

## Mitsubishi Heavy Industries and Siemens specify proposal to Alstom

Mitsubishi Heavy Industries (MHI) and Siemens today submitted an offer letter specifying further the proposed transaction to Alstom. With the specified offer MHI and Siemens reaffirm their commitment to strengthen Alstom as an independent Global Player in Energy and Transport. After extensive discussions with all stakeholders over the past days MHI and Siemens reviewed their proposal with regards to reducing complexity, strengthening execution and narrowing risk exposure. Based on this, MHI and Siemens decided to further simplify the structure of the proposal for the benefit of all parties involved. This resulted in an additional cash contribution of Euro 1.2 billion to Euro 8.2 billion, while the total valuation of Alstom's energy business increases by Euro 400 million to Euro 14.6 billion.

The specified proposal continues to preserve Alstom's current perimeter in almost all its activities, enhances its industrial sustainability, strengthens its financial structure, enabling it to be a approx. Euro 20 billion revenue French listed group. With additional 1,000 new created jobs by MHI and additional 1,000 apprenticeship training positions by Siemens the proposal will foster job creation in France. MHI and Siemens continue to firmly believe that their proposal is the best one for Alstom, its employees, its clients, its shareholders and French national interests. Such proposal is superior industrially, financially and socially.

**SIEMENS**



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The specifications result in the following measures:

MHI now intends to buy a 40 percent stake in the combined steam, grid and hydro business of Alstom. This amendment will significantly simplify the implementation of the transaction, as this investment may now be undertaken through one single holding company, as opposed to three JVs as contemplated in its June 16th proposal. Therefore cash contribution from MHI increases by Euro 800 million, from Euro 3.1 billion up to Euro 3.9 billion, while the valuation of the underlying businesses remain unchanged.

Based on a subsequent, more advanced opportunity / risk analyses Siemens had been able to increase its cash offer by Euro 400 million. This will increase the total evaluation of the proposal accordingly to Euro 4.3 billion.

In addition to the proposed Letter of Intent for the Rail business, Siemens offers to enter immediately into a Joint Venture for Mobility Management including Signalling between Alstom and Siemens.

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**Mitsubishi Heavy Industries, Ltd.** (MHI), headquartered in Tokyo, Japan, is one of the world's leading heavy machinery manufacturers, with consolidated sales of 3,349.5 billion yen in fiscal 2013, the year ended March 31, 2014. MHI's diverse lineup of products and services encompasses four business domains, "Energy & Environment", "Commercial Aviation & Transportation Systems", "Integrated Defense & Space Systems" and "Machinery, Equipment & Infrastructure." For more information, please visit the MHI website below:  
<http://www.mhi.co.jp/en/index.html>

**Siemens AG** (Berlin and Munich) is a global powerhouse in electronics and electrical engineering, operating in the fields of industry, energy and healthcare as well as providing infrastructure solutions, primarily for cities and metropolitan areas. For over 165 years, Siemens has stood for technological excellence, innovation, quality, reliability and internationality. The company is one of the world's largest providers of environmental technologies. Around 43 percent of its total revenue stems from green products and solutions. In fiscal 2013, which ended on September 30, 2013, revenue from continuing operations totaled €75.9 billion and income from continuing operations €4.2 billion. At the end of September 2013, Siemens had around 362,000 employees worldwide on the basis of continuing operations. Further information is available on the Internet at: [www.siemens.com](http://www.siemens.com).

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens' management, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens' control, affect Siemens' operations, performance, business strategy and results and could cause the actual results, performance or achievements of Siemens to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends. These factors include in particular, but are not limited to, the matters described in Item 3: Key information—Risk factors of our most recent annual report on Form 20-F filed with the SEC, in the chapter C.9.3 Risks of our most recent annual report prepared in accordance with the German Commercial Code, and in the chapter C.7 Risks and opportunities of our most recent interim report.

Further information about risks and uncertainties affecting Siemens is included throughout our most recent annual and interim reports, as well as our most recent earnings release, which are available on the Siemens website, [www.siemens.com](http://www.siemens.com), and throughout our most recent annual report on Form 20-F and in our other filings with the SEC, which are available on the Siemens website, [www.siemens.com](http://www.siemens.com), and on the SEC's website, [www.sec.gov](http://www.sec.gov). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of Siemens may vary materially from those described in the relevant forward-looking statement as being expected, anticipated, intended, planned, believed, sought, estimated or projected. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.