

GE
Energy

Global Energy Update

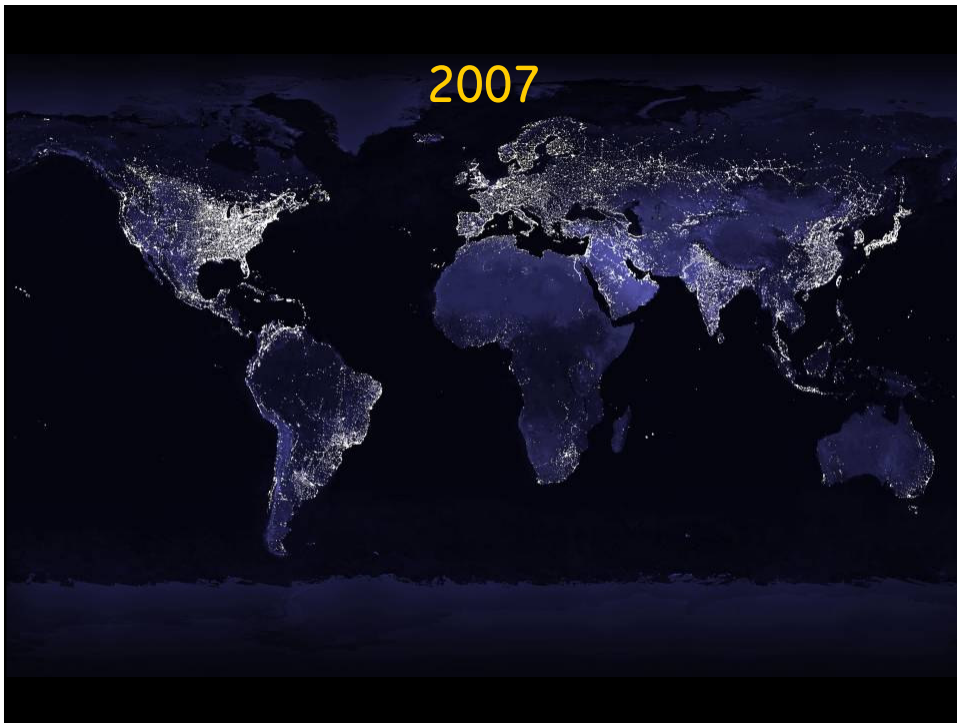


John Krenicki
President & CEO



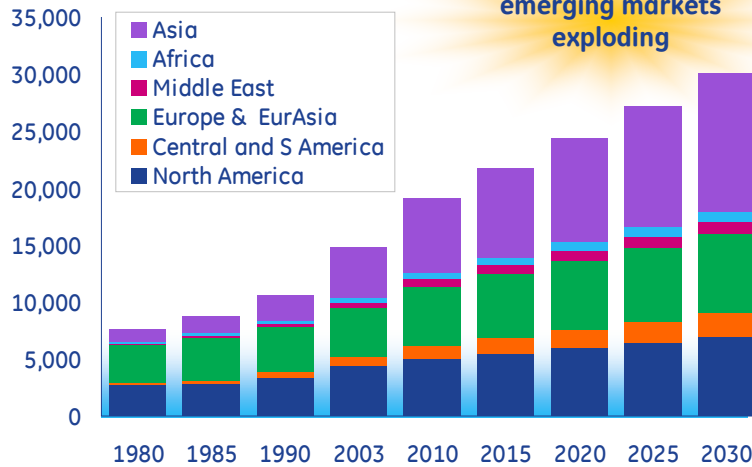
imagination at work

2007



Electricity demand ... 2X by 2030

Billions of kW hours



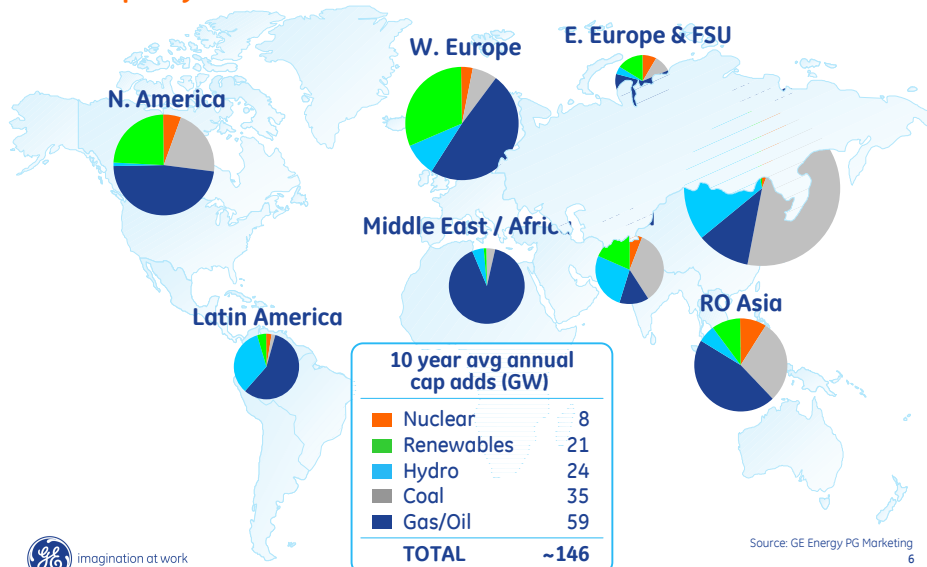
imagination at work

Sources: EIA-DOE International Energy Annual 2004 & International Energy Outlook 2006

5

Power generation landscape ... next 10 years

Total capacity additions – GW (2006 – 2015)



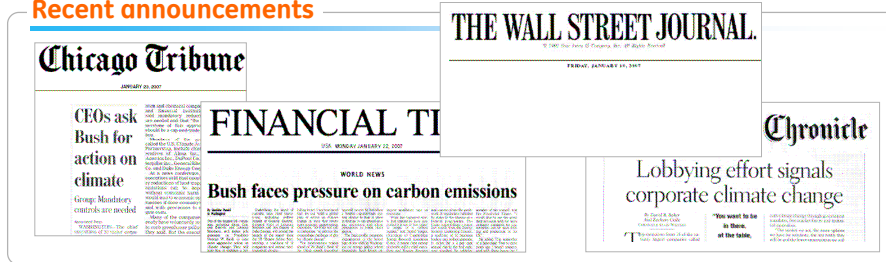
imagination at work

Source: GE Energy PG Marketing

6

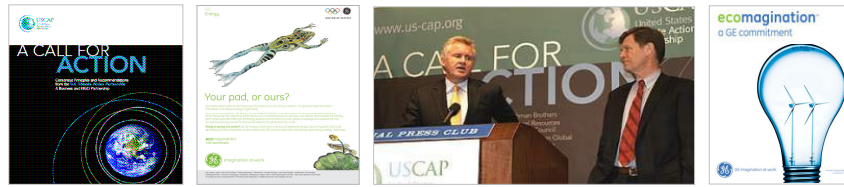
Climate change ... GE enabling technology

Recent announcements



GE is part of the solution

Wind, cleaner coal, nuclear, higher efficiency, solar, ecomagination ...

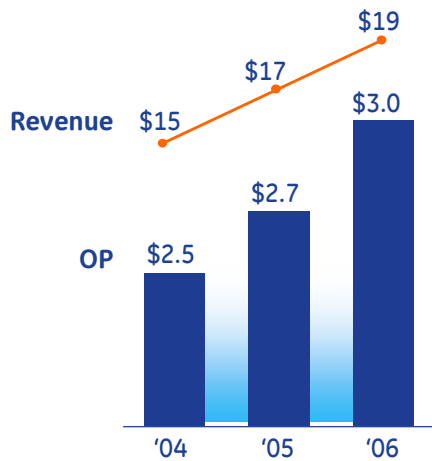


Leading technology ... GE portfolio



Day to day execution ... consistent results

(\$ in billions)



Profitability drivers

- Installed base ... great position, strong global growth. Up 32% in '06
- Services ... +19% ... expanding capability and reach
- Wind ... backlog + commitments up 50% ... orders up 62%
- Controls/Jenbacher...new \$1B businesses ... and growing



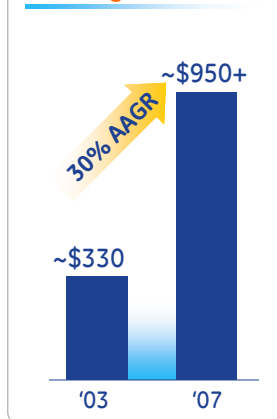
imagination at work

9

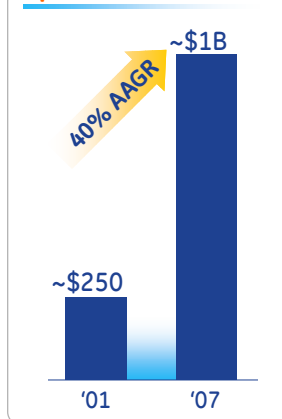
New \$1B businesses

Revenue in millions

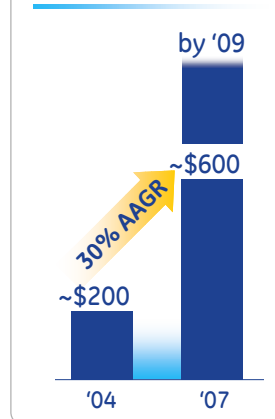
Gas engines



Optimization controls



Environmental



20%+ Op profit businesses



imagination at work

10

Invest and deliver



imagination at work

Invest ... in strong partnerships

GE – Hitachi Nuclear

Strong participation & partnership approach

- Political support growing
- Working with several potential global partners
- Interest high: US, India, UK, Japan
- Evolving consolidation ... Toshiba + Westinghouse ... various utilities

Strategy

- Formalize partnership with long-term BWR strategic ally ... Hitachi
- ABWR selected for South Texas Project
- Integrated supply chain for success
- BWR technology & services now ... PWR next
- Capitalize on favorable economics



imagination at work

Invest ... in great technology

LMS100® ... Flexible Power

GE advantage

- ✓ Aviation turbine core and Energy power turbine
- ✓ Highest simple cycle efficiency ... 44%
- ✓ 10 minute start to 100 MW

Today

Load test complete ... >104 MW to date
 Basin Electric launch customer ... first unit in operation, second on order
 14 commitments/orders through '08



Basin Electric Plant



imagination at work

13

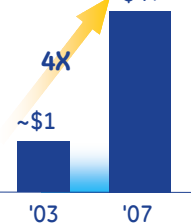
Invest ... in renewables leadership

Wind

Cleaner energy

- Secure and reliable
- Over 5,000 1.5MW shipped
- Unit volume up 5X since acquisition
- 2.5 in Europe ... largest wind region

Sales
(\$B)

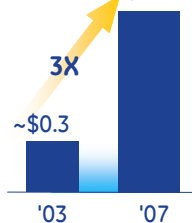


Biomass

Converting waste to energy

- Efficient, reliable and fuel flexible
- 1,450 units ... biogas, landfill, sewage gas
- 480+ engines in 2006 ... up 54%
- Services expansion ... 3X

Sales
(\$B)



imagination at work

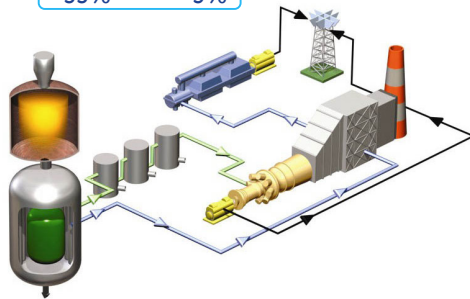
14

Invest ... in cleaner coal

GE advantage

- ✓ 5/7 government tax credits based on GE technology
- ✓ 3 gigawatts of IGCC experience
- ✓ Closing CAPEX gap vs. pulverized coal

| GE Content | | |
|------------|-----|----|
| IGCC | vs. | PC |
| 33% | | 5% |



Today

Utilities:

- 630 MW IGCC reference plant
- GE scope ~\$500MM +services
- Launch plants: AEP #1&2, Duke, TECO

Industrials:

- Coal to chem, refineries, coal to liquid applications
- ~\$50MM '07 revenue, China big
- ~\$80MM of licensing projected orders ... +260% sales vs. '05

Carbon sequestration:

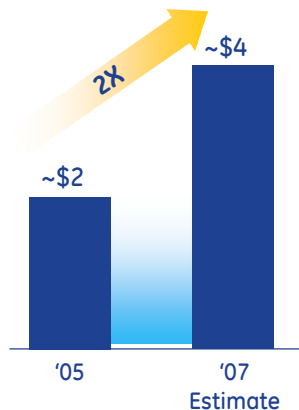
- BP Carson CA project ... H2Power

15

Invest ... in emerging markets

Middle East orders

(US \$ billions)



Big opportunities

- \$30B spend in power and water by 2015
- Multi-infrastructure clusters
- Diversified industrial growth

Well established

- More than 600 employees in the region
- Huge installed base of machines
- Local fulfillment capabilities

Well positioned for growth

- Clear strategy
- Strategic alliance
- Localized solutions

16

Invest ... in emerging markets

Eastern Europe orders

(US \$ billions)



imagination at work

Big opportunities

- \$50B spend in utility power by 2015
- Extensive infrastructure modernization
- Energy sector reform

Well established

- More than 650 employees in the region
- Application centers focused on customer needs
- ~\$0.6B Infrastructure sourcing foot-print

Well positioned for growth

- Excellent product fit
- Technology embedded by early wins
- Creating strategic alliances

17

Invest and deliver



imagination at work

Deliver ... \$2B in 60 days

Saudi Arabia commitments announced

- Saudi Electric Company (SEC) – 4 projects totaling 3,560 MW
 - 23 Frame 7FA gas turbines (Qurayyah, Faras, Riyadh PP8)
 - 12 Frame 7EA gas turbines (Riyadh PP9)
- SUEZ and partners - Marafiq power generation and desalination project
 - 2,740 MW with steam extraction for desalination
 - 12 Frame 7FA gas turbines, 4 steam turbines



imagination at work



Deliver ... best technology for the future

Advanced new nuclear - ESBWR

THE WALL STREET JOURNAL
01/29/07

Power Producers Rush to Secure Nuclear Sites

First to Develop Plans
Could Tap \$8 Billion
In Federal Subsidies

By REBECCA SMITH

With the U.S. on the verge of building a new generation of nuclear power plants, potential owners are racing to identify and lock down the best sites in order to secure billions of dollars in federal subsidies pledged to first-comers.

Their efforts will test local and national attitudes more than two decades after nuclear accidents made headlines. They also represent a considerable financial gamble for the utility industry, which is moving ahead at a rapid pace despite uncertainty ranging from environmental opposition to finding a home for radioactive nuclear waste. In one case,

At root is a sea view over nuclear from 1974 to 1994, a skyrocketing costs, 1

So far, the industry is focusing almost exclusively on the South

ent rates and accident at the Three Mile Island in Pennsylvania and Chernobyl in the former Soviet Union, utilities canceled projects in the current 104 U.S. clear power carbon up about 20% of the electricity supply with about 50% from But in a time of price concerns over price dependence on foreign and global warming power is on the case turn. It doesn't rely on fuels in tight supply is politically troublesome. Unlike coal nuclear fuel doesn't

- Simplified design, increased output, smaller footprint ... reduced CAPEX and OPEX, shorter construction schedule
- Design certification submitted to NRC, selected by NuStart, Entergy & Dominion
- On plan for '07 Combined Operation License applications



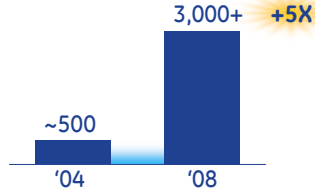
imagination at work

Deliver ... operational excellence

Wind execution

Expanding supply base

Unit volume



Driving quality fulfillment

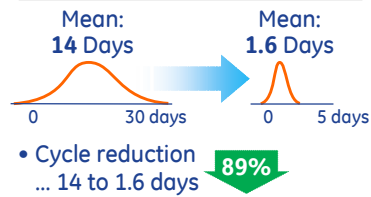
- First piece qualifications **~300 in '06**
- Integrated with suppliers
- Global component production
- Operating controls implemented

Lean execution

Using gas turbine tools

- 2 day cycle **80%**
- Inventory turns **Tripled**

Lean commissioning



imagination at work

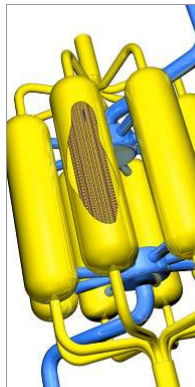
21

Deliver ... for the next generation

Fuel cells



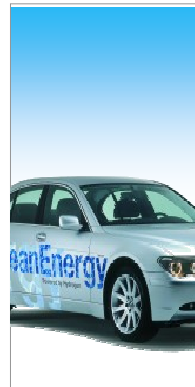
Carbon capture



Geothermal



Hydrogen



imagination at work

*BMW is a registered trademark of BMW Group
22

Invest and deliver

Visible revenue growth and margin expansion

- ✓ Installed base ... diverse technologies strong position and growing
- ✓ Services ... new products, platforms and regions
- ✓ Wind ... US demand, backlog at all time high
- ✓ Aeroderivatives and gas engines ... new product introductions, service and price realization
- ✓ Simplification and cost out

Strong short and long term outlook



23

GE
Energy

Global Energy Update



John Krenicki
President & CEO

