

GE 2007 second quarter performance

July 13, 2007

- Financial results & company highlights
- 2007 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 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."



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Invest & deliver

- ✓ **We will deliver a solid, low-risk 2007**
 - + 2Q EPS growth +13%
 - + Gains funding restructuring/other charges
- ✓ **We have high visibility to organic growth & margin expansion**
 - + 2Q orders growth +32% ... backlog +42%
 - + Strong global demand ... global revenues +21%
 - + Price & productivity outpacing inflation
 - + 70 bps. margin expansion ... +120 bps. YTD
- ✓ **We will continue disciplined capital allocation**
 - + VetcoGray & Smiths Aerospace results ahead of plan
 - + Closed GE-Hitachi; Plastics sale on track for 3Q close
 - + '07 buyback increased to \$14B ... \$12B in 2H'07
 - + Tough-minded on portfolio ... investor friendly
- ✓ **Mutually agreed separation on Abbott**



2007 environment as expected

Upside

Global markets

Emerging markets

Services

Infrastructure investment

Real estate

Demographics

Energy & environment
re-investment

Same

CAPEX

Interest rates

Risk environment

Liquidity

U.S. consumer

Pressure

DRA/OEC – Healthcare

Sub prime – WMC

Material prices

Winning in 2007

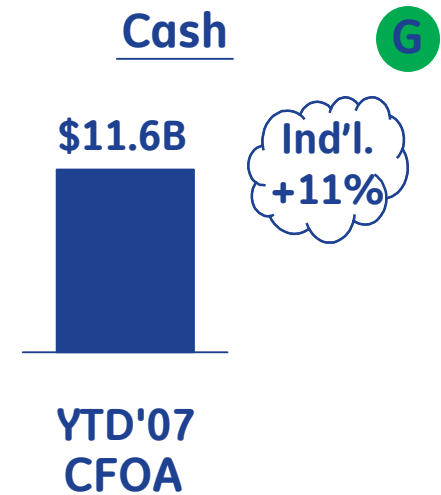
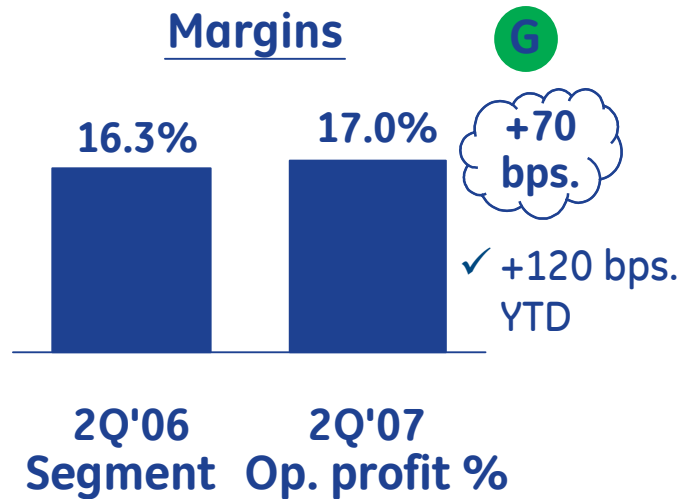
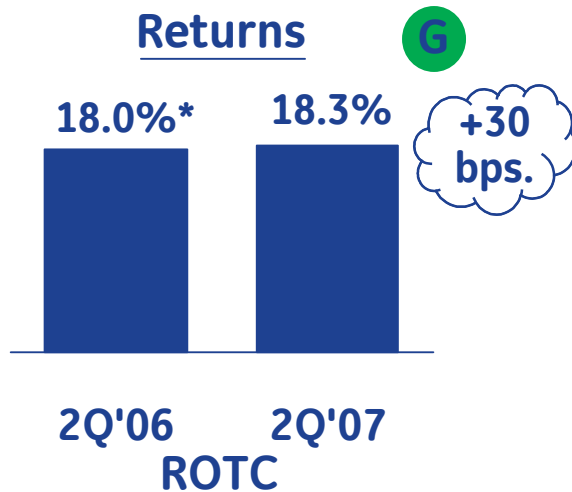
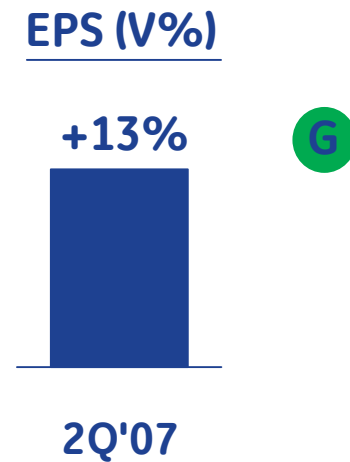
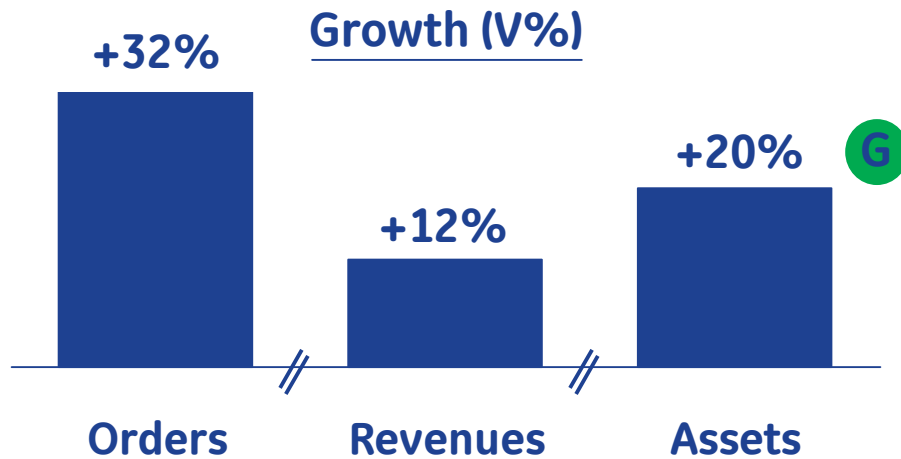
- ✓ **Well positioned in global markets**
- ✓ **Valuable growth ... price > inflation**
- ✓ **Drive cost out ... protect downside**
- ✓ **Negotiated four-year labor agreement**
- ✓ **Stability/risk management**



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Key performance metrics: 2Q'07

(Continuing operations)



*As previously reported



Solid performance

Executing long-term strategy

- 1 Invest in leadership businesses**
 - + Infrastructure strong ... segment profit +23%
 - + Commercial Finance strong ... segment profit +18%
 - + NBCU rebounding ... positive earnings growth
 - + Redeployment on track ... closed Smiths Aerospace, closed GE-Hitachi & announced Plastics sale
- 2 Reliable execution & financial discipline**
 - + Segment profit growth +11%
 - + 2Q segment op. profit rate % +70 bps.
 - + ROTC expands +30 bps.
 - + Industrial CFOA growth +11%
 - Healthcare DRA, OEC impact
 - +/- Exiting WMC
 - + '07 buyback increased to \$14B
- 3 Growth as a process**
 - + Organic revenue growth +8%
 - + Services revenues +12%; CSAs at \$96B, +10%
 - + Global growth +21% ... developing markets +29%
 - + IBs contributing ~\$5B revenue growth in 2007
- 4 Great people & team**
 - + GE union members vote yes on new four-year contract

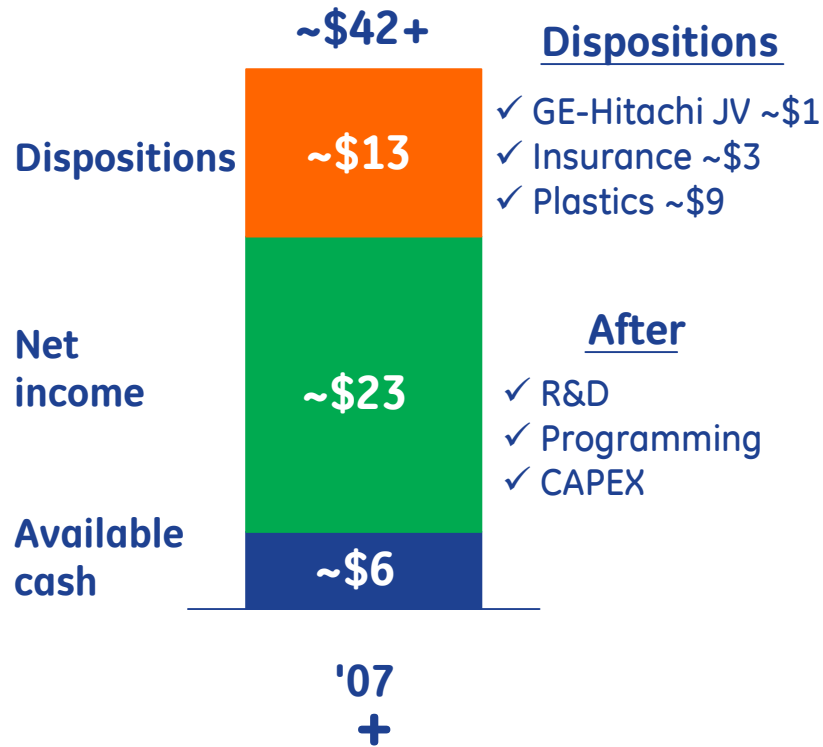


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2007 capital generation & allocation

(\$ in billions)

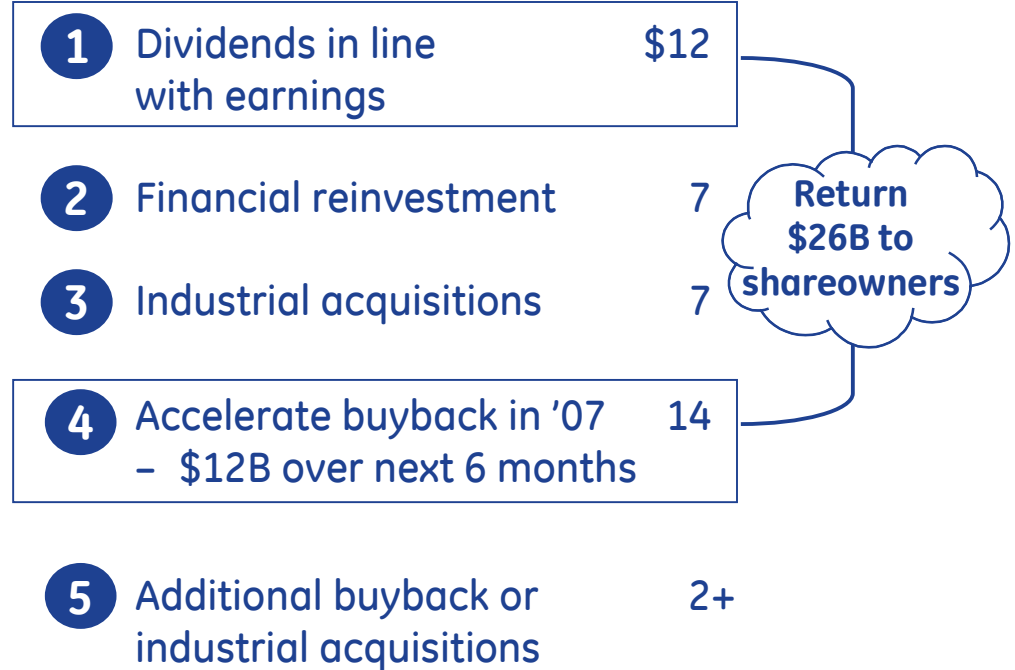
Available capital



Additional portfolio actions

- ✓ Focus on opportunistic value creation through dispositions

Allocation



Results

- ✓ Improved Company growth rate
- ✓ Increasing ROTC

U.S. labor update

Highlights

- Four-year contract
- Preserved GE management rights without a strike
- Fair agreement reached
 - Annual wage increases (3%, 2.5%, 2.5%, 3%) plus cost of living adjustments
 - Pensions ... targeted increases; special early retirement options ... expense reflected in 3Q estimate
 - Healthcare ... higher retiree per capita costs ... increased cost sharing
- Production new hires ... reduced subsidy for pre-65 retiree health; no post-65 coverage

National agreements ratified

- IUE-CWA 10,000 employees (Louisville, Lynn, Schenectady)
- UE 4,100 employees (Erie, Fort Edward)
- Agreements reached with other unions representing ~6,600 employees (IAM, IBEW, UAW)

GE Board approval pending

Good contract for GE employees & shareowners



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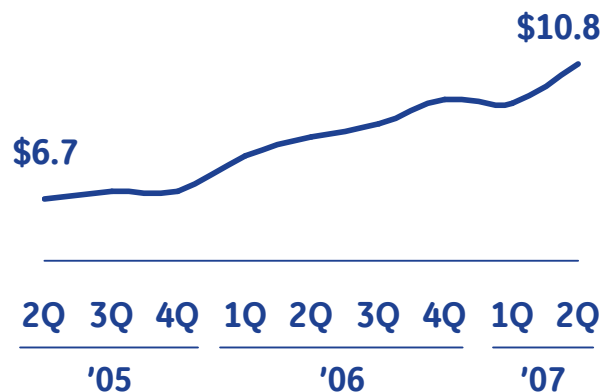
Orders

Major equipment

(V%)	1Q'07	2Q'07
Aviation	(10)%	30%
Energy	17	72
Healthcare	2	(2)
O&G	12	54
Transportation	(63)	F
Total major eq.	(2)%	54%

- ✓ Infrastructure +83% ... BNSF, Kuwait, Qatar, ANA
- ✓ Backlog strong \$44B, +53% vs. 2Q'06 ... added \$7B since 1Q'07

(\$ in billions - 4 quarter rolling average)

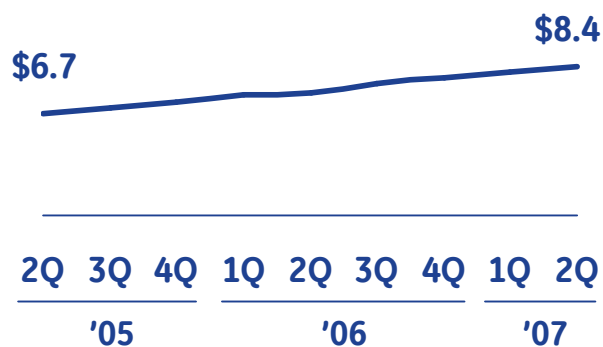


Services

(V%)	1Q'07	2Q'07
Aviation	36%	24%
Energy	(4)	5
Healthcare	6	3
O&G	41	27
Transportation	3	16
Total services	11%	11%

- ✓ Aviation strong ... spares rate \$18/day, +22%
- ✓ Double-digit backlog growth +18%

(\$ in billions - 4 quarter rolling average)

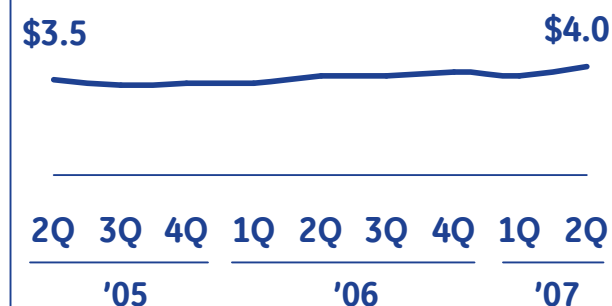


Flow ADOR

(Org V%)	1Q'07	2Q'07
Appliances	0%	1%
Lighting	12	17
Industrial Sys.	17	11
High-tech ind.	(2)	3
Total flow	5%	6%

- ✓ Appliances ... retail +6%, contract (8)%
- ✓ Lighting ... retail +29%

(\$ in billions - current quarter)



2Q total orders \$25B, +32% ... total backlog +\$18B vs. 2Q'06, +42%



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Financial Services

Margins

- Finance margin (4 quarter average)
- Risk adjusted margin (4 quarter average)

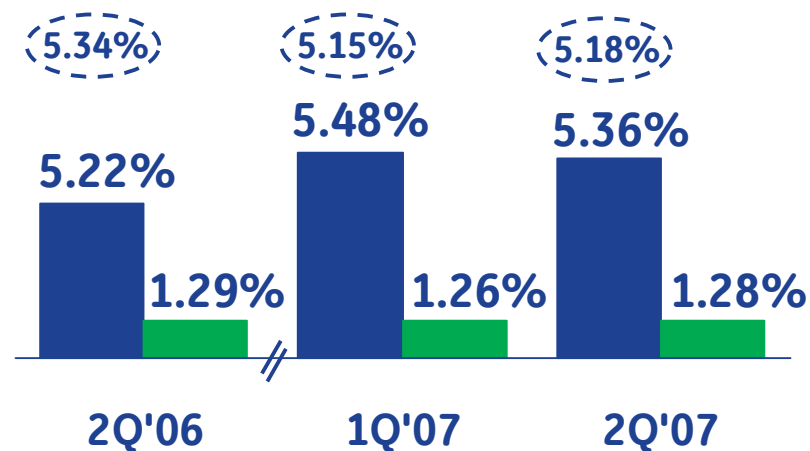


- ✓ Market liquidity continues to drive margin compression
- ✓ Earnings impact softened by
 - + Asset growth +20%
 - + Productivity
 - + Simplification/restructuring



Delinquencies

- GE Money
- Equipment Financing
- Ex. WMC

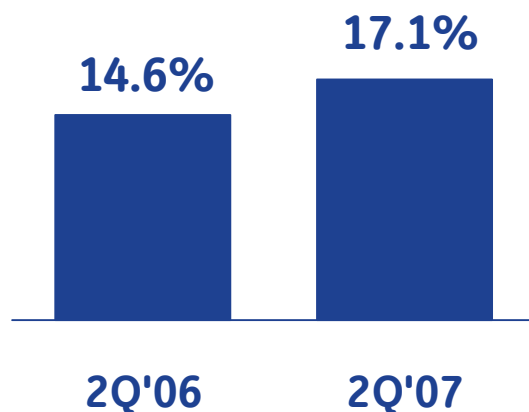


- ✓ GE Money – delinquencies impacted by WMC
 - Ex. WMC delinquencies 5.18%
- ✓ Equipment Financing – delinquencies remain near historic lows

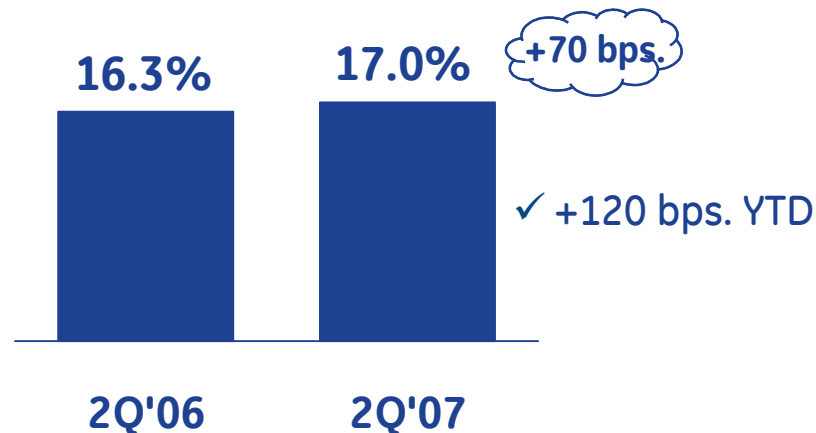
GE Industrial margins

(% = Industrial op. profit)

Total company margins



Segment op. profit



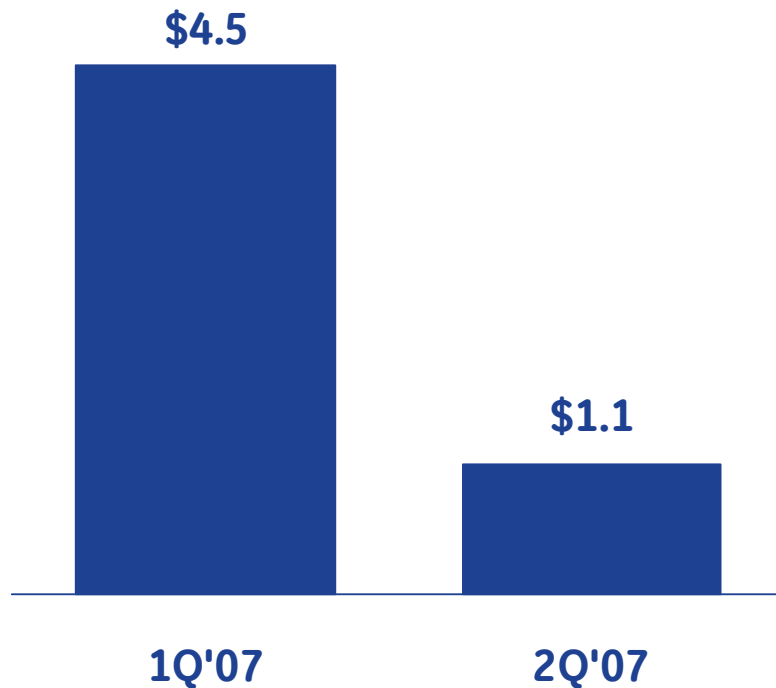
<u>Segment op. profit</u>	<u>2Q'06</u>	<u>2Q'07</u>	<u>V pts.</u>	<u>Comments</u>	<u>Revenue V%</u>
Infrastructure	16.1%	17.1%	1.0	Price & productivity > inflation	Equipment +36%
Industrial	8.9	9.6	0.7	Productivity, price gains	Services +13
Healthcare	19.1	17.7	(1.4)	DRA/OEC volume shortfall	
NBCU	22.9	25.0	2.1	Productivity, simplification	
Segment op. profit	16.3%	17.0%	0.7		
Corporate impact	(1.7)	0.1	1.8	Restructuring/other charges	
Total company	14.6%	17.1%	2.5		

✓ **Driving price, productivity, simplification**
- On track for +100 bps. for total year

WMC exit

(\$ in billions)

Loan portfolio



Actions

- 1 1Q Earnings Call ... we remained committed to business
- 2 Initiated biweekly operating rhythm with business team
- 3 Based on changes in marketplace made decision to exit business on June 1
- 4 Proactively sold \$3.7B/75% of loans to right size business for exit (\$182MM loss in 2Q); headcount down 70%
- 5 Business exit in process

✓ **Restructured for business exit**
- **Smart move to remove headwind & reduce future risk**

Restructuring/other charges

(\$ in millions after-tax)

GE-Hitachi JV gain → \$527

Funded in Corporate

Infrastructure	\$81
Commercial Finance	27
GE Money	80
NBCU	28
Healthcare	38
Industrial	168
	<u>\$422</u>

+

Funded in segment

GE Money	<u>\$161</u>
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By category in Corporate

1 Footprint reductions	\$94
GE Money (branch closures) Infrastructure (site consolidation)	
2 Organization realignment	38
NBC (Film & Network restructuring)	
3 Cost structure improvements	59
Healthcare (DI, simplification)	
4 Business exits	171
Industrial (ModSpace)	
5 Other items	60
Purchase accounting (IPR&D, inventory step-up)	
	<u>\$422</u>

+

By category in segment

4 Business exits	<u>\$161</u>
GE Money (WMC, \$3.7B asset sale)	

Average three-year payback ... ~6,300 YTD headcount reduction



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Second quarter consolidated results

(\$ in billions – except EPS)

Continuing operations

	<u>2Q'07</u>	<u>V%</u>
Revenues	\$42.3	12%
– Industrial sales	24.3	10
– Financial Svcs. rev.	17.1	11
Earnings	5.4	12
EPS – Continuing	.52	13
– Net earnings	.53	
CFOA YTD	11.6	(16)
– Industrial CFOA	6.9	11
	<u>2Q'07</u>	<u>YTD</u>
Tax rate	17%	17%
– GE (ex. GECS)	19	23
– GECS	13	11

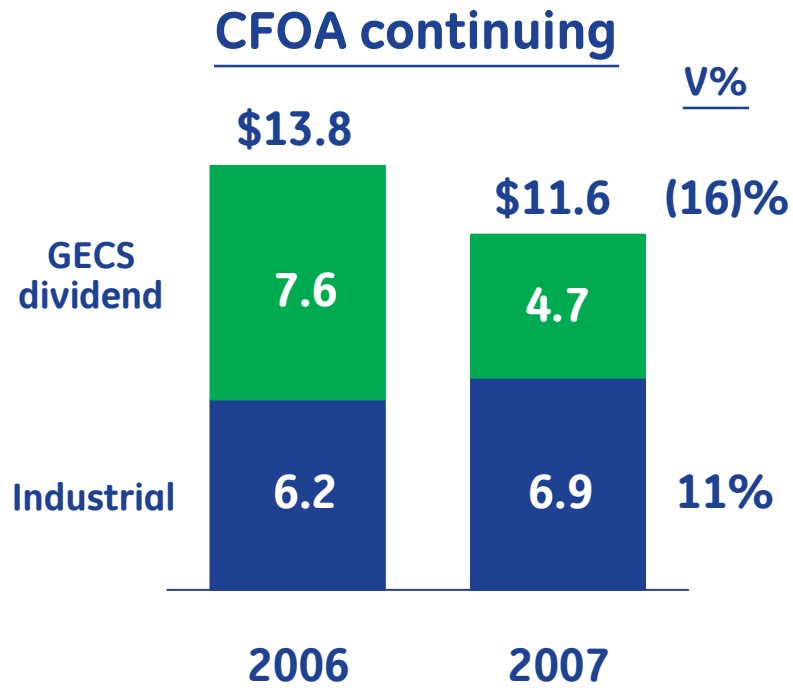
(\$ in millions)

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Infrastructure	\$13,913	23%	\$2,589	23%
Commercial Fin.	6,383	15	1,250	18
GE Money	6,145	17	952	8
NBC Universal	3,625	(6)	904	2
Healthcare	4,127	(1)	731	(8)
Industrial	6,220	(4)/5 ^{-a)}	482	1/10 ^{-a)}
(a- organic			<u>\$6,908</u>	<u>11%</u>

Strong performance

Second quarter YTD cash flow

(\$ in billions)



- GECS dividend \$4.7B, \$(2.9)B vs. '06
 - Regular GECS dividend at 40%
 - \$2.7B from Swiss Re stock & GE Life proceeds in '07 vs. \$5.7B GEIS & Genworth in '06

Cash balance walk

	<u>Total</u>
Beginning balance	\$4.5
CFOA	11.6
Dividends	(5.8)
Stock repurchase	(1.8)
P&E	(1.6)
Acquisitions/dispositions	(6.4)
Change in debt/other	<u>1.6</u>
June	<u><u>\$2.1</u></u>

Solid cash performance

2007 third quarter operations outlook

Continuing operations

	<u>3Q'07 outlook</u>	
	<u>Revenues V%</u>	<u>Segment profit V%</u>
Infrastructure	15+%	~20%
Commercial Finance	~10	~15
GE Money	~10	5-10
NBC Universal	0-5	5-10
Healthcare	~0	~0
Industrial	0-5	10-15

<u>Total company 3Q'07 outlook</u>		
(\$ in billions - except EPS)		
	<u>\$</u>	<u>V%</u>
Revenues	~\$42	~10%
Earnings	~\$5.5-5.7	+13-18%
EPS	\$.54-.56	+15-19%

<u>3Q gain/restructuring dynamics</u>	
✓	Plastics gain ~\$1.5 (net) → discontinued operations
✓	Evaluating restructuring opportunities - Programs may or may not qualify for discontinued operations
✓	Will update at September Infrastructure meeting

3Q'07 EPS guidance of \$.54-.56, +15-19%

Segment highlights – Infrastructure

(\$ in millions)

Infrastructure – 2Q'07

	<u>\$</u>	<u>V%</u>
Revenues	\$13,913	23%
Segment profit	\$2,589	23%

Key 2Q business results

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Aviation	\$4,109	25%	\$853	17%
Aviation Finc'l. Svcs.	1,088	11	266	(14)
Energy	5,140	16	894	30
Energy Finc'l. Svcs.	417	15	169	16
Oil & Gas	1,822	67	190	76
Transportation	1,109	11	218	32
Infrastructure				
(Ex. verticals)		23%		31%

2nd quarter dynamics

- Orders +50% ... equipment +83%, services +13% ... added \$13B backlog since 4Q'06
- Continued revenue growth
 - Aviation +25% ... services +18%; Smiths \$0.4B
 - Energy +16% ... equipment +23%, services +7%
 - Oil & Gas +67% ... equipment +86%, services +38%; VetcoGray \$0.5B
 - Transportation +11% ... services +24%
- Strong segment profit growth +23%
 - Industrial op. profit rate 17.1%, +100 bps.
 - Pricing & productivity outpacing inflation
 - Equipment revenues 2X+ service

3Q'07 segment profit dynamics

- Infrastructure businesses +15-20%
 - Broad-based strength
 - Continued op. profit leverage

3Q'07 outlook ... segment profit ~20%



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Segment highlights

(\$ in millions)

GE Money – 2Q'07

	\$	V%
Revenues	\$6,145	17%
Segment profit	\$952	8%
Assets	\$198B	17%

2nd quarter dynamics

- Asset growth +17% ... core growth in Europe +\$11B, Asia +\$2B
- Broad-based net income growth offsetting WMC & Japan
 - Europe core growth +26%
 - Americas Card & Sales Finance +29%
- Portfolio quality stable ... delinquencies at 5.18% ↓ 16 bps. vs. 2Q'06 (ex. WMC)

3Q'07 outlook ... segment profit +5-10%

Industrial – 2Q'07

	\$	V%	Org. V%
Revenues	\$6,220	(4)%	5%
Segment profit	\$482	1%	10%

2nd quarter dynamics

- Orders +10% ... C&I +8%
- Organic revenues growth +5%
- Segment profit growth +1%
 - C&I +14%, price > inflation & strong volume
 - Equipment Services (10)% ... dispositions

3Q'07 outlook ... segment profit +10-15%



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Segment highlights – NBCU

(\$ in millions)

NBCU – 2Q'07		
	\$	V%
Revenues	\$3,625	(6)%
Segment profit	\$904	2%

NBCU – 3Q'07 outlook	
	3Q
Revenues	+0-5%
Segment profit	+5-10%

Turnaround progress

- 1** Network
 - + Successful upfront ~\$4B ... integrated enterprise capability key
 - + Successfully monetizing hit shows
 - + Continued restructuring focus
- 2** Entertainment & Info. Cable
 - + USA #1
 - + Bravo YTD ratings +13%, SciFi +9%
 - + CNBC business day ratings +24%
 - + Strong ratings for MSNBC +34%
- 3** Film & Parks
 - + *Knocked Up, Hot Fuzz & Mr. Bean's Holiday*, strong performance and more than offset *Evan Almighty*
 - + Signed deal to license *Harry Potter* theme park in Orlando
- 4** Digital
 - + NewSite leadership in place ... 3Q launch
 - + Strong performance at NBC.com ... +300MM video streams since launch

Successful upfront ... progress on track

Segment highlights – Healthcare

(\$ in millions)

	2Q'07	
	\$	V%
Revenues	\$4,127	(1)%
Segment profit	\$731	(8)%

2Q highlights

- Orders flat ... services +3% partially offset by equipment down 2%
- Revenues: International +18%, Life Sciences +17%, Clinical +6% ... offset by weakness in DRA & OEC (6) pts. impact
- DRA & OEC had (19) pts. impact on segment profit growth

GE Healthcare dynamics

	2007				'08 outlook
	1H	3Q	4Q	TY	
OP	(3)%	~0%	~5%	0-5%	10-15%

Segment profit drivers (V pts.)

OEC	(7)	~(5)	~0-5	~(5)	Fav.
U.S. Imaging	(11)	(10)-(15)	(5)-(10)	~(10)	Flat
Balance of business	15	~15	~15	~15	~15

- ✓ DRA pressures continue but better comps & cost actions help to offset in 2H
- ✓ OEC expected to begin shipments in 4Q

3Q'07 outlook ... segment profit ~0%



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Segment highlights – Commercial Finance

Commercial Finance – 2Q'07

	\$	V%
Revenues	\$6,383MM	15%
Segment profit	\$1,250MM	18%
Assets	\$259B	26%

Key 2Q business results

	Assets (\$B)		Segment profit (\$MM)	
	\$	V%	\$	V%
Capital Solutions	\$110	21%	\$454	5%
Real Estate	62	41	476	43

2nd quarter dynamics

- Assets +26% driven by strong originations
 - CFS +23%, HFS +28%, Capital Solutions +21%, Real Estate +41%
- Revenues +15% ... driven by strong asset growth
- Segment profit +18%
 - Strong double-digit growth in Real Estate +43%, CF other +11%
- Asset quality stable ... delinquencies near historic lows

3Q'07 segment profit dynamics

- Strong volume & asset growth 20%+
- Stable asset quality

3Q'07 outlook ... segment profit +~15%



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Invest & deliver

✓ **We will deliver a solid, low-risk 2007**

✓ **We have high visibility to organic growth & margin expansion**

✓ **We will be disciplined in capital allocation**

Total year outlook

- + Infrastructure momentum
- + NBCU turnaround on track
- + Financial Services strength
- + \$2.0B+ net gains → restructuring
- + Deals on track

- + Organic growth at 2-3X GDP
- + 100 bps. of margin expansion improvement & momentum
- + GE using scale & intellect to drive performance ... global, services, eco

- + Dramatically improved portfolio in place ... sound fundamentals
- + High liquidity → tough minded & investor friendly

Total year 2007 EPS ... \$2.18-2.23, +15-17%



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