

21-October-2010

Dear Valued Customer and Business Partner:

As SIP embarks on a new fiscal year and looks forward to 2011, I am pleased to announce a number of changes that will help us serve our customers better by strengthening our core technology offerings, streamlining our U.S. manufacturing centers, and creating a new focus on providing OEM components to CT system integrators.

First, our Lincolnshire, Illinois office in the United States will be transitioned to a dedicated engineering center-of-excellence with a clear mission to develop state-of-the-art products and provide customized engineering and X-ray scanning services that meet the needs of our customers throughout the world.

Second, we will streamline and improve the efficiency of manufacturing by consolidating all manufacturing, procurement, and quality operations in our Las Vegas headquarters, where we have over 85,000 square feet of space dedicated to Security and Inspection products.

Third, we will broaden our focus on customized solutions for CT products by strengthening our partnerships throughout the world with leading systems integrators. This means that we will provide accelerators, detectors, and software as OEM products, directly to companies that supply complete systems to end users. To accomplish this, we will discontinue a number of standard CT products, as described below.

Effective October 1, 2010, Varian Medical Systems' Security and Inspection Products (SIP) will discontinue the sales and manufacture of the following Industrial CT Products:

**BIR 800/450, BIR 600/450, BIR 200/225, BIR 150/130, InspectCT 1MV**

Active warranties on the above equipment will continue in effect through the end of the established warranty period. Spare parts, along with Actis SW upgrades, for the above equipment and other Varian CT systems will continue to be available to existing customers for a period of five (5) years. Additionally, out of warranty service for equipment currently deployed with customers will continue to be available for a period of 5 years.

Customers are welcome to contact us directly for any questions regarding these changes at:

**SIP USA Headquarters**

Tel: 702.938.4859

Fax: 702.938.4833

E-Mail: [sip@varian.com](mailto:sip@varian.com)

Web: [www.varian.com/sip](http://www.varian.com/sip)

**CT Service**

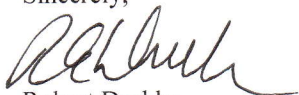
Tel: 888.827.4265

Or contact: Miguel Camarillo (+1.702.938.4843)

E-Mail: [Miguel.camarillo@varian.com](mailto:Miguel.camarillo@varian.com)

With these changes in place, we look forward to strengthening our business relationships with OEM providers, delivering more technology options to the high energy CT market, and mostly helping our customers better meet their high energy X-ray inspection requirements.

Sincerely,



Robert Drubka

Vice President, General Manager