



GE Aviation

Scott C. Donnelly
February 15, 2006



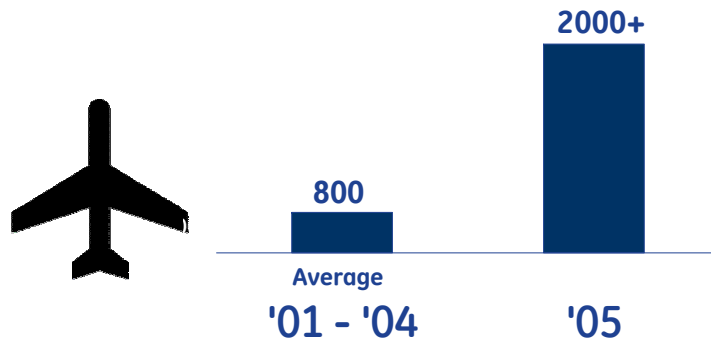
imagination at work

"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 a 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."

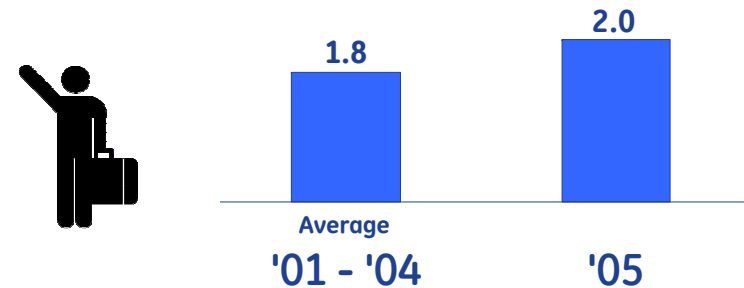
This presentation includes certain non-GAAP measures as defined by SEC rules. As required by SEC rules, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in our Supplemental Information file on our investor relations website at www.ge.com/investor.

Aviation industry is back

Aircraft Orders

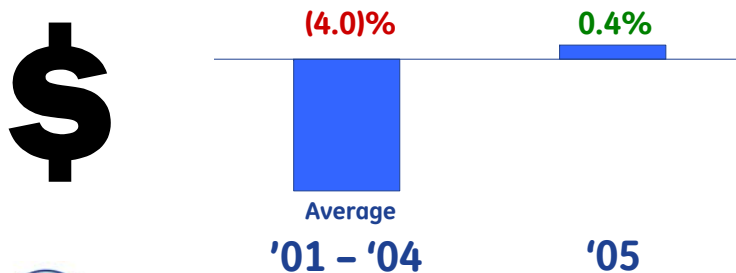


Annual Pax (Bn)



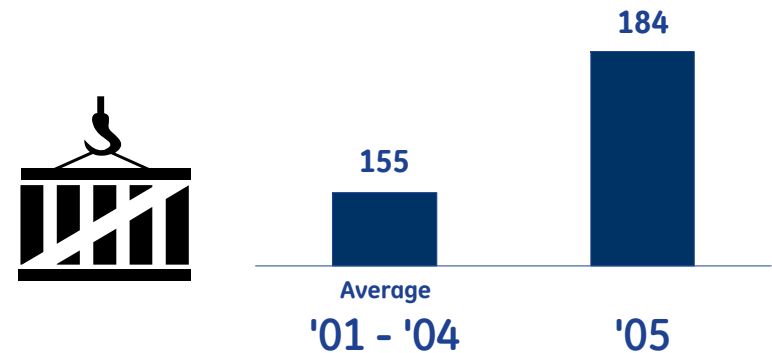
Yield Growth (%)*

* Inflation & USD adjusted



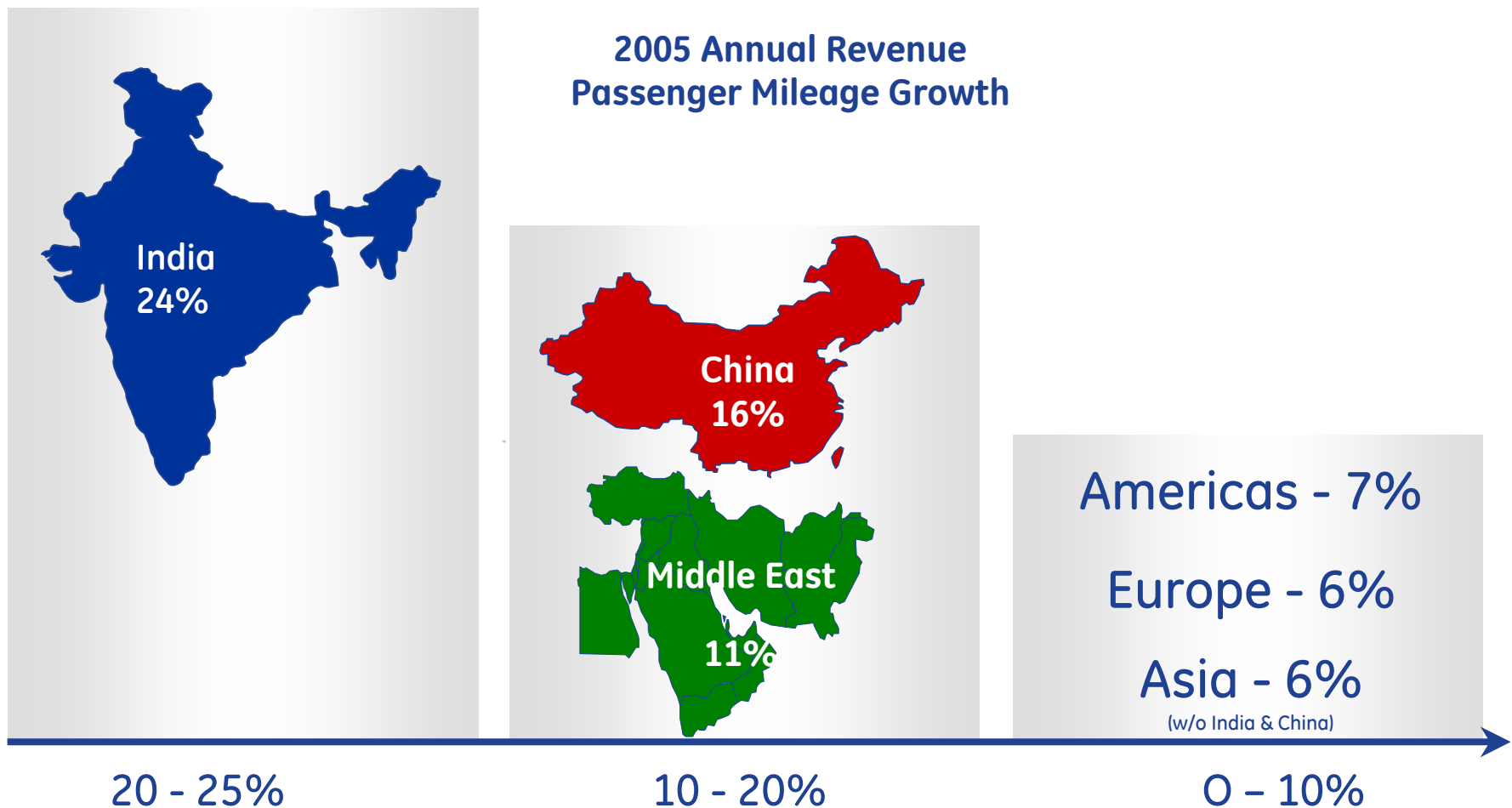
Cargo Growth

Revenue Ton Kilometers (Bn)



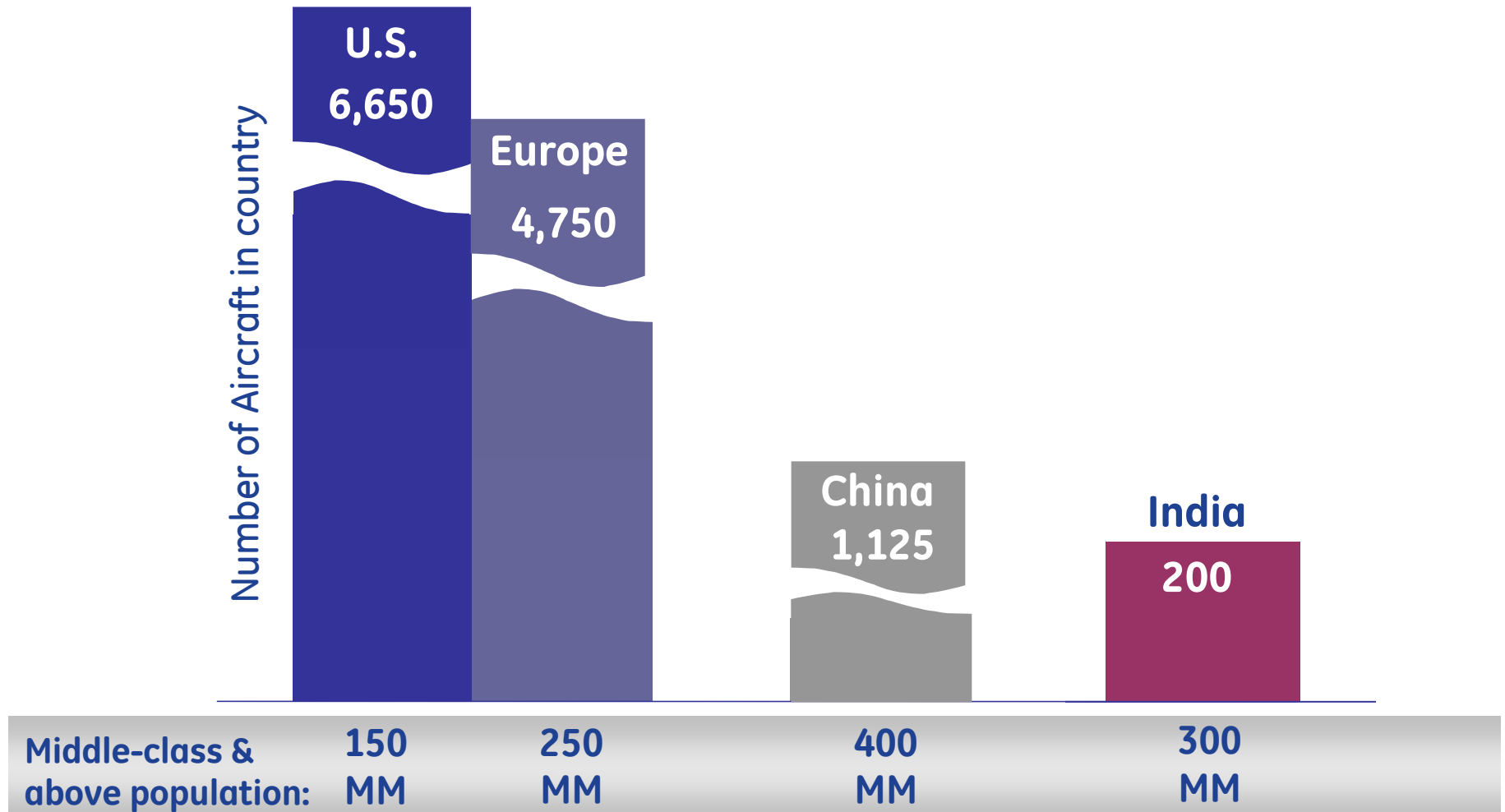
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Passenger growth ... worldwide







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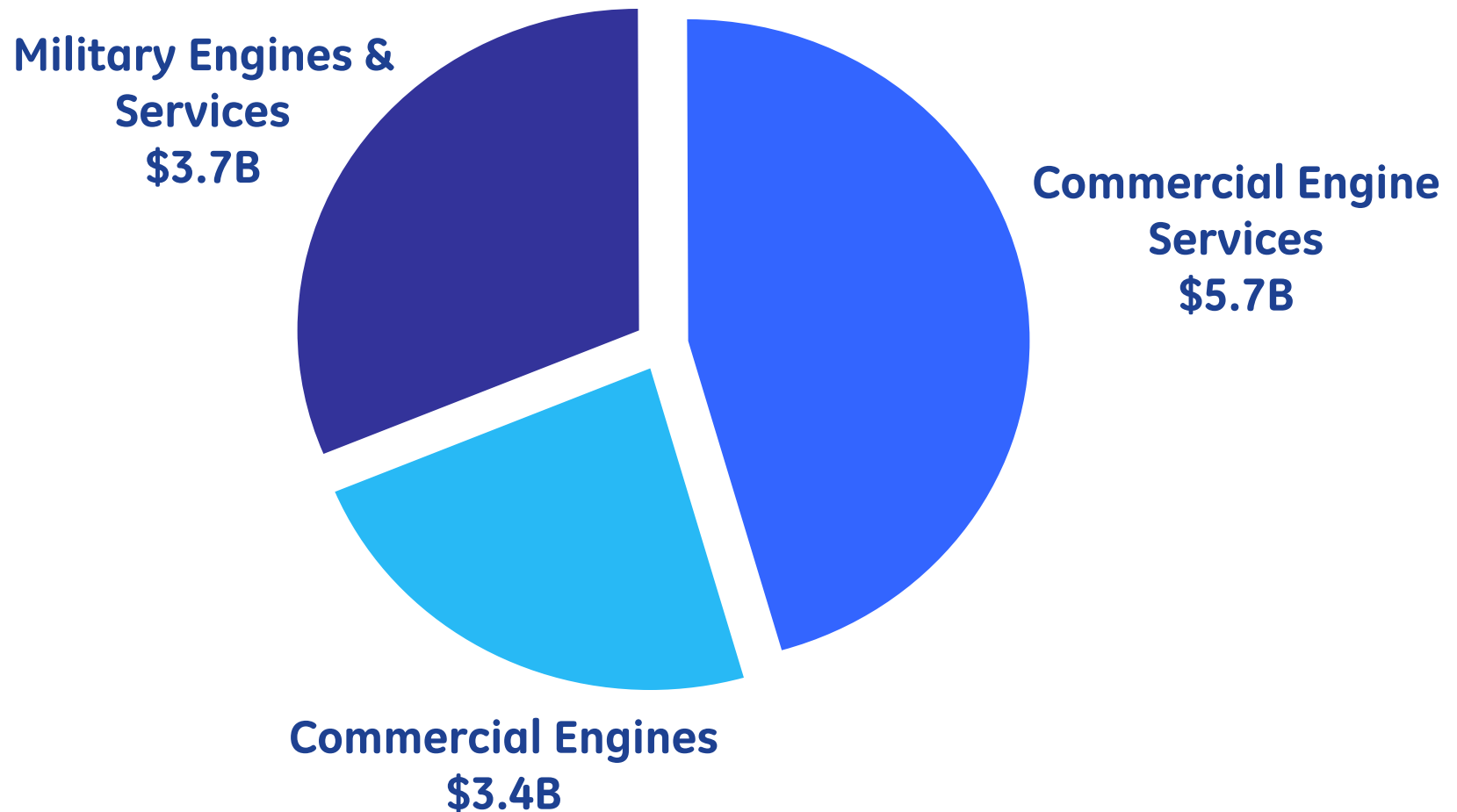
Under-equipped by Western standards



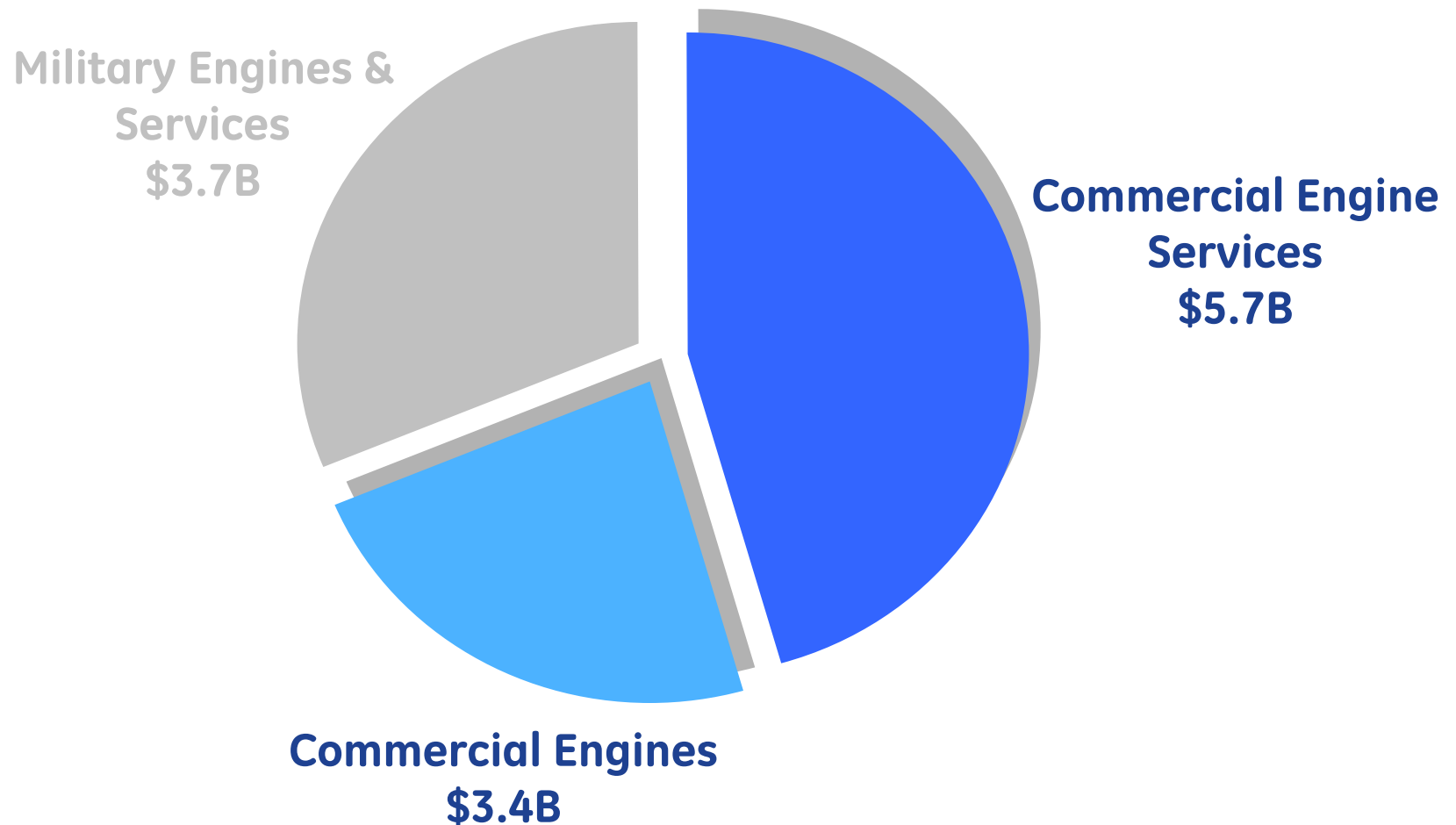
GE Aviation ... **business model**

- Differentiate w/ technology  Installed base
- Win lifecycle service  CSA / upgrades /
Inspections & repairs
- Position for future platforms  R&D, NPI
- Everywhere in the world  Global footprint

Projected 2006 revenue ... ~\$12.8B



Commercial aviation ... ~\$9.1B revenue



GE & CFM: Leading the industry over the last 10 years ...

Regionals (GE)



Single Aisle (CFM)



Twin Aisle (GE)



Jumbo Twin Aisle (GE)

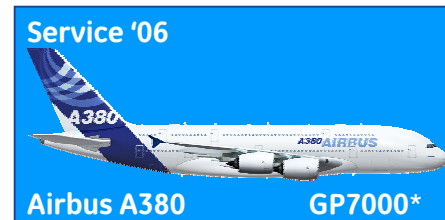
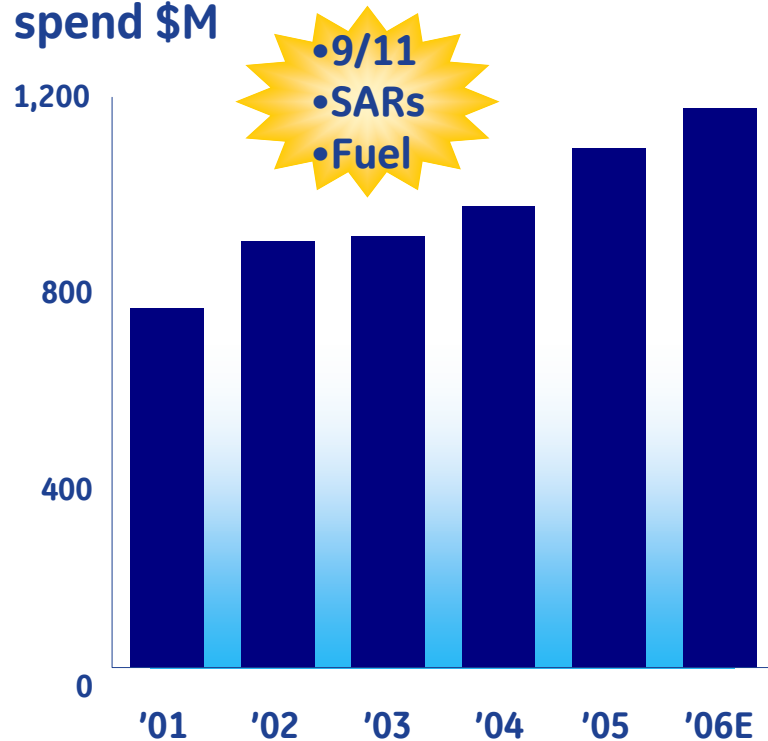


(CFM)



New technology ... next family additions

Total
Engines R&D
spend \$M



GE, CFM & EA: Well positioned for the next 10 years

Regionals (GE)



Single Aisle (CFM)



Twin Aisle (GE)



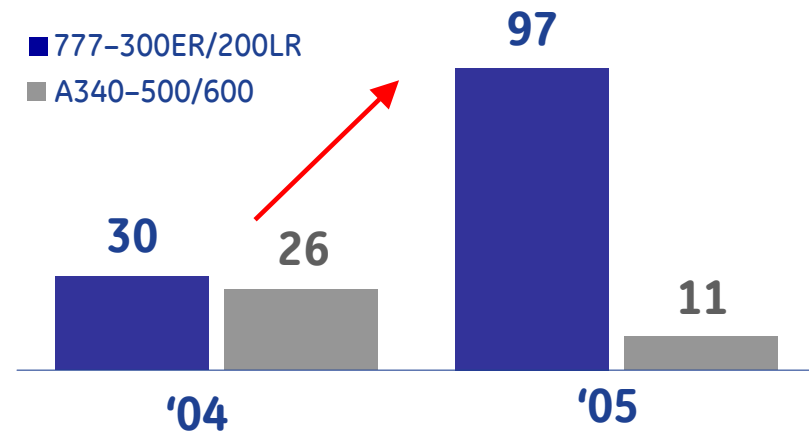
Jumbo Twin Aisle (GE)



GE90 value ... ask the airlines that fly it



Aircraft Orders



Best operating economics

- 22% more fuel efficient per seat, 16% lower seat mile cost
- GE 777 installed base growing since Extended Range launch

GP7000 certified ... taking flight

- Leading with 312 firm orders
- Significant hub to hub advantage ... cost & capacity
- Certified December 2005 ... A380 flight test 2Q06
- First Emirates engine cores shipped in December



International Lease Finance



Korean Air



*GP7200 developed by GE/P&W Engine Alliance

CF34 ... now a 70 & 90 pax playing field

- Built from highly successful CFM56 technology
- CF34-10E departure reliability exceeds 99%
- 500+ engines to be delivered to Embraer over next 3 years



- EMB190: jetBlue, Copa, Air Canada
- CRJ700: -8C5 upgrade gaining traction
- CRJ900: more variants coming
- Focusing on -8C5 upgrades & -10 Block II SFC package



CFM56 ... record year for single-aisle aircraft

- 1,602 new orders in 2005
- Launched 737-900ER
- Kicked-off LEAP56 ... technology for the next generation

2006 focus:

- Support ... 15,400 engines around the world
- Grow services ... in China and India
- -5B/-7B Tech Insertion ... FAR33 certification
- LEAP56 ... define the engine and technologies



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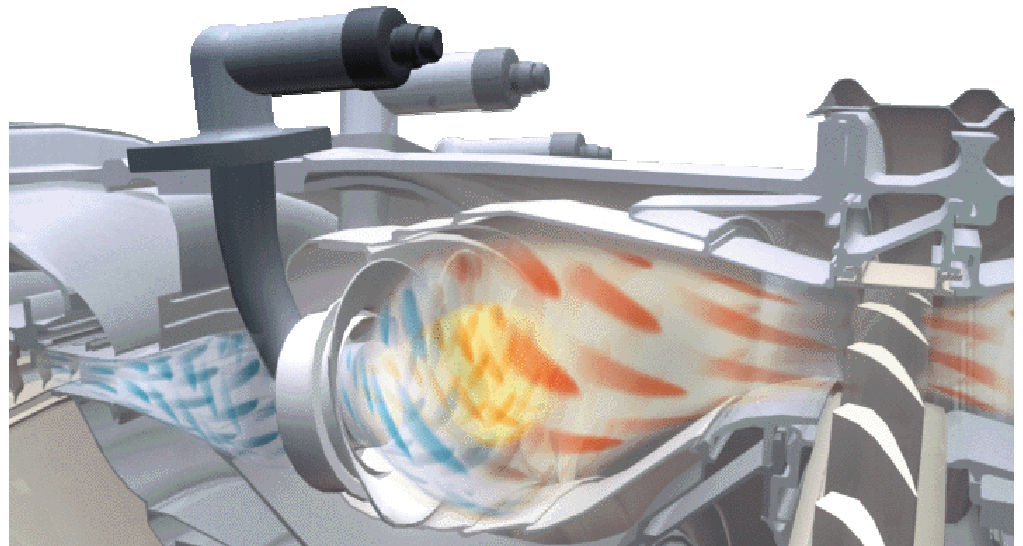
CFM International is a 50/50 joint venture with Snecma
LEAP56™ is a registered trade mark of CFM

Next generation 737/A320 ... LEAP56


Harnessing GEnx technologies to set new standards for performance

- **Fuel burn ... 10% better**
 - Lightweight / composite structures
 - Component technology
- **Maintenance cost ... 25% lower**
 - Lower parts count
 - Longer Life-Limited-Parts
- **Emissions ... 50% lower**

TAPS II Technology



CF6 ... upgrades & 747 resurgence

- Strong order book for 747-400 bridge to 747-8
 - CF6-80E fuel burn advantage doubled by Airbus
 - Services backlog increased by \$1B+
- 
- Customers recognizing value & reliability
 - CF6 technology upgrades underway
 - Expand OnPoint Solutions

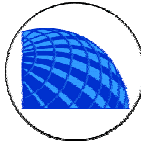
GEEnx ... what a difference a year makes



Air Canada



Aviation Lease &
Finance Company



Continental



Japan Airlines



Korean Air



Air India



Qatar



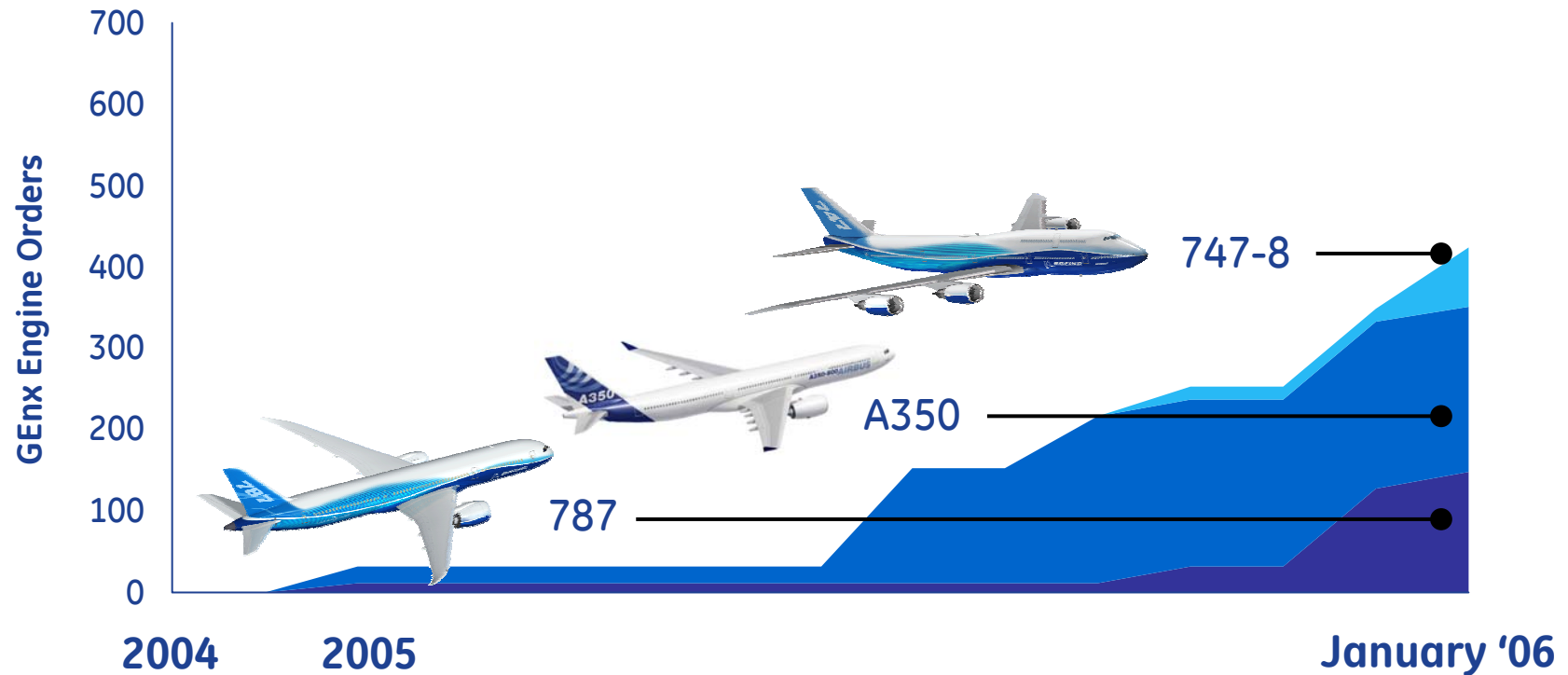
Royal Air Maroc



TAM Brazilian Airlines

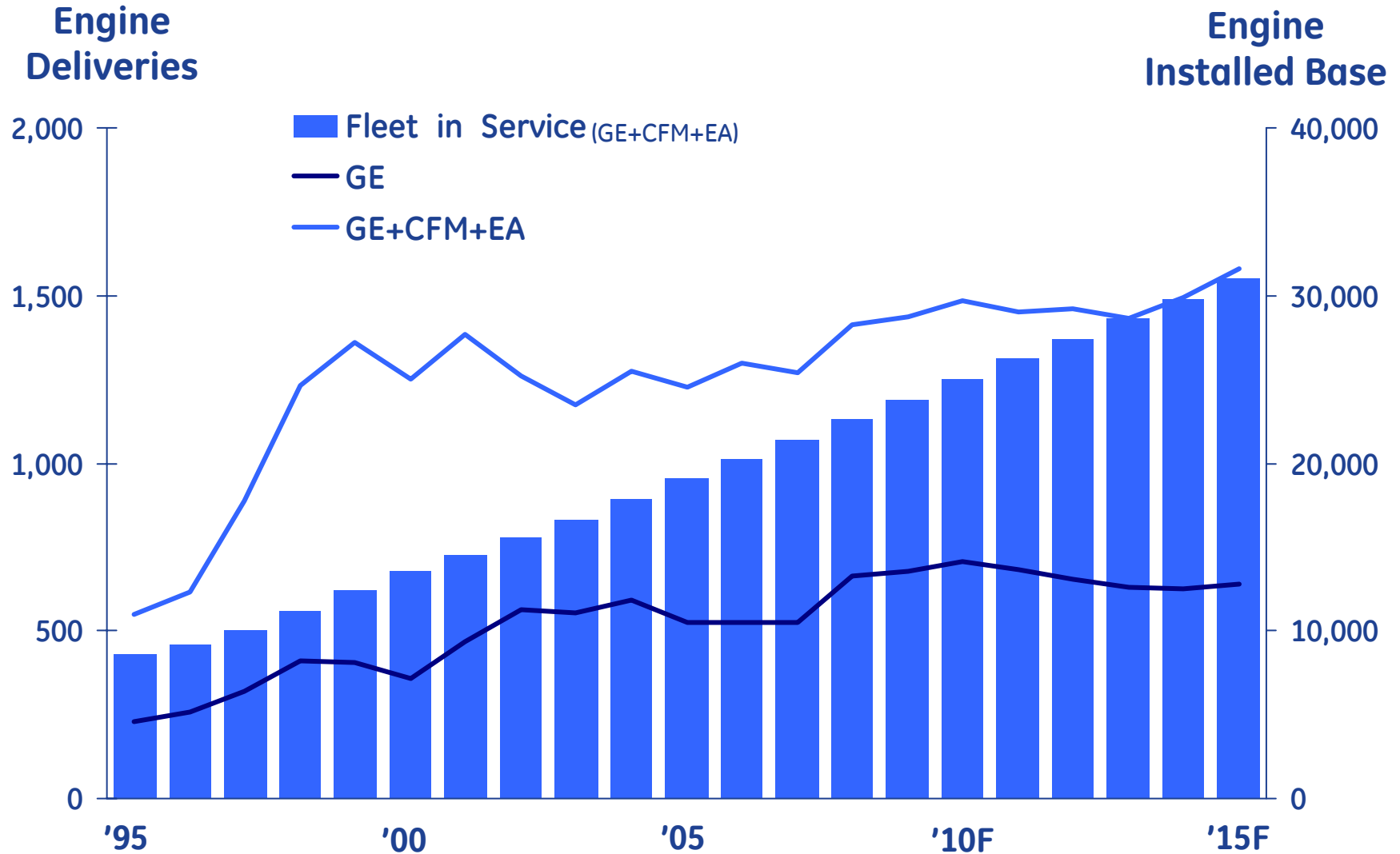


US Airways

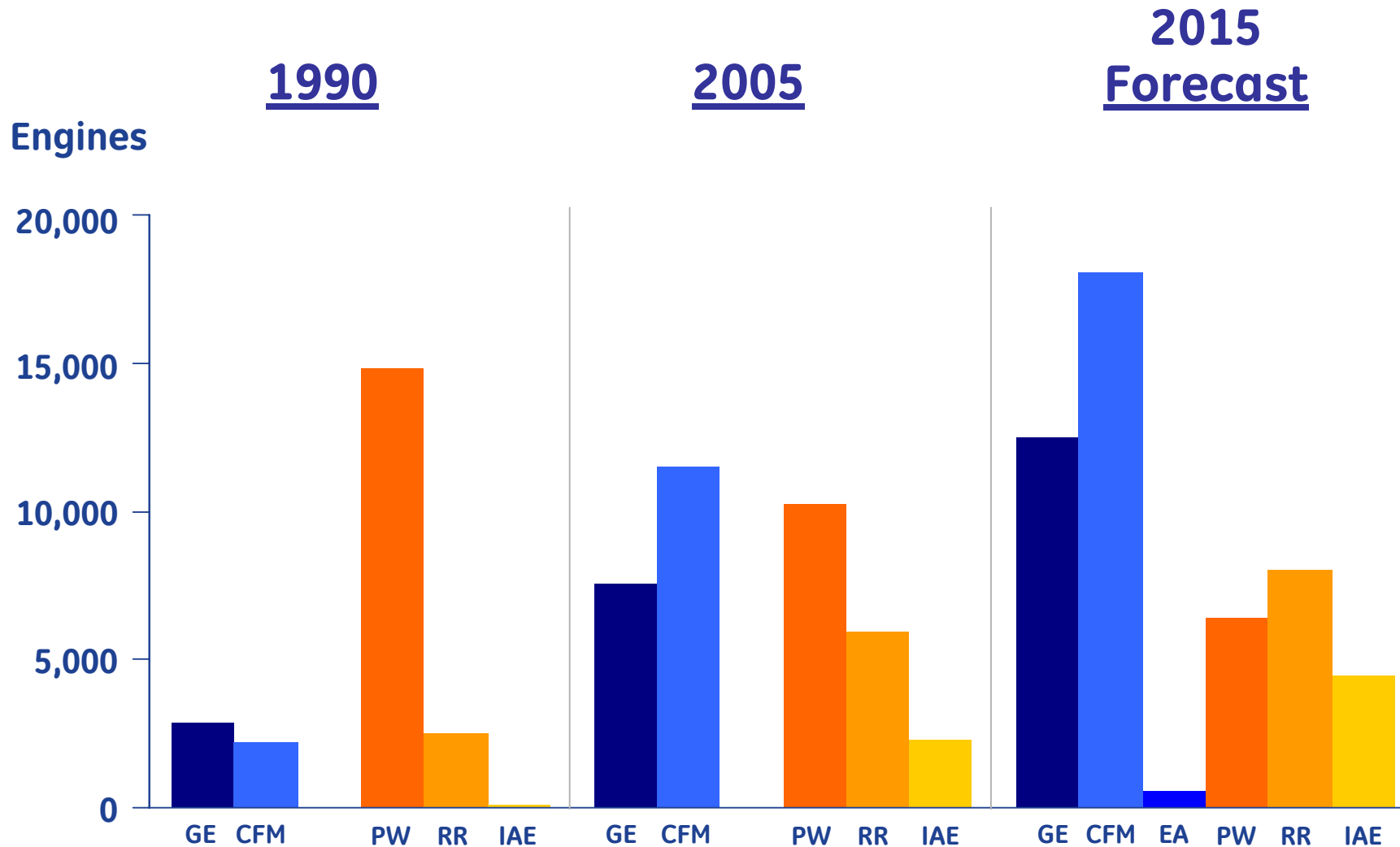


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Fleet growing despite cyclical market



Invest in technology ... grow installed base

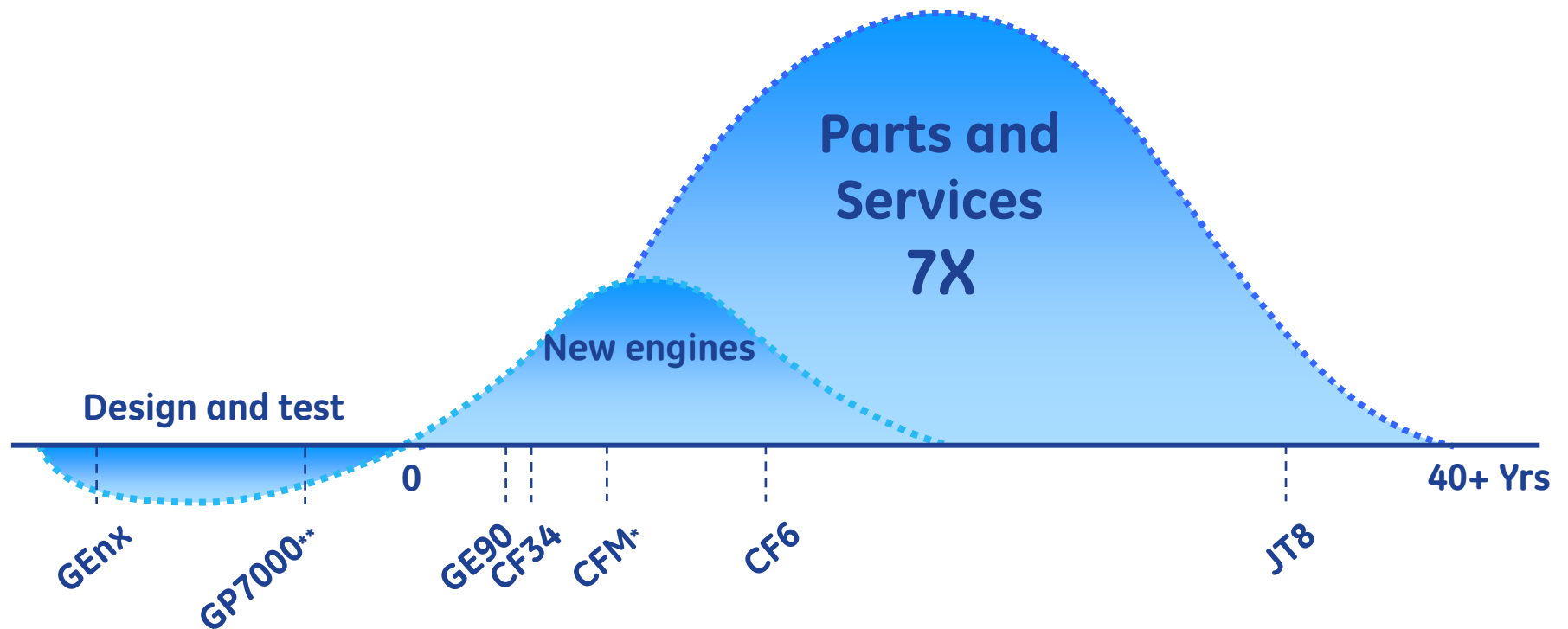


CFM International is a 50/50 JV with Snecma
EA is a 50/50 JV between GE and Pratt & Whitney
Chart based on publicly available information & internal studies

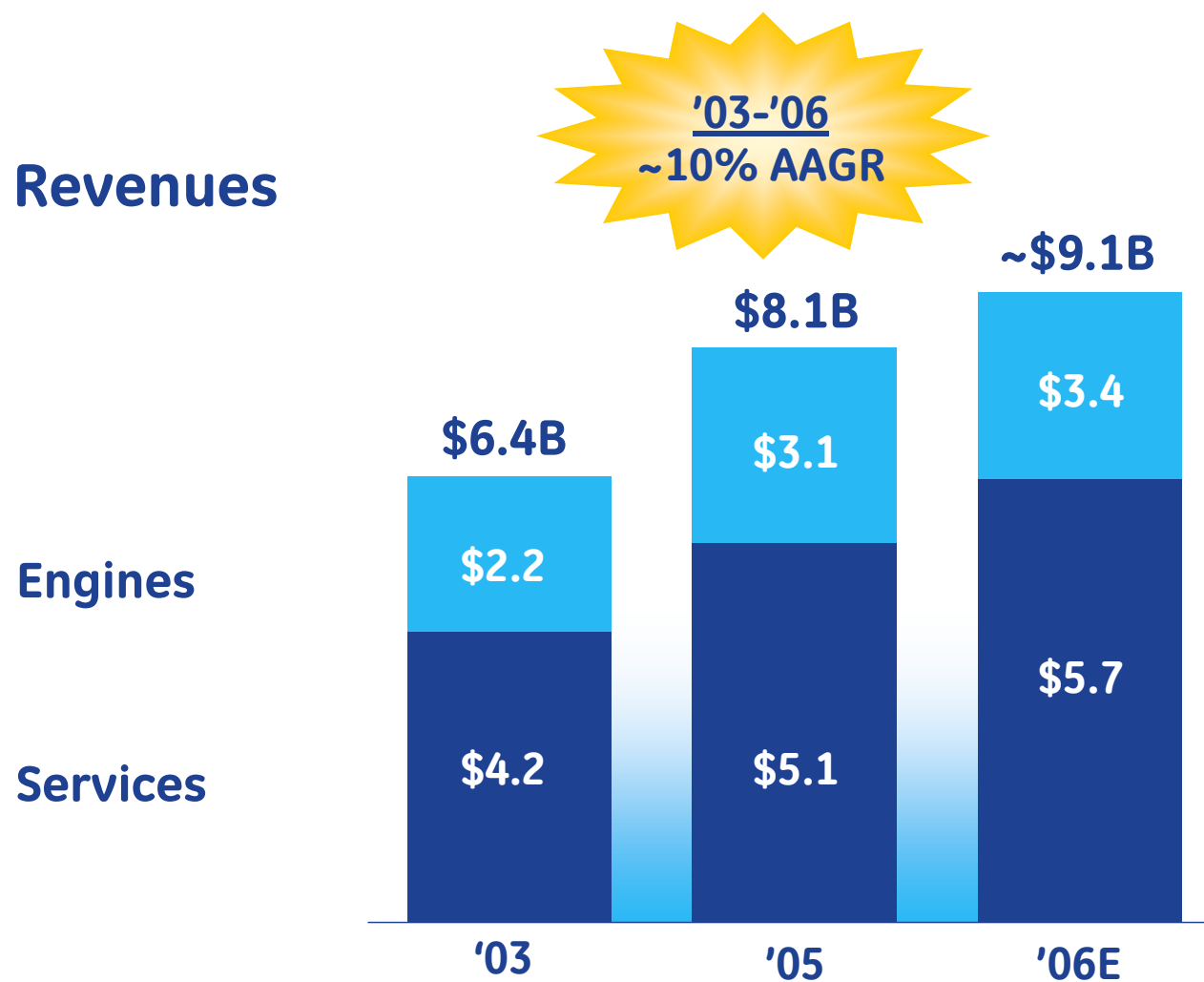
Grow services opportunities

Engine lifecycle revenue

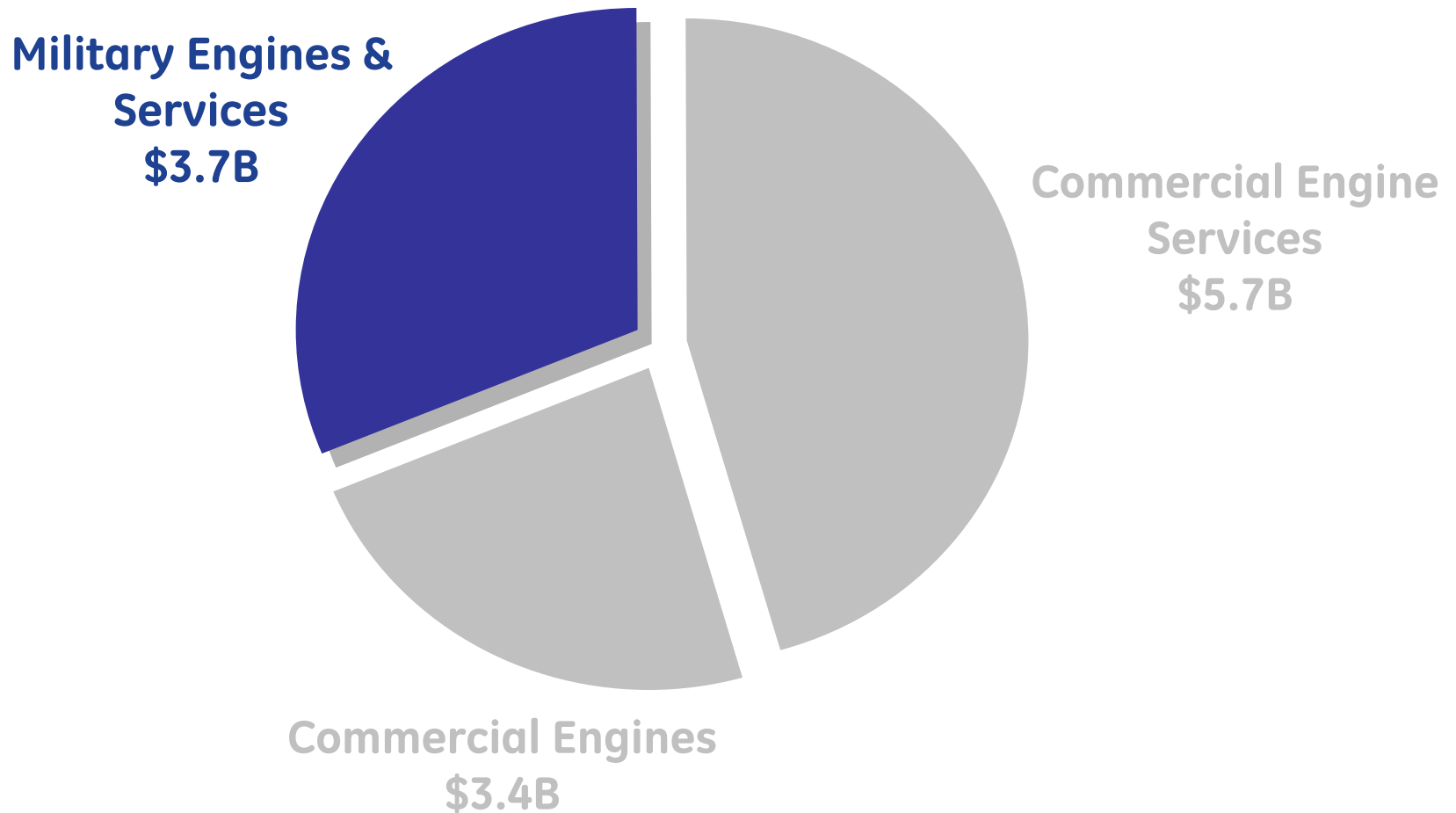
Average age 8 yrs.



Strong Commercial outlook



Military Systems ... ~\$3.7B revenue



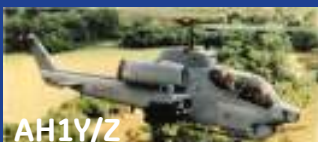
Largest portfolio of modern military engines

Iraq, Afghanistan ... 75% of US Military frontline platforms are powered by GE

Rotorcraft



H-60



AH1Y/Z



AH-64



S-92



UH-60M

Combat



F/A-18C/D/E/F



F-16C/D



T-50



B-2



B-1B

Tanker/Transport



C-5



KC-767



C-40



A330



KC/RC-135R

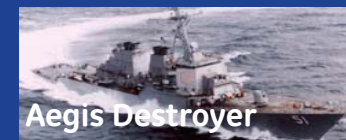
Marine



Perry Class Frigate



Ticonderoga Cruiser



Aegis Destroyer



Sea-Lift NASCO



Amphibious Assault
Wasp Class



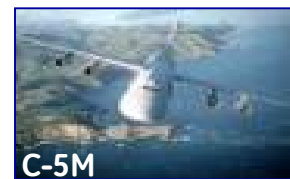
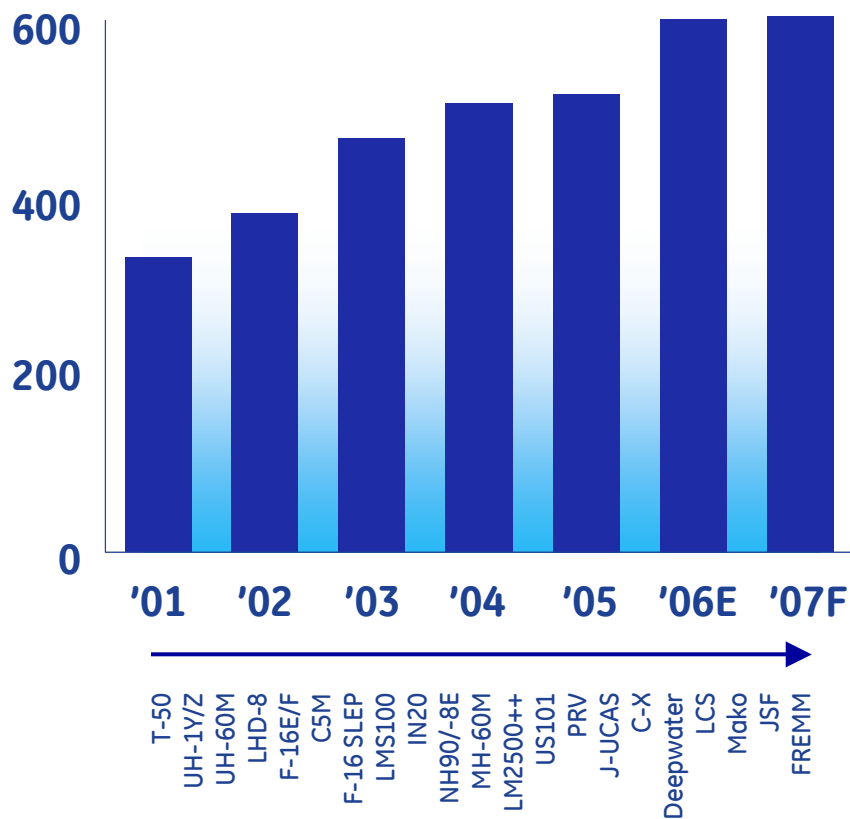
FREM



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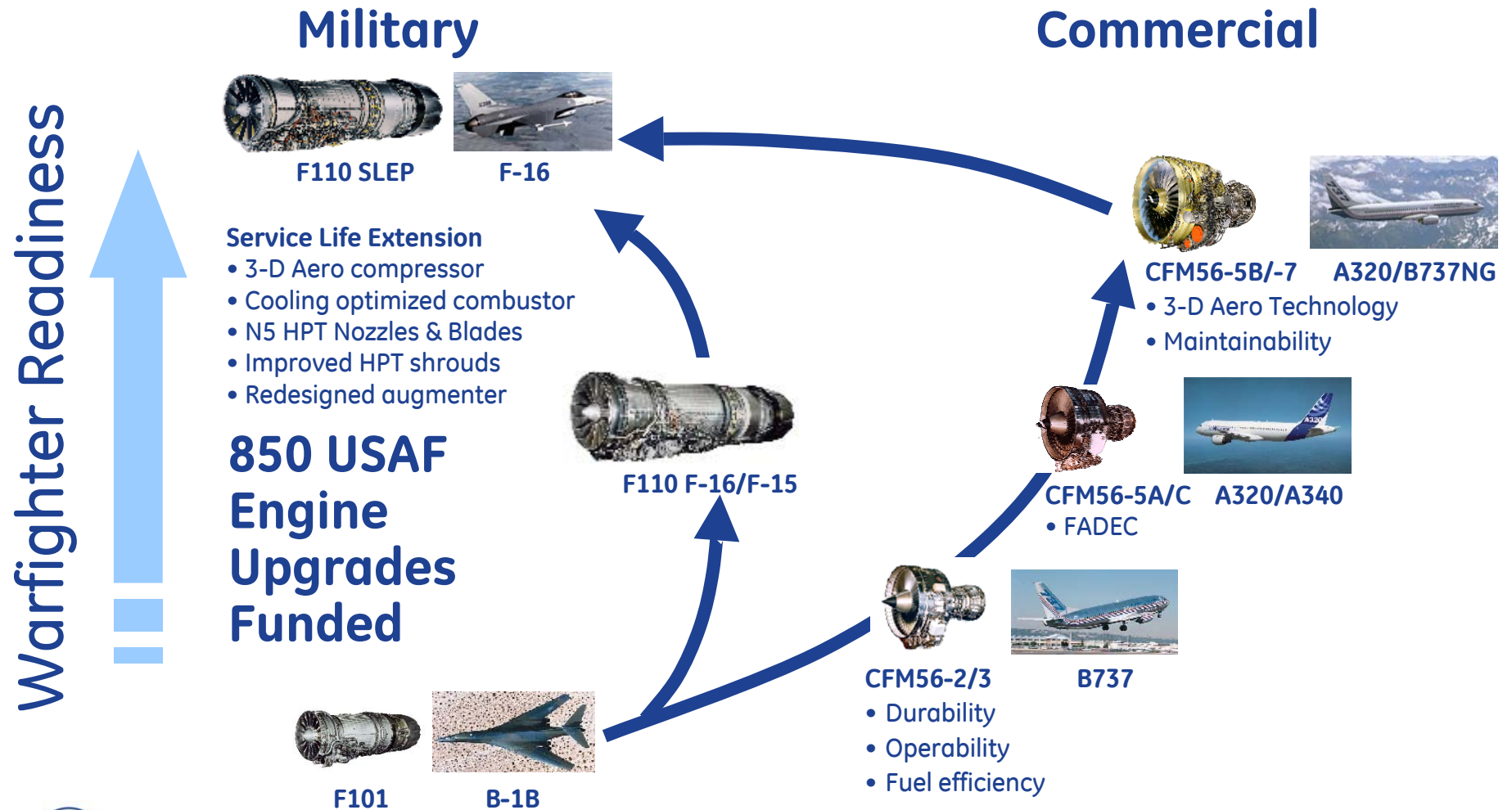
Sustaining development investment ... **new product introduction every 5 months**

Military R&D
Spend \$M



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Military utilizing commercial technology ... F110 Service Life Extension Program (SLEP)

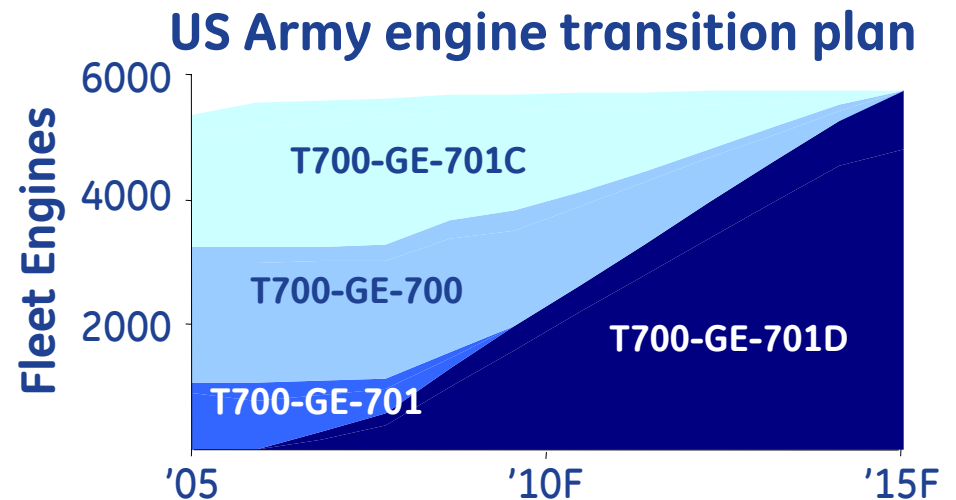


Technology upgrades ... customer value and GE installed base revenue

- **T700 engine upgrade for Apache & Blackhawk**
 - \$2B opportunity
 - 5700 engines planned
- **Funding plan defined**
- **Improves fleet commonality, durability and power**
 - 5% power increase
 - 2X component life improvement

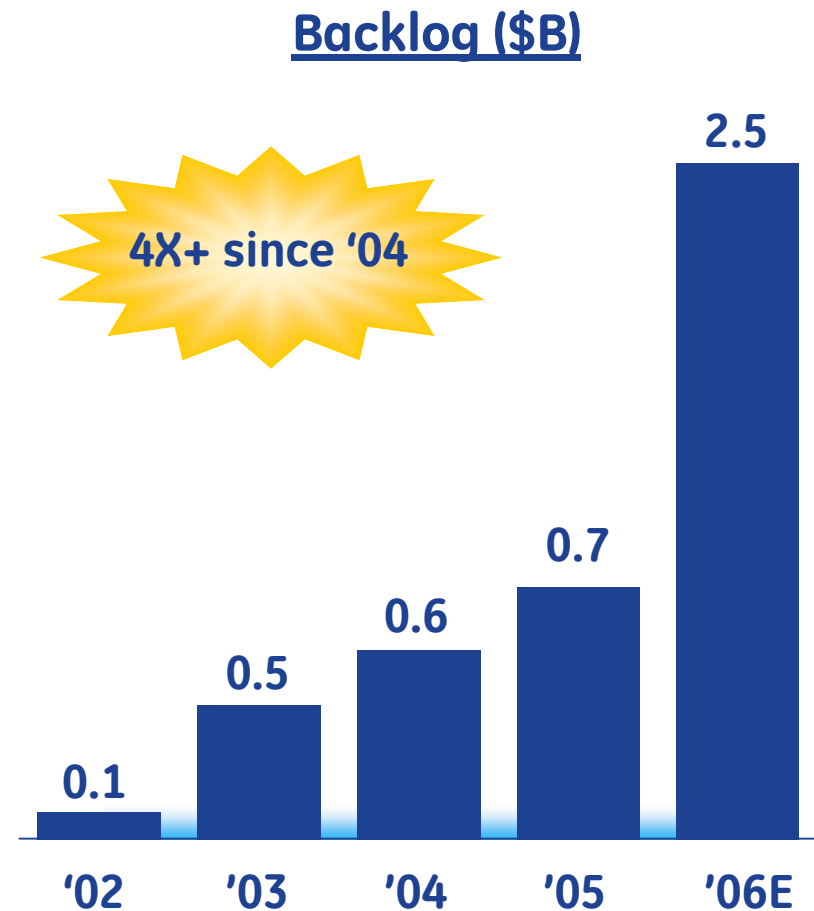


UH-60M Blackhawk



Services growth ... expanding PBLs

- New model for DoD
 - Jacksonville, Corpus Christi
- Pay for performance
- Improved fleet readiness
- Asset efficiency focus



Significant international opportunity

- **Singapore**

- T700 for Seahawks
- F110-129, option for additional 20

- **Korea**

- CT7-8 Presidential Helicopter
- T700 Korean Helicopter Program
- LM500, option for additional 62

- **India**

- F404 for Light Combat Aircraft (LCA)

- **Turkey**

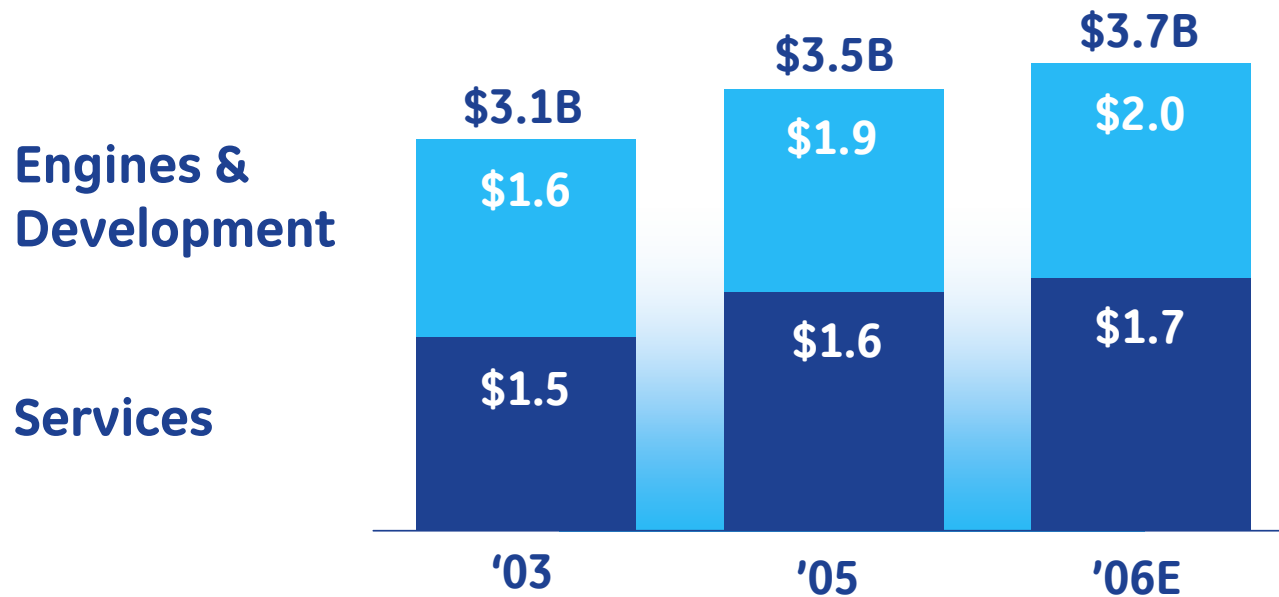
- T700 for Seahawks



Continue military installed base growth and **create new service offerings**

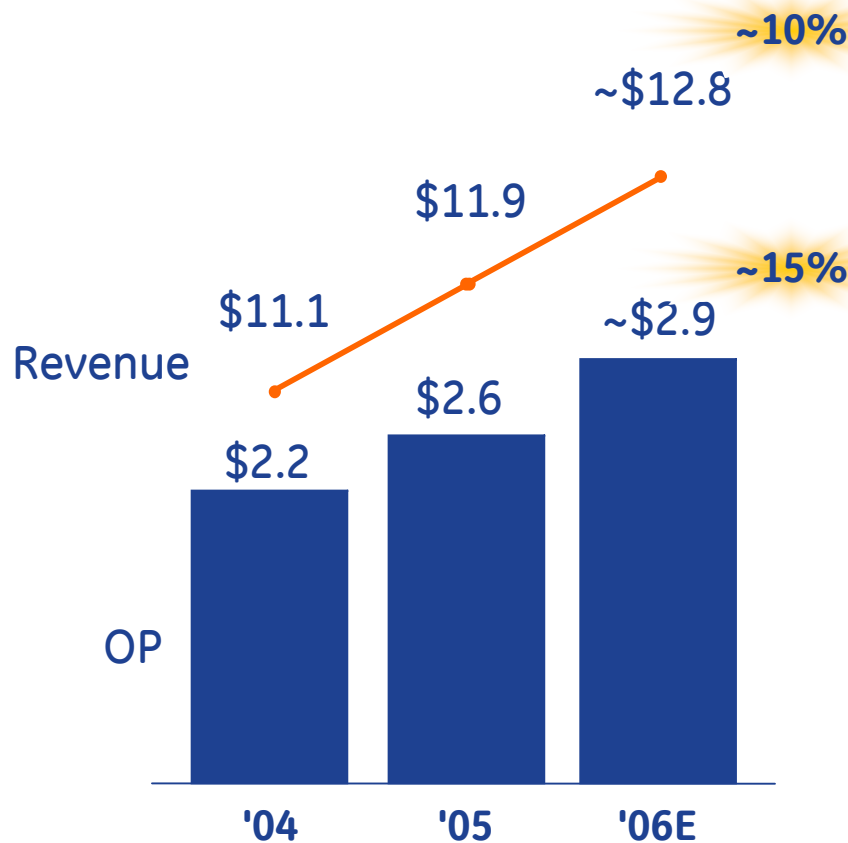
Revenues

**'03-'06
~6% AAGR**



GE Aviation

(\$ in billions)



- Invest in technology
- Grow installed base ... focus on departures
- Win in China, India, Middle East
- Expand services footprint
- Deliver customer productivity

Aviation on track to deliver 2006 plan