*Public Announcement for the attention of the Shareholders of*

# Bayer Diagnostics India Limited

Registered Office: 589, Sayajipura, Ajwa Road,
Baroda – 390 019, Gujarat, India

## CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS

***This Public Announcement ("PA") is being issued by J.P. Morgan India Private Limited ("Manager to the Offer"), on behalf of Siemens AG (hereinafter referred to as the "Acquirer"), pursuant to and in compliance with Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "Takeover Regulations").***

**1 Background to the Offer**

1.1 The Acquirer is a global player in electrical engineering and electronics and was founded in the year 1847. The Acquirer employs 461,000 employees and provides innovative technologies and comprehensive know-how to benefit customers in 190 countries. The Acquirer is active in the areas of Information and Communications, Automation and Control, Power, Transportation, Medical, and Lighting.

1.2 Bayer Diagnostics India Limited ("**the Target Company**") is a public limited company incorporated under the Companies Act, 1956. The Target Company has its registered office at 589, Sayajipura, Ajwa Road, Baroda – 390 019, Gujarat, India. The Target Company is engaged in the following businesses:
- Manufacturing and sale of strips (urine monitoring test strips) and chemistry kits;
- Sale and service of Immuno Instruments and Reagents, Critical Care Instruments and Reagents, Hemotology Instruments and Reagents;
- Instruments of above Immuno, Critical Care and Hemotology businesses are also placed at customer's sites based on Contracts of Reagent Consumption;
- Stock and sale of diabetes meters and strips; and
- Servicing of all instruments.

1.3 Bayer CropScience Ltd. ("Seller 1") is a company incorporated in India having its registered office at Mumbai, Maharashtra, India and is engaged in the business of manufacture and marketing of agro-chemical products in India. Seller 1 holds 287,350 equity shares representing 18.33% of the outstanding equity share capital of the Target Company. Bayer Healthcare LLC ("Seller 2") is a company incorporated under the laws of Delaware, United States of America with its office at 511 Benedict Avenue, Tarrytown, NY 10591-5097 USA and is engaged in the business of manufacture, marketing and servicing of Diagnostic Equipment and Reagents. Seller 2 holds 512,000 equity shares representing 32.67% of the outstanding equity share capital of the Target Company. Seller 1 and Seller 2 are hereinafter collectively referred to as "the Sellers".

1.4 The Acquirer has decided to acquire the human in-vitro diagnostics business of Bayer AG. The Acquirer and the Sellers have executed a Share Purchase Agreement dated June 30, 2006 ("**SPA**") under which the Acquirer shall purchase from the Sellers **799,350** equity shares comprising 51% of the entire share capital of the Target Company ("**Sale Shares**") subject to the satisfaction of certain conditions. The SPA has triggered the Takeover Regulations.

1.5 Pursuant to Regulations 10 and 12 of the Takeover Regulations and the SPA referred to in paragraph 1.4 above, this PA is being made by the Acquirer to acquire up to a maximum of 313,470 equity shares (comprising up to 20% of the paid-up equity share capital of the Target Company) from the shareholders of the Target Company through an open offer as required under the Takeover Regulations ("**Open Offer**").

1.6 The purchase of the Sale Shares by the Acquirer under the SPA is subject, inter alia, to the following conditions precedent:

1.6.1 approval of the board of directors of the Target Company as to the sale and transfer of the Sale Shares;

1.6.2 receipt of all necessary regulatory approvals in India (including approval of the Reserve Bank of India and the Foreign Investment Promotion Board) in terms reasonably acceptable to the Acquirer;

1.6.3 completion of the disposal of the Non-Diagnostics Business (as hereinafter defined) by the Target Company after having obtained all necessary board and shareholders' approvals;

1.6.4 completion of the Acquirer's obligations under the Takeover Regulations in relation to the Open Offer (such completion to be evidenced by the delivery to the Target Company of a certificate of the Manager of the Open Offer in accordance with the Takeover Regulations); and

1.6.5 approval of the board of directors of the Sellers as to the sale and transfer of the respective Sale Shares (or evidence that such an approval is not required).

1.7 Under the SPA the Acquirer shall pay the purchase consideration to the Sellers by electronic transfer to the respective bank accounts nominated by each of the Sellers to the Purchaser in writing. The other salient features of the SPA are as follows:

1.7.1 The Sellers have provided various indemnities to the Acquirer against the amount of any liabilities, reasonable costs and expenses asserted against, incurred or suffered by Acquirer, or the Target Company as a result of a breach of any representation, covenant or agreement of Sellers contained in the SPA;

1.7.2 Sellers' liability arising out of or in connection with the SPA, including for the breach of all representations, covenants and agreements, and under all indemnities contained herein, shall be limited to an aggregate amount of the purchase price paid by the Acquirer to the Sellers under the SPA;

1.7.3 Before the acquisition by the Acquirer of the Sale Shares, the Sellers have undertaken to procure the transfer of the Target Company's Non-Diagnostics Business (as hereinafter defined) and the employees working for the Non-Diagnostics Business to the purchaser of the Non-Diagnostics Business on the terms and conditions contained in the SPA. The aforesaid transfer of the Non-Diagnostics Business is proposed to be done by the Target Company to the Sellers or a party designated by the Sellers. The transfer is proposed to be on an arm's length basis.

1.7.4 Upon transfer by the Target Company of its Non-Diagnostics Business and receipt of the proceeds of such transfer by the Target Company, the Sellers intend to cause the Target Company to declare dividend upto the extent of the proceeds so received by the Target Company. The dividend so intended to be distributed shall be distributed to all shareholders of the Target Company on a pro rata basis.

1.8 Currently the Acquirer does not hold any equity shares of the Target Company. Upon transfer of the Sale Shares pursuant to the SPA, the Acquirer shall hold 799,350 equity shares representing 51% of the fully paid-up equity share capital of the Target Company.

1.9 As on the date of this PA, the Acquirer does not have any representative(s) on the board of the Target Company.

1.10 As on the date of this PA, the Sellers hold 799,350 equity shares representing 51% of the paid-up equity share capital of the Target Company.

**2 The Offer**

2.1 This PA is being made by the Acquirer, a company incorporated under the Stock Corporation Law of Germany, with its registered office at Berlin and Munich; Commercial register of the local courts (Amtsgerichte) and Berlin-Charlottenburg, HRB 12300 - München, HRB 6684, to the shareholders (other than the Sellers) of the Target Company to acquire upto a maximum of 313,470 equity shares of Rs. 10/- each of the Target Company ("Offer Shares"), representing up to 20% of the outstanding voting equity share capital of the Target Company, at a price of Rs. 629.45/- (Rupees six hundred twenty nine and paise forty five only) per Offer Share (the "Offer Price") payable in cash in terms of Regulations 20 and 21 of the Takeover Regulations (the "Offer"). If the aggregate of the valid responses to the Offer exceeds the Offer size of 313,470 equity shares, then the Acquirer shall accept the equity shares received on a proportionate basis in accordance with Regulation 21(6) of the Takeover Regulations. The Offer is being made pursuant to Regulations 10 and 12 and other applicable provisions of the Takeover Regulations, consequent to the SPA referred to in paragraph 1.4 above.

2.2 There are no partly paid-up shares of the Target Company.

2.3 For the purposes of the Offer, the Acquirer is the only acquirer and there are no persons acting in concert with the Acquirer.

2.4 The Offer Price will be payable in cash, subject to the terms and conditions mentioned in this PA and the letter of offer ("Letter of Offer") to be subsequently mailed to all shareholders (except the Sellers) as on the Specified Date (as hereinafter defined).

2.5 As on the date of this PA, the Acquirer does not hold any equity shares of the Target Company. The Acquirer has not acquired any equity shares of the Target Company during the 12 months preceding the date of this PA.

2.6 The Offer will not be conditional on any minimum level of acceptance.

2.7 This is not a competitive bid. The last date for receipt of competitive bid is July 24, 2006.

2.8 The Offer is subject to the terms and conditions set out herein and in the Letter of Offer.

2.9 This Offer is subject to receipt of the statutory approvals mentioned in paragraph 8 of the PA. In terms of Regulation 27 of the Takeover Regulations, if the statutory approvals are refused, the Offer shall stand withdrawn.

2.10 The equity shares of the Target Company are currently listed on the Bombay Stock Exchange Limited ("BSE") and the Vadodara Stock Exchange Limited ("VSE").

2.11 Based on available information and to the best of the Acquirer's knowledge and understanding, the equity shares of the Target Company are frequently traded on the BSE and infrequently traded on the VSE within the meaning of explanation (i) to Regulation 20(5) of the Takeover Regulations. (Source: BSE data from www.bseindia.com)

**3 The Offer Price**

3.1 The average of the weekly high and low of the closing price for the equity shares of the Target Company for the 26-week period preceding the date of this PA is Rs. 519.86/- (Rupees five hundred nineteen and paise eighty six only) on the BSE where the equity shares are frequently traded. The average of the daily high and low price during the two weeks preceding the date of this PA is Rs. 462.59/- (Rupees Four hundred sixty two and paise fifty nine only) per equity share on the BSE where the equity shares are frequently traded. As stated above, the negotiated price for the purchase of the Sale Shares is Rs. 629.24 (Rupees six hundred twenty nine and paise twenty four only) per Sale Share for Seller 1 and Rs. 629.42 (Rupees six hundred twenty nine and paise forty two only) per Sale Share for Seller 2. In these circumstances, the Offer Price of Rs. 629.45/- (Rupees six hundred twenty nine and paise forty five only) per equity share which is higher than the two negotiated prices of the Sale Shares is justified in terms of the Takeover Regulations. The financial parameters based on the audited financials for the year ended December 31, 2005 of the Target Company are: return on networth of 15.93%, book value per share of Rs. 240.21 (net of revaluation reserves), earnings per share of Rs. 38.27, P/E multiple of 16.45 (based on the Offer Price of Rs. 629.45(Rupees six hundred twenty nine and paise forty five only) per equity share). The Target Company does not have any strictly comparable companies, which can be used for comparison purposes. However, based on a selection of similar companies from the industry category "Healthcare" we arrive at an average P/E multiple of 11.7 times (after excluding one outlier company) (source: Capital Market Vol. XXI/08, dated June 19 – July 02, 2006). In light of the above, the Offer Price of Rs. 629.45/- (Rupees six hundred twenty nine and paise forty five only) per share is justified in terms of the Takeover Regulations.

3.2 The Manager to the Offer does not hold any shares of the Target Company as of the date hereof.

**4 Information on the Acquirer**

4.1 Siemens AG (the "Acquirer") was incorporated as a Aktiengesellschaft, a form of limited liability stock company, under the Stock Corporation Law of Germany and has a paid up share capital of Euro 2,673mm as on 30 September 2005. The Acquirer has its registered offices at Berlin and Munich; Commercial register of the local courts (Amtsgerichte) and Berlin-Charlottenburg, HRB 12300 - München, HRB 6684. The Acquirer is a global player in electrical engineering and electronics industry founded in 1847. The shares of the Acquirer are listed on the Deutsche Borse, London Stock Exchange ("LSE"), Swiss Stock Exchange ("SSE") and the New York Stock Exchange ("NYSE").

4.2 Siemens AG does not belong to any group. The Acquirer has a widely diversified shareholding. The Acquirer is a professionally managed company and the management is duly appointed in accordance with the Stock Corporation Law of Germany.
The Acquirer is engaged in the following business areas:
- Information and Communications
- Automation & Control
- Power
- Transportation
- Medical
- Lighting

4.3 Based on the latest audited annual consolidated financial statements, the Acquirer's net sales and profit after tax for the year ended 30 September 2005 were Euro 75.4bn (Rs. 4,416.5bn) and Euro 2.2bn (Rs. 131.6bn) respectively as compared to Euro 70.2bn (Rs. 4,111.7bn) and Euro 3.4bn (Rs. 199.3bn) for the year ended 30 September 2004.

4.4 Based on the latest audited annual consolidated financial statements, the Acquirer's paid-up share capital and reserves and surplus (excluding revaluation reserve) for the year ended 30 September 2005 were Euro 2.7bn (Rs. 156.5bn) and Euro 24.4bn (Rs. 1,430.9bn) respectively as compared to Euro 2.7bn (Rs. 156.5bn) and Euro 24.2bn (Rs. 1,417.4bn) for the year ended 30 September 2004.

4.5 Based on the latest audited annual consolidated financial statements, the Acquirer's basic earnings per share and book value per share for the year ended 30 September 2005 were Euro 2.52 (Rs. 147.5) and Euro 30.43 (Rs. 1,781.5) respectively as compared to Euro 3.82 (Rs. 223.6) and Euro 30.17 (Rs. 1,766.2) for the year ended 30 September 2004.

4.6 Based on the latest audited annual consolidated financial statements, the Acquirer's return on net worth for the year ended 30 September 2005 was 8.29% as compared to 12.67% for the year ended 30 September 2004.

4.7 Based on the closing price of the shares of the Acquirer on Xetra, the electronic trading system of Deutsche Börse, as on June 30, 2006 and the EPS for September 30, 2005, the P/E ratio is 27.0 times.

**5 Information on the Target Company**

5.1 The Target Company is a public limited company incorporated under the Companies Act, 1956. The Target Company has its registered office at 589, Sayajipura, Ajwa Road, Baroda – 390 019, Gujarat, India.

5.2 The present subscribed and paid-up equity share capital of the Target Company as on the date of this PA consists of 1,567,350 fully paid-up equity shares of Rs. 10/- each. There are no partly paid-up equity shares of the Target Company as at the date of this PA.

5.3 The Target Company is engaged in the following business:
- Manufacturing and sale of strips (urine monitoring test strips) and chemistry kits;
- Sale and service of Immuno Instruments and Reagents, Critical Care Instruments and Reagents, Hemotology Instruments and Reagents;
- Instruments of above Immuno, Critical Care and Hemotology businesses are also placed at customer's sites based on Contracts of Reagent Consumption;
- Stock and sale of diabetes meters and strips; and
- Servicing of all instruments.

5.4 The equity shares of the Target Company are currently listed on the BSE and the VSE. Based on available information and to the best of the Acquirer's knowledge and understanding the equity shares of the Target Company are frequently traded on the BSE and infrequently traded on the VSE within the meaning of explanation (i) to regulation 20(5) of the Regulations. (Source: BSE data from www.bseindia.com).

5.5 Based on the latest consolidated annual accounts of the Target Company, its net sales and profit after tax for the year ended 31 December 2005 were Rs. 656.5mm (Euro 11.2mm) and Rs. 60.0mm (Euro 1.0mm) respectively as compared to Rs. 599.8mm (Euro 10.2mm) and Rs. 57.9mm (Euro 1.0mm) for the year ended 31 December 2004.

5.6 Based on the latest consolidated annual accounts of the Target Company, its paid-up share capital and reserves and surplus (excluding revaluation reserve) for the year ended 31 December 2005 were Rs. 15.7mm (Euro 0.3mm) and Rs. 360.8mm (Euro 6.2mm) respectively as compared to Rs. 15.7mm (Euro 0.3mm) and Rs. 315.3mm (Euro 5.4mm) for the year ended 31 December 2004.

5.7 Based on the latest consolidated annual accounts of the Target Company, its basic earnings per share and book value per share for the year ended 31 December 2005 were Rs. 38.30 (Euro 0.65) and Rs. 240.21 (Euro 4.10) respectively as compared to Rs. 36.93 (Euro 0.63) and Rs. 211.14 (Euro 3.61) for the year ended 31 December 2004.

**6 Reasons for the Offer and Future Plans**

6.1 The Acquirer is undertaking the Offer to discharge its obligations under Regulations 10 and 12 and other applicable provisions of the Takeover Regulations as explained in paragraph 1.4 above.

6.2 In relation to the Target Company, the Acquirer has entered into the SPA with the Sellers to enter into the diagnostic business in India. The reason for the Offer is substantial acquisition of shares along with the voting rights in the Target Company by the Acquirer to gain control over the Target Company.

6.3 This Offer is made under Regulations 10 and 12 of the Takeover Regulations, and other applicable provisions of Chapter III of the Takeover Regulations.

6.4 Further, the Acquirer undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Target Company, except with the prior approval of the shareholders of the Target Company in accordance with the Memorandum and Articles of Association of the Target Company save as mentioned in para 6.5 and 6.6 below. It will be the responsibility of the Board of Directors of the Target Company to make appropriate decisions about these matters in accordance with the requirements of its business. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws or legislation at the relevant time.

6.5 The Acquirer in consultation with the Board of Directors of the Target Company will work towards enhancement of shareholder value and this could entail a restructuring exercise including the sale or other disposal of some assets. The restructuring may also involve rationalisation of assets, investments, liabilities and/or segregation of the Target Company's manufacturing activities through a scheme of demerger or through an asset sale or slump sale or otherwise. These steps would be subject to the approvals of the Board of Directors and shareholders of the Target Company and other relevant statutory approvals.

6.6 The SPA contains provisions dealing with the obligations of the Sellers to procure the transfer by the Target Company of the business of the Target Company other than the human in-vitro diagnostics business ("Non-Diagnostics Business") comprising the assets, rights, liabilities and personnel relating to the manufacture and/or sale of such Non-Diagnostics Business by way of asset deal, spin off or otherwise. The Sellers shall procure that any transfer shall take place on an arm's length basis and subject to all necessary board and shareholders' approvals by the Target Company.

**7 Delisting Option to the Acquirer**

The Acquirer would acquire such number of equity shares of the Target Company through the Offer and the SPA so as not to breach the minimum public shareholding requirement as per the listing agreements with the stock exchanges.

**8 Statutory Approvals**

8.1 This Offer is subject to the approval of the Foreign Investment Promotion Board ("FIPB") and the Reserve Bank of India ("RBI") for acquisition of the equity shares by the Acquirer under this Offer, to open the escrow account and for other related matters. The Acquirer shall make an application to the FIPB and the RBI, as required, in this regard.

8.2 To the best of the Acquirer's knowledge, no statutory or regulatory approval other than the aforementioned approvals is required for the Acquirer to proceed with this Offer. If any other approvals are required subsequently, the Offer would be subject to such additional approvals. The Acquirer will have a right to withdraw the Offer in the event the approvals indicated above are refused in terms of Regulation 27(b) of the Takeover Regulations.

8.3 Subject to the receipt of statutory approvals, the Acquirer shall complete all procedures relating to the Offer including payment of consideration within a period of 15 days from the Offer Closing Date (as defined hereinafter) to those shareholders whose share certificates and/or other documents are found valid and in order and are approved for acquisition by the Acquirer. In case of a delay in receipt of the aforementioned approvals, the Securities and Exchange Board of India ("SEBI") has the power to grant an extension of time to the Acquirer for payment of consideration to the tendering shareholders, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the Takeover Regulations. Further, if a delay occurs on account of wilful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the Takeover Regulations will become applicable.

**9 Financial Arrangements for the Offer**

9.1 The maximum purchase consideration payable by the Acquirer in case of full acceptance of the Offer would be Rs. 197,313,692/- (Rupees One hundred ninety seven million three hundred thirteen thousand six hundred ninety two only). The Acquirer has adequate resources to meet the financial requirements of the Offer in terms of the Takeover Regulations and has made firm financial arrangements to meet its obligations in full under the Offer. For this purpose the Acquirer intends to utilise its own resources. Further, HSBC Trinkaus & Burkhardt KGaA, Düsseldorf, Germany has confirmed that the Acquirer has sufficient means to fulfil the latter's payment obligations in full under the Offer.

9.2 The Acquirer has opened an offshore cash escrow account with HSBC Trinkaus & Burkhardt KGaA, Düsseldorf, Germany (hereinafter referred to as "the Offshore Bank") bearing Account No. 001 0556 066 and deposited Euros equivalent to estimated Rs. 52,686,000 (Rupees Fifty two million six hundred eighty six thousand only), being more than 25% of the total purchase consideration payable under the Offer assuming full acceptance at the aforesaid offer price. The Acquirer has confirmed that the funds lying in the above mentioned offshore cash escrow account will be utilized exclusively for the purpose of the Open Offer. Further, the Offshore Bank has marked a lien on the funds lying in the aforesaid cash escrow account in favour of the Managers to the Offer.

9.3 The Acquirer has empowered the Manager to the Offer to realize the value in the account maintained with the Offshore Bank.

9.4 As soon as requisite approval is obtained from RBI for opening and operating an escrow account in India, the Acquirer will open a cash escrow account with a scheduled commercial bank in India as per the provisions of Takeover Regulations and upon the instructions of the Managers to the Offer, transfer the funds lying in the above mentioned offshore cash escrow account to the said domestic cash escrow account and Managers to the Offer will be duly authorised to operate the domestic cash escrow account in compliance with Regulation 28 of Takeover Regulations. The Acquirer has undertaken to mark a lien thereon in favour of the Managers to the Offer.

9.5 The Acquirer has vide a certificate dated June 30, 2006 given an undertaking to the Manager to the Offer to meet its financial obligations under the Offer. The Manager to the Offer has satisfied itself about the Acquirer's ability to implement the Offer in accordance with the Takeover Regulations.

9.6 In view of aforesaid offshore cash escrow deposit which constitutes more than 25% the total purchase consideration payable under the Offer, the Managers to the Offer are satisfied that firm arrangements for financial resources required to implement the offer i.e. funds and money for payment through verifiable means are in place to fulfil the Offer obligations and are satisfied that the Acquirer has the ability to implement the Offer in accordance with the Takeover Regulations.

9.7 In the event of any short fall in the cash escrow amount arising on account of exchange rate fluctuations, the Acquirer has undertaken to provide additional funds to ensure that the escrow account has adequate funds to the extent of at least 25% of the total purchase consideration payable under the Offer at all times, to discharge its / their offer obligations irrespective of fluctuations in the exchange rate.

**10 Other Terms of the Offer**

10.1 The Letter of Offer together with the Form of Acceptance-cum-Acknowledgement will be mailed to the public shareholders of the Target Company whose names appear on the Register of Members of the Target Company and to the beneficial owners of the equity shares of the Target Company in dematerialised form whose names appear on the beneficial records of the respective depositories at the close of business on July 7, 2006 (the "Specified Date").

10.2 Shareholders of the Target Company who hold its equity shares in physical form and wish to tender their equity shares will be required to send the Form of Acceptance-cum-Acknowledgement, original share certificate(s) and duly signed and stamped transfer deed(s) to Intime Spectrum Registry Ltd., being the Registrar to the Offer, (the "Registrar to the Offer"), either by hand delivery during normal business hours or by Registered Post on or before the closure of the Offer, i.e. September 14, 2006, in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgement.

10.3 The Registrar has opened a special depository account with NSDL. Beneficial owners holding equity shares in dematerialised form, will be required to send their Form of Acceptance-cum-Acknowledgement to the Registrar either by hand delivery during normal business hours or by Registered Post on or before the close of the Offer, September 14, 2006, along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of "ISRL-BAYER DIAGNOSTICS INDIA LIMITED – OPEN OFFER ESCROW ACCOUNT" filled in as per the instructions given below:

| | |
|---|---|
| Depository: | National Securities Depository Limited ("NSDL") |
| DP Name: | Stock Holding Corporation of India Limited |
| Client ID Number: | 1979 2952 |
| DP ID Number: | IN301330 |

For equity shares of which are tendered in electronic form, the bank account as obtained from the beneficiary position provided by the Depository will be considered and the warrants will be issued with the said bank particulars. Shareholders of the Target Company having their beneficiary account in NSDL have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account with NSDL.

10.4 The collection centres of the Registrar, for the purpose of the Offer are as follows:

| Name & Address of the collection centre | Tel. No. | Fax No. | Contact Person | Mode of delivery |
|---|---|---|---|---|
| Intime Spectrum Registry Ltd., First Floor, Jaldhara Complex, Nr. Manisha Society, Old Padara Road, Vadodara -390015 | 0265-2250241 / 3249857 | 0265-2250246 | Sunil S. Joshi | Hand Delivery |
| Intime Spectrum Registry Limited, C-13, Panalal Silk Mills Compound, L B S Marg,Bhandup (W), Mumbai -400078. | 022-25960320-28 | 022-25960329 | Vishwas Attavar | Hand Delivery & Registered Post |
| Intime Spectrum Registry Limited, 203, Davar House, D N Road, Fort, Mumbai-400 001. | 022-22694127 | 022-25946979 | Vivek Limaye | Hand Delivery |
| Intime Spectrum Registry Limited, 59C, Chowringhee Road, 3rd Floor, Kolkata -700020 | 033-22890539/40 | 033-22890539/40 (Telefax) | S.P. Guha | Hand Delivery |
| Intime Spectrum Registry Ltd., 3rd Floor, A-31, Naraina Industrial Area, Phase I, New Delhi -110 028 | 011-41410592/93/94 | 011-41410591 | Bharat Bhushan | Hand Delivery |
| C/o Hitech Share Services Pvt Ltd., No 81, Ground Floor, MNO Complex, Greams Road, Chennai 600 006 | 044 -28292272/73 | 044-42142061 | Lakshmi Subramaniam | Hand Delivery |

**Business Hours** : 10 am to 5 pm, Monday through Friday

10.5 All owners of equity shares of the Target Company, registered or unregistered, who own such equity shares at any time prior to the closure of the Offer are eligible to participate in the Offer. Unregistered owners who do not receive a copy of the Letter of Offer can send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of equity shares held, number of equity shares offered, Distinctive Numbers, Folio Number, together with the original share certificate(s), valid transfer deed(s), duly signed and stamped, and a copy of the original contract note issued by the broker through whom they acquired their equity shares. No indemnity is required from the unregistered owners.

10.6 In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance of the Offer to the Registrar to the Offer on a plain paper stating the name, address, number of equity shares held, number of equity shares offered, Distinctive Numbers, Folio Number, together with documents as mentioned above, so as to reach the Registrar to the Offer on or before the close of the Offer, i.e. September 14, 2006.

10.7 The Registrar to the Offer will hold in trust the equity shares lying in credit of the special depository account, equity share certificates, Forms of Acceptance-cum-Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Target Company who have accepted the Offer, until the cheques/ drafts for the consideration and/ or the unaccepted equity shares/ equity share certificates are despatched/ returned to the shareholders of the Target Company who have tendered their equity shares under this Offer.

10.8 **Applications in respect of equity shares that are the subject matter of litigation wherein the shareholder(s) may be precluded from transferring the equity shares during the pendency of the said litigation are liable to be rejected in case directions/ orders regarding these equity shares are not received together with the equity shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.**

10.9 Shareholders of the Target Company who have sent their equity shares for dematerialisation need to ensure that the process of dematerialisation of such equity shares is completed well in time so that the same are credited to the special depositary account of the Registrar on or before the close of the Offer, i.e. September 14, 2006, else the application would be rejected.

10.10 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders'/ unregistered owners' sole risk to the sole/ first shareholder. Equity shares held in dematerialised form to the extent not accepted will be credited back to the same depository account from where the equity shares were tendered into the Registrar's special depositary account.

10.11 **While tendering equity shares under the Offer, non-resident shareholders (NRIs/ FIIs etc) will be required to submit the previous FIPB or RBI approvals (specific or general) obtained by them for acquiring the shares of the Target Company, and a No Objection Certificate/ Tax Clearance Certificate from the Income Tax authorities under the Income Tax Act, 1961, indicating the rate at which the tax is to be deducted by the Acquirer before remitting the consideration. In case such FIPB or RBI approvals are not submitted, the Acquirer reserves the right to reject the tendered shares. In case the aforesaid No Objection Certificate/ Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the currently prevailing rate as advised by their tax advisors on the entire consideration amount payable to such non-resident shareholders. For details of tax deduction, please refer to the Letter of Offer, which would be sent shortly.**

10.12 A indicative schedule of some of the key events in respect of the Offer is given below:

| Activity | Day | Date |
|---|---|---|
| Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent) | Friday | July 7, 2006 |
| Last date for competitive bid | Monday | July 24, 2006 |
| Date by which Letter of Offer will be posted to shareholders | Friday | August 11, 2006 |
| Date of opening of the Offer | Friday | August 25, 2006 |
| Last date for revising the Offer Price/ number of Equity Shares | Monday | September 4, 2006 |
| Last date for shareholders for withdrawing their acceptance tendered in the Offer | Friday | September 8, 2006 |
| Date of closure of the Offer | Thursday | September 14, 2006 |
| Date by which acceptance/ rejection under the Offer would be intimated and the corresponding payment for the acquired Equity Shares and/ or the unaccepted Equity Shares/ share certificates will be dispatched/ credited. | Friday | September 29, 2006 |

**11 General**

11.1 **Shareholders of the Target Company who accept the Offer by tendering the requisite documents, in terms of the PA/ Letter of Offer, can withdraw the same up to 3 (three) working days prior to the date of closure of the Offer, in terms of Regulation 22 (5A) of the Takeover Regulations.**

11.2 The Acquirer can revise the Offer Price upwards up to 7 (seven) working days prior to the date of closure of the Offer. If there is any upward revision in the Offer Price by the Acquirer till the last date of revision i.e. September 4, 2006, or if the Offer is withdrawn, the same would be communicated by a public announcement in the same newspapers in which this PA appeared. The Acquirer would pay such revised Offer Price for all the equity shares validly tendered any time during the Offer and accepted under the Offer.

11.3 **If there is a competitive bid:**
- **The public offers under all the subsisting bids shall close on the same date.**
- **As the Offer Price cannot be revised during seven working days prior to the closing date of the offers/ bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their equity shares accordingly.**

11.4 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992.

11.5 Pursuant to regulation 13 of the Takeover Regulations, the Acquirer has appointed J.P. Morgan India Private Limited as the Manager to the Offer and Intime Spectrum Registry Limited as Registrar to the Offer.

11.6 The Board of Directors of the Acquirer accepts full responsibility for the information contained in this PA and also for the obligations of the Acquirer under the Takeover Regulations.

11.7 For further details please refer to the Letter of Offer and the Form of Acceptance-cum-Acknowledgement which will be sent to the shareholders of the Target Company.

11.8 Certain financial details contained in this PA are denominated in currencies other than Indian Rupees. Any conversion from Euros (Euro) to Indian Rupees (INR) has been done for convenience purposes in accordance with the RBI reference exchange rate of 1 Euro = INR 58.54 as on June 30, 2006 as given by the Reserve Bank of India (Source: www.rbi.org.in).

***Eligible persons to the Offer may download a copy of this PA from SEBI's website at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of the Letter of Offer and Form of Acceptance-cum-Acknowledgement, which will be available on SEBI's website at www.sebi.gov.in from the Offer opening date, i.e. August 25, 2006 and tender their equity shares using the same.***


**Issued by: MANAGER TO THE OFFER**

JPMorgan

**J.P. Morgan India Private Limited**
Mafatlal Centre, 9th Floor
Nariman Point
Mumbai - 400 021
Phone: 91 22 22855666
Fax 91 22 6639 3091
Email: Bayerdiagnostics_Openoffer@jpmorgan.com
Contact Person: Nitin Maheshwari

**Registrar to the Offer**

INTIME SPECTRUM REGISTRY LIMITED

**Intime Spectrum Registry Limited**
C – 13, Pannalal Silk Mills Compound
L. B. S. Marg, Bhandup (West)
Mumbai – 400078
Phone : 91 22 2596 0320-28
Fax : 91 22 2596 0329
Email: vishwasa@intimespectrum.com
Contact Person: Vishwas Attavar

**Joint Financial Advisors to the Acquirer**

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LAZARD

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Fax: +91 22 6752 6060


Place: Mumbai
Date: July 3, 2006

Issued by J.P. Morgan India Private Limited,
Managers to the Offer, on behalf of the Acquirer