

PUBLIC ANNOUNCEMENT

ISSUED UNDER REGULATION 3, REGULATION 4, REGULATION 5(1) AND REGULATION 15(1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED ("SEBI (SAST) REGULATIONS")

FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF SQS INDIA BFSI LIMITED

Open offer (the "Offer"), for the acquisition of up to 27,82,880 (twenty seven lakhs eighty two thousand eight hundred and eighty) fully paid up equity shares of face value of INR 10 (Rupees ten only) each ("Equity Shares"), representing 26% of the fully diluted voting equity share capital of SQS India BFSI Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 6A, 6th Floor, Prince Infocity II, NO. 283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai, Tamil Nadu 600 096 (the "Target Company"), from the Public Shareholders (as defined below) of the Target Company by Assystem Services Deutschland GmbH, formerly known as Weilchensee 884 V V GmbH ("BidCo" or the "Acquirer") and SQS Software Quality Systems AG, Germany ("SQS AG" or "PAC"), in its capacity as person acting in concert with the Acquirer. Save and except for the PAC, no other person is acting in concert with the Acquirer for the purposes of this Offer.

This public announcement ("Public Announcement") is being issued by ICICI Securities Limited ("Manager to the Offer") for and on behalf of the Acquirer and the PAC, to the Public Shareholders (as defined below) of the Target Company pursuant to and in compliance (among others) with Regulation 3 read with Regulation 4, Regulation 5(1) and Regulation 13(2)(e) of the SEBI (SAST) Regulations.

For the purpose of this Public Announcement, "Public Shareholders" shall mean all the equity shareholders of the Target Company excluding (i) the shareholders forming a part of the promoter/ promoter group of the Target Company; (ii) parties to the Underlying Transaction (defined below); (iii) PAC; and (iv) any persons acting in concert or deemed to be acting in concert with the persons set out in (i), (ii) and (iii).

1. Offer Details

- (a) **Offer Size:** Up to 27,82,880 (twenty seven lakhs eighty two thousand eight hundred and eighty) Equity Shares of the Target Company (the "Offer Shares"), constituting 26% of the Equity Shares of the Target Company, (the "Offer Size") as of the tenth working day from the closure of the tendering period, subject to the terms and conditions mentioned in this Public Announcement, the detailed public statement ("DPS") and the letter of offer ("LoF") proposed to be issued for the Offer in accordance with the SEBI (SAST) Regulations. The Offer Shares shall be acquired entirely by the PAC. Assuming full acceptance under the Offer, necessary steps shall be taken following acquisition of the Offer Shares to ensure compliance with minimum public shareholding requirements (if breached as a result of the Offer), within prescribed timeline as per applicable laws.
- (b) **Offer Price / consideration:** INR 475.27 (Rupees four hundred and seventy five and twenty seven paise only) per Offer Share (the "Initial Offer Price"). Assuming full acceptance of the Offer, the total consideration payable by the Acquirer in accordance



with the SEBI (SAST) Regulations will be INR 132,26,19,378 (Rupees one hundred and thirty two crore twenty six lakh nineteen thousand three hundred and seventy eight only). If the Acquirer and PAC proceed with the Offer, interest computed at the rate of ten per cent per annum on the Initial Offer Price, calculated from the Announcement Date (as defined below) and up to the date of the DPS, will be paid together with the Initial Offer Price in accordance with Regulation 8(12) of the SEBI (SAST) Regulations (such enhanced price being the "Offer Price"). The Equity Shares of the Target Company are frequently traded as per Regulation 2(1)(j) of the SEBI (SAST) Regulations. Accordingly, the Initial Offer Price has been determined in accordance with the provisions of Regulation 8(1) and Regulation 8(3), of the SEBI (SAST) Regulations taking into account, *inter alia*, valuation report dated December 19, 2017 issued by Shirish Desai & Co., Chartered Accountants (Firm Membership No. 112226W).

The DPS to be issued under the SEBI (SAST) Regulations shall be published no later than five working days after completion of the Underlying Transaction (described below) in accordance with, among others, the proviso to Regulation 13(4) of the SEBI (SAST) Regulations.

- (c) **Mode of payment:** The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
- (d) **Type of offer (triggered offer, voluntary offer/competing offer, etc.):** This is a triggered offer. The Offer is a mandatory offer made in compliance with Regulation 3(1), Regulation 4 and Regulation 5(1) of the SEBI (SAST) Regulations pursuant to the indirect acquisition of equity shares, voting rights of and control over the Target Company (in the manner described under paragraph 2 below). The thresholds specified under Regulation 5(2) of the SEBI (SAST) Regulations are not met and hence the proposed acquisition of the Target Company by the Acquirer and the PAC as part of the Underlying Transaction will not constitute a "deemed direct acquisition" under the SEBI (SAST) Regulations.

2. Transaction which has triggered this Offer (the "Underlying Transaction")

- (a) The Acquirer on December 15, 2017 ("**Announcement Date**") announced that the Acquirer and SQS AG had reached an agreement on the terms of a recommended all cash offer to be made by the Acquirer for the entire issued and to be issued share capital of SQS AG, not already owned or agreed to be owned by the Acquirer for an aggregate consideration of approximately £281.3 million (calculated on a per share offer price of 825 Pence).

Completion of the Underlying Transaction and acquisition of a majority of the issued and to be issued share capital of SQS AG by the Acquirer is subject to the satisfaction of certain conditions as specified in the public announcement made by the Acquirer on the London Stock Exchange on the Announcement Date for the Underlying Transaction (the "**Underlying Transaction Announcement**"), including (among others): (i) the Acquirer receiving valid acceptances (which have not been validly withdrawn) in respect of shares in SQS AG which, when taken together with any other SQS AG shares acquired by the Acquirer (whether pursuant to the Underlying Transaction or otherwise), represent not less than 75 per cent in nominal capital of SQS AG and of the voting rights normally exercisable at a general meeting of SQS AG; (ii) valid acceptances of the proposals being made to option holders in SQS ("**SQS Stock Options**") being received (and not validly withdrawn) which will result in the total number of

outstanding SQS Stock Options representing, in aggregate, less than 5 per cent of the nominal capital of SQS Shares and of the voting rights then normally exercisable at a general meeting of SQS; (iii) the German Federal Cartel Office (*Bundeskartellamt*) ("**GFCO**") informing the Acquirer that it may proceed with the proposed acquisition of the entire issued and to be issued share capital of SQS AG by the Acquirer as contemplated by the Underlying Transaction ("**Proposed Acquisition**") or the time periods given to the GFCO under the Act Against Restraints of Competition to: (A) initiate a second phase investigation or (B) deliver a decision prohibiting the Proposed Acquisition, in each case, having expired; (iv) the Austrian Federal Competition Authority (*Bundeswettbewerbsbehörde*) ("**AFCA**") informing the Acquirer that the AFCA and the Austrian Federal Cartel Prosecutor (*Bundeskartellanwalt*) ("**AFCP**") have both waived their right to initiate an in-depth review under Section 11 of the Cartel Act (*Kartellgesetz 2005*) ("**Cartel Act**") of the Proposed Acquisition of SQS AG by the Acquirer or the time periods given to: (A) the AFCA and the AFCP to initiate an in-depth review under Section 11 of the Cartel Act having expired or (B) the Cartel Court to order the prohibition of the Proposed Acquisition pursuant to Section 14 of the Cartel Act having expired; and (v) no request to the European Commission having been made by either the GFCO or the AFCA under Article 22(1) of the Council Regulation (EC) No. 139/2004 ("**EUMR**"), and SQS AG not having made a submission pursuant to Article 4(5) of the EUMR for the Proposed Acquisition to be examined by the European Commission under the EUMR. The PAC is the target company in the Underlying Transaction and shall act as a person acting in concert with the Acquirer for the purposes of this Offer.

- (b) The announcement of the Underlying Transaction has triggered the requirement for a Public Announcement under Regulation 3, Regulation 4 read with Regulation 5(1) of the SEBI (SAST) Regulations. Completion of the Underlying Transaction would entitle the Acquirer to control the Target Company through SQS AG.

Details of Underlying Transaction						
Type of Transaction (direct/ indirect)	Mode of Transaction	Shares / Voting rights acquired/ proposed to be acquired		Total Consideration for Equity Shares / Voting Rights (VR) acquired (Rs in crore)	Mode of payment (Cash/ securities)	Regulations triggered
		No.	% vis-a-vis total equity / voting capital*			
Indirect acquisition	Subject to acceptance of the offer by shareholders of SQS AG under the Underlying Transaction and	Indirect acquisition of 57,53,801 Equity Shares of the Target Company (not taking into account the Offer Shares validly	Indirect acquisition of 53.83% of the fully paid-up equity share capital of Target Company (not taking into account the Offer Shares validly accepted in the Offer, if	Not applicable as this is an indirect acquisition.	Not applicable as this is an indirect acquisition.	Regulation 3, Regulation 4 read with Regulation 5(1) of the SEBI (SAST) Regulations.



Details of Underlying Transaction						
Type of Transaction (direct/ indirect)	Mode of Transaction	Shares / Voting rights acquired/ proposed to be acquired		Total Consideration for Equity Shares / Voting Rights (VR) acquired (Rs in crore)	Mode of payment (Cash/ securities)	Regulations triggered
		No.	% vis-a-vis total equity / voting capital*			
	subject to the Underlying Transaction becoming unconditional.	accepted in the Offer, if any).	any).			

Details of Acquirer and PAC

Details	Acquirer	PAC	Total
Name	Assystem Services Deutschland GmbH (formerly known as Weichensee 884 V V GmbH)	SQS Software Quality Systems AG	Not applicable
Address	C/o Erwin-von-Kreibitzstr. 3, 80807, Munich, Germany	Stollwerckstraße 11, 51149 Cologne	Not applicable
Name(s) of persons in control / promoters of Acquirer / PAC	Owned and controlled by Assystem Technologies	The PAC is a public listed company, incorporated in Germany and does not have any promoters or persons in control. Pursuant to the Underlying Transaction, the Acquirer will become a person in control.	Not applicable
Name of the group, if any	Assystem Technologies Groupe, controlled by Ardian LBO Fund VI B	None	Not applicable



Details	Acquirer	PAC	Total
Pre Underlying Transaction shareholding in the Target Company			
• Number	The Acquirer does not hold any shares in the Target Company.	57,53,801 Equity Shares	57,53,801
• % of total share capital	The Acquirer does not hold any shares in the Target Company.	53.83%	53.83%
Proposed shareholding after the Underlying Transaction which triggered the Offer	The Acquirer will indirectly hold 5,753,801 Equity Shares, representing 53.83% of the fully paid-up equity share capital of the Target Company.	57,53,801 Equity Shares (not taking into account the Offer Shares validly accepted in the Offer, if any).	57,53,801 Equity Shares of the Target Company (not taking into account the Offer Shares validly accepted in the Offer, if any)
Any other interest in the Target Company	None	The PAC has an interest in the Target Company in its capacity as a shareholder and promoter of the Target Company. Additionally, Diederik (Dik) Vos, a non-executive director of PAC is a member of the board of the Target Company.	Not applicable

Note: * Please note that while this Offer is being made by the Acquirer and the PAC. It is intended that the shares tendered in the Offer will be acquired by PAC.

3. Details of selling shareholders, if applicable

Not applicable. This Offer is being made on account of the Underlying Transaction described in paragraph 2 above and not as a result of any direct acquisition of equity shares, voting rights or control of the Target Company.

4. Target Company

(a) **Name:** SQS India BFSI Limited.



- (b) **Registered Office:** 6A, Sixth Floor, Prince Infocity II, No. 283/3 & 283/4, Rajiv Gandhi Salai, (OMR), Kandanchavadi, Chennai, Tamil Nadu, 600 096, India
- (c) **Exchanges where listed:** (i) BSE Limited (scrip code: 533121); and (ii) National Stock Exchange of India Limited (scrip code: SQSBFSI).

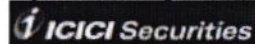
5. Other details

- (a) Further details of the Offer shall be published in the DPS to be issued in terms of the *proviso* to Regulation 13(4) of the SEBI (SAST) Regulations, which will be published as specified under Regulation 14(3) of the SEBI (SAST) Regulations. The DPS pursuant to this Public Announcement shall be published in all editions of any one English national daily newspaper with wide circulation, any one Hindi national daily newspaper with wide circulation, and any one regional language daily newspaper with wide circulation in Chennai, being the place where the registered office of the Target Company is situated and any one regional language daily newspaper at the place of the stock exchange where the maximum volume of trading in the Equity Shares of the Target Company was recorded during the sixty trading days preceding the date of this public announcement and no later than 5 (five) working days from the date of completion of the Underlying Transaction. The DPS will contain further information about the Offer, including the background to the Offer, detailed information on the Offer Price, details of the Underlying Transaction including the conditions precedent thereunder, detailed information on the Acquirer, the PAC and the Target Company and the statutory approvals, if any, required for the Offer.
- (b) As per Regulation 13(2)(e) of the SEBI (SAST) Regulations, this Public Announcement is being made within four working days of the Announcement Date.
- (c) **The DPS shall be issued and the Offer proceeded with only if the Underlying Transaction described above is consummated as provided for in the proviso to Regulation 13(4) of the SEBI (SAST) Regulations. Accordingly, if the Underlying Transaction is not consummated for any reason, the Acquirer and PAC shall not proceed with the Offer.**
- (d) Each of the Acquirer and the PAC undertakes that it is aware of and will comply with its obligations under the SEBI (SAST) Regulations and that it has adequate financial resources to meet its obligations under the Offer.
- (e) The Acquirer and PAC have ensured that firm financial arrangements have been made for financing the acquisition of the Offer Shares under the Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The acquisition of the Offer Shares shall be made entirely by the PAC.
- (f) This Offer is not conditional upon any minimum level of acceptance as per Regulation 19(1) of the SEBI (SAST) Regulations and this Public Announcement is not being issued pursuant to a competitive offer in terms of Regulation 20 of the SEBI (SAST) Regulations.



- (g) Completion of the Offer is subject to completion of the Underlying Transaction as per the terms and conditions mentioned in the Underlying Transaction Announcement, and the receipt of any applicable statutory approvals that may be required.
- (h) In this Public Announcement, all references to "INR" are references to the Indian Rupees. At some places "£" and "Pence" has been used, which represents the currency of the United Kingdom.
- (i) The Acquirer, the PAC and their respective directors accept full responsibility for the information contained in this Public Announcement (other than information regarding the Target Company and information that has been obtained from public sources, which has not been independently verified by the Acquirer, the PAC or the Manager to the Offer).
- (j) All information in relation to the Target Company contained in the Public Announcement is based on publicly available information.

Issued by the Manager to the Offer



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SEBI Registration Number: INM000011179

**For and on behalf of Assystem Services Deutschland GmbH
(formerly known as Weilhensee 884 V V GmbH)**

Sd/-
Name: Olivier Aldrin

Place: Mumbai
Date: December 20, 2017

For and on behalf of SQS Software Quality Systems AG

Sd/-
Name: Diederik Vos

Sd/-
Name: René Gawron

