

GE 2007 third quarter performance

October 12, 2007

- Financial results & company highlights
- 2007 fourth 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, 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."



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Invest & deliver

- ✓ **Environment remains good for GE**
 - Global markets are solid
 - Financial market risk is repricing
- ✓ **Consistent growth ... revenues +12%, orders +20%, assets +23%, organic growth +8%**
- ✓ **Delivered solid operating performance despite ...**
 - ~\$0.1B negative impact from financial market volatility
 - Infrastructure timing & development program impact
 - More restructuring
 - Lower tax rate but year-to-date 18% ... on track for year
- ✓ **Excellent buyback program ... on track for \$14B in '07**
 - \$6.3B in 3Q, ~\$6B in 4Q
- ✓ **Gains funding business exits & restructuring**
 - Removed headwind from WMC & Japan ... moved to discontinued operations
- ✓ **4Q guidance at \$.67-.69, +18-21% ... year on track at \$2.19-\$2.22, up 18-19%**



World we see

Economic environment

- + Global markets remain strong
- + Infrastructure markets remain strong
- + Solid asset growth at high margins
- + Advertising markets still robust
- ✓ Commercial & global delinquencies stable
- ✓ Capital markets volatile but improving
- ✓ Broad U.S. economy OK (ex. housing)
- Housing & sub-prime mortgage tough
... U.S. consumer delinquencies trending up
- U.S. healthcare/DRA challenging

GE strengths in current environment

- + Global position
- + Infrastructure technology
- + Diverse business mix
- + Balance sheet strength/risk management
- + Restructuring/improved portfolio

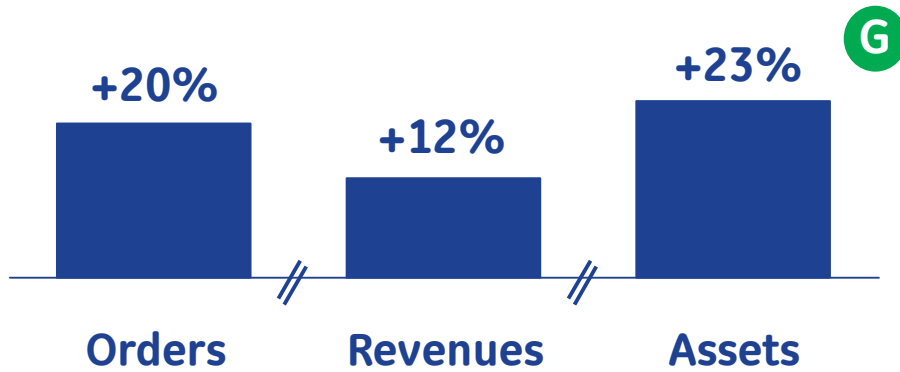


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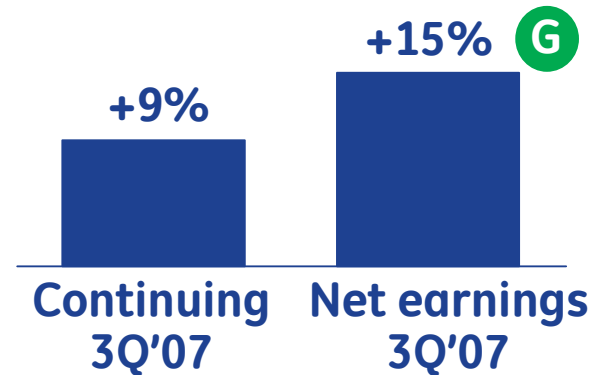
3Q'07 key performance metrics

(Continuing operations)

Growth (V%)

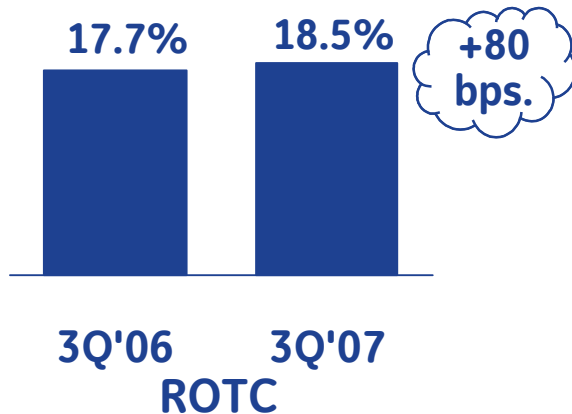


EPS (V%)



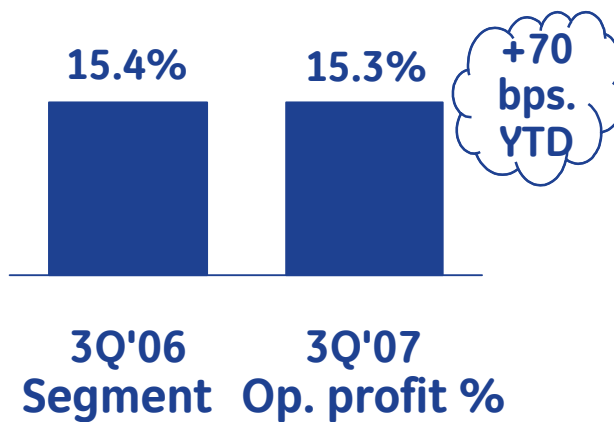
Returns

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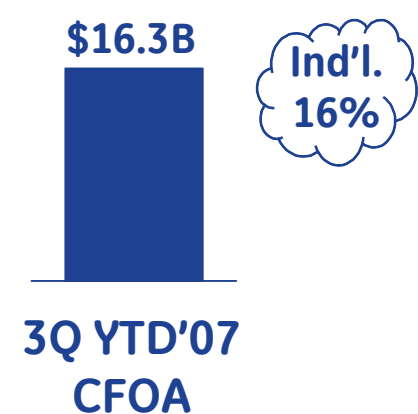
Margins

Y



Cash

G



Solid performance



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Executing long-term strategy

- 1 Invest in leadership businesses**
 - + Solid Infrastructure performance ... segment profit +12%
 - + Commercial Finance strong ... segment profit +12%
 - + NBCU ... growth accelerating
 - + Closed Plastics ... \$11.6B cash proceeds
 - + Announced Sondex & NBCU cable acquisitions
 - + Selling Japan personal loan business & WMC
- 2 Reliable execution & financial discipline**
 - + Segment profit growth +10%
 - + ROTC expands +80 bps.
 - + Industrial CFOA growth +16%
 - + \$6.3B stock repurchase 3Q, \$5.7B in 4Q
 - 3Q segment op. profit rate ↓ 10 bps. ... up 70 bps. YTD
- 3 Growth as a process**
 - + Organic revenue growth +8%
 - + Services revenues +7%; CSAs at \$96B, +7%
 - + Global growth +15% ... developing markets +18%
 - + IBs contributing ~\$5B revenue growth in 2007
- 4 Great people & team**
 - + Ranked first on *Fortune's* 'Top 10 Companies for Leaders'



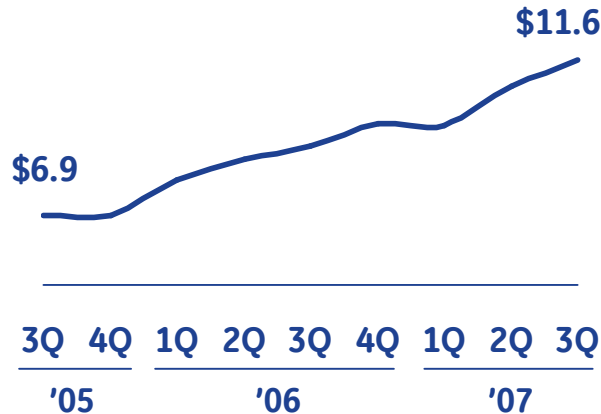
Orders

Major equipment

(V%)	2Q'07	3Q'07
Aviation	30%	93%
Energy	72	Fav
O&G	54	56
Transportation	Fav	(62)
Healthcare	(2)	(3)
Total major eq.	54%	39%

- ✓ Infrastructure +62% ... +38% org.
- ✓ Backlog \$47B, +56% ... + \$15B since 4Q'06

(\$ in billions - 4 quarter rolling average)

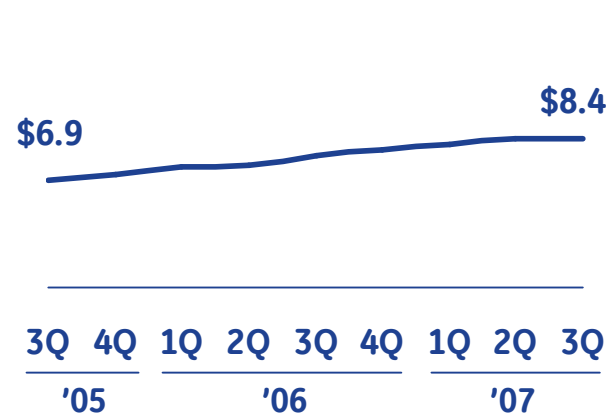


Services

(V%)	2Q'07	3Q'07
Aviation	24%	15%
Energy	5	(9)
Healthcare	3	8
O&G	27	25
Transportation	16	(12)
Total services	11%	4%

- ✓ Aviation spares strength +20%
- ✓ Energy ... Nuclear comps, fuel reload timing

(\$ in billions - 4 quarter rolling average)

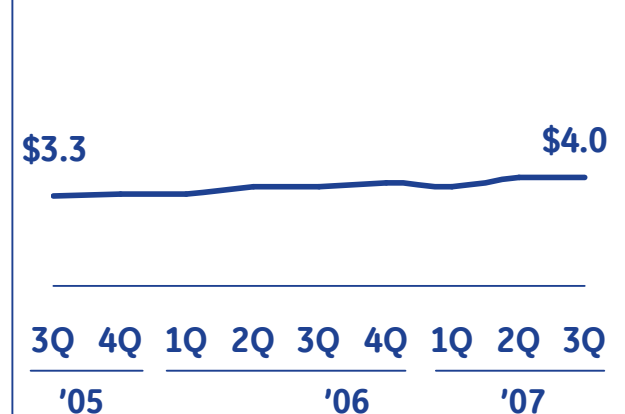


Flow ADOR (organic)

(V%)	2Q'07	3Q'07
Appliances	1%	(1)%
Lighting	17	16
IndSys.	10	17
Ent. Solutions	4	1
Total flow	6%	5%

- ✓ Appliances ... retail +1%, contract (5)%
- ✓ Lighting - CFL growth

(\$ in billions - current quarter)



Strong performance \$24B ... +20% growth

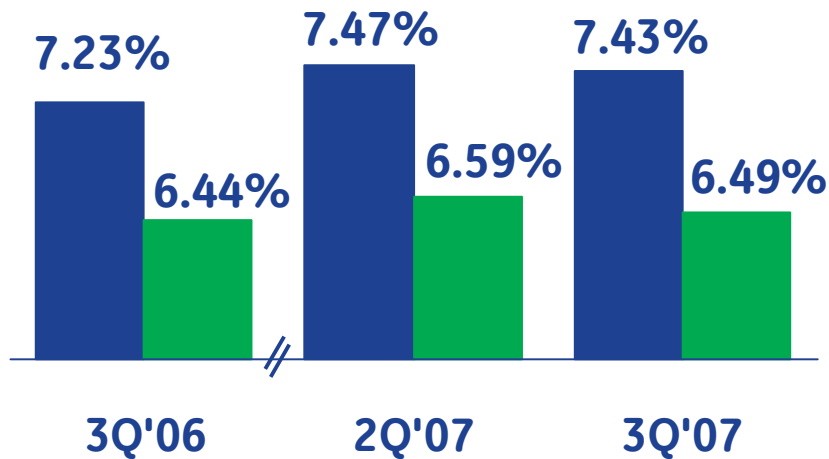


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Margins – Financial Services

Financial Services

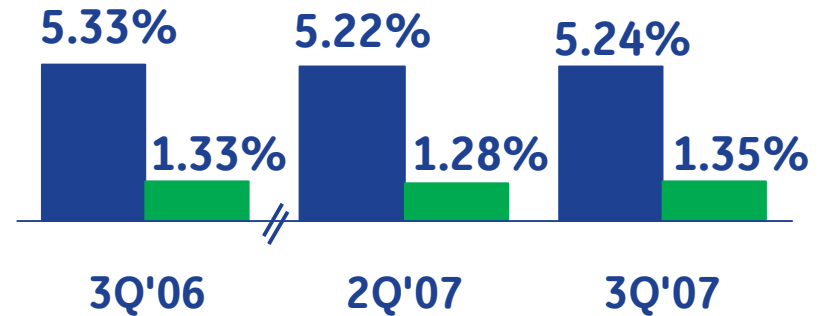
- Finance margin (4 quarter average)
- Risk adjusted margin (4 quarter average)



- ✓ Earnings growth drivers
 - + Asset growth +23%
 - + Productivity
 - + Simplification/restructuring

Delinquencies

- GE Money
- Equipment Financing

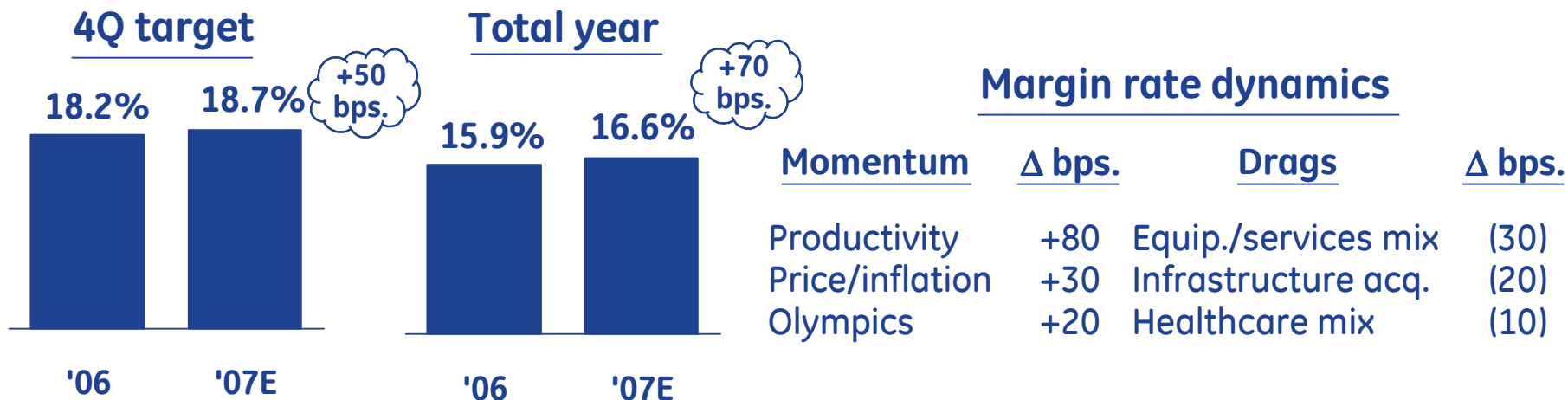
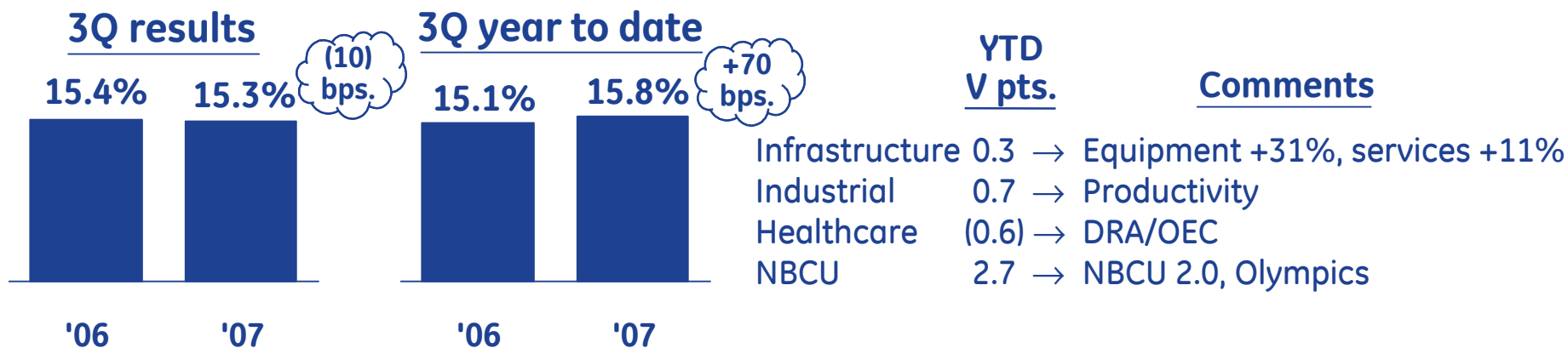


- ✓ GE Money – global strength ... tougher U.S. market
- ✓ Equipment Financing ... delinquencies remain near historic lows



GE Industrial margins

(% = Industrial op. profit)



Will deliver +70 bps. total year margin expansion



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Gains & capital allocation

What we said December '06

- ✓ Gains fund “restart” of restructuring
 - \$1.0-1.5B after tax
- ✓ Capital allocation
 - Dispositions \$7-12B
 - Acquisitions \$7-15B
 - Buyback \$6B

What we've done

- ✓ \$2.7B gains funding
 - Improved business position
 - Reduced risk in GE Money
- ✓ Exited Plastics & Swiss Re
- ✓ Completed Nuclear JV
- ✓ Closed Smiths, Vetco Gray ... announced Sondex & NBCU cable ... \$10B YTD
- ✓ Increased buyback to \$14B ... completing \$27B program 1 year early

- ✓ **Gains funding restructuring & business exits**
- ✓ **Disciplined capital allocation**



3Q restructuring/other charges

(\$ in millions after tax)

Plastics impact (discontinued operations) → \$1,800

Discontinued ops.

GE Money – Japan	\$1,025
GE Money – WMC	332
	<u>\$1,357</u>

Continuing ops.

Industrial	388
Corporate	164
Financial Services	16
	<u>\$568</u>

By category

1	Business exits GE Money (Japan & WMC)	\$1,357
2	Cost structure improvements C&I (simplification, site consolidation)	251
3	Footprint reductions C&I, GE Money & Commercial Finance (site consolidation)	91
4	Other items (Environmental, acquisition costs)	226
		<u>\$1,925</u>

- ✓ **Continuing op. restructuring average 3-year payback**
- ✓ **Total year ~9,000 headcount reduction**



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Accounting update

(\$ in millions)

Status

- ✓ Significant resources
 - Corporate Audit Staff
 - KPMG
 - E&Y/Charles River
 - Outside counsel
- ✓ Reviewing revenue recognition policies & procedures across company
- ✓ Committed to timely & transparent action and disclosure
- ✓ Cooperating with SEC ... ongoing investigation (1/'05)
- ✓ Internal review identified certain items although immaterial

3Q actions & disclosure

- ✓ Revenue recognition at shipping ... determined we retained transit risk due to:
 - Practices ... insurance & customer concessions for transit damage
- ✓ Aviation contractual service agreements: corrected timing of revenue & margin recognition on used parts we acquire during overhaul process and subsequently refurbish & reuse or sell

Financial impact

	<u>'03</u>	<u>'04</u>	<u>'05</u>	<u>'06</u>	<u>1H'07</u>
NI	\$(18)	\$(26)	\$(93)	\$(125)	\$54

- ✓ Insignificant earnings impact on total year 2007
- ✓ Details in 8-K filing

Insignificant earnings impact on total year 2007



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Third quarter EPS dynamics

(\$ in millions – except EPS)

<u>Dynamics</u>		<u>3Q'07</u>	<u>V%</u>
✓ Industrial restructuring in continuing operations	Continuing operations (before restructuring/other)	\$.56	22%
	- 3Q restructuring/other	(.06)	
		<hr/>	
	Continuing operations	\$.50	9%
+	Discontinued operations		
✓ Japan personal loan & WMC discontinued operations	- Plastics \$1,800	} .04	
	- Japan & WMC (\$1,357)		
	Net earnings	\$.54	15%

Continuing operations restructuring/other higher in quarter than previously communicated

Third quarter consolidated

(\$ in billions – except EPS)

Continuing operations

	<u>3Q'07</u>	<u>V%</u>
Revenues	\$42.5	12%
– Industrial sales	24.7	11
– Financial Svcs. rev.	18.1	16
Earnings	5.1	7
EPS – Continuing	.50	9
– Net earnings	.54	15
CFOA YTD	16.3	(8)
– Industrial CFOA	10.5	16
	<u>3Q'07</u>	<u>YTD</u>
Tax rate	11%	18%
– GE (ex. GECS)	25	23
– GECS	–	13

(\$ in millions)

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Infrastructure	\$14,451	19%	\$2,615	12%
Commercial Fin.	7,032	17	1,450	12
GE Money	6,207	23	942	13
Healthcare	4,062	4	692	(1)
NBC Universal	3,756	3	589	9
Industrial	6,229	–/3 ^{-a)}	513	6/10 ^{-a)}
(a- organic)			<u>\$6,801</u>	<u>10%</u>

3Q dynamics

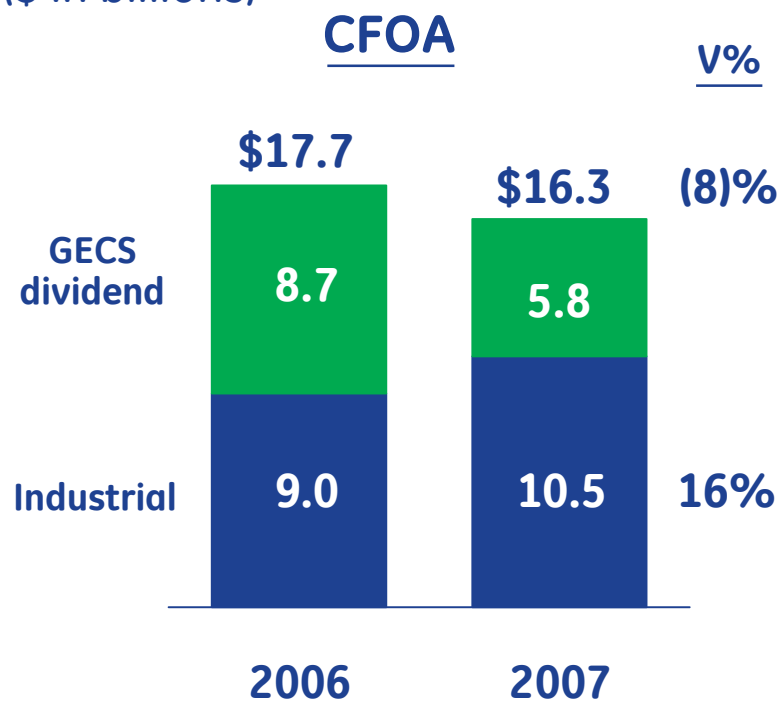
- More restructuring ~\$(0.1)
- Higher Infrastructure program impact ~\$(0.1)
- Commercial Finance marks ~\$(0.1)
- + Lower tax rate



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Third quarter YTD cash flow

(\$ in billions)



- GECS dividend \$5.8B, \$(2.9)B
 - \$2.7B special from Swiss Re stock & GE Life proceeds (\$5.7B '06 Genworth & GEIS proceeds)
 - Regular GECS dividend at 40%

Cash balance walk

	<u>Total</u>
Beginning balance	\$4.5
CFOA	16.3
Dividends	(8.7)
Stock repurchase	(8.1)
P&E	(2.0)
Acquisitions/dispositions	3.6
Change in debt/other	1.6
September	<u>\$7.2</u>

Solid cash performance



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2007 fourth quarter operations outlook

Continuing operations

	4Q'07 outlook	
	Revenues V%	Segment profit V% ^{-a)}
Infrastructure	~20%	20+%
Industrial	5-10	10-15
Commercial Finance	~10	~10
GE Money	5-10	5-10
Healthcare	0-5	~0
NBC Universal	~5	10-15

Total company 4Q'07 outlook

(\$ in billions - except EPS)

	\$	V%
Revenues	~\$48	~10+%
Earnings	\$6.6-6.8	14-18%
EPS	\$.67-.69	18-21%

(a- Financial Services on an after-tax basis)

- ✓ **4Q EPS \$.67-.69, +18-21%**
- ✓ **Total year on track for \$2.19-2.22, +18-19%**



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Segment highlights – Infrastructure

(\$ in millions)

<u>3Q'07</u>	<u>\$</u>	<u>V%</u>
Revenues	\$14,451	19%
Segment profit	\$2,615	12%

Key 3Q business results

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Aviation	\$4,240	35%	\$736	7%
Aviation Finc'l. Svcs.	1,134	5	256	(2)
Energy	5,205	3	823	8
Energy Finc'l. Svcs.	832	59	266	14
Oil & Gas	1,699	64	237	45
Transportation	1,109	9	253	29

3rd quarter dynamics

- Orders +32% ... equipment +62%, added \$14B backlog since 4Q'06
- Continued revenue growth
 - Aviation +35% ... equipment +50%, services +22%; Smiths \$0.6B
 - Energy +3% ... equipment +15%, services (9)%
 - Oil & Gas +64% ... equipment +80%, services +46%; Vetco Gray \$0.5B
 - Transportation +9% ... services +2%
- Double-digit segment profit growth +12%
 - Equipment revenues 3X+ service
 - Verticals asset sales less than expected

4Q'07 segment profit dynamics

- Infrastructure businesses 20+%
 - Broad-based strength
 - Equipment growth > services

4Q'07 outlook ... segment profit 20+%



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Infrastructure highlights

Aviation

	<u>3Q</u>	<u>3Q</u> <u>YTD</u>	<u>4QE</u>	<u>TYE</u>
Revenues V%	35%	25%	~25%	~25%
Op. profit V%	7	11	~20	~15

- Strong equipment orders +93%, spares ADOR +20%
- Smiths delivering ... integration on track
- Equipment revenue +50% ... strong spares shipments
- 3Q headwinds
 - Higher development program impact
 - 3Q services timing

4Q'07 outlook ... ~20%



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Energy

	<u>3Q</u>	<u>3Q</u> <u>YTD</u>	<u>4QE</u>	<u>TYE</u>
Revenues V%	3%	13%	~25%	20%
Op. profit V%	8	28	~30	30

- Equipment orders +103% ... Thermal +3X, Wind +91% ... order price 7% YTD
- Power Generation +13%, 45 GTs shipped ... Wind units 662, +49 units
- Margins +80 bps.: price & strong cost controls
- 3Q Nuclear (Japan) & Services timing

4Q'07 outlook ... ~30%

Segment highlights

(\$ in millions)

GE Money – 3Q'07

	\$	V%
Revenues	\$6,207	23%
Segment profit	\$942	13%
Assets	\$199B	20%

3rd quarter dynamics

- Asset growth +20% ... core growth in Europe +\$12B, Americas +\$4B
- Emerging market core income growth
 - Central Eastern Europe +53%
 - Asia +34%
- Delinquencies stable 5.24%, (9) bps.
 - Global down (25) bps.
 - U.S. up +35 bps.

4Q'07 outlook ... segment profit +5-10%

Industrial – 3Q'07

	\$	V%	Org. V%
Revenues	\$6,229	-%	3%
Segment profit	\$513	6%	10%

3rd quarter dynamics

- Organic revenue growth +3%
- Segment profit growth +6%
 - C&I +7%, tough U.S. residential market, global Lighting business strong
 - Enterprise Solutions +21% ... strong growth in Fanuc, Sensing & Digital Energy

4Q'07 outlook ... segment profit +10-15%



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Segment highlights – NBCU

(\$ in millions)

<u>3Q'07</u>	<u>\$</u>	<u>V%</u>
Revenues	\$3,756	3%
Segment profit	\$589	9%

<u>4Q'07 outlook</u>	<u>V%</u>
Revenues	~5%
Segment profit	+10–15%

Turnaround progress

- 1** Network
 - + Tied for #1 (18-49) season-to-date
 - *Bionic Woman* #1 new show, *Office* #1 comedy, *Heroes* #1 Monday night, *Sunday Night Football* is back strong
 - + Strong TV studio performance ... content ownership key
- 2** Entertainment & Info. Cable
 - + USA #1, Sci Fi #7, Bravo best summer ever
 - + MSNBC & CNBC up double digit
 - + Acquired Sparrowhawk & Oxygen
- 3** Film & Parks
 - + Strong summer performance ... *Bourne*, *Chuck* & *Larry*, *Knocked Up*
 - + Universal #2 studio domestic box for summer
 - + Parks best quarter ever
- 4** Digital
 - + NBC direct and Newsite “Hulu” to launch next month
 - + Formed partnership with Amazon to sell variety of content packages

- ✓ **Great content, film, cable, NBCU studios**
- ✓ **Fall season off to a strong start**

Segment highlights – Healthcare

(\$ in millions)

	3Q'07	
	\$	V%
Revenues	\$4,062	4%
Segment profit	\$692	(1)%

3Q highlights

- Orders flat ... service +8% partially offset by equipment down 3%
- Revenues +4%: International +15%, Life Sciences +18%, Clinical +10% ... offset by weakness in DRA & OEC (5) pts. impact
- DRA & OEC had (18) pts. impact on segment profit growth

GE Healthcare dynamics

	2007				'08 outlook
	1H	3Q	4Q	TY	
OP	(2)%	(1)%	~0%	~0%	~10-15%

Segment profit drivers (V pts.)

OEC	(7)	(6)	~0	~(5)	Fav.
U.S. Imaging	(10)	(12)	~(10-15)	~(12)	Flat
Balance of business	15	17	~15	~16	~15

- ✓ DRA pressures continue
- ✓ OEC expected to begin shipments in 4Q

4Q'07 outlook ... segment profit ~0%



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Segment highlights – Commercial Finance

<u>3Q'07</u>	<u>\$</u>	<u>V%</u>
Revenues	\$7,032MM	17%
Segment profit	\$1,450MM	12%
Assets	\$276B	28%

Key 3Q business results

	<u>Assets (\$B)</u>		<u>Segment profit (\$MM)</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Real Estate	\$72	49%	\$640	45%
Capital Solutions	114	23	424	(19)

3rd quarter dynamics

- Assets +28% driven by strong originations
 - Capital Solutions +23%, Real Estate +49%
- Revenues +17% ... driven by strong asset growth
- Segment profit +12%
 - Strong double-digit growth in Real Estate +45%, CF other +19%
- Asset quality stable ... delinquencies near historic lows
- 3Q impact of market volatility ... ~\$70MM

4Q'07 segment profit dynamics

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

4Q'07 outlook ... segment profit ~10%

GE portfolio: looking forward

	<u>% of segment profit</u>	<u>Stronger business position (’08 outlook)</u>
Infrastructure	37%	✓ Great position in robust global market ... “early innings”
Com’l. Finance	20	✓ Leading global commercial finance business
GE Money	13	✓ Great global position & track record ... business exits reduce risk & improved strategic position
Healthcare	11	✓ Strong global position ... OEC a positive in ’08 ... DRA still tough but easier comparisons
NBCU	11	✓ Strong cable & film performance ... network turnaround progressing ... earnings growth accelerating
Industrial	8	✓ Plastics complete ... building high-tech & brand position

Stronger & better-positioned GE



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Invest & deliver

Total year outlook

- ✓ **We will deliver a solid 2007**
 - + Infrastructure momentum
 - + NBCU turnaround on track
 - + Financial Services strength
 - + Gains → restructuring & business exits

- ✓ **We have high visibility to organic growth & margin expansion**
 - + Organic growth at 2-3X GDP ... big backlogs
 - + 70 bps. of margin expansion

- ✓ **We will be disciplined in capital allocation**
 - + Improved portfolio ... sound fundamentals
 - + Reduced risk for 2008 → better positioned GE

Total year at \$2.19-2.22, +18-19%



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