

GE 2006 fourth quarter & total year performance

January 19, 2007

- Financial results & company highlights
- 2007 first 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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Agenda

- ✓ 4Q & total year '06 financials
- ✓ SFAS 133 restatement
- ✓ 1Q & total year '07 outlook
- ✓ Business development



2007 environment



Global economic growth continues

- + Global markets are strong
- Housing & auto have slowed
- = “Watching” U.S. consumer
- + Services/CAPEX are still pretty good



Macro drivers are robust

- + Emerging market growth
- + Infrastructure investment
- + Energy & environmental reinvestment is robust
- + Demographics



Margin environment is stabilizing

- + Risk environment is solid
- +/- Material prices are high ... inflation slowing
- +/- Liquidity is high
- +/- Interest rates absorbed

Winning in 2007

- Well positioned in global markets
- Valuable growth ... price > inflation
- Drive cost out ... protect downside
- Union negotiations
- Stability/risk management

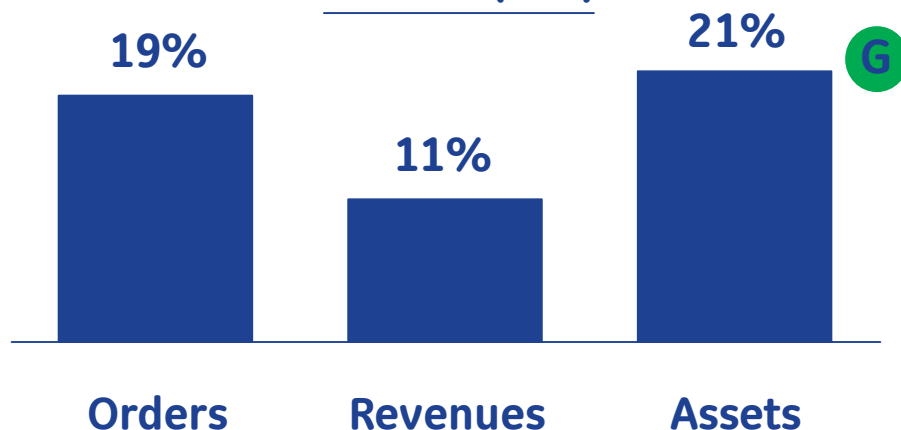


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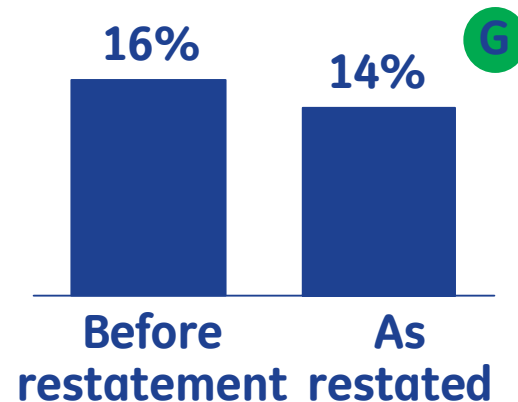
Key performance metrics: 4Q'06

(Continuing operations)

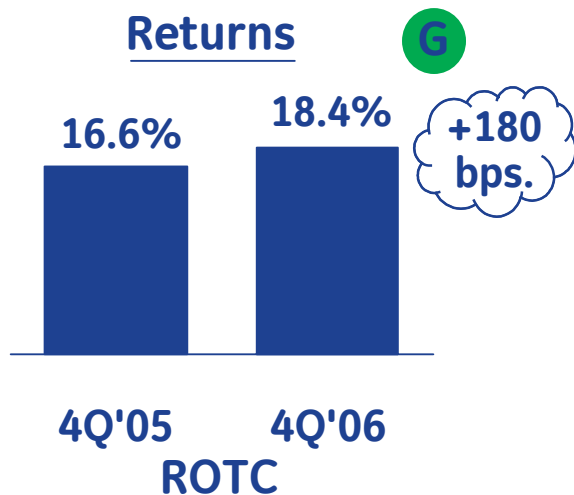
Growth (V%)



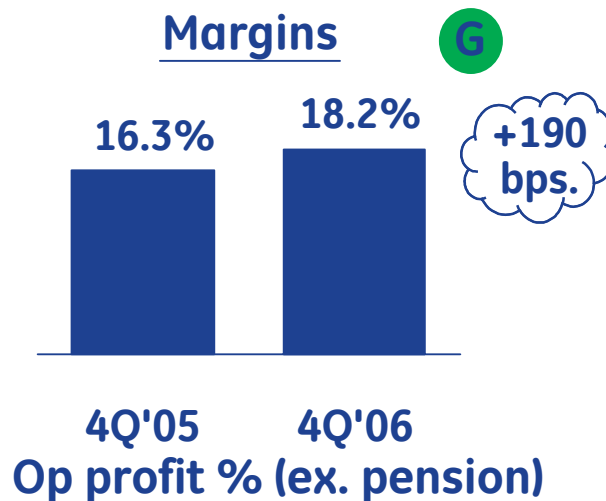
EPS (V%)



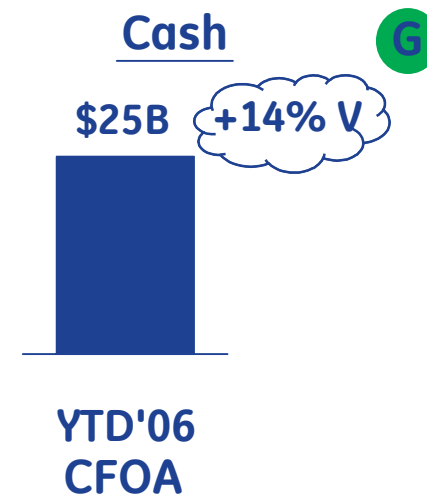
Returns



Margins



Cash



Excellent financial performance

Executing long-term strategy



Invest in leadership businesses

- + Infrastructure/Healthcare/Commercial Finance/GE Money 4Q earnings +17%
- + NBCU rebounding ... positive revenue, earnings
- + Exited Advanced Materials, Supply, Hydro, GE Life
- + Announced acquisitions of Vetco Gray, Smiths Aerospace, Abbott Diagnostics
- + Announced JVs in Nuclear & Detection



Reliable execution & financial discipline

- + 4Q segment profit growth +13% ... TY +12%
- + 4Q operating profit leverage +190 bps. ... TY +40 bps.
- Plastics inflation/price/volume
- + ROTC expands +180 bps.
- + Total year CFOA growth +14%



Growth as a process

- + Total orders 4Q +19% ... TY +21%
- + Organic revenue growth 4Q +8% ... TY +9%
- + 4Q services revenues +13%; CSAs at \$93B, +7%



Great people & team

- + Launched Leadership in Growth training (LIG)

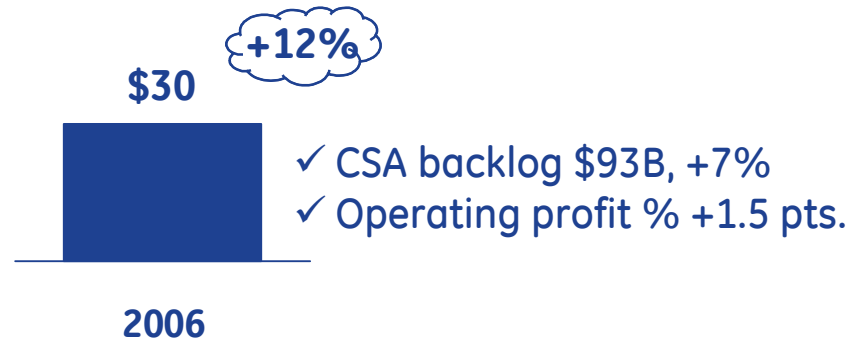


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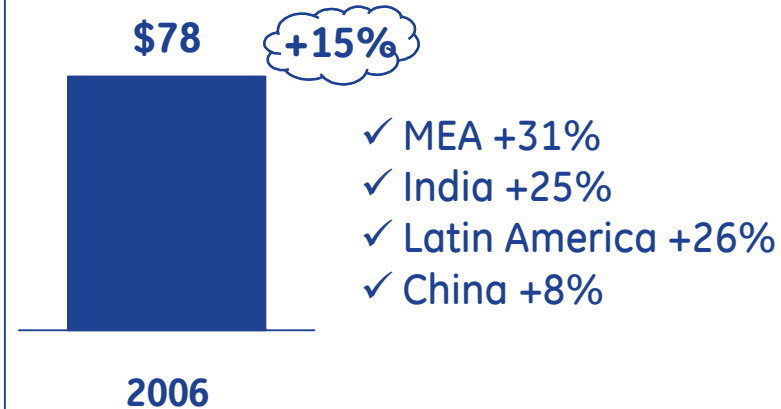
Growth initiatives delivering

(\$ in billions – revenue)

Services



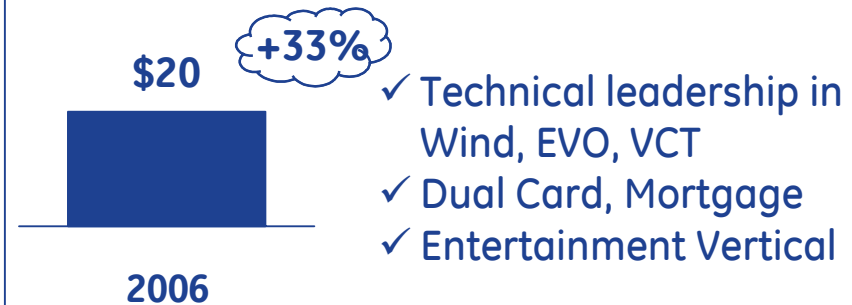
Global



Growth platforms



Imagination Breakthroughs



8th straight quarter of organic growth at 2-3X GDP ... total year +9%



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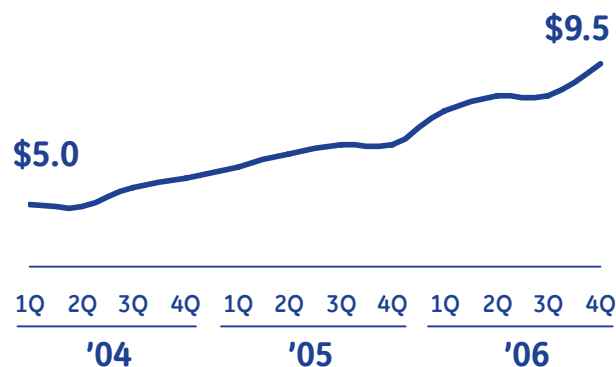
Orders

Major Equipment

(V%)	4Q	TY
Aviation	Fav.	Fav.
Energy	24%	32%
Healthcare	10	5
O&G	5	24
Transportation	Fav.	32
Total Major Eq.	35%	37%

- ✓ Infrastructure +57% '06
- ✓ Backlog strong \$32B, +37%

(\$ in billions – 4 quarter rolling average)

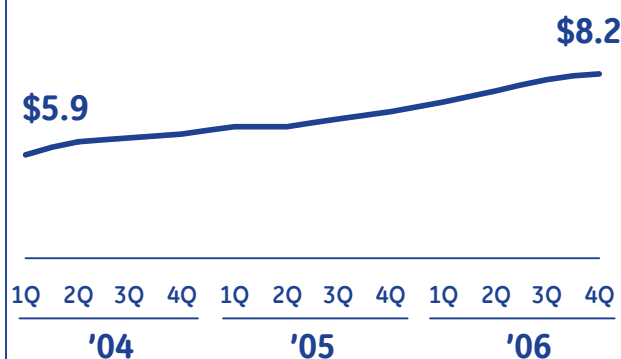


Services

(V%)	4Q	TY
Aviation	6%	9%
Energy	7	19
Healthcare	5	10
O&G	28	27
Transportation	46	28
Total Services	10%	15%

- ✓ Infrastructure +16% '06
- ✓ CSA backlog \$93B, +7%

(\$ in billions – 4 quarter rolling average)

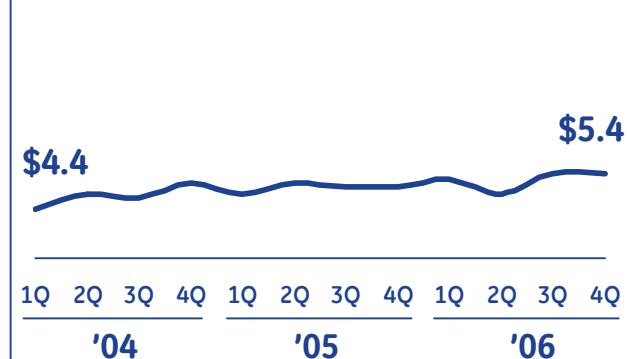


Flow ADOR (organic)

(V%)	4Q	TY
C&I	11%	10%
Plastics	(3)	2
Security	(1)	5
Total Flow	6%	6%

- ✓ C&I orders remain strong
- ✓ 4Q Plastics vol. +2%, price (4)%

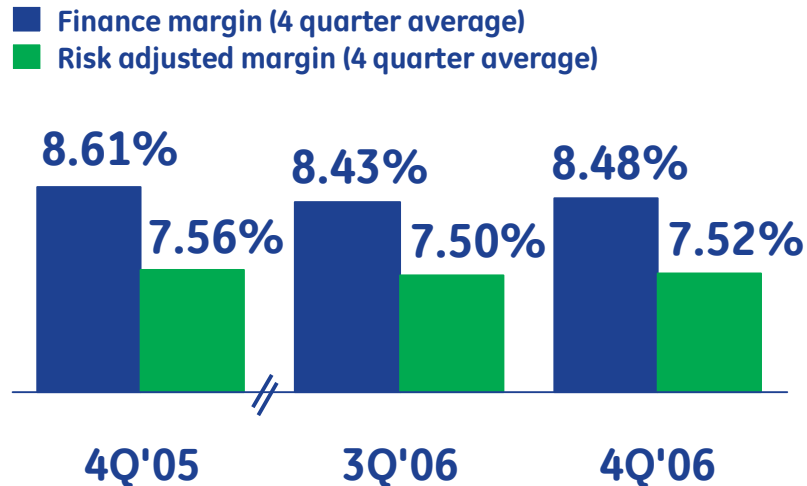
(\$ in billions – current quarter)



Terrific orders ... TY'06 +21%

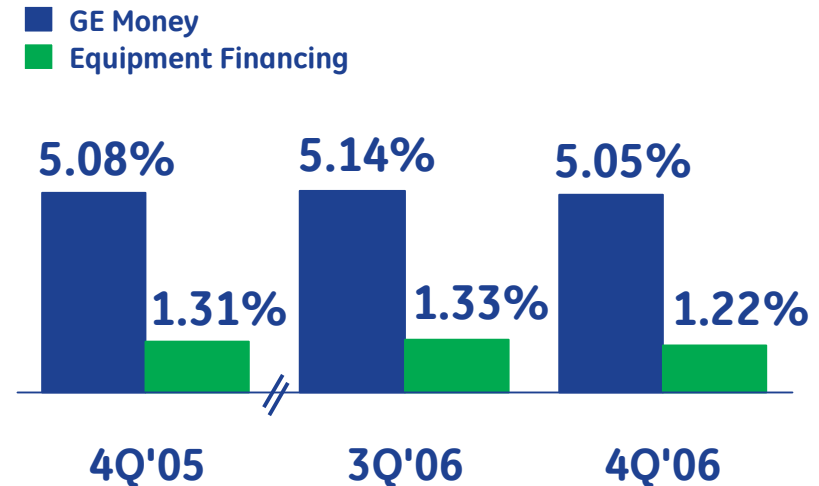
Portfolio quality

Margins

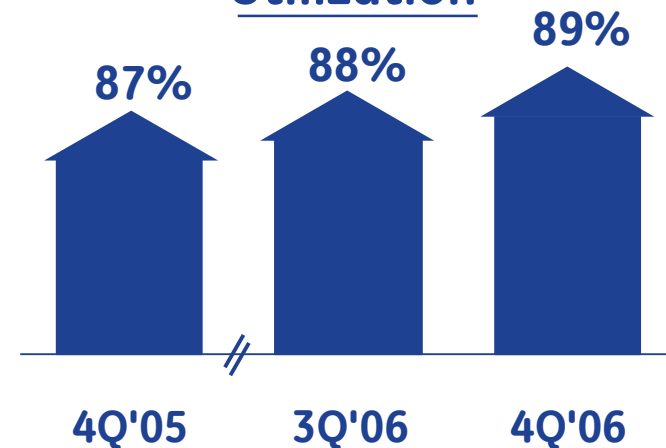


- ✓ Margins stabilizing ... losses remain at historic lows
- ✓ Delinquencies down vs. 4Q'05
- ✓ Utilization remains strong

Delinquencies



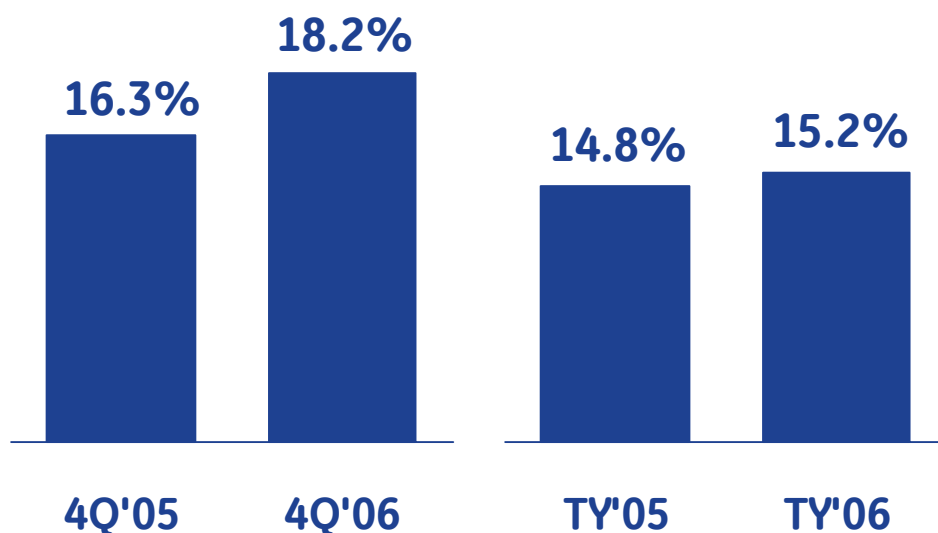
Utilization



Reliable execution & financial discipline

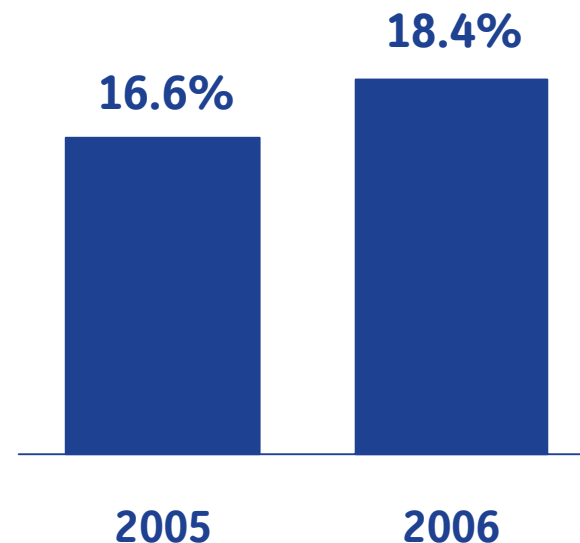
Margins

(Industrial op profit – ex. pension)



- + Productivity
- + Services = product
- + Healthcare ↑ volume, simplification
- Plastics ... price/inflation

ROTC



- + Strong earnings growth
- + Disciplined capital allocation
- + Investing in capital efficient businesses

Delivered improvement despite Plastics headwind



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Corporate items – total year

Update from
3Q earnings call

EPS impact (\$/share)

<u>Items</u>		<u>Uses</u>	
Gains	~\$.06		~\$(.04)
	~\$.04	Restructuring & other charges	~\$(.02)
		Pension/early retirement	~(.04)
– 2Q Penske			
– 3Q GE Supply			
– 4Q Advanced Materials			

Gains funding restructuring & early retirement



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Fourth quarter consolidated results

(\$ in billions – except EPS)

Continuing operations

	<u>4Q'06</u>	<u>V%</u>	<u>V% -a)</u>
Revenues	\$44.6	11%	
– Industrial sales	27.1	6	
– Financial Svcs. rev.	17.1	16	
Earnings	6.6	12	14%
EPS	.64	14	16
CFOA YTD	24.6	14	
– Industrial CFOA	14.8	7	
Tax rate		<u>V pts.</u>	
– GE (ex. GECS) – 4Q	16%	(3) pts.	
– GECS – 4Q	9	–	

(a- Before restatement)

(\$ in millions)

	<u>Revenues</u>		<u>Segment profit^{-b)}</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Infrastructure	\$13,841	15%	\$2,894	19%
Industrial	8,040	(5)	673	(12)
Commercial Fin.	6,775	30	1,507	18
GE Money	5,811	19	875	14
Healthcare	4,850	8	1,152	16
NBC Universal	4,217	1	841	5
(b- Financial Services on an after-tax basis)			<u><u>\$7,942</u></u>	<u><u>13%</u></u>

Overall strong performance

- ✓ **Plastics/Silicones impacted Industrial**
- ✓ **Movie performance slight drag at NBCU**
- ✓ **Infrastructure high end of range**
- ✓ **More restructuring**



SFAS 133 – Accounting for Derivative Instruments & Hedging Activities

Background

- ✓ Effective 1/1/2001
- ✓ Hedge accounting is elective – strict criteria to qualify
- ✓ GE has undertaken a substantial effort to comply with SFAS 133
- ✓ Reviewed by Corporate Audit & KPMG
- ✓ SFAS 133 is a challenging standard
 - 230+ restatements since adoption

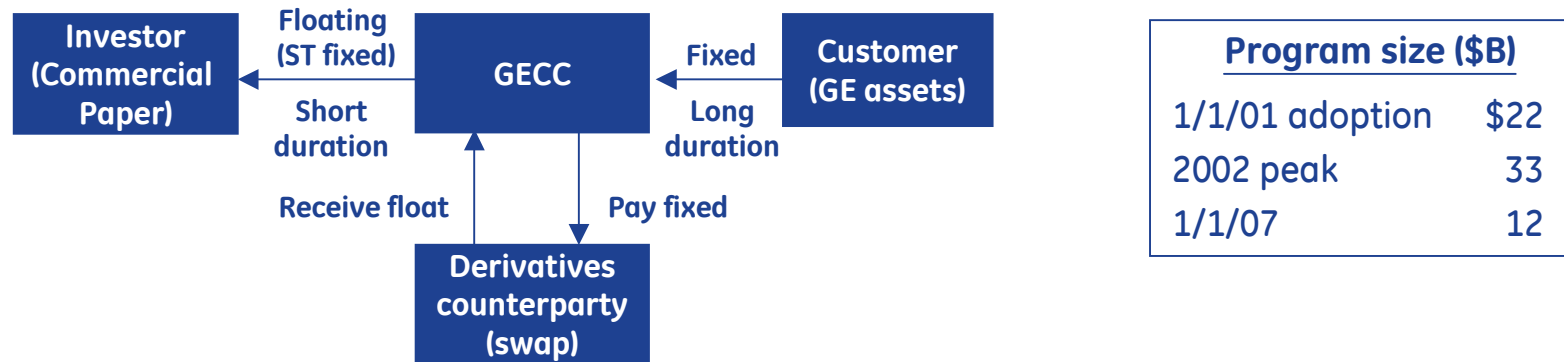
2005 & forward

- ✓ May 2005 GE restated: Corporate Audit identified error in swaps with fees/terms – \$381MM positive cumulative impact 2001-1Q'05
- ✓ GE & KPMG conducted review of derivative activities including Commercial Paper (CP) hedging
- ✓ GE & KPMG reconfirmed CP accounting met objectives of SFAS 133
- ✓ GE fully cooperating with SEC ongoing formal investigation
- ✓ SEC staff referred accounting issues to Office of Chief Accountant (OCA) – after review, OCA determined that GE's CP hedging program does not meet specificity requirement of SFAS 133

GE committed to complying with SFAS 133

Commercial Paper hedging program

CP hedging program



- ✓ GECC uses Commercial Paper (CP) to fund a portion of its assets
- ✓ We hedge a portion of the CP to match fund assets
 - Interest rate swap from floating rate exposure (CP) to fixed rate exposure
- ✓ Our CP hedging program is economically effective, but accounting for CP is not specifically covered in SFAS 133
 - Thousands of transactions per week on constantly rolling pool of CP
- ✓ SEC view is that program needs to identify which CP is hedged prior to issuance ("specificity") ... GE & KPMG view was that structured approach met SFAS 133 specificity

SEC ruled technical requirements not met ... GE accepts view



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Restatement impact

	EPS impact – continuing operations						'06			
	<u>'01</u>	<u>'02</u>	<u>'03</u>	<u>'04</u>	<u>'05</u>	<u>'06</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
Reported – Before accounting changes, as reported	\$1.29	\$1.58	\$1.37	\$1.56	1.72	1.98	.39	.47	.49	.64
Impact	<u>(.03)</u>	<u>(.12)</u>	<u>.03</u>	<u>.03</u>	<u>.04</u>	<u>.01</u>	<u>.01</u>	<u>.01</u>	<u>(.01)</u>	<u>--</u>
Restated	1.26	1.46	1.40	1.59	1.76	1.99	.40	.48	.48	.64

Impact/going forward

- ✓ Cumulative impact to earnings since inception is \$(343)MM ... impact on 2006 is \$130MM
- ✓ Going forward impact: slightly positive effect on earnings over 10+ years (life of program impact of the adjustment = zero)
- ✓ Would have designed program to meet specificity as interpreted by SEC & reduce interest rate volatility if SEC position known
- ✓ Economic impacts hedged ... effective interest rate swaps
- ✓ No impact on CFOA
- ✓ Implemented “first issued” CP hedging program 1/1/07 which we believe meets technical requirements

No change in GE fundamentals

Total year consolidated results

(\$ in billions – except EPS)

Continuing operations

	<u>2006</u>	<u>V%</u>	<u>V%-^{a)}</u>
Revenues	\$163.4	10%	
– Industrial sales	99.1	10	
– Financial Svcs. rev.	63.6	11	
Earnings	20.7	11	12
EPS	1.99	13	15
CFOA YTD	24.6	14	
– Industrial CFOA	14.8	7	
		<u>V pts.</u>	
Tax rate – YTD			
– GE (ex. GECS)	20%	(3) pts.	
– GECS	12	–	

(a- Before restatement)

(\$ in millions)

	<u>Revenues</u>		<u>Segment profit^{-b)}</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Infrastructure	\$47,429	13%	\$9,040	16%
Industrial	33,494	3	2,694	5
Commercial Fin.	23,792	15	5,028	17
GE Money	21,759	12	3,507	15
Healthcare	16,562	9	3,143	18
NBC Universal	16,188	10	2,919	(6)
			<u>\$26,331</u>	<u>12%</u>

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

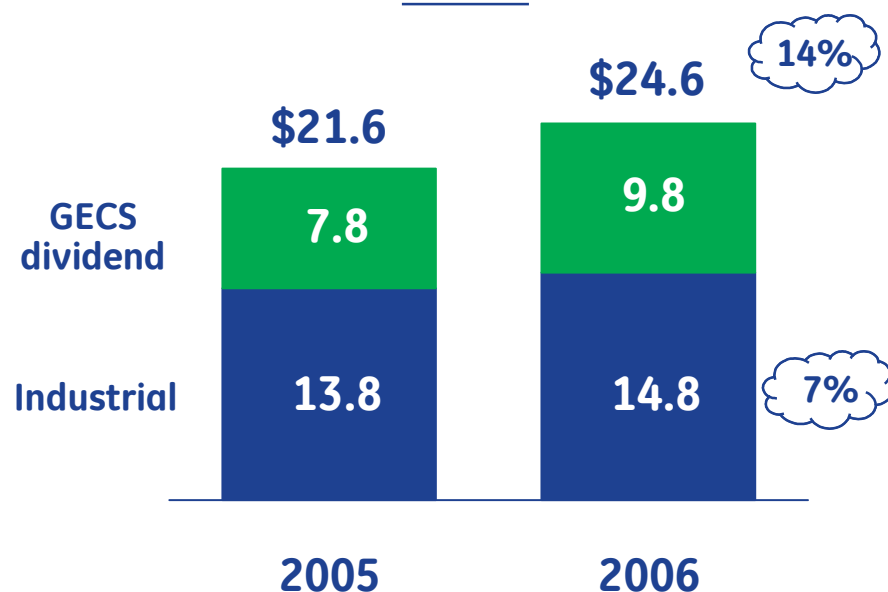
Strong year



Total year cash flow

(\$ in billions)

CFOA



- 2006 stock repurchase \$8.1B, 236MM shares
- GECS dividend \$9.8B, +\$2.0B
 - Regular GECS dividend at 40%
 - Higher special due to GEIS \$3.2B 2Q proceeds

Cash balance walk

	<u>Total</u>
Beginning balance	\$2.0
CFOA	24.6
Dividends	(10.4)
Stock repurchase	(8.1)
P&E	(3.6)
Acquisitions/dispositions	(0.9)
Change in debt/other	0.9
December	<u>\$4.5</u>

Continued strong cash performance

2007 first quarter operations outlook

Continuing operations

	<u>1Q'07 outlook</u>	
	<u>Revenues V%</u>	<u>Segment profit V%-a)</u>
Infrastructure	10-15%	~15%
Industrial	(5)-(10)	(5)-(10)
Commercial Finance	~10	10-15
GE Money	~15	10-15
Healthcare	~10	~15
NBC Universal	~(20)	0-5

Total company 1Q'07 outlook

(\$ in billions - except EPS)

	<u>\$</u>	<u>V%</u>
Revenues	~\$40	~5/7%-b)
Earnings	\$4.5-4.6	~10%
EPS	\$.43-.45	+8-13%

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

(b- Ex. Olympics)

1Q EPS guidance of \$.43-.45, +8-13%



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Segment highlights – Infrastructure

(\$ in millions)

Infrastructure – 4Q'06

	<u>\$</u>	<u>V%</u>
Revenues	\$13,841	15%
Segment profit	\$2,894	19%

Key 4Q business results

	<u>Revenues</u>		<u>Segment profit^(a)</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Aviation	\$3,663	10%	\$830	10%
Aviation Finc'l. Svcs.	1,187	31	331	50
Energy	5,801	16	1,128	28
Energy Finc'l. Svcs.	475	32	198	1
Oil & Gas	1,445	12	224	11
Transportation	1,128	11	216	20

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

4th quarter dynamics

- Orders +26% ... services +11%, equipment +51%
- Continued strong revenue growth
 - Aviation +10% ... services +22%, commercial units +22%
 - Energy +16% ... Thermal +21% (+6 GT), Wind +12%, services +14%
 - Oil & Gas +12% ... services +20%, equipment +8%
 - Transportation +11% ... equipment +16%, services +7%
- Solid operating leverage
 - Op profit +19.2%, +0.6 pts.
 - Strong pricing & productivity

1Q'07 segment profit dynamics

- Infrastructure businesses ~15%
 - Strong global demand ... broad based strength

1Q'07 outlook ... segment profit ~15%



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Segment highlights – Commercial Finance

Commercial Finance – 4Q'06

	<u>\$</u>	<u>V%</u>
Revenues	\$6,775MM	30%
Segment profit	\$1,507MM	18%
Assets	\$234B	23%

Key 4Q business results

	<u>Assets (\$B)</u>		<u>Segment profit (\$MM)</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Capital Solutions	\$95	8%	\$430	(7)%
Real Estate	54	52	626	61

4th quarter dynamics

- Assets +23% driven by strong originations
– CFS 28%, HFS 27%, Capital Solutions 8%, Real Estate 52%
- Revenue +30% ... driven by strong asset growth
- Segment profit +18% ... total year +17%
– Capital Solutions (7)%, +14% total year
- Asset quality stable ... delinquencies & losses near historic lows

1Q'07 segment profit dynamics

- Strong volume & asset growth 20%+
- Asset quality remains stable

1Q'07 outlook ... segment profit 10-15%



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Segment highlights – Industrial

(\$ in millions)

Industrial – 4Q'06

	\$	V%
Revenues	\$8,040	(5)/2%-b)
Segment profit	\$673	(12)/2%-b)

Key 4Q business results

	Revenues		Segment profit ^{-a)}	
	\$	V%	\$	V%
C&I	\$3,330	(11)/5% ^{-b)}	\$319	13/43% ^{-b)}
Plastics	1,644	(1)	114	(49)
Equip. Svcs.	1,782	5	102	20

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

(b- Organic

4th quarter dynamics

C&I

- Revenues +5% organic
- Retail appliances revenues +5% ... winning in high end (Monogram +5%, Profile +4%)
- Global Industrial revenues +9% ... op profit +89%
- Tight cost controls ... productivity +4%

Plastics

- Revenues (1)%, volume +3%, price (5)%, FX +1% ... continued pressure in auto (14)%
- Benzene inflation pressure ... \$3.64, +43%

1Q'07 segment profit dynamics

- Industrial (5)-(10)%
 - Plastics price/volume/inflation challenging
 - Dispositions impact

1Q'07 outlook ... segment profit (5)-(10)%



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Segment highlights – NBCU

(\$ in millions)

NBCU – 4Q'06

	\$	V%
Revenues	\$4,217	1%
Segment profit	\$841	5%

NBCU – 1Q'07 outlook

	1Q
Revenues	~(20)%
Segment profit	0-5%

Turnaround progress

- 1** Primetime progress underway
 - + Ratings up 16% ... Heroes a break-out hit
 - + #2 in November sweeps ... ratings +15%
 - + NFL key driver of ratings momentum
- 2** Entertainment Cable op profit ↑ 10%
 - + USA #1 in basic cable ... best year ever
 - + Bravo full year prime ratings ... best year ever
- 3** News & Info. Cable momentum continues
 - + Today #1 ... Nightly #1
 - + CNBC business day ratings +65% ... all dayparts up double-digit
- 4** Positive film dynamics
 - + 4Q'06 op profit +79%
 - '06 slate ... pressure on 1H'07
- 5** Progress in digital accelerating
 - + Strong digital distribution capability
 - + NBCU 360° creating advertising value
- 6** Restore profitable growth
 - + NBCU 2.0
 - + Content ownership

Great progress ... operations improving



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Segment highlights

Healthcare

4Q'06

	<u>\$</u>	<u>V%</u>
Revenues	\$4,850MM	8%
Segment profit	\$1,152MM	16%

4th quarter dynamics

- Orders +8% ... equipment +10%, services +5%
- Revenues +8% ... Americas +8%, Europe +16%, Asia (5)%
- Op profit margin expanded +1.6 pts ... good cost controls & productivity

✓ 1Q'07 outlook ... segment profit ~15%
– Broad based strength across business

GE Money

4Q'06

	<u>\$</u>	<u>V%</u>
Revenues	\$5,811MM	19%
Segment profit	\$875MM	14%
Assets	\$190B	20%

4th quarter dynamics

- Global net income +14%
 - Americas +19% ... Europe +33% ... Asia (15)% driven by Japan
- Japan impact \$(85MM) ... reserves
- Broad-based asset growth +20% ... portfolio quality stable

✓ 1Q'07 outlook ... segment profit 10-15%
– Strong global growth ... stable asset quality



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Business development



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Invest in leadership businesses

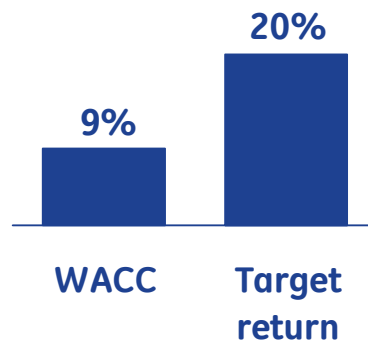
Investment boundaries

#1 Sustain 10%+ earnings growth

- ✓ Consistent

#2 Invest to create value

- ✓ Hit WACC in 2 years
- ✓ Hit 20% over time



#3 Achieve leadership

- ✓ #1 share + value + thought

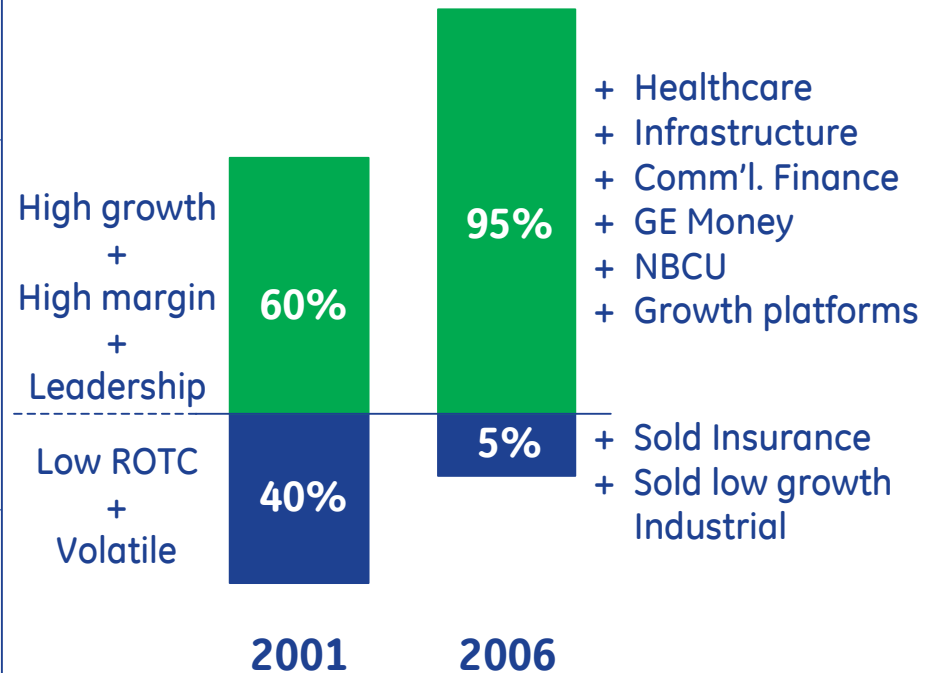
#4 Built for the future

- ✓ Invest in global demographic trends that have superior long-term growth



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Made substantial progress (% earnings)



2007

- ✓ Reinvest in high growth platforms
- ✓ Leverage market liquidity
- ✓ Redeploy from slow growth Industrial
- ✓ Target: Healthcare + Infrastructure

Deal impacts

Assumptions

- ✓ Acquisition timing:
 - Vetco 1Q'07
 - Abbott & Smiths 2Q'07
- ✓ Plastics disposition 2H'07
- ✓ Buyback 2H of year... tied to disposition proceeds
- ✓ Acquisition charges offset with gains
- ✓ Portfolio actions within EPS & ROTC guidance

Financial impact

	<u>Impact (EPS)</u>	
	<u>'07</u>	<u>'08</u>
Acquisitions:		
✓ Vetco Gray	\$.04	\$.08
✓ Smiths Aerospace		
✓ Abbott Diagnostics		
Buyback timing & interest cost impact	\$(.02)	-
Disposition:		
✓ Plastics	\$(.02)	\$(.04)
Total impact	-	\$.04

- ✓ Investing to create long term value for investors
 - More accretive than buyback in '09+



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Value enhancement

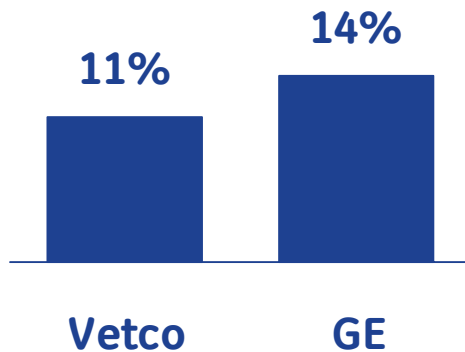
Revenue synergies

\$100MM+

Vetco

- ✓ Commercial excellence
- ✓ Services synergies

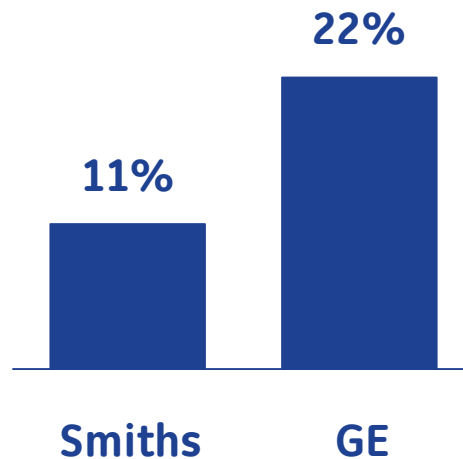
Cost synergies (Op profit %)



\$100MM+

Smiths

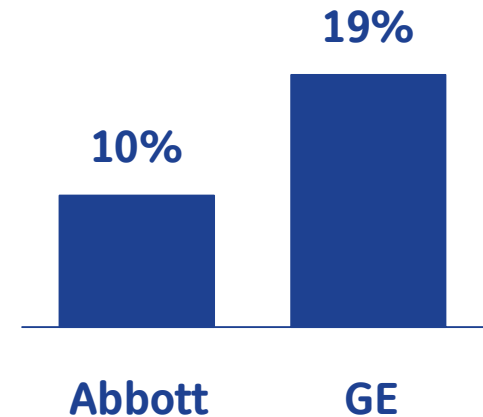
- ✓ New channels
- ✓ Expand services



\$200MM+

Abbott

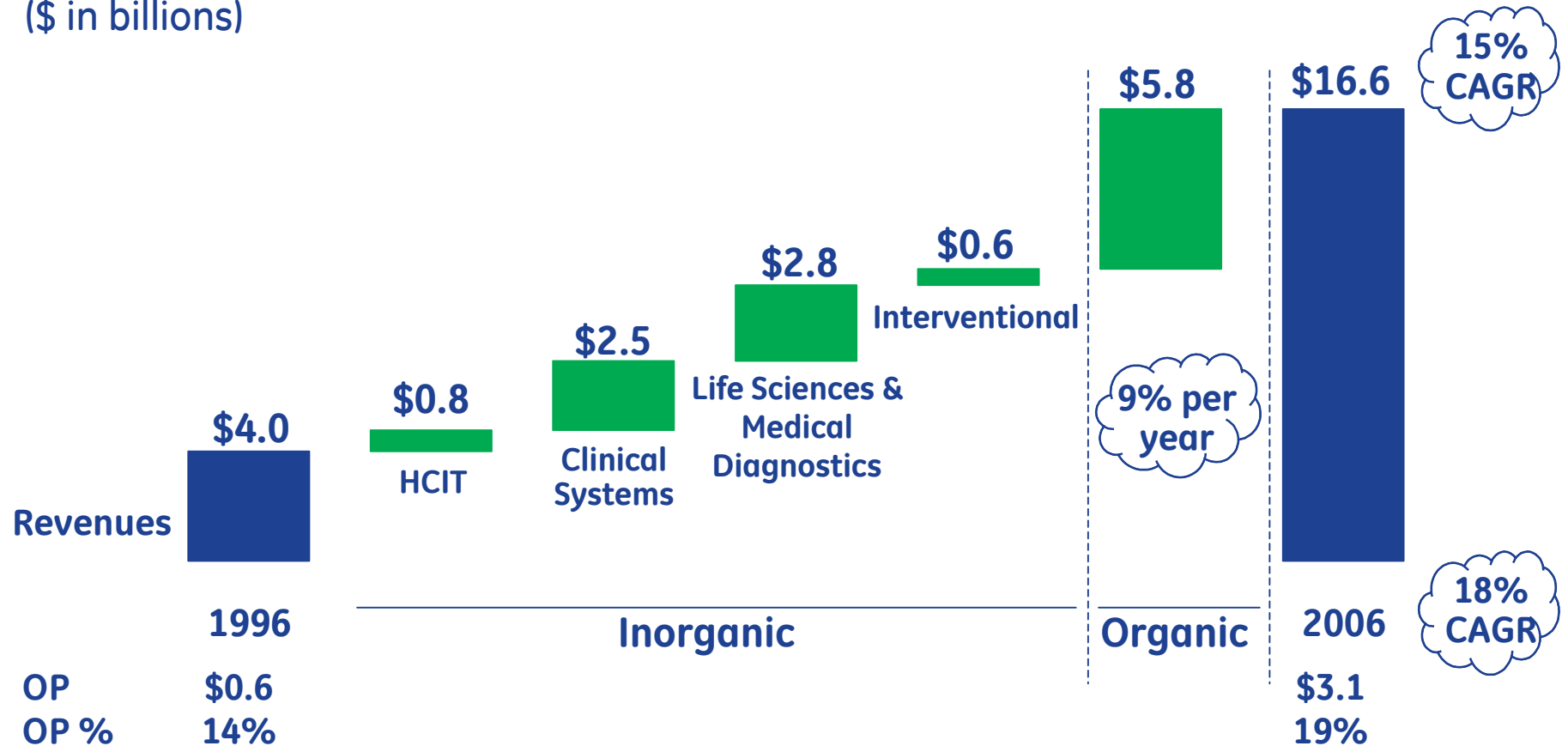
- ✓ Emerging markets
- ✓ Channel ... POC & clinical
- ✓ Enterprise selling



GE competencies create value

Growing GE Healthcare

(\$ in billions)



- ✓ Growing organically from core DI + acquired platforms
- ✓ Extending inorganically into adjacent spaces & new capabilities



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Acquire Abbott Diagnostics \$8.1B

- ✓ One of the world's premier **in vitro diagnostic** businesses
- ✓ Expands **diagnostic capabilities** into large unserved segment
- ✓ Solid industry fundamentals ... **profitability & growth**
- ✓ Increases **relevance** to customers
- ✓ In vivo imaging & in vitro diagnostic **complementary** around disease states
- ✓ Reinforces **early health** strategy
- ✓ **Plays to GE skills** ... services, installed base, global, scale & efficiency ... significant revenue & cost synergies

Creating the world's best & broadest diagnostics company

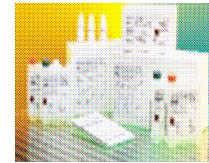
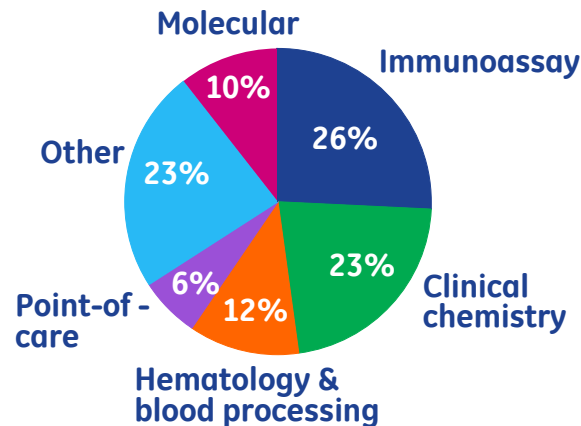


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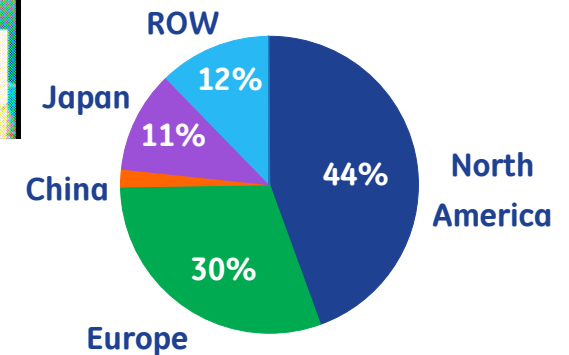
In vitro diagnostics overview

Instruments & reagents that analyze body fluids to provide information for diagnosis, prevention or treatment

Segments



Geographies



Selected segments

Description

Example tests

Immunoassay



Detecting infectious agents, cardiac, tumor & pathology markers

- Infectious disease (HIV, TB)
- Prostate/PSA

Clinical chemistry



Study & measurement of chemical composition of blood and fluids

- Lab chemistries, electrolytes
- Blood gases, urinalysis

Hematology & blood processing



Measuring red/white cell numbers, types & sizes

- Complete blood count (CBC)
- CD4 counts

Point of care

Near-patient testing for rapid diagnostics

- Blood gases, electrolytes
- Cardiac marker testing

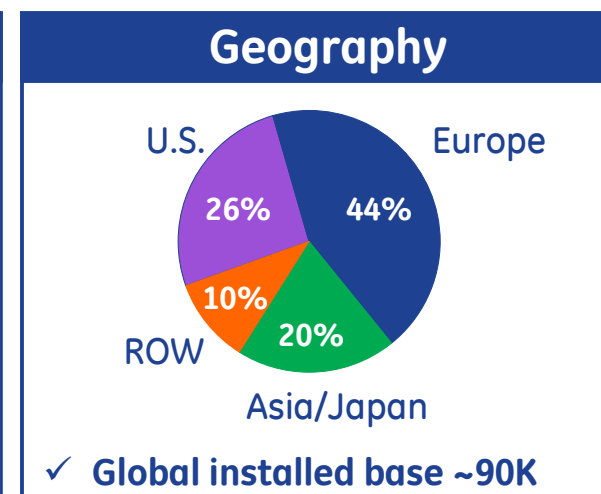
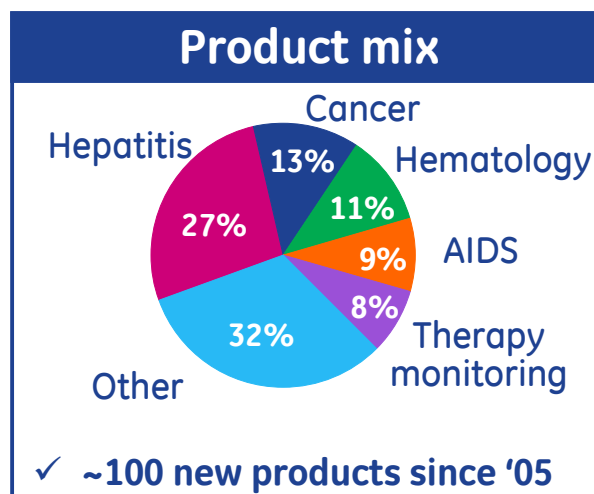
\$24B market ... growing 6-8% annually







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Abbott Diagnostics today

Financials		
	2006E	'06-'09E CAGR
Revenues	\$2.7B	8-10%
EBITDA%	20%	20%+
✓ ~\$200MM annual R&D spend		
✓ Large IB & recurring revenues		



Segment		'06E rev.	'06-'09 CAGR	Abbott strength
Immunoassays		\$2,100	8%	<ul style="list-style-type: none"> ✓ Large installed base ✓ Complete test menu
Hematology		\$275	3%	<ul style="list-style-type: none"> ✓ Highest first pass test acceptance ✓ Utilize optical technology
Clinical chemistry		\$175	7%	<ul style="list-style-type: none"> ✓ Complete line of instruments ✓ Integrating instruments and IT
Point-of-care		\$150	20%+	<ul style="list-style-type: none"> ✓ Rapid, lab-accurate tests ✓ Numerous acute care settings



A leading in vitro diagnostics business

Deal economics

Deal economics

Invest: \$8.1B ('06 EBITDA \$540MM)

Full year 1 impact '06-'09

Revenues	\$2.9	10%
Op Profit	0.4	20%+
Net Income	0.3	20%+

'06 multiples

	Rev.	EBITDA
Abbott Dx	3.0x	15x
Bayer (Siemens)	2.8x	17x
DPC (Siemens)	3.3x	11x
Fisher (Thermo)	2.6x	15x

In line with recent transactions



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Opportunities

Revenues & technology

- ✓ Commercial excellence
- ✓ New products
- ✓ Life Sciences R&D
- ✓ U.S. position rebound

~\$200MM
by year 3

Cost

- ✓ Variable costs/mfg. efficiency
- ✓ Services
- ✓ G&A

~\$250MM
by year 3

Capital

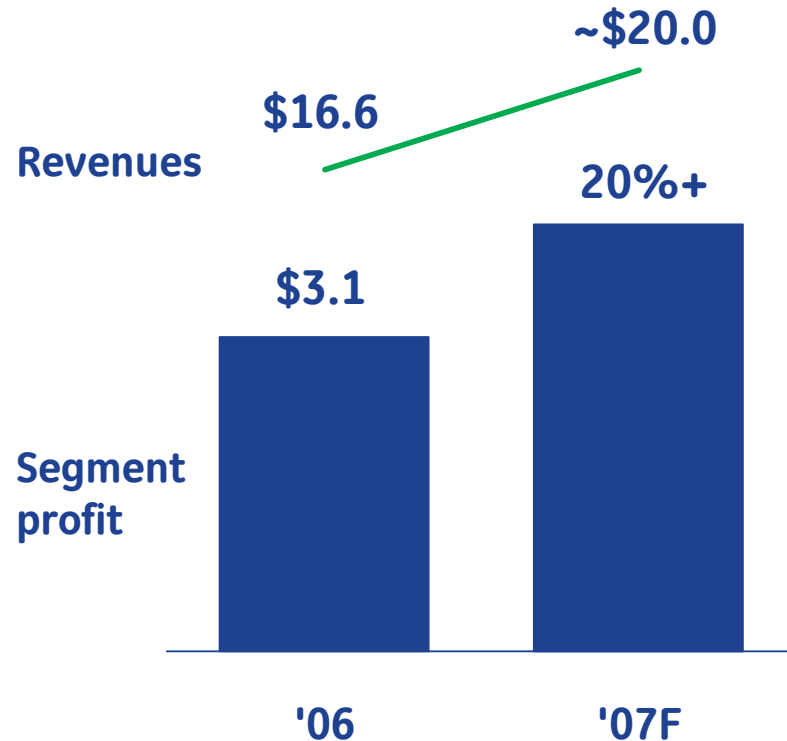
- ✓ Use Financial Services for Equipment
- ✓ Rationalize global cost footprint

+2 pts.
ROTC

Proforma 14% cash return by year 5

GE Healthcare

(\$ in billions)



a) Assume 2Q Close

GE Healthcare + Abbott Diagnostics

- ✓ Diverse technical leadership
 - DI, clinical systems, medical diagnostics, HCIT, life sciences
- ✓ Multiple & visible revenue streams
 - ~40% recurring revenue ... services, reagents, IT & financing
- ✓ Operational execution ... expanding margins
 - 100+ pts. annually

Fast growth business & high returns

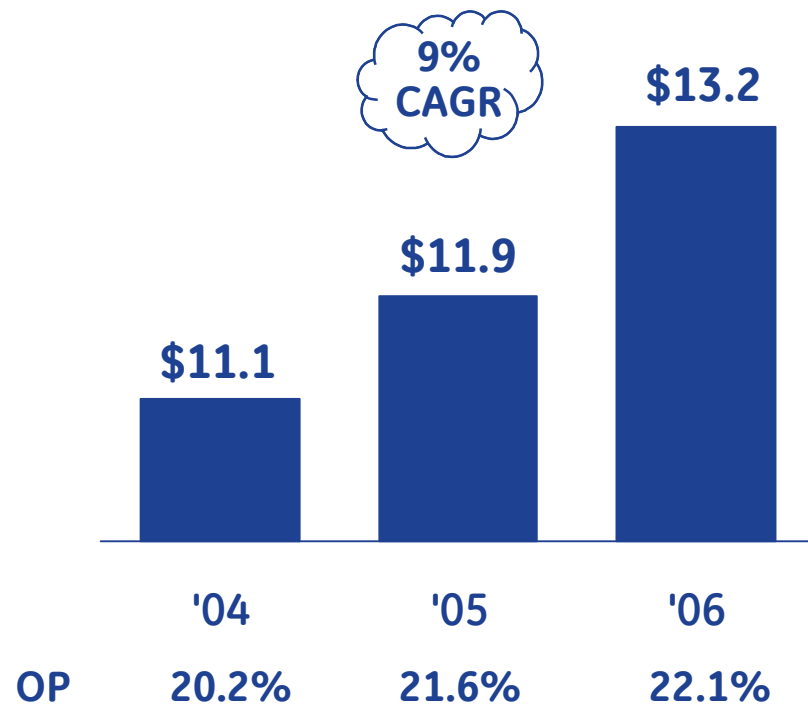


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GE Aviation

(\$ in billions)

Revenues



GE Aviation ... great business

- ✓ Winning technology
- ✓ Deep domain knowledge
- ✓ Growing installed base & services ... \$39B backlog
- ✓ Reliable execution ... margin expansion
- ✓ Strong track record of organic & inorganic growth

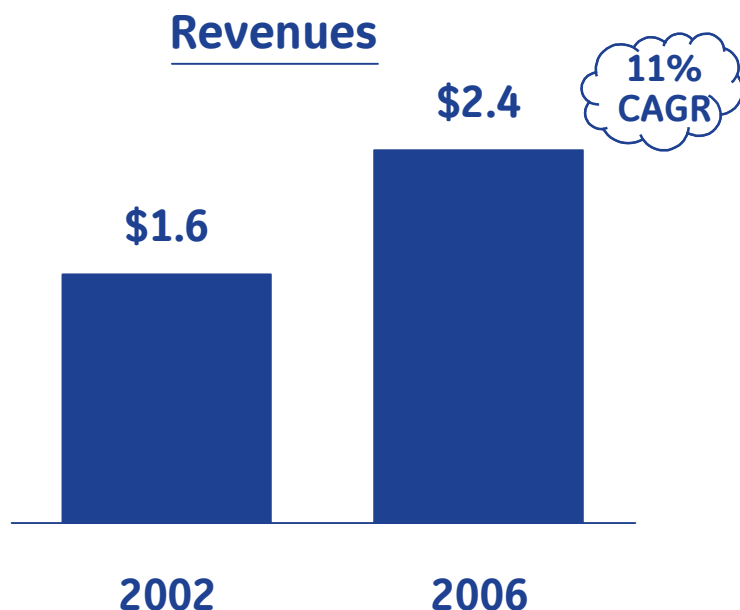
Great business model



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Acquire Smiths Aerospace

(\$ in billions)



- ✓ Supplier of innovative systems & engine components
- ✓ Serves commercial, business & military segments

Digital systems

33%

- ✓ Services 30%+

Electrical power

10%

- ✓ Civil 46%,
military 54%

Mechanical systems

32%

- ✓ 1,500 customers,
140 countries

Engine components

25%

Why Smiths Aerospace ...

- ✓ Great technology & products
- ✓ Well positioned for growth
- ✓ Strong fit ... people, culture & domain knowledge

Expanding GE Aviation's capabilities "beyond the engine"



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Smiths Aerospace offerings

Digital systems



Products:

Platform computing, flight management system, mission and stores management

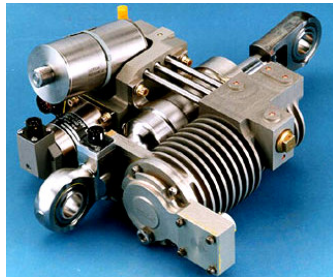
Key platforms:

B787: Common Core System (CCS)

B737NG: FMS

JSF: Stores mgt.

Mechanical systems



Products:

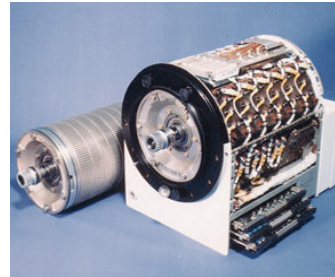
Flight control, landing gear actuation, thrust reverser actuation

Key platforms:

A380: Landing gear actuation

Typhoon: Flight control actuation

Electrical power



Products:

Power generation, conversion and distribution

Key platforms:

C-130H: Main generator

F-35: Power distribution

B777: Power distribution & management

Engine components



Products:

Fabrication, machining and rings structures

Key platforms:

B787: GENx & Trent 1000

A320: V2500, CFM56

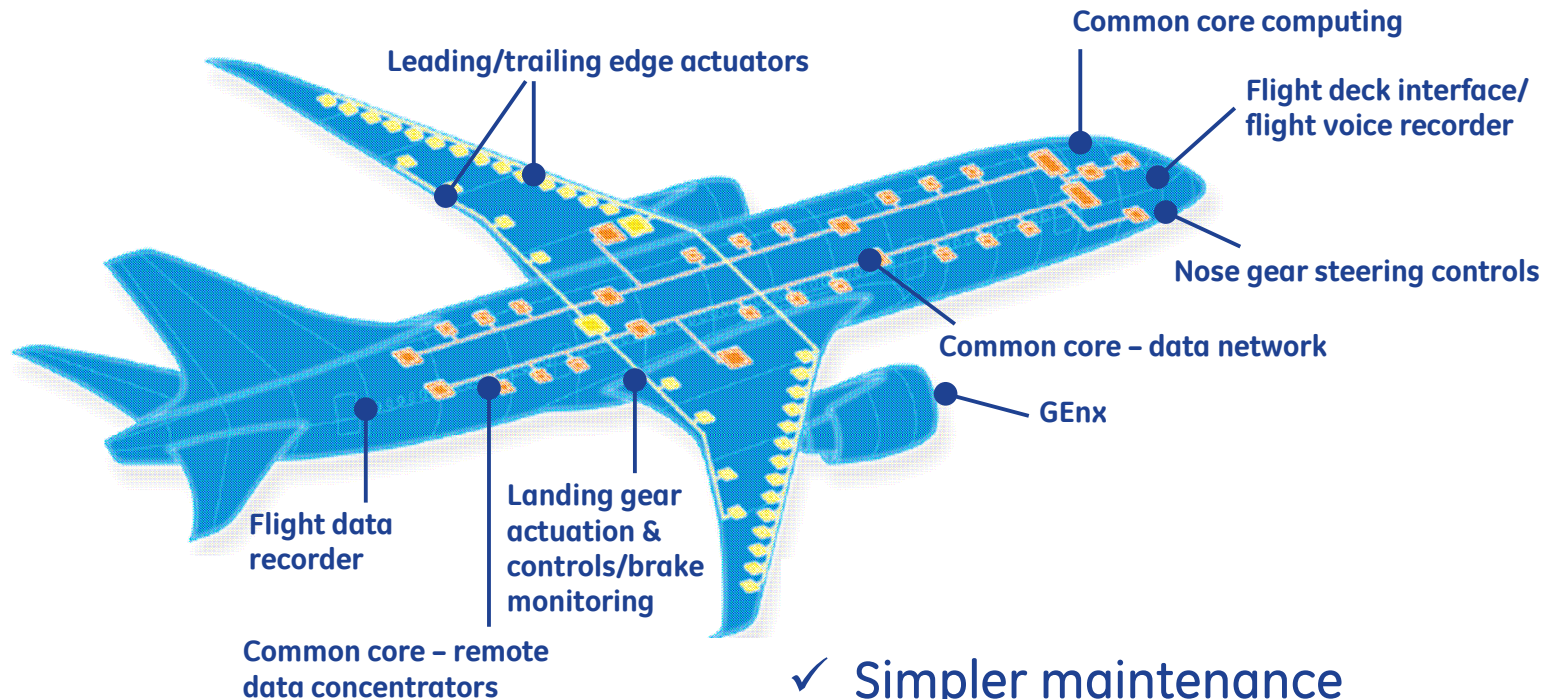
F-15: F100-PW-229

Attractive products on existing and emerging platforms



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GE + Smiths – B787



- ✓ Simpler maintenance
- ✓ Weight savings + LRU reduction
- ✓ Reduce A/C production cycle time
- ✓ Intelligence to manage complex systems
- ✓ Faster time to market for upgrades

Expanding GE Aviation's capability "beyond the engine"



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Deal economics

Deal economics

Invest:	\$4.8B	
Full year 1 impact		'06-'09
Revenues	\$2.7	~8%
Op profit	0.3	15%+
Net Income	0.2	15%+

EBITDA multiples

	'06	'07
Smiths Aerospace	12x	11x
Rockwell Collins	13x	12x
Meggitt	10x	9x
BAE	10x	9x
Goodrich	8x	7x

In line with market multiples



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Outlook

✓ **Top-line growth driven by B787, A380, B747-8 and JSF**

✓ **Revenue synergies**
 – New channels
 – Expanded services

~\$100MM+
by year 3

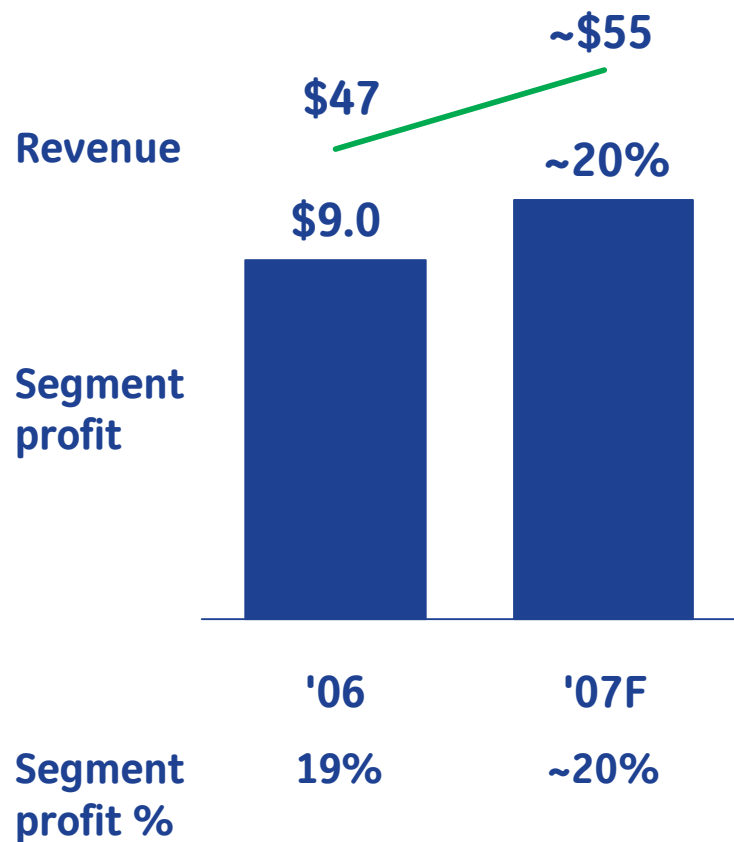
✓ **Cost synergies**
 – Operational excellence and supply chain management

~\$200MM+
by year 3

Capitalize on GE core competencies

GE Infrastructure

(\$ in billions)



Continue to execute long-term strategy

- ✓ Technology leadership ... growing installed base
- ✓ Win globally
- ✓ Life cycle services ... multi-revenue streams
- ✓ Great execution ... margin expansion

ROTC 30%+ ... fast growth businesses with high returns



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Smiths-GE Detection JV

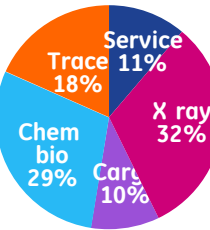
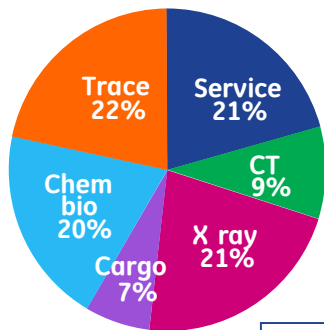
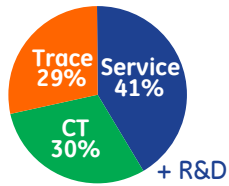
(\$ billions)



GE
Security
Homeland Protection



- CT and trace detection products
- Primarily focused on aviation applications (USG)



- X-ray, trace, and bio-detection products
- Focus on aviation, commercial, first responder, military, and cargo applications

- Integrated provider of detection solutions ... broad offering with global reach
- Service platform synergies

GE benefits

- ✓ Stronger & more diversified business
- ✓ Significant synergies
- ✓ GE committed to Security business long term



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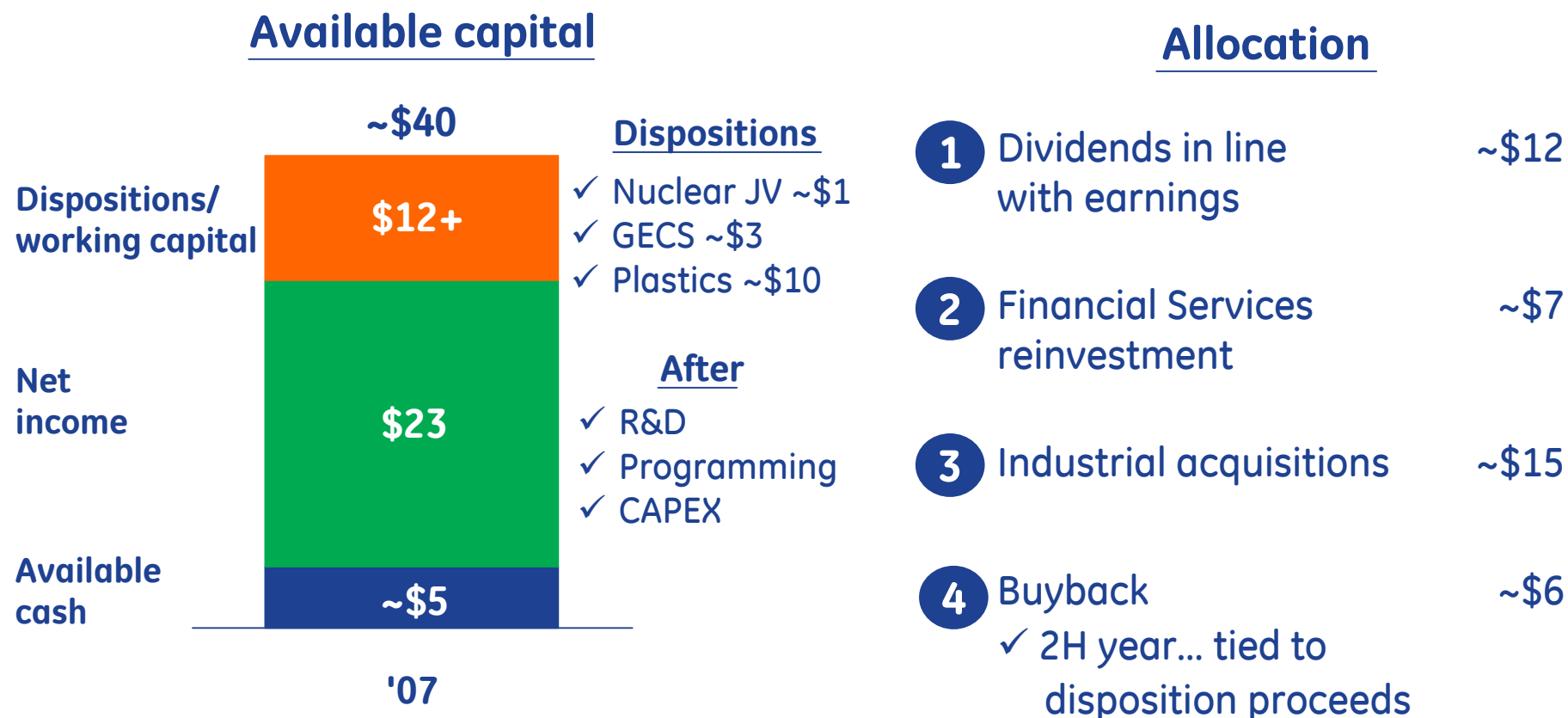
Capital allocation & financial impact



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2007 capital generation & allocation

(\$ in billions)



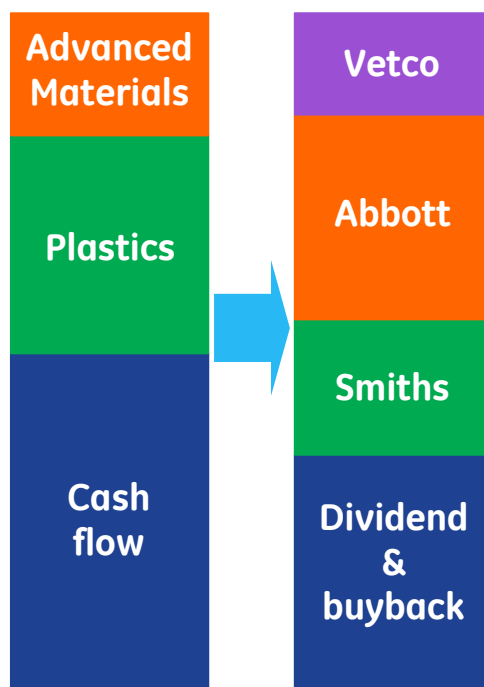
✓ Returning capital to shareholders & reinvesting in growth
– ROTC 19% '07, 20% '08



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A better GE

Capital redeployment



Stronger business position ('08 outlook)

	<u>% earnings</u>	
Infrastructure	38%	+ Great position in a strong market
Comm'l. Fin & GE Money	32	+ Great position in a strong market
Healthcare	15	+ Great position in a strong market
NBCU	9	+ Turnaround on track
Industrial	6	+ Building high tech & brand position

Capitalize on big trends

- | | |
|-------------------------|-----------------------|
| + Global Infrastructure | + Demographics |
| + Emerging markets | + Digital connections |
| + ecomagination | + Liquidity |

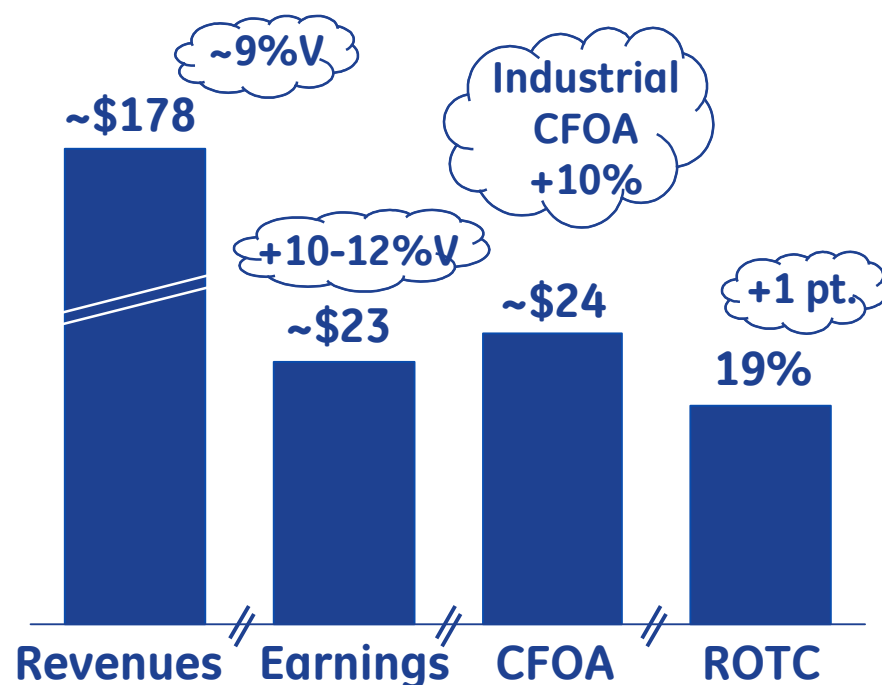


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2007 total year outlook

(\$ in billions – except EPS)

Continuing operations



Segment outlook

	<u>V%</u>
Infrastructure	~20%
Commercial Finance	10-15
GE Money	10-15
Healthcare	20+
Industrial	0
NBCU	0-5
Total segment	12-15%

Total year EPS at \$2.18-2.23 ... +10-12%

Invest & deliver

- ✓ Delivered a strong 2006
 - Growth process delivering results ... orders + sales + assets
 - Operational performance gaining momentum ... margins ↑, returns ↑
 - NBCU turnaround on track
- ✓ Well positioned for 2007 & beyond
 - Dramatically improved business portfolio
 - High quality, consistent & sustainable double-digit earnings growth
 - Tremendous financial flexibility ... excellent cash flow ... solid “Triple A”
- ✓ Restatement disappointing ... strong commitment to controllership

Executing the strategy



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