

# GE Healthcare

## healthymagination Investor Update

UBS

John Dineen  
President & CEO,  
GE Healthcare  
May 6, 2011



Increase Access



Improve Quality



Reduce Costs



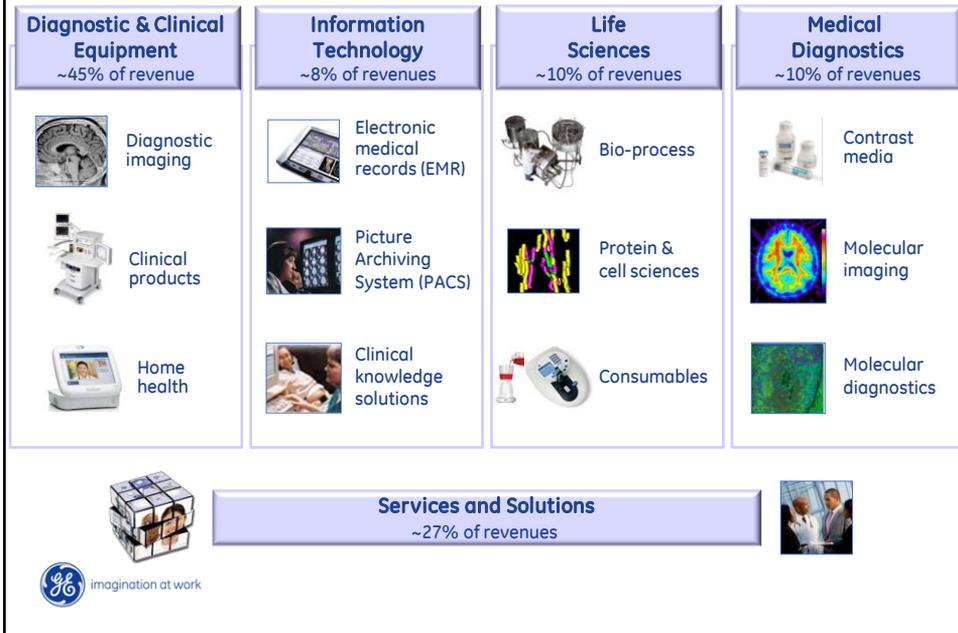
**"Results are preliminary and unaudited.** This document contains "forward-looking statements"- that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: the severity and duration of current economic and financial conditions, including volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; the impact of U.S. and foreign government programs to restore liquidity and stimulate national and global economies; the impact of conditions in the financial and credit markets on the availability and cost of GE Capital's funding and on our ability to reduce GE Capital's asset levels and commercial paper exposure as planned; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so; the soundness of other financial institutions with which GE Capital does business; the adequacy of our cash flow and earnings and other conditions which may affect our ability to maintain our quarterly dividend at the current level; the level of demand and financial performance of the major industries we serve, including, without limitation, air and rail transportation, energy generation, network television, real estate and healthcare; the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of proposed financial services regulation; strategic actions, including acquisitions and dispositions and our success in integrating acquired businesses; and numerous other matters of national, regional and global scale, including those of a political, economic, business and competitive nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements."

"This document may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP measures presented in this document, see the accompanying supplemental information posted to the investor relations section of our website at [www.ge.com](http://www.ge.com)."

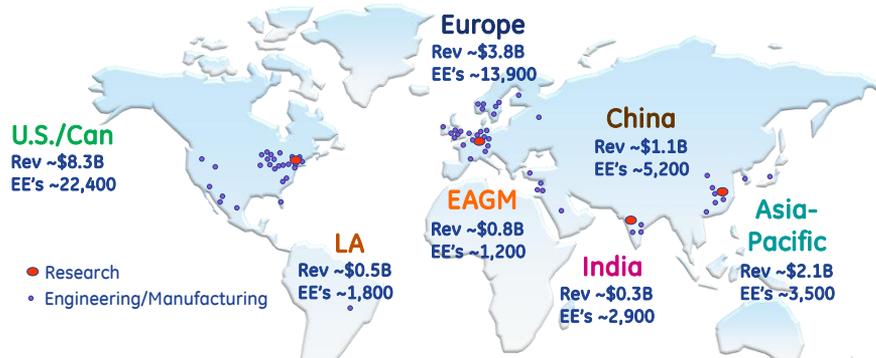
"In this document, "GE" refers to the Industrial businesses of the Company including GECS on an equity basis. "GE (ex. GECS)" and/or "Industrial" refer to GE excluding Financial Services."



# Deep and broad healthcare portfolio



# A Global business model



## Global growth drivers

- High-tech infrastructure spending
- Low protectionism
- Fragmented competition
- Low manufacturing capital investment
- Globally translatable technology

## Industry characteristics

- High technology and IP
- Highly regulated
- Clinical domain required

\* Revenue, Employees represent 2010 results

# 2010 performance



- Developed markets improving, revenue +3% ... emerging markets booming, revenue +19%
- Added 2,000+ heads in emerging markets
- Margin accretion driven by cost actions and deflation
- Strong product portfolio in HCS ... NPIs driving growth in diagnostics and devices
- Continued investment in new platforms, R&D +16% ... HCIT, molecular diagnostics, home health, cell therapies, performance solutions
- Strong op profit leverage ... 2x revenue
- Intense focus on cash ... working capital turns up ½ pt



# Demographic trends escalating

## Populations aging

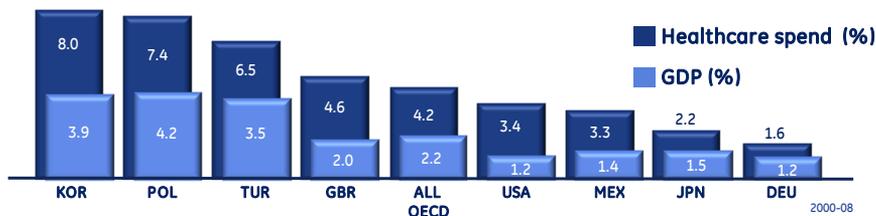
- 2030: the number of people over 65 will
  - Increase 140% in developing world
  - Increase 51% in developed world
- For the first time in history, people **over 65** to outnumber children under 5

## Chronic disease increasing

- 2020: chronic disease to cause 75% of deaths worldwide-- **up 15% from today**
- **US**: chronic disease **up 80%** and spending **up 260%** over last 20 years. **Spend to increase 2.5X by 2023**
- **33.8%** of Americans **obese**: an increase of 100% in 30 years

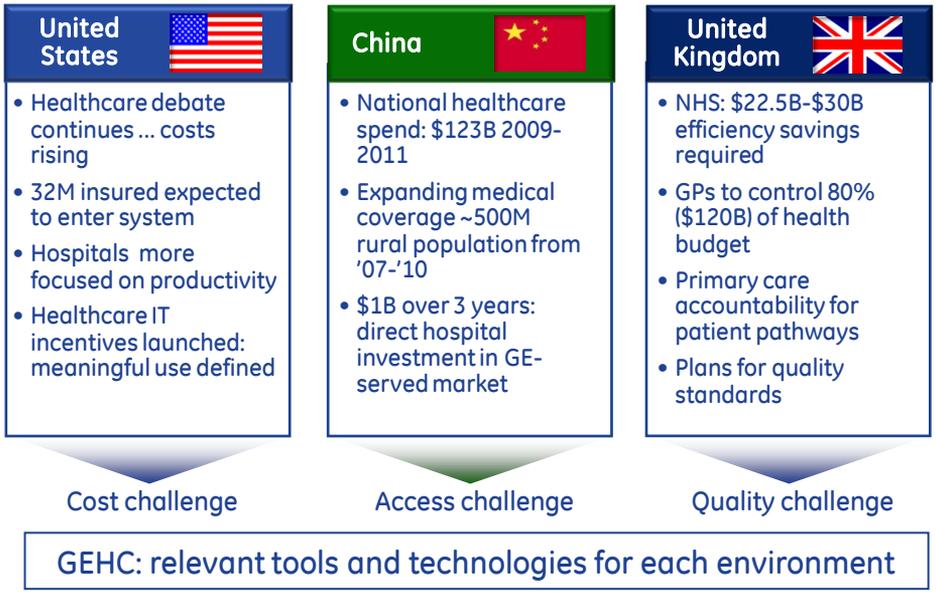
## Costs spiraling

- **USA**: cost of **chronic disease to double by 2023**
- **Diabetes** to rise **114%** globally from 2010 to 2030: **costs to rise 34%**
- **China**: **loss of income** due to chronic disease **to increase 8-fold** to \$132B (2005-15)



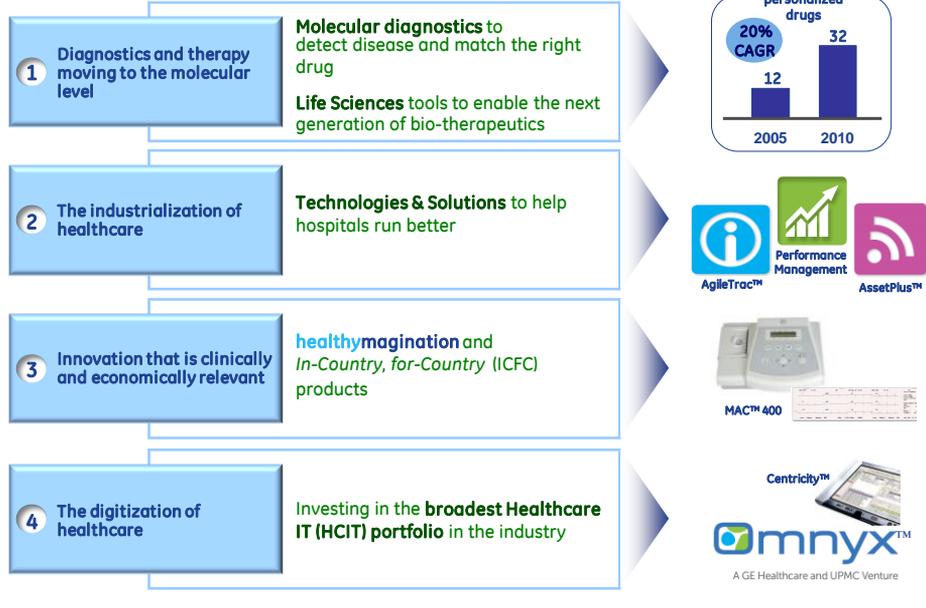
Healthcare expenditures outpacing GDP growth

# Political challenges require new approaches and technologies



# Macro trends in healthcare technology

## GE Delivering



# GE Healthcare vision



## Strategies

1. **healthymagination** ... technologies that address today's healthcare challenges
2. Investing in our developing market footprint ... **to be the leader in tomorrow's biggest markets**
3. Adding growth platforms to our strong Services business ... **to help our customers run more efficiently**
4. Developing products with clinical & economic relevance ... **to lead in every product segment**
5. Investing in a comprehensive HCIT portfolio ... **to enable the digitization of healthcare**
6. Broadening our Life Sciences portfolio ... **to enable the next generation of bio-therapeutics**
7. Investing in molecular diagnostics ... **to be the leader in the next diagnostic frontier**

# healthymagination

The right strategy to drive innovation and win globally

3 Macro Trend

Cost

Quality

Access

### Bottom line impact

"I can treat 15% more patients with the same budget"

Developed World

Asset Management



Developing World

Low Cost Ultrasound



### Standard of care change

"I can identify tumors 20% more accurately"

Low Dose Compact CT



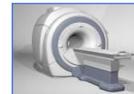
Dual Slice CT



### New patients get care

"Our village never had Dx capabilities"

Value MR



Portable ECG



Technologies that address today's healthcare challenges

# Investing in our developing market footprint

3 Macro Trend

## Investing and ...



Building footprint in Brazil, India, China

	2005	2010	
Engineers	942	1,859	↑ 97%
Manufacturing team	1,053	1,913	↑ 81%
Total heads	3,833	8,460	↑ 120%
Plants	5	10	↑ 100%
\$ Sourced in M	240	584	↑ 143%
ICFC products	2	32	↑ 1500%

## Delivering

Total developing market revenue



... to be the leader in tomorrow's biggest markets

# Adding growth platforms to strong services business

2 Macro Trend

**Maintenance**  
~\$4B: 4% CAGR



**Uptime**

- Grew backlog 1.2x vs. '06
- Expanded CM 3 pts vs. '06

**Asset Management**  
~\$1B: 8% CAGR



**Optimize CAPEX/OPEX**

- Expanded services offerings ... employ new technology

New global P&L

"Performance Solutions"

**Knowledge Solutions**  
~\$0.1B+: 40% CAGR



AgileTrac™



AssetPlus™



Performance Management

**Efficiency, Quality & Safety**

- Delivering optimized clinical care
- Becoming the next \$B platform

Waste reduction ... today a matter of survival  
GE's Solutions strategy ... distinctive capabilities  
Scalable success in forming market ... growth focus

... to help our customers run more efficiently

Note: CAGR '06-'10

# Developing products with clinical & economic relevance

3 Macro Trend

Extending a broad portfolio



Driving to global leadership in every category

<p><b>Winning in leadership segments</b></p> <p>Optima™ MR450w</p> <p>59%V Sales in '11</p>	<p><b>Investing in growth geographies</b></p> <p>Brivo™ MR355</p> <p>4x Sales in '11</p>	<p><b>Innovating disruptive technologies</b></p> <p>Specialty MR</p> <p>4x Sales in '11</p>
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... to lead in every product segment

%V are estimated '10 to '11 sales

# Investing in a comprehensive HCIT portfolio

4 Macro Trend



Key growth products

<p><b>Centricity™ Advance</b></p> <p>SaaS-based EMR + Practice Management</p> <p>\$1.5B segment potential</p>	<p><b>Omnyx™†</b></p> <p>Digital Pathology</p> <p>\$1B segment potential</p>	<p><b>Qualibria™</b></p> <p>Next generation clinical decision support</p> <p>\$2B segment potential</p>
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... to support the digitization of healthcare

† Omnyx™ not cleared or approved by U.S. FDA

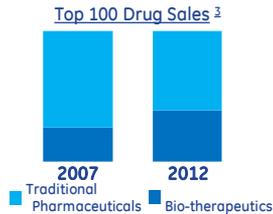
# Broadening our Life Sciences portfolio

1 Macro Trend

Big Pharma drug development is shifting towards bio-therapeutics

## Pharma Sales 2006 - 2015<sup>2</sup>

Bio-therapeutics  
12.4% CAGR  
Traditional Pharmaceuticals  
6.7% CAGR



## Where we play:

- Better research
- Efficacy improvements
- Manufacturing efficiencies

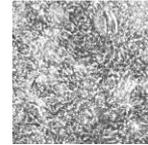
Amgen  
Genentech  
GSK  
Lilly  
Merck  
Pfizer

## 'GE inside' fastest growing segment of Big Pharma

- 1 **\$658 replacement therapy segment growing at ~5%**
  - Many chromatography unit operations worldwide use GE tools
- 2 **\$458 monoclonal antibody segment growing at 15%**
  - Many of monoclonal antibodies launched since 2007 are purified with GE products

## Next Biotherapy Wave: Cell therapy

- Pharma engaged: 400 therapies in development
- GE manufacturing for research today: segment growing at 10% CAGR
- Cell therapy segment could reach \$2.5B by 2015<sup>1</sup>



... to enable the next generation of bio-therapeutics

<sup>1</sup> Company and investor analyst reports, <sup>2</sup> CAGR 06-15 based on total market, <sup>3</sup> Parexel Bio/Pharma Statistical Sourcebook '08/'09

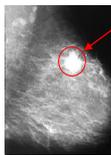
# Investing in molecular diagnostics

1 Macro Trend

## The way we look at disease is changing

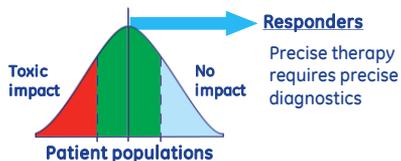
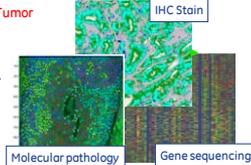
### Imaging

#### Mammography



### Molecular Diagnostics

#### Molecular Biopsy Tools



## Assembling the necessary technologies to lead

- ✓ **in vivo diagnostics** → Molecular imaging agents & equipment
- ✓ **GRC Molecular Pathology** → Technology & content
- ✓ **Digital Pathology** → Enabling workflow
- ✓ **Clariant** → Operations & commercialization

... to be a leader in the next diagnostic frontier

Molecular profiling segment for cancer expected to grow from \$15B in 2009 to \$47B in 2015

# GE Healthcare vision



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# Questions



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