



GE Healthcare

Pete McCabe

President and CEO
GE Healthcare, Surgery
384 Wright Brothers Drive
Salt Lake City, Utah 84116
U.S.A.

January 15, 2007

Attn: Facility Administrator, Director / Manager of Radiology

On Friday, January 12, 2007, we announced that we entered into a Consent Decree of Injunction with the U.S. Food and Drug Administration (FDA) regarding GE OEC's surgical imaging products and the OEC facilities in Salt Lake City, Utah, and Lawrence, Massachusetts. The Consent Decree is a legal document, filed in federal court, which details each step the company must follow before production and shipment of products can resume. In essence, this action formalizes the plan we've been sharing with customers over the past few months. With so many people waiting for surgery products, we intend to get it right and the Consent Decree will ensure we follow the steps to do just that.

We felt compelled to inform you of this important development as soon as it became final. No action, however, is required on your part. The Consent Decree is based upon issues raised by the FDA that include the way products are designed and tested, and how complaints and quality concerns are identified and resolved. Until the FDA issues a certification of substantial conformity pursuant to the Consent Decree, new products cannot be manufactured at or distributed from the OEC facilities in Salt Lake City, UT or Lawrence, MA. Please be assured, however, that installed products can and should continue to be used consistent with their intended uses and labeling, and any recently issued recall notices that apply. Routine service activities by GE OEC are continuing, consistent with the Consent Decree's terms.

While this is a difficult period in our recent history, we're very proud to say that those of you that can wait – currently 9 out of 10 hospitals – are waiting until we begin shipping again. You believe in our business and our products and for that we thank you. We are confident that the end result will be best-in-class products, processes and service. We've recently taken the following actions that will move us closer to that goal.

- We have doubled the size of our QA/RA organization, adding 45 professionals, with the Quality management team averaging over 10 years each of quality and regulatory experience. The entire QA/RA organization is 100% focused on improving quality controls and we are actively recruiting an additional 15+ experts to join the team.
- We have aligned 400 team members into twenty, high-performing, internal quality teams that are focused on our goals of product compliance and process compliance, and ensuring that we correct all identified issues.
- A new 24/7 customer service call center process has been created to respond rapidly to all customer needs.

We understand that the stop shipment of GE OEC products has unfortunately already had an impact on patients and hospitals. With the ever-increasing need for surgical imaging products, we understand that you want to know when we can again ship. The only answer I can give you is that we will ship when we get it right. Getting it right means the following criteria will be met:


- We are convinced that our quality systems and processes are in compliance and set a new standard for quality in our industry;
- Certification by an independent third party that our processes meet the relevant regulatory requirements; and
- Confirmation by the FDA that our processes, facilities and controls are in compliance with the relevant regulatory requirements.

While each of these actions will take time to accomplish, we are committed to accomplishing these measures as quickly as possible and to frequently communicate with you throughout the process.

If you would like more information about FDA regulations and requirements, please visit the FDA website at <http://www.fda.gov>. If you have any questions or concerns about your GE OEC's products, please call our service team at 1-800-874-7378, option 8. In addition, feel free to direct your questions to your GE sales representative.

As we continue to work to fulfill our obligations under the agreement with the FDA and improve our processes, please remember that we see your patients as our patients. It's that devotion that keeps every GE OEC employee focused on the goal of delivering unparalleled, innovative products to you as soon as possible. I want to personally thank you for your confidence in GE OEC's products and for the loyalty you've shown during this difficult time. It's this confidence that we dearly value and will continue to work to earn each and every day. I am committed to our partnership and want to thank you for believing, as we do, that our 100% commitment to raising the bar of patient safety and quality for our industry will prove our products are worth the wait.

Sincerely,

A handwritten signature in cursive script that reads "Pete McCabe".

Pete McCabe
President & CEO, Surgery
GE Healthcare OEC