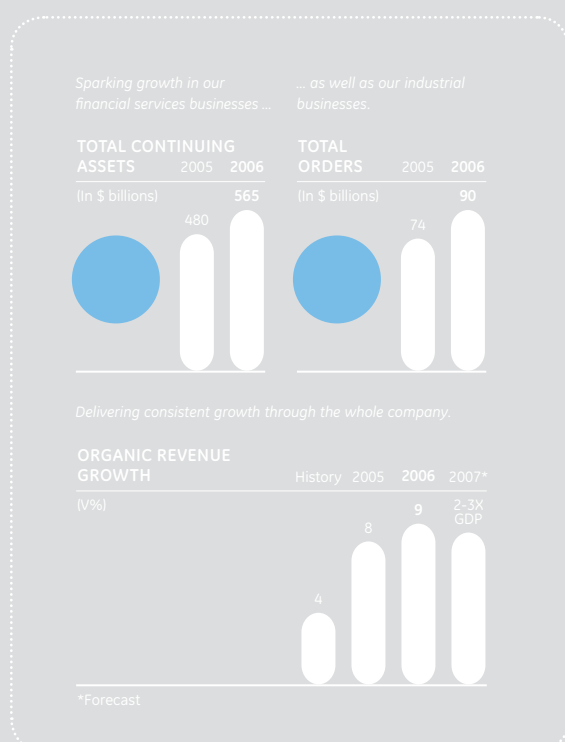


# Growth as a Process

GE is extending its ability to deliver by adding new process capabilities to our operating rigor. Over the past several years we have developed a process that fuels our ability to generate consistent organic growth. We call it Growth as a Process, and it includes six capabilities:

**1) Technology, 2) Customers, 3) Globalization, 4) Commercial Excellence, 5) Innovation and 6) Growth Leaders.** Our investment in this process is delivering total assets and orders have grown significantly, and we are generating organic revenue growth at twice our historic rate.



Today, each of our six businesses is investing in this process. Energy is just one example of how Growth as a Process is delivering organic growth. Here is how this process is bringing value to this specific business.

1

## Technology

We invest in technology to create the best products, content and services—ahead of marketplace demand.

Technology investments have helped Energy achieve market leadership, diversify product lines and create an installed base for services growth. The demands of today's power generation industry require increased operating flexibility over a wider range of operation. Combining GE's leading power generation and aircraft engine technologies, the LMS100® delivers a single, economical energy solution with maximum performance, improved thermal

efficiency and fast start up times. Part of GE's ecomagination portfolio, the LMS100 reduces CO<sub>2</sub> emissions by more than 30,000 tons over an average peaking season when compared to other typical gas turbine power plants of its size. This reduction in CO<sub>2</sub> is equal to the amount of carbon dioxide absorbed by nearly 7,400 acres of forest each year. The LMS100 is just one example of how technology helps us to diversify our product portfolio and win.

A photograph of three men in hard hats and safety glasses looking at a large blueprint. They are standing in front of a large white wind turbine against a clear blue sky. The man on the left is wearing a red hard hat and a blue shirt. The man in the middle is wearing a white hard hat with a logo and a dark jacket. The man on the right is wearing a red hard hat and a brown jacket. They are all looking intently at the blueprint they are holding together.

2

## Customers

We deepen relationships with customers by listening—and then aligning our goals with theirs to help them win.

Energy's relationship with the FPL Group's subsidiary Florida Power & Light (FPL) exemplifies how we are growing our business in direct correlation to our customers' needs. A GE customer since 1925, FPL is one of the largest, cleanest and fastest-growing electric utilities in the U.S. Through our relationship with FPL Group, we have grown our business with FPL as well as FPL Energy, providing

energy solutions across a range of technologies, including wind, gas, steam and nuclear. Our commitment to customers includes both big-picture thinking and an ability to sweat the small details. When a rare ice storm recently descended on FPL Group's Horse Hollow Wind Farm near Abilene, Texas, Energy was on hand to help keep things running smoothly.



3

## Globalization

We expand globally by committing to each country where we do business—what we call “company to country.”

Growth through globalization is vital for Energy—but more complex than just selling to new regions. It’s about creating a lasting presence from which to build long-term relationships. Energy does this by deploying a “company-to-country” approach—localizing application solutions to meet each region’s unique needs, investing in businesses aligned with regional demographic trends and

committing to the communities around the world where we work and live. Pictured here, Saudi Arabia is just one example of how globalization drives growth—yielding \$2 billion in orders and commitments for power projects in the past six months.



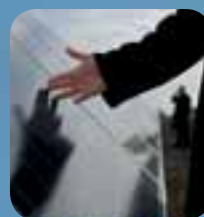
4

## Commercial Excellence

We offer what few companies can—the full breadth of GE businesses, offering unique solutions to our customers.

Commercial excellence allows us to use GE's broad strength and deep expertise in both manufacturing and financing to help our customers win in the marketplace. Energy Financial Services offers unparalleled expertise in investing globally across the capital spectrum in energy and water, backed by the best of GE's technical know-how. This unique combination enables us to think big and to take a strategic approach to major water and power generation

projects. For example, this 11-megawatt solar power plant in Portugal—the world's biggest photovoltaic project—is financed and owned by Energy Financial Services. This helps our customer Portugal's electric transmission company meet its environmental challenges, providing electricity sufficient to power 8,000 homes and saving more than 30,000 tons a year in greenhouse gas emissions compared with equivalent fossil fuel generation.





5

## Innovation

We foster a culture of imagination—enabling us to create new ideas and put them into action to drive growth.

For decades, nuclear energy has been an efficient but challenging source of alternative energy. To help meet today's increasing demand for energy stability and environmental stewardship, Energy has developed a next-generation nuclear plant design that is safe for communities, and sound for investors. The core innovation of the Economic Simplified Boiling Water Reactor (ESBWR) lies in a

simplified, modular design that will enable significantly shorter installations, increase safety and deliver an outstanding economic return with zero greenhouse gas emissions during operation. Together with our investment in coal gasification, this could generate \$10–\$20 billion in revenues over the next 10 years.



6

## Growth Leaders

We develop leaders with a love of learning, a passion for building teams and a desire to grow.

Led by President and CEO John Krenicki, Energy generated earnings of \$3 billion in 2006, an increase of 13%. With innovative products such as the Jenbacher gas engine and LMS100 gas turbine, Energy is generating new growth through new product lines. With greater customer focus through Net Promoter Score and Lean workouts, Energy is improving customer service levels and reducing equipment repair times. Energy is growing globally to meet the unprecedented

demand for energy with record orders for wind turbines and a resurgence in gas turbine orders. The power of Growth as a Process is exponentially multiplied when executed by teams. The Energy team is a great example. Pictured here are John Krenicki and his leadership team in action in Schenectady, New York during one of their monthly global operations reviews.

# Our People

What makes GE people different? Their thirst to learn and their ability to deliver as a team. The idea of teams is simple but the reality of delivering as a team is not. It requires a culture that values the long view, harnesses change, takes risks, embraces mutual accountability and practices patience. None of this is easy in the competitive world of business. To stay sharp, GE invests \$1 billion a year in training.

GE is known for its culture of management and learning, innovation and teamwork. New training courses such as the Leadership Innovation and Growth (LIG) program ensure that our most senior leaders never stop learning by engaging them in team-based training. The program's team-centric approach cultivates a broad view of the business, expedites best-practice implementation and establishes shared accountability to create growth.