

REMARKS BY GEORGIA TECH PRESIDENT G. WAYNE CLOUGH
Introduction of GE Chairman Jeffrey Immelt, Town Hall Meeting
Georgia Tech, February 26, 2002

I'm pleased to welcome all of you to this town meeting with GE's new chairman, Jeffrey Immelt. Mr. Immelt has chosen about a half-dozen campuses to visit, and Georgia Tech is very honored to be among them.

General Electric is one of Georgia Tech's oldest and most active corporate partners. The company has made some \$4 million in philanthropic gifts to Georgia Tech, and during the past two years we have conducted more than \$4 million in sponsored research with GE.

At any given time, 18 or 20 Georgia Tech students are working in co-op assignments with GE, and many of them continue at the company after graduation. GE employs more than 375 of our alumni and another 125 have retired from GE. Georgia Tech is also a partner in GE's Edison Engineering Program in which selected GE employees matriculate at Tech for their master's degrees.

Mr. Immelt's visit with us today is yet another expression of this mutual and multi-faceted relationship, and we look forward to continuing our partnership with GE under his leadership.

Conventional wisdom might say that taking over one of the world's most admired, best-managed, and most successful companies ought to be a cushy job. After all, didn't former CEO Jack Welch write a book and provide the formula for how it should be done?

Well, the facts are that times change, and these days, times can change quickly. No formula works for long. Jeff could see the economic clouds gathering as he was preparing to take the job, and he spoke clearly about this on a trip to Atlanta last year. Since then the economy went into a recession and on his third day on the job, terrorists struck the World Trade Towers and Pentagon, killing two of his staff. When Wall Street reopened after the attacks, GE's stock plummeted by 20% - reflecting economists' fears that a company that produces aircraft engines, offers aviation services, and provides reinsurance for property would be unable to recover.

But the experts tell us that if anyone can sustain GE's strength and growth when economic times are tough, it is Jeff Immelt. And he's living up to their faith in him. GE posted a 9.7 percent earnings gain for fourth quarter of last year and projects earnings growth of 17% for this year.

On a personal level, Mr. Immelt has more in common with our Tech students than you might think – he reads a book a week, gets about five hours of sleep a night, and sends a lot of e-mails.

A native of Cincinnati, he was a math major and played offensive tackle on the varsity football team at Dartmouth College. After getting his MBA from Harvard, he went to work for GE, which was a natural move since his father worked in GE's Aircraft Engines division for 38 years.

He began as a corporate marketer at GE Plastics, and during the 1980s he held several positions in sales, marketing, and global product management. In 1989 he became vice-president of GE Appliances. Four years later, he was named vice-president and general manager of GE Plastics America, and in 1997 he was tapped to head GE Medical Systems, a \$7 billion subsidiary that is one of the company's most technologically sophisticated units.

Then in September of 2001, at 45 – the same age as Jack Welch when he took over GE 20 years earlier – Jeff Immelt became chairman of the world's largest company. Its annual income is \$130 billion, and it employs 313,000 people in over 100 countries. It has a dozen subsidiaries, each the size of a Fortune 500 company.

As a result, Mr. Immelt faces a unique set of questions: How do you grow when you're already the biggest there is? How do you stay nimble and responsive to your customers? How do you manage an operation whose products range from light bulbs to jet engines, from medical equipment to mortgage insurance? How do you make money from intellectual capital as well as from refrigerators?

Over the past few months he has laid out the plan for the GE of the future: Digitize the company, streamline backroom operations, increase globalization, and improve diversity. He says the most important words in business are "What do you think?" And he's not afraid to ask them.

Today Georgia Tech is honored and proud to welcome GE Chairman Jeff Immelt to our campus and have this unique opportunity to ask him his favorite question, "What do you think?" I also would like to note that while we were proud to have his predecessor, Jack Welch, drop by our campus last fall on his book tour, we are especially pleased to see Jeff here today, because he has a fundamental appreciation of the importance of the long-standing partnership between two of this country's great institutions.