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Siemens Wind HoldCo S.L. (Sociedad Unipersonal)

**Review report
Pro Forma Consolidated Financial Information
prepared by Siemens Aktiengesellschaft**

December 31, 2015

**Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft**



**Building a better
working world**



Content

Review Report

Pro Forma Consolidated Financial Information of Siemens Wind HoldCo S.L. (Sociedad Unipersonal) as of December 31, 2015 prepared by Siemens Aktiengesellschaft

Engagement Terms, Liability and Conditions of Use

General Engagement Terms



We issue the review report presented below in compliance with legal and professional requirements subject to the conditions described in the enclosed "Engagement Terms, Liability and Conditions of Use".

REVIEW REPORT

To Siemens Aktiengesellschaft, Berlin and Munich, Germany

We have reviewed whether the pro forma consolidated financial information as of December 31, 2015 of Siemens Wind HoldCo S.L. (Sociedad Unipersonal), Zamudio, Spain (the "Company") has been properly compiled on the basis stated in the pro forma notes and whether this basis is consistent with the accounting policies of the Company. The pro forma consolidated financial information comprises a pro forma consolidated statement of financial position as of December 31, 2015, as well as pro forma notes.

The purpose of the pro forma consolidated financial information is to present the material effects the transactions described in the pro forma notes would have had on the historical financial statements of the Company if such transactions had taken place as of December 31, 2015. As pro forma consolidated financial information reflects a hypothetical situation it is not entirely consistent with the presentation that would have resulted had the relevant events actually occurred at December 31, 2015.

The compilation of pro forma consolidated financial information is the responsibility of the management of Siemens Aktiengesellschaft.

Our responsibility is, based on our review, to express a conclusion whether anything has come to our attention that causes us to believe that the pro forma consolidated financial information has not been properly compiled, in all material respects, on the basis stated in the pro forma notes and that this basis is not consistent with the accounting policies of the Company. The subject matter of this engagement does neither include a review of the basic figures including their adjustment to the accounting policies of the Company, nor of the pro forma assumptions stated in the pro forma notes.



We have planned and performed our review in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW) as well as in supplementary compliance with *IDW Auditing Practice Statement: Audit of Pro Forma Financial Information (IDW AuPS 9.960.1)* promulgated by the IDW so that we can preclude through critical evaluation, with a certain level of assurance, that the pro forma consolidated financial information are not compiled, in all material respects, on the basis stated in the pro forma notes and that the basis is not consistent with the accounting policies of the Company. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of pro forma consolidated financial information. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review nothing has come to our attention that causes us to believe that the pro forma consolidated financial information has not been properly compiled, in all material respects, on the basis stated in the pro forma notes and that this basis is not consistent with the accounting policies of the Company.

Munich, Germany, July 26, 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Spannagl
Wirtschaftsprüfer
(German Public Auditor)

Budde
Wirtschaftsprüfer
(German Public Auditor)

Pro Forma Consolidated Financial Information
of
Siemens Wind HoldCo S.L. (Sociedad Unipersonal)
as of December 31, 2015
prepared by Siemens Aktiengesellschaft

1. INTRODUCTION

1.1. SIEMENS HOLDCO S.L. (SOCIEDAD UNIPERSONAL)

Siemens HoldCo S.L. (Sociedad Unipersonal) was incorporated as a limited liability company in Spain on January 14, 2015 with the name Palmerdale, S.L.U., having its domicile at Barcelona, Aribau, 171. Its name was changed to Siemens Wind HoldCo, S.L. (Sociedad Unipersonal) on June 2, 2016 (“**Siemens Wind Power Parent**” or “**SWP Parent**”). On July 6, 2016, the sole shareholder decided to change the domicile of Siemens Wind Power Parent to Laida, Edificio 205, Floor 1st, 48170, Zamudio (Vizcaya). SWP Parent is a wholly owned subsidiary of Siemens Aktiengesellschaft, Berlin and Munich, Germany (“**Siemens AG**” or “**Siemens**”).

1.2. THE MERGER

On June 17, 2016, Siemens AG announced that it had signed binding agreements to combine Siemens’ wind power business, including the wind power service business (together “**Siemens Wind Power Business**” or “**SWP Business**”), with Gamesa Corporación Tecnológica SA, Spain (“**Gamesa**”). Once the merger is approved by the general shareholders’ meeting of Gamesa and by the Siemens Wind Power Parent, the combined business will form a leading global wind power player.

In the context of the merger and prior to the execution and registration of the Deed of Merger (“**Merger Effective Date**”), Siemens has initiated an internal carve-out process (further described in Section 3.1 “*Carve-out process and contribution of the Siemens Wind Power Business into SWP Parent*”), as a result of which the Siemens Wind Power Business shall be held directly or indirectly by Siemens Wind HoldCo, S.L. At Merger Effective Date, the merger shall be accomplished by means of a statutory merger by absorption whereby Siemens Wind Power Parent will be absorbed by Gamesa (“**the Merger**”).

According to the Common Terms of Merger, dated June 27, 2016 (“**CToM**”), the structure and implementation of the carve-out process is subject to legal and tax assessments which have not yet been completed as of the date of preparation of this pro forma consolidated financial information (see Section 3.1 “*Merger of Siemens Wind Power Parent with Gamesa according to the Common Terms of Merger*”).

1.3. PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

In order to present the expected material effects that certain defined steps for the execution of the Merger at the Merger Effective Date (the “**Transactions**”) would have had on the Siemens Wind Power Parent’s historical financial statements, Siemens AG has prepared pro forma consolidated financial information of Siemens Wind Power Parent, consisting of a pro forma consolidated statement of financial position as of December 31, 2015, assuming the Transactions had taken place as at December 31, 2015, and pro forma notes (hereafter collectively referred to as the “**Pro Forma Consolidated Financial Information**”). The Pro Forma Consolidated Financial Information assumes the Transactions had taken place at December 31, 2015 but does not present all the effects of the Merger once completed. The following Transactions are reflected in the Pro Forma Consolidated Financial Information are as follows (see Section 3.1. “*Merger of Siemens Wind Power Parent with Gamesa according to the Common Terms of Merger*” for details):

- Contribution of the SWP Business into SWP Parent;
- Extraordinary cash contribution of EUR 1,047,258 thousand by Siemens into SWP Parent’s equity;
- Cash contribution by Siemens into SWP Parent’s equity to settle deviations from agreed net debt and working capital assumptions in the merger exchange ratio of Gamesa group and the SWP Business.

The presentation of the Pro Forma Consolidated Financial Information is provided for illustrative purposes only. Because of its nature, the Pro Forma Consolidated Financial Information describes only a hypothetical situation and since it contains assumptions and uncertainties, the presentation does not reflect the actual net assets, financial position and results of operations of Siemens Wind Power Parent and does not indicate the future development of the net assets, financial position and results of operation upon completion of the Transactions.

2. HISTORICAL FINANCIAL INFORMATION

The Pro Forma Consolidated Financial Information is based on the following historical financial information:

- The audited and published abbreviated financial statements of Siemens Wind HoldCo, S.L. (Sociedad Unipersonal) for the period between January 14, 2015 (date of constitution of the company) and December 31, 2015 prepared in accordance with the regulatory framework for financial information applicable to the entity in Spain.
- The audited and published combined financial information of the Siemens Wind Power Business as of December 31, 2015, prepared in accordance with the basis of preparation. The combined financial information for the Siemens Wind Power Business derived from the interim segment reporting for the Division Wind Power as applied for the preparation of Siemens AG's consolidated interim financial information as of December 31, 2015 is based on Siemens Financial Reporting Guidelines ("SFRG"). SFRG adapt International Financial Reporting Standards ("IFRS") as issued by the IASB and as adopted by the EU to Siemens' needs.

The historical basic figures used for the Pro Forma Consolidated Financial Information were prepared in accordance with IFRS as issued by the IASB and as adopted by the EU, which represents the accounting policies of SWP Parent for its consolidated financial reporting. The same accounting policies were consistently applied in the Pro Forma Consolidated Financial Information as those described in the basis of preparation of the combined financial information for the Siemens Wind Power Business as of December 31, 2015.

Furthermore, it should be noted that the Pro Forma Consolidated Financial Information is meaningful only in conjunction with the complete historical abbreviated financial statements of Siemens Wind HoldCo, S.L. (Sociedad Unipersonal) for the period between January 14, 2015 and December 31, 2015 and the historical combined financial information of the Siemens Wind Power Business as of December 31, 2015.

3. BASIS OF PREPARATION

3.1. MERGER OF SIEMENS WIND POWER PARENT WITH GAMESA ACCORDING TO THE COMMON TERMS OF MERGER

The Merger shall be accomplished by means of the absorption of Siemens Wind Power Parent by Gamesa, whereby all assets and liabilities of Siemens Wind Power Parent will transfer to Gamesa (par. 4.1 of CToM). The Transactions as part of the entire process for the Merger to take place at Merger Effective Date and that are relevant in the preparation of the Pro Forma Consolidated Financial Information are described below.

Carve-out process and contribution of the Siemens Wind Power Business into SWP Parent

At the date of this Pro Forma Consolidated Financial Information, the Siemens Wind Power Business is not held by a separate sub-group within the Siemens group but by various entities controlled by Siemens AG. In order to allow for the integration of the Siemens Wind Power Business with Gamesa's business through the Merger, Siemens has initiated an internal carve-out process in accordance with par. 4.2. of the CToM, as a result of which the Siemens Wind Power Business shall be held by Siemens Wind Power Parent (the "Siemens Wind Power Carve-Out").

Par. 4.2 of the CToM describes the different phases, milestones and conditions of the Siemens Wind Power Carve-Out to be met before Merger Effective Date. As a first step, binding legal documentation will be executed as required for the transfer of the Siemens Wind Power Business in Germany, the United States of America, the United Kingdom, Canada and Denmark ("Key Countries"). Subsequently, SWP Parent will execute binding legal documentation for the transfer of the SWP Business carried out in the remaining countries by December 31, 2016 (Carve-Out Signing) and acquire legal title to the Key Countries and remaining countries. The agreement arranges that the Merger can take place if at Merger Effective Date SWP Parent may not have been able to acquire legal title to certain smaller countries due to legal restrictions ("Deferred Countries"). These Deferred Countries will be transferred after the Merger Effective Date.

Extraordinary Merger Dividend

In accordance with par. 5.5 of the CToM, the Board of Directors of Gamesa will propose to the General Shareholders' Meeting that decides on the Merger, as part of the Merger resolutions, the approval of an extraordinary cash dividend ("Extraordinary Merger Dividend") of EUR 3.75 per share, payable to a maximum of 279,268,787 shares and, consequently, amount to a maximum of EUR 1,047,258 thousand in aggregate. No later than on the Merger Effective Date, Siemens shall have made a cash contribution into SWP Parent's equity in an amount equal to the Extraordinary Merger Dividend.

Merger Exchange Ratio

The exchange ratio for the shares of Gamesa and Siemens Wind Power Parent (par. 5.1 of the CToM), which has been determined based on the fair value of their assets and liabilities, which in the case of Siemens Wind Power Parent will be those held by the company upon completion of the Siemens Wind Power Carve-Out, has been agreed between parties as one share of Gamesa, with a nominal value of EUR 0.17, for each share of Siemens Wind Power Parent, with a nominal value of EUR 0.17. This means that SWP Parent will have the right to receive 401,874,595 shares in Gamesa, each with a nominal value of EUR 0.17, representing approximately 59% of Gamesa's share capital after the Merger Effective Date, whilst the remaining shareholders of Gamesa will hold in aggregate approximately 41% of such resulting share capital.

The merger exchange ratio takes into consideration net debt and working capital assumptions (par. 5.2 of the CToM). If the amounts of the net debt and working capital of Gamesa group and the Siemens Wind Power Business as at December 31, 2016 differ from those assumptions, such deviations shall be offset (where applicable) and the net deviation shall be corrected by Siemens on a date no later than the Merger Effective Date by extracting or injecting, as applicable, for no consideration, into the SWP Business and/or SWP Parent as cash amount and/or in increasing the net debt of the SWP Business and/or SWP Parent so that the exchange ratio agreed between the parties is not affected by the same ("Exchange Ratio Settlement"). For certain individual items in the calculation of the deviation as agreed between the parties the amounts have been fixed, for the majority of the items the amounts will be those as of December 31, 2016.

3.2. INFORMATION TAKEN INTO CONSIDERATION AND PREPARATION PRINCIPLES

The Pro Forma Consolidated Financial Information was prepared in accordance with the IDW Accounting Practice Statement: Preparation of Pro Forma Financial Information (IDW AcPS AAB 1.004) (IDW Rechnungslegungshinweis: Erstellung von Pro-Forma-Finanzinformationen (IDW RH HFA 1.004)), as promulgated by the Institute of Public Auditors in Germany (IDW, Institut der Wirtschaftsprüfer in Deutschland e.V.).

The Pro Forma Consolidated Financial Information neither contains any potential synergies nor cost savings that could result from the proposed Merger. The pro forma adjustments made for purposes of the Pro Forma Consolidated Financial Information are based on information available and on preliminary estimates, as well as certain pro forma assumptions of the SWP Parent as described below. Furthermore, the Pro Forma Consolidated Financial Information does not contain any potential or future effects resulting from the remedies imposed on SWP Parent to obtain Merger clearance by the competent merger control authorities in various jurisdictions as well as the National Securities Market Commission (*Comisión Nacional del Mercado de Valores* or *CNMV*) or other constraints ruled by other authorities or regulators in connection with the Merger.

The figures in the table of the Pro Forma Consolidated Financial Information were rounded according to established commercial principles. Additions of the figures can thus lead to amounts that deviate from those shown in the table.

3.3. PRO FORMA ASSUMPTIONS

The pro forma assumptions made for purposes of preparing this Pro Forma Consolidated Financial Information are described below:

3.3.1 Assumptions related to the Contribution of the Siemens Wind Power Business into SWP Parent

In preparing the pro forma consolidated statement of financial position as of December 31, 2015 it is assumed that the carve out of the entire Siemens Wind Power Business took place as of December 31, 2015 and that all shares are held directly or indirectly by Siemens Wind Power Parent. The current owners of Siemens Wind Power Business will contribute the carved-out business in exchange for shares in Siemens Wind Power Parent. Accordingly, Siemens Wind Power Parent is assumed to have issued as of December 31, 2015, share capital of EUR 68,318,681.15, divided into 401,874,595 shares, each with a nominal value of EUR 0.17, fully assumed and paid-up, for which purpose the current nominal value of each share (EUR 1) will be amended so that it amounts to EUR 0.17.

3.3.2 Assumptions related to the cash contribution by Siemens AG in connection with merger dividend

In preparing the pro forma consolidated statement of financial position as of December 31, 2015, it is assumed that in the General Shareholders' Meeting called to decide on the Merger the Gamesa shareholders also approved the extraordinary cash dividend (par. 5.5. of the CToM) amounting to EUR 1,047,258 thousand, equal to the maximum amount of the Extraordinary Merger Dividend, and that by December 31, 2015, Siemens has made such cash contribution into SWP Parent's equity in an amount equal to EUR 1,047,258 thousand.

3.3.3 Assumptions related to the Exchange Ratio Settlement

For purposes of the pro forma consolidated statement of financial position as of December 31, 2015, it is assumed that the Exchange Ratio Settlement has taken place as of December 31, 2015, and has been calculated on the basis of the net debt and working capital (weighted) deviation of the Gamesa Group (EUR 126,829 thousand net cash position) and the deviation of the Siemens Wind Power Business (EUR 227,320 thousand net debt position) as at December 31, 2015 considering certain individual items in the calculation of the deviation that have been fixed between the parties. As a result, it is assumed that Siemens has made a cash contribution into SWP Parent's equity in an amount equal to the net deviation of EUR 354.149 thousand as of December 31, 2015.

4. EXPLANATION OF PRO FORMA ADJUSTMENTS

4.1 Contribution of the Siemens Wind Power Business into Siemens Wind Power Parent

When carrying out a contribution of a business under the assumptions set forth in Section 3.3.1 "*Assumptions related to the Contribution of the Siemens Wind Power Business into Siemens Wind Power Parent*" the issued capital of SWP Parent as at December 31, 2015 increases by EUR 68,316 thousand to the agreed total of EUR 68,319 thousand (par. 3.2 of the CToM). In addition, the net assets / (liabilities) position of the SWP Business as at December 31, 2015 (EUR 412,409 thousand) is reclassified to retained earnings and other components of equity upon consolidation.

As both SWP Business and SWP Parent are wholly owned by Siemens AG, it is assumed that the transfer of ownership of SWP Business as of December 31, 2015 took place under common control and the transfer of assets and liabilities is to be treated at historical book values for financial reporting purposes.

4.2 Cash contribution by Siemens AG

When carrying out a cash contribution under the assumption set forth in Section 3.3.2 "*Assumptions related to the cash contribution by Siemens AG in connection with merger dividend*", cash and cash equivalents of SWP Parent at December 31, 2015 increases by EUR 1,047,258 thousand against an equal increase in the company's capital reserve.

4.3 *Exchange ratio settlement*

When carrying out a cash contribution under the assumption set forth in Section 3.3.3 “*Assumptions related to the Exchange Ratio Settlement*”, cash and cash equivalents of SWP Parent at December 31, 2015 increases by EUR 354,149 thousand against an equal increase in the company’s capital reserve.

4.4 *Deferred tax asset on amortizable value step-up*

When carrying out a carve-out under the assumption set forth in Section 3.3.1 “*Contribution of the Siemens Wind Power Business into Siemens Wind Power Parent*”, deferred tax assets are expected to be created in various countries as a result of amortizable step-ups for tax purposes resulting from the carve-out. In the pro forma statement of financial position at December 31, 2015, this would result in a deferred tax asset and a corresponding increase in retained earnings and other components of equity estimated at an amount of EUR 38,371 thousand. To estimate the impact from the carve-out on deferred tax assets, the tax base of the SWP Business in respective countries for simplification purposes was determined to correspond to the IFRS book values. The applicable statutory tax rates in respective countries were then applied. No deferred tax assets were considered in those cases where local tax law does not allow amortization of the step-up.

**5. PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
OF SIEMENS WIND HOLDCO S.L. (SOCIEDAD UNIPERSONAL) AS OF
DECEMBER 31, 2015**

EUR in thousands	Basic Figures			Pro Forma explanation	Pro Forma adjustments	Pro Forma Consolidated Siemens Wind HoldCo S.L.
	Historical Financial Information					
	Siemens Wind HoldCo S.L.	SWP Business	Total			
Assets						
Current assets						
Cash and cash equivalents	2	7,629	7,631	[4.2] [4.3]	1,401,407	1,409,038
Trade and other receivables	-	669,917	669,917		-	669,917
Other current financial assets	-	102,194	102,194		-	102,194
Receivables from Siemens Group	-	319,280	319,280		-	319,280
Inventories	-	1,390,555	1,390,555		-	1,390,555
Other current assets	-	35,014	35,014		-	35,014
Total current assets	2	2,524,588	2,524,590		1,401,407	3,925,998
Goodwill	-	164,147	164,147		-	164,147
Other intangible assets	-	50,791	50,791		-	50,791
Property, plant and equipment	-	637,875	637,875		-	637,875
Other financial assets	-	48,610	48,610		-	48,610
Deferred tax assets	-	18,630	18,630	[4.4]	38,371	57,000
Other assets	-	79,759	79,759		-	79,759
Total assets	2	3,524,399	3,524,401		1,439,778	4,964,179
Liabilities and equity						
Current liabilities						
Debt	-	81	81		-	81
Trade payables	-	640,222	640,222		-	640,222
Other current financial liabilities	-	86,596	86,596		-	86,596
Payables to Siemens Group	-	61,273	61,273		-	61,273
Current provisions	-	361,896	361,896		-	361,896
Current income tax liabilities	-	1,989	1,989		-	1,989
Other current liabilities	-	1,939,793	1,939,793		-	1,939,793
Total current liabilities	-	3,091,850	3,091,850		-	3,091,850
Long-term debt	-	1,777	1,777		-	1,777
Post-employment benefits	-	5,200	5,200		-	5,200
Provisions	-	815,272	815,272		-	815,272
Other financial liabilities	-	517	517		-	517
Other liabilities	1	22,191	22,192		-	22,192
Total liabilities	1	3,936,808	3,936,809		-	3,936,809
Equity						
Issued capital	3	-	3	[4.1]	68,316	68,319
Capital reserve	-	-	-	[4.2] [4.3]	1,401,407	1,401,407
Retained earnings and other components of equity	(2)	-	(2)	[4.1] [4.4]	(442,354)	(442,356)
Net assets / (liabilities)	-	(412,409)	(412,409)	[4.1]	412,409	-
Total Equity	1	(412,409)	(412,407)		1,439,778	1,027,370
Total Liabilities and Equity	2	3,524,399	3,524,401		1,439,778	4,964,179



Engagement Terms, Liability and Conditions of Use

We, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, conducted our review of the Pro Forma Consolidated Financial Information on behalf of Siemens Aktiengesellschaft, Berlin and Munich, Germany ("Siemens AG"). In addition to the inclusion of the Pro Forma Consolidated Financial Information in the information documents to be posted to the Gamesa Corporación Tecnológica, S.A. ("Gamesa") website in accordance with Article 39 of the Spanish Structural Changes Act, the review report is addressed exclusively to Siemens AG and is intended to serve as a decision-making basis for Siemens AG only.

Our work is based on our engagement agreement for the review of the Pro Forma Consolidated Financial Information including the General Engagement Terms for "Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften" [German Public Auditors and Public Audit Firms] as issued by the Institute of Public Auditors in Germany ["Institut der Wirtschaftsprüfer": IDW] on 1 January 2002.

To clarify, we point out that we assume no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the review report to reflect events or circumstances arising after the review report was issued, unless required to do so by law.

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

[Translator's notes are in square brackets]

General Engagement Terms

for
Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
[German Public Auditors and Public Audit Firms]
as of January 1, 2002

This is an English translation of the German text, which is the sole authoritative version

1. Scope

(1) These engagement terms are applicable to contracts between Wirtschaftsprüfer [German Public Auditors] or Wirtschaftsprüfungsgesellschaften [German Public Audit Firms] (hereinafter collectively referred to as the "Wirtschaftsprüfer") and their clients for audits, consulting and other engagements to the extent that something else has not been expressly agreed to in writing or is not compulsory due to legal requirements.

(2) If, in an individual case, as an exception contractual relations have also been established between the Wirtschaftsprüfer and persons other than the client, the provisions of No. 9 below also apply to such third parties.

2. Scope and performance of the engagement

(1) Subject of the Wirtschaftsprüfer's engagement is the performance of agreed services - not a particular economic result. The engagement is performed in accordance with the Grundsätze ordnungsmäßiger Berufsausübung [Standards of Proper Professional Conduct]. The Wirtschaftsprüfer is entitled to use qualified persons to conduct the engagement.

(2) The application of foreign law requires - except for financial attestation engagements - an express written agreement.

(3) The engagement does not extend - to the extent it is not directed thereto - to an examination of the issue of whether the requirements of tax law or special regulations, such as, for example, laws on price controls, laws limiting competition and Bewirtschaftungsrecht [laws controlling certain aspects of specific business operations] were observed; the same applies to the determination as to whether subsidies, allowances or other benefits may be claimed. The performance of an engagement encompasses auditing procedures aimed at the detection of the defalcation of books and records and other irregularities only if during the conduct of audits grounds therefor arise or if this has been expressly agreed to in writing.

(4) If the legal position changes subsequent to the issuance of the final professional statement, the Wirtschaftsprüfer is not obliged to inform the client of changes or any consequences resulting therefrom.

3. The client's duty to inform

(1) The client must ensure that the Wirtschaftsprüfer - even without his special request - is provided, on a timely basis, with all supporting documents and records required for and is informed of all events and circumstances which may be significant to the performance of the engagement. This also applies to those supporting documents and records, events and circumstances which first become known during the Wirtschaftsprüfer's work.

(2) Upon the Wirtschaftsprüfer's request, the client must confirm in a written statement drafted by the Wirtschaftsprüfer that the supporting documents and records and the information and explanations provided are complete.

4. Ensuring independence

The client guarantees to refrain from everything which may endanger the independence of the Wirtschaftsprüfer's staff. This particularly applies to offers of employment and offers to undertake engagements on one's own account.

5. Reporting and verbal information

If the Wirtschaftsprüfer is required to present the results of his work in writing, only that written presentation is authoritative. For audit engagements the long-form report should be submitted in writing to the extent that nothing else has been agreed to. Verbal statements and information provided by the Wirtschaftsprüfer's staff beyond the engagement agreed to are never binding.

6. Protection of the Wirtschaftsprüfer's intellectual property

The client guarantees that expert opinions, organizational charts, drafts, sketches, schedules and calculations - especially quantity and cost computations - prepared by the Wirtschaftsprüfer within the scope of the engagement will be used only for his own purposes.

7. Transmission of the Wirtschaftsprüfer's professional statement

(1) The transmission of a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) to a third party requires the Wirtschaftsprüfer's written consent to the extent that the permission to transmit to a certain third party does not result from the engagement terms.

The Wirtschaftsprüfer is liable (within the limits of No. 9) towards third parties only if the prerequisites of the first sentence are given.

(2) The use of the Wirtschaftsprüfer's professional statements for promotional purposes is not permitted; an infringement entitles the Wirtschaftsprüfer to immediately cancel all engagements not yet conducted for the client.

8. Correction of deficiencies

(1) Where there are deficiencies, the client is entitled to subsequent fulfillment [of the contract]. The client may demand a reduction in fees or the cancellation of the contract only for the failure to subsequently fulfill [the contract]; if the engagement was awarded by a person carrying on a commercial business as part of that commercial business, a government-owned legal person under public law or a special government-owned fund under public law, the client may demand the cancellation of the contract only if the services rendered are of no interest to him due to the failure to subsequently fulfill [the contract]. No. 9 applies to the extent that claims for damages exist beyond this.

(2) The client must assert his claim for the correction of deficiencies in writing without delay. Claims pursuant to the first paragraph not arising from an intentional tort cease to be enforceable one year after the commencement of the statutory time limit for enforcement.

(3) Obvious deficiencies, such as typing and arithmetical errors and formelle Mängel [deficiencies associated with technicalities] contained in a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) may be corrected - and also be applicable versus third parties - by the Wirtschaftsprüfer at any time. Errors which may call into question the conclusions contained in the Wirtschaftsprüfer's professional statements entitle the Wirtschaftsprüfer to withdraw - also versus third parties - such statements. In the cases noted the Wirtschaftsprüfer should first hear the client, if possible.

9. Liability

(1) *The liability limitation of § [Article] 323 (2) [paragraph 2] HGB [Handelsgesetzbuch: German Commercial Code] applies to statutory audits required by law.*

(2) *Liability for negligence; An individual case of damages*
If neither No. 1 is applicable nor a regulation exists in an individual case, pursuant to § 54a (1) no. 2 WPO ["Wirtschaftsprüferordnung": Law regulating the Profession of Wirtschaftsprüfer] the liability of the Wirtschaftsprüfer for claims of compensatory damages of any kind - except for damages resulting from injury to life, body or health - for an individual case of damages resulting from negligence is limited to € 4 million; this also applies if liability to a person other than the client should be established. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty without taking into account whether the damages occurred in one year or in a number of successive years. In this case multiple acts or omissions of acts based on a similar source of error or on a source of error of an equivalent nature are deemed to be a uniform breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the Wirtschaftsprüfer is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(3) Preclusive deadlines

A compensatory damages claim may only be lodged within a preclusive deadline of one year of the rightful claimant having become aware of the damage and of the event giving rise to the claim - at the very latest, however, within 5 years subsequent to the event giving rise to the claim. The claim expires if legal action is not taken within a six month deadline subsequent to the written refusal of acceptance of the indemnity and the client was informed of this consequence.

The right to assert the bar of the preclusive deadline remains unaffected. Sentences 1 to 3 also apply to legally required audits with statutory liability limits.

10. Supplementary provisions for audit engagements

(1) A subsequent amendment or abridgement of the financial statements or management report audited by a Wirtschaftsprüfer and accompanied by an auditor's report requires the written consent of the Wirtschaftsprüfer even if these documents are not published. If the Wirtschaftsprüfer has not issued an auditor's report, a reference to the audit conducted by the Wirtschaftsprüfer in the management report or elsewhere specified for the general public is permitted only with the Wirtschaftsprüfer's written consent and using the wording authorized by him.

(2) If the Wirtschaftsprüfer revokes the auditor's report, it may no longer be used. If the client has already made use of the auditor's report, he must announce its revocation upon the Wirtschaftsprüfer's request.

(3) The client has a right to 5 copies of the long-form report. Additional copies will be charged for separately.

11. Supplementary provisions for assistance with tax matters

(1) When advising on an individual tax issue as well as when furnishing continuous tax advice, the Wirtschaftsprüfer is entitled to assume that the facts provided by the client - especially numerical disclosures - are correct and complete; this also applies to bookkeeping engagements. Nevertheless, he is obliged to inform the client of any errors he has discovered.

(2) The tax consulting engagement does not encompass procedures required to meet deadlines, unless the Wirtschaftsprüfer has explicitly accepted the engagement for this. In this event the client must provide the Wirtschaftsprüfer, on a timely basis, all supporting documents and records - especially tax assessments - material to meeting the deadlines, so that the Wirtschaftsprüfer has an appropriate time period available to work therewith.

(3) In the absence of other written agreements, continuous tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporation tax and business tax, as well as net worth tax returns on the basis of the annual financial statements and other schedules and evidence required for tax purposes to be submitted by the client
- b) examination of tax assessments in relation to the taxes mentioned in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) participation in tax audits and evaluation of the results of tax audits with respect to the taxes mentioned in (a)
- e) participation in Einspruchs- und Beschwerdeverfahren [appeals and complaint procedures] with respect to the taxes mentioned in (a).

In the afore-mentioned work the Wirtschaftsprüfer takes material published legal decisions and administrative interpretations into account.

(4) If the Wirtschaftsprüfer receives a fixed fee for continuous tax advice, in the absence of other written agreements the work mentioned under paragraph 3 (d) and (e) will be charged separately.

(5) Services with respect to special individual issues for income tax, corporate tax, business tax, valuation procedures for property and net worth taxation, and net worth tax as well as all issues in relation to sales tax, wages tax, other taxes and dues require a special engagement. This also applies to:

- a) the treatment of nonrecurring tax matters, e. g. in the field of estate tax, capital transactions tax, real estate acquisition tax
- b) participation and representation in proceedings before tax and administrative courts and in criminal proceedings with respect to taxes, and
- c) the granting of advice and work with respect to expert opinions in connection with conversions of legal form, mergers, capital increases and reductions, financial reorganizations, admission and retirement of partners or shareholders, sale of a business, liquidations and the like.

(6) To the extent that the annual sales tax return is accepted as additional work, this does not include the review of any special accounting prerequisites nor of the issue as to whether all potential legal sales tax reductions have been claimed. No guarantee is assumed for the completeness of the supporting documents and records to validate the deduction of the input tax credit.

12. Confidentiality towards third parties and data security

(1) Pursuant to the law the Wirtschaftsprüfer is obliged to treat all facts that he comes to know in connection with his work as confidential, irrespective of whether these concern the client himself or his business associations, unless the client releases him from this obligation.

(2) The Wirtschaftsprüfer may only release long-form reports, expert opinions and other written statements on the results of his work to third parties with the consent of his client.

(3) The Wirtschaftsprüfer is entitled - within the purposes stipulated by the client - to process personal data entrusted to him or allow them to be processed by third parties.

13. Default of acceptance and lack of cooperation on the part of the client

If the client defaults in accepting the services offered by the Wirtschaftsprüfer or if the client does not provide the assistance incumbent on him pursuant to No. 3 or otherwise, the Wirtschaftsprüfer is entitled to cancel the contract immediately. The Wirtschaftsprüfer's right to compensation for additional expenses as well as for damages caused by the default or the lack of assistance is not affected, even if the Wirtschaftsprüfer does not exercise his right to cancel.

14. Remuneration

(1) In addition to his claims for fees or remuneration, the Wirtschaftsprüfer is entitled to reimbursement of his outlays: sales tax will be billed separately. He may claim appropriate advances for remuneration and reimbursement of outlays and make the rendering of his services dependent upon the complete satisfaction of his claims. Multiple clients awarding engagements are jointly and severally liable.

(2) Any set off against the Wirtschaftsprüfer's claims for remuneration and reimbursement of outlays is permitted only for undisputed claims or claims determined to be legally valid.

15. Retention and return of supporting documentation and records

(1) The Wirtschaftsprüfer retains, for ten years, the supporting documents and records in connection with the completion of the engagement - that had been provided to him and that he has prepared himself - as well as the correspondence with respect to the engagement.

(2) After the settlement of his claims arising from the engagement, the Wirtschaftsprüfer, upon the request of the client, must return all supporting documents and records obtained from him or for him by reason of his work on the engagement. This does not, however, apply to correspondence exchanged between the Wirtschaftsprüfer and his client and to any documents of which the client already has the original or a copy. The Wirtschaftsprüfer may prepare and retain copies or photocopies of supporting documents and records which he returns to the client.

16. Applicable law

Only German law applies to the engagement, its conduct and any claims arising therefrom.

Notwithstanding any statutory right of third parties to receive or inspect it, this audit report is addressed exclusively to the governing bodies of the Company. It may not be distributed to third parties unless such distribution is expressly permitted under the terms of engagement agreed between the Company and Ernst & Young GmbH WPG.

Siemens Wind Power Business ("SWP")

Audit report
Combined financial information (reporting scope)

December 31, 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft



Content

Independent Auditor's Report

Combined Financial Information as of December 31, 2015

Engagement Terms, Liability and Conditions of Use

General Engagement Terms



We issue the audit opinion presented below in compliance with legal and professional requirements subject to the conditions described in the enclosed "Engagement Terms, Liability and Conditions of Use".

INDEPENDENT AUDITOR'S REPORT

To Siemens Aktiengesellschaft, Berlin and Munich, Germany

We have audited the accompanying combined financial information of the Siemens Wind Power Business (reporting scope) as prepared by Siemens Aktiengesellschaft, Berlin und Munich ("Siemens AG"), which comprise the combined statement of financial position as of 31 December 2015 and a description of the financial reporting framework ("Basis of Preparation") (collectively "Combined Financial Information"). The Combined Financial Information has been prepared by management of Siemens AG based on the accompanying Basis of Preparation.

Management's Responsibility for the Combined Financial Information

Management of Siemens AG is responsible for the preparation of this Combined Financial Information in accordance with the Basis of Preparation and for such internal control as management determines is necessary to enable the preparation of Combined Financial Information that is free from material misstatement, whether due to fraud or error. Furthermore, management of Siemens AG is responsible for determining that the Basis of Preparation as applicable financial reporting framework is acceptable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on this Combined Financial Information based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Combined Financial Information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Combined Financial Information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Combined Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of



the Combined Financial Information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Combined Financial Information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Combined Financial Information of the Siemens Wind Power Business (reporting scope) as of 31 December 2015 is prepared, in all material respects, in accordance with the Basis of Preparation.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to the description of the financial reporting framework (Basis of Preparation) to the Combined Financial Information, which describes the basis of accounting. The Combined Financial Information is prepared to assist Siemens AG, in connection with the planned merger between Gamesa Corporación Tecnológica S.A., Spain and the Siemens Wind Power Business (reporting scope) referred to above. As a result, the Combined Financial Information may not be suitable for another purpose. Our report is intended solely for Siemens AG and should not be distributed to or used by parties other than Siemens AG without our prior written consent. Besides this, we understand that our opinion together with the Combined Financial Information is distributed along with the documents to be provided as set forth in Article 39 of the Spanish Structural Changes Act as general information to the public.

Munich, Germany, July 26, 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Budde
Wirtschaftsprüfer
(German Public Auditor)

Milchin
Wirtschaftsprüfer
(German Public Auditor)

**Combined Financial Information
as of December 31, 2015**

**Reporting Scope
Combined Statement of Financial Position
Siemens Wind Power Business (SWP)**

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SWP - Combined Statement of Financial Position, as of December 31, 2015

EUR in thousands	31-12-15
Assets	
Current assets	
Cash and cash equivalents	7,629
Trade and other receivables	669,917
Other current financial assets	102,194
Receivables from Siemens Group	319,280
Inventories	1,390,555
Other current assets	35,014
Total current assets	2,524,588
Goodwill	164,147
Other intangible assets	50,791
Property, plant and equipment	637,875
Other financial assets	48,610
Deferred tax assets	18,630
Other assets	79,759
Total assets	3,524,399
Liabilities and equity	
Current liabilities	
Debt	81
Trade payables	640,222
Other current financial liabilities	86,596
Payables to Siemens Group	61,273
Current provisions	361,896
Current income tax liabilities	1,989
Other current liabilities	1,939,793
Total current liabilities	3,091,850
Long-term debt	1,777
Post-employment benefits	5,200
Provisions	815,272
Other financial liabilities	517
Other liabilities	22,191
Total liabilities	3,936,808
Net assets / (liabilities)	(412,409)

The figures in the table of the Combined Statement of Financial Position were rounded according to established commercial principles. Adding the figures in the table can therefore result in amounts that deviate from those shown in the table.

Basis of Preparation

Background

On June 17, 2016 Siemens AG (“Siemens”) signed a merger agreement with Gamesa Corporación Tecnológica S.A. (“Gamesa”) to combine the businesses of Gamesa and Siemens Wind Power (as defined below and hereafter referred to as SWP) (the “Transaction”).

In this context, the management of the Siemens Wind Power and Renewables Division consisting of the Division CEO and CFO - which is also responsible for SWP - prepared a Combined Statement of Financial Position as of December 31, 2015 for SWP to which this Basis of Preparation relates.

Description of SWP

SWP designs, manufactures and installs wind turbines for onshore and offshore applications. This includes both geared turbines and direct drive turbines. The product portfolio is based on four product platforms, two for each of the onshore and offshore applications. SWP serves a variety of customers, in particular large utilities and independent power producers. Due to the significant offshore business of the Division and its activities in the Northern hemisphere, production and installations are typically higher during spring and summer months because of the more favorable weather and marine conditions during those seasons.

Structure and scope of SWP

Siemens Wind Power has historically been the major part of the Wind Power and Renewables Division of Siemens AG. As of December 31, 2015, SWP includes assets and liabilities of two existing Wind Power legal entities in Denmark and China, which are both fully dedicated to Wind Power, as well as assets and liabilities related to the Wind Power activities in Siemens regional companies that next to Wind Power Business are also engaged in other Siemens business activities (refer to Appendix 1 for a list of companies with WP activities). The Wind Power activities in the Siemens regional companies will be carved-out.

The Division has been under the common control of Siemens AG and managed centrally by a common management which reports to the Managing Board of Siemens AG. It has not been held by a separate sub-group within the Siemens Group and hence does not qualify as a legal group for consolidated financial statement reporting purposes in accordance with IFRS 10. Instead, its principal activities have been presented as a Division (“reportable segment”) within the Siemens’ Consolidated Interim Financial Information based on a notional group structure.

The Combined Statement of Financial Position for SWP is derived from the segment reporting for the Wind Power and Renewables Division as presented in Siemens Consolidated Interim Financial Information as of December 31, 2015 and is presented from a combined perspective, i.e. all intra-group balances and profits within the SWP are fully eliminated.

The segment reporting includes all operating assets and liabilities in existing legal entities and regional companies that relate to the Siemens Wind Power Business with the exception of the within Siemens centrally managed items real estate, tax, treasury and pensions.

As SWP is engaged in project business major line items in the Combined Statement of Financial Position are inventories, other liabilities and provisions. Inventories primarily consist of costs and earnings in excess of billings on uncompleted contracts. Other current liabilities mainly comprise billings in excess of costs and estimated earnings on uncompleted contracts and related advances. Provisions mainly relate to warranty obligations associated with construction contracts.

In order to reflect the assets and liabilities of SWP as of December 31, 2015, the following assets and liabilities have been added to or excluded from the segment reporting of the Division to derive at the Combined Statement of Financial Position for SWP:

The Combined Statement of Financial Position excludes the following at-equity investments and financial assets of the Siemens Wind Power and Renewables Division that are not part of SWP:

- Stake in Voith Hydro Holding GmbH&Co KG (Heidenheim, Germany)
- Stake in A2Sea A/S Frederica (Denmark)
- Stake in Gwynt Y Mor Offshore Wind Farm Ltd. (UK)
- Stake in Atlantis Ressources Limited (UK)

The Combined Statement of Financial Position includes owned real estate and related assets and liabilities as well as leasehold assets of the two legal entities in Denmark and China. It also includes real estate and leasehold assets that are fully attributable to SWP and the net book value of assets under construction (production facilities) for SWP in various countries.

The Combined Statement of Financial Position includes the net pension liability related to the SWP business as far as the net pension liability has to be legally transferred. It does not include employee-related liabilities related to central functions / support functions that may transfer as part of the carve-out of SWP from Siemens. Equity-based instruments are excluded as Siemens indemnifies SWP from any impact (costs / expenses) resulting from existing instruments.

Treasury and taxation activities relating to the existing Wind Power legal entities and deferred taxes on consolidation adjustments are included. However, it does not include treasury activities and taxation activities relating to the SWP business within Siemens Regional Companies, which also comprises assets and liabilities related to non-income tax balances (e.g. sales tax, wage tax and other similar taxes).

Trade receivables from or payables to Siemens Group have been eliminated with the exception of those recorded in existing SWP legal entities (Denmark and China).

The Combined Statement of Financial Position includes a provision that was reported under the Siemens Process Industries and Drives (PD) Division in the Consolidated Interim Financial Information as of December 31, 2015, to reflect the agreement between Siemens and Gamesa that this provision will transfer to SWP as part of the Transaction.

Net asset / (liability) position of SWP

Being a notional group and not a legal subgroup involving a single SWP parent company, the Combined Statement of Financial Position presents the net assets / (liability) position of SWP rather than equity. SWP reported a net liability position as of December 31, 2015, mainly due to its project business with related high prepayments combined with the fact that it is part of the Siemens cash-pooling and zero-balancing system.

Subject to approval of the merger by Gamesa's shareholders and at the latest at the date of execution of the Deed of Merger, Siemens AG will inject cash into the SWP Parent entity in an amount equal to the Extraordinary Merger Dividend of €1.05 billion resulting in a net asset position for the SWP Business to be merged.

In addition, Siemens and Gamesa agreed a debt/equity mechanism to ensure that the debt/equity position of Siemens and Gamesa at the effective date of the Transaction reflects the exchange ratio agreed between the parties. The mechanism will be calculated on the basis of the December 31, 2016 financials of both Siemens and Gamesa and may result in an additional cash injection by Siemens or a shareholder Loan to Siemens in order to bring its debt/equity position in the right proportion to Gamesa.

Basis for Combined Financial Information

The Combined Statement of Financial Position for the SWP derived from the interim segment reporting for the Division Wind Power as applied for the preparation of Siemens' Consolidated Interim Financial Information as of December 31, 2015 is based on Siemens Financial Reporting Guidelines (SFRG). SFRG adapt IFRS to Siemens'

needs by establishing certain materiality thresholds for simplification purposes and detailing the accounting for areas where IFRS do not provide specific guidance. All significant accounting principles are disclosed in the following section.

The Combined Statement of Financial Position is to be prepared on a going concern and a historical cost basis as included in the Siemens' Consolidated Financial Statements, based on the Siemens' date of transition to IFRSs (October 1, 2004).

The Combined Statement of Financial Position is to be prepared and reported in euro (€).

Accounting Principles

Business combinations—Business combinations are to be accounted for under the acquisition method. The cost of an acquisition is to be measured at the fair value of the assets given and liabilities incurred or assumed at the date of exchange. Acquisition-related costs are to be expensed in the period incurred. Identifiable assets acquired and liabilities assumed in a business combination (including contingent liabilities) are to be measured initially at their fair values at the acquisition date.

Foreign currency translation—The assets and liabilities of foreign businesses, where the functional currency is other than the euro, are to be translated using the spot exchange rate at the end of the reporting period.

The exchange rate of the Danish Krone, British Pound and US Dollar, SWP's significant currencies outside the euro zone used in the preparation of the Combined Statement of Financial Position, is as follows:

Currency	ISO Code	Exchange rate
		€1 quoted into currencies specified below as of December 31, 2015
Danish Krone	DKK	7.4626
British Pound	GBP	0.7340
US Dollar	USD	1.0887

Foreign currency transaction—Transactions that are denominated in a currency other than the functional currency of an entity, are to be recorded at that functional currency applying the spot exchange rate at the date when the underlying transactions are initially recognized. At the end of the reporting period, foreign currency-denominated monetary assets and liabilities are to be re-valued to the functional currency applying the spot exchange rate prevailing at that date. Those foreign currency-denominated transactions which are classified as non-monetary are to be remeasured using the historical spot exchange rate.

Revenue recognition—Revenue recognition principles influence trade and other receivables, inventories and other current liabilities as SWP applies the percentage-of-completion method to its construction contracts.

To be included in inventories are costs and earnings in excess of billings on uncompleted contracts which relate to construction contracts with net asset balances where contract costs plus recognized profits less recognized losses exceed progress billings. Construction contracts include service contracts accounted for under the percentage of completion method. Liabilities from contracts for which progress billings exceed costs and recognized profits less recognized losses are to be recognized in the line item other current liabilities.

Advances paid to suppliers as well as advance payments received are also to be included within inventories.

Under the condition that persuasive evidence of an arrangement exists revenue is to be recognized to the extent that it is probable that the economic benefits will flow to SWP, and the revenue can be reliably measured, regardless of when the payment is made. In cases where the inflow of economic benefits is not probable due to customer-related credit risks the revenue recognized is subject to the amount of payments irrevocably received. Revenue is to be measured at the fair value of the consideration received or receivable net of discounts and rebates and excluding taxes or duty.

The following specific recognition criteria must also be met before revenue is recognized:

Sales from construction contracts: a construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. When the outcome of a construction contract can be estimated reliably, revenues from construction-type projects are generally to be recognized under the percentage-of-completion method, based on the percentage of costs to date compared to the total estimated contract costs, contractual milestones or performance. An expected loss on the construction contract is to be recognized as an expense immediately. When the outcome of a construction contract cannot be estimated reliably (1) revenue is to be recognized only to the extent contract costs incurred are probable of being recoverable, and (2) contract costs are to be recognized as an expense in the period in which they are incurred.

When a contract covers a number of assets, the construction of each asset is to be treated as a separate construction contract when (1) separate proposals have been submitted for each asset, (2) each asset has been subject to separate negotiation and the contractor and the customer have been able to accept or reject that part of the contract relating to each asset, and (3) the costs and revenues of each asset can be identified. A group of contracts, whether with a single customer or with several customers, are to be treated as a single construction contract when (1) the group of contracts is negotiated as a single package, (2) the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin, and (3) the contracts are performed concurrently or in a continuous sequence.

During project execution, variation orders by the customer for a change in the scope of the work to be performed under the contract may be received, leading to an increase or a decrease in contract revenue. Examples of such variations are changes in the specifications or design of the asset and changes in the duration of the contract.

Rendering of services: revenues from service transactions are to be recognized as services are performed. For long-term service contracts, revenues are generally recognized as the services are provided, i.e. under the percentage-of-completion method, otherwise on a straight-line basis over the term of the contract.

Sale of goods: revenue from the sale of goods is to be recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Government grants—Government grants are to be recognized when there is reasonable assurance that the conditions attached to the grants are complied with and the grants will be received. Grants awarded for the purchase or the production of fixed assets (grants related to assets) are to be generally offset against the acquisition or production costs of the respective assets and reduce future depreciations accordingly. Government grants for future expenses are to be recorded as deferred income.

Income taxes—Tax positions related to the SWP legal entities including deferred taxes on consolidation adjustments under respective local tax laws and tax authorities' views can be complex and subject to judgment and different interpretations of tax payers and local tax authorities. Different interpretations of tax laws may result in additional tax payments for prior years and are taken into account based on management's considerations. Under the liability method, deferred tax assets and liabilities are to be recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets are to be recognized if sufficient future taxable profit is available, including income from forecasted operating earnings, the reversal of existing taxable temporary differences and established tax planning opportunities. The recoverability of deferred tax assets has to be evaluated, based on projected future taxable profits. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, it has to be assessed it is probable that the Company will realize the benefits of these deductible differences. As future developments are uncertain and partly beyond SWP's control, assumptions are necessary to estimate future taxable profits as well as the period in which deferred tax assets will recover.

Product-related expenses and losses from onerous contracts—Provisions for estimated costs related to product warranties are to be established on an individual basis. The estimates used reflect historical experience of warranty costs, as well as information regarding product failure experienced during construction, installation or testing of

products. In the case of new products, expert opinions and industry data are also taken into consideration in estimating product warranty provisions. Expected losses from onerous contracts are to be recognized when the current estimate of total contract costs exceeds contract revenue. Non-current provisions have to be discounted to the balance sheet date.

Research and development costs—Costs of research activities are to be expensed as incurred. Costs of development activities are to be capitalized when the recognition criteria in IAS 38 are met. Capitalized development costs are to be stated at cost less accumulated amortization and impairment losses with an amortization period of generally three to ten years.

Goodwill—Goodwill is not to be amortized, but instead tested for impairment annually, as well as whenever there are events or changes in circumstances (triggering events) which suggest that the carrying amount may not be recoverable. Goodwill is to be carried at cost less accumulated impairment losses.

The goodwill impairment test is to be performed at the level of the Siemens Wind Power and Renewables Division.

Other intangible assets—Other intangible assets consist of software and other internally generated intangible assets, patents, licenses and similar rights. Intangible assets with finite useful lives are to be amortized on a straight-line basis over their respective estimated useful lives to their estimated residual values. Estimated useful lives for software, patents, licenses and other similar rights generally range from three to five years, except for intangible assets with finite useful lives acquired in business combinations. Intangible assets acquired in business combinations primarily consist of customer relationships and technology. Intangible assets which are determined to have indefinite useful lives as well as intangible assets not yet available for use are not to be amortized, but instead tested for impairment at least annually.

Property, plant and equipment—Property, plant and equipment is to be valued at cost less accumulated depreciation and impairment losses. The following useful lives are assumed:

Factory and office buildings	20 to 50 years
Other buildings	5 to 10 years
Technical machinery & equipment	5 to 10 years
Furniture & office equipment	generally 5 years
Equipment leased to others	generally 3 to 5 years

Impairment of property, plant and equipment and other intangible assets—Property, plant and equipment and other intangible assets are to be reviewed for impairment at the cash generating unit level whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In addition, intangible assets not yet available for use are to be subject to an annual impairment test. Impairment testing of property, plant and equipment and other intangible assets involves the use of estimates in determining the assets' recoverable amount which can have a material impact on the respective values and ultimately the amount of any impairment. Impairment testing is performed at the level of the cash-generating unit.

Inventories—Inventories are to be valued at the lower of acquisition or production costs and net realizable value, costs being generally determined on the basis of an average or first-in, first-out method. In determining the net realizable value of inventories, write-downs based on expected inventory usefulness or marketability are to be taken into account. The criteria for inventory usefulness or marketability have to cover quantity, technical and price risks.

For additional information relating accounting under the percentage of completion method we refer to Revenue Recognition section above.

Termination benefits—Termination benefits are to be recognized in the period incurred and when the amount is reasonably estimable. Termination benefits have to be provided as a result of an entity's offer made in order to encourage voluntary redundancy before the normal retirement date or from an entity's decision to terminate the employment. Termination benefits in accordance with IAS 19R, Employee Benefits, are to be recognized as a liability when the entity can no longer withdraw the offer of those benefits.

Financial instruments—A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Based on their nature, financial instruments are to be classified as financial assets and financial liabilities measured at cost or amortized cost and financial assets and financial liabilities measured at fair value. Regular way purchases or sales of financial assets are to be accounted for at the trade date. Initially, financial instruments have to be recognized at their fair value. Transaction costs are only to be included in determining the carrying amount, if the financial instruments are not measured at fair value through profit or loss. Subsequently, financial assets and liabilities are to be measured according to the category to which they are assigned - cash and cash equivalents, available-for-sale financial assets, loans and receivables, financial liabilities measured at amortized cost or financial assets and liabilities classified as held for trading.

Loans and receivables—Financial assets classified as loans and receivables are to be measured at amortized cost using the effective interest method less any impairment losses. Impairment losses on trade and other receivables are to be recognized using separate allowance accounts. The allowance for doubtful accounts involves significant management judgment and review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical bad debts on a portfolio basis. For the determination of the country-specific component of the individual allowance, country credit ratings, which are centrally determined based on information from external rating agencies are to be considered. Regarding the determination of the valuation allowance derived from a portfolio-based analysis of historical bad debts, a decline of receivables in volume results in a corresponding reduction of such provisions and vice versa.

Financial liabilities—Financial liabilities, except for derivative financial instruments, are to be measured at amortized cost using the effective interest method.

Derivative financial instruments—Derivative financial instruments, such as foreign currency exchange contracts are to be measured at fair value. Derivative financial instruments are to be classified as held for trading unless they are designated as hedging instruments, for which hedge accounting is applied. Changes in the fair value of derivative financial instruments are recognized periodically either in net income or, in the case of a cash flow hedge, in line item Other comprehensive income (which is not part of the Combined Statement of Financial Position), net of tax (applicable deferred income taxes). Certain derivative instruments embedded in host contracts also are to be accounted for separately as derivatives.

Cash flow hedges—The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges are to be measured at their fair value.

Critical Accounting Estimates

The Combined Statement of Financial Position is prepared to present assets, liabilities of SWP without taking into consideration a possible impact of changes on the organizational structure, tax or legal status following a potential merger of SWP with Gamesa.

The preparation of the Combined Statement of Financial Position requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities. Actual results may differ from management's estimates. Estimates and assumptions are reviewed on an ongoing basis, and changes in estimates and assumptions are recognized in the period in which the changes occur and in future periods impacted by the changes. The estimates in accordance with the basis of preparation at the respective dates are consistent with estimates made for the same date in accordance with the reporting requirements as part of the consolidation group of Siemens Group, unless there is objective evidence that those estimates were in error.

Revenue recognition on construction contracts— Revenue recognition policies influence trade and other receivables, inventories and other liabilities since SWP applies the percentage-of-completion method to its construction contracts. For additional information relating to accounting under the percentage of completion method we refer to Revenue Recognition in the Accounting Policies item above.

SWP conducts a significant portion of their business under construction contracts with customers. Construction projects generally have to be accounted for using the percentage-of-completion method, recognizing revenue as

performance on contract progresses. This method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. Depending on the methodology to determine contract progress, the significant estimates include total contract costs, remaining costs to completion, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments.

Management of SWP continually reviews all estimates involved in such construction contracts, including commercial feasibility, and adjusts them as necessary. Under the percentage-of-completion method, such changes in estimates may lead to an increase or decrease of revenues in the respective reporting period.

Trade and other receivables—The allowance for doubtful accounts involves significant management judgment and review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical bad debts on a portfolio basis. For the determination of the country-specific component of the individual allowance, country credit ratings are to be considered, which are centrally determined based on information from external rating agencies.

Impairment—Whenever property, plant and equipment and other intangible assets are tested for impairment, the determination of the assets' recoverable amount involves the use of estimates by management and can have a material impact on the respective values and ultimately the amount of any impairment.

Provisions—Significant estimates are involved in the determination of provisions related to onerous contracts, warranty costs and legal proceedings. SWP records a provision for onerous sales contracts when current estimates of total contract costs exceed expected contract revenue. Such estimates are subject to change based on new information as projects progress toward completion. Onerous sales contracts are identified by monitoring the progress of the project and updating the estimate of total contract costs which also requires significant judgment relating to achieving certain performance standards as well as estimates involving warranty costs and estimates regarding project delays including the assessment of responsibility splits between the contract partners for these delays.

Provisions related to the turbine business are judgmental due to the risk associated with the failure of turbines. Warranty provisions related to SWP turbines are generally calculated using estimates regarding the number of component failures and their rectifications costs.

SWP is subject to legal proceedings in various jurisdictions. Such proceedings may result in criminal or civil sanctions or penalties against SWP. If it is more likely than not that an obligation of SWP exists and will result in an outflow of resources, a provision is to be recorded if the amount of the obligation can be reliably estimated. Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, management exercises considerable judgment in determining whether there is a present obligation as a result of a past event at the end of the reporting period, whether it is more likely than not that such a proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. SWP periodically reviews the status of these proceedings with both inside and outside counsel. These judgments are subject to change as new information becomes available. The required amount of a provision may change in the future due to new developments in the particular matter. Revisions to estimates may significantly impact future net income. Upon resolution, SWP may incur charges in excess of provisions for such matters. It cannot be excluded that the financial position of SWP will be materially affected by an unfavorable outcome of legal proceedings.

Subsequent events

None.

Appendix 1: List of reporting entities of SWP as of December 31, 2015

ARE	Name	Country
478d	S' Wind Power, Brande	Denmark
7717	Siemens AG - PS WP Hamburg	Germany
7718	Siemens AG - WP Hamburg	Germany
5160	Siemens plc, Frimley	United Kingdom
4413	Siemens Energy, Inc, Wilmington	United States of America
4453	S'Pow GenServCo, Ltd., Wilmington	United States of America
4484	S'Government Tech, Wilmington	United States of America
551N	SEI (US) - Renewables (RBP)	United States of America
5580	Siemens Corp - Wilmington, DE	United States of America
518N	SCL - EWP Factory, Oakville	Canada
5545	S'Canada, Oakville (RG KAN)	Canada
5500	Siemens Buenos Aires	Argentina
5220	Siemens AG Österreich, Wien	Austria
5695	Siemens Ltd., Bayswater, AUS	Australia
5101	Siemens S.A. Brüssel (RG BEL)	Belgium
5510	Siemens São Paulo	Brazil
5461	Siemens Santiago de Chile	Chile
425N	S' Wind Power Blades SH - SWPB	China (People's Republic)
5547	Siemens Ltd., Beijing - SLC	China (People's Republic)
5975	Siemens, s.r.o., Prag	Czech Republic
5402	Siemens S.A.E., Kairo	Egypt
5290	Siemens, Madrid (RG SPA)	Spain
5130	S' OY, Espoo	Finland
5140	S'S.A.S., Saint-Denis (RG FKR)	France
5150	Siemens, Athen (RG GR)	Greece
5286	Siemens d.d., Zagreb	Croatia
5304	Siemens Zrt., Budapest	Hungary
5170	S' Ltd., Dublin	Ireland
5655	Siemens Ltd., Mumbai	India
5665	Siemens Teheran	Islamic Republic of Iran
5180	Siemens, Mailand (RG ITL)	Italy
462S	Siemens K.K., Tokio	Japan
5682	Siemens Ltd., Seoul	South Korea
4717	Siemens SA, Casablanca	Morocco
5567	Siemens, SA de CV, Mexiko DF	Mexico
5201	Siemens NV, Den Haag	Netherlands

ARE	Name	Country
5210	S' AS, Oslo	Norway
5930	Siemens (N.Z.) Ltd, Auckland	New Zealand
4446	Siemens Lima	Peru
5351	Siemens Manila	Philippines
5675	S' Pakistan Co. Ltd., Karachi	Pakistan
5985	Siemens Sp. z o.o., Warschau	Poland
5706	Siemens s.r.l., Bukarest	Romania
5355	OOO Siemens, Moskau	Russian Federation
5251	S' AB, Upplands Väsby	Sweden
5730	Siemens Pte Ltd, Singapur	Singapore
5539	Siemens Limited, Bangkok - SLT	Thailand
5300	S' Sanayi ve Ticaret, Istanbul	Turkey
5683	Siemens Ltd., Taipeh	Taiwan, Province of China
500E	Siemens Ltd., Ho Chi Minh City	Viet Nam
4787	Siemens Israel Ltd., Rosh Ha'ayin	Israel
5430	Siemens Proprietary Limited, Midrand	South Africa



Engagement Terms, Liability and Conditions of Use

We, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, conducted our audit of this financial information on behalf of the Company. In addition to the inclusion of the Combined Financial Information in the information documents to be posted to the Gamesa Corporación Tecnológica, S.A. ("Gamesa") website in accordance with Article 39 of the Spanish Structural Changes Act, the audit opinion is addressed exclusively to the Company and is intended to serve as a decision-making basis for the Company only.

Our work is based on our engagement agreement for the audit of this financial reporting including the General Engagement Terms for "Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften" [German Public Auditors and Public Audit Firms] as issued by the Institute of Public Auditors in Germany ["Institut der Wirtschaftsprüfer": IDW] on 1 January 2002.

To clarify, we point out that we assume no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

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

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

[Translator's notes are in square brackets]

General Engagement Terms

for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of January 1, 2002

This is an English translation of the German text, which is the sole authoritative version

1. Scope

(1) These engagement terms are applicable to contracts between Wirtschaftsprüfer [German Public Auditors] or Wirtschaftsprüfungsgesellschaften [German Public Audit Firms] (hereinafter collectively referred to as the "Wirtschaftsprüfer") and their clients for audits, consulting and other engagements to the extent that something else has not been expressly agreed to in writing or is not compulsory due to legal requirements.

(2) If, in an individual case, as an exception contractual relations have also been established between the Wirtschaftsprüfer and persons other than the client, the provisions of No. 9 below also apply to such third parties.

2. Scope and performance of the engagement

(1) Subject of the Wirtschaftsprüfer's engagement is the performance of agreed services - not a particular economic result. The engagement is performed in accordance with the Grundsätze ordnungsmäßiger Berufsausübung [Standards of Proper Professional Conduct]. The Wirtschaftsprüfer is entitled to use qualified persons to conduct the engagement.

(2) The application of foreign law requires - except for financial attestation engagements - an express written agreement.

(3) The engagement does not extend - to the extent it is not directed thereto - to an examination of the issue of whether the requirements of tax law or special regulations, such as, for example, laws on price controls, laws limiting competition and Bewirtschaftungsrecht [laws controlling certain aspects of specific business operations] were observed; the same applies to the determination as to whether subsidies, allowances or other benefits may be claimed. The performance of an engagement encompasses auditing procedures aimed at the detection of the defalcation of books and records and other irregularities only if during the conduct of audits grounds therefor arise or if this has been expressly agreed to in writing.

(4) If the legal position changes subsequent to the issuance of the final professional statement, the Wirtschaftsprüfer is not obliged to inform the client of changes or any consequences resulting therefrom.

3. The client's duty to inform

(1) The client must ensure that the Wirtschaftsprüfer - even without his special request - is provided, on a timely basis, with all supporting documents and records required for and is informed of all events and circumstances which may be significant to the performance of the engagement. This also applies to those supporting documents and records, events and circumstances which first become known during the Wirtschaftsprüfer's work.

(2) Upon the Wirtschaftsprüfer's request, the client must confirm in a written statement drafted by the Wirtschaftsprüfer that the supporting documents and records and the information and explanations provided are complete.

4. Ensuring independence

The client guarantees to refrain from everything which may endanger the independence of the Wirtschaftsprüfer's staff. This particularly applies to offers of employment and offers to undertake engagements on one's own account.

5. Reporting and verbal information

If the Wirtschaftsprüfer is required to present the results of his work in writing, only that written presentation is authoritative. For audit engagements the long-form report should be submitted in writing to the extent that nothing else has been agreed to. Verbal statements and information provided by the Wirtschaftsprüfer's staff beyond the engagement agreed to are never binding.

6. Protection of the Wirtschaftsprüfer's intellectual property

The client guarantees that expert opinions, organizational charts, drafts, sketches, schedules and calculations - especially quantity and cost computations - prepared by the Wirtschaftsprüfer within the scope of the engagement will be used only for his own purposes.

7. Transmission of the Wirtschaftsprüfer's professional statement

(1) The transmission of a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) to a third party requires the Wirtschaftsprüfer's written consent to the extent that the permission to transmit to a certain third party does not result from the engagement terms.

The Wirtschaftsprüfer is liable (within the limits of No. 9) towards third parties only if the prerequisites of the first sentence are given.

(2) The use of the Wirtschaftsprüfer's professional statements for promotional purposes is not permitted; an infringement entitles the Wirtschaftsprüfer to immediately cancel all engagements not yet conducted for the client.

8. Correction of deficiencies

(1) Where there are deficiencies, the client is entitled to subsequent fulfillment [of the contract]. The client may demand a reduction in fees or the cancellation of the contract only for the failure to subsequently fulfill [the contract]; if the engagement was awarded by a person carrying on a commercial business as part of that commercial business, a government-owned legal person under public law or a special government-owned fund under public law, the client may demand the cancellation of the contract only if the services rendered are of no interest to him due to the failure to subsequently fulfill [the contract]. No. 9 applies to the extent that claims for damages exist beyond this.

(2) The client must assert his claim for the correction of deficiencies in writing without delay. Claims pursuant to the first paragraph not arising from an intentional tort cease to be enforceable one year after the commencement of the statutory time limit for enforcement.

(3) Obvious deficiencies, such as typing and arithmetical errors and formelle Mängel [deficiencies associated with technicalities] contained in a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) may be corrected - and also be applicable versus third parties - by the Wirtschaftsprüfer at any time. Errors which may call into question the conclusions contained in the Wirtschaftsprüfer's professional statements entitle the Wirtschaftsprüfer to withdraw - also versus third parties - such statements. In the cases noted the Wirtschaftsprüfer should first hear the client, if possible.

9. Liability

(1) *The liability limitation of § ["Article"] 323 (2) ["paragraph 2"] HGB ["Handelsgesetzbuch": German Commercial Code] applies to statutory audits required by law.*

(2) *Liability for negligence; An individual case of damages*
If neither No. 1 is applicable nor a regulation exists in an individual case, pursuant to § 54a (1) no. 2 WPO ["Wirtschaftsprüferordnung": Law regulating the Profession of Wirtschaftsprüfer] the liability of the Wirtschaftsprüfer for claims of compensatory damages of any kind - except for damages resulting from injury to life, body or health - for an individual case of damages resulting from negligence is limited to € 4 million; this also applies if liability to a person other than the client should be established. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty without taking into account whether the damages occurred in one year or in a number of successive years. In this case multiple acts or omissions of acts based on a similar source of error or on a source of error of an equivalent nature are deemed to be a uniform breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the Wirtschaftsprüfer is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(3) Preclusive deadlines

A compensatory damages claim may only be lodged within a preclusive deadline of one year of the rightful claimant having become aware of the damage and of the event giving rise to the claim - at the very latest, however, within 5 years subsequent to the event giving rise to the claim. The claim expires if legal action is not taken within a six month deadline subsequent to the written refusal of acceptance of the indemnity and the client was informed of this consequence.

The right to assert the bar of the preclusive deadline remains unaffected. Sentences 1 to 3 also apply to legally required audits with statutory liability limits.

10. Supplementary provisions for audit engagements

(1) A subsequent amendment or abridgement of the financial statements or management report audited by a Wirtschaftsprüfer and accompanied by an auditor's report requires the written consent of the Wirtschaftsprüfer even if these documents are not published. If the Wirtschaftsprüfer has not issued an auditor's report, a reference to the audit conducted by the Wirtschaftsprüfer in the management report or elsewhere specified for the general public is permitted only with the Wirtschaftsprüfer's written consent and using the wording authorized by him.

(2) If the Wirtschaftsprüfer revokes the auditor's report, it may no longer be used. If the client has already made use of the auditor's report, he must announce its revocation upon the Wirtschaftsprüfer's request.

(3) The client has a right to 5 copies of the long-form report. Additional copies will be charged for separately.

11. Supplementary provisions for assistance with tax matters

(1) When advising on an individual tax issue as well as when furnishing continuous tax advice, the Wirtschaftsprüfer is entitled to assume that the facts provided by the client - especially numerical disclosures - are correct and complete; this also applies to bookkeeping engagements. Nevertheless, he is obliged to inform the client of any errors he has discovered.

(2) The tax consulting engagement does not encompass procedures required to meet deadlines, unless the Wirtschaftsprüfer has explicitly accepted the engagement for this. In this event the client must provide the Wirtschaftsprüfer, on a timely basis, all supporting documents and records - especially tax assessments - material to meeting the deadlines, so that the Wirtschaftsprüfer has an appropriate time period available to work therewith.

(3) In the absence of other written agreements, continuous tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporation tax and business tax, as well as net worth tax returns on the basis of the annual financial statements and other schedules and evidence required for tax purposes to be submitted by the client
- b) examination of tax assessments in relation to the taxes mentioned in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) participation in tax audits and evaluation of the results of tax audits with respect to the taxes mentioned in (a)
- e) participation in Einspruchs- und Beschwerdeverfahren [appeals and complaint procedures] with respect to the taxes mentioned in (a).

In the afore-mentioned work the Wirtschaftsprüfer takes material published legal decisions and administrative interpretations into account.

(4) If the Wirtschaftsprüfer receives a fixed fee for continuous tax advice, in the absence of other written agreements the work mentioned under paragraph 3 (d) and (e) will be charged separately.

(5) Services with respect to special individual issues for income tax, corporate tax, business tax, valuation procedures for property and net worth taxation, and net worth tax as well as all issues in relation to sales tax, wages tax, other taxes and dues require a special engagement. This also applies to:

- a) the treatment of nonrecurring tax matters, e. g. in the field of estate tax, capital transactions tax, real estate acquisition tax
- b) participation and representation in proceedings before tax and administrative courts and in criminal proceedings with respect to taxes, and
- c) the granting of advice and work with respect to expert opinions in connection with conversions of legal form, mergers, capital increases and reductions, financial reorganizations, admission and retirement of partners or shareholders, sale of a business, liquidations and the like.

(6) To the extent that the annual sales tax return is accepted as additional work, this does not include the review of any special accounting prerequisites nor of the issue as to whether all potential legal sales tax reductions have been claimed. No guarantee is assumed for the completeness of the supporting documents and records to validate the deduction of the input tax credit.

12. Confidentiality towards third parties and data security

(1) Pursuant to the law the Wirtschaftsprüfer is obliged to treat all facts that he comes to know in connection with his work as confidential, irrespective of whether these concern the client himself or his business associations, unless the client releases him from this obligation.

(2) The Wirtschaftsprüfer may only release long-form reports, expert opinions and other written statements on the results of his work to third parties with the consent of his client.

(3) The Wirtschaftsprüfer is entitled - within the purposes stipulated by the client - to process personal data entrusted to him or allow them to be processed by third parties.

13. Default of acceptance and lack of cooperation on the part of the client

If the client defaults in accepting the services offered by the Wirtschaftsprüfer or if the client does not provide the assistance incumbent on him pursuant to No. 3 or otherwise, the Wirtschaftsprüfer is entitled to cancel the contract immediately. The Wirtschaftsprüfer's right to compensation for additional expenses as well as for damages caused by the default or the lack of assistance is not affected, even if the Wirtschaftsprüfer does not exercise his right to cancel.

14. Remuneration

(1) In addition to his claims for fees or remuneration, the Wirtschaftsprüfer is entitled to reimbursement of his outlays: sales tax will be billed separately. He may claim appropriate advances for remuneration and reimbursement of outlays and make the rendering of his services dependent upon the complete satisfaction of his claims. Multiple clients awarding engagements are jointly and severally liable.

(2) Any set off against the Wirtschaftsprüfer's claims for remuneration and reimbursement of outlays is permitted only for undisputed claims or claims determined to be legally valid.

15. Retention and return of supporting documentation and records

(1) The Wirtschaftsprüfer retains, for ten years, the supporting documents and records in connection with the completion of the engagement - that had been provided to him and that he has prepared himself - as well as the correspondence with respect to the engagement.

(2) After the settlement of his claims arising from the engagement, the Wirtschaftsprüfer, upon the request of the client, must return all supporting documents and records obtained from him or for him by reason of his work on the engagement. This does not, however, apply to correspondence exchanged between the Wirtschaftsprüfer and his client and to any documents of which the client already has the original or a copy. The Wirtschaftsprüfer may prepare and retain copies or photocopies of supporting documents and records which he returns to the client.

16. Applicable law

Only German law applies to the engagement, its conduct and any claims arising therefrom.