

Siemens Enterprise Communications: A Joint Venture between Siemens AG and The Gores Group

Munich, October 1, 2008

Joint Venture Highlights

- Gores to acquire 51 percent stake in the Joint Venture and assume operational responsibility
- Siemens to retain 49 percent
→ Two of the five board seats & supermajority rights
- Gores will strengthen the Joint Venture by contributing two of its portfolio companies – Enterasys and SER Solutions
- Key Siemens patents and licenses will be transferred to the Joint Venture
- The Joint Venture will be a preferred supplier to Siemens and use the Siemens One network
- Strongly capitalized at inception with an independent CTA, the Joint Venture will benefit employees and customers in the long-term and plans a key role in Industry consolidation
- Gores and Siemens plan to invest roughly €350 million – in addition to R&D spend – in the Joint Venture
- Mark Stone will be chairman of the new Joint Venture

Overview of The Gores Group

THE GORES GROUP

- Founded in 1987 by Alec Gores as a private investment firm focused in large part on investments in the technology and telecommunications sectors
- Specializing in carve-outs of underperforming business units from large, corporate sellers
- Over \$1.7 billion of equity capital under management
- Dedicated team of 21 investment professionals and 26 in-house operations personnel, each with deep telecommunications and technology expertise
- Core team has worked together for more than 15 years

Investments include:



The Gores Group – an experienced operational choice

Responsible

- Long-term commitment to the business
- Solid financial base and focus on growth
- Active partner in driving Industry consolidation

Excellence

- Operational experience in managing transitions and consolidation
- Strong track record
- Telecom & data communications know-how

Innovation

- Complementary portfolio companies with strong synergies
- Management operational expertise in technology and telecommunications

Enterasys and SER Solutions

An excellent fit with Siemens Enterprise Communications

SIEMENS

SIEMENS

Siemens Enterprise Communications

- Turnover: €3.1bn
- Employees: 13,000
- Based in Munich, Germany
- One of the world's leading providers of Unified Communications.
- Portfolio includes software, solutions and services for enterprises of any size regardless of their technological base.



- Sales: Approx. \$330m (€220 m)*
- Employees: Approx. 800
- Based in Andover, MA
- A global provider of Secure Networks for enterprise customers
- Product portfolio includes multilayer switches, core routers, WAN routers, wireless LANs, network management, and intrusion defense systems



- Sales: Approx. \$30m (€20 m)*
- Employees: Approx. 100
- Based in Dulles, VA
- Delivers contact center management solutions on both hardware and software platforms
- Supplied business activities include planned and proactive customer care, telemarketing, collections, fundraising, emergency notifications, and political calling

Enterasys and SER will strengthen the Joint Venture's capabilities in the data networks and software space, and accelerate the transformation of Siemens Enterprise Communications that is already underway

Introducing our new CEO, James R. O'Neill



James R. O'Neill

CEO, Siemens Enterprise
Communications

Profile

- Born in Arklow, County Wicklow Ireland
- Became an American citizen in 1976
- A wealth of industry experience and a stellar track record of commitment to customer service
- Joins from CompuDyne Corporation (a Gores Group company), where he served as Chairman and CEO
- Served as Corporate VP and President of Northrop Grumman's Information Technology sector (2004 to 2008)
- Has also held executive management positions at Oracle Services Industries, Lucent Technologies and Digital Equipment Corporation

Our customers will benefit from a more complete enterprise communications offering

SIEMENS

SIEMENS

Unified
Communications

Security



Applications

- Leverages Siemens Enterprise Communications global reach and the strong indirect channels of Enterasys
- Guarantees and service agreements to remain in effect
- Accelerated development of OpenScape UC Server for large enterprises
- Continuing upgrades of HiPath products to protect customer investment
- Transition to indirect sales channels and development of HiPath products to improve support to SMEs
- Significant investment to fund the acquisition of additional technology platforms –strengthening our offering