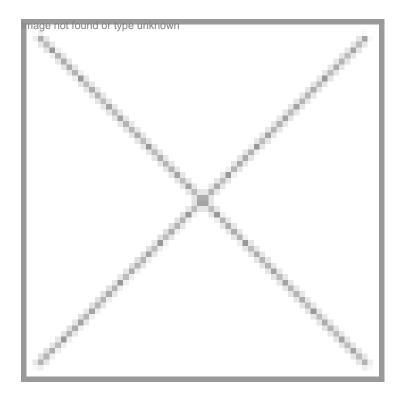


# "Our growth has primarily been through acquisitions"

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#### "Our growth has primarily been through acquisitions"

Ann O'Hara, GM, life sciences services, GE Healthcare

The UK-based GE Healthcare is a \$17-billion unit of General Electric and is a leader in providing expertise in medical diagnostics, patient monitoring systems, disease research, drug discovery, biopharmaceutical manufacturing technologies and purification products. In an interview, Ann O'Hara, general manager, life sciences services, GE Healthcare, shares her thoughts about the market opportunities for the company in the Asia Pacific region. Excerpts:

# What is the company's approach and strategy?

Our approach is to help the healthcare and the life sciences industry. Our three main focus areas are diagnostics that comprise most of our business in terms of revenue, then life sciences and lastly the IT component. Our growth in life sciences and IT have primarily been through acquisitions.

Getting into developing a bigger vision, we acquired Amersham four years ago and getting in to IT, we acquired several companies in the last 10 years. In the Amersham acquisition this component we call life sciences is primarily made up of products and services that help scientists to research and develop therapies, unlock nature's secrets and also produce therapies for the patients. What we want to provide in this arena are leading technologies that help customers save time, money and save costs. We have leading expertise in proteins and we are also developing products in genomics.

### Which are the products that have fetched in good revenue for the company?

We have a range of products having the name AKTA, the laboratory brand for purifying biomolecules. Every lab that purifies proteins utilizes this product. So that is the biggest product. We cover a broad range of products but the absolute areas where we are leading are purification of biomolecules and characterization of biomolecules. The technologies are originally coming from Pharmacia, Amersham, Biacore, GE and the other companies that GE has acquired.

For expanding its portfolio of products, GE has acquired companies like Wave, which is into cell culture for growing mammalian cells and then acquired Biacore, another company which we bought a year ago is into the analyzing interaction between molecules. The most recent one is Whatman. It develops and manufactures filtration technologies and devices used in biomedical research, quality control testing, clinical diagnostics and medical equipment.

So far, we are very successful with our protein purification products.

It would not be wrong to say that 95 percent of the monoclonal antibodies that are used in therapy are purified using GE life sciences products and what we are trying to do now is to make those technologies and products more efficient, lean and better. We also have one of our global research centers in Bangalore. We have one in the US, one in China and one in Munich.

#### How is molecular imaging doing in the market?

Our molecular imaging is at a nascent stage now. However, the molecular imaging program is quite inspiring because we have a lot of expertise in multiple different functions and different industries and also because we have a number of partnerships with universities.

#### What are the market opportunities in the Asia-Pacific region?

Asia is an incredible untapped market in terms of its potential and is a very large region. The development of the pharmaceutical and biopharmaceutical industry has just begun. So there's an amazing amount of progress to be made with patients, from vaccines to various therapies, cancer, diabetes etc. So what we see following behind that is also a rapid development happening in the scientific expertise. Asia as a region respects education. There is a huge number of scientists and engineers graduating in Asia every year. We as a company see a tremendous asset of talent here. We have been in this region in terms of gaining expertise and access to population of scientists. Our customers here are not just making products for the local market but also for exports. So we want to be along their side and help them in serving better globally.

In terms of our business, India has a fantastic opportunity. India has the communication advantage over China. And in the next few years we will certainly be developing products, which are more suitable for India and at an Indian market price.

#### What differentiates GE from its competitors?

First of all, it starts with the strong history of technology and GE's portfolio of acquisitions. Each of the acquisitions has an enormous history, whether it is Pharmacia, Amersham, Biacore or Wave Biotech. These companies had significant presence and now we are trying to be good shepherds of those technologies.

GE has a lot to offer in terms of its progress in a couple of areas. One is business operations that are focused on delivering exceptional service and exceptional value to customers and focusing on helping customers become more lean. If you look at our significant presence through the last 20 years, we were one of the first companies to be in India and that way science will benefit from that because we are being pushed not by our competitors but our businesses.

If you look at, for instance, our new ECG, the MAC 400, that product was developed in India and now is being produced by the Indian product managers in a facility that is of global standard. We provide world class quality and reliability wherever we operate.

# How much competition does the company face from other big multinational players in this space?

I think I am highly biased with that. We always have our customers in focus and we try to be effective. We have many competitors, most of them are from the US or Europe and some from Japan too.

#### How much does the Indian GE business contributes to the global business?

GE Healthcare India is approximately \$500million of the global \$17 billion. We expect this \$500 million to be \$800 million in another two years time.

# What are the other Asia Pacific markets you are looking at?

Singapore is an interesting market. There is a lot of government support, a lot of customers are setting up there and it is also given a few tax advantages. The government there is supporting biotech in a big way. GSK, Genentech, Novartis and many other pharma and biopharma companies have a big base there. Australia offers a good market for plasma purification. Our approach for China is to build knowledge services there. Each market is different for us and therefore we serve each one of them in a different way and obviously we are looking at expanding our business in these regions.

GE has made a significant number of acquisitions in the last few years for strengthening its base. Are you looking at more acquisitions in the coming years?

There is a continuous search for companies. In a few days we will close the Whatman acquisition, which is very significant. We will see what the future holds, but acquisitions are always a possibility.

# How significant is the Whatman acquisition to the company?

Whatman fits within our portfolio and also offers us the ability to move beyond where we are. It is a research and application, filtration company and also spreads beyond life sciences. The company is also into forensics and so it is also pushing us to see other industries. So the future is to push the portfolio of our products to other industries and our ability to strengthen its significance in life sciences.

Jahanara Parveen