Electrium (2003) Limited

Directors' report and financial statements

Registered number 3335339

September 30, 2008

Electrium (2003) Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2008

CONTENTS **PAGES**

Electrium (2003) Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2008

The directors present their report and the audited financial statements of the company for the year ended September 30, 2008.

Principal activities

Electrium (2003) Limited operates as a holding company to its subsidiary undertakings.

Business review

General business overview – Income statement and balance sheet

The company's loss after tax for the year was £1,148,000 *(2007: loss of £1,306,000).*

The balance sheet showed an overall reduction in total assets of £1,148,000.

The directors do not recommend payment of a dividend *(2007: £nil).*

The directors expect the company to continue operating as a holding company to its subsidiary undertakings.

Directors

During the year ended September 30, 2008 the following were directors of the company:

C J Thomas	
G W Schneider	
J Maier	
U K Kiehle	(resigned June 19, 2008)
S D Mathur	(resigned July 1, 2008)
A J Wood	(resigned October 1, 2007)
T A White	(appointed October 1, 2007, resigned March 31, 2008)
H Bernhard	(appointed June 30, 2008)
A J Goss	(appointed June 30, 2008)
L M Shimwell	(appointed July 1, 2008)
B J Glew	(appointed September 24, 2008)

None of the directors holding office at September 30, 2008 had notified a beneficial interest in any contract to which the company or its subsidiary undertakings were a party during the financial year.

Subsequent events

There were no significant reportable post balance sheet events.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all steps that ought to have been taken as director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

KPMG Audit Plc have notified the directors that they will not be seeking re-appointment. A shareholder resolution for the appointment of Ernst & Young LLP as auditor of the company is to be proposed.

Signed by order of the board of directors.

GT Gent
Company Secretary

Approved by the directors on December 16, 2008.

Registered office:
Faraday House
Sir William Siemens Square
Frimley
Camberley
Surrey
GU16 8QD

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2008

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable laws.

The financial statements are required by law to present fairly the financial position and the performance of the company; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs, as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL
United Kingdom

Report of the independent auditors to the members of Electrium (2003) Limited

We have audited the financial statements of Electrium (2003) Limited for the year ended September 30, 2008 which comprise the Statement of Income, the Balance Sheet, the Statement of Cash flow and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU are set out in the Statement of Directors Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the independent auditors to the members of Electrium (2003) Limited
(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at September 30, 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

March 4, 2009

Electrium (2003) Limited

STATEMENT OF INCOME
For the years ended September 30, 2008 and 2007 (in thousands of £)

	Note	**2008**	2007
Continuing operations			
Tax	*5*	**(1,148)**	(1,306)
Loss for the financial year	*10*	**(1,148)**	(1,306)

The company has no recognised gains or losses other than the loss for the period.

Electrium (2003) Limited

BALANCE SHEET
as at September 30, 2008 and 2007 (in thousands of £)

ASSETS	*Notes*	2008	2007
Current assets			
Trade and other receivables	*6*	**166,840**	166,840
Total current assets		**166,840**	166,840
Non-current assets			
Investments	*7*	**38,199**	38,199
Deferred tax assets	*5*	**-**	1,148
Total assets		**205,039**	206,187
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables and other current liabilities	*8*	**106,701**	106,701
Total liabilities		**106,701**	106,701
Equity			
Share capital	*9*	**1,882**	1,882
Share premium	*10*	**104,620**	104,620
Capital redemption reserve	*10*	**1,740**	1,740
Retained earnings	*10*	**(9,904)**	(8,756)
Total equity	*10*	**98,338**	99,486
Total liabilities and equity		**205,039**	206,187

These financial statements were approved by the board of directors on December 16, 2008 and were signed on their behalf by:

LM Shimwell
Director

Electrium (2003) Limited

STATEMENT OF CASH FLOW
For the years ended September 30, 2008 and 2007 (in thousands of £)

	2008	2007
Cash flows from operating activities		
Loss for the year	**(1,148)**	(1,306)
Adjustments to reconcile loss to cash provided:		
Taxes	**1,148**	1,306
Operating loss before changes in working capital and provisions	-	-
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	-	-

Siemens operates a cash pooling facility across its worldwide group. Cash balances generated by entities are passed to Siemens AG and companies are able to draw down on these facilities if required. Therefore apart from any accounts held with local banks, amounts invested with/drawn down from the Siemens AG accounts are shown as an inter-company balance. Changes in the balances on these facilities are included in cash (used in)/ provided by financing activities.

NOTES TO THE FINANCIAL STATEMENTS
For the years ended September 30, 2008 and 2007 (in thousands of £)

1. Basis of presentation

The accompanying financial statements present the operations of Electrium (2003) Limited (the 'company') and have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ('Adopted IFRS'). These are the company's first financial statements under IFRS. The effects of the adoption of IFRS on the financial position, results of operations and cash flows of the company as presented herein are described below.

Electrium (2003) Limited has prepared and reported its financial statements in Great British Pounds (GBP) (£) and the financial information is disclosed in thousands of £. Electrium (2003) Limited is a United Kingdom based corporation and operates as a holding company for its subsidiary undertakings.

The company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

The company applied all standards and interpretations issued by the IASB that were effective as of September 30, 2008. In these financial statements, the term 'group' refers to all companies for whom the ultimate parent undertaking is Siemens AG, a company incorporated in Germany. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing the opening IFRS balance sheet at October 1, 2006 for the purposes of the transition to Adopted IFRS.

Transition to Adopted IFRS

The company applied IFRS 1, *First-time Adoption of International Financial Reporting Standards* in making the transition to IFRS with October 1, 2006 as the date of transition to IFRS. An explanation of how the transition to Adopted IFRS has affected the reported financial position, financial performance and cash flows of the company is provided below. IFRS 1 requires that all IFRS standards and interpretations that are effective for the first IFRS financial statements for the year ended September 30, 2008, be applied consistently and retrospectively for all years presented. However, this standard provides exemptions and exceptions to this general requirement in specific cases. The company applied the following exemptions:

Changes in presentation of the financial statements

The presentation of the financial statements has been modified to comply with the requirements of IAS 1, *Presentation of Financial Statements*. Certain balances reported under UK GAAP in 2007 have been reclassified to present information consistently with Siemens AG reporting in accordance with IFRS for the years ending 2008 and 2007.

Reconciliation of equity and net income from UK GAAP to IFRS

There are no differences between UK GAAP and IFRS on equity as of September 30, 2007 or in the opening balance sheet as of October 1, 2006 and on the income statement for the year ended September 30, 2007.

2. Summary of significant accounting policies

Investments – Investments are stated at their historic cost to the company less, where appropriate, provisions for any permanent or temporary diminution in value.

Taxes – Tax comprises current and deferred tax. Tax is recognised in the Statement of Income except to the extent it relates to items recognised directly in Equity, in which case it is recognised in Equity. Current tax is the expected tax payable on the income for the year, using the rates enacted or substantially enacted at the balance sheet date, and any adjustments to the tax payable in respect of previous years.

The company applies IAS 12, *Income Taxes*. Under the asset and liability method of IAS 12, deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax laws is recognised in the income statement, unless related to items directly recognised in equity, in the period the new laws are substantially enacted. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
For the years ended September 30, 2008 and 2007 (in thousands of £)

2. Summary of significant accounting policies *(continued)*

Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Cash and cash equivalents – The company considers all highly liquid investments with less than three months maturity from the date of acquisition to be cash equivalents. Cash and cash equivalents are measured at cost. The company is part of a cash pooling arrangement across the worldwide Siemens group. Balances within this facility are classified as receivables or payables with group companies.

New standards and interpretations not yet adopted – A number of new standards, amendments to standards and interpretations are not yet effective for the year ended September 30, 2008, and have not been applied in preparing these financial statements.

3. Other income and expenses

The audit fees for the current and preceding period were borne by a subsidiary company.

4. Staff numbers and Directors' Emoluments

The average number of employees in the year was 6 *(2007: 5)* which comprised only of the company's directors. In both periods the directors were paid by fellow group companies and their emoluments are disclosed in the accounts of these companies.

5. Taxes

The total tax expense for the prior year includes amounts in respect of continuing operations as set out in the income statement. The analysis below is in reference to the total tax charge included in the income statement.

	September 30,	
	2008	2007
Deferred Tax:		
Origination and reversal of timing differences current year	**1,148**	1,063
Origination and reversal of timing differences prior year	-	161
Deferred tax rate change adjustment	-	82
Tax expense	**1,148**	1,306

Of the deferred tax expense in 2008 and 2007, £1,148,000 and £1,306,000, respectively, relate to the origination and reversal of temporary differences.

For the years ended September 30, 2008 and 2007 (in thousands of £)

5. Taxes *(continued)*

For year ended September 30, 2008 the company was subject to UK corporation tax at a base rate of 30% during the 6 months to 1 April 2008 and 28% during the 6 months to September 30, 2008 (year ended September 30, 2007 – 30%). Tax expense differs from the amounts computed by applying statutory UK tax rates (year ended September 30, 2008 – an average rate of 29% and year ended September 30, 2007 a rate of 30%) for the following reasons:

	September 30, 2008	September 30, 2007
Profit before Tax	-	-
Tax at 29%/30%	-	-
Increase in income taxes resulting from:		
Imputed interest	1,070	1,063
Under provided in prior years – deferred tax	-	161
Deferred tax rate change adjustment (see below)	-	82
Current tax impact of rate change	(37)	-
Unprovided tax losses	115	-
Total tax charge	1,148	1,306

The current tax rate change arose as a result of losses being utilised at a rate of 29% during the current year; which had been recognised in the prior year as a deferred tax asset at 28%.

Deferred income tax assets and liabilities on a gross basis are summarised as follows:

	September 30, 2008	September 30, 2007
Assets:		
Tax loss and credit carry forwards	-	1,148
Deferred tax assets	-	1,148
Liabilities:		
Deferred tax liabilities	-	-
Total deferred tax assets, net	-	1,148

Management considers to what extent it is probable that the deferred tax asset will be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible.

As of September 30, 2008 the company had £115,000 *(2007: £nil)* of unrecognised tax losses.

6. Trade and other receivables

	September 30, 2008	September 30, 2007
Receivables from group companies	**166,840**	166,840

NOTES TO THE FINANCIAL STATEMENTS
For the years ended September 30, 2008 and 2007 (in thousands of £)

7. Investments

	Shares in subsidiary undertakings
Cost	
At October 1, 2007 and September 30, 2008	**38,199**
At October 1, 2006 and September 30, 2007	38,199
Provisions	
At October 1, 2007 and September 30, 2008	-
At October 1, 2006 and September 30, 2007	-
Net book value	
At September 30, 2006 and October 1, 2006	38,199
At September 30, 2007 and October 1, 2007	38,199
At September 30, 2008	**38,199**

The companies set out below are the immediate subsidiary undertaking as at September 30, 2008 and 2007. Shareholdings are in voting equity capital and the voting equity capital is wholly owned and registered in England and Wales.

	Proportion of ordinary equity and voting rights held	Nature of business
Directly held:		
Electrium (UK) Limited	100%	Holding company
Marbo Holdings Limited	100%	Dormant

8. Trade payables and other current liabilities

	September 30, 2008	September 30, 2007
Amounts due to group companies	**105,889**	105,889
5% redeemable preference shares	**812**	812
	106,701	106,701

The 5% cumulative preference shares of £1 each entitle the holder to receive a cumulative preference dividend at the rate of 5% on the paid up capital and the right to return of capital at either a winding up or a repayment of capital.

The preference shares are classed as non-equity share capital as they are redeemable shares entitling the holders to participate in the profits or assets of Electrium (2003) Limited.

All dividends for the current year and prior years have been waived.

Electrium (2003) Limited

NOTES TO THE FINANCIAL STATEMENTS
For the years ended September 30, 2008 and 2007 (in thousands of £)

9. Share Capital

Authorised Share Capital

	September 30, 2008 £	2007 £
300,000 Ordinary shares of £1 each	**300,000**	300,000
1,700,000 Ordinary A-shares of £1 each	**1,700,000**	1,700,000
	2,000,000	2,000,000

Allotted, called up and fully paid:

	September 30, 2008 Number	£	September 30, 2007 Number	£
222,000 Ordinary shares of £1 each	**222,000**	**222,000**	222,000	222,000
1,660,000 Ordinary A-shares of £1 each	**1,660,000**	**1,660,000**	1,660,000	1,660,000
	1,882,000	**1,882,000**	1,882,000	1,882,000

10. Reconciliation of Shareholders' Funds and movement on Reserves

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Total shareholders' funds
Balance brought forward October 1, 2007	1,882	104,620	1,740	(8,756)	99,486
Loss for the financial year	-	-	-	(1,148)	(1,148)
Balance at September 30, 2008	**1,882**	**104,620**	**1,740**	**(9,904)**	**98,338**

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Total shareholders' funds
Balance brought forward October 1, 2006	1,882	104,620	1,740	(7,450)	100,792
Loss for the financial year	-	-	-	(1,306)	(1,306)
Balance at September 30, 2007	**1,882**	**104,620**	**1,740**	**(8,756)**	**99,486**

NOTES TO THE FINANCIAL STATEMENTS
For the years ended September 30, 2008 and 2007 (in thousands of £)

11. Additional disclosures on financial instruments

This section gives a comprehensive overview of the significance of financial instruments for the company and provides additional information on balance sheet items that contain financial instruments.

The following table presents the carrying amounts of each category of financial assets and liabilities:

	September 30, 2008	2007
Financial assets		
Loans and receivables	**166,840**	166,840
	166,840	166,840
Financial liabilities		
Financial liabilities	**106,701**	106,701
	106,701	106,701

The fair values of current receivables and financial liabilities approximate their carrying amount largely due to the short-term maturities of these instruments.

The following is a summary of the company's risk management strategies and the effect of these strategies on the financial statements.

Credit risk

Concerning receivables, there were no indications as of September 30, 2008 and 2007 that defaults in payment obligations will occur.

Equity Price risk

The Company does not hold investments in publicly traded companies. No equity price risk is therefore foreseen for our company.

The company does not borrow or invest in foreign currencies on a speculative basis.

Liquidity risk

Liquidity risk results from the Company's potential inability to meet its financial liabilities, e.g. settlement of its financial debt. Beyond effective net working capital and cash management, the company mitigates liquidity risk by arranged borrowing facilities with other Siemens Companies.

The following table reflects all contractually fixed pay-offs for settlement, repayments and interest resulting from recognised financial liabilities for 2008:

	2009	2010	2011-2013	2013 and thereafter
Non derivative financial liabilities				
Other Financial Liabilities	106,701	-	-	-

Cash outflows for financial liabilities without fixed amount or timing, including interest, are based on the conditions existing at September 30, 2008.

To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, Siemens has established a comprehensive risk reporting covering its worldwide business units.

The following table reflects all contractually fixed pay-offs for settlement, repayments and interest resulting from recognised financial liabilities for 2007:

	2008	2009	2010-2012	2012 and thereafter
Non derivative financial liabilities				
Other Financial Liabilities	106,701	-	-	-

For the years ended September 30, 2008 and 2007 (in thousands of £)

11. Additional disclosures on financial instruments *(continued)*

The following table reflects the calculation of the company's net liquidity:

	September 30, 2008	2007
Receivables from group companies	**166,840**	166,840
Total Liquidity	**166,840**	166,840
Amounts due to group companies	**106,701**	106,701
Total Debt	**106,701**	106,701
Net Liquidity	**60,139**	60,139

12. Related party transactions

During the year, the company did not enter into transactions with related parties.

Year end balances arising from past transactions with related parties were as follows:

	Amounts owed by related parties		Amounts owed to related parties	
	2008	2007	**2008**	2007
Other Siemens group companies	**166,840**	166,840	**105,889**	105,889

Year end balances arising from sales/purchases of goods and services amounted to £nil *(2007: £nil).*

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

13. Directors transactions

No transactions occurred in 2007 or 2008 which require disclosure under the requirements of Schedule 6 of the Companies Act and IAS 24 with the directors (or other key management personnel).

14. Subsequent events

There were no significant reportable post balance sheet events

15. Ultimate parent undertaking

The ultimate parent undertaking is Siemens AG, incorporated in Germany. Siemens AG is the only group undertaking of which the Company is a member for which group accounts are prepared. Copies of the group accounts are available on the internet at www.siemens.com/annualreport or from:

Siemens AG
Wittelsbacherplatz 2
D-80333 Munich
Germany

The immediate parent undertaking is Electrium Limited, a company incorporated in the United Kingdom.