

Mumbai, August 26, 2020

### **Siemens Limited's Board of Directors Approves Sale of Mechanical Drives business to Siemens AG**

- **Sale and transfer to Flender Drives Private Limited, a subsidiary of Flender GmbH, which in turn is a subsidiary of Siemens AG**
- **Transaction as going concern and on a slump sale basis, with effect from January 1, 2021, subject to receipt of requisite statutory approvals (if required)**

The Board of Directors of Siemens Limited has approved the sale and transfer of its Mechanical Drives (MD) business for a consideration of Rs. 4,400 million (Indian Rupees Four Thousand Four Hundred million) to Flender Drives Private Limited, subject to adjustment for the change in net current assets and capital expenditure, subsequent to June 30, 2020 up to the date of actual transfer of the MD business. The consideration has been arrived at on the basis of an independent valuation, recommended by the Committee of Directors and the Audit committee.

The sale and transfer of MD business is as going concern and on a slump sale basis, with effect from January 1, 2021. The same is subject to receipt of requisite statutory and regulatory approvals, as applicable.

The MD business within Siemens Limited achieved a Revenue of Rs. 6,838 million for FY 2019 and had an operating loss of Rs. 553 million.

Sunil Mathur, Managing Director and Chief Executive Officer, Siemens Limited, said, "Potential growth in this business will require substantial Capex and moreover, there are no synergies with the existing businesses of Siemens Limited. Keeping the interests of the

shareholders in mind, the Board of Siemens Limited has approved the sale of this business to Siemens AG which has also announced their intention to publicly list this business via a spin-off.”

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**Siemens Limited** focuses on the areas of power generation and distribution, intelligent infrastructure for buildings and distributed energy systems, and automation and digitalization in the process and manufacturing industries. It is also a leading supplier of smart mobility solutions for rail and road transport and infrastructure solutions for Smart Cities. Siemens Limited is the flagship listed company of Siemens AG in India. As of September 30, 2019, Siemens Limited had Revenue of INR 13,323 crore and 9,437 employees. Further information is available on the Internet at [www.siemens.co.in](http://www.siemens.co.in).

Forward-looking statements: “This document contains forward-looking statements based on beliefs of Siemens' management. The words 'anticipate', 'believe', 'estimate', 'forecast', 'expect', 'intend', 'plan', 'should', and 'project' are used to identify forward looking statements. Such statements reflect the company's current views with respect to the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different, including, amongst others, changes in the general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products, lack of acceptance of new products or services, and changes in business strategy. Actual results may vary materially from those projected here. Siemens does not intend to assume any obligation to update these forward-looking statements.”