SIEMENS

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Date 4th March, 2016

National Stock Exchange of India Ltd.
BSE Ltd.

Scrip Code –

National Stock Exchange of India Ltd.: SIEMENS EQ
BSE Ltd.: 500550

Sub: Investor/Analyst Presentation

Dear Sir,

We refer to our letter dated March 4, 2016 intimating the outcome of today's Board Meeting.

With respect to the same, please find enclosed the presentation to be made to Investors / Analysts.

The presentation is also being uploaded on the website of the Company at: www.siemens.co.in/investorcommunity in accordance with Regulation 46 of the Securities and and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the above information on record.

Yours faithfully,

For **Siemens Limited**

Ketan Thaker
Company Secretary

SIEMENS



Siemens Ltd., March 4, 2016

Investor Presentation

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Transaction Overview

1	Board of Directors of Siemens Ltd. has approved the sale and transfer of its Healthcare undertaking, as a going concern on a slump sale basis, for a sale consideration of INR 30,500 million, to Siemens Healthcare Pvt. Ltd., a subsidiary of Siemens AG ("Proposed Transaction"), subject to requisite regulatory, statutory and shareholder approvals
2	The consideration for the Proposed Transaction recommended by the Audit committee, is based on the valuation done by two independent valuers – Deloitte Touche Tohmatsu India and KPMG India
3	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
4	This transaction, follows Siemens AG's global strategy of managing its Healthcare business under a separately-managed company, giving it greater entrepreneurial freedom and flexibility to meet the challenges facing this industry.
5	Over 85% of Siemens Ltd Healthcare revenues is currently derived from products imported from Siemens AG and its subsidiaries. Significant Management focus, including investments will be needed in finding appropriate products and solutions to meet the growing demands of the Indian market.
6	Limited synergies between the Healthcare and other businesses of Siemens Ltd. This transaction enables Siemens Ltd to increase its focus on and capital allocation to further grow in Power Generation, Transmission and Distribution, Mobility, Industrial Automation and Smart Cities.
7	Enables Siemens AG to strengthen its focus on the Healthcare segment in India, by aligning it with its global strategy and management framework
8	Proposed Transaction is margin accretive for Siemens Ltd.

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Alignment with Siemens AG's Strategy and Management Framework

On May 7, 2014, Siemens AG announced an internal reorganization into 9 divisions and 1 independently operated unit, Healthcare

– Siemens Healthcare to operate under a separate company within Siemens AG, with an independent management team

Key Rationale for Separation of Healthcare Segment Globally:

1 Healthcare customer requirements and market structures are in transition

- Convergence of diagnostics and therapy
- Increasing influence of regulatory requirement
- Quality / Outcome-based reimbursement

2 Prepare for potentially disruptive technological change

- Next-generation Healthcare IT (e.g. Big data analytics in imaging and in-vitro-diagnostics)
- Molecular diagnostics and life science tools (e.g. DNA analysis)
- New healthcare applications in consumer electronics

- Limited synergies between Healthcare and other Siemens AG's segments
- With separate Healthcare unit, increased capital available for Siemens AG's other segments

Healthcare with Individual Setup to Succeed in Changing Environment

Focus flexibly on market requirements

Invest in growth opportunities to respond to paradigm shifts

Focus resource allocation to address distinct Healthcare industry characteristics

Increased Flexibility and Greater Entrepreneurial Freedom

Source: Siemens AG

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Overview of India Healthcare Market

- ✓ Healthcare spend stands at 4% of GDP, of which Government spend is roughly 30%[1]
- ✓ Medical Devices comprises c. 4.4% of total Indian Healthcare market[2]

Market Trends

Government Initiatives and Policy

- Draft medical device policy to promote local manufacturing
- Total customs duty on imports of medical devices increased from 11.76% to 19.13%[3]
- Government projects via PPP route, extension of clinical risks to medical device manufacturers
- Highly regulated market with long lead times for product approvals

Industry

- Higher growth expected in Tier-II / III cities, as Tier-I cities reach saturation
- Corporate chains investing in new facilities / acquisitions to increase reach and bargaining power

Key Growth Drivers

- Current high dependence on imports to decline with increasing preference for locally manufactured products
- Driven by growth in Tier II/III cities, where preference is for value products
- Requires significant new capital investments, transfer of technology and innovative business models

Notes: (1) World Bank (2) CII - BCG 2014 (3) Total customs duty includes basic customs duty (increased from 5.0% to 7.5%), CVD, Cess and Special Additional Duty (4% now, exemption for healthcare items has been withdrawn)

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Siemens Ltd. – Healthcare Products and Services

Siemens Serves c.1.4% of the Healthcare market in India (medical devices are c. 4.4% of the total markets)

India Healthcare Market (c. INR 5,440 bn)[1]



Medical Devices Market: c. INR 240bn *(c. 4.4% of Indian Healthcare market)*

Medical Devices Market (c. INR 240 bn)[2]

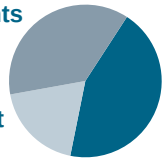


Market Served by Siemens Ltd.: c. INR 75bn *(c. 1.4% of Indian Healthcare market)*

Medical Devices Market Segments Served by Siemens Ltd. Healthcare[2]

IVD reagents (c.37%)

IVD equipment (c.19%)



Diagnostic Imaging (c.44%)

- c. 87% of Siemens Ltd's Healthcare undertaking revenues derived from imported products, catering primarily to the high-end market
  - All equipment imported from Siemens AG and its subsidiaries
  - Dependence on Siemens AG and its subsidiaries for technical know-how and supply of products
- Key products & services:
  - CT & MRI Scanners, Molecular Imaging, Angiography Systems, X-Ray, Ultrasound Systems, Mammography, Surgery Systems, Lab Diagnostics, Reagents & Consumables and Point of Care etc.
  - Localized aftermarket services provided on Siemens installed base

Siemens Ltd. Healthcare Undertaking: Operating Metrics

	FY13	FY14	FY15
Employees	863	876	889
% of Import Content[4]	89%	88%	87%

Siemens Ltd. Healthcare Undertaking: Financial Metrics

	FY13	FY14	FY15
Revenues[3] (% of Siemens Ltd.)	10.0%	13.5%	13.6%
EBIT[3] (% of Siemens Ltd.)	17.4%	9.1%	8.5%

Notes: FX used is USDINR = 68.00. (1) World Bank Data (2) CII - BCG Study, 2014 (3) Siemens Ltd. Standalone (4) % Import content calculated as Traded purchases by the Healthcare undertaking(after adjustment of change in inventories), as a percentage of cost of sales for the Healthcare undertaking (after adjusting IGAAP entries).

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Transaction Benefits and Rationale

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
- India Healthcare undertaking highly dependent on Siemens AG and its subsidiaries for products and technical know-how
- 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 to Siemens Ltd. and its Shareholders

- Limited synergies between Healthcare and other segments
- Enhanced focus, capital allocation and resources to further grow in Power Generation, Transmission & Distribution, Mobility, Industrial Automation and Smart Cities
- Proposed Transaction is 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

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Independent Valuation & High Corporate Governance Standards

- Valuation conducted by two Independent valuers – Deloitte Touche Tohmatsu India LLP and KPMG India Private Limited, with Citigroup Global Markets India Private Limited as Transaction advisor
- Following disclosures are available on Siemens Ltd. website at: www.siemens.co.in/investorcommunity
  - Stock Exchange Intimations
  - Press Release
  - Analyst Call Transcript to be available on Siemens Ltd. website post the call
  - Investor Presentation
  - Valuation Reports
- The proposed transaction is subject to receipt of requisite regulatory, statutory and shareholder approvals

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Summary of Valuation Approach

- **KPMG India Private Limited**, in its valuation report, has recommended a valuation in the range of INR 29,376 million to INR 31,994 million(1). Their valuation is based on the following methodologies:
  1. Discounted Cash Flow ("DCF"): Assuming a WACC range of 10.86% - 11.36%
  2. Market Price Method considering the Enterprise Value/ EBIT multiple of Siemens Ltd.

- **Deloitte Touche Tohmatsu India LLP**, in its valuation report, has recommended a valuation in the range of INR 29,066 million to INR 32,219 million(1). Their valuation is based on the following methodologies:
  1. Discounted Cash Flow ("DCF"): Assuming a WACC of c. 11%
  2. Market Price Method considering the Enterprise Value/ EBIT multiple of Siemens Ltd.

Note: (1) Valuation as of Dec 31, 2015

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Thank You!



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