

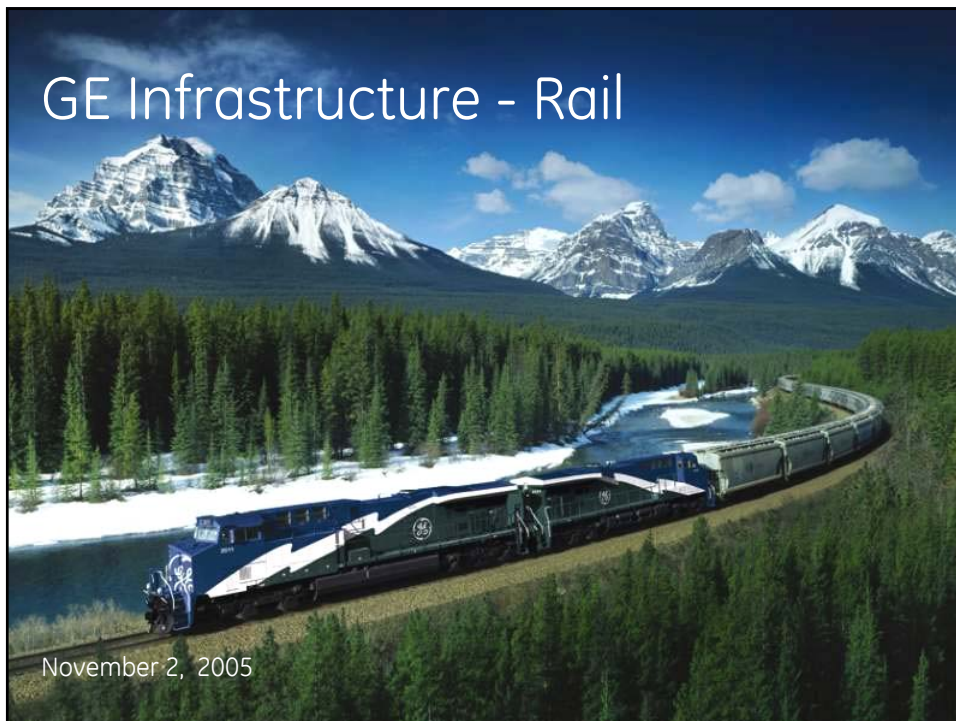
GE Infrastructure Analyst Meeting

November 2, 2005



imagination at work

GE Infrastructure - Rail



November 2, 2005

imagination at work



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...** in emerging markets
- **Aging fleets...**old, non-fuel efficient technology
- **Emissions...**environmental pressure to reduce NOx



\$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%+



Rail growth strategy



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



Great global opportunities

North America



- Railroad traffic up 2.8%
- 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
- \$775MM+ of orders from China ... working more

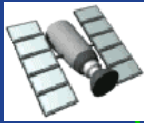
Emerging / Developing



- Key wins: S. Africa, Kazakhstan, Mongolia, Brazil
- Opportunity: CIS, Eastern Europe, Africa
- Political / business climates improving



Train density... wireless signaling



Two launch customers...

China & Amtrak



- Visual 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

7 / Dineen

Portfolio of emerging technologies

Technology	Environment	Productivity	Asset Management	Fuel Efficiency	Safety
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)	✓	✓		✓	
Hydra-Switch		✓			✓
MapperTracker		✓	✓		
ProYard		✓	✓		✓



Imagination at work



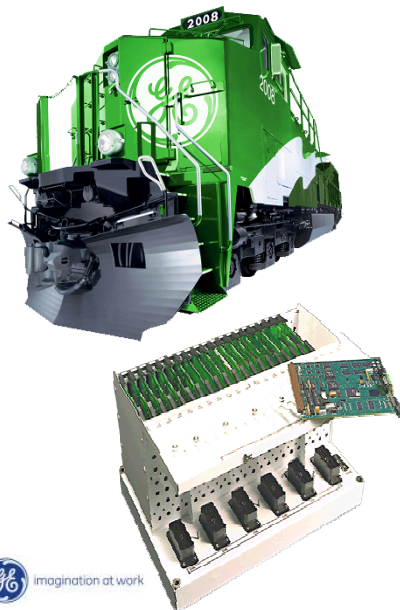
Evolution series locomotive

- 16 cylinders' worth of horsepower with just 12 cylinders
- Cuts key emissions up to 40%
- First locomotive to meet new EPA standards
- 10% lower lifecycle costs for customers
- 5-7% fuel efficiency

**~1,650 Backlog
Will Ship ~700 in '05**



Next technology ... fuel savings



- **Evo locomotive... 5-7%**
 - Improved emissions
 - Launched in '05 ... ~700 sold
- **Smart locomotive delivers 6%+**
 - Optimized train operation
 - AESS, Consist Mgr, Trip Optimizer
- **Engine enhancements ... 5%**
 - Combustion optimization

Adjacent Segments – Marine and Wind

Revenue - \$0.3B (30%+ vs. '04)

Propulsion and Specialty Services

Mining / OHV



- Drive systems for mining trucks
- Strong segment

Drill



- AC/DC motors for drill rigs
- Moves with Oil & Gas

\$75MM+ New Revenue

Marine & Stationary



- Marine & stationary power generation
- \$40MM new platform ('06F)

Wind



- Gearing for wind turbines
- Commercial launch 4Q'05
- \$35MM+ new platform ('06F)



Imagination at work

Competitiveness ... Driving LEAN ... Rad Cab

Before



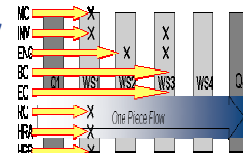
After



- Transitioned from static build to one piece flow

- Delivering on all metrics

- 30%+ labor productivity
- 30%+ WIP reduction
- 30%+ capacity
- 15% defect reduction
- No fall protection hazards since inception



- Expanding to other lines in 2006

Air Cushion Technology



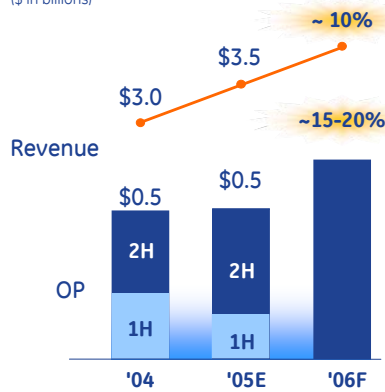
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GE Rail

(\$ in billions)



2006 momentum

- Strongest locomotive backlog ever, expect ~1,800 units
- 2H05 momentum... Up ~15%+
- China ... \$250MM+ sales
- International growth ... 40% of sales
- Margin accretion on EVO ... 6 pts of CM%
- New structure focused on delivering growth from emerging markets

Positioned for a strong 2006



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