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Acquisition of Bayer's Diagnostic Division Finalized

New Business—"Siemens Medical Solutions Diagnostics"—founded in the United States

The acquisition of Bayer Healthcare's diagnostic division by Siemens Medical Solutions has been completed. Bayer Diagnostics and Diagnostic Products Corporation (DPC), acquired in July 2006, were merged into a single business unit on January 1, 2007. The new entity, "Siemens Medical Solutions Diagnostics," is a wholly owned subsidiary of Siemens Medical Solutions USA, Inc. and employs more than 8,000 people worldwide. Siemens Medical Solutions Diagnostics, headquartered in Tarrytown, N.Y. and Los Angeles, CA, holds a No. 2 position in the worldwide immunodiagnosics market.

This new business is integral to Siemens' overall strategy to help its customers improve workflow throughout the healthcare enterprise. Bringing together the entire medical imaging, laboratory diagnostics and clinical IT value chain under one roof puts Siemens in a unique position to leverage trendsetting technologies for an improved quality of patient care at reduced costs. DPC and Bayer Diagnostics generated cumulative sales of €1.8 billion in fiscal 2005 (Dec. 31). The cost for both acquisitions totaled €5.7 billion.

"With the acquisitions of DPC and Bayer Diagnostics, we invested heavily in a future oriented and growing market in the health care sector. We see tremendous potential for Siemens Medical Solutions Diagnostics and have high expectations for the new unit," said Klaus Kleinfeld, CEO of Siemens AG.

“Siemens is the world’s only full-service diagnostics company – bringing together for the first time a unique set of products and services that will speed the development of molecular medicine capabilities, and improve the efficiency and quality of healthcare,” said Erich Reinhardt, Ph.D., member of the Managing Board of Siemens AG and president and CEO of Siemens Medical Solutions. “Siemens has anticipated the convergence of social, economic and political challenges facing the healthcare industry, and we alone have responded and developed this comprehensive portfolio of innovative solutions, from medical imaging and healthcare information technology (IT), to management consulting and, now, laboratory diagnostics,” Reinhardt added.

Siemens Medical Solutions Diagnostics maintains leading market positions in the fields of clinical chemistry, patient tests, laboratory automation and blood cell diagnostics (hematology). The company also develops solutions for the rapidly growing markets of molecular diagnostics and gene analysis with the aim of continuing to improve personalized medicine. The company will also offer a comprehensive portfolio for the diagnosis and treatment of a wide array of illnesses such as adrenal/pituitary dysfunction, allergy, anemia, diabetes and reproductive and thyroid disorders, infectious diseases, kidney ailments, cardiology, oncology, diabetes and virology.

Siemens Medical Solutions Diagnostics’ top management is comprised of managers with many years’ experience in the health care business: Anthony Bihl, previous president of the Diagnostics division of Bayer Healthcare LLC, has been named as CEO. Sid Aroesty, who served as president and COO of DPC, was nominated COO of the new business; and Jochen Schmitz, previous CFO of the Siemens Medical Solutions Molecular Imaging division, will assume the CFO role.

“At Siemens, our people are one of our most important assets,” explained Reinhardt. “The combined business expertise and industry knowledge of this team will help us ensure that product and service innovation continues, customers are well served, and business success is achieved.”

Siemens (Berlin and Munich) is a global powerhouse in electrical engineering and electronics. The company has around 475,000 employees working to develop and manufacture products, design and install complex systems and projects, and tailor a wide range of services for individual requirements. Siemens provides innovative technologies and comprehensive know-how to benefit customers in over 190 countries. Founded more than 155 years ago, the company focuses on the areas of Information and Communications, Automation and Control, Power, Transportation, Medical, and Lighting. In fiscal 2006 (ended September 30), Siemens had sales from continuing operations of €87.3 billion and net income of €3.033 billion. Further information is available on the Internet at:

www.siemens.com

Siemens Medical Solutions of Siemens AG (NYSE: SI) is one of the world's largest suppliers to the healthcare industry. The company is known for bringing together innovative medical technologies, healthcare information systems, management consulting, and support services, to help customers achieve tangible, sustainable, clinical and financial outcomes. Recent acquisitions in the area of in-vitro diagnostics – such as Diagnostic Products Corporation and Bayer Diagnostics – mark a significant milestone for Siemens as it becomes the first full service diagnostics company. Employing more than 41,000 people worldwide and operating in over 130 countries, Siemens Medical Solutions reported sales of 8.23 billion EUR, orders of 9.33 billion EUR and group profit of 1.06 billion EUR for fiscal 2006 (Sept. 30). Further information can be found by visiting

www.usa.siemens.com/medical-pressroom.