

GE 2006 second quarter performance

July 14, 2006

- Financial results & company highlights
- 2006 third 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 "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 which could adversely or positively affect our future results include: the behavior of financial markets, including fluctuations in interest rates and commodity prices; strategic actions, including 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; unanticipated loss development in our insurance businesses; and 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."



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Environment

Tailwinds

- + Economy remains solid
 - ✓ Broad based
- + Changing energy landscape an opportunity
 - ✓ Capitalize on technical leadership
 - ✓ Geographic position
- + Emerging market growth
- + Global capital market liquidity
 - ✓ Strong risk environment

Headwinds

- Inflation
 - ✓ Interest rates
 - ✓ Commodities
- Market dynamics
 - ✓ Plastics price/volume
 - ✓ NBCU primetime
- Corporate pension/restructuring

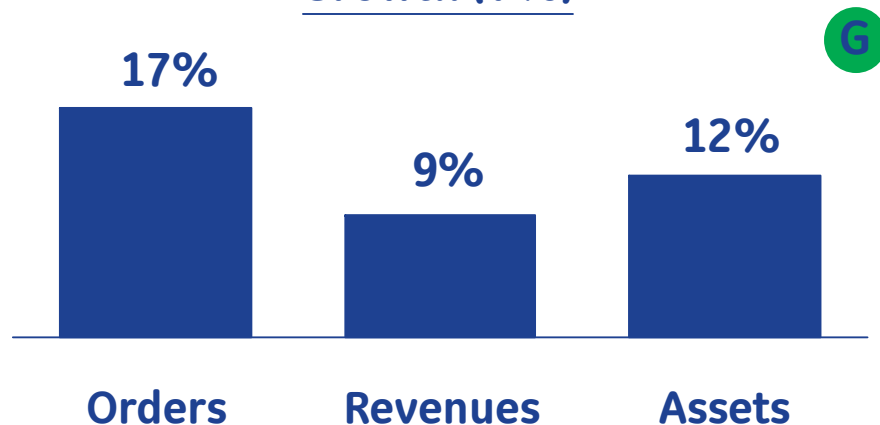
GE achieving excellent performance in this environment



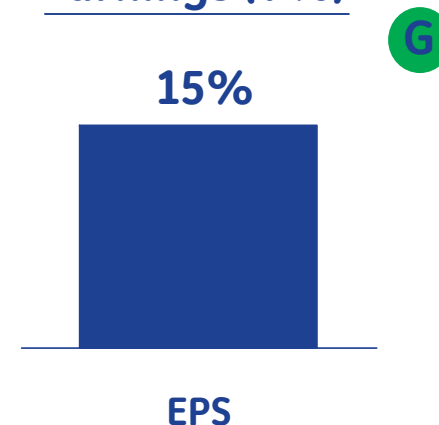
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Key performance metrics: 2Q'06

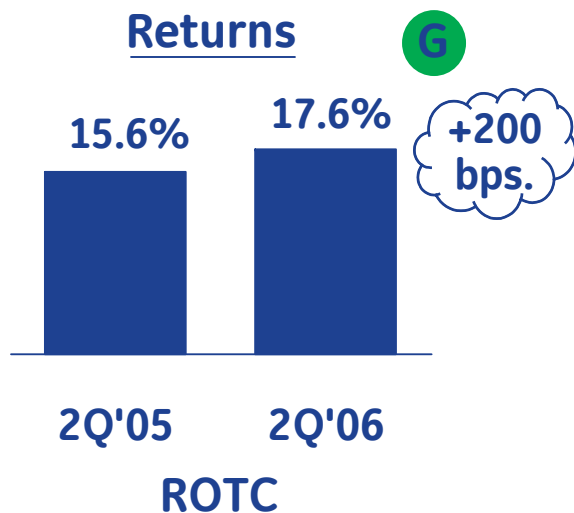
Growth (V%)



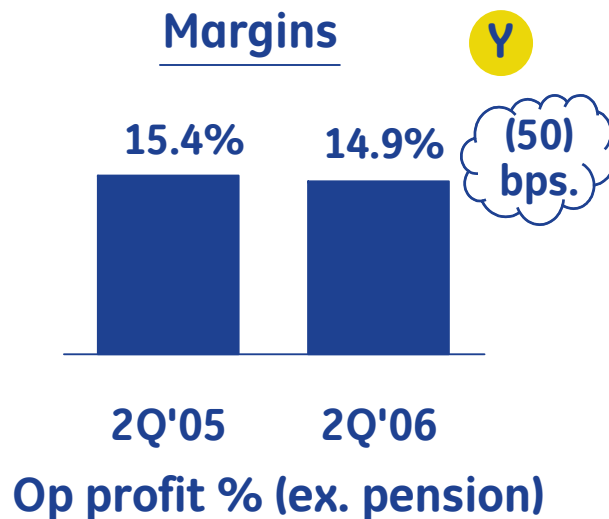
Earnings (V%)



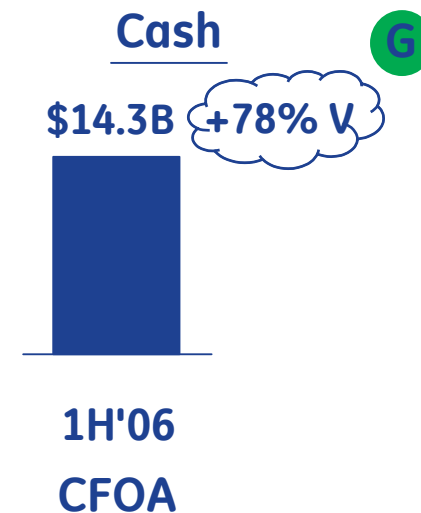
Returns



Margins



Cash



Executing long-term strategy



Build great businesses

- + Invested in Zenon (Water), Biacore (Healthcare) & iVillage (NBCU)
- + Growth platforms revenues +18%
- + Exited Insurance Solutions ... announced Supply sale



Reliable execution

- + Infrastructure orders grew +30%
- + NBCU upfront on plan
- + Solid Financial Services performance
- + 5/6 businesses with segment profit growth 10+%
- Operating profit leverage



Common growth initiatives

- + Organic growth ... 5 of 6 businesses hit goal
- + Services revenue growth +12%; CSAs at \$87B +6%



Simple structure & great team

- + On track for \$400MM synergies this year
- + Stronger enterprise selling



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Executing “growth as a process”

Highlights

Organic revenue growth



- + **Great technology & services ... accelerating wins**
 - Healthcare driving premium product growth ... VCT +38%, HDMR +52%, Vivid i +68%
 - Backlog: Equipment to \$30B, +28% ... CSAs to \$87B, +6%
- + **Imagination breakthroughs ... delivers \$2-3B revenue**
 - Hispanic Media share ... +11 pts.
 - Monogram appliance growth ... +13%
 - Hospital equipment financing ... +33%
- + **Commercial excellence ... driving growth**
 - Ecomagination ... 20+% '06 orders growth
 - Olympics on track for \$700MM orders
- + **Customers ... improving share**
 - NPS being driven across company
 - 30 lean showcases delivering customer impact
- + **Global growth ... sustained growth**
 - Developing country growth of 18%
- + **Growth Leaders**
 - Leadership innovation & growth course for senior leadership

6th straight quarter at 2-3X GDP

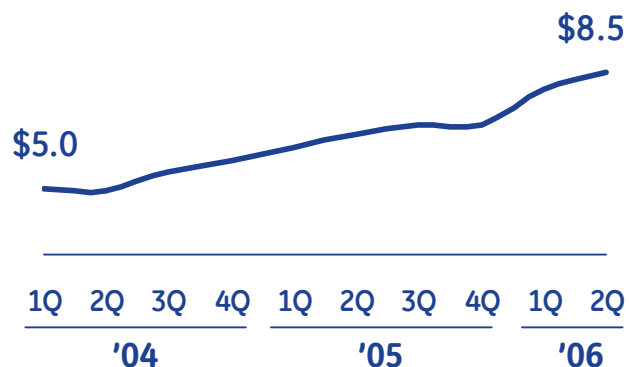
Orders

Major Equipment

(V%)	1Q'06	2Q'06
Aviation	Fav.	Fav.
Energy	60	41
Healthcare	2	4
O&G	38	25
Transportation	70	(31)
Total Major Eq.	67%	33%

- ✓ Strong Infrastructure orders +59%
- ✓ YTD Backlog strong \$30B, +28%
- ✓ YTD +51%

(\$ in billions – 4 quarter rolling average)

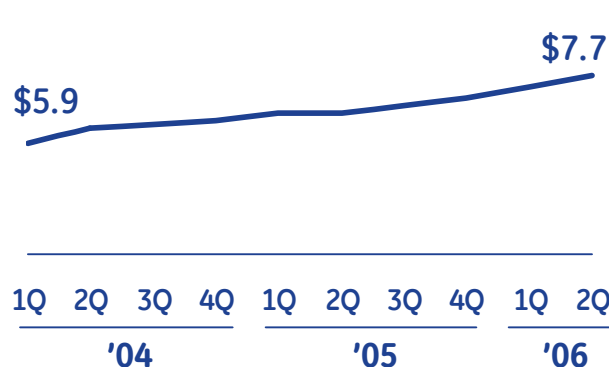


Services

(V%)	1Q'06	2Q'06
Aviation	7%	5%
Energy	37	16
Healthcare	9	15
O&G	16	41
Transportation	20	10
Total Services	20%	13%

- ✓ Strong multi-year contracts
- ✓ CSA backlog \$87B, +6%
- ✓ YTD +17%

(\$ in billions – 4 quarter rolling average)

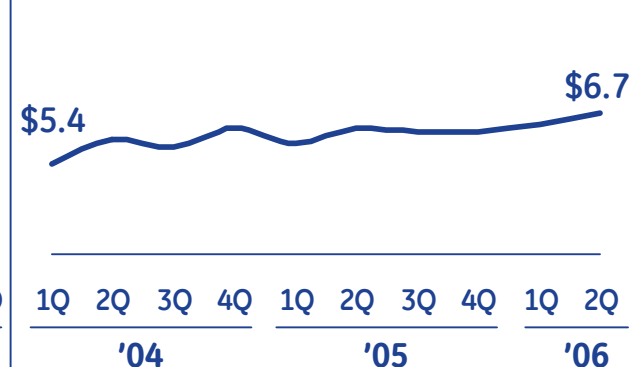


Flow ADOR (organic)

(V%)	1Q'06	2Q'06
C&I	10%	10%
Plastics	2	8
Security	12	5
Total Flow	8%	8%

- ✓ U.S. strong +9%; Europe +4%; Asia solid +6%
- ✓ Plastics volume +13%, price (5)%

(\$ in billions – current quarter)



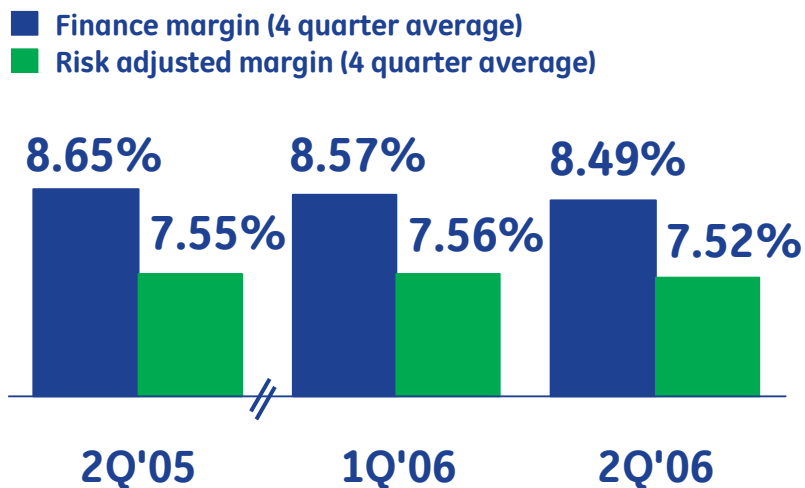
Orders remain strong ... 2Q total company +17%



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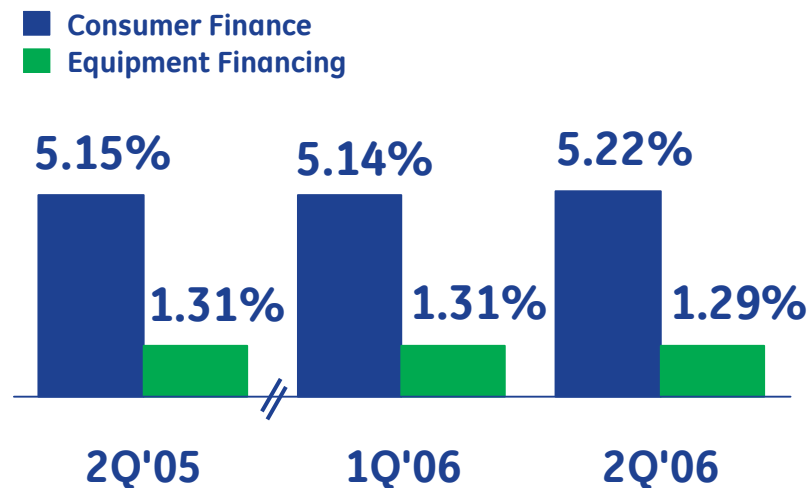
Financial Services

Margins

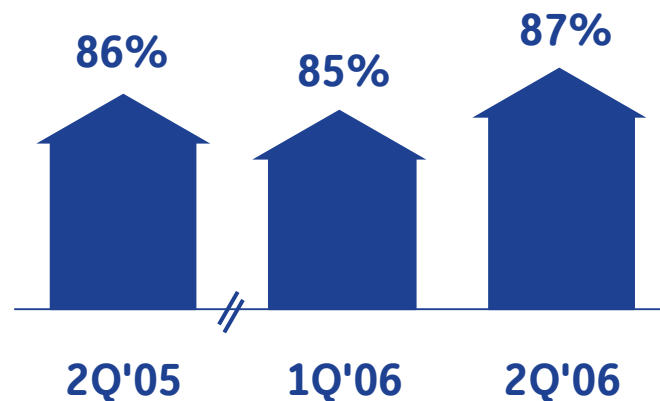


- ✓ Market liquidity continues to apply top line pressure
- ✓ Loss performance reducing margin pressure ... continued strong portfolio
- ✓ Risk adjusted margins stable

Delinquencies

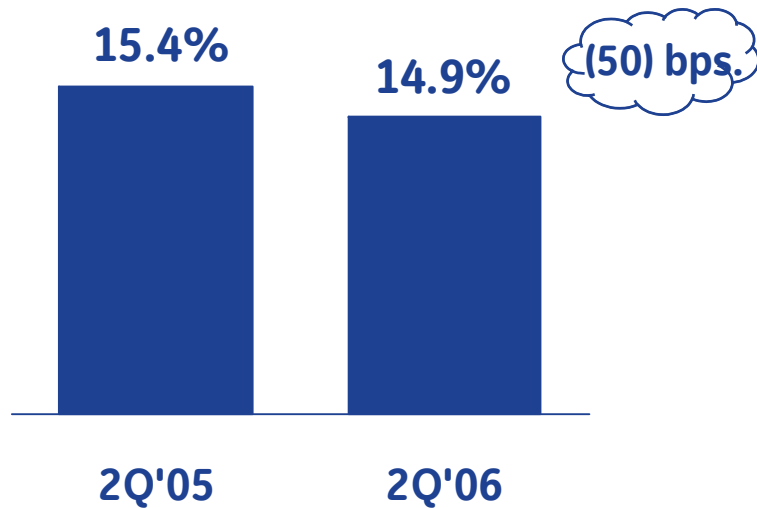


Utilization



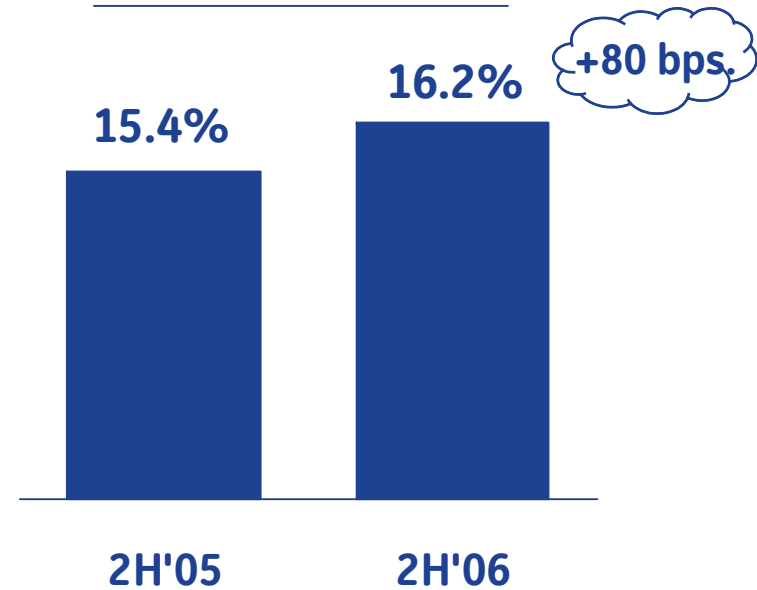
Op profit dynamics – ex. pension

2Q results



- NBCU comparison
- Infrastructure product 2X service
- Plastics price/inflation
- + Productivity

2H commitments



- + Productivity
- + Infrastructure services = product
- + NBCU ... 4Q comparison
- Plastics ... price/inflation

2H on track

Second quarter consolidated results

(\$ in billions – except EPS)

Continuing operations

	<u>2Q'06</u>	<u>V%</u>
Revenues	\$39.9	9%
– Industrial sales	24.4	9
– Financial Svcs. rev.	15.3	10
Earnings	4.9	11
EPS	.47	15
CFOA YTD	14.3	78
– Industrial CFOA	6.7	9
Tax rate		
– GE (ex. GECS) – 2Q	24%	
– YTD	24%	
– GECS – 2Q	11%	
– YTD	13%	

(\$ in millions)

	<u>Revenues</u>		<u>Segment profit^(a)</u>		<u>Vs. guidance</u>
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>	
Infrastructure	\$11,332	11%	\$2,107	10%	✓
Industrial	8,788	6	729	15	✓
Commercial Fin.	5,527	12	1,057	21	✓
Consumer Fin.	5,268	7	880	20	✓
Healthcare	4,156	10	795	18	✓
NBC Universal	3,858	0	882	(10)	✓
			<u>\$6,450</u>	<u>11%</u>	✓

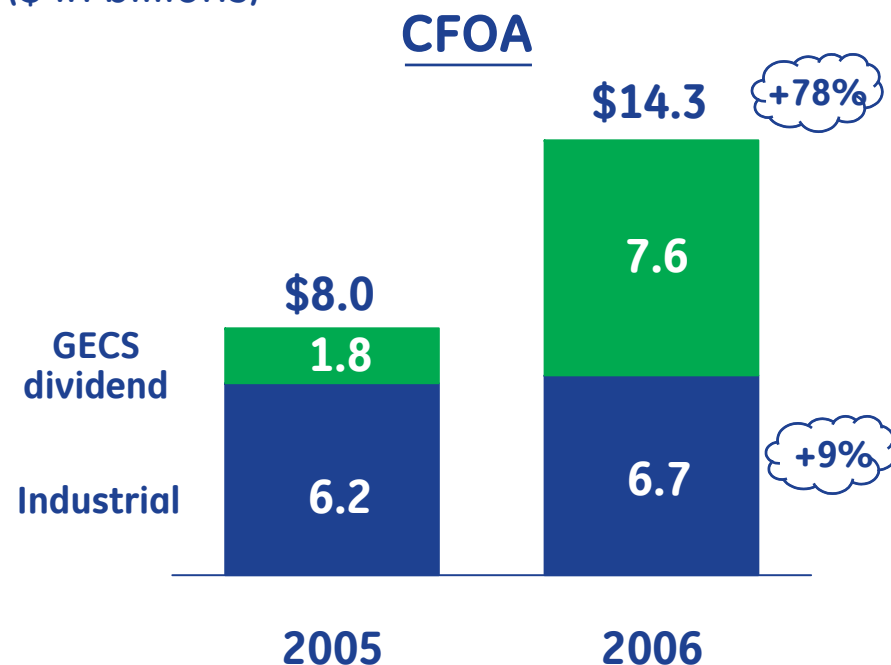
(a- Financial Services on an after-tax basis)



Strong performance

First half cash flow

(\$ in billions)



- 1H stock repurchase \$6.0B, 176MM shares
- GECS dividend \$7.6B, +\$5.8B
 - Regular GECS dividend at 40%
 - Special dividends from insurance dispositions \$5.7B

Cash balance walk

	<u>Total</u>
Beginning balance	\$2.0
CFOA	14.3
Dividends	(5.2)
Stock repurchase	(6.0)
P&E	(1.5)
Acquisitions/dispositions	(2.8)
Change in debt/other	<u>1.0</u>
June	<u><u>\$1.8</u></u>

On track for total year ~\$25B CFOA, +15%

2006 third quarter operations outlook

Continuing operations

	<u>3Q'06 outlook</u>	
	<u>Revenues V%</u>	<u>Segment profit V%^{-a)}</u>
Infrastructure	10+%	15-20%
Industrial	5+	15+
Commercial Finance	~10	10-15
Consumer Finance	~10	10-15
Healthcare	~10	15-20
NBC Universal	15+	(5)-(10)

<u>Total company 3Q'06 outlook</u>		
(\$ in billions - except EPS)		
	<u>\$</u>	<u>V%</u>
Revenues	\$40+	~10%
Earnings	\$5.0-5.2	8-14%
EPS	\$.48-.50	12-16%

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

3Q EPS guidance of \$.48-.50, +12-16%

Segment highlights – Infrastructure

(\$ in millions)

Infrastructure – 2Q'06

	<u>\$</u>	<u>V%</u>
Revenues	\$11,332	11%
Segment profit	\$2,107	10%

Key 2Q business results

	<u>Revenues</u>		<u>Segment profit^(a)</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Aviation	\$3,291	11%	\$728	6%
Aviation Finc'l. Svcs.	981	20	310	68
Energy	4,442	14	689	10
Energy Finc'l. Svcs.	364	(5)	146	(18)
Oil & Gas	1,094	43	108	44
Transportation	1,002	12	165	63

(a- Industrial operating profit; Financial Services on an after-tax basis)

2nd quarter dynamics

- Orders +30% ... Equipment backlog +29%
- Strong revenue growth across the portfolio
 - Energy +14% ... Wind +69% ... Services +10%
 - Aviation +11% ... Commercial Engines +20%
 - Transportation +12% ... EVO +11%
 - Oil & Gas +43% ... Equipment +62% ... Services +23%
- Solid segment profit
 - O&G, Transportation, Energy double digit ... verticals +20%
 - Equipment growth > Services pressuring margins ... building installed base

3Q'06 segment profit dynamics

- Infrastructure businesses 15-20%
 - Broad-based strength and market tailwinds

✓ **3Q'06 outlook ... segment profit 15-20%**

Infrastructure highlights

Energy

	<u>1H</u>	<u>2H</u>
Revenues V%	6%	20-25%
Op profit V%	(6)%	25-30%

- ✓ Wind momentum stronger in 2H
 - Units up 30%
 - Double digit price increases
 - Op profit up \$260MM
- ✓ 2Q services orders up 16% ... momentum continues ... 2H revenues +10-15%
- ✓ 2H GTs in backlog ... 89 units vs. 66 in '05

Strong 2H on track

Aviation

	<u>1H</u>	<u>2H</u>
Revenues V%	14%	5-10%
Op profit V%	13%	10-15%

- ✓ 1H leverage impacted by higher R&D (up 13%) ... GEnx
- ✓ Commercial service orders up 10% ... 2H 10-15%
- ✓ 1H military revenue flat ... 2H up 5-10% ... easier comparison to '05 budget delay
- ✓ 1H commercial engine revenues up 30%

On track for TY'06 op. profit ~15%



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Segment highlights – Commercial Finance

Commercial Finance – 2Q'06

	<u>\$</u>	<u>V%</u>
Revenues	\$5,527MM	12%
Segment profit	\$1,057MM	21%
Assets	\$207B	11%

Key 2Q business results

	<u>Assets (\$B)</u>		<u>Segment profit (\$MM)</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Capital Solutions	\$91	7%	\$433	33%
Real Estate	44	24	334	39

2nd quarter dynamics

- Strong volume growth +36%
 - Capital Solutions +13%; Real Estate +72%; CFS +59%; Healthcare +24%
- Segment profit remains strong
 - Strong core growth
 - Optimizing portfolio & capitalizing on market opportunities
- Non-earnings, delinquencies & write-offs ↓ vs. prior year & historical averages

3Q'06 segment profit dynamics

- Continued portfolio strength & global growth
- Stable asset quality

✓ **3Q'06 outlook ... segment profit 10-15%**

Segment highlights – Industrial

(\$ in millions)

Industrial – 2Q'06

	<u>\$</u>	<u>V%</u>
Revenues	\$8,788	6%
Segment profit	\$729	15%

Key 2Q business results

	<u>Revenues</u>		<u>Segment profit^(a)</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
C&I	\$3,852	8%	\$318	40%
Plastics	1,684	3	183	(12)
Equip. Svcs.	1,797	9	60	67

(a- Industrial operating profit; Financial Services on an after-tax basis)

2nd quarter dynamics

- Industrial organic orders strong
 - Appliances +9%
 - Plastics +8%
- Solid revenue performance
 - Strong retail & commercial construction
 - High-end product strategy ... Monogram up 13%
 - Plastics ... price/inflation
- Op profit expansion to 9.6%
 - Solid productivity and cost controls ... VCP 3%
- Stable Equipment Services utilization

3Q'06 segment profit dynamics

- Industrial 15+%
 - C&I volume ↑, price carryover offsets inflation
 - Continue to optimize Plastics price/volume
 - 3Q benzene pricing continues upward trend

✓ **3Q'06 outlook ... segment profit 15+%**

Segment highlights – NBCU

(\$ in millions)

NBCU – 2Q'06	<u>\$</u>	<u>V%</u>
Revenues	\$3,858	0%
Segment profit	\$882	(10)%

2nd quarter dynamics

- Prime/Stations/TVPD Op Profit ↓ 45%, as expected ... summer ratings +10%
- News cable Op Profit ↑ 28% ... solid ratings
 - CNBC Business Day ↑ 80% ... MSNBC prime ↑ 16%
- Entertainment cable revenues ↑ 7%
 - USA #1 basic cable network
- Station sales 2Q'06 offset IACI/Paxson 2Q'05

NBCU – 2H'06	<u>3Q</u>	<u>4Q</u>
Revenues	15+%	~10%
Segment profit	(5)-(10)%	~15%

Making progress

- 1 Stabilized network in upfront ... good early response to prime time line up
- 2 Winning everywhere else
 - + Telemundo
 - + Cable
 - + News/Today
 - + Local
- 3 Positive film dynamics in 2H
- 4 Accelerating digital distribution

✓ **3Q'06 outlook ... segment profit (5)-(10)%**

Segment highlights

Healthcare

2nd quarter

	<u>\$</u>	<u>V%</u>
Revenues	\$4,156MM	10%
Segment profit	\$795MM	18%

2nd quarter dynamics

- Topline strength in Services (+13%), global MR (+23%), MDx (+12%) & global U/S (+10%)
- Op profit margin +1.3 pts. vs. '05 ... good cost controls & mix
- China slowing equipment additions

- ✓ 3Q'06 outlook ... segment profit 15-20%
 - Strong equipment & services
 - Biosciences, Healthcare IT continue strength

Consumer Finance

2nd quarter

	<u>\$</u>	<u>V%</u>
Revenues	\$5,268MM	7%
Segment profit	\$880MM	20%
Assets	\$169B	13%

2nd quarter dynamics

- Global net income strong
 - Americas +33%
 - Europe +22%
- Assets +13% ... solid core growth, portfolio quality stable
- Japan down 14% ... competitive and regulatory pressure

- ✓ 3Q'06 outlook ... segment profit 10-15%
 - Strong global growth
 - Stable asset quality

Corporate items – total year

(cents per share)

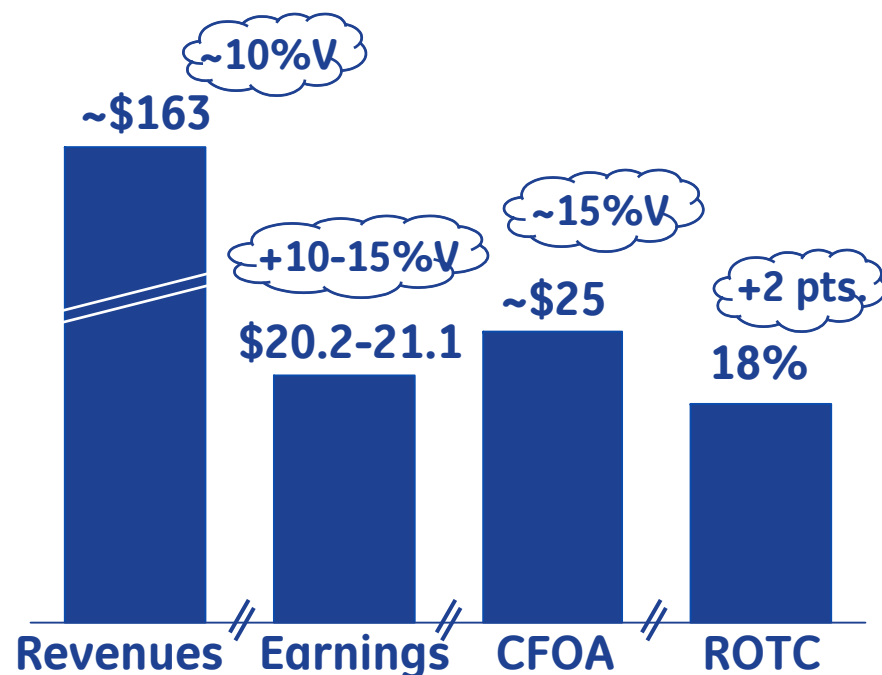
<u>Benefits</u>		<u>Uses</u>	
Gains	+\$\$.03-.04	Restructuring	\$\$.02)
		Pension	\$\$.04)

Factored into total year guidance

2006 outlook

(\$ in billions – except EPS)

Continuing operations



Segment outlook

	<u>Profit</u>	<u>V%</u>	<u>Status</u>
Infrastructure	~\$9.0	15+%	✓
Comm'l. Finance	~5.1	15+	✓
Cons. Finance	~3.5	~15	✓
Healthcare	~3.2	15+	✓
Industrial	~3.2	15+	✓
NBCU	~3.0	~0	✓
Total segment	~\$27.0	15%	✓

No change to quarterly guidance ... total year unchanged at \$1.94-2.02 ... 13-17%

Summary

Update

Environment	✓	Still solid for GE businesses
Financial performance	✓	On plan
Strategic execution	✓	Executing on portfolio strategy
Growth initiatives	✓	Building momentum

Solid quarter ... good 2H'06 view