



Press Release

GE  
Transportation

## GE Transportation Announces Two Milestone Agreements With its Railway Partners in Kazakhstan

*\$500 million agreement is largest service contract for GE Transportation outside North America;  
Locomotive assembly plant will produce Evolution Series locomotives for  
Kazakhstan and the surrounding region*

**ERIE, PENNSYLVANIA, USA AND ASTANA, KAZAKHSTAN - May 29, 2009** - GE Transportation, a unit of GE (NYSE: GE), announced today that it has signed two landmark agreements with its partners in Kazakhstan. The first, a 15-year customized service agreement (CSA) valued at nearly \$500 million, is the largest service agreement outside North America in GE Transportation's history. GE will provide maintenance and overhauls for Joint Stock Company (JSC) Lokomotiv's fleet of 404 GE-modernized locomotives. JSC Lokomotiv, a subsidiary of Kazakhstan's state-owned railroad company, Kazakhstan Temir Zholy (KTZ), manages KTZ's locomotive fleet. In the second agreement, outlined in a Memorandum of Understanding signed by both parties, GE Transportation and KTZ will jointly invest in a GE Evolution® Series locomotive assembly plant in Astana, Kazakhstan.

"The ongoing cooperation between GE and the Republic of Kazakhstan is proof that a strategic partnership can help fuel long-term economic growth," GE Chairman and CEO Jeff Immelt said at an official signing ceremony in Astana. "Today's announcements ensure that Kazakhstan's critical rail infrastructure remains modern and efficient in the future while expanding GE's global service base. GE not only continues to supply industry-leading products and services, but also helps Kazakhstan create sustainable growth through manufacturing capacity and a world class rail system."

### ***Customized Service Agreement***

This 15-year service contract is GE Transportation's largest for locomotive maintenance outside North America and its first in Kazakhstan. Under the terms of the agreement, GE has teamed up with Kamkor Repair Corporation (Kamkor) to further improve performance of KTZ's fleet of "2TE10" locomotives by providing:

- Guaranteed locomotive availability and reliability;
- Supply of all material and components to safeguard JSC Lokomotiv's fleet investment;
- Managed locomotive component inventory and material logistics;
- Shared training to ensure long-term maintenance capabilities from local personnel.

Kamkor will provide the facilities, labor and the remaining legacy equipment for the 404 "2TE10" locomotives. Prior to today's announcement, GE Transportation has signed numerous CSAs in countries around the world including Australia, China, Poland and Russia.

### ***GE Investment in Astana Assembly Plant***

Construction of the 54,000 square meter plant is nearing completion and is scheduled to begin production of GE's Evolution Series locomotives by the end of 2009. At full capacity, the facility would be capable of assembling approximately 100 locomotives per year while employing more than 600 people. In 2006, KTZ ordered 310 GE Evolution Series locomotives and the first ten units are already in operation in Kazakhstan. The 300 other locomotives will be assembled in the Astana plant from components and kits manufactured in Grove City and Erie, Pennsylvania, USA.

“GE and the Republic of Kazakhstan have a long and fruitful history of working together,” said Lorenzo Simonelli, President and CEO of GE Transportation. “Since 1995, GE and KTZ have collaborated to drive Kazakhstan’s economic development. These agreements are a natural extension of our existing strategic partnership with KTZ and mark an important milestone in Kazakhstan. Both the locomotive assembly plant and service capabilities we provide will allow the customer to maintain its assets for years to come. We look forward to building upon our productive relationships in Kazakhstan to continue to serve the country’s infrastructure needs.”

### ***GE’s continuing commitment to the Republic of Kazakhstan***

Today’s announcement is the latest in a series between GE Transportation and Kazakhstan. Since 2005, GE Transportation has helped modernize the “2TE10” locomotives using a modernization package that includes a new microprocessor, electronic fuel injection engine and cooling system. Modernization can extend the revenue-generating life of a locomotive by up to twenty years. Moreover, the 3000<sup>th</sup> Evolution Series locomotive produced by GE Transportation was recently delivered to JSC Lokomotiv for KTZ.

### ***About the Evolution Series Locomotive***

The Evolution Series locomotive, which will be assembled in the Astana plant, represents a \$400 million investment by GE over eight years. The innovative locomotive is equipped with a 12-cylinder diesel engine that produces the same 4,400 horsepower as its 16-cylinder predecessor. The smaller engine uses up to 5% less fuel, or approximately 1.1 million fewer liters of fuel over the life of the locomotive, while reducing emissions by approximately 40%.

The Evolution Series locomotive is one of GE’s most prominent ecomagination™ products. Ecomagination is a GE-wide initiative to help meet customer demand for more energy-efficient products while generating profitable growth for the company.

Approximately 17,000 GE locomotives are currently in use in more than 50 countries around the world.

### ***About GE Transportation***

Established more than 100 years ago, GE Transportation, a unit of GE (NYSE: GE), is a global technology leader and supplier to the railroad, marine, drilling, mining and wind industries. GE provides freight and passenger locomotives, railway signaling and communications systems, information technology solutions, marine engines, motorized drive systems for mining trucks and drills, high-quality replacement parts and value added services. GE Transportation is headquartered in Erie, Pennsylvania, USA, and employs approximately 10,000 employees worldwide. For more information visit [www.getransportation.com](http://www.getransportation.com).

### ***About KTZ***

KTZ is not only the Republic of Kazakhstan’s national railway operator, but also the beacon of modern and versatile transport in the country, supporting the steady, competitive development of Kazakhstan’s economy. KTZ’s sphere of interest includes freight and passenger transport, logistics, telecommunications, infrastructure, and investment projects. KTZ operates over 14,000 kilometers of railways, more than 1,500 locomotives, 44,000 freight wagons and 1,700 passenger cars.

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