

# GE – Aviation

## Investor Relations

### Middle East

November 2006

Muhammad Al-Lamadani  
GE International



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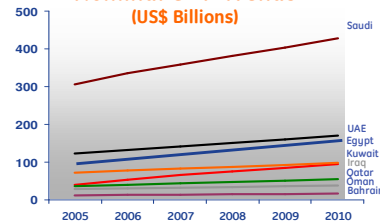
## Middle East aviation growth is strong

- High oil prices and cash driving investments and economic growth
- Mix of national carriers, fast growth airlines, and slowly emerging LCCs
- Aging fleet replacement & capacity increase driving high aircraft orders
- \$74B 10-year market for commercial airplanes in ME (2006-2015)
- Over \$23B in airport projects by 2012
- Outsourcing engine services preferred

### Growth Indicators

GDP Growth	~ 4% p.a.
Population	~ 130 million
Pop. Growth	3.0% p.a.
Traffic Growth	6%-8% p.a.
New Airports	~80 by 2010 (+5%)
Pax Capacity	318M p/a (+292%)

### Nominal GDP Trends (US\$ Billions)



Eight countries will account for over 90% of Middle East GDP in 2010

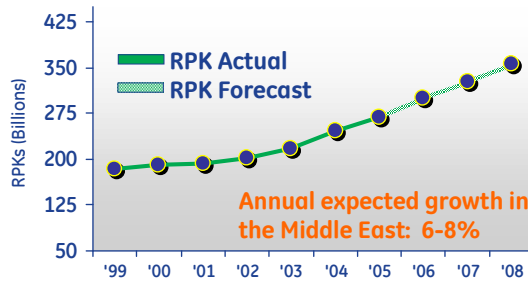


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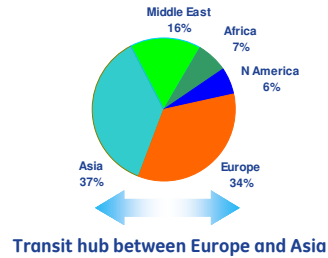
Source: Global Insight, WTO, FTAO, CIA world fact book, WMMR '05  
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## Regional traffic is trending upward



### Middle East Air Traffic...



- Significant traffic growth (12.6% in '05) generating increase in capacity
- Middle Eastern carriers topping aviation industry in cargo growth
  - 16.8% growth in Freight Tonne Kilometers, 2006 vs. 2005
  - 14.1% gain in '05 vs. global cargo growth of 2.6%
  - 8.8% growth expected between Middle East and Asia



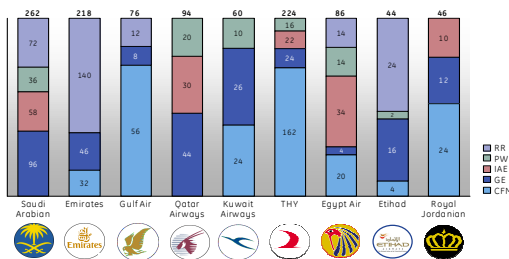
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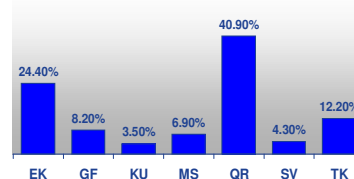
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## Nine ME airlines own 46% of AC and 44% of engines ... indicating growth leaders

Key Operators ... 1110 engines, 475 AC  
ME Total ... 2525 engines, 1026 AC



### Compound Annual Growth Rate (CAGR) (2002-2006)



### Route development to Europe and Asia will drive more aircraft orders

- Emirates fleet growth...91 AC today, ~150 within 5 years
- Qatar fleet growth...47 AC today, ~110 within 10 years
- Saudi Arabian fleet growth...106 AC today, ~135 within 5 years



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Source: ACAS, Oct 2006  
CFM International is a 50/50 joint company between GE and Snecma  
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# GE - Aviation ... the business model

as reflected in the Middle East...



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\* 42 YTD deliveries for CFM, 66 YTD deliveries for GE  
CFM International is a 50/50 joint company between GE and Snecma  
GP7000 (EAI) is a 50/50 JV between GE and Pratt & Whitney  
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## Successful regional penetration



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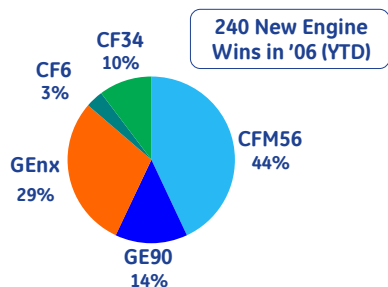
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# Winning with GE/CFM technology

## Key Wins in '06

Operator	Model	Engines	A/C Type
ALAFCO	CFM56	12	A320
Egypt Air	CF34	12	EMB170
	CFM56	12	737-800
Emirates	GE90	40	747-8
Qatar	GE90	16	777-200LR/F
	GE90	28	777-300ER
	GE90	8	747-8
K100 **	GE90	12	787



## Pending \*

Abu Dhabi Amiri	GE90	10	787
Al-Tayyar	CFM56	20	A320
Qatar	GE90	8	747-8

\* Refers to GE engine wins, that are not officially scored by airframer yet.  
 \*\* Proprietary campaigns/operators.

## Opportunities

Emirates	GE90	100	A350/787
Kuwait	GE90/GEnx/CF6	120	Various
Qatar	GE90	120	A350/787
S100 **	GE90	46	777-200LR/F
S101 **	GE90	46	777-300ER



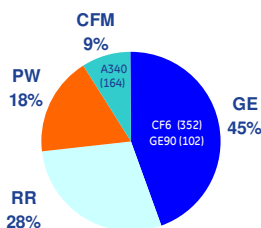
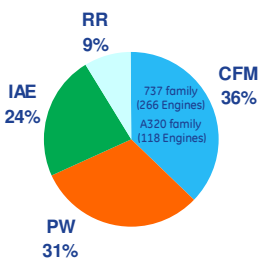
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Source: Siebel and GE data  
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# Expanding installed engine population

## Current AC in operation



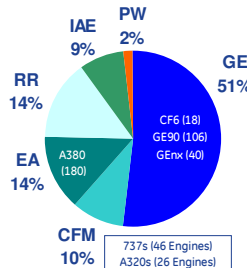
## Narrow Body 540 AC 1253 Engines

Key Operators (AC)  
 • THY (82)  
 • Saudi Arabian (36)  
 • Iran Air (26)  
 • Egypt Air (21)

## Wide Body 467 AC 1228 Engines

Key Operators (AC)  
 • Emirates (91)  
 • Saudi Arabian (61)  
 • Qatar Airways (32)  
 • Iran Air (31)

## Order backlog



## TOTAL 285 AC 758 Engines

- Delivering more commercial engines
- Maintaining competitive advantage
- Winning the material stream
- Growing with JV relationships



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Source: ACAS, Oct 2006  
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 GP7000 (IAE) is a 50/50 JV between GE and Pratt & Whitney  
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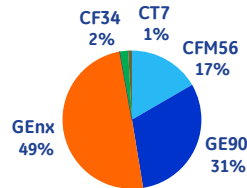
# Increasing lifecycle service backlog

**Wins in '05**  
**\$1.3B in CSA's**

## Services - > \$5B (overall backlog)

- OnPoint<sup>SM</sup> Solutions
- Time & Material
- On Wing Support
- Tech Upgrades
- Diagnostics

**\$601M Wins YTD**  
**~\$1B expected for '06**



## Key Wins in '06 ~90% of YTD wins

Operator	Model	Engines
AMC	CFM56	14
Emirates	GEnx	40
Etihad	GE90	10

## Opportunities ~\$940M in value

Operator	Model	Engines
Al-Tayyar	CFM56	40
Emirates	GE90	14
Qatar	GE90	44
Saudi Arabian	GE90	58



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# Partnering with key customers

- Emirates GE90 and GP7000 MRO facility
  - Includes world's largest indoor test cell (150lbs thrust)
  - Module shop capability
- Qatar Technology and Learning Center
  - Customer Aviation Training, including military systems
- Dubai Aerospace Enterprise partnership development

*Using GE processes & tools...to help customers in:*

- Lowering cost of ownership
- Improving their profitability / value
- Enhancing productivity through Six Sigma & Lean
- Leveraging GE-style leadership development courses

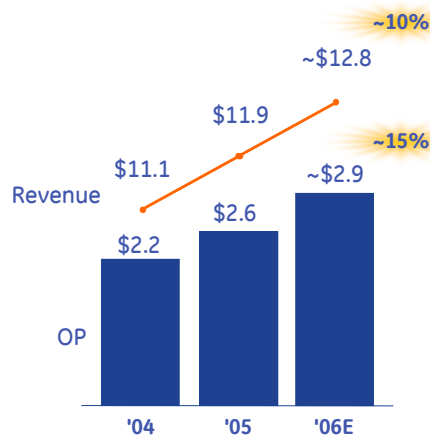


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## GE – Aviation...aligned for growth



- Investing in technology
- Growing installed base
- Winning in the Middle East profitably
- Expanding services offerings
- Delivering on customer productivity and satisfaction

Structured to capture significant growth potential worldwide



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