

GE Capital Re-organization ( full press release )

GE Chairman and CEO Jeff Immelt announced organization changes that will result in GE Capital, the Company's diversified financial services business, becoming four separate GE financial services businesses. Effective August 1, 2002, GE Capital will become GE Commercial Finance, GE Insurance, GE Consumer Finance and GE Equipment Management. Each of the businesses will report directly to Immelt and GE Vice Chairman Dennis Dammerman, who has oversight for GE Capital.

"The reason for doing this is simple - I want more direct contact with the financial services teams," Immelt said. "GE's financial businesses generate 40 percent of the Company's earnings. They have been an important part of GE's growth for decades, offering tremendous diversity of financial services, great leadership and the best people in the industry. To build on this success, it now makes sense to operate these businesses even more effectively.

"These four new financial services businesses have great breadth and the resources to deliver globally, " Immelt said. "They have similar customers, processes and opportunities for greater sharing. With this simplified structure, the leaders of these four businesses will interact directly with me, enabling faster decision-making and execution.

"The organization and leadership will be aligned with their natural markets," Immelt said. "This will create a clearer line of sight on how our financial services businesses operate and enhance growth. Our external reporting will mirror this organizational structure, providing greater clarity for investors."

**Named to lead the four financial businesses are:** Michael A. Neal, president and CEO, GE Commercial Finance; David R. Nissen, president and CEO, GE Consumer Finance; Arthur H. Harper, president and CEO, GE Equipment Management; and Michael D. Fraizer, president and CEO, GE Insurance.

To ensure the same rigorous level of financial stewardship, several critical and shared GE Capital Corporate functions including Risk Management, Capital Markets, Controllershship, Tax and Treasury, will remain intact. GE Capital Services, Inc. and GE Capital Corporation will remain as legal entities and continue as the major borrowers of funds necessary to support all of GE's financial services activities. Their boards will continue as platforms for reviews of operations, transactions and capital allocation among the four financial services businesses. Dammerman will be chairman and James A. Parke will be vice chairman of both boards. Parke also has been promoted to a GE senior vice president and, in addition to his current

responsibilities as GE Capital CFO, will oversee GE Equity and GE Information Technology Solutions.

**GE Capital Chairman and CEO Denis J. Nayden's plans** include creating a financial services advisory company. In this regard, he will continue to serve as a senior advisor to Immelt and the GE Capital Board on business development and other matters.

"Denis Nayden is a great leader and a big reason for GE Capital's outstanding performance," Immelt said. "He and the Capital Corporate team are to be commended for creating smart, entrepreneurial, and disciplined teams that have made GE the leader in key financial industries.

"I want to thank Denis for building such a strong record of performance and financial integrity at GE Capital over the past 25 years, and I am extremely pleased that he has agreed to continue in a key role," Immelt said. "Denis' extensive expertise, financial acumen and industry knowledge will be invaluable to me as we continue to grow."

Nayden said: "Leading GE Capital has been a tremendous professional and personal experience, especially having had the opportunity to work with a fabulous team of energized, talented people. By creating four financial services businesses, each with a strong leader, we are fulfilling Jeff's vision of customer centricity by creating a leaner, faster, more efficient operation. I look forward to continuing a strong relationship with the Company."

**Current GE Capital businesses will be organized into the new structure as follows:**

**GE Commercial Finance:** Aviation Services, Commercial Equipment Financing, Commercial Finance, Healthcare Financial Services, Real Estate, Structured Finance Group, Vendor Financial Services.

**GE Equipment Management:** Fleet Services, Rail Services, TIP/Mod Space, European Equipment Management, Penske Truck Leasing.

**GE Consumer Finance:** Card Services, Global Consumer Finance.

**GE Insurance:** Employer's Reinsurance, Financial Assurance, Financial Guaranty Insurance, Mortgage Insurance

GE will continue its practice of expanded financial disclosure covering these

businesses.

"We have a talented financial leadership team in place representing decades of experience with GE Capital, and a deep bench supporting them." Immelt said. "Mike Neal brings a great history of deal making and strong leadership. Mike Fraizer's industry knowledge and talents have helped create a thriving global consumer insurance business. Included in the Insurance segment will be Employers Reinsurance Corporation, which will continue to be led by Ron Pressman. Art Harper brings a legacy of excellent operational depth, experience and management. Dave Nissen's strategic perspective and leadership have helped him build a global consumer finance business literally from the ground up.

"I have envisioned having more direct contact with our financial services team since I became chairman and CEO last September," Immelt said. "GE Capital is positioned for another year of double-digit growth. Our businesses and portfolio, as well as our processes and procedures, are in great shape. The performance of our Company remains on track for 2002." For more information, visit the company's website at <http://www.ge.com>.

## **GE COMMERCIAL FINANCE**

GE Commercial Finance, with more than \$180 billion in assets, offers businesses of all sizes an array of financial services and products worldwide. With a particular expertise in the mid-market segment, GE Commercial Finance provides loans, operating leases, financing programs and other services. It also offers loans and financing leases for major capital assets, including a full range of aircraft fleet and financing solutions; industrial facilities and equipment, and energy-related facilities; commercial and residential real estate loans and investments; and loans to and investments in public and private entities in diverse industries.

### **Businesses:**

**Aviation Services** offers fleet, financing and productivity solutions to the global aviation industry. With three decades of expertise and long-standing customer relationships in more than 60 countries, Aviation Services has a fleet of nearly 1,000 owned aircraft and manages nearly 300 for others. Aviation Services provides operating leases and sale/lease back arrangements; secured loans and debt financing through its PKFinance unit; engine leasing through GE Engine Leasing, and productivity services through its affiliate network.

**Commercial Equipment Financing** (CEF) helps thousands of customers - from small businesses to Fortune 100 companies - finance the purchase of fixed assets.

CEF's portfolio includes trucks and trailers, corporate aircraft, manufacturing facilities and construction office equipment. CEF also provides tax-exempt financing for state and local governments, universities and hospitals. Financing transactions range from \$50,000 to \$50 million and involve a variety of lease and loan products tailored to a customer's equipment needs and financial and tax situations.

**Commercial Finance** is a worldwide provider of innovative financing solutions primarily for non-investment grade companies. Products and services include revolving credit facilities; term debt; asset securitization; trade finance; factoring; debtor-in-possession facilities; plan of reorganization facilities, and preferred and common equity.

**Healthcare Financial Services** (HFS) was created to focus exclusively on the special needs of the healthcare industry, bringing a comprehensive set of financial products and services to the market. HFS provides a wide range of financial solutions including working capital lines of credit, real estate financing, equipment rentals/leasing/financing, and private equity investments to healthcare companies of all sizes across a wide range of sectors.

**Real Estate** is one of the world's leading resources for commercial real estate capital, through its capital markets, equity and structured finance products and services. Real estate owners and investors rely on Real Estate for a broad spectrum of financing solutions, including intermediate to long-term mortgage financing; restructuring and acquisition capital; niche equity investment/joint ventures; capital market securitization and placements; asset management services; sales leasebacks, and loan servicing.

**Structured Finance Group** (SFG) is an investor and provider of innovative structured financial products servicing clients in the global energy, telecommunications, diversified industrial and transportation sectors. With more than 30 years of experience, SFG meets the needs of its clients by combining industry and technical expertise with significant financial capabilities.

**Vendor Financial Services** (VFS) is a global leader in developing and providing financial solutions and services to equipment manufacturers, distributors, dealers and their end users. VFS builds and manages private-label programs, outsourced sales financing operations, trade payables services programs, lease broker support and wholesale programs. VFS includes European Equipment Finance (EEF) a leading provider of equipment finance in Europe, offering financial solutions on a single country or pan-European basis.

Leadership: Michael A. Neal, President and CEO

Headquarters: Stamford, CT USA

Michael A. Neal

Michael A. Neal is president and CEO of GE Commercial Finance, an array of businesses that offer financial services and products to businesses of any size, with particular expertise in the mid-market segment. With assets of more than \$180 billion, GE Commercial Finance provides loans, operating leases, financial programs and other services. Previously, Neal was president and COO of GE Capital Corporation. He is a senior vice president of GE Company, and a member of the Advisory Committee, Penske Truck Leasing Co., L.P.

Neal has held various assignments at General Electric Company since he began in 1979. He joined GE Capital in 1987 as vice president and general manager of Vendor Financial Services.

In 1990, he became general manager of Commercial Equipment Financing. Under Neal's direction, Commercial Equipment Financing, the world's largest supplier of middle-market financing, recorded consistent growth, becoming one of GE's most profitable businesses.

He was appointed executive vice president of GE Capital in 1994 and has been recognized for planning and implementing GE Capital's successful core growth strategies, acquiring and building throughout Asia but notably in Japan, while driving Six Sigma and e-Business to deliver breakthrough productivity. Recently, he led the effort to acquire Heller Financial Services, which at \$20 billion dollars is GE Capital's largest-ever acquisition.

Neal is a member of the US Advisory Board of the European Institute of Business Administration (INSEAD) and has recently been appointed to the board of trustees of Fairfield University. Neal is also a Trustee of the Georgia Tech Foundation and is on the Board of Stamford based Soundwaters. He has been the chairman of the GE Capital New York/Connecticut/New Jersey tri-state United Way campaign and participates in several local community volunteer activities through GE ELFUN.

Neal received his B.S. degree from the Georgia Institute of Technology in 1975.

## **GE EQUIPMENT MANAGEMENT**

GE Equipment Management, with assets of more than \$25 billion, provides leases, loans, sales and asset management services for portfolios of commercial and

transportation equipment, including aircraft, trailers, auto fleets, modular space units, railroad rolling stock and data processing equipment.

### **Businesses:**

**Fleet Services** is one of the leading corporate fleet management companies in the world, with more than 1.2 million cars and trucks under lease and service management. Fleet Services' 48 years of industry experience combines with technology, established networks and volume to provide fast and effective solutions to meet the productivity and outsourcing requirements of today's growing businesses.

**Rail Services** is a leading provider of rail cars and related services to businesses worldwide. With a fleet of more than 185,000 rail cars, it offers the industry's most diverse fleet and flexible leasing solutions.

**Penske Truck Leasing** is a global leader in transportation services and supply chain management. With a fleet of 208,000 heavy, medium, and light-duty trucks, and more than 900 locations, Penske continues to identify tactics that improve customer satisfaction and productivity.

**TIP/Mod Space** are two related businesses. Transport International Pool (TIP) is a global leader in over-the-road commercial semi-trailers and intermodal transportation services with more than 40 years experience in the trailer renting and leasing business. Customers may rent, lease or buy trailers from its global fleet of over 300,000 units through an extensive network of over 300 branches and depots worldwide. TIP is also a leading provider of storage equipment in North America through its National Trailer Storage (NTS) subsidiary. Modular Space, with a North American and European fleet of over 125,000 buildings, is one of the largest global suppliers of mobile and modular building solutions for construction, commercial, health care, education, industry and government markets.

European Equipment Management (EEM) helps businesses in Europe efficiently manage transportation and building space. EEM is one of the continent's leading providers of cars, vans, trucks, trailers, railcars and modular buildings, through five businesses: Fleet Services, TLS, TIP, Rail Services and Modular Space.

Leadership: Art Harper, President and CEO

Headquarters: Stamford, CT USA

**Arthur H. Harper**

Arthur H. "Art" Harper is president and CEO of GE Equipment Management, which includes Fleet Services, Rail Services, TIP/Modular Space, European Equipment Management and Penske Truck Leasing. He also oversees the GE SeaCo joint venture and GECIS Global, GE's operations and processing centers in India, Mexico and China. Previously he was an executive vice president and a member of the Office of the CEO at GE Capital. He is also a member of GE's Corporate Executive Council.

In 1978, he was a technical sales representative in the Chemical Division of Conoco, Inc. in Houston, TX. He then served as a marketing representative for the Polymer Products Department of DuPont Corporation from 1983 to 1984.

Harper joined GE Plastics in 1984 as a market development specialist in the ULTEM business where he also worked as an aerospace application field programs specialist and as the aircraft application program manager. In 1987, he was appointed district sales manager for GE Silicones in Brea, CA, which he held until he was named plant manager in 1991 at the Plastics plant in Oxnard. In 1992, Harper was named business leader for crystalline materials in Pittsfield, MA and in 1994, moved to business leader of the LEXAN business. He became president of GE Plastics Greater China in 1996. Harper was appointed vice president of Global Manufacturing for GE Plastics in Bergen Op Zoom, The Netherlands in 1998.

In May 2000, he became president and senior managing director for GE Plastics Europe at the company's European headquarters in Bergen op Zoom, The Netherlands. Harper had full responsibility and accountability for the entire operation and financial results of GE Plastics Europe, Middle East, India, and Africa.

Harper received his bachelor's degree in chemical engineering from Stevens Institute of Technology in 1978. In recognition of his many accomplishments, he received the Black Achievers in Industry Award in 1994 and the 1998 Career Achievement Award at Stevens Institute of Technology. He is a member of GE's African American Forum.

Harper's hobbies include golf, collecting jazz recordings and African American art.