

GE 2009 second quarter performance

July 17, 2009

– Financial results & company highlights

"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 financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: the severity and duration of current economic and financial conditions, including volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; the impact of U.S. and foreign government programs to restore liquidity and stimulate national and global economies; the impact of conditions in the financial and credit markets on the availability and cost of GE Capital's funding and on our ability to reduce GE Capital's asset levels and commercial paper exposure as planned; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so; the soundness of other financial institutions with which GE Capital does business; the adequacy of our cash flow and earnings and other conditions which may affect our ability to maintain our quarterly dividend at the current level; the level of demand and financial performance of the major industries we serve, including, without limitation, air and rail transportation, energy generation, network television, real estate and healthcare; the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of proposed financial services regulation; strategic actions, including acquisitions and dispositions and our success in integrating acquired businesses; 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."

"This document may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP measures presented in this document, see the accompanying supplemental information posted to the investor relations section of our website at www.ge.com."

"In this document, "GE" refers to the Industrial businesses of the Company including GECS on an equity basis. "GE (ex. GECS)" and/or "Industrial" refer to GE excluding Financial Services."



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Overview

- ✓ Global environment still remains challenging

- ✓ 2Q'09 earnings of \$2.9B, \$.26 EPS
 - Energy & Technology Infrastructure flat
 - Capital Finance \$590MM, \$149MM pretax
 - Media (41)% ... C&I (20)%

- ✓ Executing through the recession
 - Cash flow ahead of plan ... \$7.1B YTD
 - Aggressive cost out ... \$.03 EPS restructuring & other charges
 - Infrastructure backlog stable at \$169B
 - Services & global revenues continue to remain strong
 - GE Capital safe & secure

- ✓ Continuing to invest in the long term
 - 2 new technology centers announced
 - Launching more new products
 - Tracking to higher 2009 R&D spend vs. 2008
 - Pursuing 400+ stimulus projects
 - Healthymagination launch under way



Environment

Economic downturn continues

- Global recession
- Unemployment continues to increase
- Commercial credit cycle increasingly difficult
- Weak consumer/business confidence
- Long-cycle equipment orders pressured

Positive signs

- + Parts of the globe still robust ...
China, Middle East, Latin America
- + Broad deflation should help margins
- + Customer usage helps services growth
- + Stimulus momentum
- +/- Capital markets improving

No change in outlook ... consistent with EPG



Executing through the recession

Stabilize Capital Finance

- ✓ Solid funding plan
- ✓ Margin on new originations
- ✓ Solid capital ratios

Outperform in a tough economy

- ✓ Protect backlog
- ✓ Growth with stimulus
- ✓ Services strength
- ✓ Global orders
- ✓ Lower cost

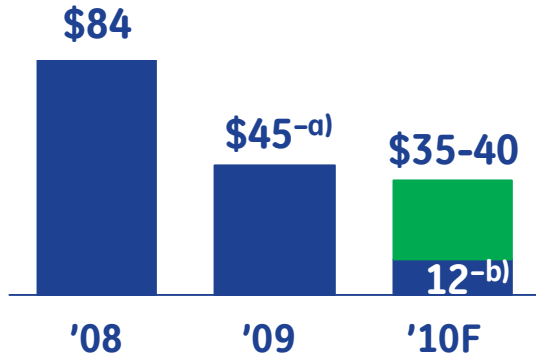
Strengthen the balance sheet

- ✓ Strong cash generation
- ✓ Maximize financial flexibility

Capital Finance safe & secure

(\$ in billions)

1 Long-term debt funding



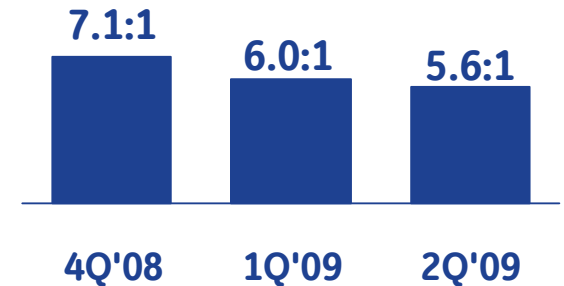
(a- includes \$13B pre-funded in 2008
 (b- completed through 2Q'09)

2 GECS Commercial paper



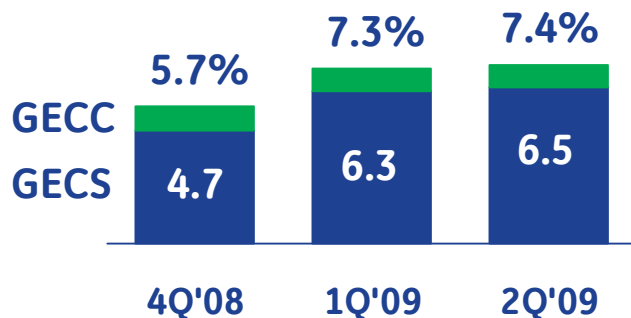
Cash & backup bank lines >2X CP

3 GECC leverage^(c)

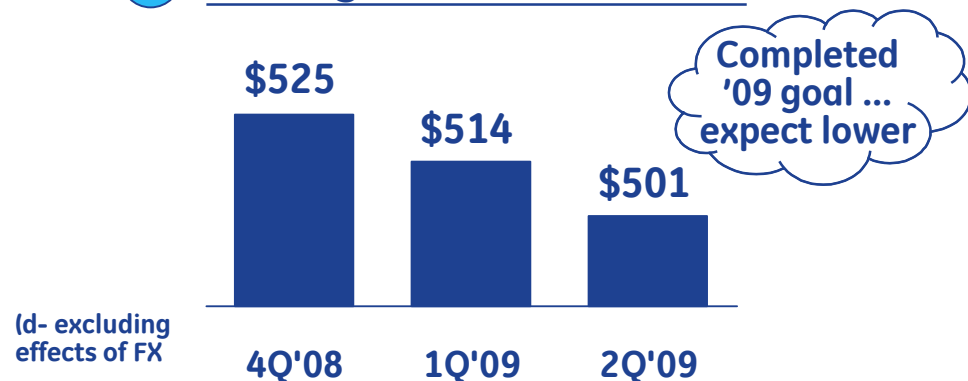


(c- net of cash & equivalents with hybrid debt as equity ex. noncontrolling interests)

4 Tier 1 common ratio



5 Ending net investment^(d)



(d- excluding effects of FX)

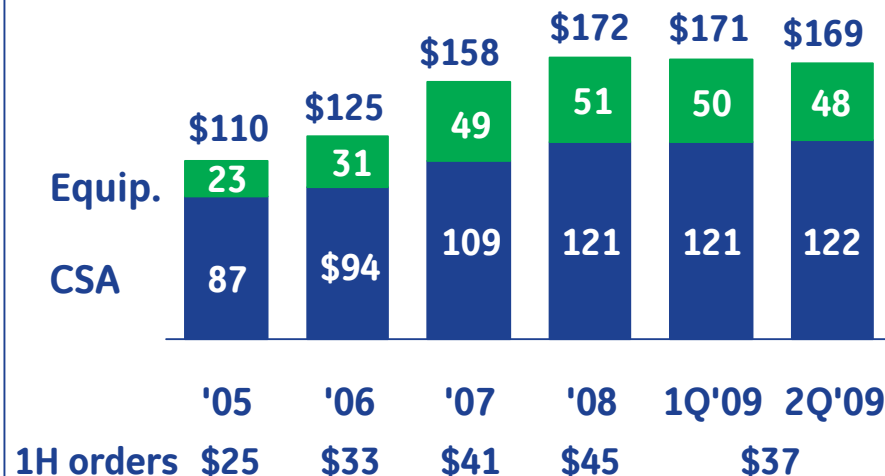
Protecting backlog ... \$18B 2Q'09 orders

(\$ in billions)

Orders - (25)% 2Q/(18)% YTD

	Equipment		Services	
	\$	V%	\$	V%
Energy	\$2.3	(62)%	\$4.3	12%
O&G	1.1	(7)	0.8	(15)
Aviation	1.7	(44)	2.5	5
Healthcare	2.5	(15)	1.5	(3)
Transportation	0.1	(71)	0.5	(38)
Ent. Solutions	0.9	(27)	-	-
Total	\$8.5	(42)%	\$9.5	2%

Protecting backlog (\$B)



Equipment update

- ✓ Down 33% YTD ... backlog above 3Q'07
- + Cancellations ~\$0.1B
- + Holding \$12.4B of progress
- ✓ Energy ... working on commitment to order conversion ... PTC clarified
- ✓ Aviation ... strong Paris Air Show
- ✓ Backlog conversion rate & current order levels
⇒ future equipment revenues (10)-(15)%

Service update

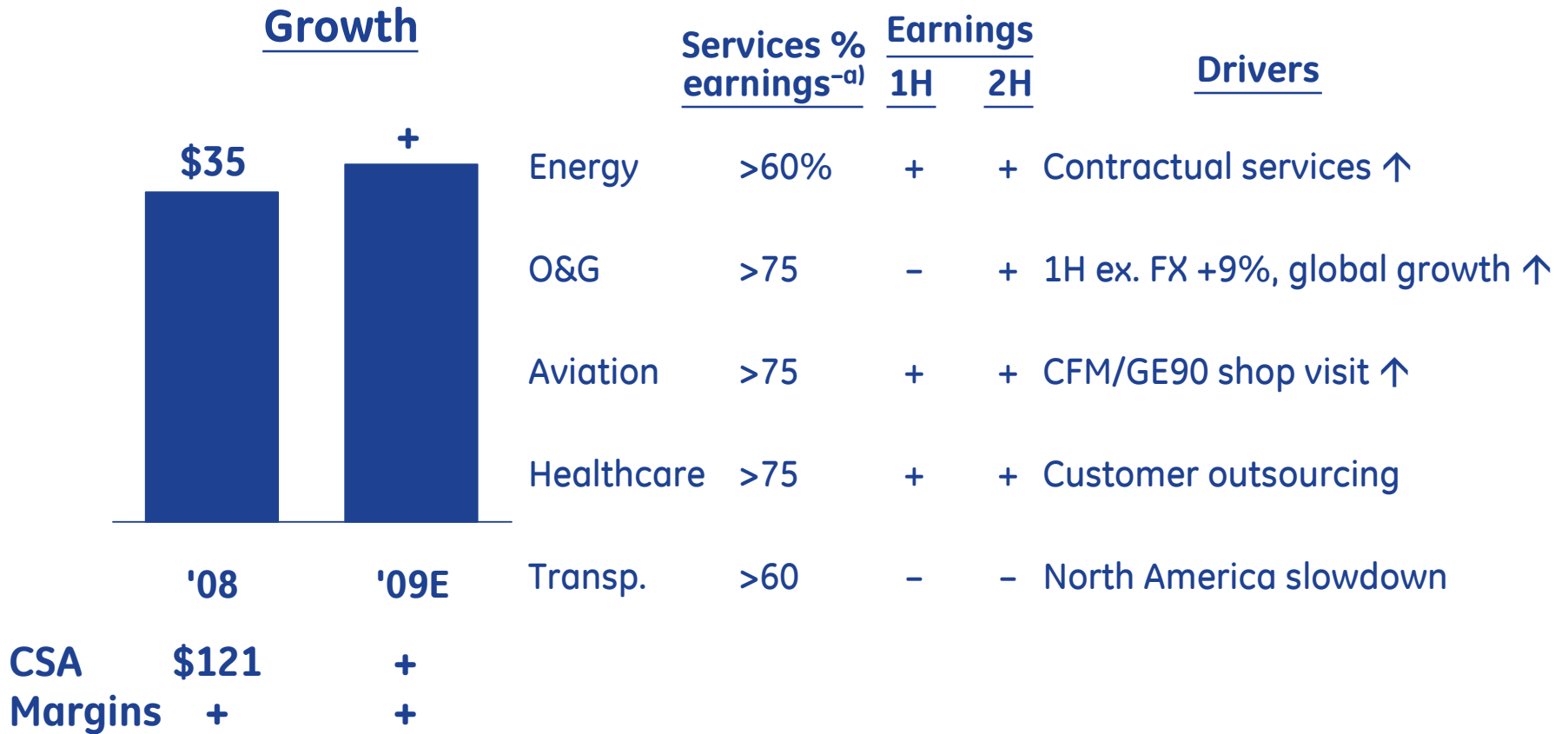
- ✓ Up 4% YTD ... backlog at all-time high
- ✓ \$4.3B new CSA additions in 2Q'09
- ✓ Energy & Aviation ... continue to drive installed base
- ✓ High margins in backlog



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Service model continues to deliver

(\$ in billions)



(a- 1H'09 actuals)

✓ ~75% of 2009 net income ... high visibility
 ✓ Well positioned for future ... 2010 & beyond

Industrial growth drivers

(\$ in billions)

	<u>Global stimulus</u>	<u>Projects</u>	<u>Early days ... gaining momentum</u>
Clean energy	\$94	Smart grid, renewables, nuclear/IGCC, new products	<ul style="list-style-type: none"> ✓ Smart grid orders +70% ✓ PTC rules clarified ... several potential large wind orders in 2H ✓ China spending strong ✓ Bidding on Health Information Exchanges (HIE) ✓ Global nuclear activity
Affordable health	32	HCIT (U.S.), build out global	
Other (Transp., Appliances, etc.)	66	Rail, R&D funding, export support, global Oil & Gas	

Global highlights

- 2Q revenues:**
- ✓ China +31% ... Energy, Healthcare, Transportation
 - ✓ India +46% ... Healthcare, Energy
 - ✓ Middle East +10% ... Aviation, Energy, O&G, Healthcare, Iraq order underway (7% complete)

2009 product spend > 2008 ... in the right places

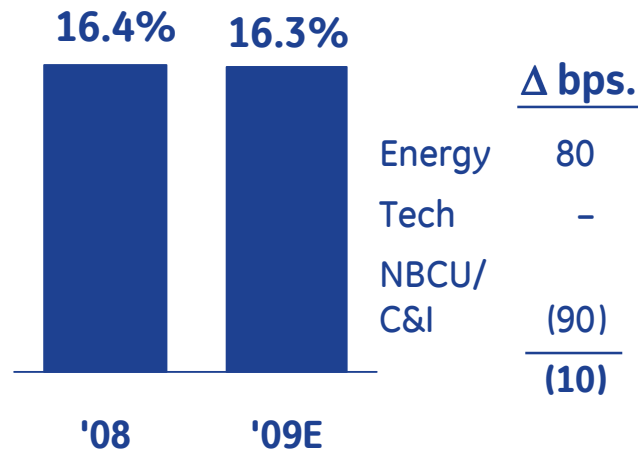


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Lowering cost

(\$ in billions – pretax)

2Q margins stable



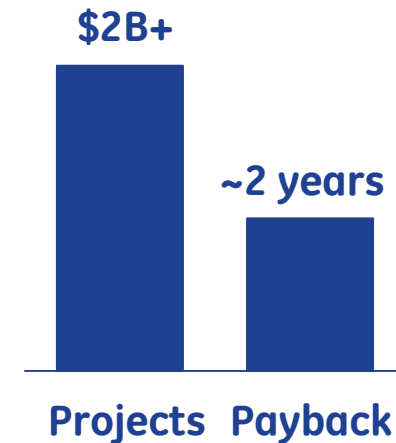
- ✓ CM expansion of 1.2 pts.
 - Positive value gap ... price expansion \$0.6B
- ✓ Service margins +3 pts.
- ✓ Other income headwinds in NBCU

Aggressive base cost reduction



- ✓ Significant restructuring & other charges to date
 - '07 ... \$2.0B
 - '08 ... \$1.8B
 - '09 YTD ... \$1.0B
- ✓ 2Q base costs ↓ 14%

Restructuring pipeline '09/'10



- ✓ Project pipeline being reviewed for potential '09/'10 execution
- ✓ More structural, focused on long-term competitiveness

Continuing to restructure ... positioning for 2010 & beyond

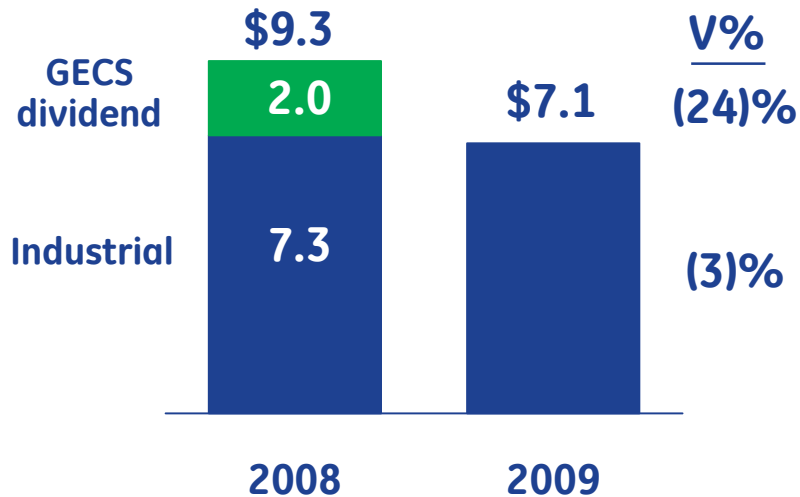


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Generating cash ... 1H'09 ahead of plan

(\$ in billions)

CFOA



- ✓ No GECS dividend (down \$2.0B vs. '08)
- ✓ Working capital improvements \$2.3B more than offset progress collections ↓ \$(0.7)B

GE cash balance walk

Consolidated cash \$52B

	<u>Total</u>
Beginning balance	\$12.1
CFOA	7.1
Dividends	(6.7)
P&E	(1.3)
GECS capital contribution	(9.5)
Change in debt/other	1.3
June 2009	\$3.0

2H'09 Industrial cash dynamics

- ✓ On track for \$7-9B of 2H cash flow ... \$14-16B of CFOA for 2009
- ✓ Dividend reduced from \$6.7B to 2.3B ... saving \$13B in cash '09/'10



2Q'09 performance



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Second quarter consolidated results

(\$ in billions – except EPS)

(\$ in millions)

Continuing operations

	<u>2Q'09</u>	<u>V%</u>
Revenues	\$39.1	(17)%
– Industrial sales	26.0	(7)
– Financial Svcs. rev.	13.4	(29)
Earnings ^{-a)}	2.9	(47)
EPS ^{-b)}	.26	(52)
CFOA YTD	7.1	(24)
– Industrial CFOA	7.1	(3)
	<u>2Q'09</u>	
Tax rate	7%	
– GE (ex. GECS)	26	
– GECS	Fav.	

(a- attributable to GE

(b- earnings attributable to common shareowners

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Energy Infra.	\$9,577	(1)%	\$1,792	13%
Technology Infra.	10,555	(11)	1,833	(11)
Infrastructure	20,132	(6)	3,625	Flat
NBC Universal	3,565	(8)	539	(41)
Capital Finance	12,797	(29)	590	(80)
C&I	2,507	(20)	111	(20)
			<u>\$4,865</u>	<u>(36)%</u>

2Q items

(Earnings per-share)

	<u>Impact</u>	<u>Comments</u>
Transaction gain	\$.02	✓ BAC
Restructuring & other charges	(.03)	✓ Cost structure improvements ✓ Footprint reductions & organization realignment
Marks & impairments	(.04)	✓ Cosmos, Real Estate, Treasury, NBCU partially offset by Genpact
	<hr/>	
	\$(.05)	

- ✓ **Continued restructuring improves cost base**
- ✓ **2Q'09 restructuring more than offsets gains**

Capital Finance highlights

(\$ in millions)

<u>2Q'09</u>	<u>\$</u>	<u>V%</u>
Revenues	\$12,797	(29)%
Segment profit	\$590	(80)%
Assets	\$557B	(11)%

Key 2Q business results

	<u>Assets (\$B)</u>		<u>Segment profit (\$MM)</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Consumer	\$181	(20)%	\$243	(77)%
Real Estate	84	(7)	(237)	U
CLL	219	(9)	232	(74)
GECAS	50	4	287	3
EFS	23	6	65	(61)

2Q update

- ✓ ENI excluding FX ↓ \$24B from 4Q ... continuing to rapidly reduce balance sheet
- ✓ On-book volume lower by (54)% ... \$15B of commercial originations YTD at attractive returns
- ✓ Credit cost at \$2.8B for 2Q, \$5.1B YTD ... currently running better than estimated Fed base case
- ✓ SG&A down (31)%, \$1.3B of YTD productivity savings ... strong cost out actions

Financial Services reform proposal

- Treasury white paper issued on June 16 ... outlines sweeping proposal
 - Fed as systemic regulator of Tier 1 Financial Holding Companies (FHC)
 - Consolidation of federal banking regulators
 - Conversion of thrifts & Industrial Loan Companies (ILC) to banks
 - FDIC-like resolution authority over failing FHCs
 - Consumer financial products commission
- One of dozens of proposals in White Paper recommends separating non-financial from financial companies ... ILCs, thrifts & others ... 5 years to separate
- Opposed to forced separation ... not a cause of the crisis ... affects important source of lending
 - Existing structures traditionally grandfathered
 - Reform should recognize diverse funding sources
- Congress will now consider ... long, complex process
- GE supportive of systemic regulation ... GE Capital anticipated & planned for ↑ regulation
- Executing plan for smaller, more focused GE Capital ... nothing in proposal changes that

- ✓ **Financial services reform in very early stages**
- ✓ **GE will continue to support GE Capital**



GE Capital ... important source of liquidity to U.S. businesses and consumers



Since 1/1/08

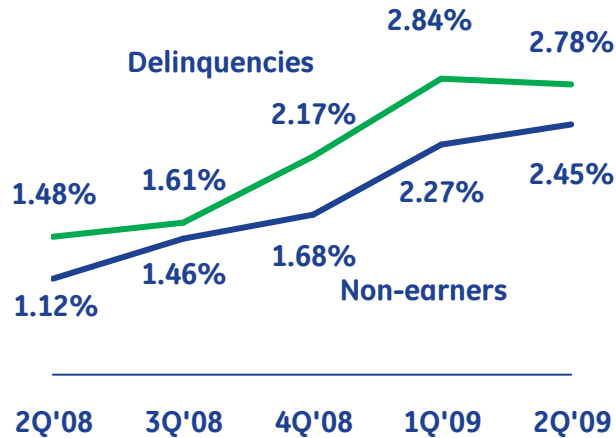
- ✓ \$155B of new financings to companies, infrastructure projects and municipalities
- ✓ \$127B of credit extended to 50 million consumers
- ✓ GECC has outstanding credit with more than 330,000 commercial customers and 145,000 small businesses supported by our Retail programs
- ✓ In 2009 added 16,000 new commercial customers and 23,000 new small businesses supported through our Retail programs
- ✓ Supported virtually all U.S. airlines, leader in bankruptcy financing, healthcare and energy infrastructure

Continuing to provide liquidity to critical areas of U.S. economy



Capital Finance portfolio quality

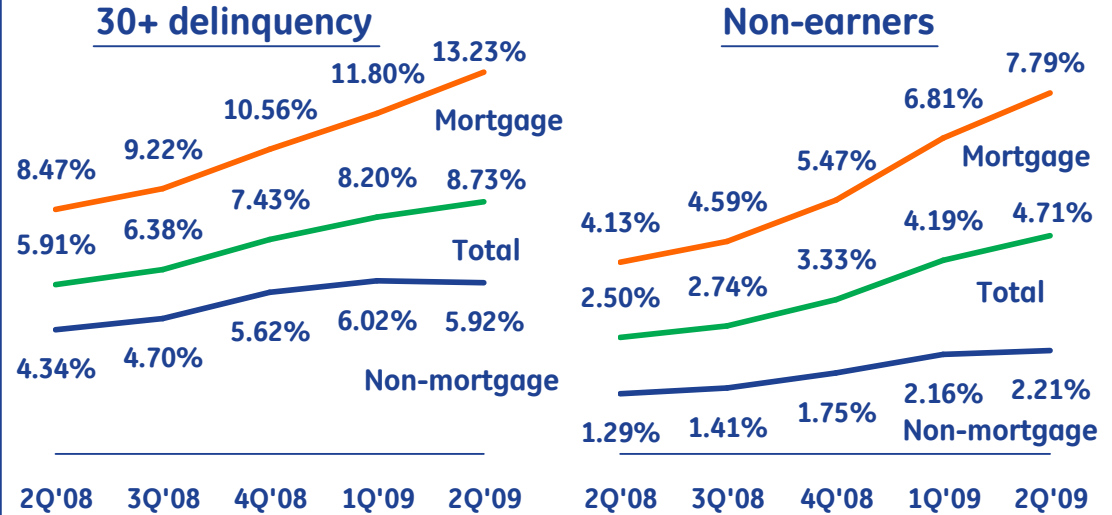
Equipment



Drivers

- ✓ Delinquency lower (6 bps.), improvement in Americas portfolio offset by slight increases in Asia & Europe
- ✓ Non-earners +18 bps. vs. 1Q'09
 - Driven by senior secured loans ... well collateralized
- ✓ CRE non-earnings +166 bps. to 2.9% ... delinquencies +178 bps. to 4.0%
- ✓ Verticals steady

Consumer



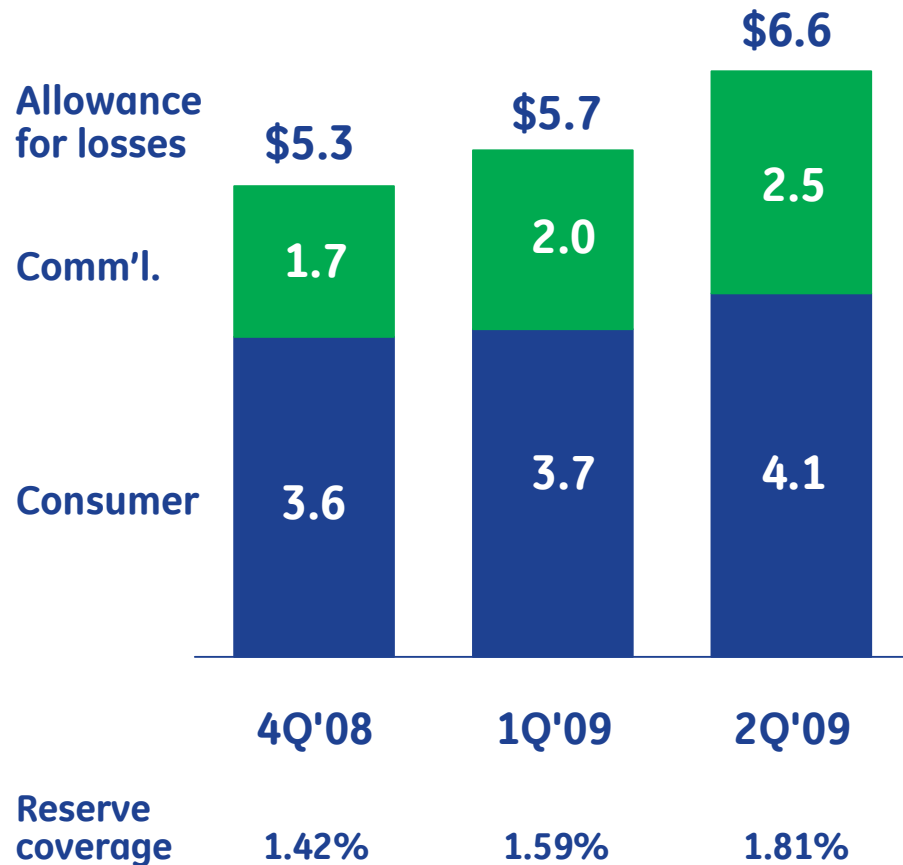
Drivers

- ✓ North America delinquencies down 14 bps. to 6.96%
 - Better entry rates & improved late stage collection effectiveness helping delinquencies
 - Non-earners balance flat to prior quarter ... reduction in assets driving up rate
- ✓ U.K. mortgage markets continue to pressure overall metrics
 - Delinquencies +30 bps. ... non-earners +21 bps.
- ✓ Global banking delinquencies +1bp.

As expected ... tough environment

Capital Finance reserve coverage

(\$ in billions)



Commercial

- ✓ Reserves increased by \$0.5B in 2Q'09 ... coverage rate to 1.13%
 - Coverage at RE +37 bps. to 1.24%
 - Strong collateral will lead to ultimate loss significantly below non-earners

Consumer

- ✓ Increased coverage to 2.91%
- ✓ U.S. Card & Sales Finance
 - Coverage rate steady at 6.6%
 - Reserves/non-earnings 192%
- ✓ Mortgage
 - Coverage rate ↑ 44% to 1.32%
 - Reserves/non-earnings 17%
 - Average LTV at origination 75%

Reserve coverage +\$0.9B, +22 bps. vs. prior quarter

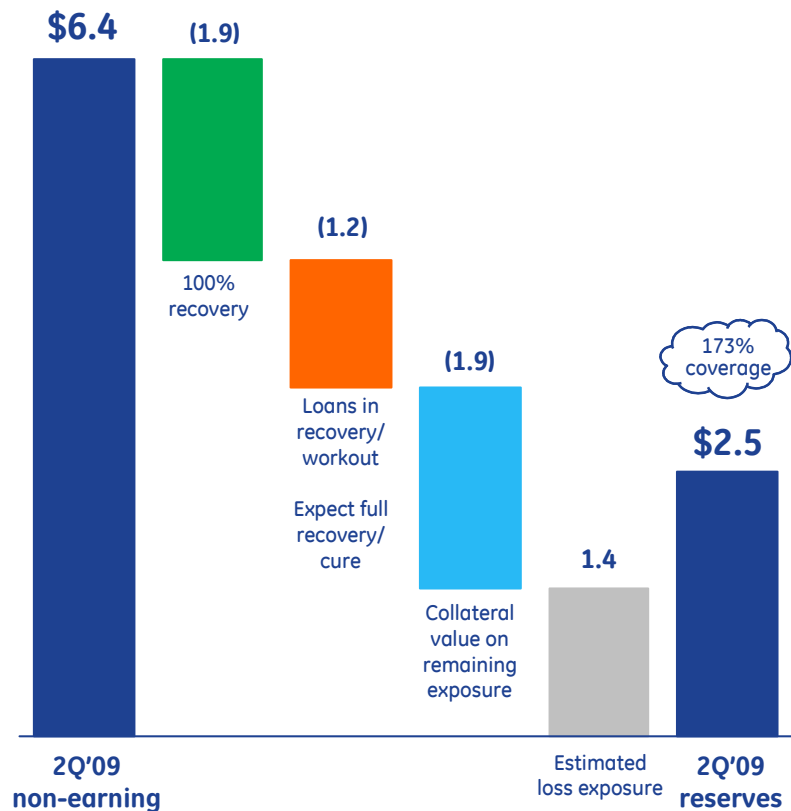


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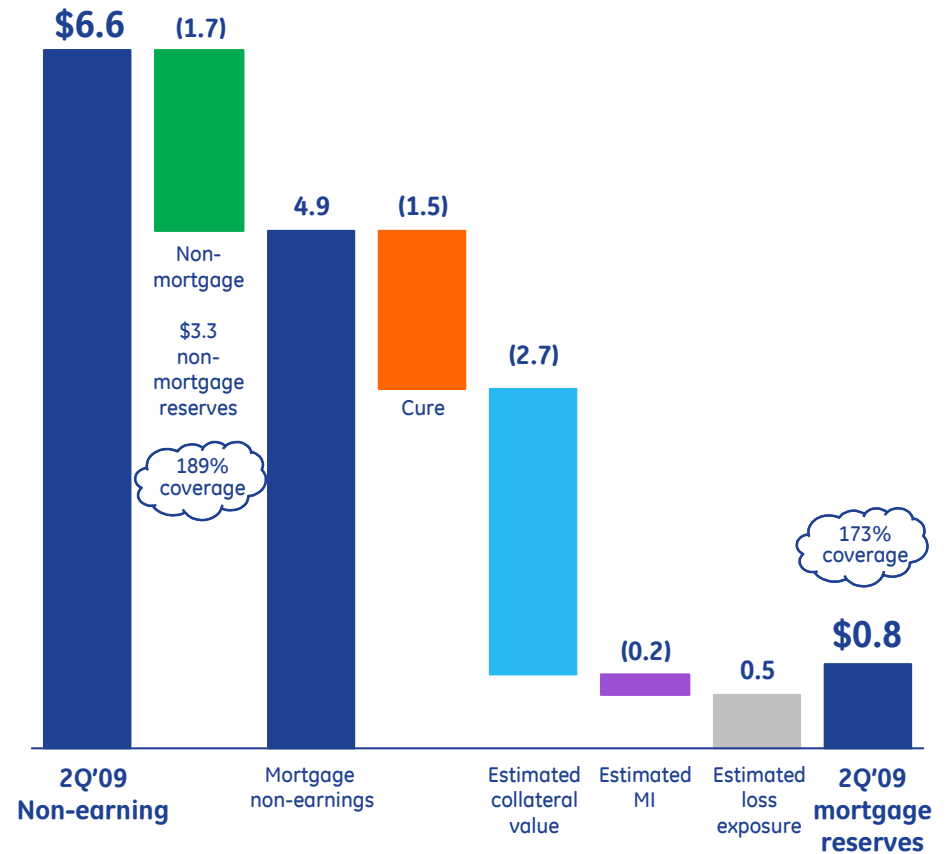
Capital Finance non-earning exposure walk

(\$ in billions)

Commercial



Consumer



2009 Capital Finance stress cases

(\$ in billions)

	<u>Original outlook</u>	<u>Estimated Fed base case</u>	<u>Estimated Fed adverse case</u>
Pretax, pre-provision	~\$13.3	~\$11.1	~\$9.2
Credit costs	<u>(9.7)</u>	<u>(11.5)</u>	<u>(13.7)</u>
Pretax	~3.6	~(0.4)	~(4.5)
Capital Finance net earnings	<u>~\$5.0</u>	<u>~\$2.0-2.5</u>	<u>~\$0</u>

Update

- ✓ '09 losses trending slightly better than base case ...
2Q reserves higher by \$0.9B
- ✓ Capital ratios strong
- ✓ Long-term debt funding ahead of plan
- ✓ Balance sheet reduction ahead of plan ... expect lower
- ✓ Will update specific portfolio reviews on 7/28



NBCU highlights

(\$ in millions)

<u>2Q'09</u>	<u>\$</u>	<u>V%</u>
Revenues	\$3,565	(8)%
Segment profit	\$539	(41)%

2Q'09 reported	(41)%
'08 gain	9
'09 impairment	8
Adjusted	<u>(24)%</u>

2nd quarter dynamics

- 1 Cable**
 - + Cable strength continues ... USA remains #1
 - + USA +13%, Oxygen up 12%
 - + MSNBC +8% – beats CNN in Prime in A25-54, total viewers for full quarter ... first time ever
 - + CNBC +7% – remains leader in business news
- 2 Broadcast**
 - + Successful *Tonight Show* transition to Conan, *Fallon* better than expected
 - Industry trend negative: Network TV development well received ... but Upfront slow
 - +/- Prime ratings relatively flat to PY; Late Night up
 - Local markets not improving
- 3 Film & Parks**
 - Box office performance mixed ... *Fast & Furious* a success, *Land of the Lost* disappoints
 - Lack of new release DVD's VPY
 - +/- Parks attendance down double digits; offset by strong cost control
- 4 Digital & cost**
 - + hulu continues strong growth; Disney now a content/equity partner
 - + Continued cost/workforce reduction ... realizing savings from ongoing actions
 - Economy hitting internet display ads
 - Asset impairment (\$95MM)

2H favorable comps & cost actions will help offset local markets & film slate



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Technology Infrastructure highlights

(\$ in millions)

2Q dynamics

<u>2Q'09</u>	<u>\$</u>	<u>V%</u>
Revenues	\$10,555	(11)%
Segment profit	\$1,833	(11)%

Aviation

- \$4B total orders, service orders +5%, equipment backlog \$21B, CSA backlog \$55B
- Revenues (6)% ... equipment (3)%, commercial/military service flat
- Segment profit growth +1% ... favorable price, cost productivity

Healthcare

- \$4B total orders... equipment backlog \$3B, CSA backlog \$9B
- Revenues (12)% ... equipment (15)%, services (6)%
- Segment profit (21)% ... equipment markets remain difficult, especially U.S.

Transportation

- \$0.6B total orders... equipment backlog \$2.5B, CSA backlog \$12B
- Equipment revenues (17)%, service revenues (6)%

Key 2Q business results

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Aviation	\$4,619	(6)%	923	1%
Healthcare	3,964	(12)	590	(21)
Transportation	1,069	(11)	236	(2)

Tough environment ... executing cost out



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Energy Infrastructure highlights

(\$ in millions)

<u>2Q'09</u>	<u>\$</u>	<u>V%</u>
Revenues	\$9,577	(1)%
Segment profit	\$1,792	13%

Key 2Q business results

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Energy	\$7,803	(1)%	\$1,542	15%
Oil & Gas	1,948	3	283	11

2Q dynamics

Energy

- \$6.5B in total orders ... equipment backlog \$14B, CSA commitments \$42B/+6%
- Revenues (1)% ... Aero +31%, Thermal +14%, Wind +8% ... Energy Services (4)%
- Segment profit +15% ... \$456 positive value gap & strong base cost control (down 7%)

Oil & Gas

- \$2B in total orders ... equipment backlog \$6.5B, CSA backlog \$4B
- Revenues +3% ... turbo machinery +38%, services (6)%
- Segment profit +11% ... price & cost control strong drivers

Strong operating leverage

Company total year framework

	2009 framework			Looking forward
	EPG	1H'09	Total year update	
Energy Infrastructure	++	+16%	} ~0% →	+ Solid service position - Lower equipment sales + Strong cost out/margins + Global stimulus
Technology Infrastructure	+	(3)		
NBCU	-	(43)		
Capital Finance	Profitable	\$1.7B	✓ →	+ Funding solid; originations strong - Tough loss environment
Corporate/C&I	Flat	Flat	✓ →	+ C&I better - More restructuring '09/'10

- ✓ 2009 in line with framework ... more restructuring '09/'10
- ✓ Services + cost + stronger Capital Finance help the future

Building a strong company for the future

1 Significantly strengthened GE Capital in tough environment

- ✓ Liquidity & funding in great shape
- ✓ Strengthened capital ratios
- ✓ Increased reserves
- ✓ Generate profitable new business while shrinking

2 Operating GE with intensity ... cost & cash

- ✓ Aggressive restructuring
- ✓ Strong cash flow
- ✓ Protect backlog
- ✓ Preserving margins

3 Investing in technology & services to drive future growth

- ✓ Service backlog at \$122B
- ✓ Technology budget ↑
- ✓ Launch new products
- ✓ Lead in new spaces ... Smart Grid

4 Well positioned for global industrial revenue growth

- ✓ China +31%
- ✓ India +46%
- ✓ Middle East +10%

5 Leader in clean energy (ecomagination) + affordable healthcare (healthymagination)

- ✓ Positioned for stimulus

