



## Cerner to Acquire Siemens Health Services for \$1.3 Billion



- Acquisition to further industry innovation with a combined \$650 million annual R&D investment
- Complementary client bases expand global presence
- Cerner and Siemens AG to combine strengths to deliver new solutions through \$100 million strategic alliance

Cerner Corporation and Siemens AG have announced they signed a definitive agreement for Cerner to acquire the assets of Siemens' health information technology business unit, Siemens Health Services, for \$1.3 billion in cash. By combining investments in R&D, knowledgeable resources, and complementary client bases, the acquisition creates scale for future innovation. As part of the agreement, Cerner and Siemens will form a strategic alliance to bring new solutions to market that combine Cerner's health IT leadership and Siemens' strengths in medical devices and imaging.

"We believe this is an all-win situation for the clients of both organisations and all of our associates and shareholders," said Neal Patterson, Cerner chairman, CEO and co-founder. "Through more than \$4 billion of cumulative investments in R&D, Cerner has established a strong market standing and is positioned for continued growth. Siemens' health care IT assets provide additional scale, R&D, an impressive client base, and knowledgeable and experienced associates who will help Cerner achieve our plans for the next decade. In addition, the alliance we're creating will drive the next generation of innovations that embed information from the EMR inside advanced diagnostic and therapeutic technologies, benefiting our shared clients."

"We are excited to join with one of the most competitive companies in health IT today, and a recognised leader in innovation," said John Glaser, PhD., CEO of the Health Services business unit of Siemens Healthcare. "Siemens cares deeply about its clients and believes Cerner is the best organisation to fully support their health IT needs going forward. The knowledge and strength of our combined resources opens up great possibilities for future collaboration and development, which is exciting for all of us. And our clients will benefit from our alignment with a company that has such a strong historical and future commitment to rapid innovation."

Cerner has a 35-year history of creating value for clients by providing innovative solutions and services that help health care providers around the world increase safety, improve quality and reduce waste. Cerner is well-positioned to help clients be leaders in health care delivery and population health management today and tomorrow. The company's competitive market position, combined with significant investments in R&D, understanding of advances in science and IT, as well as health care regulatory and industry shifts, enable it to help clients succeed.

“We have tremendous respect for Siemens’ clients, their markets and their needs,” said Patterson. “We look forward to bringing them into the Cerner family, especially as they face increasingly complex clinical and regulatory environments, with mandates to improve quality and pressures to lower cost. We pride ourselves on helping clients navigate changing times so they can be leaders in providing care to their communities. We’re committed to supporting Siemens’ clients, and we want them to have confidence that we have the vision, scale and resources to help them achieve their plans for building their organisations’ futures.”

Following the acquisition, support for Siemens Health Services core platforms will remain in place. Current implementations will continue, and Cerner plans to support and advance the Soarian platform for at least the next decade. Cerner will work with all clients to support their short-term and long-term business needs.

#### Global Alliance

Cerner and Siemens will create a strategic alliance to jointly invest in innovative projects that integrate health IT with medical technologies for the purpose of enhancing workflows and improving clinical outcomes. Each company will contribute up to \$50 million to fund projects of shared importance to both companies and their clients.

The alliance has a three-year initial term. Advanced workflows along with medical images and their unique role in diagnostic and therapeutic decision-making, will be an early focus of the joint work.

“Siemens is very innovative around imaging, diagnostic and therapeutic technologies and processes,” said Patterson. “Medical technologies generate mountains of images and other data that must be stored, accessed, visualised and interpreted intelligently. In addition, advanced diagnostic and therapeutic processes are enhanced by presenting EMR data at just the right moment and in the right context. Together we will innovate at the edge where IT, processes and technologies meet.”

#### Transaction Summary

Cerner intends to finance the acquisition with cash on hand. The acquisition is expected to close in the first quarter of 2015, subject to regulatory approval and other customary conditions. The transaction has been approved by the boards of Cerner and Siemens.

[Source: Cerner](#)

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