

Goldman Sachs Conference

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""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.""



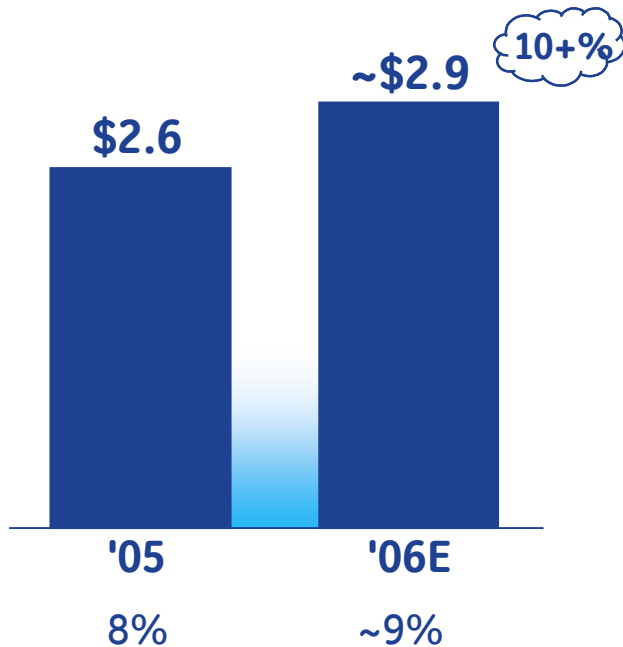
imagination at work

Industrial overview

(\$ in billions)

Segment
profit

Segment
profit %



Environment

- + Stable markets
- + High-end expansion
 - ✓ Appliances
 - ✓ Security
 - ✓ Materials
 - ✓ Equip Svcs
- + Lower cost
 - ✓ Global sourcing
- + Continue to reposition for value
- Managing Plastics volume / price
 - Automotive, Inflation

Growing earnings in expanding markets



imagination at work

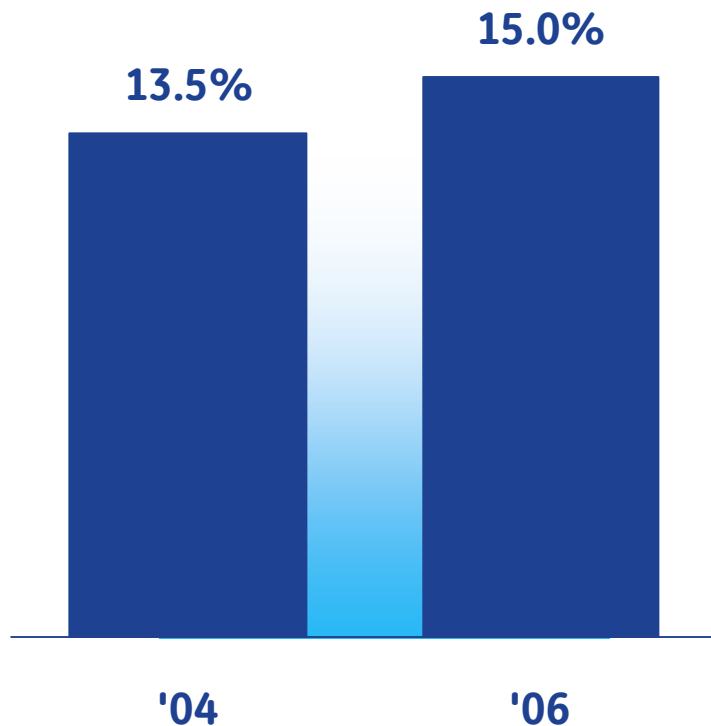
Our mission is clear

- ✓ Achieve “peak” op profit margin in each business
- ✓ Grow where it makes sense ... markets / products
- ✓ Integrate and rationalize cost structure
- ✓ Optimize cash generation and ROTC

Achieving “peak” op profit ...

(\$ in billions)

Industrial op profit % (ex pension)



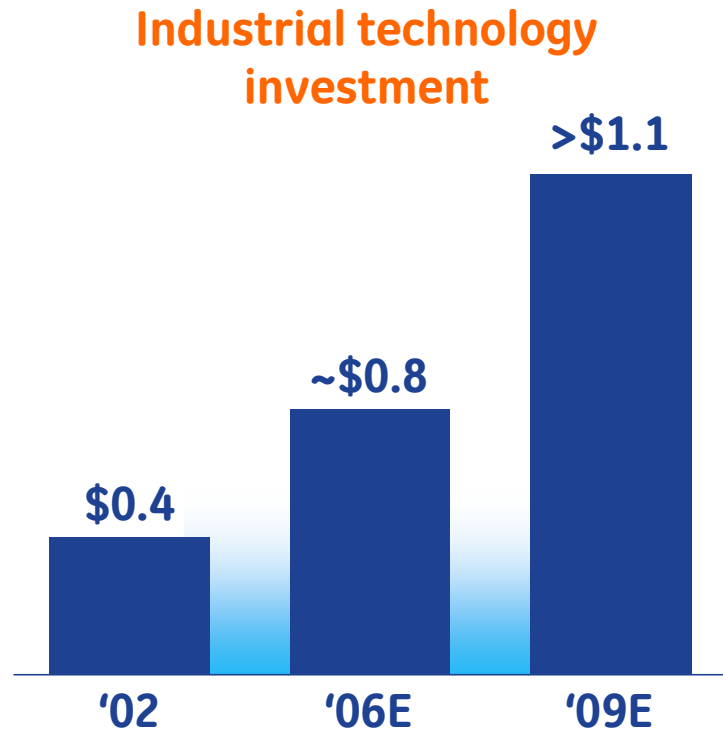
- Growth, scale, new markets, differentiated products
- Build out product lines; execute in new platforms
- Rationalize cost structure/assets ... execute on \$400MM cost synergies
- Continuous assessment of portfolio
- Earnings growth 2x revenue growth ... CFOA 1.5-2.0x earnings



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Growing where it makes sense ...

(\$ in billions)



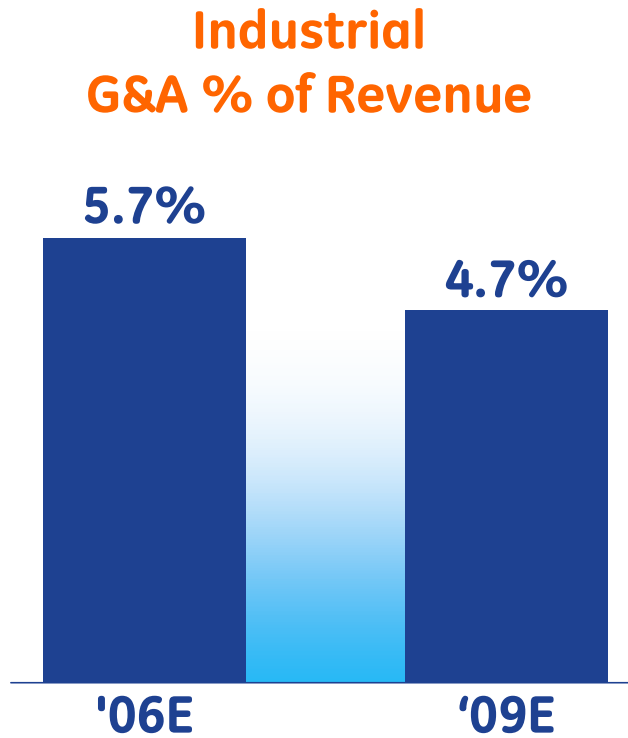
- '06 – 450 new product releases
- 30+% growth in NPI spend
- Across all product lines
- ~40% **eco**focused
- \$4B+ revenue by '09

Massive commitment to high end products



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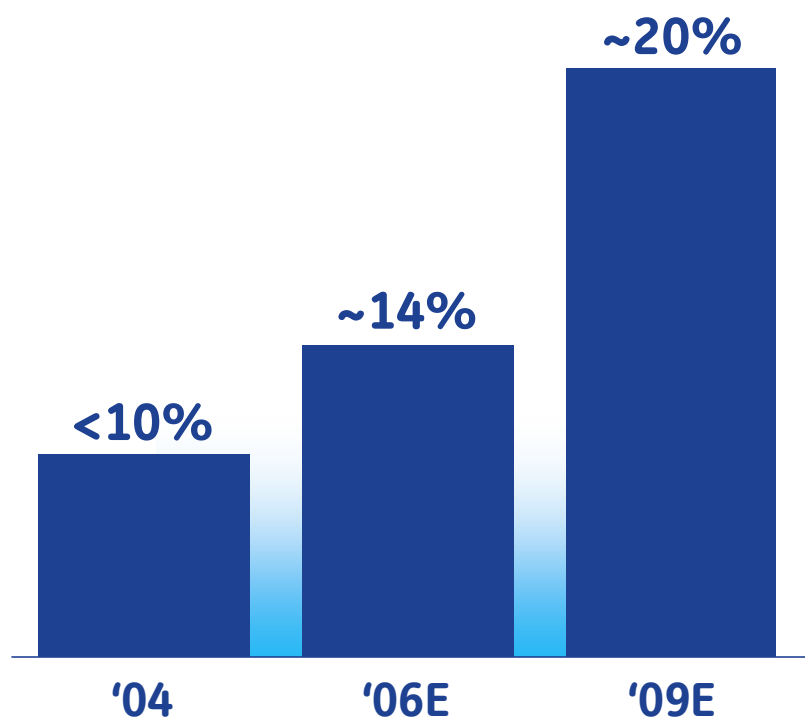
Integrating & rationalizing cost ...



- Simplifying P&Ls, organization, legal entities
- Establishing COEs
- Driving total G&A% to lowest cost model ... C&I
- Continuing to execute integration projects

1 pt reduction in G&A %

Optimizing cash & ROTC ...

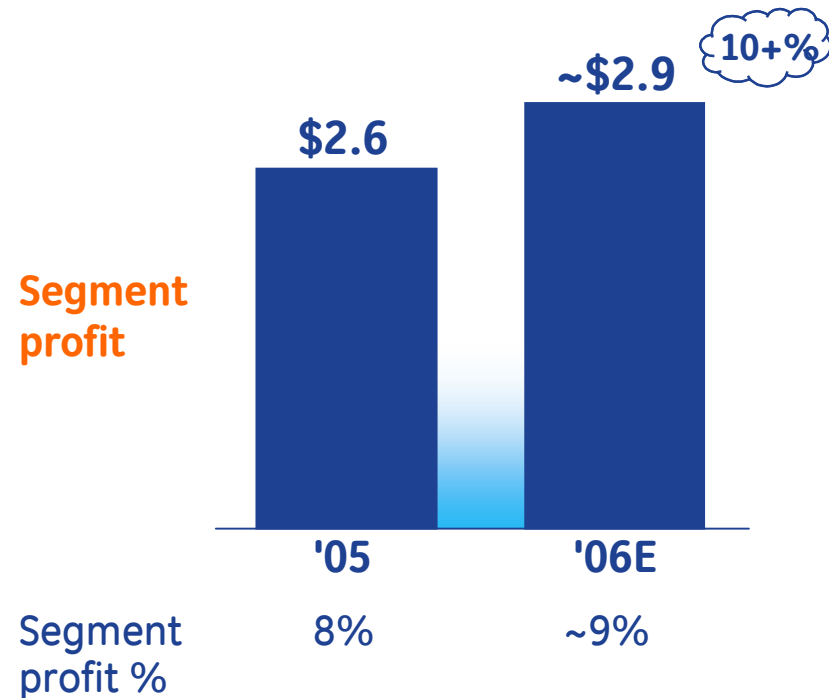


- 10-15% earnings growth
- Aggressive working capital reduction
- Disciplined investment strategy ... <1.0 reinvestment ratio
- Pruning of low return assets
- Lean Six Sigma

Optimizing returns

Industrial summary

(\$ in billions)



Clear Mission

- ✓ Achieve “peak” op profit margin in each business
- ✓ Grow where it makes sense ... markets / products
- ✓ Integrate and rationalize cost structure
- ✓ Optimize cash generation & ROTC

Growing earnings in expanding markets



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