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Healthcare

IBM AND SIEMENS HEALTHCARE TEAM TO HELP COMMUNITY HOSPITALS REDUCE OPERATING COSTS AND ENERGY CONSUMPTION

Cost Savings Could Reach Up to 25 Percent

ARMONK, N.Y. and MALVERN, Pa., May 7, 2008 — At a time when concerns over spiraling healthcare costs and global environmental issues have grown dramatically, Siemens (www.siemens.com/healthcare) (NYSE: SI) and IBM (NYSE: IBM) today announced that they will work together to help community hospitals reduce their operating costs and energy consumption.

Hospitals currently using or planning to use Siemens MedSeries4[®], a healthcare information system designed specifically for community hospitals, can now benefit from the bundling of powerful server technology from IBM that features the company's POWER™ server, its energy-efficient, environmentally friendly BladeCenter[®] Servers, Tivoli Storage Manager software, and specially configured IBM System Storage DS3000 and DS4000 IBM systems.

Blade server technology is proven to assist organizations in driving down operating and maintenance expenses, allowing for lower total cost of ownership, reduced data center space requirements, lower energy consumption, and streamlined data center management. According to initial cost analyses conducted by IBM and Siemens, the organizations project that community hospitals could cut initial hardware costs by approximately 25 percent.

“The relationship between Siemens MedSeries4 and IBM's full range of supporting technology is unique in today's healthcare computing environment, where few hardware and software combinations are so well suited for each other,” said Marilyn

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Marchant, vice president, Foundation Enterprise Systems, Siemens Medical Solutions USA, Inc. “As business partners whose healthcare-industry collaboration goes back 30 years, we are confident that this collaboration will drive outcomes that improve our customers’ bottom lines, while further streamlining access to information and enhancing the overall patient experience.”

Installed in more than 400 community hospital facilities, including eight major healthcare chains, MedSeries4 delivers true value with low total cost of ownership, a high level of integration, and streamlined system operation. MedSeries4 strategically facilitates the drive toward computerized practitioner order entry (CPOE) and an electronic health record (EHR), making patient data available via an integrated, Web-based healthcare information system. MedSeries4 also integrates multiple solutions with superior performance on IBM’s award-winning POWER platform for unmatched reliability. MedSeries4 also uses IBM’s WebSphere® and the DB2® Universal Database™, which combine to offer simplified management of complex environments.

The collaboration between IBM and Siemens will help to extend the power of MedSeries4 in even the most complex IT environments, where further reductions in core operating costs are required to increase profitability and ensure the ongoing ability of community hospitals to provide healthcare services to the public.

IBM BladeCenter servers deliver blade technology in a new way, collapsing servers and networking infrastructure and security appliances into a single location in a data center. They also require less installation time and maintenance, helping to reduce IT infrastructure costs. The servers are therefore especially well suited to the healthcare industry, where tight budgets and limited staffing are often the norm. As an additional benefit to the community, the highly reliable IBM BladeCenter Servers offer a proven open, easy and “green” technology that demands less energy and is easier and less costly to cool than other alternatives.

To ensure each hospital the widest range of health-information applications operating in a standardized environment, Siemens and IBM will consolidate MedSeries4 surround systems in a rack-mounted IBM BladeCenter Server. The BladeCenter is

combined with a rack-mounted IBM DS3000 or DS4000 disk storage solution that can eliminate the need to use multiple independent server and storage combinations for individual delivery of these departmental applications.

Further, IBM's Tivoli Storage Manager (TSM) works to automate data protection, reduce complexity with centralized storage management operations, and coordinate access of all data coming from the applications that reside in the BladeCenter as information flows to one common storage unit.

Finally, the entire system is backed up by IBM's Linear Tape Option (LTO) tape storage systems.

"IBM and our long-time partner, Siemens, understand that IT infrastructure is the foundation for transforming business processes and information management as community hospitals evolve toward more patient-centric and personalized healthcare," said Ivo Nelson, Vice President, IBM Healthcare Provider Business. "To support the growth in storage and performance demands that this evolution will drive, this new offering will provide a leading-edge solution that can help hospitals manage growth cost-effectively, remain flexible, and ensure the highest quality of healthcare delivery to their communities."

About Siemens Healthcare

Siemens Healthcare is one of the world's largest suppliers to the healthcare industry. The company is a renowned medical solutions provider with core competence and innovative strength in diagnostic and therapeutic technologies as well as in knowledge engineering, including information technology and system integration. With its laboratory diagnostics acquisitions, Siemens Healthcare will be the first fully integrated diagnostics company, bringing together imaging and lab diagnostics, therapy, and healthcare information technology solutions, supplemented by consulting and support services. Siemens Healthcare delivers solutions across the entire continuum of care -- from prevention and early detection, to diagnosis, therapy and care. The company employs more than 49,000 people worldwide and operates in 130 countries. In the fiscal year

2007 (Sept. 30), Siemens Healthcare reported sales of €9.85 billion (on a pro forma basis including Dade Behring roughly €11 billion), orders of €10.27 billion, and group profit of €1.32 billion. Further information can be found by visiting <http://www.siemens.com/healthcare>.

About IBM

For more information on IBM's Healthcare Industry, please visit www.ibm.com.

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