

Driving Growth with People. Technology. Solutions.

George Oliver
President & CEO

GE Infrastructure
Water & Process Technologies



"This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "will" or words of similar meaning and include, but are not limited to, statements about the expected future business and financial performance of GE. Forward-looking statements are based on management's current expectations and assumptions, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially from these expectations and assumptions due to changes in global political, economic, business, competitive, market, regulatory and other factors. We undertake no obligation to publicly update or review any forward-looking information, whether as a result of new information, future developments or otherwise."

The world is experiencing dynamic shifts in:

- Population
- Life expectancy
- Energy usage & stress
- Availability of clean water

...all of which increase global tension



imagination at work

The world population will become grossly out of balance

80% of the world's population will be in countries least capable of supporting further growth...

... but 33 developed countries' populations will shrink dramatically.



Medical technologies may allow today's children to live until age 120



The energy needs of this growing population will spike usage by 60%

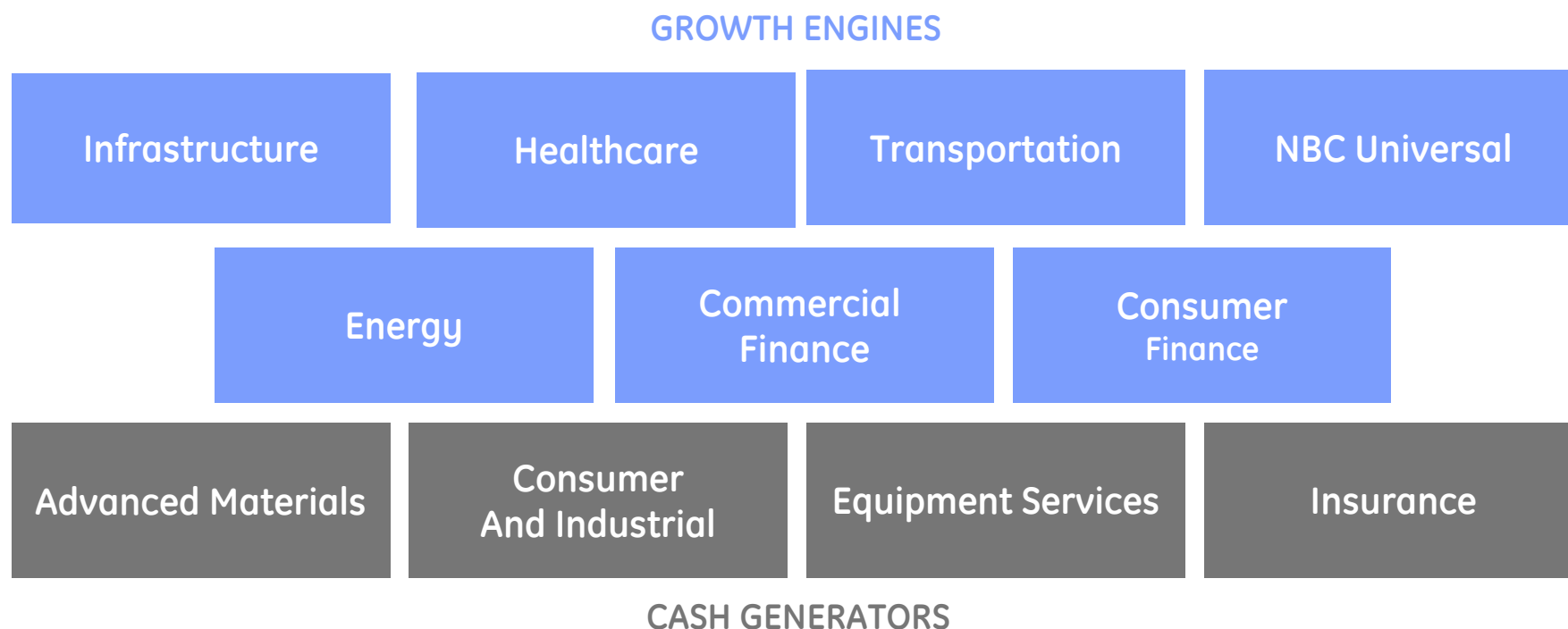


Nearly half of the world's population will be water-stressed in the future

The population explosion will put even more pressure on this valuable resource

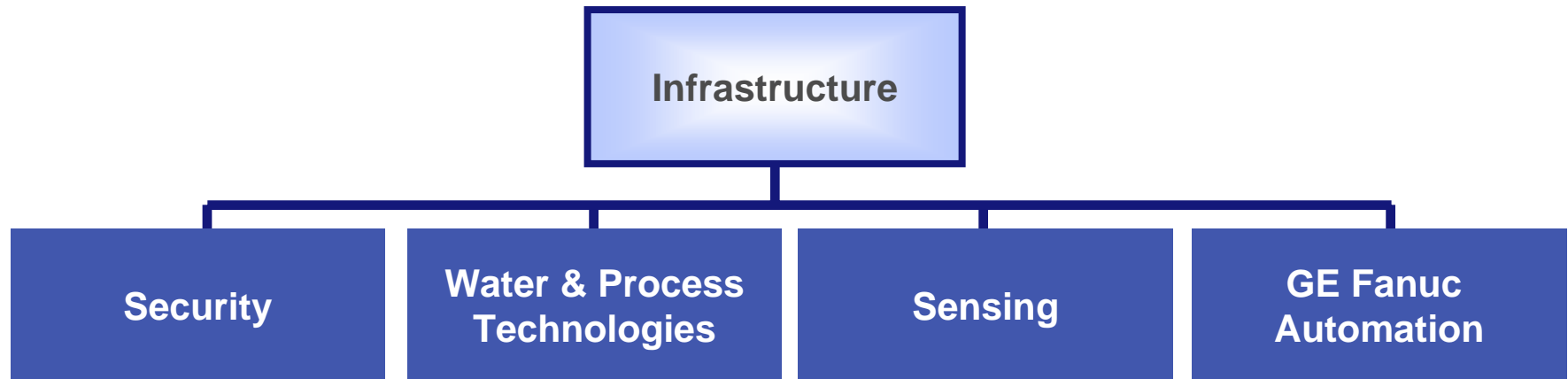


GE is structured to address these dynamic changes



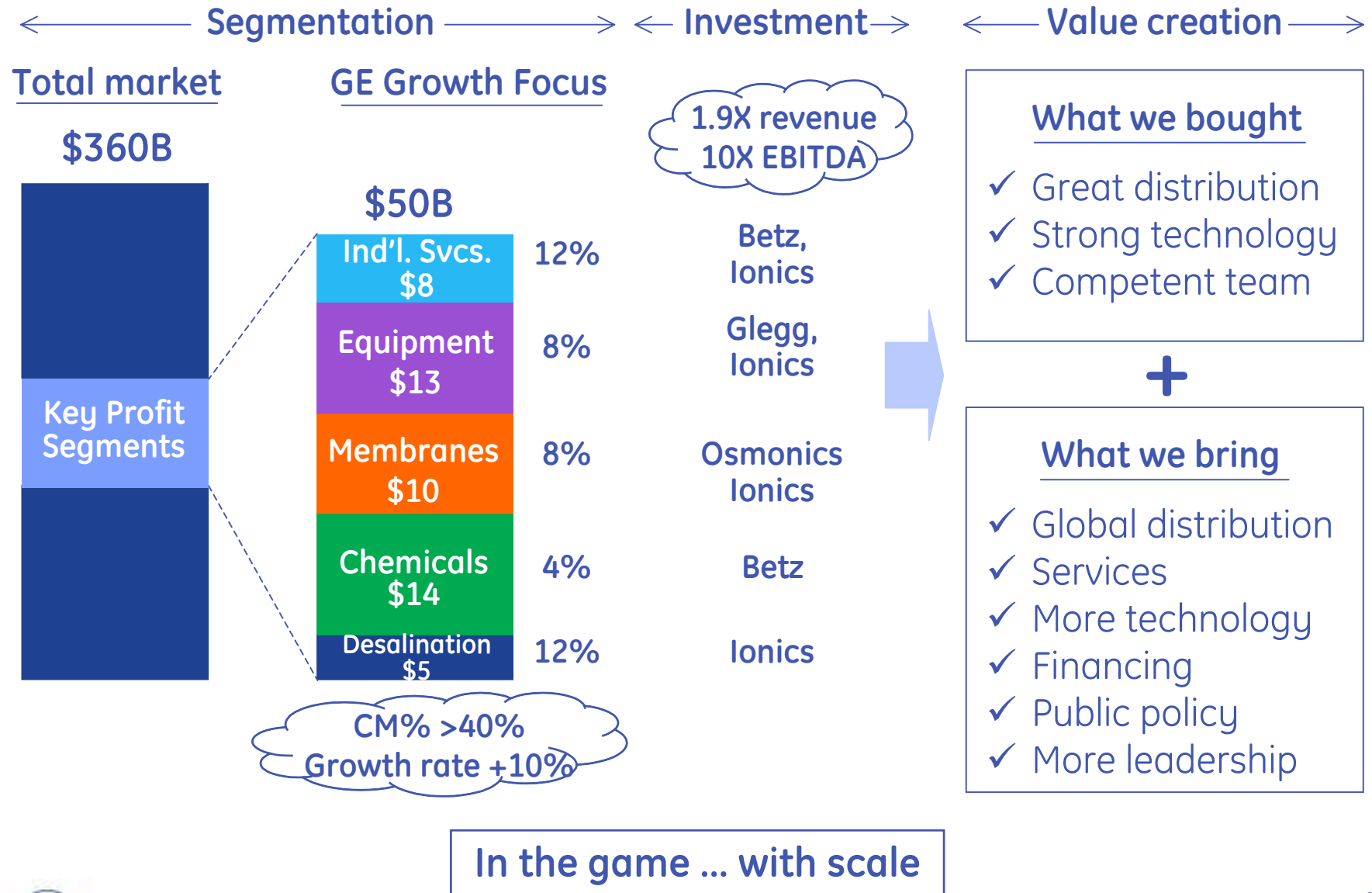
GE Infrastructure-\$5B in 2005

Technology focused on solving emerging global market needs.



Structured to provide global customer solutions

Water strategy



Aligned with customers to drive growth

The Platform

\$2.1 B



The Value To Customers...

- We **Optimize** Total System Performance
- We **Safeguard** Customer Assets From Corrosion, Fouling and Scaling
- We **Protect** The Environment Through Water and Energy Conservation

GE Water & Process Technologies Growth Strategy



People.



Technology.



Solutions.

PEOPLE

Our employees are equipped to find innovative solutions and growth opportunities for **our customers.**



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We continue to build excellence with our field sales team

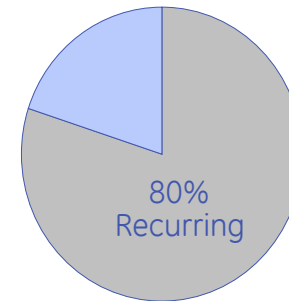
What Our 2,200 Service Reps Do ...

- Perform Field Analytics
- Troubleshoot Plant Systems
- Prescribe Treatment Solutions
- Live on the Customer Site

What Our Customers Get ...

- Expert Technical Service, 24 X 7
- Continuous Performance Monitoring
- Detailed Performance Reporting
- Optimized Performance of Costly Fixed Assets

\$1.5B Revenue in 2004



- Typical Contracts ~1 year
- Customer Pays On Chem Usage ... Average \$60K / Year

GE Advantage

A culture of teamwork
and imagination

A deep understanding of
our customers

A rich heritage of training
and development

Focused on global
opportunities and growth



TECHNOLOGY

“The ability to lead innovation will be the primary management focus for this decade.”

Jeff Immelt



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Creating technology that improves our world

Desalination



Water Purification



Waste Treatment



Water Reuse



Pathogen Protection



Air Quality



Plant Optimization



GE Advantage

- 4 Global Research Centers
- 2,500 technologists worldwide
- Technical Disciplines
 - > Chemistry
 - > Mechanics
 - > Physics
 - > Electrical
 - > Computer Science
 - > Materials
 - > Biology
 - > Mathematics



Global Research Center
Niskayuna, NY



**John F. Welch
Technology Centre**
Bangalore, India



China Technology Center
Shanghai, China



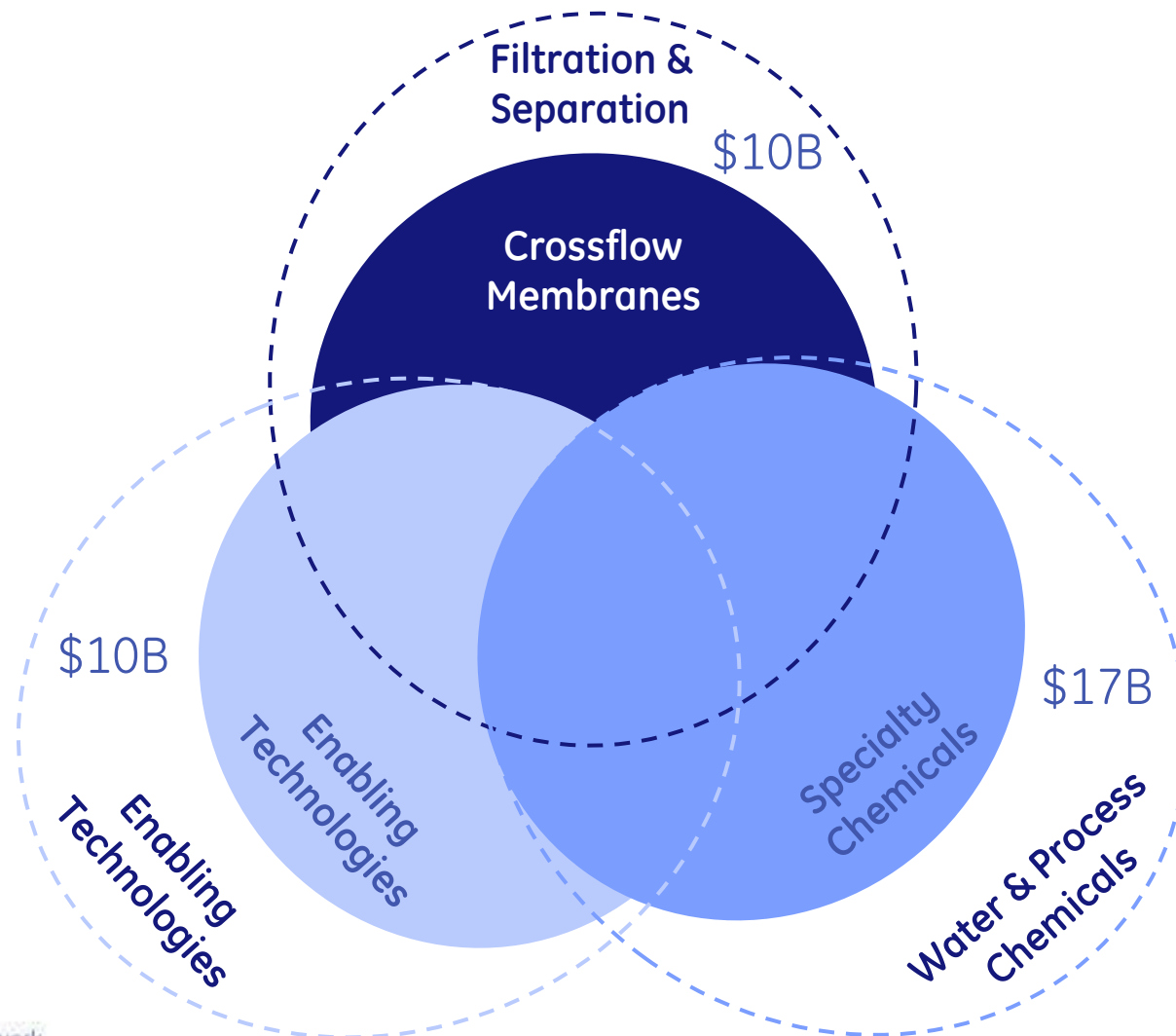
Global Research -Europe
Munich, Germany

SOLUTIONS



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Develop Focused Technology to Build Competitive Advantage



Combining programs to drive customer value

Variable Demand
Water

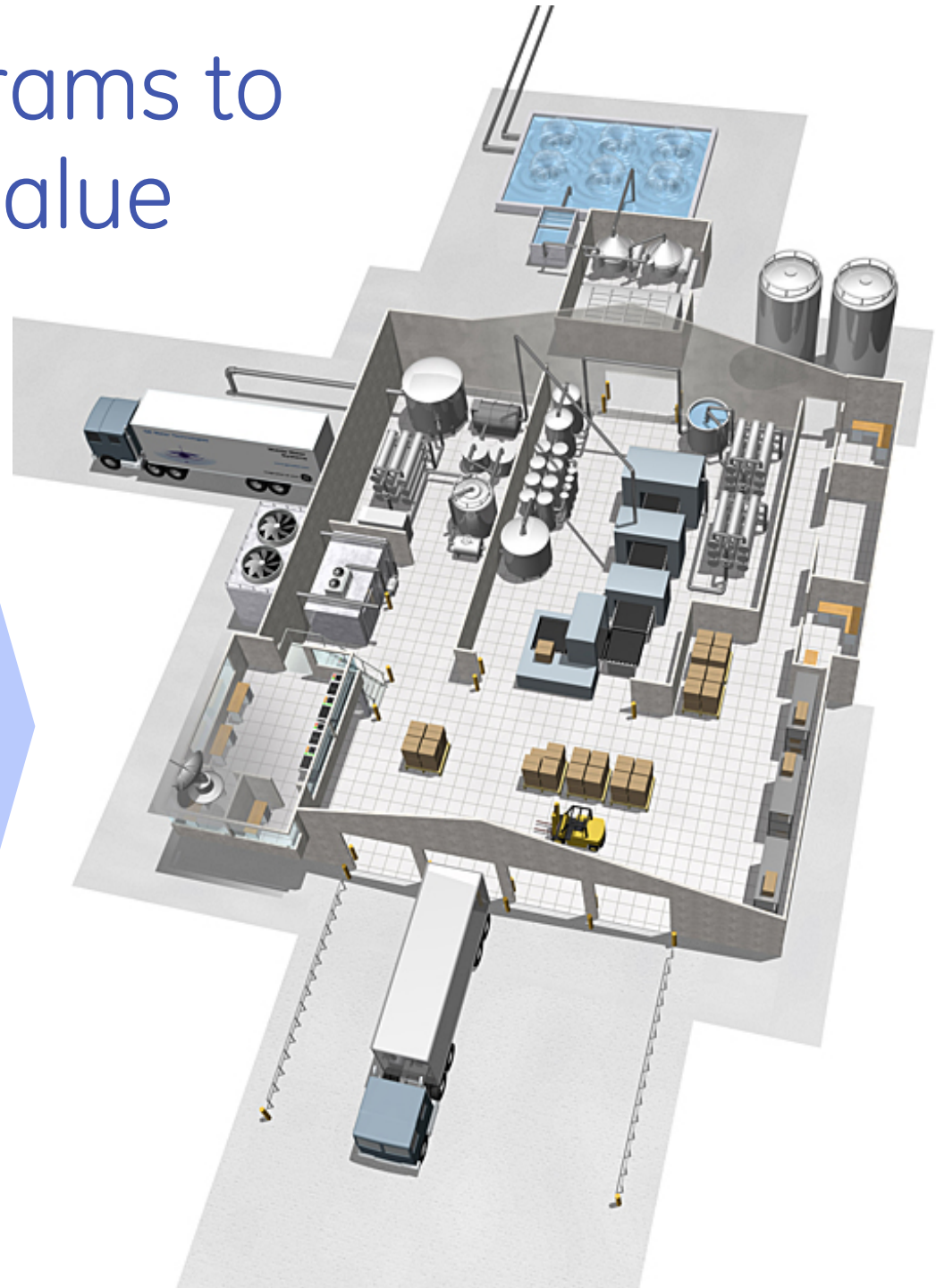
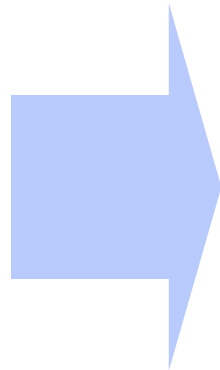
Greenfield site
development

Chemical Expertise

Financing capabilities

Equipment design and
manufacturing

Customer knowledge



Our commercial offering represents a paradigm shift in the industry

Optimize System
Performance

Safeguard
Assets

Protect the
Environment

- Broad array of solutions
- Scale + on-site reliability + reputation



Build, Own, Operate or Maintain

Result: \$160MM Service Contract

GE Advantage





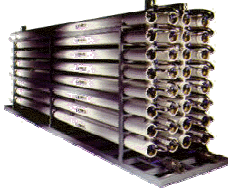


- ✓ Solutions offering consistent with GE brand promise...Stable, trustworthy and financially sound
- ✓ CSA creates value through breadth of products and operating expertise
 - ✓ Execute customer value generation
 - ✓ Flexible, creative financing alternatives

Ionics

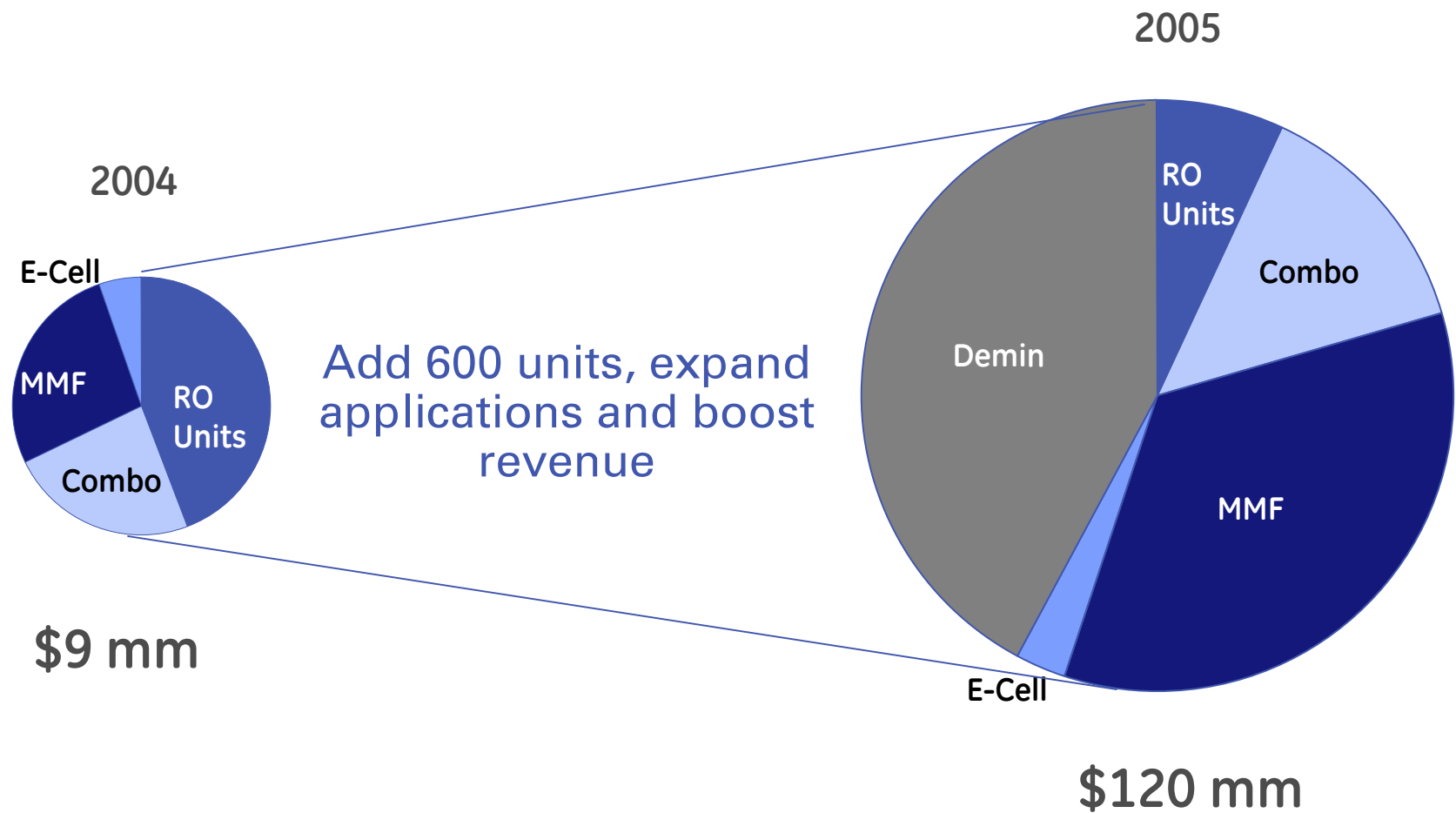


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Ionics Business Segments

Segment		Revenue %	Description
Operations		50%	<ul style="list-style-type: none"> • Long term outsourcing & emergency services • ~600 trailers/12 regeneration centers
			<ul style="list-style-type: none"> • Build – Own – Operate facilities for industrial/muni consumption • ~200 facilities/\$4.2B backlog
Equipment		40%	<ul style="list-style-type: none"> • Water purification equipment to diversified industrial & muni customers • Leader in desalination & zero liquid discharge
Consumer & Instruments		10%	<ul style="list-style-type: none"> • Home water purifiers
			<ul style="list-style-type: none"> • Analytical instruments for measuring impurities in water

Mobile Water capability growing along with revenue

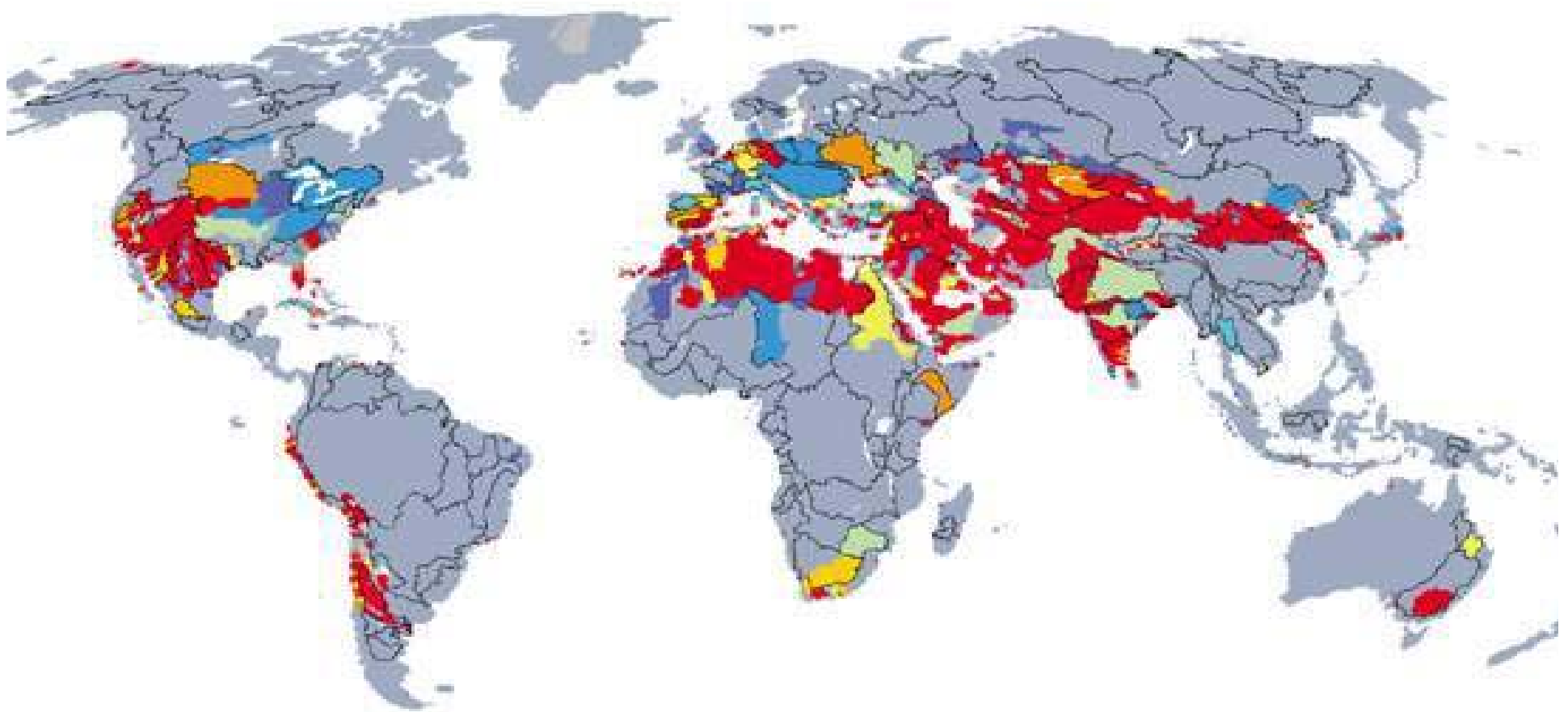


Desalination is one of GE biggest opportunities



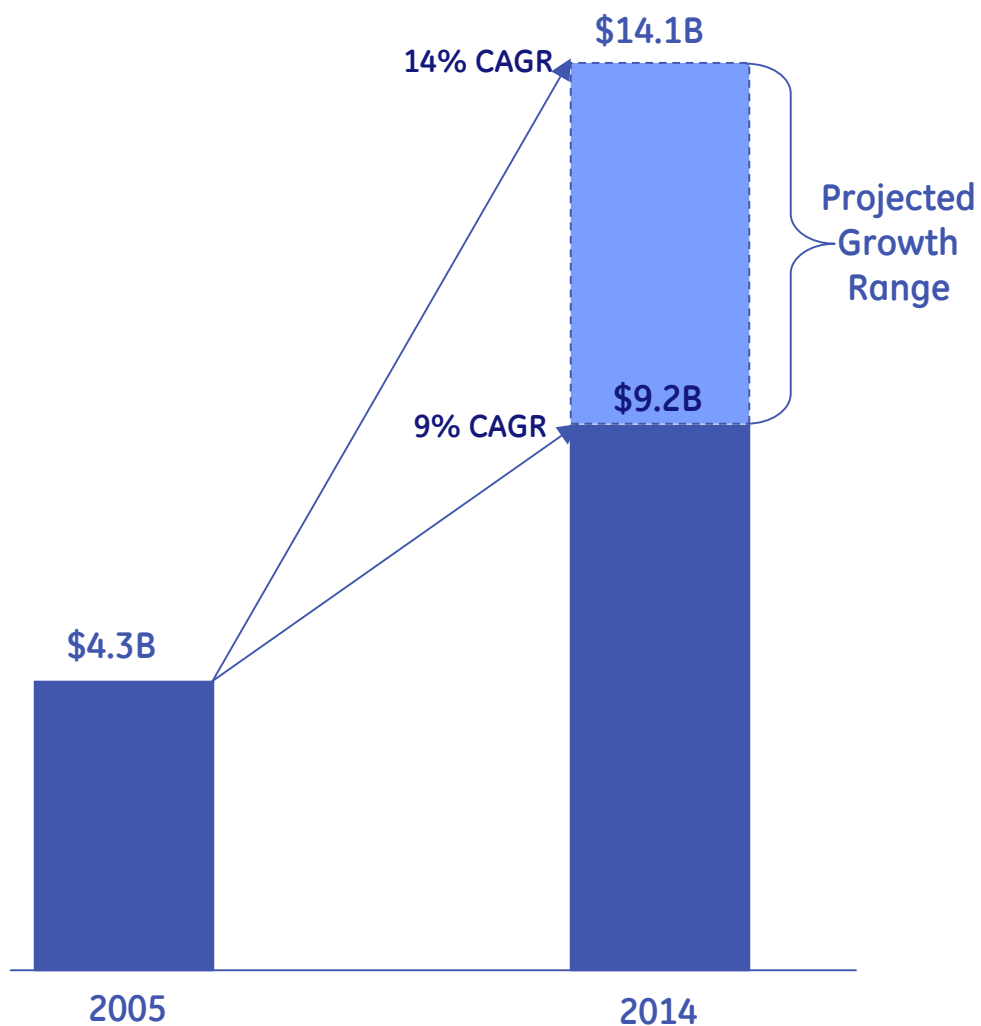
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Today's Water Scarcity

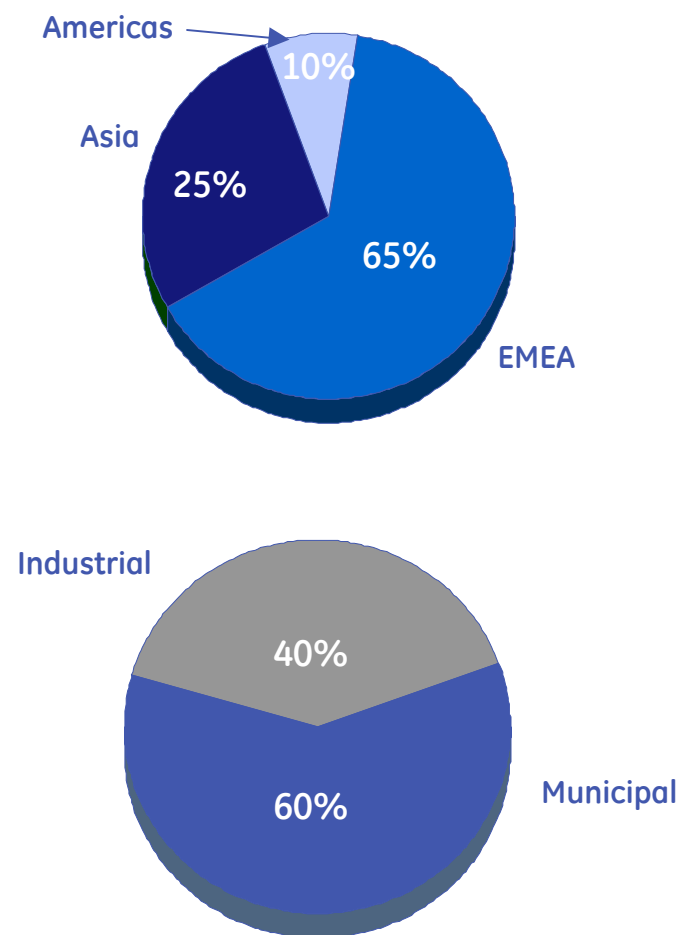


Desalination Opportunity

Growth Projections



2005 Market Segmentation



Ionics – Trinidad Desal Plant



GE's Water Platform

Water Services



Polymers



Membranes/Filtration



Desalination



Pre-GE

Revenue
(\$B)

\$1.6

Post-GE

\$2.1

\$2.8

~10%
organic
growth

'05E

'07F

12/40%

10+%

~18%

~20%

~75%

~80%

~3%

~50+%

Path to
20%
ROTC

Rev. growth 7%

OM % 12%

% services ~50%

IROIC

On strategy ... business with breadth, diversity & real scale



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