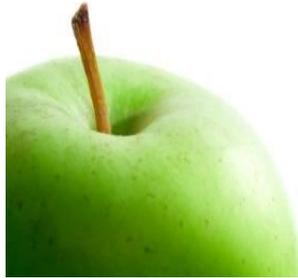


---

## Siemens Healthcare Grows Market Share Despite Tough Economy



---

The Siemens Healthcare Sector has maintained its position in the field of medical technology despite a tough business environment. "In past years, we've expanded our product portfolio and even more consistently aligned it to customer needs," said Hermann Requardt, CEO of the Healthcare Sector, at the Siemens Healthcare Capital Market Day in London. "We're the only company that has been able to integrate magnetic resonance imaging (MRI) and positron emission tomography (PET) in one high-end unit and so to provide physicians with a new level of quality in imaging diagnostics. While expanding our high-end product portfolio, we have also strengthened our offering in the medium-price market segment, which is growing quickly worldwide. The Magnetom Spectra\* is the most recent example of that. With this newly developed MRI system, we offer high-quality 3-tesla imaging at a very attractive price-performance ratio and are again setting new competitive standards." Financially, the Sector was able to perform at a very high level in a challenging business environment. "Siemens Healthcare is a highly attractive, inherently stable business," said Michael Sen, CFO of the Healthcare Sector. "The measures defined in Agenda 2013 broaden the basis for capital-efficient growth – in spite of anticipated structural changes in end markets and economic conditions that continue to be difficult." Against the backdrop of a slowdown of the global economy and increasing pressure to reduce costs in healthcare systems, Siemens Healthcare has been able to maintain and partially even improve its leading worldwide position in medical technology. For instance, Siemens' market share in large imaging systems has steadily increased in recent years and now amounts to 36 percent. Siemens has thus strengthened its global leadership in this segment.

The dual-track strategy is proving its merit in enhancing both product portfolio and market coverage. As far as the product portfolio is concerned, Siemens Healthcare is the only provider able to master both the market for pioneering technologies like integrated MRI/PET systems and the medium-price segment at the same time. The Magnetom Spectra is the most recent proof of that. Thanks to its economic efficiency, hospitals and other radiological institutes can offer their patients high-quality 3-tesla imaging. As far as market coverage is concerned, Siemens Healthcare has over the past three years been able to more than offset the decrease in volume in the U.S. with annual growth of 27 percent in China. This makes China Siemens Healthcare's second largest market for imaging equipment and most important growth market. To continue to profit from this positive development, the Sector will intensify direct and indirect sales activities in emerging countries. In fiscal 2012, Siemens Healthcare's workforce in China is planned to be increased by about 700 employees.

Siemens Healthcare introduced its Agenda 2013 in November 2011. This two-year initiative defines a number of measures in the areas of innovation, competitiveness, regional footprint, and workforce development and so broadens the Sector's basis for future capital-efficient growth. The first measures have already been successfully implemented. Targeted investment in key R&D areas is designed to enlarge the product offering for the entry-level segment. To return to margin levels of previous fiscal years, the Diagnostics Division is carrying out effective cost-saving measures while simultaneously focusing its R&D activities on growth-oriented innovations. Also, cross-Sector purchasing volume will be increased in emerging countries to secure margins. Here, Siemens Healthcare is aiming for a target of 20 percent – three years ago it was just over 17 percent. Furthermore, savings have been achieved by reducing Sales, General and Administrative costs (SG&A). Between 2008 and 2011, the SG&A costs' share of revenue decreased by a total of nearly three percentage points.

Published on : Mon, 20 Feb 2012