

GE Fanuc Analyst Discussion

September 29, 2005

"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, media, real estate 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 a political, economic, business, competitive and 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 financial 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.



Agenda

GE Fanuc

- Business Overview
- Financials
- Product/Applied Solution Position & Direction
- Customer Stories – Applications

Site Tour

Lunch & Depart



Key Takeaways

Portfolio Transformation

- Resource Allocation Tied to Market Opportunities
- Organic & Inorganic Actions

Solve ... Translate ... Repeat – Model for Working with Customers

- Understand Customer Needs
- Understand GE Fanuc Strengths
- Institutionalize Applied Solutions ... Globally

Growth Across All Products & Regions

Simplification is Driving Leverage



GE Fanuc Automation

Operating Unit of GE Industrial

19 Year Joint Venture with FANUC
of Japan

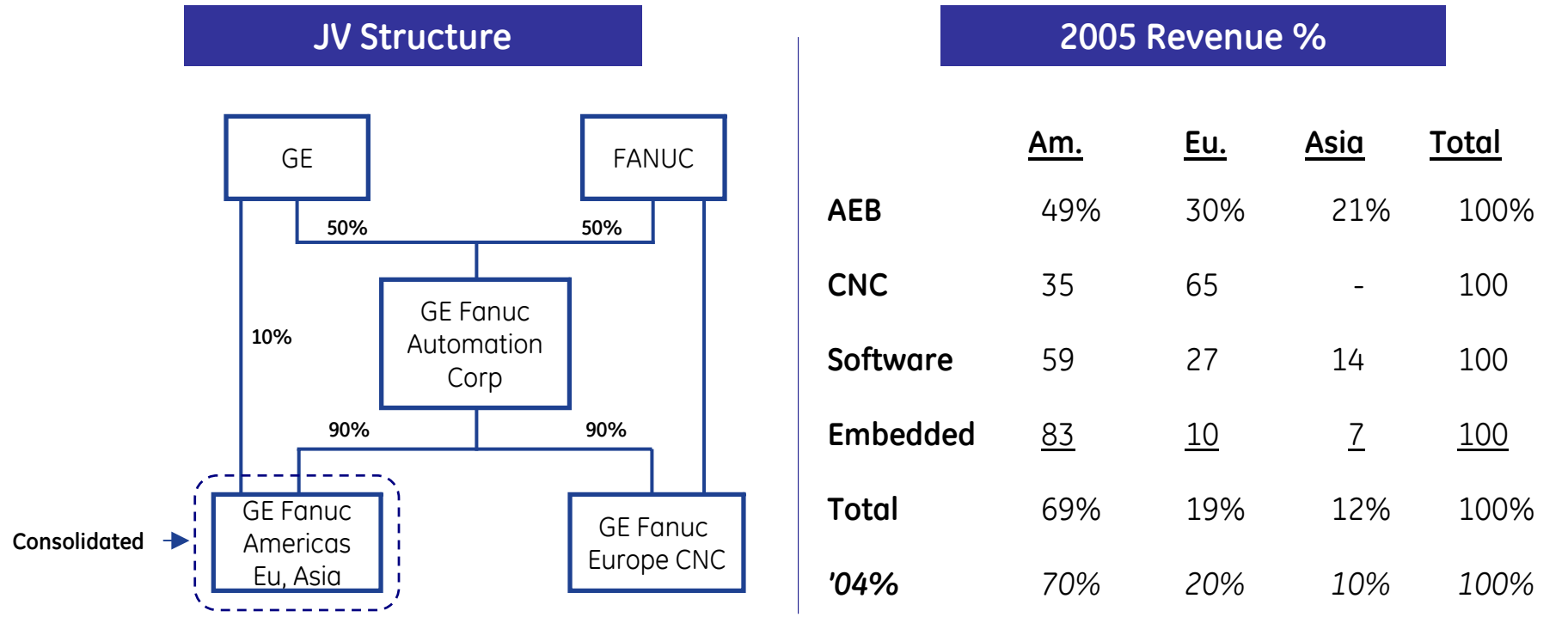
Headquarters in Charlottesville, VA

Broad Portfolio of Award-Winning
Software & Hardware Solutions

Local Presence in Every Major
Global Market



GE Fanuc Structure



	Commercial Activity Owners		
	<u>Americas</u>	<u>Europe</u>	<u>Asia</u>
Automation Equip Bus (AEB)	GE	GE	GE
Software	GE	GE	GE
Embedded Computers	GE	GE	GE
CNC	GE	FANUC	FANUC



Business Demographics

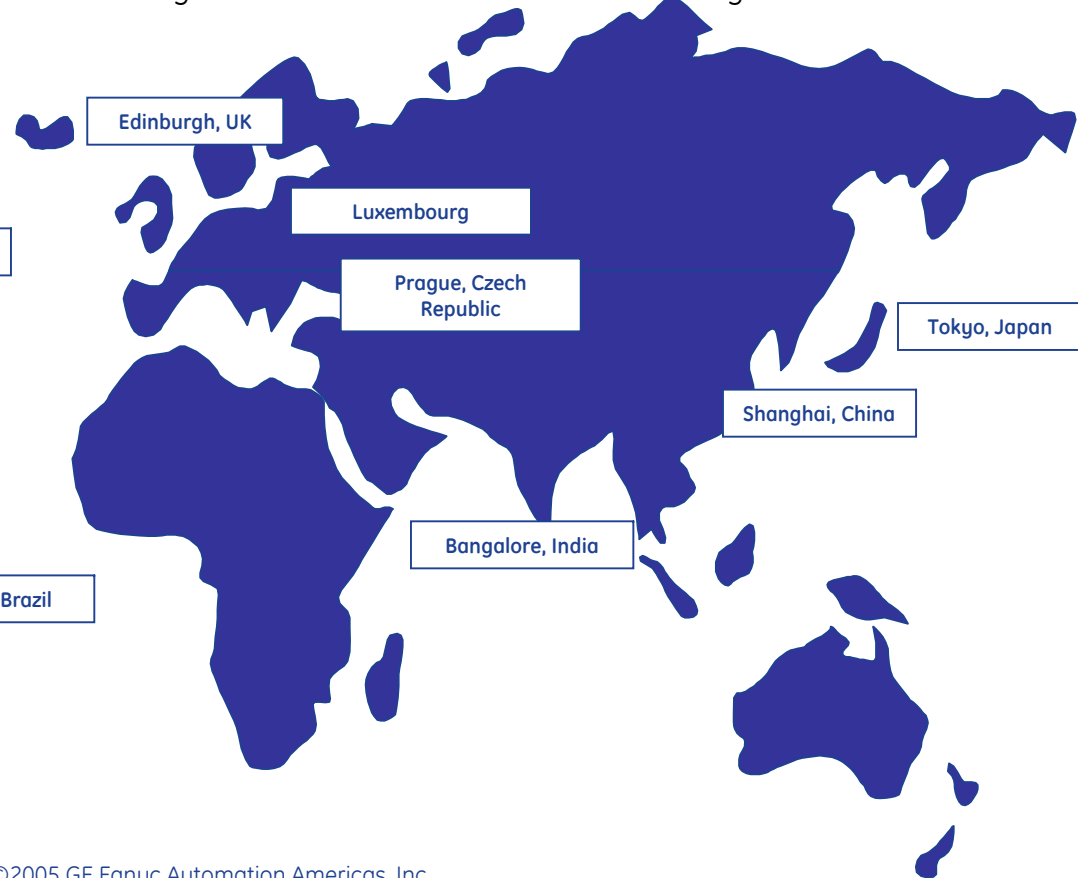
Americas

Total Headcount: 1600
Salaried: 1100
Hourly: 500
Sales/Mktg: 400
Engr/Services: 750



Europe

Total Headcount: 200
All Salaried
Sales/Mktg: 120
Engr/Services: 50

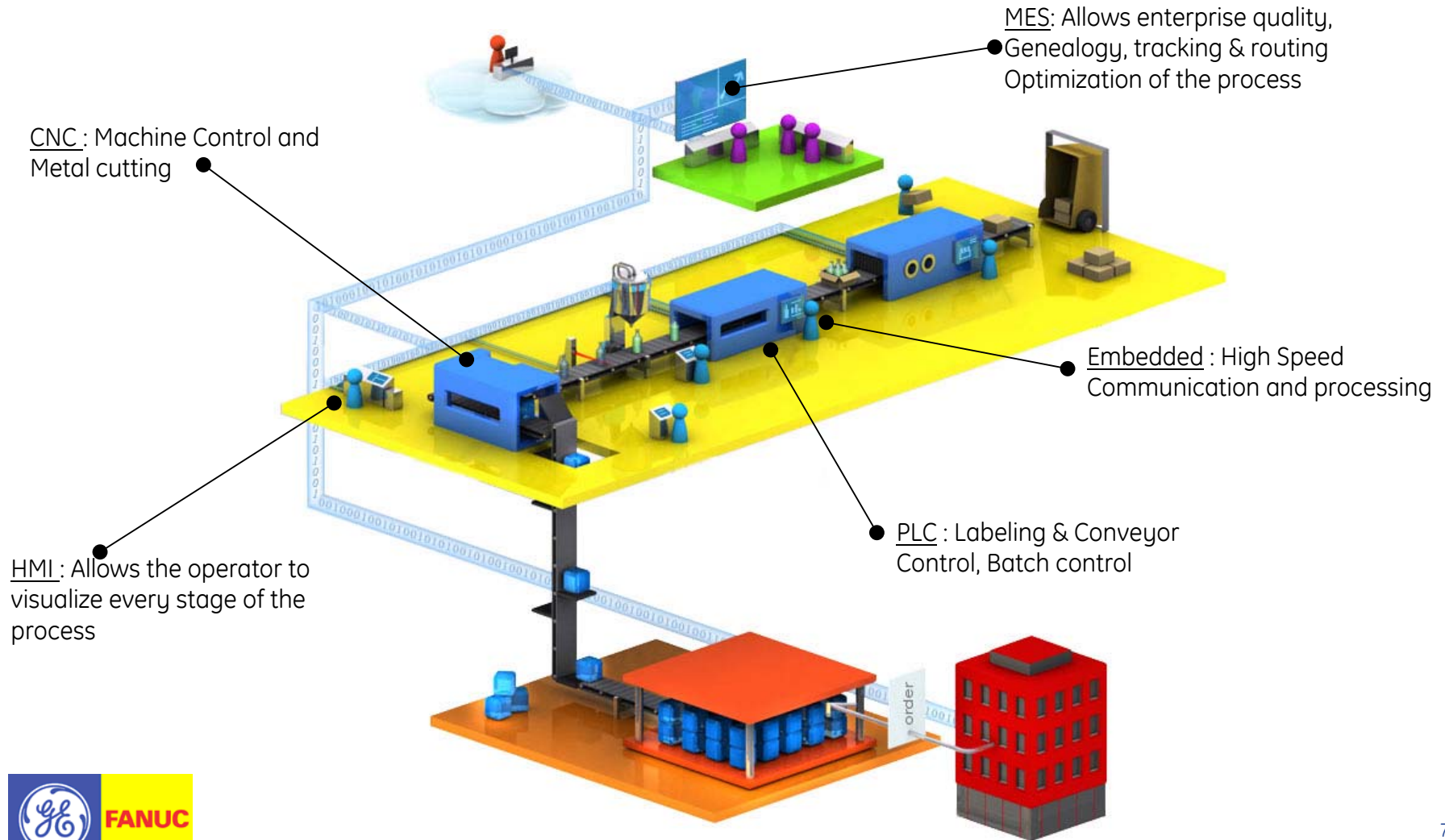


Asia

Total Headcount: 300
All Salaried
Sales/Mktg: 120
Engr/Services: 140

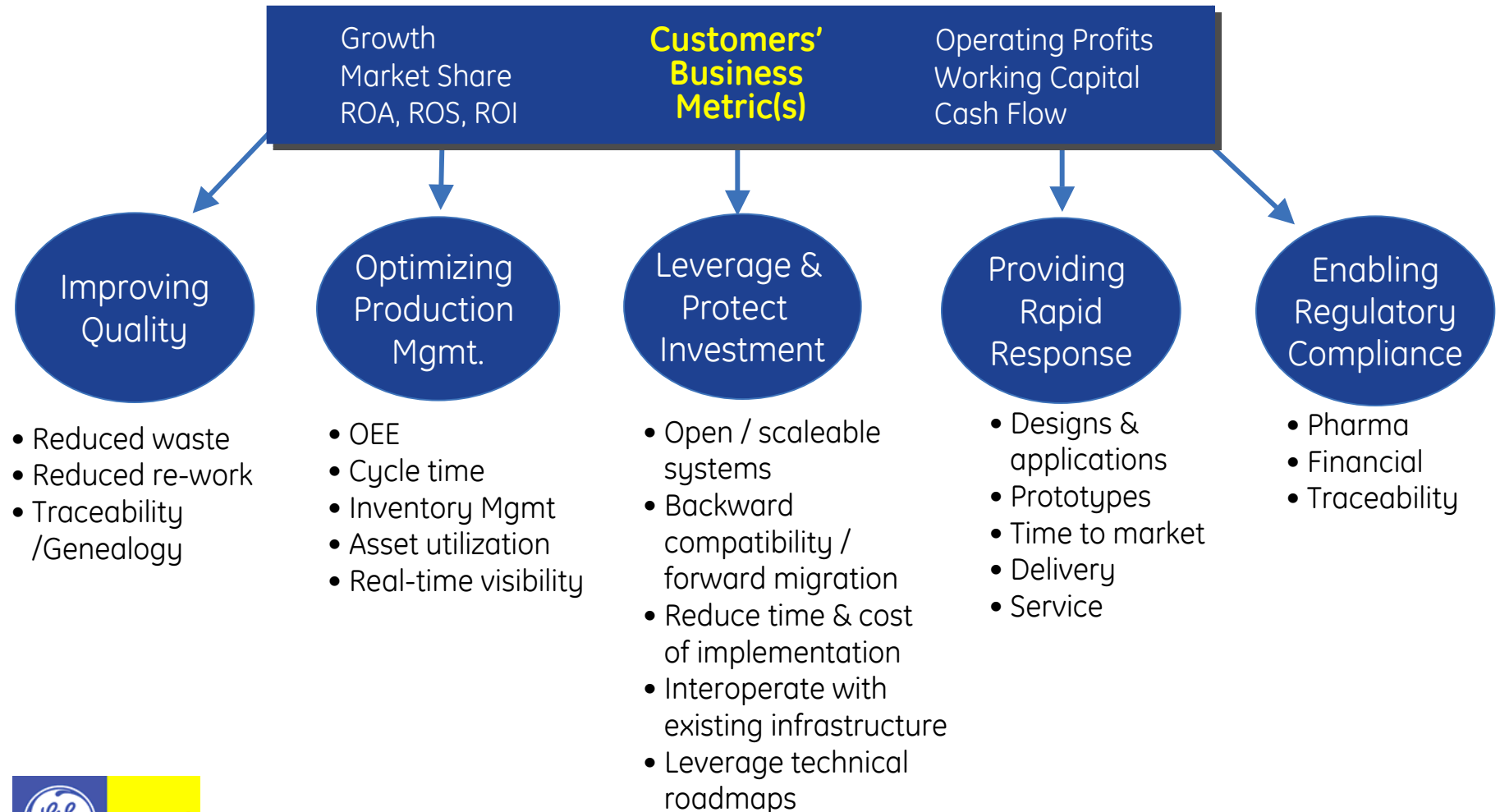


GE Fanuc – What Do We Do?



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How Does GE Fanuc Help Customers?



Market Trends

Emerging Market Growth Continuing ...

- Asia, MEACE, Latin America
- Technology, Market Coverage and Competitiveness Tickets to Play

Developed Markets Growing in Target Areas ...

- Installed Base Inertia Challenging
- Unsupported Base or OEM Platform Migration Provides Opportunity
- Fragmented Competition in Embedded, Software and Key Applied Solutions

Speed of ROI and Ease of Use is Critical ...

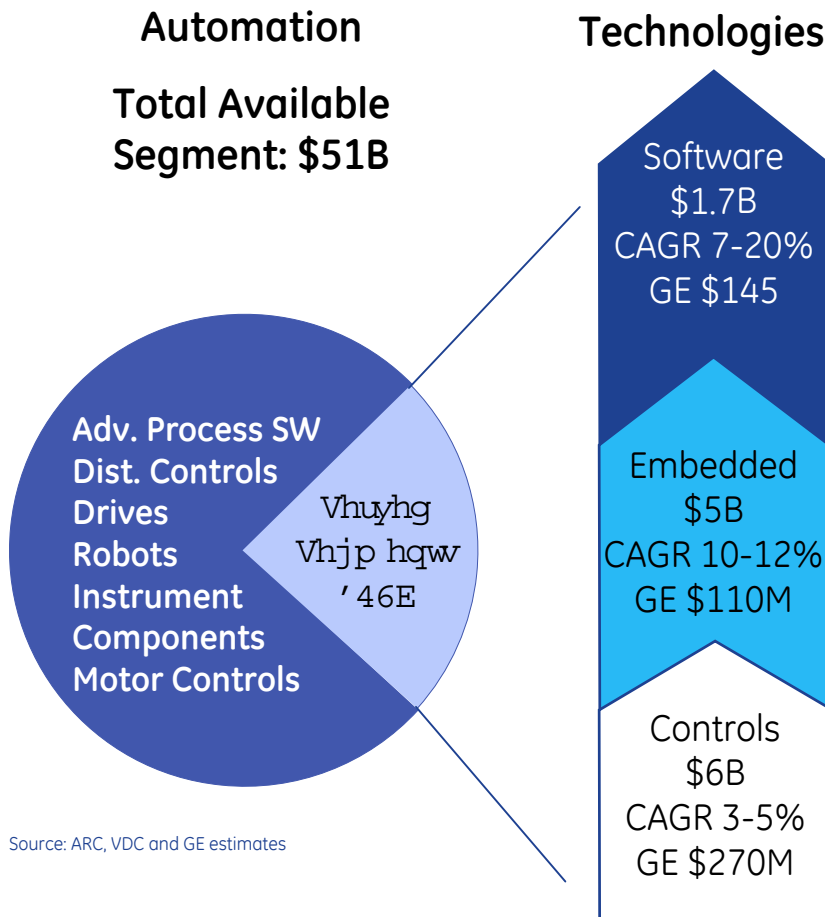
- “Make my Decision Easier” – Prove it to me in a “Bakeoff”
- Buying Process Evolving ... Beyond Shop Floor and Technology
- Technical Support and After Sale Service Differentiates

End User Interactions Can Change Momentum of Market ...

- Drive Specifications ... Use Channel to Support Customers
- Partner with Key Solution Providers – Premier Solution Providers



GE Fanuc Focus: A \$13B Segment



Software

- Human Machine Interface (HMI) Segment Slowing ... Substitutes
- Production Management Segment Fragmented, but Growing (Data Management Needs)
- IT Influencing Corporate Buy Decisions

Embedded

- Fragmented Industry... No Clear Leader
- Industry Consolidation Accelerating
- Continued Move to Outsource

Controls

- FANUC Global Leader in CNC
- Stable Sales Across Competitive Platforms
- Customers Driving Integrated Controls/SW to Meet Productivity Needs



Growth Strategy – Growth Playbook



Commercial Excellence

- Drive End User Demand
- Break Down Geographic Boundaries
- Align Channels

Applied Solutions

- Develop, Win, Translate
- “Customize” Base Platforms
- Integrate Multiple Products
- **Productivity Solutions**

Technology Driven Growth

- Focused on Building Out Platforms
- Extendable Platforms ... Faster/Targeted Derivatives
- Reallocate Investment



Business Highlights '04-'05

30% Revenue Growth ... 110% Op Profit Growth

120% Increase in NPI Spend

- 85 New Product Launches

75% Asia Sales Growth ... 92% China, 90% India

\$35MM Total Cost Productivity (TCP)

Exceeding Pro-Forma on Acquisitions



To creatively, consistently and flexibly solve our customers' toughest challenges, we embarked on a ***Transformation*** of the GE Fanuc product portfolio.



Transforming the Portfolio Circa Year 2000

Series 90 Controllers

Multiple Controller Programmer Packages

Sourced Operator Interfaces

CIMPLICITY Plant Edition HMI/SCADA & Discrete MES

FrameworkX Software – Total Control Products

Limited Open Systems Capability

Limited Custom Capability



Transforming the Portfolio

We Added to Our Products, Technologies & Custom Capabilities

Acquisitions

VMIC, Ramix and DNA

- Technology for GE COE
- Expanded Product Offerings
- Enter New Market Segments

Intellution

- Strong HMI/SCADA Player
- Historian & Process Capabilities

MSI – Mountain Systems

- Strong Technical Basis for Plant Performance Management

Product Development

Applied Solutions

- Hybrid Solution, RM&D, Tracker

Software

- Improved Functionality, Continuous Focus on Ease of Use & Integration

Embedded

- Technology Extension, Customized Spins

PACSystems

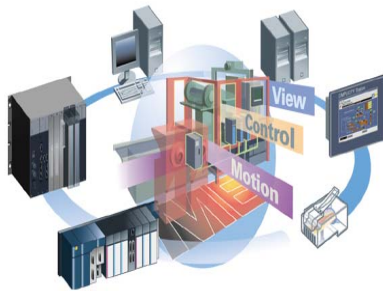
- Open Standards, Single Control Engine, Motion with FANUC

CNC

- Productivity Offerings to Compliment Core CNC



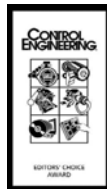
Built an Award Winning, Segment Leading, Product Portfolio



PACSystems™

Leader in Open, Modular, Control Systems

one control engine, **one** development environment for discrete, motion & process domains

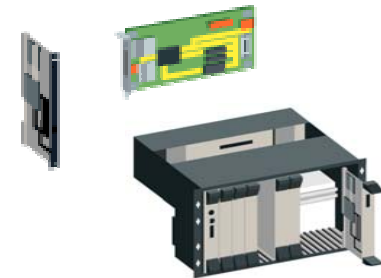


Proficy™

Leader in Intelligent Production Solutions

one fully integrated suite of applications to support every functional area of production & link to business systems

#1 HMI/SCADA Supplier in the world



Embedded Systems

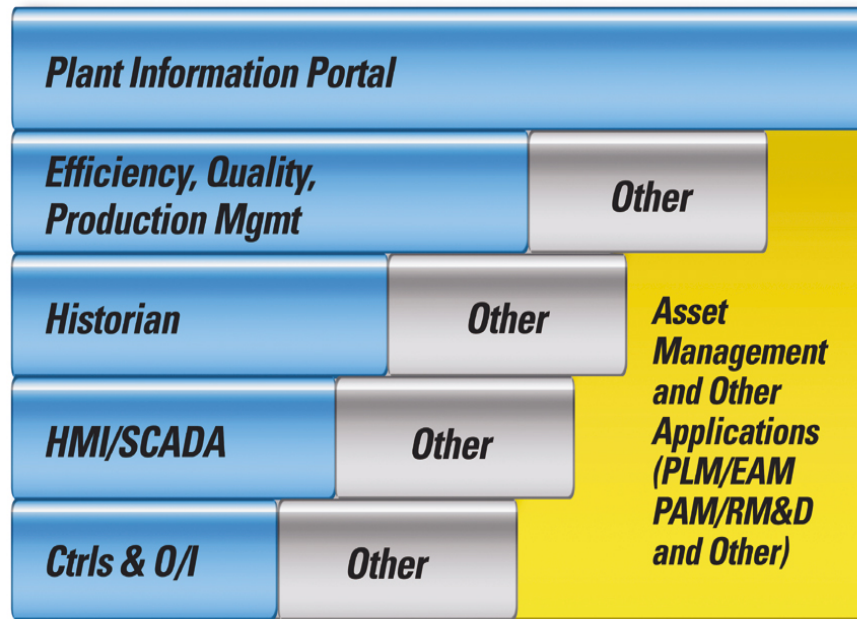
Leader in open standards and custom control / networking solutions

one business model focused on open technology architectures and rapid custom configurations

control design



GE Fanuc: Solving Problems & Making Improvements at Every Customer Level

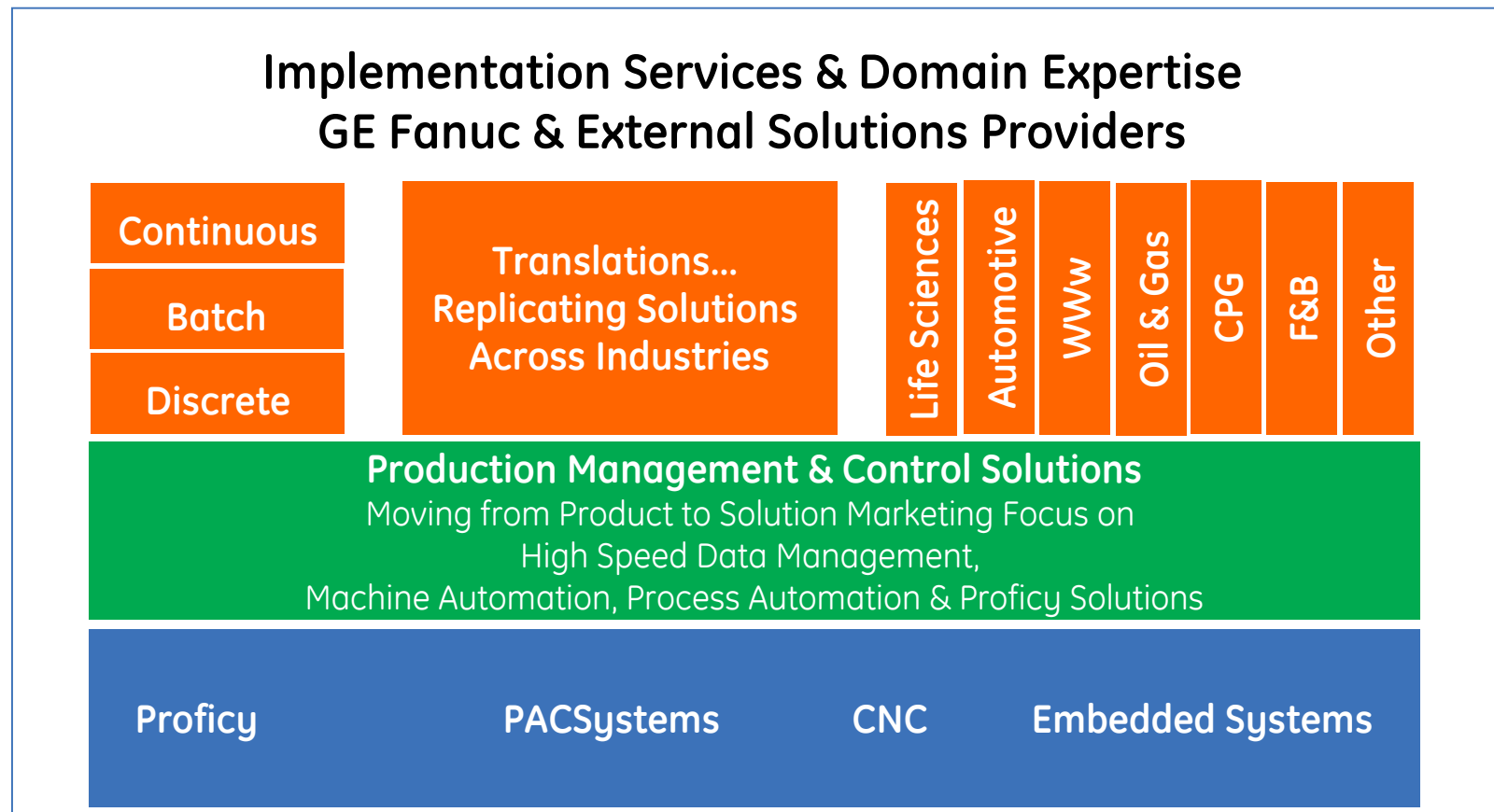


Open, Layered & Flexible Architecture:

- Embrace & Extend Current Assets
- Coexist with Existing Systems & Infrastructure
- Coexist with Leading 3rd Party Products
- Constantly Improving the Integration Between GE Fanuc Layers



Technical Expertise & Domain Experience Ensure We Meet “Value Promised”



Platform Overview & Direction



Embedded – Growth Playbook

Geographic

- Sales & Support Resources in Europe/Asia
- Extend Reach Through Local Channels
- Common Hardware Activities Globally Aligned

Targeted Segments

- Coverage in Telecom & Military
- GE in Medical, Industrial, Energy, & Water

Technology

- On-Going Investments to Sustain/Grow the Core
- Align Development Capacity with Demand
- Extend Offering to Include Design of Systems



Adjacencies & Expansions

- Acquire Players to Fill in Technology Gaps & Grow



Proficiency Software - Growth Playbook

Geographic

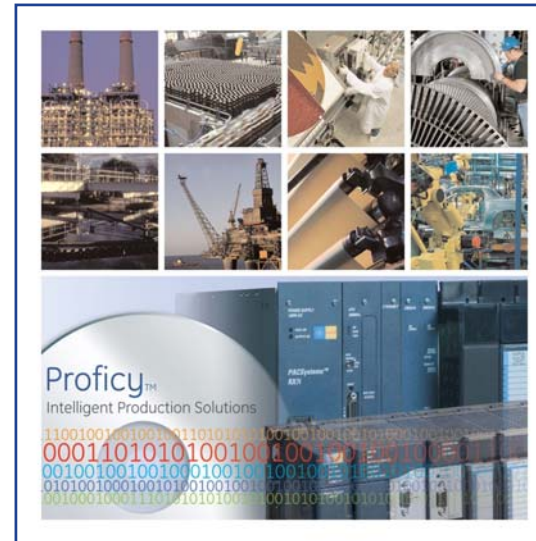
- Growth in Asia as Customer Adoption Increases
- Integrate Marketing and Sales Activities in ROW

Targeted Segments

- End User Focused on Improving Productivity, Increased Capacity
- Translate Applications within Sub-Verticals of Life Sciences, F & B, Water, Utilities, CPG & Paper

Technology

- Open/Standards-Based Platform for Totally Integrated Offering
- Reduce Implementation Time and Increase Ease of Use Facilitating Broad, Rapid, Deployment



Adjacencies & Expansions

- Consolidate geographic HMI/SCADA
- Accelerate technology in Production Management
- Application Extensions, Vertical Consolidations



PACSystems Controls / OI – Growth Playbook

Geographic

- North America & Europe – Focus on OEM's
- Target Assembly, Packaging, Consumable Delivery & Process/Hybrid
- Customer Intimacy Model (NPS, Direct Serve, Web Tools)

Targeted Segments

- Emerging – Focus on Infrastructure Expansion
- Target water, metals, automotive, Oil & Gas, and Power
- Use Local PSP's for Domain Knowledge

Technology

- Utilize Synergy Between Embedded & Controls
- Resource Platform Programs
 - OEM: Motion
 - End User: Redundancy, IO LAN & Proficy Process Control Software
- Flexible Resource Allocation for Significant Opportunities



Adjacencies & Expansions

- Machine Safety, General Motion & Explore Field Devices for Process



CNC - Growth Playbook

Geographic

- Expand User Productivity Suite in Europe/SA
- Apply CNC Express in South America

Targeted Segments

- OEMs – Specialty/Production MTBs
- Users – Transportation, Metal Cutting Job Shops, and Medical Devices
- Retrofit – Acceleration Demand Creation
- High-Density, High Spend Metal Cutting Regions
Great Lakes, Upper Midwest, California

Technology

- New CNC Platform – Target MTB Segments
- Expand Productivity Solutions Suite

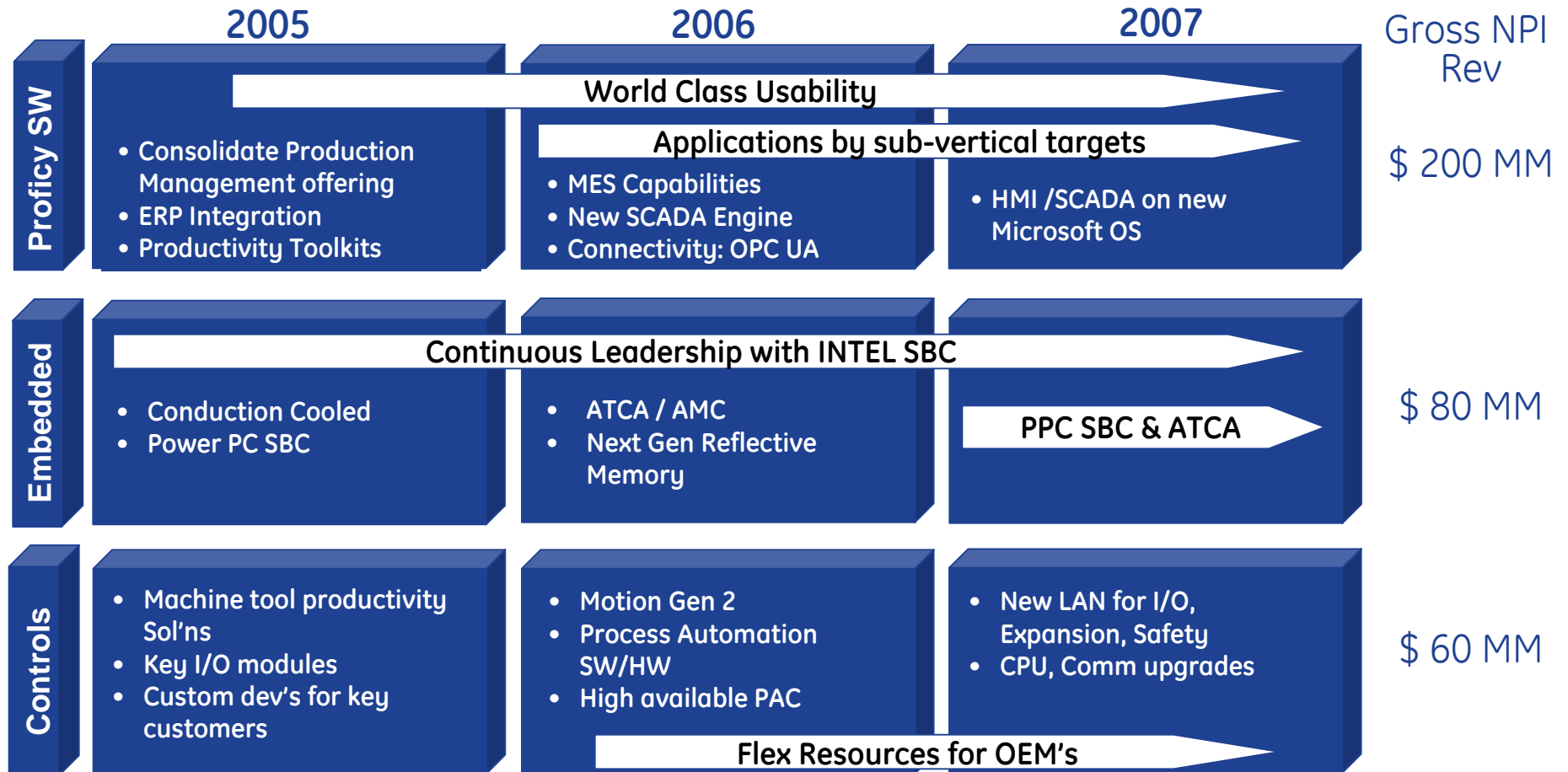


Adjacencies & Expansions

- Develop Convergences – Machine Vision, Simulation, Inspection/Gauging, DNC



Technology MGPP Highlights



Key Takeaways

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- Institutionalize Applied Solutions ... Globally

Growth Across All Products & Regions

Simplification is Driving Leverage

Do things right the first time
Do things right the first time

