

GE
Aviation

Scott C. Donnelly
President & CEO

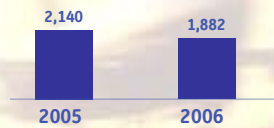


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Aviation industry is strong

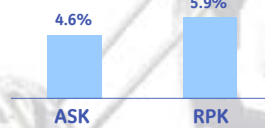
Aircraft Orders

(Airbus & Boeing YTD)



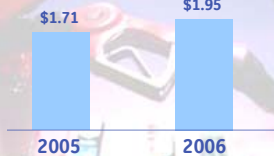
Pax Capacity & Traffic Growth

(4Q06 YTD over 4Q05 YTD)



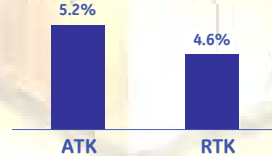
Fuel (\$ / Gallon)

(4QYTD Average)



Cargo Capacity & Traffic Growth

(4Q06 YTD over 4Q05 YTD)



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Sources: International Air Transport Association (IATA), US DOE, Airbus, Boeing

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Aviation ... business model



Differentiate with technology

GENx ... 665+ ordered to-date



Grow installed base

1,747 '06 commercial deliveries^{-a)}



Win lifecycle service

OnPoint solutions ... \$39B backlog



Everywhere in the world

~70% of '06 orders from non-US customers^{-b)}



^{-a)} 1,055 '06 deliveries CFM, 692 '06 deliveries GE
^{-b)} 20% of non-US customer orders won by CFM
 CFM is a 50/50 joint company between GE and Snecma

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Aviation ... current portfolio



Commercial Engines

'06 Rev \$3.8B^{-a)}



Commercial Engine Services

\$5.9B



Military Engines & Services

\$3.5B

- Leading technology products ... driving customer productivity
- Services continue to grow ... ~60% of revenues
- 2007 ... expand "beyond the engine" following completion of Smiths deal

2006: \$13.2B revenue business

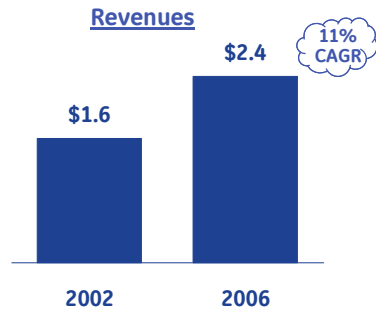


^{-a)} Includes GE's 50% of CFM
 CFM is a 50/50 joint company between GE and Snecma

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Acquire Smiths Aerospace

(\$ in billions)



Digital systems

33%

✓ Services 30%+

Electrical power

10%

✓ Civil 46%,
military 54%

Mechanical systems

32%

✓ 1,500 customers,
140 countries

Engine components

25%

- ✓ Supplier of innovative systems & engine components
- ✓ Serves commercial, business & military segments

Why Smiths Aerospace ...

- ✓ Great technology & products
- ✓ Well positioned for growth
- ✓ Strong fit ... people, culture & domain knowledge

Expanding GE Aviation's capabilities "beyond the engine"



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Smiths Aerospace offerings

Digital systems



Products:

Platform computing, flight management system, mission and stores management

Key platforms:

B787: Common Core System (CCS)
B737NG: FMS
JSF: Stores mgt.

Mechanical systems



Products:

Flight control, landing gear actuation, thrust reverser actuation

Key platforms:

A380: Landing gear actuation
Typhoon: Flight control actuation

Electrical power



Products:

Power generation, conversion and distribution

Key platforms:

C-130H: Main generator
F-35: Power distribution
B777: Power distribution & management

Engine components



Products:

Fabrication, machining and rings structures

Key platforms:

B787: GE9X & Trent 1000
A320: V2500, CFM56
F-15: F100-PW-229

Attractive products on existing and emerging platforms



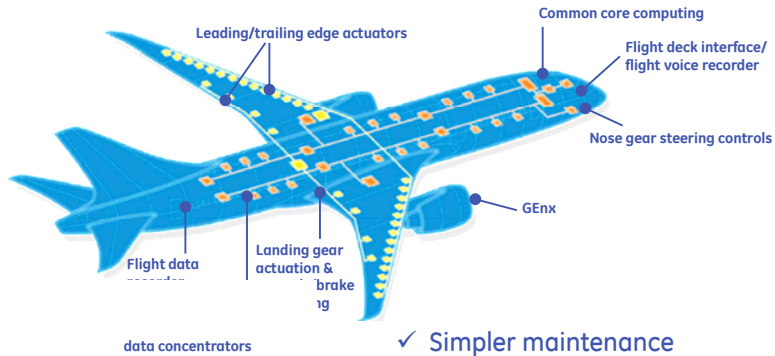
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GE + Smiths – B787



- ✓ Simpler maintenance
- ✓ Weight savings + LRU reduction
- ✓ Reduce A/C production cycle time
- ✓ Intelligence to manage complex systems
- ✓ Faster time to market for upgrades

Expanding GE Aviation's capability "beyond the engine"



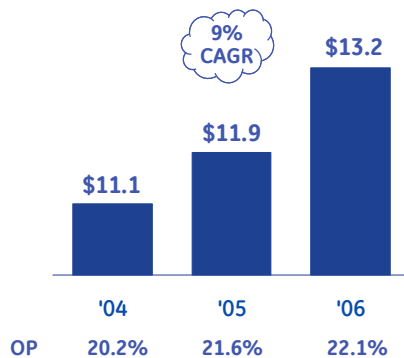
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GE Aviation

(\$ in billions)

Revenues



GE Aviation ... great business

- ✓ Winning technology
- ✓ Deep domain knowledge
- ✓ Growing installed base & services ... \$39B backlog
- ✓ Reliable execution ... margin expansion
- ✓ Strong track record of organic & inorganic growth

Great business model



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