

# GE in France

Paris Europlace / FSIF  
New York – October 22, 2007



GE imagination at work






# GE & GE Real Estate



imagination at work

# The 6 businesses of GE

| Infrastructure  | Healthcare  | Industrial   | Commercial Finance  | Money   | NBC Universal   |
|---|---|--|---|---|---|
|  |  |  |  |  |  |

# GE in France - 50 years of history

European headquarters of 3 activities:

- Healthcare
- Energy
- Real Estate

JV with Safran (Snecma): CFM Aircraft Engine

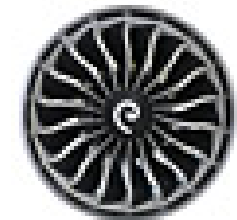
3 Global Centers of Excellence :

- Belfort - Energy: Gas turbines 40 - 130 MW
- Buc – Healthcare: vascular systems, mammography, clinical information systems
- Le Creusot – Oil & Gas: Steam powered turbines and centrifuge compressors

10 000 employees – more than 50 nationalities

6 sites of production

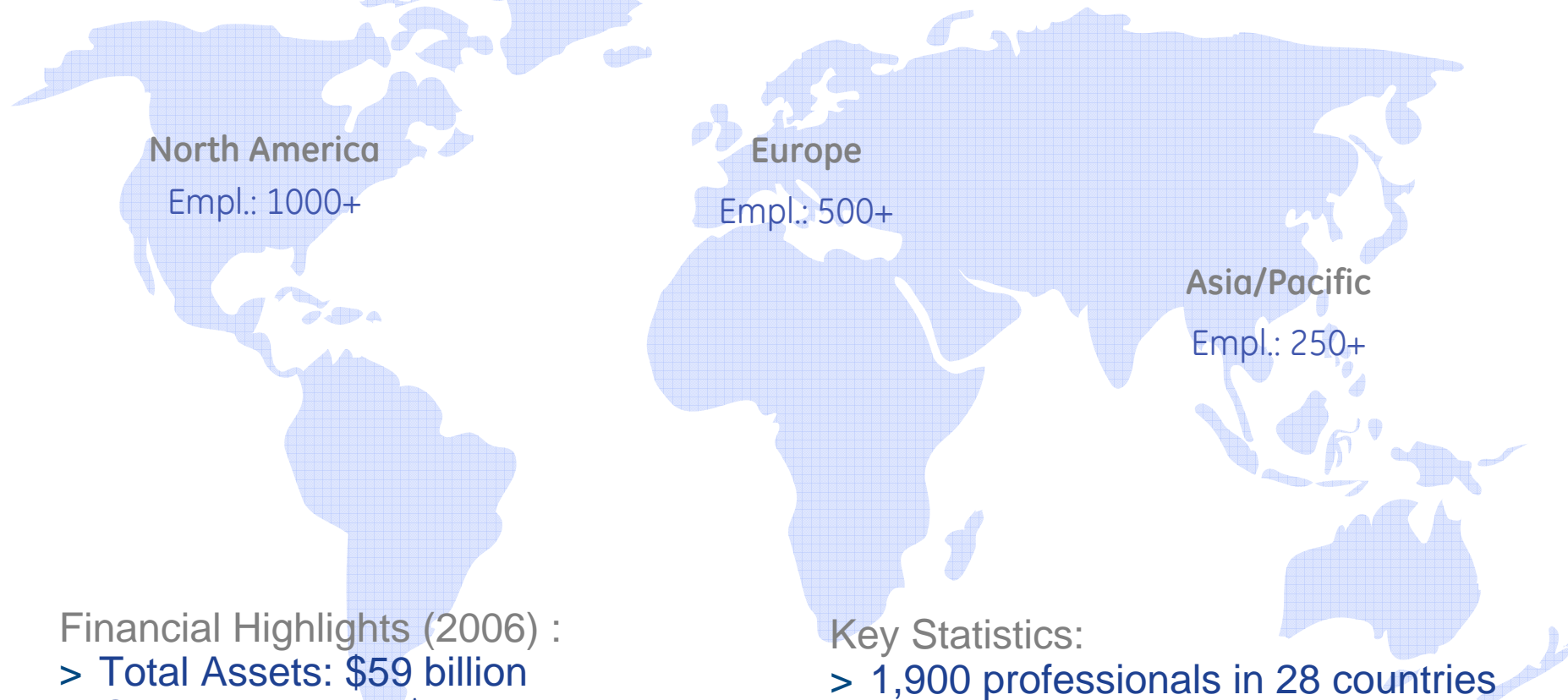
2006 Revenue : €4 Billion



# GE Real Estate – Global presence

The world's premier commercial real estate capital solutions provider

> Presence in 28 countries with 45 offices worldwide



## Financial Highlights (2006) :

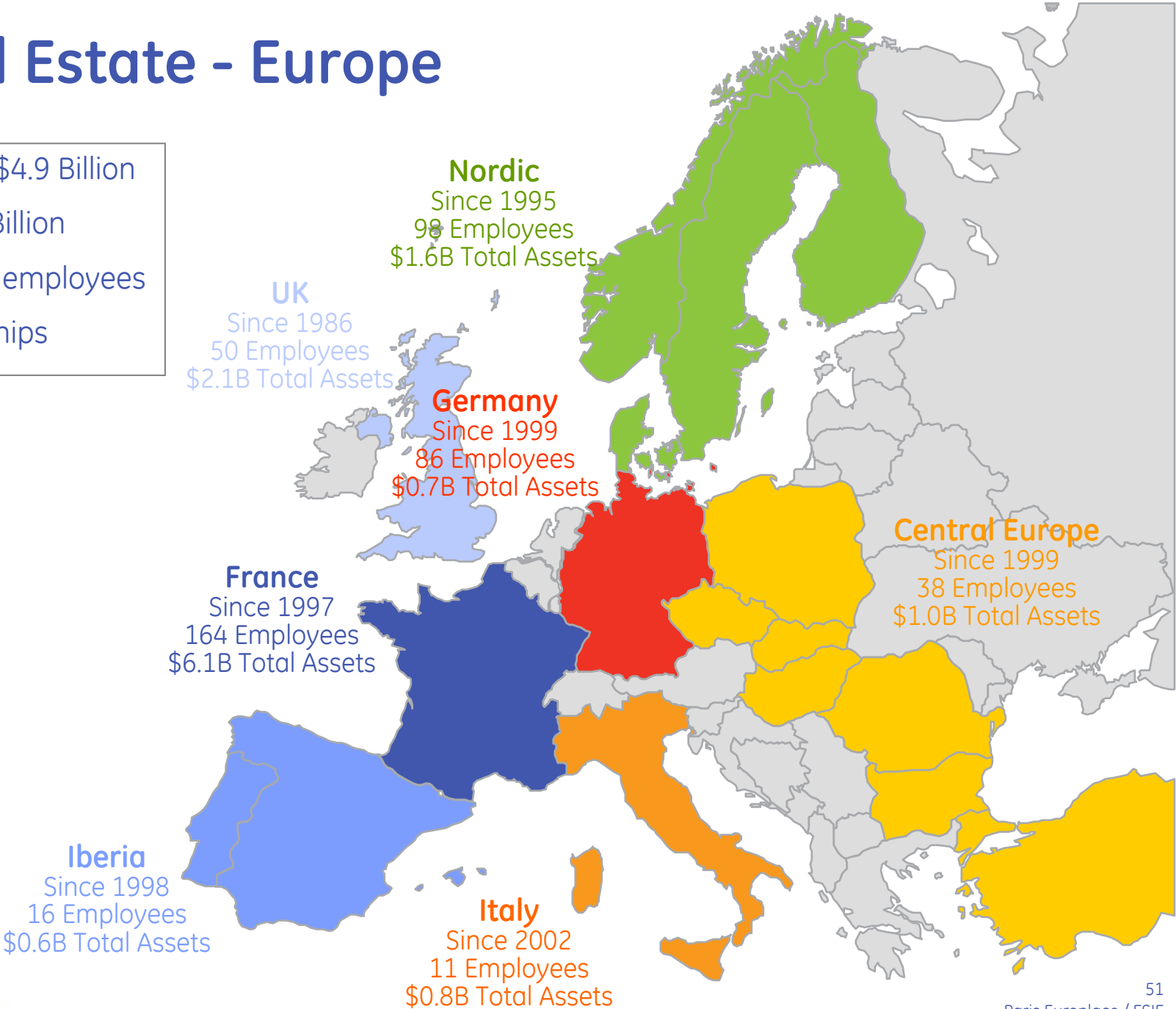
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- > Gross Revenue: \$1.6 billion
- > Total Volume: \$7.4 billion
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## Key Statistics:

- > 1,900 professionals in 28 countries
- > Established in 1972
- > 350 million sq. ft. of global real estate

# GE Real Estate - Europe

- 2006 volume : \$4.9 Billion
- Assets : \$18.1 Billion
- More than 500 employees
- 42 JV partnerships



# GE Real Estate in France – 10 Year Presence

## Over the last 10 years:

|               |          |
|---------------|----------|
| Investment:   | \$11.4Bn |
| Sales:        | \$5.3Bn  |
| Today Assets: | \$6.1Bn  |

2007

2006

IPBM

2005

Listed Co.

2004

SOPHIA

2003

Corporate SLB

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France TELECOM

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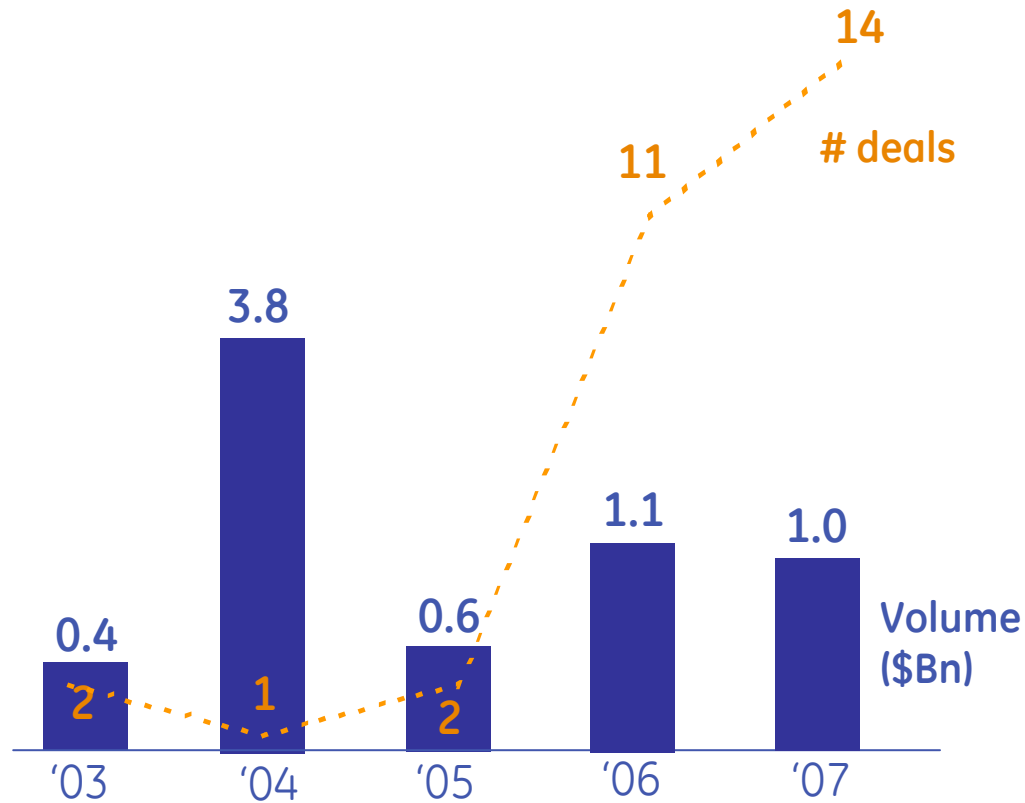
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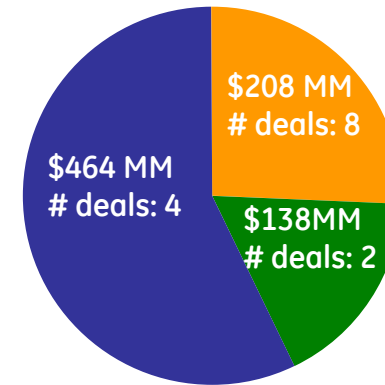
Opening up of Paris Office – First NPL portfolio

# GE Real Estate France Investment volumes

Volume Evolution



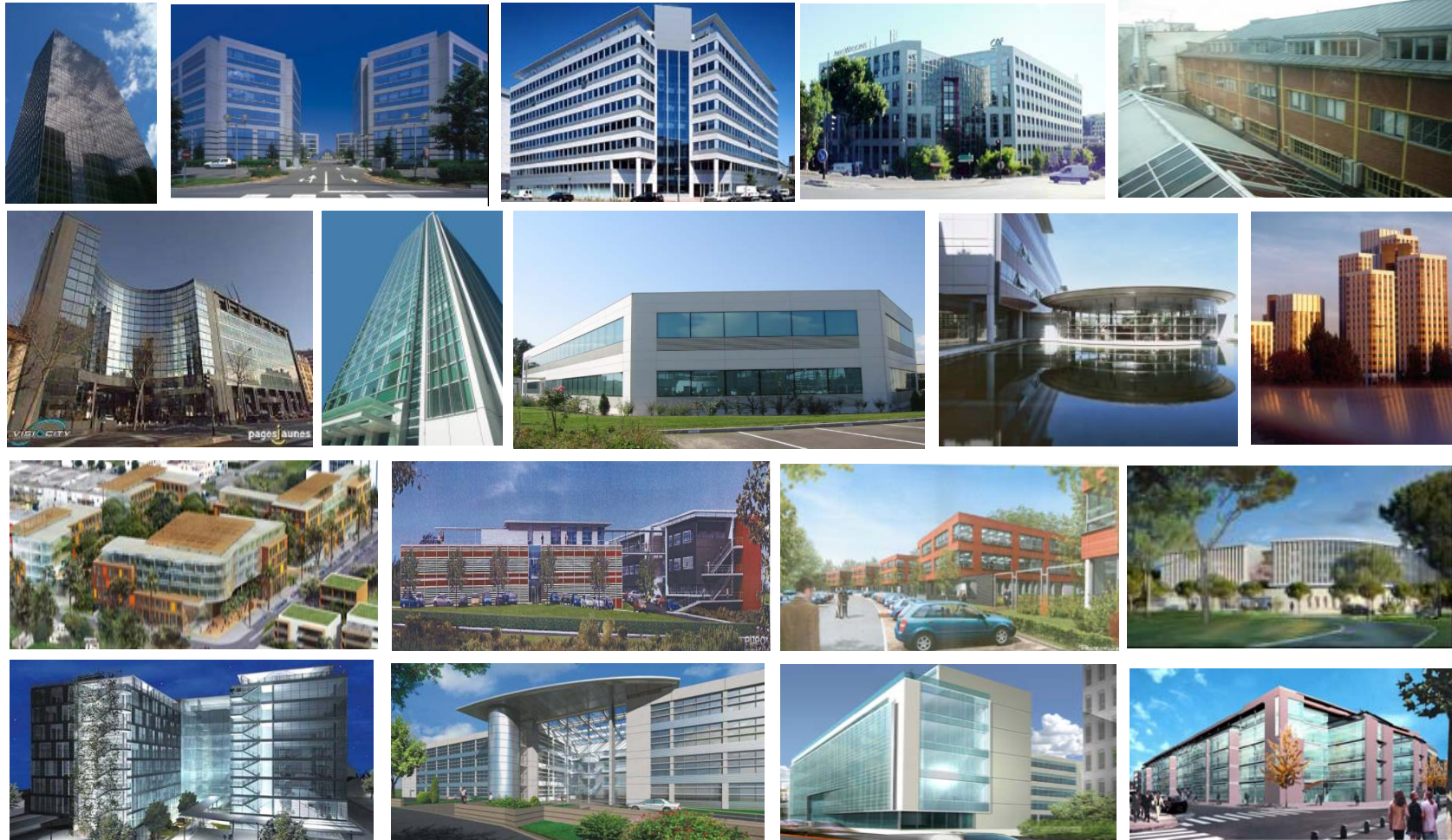
2007 Volume (1<sup>st</sup> half)



- Core Assets for GE's REIT
- RE Developments
- Minority Stakes in REITs



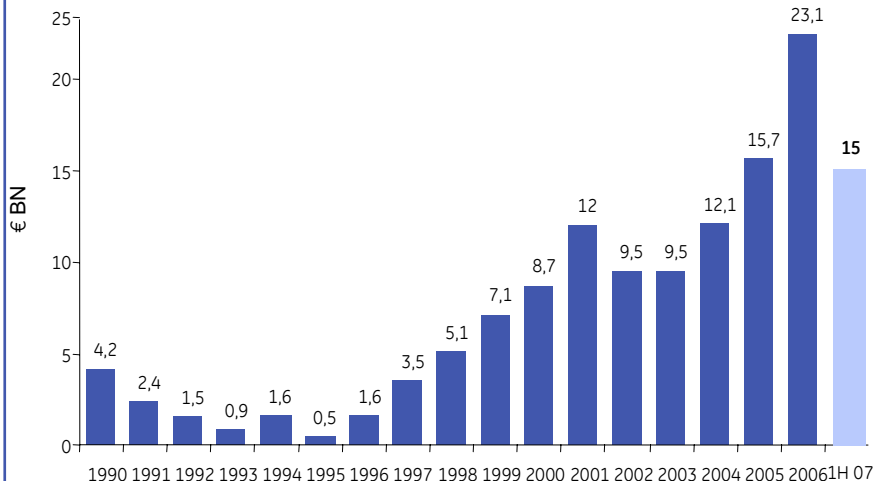
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# Market

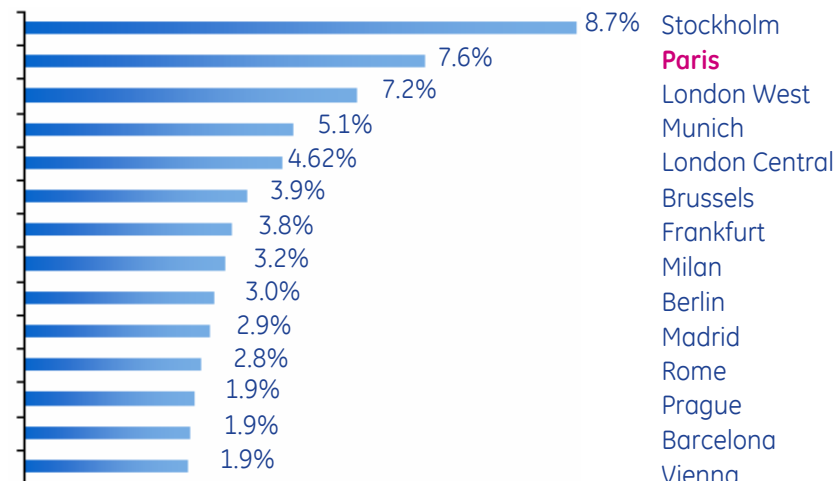
# Real Estate Market in France

## Investment Volumes



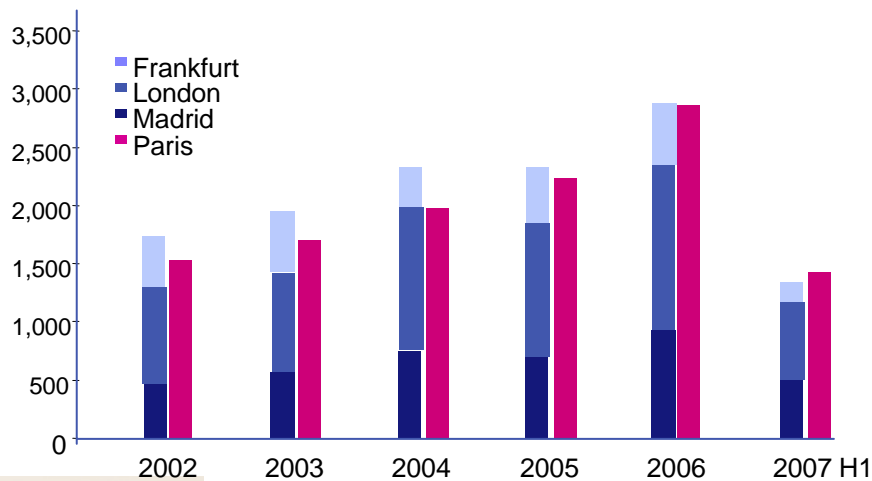
Source: CBRE 1H 2007

## Rental Growth Forecast CAGR 07'-11'



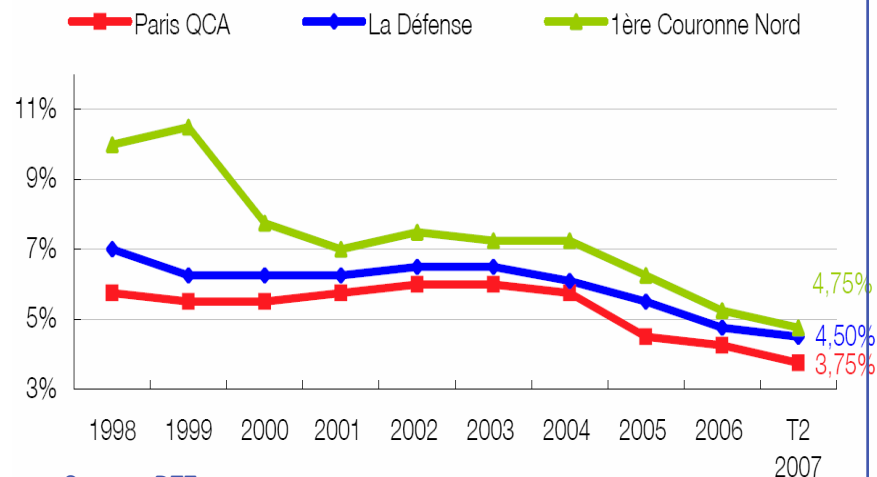
Source: PMA, Aug 07

## Annual Take-Up (m2)



Source: CBRE 1H 2007

## Office Yields



Source: DTZ

Source: DTZ Research / FSIF

New York - October 22, 2007

# SIIC – Overview and GE example



imagination at work

# SIIC Implementation

## SIIC Legislation

## SIIC Outcome

**SIIC 1** Tax free status on rental income and capital gains, but distribution obligations to shareholders

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SIIC 2&3 extended (2008, non real estate asset classes)

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Market Cap

Av. Market Cap per Co.

Largest Market Cap.

Top 5 Market Cap.

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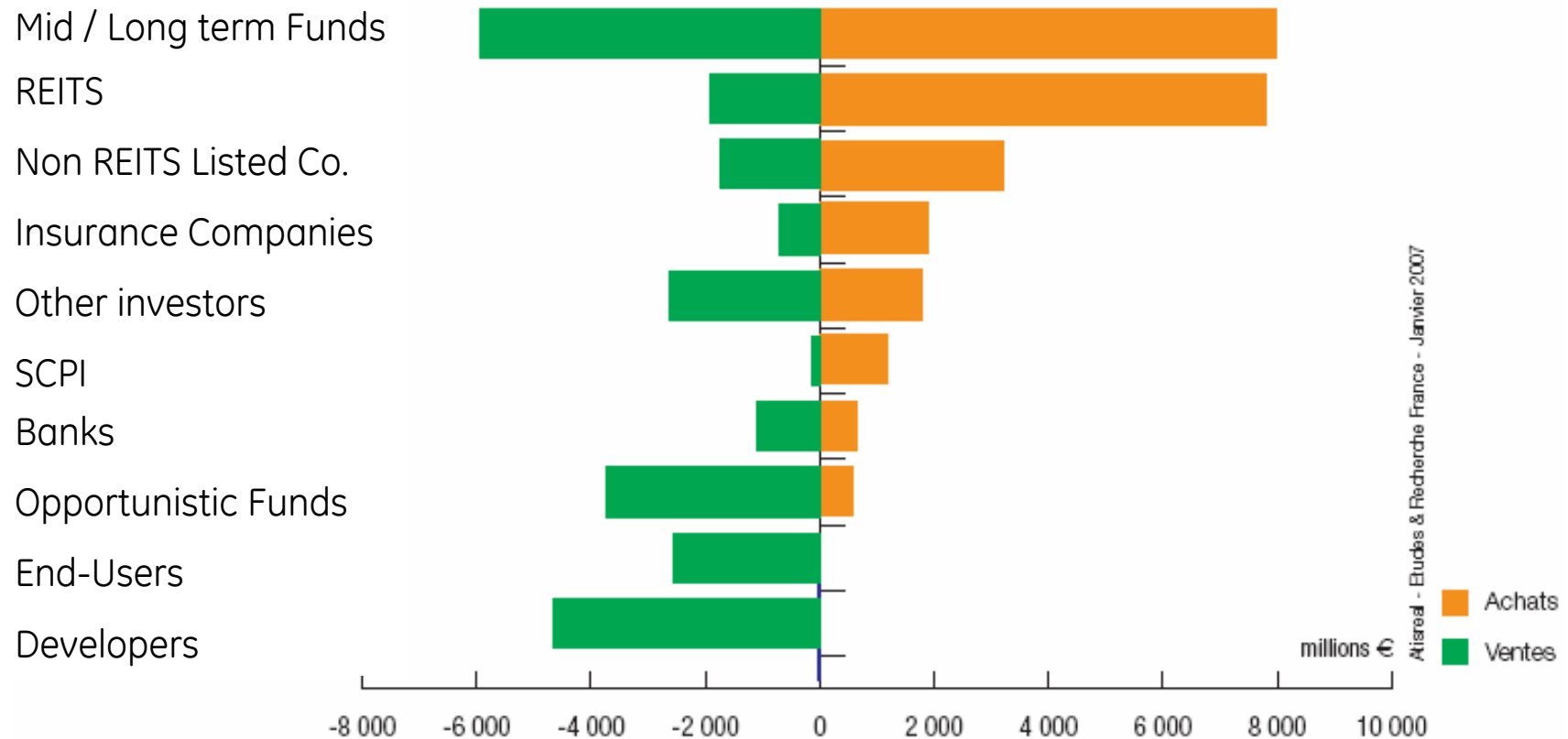
Corporate SLB

Consolidation  
Diversification



# Investment by Players

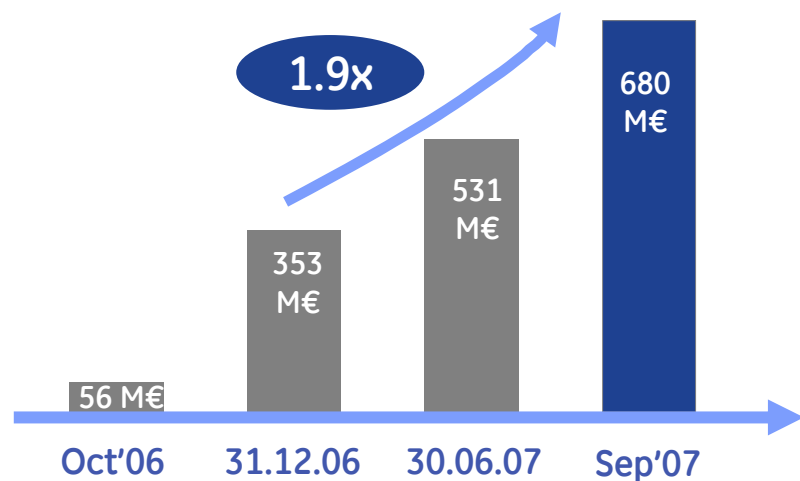
Investissement en immobilier d'entreprise en France en 2006



Source: Atis Real 2006

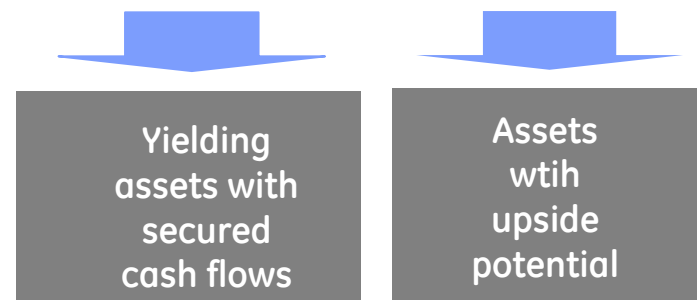
# IPBM - the GE Real Estate French REIT

## Portfolio Expansion



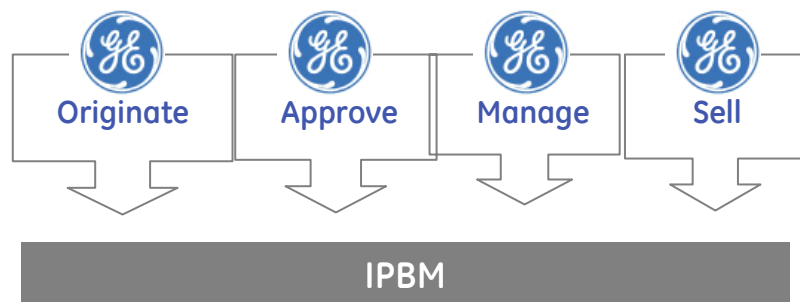
## IPBM Investment Strategy

### Complementary Investment Lines



## IPBM's Alignment with GE

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- ✓ IPBM is currently 96.5% owned by GE Real Estate

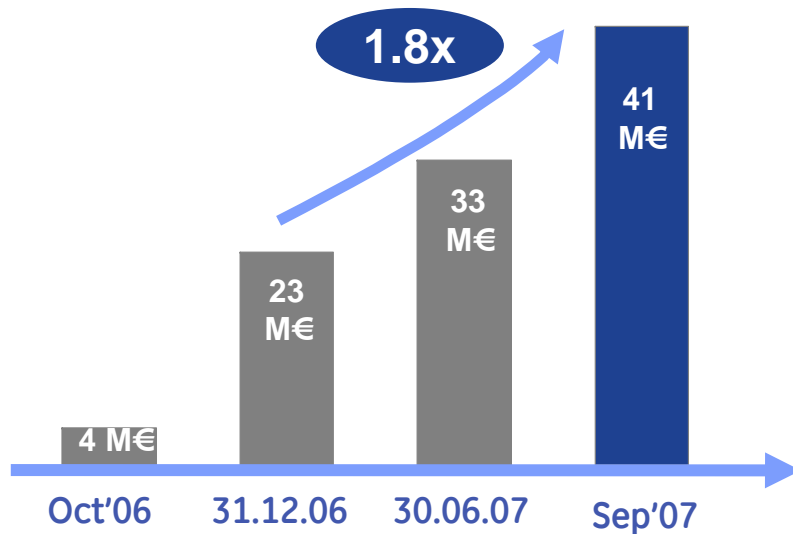


## IPBM Key Financials as of September 07

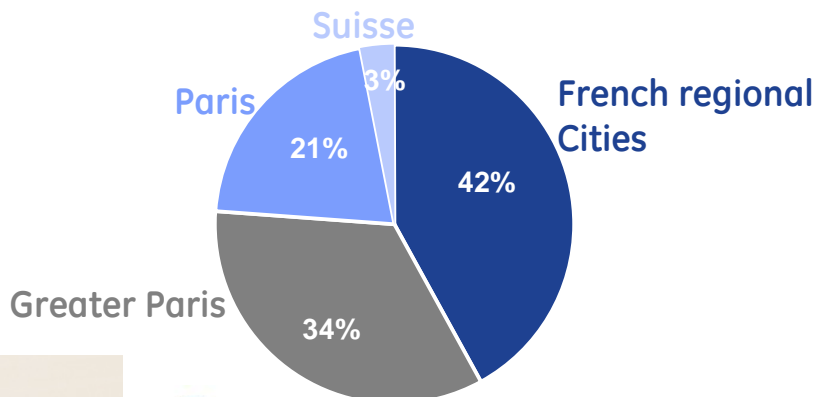
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| # Assets               | 45       |
| Sqm                    | 391 000  |
| Asset Value (incl. TT) | € 680 MM |
| Annualized Rents       | € 41 MM  |
| Gross Rental Yield     | 6.1%     |

# IPBM – A diversified French portfolio

## Fast Growing Rental basis

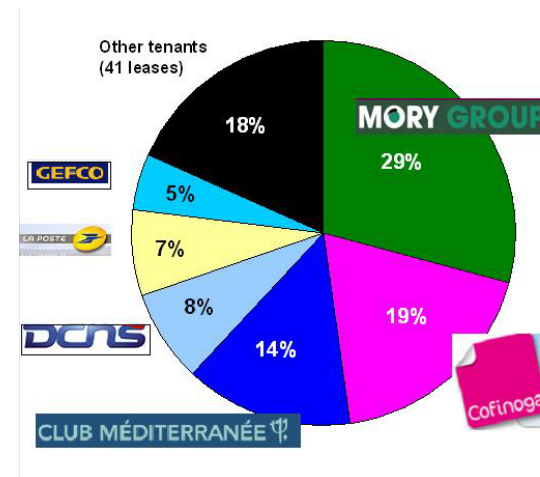


## Focus on France

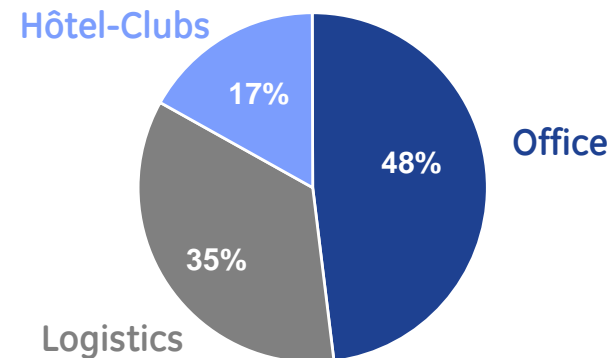


## Strong, Long-term & Diversified tenant base

- ✓ 47 tenants – >98.5% occupancy rate
- ✓ 8-year Average residual lease duration



## Balanced Asset Class Exposure



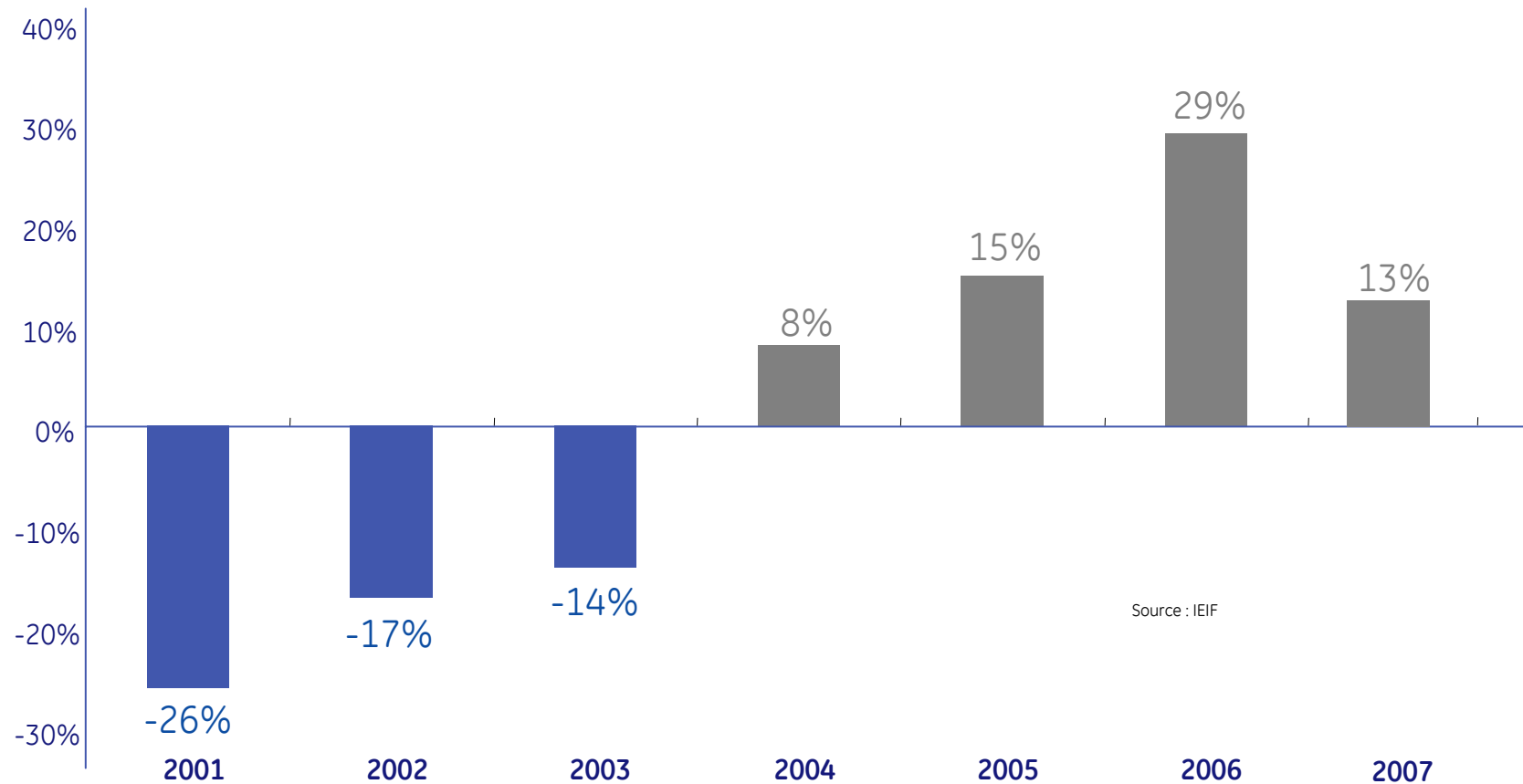


# SIIC - What Next ?



imagination at work

# Premium / Discount to NAV



Source : IEIF

# Schematic Representation of Key Trends in REIT Development

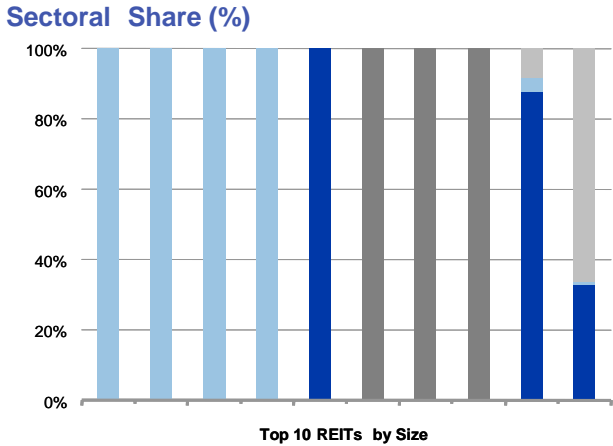


Source : Deutsche Bank

# Trend Towards REIT specialism

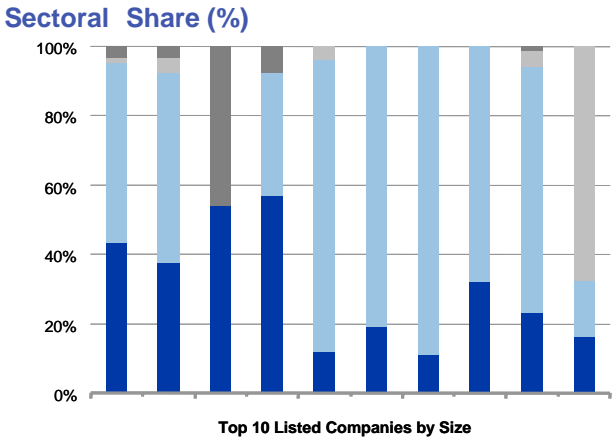
Top 10 US REITs sector focus

Office Retail Industrial Residential



Top European Listed company sector focus

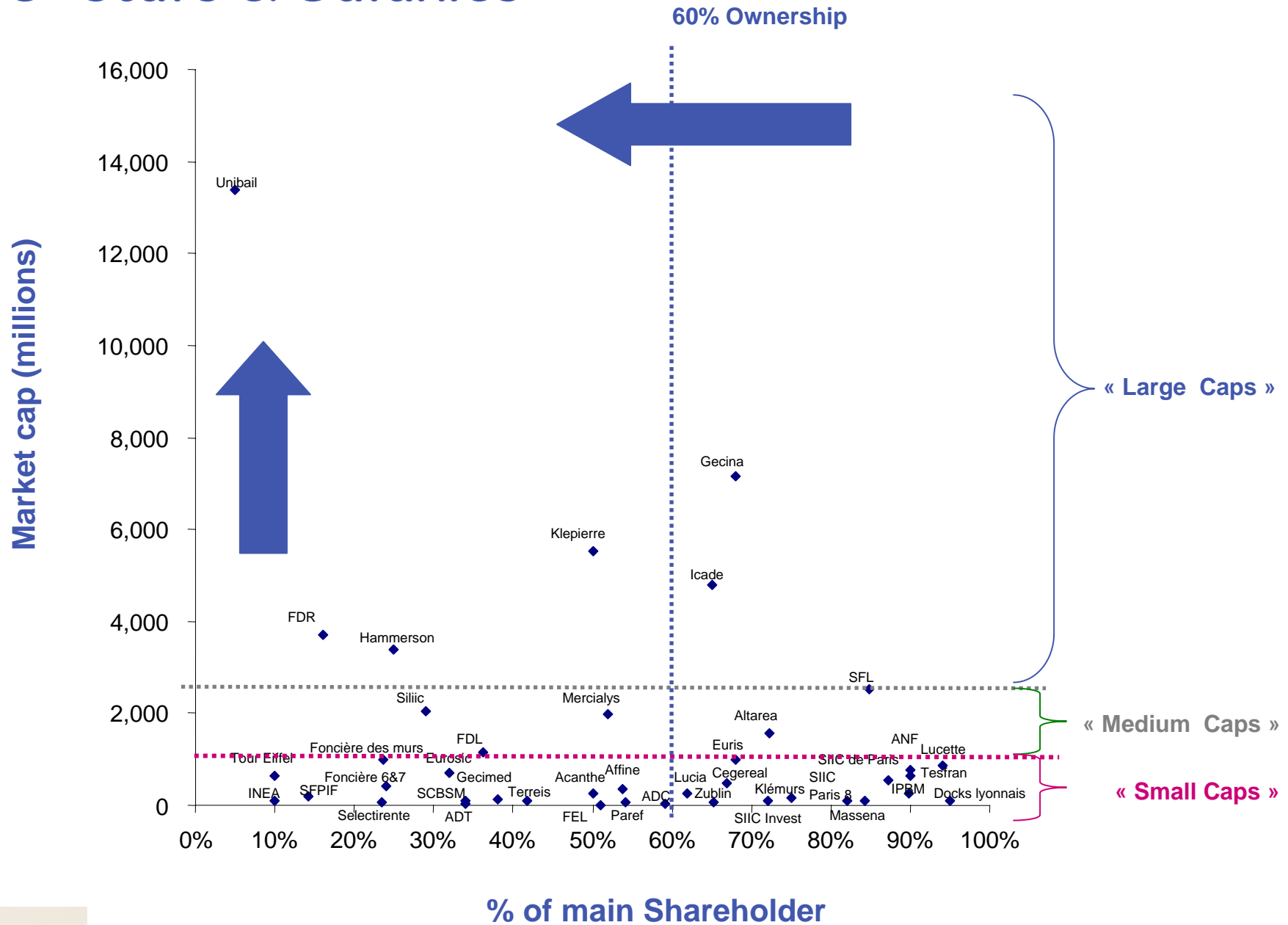
Office Retail Industrial Other



Note: As at end 2005

Source: UBS; RREEF

# SIIC "Stars & Galaxies"



# GE in France



Greater Paris Investment Agency



**François TRAUSCH**  
Chief Executive Officer  
GE Real Estate France



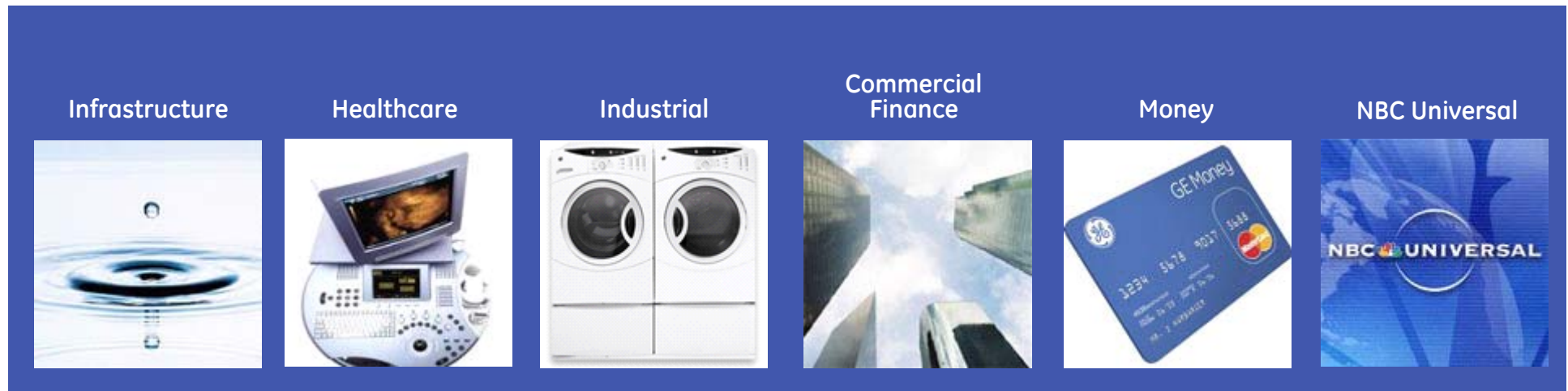
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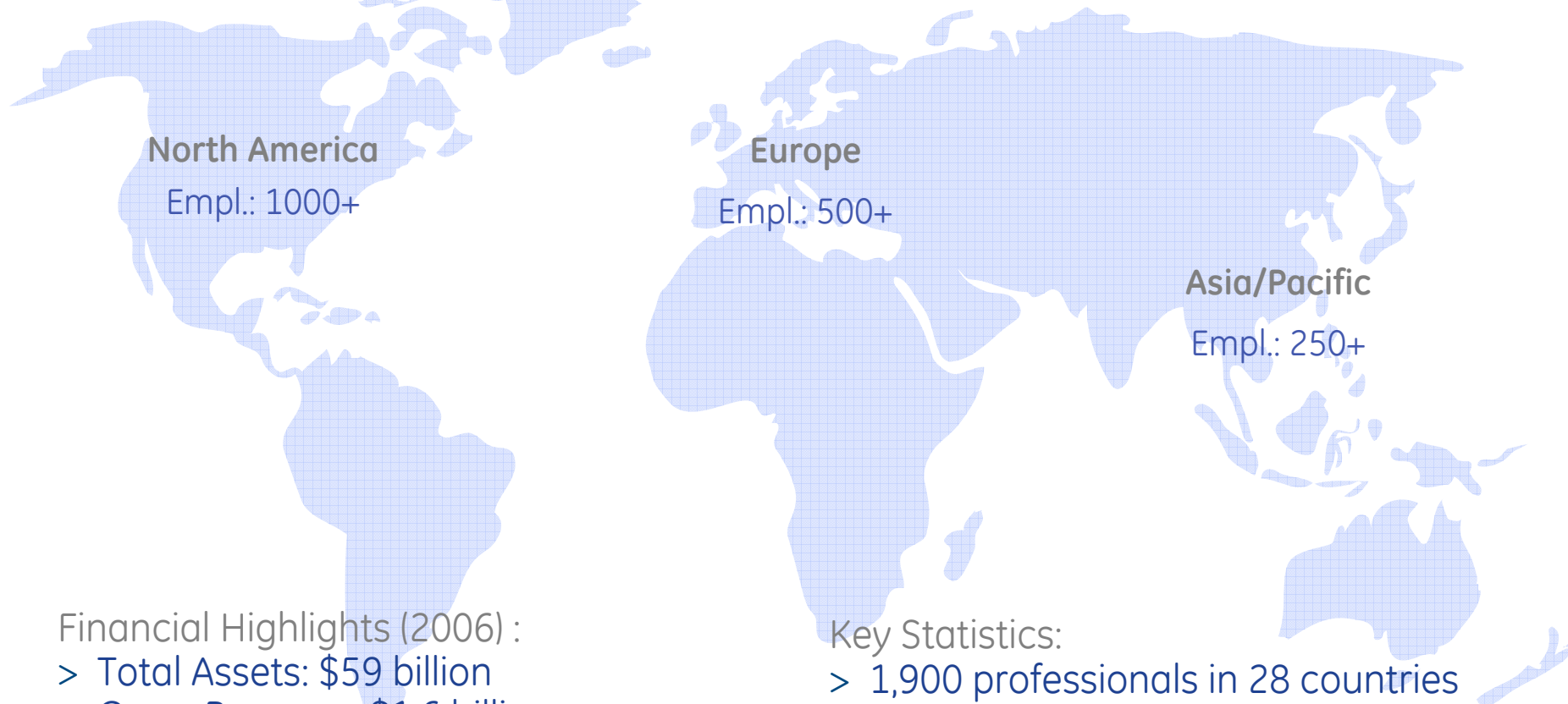
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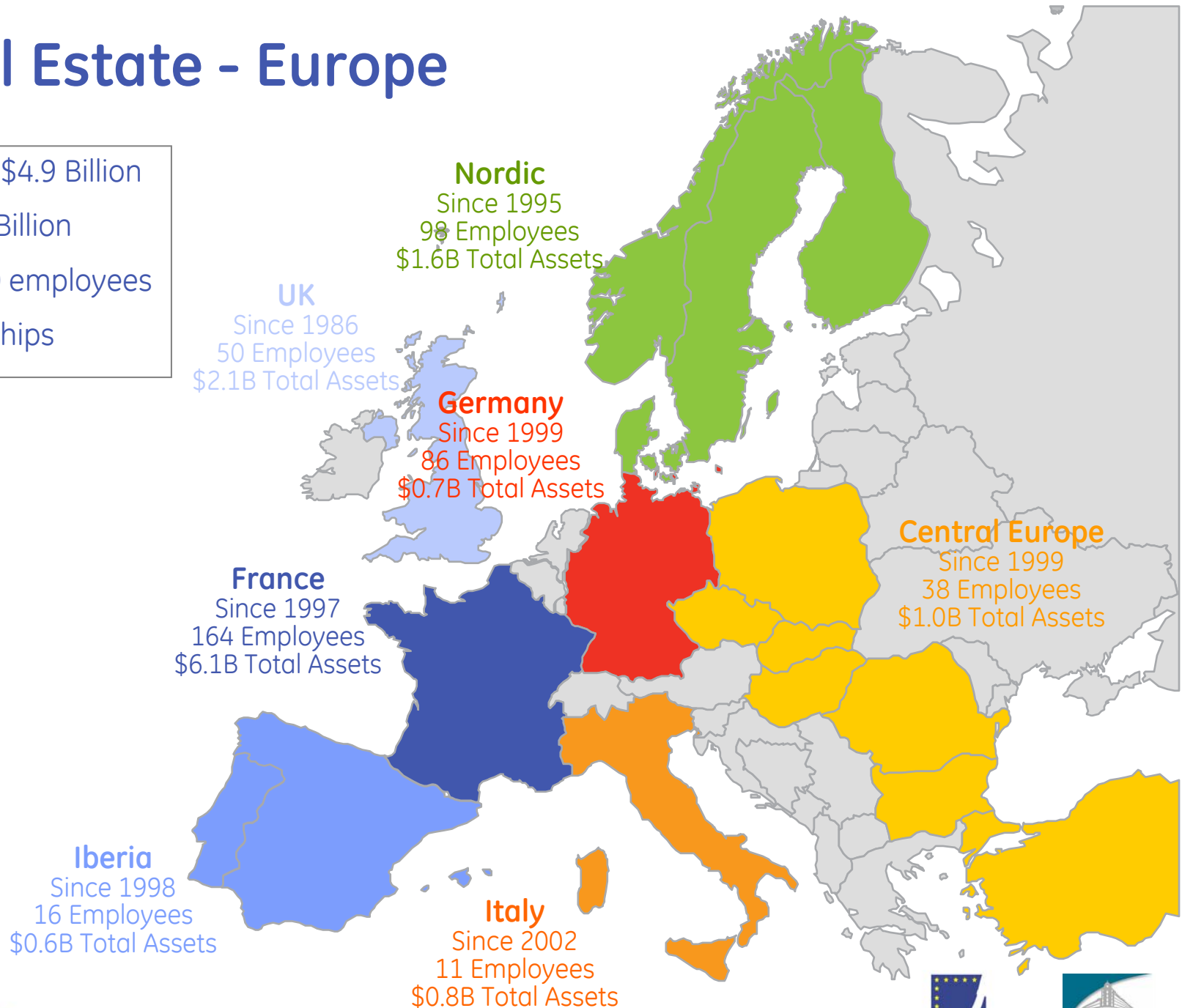
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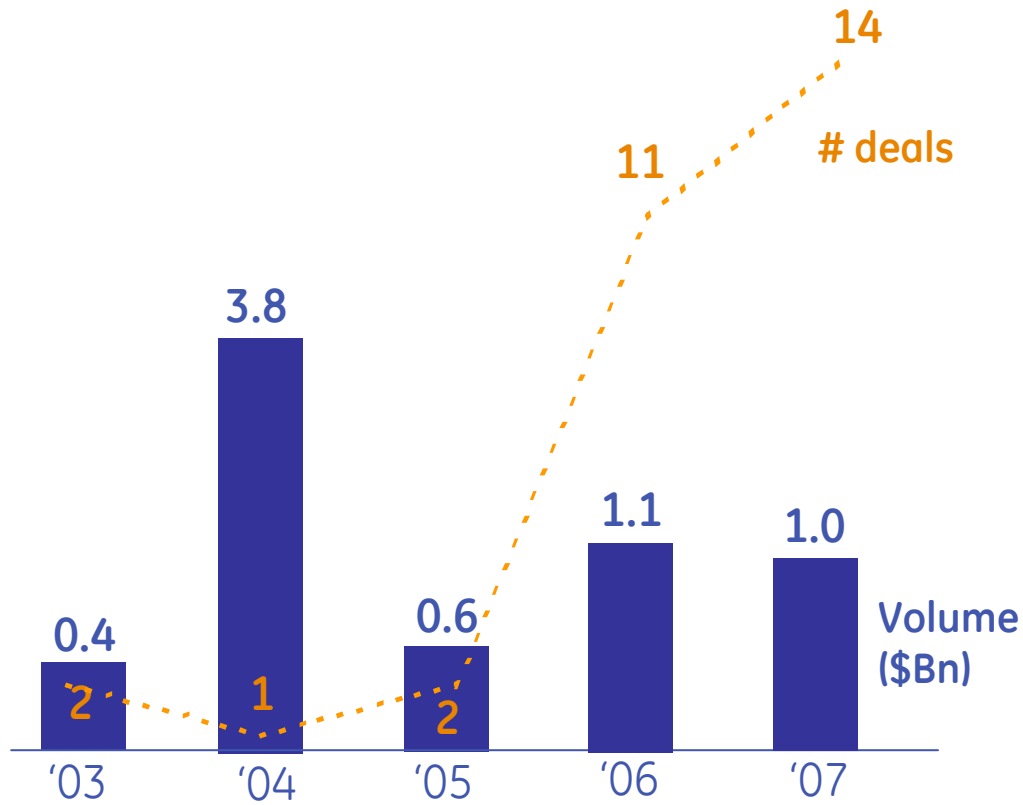
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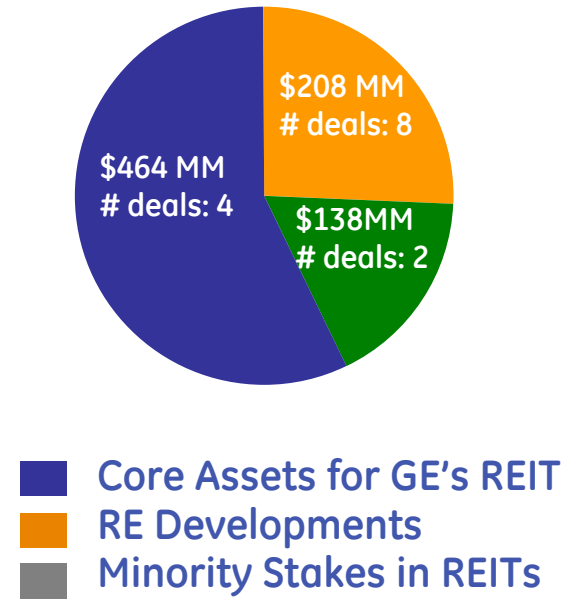
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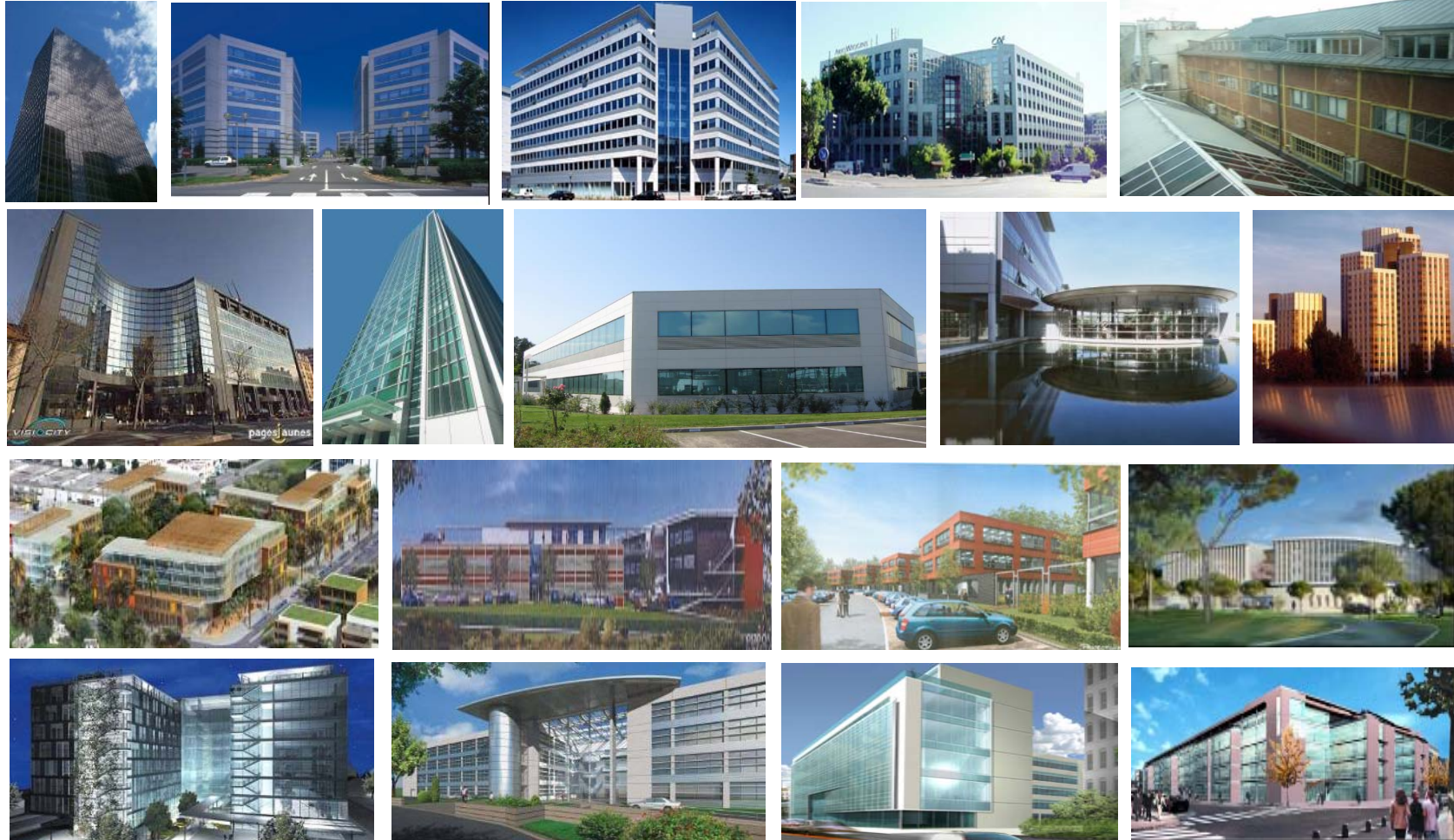
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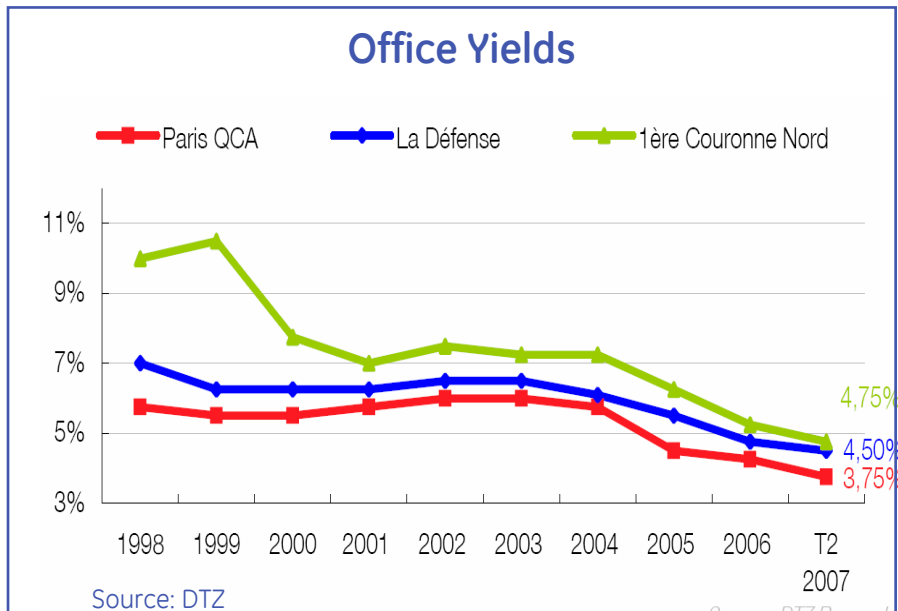
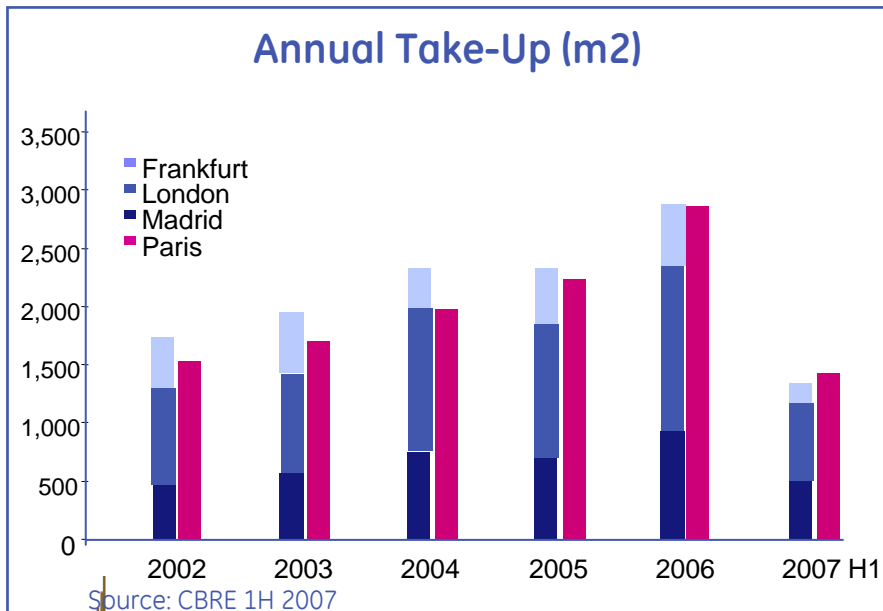
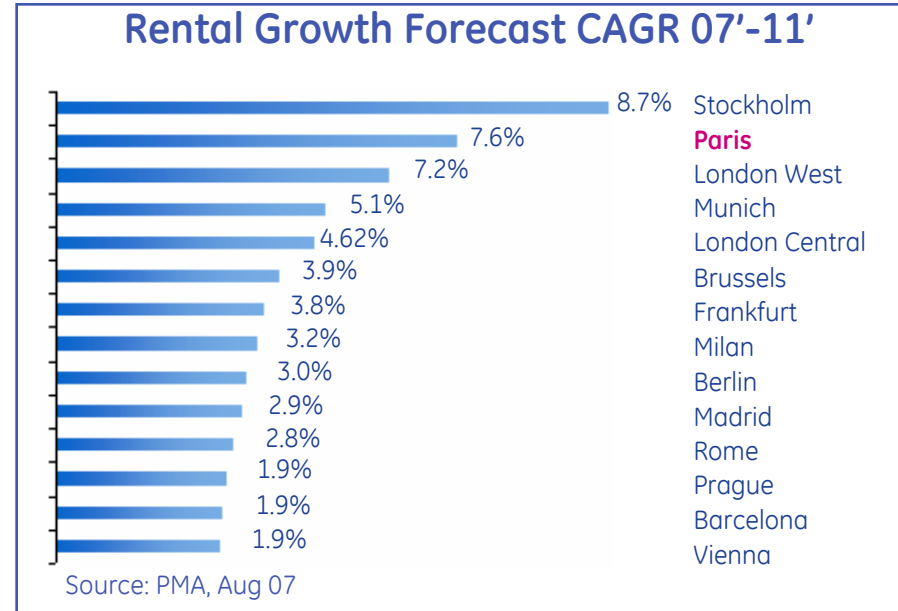
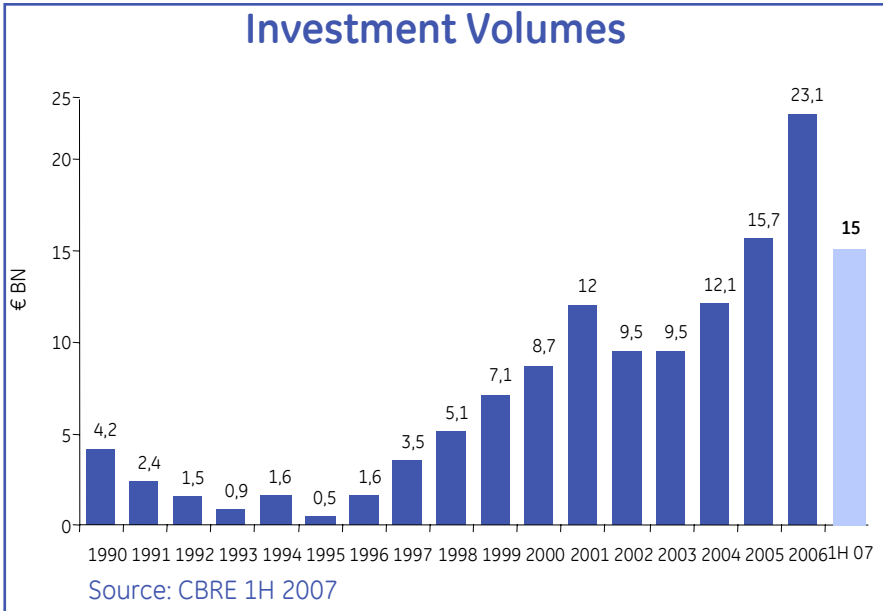


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# Real Estate Market in France





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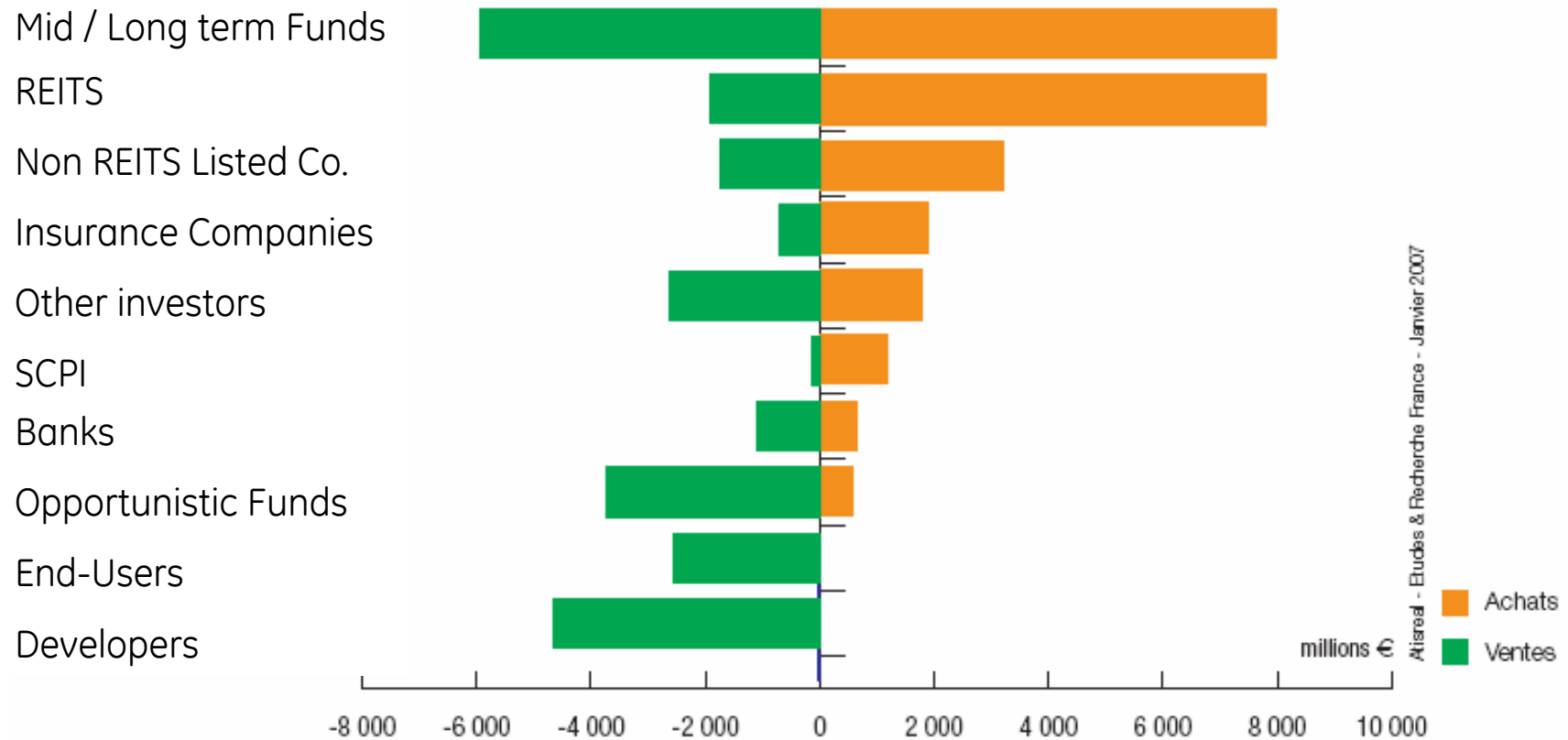


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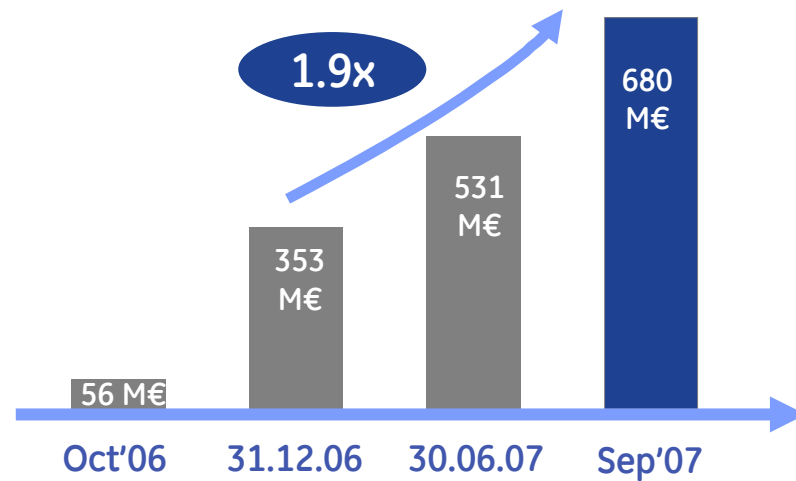
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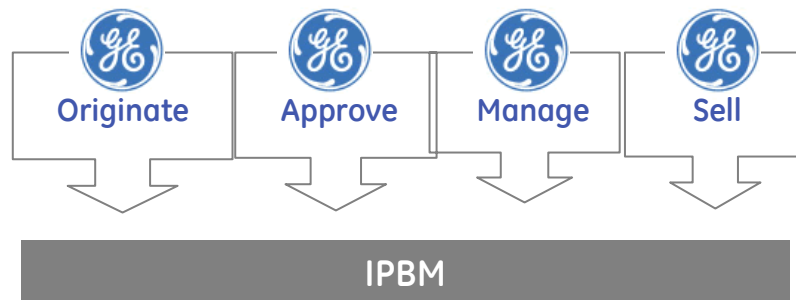
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Yielding assets with secured cash flows

Assets with upside potential

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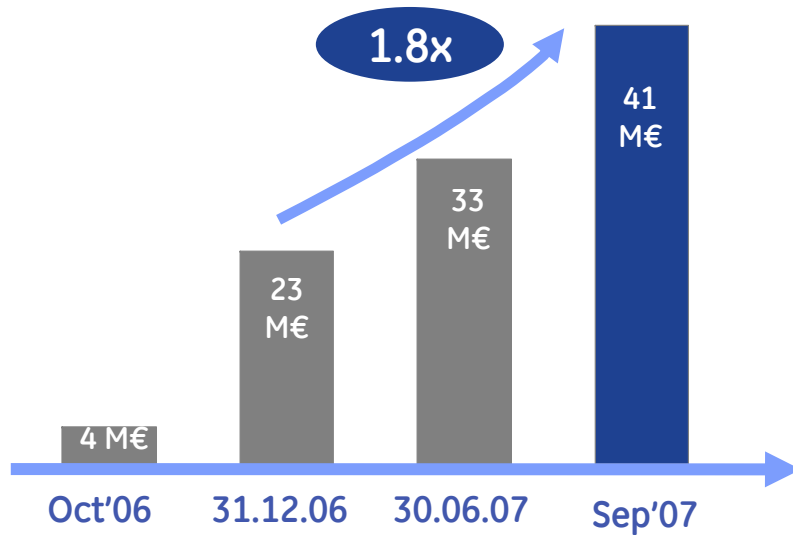


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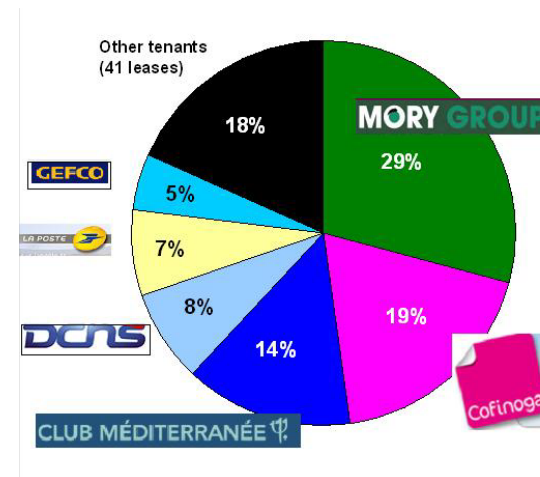
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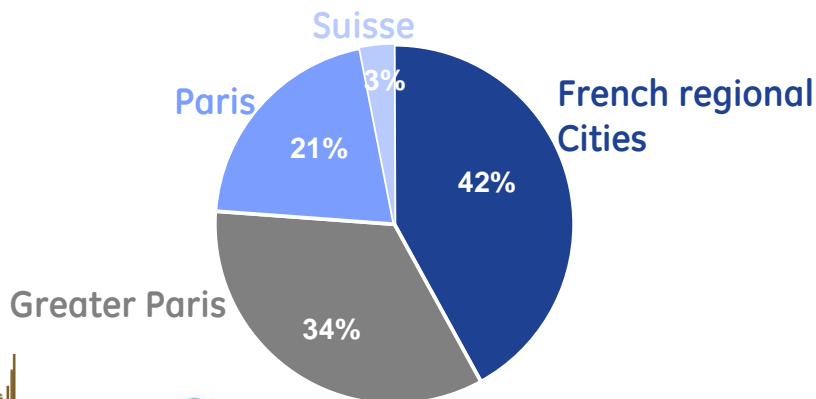


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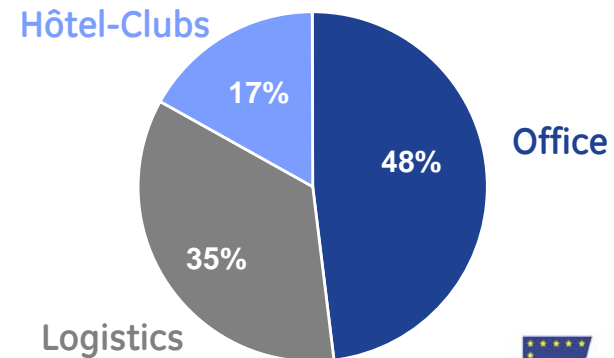
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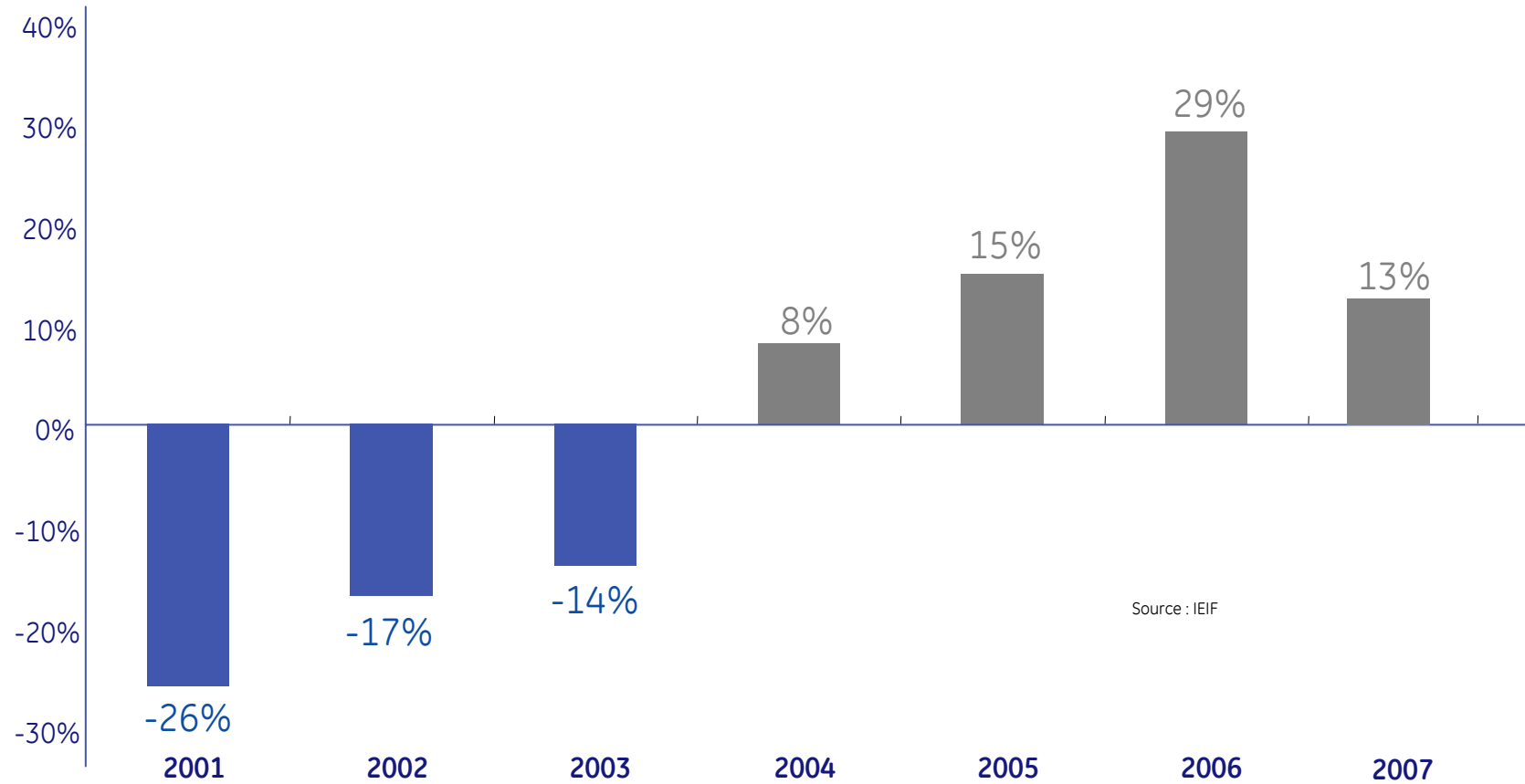


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