

GE Energy – Meeting Global Demands

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imagination at work

Global trends ...

Population



Consumption



Energy security



Environment



... Create big challenges



imagination at work

And the challenges ... drive the technology

- High fuel prices ... require **higher efficiency**
- Energy security ... requires **more diverse solutions**
- More stringent environmental standards ... require **lower emissions, increased use of renewables and nuclear**



Global demand growth

Russia's power shortage threatens growth

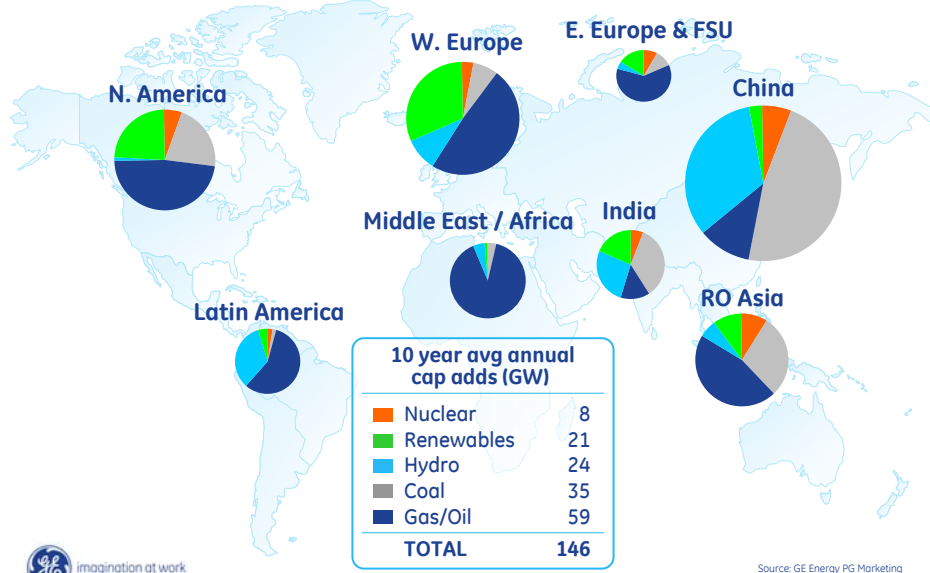
Namibia could face electricity rations

Power outage hits Kuwait City



Power generation landscape ... next 10 years

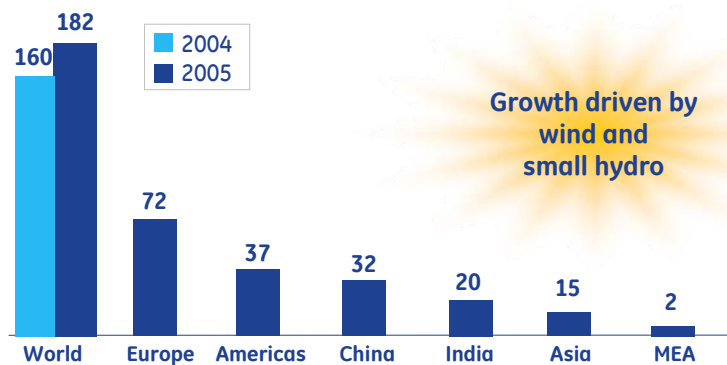
Total capacity additions – GW (2006 – 2015)



Growing demand for renewables ...

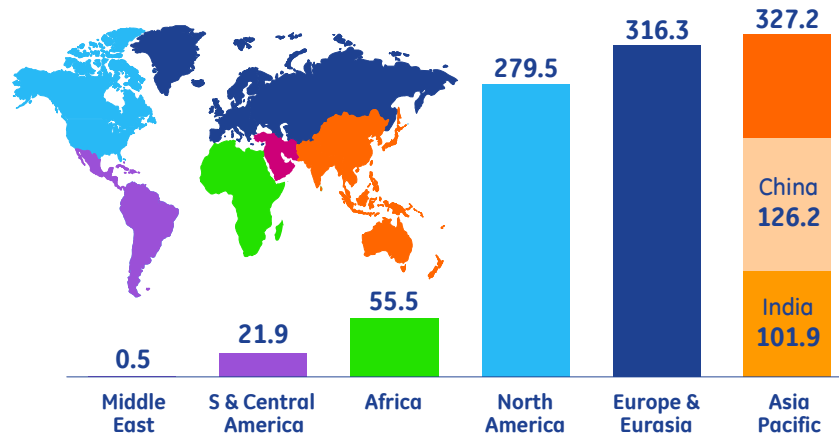
- Renewable technology ... only 3% of electricity production today
- Solid double digit growth expanding global footprint

'05 renewable installed capacity (GW)

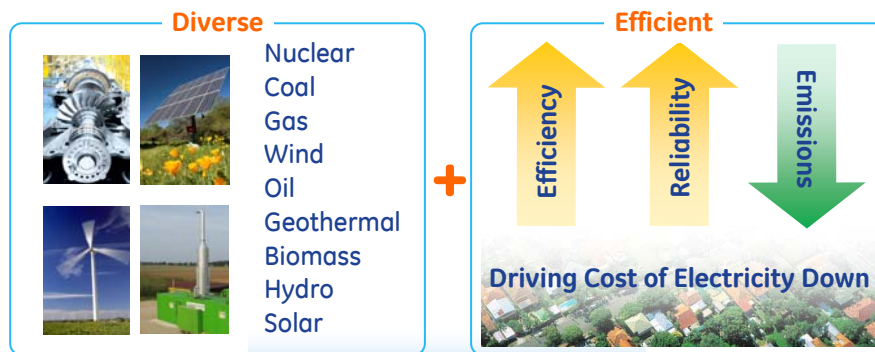


... Coal is still a primary energy source

Recoverable coal reserves (million short tons)



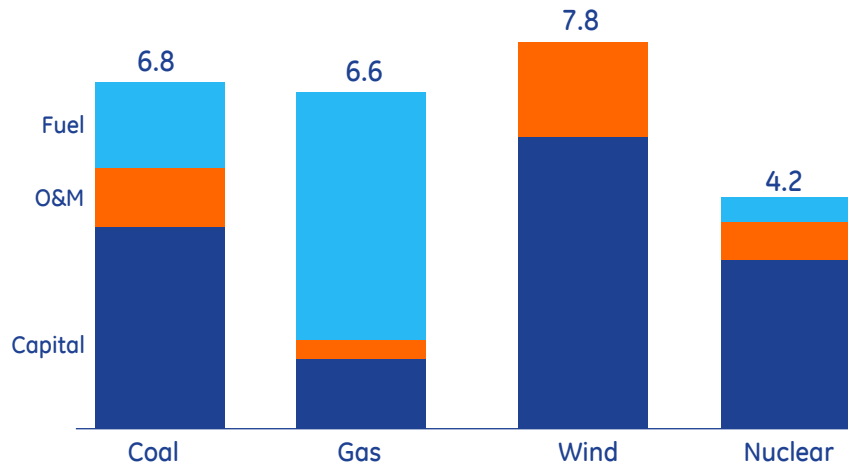
Meeting big challenges ... with big solutions



Affordable, reliable & environmentally responsible

Technology diversity is critical

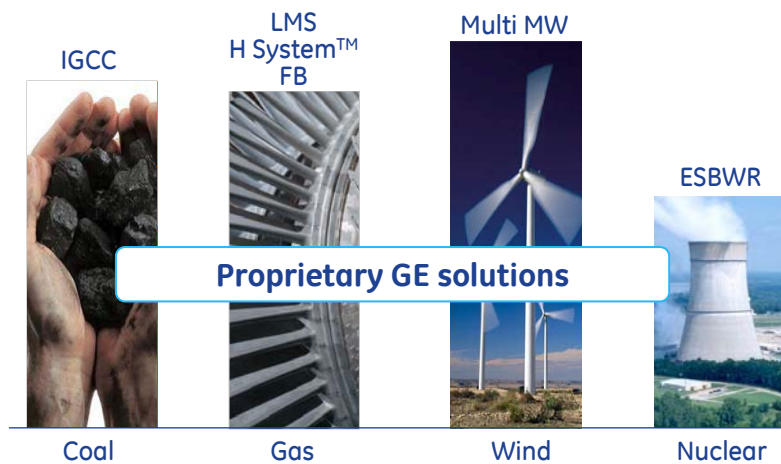
Cost for new build ... COE (cents/kWh)



Source: GE internal

Technology diversity is critical

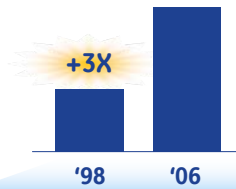
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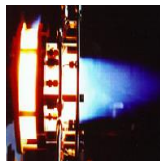
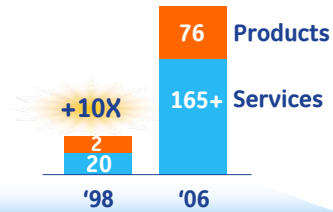
Source: GE internal

... Increasing investment

New product investment



New product launches



Combustion



Aerodynamics



Materials



Controls



Technology excellence across the portfolio



Gas



Solar



Cleaner Coal



Hydro



Wind



Asset Optimization



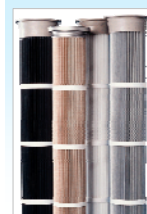
Biomass



Network Reliability



Nuclear



Environmental Services



Technology excellence across the portfolio



Gas

Gas

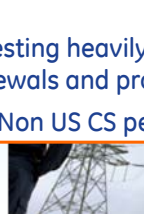
- Volume back to '03 levels
- Growing demand across the globe
 - '03: 50% Non US
 - '06: 90% Non US
- Investing heavily in services portfolio ... renewals and productivity
 - Non US CS penetration ~90%



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Cleaner Coal



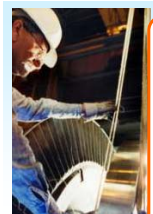
Hydro



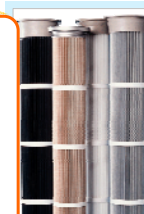
Wind

Cleaner Coal

- Increasing License activity worldwide ... refinery & petrochemical focus
- Poland 'Center of Excellence' ... driving technology in Europe



Asset Optimization



Environmental Services



Technology excellence across the portfolio

Wind

- '06 orders:
 - \$3B US
 - \$1B ROW
- Reliability improvement 88% - 97%+
- Capacity commitments through '08 ... global reach

Gas

Asset Optimization

Biomass

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Hydro

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Environmental Services



Technology excellence across the portfolio

Biomass

- Renewable energy consumption up by 60% by 2030 ... \$1.6 trillion investment
- Biomass growing 4% annually ... Jenbacher growing 5x
- Growth regions ... North America, EU, India, China & Brazil

Gas

Solar

Asset Optimization

Biomass

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Technology excellence across the portfolio

Nuclear

- Part of the global GHG solution
- Aggressive new build targets ... >100 GW by 2025
- ESBWR design certification progressing with NRC



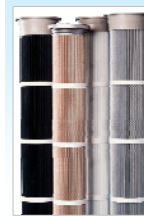
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Biomass

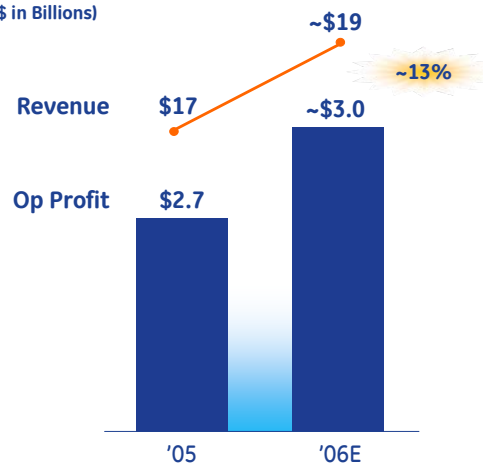


Network Reliability



Global Infrastructure investments bring big opportunities for growth

(\$ in Billions)



Energy growth drivers

- Grow across the portfolio ... across the world
- Coal/IGCC and nuclear progress continuing but significant GT CC needs for next decade
- Strong demand for renewables continues
- Services revenue growth... CS backlog \$32B
- NPI investment up 30% in '07

