

John Rice Vice Chairman, GE President & CEO GE Industrial

Goldman Sachs November 1, 2005

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.



The New GE Industrial

Industrial

Infrastructure

NBC
Universal

Healthcare

Commercial
Financial
Services

Consumer
Finance



Consumer / Industrial ... lighting / appliances / industrial products



Plastics ... engineered thermoplastics



Silicones / Quartz ... sealants / rubber / oils / coatings



Security ... commercial / industrial protection technology



Equipment Services ... full service transportation equipment
leasing & rental



Sensing / Inspection Technologies ... sensors / non-destructive
testing / inspection technology



GE Fanuc ... automation systems / devices

Key messages for today

- On track to deliver in 2005
- Our mission is clear:
 - Achieve “peak” op profit margin in each business
 - Integrate and rationalize cost structure
 - Optimize cash generation and ROTC

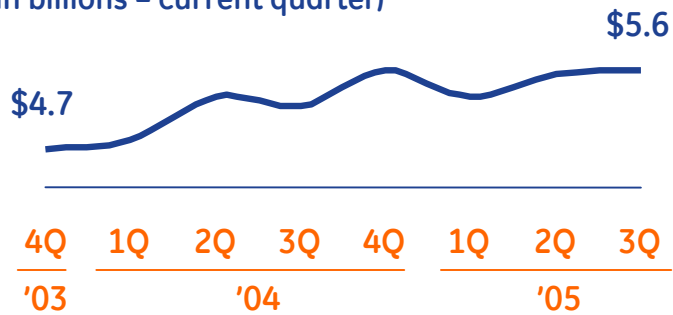


Orders Look Good

Flow Orders (ex. acq./disp.)

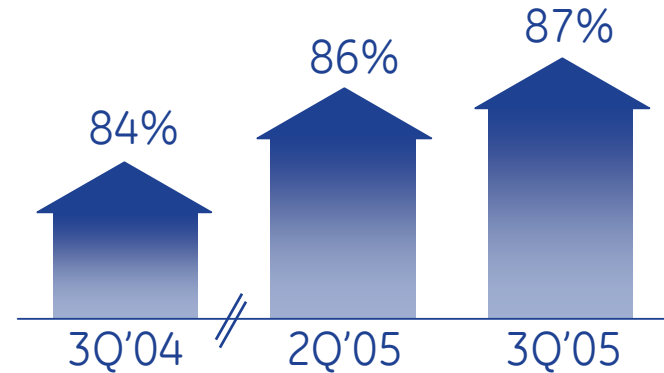
(V%)	3Q'05	3Q YTD '05
Appliances	6%	7%
Industrial Sys.	6	7
Lighting	2	6
Plastics	8	9
Security	9	11
Total Flow	5%	7%

(\$ in billions - current quarter)



- Pricing momentum in Plastics, C&I
- Asia continues strong double-digit
- Security; strength in Homeland

Equipment Services Utilization



	3Q'05 utilization	V 3Q'04
Penske	95%	- pt.
Rail	85	+4
Trailers	87	+9

Business fundamentals remain positive

3Q05 Performance

(\$ in millions)

Industrial – 3Q'05

	<u>\$</u>	<u>V%</u>
Revenue	\$8,257	8%
Segment profit	\$629	56%

Key business results

	<u>Revenue</u>		<u>Segment profit^{a)}</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
C&I	\$3,522	3%	\$196	20%
Plastics	1,663	12	197	Fav.
Equip. Svcs.	1,709	3	66	Fav.

(a- Industrial operating profit; Financial Services on an after-tax basis)

3Q Dynamics

- C&I performance remains strong
 - Price exceeds material inflation
- Plastics op profit up \$103MM
 - Pricing ... ASP \$4.04, +22%
 - Benzene \$2.83, (22%)
- Equipment Services operations driven by higher utilization and defleeting
- Security revenue +99%, op profit +143%

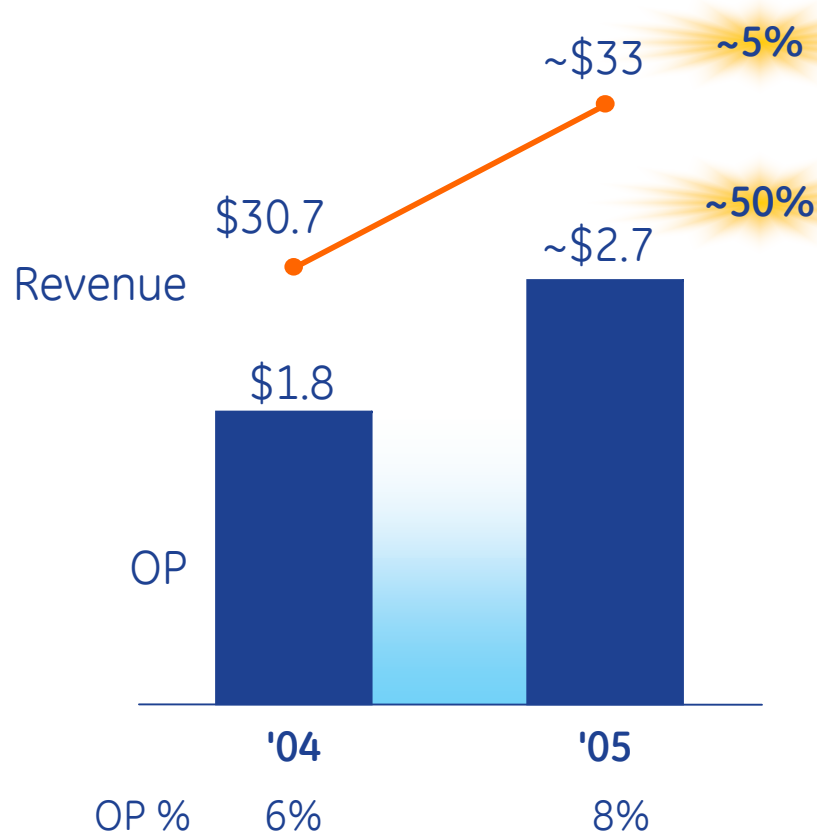
4Q profit dynamics

- Order rates support revenue outlook
- C&I 20+% and Plastics 15+% ... price > inflation; solid volume
- Equipment Services 20+% ... strong utilization

4Q outlook ... segment profit 20+%

GE Industrial TY 2005

(\$ in billions)



- Achieving price > inflation
- Growth, scale, new markets, differentiated products
- Building out product lines; execute in new platforms
- Rationalizing cost structure/assets ... executing on \$350MM cost synergies
- Continuous assessment of low return assets
- Earnings growth > revenue growth... Operating cash flow ~2.0x net earnings

Businesses on track to deliver on '05 commitment

Integration



imagination at work

Integration ... \$350MM+ Synergy Target

Opportunity

- 96,000 employees globally
- ~\$10B material buy
- ~\$3.5B total costs...~\$1B of G&A
- \$0.8B+ NPI spend
- ~3,000 rooftops... \$0.5B spend
- ~900 IT systems & platforms
- 870 legal entities

Approach

- Appointed staff level initiative leaders
 - “Realize synergies/no bureaucracy”
- Focus areas:
 - Sales & Marketing
 - G&A (Legal, Finance, HR)
 - IT
 - Europe, Asia
 - Supply Chain / Logistics
 - Technology
 - Rooftops
- Integration WO’s! held in September
- Utilizing C&I model ... Six Sigma rigor

New “P&L” model ... process vs structure

Integration Workouts

All Day integration Workouts September 26 & October 25

- 100+ people from across GE Industrial
- Focused on delivering cost out & incremental growth ... and creating a better business model to accelerate growth

Detailed roadmap to \$350MM cost out & simpler organization

- Leverage \$10B sourcing buy for economies of scale
- Re-lamp factories ... \$10MM energy efficiency
- Consolidate transportation carriers & leased space
- Establish common IT infrastructure

Expanding growth capability... \$1B+ of incremental growth

- Sharing common customer databases
- Common NPI language & process
- Cross-business unit NPIs
- Establish enterprise selling & marketing teams

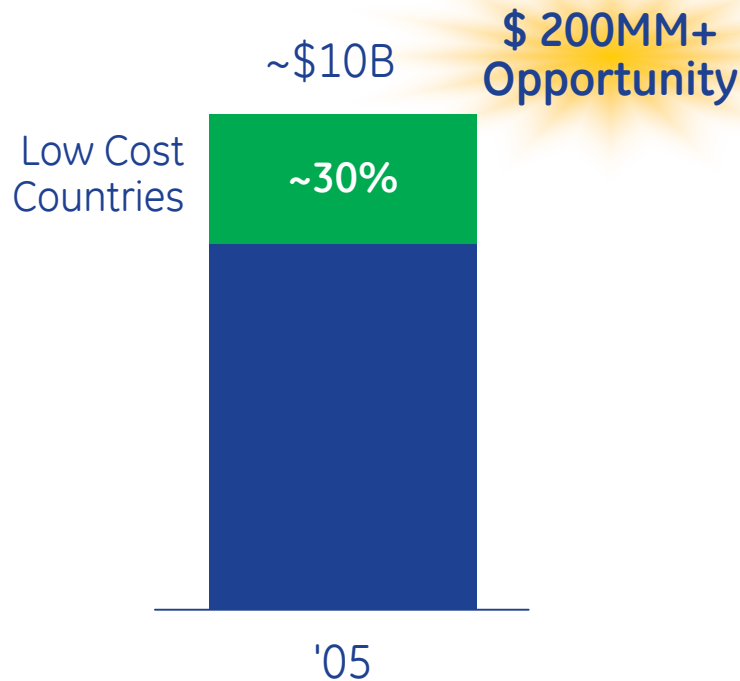
Significant Benefits



Sourcing

(\$ in billions)

Material buy

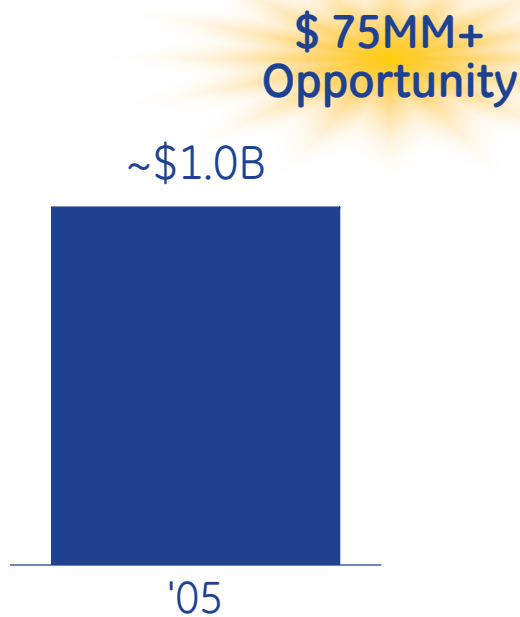


- Leverage low cost country sourcing... going to >40%
- Buy consolidation... direct & indirect material ... \$125MM opportunity
- Energy usage & rate ... \$20MM
- Organizational structure & shared resources ... \$10-30MM

>\$200MM opportunity in material buy

G&A

G&A Spend

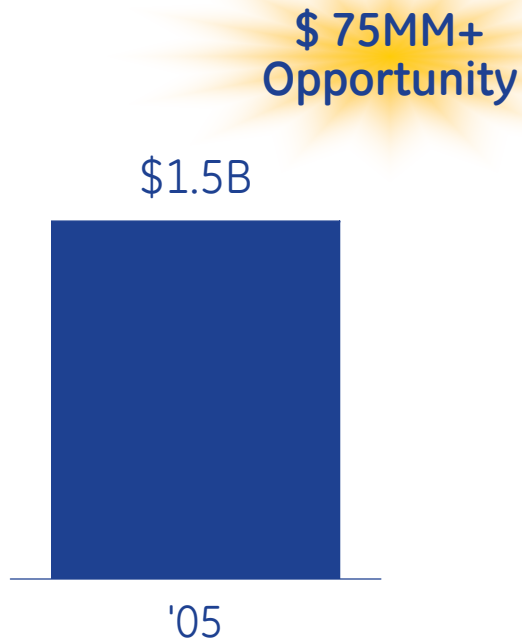


- Shared service for staff functions to “best in class”
- Finance; \$20-30MM ... transaction processing, collections, legal entity reduction
- IT; \$20-30MM ... common backrooms and 20% reduction in in IT platforms
- 25% rooftop reduction... \$20MM

>\$75MM opportunity in G&A cost

Logistics

Logistics Spend



- Consolidate overlapping warehouses, carriers, lanes ... \$20-30MM
- Inbound logistics w/ Penske ... \$15-25MM
- Carrier partnership w/ Equipment Services
- Simplify common processes & shared organizations ... \$10-20MM

>\$75MM opportunity in logistics cost

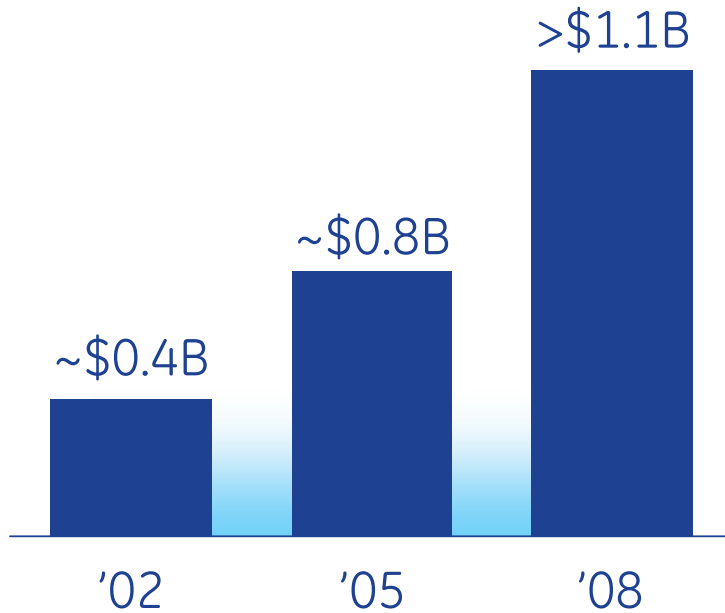
Growth



imagination at work

Technology Investment

(\$ in billions)



- 30+% growth in NPI spend
- Across all product lines
- ~40% **eco**focused
- \$4B+ revenue by '08

Massive commitment to product leadership and expanded offerings across portfolio

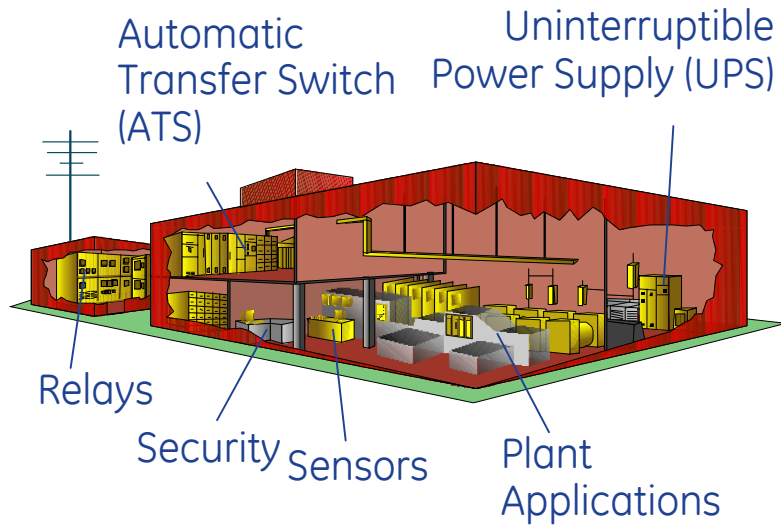
Go-to-Market Strategy

Products

Packages

Channels

New products since '00



Entitlement increases 50%



	Direct	Electrical	OEMs	Agents
C&I	✓	✓	✓	✓
Fanuc	✓	✓	✓	
Security		✓		✓
Sensing	✓	✓	✓	✓
Equip.	✓			
Wins				

Uniquely packaged solutions through multiple channels

NPI Synergies Example ... \$50MM Opportunity

Aircraft Engines



Flight Qualified Pressure Sensors for GeNX Engine

Appliances



Temperature Probes for Cooking Center

Healthcare



Anesthesia Flow Monitoring

Sensing

Security



CO₂ Sensors for Buildings & Cargo

Equipment Services



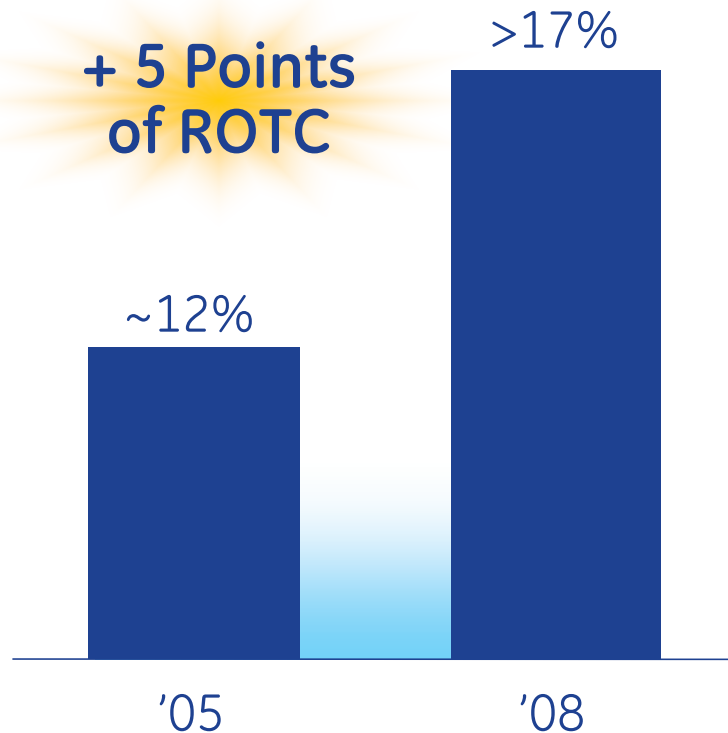
VeriWise™ Temp & Humidity Sensors

Energy



Gas Monitoring for Environmental Services

Expanding Return on Total Capital

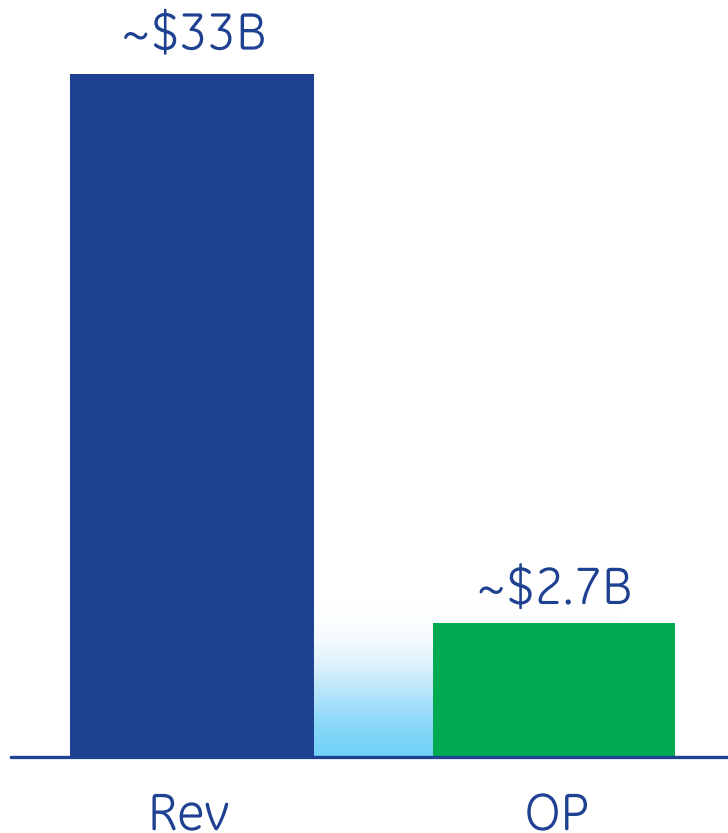


- 10-15% earnings growth
- 50%+ working capital reduction
- Disciplined investment strategy ... <1.0 reinvestment ratio
- Pruning of low return assets
- Lean Six Sigma

Achieve "peak" returns in each business

Positioned for sustainable growth

2005



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