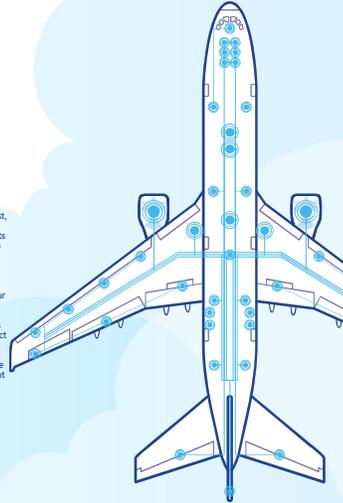


# GE Aviation Systems

## The Challenge of Opportunity

### Lorraine Bolsinger



**\*Results are preliminary and unaudited.** This document contains "forward-looking statements"- that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: the severity and duration of current economic and financial conditions, including volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; the impact of U.S. and foreign government programs to restore liquidity and stimulate national and global economies; the impact of conditions in the financial and credit markets on the availability and cost of GE Capital's funding and on our ability to reduce GE Capital's asset levels as planned; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so; the soundness of other financial institutions with which GE Capital does business; the adequacy of our cash flow and earnings and other conditions which may affect our ability to maintain our quarterly dividend at the current level; the level of demand and financial performance of the major industries we serve, including, without limitation, air and rail transportation, energy generation, network television, real estate and healthcare; the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of proposed financial services regulation; strategic actions, including acquisitions and dispositions and our success in integrating acquired businesses; and numerous other matters of national, regional and global scope, including those of a political, economic, business and competitive nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.\*

\*This document may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP measures presented in this document, see the accompanying supplemental information posted to the investor relations section of our website at [www.ge.com](http://www.ge.com).

"In this document, "GE" refers to the Industrial businesses of the Company including GECS on an equity basis. "GE (ex. GECS)" and/or "Industrial" refer to GE excluding Financial Services."



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GE Proprietary Information

## GE Aviation portfolio ... \$18.7B 2009 revenues

**Commercial engines**  
\$4.1<sup>(a)</sup>

**Commercial engine Services** \$7.1<sup>(a)</sup>

**Military engines & services** \$4.2<sup>(a)</sup>

**Systems** \$2.9

**Business & General Aviation** \$0.4

**A leading aviation technology business**



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(a) Includes GE's share of revenue from CFM and EA engines  
CFM is a 50/50 JV between GE and Snecma  
EA is a 50/50 JV between GE and Pratt & Whitney  
GE Honda is a 50/50 JV between GE and Honda Aero, Inc.

GE Proprietary Information

# Acquired a suite of products



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# Solid components supplier

## Mechanical



**\$8B market**

## Power



**\$4B market**

## Avionics



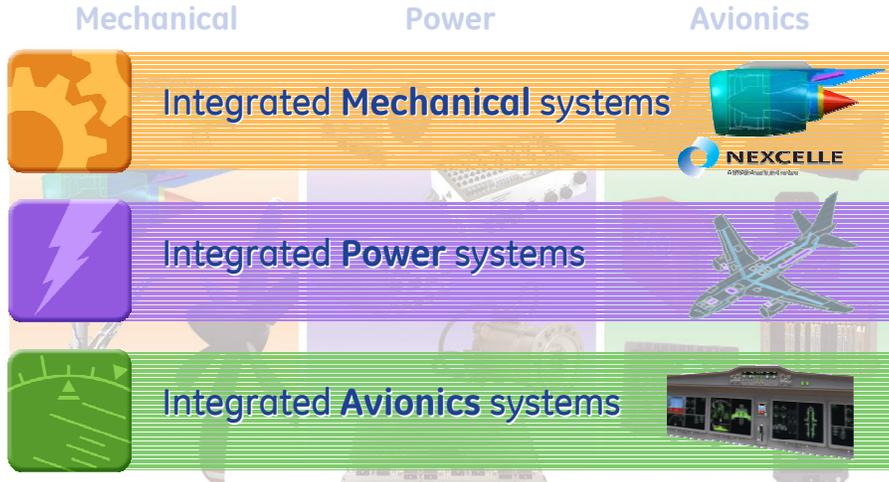
**\$12B market**

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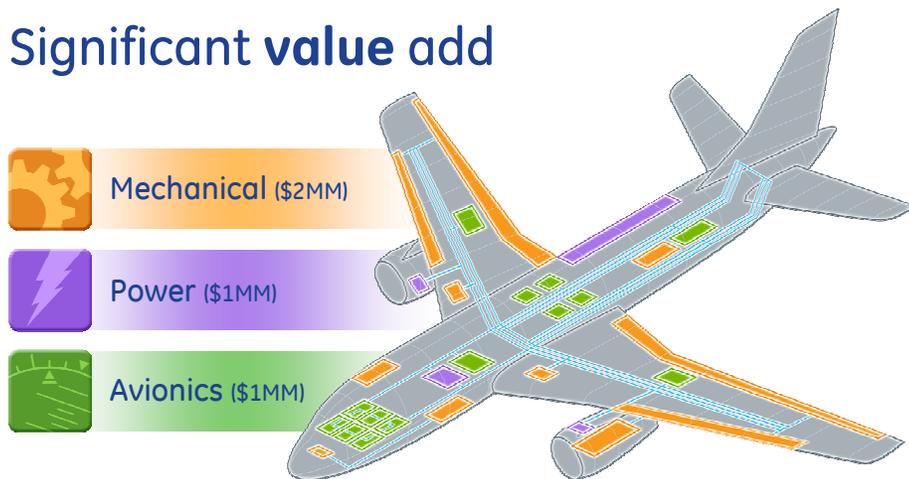
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4  
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GE

# A systems supplier



# Significant value add



From **\$250K** components to **\$4MM** systems per aircraft\*  
**\$10B** opportunity\*\*

# A challenging position

## GE revenue position for engineered systems (today)



# China: incredible opportunity



Unparalleled growth

Underserved population

A credible third airframer

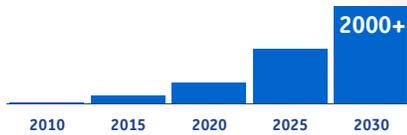
Vital industry ... viable competitor

# Aviation ... Chinese national priority

State-owned enterprises



Chinese aircraft production



GE Proprietary Information

Lorraine Bolsinger  
Global Leadership Meeting

**USA TODAY**

China wants to rival Boeing, Airbus

**THE WALL STREET JOURNAL**

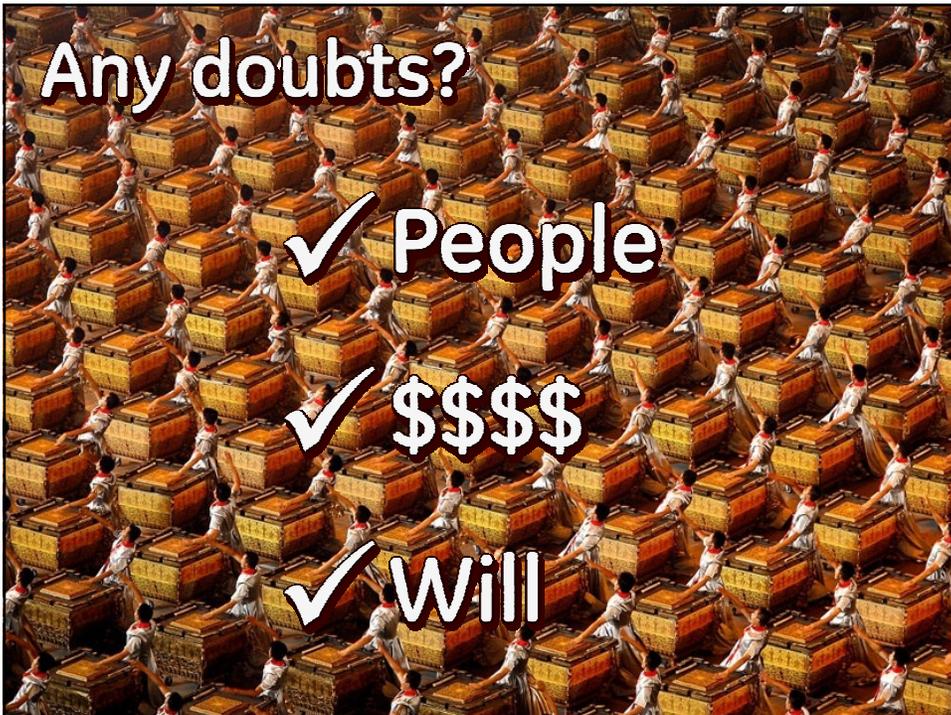
Chinese Jet gets Boost From Obama

**Forbes**

China Reorganizes Aerospace Industry

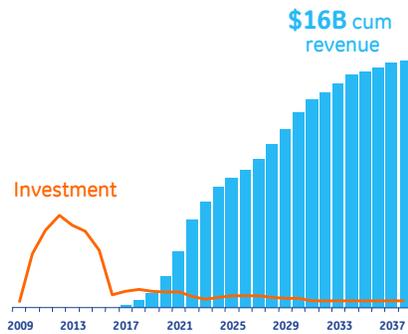
**BBC**

China Unveils its Largest Plane



# Seize the opportunity ... Avionics

## GE AVIC joint venture



- Huge opportunity...takes investment
- Sales not expected to peak until next decade
- Doubling R&D investment

## Localization, government alignment, partnerships

# GE and AVIC synergies

## GE strengths



- Technology
- Brand/market channels
- Best practices
- ARJ21 execution

## AVIC needs



- Viable civil technology
- Commercialization
- Management training
- Low risk partner

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# What's in it for GE?

## GE needs



- Engineering talent
- Aircraft level avionics
- Funding partner
- Development platform

## AVIC brings



- 400,000+ employees
- Integration experience
- Government stimulus
- COMAC 919

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# Powering the C919

~\$40B+ opportunity\*

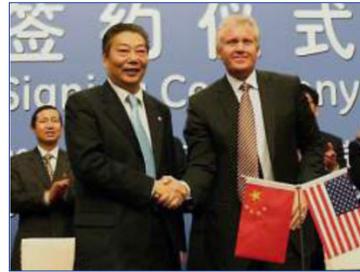
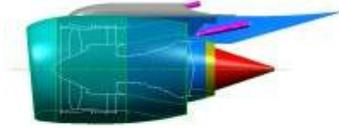
- 150 pax narrowbody ...  
CFM LEAP-X1C
- ~2,000 aircraft over 20  
years
- 2015 entry into service



**Big win for CFM**

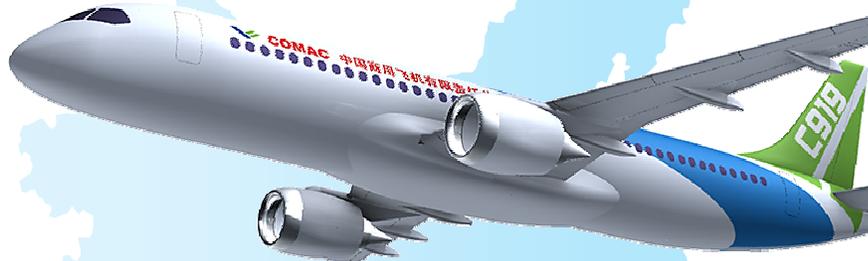
## Systems Growth

- Integrated Propulsion awarded  
**Total ship set value = \$2.5MM**
- Integrated Avionics still to be awarded  
**Total ship set value = \$1MM**



**GE-AVIC JV Signing**

## Positioned for Next-Gen Narrow Body



**Most Aviation-wide content on any aircraft to date**



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