Varian Medical Systems Announces New $280 Million Accelerated Stock Repurchase

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PALO ALTO, Calif., Feb. 28, 2011 /PRNewswire/ -- Varian Medical Systems, Inc. (NYSE: VAR [1]) today announced that it has entered into a new agreement with Bank of America N.A. to repurchase $280 million of its common stock under an accelerated share repurchase program.

Under the accelerated repurchase agreement, Varian will pay $280 million to Bank of America N.A. and receive approximately 3.5 million shares, or 85% of the shares to be repurchased based on the closing share price of the company's common stock on February 23, 2011. The total number of shares ultimately repurchased under the agreement will be determined upon final settlement. Varian will either receive additional shares of common stock or under certain circumstances be required to remit a settlement amount payable at Varian's option in cash or common stock, based generally on the volume weighted average share price of Varian's common stock during the next two to six months.

"Given the success of Varian's first accelerated repurchase program and the ongoing strength of Varian's balance sheet in a low interest rate environment, we have another opportunity to return stockholder value through a second accelerated repurchase program," said Tim Guertin, president and CEO of Varian Medical Systems.

The shares of common stock will be acquired under the remainder of the 8 million share repurchase authorization approved by the company's Board of Directors on August 6, 2010 (which expires at the end of the Company's fiscal year 2011), and, if necessary, the 12 million share repurchase authorization approved by the Company's Board of Directors on February 11, 2011 (which expires at the end of the Company's fiscal year 2012). Shares purchased under the accelerated share repurchase program will be retired.

The repurchase will be financed partially from cash on hand and partial
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SOURCE [2]

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