

Medical Solutions

To the financial press

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Siemens Medical Solutions Plans Divestment of Life Support Systems

Siemens Medical Solutions (Med) has announced its intention to divest its Life Support Systems business unit. The planned divestment is in response to objections on competition grounds which the EU anti-trust authorities in Brussels have raised against Siemens' proposed medical critical care joint venture with Lübeck-based Drägerwerk AG. Life Support Systems comprises equipment used to sustain vital functions of patients such as anaesthesiology systems and breathing ventilators used in operation theatres and intensive care units.

In May last year, Siemens and Dräger announced an agreement to enter into a joint venture in the field of critical care to which Dräger would contribute its entire medical division and Siemens its Electromedical Systems division. By combining these activities the joint venture will be able to respond better to market and customer requirements in the healthcare market. Dräger and Siemens will respectively hold a 65% and 35% interest in the new joint venture named Dräger Medical AG & Co. KGaA, a Dräger and Siemens Company.

“Siemens believes a divestment of Life Support Systems is a necessary step in consummating our joint venture with Dräger Medical, and the separation of the business should accelerate EU approval and therefore the start of our joint operations,” says Dr. Erich R. Reinhardt, President and CEO of Siemens' Medical Solutions. “We believe it is in the best interest of all our employees and customers to take this decision now, and to make every effort to find a suitable investor for the business unit as soon as possible.”

The decision to divest the unit has been taken in conjunction with an ongoing review of the proposed joint venture by anti-trust authorities in the European Union. While the US Federal Trade Commission has already approved the transaction with no conditions attached, the European Commission started an in-depth review of the proposed joint venture in late January.

Dräger Medical is one of the world's leading manufacturers of medical equipment. As the largest division of Drägerwerk AG, Dräger Medical offers integrated systems and services throughout the entire patient care process in clinical acute care and the home care sector. Dräger Medical employs around 4,800 people worldwide and is represented in over 100 countries. Over the past six years, the company continually boosted its sales by more than 10% a year, reaching a total of €805 million in fiscal 2001. The company quadrupled its EBIT from €9.1 million in 2000 to €39.0 million in 2001. The innovative concepts of Dräger Medical are the result of a close dialog with customers, years of experience in the market, and significant investment in R&D. The company's goal is to improve the quality of patient care while supporting cost-reduction in the health care sector. More information: www.drager-medical.com

Siemens Medical Solutions (Med) is one of the largest suppliers of healthcare equipment in the world. Med is renowned for its innovative products, services and complete solutions, ranging from imaging systems for diagnosis and therapy equipment for treatment, to electromedicine and hearing instruments to IT solutions that optimize workflow and increase efficiency in hospitals, clinics and doctors' offices. Siemens also offers a variety of data management solutions for customers and is currently the largest Application Service Provider. Employing approximately 31,000 people worldwide, in fiscal 2002 (September, 30), Med reported sales of 7.6 billion EUR, orders of 8.4 billion EUR and EBIT of 1 billion EUR. More information can be obtained through the Company's website <http://www.siemensmedical.com>.

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