

Growth as a process

Dan Henson
Lehman Brothers Conference
February 8, 2007

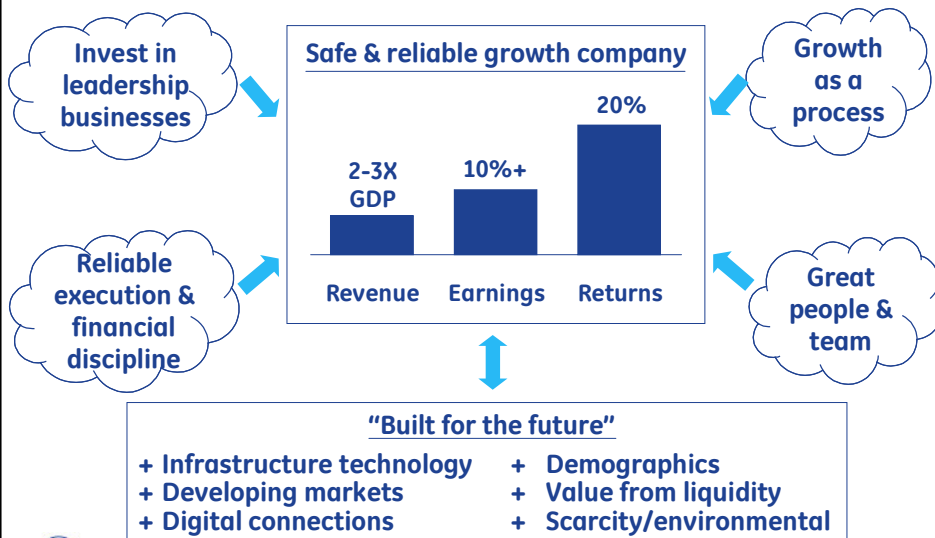
"This document contains 'forward-looking statements' - that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as 'expects,' 'anticipates,' 'intends,' 'plans,' 'believes,' 'seeks,' or 'will.' Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties which could adversely or positively affect our future results include: the behavior of financial markets, including fluctuations in interest rates and commodity prices; strategic actions, including dispositions; future integration of acquired businesses; 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; unanticipated loss development in our insurance businesses; and 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."



imagination at work



Invest & deliver



imagination at work

2
GE Company Proprietary



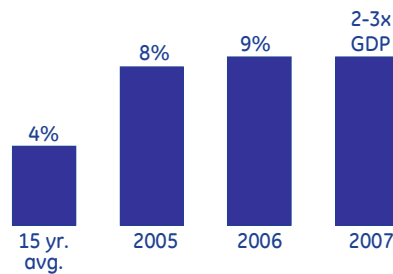
imagination at work

Core initiative: Organic growth 2-3x GDP

"Growth as a process"



Organic growth (V%)



8th straight quarter of organic growth 2-3x GDP



imagination at work

3
GE Company Proprietary

"Growth as a process" makes it happen



imagination at work

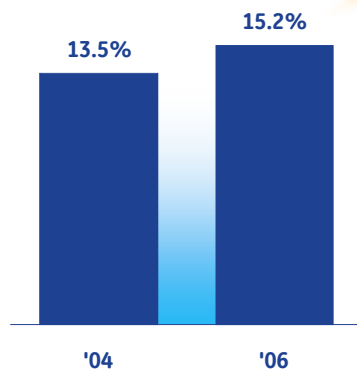
4
GE Company Proprietary



imagination at work

Growth as process fuels margin expansion

Industrial op profit %
(Ex. pension)



Target:
100 bps./yr
'07-'09

Drivers of expansion

Process excellence

- NPS & lean to drive customer satisfaction

Commercial leadership

- Top front end talent & development programs to maximize customer interface

Great products ... everywhere

- Service focus
- IB's penetrating new markets
- Global vision



imagination at work

Right people & processes to win

5
GE Company Proprietary

Innovation for growth

Commercial

- Industry verticals
- Enterprise selling
- Olympic Games
- Joint ventures

Product or technical

- Imagination Breakthroughs
- GRC's Open innovation
- External support

Organizational

- Beijing 2008
- Infrastructure
- Commercial Finance Asia



imagination at work

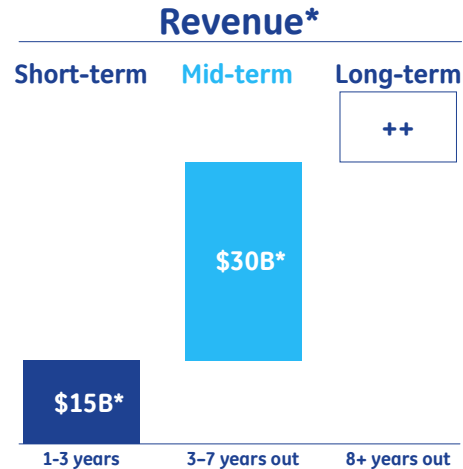
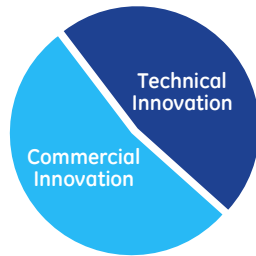
6
GE Company Proprietary



imagination at work

Imagination Breakthroughs are fueling growth

Tracking ~90 IBs company-wide

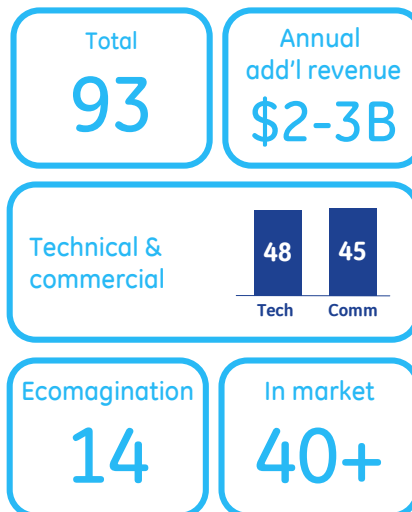
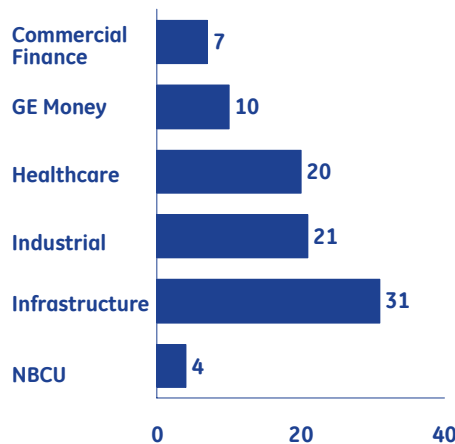


*Initial projections



7
GE Company Proprietary

IB portfolio summary



8
GE Company Proprietary

Close oversight of Imagination Breakthroughs by leadership

- > Fully funded
- > Owned by business leaders
- > Part of Growth Playbook
- > Monthly reviews focused on market barriers, value proposition and technology development



9
GE Company Proprietary

Enterprise

GE Commercial Finance

A customer focused sales approach that provides a single point of contact who is accountable for growing the relationship and streamlining key processes-making it easier to do business & driving loyalty.



10
GE Company Proprietary

India

GE Money

Leveraging the growth opportunities in India, GE Money is creating a suite of products accessible to the customer at every stage of his lifecycle, with the goal of being a one-stop shop and best in class service provider.



By 2010, assets are expected to grow by 61% CAGR, and an incremental 2B in volume and \$37MM Net Income is targeted.



imagination at work

GE Money Home Loan

Yes! now bigger loans for larger homes.

With GE Money, your dream of a larger, better home is now just a step away!

- Doorstep services
- Simple documentation
- For ready to move in properties
- Attractive insurance cover

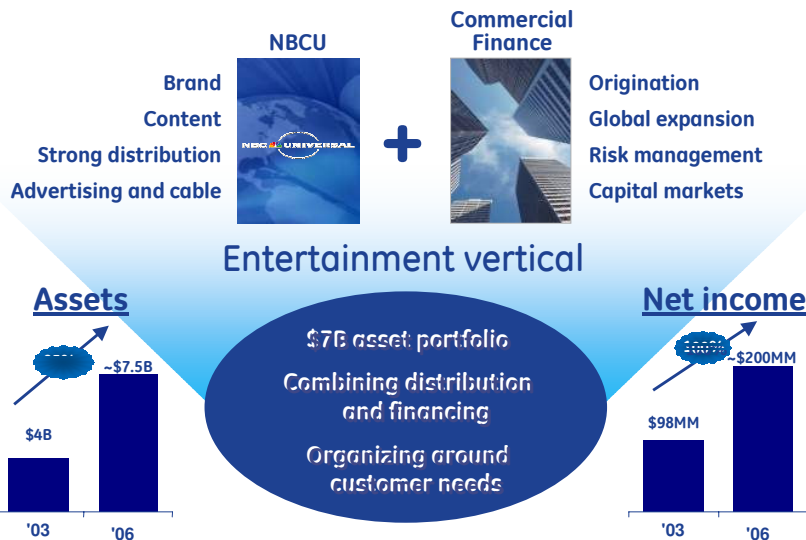
Call 39022000
1800 180 1275

GE imagination at work

Terms and conditions apply. Credit is a pre-condition of finance.

11
GE Company Proprietary

Media and entertainment vertical



imagination at work

12
GE Company Proprietary



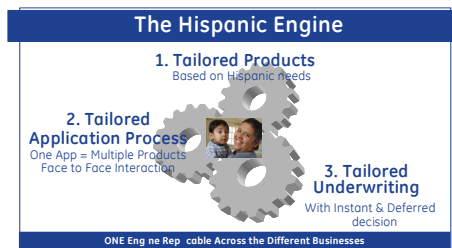
imagination at work

Hispanic market

GE Money

GE Money is building a customer centric model focused on the under-penetrated Hispanic market, including tailored products, tailored underwriting and risk, and a face to face sales approach.

The US is the 2nd largest Spanish speaking country and the market is growing. The Hispanic market accounts for 10% of US Buying power.



13
GE Company Proprietary

Signa Performance MR

GE Healthcare

Targeting mid-tier hospitals in China and later other emerging markets with no MR technology, GE Healthcare is providing a basic MR that hospitals can “plug and run” – with little start up and minimal maintenance costs.

Local expertise is used to provide local content and reduce manufacturing costs.



14
Proprietary

Wind energy

GE Infrastructure, Energy

The one 3.6 MW Wind Turbine can generate amazing power—equal to the needs of about 1,200 average U.S. homes.



15
ietary

Wastewater-to-Energy

GE Infrastructure, Energy and Water

By using wastewater to create energy and then re-using the water, food & beverage processing plants in emerging markets can save over \$5 MM and reduce CO2 emissions by over 13,600 tons annually.



Water for humanity

GE Infrastructure, Water

In an innovative partnership with Tata Foundation, GE Water is creating sustainable solutions to provide clean drinking water to villages in rural India.

Of the 600,000 villages in rural India, over 200,000 have significant water quality issues that can be treated with a GE solution



17
GE Company Proprietary

Imagination Breakthroughs are making innovation a core capability

How we're getting there:

1. Launched in Oct 2003...
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

Imagination Breakthroughs

(\$B - revenue)

\$20

+33%

2006

- ✓ Technical leadership in Wind, EVO, VCT
- ✓ Dual Card, Mortgage
- ✓ Entertainment Vertical

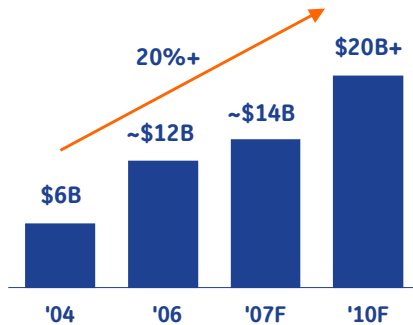
Funded ... with lots of CEO attention



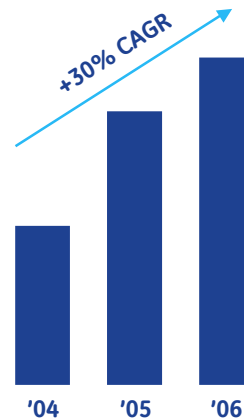
18
GE Company Proprietary

Leadership in ecomagination will secure accelerated growth

ecomaginationsm



Orders and Commits (\$B)

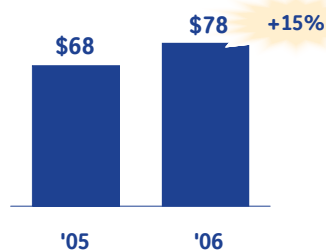


19
GE Company Proprietary

Globalization

(\$ in billions)

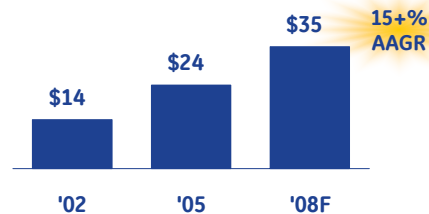
Global revenue



Priorities

- ✓ Share in Japan + Europe
- ✓ Expand presence in China, India
- ✓ Technology + sourcing
- ✓ Developing markets

Developing countries – growth



"Play the big GE"

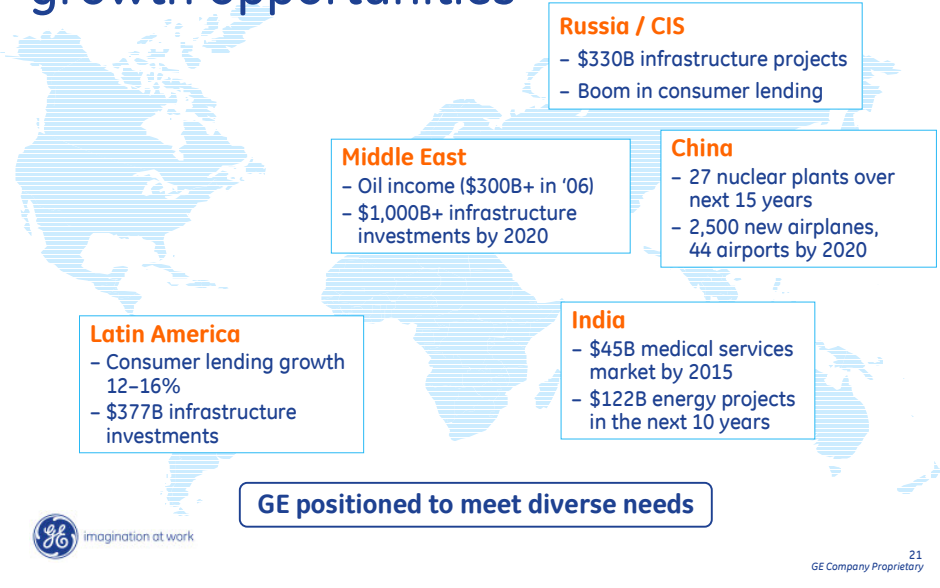
- 1 Lead in infrastructure
- 2 Capture wealth creation
- 3 Build local capability ... people, service, risk
- 4 Drive GE advantages

Have built strong global capability



20
GE Company Proprietary

Developing markets today: great growth opportunities



From 'value products' to 'performance technologies' ... targeted



India dynamics

(\$ in billions)



Population	1.1B
GDP	3.6T
'05 GDP growth	7.7%

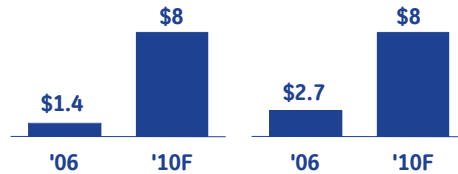
- ✓ Consistent GDP growth
- ✓ Top 5 economy
- ✓ Strong foreign exchange reserves
- ✓ Demographics driving needs
 - Energy, Transportation, Healthcare, Water

India at inflection point ...
strong fundamentals

"8 x 8 x 10"

GE revenue

GE assets



Priorities

- 1 Win key Power proposals
- 2 Build Infrastructure capability/financing
- 3 Win Water programs
- 4 Build Enterprise accounts
- 5 Establish Real Estate position



imagination at work

GE uniquely positioned to
penetrate developing markets

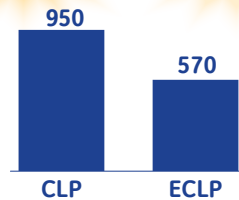
23
GE Company Proprietary

Commercial leadership

Growth traits
drive culture

Pipeline build 2003-2006

Undergrad
+2 years
experience



- ✓ ECLP rated world's best rotational program
- ✓ 65% outside US ... China a big focus

Development & culture



Talent & education in place



imagination at work

24
GE Company Proprietary



imagination at work

Commercial excellence Enterprise Selling – Commercial Finance

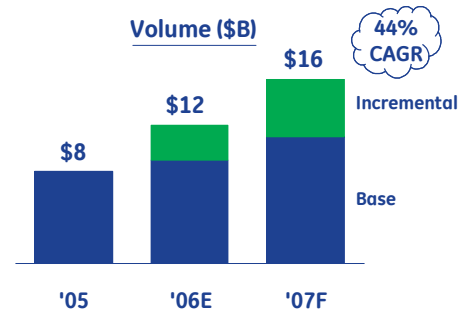


- ✓ Increase products per customer 2X
- ✓ Grow share of wallet 2X
- ✓ Drive NPS 2X



Results

Volume (\$B)

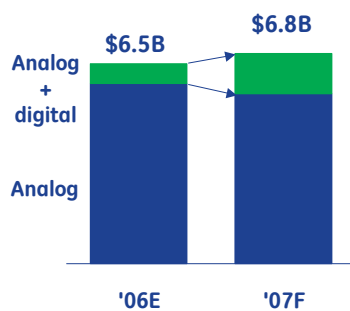


- ✓ Sales force deployment working
- ✓ \$5B incremental volume
- ✓ Customers love it

25
GE Company Proprietary

Commercial excellence at NBCU

Advertising sales



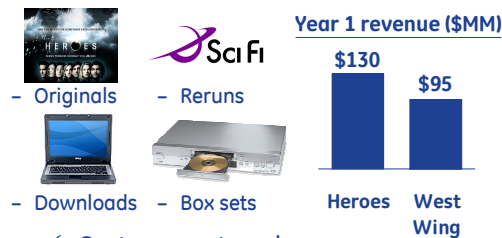
- + Commercial excellence is critical to entertainment
- + Commercial excellence is GE core competency



Actions

- ✓ Infused company's best talent
- ✓ NBCU 360° ... digital extension

Value creation - windowing



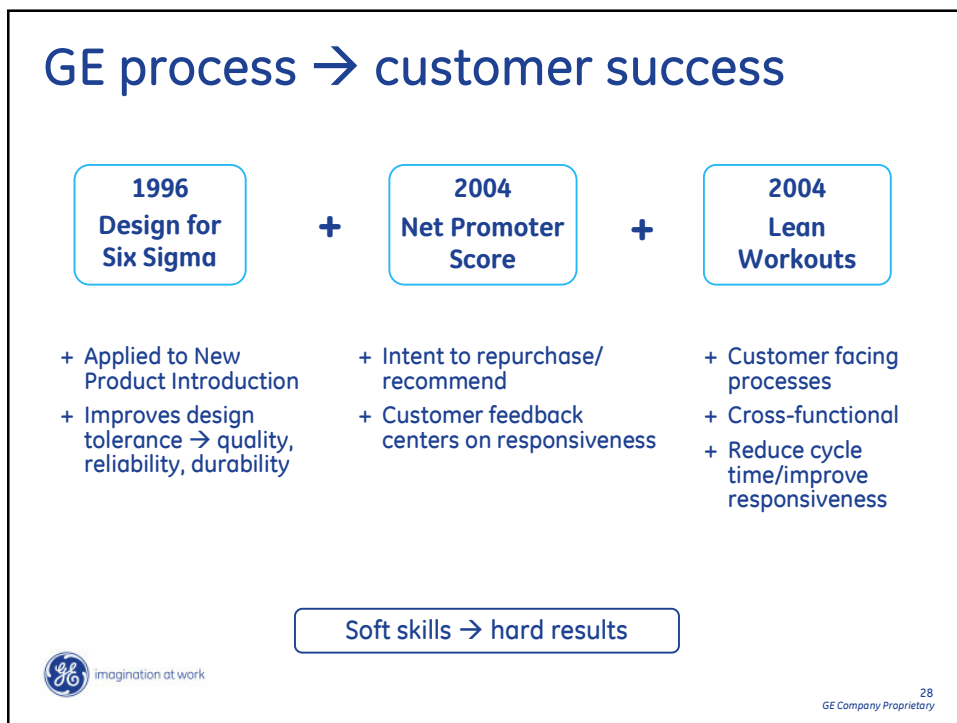
- ✓ Customer outreach
 - + Program integration
 - + Engagement guarantees
 - + Upscale guarantees
- ✓ Expanded partnerships

26
GE Company Proprietary

Making growth a process

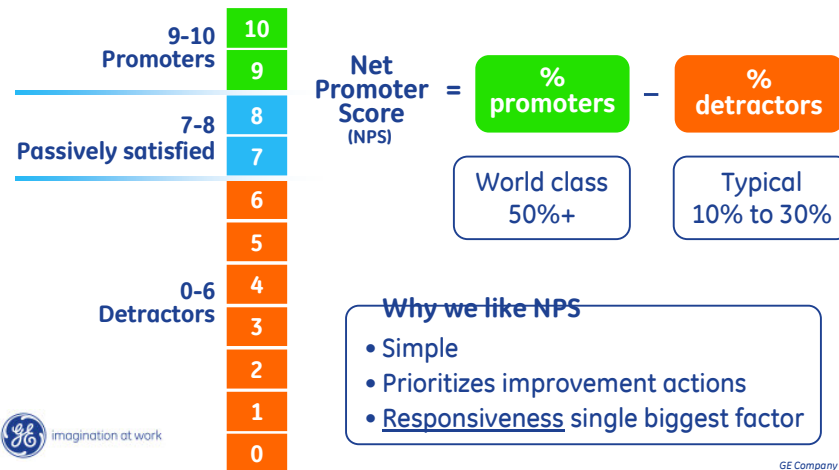


GE process → customer success



NPS driving even further customer focus

"On a scale of 0-10, how likely are you to recommend GE to a friend or colleague?"



imagination at work

29
GE Company Proprietary

NPS at Retail Sales Finance



imagination at work

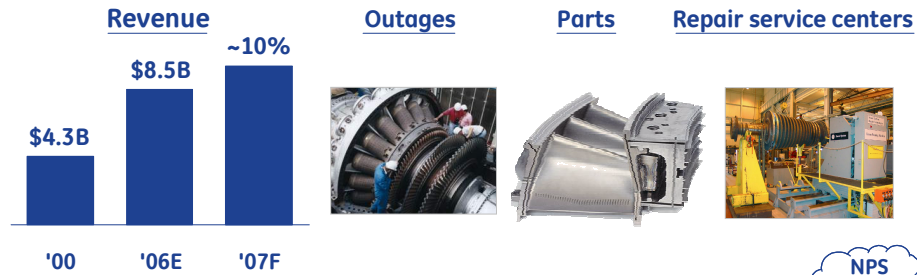
NPS transforms customer experience

30
GE Company Proprietary



imagination at work

NPS at Energy Services



What we heard

"Rework on outages is unacceptable"
 "Unresponsive to requests on parts pricing and delivery"
 "The one thing you should focus on to drive customer loyalty is responsiveness"

Key improvement areas

1. Parts quote cycle: 20 → 4 days
2. Outage cycle: 10-30% down
3. GT parts repair cycle: 30% down

NPS
+5 pts.



imagination at work

NPS transforms customer experience

31
GE Company Proprietary

Customer feedback drives focus

NPS feedback

Lean six sigma ...cycle time reduction

Lean Work Out

- ID key customer facing process
- Understand "as is" state
- Lean, CAP & 6σ tools to establish "to be"
- Make impact changes "on the spot"

Creates customer value

- Time to yes
- Higher sales
- Lower costs

Creates GE value ... growth & margins

- Higher close rate
- Increased capacity
- More price & lower cost

NPS + lean tools = customer & GE value



imagination at work

32
GE Company Proprietary

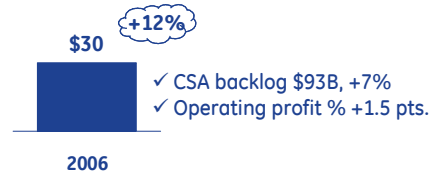


imagination at work

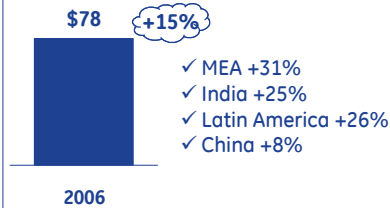
Growth initiatives delivering

(\$ in billions – revenue)

Services



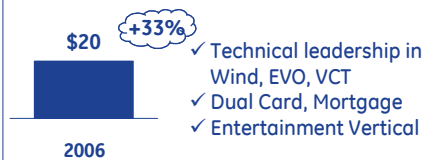
Global



Growth platforms



Imagination Breakthroughs

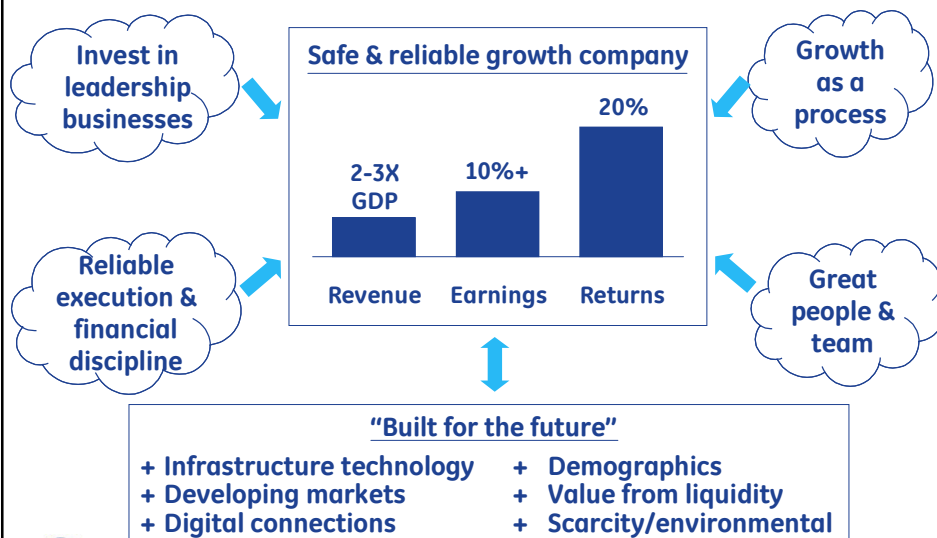


- ✓ Margin growing 100 bps/year
- ✓ ROTC on track for 20% in '08



33
GE Company Proprietary

Invest & deliver



34
GE Company Proprietary



imagination at work



imagination at work