

Barclays Capital Industrial Select Conference

Keith S. Sherin
Vice Chairman & CFO

February 10, 2009

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 financial condition, 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 cause our actual results to be materially different than those expressed in our forward-looking statements include: the severity and duration of current economic and financial conditions, including volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; the impact of U.S. and foreign government programs to restore liquidity and stimulate national and global economies; the impact of conditions in the financial and credit markets on the availability and cost of GE Capital's funding and on our ability to reduce GE Capital's asset levels and commercial paper exposure as planned; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so; the soundness of other financial institutions with which GE Capital does business; the adequacy of our cash flow and earnings to maintain our quarterly dividend at the current level; the level of demand and financial performance of the major industries we serve, including, without limitation, air and rail transportation, energy generation, network television, real estate and healthcare; the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks; strategic actions, including acquisitions and dispositions and our success in integrating acquired businesses; and numerous other matters of national, regional and global scale, including those of a political, economic, business and competitive nature. These uncertainties are described in more detail under "Risk Factors" in our Current Report on Form 8-K dated October 1, 2008 and our Quarterly Report in Form 10-Q for the quarter ended September 30, 2008. We do not undertake to update our forward-looking statements.



imagination at work

Agenda

- ✓ Safe & secure
- ✓ GE Capital
- ✓ GE Industrial
- ✓ Wrap-up

Yes, I will discuss the framework, the rating & the dividend



imagination at work

GE has responded to this incredibly challenging environment by making the Company more safe & secure

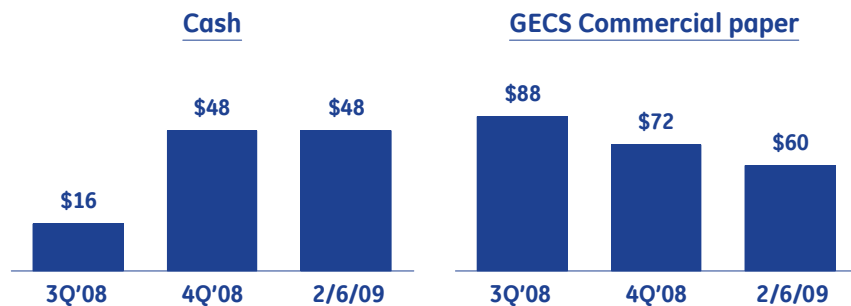
- ✓ Dramatic strengthening of cash & liquidity position
- ✓ Reduced financial leverage
- ✓ Pre-funded 2009 long-term debt needs
- ✓ Reducing costs



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Cash & liquidity

(\$ in billions)



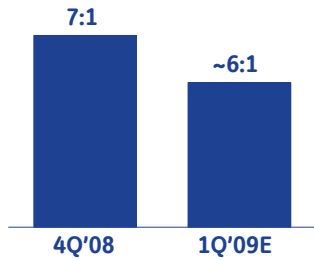
- ✓ Effectively managing originations & collections
 - Reduced ENI excluding cash by \$47B in 4Q
 - Minimum average ROI 2.5% on all new commercial volume
- ✓ Growing alternative funding
 - 2 U.S. banks, 13 overseas wholly-owned banks
 - Deposits up \$25B in 2008 & plan for ~\$25B more in 2009
- ✓ Complete refunding of CPFF 2/9/09



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Leverage & funding

GE Capital Corp. leverage^{-a)}

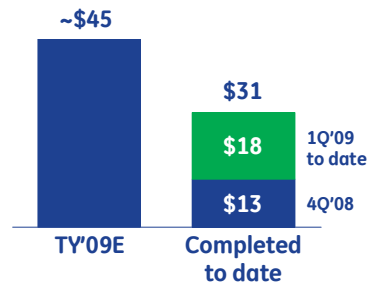


Tangible book leverage^{-b)} 17X 14X

- ✓ Infused \$5.5B cash into GECS 4Q
- ✓ Board approved plan to infuse \$9.5B into GECS 1Q'09

^{a-} debt net of cash & includes hybrid equity
^{b-} total borrowings/equity less goodwill & intangibles

Long-term debt issuance plan



- ✓ Long term debt issuance ahead of plan
- ✓ ~69% of '09 funding needs complete
- ✓ Non-FDIC guaranteed debt issued in Jan.
- ✓ \$126B guaranteed debt capacity under TLGP

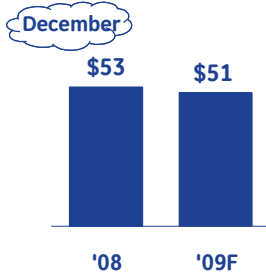
Leverage commitments and debt issuances ahead of plan



Cost focus ... more & sooner

(\$ in billions)

Direct material



- ✓ Deflation & exchange favorability
- ✓ Reenergized global supply chain

Better

Base cost



- ✓ Proactive restructuring
- ✓ Headcount reduction
- ✓ Lower spend rates

Done

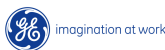
Indirect cost



- ✓ Sourcing deflation (7)%
- ✓ Headcount impact on indirect spend (3)%

More planned

Substantial reduction in '09 cost



'09 operating framework

	<u>'09F</u>
Revenues	0-(5)%
Industrial segment profit (ex. C&I)	+0-5
Capital Finance earnings	~\$5B
Corporate cost/C&I	Flat

- ✓ Reflects operating plan for leadership teams for 2009
- ✓ Established a framework in December ... acknowledging tough environment with low visibility
- ✓ We are not giving guidance ... will give full transparency to actuals every quarter

GE Capital Finance

(\$ in billions)



Our focus

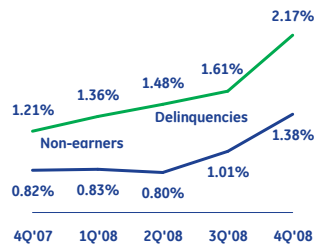
- 1 Strengthening liquidity and reducing leverage
 - Strong cash position and ↑ alternative funding
 - ~69% of 2009 long term debt issuance completed
- 2 Managing credit cycle
 - Monitoring real estate portfolio closely
 - Planning for tougher loss environment
- 3 Supporting customers through new origination
 - \$48B in 4Q ... plan for \$150-200B in '09
 - Focus on mid-market, verticals, consumer

- ✓ Mike Neal & team are running GE Capital Finance based on this plan
- ✓ Strategic shift underway ... repositioning GE Capital as a well funded, smaller finance company

Capital Finance portfolio quality

(\$ in millions)

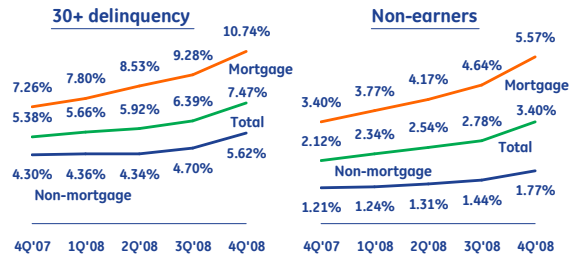
Commercial



Drivers

- ✓ Continued delinquency pressure across most portfolios
- ✓ Non-earners +37 bps. vs. 3Q'08
 - Driven by senior secured loans ... expect significant recovery

Consumer



Drivers

- ✓ NA unsecured & U.K. mortgage markets deteriorate further
 - Delinquencies +108 bps. vs. 3Q'08 ... NA +64 bps., U.K. +29 bps.
 - Non-earners up 62 bps. vs. 3Q'08 ... NA +17 bps., UK +28 bps.
 - Lower volume impacting rate ... mortgage down 69%
- ✓ Mortgage loss rates rising but remain low
 - 4Q'08 write-offs of \$109MM ... 0.67% of financing receivables
 - Current portfolio LTV at 76%, plus insurance coverage
 - UK repo stock flat vs. 3Q'08



Provision for losses & reserves

(\$ in billions)

Provision for losses (pretax)



Consumer

- ✓ U.S. Card & Sales Finance
 - Increased reserves by \$0.5B in 4Q
 - Coverage rate +178 bps. to 6.15%
 - Reserves/non-earnings 224%
- ✓ Mortgage
 - Coverage rate ↑ 56% to .64%
 - Reserves/non-earnings 11.5%
 - Average LTVs 76%

Reserves



Commercial

- ✓ Reserves increased by \$0.4B in 4Q'08
 - Coverage rate ↑ 40% to .74%
- ✓ Well underwritten portfolio of assets & strong asset management capabilities

Cov. 2.44% 2.36% 1.85% 1.42% 1.21% 1.10% 1.41% 1.96%

(a- excludes FX impact)

Raised loss estimates in planning scenario to \$10B - run rate lower



Consumer reserves – comparison

U.S. card analysis

As of 4Q'08 ^(a)	GECC	JPM	BOA	Citi	Disc'v
• Reserve coverage (%)	6.2	7.3 ^(b)	5.8	4.8	5.5
• Allowance/90+ (%)	224	314 ^(b)	183	146	252

- Reserve coverage consistent with peer group
- PLCC lower severity - smaller balance accounts
- Retailer arrangements provide for P&L sharing ... true-ups flow through revenues

(a) - Using earnings data
 (b) - JPM 4Q incl. WAMU, ex. WAMU coverage @ ~6% & allow/90+ @ ~250%

Mortgage analysis

As of 4Q'08	GECC	BOA	Citi
• Loans (\$B)	60	376	197
• Non-accrual (%)	5.6	3.0	5.7
• Coverage (%)	0.64	0.56	N/A
• Avg. LTV (%)	76	71	N/A

- BOA & Citi largely U.S. mortgage portfolios ... GE Capital Finance all non-U.S.
- GE Capital Finance – extensive mortgage insurance for mortgages above 80% LTV at origination ... ANZ 100%, U.K./France generally MI of LTV > 80%

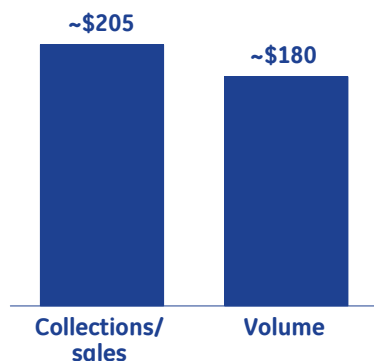
Reserve coverage in line with peer group ... tough to ID direct comparables



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2009 originations & collections

(\$ in billions)



Originations

- ✓ In 4Q'08 GE Capital extended \$21.8B of credit to 56MM U.S. customers, & \$7.7B of credit to U.S. companies
- ✓ Planned global volume: ~\$125B consumer including revolving, ~\$55B Commercial
- ✓ Manage run-off business down by \$60B+ by 2012 (~\$12B in 2009)
- ✓ Use some capacity defensively to protect positions in R/E and GECAS
- ✓ Platform sales potential upside to volume and/or collections

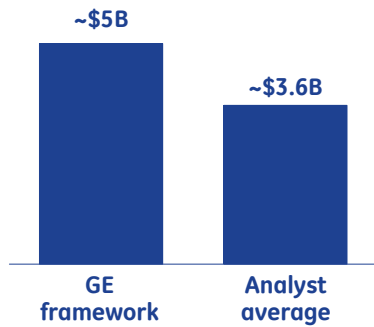
- ✓ Originating ~\$55B Commercial volume at average ROI 2.5%
- ✓ Using run-off book to fund additional growth



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Analyst consensus that GE Capital will be lower than our framework for 2009

(\$ in billions)



"Expecting provisions of \$14B"

"GE provision estimate at \$10B too low"

"\$5B earnings target best case scenario"

"Impairments could exceed '08 levels"

- ✓ GE not giving guidance ... acknowledge range of outlooks
- ✓ It's February ... let's give the year time to play out

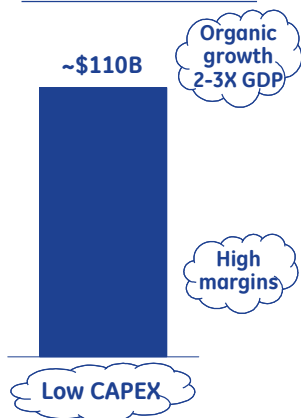


Industrial business model

(\$ in billions)

Industrial revenues

Built for cycles



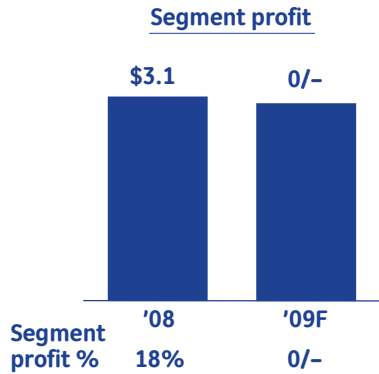
- ✓ Market leadership
- ✓ Diversified revenue streams
- ✓ Services ~70% of profitability
- ✓ Positioned in themes that society cares about
- ✓ ~\$50B in R&D since 2000
- ✓ Can capitalize on lower material cost
- ✓ Financial Services verticals

GE in businesses where we can influence our own destiny

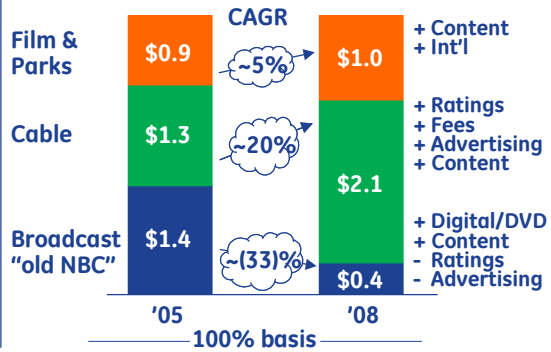


NBC Universal

(\$ in billions)



Significant benefits of diversification & integration



Tough media environment (4Q'08 earnings results) ^{-a)}

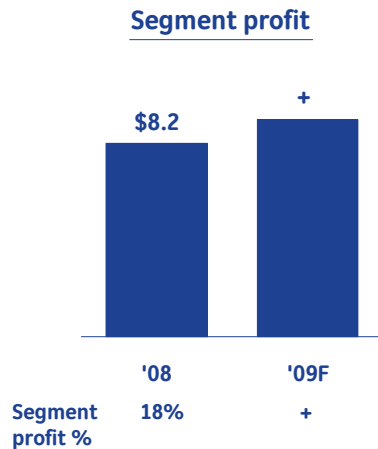
- ✓ NBCU (6)%
- ✓ Time Warner (8)%
- ✓ News Corp. (42)%
- ✓ Disney (32)%
- ✓ Viacom (14)%
- ✓ CBS (19)%



^{a)} 4Q'08 results or most recently reported quarter
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Technology Infrastructure

(\$ in billions)



Dynamics

- Impacted by economy ... lower demand
- Credit impact on hospitals, airlines
- + Strong services & adjacencies growth
- + Global diversity/customer diversity
- + Strong backlog
- + Strong pipeline of critical products
- + Healthcare headwinds → tailwinds
- + Verticals help

Markets are tough ... service & cost are mitigants

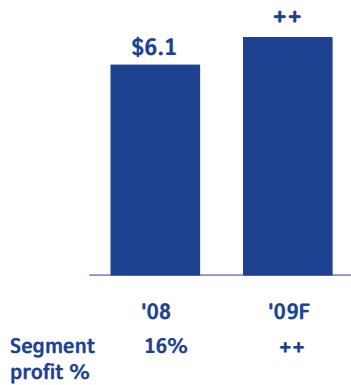


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Energy Infrastructure

(\$ in billions)

Segment profit



Dynamics

- Oil at \$40
- Financing impacts some segments
- + Services remain robust
- + Winning in right products ... gas & wind
- + Strong backlog ... global diversity
- + Margin expansion in all products
- + Positioned for government programs

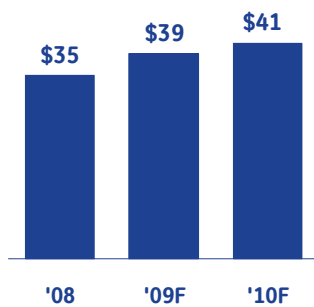
Expect cancellations ... mitigants are service, global government investment & cost



Service growth is a competitive advantage

(\$ in billions)

Service revenues



- ✓ ~30% margins
- ✓ ~\$130B backlog by end '09

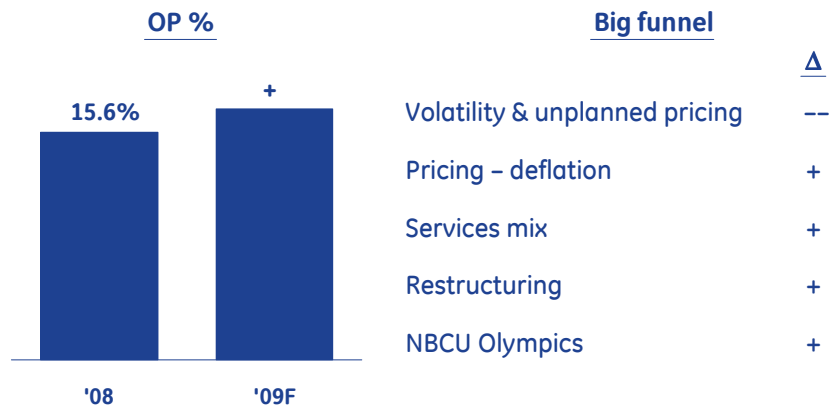
Dynamics

	'08 orders	'08 revenue	
Aviation	10%	7%	+ IB growth + Cycles + Product delays
Energy	7	11	+ IB growth + Margins
Transportation	18	7	+ Global growth + Environment
Healthcare	7	7	+ Outsourcing + IB upgrades
O&G	25	28	+ IB growth

~\$8B of net income ... customer based



Margin expansion

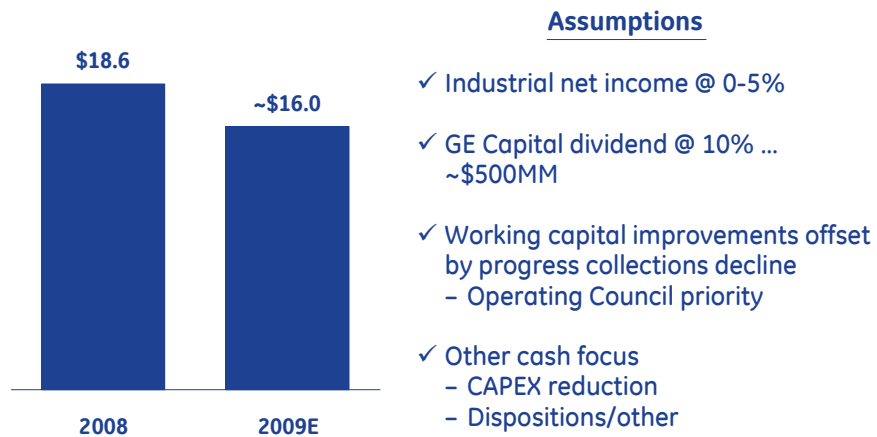


Margin dynamics positive in '09



Total cash generated

(\$ in billions)



Leadership team focused on cash generation



Stimulus strong

Liquidity

- Second \$350B TARP tranche authorized in January
- Treasury/Fed will use for Financial Institutions
- Extension of Fed programs on Feb. 3 including Commercial Paper Funding Facility
- Working extension of Temporary Liquidity Government Program
- Numerous global initiatives - U.K. (insurance), France, Germany, Japan

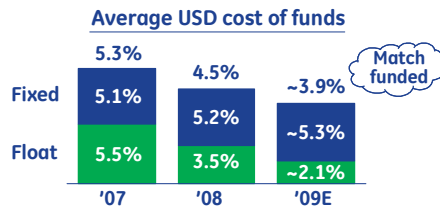
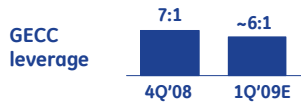
Stimulus

- U.S.: ~\$819B passed by House, pending in Senate - significant opportunities in renewable energy, Healthcare IT & Water
- Numerous state and green building grant programs ... plant modernization
- Global: \$1.2T+ in announced programs ... tax, social, infrastructure and green projects
 - Significant opportunities in China, Japan, Germany, France, U.K. and other major industrial countries

- ✓ Stimulus programs should help ... massive response
- ✓ GE aggressively pursuing advocacy and project opportunities



Credit rating ... We run the Company to be a Triple A



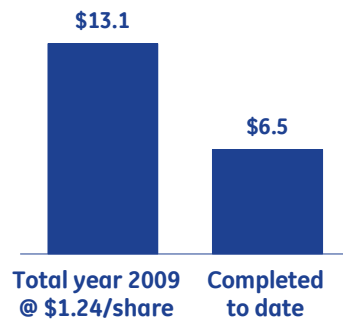
- ✓ Already completed actions to make GE safer in this environment
- ✓ All Financial Services are under ratings pressure ... we will work constructively with the agencies over the next weeks/months
- ✓ Prepared to operate Company at less than Triple A if necessary



Capital allocation

(\$ in billions)

Common dividends



- ✓ Paid January dividend @ \$.31/share
- ✓ Board approved April dividend @ \$.31/share



"The Board and I believe that it is in the best interests of the Company's shareowners to continue to pay an attractive dividend. The Board and I will continue to evaluate the Company's dividend level for the second half of 2009 in light of the growing uncertainty in the economy, including U.S. government actions, rising unemployment and the recent announcements by the rating agencies. Our fundamental priorities will remain keeping the Company safe and secure in the current environment and investing in attractive growth opportunities."

**GE Chairman and CEO Jeff Immelt
February 6, 2009**

Summary



Running GE

- 1 Intensified management processes**
 - ✓ Redefined Operating Council & Capital BOD
 - ✓ More frequent rhythm
 - ✓ New compensation tools
- 2 Diversified & protecting revenues**
 - ✓ Services provide foundation
 - ✓ Global diversity
 - ✓ Invest in R&D/content
 - ✓ Financing available
- 3 Increased cash focus**
 - ✓ Strong working capital results
 - ✓ Equity raise
 - ✓ Focused reduction in assets
- 4 New Financial Services business model**
 - ✓ Smaller, more focused
 - ✓ Business exits
 - ✓ Funding secure
 - ✓ Risk reduction
- 5 Lowering cost**
 - ✓ \$1.5B restructuring & other charges
 - ✓ Deflation accelerating
 - ✓ Fewer people ... less spending
- 6 Positioned for stimulus**
 - ✓ Global ... company-to-country
 - ✓ Renewables/Smart Grid
 - ✓ Healthcare IT

Focused execution



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Strategic moves have dramatically improved the Company's position

+++s

- ✓ Exited mortgage insurance, bond insurance, life insurance, long-term care insurance & reinsurance
- ✓ Exited Plastics, Silicones & Structured Products
- ✓ Exited U.S. mortgage as soon as we recognized the issues

-s

- ✓ Yes, our Real Estate business is larger than we want in this environment, but we can manage through
- ✓ Shouldn't have gotten into U.S. mortgage in the first place

Positive portfolio risk management for investors



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GE long-term performance

(\$ in billions)

Total Company – continuing earnings^{a)}



	Company		
	5-year	10-year	15-year
Revenues	12%	8%	9%
Earnings	7	10	12
Cash flow	10	7	9

Valuation: GE vs. S&P 500 P/E

	Today	5-yr.	10-yr.	15-yr.	20-yr.
GE premium/ (discount)	(20)%	5%	13%	13%	6%

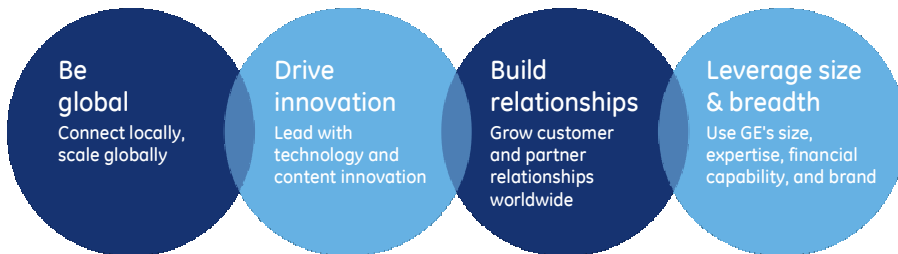
(a- adjusted for Plastics, Adv. Materials & Insurance recasts)

Performance through cycles



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Create value through scale



- ✓ 53% revenues outside U.S.
- ✓ Source 45% globally
- ✓ Operate in 100+ countries
- ✓ 3 global R&D centers
- ✓ Company-to- country

- ✓ ~\$50B R&D this decade
- ✓ 2,000+ patents/year
- ✓ 40,000 engineers
- ✓ 100+ IB projects
- ✓ Leading cable content provider
- ✓ Win in big themes

- ✓ \$121B services backlog
- ✓ Driving customer productivity
- ✓ Launched Mubadala JV
- ✓ Positioned to deliver solutions to stimulate U.S. & global economies

- ✓ Company-to-country
- ✓ Generate strong cash flow
- ✓ Margins > peers



Experienced world-class leadership team

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