

General Electric Annual Shareowners Meeting
April 22, 2009

Corporate Speakers

- Jeffrey R. Immelt General Electric Co. CEO
- Keith S. Sherin General Electric Co. SVP, CFO
- Brackett B. Denniston General Electric Co. SVP, Secretary, General Counsel

PRESENTATION

Jeffrey R. Immelt: Good morning. Welcome to Orlando and GE's 2009 Annual Meeting. I'm Jeff Immelt, Chairman of the Board of GE, and here with me are Keith Sherin, GE Vice Chairman and CFO, and Brackett Denniston, our General Counsel.

I asked that you join us in Orlando because we have a great business here run by Tom Williams' talented Universal Studio's team. If you have time after the meeting you should head over to the park. There's a discount pass on each of your seats.

I was at University High School yesterday and I met some great kids from GE and NBC we're lucky to work with. Principal [Doug Guthrie] runs a program he calls 'Global Technologies.' It's four years of rigorous study in science, math and technologies. It's a great example for the city and the state and the United States and we need more programs like it. GE will continue to support risk takers like Principal Guthrie and the big dreamers he has on campus.

Florida is the sunshine state, but yet economic storm clouds are casting a deep, lingering shadow across the US and global economies. 2008 was tough and 2009 is also going to be tough. It's simply difficult to predict how bad this will be and how long it will last. I think that the global economy and capitalism itself have been fundamentally reset.

In my GE career I've seen good times and bad, but what's unique about GE is that we make it through every economic cycle. There will be turbulence, don't get me wrong. But we will emerge into a brighter tomorrow where we truly build the future.

We saw some signs of that Monday in Miami. GE, Cisco and Florida Power & Light announced a partnership to bring Smart Grid technology to the city. This investment will save money, lower greenhouse gas emissions, and create jobs. This is exactly what needs to happen right now to pull us out of this recession. We need new investments in technologies that solve some of the world's toughest problems.

I'm advised that this meeting is properly convened, that we have a quorum and that the proposed resolutions set forth in the proxy are filed as part of these proceedings. We've

received proxies representing 80% of the more than ten billion outstanding shares eligible to vote and the Management Proxy Committee has voted these shares in accordance with shareholder wishes.

It is now my privilege to introduce members of your Board of Directors who are with us today. I'm going to ask each Director to stand briefly as I introduce them so you can see who they are and then I'll ask them to stand again as a group to be recognized.

Sandy Warner, former Chairman of the Board, J.P. Morgan Chase. A Director since 1992. Sandy is Chairman of the Audit Committee. Claudio Gonzalez, Chairman of the Board, Kimberly-Clark of Mexico. Has been a Director since 1993. And Claudio is Chairman of the Corporate Governance Committee. This is Claudio's last meeting.

Roger Penske, Chairman of the Board, Penske Corporation. A Director since 1994. Sam Nunn, former four term senator from Georgia, Co-Chairman and Chief Executive of the Nuclear Threat Initiative. A Director since 1997. Sam is Chairman of our Public Responsibilities Committee. Jim Cash, Emeritus James E. Robison Professor of Business Administration, Harvard Graduate School of Business. A Director since 1997.

Andrea Jung, Chairman of the Board and Chief Executive Officer of Avon. A director since 1998. Ann Fudge, former Chairman and Chief Executive Officer, Young & Rubicam. A director since 1999. Rochelle Lazarus, Chairman and Chief Executive Officer, Ogilvy & Mather. A director since 2000.

Ralph Larsen, former Chairman of the Board and Chief Executive Officer, J&J. A director since 2002. And Ralph is presiding director and Chairman of the Management, Development and Compensation Committee.

Bob Swieringa, Professor of Accounting and former Dean, Johnson Graduate School of Management, Cornell University. A director since 2002. Bill William, a former Vice Chairman of GE, now Chairman of the Welcome Trust. A director since 2004.

Bob Lane, Chairman of the Board and Chief Executive Officer, Deere & Company. A director since 2005. Susan Hockfield, President of MIT. A director since 2006. James Mulva, Chairman, President and CEO of ConocoPhillips. Mr. Mulva's a nominee for the Audit Committee this year.

I would also like to ask Mike Neal, John Rice, and John Krenicki to stand. They're Vice Chairmen of GE, as is Keith Sherin, who is here at the desk with me now. Please join me in applauding our Board of Directors and our Vice Chairmen. They work hard in your interest every day.

And now for the second item on the agenda -- a report on the company operations. You know we're living through history and I don't mean that in a positive sense. The period from 2007 to 2009 will go down in history as the worst recession since the Great Depression. The macro environment has been brutal. Government actions have helped to stabilize the environment in the capital markets. In addition stimulus programs are being implemented around the world to provide trillions in new investments.

Within a recession, at times like these it's difficult to predict how bad and for how long. We're running GE to weather this cycle but also believe we're going through more than a cycle. The global economy and capitalism will be reset in several ways and it's important that GE is positioned to lead in this reset world.

Given the extraordinary environment, I thought we would handle the presentation differently this year. First our Chief Financial Officer Keith Sherin will review the challenging environment and the actions we've taken to protect the company. And then I'll outline the actions we are taking to position GE for the long term. So Keith?

Keith S. Sherin: Thank you, Jeff. Well good morning, everybody, and welcome to our annual meeting. As Jeff said my name is Keith Sherin. I've been with GE for 28 years and the last 10 years I've been the CFO of the company and I can tell you the last seven months have been the toughest time of my business career. And I think GE (inaudible) team would agree with that.

And what I'd like to talk about this morning is to just share a little bit about what we've been operating, tell you a little bit about the actions we've taken and share some comments on our performance. And then I'm going to turn it back over to Jeff and we're going to talk about how we're going to grow this company going forward.

We are now in a recession and our house prices have declined 30% from peak to trough. Unemployment is at 8.5% and continuing to rise. And as Jeff said we're in a negative GDP globally for the world in the first quarter and that this is the worst economic situation that we've dealt with as a country and a world in 80 years.

But the heart of that economic problem is the financial crisis. And you're familiar with this as well as everybody has reported the US financial institutions have recorded about \$500 billion worth of losses so far and the estimates are that globally there's been \$1.5 trillion of losses, including those US losses, and the estimates are that these are going to continue to climb and that's really affected the financial services industry.

If you're looking at the companies on the right side -- companies that have been around 50 and 100 years -- have either gone bankrupt or they've been forced into a combination with

another stronger player, or they're basically run by the government today. So there's been a massive reset in the financial services world as a result of this crisis.

And another indicator of the financial crisis is the stress in the capital markets. And when I say capital markets, I'm talking about the ability for companies to borrow money or the ability for companies to sell assets and create liquidity, and those markets have really locked up. Pre-crisis an indicator of that would be that the companies in this world were issuing about \$30 billion of debt a month to fund themselves and fund their operations. And post-crisis without the help of some of the government programs that Jeff mentioned we're down to \$2 billion a month. So there's really a lot of liquidity that's left the system and it's created a lack of flexibility for companies on how they operate themselves.

Now the right side there's a lot of financial institutions that are still here and still strong. The three companies at the top -- American Express, Morgan Stanley, Goldman Sachs -- they've had to convert to become bank holding companies in this environment to get themselves connected to the protections that the Federal Reserve offers. And the other financial institutions as you know -- the large banks -- JP Morgan, Bank of American, Wells and Citi -- have also had to participate in the government programs where they received equity to help them to come through this cycle.

So a couple points about GE that I'd like to make.

Number one, we are participating in a government loan program, but we pay the government for the right to do that and we've paid about \$1.3 billion so far so that's actually money the taxpayers are making by having GE participate in that program. Number two, we haven't had to convert to a bank holding company. And number three, we haven't taken any government equity. We've been able to retain our independence and manage the company with our own resources.

Now one of the biggest stresses we've had in the company is in GE Capital. We went from earning \$12 billion in 2007 to about \$8 billion last year. A couple of points I'd like to make about what we don't do in GE Capital. We don't underwrite all the acronyms that you've read about that are dangerous and risky -- CDOs, CLOs and SIVs.

We did not write and sell any credit default swap insurance which is the set of financial instruments you've heard about associated with AIG's collapse. We directly underwrite our loans. We are a senior secured lender. We make loans to consumers and we make loans to companies and we do it one on one with individual underwriters and we underwrite those loans to put them on our books and hold them. We don't package them up and sell them to third parties and we differentiate ourselves with conservative funding.

So you know GE Capital earnings are going to continue to be under pressure for us, but we expect GE Capital to be profitable in 2009. Now the toughest decision we've had to make in

the last seven months has been around the dividend and as all you know we made a commitment in the end of the fourth quarter of 2008 to keep the dividend flat in 2009.

And what changed from that point with our forecast and our commitment -- the world got a lot worse. Unemployment spiked in January and has continued to spike -- that was worse. The capital markets really locked up in February and made it tough for us to fund ourselves -- that was worse. The loss expectations of GE Capital rose as the consumer credit cycle got worse and the commercial credit cycle is getting worse we looked at the GE Capital results and said we're going to have more risk here, it's going to affect our results.

The government announced a stress test for the banks and that's put some additional stress in the system. And finally, with the global recession, our industrial outlook also got softer. So you know we weren't alone here. In 2008 there were 62 companies in the S&P 500 who had to cut their dividend and there's already been 50 companies that have cut their dividend in 2009.

You know we were fortunate to be able to keep the dividend at \$0.31 for the first half of the year. We're going to make the second payment in April. And we recognize how tough a decision this was to move to \$0.10 a share starting in the third quarter, but you know the environment has just been really tough and we thought it was important to protect the franchise and we know how important that decision has been. It's affected a lot of you and we're working hard to make sure we improve this going forward.

The other thing that I want to talk about was our earnings performance. Even in this tough environment we have out performed on a relative basis. Our industrial earnings last year were up ten percent. If you look at our peer group in the S&P 500 they actually had negative earnings last year. And GE Capital, while its earnings were down 29%, definitely out performed the financial institutions that it's compared against. So the performance, while relatively out performing, was still less than what people expected and what we expected. And it's a tough environment.

We're happy to say last week we reported our first quarter earnings and we delivered a \$0.26 a share performance against a \$0.21 a share consensus, so we beat consensus. Our infrastructure business continues to perform very well. We had double digit earnings growth. And the Capital Finance team earned \$1.1 billion in a really tough environment.

We're continuing to operate the company with intensity. We're taking out costs to make us more competitive. We're going to have a tremendous service business that will continue when we've built a real backlog of equipment. \$170 billion of services and equipment around the world and we've got good cash performance.

So you know our performance on a relative basis should continue to out perform in '09, but that's not enough in this tough environment. Obviously with a global recession and a tough financial crisis, equity markets all around the world have been impacted. You can see the world equity index is down 43% if I go back to last year's annual meeting to today, and as you look around the globe there isn't anyplace in the world that hasn't been impacted. Over \$30 trillion of wealth has been destroyed by this global crisis and that's impacted everyone around the world and it's certainly impacted our stock.

If you do an index -- again go back to last year's annual meeting and you go forward to today -- you can see that the GE stock is down 64%. It's a little worse than our industrial peers which are down 50% and it's a little better than our financial peers that are down 71%. At the end of the day the concerns about GE Capital have certainly been weighing on our stock.

You know we're up off the lows in March which we feel really good about. We're up 15% since March 19th when we had a huge meeting to talk about GE Capital and give a lot of transparency and disclosure to our investors. But at the end of the day, the stock performance in 2008 and 2009 is disappointing to all of us, but it's not like it's an isolated GE event here. We're really dealing with a global financial crisis.

Now one thing I am really proud about -- about the performance of GE in the last 12 months -- is that we continue to focus on making sure the company is safe and secure. A couple indicators of that are our cash balances. When we finished the third quarter last year in September we had \$16 billion of cash in the entire system. That's a lot of money -- \$16 billion. But in world with this much uncertainty we felt we needed to have more liquidity to protect ourselves against additional disruption.

Today we're running the company with \$47 billion and that makes us a lot safer. On the right side, another indicator that we're safer is we've been able to reduce our debt balances in GE Capital. We've taken our balance from \$549 billion down to \$500 billion, and while we've done that we've also reduced our reliance on short term debt called commercial paper by \$30 billion. So we've raised our cash balance and reduced our debt balance, and along the way we had some tough decisions.

We raised equity last year in the fourth quarter -- that's helped us to be a lot stronger. \$15 billion of cash and capital have made us stronger. We've cut the dividend -- a tough decision but in the end of the day that will save us \$9 billion to protect us against further disruptions in these capital markets.

And along the way we lost our Triple A rating but we retained a very strong Double A -- Double A plus rating with a stable outlook which is important for us to operate this company as we go forward.

So in closing we're obviously a big company and when the whole world had a systemic failure we were going to be impacted and we were. GE Capital, while under stress today, is a really good business. We got great franchises and great people and when we come out of this crisis we're going to be smaller, we're going to be more focused on connecting GE Capital to the things that GE does really well, and we're going to be competitively advantaged. We feel good about where we're going to be when we come out of this.

We've made some really tough decisions over the last year. I can tell you the decision to cut the dividend, between Jeff and I, was the toughest decision we've ever wrestled with. We had amazing debates with the Board. We did a lot of analytical work. At the end of the day, the right decision for the franchise was to protect the franchise even though that was a tougher decision for us from a reputation and how we have made our previous commitments.

So we feel terrible about it, but it's the right thing to do. And at the end of the day leaders have to adapt and change and make tough decisions that are right for the franchise. And we know we've got to earn your trust back with good performance, and we're focused on keeping GE safe and secure as we do that. So with that I'd like to turn it over to Jeff and he's going to talk to you about where we are going forward. Thank you.

Jeffrey R. Immelt: Great, Keith. Thanks. So it's important that we make it through this cycle. It's important that we had to make adjustments with what happened in 2008. But equally important is positioning the company for the long term to generate cash and earnings that will continue to grow in the future. And that's going to be the cash and the earnings that build the stock price, build the dividend, and positions GE.

You know I'm an American. I'm 53 years old. And I'd say if you'd study the history of this country there's been a recession about every ten years. The country has gone through nine or ten or eleven recessions since 1900 and that means the housing prices cycle, the credit markets cycle, unemployment goes up and down, there's certain things that go with the cycles of the economy. And that's going on today.

But there's more than that. There's going to be a reset. A reset takes place every generation. That's what happened in the 1930s. We believe that that's what is happening right now. The financial services industry will never be the same. The role of government is going to increase. The amount of wealth that's created in the economy and gets transferred around the world will change, and the way the things you have to do to build reputation and trusts.

So we've got to both get through this cycle, but also we've got to position the company to thrive in a reset world. Simply put you know there's five things we think about with the Board

and the management team in terms of how do you both get through the cycle and then how do you build the franchise over the long term.

We want to build strong businesses. We want to invest in growth through technology and services and globalization. We want to position the company to win in the key essential themes of the 21st Century. We want to drive competitiveness, being low cost and generating cash is really important. We want to commit to people -- both retirees and current employees -- to build strong leaders and a loyal team. And that's simply what we work on, that's what we try to do, and that's how we try to execute in this world.

As you think about strong businesses, the company really is organized in four big businesses -- energy infrastructure, technology infrastructure which includes the aviation business, the healthcare business and others, GE Capital and NBC Universal. And this shows you the way that these businesses have led and grown over a 15 year time period between 1993 and 2008.

So we've been -- we're in a recession right now and growth is going to be tough, but over long periods of times and different cycles, our businesses have been able to satisfy customers, generate cash for our investors, and generally execute in a pretty good fashion. And we think that's a pretty good portfolio both today and into the future.

You know Keith talked about the need to make GE Capital smaller -- that's what we're in the process of doing. We're going to do it by exiting some of the product lines we have on a global basis, but GE Capital is still going to be an important part of the company going forward. It's going to be more connected with GE.

We do a lot of things like leasing aircraft that really do a good job of having a total GE look. We do a good job with small and mid market customers on a global basis where we've got high margin competitive advantage and a reliable lender.

And you know if you really just want to think about your stock price over the last eight or ten years -- GE Capital at one point in time probably had a market valuation of more than \$100 billion. Today that's very low. And there's lots of upside as we get the GE Capital business well positioned in the new era. This is where a lot of the accretion is going to take place and that's why it's so important that we get through this cycle and continue to position GE Capital for the future.

Now in the last decade -- you know we probably sold \$50 billion or \$60 billion worth of businesses, we've acquired \$80 billion worth of businesses. The businesses we've sold, insurance and re-insurance and plastics and silicones -- these were tough decisions but all of these businesses have under performed since we've sold them.

We've invested in renewable energy and oil and gas and water and healthcare information technology, avionics, cable. You know these are businesses that have grown over the last period of time. And so you know this is always a very dynamic process. We always have to be leading edge and continue to work the portfolio and this is an incredibly important part of what we do. We have to keep investing in growth.

You know there is going to be a future and we want to make sure that the company is positioned in that future. And this decade between research and development we've invested about \$50 billion in research and development. We've invested about \$40 billion in content. We've done it on a global basis. It's allowed us to build good science and technology in some of the key markets of the future like energy and healthcare and media and consumer products. We've continuously innovated and we've got scale.

The businesses we're in have a real competitive advantage and allow us to grow in the future. And what I thought I'd do is just share four or five places that are really future trends that we think are going to be really important for the company.

As I said, on Monday we made a big announcement in Miami that's going to have a couple hundred million dollars of GE content on something called the Smart Grid. What the Smart Grid does is it drives more efficiency in the home and empowers consumers. It allows for job creation. It allows for more renewable energy.

GE is in the front of this effort. We're a technology leader. We've got lots of content as these cities go. Individual cities and states represent hundreds of millions of dollars of GE content and we think this business is going to be a \$5 billion business for us over the next coming years.

We're going to make a big investment and this is something that our research center has invented on the sodium battery which will allow you to store energy. This is very important for transportation customers like locomotives, but also important for power customers to store energy so that they can take advantage or compensate for a lot of intermittent line problems. This is a proprietary GE technology that we're going to launch later this year that could have a billion dollars of growth as we think about this reset world.

We invested growth in our media business. We've got the second largest video content site in the world, the biggest premium content site called Hulu -- it's achieved about \$100 million of revenue inside 24 months. It's got 200 advertisers. It's one of the most innovative companies by Business Week and others. So it's important that we're innovating in our media business just like we are in our other technology businesses.

We're a leader in brain imaging which is one of the most important causes of disease and causes of healthcare cost in this country. We've got our scientists working on ways to pick

up diseases like Alzheimer's and Parkinson's and living patients so that we can diagnose them better and treat them more effectively as time goes on. We're going to have some of these agents in the marketplace by 2015. This again could be a several hundred million dollar product line for the company as time goes on into the future.

We're building with Duke Energy in Indiana the first clean coal plant that's been built in this country in 25 years. It's very important the US has a use for coal and that we're able to develop clean coal technology. This is again leading GE effort. It's capable of doing carbon sequestration and GE is a leader here and we expect this to be a multi-billion dollar business as time goes on.

So these are the investments that are going to pull the country and pull businesses out of the recession. They're important that we make them now and they're important that we're positioned to grow in the future.

Probably the biggest development of long term shareholder wealth in this company is our service backlog. We've got about \$120 billion of services backlog right now. This is people fixing aircraft engines or MR scanners or doing work in utilities. This is about \$40 billion in revenue in 2009. The margins are very high.

This is one of the few businesses that can grow even in a recession. In the first quarter of this year our orders were up seven percent in the service business. Southwest is a customer. Big utilities are customers. But our service backlogs and our service revenues again are what positions the company to grow and prosper as time goes on. And look we've got to chase orders every place in the world. You know we'll do probably in excess of \$60 billion in revenue outside the United States.

This is one of -- our Vice Chairman John Krenicki is signing a \$3 billion turbine order in Baghdad, in Iraq. You know when there's not as many orders out there, we've got to hustle to get every order in the world and that's what the management team is trying to do. We want to grow share, we want to build presence during this downturn, and from Algeria to the Middle East to Eastern Europe and others places in the world it's really important that we continue to grow right now.

We want the company to be positioned in essential themes. It's important for a couple reasons. The first one is there's going to be a tremendous amount of government investment in some of the areas of areas of -- in energy over the coming years. Governments in the world have announced \$2 trillion of stimulus spending that's going to be invested in the next probably three years. We've targeted on nine countries around the world. We've built GE capability and tremendous GE presence.

Again this spending is going to go towards green jobs, modernizing healthcare systems, infrastructure spending. You know we see a way to accelerate some of the investments in

renewables. Areas like healthcare information technology in Florida and around the world is going to be a key aspect. Taking big infrastructure orders and getting them accelerated. You know these are the things that are going to help pick up I think the economy in the second half of the year and we want to make sure that GE is well positioned to accomplish this and to drive these important projects as it goes forward.

I've talked about eco imagination and this is an example of one of the themes. You know we've talked about this over the last four or five years. This is really our investment in green energy and green investing around the world. You know just to give you an update you know we'll do about \$20 billion in eco imagination products. We've got about 70 products and this continues to grow even in the downturn. It's been good for the brand.

We also save money through this initiative inside the company. We've saved about \$500 million since we started. So this is one of those things that's kind of a win/win. We've saved through conservation. We've saved through productivity. We've been able to drive growth in the marketplace and this continues to go.

We've got more than 200 customer partnerships with utilities and oil and gas companies and automotive companies and the entire industrial world that's really driving towards affordable clean energy and we think this is a big initiative and went for it as well. Cost is important. We measure ourselves against ten industrial peers -- other good companies like United Technologies, Honeywell, Disney.

And we try to measure ourselves in terms of organic growth, what our margin rates are, return on total capital, and revenue per employee as a sign of efficiency. And this gives you a snapshot that was in the end report from 2008. But we think driving efficiency, cost, cash generation is key and we're always trying to benchmark ourselves against our key competitors and this is a composite of ten key competitors and it shows how we did in 2008 against this baseline.

2009 we've got to drive cost down. Keith talked about an improved cash flow. We've targeted to get \$5 billion plus of cost out and base cost, indirect cost, material cost. Again we are trying to drive the company in a very hard way and we've improved our cash flow at the same time.

So the numbers Keith talked about on safety and security we've gotten some of that by doing things like raising equity, but a lot of it's come from just general operational efficiency and excellence that we think is going to be important so that we can weather this cycle and continue to improve the company going forward.

Lastly commitment to people -- both current employees and retirees -- you know again it's -- to make it through this recession we want to have good people. We've continued to invest in

developing expertise and training. The retention is very high. We've got a team that's loyal to the company just like our retirees.

And for our retiree base -- you know again I know there's a lot of you in the room here today. We have always done a good job to stand behind the pension. You know we've had conversations in the past about a desire to raise the annual pension and do increases and we've always said that we had to save our capacity for a rainy day and this has been one of those rainy days.

And at this point in time it's good to have a good, solid pension fund like we have at GE. From a healthcare standpoint our benefits are always going to be among the best in the world and we continue to try to drive and make sure that we'll respond not only to our current employee base but also to our retirees.

Lastly just about performance. This shows dividend and cumulative earnings by decade since the 1970s. So 1970 to '79 -- \$4 billion dividend, \$8 billion of earnings cumulatively. \$10 billion and \$12 billion in '80 to '89. \$29 billion and \$65 billion in '90 to '99. You know your management team in this decade has generated a cumulative roughly \$165 billion plus of earnings. It's two and a half times the previous three decades combined.

So this is a company that knows how to perform. It's a company that knows how to drive earnings in good times and bad and through cycles. And we will continue to drive earnings and cash into the future just like we have in the past.

Lastly I would just say you know winning in this reset world -- what's it going to look like? What's it going to take to succeed? What kind of things are we thinking about as we look at the future?

The first thing is financial services are never going to be the same -- never going to be the same. There's going to be fewer companies. There's going to be more regulation. And our job in financial service is to make it smaller and really build it around the GE core.

The second thing is that we've got to continue to invest in products -- products and technology are the heritage of the company but it's the way you're going to grow in slow growth world. So we want to have products at all price points. We want to make sure that we continue to invest in innovation. This is something that's really critical.

Number three, pick the essential things. We think clean and affordable energy is a very important aspect. We also think healthcare initiatives that drive quality and access and cost in healthcare is a very important thing in this country and globally and we're going to continue to invest there.

The fourth thing -- excellence in manufacturing. You know I believe that the United States got away from a core of manufacturing, that it believed that a service industry could carry the future economic growth. We just don't think that's true anymore. And so a real control over our own manufacturing base, of our own supply chain, and making sure we have real excellence in manufacturing is important to the future.

And just retain a team that's both loyal but also has a long term view. I think long term perspectives are what count. That's what is going to get us through this. And that's why GE is going to be positioned to lead.

So in conclusion, I just say you know matter what you read in the newspaper or watch on TV there is going to be a future. We will get through this downturn and GE will be in a leadership position as we get through that. So thanks for your attention. And now we have a discussion on voting matters set forth in the proxy.