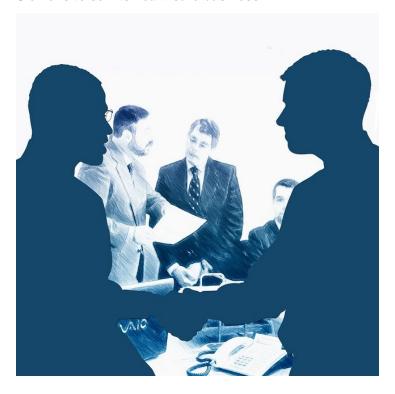


Siemens to sell its healthcare business

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The Board of Directors of Siemens Limited has approved the sale and transfer of its Healthcare undertaking, as a going concern on a slump sale basis, for a sale consideration of Rs 30,500 million (Indian Rupees Thirty Thousand Five Hundred million), to Siemens Healthcare Private Limited, a subsidiary of Siemens AG. The transaction is subject to requisite regulatory, statutory and shareholder approvals.

The consideration for the proposed transaction, recommended by the Audit committee, is based on the valuation undertaken by two independent valuers - Deloitte Touche Tohmatsu India LLP and KPMG India Private Limited. Citigroup Global Markets India Pvt. Ltd. is acting as the transaction advisor to Siemens Limited.

Mr Sunil Mathur, managing director and chief executive officer, Siemens Limited, said, "This transaction, follows Siemens AG's global strategy of managing its Healthcare business under a separately-managed company. Over 85 percent of Siemens Ltd Healthcare revenues are currently derived from products imported from Siemens AG. Significant Management focus, including investments will be needed in finding appropriate products and solutions to meet the growing demands of the Indian market. As there are limited synergies between the Healthcare and other businesses of Siemens Ltd, this transaction will enable Siemens Ltd to increase its focus on, and capital allocation to Power Generation, Transmission and Distribution, Mobility, Industrial Automation and Smart Cities segments while enabling Siemens AG to further strengthen its focus on the Healthcare segment in India, by aligning it with its global strategy and management framework."

Key Rationale for the Proposed Transaction

Healthcare in India: Changing Scenario

Increasing Government spending, preference for locally manufactured products Growth being driven by Tier II / III cities, where preference is for value products

Siemens Ltd.'s Healthcare undertaking is highly dependent on Siemens AG and its subsidiaries for products and technical

Significant long-term investments required for localization of products and solutions

Alignment with Global Strategy and Management Framework

Globally, Healthcare a separately managed unit

Allows increased flexibility, greater entrepreneurial freedom and faster decision making to grow India Healthcare segment independently

Benefits for Siemens Ltd. Shareholders

Limited synergies between Healthcare and other segments

Enhanced focus, capital allocation and resources to further grow in segments of Power Generation, Transmission & Distribution, Mobility, Industrial Automation and Smart Cities

Proposed transaction margin accretive for Siemens Ltd.

Board of Directors has also decided to consider the distribution of 50% of the sale consideration as reduced by applicable Capital Gains Tax and Dividend Distribution Tax, as a special dividend, at the first Board meeting after the completion of the Proposed Transaction.