

Siemens prepares for a changing healthcare market

Siemens Healthcare is launching Agenda 2013, a global initiative to grow its innovative capacity and make itself more competitive. Agenda 2013 is the Sector's proactive response to the challenges emerging from a changing market environment.

To meet these changes from its continued position of strength, Agenda 2013 includes measures targeting innovation, regional presence, competitiveness, and human resource development to be implemented in the next two years. These include greater investments in product development and expanded sales activities in growth markets.

Agenda 2013 also encompasses a realignment of the radiation therapy business unit that will likely include evaluating measures. Agenda 2013 also includes a program to improve the cost position in the Diagnostics Division.

The challenging economic climate in some industrialised nations is further exacerbating cost pressures in their healthcare systems. This has a direct impact on the medical technology market, since in most countries health expenditures are at least partially government-funded. Meanwhile, many emerging economies are appropriating significant funds to build up their healthcare infrastructure. "The global transformation of the healthcare industry presents us with a wide array of opportunities and challenges, which we seek to systematically address with our Agenda 2013," notes Hermann Requardt, CEO of Siemens Healthcare. "Our objectives include further extending our portfolio of systems in the middle

price segment, developing next-generation IT solutions that increase efficiency, and expanding our regional presence in the fast-growing emerging markets.

“We’re also taking a critical look at areas of business in which we cannot achieve a leading position worldwide over the long term at a reasonable expense. In the field of radiation therapy, we will focus more closely on further strengthening our leading position in imaging. For this reason, we cannot rule out rightsizing in the business with linear accelerators.”

Negotiations with employee representatives have already begun and are expected to be concluded by end of November. It is the stated goal of Siemens to minimise the social impact of potential workforce reductions in the coming two years and to offer new assignments to any employees who may be impacted. Siemens AG currently has some 3,500 open positions to fill throughout Germany in the Healthcare Sector and other parts of the company.

The well-proven agreement on job and location security in Germany, concluded between the corporate management of Siemens and the workers’ representatives, was renewed last year for an unlimited period. In line with this agreement, it is the express goal of Siemens to avoid terminations for operational reasons. As part of Agenda 2013, the Diagnostics Division will conduct a program designed to enhance efficiency. It is likely that the Agenda 2013 initiatives will have one-time effects on earnings in the Healthcare Sector in this fiscal year.

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Notes to editors:

The **Siemens Healthcare Sector** is one of the world's largest suppliers to the healthcare industry and a trendsetter in medical imaging, laboratory diagnostics, medical information technology and hearing aids. Siemens offers its customers products and solutions for the entire range of patient care from a single source – from prevention and early detection to diagnosis, and on to treatment and aftercare. By optimizing clinical workflows for the most common diseases, Siemens also

makes healthcare faster, better and more cost-effective. Siemens Healthcare employs some 51,000 employees worldwide and operates around the world. In fiscal year 2011 (to September 30), the Sector posted revenue of 12.5 billion euros and profit of around 1.3 billion euros. For further information please visit: www.siemens.com/healthcare.

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