financieringsmaatschappij N.V.
<b>Garantin</b>	Siemens Aktiengesellschaft
<b>Nennbetrag</b>	€1.000 je EUR-Schuldverschreibung bzw. £1.000 je GBP-Schuldverschreibung, vorbehaltlich einer Erhöhung im Fall einer Sachleistung (wie nachstehend definiert) gemäß § 5(6) der Anleihebedingungen
<b>Gesamt-nennbetrag</b>	€900.000.000 in Bezug auf die EUR-Schuldverschreibungen und £750.000.000 in Bezug auf die GBP-Schuldverschreibungen
<b>Ausgabepreis</b>	99,832% des Nennbetrages in Bezug auf die EUR-Schuldverschreibungen und 99,056% des Nennbetrages in Bezug auf die GBP-Schuldverschreibungen
<b>Ausgabetermin</b>	14. September 2006
<b>Form der Schuldverschreibungen</b>	Die Schuldverschreibungen sind Inhaberpapiere und werden anfänglich durch zwei oder mehrere vorläufige Globalurkunden ohne Zinsscheine verbrieft, die bei Deutsche Bank Aktiengesellschaft, Grosse Gallusstraße 10-14, 60272 Frankfurt am Main, Deutschland, als gemeinsame Verwahrstelle für das Clearingsystem (wie nachstehend beschrieben) verwahrt werden. Jede vorläufige Globalurkunde wird nicht weniger als 40 und nicht mehr als 180 Kalendertage nach der Ausgabe der jeweiligen vorläufigen Globalurkunde und nach Vorlage von Bescheinigungen über das Nichtbestehen von US-amerikanischem wirtschaftlichen Eigentum gegen eine Dauerglobalurkunde ohne Zinsscheine ausgetauscht. Zahlungen auf eine vorläufige Globalurkunde werden erst nach Vorlage solcher Bescheinigungen geleistet. Einzelurkunden und Zinsscheine werden nicht ausgegeben.
<b>Status der Schuldverschreibungen</b>	Die Schuldverschreibungen begründen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die untereinander im Rang gleich stehen und im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht

**Status der Nachrangigen Garantie  
und der Nachrangigen  
Verpflichtungserklärung**

nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben.

Die Verpflichtungen der Garantin aus der Nachrangigen Garantie (wie in § 3(1) der Anleihebedingungen definiert) und der Nachrangigen Verpflichtungserklärung (wie in § 3(2) der Anleihebedingungen definiert) begründen direkte, nicht besicherte nachrangige Verbindlichkeiten der Garantin. Im Fall der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Garantin dienenden Verfahrens gehen die Verpflichtungen der Garantin aus der Nachrangigen Garantie und der Nachrangigen Verpflichtungserklärung allen anderen bestehenden und zukünftigen Verbindlichkeiten der Garantin, ob nachrangig oder nicht nachrangig, im Rang nach, soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben.

**Aufrechnungsverbot**

Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen bzw. aus der Nachrangigen Garantie oder der Nachrangigen Verpflichtungserklärung gegen mögliche Forderungen der Emittentin bzw. der Garantin aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen. Die Garantin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus der Nachrangigen Garantie bzw. der Nachrangigen Verpflichtungserklärung aufzurechnen.

**Zinsen/Step-Up nach 10 Jahren**

Vom 14. September 2006 (einschließlich) bis zum 14. September 2016 (ausschließlich) werden die EUR-Schuldverschreibungen zu einem Satz von 5,25% *per annum* und die GBP-Schuldverschreibungen zu einem Satz von 6,125% *per annum* verzinst. Diese Zinsen sind jährlich nachträglich am 14. September eines jeden Jahres fällig. Danach werden die EUR-Schuldverschreibungen zum Satz von 1,25% *per annum* über der Euro Interbank Offered Rate für Dreimonats-Einlagen in Euro (**EURIBOR**) (zuzüglich eines Aufschlags in Höhe von 1,00% *per annum* nach 10 Jahren) und die GBP-Schuldverschreibungen zum Satz von 1,25% *per annum* über der London Interbank Offered Rate für Dreimonats-Einlagen in Pfund Sterling (**LIBOR**) (zuzüglich eines Aufschlags in Höhe von 1,00% *per annum* nach 10 Jahren) verzinst. Diese Zinsen sind vierteljährlich nachträglich am 14. Dezember, 14. März, 14. Juni und 14. September eines jeden Jahres bis Endfälligkeit fällig.

**Wahlweiser Zinsaufschub**

Die Emittentin kann sich dafür entscheiden, die Fälligkeit von Zinszahlungen, die ansonsten fällig wären, aufzuschieben, sofern seit der letzten Jahreshauptversammlung der Garantin:

- (i) auf keine Aktiengattung der Garantin eine Dividende, andere Ausschüttung oder Zahlung wirksam beschlossen, gezahlt oder vorgenommen wurde; und
- (ii) auf kein Nachrangiges Wertpapier (wie nachstehend definiert) oder Gleichrangiges Wertpapier (wie nachstehend definiert) eine Dividende, Zinsen, andere Ausschüttungen oder Zahlungen wirksam beschlossen, gezahlt oder vorgenommen wurden; und

(iii) weder die Garantin noch eine Konzerngesellschaft (wie nachstehend definiert) Gleichrangige Wertpapiere, Nachrangige Wertpapiere oder Aktien einer Aktiengattung der Garantin gegen Gewährung einer Gegenleistung (mit Ausnahme einer in der Wandlung oder im Umtausch in Aktien bestehenden Gegenleistung) zurückgekauft oder sonst wie erworben haben.

In dieser Weise nicht fällig gewordene Zinsen stellen **Zinsrückstände** dar. Zinsrückstände werden nicht verzinst.

**Nachrangiges Wertpapier** bezeichnet (i) jedes von der Emittentin begebene Wertpapier, das im Verhältnis zu den Schuldverschreibungen nachrangig ist und (ii) jedes von der Garantin begebene Wertpapier, das im Verhältnis zu den Verpflichtungen der Garantin aus der Nachrangigen Garantie nachrangig ist und (iii) jedes von der Garantin garantierte Wertpapier, bei dem die Verpflichtungen der Garantin aus der maßgeblichen Garantie im Verhältnis zu den Verpflichtungen der Garantin aus der Nachrangigen Garantie nachrangig sind (allerdings jeweils mit der Ausnahme von an Konzerngesellschaften begebenen Wertpapieren).

**Gleichrangiges Wertpapier** bezeichnet (i) jedes von der Emittentin begebene Wertpapier, das gleichrangig im Verhältnis zu den Schuldverschreibungen ist, (ii) jedes von der Garantin begebene Wertpapier, das gleichrangig im Verhältnis zu den Verpflichtungen der Garantin aus der Nachrangigen Garantie ist, und (iii) jedes von der Garantin garantierte Wertpapier, bei dem die Verpflichtungen der Garantin aus der maßgeblichen Garantie gleichrangig im Verhältnis zu den Verpflichtungen der Garantin aus der Nachrangigen Garantie sind (allerdings jeweils mit der Ausnahme von an Konzerngesellschaften begebenen Wertpapieren).

**Konzerngesellschaft** bezeichnet jedes verbundene Unternehmen der Garantin i.S.d. § 15 Aktiengesetz.

## **Nachzahlung von Zinsrückständen**

**Zinsrückstände** sind durch die Emittentin (vollständig, jedoch nicht teilweise) an dem zuerst eintretenden der folgenden Kalendertage zu zahlen:

- (i) an dem Kalendertag, an dem auf eine Aktiengattung der Garantin eine Dividende, andere Ausschüttung oder Zahlung wirksam beschlossen, gezahlt oder vorgenommen wird;
- (ii) an dem Kalendertag, an dem auf ein Nachrangiges Wertpapier Dividenden, Zinsen, andere Ausschüttungen oder Zahlungen wirksam beschlossen, gezahlt oder vorgenommen werden;
- (iii) an dem Kalendertag, an dem die Garantin oder eine Konzerngesellschaft Gleichrangige Wertpapiere, Nachrangige Wertpapiere oder Aktien einer Aktiengattung der Garantin gegen Gewährung einer Gegenleistung (mit Ausnahme einer in der Wandlung oder im Umtausch in Aktien bestehenden Gegenleistung) zurückkauft oder sonst wie erwirbt;
- (iv) an dem Kalendertag, an dem die Schuldverschreibungen zur Rückzahlung fällig sind;



(v) an dem Kalendertag, an dem eine Verfügung zur Auflösung, Abwicklung oder Liquidation der Emittentin oder der Garantin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. der die Emittentin bzw. die Garantin noch zahlungsfähig ist und bei dem bzw. der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin bzw. der Garantin übernimmt); sowie

(vi) an dem Kalendertag, der fünf Jahre nach dem Zinszahlungstag liegt, an dem der betreffende Zinsbetrag erstmals hätte fällig werden können.

Die Emittentin kann Zinsrückstände ansonsten jederzeit nach freiem Ermessen vollständig oder teilweise zahlen.

Wenn die Garantin oder eine Konzerngesellschaft Zinsen auf Gleichrangige Wertpapiere leistet, ist die Emittentin verpflichtet, an dem auf eine solche Zahlung unmittelbar folgenden Zinszahlungstag in der vollen, oder im Fall einer teilweisen Zahlung auf Gleichrangige Wertpapiere, anteiligen Höhe Zahlungen auf Zinsrückstände zu leisten.

#### **Zwingender Aufschub von Zinszahlungen**

Falls am zwölften Geschäftstag vor einem Zinszahlungstag ein Zwingender Aufschubungsgrund (wie nachstehend definiert) vorliegt, wird die Fälligkeit dieser Zinszahlung aufgeschoben. In dieser Weise aufgeschobene Zinszahlungen stellen **Aufgeschobene Zinsen** dar.

Ein **Zwingender Aufschubungsgrund** liegt vor, wenn der folgende, jährlich auf Grundlage des zuletzt veröffentlichten Jahres-Konzernabschlusses der Garantin zu ermittelnde Bruch 3,00 unterschreitet:

$$(CF+I)/I$$

wobei:

CF = “Gewinn (nach Steuern)” zuzüglich “Auf konzernfremde Gesellschafter entfallende Ergebnisanteile” zuzüglich “Abschreibungen” (zur Vermeidung von Missverständnissen: “Abschreibungen” umfasst die Beträge, die in der englischen Fassung der Konzern-Kapitalflussrechnung unter “Amortization, Depreciation and Impairments” ausgewiesen sind);

und zwar so wie diese Positionen jeweils im zuletzt veröffentlichten Jahres-Konzernabschluss der Garantin in der Konzern-Kapitalflussrechnung ausgewiesen sind; und

I = “Zinsen und ähnliche Aufwendungen”

und zwar so wie diese Position als Anhangsangabe im zuletzt veröffentlichten Jahres-Konzernabschluss der Garantin ausgewiesen ist;



wobei als Veröffentlichungszeitpunkt derjenige Zeitpunkt maßgeblich ist, an dem der Jahres-Konzernabschluss der Garantin erstmals öffentlich verfügbar ist.

### **Zahlung Aufgeschobener Zinsen**

Die Emittentin darf Aufgeschobene Zinsen nur mittels ACZM (wie nachstehend definiert) leisten. Sie kann diese jederzeit (vollständig oder teilweise) nach Bekanntmachung unter Einhaltung einer Frist von nicht weniger als acht und nicht mehr als fünfzehn Geschäftstagen an die Inhaber der Schuldverschreibungen (**Anleihegläubiger**) leisten und muss (jeweils vorbehaltlich einer Verschiebung bei Eintritt einer Marktstörung (wie in § 5(6)(c) der Anleihebedingungen definiert)) diese am zuerst eintretenden der folgenden Zeitpunkte leisten: (i) ein Jahr, nachdem auf eine Aktiengattung der Garantin eine Dividende, andere Ausschüttung oder Zahlung (einschließlich Zahlungen zum Zweck der Rückzahlung oder des Rückkaufs von Aktien) wirksam beschlossen, gezahlt oder vorgenommen wurde, (ii) dem fünften Jahrestag des Kalendertages, an dem der betreffende Zinsbetrag fällig geworden wäre, wenn kein Zwingender Aufschiebungsgrund vorgelegen hätte, oder (iii) an dem Kalendertag, an dem die Schuldverschreibungen zur Rückzahlung fällig sind.

### **Alternativer Coupon-Zahlungs-Mechanismus (ACZM)**

**ACZM** bezeichnet die Leistung Aufgeschobener Zinsen aus Statthaften Mitteln oder mittels Sachleistung.

**Statthafte Mittel** bezeichnet Barmittel, die der Emittentin durch die Garantin zur Verfügung gestellt werden und die die Garantin gemäß § 5(6) der Anleihebedingungen entweder (i) durch Ausgabe neuer Aktien der Garantin und/oder den Verkauf eigener Aktien der Garantin und/oder (ii) durch Ausgabe Statthafter Wertpapiere erlöst hat, jeweils unter dem Vorbehalt, dass die Garantin zum Zeitpunkt der Ausgabe oder des Verkaufs der Aktien über die hierzu notwendigen gesellschaftsrechtlichen Befugnisse verfügt.

**Statthafte Wertpapiere** müssen Gleichrangige Wertpapiere und/oder Nachrangige Wertpapiere sein, die (a) von der Garantin oder von der Emittentin bzw. einer anderen direkten oder indirekten 100%igen Finanzierungsgesellschaft (wie in § 1 der Anleihebedingungen definiert) der Garantin jeweils mit einer Garantie der Garantin begeben werden, (b) eine Laufzeit von mindestens 75 Jahren oder eine unbegrenzte Laufzeit haben, (c) nicht vor Ablauf von fünf Jahren (wenn sie keinen Mechanismus zur Erhöhung des Zinssatzes enthalten) oder nicht vor Ablauf von zehn Jahren (wenn sie einen Mechanismus zur Erhöhung des Zinssatzes enthalten) nach Begebung kündbar sind, es sei denn, die Kündigung erfolgt aus bestimmten steuerlichen Gründen oder wegen des Verlusts der ursprünglichen Eigenkapitalanrechnung, (d) bei Eintritt bestimmter Ereignisse das Erlöschen von durch Barzahlung zu leistenden Zinszahlungen vorsehen, und (e) bezüglich einer Ersetzungsbestimmung eine den Anleihebedingungen entsprechende Regelung vorsehen, wenn die Statthaften Wertpapiere einen Mechanismus zur Erhöhung des Zinssatzes enthalten.

Soweit die Garantin trotz zumutbarer Anstrengungen nicht in der Lage ist, die notwendigen Mittel durch Ausgabe bzw. Verkauf von Aktien oder die Begebung von Statthaften Wertpapieren zu beschaffen, muss die Emittentin statt einer Geldleistung eine Sachleistung erbringen, indem sie den Nennbetrag je Schuldverschreibung um einen Gesamtbetrag in Höhe der Aufgeschobenen Zinsen erhöht (**Sachleistung**). Der Gesamtbetrag an Mitteln (jeweils bezogen auf eine Schuldverschreibung), der (i) durch die Ausgabe von Statthaften Wertpapieren und (ii) durch Sachleistung beschafft wird, darf nicht mehr als 25% (und eine etwaige Sachleistung nicht mehr als 20%) des ursprünglichen Nennbetrages (wie in § 1 der Anleihebedingungen definiert) je Schuldverschreibung ausmachen.

#### **Nachrangige Verpflichtungserklärung und Sachleistung**

Für den Fall, dass Aufgeschobene Zinsen fällig geworden sind und die Emittentin zu deren Zahlung mittels ACZM verpflichtet ist, hat die Garantin sich in der Nachrangigen Verpflichtungserklärung bedingungslos und unwiderruflich gegenüber der Emittentin verpflichtet, Statthafte Mittel unter den Voraussetzungen von § 5(6) der Anleihebedingungen zu erlösen und diese der Emittentin zur Verfügung zu stellen. Die Verpflichtung der Garantin gemäß der Nachrangigen Verpflichtungserklärung, Statthafte Mittel zu erlösen und zur Verfügung zu stellen, besteht nur insoweit, als die Ausgabe neuer Aktien der Garantin bzw. der Verkauf von eigenen Aktien der Garantin und/oder die Ausgabe Statthafter Wertpapiere im Rahmen der dann bestehenden Marktverhältnisse für die Garantin zumutbar ist.

Die Emittentin wird eine Sachleistung nur leisten, wenn die Garantin nicht ausreichende Statthafte Mittel zur vollständigen Zahlung der Aufgeschobenen Zinsen zur Verfügung stellt (vorbehaltlich der Beschränkung bezüglich Sachleistung wie am Ende des vorangegangenen Absatzes näher erläutert).

#### **Weitere Beschränkungen für ACZM**

Die Garantin ist gemäß der Nachrangigen Verpflichtungserklärung nur verpflichtet, Statthafte Mittel durch die Ausgabe neuer Aktien der Garantin und/oder den Verkauf eigener Aktien der Garantin zu beschaffen und der Emittentin zur Verfügung zu stellen, soweit sie:

- (i) selbst Aktien hält (mit Ausnahme eigener Aktien, welche innerhalb eines Zeitraums von sechs Monaten vor dem betreffenden Zahlungstag gegen Barzahlung erworben wurden); oder
- (ii) neue Aktien zum Zweck der Durchführung von ACZM ausgeben kann, mit der Maßgabe, dass die Anzahl der zu diesem Zweck auszugebenden Aktien der Garantin in keinem Zeitraum eines fortdauernden Aufschubs der Fälligkeit Aufgeschobener Zinsen 2% der jeweils bereits ausstehenden Aktien der Garantin überschreitet; und
- (iii) die entsprechenden Ermächtigungen ihrer Gesellschaftsorgane erhalten hat; und
- (iv) keinen jeweils anwendbaren Beschränkungen (gesetzlicher Art, aufgrund von Satzungsbestimmungen, vertraglichen

Verpflichtungen oder Bestimmungen oder internen Bestimmungen) unterliegt.

Die Garantin ist nicht verpflichtet, zur Beschaffung Statthafter Mittel zuvor eigene Aktien zu erwerben.

Zur Nachzahlung Aufgeschobener Zinsen dürfen Statthafte Wertpapiere lediglich insoweit ausgegeben werden, als (i) die Garantin bzw. die jeweilige emittierende Gesellschaft insoweit keinen Beschränkungen (gesetzlicher Art, aufgrund von Satzungsbestimmungen, vertraglichen Verpflichtungen oder Bestimmungen oder internen Bestimmungen) unterliegt und (ii) die Summe aller Erhöhungen des Nennbetrages je Schuldverschreibung und Zahlungen aus Statthaften Mitteln, die aus der Begebung von Statthaften Wertpapieren erlöst wurden, (jeweils bezogen auf eine Schuldverschreibung) 25% des Ursprünglichen Nennbetrages je Schuldverschreibung bei Ausgabe (mithin €250 bzw. £250) nicht übersteigt.

**Die Anleihegläubiger werden darauf hingewiesen, dass die Garantin durch zwingende Bestimmungen des deutschen Aktienrechts oder aus sonstigen Gründen an der Ausgabe neuer Aktien und/oder dem Verkauf eigener Aktien der Garantin und/oder der Begebung Statthafter Wertpapiere gehindert sein kann.**

#### **Erlöschen Aufgeschobener Zinsen**

Soweit sich eine Zahlung Aufgeschobener Zinsen mittels ACZM zur ersatzweisen Erfüllung gemäß § 5(6) der Anleihebedingungen als für die Emittentin bzw. die Garantin undurchführbar, unzumutbar bzw. unzulässig oder aus anderen Gründen als nicht § 5(6) der Anleihebedingungen entsprechend erweist, erlischt die entsprechende Verpflichtung der Emittentin zur Zahlung der betroffenen Aufgeschobenen Zinsen. In diesem Fall erlöschen nach Maßgabe der Bestimmungen der Nachrangigen Garantie und der Nachrangigen Verpflichtungserklärung auch die diesbezüglichen Pflichten der Garantin aus der Nachrangigen Garantie und der Nachrangigen Verpflichtungserklärung.

#### **Teilweise Erfüllung**

Falls die Emittentin an dem Fälligkeitstag Aufgeschobener Zinsen nicht ausreichende Statthafte Mittel von der Garantin erhalten hat, um die gesamten Aufgeschobenen Zinsen nachzahlen zu können, wird die Emittentin die Statthaften Mittel anteilmäßig (*pro rata*) an die Anleihegläubiger auszahlen. In diesem Fall erlischt der verbleibende Teil der betreffenden Aufgeschobenen Zinsen, soweit er auch nicht durch Sachleistung nach Maßgabe der Anleihebedingungen geleistet werden kann.

#### **Abzugsbeträge und Rang des Anspruchs auf Aufgeschobene Zinsen bei Insolvenz; Erlöschen des Restbetrages**

Im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen, der Abwendung der Insolvenz der Emittentin dienenden Verfahrens hat jeder Anleihegläubiger je Schuldverschreibung einen direkten Anspruch gegen die Emittentin auf Erhalt der anteilig auf eine Schuldverschreibung entfallenden Aufgeschobenen Zinsen (soweit

der Anspruch hierauf nicht zuvor erloschen ist) in Höhe von bis zu 25% des Ursprünglichen Nennbetrages der Schuldverschreibungen abzüglich der Summe aus allen bis zu diesem Zeitpunkt (i) geleisteten Zahlungen mit aus der Begebung Statthafter Wertpapiere beschafften Statthaften Mitteln und (ii) vorgenommenen Erhöhungen des Ursprünglichen Nennbetrages der Schuldverschreibungen nach Maßgabe von § 5(6)(a) der Anleihebedingungen (jeweils bezogen auf eine Schuldverschreibung) (mithin maximal in Höhe von €250 bzw. £250). Dieser Anspruch begründet eine unbesicherte und nachrangige Verbindlichkeit der Emittentin, die mit den Schuldverschreibungen im Rang gleich steht. Der über diesen Betrag hinausgehende Anspruch auf Zahlung Aufgeschobener Zinsen erlischt.

#### **Besteuerung und Bruttoausgleich**

Sämtliche Zahlungen auf die Schuldverschreibungen und die Nachrangige Garantie sind frei von und ohne Einbehalt oder Abzug von Steuern zu leisten. Andernfalls muss die Emittentin bzw. die Garantin diejenigen zusätzlichen Beträge zahlen, die erforderlich sind, damit die von jedem Anleihegläubiger zu empfangenden Nettobeträge den Beträgen entsprechen, die der Anleihegläubiger ohne einen solchen Abzug oder Einbehalt erhalten hätte, vorbehaltlich standardmäßiger Ausnahmen, die im Einzelnen in den Anleihebedingungen, der Nachrangigen Garantie und der Nachrangigen Verpflichtungserklärung beschrieben sind.

#### **Endfälligkeit**

Sofern sie nicht vorher zurückgezahlt, zurückgekauft oder entwertet wurden, werden die Schuldverschreibungen am 14. September 2066 zurückgezahlt.

#### **Kündigung nach Wahl der Emittentin**

Vorbehaltlich der nachstehenden Ersetzungsbestimmung kann die Emittentin die Schuldverschreibungen am 14. September 2016 oder an jedem danach folgenden Zinszahlungstag vollständig, aber nicht in Teilbeträgen zum Nennbetrag zuzüglich aufgelaufener Zinsen und sämtlicher Zinsrückstände kündigen und zurückzahlen.

#### **Kündigung bei besonderen Ereignissen**

Im Fall einer Verpflichtung zu einem Bruttoausgleich aufgrund niederländischer oder deutscher Quellensteuern kann die Emittentin die Schuldverschreibungen vor dem 14. September 2016 zum Nennbetrag zuzüglich aufgelaufener Zinsen und aller Zinsrückstände zurückzahlen.

Falls (i) Zahlungen, die von der Emittentin bzw. der Garantin in Bezug auf die Schuldverschreibungen bzw. in Bezug auf die Nachrangige Garantie zahlbar sind, von der Emittentin bzw. der Garantin nicht mehr für die Zwecke der niederländischen bzw. deutschen Körperschaftsteuer voll abzugsfähig sind oder (ii) die Schuldverschreibungen von den Ratingagenturen nicht mehr ihrer ursprünglichen und auch nicht einer höheren Eigenkapitalanrechnungskategorie zugeordnet werden, kann die Emittentin die Schuldverschreibungen vor dem 14. September 2016 zu (i) ihrem Nennbetrag oder, falls höher, (ii) dem Abgezinsten Marktpreis (wie in § 6(3) der Anleihebedingungen definiert), welcher der Summe aus den auf den Rückzahlungstag bezogenen abgezinsten Werten (berechnet auf der Basis der Rendite einer vergleichbaren

Euro-Referenz-Anleihe zuzüglich 0,75% im Fall der EUR-Schuldverschreibungen und berechnet auf der Basis der Rendite einer vergleichbaren Pfund-Sterling-Referenzanleihe zuzüglich 0,75% im Fall der GBP-Schuldverschreibungen) des Nennbetrages und den bis zum 14. September 2016 (ausschließlich) verbleibenden vorgesehenen Zinszahlungen entspricht, jeweils zuzüglich sämtlicher bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen und sämtlicher Zinsrückstände zurückzahlen.

Für den Fall, dass die Emittentin innerhalb von sechs Monaten nach Wandlung von mehr als 60% der von der Siemens Finance B.V. begebenen und in Aktien der Garantin wandelbaren Wandelanleihe von 2003/2010 (ISIN XS0169534582)<sup>2</sup> (**Wandlungsereignis**) ihr Recht ausübt, die Schuldverschreibungen zu kündigen, kann die Emittentin die Schuldverschreibungen zu ihrem Nennbetrag oder, falls höher, zu dem Besonderen Abgezinsten Marktpreis (wie in § 6(3) der Anleihebedingungen definiert) (berechnet auf der Basis des jährlichen Euro-Swapsatzes zuzüglich 0,50% im Fall der EUR-Schuldverschreibungen und des jährlichen GBP-Swapsatzes zuzüglich 0,50% im Fall der GBP-Schuldverschreibungen) zuzüglich sämtlicher bis zum Rückzahlungstag aufgelaufener Zinsen und sämtlicher Zinsrückstände zurückzahlen.

In jedem Fall (außer im Fall einer Rückzahlung nach einem Wandlungsereignis) unterliegt die Rückzahlung der nachstehenden Ersetzungsbestimmung.

#### **Ersetzungsbestimmung**

Nach Absicht der Garantin sollen die Schuldverschreibungen dauerhafter Bestandteil der Konzernfinanzierung der Garantin sein. Für den Fall der Rückzahlung der Schuldverschreibungen (mit Ausnahme einer Rückzahlung nach einem Wandlungsereignis) beabsichtigt die Garantin, der Emittentin Mittel zur Rückzahlung der Schuldverschreibungen zur Verfügung zu stellen, die aus der Ausgabe neuer Aktien der Garantin und/oder dem Verkauf eigener Aktien der Garantin (mit Ausnahme eigener Aktien, welche innerhalb eines Zeitraums von sechs Monaten vor dem betreffenden Zahlungstag gegen Barzahlung erworben wurden) und/oder aus der Begebung von Ersatz-Wertpapieren innerhalb von sechs Monaten vor dem Rückzahlungstag der Schuldverschreibungen stammen.

**Ersatz-Wertpapiere** sind Wertpapiere, die (i) von der Garantin oder (ii) von der Emittentin bzw. einer anderen direkten oder indirekten 100%igen Finanzierungsgesellschaft der Garantin jeweils mit einer Garantie der Garantin begeben werden und (a) eine Laufzeit von mindestens 60 Jahren haben, (b) im Rang gleich oder nachrangig zu den Schuldverschreibungen bzw. die Verpflichtungen aus der Garantie gleich oder nachrangig zur Nachrangigen Garantie stehen, (c) eine gleiche oder größere Eigenkapitalanrechnung als die Schuldverschreibungen aufweisen, (d) nicht vor Ablauf von fünf Jahren (wenn sie keinen Mechanismus zur Erhöhung des Zinssatzes

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<sup>2</sup> Eine Kopie der Bedingungen der Wandelanleihe ist, wie im Abschnitt “Important Notice and Other Information — Documents Available for Inspection” näher ausgeführt, in den Geschäftsräumen der Luxemburger Zahlstelle erhältlich.

enthalten) oder nicht vor Ablauf von zehn Jahren (wenn sie einen Mechanismus zur Erhöhung des Zinssatzes enthalten) nach Begebung kündbar sind, es sei denn, die Kündigung erfolgt aus steuerlichen Gründen oder Eigenkapitalanrechnungsgründen unter den in § 6(2) der Anleihebedingungen genannten Bedingungen, und (e) es der Emittentin der Ersatz-Wertpapiere nach Maßgabe ihrer Bedingungen ermöglichen, Zinszahlungen in der gleichen oder einer ähnlichen Weise wie unter den Schuldverschreibungen aufzuschieben.

#### **Rückkauf und Squeeze-Out**

Die Emittentin, die Garantin oder Konzerngesellschaften können unter Einhaltung der einschlägigen gesetzlichen Vorschriften jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden. Falls in dieser Weise Schuldverschreibungen im Volumen von 75% oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen zurückgekauft wurden, kann die Emittentin die verbleibenden Schuldverschreibungen (insgesamt, jedoch nicht teilweise) kündigen und zu (i) ihrem Nennbetrag oder, falls höher, (ii) dem Abgezinsten Marktpreis, jeweils zuzüglich sämtlicher bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen und zuzüglich aller ausstehenden Zinsrückstände, zurückzahlen.

#### **Rating der Schuldverschreibungen**

Die Schuldverschreibungen werden bei Ausgabe voraussichtlich ein Rating von A2 (neg) von Moody's Investors Service Limited und von A- (cw neg) von Standard & Poor's erhalten.

#### **Negativklärung**

Weder die Emittentin noch die Garantin dürfen, mit Ausnahme von gemäß § 5(6) der Anleihebedingungen begebenen Statthaften Wertpapieren, eine zusätzliche nachrangige Verschuldung eingehen bzw., im Fall der Garantin, garantieren, die nach ihren Bedingungen oder gesetzlichen Vorschriften im Falle ihrer Liquidation, Auflösung oder Insolvenz oder eines Vergleichs oder eines anderen der Abwendung ihrer jeweiligen Insolvenz dienenden Verfahrens den Schuldverschreibungen bzw. den Verpflichtungen aus der Nachrangigen Garantie und der Nachrangigen Verpflichtungserklärung im Rang nachgehen würde. Weder die Anleihebedingungen noch die Nachrangige Garantie noch die Nachrangige Verpflichtungserklärung sehen darüber hinausgehende Beschränkungen der Emittentin und der Garantin für das Eingehen einer zusätzlichen Verschuldung oder die Stellung von Sicherheiten an Gläubiger vor.

#### **Kündigungsgründe**

Ein Anleihegläubiger kann seine Schuldverschreibungen durch schriftliche Mitteilung an die Emittentin und die Garantin, die entweder an die Emittentin oder die Hauptzahlstelle zu übermitteln ist, kündigen, falls (i) die Emittentin oder die Garantin in die Liquidation geht und abgewickelt oder aufgelöst wird (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. der die Emittentin oder die Garantin noch zahlungsfähig ist und bei dem bzw. der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin bzw. der

	Garantin übernimmt) oder (ii) ein Insolvenzverfahren gegen die Emittentin oder die Garantin eröffnet wird.																	
Drittverzug (Cross Default)	Die Anleihebedingungen enthalten keine Bestimmungen über einen Drittverzug ( <i>Cross Default</i> ).																	
Hauptzahlstelle	Deutsche Bank Aktiengesellschaft																	
Luxemburger Zahlstelle	Deutsche Bank Luxembourg S.A.																	
Luxemburger Börsenzulassungs-beauftragter	Dexia Banque Internationale à Luxembourg																	
Börsenzulassung	Die Zulassung der Schuldverschreibungen zur amtlichen Notierung und zum Handel am geregelten Markt der Luxemburger Börse wurde beantragt.																	
Clearing und Abwicklung	Clearstream Banking S.A., Luxemburg und Euroclear Bank S.A./ N.V. als Betreiber des Euroclear Systems.																	
Anwendbares Recht	Deutsches Recht																	
Wertpapierkennnummern	<table><tr><td></td><td>EUR-</td><td>GBP-</td></tr><tr><td></td><td>Schuldverschreibungen</td><td>Schuldverschreibungen</td></tr><tr><td>ISIN:</td><td>XS0266838746</td><td>XS0266840486</td></tr><tr><td>Common Code:</td><td>026683874</td><td>026684048</td></tr><tr><td>WKN:</td><td>AOGXZH</td><td>AOGXZJ</td></tr></table>				EUR-	GBP-		Schuldverschreibungen	Schuldverschreibungen	ISIN:	XS0266838746	XS0266840486	Common Code:	026683874	026684048	WKN:	AOGXZH	AOGXZJ
	EUR-	GBP-																
	Schuldverschreibungen	Schuldverschreibungen																
ISIN:	XS0266838746	XS0266840486																
Common Code:	026683874	026684048																
WKN:	AOGXZH	AOGXZJ																



## **2. Zusammenfassende Beschreibung der Risikofaktoren**

### **2.1. Risikofaktoren in Bezug auf die Schuldverschreibungen**

Eine Anlage in die Schuldverschreibungen birgt bestimmte Risiken im Zusammenhang mit den Merkmalen der Schuldverschreibungen, durch die den Anleihegläubigern erhebliche Verluste beim Verkauf ihrer Schuldverschreibungen oder im Hinblick auf den Erhalt von Zinszahlungen auf die Schuldverschreibungen entstehen könnten. Hierzu gehören die folgenden Risiken:

- Zinszahlungen auf die Schuldverschreibungen können unter bestimmten Umständen nach Wahl der Emittentin aufgeschoben werden.
- Auf die Schuldverschreibungen erfolgen keine Zinszahlungen, wenn am Fälligkeitstag der Zinszahlung ein Zwingender Aufschiebungsgrund (wie in § 5(5) der Anleihebedingungen definiert) vorliegt und der Anspruch auf Erhalt dieser Zinsen kann erlöschen.
- Ansprüche aus den Schuldverschreibungen, der Nachrangigen Garantie und der Nachrangigen Verpflichtungserklärung sind nachrangig.
- Die Schuldverschreibungen sind langfristige Wertpapiere und Anleihegläubiger können die Schuldverschreibungen nur in sehr beschränkten Fällen kündigen.
- Die Emittentin und die Garantin können ohne jede Beschränkung eine zusätzliche Verschuldung, die gegenüber den Schuldverschreibungen und/oder der Nachrangigen Garantie gleichrangig oder vorrangig ist, eingehen.
- Die Emittentin ist ein Finanzierungsvehikel des Siemens-Konzerns und verfügt über keine Cashflows aus operativer Tätigkeit.
- Die Schuldverschreibungen unterliegen bestimmten Rückzahlungsrisiken.
- Für die Schuldverschreibungen wird sich möglicherweise kein aktiver Markt entwickeln.
- Anleger sind den Risiken ausgesetzt, die mit festverzinslichen Schuldverschreibungen verbunden sind.
- Anleger sind den Risiken ausgesetzt, die mit variabel verzinslichen Schuldverschreibungen verbunden sind.

### **2.2. Risikofaktoren in Bezug auf Siemens Financieringsmaatschappij N.V. und Siemens Aktiengesellschaft**

Eine Anlage in die Schuldverschreibungen ist mit bestimmten Risiken verbunden, die sich jeweils in Abhängigkeit von der Emittentin und/oder der Garantin der Schuldverschreibungen ergeben. Auch wenn diese Risikofaktoren mit Unsicherheiten verbunden sind, die eintreten oder ausbleiben können, werden mögliche Investoren darauf hingewiesen, dass die Risiken im Zusammenhang mit einer Anlage in diese Schuldverschreibungen unter anderem (i) die Emittentin bzw. die Garantin darin beeinträchtigen können, ihre Verpflichtungen unter den Schuldverschreibungen zu erfüllen, und/oder (ii) mit einem Volatilitätsrisiko verbunden sein können und/oder den Marktwert der Schuldverschreibungen mindern können, so dass der Marktwert den (finanziellen oder anderweitigen) Erwartungen eines Anlegers im Falle einer Anlage in die Schuldverschreibungen nicht entspricht.

Zukünftige Anleger sollten unter anderem die im unten stehenden Teil B („Risikofaktoren“) beschriebenen Faktoren berücksichtigen. Hier werden bestimmte Risiken identifiziert, die mit der Anlage in die Schuldverschreibungen sowie mit der Emittentin und der Garantin verbunden sind.

Jeder zukünftige Anleger in die Schuldverschreibungen muss auf der Grundlage seiner eigenen unabhängigen Prüfungen und, sofern er dies angesichts der Umstände für erforderlich hält, unter Hinzuziehen entsprechender fachlicher Beratung entscheiden, ob der Erwerb der Schuldverschreibungen mit seinen finanziellen Bedürfnissen, Zielen und Bedingungen (oder im Fall des Erwerbs als Treuhänder mit denen des Begünstigten) im Einklang steht. Er muss weiter entscheiden, ob die für ihn (oder im Falle des Erwerbs als Treuhänder die für den Begünstigten) geltenden Anlagegrundsätze, -richtlinien und -beschränkungen befolgt und



eingehalten werden und es für ihn (oder im Falle des Erwerbs als Treuhänder für den Begünstigten) eine angemessene, passende und geeignete Anlage ist, ungeachtet aller mit der Anlage und dem Halten dieser Schuldverschreibungen verbundenen Risiken.

### **3. Zusammenfassende Beschreibung der Siemens Financieringsmaatschappij N.V.**

Siemens Financieringsmaatschappij N.V. (**SFM**), eine direkte 100-%ige Tochtergesellschaft der Siemens Aktiengesellschaft, wurde am 14. September 1977 als Kapitalgesellschaft (*naamloze vennootschap*) nach niederländischem Recht gegründet und handelt unter dem rechtlichen und gewerblichen Namen Siemens Financieringsmaatschappij N.V.

SFM fungiert als Finanzierungsgesellschaft für Kapitalmaßnahmen des Unternehmens. Die satzungsmäßigen Ziele der SFM liegen in der Beteiligung, Finanzierung und Verwaltung von Siemens-Gesellschaften, Unternehmen und sonstigen Geschäftseinrichtungen, der Entnahme und Ausleihung von Geldern und in der allgemeinen Durchführung von Finanztransaktionen, dem Stellen von Sicherheiten und der Vornahme aller weiteren Handlungen, die hiermit identisch sind oder diesen im weitesten Sinne förderlich sind.

### **4. Zusammenfassende Beschreibung der Siemens Aktiengesellschaft**

Siemens hat seinen Ursprung im Jahr 1847. Ausgehend von den Entwicklungen in der Telegrafentechnologie erweiterte das Unternehmen seine Produktlinie und geografische Präsenz schnell. Bereits gegen Ende des 19. Jahrhunderts war Siemens ein multinationales Unternehmen. 1847 wurde die Personengesellschaft mit dem Namen Siemens & Halske gegründet, die 1889 in eine Gesellschaft mit beschränkter Haftung und 1897 in eine Aktiengesellschaft überführt wurde. Das Unternehmen verlegte seine Konzernzentrale 1949 von Berlin nach München und firmiert seit 1966 als Siemens Aktiengesellschaft, eine Aktiengesellschaft nach deutschem Recht. Die Adresse der Geschäftsführung der Siemens Aktiengesellschaft ist Wittelsbacherplatz 2, 80333 München, Deutschland, Telefonnummer: +49 (89) 636 00.

Zum 30. September 2005 beschäftigte Siemens durchschnittlich 439.400 Mitarbeiter im Rahmen ihrer Tätigkeit in ca. 190 Ländern in der ganzen Welt. Im Geschäftsjahr 2005 belief sich der Umsatz auf 75,445 Mrd. EUR. Unser ausgewogenes Geschäftsportfolio wird von Führungspositionen in den Bereichen der Elektronik und Elektrotechnik getragen. Siemens hat seine Expertise auf diesen Gebieten mit seinem Engagement für Forschung und Entwicklung vereint, um eine globale Marktposition für Telekommunikations- und Netzwerkausrüstung, Industrieautomation, Stromerzeugung und medizinische Diagnostika zu sichern. Das Unternehmen ist ferner ein wichtiger globaler Wettbewerber im Schienentransportsystem, der Automobilelektronik und Beleuchtung. Die Geschäftsaktivitäten erfolgen in einem breiten regionalen und diversifizierten wirtschaftlichen Umfeld. In international aufgestellten Branchen mit langen Geschäftszyklen laufen die Geschäftspläne der Kunden beispielsweise über mehrere Jahre und die Umsetzungshorizonte tendieren dazu, unabhängig von kurzfristigen wirtschaftlichen Entwicklungen zu sein. Diese Branchen von Siemens umfassen die Stromerzeugung, Stromübertragung und -verteilung, medizinische Lösungen und Schienentransportsysteme. In Märkten, die in stärkerem Maße durch branchenspezifische Zyklen geprägt sind, planen die Kunden ihre Ausgabeentscheidungen in der Regel über einen kürzeren Zeithorizont und unterliegen in stärkerem Maße den aktuellen wirtschaftlichen Bedingungen. Die Aktivitäten in diesen Märkten umfassen Information und Kommunikation, Automation und Antriebe sowie Beleuchtung. Einige Aktivitäten, hierunter insbesondere Information und Kommunikation, medizinische Lösungen und der Automobilbereich, unterliegen zudem technologischen Änderungen und der Akzeptanz der neuen Technologien beim Endverbraucher.

## PART B: RISK FACTORS

*Prospective investors should read the entire Prospectus. Words and expressions defined in the “Conditions of Issue” below or elsewhere in this Prospectus have the same meanings in this section. Investing in the Bonds involves certain risks. Prospective investors should consider, amongst others, the following:*

### 1. Risk Factors relating to the Bonds

***Payments of Interest under the Bonds may be deferred at the election of the Issuer.***

Subject to the limited exceptions in § 5(5) of the Conditions of Issue, the Issuer has the option to defer any payment of interest on the Bonds if the requirements for deferral set out in § 5(3) of the Conditions of Issue are satisfied. If the Issuer, who may do so at its own discretion, decides to defer a payment of interest on the Bonds, payment of interest so deferred must only be made if the specific requirements set out in § 5(4)(b) of the Conditions of Issue are fulfilled. Any interest deferred in such manner will not itself accrue interest. While the deferral of interest payments continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Bonds. In such event the Bondholders are not entitled to claim immediate payment of interest so deferred.

***No Interest will be paid on the Bonds if a Mandatory Deferral Event prevails on a due date for interest and the claim to receive such interest may be cancelled.***

Following a Mandatory Deferral Event (as defined in § 5(5) of the Conditions of Issue) and for as long as such Mandatory Deferral Event continues, the Issuer is prohibited from paying interest on the Bonds. Interest payments deferred as a result of a Mandatory Deferral Event may only be settled through the Alternative Coupon Satisfaction Mechanism (ACSM) as set out in § 5(6) of the Conditions of Issue. All payments through ACSM may only be made if and to the extent that such settlement can either be made (i) out of funds raised by the Guarantor from the issuance and/or sale of shares of the Guarantor or securities having equivalent characteristics as the Bonds or (ii) through an increase of the principal amount of the Bonds (**Payment In Kind**) (together **Corporate Actions**). All Corporate Actions are subject to certain restrictions and prerequisites. Accordingly, interest deferred upon occurrence of a Mandatory Deferral Event may not be settled at all and investors face the risks that their claims for payment thereof are cancelled.

***Claims under the Bonds, under the Subordinated Guarantee and under the Subordinated Undertaking are subordinated.***

The Issuer's obligations under the Bonds and the Guarantor's obligations under the Subordinated Guarantee and under the Subordinated Undertaking are subordinated to the full prior payment of all existing and future indebtedness of the Issuer and the Guarantor, respectively. Accordingly, the claims under the Bonds, the Subordinated Guarantee and the Subordinated Undertaking, respectively, will rank junior to all other creditors (the claims of which do not rank *pari passu* with the Bondholder's claims) of the Issuer and the Guarantor, respectively, in the event of an insolvency or liquidation. Therefore, in liquidation or insolvency proceedings of the Issuer or the Guarantor, the Bondholders will in all likelihood recover significantly less than the holders of unsubordinated liabilities of the Issuer or the Guarantor, as the case may be.

Investors should also take into consideration that unsubordinated liabilities may also arise out of events that are not reflected on the Issuer's and the Guarantor's respective balance sheet, including, without limitation, the issuance of guarantees or other payment undertakings. Claims of beneficiaries under such guarantees or other payment undertakings will, in winding-up or insolvency proceedings of the Issuer or the Guarantor, as the case may be, become unsubordinated liabilities and will therefore be paid in full before payments are made to Bondholders.

***The Bonds are long term securities and Bondholders may only declare the Bonds due and payable in very limited circumstances.***

The Bonds will be redeemed on September 14, 2066 and the Issuer is under no obligation to redeem the Bonds at any time prior to such date. The Bondholders have no right to call for the redemption of Bonds. The Bondholders can only declare the Bonds due and payable in the event (i) the Issuer or the Guarantor enters into liquidation, winding up or dissolution or (ii) other insolvency proceedings are commenced against the Issuer or the Guarantor. Therefore, Bondholders should be aware that they may be required to bear the financial risks of an investment in the Bonds until 2066.

***There is no limitation on the Issuer and the Guarantor to incur additional indebtedness ranking senior or pari passu with the Bonds and/or the Subordinated Guarantee and/or the Subordinated Undertaking.***

Neither the Issuer nor the Guarantor have entered into any restrictive covenants in connection with the issuance of the Bonds regarding their respective ability to incur additional indebtedness ranking *pari passu* or senior to the obligations under or in connection with the Bonds, the Subordinated Guarantee and the Subordinated Undertaking, respectively. The incurrence of any such additional indebtedness may significantly increase the likelihood of a deferral of interest payments under the Bonds and/or may reduce the amount recoverable by Bondholders in the event of insolvency or liquidation of the Issuer or the Guarantor.

***The Issuer is a funding vehicle for the Siemens Group and has no operative cash flows.***

The Issuer raises finance and on-lends monies to group entities within the Siemens Group by way of intra-group loans. Typically, the terms of those intra-group loans, which constitute the Issuer's sole assets, are such that they match the Issuer's payment obligations under the securities issued by it to fund those loans. In the event that a group company would fail to make a payment under an intra-group loan extended by the Issuer, the Issuer may not be able to meet its payment obligations when due under the securities issued by it.

***The Bonds are subject to certain redemption risks.***

Investors should be aware that the Bonds may be redeemed at the option of the Issuer at their principal amount plus accrued interest on (i) September 14, 2016, (ii) any interest payment date thereafter, or (iii), prior to September 14, 2016, upon the occurrence of a Gross-up Event (as defined in § 6(2) of the Conditions of Issue). In any such case, investors will not receive a make-whole amount or any other compensation in light of the early redemption of the Bonds.

Further, the Bonds may be redeemed at the greater of their principal amount or the Make-Whole Amount (as defined in § 6(3) of the Conditions of Issue) upon the occurrence of a Tax Event or a Capital Event (each as defined in § 6(2) of the Conditions of Issue) or at the greater of their principal amount or the Special Make-Whole Amount (as defined in § 6(3) of the Conditions of Issue) in case of a Conversion Event (as defined in § 6(2) of the Conditions of Issue). In any such case, investors will, other than the Make-Whole Amount or as the case may be, the Special Make-Whole Amount (if higher than the principal amount), not receive any compensation in light of the early redemption of the Bonds.

***An active trading market for the Bonds may not develop.***

The Bonds constitute a new issue of securities. Prior to this offering, there has been no public market for the Bonds. Although application has been made to list the Bonds on the Luxembourg Stock Exchange, there can be no assurance that an active public market for the Bonds will develop. Even if such a market were to develop, the Managers are under no obligation to maintain such a market. Further, there can be no assurance that a market for the Bonds will not be subject to disruptions. Any such disruptions may have an adverse effect on the Bondholders.

***Investors are exposed to risks associated with fixed rate bonds.***

A holder of bonds with a fixed compensation rate is exposed to the risk that the price of such bonds falls as a result of changes in the market interest rate. While the nominal compensation rate of the Bonds is fixed until September 14, 2016, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of the Bonds changes in the opposite direction. If the market interest rate increases, the price of the Bonds would typically fall and if the market interest rate falls, the price of the Bonds would typically increase. Hence, Bondholders should be aware that movements of the market interest rate can adversely effect the price of the Bonds and can lead to losses if Bondholders sell their Bonds during the period in which the compensation rate of the Bonds is fixed, i.e. prior to September 14, 2016.

***Investors are exposed to risks associated with floating interest rate bonds.***

A holder of a bond with a floating interest rate (as will be the case for the Bonds after September 14, 2016 if not previously redeemed) is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of such bonds in advance.

**2. Risk Factors relating to Siemens Financieringsmaatschappij N.V.**

SFM is a finance company with limited assets, which concentrates on financing activities for the Siemens group. The proceeds of the Bonds will be used for general corporate purposes of the Siemens group.

SFM's business, financial condition or results of operations could suffer material adverse effects due to any of the following risk factors:

- SFM's business is affected by the uncertainties of economic and political conditions;
- SFM's business activities are exposed to liquidity risk, currency risk, interest rate risk, credit risk and fair market value risk;
- SFM's cost of borrowing and, therefore, its operating results, may also be negatively affected by increases in the credit spreads;
- SFM is subject to regulatory and similar risks associated with its financing activities;
- Non-financial risks could arise from operating risks, which mainly result from the use of computer systems and modern information technology.

These are the risks SFM considers material but the risks described are not exhaustive. Additional risks not known to SFM or that SFM considers immaterial may also impair SFM.

**3. Risk Factors relating to Siemens Aktiengesellschaft**

In this section references to we, us, our, the Company or Siemens are to Siemens Aktiengesellschaft and unless the content otherwise requires, to its consolidated subsidiaries.

Our business, financial condition or results of operations could suffer material adverse effects due to any of the following risks. We have described below all the risks that we consider material, but those risks are not the only ones we face. Additional risks not known to us or that we currently consider immaterial may also impair our business operations.

***Our business is affected by the uncertainties of economic and political conditions:*** Our business environment is influenced by conditions in the domestic and global economies. Numerous factors, such as global political conflicts, including situations in the Middle East and other regions, continue to impact macroeconomic parameters and the international capital markets. The uncertainty of economic and political conditions can impact the demand for our products and services and can also make our budgeting and forecasting more difficult.

Our Groups in the Information and Communications business area are particularly affected by market conditions in the telecommunications and information technology industries. In addition, Siemens VDO Automotive (SV) and Osram are suppliers to the automotive industry, and their sales and profitability could be

negatively impacted by the financial condition of their automotive customers. Furthermore, the demand for products of our Groups is linked to consumer demand for automobiles, which may be adversely impacted by the continuing uncertain economic environment. Competition in the distribution and logistics industry, including price competition, has remained strong due to weakened demand and excess capacities.

In light of these economic conditions, in fiscal year 2005, we continued our strategic reorientation and cost-cutting initiatives across our business Groups but particularly at Communications (**Com**), Siemens Business Services (**SBS**) and the activities of our former Logistics and Assembly Systems (**L&A**) Group. These include reducing headcount, adjusting existing capacities through consolidation of business activities and manufacturing facilities, as well as streamlining product portfolios. These measures impact our earnings results, and any future contribution of these measures to our profitability will be influenced by the actual savings achieved and by our ability to sustain these ongoing efforts.

***We operate in highly competitive markets, which are subject to price pressure and rapid changes:*** The worldwide markets for our products are highly competitive in terms of pricing, product and service quality, development and introduction time, customer service and financing terms. We face strong competitors, some of which are larger and may have greater resources in a given business area. Siemens faces downward price pressure and is exposed to market downturns or slower growth. Some industries in which we operate are undergoing consolidation, which may result in stronger competitors and a change in our relative market position. In some of our markets new products must be developed and introduced rapidly in order to capture available opportunities, and this can lead to quality problems. Our operating results depend to a significant extent on our ability to adapt to changes in the market and reduce the costs of producing high-quality new and existing products. Any inability to do so could have a material adverse effect on our financial condition or results of operations.

***Our businesses must keep pace with technological changes and develop new products and services to remain competitive:*** The markets in which our businesses operate experience rapid and significant changes due to the introduction of innovative technologies. To meet our customers' needs in these businesses, we must continuously design new, and update existing, products and services and invest in and develop new technologies. This is especially true for our Groups Com, SBS, Medical Solutions (**Med**) and SV. For example, Com is continuously involved in developing marketable components, products and systems, such as for a new generation of wireless communications technology. Introducing such new offerings requires a significant commitment to research and development, which may not always result in success. Our sales and profits may suffer if we invest in technologies that do not function as expected or are not accepted in the marketplace as anticipated, if our products or systems are not brought to market in a timely manner, or as they become obsolete.

***We may have difficulty in identifying and executing portfolio measures:*** Our strategy includes divesting our interests in some business areas and strengthening others through portfolio measures, including acquisitions, strategic alliances, joint ventures and mergers. Transactions such as these are inherently risky because of the difficulties of integrating people, operations, technologies and products that may arise. Strategic alliances may also pose risks for us because we compete in some business areas with companies with which we have strategic alliances. Our divesting activities could have a negative impact on our results of operations and cash flow. In addition, we may incur significant acquisition, administrative and other costs in connection with these transactions, including costs related to integration of acquired or restructured businesses. There can be no assurance that any of the businesses we acquire can be successfully integrated or that they will perform well once integrated. Acquisitions may also lead to substantial increases in long-lived assets, including goodwill. Write-downs of these assets due to unforeseen business developments may materially and adversely affect our earnings. Particularly, SV, Med and Power Generation (**PG**) have significant amounts of goodwill.

***Our financial results and cash flows may be adversely affected by cost overruns or additional payment obligations particularly with respect to our long-term contracts:*** A majority of our operating Groups, including Com, SBS, Industrial Solutions & Services (**I&S**), PG, Power Transmission & Distribution (**PTD**) and Transportation Systems (**TS**), perform a significant portion of their business, especially large projects, under long-term contracts that are awarded on a competitive bidding basis. The profit margins realized on such fixed-priced contracts may vary from original estimates as a result of changes in costs and productivity over their term. We sometimes bear the risk of quality problems, cost overruns or contractual penalties caused by unexpected



technological problems, unforeseen developments at the project sites, performance problems with our subcontractors or other logistic difficulties. Certain of our multi-year contracts also contain demanding installation and maintenance requirements, in addition to other performance criteria relating to timing, unit cost requirements and compliance with government regulations, which, if not satisfied, could subject us to substantial contractual penalties, damages, non-payment or contract termination. There can be no assurance that all of our fixed-priced contracts can be completed profitably.

***We face operational risks in our value chain processes:*** Our value chain comprises all the steps in our operations, from research and development, to production, marketing and sales. Operational failures in our value chain processes could result in quality problems or potential product, labor safety, regulatory or environmental risks. Such risks are particularly present in relation to our production facilities, which are located all over the world and have a high degree of organizational and technological complexity. From time to time, some of the products we sell have quality issues resulting from the design or manufacture of such products, or from the software integrated into them. Such operational failures or quality issues could have a material adverse effect on our financial condition or results of operations.

***We are dependent upon the ability of third parties to deliver parts, components and services on time:*** We rely on third parties to supply us with parts, components and services. Using third parties to manufacture, assemble and test our products reduces our control over manufacturing yields, quality assurance, product delivery schedules and costs. The third parties that supply us with parts and components also have other customers and may not have sufficient capacity to meet all of their customers' needs, including ours, during periods of excess demand. Component supply delays can affect the performance of certain of our operating Groups. Although we work closely with our suppliers to avoid supply-related problems, there can be no assurance that we will not encounter supply problems in the future or that we will be able to replace a supplier that is not able to meet our demand. These shortages and delays could materially harm our business. Unanticipated increases in the price of components due to market shortages or other reasons could also adversely affect the performance of certain of our business Groups.

***We may be adversely affected by rising raw material prices:*** Our operating Groups are exposed to fluctuations in energy and raw material prices. In the recent past, oil, steel and copper prices in particular have increased on a worldwide basis. If we are not able to compensate for or pass on our increased costs to customers, such price increases could have a material adverse impact on our financial results.

***We are exposed to currency risks and interest rate risks:*** We are particularly exposed to fluctuations in the exchange rate between the U.S. dollar and the Euro, because a high percentage of our business volume is conducted in the U.S. and as exports from Europe. Our currency risks — as well as interest rate risks — are hedged on a company-wide basis using derivative financial instruments. Depending on the development of foreign currency exchange rates, our hedging activities can have significant effects on our cash flow, particularly for our treasury activities (Corporate Treasury). Our Groups engage in currency hedging activities which sometimes do not qualify for hedge accounting. In addition, our Corporate Treasury has interest rate hedging activities which also do not qualify for hedge accounting, and are subject to changes in interest rates. Accordingly, exchange rate and interest rate fluctuations may influence our financial results and lead to earnings volatility. A strengthening of the Euro particularly against the U.S. dollar may also change our competitive position, as many of our competitors may benefit from having a substantial portion of their costs based in weaker currencies, enabling them to offer their products at lower prices.

***Our financing activities subject us to various risks including credit and interest rate risk:*** We provide to our customers various forms of direct and indirect financing in connection with large projects such as those undertaken by Com, PG and TS. For example, financing of GSM or UMTS wireless network equipment for Com customers who lack established credit histories may cause special credit risks for us. We also finance a large number of smaller customer orders, through for example, the leasing of telephone systems and medical equipment, in part, through Siemens Financial Services (SFS). SFS also incurs credit risk by financing third-party equipment. We also sometimes take a security interest in the projects we finance. We may lose money if any of our customers are not able to pay us, if the value of the property that we have taken a security interest in declines,

if interest rates or foreign exchange rates fluctuate, or if the projects in which we invest are unsuccessful, and such losses could have a material adverse effect on our financial condition or results of operations.

***The funded status of our off-balance sheet pension benefit plans and its financial statement impact is dependent on several factors:*** Significant changes in investment performance or a change in the portfolio mix of invested assets can result in corresponding increases and decreases in the valuation of plan assets, particularly equity securities, or in a change of the expected rate of return on plan assets. Pension plan valuation assumptions can also affect the funded status. For example, a change in discount rates would result in a significant increase or decrease in the valuation of pension obligations, affecting the reported funded status of our pension plans, as well as the net periodic pension cost in the following financial year. Similarly, changes in the expected return on plan assets assumption can result in significant changes in the net periodic pension cost in the following financial year. Changes in other pension plan assumptions, such as discount rate, expected return on plan assets, the compensation increase rate and pension progression, can also materially impact net periodic pension expense.

***We are dependent upon hiring and retaining highly qualified management and technical personnel:*** Competition for highly qualified management and technical personnel remains intense in the industries in which our business Groups operate. In many of our business areas, we further intend to extend our service businesses significantly, for which we will need highly skilled employees. Our future success depends in part on our continued ability to hire, assimilate and retain engineers and other qualified personnel. There can be no assurance that we will continue to be successful in attracting and retaining highly qualified employees in the future and any inability to do so could have a material adverse effect on our business.

***We are subject to risks associated with our international operations:*** Changes in regulatory requirements, tariffs and other trade barriers and price or exchange controls could impact our sales and profitability and make the repatriation of profits difficult. In addition, the uncertainty of the legal environment in some regions could limit our ability to enforce our rights. We expect that sales to emerging markets will continue to be an increasing portion of total sales, as our business naturally evolves and as developing nations and regions around the world increase their demand for our offerings. Emerging market operations present several risks, including volatility in gross domestic product, civil disturbances, economic and governmental instability, the potential for nationalization of private assets, and the imposition of exchange controls. In particular, the Asian markets are important for our long-term growth strategy and our sizeable operations in China are influenced by a legal system that is still developing and is subject to change. The demand for many of the products of our business Groups, particularly those that derive their revenue from large projects, can be affected by expectations of future demand, prices and gross domestic product in the markets in which those Groups operate. If any of these risks or similar risks associated with our international operations were to materialize, it could have a material adverse effect on our business.

***We are subject to environmental and other government regulations:*** Some of the industries in which we operate in are highly regulated. Med, for example, is subject to the restrictive regulatory requirements of the U.S. Food and Drug Administration (FDA). Current and future environmental and other government regulations, or changes thereto, may result in significant increases in our operating or product costs. We could also face liability for damage or remediation for environmental contamination at the facilities we design or operate. We accrue for environmental risks when it is probable that an obligation has been incurred and the amount can be reasonably estimated. With regard to certain environmental risks, we maintain liability insurance at levels that our management believes are appropriate and consistent with industry practice. We may incur environmental losses beyond the limits, or outside the coverage, of such insurance and such losses may have a material adverse effect on the results of our operations or financial condition and our provisions for environmental remediation may not be sufficient to cover the ultimate losses or expenditures.

***Our business could suffer as a result of current or future litigation:*** We are subject to numerous risks relating to legal proceedings to which we are currently a party or that could develop in the future. In the ordinary course of our business, we become party to lawsuits, including suits involving allegations of improper delivery of goods or services, product liability, product defects, quality problems and intellectual property infringement. There can be no assurance that the results of these or other legal proceedings will not materially harm our business, reputation or brand. We maintain liability insurance for certain legal risks at levels our management

believes are appropriate and consistent with industry practice. We accrue for litigation risks when it is probable that an obligation has been incurred and the amount can be reasonably estimated. We may incur losses relating to litigation beyond the limits, or outside the coverage, of such insurance and such losses may have a material adverse effect on the results of our operations or financial condition and our provisions for litigation related losses may not be sufficient to cover our ultimate loss or expenditure.



**PART C: CONDITIONS OF ISSUE OF THE BONDS, SUBORDINATED GUARANTEE,  
SUBORDINATED UNDERTAKING AND USE OF PROCEEDS**

**1. Conditions of Issue of the Bonds**

THE GERMAN TEXT OF THE CONDITIONS OF ISSUE IS LEGALLY BINDING.  
THE ENGLISH TRANSLATION IS FOR CONVENIENCE ONLY.

DER DEUTSCHE TEXT DIESER ANLEIHEBEDINGUNGEN IST  
RECHTSVERBINDLICH. DIE ENGLISCHE ÜBERSETZUNG DIENT LEDIGLICH  
INFORMATIONSZWECKEN.

**ANLEIHEBEDINGUNGEN**  
**der**  
**€900.000.000**  
**£750.000.000**  
**nachrangigen, fest bzw. variabel verzinslichen**  
**Schuldverschreibungen**  
**von 2006/2066**

**Siemens Financieringsmaatschappij N.V.,**  
**Den Haag, Niederlande,**

**mit einer nachrangigen Garantie der**

**Siemens Aktiengesellschaft,**  
**Berlin und München, Bundesrepublik**  
**Deutschland**

**§ 1**

**DEFINITIONEN UND AUSLEGUNG**

Soweit aus dem Zusammenhang nicht etwas anderes hervorgeht, haben die nachfolgenden Begriffe in diesen Anleihebedingungen die folgende Bedeutung:

**Abgezinsten Werte** hat die in § 6(3) festgelegte Bedeutung.

**Abgezinster Marktpreis** hat die in § 6(3) festgelegte Bedeutung.

**ACZM** hat die in § 5(6)(a) festgelegte Bedeutung.

**Angepasste Vergleichbare Rendite** hat die in § 6(3) festgelegte Bedeutung.

**Anleihebedingungen** bezeichnet diese Bedingungen der Schuldverschreibungen.

**Anleihegläubiger** bezeichnet jeden Inhaber eines Miteigentumsanteils oder -rechts an einer Globalurkunde.

**Aufgeschobene Zinsen** hat die in § 5(5) festgelegte Bedeutung.

**Ausgabetag** bezeichnet den 14. September 2006.

**Austauschtag** hat die in § 2(2)(b) festgelegte Bedeutung.

**CONDITIONS OF ISSUE**  
**of the**  
**€900,000,000**  
**£750,000,000**  
**Subordinated Fixed to Floating Rate Bonds**  
**of 2006/2066**

**Siemens Financieringsmaatschappij N.V.,**  
**The Hague, The Netherlands,**

**Guaranteed, on a subordinated basis, by**

**Siemens Aktiengesellschaft,**  
**Berlin and Munich, Federal Republic of**  
**Germany**

**§ 1**

**DEFINITIONS AND INTERPRETATION**

Unless the context otherwise requires, the following terms shall have the following meanings in these Conditions of Issue:

**Present Values** has the meaning specified in § 6(3).

**Make-Whole Amount** has the meaning specified in § 6(3).

**ACSM** has the meaning specified in § 5(6)(a).

**Adjusted Comparable Yield** has the meaning specified in § 6(3).

**Conditions of Issue** means these terms and conditions of the Bonds.

**Bondholder** means any holder of a proportional co-ownership participation or right in a Global Bond.

**Outstanding Payment** has the meaning specified in § 5(5).

**Issue Date** means September 14, 2006.

**Exchange Date** has the meaning specified in § 2(2)(b).

**Berechnungsstelle** hat die in § 10(3) festgelegte Bedeutung.

**Besonderer Abgezinsten Marktpreis** hat die in § 6(3) festgelegte Bedeutung.

**Besondere Abgezinsten Werte** hat die in § 6(3) festgelegte Bedeutung.

**Bildschirmseite** hat die in § 5(2)(c) festgelegte Bedeutung.

**Brutto-Ausgleichs-Ereignis** hat die in § 6(2) festgelegte Bedeutung.

**Clearingsystem** bezeichnet Clearstream Banking S.A., Luxemburg, Luxemburg und Euroclear Bank S.A./N.V. als Betreiber des Euroclear-Systems.

**Dauerglobalurkunde** hat die in § 2(2)(a) festgelegte Bedeutung.

**Emittentin** hat die in § 2(1) festgelegte Bedeutung.

**Ersatz-Wertpapiere** hat die in § 6(5) festgelegte Bedeutung.

**EUR-Marge** hat die in § 5(2)(c) festgelegte Bedeutung.

**EUR-Nennbetrag** hat die in § 2(1) festgelegte Bedeutung; dieser Begriff umfasst aber auch sämtliche Erhöhungen des EUR-Nennbetrages gemäß § 5(6)(a).

**EUR-Schuldverschreibungen** hat die in § 2(1) festgelegte Bedeutung.

**Fakultativer Zinszahlungstag** hat die in § 5(3)(a) festgelegte Bedeutung.

**Festzins-Betrag** hat die in § 5(1)(b) festgelegte Bedeutung.

**Festzins-Zahlungstag** hat die in § 5(1)(a) festgelegte Bedeutung.

**Finanzierungsgesellschaft** bezeichnet jede Gesellschaft, deren Unternehmenszweck in der Aufnahme von Finanzierungsmitteln und deren Weiterleitung an verbundene Unternehmen besteht.

**Früherer Sitz** hat die in § 13(1)(c) festgelegte Bedeutung.

**Garantin** hat die in § 3(1) festgelegte Bedeutung.

**GBP-Marge** hat die in § 5(2)(c) festgelegte Bedeutung.

**GBP-Nennbetrag** hat die in § 2(1) festgelegte Bedeutung; dieser Begriff umfasst aber auch sämtliche Erhöhungen des GBP-Nennbetrages gemäß § 5(6)(a).

**GBP-Schuldverschreibungen** hat die in § 2(1) festgelegte Bedeutung.

**Calculation Agent** has the meaning specified in § 10(3).

**Special Make-Whole Amount** has the meaning specified in § 6(3).

**Special Present Values** has the meaning specified in § 6(3).

**Screen Page** has the meaning specified in § 5(2)(c).

**Gross-up Event** has the meaning specified in § 6(2).

**Clearing System** means Clearstream Banking S.A., Luxembourg, Luxembourg and Euroclear Bank S.A./N.V. as operator of the Euroclear System.

**Permanent Global Bond** has the meaning specified in § 2(2)(a).

**Issuer** has the meaning specified in § 2(1).

**Replacement Securities** has the meaning specified in § 6(5).

**EUR-Margin** has the meaning specified in § 5(2)(c).

**EUR-Principal Amount** has the meaning specified in § 2(1); this term however also includes any increases of the EUR-Principal Amount pursuant to § 5(6)(a).

**EUR-Bonds** has the meaning specified in § 2(1).

**Optional Interest Payment Date** has the meaning specified in § 5(3)(a).

**Fixed Interest Amount** has the meaning specified in § 5(1)(b).

**Fixed Interest Payment Date** has the meaning specified in § 5(1)(a).

**Finance Subsidiary** means each entity which has the corporate function of raising financing and passing it on to affiliates.

**Former Residence** has the meaning specified in § 13(1)(c).

**Guarantor** has the meaning specified in § 3(1).

**GBP-Margin** has the meaning specified in § 5(2)(c).

**GBP-Principal Amount** has the meaning specified in § 2(1); this term however also includes any increases of the GBP-Principal Amount pursuant to § 5(6)(a).

**GBP-Bonds** has the meaning specified in § 2(1).

**Geschäftstag** bezeichnet jeden Kalendertag (außer einen Samstag oder einen Sonntag), an dem TARGET (das Trans-European Automated Real Time Gross Settlement Express Transfer System) Zahlungen in Euro abwickelt.

**Gleichrangiges Wertpapier** bezeichnet (i) jedes von der Emittentin begebene Wertpapier, das gleichrangig im Verhältnis zu den Schuldverschreibungen ist, (ii) jedes von der Garantin begebene Wertpapier, das gleichrangig im Verhältnis zu den Verpflichtungen der Garantin aus der Nachrangigen Garantie ist, und (iii) jedes von der Garantin garantierte Wertpapier, bei dem die Verpflichtungen der Garantin aus der maßgeblichen Garantie gleichrangig im Verhältnis zu den Verpflichtungen der Garantin aus der Nachrangigen Garantie sind (allerdings jeweils mit der Ausnahme von an Konzerngesellschaften begebenen Wertpapieren).

**Globalurkunde** hat die in § 2(2)(a) festgelegte Bedeutung.

**Hauptbörse** hat die in § 5(6)(c) festgelegte Bedeutung.

**Hauptzahlstelle** hat die in § 10(1) festgelegte Bedeutung.

**Kapitalereignis** hat die in § 6(2) festgelegte Bedeutung.

**Konzerngesellschaft** bezeichnet jedes verbundene Unternehmen der Garantin i.S.d. § 15 Aktiengesetz.

**Marge** hat die in § 5(2)(c) festgelegte Bedeutung.

**Marktstörung** hat die in § 5(6)(c) festgelegte Bedeutung.

**Mittelzufluss-Bruch** hat die in § 5(5) festgelegte Bedeutung.

**Nachrangige Garantie** hat die in § 3(1) festgelegte Bedeutung.

**Nachrangige Verpflichtungserklärung** hat die in § 3(2) festgelegte Bedeutung.

**Nachrangiges Wertpapier** bezeichnet (i) jedes von der Emittentin begebene Wertpapier, das im Verhältnis zu den Schuldverschreibungen nachrangig ist und (ii) jedes von der Garantin begebene Wertpapier, das im Verhältnis zu den Verpflichtungen der Garantin aus der Nachrangigen Garantie nachrangig ist und (iii) jedes von der Garantin garantierte Wertpapier, bei dem die Verpflichtungen der Garantin aus der maßgeblichen Garantie im Verhältnis zu den Verpflichtungen der Garantin aus der Nachrangigen Ga-

**Business Day** means a calendar day (other than a Saturday or a Sunday) on which TARGET (the Trans-European Automated Real Time Gross Settlement Express Transfer System) settles payments in Euro.

**Parity Security** means (i) any security issued by the Issuer which ranks *pari passu* with the Bonds, (ii) any security issued by the Guarantor which ranks *pari passu* with the Guarantor's obligations under the Subordinated Guarantee, and (iii) any security guaranteed by the Guarantor where the Guarantor's obligations under the relevant guarantee rank *pari passu* with the Guarantor's obligations under the Subordinated Guarantee (however, in each case, exclusive of securities issued to Group Entities).

**Global Bond** has the meaning specified in § 2(2)(a).

**Primary Exchange** has the meaning specified in § 5(6)(c).

**Principal Paying Agent** has the meaning specified in § 10(1).

**Capital Event** has the meaning specified in § 6(2).

**Group Entity** means any of the Guarantor's affiliated enterprises within the meaning of Section 15 of the German Stock Corporation Act.

**Margin** has the meaning specified in § 5(2)(c).

**Market Disruption Event** has the meaning specified in § 5(6)(c).

**Cash Flow Fraction** has the meaning specified in § 5(5).

**Subordinated Guarantee** has the meaning specified in § 3(1).

**Subordinated Undertaking** has the meaning specified in § 3(2).

**Junior Security** means (i) any security issued by the Issuer which ranks junior to the Bonds and (ii) any security issued by the Guarantor which ranks junior to the Guarantor's obligations under the Subordinated Guarantee and (iii) any security guaranteed by the Guarantor where the Guarantor's obligations under the relevant guarantee are subordinated to the Guarantor's obligations under the Subordinated Guarantee (however, in each case, exclusive of securities issued to Group Entities).

rantie nachrangig sind (allerdings jeweils mit der Ausnahme von an Konzerngesellschaften begebenen Wertpapieren).

**Nennbetrag** bezeichnet jeweils den EUR-Nennbetrag und den GBP-Nennbetrag.

**Neue Schuldnerin** hat die in § 13(1) festgelegte Bedeutung.

**Neuer Sitz** hat die in § 13(1)(c) festgelegte Bedeutung.

**Obligatorischer Zinszahlungstag** hat die in § 5(3)(a) festgelegte Bedeutung.

**Rechtstreitigkeiten** hat die in § 15(3)(a) festgelegte Bedeutung.

**Referenzbanken** hat die in § 5(2)(c) festgelegte Bedeutung.

**Referenz-Swap-Händler** hat die in § 6(3) festgelegte Bedeutung.

**Relevantes Datum** hat die in § 8(2) festgelegte Bedeutung.

**Rückzahlungs-Berechnungstag** hat die in § 6(3) festgelegte Bedeutung.

**Rückzahlungstag** bezeichnet den Tag, an dem die Schuldverschreibungen nach Maßgabe dieser Anleihebedingungen zur Rückzahlung fällig werden.

**Sachleistung** hat die in § 5(6)(a) festgelegte Bedeutung.

**Schuldverschreibungen** hat die in § 2(1) festgelegte Bedeutung.

**Statthafte Wertpapiere** hat die in § 5(6)(a) festgelegte Bedeutung.

**Steuerereignis** hat die in § 6(2) festgelegte Bedeutung.

**Swap-Bildschirmseite** hat die in § 6(3) festgelegte Bedeutung.

**Ursprünglicher Nennbetrag** bezeichnet den ursprünglichen Nennbetrag je EUR-Schuldverschreibung in Höhe von €1.000 bzw. je GBP-Schuldverschreibung in Höhe von £1.000.

**Variabler Zinsbetrag** hat die in § 5(2)(d) festgelegte Bedeutung.

**Variabler Zinszahlungstag** ist, vorbehaltlich § 5(2)(b), der 14. Dezember, 14. März, 14. Juni, und 14. September eines jeden Jahres beginnend mit dem 14. September 2016 (einschließlich).

**Variabler Zinszeitraum** bezeichnet jeweils die Zeiträume vom 14. September 2016 (einschließlich) bis zum ersten Variablen Zinszahlungstag (ausschließlich) und danach von jedem Variablen

**Principal Amount** means each of the EUR-Principal Amount and the GBP-Principal Amount.

**New Debtor** has the meaning specified in § 13(1).

**New Residence** has the meaning specified in § 13(1)(c).

**Compulsory Interest Payment Date** has the meaning specified in § 5(3)(a).

**Disputes** has the meaning specified in § 15(3)(a).

**Reference Banks** has the meaning specified in § 5(2)(c).

**Reference Swap Dealer** has the meaning specified in § 6(3).

**Relevant Date** has the meaning specified in § 8(2).

**Redemption Calculation Date** has the meaning specified in § 6(3).

**Redemption Date** means the day on which the Bonds become due for redemption in accordance with these Conditions of Issue.

**Payment In Kind** has the meaning specified in § 5(6)(a).

**Bonds** has the meaning specified in § 2(1).

**Eligible Securities** has the meaning specified in § 5(6)(a).

**Tax Event** has the meaning specified in § 6(2).

**Swap Screen Page** has the meaning specified in § 6(3).

**Initial Principal Amount** means the initial principal amount per EUR-Bond of €1,000 or per GBP-Bond of £1,000, as applicable.

**Floating Interest Amount** has the meaning specified in § 5(2)(d).

**Floating Interest Payment Date** means, subject to § 5(2)(b), December 14, March 14, June 14, and September 14 in each year, commencing on and including December 14, 2016.

**Floating Interest Period** means each period from and including September 14, 2016 to but excluding the first Floating Interest Payment Date and, thereafter, from and including each Floating Interest Payment

**Zinszahlungstag** (einschließlich) bis zum jeweils darauffolgenden Variablen Zinszahlungstag (ausschließlich).

**Vereinbarungen** hat die in § 13(1)(b) festgelegte Bedeutung.

**Vereinigte Staaten** hat die in § 2(2)(b) festgelegte Bedeutung.

**Verfahren** hat die in § 15(3)(a) festgelegte Bedeutung.

**Vergleichbarer Swapsatz** hat die in § 6(3) festgelegte Bedeutung.

**Vorgesehene Laufzeit** hat die in § 6(3) festgelegte Bedeutung.

**Vorläufige Globalurkunde** hat die in § 2(2)(a) festgelegte Bedeutung.

**Vorzeitiger Rückzahlungsbetrag** hat die in § 6(3) festgelegte Bedeutung.

**Wandelanleihe** hat die in § 6(2) festgelegte Bedeutung.

**Wandlungsereignis** hat die in § 6(2) festgelegte Bedeutung.

**Zahlstelle** hat die in § 10(2) festgelegte Bedeutung.

**Zinsberechnungszeitraum** hat die in § 5(2)(d) festgelegte Bedeutung.

**Zinsbetrag** bezeichnet den Festzins-Betrag und den Variablen Zinsbetrag.

**Zinsfestlegungstag** hat die in § 5(2)(c) festgelegte Bedeutung.

**Zinsrückstände** hat die in § 5(3)(b) festgelegte Bedeutung.

**Zinssatz** hat die in § 5(2)(c) festgelegte Bedeutung.

**Zinstagequotient** hat die in § 5(2)(d) festgelegte Bedeutung.

**Zinszahlungstag** bezeichnet jeden Festzins-Zahlungstag und jeden Variablen Zinszahlungstag.

**Zwingender Aufschiebungsgrund** hat die in § 5(5) festgelegte Bedeutung.

Date to but excluding the immediately following Floating Interest Payment Date.

**Documents** has the meaning specified in § 13(1)(b).

**United States** has the meaning specified in § 2(2)(b).

**Proceedings** has the meaning specified in § 15(3)(a).

**Comparable Swap Rate Amount** has the meaning specified in § 6(3).

**Designated Maturity** has the meaning specified in § 6(3).

**Temporary Global Bond** has the meaning specified in § 2(2)(a).

**Early Redemption Amount** has the meaning specified in § 6(3).

**Convertible Bond** has the meaning specified in § 6(2).

**Conversion Event** has the meaning specified in § 6(2).

**Paying Agent** has the meaning specified in § 10(2).

**Calculation Period** has the meaning specified in § 5(2)(d).

**Interest Amount** means the Fixed Interest Amount and the Floating Interest Amount.

**Interest Determination Date** has the meaning specified in § 5(2)(c).

**Arrears of Interest** has the meaning specified in § 5(3)(b).

**Rate of Interest** has the meaning specified in § 5(2)(c).

**Day Count Fraction** has the meaning specified in § 5(2)(d).

**Interest Payment Date** means any Fixed Interest Payment Date and any Floating Interest Payment Date.

**Mandatory Deferral Event** has the meaning specified in § 5(5).

§ 2  
NENNBETRAG UND STÜCKELUNG;  
VERBRIEFUNG; VERWAHRUNG;  
ÜBERTRAGBARKEIT

(1) **Nennbetrag und Stückelung.**

Die Emission der nachrangigen Schuldverschreibungen der Siemens Financieringsmaatschappij N.V., Den Haag, Niederlande (die *Emittentin*) ist eingeteilt in:

900.000 an den Inhaber zahlbare Schuldverschreibungen (die *EUR-Schuldverschreibungen*; dieser Begriff umfasst sämtliche weiteren EUR-Schuldverschreibungen, die gemäß § 11 begeben werden und eine einheitliche Serie mit den EUR-Schuldverschreibungen bilden) mit einem Nennbetrag von anfänglich jeweils €1.000 (in Worten: Euro eintausend) (der *EUR-Nennbetrag*) im Gesamtnennbetrag von €900.000.000 (in Worten: Euro neunhundert Millionen) und

750.000 an den Inhaber zahlbare Schuldverschreibungen (die *GBP-Schuldverschreibungen*; dieser Begriff umfasst sämtliche weiteren GBP-Schuldverschreibungen, die gemäß § 11 begeben werden und eine einheitliche Serie mit den GBP-Schuldverschreibungen bilden; die EUR-Schuldverschreibungen und die GBP-Schuldverschreibungen sind zusammen die *Schuldverschreibungen*) mit einem Nennbetrag von anfänglich jeweils £1.000 (in Worten: Pfund Sterling eintausend) (der *GBP-Nennbetrag*) im Gesamtnennbetrag von £750.000.000 (in Worten: Pfund Sterling siebenhundertfünfzig Millionen).

(2) **Vorläufige Globalurkunden — Austausch — Dauerglobalurkunden**

- (a) Die Schuldverschreibungen sind anfänglich durch zwei oder mehrere vorläufige Globalurkunden (die *Vorläufigen Globalurkunden*) ohne Zinsscheine verbrieft. Jede Vorläufige Globalurkunde wird gegen eine Dauerglobalurkunde (jeweils eine *Dauerglobalurkunde*; die Vorläufigen Globalurkunden und die Dauerglobalurkunden zusammen die *Globalurkunden*) ohne Zinsscheine ausgetauscht. Jede Vorläufige Globalurkunde und jede Dauerglobalurkunde trägt die eigenhändigen Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und ist jeweils von der Hauptzahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

§ 2  
PRINCIPAL AMOUNT AND DENOMINATION;  
FORM; DEPOSIT; TRANSFERABILITY

(1) **Principal Amount and Denomination.**

The issue of the subordinated Bonds by Siemens Financieringsmaatschappij N.V., Den Haag, The Netherlands (the *Issuer*) is divided into:

900,000 bonds (the *EUR-Bonds*; this term includes any further EUR-Bonds issued pursuant to § 11 that form a single series with the EUR-Bonds) payable to bearer, with an initial principal amount of €1,000 (in words: Euro one thousand) each (the *EUR-Principal Amount*) in the aggregate principal amount of €900,000,000 (in words: Euro nine hundred million) and

750,000 bonds (the *GBP-Bonds*; this term includes any further GBP-Bonds issued pursuant to § 11 that form a single series with the GBP-Bonds; the GBP-Bonds together with the EUR-Bonds, the *Bonds*) payable to bearer, with an initial principal amount of £1,000 (in words: Pounds Sterling one thousand) each (the *GBP-Principal Amount*) in the aggregate principal amount of £750,000,000 (in words: Pounds Sterling seven hundred fifty million).

(2) **Temporary Global Bonds — Exchange — Permanent Global Bonds.**

- (a) The Bonds are initially represented by two or more temporary global bonds (the *Temporary Global Bonds*) without interest coupons. Each Temporary Global Bond will be exchanged for a permanent global bond (each a *Permanent Global Bond*; the Permanent Global Bonds and the Temporary Global Bonds together the *Global Bonds*) without interest coupons. Each Temporary Global Bond and each Permanent Global Bond shall be signed manually by two authorised signatories of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent. Definitive bonds and interest coupons shall not be issued.



- (b) Jede Vorläufige Globalurkunde wird an einem Kalendertag (der **Austauschtag**), der nicht mehr als 180 Kalendertage nach dem Ausgabetag liegt, gegen die entsprechende Dauerglobalurkunde ausgetauscht. Der Austauschtag darf nicht weniger als 40 Kalendertage nach dem Ausgabetag liegen. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen über das Nichtbestehen U.S.-amerikanischen wirtschaftlichen Eigentums (U.S. beneficial ownership) an den Schuldverschreibungen, die nach Inhalt und Form den Anforderungen des Rechts der Vereinigten Staaten von Amerika und den dann bestehenden Usancen des Clearingsystems entsprechen, erfolgen. Solange die Schuldverschreibungen durch Vorläufige Globalurkunden verbrieft sind, werden Zinszahlungen erst nach Vorlage solcher Bescheinigungen vorgenommen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich.

**Vereinigte Staaten** bezeichnet die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des Districts of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und der Northern Mariana Islands).

### (3) Clearingsystem.

Die Globalurkunden werden solange von der Deutschen Bank Aktiengesellschaft, Grosse Gallusstrasse 10-14, 60272 Frankfurt am Main, Deutschland als gemeinsame Verwahrstelle für das Clearingsystem verwahrt, bis sämtliche Verpflichtungen der Emittentin aus den Schuldverschreibungen erfüllt sind.

### (4) Übertragbarkeit.

Den Anleihegläubigern stehen Miteigentumsanteile oder -rechte an den Globalurkunden zu, die nach Maßgabe des anwendbaren Rechts und der jeweils geltenden Regelwerke des Clearingsystems übertragen werden können.

### (5) Währung.

Falls der Euro bzw. das Pfund Sterling aufgrund einer gesetzlich vorgeschriebenen Umstellung durch ein anderes für die Schuldverschreibungen maßgebliches Zahlungsmittel bzw. eine andere für die Schuldverschreibungen maßgebliche Recheneinheit abgelöst werden sollte, tritt in diesen Anleihebedingungen an die Stelle sämtlicher Bezugnahmen auf EUR, Euro oder € bzw. GBP, Pfund Sterling oder £ eine Bezugnahme auf das neue Zahlungsmittel bzw. die neue Recheneinheit und sämtliche in EUR, Euro oder

- (b) Each Temporary Global Bond shall be exchanged for the relevant Permanent Global Bond on a date (the **Exchange Date**) not later than 180 calendar days after the Issue Date. The Exchange Date shall not be earlier than 40 calendar days after the Issue Date. Such exchange shall only be made upon delivery of certifications as to non U.S. beneficial ownership of the Bonds, the contents and form of which shall correspond to the applicable requirements of the laws of the United States of America and the then prevailing standard practises of the Clearing System. Payment of interest on Bonds represented by a Temporary Global Bond shall be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest.

**United States** means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

### (3) Clearing System.

The Global Bonds shall be kept in custody by Deutsche Bank Aktiengesellschaft, Grosse Gallusstrasse 10-14, 60272 Frankfurt am Main, Germany as common depositary for the Clearing System until all obligations of the Issuer under the Bonds have been satisfied.

### (4) Transferability.

The Bondholders shall receive proportional co-ownership participations or rights in the Global Bonds that are transferable in accordance with applicable law and applicable rules of the Clearing System.

### (5) Currency.

If, due to a conversion pursuant to applicable statutory law, the Euro or the Pound Sterling is replaced by another legal tender relevant for the Bonds or another unit of account relevant for the Bonds, any reference in these Conditions of Issue to EUR, Euro or € or GBP, Pound Sterling or £ shall be replaced by a reference to such new legal tender or unit of account and all obligations or monies owed or expressed in EUR, Euro or € or GBP, Pound Sterling or £ shall be converted to the new legal tender or unit



€ bzw. GBP, Pfund Sterling oder £ ausgedrückten oder geschuldeten Beträge sind zum gesetzlich vorgeschriebenen Umrechnungskurs in das neue Zahlungsmittel bzw. die neue Recheneinheit umzurechnen.

### § 3

#### NACHRANGIGE GARANTIE UND NACHRANGIGE VERPFLICHTUNGSERKLÄRUNG

##### (1) Nachrangige Garantie.

Die Siemens Aktiengesellschaft, Berlin und München, Bundesrepublik Deutschland (die **Garantin**) hat am 12. September 2006 zugunsten der Anleihegläubiger gegenüber der Hauptzahlstelle die unbedingte und unwiderrufliche nachrangige Garantie (die **Nachrangige Garantie**) für die ordnungsgemäße Zahlung, jeweils bei Fälligkeit, im Umfang und nach Maßgabe dieser Anleihebedingungen, von Kapital und Zinsen und allen anderen unter den Schuldverschreibungen gegebenenfalls zu zahlenden Beträgen übernommen. Die Nachrangige Garantie findet für Ansprüche auf ersatzweise Befriedigung der Anleihegläubiger durch die Emittentin mittels ACZM (Alternativer Coupon-Zahlungs-Mechanismus) gemäß § 5(6) der Anleihebedingungen keine Anwendung. Die Nachrangige Garantie stellt einen Vertrag zugunsten der Anleihegläubiger als begünstigte Dritte im Sinne des § 328 Abs. 1 BGB dar, der jedem Anleihegläubiger das Recht gibt, Erfüllung der in der Nachrangigen Garantie übernommenen Verpflichtungen unmittelbar von der Garantin zu verlangen und diese Verpflichtungen unmittelbar gegen die Garantin durchzusetzen, wobei solch ein Recht in jedem Fall nur dann (und nur in dem Umfang) entsteht und besteht, wie Zahlungen unter den Schuldverschreibungen nicht (oder nicht im entsprechenden Umfang) durch die Emittentin bei Fälligkeit erfolgen.

##### (2) Nachrangige Verpflichtungserklärung.

Darüber hinaus hat sich die Garantin in einer nachrangigen Verpflichtungserklärung gegenüber der Hauptzahlstelle gemäß den dort enthaltenen Bestimmungen zugunsten der Anleihegläubiger verpflichtet (die **Nachrangige Verpflichtungserklärung**), die Zahlung Aufgeschobener Zinsen mittels ACZM nach Maßgabe dieser Anleihebedingungen (insbesondere vorbehaltlich der in § 5(6)(b) und (d) enthaltenen Einschränkungen) zu gewährleisten.

Die Garantin hat sich in der Nachrangigen Verpflichtungserklärung gegenüber der Hauptzahlstelle gemäß den dort enthaltenen Bestimmungen

of account at the legally applicable conversion rate.

### § 3

#### SUBORDINATED GUARANTEE AND SUBORDINATED UNDERTAKING

##### (1) Subordinated Guarantee.

Siemens Aktiengesellschaft, Berlin and Munich, Federal Republic of Germany (the **Guarantor**) has issued on September 12, 2006 an unconditional and irrevocable subordinated guarantee (the **Subordinated Guarantee**) to the Principal Paying Agent for the benefit of the Bondholders, for the due payment of principal of, and interest on, and any other amounts, if any, payable under the Bonds, in each case to the extent and when falling due in accordance with these Conditions of Issue. The Subordinated Guarantee does not apply to claims of Bondholders for an alternative satisfaction via ACSM (Alternative Coupon Settlement Mechanism) by the Issuer pursuant to § 5(6) of the Conditions of Issue. The Subordinated Guarantee constitutes a contract for the benefit of the Bondholders as third party beneficiaries in accordance with § 328(1) of the German Civil Code, giving rise to the right of each Bondholder to require performance of the obligations under the Subordinated Guarantee directly from the Guarantor and to enforce the obligations under the Subordinated Guarantee directly against the Guarantor, in each case only if (and only to the extent) payments under the Bonds have not been made (or not been made in full) by the Issuer when due.

##### (2) Subordinated Undertaking.

In addition, the Guarantor has undertaken in a subordinated undertaking declaration (the **Subordinated Undertaking**) to the Principal Paying Agent for the benefit of the Bondholders to ensure, in accordance with the terms thereof, the settlement of Outstanding Payments by means of ACSM in accordance with these Conditions of Issue (in particular subject to the limitations contained in § 5(6)(b) and (d)).

The Guarantor has undertaken in the Subordinated Undertaking to the Principal Paying Agent for the benefit of the Bondholders to perform, in accordance

zugunsten der Anleihegläubiger verpflichtet, bestimmte Kapitalmaßnahmen für den Fall (und in dem Umfang) durchzuführen, dass die Emittentin nach Maßgabe von § 5(6) der Anleihebedingungen zur Zahlung Aufgeschobener Zinsen mittels ACZM verpflichtet ist. Um diese Ansprüche gegenüber der Garantin geltend machen zu können, müssen die Anleihegläubiger die Absicht der Geltendmachung der Garantin 30 Kalendertage zuvor schriftlich anzeigen.

Die Nachrangige Verpflichtungserklärung stellt einen Vertrag zugunsten der Anleihegläubiger als begünstigte Dritte im Sinne des § 328 Abs. 1 BGB dar, der jedem Anleihegläubiger das Recht gibt, Erfüllung der in der Nachrangigen Verpflichtungserklärung übernommenen Verpflichtungen unmittelbar von der Garantin zu verlangen und diese Verpflichtungen unmittelbar gegen die Garantin durchzusetzen, wobei solch ein Recht in jedem Fall nur dann (und nur in dem Umfang) entsteht und besteht, wie Zahlungen unter den Schuldverschreibungen nicht (oder nicht im entsprechenden Umfang) durch die Emittentin bei Fälligkeit erfolgten.

#### **§ 4**

### **STATUS DER SCHULDVERSCHREIBUNGEN, DER NACHRANGIGEN GARANTIE UND DER NACHRANGIGEN VERPFLICHTUNGSERKLÄRUNG; AUFRECHNUNGSVERBOT; BESCHRÄNKUNG NACHRANGIGER VERSCHULDUNG**

#### **(1) Status der Schuldverschreibungen**

Die Schuldverschreibungen begründen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die untereinander im Rang gleich stehen und im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben. Im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens gehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen im Rang den Ansprüchen aller nicht nachrangigen und nachrangigen Gläubiger nach, so dass Zahlungen auf die

with the terms thereof, certain corporate actions if (and to the extent) the Issuer, in accordance with § 5(6) of the Conditions of Issue, becomes obliged to settle Outstanding Payments by means of ACSM. In order to be able to assert such claims the respective Bondholders are obliged to notify the Guarantor in writing 30 calendar days in advance of their intention to do so.

The Subordinated Undertaking constitutes a contract for the benefit of the Bondholders as third party beneficiaries in accordance with § 328(1) of the German Civil Code, giving rise to the right of each Bondholder to require performance of the obligations under the Subordinated Undertaking directly from the Guarantor and to enforce the obligations under the Subordinated Undertaking directly against the Guarantor, in each case only if (and only to the extent) payments under the Bonds have not been made (or not been made in full) by the Issuer when due.

#### **§ 4**

### **STATUS OF THE BONDS, THE SUBORDINATED GUARANTEE AND THE SUBORDINATED UNDERTAKING; PROHIBITION OF SET-OFF; LIMITATION OF SUBORDINATED INDEBTEDNESS**

#### **(1) Status of the Bonds.**

The obligations of the Issuer under the Bonds constitute direct, unsecured and subordinated obligations of the Issuer ranking *pari passu* among themselves and, in the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer, rank junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise required by mandatory provisions of law. In the event of the liquidation, dissolution or insolvency of the Issuer or composition or other proceedings for the avoidance of insolvency of the Issuer, the obligations of the Issuer under the Bonds shall be subordinated to the claims of all unsubordinated and subordinated creditors of the Issuer so that in any such event no amounts shall be payable in respect of the Bonds until the claims of all unsubordinated and

Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche aller nicht nachrangigen und nachrangigen Gläubiger gegen die Emittentin nicht zuvor vollständig erfüllt sind.

Für die Rechte der Anleihegläubiger aus den Schuldverschreibungen ist diesen, mit Ausnahme der Nachrangigen Garantie, keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit, mit Ausnahme der Nachrangigen Garantie, wird auch zu keinem Zeitpunkt gestellt werden.

**(2) Status der Nachrangigen Garantie und der Nachrangigen Verpflichtungserklärung.**

- (a) Die Verpflichtungen der Garantin aus der Nachrangigen Garantie und der Nachrangigen Verpflichtungserklärung begründen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Garantin. Im Fall der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Garantin dienenden Verfahrens gehen die Verpflichtungen der Garantin aus der Nachrangigen Garantie und der Nachrangigen Verpflichtungserklärung allen anderen bestehenden und zukünftigen Verbindlichkeiten der Garantin, ob nachrangig oder nicht nachrangig, im Rang nach, soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben. Im Fall der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Garantin dienenden Verfahrens gehen die Verbindlichkeiten der Garantin aus der Nachrangigen Garantie und der Nachrangigen Verpflichtungserklärung im Rang den Ansprüchen aller nachrangigen und nicht nachrangigen Gläubiger nach, so dass Zahlungen auf die Nachrangige Garantie bzw. im Zusammenhang mit einer Verletzung oder Nichterfüllung der Nachrangigen Verpflichtungserklärung solange nicht erfolgen, wie die Ansprüche aller nicht nachrangigen oder nachrangigen Gläubiger gegen die Garantin nicht zuvor vollständig erfüllt sind.

Für die Rechte der Anleihegläubiger aus der Nachrangigen Garantie und der Nachrangigen Verpflichtungserklärung ist diesen keine Sicherheit durch die Garantin oder durch Dritte gestellt; eine solche Sicherheit wird auch zu keinem Zeitpunkt gestellt werden.

subordinated creditors of the Issuer shall have first been satisfied in full.

Except for the Subordinated Guarantee, no security is, or shall at any time be, granted by the Issuer or any other person securing rights of the Bondholders under the Bonds.

**(2) Status of the Subordinated Guarantee and the Subordinated Undertaking.**

- (a) The obligations of the Guarantor under the Subordinated Guarantee and the Subordinated Undertaking constitute direct, unsecured and subordinated obligations of the Guarantor. In the event of the liquidation, dissolution or insolvency of the Guarantor or composition or other proceedings for the avoidance of insolvency of the Guarantor the Guarantor's obligations under the Subordinated Guarantee and the Subordinated Undertaking rank junior to all other present and future obligations of the Guarantor, whether subordinated or unsubordinated, except as otherwise required by mandatory provisions of law. In the event of the liquidation, dissolution or insolvency of the Guarantor or composition or other proceedings for the avoidance of insolvency of the Guarantor, the obligations of the Guarantor under the Subordinated Guarantee and the Subordinated Undertaking shall be subordinated to the claims of all subordinated and unsubordinated creditors of the Guarantor so that in any such event no amounts shall be payable in respect of the Subordinated Guarantee and/or in connection with a violation of or default under the Subordinated Undertaking until the claims of all unsubordinated or subordinated creditors of the Guarantor shall have first been satisfied in full.

No security is, or shall at any time be, granted by the Guarantor or any other person securing rights of the Bondholders under the Subordinated Guarantee and the Subordinated Undertaking.

- (b) Die Anleihegläubiger erkennen ausdrücklich an, dass Zahlungen der Garantin im Hinblick auf die Schuldverschreibungen unter der Nachrangigen Garantie oder der Nachrangigen Verpflichtungserklärung nur unter Wahrung obenstehender Nachrangigkeit vorgenommen werden.

**(3) Aufrechnungsverbot.**

- (a) Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen bzw. aus der Nachrangigen Garantie oder der Nachrangigen Verpflichtungserklärung gegen mögliche Forderungen der Emittentin bzw. der Garantin aufzurechnen.
- (b) Die Emittentin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen.
- (c) Nach Maßgabe der Bestimmungen der Nachrangigen Garantie bzw. der Nachrangigen Verpflichtungserklärung ist die Garantin nicht berechtigt, Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus der Nachrangigen Garantie bzw. der Nachrangigen Verpflichtungserklärung aufzurechnen.

**(4) Negativerklärung.**

- (a) Die Emittentin verpflichtet sich, mit Ausnahme von gemäß § 5(6) begebenen Statthaften Wertpapieren, solange die Schuldverschreibungen ausstehen, keine zusätzliche nachrangige Verschuldung einzugehen, die nach ihren Bedingungen oder gesetzlichen Vorschriften im Falle der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens den Schuldverschreibungen im Rang nachgehen würde.
- (b) Die Garantin hat sich ferner in der Nachrangigen Garantie verpflichtet, solange die Schuldverschreibungen ausstehen, mit Ausnahme von gemäß § 5(6) begebenen Statthaften Wertpapieren, keine zusätzliche nachrangige Verschuldung einzugehen oder zu garantieren, die nach ihren Bedingungen oder gesetzlichen Vorschriften im Falle der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Garantin dienenden Verfahrens den

- (b) Bondholders explicitly accept that, payments in respect of the Bonds shall be made by the Guarantor pursuant to the Subordinated Guarantee or the Subordinated Undertaking only in accordance with the subordination described above.

**(3) Prohibition of Set-off.**

- (a) No Bondholder may set-off any claims arising under the Bonds or, as applicable, the Subordinated Guarantee or the Subordinated Undertaking against any claims that the Issuer or the Guarantor may have against it.
- (b) The Issuer may not set-off any claims it may have against the Bondholders against any of its obligations under the Bonds.
- (c) Under the terms of the Subordinated Guarantee and the Subordinated Undertaking, the Guarantor may not set-off any claims it may have against the Bondholders against any of its obligations under the Subordinated Guarantee or the Subordinated Undertaking.

**(4) Negative Pledge.**

- (a) The Issuer agrees that so long as the Bonds are outstanding, it will not incur or issue any additional subordinated indebtedness which by its terms or by mandatory provisions of law would rank junior to the Bonds in the event of a liquidation, dissolution or insolvency of the Issuer or composition or other proceedings for the avoidance of insolvency of the Issuer, save for the issuance of Eligible Securities pursuant to § 5(6).
- (b) The Subordinated Guarantor has further undertaken in the Subordinated Guarantee that so long as the Bonds are outstanding, it will not incur or issue or guarantee any additional subordinated indebtedness which by its terms or by mandatory provisions of law would rank junior to the Bonds or the claims of the Bondholders under the Subordinated Guarantee in the event of a liquidation, dissolution or insolvency of the Guarantor or composition or other proceedings for the avoidance of

Schuldverschreibungen im Rang nachgehen würde oder die den Ansprüchen der Anleihegläubiger unter der Nachrangigen Garantie im Rang nachgehen würde.

## § 5

### **ZINSEN; WAHLWEISER ZINSAUFSCHUB; NACHZAHLUNG; ZWINGENDER AUFSCHUB VON ZINSAHLUNGEN; ERSATZWEISE ERFÜLLUNG; ERLÖSCHEN AUFGESCHOBENER ZINSEN**

#### **(1) Zinszahlungen für Festzins-Zeiträume**

Vorbehaltlich einer vorzeitigen Rückzahlung gemäß diesen Anleihebedingungen und der weiteren Bestimmungen dieses § 5 werden Zinsen auf die Schuldverschreibungen vom Ausgabetag (einschließlich) bis zum 14. September 2016 (ausschließlich) wie folgt gezahlt:

- (a) Die EUR-Schuldverschreibungen werden mit jährlich 5,25 % auf ihren EUR-Nennbetrag (einschließlich etwaiger Erhöhungen gemäß § 5(6)(a)) verzinst und die GBP-Schuldverschreibungen werden mit jährlich 6,125 % auf ihren GBP-Nennbetrag (einschließlich etwaiger Erhöhungen jeweils gemäß § 5(6)(a)) verzinst. Diese Zinsen sind nachträglich jährlich am 14. September eines jeden Jahres, erstmals am 14. September 2007 fällig (jeweils ein **Festzins-Zahlungstag**).
- (b) Die an dem jeweiligen Festzins-Zahlungstag zu zahlenden Zinsen je Schuldverschreibung (der **Festzins-Betrag**) ergeben sich aus der Multiplikation von 5,25 % in Bezug auf die EUR-Schuldverschreibungen und 6,125 % in Bezug auf die GBP-Schuldverschreibungen mit dem relevanten Nennbetrag je Schuldverschreibung (einschließlich etwaiger Erhöhungen gemäß § 5(6)(a)), wobei der daraus resultierende Betrag auf den nächsten Eurocent bzw. Pence auf- oder abgerundet wird, und 0,5 oder mehr eines Eurocents bzw. Pence aufgerundet werden. Zinsen, die auf einen vor dem 14. September 2016 liegenden Zeitraum von weniger als einem Jahr zu berechnen sind, werden auf Basis der tatsächlich verstrichenen Kalendertage im maßgeblichen Zeitraum geteilt durch die tatsächliche Anzahl der Tage im betreffenden Jahr (365 oder 366) berechnet.

insolvency of the Guarantor, save for the issuance of Eligible Securities pursuant to § 5(6).

## § 5

### **INTEREST; OPTIONAL INTEREST DEFERRAL; SUBSEQUENT PAYMENT; MANDATORY INTEREST DEFERRAL; ALTERNATIVE SATISFACTION OF BONDHOLDERS; CANCELLATION OF OUTSTANDING PAYMENTS**

#### **(1) Interest Payments for Fixed Interest Periods.**

Unless previously redeemed in accordance with these Conditions of Issue and subject to the further provisions of this § 5, interest on the Bonds from and including the Issue Date to, but excluding, September 14, 2016 shall be paid as follows:

- (a) The EUR-Bonds bear interest at the rate of 5.25 % per annum on their EUR-Principal Amount (including increases pursuant to § 5(6)(a), if any) and the GBP-Bonds bear interest at the rate of 6.125 % per annum on their GBP-Principal Amount (including increases pursuant to § 5(6)(a), if any). Such interest shall be payable annually in arrears on September 14 of each year commencing on September 14, 2007 (each a **Fixed Interest Payment Date**).
- (b) Interest payable per Bond on the respective Fixed Interest Payment Date (the **Fixed Interest Amount**) shall be calculated by multiplying 5.25 % in respect of the EUR-Bonds and 6.125 % in respect of the GBP-Bonds by the relevant Principal Amount per Bond (including increases pursuant to § 5(6)(a), if any) and rounding the resulting figure to the nearest Eurocent or pence (as applicable), with 0.5 or more of a Eurocent or pence (as applicable) being rounded upwards. If interest is to be calculated for a period of less than one year ending prior to September 14, 2016, it shall be calculated on the basis of the actual number of calendar days in the relevant period divided by the actual number of days in the relevant year (365 or 366).



## (2) Zinszahlungen für Variable Zinszeiträume.

Vorbehaltlich einer vorzeitigen Rückzahlung gemäß diesen Anleihebedingungen und der weiteren Bestimmungen dieses § 5 werden Zinsen auf die Schuldverschreibungen vom 14. September 2016 (einschließlich) bis zum Kalendertag der Rückzahlung der Schuldverschreibungen (ausschließlich) wie folgt gezahlt:

- (a) Die Schuldverschreibungen werden in Höhe des von der Berechnungsstelle gemäß § 5(2)(d) festgesetzten Zinssatzes verzinst, wobei die Zinsen jeweils vierteljährlich nachträglich an jedem Variablen Zinszahlungstag gezahlt werden.
- (b) Falls ein Variabler Zinszahlungstag auf einen Kalendertag fallen würde, der kein Geschäftstag ist, wird der Variable Zinszahlungstag auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall fällt der betreffende Variable Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag.
- (c) Der Zinssatz für jeden Variablen Zinszeitraum (der **Zinssatz**) ist, sofern nachstehend nichts Abweichendes bestimmt ist, der Angebotssatz (ausgedrückt als Prozentsatz *per annum*) für Dreimonats-Einlagen in Euro (in Bezug auf die EUR-Schuldverschreibungen) bzw. Pfund Sterling (in Bezug auf die GBP-Schuldverschreibungen) für den jeweiligen Variablen Zinszeitraum, der am Zinsfestlegungstag um 11:00 Uhr (Brüsseler Ortszeit in Bezug auf die EUR-Schuldverschreibungen bzw. Londoner Ortszeit in Bezug auf die GBP-Schuldverschreibungen) auf der relevanten Bildschirmseite angezeigt wird, zuzüglich der relevanten Marge, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Sollte die relevante Bildschirmseite nicht zur Verfügung stehen oder wird dort kein Angebotssatz angezeigt, wird die Berechnungsstelle von vier von ihr ausgewählten Referenzbanken deren jeweilige Angebotssätze gegenüber erstklassigen Banken (i) in Bezug auf die EUR-Schuldverschreibungen im Interbanken-Markt in den Teilnehmerstaaten der dritten Stufe der Wirtschafts- und Währungsunion im Sinne des Vertrages über die Europäische Union für Dreimonats-Einlagen in Euro und (ii) in Bezug auf die GBP-Schuldverschreibungen im Londoner Interbanken-Markt

## (2) Interest Payments for Floating Interest Periods.

Unless previously redeemed in accordance with these Conditions of Issue and subject to the further provisions of this § 5, interest on the Bonds shall be paid from and including September 14, 2016 to, but excluding, the calendar day of redemption of the Bonds as follows:

- (a) The Bonds shall bear interest at a rate determined by the Calculation Agent pursuant to § 5(2)(d) below, payable quarterly in arrears on each Floating Interest Payment Date.
- (b) If any Floating Interest Payment Date would otherwise fall on a calendar day which is not a Business Day, the Floating Interest Payment Date shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which case the relevant Floating Interest Payment Date shall be the immediately preceding Business Day.
- (c) The rate of interest for each Floating Interest Period (the **Rate of Interest**) shall, except as provided below, be the offered quotation (expressed as a percentage rate *per annum*) for three-month deposits in Euro (in respect of the EUR-Bonds) or in Pounds Sterling (in respect of the GBP-Bonds) for that Floating Interest Period which appears on the relevant Screen Page as of 11:00 a.m. (in respect of the EUR-Bonds, Brussels time and in respect of the GBP-Bonds, London time) on the Interest Determination Date, plus the relevant Margin, all as determined by the Calculation Agent.

If the relevant Screen Page is not available or if no such quotation is available the Calculation Agent shall request four Reference Banks selected by it to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for the relevant Floating Interest Period in an amount that is representative for a single transaction in the relevant market at the relevant time to leading banks (i) in respect of the EUR-Bonds, in the interbank market of the participating Member States in the third stage of the Economic and Monetary Union, as contemplated by the Treaty

für Dreimonats-Einlagen in Pfund Sterling in einer für den jeweiligen Markt zu diesem Zeitpunkt üblichen Größenordnung für Einzeltransaktionen für den betreffenden Variablen Zinszeitraum (jeweils als Prozentsatz *per annum* ausgedrückt) anfordern. Maßgeblich sind die Angebotssätze um ca. 11:00 Uhr (Brüsseler Ortszeit in Bezug auf die EUR-Schuldverschreibungen bzw. Londoner Ortszeit in Bezug auf die GBP-Schuldverschreibungen) am betreffenden Zinsfestlegungstag. Sofern der Berechnungsstelle zwei oder mehr der ausgewählten Referenzbanken solche Angebotssätze nennen, ist der relevante Zinssatz für den betreffenden Variablen Zinszeitraum das arithmetische Mittel der jeweiligen Angebotssätze (falls erforderlich, auf- oder abgerundet (in Bezug auf die EUR-Schuldverschreibungen) auf das nächste ein tausendstel Prozent, wobei 0,0005 aufgerundet wird oder (in Bezug auf die GBP-Schuldverschreibungen) auf das nächste einhunderttausendstel Prozent, wobei 0,000005 aufgerundet wird), zuzüglich der relevanten Marge.

Für den Fall, dass der relevante Zinssatz nicht gemäß den vorstehenden Bestimmungen ermittelt werden kann, ist der relevante Zinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der relevanten Bildschirmseite, wie vorstehend beschrieben, an dem letzten Kalendertag vor dem Zinsfestlegungstag, an dem ein solcher Angebotssatz bzw. solche Angebotssätze angezeigt wurde(n), zuzüglich der relevanten Marge.

**Bildschirmseite** bezeichnet (i) bzgl. der EUR-Schuldverschreibungen die Reuters-Seite EURIBOR01 (oder eine andere Bildschirmseite von Reuters oder einem anderen Informationsanbieter als Nachfolger, die die Reuters-Seite EURIBOR01 zur Anzeige solcher Sätze ersetzt) und (ii) bzgl. der GBP-Schuldverschreibungen die Reuters-Seite LIBOR01 (oder eine andere Bildschirmseite von Reuters oder einem anderen Informationsanbieter als Nachfolger, die die Reuters-Seite LIBOR01 zur Anzeige solcher Sätze ersetzt).

**Marge** bezeichnet (i) bzgl. der EUR-Schuldverschreibungen 1,25 % *per annum* (zuzüglich eines Aufschlags in Höhe von 1,00% *per annum*) (die **EUR-Marge**) und (ii) bzgl. der GBP-

on European Union, for three-month deposits in Euro or (ii) in respect of the GBP-Bonds, in the London interbank market for three-month deposits in Pounds Sterling. The relevant offered quotations shall be those offered at approximately 11:00 a.m. (in respect of the EUR-Bonds, Brussels time and in respect of the GBP-Bonds, London time) on the relevant Interest Determination Date. As long as two or more of the selected Reference Banks provide the Calculation Agent with such offered quotations, the relevant Rate of Interest for such Floating Interest Period shall be the arithmetic mean of such offered quotations (rounded if necessary to (in respect of the EUR-Bonds) the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards or (in respect of the GBP-Bonds) to the nearest one hundred thousandth of a percentage point, with 0.000005 being rounded upwards), plus the relevant Margin.

If the relevant Rate of Interest cannot be determined in accordance with the foregoing provisions, the relevant Rate of Interest shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last calendar day preceding the Interest Determination Date on which such quotation or, as the case may be, quotations were displayed, plus the relevant Margin.

**Screen Page** means (i) with respect to the EUR-Bonds, Reuters Page EURIBOR01 (or such other screen page of Reuters or such other information service, which is the successor to Reuters Page EURIBOR01 for the purpose of displaying such rates) and (ii) with respect to the GBP-Bonds, Reuters Page LIBOR01 (or such other screen page of Reuters or such other information service, which is the successor to Reuters Page LIBOR01 for the purpose of displaying such rates).

**Margin** means (i) in respect of the EUR-Bonds, 1.25 % *per annum* (plus a step-up of 1.00% *per annum*) (the **EUR-Margin**) and (ii) in respect of the GBP-Bonds, 1.25 % *per annum* (plus a



Schuldverschreibungen 1,25 % *per annum* (zuzüglich eines Aufschlags in Höhe von 1,00 % *per annum*) (die **GBP-Marge**).

**Referenzbanken** sind führende Kreditinstitute (i) in Bezug auf die EUR-Schuldverschreibungen im Interbanken-Markt der Eurozone und (ii) in Bezug auf GBP-Schuldverschreibungen im Londoner Interbanken-Markt.

**Zinsfestlegungstag** ist in Bezug auf die EUR-Schuldverschreibungen der zweite Geschäftstag vor Beginn des jeweiligen Variablen Zinszeitraums und in Bezug auf die GBP-Schuldverschreibungen der erste Geschäftstag des jeweiligen Variablen Zinszeitraums.

- (d) Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zinsfestlegungstag den Zinssatz für jede Schuldverschreibung bestimmen und die auf jede Schuldverschreibung zahlbaren Zinsen für den entsprechenden Variablen Zinszeitraum (der **Variable Zinsbetrag**) berechnen. Der Variable Zinsbetrag ergibt sich aus der Multiplikation des relevanten Zinssatzes mit dem Zinstagequotienten und dem Nennbetrag je Schuldverschreibung (einschließlich etwaiger Erhöhungen gemäß § 5(6)(a)), wobei der daraus resultierende Betrag auf den nächsten Eurocent bzw. Pence auf- oder abgerundet wird und 0,5 oder mehr eines Eurocents bzw. eines Pence aufgerundet werden.

**Zinstagequotient** bezeichnet im Hinblick auf die Berechnung des Variablen Zinsbetrages für einen Variablen Zinszeitraum oder einen Teil davon (der **Zinsberechnungszeitraum**) die tatsächliche Anzahl von Kalendertagen im Zinsberechnungszeitraum geteilt durch 360.

- (e) Die Berechnungsstelle wird veranlassen, dass der Zinssatz und der Variable Zinsbetrag für die EUR-Schuldverschreibungen und die GBP-Schuldverschreibungen für den jeweiligen Variablen Zinszeitraum, jeder Variable Zinszeitraum und der betreffende Variable Zinszahlungstag der Emittentin und jeder Börse, an der die Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, sowie den Anleihegläubigern gemäß § 12 unverzüglich, aber keinesfalls später als am vierten auf deren Feststellung folgenden Geschäftstag mitgeteilt werden.

step-up of 1.00 % *per annum*) (the **GBP-Margin**).

**Reference Banks** means major banks (i) in respect of the EUR-Bonds, in the Eurozone interbank market and (ii) in respect of the GBP-Bonds, in the London interbank market.

**Interest Determination Date** means in relation to the EUR-Bonds the second Business Day prior to the commencement of the relevant Floating Interest Period and in relation to the GBP-Bonds the first Business Day of the relevant Floating Interest Period.

- (d) The Calculation Agent shall, on or as soon as practicable after each Interest Determination Date, determine the Rate of Interest for each Bond and calculate the amount of interest payable per Bond for the relevant Floating Interest Period (the **Floating Interest Amount**). Each Floating Interest Amount shall be calculated by multiplying the relevant Rate of Interest with the Day Count Fraction and the Principal Amount per Bond (including increases pursuant to § 5(6)(a), if any) and rounding the resulting figure to the nearest Eurocent or pence, as applicable, with 0.5 or more of a Eurocent or pence, as applicable, being rounded upwards.

**Day Count Fraction** means, in respect of the calculation of the Floating Interest Amount for any Floating Interest Period or part thereof (the **Calculation Period**), the actual number of calendar days in the Calculation Period divided by 360.

- (e) The Calculation Agent will cause the Rate of Interest and Floating Interest Amount for the EUR-Bonds and the GBP-Bonds for each Floating Interest Period, each Floating Interest Period and the relevant Floating Interest Payment Date to be notified to the Issuer and, if required by the rules of any stock exchange on which the Bonds are listed from time to time, to such stock exchange, and to the Bondholders in accordance with § 12 without undue delay, but, in any case, not later than on the fourth Business Day after their determination.

- (f) Sämtliche Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieser Anleihebedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht vorsätzliches Fehlverhalten oder ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Garantin, die Anleihegläubiger und die Zahlstellen bindend.

**(3) Wahlweiser Zinsaufschub.**

- (a) Zinsen, die während eines Zeitraumes auflaufen, der an einem Obligatorischen Zinszahlungstag (ausschließlich) endet, sind, vorbehaltlich der Regelung zum zwingenden Aufschub in § 5(5), an diesem Obligatorischen Zinszahlungstag zahlbar.

**Obligatorischer Zinszahlungstag** bezeichnet jeden Zinszahlungstag, der kein Fakultativer Zinszahlungstag ist und an dem kein Zwingender Aufschubgrund eingetreten ist.

**Fakultativer Zinszahlungstag** bezeichnet jeden Zinszahlungstag, an dem sämtliche nachfolgend aufgeführten Kriterien eingetreten sind:

- (i) seit der diesem Zinszahlungstag unmittelbar vorausgehenden Jahreshauptversammlung der Garantin wurde für keine Aktiengattung der Garantin eine Dividende, andere Ausschüttung oder Zahlung (einschließlich Zahlungen zum Zweck der Rückzahlung oder des Rückkaufs von Aktien) wirksam beschlossen, gezahlt oder vorgenommen; und
- (ii) seit der diesem Zinszahlungstag unmittelbar vorausgehenden Jahreshauptversammlung der Garantin wurden weder Dividenden, Zinsen noch sonstige Ausschüttungen oder Zahlungen (einschließlich Zahlungen zum Zweck der Rückzahlung oder des Rückkaufs) auf ein Nachrangiges Wertpapier oder auf ein Gleichrangiges Wertpapier wirksam beschlossen, gezahlt oder vorgenommen; und
- (iii) weder die Garantin noch eine Konzerngesellschaft haben seit der diesem Zinszahlungstag unmittelbar vorausgehenden Jahreshauptversammlung der Garantin Gleichrangige Wertpapiere, Nachrangige Wertpapiere oder Aktien einer Akti-

- (f) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Conditions of Issue by the Calculation Agent shall (in the absence of wilful default or manifest error) be binding upon the Issuer, the Guarantor, the Bondholders and the Paying Agents.

**(3) Optional Interest Deferral.**

- (a) Interest which accrues during a period ending on (but excluding) a Compulsory Interest Payment Date shall, subject to the provisions of § 5(5) in relation to a mandatory deferral, be payable on that Compulsory Interest Payment Date.

**Compulsory Interest Payment Date** means any Interest Payment Date which is not an Optional Interest Payment Date and on which no Mandatory Deferral Event has occurred.

**Optional Interest Payment Date** means any Interest Payment Date in respect of which all of the following criteria are met:

- (i) no dividend, other distribution or payment (including payments for the purposes of a redemption or repurchase of shares) was validly resolved on, paid or made in respect of any class of shares of the Guarantor since the annual general meeting of the Guarantor immediately preceding such Interest Payment Date; and
- (ii) no dividend, interest, other distribution or payment (including payments for the purposes of a redemption or repurchase) has been validly resolved on, paid or made in respect of any Junior Securities or Parity Securities since the annual general meeting of the Guarantor immediately preceding such Interest Payment Date; and
- (iii) neither the Guarantor nor a Group Entity has repurchased or otherwise acquired any Parity Security, Junior Security or shares of any class of shares of the Guarantor for any consideration except by conversion into or exchange for shares since the

engattung der Garantin gegen Gewährung einer Gegenleistung (mit Ausnahme einer in der Wandlung oder im Umtausch in Aktien bestehenden Gegenleistung) zurückgekauft oder sonst wie erworben.

- (b) Zinsen, die während eines Zeitraumes auflaufen, der an einem Fakultativen Zinszahlungstag (ausschließlich) endet, werden nur dann an diesem Fakultativen Zinszahlungstag fällig, wenn und soweit sich die Emittentin für eine solche Zahlung entscheidet und kein Zwingender Aufschiebungsgrund gemäß § 5(5) vorliegt; nach dieser Maßgabe nicht fällig gewordene Zinsen sind Zinsrückstände (die **Zinsrückstände**). Wenn die Emittentin sich gegen eine solche Zahlung entschieden hat, ist sie nicht verpflichtet, an einem Fakultativen Zinszahlungstag Zinsen zu zahlen; eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke. Zinsrückstände werden nicht verzinst.
- (c) Soweit sich die Emittentin entscheidet, an einem Fakultativen Zinszahlungstag den Zinsbetrag nicht oder nur teilweise zu zahlen, hat sie dies den Anleihegläubigern gemäß § 12 unter Einhaltung einer Frist von mindestens acht und höchstens fünfzehn Geschäftstagen vor diesem Fakultativen Zinszahlungstag bekannt zu machen.
- (d) Falls sich die Emittentin dafür entscheidet, an einem Fakultativen Zinszahlungstag Zinszahlungen ganz oder teilweise zu leisten, ist sie verpflichtet, an diesem Fakultativen Zinszahlungstag auch sämtliche Zinsrückstände zu zahlen.

#### (4) Nachzahlung von Zinsrückständen.

- (a) Die Emittentin kann ausstehende Zinsrückstände jederzeit ganz oder teilweise nach Bekanntmachung gemäß § 12 unter Einhaltung einer Frist von nicht weniger als acht und nicht mehr als fünfzehn Geschäftstagen zahlen (wobei eine solche Mitteilung unwiderruflich ist und die Emittentin verpflichtet ist, die jeweiligen Zinsrückstände an dem in dieser Mitteilung genannten Zahlungstag zu zahlen).

annual general meeting of the Guarantor immediately preceding such Interest Payment Date.

- (b) Interest which accrues during a period ending on (but excluding) an Optional Interest Payment Date shall be due and payable on that Optional Interest Payment Date only if and to the extent the Issuer so elects and no Mandatory Deferral Event according to § 5(5) exists; interest thus not due and payable shall constitute **Arrears of Interest**. The Issuer shall not have any obligation to pay interest on any Optional Interest Payment Date if it does not elect to do so and any such failure to pay interest shall not constitute a default of the Issuer or any other breach of obligations under the Bonds or for any other purpose. Arrears of Interest shall not themselves bear interest.
- (c) If the Issuer decides to not or only partially pay the Interest Amount on an Optional Interest Payment Date, the Issuer shall notify the Bondholders in accordance with § 12 not less than eight and not more than fifteen Business Days prior to such Optional Interest Payment Date.
- (d) If the Issuer decides to pay interest (in whole or in part) on an Optional Interest Payment Date, it shall also be obliged to pay all Arrears of Interest on such Optional Interest Payment Date.

#### (4) Payment of Arrears of Interest.

- (a) The Issuer may pay outstanding Arrears of Interest (in whole or in part) at any time on the giving of not less than eight and not more than fifteen Business Days' notice in accordance with § 12 (which notice shall be irrevocable and will oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in such notice).

(b) Ausstehende Zinsrückstände werden (vollständig, jedoch nicht teilweise) an dem zuerst eintretenden der folgenden Kalendertage fällig und sind durch die Emittentin zu zahlen:

- (i) an dem Kalendertag, an dem auf eine Aktiengattung der Garantin eine Dividende, andere Ausschüttung oder Zahlung (einschließlich Zahlungen zum Zweck der Rückzahlung oder des Rückkaufs von Aktien) wirksam beschlossen, gezahlt oder vorgenommen wird;
- (ii) an dem Kalendertag, an dem Dividenden, Zinsen oder sonstige Ausschüttungen oder Zahlungen (einschließlich zum Zweck der Rückzahlung oder des Rückkaufs) auf ein Nachrangiges Wertpapier wirksam beschlossen, gezahlt oder vorgenommen werden;
- (iii) an dem Kalendertag, an dem die Garantin oder eine Konzerngesellschaft Gleichrangige Wertpapiere, Nachrangige Wertpapiere oder Aktien einer Aktiengattung der Garantin gegen Gewährung einer Gegenleistung (mit Ausnahme einer in der Wandlung oder im Umtausch in Aktien bestehenden Gegenleistung) zurückkauft oder sonst wie erwirbt;
- (iv) an dem Kalendertag, an dem die Schuldverschreibungen zur Rückzahlung fällig sind;
- (v) an dem Kalendertag, an dem eine Verfügung zur Auflösung, Abwicklung oder Liquidation der Emittentin oder der Garantin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. der die Emittentin bzw. die Garantin noch zahlungsfähig ist und bei dem bzw. der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin bzw. der Garantin übernimmt); sowie
- (vi) an dem Kalendertag, der fünf Jahre nach dem Zinszahlungstag liegt, an dem der betreffende Zinsbetrag erstmals hätte fällig werden können.

(b) Outstanding Arrears of Interest shall become due and payable (in whole but not in part) and shall be paid by the Issuer on the first to occur of the following calendar days:

- (i) the calendar day on which a dividend, other distribution or payment (including payments for the purposes of a redemption or repurchase of shares) is validly resolved on, paid or made in respect of any class of shares of the Guarantor;
- (ii) the calendar day on which a dividend, interest or other distribution or payment on a Junior Security (including for the purposes of a redemption or repurchase) is validly resolved on, paid or made;
- (iii) the calendar day on which the Guarantor or a Group Entity repurchases or otherwise acquires any Parity Security, Junior Security or shares of any class of shares of the Guarantor for any consideration except by conversion into or exchange for shares;
- (iv) the calendar day which is the due date for redemption of the Bonds;
- (v) the calendar day on which an order is made for the winding-up, dissolution or liquidation of the Issuer or the Guarantor (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer or the Guarantor (as applicable)); and
- (vi) the calendar day which is the fifth anniversary of the Interest Payment Date on which the relevant Interest Amount could have fallen due for the first time.

(c) Wenn die Garantin oder eine Konzerngesellschaft Zinsen auf Gleichrangige Wertpapiere ganz oder teilweise zahlt, ist die Emittentin verpflichtet, an dem auf eine solche Zahlung unmittelbar folgenden Zinszahlungstag in der vollen bzw. anteiligen Höhe (berechnet auf prozentualer Grundlage bezogen auf das Verhältnis des tatsächlich auf die betreffenden Gleichrangigen Wertpapiere gezahlten Gesamtbetrages zum Gesamtbetrag der unter den Gleichrangigen Wertpapieren fälligen Zinszahlungen) Zahlungen auf Zinsrückstände zu leisten. Stichtag für die Berechnung einer anteiligen Zahlung ist der Kalendertag, an dem die Zahlung der Zinsrückstände geleistet wird, wobei die Häufigkeit der Zahlungen auf die Gleichrangigen Wertpapiere und die Häufigkeit der Zahlungen auf die Schuldverschreibungen berücksichtigt werden.

#### (5) Zwingender Aufschub der Zinszahlungen.

Falls am zwölften Geschäftstag vor einem Zinszahlungstag ein Zwingender Aufschubungsgrund vorliegt, wird die Fälligkeit des an diesem Zinszahlungstag sonst fällig werdenden Zinsbetrags (die **Aufgeschobenen Zinsen**) hinausgeschoben. Die Emittentin hat den Anleihegläubigern das Vorliegen eines Zwingenden Aufschubungsgrundes spätestens acht Geschäftstage vor dem betreffenden Zinszahlungstag gemäß § 12 unter Offenlegung der Berechnung des Mittelzufluss-Bruchs mitzuteilen. Eine Nichtzahlung von Zinsen aufgrund dieses § 5(5) begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

Ein **Zwingender Aufschubungsgrund** liegt vor, wenn der jährlich auf Grundlage des zuletzt veröffentlichten Jahres-Konzernabschlusses der Garantin zu ermittelnde Mittelzufluss-Bruch 3,00 unterschreitet.

**Mittelzufluss-Bruch** bezeichnet:

$$(CF+I)/I$$

wobei folgendes gilt:

CF = „Gewinn (nach Steuern)“ zuzüglich „Auf konzernfremde Gesellschafter entfallende Ergebnisanteile“ zuzüglich „Abschreibungen“ (wobei „Abschreibungen“ die Beträge umfasst, die in der englischen Fassung der Konzern-Kapitalflussrech-

(c) If the Guarantor or a Group Entity makes any payment of interest on any Parity Security, partially or in full, the Issuer shall, on the next Interest Payment Date immediately following such payment, make a full or, as applicable, a *pro rata* payment on Arrears of Interest (calculated on a percentage basis according to the ratio the actual aggregate payment on the Parity Securities bears to the aggregate interest obligation under such Parity Securities). Any *pro rata* payment shall be calculated by reference to the calendar day on which such Arrears of Interest are paid, taking into consideration the frequency of payments on the respective Parity Security and the frequency of payments on the Bonds from time to time.

#### (5) Mandatory Interest Deferral.

If on the twelfth Business Days prior to any Interest Payment Date a Mandatory Deferral Event exists, the falling due and payable of the Interest Amount otherwise falling due on such Interest Payment Date (the **Outstanding Payment**) shall be postponed. The Issuer shall notify the Bondholders of the existence of the Mandatory Deferral Event (inclusive of disclosure of calculation of the Cash Flow Fraction) in accordance with § 12 not less than eight Business Days prior to the relevant Interest Payment Date. Non-payment of interest pursuant to this § 5(5) shall not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose.

A **Mandatory Deferral Event** shall exist if the Cash Flow Fraction, which is determined annually on the basis of the most recently published annual consolidated financial statements of the Guarantor, is less than 3.00.

**Cash Flow Fraction** means:

$$(CF+I)/I$$

whereas:

CF = “Net Income” plus “Minority Interest” plus “Amortization, Depreciation and Impairments”;

in each case as such positions are shown in the consolidated cash flow statement



nung unter „Amortization, Depreciation and Impairments“ ausgewiesen sind);

und zwar so wie diese Positionen jeweils im zuletzt veröffentlichten Jahres-Konzernabschluss der Garantin in der Konzern-Kapitalflussrechnung ausgewiesen sind; und

I = „Zinsen und ähnliche Aufwendungen“

und zwar so wie diese Position als Anhangsangabe im zuletzt veröffentlichten Jahres-Konzernabschluss der Garantin ausgewiesen ist;

wobei als Veröffentlichungszeitpunkt derjenige Zeitpunkt maßgeblich ist, an dem der Jahres-Konzernabschluss der Garantin erstmals öffentlich verfügbar ist.

**(6) Ersatzweise Erfüllung mittels ACZM (Alternativer Coupon-Zahlungs-Mechanismus).**

- (a) Aufgeschobene Zinsen (nicht jedoch ausstehende Zinsrückstände) werden nach Maßgabe dieses § 5(6) fällig und die Emittentin ist verpflichtet, diese mittels ACZM zu leisten und zwar (i) ein Jahr, nachdem für eine Aktiengattung der Garantin eine Dividende, andere Ausschüttung oder Zahlung (einschließlich Zahlungen zum Zweck der Rückzahlung oder des Rückkaufs von Aktien) wirksam beschlossen, gezahlt oder vorgenommen wurde, oder, falls früher, (ii) dem fünften Jahrestag des Kalendertages, an dem der betreffende Zinsbetrag fällig geworden wäre, wenn kein Zwingender Aufschiebungsgrund vorgelegen hätte, oder, falls früher (iii) an dem Kalendertag, an dem die Schuldverschreibungen zur Rückzahlung fällig sind. Die Emittentin kann Aufgeschobene Zinsen jederzeit ganz oder teilweise nach Bekanntmachung gemäß § 12 unter Einhaltung einer Frist von nicht weniger als acht und nicht mehr als fünfzehn Geschäftstagen gemäß den Regeln dieses § 5(6) zahlen. Die Emittentin wird eine Sachleistung nur dann leisten, wenn die Garantin nicht ausreichende Statthafte Mittel zur vollständigen Zahlung der Aufgeschobenen Zinsen zur Verfügung stellt.

**ACZM** bezeichnet die Leistung Aufgeschobener Zinsen aus Statthaften Mitteln oder mittels Sachleistung.

contained in the most recently published annual consolidated financial statements of the Guarantor; and

I = “Interest and Similar Expense”

as such position is shown in the notes to the most recently published annual consolidated financial statements of the Guarantor;

and the time of publication shall be the point in time when the annual consolidated financial statements of the Guarantor are publicly available for the first time.

**(6) Alternative Satisfaction of Bondholders via ACSM (Alternative Coupon Settlement Mechanism).**

- (a) Outstanding Payments (but not outstanding Arrears of Interest) shall become due and payable and the Issuer must, by means of ACSM, settle these in accordance with the provisions of this § 5(6) at the earlier of (i) one year following valid resolution on, payment or making of a dividend, other distribution or payment (including payments for the purposes of a redemption or repurchase of shares) on any class of shares of the Guarantor, (ii) the fifth anniversary on which the relevant Interest Amount would have fallen due but for the existence of a Mandatory Deferral Event, and (iii) the calendar day which is the due date for redemption of the Bonds. The Issuer may pay Outstanding Payments (in whole or in part) pursuant to the provisions of this § 5(6) at any time on the giving of not less than eight and not more than fifteen Business Days’ notice in accordance with § 12. The Issuer shall only make use of Payment In Kind if the Guarantor does not make available Eligible Funds which are sufficient for the payment of Outstanding Payments.

**ACSM** means the settlement of Outstanding Payments with Eligible Funds or Payment In Kind.

**Statthafte Mittel** bezeichnet Barmittel, die die Garantin nach Maßgabe dieses § 5(6) entweder (i) durch Ausgabe neuer Aktien der Garantin und/oder dem Verkauf eigener Aktien der Garantin und/oder (ii) durch Ausgabe Statthafter Wertpapiere erlöst hat.

**Statthafte Wertpapiere** müssen Gleichrangige Wertpapiere und/oder Nachrangige Wertpapiere sein, die (a) von der Garantin oder von der Emittentin bzw. einer anderen direkten oder indirekten 100%igen Finanzierungsgesellschaft der Garantin jeweils mit einer Garantie der Garantin begeben werden, (b) eine unbegrenzte Laufzeit oder eine Laufzeit von mindestens 75 Jahren haben, (c) nicht vor Ablauf von fünf Jahren (wenn sie keinen Mechanismus zur Erhöhung des Zinssatzes enthalten) oder nicht vor Ablauf von zehn Jahren (wenn sie einen Mechanismus zur Erhöhung des Zinssatzes enthalten) nach Begebung kündbar sind, es sei denn, die Kündigung erfolgt aus steuerlichen Gründen oder wegen des Verlusts der ursprünglichen Eigenkapitalanrechnung, (d) bei Eintritt bestimmter Ereignisse das Erlöschen von durch Barzahlung zu leistenden Zinszahlungen vorsehen und (e) eine dem § 6(5) dieser Anleihebedingungen entsprechende Regelung vorsehen, wenn die Statthaften Wertpapiere einen Mechanismus zur Erhöhung des Zinssatzes enthalten.

**Sachleistung** bedeutet, dass die Emittentin statt einer Geldleistung an Erfüllung statt den Nennbetrag je Schuldverschreibung in Höhe der aufgeschobenen Zinsen (bezogen auf eine Schuldverschreibung) erhöht; allerdings mit der Maßgabe, dass

- (i) diese Erhöhung zuzüglich aller vorausgegangenen Erhöhungen gemäß diesem § 5(6)(a) zuzüglich aller Zahlungen mit Statthaften Mitteln, die aus der Begebung Statthafter Wertpapiere beschafft wurden, (jeweils bezogen auf eine Schuldverschreibung) nicht mehr als 20 % des ursprünglichen Nennbetrages (mithin €200 bzw. £200) ausmacht und
- (ii) die Emittentin keinen Beschränkungen (gesetzlicher Art, aufgrund von Satzungsbestimmungen, Verträgen oder internen Bestimmungen) hinsichtlich einer solchen Sachleistung unterliegt.

**Eligible Funds** means cash proceeds generated by the Guarantor in accordance with the provisions of § 5(6), by either (i) issuing new shares of the Guarantor and/or selling treasury shares of the Guarantor and/or (ii) issuance of Eligible Securities.

**Eligible Securities** means Parity and/or Junior Securities which (a) are issued by the Guarantor or by the Issuer or any other wholly-owned direct or indirect Finance Subsidiary of the Guarantor, in each case with the benefit of a guarantee from the Guarantor, (b) have no maturity or have a maturity of at least 75 years, (c) are not redeemable (other than for certain taxation reasons and loss of initial equity credit) before five years after their issue date if such Eligible Securities do not provide for a step-up in the rate of interest applicable to them, or before ten years after their issue date if such Eligible Securities provide for an increase in the rate of interest applicable to them, (d) provide for a mandatory cancellation of cash interest payments if certain events or circumstances occur; and (e) contain a provision identical to § 6(5) of these Conditions of Issue if such Eligible Securities provide for an increase in the rate of interest applicable to them.

**Payment In Kind** means that the Issuer, in lieu of a payment in cash in lieu of settlement increases the Principal Amount per Bond in an amount equal to the Outstanding Payments (relating to one Bond), provided that

- (i) such increase, plus all previous increases according to this § 5(6)(a), plus all payments out of Eligible Funds raised through the issuance of Eligible Securities (in each case as calculated per Bond) does not exceed 20 % of the Initial Principal Amount (i.e. €200 or £200, as applicable), and
- (ii) the Issuer is not subject to any restriction (whether by applicable law, contract, its articles of association or internal rulings) with respect to using such Payment In Kind.



(b) Für den Fall, dass Aufgeschobene Zinsen nach Maßgabe von § 5(6)(a) fällig geworden sind und die Emittentin zu deren Zahlung mittels ACZM verpflichtet ist, hat die Garantin sich in der Nachrangigen Verpflichtungserklärung dazu verpflichtet, Statthafte Mittel unter den Voraussetzungen dieses § 5(6) zu Erlösen und diese der Emittentin zur Verfügung zu stellen. Die Verpflichtung der Garantin, gemäß der Nachrangigen Verpflichtungserklärung Statthafte Mittel zu Erlösen und zur Verfügung zu stellen, besteht nur insoweit, als die Ausgabe neuer Aktien der Garantin bzw. der Verkauf von eigenen Aktien der Garantin und/oder die Ausgabe statthafter Wertpapiere im Rahmen der dann bestehenden Marktverhältnisse für die Garantin zumutbar ist. Die Emittentin wird die Zahlung mittels einer Sachleistung nur vornehmen, soweit die von der Garantin zur Verfügung gestellten Statthaften Mittel nicht zur Zahlung der Aufgeschobenen Zinsen ausreichen.

(c) Falls in den letzten 60 Geschäftstagen vor dem Zeitpunkt der Verpflichtung zur Durchführung des ACZM nach Maßgabe dieser Anleihebedingungen eine oder mehrere Marktstörungen eintreten, beträgt die Frist zur Durchführung von ACZM 60 Geschäftstage nach dem Ende der letzten Marktstörung, es sei denn die Emittentin hat sich für eine Sachleistung entschieden. Die Emittentin wird sowohl den Eintritt einer Marktstörung als auch den Zeitpunkt, an dem keine Marktstörung mehr vorliegt, gemäß § 12 bekannt machen. Das Vorliegen einer Marktstörung führt nicht zu einem zusätzlichen Verzinsungsanspruch der Anleihegläubiger im Hinblick auf die Überlassung von Geldbeträgen.

**Marktstörung** bezeichnet (i) das Eintreten oder Bestehen einer Aussetzung oder Einschränkung des Handels an einer der Hauptbörsen der Garantin (aufgrund von Preisschwankungen über die bei der jeweiligen Hauptbörse (bzw. deren elektronischer Handelsplattform) zugelassenen Grenzen hinaus oder aus sonstigen Gründen) oder von Abwicklungsprozessen für Transaktionen in Aktien der Garantin an der jeweiligen Hauptbörse (bzw. deren elektronischer Handelsplattform); oder (ii) Änderungen der deutschen oder internationalen politischen oder wirtschaftlichen Rahmenbedingungen oder der Finanzmärkte, aufgrund derer davon auszugehen ist, dass ein Angebot und eine erfolgreiche Ausgabe von neuen Aktien der Garantin bzw. ein

(b) In case Outstanding Payments became due and payable in accordance with § 5(6)(a) and the Issuer becomes obliged to settle these by means of ACSM, the Guarantor has undertaken in the Subordinated Undertaking to generate Eligible Funds in accordance with the requirements of this § 5(6) and to make the cash proceeds available to the Issuer. Under the Subordinated Undertaking, the Guarantor shall use, in the light of market conditions then prevailing, its reasonable efforts to cause the issuance of new shares of the Guarantor and/or sale of treasury shares of the Guarantor and/or the issuance of Eligible Securities. The Issuer shall only make use of Payment In Kind if the Guarantor does not make Eligible Funds available which are sufficient for the payment of Outstanding Payments.

(c) If one or more Market Disruption Events occur during the last 60 Business Days immediately preceding the due date for implementation of ACSM in accordance with these Conditions of Issue, the period for implementation of ACSM shall correspond to 60 Business Days following the end of the last Market Disruption Event unless the Issuer elects to settle with a Payment In Kind. The Issuer shall give notice pursuant to § 12 of both the occurrence of a Market Disruption Event and the date on which the Market Disruption Event no longer exists. No additional interest for the making available of funds shall be payable due to the occurrence of a Market Disruption Event.

**Market Disruption Event** means (i) the occurrence or existence of any suspension of or limitation imposed on trading at one of the Primary Exchanges of the Guarantor (by reason of movements in price exceeding limits permitted by such exchange (and/or its electronic trading platform) or otherwise) or on settlement procedures for transactions in the shares of the Guarantor on a Primary Exchange (and/or its electronic trading platform); or (ii) a change in German or international political or economic conditions or financial markets as are reasonably likely to prejudice materially the success of the issuance of new shares of the Guarantor and/or sale of treasury shares of the Guarantor and/or sale of Eligible Securities.

Verkauf eigener Aktien der Garantin bzw. ein Verkauf von Statthaften Wertpapieren wesentlich beeinträchtigt sein wird.

**Hauptbörse** bezeichnet jede Börse, an der die Aktien der Garantin an einem organisierten Markt zugelassen sind.

- (d) Die Garantin ist gemäß der Nachrangigen Verpflichtungserklärung nur verpflichtet, Statthafte Mittel durch die Ausgabe neuer Aktien der Garantin und/oder den Verkauf eigener Aktien der Garantin zu beschaffen und der Emittentin zur Verfügung zu stellen, soweit (i) die Garantin selbst Aktien hält (mit Ausnahme eigener Aktien, welche innerhalb eines Zeitraums von sechs Monaten vor dem betreffenden Zahlungstag gegen Barzahlung erworben wurden), oder (ii) die Garantin neue Aktien zum Zweck der Durchführung von ACZM ausgeben kann, mit der Maßgabe, dass (x) die Anzahl der zu diesem Zweck auszugebenden Aktien der Garantin in keinem Zeitraum eines fortdauernden Aufschubs der Fälligkeit Aufgeschobener Zinsen 2 % der jeweils bereits ausstehenden Aktien der Garantin überschreitet und (y) die Ausgabe auf Grundlage einer Ermächtigung in der Satzung der Garantin oder aufgrund eines Beschlusses ihrer Hauptversammlung über die Erhöhung des Grundkapitals zulässig ist, und (iii) die Zustimmung des Aufsichtsrates der Garantin jeweils dazu vorliegt und (iv) die Garantin keinen Beschränkungen (gesetzlicher Art, aufgrund von Satzungsbestimmungen, vertraglichen Verpflichtungen oder Bestimmungen oder internen Bestimmungen) hinsichtlich des Verkaufs eigener oder der Ausgabe neuer Aktien unterliegt. Nach Maßgabe der Nachrangigen Verpflichtungserklärung ist die Garantin nicht verpflichtet, zur Beschaffung Statthafter Mittel zuvor eigene Aktien zu erwerben.
- (e) Zur Nachzahlung Aufgeschobener Zinsen dürfen Statthafte Wertpapiere lediglich insoweit ausgegeben werden, als (i) die Garantin bzw. die jeweilige emittierende Gesellschaft insoweit keinen Beschränkungen (gesetzlicher Art, aufgrund von Satzungsbestimmungen, vertraglichen Verpflichtungen oder Bestimmungen oder internen Bestimmungen) unterliegt und (ii) die Summe aus (x) allen Zahlungen mit aus den auszugebenden Statthaften Wertpapieren zu beschaffenden Statthaften Mitteln, (y) allen Zahlungen mit aus bereits zuvor während der Laufzeit der Schuld-

**Primary Exchange** means each exchange on which the shares of the Guarantor are admitted to the regulated market.

- (d) According to the provisions of the Subordinated Undertaking, the Guarantor is only obliged to generate Eligible Funds through the issuance of new shares of the Guarantor and/or sale of treasury shares of the Guarantor and provide these to the Issuer if and to the extent that (i) the Guarantor holds shares itself (save for treasury shares which have been acquired against cash within a period of six months before the relevant payment date) or (ii) the Guarantor can for the purpose of implementing ACSM issue new shares, provided that such issuance (x) the number of shares issued for such purpose is, for each period of continuing deferral of Outstanding Payments, not in excess of 2 % of the Guarantor's aggregate amount of the relevant outstanding shares and (y) is authorized pursuant to the Guarantor's articles of association or a resolution by its shareholders' meeting to increase the share capital and (iii) the Guarantor's supervisory board, in each case, has declared its consent thereto and (iv) the Guarantor is not subject to any restriction (whether by applicable law, the Guarantor's articles of association, contractual obligations or provisions or internal rulings) with respect to selling treasury or selling newly issued shares. Under the provisions of the Subordinated Undertaking, the Guarantor shall not be obliged to buy back its own shares to generate Eligible Funds.
- (e) Eligible Securities for the financing of settlement of Outstanding Payments may only be issued (i) if the Guarantor or the respective issuing company is not subject to any restriction (whether by applicable law, the relevant articles of association, contractual obligations or provisions or internal rulings) with respect to such issuance, (ii) to the extent that the sum of (x) all payments out of Eligible Funds to be raised by the issuance of such Eligible Securities, (y) all payments out of Eligible Funds raised through Eligible Securities

verschreibungen ausgegebenen Statthaften Wertpapieren beschafften Statthaften Mitteln und (z) der Summe aller Nennbetragserhöhungen nach Maßgabe von § 5(6)(a) (jeweils bezogen auf eine Schuldverschreibung) 25 % des Ursprünglichen Nennbetrages (mithin €250 bzw. £250) nicht übersteigt und (iii) dies mit Zustimmung des Aufsichtsrates der Garantin erfolgt.

**Die Anleihegläubiger werden darauf hingewiesen, dass die Garantin durch zwingende Bestimmungen des deutschen Aktienrechts oder aus sonstigen Gründen an der Ausgabe neuer Aktien und/oder dem Verkauf eigener Aktien der Garantin und/oder der Ausgabe Statthafter Wertpapiere gehindert sein kann.**

**(7) Teilweise Erfüllung; Erlöschen Aufgeschobener Zinsen.**

Falls die Emittentin an dem Fälligkeitstag Aufgeschobener Zinsen nicht ausreichende Statthafte Mittel von der Garantin erhalten hat, um die gesamten Aufgeschobenen Zinsen nachzahlen zu können, wird die Emittentin die Statthaften Mittel anteilmäßig (pro rata) an die Anleihegläubiger auszahlen. In diesem Fall erlischt der verbleibende Teil der betreffenden Aufgeschobenen Zinsen, soweit er auch nicht durch Sachleistung nach Maßgabe dieser Anleihebedingungen geleistet werden kann.

**(8) Erlöschen Aufgeschobener Zinsen.**

Soweit sich eine Zahlung Aufgeschobener Zinsen mittels ACZM zur ersatzweisen Erfüllung gemäß § 5(6) als für die Emittentin bzw. die Garantin undurchführbar, unzumutbar bzw. unzulässig oder aus anderen Gründen als nicht § 5(6) der Anleihebedingungen entsprechend erweist, erlischt die entsprechende Verpflichtung der Emittentin zur Zahlung der betroffenen Aufgeschobenen Zinsen. In diesem Fall erlöschen nach Maßgabe der Bestimmungen der Nachrangigen Garantie und der Nachrangigen Verpflichtungserklärung auch die diesbezüglichen Pflichten der Garantin aus der Nachrangigen Garantie und der Nachrangigen Verpflichtungserklärung.

**(9) Mitteilungen.**

Die Emittentin hat die Anleihegläubiger unverzüglich gemäß § 12 über eine teilweise Erfüllung bzw. deren Ausfall nach § 5(7) bzw. (8) zu unterrichten. In der Mitteilung ist eine etwaige Zahlung Aufgeschobener Zinsen mit Statthaften Mitteln bzw. der Betrag einer

previously issued during the term of the Bonds, and (z) the aggregate of all Principal Amount increases in accordance with § 5(6)(a) (in each as calculated per Bond) does not exceed 25 % of the Initial Principal Amount (i.e. €250 or £250, as applicable) and (iii) with the consent of the Guarantor's supervisory board.

**Bondholders are notified that the Guarantor may be prevented by compulsory provisions of German stock corporation law or otherwise from issuing new shares and/or selling treasury shares of the Guarantor and/or issuing Eligible Securities.**

**(7) Partial Settlement; Cancellation of Outstanding Payments.**

If, on the due date of Outstanding Payments, the Issuer has not received sufficient Eligible Funds from the Guarantor to settle all Outstanding Payments, the Issuer shall pay the Eligible Funds to Bondholders on a *pro rata* basis. In such case the remaining part of the relevant Outstanding Payment shall be cancelled to the extent it cannot be settled by Payment In Kind in accordance with these Conditions of Issue.

**(8) Cancellation of Outstanding Payments.**

To the extent the settlement of Outstanding Payments by means of ACSM proves to be impossible, unreasonable or inadmissible for the Issuer or the Guarantor or would otherwise not be in accordance with the provisions of § 5(6) of the Conditions of Issue, the Issuer's obligation to settle the relevant Outstanding Payments shall be cancelled. In such case, the Guarantor's corresponding obligations under the Subordinated Guarantee and the Subordinated Undertaking are also cancelled in accordance with their respective terms.

**(9) Notifications.**

The Issuer shall promptly notify the Bondholders in accordance with § 12 of any partial settlement or non-settlement pursuant to § 5(7) or (8) and must specify in such notice the relevant Outstanding Payment, the pro rata payment per Bond out of

etwaigen Erhöhung des Nennbetrages und der etwaige erloschene Betrag der Aufgeschobenen Zinsen je Schuldverschreibung zu benennen.

#### **(10) Rang Aufgeschobener Zinsen.**

Im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen, der Abwendung der Insolvenz der Emittentin dienenden Verfahrens, steht jedem Anleihegläubiger je Schuldverschreibung ein direkter Anspruch gegen die Emittentin auf Erhalt der auf eine Schuldverschreibung entfallenden anteiligen Aufgeschobenen Zinsen (soweit der Anspruch hierauf nicht zuvor nach Maßgabe von § 5(7) bzw. (8) erloschen ist) in Höhe von bis zu (i) 25 % des Ursprünglichen Nennbetrages abzüglich (ii) der Summe aus allen bis zu diesem Zeitpunkt (x) geleisteten Zahlungen mit aus der Begebung Statthafter Wertpapiere beschafften Statthaften Mitteln und (y) vorgenommenen Erhöhungen des Ursprünglichen Nennbetrages nach Maßgabe von § 5(6)(a) (jeweils bezogen auf eine Schuldverschreibung) zu (mithin maximal in Höhe von €250 bzw. £250). Dieser Anspruch begründet eine unbesicherte und nachrangige Verbindlichkeit der Emittentin, die mit den Schuldverschreibungen im Rang gleich steht. Der über diesen Betrag hinausgehende Anspruch auf Zahlung Aufgeschobener Zinsen erlischt.

#### **(11) Ende des Zinslaufs.**

Der Zinslauf der Schuldverschreibungen endet mit Beginn des Kalendertages, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verpflichtung zur Zahlung von Zinsen auf den ausstehenden Nennbetrag zu dem dann maßgeblichen Zinssatz nicht am Fälligkeitstag, sondern erst mit dem Kalendertag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich)

### **§ 6 RÜCKZAHLUNG UND RÜCKKAUF**

#### **(1) Endfälligkeit.**

Die Schuldverschreibungen werden am 14. September 2066 zum Nennbetrag zurückgezahlt.

Eligible Funds (if any) and/or the increase of the Principal Amount (if any) and the cancelled amount of Outstanding Payments per Bond (if any).

#### **(10) Ranking of Outstanding Payments.**

In the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer, any Bondholder shall, for each Bond, have a direct claim against the Issuer to receive a *pro rata* payment on account of Outstanding Payments (to the extent not previously cancelled in accordance with § 5(7) or (8)) per Bond up to an amount corresponding to (i) 25 % of the Initial Principal Amount less (ii) the sum of all (x) payments made up to such point out of Eligible Funds raised through the issuance of Eligible Securities and (y) increases of the Initial Principal Amount made up to such point pursuant to § 5(6)(a) (in each case as calculated per Bond) (i.e. in the maximum amount of €250 or £250, as applicable). Such claim shall constitute an unsecured and subordinated obligation of the Issuer ranking *pari passu* with the Bonds. The remaining claim for settlement of Outstanding Payments shall be cancelled.

#### **(11) Cessation of Interest Payments.**

The Bonds shall cease to bear interest from the beginning of the calendar day on which they are due for redemption. If the Issuer shall fail to redeem the Bonds when due, the obligation to pay interest shall continue to accrue at the then applicable rate on the outstanding Principal Amount of the Bonds beyond the due date until (and excluding) the calendar day of actual redemption of the Bonds.

### **§ 6 REDEMPTION AND PURCHASE**

#### **(1) Maturity.**

The Bonds shall be redeemed on September 14, 2066 at par.

**(2) Kündigungsrecht der Emittentin und vorzeitige Rückzahlung bei einem Brutto-Ausgleichs-Ereignis, bei einem Steuerereignis, bei einem Kapitalereignis oder bei einem Wandlungsereignis vor dem 14. September 2016.**

Bei Eintritt eines Brutto-Ausgleichs-Ereignisses, eines Steuerereignisses, eines Kapitalereignisses oder eines Wandlungsereignisses vor dem 14. September 2016 ist die Emittentin vorbehaltlich Absatz (5) berechtigt, die Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) durch eine unwiderrufliche Bekanntmachung gemäß § 12 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Kalendertagen zu kündigen und zum Vorzeitigen Rückzahlungsbetrag zurückzuzahlen.

**(a) Dabei gilt für den Fall eines Brutto-Ausgleichs-Ereignisses, dass:**

- (i)** eine solche Kündigungsbekanntmachung nicht früher als 90 Kalendertage vor dem ersten Kalendertag gemacht werden darf, an dem die Emittentin erstmals verpflichtet wäre, die jeweiligen zusätzlichen Beträge (wie in § 8 beschrieben) in Ansehung fälliger Beträge auf die Schuldverschreibungen zu zahlen; und
- (ii)** die Emittentin der Hauptzahlstelle vor Abgabe einer solchen Kündigungsmitteilung folgende Dokumente übermittelt bzw. deren Übermittlung veranlasst:
  - (x)** eine von zwei ordnungsgemäß bevollmächtigten Vertretern der Emittentin unterzeichnete Bescheinigung, die bestätigt, dass die Emittentin berechtigt ist, die maßgebliche Rückzahlung vorzunehmen, und aus der die Tatsachen hervorgehen, auf deren Grundlage die Voraussetzungen für das Rückzahlungsrecht der Emittentin eingetreten sind; sowie
  - (y)** ein Gutachten eines angesehenen unabhängigen Rechtsberaters, aus dem hervorgeht, dass die Emittentin verpflichtet ist oder verpflichtet sein wird, die betreffenden zusätzlichen Beträge als Folge eines Brutto-Ausgleichs-Ereignisses zu zahlen.

**(2) Issuer Call Right and Early Redemption due to a Gross-up Event, a Tax Event, a Capital Event or a Conversion Event prior to September 14, 2016.**

If prior to September 14, 2016 either a Gross-up Event, a Tax Event, a Capital Event or a Conversion Event occurs, the Issuer may, subject to subparagraph (5), call and redeem the Bonds (in whole but not in part) at their Early Redemption Amount at any time on the giving of not less than 30 and not more than 60 calendar days' irrevocable notice in accordance with § 12.

**(a) In the case of a Gross-up Event:**

- (i)** no such notice of redemption may be given earlier than 90 calendar days prior to the earliest calendar day on which the Issuer would be for the first time obliged to pay the additional amounts (as described in § 8) in question on payments due in respect of the Bonds; and
- (ii)** prior to the giving of any such notice of redemption, the Issuer shall deliver or procure that there is delivered to the Principal Paying Agent:
  - (x)** a certificate signed by any two duly authorized representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the exercise of the right of the Issuer to redeem have been satisfied; and
  - (y)** an opinion of an independent legal adviser of recognised standing to the effect that the Issuer has or will become obliged to pay the additional amounts in question as a result of a Gross-up Event.



- (b) Dabei gilt für den Fall eines Kapitalereignisses und eines Wandlungsereignisses, dass eine solche Kündigungsbekanntmachung nur zeitgleich mit oder nach einer Bekanntmachung der Emittentin über den Eintritt eines Kapitalereignisses oder eines Wandlungsereignisses nach Maßgabe von § 12 gemacht werden kann.

**Brutto-Ausgleichs-Ereignis** bezeichnet den Fall, dass entweder

- (i) die Emittentin verpflichtet ist oder verpflichtet sein wird, zusätzliche Beträge (wie in § 8 beschrieben) als Folge einer Änderung oder Ergänzung von Gesetzen der Niederlande oder einer ihrer Gebietskörperschaften oder Behörden (oder der Änderung oder Ergänzung von Bestimmungen und Vorschriften auf Grundlage dieser Gesetze), oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze, Bestimmungen oder Vorschriften zu zahlen, oder
- (ii) die Garantin nach Maßgabe der Nachrangigen Garantie verpflichtet ist oder verpflichtet sein wird, zusätzliche Beträge als Folge einer Änderung oder Ergänzung von Gesetzen der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Behörden (oder der Änderung oder Ergänzung von Bestimmungen und Vorschriften auf Grundlage dieser Gesetze), oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze, Bestimmungen oder Vorschriften zu zahlen,

allerdings jeweils nur soweit die betreffende Änderung, Ergänzung oder Durchführung an oder nach dem Ausgabetag wirksam wird und die Zahlungsverpflichtung nicht durch das Ergreifen zumutbarer Maßnahmen vermieden werden kann.

Ein **Steuerereignis** liegt vor, wenn:

- (i) der Hauptzahlstelle ein Gutachten eines anerkannten unabhängigen Steuerberaters übergeben worden ist, aus dem hervorgeht, dass an oder nach dem Ausgabetag als Folge
  - (aa) einer Änderung oder Ergänzung der Gesetze (oder von aufgrund dieser Gesetze erlassenen Bestimmungen oder Vorschriften) der Niederlande oder der Bundesrepublik Deutschland oder jeweils einer ihrer Gebietskörperschaften oder Steuerbe-

- (b) In the case of a Capital Event and a Conversion Event such notice of redemption may only be given simultaneously with or after a notification by the Issuer in accordance with § 12 that a Capital Event or, as the case may be, Conversion Event has occurred.

**Gross-up Event** means that either

- (i) the Issuer has or will become obliged to pay additional amounts (as described in § 8) as a result of any change in, or amendment to, the laws (or any rules or regulations thereunder) of The Netherlands or any political subdivision or any authority of or in The Netherlands, or any change in or amendment to any official interpretation or application of those laws or rules or regulations, or
- (ii) the Guarantor under the Subordinated Guarantee has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any authority of or in the Federal Republic of Germany, or any change in or amendment to any official interpretation or application of those laws or rules or regulations,

provided that, in each case, the relevant amendment, change or execution becomes effective on or after the Issue Date and provided further that the payment obligation cannot be avoided by the Guarantor taking reasonable measures available to it.

**Tax Event** means

- (i) an opinion of a recognised independent tax counsel has been delivered to the Principal Paying Agent, stating that on or after the Issue Date, as a result of:
  - (aa) any amendment to, or change in, the laws (or any rules or regulations thereunder) of The Netherlands or the Federal Republic of Germany or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or

hörden, die an oder nach dem Ausgabetag erlassen, verkündet oder anderweitig wirksam wird, oder

- (bb) einer Änderung oder Ergänzung der bindenden offiziellen Auslegung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), die an oder nach dem Ausgabetag erlassen, verkündet oder anderweitig wirksam wird, oder
- (cc) einer allgemein anwendbaren offiziellen Auslegung oder Verkündung, die an oder nach dem Ausgabetag erlassen oder verkündet wird und nach der die Rechtslage im Hinblick auf diese Gesetze oder Vorschriften von der früheren allgemein anerkannten Rechtslage abweicht,

entweder (x) Zahlungen, die von der Emittentin bzw. der Garantin in Bezug auf die Schuldverschreibungen bzw. in Bezug auf die Nachrangige Garantie zahlbar sind, von der Emittentin bzw. der Garantin nicht mehr für die Zwecke der niederländischen bzw. deutschen Körperschaftsteuer voll abzugsfähig sind, bzw. innerhalb von 90 Kalendertagen nach dem Datum dieses Gutachtens nicht mehr voll abzugsfähig sein werden, oder (y) die Garantin in Bezug auf das Einkommen der Emittentin gemäß den Regelungen des deutschen Außensteuergesetzes einer Steuerpflicht unterliegt, bzw. innerhalb von 90 Kalendertagen nach dem Datum des Gutachtens unterliegen wird; und

- (ii) die Emittentin bzw. die Garantin dieses Risiko nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann.

Ein **Kapitalereignis** liegt vor, wenn die Emittentin oder die Garantin von allen Rating-Agenturen, von denen die Garantin “sponsored ratings” erhält, benachrichtigt wurde, dass die Schuldverschreibungen nicht mehr derselben und auch nicht einer höheren Eigenkapitalanrechnungskategorie (wie von den Rating-Agenturen, von denen die Garantin “sponsored ratings” erhält, definiert) zuzuordnen sind, der sie bei ihrer Begebung ausweislich entsprechender Veröffentlichungen dieser Rating-Agenturen zugeordnet waren; wobei “sponsored rating” sich auf

becomes effective otherwise on or after the Issue Date; or

- (bb) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
- (cc) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the Issue Date,

either (x) payments by the Issuer or the Guarantor, on the Bonds or the Subordinated Guarantee, respectively, are no longer, or within 90 calendar days of the date of that opinion will no longer be, fully deductible by the Issuer or the Guarantor for Dutch or German corporate income tax purposes, respectively, or (y) the Guarantor is, or within 90 calendar days of the date of that opinion will be, subject to tax on income of the Issuer under the rules of the German Foreign Taxation Act; and

- (ii) such risk cannot be avoided by the Issuer or the Guarantor taking reasonable measures available to it.

A **Capital Event** shall occur if the Issuer or the Guarantor has received confirmation from all rating agencies from whom the Guarantor is assigned “sponsored ratings” that the Bonds will no longer be eligible for the same or higher category of equity credit as defined by the rating agencies from whom the Guarantor is assigned “sponsored ratings”, attributed to the Bonds at the date of issuance and as published by such rating agencies, whereby “sponsored rating” shall refer to a rating assigned by a rating agency with whom the Guarantor has a



solche Ratings bezieht, die von einer Rating-Agentur erteilt werden, mit der die Garantin in einem Vertragsverhältnis steht, im Rahmen dessen die Rating-Agentur ein Rating für die Schuldverschreibungen erteilt und eine Eigenkapitalanrechnung der Schuldverschreibungen festlegt.

Ein **Wandlungsereignis** liegt vor, wenn (i) Wandelschuldverschreibungen mit einem Gesamtnennbetrag von wenigstens 60% des Gesamtnennbetrags der Wandelanleihe in neue Aktien der Garantin oder eigene Aktien der Garantin (mit Ausnahme eigener Aktien der Garantin, die die Emittentin, die Garantin und/oder andere Konzerngesellschaften in den sechs Monaten vor dieser Wandlung erworben haben) gemäß den Anleihebedingungen der Wandelanleihe wirksam von Inhabern (freiwillige Wandlung) oder der Emittentin der Wandelanleihe (Pflichtwandlung) gewandelt worden sind und (ii) die Emittentin ihr Recht, die Schuldverschreibungen zu kündigen, innerhalb von sechs Monaten ausübt, nachdem im Hinblick auf die Wandelanleihe Wandelschuldverschreibungen mit einem Gesamtnennbetrag von insgesamt wenigstens 60% des Gesamtnennbetrags der Wandelanleihe gemäß den Anleihebedingungen der Wandelanleihe wirksam gewandelt worden sind.

**Wandelanleihe** bezeichnet die €2.500.000.000 1,375 % Wandelanleihe der Siemens Finance B.V. von 2003/2010 (ISIN XS0169534582).

### (3) Vorzeitiger Rückzahlungsbetrag.

Der **Vorzeitige Rückzahlungsbetrag** entspricht (i) im Falle eines Brutto-Ausgleichs-Ereignisses dem Nennbetrag der Schuldverschreibungen zuzüglich bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen und aller ausstehenden Zinsrückstände, (ii) im Falle eines Steuerereignisses oder eines Kapitalereignisses dem Nennbetrag der Schuldverschreibungen oder, falls höher, dem Abgezinsten Marktpreis der Schuldverschreibungen, und (iii) im Falle eines Wandlungsereignisses dem Nennbetrag der Schuldverschreibungen oder, falls höher, dem Besonderen Abgezinsten Marktpreis der Schuldverschreibungen, und in jedem dieser Fälle zuzüglich bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen und sämtlicher ausstehender Zinsrückstände.

Der **Abgezinst Marktpreis** wird von der Berechnungsstelle errechnet und entspricht der Summe der auf den Rückzahlungstag bezogenen Abgezinsten Werte (i) des Nennbetrages der Schuld-

contractual relationship under which the Bonds are assigned a rating and an equity credit.

**Conversion Event** means that (i) convertible bonds with a principal amount corresponding 60% or more of the aggregate principal amount of the Convertible Bond have, in accordance with the terms and conditions of the Convertible Bond, been validly converted by holders thereof (voluntary conversion) or the issuer of the Convertible Bond (mandatory conversion) into new shares or own shares of the Guarantor (with the exception of own shares of the Guarantor which the Issuer, the Guarantor and/or any Group Entity has acquired within six months prior to such conversion) and (ii) the Issuer has exercised its right to terminate the Bonds within six months following valid conversion in accordance with the terms and conditions of the Convertible Bond of bonds with a principal amount corresponding 60% or more of the aggregate principal amount of the Convertible Bond

**Convertible Bond** means the €2,500,000,000 1.375% 2003/2010 convertible bond issued by Siemens Finance B.V. (ISIN XS0169534582).

### (3) Early Redemption Amount.

The **Early Redemption Amount** shall (i) upon the occurrence of a Gross-up Event, be equal to the Principal Amount of the Bonds, plus accrued interest until the Redemption Date (exclusive) and all outstanding Arrears of Interest, (ii) upon the occurrence of a Tax Event or a Capital Event, be calculated as the greater of the Principal Amount of the Bonds and the Make-Whole Amount of the Bonds, and (iii) upon the occurrence of a Conversion Event, be calculated as the greater of the Principal Amount of the Bonds and the Special Make-Whole Amount of the Bonds in each case, plus accrued interest until the date of redemption (exclusive) and all outstanding Arrears of Interest.

The **Make-Whole Amount** shall be calculated by the Calculation Agent, and shall be equal to the sum of the Present Values on the Redemption Date of (i) the Principal Amount of the Bonds and (ii) the remaining

verschreibungen und (ii) der bis zum 14. September 2016 (ausschließlich) verbleibenden vorgesehenen Zinszahlungen auf die Schuldverschreibungen.

Die **Abgezinsten Werte** werden von der Berechnungsstelle errechnet, indem der Nennbetrag der jeweiligen Schuldverschreibungen und die bis zum 14. September 2016 verbleibenden vorgesehenen Zinszahlungen auf die Schuldverschreibungen unter Anwendung der Angepassten Vergleichbaren Rendite zuzüglich 0,75 % für die EUR-Schuldverschreibungen und zuzüglich 0,75 % für die GBP-Schuldverschreibungen, abgezinst werden. Zinsen, die auf einen Zeitraum von weniger als einem Jahr zu berechnen sind, werden auf Basis der tatsächlich verstrichenen Kalendertage in diesem Zeitraum geteilt durch die tatsächliche Anzahl der Tage im betreffenden Jahr (365 oder 366) ermittelt.

Die **Angepasste Vergleichbare Rendite** entspricht der am Rückzahlungs-Berechnungstag bestehenden Rendite einer von der Berechnungsstelle, im Einvernehmen mit der Emittentin, ausgewählten Euro-Referenzanleihe (für die EUR-Schuldverschreibungen)/Pfund Sterling-Referenz-Anleihe (für die GBP-Schuldverschreibungen) mit einer mit der verbleibenden Laufzeit der Schuldverschreibungen bis zum 14. September 2016 vergleichbaren Laufzeit. Dabei handelt es sich um die Rendite einer solchen Euro- bzw. Pfund Sterling-Referenz-Anleihe, die im Zeitpunkt der Auswahlentscheidung und entsprechend der üblichen Finanzmarktp Praxis zur Preisbestimmung bei Neuemissionen von Unternehmensanleihen mit einer mit dem Zeitraum bis zum 14. September 2016 vergleichbaren Laufzeit verwendet würde.

**Rückzahlungs-Berechnungstag** ist der dritte Geschäftstag vor dem Kalendertag, an dem die Schuldverschreibungen nach Wahl der Emittentin infolge eines Steuerereignisses, eines Kapitalereignisses oder eines Wandlungsereignisses zurückgezahlt werden.

Der **Besondere Abgezinste Marktpreis** wird von der Berechnungsstelle errechnet und entspricht der Summe der auf den Rückzahlungstag bezogenen Besonderen Abgezinsten Werte (i) des Nennbetrages der Schuldverschreibungen und (ii) der bis zum 14. September 2016 (ausschließlich) verbleibenden vorgesehenen Zinszahlungen auf die Schuldverschreibungen.

Die **Besonderen Abgezinsten Werte** werden von der Berechnungsstelle errechnet, indem der Nennbetrag der jeweiligen Schuldverschreibungen und die bis zum 14. September 2016 verbleibenden vorgesehenen

scheduled payments of interest on the Bonds to but excluding September 14, 2016.

The **Present Values** shall be calculated by the Calculation Agent by discounting the Principal Amount of the Bonds and the remaining scheduled interest payments to September 14, 2016 using the Adjusted Comparable Yield plus 0.75 % for the EUR-Bonds and 0.75 % for the GBP-Bonds. If interest is to be calculated for a period of less than one year, it shall be calculated on the basis of the actual number of calendar days in the relevant period divided by the actual number of days in the relevant year (365 or 366).

The **Adjusted Comparable Yield** shall be equal to the yield at the Redemption Calculation Date on the Euro benchmark security (for the EUR-Bonds) or the Sterling benchmark security (for the GBP-Bonds) selected by the Calculation Agent, after consultation with the Issuer, as having a maturity comparable to the remaining term of the Bonds on September 14, 2016 that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to September 14, 2016.

**Redemption Calculation Date** means the third Business Day prior to the date on which the Bonds are redeemed at the option of the Issuer as a result of a Tax Event, a Capital Event or a Conversion Event.

The **Special Make-Whole Amount** shall be calculated by the Calculation Agent, and shall be equal to the sum of the Special Present Values on the Redemption Date of (i) the Principal Amount of the Bonds and (ii) the remaining scheduled payments of interest on the Bonds to but excluding September 14, 2016.

The **Special Present Values** shall be calculated by the Calculation Agent by discounting the Principal Amount of the Bonds and the remaining scheduled interest payments to September 14, 2016 using the

nen Zinszahlungen auf die Schuldverschreibungen unter Anwendung des Vergleichbaren Swapsatzes zusätzlich 0,50 % für die EUR-Schuldverschreibungen und 0,50 % für die GBP-Schuldverschreibungen, abgezinst werden. Zinsen, die auf einen Zeitraum von weniger als einem Jahr zu berechnen sind, werden auf der Grundlage der tatsächlich verstrichenen Kalendertage in diesem Zeitraum geteilt durch die tatsächliche Anzahl der Tage im betreffenden Jahr (365 oder 366) ermittelt.

**Vergleichbarer Swapsatz** bedeutet (i) im Hinblick auf die EUR-Schuldverschreibungen die “EUR-ISDA-EURIBOR Swap Rate – 11.00” (der jährliche Euro-Swapsatz, ausgedrückt als Prozentsatz für Euro-Swap-Transaktionen mit der Vorgesehenen Laufzeit, die auf der Swap-Bildschirmseite unter der Überschrift “EURIBOR BASIS” und über dem Untertitel “11:00 a.m. Frankfurt”), die um 11 Uhr vormittags mitteleuropäischer Zeit am Rückzahlungs-Berechnungstag erscheint und (ii) im Hinblick auf die GBP-Schuldverschreibungen die “GBP-ISDA-LIBOR Swap Rate – 11.00” (der jährliche GBP-Swapsatz, ausgedrückt als Prozentsatz für GBP-Swap-Transaktionen mit der Vorgesehenen Laufzeit, die auf der Swap-Bildschirmseite unter der Überschrift “GBP BASIS” und über dem Untertitel “11:00 a.m. London”), die um 11 Uhr vormittags Londoner Zeit am Rückzahlungs-Berechnungstag erscheint.

Für den Fall, dass der vorgenannte Swapsatz an dem Rückzahlungs-Berechnungstag nicht auf der Swap-Bildschirmseite erscheint, ist der Vergleichbare Swapsatz der Prozentsatz, der auf Basis der “mid-market jährlichen Swapsatz”-Quotierungen, die der Berechnungsstelle ungefähr um 11:00 Uhr vormittags mitteleuropäischer Zeit von fünf führenden Swap-Händlern im Interbankenhandel (**Referenz-Swap-Händler**) gestellt werden, am Rückzahlungs-Berechnungstag festgelegt wird. Wenn mindestens drei Quotierungen genannt werden, ist der Vergleichbare Swapsatz das arithmetische Mittel der Quotierungen unter Ausschluss der höchsten Quotierung (bzw. für den Fall von gleich hohen Quotierungen, einer der höchsten Quotierungen) und der niedrigsten Quotierung (bzw. für den Fall von gleich hohen Quotierungen, einer der niedrigsten Quotierungen). Hierbei bedeutet der “mid-market jährliche Swapsatz” das arithmetische Mittel der nachgefragten und angebotenen Sätze für den jährlichen Festzinszahlungsstrom (berechnet auf einer 30/360 Tagesberechnungsbasis) einer fixed-for-floating (Festzins-für-variablen Zins) Euro-Zinsswap-Trans-

Comparable Swap Rate plus 0.50 % for the EUR-Bonds and 0.50 % for the GBP-Bonds. If interest is to be calculated for a period of less than one year, it shall be calculated on the basis of the actual number of calendar days in the relevant period divided by the actual number of days in the relevant year (365 or 366).

**Comparable Swap Rate** means (i) in relation to the EUR-Bonds the “EUR-ISDA-EURIBOR Swap Rate – 11.00” (the annual Euro swap rate expressed as a percentage for Euro swap transactions with the Designated Maturity, which appears on the Swap Screen Page under the heading “EURIBOR BASIS” and above the caption “11:00 AM Frankfurt”) as of 11.00 central European time on the Redemption Calculation Date, and (ii) in relation to the GBP-Bonds the “GBP-ISDA-LIBOR Swap Rate – 11.00” (the annual GBP swap rate expressed as a percentage for GBP swap transactions with the Designated Maturity, which appears on the Swap Screen Page under the heading “LIBOR BASIS” and above the caption “11:00 AM London”) as of 11.00 London time on the Redemption Calculation Date.

In the event that the foregoing rate does not appear on the Swap Screen Page on the Redemption Calculation Date, the Comparable Swap Rate will equal the percentage rate determined on the basis of the quotations of the “mid-market annual swap rate” provided by five leading swap dealers in the interbank market (**Reference Swap Dealers**) to the Calculation Agent at approximately 11:00 a.m., central European time, on the Redemption Calculation Date. If at least three quotations are provided, the Comparable Swap Rate will equal the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). For these purposes “mid-market annual swap rate” means the arithmetic mean of the bid and offer rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap transaction which transaction (a) has a term equal to the Designated Maturity and commencing on the Redemption Calculation Date, (b) is in an amount that is representative of a single transaction in the

aktion, (a) die eine Laufzeit hat, die der Vorgesehenen Laufzeit entspricht, und am Rückzahlungsberechnungstag beginnt, (b) die auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines angesehenen Referenz-Swap-Händlers entspricht, und (c) deren variabler Zahlungsstrom auf dem 6-Monats-EURIBOR-Satz beruht (berechnet auf einer Anzahl der tatsächlichen Tage/360 Tageberechnungsbasis).

**Vorgesehene Laufzeit** bezeichnet eine Laufzeit, die mit einer Laufzeit vom Zeitpunkt des Wirksamwerdens der Kündigung bis zum 14. September 2016 vergleichbar ist.

**Swap-Bildschirmseite** bezeichnet die Reuters-Bildschirmseite "ISDAFIX2" bzw. eine sonstige Seite oder einen sonstigen Informationsdienst, die/der diese Seite für Zwecke des betreffenden Swapsatzes ersetzt.

#### **(4) Kündigung und vorzeitige Rückzahlung nach Wahl der Emittentin ab dem 14. September 2016.**

Die Emittentin kann die Schuldverschreibungen vorbehaltlich § 6(5) am 14. September 2016 oder an jedem danach folgenden Variablen Zinszahlungstag vollständig, aber nicht in Teilbeträgen nach unwiderruflicher Kündigungsmitteilung an die Anleihegläubiger gemäß § 12 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Kalendertagen zum Nennbetrag zuzüglich sämtlicher bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen und sämtlicher ausstehender Zinsrückstände kündigen.

Eine solche Kündigungsmitteilung verpflichtet die Emittentin, die Schuldverschreibungen am 14. September 2016 oder an dem in dieser Kündigungsmitteilung angegebenen Variablen Zinszahlungstag zu ihrem Nennbetrag, nebst Zinsen, die bis zu diesem Kalendertag aufgelaufen sind, einschließlich sämtlicher ausstehender Zinsrückstände zurückzuzahlen.

#### **(5) Absicht der Garantin bei Rückzahlung aufgrund Endfälligkeit und bei Kündigung aus Steuergründen oder aufgrund eines Kapitalereignisses oder nach Wahl der Emittentin.**

Nach Absicht der Garantin sollen die Schuldverschreibungen dauerhafter Bestandteil der Konzernfinanzierung der Garantin sein. Für den Fall

relevant market at the relevant time with a Reference Swap Dealer of good credit in the swap market, and (c) the floating leg of which is based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis).

**Designated Maturity** means a maturity comparable to the remaining term of the Bonds from effectiveness of the cancellation notice to September 14, 2016.

**Swap Screen Page** means Reuters screen "ISDAFIX2" or such other page or service as may replace it for the purposes of the relevant swap rate.

#### **(4) Issuer Call Right and Early Redemption at the Option of the Issuer from September 14, 2016.**

Subject to § 6(5), the Issuer may call the Bonds (in whole but not in part) on September 14, 2016 or on any Floating Interest Payment Date thereafter at their Principal Amount, plus any interest accrued until the Redemption Date (exclusive) and upon payment of all outstanding Arrears of Interest to the date of redemption on the giving of not less than 30 and not more than 60 calendar days' irrevocable notice of redemption to the Bondholders in accordance with § 12.

Such notice of redemption shall oblige the Issuer to redeem the Bonds on September 14, 2016 or the Floating Interest Payment Date specified in that notice at the Principal Amount, plus accrued interest to that date, including all outstanding Arrears of Interest.

#### **(5) Intention of the Guarantor for Redemption at Maturity and Early Redemption due to Tax Reasons or a Capital Event or at the Option of the Issuer.**

It is the intention of the Guarantor that the Bonds will constitute permanent funding of the Guarantor's group. In case of redemption of the Bonds pursuant

der Rückzahlung gemäß § 6(1), § 6(2) und § 6(4) (mit Ausnahme einer Rückzahlung nach einem Wandlungsereignis) beabsichtigt die Garantin, der Emittentin Mittel zur Rückzahlung der Schuldverschreibungen zur Verfügung zu stellen, die aus der Ausgabe neuer Aktien der Garantin und/oder dem Verkauf eigener Aktien der Garantin (mit Ausnahme eigener Aktien, welche innerhalb eines Zeitraums von sechs Monaten vor dem betreffenden Zahlungstag gegen Barzahlung erworben wurden) und/oder aus der Begebung von Ersatz-Wertpapieren innerhalb von sechs Monaten vor dem Rückzahlungstag der Schuldverschreibungen stammen.

**Ersatz-Wertpapiere** sind Wertpapiere, die (i) von der Garantin oder (ii) von der Emittentin bzw. einer anderen direkten oder indirekten 100%igen Finanzierungsgesellschaft der Garantin jeweils mit einer Garantie der Garantin begeben werden und (a) eine Laufzeit von mindestens 60 Jahren haben, (b) im Rang gleich oder nachrangig zu den Schuldverschreibungen bzw. die Verpflichtungen aus der Garantie gleich oder nachrangig zur Nachrangigen Garantie stehen, (c) eine gleiche oder größere Eigenkapitalanrechnung als die Schuldverschreibungen aufweisen, (d) nicht vor Ablauf von fünf Jahren (wenn sie keinen Mechanismus zur Erhöhung des Zinssatzes enthalten) oder nicht vor Ablauf von zehn Jahren (wenn sie einen Mechanismus zur Erhöhung des Zinssatzes enthalten) nach Begebung kündbar sind, es sei denn, die Kündigung erfolgt aus steuerlichen Gründen oder Eigenkapitalanrechnungsgründen unter den in § 6(2) genannten Bedingungen, und (e) deren Bedingungen es der emittierenden Gesellschaft der Ersatz-Wertpapiere ermöglichen, Zinszahlungen in der gleichen oder einer ähnlichen Weise wie unter den Schuldverschreibungen aufzuschieben.

#### **(6) Rückkauf von Schuldverschreibungen.**

Die Garantin, die Emittentin oder Konzerngesellschaften können unter Einhaltung der einschlägigen gesetzlichen Vorschriften jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.

#### **(7) Kündigungsrecht der Emittentin bei geringem ausstehenden Gesamtnennbetrag.**

to § (6)(1), § 6(2) and § 6(4) (other than redemption following a Conversion Event), the Guarantor intends to make available to the Issuer for the purposes of redemption of the Bonds proceeds raised through the issuance of new shares of the Guarantor and/or the sale of treasury shares of the Guarantor (save for treasury shares which have been acquired against cash within a period of six months before the relevant payment date) and/or through the issuance of Replacement Securities, within a period of 6 months prior to the Redemption Date of the Bonds.

**Replacement Securities** are securities issued (i) by the Guarantor or (ii) by the Issuer or any other wholly-owned direct or indirect Finance Subsidiary of the Guarantor, in each case with the benefit of a guarantee from the Guarantor, and must (a) have a maturity of at least 60 years, (b) rank *pari passu* with or junior to the Bonds or the obligations pursuant to the guarantee rank *pari passu* with or junior to the obligations pursuant to the Subordinated Guarantee, (c) have equal or greater equity credit than the Bonds, (d) not be redeemable prior to the expiration of five years (if the Replacement Securities do not contain a step-up of the interest rate) or expiration of ten years of their issue date (if the Replacement Securities contain a step-up), other than for tax and equity credit reasons pursuant to the conditions in § 6(2) of these Conditions of Issue, and (e) permit the issuing entity in their terms to defer interest payments in the same or a similar manner as under the Bonds.

#### **(6) Purchase of Bonds.**

The Guarantor, the Issuer or any Group Entity may, in compliance with applicable laws, at any time purchase Bonds in the open market or otherwise and at any price. Such acquired Bonds may be cancelled, held or resold.

#### **(7) Issuer Call Right in case of Minimal Outstanding Aggregate Principal Amount.**



Falls die Emittentin, die Garantin und/oder eine Konzerngesellschaft allein oder gemeinsam Schuldverschreibungen im Volumen von 75 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben hat, kann die Emittentin die verbleibenden Schuldverschreibungen (insgesamt, jedoch nicht teilweise) kündigen und zu einem Betrag zurückzahlen, der dem Nennbetrag der Schuldverschreibungen oder, falls dieser höher ist, dem Abgezinsten Marktpreis für die Schuldverschreibungen, jeweils zuzüglich bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen und zuzüglich aller ausstehenden Zinsrückstände, entspricht.

## **§ 7 ZAHLUNGEN**

### **(1) Zahlung von Kapital und Zinsen.**

Die Emittentin verpflichtet sich, Kapital und Zinsen auf die Schuldverschreibungen sowie alle sonstigen auf die Schuldverschreibungen zahlbaren Beträge bei Fälligkeit in Euro bzw. Pfund Sterling zu zahlen. Die Zahlung von Kapital und Zinsen erfolgt an eine Zahlstelle zur Weiterleitung an das Clearingsystem oder an dessen Order zur Gutschrift für die jeweiligen Kontoinhaber gegen Vorlage und (sofern es sich um die Kapitalrückzahlung handelt) Einreichung der Globalurkunden. Die Zahlung an das Clearingsystem oder an dessen Order, vorausgesetzt, die Schuldverschreibungen werden noch durch das Clearingsystem gehalten, befreit die Emittentin in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den Schuldverschreibungen.

### **(2) Fälligkeitstag kein Geschäftstag.**

Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen kein Geschäftstag ist, erfolgt die Zahlung, außer im Fall des § 5(2)(b), erst am nächstfolgenden Geschäftstag; Anleihegläubiger sind nicht berechtigt, zusätzliche Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

In the event that the Issuer, the Guarantor and/or any Group Entity has, severally or jointly, purchased Bonds equal to or in excess of 75 % of the aggregate Principal Amount of the Bonds initially issued, the Issuer may call and redeem the remaining Bonds (in whole but not in part) at an amount calculated as the greater of the Principal Amount of the Bonds and the Make-Whole Amount of the Bonds plus accrued interest until the Redemption Date (exclusive) and all outstanding Arrears of Interest.

## **§ 7 PAYMENTS**

### **(1) Payment of Principal and Interest.**

The Issuer undertakes to pay, as and when due, principal and interest as well as all other amounts payable on the Bonds in Euro or Pounds sterling, as applicable. Payment of principal and interest on the Bonds shall be made to a Paying Agent for on-payment to the Clearing System or to its order for credit to the respective account holders upon presentation and (in the case of the payment in respect of principal) surrender of the Global Bonds. Payments to the Clearing System or to its order shall, to the extent of amounts so paid and provided the Bonds are still held on behalf of the Clearing System, constitute the discharge of the Issuer from its corresponding obligations under the Bonds.

### **(2) Due Date not a Business Day.**

Except as otherwise provided in § 5(2)(b), if the due date for any payment of principal and/or interest is not a Business Day, payment shall be effected only on the next Business Day; a Bondholder shall have no right to claim payment of any additional interest or other indemnity in respect of such delay in payment.



**§ 8**  
**BESTEuerung UND BRUTTOAusGLEICH**

**(1) Zusätzliche Beträge.**

Sämtliche Zahlungen auf die Schuldverschreibungen (seien es Kapital oder Zinsen oder sonstige Beträge) sind von der Emittentin bzw., nach Maßgabe der Nachrangigen Garantie, der Garantin frei von und ohne Einbehalt oder Abzug von oder wegen gegenwärtiger oder zukünftiger Steuern oder sonstiger Abgaben gleich welcher Art zu leisten, die von oder in dem Land, in dem die Emittentin bzw. die Garantin ihren Sitz hat, oder von einer Gebietskörperschaft oder einer dortigen zur Steuererhebung ermächtigten Behörde oder Stelle erhoben werden, es sei denn, der Abzug oder Einbehalt solcher Steuern oder Abgaben ist gesetzlich vorgeschrieben oder ergibt sich aus der Auslegung oder Anwendung eines Gesetzes. In diesem Fall wird die Emittentin bzw. die Garantin diejenigen zusätzlichen Beträge zahlen, die erforderlich sind, damit die von jedem Anleihegläubiger zu empfangenden Beträge nach einem solchen Abzug oder Einbehalt den Beträgen entsprechen, die der Anleihegläubiger ohne einen solchen Abzug oder Einbehalt erhalten hätte. Derartige zusätzliche Beträge müssen jedoch nicht in Bezug auf Zahlungen auf eine Schuldverschreibung erbracht werden, wenn:

- (a) die Zahlungen an einen Anleihegläubiger oder in dessen Namen an einen Dritten geleistet werden, der solchen Steuern, Abgaben, Steuerveranlagungen oder behördlichen Gebühren in Bezug auf diese Schuldverschreibungen bzw. Zahlungen unter der Nachrangigen Garantie deshalb unterliegt, weil er eine andere Beziehung zur Rechtsordnung der Emittentin bzw. der Garantin hat als den bloßen Umstand, dass er (i) Inhaber einer solchen Schuldverschreibung oder Begünstigter der Nachrangigen Garantie ist oder (ii) Kapital, Zinsen oder einen anderen Betrag in Bezug auf eine solche Schuldverschreibung oder unter der Nachrangigen Garantie erhält; oder
- (b) die Schuldverschreibung mehr als 30 Kalendertage nach dem Relevanten Datum zur Zahlung vorgelegt wird, es sei denn der betreffende Anleihegläubiger hätte auch bei Vorlegung am Ende oder vor Ablauf dieses Zeitraums von 30 Kalendertagen einen Anspruch auf Erhalt dieser zusätzlichen Beträge gehabt; oder
- (c) ein solcher Abzug oder Einbehalt hinsichtlich einer Auszahlung an eine natürliche Person erfolgt und auf Grund der Richtlinie des Europäi-

**§ 8**  
**TAXATION AND GROSS-UP**

**(1) Additional Amounts.**

All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Bonds by the Issuer or (if applicable), according to the Subordinated Guarantee, the Guarantor will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction of incorporation of the Issuer or the Guarantor (as the case may be) or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the deduction or withholding of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts receivable by the Bondholder after such deduction or withholding shall equal the respective amounts which would have been received by such Bondholder in the absence of such deduction or withholding; except that no such additional amounts shall be payable in relation to any payment in respect of any Bond:

- (a) to, or to a third party on behalf of, a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond and/or the Subordinated Guarantee by reason of his having some connection with the jurisdiction of incorporation of the Issuer or (if applicable) the Guarantor other than (i) the mere holding of such Bond and/or being beneficiary of the Subordinated Guarantee or (ii) the receipt of principal, interest or other amounts in respect of such Bond or payments under the Subordinated Guarantee; or
- (b) presented for payment more than 30 calendar days after the Relevant Date, except to the extent that the relevant Bondholder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of 30 calendar days; or
- (c) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive

schen Rats 2003/48/EC oder einer anderen Richtlinie zu erfolgen hat, die die Ergebnisse des Ministerratstreffens der Finanzminister der Europäischen Union vom 26. bis zum 27. November 2000 bezüglich der Besteuerung von Kapitaleinkünften umsetzt, oder auf Grund eines jeden anderen Gesetzes, das die Umsetzung einer solchen Richtlinie bezweckt, oder das erlassen wurde, um den Anforderungen einer solchen Richtlinie zu genügen; oder

- (d) die Schuldverschreibung von einem Anleihegläubiger oder im Namen eines Anleihegläubigers zur Auszahlung vorgelegt wird, welcher einen Abzug oder Einbehalt durch Vorlegung der betreffenden Schuldverschreibung bei einer anderen Zahlstelle in einem Mitgliedsstaat der Europäischen Union hätte vermeiden können

## (2) “Relevantes Datum”.

Das **Relevante Datum** im Hinblick auf jede Zahlung ist das Datum, zu dem diese Zahlung erstmalig fällig und zahlbar wird; falls jedoch die zahlbaren Gelder nicht in voller Höhe an oder vor diesem Fälligkeitsdatum bei der Zahlstelle eingegangen sind, bedeutet es das erste Datum, an dem die Gelder in voller Höhe eingegangen sind und zur Zahlung an die Anleihegläubiger zur Verfügung stehen und eine entsprechende Bekanntmachung an die Anleihegläubiger gemäß § 12 erfolgt ist.

## (3) Andere Steuerrechtsordnung.

Falls die Emittentin bzw. die Garantin zu irgendeinem Zeitpunkt einer anderen Steuerrechtsordnung als der gegenwärtig maßgeblichen Steuerrechtsordnung der Emittentin bzw. der Garantin oder einer zusätzlichen Steuerrechtsordnung unterworfen wird, sollen die Bezugnahmen in diesem § 8 auf die Steuerrechtsordnung der Emittentin bzw. der Garantin als Bezugnahmen auf diese anderen Steuerrechtsordnungen gelesen und ausgelegt werden.

## (4) Bezugnahmen.

Jede Bezugnahme in diesen Anleihebedingungen auf „Kapital“ und/oder „Zinsen“ im Hinblick auf die Schuldverschreibungen bezieht sich auch auf die zusätzlichen Beträge, die nach diesem § 8 zu zahlen sind. Soweit sich aus dem Zusammenhang nichts anderes ergibt, beinhalten die Bezugnahmen in diesen Anleihebedingungen auf „Kapital“ jede Erhöhung

2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such directive; or

- (d) presented for payment by or on behalf of a Bondholder who would have been able to avoid such deduction or withholding by presenting the relevant Bond to another Paying Agent in a member state of the European Union.

## (2) “Relevant Date”.

The **Relevant Date** means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Paying Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Bondholders, notice to that effect shall have been duly given to the Bondholders of the Bonds in accordance with § 12.

## (3) Different Taxing Jurisdiction.

If at any time the Issuer, or if applicable, the Guarantor becomes subject to any taxing jurisdiction other than, or in addition to, the currently relevant taxing jurisdictions of the Issuer or (if applicable) the Guarantor, references in this § 8 to the jurisdiction of the Issuer and the Guarantor shall be read and construed as references to the jurisdiction of the Issuer or the Guarantor (as the case may be) and/or to such other jurisdiction(s).

## (4) References.

Any reference in these Conditions of Issue to “principal amount” and/or “interest” in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under this § 8. Unless the context otherwise requires, any reference in these Conditions of Issue to “principal” shall include any increase of the Principal Amount

des Nennbetrages, welche im Zusammenhang mit den Schuldverschreibungen zu zahlen ist, jeden Teilzahlungs- oder Rückzahlungsbetrag und alle anderen Beträge, die nach diesen Anleihebedingungen ihrer Natur gemäß als Kapital anzusehen sind. Die Bezugnahmen auf „Zinsen“ beinhalten alle Beträge, die gemäß § 5 zu zahlen sind und alle anderen Beträge, die nach diesen Anleihebedingungen ihrer Natur gemäß Zinsen sind.

#### **§ 9 VORLEGUNGSFRIST**

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen in Bezug auf Kapital auf zehn Jahre verkürzt. Die Vorlegungsfrist der Schuldverschreibungen in Bezug auf Zinszahlungen beträgt vier Jahre.

#### **§ 10 ZAHLSTELLEN UND BERECHNUNGSSTELLE**

##### **(1) Hauptzahlstelle.**

Die Deutsche Bank Aktiengesellschaft ist die Hauptzahlstelle (*Hauptzahlstelle*).

##### **(2) Luxemburger Zahlstelle.**

Die Deutsche Bank Luxembourg S.A. ist als weitere Zahlstelle (gemeinsam mit der Hauptzahlstelle, die *Zahlstellen*, und jede eine *Zahlstelle*) bestellt.

##### **(3) Berechnungsstelle.**

Die Deutsche Bank Aktiengesellschaft ist die Berechnungsstelle (*Berechnungsstelle*).

##### **(4) Rechtsverhältnisse der Zahlstellen und der Berechnungsstelle.**

Die Zahlstellen und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keine Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

payable in respect of a Bond, any instalment amount or redemption amount and any other amounts in the nature of principal payable pursuant to these Conditions of Issue and “interest” shall include all amounts payable pursuant to § 5 and any other amounts in the nature of interest payable pursuant to these Conditions of Issue.

#### **§ 9 PRESENTATION PERIOD**

The term for presentation of the Bonds in respect of the Principal Amount as laid down in Section 801, paragraph 1, sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years. The period for presentation of Bonds with respect to interest shall be four years.

#### **§ 10 PAYING AGENTS AND CALCULATION AGENT**

##### **(1) Principal Paying Agent.**

Deutsche Bank Aktiengesellschaft shall be the principal paying agent (*Principal Paying Agent*).

##### **(2) Luxembourg Paying Agent.**

Deutsche Bank Luxembourg S.A. shall be appointed as additional paying agent (together with the Principal Paying Agent, the *Paying Agents*, and each a *Paying Agent*).

##### **(3) Calculation Agent.**

Deutsche Bank Aktiengesellschaft shall be the calculation agent (*Calculation Agent*).

##### **(4) Paying Agents and Calculation Agent Legal Matters.**

The Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or trust for or with any of the Bondholders.

## **(5) Ersetzung von Zahlstellen und Berechnungsstelle.**

Die Emittentin behält sich das Recht vor, jederzeit eine andere Zahlstelle oder Berechnungsstelle zu beauftragen oder eine solche Beauftragung zu beenden und zusätzliche oder Nachfolge-Zahlstellen bzw. Berechnungsstellen zu ernennen. Die Emittentin wird jedoch gewährleisten, dass, solange die Schuldverschreibungen an einer Börse notiert sind, jederzeit eine Zahlstelle in dem Staat beauftragt ist, in dem die Börse ihren Sitz hat. Die Emittentin wird auch sicherstellen, dass für den Fall, dass im Hinblick auf die Richtlinie der Europäischen Union zur Besteuerung von Zinserträgen vom 3. Juni 2003 ein Gesetz erlassen wird, das diese Richtlinie umsetzt oder eingeführt wird, um dieser Richtlinie nachzukommen, eine Zahlstelle in einem Mitgliedstaat der Europäischen Union unterhalten wird (sofern es eine derartige gibt), die nicht dazu verpflichtet ist, Steuern aufgrund dieser Richtlinie oder eines solchen Gesetzes an der Quelle einzubehalten oder abzuziehen. Den Anleihegläubigern werden Änderungen in Bezug auf die Zahlstellen oder die Berechnungsstelle oder ihre jeweils angegebenen Geschäftsstellen umgehend gemäß § 12 mitgeteilt.

## **§11. AUFSTOCKUNG**

Die Emittentin darf von Zeit zu Zeit ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (oder mit abweichender Ausstattung, sofern sich diese Abweichung nur auf die erste Zinszahlung bezieht) wie diese Schuldverschreibungen erstellen und begeben, so dass die neu begebenen Schuldverschreibungen mit diesen eine einheitliche Serie bilden.

## **§12. MITTEILUNGEN**

### **(1) Mitteilungen in Tageszeitungen.**

- (a) Bekanntmachungen an Anleihegläubiger erfolgen (i) in einer führenden deutschsprachigen Tageszeitung mit allgemeiner Verbreitung in der Bundesrepublik Deutschland (voraussichtlich das "Handelsblatt" oder die "Süddeutsche Zeitung") und (ii) wenn die Schuldverschreibungen an der Luxemburger Börse notiert sind, für die Dauer ihrer Notierung und soweit es die Bestimmungen dieser Börse verlangen, in einer führenden Tageszeitung mit allgemeiner Verbreitung in

## **(5) Replacement of Paying Agents and Calculation Agent.**

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or the Calculation Agent and to appoint successor or additional Paying Agents or a successor Calculation Agent, provided that, for as long as the Bonds are listed on any stock exchange, the Issuer shall at all times maintain a Paying Agent in the jurisdiction in which such stock exchange is located; and provided further that if, in light of the European Union Directive on the taxation of savings of June 3, 2003, any law implementing, or introduced in order to conform to such Directive, is introduced, the Issuer shall ensure that (to the extent that such a Paying Agent exists) it maintains a Paying Agent in a Member State of the European Union that shall not be obliged to withhold or deduct tax pursuant to this Directive or any such law. Notice of any change in the Paying Agents or Calculation Agent or in the specified office of any Paying Agent or the Calculation Agent will be given without undue delay to the Bondholders in accordance with § 12.

## **§11. INCREASE**

The Issuer may from time to time, without the consent of the Bondholders issue further Bonds having the same conditions of Issue as such Bonds in all respects (or in all respects except for the first payment of interest, if any) so as to form a single series with the Bonds.

## **§12. NOTICES**

### **(1) Notification in Newspapers.**

- (a) Notices to Bondholders will be made (i) in a leading newspaper published in the German language and of general circulation in the Federal Republic of Germany (which is expected to be the Handelsblatt or Süddeutsche Zeitung) and (ii) in the case of any Bonds which are listed on the Luxembourg Stock Exchange (so long as such Bonds are listed on the Luxembourg Stock Exchange and the rules of that exchange so require), in a leading

Luxemburg (voraussichtlich dem “d’Wort”) oder auf der Internetseite der Luxemburger Börse (www.bourse.lu), oder, im Fall von(i) oder (ii), sofern eine solche Veröffentlichung nicht möglich ist, durch Veröffentlichung in einer führenden englischsprachigen Tageszeitung mit allgemeiner Verbreitung in London oder einer führenden deutschsprachigen Tageszeitung mit allgemeiner Verbreitung in der Bundesrepublik Deutschland (oder solange die Schuldverschreibungen in vorläufigen oder dauerhaften Globalurkunden verbrieft sind und dies von der betreffenden Börse erlaubt ist, durch Weitergabe an das Clearingsystem, damit dieses die Informationen an die Personen übermittelt, die in seinen jeweiligen Unterlagen als Personen mit berechtigtem Interesse geführt werden).

- (b) Die Emittentin und die Garantin stellen sicher, dass alle Bekanntmachungen ordnungsgemäß in Übereinstimmung mit den Erfordernissen der jeweiligen Börsen, an denen die Schuldverschreibungen notiert sind, erfolgen.

#### (2) Wirksamwerden der Mitteilungen.

Jede Bekanntmachung wird am Tag der ersten Veröffentlichung (oder, soweit eine Veröffentlichung in mehr als einer Zeitung vorgeschrieben ist, am ersten Tag, an dem die Veröffentlichung in allen vorgeschriebenen Zeitungen erfolgt ist) oder am vierten Geschäftstag nach dem Tag einer Weitergabe an das Clearingsystem wirksam

### § 13.

#### ERSETZUNG DER EMITTENTIN

##### (1) Ersetzung.

Die Emittentin ist berechtigt, ohne Zustimmung der Anleihegläubiger an ihre Stelle die Garantin oder eine Tochtergesellschaft, an der die Garantin unmittelbar oder mittelbar Anteile zu mindestens 75 Prozent hält, als neue Schuldnerin in Bezug auf die Schuldverschreibungen (die **Neue Schuldnerin**) zu setzen. Eine solche Ersetzung ist durch die Emittentin und die Neue Schuldnerin gemäß § 12 zu veröffentlichen. Sie setzt voraus, dass:

- (a) die Emittentin nicht mit irgendwelchen auf die Schuldverschreibungen zahlbaren Beträgen in Verzug ist;
- (b) die Emittentin und die Neue Schuldnerin die für die Wirksamkeit der Ersetzung erforderlichen Vereinbarungen (die **Vereinbarungen**) abgeschlossen haben, in denen die Neue Schuldnerin

newspaper of general circulation in Luxembourg (which is expected to be the d’Wort) or on the website of the Luxembourg Stock Exchange (www.bourse.lu) or (in the case of (i) or (ii)), if such publication is not practicable, in a leading English language newspaper of general circulation in London or a leading German language newspaper of general circulation in the Federal Republic of Germany (or, if permitted by the rules of the relevant stock exchange, so long as the Bonds are represented by temporary global bonds or permanent global bonds, if delivered to the Clearing System for communication by it to the persons shown in its respective records as having interests therein).

- (b) The Issuer and the Guarantor shall also ensure that notices are duly published in compliance with the requirements of each stock exchange on which the Bonds are listed.

#### (2) Effectiveness of Notices.

Any notice will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or, as the case may be, on the fourth Business Day after the date of such delivery to the Clearing System.

### § 13.

#### SUBSTITUTION OF THE ISSUER

##### (1) Substitution.

The Issuer may without the consent of Bondholders, substitute for itself the Guarantor or (in any case) any subsidiary which is, directly or indirectly, at least 75 percent owned by the Guarantor as the debtor in respect of Bonds (the **Substituted Debtor**) upon notice by the Issuer and the Substituted Debtor to be given by publication in accordance with § 12, provided that:

- (a) the Issuer is not in default in respect of any amount payable under any of the Bonds;
- (b) the Issuer and the Substituted Debtor have entered into such documents (the **Documents**) as are necessary to give effect to the substitution and in which the Substituted Debtor has



sich zu Gunsten jedes Anleihegläubigers als begünstigter Dritter i.S.d. § 328 BGB verpflichtet hat, als Schuldnerin in Bezug auf die Schuldverschreibungen diese Anleihebedingungen anstelle der Emittentin oder jeder vorhergehenden ersetzenden Schuldnerin nach diesem § 13 einzuhalten;

- (c) sofern die Neue Schuldnerin in steuerlicher Hinsicht in einem anderen Gebiet ihren Sitz (der **Neue Sitz**) hat als in dem, in dem die Emittentin vor der Ersetzung in steuerlicher Hinsicht ansässig war (der **Frühere Sitz**), die Vereinbarungen eine Verpflichtungserklärung und/oder solche anderen Bestimmungen enthalten, die gegebenenfalls erforderlich sind, um sicherzustellen, dass jeder Anleihegläubiger aus einer den Bestimmungen des § 8 entsprechenden Verpflichtung begünstigt wird, wobei, soweit anwendbar, die Bezugnahmen auf den Früheren Sitz durch Bezugnahmen auf den Neuen Sitz ersetzt werden;
- (d) wenn die Neue Schuldnerin nicht die Garantin ist, die Nachrangige Garantie sich auf die Verpflichtungen der Neuen Schuldnerin aus den Vereinbarungen erstreckt und die Nachrangige Garantie sowie die Nachrangige Verpflichtungserklärung weiterhin rechtsverbindlich fortbestehen;
- (e) die Neue Schuldnerin, die Emittentin und, im Falle, dass die Emittentin vor der Ersetzung nicht die Garantin war, die Garantin alle erforderlichen behördlichen Genehmigungen und Zustimmungen für die Ersetzung und für die Erfüllung der Verpflichtungen der Neuen Schuldnerin aus den Vereinbarungen sowie, sofern zutreffend, für die Erfüllung der Verpflichtungen der Garantin aus (i) der Nachrangigen Garantie, soweit sie sich auf die Verpflichtungen der Neuen Schuldnerin aus den Vereinbarungen bezieht, und (ii) der Nachrangigen Verpflichtungserklärung erhalten haben;
- (f) jede Wertpapierbörse, an der die Schuldverschreibungen zugelassen sind, bestätigt hat, dass nach der vorgesehenen Ersetzung durch die Neue Schuldnerin diese Schuldverschreibungen weiterhin an dieser Wertpapierbörse zugelassen sind;
- (g) soweit anwendbar, die Neue Schuldnerin einen Zustellungsbevollmächtigten in der Bundesrepublik Deutschland für alle Rechtsstreitigkeiten

undertaken in favour of each Bondholder as third party beneficiary pursuant to § 328 of the German Civil Code to be bound by these Conditions of Issue as the debtor in respect of the Bonds in place of the Issuer (or of any previous substitute under this § 13);

- (c) if the Substituted Debtor is resident for tax purposes in a territory (the **New Residence**) other than that in which the Issuer prior to such substitution was resident for tax purposes (the **Former Residence**) the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Bondholder has the benefit of an undertaking in terms corresponding to the provisions of § 8, with, where applicable, the substitution of references to the Former Residence with references to the New Residence;
- (d) if the Substituted Debtor is not the Guarantor, the Guarantee extends to the obligations of the Substituted Debtor under the Documents and the Subordinated Guarantee and the Subordinated Undertaking continue to be in full force and effect;
- (e) the Substituted Debtor and the Issuer and (where the Issuer before substitution was not the Guarantor) the Guarantor have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents and, where relevant, for the performance of the Guarantor of its obligations under (i) the Subordinated Guarantee as they relate to the obligations of the Substituted Debtor under the Documents and (ii) the Subordinated Undertaking;
- (f) each stock exchange on which the Bonds are listed shall have confirmed that, following the proposed substitution of the Substituted Debtor, such Bonds will continue to be listed on such stock exchange;
- (g) if applicable, the Substituted Debtor has appointed a process agent as its agent in The Federal Republic of Germany to receive service



aus oder im Zusammenhang mit den Schuldverschreibungen ernannt hat; und

- (h) der Hauptzahlstelle Rechtsgutachten, die in Kopie erhältlich sind, von Rechtsberatern von anerkanntem Ruf zugestellt wurden, die die Garantin für jede Rechtsordnung ausgewählt hat, in der die Emittentin, die Neue Schuldnerin und, soweit davon verschieden, die Garantin ihren Sitz haben, und in denen bestätigt wird, soweit zutreffend, dass mit Durchführung der Schuldnerersetzung die Anforderungen in vorstehenden Unterabsätzen (a) bis (g) erfüllt worden sind.

**(2) Folge der Ersetzung, weitere Ersetzung und Bezugnahme.**

- (a) Durch eine solche Ersetzung folgt die Neue Schuldnerin der Emittentin nach, ersetzt diese und kann alle Rechte und Ansprüche der Emittentin aus den Schuldverschreibungen mit der gleichen Wirkung ausüben, als ob die Neue Schuldnerin in diesen Anleihebedingungen als Emittentin genannt worden wäre. Die Emittentin wird von ihren Verpflichtungen aus den Schuldverschreibungen befreit.
- (b) Nach einer Ersetzung gemäß diesem § 13 kann die Neue Schuldnerin ohne Zustimmung der Anleihegläubiger eine weitere Ersetzung durchführen. Die in § 13(1) und (2) genannten Bestimmungen finden entsprechende Anwendung. Bezugnahmen in diesen Anleihebedingungen auf die Emittentin gelten, wo der Zusammenhang dies erfordert, als Bezugnahmen auf eine derartige weitere Neue Schuldnerin.
- (c) Nach einer Ersetzung gemäß diesem § 13 kann jede Neue Schuldnerin ohne Zustimmung der Anleihegläubiger die Ersetzung entsprechend rückgängig machen.

**§ 14  
KÜNDIGUNGSGRÜNDE**

Ein Anleihegläubiger kann seine Schuldverschreibungen durch schriftliche Mitteilung an die Emittentin und die Garantin, die entweder an die Emittentin oder die Hauptzahlstelle zu übermitteln ist, kündigen, woraufhin seine Schuldverschreibungen sofort zu ihrem Nennbetrag, zusammen mit aufgelaufenen Zinsen und allen ausstehenden Zinsrückständen, ohne weitere Handlungen oder Formalitäten fällig und zahlbar

of process on its behalf in relation to any legal proceedings arising out of or in connection with the Bonds upon;

- (h) legal opinions shall have been delivered to the Principal Paying Agent (from whom copies will be available) from legal advisers of good standing selected by the Guarantor in each jurisdiction in which the Issuer, the Substituted Debtor and (if different) the Guarantor are incorporated confirming, as appropriate, that upon the substitution taking place the requirements according to subsections (a) to (g) above have been met.

**(2) Consequences of a Replacement, Further Replacements and References.**

- (a) Upon such substitution the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Bonds with the same effect as if the Substituted Debtor had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Bonds.
- (b) After a substitution pursuant to this § 13, the Substituted Debtor may, without the consent of Bondholders, effect a further substitution. All the provisions specified in § 13(1) and (2) shall apply *mutatis mutandis*, and references in these Conditions of Issue to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.
- (c) After a substitution pursuant to this § 13 any Substituted Debtor may, without the consent of any Bondholder, reverse the substitution, *mutatis mutandis*.

**§ 14  
EVENTS OF DEFAULT**

Any Bondholder may, by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer or to the Principal Paying Agent, declare its Bonds due and payable, whereupon such Bonds shall become immediately due and payable at their Principal Amount together with accrued interest thereon including all outstanding Arrears of Interest without further action or formality, if (i) the Issuer or

werden, falls (i) die Emittentin oder die Garantin in die Liquidation geht und abgewickelt oder aufgelöst wird (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. der die Emittentin oder die Garantin noch zahlungsfähig ist und bei dem bzw. der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin bzw. der Garantin übernimmt) oder (ii) ein Insolvenzverfahren gegen die Emittentin oder die Garantin eröffnet wird.

**§ 15  
ANWENDBARES RECHT;  
ERFÜLLUNGORT;  
GERICHTSSTAND UND  
ZUSTELLUNGSBEVOLLMÄCHTIGTER**

**(1) Anwendbares Recht.**

Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Anleihegläubiger und der Emittentin bestimmen sich ausschließlich nach deutschem Recht unter Ausschluss der Kollisionsnormen des deutschen internationalen Privatrechts.

**(2) Erfüllungsort.**

Erfüllungsort ist München, Bundesrepublik Deutschland.

**(3) Gerichtsstand.**

- (a) Die Emittentin erklärt sich unwiderruflich zugunsten der Anleihegläubiger damit einverstanden, dass die Gerichte in München, Bundesrepublik Deutschland, (Amtsgericht oder Landgericht) für alle Klagen, Prozesse und Verfahren (die **Verfahren**) und die Beilegung aller Streitigkeiten, die aus oder im Zusammenhang mit den Schuldverschreibungen entstehen (die **Rechtsstreitigkeiten**), ausschließlich zuständig sind. Die Emittentin erkennt diesen Gerichtsstand zu diesem Zweck unwiderruflich an.
- (b) Die Emittentin verzichtet unwiderruflich auf jede Einrede, die sie jetzt oder später dagegen geltend machen könnte, dass die zuständigen Gerichte von München (Amtsgericht oder Landgericht) als Gerichtsstand für die Anhörung und Entscheidung von Verfahren und die Beilegung von Rechtsstreitigkeiten benannt sind und erklärt sich damit einverstanden, keinen Einwand der Unzuständigkeit gegen eines dieser Gerichte zu erheben.

the Guarantor enters into a liquidation and winding up or dissolution (other than for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer or the Guarantor, as the case may be) or (ii) insolvency proceedings are commenced against the Issuer or the Guarantor.

**§ 15  
GOVERNING LAW;  
PLACE OF PERFORMANCE;  
JURISDICTION AND  
PROCESS AGENT**

**(1) Governing law.**

The form and contents of the Bonds and the rights and obligations of the Bondholders and the Issuer shall be governed exclusively by, and construed in accordance with, German law without giving effect to the principles of conflict of laws thereof.

**(2) Place of Performance.**

Place of performance is Munich, Federal Republic of Germany.

**(3) Jurisdiction.**

- (a) The Issuer irrevocably agrees for the benefit of the Bondholders that the courts of Munich, Federal Republic of Germany (*Amtsgericht* or *Landgericht*) shall have jurisdiction to hear and determine any suit, trials and proceedings (the **Proceedings**) and to settle any disputes which may arise out of or in connection with the Bonds (the **Disputes**) and, for that purpose, the Issuer irrevocably submits to the exclusive jurisdiction of the courts of Munich.
- (b) The Issuer irrevocably waives any objection which they might now or hereafter have to the competent courts of Munich (*Amtsgericht* or *Landgericht*) being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agree not to claim that any such court is not a convenient or appropriate forum.

**(4) Zustellungsbevollmächtigter.**

Die Emittentin wählt als Zustellungsadresse in der Bundesrepublik Deutschland die Garantin und erklärt sich unwiderruflich mit der Zustellung unter der Adresse der Garantin im Zusammenhang mit allen mit den Schuldverschreibungen verbundenen Angelegenheiten einverstanden.

**§ 16  
SPRACHE**

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer unverbindlichen Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist maßgeblich und allein rechtsverbindlich. Die englische Übersetzung ist unverbindlich und dient nur der Information.

**(4) Process Agent.**

The Issuer elects the Guarantor as its address for the service of process in The Federal Republic of Germany and irrevocably declares to accept service of process under the address of the Guarantor in connection with all matters associated with the Bonds.

**§ 16  
LANGUAGE**

These Conditions of Issue are drawn up in the German language and provided with a non-binding English language translation. The German version shall be decisive and the only legally binding version. The English translation is for convenience and for information purposes only.

## 2. Subordinated Guarantee

### NACHRANGIGE GARANTIE (die Nachrangige Garantie)

der

**SIEMENS AKTIENGESELLSCHAFT,**

Berlin und München,  
Bundesrepublik Deutschland

als nachrangige Garantin

in Bezug auf die 1.650.000  
Schuldverschreibungen der

**SIEMENS FINANCIERINGSMAATSCHAPPIJ N.V.**

Den Haag,  
Niederlande

als Emittentin

### SUBORDINATED GUARANTEE (the Subordinated Guarantee)

by

**SIEMENS AKTIENGESELLSCHAFT,**

Berlin and Munich,  
Federal Republic of Germany

as subordinated Guarantor

in respect of the 1,650,000  
Bonds issued by

**SIEMENS FINANCIERINGSMAATSCHAPPIJ N.V.**

The Hague,  
The Netherlands

as Issuer

Die Emittentin begibt nachrangige Schuldverschreibungen im Gesamtnennbetrag von EUR 900.000.000 (in Worten: Euro neunhundert Millionen), die in 900.000 an den Inhaber zahlbare Schuldverschreibungen mit einem Nennbetrag von anfänglich jeweils EUR 1.000 eingeteilt sind (die **EUR-Schuldverschreibungen**) und im Gesamtnennbetrag von bis zu GBP 750.000.000 (in Worten: Pfund Sterling siebenhundertfünfzig Millionen), die in 750.000 an den Inhaber zahlbare Schuldverschreibungen mit einem Nennbetrag von anfänglich jeweils GBP 1.000 eingeteilt sind (die **GBP-Schuldverschreibungen** und, zusammen mit den EUR-Schuldverschreibungen, die **Schuldverschreibungen**; dieser Begriff umfasst sämtliche weiteren Schuldverschreibungen, die gemäß § 11 der Anleihebedingungen begeben werden und eine einheitliche Serie mit den Schuldverschreibungen bilden).

Die Schuldverschreibungen begründen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die untereinander im Rang gleich stehen und im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben. Im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emit-

The Issuer issues subordinated bonds in the aggregate principal amount of EUR 900,000,000 (in words: Euro nine hundred million) divided into 900,000 bonds payable to the bearer with an initial principal amount of EUR 1,000 each (the **EUR-Bonds**) and in the aggregate principal amount of GBP 750,000,000 (in words: Pounds Sterling seven hundred fifty million) divided into 750,000 bonds payable to the bearer with an initial principal amount of GBP 1,000 each (the **GBP-Bonds** and together with the EUR-Bonds, the **Bonds**; this term includes any further Bonds issued pursuant to § 11 of the Conditions of Issue that form a single series with the Bonds).

The obligations of the Issuer under the Bonds constitute direct, unsecured and subordinated obligations of the Issuer ranking *pari passu* among themselves and, in the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer, rank junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise required by mandatory provisions of law. In the event of the liquidation, dissolution or insolvency of the Issuer or composition or other proceedings for the avoidance of insolvency of the Issuer, the obligations of the

tentin dienenden Verfahrens gehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen im Rang den Ansprüchen aller nicht nachrangigen und nachrangigen Gläubiger nach, so dass Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche aller nicht nachrangigen und nachrangigen Gläubiger gegen die Emittentin nicht zuvor vollständig erfüllt sind. Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin gegen sie aufzurechnen. Die Emittentin ist nicht berechtigt, mögliche Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen. Für die Rechte der Anleihegläubiger aus den Schuldverschreibungen ist diesen, mit Ausnahme der Nachrangigen Garantie, keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit, mit Ausnahme der Nachrangigen Garantie, wird auch zu keinem Zeitpunkt gestellt werden.

Im Zusammenhang mit den Schuldverschreibungen hat die Emittentin einen Emissions- und Zahlstellenvertrag mit Datum vom 12. September 2006 zwischen, unter anderem, der Emittentin, der Garantin und der Deutschen Bank Aktiengesellschaft (die **Hauptzahlstelle**) (der **Emissions- und Zahlstellenvertrag**) abgeschlossen.

Siemens Aktiengesellschaft gibt diese Nachrangige Garantie in Bezug auf die Schuldverschreibungen (gemäß § 3(1) der Anleihebedingungen) ab.

ES WIRD HIERMIT FOLGENDES VEREINBART:

## 1. Definitionen

In dieser Nachrangigen Garantie:

**Anleihebedingungen** meint die Anleihebedingungen der Schuldverschreibungen.

**Emittentin** meint Siemens Financieringsmaatschappij N.V., Den Haag, Niederlande, und, nach Ersetzung gemäß § 13 der Anleihebedingungen, die Neue Schuldnerin (mit Ausnahme der Garantin).

**Anleihegläubiger** meint jeden Inhaber von Schuldverschreibungen.

Begriffe, die in den Anleihebedingungen definiert sind, haben in dieser Nachrangigen Garantie die gleiche Bedeutung wie in den Anleihebedingungen, soweit in dieser Nachrangigen Garantie nicht etwas anderes bestimmt ist.

Issuer under the Bonds shall be subordinated to the claims of all unsubordinated and subordinated creditors of the Issuer so that in any such event no amounts shall be payable in respect of the Bonds until the claims of all unsubordinated and subordinated creditors of the Issuer shall have first been satisfied in full. No Bondholder may set-off any claims arising under the Bonds against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against the Bondholders against any of its obligations under the Bonds. Except for the Subordinated Guarantee, no security is, or shall at any time be, granted by the Issuer or any other person securing rights of the Bondholders under the Bonds.

In connection with the Bonds the Issuer has entered into an issue and paying agency agreement dated September 12, 2006, and made between, *inter alia*, the Issuer, the Guarantor and Deutsche Bank Aktiengesellschaft (the **Principal Paying Agent**) (the **Issue and Paying Agency Agreement**).

Siemens Aktiengesellschaft issues this Subordinated Guarantee in respect of the Bonds (in accordance with § 3(1) of the Conditions of Issue).

IT IS HEREBY AGREED AS FOLLOWS:

## 1. Definitions

In this Subordinated Guarantee:

**Conditions of Issue** means the terms and conditions of the Bonds.

**Issuer** means Siemens Financieringsmaatschappij N.V., The Hague, The Netherlands, and, upon any substitution in accordance with § 13 of the Conditions of Issue, any Substituted Debtor (other than the Guarantor).

**Bondholder** means each holder of Bonds.

Expressions defined in the Conditions of Issue shall have the same meanings in this Subordinated Guarantee unless otherwise defined herein.

## 2. Nachrangige Garantie

- (a) Die Siemens Aktiengesellschaft, Berlin und München, Bundesrepublik Deutschland, (die **Garantin**) übernimmt zu Gunsten der Anleihegläubiger gegenüber der Hauptzahlstelle die unbedingte und unwiderrufliche nachrangige Garantie für die ordnungsgemäße Zahlung, jeweils bei Fälligkeit, im Umfang und nach Maßgabe der Anleihebedingungen, von Kapital und Zinsen durch die Emittentin und allen anderen gegebenenfalls von der Emittentin zu zahlenden Beträgen unter den Schuldverschreibungen. Diese Nachrangige Garantie findet für Ansprüche auf ersatzweise Befriedigung der Anleihegläubiger durch die Emittentin mittels ACZM (Alternativer Coupon-Zahlungs-Mechanismus) gemäß § 5(6) der Anleihebedingungen keine Anwendung. Zahlungen im Zusammenhang mit dieser Nachrangigen Garantie erfolgen ausschließlich gemäß den Anleihebedingungen. Bei Erfüllung von Verpflichtungen der Emittentin oder der Garantin zu Gunsten eines Anleihegläubigers erlischt das betreffende garantierte Recht dieses Anleihegläubigers aus den Schuldverschreibungen.
- (b) Die Verpflichtungen der Garantin aus der Nachrangigen Garantie begründen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Garantin, die untereinander im Rang gleich stehen und im Fall der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Garantin dienenden Verfahrens allen anderen bestehenden und zukünftigen Verbindlichkeiten der Garantin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben. Im Fall der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Garantin dienenden Verfahrens gehen die Verbindlichkeiten der Garantin aus der Nachrangigen Garantie im Rang den Ansprüchen aller nachrangigen und nicht nachrangigen Gläubiger nach, so dass Zahlungen auf die Nachrangige Garantie solange nicht erfolgen, wie die Ansprüche aller nicht nachrangigen oder nachrangigen Gläubiger gegen die Garantin nicht zuvor vollständig erfüllt sind. Die Anleihegläubiger sind nicht berechtigt, Forderungen aus der Nachrangigen Garantie gegen mögliche Forderungen der Garantin gegen sie aufzurechnen.

## 2. Subordinated Guarantee

- (a) Siemens Aktiengesellschaft, Berlin and Munich, Federal Republic of Germany, (the **Guarantor**) hereby unconditionally and irrevocably guarantees on a subordinated basis to the Principal Paying Agent for the benefit of the Bondholders for the due payment of principal of, and interest on, and any other amounts, if any, payable under the Bonds by the Issuer, in each case to the extent and when due subject to and in accordance with the Conditions of Issue. This Subordinated Guarantee does not apply to claims of Bondholders for an alternative satisfaction via ACSM (Alternative Coupon Settlement Mechanism) by the Issuer pursuant to § 5 (6) of the Conditions of Issue. Payments under this Subordinated Guarantee are subject to (without limitation) the Conditions of Issue. Upon discharge of any obligations of the Issuer or the Guarantor subsisting hereunder in favour of any Bondholder, the relevant guaranteed right of such Bondholder under the Bonds shall cease to exist.
- (b) The obligations of the Guarantor under this Subordinated Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor, ranking *pari passu* among themselves, and, in the event of the liquidation, dissolution or insolvency of the Guarantor or in case of any composition or other proceedings for the avoidance of insolvency of the Guarantor, rank junior to all other present and future obligations of the Guarantor, whether subordinated or unsubordinated, except as otherwise required by mandatory provisions of law. In the event of the liquidation, dissolution or insolvency of the Guarantor or composition or other proceedings for the avoidance of insolvency of the Guarantor, the obligations of the Guarantor under the Subordinated Guarantee shall be subordinated to the claims of all subordinated and unsubordinated creditors of the Guarantor so that in any such event no amounts shall be payable in respect of the Subordinated Guarantee until the claims of all unsubordinated or subordinated creditors of the Guarantor shall have first been satisfied in full. No Bondholder may set-off any claims arising under the Subordinated Guarantee against any claims that the Guarantor may have against it. The



Die Garantin ist nicht berechtigt, mögliche Forderungen gegenüber Anleihegläubiger gegen Verpflichtungen aus der Nachrangigen Garantie aufzurechnen. Für die Rechte der Anleihegläubiger aus der Nachrangigen Garantie ist diesen keine Sicherheit durch die Garantin oder durch Dritte gestellt; eine solche Sicherheit wird auch zu keinem Zeitpunkt gestellt werden.

- (c) Sämtliche Zahlungen unter der Nachrangigen Garantie (sei es in Bezug auf Kapital oder Zinsen oder sonstige Beträge) sind von der Garantin frei von und ohne Abzug oder Einbehalt von oder wegen gegenwärtiger oder zukünftiger Steuern oder sonstiger Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder von einer Gebietskörperschaft in der Bundesrepublik Deutschland oder einer dortigen zur Steuererhebung ermächtigten Behörde oder Stelle erhoben werden, es sei denn, der Abzug oder Einbehalt solcher Steuern oder Abgaben ist gesetzlich vorgeschrieben oder ergibt sich aus der Auslegung oder Anwendung eines Gesetzes. In diesem Fall wird die Garantin diejenigen zusätzlichen Beträge zahlen, die erforderlich sind, damit die von jedem Anleihegläubiger zu empfangenden Beträge nach einem solchen Abzug oder Einbehalt den Beträgen entsprechen, die der Anleihegläubiger ohne einen solchen Abzug oder Einbehalt erhalten hätte. Derartige zusätzliche Beträge müssen jedoch nicht in Bezug auf Zahlungen auf eine Schuldverschreibung unter dieser Nachrangigen Garantie erbracht werden, wenn:

- (i) die Zahlungen an einen Anleihegläubiger (als Begünstigter der Nachrangigen Garantie) oder in dessen Namen an einen Dritten geleistet werden, der solchen Steuern, Abgaben, Steuerveranlagungen oder behördlichen Gebühren in Bezug auf die Nachrangige Garantie deshalb unterliegt, weil er eine andere Beziehung zur Bundesrepublik Deutschland hat als den bloßen Umstand, dass er (a) Begünstigter der Nachrangigen Garantie ist oder (b) Kapital, Zinsen oder einen anderen Betrag in Bezug auf die Nachrangige Garantie erhält; oder
- (ii) die Schuldverschreibung mehr als 30 Kalendertage nach dem Relevanten Datum (wie in den Anleihebedingungen definiert) zur Zahlung vorgelegt wird, es sei denn, der betreffende Anleihegläubiger hätte auch bei

Guarantor may not set-off any claims it may have against the Bondholders against any of its obligations under the Subordinated Guarantee. No security is, or shall at any time be, granted by the Guarantor or any other person securing rights of the Bondholders under the Subordinated Guarantee.

- (c) All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Subordinated Guarantee by the Guarantor will be made free and clear of and without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Federal Republic of Germany or any political subdivision of the Federal Republic of Germany or any authority or agency therein or thereof having power to tax, unless the deduction or withholding of such taxes, duties, assessments or governmental charges is required by law. In that event, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts receivable by the Bondholder after such deduction or withholding shall equal the respective amounts which would have been receivable by such Bondholder in the absence of such deduction or withholding; except that no such additional amounts shall be payable under this Subordinated Guarantee in relation to any payment in respect of any Bond:

- (i) to, or to a third party on behalf of, a Bondholder (as beneficiary of the Subordinated Guarantee) who is liable to such taxes, duties, assessments or governmental charges in respect of the Subordinated Guarantee by reason of his having some connection with the Federal Republic of Germany other than (a) the mere being of the beneficiary of the Subordinated Guarantee or (b) the receipt of principal, interest or other amounts in respect of the Subordinated Guarantee; or
- (ii) presented for payment more than 30 calendar days after the Relevant Date (as defined in the Conditions of the Issue) except to the extent that the relevant Bondholder would have been entitled to

Vorlegung am Ende oder vor Ablauf dieses Zeitraums von 30 Kalendertagen einen Anspruch auf Erhalt dieser zusätzlichen Beiträge gehabt; oder

- (iii) ein solcher Abzug oder Einbehalt unter der Nachrangigen Garantie hinsichtlich einer Auszahlung an eine natürliche Person erfolgt und auf Grund der Richtlinie des Europäischen Rats 2003/48/EC oder einer anderen Richtlinie zu erfolgen hat, die die Ergebnisse des Ministerratstreffens der Finanzminister der Europäischen Union vom 26. bis zum 27. November 2000 bezüglich der Besteuerung von Kapitaleinkünften umsetzt, oder auf Grund eines jeden anderen Gesetzes, das die Umsetzung einer solchen Richtlinie bezweckt, oder das erlassen wurde, um den Anforderungen einer solchen Richtlinie zu genügen; oder

- (iv) die Schuldverschreibung von einem Anleihegläubiger oder im Namen eines Anleihegläubigers zur Auszahlung vorgelegt wird, welcher einen Abzug oder Einbehalt durch Vorlegung der betreffenden Schuldverschreibung bei einer anderen Zahlstelle (wie in den Anleihebedingungen definiert) in einem Mitgliedstaat der Europäischen Union hätte vermeiden können.

Falls die Garantin zu irgendeinem Zeitpunkt einer anderen Steuerrechtsordnung als der der Bundesrepublik Deutschland oder einer zusätzlichen Steuerrechtsordnung unterworfen wird, sollen die Bezugnahmen in dieser Ziffer (c) auf die Steuerrechtsordnung der Bundesrepublik Deutschland als Bezugnahmen auf diese und/oder andere Steuerrechtsordnungen gelesen und ausgelegt werden.

- (d) Die Garantin verpflichtet sich, solange die Schuldverschreibungen ausstehen, mit Ausnahme von gemäß § 5(6) der Anleihebedingungen begebenen statthaften Wertpapieren, keine zusätzliche nachrangige Verschuldung einzugehen oder zu garantieren, die nach ihren Bedingungen oder gesetzlichen Vorschriften im Falle der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Garantin dienenden Verfahrens im Rang nach den Schuldverschreibungen stehen würde oder den Ansprüchen der Anleihegläubiger unter der Nachrangigen Garantie im Rang nachgehen würde.

such additional amounts on presenting the same for payment on or before the expiry of such periods of 30 calendar days; or

- (iii) where such deduction or withholding under the Subordinated Guarantee is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such directive; or

- (iv) presented for payment by or on behalf of a Bondholder who would have been able to avoid such deduction or withholding by presenting the relevant Bond to another Paying Agent (as defined in the Conditions of the Issue) in a member state of the European Union.

If at any time the Guarantor becomes subject to any taxing jurisdiction other than, or in addition to, the Federal Republic of Germany, references in this condition (c) to the Federal Republic of Germany shall be read and construed as references to the jurisdiction of the Federal Republic of Germany (as the case may be) and/or to such other jurisdiction(s).

- (d) The Guarantor undertakes that so long as the Bonds are outstanding, other than the issuance of Eligible Securities pursuant to § 5 (6) of the Conditions of Issue, it will not incur or issue or assume the guarantee for any additional subordinated indebtedness which by its terms or by mandatory provisions of law would rank junior to the Bonds or the claims of the Bondholders under the Subordinated Guarantee in the event of a liquidation, dissolution or insolvency of the Guarantor or composition or other proceedings for the avoidance of insolvency of the Guarantor.

### 3. Berechnungsstelle

Sämtliche Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle (wie in den Anleihebedingungen definiert) für die Zwecke der Anleihebedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht vorsätzliches Fehlverhalten oder ein offensichtlicher Irrtum vorliegt) für die Garantin bindend.

### 4. Vertrag zu Gunsten der Anleihegläubiger

Die Nachrangige Garantie stellt einen Vertrag zugunsten der Anleihegläubiger als begünstigte Dritte im Sinne des § 328 Abs. 1 BGB dar, der jedem Anleihegläubiger das Recht gibt, Erfüllung der in der Nachrangigen Garantie übernommenen Verpflichtungen unmittelbar von der Garantin zu verlangen und diese Verpflichtungen unmittelbar gegen die Garantin durchzusetzen, wobei solch ein Recht in jedem Fall nur dann (und nur in dem Umfang) entsteht und besteht, wie Zahlungen unter den Schuldverschreibungen nicht (oder nicht im entsprechenden Umfang) durch die Emittentin bei Fälligkeit erfolgen.

### 5. Ersetzung

Im Falle einer Ersetzung der Emittentin durch eine Neue Schuldnerin (wie in den Anleihebedingungen definiert) gemäß § 13 der Anleihebedingungen erstrecken sich diese Nachrangige Garantie und alle sich daraus ergebenden Verpflichtungen auch auf sämtliche von der Neuen Schuldnerin gemäß den Anleihebedingungen zahlbaren Beträge. Dies gilt auch dann, wenn die Neue Schuldnerin die Verpflichtung aus den Schuldverschreibungen unmittelbar von der Garantin übernimmt.

### 6. Anwendbares Recht, Erfüllungsort, Gerichtsstand

- (a) Die Rechte und Pflichten aus dieser Nachrangigen Garantie bestimmen sich ausschließlich nach dem Recht der Bundesrepublik Deutschland unter Ausschluss der Kollisionsnormen des deutschen Internationalen Privatrechts.
- (b) Erfüllungsort ist München, Bundesrepublik Deutschland.
- (c) Die Garantin erklärt sich zu Gunsten der Anleihegläubiger unwiderruflich damit einverstanden, dass für die gerichtliche Entscheidung über alle Klagen, Prozesse und Verfahren (die **Verfahren**) und die Beilegung aller Rechtsstreitigkeiten, die aus oder im Zusammenhang mit der Nachrangigen

### 3. Calculation Agent

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of the Conditions of Issue by the Calculation Agent (as defined in the Conditions of Issue) shall (in the absence of wilful default or manifest error) be binding upon the Guarantor.

### 4. Contract for the Benefit of Bondholders

The Subordinated Guarantee constitutes a contract for the benefit of the Bondholders as third party beneficiaries in accordance with § 328 (1) of the German Civil Code, giving rise to the right of each Bondholder to require performance of the obligations under the Subordinated Guarantee directly from the Guarantor and to enforce the obligations under the Subordinated Guarantee directly against the Guarantor, provided that in each case this right shall only arise and exist if (and to the extent) payments under the Bonds have not been made by the Issuer when due (or in the amount due).

### 5. Substitution

In the event of any substitution of the Issuer by any other Substituted Debtor (as defined in the Conditions of Issue) pursuant to § 13 of the Conditions of Issue, this Subordinated Guarantee and the obligations hereunder shall extend to any and all sums expressed to be payable pursuant to the Conditions of Issue by any Substituted Debtor even if the Substituted Debtor has assumed the obligations arising under the Bonds directly from the Guarantor.

### 6. Governing Law, Place of Performance, Jurisdiction

- (a) The rights and obligations arising from this Subordinated Guarantee shall be governed exclusively by the laws of the Federal Republic of Germany without giving effect to the principles of conflict of laws thereof.
- (b) The place of performance is Munich, Federal Republic of Germany.
- (c) The Guarantor irrevocably agrees for the benefit of the Bondholders that the courts of Munich (*Amtsgericht* or *Landgericht*) shall have exclusive jurisdiction to hear and determine any suit, action or proceedings (the **Proceedings**), and to settle any disputes which may arise out of

gen Garantie entstehen können (die **Rechtsstreitigkeiten**) das Amts- oder Landgericht München ausschließlich zuständig ist und unterwirft sich zu diesem Zweck unwiderruflich der Gerichtsbarkeit dieser Gerichte.

- (d) Die Garantin verzichtet unwiderruflich auf jede Einrede, die sie jetzt oder später dagegen geltend machen könnte, dass das zuständige Amts- oder Landgericht von München als Gerichtsstand für die Anhörung und Entscheidung von Verfahren und die Beilegung von Rechtsstreitigkeiten benannt wird und erklärt sich damit einverstanden, keinen Einwand der Unzuständigkeit gegen dieses Gericht zu erheben.

## **7. Sprache**

Die Nachrangige Garantie ist in deutscher Sprache abgefasst und wird mit einer unverbindlichen Übersetzung in die englische Sprache versehen. Der deutsche Text ist maßgeblich und verbindlich. Die englische Übersetzung ist unverbindlich und dient nur der Information.

## **8. Kein Treuhänder**

Die Hauptzahlstelle, die diese Nachrangige Garantie als Hauptzahlstelle annimmt, handelt nicht als Treuhänder oder in einer sonstigen vergleichbaren Eigenschaft für die Anleihegläubiger.

12. September 2006

## **SIEMENS AKTIENGESELLSCHAFT**

Wir nehmen die obenstehenden Bedingungen der Nachrangigen Garantie — ohne Obligo und ohne Rückgriff auf uns sowie ohne als Vertreter, Erfüllungsgehilfe, Treuhänder oder in ähnlicher Funktion für die Anleihegläubiger zu handeln — an.

## **HAUPTZAHLSTELLE**

or in connection with this Subordinated Guarantee (the **Disputes**) and, for such purposes, irrevocably submits to the jurisdiction of such courts only.

- (d) The Guarantor irrevocably waives any objection which it might now or hereafter have to the competent courts of Munich (*Amtsgericht* or *Landgericht*) being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that such court is not a convenient or appropriate forum.

## **7. Language**

The Subordinated Guarantee is written in the German language and provided with a non-binding English translation. The German language text is controlling and binding. The English language translation is provided for convenience only.

## **8. Not a Fiduciary**

The Principal Paying Agent which accepts this Subordinated Guarantee in its capacity as Principal Paying Agent does not act in a fiduciary or similar capacity for the Bondholders.

September 12, 2006

## **SIEMENS AKTIENGESELLSCHAFT**

We accept the terms of the above Subordinated Guarantee without recourse, warranty or liability and without acting as agent, fiduciary or in any similar capacity for any Bondholders.

## **PRINCIPAL PAYING AGENT**

### 3. Subordinated Undertaking

#### NACHRANGIGE VERPFLICHTUNGSERKLÄRUNG (die Nachrangige Verpflichtungserklärung)

der

**SIEMENS AKTIENGESELLSCHAFT,**

Berlin und München,  
Bundesrepublik Deutschland

als nachrangig Verpflichtete

in Bezug auf die 1.650.000  
Schuldverschreibungen der

**SIEMENS FINANCIERINGSMAATSCHAPPIJ N.V.**

Den Haag,  
Niederlande

als Emittentin

(A) Die Emittentin begibt nachrangige Schuldverschreibungen im Gesamtnennbetrag von Euro 900.000.000 (in Worten: Euro neunhundert Millionen), die in 900.000 an den Inhaber zahlbare Schuldverschreibungen mit einem Nennbetrag von anfänglich jeweils EUR 1.000 eingeteilt sind (die **EUR-Schuldverschreibungen**) und im Gesamtnennbetrag von GBP 750.000.000 (in Worten: Pfund Sterling siebenhundertfünfzig Millionen), die in 750.000 an den Inhaber zahlbare Schuldverschreibungen mit einem Nennbetrag von anfänglich jeweils GBP 1.000 eingeteilt sind (die **GBP-Schuldverschreibungen** und, zusammen mit den EUR-Schuldverschreibungen, die **Schuldverschreibungen**; dieser Begriff umfasst sämtliche weiteren Schuldverschreibungen, die gemäß § 11 der Anleihebedingungen begeben werden und eine einheitliche Serie mit den Schuldverschreibungen bilden).

(B) Die Schuldverschreibungen begründen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die untereinander im Rang gleich stehen und im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Be-

#### SUBORDINATED UNDERTAKING (the Subordinated Undertaking)

by

**SIEMENS AKTIENGESELLSCHAFT,**

Berlin and Munich,  
Federal Republic of Germany

as subordinated Obligor

in respect of the 1,650,000  
Bonds issued by

**SIEMENS FINANCIERINGSMAATSCHAPPIJ N.V.**

The Hague,  
The Netherlands

as Issuer

(A) The Issuer issues subordinated bonds in the aggregate principal amount of Euro 900,000,000 (in words: Euro nine hundred million) divided into 900,000 bonds payable to the bearer with an initial principal amount of EUR 1,000 each (the **EUR-Bonds**) and in the aggregate principal amount of GBP 750,000,000 (in words: Pounds Sterling seven hundred fifty million) divided into 750,000 bonds payable to the bearer with an initial principal amount of GBP 1,000 each (the **GBP-Bonds** and, together with the EUR-Bonds, the **Bonds**; this term includes any further Bonds issued pursuant to § 11 of the Conditions of Issue that form a single series with the Bonds).

(B) The obligations of the Issuer under the Bonds constitute direct, unsecured and subordinated obligations of the Issuer ranking *pari passu* among themselves and, in the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer, rank junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise required by mandatory provisions of law. In the event of the liquidation,

stimmungen nichts anderes vorschreiben. Im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens gehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen im Rang den Ansprüchen aller nicht nachrangigen und nachrangigen Gläubiger nach, so dass Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche aller nicht nachrangigen und nachrangigen Gläubiger gegen die Emittentin nicht zuvor vollständig erfüllt sind. Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin gegen sie aufzurechnen. Die Emittentin ist nicht berechtigt, mögliche Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen. Für die Rechte der Anleihegläubiger aus den Schuldverschreibungen ist diesen, mit Ausnahme der Nachrangigen Garantie (wie unten definiert), keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit, mit Ausnahme der Nachrangigen Garantie, wird auch zu keinem Zeitpunkt gestellt werden.

- (C) Im Zusammenhang mit den Schuldverschreibungen hat Siemens Aktiengesellschaft gegenüber der Hauptzahlstelle zu Gunsten der Anleihegläubiger die unbedingte und nachrangige Garantie (die **Nachrangige Garantie**) für die ordnungsgemäße Zahlung von Kapital und Zinsen und allen anderen gegebenenfalls zu zahlenden Beträgen unter den Schuldverschreibungen (wie jeweils in den Bedingungen der Nachrangigen Garantie geregelt) übernommen.
- (D) Im Zusammenhang mit den Schuldverschreibungen hat die Emittentin einen Emissions- und Zahlstellenvertrag mit Datum vom 12. September 2006 zwischen, unter anderem, der Emittentin, der Siemens Aktiengesellschaft und der Deutschen Bank Aktiengesellschaft (die **Hauptzahlstelle**) (der **Emissions- und Zahlstellenvertrag**) abgeschlossen.
- (E) Siemens Aktiengesellschaft gibt diese Nachrangige Verpflichtungserklärung im Zusammenhang mit der ersatzweisen Befriedigung der Anleihegläubiger mittels ACZM (Alternativer Coupon-Zahlungs-Mechanismus) gemäß § 5(6) der An-

dissolution or insolvency of the Issuer or composition or other proceedings for the avoidance of insolvency of the Issuer, the obligations of the Issuer under the Bonds shall be subordinated to the claims of all unsubordinated and subordinated creditors of the Issuer so that in any such event no amounts shall be payable in respect of the Bonds until the claims of all unsubordinated and subordinated creditors of the Issuer shall have first been satisfied in full. No Bondholder may set-off any claims arising under the Bonds against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against the Bondholders against any of its obligations under the Bonds. Except for the Subordinated Guarantee (as defined below), no security is, or shall at any time be, granted by the Issuer or any other person securing rights of the Bondholders under the Bonds.

- (C) In connection with the Bonds Siemens Aktiengesellschaft has entered into an unconditional and irrevocable guarantee on a **subordinated basis** (the **Subordinated Guarantee**) to the Principal Paying Agent for the benefit of the Bondholders for the due payment of principal of, and interest on, and any other amounts payable under the Bonds (in each case as provided in the terms of the Subordinated Guarantee).
- (D) In connection with the Bonds the Issuer has entered into an issue and paying agency agreement dated September 12, 2006, and made between, *inter alia*, the Issuer, Siemens Aktiengesellschaft and Deutsche Bank Aktiengesellschaft (the **Principal Paying Agent**) (the **Issue and Paying Agency Agreement**).
- (E) Siemens Aktiengesellschaft enters into this Subordinated Undertaking in connection with the alternative satisfaction of Bondholders via ACSM (Alternative Coupon Settlement Mechanism) pursuant to § 5(6) of the Conditions



leihebedingungen in Bezug auf die Schuldverschreibungen (gemäß § 3(2) der Anleihebedingungen) ab.

ES WIRD HIERMIT FOLGENDES VEREINBART:

## 1. Definitionen

In dieser Nachrangigen Verpflichtungserklärung:

**ACZM** bezeichnet die Leistung Aufgeschobener Zinsen mittels Statthafter Mittel oder mittels Sachleistung (jeweils wie in den Anleihebedingungen definiert).

**Emittentin** meint Siemens Financieringsmaatschappij N.V., Den Haag, Niederlande, und, nach Ersetzung gemäß § 13 der Anleihebedingungen, die Neue Schuldnerin (mit Ausnahme der Verpflichteten).

**Kapitalmaßnahme** meint die Ausgabe neuer Aktien der Verpflichteten und/oder den Verkauf eigener Aktien der Verpflichteten und/oder die Ausgabe Statthafter Wertpapiere, soweit (i) die Ausgabe neuer Aktien der Verpflichteten und/oder der Verkauf eigener Aktien der Verpflichteten und/oder die Ausgabe Statthafter Wertpapiere im Rahmen der jeweils bestehenden Marktverhältnisse für die Verpflichtete zumutbar ist, (ii) innerhalb der letzten 60 Geschäftstage keine Marktstörung (wie in den Anleihebedingungen definiert) eingetreten ist, (iii) die Verpflichtete bzw. die jeweilige emittierende Gesellschaft keinen Beschränkungen (gesetzlicher Art, aufgrund der jeweiligen Satzungsbestimmungen, vertraglichen Verpflichtungen oder Bestimmungen oder internen Bestimmungen) hinsichtlich der Ausgabe neuer Aktien der Verpflichteten und/oder dem Verkauf von eigenen Aktien der Verpflichteten und/oder der Ausgabe Statthafter Wertpapiere unterliegt, (iv) die Kapitalgrenze einer Ausgabe neuer Aktien der Verpflichteten und/oder einem Verkauf eigener Aktien der Verpflichteten nicht entgegen steht, und (v) die Emissionsgrenze der Ausgabe Statthafter Wertpapiere nicht entgegensteht.

Die **Kapitalgrenze** steht einer Ausgabe neuer Aktien der Verpflichteten und/oder einem Verkauf eigener Aktien der Verpflichteten nicht entgegen, falls (i) die Verpflichtete selbst Aktien hält (mit Ausnahme eigener Aktien, welche innerhalb eines Zeitraums von sechs Monaten vor dem betreffenden Zahlungstag gegen Barzahlung erworben wurden), oder (ii) die Verpflichtete neue Aktien zum Zweck der Durchführung von ACZM ausgeben kann, mit der Maßgabe,

of Issue in respect of the Bonds (in accordance with § 3(2) of the Conditions of Issue).

IT IS HEREBY AGREED AS FOLLOWS:

## 1. Definitions

In this Subordinated Undertaking:

**ACSM** means the settlement of Outstanding Payments with Eligible Funds or Payment In Kind (each as defined in the Conditions of Issue).

**Issuer** means Siemens Financieringsmaatschappij N.V., The Hague, The Netherlands, and, upon any substitution in accordance with § 13 of the Conditions of Issue, any Substituted Debtor (other than the Obligor).

**Corporate Action** means the issuance of new shares of the Obligor and/or sale of treasury shares of the Obligor and/or the issuance of Eligible Securities, if (i) in the light of market conditions then prevailing the issuance of new shares of the Obligor and/or sale of treasury shares of the Obligor and/or the issuance of Eligible Securities is reasonable for the Obligor, (ii) during the last 60 Business Days no Market Disruption Event (as defined in the Conditions of Issue) has occurred, (iii) the Obligor and the relevant issuing entity, respectively, is not subject to any restriction (whether by applicable law, the relevant articles of association, contractual obligations or provisions or internal rulings) with respect to the issuance of new shares of the Obligor and/or sale of treasury shares of the Obligor and/or the issuance of Eligible Securities, (iv) the issuance of new shares of the Obligor and/or sale of treasury shares of the Obligor does not conflict with the Corporate Requirements, and (v) the issuance of Eligible Securities does not conflict with the Issue Requirements.

The issuance of new shares of the Obligor and/or sale of treasury shares of the Obligor does not conflict with the **Corporate Requirements**, if (i) the Obligor holds shares itself (save for treasury shares which have been acquired against cash within a period of six months before the relevant payment date), or (ii) the Obligor can for the purpose of implementing ACSM issue new shares, provided that (x) the number of shares issued for such

dass (x) die Anzahl der zu diesem Zweck auszugebenden Aktien der Verpflichteten in keinem Zeitraum eines fortdauernden Aufschubs der Fälligkeit Aufgeschobener Zinsen 2% der jeweils bereits ausstehenden Aktien der Verpflichteten überschreitet und (y) die Ausgabe auf Grundlage einer Ermächtigung in der Satzung der Verpflichteten oder aufgrund eines Beschlusses ihrer Hauptversammlung über die Erhöhung des Grundkapitals zulässig ist, und (iii) der Verkauf eigener Aktien der Verpflichteten gemäß Ziffer (i) und/oder die Ausgabe neuer Aktien der Verpflichteten gemäß Ziffer (ii) jeweils mit Zustimmung des Aufsichtsrates der Verpflichteten erfolgt.

Die **Emissionsgrenze** steht der Ausgabe Statthafter Wertpapiere nicht entgegen, falls in Bezug auf die Statthaften Wertpapiere die Summe aus (i) allen Zahlungen mit aus den auszugebenden Statthaften Wertpapieren zu beschaffenden Statthaften Mitteln, (ii) allen Zahlungen mit aus bereits zuvor während der Laufzeit der Schuldverschreibungen ausgegebenen Statthaften Wertpapieren beschafften Statthaften Mitteln und (iii) der Summe aller Erhöhungen des Ursprünglichen Nennbetrags (wie in den Anleihebedingungen definiert) nach Maßgabe von § 5(6)(a) der Anleihebedingungen (jeweils bezogen auf eine Schuldverschreibung) 25 % des Ursprünglichen Nennbetrags nicht übersteigt.

**Anleihebedingungen** meint die Anleihebedingungen der Schuldverschreibungen.

**Anleihegläubiger** meint jeden Inhaber von Schuldverschreibungen.

**Statthafte Mittel** bezeichnet Barmittel, die der Verpflichteten (entsprechend den Bestimmungen des § 5(6) der Anleihebedingungen) entweder aus (i) der Ausgabe neuer Aktien der Verpflichteten und/oder dem Verkauf eigener Aktien der Verpflichteten und/oder (ii) der Ausgabe Statthafter Wertpapiere zugeflossen sind bzw. zur Verfügung gestellt wurden.

**Statthafte Wertpapiere** sind Gleichrangige Wertpapiere (wie in den Anleihebedingungen definiert) und/oder Nachrangige Wertpapiere (wie in den Anleihebedingungen definiert), die (a) von der Verpflichteten oder von der Emittentin bzw. einer anderen direkten oder indirekten 100%igen Finanzierungsgesellschaft (wie in den Anleihebedingungen definiert) der Verpflichteten jeweils mit einer Garantie der Verpflichteten begeben werden, (b) eine Laufzeit von

purpose is, for each period of continuing deferral of Outstanding Payments, not in excess of 2 % of the Obligor's aggregate amount of the relevant out-standing shares and (y) such issuance is authorized pursuant to the Obligor's articles of association or a resolution by its shareholders' meeting to increase the share capital, and (iii) in each case, the Obligor's supervisory board has declared its consent to the sale of treasury shares of the Obligor pursuant to condition (i) and/or to the issuance of new shares of the Obligor pursuant to condition (ii).

The issuance of Eligible Securities does not conflict with the **Issue Requirements**, if with respect to Eligible Securities the sum of (i) all payments out of Eligible Funds to be raised by the issuance of such Eligible Securities, (ii) all payments out of Eligible Funds raised through Eligible Securities previously issued during the term of the Bonds, and (iii) the aggregate of all increases of the Initial Principal Amount in accordance with § 5(6)(a) of the Conditions of Issue (in each case per Bond) does not exceed 25 % of the Initial Principal Amount.

**Conditions of Issue** means the terms and conditions of the Bonds.

**Bondholder** means each holder from time to time of Bonds.

**Eligible Funds** means cash proceeds which the Obligor (in accordance with the provisions of § 5(6) of the Conditions of Issue) has received or which has been made available to the Obligor (i) by issuing new shares of the Obligor and/or selling treasury shares of the Obligor and/or (ii) by issuing Eligible Securities.

**Eligible Securities** means Parity Securities (as defined in the Conditions of Issue) and/or Junior Securities (as defined in the Conditions of Issue) which (a) are issued by the Obligor or by the Issuer or any other wholly-owned direct or indirect Finance Subsidiary (as defined in the Conditions of Issue) of the Obligor, in each case with the benefit of a guarantee from the Obligor, (b) have a maturity of at least 60 years, (c) are not redeemable (other than for

mindestens 60 Jahren haben, (c) nicht vor Ablauf von fünf Jahren, wenn sie keinen Mechanismus zur Erhöhung des Zinssatzes enthalten, oder nicht vor Ablauf von zehn Jahren, wenn sie einen Mechanismus zur Erhöhung des Zinssatzes enthalten, nach Begebung kündbar sind, es sei denn, die Kündigung erfolgt aus steuerlichen Gründen, (d) bei Eintritt bestimmter Ereignisse das Erlöschen von durch Barzahlung zu leistenden Zinszahlungen vorsehen und (e) eine dem § 6(5) der Anleihebedingungen entsprechende Regelung vorsehen, wenn die Statthaften Wertpapiere einen Mechanismus zur Erhöhung des Zinssatzes enthalten.

Begriffe, die in den Anleihebedingungen definiert sind, haben in dieser Nachrangigen Verpflichtungserklärung die gleiche Bedeutung wie in den Anleihebedingungen, soweit in dieser Nachrangigen Verpflichtungserklärung nicht etwas anderes bestimmt ist.

## 2. Nachrangige Verpflichtung

- (a) Die Siemens Aktiengesellschaft, Berlin und München, Bundesrepublik Deutschland, (die **Verpflichtete**) übernimmt (i) gegenüber der Emittentin die unbedingte und unwiderrufliche nachrangige Verpflichtung, der Emittentin Barmittel zur Verfügung zu stellen, und (ii) gegenüber der Hauptzahlstelle zu Gunsten der Anleihegläubiger die unbedingte und unwiderrufliche nachrangige Verpflichtung, für die Zahlung Aufgeschobener Zinsen der Emittentin gemäß § 5(6) der Anleihebedingungen einzustehen, jeweils gemäß Ziffer (i) und Ziffer (ii) für den Fall, dass (a) die Emittentin nach Maßgabe von § 5(6) der Anleihebedingungen zur Zahlung Aufgeschobener Zinsen mittels ACZM verpflichtet ist und (b) der Verpflichteten Statthafte Mittel durch Kapitalmaßnahmen zugeflossen sind.

Die Emittentin wird die Zahlung mittels einer Sachleistung vornehmen, soweit die von der Verpflichteten zur Verfügung gestellten Statthaften Mittel nicht zur Zahlung der Aufgeschobenen Zinsen (wie in den Anleihebedingungen definiert) ausreichen.

- (b) Die Verpflichtete übernimmt gegenüber der Hauptzahlstelle die unbedingte und unwiderrufliche nachrangige Verpflichtung, Kapitalmaßnahmen entsprechend den Bedingungen dieser Nachrangigen Verpflichtungserklärung (und entsprechend den Anleihebedingungen) durchzuführen, jedoch nur für den Fall (und in dem Umfang), dass die

certain taxation reasons) before five years after their issue date if such Eligible Securities do not provide for an increase in the rate of interest applicable to them, or before ten years after their issue date if such Eligible Securities provide for an increase in the rate of interest applicable to them, (d) provide for a mandatory cancellation of cash interest payments if certain events or circumstances occur; and (e) include a provision identical to § 6(5) of the Conditions of Issue if such Eligible Securities provide for an increase in the rate of interest applicable to them.

Expressions defined in the Conditions of Issue shall have the same meanings in this Subordinated Undertaking unless otherwise defined herein.

## 2. Subordinated Undertaking

- (a) Siemens Aktiengesellschaft, Berlin and Munich, Federal Republic of Germany, (the **Obligor**) hereby unconditionally and irrevocably undertakes on a subordinated basis (i) to the Issuer to make available cash proceeds to the Issuer, and (ii) to the Principal Paying Agent for the benefit of the Bondholders to ensure the payment of Outstanding Payments of the Issuer pursuant to § 5(6) of the Conditions of Issue, in each case pursuant to condition (i) and condition (ii) if (a) the Issuer, in accordance with § 5(6) of the Conditions of Issue, becomes obliged to settle Outstanding Payments by means of ACSM and (b) the Obligor has received Eligible Funds by performing Corporate Actions.

The Issuer shall make use of Payment In Kind if the Obligor does not make Eligible Funds available which are sufficient for the payment of the Outstanding Payments (as defined in the Conditions of Issue).

- (b) The Obligor hereby unconditionally and irrevocably undertakes on a subordinated basis to the Principal Paying Agent, to perform Corporate Actions in accordance with the terms of this Subordinated Undertaking (and in accordance with the Conditions of Issue), if (and to the extent) the Issuer, in accordance with

Emittentin nach Maßgabe von § 5(6) der Anleihebedingungen zur Zahlung Aufgeschobener Zinsen mittels ACZM verpflichtet ist.

Die Verpflichtete ist nicht verpflichtet, zur Beschaffung Statthafter Mittel eigene Aktien zu erwerben.

**Die Anleihegläubiger werden darauf hingewiesen, dass die Verpflichtete durch zwingende Bestimmungen des deutschen Aktienrechts oder aus sonstigen Gründen an der Ausgabe neuer Aktien der Verpflichteten und/oder dem Verkauf eigener Aktien der Verpflichteten und/oder der Ausgabe Statthafter Wertpapiere gehindert sein kann.**

- (c) Falls sich die Leistung Aufgeschobener Zinsen mittels ACZM gemäß § 5(6) der Anleihebedingungen als für die Emittentin oder die Verpflichtete undurchführbar, unzumutbar bzw. unzulässig erweist, erlischt gemäß § 5(8) der Anleihebedingungen die gesamte entsprechende Verpflichtung der Emittentin zur Zahlung der betroffenen Aufgeschobenen Zinsen. In diesem Fall erlöschen auch die diesbezüglichen Pflichten der Verpflichteten aus der Nachrangigen Verpflichtungserklärung. Entsprechendes gilt für den Fall der teilweisen Erfüllung.

### 3. Status

Die Verpflichtungen der Verpflichteten aus der Nachrangigen Verpflichtungserklärung begründen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Verpflichteten, die im Fall der Liquidation, der Auflösung oder der Insolvenz der Verpflichteten oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Verpflichteten dienenden Verfahrens allen anderen bestehenden und zukünftigen Verbindlichkeiten der Verpflichteten, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben. Im Fall der Liquidation, der Auflösung oder der Insolvenz der Verpflichteten oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Verpflichteten dienenden Verfahrens gehen die Verbindlichkeiten der Verpflichteten aus der Nachrangigen Verpflichtungserklärung im Rang den Ansprüchen aller nachrangigen und nicht nachrangigen Gläubiger nach, so dass Zahlungen auf die Nachrangige Verpflichtungserklärung bzw. im Zusammenhang mit einer Verletzung oder Nichterfüllung der Verpflichtungen unter der Nachrangigen Verpflichtungserklärung solange nicht erfolgen, wie

§ 5(6) of the Conditions of Issue, becomes obliged to settle Outstanding Payments by means of ACSM.

The Obligor is not obliged to buy back its own shares to generate Eligible Funds.

**Bondholders are notified that the Obligor may be prevented by compulsory provisions of German stock corporation law or otherwise from issuing new shares of the Obligor and/or selling treasury shares of the Obligor and/or issuing Eligible Securities.**

- (c) If the settlement of Outstanding Payments by means of ACSM in accordance with the provisions of § 5(6) of the Conditions of Issue proves to be impossible, unreasonable or inadmissible for the Issuer or the Obligor, pursuant to § 5(8) of the Conditions of Issue the Issuer's obligation to settle the relevant Outstanding Payments shall be cancelled in full. In such case, the Obligor's corresponding obligations under the Subordinated Undertaking are also cancelled. This applies accordingly in case of partial settlement.

### 3. Status

The obligations of the Obligor under this Subordinated Undertaking constitute direct, unsecured and subordinated obligations of the Obligor, and, in the event of the liquidation, dissolution or insolvency of the Obligor or composition or other proceedings for the avoidance of insolvency of the Obligor, rank junior to all other present and future obligations of the Obligor, whether subordinated or unsubordinated, except as otherwise required by mandatory provisions of law. In the event of the liquidation, dissolution or insolvency of the Obligor or composition or other proceedings for the avoidance of insolvency of the Obligor, the obligations of the Obligor under the Subordinated Undertaking shall be subordinated to the claims of all subordinated and unsubordinated creditors of the Obligor so that in any such event no amounts shall be payable in respect of the Subordinated Undertaking or in connection with a violation of or default under the Subordinated Undertaking until the claims of all unsubordinated or subordinated creditors of the Obligor shall have first been satisfied in full.

die Ansprüche aller nicht nachrangigen oder nachrangigen Gläubiger gegen die Verpflichtete nicht zuvor vollständig erfüllt sind.

#### **4. Vertrag zu Gunsten der Anleihegläubiger**

Die Verpflichtungen der Verpflichteten gemäß Ziffer 2 dieser Nachrangigen Verpflichtungserklärung stellen einen Vertrag zugunsten der Anleihegläubiger als begünstigte Dritte im Sinne des § 328 Abs. 1 BGB dar, der jedem Anleihegläubiger das Recht gibt, Erfüllung der in der Ziffer 2 dieser Nachrangigen Verpflichtungserklärung übernommenen Verpflichtungen unmittelbar von der Verpflichteten zu verlangen und diese Verpflichtungen unmittelbar gegen die Verpflichtete durchzusetzen, wobei solch ein Recht in jedem Fall nur dann (und nur in dem Umfang) entsteht und besteht, wie Zahlungen unter den Schuldverschreibungen nicht (oder nicht im entsprechenden Umfang) durch die Emittentin bei Fälligkeit erfolgten.

Um Ansprüche aus Ziffer 2(b) dieser Nachrangigen Verpflichtungserklärung gegenüber der Verpflichteten gelten machen zu können, müssen die jeweiligen Anleihegläubiger diese Absicht der Verpflichteten 30 Kalendertage zuvor schriftlich anzeigen.

#### **5. Ersetzung**

Im Falle einer Ersetzung der Emittentin durch eine Neue Schuldnerin (wie in den Anleihebedingungen definiert) gemäß § 13 der Anleihebedingungen erstreckt sich diese Nachrangige Verpflichtungserklärung auch auf die Neue Schuldnerin.

#### **6. Anwendbares Recht, Erfüllungsort, Gerichtsstand**

- (a) Die Rechte und Pflichten aus dieser Nachrangigen Verpflichtungserklärung bestimmen sich ausschließlich nach dem Recht der Bundesrepublik Deutschland unter Ausschluss der Kollisionsnormen des deutschen Internationalen Privatrechts.
- (b) Erfüllungsort ist München, Bundesrepublik Deutschland.
- (c) Die Verpflichtete erklärt sich unwiderruflich damit einverstanden, dass für die gerichtliche Entscheidung über alle Klagen, Prozesse und Verfahren (die **Verfahren**) und die Beilegung aller Rechtsstreitigkeiten, die aus oder im Zusammenhang mit der Nachrangigen Verpflichtungserklärung entstehen können (die **Rechtsstreitigkeiten**) das Amts-

#### **4. Contract for the Benefit of Bondholders**

The obligations of the Obligor pursuant to condition 2 of this Subordinated Undertaking constitute a contract for the benefit of the Bondholders as third party beneficiaries in accordance with § 328 (1) of the German Civil Code, giving rise to the right of each Bondholder to require performance of the obligations pursuant to condition 2 of the Subordinated Undertaking directly from the Obligor and to enforce the obligations under the Subordinated Undertaking directly against the Obligor, provided that in each case this right shall only arise and exist if (and to the extent) payments under the Bonds have not been made by the Issuer when due (or in the amount due).

In order to be able to assert any claims under condition 2(b) of the Subordinated Undertaking the respective Bondholders are obliged to notify, in written form, the Obligor about this intention 30 calendar days in advance.

#### **5. Substitution**

In the event of any substitution of the Issuer by any Substituted Debtor (as defined in the Conditions of Issue) pursuant to § 13 of the Conditions of Issue, this Subordinated Undertaking shall extend to any Substituted Debtor.

#### **6. Governing Law, Place of Performance, Jurisdiction**

- (a) The rights and obligations arising from this Subordinated Undertaking shall be governed exclusively by the laws of the Federal Republic of Germany without giving effect to the principles of conflict of laws thereof.
- (b) The place of performance is Munich, Federal Republic of Germany.
- (c) The Obligor irrevocably agrees that the courts of Munich (*Amtsgericht* or *Landgericht*) shall have exclusive jurisdiction to hear and determine any suit, action or proceedings (the **Proceedings**), and to settle any disputes which may arise out of or in connection with this Subordinated Undertaking (the **Disputes**) and, for such



oder Landgericht München ausschließlich zuständig ist und unterwirft sich zu diesem Zweck unwiderruflich der Gerichtsbarkeit dieser Gerichte.

- (d) Die Verpflichtete verzichtet unwiderruflich auf jede Einrede, die sie jetzt oder später dagegen geltend machen könnte, dass das zuständige Amts- oder Landgericht von München als Gerichtsstand für die Anhörung und Entscheidung von Verfahren und die Beilegung von Rechtsstreitigkeiten benannt wird und erklärt sich damit einverstanden, keinen Einwand der Unzuständigkeit gegen dieses Gericht zu erheben.

## **7. Sprache**

Die Nachrangige Verpflichtungserklärung ist in deutscher Sprache abgefasst und wird mit einer unverbindlichen Übersetzung in die englische Sprache versehen. Der deutsche Text ist maßgeblich und verbindlich. Die englische Übersetzung ist unverbindlich und dient nur der Information.

## **8. Kein Treuhänder**

Die Hauptzahlstelle, die diese Nachrangige Verpflichtungserklärung als Hauptzahlstelle annimmt, handelt nicht als Treuhänder oder in einer sonstigen vergleichbaren Eigenschaft für die Anleihegläubiger.

12. September 2006

**SIEMENS AKTIENGESELLSCHAFT**

**SIEMENS  
FINANCIERINGSMAATSCHAPPIJ N.V.**

Wir nehmen die obenstehenden Bedingungen der Nachrangigen Verpflichtungserklärung — ohne Obligo und ohne Rückgriff auf uns sowie ohne als Vertreter, Erfüllungsgehilfe, Treuhänder oder in ähnlicher Funktion für die Anleihegläubiger zu handeln — an.

**HAUPTZAHLSTELLE**

purposes, irrevocably submits to the jurisdiction of such courts only.

- (d) The Obligor irrevocably waives any objection which it might now or hereafter have to the competent courts of Munich (*Amtsgericht* or *Landgericht*) being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that such court is not a convenient or appropriate forum.

## **7. Language**

The Subordinated Undertaking is written in the German language and provided with a non-binding English translation. The German language text is controlling and binding. The English language translation is provided for convenience only.

## **8 Not a Fiduciary**

The Principal Paying Agent which accepts this Subordinated Undertaking in its capacity as Principal Paying Agent does not act in a fiduciary or similar capacity for the Bondholders.

September 12, 2006

**SIEMENS AKTIENGESELLSCHAFT**

**SIEMENS  
FINANCIERINGSMAATSCHAPPIJ N.V.**

We accept the terms of the above Subordinated Undertaking without recourse, warranty or liability and without acting as agent, fiduciary or in any similar capacity for any Bondholders.

**PRINCIPAL PAYING AGENT**



#### **4. Use of Proceeds**

Net of commission and expenses the Issuer expects the minimum gross proceeds from the sale of the Bonds to amount to approximately € 1,980,000,000 after deducting underwriting discounts and commissions and other expenses of the offering that are to be borne by the Issuer. We intend that substantially all of the net proceeds will be on-lent by the Issuer to the Guarantor and/or entities owned directly or indirectly by the Guarantor for general corporate purposes, which may include the financing of recently announced acquisitions.

## PART D: DESCRIPTION OF ISSUER

### Statutory Auditors

The auditors of SFM are KPMG Accountants N.V., Churchillplein 6, 2517 JW The Hague, The Netherlands. KPMG Accountants N.V. is a member of the Koninklijk Nederlandse Instituut van Register Accountants (NIVRA), Amsterdam, The Netherlands.

### Auditing of Historical Financial Information

The consolidated financial statements of SFM for the financial years ended September 30, 2004 and September 30, 2005 were prepared in accordance with the accounting principles generally accepted in The Netherlands (Dutch GAAP) and comply with the financial reporting requirements included in Part 9, Book 2 of the Dutch Civil Code. These statements have been audited by the aforementioned auditors in accordance with generally accepted auditing standards in The Netherlands and in each case the statements were certified without qualification.

### Selected Consolidated Financial Information

The following tables show selected consolidated financial information for SFM:

#### Consolidated Balance Sheet Data

	<u>March 31,</u> <u>2006</u>	<u>September 30,</u>	
	<u>unaudited</u>	<u>2005</u>	<u>2004</u>
	(in thousands of €)		
Total assets .....	8,621,265	8,004,119	7,810,540
Shareholder's equity .....	18,168	23,515	20,389
Long term liabilities .....	5,471,057	5,961,675	7,579,958
Current liabilities .....	3,130,469	2,017,358	210,193

#### Consolidated Statement of Income Data

	<u>For the six months</u> <u>ending March 31,</u>	
	<u>2006</u>	<u>2005</u>
	unaudited (in thousands of €)	
Interest margin .....	27,905	5,073
Changes in fair value of derivative financial instruments .....	(25,327)	(1,018)
Total operating income .....	1,988	3,224
Profit after tax .....	1,209	2,180

	<u>For the Fiscal Year</u> <u>ending September 30,</u>	
	<u>2005</u>	<u>2004</u>
	(in thousands of €)	
Interest margin .....	24,504	(1,735)
Changes in fair value of derivative financial instruments .....	(11,091)	11,115
Total operating income .....	11,671	7,597
Profit after tax .....	7,734	4,608

## Consolidated Capitalisation and Indebtedness

The following presents the consolidated capitalisation and indebtedness of SFM. The information below was extracted from the consolidated audited financial statements of SFM as of September 30, 2005 and the consolidated unaudited financial statements of SFM as of March 31, 2006:

	March 31, 2006 unaudited	September 30, 2005      2004	
		(in thousands of €)	
Issued and paid in share capital <sup>(1)</sup> . . . . .	10,256	10,256	10,256
Reserves . . . . .	6,703	5,525	5,525
Undistributed profits . . . . .	1,209	7,734	4,608
Liabilities <sup>(2)</sup>			
Long term liabilities <sup>(3)</sup> . . . . .	5,471,057	5,961,675	7,579,958
Liabilities to affiliated companies . . . . .	112,433	63,790	101,648
Other liabilities <sup>(4)</sup> . . . . .	3,019,607	1,955,139	108,545
Total capitalization and indebtedness . . . . .	<u>8,621,265</u>	<u>8,004,119</u>	<u>7,810,540</u>

### Notes:

- (1) SFM's authorised share capital is divided in 50,000 ordinary registered shares with a nominal value of €1,000 each, of which 10,256 shares have been issued and paid in.
- (2) The Company participates in the Euro commercial paper program of €3.0 billion and the medium term note program of €5 billion that Siemens Aktiengesellschaft has concluded with financial institutions.
- (3) A decrease of €1.2 billion of the long term liabilities as at 31 March 2006 is caused by restating the notes and bonds with a maturity of less than 1 year. In March 2006 two issues of notes totalling US\$1.0 billion were issued.
- (4) Restatement of long term liabilities with a maturity of less than 1 year per 31 March 2006 totalling €1.2 billion. Outstanding Euro commercial paper as at 31 March 2006 totals €61 million.

## Information about SFM

SFM, a directly wholly-owned subsidiary of Siemens Aktiengesellschaft was incorporated on September 14, 1977 as a public company with limited liability (*naamloze vennootschap*) under the laws of The Netherlands and acts under its legal and commercial name Siemens Financieringsmaatschappij N.V.

SFM's registered office is at Prinses Beatrixlaan 800, 2595 BN, The Hague. Its telephone number is +31 70 333 2522. SFM is registered at the Commercial Register of The Hague Chamber of Commerce under 27092998.

SFM has made no material investments since the date of its last published consolidated financial statements and, as at the date of this Prospectus, its Board of Managing Directors has made no commitments on such material investments in the future.

## Business Overview

SFM acts as a finance company for corporate activities. SFM's objectives, as contained in its Articles of Association (Article 2), are participating in, financing and managing companies, enterprises and other business undertakings, withdrawing and lending money and, in general conducting financial transactions, giving securities and doing all such further acts as are incidental or may be conducive thereto in the broadest sense.

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

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

## **Organisational Structure**

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

SFM sold its shares in its other subsidiary, Siemens Capital B.V., to Siemens Aktiengesellschaft in July 2006.

## **Trend Information**

There are no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year, except in all instances for changes, increases or decreases that this Prospectus discloses have occurred or may occur.

## **Administrative, Management, and Supervisory Bodies**

SFM is managed by a Board of Directors consisting of one or more members under the supervision of a Supervisory Board consisting of one or more members. Corporate bodies may be a member of the Board of Directors. The general meeting of shareholders appoints the members of the Board of Directors and the Supervisory Board and it fixes their number.

As at the date of this Prospectus the members of the Board of Directors are:

1. Ben G. Trompert, General Manager of Siemens Finance B.V.
2. Jan Willem Hesselink.

As at the date of this Prospectus the members of the Supervisory Board are:

1. Jean-Claude Kieffer, Finance Director and member of the Managing Board of Siemens Nederland N.V.
2. Hans-Peter Rupprecht, Head of Treasury and Financing Services of Siemens Financial Services GmbH

As at the date of this Prospectus the persons referred to above have no potential conflicts of interests between any duties to SFM and their private interests or other duties.

## **Board Practices**

SFM does not itself have an audit committee. SFM is part of the Siemens group. The annual consolidated financial statements of the Siemens group are reviewed by Siemens audit committee on an annual basis.

According to the Decree of December 23, 2004, pursuant to section 391 paragraph 4 book 2 of the Dutch Civil Code, the code of conduct (*Nederlandse corporate governance code*) only applies to listed companies. SFM is not listed and therefore the code does not apply. Accordingly, SFM is not required to make any disclosure regarding compliance with the code.

## **Major Shareholders**

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

## **Financial Information concerning SFM's Assets and Liabilities, Financial Position and Profits and Losses**

### **Historical Financial Information**

The following information is extracted from the consolidated financial statements of SFM as published in the SFM Annual Report 2005, as well as from the consolidated financial statements of SFM as published in the SFM unaudited Semi-annual Report 2006, which is incorporated by reference in this Prospectus. Such information should be read and analysed together with the Notes to the Consolidated Financial Statements included in the SFM Annual Report 2005. Copies of the SFM Annual Report 2005 and the SFM unaudited

Semi-annual Report 2006 can be obtained, free of charge, in the case of securities listed on a recognised stock exchange, at the offices of the respective listing agent in connection with such issue of securities and, in any event, at the registered address of SFM set out above.

### SFM Accounting Policies

The consolidated statements have been prepared in accordance with accounting principles generally accepted in The Netherlands (Dutch GAAP). The financial information set out in this description gives, when read in conjunction with the SFM Annual Report 2005, a true and fair view of the financial position of the company in accordance with accounting principles generally accepted in The Netherlands and complies with the financial reporting requirements included in Part 9, Book 2 of the Dutch Civil Code.

The following tables set out selected historical financial information of SFM summarising SFM's financial condition:

### SFM Consolidated Income Statement

	For the six months ended March 31,	
	2006	2005
	unaudited (in thousands of €)	
Interest income . . . . .	182,801	153,295
Interest expenses . . . . .	(153,238)	(146,572)
Changes in fair value of derivative financial instruments . . . . .	(25,327)	(1,018)
Other operating income . . . . .	(1,658)	(1,650)
Other operating expenses . . . . .	(590)	(831)
Total operating income . . . . .	1,988	3,224
General and administrative expenses . . . . .	(259)	(157)
Profit from ordinary activities before tax . . . . .	1,729	3,067
Income tax . . . . .	(520)	(887)
Profit after tax . . . . .	<u>1,209</u>	<u>2,180</u>

	For the years ended September 30,	
	2005	2004
	(in thousands of €)	
Interest income . . . . .	329,951	312,196
Interest expenses . . . . .	(305,447)	(313,931)
Changes in fair value of derivative financial instruments . . . . .	(11,091)	11,115
Other operating income . . . . .	0	29
Other operating expenses . . . . .	(1,742)	(1,812)
Total operating income . . . . .	11,671	7,597
General and administrative expenses . . . . .	(407)	(400)
Profit from ordinary activities before tax . . . . .	11,264	7,197
Income tax . . . . .	(3,350)	(2,589)
Profit after tax . . . . .	<u>7,734</u>	<u>4,608</u>

**SFM Consolidated Balance Sheet before Appropriation of Profit**

	<u>March 31,</u> <u>2006</u> unaudited	<u>As per September 30,</u> <u>2005</u> <u>2004</u>	
		(in thousands of €)	
<b>ASSETS</b>			
Current assets			
Affiliated companies . . . . .	6,011,147	5,408,234	5,136,884
Other receivables . . . . .	<u>106,901</u>	<u>90,530</u>	<u>166,318</u>
	6,118,048	5,498,764	5,303,202
Non-current assets			
Affiliated companies . . . . .	2,496,800	2,500,000	2,500,000
Other receivables . . . . .	<u>6,417</u>	<u>5,355</u>	<u>7,338</u>
	<u>2,503,217</u>	<u>2,505,355</u>	<u>2,507,338</u>
Total assets . . . . .	<u>8,621,265</u>	<u>8,004,119</u>	<u>7,810,540</u>
<b>LIABILITIES</b>			
Shareholder's equity			
Issued and paid in share capital . . . . .	10,256	10,256	10,256
Share premium reserve . . . . .	1,561	1,561	1,561
Retained earnings . . . . .	5,142	3,964	3,964
Undistributed profit . . . . .	<u>1,209</u>	<u>7,734</u>	<u>4,608</u>
	18,168	23,515	20,389
Current liabilities			
Affiliated companies . . . . .	112,433	63,790	101,648
Other liabilities . . . . .	182,151	93,109	92,631
Short term debt and current maturities of long term debt . . . . .	<u>2,835,885</u>	<u>1,860,459</u>	<u>15,914</u>
	3,130,469	2,017,358	210,193
Deferred income tax . . . . .	1,571	1,571	0
Long term liabilities . . . . .	<u>5,471,057</u>	<u>5,961,675</u>	<u>7,579,958</u>
Total liabilities . . . . .	<u>8,621,265</u>	<u>8,004,119</u>	<u>7,810,540</u>



# SFM Consolidated Statements of Cash Flows

	As per March 31, 2006 unaudited	As per September 30, 2005	2004
		(in thousands of €)	
Cash flows from operating activities:			
Net income .....	1,209	7,734	4,608
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of prepayments .....	1,658	1,983	2,299
Changes in operating assets and liabilities:			
(Increase) decrease in other current assets .....	(16,371)	(18)	0
Increase (decrease) in other current liabilities .....	(89,042)	(37,380)	94,543
Increase (decrease) in deferred income tax .....	0	1,571	0
Net cash provided by operating activities .....	<u>75,538</u>	<u>(26,110)</u>	<u>101,450</u>
Cash flows from investing activities:			
Change in receivables from affiliates and associated companies, net . . .	(487,496)	(243,010)	531,609
Change in receivables from third parties, net. ....	<u>(1,062)</u>	<u>31,960</u>	<u>55,859</u>
Net cash provided by investing activities .....	<u>(488,558)</u>	<u>(211,050)</u>	<u>587,468</u>
Cash flows from financing activities:			
Repayment and changes in fair value of medium term notes, net . . . . .	705,823	6,987	(644,993)
Proceeds from issuance of commercial paper, net. ....	(174,030)	219,275	15,914
Dividends paid .....	<u>(6,556)</u>	<u>(4,608)</u>	<u>(36,142)</u>
Net cash (used in) provided by financing activities .....	<u>525,237</u>	<u>221,654</u>	<u>(665,221)</u>
Net (decrease) increase in cash and cash equivalents .....	112,217	(15,506)	23,697
Cash and cash equivalents at beginning of year .....	<u>26,063</u>	<u>41,569</u>	<u>17,872</u>
Cash and cash equivalents at end of year .....	<u>138,280</u>	<u>26,063</u>	<u>41,569</u>

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents relate to current accounts with affiliated companies and are presented under receivables from affiliated companies.

## SFM Consolidated Statements of Changes in Equity

The following table shows the statement of changes in equity for SFM for the audited financial years ended September 30, 2004 and 2005 and the unaudited six months ended March 31, 2006 respectively:

	Issued and paid-in capital	Share premium reserve	Retained earnings	Undistributed profit	Total
	(in thousands of €)				
Balance as at September 30, 2003 .....	10,256	1,561	36,180	3,926	51,923
Appropriation of undistributed profit .....	0	0	3,926	(3,926)	0
Dividend .....	0	0	(36,142)	0	(36,142)
Profit for the year ended September 30, 2004 ....	0	0	0	4,608	4,608
Balance as at September 30, 2004 .....	10,256	1,561	3,964	4,608	20,389
Appropriation of undistributed Profit .....	0	0	4,608	(4,608)	0
Dividend .....	0	0	(4,608)	0	(4,608)
Profit for the year ended September 30, 2005 ....	0	0	0	7,734	7,734
Balance as at September 30, 2005 .....	10,256	1,561	3,964	7,734	23,515
Appropriation of undistributed Profit .....	0	0	7,734	(7,734)	0
Dividend .....	0	0	(6,556)	0	(6,556)
Profit for the six months ended March 31, 2006	0	0	0	1,209	1,209
Balance as at March 31, 2006 .....	<u>10,256</u>	<u>1,561</u>	<u>5,142</u>	<u>1,209</u>	<u>18,168</u>

## Legal and Arbitration Proceedings

In the twelve months preceding the date of this Prospectus, SFM has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending) which may have, or have in the recent past, significant effects on SFM's financial position or profitability.

## Significant change in SFM's Financial or Trading Position

Subsequent to September 30, 2005, the following significant changes have occurred: in March 2006, SFM issued two series of notes of U.S.\$500 million maturing 2012 and 2016, in August 2006 SFM issued two series of notes of U.S.\$750 million maturing 2009 and 2012 as well as two series of notes of U.S.\$1,750 million maturing 2016 and 2026. In July 2006, the principal of a 5-year note issued by SFM amounting to €1.6 billion was repaid.

Siemens signed an additional syndicated credit facility with a maturity of seven years, totalling U.S.\$4.0 billion, which could be drawn in different currencies. In addition to Siemens Aktiengesellschaft and Siemens Capital LLC, SFM participates as a potential borrower under the facility.

Other than this information, there is no significant change in SFM's financial or trading position which has occurred since the date of its last published audited consolidated financial statements.

## Additional Information

### Share Capital

SFM's authorised share capital is divided in 50,000 ordinary registered shares with a nominal value of €1,000 each, of which 10,256 shares have been issued and paid in.

### Obligations not shown in the consolidated balance sheet

SFM furthermore has provided guarantees for Siemens Group companies. As per March 31, 2006 the outstanding guaranties amounted to €28 million (2005: €32 million).

SFM is the head of a fiscal unity for corporate income tax. As a consequence SFM is liable for any debt arising for any other member of the fiscal unity.

## **PART E: DESCRIPTION OF GUARANTOR**

In this section, references to “we,” “us,” “the Company” or “Siemens” are to Siemens Aktiengesellschaft and, unless the content otherwise requires, to its consolidated subsidiaries.

### **Overview**

Siemens Aktiengesellschaft traces its origins to 1847. Beginning with advances in telegraph technology, the Company quickly expanded its product line and geographic scope, and was already a multi-national business by the end of the 19th century. The Company formed a partnership under the name Siemens & Halske in 1847, reorganised as a limited partnership in 1889 and as a stock corporation in 1897. The Company moved its headquarters from Berlin to Munich in 1949, and assumed its current name as Siemens Aktiengesellschaft, a stock corporation under the Federal laws of Germany, in 1966. The address of our principal executive offices is Wittelsbacherplatz 2, D-80333 Munich, Germany, telephone number +49 (89) 636 00.

During fiscal 2005, Siemens employed an average of 439,400 people and operates in approximately 190 countries worldwide. In fiscal 2005, we had net sales of €75.445 billion. Our balanced business portfolio is based on leadership in electronics and electrical engineering. We have combined this expertise with a commitment to original research and development (R&D) to build strong global market positions in equipment for telecommunications and networking, industrial automation, power generation and medical diagnostics. We are also a major world competitor in rail transportation systems, automotive electronics and lighting. Our businesses operate under a range of regional and economic conditions. In internationally-oriented long-cycle industries, for example, customers have multi-year planning and implementation horizons that tend to be independent of short-term economic trends. Our activities in these areas include power generation, power transmission and distribution, medical solutions and rail systems. In fields with more industry-specific cycles, customers tend to have shorter horizons for their spending decisions and greater sensitivity to current economic conditions. Our activities in these areas include information and communications, automation and drives, and lighting. Some activities, especially information and communications, medical solutions and automotive, are also influenced by technological change and the rate of acceptance of new technologies by end users.

### **Financial Statements**

Siemens prepares its consolidated financial statements in accordance with United States Generally Accepted Accounting Principles (U.S. GAAP). The presentation of certain prior year information has been reclassified to conform the current year presentation.

### **Selected Consolidated Financial and Statistical Data**

The U.S. GAAP selected financial data set out below should be read in conjunction with, and are qualified in their entirety by reference to, the Consolidated Financial Statements and the Notes thereto.

## Income Statement Data for the First Nine Months and the Fiscal Years<sup>(1)</sup>

	For the nine months ended June 30,		For the year ended September 30,		
	2006	2005	2005	2004	2003
	(€ in millions, except per share data) (unaudited)		(€ in millions, except per share data)		
Net sales <sup>(2)</sup> . . . . .	63,402	53,339	75,445	70,237	69,775
Income from continuing operations before income taxes and cumulative effect of accounting change . . . . .	3,533	3,444	4,185	4,369	3,320
Income from continuing operations before cumulative effect of accounting change . . . . .	2,520	2,561	3,058	3,450	2,355
Income (loss) from discontinued operations, net of income taxes . . . . .	(28)	(390)	(810)	(45)	54
Net income . . . . .	2,492	2,171	2,248	3,405	2,445
Basic earnings per share					
Income from continuing operations before cumulative effect of accounting change . . . . .	2.83	2.88	3.43	3.87	2.65
Income (loss) from discontinued operations . . . . .	(0.03)	(0.44)	(0.91)	(0.05)	0.06
Net income . . . . .	2.80	2.44	2.52	3.82	2.75
Diluted earnings per share					
Income from continuing operations before cumulative effect of accounting change . . . . .	2.70	2.75	3.29	3.71	2.61
Income (loss) from discontinued operations . . . . .	(0.03)	(0.41)	(0.87)	(0.05)	0.06
Net income . . . . .	2.67	2.34	2.42	3.66	2.71

(1) Focus on continuing operations. Discontinued operations consist of the discontinued mobile devices business. The financial information for the prior year period has been adjusted to present comparable amounts.

(2) From continuing operations.

## Balance Sheet Data

	At June 30,	At September 30,		
	2006	2005	2004	2003
	(€ in millions) (unaudited)	(€ in millions)		
Total assets . . . . .	87,076	86,205	79,518	77,605
Long-term debt . . . . .	7,403	8,436	9,785	11,433
Shareholders' equity . . . . .	27,780	27,117	26,855	23,715
Common stock . . . . .	2,673	2,673	2,673	2,673

The number of shares outstanding at June 30, 2006 and September 30, 2005, 2004 and 2003 was 891,084,515; 891,076,457; 891,075,461 and 890,865,117, respectively.

## Organization

We are a stock corporation organized in the Federal Republic of Germany under the German Stock Corporation Act (*Aktiengesetz*). We are registered in the Commercial Register (*Handelsregister*) maintained by the local courts in Berlin Charlottenburg, Germany, under the entry number 12300, and in Munich, Germany, under the entry number 6684. Copies of our Articles of Association are publicly available from the Commercial Register in Berlin and Munich, and an English translation is filed with the Securities and Exchange Commission in the United States. You can find both of them also on our website [http://www.siemens.com/corporate\\_governance](http://www.siemens.com/corporate_governance).

## **Objects and Purposes**

According to Section 2 of our Articles of Association, the objects and purposes of our Company are:

- to manufacture, distribute and supply industrial products in the fields of electrical engineering and electronics, mechanical engineering, precision mechanics as well as related sectors of engineering, including research and development in these fields;
- to develop, plan, distribute, supply, assemble and commission trade-specific and customer-specific systems, solutions and facilities in the fields of electrical engineering and electronics, mechanical engineering, precision mechanics as well as related sectors of engineering; and
- to render industrial and other business-related services.

Our Articles of Association authorize us to engage in business of any kind and to take any and all measures related to or useful in promoting our objects. We may also operate domestic and foreign factories, establish branch offices, found, acquire, consolidate with, or participate in other companies, conclude or participate in other management contracts and enter into joint ventures.

## **Corporate Structure**

Our corporate structure consists of thirteen different business Groups active in seven different business areas.

The majority of our business is devoted to providing products and services to customers based on Siemens' historical expertise in innovative electrical engineering and electronics. We refer to this component of our business as Operations, which is divided into the eleven operating Groups. These Groups typically design, manufacture, market, sell, and service products and systems, or help customers use and manage those products and systems. A Group is equivalent to a reportable segment as defined by U.S. GAAP.

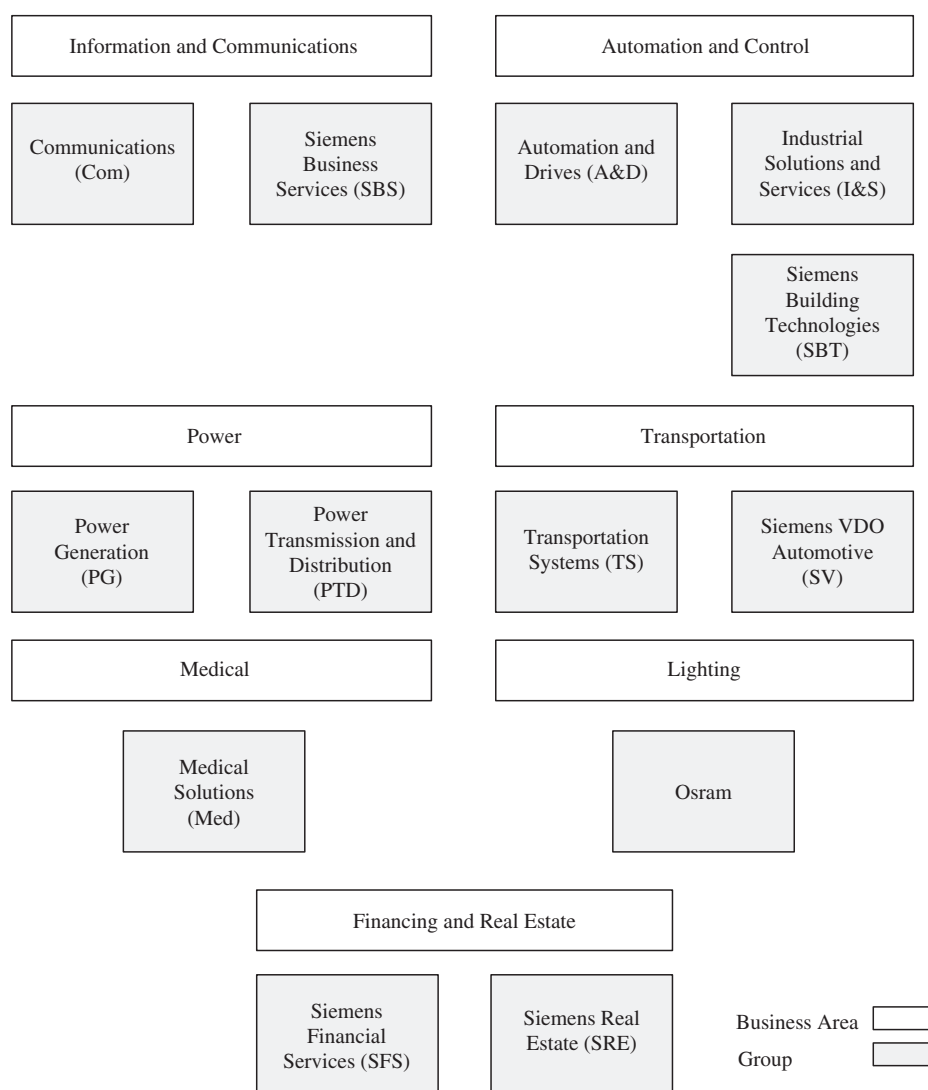
Another component of our Company is made up of two Groups, involved in non-manufacturing activities such as financing, leasing, and real estate. We refer to this component as Financing and Real Estate.

In addition, we hold non-controlling interests in a number of businesses. The most significant of these is our interest in BSH Bosch und Siemens Hausgeräte GmbH, which manufactures consumer household appliances, often referred to as "white goods", Fujitsu Siemens Computers for computers, and Areva NP.

Our business Groups are supported by regional units and central corporate departments. Our regional units include sales units in each region where we operate to complement the sales efforts of our individual business Groups and take advantage of cross-marketing opportunities. Our corporate departments also support the business Groups with financial resources, human resources, planning and development and information and communications infrastructures.

We operate through hundreds of subsidiaries, some of which are organized along the lines of our business Groups and others of which are organized on a geographic basis.

## Overview of Business Groups



## Description of Business Groups

The **Operations** Groups are comprised of the following businesses:

*Communications (Com)* — As of October 1, 2004, the Groups ICN and ICM were combined into one Group named Com. Com develops, manufactures and sells a full-range portfolio, from devices for end users to complex network infrastructure for enterprises and carriers as well as related services including convergent technologies, products and services for wireless, fixed and enterprise networks.

*Siemens Business Services (SBS)* — SBS provides information and communications services to customers primarily in industry, in the public sector, financial services, telecommunications, transportation, utilities and media and entertainment. SBS designs, builds and operates both discrete and large-scale information and communications-systems.

*Automation and Drives (A&D)* — A&D produces and installs manufacturing automation systems, drives systems, low voltage controllers and distributors, and process automation products and instrument systems and provides related solutions and services. Beginning fiscal 2006, A&D includes the Electronics Assembly Systems division of Logistics and Assembly Systems (L&A), which was dissolved as of the beginning of fiscal 2006.



*Industrial Solutions and Services (I&S)* — I&S provides a range of facilities systems and services, including general contracting, to raw materials processing companies and infrastructure customers. I&S aims to optimize the production and operational processes of customers in the sectors water, metals, traffic control, marine solutions, oil and gas, paper and mining sectors. Beginning fiscal 2006, I&S includes the Airport Logistics and Postal Automation divisions of the former L&A Group.

*Siemens Building Technologies (SBT)* — SBT provides products, systems and services for monitoring and regulating the temperature, fire safety, ventilation, electricity, lighting and security of commercial and industrial property, tunnels, ships and aircraft.

*Power Generation (PG)* — PG provides customers worldwide with a full range of equipment necessary for the efficient conversion of energy into electricity and heat. It customizes gas and steam turbines in the smaller output range, which can be used as drives for compressors or large pumps, to meet specific project needs. It offers a broad range of power plant technology, with activities that include: development and manufacture of key components, equipment, and systems; planning, engineering and construction of new power plants; and comprehensive servicing, retrofitting and modernizing of existing facilities.

*Power Transmission and Distribution (PTD)* — PTD supplies energy utilities and large industrial power users with equipment, systems and services used to process and transmit electrical power from the source, typically a power plant, to various points along the power transmission network and to distribute power via a distribution network to the end-user.

*Transportation Systems (TS)* — TS provides products and services for the rail industry, including signalling and control systems, railway electrification systems, complete heavy rail systems including rapid transit systems, locomotives, light rail systems and other rail vehicles.

*Siemens VDO Automotive (SV)* — SV designs, manufactures and sells integrated electrical, electronic and electromechanical systems and modules and individual components used in automotive applications. Its product range includes components and systems used in automobile powertrains, body electronic systems, safety and chassis systems, electric motor drives, information and cockpit systems, and driver information, communication and multimedia systems.

*Medical Solutions (Med)* — Med develops, manufactures and markets diagnostic and therapeutic systems and devices such as computed tomography, magnetic resonance, molecular imaging, ultrasound and radiology devices, and hearing instruments, as well as information technology systems for clinical and administrative purposes. It provides technical maintenance, professional and consulting services.

*Osram* — Osram designs, manufactures and sells a full spectrum of lighting products for a variety of applications such as general lighting and automotive, photo-optic and opto-semiconductor lighting.

The **Financing and Real Estate** Groups are comprised of the following two businesses:

*Siemens Financial Services (SFS)* — SFS, the Company's international financial services segment, provides a variety of customized financial solutions both to third parties and to other Siemens business Groups and their customers.

*Siemens Real Estate (SRE)* — SRE owns and manages a substantial part of Siemens' real estate portfolio and offers service portfolio specializing in real estate development projects, real estate disposals, asset management, and lease and service management.

## **Capitalization and Indebtedness**

The following presents the capitalization and indebtedness of Siemens Aktiengesellschaft on a consolidated basis. The information below was extracted from the unaudited consolidated financial statements of Siemens

Aktiengesellschaft and subsidiaries as of June 30, 2006\* and from the audited consolidated financial statements of Siemens Aktiengesellschaft and subsidiaries as of September 30, 2005 and 2004.

	<u>At June 30,</u> <u>2006</u> <u>(in millions of €)</u> <u>(unaudited)</u>	<u>At September 30,</u> <u>2005</u> <u>(in millions of €)</u>	<u>2004</u> <u>(in millions of €)</u>
Short-term debt and current maturities of long-term debt.....	4,506	3,999	1,434
Long-term debt .....	7,403	8,436	9,785
Shareholders' equity			
Common stock, no par value .....	2,673	2,673	2,673
Additional paid-in capital .....	5,145	5,167	5,121
Retained earnings .....	27,874	26,583	25,447
Accumulated other comprehensive income (loss) .....	(7,912)	(7,305)	(6,386)
Treasury stock at cost: 946, 9,004 and 250 shares, respectively .....	—	(1)	—
Total shareholders' equity .....	<u>27,780</u>	<u>27,117</u>	<u>26,855</u>
Total capitalization.....	<u>39,689</u>	<u>39,552</u>	<u>38,074</u>

\* Since June 30, 2006 €1.6 billion in principal amount of notes were repaid at maturity in July 2006. On August 21, 2006 Siemens signed a syndicated loan and credit facility with a maturity of seven years, totalling US\$4 billion, which can be drawn in different currencies. Furthermore, in August 2006 Siemens issued a US\$5 billion 144A senior bond.

Save as disclosed herein there has been no material change in the consolidated capitalization and indebtedness of Siemens Aktiengesellschaft since June 30, 2006.

### Capital Stock

The capital stock of Siemens as of June 30, 2006 and September 30, 2005 and 2004 amounts to €2,673,256,383, €2,673,256,383 and €2,673,227,133, respectively, divided into 891,085,461, 891,085,461 and 891,075,711 shares, respectively, of no par value.

The shares are admitted to trading on all German stock exchanges. The shares are also quoted on the London Stock Exchange as well as on the Swiss Stock Exchange in Zurich and on the MTA International in Milan. Options on the shares are traded on the German-Swiss options exchange (Eurex). The American Depositary Receipts (ADRs) of Siemens AG, each evidencing one American Depositary Share (ADS), which represents one share, trade on the New York Stock Exchange under the Symbol "Si."

### Authorized Capital

The following presents the authorized capital of Siemens Aktiengesellschaft as of August 21, 2006.

The Managing Board is authorized to increase, with the approval of the Supervisory Board, capital stock by up to €75,000,000 (representing 25,000,000 shares) against contributions in cash until January 25, 2011 for the purpose of issuing them exclusively to employees of the Company and its subsidiaries, provided these subsidiaries are not listed companies themselves and do not have their own employee share schemes (Authorized Capital 2006). Preemptive rights of existing shareholders are excluded. The Managing Board is authorized to determine, with the approval of the Supervisory Board, the further content of the rights embodied in the shares and the conditions of the share issue.

Furthermore, the Managing Board is authorized to increase, with the approval of the Supervisory Board, the capital stock until January 21, 2009 by up to €600,000,000 nominal through the issuance of up to 200,000,000 shares of no par value registered in the names of the holders against cash contributions and/or contributions in kind. The authorization, which combines the Authorized Capital 2001/I and the Authorized Capital 2003, may be implemented in instalments. The Managing Board is authorized to determine, with the approval of the Supervisory Board, the further content of the rights embodied in the shares and the conditions of the share issue (Authorized Capital 2004). The Managing Board is authorized to exclude, with the approval of the

Supervisory Board, preemptive rights of shareholders in the event of capital increases against contributions in kind.

In the event of capital increases against cash contributions, shareholders are entitled to preemptive rights to subscribe for the new shares. The shares shall be offered to underwriting banks under the condition that they are offered to existing shareholders for purchase. However, the Managing Board is authorized to exclude, with the approval of the Supervisory Board, any preemptive rights of shareholders in the event of capital increases against cash contributions:

- in order to make use of any residual amounts after excluding preemptive rights of shareholders thereon;
- in order to grant holders of bonds with warrants or convertible bonds issued by Siemens or any of its subsidiaries — as anti-dilution protection — preemptive rights to subscribe for new shares to the same extent as they would be entitled to after exercising their option or conversion rights or after fulfilling conversion obligations; or
- if the issue price of the new shares is not significantly lower than their stock market price and the total of the shares issued in accordance with the provisions of § 186 (3), 4th sentence, of the German Stock Corporation Act (against contributions in cash, with preemptive rights of shareholders excluded) does not exceed 10% of the capital stock at the time of using this authorization. This limit includes shares issued or disposed of by direct or *mutatis mutandis* application of these provisions during the term of this authorization until the time of using it. The limit also includes shares that were issued or are to be issued to service bonds with conversion or option rights granted in accordance with the above provisions at the time of using this authorization.

### **Conditional Capital**

The following presents the conditional capital of Siemens Aktiengesellschaft as of August 21, 2006.

Siemens has conditional capital of up to €566,229 nominal that shall be effected exclusively through the issuance of up to 188,743 new shares of no par value registered in the names of the holders with entitlement to dividends as of the beginning of the fiscal year in which they are issued, and only to the extent to which former shareholders of Siemens Nixdorf Informationssysteme AG take advantage of the settlement offered to them following the integration of Siemens Nixdorf Informationssysteme AG into Siemens Aktiengesellschaft.

Siemens also has conditional capital of up to €44,392,083 nominal that shall be effected through the issuance of up to 14,797,361 new shares of no par value registered in the names of the holders with entitlement to dividends as of the beginning of the fiscal year in which they are issued, and only to the extent to which holders of stock options granted under the 1999 Siemens Stock Option Plan or the 2001 Siemens Stock Option Plan, in accordance with the authorization dated February 18, 1999 or February 22, 2001, respectively, exercise their stock options (Conditional Capital 1999).

Furthermore, Siemens has conditional capital of up to €147,000,000 nominal that shall be effected through the issuance of up to 49,000,000 new shares of no par value registered in the names of the holders with entitlement to dividends as of the beginning of the fiscal year in which they are issued, and only to the extent to which holders of stock options granted under the 2001 Siemens Stock Option Plan, in accordance with the authorization dated February 22, 2001, exercise their stock options (Conditional Capital 2001).

Siemens also has conditional capital of up to €733,527,750 nominal that shall be effected through the issuance of up to 244,509,250 shares of no par value registered in the names of the holders with entitlement to dividends as of the beginning of the fiscal year in which they are issued, and only to the extent to which holders of convertible bonds or warrants attached to bonds issued by Siemens or any of its subsidiaries until January 21, 2009, in accordance with the authorizations of the Managing Board by the Annual Shareholders' Meetings on January 23, 2003 and January 22, 2004, exercise their conversion or option rights and no other forms of fulfilment are used to service these rights (Conditional Capital 2004).

## **Treasury Stock**

The Company is authorized to repurchase 10% of its common stock existing at the date of the shareholders' resolution. For additional information see "Repurchase of Own Shares."

In the nine months ended June 30, 2006, Siemens repurchased a total of 5,444,818 shares at an average price of €71.47 per share primarily for the purpose of selling them to employees, stock-based compensation plan participants and as settlement to former Siemens Nixdorf Informationssysteme AG (SNI) stockholders. During the nine months ended June 30, 2006, a total of 5,452,876 shares of Treasury Stock were sold. Thereof, 3,687,750 shares were issued to stock-based compensation plan participants to accommodate the exercise of stock options. In addition, in the nine months ended June 30, 2006, 1,759,869 shares were issued to employees under a compensatory employee share purchase plan.

In fiscal 2005, the Company repurchased a total of 3,549,151 shares at an average price of €61.78 per share to accommodate the Company's stock-based compensation plans. In fiscal 2005, 1,690,812 shares were sold in conjunction with the exercise of stock options and 1,849,585 shares were issued to employees under a compensatory employee share purchase program. As of September 30, 2005, 9,004 shares of stock remained in treasury with a carrying amount of €575,350.76.

In fiscal 2004, Siemens repurchased a total of 1,702,776 shares at an average price of €62.24 per share in addition to the 1,184 shares of treasury stock held at beginning of the fiscal year. Of these shares, 1,703,710 were sold to employees. The majority of these shares was sold to employees at a preferential price of €40.90 per share during the second quarter of fiscal 2004. As of September 30, 2004, 250 shares of stock remained in treasury with a carrying amount of €15 thousand.

During the years ending September 30, 2005 and 2004, the Company incurred compensation expense (before income taxes) of €31 million and €35 million, respectively, related to the sale of repurchased shares to employees with respect to its employee share purchase plan.

## **Dividend Rights**

Shareholders participate in profit distributions in proportion to the number of shares they hold. Siemens paid a dividend of €1.35 per share entitled to the dividend in January 2006 with respect to the 2005 fiscal year.

## **Preemptive Rights**

Under the German Stock Corporation Act, our shareholders generally have preemptive rights. Preemptive rights are preferential rights to subscribe for issues of new shares in proportion to the number of shares that a shareholder already holds in the corporation's existing share capital. These rights do not apply to shares issued out of conditional capital or if a capital increase has occurred and our shareholders have waived their preemptive rights in connection with that increase. Preemptive rights also apply to securities other than shares if they may be converted into shares, such as options, securities with warrants, profit-sharing certificates and securities with dividend rights. Under German law, preemptive rights may be transferred separately from the underlying shares and may be traded on any of the German stock exchanges on which our shares are traded until a certain number of days prior to the last date on which the preemptive rights may be exercised.

The German Stock Corporation Act allows companies to exclude or restrict preemptive rights in connection with capital increases only in limited circumstances and only in the same shareholders' resolution that authorizes the capital increase. At least 75% of the share capital represented at the meeting that approves a capital increase has to vote for exclusion or restriction of preemptive rights in connection with that increase. In addition to being approved by the shareholders, any exclusion or restriction of preemptive rights requires a justification, which our Managing Board has to set out in a written report to our shareholders. The justification requires a showing that our interest in excluding or restricting preemptive rights outweighs the shareholders' interest in exercising these

rights. If our Managing Board increases our share capital for cash in accordance with our Articles of Association, it may, for example, exclude preemptive rights:

- to the extent that we have an obligation to grant new shares to holders of warrants or convertible bonds that we or any of our subsidiaries have issued;
- if the newly issued shares represent 10% or less of our existing share capital at the time we register the authorized capital or issue the new shares, and the issue price of the new shares is not substantially less than the stock exchange price as defined under German law; or
- to the extent necessary to avoid fractional amounts that may arise in the case of share issuance upon the exercise of preemptive rights.

In addition, our shareholders have waived their preemptive rights with respect to shares issued to employees, with respect to shares issued in exchange for an in-kind contribution out of authorized capital and with respect to treasury stock; see also “— Repurchase of Own Shares.” Additionally, our shareholders have waived their preemptive rights in certain cases with respect to the issuance of bonds with conversion rights or warrants:

- if the issue price of the bond is not significantly lower than its fair market value determined in accordance with generally accepted actuarial methods;
- if this is necessary with regard to small residual amounts that result from the exchange ratio; or
- to the extent holders of such rights are entitled, upon their exercise, to subscribe for our common shares in order to avoid dilution of the economic value of such rights.

### **Disclosure Requirement**

Our Articles of Association do not require our shareholders to advise us when their holdings exceed specified thresholds. Under the German Securities Trading Act (*Wertpapierhandelsgesetz*), however, holders of the voting securities of German corporations admitted to organized markets on a stock exchange within the European Union or the European Economic Area are required to notify promptly and in writing the company in which they hold the securities and the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) of the level of their holdings whenever such holdings reach, exceed or fall below certain thresholds. These thresholds are set at 5%, 10%, 25%, 50% or 75% of our outstanding voting rights. If a shareholder fails to notify the company or the German Federal Financial Supervisory Authority as required, he or she cannot exercise any rights associated with the shares for as long as the default continues. Additionally, the German Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) requires the publication of the acquisition of “control,” which is defined as holding of at least 30% of the voting rights in a target company, within seven days.

The German Securities Trading Act, amended in October 2004, requires the reporting of certain directors’ dealings. According to the Act, persons discharging managerial responsibilities within a publicly-traded issuer have to notify both the issuer and the German Federal Financial Supervisory Authority about their transactions relating to the issuer’s shares and derivatives or other financial instruments linked to those shares. Certain persons closely associated with these managers, for example spouses, dependent children, or other relatives sharing the same household, are under the same obligation. Similarly, the reporting obligation also applies to legal entities, trusts and partnerships that are managed or controlled by any such manager or associated person, or that are set up for the benefit of such a person, or whose economic interests are substantially equivalent to those of such person. Nevertheless, there is no notification obligation until the total amount of transactions of a covered manager and all his associated persons is at least €5,000 during any calendar year. The issuer is obliged to publish on its website all notifications it receives for a period of at least one month. The respective information can be found on our Internet website at [www.siemens.com/directors-dealings](http://www.siemens.com/directors-dealings).

### **Repurchase of Own Shares**

We may not acquire our own shares unless so authorized by a resolution duly adopted by our shareholders at a general meeting or in other very limited circumstances set out in the German Stock Corporation Act. The German Stock Corporation Act generally limits share repurchases to 10% of our share capital. In addition, any



shareholders' resolution that authorizes us to repurchase shares may not be in effect for a period of longer than 18 months. The resolution presently in effect is valid until July 25, 2007. According to this resolution, shares that are repurchased may be sold via a stock exchange, or (i) retired with the approval of the Supervisory Board; (ii) used to satisfy our obligations under the 1999 Siemens Stock Option Plan and the 2001 Siemens Stock Option Plan; (iii) offered for sale to employees or former employees within the employee share program; or (iv) used to service the conversion or option rights granted by us or our subsidiaries in connection with the issuance of bonds. In addition, the Supervisory Board is authorized to offer repurchased shares to the members of the Managing Board of Siemens under the same terms and conditions as those offered to employees of Siemens. Additionally, the Supervisory Board may grant and transfer such shares to members of the Managing Board as stock-based compensation with a holding period of at least two years.

### **Jurisdiction**

Our Articles of Association provide that by subscription to or by otherwise acquiring shares or temporary certificates for shares, a shareholder submits to the jurisdiction of the courts of our legal domicile in all disputes with us or our governing bodies.

### **Supervisory Board**

As required by our Articles of Association and German law, our present Supervisory Board consists of 20 members. Ten were elected by our shareholders and ten were elected by our employees. The shareholders may remove any member of the Supervisory Board they have elected in a general meeting by a simple majority of the votes cast by the shareholders in a general meeting. The employee representatives may be removed by the employee assembly which elected them with a majority of three-quarters of the votes cast.

The Supervisory Board elects a chairman and two deputy chairmen from among its members. The election of the chairman and the first deputy chairman requires a two-thirds majority vote. If either the chairman or the first deputy chairman is not elected by a vote of two-thirds of the members of the Supervisory Board, the shareholder representatives elect the chairman and the employee representatives elect the first deputy chairman by a simple majority of the votes cast. The board elects a second deputy chairman by simple majority vote. The Supervisory Board normally acts by simple majority vote, unless otherwise required by law, with the chairman having a deciding vote in the event of a second deadlock.

The Supervisory Board meets at least twice during each half year, normally five times each year. Its main functions are:

- to monitor the management of the Company;
- to appoint and dismiss members of our Managing Board;
- to represent the Company in its dealings with the Managing Board or when its interests are adverse to those of the Managing Board, for example, when the Company enters into an employment agreement with a Managing Board member, the Supervisory Board determines the salary and other compensation components, including pension benefits; and
- to approve matters in any areas that the Supervisory Board has made subject to its approval, either generally or in a specific case.

The members of the Supervisory Board are each elected for a maximum term of about five years. The term expires at the end of the annual shareholders' meeting in which the shareholders discharge the Supervisory Board member for the fourth fiscal year following the fiscal year in which he or she was elected. Our Articles of Association establish the compensation of the Supervisory Board members.

All of the current shareholder representatives on the Supervisory Board were elected by the shareholders at the annual meeting of shareholders held on January 23, 2003 (except for Prof. Dr. v. Pierer, who was elected by the shareholders at the annual meeting of shareholders held on January 27, 2005 and Mr. Speyer, who was appointed to the Supervisory Board effective July 14, 2003 by the courts of Munich and Berlin Charlottenburg and who was elected by the shareholders at the annual meeting of shareholders held on January 22, 2004), and



the Supervisory Board members representing our employees were elected on December 5, 2002 (except for the former substitute members Ms. Cornudet and Mr. Rackow who became members effective April 1, 2004 and January 26, 2006, respectively, and Mr. Huber who was appointed to the Supervisory Board effective July 1, 2004 by the court of Berlin Charlottenburg). As of August 21, 2006, the Supervisory Board consisted of the following members:

**Prof. Dr. Heinrich v. Pierer**, Erlangen,  
Chairman

**Ralf Heckmann**, Munich,  
First Deputy Chairman,  
Chairman of the Central Works Council, Siemens AG

**Dr. Josef Ackermann**, Frankfurt on Main,  
Second Deputy Chairman,  
Chairman of the Management Board, Deutsche Bank AG

**Lothar Adler**, Munich,  
Deputy Chairman of the Central Works Council, Siemens AG

**Gerhard Bieletzki**, Dortmund,  
Chairman of the Works Council, Siemens AG, Dortmund facility

**John David Coombe**, Brentford,  
Middlesex, Chartered Accountant (FCA)

**Hildegard Cornudet**, Kirchheim,  
Chairperson of the Central Works Council, Siemens Business Services GmbH & Co. OHG

**Dr. Gerhard Cromme**, Düsseldorf,  
Chairman of the Supervisory Board, ThyssenKrupp AG

**Birgit Grube**, Munich,  
Office clerk, Siemens AG

**Heinz Hawreliuk**, Munich,  
Head of the Company Codetermination Department, IG Metall

**Berthold Huber**, Frankfurt on Main,  
Deputy Chairman, IG Metall

**Prof. Dr. Walter Kröll**, Bonn,  
Consultant

**Wolfgang Müller**, Munich,  
Head of the Siemens team, IG Metall

**Georg Nassauer**, Berlin,  
Chairman of the Combined Works Council, Siemens AG

**Thomas Rackow**, Herzogenaurach,  
Industrial manager, Siemens AG

**Dr. Albrecht Schmidt**, Munich,  
Managing Bank Director (ret.)

**Dr. Henning Schulte-Noelle**, Munich,  
Chairman of the Supervisory Board, Allianz AG

**Peter von Siemens**, Munich,  
Industrial manager

**Jerry I. Speyer**, New York,  
President, TishmanSpeyer Properties

**Lord Iain Vallance of Tummel**, Holborn, London,  
Chairman, Nations Healthcare Ltd.

The business address of the members of our Supervisory Board is the same as our business address Wittelsbacherplatz 2, D-80333 Munich, Germany, care of Prof. Dr. Heinrich v. Pierer.

### **The Audit Committee**

The audit committee of the Supervisory Board (Audit Committee) consists of three shareholder representatives and two employee representatives. The Supervisory Board monitors the independence of the members of the committee and sees to it that they have special knowledge and experience in the application of accounting principles and internal control processes.

The Audit Committee oversees the appropriateness and the effectiveness of the Company's external and internal accounting processes. Together with the independent auditors, it also reviews the Company's financial statements prepared quarterly and annually by management. On the basis of the independent auditors' report on the annual financial statements, the Audit Committee makes a recommendation to the Supervisory Board whether or not it should approve those financial statements. In addition, the Audit Committee oversees the Company's internal control system and its procedures for assessing, monitoring and managing risk. It also monitors statutory and regulatory compliance. The Company's Financial Audit Department reports regularly to the Audit Committee. In addition, the Audit Committee monitors the independence, qualifications, rotation and performance of the independent auditors and performs the other functions required of it under the U.S. Sarbanes-Oxley Act.

As of August 21, 2006, the Audit Committee consists of the following members of the Supervisory Board: Dr. Gerhard Cromme (Chairman), Prof. Dr. Heinrich v. Pierer, Heinz Hawreliuk, Ralf Heckmann and Dr. Henning Schulte-Noelle. In accordance with the requirements of the U.S. Sarbanes-Oxley Act, the Supervisory Board has determined that Dr. Henning Schulte-Noelle qualifies to serve as Audit Committee financial expert.

### **Managing Board**

Our Managing Board currently consists of 13 members. Under our Articles of Association, our Supervisory Board determines the Managing Board's size, although it must have more than one member. Under German law, the Managing Board is responsible for all management matters, including the following which are specifically reserved to the Managing Board:

- preparation of the annual financial statements;
- the calling of the Annual Shareholders' Meeting and preparation and execution of the resolutions; and
- reports to the Supervisory Board and the Annual Shareholders' Meeting concerning certain matters.

The Managing Board, with the approval of the Supervisory Board, has adopted Bylaws for the conduct of its affairs. Pursuant to the current Bylaws of the Managing Board, a Corporate Executive Committee has been created. This Corporate Executive Committee consists exclusively of members of the Managing Board and is authorized to make all management decisions, in particular strategic decisions that are not specifically reserved to the full Managing Board by law, our Articles of Association or the Bylaws of the Managing Board. The Bylaws of the Managing Board state that the maximum number of Corporate Executive Committee members should not exceed nine. The Bylaws require that the Chief Executive Officer and his deputies, if any, the Chief Financial Officer and the member of the Managing Board who heads Corporate Human Resources (Corporate Personnel Department) all be members of the Corporate Executive Committee. Appointments of the remaining unspecified members of the Corporate Executive Committee require the approval of the Supervisory Board. Our current Corporate Executive Committee consists of President and Chief Executive Officer, Klaus Kleinfeld; Executive

Vice-President and Chief Financial Officer, Joe Kaeser; as well as Executive Vice-Presidents, Johannes Feldmayer, Thomas Ganswindt, Edward G. Krubasik, Rudi Lamprecht, Jürgen Radomski, Uriel J. Sharef and Klaus Wucherer.

Other committees of our Managing Board are authorized to make certain decisions without seeking the approval of the full Managing Board. The Managing Board's committees include an Equity Committee, responsible for certain capital measures. The members of this committee are President and Chief Executive Officer, Klaus Kleinfeld; Executive Vice-President and Chief Financial Officer, Joe Kaeser, and Executive Vice-President, Jürgen Radomski. The Managing Board has also established a Committee Responsible for the Issuance of Employee Stock, including the determination of the terms of such issuances. The members of this committee are President and Chief Executive Officer, Klaus Kleinfeld; Executive Vice-President and Chief Financial Officer, Joe Kaeser, and Executive Vice-President, Jürgen Radomski.

The Supervisory Board appoints the members of the Managing Board for a maximum term of five years. They may be re-appointed or have their term extended for one or more terms of up to a maximum of five years each. The Supervisory Board may remove a member of the Managing Board prior to the expiration of his or her term for good cause. According to the Managing Board's Bylaws, the age of a member of the Managing Board shall not exceed 65.

The Bylaws require the Managing Board to take action by a two-thirds majority vote unless applicable law requires a larger majority. In practice, the Managing Board reaches its decisions by consensus.

As of August 21, 2006, the Managing Board consisted of the following members:

Dr. Klaus Kleinfeld, President and CEO

Johannes Feldmayer, Executive Vice-President

Dr. Thomas Ganswindt, Executive Vice-President

Joe Kaeser, Executive Vice-President and CFO

Prof. Dr. Edward G. Krubasik, Executive Vice-President\*

Rudi Lamprecht, Executive Vice-President

Eduardo Montes, Senior Vice-President

Dr. Jürgen Radomski, Executive Vice-President

Prof. Dr. Erich R. Reinhardt, Senior Vice-President

Dr. Hermann Requardt, Senior Vice-President

Dr. Uriel J. Sharef, Executive Vice-President

Prof. Dr. Claus Weyrich, Senior Vice-President\*

Prof. Dr. Klaus Wucherer, Executive Vice-President

The business address of the members of our Managing Board is the same as our business address, Wittelsbacherplatz 2, D-80333 Munich, Germany.

### **Declaration of Conformity with the Codex**

At their meetings on November 8 and 9, 2005, respectively, the Managing Board and the Supervisory Board approved the following Declaration of Conformity pursuant to § 161 of the German Stock Corporation Act:

Siemens AG fully complies with the recommendations of the German Corporate Governance Code (Codex) in the version of June 2, 2005 and will also fully comply with them in the future. Since the last Declaration of

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\* Term expires September 30, 2006.

Conformity dated November 10, 2004, Siemens AG complied with the Codex in the version of May 21, 2003 except in one respect (our D&O insurance included no deductible). This exception is inapplicable since October 1, 2005.

### **Auditors**

The auditors of Siemens Aktiengesellschaft and its subsidiaries are KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Berlin and Frankfurt am Main, with a business address at Ganghoferstraße 29, D-80339 Munich (KPMG). KPMG is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer, Körperschaft des öffentlichen Rechts*), Berlin, Germany.

KPMG has audited the annual consolidated financial statements as of and for the year ended September 30, 2005 and 2004 and issued an unqualified opinion.

### **Related Party Transactions**

Some of our board members hold, or in the last year have held, positions of significant responsibility with other entities. We have relationships with almost all of these entities in the ordinary course of our business whereby we buy and sell a wide variety of products and services on arm's length terms. Dr. Josef Ackermann is the Chairman of the Management Board of Deutsche Bank AG. Our transactions with Deutsche Bank AG are conducted on arm's length basis and include securities underwriting, other investment banking services, and credit, money market and foreign exchange business.

Pursuant to the by-laws of the Managing and the Supervisory Board, the members of these bodies are obliged to give notice of any potential conflicts of interest. As of the date of this Prospectus, no such notification has been received.

During the last fiscal year, there were no loans outstanding to members of our management.

We have a number of significant joint ventures and other equity investments in large companies. We have relationships with many of these entities in the ordinary course of business whereby we buy and sell a wide variety of products and services on arm's length terms. Our most significant equity investments are our joint ventures BSH Bosch und Siemens Hausgeräte, Fujitsu Siemens Computers and Areva NP. In April 2006, SBS sold its Product Related Services (PRS) business to Fujitsu Siemens Computers (Holding) BV on arm's-length terms.

### **Major Shareholders**

As of October 15, 2005, the von Siemens Vermögensverwaltungs GmbH (vSV) held approximately 1.2% of our outstanding shares in trust for, and, in addition, had a power of attorney allowing it to vote approximately 4.3% of our outstanding shares on behalf of, members of the Siemens family and family-sponsored foundations. To the extent these shares are voted on behalf of members of the Siemens family or family-sponsored foundations, these shares are voted together by the vSV. The vSV exercises its voting power in respect of these shares upon approval by the chairman of its shareholders' meeting. As a result, the chairman has voting power over these Siemens shares. The current chairman is Mr. Peter von Siemens, who is also a member of our Supervisory Board. To our knowledge and based on public filings, there is no other single person that may be considered a beneficial owner of 5% or more of our outstanding shares.

As of November 4, 2005, we had approximately 0.9 million shareholders. Approximately 57,600 were U.S. holders, of which approximately 300 were holders of record. Based on our share register, U.S. holders held approximately 12% of our ordinary shares as of September 30, 2005.

### **Legal and Arbitration Proceedings**

We have requested arbitration against the Republic of Argentina before the International Center for Settlement of Investment Disputes (ICSID) of the World Bank. We claim that Argentina unlawfully terminated our contract for the development and operation of a system for the production of identity cards, border control,

collection of data and voters' registers and thereby violated the Bilateral Investment Protection Treaty between Argentina and Germany (BIT). We are seeking damages for expropriation and violation of the BIT of approximately US\$500 million. Argentina has disputed jurisdiction of the ICSID arbitration tribunal and has argued in favour of jurisdiction of the Argentine administrative courts. The arbitration tribunal rendered a decision on August 4, 2004, finding that it has jurisdiction over Siemens' claims and that Siemens is entitled to present its claims. A hearing on the merits of the case took place before the ICSID arbitration tribunal in Washington in October 2005. A decision on the merits is not expected before the end of summer 2006.

As previously reported, Italian and German prosecutors have been investigating allegations that former Siemens employees provided improper benefits to former employees of Enel in connection with the awarding of Enel contracts. We are cooperating with the authorities. German prosecutors brought charges against two of the investigated former employees in March 2006. In Italy, Siemens AG has entered into a so-called "patteggiamento" (plea bargaining agreement without the admission of any guilt or responsibility) with the Italian prosecutors. Siemens agreed to pay a €0.5 million fine and to give up €6.121 million of profit relating to the Enel-contracts. In addition, Siemens accepted a one-year ban prohibiting it from entering into contracts with the Italian public administration. This part of the patteggiamento has already been discharged through the one-year ban imposed on Siemens by preliminary injunction that expired on May 14, 2005. The patteggiamento is scheduled to enter into force on September 24, 2006.

In May 2004, the European Commission launched an investigation into possible anti-trust violations involving the major European producers of high-voltage gas-insulated switchgear, including Siemens AG and VA Tech, which Siemens acquired in July 2005. Gas-insulated switchgear is electrical equipment used as a major component for turnkey power substations. We have cooperated with the investigation. The final decision has not been announced so far.

On December 22, 2005, the Hungarian antitrust-authority has announced an administrative order imposing a fine of EUR 320,000 on Siemens AG and EUR 640,000 on VA Tech. We have appealed against the decision. The court of first instance set the first hearing to October 24, 2006.

Furthermore, authorities in Australia, Brazil and New Zealand are conducting investigations into the same possible antitrust violations.

German prosecutors are conducting an investigation against certain Siemens' employees regarding allegations that they participated in fraud and in providing improper benefits related to the awarding of an EU contract for the refurbishment of a power plant in Serbia. The investigation is still ongoing.

A Mexican governmental control authority has barred Siemens Mexico from bidding on public contracts for a period of three years and nine months beginning November 30, 2005. This proceeding arose from allegations that Siemens Mexico did not disclose alleged minor tax discrepancies when it was signing a public contract in 2002. Upon appeal of Siemens Mexico, the execution of the, in our opinion unjustified, debarment was stayed on December 13, 2005 and subsequently reduced to a period of four months. Upon further appeal, the execution of the reduced debarment was stayed by the competent Mexican court on April 19, 2006. The final decision on the appeal has not been announced so far.

On January 19, 2006, the U.S. Attorney for the Northern District of Illinois charged Siemens Medical Solutions US (SMS) with committing mail and wire fraud in connection with a bid on a public contract for radiological equipment in the year 2000. The charges are based on alleged non-compliance with certain bidding terms and alleged misconduct during a trial related to the fulfilment of such terms. The bidding terms of the public contract were later ruled unconstitutional. SMS, which has cooperated with the government's investigation, considers the allegations as unjustified and intends to oppose them in court. The court proceedings are scheduled for March 2007.

On February 24, 2006, Siemens received a subpoena from the U.S. Securities and Exchange Commission (SEC) requiring the production of certain documents relating to the Oil-for-Food Programme and to certain other matters. Siemens is cooperating with the SEC. The SEC has not announced a schedule for the completion of its inquiry. Furthermore, a French investigating magistrate has started a preliminary investigation regarding the participation of French companies — among others Siemens France S.A.S. — in the Oil-for-Food Programme.

Siemens AG and its subsidiaries have been named as defendants in various other legal actions and proceedings arising in connection with their activities as a global diversified group. Some of these pending proceedings have been previously disclosed. Some of the legal actions include claims for substantial compensatory or punitive damages or claims for indeterminate amounts of damages. In the ordinary course of business, Siemens may also be involved in investigations and administrative and governmental proceedings. Given the number of legal actions and other proceedings to which Siemens is subject, some may result in adverse decisions. Siemens believes it has defences to these actions and contests them when appropriate. In view of the inherent difficulty of predicting the outcome of such matters, particularly in cases in which claimants seek substantial or indeterminate damages, Siemens often cannot predict what the eventual loss or range of loss related to such matters will be. Although the final resolution of these matters could have a material effect on Siemens' consolidated operating results for any reporting period in which an adverse decision is rendered, Siemens believes that its consolidated financial position should not be materially affected.

## Recent Developments

Since September 30, 2005, we have announced the following notable developments in our business:

- During the third quarter of fiscal 2006, Medical Solutions (Med) announced two acquisitions. The first acquisition involves Diagnostics Products Corporation, USA (DPC). The preliminary purchase price amounts to approximately U.S. \$1.9 billion (approximately €1.5 billion). The transaction was completed at the end of July 2006. In June 2006, Siemens also signed an agreement to acquire the diagnostics division of Bayer Aktiengesellschaft, Germany for a preliminary purchase price of approximately €4.2 billion. The transaction, which is subject to regulatory approval and other customary closing conditions, is expected to close early in fiscal 2007.
- At the beginning of April 2006, Siemens Business Services (SBS) closed the sale of its Product Related Services (PRS) business to Fujitsu Siemens Computers (Holding) BV.
- In June 2006, Siemens and Nokia Corporation (**Nokia**) also announced the intention to contribute the carrier-related operations of Siemens, which are part of Communications (Com), and the Networks Business Group of Nokia into a new company, to be called Nokia Siemens Networks (**NSN**), in exchange for shares in NSN. Siemens and Nokia will both own 50% of NSN. Siemens expects to account for its investment in NSN using the equity method. The transaction is expected to close by the second quarter of fiscal 2007 at the latest and is subject to customary regulatory approvals, the completion of standard closing conditions, and agreement on a number of detailed implementation steps. Siemens expects to realize a gain on this transaction.
- Also in the third quarter, the Company sold the majority of the VA Tech power generation business, including the hydropower activities, to Andritz AG Austria. The sale was completed in May 2006.
- In June 2006, Siemens agreed to divest the distribution and industry logistics as well as material handling products (Dematic) businesses, pending regulatory approval. The transaction is expected to close in the fourth quarter of fiscal 2006 and will result in a loss for the period.
- In March 2006, the Company sold its remaining interest in Epcos AG.
- In April 2006, the Company completed the sale of its remaining interest in Infineon Technologies AG.



SIEMENS AG

**CONSOLIDATED STATEMENTS OF INCOME (unaudited)**  
**For the nine months ended June 30, 2006 and 2005**  
(in millions of €, per share amounts in €)

	Siemens		Eliminations, reclassifications and Corporate Treasury		Operations		Financing and Real Estate	
	2006	2005	2006	2005	2006	2005	2006	2005
Net sales .....	63,402	53,339	(1,326)	(1,216)	63,000	52,977	1,728	1,578
Cost of sales .....	(45,888)	(37,353)	1,326	1,216	(45,778)	(37,295)	(1,436)	(1,274)
Gross profit on sales .....	17,514	15,986	—	—	17,222	15,682	292	304
Research and development expenses .....	(4,117)	(3,608)	—	—	(4,117)	(3,608)	—	—
Marketing, selling and general administrative expenses .....	(11,168)	(9,898)	(1)	(1)	(10,915)	(9,663)	(252)	(234)
Other operating income (expense), net .....	179	38	(65)	(67)	121	(32)	123	137
Income from investments in other companies, net .....	546	434	—	—	503	345	43	89
Income (expense) from financial assets and marketable securities, net .....	439	309	21	83	450	253	(32)	(27)
Interest expense of Operations, net .....	(24)	(23)	—	—	(24)	(23)	—	—
Other interest income (expense), net .....	164	206	324	204	(265)	(112)	105	114
Income from continuing operations before income taxes .....	3,533	3,444	279	219	2,975	2,842	279	383
Income taxes <sup>(1)</sup> .....	(867)	(787)	(68)	(50)	(731)	(650)	(68)	(87)
Minority interest .....	(146)	(96)	—	—	(146)	(96)	—	—
Income from continuing operations .....	2,520	2,561	211	169	2,098	2,096	211	296
Income (loss) from discontinued operations, net of income taxes .....	(28)	(390)	—	—	(28)	(393)	—	3
Net income .....	2,492	2,171	211	169	2,070	1,703	211	299
Basic earnings per share								
Income from continuing operations .....	2.83	2.88						
Loss from discontinued operations .....	(0.03)	(0.44)						
Net income .....	2.80	2.44						
Diluted earnings per share								
Income from continuing operations .....	2.70	2.75						
Loss from discontinued operations .....	(0.03)	(0.41)						
Net income .....	2.67	2.34						

(1) The income taxes of **Eliminations, reclassifications and Corporate Treasury, Operations, and Financing and Real Estate** are based on the consolidated effective corporate tax rate applied to income before income taxes.

SIEMENS AG

CONSOLIDATED BALANCE SHEETS (unaudited)

As of June 30, 2006 and September 30, 2005

(in millions of €)

ASSETS

	Siemens		Eliminations, reclassifications and Corporate Treasury		Operations		Financing and Real Estate	
	6/30/06	9/30/05	6/30/06	9/30/05	6/30/06	9/30/05	6/30/06	9/30/05
Current assets								
Cash and cash equivalents	7,374	8,121	6,418	6,603	921	1,471	35	47
Marketable securities	181	1,789	—	—	157	1,772	24	17
Accounts receivable, net	14,152	17,122	(1)	(6)	10,287	12,758	3,866	4,370
Intracompany receivables	—	—	(14,280)	(15,489)	14,234	15,362	46	127
Inventories, net	13,002	12,812	(3)	(4)	12,907	12,744	98	72
Deferred income taxes	1,508	1,484	(197)	(178)	1,613	1,580	92	82
Assets held for disposal	7,811	245	(668)	—	8,479	245	—	—
Other current assets	4,682	5,230	378	506	3,185	3,746	1,119	978
Total current assets	48,710	46,803	(8,353)	(8,568)	51,783	49,678	5,280	5,693
Long-term investments	3,757	3,768	—	—	3,437	3,463	320	305
Goodwill	8,858	8,930	—	—	8,726	8,799	132	131
Other intangible assets, net	2,932	3,107	—	—	2,914	3,092	18	15
Property, plant and equipment, net	11,566	12,012	—	—	7,831	8,217	3,735	3,795
Deferred income taxes	6,434	6,321	1,593	1,541	4,804	4,743	37	37
Other assets	4,819	5,264	185	106	1,215	1,836	3,419	3,322
Other intracompany receivables	—	—	(1,629)	(1,632)	1,628	1,626	1	6
Total assets	87,076	86,205	(8,204)	(8,553)	82,338	81,454	12,942	13,304

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities								
Short-term debt and current maturities of long-term debt	4,506	3,999	3,731	3,049	547	564	228	386
Accounts payable	7,651	10,171	(1)	(1)	7,439	9,965	213	207
Intracompany liabilities	—	—	(14,015)	(15,998)	7,888	9,134	6,127	6,864
Accrued liabilities	9,078	10,169	108	115	8,825	9,898	145	156
Deferred income taxes	1,821	1,938	(433)	(475)	2,026	2,203	228	210
Liabilities held for disposal	6,077	289	(989)	—	7,066	289	—	277
Other current liabilities	12,690	13,058	453	222	11,933	12,559	304	277
Total current liabilities	41,823	39,624	(11,146)	(13,088)	45,724	44,612	7,245	8,100
Long-term debt	7,403	8,436	6,157	6,937	798	978	448	521
Pension plans and similar commitments	5,125	4,917	—	—	5,123	4,917	2	—
Deferred income taxes	400	427	(11)	(26)	245	274	166	179
Other accruals and provisions	3,890	5,028	68	91	3,460	4,519	362	418
Other intracompany liabilities	—	—	(3,272)	(2,467)	604	284	2,668	2,183
Minority interests	58,641	58,432	(8,204)	(8,553)	55,954	55,584	10,891	11,401
Shareholders' equity	655	656	—	—	655	656	—	—
Common stock, no par value	—	—	—	—	—	—	—	—
Authorized: 1,116,085,461 and 1,113,295,461 shares, respectively	—	—	—	—	—	—	—	—
Issued: 891,085,461 and 891,085,461 shares, respectively	2,673	2,673	—	—	25,729	25,214	2,051	1,903
Additional paid-in capital	5,145	5,167	(8,204)	(8,553)	82,338	81,454	12,942	13,304
Retained earnings	27,874	26,583	—	—	—	—	—	—
Accumulated other comprehensive income (loss)	(7,912)	(7,305)	—	—	—	—	—	—
Treasury stock, at cost 946 and 9,004 shares, respectively	—	(1)	—	—	—	—	—	—
Total shareholders' equity	27,780	27,117	—	—	25,729	25,214	2,051	1,903
Total liabilities and shareholders' equity	87,076	86,205	(8,204)	(8,553)	82,338	81,454	12,942	13,304

SIEMENS AG

CONSOLIDATED STATEMENTS OF CASH FLOW (unaudited)

For the nine months ended June 30, 2006 and 2005

(in millions of €)

	Siemens		Eliminations, reclassifications and Corporate Treasury		Operations		Financing and Real Estate	
	2006	2005	2006	2005	2006	2005	2006	2005
Cash flows from operating activities								
Net income	2,492	2,171	211	169	2,070	1,703	211	299
Adjustments to reconcile net income to cash provided								
Minority interest	153	103	—	—	153	103	—	—
Amortization, depreciation and impairments	2,249	2,272	—	—	1,924	1,989	325	283
Deferred taxes	(74)	(239)	(6)	(15)	(62)	(196)	(6)	(28)
Losses (gains) on sales and disposals of businesses and real estate, net	(74)	(59)	—	—	(13)	10	(61)	(69)
(Gains) on sales of investments, net	(180)	(18)	—	—	(174)	(18)	(6)	—
(Gains) on sales and impairments of marketable securities, net	(401)	(233)	—	—	(401)	(233)	—	—
(Income) from equity investees, net of dividends received	(138)	(142)	—	—	(112)	(120)	(26)	(22)
Change in current assets and liabilities								
(Increase) decrease in inventories, net	(2,927)	(1,412)	(1)	—	(2,896)	(1,409)	(30)	(3)
(Increase) decrease in accounts receivable, net	68	761	463	105	(434)	638	39	18
(Increase) decrease in outstanding balance of receivables sold	(80)	(89)	(44)	(4)	(36)	(85)	—	—
(Increase) decrease in other current assets	(237)	(220)	77	42	(318)	(245)	4	(17)
(Increase) decrease in accounts payable	(387)	(614)	2	(6)	(402)	(574)	13	(34)
(Increase) decrease in accrued liabilities	248	(90)	14	(17)	234	(26)	—	(47)
Increase (decrease) in other current liabilities	1,283	(325)	303	(152)	966	(228)	14	55
Supplemental contributions to pension trusts	—	(1,496)	—	—	—	(1,496)	—	—
Change in other assets and liabilities	437	191	(94)	20	582	158	(51)	13
Net cash provided by (used in) operating activities — continuing and discontinued operations	2,432	561	925	142	1,081	(29)	426	448
<b>Net cash provided by (used in) operating activities — continuing operations</b>	<b>2,637</b>	<b>1,273</b>	<b>925</b>	<b>142</b>	<b>1,286</b>	<b>687</b>	<b>426</b>	<b>444</b>
Cash flows from investing activities								
Additions to intangible assets and property, plant and equipment	(2,650)	(2,175)	—	—	(2,125)	(1,802)	(525)	(373)
Acquisitions, net of cash acquired	(638)	(1,421)	—	—	(635)	(1,404)	(3)	(17)
Purchases of investments	(331)	(155)	—	—	(313)	(135)	(18)	(20)
Purchases of marketable securities	(77)	(19)	—	(7)	(70)	(7)	(7)	(5)
(Increase) decrease in receivables from financing activities	(394)	(471)	(457)	(124)	—	—	63	(347)
Increase (decrease) in outstanding balance of receivables sold by SFS	—	—	44	4	—	—	(44)	(4)
Proceeds from sales of long-term investments, intangibles and property, plant and equipment	1,069	413	—	—	877	255	192	158
Increase (decrease) from sales and dispositions of businesses	(87)	(7)	—	—	(87)	(29)	—	22
Proceeds from sales of marketable securities	1,709	337	—	14	1,709	308	—	15
Net cash provided by (used in) investing activities — continuing and discontinued operations	(1,399)	(3,498)	(413)	(113)	(644)	(2,814)	(342)	(571)
<b>Net cash provided by (used in) investing activities — continuing operations</b>	<b>(1,288)</b>	<b>(3,421)</b>	<b>(413)</b>	<b>(113)</b>	<b>(533)</b>	<b>(2,737)</b>	<b>(342)</b>	<b>(571)</b>
Cash flows from financing activities								
Purchase of common stock	(389)	(172)	—	—	(389)	(172)	—	—
Proceeds from re-issuance of treasury stock	286	132	—	—	286	132	—	—
Proceeds from issuance of debt	833	—	833	—	—	—	—	—
Repayment of debt	(4)	(4)	(4)	—	—	—	—	—
Change in short-term debt	(1,118)	1,030	(550)	1,141	(422)	(158)	(146)	47
Dividends paid	(1,201)	(1,112)	—	—	(1,201)	(1,112)	—	—
Dividends paid to minority shareholders	(115)	(103)	—	—	(115)	(103)	—	—
Intracompany financing	—	—	(949)	(4,292)	899	4,217	50	75
Net cash provided by (used in) financing activities	(1,708)	(225)	(670)	(3,151)	(942)	2,804	(96)	122
Effect of exchange rates on cash and cash equivalents	(72)	20	(27)	(9)	(45)	28	—	1
Net increase (decrease) in cash and cash equivalents	(747)	(3,142)	(185)	(3,131)	(550)	(11)	(11)	(12)
Cash and cash equivalents at beginning of period	8,121	12,190	6,603	11,251	1,471	908	47	31
Cash and cash equivalents at end of period	7,374	9,048	6,418	8,120	921	897	35	31

SIEMENS AG

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

For the nine months ended June 30, 2006 and the fiscal year ended September 30, 2005  
(in millions of €)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)					Treasury shares at cost	Total
				Cumulative translation adjustment	Available-for-sale securities	Derivative instruments	Minimum pension liability	Total AOCI		
Balance at October 1, 2004.....	2,673	5,121	25,447	(1,076)	160	55	(5,525)	(6,386)	—	26,855
Net income.....	—	—	2,248	—	—	—	—	—	—	2,248
Change in currency translation adjustment.....	—	—	—	483	—	—	—	483	—	483
Change in unrealized gains and losses.....	—	—	—	—	(13)	(144)	(1,245)	(1,402)	—	(1,402)
Total comprehensive income.....	—	—	2,248	483	(13)	(144)	(1,245)	(919)	—	1,329
Dividends paid.....	—	—	(1,112)	—	—	—	—	—	—	(1,112)
Issuance of common stock and stock-based compensation.....	—	60	—	—	—	—	—	—	—	60
Purchase of common stock.....	—	—	—	—	—	—	—	—	(219)	(219)
Re-issuance of treasury stock.....	—	(14)	—	—	—	—	—	—	218	204
<b>Balance at September 30, 2005</b> .....	<b>2,673</b>	<b>5,167</b>	<b>26,583</b>	<b>(593)</b>	<b>147</b>	<b>(89)</b>	<b>(6,770)</b>	<b>(7,305)</b>	<b>(1)</b>	<b>27,117</b>
Net income.....	—	—	2,492	—	—	—	—	—	—	2,492
Change in currency translation adjustment.....	—	—	—	(383)	—	—	—	(383)	—	(383)
Change in unrealized gains and losses.....	—	—	—	—	(241)	60	(43)	(224)	—	(224)
Total comprehensive income.....	—	—	2,492	(383)	(241)	60	(43)	(607)	—	1,885
Dividends paid.....	—	—	(1,201)	—	—	—	—	—	—	(1,201)
Issuance of common stock and stock-based compensation.....	—	33	—	—	—	—	—	—	—	33
Purchase of common stock.....	—	—	—	—	—	—	—	—	(389)	(389)
Re-issuance of treasury stock.....	—	(55)	—	—	—	—	—	—	390	335
<b>Balance at June 30, 2006</b> .....	<b>2,673</b>	<b>5,145</b>	<b>27,874</b>	<b>(976)</b>	<b>(94)</b>	<b>(29)</b>	<b>(6,813)</b>	<b>(7,912)</b>	<b>—</b>	<b>27,780</b>

SIEMENS AG

SEGMENT INFORMATION (continuing operations — unaudited)  
As of and for the nine months ended June 30, 2006 and 2005 and as of September 30, 2005  
(in millions of €)

	New orders		External sales		Intersegment sales		Total sales		Group profit <sup>(1)</sup>		Net capital employed <sup>(2)</sup>		Net cash from operating and investing activities		Capital spending <sup>(3)</sup>		Amortization, depreciation and impairments <sup>(4)</sup>	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	6/30/06	9/30/05	2006	2005	2006	2005	2006	2005
Operations Groups																		
Communications (Com) <sup>(5)</sup>	10,279	9,551	9,143	8,496	219	210	9,362	8,706	365	364	1,956	1,799	(74)	272	265	334	256	285
Siemens Business Services (SBS)	3,919	4,730	2,813	2,884	1,067	987	3,880	3,871	(522)	(263)	432	296	(661)	(414)	220	222	226	192
Automation and Drives (A&D) <sup>(6)</sup>	10,640	7,727	8,182	6,229	1,115	967	9,297	7,196	1,121	909	4,228	3,691	576	875	470	164	202	144
Industrial Solutions and Services (I&S) <sup>(6)</sup>	6,896	5,005	5,585	3,410	757	751	6,342	4,161	207	107	1,579	1,775	67	158	178	23	94	61
Siemens Building Technologies (SBT)	3,833	3,355	3,315	3,038	78	77	3,393	3,115	147	97	1,738	1,453	(115)	51	165	111	75	69
Power Generation (PG)	9,794	7,646	7,145	5,702	17	14	7,162	5,716	637	695	2,940	2,625	259	(24)	451	457	154	135
Power Transmission and Distribution (PTD)	6,345	3,645	4,330	2,466	340	203	4,670	2,669	278	140	2,087	1,869	70	(28)	98	91	80	49
Transportation Systems (TS)	5,430	3,009	2,999	2,993	57	36	3,056	3,029	60	30	541	584	54	(493)	103	60	38	37
Siemens VDO Automotive (SV)	7,660	7,370	7,656	7,186	11	13	7,667	7,199	498	482	4,075	3,823	344	383	370	353	307	296
Medical Solutions (Med)	6,340	6,072	5,834	5,320	34	31	5,868	5,351	737	674	3,786	3,685	605	(161)	223	975	178	160
Osram	3,453	3,178	3,394	3,119	59	59	3,453	3,178	368	348	2,107	2,065	279	336	250	214	190	192
Other Operations	3,727	3,066	2,367	1,913	1,202	1,081	3,569	2,994	109	178	1,991	1,692	(170)	(153)	169	207	112	103
<b>Total Operations Groups</b>	<b>78,316</b>	<b>64,354</b>	<b>62,763</b>	<b>52,756</b>	<b>4,956</b>	<b>4,429</b>	<b>67,719</b>	<b>57,185</b>	<b>4,005</b>	<b>3,761</b>	<b>27,460</b>	<b>25,357</b>	<b>1,234</b>	<b>802</b>	<b>2,962</b>	<b>3,211</b>	<b>1,912</b>	<b>1,723</b>
Reconciliation to financial statements																		
Corporate items, pensions and eliminations	(5,087)	(4,557)	43	50	(4,762)	(4,258)	(4,719)	(4,208)	(765)	(807)	(5,201)	(3,690)	(481) <sup>(8)</sup>	(2,852) <sup>(8)</sup>	106	49	7	4
Other interest expense	—	—	—	—	—	—	—	—	(265)	(112)	—	—	—	—	—	—	—	—
Other assets related and miscellaneous reconciling items	—	—	—	—	—	—	—	—	—	—	60,079	59,787	—	—	—	—	—	—
<b>Total Operations (for columns Group profit/Net capital employed, i.e. Income before income taxes/ Total assets)</b>	<b>73,229</b>	<b>59,797</b>	<b>62,806</b>	<b>52,806</b>	<b>194</b>	<b>171</b>	<b>63,000</b>	<b>52,977</b>	<b>2,975</b>	<b>2,842</b>	<b>82,338</b>	<b>81,454</b>	<b>753</b>	<b>(2,050)</b>	<b>3,068</b>	<b>3,260</b>	<b>1,919</b>	<b>1,727</b>

	Income before income taxes		Total assets	
	2006	2005	2006	2005
Financing and Real Estate Groups				
Siemens Financial Services (SFS)	476	399	404	346
Siemens Real Estate (SRE)	1,259	1,188	192	187
Eliminations	(7)	(8)	—	(7)
<b>Total Financing and Real Estate</b>	<b>1,728</b>	<b>1,579</b>	<b>596</b>	<b>533</b>
<b>Eliminations, reclassifications and Corporate Treasury</b>	<b>(1,314)</b>	<b>(1,181)</b>	<b>—</b>	<b>(1,326)</b>
<b>Siemens</b>	<b>73,643</b>	<b>60,195</b>	<b>63,402</b>	<b>53,339</b>

- (1) Group profit of the **Operations Groups** is earnings before financing interest, certain pension costs and income taxes.
- (2) Net capital employed of the **Operations Groups** represents total assets less tax assets, certain accruals and non-interest bearing liabilities other than tax liabilities.
- (3) Intangible assets, property, plant and equipment, acquisitions, and investments.
- (4) Includes amortization and impairments of intangible assets, depreciation of property, plant and equipment, and write-downs of investments.
- (5) Com's division Siemens Home and Office Communication Devices was reclassified to *Other Operations* as of June 30, 2006. Prior year information was reclassified for comparability purposes.
- (6) The divisions of the dissolved L&A Group were allocated as follows for all periods presented: Electronic Assembly Systems were reclassified to A&D, Postal Automation and Airport Logistics were reclassified to I&S and Distribution and Industry Logistics as well as Material Handling Products were reclassified to *Other Operations*. For further information see Annual Report 2005.
- (7) *Other Operations* primarily refer to certain centrally-held equity investments and other operating activities not associated with a Group.
- (8) Includes (for *Eliminations* within **Financing and Real Estate** consists of) cash paid for income taxes according to the allocation of income taxes to **Operations, Financing and Real Estate, and Eliminations, reclassifications and Corporate Treasury** in the Consolidated Statements of Income.

**SIEMENS AG**

**CONSOLIDATED STATEMENTS OF INCOME**

**For the fiscal years ended September 30, 2005 and 2004**  
(in millions of €, per share amounts in €)

	Siemens		Eliminations, reclassifications and Corporate Treasury		Operations		Financing and Real Estate	
	2005	2004	2005	2004	2005	2004	2005	2004
Net sales	75,445	70,237	(1,677)	(1,517)	74,969	69,627	2,153	2,127
Cost of sales	(53,502)	(49,592)	1,677	1,517	(53,383)	(49,372)	(1,796)	(1,737)
Gross profit on sales	21,943	20,645	—	—	21,586	20,255	357	390
Research and development expenses	(5,155)	(4,650)	—	—	(5,155)	(4,650)	—	—
Marketing, selling and general administrative expenses	(13,684)	(12,828)	(1)	(1)	(13,395)	(12,545)	(288)	(282)
Other operating income (expense), net	(9)	(172)	(87)	(76)	(136)	(192)	214	96
Income from investments in other companies, net	584	1,031	—	—	492	972	92	59
Income (expense) from financial assets and marketable securities, net	297	69	92	24	255	70	(50)	(25)
Interest income (expense) of Operations, net	(32)	20	—	—	(32)	20	—	—
Other interest income (expense), net	241	254	294	277	(191)	(141)	138	118
Income from continuing operations before income taxes	4,185	4,369	298	224	3,424	3,789	463	356
Income taxes <sup>(1)</sup>	(979)	(767)	(70)	(39)	(801)	(665)	(108)	(63)
Minority interest	(148)	(152)	—	—	(148)	(152)	—	—
Income from continuing operations	3,058	3,450	228	185	2,475	2,972	355	293
Income (loss) from discontinued operations, net of income taxes	(810)	(45)	—	—	(814)	(47)	4	2
Net income	2,248	3,405	228	185	1,661	2,925	359	295
Basic earnings per share								
Income from continuing operations	3.43	3.87						
Loss from discontinued operations	(0.91)	(0.05)						
Net income	2.52	3.82						
Diluted earnings per share								
Income from continuing operations	3.29	3.71						
Loss from discontinued operations	(0.87)	(0.05)						
Net income	2.42	3.66						

(1) The income taxes of **Eliminations, reclassifications and Corporate Treasury, Operations, and Financing and Real Estate** are based on the consolidated effective corporate tax rate applied to income before income taxes.



**SIEMENS AG**  
**CONSOLIDATED BALANCE SHEETS**  
**As of September 30, 2005 and 2004**  
**(in millions of €)**

	Siemens		Eliminations, reclassifications and Corporate Treasury		Operations		Financing and Real Estate	
	9/30/05	9/30/04	9/30/05	9/30/04	9/30/05	9/30/04	9/30/05	9/30/04
<b>ASSETS</b>								
Current assets								
Cash and cash equivalents	8,121	12,190	6,603	11,251	1,471	908	47	31
Marketable securities	1,789	1,386	—	8	1,772	1,361	17	17
Accounts receivable, net	17,122	15,470	(6)	(8)	12,758	11,275	4,370	4,203
Intracompany receivables	—	—	(15,489)	(12,257)	15,362	12,251	127	6
Inventories, net	12,812	11,358	(4)	(2)	12,744	11,295	72	65
Deferred income taxes	1,484	1,144	(178)	61	1,580	1,018	82	65
Assets held for sale	245	—	—	710	245	—	—	—
Other current assets	5,230	4,398	506	—	3,746	2,793	978	895
Total current assets	46,803	45,946	(8,568)	(237)	49,678	40,901	5,693	5,282
Long-term investments	3,768	4,122	—	—	3,463	3,790	305	332
Goodwill	8,930	6,476	—	—	8,799	6,394	131	82
Other intangible assets, net	3,107	2,514	—	—	3,092	2,501	15	13
Property, plant and equipment, net	12,012	10,683	—	1	8,217	7,242	3,795	3,440
Deferred income taxes	6,321	4,811	1,541	1,133	4,743	3,598	37	80
Other assets	5,264	4,966	106	44	1,836	2,217	3,322	2,705
Other intracompany receivables	—	—	(1,632)	(1,284)	1,626	1,284	6	—
Total assets	86,205	79,518	(8,553)	(343)	81,454	67,927	13,304	11,934
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Current liabilities								
Short-term debt and current maturities of long-term debt	3,999	1,434	3,049	850	564	451	386	133
Accounts payable	10,171	9,326	(1)	(3)	9,965	9,109	207	220
Intracompany liabilities	—	—	(15,998)	(7,449)	9,134	1,703	6,864	5,746
Accrued liabilities	10,169	9,240	115	6	9,898	9,055	156	179
Deferred income taxes	1,938	1,522	(475)	(282)	2,203	1,528	210	276
Liabilities held for sale	289	—	—	—	289	—	—	—
Other current liabilities	13,267	11,850	222	452	12,768	11,173	277	225
Total current liabilities	39,833	33,372	(13,088)	(6,426)	44,821	33,019	8,100	6,779
Long-term debt	8,436	9,785	6,937	8,538	978	750	521	497
Pension plans and similar commitments	4,917	4,392	—	—	4,917	4,392	—	—
Deferred income taxes	427	569	(26)	184	274	274	179	111
Other accruals and provisions	4,819	4,016	91	25	4,310	3,586	418	405
Other intracompany liabilities	—	—	(2,467)	(2,664)	284	457	2,183	2,207
Minority interests	58,432	52,134	(8,553)	(343)	55,584	42,478	11,401	9,999
Shareholders' equity	656	529	—	—	656	529	—	—
Common stock, no par value								
Authorized: 1,113,295,461 and 1,113,285,711 shares, respectively								
Issued: 891,085,461 and 891,075,711 shares, respectively	2,673	2,673	—	—	25,214	24,920	1,903	1,935
Additional paid-in capital	5,167	5,121	—	—	81,454	13,304	—	—
Retained earnings	26,583	25,447	(8,553)	(343)	—	—	—	—
Accumulated other comprehensive income (loss)	(7,305)	(6,386)	—	—	—	—	—	—
Treasury stock, at cost 9,004 and 250 shares, respectively	(1)	—	—	—	—	—	—	—
Total shareholders' equity	27,117	26,855	—	—	25,214	24,920	1,903	1,935
Total liabilities and shareholders' equity	86,205	79,518	(8,553)	(343)	81,454	67,927	13,304	11,934

**SIEMENS AG**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
**For the fiscal years ended September 30, 2005 and 2004**  
**(in millions of €)**

	Siemens		Eliminations, reclassifications and Corporate Treasury		Operations		Financing and Real Estate	
	2005	2004	2005	2004	2005	2004	2005	2004
Cash flows from operating activities								
Net income	2,248	3,405	228	185	1,661	2,925	359	295
Adjustments to reconcile net income to cash provided								
Minority interest	158	166	—	—	158	166	—	—
Amortization, depreciation and impairments	3,426	3,344	—	—	3,001	2,951	425	393
Deferred taxes	(628)	(309)	(5)	(12)	(614)	(278)	(9)	(19)
(Gains) on sales and disposals of businesses and real estate, net	(226)	(246)	—	—	(98)	(222)	(128)	(24)
(Gains) on sales of investments, net	(49)	(612)	—	—	(49)	(612)	—	—
(Gains) on sales and impairments of marketable securities, net	(239)	(47)	—	(12)	(239)	(33)	—	(2)
Loss (income) from equity investees, net of dividends received	(277)	(287)	—	—	(263)	(293)	(14)	6
Change in current assets and liabilities								
(Increase) decrease in inventories, net	(717)	(941)	—	—	(709)	(962)	(8)	21
(Increase) decrease in accounts receivable, net	27	(866)	148	(658)	(143)	(208)	22	—
(Increase) decrease in outstanding balance of receivables sold	(7)	133	(28)	65	21	68	—	—
(Increase) decrease in other current assets	248	661	113	107	140	276	(5)	278
(Increase) decrease in accounts payable	89	857	(1)	(6)	103	827	(13)	36
(Increase) decrease in accrued liabilities	(144)	302	(39)	(39)	(39)	210	(66)	92
(Increase) decrease in other current liabilities	39	(323)	(332)	129	321	(409)	50	(43)
Supplemental contributions to pension trusts	(1,496)	(1,255)	—	—	(1,496)	(1,255)	—	—
Change in other assets and liabilities	669	1,098	(47)	156	709	857	7	85
Net cash provided by (used in) operating activities- continuing and discontinued operations	3,121	5,080	37	(46)	2,464	4,008	620	1,118
<b>Net cash provided by (used in) operating activities — continuing operations</b>	<b>4,217</b>	<b>4,704</b>	<b>37</b>	<b>(46)</b>	<b>3,565</b>	<b>3,635</b>	<b>615</b>	<b>1,115</b>
Cash flows from investing activities								
Additions to intangible assets and property, plant and equipment	(2,544)	(2,764)	—	—	(2,871)	(2,328)	(673)	(436)
Acquisitions, net of cash acquired	(2,450)	(1,477)	—	—	(2,369)	(1,472)	(81)	(5)
Purchases of investments	(652)	(374)	(12)	(20)	(631)	(367)	(21)	(7)
Purchases of marketable securities	(34)	(106)	(81)	(569)	(8)	(86)	(14)	—
(Increase) decrease in receivables from financing activities	(511)	(247)	28	(65)	—	—	(430)	(816)
(Increase) decrease in outstanding balance of receivables sold by SFS	—	—	—	—	—	—	(28)	65
Proceeds from sales of long-term investments, intangibles and property, plant and equipment	977	2,639	—	19	641	2,357	336	263
Proceeds from sales and dispositions of businesses	34	325	—	—	12	306	22	19
Proceeds from sales of marketable securities	356	186	20	104	321	67	15	15
Net cash provided by (used in) investing activities — continuing and discontinued operations	(5,824)	(1,818)	(45)	607	(4,905)	(1,523)	(874)	(902)
<b>Net cash provided by (used in) investing activities — continuing operations</b>	<b>(5,706)</b>	<b>(1,689)</b>	<b>(45)</b>	<b>607</b>	<b>(4,787)</b>	<b>(1,394)</b>	<b>(874)</b>	<b>(902)</b>
Cash flows from financing activities								
Proceeds from issuance of common stock	—	4	—	—	—	4	—	—
Purchase of common stock	(219)	—	—	—	(219)	—	—	—
Proceeds from re-issuance of treasury stock	173	—	—	—	173	—	—	—
Repayment of debt	(848)	(1,564)	(596)	(1,270)	(231)	(266)	(21)	(28)
Change in short-term debt	711	(469)	1,065	(414)	(270)	(170)	(84)	115
Dividends paid	(1,112)	(978)	—	—	(1,112)	(978)	—	—
Dividends paid to minority shareholders	(108)	(101)	—	—	(108)	(101)	—	—
Intracompany financing	—	—	(5,112)	1,115	4,738	(765)	374	(350)
Net cash provided by (used in) financing activities	(1,403)	(3,108)	(4,643)	(569)	2,971	(2,276)	269	(263)
Effect of exchange rates on cash and cash equivalents	37	(113)	3	(86)	33	(26)	1	(1)
Net increase (decrease) in cash and cash equivalents	(4,069)	41	(4,648)	(94)	563	183	16	(48)
Cash and cash equivalents at beginning of period	12,190	12,149	11,251	11,345	908	725	31	79
Cash and cash equivalents at end of period	8,121	12,190	6,603	11,251	1,471	908	47	31
Supplemental disclosure of cash paid for:								
Interest	441	385	—	—	—	—	—	—
Income taxes	1,093	746	—	—	—	—	—	—

SIEMENS AG

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the fiscal years ended September 30, 2005 and 2004

(in millions of €)

	Common Stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)					Treasury shares at cost	Total
				Cumulative translation adjustment	Available- for-sale securities	Derivative instruments	Minimum pension liability	Total AOCI		
Balance at October 1, 2003	2,673	5,073	23,020	(827)	83	83	(6,390)	(7,051)	—	23,715
Net income	—	—	3,405	—	—	—	—	—	—	3,405
Change in currency translation adjustment	—	—	—	(249)	—	—	—	(249)	—	(249)
Change in unrealized gains and losses	—	—	—	—	77	(28)	865	914	—	914
Total comprehensive income	—	—	3,405	(249)	77	(28)	865	665	—	4,070
Dividends paid	—	—	(978)	—	—	—	—	—	—	(978)
Issuance of common stock and stock-based compensation	—	50	—	—	—	—	—	—	—	50
Purchase of common stock	—	—	—	—	—	—	—	—	(106)	(106)
Re-issuance of treasury stock	—	(2)	—	—	—	—	—	—	106	104
Balance at September 30, 2004	2,673	5,121	25,447	(1,076)	160	55	(5,525)	(6,386)	—	26,855
Net income	—	—	2,248	—	—	—	—	—	—	2,248
Change in currency translation adjustment	—	—	—	483	—	—	—	483	—	483
Change in unrealized gains and losses	—	—	—	—	(13)	(144)	(1,245)	(1,402)	—	(1,402)
Total comprehensive income	—	—	2,248	483	(13)	(144)	(1,245)	(919)	—	1,329
Dividends paid	—	—	(1,112)	—	—	—	—	—	—	(1,112)
Issuance of common stock and stock-based compensation	—	60	—	—	—	—	—	—	—	60
Purchase of common stock	—	—	—	—	—	—	—	—	(219)	(219)
Re-issuance of treasury stock	—	(14)	—	—	—	—	—	—	218	204
Balance at September 30, 2005	2,673	5,167	26,583	(593)	147	(89)	(6,770)	(7,305)	(1)	27,117

SIEMENS AG

SEGMENT INFORMATION (continuing operations)  
As of and for the fiscal years ended September 30, 2005 and 2004  
(in millions of €)

	New orders (unaudited)		External sales		Intersegment sales		Total sales		Group profit <sup>(1)</sup>		Net capital employed <sup>(2)</sup>		Net cash from operating and investing activities		Capital spending <sup>(3)</sup>		Amortization, depreciation and impairments <sup>(4)</sup>	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	9/30/05	9/30/04	2005	2004	2005	2004	2005	2004
Operations Groups																		
Communications (Com) <sup>(5)</sup>	13,802	13,031	12,823	12,258	318	451	13,141	12,709	454	707	1,883	2,134	655	390	509	443	433	486
Siemens Business Services (SBS)	6,531	6,293	3,964	3,598	1,409	1,118	5,373	4,716	(690)	40	296	632	(258)	(263)	340	428	516	213
Automation and Drives (A&D)	10,190	8,980	8,537	7,569	1,260	1,307	9,844	8,829	1,210	1,077	3,570	1,951	333	1,026	1,182	312	245	209
Industrial Solutions and Services (I&S)	5,686	4,356	4,350	3,147	1,040	1,143	5,390	4,290	139	95	1,563	1,003	324	(725)	55	892	95	47
Logistics and Assembly Systems (L&A) <sup>(6)</sup>	2,015	1,799	1,386	1,297	86	122	1,472	1,419	69	45	302	501	224	(81)	32	23	23	23
Siemens Building Technologies (SBT)	4,518	4,358	4,301	4,174	114	73	4,415	4,247	181	108	1,453	1,359	122	195	149	75	104	127
Power Generation (PG)	10,964	9,243	8,042	7,505	19	22	8,061	7,527	951	961	2,625	1,997	239	687	556	214	196	181
Power Transmission and Distribution (PTD)	5,283	3,863	3,930	3,292	320	319	4,250	3,611	212	238	1,869	1,162	19	102	161	228	84	73
Transportation Systems (TS)	4,599	4,321	4,146	4,284	44	26	4,190	4,310	45	(434)	584	49	(551)	(495)	185	83	57	65
Siemens VDO Automotive (SV)	9,787	9,029	9,591	8,987	19	14	9,610	9,001	630	562	3,823	3,542	341	1,030	623	515	427	394
Medical Solutions (Med)	8,641	8,123	7,577	6,969	49	103	7,626	7,072	976	1,046	3,685	3,173	396	762	1,025	449	229	202
Osram	4,300	4,240	4,222	4,143	78	97	4,300	4,240	465	445	2,065	2,011	464	453	307	256	261	264
Other Operations <sup>(7)</sup>	3,236	3,215	1,770	2,050	1,352	1,242	3,122	3,292	45	246	1,639	1,708	231	277	142	87	193	86
<b>Total Operations Groups</b>	<b>89,552</b>	<b>80,851</b>	<b>74,639</b>	<b>69,273</b>	<b>6,155</b>	<b>5,990</b>	<b>80,794</b>	<b>75,263</b>	<b>4,687</b>	<b>5,136</b>	<b>25,357</b>	<b>21,222</b>	<b>2,539</b>	<b>3,358</b>	<b>5,266</b>	<b>4,005</b>	<b>2,863</b>	<b>2,370</b>
Reconciliation to financial statements																		
Corporate items, pensions and eliminations	(6,293)	(7,202)	77	208	(5,902)	(5,844)	(5,825)	(5,636)	(1,072)	(1,206)	(3,690)	(3,116)	(3,761) <sup>(8)</sup>	(1,117) <sup>(8)</sup>	470	28	29	487
Other interest expense	—	—	—	—	—	—	—	—	(191)	(141)	—	—	—	—	—	—	—	—
Other assets related and miscellaneous reconciling items	—	—	—	—	—	—	—	—	—	—	59,787	49,821	—	—	—	—	—	—
<b>Total Operations (for columns Group profit/Net capital employed, i.e. Income before income taxes/Total assets)</b>	<b>83,259</b>	<b>73,649</b>	<b>74,716</b>	<b>69,481</b>	<b>253</b>	<b>146</b>	<b>74,969</b>	<b>69,627</b>	<b>3,424</b>	<b>3,789</b>	<b>81,454</b>	<b>67,927</b>	<b>(1,222)</b>	<b>2,241</b>	<b>5,736</b>	<b>4,033</b>	<b>2,892</b>	<b>2,857</b>
									<b>Income before income taxes</b>	<b>Total assets</b>								
Financing and Real Estate Groups																		
Siemens Financial Services (SFS)	542	562	464	453	78	109	542	562	319	250	10,148	9,055	(344)	(159)	563	311	221	194
Siemens Real Estate (SRE)	1,621	1,578	265	303	1,356	1,275	1,621	1,578	144	106	3,496	3,455	202	454	212	137	203	197
Eliminations	(10)	—	—	—	(10)	(13)	(10)	(13)	—	—	(340)	(576)	(117) <sup>(8)</sup>	(82) <sup>(8)</sup>	—	—	—	—
<b>Total Financing and Real Estate</b>	<b>2,153</b>	<b>2,140</b>	<b>729</b>	<b>756</b>	<b>1,424</b>	<b>1,371</b>	<b>2,153</b>	<b>2,127</b>	<b>463</b>	<b>356</b>	<b>13,304</b>	<b>11,934</b>	<b>(259)</b>	<b>213</b>	<b>775</b>	<b>448</b>	<b>424</b>	<b>391</b>
<b>Eliminations, reclassifications and Corporate Treasury</b>	<b>(1,621)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,677)</b>	<b>(1,517)</b>	<b>(1,677)</b>	<b>(1,517)</b>	<b>298</b>	<b>(343)</b>	<b>(8,553)</b>	<b>(343)</b>	<b>(8)<sup>(8)</sup></b>	<b>561<sup>(8)</sup></b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Siemens</b>	<b>83,791</b>	<b>75,789</b>	<b>75,445</b>	<b>70,237</b>	<b>—</b>	<b>—</b>	<b>75,445</b>	<b>70,237</b>	<b>4,185</b>	<b>4,369</b>	<b>86,205</b>	<b>79,518</b>	<b>(1,489)</b>	<b>3,015</b>	<b>6,511</b>	<b>4,481</b>	<b>3,316</b>	<b>3,248</b>

- (1) Group profit of the **Operations** Groups is earnings before financing interest, certain pension costs and income taxes.
- (2) Net capital employed of the **Operations** Groups represents total assets less tax assets, certain accruals and non-interest bearing liabilities other than tax liabilities.
- (3) Intangible assets, property, plant and equipment, acquisitions, and investments.
- (4) Includes amortization and impairments of intangible assets, depreciation of property, plant and equipment, and write-downs of investments.
- (5) The Groups ICN and ICM were combined into one Group named Communications (Com) as of October 1, 2004.
- (6) L&A's Distribution and Industry Logistics (DI) as well as Material Handling Products (MHP) divisions were reclassified to *Other Operations* as of September 30, 2005. Prior year information was reclassified for comparability purposes.
- (7) *Other Operations* primarily refer to certain centrally-held equity investments and other operating activities not associated with a Group.
- (8) Includes (for *Eliminations* within **Financing and Real Estate** consists of) cash paid for income taxes according to the allocation of income taxes to **Operations, Financing and Real Estate, and Eliminations, reclassifications and Corporate Treasury** in the Consolidated Statements of Income.

## **PART F: TAXATION**

The information provided below does not purport to be a complete summary of tax law and practice currently applicable in any of the jurisdictions mentioned and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisers.

Prospective purchasers of Bonds are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Bonds, including the effect of any state or local taxes under the tax laws of Austria, Germany, Ireland, Luxembourg, The Netherlands and the United Kingdom, and each country of which they are residents.

The information contained within the following sections is limited to withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Bonds (save for the tax sections relating to Germany and The Netherlands which describe other taxes as well, which, however, do not purport to set out a complete analysis of all Netherlands or German tax considerations relating to the Bonds), and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Bonds. The respective tax sections are based on the laws of the United Kingdom, Germany, Ireland, Austria, The Netherlands and Luxembourg currently in force and as applied on the date of this Prospectus, which may be subject to change, possibly with retroactive or retrospective effect. The comments are made on the assumption that the Issuer is not resident for tax purposes, and is not carrying on any trade or business, in Austria, Germany, Ireland, Luxembourg, The Netherlands or the United Kingdom for tax purposes of each of the before mentioned jurisdictions. The comments in the tax sections below (save for the Austrian tax sections) relate only to the position of persons who are absolute beneficial owners of the Bonds. The following tax sections are a general guide and should be related with appropriate caution. Bondholders who are in any doubt as to their tax position should consult their professional advisers. Bondholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Bonds even if such payments may be made without withholding or deduction for or on account of taxation under the laws of Austria, Germany, Ireland, Luxembourg, The Netherlands and the United Kingdom. Bondholder being individuals resident in an EU Member State, in certain non-EU-countries or certain dependent or associated territories of certain EU Member States, who receive interest payments under this Bond (instead of from a person within another EU member state, certain non-EU-countries or certain dependent or associated territories of certain EU Member States), may be subject to the regulations of the EU Savings Directive (as implemented in the respective EU Member State) or certain reciprocal agreements as set out below in this Part F under “EU Savings Directive”.

### **Luxembourg**

#### **Withholding Tax**

All payments of interest and principal by the Issuer under the Bonds can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law subject however to:

- (i) the application of the Luxembourg law of June 21, 2005 implementing the European Union Savings Directive (see paragraph “EU Savings Directive” below, which may be applicable in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive).
- (ii) the application as regards Luxembourg resident individuals of the Luxembourg law of December 23, 2005 which has introduced a 10% final withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of June 21, 2005 implementing the European Union Savings Directive). This law should apply to savings income accrued as from July 1, 2005 and paid as from January 1, 2006.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of June 21, 2005 and December 23, 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

## **The Netherlands**

### **1. Withholding Tax**

All payments by the Issuer of interest and principal under the Bonds can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

### **2. Taxes on Income and Capital Gains**

A Bondholder who derives income from a Bond or who realises a gain on the disposal or redemption of a Bond will not be subject to Netherlands taxation on such income or capital gains unless:

- (i) the Bondholder is or is deemed to be resident in The Netherlands, or, where the Bondholder is an individual, such Bondholder has elected to be treated as a resident of The Netherlands; or
- (ii) such income or gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or
- (iii) the Bondholder has, directly or indirectly, a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in the Issuer and, if the Bondholder is not an individual, such interest does not form part of the assets of an enterprise; or
- (iv) the Bondholder is an individual and such income or gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

### **3. Gift, Estate or Inheritance Taxes**

Dutch gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Bond by way of gift by, or on the death of, a Bondholder, unless:

- (i) the Bondholder is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or as a gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or
- (iii) such Bond is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment or a permanent representative in The Netherlands.

### **4. Value Added Tax**

There is no Dutch value added tax payable by a Bondholder in respect of payments in consideration for the issue of the Bonds or in respect of the payment of interest or principal under the Bonds, or the transfer of the Bonds.

### **5. Other Taxes and Duties**

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands by a Bondholder in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings



(including any foreign judgement in the courts of The Netherlands) of the Bonds or the performance of the Issuer's obligations under the Bonds.

## Federal Republic of Germany

### 1. Tax Residents

#### Interest Payments

Interest paid to a Bondholder resident in Germany (a person whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany) including any consideration invoiced separately for such portion of the interest of the current interest payment period which is attributable to the period up to the disposition of the Bond (**Accrued Interest**) is subject to German personal or corporate income tax. On the basis of the assessed personal or corporate income tax, solidarity surcharge (*Solidaritätszuschlag*) of 5.5% is levied. In addition, if Bonds are held as assets of a German commercial business, any interest is subject to trade tax. Accrued Interest paid by an individual upon the acquisition of Bonds may give rise to negative income and may, therefore, reduce the personal tax liability of such Bondholder.

If the Bonds are held in a custodial account which the German resident Bondholder maintains with a German branch of a German or non-German credit institution or financial services institution (the **Disbursing Agent** — *inländische Zahlstelle*) a 30% withholding tax on interest payments (*Zinsabschlag*), plus 5.5% solidarity surcharge on such tax, will generally be levied, resulting in a total withholding tax charge of 31.65% of the gross interest payment. Withholding tax is also imposed on Accrued Interest. Withholding tax and the solidarity surcharge thereon are credited as prepayments against the German personal or corporate income tax and the solidarity surcharge liability of the German tax resident Bondholder. Amounts overwithheld will entitle the Bondholder to a refund, based on an assessment to tax.

No tax is withheld by the Disbursing Agent if the Bondholder is an individual who has filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent and the respective Bonds are not part of a German trade or business property or generate income from the letting and leasing of property. However, this exemption applies only to the extent that the aggregate interest income derived from the Bonds after deduction of Accrued Interest paid upon the acquisition of the Bonds together with an individual's other investment income administered by the Disbursing Agent does not exceed the respective applicable maximum annual exemption amount shown on the withholding exemption certificate plus the flat deductible expense allowance. Further, no withholding obligation exists, if the Bondholder submits a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the local tax office to the Disbursing Agent.

#### Sale or Redemption of Bonds

The Bonds may qualify as a financial innovation (*Finanzinnovation*) within the meaning of § 20 para. 2 sentence 1 no. 4 of the German Income Tax Act (*Einkommensteuergesetz*) — which includes, among other things, floating rate notes —, in which case gains from the sale, assignment or redemption of Bonds are considered as interest and are subject to personal income tax as well as solidarity surcharge at a rate of 5.5% thereon. In the absence of a predetermined yield to maturity (*Emissionsrendite*) of the Bonds attributable to the period over which the Bondholder has held such Bond, the taxable gain from the sale, assignment or redemption of Bonds would be calculated as the difference between the proceeds from the disposition, assignment or redemption and the issue or purchase price of the Bond (*Marktrendite*).

Should the Bonds not be a financial innovation, for individual Bondholders gains (other than Accrued Interest and certain other amounts) from the sale, assignment or redemption of Bonds are only taxable if the Bonds are held for not more than one year. If the aggregate amount of private capital gains of the respective individual Bondholder for the calendar year is less than €512, such capital gains are not subject to income tax. The deductibility of losses would be restricted.

If the Bonds are held by a German tax resident corporation gains from the sale, assignment or redemption of the Bonds are subject to corporation tax and solidarity surcharge. If the Bondholder is a German tax resident

corporation or for other reasons qualifies as a trade (*Gewerbebetrieb*) for German trade tax purposes, gains from the sale, assignment or redemption of the Bonds are also subject to trade tax.

If the Bonds qualify as financial innovations, as explained above, and if the Bonds are held in a custodial account maintained with a Disbursing Agent since the acquisition of the Bonds, withholding tax at a rate of 30% (plus solidarity surcharge of 5.5% thereon) will also be withheld from the difference between the proceeds from the disposition, assignment or redemption and the issue or purchase price of the Bonds if the Bonds have been kept in a custodial account with such Disbursing Agent since the time of issuance or acquisition, respectively. If the Bonds have been transferred into the custodial account of the Disbursing Agent only after such point in time, withholding tax at the aforementioned rate will be levied on a lump-sum basis on 30% of the proceeds from the disposition, assignment or redemption of the Bonds. In computing the tax to be withheld the Disbursing Agent may deduct from the basis of the withholding tax any Accrued Interest paid by the Bondholder to the Disbursing Agent during the same calendar year. Withholding tax and the solidarity surcharge thereon are credited as prepayments against the German personal or corporate income tax and the solidarity surcharge liability of the German tax resident Bondholder. Amounts overwithheld will entitle the Bondholder to a refund, based on an assessment to tax. In general, no withholding tax will be levied if the requirements outlined above under “Tax Residents — Interest Payments” in relation to the withholding exemption certificate or the certificate of non-assessment are met.

## **2. Non-Residents**

Interest paid to a Bondholder and capital gains realized by a Bondholder not being resident in Germany will generally not be taxable in Germany and no tax will be withheld (even if the Bonds are kept with a Disbursing Agent). Exemptions apply, for example, if (i) the Bonds are held as a business asset of a German permanent establishment or by a permanent representative of the non-resident Bondholder, if (ii) the interest income of such Bonds does otherwise constitute German source income as defined in the German Income Tax Act and if (iii) the non-resident Bondholder does not comply with the procedural rules to prove his status as a non-tax resident person. In these cases, the Bondholder not being resident in Germany will be subject to a tax regime similar to that described above under “Taxation in the Federal Republic of Germany — Tax Residents.”

## **Inheritance and Gift Tax**

No inheritance or gift taxes with respect to any Bond will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Bond is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German citizens who previously maintained a residence in Germany. Double taxation treaties may provide for exceptions to the domestic inheritance and gift tax rules.

## **Other taxes**

No stamp, issue, registration or similar direct or indirect taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Bonds. Currently, net assets tax is not levied in Germany.

## **United Kingdom**

### **1. United Kingdom Withholding Tax**

Interest on the Bonds may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax except in circumstances where such interest has a United Kingdom source. Interest on Bonds may have a United Kingdom source where, for example, the interest is paid out of funds maintained in the United Kingdom. Interest which has a United Kingdom source (**UK interest**) may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax if the Bonds in respect of which the UK interest is paid constitute “quoted Eurobonds”. Bonds which carry a right to interest will constitute quoted Eurobonds provided they are and continue to be listed on a recognised stock exchange. On the

basis of Her Majesty's Revenue and Customs' (HMRC) published interpretation of the relevant legislation, Bonds which are to be listed on a stock exchange in a country which is a member state of the European Union or which is part of the European Economic Area will satisfy this requirement if they are listed by a competent authority in that country and are admitted to trading on a recognised stock exchange in that country; securities which are to be listed on a stock exchange in any other country will satisfy this requirement if they are admitted to trading on a recognised stock exchange in that country. The Luxembourg Stock Exchange is a recognised stock exchange for these purposes. In all other cases, UK interest on the Bonds may fall to be paid under deduction of United Kingdom income tax at the lower rate (currently 20%) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

## **2. Payments by Guarantor**

If the Guarantor makes any payments in respect of interest on the Bonds (or other amounts due under the Bonds other than the repayment of amounts subscribed for the Bonds) and either the interest on (or other amounts due under) the Bonds or any payments made by the Guarantor have a United Kingdom source (and such interest, amounts or payments may have a United Kingdom source where, for example, they are paid out of funds maintained in the United Kingdom), such payments by the Guarantor may be subject to United Kingdom withholding tax at the basic rate (currently 22%) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. Such payments by the Guarantor may not be eligible for the exemptions described in 1 above.

## **3. Provision of Information**

Bondholders should note that where any interest on Bonds is paid to them (or to any person acting on their behalf) by any person in the United Kingdom acting on behalf of the Issuer (a **paying agent**), or is received by any person in the United Kingdom acting on behalf of the relevant Bondholder (other than solely by clearing or arranging the clearing of a cheque) (for the purposes of this paragraph, a **collecting agent**), then the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to the United Kingdom HMRC details of the payment and certain details relating to the Bondholder (including the Bondholder's name and address). These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Bondholder is resident in the United Kingdom for United Kingdom taxation purposes. Where the Bondholder is not so resident, the details provided to the United Kingdom HMRC may, in certain cases, be passed by the United Kingdom HMRC to the tax authorities of the jurisdiction in which the Bondholder is resident for taxation purposes. For the above purposes, "interest" should be taken, for practical purposes, as including payments made by a guarantor in respect of interest on Bonds.

With effect from 6 April 2007, the provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Bonds where the amount payable on redemption is greater than the issue price of the Bonds.

## **4. Other Rules Relating to United Kingdom Withholding Tax**

- (i) Any discount element on any Bonds issued at an issue price of less than 100 per cent of their principal amount will not be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in 1 above, but may be subject to reporting requirements as outlined in 3 above.
- (ii) Where Bonds are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.
- (iii) Where interest has been paid under deduction of United Kingdom income tax, Bondholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

- (iv) The references to “interest” in 1 to 3 above mean “interest” as understood in United Kingdom tax law. If the Issuer increases the principal amount of a Bond (*in lieu* of a payment of cash) such increase will be treated for United Kingdom withholding tax purposes as a payment of interest (equal to the amount of the increase) at the time the Bond is redeemed. The statements in 1 to 3 above do not take any account of any different definitions of “interest” or principal” which may prevail under any other law or which may be created by the terms and conditions of the Bonds or any related documentation.
- (v) The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer as issuer of the Bonds pursuant to § 13 of the Conditions of Issue or otherwise and does not consider the tax consequences of any such substitution.

## **Ireland**

### **1. Withholding Tax**

The Issuer is not incorporated in Ireland. Therefore, on the basis that the Issuer is not managed and controlled in Ireland, the Issuer is not resident in Ireland for the purposes of Irish tax. The Issuer will not be deemed to be resident or otherwise taxable in Ireland by virtue only of the fact that the Bonds are offered to the public in Ireland.

Irish withholding tax applies to certain payments including payments of:

- (i) Irish source yearly interest (i.e.; interest that is capable of arising for a period in excess of one year);
- (ii) Irish source annual payments (annual payments are payments that are pure income-profit in the hands of the recipient);
- (iii) and distributions (including interest that is treated as a distribution under Irish law) made by Irish resident companies,

at the standard rate of Irish income tax (currently 20 per cent.).

On the basis that the Issuer is not resident in Ireland for the purposes of Irish tax and does not operate in Ireland through a branch or agency, then, to the extent that payments of interest or annual payments arise on the Bonds, such payments would not be regarded as payments having an Irish source for the purposes of Irish taxation. Separately, Irish dividend withholding tax does not apply to distributions made by companies that are not Irish tax resident. Accordingly, on the basis that the Issuer is not managed or controlled in Ireland and does not operate in Ireland through a branch or agency, the Issuer will not be obliged to deduct any amounts on account of Irish income tax from payments on the Bonds.

### **2. Encashment tax**

Interest or distributions on any Bonds issued by the Issuer paid:

- (i) by a paying agent in Ireland; or
- (ii) to an agent in Ireland on behalf of a Bondholder,

will be subject to Irish encashment tax at the standard rate of Irish income tax (currently 20 per cent.) unless it is proved, on a claim made in the required manner to the Irish Revenue Commissioners, that the beneficial owner of the Bonds entitled to the interest or distribution is not resident in Ireland and such interest or distribution is not deemed, under the provisions of Irish tax legislation, to be income of another person that is resident in Ireland.

## **Republic of Austria**

### **Withholding Tax**

Under Austrian tax law currently in force, if interest on bonds (*Forderungswertpapiere*) in the sense of sec. 93(3) of the Austrian Income Tax Act (*Einkommensteuergesetz*) is paid out by an Austrian paying agent

(*inländische kuponanzahlende Stelle*), then such payments are subject to a withholding tax of 25% (*Kapitalertragsteuer*).

In case of corporations subject to unlimited corporate income tax liability (*unbeschränkte Körperschaftsteuerpflicht*) in Austria, under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act no withholding tax is levied. In case of private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*), under the conditions set forth in sec. 94(11) of the Austrian Income Tax Act no withholding tax is levied. Pursuant to the current practice of the Austrian tax authorities, non-residents of Austria having no other relation to Austria than the mere holding of the Bonds can in general avoid the withholding tax from falling due by furnishing proof of non-residency to the Austrian paying agent.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **EU Savings Tax Directive**), each EU Member State is required, from 1 July 2005, to provide to the tax authorities of another EU Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other EU Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%.

Also with effect from July 1, 2005, a number of non-EU countries, and certain dependent or associated territories of certain EU Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a EU Member State. In addition, the member states have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a member state to, or collected by such a person for, an individual resident in one of those territories.

## PART G: SUBSCRIPTION AND SALE

Pursuant to an underwriting agreement to be dated on or about September 12, 2006 (the **Underwriting Agreement**) among Deutsche Bank AG, London Branch, with its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom, UBS Limited, with its office at 1 Finsbury Avenue, London EC2M 2PP, United Kingdom, Royal Bank of Scotland plc, with its office at 135 Bishopsgate, London EC2M 3UR, United Kingdom, and Morgan Stanley & Co. International Limited, with its office at 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom (the **Joint Lead Managers**), ABN AMRO Bank NV, Bishopsgate 250, EC2M 4AA London, United Kingdom, Credit Suisse Securities (Europe) Limited, One Cabot Square, Canary Wharf, London E14 4QJ, United Kingdom and Merrill Lynch International, Merrill Lynch Financial Centre, 2 King Edward Street, London EC1A 1HQ, United Kingdom (the **Senior Co-Lead Managers**) Banco Bilbao Vizcaya Argentaria, S.A., BBVA, Plaza de San Nicolás 4, 48005 Bilbao, Spain, CALYON, 9 quai du Président Paul Doumer, 92920 Paris La Défense, France, FORTIS BANK nv-sa, Montagne du Parc 3, 1000 Brussels, Belgium, ING Belgium SA, Avenue Marnix 24, 1000 Brussels, Belgium, Banco Santander Central Hispano, S.A., Santander., Ciudad Grupo Santander., Ed. Encinar — pl. baja., 28660 Boadilla del Monte, Spain and Landesbank Baden-Württemberg, Am Hauptbahnhof 2, 70173 Stuttgart, Germany (the **Co-Lead Managers** and, together with the Senior Co-Lead Managers and the Joint Lead Managers, the **Managers**), Siemens Financieringsmaatschappij N.V. has agreed to sell to the Managers, and the Managers have agreed, subject to certain customary closing conditions, to purchase the Bonds on September 14, 2006 at a price of 99.832% of their principal amount in respect of the EUR-Bonds (equivalent to € 998.32 per EUR-Bond) and 99.056% of their principal amount in respect of the GBP-Bonds (equivalent to £ 990.56 per GBP-Bond ) (such amount as applicable for each of the EUR-Bonds and the GBP-Bonds, the **Issue Price**). The Issuer has furthermore agreed to reimburse the Managers for certain expenses incurred in connection with the issue of the Bonds. Net of commission and expenses the Issuer expects the gross proceeds from the Bonds to amount up to approximately € 1,980,000,000.

The Bonds will be delivered against payment of the Issue Price on September 14, 2006, with admission to trading on the Regulated Market of the Luxembourg Stock Exchange also on such day or as soon thereafter as possible

The Underwriting Agreement will provide that the Managers are entitled, under certain circumstances, to terminate the Underwriting Agreement. In such event, no Bonds will be delivered to investors. Furthermore, Siemens Financieringsmaatschappij N.V. has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Bonds.

### United States of America

Neither the Bonds nor the Subordinated Guarantee nor the Subordinated Undertaking have been, or will be, registered under the Securities Act, and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act (**Regulation S**).

Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States of America or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Manager has represented and agreed that, except as permitted by the Underwriting Agreement, it will not offer, sell or deliver Bonds, (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Bonds comprising the relevant tranche, as certified to the Paying Agent or the Issuer by such Manager (or, in the case of a sale of a tranche of Bonds to or through more than one Manager, by each of such Managers as to Bonds of such tranche purchased by or through it, in which case the Paying Agent or the Issuer shall notify each such Manager when all such Managers have so certified) within the United States of America or to, or for the account or benefit of, U.S. persons, and such Manager will have sent to each distributor, Manager or person to which it sells Bonds during the distribution compliance period relating



thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States of America or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until forty days after the commencement of the offering of Bonds comprising any tranche, any offer or sale of Bonds within the United States of America by any Manager (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each purchaser of any Bond offered and sold in reliance on Regulation S will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

- (a) the purchaser (i) is, and the person, if any, for whose account it is acquiring such Bond is, outside the United States of America and is not a U.S. person, and (ii) is acquiring the offered Bonds in an offshore transaction meeting the requirements of Regulation S;
- (b) the purchaser is aware that neither the Bonds nor the Subordinated Guarantee nor the Subordinated Undertaking have been or will be registered under the Securities Act and that the Bonds and the Guarantee and the Subordinated Undertaking are being distributed and offered outside the United States of America in reliance on Regulation S; and
- (c) the purchaser acknowledges that the Issuer, the Guarantor, the Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

#### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Manager has represented and agreed, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Bonds to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Bonds which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Bonds to the public in that Relevant Member State at any time:

- (a) to any legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Bonds to the public” in relation to the Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

#### **United Kingdom**

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

## **Ireland**

Each Manager has agreed that it will not underwrite, offer, place or do anything in or involving Ireland with respect to Bonds:

- (a) otherwise than in conformity with the provisions of the Investment Intermediaries Act 1995 of Ireland, as amended, including, without limitation, Sections 9 and 23 (including advertising restrictions made thereunder) thereof and the codes of conduct made under Section 37 thereof or, in the case of a credit institution exercising its rights under the Banking Consolidation Directive (2000/12/EC of 20th March, 2000) in conformity with the codes of conduct or practice made under Section 117(1) of the Central Bank Act, 1989, of Ireland, as amended; and
- (b) otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 of Ireland and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland by the Irish Financial Services Regulatory Authority, a constituent part of the Central Bank and Financial Services Authority of Ireland (**IFSRA**).

## **General**

With the exception of the approval by the CSSF of this Prospectus as a prospectus issued in compliance with the Prospectus Directive and the relevant implementing measures in Luxembourg and the notification of this Prospectus, no action has been or will be taken in any country or jurisdiction by the Issuer, the Guarantor or the Managers that would permit a public offering of Bonds, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. The Issuer will request the CSSF to provide the competent authorities in Austria, Germany, Ireland, The Netherlands and the United Kingdom, with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the *Loi relative aux prospectus pour valeurs mobilières* which implements the Prospectus Directive into Luxembourg law. Prior to the issuance of the certificate of approval to the said competent authorities and publication of the Prospectus, where such publication is required, no public offer of the Bonds will be permissible in Austria, Germany, Ireland, Luxembourg, The Netherlands or the United Kingdom. Persons into whose hands the Prospectus comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Bonds or have in their possession or distribute such offering material, in all cases at their own expense.

The Underwriting Agreement provides that the Managers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Managers described in the paragraph headed “General” above.

## PART H: GENERAL INFORMATION

1. Application has been made to the Luxembourg Stock Exchange to list the Bonds on the official list of the Luxembourg Stock Exchange and trade on the Regulated Market of the Luxembourg Stock Exchange.
2. The creation and issue of the Bonds was authorised by a resolution of the Board of Directors of Siemens Financieringsmaatschappij N.V. on August 30, 2006. The Subordinated Guarantee and the Subordinated Undertaking have been authorised by the Managing Board (Vorstand) of Siemens Aktiengesellschaft. A list of the persons authorised to act on behalf of, and to legally bind, Siemens Aktiengesellschaft has been given to each of the Managers. The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in connection with the issue of the Bonds.
3. The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. For the EUR-Bonds, the Common Code is 026683874, the ISIN is XS0266838746 and the German Securities Code (WKN) is AOGXZH. For the GBP-Bonds, the Common Code is 026684048, the ISIN is XS0266840486 and the German Securities Code (WKN) is AOGXZJ.
4. The global bearer bonds representing the Bonds (other than the temporary global bonds) will bear a legend substantially to the following effect: Any U.S. person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code. The sections referred to in such legend provide that a U.S. person who holds a bearer bond generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such bearer bond and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
5. Since September 30, 2005, the last day of the financial period in respect of which the most recent consolidated audited financial statements of Siemens Aktiengesellschaft and Siemens Financieringsmaatschappij N.V. have been prepared, save as disclosed in this Prospectus, there has been no significant change in the financial or trading position nor any material adverse change in the financial position or prospects of the Issuer or the Guarantor or the Guarantor and its subsidiaries taken as a whole.
6. The consolidated financial statements of Siemens Aktiengesellschaft have been audited for the financial years ended September 30, 2004 and September 30, 2005 by KPMG Deutsche Treuhand-Gesellschaft AG, independent public accountants of Siemens Aktiengesellschaft, and unqualified opinions have been reported thereon.
7. The consolidated financial statements of Siemens Financieringsmaatschappij N.V. have been audited for the years ended September 30, 2002 through September 30, 2005 by KPMG Accountants N.V., independent public auditors of Siemens Financieringsmaatschappij N.V. for those periods, and unqualified opinions have been reported thereon.
8. Siemens Aktiengesellschaft discloses interim summary, unaudited consolidated financial statements on a quarterly basis. Siemens Financieringsmaatschappij N.V. produces interim, unaudited financial statements on a semi-annual basis.
9. The Bonds are expected to be rated A2 (neg) by Moody's Investors Service Limited and A- (cw neg) by Standard & Poor's upon issuance.

## **PART I: REGISTERED/SPECIFIED OFFICES OF THE ISSUER AND THE GUARANTOR**

### **Siemens Financieringsmaatschappij N.V.**

Prinses Beatrixlaan 800  
2595 BN The Hague  
The Netherlands

### **Siemens Aktiengesellschaft**

SFS TFS  
Wittelsbacherplatz 2  
D-80333 München  
Germany

## **JOINT LEAD-MANAGERS AND JOINT BOOKRUNNERS**

### **Deutsche Bank AG, London Branch**

(Joint Structuring Advisor)  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

### **UBS Limited**

(Joint Structuring Advisor)  
1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom

## **JOINT LEAD-MANAGERS**

### **Morgan Stanley & Co. International Limited**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

### **The Royal Bank of Scotland plc**

135 Bishopsgate  
London EC2M 3UR  
United Kingdom

## **SENIOR CO-LEAD MANAGERS**

### **ABN AMRO Bank N.V.**

250 Bishopsgate  
London EC2M 4AA  
United Kingdom

### **Credit Suisse Securities (Europe) Limited**

One Cabot Square, Canary Wharf,  
London E14 4QJ  
United Kingdom

### **Merrill Lynch International**

Merrill Lynch Financial Centre  
2 King Edward Street  
London EC1A 1HQ  
United Kingdom

## **CO-LEAD MANAGERS**

### **Banco Bilbao Vizcaya Argentaria, S.A.**

Plaza de San Nicolás 4  
48005 Bilbao  
Spain

### **CALYON**

9 quai du Président Paul Doumer  
92920 Paris La Défense  
France

### **FORTIS BANK nv-sa**

Montagne du Parc 3  
1000 Brussels  
Belgium

### **ING Belgium SA**

Avenue Marnix 24  
1000 Brussels  
Belgium

### **Landesbank Baden-Württemberg**

Am Hauptbahnhof 2  
70173 Stuttgart  
Germany

### **Banco Santander Central Hispano, S.A.**

Santander.  
Ciudad Grupo Santander.  
Ed. Encinar - pl. baja.  
28660 Boadilla del Monte  
Spain

**AUDITORS**

*of Siemens Aktiengesellschaft*

**KPMG Deutsche Treuhand-Gesellschaft AG**  
**Wirtschaftsprüfungsgesellschaft**

Ganghoferstraße 29  
D-80339 München  
Germany

*of Siemens Financieringsmaatschappij N.V.*

**KPMG Accountants N.V.**

Churchillplein 6  
2517 JW The Hague  
The Netherlands

## **PRINCIPAL PAYING AGENT**

Deutsche Bank Aktiengesellschaft  
Grosse Gallusstraße 10-14  
60272 Frankfurt am Main  
Germany

## **LUXEMBOURG PAYING AGENT**

Deutsche Bank Luxembourg S.A.  
International Loans & Agency Services  
2, bvd. Konrad Adenauer  
L-1115 Luxembourg

## **LUXEMBOURG LISTING AGENT**

**Dexia Banque Internationale à Luxembourg**  
New Issues Department — Transaction Execution Group  
69 Route d'Esch  
2953 Luxembourg  
Luxembourg

## **LAWYERS**

*To the Issuer*

*As to German law*

**Clifford Chance**  
**Partnerschaftsgesellschaft**  
Mainzer Landstraße 46  
D-60325 Frankfurt am Main  
Germany

*As to Dutch law*

**Clifford Chance**  
**Limited Liability Partnership**  
Droogbak 1A  
NL-1013 GE Amsterdam  
The Netherlands

*To the Managers*

*As to German law*

**Freshfields Bruckhaus Deringer**  
Taunusanlage 11  
D-60329 Frankfurt am Main  
Germany

## **LISTING AGENT**

**Dexia Banque Internationale à Luxembourg**  
69 Route d'Esch  
L-2953 Luxembourg  
Luxembourg