

# GE Infrastructure China

## Building the next growth wave

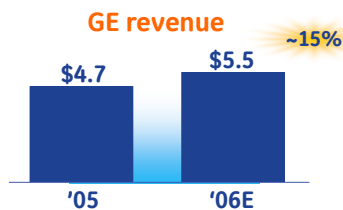
**Andy Solem**  
Vice President  
GE Infrastructure - China



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## China driving growth

\$ in billions



### Priorities

- ① Aviation / airport expansion ... focus on regionals
- ② Local product development to drive growth
- ③ Expand consumer lending with partners
- ④ "Go big": Olympics \$800MM; Macau Casino \$500MM; Shanghai Expo \$800MM
- ⑤ Potential JV's: Wind, Water, Healthcare ...

### Segment Highlights

- ✓ **Infrastructure:** Winning with technology, service & fulfillment capability
- ✓ **Healthcare:** Local technology, value segment focus
- ✓ **Industrial:** Leveraging local relationships to drive global manufacturing growth
- ✓ **GE Money:** Shenzhen development bank ... Grow with global Partners (Wal\*Mart, Hyundai)
- ✓ **Commercial Finance:** Support / Follow GE footprint



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**GE positioned to Win**

## GE Infrastructure China from '02 to '06

\$ in billions

**Sales 4X**

**Orders 5X**

**Huge growth**



44% of total China revenue



~20% services revenue  
Aviation & Energy >40%  
Rail ~3%

**# Install Base 2X**

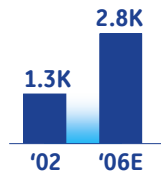
**Sourcing 10X**



Developed local platforms



Grown local leadership pipeline



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## Execution-focused strategy captured China growth wave in last 5 years

### ✓ Winning with technology, service & fulfillment capabilities

– Energy bundled buy, GE/CFM engines, QTR & mainline locomotives

### ✓ Strong partnerships

– Company to Country ... National Development Reform Commission

– Sourcing ... Aviation Industries of China

### ✓ Localized commercial & functional teams

– Young & energetic workforce growing fast (280→2,200)

**Today, we are a BIG player!**



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## CTC brings technology closer to customers

### Growth of China Technology Center

40+ labs

1,100+ people



Today



2002



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### Fill GE & China needs

- Tap into intellectual capital
- Sourcing ... more deflation
- Product localization ... Energy bundle buy, Mainline
- In China For China ... Rail, Healthcare, Plastics
- Collaborate with local partners ... Tsing Hua University

## GEnx success story

### Won 42 of 57 B787's with GEnx



China Eastern 15



China Southern 10



Shanghai Airlines 9



Hainan Airlines 8

- \$1B+ contracts
- All maintenance under GE OnPoint<sup>sm</sup> agreements
- '08 delivery

### Key Success factors

- ✓ Outstanding technical attributes
- ✓ Long term relationship ... 650+ planes with GE/CFM engine
- ✓ Solid government partnership ... ARJ21 program
- ✓ China Operations Center 24-hour local customer support

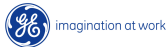


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## GE Infrastructure China '09 vision

### Significant potential

 Sales ... 1.7X	✓ Strong orders & backlog
 Service revenue ... 2X	✓ >50% install base will enter service "sweet spot"
 Orders ... 1.5X	✓ Maturing customer service mentality
 # Install Base ... 1.7X	✓ Local product support & engineering
 Sourcing ... 2.2X	✓ Aviation China Operating Center
	✓ Enterprise selling part of DNA



## Strategy to achieve '09 vision



## "Go West, Central, & NE"

\$ in billions

Gov't Investment ('06 - '10)

Follow the growth



- Expand local government & customer relations
- Set up regional enterprise sales team in most provinces
- Reposition resources to provinces
- Leverage sourcing to win new deals

Railway	\$250
Power Grid	\$134
Power Gen	\$123
Coal	\$37
Oil & Gas	\$34-50
Water	\$40



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## Outlook is strong

- China fundamentals favorable ... all businesses
- Business model fueled by technology ... and local mass
  - Installed base
  - Services
  - System optimization
- Infrastructure business positioned to win
  - Enterprise selling
  - Company to country



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