

PUBLIC VERSION

Konkurransetilsynet
Pb. 439 Sentrum
5805 Bergen

Oslo, 20 March 2012

Counsel in charge: Stein Ove Solberg

E-mail: sos@adeb.no

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Also by e-mail: post@kt.no

STANDARDIZED NOTIFICATION OF A CONCENTRATION

In accordance with Section 18 of the Competition Act, we hereby notify the Authority of the acquisition of control by our client Siemens AG or one or more companies controlled by Siemens (hereinafter referred to as "Purchaser" or "Siemens") of the Connectors & Measurements Division of Expro Holdings UK 4 Limited, hereinafter referred to as "Target":

1 THE PARTIES

1.1 The notifying party

Control over the Target will be acquired by Siemens AG, directly or through subsidiaries.

Name: Siemens AG
Postal address: Wittelsbacherplatz 2, 80333 Munich, Germany
Telephone: + 49 89 63600
Facsimile: + 49 89 636 34242

Company registration number: DE129274202

1.2 Representative for the notifying party

Arntzen de Besche Advokatfirma AS
Attn.: Advokat Stein Ove Solberg /Advokat Per Kr. Bryng
P.O Box 2734 Solli, 0204 Oslo
E-mail: sos@adeb.no / per.bryng@adeb.no
Telephone: 2389 4000
Mobile: 9829 4589 / 9829 4640
Facsimile: 2389 4001

We kindly request the Authority that all contact with the notifying party is done through Arntzen de Besche.

1.3 Target

The connectors and measurements division of Expro Holdings UK 4 Limited (“Target”) is operated in five legal entities, of which one is Norwegian:

Matre Instruments AS

Postal address: 5420 Rubbestadneset (Bømlo)

Telephone: 53 42 86 00

Facsimile: 53 42 86 01

Company registration number: 936 260 454

In addition, Purchaser (group) will acquire the following non-Norwegian entities:

- Tronic Limited (UK)
- Tronic Inc. (US), wholly owned subsidiary of Tronic Limited (UK)
- Expro Services (Malaysia) Sdn Bhd
- Expro do Brasil Productos e Equipamentos Ltda.

2 THE CONCENTRATION

Purchaser will by Share Purchase Agreement acquire the entire Connectors & Measurements Division of Expro Holdings UK 4 Limited (“Target”). The connectors and measurements business is operated in the five legal entities listed above, and Purchaser (group) will acquire all the shares of these entities, which includes the Norwegian company Matre Instruments AS.

The transaction structure is visualized in the attached chart.

Encl. 1: Chart visualising the transaction structure.

As a consequence of this transaction, Purchaser will acquire sole control of these five entities and consequently of Target. The transaction is thus a concentration in accordance with Section 17 of the Competition Act.

The transaction as described in this section 2 will hereinafter be referred to as “the Concentration”.

Closing (consummation) of the Concentration is subject to the satisfaction of various conditions precedent, including but not limited to the approval of the Norwegian Competition Authority.

3 STRUCTURE AND BUSINESS AREAS OF THE UNDERTAKINGS CONCERNED

3.1 Purchaser

3.1.1 *Siemens group*

Siemens is an integrated technology company with a focus on the following four sectors, which are sub-divided into 19 divisions:

- Energy sector, see further item 3.1.2 below.
- Healthcare sector, which includes the divisions Imaging & Therapy Systems, Clinical Products, Diagnostics, Customer Solutions and Hearing Instruments.
- Industry sector, which includes the divisions Industry Automation, Drive Technologies, Customer Services and Metals Technologies.
- Infrastructure & Cities sector, which includes the divisions Rail Systems, Mobility and Logistics, Low and Medium Voltage, Smart Grid, Building Technologies and OSRAM.

The Siemens group is present in about 190 countries and has approximately 400 000 employees.

A list of all subsidiaries and associated companies in the Siemens Group, including for Norway, can be found at:

http://www.siemens.com/investor/en/financials/annual_reports.htm.

3.1.2 *The Energy Sector*

The Siemens Energy Sector supplies a wide range of products, solutions and services in the field of energy technology. Siemens enables its customers to generate, transmit and distribute electrical power at the highest levels of efficiency, and also helps the customers to produce, convert and transport the primary fuels oil and gas. Siemens has know-how, products, solutions and key components spanning the entire energy conversion chain.

The Siemens Energy Sector consists of the following business sectors (divisions):

- Fossil Power Generation
- Wind Power
- Solar & Hydro
- Oil & Gas
- Energy Service
- Power Transmission.

The Energy Sector currently generates approximately 1/3 of the revenues of the entire Siemens group.

The Siemens Oil & Gas Division offers customers in the oil and gas, process and energy supply industries a broad portfolio of products and solutions for the eco-friendly and resource-saving utilization of energy in areas such as the production and processing of oil and gas and the energy-efficient generation of electricity. The Siemens Oil & Gas division also delivers solutions for subsea oil and gas installations.

3.1.3 *Siemens in Norway*

Siemens group has approximately 1 700 employees in Norway.

Siemens has the following wholly owned subsidiaries in Norway:

- Siemens AS, PO Box 1 Alnabru, 0613 Oslo, telephone 2263 3000 / 9082 7012, telefax 2263 3805, CR-number 915 826 946, which has two wholly owned subsidiaries:
 - Siemens Business Services AS, PO Box 2 Alnabru, 0613 Oslo, telephone 22 63 20 00, telefax 22 63 20 01, CR-number 916 767 285
 - Poseidon Consulting Services AS, Skogstøstraen 25, 4029 Stavanger, telephone 51 20 16 40, telefax 51 20 16 60, CR-number 984611013
- Siemens Healthcare Diagnostics AS, PO Box 7 Alnabru, 0613 Oslo, telephone 8001 2629, telefax 2263 4410, CR-number 932 310 449
- Siemens Høreapparater AS, PO Box 1 Alnabru, 0613 Oslo, telephone 2263 3000 / 9082 7012, telefax 2263 3805, CR-number 940 953 456
- Osram AS, Strandveien 50, 1366 Lysaker, telephone 4000 4110, telefax 6753 6179, CR-number 915076742.

In addition, Siemens owns 50 per cent of the following two Norwegian companies:

- BSH Husholdningsapparater AS, PO Box 6593 Etterstad, 0607 Oslo, telephone 2266 0600, telefax 22 66 05 85, CR-number 942381115.
- Nokia Siemens Networks Norge AS, Kabelgaten 34, 0580 Oslo, telephone 2272 2570, CR-number 990 618 976.

Reference is made to the complete list of the Siemens Group's subsidiaries and associated companies and joint ventures in Norway mentioned above in 3.1.1.

The Energy Business in Norway is operated through the company Siemens AS. The two companies Bennex AS and Poseidon Group AS, which were acquired by Siemens in 2011,¹ are now both merged with Siemens AS.

¹ Cf. the Authority's case no. 2011/215.

An important part of the Energy Business in Norway is within the Oil and Gas segment. This segment also includes the Subsea business.

Siemens Subsea has a wide range of competencies in subsea solutions. Siemens Subsea offer services such as in-house engineering, project management, procurement, production, assembly and testing, on-site training, installation, service and maintenance. More information on Siemens Subsea business can be found here: <http://www.bennex.no/?page=1506>

3.1.4 Annual accounts and general

The annual accounts of Siemens (group) can be found in the Annual Report 2011. The Annual Report can be downloaded from the following internet site: http://www.siemens.com/investor/en/financials/annual_reports.htm

The annual accounts of the Norwegian Siemens subsidiaries are available in the Norwegian Register of Company Accounts in Brønnøysund.

For more information about the Siemens group, please visit the group's web site <http://www.siemens.com/entry/cc/en/>. For specific information about Siemens in Norway, please see <http://www.siemens.com/entry/no/no/>

3.2 Target

3.2.1 Structure

As described above, Target comprises the Connectors & Measurements Division of Expro Holdings UK 4 Limited and includes the following legal entities:

- Matre Instruments AS
- Tronic Limited (UK)
- Tronic Inc. (US), a wholly owned subsidiary of Tronic Limited (UK)
- Expro Services (Malaysia) Sdn Bhd
- Expro do Brasil Produtos e Equipamentos Ltda.

Target has approximately 390 employees and is headquartered in Cumbria, United Kingdom, where it also has a production facility. Target also has a production facility at Bømlo in Norway. Furthermore, Target has smaller facilities in Houston (USA), Johor (Malaysia) and Niterói and Macaé (Brazil).

3.2.2 *Business*

Expro's Connectors & Measurements Division designs, manufactures and supplies products to the subsea oil and gas industry. Target's products are marketed under the brands "Matre" and "Tronic".

The "Matre" product range comprises subsea pressure and temperature sensors, as well as pressure differential measurement instruments, that provide accurate and stable readings of pressure. The Matre products are manufactured at Matre Instruments' site at Bømlo in Norway. For further details about the Matre product range, please visit the web page <http://exprogroup.com/products-services/connectors-measurements/matre-sensors/>

The "Tronic" product range comprises subsea electrical and optical connection systems. These products are used on subsea control systems, umbilical and in-field distribution systems and in wellhead feedthroughs, and provide power and communications to subsea equipment. The Tronic products are manufactured in Cumbria, United Kingdom. For further details about the Tronic product range, please visit the company web page <http://exprogroup.com/products-services/connectors-measurements/tronic-connectors/>

Target's customers are primarily subsea equipment vendors, such as [REDACTED] [REDACTED]). Target's products (components) are normally a small part of large subsea EPC (Engineering, Procurement and Construction) packages. The EPC companies' customers, and consequently the ultimate end users of Target's products, are the oil and gas companies.

3.2.3 *Annual accounts and general*

The annual accounts of Matre Instruments AS are available in the Norwegian Register of Company Accounts (Brønnøysund).

Please find attached the annual accounts of the other Target entities:

Encl. 2: Annual accounts 2010 of Tronic Limited (UK).

Encl. 3: Annual accounts 2010 of Expro do Brasil Produtos e Equipamentos Ltda.

[REDACTED]

More information about Target can be found at the company web pages:
<http://exprogroup.com/products-services/connectors-measurements/>

4 REVENUES AND OPERATING RESULT - JURISDICTION

4.1 Buyer (group)

Below are the 2011² turnover and operating result figures for the Siemens group of companies:

	<i>Revenues (turnover)</i>	<i>Net income</i>
Worldwide	EUR 73,5 billion (approx. NOK 572,5 billion) ³	EUR 6,3 billion (approx. NOK 49 billion)
Norway	EUR [REDACTED] (approx. NOK [REDACTED])	N/A

4.2 Target

Below are the 2010⁴ turnover and operating result figures for Target:

	<i>Revenues</i>	<i>EBITDA</i>
Worldwide	USD 94 million (approx. NOK 568 million) ⁵	USD 40 million (approx. NOK 242 million)
Norway	NOK [REDACTED] (approximate figure)	N/A ⁶

4.3 Jurisdiction – Other competition authorities

The turnover of the Target is below the thresholds of the EC Merger Regulation and the Concentration will therefore not be notified to the European Commission.

The combined turnover of the undertakings concerned in Norway is approx. NOK [REDACTED], and each of Purchaser and Target has a turnover in Norway above NOK 20 million. The Concentration is therefore subject to compulsory notification to the Norwegian Competition Authority.

² The Siemens group has a deviating financial year, from 1 October to 30 September. The above figures are from the financial year ending 30 September 2011.

³ All EUR/NOK conversions in this notification are based on the average exchange rate through 2011 which was 7,79.

⁴ Target has a deviating financial year, from 1 April to 31 March. The figures above are from the financial year ending 31 March 2011.

⁵ All USD/NOK conversions in this notification are based on the average exchange rate through 2010 which was 6,045.

⁶ Target does not report profit by country.

In addition to Norway, the Concentration will be notified to the competition authorities in Brazil.

5 AFFECTED MARKETS

5.1 Product dimension

Target designs, manufactures and supplies

- (i) Electrical (both high and low voltage) and optical subsea *connection systems* (“Tronic”), and
- (ii) Subsea sensors and other instruments for *measuring* pressure and temperature (“Matre”),

hereinafter jointly referred to as *connectors and sensors* to the subsea oil and gas industry.

Target’s customers are primarily large subsea EPC (Engineering, Procurement and Construction) contractors, like Aker Solutions, Cameron, FMC Technologies and Vetco Gray/GE, and sometimes oil & gas field operators like Statoil. EPC contractors provide complete subsea installations to oil and gas companies. Connectors and sensors equipment from Target will form a small part of components to the large subsea EPC packages.

The above described product manufacturing is Target’s main area of business and represents approx. [REDACTED] of its total turnover.

Siemens does not manufacture connectors or measurement equipment for the subsea oil and gas industry. Consequently, there is no horizontal overlap between the parties with regard to product manufacturing.

5.2 Service dimension

The sensors and connectors provided by Target are compiled in smaller packages to be further employed in the larger EPC package. The EPC contractor normally does not perform compiling of sensors and connectors itself.

As a service provision, Target will therefore upon the request of the EPC customer compile/assemble its connectors and sensors for its intended end use. The scope of these packages depends on the requirements of the EPC contractor for each order.

These requirements are again a result of the specifications given by the end customer, i.e. the oil and gas company.

At present, Siemens also performs compiling services with regard to connectors and sensors to EPC customers.

Consequently, there is a service dimension in the market in which both Target and Siemens are active and in which there are overlapping activities between the parties to the transaction.

In this compiling service market, there are a number of competitors to the parties, e.g. ODI, Transcontrol, Transmark, Tess, Seacon and Precision Subsea.

Some of these competitors, like ODI and Seacon, are also product manufacturers such as Target, whilst others, such as Tess and Precision Subsea are not, like Siemens.

Siemens accordingly offers compiling services to EPC contractors (or sometimes directly to the sub-sea field operator) for sensors and connectors manufactured by third parties.

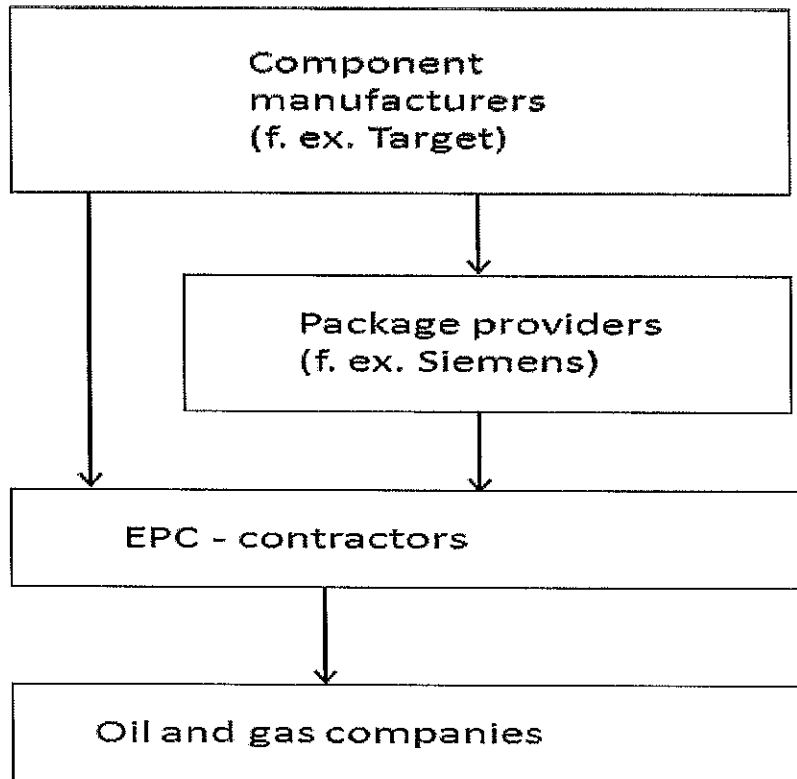
Contrary to Siemens, Target does not offer a compiling service for third party connectors but focuses mainly on sales of manufactured products directly to the EPC or to compiling service providers such as Siemens – Target therefore offers compiling of its own connector products when requested by the customer.

Because the choice of sensors and connectors product is often made by the EPC contractor, and that the order for a compiled connectors and sensors package regardless of product specification may be placed by the EPC contractor either with the product manufacturer directly such as Target or with a compiling service provider such as Siemens, the parties are of the opinion that there is a relevant and distinct service market for compiling connector and sensor products in which both parties to the transaction are active. Thus, there is a horizontal overlap between the parties in this service market.

5.3 Vertically affected market

A vertical link between the parties exists because Siemens is, alongside other service providers, for the purpose of compiling services to EPC contractors or oil and gas operators, buying connector and sensor products from *inter alia* Target.

The production and services value chain, and the parties' relation to each other, is visualised in the chart below:



5.4 Geographic dimension

The parties submit that the connectors and sensors compilation (service) market is global in scope. Also, the vertically affected product markets for connectors and sensors are global.

First, the compilation services are delivered to EPC contractors for further use in various regions, such as Norway/UK, Brazil and West Africa as well as in other regions where sub-sea installations are being developed.

In addition, the products and services delivered are similar, without technical differences depending on regions, prices are similar globally and there are no regional or local regulations that affect competition parameters.

Finally, the global nature of these markets is supported by the Ministry in its decision in National Oilwell/Varco, and also by the UK Office of Fair Trading (OFT) in its decision in Halliburton/PSL.

6 COMPETITORS, CUSTOMERS AND SUPPLIERS IN THE COMPILING SERVICE MARKET

6.1 Competitors

6.1.1 Competitors compiling service market – Siemens

Competitor compiling service market	Contact Name	Telephone	E-mail
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

6.1.2 Competitors compiling service market – Target

Competitor compiling service market	Contact Name	Telephone	E-mail
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

6.2 Suppliers

6.2.1 Suppliers compiling service market – Siemens

Supplier compiling service market	Contact Name	Telephone	E-mail
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

6.2.2 Suppliers compiling service market - Target

Supplier compiling service market	Contact Name	Telephone	E-mail
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

6.3 Customers

6.3.1 Customers compiling service markets - Siemens

Customer compiling service market	Contact Name	Telephone	E-mail
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

6.3.2 Customers compiling service markets - Target

Customer compiling service market	Contact Name	Telephone	E-mail
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

7 EFFECTS ON COMPETITION

7.1 Market for compiling services

As shown in section 6.1 above, there are a number of competitors on this compiling service market.

The parties estimate the total value of the sensors and connectors compiling service market to be [REDACTED].

Target's turnover related to compiling services of sensors and connectors is estimated to approximately [REDACTED], whilst Siemens' turnover for compiling connectors and sensors is estimated to [REDACTED].

Prior to the transaction, the parties accordingly estimate that Target's market share is approximately [REDACTED] %, and that Siemens' market share is approximately [REDACTED]

On this background, the parties conclude that the transaction will not affect competition in the compiling service market for sensors and connectors.

7.2 Vertically affected markets

The transaction implies that Siemens will become a vertically integrated supplier of both sensor and connectors products and compiling services.

Target designs, manufactures and supplies subsea *sensors* which it sells under the Matre brand. The market for sensors can be sub-segmented in (i) temperature sensors, (ii) pressure sensors and (iii) differential pressure sensors as these types of sensors have a different application and are not interchangeable. Temperature sensors are used to measure the temperature of flow of hydrocarbons. Pressure sensors are used to measure pressure in hydrocarbon flow. Target's differential pressure sensors are used for water / gas injection flow meters, wet gas flow meters, and tank level monitoring. Siemens purchases all three types of sensors from Target amounting to approximately [REDACTED] sensors in 2010.

Target's main competitors in sensor manufacturing are Druck, Roxar, Presens, Transcontrol and Teledyne (ODI). The parties estimate Target's market share for sensors to be approx. [REDACTED]

Target furthermore designs, manufactures and supplies subsea *connectors* which it sells under the Tronic brand. The market for connectors can be sub-segmented in (i) high voltage connectors, (ii) low voltage connectors, (iii) optical/fibre connectors and (iv) hydraulic connectors. Low voltage connectors and optical/fibre connectors have overlapping application, i.e. to transfer a signal from A to B and B to A.

Target has no sales of hydraulic connectors in its portfolio. In addition, Siemens does not purchase high voltage connectors, nor have optical connectors in its portfolio. Consequently, low voltage connectors are the only vertically affected connectors segment.

[REDACTED]

Over the last few years, fibre/optical connectors have increasingly replaced low voltage connectors. Fibre/optical connectors are based on a more efficient technology which allows transmitting signals faster and with less background noise. Contrary to low voltage connectors, optical connectors can only send signals and no power. Hence, for applications in which only signals and no power should be transmitted, optical connectors have become the preferred type of connectors.

With regard to the product segment of low voltage connectors, the Parties submit that the Concentration will have no negative effects on competition. The merged entity will have neither the ability nor the incentive to restrict supply of low voltage connectors downstream (input foreclosure) for the following reasons:

First, there are alternative suppliers for low voltage connectors on the market, cf. above.

Second, Siemens will continue to supply low voltage connectors to companies active on the market for compiling services for low voltage connectors in the same way as Target is currently doing.

Approximately [REDACTED] of Target's turnover relates to sales of low voltage connectors.

[REDACTED]

[REDACTED]

Moreover, the margin on Target's low voltage connector sales is approx [REDACTED] than the margin for Siemens in the downstream service market. It would therefore be unprofitable for Siemens to restrict sales of low voltage connectors.

Third, Siemens estimates that approx. [REDACTED] of the requests for tenders from EPC contractors contain technical specifications indicating that the EPC contractor expects offers with Target's Tronic connectors. Similarly, in approx [REDACTED] of the cases, the EPC contractors' technical specifications imply that ODI connectors are to be offered in the tender. In the remaining part of the cases (approx. [REDACTED] %), the EPC contractors do not specify what brand of connectors should be offered.

[REDACTED]

Fourth, the Parties' intermediate customers (EPC contractors) and end customers (oil and gas companies) are all strong buyers. This means that they possess significant purchasing power and that they will not accept any input foreclosure or decrease in competition intensity in the value chain. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]. A number of suppliers have successfully entered the market the last 3-5 years, like [REDACTED]
[REDACTED]

Accordingly, the EPC contractors will not be facing limited choice of service providers or product suppliers after the transaction and competing service providers will not face input foreclosure.

8 CONFIDENTIALITY

This notification contains business secrets that must be kept confidential. A public version of this document is attached.

Encl. 4: Public version of this document.

Should there be any questions to this notification or to the Concentration as such, we kindly ask the Authority to contact the undersigned.

Yours sincerely,
ARNTZEN de BESCHE ADVOKATFIRMA AS

Stein Ove Solberg

Per Kr. Bryng

Enclosures: [4]