

Electrical Products Group

J. R. Immelt
Chairman & CEO

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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.

Results are discussed on a continuing operations basis except as noted.



imagination at work

EPG

- ✓ 2008 environment & outlook
- ✓ Building a stronger GE



imagination at work

Environment

Our environment

Global infrastructure	++
Capital markets disruption	+/-
U.S. consumer	-
More regulation	+/-

Risk factors

- 1 Global slowdown
- 2 Credit cycle worsens
- 3 Sustained inflation

Winning requires

- ✓ Price > inflation
- ✓ Strong balance sheet
- ✓ Restructuring/cost control



2008 business dynamics

	<u>Revenues</u> V%	<u>Segment profit</u> V%	<u>+</u>	<u>-</u>
Infrastructure	~20%	~20%	Equip. volume & price	Inflation
Healthcare	0-5	0-5	International growth, OEC recovery	U.S. market
Industrial	~0	0-(5)	Globalization, cost out	U.S. market, inflation
NBCU	~15	~5	Scatter markets, Cable & Film	Local advertising
Comm'l. Finance	0-5	(5)-(10)	New business at high returns, acquisitions	Lower gains
GE Money	0-5	(5)-(15)	Emerging markets; capital redeployment	U.S. consumer, higher losses

Dynamics:

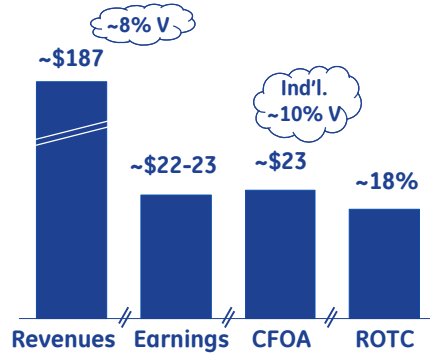
- ✓ Frequent business pulsing
- ✓ Infrastructure strong
- ✓ OEC shipping
- ✓ More cost out
- ✓ Capital markets better



2008 total year outlook

(\$ in billions – except EPS)

Continuing operations



Company earnings outlook

	V%	S&P Q1
✓ Industrial	+10-15%	10%
✓ Financial Services	(5)-(10)%	(80)%
✓ Tax rate flat		

TY'08 EPS \$2.20-2.30/0-5%



Building a stronger GE

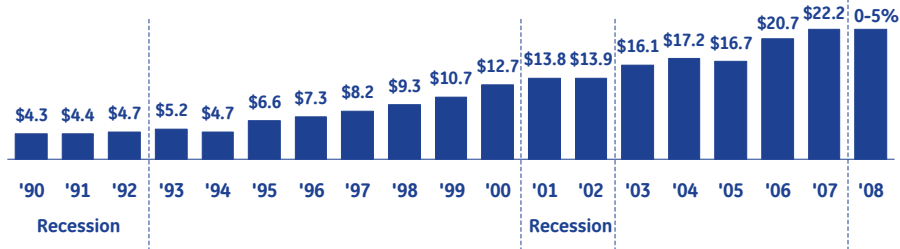
- ① *Sustain* strong long-term performance
- ② *Build* a more valuable portfolio
- ③ *Drive* growth as a process
- ④ *Expand* margins & improve returns
- ⑤ *Strong* leadership team in a *simple* structure



1 Sustain strong long-term performance

(\$ in billions)

Total Company - net earnings



	Company		
	5-year	10-year	15-year
Revenues	11%	7%	8%
Earnings	10	10	11
Cash flow	22	10	11

Execute through headwinds

- Market: power bubble, aviation, DRA
- Financial: Insurance, pension, debt reduction
- Execution: Network, FDA, WMC
- Divestitures

Performance through cycles



GE performance edge

	Relative performance	'07 OP % - rate		Peers
		GE	Peers	
Energy	++	17.5%	10.1%	Siemens, ABB, Alstom
Aviation	++	19.2	13.3	P&W, HON, RR
Transportation	+++	20.7	6.5	CAT, Siemens, Alstom
O&G	++	12.6	8.7	Cameron, FMC, RR
Healthcare	++	18.0	14.3	Toshiba, Siemens, Phillips
Enterprise Solutions	+	15.6	12.4	Emerson, Rockwell, Tyco
NBCU	+	20.2	19.5	News Corp., CBS, Disney
Appliances	++	10.0	5.7	Whirlpool, Electrolux
Financial Services ^(a)	++	24.4	15.9	AMEX, BOA, Citigroup, JPM

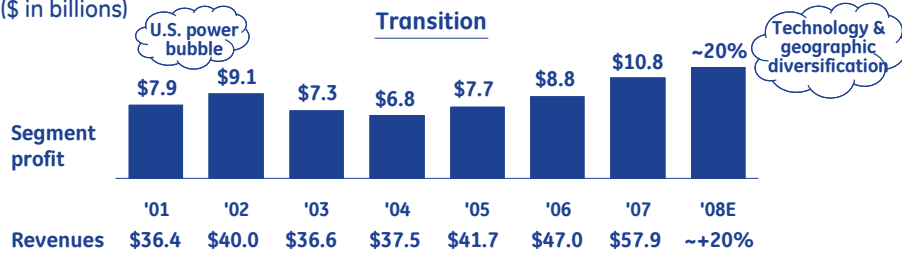
(a- ROE)

Leadership execution & multi-business model
+ Scale ... GRC, sourcing, globalization, Triple A
+ Initiatives ... six sigma, lean, Crotonville, services



Accelerate growth in Infrastructure

(\$ in billions)

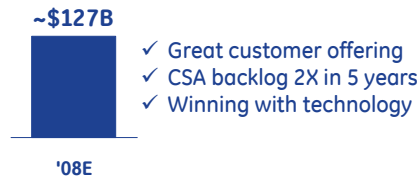


Revenues \$36.4 '01, \$40.0 '02, \$36.6 '03, \$37.5 '04, \$41.7 '05, \$47.0 '06, \$57.9 '07, ~+20% '08E

Equipment backlog



Services backlog

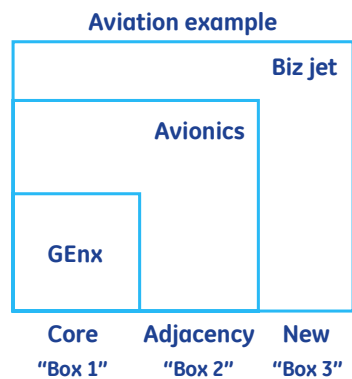


- ✓ Infrastructure average earnings growth '02-'07 ... 3%
- ✓ Best days are ahead ... visible & profitable



Infrastructure growth is sustainable

Imagination Breakthroughs



Infrastructure robust growth pipeline ('08-'12)

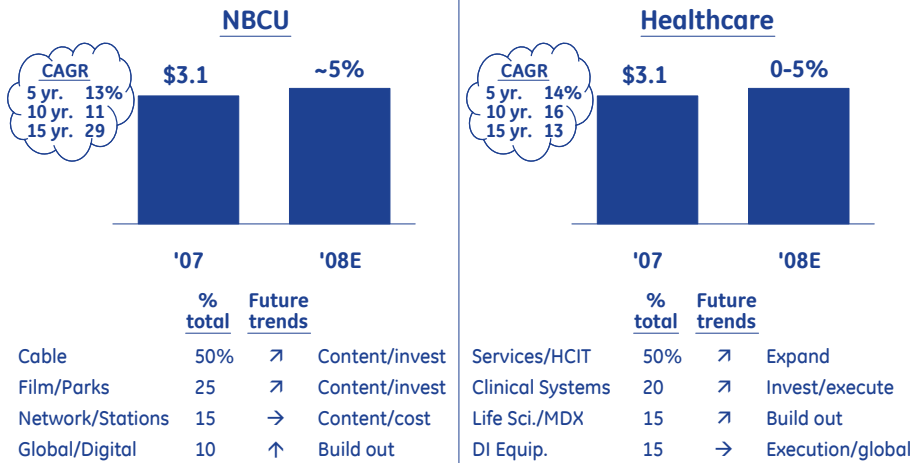
- ✓ Subsea
- ✓ Solar
- ✓ Biofuel
- ✓ Batteries
- ✓ Mining verticals
- ✓ Desalination
- ✓ Marine
- ✓ Russia/CIS RR
- ✓ Waste water
- ✓ Hybrid loco
- ✓ Avionics
- ✓ VLJ/biz jet
- ✓ Gasification
- ✓ Separation
- ✓ Smart grid
- ✓ ESBWR
- ✓ IGCC
- ✓ Lightweight loco
- ✓ China aviation
- ✓ India RR
- ✓ Digital RR
- ✓ Environmental SVC
- ✓ Optimization
- ✓ 2.5MW wind
- ✓ Leap 56
- ✓ China RR
- ✓ Rural water

- ✓ Leveraged market tailwinds with reinvestment
- ✓ Long-term momentum



Diversified business models

(\$ in billions – segment profit)



Great franchises ... business model in place ... long-term performance



Financial Services business model

Business model	GE focus	2008
Best global origination	<ul style="list-style-type: none"> ✓ Deep domain expertise ✓ Global footprint ✓ Multiple product offerings 	Driving price ... opportunistic
Effective risk management process	<ul style="list-style-type: none"> ✓ Defined boundary conditions ✓ Centralized risk management 	Preparing for: <ul style="list-style-type: none"> - Consumer ... remains tough - Commercial ... more difficult
Run to be "Triple A"	<ul style="list-style-type: none"> ✓ Centralized treasury ✓ Dividend at 40% 	Conservative approach
Disciplined/centralized capital allocation	<ul style="list-style-type: none"> ✓ Allocate → maximize returns ✓ Adapt to changing environment 	Invest in debt businesses ... less reliance on gains

Relative "out performance" for decades



Financial Services repositioning

	<u>\$B</u>	<u>ROE</u>
+ Opportunistic high-return platform acquisitions <ul style="list-style-type: none"> ✓ Merrill ✓ Santander ✓ Citi ✓ Other 	\$30-50	25%+
+ Opportunistic debt origination <ul style="list-style-type: none"> ✓ Real Estate ✓ Corporate 	30-50	~30
+ High-margin leasing/financing origination	~25	~25
+ Tap new funding sources & form unique partnerships	10-50	20+
- Less GE Money (developed markets)/other redeployment <ul style="list-style-type: none"> ✓ Europe (Santander) ✓ PLCC ✓ Runoff ✓ Corporate Card ✓ Japan ✓ Equipment Services 	(75)-(100)+	~15

Environment: great opportunity to reposition



2 Build a more valuable portfolio

(\$ earnings per share – continuing)

Company transformation

EPS 2003

EPS 2008E

✓ Returned \$92B to investors in dividend & buyback
 ✓ Reduced debt by \$17B

\$1.32



~\$2.20-2.30



Decisive action

New platforms

- | | |
|------------------------|---------------------|
| + Renewable energy | + Life Sciences |
| + Avionics | + HCIT |
| + Oil & Gas | + Diagnostic pharma |
| + Water | + Film/Cable |
| + Services | + Hispanic media |
| + Enterprise Solutions | + Global CRE/Money |

Partnerships

- | | |
|---------------------------------|-----------|
| + Emerging markets retail banks | + Nuclear |
| | + NBCU |

Exits

- | | |
|----------------------|---------------------------|
| - Insurance | - Advanced Materials |
| ✓ Mortgage | - Superabrasives |
| ✓ Long-term care | - Industrial distribution |
| ✓ Bond | - Stations |
| ✓ Reinsurance | - Motors |
| - Equipment Services | - GECS |
| - PLCC | - GX |
| - Plastics | - Appliances |

Massive transition → growing earnings & returns



Portfolio considerations

Core competencies

- + Technology/content
- + Global distribution/brand
- + Multiple revenue streams
- + Operational execution
- + Talent development & culture
- + Financial scale: breadth/depth



Portfolio priorities

- + Faster growth/high margin Industrial
 - ✓ Infrastructure, Healthcare, NBCU, Enterprise Solutions
- + Focus on Financial Services core
 - ✓ Commercial Finance, verticals
 - ✓ Emerging markets
- + Ongoing redeployment

- ✓ **Investors should look for:**
 - + **Industrial > financial**
 - + **Invest in industrial core ... bolt-on acquisitions**
 - + **Playing offense in financial turmoil**
 - + **More partnerships ... NBCU, Hitachi-Nuclear**
 - + **Returning cash to investors, dividend & buyback**



Update on previously announced transactions

GE Money

- 1** PLCC
 - ✓ Process underway ... world-class asset
 - ✓ Target 4Q closing
 - ✓ Tougher market
- 2** Japan personal loan
 - ✓ Negotiating with final bidders
 - ✓ Target 3Q closing
- 3** Europe
 - ✓ Sale of 4 sub-scale platforms
 - ✓ Expect to close by year-end

GE Appliances

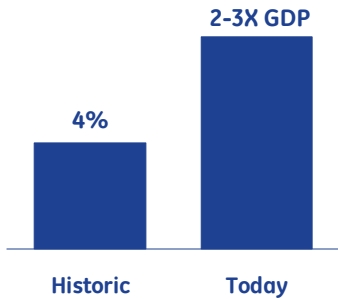
- ✓ Unique asset; 100 years of product innovation & customer service
- ✓ Highest margins in the industry
- ✓ Strong brands and distribution
- ✓ Great management team
- ✓ Lots of interest globally
- ✓ Considering outright sale, strategic partnership or spin-off

Redeployment on track



3 Drive growth as a process

Organic growth - revenues



In place

Initiatives have momentum

- ✓ Strong technical pipeline ... 6% of revenues
- ✓ Global momentum ... 53% of revenues in '08
- ✓ 2X services backlog since '03
- ✓ Imagination Breakthroughs ... ~\$3B/year
- ✓ **ecomaginationsm** revenues ... ~\$25B by '10
- ✓ Expand customer franchise:
 - Enterprise ... lean ... Net Promoter Score
- ✓ Culture change ... Leadership, Innovation & Growth

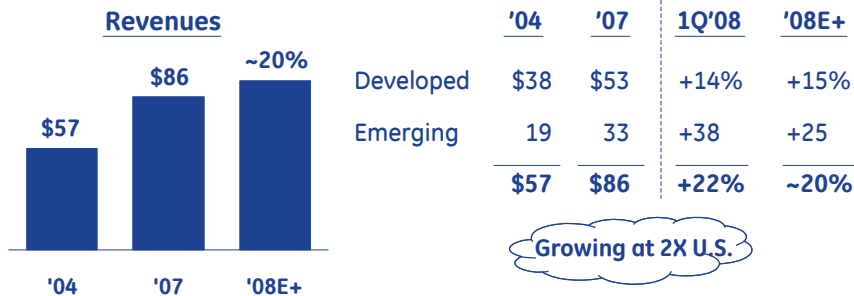
Next

- ✓ Accelerate "growth as a process" in global markets
- ✓ Win in the big themes ... own the big plays



Sustainable global growth

(\$ in billions)



Building on GE advantage

- ✓ Accelerate capability ... technology, marketing
 - Connected & scalable localization
- ✓ Strengthen approach to customers
 - Mining vertical
- ✓ Redeploy BD resources
- ✓ New business models
 - Healthcare
 - Energy
- ✓ Drive cost position/sourcing
 - China ... \$10B



Own the big plays

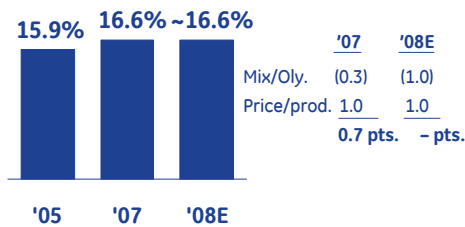


	<u>GE position</u>
Infrastructure technology	✓ Leader: technology, execution, global position, installed base
Emerging markets	✓ Leader: "company to country"
ecomaginationSM	✓ Leader: energy efficiency, water, conservation, GHG ↓, brand
Demographics	✓ Leader: early health, consumer
Digital connections	✓ Leader: digital media, HCIT, broad service tools
Global origination	✓ Leader: global partner of choice

Well positioned for future growth

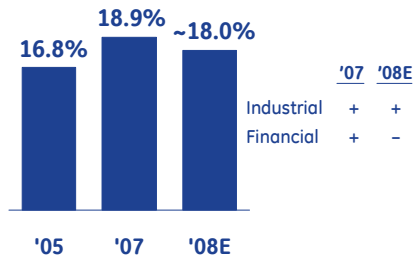
4 Expand margins & improve returns

OP rates



- ✓ Service growth & margins
- ✓ Excellent product management + value gap
- ✓ Reduce structural cost

ROTC



- ✓ Sustain dividend/buyback
- ✓ Capital efficient business model
- ✓ Lean → cycle time

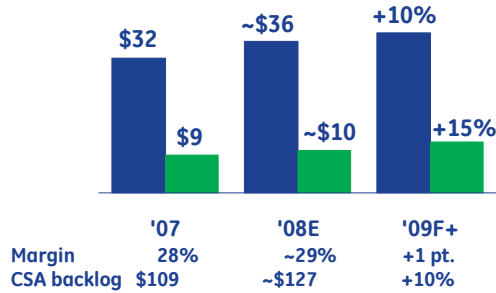
Focus on operating excellence



Services growth & profit

(\$ in billions)

Revenues/OP



Category	'07	'08E	'09F+
Margin	28%	~29%	+1 pt.
CSA backlog	\$109	~\$127	+10%

Installed base strength ('08E units)

Category	Units vs. '03
Energy	15%
Aviation	29
Transportation	29
Oil & Gas	15%
Healthcare	31

Dynamics

- ✓ Expanding margins with price & productivity
- ✓ Global growth ... service shops opening in Qatar, Abu Dhabi & Saudi Arabia
- ✓ Footprint rationalization
- ✓ Expanding non-installed base services
- ✓ \$200B+ service revenues over next 5 years at 30%+ margins

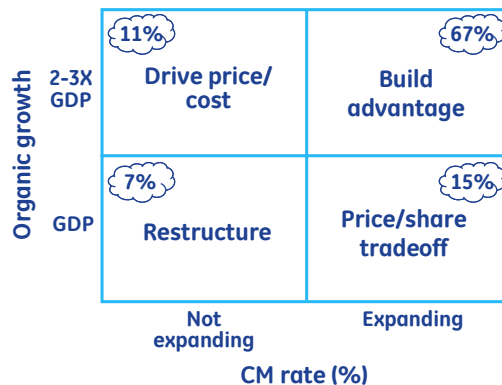
Solid foundation for continued high-margin growth



imagination at work

Product management

"Micro" approach to margins
Top 30 products = 75% profit



Action

- ✓ Price + value management
- ✓ Technical execution - NPI
- ✓ Material productivity
+ Manufacturing laboratory (GRC)
+ Evo CM up 9 pts. in 3 years
- ✓ Global sourcing/best cost
- ✓ Detailed monthly reviews

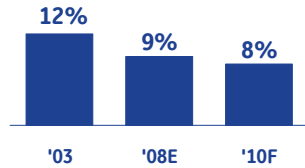
Inflation economy → product management is key



imagination at work

Simplification

Reduce overhead (G&A % revenues)



NI/employee (\$ 000)



Execute on cost

- 1 Eliminating business structure/layers
- 2 Aggressive restructuring
 - ✓ Plant closures, footprint reduction
 - ✓ Low-cost region manufacturing
- 3 Renegotiating healthcare contracts & reducing contract labor
- 4 Rooftop & back office consolidation
- 5 Focus on indirect costs
 - ✓ Travel & living, utilities

Simplification critical in driving cost productivity ... \$1B structural cost reduction



Industrial cash generation

(\$ in billions)

Industrial CFOA



Focus

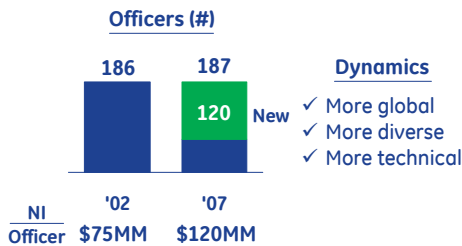
- ✓ Working capital improvement

	Inventory	Working capital
'04	8X	11X
'08E	9X	18X
- ✓ Lean focus ... cycle time
 - EVO 30 → 15 days ... 10 by '10
 - Wind 10 → 2 days
 - Gas turbines 139 → 100 days
 - CFM56 42 → 26 days
- ✓ Receivables collections, progress, risk management, funding
- ✓ Low capital intensity

Continuous source of cash ... net income & working capital provide funding for organic growth



6 Strong leadership team in a simple structure



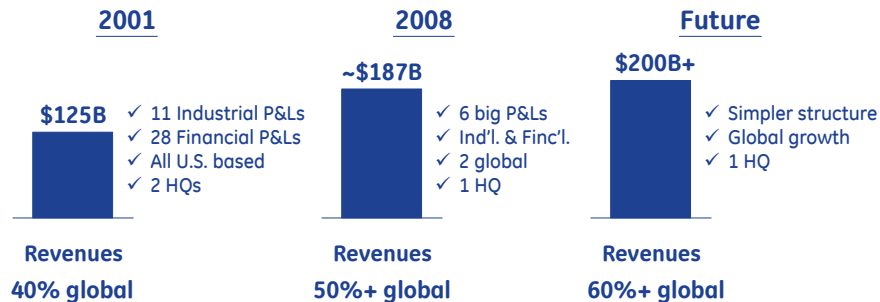
- Focus at the top**
- ✓ Performance management
 - ✓ Focus on growth & execution
 - ✓ Compensation rewards execution



Session C focus

- 1 Accelerate globalization
 - ✓ Local leadership
 - ✓ Footprint + decisions
- 2 30 world-class product managers
 - ✓ Creators of margin
- 3 Experts who keep us safe
 - ✓ Risk
 - ✓ Regulatory
 - ✓ Controllership
 - ✓ Gov't. relations
- 4 Pipeline
 - ✓ 27 CEOs running "Fortune 500" size companies inside GE

Simplify & globalize the Company



Continuing the evolution

- 1 Simplify Financial Services organization
- 2 "Stretch" the organization ... leaders at all levels & regions (people)
- 3 "Create synergy" ... Infrastructure type organization works (process)
- 4 New eyes drive change ... utilize deep bench



Views on running GE

- ✓ We are an operating company with capability in growth & cost
 - + Metrics: organic growth, margin, ROTC
- ✓ Portfolio change is disruptive ... inside & outside GE
 - + We have built a better company for long term
- ✓ In volatile times a simpler GE is a better GE
- ✓ Culture needed to change & has changed ... global, technical, external
 - + Can change culture & keep edge
- ✓ Our team likes the Company ... retention is high
 - + Focus on winning in the market
- ✓ Company built to grow 10% over time
 - + More reliable communication



Why GE?

- 1 On track for reduced guidance in 2008
 - + Credibility is important ... about action
- 2 GE will grow 10% over long term
 - + Infrastructure is very robust (\$100B by 2010)
 - + Remix Financial Services
- 3 Portfolio has improved dramatically
 - + Industrial is in great shape
 - + Commercial Finance ↑ ... GE Money ↓
- 4 "Growth as a process" has delivered
 - + Global growth is 20%+
 - + Powered by 6 big themes
- 5 Teams focused on improving margins & returns
 - + \$200B+ service revenues over next 5 years
 - + Initiatives ... lean, restructuring, product management
- 6 Continue to simplify structure to drive growth & execution
 - + Great talent in Company

