Healthcare Re-imagined

Reinaldo Garcia
President & CEO
GE Healthcare - International

GE Healthcare

$17B global business unit of GE
$1B+/year in R&D investment
45,000 employees worldwide
Core strengths in Bio-Sciences, Technology, Services
GE heritage for vision and execution
GE Healthcare

Broad Based Diagnostics
Diagnostic Imaging  Medical Diagnostics  Clinical Systems

Information Technology & Services

Life Sciences

Touching many aspects of healthcare ...

Genomics & Proteomics  Molecular  Cell Technology

Monitoring  Diagnosis

... from atom to body
Molecular medicine: the right next step

Efficiency

Molecular imaging (2000+)
Biology, Nanotech, CAD

Digital (80's to 90's)
CT, MR, PACS

Analog (00 to 80's)
X-ray & Paper

Sensitivity & specificity

Clinical certainty

Healthcare re-imagined

We strive to see life more clearly. Our Purpose is to help predict, diagnose, treat and monitor disease earlier so people can live life to the fullest

From

"Late Disease"
- Symptom Based
- Incomplete Data
- Managing Illness
- Standardized treatment

To

"Early Health"
- Prevention/Prediction
- Detailed Patient Info
- Early Diagnosis
- Targeted Therapies

Driving clinical efficacy & Healthcare system efficiency
Globalization ... Growth Accelerator

Historical growth and trends

International vs. US

- $7B+ International Sales
- Emerging countries → Growth Platform

International Footprint

- Clinical Devices
- Clinical Ultrasound
- Life Sciences
- Medical Diagnostics
- Diagnostic Imaging
- IT
- Service

- China 10-15%
- India 15-20%
- SEA 20-25%
- MEA 20-25%
- EE 15-20%
- LA 10-15%
GE Healthcare global presence

**USA**
- Employees: 21,277 / 46%

**Europe & MEA**
- Employees: 14,970 / 32%
- Breakdown:
  - UK: 2,776
  - France: 2,399
  - Sweden: 1,887
  - Germany: 1,657
  - Norway: 1,410
  - Finland: 931
  - MEA: 259
  - Eastern Europe: 478

**Asia**
- Employees: 7,994 / 17%
- Breakdown:
  - China: 2,950
  - India: 2,122
  - Japan: 1,859
  - Korea: 1,394
  - ANZ: 382
  - SEA: 287

5 Yr V% ~50% ~100% ~50%

Strong global commitment

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Growth in developed markets

**Japan**
- Key drivers:
  - Reimbursements \downarrow \rightarrow High End CT/MR
  - Hospital consolidation & privatization
  - IT investment trends & shift to digital

**Winning position**
- Enterprise & Specialization ... DIC's, Cardio and Women's Health
- Strong combination of portfolio, services & coverage

- '00: $0.8
- '06E: $1.2

**Western Europe**
- Key drivers:
  - PPP momentum in UK, Portugal, Germany & Italy
  - EU focus on underperforming regions
  - IT ... Big growth area

**Continued momentum**
- Segmentation & Commercial Excellence
- Creating markets ... Cardiac NM & screening
- Strong Services through NPS & Segmentation

- '00: $1.2
- '06E: $3.4

($ in Billions)
Emerging markets = growth engines
($ in Millions)

India
- Key Drivers
  - Strong economy, plus govt spend up
  - Public / Private Partnerships
  - Unmet needs in burgeoning population

- A Unique position
  - High-end & value products strategy
  - Localization
  - In-house financing solution

China
- Key Drivers
  - Govt spending ↓ ... in near term
  - Health insurance coverage: 25% to 80% by 2010
  - Value segment growth

- Strong Opportunities for GE Healthcare
  - Creating markets ... private initiatives
  - Commercial financing programs
  - Driving rural health thru local govt partnerships

More emerging markets ... more growth
($ in Millions)

Eastern Europe
- Key Drivers
  - Privatization & insurance
  - EU Structural Funds
  - Growing economy ... Oil & Gas in Russia / CIS

- Winning Strategy
  - Focused Regional Segmentation
  - Company to country
  - Financing

MEA
- Key Drivers
  - Oil price drives infrastructure investment
  - Expansion of private sector
  - Shortage of qualified professionals

- Winning strategy
  - Localization ... Distribution, Training & Manufacturing
  - Company to country
  - Strategic equity & financing participation
## Technology localization

### LCC Technical Capability Growth

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<th>02</th>
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<th># of NPI's</th>
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<td>Hungary</td>
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<td>Total</td>
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- Local national leadership
- Driving local value product
- Growing marketing effort

### Remote R&D

- Logicbook
- Super Value Rad Dash 2500
- CTe/CTe Dual HF Advantage
- Value MR

## Healthcare spending & growth

### Healthcare spend % of GDP

- Developed: 9-11%
- Developing: 5%

### Emerging Markets Technology Segment growth

- '05: $88M
- '20F: $408B

### Huge Healthcare Needs...
- ↑ population w/o access to Healthcare
- Undeveloped Healthcare Infrastructure
- Financing needs ... access to funding

### Emerging Growth Drivers
- Privatization trends ... Entrepreneurs
- New Infrastructure investments
- Value technologies
- Loans and grants

### Go Big GE Opportunities
- Company to Country
- Concessional Loans & SKD’s
- Financing & Equity investments
- Rural Health
Creating demand … and Providing solutions

**Market development**
- Country management
- Market development
- Tech & clinical expertise
- Project mgmt. & turnkey

**Financing**
- 6.0, cap mkts, HFS, int'l aid
- SKD's
  - Access to fund markets

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**Company to country ... in emerging markets**

**Idea to country in emerging markets**

**Creating demand ...**

- MOH
- Ideas
- Projects

**Capability**
- Country management
- Market development
- Tech & clinical expertise
- Project mgmt. & turnkey

**Financing**
- 6.0, cap mkts, HFS, int'l aid
- SKD's
  - Access to fund markets

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**Accelerating Deal Pipeline ...**

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<td>Namibia project</td>
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<tr>
<td>Soft loanFinland to Namibia</td>
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<td>Health issues assessment with Namibia MOH</td>
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<td>Needs identified in OR, intensive care, maternal/infant care</td>
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<td>Bosnia project</td>
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<td>Soft loan Korea to Bosnia</td>
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<td>With Bosnia MOH ... Equipment 7 Hospitals</td>
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**Only GE Healthcare**

($ in Billions)

- **Revenue** $15
- **Op Profit** $2.7
- **~$17**
- **~$3.2**

**Unique Capability ...**

- The only wing to wing diagnostics company
- Leadership across product lines
- Real scale ... R&D $1B+, global reach, broadest distribution
- Globalization ... growth accelerator

**Healthcare re-imagined**