

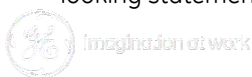
GE Infrastructure Analyst Meeting

Dave Calhoun

March 8, 2006

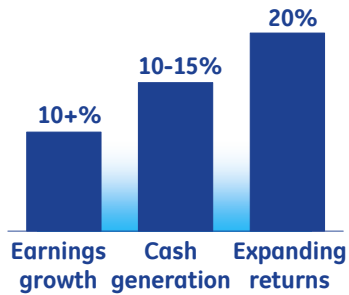


This document contains "forward-looking statements" - that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "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."



GE strategy

**Safe + reliable
growth company**



- ✓ Through the cycles
- ✓ Low risk
- ✓ Improving margins

**GE advantage ...
scale + breadth + depth**

A great portfolio ... founded on market leadership, domain expertise, competitive advantage & financial strength

Reliable execution ... with a portfolio that performs consistently while expanding returns

Common initiatives ... where we can scale ideas with speed driving incremental returns

A strong team ... filled with people who have broad + deep careers

This is the way we win

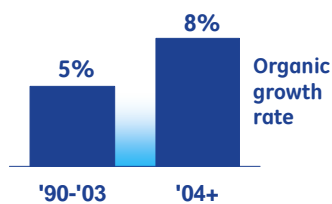


Imagination at work

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Priorities for portfolio renewal

1 Faster growth Industrial

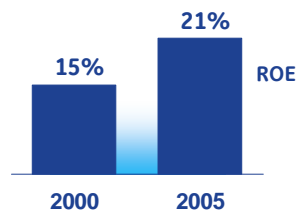


Strategic actions

- Launch growth platforms ... \$12B+
- Invest in healthcare, services, energy, entertainment
- Grow with technology ... IGCC, NDT

Focus ... long-term growth rate
Exit ... slow growth ... Motors, GXS

2 Higher return Financial



Strategic actions

- Global Consumer Finance
- Financial verticals
- Higher returning businesses

Focus ... ROE enhancement
Exit ... Insurance



Imagination at work

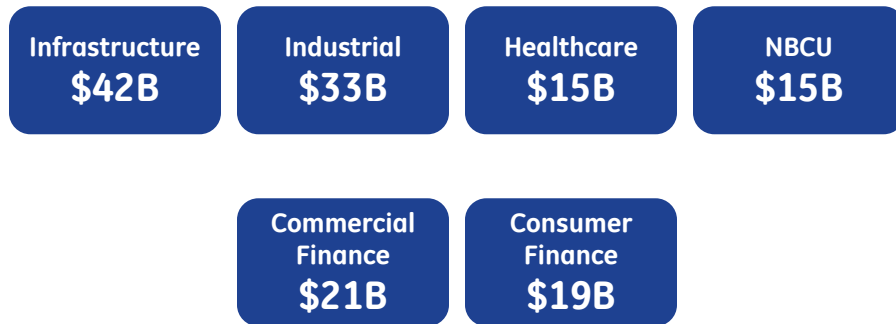
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Imagination at work

GE's new structure: Simplify company in pursuit of growth (~8%)

(2005 Revenue - \$B)



- ✓ Market leadership
- ✓ Technology advantage
- ✓ Domain knowledge
- ✓ Financial strength ... AAA



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The new GE Infrastructure

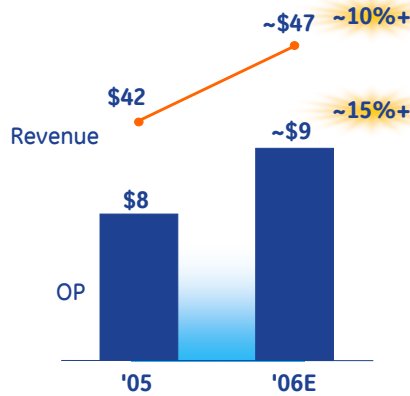
Infrastructure | Industrial | NBC Universal | Healthcare | Commercial Financial Services | Consumer Finance



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Total GE Infrastructure

(\$ in billions)



Proven approach

- Lead with technology
- Big and growing installed base
- Population growth ... infrastructure needs
- Domain knowledge
- Huge synergy opportunity

Businesses on track to deliver '06 commitment



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Environment ... very strong



Aviation

Boeing & Airbus ~~production rate~~ **+10-15 per month** limited



Energy

Better than expected ... revenue up ~15% **+**



Rail

'06 sold out ... **Add 50 locomotives**



Oil & Gas

Exploration and production CapEx up 30% **+**



Water

Orders pipeline up 10x ... desalination driven

Continued

Strength across the board



imagination at work

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Infrastructure ... business model



Differentiate
with technology

→ Installed base



Capture lifecycle
service

→ CSA / upgrades /
Inspections & repairs



System
optimization

→ New growth platforms
Customer productivity



Everywhere in
the world

→ Global footprint

Delivering for our customers and shareholders



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Invest in Technology



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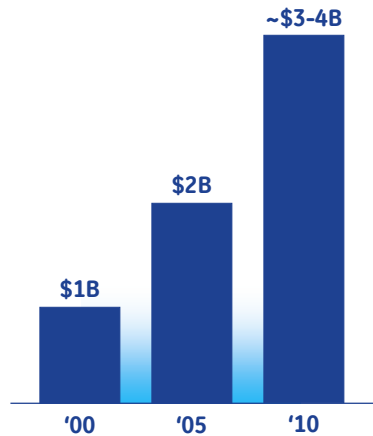


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New technology ... bigger bets

(\$ in billions)

R&D spend



Aviation

- Wide body (A380, 777, 747-8, A350, 787)
- Narrow body (A320, 737) ... next gen, regionals

Energy

- Next generation nuclear
- IGCC

Oil & Gas

- Liquefied natural gas ... gas to liquid
- Re-injection ... oil production

Rail

- Evolution locomotive
- CAD ... movement planner, ITCS

Water

- Bio detection ... real time

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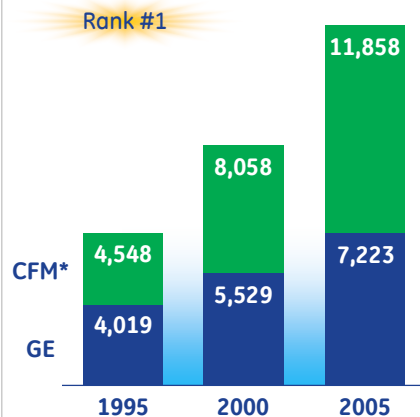
Technology evolution ... Aviation

Product lineage

1971		CF6
1979		CFM*
1982		CF34
1995		GE90
2008		GEnx
Next		LEAP56*



Engines installed base (Commercial)



*CFM International is a 50/50 JV with Snecma


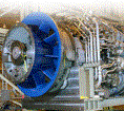
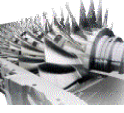

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Wide range of Energy offerings



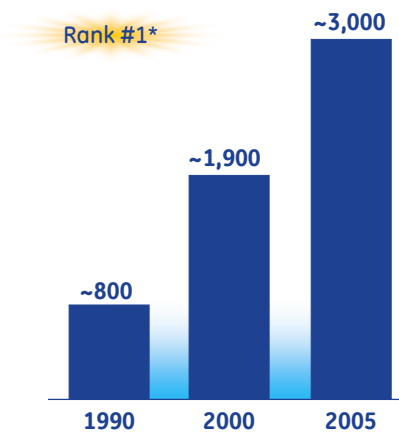
Technology evolution ... gas turbine

Product lineage

1980		B/E
1990		F Class
2003		H System
Next		IGCC



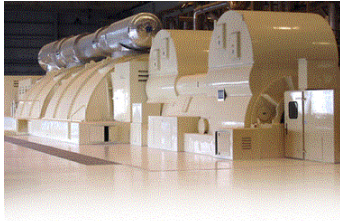
Turbine installed base (Heavy duty gas)



*Source: 2005 McCoy Power Reports

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Accelerating growth in coal ... IGCC



Today's coal plant



Tomorrow's IGCC plant

5% **Increasing GE Content** 40%

- Steam turbine
- Generator

- Steam turbine
- Generator
- Gasification island
- Gas turbine

~\$75B Opportunity 2010-2020



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Technology evolution ... Oil & Gas

Technology milestones

1995



World's highest re-injection pressure

2000



1st high sour gas re-injection

2005



Largest LNG train

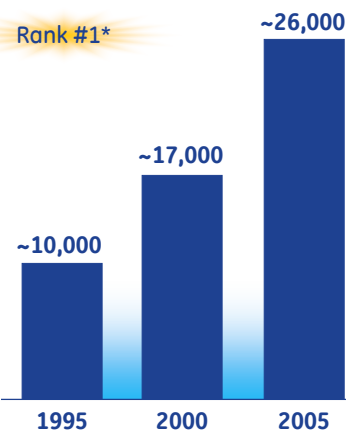
Next



Gas to liquid

Installed base (Turbines/compressors/pumps)

Rank #1*



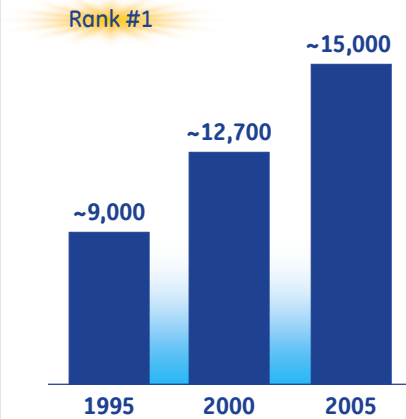
*Source: 2005 McCoy Power Reports
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Technology evolution ... Rail

Technology lineage

1986		Dash 8
1993		Dash 9
1994		AC4400
2005		Evolution
Next		Hybrid

Locomotive installed base



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Technology evolution ... Water

Product lineage

1999		Custom Pure water
2002		Chemical treatment
2003		Membranes+ std. equipment
2004		Services
2005		Desal & reuse
Next		Adv. membranes, energy recovery, chemicals NPI

Offerings

Rank #2 ... and gaining

\$80B	GE	Nalco	Siemens
Filtrations & Separations	✓		✓
Desal + Reuse	✓		✓
CSA's	✓		✓
Membranes	✓		✓
Chemicals	✓	✓	



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Service

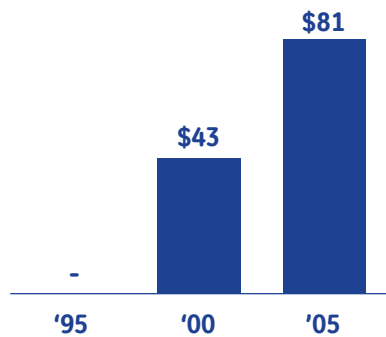


imagination at work

CSA Backlog

(\$ in billions)

Backlog



Innovative CSA solutions ...

- Aviation ... "OnPoint"
- Military ... performance based logistics
- Energy ... BOP / O&M & power island
- Water ... desalination
- Oil & Gas ... turbine and compressor solution

Win-win ... customer productivity & GE growth



imagination at work

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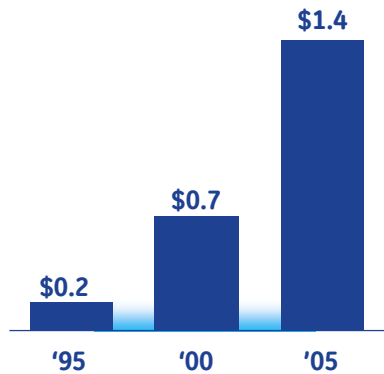


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Upgrades

(\$ in billions)

Revenue



Improving asset performance ...

- Aviation ... time on wing kits
- Rail ... modernization kits
- Energy ... 3D aero ... efficiency and output
- Oil & Gas ... production capacity increase

Bringing new technology to the installed base



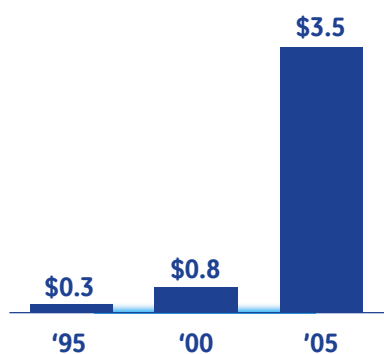
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Asset optimization ...

(\$ in billions)

Revenue



Expanding the offering ...

- Aviation ... engine systems & diagnostics
- Rail ... movement planner, ITCS
- Energy ... optimization & environmental
- Water ... corrosion prevention, desal
- Oil & Gas ... pipeline inspection

Delivering more value for the customer



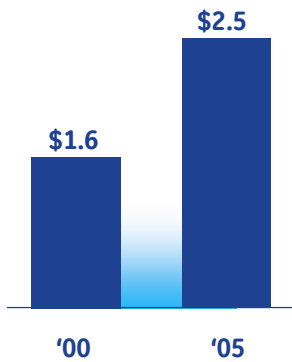
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Inspection & repair

(\$ in billions)

Revenue



Developing new approaches ...

- Big investments ~\$0.75B
 - Non-destructive testing
- Drive CSA opportunities ... \$70MM+ in '05
 - Energy ... advanced technology from aviation ... ADH & RenewAlloysm
 - Aviation ... combustor repair
- Build upon Infrastructure investments
 - Greenville repair development center
 - Cincinnati ... Aviation component service center

Technology driven customer productivity



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Strong growth in developing world



Developing country infrastructure

(\$ in billions)



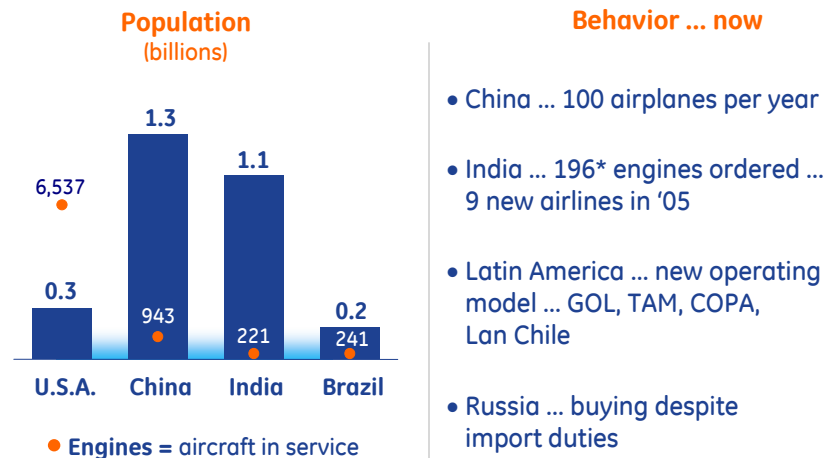
- Population growth and increased living standards fuels growth
- China ... Middle East ... India ... Russia ... Eastern Europe ... Latin America

A government priority ... everywhere



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Company to country ... Aviation

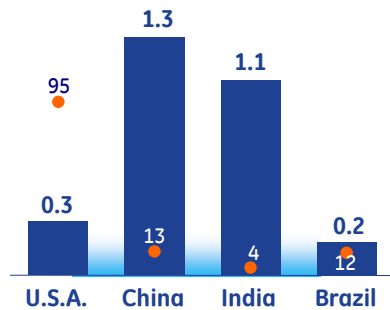


*76 CFM engines ... CFM International is a 50/50 JV with Snecma

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Company to country ... Energy

Population (billions)



● Energy = annual megawatt /hour/capita



Behavior ... now

- China ~30 GW – “Bundled Buy”, wind, IGCC & localization
- Middle East ... Oil & Gas capacity expansion ... Qatar, Saudi Arabia, UAE
- India ~10 GW added per year ... large pipeline projects
- Africa ... Nigeria deal closed ... ~50% capacity increase ... LNG

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China momentum ...

Energy ...

- “Bundled Buy” #1 ('03)
- “Bundled Buy” #2 ('04)
- Wind \$400MM ('05)

Aviation ...

- ARJ21 (regional jet)
- ~100 planes per year

Oil & Gas ...

- West to East pipeline ('05)
- Bohai Bay ('05)

Water ...

- Tianjin Bo Hai ... with Energy
- Beixiao he project ... Olympics

National Development & Reform Commission (NDRC)

Beijing Olympic prep

Rail ...

- China QTR ('04)
- ITCS ('04)
- Mainline ('05)

GE ... \$10B in 2008

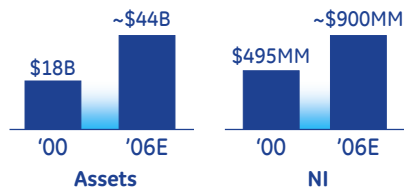


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Verticals ... using our domain knowledge

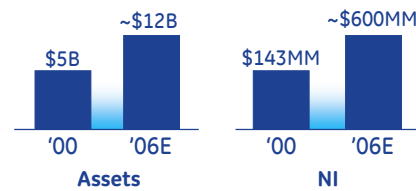
(\$ in billions)

Aviation



A pre-eminent global air fleet manager

Energy / Water



Wellhead to wall-socket ... debt to equity ... globally

Continue to ...

- Rely on GE Capital to manage risk profile
- Utilize industry knowledge and service

Immelt on marketing ...
"Know how your customers make money ... and help them make more"

ecomagination ... Infrastructure products

Energy

- Wind
- IGCC
- H System™
- Solar
- CMM Jenbacher
- LMS100®

Rail

- Evolution
- Hybrid

Water

- Desalination
- Pure Water Membrane

Aviation

- GEnx
- GE90 - 115B
- LM2500 - Marine



ecomagination ... commitments

- 1 **Double** revenue from \$10B to \$20B ++
- 2 **Increase** R&D investment from \$750MM to \$1.5B +
- 3 **Improve** our energy efficiency and lower ✓
our GHG emissions
- 4 **Keep** the public informed on progress ✓

Green means green \$



Summary

- **Focusing on global challenges ...**
 - resource scarcity
 - the environment ... ecomagination
 - developing country infrastructure
- **Leverage new Infrastructure organization ...**
 - Simple market facing structure
 - Technology as a core operating lever
 - Grow installed base with strong domain knowledge
 - Drive customer value ... capture life cycle service revenue

Serving customers in bigger ways



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GE Infrastructure Analyst Meeting

Dave Calhoun

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