

GE 2008 second quarter performance

July 11, 2008

- Financial results & company highlights
- 2008 third quarter outlook

Results are preliminary and unaudited. 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 “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties that could adversely or positively affect our future results include: the behavior of financial markets, including fluctuations in interest and exchange rates and commodity and equity prices; the commercial and consumer credit environment; the impact of regulation and regulatory, investigative and legal actions; strategic actions, including acquisitions and 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; and numerous other matters of national, regional and global scale, including those of a political, economic, business and competitive 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.”

“This document may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP measures presented in this document, see the accompanying supplemental information posted to the investor relations section of our website at www.ge.com.”

“In this document, GE refers to the Industrial businesses of the Company including GECS on an equity basis. GE (ex. GECS) and/or Industrial refer to GE excluding Financial Services. The Industrial Products segment was formerly known as Industrial.”



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Overview

- ✓ Solid performance in a difficult environment
 - Delivered 2Q'08 continuing EPS of \$.54 ... in line with guidance
- ✓ Robust global revenues growth +24%
 - Emerging markets +20%
 - Developed (ex. U.S.) +26%
 - U.S. (2)%
- ✓ Solid Industrial businesses performance ... no repeat of '07 Hitachi gain in Corporate
 - Infrastructure remains strong across the board
 - Healthcare & NBCU in line with expectations
- ✓ Strong relative performance in Financial Services ... above expectations
 - Commercial Finance +7%, GE Money (9)%
 - Business model intact ... effective risk management, attractive origination & Triple A funding secure
- ✓ Aggressive structural cost reduction
 - \$.04 EPS of restructuring & other items ... continued cost out focus
 - \$.03 gains on business dispositions
- ✓ Business fundamentals strong ... positioned for long-term growth

On track ... \$2.20-2.30 total year

Executing our strategy

Highlights

Portfolio

- ✓ Executing reduction of GE Money/other redeployment
 - Reached agreement on disposition of GE Money Japan (incl. Lake)
 - PLCC progressing
 - Signed Europe/Santander swap
- ✓ Announced intent to explore distribution of C&I to our shareowners
- ✓ Closed Hydril & Whatman
- ✓ Merrill Capital integration on track, Citi closing 7/31
- ✓ Announced The Weather Channel investment with NBCU leadership

Growth as a process

- ✓ 2Q total orders +8% ... equipment backlog +25%
- ✓ Service revenues +18% ... service orders +19% ... CSA backlog +17%
- ✓ Organic growth +5% ... Industrial +9%
- ✓ Global revenues growth +24% ... 54% of 2Q'08 revenues

Operating improvement

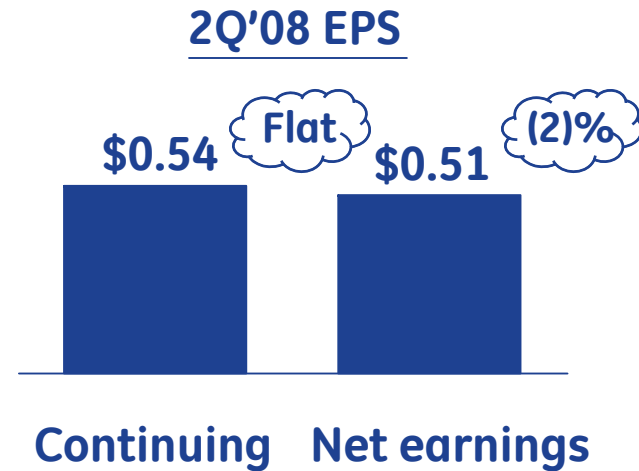
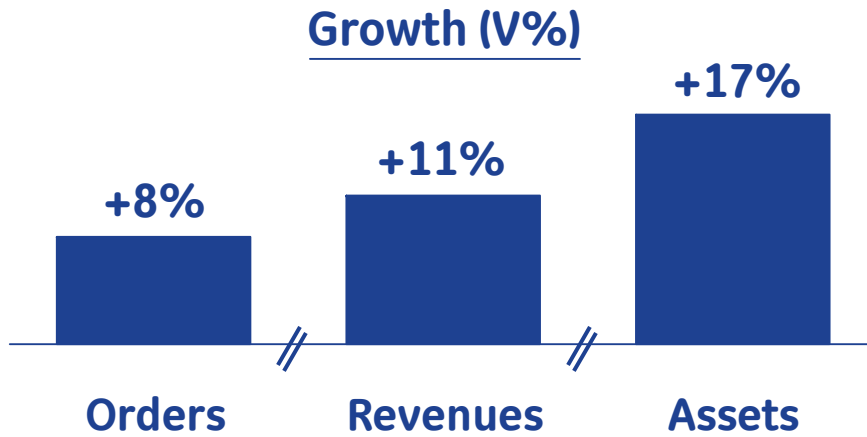
- ✓ Solid Infrastructure margin expansion +60 bps.
- ✓ Accelerated restructuring ... improving operations & cost structure
- ✓ Industrial CFOA +5% YTD ... driven by working capital improvements



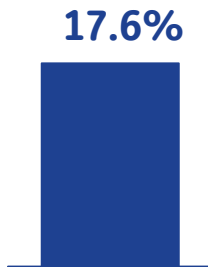
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2Q'08 key performance metrics

(Continuing operations)

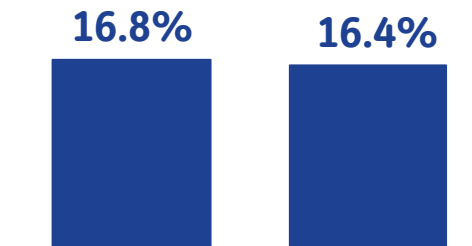


Returns



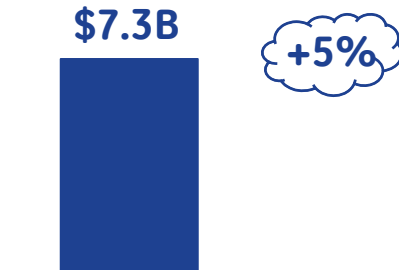
2Q'08
ROTC

Margins



2Q'07 2Q'08
Segment op. profit %

Cash

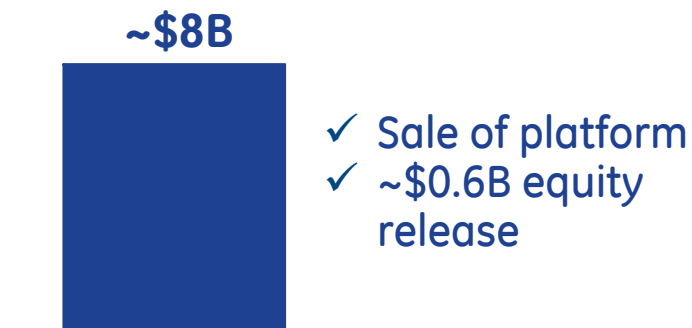


2Q'08 YTD
Ind'l. CFOA

Solid performance in tough environment

Portfolio update

GE Money Japan (incl. Lake)



Assets

- ✓ Reached agreement with Shinsei for sale of personal loan, credit card & mortgage
- ✓ Favorable economics ... recorded \$0.2B loss in 2Q disc. ops., gray zone risk sharing provided for
- ✓ Anticipate closure in 3Q'08

Consumer & Industrial

- ✓ Continuing to explore options – primary focus is to distribute C&I to our shareowners
- ✓ Efficient transaction for GE & shareowners
 - + Shareowners get upside
 - + Not dependent on M&A or equity market conditions
 - + Some capital redeployment
 - + Increases margins & long-term growth
- ✓ Targeting 1H'09 execution

2Q'08 orders

Major equipment

(V%)	1Q'08	2Q'08
Aviation	(21)%	11%
Energy	59	47
O&G	7	(8)
Transportation	25	(78)
Healthcare	(1)	8
Total major eq.	11%	4%

- ✓ Orders outpacing shipments, 1.3x
- ✓ Energy ... Wind +58%, Thermal +39%
- ✓ Transportation ... non-repeat 2Q'07 BNSF order
- ✓ Healthcare ... global +16%

(\$ in billions - 4 quarter rolling average)

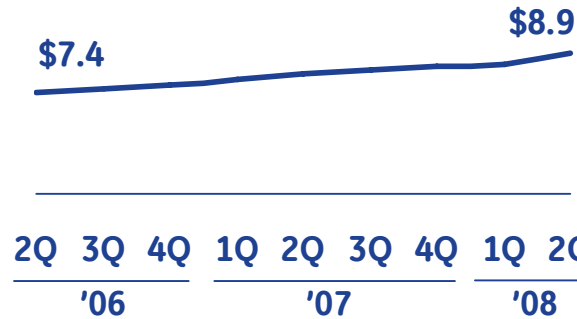


Services

(V%)	1Q'08	2Q'08
Aviation	4%	14%
Energy	(2)	19
O&G	38	36
Transportation	3	41
Healthcare	8	13
Total services	5%	19%

- ✓ Aviation ... Military & Comm'l. strength
- ✓ Energy ... broad-based growth +19%
- ✓ Healthcare ... Clinical Systems +14%, HCIT +8%

(\$ in billions - 4 quarter rolling average)

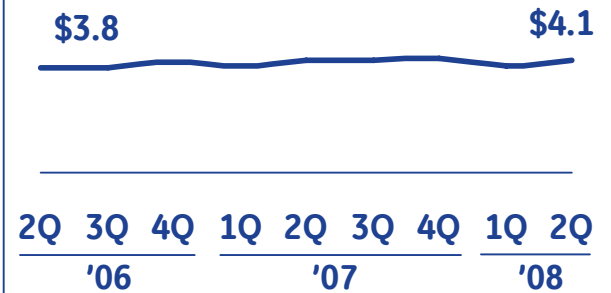


Flow ADOR (organic)

(V%)	1Q'08	2Q'08
Appliances	(6)%	(8)%
Lighting	(3)	(5)
Ind. Sys.	(1)	8
Ent. Solutions	3	1
Total flow	(2)%	(3)%

- ✓ Appliances ... retail (7)%, contract (15)%
- ✓ Ent. Solutions ... strong growth in Sensing/IT & Digital offset by Security

(\$ in billions - current quarter)



- ✓ Equipment +4% ... backlog growth +25%
- ✓ Services strength across the board
- ✓ Overall orders \$27B, +8%

Second quarter consolidated results

(\$ in billions – except EPS)

(\$ in millions)

Continuing operations

	<u>2Q'08</u>	<u>V%</u>
Revenues	\$46.9	11%
– Industrial sales	27.8	15
– Financial Svcs. rev.	19.1	11
Earnings	5.4	(4)
EPS – Continuing	.54	–
– Net earnings	.51	(2)
GE CFOA YTD	9.3	(20)
– Industrial CFOA YTD	7.3	5
	<u>2Q'08</u>	<u>YTD</u>
Tax rate	16%	16%
– GE (ex. GECS)	27	28
– GECS	2	2

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Infrastructure	\$17,552	26%	\$3,174	24%
Commercial Fin.	9,259	14	1,390	7
GE Money	6,629	6	1,056	(9)
NBC Universal	3,882	7	909	1
Healthcare	4,491	11	747	8
Indust. Products	4,542	2	300	(32)
			<u>\$7,576</u>	<u>7%</u>

Solid performance in tough environment



Key 2Q'08 corporate items

(\$ after-tax)

- ✓ No repeat of '07 Hitachi gain ...
\$0.5B

- ✓ Gains on 2Q'08 dispositions,
recorded in business segments
\$0.3B
 - Garanti
 - PTL
 - Water JV (Pentair)
 - Sundance

- ✓ Restructuring/other charges
2Q'08 \$(0.4)B

2Q'08 restructuring & other charges by category

	<u>\$MM</u>
1 Cost structure improvements C&I, Commercial Finance, Infrastructure	\$(150)
2 Footprint reductions & organization realignment GE Money (branch closures) NBCU (Film & Network restructuring)	(27)
3 Other items Purchase accounting, EHS/other C&I (extended warranty contract)	(106) (103)
	<u><u>\$ (386)</u></u>

- ✓ Executed more restructuring than planned
- ✓ Provides framework for improved earnings going forward



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Segment highlights – Infrastructure

(\$ in millions)

<u>2Q'08</u>	<u>\$</u>	<u>V%</u>
Revenues	\$17,552	26%
Segment profit	\$3,174	24%

Key 2Q business results

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Energy	\$7,003	35%	\$1,222	37%
Aviation	4,923	21	914	10
Oil & Gas	1,895	4	255	35
Transportation	1,202	9	241	11
Aviation Finc'l. Svcs.	1,081	(1)	252	(5)
Energy Finc'l. Svcs.	989	F	178	5
Ex. Verticals	\$15,557	24%	\$2,717	29%

2Q dynamics

- Orders +9%, service +21% ... added \$7B backlog since 4Q'07
- Continued revenue growth
 - Energy +35% ... equip. +52%, services +19%
 - Aviation +21% ... equip. +18%, services +23%; Smiths +\$0.3B
 - Oil & Gas +4% ... equip. (12)%, services +33%
 - Transportation +9% ... equip. 21%, services flat, fewer kits
- Strong segment profit growth +24%, ex. Verticals +29% ... +60 bps. margin expansion
 - Equipment revenues growth ~2X service & acquisitions impact op. profit rate by (65) bps.

Broad based global demand

Segment highlights – Healthcare

(\$ in millions)

<u>2Q'08</u>	<u>\$</u>	<u>V%</u>
Revenues	\$4,491	11%
Segment profit	\$747	8%

2Q commercial trends

- Order trends improving +10%
- Equipment +8% driven by DI +8%, Surgery +22%, Life Sciences +29%, MDx +5%
- Services +13% driven by DI +16%, Clinical Systems +14%, HCIT +8%, Life Sciences +10%
- Backlog \$5.7B ... flat since 4Q'07

2Q dynamics

- OEC shipped 700+ units in 2Q ... on track for ~1200 unit shipments in 2H'08
- U.S. equipment revenues decline slowing
 - U.S. DI (6)% offset by Life Sciences +16%, MDx +2% & Clinical Systems +2%
- Global equipment revenues strong
 - DI International +24%
 - Life Sciences International +31%
- Service revenues strong +11%
 - DI service +10%, Clinical Systems +32%
- Operating profit up driven by strength globally, services, Life Sciences & Surgery
- Medicare bill passes Senate ... no imaging cuts

Challenging U.S. environment ... strong global growth

Segment highlights – Industrial Products

(\$ in millions)

<u>2Q'08</u>	<u>\$</u>	<u>V%</u>
Revenues	\$4,542	2%
Segment profit	\$300	(32)%

2Q commercial trends

- Total appliances industry units ↓ 5%, core ↓ 7% ... June housing starts ↓ 32%
- U.S. orders ↓ 7% offset by global growth ... Asia +19%, Europe +21%, Latin America +15%
- Continued inflationary environment ... pricing tough

2Q dynamics

- Enterprise Solutions revenues \$1.2B, +20% ... segment profit \$0.2B, +20%
 - Strong revenue growth ... Sensing & Inspection +25%, Digital Energy +21%
- C&I revenues \$3.3B, ↓ 3% ... segment profit ↓ 55% at \$0.1B
 - Domestic appliances sales ↓ 8% ... retail ↓ 7%, contract ↓ 15%
 - U.S. Industrial revenues ↓ 1% offset by strong global growth ... Asia +30%, Latin America +25%, Europe +21%
- C&I restructuring underway ... to date announced 16 plants closures, 3,600 headcount reduction
- Op. profit ↓ 32% ... C&I ↓ 55% offset by Enterprise Solutions ↑ 20%

U.S. consumer market pressured ... strong global growth



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Segment highlights – NBCU

(\$ in millions)

<u>2Q'08</u>	<u>\$</u>	<u>V%</u>
Revenues	\$3,882	7%
Segment profit	\$909	1%

2nd quarter dynamics

- 1 Network**
 - + TV studio continues to perform ... key profit driver
 - + News remains #1
 - Network prime ratings mixed
 - Market softness in local media
- 2 Entertainment & Info. Cable**
 - + Cable strong everywhere, USA #1
 - + Robust upfront growth ... Bravo & USA
 - + Announced investment in The Weather Channel
 - + MSNBC fastest growing ... the place for politics
- 3 Film & Parks**
 - + Film, strong start to summer ... *Wanted, Hulk II, Sarah Marshall, Baby Mama* ... significant 2Q marketing spend, positive to 2H
 - + Parks YTD per cap favorable, +5% ... attendance slowing
 - + International expansion ... Dubai, Singapore parks under construction
- 4 Strong upfront in tough market**
 - + Network up 2%, pricing up mid-single digit
 - + Cable up ~25%, very strong pricing
 - + Digital helped ... hulu ranked #1 new product in PC World
- 5 Olympics**
 - + ~\$1B in revenues for NBCU
 - + Top sponsorship, \$0.7B '08E Industrial sales

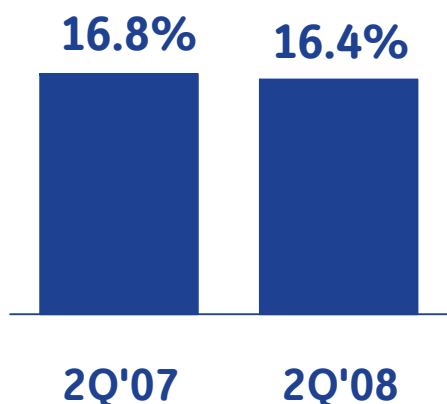
Robust Cable growth ... Film positioned for strong 2H'08



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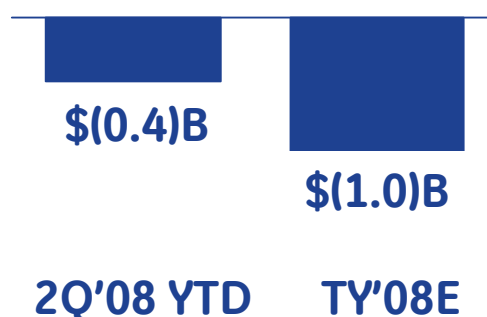
Operations update

2Q Industrial op. profit



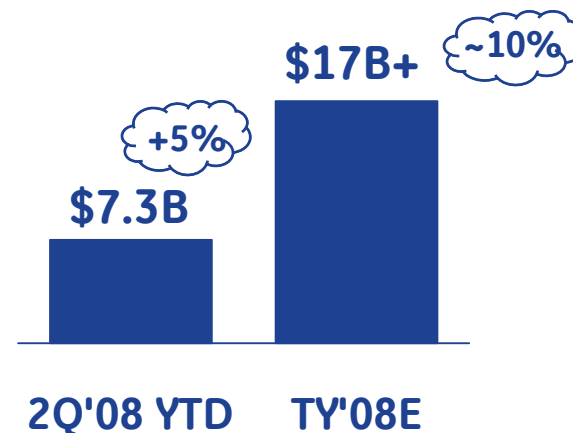
- ✓ Driven by:
 - C&I (60)
 - Equip./services mix (30)
 - Price/DM inflation +20
 - Productivity/other +30
- ✓ Infrastructure +60
- ✓ TY'08E ~16%

Incremental base cost reduction



- ✓ Additional structural cost reductions underway
- ✓ '07 & '08 to date 11,300 employee reduction through restructuring

Industrial CFOA



- ✓ Progress collections & receivables factoring more than offsetting inventory build to deliver equipment growth
- ✓ Lean driving improved cycle times

Strong focus to price ahead of inflation & improve structural cost

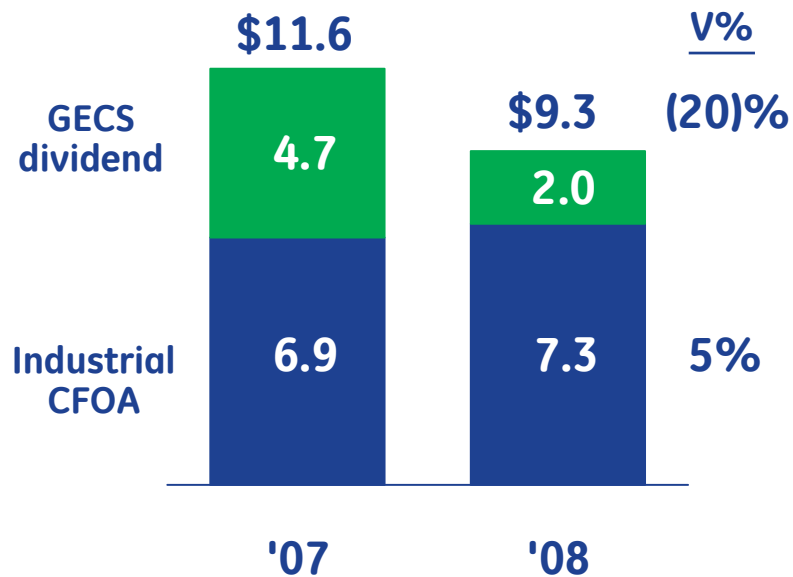


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Second quarter YTD cash flow

(\$ in billions)

GE CFOA



- GECS dividend down \$2.7B
 - Non-repeat of Swiss Re & GE Life proceeds in 2Q'07
 - Regular GECS dividend at 40%

Cash balance walk

	<u>Total</u>
Beginning balance	\$6.7
CFOA	9.3
Dividends	(6.2)
Stock repurchase	(2.5)
P&E	(1.6)
Acquisitions/dispositions	(1.5)
Change in debt/other	(1.2)
2Q'08	<u><u>\$3.0</u></u>

Targeting ~10% TY Industrial CFOA

Financial Services business model

Commercial Finance + GE Money + Verticals

	<u>% assets</u>	
Capital Solutions	20%	<ul style="list-style-type: none"> ✓ Mid-market lessor ✓ 1MM customers ✓ Senior secured
Corporate Finance	20%	<ul style="list-style-type: none"> ✓ Mid-market focus ✓ Credit & restructuring expertise
Real Estate	14%	<ul style="list-style-type: none"> ✓ World class underwriter ✓ Supply & demand focus ✓ Senior secured, low LTV ✓ Average property size \$10MM
Verticals	11%	<ul style="list-style-type: none"> ✓ Deep domain expertise ✓ Strong underwriting & portfolio management ✓ Global asset management
Consumer: secured & unsecured	35%	<ul style="list-style-type: none"> ✓ 130MM accounts ✓ \$1,600 average balances ✓ 50% secured ✓ 50+ countries

Our focus

- ✓ Best global origination ... 10,000 originators
- ✓ Underwrite to hold
- ✓ Effective risk management
- ✓ Managed as a Triple A
- ✓ Disciplined capital allocation

We are not

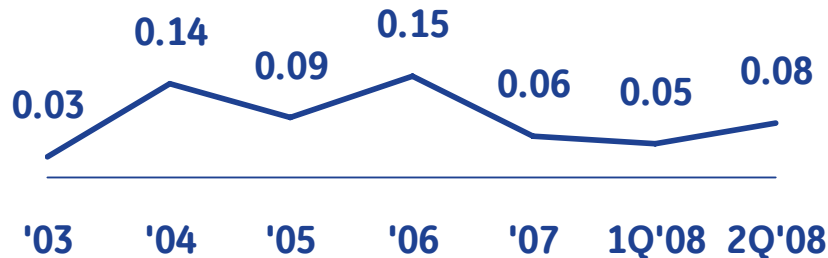
- ✓ Trading/speculating
- ✓ Borrowing short/lending long
- ✓ Passive buyer of packaged assets

1H'08 earnings lead the industry ... 20+ year track record

Financial Services update

Global mortgage

Write-off/ANI %



- ✓ Mortgage portfolio solid
- ✓ U.K. mortgage business
 - + No “originate to sell” ... underwrite to hold
 - + In-house appraisals and servicing
 - + Insurance on properties >80% LTV
 - + Average LTV 71%

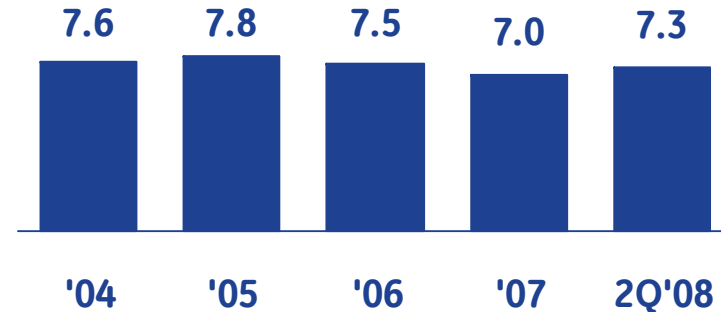
**Global mortgage portfolio
in solid shape**



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Financial strength

GECC debt/equity ratio^(a)



- ✓ Leverage consistent ... managed as a Triple A + 260 individual product leverages
- ✓ Funding in terrific shape
 - + \$60B of ~\$80-85B '08E funding raised
 - + CP at \$97B ... huge demand
 - + Strong liquidity plans in place
 - + Rating agencies annual review completed
- ✓ Self funded ... no external capital infusion needed

(a- Adjusted for insurance dispositions and hybrid issuance; reported debt/equity ratio: '04 6.5, '05 7.1, '06 7.5, '07 8.1, 2Q'08 8.4

Strong capital position

Segment highlights – Commercial Finance

(\$ in millions)

2Q dynamics

- Strong originations driving assets +22% & revenues +14%
- Higher margins on new volume more than offset by older vintages
- Segment profit +7%
 - Real Estate +2% ... solid execution in difficult market
 - Capital Solutions +9% ... asset growth/price
 - CF other +11% ... higher gains
- Asset quality stable ... non-earnings & write-offs stable but delinquency rates trending up
- Additional cost actions in progress

<u>2Q'08</u>	<u>\$</u>	<u>V%</u>
Revenues	\$9,259	14%
Segment profit	\$1,390	7%
Assets	\$339B	22%

Key 2Q business results

	<u>Assets (\$B)</u>		<u>Segment profit (\$MM)</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Real Estate	\$91	46%	\$484	2%
Capital Solutions	124	8	503	9

Strong relative performance

Segment highlights – GE Money

(\$ in millions)

<u>2Q'08</u>	<u>\$</u>	<u>V%</u>
Revenues	\$6,629	6%
Segment profit	\$1,056	(9)%
Assets	\$221B	17%

2Q dynamics

- Asset growth +17% ... core growth in Europe +\$8B, Americas +\$4B
- Segment profit (9)%
 - Global (non-Americas) +5%
 - Americas down (33)%, securitization \$(109), U.S. provisions up
- Executing on portfolio actions
 - Santander platform swap signed ~\$(13)B
 - Signed Japan disposition \$(8)B
 - Closed Poland BPH +\$6B
 - PLCC progressing, but slower than expected
- Portfolio quality
 - Total delinquency rate at 5.92%, +70 bps.
 - U.S. delinquencies trending upward at 5.55%, +105 bps.
- Significant cost actions underway
 - Global HQ consolidation, branch closures (Asia & Latin America)
 - Targeting \$0.3B savings for the year

Tough U.S. environment ... global performing well

Financial Services repositioning

Status

- + Opportunistic high-return platform acquisitions
 - ✓ Merrill closed, Citi 7/31
- + Opportunistic debt origination
 - ✓ Real Estate & Corporate Finance
 - ✓ '08 YTD volume \$24B ... ~30% ROE
- + High-margin leasing/financing origination
 - ✓ Capital Solutions
 - ✓ '08 YTD volume \$14B ... spreads +41 bps.
- + Tap new funding sources & form unique partnerships
 - ✓ Citi assets funded by US CDs
- Less GE Money (developed markets)/other redeployment
 - ✓ Reached agreement on disposition of GE Money Japan (incl. Lake)
 - ✓ Europe/Santander swap signed ... expecting 4Q close
 - ✓ PLCC progressing, but slower than expected
 - ✓ Other deals on track

Making progress on repositioning

2008 third quarter operations outlook

Continuing operations

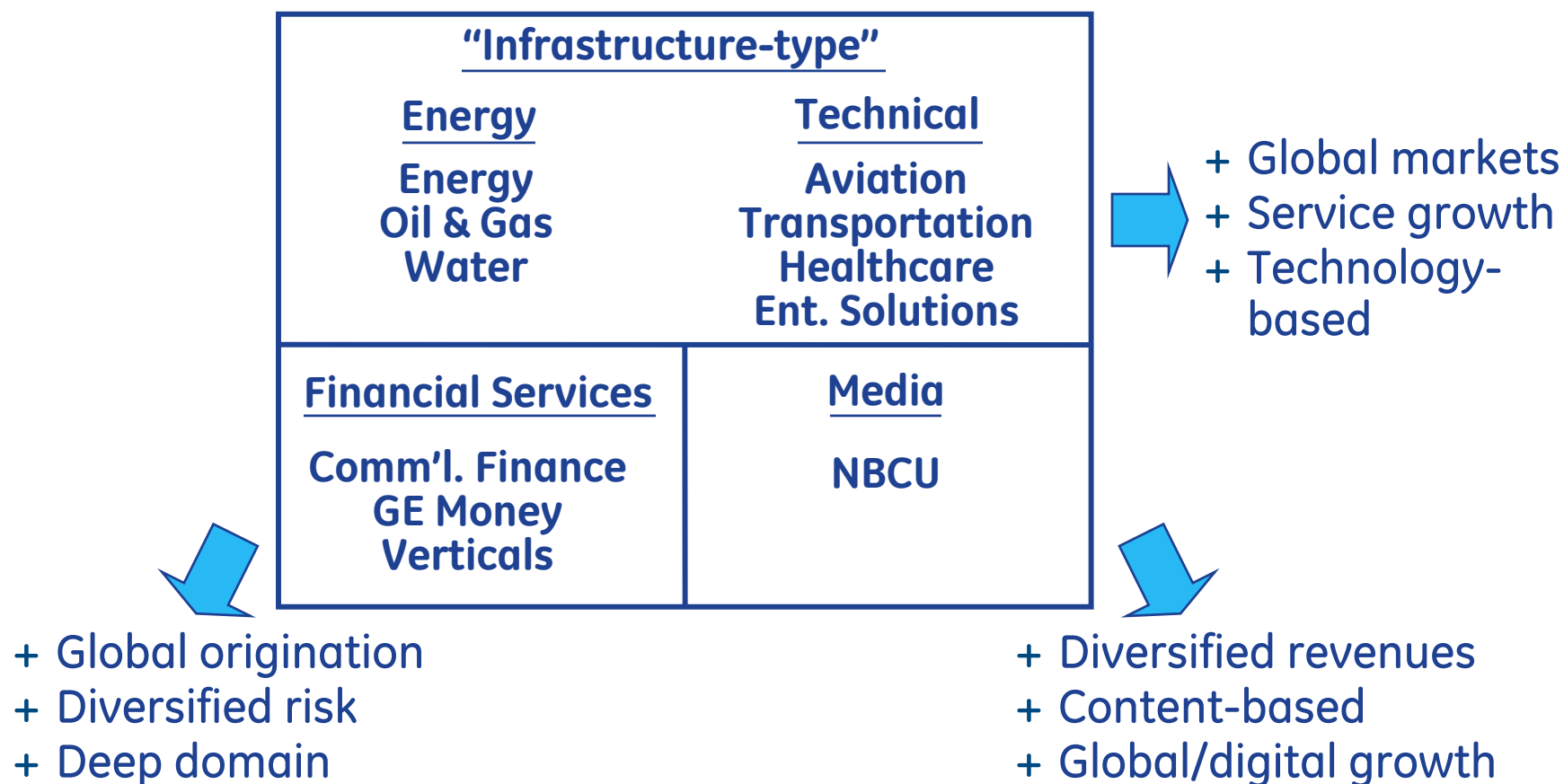
	3Q'08 outlook	
	Revenues V%	Segment profit V% ^{-a)}
Infrastructure	~20%	~20%
Commercial Finance	5-10	~(10)-(15)
GE Money	5-10	~0-(5)
Healthcare	5-10	~0-5
NBC Universal	40+	~0-5
Industrial Products	0-5	~(20)-(30)

<u>Total company 3Q'08 outlook</u>		
(\$ in billions - except EPS)		
	<u>\$</u>	<u>V%</u>
Revenues	~\$49	+15%
Earnings	\$5.0-5.4	(2)-6%
EPS	\$.50-.54	0-8%

(a- Financial Services on an after-tax basis)

- ✓ 3Q EPS \$.50-.54, +0-8%
- ✓ Total year on track for \$2.20-2.30, +0-5%

Company going forward



- ✓ **GE has great businesses**
 - + **Industrial portfolio solid: only on offense**
 - + **Financial Services: strong business model**

Summary

- ✓ Delivered 2Q'08 in line with guidance ... continuing EPS \$.54

- ✓ GE performing in tougher environment
 - U.S. remains tough ... capital markets uncertain
 - + Our global markets are robust

- ✓ Business fundamentals remain strong
 - + Triple A
 - + Infrastructure
 - + Cash flow
 - + Global growth
 - + Equipment backlog
 - + Service revenues

- ✓ 3Q'08 continuing EPS outlook of \$.50-.54, +0-8% ... on track for 2008 guidance, \$2.20-2.30, +0-5%

- ✓ Dan Janki moving to CFO of GE Energy ... Trevor Schauenberg to lead IR