

## Medical Solutions

For the Business Press

Munich, October 31, 2006

### **Antitrust Authorities Approve Siemens' Acquisition of Bayer Diagnostics**

Siemens Group forms the world's first full service diagnostics company

**Siemens has been given the green light to acquire the diagnostics division of Bayer Healthcare without restrictions. The approval was granted today by the European Commission, following the earlier approval by U.S. antitrust authorities at the beginning of October. This follows the acquisition of the U.S. firm Diagnostic Products Corporation (DPC), which was completed at the end of July. Upon completion of the Bayer acquisition, which is expected by early 2007, both companies will be merged and will operate as "Siemens Medical Solutions Diagnostics," an U.S.-based subsidiary and part of Siemens Medical Solutions.**

"This has paved the way for Siemens to create the world's first full service diagnostics company," explained Prof. Dr. Erich R. Reinhardt, member of the Managing Board of Siemens AG and president and CEO of Siemens Medical Solutions (Med), following the Commission's decision. The successful entry into the in-vitro diagnostics market will allow the company to combine the entire imaging diagnostics, laboratory diagnostics and clinical information technology value chain under one roof and offer its customers customized solutions. "This will further improve the quality and efficiency of healthcare," commented Reinhardt.

The purchase price for Bayer Diagnostics is roughly €4.2 billion; in fiscal 2005 the Group generated sales of €1.4 billion and a double-digit profit margin related to earnings before interest, tax, depreciation and amortization (EBITDA). The acquisitions of Bayer Diagnostics and DPC (the latter completed in July for a purchase price of US\$1.86 bil-

lion) will make Siemens Medical Solutions No. 2 worldwide in immunodiagnostics. Bayer Diagnostics is also a world market leader in clinical chemistry with a leading position in near-patient testing, laboratory automation and hematology (blood cell diagnostics). In addition, the acquisition of Bayer Diagnostics will enable the Siemens Group to tap the rapidly growing market for molecular diagnostics based on gene analysis (nucleic acid testing).

"Molecular medicine has huge potential to detect diseases such as cancer at a much earlier stage than what is possible today," said Reinhardt. "Molecular medicine is already helping physicians choose suitable medications for a particular patient, predict the effects of those medications and personalize patients' treatments. The long-term vision is to identify and treat the molecular causes of diseases long before the patient ever experiences any symptoms, and Siemens is at the forefront of developing these molecular medicine solutions that will transform the future of healthcare."

Sales of **Bayer Diagnostics** rose in 2005 by 8.4 percent to €1.4 billion. The division offers an extensive portfolio of in-vitro diagnostic products for evaluating and monitoring the therapy of numerous diseases, including cardiovascular disorders, kidney diseases, infections, cancer and diabetes. The business units are Laboratory Testing, including the ADVIA Centaur<sup>®</sup>, Centaur<sup>®</sup> CP and Centaur<sup>®</sup> XP, ADVIA<sup>®</sup> Clinical Chemistry, ADVIA<sup>®</sup> LabCell<sup>®</sup> and WorkCell<sup>®</sup> Automation, ADVIA<sup>®</sup> Hematology and Clinitek<sup>®</sup> Atlas systems; Near Patient Testing with its Rapidpoint<sup>®</sup>, Rapidlab<sup>®</sup>, RapidComm<sup>™</sup> and Clinitek<sup>®</sup> brands; and Molecular Testing with its Trugene<sup>®</sup> and Versant<sup>®</sup> lines of tests and systems.

**Siemens Medical Solutions (Med)** 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. From imaging systems for diagnosis, to therapy equipment for treatment, to patient monitors to hearing instruments and beyond, Siemens innovations contribute to the health and well-being of people across the globe, while improving operational efficiencies and optimizing workflow in hospitals, clinics, home health agencies and doctors' offices. Employing approximately 33,000 people worldwide and operating in more than 120 countries, Siemens Medical Solutions reported sales of 7.6 billion EUR, orders of 8.6 billion EUR and Group profit of 976 million EUR for fiscal 2005 (September 30).

This press release contains forward-looking statements and information – that is, statements related to future, not past, events. These statements may be identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "will" or words of similar meaning. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risks

and uncertainties. A variety of factors, many of which are beyond Siemens' control, affect its operations, performance, business strategy and results and could cause the actual results, performance or achievements of Siemens worldwide to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For us, particular uncertainties arise, among others, from changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products or technologies by other companies, lack of acceptance of new products or services by customers targeted by Siemens worldwide, changes in business strategy and various other factors. More detailed information about certain of these factors is contained in Siemens' filings with the SEC, which are available on the Siemens website, [www.siemens.com](http://www.siemens.com) and on the SEC's website, [www.sec.gov](http://www.sec.gov). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as anticipated, believed, estimated, expected, intended, planned or projected. Siemens does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.