

Positioning GE for long-term growth

Jeff Immelt, Chairman and CEO
Keith Sherin, Vice Chairman and CFO
GE Shareowners Meeting
April 22, 2009



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Presentation

Keith Sherin (CFO):

**Operating GE in a
challenging environment**

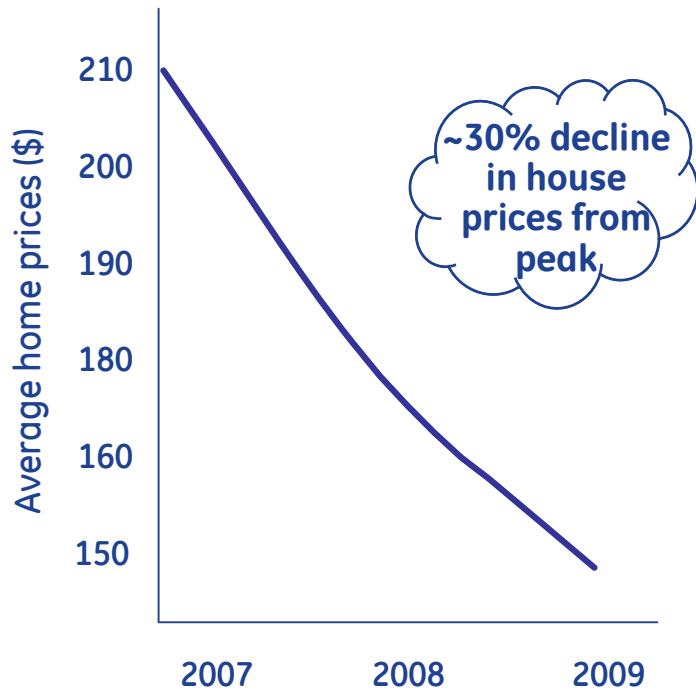
Jeff Immelt (CEO):

**Positioning GE for long-
term growth**

Operating in a challenging environment

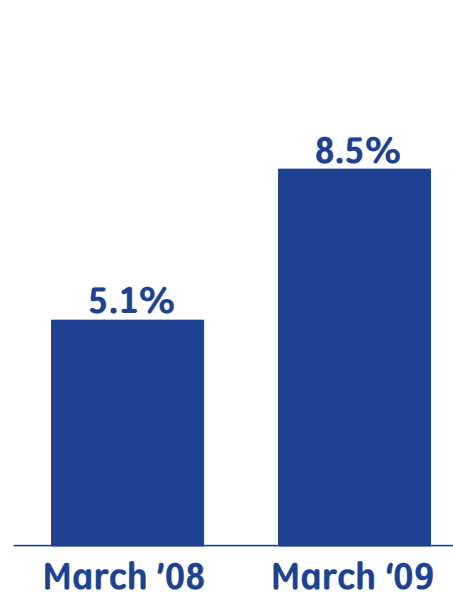
Global economic recession

U.S. housing

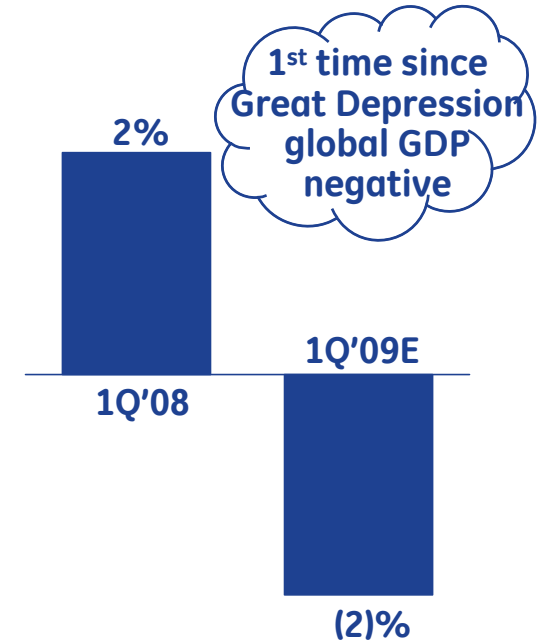


S&P/Case-Schiller Price Index

U.S. unemployment



Global GDP



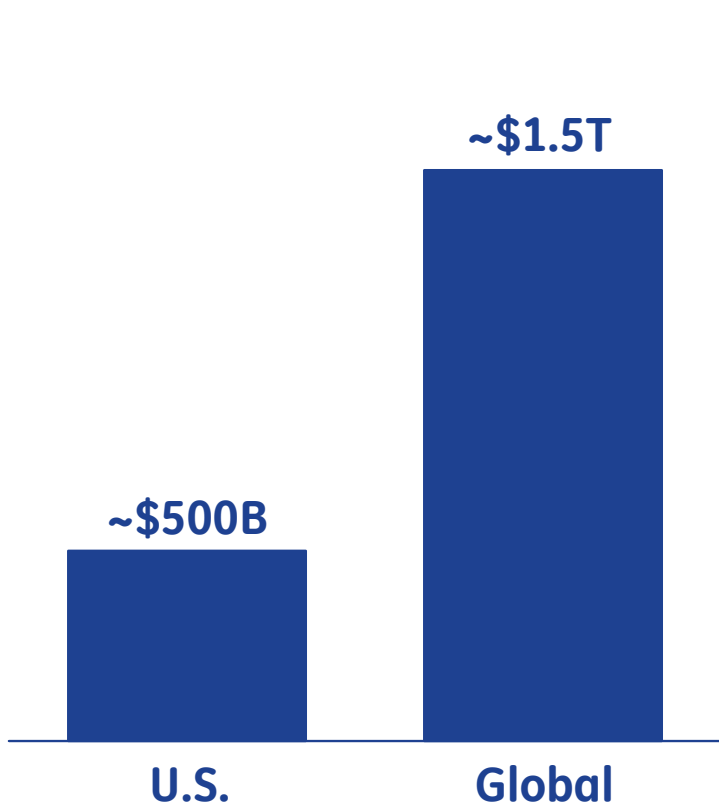
Recession now affecting all pockets of global economy



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Financial system in crisis

Cumulative bank losses to date

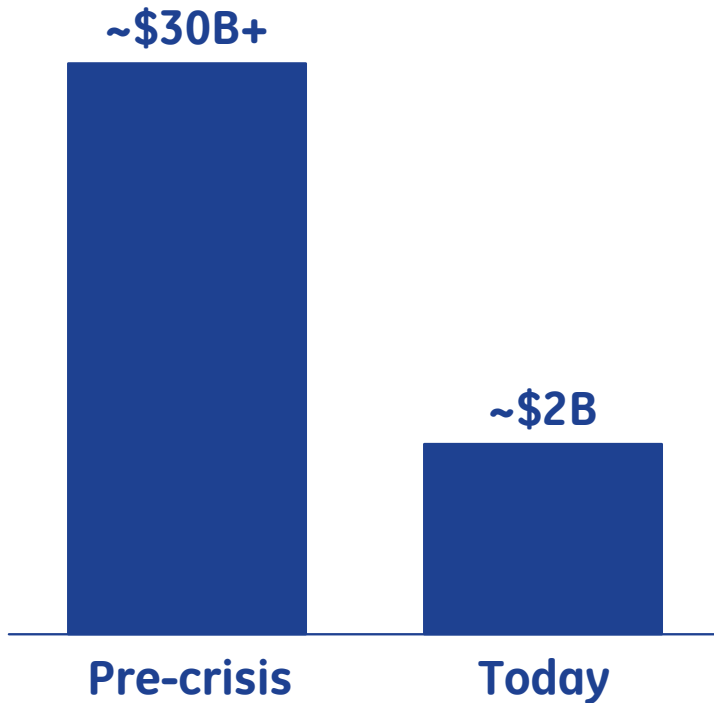


	<u>Founded</u>	<u>Peak valuation</u>	
LEHMAN BROTHERS	1850	\$46B	<i>Bankruptcy</i>
 WACHOVIA	1879	\$130B	<i>Sold for \$15B</i>
 Washington Mutual	1889	\$40B	<i>Sold for \$2B</i>
 AIG	1920	\$262B	<i>\$4B market cap</i>
 BEAR STEARNS	1923	\$20B	<i>Sold for \$2B</i>
 FannieMae	1938	\$86B	<i>\$1B market cap</i>
 Countrywide Financial.	1969	\$26B	<i>Sold for \$4B</i>
 Freddie Mac <small>We make home possible™</small>	1970	\$51B	<i>\$0.5B market cap</i>

Fundamental reset of financial services landscape

Capital markets not functioning

Avg. debt issuance per month^{-a)}



(a- excludes government guaranteed debt issuance)

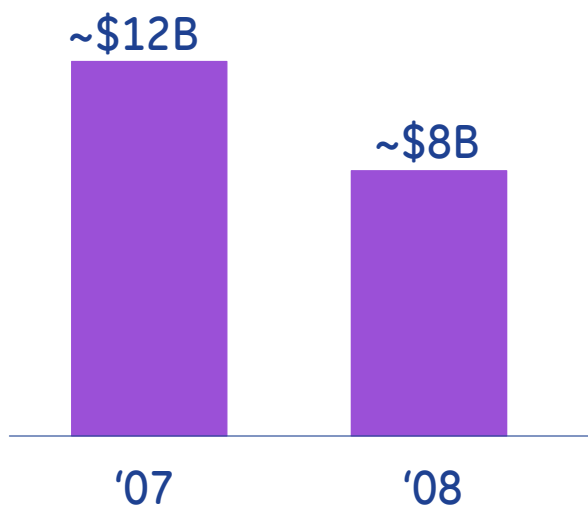
Gov. equity Bank holding co.

	\$3B	Converted
Morgan Stanley 	\$10B	Converted
	\$10B	Converted
JPMorgan 	\$25B	Existing
Bank of America 	\$45B	Existing
	\$25B	Existing
	\$45B	Existing

- ✓ GE is paying the government to participate in loan programs
- ✓ GE has not had to convert to a bank holding company
- ✓ GE has received NO government equity

GE Capital impact

Earnings



What we don't do

- + Originate risky debt (CLO, CDO, SIV)
- + Sell credit default insurance
- + Trade securities
- + Originate high-yield debt

What we do

- + Senior and secured leader
- + Diversified portfolio
- + Operate assets
- + Work out problems
- + Underwrite to hold
- + Conservative funding

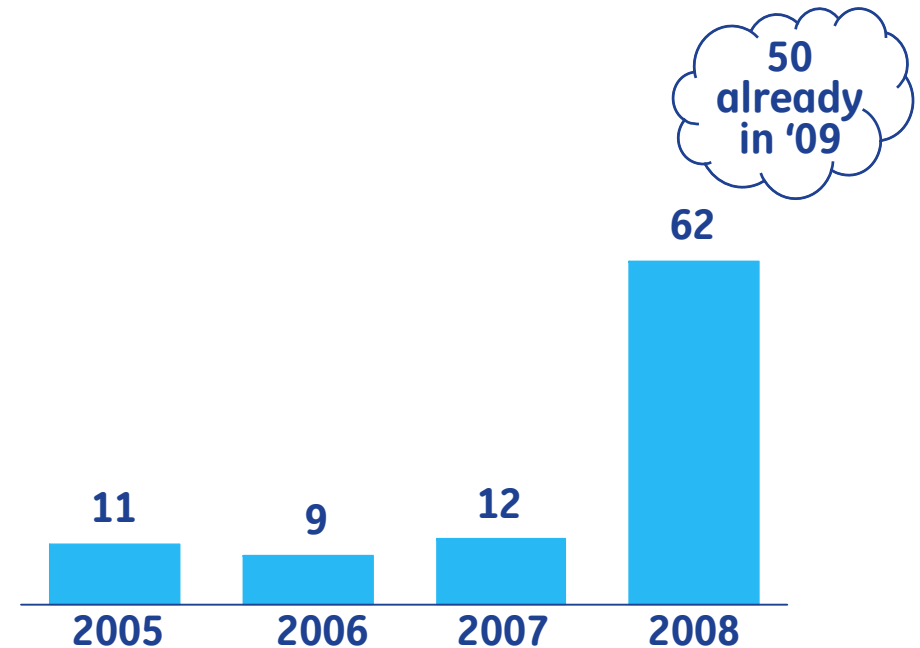
**GE Capital earnings will be under pressure
Expect GE Capital to be profitable in 2009**

Dividend

GE had communicated flat dividend in 2008 ... what changed in 2009?

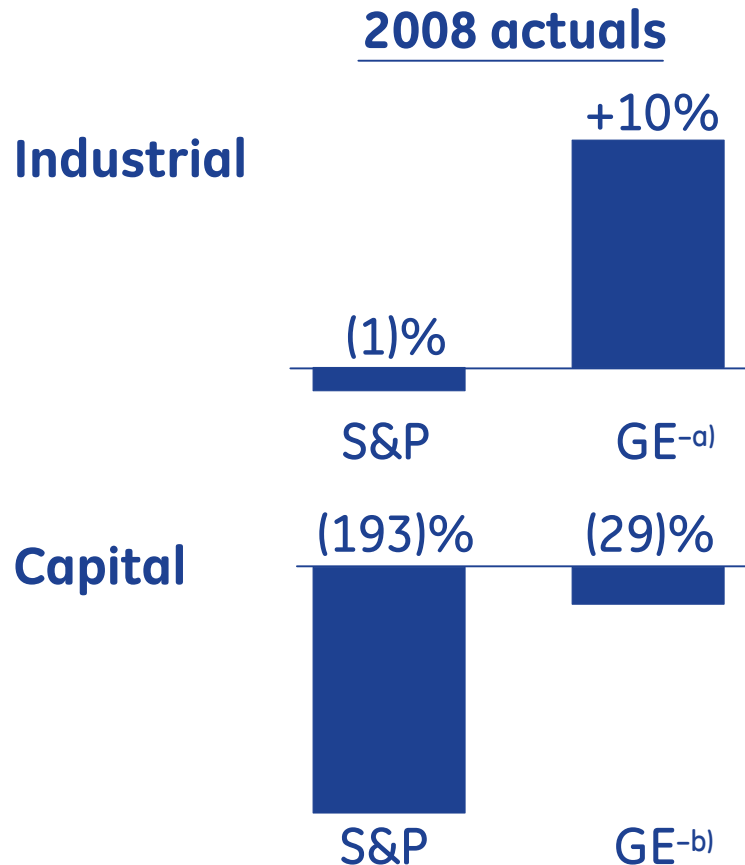
- ✓ Unemployment spiked to 7.6% in January
- ✓ Capital markets deteriorated in Feb. 2009
- ✓ Loss expectations at GE Capital ↑ ... government stress tests for banks
- ✓ Moody's and S&P ratings review

S&P 500 dividend reductions significantly increased in 2008 -



- ✓ Sustained \$0.31/share through 2Q'09 ... \$0.10 per share starting 3Q'09
- ✓ Environment continued to deteriorate and GE was not immune

GE earnings performance



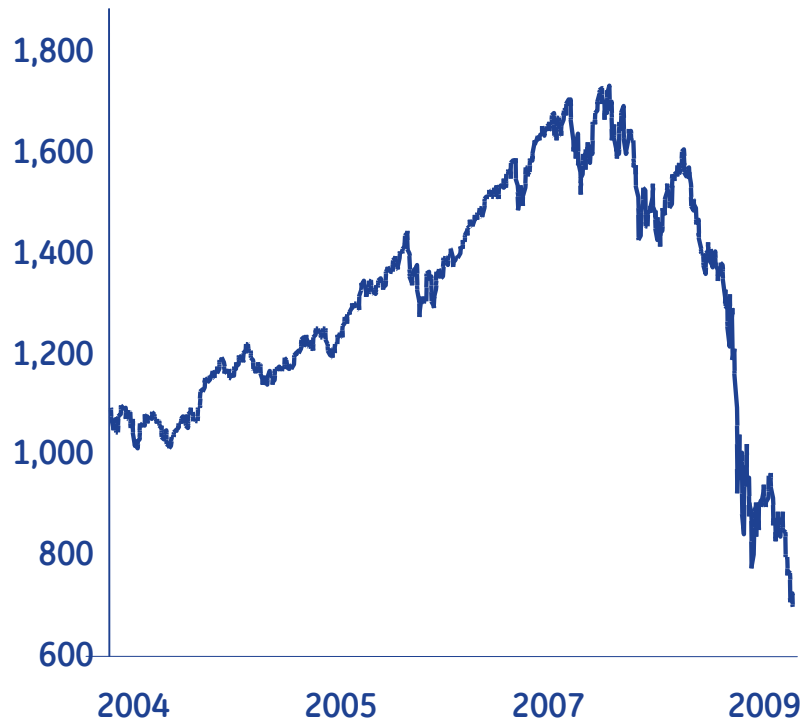
- ## 2009
- **1Q '09 ... \$0.26 EPS vs. \$0.21 consensus**
 - ✓ Infrastructure earnings +11%
 - ✓ Capital Finance earns \$1.1B
 - **Operating with intensity**
 - ✓ Aggressive cost out
 - ✓ \$171B infrastructure backlog
 - ✓ Solid cash performance
 - **Increase disclosure + transparency**

(a- GE Industrial excluding C&I (b- Capital Finance)

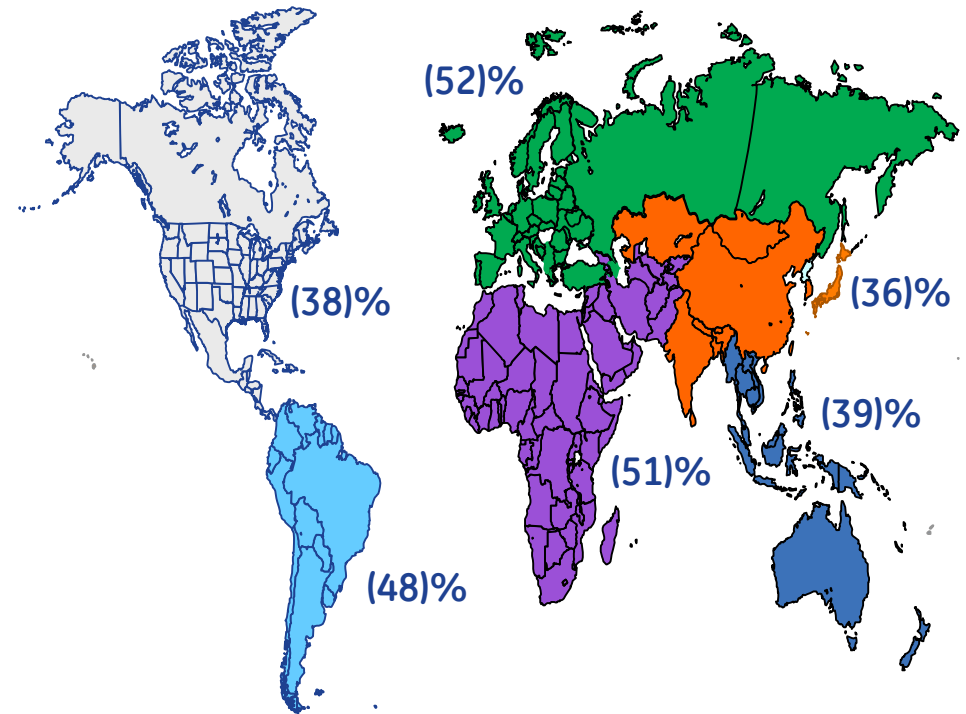
✓ **Performance > peers in '08 ... but below expectations**

Global markets ↓43% over last year

World equity index



April 2008 – April 2009 returns



~\$30 trillion in wealth destroyed

GE stock

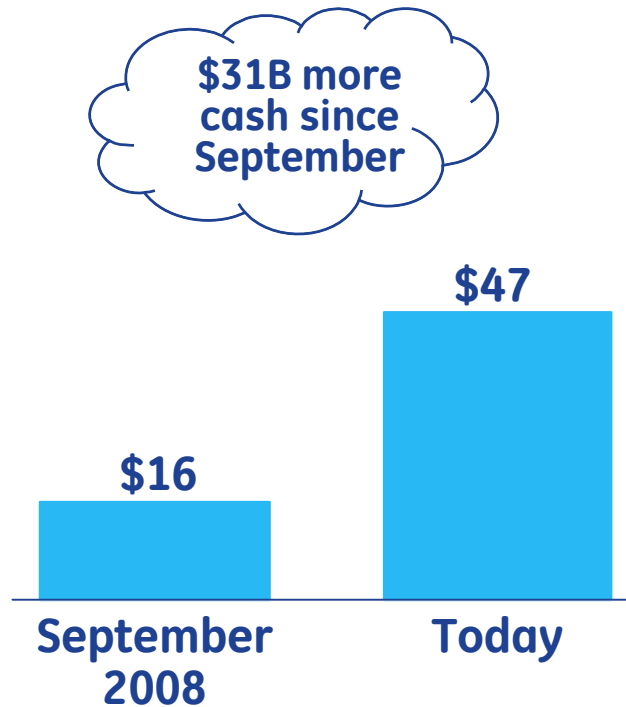


- ✓ Concerns on GE Capital weighing on stock ... but significantly off March lows
 - Stock +15% since March 19 meeting on financial services
 - Continuing to proactively communicate 2009/2010 scenarios
- ✓ Stock performance in 2008 and 2009 disappointing to all of us

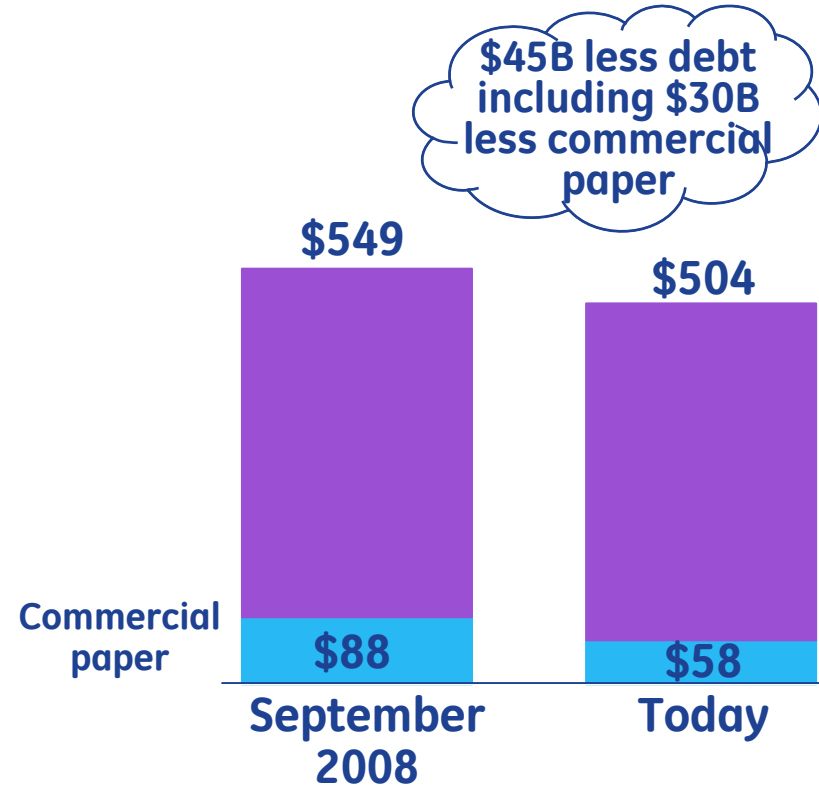
Safe and secure in summary

(\$ in billions)

GE cash



GE borrowings



- ✓ Equity issuance provided \$15B additional cash in hand
- ✓ Dividend cut will provide ~\$9B in cash annually
- ✓ Retained strong, stable debt rating



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Final thoughts

- ✓ GE is a big company ... impacted when the system collapsed
- ✓ GE Capital is a good business ... must be smaller as the financial markets reset
- ✓ Made difficult decisions to protect the company over the long term
- ✓ Performance builds trust

Focused on keeping GE safe and secure

Positioning GE for long-term growth

A new era

Cycle

Housing

Unemployment

Credit

Capital investment



**Happens once
each decade**

Reset

Financial services restructuring

Role of government

Wealth reduction/transfer

Reputation + trust



**Happens once
each generation**

How we plan to win

- 1 **Build** strong businesses
- 2 **Invest** in innovation, services and globalization
- 3 **Position** in essential themes
- 4 **Drive** competitiveness through scale
- 5 **Commit** to people: strong leaders + loyal team

1 Strong businesses

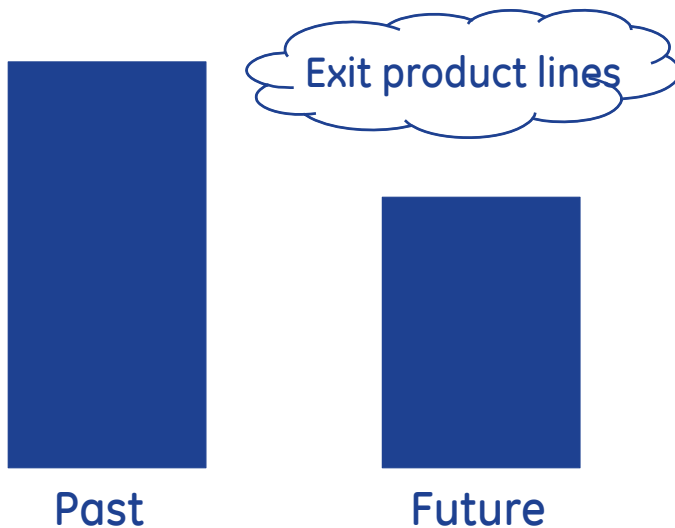
GE has leadership franchises

Segment / Strength	15-year growth ('93-'08)
Energy Infrastructure (Power Gen, Wind, O&G)	~15%
Technology Infrastructure (Aviation, Trans., Healthcare)	10+
NBCU (Cable, Film)	15+
Capital Finance (Verticals, Mid-Market Finance)	10+

1 Strong businesses

Must create a smaller + more focused GE Capital

Reduce assets (\$B)



- + Connection with GE
- + High margin
- + Competitive advantage
- + Reliable lender

GE Capital investor value

<u>2000</u>	<u>Today</u>	<u>Future</u>
\$100B+	Low	+

1 Strong businesses

Portfolio has been rebuilt for growth

Businesses we sold

- Reinsurance
- Financial Assurance
- Plastics/Silicones
- Industrial supply
- TV stations



**Underperformed
post-GE**

Businesses we acquired

- + Renewable energy
- + Oil & Gas/Water
- + Healthcare IT/Life sciences
- + Avionics
- + Cable media



**Made billions
for GE**

② Invest in growth

Lead in technology and content



2000-09

\$50B in technology

20,000 patents

\$40B in content

Global deployment

- ✓ Leadership in sciences
- ✓ Continuous innovation
- ✓ Positioned in important industries
 - Energy/Water
 - Healthcare
 - Transportation
 - Media
 - Oil & Gas
 - Consumer

GE has scale advantage

② Invest in growth: Smart grid

GE story



Marriage of IT with electrical infrastructure to support 21st century energy needs ... drives efficiency and renewables use

Only GE ...

- ✓ Technology to integrate systems
- ✓ Domain knowledge from generation through end use
- ✓ Innovating for the future at our Global Research Centers

**Could be a \$5B+
new business**

② Invest in growth: sodium battery



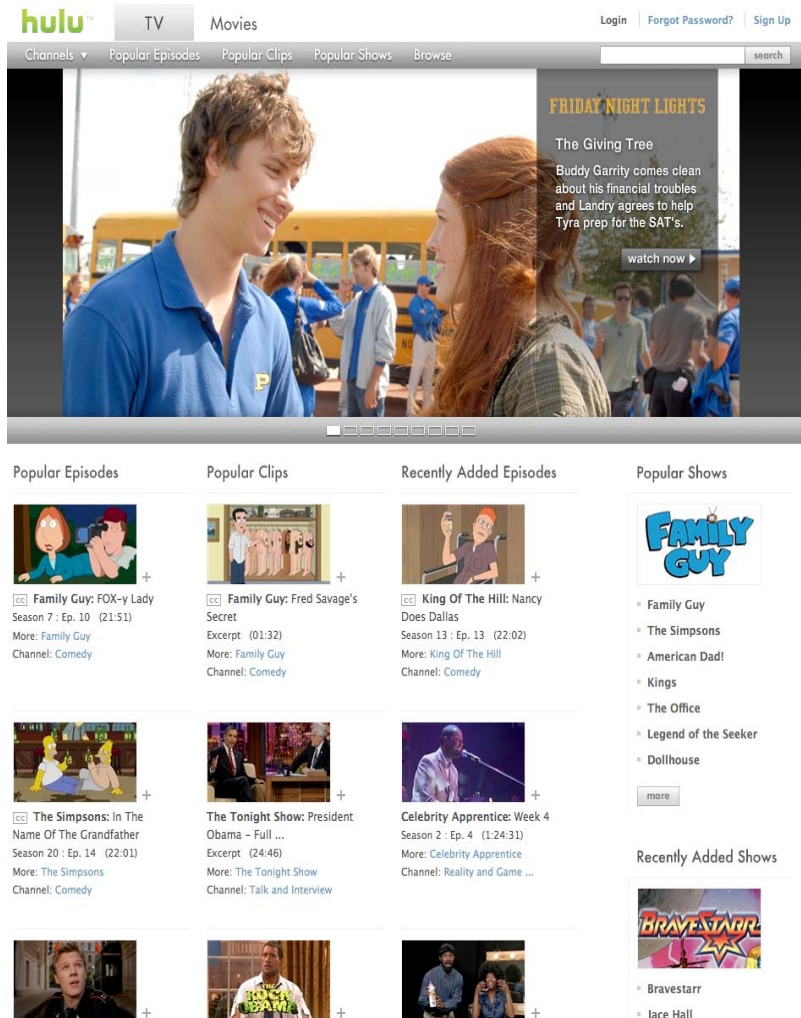
Energy storage

GE story

- ✓ Increasing demand across GE industries + new markets
- ✓ Unique technology...patented
- ✓ \$150 million in investments
- ✓ Novel chemistry + materials + intelligent controls
- ✓ Major investment planned

Could be \$1B+ new business

2 Invest in growth: hulu



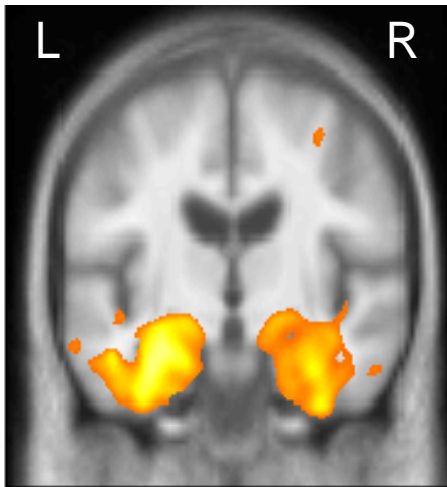
GE story

- ✓ #2 online video site in the U.S.
- ✓ Nearly 200 advertisers
- ✓ More than 140 content providers
- ✓ "50 Most Innovative Companies of 2009," *Fast Company*
- ✓ "The Best New Way to Watch TV," *BusinessWeek*

\$100M revenue within first 24 months

② Invest in growth: molecular imaging

Brain imaging



**Marker development
+
Imaging tools**

GE story

- ✓ GE leading in neuro imaging agents
- ✓ Compounds being developed for early diagnosis for Alzheimer's & Parkinson's
- ✓ Therapy being developed with pharma companies
- ✓ Lowers cost + improves patient outcomes

**Commercialized by 2015
Could be \$500M+
new product**

② Invest in growth: cleaner coal



Duke Energy
Edwardsport site construction, January 2009

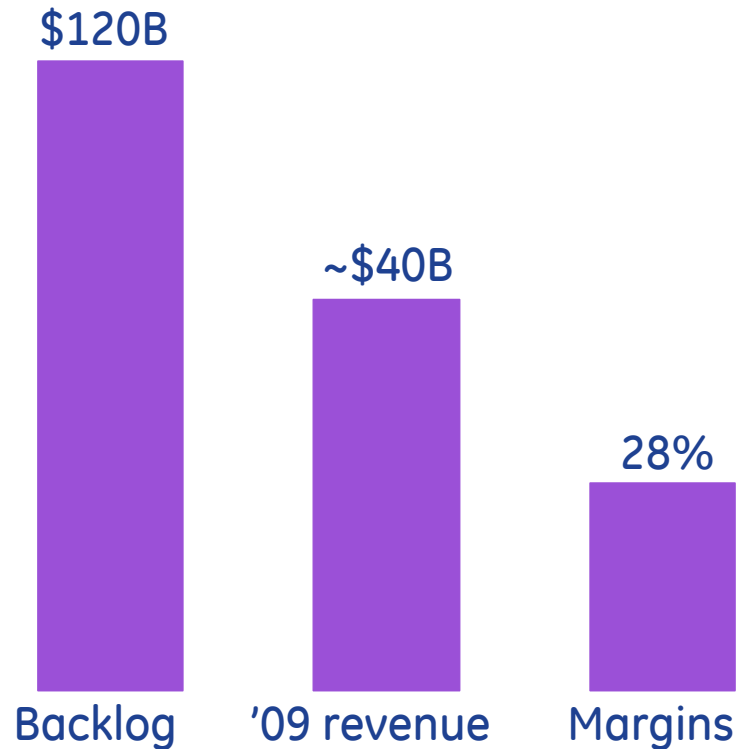


GE story

- ✓ Coal with a cleaner footprint
- ✓ Capable of carbon capture
- ✓ GE + Duke Energy building the largest commercial IGCC plant
- ✓ Gives coal a future in a carbon constrained world
- ✓ GE a leader ... expect more business globally

**Could be \$5B+
new business**

② Invest in growth: services



**Business growth even
in a recession**



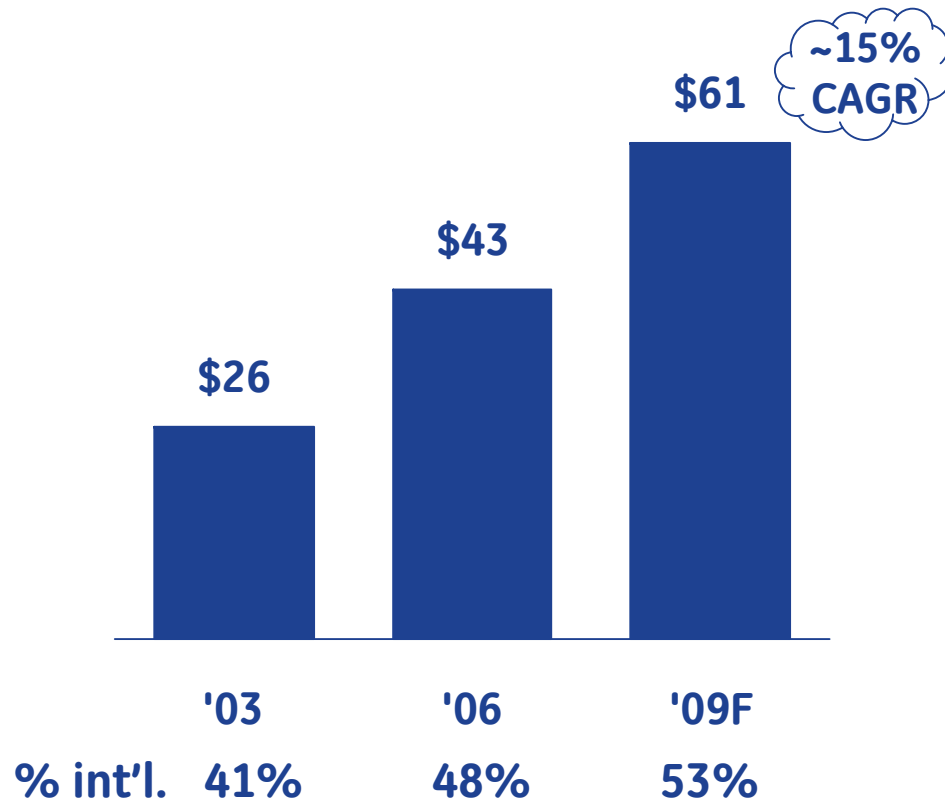
GE-Southwest story

- ✓ Largest operator of our CFM56 engine...1,120 in Southwest fleet
- ✓ Big engine services customers ... ~ \$5B+ under contract through 2018
- ✓ GE services help Southwest to be competitive

② Invest in growth: global

(\$ in billions)

Industrial global revenues



Iraq turbine order

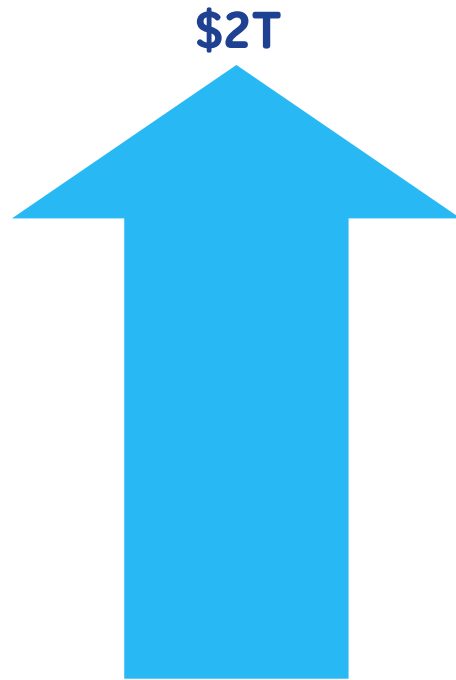


2009 priorities

- ✓ Win major infrastructure orders
- ✓ Establish strategic partnerships
- ✓ Build capability in service, technology and manufacturing

3 Position in essential themes

Stimulus



Announced

- ✓ Governments targeting infrastructure, energy, healthcare, jobs

Target countries

U.S.
Canada
China
Japan
Brazil
U.K.
France
Germany
Middle East

GE impact

- ✓ Drive renewables
- ✓ Accelerate green energy infrastructure
- ✓ Increase global infrastructure projects
- ✓ Accelerate targeted healthcare spending
- ✓ Encourage innovation investment
- ✓ Aggressive export finance support

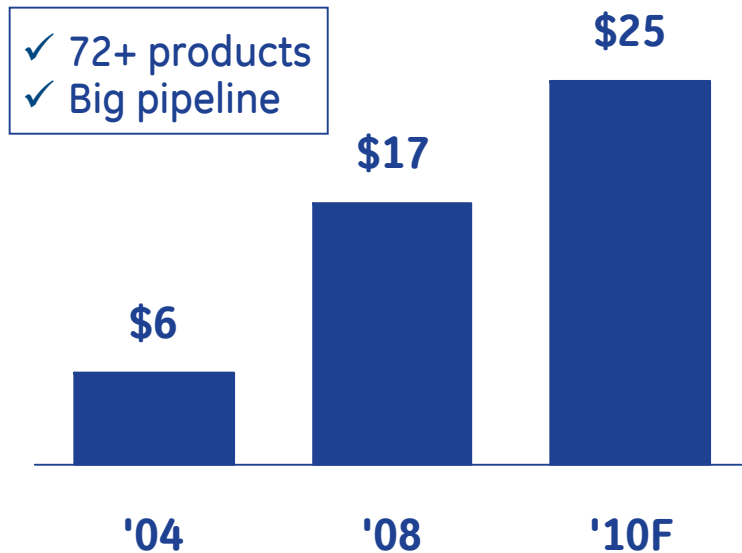
GE well-positioned

3 Position in essential themes

(\$ in billions)

ecomaginationsm

Revenues

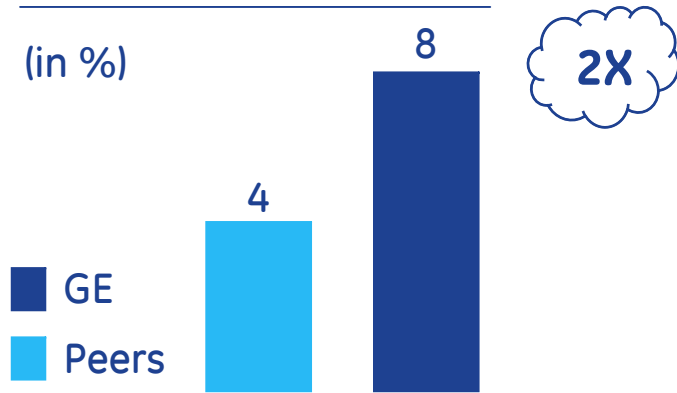


- ✓ R&D leadership
- ✓ Reputation/brand
- ✓ Saved \$500M by reducing carbon footprint
- ✓ Customer partnerships

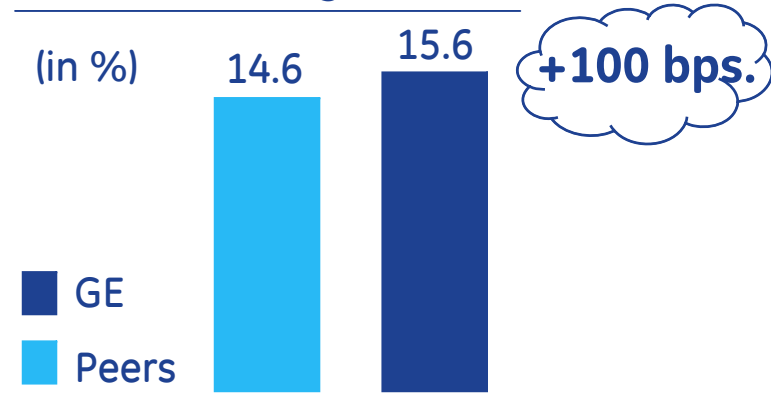
GE the leader in clean energy

4 Drive competitiveness

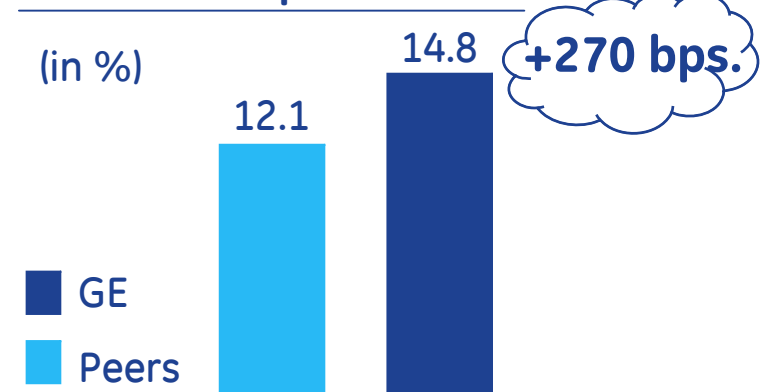
2008 industrial organic revenue growth



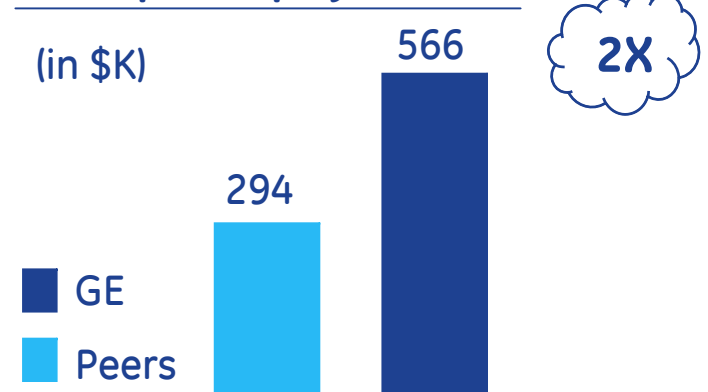
2008 margins



2008 return on capital



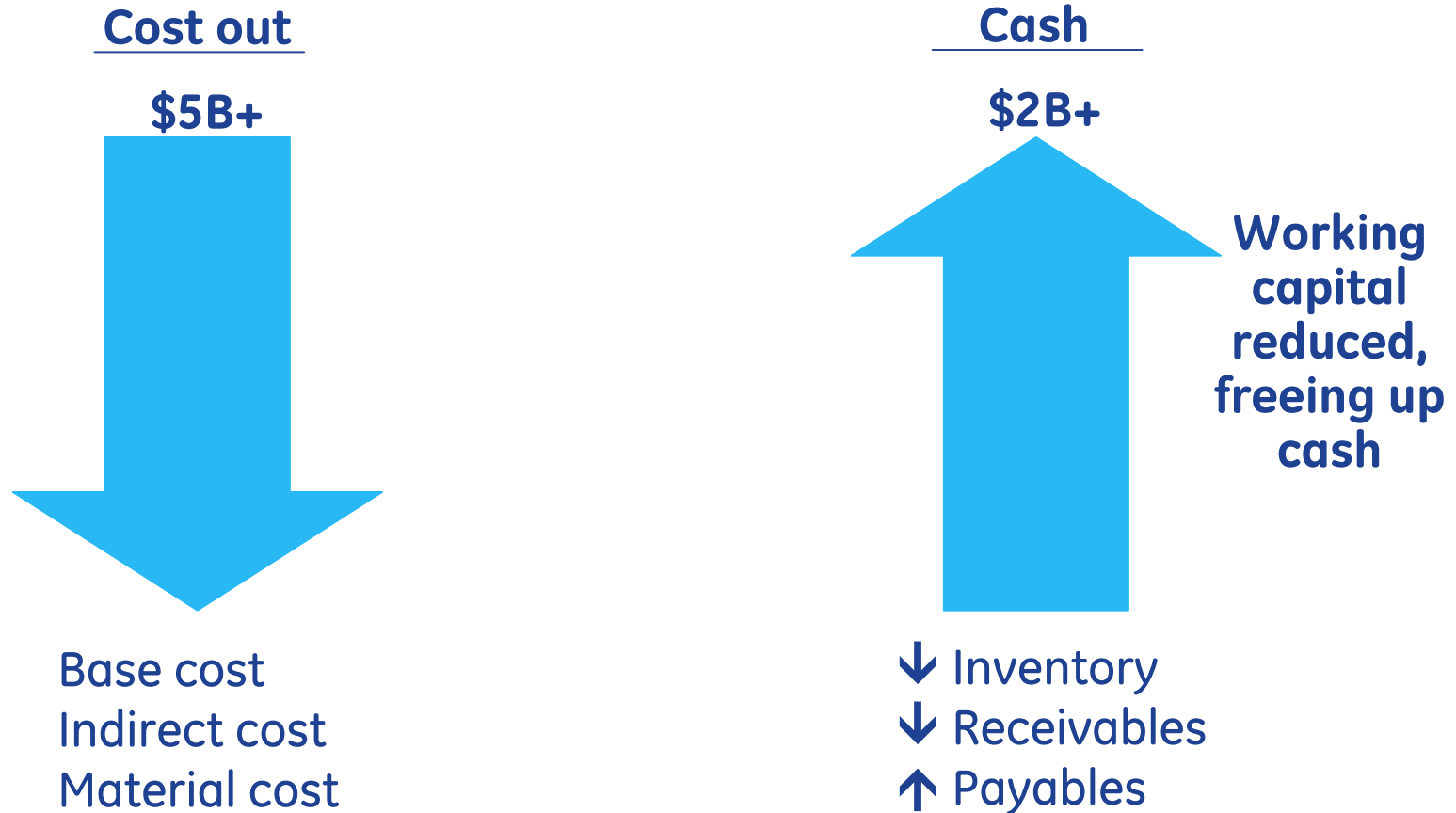
2008 revenue per employee



Peers include Whirlpool, Disney, News Corp., United Technologies, Honeywell, Siemens, Philips, ABB, Rolls Royce, Alstom

4 Drive competitiveness

2009 actions



Can weather the cycle

5 Commit to people

Employees

- ✓ \$1B training investment
- ✓ Deep expertise
- ✓ Retention high
- ✓ Fiercely loyal team

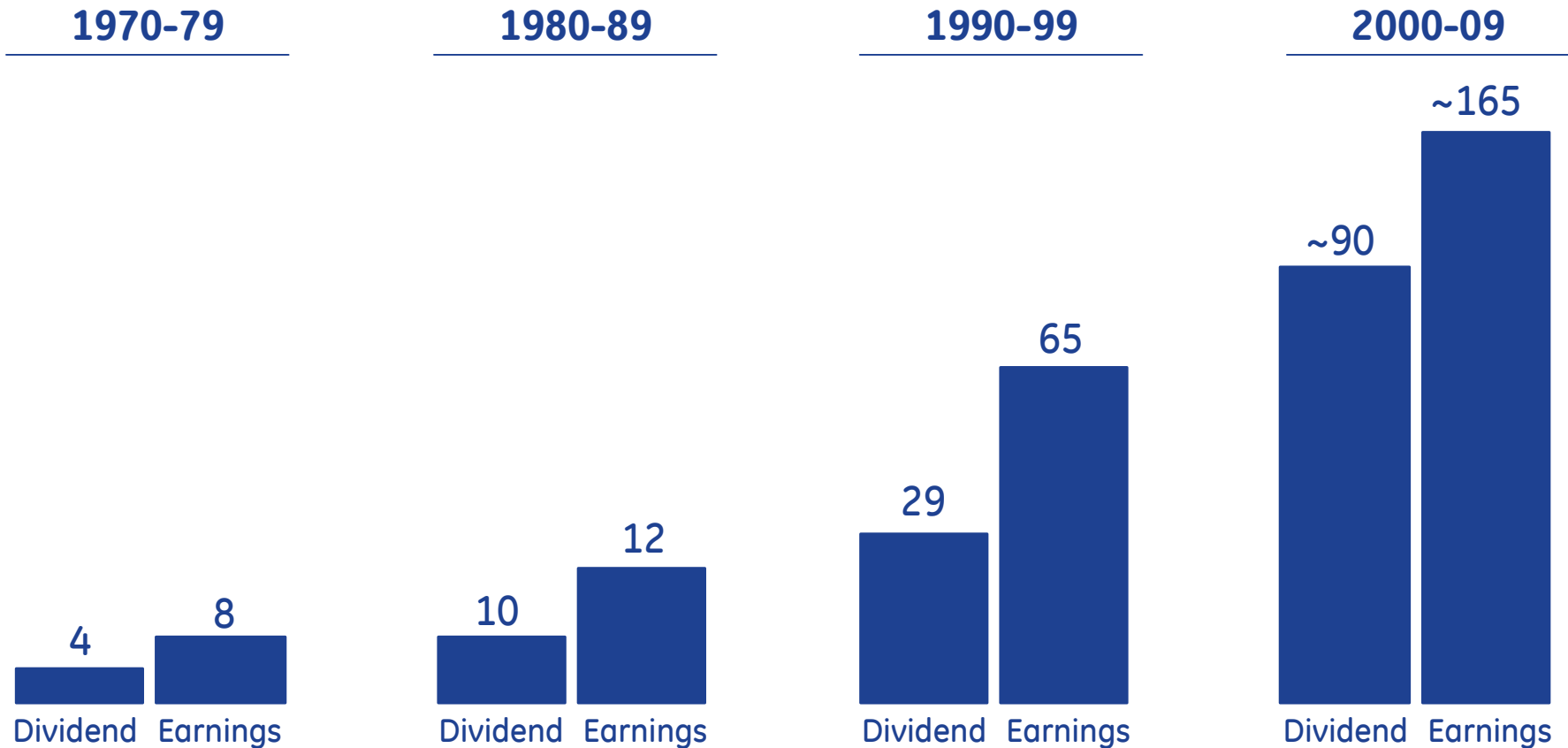
Retirees

- ✓ You are GE
- ✓ Pension safe
- ✓ Good healthcare benefits

Market-tested leaders in challenging times

Through cycles, GE performs

(\$ in billions)



From 2000-09, GE generated more earnings and paid more dividends than the past 30 years combined

Winning in the reset world

- 1 Build financial services around GE core
- 2 Invest more in R&D ... products at all price points
- 3 Lead in essential themes ... ecomagination
✓ Next target is healthcare
- 4 Excellence in manufacturing ... for the U.S. and the world
- 5 Retain a team that is competitive and loyal and has a long term view

There will be a future
+
GE will lead