

GE 2005 second quarter performance

July 15, 2005

- Financial results & company highlights
- 2005 third quarter outlook

"2005 results are preliminary and quarterly information is unaudited. Segment results reflect our business structure prior to the reorganization announced on June 23, 2005 and effective 3Q'05. 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 "expects," "anticipates," "intends," "plans," "believes," "seeks," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties arise from the behavior of financial markets, including fluctuations in interest rates and commodity prices; from future integration of acquired businesses; from 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; from unanticipated loss development in our insurance businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive and regulatory 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."

This presentation includes certain non-GAAP financial measures as defined by SEC rules. As required by SEC rules, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in our Supplemental Information file on our investor relations website at www.ge.com/investor.



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2Q overview

- ✓ **Business fundamentals remain positive**
 - Continued strong orders, +13% in 2Q
 - Stable asset quality
 - Major equipment backlog \$23B, +15%
- ✓ **Strong GE financial performance in 2Q**
 - Revenue +13%, organic revenue +8%
 - Earnings \$4.6B +24%, EPS \$.44 +22% (before SFAS 133 correction, +16%)
 - All 11 businesses with at least double-digit earnings growth
 - Op profit margin of 15.1%, up 1.6 pts. ... continued price realization ahead of material inflation
 - YTD CFOA \$8.0B, +18% ... Industrial CFOA \$6.2B, +24%
- ✓ **Initiatives continue to deliver**
 - Services sales +10%, CSA backlog \$83B, +15%
 - Growth platforms revenue +23%
 - Global revenue +20%
- ✓ **Strong momentum drives TY'05 outlook**
 - 8% organic revenue growth
 - EPS \$1.80-1.83, +12-14% ... high end of original guidance
 - CFOA \$17-18B, +11-18% ... above TY'05 plan

Strong quarter



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Customer wins

- **Transportation** ... GENx selected by Qatar Airways & Alafco Aviation for A350 and by Boeing for its proposed 747-Advanced program; AirAsia, RyanAir & Alaska Airlines have selected CFMI engines and Korean Air the GP7000; received orders for more than 250 GE Evolution Series locomotives ... Evolution backlog now over 1,450 units
- **Energy** ... launched Arklow Bank Wind Park, GE's first offshore wind farm with 3.6MW turbines; enhanced H System™ technology & uprated system from 480 to 520MW; selected to provide wind turbines to two wind farms in China supplying renewable power for Beijing 2008 Olympic Games
- **Healthcare** ... signed collaboration agreements with Roche & Eli Lilly to improve the diagnosis and treatment of Alzheimer's disease; launched GE Innova 2100^{IQ}, a new cardiovascular imaging system capable of imaging the finest blood vessels
- **Consumer Finance** ... expanded global presence signing agreements to purchase a significant stake in BAC International Bank Inc., one of Central America's largest banks, and forming a strategic alliance with CAM (Caja de Ahorros del Mediterraneo) to provide consumer finance products, personal loans & credit card solutions in Spain
- **Commercial Finance** ... acquired Bombardier Capital's inventory finance division; agreed to acquire \$1B of corporate aircraft assets from CIT Group, Inc. and five of Germany's largest wind farms; completed 100% ownership of Heller Bank AG, a provider of factoring solutions for mid-sized European companies
- **NBC Universal** ... won NFL Sunday night prime-time contract; Telemundo selected to produce segments for Wal-Mart Television Network expanding Hispanic marketplace coverage; marked Today's 500th consecutive week in first place in homes and total viewers
- **Infrastructure** ... announced plans to build Hamma Water Desalination SpA, Africa's largest seawater desalination plant; received nearly \$55MM in TSA orders for explosion detection machines and EntryScan3™ units
- **Consumer & Industrial** ... introduced new products including GE Profile SmartDispense dishwasher and Par 20 lamp, a new high intensity discharge product; continued strong sales of high-end Monogram and Profile appliances and achieved strong sales growth in Ultra Fluorescent lamps, a GE ecomagination product
- **Advanced Materials** ... introduced two ecomagination products: flexible Noryl™ resin, for lighter-weight automotive wiring, & Silwet™ Silicone super spreader, helping agriculture businesses reduce fertilizer and insecticide use



Great wins

Driving growth

2Q'05 organic revenue growth

+8%

Initiatives delivering Revenue V%

- | | | |
|-----------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| + Product services sales | 10% | ✓ \$3.1B new CSA commitments
✓ Energy +14%, Healthcare +8%, Transportation +5%, Infrastructure +32% |
| + Growth platforms revenue | 23% | ✓ Strong growth: Healthcare IT +19%, Oil & Gas +7%
✓ Recent acquisitions (Ionics, EST, InVision) expand capabilities in Water & Security
✓ 9% organic revenue growth in 2Q'05 |
| + Global revenues | 20% | ✓ China +40%
✓ Asia +33%, Europe +21% |
| + Imagination Breakthroughs | +++ | ✓ Non-destructive testing continues to expand
✓ Desalination ... won Algeria plant; CSA backlog \$4B+
✓ European Commercial Finance assets up 49% |

Growth initiatives delivering

Orders

Major Equipment

(V%)	2Q'05	1H'05
Energy	77%	40%
Transportation	12	15
Healthcare	16	38
Total Major Eq.	34%	32%

(\$ in billions – 4 quarter rolling average)



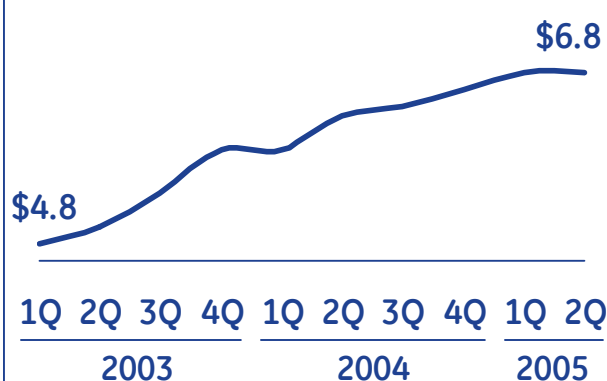
- Backlog \$23B, +15% vs. 2Q'04
- Building installed base ...2Q'05
CSA backlog \$83B, up 15%

Services

(V%)	2Q'05	1H'05
Energy	5%	6%
Transportation*	4	11
Healthcare	3	7
Total Services	4%	7%

*Ex. Garrett

(\$ in billions – 4 quarter rolling average)

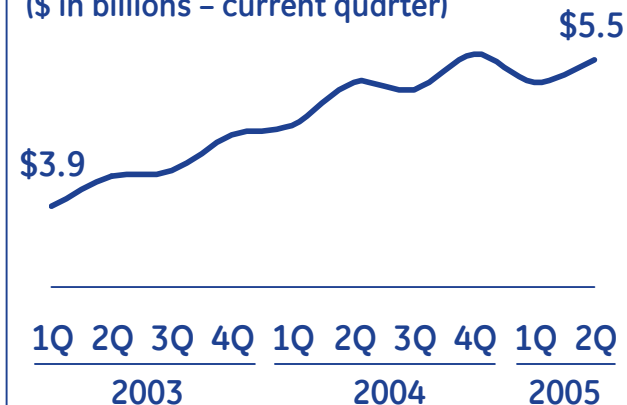


- Aircraft commercial spares ADOR \$15.4MM/day, +17%
- Energy up 13% ex. 2Q'04 nuclear fuel reload

Flow (ex. acq./disp.)

(V%)	2Q'05	1H'05
Ad. Materials	3%	7%
Appliances	7	8
Lighting	4	7
Ind. Systems	7	8
Total Flow	6%	8%

(\$ in billions – current quarter)

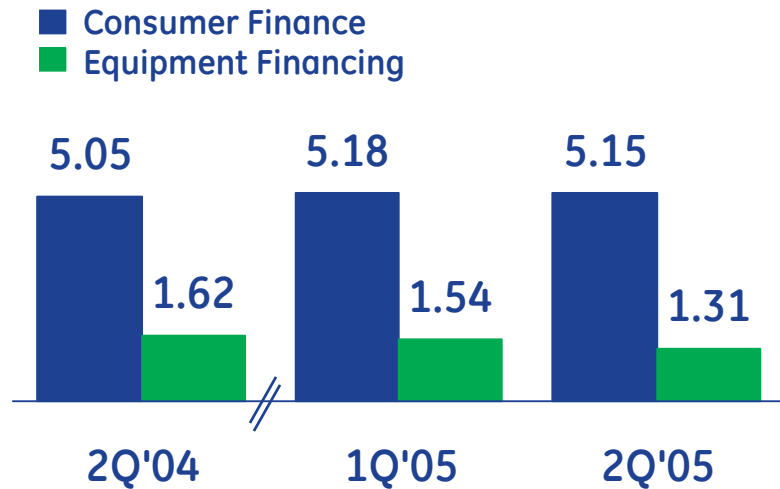


- Stronger pricing in Ad. Materials
- June stronger than May, total +7%
 - Ad. Materials +8% in June
 - Infrastructure +16% in June
- Asia continues strong double-digit ... 2Q'05 +25%

✓ **Solid orders momentum**
– **Total orders +13%**

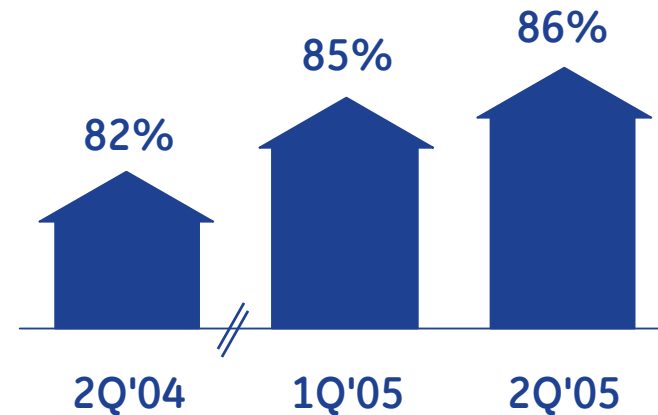
Portfolio quality

Delinquencies



- ✓ Consumer credit quality remains stable
- ✓ Commercial Finance delinquency continues to improve
 - Non-earning assets ↓ (\$128MM) vs. 2Q'04
 - No aircraft on ground at GECAS

Utilization



	<u>2Q'05 utilization</u>	<u>V 2Q'04</u>
Penske	95%	(1) pt.
Rail	84	+5
Trailers	84	+11

- ✓ Solid & stable portfolio quality
- ✓ High utilization rates

Second quarter consolidated results

(\$ in billions – except EPS)

	<u>2Q'05</u>	<u>V%</u>	<u>V% before SFAS 133 correction</u>
Revenues	\$41.6	13%	12%
– Industrial sales	22.4	12	12
– Financial Svcs. revenues	19.0	12	11
Net earnings	\$4.6	24%	18%
EPS	\$.44	22%	16%
YTD CFOA	\$8.0	18%	18%
– YTD Industrial CFOA	\$6.2	24%	24%

**8% organic
revenue
growth**

		<u>Tax rate %</u>		
		<u>2Q'05</u>	<u>V pts.</u>	<u>YTD 1H'05</u>
GE		25%	+8 pts.	25%
(ex. GECS)				
GECS		16%	+2 pts.	18%

Strong business performance

2Q'05 items

(\$ in millions – net earnings)

<u>Items</u>	<u>May estimate</u>	<u>Actual</u>
IAC/Interactive Corp. unwind/Paxson	\$–	\$81
MedPro gain on sale	75	62
Derivative close out (FAS133)	50	4

2Q'05 impact consistent with May guidance

GE second quarter operations (old basis)

(\$ in millions)

	Revenue		Segment profit ^{a)}	
	\$	V%	\$	V%
Energy	\$4,537	10%	\$698	10%
Transportation	4,244	9	898	11
Healthcare	3,768	12	672	15
Infrastructure	1,232	43	168	25
NBCU	3,858	35	979	27
Commercial Finance	6,068	6	1,215	25
Consumer Finance	4,928	29	735	23
Consumer & Industrial	3,576	2	227	11
Advanced Materials	2,253	10	258	60
Insurance	6,007	8	284	F
Equipment & Other Services	1,975	12	65	F

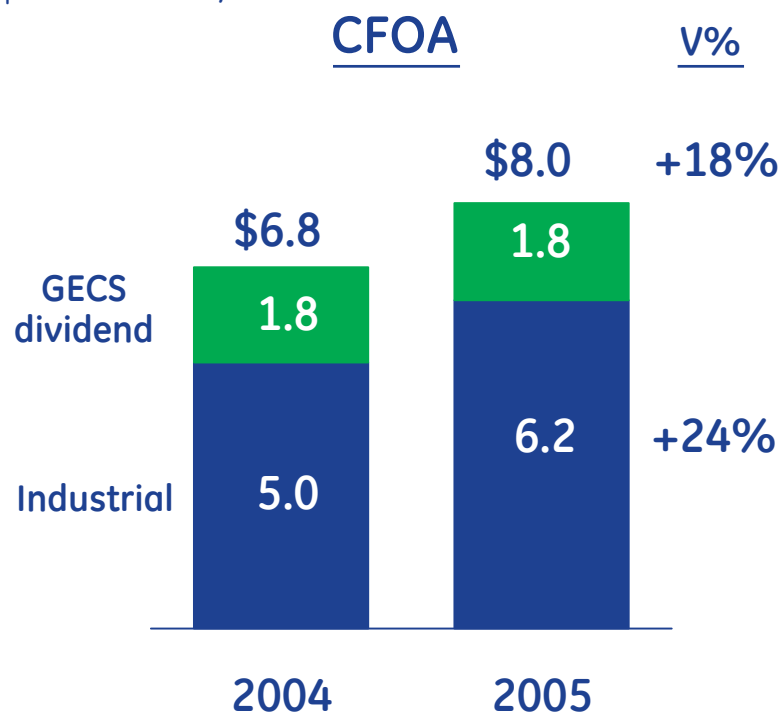
(a- Financial Services on an after-tax basis)

All 11 businesses at least double-digit earnings growth



First half cash flow

(\$ in billions)



- \$5.4B returned to shareowners
- Dividend yield ~2.5%
- GECS dividend @ 40% for 2H'05

Cash balance walk

	<u>Total</u>
Beginning balance	\$3.2
CFOA	8.0
Dividends	(4.7)
Stock repurchase	(0.7)
P&E	(1.0)
Acquisitions/dispositions	(3.4)
Change in debt/other	0.3
June actual	\$1.7

Strong cash performance

GE 3Q'05 outlook (old basis)

	<u>Revenue V%</u>	<u>Profit V%</u>
Energy	~10%	10-15%
Transportation	5-10	10-15
Healthcare	~10	15+
Infrastructure	~20	40+
NBCU	~(20)	15-20
– Ex. Olympics	0-5	15-20
Commercial Finance	5-10	10-15
Consumer Finance	15+	15-20
Consumer & Industrial	~5	10-15
Advanced Materials	10-15	50+
Insurance	~5	40+
Equipment & Other Services	0-5	(50)

First half momentum continues

Segment highlights

(\$ in millions)

Advanced Materials

	<u>2nd quarter</u>	
	<u>\$</u>	<u>V%</u>
Revenue	\$2,253	10%
Op profit	\$258	60%

2nd quarter dynamics

- June orders +8% ... backlog ↑ vs. 1Q'05
- Price realization greater than material inflation ... strong op profit growth (Plastics +82%, Silicones +25%)
- Asia strong ... orders and revenue +26%
- 2Q benzene \$3.06, +30%

- 3Q dynamics ... op profit 50+%
 - Prior price actions more than offset mat'l. inflation

Consumer & Industrial

	<u>2nd quarter</u>		
	<u>\$</u>	<u>V%</u>	<u>Ex. disp.</u>
Revenue	\$3,576	2%	7%
Op profit	\$227	11%	28%

2nd quarter dynamics

- Broad-based revenue growth
 - Industrial ex. dispositions +12%
 - Supply +8%
 - Appliances +6%
- High-end appliance unit growth
 - Monogram +34%; Profile +7%
- Price realization greater than material inflation

- 3Q dynamics ... op profit 10-15%
 - Prior price actions more than offset mat'l. inflation



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Segment highlights

Infrastructure

	<u>2nd quarter</u>	
	<u>\$</u>	<u>V%</u>
Revenue	\$1,232MM	43%
Op profit	\$168MM	25%

2nd quarter dynamics

- Strong Security growth
 - InVision & Edwards Systems Technology contributing
 - Homeland protection 2Q'05 orders +36%
- Water orders +38%
 - Ionics integration going well
 - Continued to build out Water service model & invest in new technology

- **3Q dynamics ... op profit 40+%**
 - Broad-based business strength
 - Acquisitions contribute

Consumer Finance

	<u>2nd quarter</u>	
	<u>\$</u>	<u>V%</u>
Assets	\$150B	28%
Net income	\$735MM	23%

2nd quarter dynamics

- Americas: assets, earnings both up 30+%
 - Strong core growth, improved asset quality
- Europe: assets +9%, earnings +15%
 - Performed well despite slower U.K. market
- Asia: assets +73%, earnings +24%
 - Australia & Korea acquisitions contributing; Japan stable
- Continued solid & stable asset quality

- **3Q dynamics ... 15-20% net income**
 - Strong global operations



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Segment highlights

Commercial Finance

	<u>2nd quarter</u>	
	<u>\$</u>	<u>V%</u>
Assets	\$233B	4%
Net income	\$1,215MM	25%

2nd quarter dynamics

- Selective pruning of Real Estate portfolio: assets down 3%, earnings down 2% (gains ↓)
- GECAS net income +39% ... tax benefits more than offset impairments
- Mid-Market Finance volume continues strong (up 14%) ... benefit of broad distribution
- Continued asset quality improvement

• 3Q dynamics ... 10-15% net income
– Solid operations and asset quality

Insurance

	<u>2nd quarter</u>	
	<u>\$</u>	<u>V%</u>
Revenue	\$6,007MM	8%
Net income	\$284MM	F

2nd quarter dynamics

- GE Insurance Solutions \$196MM +38%
 - Includes MedPro gain on sale (\$62MM)
- Continuing to execute the strategy
 - Exit unprofitable lines
 - Reduce investment
- GE share of Genworth \$86MM
 - Embedded gain in GE's Genworth position

• 3Q dynamics ... 40+% net income
– Significant natural catastrophes in 3Q'04

Segment highlights

(\$ in millions)

NBC Universal

2nd quarter

	<u>\$</u>	<u>V%</u>
Revenue	\$3,858	35%
Op profit	\$979	27%

2nd quarter dynamics

- Network prime in tough cycle ... lower ratings
 - No repeat of “Friends” & “Frasier” finales in 2Q
 - '05 prime upfront sales below '04
- Enhanced business model:

	<u>% op profit ex. IACI/PAX</u>	<u>2Q V%</u>
Prime/Stations/TVPD	33%	(30)%
All other (News, Cable, Film, Parks)	67%	78%

- Film/Entertainment Cable continue strong growth ... DVD sales 6% ahead of plan in 2Q
- IACI unwind benefit/Paxson in 2Q'05 (+\$180MM), ex. items NBCU op profit +4%

- **3Q dynamics ... 15-20% op profit**
- **- Strong film & cable performance**



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Healthcare

2nd quarter

	<u>\$</u>	<u>V%</u>
Revenue	\$3,768	12%
Op profit	\$672	15%

2nd quarter dynamics

- Strong equipment orders growth +16% vs. 2Q'04
 - CT +71%, MR +27%
- Biosciences revenue +9%, op profit +13% driven by strength in medical diagnostics & protein separations
- Healthcare Technologies revenue +13%, op profit +20% driven by Global, Services, HCIT & Ultrasound

- **3Q dynamics ... 15+% op profit**
- **- Broad-based business strength**

Segment highlights

(\$ in millions)

Transportation

	<u>2nd quarter</u>	
	<u>\$</u>	<u>V%</u>
Revenue	\$4,244	9%
Op profit	\$898	11%

2nd quarter dynamics

- Strong Aircraft Engines growth ... revenue +7%, op profit +18%
 - Commercial spares (order rate \$15.4MM/day, +17%)
- Solid equipment deliveries
 - Commercial engine shipments 385, +4%
 - 224 locomotives shipped, +5% ... over 250 locomotive orders
 - Improving EVO profitability with volume ramp in second half

- 3Q dynamics ... op profit 10-15%
 - Strength in services and equipment deliveries

Energy

	<u>2nd quarter</u>	
	<u>\$</u>	<u>V%</u>
Revenue	\$4,537	10%
Op profit	\$698	10%

2nd quarter dynamics

- Energy orders up 29% driven by Power Generation
- 2Q'05 gas turbine units 27 vs. 29 in 2Q'04
- Strong Services growth: Power Generation Services op profit up 35%
- Strong O&G performance
 - Orders \$1.0B, +33% ... 3rd consecutive quarter \$1B+ orders
 - Revenue +7%, op profit +21%
- Wind revenue \$427MM, ~3X 2Q'04

- 3Q dynamics ... op profit 10-15%
 - Broad-based business strength



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Reorganized into six GE businesses as of July 5

Infrastructure	Commercial Financial Svcs.	Industrial	NBCU	Healthcare	Consumer Finance
Dave Calhoun Vice Chairman	Mike Neal Vice Chairman	John Rice Vice Chairman	Bob Wright Vice Chairman	Bill Castell Vice Chairman Joe Hogan Sr. Vice President & CEO	Dave Nissen Sr. Vice President & CEO

Revenue + segment profit reported at this level of detail in addition to six business units above

- | | | | | | |
|-----------------------|---------------------|----------------------|--------|--------------|--------------------|
| - Energy | - Real Estate | - Cons. & Industrial | - NBCU | - Healthcare | - Consumer Finance |
| - Energy Fin. Svcs. | - Lending & Leasing | - Plastics | | | |
| - Aircraft Engines | - Insurance | - Equipment Svcs. | | | |
| - Aviation Fin. Svcs. | | | | | |
| - Oil & Gas | | | | | |
| - Rail | | | | | |

New organization drives significant benefits

- Expands growth capability
- Leverages key talent
- Positions for seamless transitions
- Sustains strong risk disciplines
- Improves pipeline of leadership development
- Simplifies organization ... speed ↑ cost ↓

Improved go to market + lower costs

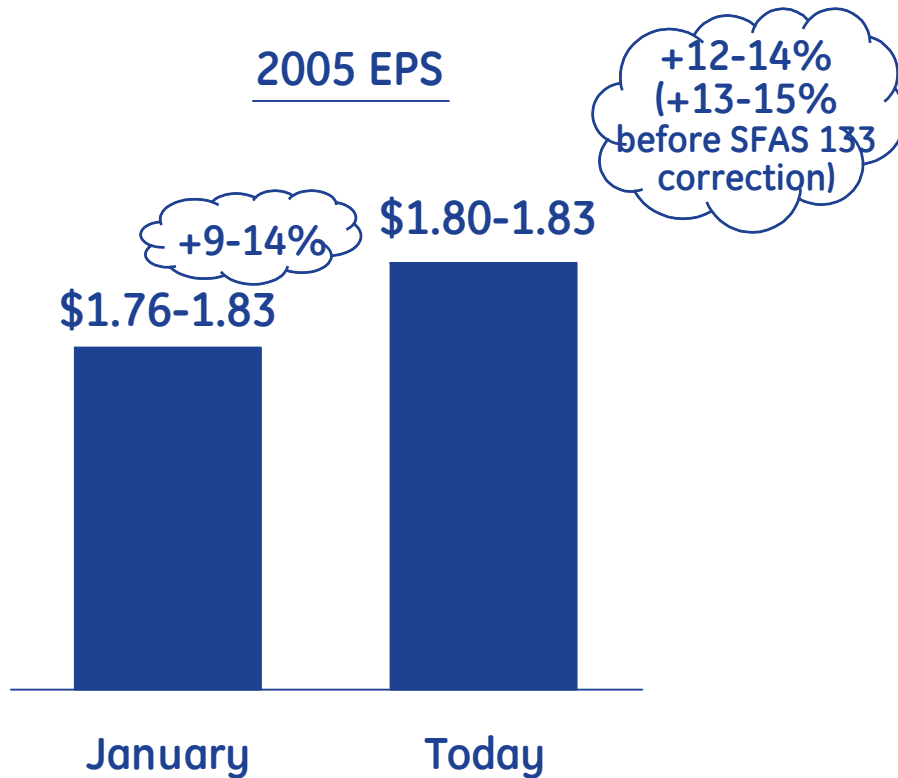
GE third quarter operations outlook (new basis)

<u>New organization</u>	<u>3Q'05 outlook</u>	
	<u>Revenue V%</u>	<u>Segment profit V%</u>
Infrastructure	10-15%	10-15%
Industrial	~10	20+
Commercial Financial Services	5-10	10-15
Healthcare	~10	15+
NBC Universal	~(20)	15-20
– Ex. Olympics	0-5	15-20
Consumer Finance	15+	15-20

<u>Total company 3Q'05E</u>		
(\$B, except EPS)	<u>\$</u>	<u>V%</u>
Revenue	\$41-42	8-10%
Earnings	\$4.6-4.7	12-15%
EPS	\$.43-.44	13-16%

- ✓ Increased transparency & simplified organization
- ✓ Will file recasted financials in mid-September

'05 earnings outlook



TY'05 EPS dynamics vs. plan

Advanced Materials	✓
Aircraft Engines/Rail	+
Consumer/ Commercial Finance	+
Consumer & Industrial	✓
Energy	✓
Healthcare	+
Insurance	+
NBCU	-

Momentum

- | | |
|-----------------------------|---------------------------------|
| + Infrastructure order rate | + Insurance (Genworth gain) |
| + Services growth | + Strong asset quality |
| + Op profit expansion | + Cash flow growth (repurchase) |



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Summary

✓ **Strong outlook for 2005**

- 8% organic revenue growth
- Double-digit earnings, EPS and YTD CFOA in 2Q'05
- 2005 EPS estimate now \$1.80-1.83, +12-14%

✓ **GE positioned for consistent and sustainable growth over time**

- Power “bubble” and portfolio moves behind us
- Services, growth platforms and global drive top line
- Accelerating cash flow ... GECS dividend 40-50% of earnings

✓ **Company is in great shape**

- Business performance is strong & broad-based ... power of diversity
- Strong balance sheet ... Triple A and capital efficient business model
- Solid foundation ... deep leadership, great people, great culture

GE delivers