

GE Advanced Materials



Prudential Conference
March 24, 2005
John Krenicki



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"This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "will" or words of similar meaning and include, but are not limited to, statements about the expected future business and financial performance of GE. Forward-looking statements are based on management's current expectations and assumptions, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially from these expectations and assumptions due to changes in global political, economic, business, competitive, market, regulatory and other factors. We undertake no obligation to publicly update or review any forward-looking information, whether as a result of new information, future developments or otherwise."



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Advanced Materials Day-to-Day Execution...



... While Moving to Higher Ground

- Huge & Diverse Customer/ Application Base
- Pipeline of High-Tech Products
- Cost Synergies



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Advanced Materials Markets



- > Thin Wall Technology
- > Impact Resistance
- > EMI Shielding
- > Design Flexibility
- > Self Lubrication
- > Improved Aesthetics
- > High Heat
- > Flame Retardant
- > Purity



- > Part Consolidation
- > Wear Resistance
- > Color Matching
- > Impact Resistant
- > Design Flexibility
- > Elimination of Secondary Ops
- > Cycle Time Reduction



- > Lipid Resistance
- > Autoclave Sterilization Capability
- > Impact Strength
- > Flexibility
- > Reduced Dust Collection
- > Reduced Cost

% Total ~15%

~20%

~5%



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Advanced Materials Markets

Transportation



- > Large Part Capability
- > Part Consolidation
- > Wear Resistance
- > Impact Resistant
- > Design Flexibility
- > Elimination of Secondary Ops
- > High Heat
- > Flame Retardant

Consumer



- > Thin Wall Technology
- > Impact Resistance
- > Design Flexibility
- > Improved Aesthetics
- > High Heat
- > Flame Retardant
- > Enhanced Performance
- > Brand Value

Business Equipment



- > Improved Aesthetics
- > Durability
- > Design Flexibility
- > Part Consolidation
- > Reduced Cycle Time
- > High Heat
- > EMI Shielding

% Total ~10%

~10%

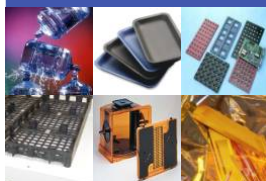
~15%



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Advanced Materials Markets

Packaging



- > Impact Resistant
- > Flexibility
- > Tight Tolerance
- > High Heat
- > Electrostatic Dissipation
- > Improved Aesthetics

Optical/Data Storage



- > Tight Tolerance
- > Optical Clarity
- > Security Features
- > Improved Aesthetics
- > Anti-Fog
- > Abrasion Resistance
- > Chemical Resistance
- > Tintability
- > Anti-Static

Security / Infrastructure



- > IR Reduction
- > Impact Resistant
- > Structural Strength
- > Reduced Cycle Time
- > Part Consolidation
- > Improved Aesthetics
- > Reduced Cost
- > Energy Savings

% Total ~5%

~10%

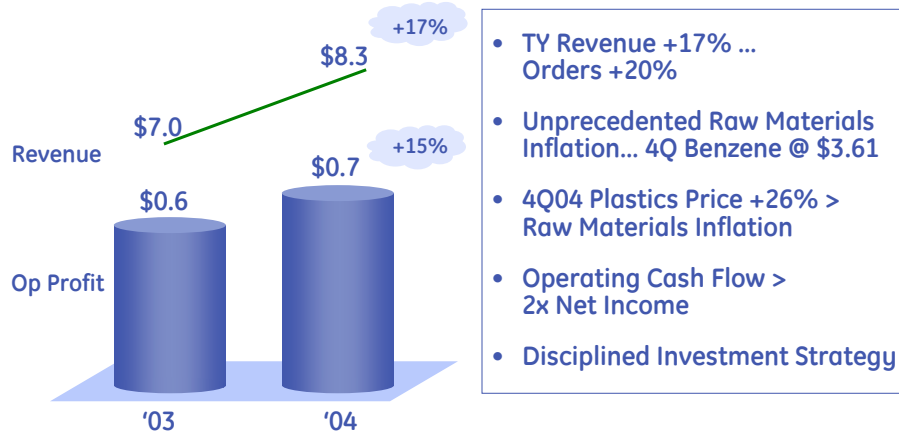
~10%



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2004 Financial Results

(\$ in Billions)



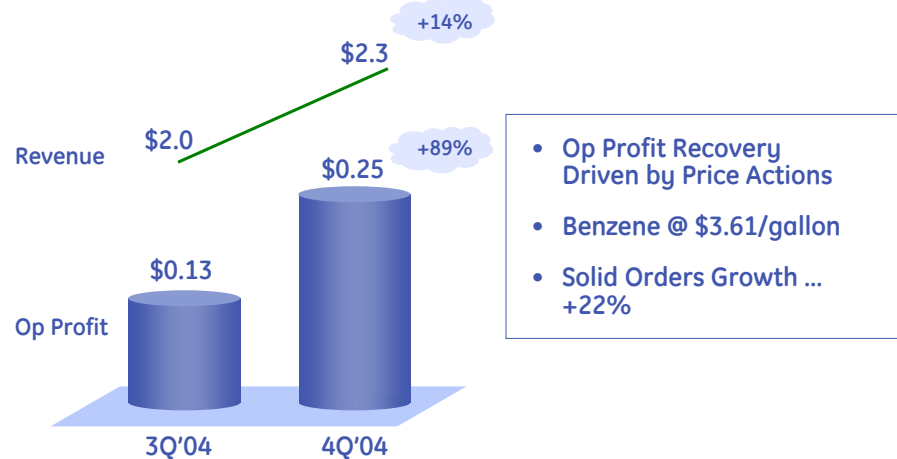
Repositioning to Win in High End ... Strong Cash Contributor to GE



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4Q'04 Financial Results

(\$ in Billions)



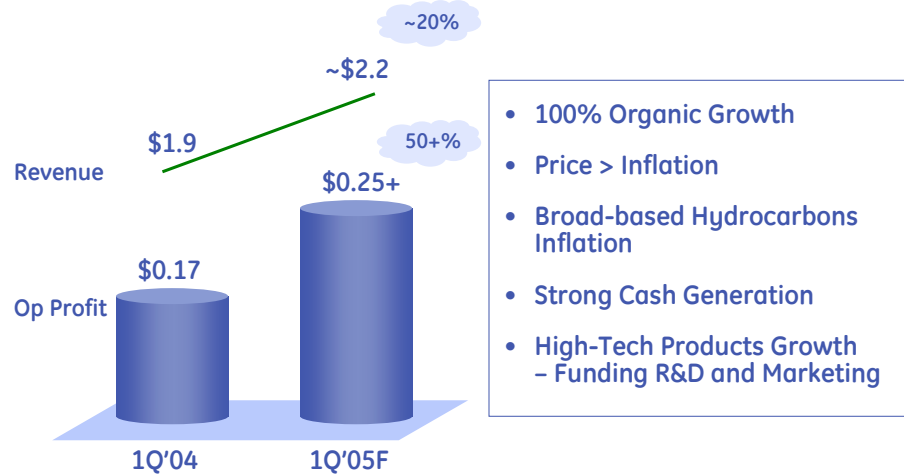
Gaining Momentum ... Price > Inflation



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2005 First Quarter Outlook

(\$ in Billions)



- 100% Organic Growth
- Price > Inflation
- Broad-based Hydrocarbons Inflation
- Strong Cash Generation
- High-Tech Products Growth – Funding R&D and Marketing

Operating Profit Recovery Driven by Price



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Advanced Materials Strategy

Aggressive Core Management

- Price > Inflation
- Lean Six Sigma Asset Utilization
- Productivity

Invest to Grow High-Tech Products

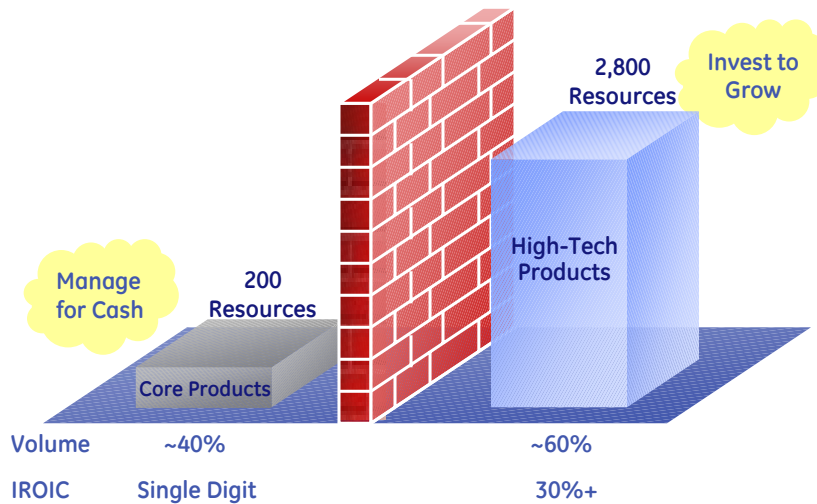
- Price > Inflation
- New Products Sales & Cycle Time Focus
- Over Resource Commercial/Technology Teams
- Invest in Proprietary Assets



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Commercial Force Segmentation

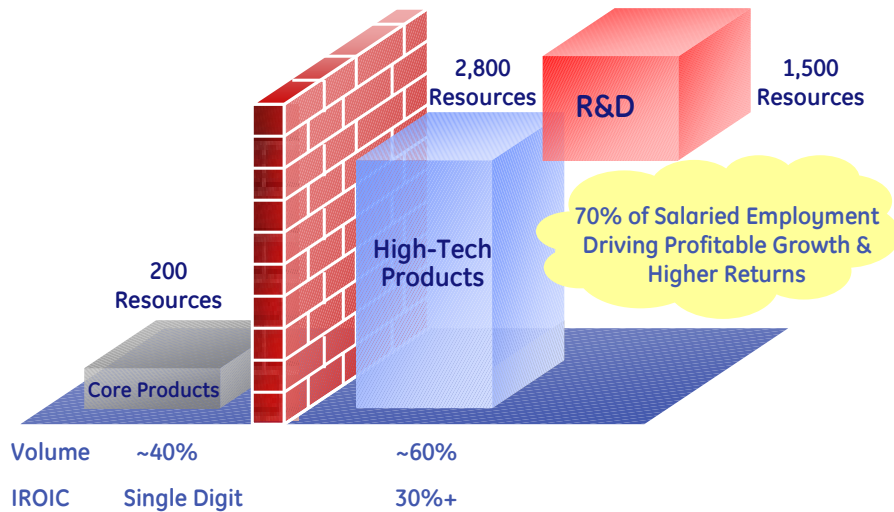
Two Dedicated Teams ... Two Different Mindsets



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Commercial Force Segmentation

Two Dedicated Teams ... Two Different Mindsets



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External View...Polycarbonate Industry Outlook

CMAI:
"2004/2005 World
Cumene/Phenol &
Polycarbonate
Analysis"
 (Published: 2/28/05)

- "Global demand: double-digit growth in '03 and '04"
- "China represents most of the growth ... 45 to 50 percent of global growth each year through 2009"
- "World growth rates ... above 10 percent per year through 2004 ... should maintain through 2009"
- "Market surpassed 2.5 million tons in 2004 ... could reach 3 million tons by end of 2005 ... 4 million tons by 2009/2010"
- "Supply issues if additional capacity is not announced soon"
- "Operating rates near 80 percent in 2001 ... back to over 90% in 2004"

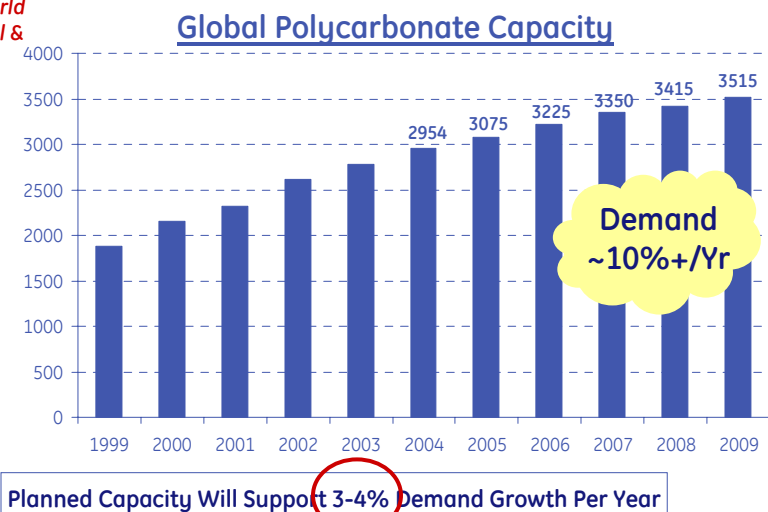


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External View...Polycarbonate Industry Outlook

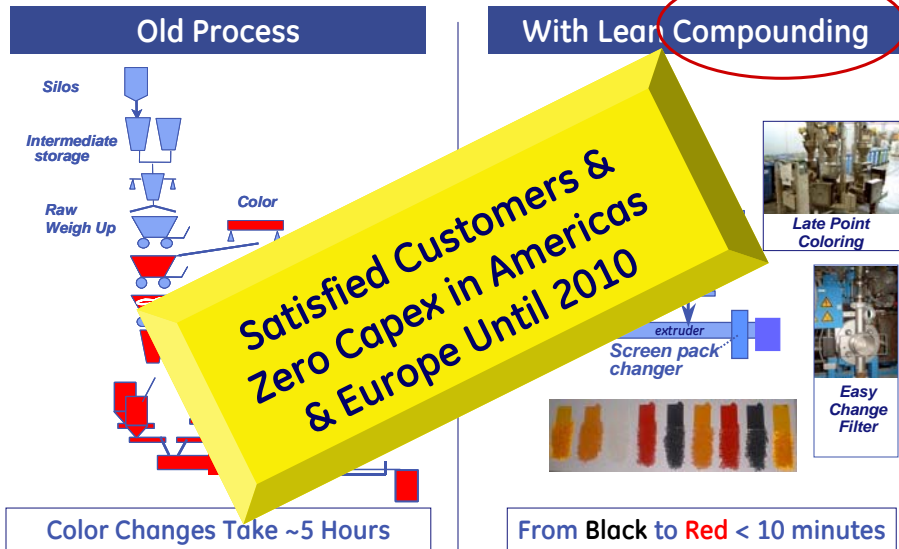
(MT in Thousands)

CMAI:
"2004/2005 World
Cumene/Phenol &
Polycarbonate
Analysis"
 (Published: 2/28/05)



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Lean Six Sigma Asset Utilization



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Growing High-End Products

ULTEM®



- Higher Heat Resistance
- Greater Dimensional Stability
- Better Chemical Resistance
- Lower Flammability
- Greater Impact Strength

(\$ in Millions)



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Expanding the Ultem Model

Healthcare



Defense



Transportation



Electronics



Infrastructure



- Lubriloy® Resin
- Xylex® Resin
- Lexan EXL® Resin
- Noryl® Wire Coating
- Geloy XTW® Resin
- NXT® Silane
- ... and Hundreds More

Body Panels



Under the Hood



Structures & Interiors



Components



1,000 Marketing Resources Dedicated to High Tech Products



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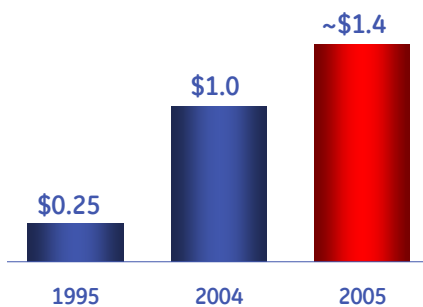
Winning in China

(\$ in Billions)

Shanghai Technology Center



China Sales






- ✓ 100% Self-Sufficient
- ✓ Same Core/ High-Tech Strategy
- ✓ Investing for Profitable Growth
- ✓ 500+ Organic Growth Resources



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Leading in Growth Markets

| | Self-Sufficient | GEAM Presence Since | GEAM 2004 Growth |
|---|-----------------|---------------------|------------------|
| India  | ✓ | 1992 | 40% |
| South East Asia  | ✓ | 1994 | 20% |
| Latin America  | ✓ | 1987 | 40% |



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Increasing Lexan Polycarbonate Returns

Mount Vernon, IN

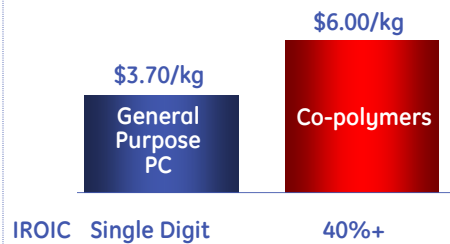


Re-Tooling Core Capacity
for Specials



Lexan Co-Polymers Advantages

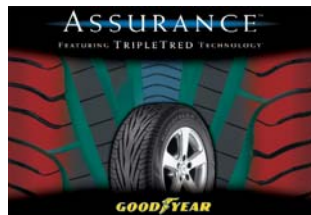
- Extreme Weatherability
- Lower Temperature Ductility
- Better Heat Aging
- Hydrolytical Stability
- Outstanding Processability



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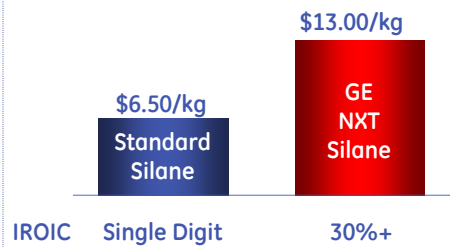
Increasing Silicones Returns

Silane Coupling Agents



NXT® Silane Advantages

- Improved Fuel Economy
- Reduced Process Costs
- Delivers Consistent, State-of-the-art Product in Complex Manufacturing Process
- Excellent Traction in Many Weather Conditions



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Increasing Lexan Film Returns

Display Films

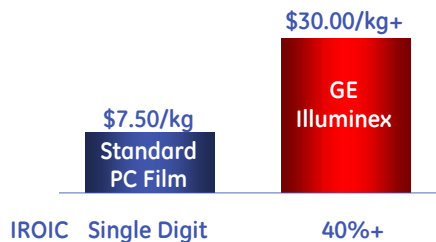


Sharper Displays and
Improved Performance



LEXAN® ILLUMINEX™ Advantages

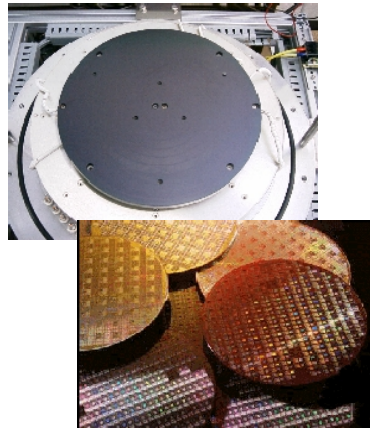
- 10%+ Yield Improvements
- Outstanding Coating Performance
- Improved Handling / Low Dust Attraction
- Improved Long-term Waving Performance
- Higher Heat / Humidity Capability



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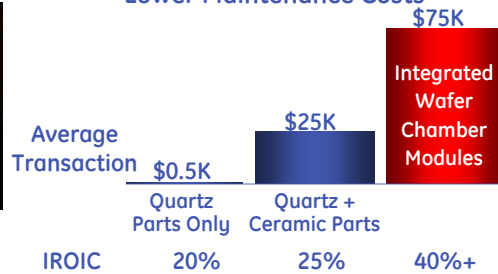
Increasing Quartz Returns

Semiconductor Chip Manufacturing Solutions



Integrated Heater Advantages

- Optimized Performance to Chamber Conditions
- Improved Thermal Uniformity
- Faster Heat Cycling for Reduced Wafer Processing Time
- Lower Maintenance Costs



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Imagination Breakthrough Pipeline

| | | | | |
|-------------------------|----------------------|------------------------------|---------------------------------|------------------|
| Printer Gears | BluRay Disk | Flexible Printed Circuit | Agricultural Fluids | Gallium Nitride |
| Organic LED | Medical Membranes | Medical Devices | Sterilizable Tray | Solar Cell |
| Aircraft Interior | Pump Impellor | Integrated Circuit Packaging | Wire Coating | High-Tech Fibers |
| Thermal Management RTVs | Automotive Clearcoat | Semiconductor Handling | High-Performance Food Packaging | Coatings |

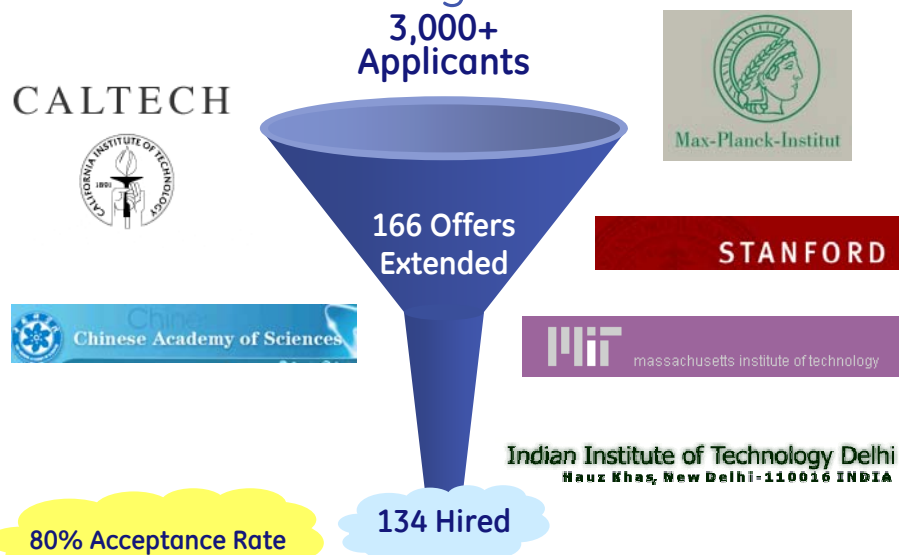


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Global Technology

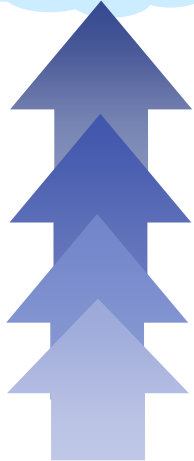


2004 PhD Recruiting



Material Mega Trends

Growth



Proprietary GEAM Solutions

- ✓ Paint Elimination/Emissions Reduction
- ✓ Fuel Efficiency/Light Weight
- ✓ Recyclable
- ✓ Design for Manufacturability & Styling

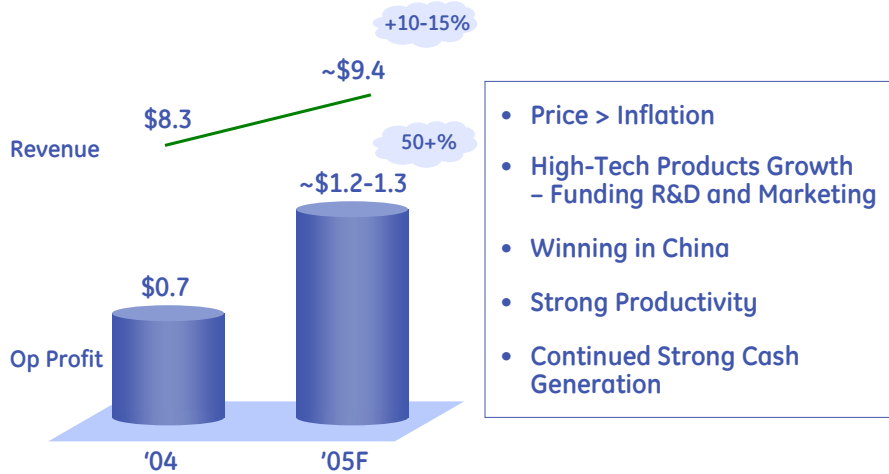
Materials... Central to Customer Innovation



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2005 TY Outlook

(\$ in Billions)



- Price > Inflation
- High-Tech Products Growth – Funding R&D and Marketing
- Winning in China
- Strong Productivity
- Continued Strong Cash Generation

Repositioning to Win in High End ... Strong Cash Contributor to GE



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Our Time

- Price > Inflation
- Materials ... Central to Customer Innovation
- Improving Margins & Returns Today While Reinvesting for Higher Returns Tomorrow
- Experienced, Disciplined & Motivated Leadership Team
- Organic Growth & Innovation is Our Heritage
- Cash Generating Growth Engine



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