

GE China and India

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June 23, 2005

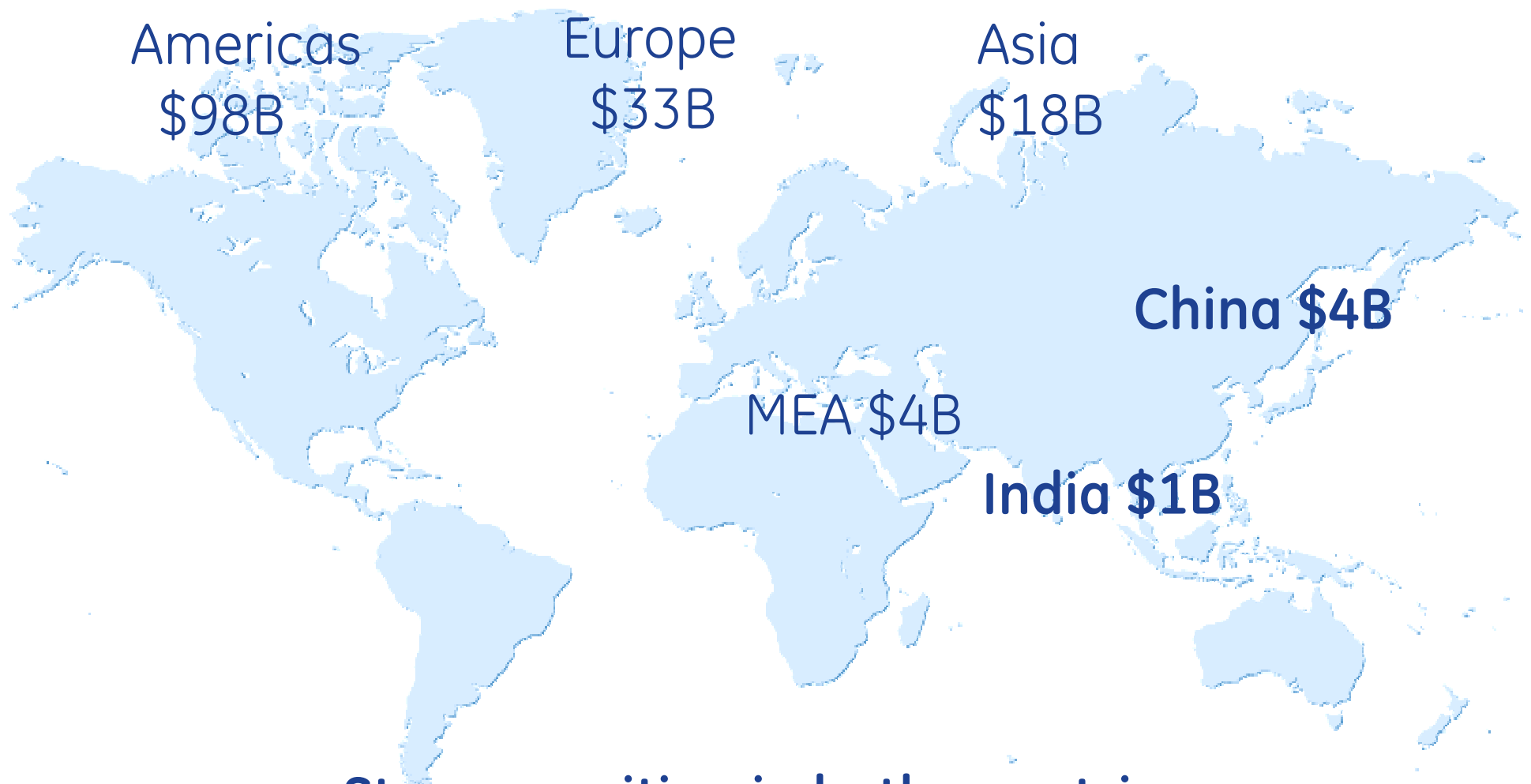
"This document contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "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.



imagination at work

GE global revenues -a)



Strong position in both countries

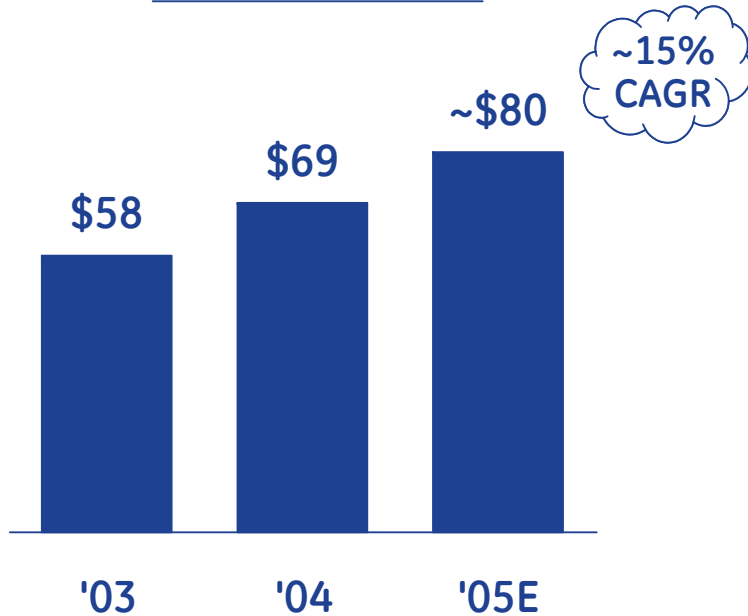


imagination at work
(a - 2004 actual)

Global growth

(\$ in billions)

Global revenue



Priorities

- ✓ Share in Japan + Europe
- ✓ Expand China & India presence
- ✓ Technology + sourcing
- ✓ Developing markets

Developing countries ... \$25B revenue in 2005

Growth V%

| | | |
|------------------|------|--|
| Energy | 20%+ | ✓ Growth everywhere |
| Transportation | 20+ | ✓ India/MEA/China/SEA |
| Healthcare | 20+ | ✓ Growth everywhere |
| Water | F | ✓ China/MEA |
| Consumer Finance | 25 | ✓ Eastern Europe/ Russia growth ✓ BAC deal – Latin Am. |

GE's winning formula

| | |
|-----------------------------|--------------------|
| + Infrastructure technology | + Consumer finance |
| + Project finance | + Brand |
| + Reputation/compliance | + Risk management |



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GE in China



The country



Official name:

People's Republic of China

Form of government:

One-party rule by the Chinese Communist Party

Head of state:

Hu Jintao (president)

Wen Jiabao (premier)

Area:

- 9,561,000 sq km

Language:

- Mandarin...7++ main dialects exist

Regional assemblies & administrations

- 4 special municipalities
- 22 provinces
- 2 special admin. regions
 - (HK & Macao) & Taiwan province

Population:

1.3 billion

Major cities & population

- | | |
|---------------------|-------|
| • Chongqing | 31 MM |
| • Beijing (capital) | 14 MM |
| • Shanghai | 13 MM |
| • Chengdu | 10 MM |
| • Tianjin | 10 MM |

Nanjing Road ... Puxi, Shanghai

In the late 1980s



Today!!

Financial district ... Pudong, Shanghai

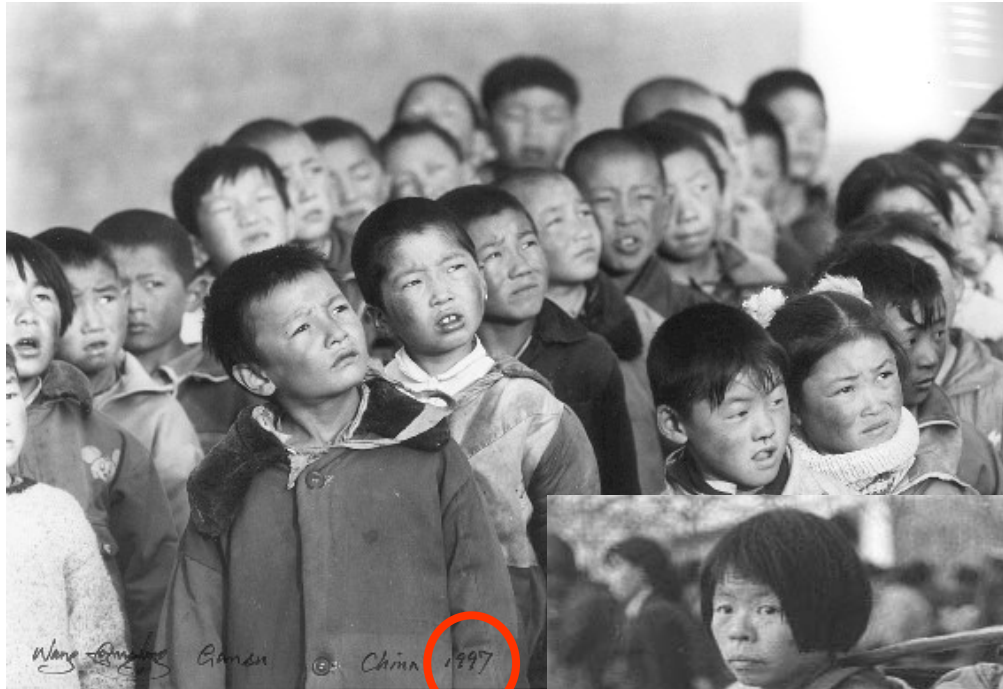


Late 1980's

Now

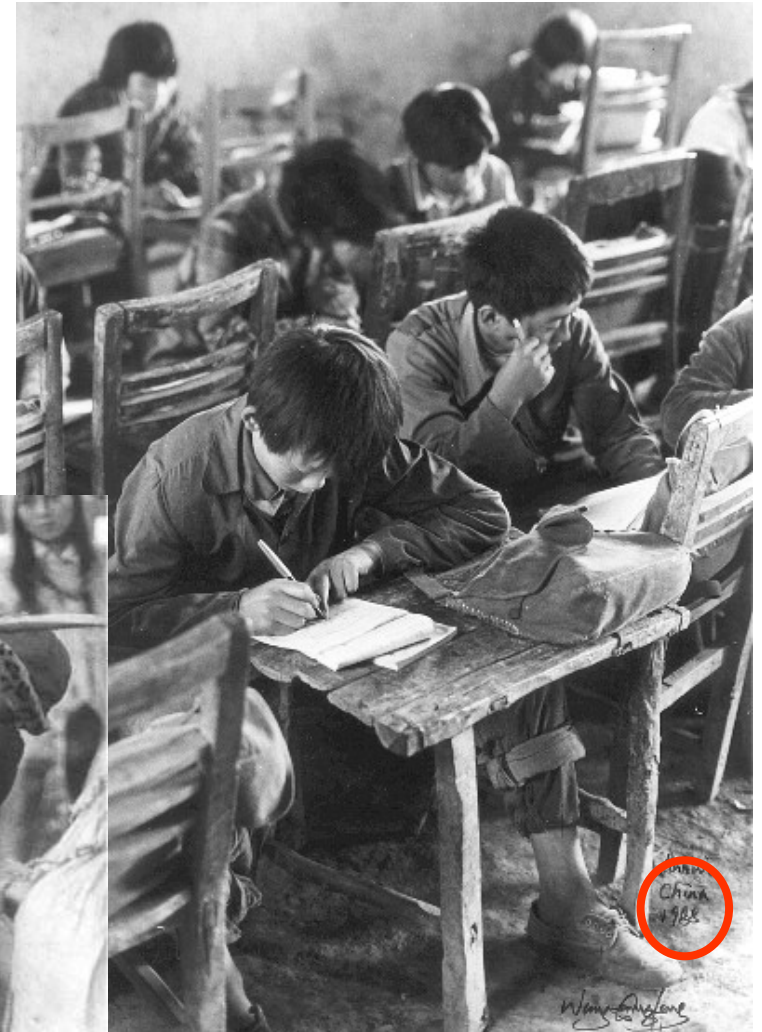


But still ... China has many challenges ahead ... variation



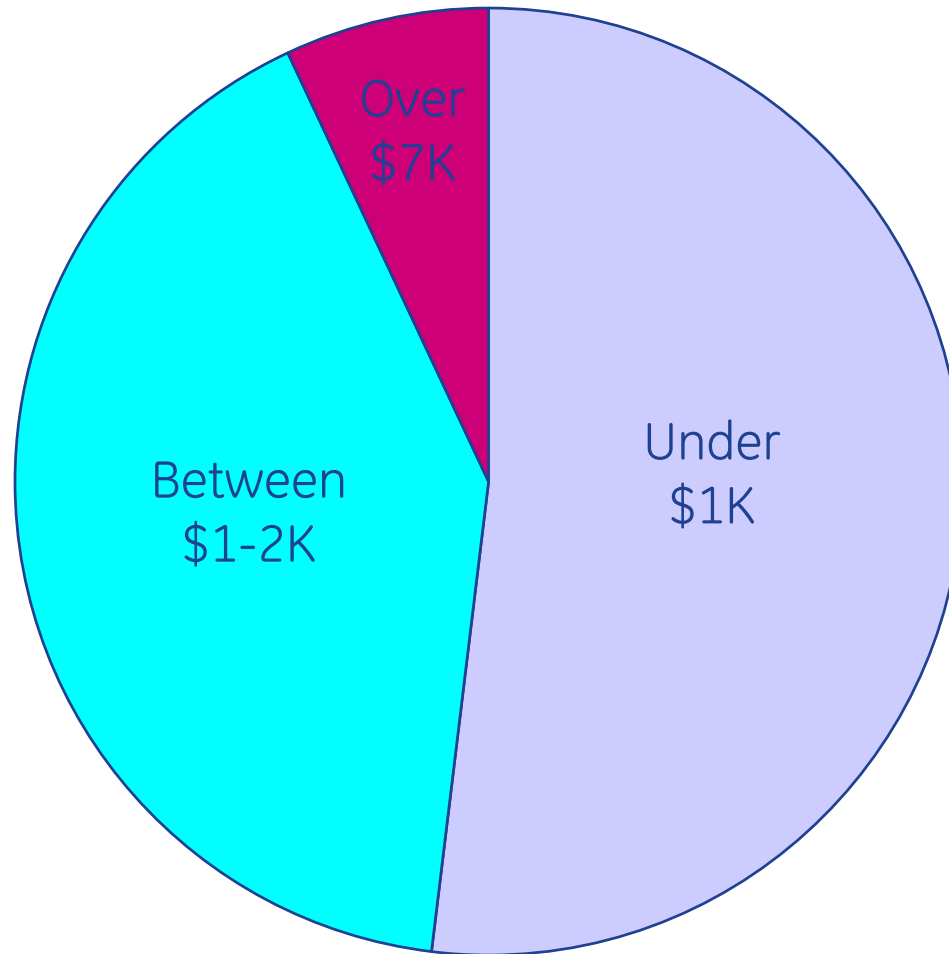
Gansu

Zhejiang



Anhui

Biggest Challenge: Income Disparity



What will “probably” happen in the next 20 years?

1. The largest Consumer market
 - 1.3 billion population
 - 500 million 'mid-class' people
2. The largest Consumer Finance market
 - 900,000 automobiles & 3 million houses consumption per year
 - Enormous credit card potential
3. Hottest Healthcare market
 - Average life > 71.4
 - Medical treatment expenditure > \$30 billion every year
4. #1 Aircraft market
 - Acquiring 1700+ aircrafts ... vs. 550 today
 - Building 80+ new airports
5. The largest Power consumer
 - #2 in power generation & capacity in the world
 - Annual growth > ~9%

Major Sector Investments...2001-2010

Sector

Investment Focus

Energy

396

Electrical Power

335

Oil & Gas

61

- Increase Capacity: 352 GW by 2010
- Develop Power Grid
- West to East Gas Pipeline

Water

66

Water Supply

30

Waste Water Treatment

36

- Develop 600 Billion tons of water supply
- Urban sewage treatment rate over 70%

Transportation*

343

Urban Rails

108

Airports

12

Highways

101

Express Railways (+160km/hr)

84

Electrified Railways

38

- 2,555km Urban Rail Development
- 80+ New Airports
- 600,000km Highways
- 7,144km in length, 19 new express railways
- 3,000km (New) and 7,000km (Retrofitted)

Beijing Olympics 2008

36

- Stadiums & other facilities

Expo Shanghai 2010

32

- City infrastructure & facilities

Total

\$870 Billion
Half-Way there...



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* Investments in Transportation refer to the period 2005 to 2010.

What China might look like in 2020!

Market drivers ...

- | | |
|-------------|---|
| GDP: | • #2/#3 ... \$5 trillion economy |
| Population | • ~500 million middle class |
| WTO: | • Full implementation by 2008 |
| Olympics: | • Beijing 2008 ... \$36 billion |
| World Expo: | • Shanghai 2010 ... \$32 billion |
| Autos: | • #1/#2 market ... 16 million cars |
| Energy | • #1 growth market ... 900 GW |
| Aircraft: | • 4x 2004 ... 2500 aircraft ... 80 airports |
| Water: | • 3X the U.S. requirement |

Structural challenges that need to be dealt with ...

- | | |
|---------------------|--------------------------------------|
| • Energy/water | • Resources and environment |
| • Healthcare | • Aging population |
| • Financial & legal | • Unemployment ... 100+ million now! |

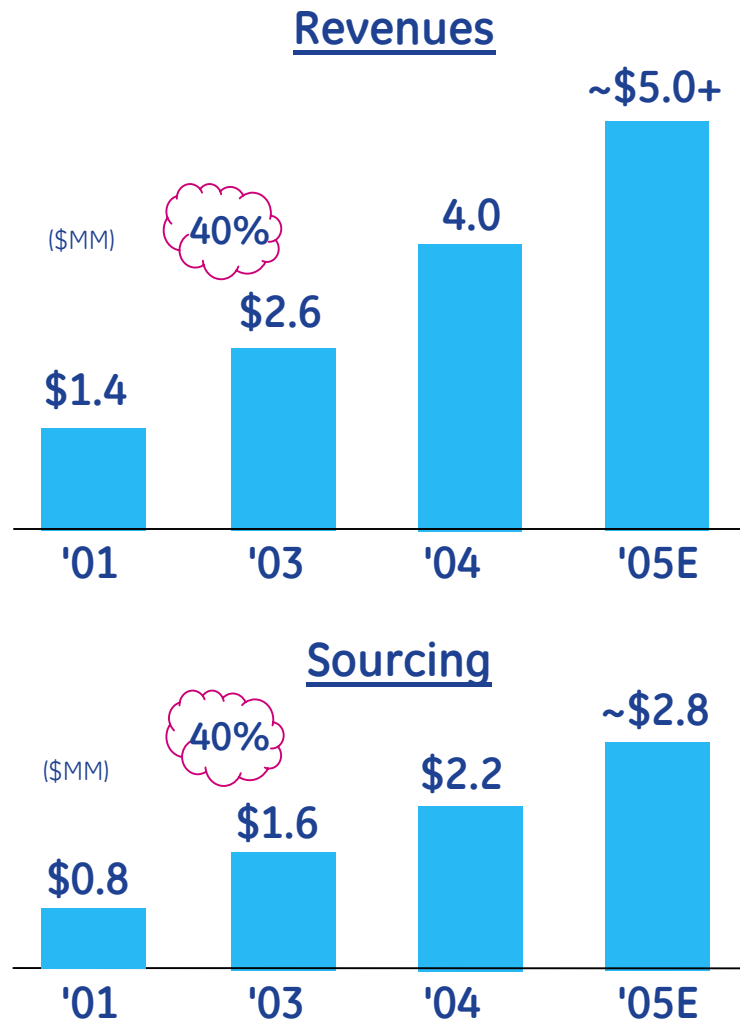
Transitioning ... low-cost MFG to global market & tech leader

“One GE” in China with “one growth process”



Focused on Capability and Capacity...
a Self-Sufficient and Local Feeling GE in China

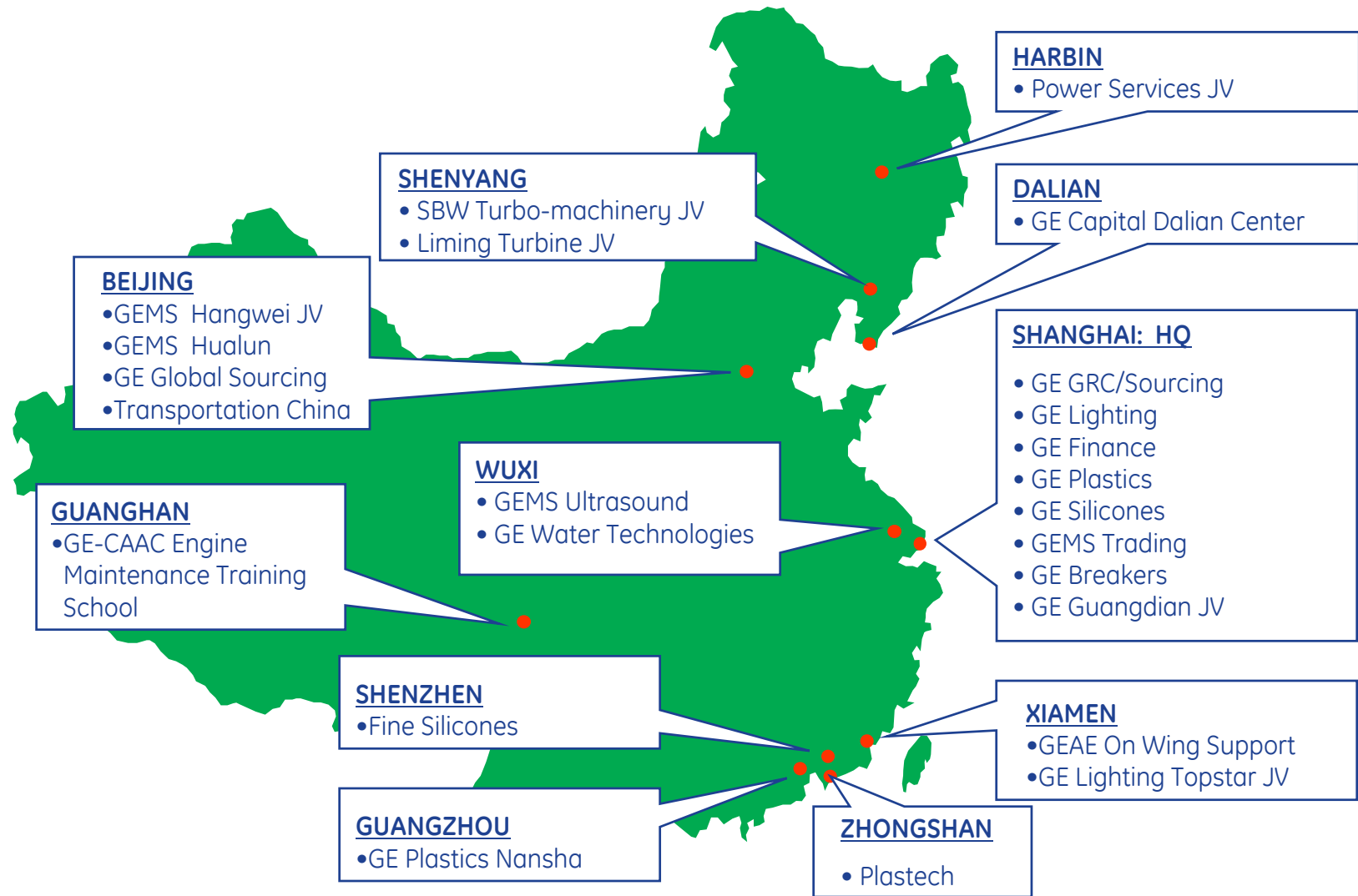
GE China sales/sourcing



- Power execution
 - ✓ GTCC BB1 & 2 ... \$1.5 billion
 - ✓ New Wind and Hydro wins
- Healthcare expansion
 - ✓ Strong 1st half growth
 - ✓ Solid margin performance
- Advanced Materials growth
 - ✓ Strong volume
 - ✓ Excellent price growth
- Transportation
 - ✓ Engines ... clear leadership
 - ✓ Rail ... tremendous oppty.
- Sustainable sourcing deflation
- Great progress in services

Aligned with China's infrastructure expansion

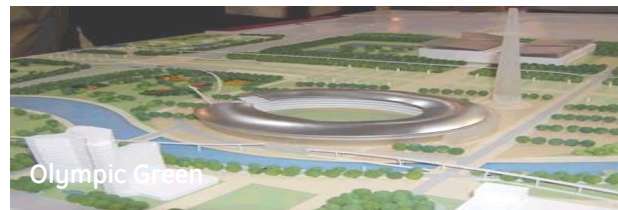
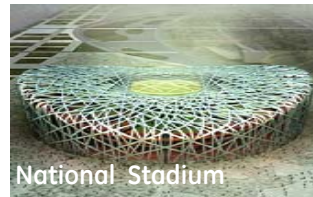
GE investments in China



Touching Olympics in many ways ... natural fit for GE

2008 Olympics requirements

- Reliable power
- Integrated security
- Efficient environmental controls
- Safe water supply
- Effective wastewater treatment
- High-quality broadcast production
- Global project coordination
- Efficient Olympics mgmt.
- Secure, reliable logistics



GE solutions

- **Critical power**
 - Substations & switchgear
 - UPS/standby power
 - Power system analysis
- **Security systems**
 - Access control
 - Intrusion & CCTV
 - Fire & System Integration
 - Explosive & Narcotics detection
- **Lamps & fixtures**
 - Design Solutions
 - Stadium & Roadway Lighting
- **Automation systems**
 - Lighting & HVAC Control
 - Power management systems
- **Water technologies**
 - Purification & Wastewater Treatment
- **Healthcare**
 - MRI & Ultrasound Equipment
- **Advanced Materials**
 - Plastics SPD & Silicones

China Technology Center: GRC



GRC grand opening ... October 2003



China Technology Center

People

- 608 employees by end of '03
- 900 employees by end of '05

Facilities

- 28 labs

Technology focus

- Materials
- Electronics
- Manufacturing technology

Co-Located businesses

- Global Research Center
- Advanced Materials
- Consumer & Industrial
- Energy
- Infrastructure
- Transportation
- Consumer Finance

GE China Learning Center

R & D

- Ceramic
- Single crystal
- Micro replicator
- Structured films
- Electro chemical
- Thin films

Manufacturing

- Adv. manufacturing
- Adv. processes
- NDT
- Adv. repair
- Service technology

Design

- Electronics design (4)
- Chemical (2)
- Permanent magnet

Labs

Testing/reliability

- Electronics testing (3)
- Material characterization
- EMC
- Microscopy
- Environmental (3)
- Physical testing

Facility Space (m2)

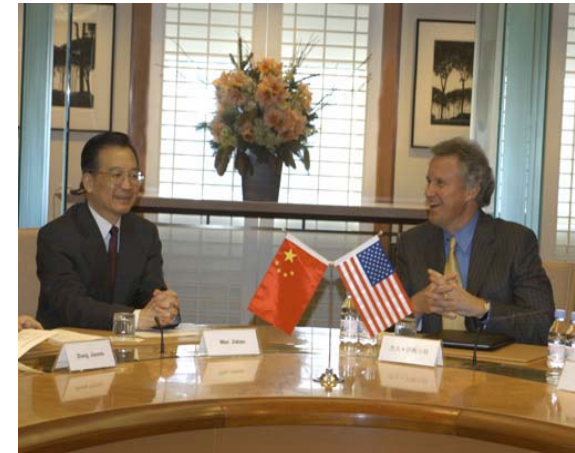
| | |
|-----------------|--------|
| Offices | 17,000 |
| Labs/others | 18,800 |
| Display lobby | 1,000 |
| Training center | 1,200 |
| Other | 3,100 |
| Total | 41,000 |



China/Asia Learning Center



Premier Wen Jiabao visits GE, NY City ... Dec. 08, 2003



“Bring to China GE’s ...

1. Products
2. Technology
3. Management process
4. Talent development
5. Sino-U.S. friendship”

Stated ...

Chinese Premier Wen Jiabao
to GE Chairman Jeff Immelt
on December 8, 2003
in New York.

What we're doing to “win in China”...

People

- 11,000 employees...4,000 new in the past 36 months
 - Front-end, MFG, R&D, sourcing and service focused

Manufacturing

- Controlling & going local ... filling product gaps to compete

Technology, sourcing and learning center

- Opened 3rd Global Research Center
- 1st China/Asia learning center
- Taking advantage of ... capability, capacity and cost
- Developing & investing in China's future leaders

Government and media relations

- Becoming “valued partner” to China's development process

**Rapidly becoming a “self sustaining,” “widely respected”
and “local feeling” GE in China ...**



imagination at work

GE in India



The Country



Area:

- 3,287,590 sq km

Language:

- Hindi; English has associate national language status
- 16 other official languages...over 325 languages in all!

States and union territories:

- 28 states
- 7 union territories

Official name:

Republic of India

Form of government:

Democracy (Parliamentary)

Heads of state:

Dr. APJ Abdul Kalam
(president)

Dr. Manmohan Singh
(prime minister)

Population:

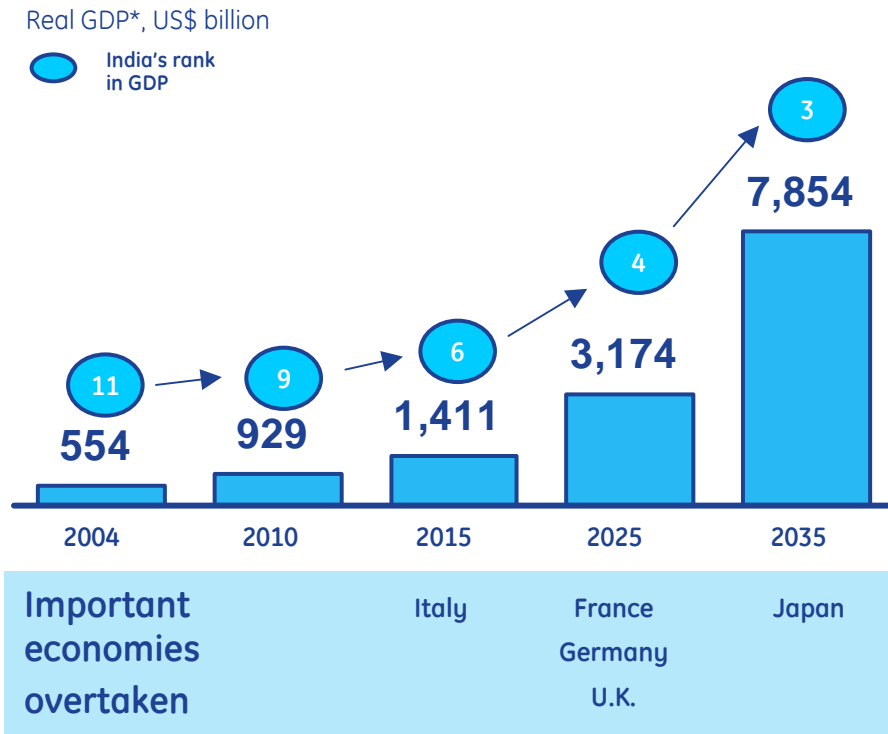
1.1 billion

Major cities & population

- Mumbai 16 MM
- Kolkatta 13 MM
- New Delhi (Capital) 13 MM
- Chennai 6 MM
- Bangalore 6 MM
- Hyderabad 6 MM

India at an inflection point

... adding a “Brazil” in next 5 years



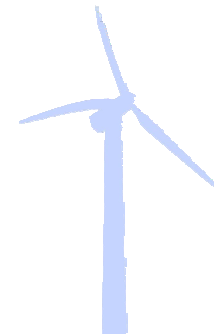
BRICs assumes India GDP growth of ~6% p.a.

- Sustained commitment to liberalization across 4 regimes in last decade
- Reformers in key roles across parties
- Recognize infrastructure as bottleneck. Several projects underway...
- Transformed Corporate India...gaining confidence, scale & profitability

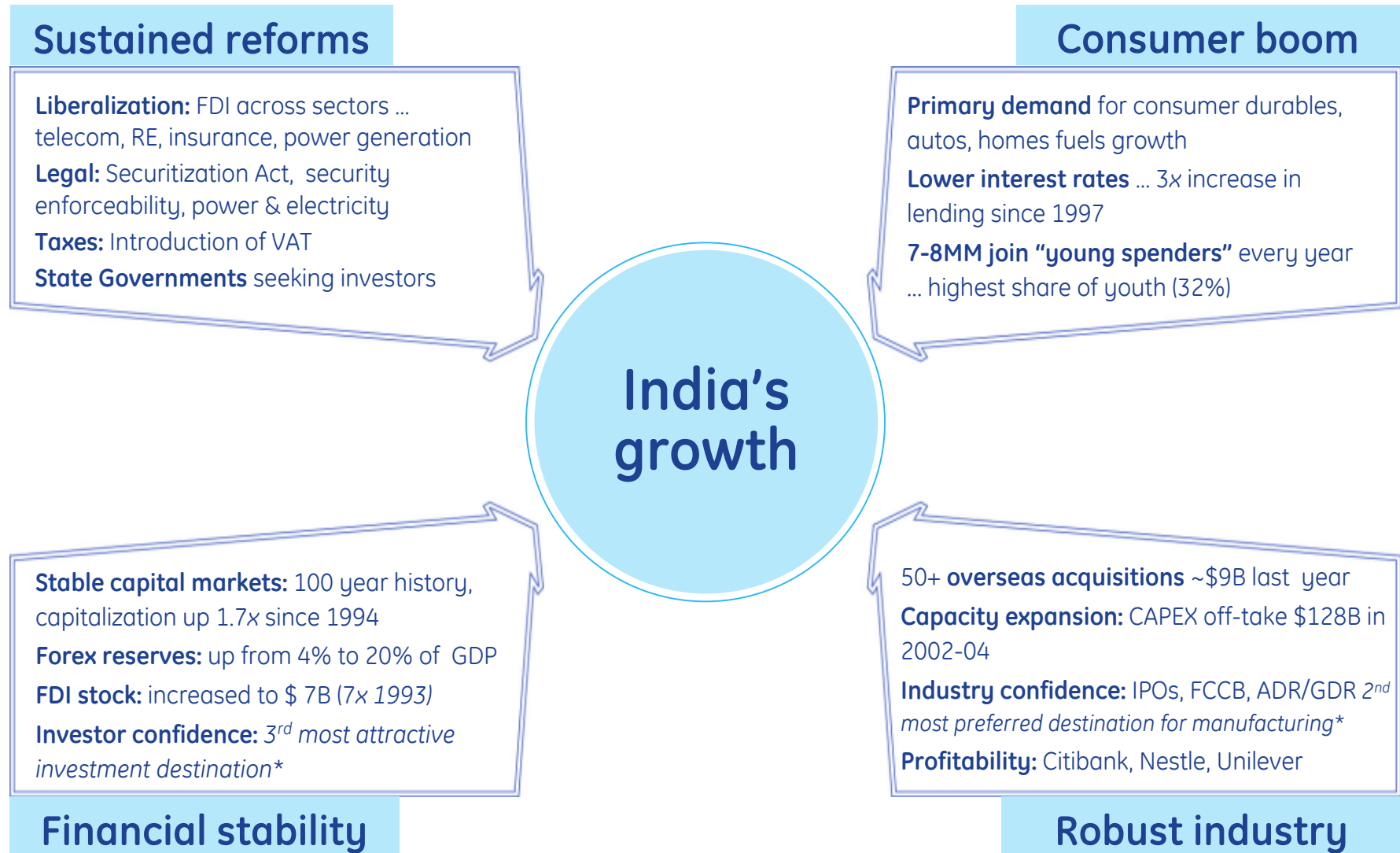
| Sector | Growth Rate % (2004-2009) |
|--------------|---------------------------|
| Services | 8.5 - 9.0 |
| Industrial | 7.5 - 8.0 |
| Agricultural | 1.0 - 1.5 |
| Inflation | 4.5 - 5.0 |

More than a belief this time...

- 50MM **mobile users**... will be in **top 3 markets** by 2006
- 1.2MM **cars** / year... **7th largest in the world** by 2008
- In **top 5 markets** in the world for **textiles, color TV's & 2 wheelers**
- **4x growth in air traffic** ('00-'04) ... another **250 aircraft** by 2010
- 63% growth in **\$1B+ revenue companies** over last 5 years
- FDI inflows exceed approvals by 3x... **\$15B in last 12 months**
- **Commonwealth games** in 2010



Irreversible change ...



Governments are addressing infrastructure as a top priority

| Sector | Concrete initiatives since 2000 |
|-------------------------------|--|
| Telecom | <ul style="list-style-type: none">• India has leapfrogged telecom evolution by implementing both GSM and 2.5G CDMA networks across 800+ cities• Over 100 million phone users; mobiles users exceed landline |
| Transportation infrastructure | <ul style="list-style-type: none">• Road: Over 4,000 km of national highways constructed since 2000• Ports: First port privatized (Ennore); foundation laid for new container terminal in Cochin• Airports: International airports at Cochin, Bangalore, Hyderabad; Privatization underway for Delhi, Mumbai, Kolkata, Chennai |
| Power | <ul style="list-style-type: none">• New electricity bill passed• IPPs allowed to sell directly to large industrial consumers• Unbundling of power generation, transmission & distribution companies |
| "Islands of excellence" | <ul style="list-style-type: none">• 20-30 mega Software Technology Parks (STP) set up in the last 5-7 years with world-class infrastructure (e.g., 24x7 power backup, high speed telecom facilities) to overcome overall shortage |



imagination at work

What India might look like in 2020!

Market Drivers...

| | |
|--------------------------|--|
| GDP | - #4/#5.. \$2+ trillion economy.. growing at 6% pa |
| Population | - 1.3 billion...middle class ~ 500 MM |
| Autos | - # 3/#4.. will add 4MM cars a year |
| Two Wheelers | - #1/#2.. over 10MM two wheeler per annum |
| Consumer Durables | - #3/#4 spurred by primary demand |
| Energy | - 3 X growth...200+ GW to be added |
| Aircraft | - 3-4X growth...~600-800 planes |
| Transport Infrastructure | - 6X growth in freight traffic.. 4X growth in air traffic, 100 new airports.. metro rails in all major cities |

Structural Challenges that need to be dealt with...

- | | |
|---------------------|---------------------------------|
| ➤ Energy / Water | ➤ Ports, roads, airports, power |
| ➤ Healthcare | ➤ Education |
| ➤ Financial & Legal | ➤ Agricultural reform |

Transitioning... Low-Cost Services to Political & Global Economic Leader

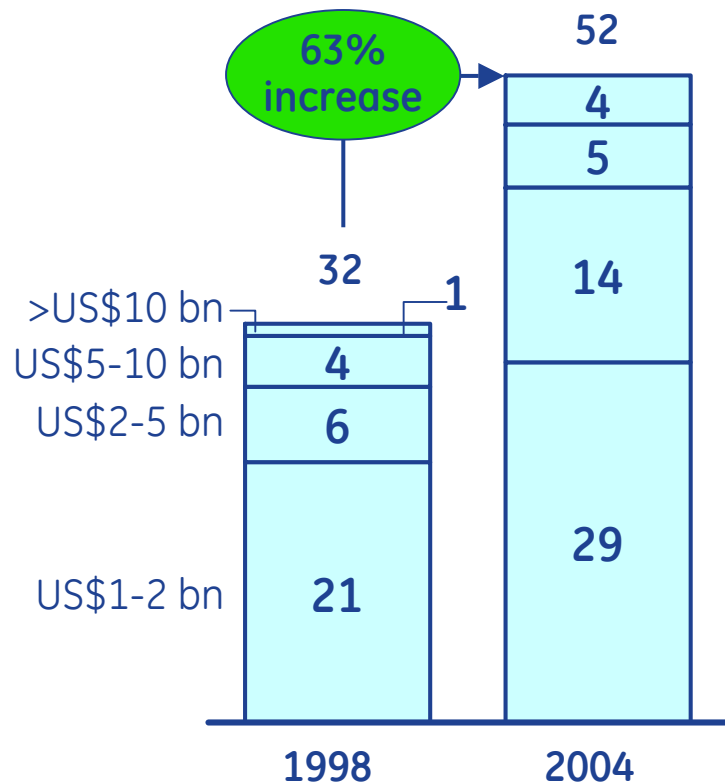


imagination at work

Local companies have grown rapidly serving the domestic economy and are now going global

Home-grown corporates growing in size ...

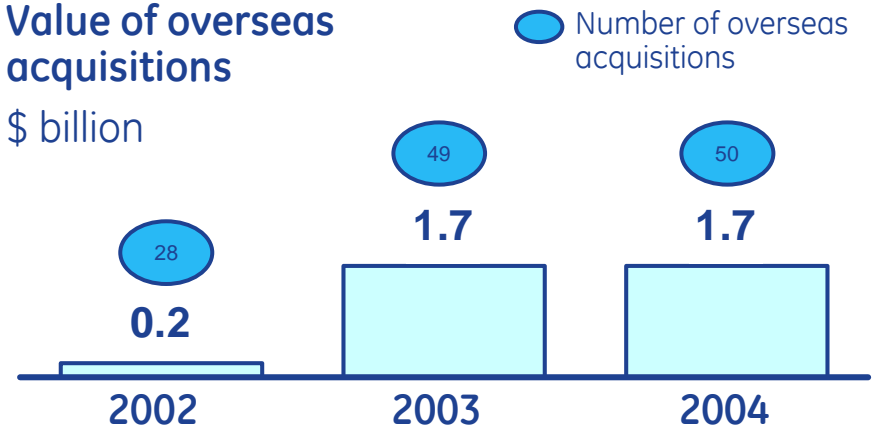
Number of billion dollar companies



... and now expanding overseas

Value of overseas acquisitions

\$ billion



Major acquisitions

- Natsteel by Tata Steel for \$300 million
- Tyco Global by VSNL for \$130 million
- Trevira GmbH by Reliance for \$80 million
- Daewoo by Tata Motors for \$115 million

In 2005, TCG-led investor consortium acquires Basell Polyolefins for US\$5.7 billion. Deal value larger than combined value of all overseas acquisitions since 2002

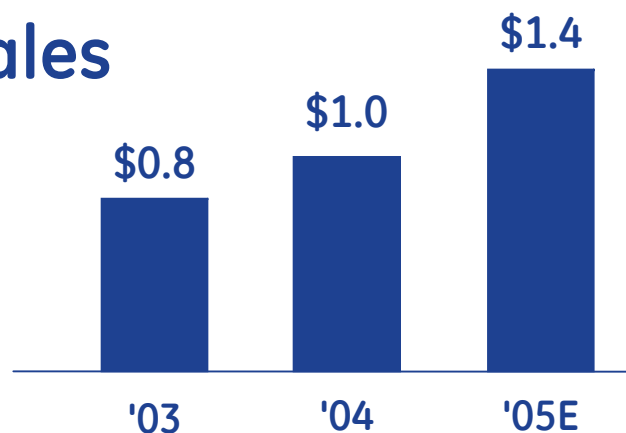


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Source: CMIE; press searches

GE India sales/sourcing

Sales



Sourcing



\$ for \$
service savings

Growth driven by smart resource decisions

Energy

- \$1+ Billion Business By 2010
- Driver: Reform & Increased Infrastructure Spend

Financial Services

- \$1+ Billion Business By 2008..4X Growth
- Bank Acquisition, Consumer & Real Estate Boom

Transportation

- Domestic traffic growth 25%, International 20%
- Defense...126 Fighters, 100 Helicopters
- New airports and upgrades

Advanced Materials

- Emerging Markets...Telecom, Healthcare
- Auto & OVAD growing 20%+

Infrastructure

- Desalination & RO Water growth drivers
- Electronic security market growing 30% +

JFW Technology Center



2200 Scientists, Researchers & Engineers....

Focused on cutting edge technologies

- Advanced Mechanical Technologies
- Electronic & Photonic Systems
- Energy & Propulsion
- Materials Research
- Micro & Nano Structures
- Information & Decision Technologies
- Imaging Technologies
- Industrial Imaging and Modeling
- BioSciences

Aligned to GE businesses

- Global research
- GE Transportation (Aircraft Engines, Rail)
- GE Healthcare
- GE Consumer & Industrial
- GE Advanced Materials
- GE Energy

240 patents filed...
28 patents issued

GE's Indian IT strategy

- \$700M+ ... from 0 in 1995
- 70/70/70 ... increase offshore leverage
- “Insource” program management ... outsource coding
 - GE India program managers
 - I to I model ... 30% cheaper still
 - PLUS ... increased knowledge retention and code reuse

GECIS

Our process expertise

Finance and accounting (payables, receivables, treasury, reporting, financial planning and analysis)

Analytics (business intelligence, forecasting, modeling, research)

Collections (commercial, consumer, early to late stage, skip tracing, inbound/outbound)

Customer service (multi-lingual, complex customer calls, dispute resolution, rule-based, data entry)

Knowledge management (training, product manuals, sales force tools, scanning, indexing, storage, white mail)

IT Software, Infrastructure (remote servers/network mgmt, ERP applications, help desk)

Transactions (credit applications, insurance applications, collateral tracking, order processing, remittances, legal)

Banking/finance

- Consumer banking
- Commercial banking
- Investment banking
- Commercial real estate
- Mortgage

- Corporate lending
- Leasing
- Credit cards
- Mortgage
- Equity research
- Debt syndications

Insurance

- Life and annuities
- Property & casualty
- Long-term care
- Reinsurance
- Mortgage insurance

- Actuarial
- Underwriting
- Claims processing
- Risk management
- Agent services
- Product dev't.

Manufacturing

- Chemicals/plastics
- Consumer products
- Industrial equipment
- Medical equipment
- Petroleum/energy
- Pharmaceuticals
- Automotive

- Supply chain mgmt.
- Forecasting/planning
- Sourcing/ordering
- Monitoring
- Shipping/receiving
- Engineering/design

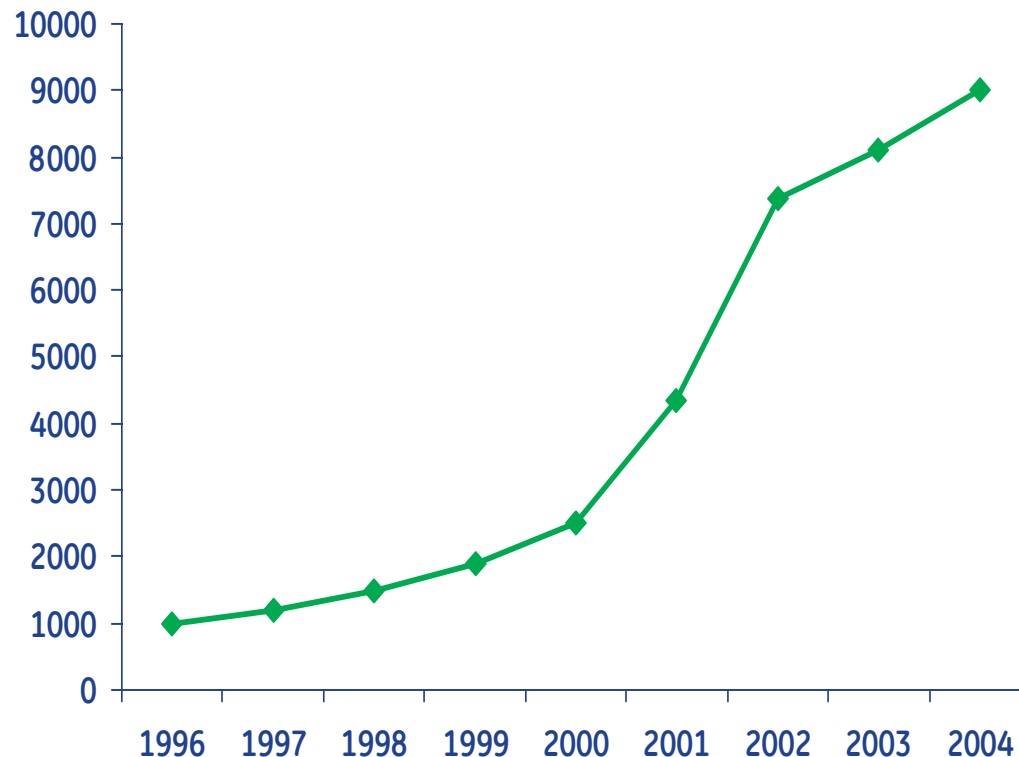
Business services

- Communications
- Healthcare
- Media & entertainment
- Retail/wholesale
- Transportation
- Utilities

- Contract management
- Pricing analytics
- Sales force training
- Asset monitoring
- Maintaining service manuals

India talent

Professional employees



- Entry level leadership programs ... 400+
- Audit staff assignments...50+
- Cross business moves in India ... 400+ last 2 yrs
- Global assignments ... 200+
- 1000+ with options

Attracting, developing and retaining the best

Summary

- ✓ China and India growing rapidly...GDP growth 9-10%
- ✓ Key growth areas:
 - Consumer & retail...500 MM+ middle class and growing
 - Transportation – increasing air traffic, requiring 2000+ aircraft in next decade
 - Infrastructure – expansion for 2008 Olympics and commonwealth games
 - Energy – Power generation and capacity
 - Healthcare – Aging population
- ✓ GE strategically positioned to capture growth
 - Breadth of technology-driven Industrial businesses
 - Strong existing presence and relationships
 - Financing and balance sheet
- ✓ Exceptional local and diverse talent...educated and English speaking