FACT SHEET

GE, INTEL TO FORM NEW HEALTHCARE JOINT VENTURE

Background: On August 2, 2010, Intel Corporation and GE announced entry into a definitive agreement to form a 50/50 joint venture to develop and market products, services and technologies that promote healthy, independent living at home and in assisted living communities around the world.

The new company will be formed by combining assets of GE Healthcare's Home Health division and Intel's Digital Health Group, and will be owned equally by GE and Intel.

The new company will focus on three major segments:

- Chronic disease management: Products and services to help patients and their caregivers manage common conditions including congestive heart failure, chronic obstructive pulmonary disease, hypertension and diabetes.
- Independent living: Wireless passive-behavioral monitoring products, to help keep the elderly living independently in their homes longer, or more safely and comfortably in assisted living communities.
- Assistive technologies: Products to enable people with learning disabilities or visual impairments.

The joint venture follows the GE-Intel healthcare alliance announced in April 2009 around independent living and chronic disease management.

Combined Assets:
Intel's healthcare contributions will include its remote patient monitoring and assistive technology products as well as its independent living concepts, including the Intel® Health Guide and the Intel® Reader.

- The Intel® Health Guide – A comprehensive remote health management solution that combines an in-home patient device with an online interface that allows clinicians to monitor patients in their homes and manage care remotely. The Intel Health Guide is currently available in the U.S., U.K., Netherlands, Italy, Ireland and Australia, with pilot deployments also announced in Spain, Germany and France.

- The Intel® Reader – A mobile handheld device designed to increase independence for people who have learning disabilities such as dyslexia, or have low-vision, blindness or for anyone who struggles with reading standard print. The Intel Reader is currently available in the U.S., U.K. and Ireland.

- Intel will also bring its world-class expertise in the development of user-friendly technology interfaces for products, and tools for online cognitive assessment and social interaction, all of which will be vital to the design of easy-to-use home-based health products.

- Intel will continue to develop the foundational architecture for healthcare IT innovation with processors, platform definition, and system architecture which will help enable the industry to drive toward lower costs and a higher quality of life for patients.

GE Healthcare's Home Health Division will contribute its technology for elder care, GE QuietCare®.

- GE Healthcare's QuietCare® - A remote passive activity and behavioral monitoring system for seniors, which alerts caregivers to changes that may signal potential health issues or emergency situations. It is used primarily in assisted living facilities across the U.S.

GE Healthcare also brings its knowledge in the development of products for critical care patient monitoring, cardiac diagnostics, home respiratory care and healthcare IT, such as electronic medical records and clinical decisions support. The new company will also have access to GE Healthcare's expertise in clinical workflow design and its broad, global distribution network.

Joint Venture:
The global joint venture will have headquarters in the greater Sacramento, California area. Pending regulatory approvals and other customary closing conditions, the joint venture is expected to become operational by the end of the year.

Omar Ishrak, senior vice president of GE and president and CEO of GE Healthcare Systems, will be chairman of the board. Louis Burns, vice president and general manager of the Digital Health Group, will be CEO. Other management appointments will be announced at a later date.

Statistics on Global Need for Home Healthcare and Telecare:
<u>Global aging population:</u>

- In 2006, the global population of people ages 60 and over was 700 million. By 2025, this number will nearly double to 1.25 billion, and by 2050, the number is expected to reach 2 billion.[1]
    - Of people ages 60 and over, almost all have at least one chronic condition, and 50 percent have more than one.[2]

- With the average age of Europe's population increasing, the number of people with chronic conditions will increase substantially over the coming years. By 2051, up to 40 percent of the European Union's population will be over 65.[4]

- For the first time in history, people 65 and over will outnumber children under age 5. This trend is emerging around the globe.[4.1]

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[1] United Nations
[2] Frost & Sullivan
[4] http://www.rwjf.org/pr/product.jsp?id=57089
[4.1] Footnote information:www.nia.nih.gov/NR/rdonlyres/9E91407E-CFE8-4903-9875-D5AA75BD1D50/0/WPAM_finalpdftorose3_9.pdf

Chronic disease management:

- Chronic conditions account for more than 75 percent of healthcare spending in the U.S.[3]
    - Chronic conditions lead to a much higher incidence of unnecessary hospitalizations.[4]
    - In total, readmissions to hospitals as a result of chronic conditions cost $15 billion annually; if successfully prevented, Medicare could save $12 billion of the $15 billion in readmission costs.[5]

- On average, 37 percent of people in Europe have at least one chronic condition affecting their health,[5.1] and chronic conditions account for 77 percent of the total disease burden and up to 86 percent of all deaths in Europe.[5.2] Chronic conditions can account for 70 percent of total health expenditure in Europe, especially if the conditions are poorly managed.

Telehealth/Remote Patient Monitoring:

- There is strong evidence that telehealth and home health monitoring have the potential to improve quality of care and reduce costs for the increasing chronically ill and aging populations:
    - In one Veterans Affairs study, patients with home health care provided by nurse telemanagement had over 25 percent fewer hospital readmissions over the course of a year, and the cumulative cost for readmissions of these patients was more than $136,000 less than those patients who had nursing home visits without the adjunct of telehealth.[6]

- Telehealth/home health monitoring is a major upcoming business in the healthcare arena and is predicted to grow very rapidly, from a $3 billion business in 2009 in Europe and North America to an estimated $7.7 billion in 2012.

Assistive technologies:

- As many as 15 to 20 percent of the nationwide population has a language-based learning disability; of that group 70 to 80 percent have deficits in reading.[7] Dyslexia is the most prevalent learning disability.[8]

- Only a small percentage – between 25 and 35 percent -- of students with learning disabilities are being provided with assistive technology to support their instruction and learning.[9]

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[3] http://www.cdc.gov/chronicdisease/resources/publications/AAG/chronic.htm
[4] http://www.rwjf.org/pr/product.jsp?id=57089
[5] "Technologies for Remote Patient Monitoring in Older Adults." Center for Technology and Aging. December 2005. Available at http://www.techandaging.org/RPMpositionpaperDraft.pdf.
[5.1] http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1090,30070682,1090_33076576&_dad=portal&_schema=PORTAL
[5.2] World Health Organization; 9/11/2006: http://www.euro.who.int/mediacentre/PR/2006/20060908_1

[6] Seto, Emily. "Cost Comparison Between Telemonitoring and Usual Care of Heart Failure: A Systematic Review." *Telemed J E Health*. 2008 Sep; 14(7):679-86. Available at http://www.liebertonline.com/doi/abs/10.1089/tmj.2007.0114?cookieSet=1&journalCode=tmj.
[7] "Just the Facts…Dyslexia Basics." The International Dyslexia Association. Available online at http://www.interdys.org/ewebeditpro5/upload/Basics_Fact_Sheet_5-08-08.pdf.
[8] "The State of Learning Disabilities 2009," National Center for Learning Disabilities. Available online at http://www.LD.org/stateofld.
[9] "The State of Learning Disabilities 2009," National Center for Learning Disabilities. Available online at http://www.LD.org/stateofld.

- The World Health Organization estimates that nearly 314 million people globally are visually impaired; among these, 45 million are blind. Globally, nearly two-thirds of blind people are women. [10]

- Studies show that over the next 30 years aging baby boomers will double the current number of blind or visually impaired Americans. [11]

[10]World Health Organization, 2009.
[11]"Blindness and Low Vision Fact Sheet," National Federation of the Blind. Available online at http://www.nfb.org/nfb/fact_sheet-blindness_and_low_vision.asp?SnID=248306216.