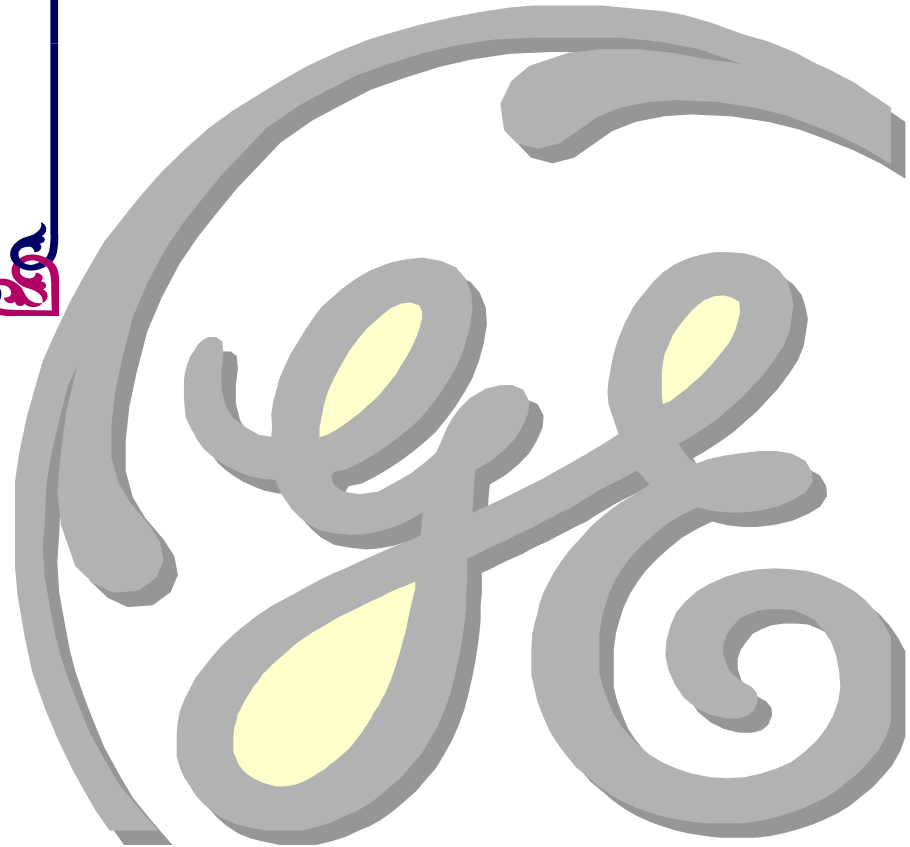


GE Information Services

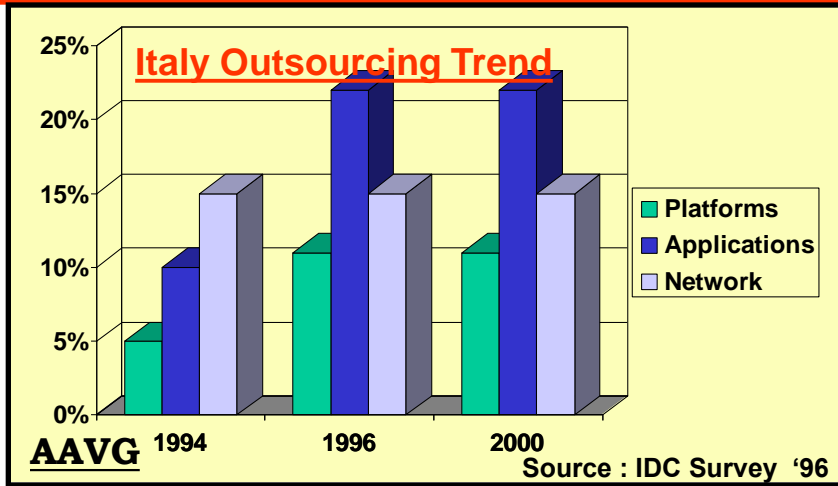
**“To increase our customers’
productivity, quality, and growth
through the technology of
electronic commerce, the tools of
inter-business process consulting,
and the ideas of our employees.”**



We Bring Good Things to Life



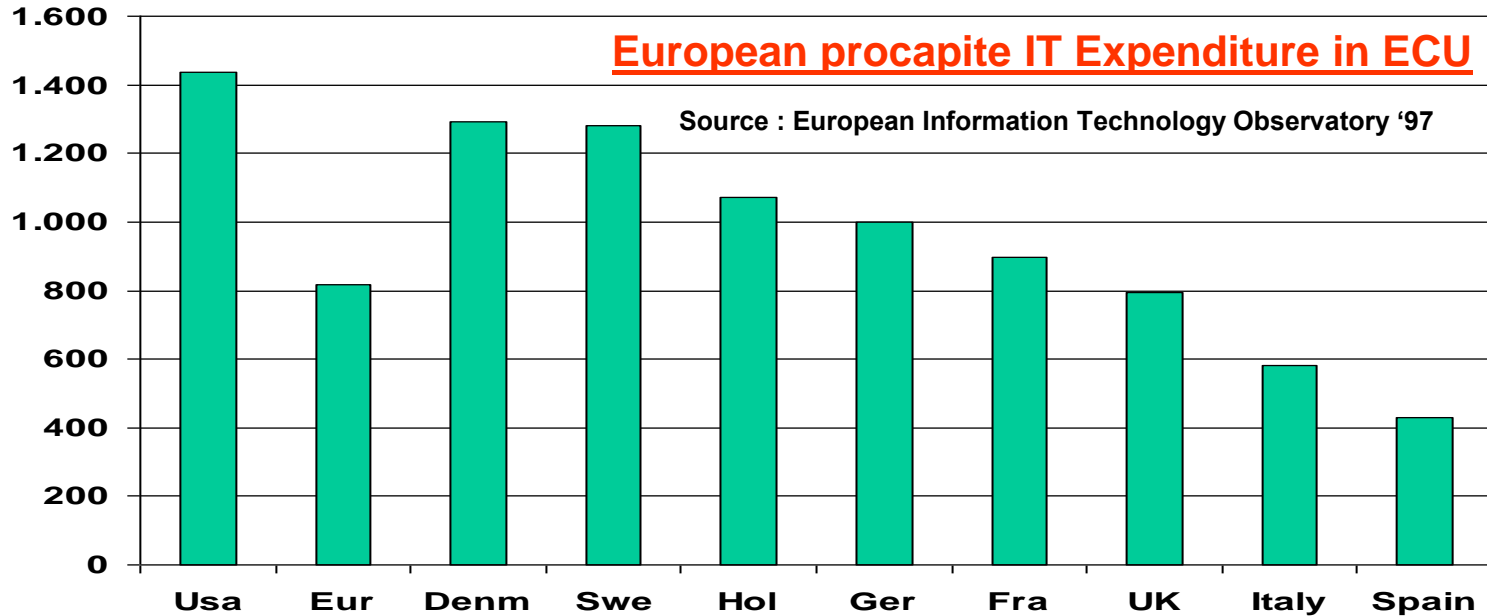
GE Information Services



European ITC market growth = 6,5%
 Italy ITC Market Growth = 4%
 . Hardware = 3,1%
 . SW = 5,8%
 . Prof. Serv.= 5,6%

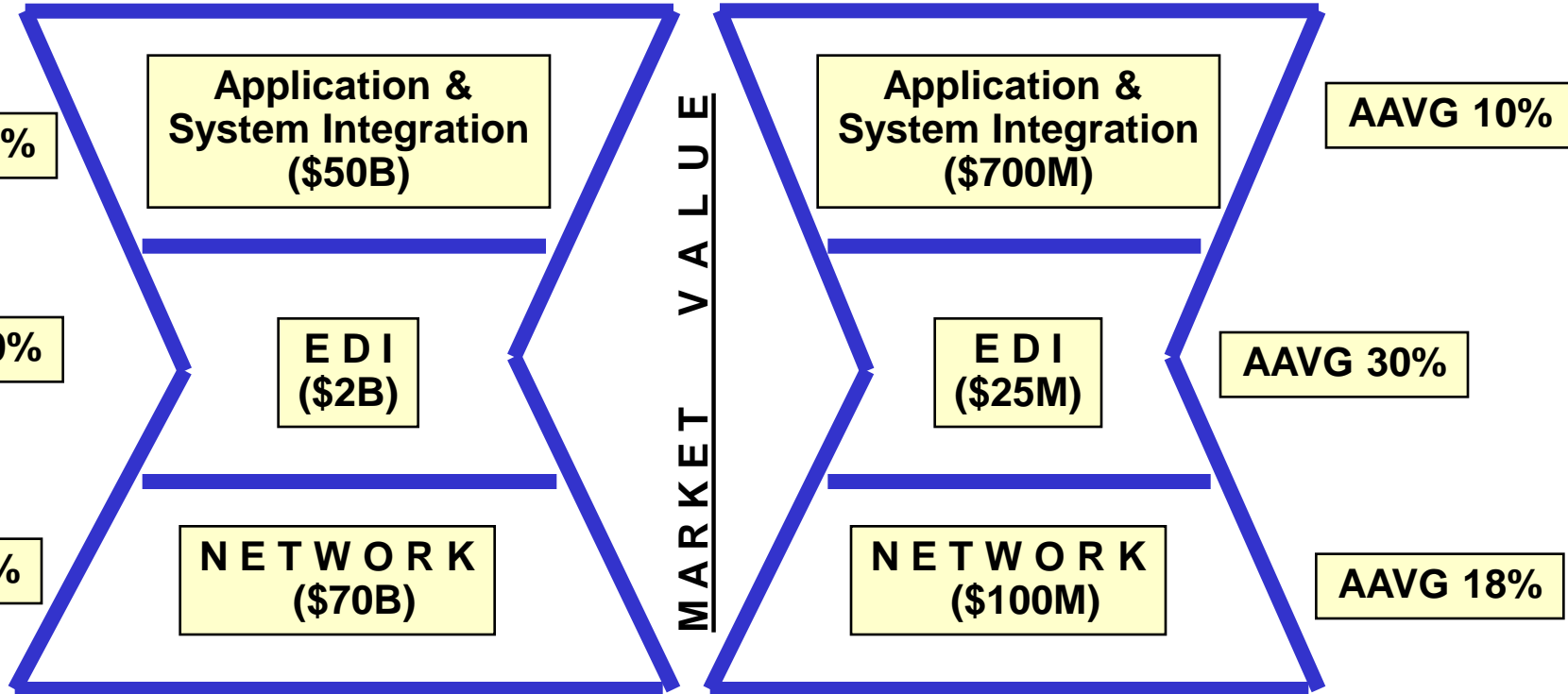
1996

Source : European Information Technology Observatory '97



World Wide

Italy

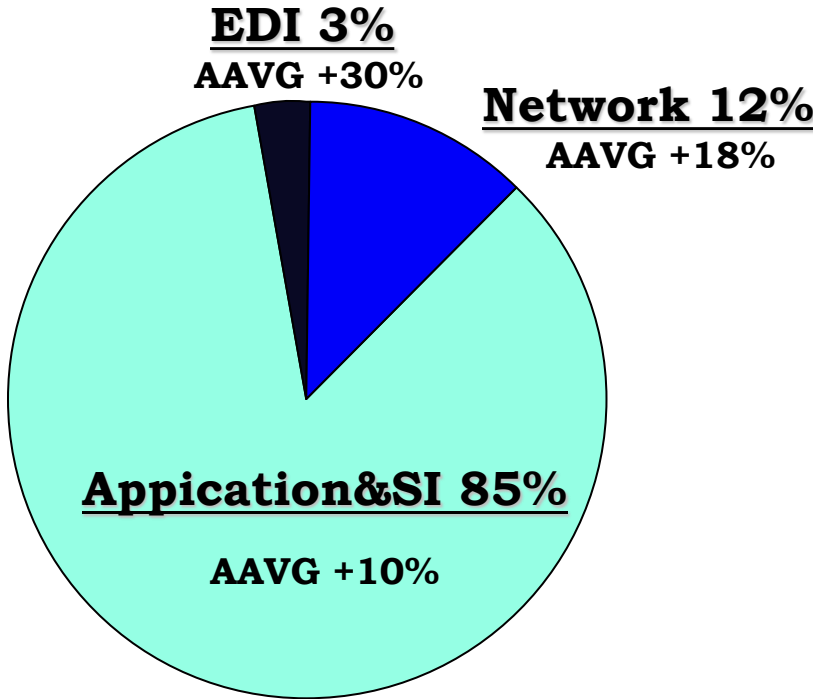
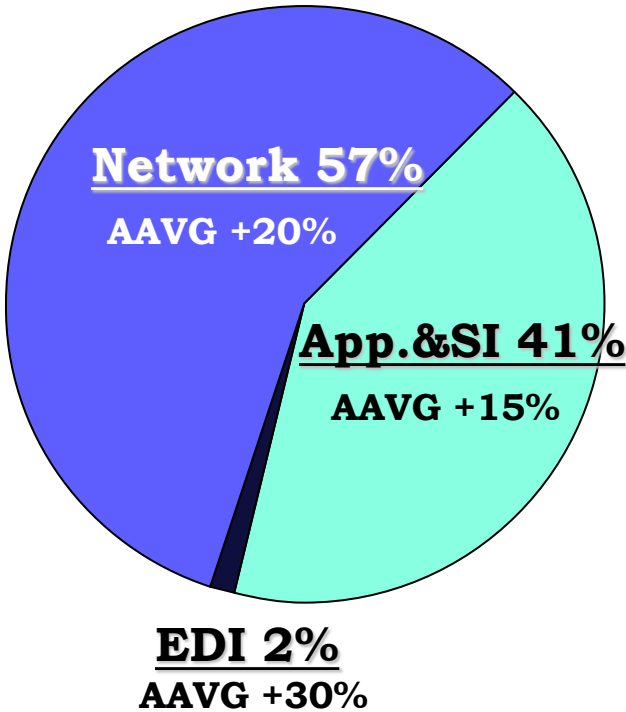


Source : IDC Survey '96

Higher Application Value = Bigger Market Size



World Wide



Italy

Source : IDC Survey '96



GE Information Services

\$K	1996	1997	V%	%	Growth Ratio	1998	V%	%	97 Market Value	97 Market Share	97 Market AAVG
TOT Segment EDI	4.073	5.472	34%	17%	0,34	7.332	34%	21%	25.000	22%	30%
BPS	466	1.032									
Internet Cons.+IBP		709									
RXM	506	943									
TOT Segment A&SI	972	2.684	176%	9%	1,60	6.978	160%	20%	700.000	1%	10%
TOT Segment WAN	1.536	1.794	17%	6%	0,05	1.884	5%	5%	100.000	2%	18%
Messaging	5.066	4.205									
Custom	17.371	17.345									
TOT Segment Legacy	22.437	21.550	-4%	68%	-0,15	18.318	-15%	54%			
GRAND TOTAL	29.000	31.500	9%	100%		34.512	10%	100%			

*A&SI = Applications and System Integration
 * Messaging -20% Custom 0%

Two-digit-growth minimum scenario (+10%)



GE Information Services

EDI

- \$25M Market Value with 30% AAVG
- Dominated by GEIS and Intesa
- New Comers
(Postel, Saritel, etc.)
- GEIS growing at +34%
- GEIS market share = 22%
- 7 major HUBs: (ENEL, NP, Electrolux, Merloni, Italtel, Dafne, Metel)
- 800 spokes on total

WAN Internet (global outsourcing)

- \$100M market value growing at 18%
- Strong outsourcing market trend
- GEIS growing at +17%
- GEIS market share = 2%
- Prada (\$500k)
- Enichem (\$600K)

GEIS Strength

- Market recognition
- Full set of E*C Services
- Complete Product Portfolio

GEIS Weaknesses

- Fierce competition
- High E*E price (5 times competition)
- Still non mature market

GEIS Strength

- Consistently growing market
- GEIS image
- Full and unique set of services

GEIS Weaknesses

- Many competitors
- Int'l support & roll-out
- High prices
- Centralized support

GEIS four macro-segments



GE Information Services

Application & System Integration

- \$700M Value growing at 10% AAVG
- Active & fragmented market
- GEIS growing at +170% (still small numbers)
- GEIS market share of 1% in:
 - . SFA (Aurum NP)
 - . E-CAT (2 NP, GE Lighting, Bulgari)
 - . P*E (Italtel)
 - . R*E (3 retailers)
 - . NP Extranet
 - . RXM (Banco di Napoli)

Legacy: Cutom&Messaging

- Eroding market (-4% '97, -10%' 98)
 - . messaging -20%
 - . legacy 0%
- Still largest GEIS segment (68%)

GEIS Strength

- High potential as System Integrator
- Full set of services:
 - SW / Network / E*C Integration /Project Mgmt
 - / client's legacy Integration
 - / WW people servs / Consulting

GEIS Weaknesses

- Not still fully recognized
- Consulting / Project Mgmt
- Lack of centralized support
- Poor vendors relationship

GEIS Strength

- High barrier to exit
- Consolitated relationship
- Mature but still valid applications

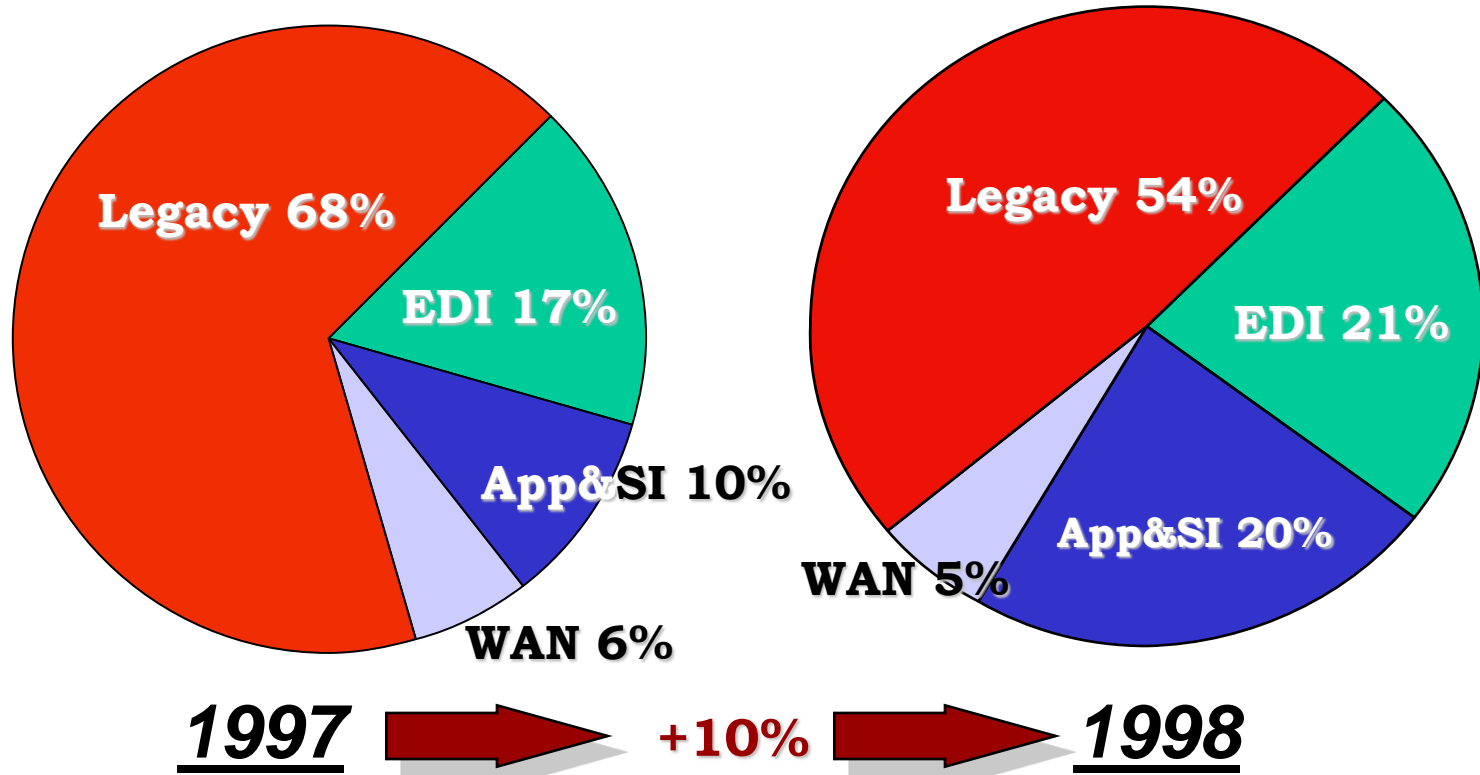
GEIS Weaknesses

- Difficult to migrate to new technology
- Poor technical support
- Food for competition

GEIS four macro-segments



Segments Dynamics

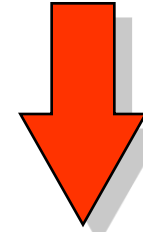


Two-digit-growth minimum scenario (+10%)



GE Information Services

- Because of EDI still small market size (\$25M) growing at no more than 30%
- Because of difficulty to slow down erosion in legacy applications (-10%)
- Applications & System Integration seems to be the market segment from where to get most of the growth due to :
 - 1) the size of market value of \$1B
 - 2) the good growth (considering the size) +10%
 - 3) the high GEIS growth potential



- Focus on ECS to go faster than market growth (+35%)

- . mining the base programs (more documents, more partners, new software)
- . 2nd tier hub program
- . E*E Tradanet for aggressive win-backs & new communities
- . TradeWEB/Partner EDI



- Focus on Applications & System Integration to double '97 revenues +130%

- . **taking advantage of the three European Industry structures:**
 - + Retail (R*E and E*E Tradanet) + T&T (LTS and E*E Tradanet) + BKG (RXM/Trinity)
- . **focusing on their basic Business Processes:**
 - + Order Chain + Supply Chain + Finance Chain
- . **selecting Applications where:**
 - + we are recognised + we have solutions + we can easily replicate them

Keywords: Specialisation & Focus



- To implement the strategy the sales structure has been organised:

a) *focused* by Industry :

- . Banking (four sales + one marketing)
- . Retail (one sale + one marketing)
- . T&T (two sales at 70% + one marketing)
- . Oil / Pharma / White & Brown goods / Electronics

b) and in these industries by Processes:

- . Sales Chain (Order Flow), Supply Chain (Goods Flow), Financial Chain (Money Flow)

c) *dedicated* teleselling:

- . to address communities's spokes

d) *specialised* sales specialists focused on specific Lead Generation campaigns crossing sales structure, for products selling:

- .Enterprise, P*E, E-Cat, banking software,I/400

Keywords: Specialisation & Focus



ECS BASKET

- . E*E / E*E Tradanet
- . EDI*PC / Intercept Windows
- . A*I /EDI*Benchmark
- . I-400 /Intercept Unix
- . Internet EDI (TradeWEB,Partner EDI)
- . Enterprise / ECXpert

BPS BASKET

- . **SALES Chain**
 - E-CAT / SFA / IBP
- . **SUPPLY Chain**
 - EDI / P*E / R*E(only retail)
 - LTS / TPN / ASN
- . **FINANCE Chain**
 - RXM / Trinity / IBP



Segmenting Southern Area business in a) EDI, b) Applications&SI, c) WAN and d) Legacy, we see that in spite of GEIS aggressive EDI growth of +34% with 22% market share, the relatively small size of this market segment (\$25M/year) and its relatively low annual +30% AAVG growth, pushes GEIS Italy to quickly growth also in the \$700MB Applications&SI segment where GEIS has high growing potential, to recover the erosion in Legacy, (still representing the 68% of total Southern Area annual revenues) reaching the main objective of two digit growth.

