



GE and XD Electric Form Global Transmission and Distribution Partnership

- *Creates a New Highly-Competitive, Global Player in the Fast-Growing Electric Transmission and Distribution (T&D) Industry; Partnership Will Add Incremental Growth to GE Energy*
- *GE's Grid Automation and Service Capabilities, Together with XD Electric's Broad Range of High Voltage Equipment, Will Provide End-to-End Solutions for Utility and Energy Intensive Customers*
- *Global Transmission and Distribution is a \$100 Billion Industry with Strong Growth Dynamics Tied to the Megatrends of Growth in Emerging Economies and Electrification*

ATLANTA, GA.—May 7, 2012—GE (NYSE: GE) and XD Electric Group (SHA: 601179) announced today the formation of a new partnership to deliver a full-line of electric transmission and distribution (T&D) and grid automation solutions to customers around the world. The partnership creates a new global competitor to provide customers with proven technology offerings to build and upgrade their electrical infrastructure to meet the high demand for reliable electricity.

The three major components of the partnership are:

- Creation of a global partnership to combine GE's grid automation and service capabilities with XD Electric's comprehensive portfolio of primary power equipment to offer customers an array of integrated transmission and distribution solutions;
- Establishment of a joint venture (JV) with XD Electric to offer customers in China localized grid automation solutions; and
- GE's purchase of a 15 percent equity stake in XD Electric and appointment of a representative to the XD Board of Directors.

In the T&D segment, GE is a leading provider of grid automation systems that enhance customers' power reliability and operating efficiency. GE brings to the partnership deep customer relationships, global reach and domain expertise in both utility and energy-intensive industries such as oil and gas, metals and mining.

XD Electric, which is traded on the Shanghai stock exchange, is dedicated to the research, application, development and manufacture of high and ultra-high voltage T&D equipment. XD Electric is one of China's largest primary equipment providers and has a broad range of products to transform and direct the flow of power for industrial, commercial and residential users.

Globally, T&D is a \$100 billion industry with strong growth dynamics tied to the rise in electricity demand as middle-class populations grow around the world¹. China represents approximately a quarter of the T&D industry's projected expansion and is a leader in the deployment of high and ultra-high voltage technology². Over the next decade, China plans to invest \$600 billion in its electrical infrastructure. In places like Europe, North America and Australia, modernization of electrical systems is contributing to the industry's growth, driven by new requirements from renewable and distributed power sources. Expansion in electrification in energy intensive industries also will drive electrical infrastructure investments as they upgrade their equipment to improve the efficiency of their operations.

Mr. Zhang Yalin, XD Chairman of the Board said, "XD and GE have complementary product lines. Our partnership is a good match that aligns with industry trends to provide the customer with world-class end-to-end transmission and distribution solutions. Our geographical strengths will benefit XD's globalization strategy and increase our export sales."

"This is the beginning of an important relationship between two companies with complementary product lines and commitments to technology. It will enhance GE's ability to provide end-to-end transmission and distribution solutions and expand our presence in the fastest growing regions of the world," said Bob Gilligan, president and CEO of GE's Digital Energy business. "Together, GE and XD Electric will become one of the global leaders in comprehensive T&D technology solutions."

"This is a significant milestone in GE's long-term strategy to become a highly competitive, global player in transmission and distribution technologies," said Dan Janki, president and CEO of GE Energy Management. "Last year, we bolstered our power conversion technologies with the acquisition of Converteam. Today our partnership with XD Electric is another building block that will strengthen GE's power management capabilities to serve our customers and energy-intensive industries."

The formation of the partnership remains subject to regulatory approvals and the satisfaction of customary closing conditions. GE and XD Electric expect that the partnership will be able to begin operations in 4Q 2012.

Citigroup acted as sole financial advisor to GE on this transaction. Weil, Gotshal & Manges LLP and Fangda Partners are GE's lead legal advisers.

About GE

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[GE Energy](#) works connecting people and ideas everywhere to create advanced technologies for powering a cleaner, more productive world. With more than 100,000 employees in over 100 countries, our diverse portfolio of product and service solutions and deep industry expertise help our customers solve their challenges locally. We serve the energy sector with technologies in such areas as natural gas, oil, coal and nuclear energy; wind, solar, biogas and water processing; energy management; and grid modernization. We also offer integrated solutions to serve energy- and water-intensive industries such as mining, metals, marine, petrochemical, food & beverage and unconventional fuels.

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About China XD Electric Group

China XD Electric Group ("XD Electric") is one of China's largest manufacturers of electricity transmission and distribution equipment. The company specializes in manufacturing equipment for electrical transmission and distribution systems, such as high voltage substations, DC voltage lines, transformers, and gas-insulated switchgear. XD was founded in 1986, and has been listed on the Shanghai Stock Exchange since 2010 (SHA: 601179). Headquartered in Xi'an, China, XD Electric

currently exports products to over 40 countries and regions throughout Europe, the United States, Asia and Africa.

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Notes:

1. UBS Investment Research; Goulden Report; ABS Energy Research; Gartner
2. UBS Investment Research; Goulden Report; ABS Energy Research; Gartner

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