

Driving Growth

Prudential Analyst Meeting September 23, 2005

Beth Comstock

"This document contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties arise from the behavior of financial markets, including fluctuations in interest rates and commodity prices; from future integration of acquired businesses; from future financial performance of major industries which we serve including, without limitation, the air and rail transportation, energy generation and healthcare industries; from unanticipated loss development in our insurance businesses; and from numerous other matters of national, regional and global scale, including those of political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements."

This presentation includes certain non-GAAP measures as defined by SEC rules. As required by SEC rules, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in our Supplemental Information file on our investor relations website at www.ge.com/investor.



imagination at work



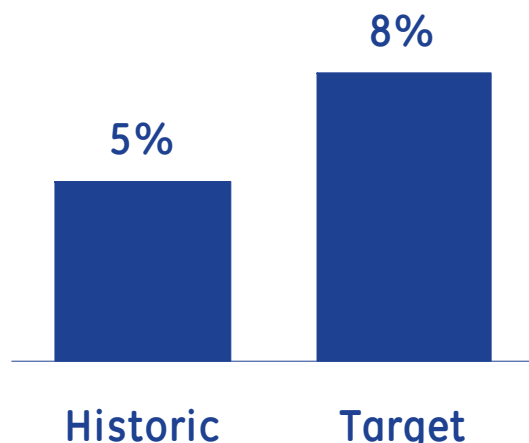
Building core
competency to drive
organic growth



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Organic growth

Revenue growth



We can do it

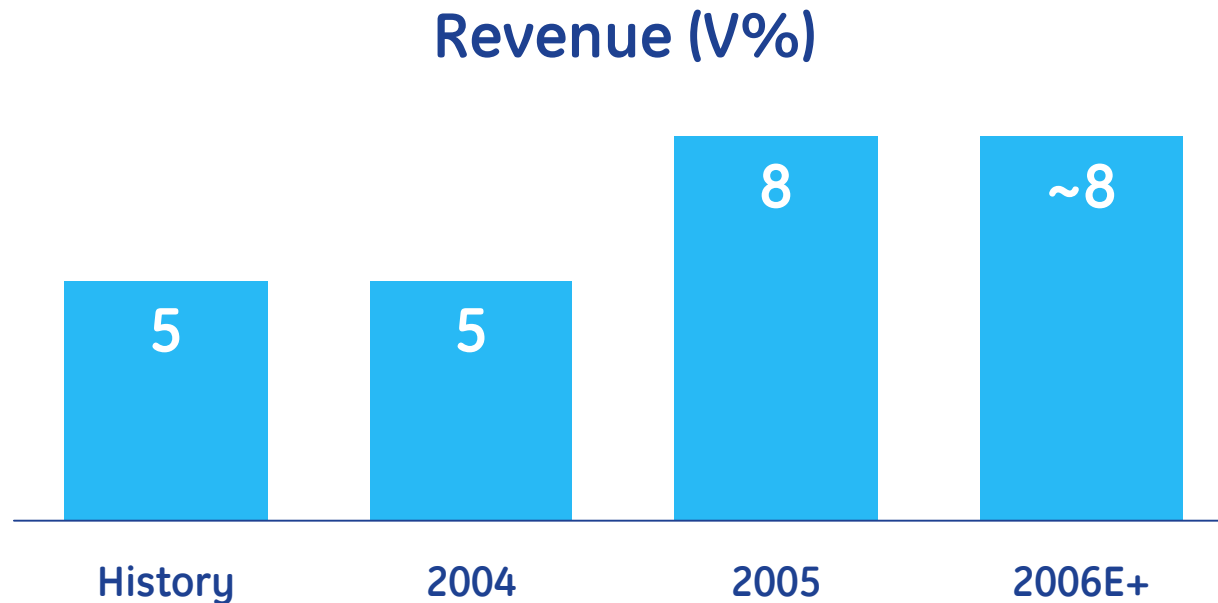
GDP	3%
Portfolio	3%
Services + global + Initiatives (IB)	2-3%
Target	8%

Organic growth process



Process for sustained organic growth

Organic growth is a cross-business initiative



Execution

- ✓ Leverage GE brand and focus on enterprise selling
- ✓ Drive consistent success with innovation
- ✓ Build process around customer satisfaction
- ✓ Continue to develop our commercial function

Leveraging the GE brand



imagination at work

Imagination at work... from tagline to rallying cry

1. Launched company-wide effort in 2003... expanding globally
2. Rebranded with new look and feel... consistent yet flexible
3. Moving beyond advertising... whole customer experience
4. Building customer proof points... ecomagination, healthcare

Brand		2005 Interbrand Results		
2005 Rank	2004 Rank	Company	2005 Brand Value (\$MM)	V%
1	1	Coca-Cola	67,525	0
2	2	Microsoft	59,941	-2
3	3	IBM	53,376	-1
4	4	GE	46,996	7
5	5	Intel	35,588	6
6	8	Nokia	26,452	10
7	6	Disney	26,441	-2
8	7	McDonald's	26,014	4
9	9	Toyota	24,837	10
10	10	Marlboro	21,189	-4

Innovation	
2005 Boston Consulting Group Poll	
Company	% Response
Apple	24.84
3M	11.77
Microsoft	8.53
GE	8.53
Sony	5.94
Dell	5.62
IBM	5.29
Google	5.18
P&G	4.21
Nokia	4.21



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Customized solutions that “One GE” can deliver

Olympics ...Project/Enterprise Selling Approach



- ❖ Building strong CAH relationship
- ❖ Treat Infrastructure projects as Olympic projects
- ❖ Exclusivity & Influence

Beijing Capital Int'l Airport T3



National Stadium



CCTV



Security
Olympic & Homeland Security Grid
Olympic Stadium & Venues
Traffic & Ports
\$45MM

China / Olympics
Helping Beijing prepare to host the world

GEHC Enterprise group

Enterprise in the US at GEHC
24 executive-level account manager positions covering 51 key accounts, 17 positions filled today

Objective is to help customer's problems by bringing products and expertise from GE to help

Early results are outstanding... orders growth at first 10 accounts

More than \$2B in agreements 18 of the target accounts

Agreements cover wide range size/content

- Term
- Term value
- GE content



Recent wins... 80% win rate!

TMC Tucson 200M HC + Infrastructure

Qatar..... Country to Company

(\$ Billions; 2005-2010 cumulative)

	GEE	GET	GEI	Other
Gas	■	■	■	■
Power Gen	■	■	■	■
Water	■	■	■	■
Transport	■	■	■	■
Health	■	■	■	■
Education	■	■	■	■
Environment	■	■	■	■
Asian Games	■	■	■	■
Other - Various	■	■	■	■

Accessible \$B 3.7 2.0 1.0 0.2
People 175-215 20-25 16 14

~\$7B Identified Accessible Market and ~270 Resources Planned



Charter

Country to Company Relationship

Must-Win Projects

- LNG Trains + CSAs
- GTL, Shell Oil, XoM
- Ethylene Crackers
- LNG Vessels
- ✓ Qatar Airways A350, 777

Road Map to Win

- One GE – Shift from Supplier to Partner
- O&G Center of Excellence – ITO-OTR
- Transfer Know how - Innovation Center
- JV/Partnership with QP
- Local plans – Regional Play

Enterprise Selling
From the GE Healthcare enterprise to the whole hospital enterprise

Qatar
Building the “Country to Company” relationship

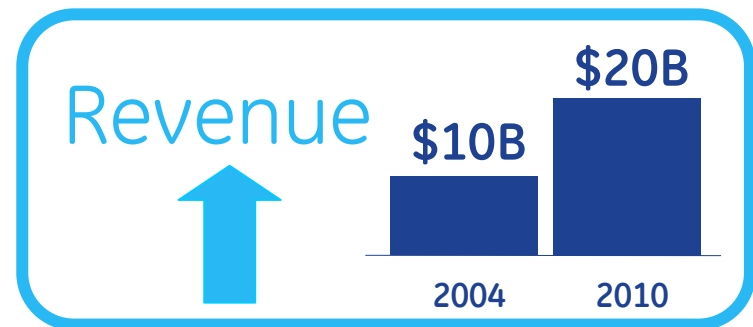


Ecomagination connects innovation to customers' environmental needs

How we got there

1. Market research, trend analysis, futurists
2. Multi-business demand for technical solutions
3. Customer dreaming sessions
4. Thought leader outreach... 50+ NGOs
5. Legislative insight... DC, Brussels, China
6. Emerging market discovery sessions... China, ME
7. Internal audit of technologies, and rigorous scorecard process

Ecomagination goals



Green means "green"

Ecomagination delivers growth in 2005 and beyond

Plastics

NORYL Wire Coating
LTK (Japan), Delphi/Toyota



Water

Desalination
Hamma Water Project, Algeria



Over \$100MM incremental revenue in 2005...
lays foundation for meeting 2010 revenue targets

Accelerating innovation



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Imagination Breakthroughs

91

Projects

- **Metrics are clear + integrated**
 - Revenue/assets
 - Profit
 - Cost/investment
 - Fit/confidence
- **Best practices focused on reducing barriers**
 - Technical hurdles
 - Commercial value
 - Funding + time horizon
 - Getting 1st customer

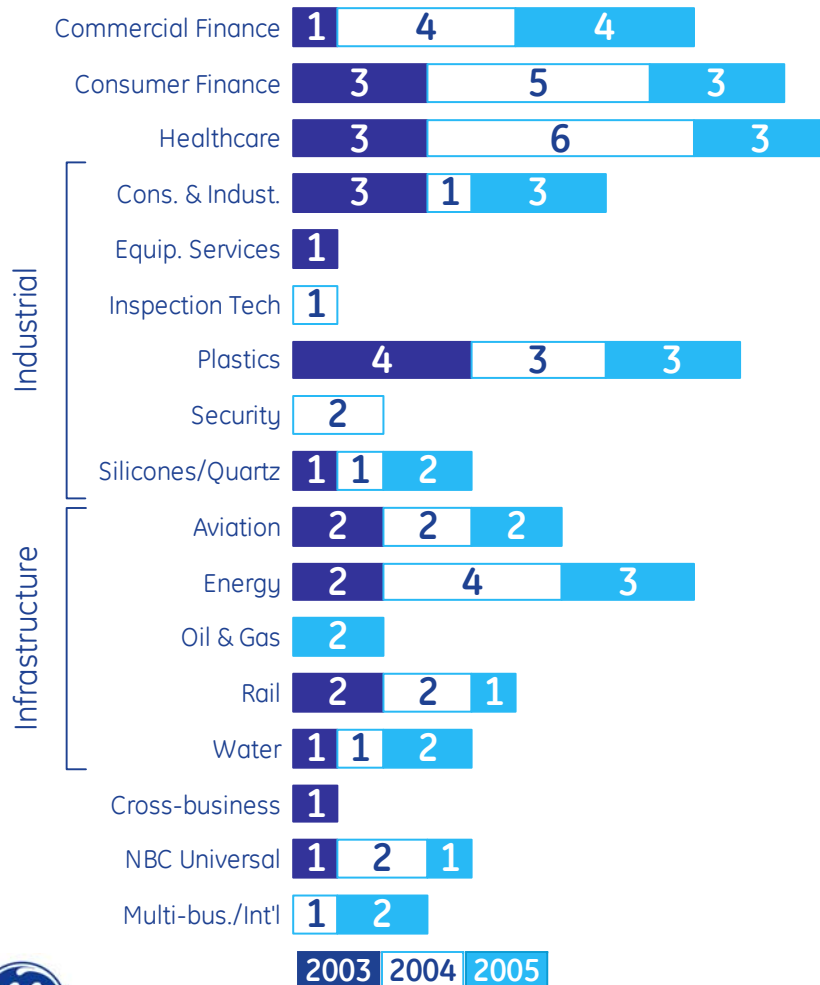
Good progress in driving growth and enhancing innovation capabilities

Imagination Breakthroughs are making innovation a core capability

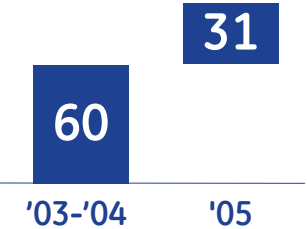
How we're getting there

1. Launched in Oct 2003... target: \$50-100MM incremental revenue
2. Marketing-led, cross-functional teams
3. Creating portfolio of growth
4. Rigor around key milestones and deliverables
5. Benchmarking... P&G, 3M, HP, FedEx, Target, Google, Pepsi
6. Ensuring strategic alignment of IB efforts

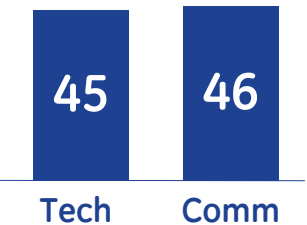
IB portfolio continues to grow and develop



New & Returning



Technical & Commercial



Ecomagination

19

In market

25+



Regular rhythm ensures rigor and facilitates best practice sharing

Monthly JRI Reviews

- Funding
- Milestones
- Punch list

Tracking Financials

- Revenue/assets
- Profit
- Cost/investment
- Fit/confidence

Business Growth Boards

Systematic approach to funding ideas on an ongoing basis

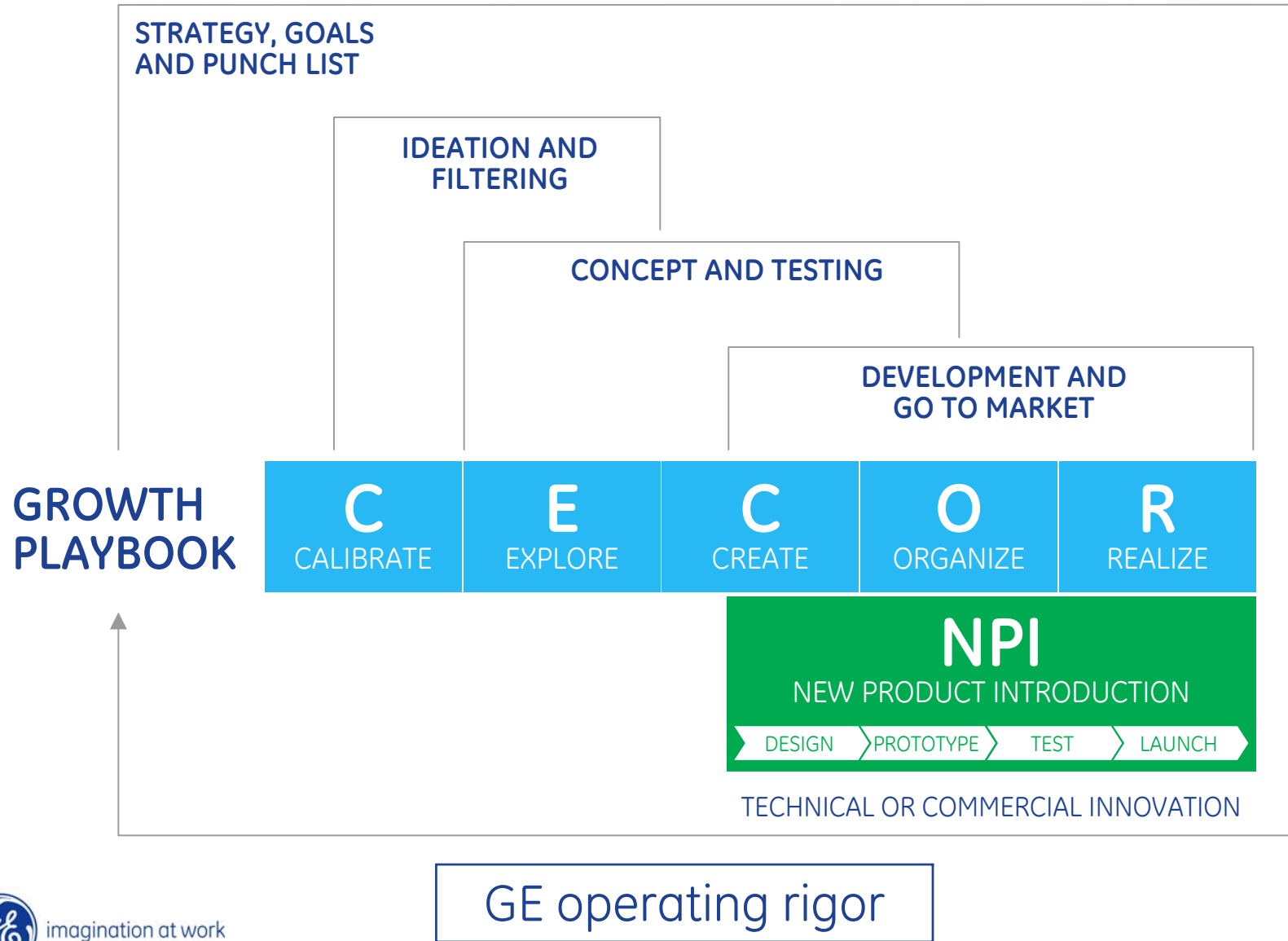
IB Deep Dives

In-depth reviews with each business

Sharing best practices

- Review highlights
- Webcasts
- Conference calls

Common innovation process & language



GE Plastics fit & confidence tool drives consistent portfolio management

Customer Fit

Customer Needs: Application Requirements

Industry Fit

Customer Segmentation: Industry Structure

Business Fit

Intellectual Property: Proprietary Position

Manufacturing Confidence

Plant Infrastructure: Production Ability

Technical Confidence

Intellectual Property: Freedom to Practice

Processing Confidence

Processing Infrastructure: Validation Ability

- ☐ New equipment & molding process not currently practiced by GEAM, and implementation not started
- ☒ Extension of existing GEAM equipment and molding process required, or implementation in progress
- ☐ Existing GEAM equipment and molding process, or implementation completed

Processing Invention: Processing Solution

- ☐ New design and process technology to GEAM and invention is required, or NTI not started
- ☒ New technology to GEAM but practiced within the marketplace today, or NTI in progress
- ☐ Application design and processing space mapped for material identified, and NTI completed

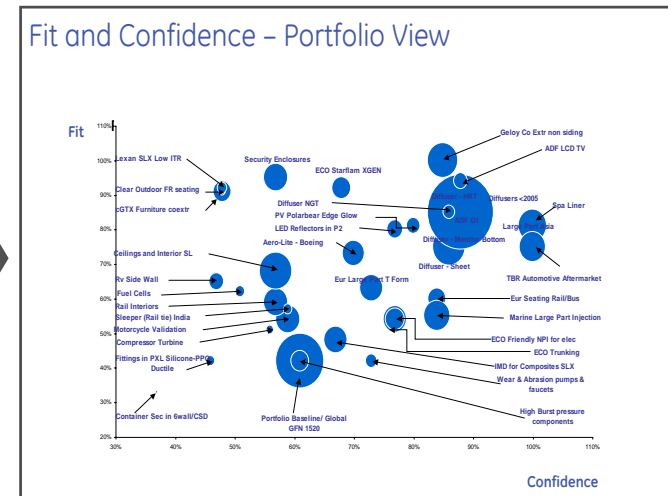
Process Investment: Plant & Equipment Costs

- ☐ Substantial investment required, and approval process not started
- ☒ Minimal investment planned, or approval process started
- ☐ No investment required, or investment completed with approval

Converter Capability: Product Pull-Through

- ☐ New process not practiced by converter base, and no capable converters with available capacity
- ☒ Extension of existing converter process is required, or few converters capable with needed capacity
- ☐ Existing converter process available for translation, or many converters capable with needed capacity

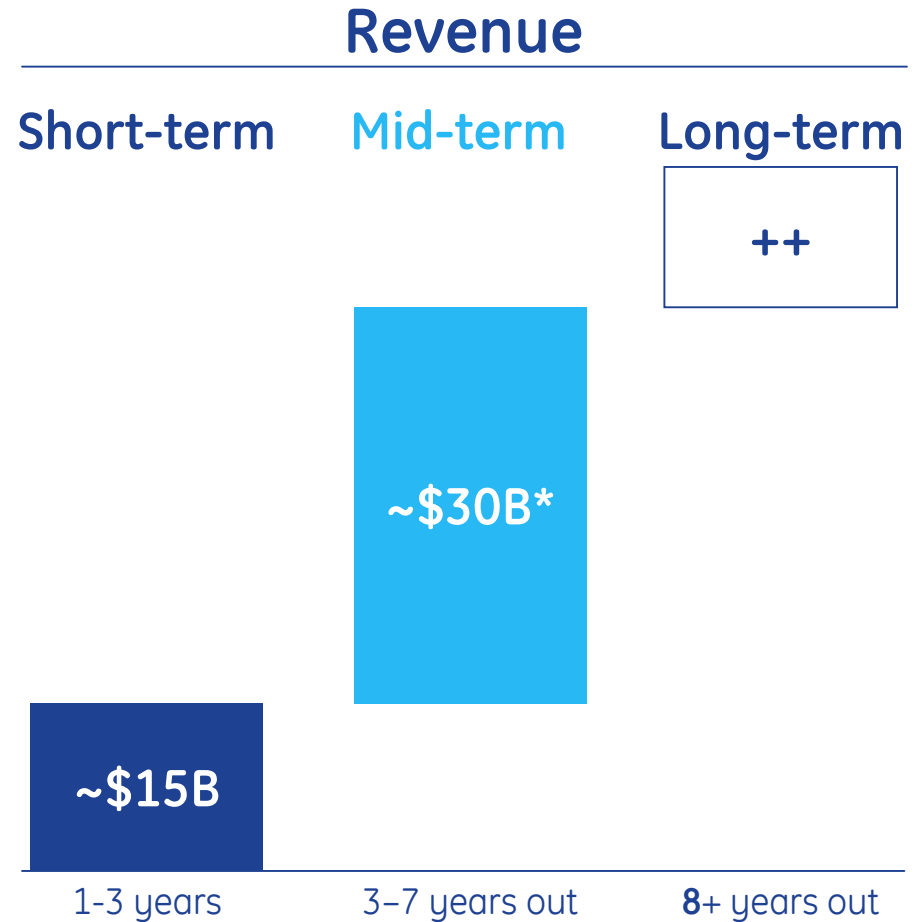
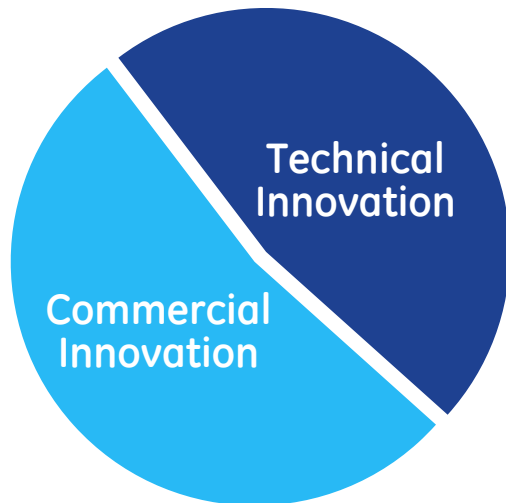
Enter Program Name **Processing Confidence Score 33%**



Objective, repeatable assessment of the likelihood that we can develop the product and the customer will buy it.

Imagination Breakthroughs are fueling growth

Tracking more than 90 IBs company-wide



*Preliminary projections

Making customers more successful



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Helping customers win

Under-
standing

How
customers
make money

+

Process

Lean Six Sigma
At the Customer,
For the Customer

+

Metrics

Net
Promoter
Score



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Customer dreaming sessions focus on helping customers win in the future



GE Healthcare's Future... Building a Bridge to 2015

- Drive healthcare quality and efficiency
- Increase clinical value at the intersection of diagnostics and treatment
- Simplify and digitize healthcare processes



Included participants from

Industry

- Ascension Health
- Aurora Health Care
- Amgen Inc.
- Baylor Health System
- Celera Genomics and Roche Molecular Systems
- Florida Hospital
- Intermountain Healthcare
- Johnson & Johnson
- Microsoft Corporation
- Naples Community Hospital Healthcare System
- New York Presbyterian Hospital
- North Shore Long Island Jewish Health
- Novant Health
- Pfizer, Inc.
- Saint John Health System Detroit
- TMC HealthCare
- UnitedHealth Group
- University Community Health System
- Virtua Health
- Wellington Hospital

Government Officials

- State of Vermont
- Centers for Disease Control and Prevention
- Centers for Medicare and Medicaid Services

Non-government Officials

- 454 Life Sciences
- AARP
- Markle Foundation
- Federation of American Hospitals
- Center for Studying Health System Change
- American College of Healthcare Executives
- Society for Women's Health Research
- eHealth Initiative

Academia

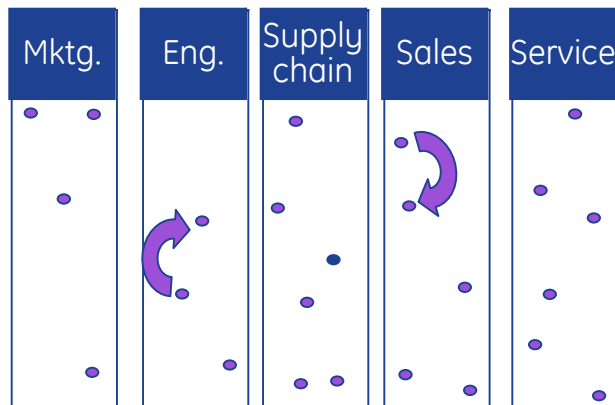
- Princeton University
- Columbia University
- Stanford University
- University of Cambridge

GE convenes leadership groups in key industries



Latest evolution of change processes

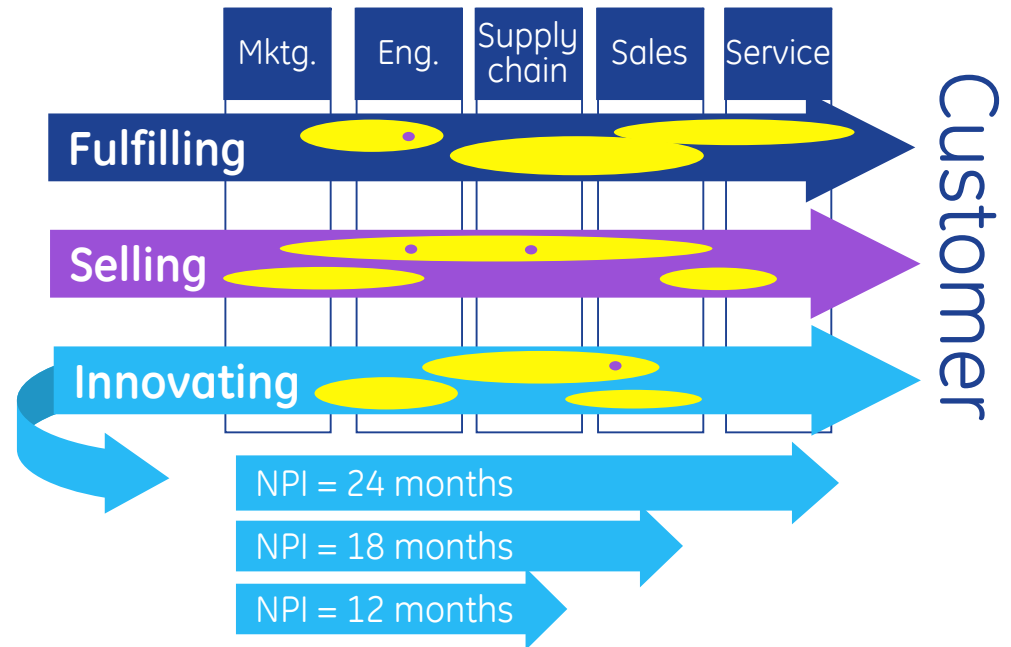
Six Sigma



• = Six Sigma Project
 = Action workouts

- Discrete projects for specific problems
- Individual project approach
- Reduce defects to deliver quality & productivity

Lean Six Sigma



- End-to-end processes... value stream map
- Multi-functional team approach
- Reduce waste to deliver speed & quality

Lean Showcases demonstrate that process improvement drives growth



GE Aviation: Component Repair

- 35% increase in repairs developed
- Reduced cycle time for proposals from 10 days to 1 day and for repairs from 28 days to 18 days
- Achieved 10% additional sales growth



GE Consumer Finance: Retail Sales Finance

- Reduced time to first transaction from 63 days to 1 day capability
- Achieved 15% additional growth in 2006



GE Healthcare: Magnetic Resonance

- Reduced cycle time for quotes from 62 to 40 days and installations from 29 to 15 days
- Achieved 5-8% additional sales growth



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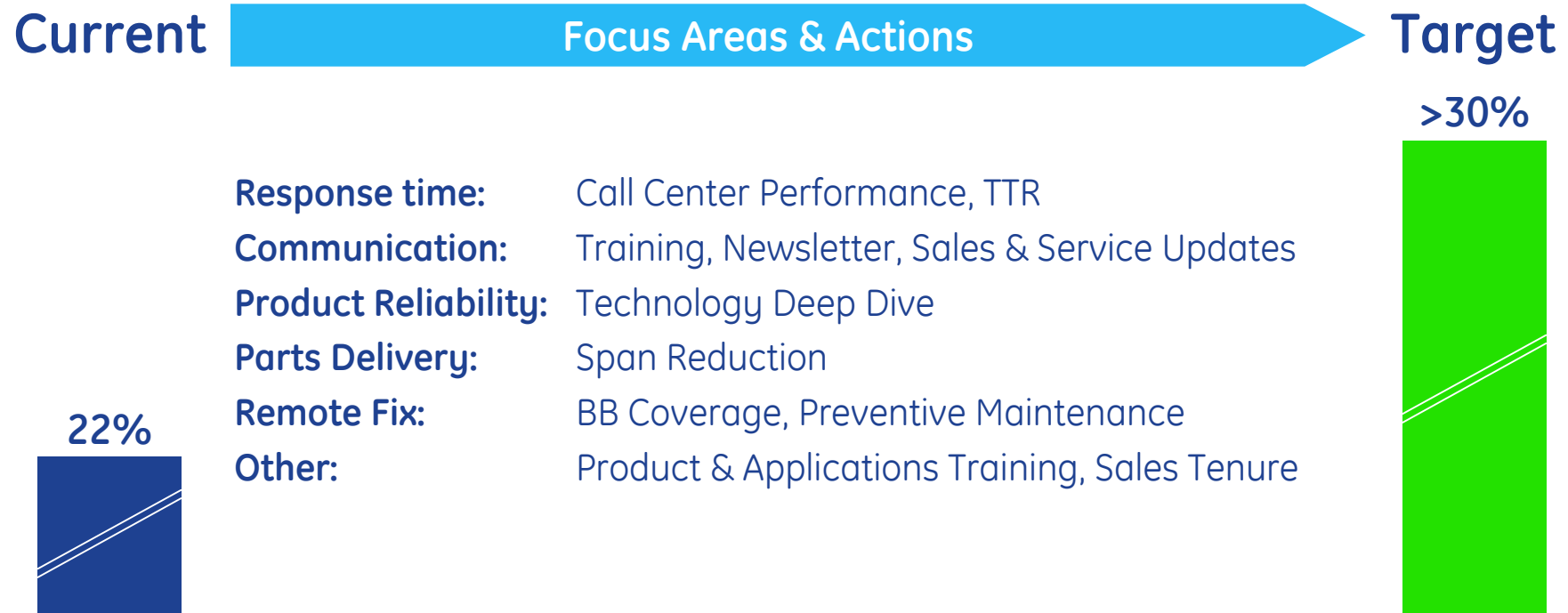
Net Promoter Score is best predictor of customer likelihood to repurchase

“Would you recommend GE to a friend or colleague?”

Promoters
– Detractors

Net Promoter Score

Net Promoter Score focuses teams on what's most important to customers



Actionable approach...
GE leaders measured and paid accordingly

Expanding commercial talent & capabilities



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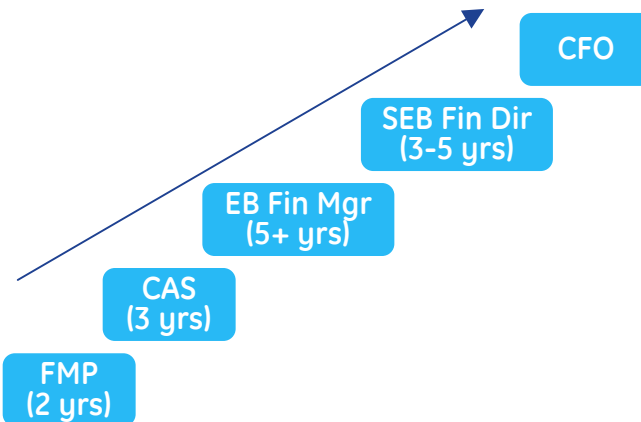
Commercial Leadership

Early career hires
Mid-career development
Career path

Finance in GE

~350 FMPs/year

400 audit staff



Functional development

Advanced Finance Mgmt class (train ~1000+/yr); controllership courses

Sustainability

80+ years

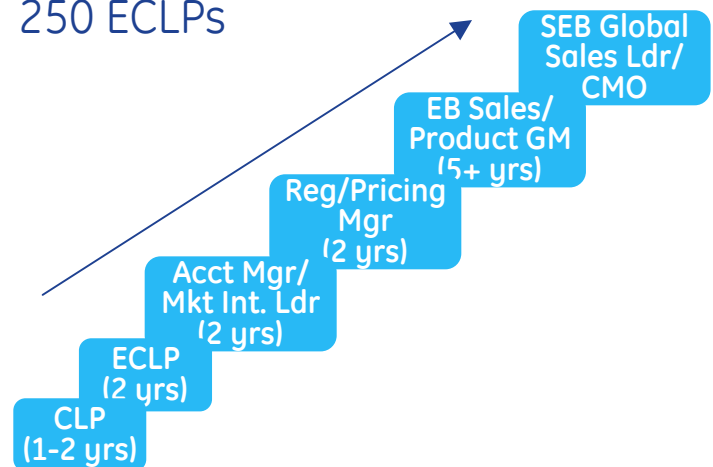
CEC background

~30% FMP, CAS, or both

Commercial in GE

~250 CLPs/year

250 ECLPs



Marketing Mgmt Seminars; other marketing and sales courses (train ~2000/yr)

2 years

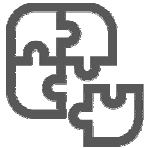
~20%... sales/marketing background

Growing leaders and growing GE

The Foundation *Values*



Curious
Passionate



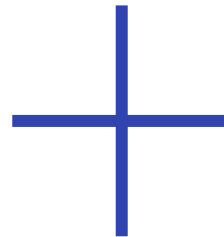
Accountable
Resourceful



Committed
Teamwork



Open
Energizing



Leadership Traits *Growth Generation*

External Focus

Decisive, Clear Thinker

Imagination + Courage

Inclusive Leader

Expertise



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Always executing with integrity

Making growth a process

- ✓ Leverage the GE brand and focus on enterprise selling
- ✓ Accelerate innovation
- ✓ Make customers more successful
- ✓ Expand commercial talent & capabilities

