



GE Transportation

Smith Barney Citigroup Conference

March 9, 2005

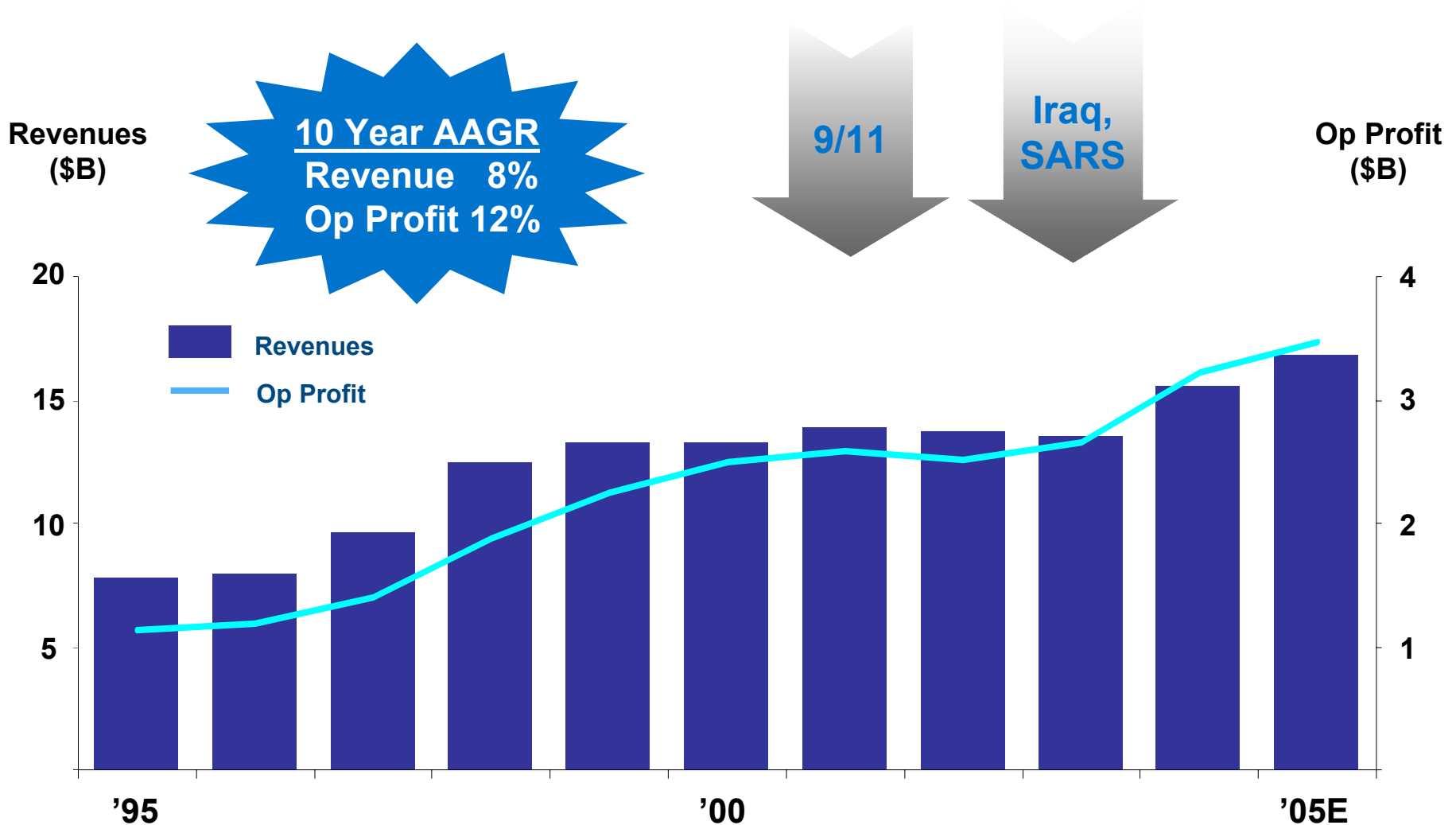
D.L. Calhoun



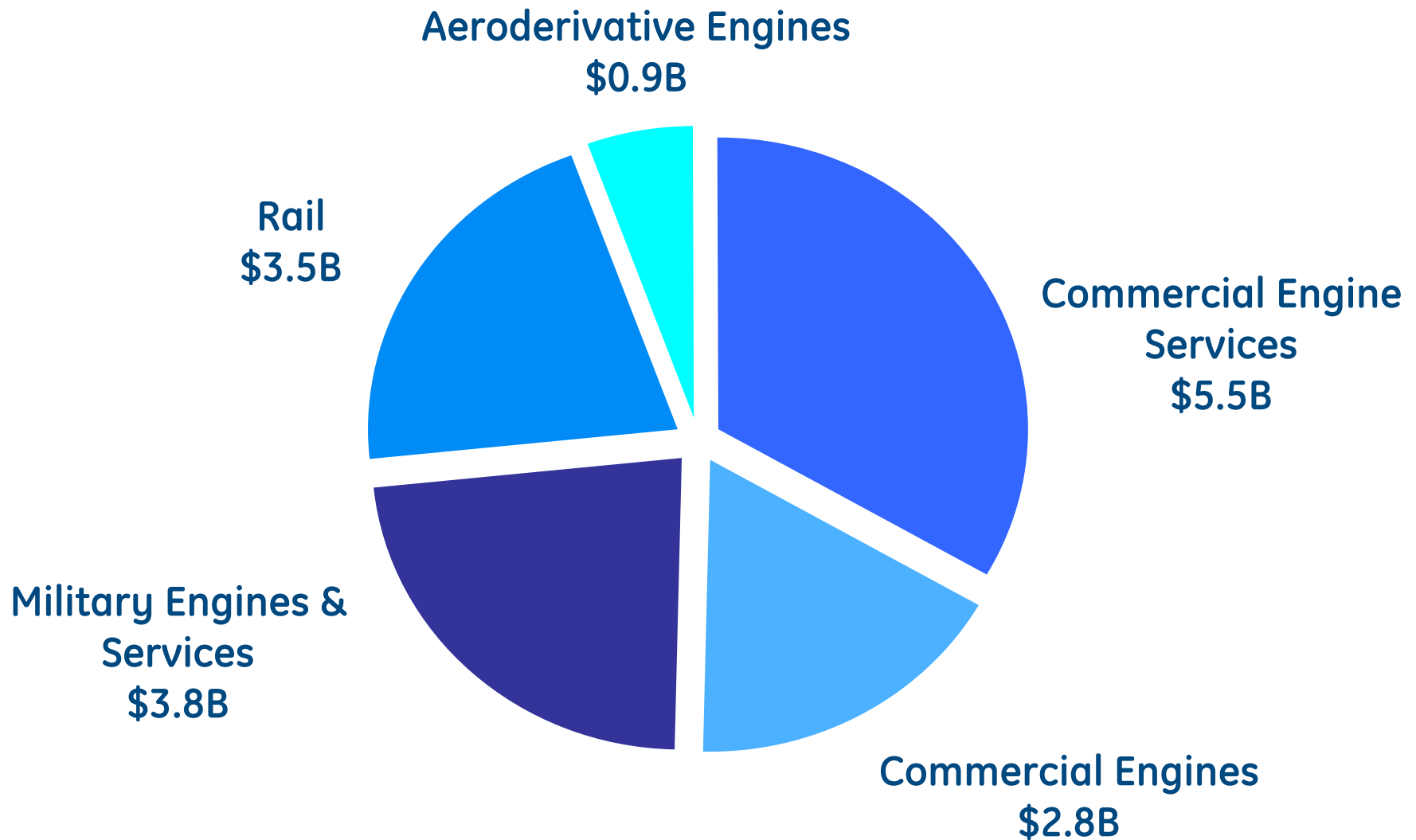
imagination at work

"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."

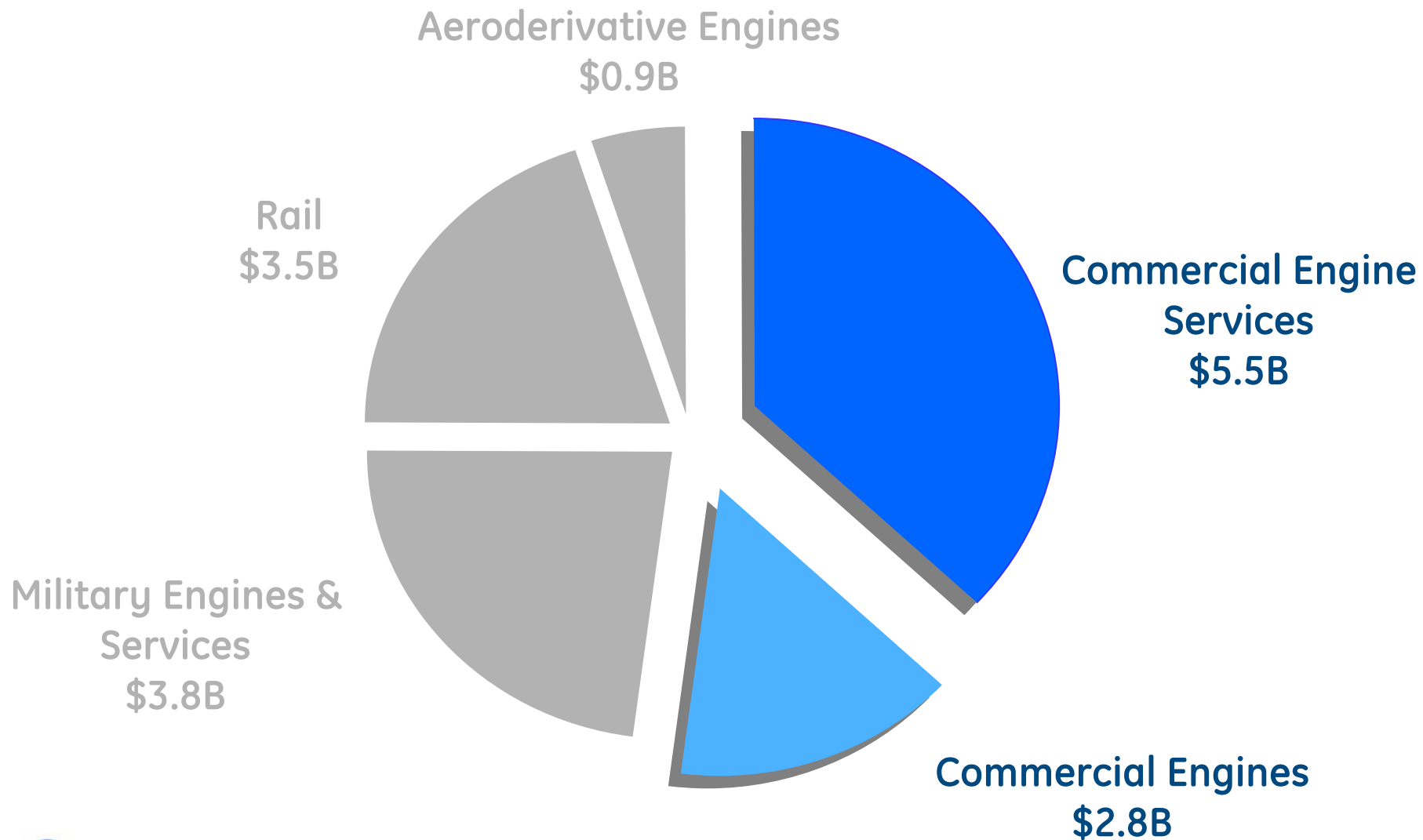
Delivering through difficult cycles



Projected 2005 revenue ... ~\$16.5B



Commercial aviation ... **\$8B+ revenue**



Commercial aviation business strategy

Invest in technology ...
Grow installed base

**Best customer
value**

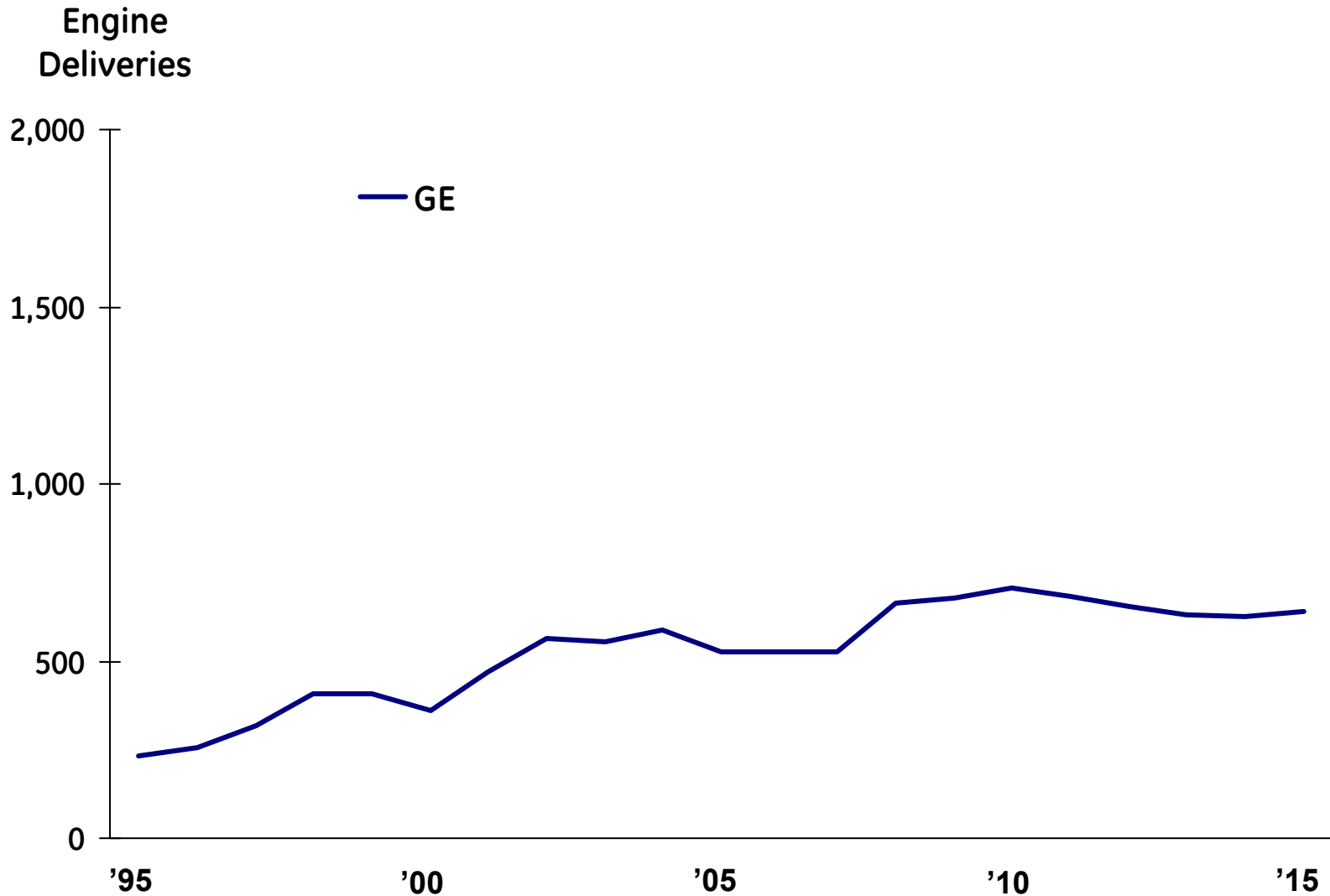
Target share of departures ...
Grow service opportunity

**High-cycle
applications**

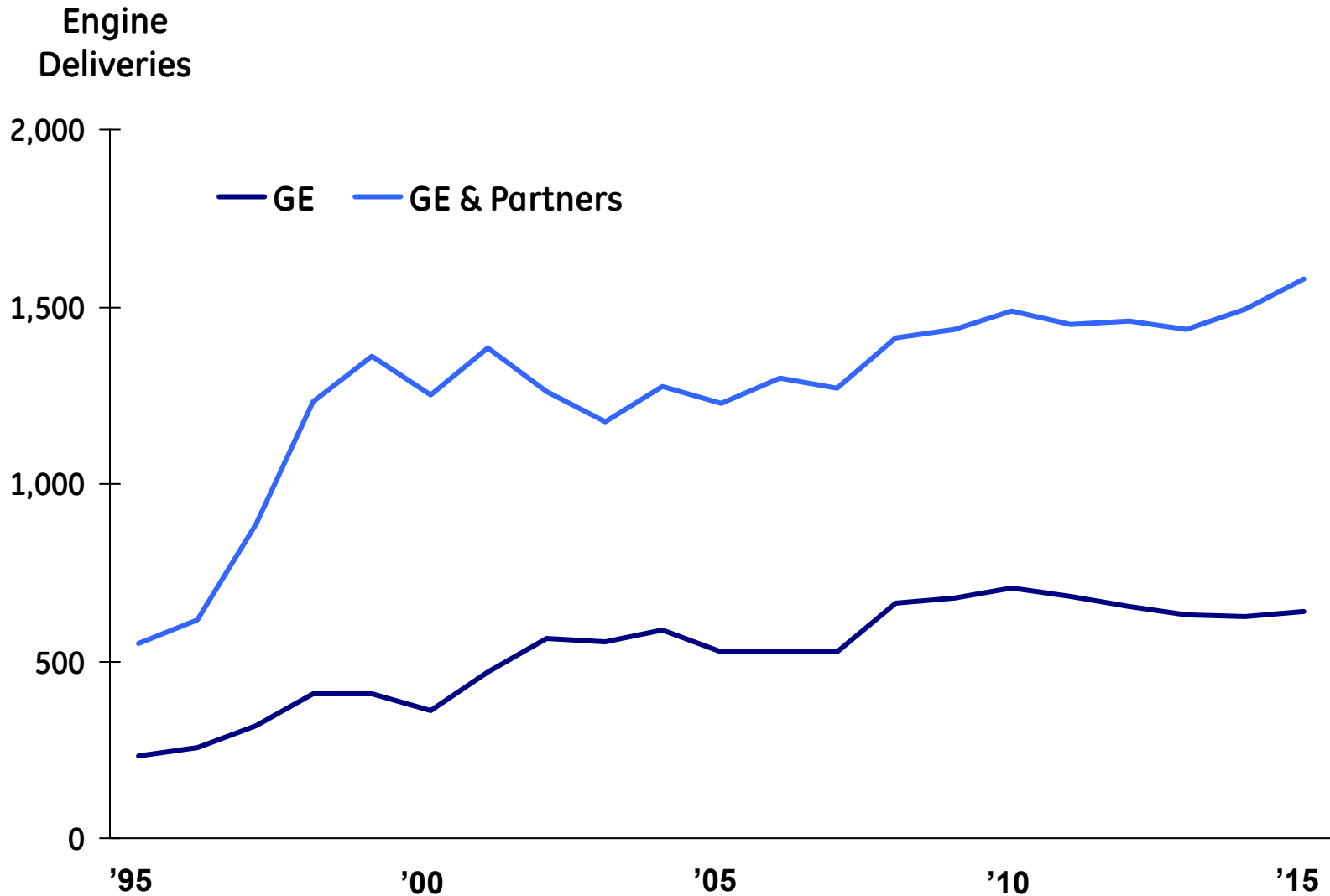
Expand engine services ...
Differentiate with technology

Global footprint

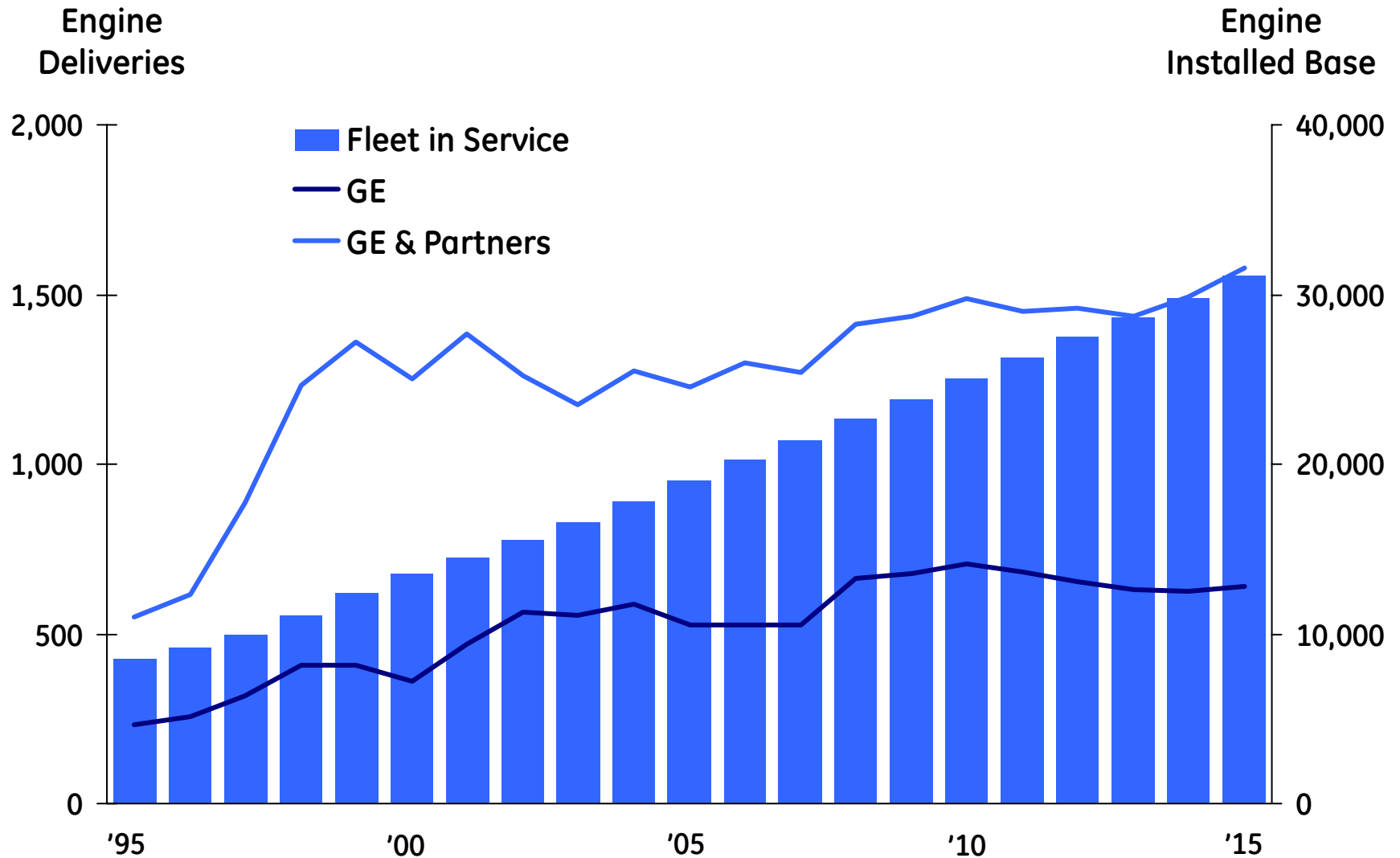
Fleet in service growing despite cyclical market



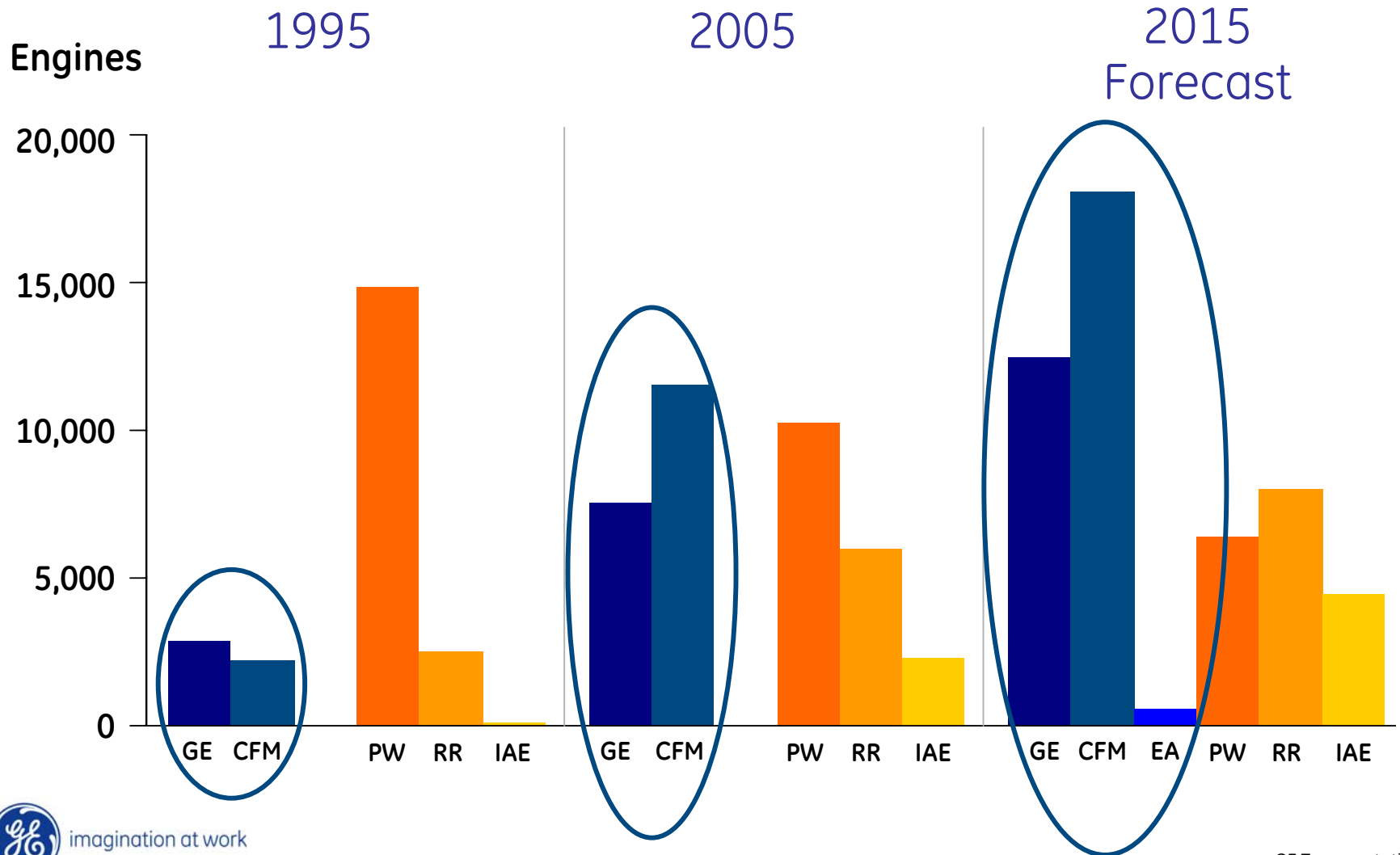
Fleet in service growing despite cyclical market



Fleet in service growing despite cyclical market



Invest in technology ... grow the installed base



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

Regionals (GE)



Bombardier

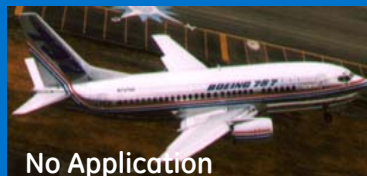


Embraer

Single Aisle (CFM)



No Application



No Application

Twin Aisle (GE)



Jumbo Twin Aisle (GE)



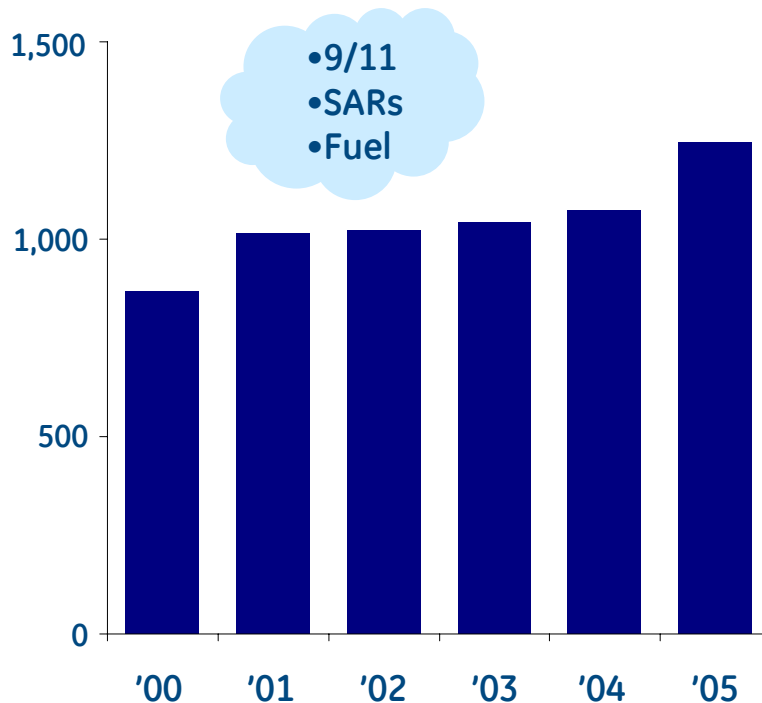
(CFM)



No Application

New technology ... next family additions

Total
Engines R&D
spend \$M



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

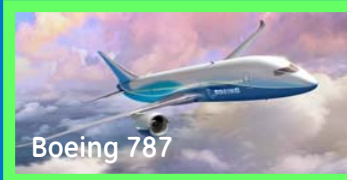
Regionals (GE)



Single Aisle (CFM)



Twin Aisle (GE)



Jumbo Twin Aisle (GE)



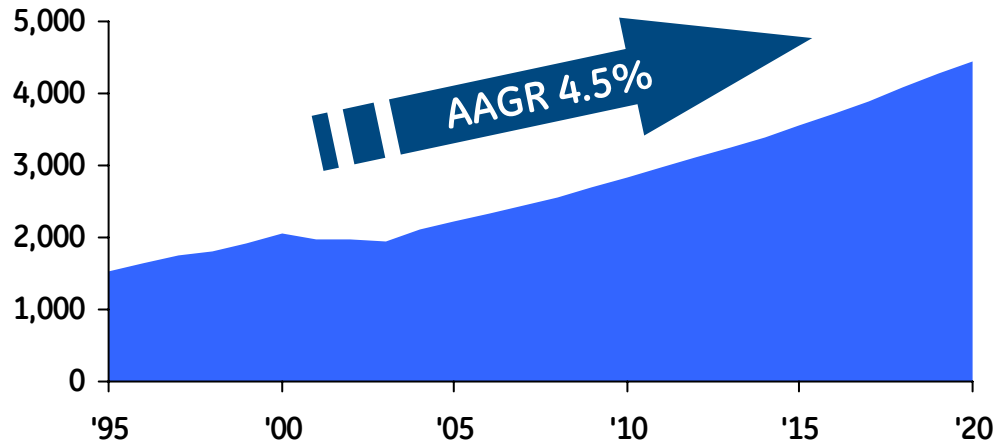
(CFM)



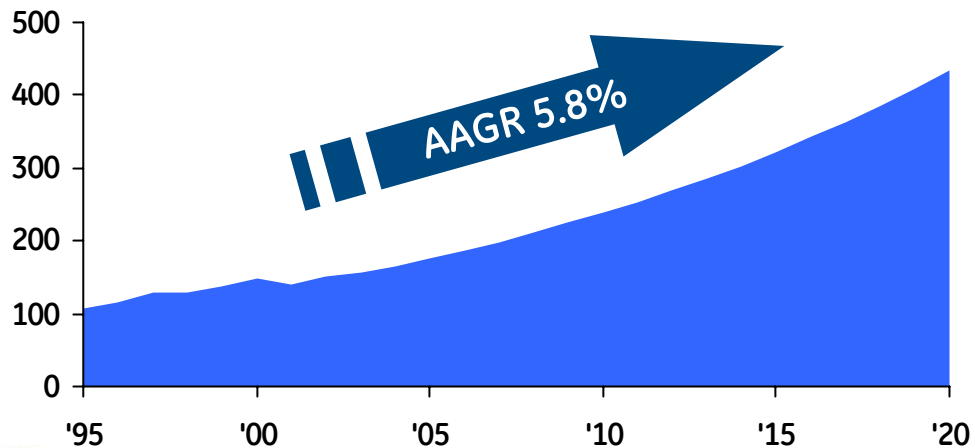
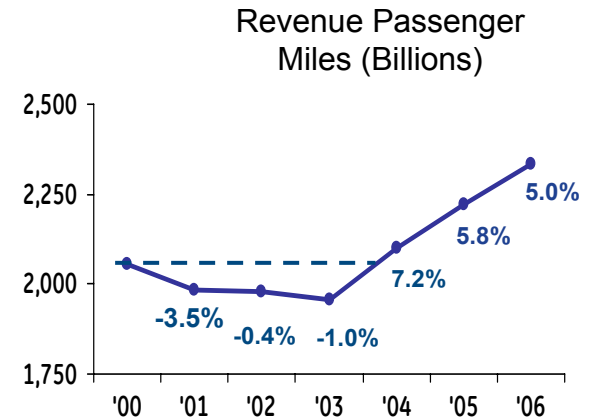
(EA)



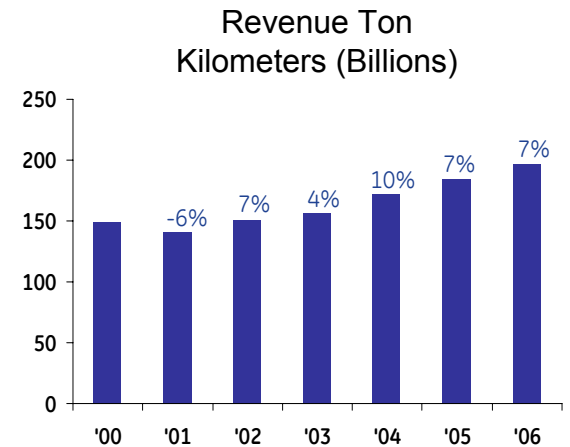
Passenger and cargo traffic



Passenger Traffic Growth



Cargo Growth

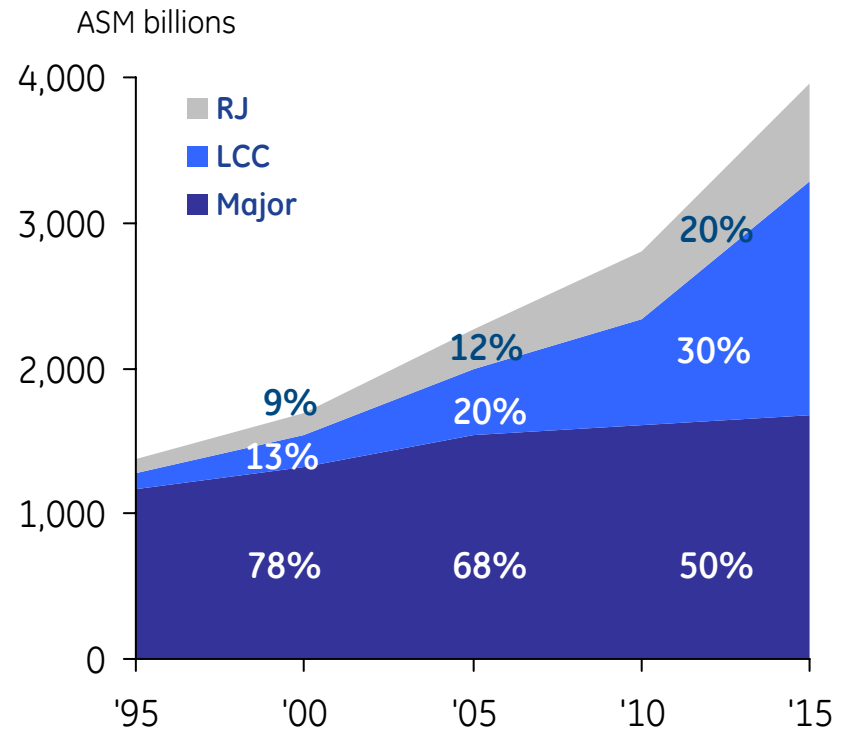


Low cost carriers and regional airlines continue robust growth

Positive for GE

- Aircraft favor GE
- 30% higher utilization
- Service opportunity

Global LCC traffic share growth

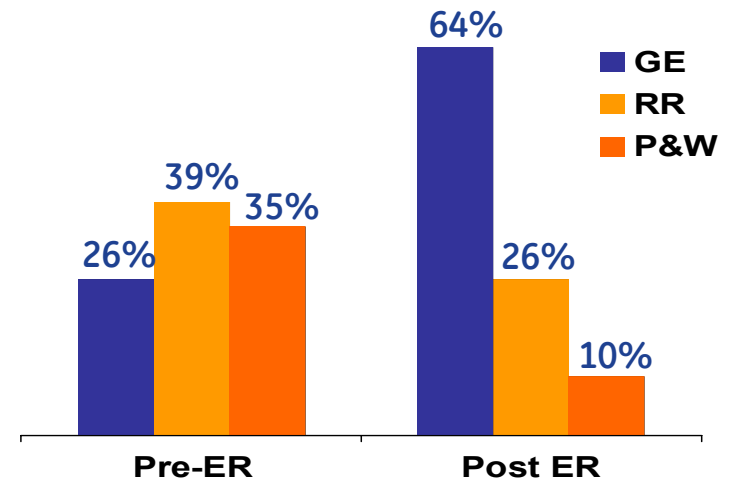


GE90 for the 777

- Extended-Range version offered to customers in 2000
 - 100+ 300ER/200LR orders to date
- Best operating economics
 - 22% more fuel efficient per seat
 - 16% lower seat mile cost
- GE 777 installed base growing since Extended-Range launch



Singapore Airlines 777-300ER
18 firm aircraft won in 2004



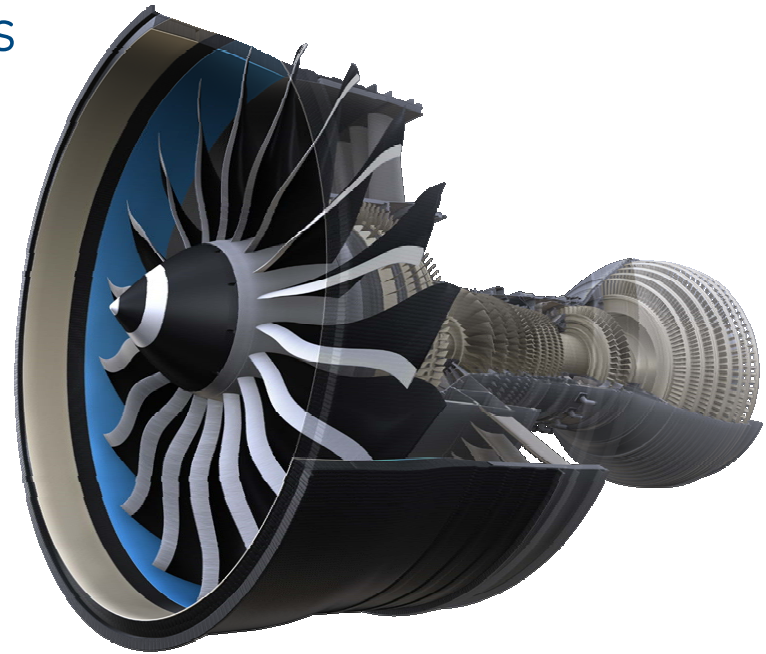
GP7200 for the A380

- Leading with nearly 300 firm engine orders
 - Biggest cargo carrier ... FedEx
 - Biggest growth airline ... Emirates
- Engine deliveries begin 1Q06
- Significant hub-to-hub advantage
 - Cost and capacity



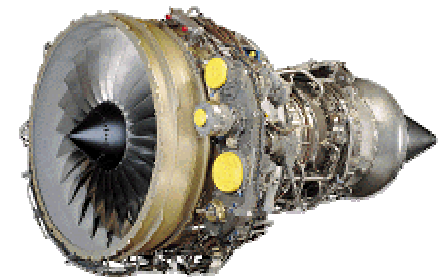
GEnx for the B787 and A350 ... a new engine for the next generation of aircraft

- Meets or beats all airframer requirements
 - 15% less fuel
 - 35% reduction in pollutants
 - 50% quieter around airports
 - 30% fewer parts
- 3000+ aircraft over the next 20 years
- Secured on both aircraft with Air Europa and First Choice



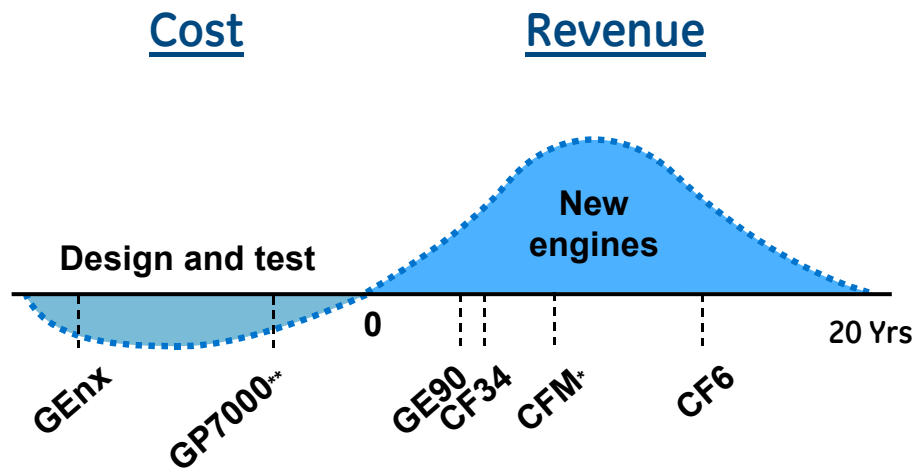
CF34-10 for EMBRAER 190/195 and ARJ21

- Improved passenger comfort and ...
 - 7-15% fuel burn advantage
 - 15% lower shop visit cost
 - 20% longer time on wing
 - Engine maintainability
... replacement in 4 hrs vs. 8-12 hrs
- 6,500+ RJ Aircraft over next 20 years



Aviation business model ... starts with the Installed base

New engine lifecycle

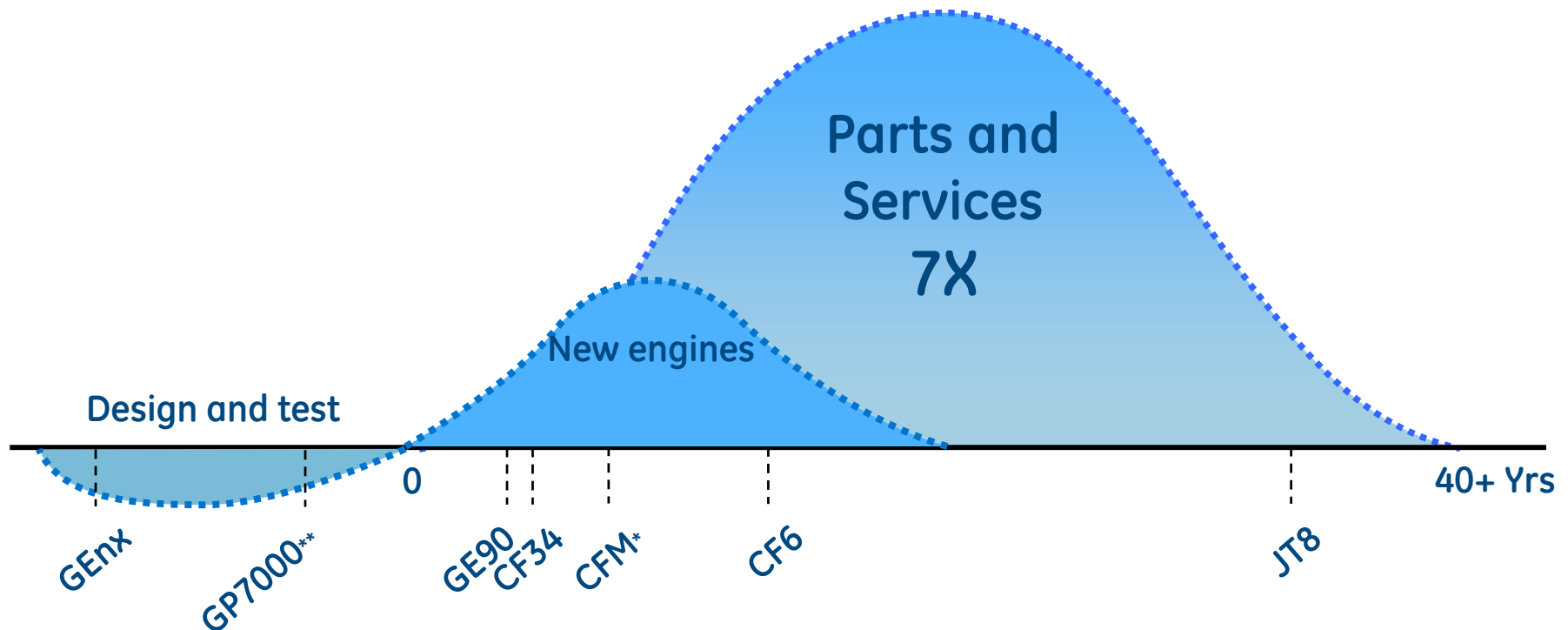


Installed Base			
	Airline Service	Current	2015
CF6	1971	4,400	3,500
CFM*	1979	10,800	18,000
CF34	1992	2,400	6,900
GE90	1995	300	1,200
GP7000**	2006	-	600
GENx	2008	-	900

Grow Services opportunities

Engine lifecycle revenue

Average age 8 yrs.



Target share of airline departures



Widebody

Total
Engine Fleet*

8,700

Avg. Daily
Departures

1.9



Narrowbody

15,200

3.3



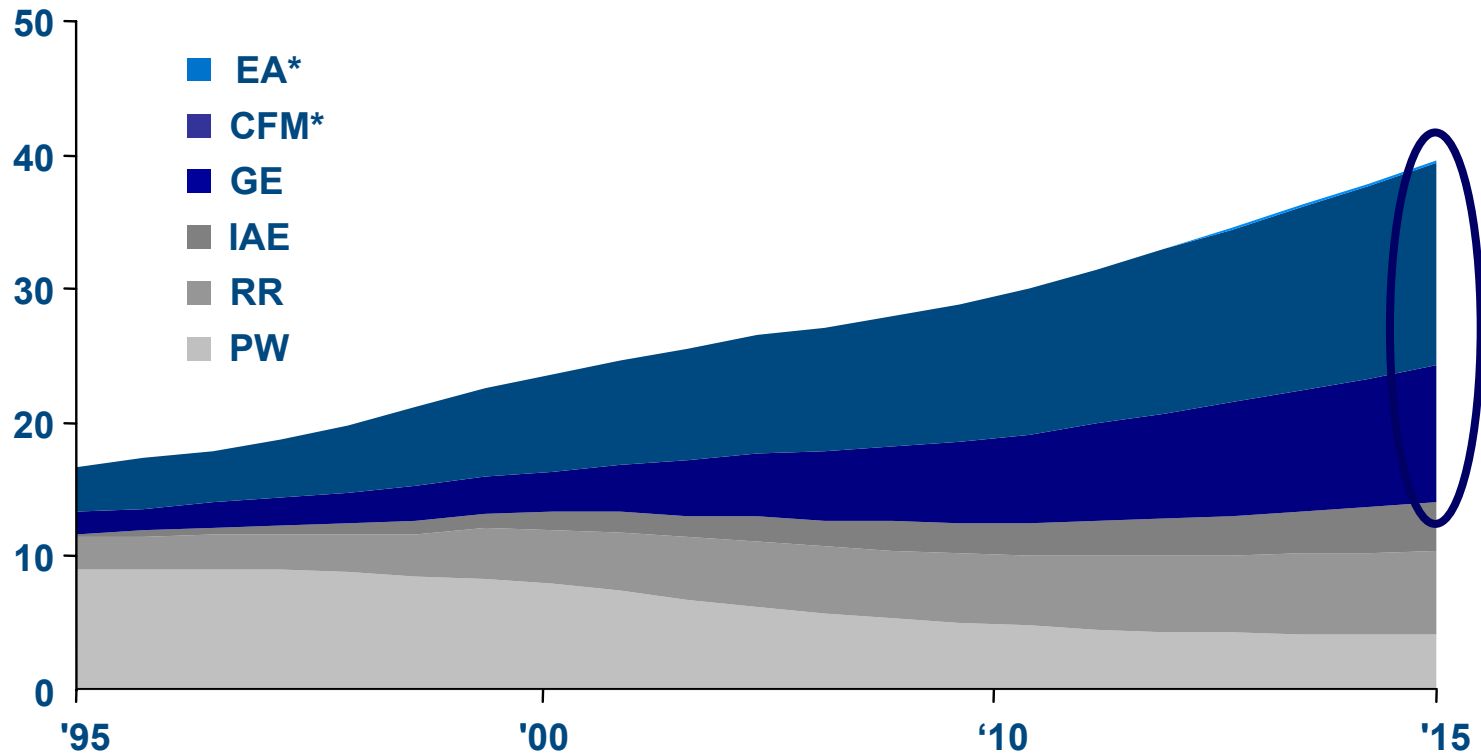
Regionals

9,600

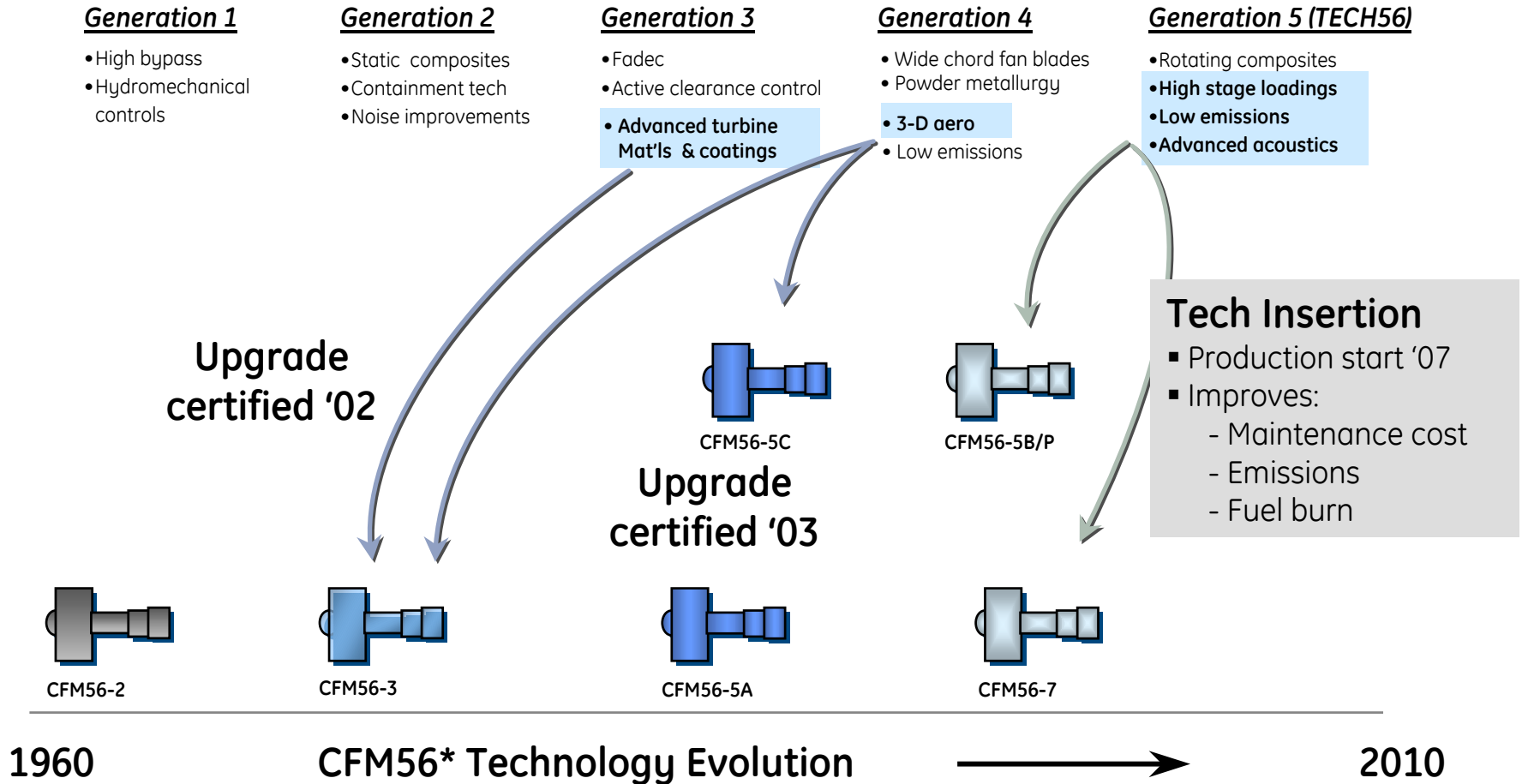
4.6

GE, CFM & EA powering >25M departures by '15

Global departures (M)

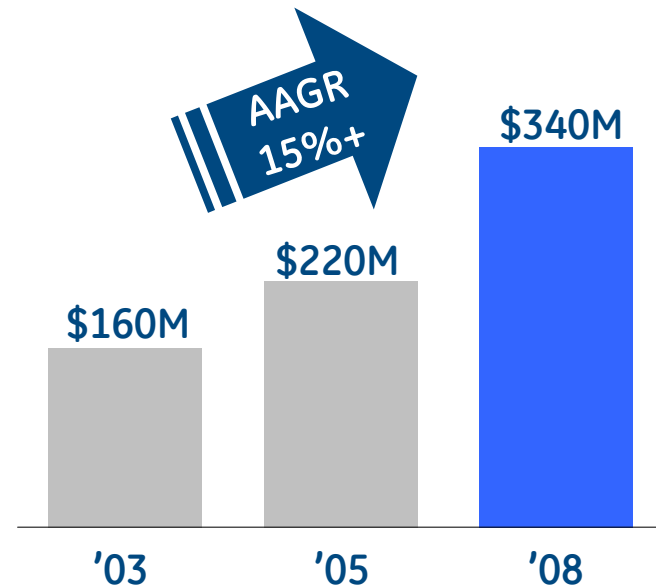
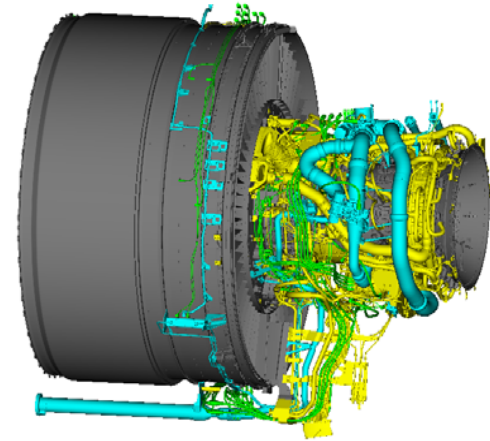


Technology roadmap delivers **customer value** and service opportunity



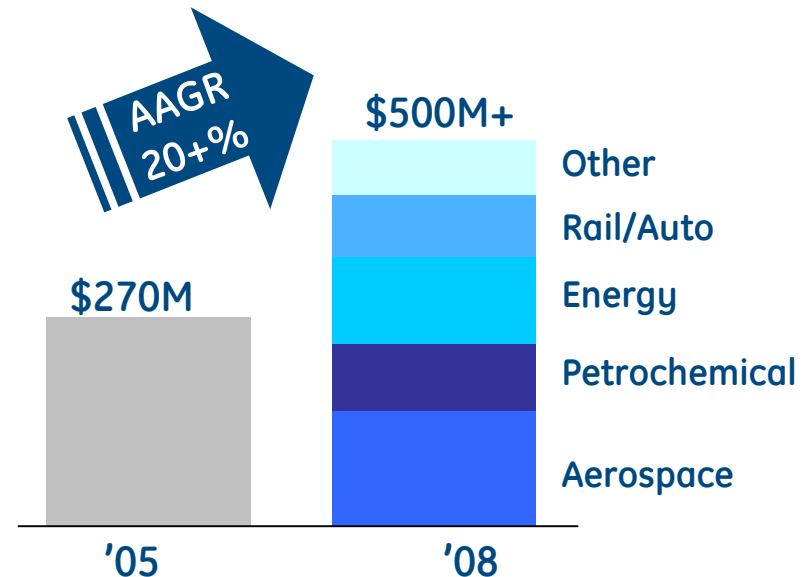
Services ... Expand to **engines systems**

- Electrical components
- Mechanical components
- Integrated systems provider to OEMs
- Global service opportunity



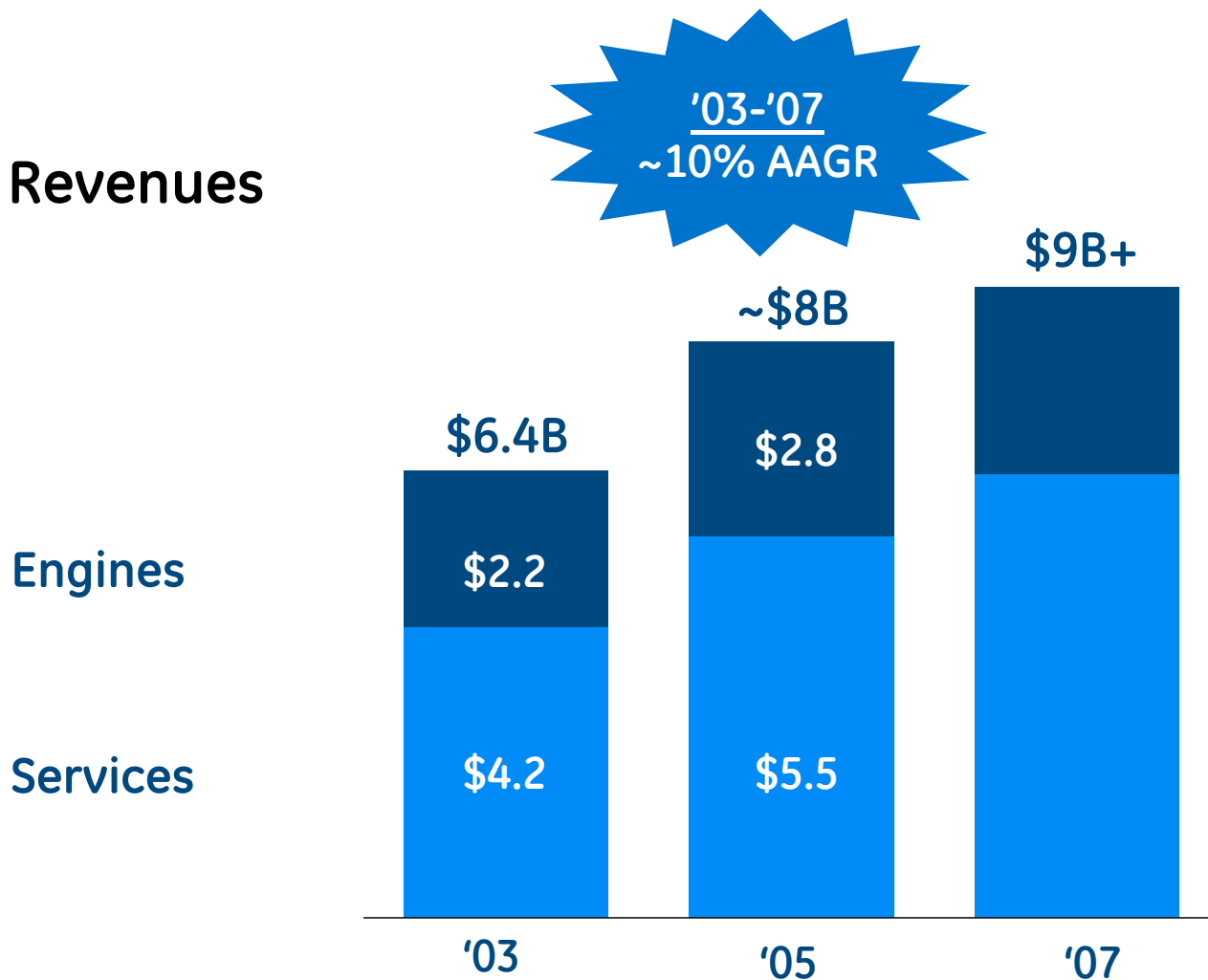
Differentiate with **inspection technology**

- GE technology + industrial applications know-how → breakthrough products
- Growth platform ... multi-industry impact
- Focused on complex industry problems
 - Rapid airframe inspection
 - Pipeline corrosion inspection
 - Line speed rail inspection
 - Automotive spot weld inspection

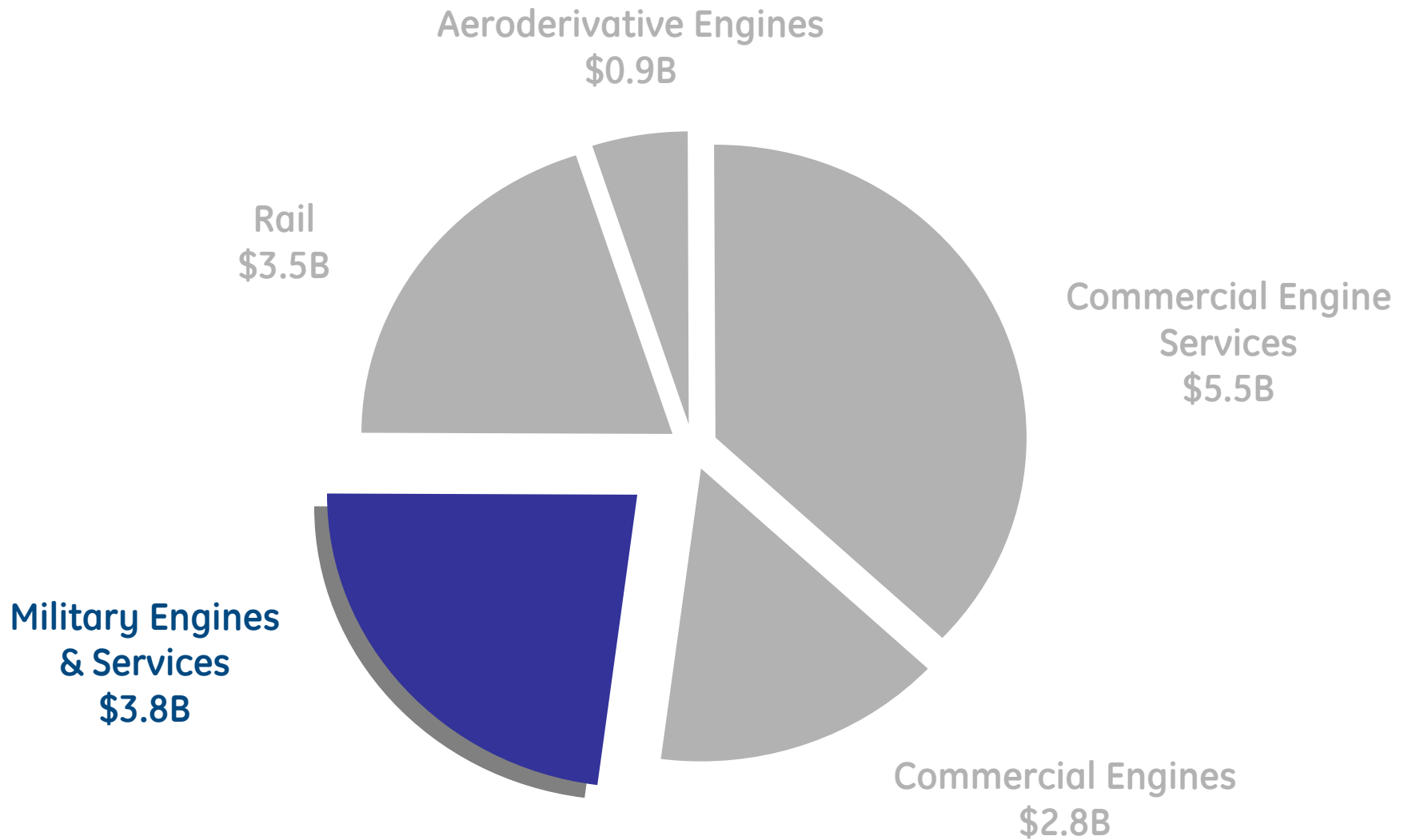


Strong Commercial outlook

Revenues



Military ... \$3.8B revenue



Military Systems business strategy

Position for future platforms ...
build on installed base

Invest in Future

Enhance performance and reduce
operations cost of legacy fleet

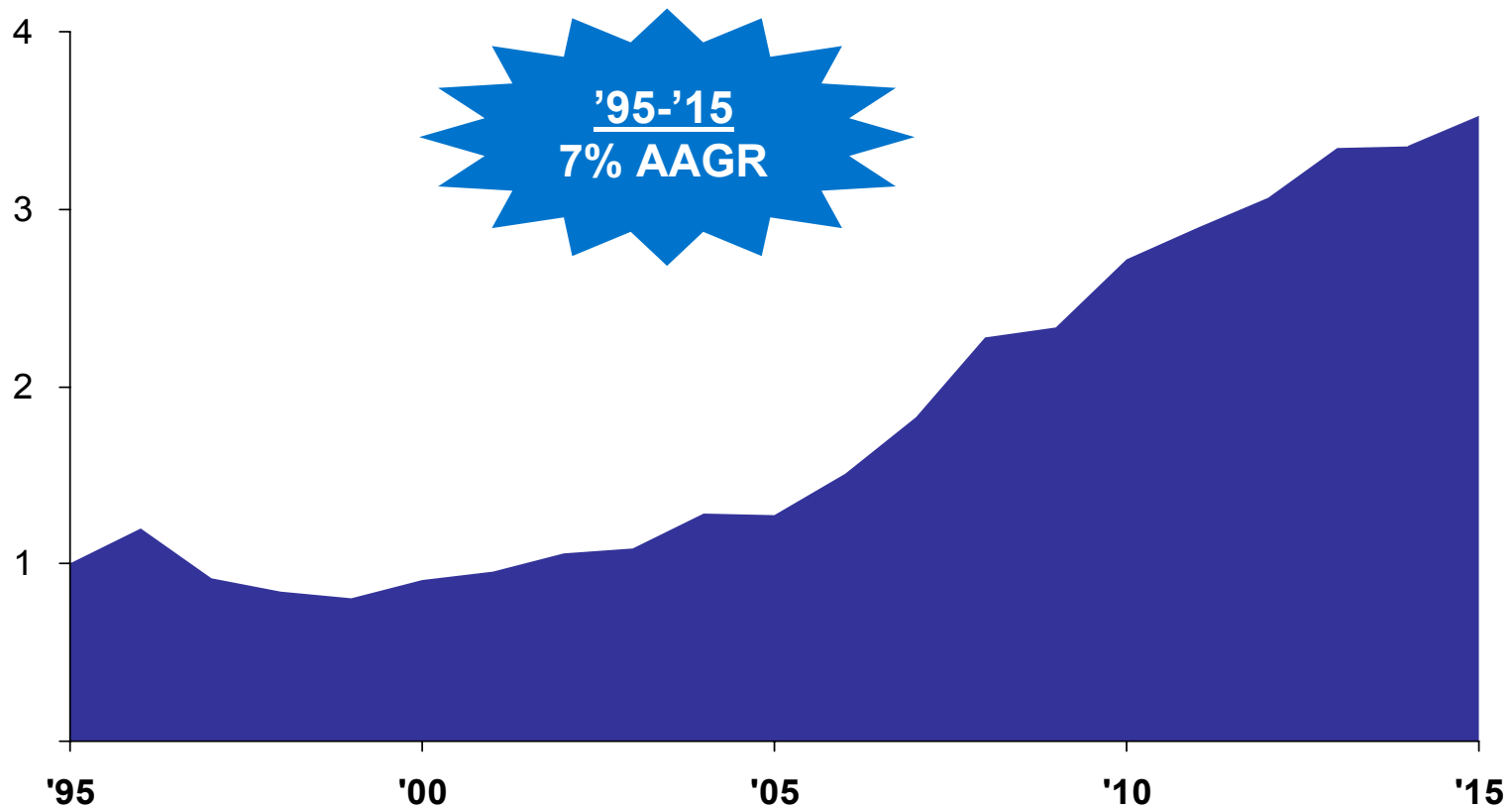
Technology upgrades

Improve customer MRO productivity
... commercial best practice

**Performance Based
Logistics (PBLs)**

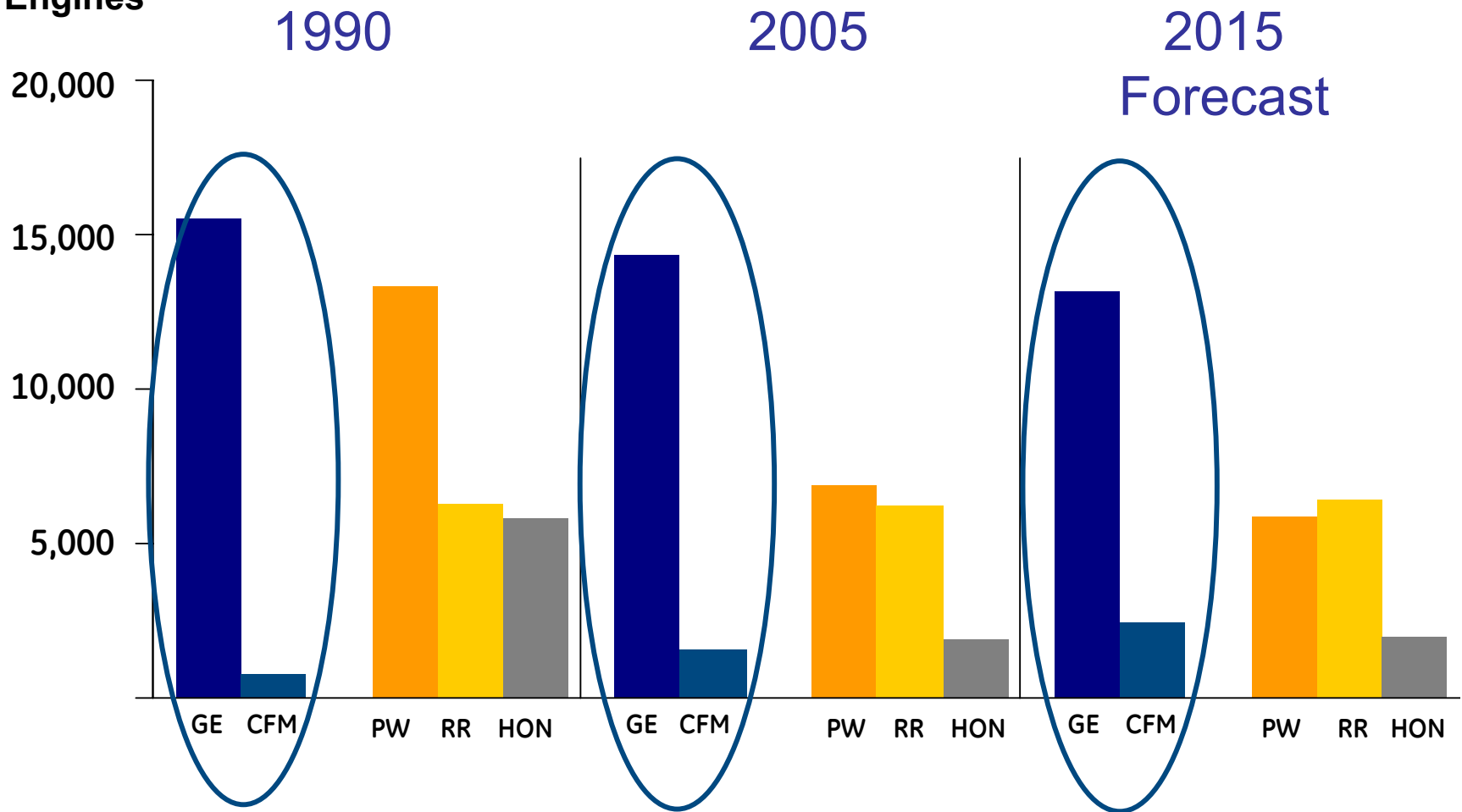
Positioned for new engine sales **growth**

\$B Revenue



U.S. military installed base ... forecast

Engines



Largest portfolio of modern military engines

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

Rotorcraft



H-53/H-53E



AH1Y/Z



AH-64



S-92



H-60

Combat



B-1B



F-117A



B-2



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

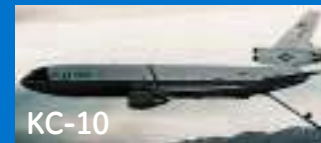


F-16C/D

Tanker/Transport



C-5



KC-10



KC/RC-135R



C-40



A330

Marine



Perry Class Frigate



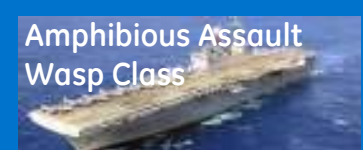
Ticonderoga Cruiser



Aegis Destroyer



Sea-Lift NASSCO



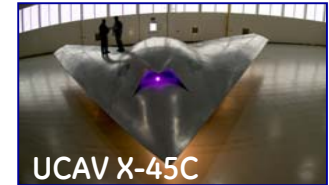
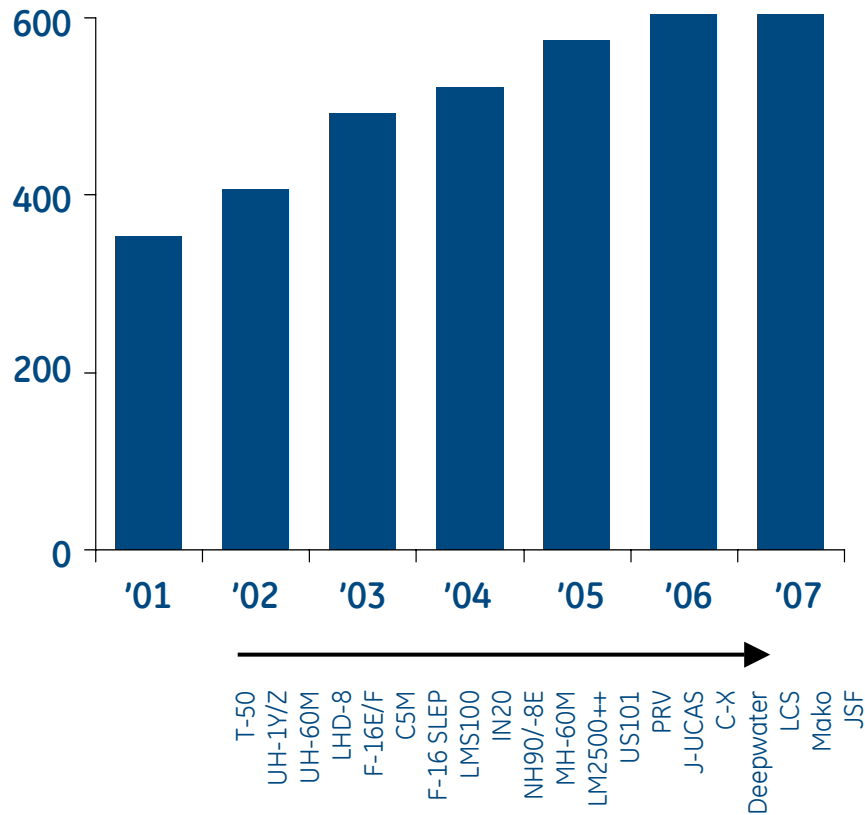
Amphibious Assault
Wasp Class



Deepwater

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

Military R&D Spend \$M



Combat aircraft portfolio ... continued strength

GE powers the existing force structure

F-16C/D ... 70% worldwide

F/A-18 A/B/C/D

B-1

B-2

A-10

} Sole source



B-2



F-18E/F/G



F-16

Current global production powered by GE

US Mfr

F-15K

F-16E/F*

F/A-18E/F/G*

* = sole source

Int'l Mfr

F-2*

Gripen*

T-50*

LCA*



LCA



F-15K

Well Positioned for significant future production

JSF: - \$2.3B System Design & Development contract - August '05

- Great position for \$15B competition

UAV: - Powering Boeing X-45C UCAV demonstrator (F404)

- Commercial derivatives for advanced models

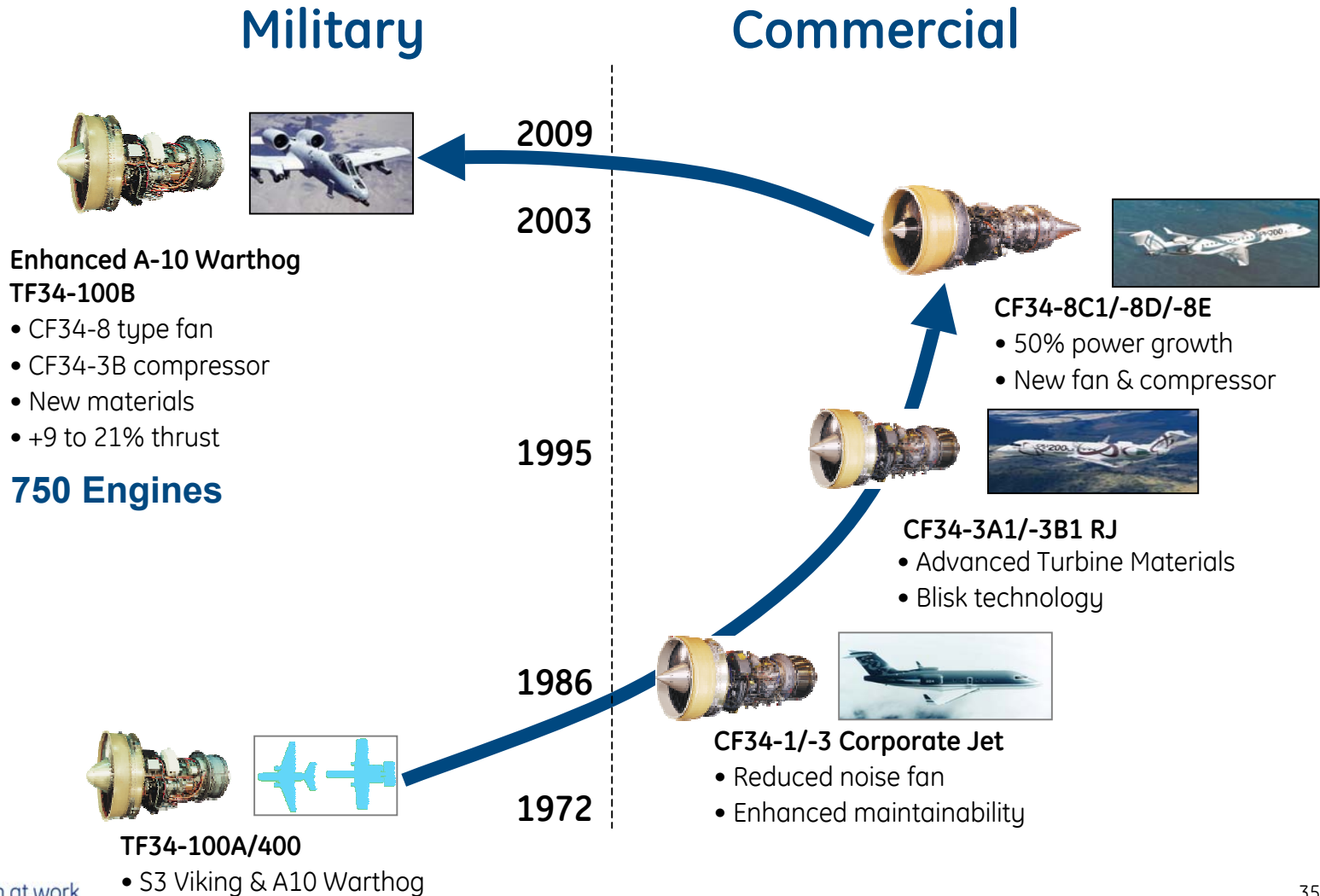


JSF/STOVL

Military leveraging commercial investments

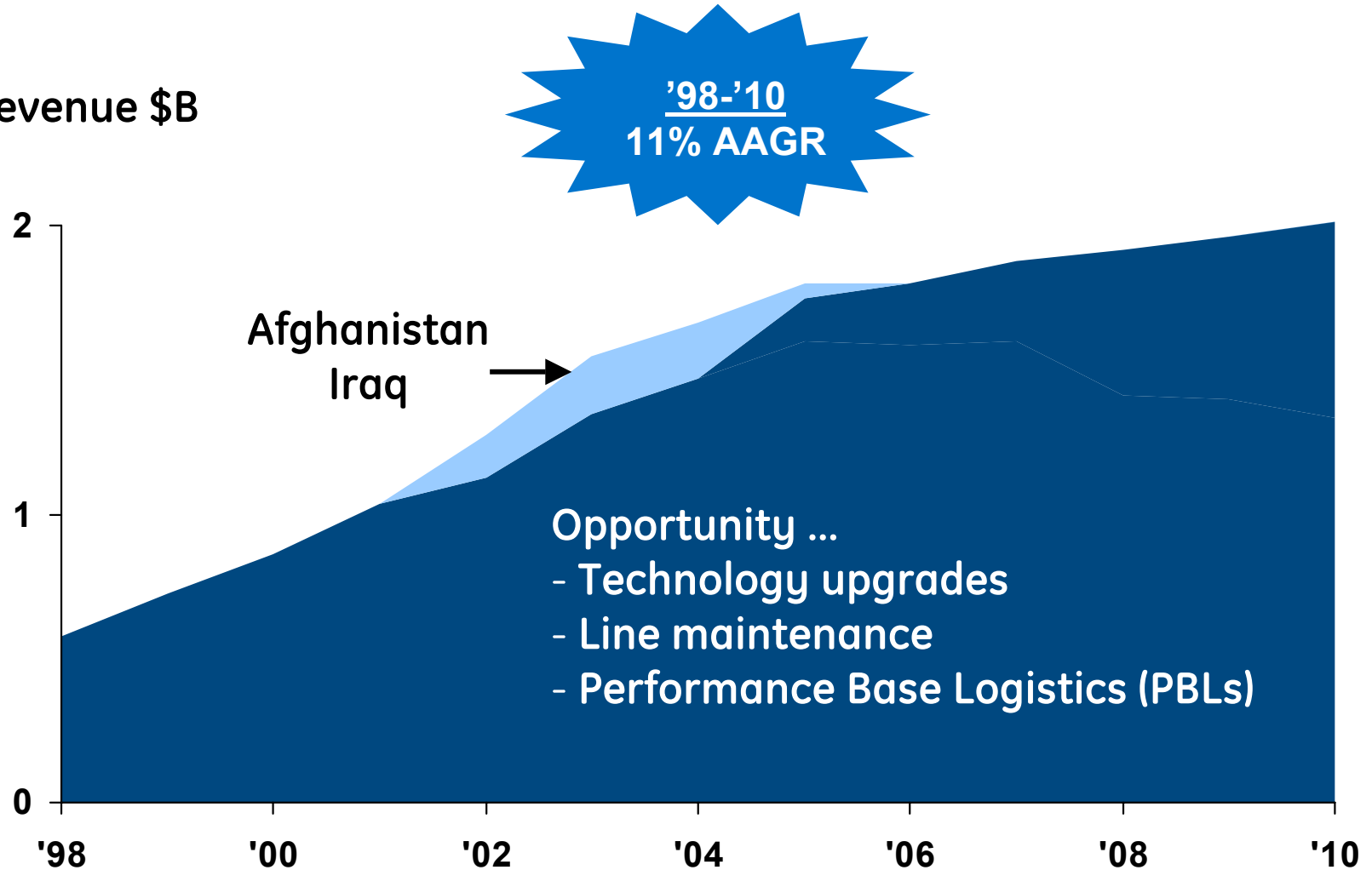
... TF34 full circle

Warfighter Capability



Services growth

Revenue \$B



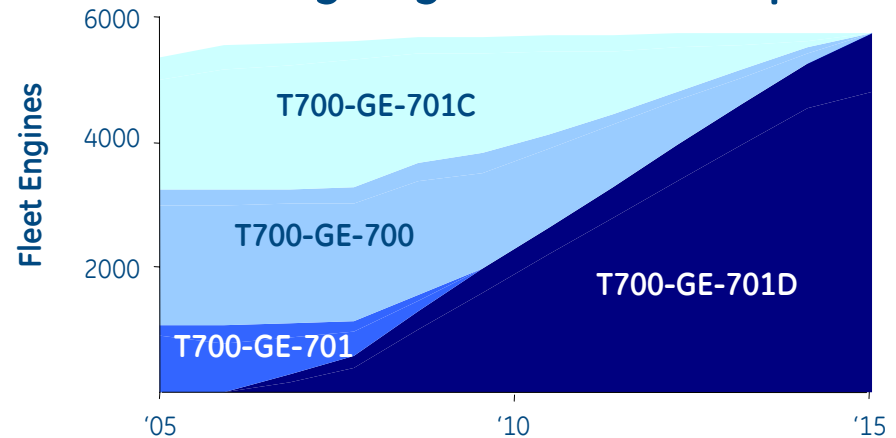
Technology upgrades ... customer value and GE installed base revenue

- 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

US Army engine transition plan

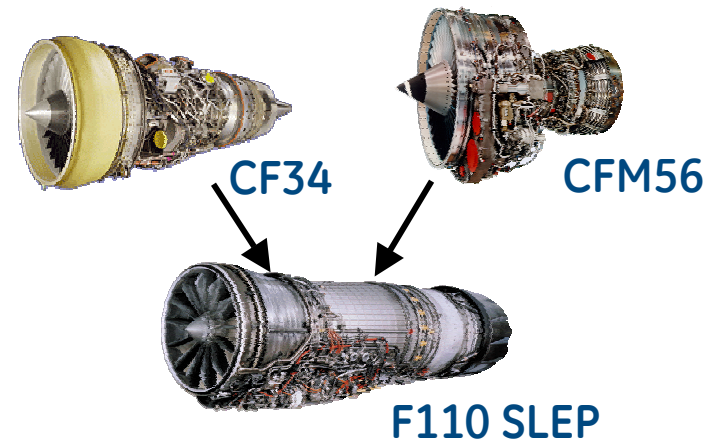


F110 Service-life-extension (SLEP) ... \$1B of customer savings

- Customer view
 - Supports F-16 for its anticipated life
 - 3X improvement in time on wing
 - 25% reduction in cost of ownership
 - Improved safety and reliability
- GE opportunity
 - \$1.3B in sales ...'05 thru '15
 - Signed first installment on March 1st ... \$282M for '05-'09

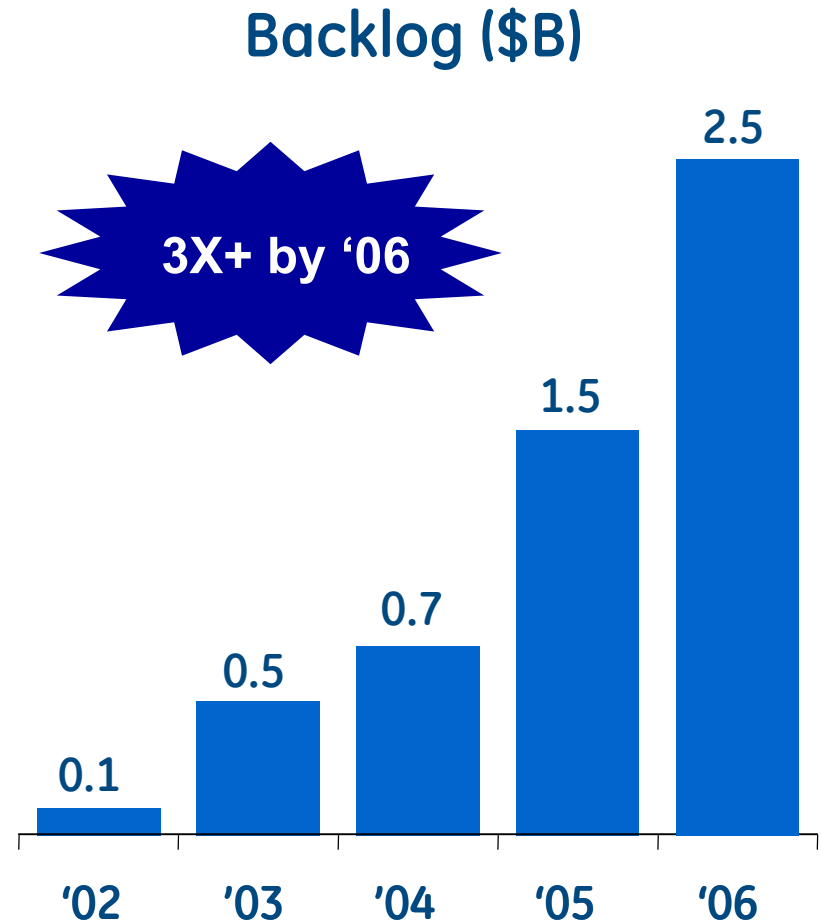


SLEP: Infusing Proven Commercial Technologies



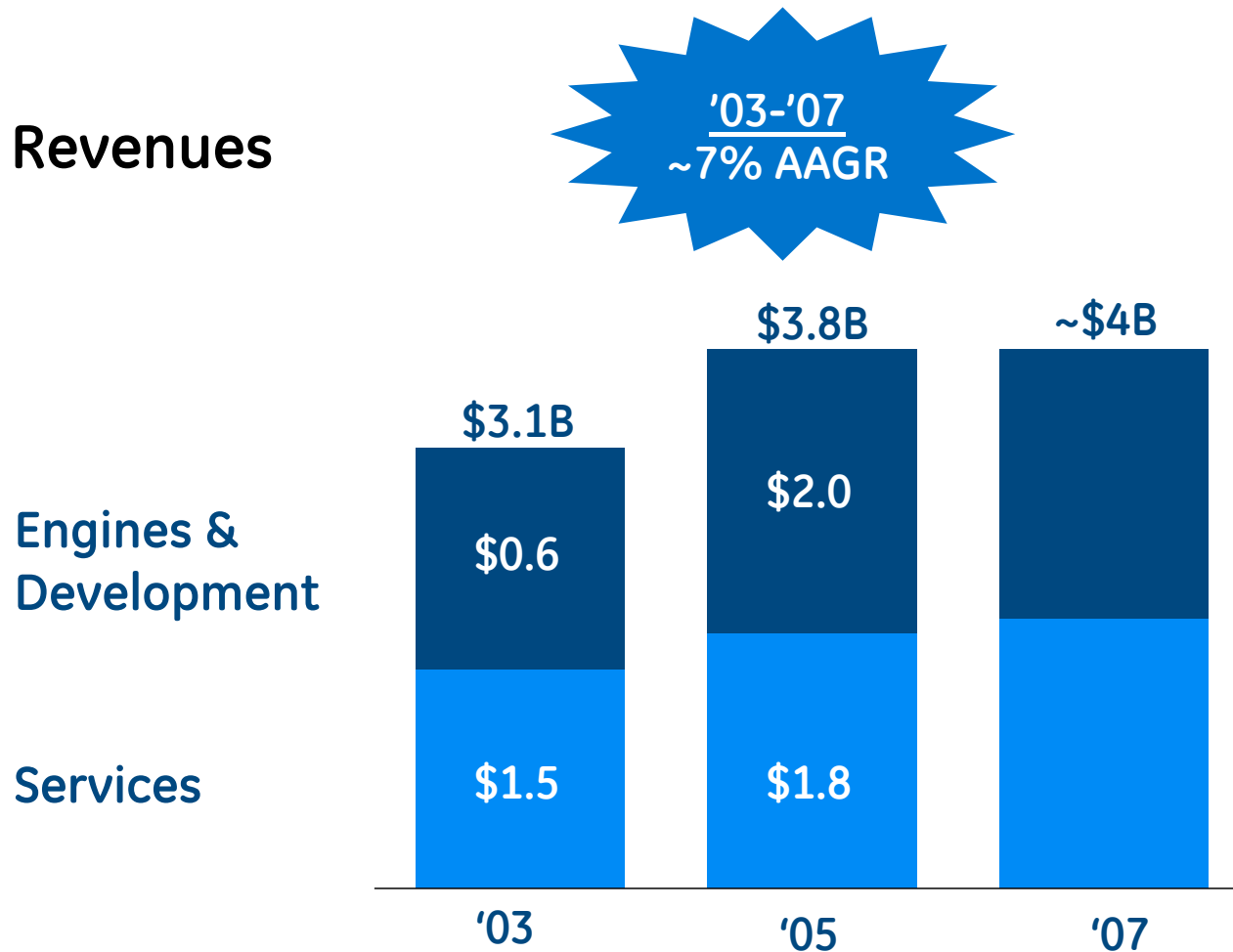
Services Growth ... Expanding PBLs

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

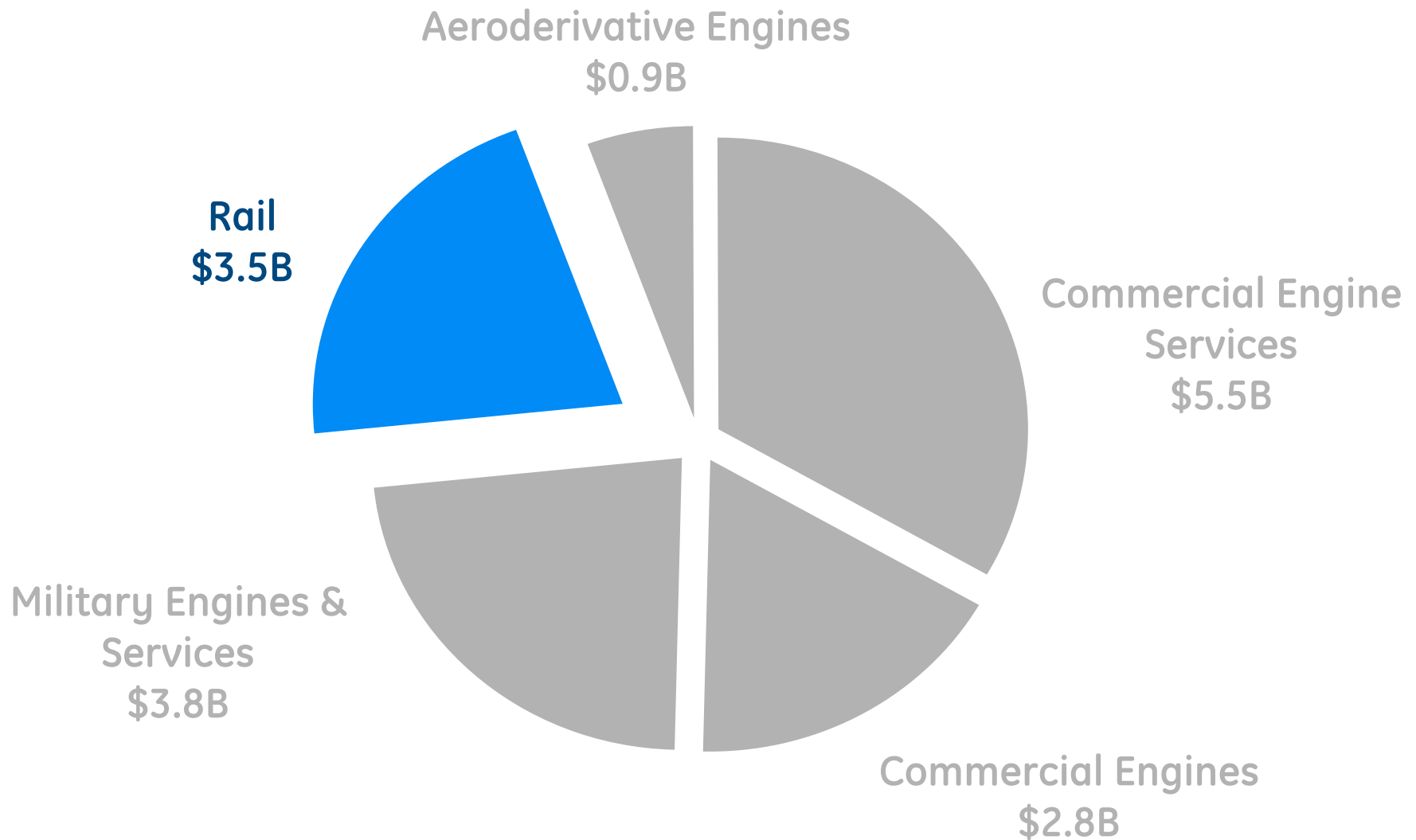


Continue installed base win and **create new service offerings**

Revenues



Rail ... \$3.5B Revenue



Rail ... maintaining growth through economic cycles



Rail business strategy

Grow installed base

Locomotive ... value

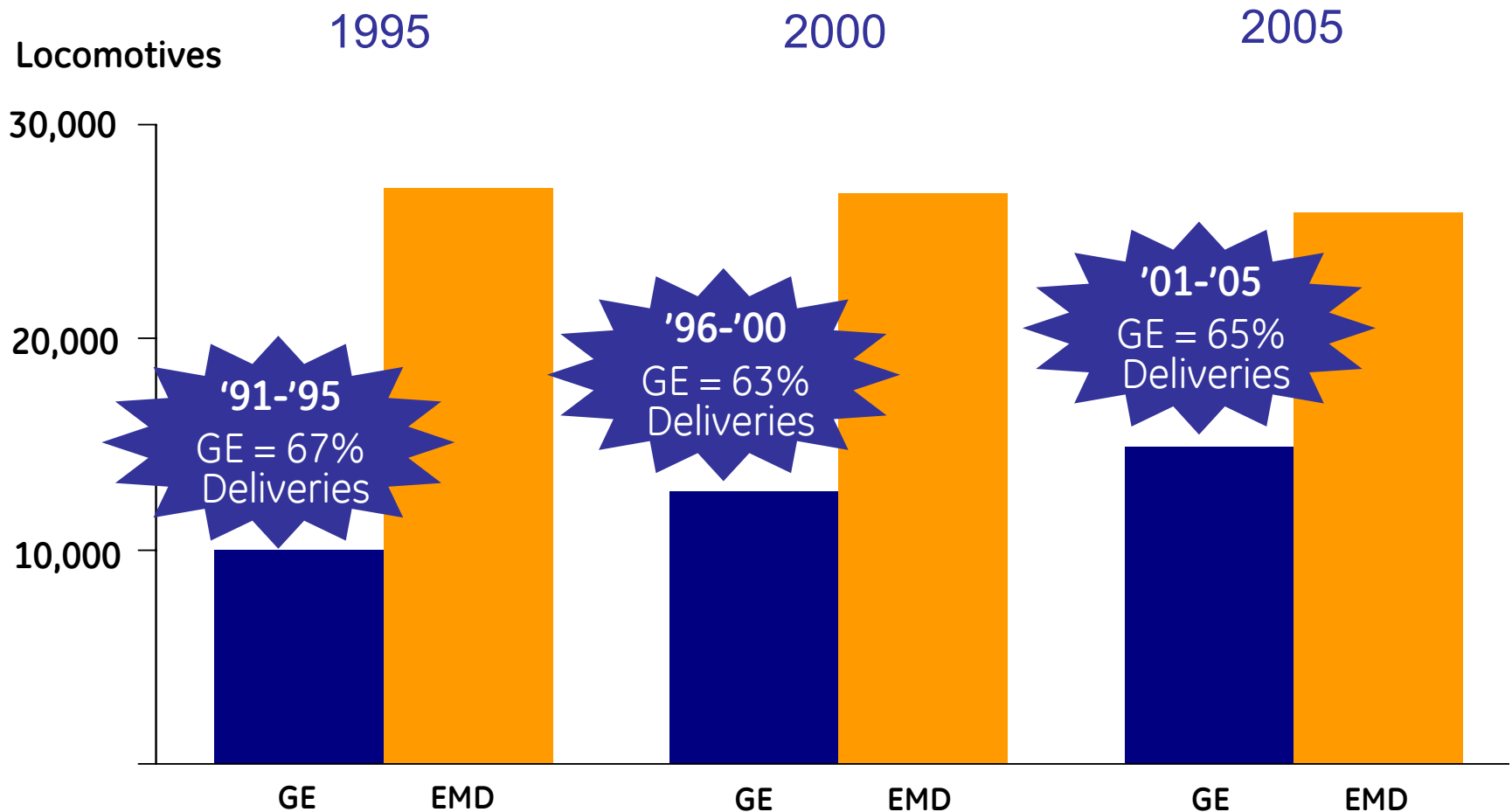
Grow Services

**Network optimization
Loco full service**

Globalize

Eurasia Land Bridge

Rail installed base growing

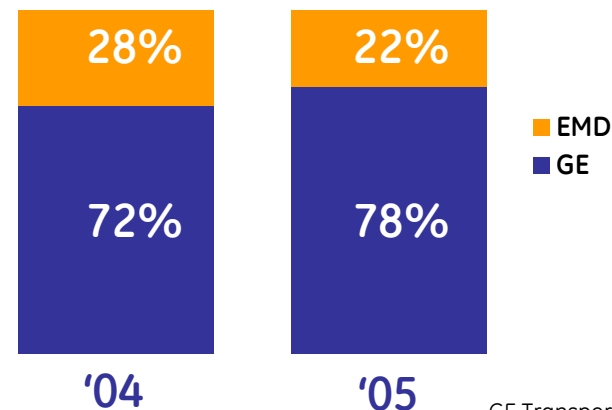


Technology leadership ... Evolution

- Proven Power
 - 4.5 million miles of active field service ahead of commercial launch
- Proven Fuel Efficiency
 - 5% gain over competition
- Proven Reliability
 - 50 + locomotive years of experience at launch
- Proven Platform for the next decade and beyond ...
 - Meets / Exceeds all EPA Tier II requirements



Win rate



Network Optimization

on the train



+4 m.p.h
\$1B Labor Productivity

on the tracks...



in the yard



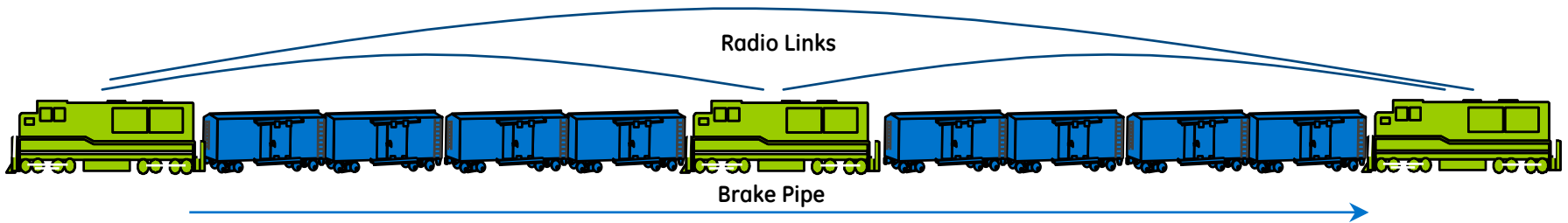
in the dispatch
center

On the train...

Locotrol



Conventional Train



Distributed Power Train

LocoCam



Communications Management Unit



A photograph of the interior of a control room. The room features a large, curved desk with several computer monitors and various control panels. Large windows provide a view of an airport tarmac and distant mountains. The room is well-lit, and the overall atmosphere is professional and focused.

A blue handheld electronic device, likely a portable weather station or data logger. It features a small LCD screen in the center. To the left of the screen are several buttons labeled: "STAND BY", "FALL", "MID", "LOW", "HLL", "REPLY/STAGE", "CHARGE", "F.L.L", "MED", "LIGHT", "MIN", "REL", "AUTO", "HORN/BELL", "BELL", "CONTROLLING GCU", and "OFF". To the right of the screen are buttons labeled: "FWD", "N", "REV", "MAX", "10", "7", "4", "COUPLE", "COAST", "COAST B", and "STOP". There is also a "TST O/R" button and a "STATUS" indicator. A small antenna is attached to the top left, and a large black knob is on the right side. The device has two metal rings at the bottom for carrying.



Hydra switch



imagination at work

In the dispatch center...

Operational Objectives

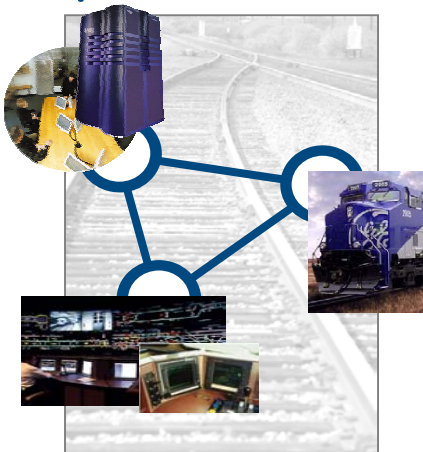


Constraints



hourly
planning
cycle

Optimized Plan

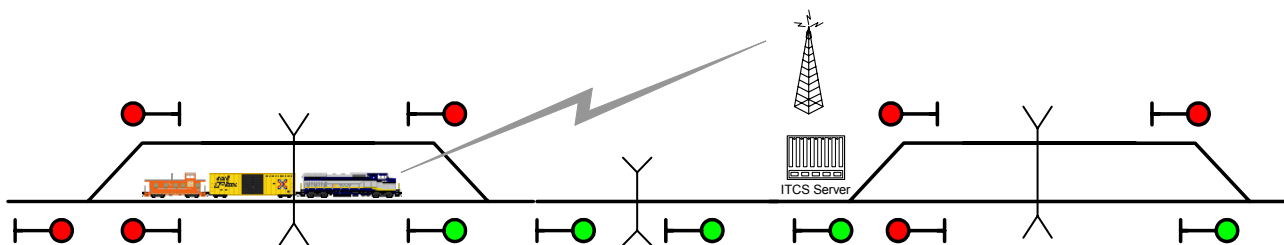


Real-time Status



On the tracks...

Wireless Signaling



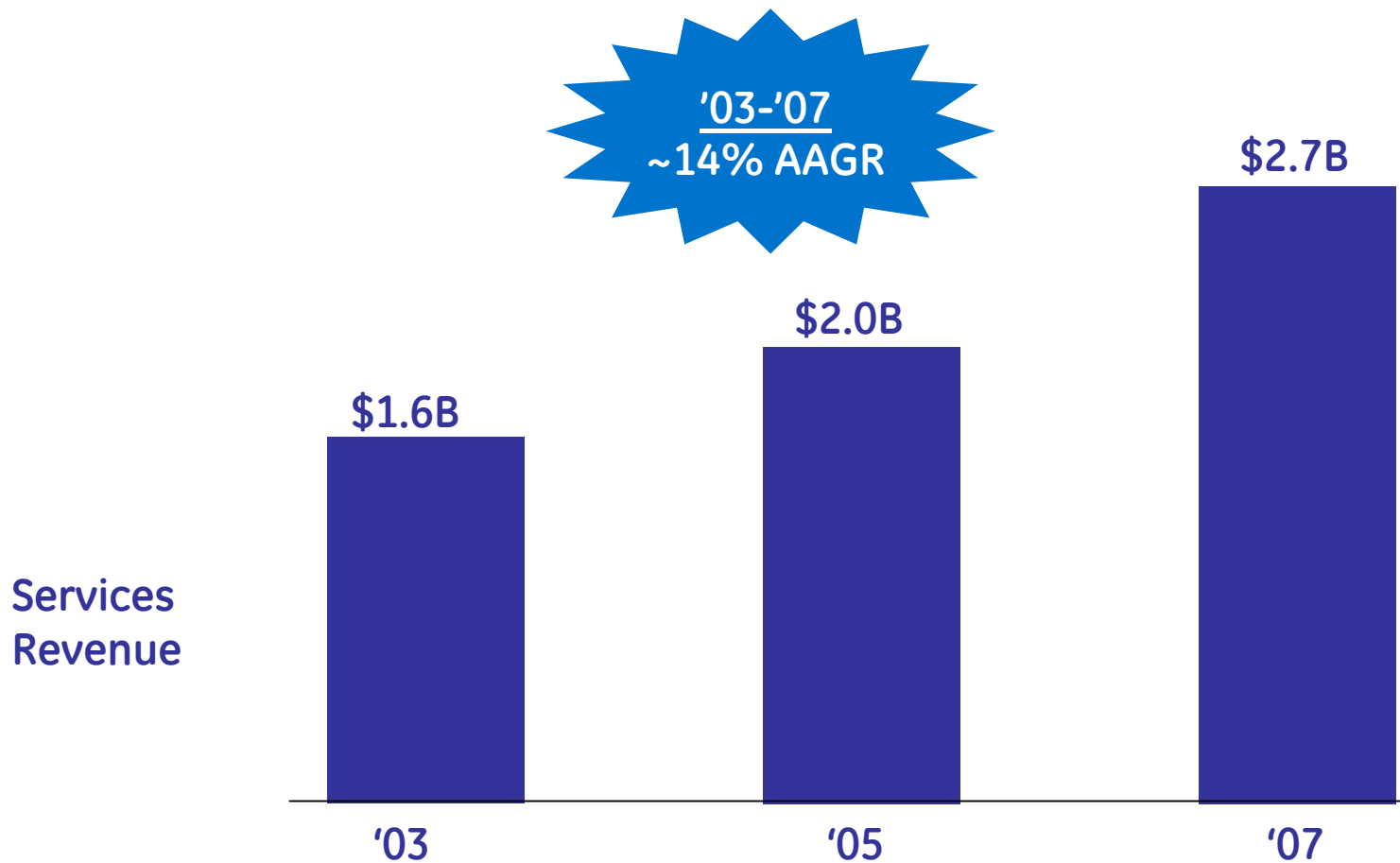
Remote Monitoring & Diagnostics



Mapper Tracker



Rail **services** growth



Global entry strategies

Russia / CIS

Modernization

- 22K unit installed base
- \$5B+ Opportunity

China

Growth

- 300 new locos/yr
- \$2B+/year opportunity

Eurasia Land Bridge

India

Safety

- No automated crossing
- 20 crossing deaths/day
- \$0.2B/year opportunity



imagination at work

Russia / CIS ... modernization



Kazakhstan ... in service

- 54 units in service in 2003
- 15% more hauling capability
- 15% fuel productivity
- 200 unit follow-on order ... '04

Russia ... exceeded or met all requirements

- 98%+ availability
- 24% fuel savings
- +15% trailing tonnage capacity

China ... growth

China's dilemma

- MOR meeting <60% demand
- Railway congestion threatening economic development

Productivity
Needs

Increase ...

- Reliability
- Tonnage
- Speed
- Density

GE solutions

- **Locomotive**
 - Reliable, fuel efficient power
 - 300 locos/year opportunity
- **Signaling ... Productivity Solutions**
 - ITCS, Locotrol, Switch Machines

Won in 2004!

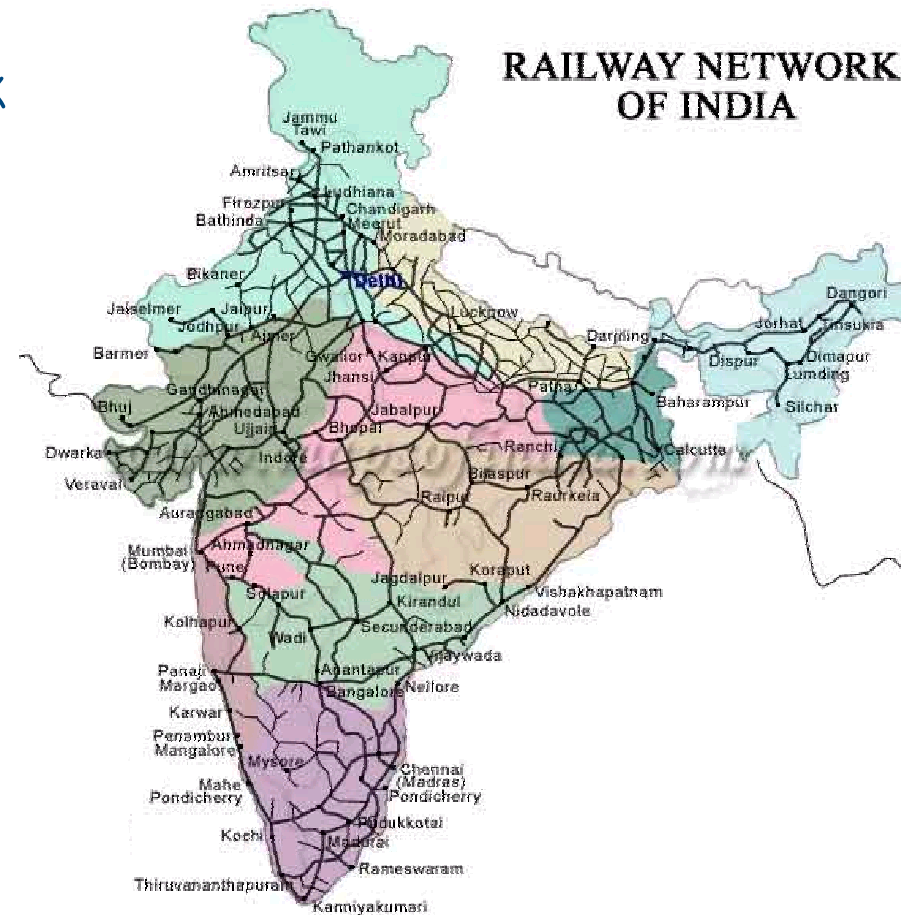
- 78 Locomotives
- CTS-2 Switches
- Train Control
- Locotrol

Total value ~\$275M



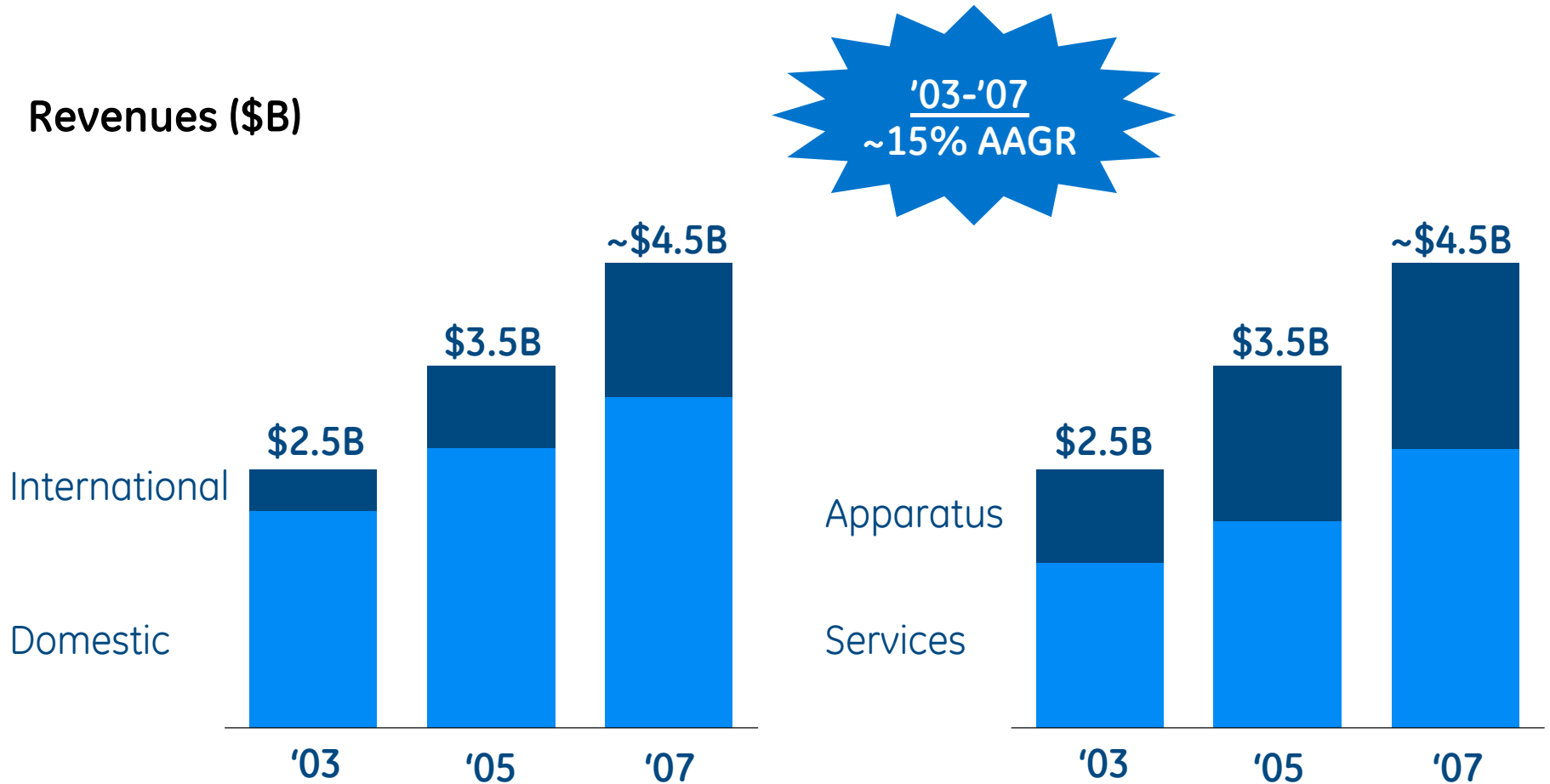
India ... safety

- World's 5th Largest Rail Network
 - 20 crossing deaths daily
 - ~5000 crossings
- GE Opportunity
 - Crossing Automation
 - Train Control & Interlocking
 - Parts sales (\$5M in 2004)
 - \$200M/year signaling opportunity

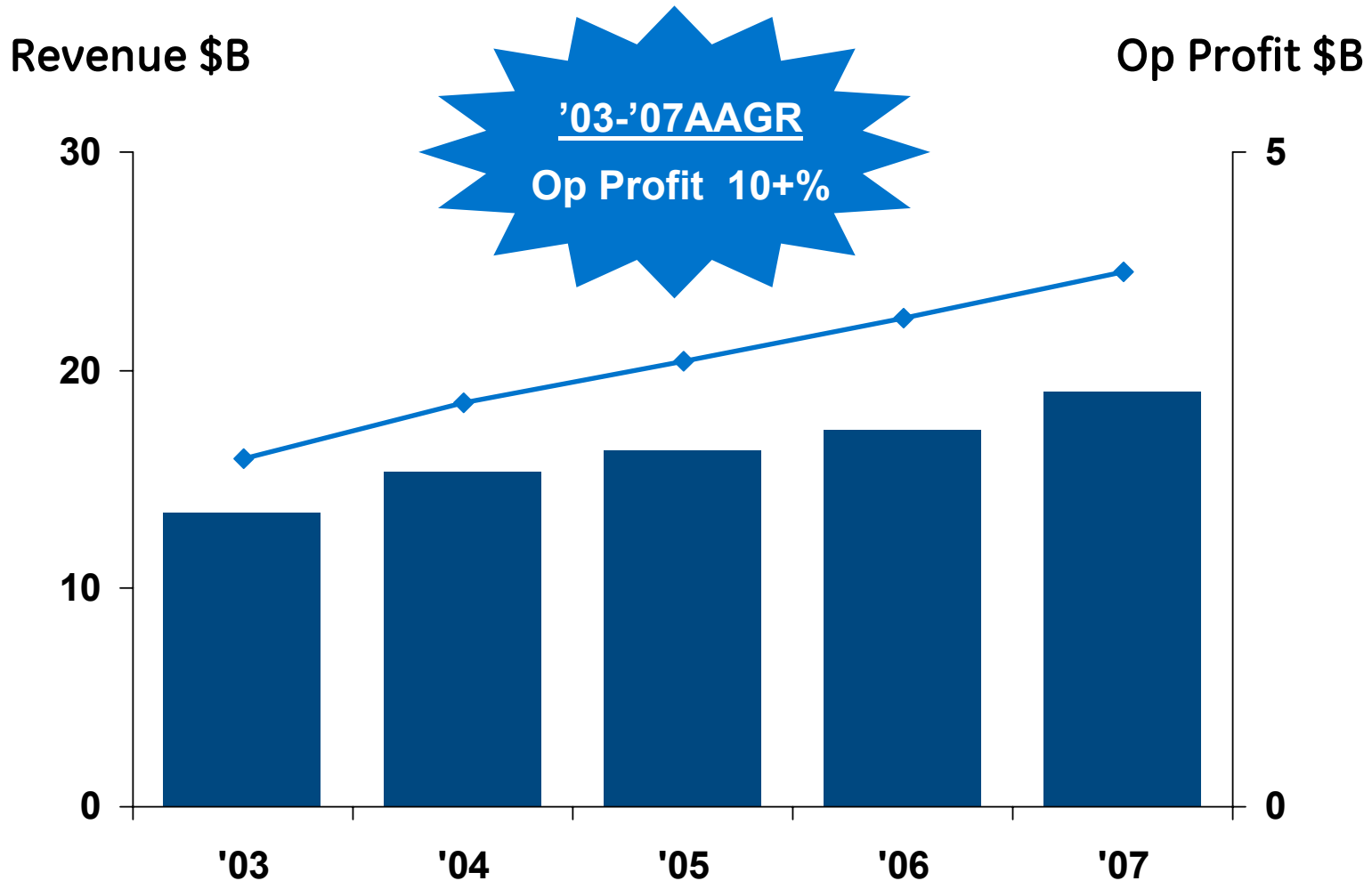


Accelerating Rail growth ... fueled by international markets and services

Revenues (\$B)

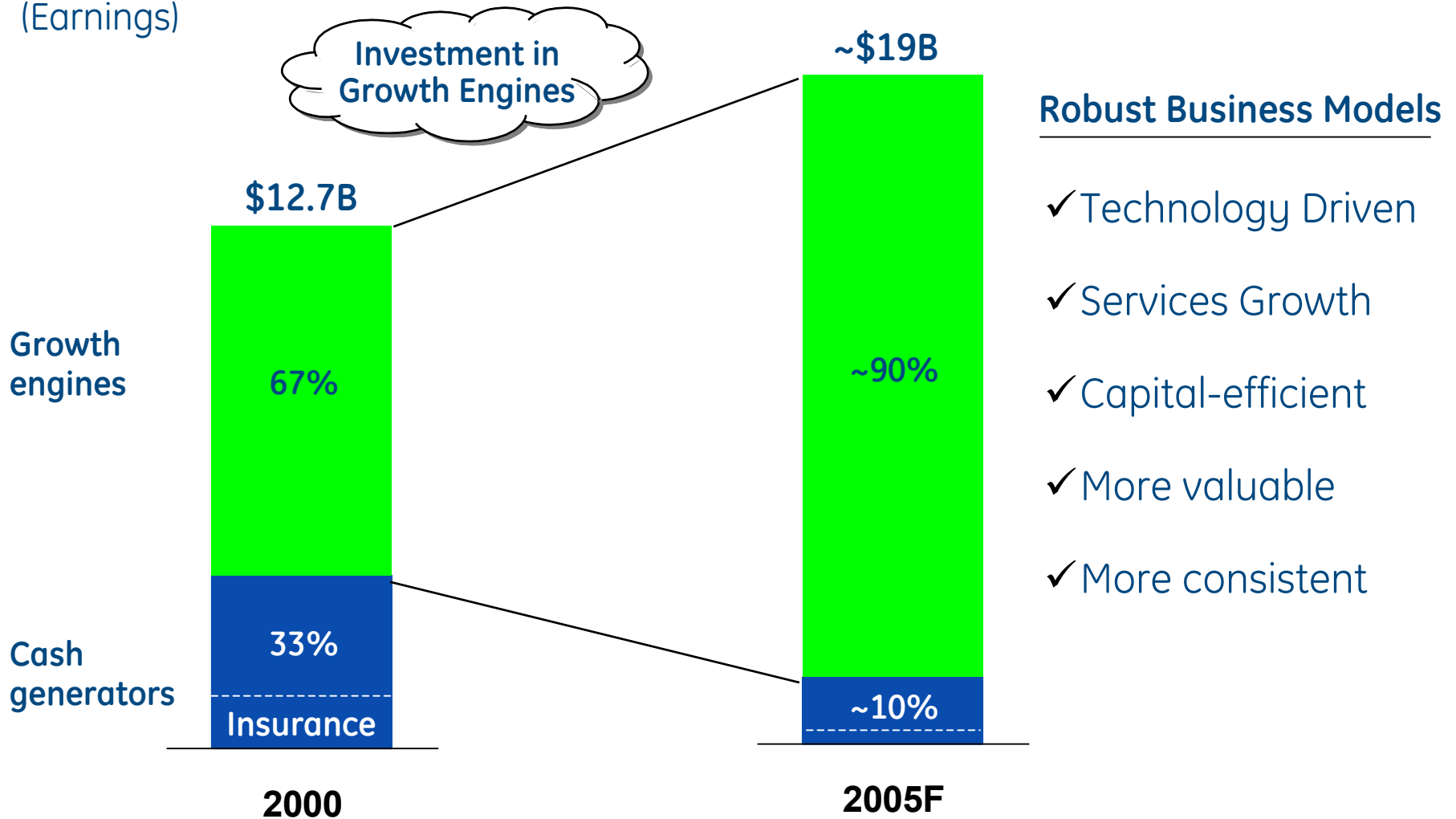


GE Transportation ... solid business model with great growth outlook



Transportation... A GE Growth Engine

(Earnings)



A better Company

GE Portfolio

Growth
Engines

90%

Energy
\$20B Rev.



Healthcare
\$15B Rev.



Commercial Finance
\$270B Assets



NBC Universal
\$15B Rev.



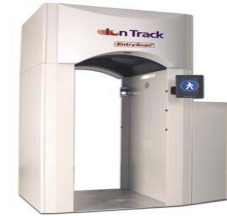
Transportation
\$16B Rev.



Consumer Finance
\$165B Assets



Infrastructure
\$5B Rev.



Cash
Generators

10%

Consumer &
Industrial



Advanced Materials



Insurance



Equipment &
Other Services



Great GE Businesses



imagination at work