

SIEMENS

Hermann Requardt | Member of the Managing Board & Healthcare CEO

Healthcare – Solid performance, strong perspectives

Siemens Capital Market Day | Berlin, December 9, 2014

Notes and forward-looking statements

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, of which many are beyond Siemens’ control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes – in IFRS not clearly defined – supplemental financial measures that are or may be non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens’ net assets and financial positions or results of operations as presented in accordance with IFRS in its Consolidated Financial Statements. Other companies that report or describe similarly titled financial measures may calculate them differently.

All underlying margins are calculated by adjusting margins for the effects reported for the respective businesses in the relevant period. These effects are provided to assist in the analysis of the businesses’ results year-over-year and may vary from period to period. Underlying margins are not necessarily indicative of future performance. Other companies may calculate similar measures differently.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Healthcare key figures FY 2014

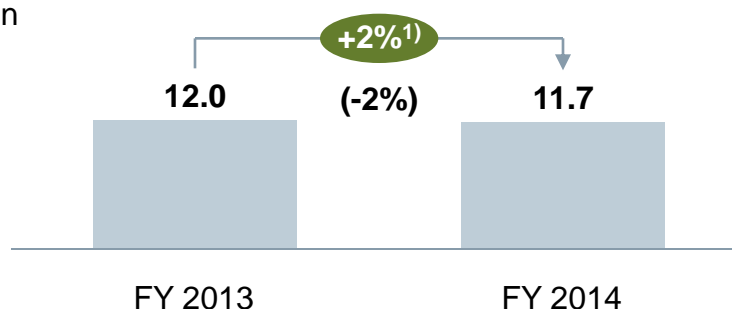
Orders

in €bn



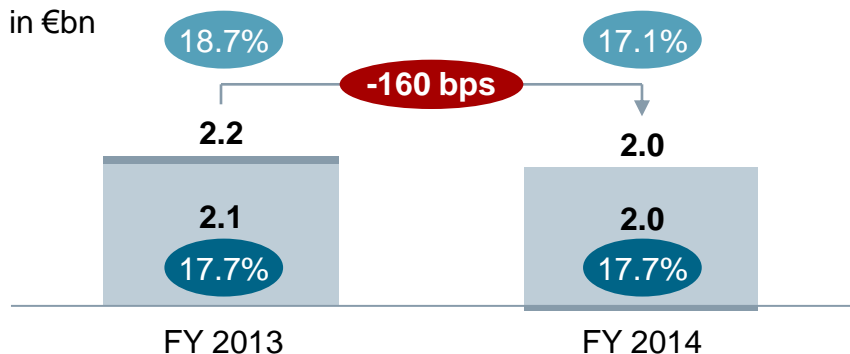
Revenue

in €bn



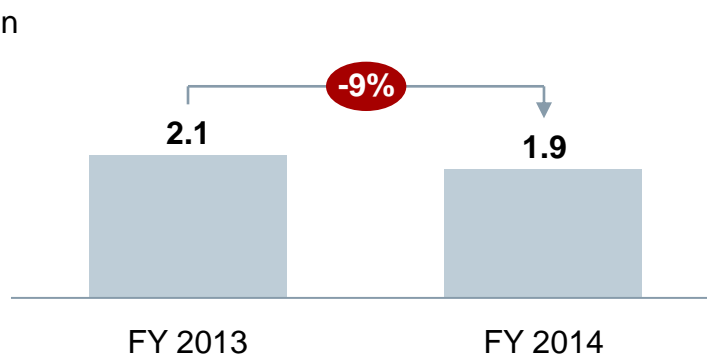
Profit and margin

in €bn



Free Cash Flow

in €bn



x.x% Profit margin **x.x%** Underlying profit margin²⁾

Note: All data excl. Hospital Information Systems & Audiology; growth rates in brackets as reported

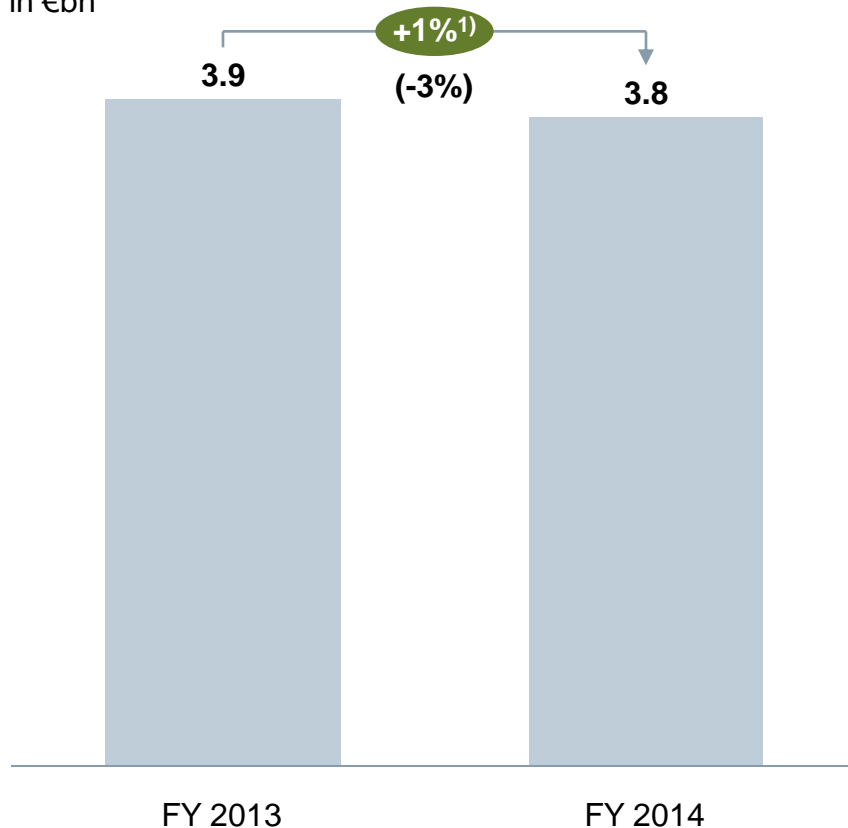
1) Comparable, i.e. adjusted for currency translation and portfolio effects; 2) In FY 2013 adjusted for charges related to Agenda 2013 and an impairment of an investment at Diagnostics in Italy; in FY 2014 adjusted for a positive effect related to the sale of a Particle Therapy installation

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Diagnostics key figures FY 2014

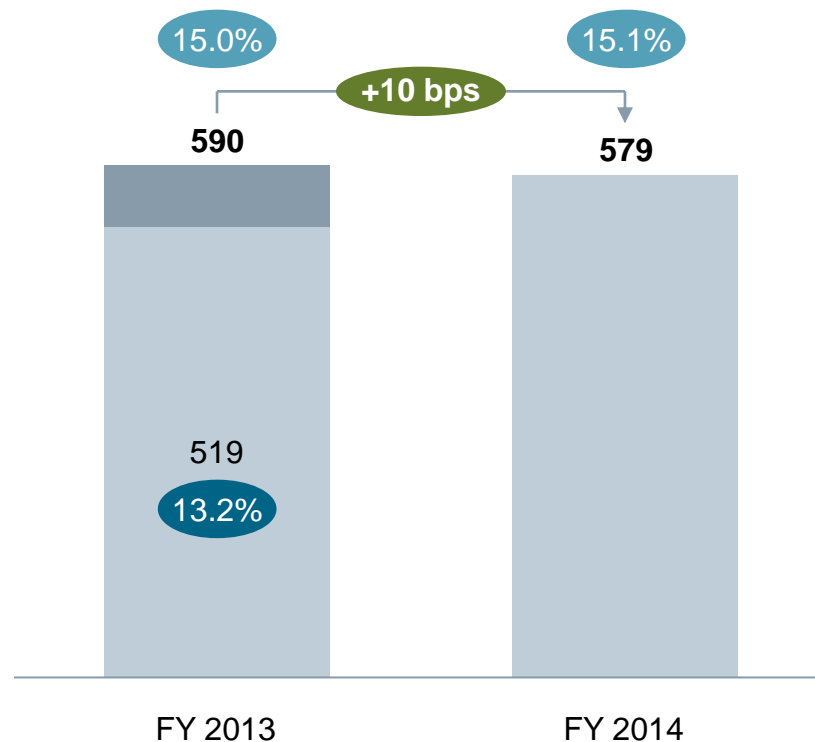
Revenue

in €bn



Profit and margin

in €m

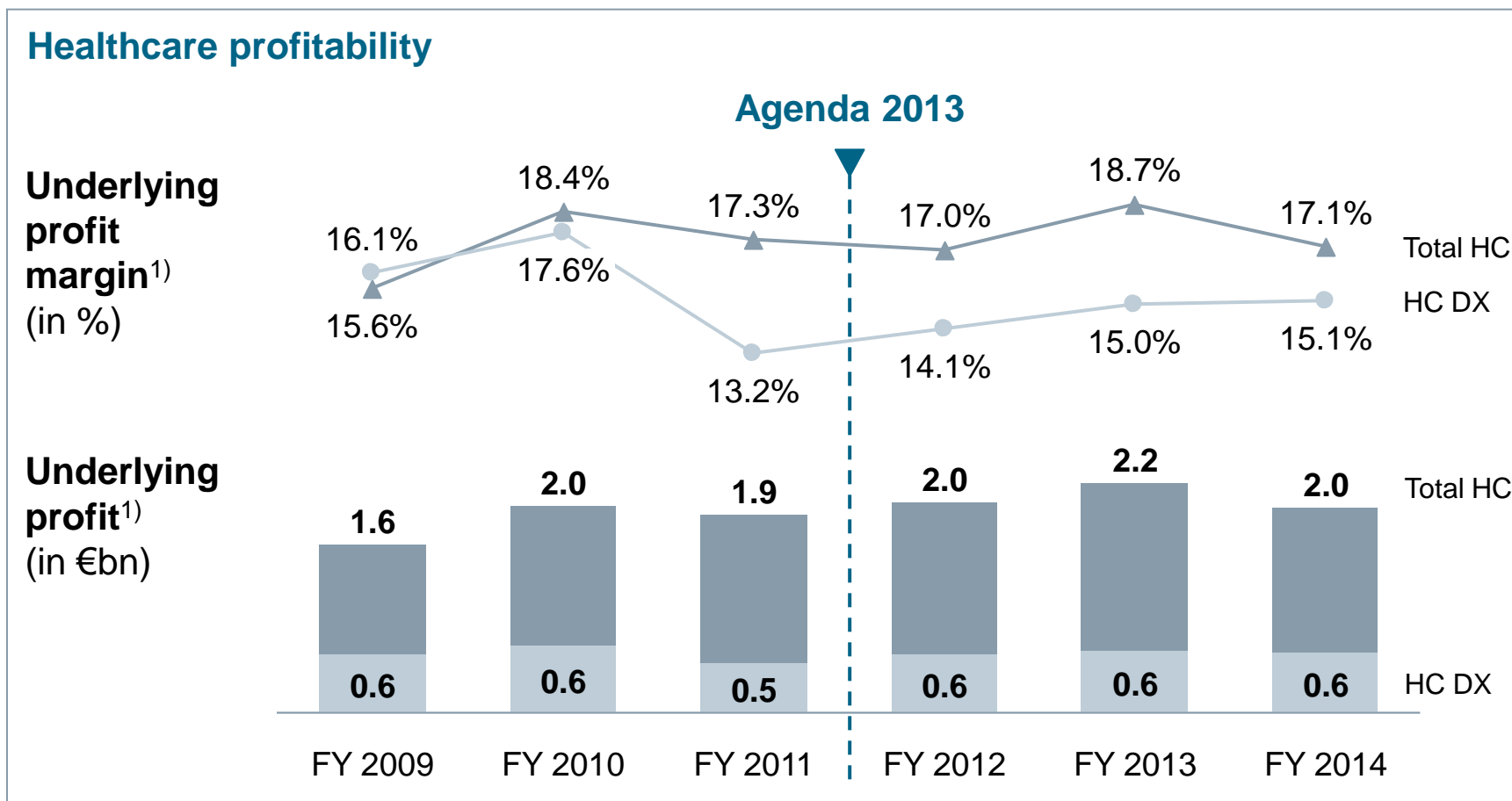


x.x% Profit margin **x.x%** Underlying profit margin²⁾

Note: Growth rates in brackets as reported; 1) Comparable, i.e. adjusted for currency translation and portfolio effects; 2) In FY 2013 adjusted for charges related to Agenda 2013 and an impairment of an investment at Diagnostics in Italy

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Delivering continuously attractive margins



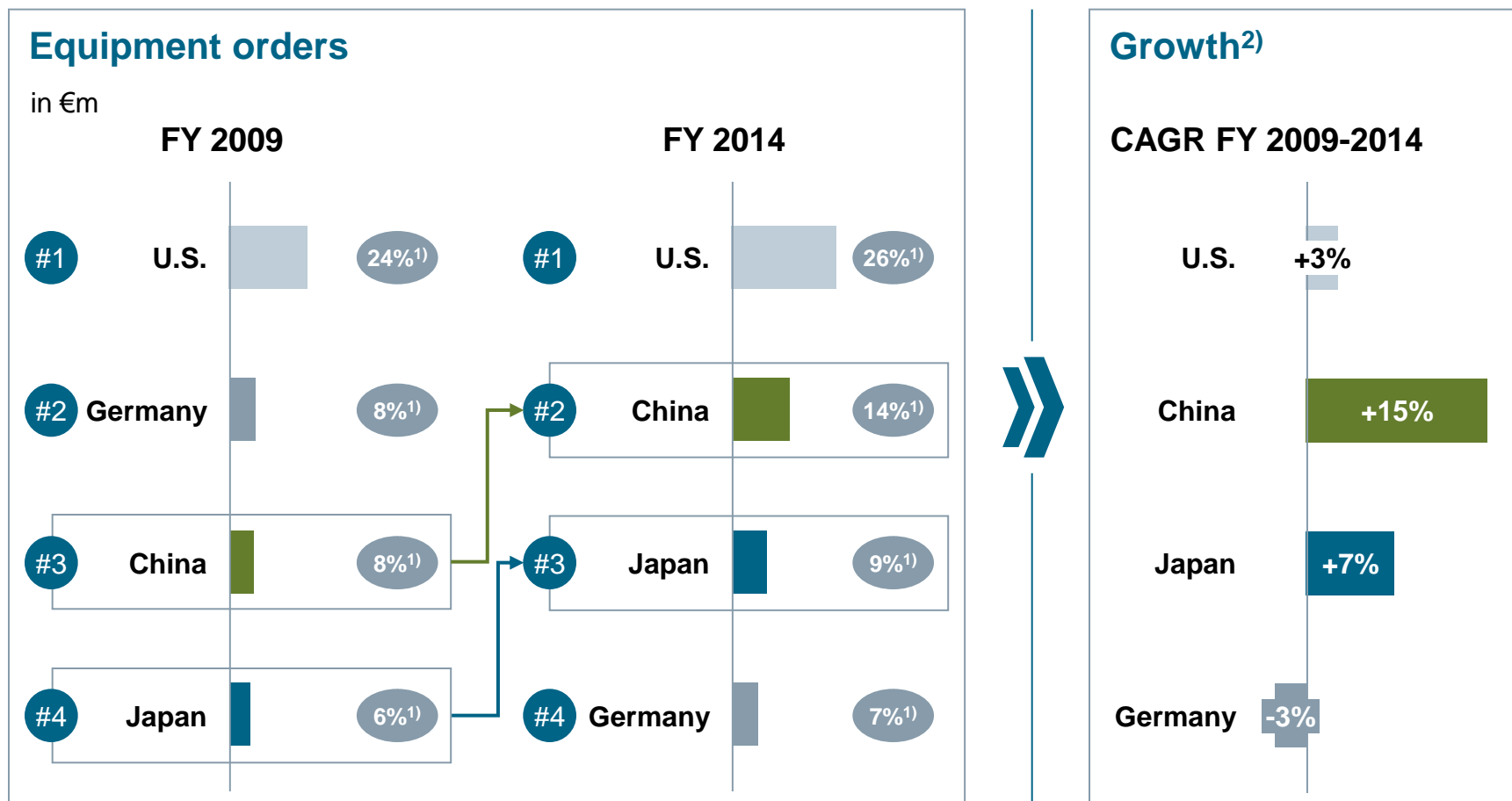
Note: All data excl. Hospital Information Systems & Audiology

1) Profit excl. PPA amortization, transformation charges and other one-time costs

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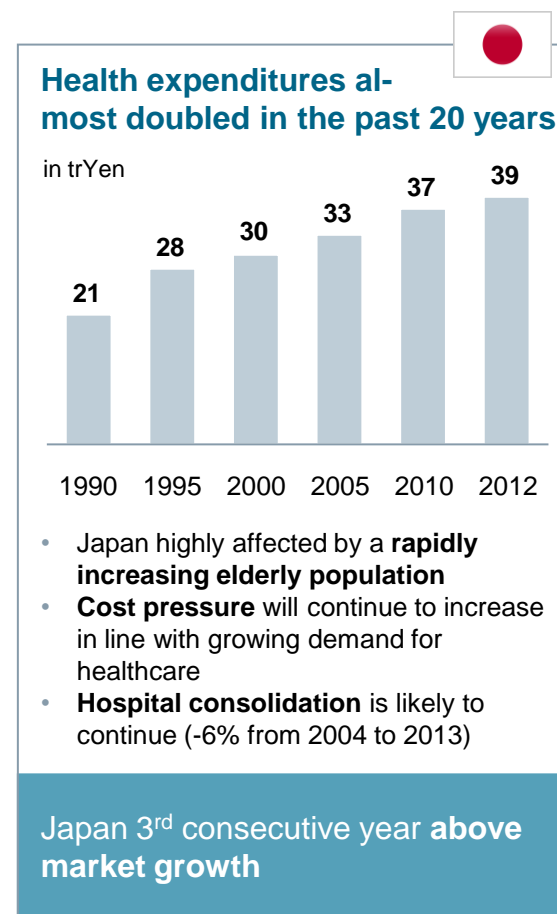
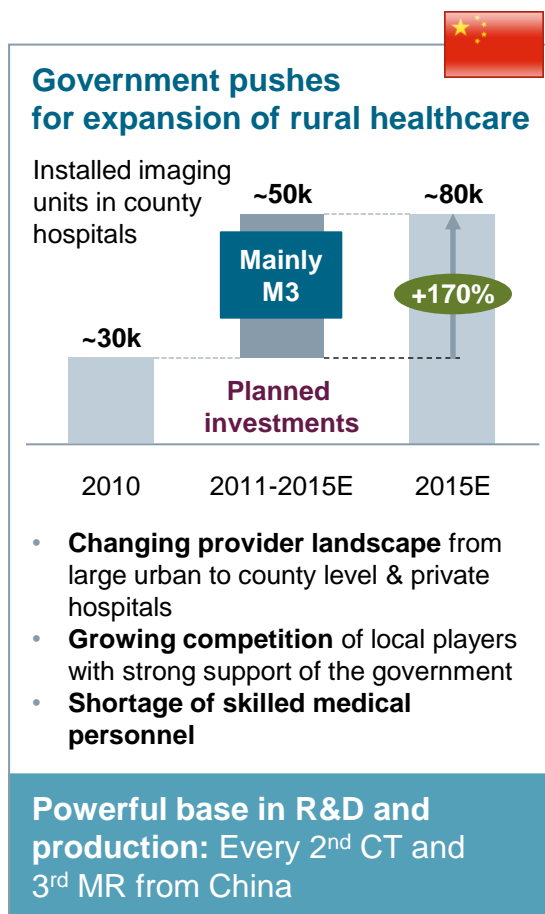
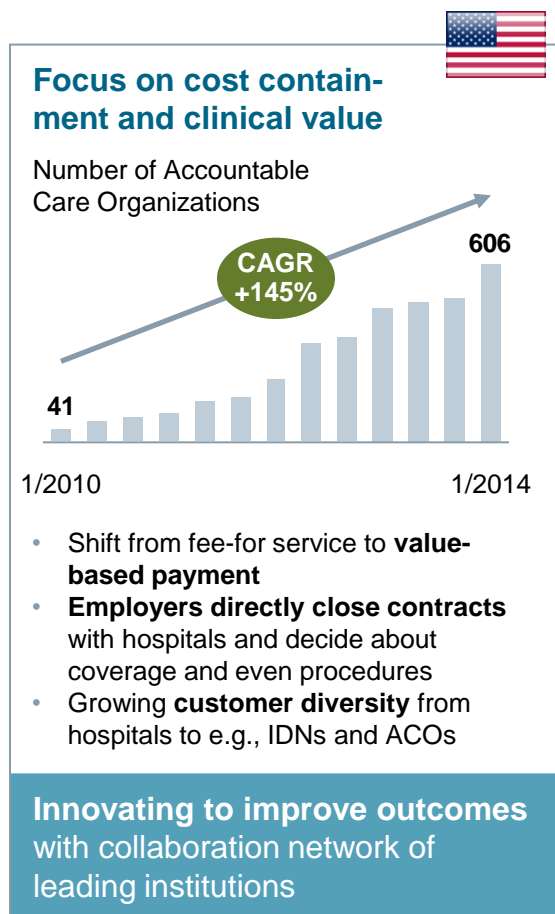
China and Japan

Our biggest growth drivers



1) In % of total equipment orders; 2) Equipment order growth nominal

Acting in transitioning healthcare markets



Source: Leavitt Partners Center for Accountable Care Intelligence; National Bureau of Statistics of China, China Healthcare Statistical Yearbook 2011, 2012-2015 based on internal research and estimation; Official Statistics of Japan
 IDN = Integrated delivery network; ACO = Accountable Care Organization

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Expanding our footprint in growth fields based on core technologies



Growing into therapy related markets

- World market leader for **hybrid ORs** in an attractive market environment
- Advanced 3D navigation and fusion to support **clinical decision making**
- Combining **multi-modality strengths**, e.g., Angiography, Ultrasound, and Point of care diagnostics for cardiovascular procedures



Accessing new patient populations

- Develop **new applications** that improve outcomes for additional patient populations
- Access **new market segments**/customers, e.g.,
 - Lung cancer screening with ultra low-dose CT
 - Early detection of liver fibrosis with combined DX/Ultrasound testing approach



Serving global entry-level markets

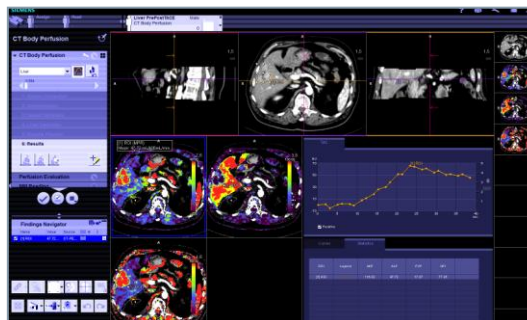
- Leading technology to further **extend** broad and successful **product portfolio**, e.g., recent product launches Mammomat Select, SOMATOM Scope and Artis one
- **Manufacturing** of entry-level CTs fully located **in China** – production for global market
- Dedicated **go-to-market** strategy to address rural healthcare providers in China

Providing platforms to improve operational efficiency and clinical quality



Scalable DX platforms for all customer segments

- Build on leading position in **automation** and focus on workflow excellence to improve customers operational performance
- Expand **end-to-end solutions** to deliver concordant results from Point of care to central lab
- Introduction of **next generation** chemistry and immunoassay **platform** in 2014



Software platforms to raise diagnostic performance

- Streamlined, standardized development of medical imaging applications across modalities
- Unparalleled portfolio of more than 90 differentiating clinical applications
- Increases attractiveness of syngo-based products, driving operational efficiency for customers by unified look AND feel across modalities

Service platforms leveraging the installed base

Remote services

- Proactive system monitoring and repair
- Performance plans/uptime services
- Utilization management

Global LifeNet

- Customer interaction
- Training platform
- Fleet management



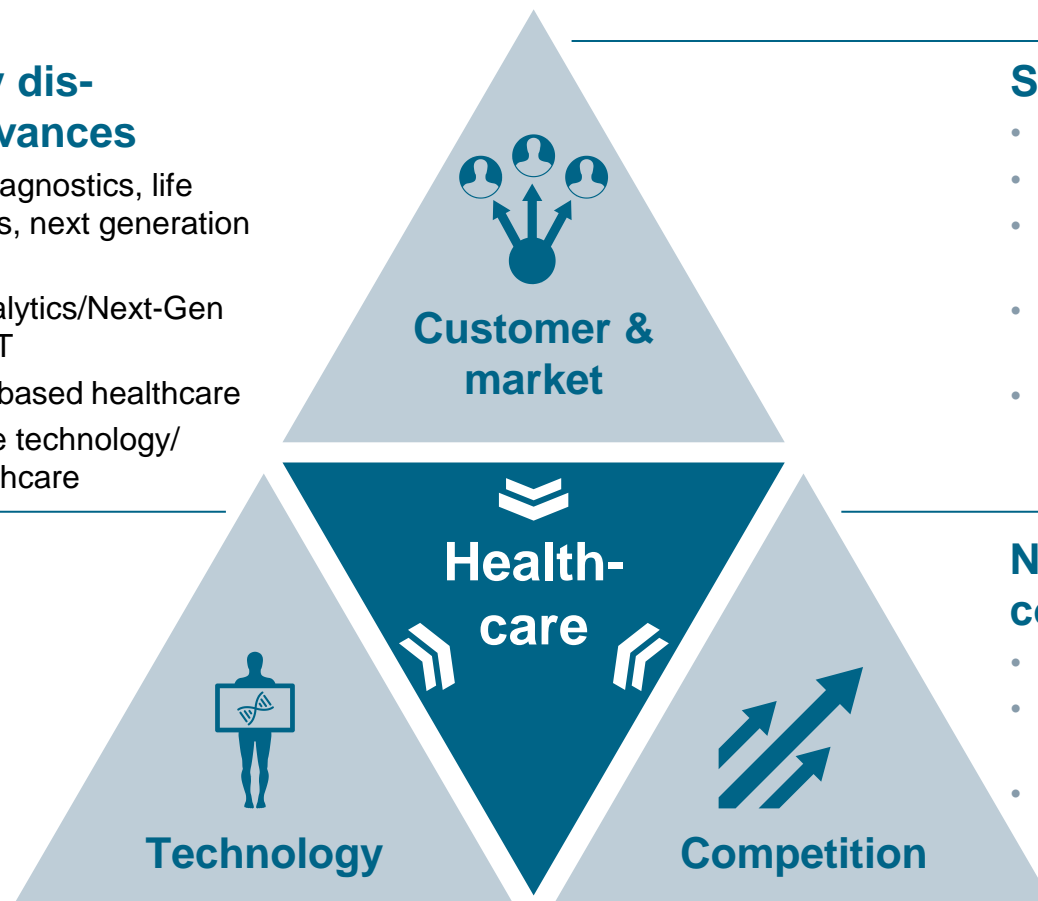
Leveraging the strengths of our global installed base

- **Recurring revenue** (50% of total revenue)
- **Big data** generation facilitating new service offerings

Trends leading to a paradigm shift?

Potentially disruptive advances

- Molecular diagnostics, life science tools, next generation sequencing
- Big data analytics/Next-Gen healthcare IT
- Knowledge-based healthcare
- Point of care technology/mobile healthcare



Structures in transition

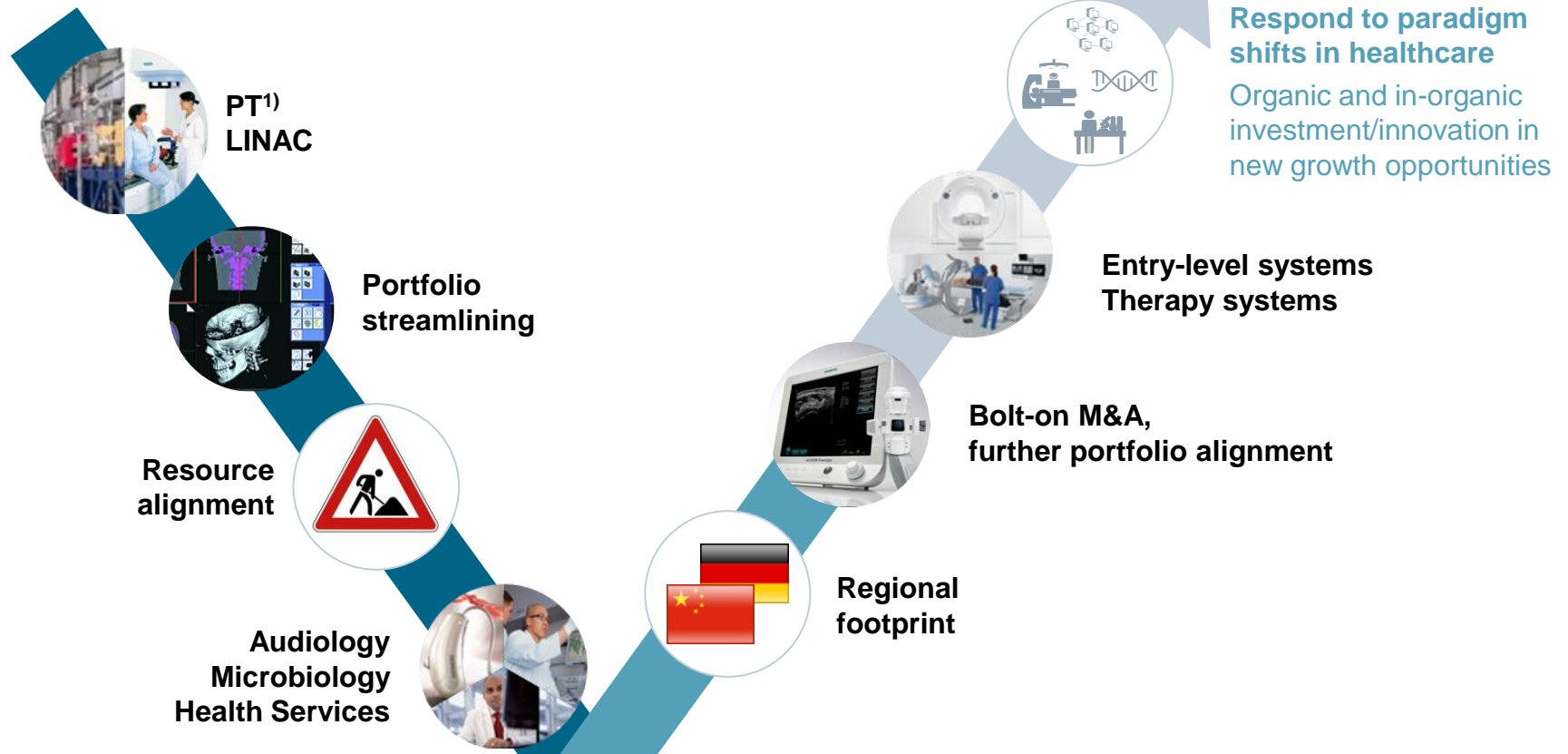
- Industrialization of healthcare
- Value-based reimbursement
- Convergence of diagnostics and therapy
- Consolidation on provider/payer level
- Entry-level demand as major growth driver

New & aggressive competitors acting

- New entrants
- IT/consumer electronics players
- Incumbents with increased focus on healthcare

With Agenda 2013, Healthcare initiated clean-up and invest to adjust to changing market environment

Adjustment



1) Particle Therapy
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Healthcare of Tomorrow (HoT) with enhanced process autonomy and strategic flexibility

Dedicated regulatory and release processes	Ensuring market access in a strictly regulated environment for Siemens Healthcare, communication with regulatory bodies and governmental institutions	
Domain-specific IT landscape	Tailored towards unique business and regulatory requirements	
Tailored go-to-market and stringent management of global sales	Increase customer intimacy , enhance orientation to local healthcare systems, adapt to new business models, and streamline decision making	
Specific research and innovation unit and IP management	Flexible, targeted advances into new technologies and growth fields , including image-guided outcome focused therapies, molecular diagnostics, big data analytics in imaging and IVD	
Dedicated human capital management	Address specific industry and clinical competencies , incl. talent attraction, development and retention in medicine, molecular biology, bio-informatics, health economics, ...	
Optimized organizational setup	Optimize structures – e.g., legal entities – in light of regulatory and business requirements and to support independent management approach	

Proactively shaping our present and future

Healthcare with a continued strong performance in changing market environments

After implementing Agenda 2013 measures, Healthcare is getting ready to attack new fields – centered around outcome relevant medical decisions

Separately managed “company within the company” provides the flexibility to better adapt to changing and Healthcare specific market environments
