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.

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.
New management of Siemens Healthcare effective from May 1, 2015

Bernhard Montag
Chairman of the Executive Management and CEO

Thomas Rathmann
Member of the Executive Management and CFO

Michael Reitermann
Member of the Executive Management

May 1st 2015
- Separation of Siemens Healthcare’s business activities in Germany into a legal entity under the Siemens umbrella
- Foundation of Siemens Healthcare GmbH in Germany
Globally balanced footprint
Innovation is our strength

We innovate to advance human health

R&D spending\(^1\)

€ 1.01 billion

Inventions per year

1,687

Ratio of R&D expenses as a percentage of revenue\(^1\)

8.1%

Patents per working day

>4

>12,000 patents in total

1) Fiscal Year 2014

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Matthias Kraemer | Healthcare
Facts and figures – Fiscal Year 2014

### Key financials

**FY 2014**

- **€ 12.1 bn** Orders
- **€ 11.7 bn** Revenue
- **€ 2.1 bn** Profit (w/o PPA amortization)  
  - **17.7%** in % of revenue
- **€ 2.0 bn** Underlying Profit\(^1\)  
  - **17.1%** in % of revenue
- **€ 1.9 bn** Free Cash Flow

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**Revenue by Region**

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe, CIS(^2)</td>
<td>38%</td>
</tr>
<tr>
<td>Africa, Middle East (excl. Germany)</td>
<td>28%</td>
</tr>
<tr>
<td>Americas</td>
<td>27%</td>
</tr>
<tr>
<td>Asia, Australia</td>
<td>7%</td>
</tr>
<tr>
<td>Germany</td>
<td>7%</td>
</tr>
</tbody>
</table>

\(^1\) Profit excl. PPA amortization, transformation charges and other one-time effects

\(^2\) FY 2014 external revenue by location of customer

\(^3\) Commonwealth of Independent States

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Note: All data Healthcare excluding Hospital Information Systems and Audiology

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Page 6 Erlangen, September 29, 2015

Matthias Kraemer | Healthcare
### Market dynamics – Healthcare systems in transition

<table>
<thead>
<tr>
<th>Customers and patients</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Demographics: Ageing and age-related diseases</td>
<td>Cost pressure, industrialization of healthcare</td>
</tr>
<tr>
<td>+ Shortage of qualified HC professionals</td>
<td>Consolidation</td>
</tr>
<tr>
<td>- Consumerization, patient centricity</td>
<td>Regulatory environment</td>
</tr>
<tr>
<td>+ Knowledge-based healthcare: Connectivity, big data</td>
<td>Accountable care, outcome focus</td>
</tr>
<tr>
<td></td>
<td>Pace of scientific advance</td>
</tr>
</tbody>
</table>

**Technology**

- Expected impact on Siemens HC business: + Positive  - Negative

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Matthias Kraemer | Healthcare
Clinical fields and solutions offered by Healthcare

- Interventional Angiography
- Mammography
- Computed Tomography
- Ultrasound Imaging
- X-ray Imaging
- Magnetic Resonance Imaging
- Molecular Imaging
- Imaging Software
- Molecular Testing
- Point-of-Care Testing
- Hemostasis and Hematology Testing
- Computed Tomography
- Ultrasound Imaging
- Magnetic Resonance Imaging
- Molecular Imaging
- Imaging Software
- Molecular Testing
- Point-of-Care Testing
- Hemostasis and Hematology Testing
MRI relies on the principle that the hydrogen atoms in the human body possess magnetic properties. Exposed to the magnet in the MRI system, the nuclei of these atoms align with the magnetic field, like the needle of a compass with the earth’s magnetic field.

- The MRI system generates a second electromagnetic field by transmitting high-frequency radio waves. These waves meet the nuclei of the atoms and set them in motion.
- If the waves are turned off, the atoms return to their initial position within the magnetic field. As they do so, they release some of the energy that they have absorbed from exposure to the high-frequency waves. This released energy is measured by highly sensitive receiver coils, and suitable techniques can be used to pinpoint its origin.
- A computer converts the data and uses them to generate tomograms, or slice images.

**Technology**

**Pros**
- No ionizing radiation
- Painless
- Good soft tissue contrast
- Multiplanar

**Cons**
- Time effort
- Might need contrast media
- Noise

**Results**
- High resolution 2D or 3D imaging of huge body parts

**Use cases**
- Difficult fractures, joint problems, soft tissue examinations, tumors, MRI-Angiography, Brain MRI

**Market position #1 globally**
Computed Tomography (CT) – Characteristics

Technology

- CT measures the attenuation of X-rays within the tissue, visualizing the inside of the body as tomograms – slice images – on a screen.
- A measurement system consisting of the X-ray tube and the opposite detector is located inside the gantry, which is circling the patient. During this process, the tube transmits a fan-shaped X-ray beam, which is weakened less by soft tissue than by firmer tissue (bones) as it passes through the body.
- When they reach the detector, the X-rays hit a “scintillator” – Siemens uses a highly specialized ceramic mixture – that converts the detected X-rays into light. Photodiodes then convert the light into electricity, and a converter produces digital data from the analog signals and transmits them to the computer for analysis.
- The computer translates the measurements into individual section images or even a three-dimensional model of the entire body, all without a noticeable delay.

Pros
- Free of superimpositions compared to classical X-ray examinations
- Fast examinations compared to MR – thorax scan in less than one second
- Heart scan in one heart beat, painless

Cons
- Ionizing radiation
- Might afford injection of contrast medium

Results
- High-contrast 3D pictures of the tissue

Use cases
- Stroke (Neurology), head or spine injuries, internal injuries, diseases of the respiratory system, tumor follow-up examinations (Oncology), heart examinations (Angiography)

Market position #1 globally
Imaging Software and IT – Characteristics

Technology

- syngo makes reading, storing, archiving and sharing clinical images easier and more efficient
- Its innovative technology transforms the power of imaging equipment into tangible clinical benefits
- A common user interface across all modalities streamlines radiologists’ work
- Mobile access* capabilities make it possible to view images and findings virtually anywhere and on many devices
- syngo.via for 3D and advanced visualization software
- syngo Dynamics as Cardiovascular Imaging and Information System
- syngo Workflow as Radiology Information System (RIS)
- syngo.plaza as Picture Archiving and Communication Software (PACS)
- syngo.share* as versatile Vendor Neutral Archive (VNA)
- Sense*
- teamplay as first cloud-based healthcare network

* some of these options are realized by 3rd party products

Pros
- Increased efficiency
- Increased diagnostic quality
- Common user interface across all modalities

Cons
- None

Results
- Access to image data, increased usability

Use cases
- Software for imaging scanners in Angiography, Computed Tomography, Mammography, Magnetic Resonance, Molecular Imaging etc.
- Software to connect to current data, comparing benchmarks, and collaborating with healthcare professionals worldwide
- Software for effective management and sharing of clinical image data, multimedia data, radiological studies and clinical documents
- Software to support integrated, cross-enterprise healthcare networks by providing medical information
Conventional X-ray – Characteristics

Technology

- Like light, X-rays are electromagnetic waves
- Radiation is generated in an X-ray tube when electrons from an incandescent wire, the cathode, are beamed at a specific metal part known as the anode
- When the electrons strike the anode, X-ray radiation is generated. As they pass through the body, the rays are absorbed to different degrees
- Bones are so dense that they weaken the rays, leaving a bright, clear image
- Other kinds of tissue allow more of the radiation to pass through
- The X-ray image is either captured on film or an electronic sensor converts it into a digital image
- The short-wavelength rays are invisible to the human eye

Pros
- Low cost
- Available almost in every clinic
- Still most often used
- No physician needed to produce X-ray images
- Bone density is measurable

Cons
- Ionizing radiation
- Image quality less compared to CT or MR
- Not suitable for pregnant women
- Soft tissue is not seen with high resolution

Results
- 2D and even 3D pictures

Use cases
Cardiovascular diseases e.g. heart attack (angiography), fractures (radiography and mobile radiography), ortho, trauma, surgery, CT, mammography (women's health), urology, fluoroscopy
## Ultrasound – Characteristics

### Technology
- Ultrasound uses high-frequency sound waves.
- The transducer emits waves and receives their echo reflected from the tissue.
- This echo is calculated into grey values for real-time images also for moving organs like the heart.
- Using Doppler sonography, blood flow velocity may be determined and the flow relationship in vessels displayed. As a result, information can be obtained regarding constrictions, occlusions, and standard variants in vessels and the heart.
- Wide-area panoramic displays and three- and four-dimensional images can be generated on the computer in order to better analyze complex anatomical structures.

### Pros
- No radiation (can be used for children and pregnant women)
- Affordable and in most clinics available technology
- Easy to use

### Cons
- Can’t percolate bone or air (lung)
- Difficult to percolate technically difficult patients

### Results
Ultrasound delivers real-time images in 2D, 3D or 4D

### Use cases
- Pregnancy, fetus scans (Gynecology);
- heart examinations; thyroid glands;
- gallstones; kidneys, nerves, blood vessels – almost all organs, except lung and bones
Angiography – Characteristics

**Technology**

- Performed to view blood vessels after injecting them with a radiopaque dye that outlines them on X-Ray. This helps to detect abnormalities including narrowing (stenosis) or blockages in the blood vessels (occlusions).
- Angiography is used for diagnosis and treatment of arteries, veins, and lymphatic vessels, as well as the heart chambers.
- If a vessel is constricted, the contrast agent helps in locating the stenosis and detecting to which percentage the lumen of the vessel is occluded.
- When diagnosing tumors, angiography can be used to show the blood supply of the tumor.
- The origin of internal bleeding, such as a damaged vessel, can be precisely located.
- In interventional angiography imaging tools are used for minimally invasive procedures including angioplasty and embolization.

**Pros**

- Image guidance in interventional procedures
- Diseases can be diagnosed and treated using minimally invasive procedures
- Enables treatment even for very old or sick people
- Less scar tissue
- Faster healing

**Cons**

- Ionizing radiation
- Contrast media can further damage e.g. the kidney
- Known allergies to contrast media with some diseases
- Internal bleedings as complications of puncturing an artery

**Results**

- Digital subtraction angiography (DSA) to „subtract“ bones and other organs to better see the vessels
- Image guidance in interventional procedures
- Check for successful treatment

**Use cases**

Cardiac catheterization during coronary angiography (e.g. chronic heart disease); aortography (e.g. aortic aneurysms/dissection); cerebral angiography to visualize vessels in the brain (e.g. stroke, aneurysms, thrombectomy); Angiography of the leg and pelvic vessels (e.g. diabetes); Chemo-embolization of tumor feeding vessels.

Copyright: Dr. Azam Ahmed, University of Wisconsin, Madison, USA
Molecular Imaging – Characteristics

Technology
- Single Photon Emission Computed Tomography (SPECT), Positron Emission Tomography (PET), Magnetic Resonance, Optical Imaging and Ultrasound
- Probes known as imaging biomarkers (i.e., peptides, radiopharmaceuticals, fluorescents) are injected into the body to help display particular targets or pathways
- Through chemical interactions with their surroundings, imaging biomarkers alter the image according to molecular changes that occur within the area of interest
- This level of functional imaging displays, for instance, increased metabolic activity that is typical for malignant tumors like recurrent prostate cancer
- The addition of CT to either PET or SPECT provides the anatomical “map” for pinpointing the exact location of disease in the body, to match their metabolic or functional information

Pros
- Detecting diseases at very early stage e.g. cancer or Alzheimer’s
- Monitoring cancer therapy

Cons
- Without CT or MR no anatomical structure visible
- Very expensive and limited availability
- Injection of imaging biomarkers such as radiopharmaceuticals

Results
Molecular imaging procedures are able to image different biological processes of organs at the cellular level and thus can provide earlier and more precise evaluation of disease

Use cases
PET imaging is used for cardiac indications like coronary artery disease and helps detect most types of cancers and how much they have spread in the body. PET also provides diagnostic information on neurological disease. The main indications for SPECT are detection of tumors at a very early stage, sentinel nodes and infections, as well as cardiac and coronary vessel pathologies.
## Point-of-Care/Chemistry/Immunoassay, Automation – Characteristics

<table>
<thead>
<tr>
<th>Point-of-Care (POC)</th>
<th>Chemistry/Immunoassay, Hematology, Hemostasis</th>
<th>Automation, Diagnostics IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Blood) samples testing is performed close to the patient</td>
<td>Testing of body liquids such as urine or blood tests as well as the measurement of specific chemicals</td>
<td>Systems that can do multiple tests at once and then extrapolate the information</td>
</tr>
<tr>
<td>Tests outside the traditional central laboratory and in a very short time</td>
<td>Immunoassays as biochemical tests that measure the presence or concentration of molecules in the blood through the use of an antibody or immunoglobulin</td>
<td>Moving samples to and from multiple analyzers, automatically performing additional tests or cancelling previously ordered tests according to pre-programmed protocols</td>
</tr>
<tr>
<td>Pocket ultrasound systems as Point-of-Care system, mostly used in obstetrics</td>
<td>Early proof of a broad range of diseases without invasive examinations</td>
<td>Allows caregivers to make faster and more timely treatment decisions for patients</td>
</tr>
<tr>
<td>No need to wait for results from a lab</td>
<td>Reliable, fast and cost efficient analysis and ongoing observation of the course of diseases</td>
<td>High initial capital investment, but immediate returns on investment from improved lab efficiency, throughput and capacity</td>
</tr>
<tr>
<td>Easy to handle and cost efficient</td>
<td>Use cases</td>
<td>Use cases</td>
</tr>
<tr>
<td>Improving the workflow in physician’s offices</td>
<td>Routine physical exam (urine analysis), diabetes management (blood glucose monitoring), emergencies or during an operation (blood gas analysis), gynecology</td>
<td>All four diagnostic disciplines of chemistry, immunoassay, hematology and hemostasis on a single automated track</td>
</tr>
</tbody>
</table>

**Use cases**

Point-of-Care (POC):
- Routine physical exam (urine analysis), diabetes management (blood glucose monitoring), emergencies or during an operation (blood gas analysis), gynecology

Chemistry/Immunoassay, Hematology, Hemostasis:
- Testing of body liquids such as urine or blood tests as well as the measurement of specific chemicals
- Immunoassays as biochemical tests that measure the presence or concentration of molecules in the blood through the use of an antibody or immunoglobulin
- Early proof of a broad range of diseases without invasive examinations
- Reliable, fast and cost efficient analysis and ongoing observation of the course of diseases

Automation, Diagnostics IT:
- Systems that can do multiple tests at once and then extrapolate the information
- Moving samples to and from multiple analyzers, automatically performing additional tests or cancelling previously ordered tests according to pre-programmed protocols
-Allows caregivers to make faster and more timely treatment decisions for patients
- High initial capital investment, but immediate returns on investment from improved lab efficiency, throughput and capacity

**Use cases**

Chemistry/Immunoassay, Hematology, Hemostasis:
- Fertility testing, allergy, anemia, cardiac and tumor markers, diabetes management, control of kidney function, urinary tract infections, bone metabolism, inflammations

Automation, Diagnostics IT:
- All four diagnostic disciplines of chemistry, immunoassay, hematology and hemostasis on a single automated track