

# GE Infrastructure - Rail

## AG Edwards Analyst Meeting

August 22 2005

"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 often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties arise from the behavior of financial markets, including fluctuations in interest rates and commodity prices; from future integration of acquired businesses; from future financial performance of major industries which we serve including, without limitation, the air and rail transportation, energy generation, media, real estate and healthcare industries; from unanticipated loss development in our insurance businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive and regulatory 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."

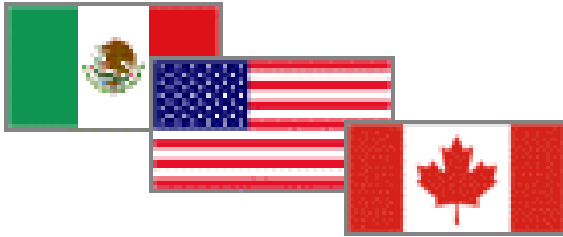
This presentation includes certain non-GAAP financial measures as defined by SEC rules. As required by SEC rules, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in our Supplemental Information file on our investor relations website at [www.ge.com/investor](http://www.ge.com/investor).

# Global trends impacting the RR industry

- **China**...growth spurring intermodal trade
- **Commodities**...increased demand for mining and freight
- **Oil prices**... driving share from trucking to rail
- **Infrastructure gaps**...emerging markets can't meet demand
- **Aging fleets**...old, non-fuel efficient technology
- **Emissions**...environmental pressure to reduce NOx

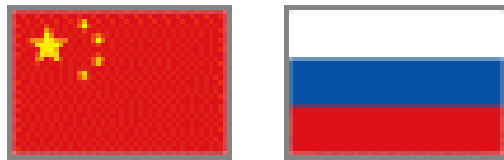
# Great global markets

## North America



- Railroad traffic up 3.4%
- Operating metrics need improvement
- Import intermodal driving growth

## Mega-emerging ... China / Russia



- China only meeting 35% of freight demand ... increasing spend 40%
- Russian traffic back to Soviet levels ... 6-7% GDP growth ... 45% fleet > 20 years old

## Emerging / Developing



- Key focus: S. Africa, Kazakhstan, Uzbekistan, Poland, Mongolia, Estonia
- Political / business climates improving in many regions



# GE Rail overview



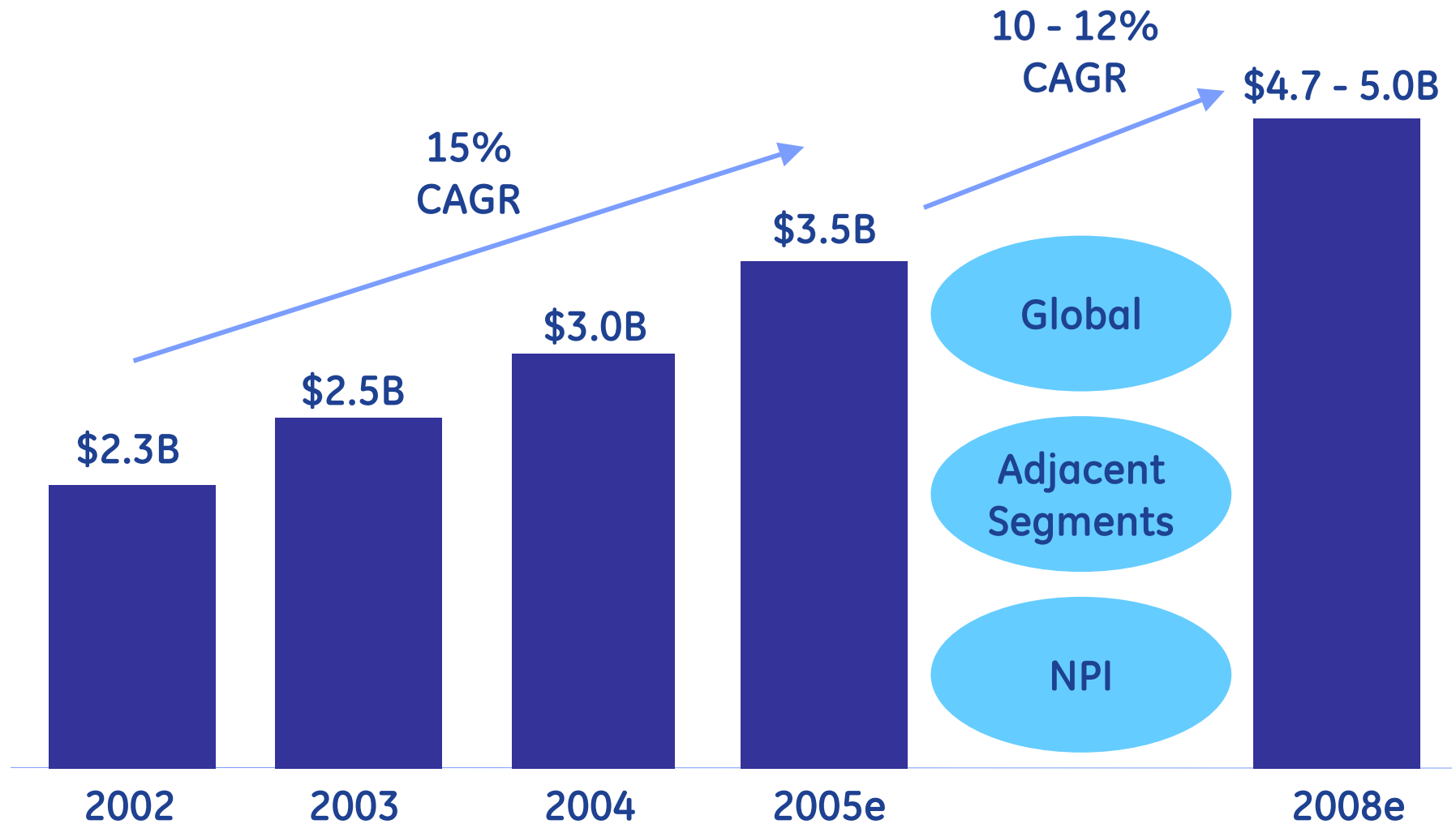
imagination at work

# Rail growth strategy



- Compete globally
- Enhance customer profitability ... digital RR
- Technology leadership
- Grow adjacent segments ... wind, marine
- Competitiveness

# Rail growth profile





# \$3.5B sales

Locomotives - \$1.6B, ↑25%+



Services - 1.1B, ↑10%+



Signaling  
\$0.4B, ↑10%+



Rail Solutions  
\$0.1B, ↑30%+



Propulsion & Specialty  
\$0.3B, ↑30%+



GE Proprietary Information

# GE Infrastructure Rail ... complete solutions





# Portfolio of emerging technologies

<u>Technology</u>	<u>Environment</u>	<u>Productivity</u>	<u>Asset Management</u>	<u>Fuel Efficiency</u>	<u>Safety</u>
Evolution locomotive	✓	✓		✓	
Hybrid locomotive	✓	✓		✓	
Wireless Signaling/PTC	✓	✓	✓	✓	✓
Locotrol	✓	✓		✓	
LocoCam		✓			✓
RCL		✓	✓		✓
CAD / Movement planner		✓	✓		
Train Inspection		✓			✓
Crossing monitors		✓	✓		✓
Object detection		✓			✓
Fuel Solutions (SmartBurn, Consist Mgr, AESS, ERED)	✓	✓		✓	
Hydra-Switch		✓			✓
MapperTracker		✓	✓		
ProYard		✓	✓		✓

# Evolution series locomotive

- First locomotive to meet new EPA standards
- Cuts key emissions up to 40%
- 5% fuel efficiency
- 16 cylinders' worth of horsepower with just 12 cylinders
- 10% lower lifecycle costs

**1,700+ Backlog  
~400 Shipped**



# GE Hybrid locomotive

## Requirements

- ✓ Recover wasted Dynamic Braking Energy
- ✓ Store up 1500 kw-hr of Energy
- ✓ Reuse to Save Fuel or Increase Power

## **Drive flexibility for customers:**

- Optimize for fuel
- Optimize for emissions
- Manual boost

## Benefits

- ~10% fuel savings
- ~10% emission reduction
- Reduced LCC...ext. O/H cycle
- + 2000 HP boost
- 2008 commercial launch



# Movement planner

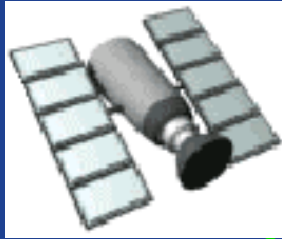
- Real-time status
- Network optimization... track obstructions, crew reports, etc.
- Integrated solution



- 15-25% improved system velocity
- 20% reduction in re-crews
- 20% improved dispatcher productivity
- Improved on-time performance



# Train density... wireless signaling



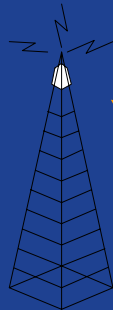
Two launch customers...  
China & Amtrak



- Violation enforcement of braking commands, speed limits, authorities
- Enhances work crew safety

## Technology

- GPS-based positioning
- 2-way radio communications to train
- In-cab display of signals, commands, and enforcements





# Safety

Questions Raised On Site  
*New York Times*

>\$110MM allocated in  
last transportation bill

## GE Safety Solutions

- Crossing Performance Monitor
- Perimeter Protection
- Train Control – PTC
- Mapper Tracker/Inspection Verification



# ecomagination

## Rail vs. Truck

- 2x-4x more fuel efficient
- 3x fewer emissions (ton-mile)
- Reduced highway congestion

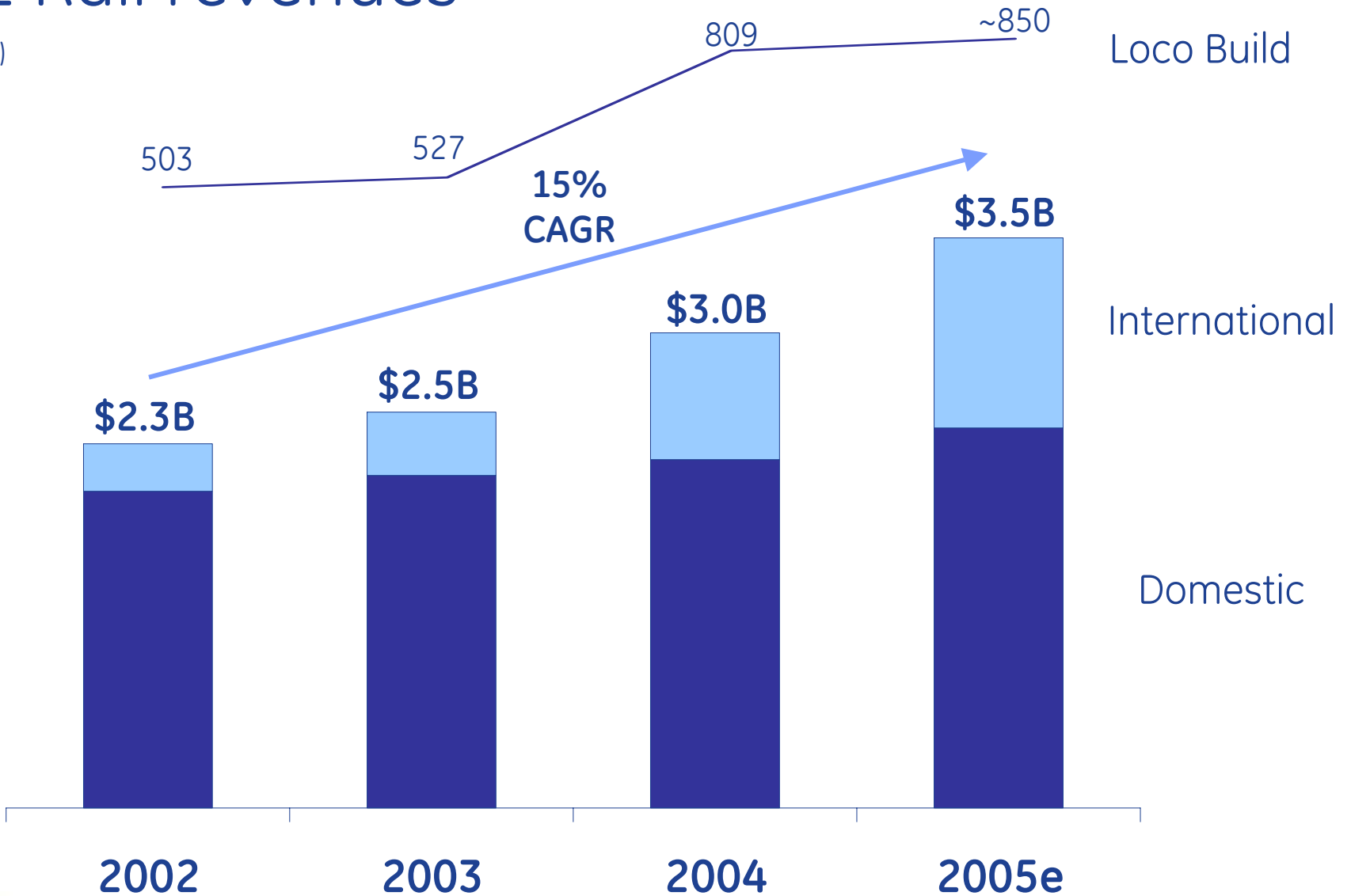
## Products

- Evolution Series locomotives
- Hybrid locomotive
- Modernizations
- SmartBurn™, AESS



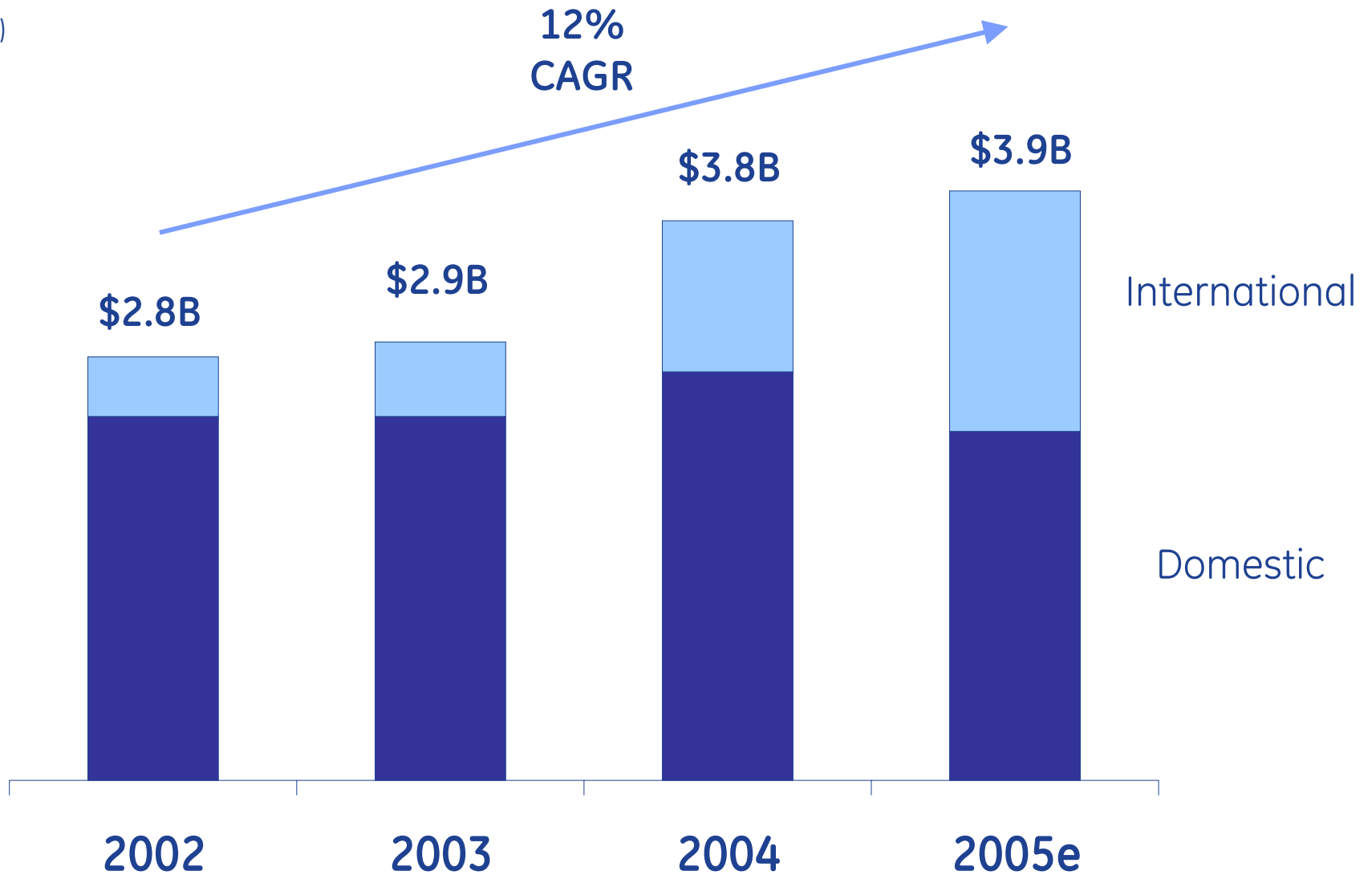
# GE Rail revenues

(\$MM)



# GE Rail orders

(\$MM)

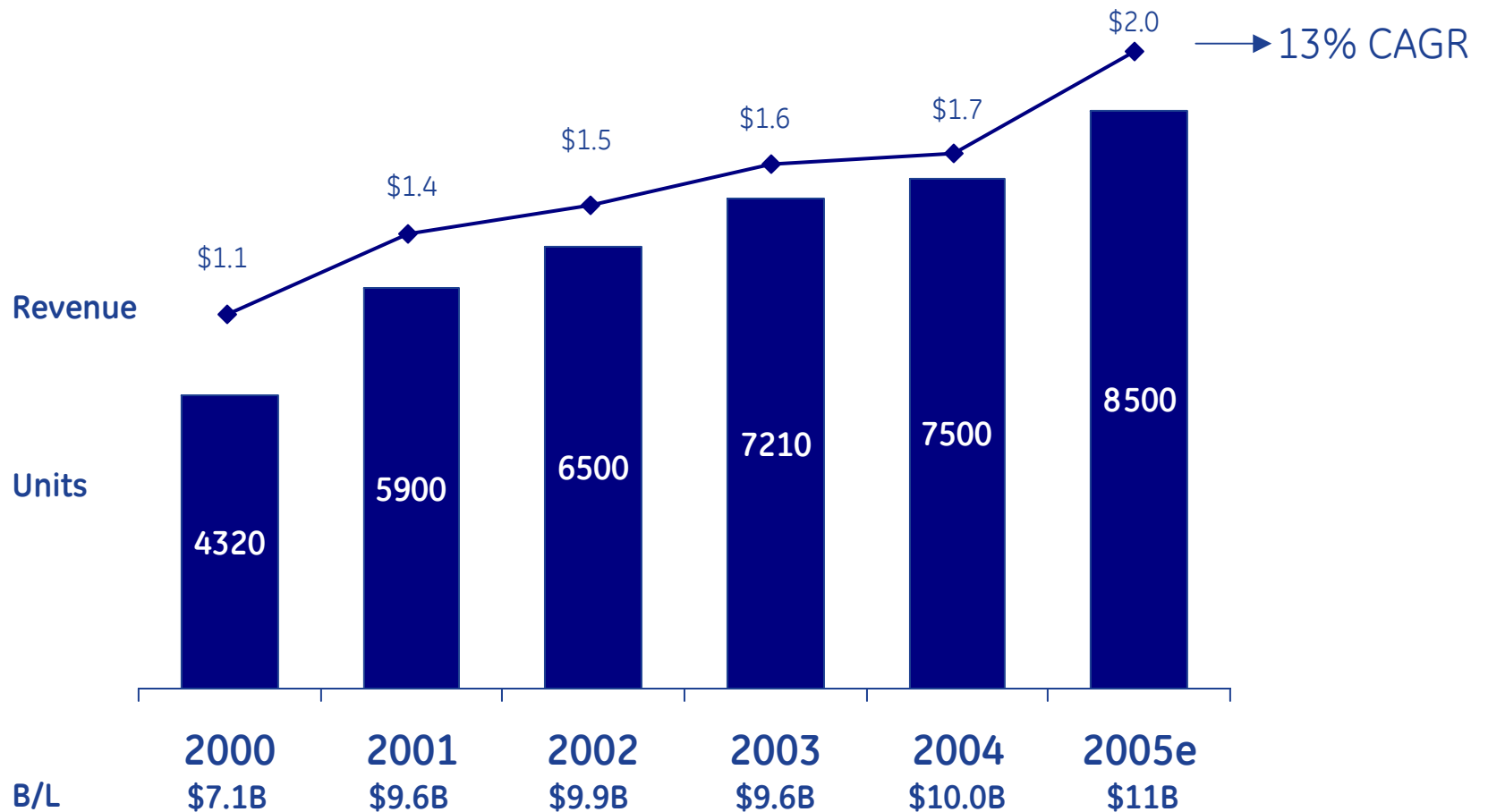


GE Proprietary Information

# Services growth update

(\$B)

Revenue / backlog units ('00-'05)



GE Proprietary Information





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