Aviation industry is strong

**Aircraft Orders**
(Airbus & Boeing YTD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>2,140</td>
</tr>
<tr>
<td>2006</td>
<td>1,882</td>
</tr>
</tbody>
</table>

**Fuel ($ / Gallon)**
(4Q YTD Average)

<table>
<thead>
<tr>
<th>Year</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$1.71</td>
</tr>
<tr>
<td>2006</td>
<td>$1.95</td>
</tr>
</tbody>
</table>

**Pax Capacity & Traffic Growth**
(4Q06 YTD over 4Q05 YTD)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Change (Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASK</td>
<td>4.6%</td>
</tr>
<tr>
<td>RPK</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

**Cargo Capacity & Traffic Growth**
(4Q06 YTD over 4Q05 YTD)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Change (Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATK</td>
<td>5.2%</td>
</tr>
<tr>
<td>RTK</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

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

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*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)

Revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Digital systems</th>
<th>Electrical power</th>
<th>Mechanical systems</th>
<th>Engine components</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$1.6</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 2006 | $2.4

11% CAGR

- Services 30%+
- Civil 46%, military 54%
- 1,500 customers, 140 countries

Why Smiths Aerospace ...

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

Expanding GE Aviation’s capabilities “beyond the engine”

Smiths Aerospace offerings

Digital systems

- Products: Platform computing, flight management system, mission and stores management
- Key platforms: B787: Common Core System (CCSI)
  B737NG: FMS
  JSF: Stores mgmt.

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
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”

GE Aviation

$ in billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>OP</th>
<th>CAGR</th>
<th>GE Aviation ... great business</th>
</tr>
</thead>
<tbody>
<tr>
<td>'04</td>
<td>$11.1</td>
<td>20.2%</td>
<td></td>
<td>Winning technology</td>
</tr>
<tr>
<td>'05</td>
<td>$11.9</td>
<td>21.6%</td>
<td></td>
<td>Deep domain knowledge</td>
</tr>
<tr>
<td>'06</td>
<td>$13.2</td>
<td>22.1%</td>
<td>9% CAGR</td>
<td>Growing installed base &amp; services ... $39B backlog</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Reliable execution ... margin expansion</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Strong track record of organic &amp; inorganic growth</td>
</tr>
</tbody>
</table>

Great business model