Big picture

1. The market
   • $4 trillion in healthcare spend globally

2. The spending
   • $371 billion of fiscal stimulus underway worldwide
   • U.S. healthcare spend at 16% GDP
   • Healthcare build-out in emerging markets

3. The demographics
   • By 2039, 50% global population over 65
   • 1 billion people overweight
   • 1/3 of U.S. adults obese
   • Chronic disease rate exploding worldwide

4. The challenge
   • More cost-effective chronic care
   • More accessible technology
   • Increased hospital productivity
   • Identification of right therapy for right patient
   • Reduced medical errors

5. The solutions
   • HCIT to reduce variation and cost
   • Precision diagnostics to guide therapy
   • Portability, miniaturization to increase access
   • Remote/home monitoring to bring down costs
   • Hospital productivity tools
GE Healthcare: balanced, strong offerings

$2.9B

Life Sciences 15%
Services & IT 55%
Equipment 30%

2008 Op Profit

- Geographic diversity
- Solid and accelerating service mix
- Portfolio plays to healthcare reform... anywhere
- U.S. equipment ~10-15% of profit pool

Scale, diversity and global footprint

Overview

Experienced significant headwinds

- OEC shutdown
- Deficit reduction act
- Financial crisis
- Recession
- Reform

Challenging environment

GE Healthcare

- Broad portfolio
- A global leader in Healthcare Systems
- Deep technology + game changing innovation
- Global footprint
- In-Country, For-Country products
- A leader in Life Sciences and Healthcare IT
- Growing services/solutions business

Valuable portfolio
2009 Q3 YTD overview

- U.S. orders down ~10-15%
- EMEA orders down ~3-5%
- China + India up ~15-20%
- Service orders up ~3-5%, Solutions up ~25%
- Significant restructuring and cost-out
  - 3Q09 YTD base cost down 8%
  - ~$0.3B restructuring since Dec. 2008
- Strong cash performance: 1.8X net income

Note: orders in local currency

Looking ahead... macro factors

1) Healthcare reform
2) Chronic disease demographics
3) Emerging market build-out
4) Aged installed base and technology
Elements of healthcare reform

A new world in healthcare
Global healthcare reform

<table>
<thead>
<tr>
<th>U.S. Reform</th>
<th>China build-out</th>
<th>U.K.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost containment</td>
<td>National healthcare spend ↑ $100B... 12% CAGR '08-'11</td>
<td>Quality &amp; service-related press focus</td>
</tr>
<tr>
<td>Tax and reimbursement changes</td>
<td>Expanding medical coverage ~500MM rural population from '07-'10</td>
<td>Patient “right to choose” in draft NHS charter</td>
</tr>
<tr>
<td>“Pay for performance”</td>
<td>$1B over 3 years: direct hospital investment in GE-served market</td>
<td>NHS quality charter</td>
</tr>
<tr>
<td>Comparative effectiveness</td>
<td></td>
<td>Quality accounts published for providers</td>
</tr>
</tbody>
</table>

☑ Cost challenge
☑ Access challenge
☑ Quality challenge
Reform impact

<table>
<thead>
<tr>
<th>Tailwind</th>
<th>Headwind</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equipment</strong></td>
<td></td>
</tr>
<tr>
<td>+ More procedures</td>
<td>(-) Tax</td>
</tr>
<tr>
<td>+ More access</td>
<td></td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td></td>
</tr>
<tr>
<td>+ Hospitals need more</td>
<td></td>
</tr>
<tr>
<td>productivity / outsourcing</td>
<td></td>
</tr>
<tr>
<td><strong>Healthcare IT</strong></td>
<td></td>
</tr>
<tr>
<td>+ Set standards; encourage</td>
<td></td>
</tr>
<tr>
<td>adoption</td>
<td></td>
</tr>
<tr>
<td><strong>Life Sciences/MDX</strong></td>
<td></td>
</tr>
<tr>
<td>+ Support research equipment</td>
<td>(-) Lower reimbursement</td>
</tr>
<tr>
<td>(-) Delayed drug development</td>
<td></td>
</tr>
</tbody>
</table>

Chronic diseases – a global challenge

Worldwide statistics

1. **35 million** deaths from chronic disease
2. **60%** of all deaths result from chronic disease
3. Deaths from chronic disease will increase by **17%** by 2015
4. **1 billion** people overweight in developed & developing countries
5. **80%** of chronic disease deaths occur in low-mid income countries
6. **Diabetes** set to double in **10 years**, stroke & heart disease rising

![Chronic Disease Deaths Worldwide](chart)

![U.S. Projected Rise in Chronic Disease](chart)

Source: WHO Preventing Chronic Diseases October 05
Source: Milken Institute Analysis
Emerging markets strive to provide access, manage cost

Developing markets grappling with the cost of increasing access...

- Aspiration to cover all urban lives with basic insurance
- Significantly lagging medical infrastructure, even compared with other developing markets
- Expected doubling of hospital beds by 2015
- Administration had been planning a major reform of the healthcare system in 2010

Aged installed base and technology

'Re-set' in demand for U.S. imaging equipment

<table>
<thead>
<tr>
<th>Sales in billions</th>
<th>1996-99</th>
<th>2003-06</th>
<th>2009E</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT sales</td>
<td>$4.3</td>
<td>$6.5</td>
<td>$4.5</td>
</tr>
</tbody>
</table>

Increasing demand for procedures globally

<table>
<thead>
<tr>
<th>Procedures in millions</th>
<th>2004</th>
<th>2007</th>
<th>2010E</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT</td>
<td>830</td>
<td>890</td>
<td>940</td>
</tr>
<tr>
<td>CAGR (%)</td>
<td>18%</td>
<td>7%</td>
<td>5%</td>
</tr>
</tbody>
</table>

With an aging installed base

(Average replacement cycle in # of years)

<table>
<thead>
<tr>
<th>Year</th>
<th>CT</th>
<th>MR</th>
<th>MR</th>
<th>CT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>7.9</td>
<td>6.8</td>
<td>6.8</td>
<td>6.8</td>
</tr>
<tr>
<td>2006</td>
<td>8.1</td>
<td>7.1</td>
<td>7.1</td>
<td>7.1</td>
</tr>
<tr>
<td>2008</td>
<td>8.5</td>
<td>7.1</td>
<td>7.1</td>
<td>7.1</td>
</tr>
<tr>
<td>2009</td>
<td>8.9</td>
<td>8.9</td>
<td>8.9</td>
<td>8.9</td>
</tr>
</tbody>
</table>

Cost of technology decreasing

<table>
<thead>
<tr>
<th>Cost per slice (in thousands)</th>
<th>1999</th>
<th>2003</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT</td>
<td>$250</td>
<td>$50</td>
<td>$13</td>
</tr>
<tr>
<td>Ultrasound 'cost per channel' (in dollars)</td>
<td>$234</td>
<td>$87</td>
<td>$52</td>
</tr>
</tbody>
</table>

Source: McKinsey and Co., Market Drivers Presentation
GE Healthcare vision

**Long-term financial performance expectations**

- **Revenue**: +3-5%
- **Op profit**: +5-10%
- **ROTC**: +15%

Strategies

1. More products at more price points
2. Aggressively build out global footprint
3. Grow Services → Solutions + IT
4. Develop Life Science adjacency
5. Operational excellence... margins & returns
6. healthymagination

**healthymagination: bridges global trends with GE expertise**

1. More products at more price points

**Value MR**
- Low-cost 1.5T MRI, $700k price point
- Simplified features easy for new users to learn
- 65% population minimal access to MR

**Pathology tools**
- Automating labs with digital tools
- Software engineering co-located with clinical pathologists
- Molecular screening

**Portable ultrasound**
- Innovative point-of-care diagnostics
- Portable “at bedside” ultrasound with exceptional image quality
- 20% ↓ vs. current low-cost, compact U/S
- Fewer referrals, lower cost

**Molecular imaging pipeline**
- Focus on neurology, oncology, cardiology
- GE leading neuro-imaging agents
- Compounds being developed for Alzheimer’s & Parkinson’s
- Therapy being developed by pharma components
2. Building global footprint

International revenues for all P&Ls in billions

- **Environment**
  - Developing markets long-term double-digit growth
  - China and India undergoing build-out

- **Strategy**
  - In-country-for-country ... continue to ramp value products
  - Direct presence ... resourcing local teams
  - Company-to-country ... "infrastructure sell"
  - Driving localization & partnerships
    - Replicate partnerships e.g. El Seif, Wipro
    - Enable projects ... financing, govt aid

---

3. Healthcare: Services beyond the IB

In billions

- **Healthcare IT** $178 Growth: 8%+
  - Hospital enterprise
  - Health Information Exchange (HIE)
  - Physician offices
  - Clinical systems

- **Healthcare Solutions** $188 Growth: 7%+
  - Asset management
  - Care delivery excellence
  - Culture driven performance
  - Service line innovation
  - Consumables

- **Market driver:** customer productivity

- **Segments**
  - Hospital enterprise
  - Care delivery excellence
  - Culture driven performance
  - Service line innovation
  - Consumables

- **GE revenue today**
  - ~$1.5
  - ~$1.0

- **Focus**
  - Expand share in EMR & HIE
  - Expand clinical offerings
  - Grow globally
  - Expand asset management
  - Leverage lean → care delivery
  - Drive technology enabled patient flow solutions
  - $1-5MM+ opportunity per hospital

---
4. Adjacent segments delivering growth

**Life Sciences**

1. **Replacement therapy**
   - '08 Market ~60 $B
   - Growth ~5%

2. **Monoclonal antibodies**
   - '08 Market ~40 $B
   - Growth ~20%

3. **Stem cell therapy**
   - The next major growth area

Attractive positions in key segments of biotherapy

---

5. Operational excellence

**Margins and Cost**

- CM% 48.2% 48.0%
- Base Cost $4.3B $3.9B 8%
- 3Q08 YTD 3Q09 YTD

**Actions**

- Restructured ~7% of workforce ... ~$230MM 2009 savings with ~$400MM annual savings
- Engaged bullet train teams to reduce indirect cost ... ~$400MM savings in 2009
- Capturing ~4% deflation ... ~$140MM benefit in 2009

**CFOA**

- Net Income $1.5B $1.1B 1.8x NI
- 3Q08 YTD 3Q09 YTD

**Actions**

- Intensified focus on working capital
- A/R days sales outstanding down ~5 days
- Drove ~1pt increase in inventory turns
- Increased A/P days by ~1 day and average weighted terms by ~5 days

CFOA +36%, holding margins, base cost down 8%
6. **healthymagination** reducing cost, touching more people & delivering better quality

**Cost savings**
1. Greater efficiency
2. Therapy decisionsupport
3. Managing chronic diseases

**Access improvement**
1. Maternal & infant care
2. Screening for life-threatening conditions
3. Technology to extend reach (remote access and portability)

**Quality improvement**
1. Reducing medical errors
2. Improving diagnostic capability
3. Remote medicine/monitoring
4. Early disease detection

Lower price point => CM rate

Open up tremendous growth

Strong demand for healthcare IT and solutions

GE knows how to win in this environment

---

**healthymagination** ... a proven model

**Case study: ultrasound**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (M)</th>
<th>Products</th>
<th>Compact</th>
<th>Competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$600M</td>
<td>7</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>2003</td>
<td>$1.1B</td>
<td>11</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>2006</td>
<td>$1.6B</td>
<td>19</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>2008</td>
<td>$1.9B</td>
<td>26</td>
<td>10</td>
<td>16</td>
</tr>
</tbody>
</table>

✓ Leader in global product innovation
✓ 3x growth in revenue
✓ Expanded CM% while avg. price ↓ 37%

Innovation that reduces price while increasing CM
We have the tools for healthcare reform

Healthymagination aligns technology with healthcare reform

Today’s speakers

(1) Omar Ishrak: Healthcare Systems … winning in a new world
(2) Mark Vachon: Services → Solutions
(3) Vishal Wanchoo: Healthcare IT leadership
(4) Peter Ehrenheim: Winning in the biotech world
(5) Mike Barber: healthymagination
Healthcare Systems: Winning in the New World

Omar Ishrak
President & CEO
GE Healthcare Systems

HCS market environment

- 70% of total healthcare revenue

2010 market

++ India, China, Latin America... continued market demand

+/- EMEA, Asia Pacific... mixed outlook with pockets of growth

+/- United States... 'reset' marketplace, reform uncertainties, procedure growth and aging installed base

Business overview

✓ Equipment breadth and scale to compete in all global markets
✓ Restructured... reducing footprint for competitive cost basis
✓ Redeploying resources into many high growth opportunities

Global market improving
GE has leading positions in all businesses

Established Global Players
- Siemens
- Philips
- Toshiba

Regional Players
- Mindray
- Shimadzu
- Wandong

Niche Product Players
- Hologic
- SonoSite
- Carestream

Investing to accelerate portfolio strength

Global growth opportunity in healthcare is significant

Developed - key drivers
- Aging populations
- Chronic disease costs are mounting
- More affordable, reliable and intuitive technologies

2008-13 Medical equipment market

Emerging - key drivers
- Growing populations and rising demand for healthcare in emerging markets
- High growth in middle class/lifestyle change
- Increased prevalence of chronic diseases

Source: Espen Research & Business Intelligence, 2008

Pursuing strategies in both Developed and Emerging markets
Key growth strategies

Key premise: The earlier and more precise the diagnosis, the more effective the care, at a lower cost

Key strategies

✓ Provide greater access and earlier treatment through portable products
✓ Enable lower-cost procedures
✓ Leverage technology to provide more precise diagnostics
✓ Prevent re-hospitalization in chronic disease management
✓ Global growth opportunities exist

Healthymagination: ↑ Quality, ↑ Access, ↓ Cost

Portability = greater access, earlier diagnosis

Vscan
Handheld ultrasound
✓ Redefining the physical exam
✓ Lowers need for tests and referrals

Venue 40
Compact point-of-care ultrasound
✓ Clinician-specific ultrasound ... more apps
✓ Key technology migrated from premium product

Mac 800
Portable/low cost ECG
✓ Increased access for remote clinics
✓ Earlier diagnosis and treatment

Greater access = Greater benefits
✓ New growth opportunity
✓ Increased volume
✓ Expanded CM%

$1B opportunity...expanding growth potential
Four ways to reduce procedure costs

- **Value MR**
  - Precise early detection at lower cost with full 1.5T clinical capability. Developed & manufactured in China for global launch.*
  - Lower purchase cost

- **MAC 400** Portable Resting ECG: one touch operation, 70% lower cost & minimal training costs. Developed in India for India.
  - Lower purchase & training cost

- **Ultrasound Fusion**
  - Combines CT & MR and reduces biopsy cost by $1,000.
  - Frees up CT capacity. Enabled by expertise in CT and Ultrasound.
  - Lower procedure cost

- **Vscan** handheld ultrasound reduces need for specialist referrals.
  - Lower protocol

GE innovation: reduced cost, better access + quality

Employ Molecular Imaging for precise diagnostics ... lowering cost to treat

**Oncology**

- Find tumors earlier
- Stratify therapy responders vs. non-responders
- Monitor for recurrence

**Cardiology**

- Assess risk & function
- Locate tissue damage
- Characterize vessel disease & guide treatment options

**GE Innovation**

- Oncology Toolkit - PETtrace™ Cyclotron ... most reliable isotope source
- Discovery 690 ... highest sensitivity PET/CT
- FASTlab™ FDG ... 1st GMP radiopharma production
- PET VCAR™ ... automating tumor tracking

- Track cancer at molecular level

**Triumph™** ... 1st PET/SPECT/CT pre-clinical system

**Alcyone™ SPECT technology**
- Motion free heart imaging ... reduces artifacts
- Higher efficiency ... 45 min scan ↓ to 15 mins

**AdreView™** ... visualizes nerve endings (innervation)
**MyoView™** ... visualizes cardiac perfusion

Assess heart's cellular function

$5B market with expanding application
Transform chronic and acute care delivery

### Market environment... Key cost drivers
- Aging and chronically ill... majority of costs
  - 45% of 65yrs+ have 3+ chronic diseases
  - Account for up to 75% total spend
- Hospital stays and readmissions... on rise
  - 20% heart failures readmitted <30 days
  - Avg. ICU costs per day $1,900

### Technologies to reduce overall care cost
- Reduce costly acute care... smart monitoring
  - Integrate real-time monitoring with HIS
  - Enable early discharge & avoid adverse events
- Transition care to home... disease management
  - Enable care in lower cost settings – 20% savings
  - Reduce hospital admission rates... 19%
- Expand Intel alliance... broaden portfolio
  - Distribute Intel Health Guide... U.S., U.K.
  - Identify joint roadmap... $250MM over 5 years

Providing continuum solutions in expanding global markets: Monitoring $4B; Disease Management $2B

---

Winning in China and India... Rural health will drive growth

- **New customers** – Reaching the rural population ~1.8 Billion
- **Radical Innovation** – Incubation site for disruptive technology
- **Corporate Evolution** – Become a "Country Insider"

### Taking GE to the base of the pyramid
- Expanding Rural Distribution
  - 1000+ Rural China Sales Force by 2011

### Enabling Access to Quality Care for the Rural Masses
- **China Rural Ultrasound - C Series**
  - Designed for rural and winning government tenders
- **India Rural ECG – MAC 400**
  - Ultra portable
  - Simple & easy to use
  - Extremely affordable

### Replicate 'China Go Big' in India
- Add 500+ Rural India Sales Force by 2011... focused on Ultrasound, X-ray and Monitoring
Vision for Healthcare Systems

**Key Strategies**

- Utilize technology to provide more precise diagnostics
- Provide greater access and earlier treatment through portable products
- Enable lower cost procedures
- Prevent re-hospitalization chronic disease management
- Global growth driving expansion despite U.S. environment

**Enablers to win:**
- Innovation
- Global footprint
- Lean cost-structure

Revenue:

- 2009
- 2011+

5% CAGR

Healthcare systems positioned for $2B+ growth by 2012

Transforming from Service to Solutions

Mark Vachon
President & CEO
GE Healthcare Americas
Services: right solutions to solve key challenges in health care

A lot to like:

✓ Solid business foundation to build from – investing in core
✓ Maintenance → Asset Mgmt → Performance Solutions
✓ Restructured for productivity (~$75MM/yr) & sales synergy
✓ Strong backlog position and predictable revenue base… good visibility into 2010/2011+

Healthcare reform an opportunity!

Attacking inefficiencies – real “reform”!
$2.2 trillion U.S. healthcare spend

GE Solutions Focus:

31% / $700 Hospital care
Medical errors
Patient flow
Admin efficiency
21%/$480 MD/Clinician
Staffing turnover
Labor efficiency/
staffing ratios
5%/$100 Structure/Equip
Underutilization
Asset density
Workflow efficiency

Estimated waste: ~$500B

Source: Centers for Medicare and Medicaid Services and PricewaterhouseCoopers Health Research Institute
Grow services & solutions: GE portfolio improves hospital productivity

Service Line Innovation
Build your competitive edge and differentiate your institution by enhancing the performance of existing service lines, identifying new growth opportunities and attracting distinguished physicians.

Culture-Driven Performance
Establish a culture that rewards personal accountability and empowers your people with the skills and focus they need to deliver superior performance and lead change.

Perform at the Next Level
Achieve real performance results by providing a combination of innovative growth strategies, strong culture development, patient-focused services and asset optimization solutions.

Care Delivery Excellence
- Patient Flow: Streamline efficiency and capacity to deliver superior patient experience.
- Patient Safety: Identify the issues of medical error and mitigate with technology and process change.

Asset Optimization
- Maximize the performance of your medical assets by providing informatics-driven strategy advice on capital and operating investments, technology integration and maintenance services.

Advisory services + GE-only IP + technology

$1B+ emerging area

> $20B industry waste

~$8B opportunity

~$1B opportunity

$1B+ emerging area

Asset Optimization

Issue: Avg utilization of clinical assets <50% at a typical U.S hospital

Our Solution: Use GE expertise and workflow technology to drive asset utilization and right-size inventories

<table>
<thead>
<tr>
<th>Avg Savings @ 250 Bed Hospital</th>
<th>Asset Utilization Mgmt</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4-$8M</td>
<td>Emerging $2B+ opportunity</td>
</tr>
<tr>
<td></td>
<td>GE Agiletrac technology to right-size inventories</td>
</tr>
<tr>
<td></td>
<td>Bon Secours Richmond saving &gt;$1MM/yr</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$2-$4M</th>
<th>Clinical Maintenance Mgmt</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$4B U.S. opportunity</td>
</tr>
<tr>
<td></td>
<td>Gain operating leverage w/ comprehensive program</td>
</tr>
<tr>
<td></td>
<td>Grady Memorial (OK) saving &gt;25%/yr with GE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$1-$2M</th>
<th>Asset Lifecycle Mgmt</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Emerging $1B+ opportunity</td>
</tr>
<tr>
<td></td>
<td>Multi-year strategy &amp; capital planning</td>
</tr>
<tr>
<td></td>
<td>Oschner signed 5 yr partnership w/ GE</td>
</tr>
</tbody>
</table>

Appetite for Change

>$1B savings opportunity to industry
Patient Flow

Issue: 60% of U.S. hospitals operate at or above functional capacity... problem is patient flow bottlenecks, not lack of physical space

Our Solution: Technology to create “air traffic control systems” for hospitals to facilitate optimal patient flow

- AgileTrac™ real-time visualization of admissions, care plans, and discharge.
- Block Optimizer™ scenario planning of the surgical block schedule to create new capacity
- Consulting and implementation to deliver results
- Outcome: Reduced length of stay, increased patient volume, more time for patient care
- Next Gen: predict and mitigate bottlenecks

$750MM+ opportunity

Patient Safety

Issue: Medical error is #8 cause of death at cost of almost $30 billion

Our Solution: Technology to capture more events/near misses, root cause analysis, targeted interventions

Event Reporting/PSO
- Medical Event Reporting System (MERS) automates event capture
- GE in process of being certified as Patient Safety Org (PSO) by HHS

Smart Patient Room
- In development b/t GEHC, GE Research, Bassett HC and HANYS
- Utilizes GE Security optical sensing technologies
- Gen 1: Detect hand hygiene, patient fall risk, hourly rounding

$500MM+ opportunity
Services: Right solutions to solve key challenges in health care

Key Strategies:
- Maintain strong backlog position... expand margins
- Maintenance → Asset Mgmt → Performance Solutions
- Investing in offers to attack biggest inefficiencies in healthcare with GE IP and technology... creating multi-billion $ opportunities
- Healthymagination provides platform for investment and growth

GE has the opportunity to be a catalyst for true health reform... plus multi-billion $ business opportunities

Achieving Growth in Healthcare Information and Delivery

Vishal Wanchoo
President & CEO
GE Healthcare IT
HCIT market environment

2010 Market Outlook
- U.S. stimulus accelerates HCIT demand over next 5 years (market tentative in 2009)
- Health Information Exchange (HIE) critical... creates new global opportunity
- Under-penetrated developing markets investing in IT

Business Overview
- GE broad and clinically deep across continuum of care
- Increased EMR investment to accelerate capability
- Early investment and experience with HIE... expanding globally
- Creating new market opportunity with Advanced Decision Support

Well positioned to capitalize on growth opportunity

Healthcare IT landscape

GE broad and deep across continuum of care
GE business overview

Products
- Imaging Solutions
  - PACS + RIS
  - Cardiology PACS
  - Image Exchange
- Physician Office Solutions
  - Ambulatory EMR
  - Revenue cycle management
- Hospital Solutions
  - Hospital EMR
  - Advanced Decision Support
- eHealth / HIE
  - Master patient index
  - Physician/patient portals

Strategy
- Developing markets
- Installed base expansion
- New technologies in development:
  - Digital Pathology
  - Imaging Exchange
- Differentiate with clinical capability
  - Small physician practice market
  - Software as a Service
- Significant investment in Advanced Decision Support
- Advanced hospital EMR capability
- Selective int'l expansion
- Leverage early experience and success
- Select key geographies for penetration

Opportunity
- ~$3.6B
- ~$8B (U.S.)
- ~$17B (U.S.)*
- ~$7B (Int'l)*
- $0.6B (U.S.)
- TBD – Int'l

*Clinical and non-clinical software

Global stimulus to improve cost/quality

Eliminating variation drives improvement
- U.S. HIE
  - $0.6B to create the infrastructure... Jan 2010
- Current EMR’s lack capability to achieve
  - U.S. EMR adoption
  - $30+ Billion for EMR adoption... 2011-2015
- Advance Decision Support & HIE are critical components
  - Global initiatives
  - $0.3B Europe
  - $1.5B Asia

(1) Define Criteria Meaningful Use Certification
- GE active in rollout
- Meaningful use ↑ stringent
- GE benefit

(2) Physician Office & Hospital Qualification
- Estimated $ flow to physician office/hospitals

(3) Government Reimburses (*11-'15)
- followed by penalties

Stimulus accelerates demand for advanced capabilities...
GE investment aligned to deliver
Current EMR environment

Breaking through the barrier requirements
- Evidence-based medicine into workflow
- Easy sharing of best practices across providers
- Common vocabulary across modules
- Modular technology vs. monolithic... platform agnostic
- Rapid and easy consumption

Winning in Electronic Medical Record

Physician Office EMR... well positioned
- Largest opportunity: Practices < 10 doctors
  - Software as a Service (SaaS)
  - Breadth and depth
  - Clinical depth
  - Distribution strength
  - 0% financing + warranties/certification
- 10/10

Hospital EMR... gaining momentum
- Large opportunity... 43% without EMR
- GE EMR
  - Rapid & easy deployment
  - Remote hosting
  - Certification/warranty
- GE clinical expertise + ~$90MM/year
- Investment... positioned to win

2015
- Modular technology vs. monolithic... platform agnostic
- Rapid & easy deployment
- GE clinical expertise + ~$90MM/year
- Investment... positioned to win

2010
- Large opportunity... 43% without EMR
- GE EMR
  - Rapid & easy deployment
  - Remote hosting
  - Certification/warranty
- GE clinical expertise + ~$90MM/year
- Investment... positioned to win

Evidence-based medicine into workflow
- Easy sharing of best practices across providers
- Common vocabulary across modules
- Modular technology vs. monolithic... platform agnostic
- Rapid and easy consumption

Largest opportunity: Practices < 10 doctors
- Software as a Service (SaaS)
- Breadth and depth
- Clinical depth
- Distribution strength
- 0% financing + warranties/certification

GE clinical expertise + ~$90MM/year
- Investment... positioned to win

Hospital EMR
- Large opportunity... 43% without EMR
- GE EMR
  - Rapid & easy deployment
  - Remote hosting
  - Certification/warranty
- GE clinical expertise + ~$90MM/year
- Investment... positioned to win
**eHealth/HIE**
The foundation for disease & wellness management

![Diagram showing eHealth/HIE components]

- Secure, standards-based
- Clinicians/patients have integrated view

**GE winning in Health Information Exchange**
- Early investment and first mover advantage
- Proven track record with HIEs: VT, MA, FL... connected 1,000+ providers
- Clinical domain experience + thousands of customers
- Scalable across multiple geographies... global GE distribution

- Technology, clinical domain, early experience and global presence

---

**Continuum of care demands multiple solution types...**

![Diagram showing the continuum of care]

**GE provides solutions throughout the continuum**

- EMRs
- Clinical applications
- Administrative applications
- HIE
- Advanced decision support
- Home Health

**Other Vendors**

- Traditional HCIT companies
- Integrators/niche
- Traditional software companies

- Clinical & admin specific segments
- HIE
- Home / Consumer

**GE is broad and deep in HCIT**
Driving the future of health IT

Key Strategies:

✓ Global stimulus creating excellent growth
✓ GE capability... broad and deep across continuum of care
✓ Significant investment in EMR, HIE, and Advanced Decision Support ... aligned with market needs
✓ Clinical domain, technology, financing, and distribution... key competitive advantages

GE well-positioned to capitalize on $35B+ high growth market opportunity

Building Out GE’s Investment in Life Sciences

Peter Ehrenheim
President & CEO
GE Healthcare Life Sciences
Life Sciences – market environment

2010 market
✓ Academic stimuli packages driving growth in the U.S.
✓ Global destocking ends in biopharma – growth in bioprocess sales
✓ Mega bioprocess deal opportunities in BRIC (Brazil, Russia, India, China) and other developing economies

Business overview
✓ NPI launch program helps research sales
✓ New initiative in cell technology getting traction
✓ Portfolio and supply chain restructuring paying off

Stimuli, NPI and cell tech creating growth

Life Sciences: What’s in it for GE Healthcare?

Growth
✓ ~$22B market growing at ~7%
✓ Strong offering in bioprocess and protein sciences

Pharma offering
✓ Preferred supplier to Biopharma/Pharma
✓ Channel for other units of GEHC

Technology
✓ Visibility of early trends
✓ IP useful in imaging
✓ Technologies for in-vitro diagnostics

Preferred supplier to Biopharma/Pharma
Life Science environment
How the healthcare evolution impacts our customers

Big pharma & biotech
- M&As impacting customer buying patterns
- Increased cash management
+ Strong interest in outsourcing

Academia & government institutions
+ Stimuli packages – traction expected in Q4 and 2010
+ Stem cell research and swine flu growing the market

Focus on tools driving productivity
Redirect sales resource-stem cell breakout

Life Sciences product segments

Products
Research instruments
- Protein purification
- Protein analysis

Research consumables
- Lab filtration
- Protein research

BioPharma production
- Downstream purification
- Small scale cell culture

Services
- Break-fix services
- Multi-vendor services

Cell technologies
- Cellular imaging
- Cell handling + purification tools

Strategy focus
- New product launches
- Pursue growth areas
- Indirect channels
- Human ID applications
- Disposable processing
- Developing markets
- Expand multi vendor globally
- Pharma outsourcing opportunities
- Win in high content imaging
- New cell assays
- Cell therapy tools

'08 GE sales
- $0.3B
- $0.4B
- $0.6B
- $0.1B
- $0.1B

'10 Opport.
- $1.3B
- $5.6B
- $2.2B
- $0.4B
- $0.5B & growing fast
Enhance customer research productivity

- Biocore
- Cellular analysis
- Cells as tools

- New testing method for release of influenza vaccines
- Antibody optimization – efficacy improvements
- Improved understanding of how drugs work
- Stem cell research tool
- Cells replace animals in toxicology testing

GE key enabler in the development of biotherapies

Life Sciences NPI pipeline ’09-’10

- Research instruments
- Research consumables
- BioPharma production
- Cell technologies

- Products
- Applications

- New testing method for release of influenza vaccines
- Antibody optimization – efficacy improvements
- Improved understanding of how drugs work
- Stem cell research tool
- Cells replace animals in toxicology testing

- Åkta avant 25 & 150
- Biocore X, T & A100 upgrades
- ITC200
- Fuji Scanners
- Sample preparation tools
- Klariflex
- Nanovue+
- Wave Sensors and software
- ReadyCircuits
- Axichrom
- IN Cell 2000

- Process development
- Protein research
- Gene research
- General lab applications
- Disposable fermentation and processing
- Scalable chromatography
- Target identification
- Drug-target interactions
The evolution of biotherapy

Three generations of biotherapy

1. Replacement therapy
   - '08 Market ~$60B
   - Growth ~5%

2. Monoclonal antibodies
   - '08 Market ~$40B
   - Growth ~20%

3. Stem cell therapy
   - The next major growth area

Our customer base

Generation 1 - Replacement therapy

Production of biopharmaceuticals

A biological process producing high amounts of impurities and homologues

- Extraction
- Membrane
- Filtration
- polishing
- Ultrafiltration

GE’s products

>80% of all chromatography unit operations world-wide contain GE media...

...expanding beyond core chromatography offerings to grow share of wallet in all biopharma manufacturing unit ops

$2.2B industry growing at ~11%

- Chromatography
- Filtration
- Disp. cell culture
- Disposable systems
### Generation 2 – monoclonal antibodies

**“The Magic Bullet”**

- **GE’s MAbSelect Sure™**
  - A key platform tool in modern antibody manufacturing
  - Reduces production costs significantly – high productivity, long lifecycle and fewer production steps
  - Yielding ~ $60M p.a. savings in production of five leading MAb Therapeutics

**Winning “design-in”**

<table>
<thead>
<tr>
<th>Year</th>
<th>BioPharma Sales ($Bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>~10</td>
</tr>
<tr>
<td>2003</td>
<td>~20</td>
</tr>
<tr>
<td>2004</td>
<td>~30</td>
</tr>
<tr>
<td>2005</td>
<td>~40</td>
</tr>
<tr>
<td>2006</td>
<td>~50</td>
</tr>
<tr>
<td>2007</td>
<td>~60</td>
</tr>
<tr>
<td>2008</td>
<td>~70</td>
</tr>
</tbody>
</table>

- MAbs - ’02-’08 CAGR: ~36%

**GE revenues/dose: Up to 100X compared to Generation 1**

<table>
<thead>
<tr>
<th>Year</th>
<th>“Old” MAb Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>GE Media ~40%</td>
</tr>
<tr>
<td>2009</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>“New” MAb Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>GE Media ~85%</td>
</tr>
<tr>
<td>2009</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
</tbody>
</table>

### Generation 3 – stem cell therapy

**Stem cell therapy development**

- Focus on cell purification, expansion and handling
- Accessing clinical markets by “designing-in” technologies into the translational research space

**GE’s opportunity**

<table>
<thead>
<tr>
<th>Year</th>
<th>Clinical Adoption</th>
<th>Translational Research</th>
<th>Current Therapies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1000</td>
<td>2000</td>
<td>1000</td>
</tr>
<tr>
<td>2012</td>
<td>3000</td>
<td>4000</td>
<td>3000</td>
</tr>
<tr>
<td>2015</td>
<td>5000</td>
<td>6000</td>
<td>5000</td>
</tr>
</tbody>
</table>

**Global cell therapy funnel (#programs)**

- R&D: 10
- Phase 1: 50
- Phase 2: 100
- Phase 3: 50
- Pre-reg: 10

**GE positioned for growth in next biotherapy revolution**

Return to growth in 2010 via stimuli, NPI launches and bounce back in Pharma.

New initiatives in cell technology getting traction.

Biotherapies: $3B+ opportunity for GE
Building on success...

**ecomagination**

<table>
<thead>
<tr>
<th>Goals for 2010</th>
<th>2009 status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Double R&amp;D to $1.5B on “green products”</td>
<td>$1.5B on R&amp;D</td>
</tr>
<tr>
<td>Work with customers to increase revenue from $5B in 2005 to $10B in sales by 2010</td>
<td>$18B revenue target in 2009 -10% of GE company revenues Global engagement</td>
</tr>
<tr>
<td>Reduce GE carbon footprint by 1%</td>
<td>Reduction of 12%</td>
</tr>
<tr>
<td>Be transparent &amp; involved</td>
<td>Save $100MM/year</td>
</tr>
</tbody>
</table>

Healthcare has reached a tipping point

- Pressure on governments globally to reduce costs – current model is unsustainable
- Solutions must improve quality and lower the cost and variation of care
- Innovations focused on the needs of local markets necessary, trickle down from the U.S. not enough

Large societal issues define great opportunities

**healthyimagination...by 2015**

Utilize GE’s technical breadth, global position and financial resources to support healthcare with cost, access and quality targets

For customers: $6B to launch 100+ innovations to lower cost, increase access and improve quality by 15%

For employees: Better employee health through “Healthy worksite” annual cost increases less than inflation (CPI)

For investors: Organic growth of 2-3x GDP; grow healthcare “value gap” from $500M today to significantly higher

For public: Be transparent ... partner with others ... engage thought and policy leaders
Focus investment on key outcomes

- Cost savings
  - Greater efficiency
  - Asset optimization
  - Maximize throughput
  - Reduce variance
  - Managing chronic diseases
  - 15% ↓

- Access improvement
  - Maternal & infant care
  - Water & sanitation
  - Screening for life threatening conditions
  - 15% ↓

- Improve quality
  - Reducing medical errors
  - Remote medicine/monitoring
  - Early disease detection
  - 15% ↓

International strategic consulting firm specializing in policy analysis
Network of 1,500 academic experts
Client base spans Fortune 500, governments, global organizations

GEHC innovation is transforming

<table>
<thead>
<tr>
<th>Innovation</th>
<th>Old way (sequential)</th>
<th>New way (simultaneous)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact outcomes</td>
<td>Prevent/treat disease + Cost + quality + access</td>
<td></td>
</tr>
<tr>
<td>Later thought</td>
<td>Cost + access + quality</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>Luminary → mainstream + U.S. → world</td>
<td></td>
</tr>
<tr>
<td>Two way innovation (U.S. ↔ World) Pervasive + simultaneous distribution</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

GE is leading this approach

<table>
<thead>
<tr>
<th>Capability</th>
<th>Product Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT Dose 50% ↓</td>
<td>HiDef &gt;64 slice, 4/8/16 slice</td>
</tr>
<tr>
<td>EKG Algorithm (12xL)</td>
<td>Hospital cart based, Portable, battery powered</td>
</tr>
<tr>
<td>High Field MR: 8 chnl, 48cm FOV</td>
<td>Academic research, New users - In China for China</td>
</tr>
<tr>
<td>Warming algo</td>
<td>Panda</td>
</tr>
<tr>
<td>Simplified User I/F (x-Ray)</td>
<td>In China for China</td>
</tr>
<tr>
<td>Ultrasound IQ (speckleredux)</td>
<td>Venue40, Logiq E9</td>
</tr>
</tbody>
</table>

Community Hospitals
**healthyagination ... product examples**

**cost**
- Lullaby Warmer**
- AgileTrac
- Brivo MR*

**quality**
- Engstrom Ventilator
- QuietCare
- Centricity EMR
- Discovery CT750

**access**
- Venue60 Ultrasound
- MAC 400**/800
- Vscan*** Ultrasound

17 products validated, 6 in process, >$1.5B in ‘10

* 510(k) pending at U.S. FDA. Not available for sale.
** Not for sale in U.S.
*** Coming soon

---

**healthyagination... beyond GE Healthcare**

**Water**
- Advanced Wastewater Reuse
  - Reclaim, treat and reuse industrial wastewater
  - Improve water quality and reduce contamination of drinking water sources
- GE Ultrafiltration Membranes
  - Drive adoption of hollow fiber to greatly reduce water-borne pathogens

**NBCU**
  - Campbell’s – 1st Healthy at NBCU advertiser
  - Sponsored health segments
  - Health condition specials
  - Program integration

**Capital**
  - **Stimulus Simplicity™**
    - Phase I delivers $60MM in ‘09
      - EMR Financing ahead of Govt incentives
      - Acceleration expected with final meaningful use standards release
    - Phase II enhancements
      - Approval for VAR channel obtained, confirming reseller economics
      - CHCs on target for Q4... building underwriting standards
Focus on employee health

U.S. healthcare cost

- $2.5B annually
- 600,000 covered lives

Strategy

- Modify benefit design to encourage consumerism
- Promote health & wellness for employees & their families
  - Prevention, lifestyle coaching
  - Personal health record
  - Incentives
- Implement global worksite certification
- Nutrition & exercise programs
- “No smoking” policies
- Drive operational accountability
- Expand business-level metrics
- Reduce health-related absence

Target cost increase at rate of inflation

healthy imagination

- A new business strategy that reflects changing needs and emerging opportunities related to health
- A commitment to increase our R&D investment in quality, access and cost and to bring the full focus of GE on these issues (GE Capital, NBCU, Energy & Water, GRC, Foundation)
- A pledge to take on one of the world's toughest challenges and help people live healthier lives
**Wrap:**

**What to look for: 2010 and beyond**

<table>
<thead>
<tr>
<th>Myth</th>
<th>Reality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big iron dead</td>
<td>✓ Big iron smaller, more focused, nimble &amp; affordable</td>
</tr>
<tr>
<td>Lower price = lower CM</td>
<td>✓ Higher volumes at = or better CM rates</td>
</tr>
<tr>
<td>HCIT domain of IT companies</td>
<td>✓ GE has comprehensive portfolio... today</td>
</tr>
<tr>
<td>Molecular medicine = $$$</td>
<td>✓ Precision diagnostics make therapy more cost effective</td>
</tr>
<tr>
<td>Healthcare budgets ↓</td>
<td>✓ Demographics and global build out will drive growth</td>
</tr>
</tbody>
</table>

**Healthcare changes = big opportunities for GE**
U.S. imaging market segment

'90 – '95 '95 – '00 '00 – '05 '05 – '09 ‘10 +

Better

'90's reform Post '90's reform Growth & Development DRA / Recession Recovery / Stimulus

What investors should expect from us

✓ Product leadership
✓ Capturing emerging market growth opportunities
✓ Big organic growth bets
✓ Operational excellence
✓ Above industry op profit growth
✓ Small, adjacent M&A
✓ Strong incremental returns (IROIC)

GE Healthcare: the right building blocks

Long-term financial performance expectations

✓ Stronger outlook and visibility
  - Improving markets
  - Better portfolio
  - Better cost-structure
✓ Collection of world-class businesses critical to the future of healthcare
✓ healthymagination: healthcare is a new game -- a game GE knows how to play
✓ We are committed to strategic, re-defining moves in every part of our business

Healthcare is still a growth business