

Focusing Energy on Saving Lives



Forward-Looking Statements

Except for historical information, this report on Varian Medical Systems' financial performance contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements concerning industry outlook, including growth drivers; the company's orders, revenues, backlog, or earnings growth; future financial results; market acceptance of or transition to new products or technology such as RapidArc therapy, image-guided radiation therapy (IGRT), stereotactic radiosurgery, filmless X-rays, proton therapy, and security and inspection, and any statements using the terms "estimate," "believe," "expect," "can," "grow," "could," "should," "continue," "sets the stage" or similar statements are forward-looking statements that involve risks and uncertainties that could cause the company's actual results to differ materially from those anticipated. Such risks and uncertainties include demand for the company's products; the company's ability to develop and commercialize new products; the company's ability to meet demand for manufacturing capacity; the company's ability to complete the planned sale of instruments portion of the company's ACCEL proton therapy business; the company's reliance on sole or limited-source suppliers; the impact of reduced or limited demand by sole purchasers of certain X-ray tubes; the company's ability to maintain or increase operating margins; the impact of competitive products and pricing; the effect of economic conditions, currency exchange rates, and tax rates; the effect of changes in accounting principles; the company's ability to meet Food and Drug Administration and other regulatory requirements for product clearances or to comply with Food and Drug Administration and other regulatory regulations or procedures; the ability to make strategic acquisitions and to successfully integrate the acquired operations into the company's business; the possibility that material product liability claims could harm future revenues or require the company to pay uninsured claims; the effect of environmental claims and expenses; the company's ability to protect the company's intellectual property; the impact of managed care initiatives, other health care reforms, and/or third-party reimbursement levels and credit availability for capital expenditures for cancer care; the potential loss of key distributors or key personnel; consolidation in the X-ray tubes market; the risk of operations interruptions due to terrorism, disease or other events beyond the company's control; and the other risks listed from time to time in the company's filings with the Securities and Exchange Commission, which by this reference are incorporated herein. The company assumes no obligation to update or revise the forward-looking statements in this report because of new information, future events, or otherwise.

Mission: Focusing Energy on Saving Lives

X-Ray Technology for:

- Faster, easier, more precise cancer therapy
- Better imaging and medical diagnostics
- Safer borders and ports





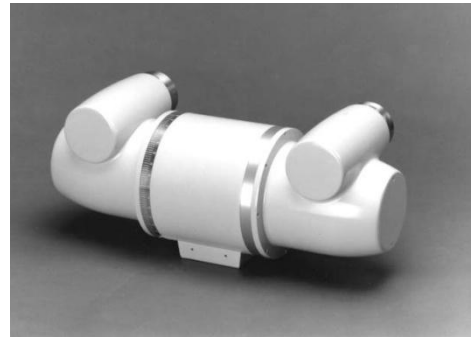
save 100,000 more lives

Varian Medical Systems FY'11 Orders

Oncology Systems - \$2.3B



X-Ray Products - \$483M



Other - \$201M



Oncology Systems

- **Products and Service**
 - **Linear Accelerators and Accessories**
 - **Eclipse Treatment Planning software**
 - **ARIA Information Management software**
 - **BrachyTherapy Devices and software**
- **Customers**
 - **Hospitals and Clinics**

Market/Technology Leader in Radiotherapy/Radiosurgery

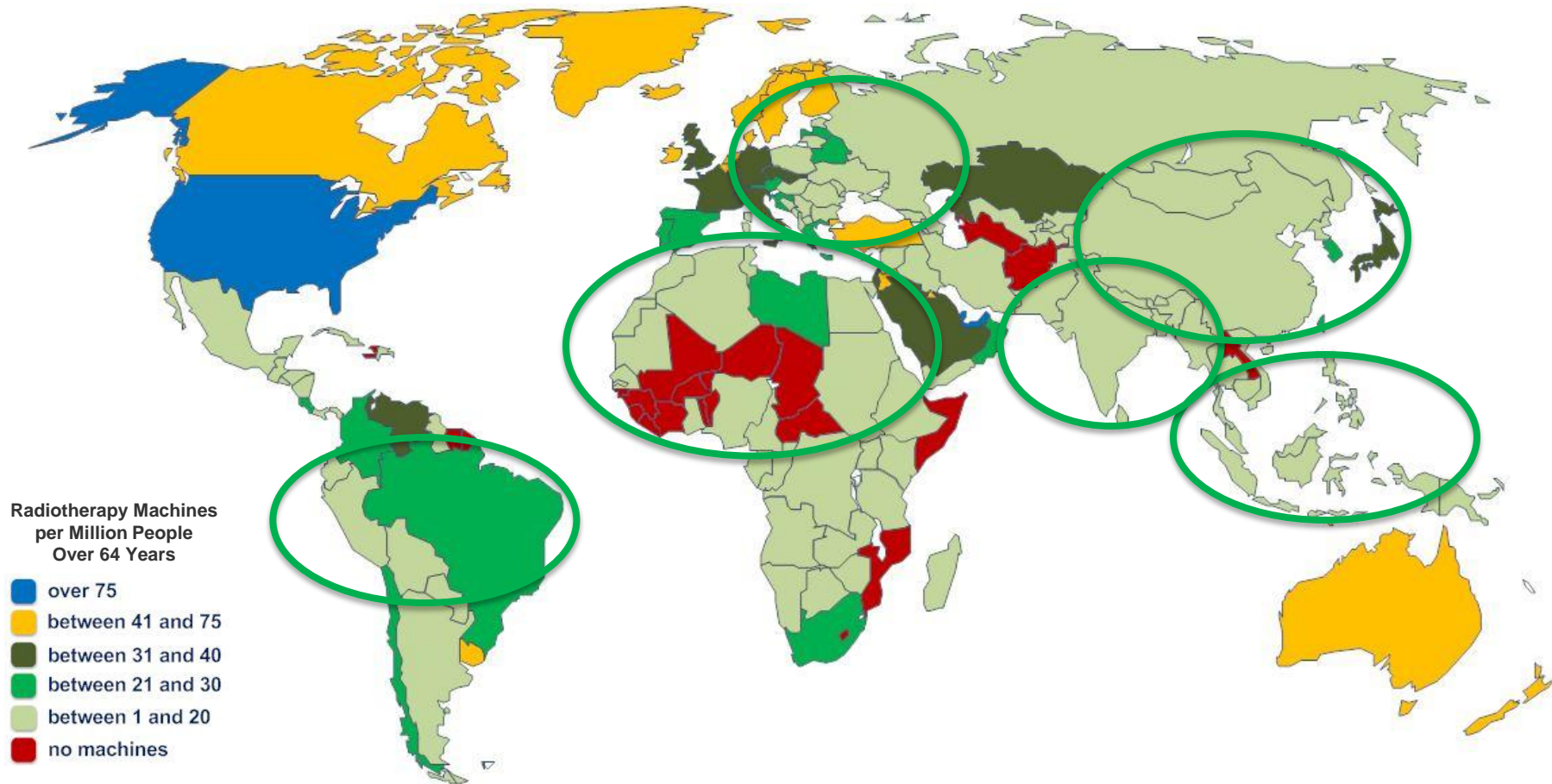


Oncology Systems Growth Initiatives

- **Driving Replacement Through Innovation**
 - Speed, patient throughput
 - Precision
 - Versatility
 - Ease of use, streamlined workflow
 - Lowering cost per treatment
- **Equipping Emerging Markets**
- **Building customer service**
- **Expanding clinical applications**



Under-Equipped Markets



* Machines include Linac and Cobalt Units

Source: IAEA and World Health Organization

Siemens Partnership

Broad strategic partnership in radiotherapy and diagnostic imaging

- Annual revenue potential is significant

- Varian and Siemens market and represent each other's products worldwide

- Maintain control of our channel through specific agency assignments

- Siemens improves coverage in emerging markets and multi-modality sales

- Collaboration for joint product development for image-guided RT and RS

Immediate radiotherapy benefits

- Software connectivity between ARIA and Siemens linacs

 - Opens a market segment that had been exclusive to Elekta

 - Customers with Siemens accelerators now have more options

- Improves workflow and streamlines operations

- Facilitates smooth customer transition to Varian systems

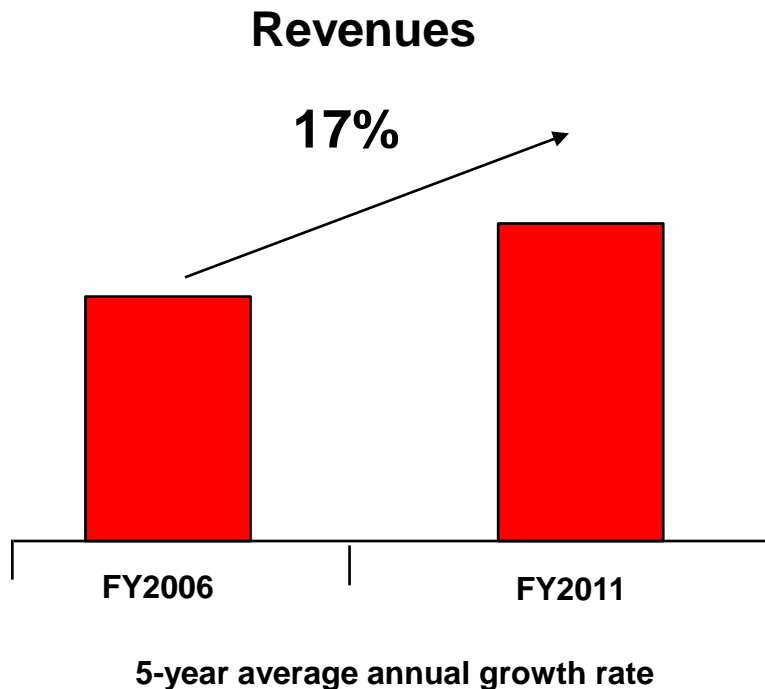
Siemens is our optimal imaging partner

- Expands our imaging partnership to encompass the global market

- Attractive incentives to place CT, PET/CT and MRI in RT clinics

Oncology Systems Service

~\$640M in annual recurring revenue



Growth Drivers

- Expanding installed base
- Premium product mix
- Software Service Agreements
- Strategic Accounts focus
- Professional Services

Productivity Drivers

- Faster installs
- Remote diagnostics
- Continuous design enhancements
- Logistics, JIT parts delivery

X-Ray Products

X-Ray Tubes

Flat Panels
Digital X-Ray Detectors

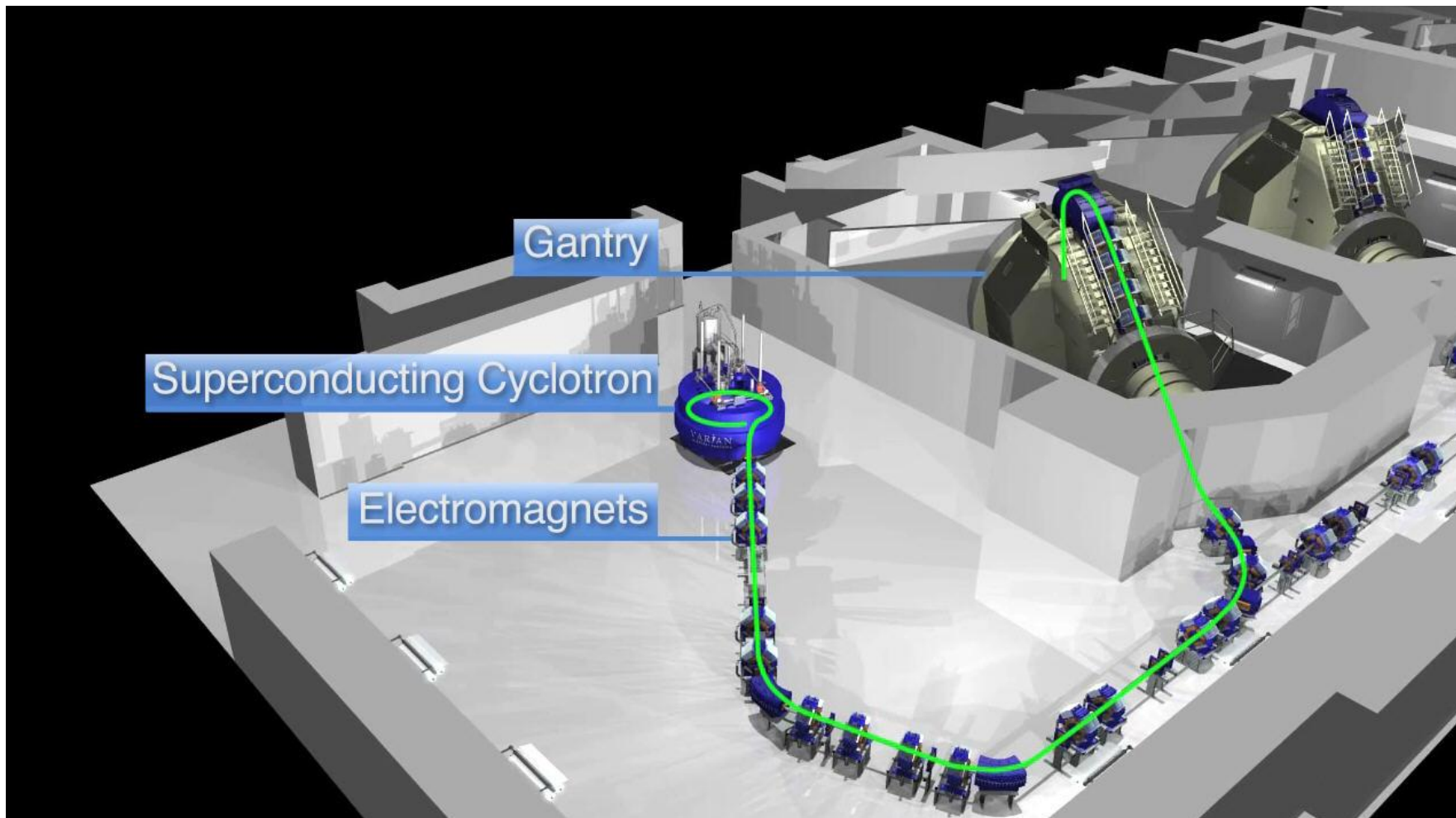


Imaging Processing
Workstation & Software

X-Ray Products Growth Initiatives

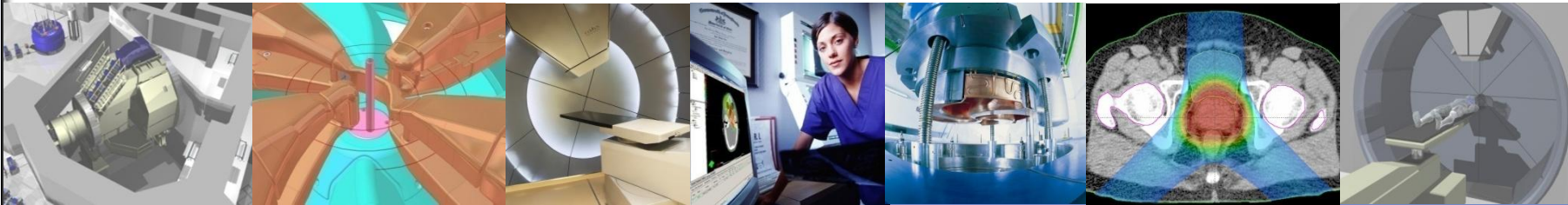
- **Technology, New Products**
 - Improving quality, speed, cost efficiency
 - Supporting fast, filmless digital imaging
 - Reducing x-ray doses
 - Offering high power, compact tube designs
- **Service**
 - Technical collaboration
 - Worldwide distribution
 - Reloading capability in U.S, Europe, Asia
- **Manufacturing**
 - Continuous cost reduction
 - Six Sigma process

Proton Therapy



Particle Therapy Growth Initiatives

- **Standardized, cost effective solutions**
- **Capitalize on Varian infrastructure, technology, service**
 - **Integration, planning, imaging, dose delivery, motion management, information management**
 - **Pencil-beam scanning**
 - **Compact, superconducting cyclotron**



Proton Highlights



- **>\$200M Orders:**
 - Scripps PTC installation (\$88M)
 - Saudi Arabia order booked (\$73M)
 - St. Petersburg, Russia order booked (\$50M)
- **Munich Clinical Site**
 - >1,000 patients treated
 - 1st IMPT – capable system in the world
 - 15 minute treatment times routine

Security and Inspection Products

- Market leading provider of high-energy imaging components
 - Products: Linear accelerators, detectors, software, systems, service
 - Cargo/Border Screening (85% of SIP business)
 - Non-destructive Testing (NDT) (15% of SIP business)
- Customers include all major systems integrators
- End-users include customs, defense agencies and manufacturers
- ~\$85M annual business



High-Energy Detectors

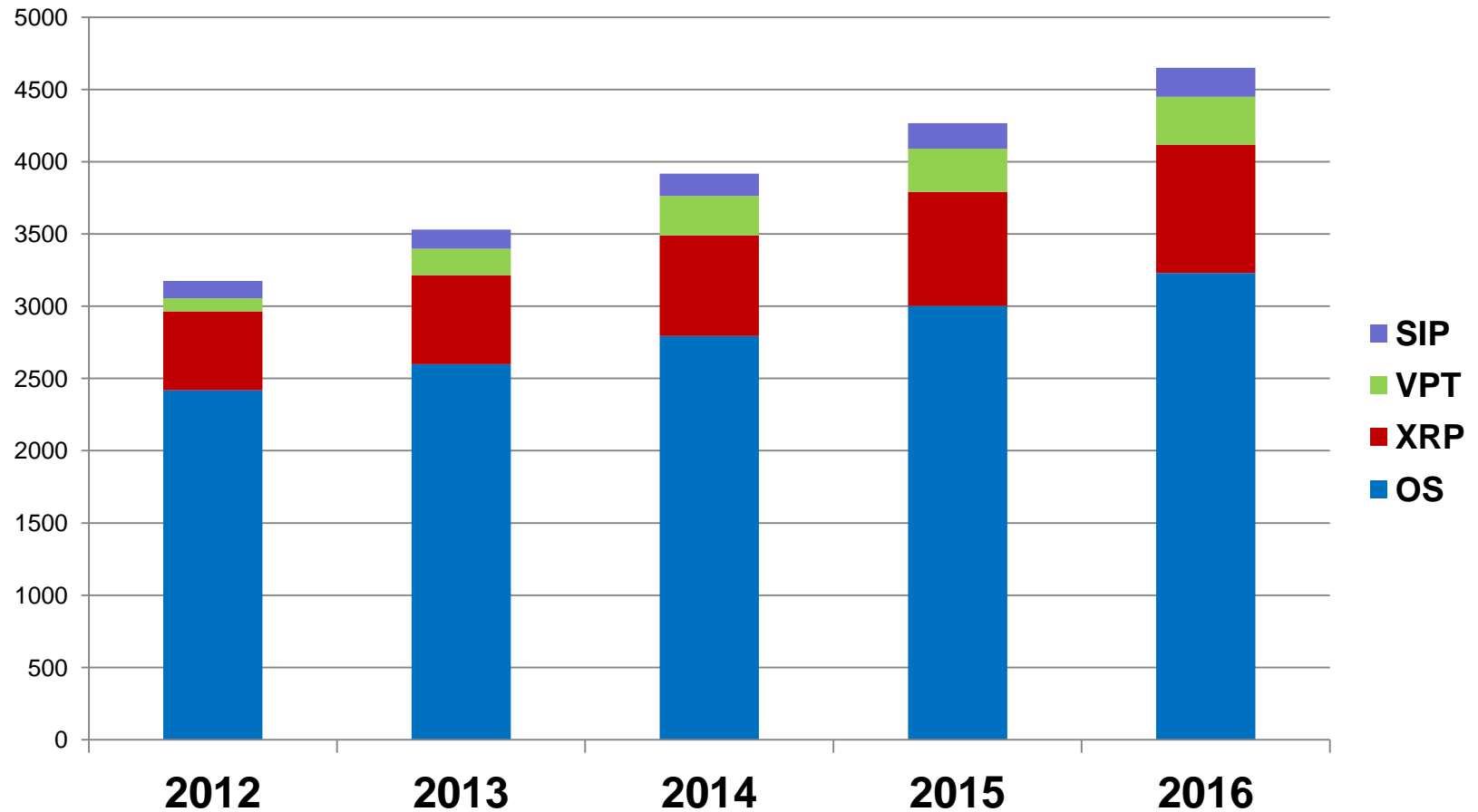


High-Energy x-Ray Sources

Security and Inspection Strengths

- **Fast, automated materials discrimination**
 - **Material discrimination using dual energy– ability to identify material classes within containers quickly and reliably – organic, inorganic, metals, and high-density materials**
 - **Recent expansion into mobile platforms**
- **Lower priced, compact, lighter sources to enable low cost, high performance, mobile platforms**
- **Varian's R&D and infrastructure investments**
 - **IP: more than 50 active imaging and security patents**
 - **Global support and distribution network**

Varian's Order Growth Opportunity



Varian Medical Systems (NYSE:VAR)

Investment Summary

Market and technology leader

Multiple global growth platforms

Radiotherapy/Radiosurgery

Filmless X-ray imaging

Proton Therapy

Port and border protection

>\$700M annual service business

Management focus on execution, innovation

Strong balance sheet, significant cash flow, stock buybacks