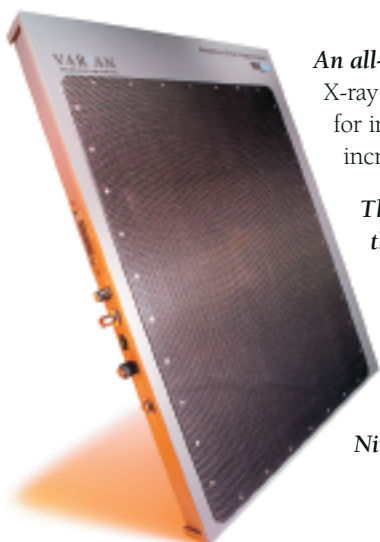


X-RAY PRODUCTS 2004 HIGHLIGHTS

Varian X-Ray Products is the world's premier independent supplier of X-ray tubes and flat-panel detectors, providing imaging equipment for medical diagnostics, industrial inspection, and security.



An all-time revenue high of \$165 million. Revenues for X-ray tubes increased 4 percent to \$150 million. Revenues for imaging products (flat-panel X-ray image detectors) increased from \$8.6 million to \$15.2 million.

The first-ever full-year profit of \$1 million for the flat-panel image detector product line.

Inclusion of Varian's flat-panel X-ray image detector in several OEM products. A major equipment manufacturer began shipping cardiac imaging panels incorporating this technology.

Nine new X-ray tubes.



X-RAY PRODUCTS AND SERVICES

X-ray tubes for:

CT scanners

Radiographic and fluoroscopic imaging

Mammography

Angiographic imaging

Scientific instrumentation

Airport baggage screening systems and nondestructive testing

PaxScan® flat-panel image detectors for:

Industrial inspection

Medical diagnostic subsystems

FACILITIES

Charleston, South Carolina

Salt Lake City, Utah (headquarters)

Willich, Germany

X-RAY PRODUCTS

(Dollars in millions)

| | 04 | 03 | 02 |
|--|--------------|-------|-------|
| Net orders | \$184 | \$142 | \$123 |
| Revenues | \$165 | \$153 | \$122 |
| Operating earnings | \$31 | \$29 | \$12 |
| Operating earnings as a percentage of revenues | 18.8% | 18.7% | 10.2% |
| Backlog | \$44 | \$25 | \$36 |
| Capital expenditures | \$3 | \$3 | \$4 |
| Depreciation and amortization | \$7 | \$7 | \$7 |