SIEMENS

December 28, 1992

U.S. Nuclear Regulatory Commis.
Washington, D.C. 20555

Attn: John W. N. Hickey, Chief
Fuel Cycle Safety Branch
Division of Industrial and
Medical Nuclear Safety
Office of Nuclear Material Safety and
Safeguards

Re: Docket No. 70-1257
License No. SNM-1227
Decommissioning Funding Plan

Gentlemen:

In accordance with our letter to you dated December 14, 1992, and in compliance with applicable regulations, Siemens Power Corporation herewith submits an annual update to the Financial Assurance Instruments of its Decommissioning Funding Plan. Also included is a copy of the latest consolidated financial statements for Siemens Corporation.

Very truly yours,

Loren Maas

Loren J. Maas, Manager
Regulatory Compliance

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Siemens Power Corporation

Nuclear Division - Engineering and Manufacturing Facility

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Price Waterhouse

15. Other Long-Term Liabilities

Other long-term liabilities consist of the following:

	September 30, 1992	September 30, 1991
	($ in thousands)	
Accrued pension costs	$ 81,855	$ 58,976
Accrued postretirement benefit costs	292,997	256,664
Supplemental executive retirement plan	12,906	11,843
Other	43,325	39,298
	$ 431,083	$ 366,781

16. Income Taxes

The income tax provision consists of the following:

	September 30, 1992	September 30, 1991
	($ in thousands)	
Federal	$ 38,102	$ 35,800
State and local	15,500	18,100
Foreign	1,800	470
	55,402	54,370
Benefits of operating loss carryforwards	(34,600)	(32,100)
Total provision for income taxes	$ 20,802	$ 22,270

The federal current tax expense was reduced in 1992 and 1991 by $34.6 million and $32.1 million, respectively, reflecting the use of tax operating loss carryforwards. The Company does not recognize tax benefits for losses which can only be carried forward. At September 30, 1992, the Company had unused loss carryforwards of $195 million and $1,408 million for tax and financial reporting purposes, respectively. The Company's tax operating loss carryforward expires in 2005.

The Internal Revenue Service has completed its examination of the Company's income tax returns through September 30, 1985. Adjustments have been proposed dealing primarily with transactions between the Company and its parent. These proposed adjustments would not affect the consolidated financial position of the Company as reported but may significantly reduce the tax net operating loss carryforward. Management is vigorously contesting the proposed adjustments and believes the Company will prevail in its efforts.

The Company has unused investment tax credits of $13.5 million at the end of 1992 which may be carried forward and expire in years 1993 through 2001. These amounts represent the investment tax credits available to be carried forward after giving effect to the 35% post-1986 reduction imposed by the Tax Reform Act of 1986.

In 1992 and 1991, the effective income tax rate differs from the federal statutory rate due to the inability to carry back the respective year's losses and foreign, state and local income taxes.

Total taxes paid were $22 million and $21 million in 1992 and 1991, respectively.

In February 1992, the Financial Accounting Standards Board released Standard No. 109, "Accounting for Income Taxes." The impact of this standard on the Company's results of operations and financial position is not expected to be material.

17. Employee Benefit Plans

The Company has noncontributory defined benefit pension plans covering most of its employees, as well as certain employees of affiliated companies. The benefits for these plans are based primarily on years of service and employees' compensation. Annual contributions to the plans are determined by an independent actuary and are at least equal to the minimum required by law and reflect estimates of long-term funding requirements to maintain these plans.

The actuarial computations of 1992 and 1991 net periodic pension cost assumed discount rates of 8.0% to 8.25% and 8.0% to 8.5%, respectively, expected rates of return on plan assets of 8.0% to 8.5% and annual salary increases ranging from 3.0% to 8.0% and 3.8% to 8.0%, respectively. The actuarially computed net periodic pension cost for 1992 and 1991 included the following components:

	Year Ended September 30, 1992 ($ in thousands)	1991
Current service cost	$ 53,557	$ 45,377
Interest cost on projected benefit obligations	44,477	34,204
Actual return on plan assets	(60,823)	(58,833)
Net amortization and deferral	13,807	22,703
Subtotal	51,018	43,451
Amounts allocated to affiliated companies	(9,469)	(9,302)
Net periodic pension cost	$ 41,549	$ 34,149

The following tables set forth the funded status of the plans and the amounts recorded in the Company's consolidated balance sheets at September 30, 1992 and 1991:

	September 30, 1992 Overfunded Plans	Underfunded Plans
	($ in thousands)	
Actuarial present value of accumulated benefit obligations		
Vested	$ 424,045	$ 39,614
Nonvested	18,501	689
Total accumulated benefit obligations	$ 442,546	$ 40,303
Projected benefit obligations	$ 676,080	$ 40,898
Plan net assets at fair value	646,108	36,836
Plan net assets under projected benefit obligations	29,972	4,062
Unrecognized prior service costs	2,181	452
Unrecognized net gains (losses)	29,546	(3,354)
Unrecognized net transition asset (liability)	52,369	(13,506)
Additional minimum liability	-	15,622
Subtotal	114,068	3,276
Amounts allocated to affiliated companies	(31,355)	-
Net accrued pension cost	$ 82,713	$ 3,276

	September 30, 1991 Overfunded Plans	Underfunded Plans
	($ in thousands)	
Actuarial present value of accumulated benefit obligations		
Vested	$ 292,137	$ 37,103
Nonvested	16,859	235
Total accumulated benefit obligations	$ 308,996	$ 37,338
Projected benefit obligations	$ 456,260	$ 37,338
Plan net assets at fair value	444,743	32,456
Plan net assets under projected benefit obligations	11,517	4,882
Unrecognized prior service costs	5,184	-
Unrecognized net gains (losses)	15,283	(2,123)
Unrecognized net transition asset (liability)	44,826	(14,523)
Additional minimum liability	-	16,646
Subtotal	76,810	4,882
Amounts allocated to affiliated companies	(20,153)	-
Net accrued pension cost	$ 56,657	$ 4,882

Contributions to the Company's separate defined contribution plans are made in accordance with matching programs based upon certain contributions by participating employees. The Company's contributions amounted to $28 million and $25 million in 1992 and in 1991, respectively.

18. Postretirement Benefits Other Than Pensions

The Company sponsors 14 postretirement benefit plans which cover substantially all of the Company's management and hourly employees (and in some cases spouses) who satisfy certain minimum age and service requirements while working for the Company. The plans provide either defined medical, dental and life insurance benefits or a defined company contribution toward the cost of such benefits. The postretirement healthcare plans are contributory, with retiree and Company contributions adjusted annually at the Company's discretion; the life insurance plans are noncontributory.

Effective October 1, 1990, the Company adopted the accounting requirements of Statement of Financial Accounting Standards No. 106 ("SFAS 106") "Employers Accounting for Postretirement Benefits other than Pensions." In adopting SFAS 106, the Company electec' ɔ recognize the full amount of the accumulated postretirement benefit obligation as tne effect of a change in accounting principle during the year ended September 30, 1991.

The following table sets forth the postretirement benefit plans' combined financial status included in the consolidated balance sheet at September 30, 1992 and 1991. The Company funds the plans as benefit obligations are paid.

	September 30, 1992 ($ in thousands)	September 30, 1991 ($ in thousands)
Accumulated postretirement benefit obligation:		
Retirees	$ 131,280	$ 112,510
Fully eligible active plan participants	39,516	42,905
Other active plan participants	121,005	111,216
Accumulated postretirement benefit obligation	291,801	266,631
Unrecognized net actuarial gain	11,114	-
Accrued postretirement benefit cost	$ 302,915	$ 266,631

Net periodic postretirement benefit cost for 1992 and 1991 included the following components

	1992	1991
Service cost - benefits attributed to service during the period	$ 10,757	$ 10,411
Interest cost on accumulated benefit obligation	21,669	19,923
Net periodic postretirement benefit cost	$ 32,426	$ 30,334

During 1992, the accumulated postretirement benefit obligation increased by $11 million, net, as a result of acquisitions and dispositions. The Company paid retiree healthcare and life insurance benefits of $10 million and $9 million in 1992 and 1991, respectively.

For measurement purposes, an 18% annual rate of increase in the per capita cost of covered healthcare benefits for retirees not eligible for Medicare benefits was assumed for 1992 and a 17% annual rate was assumed for 1993 (11% was assumed for 1992 and 10.5% was assumed for 1993 for retirees eligible for Medicare benefits); both rates were assumed to decrease gradually to 6% in 2011 and, for certain plans, to 5% in 2026 and remain at 5% thereafter. The healthcare cost trend rate assumptions have a significant effect on the amounts reported. As of September 30, 1992, 1% increases in the assumed healthcare cost trend rates in each year would increase the accumulated postretirement benefit obligation by $31.5 million and the aggregate of the service and interest cost components of the net periodic postretirement benefit cost for the year then ended by $4.6 million.

The weighted average discount rate used in determining the accumulated postretirement benefit obligation was 8.25% at September 30, 1992 and 1991.

19. Financial Instruments

Foreign exchange
At September 30, 1992, the Company had entered into forward foreign exchange contracts with domestic and foreign financial institutions for the purchase and sale of certain foreign currencies to hedge foreign currency denominated receivables, payables and firm commitments. The contracts call for total purchases of the equivalent of $114 million, maturing through fiscal 1999, and total sales of the equivalent of $129 million, maturing through fiscal 1993.

The net gains and losses resulting from the translation of foreign currency-denominated receivables and payables, forward foreign exchange agreements and foreign currency transactions are included in operations and are not significant.

Guarantees and letters of credit
The Company has provided certain guarantees and letters of credit for various affiliated companies in North and South America of $490 million at September 30, 1992. The Company does not require collateral or other security to support the guarantees and letters of credit.

Interest rate swap agreements
The Company may enter into interest rate swap agreements to effectively manage interest rate exposure. The effects of these agreements are included in operations as components of interest income, net and are not significant.

At September 30, 1992, the Company had 14 outstanding interest rate swap agreements with commercial banks having a total notional principal of $732 million. The agreements provide for the Company to pay and receive both variable and fixed interest rates ranging from 3.3% to 8.0% on the notional principal. The notional principal amount relating to agreements which mature over the next year is $60 million and the remaining agreements mature through 2002.

While the Company is exposed to credit risk (only to the extent of the interest on the notional principal amounts) in the event of nonperformance by the counterparties to these financial instruments, the Company does not anticipate any such nonperformance.

20. Commitments

The Company has entered into various leases for sales, service, office and manufacturing facilities and equipment. Some leases require, in addition to rental payments, the payment of property taxes, assessments and maintenance costs. Net rental expense, under all operating leases for the years ended September 30, 1992 and 1991, was $73 million and $60 million, respectively. Total minimum rental payments under noncancellable leases that have initial or remaining noncancellable lease terms in excess of one year as of September 30, 1992 are $328 million. Total minimum rental payments in each of the following five fiscal years are as follows:

	($ in thousands)
1993	$59,112
1994	49,248
1995	40,421
1996	34,451
1997	30,425

21. Contingencies

On August 26, 1992, a patent infringement dispute with a publicly held company was settled. The settlement resulted in the Company making a $50 million nonrefundable payment, a $25 million prepayment of certain royalty fees which is refundable under specific conditions and continued payment of royalties based upon future sales of pacemakers beginning August 1, 1992 for a period of ten years.

Tel-Plus Communications, Inc.
In November 1991, the Company settled a dispute which resulted from the 1986 Stock Purchase Agreement between Siemens Information Systems, Inc. ("SIS"), a wholly owned subsidiary of the Company and TPI Enterprises, Inc. by $43 million being transferred to TPI by SIS, and general releases being exchanged. The impact of this agreement has been reflected in the consolidated financial statements as of September 30, 1991.

Other
At September 30, 1992, there were various other pending suits, including environmental matters, incident to the Company's businesses. Management believes any liabilities resulting from such suits will not materially affect the consolidated financial position of the Company.

22. Subsequent Events

Effective October 1, 1992, the operations of ROLM Systems and ROLM Systems Technologies, both partnerships 1% owned by a subsidiary of the Company and 99% owned by affiliate of the Company, were merged into ROLM Company.

Siemens Corporation

(A wholly owned subsidiary
of Siemens AG)
Consolidated Financial Statements
September 30, 1992 and 1991

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Price Waterhouse

Report of Independent Accountants

November 1, 1992

To the Board of Directors
and Stockholder of
Siemens Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations and accumulated deficit and of cash flows present fairly, in all material respects, the financial position of Siemens Corporation and its subsidiaries at September 30, 1992 and 1991, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles. These financial statements are the responsibility of Siemens Corporation management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 18 to the consolidated financial statements, the Company changed its method of accounting for postretirement benefits other than pensions during the year ended September 30, 1991.

Price Waterhouse

Siemens Corporation
(A wholly owned subsidiary of Siemens AG)

Consolidated Balance Sheets ($ in Thousands)

	September 30, 1992	1991
Assets		
Current assets		
Cash and cash equivalents	$ 115,610	$ 80,155
Marketable securities	12,459	17,082
Notes and accounts receivable, net	1,893,046	1,309,554
Investments in sales-type leases, net	90,221	68,618
Inventory, net	1,125,085	908,614
Other	221,693	150,960
Total current assets	3,458,114	2,534,983
Long-term receivables and other assets	493,307	344,192
Investments in sales-type leases, net	224,708	194,378
Investments in and advances to less than majority-owned companies	97,230	104,891
Fixed assets, net	895,145	687,558
Intangible assets, net	282,384	219,774
Total assets	$ 5,450,888	$ 4,085,776
Liabilities and Stockholder's Equity		
Current liabilities		
Accounts payable and accrued expenses	$ 1,524,016	$ 1,122,303
Loans and notes payable	955,848	1,103,284
Other	503,047	290,222
Total current liabilities	2,982,911	2,515,809
Long-term debt	1,104,947	97,875
Other long-term liabilities	431,083	366,781
Total liabilities	4,518,941	2,980,465
Minority interest	103,336	103,194
Stockholder's equity		
Common stock - $1.00 par value; 1,000 shares authorized, issued and outstanding	1	1
Additional paid-in capital	2,250,515	2,250,515
Accumulated deficit	(1,421,905)	(1,248,399)
Total stockholder's equity	828,611	1,002,117
Commitments and contingencies	-	-
Total liabilities and stockholder's equity	$ 5,450,888	$ 4,085,776

The accompanying notes are an integral part of these consolidated financial statements.

Siemens Corporation
(A wholly owned subsidiary of Siemens AG)

Consolidated Statements of Operations and Accumulated Deficit ($ in Thousands)

	For the Years Ended September 30, 1992	1991
Net sales	$ 4,407,120	$ 3,970,414
Cost of products sold	3,294,754	2,938,609
Gross profit	1,112,366	1,031,805
Selling, general and administrative expenses	1,306,306	1,077,999
Interest income, net	18,155	12,995
Other income, net	656	84,681
(Loss) income before equity in losses of associated and affiliated companies, income tax provision, minority interest and change in accounting policy	(175,129)	51,482
Equity in losses of associated and affiliated companies	(7,826)	(21,920)
(Loss) income before income tax provision, minority interest and change in accounting policy	(182,955)	29,562
Income tax provision	(20,802)	(22,270)
(Loss) income before minority interest and change in accounting policy	(203,757)	7,292
Minority interest in losses of consolidated subsidiary companies	30,251	-
(Loss) income before change in accounting policy	(173,506)	7,292
Transition effect of change in accounting for postretirement benefits other than pensions	-	(242,190)
Net loss	(173,506)	(234,898)
Accumulated deficit at beginning of year	($1,248,399)	(1,013,501)
Accumulated deficit at end of year	($1,421,905)	($1,248,399)

The accompanyi g notes are an integral part of these consolidated financial statements.

Siemens Corporation
(A wholly owned subsidiary of Siemens AG)

Consolidated Statements of Cash Flows ($ in Thousands)

	For the Years Ended September 30, 1992	1991
Cash flows from operating activities		
Net loss	$ (173,506)	$(234,898)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities		
Depreciation and amortization	211,323	144,671
Minority interest	(30,251)	-
Equity in losses of associated and affiliated companies	7,826	21,920
Transition effect of change in accounting policy	-	242,190
Gain on sale of investments	-	(80,483)
Change in assets and liabilities net of effects of acquisitions and dispositions		
Notes and accounts receivable, net	(437,659)	(378,255)
Investments in sales-type leases, net	(51,933)	(44,807)
Inventory, net	(106,805)	(70,251)
Accounts payable and accrued expenses	26,899	150,267
Other current assets and liabilities	74,689	173,328
Other long-term liabilities	60,955	27,602
Dividends received	6,763	4,650
Other	-	4,788
Net cash used for operating activities	(411,699)	(39,278)
Cash flows from investing activities		
Capital expenditures, net of disposals	(210,861)	(183,590)
Cost of acquisitions, net of cash acquired	(59,029)	(16,643)
Proceeds from sale of marketable securities and investments	4,623	122,601
Net cash used for investing activities	(265,267)	(77,632)
Cash flows from financing activities		
Proceeds from issuance of commercial paper	1,202,350	685,440
Repayments of commercial paper	(1,202,350)	(854,145)
Proceeds from Eurobond issuance	995,377	-
Proceeds (repayments) of loans and notes payable	(282,956)	329,256
Net cash provided by financing activities	712,421	160,551
Net increase in cash and cash equivalents	35,455	43,641
Cash and cash equivalents at beginning of year	80,155	36,514
Cash and cash equivalents at end of year	$ 115,610	$ 80,155

The accompanying notes are an integral part of these consolidated financial statements.

Siemens Corporation
(A wholly owned subsidiary of Siemens AG)

Notes to the Consolidated Financial Statements
September 30, 1992 and 1991

1. **Business**

Siemens Corporation is a United States holding and finance company. Its subsidiaries, in cooperation with the Siemens AG worldwide groups, develop, manufacture and market equipment for the generation, distribution, regulation and control of electrical energy; medical equipment for diagnostic imagery and therapy; cardiac pacemakers; electronic equipment for telephone applications; factory automation systems; rail transport systems; air traffic control; lighting equipment and electronic components. In addition, Siemens Corporation subsidiaries import from their ultimate parent, Siemens AG, or its affiliates, medical, power engineering, communication and electronic component and lighting products which are sold or leased in the United States. Included in the accompanying consolidated statements of operations are amounts received from affiliates principally to cover the costs of certain projects and services carried out by various units of Siemens Corporation under agreements with and for the benefit of those affiliates. Such amounts are recorded as sales and other revenue or offset related expenses.

2. **Summary of Significant Accounting Policies**

Principles of consolidation
The consolidated financial statements include the accounts of Siemens Corporation and majority-owned subsidiaries (the "Company"). Investments in companies owned 20% to 50% are generally accounted for under the equity method. Companies owned less than 20% are generally accounted for under the cost method. All significant intercompany accounts and transactions have been eliminated.

Research and development
Research and development costs are expensed as incurred and amounted to $225 million and $155 million in 1992 and 1991, respectively.

Net sales
Net sales includes $438 million and $458 million to affiliated and associated companies for fiscal 1992 and 1991, respectively.

Other income, net
Other income, net includes $80.5 million relating to gains on the sale of investments during the year ended September 30, 1991.

Income taxes
The United States federal income tax return of the Company includes all 80% or more owned domestic subsidiaries. Income taxes have been determined under Statement of Financial Accounting Standards No. 96, "Accounting For Income Taxes" which requires that any deferred tax liability or asset be determined based upon the differences between the financial statement and tax bases of assets and liabilities as measured by enacted tax rates in effect when these differences are expected to reverse. The principal types of differences between the Company's bases of assets and liabilities for financial statement and tax purposes are the accrued postretirement benefit and pension cost, acquisitions accounted for by the purchase method, recognition of installment sales, inventory valuations, provisions for warranty and certain other accrued expenses and depreciation of fixed assets.

Revenue recognition
Sales are recognized generally when products are shipped. Certain equipment lease agreements are accounted for as sales-type leases, whereby unearned income is recognized through amortization over the life of the lease. Long-term contracts are generally accounted for under the completed contract method.

Cash and cash equivalents
Highly liquid debt instruments purchased with maturities of three months or less are considered cash equivalents.

Marketable securities
Marketable securities are carried at the lower of cost or market. Net realized gains and losses from sales are determined on a specific identification cost basis. At September 30, 1992 and 1991, cost approximated market value.

Inventory
Inventories are stated at the lower of cost or market. The primary methods of determining cost are first in, first out and average cost. Market is determined based upon net realizable value.

Fixed assets and depreciation
Fixed assets are recorded at cost and depreciated using the straight-line method over their estimated useful lives.

Additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred.

Intangible assets and amortization
Intangible assets are recorded at cost, less accumulated amortization. The excess of cost over the fair value of net assets of businesses acquired, at the date of acquisition, is generally amortized over a period of 30 years on a straight-line basis. Patents, trademarks and other intangible assets are amortized over their estimated useful lives (3 to 20 years) on a straight-line basis.

The Company determined during 1992 that certain intangible assets were impaired and accordingly, a provision of approximately $40 million was recorded as selling, general and administrative expense for the year ended September 30, 1992.

Accumulated amortization at September 30, 1992 and 1991 was $146 million and $85 million, respectively.

Presentation
The Company has reclassified the presentation of certain prior year information to conform with the current year's presentation.

3. **Business Changes**

Acquisitions

1992:

On October 1, 1991, the Company acquired the net assets of the domestic operations of the Industrial Controls Business of Texas Instruments, Inc. which primarily manufactures factory automation systems, for approximately $86.5 million.

Pursuant to a Joint Venture and Transaction Agreement ("JVTA") entered into in 1989, the Company and an unconsolidated affiliate of the Company acquired 1% and 49% interest, respectively, in ROLM Company (a partnership), from International Business Machines ("IBM"). ROLM Company is engaged in the business of marketing, selling and servicing telecommunications products manufactured by ROLM Systems, a partnership which is owned 1% by the Company and 99% by an affiliate of the Company. On June 10, 1992, under the terms of a Master Business Agreement ("MBA") between the Company, Siemens AG and IBM, IBM surrendered its 50% interest in ROLM to the Company, and the Company agreed to assume all of the future financial obligations of IBM under the JVTA in exchange for a $98.8 million net cash payment by IBM to the Company. Simultaneous with the execution of the MBA, ROLM Company entered into an agreement with ROLM Systems whereby Rolm Company will be responsible for all losses incurred by Rolm Systems subsequent to the effective date of the MBA.

As a result of the MBA transaction described above, the Company achieved 51% ownership of ROLM Company. Accordingly, this transaction has been accounted for under the purchase method and the results of operations of ROLM Company have been included in the consolidated financial statements from June 30, 1992, the effective date of the MBA.

1991:

In December 1990, a subsidiary of the Company contributed net assets and cash with an aggregate book value of approximately $94 million and Stromberg Carlson Corporation contributed net assets of approximately $94 million, with each company receiving a 50% partnership interest in Siemens-Stromberg Carlson. In accordance with the Joint Venture Agreement, Siemens has achieved control over the management of the partnership, has agreed to absorb 100% of the losses of the partnership through September 30, 1994 and is to receive a reimbursement of up to $28 million payable on or before September 30, 1994. Stromberg-Carlson Corporation has been granted the right to sell its 50% partnership interest to the Company during the period from October 1, 1994 to September 30, 1995 for $97.5 million. The 50% interest in Siemens-Stromberg Carlson which is owned by Stromberg Carlson Corporation is included in minority interest in the consolidated balance sheet.

During the years ended September 30, 1992 and 1991, the Company completed various other acquisitions, all of which have been accounted for under the purchase method.

The excess of the total recorded purchase price over the estimated fair value of the aggregate net assets acquired approximated $48.3 million for fiscal 1992 and $14 million for fiscal 1991. The results of operations of businesses acquired have been included in the consolidated financial statements from the respective dates of acquisition.

Dispositions

The Company completed certain dispositions in 1992 which were not significant to the consolidated financial statements.

4. **Cash and Cash Equivalents**

At September 30, 1992 and 1991, the Company had time deposits of $85 million and $32 million, respectively.

5. Notes and Accounts Receivable, Net

Notes and accounts receivable included in current assets consist of the following:

	September 30, 1992 ($ in thousands)	September 30, 1991 ($ in thousands)
Third party receivables	$ 947,479	$ 786,227
Less - Allowance for doubtful accounts	(69,043)	(46,664)
	878,436	739,563
Receivables from affiliated companies, net	1,014,610	569,991
	$1,893,046	$1,309,554

At September 30, 1992, notes and accounts receivable, net includes $122.6 million due from an affiliate for its 49% minority interest in ROLM Company.

Long-term receivables and other assets of $493 million and $344 million at September 30, 1992 and 1991 include amounts due from affiliates of $281 and $100 million at September 30, 1992 and 1991, respectively. Long-term receivables earn interest at rates varying from approximately 4.1% to approximately 9.0% and mature in varying amounts through 1999. Long-term receivables and other assets also include amounts due from employees which bear interest at rates ranging from 6.5% to 8.5%.

6. Investments in Sales-Type Lease, Net

Investments in sales-type leases included in current and long-term assets consist of the following:

	September 30, 1992 ($ in thousands)	September 30, 1991 ($ in thousands)
Total minimum lease payments to be received	$ 379,300	$ 321,740
Less - Unearned income	(64,371)	(58,744)
	$ 314,929	$ 262,996

The Company's leasing operations consist principally of leasing medical, telecommunications and electronic printing equipment. The terms of these leases generally allow the lessee to purchase the equipment at the end of the lease period at a specified amount.

Minimum lease payments receivable in each of the following five fiscal years are as follows:

	($ in Thousands)
1993	$119,669
1994	95,305
1995	73,998
1996	54,614
1997	32,009

7. **Inventory, Net**

Inventory consists of the following:

	September 30, 1992	September 30, 1991
	($ in thousands)	
Raw materials	$ 276,797	$ 186,297
Work-in-process	390,862	297,913
Finished goods	457,426	424,404
	$1,125,085	$ 908,614

Work-in-process includes $184 million and $71 million of inventoried costs relating to long-term contracts at September 30, 1992 and 1991, respectively.

8. **Other Current Assets**

Other current assets consist of the following:

	September 30, 1992 ($ in thousands)	September 30, 1991 ($ in thousands)
Receivables from associated companies	$ 30,090	$ 44,391
Prepaid expenses	29,136	19,972
Income and other taxes receivable	6,389	4,865
Other receivables and deposits	156,078	81,732
	$ 221,693	$ 150,960

9. **Investments in and Advances to Less Than Majority-Owned Companies**

At September 30, 1992, investments in and advances to less than majority-owned companies include investments of 50% in Siecor Corporation and CTI Pet, Inc. which are accounted for by the equity method.

Summary financial information for all associated companies accounted for using the equity method is shown below:

	September 30, 1992 (Unaudited) ($ in thousands)	September 30, 1991 (Unaudited) ($ in thousands)
Total assets	$ 237,607	$ 260,161
Total liabilities	(99,638)	(195,635)
Net assets	$ 137,969	$ 64,526
Revenues	$ 435,560	$ 469,848
Net income/(loss)	24,432	(14,190)
Company's equity in net assets	68,978	44,106
Company's equity in net loss	(7,826)	(21,920)

The Company's equity in net loss of associated companies exceeds its ownership interest due to a contractual requirement. The excess of the Company's investments over its equity in values assigned to net tangible assets amounted to $29 million and $39 million at September 30, 1992 and 1991, respectively. Amortization of such excess investment costs amounted to $8 million and $2 million in 1992 and 1991, respectively. The Company's share of the undistributed earnings of all such companies at September 30, 1992 was not significant in relation to the consolidated financial statements. During June 1992, the Company purchased the remaining interests of Siemens Infusion Systems which had been accounted for using the equity method.

10. Fixed Assets, Net

Major classes of fixed assets are summarized below:

	September 30, 1992	September 30, 1991
	($ in thousands)	
Land	$ 88,040	$ 68,986
Buildings, including leasehold improvements	346,734	283,416
Equipment under operating leases	93,220	60,665
Machinery, equipment and other	1,022,820	819,755
	1,550,814	1,232,822
Less - Accumulated depreciation	(655,669)	(545,264)
	$ 895,145	$ 687,558

Minimum future rental income on noncancellable operating leases for each of the next five fiscal years is as follows:

	($ in thousands)
1993	24,034
1994	18,921
1995	14,683
1996	9,471
1997	3,694

11. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are summarized below:

	September 30, 1992 ($ in thousands)	September 30, 1991 ($ in thousands)
Accounts payable		
Third parties	$ 258,578	$ 179,089
Affiliates	373,994	331,659
Accrued expenses		
Third parties	878,136	601,995
Affiliates	13,308	9,560
	$ 1,524,016	$ 1,122,303

12. Loans and Notes Payable

Loans and notes payable are summarized below:

	September 30, 1992 ($ in thousands)	September 30, 1991 ($ in thousands)
Demand and other loans payable to affiliates (3.1% to 8.0% in 1992 and 5.5% to 9.1% in 1991)	$ 771,824	$ 962,925
Notes, loans payable and commercial paper (3.1% to 10.4% in 1992 and 4.0% to 10.0% in 1991)	184,024	140,359
	$ 955,848	$ 1,103,284

The Company may issue up to $1.8 billion of commercial paper which is guaranteed by Siemens AG. In addition, the Company has available formal bank lines of credit in the amount of $190 million.

13. Other Current Liabilities

Other current liabilities are summarized below:

	September 30, 1992 ($ in thousands)	September 30, 1991 ($ in thousands)
Deferred income	$ 100,693	$ 42,051
Customer advances	284,223	146,783
Income and other taxes payable	78,093	54,240
Miscellaneous	40,038	47,148
	$ 503,047	$ 290,222

Customer advances include, among other items, payments received under long-term contracts.

14. Long-Term Debt

Long-term debt consists of the following:

	September 30, 1992 ($ in thousands)	September 30, 1991 ($ in thousands)
Eurobonds payable, net of unamortized discount (8.0% due June 24, 2002)	$ 998,443	-
Loans payable to affiliates (3.9% to 9.3% in 1992 and 6.3% to 9.3% in 1991; due in varying amounts through 1998)	50,676	$ 50,715
Mortgages, loans and notes payable (3.9% to 10.4% in 1992 and 4.0% to 10.0% in 1991; due in varying amounts through 2017)	57,890	50,782
Less - Current portion (included in loans and notes payable)	(2,062)	(3,622)
	$1,104,947	$ 97,875

On June 24, 1992, a subsidiary of the Company issued Eurobonds with a face value of $1 billion which are payable on June 24, 2002. The bonds bear interest at the stated interest rate of 8%, payable annually in arrears.

In connection with the issuance of the Eurobonds, the subsidiary agreed to set aside $375 million of the proceeds for use by Siemens AG. The bond offering was part of a joint offering by Siemens AG which included detachable warrants for the purchase of common shares of Siemens AG. Repayment of principal and interest on the bonds is guaranteed by Siemens AG.

Mortgages and notes payable of $22 million are collateralized by certain real estate and other assets.

Total interest expense on short and long-term borrowings amounted to $99 and $91 million in 1992 and 1991, respectively, including $22 million and $18 million to affiliates in 1992 and 1991, respectively. Total interest paid was $54 million and $72 million in 1992 and 1991, respectively.

Total scheduled payments of long-term obligations for each of the following five fiscal years and the period thereafter are as follows:

	($ in thousands)
1993	2,062
1994	3,104
1995	22,499
1996	660
1997	500
Thereafter	1,078,184