**PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF**

# SIEMENS LIMITED

(**Registered Office**: 130, Pandurang Budhkar Marg, Worli, Mumbai - 400 018, Tel +91-22-2498 7000, Fax +91-22-2498 7500)

## CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS

This Public Announcement ("**PA**") is being issued by HSBC Securities and Capital Markets (India) Private Limited ("**HSCI**" or the "**Manager to the Offer**") for and on behalf of Siemens Aktiengesellschaft (Registered office: Wittelsbacherplatz 2, D-80333 Munich, Germany) ("**Acquirer**" or "**Siemens AG**"), to the shareholders of Siemens Limited (**Registered office**: 130, Pandurang Budhkar Marg, Worli, Mumbai - 400 018) ("**Target Company**") pursuant to and in compliance with, among others, Regulation 11(2A) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("**SEBI (SAST) Regulations**" or the "**Regulations**").

**1. BACKGROUND TO THE OFFER**

1.1 The Acquirer is making a voluntary offer (the "**Offer**" or "**Open Offer**") to the public shareholders of the Target Company for acquiring up to 66,829,060 fully paid-up equity shares of the Target Company constituting 19.82% of the Voting Share Capital (as defined in paragraph 1.3 below) of the Target Company (the "**Offer Size**") at a price of Rs. 930 per equity share (the "**Offer Price**") in order to consolidate its shareholding in the Target Company.

1.2 The Acquirer forms part of the promoter group of the Target Company and holds 186,041,090 equity shares in the Target Company constituting 55.18% of the Voting Share Capital of the Target Company.

1.3 The issued, subscribed and paid-up equity share capital of the Target Company is Rs. 674,320,400 divided into 337,160,200 outstanding equity shares ("**Voting Share Capital**") of face value of Rs. 2 each. There are currently no outstanding partly paid-up shares or any other instruments convertible into equity shares of the Target Company at a future date.

**2. THE OFFER**

2.1 This Offer is being made by the Acquirer to the public shareholders of the Target Company to acquire up to 66,829,060 equity shares being 19.82% of the Voting Share Capital of the Target Company. The Offer Size has been determined in accordance with Regulations 21(3) and 21(5) of the SEBI (SAST) Regulations. On November 30, 2009, the board of directors of the Target Company had approved a scheme of amalgamation under Sections 391-394 of the Companies Act whereby Siemens Healthcare Diagnostics Limited ("**SHDL**") will be amalgamated into the Target Company with effect from October 1, 2009 subject to approval of the relevant High Courts. In consideration of the amalgamation, shareholders of SHDL will be issued equity shares of the Target Company whereby two equity shares of the Target Company will be issued for every one equity share of SHDL. The Bombay High Court has vide its order dated January 28, 2011 approved the scheme of amalgamation. In the event that the scheme of amalgamation is approved by the High Court of Gujarat prior to the expiration of fifteen (15) days from the closure of the Offer, the Voting Share Capital shall stand increased to Rs. 680,589,800 divided into 340,294,900 equity shares of face value of Rs. 2 each. The Acquirer shall consequently increase the Offer Size to 67,025,669 equity shares being 19.70% of the enhanced Voting Share Capital of the Target Company in accordance with the SEBI (SAST) Regulations.

2.2 This Offer is made pursuant to Regulation 11(2A) of the SEBI (SAST) Regulations, at a price of Rs. 930 per equity share, payable in cash in accordance with the SEBI (SAST) Regulations and subject to the terms and conditions mentioned hereinafter.

2.3 Upon completion of the Offer, assuming full acceptance of the Offer, the Acquirer, will hold 252,870,150 equity shares in the Target Company representing 75.00% of the Voting Share Capital of the Target Company.

2.4 The Manager to the Offer does not hold any equity shares of the Target Company on the date of this PA. The Manager to the Offer shall not deal in the equity shares of the Target Company until the expiry of fifteen (15) days from the date of closure of the Offer.

2.5 Subject to the receipt of statutory approvals as set out in paragraph 7 below, and other terms and conditions set out in this PA and the Letter of Offer to be sent to the public shareholders of the Target Company, the Acquirer will acquire equity shares tendered pursuant to the Offer up to the Offer Size. In terms of Regulation 27 of the SEBI (SAST) Regulations, if the statutory approvals are refused, the Offer would be withdrawn by the Acquirer.

2.6 This Offer is being made to all the public shareholders of the Target Company and is not conditional on any minimum level of acceptance by the public shareholders of the Target Company.

2.7 In terms of the Listing Agreement with the BSE and the NSE (as defined in paragraph 3.1 below), the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis. Based on the existing Offer Size and the current shareholding of the promoter group of the Target Company, the public shareholding of the Target Company will not fall to less than 25% of the Voting Share Capital upon the successful closure of this Offer even assuming full acceptances.

2.8 The Acquirer has not acquired any equity shares of the Target Company during the twelve (12) month period prior to the date of this PA. None of the members of the Managing Board (German equivalent to the board of directors) of the Acquirer have acquired any equity shares of the Target Company during the twelve (12) month period prior to the date of this PA.

2.9 There are no "persons acting in concert" with the Acquirer for the purpose of this Offer within the meaning of Regulation 2(1) (e) of the SEBI (SAST) Regulations.

2.10 This is not a competitive bid.

2.11 The Offer is not the result of an indirect acquisition.

2.12 There are no partly paid-up equity shares in the Target Company.

2.13 The equity shares of the Target Company will be acquired by the Acquirer free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

2.14 The Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to applicable law or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.

**3. OFFER PRICE**

3.1 The equity shares of the Target Company are listed on the Bombay Stock Exchange Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). The annualised trading turnover in the equity shares of the Target Company on BSE and NSE based on trading volume during the period July 1, 2010 - December 31, 2010 (six (6) calendar months preceding the month of this PA) is as given below:

| Stock Exchange | Equity Shares Traded (July 1, 2010 to December 31, 2010) | Total Equity Shares Listed | Trading Turnover (Annualised) (% of Total Equity Shares Listed) |
|---|---|---|---|
| BSE | 8,006,365 | 337,160,200 | 4.75% |
| NSE | 49,861,312 | 337,160,200 | 29.58% |

The annualised trading turnover in the equity shares of the Target Company on NSE is more than 5% of the total number of listed equity shares and on BSE is less than 5% of the total number of listed equity shares. Therefore, the equity shares are deemed to be frequently traded on the NSE and infrequently traded on the BSE (within the meaning of explanation (i) of Regulation 20(5) of the SEBI (SAST) Regulations).

3.2 The Offer Price of Rs. 930 is justified in terms of Regulation 20(4) and 20(5) of the SEBI (SAST) Regulations. As per Regulation 20(4) and 20(5), the minimum Offer Price should be the highest of the following:

(i) Negotiated price under an agreement for acquisition of equity shares or voting rights in the Target Company by the Acquirer - Not applicable

(ii) Highest price paid by the Acquirer for acquisition of equity shares during the 26 week period prior to the date of this PA - Not applicable

(iii) The offer price computed under Regulation 20(4)(c):

| | |
|---|---|
| The average of the weekly high and low of the closing prices* of the equity shares of the Target Company during the 26 week period preceding the date of this PA | Rs. 772.0 |
| The average of the daily high and low of the prices* of the equity shares of the Target Company during the 2 week period preceding the date of this PA | Rs. 735.4 |

*The share price data of the Target Company is sourced from the NSE, where it is most frequently traded preceding the date of this PA. Source: www.nseindia.com

(iv) The offer price computed under Regulation 20(5)(c):

| Parameter | (Rs. / equity share) |
|---|---|
| Return on Networth(1) | 25.00% |
| Book value per Share(2) | 97.27 |
| Earning per Share(3) | 22.48 |
| Price earning multiple (based on Offer Price)(4) | 41.37x |
| Industry Price earning multiple(5) | 24.10x |

(1) Return on Networth calculated as Profit after tax / Average of the Net Worth at the beginning and end of the year.

(2) Book value per Share calculated as Networth / Number of outstanding shares (subscribed and paid-up) as at the end of the year.

(3) Earning per Share ("**EPS**") calculated as Net Profit attributable to equity holders / weighted average number of basic shares.

(4) Calculation based on trailing 12 (twelve) months EPS of 22.48 per equity share from the Offer Price of Rs. 930.

(5) Source: Capital Market Vol XXV/24, Jan 24 - Feb 06, 2011.

3.3 In view of the above, the Offer Price of Rs. 930 is justified as per the SEBI (SAST) Regulations.

3.4 This Offer is being made in terms of Regulation 11(2A) of the SEBI (SAST) Regulations, pursuant to the desire of the Acquirer to further consolidate and enhance its stake in the Target Company in order to develop the businesses effectively, and is not being made pursuant to any agreement entered into by the Acquirer with any person to acquire any equity shares in the Target Company.

3.5 In case the number of equity shares tendered for sale by the shareholders is more than the Offer Size, the Acquirer shall accept the offers received from the shareholders on a proportionate basis as per Regulation 21(6) of the SEBI (SAST) Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner.

**4. INFORMATION ABOUT THE ACQUIRER**

4.1 The Acquirer is a listed company incorporated under the federal laws of Germany with entry number HRB 12300 in the commercial register maintained by the local courts in Berlin Charlottenburg, Germany and entry number HRB 6684 in Munich, Germany. The Acquirer has its registered offices in Berlin and Munich and its principal place of business at Wittelsbacherplatz 2, 80333 Munich, Germany (Tel. No. +49 (0) 89 636 - 00, Fax No. +49 (0) 89 636 - 34 - 242). The Acquirer traces its origins to 1847 and was incorporated as a German stock corporation in 1897. While the company was founded under the name Siemens & Halske AG, in 1966 Siemens & Halske AG, Siemens-Schuckertwerke AG and Siemens-Reiniger-Werke AG merged to form "Siemens AG".

4.2 As on the date of this PA, there is no controlling shareholder of the Acquirer and the Acquirer is an independently run company. The Acquirer is the ultimate parent company of the Siemens group of companies. The von Siemens Vermögensverwaltung GmbH ("**vSV**") a German limited liability company and party to an agreement with, among others, members of the Siemens family, holds, on a sustained basis, powers of attorney allowing it to vote, as of October 13, 2010, 11,459,406 shares, or approximately 1.25% of Siemens AG's outstanding shares on behalf of members of the Siemens family whereby aforementioned shares constitute a part of the overall number of shares held by members of the Siemens family. The Werner Siemens Stiftung Zug, Switzerland, a family sponsored foundation, has notified Siemens AG that as of January 2, 2008 it held 27,739,285 shares, or 3.03% of Siemens AG's common shares. Black Rock, Inc., New York, USA, has notified Siemens AG that as of December 1, 2009, it held, directly or indirectly, 35,834,651 shares, or 3.92% of Siemens AG's common shares. Siemens AG has received no further notifications since those dates.

4.3 As of September 30, 2010, the total paid-up share capital (common stock, no par value and additional paid-in capital) of the Acquirer is Euro 8,729 million (equivalent to Rs. 5,475,702 lakhs based on the exchange rate as defined in paragraph 11.10 below).

4.4 The shares of the Acquirer are listed on Frankfurt Stock Exchange, Stuttgart Stock Exchange, Munich Stock Exchange, Hannover Stock Exchange, Düsseldorf Stock Exchange, Berlin/Bremen Stock Exchange, Hamburg Stock Exchange, Xetra, New York Stock Exchange, London Stock Exchange and Schweizer Börse. The Acquirer's shares have been most frequently traded on the Xetra during the last twelve (12) months. The closing price of equity shares of the Acquirer on Xetra as of January 28, 2011 was Euro 93.79 per share (equivalent to Rs. 5,883 per share based on the exchange rate as defined in paragraph 11.10 below) which implies a Price Earning multiple (based on 2010 diluted Earnings Per Share) of 21.12x.

4.5 The Acquirer is one of the leading global players in electronics and electrical equipment manufacturing. Its products, systems, solutions and services are focused on three core end markets: energy (generation and T&D), industry (automation & control/industrial and product technology) and healthcare. The Acquirer has a strong global market position in industrial automation, power generation and medical diagnostics. The Acquirer is also a major world competitor in rail transportation systems, automotive electronics, lighting and equipment for telecommunications and networking.

4.6 The managing board of the Acquirer comprises 8 members, namely: Peter Löscher (President and CEO), Joe Kaeser (Executive Vice President and CFO), Wolfgang Dehen (Executive Vice President), Brigitte Ederer (Executive Vice President), Barbara Kux (Executive Vice President), Prof. Dr. Hermann Requardt (Executive Vice President), Prof. Dr. Siegfried Russwurm (Executive Vice President), Peter Y. Solmssen (Executive Vice President).

4.7 For more details on the Acquirer please visit its website at www.siemens.com.

4.8 The consolidated financial statements of the Acquirer are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union ("**EU**") as well as with the additional requirements as set forth in section 315a(1) of the German Commercial Code ("**HGB**"). The financial statements are also in accordance with IFRS as issued by the International Accounting Standards Board and applicable as of September 30, 2009. The financial highlights, based on the audited consolidated financial statements as of and for each of the years ended September 30, 2008, September 30, 2009 and September 30, 2010 are as follows:

| As on or for Year ended | September 30, 2008 | | September 30, 2009 | | September 30, 2010 | |
|---|---|---|---|---|---|---|
| | Euro (in million, except for per share data) | Rs. (in lakhs, except for per share data) | Euro (in million, except for per share data) | Rs. (in lakhs, except for per share data) | Euro (in million, except for per share data) | Rs. (in lakhs, except for per share data) |
| Total Revenues | 77,327 | 48,507,227 | 76,651 | 48,083,172 | 75,978 | 47,660,999 |
| Profit after Tax (1) | 5,725 | 3,591,293 | 2,292 | 1,437,772 | 3,899 | 2,445,843 |
| Paid-up Share Capital (2) | 8,740 | 5,482,602 | 8,689 | 5,450,610 | 8,729 | 5,475,702 |
| Retained Earnings | 22,989 | 14,421,000 | 22,646 | 14,205,836 | 22,998 | 14,426,645 |
| Others (3) | (4,955) | (3,108,272) | (4,689) | (2,941,410) | (3,381) | (2,120,901) |
| Net Worth (4) | 26,774 | 16,795,330 | 26,646 | 16,715,036 | 28,346 | 17,781,446 |
| Book Value per Share - Basic (5) | 29.98 | 1,880.43 | 30.81 | 1,932.78 | 32.65 | 2,047.98 |
| Book Value per Share - Diluted (6) | 29.87 | 1,873.86 | 30.57 | 1,917.42 | 32.30 | 2,026.42 |
| Earnings per Share - Basic | 6.41 | 402.10 | 2.65 | 166.23 | 4.49 | 281.66 |
| Earnings per Share - Diluted | 6.39 | 400.84 | 2.63 | 164.98 | 4.44 | 278.52 |
| Return on Shareholders' Equity after taxes (%) (7) | 20.53% | 20.53% | 8.58% | 8.58% | 14.18% | 14.18% |

**Additional Information:**

| | |
|---|---|
| (1) | "Profit after Tax" represents "Net income attributable to Shareholders of Siemens AG" in the audited consolidated financial statements (includes income from discontinued operations after eliminating any Income attributable to Minority Investors) |
| (2) | "Paid up Share Capital" represents "Common stock, no par value and Additional paid-in capital" in the audited consolidated financial statements. |
| (3) | "Others" represents the total of "Other components of equity" and "Treasury stock, at cost" in the audited consolidated financial statements. |

| | | | | | | |
|---|---|---|---|---|---|---|
| Other components of equity | (953) | (597,817) | (1,057) | (663,056) | (8) | (5,018) |
| Treasury stock, at cost | (4,002) | (2,510,455) | (3,632) | (2,278,354) | (3,373) | (2,115,883) |
| **Total** | **(4,955)** | **(3,108,272)** | **(4,689)** | **(2,941,410)** | **(3,381)** | **(2,120,901)** |

| | |
|---|---|
| (4) | "Net Worth" represents "Total equity attributable to shareholders of Siemens AG" in the audited consolidated financial statements. |
| (5) | "Book Value per Share - Basic" is calculated as follows: "Net Worth" (as of Sep. 30 of the respective year) divided by the weighted average shares outstanding - basic (for the respective year) in the audited consolidated financial statements. |
| (6) | "Book Value per Share - Diluted" is calculated as follows: "Net Worth" (as of Sep. 30 of the respective year) divided by the weighted average shares outstanding - diluted (for the respective year) in the audited consolidated financial statements. |
| (7) | "Return on Shareholders' Equity after taxes (%)" is calculated as follows: "Profit after Tax" for the respective year, divided by the average of the "Net Worth" at the beginning and end of the respective year. |

***Source:*** *Audited consolidated financial statements of the Acquirer as of September 30, 2010 and for each of the years in the three year period ended September 30, 2010, prepared in accordance with IFRS.*

**5. INFORMATION ABOUT THE TARGET COMPANY**

5.1 Siemens Limited is a public limited company with its registered office located at 130, Pandurang Budhkar Marg, Worli, Mumbai - 400 018, Tel +91 - 22 - 2498 7000, Fax +91 - 22 - 2498 7500. The Acquirer holds 55.18% of the Target Company's Voting Share Capital.

5.2 The Target Company was incorporated in 1957 as Siemens Engineering & Manufacturing Co. of India Private Ltd and became a public listed company in 1961, subsequent to which the Target Company's name was changed to Siemens Engineering & Manufacturing Co. of India Ltd. In 1967, the name was further changed to Siemens India Limited. The name of the company again changed from Siemens India Ltd., to Siemens Limited, with effect from 1987.

5.3 The total paid-up capital of the Target Company, as on the date of its last audited financials, was Rs. 674,320,400, divided into 337,160,200 equity shares of Rs. 2 each. There are no partly paid up shares or securities convertible into equity shares or employee stock options of the Target Company as on the date of this PA.

5.4 The Target Company is engaged in the field of electrical and electronics engineering and provides technology enabled solutions operating in the core business segments of Industry, Energy and Healthcare. The Target Company is headquartered in Mumbai.

5.5 The equity shares of the Target Company are listed on BSE and NSE.

5.6 The audited consolidated financial statements of the Target Company are prepared in accordance with Indian generally accepted accounting standards. The financial highlights based on the audited consolidated financials for the years ended September 30, 2008, September 30, 2009 and September 30, 2010 are as follows:

| As on or for Year ended | September 30, 2008 | September 30, 2009 | September 30, 2010 |
|---|---|---|---|
| | Rs. (in lakhs, except for per share data) | Rs. (in lakhs, except for per share data) | Rs. (in lakhs, except for per share data) |
| Net Sales (1) | 967,982 | 928,645 | 962,007 |
| Total Income (2) | 973,950 | 936,061 | 974,301 |
| Profit after Tax | 59,955 | 70,460 | 75,777 |
| Paid up Share Capital | 6,743 | 6,743 | 6,743 |
| Retained Earnings (3) | 220,857 | 271,254 | 321,106 |
| Revaluation reserve | 140 | 132 | 123 |
| Net Worth (4) | 227,741 | 278,129 | 327,972 |
| Book Value per share (5) | 67.55 | 82.49 | 97.27 |
| Earnings per Share (Basic and Diluted) | 17.78 | 20.90 | 22.48 |
| Return on Equity after taxes (%) (6) | 29.19% | 27.86% | 25.00% |

**Additional Information:**

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|---|---|
| (1) | "Net Sales" is the total of "Sales and services (net)" and "Commission income" in the audited consolidated financial statements. |
| (2) | "Total Income" is the total of "Net Sales", "Other operating income, net" and "Other income" in the audited consolidated financial statements. |
| (3) | "Retained Earnings" represents "Reserves and Surplus" excluding "Revaluation reserve" in the audited consolidated financial statements. |
| (4) | "Net Worth" is the total of "Paid up Share Capital", "Retained Earnings" and "Revaluation reserve". |
| (5) | "Book Value per Share" is calculated as follows: "Net Worth" divided by the number of "Issued, Subscribed and Paid Up shares" as per Sep. 30 of the respective year, as disclosed in the audited consolidated financial statements. |
| (6) | "Return on Equity after taxes (%)" is calculated as follows: "Profit after Tax" for the respective year, divided by the average of the "Net Worth" at the beginning and end of the respective year. |

***Source:*** *Audited consolidated financial statements of the Target Company as of and for the years ended September 30, 2008, 2009 and 2010.*

5.7 Based on the closing price of Rs. 728 per equity share on January 28, 2011 on the NSE and Earnings per share for the year ended 2010, the implied Price Earning multiple is 32.38x.

5.8 As on date of this PA, the board of directors of the Target Company comprises 13 (including 2 alternate directors) directors. Mr. Wolfgang Dehen and Mr. Joe Kaeser are non-executive directors on the board of the Target Company and are also on the managing board of the Acquirer. Dr. Otmar Schmitt and Mr. Stephan Schneider, who are on the board of directors of the Target Company, serve as alternate directors to Mr. Kaeser and Mr. Dehen respectively. The above four named directors may therefore be deemed to be persons having an interest in the Acquirer and hence in terms of Regulation 22(9) of the SEBI (SAST) Regulations, have recused themselves and have not participated, and will not participate, in any matters concerning or 'relating' to the Offer including any preparatory steps leading to the Offer.

**6. REASONS FOR THE OFFER AND FUTURE PLANS**

6.1 Siemens AG has operations worldwide and has achieved a leading global position in electronics and electrical engineering, operating in the industry, energy and healthcare sectors. A key objective of Siemens AG is to expand its current operations and investments in India in connection with its business strategy. To this extent, Siemens AG wishes to increase its stake in Siemens Limited in order to develop the businesses effectively.

6.2 The Siemens group wishes to further consolidate its shareholding to 75.00% by making this Offer to public shareholders of the Target Company in accordance with Regulation 11(2A) of the SEBI (SAST) Regulations.

6.3 The Acquirer has no plans to sell, dispose of or otherwise encumber any assets of the Target Company in the next two years, except to the extent required (i) for the purposes of restructuring or rationalization of assets, investments, liabilities or otherwise of the Target Company for commercial reasons and to improve operational efficiencies; or (ii) in the ordinary course of business of the Target Company or (iii) the assets of the Target Company which are not material in nature.

6.4 The Acquirer undertakes that it shall not sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders of the Target Company as may be required under applicable laws.

6.5 The Acquirer does not have any intention to change the board of directors of the Target Company during the offer period as a direct consequence of the Offer except in the ordinary course of business and in compliance with applicable law.

**7. STATUTORY APPROVALS FOR THE OFFER**

7.1 The Offer is subject to the receipt of approval by the Acquirer from the Reserve Bank of India ("**RBI**") under the Foreign Exchange Management Act, 1999 and / or the regulations made thereunder ("**FEMA**") for acquiring equity shares validly tendered under this Offer (including equity shares tendered by non-resident Indians). The Offer may also require the approval of the Foreign Investment Promotion Board.

7.2 The Acquirer will shortly be filing the relevant applications for the abovementioned approvals.

7.3 To the best of the knowledge of the Acquirer, there are no other statutory approvals required to implement the Offer other than the one specified above. If any other statutory approvals become applicable prior to completion of the Offer, the Offer would also be subject to such other statutory approvals. The Acquirer will, in terms of Regulation 27 of the SEBI (SAST) Regulations, have the right not to proceed with the Offer in the event any of the statutory approvals required are refused.

7.4 Subject to the receipt of statutory and other approvals, the Acquirer shall complete all procedures relating to the Offer, including payment of consideration within a period of fifteen (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 delay due to the non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to the willful default or negligence of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant an extension for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay to the shareholders interest as may be specified by SEBI for any delay beyond fifteen (15) days.

7.5 However, if the delay occurs on account of the willful default or neglect or inaction or non-action by Acquirer in obtaining the requisite approval(s), the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12) of the SEBI (SAST) Regulations.

7.6 To the best of its knowledge, the Acquirer does not require any approvals from financial institutions or banks for the Offer.

**8. OPTION IN TERMS OF REGULATION 21(3)**

8.1 The Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis.

8.2 Based on the existing Offer Size and the current shareholding of the promoter group of the Target Company, pursuant to the successful closure of this Offer made under Regulation 11(2A) and even assuming full acceptances, the public shareholding in the Target Company shall not fall to less than 25% of the Voting Share Capital.

**9. FINANCIAL ARRANGEMENTS**

9.1 As per its latest Annual Report for the year ended September 30, 2010, the Acquirer has consolidated cash and equivalents amounting to Euro 14,108 million (equivalent to Rs. 8,849,948 lakhs based on the exchange rate as defined in paragraph 11.10 below). The Acquirer has adequate resources to meet the financial requirements of the Offer in terms of SEBI (SAST) Regulations and has made firm financial arrangements to meet its obligations in full under the Offer.

9.2 The total funding requirement for the Offer (assuming full acceptances) i.e. for the acquisition of up to 66,829,060 equity shares held by shareholders in the Target Company at Rs. 930 per equity share is Rs. 6,215,10,25,800 (Rupees six thousand two hundred and fifteen crores, ten lakhs, twenty five thousand and eight hundred only) ("**Total Consideration**").

9.3 HSBC Bank plc, incorporated in United Kingdom, with its main office at 8 Canada Square, London, United Kingdom E14 5HQ, who are the bankers of the Acquirer has issued a letter dated January 28, 2011 confirming that the Acquirer has sufficient means and financial capability for the purpose of acquiring in cash up to 66,829,060 fully paid-up equity shares (being 19.82% of the Voting Share Capital of the Target Company) at the Offer Price for the Total Consideration.

9.4 The Acquirer has by a certificate dated January 28, 2011 given an undertaking to the Manager to the Offer to meet their financial obligations under the Offer.

9.5 By way of security for performance of the Acquirer's obligations under the SEBI (SAST) Regulations, an unconditional, irrevocable and on demand bank guarantee dated January 28, 2011 ("**Bank Guarantee**") has been issued by HSBC Bank plc (Registered office: 8 Canada Square, London, United Kingdom E14 5HQ), on behalf of the Acquirer in favour of the Manager to the Offer which is valid up to and including July 27, 2011 for an amount up to Rs. 636,51,02,580 (Rupees six hundred and thirty six crores, fifty one lakhs, two thousand, five hundred and eighty only) being the amount required under Regulation 28(2) of the SEBI (SAST) Regulations, i.e., 25% of the first Rs. 100 Crores and 10% thereafter.

9.6 Further, the Acquirer has created an Escrow Account named "Siemens Limited Open Offer Escrow Account" ("**Escrow Account - Cash**") with the Hongkong and Shanghai Banking Corporation Limited (Shiv Building, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai - 400 057) ("**Escrow Bank**"), and has deposited a sum of Rs. 62,71,20,000 (Rupees sixty two crores, seventy one lakhs and twenty thousand only) in the said Escrow Account - Cash, being the amount required under Regulation 28(10) of the SEBI (SAST) Regulations, i.e., in excess of 1% of the Total Consideration on the basis of an open offer escrow agreement dated January 28, 2011 entered into by and between the Acquirer, HSCI and the Escrow Bank. The Bank Guarantee and Escrow Account - Cash are together referred to as "**Escrow Accounts**".

9.7 HSCI as the Manager to the Offer has been duly authorized to realize the value of the aforesaid Escrow Accounts in terms of the SEBI (SAST) Regulations.

9.8 Based on the above, HSCI is satisfied with the ability of Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

**10. OTHER TERMS OF THE OFFER**

10.1 The Letter of Offer, together with a Form of Acceptance-cum-Acknowledgement and Form of Withdrawal, will be mailed on or before March 14, 2011 to all public shareholders of the Target Company whose names appear in the Register of Members of the Target Company and the beneficial owners of the equity shares, whose names appear on the beneficial records of the respective depositories, in each case at the close of business hours on February 18, 2011 (the "**Specified Date**"). No Letter of Offer together with a Form of Acceptance cum Acknowledgement shall be sent into the United States.

10.2 The Offer shall open on March 25, 2011 and will remain open until April 13, 2011 (the "**Offer Closing Date**").

10.3 Shareholders holding equity shares in physical form: Shareholders holding equity shares in physical form who wish to accept this Offer and tender their equity shares will be required to send the Form of Acceptance-cum-Acknowledgement, original share certificate(s) and duly signed transfer deed(s) to the Registrar of the Offer, Karvy Computershare Private Limited, Unit: Siemens Limited - Open Offer, (Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081, Tel: (91) - 40 - 4465 5000 / 2342 0815 - 23, Fax : (91) - 40 - 2343 1551, E-mail: murali@karvy.com, Contact Person: Mr. M. Murali Krishna / Mr. Williams) ("**Registrar**") either by hand delivery on weekdays or by registered post, on or before the Offer Closing Date, i.e. no later than April 13, 2011 so as to reach the Registrar on or before the close of business hours, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement. They can also tender their equity shares by hand delivery at any of the collection centers mentioned in paragraph number 10.7.

10.4 The Registrar has opened a special depository account called "KCPL Escrow Account - Siemens Limited Open Offer" with Karvy Stock Broking Limited at National Securities Depository Limited ("**NSDL**"). The DP ID is IN300394 and the Client ID is 18055232. Shareholders of the Target Company having their beneficiary account with the Central Depositary Services (India) Limited ("**CDSL**") must use the inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account with NSDL.

10.5 Shareholders holding equity shares in dematerialized form: Beneficial owners who wish to accept this Offer and tender their equity shares will be required to send their Form of Acceptance-cum-Acknowledgement to the Registrar in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgement, along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, in favour of KCPL Escrow Account - Siemens Limited Open Offer duly acknowledged by their respective depository participant (the "**DP**"). Shareholders having their beneficiary account in Central Depository Services (India) Limited will in addition have to use an inter-depository delivery instruction slip. The credit for the delivered shares should be received in the special depository account on or before the Offer Closing Date. The above mentioned documents needs to be sent to the Registrar, Karvy Computershare Private Limited, Unit : Siemens Limited - Open Offer, (Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081, Tel: (91) - 40 - 4465 5000 / 2342 0815 - 23, Fax : (91) - 40 - 2343 1551 E-mail: murali@karvy.com, Contact Person: Mr. M. Murali Krishna / Mr. Williams) either by hand delivery on weekdays or by registered post, on or before the Offer Closing Date, i.e. no later than April 13, 2011 so as to reach the Registrar on or before the close of business hours, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement. They can also tender their equity shares by hand delivery at any of the collection centers mentioned in paragraph number 10.7.

10.6 Shareholders who have sent their equity shares for dematerialization need to ensure that the process of getting their equity shares dematerialized is completed well in time so that the credit in the special depository account is received on or before the Offer Closing Date (i.e. no later than April 13, 2011), else their application would be rejected.

10.7 In addition to the above, the shareholders who wish to avail of and accept the Offer can also deliver the Form of Acceptance-cum-Acknowledgement, along with all the relevant documents, to any of the collection centers specified below in accordance with the procedure as set out in the Letter of Offer on or before the Offer Closing Date, i.e., no later than April 13, 2011. Should there be any addition to the collection centers mentioned below, the same will be published by way of a corrigendum to this PA. All the centers mentioned herein below would be open as follows:

Timings: Weekdays: 10.00 A.M. to 4.00 P.M.

Saturdays: 10.00 A.M. to 1.00 P.M.

| # | Collection Center | Address of Collection Centers | Contact Person | Phone No. | Fax | Mode of delivery |
|---|---|---|---|---|---|---|
| 1 | Mumbai (Fort) | Karvy Computershare Pvt Ltd. 24, Maharashtra Chamber of Commerce Lane, Opp. MSC Bank, Nr Kalaghoda, Behind Rythm House Fort Mumbai - 400 023 | Ms. Nutan Shirke | 022-66381747 & 66382666 | 022-66331135 | Hand Delivery |
| 2 | New Delhi | Karvy Computershare Pvt Ltd. 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi - 110 001 | Mr. Rakesh Kr Jamwal / Vinod Singh Negi / John Mathew | 011-43681700 / 1798 | 011-41036370 | Hand Delivery |
| 3 | Ahmedabad | Karvy Computershare. Pvt Ltd. 201-203,Shail, Opp: Madhusudhan House Behind Girish Cold Drinks Off C G Road, Ahmedabad 380 006 | Mr. Aditya Gupta/ Robert Joeboy | 079-66614772 / 9374491873 | 079-26565551 | Hand Delivery |
| 4 | Chennai | Karvy Computershare. Pvt Ltd. No. 33/1, Venkatraman Street, T.Nagar, Chennai - 600017 | Ms. Janaki | 044 - 45900900/ 902 | 044-28153181 | Hand Delivery |
| 5 | Hyderabad | Karvy Computershare. Pvt Ltd. Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081 | Ms. Rinki Sareen | 040/44655000 / 23420815-23 | 040-23431551 | Hand Delivery/ Regd Post |
| 6 | Kolkata | Karvy Computershare. Pvt Ltd. 49, Jatin Das Road, Nr.Deshpriya Park, Kolkata 700 029 | Mr. Sujit Kundu/ Mr. Debnath | 033-24644891 | 033-24644866 | Hand Delivery |
| 7 | Bengaluru | Karvy Computershare. Pvt Ltd. No.59, Skanda, Putana Road, Basavanagudi Bengaluru 560 004 | Mr. Kumaraswamy/ Ms.V Sudha | 080-26621192 | 080-26621169 | Hand Delivery |
| 8 | Vadodara | Karvy Computershare. Pvt Ltd. Sb-5, Mangaldeep Complex, Opp. Masonic hall, Bpc road, Alkapuri, Vadodara-390007 | Mr. Rahul Patel | 0265-6640870/ 871 | N A | Hand Delivery |
| 9 | Pune | Karvy Computershare Pvt Ltd. Shrinath Plaza, B Wing, Office No.58&59, 3rd Floor, Dyaneshwar Paduka Chowk, S No.184/4, Off: F C Road Pune 411 004 | Ms. Sandhya Gholkar | 020 25532078-25533592 | 020 25533742 | Hand Delivery |
| 10 | Jaipur | Karvy Computershare Pvt Ltd. S-16/A,Land mark. Opp: Jaiclub Mahaveer Marg C-Scheme, Jaipur, 302001 | Mr. Pratik Bhardwaj Mr. Vinod | 0141-2375099 | N A | Hand Delivery |

10.8 All owners (registered or unregistered) of equity shares of the Target Company are eligible to participate in the Offer anytime before the Offer Closing Date. Unregistered owners can send their application in writing to the Registrar, on a plain sheet of paper stating the name, address, number of equity shares held, number of equity shares tendered, distinctive numbers, folio number, together with the original share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their equity shares and valid share transfer forms as received from the market. No indemnity is required from the unregistered owners. Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer.

10.9 In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar, on a plain sheet of paper stating the name, address, number of equity shares held, distinctive numbers, folio number, number of equity shares offered, along with documents as mentioned above, so as to reach the Registrar on or before the Offer Closing Date, i.e. no later than April 13, 2011, or in case of beneficial owners, they may send the application in writing to the Registrar, on a plain sheet of paper stating the name, address, number of equity shares held, number of equity shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of KCPL Escrow Account - Siemens Limited Open Offer, so as to reach the Registrar, on or before the Offer Closing Date, i.e. no later than April 13, 2011.

10.10 Shareholders can also download the Letter of Offer and Form of Acceptance-cum-Acknowledgement placed on the SEBI website www.sebi.gov.in and send in their acceptance by completing the same.

10.11 Applications in respect of equity shares of the Target Company that are subject matter of litigation, wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation, are liable to be rejected if the 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, will be forwarded to the concerned statutory authorities for further action by such authorities.

10.12 Pursuant to Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders who have accepted the Offer by tendering the requisite documents in terms of this PA and Letter of Offer can withdraw the same up to three working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before April 7, 2011.

- The withdrawal option can be exercised by submitting the Form of Withdrawal, which is enclosed with the Letter of Offer.
- In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on a plain sheet of paper to the Registrar, along with the following details:
  - In case of physical equity shares: name, address, distinctive numbers, folio number, number of equity shares tendered; and
  - In case of dematerialized equity shares: name, address, number of equity shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.
- Shareholders can also download the Form of Withdrawal placed on the SEBI website www.sebi.gov.in and send in their withdrawal by filling the same.

10.13 The Registrar will hold in trust the equity shares / share certificates, equity shares held in credit of the special depository account and transfer form(s) and the Form of Acceptance-cum-Acknowledgement if any, on behalf of the shareholders who have accepted the Offer, until the Acquirer completes its obligations under the Offer in accordance with the SEBI (SAST) Regulations.

10.14 If the aggregate of the valid responses to the Offer exceeds the Offer Size, then Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The equity shares of the Target Company are compulsorily traded in dematerialized form, hence the minimum acceptance will be one share.

10.15 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post / speed post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder. Unaccepted equity shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.

10.16 Compliance with tax and other regulatory requirements

(i) While tendering their equity shares under the Offer, NRIs / OCBs / foreign shareholders will be required to submit any previous RBI Approvals (specific or general) that they may have been required to obtain prior to acquiring the equity shares of the Target Company. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject such equity shares tendered.

(ii) While tendering their equity shares under the Offer, NRIs / OCBs / other non-resident shareholders will be required to submit a No Objection Certificate ("**NOC**") or Tax Clearance Certificate ("**TCC**") or Certificate for Deduction of Tax at Lower Rate from the income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer before remitting the consideration, failing which the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

(iii) As per the provisions of Section 196D (2) of the Income Tax Act, 1961, no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, 1961 to a Foreign Institutional Investor as defined in Section 115AD of the Income Tax Act, 1961. However, the interest payment for delay in payment of consideration if any, will not be governed by this provision. For interest payments, if any, NRIs / OCBs / other non-resident shareholders will be required to submit a NOC or TCC or Certificate for Deduction of Tax at Lower Rate from the income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder. In case of resident shareholders, tax will be deducted on the interest component exceeding Rs. 5,000 at the applicable current prevailing rates. If the resident shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such shareholders will be required to submit a NOC or TCC or Certificate for Deduction of Tax at Lower Rate from the income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by Acquirer or a self-declaration in Form 15G or Form 15H as may be applicable. Shareholders eligible to receive interest component exceeding Rs. 5,000 would be required to submit their Permanent Account Number for Income Tax purposes. Clauses relating to payment of interest will become applicable only if the Acquirer becomes liable to pay interest for delay in release of purchase consideration.

(iv) Securities transaction tax will not be applicable to the equity shares accepted in the Offer.

10.17 Payment to those shareholders whose share certificates and / or other documents are found valid and in order and are approved by the Acquirer will be by way of a crossed account payee cheque / demand draft / pay order. The decision regarding the acquisition (in part or full), or rejection of, the equity shares tendered pursuant to this Offer and (i) any corresponding payment for the acquired equity shares and / or (ii) share certificates for any rejected equity shares or equity shares withdrawn, will be dispatched to the shareholders by registered post. Equity shares held in dematerialized form to the extent not acquired or equity shares withdrawn will be credited back to the beneficial owners' depository account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance-cum-Acknowledgement.

10.18 All cheques / demand drafts / pay orders will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of equity shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the cheque / demand draft / pay order.

10.19 A schedule of the activities pertaining to the Offer is given below:-

| Activity | Date | Day |
|---|---|---|
| Specified Date* | February 18, 2011 | Friday |
| Last date for a competitive bid | February 21, 2011 | Monday |
| Date by which Letter of Offer to be dispatched to shareholders | March 14, 2011 | Monday |
| Date of opening of the Offer | March 25, 2011 | Friday |
| Last date for upward revision of the Offer | March 31, 2011 | Thursday |
| Last date for withdrawing acceptance of the Offer | April 7, 2011 | Thursday |
| Date of closing of the Offer | April 13, 2011 | Wednesday |
| Last date of communicating rejection / acceptance and payment of consideration for accepted tenders and / or the unaccepted equity shares / share certificates will be dispatched / credited | April 27, 2011 | Wednesday |

** Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent and all owners (registered or unregistered) of the equity shares of the Target Company are eligible to participate in the Offer anytime before the closure of the Offer.*

**11. GENERAL**

11.1 Pursuant to Regulation 13 of the SEBI (SAST) Regulations, the Acquirer has appointed HSCI as the Manager to the Offer.

11.2 Acquirer can revise the Offer Price upwards up to seven (7) working days (i.e. March 31, 2011) prior to the Offer Closing Date. If there is any upward revision in the Offer Price by Acquirer until the last date of revision i.e. March 31, 2011, the same will be informed by way of a PA in the same newspapers in which this PA has appeared. If the Offer Price is revised upward, such revised price would be payable to all the shareholders who have tendered their equity shares and tendered their equity shares at any time during the tenure of the Offer to the extent the equity shares are acquired by the Acquirer.

11.3 Shareholders of the Target Company who have accepted the Offer by tendering the requisite documents, in accordance with the terms of this PA and the Letter of Offer, shall have the option to withdraw acceptance tendered by them up to three (3) working days prior to the Offer Closing Date, in terms of Regulation 22(5A) of the SEBI (SAST) Regulations i.e. April 7, 2011.

11.4 The Acquirer reserves the right to withdraw the Offer pursuant to Regulation 27 of the SEBI (SAST) Regulations. Any such withdrawal will be notified in the form of a public announcement in the same newspapers in which this PA appears.

**11.5 If there is a competitive bid:**

- **The offers to the public shareholders of the Target Company under all of the subsisting bids shall close on the same date.**
- **As the Offer Price cannot be revised during the seven (7) working days period prior to the closing date of the Offer / bids, it would, therefore, be in the interest of the shareholders of the Target Company to wait until the commencement of that period to know the final Offer Price of each offer / bid and tender their acceptance accordingly.**

11.6 The Acquirer and its directors accept full responsibility for the information contained in this PA and are also responsible for fulfillment of obligations under the SEBI (SAST) Regulations. However, in respect of information relating to the Target Company, the Acquirer has relied on publicly available information.

11.7 Please note that all financial data contained in Euro in this PA has been rounded off to the nearest million and all financial data contained in Rupees in this PA has been rounded off to the nearest lakh, except where stated otherwise.

11.8 Neither the Acquirer nor the Target Company has been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto.

11.9 For further details, shareholders are requested to refer to the Letter of Offer to be sent to the shareholders of the Target Company.

11.10 Certain financial details contained in this PA are denominated in Euro. The rupee equivalent quoted in each case for Euro is calculated based on the RBI reference rate of Rs. 62.73 per Euro as on January 28, 2011. (Source: RBI)

**This PA will also be available on SEBI's website (www.sebi.gov.in). Eligible persons to the Offer may also download a copy of the Form of Acceptance-cum-Acknowledgement, which will be available on SEBI's website at (www.sebi.gov.in) from the opening date of the Offer, i.e. March 25, 2011**

**Issued by the Manager to the Offer on behalf of the Acquirer**

HSBC

**HSBC Securities and Capital Markets (India) Private Limited**

52 / 60 MG Road, Fort, Mumbai 400 001

Tel.: +91-22-2268 1533 / 1264, Fax.: +91-22-2263 1984

Email: siemensopenoffer@hsbc.co.in

Contact Person: Mr. Jai Bhatia / Ms. Sonam Jalan

**Legal Advisor to the Acquirer**

**Amarchand & Mangaldas & Suresh A Shroff & Co**

216, Amarchand Towers, Okhla Industrial Estate Phase III, New Delhi - 110020

Place: Mumbai

Date: January 31, 2011