GE Consumer & Industrial
Business Update for Oppenheimer
November 18, 2009

"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," "will," "may," or "will." Forward-looking statements are 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 availability of capital to GE and GE Capital and other financial institutions; the creditworthiness of our customers and the collateral we hold; 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 limitations, 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."
Environment

Challenging ‘09 environment

**Appliances**
- ’09 core industry ~(-10)%
- Domestic industry back to 1990’s levels
- Market bottoming, ’10 ~low single digit growth

**Lighting**
- ’09 Industry ~(-12)%
- ’10 N. America/Europe flat; Asia up mid single digits
- New technology, LED, will fuel growth in ’10

**Industrial**
- ’09 Industry NEMA ~(-30)%; IEC ~(-20)%
- North American weakness through ’10, ~(-10)%
- Europe IEC expect flat in ’10; Asia recovery underway

Expect better conditions in 2010

*Source: The Stevenson Company*
Aligning with regulatory trends
Regulatory requirements changing our industries

Regulatory activity lamp Efficiency

Regulatory activity Appliances

Regulations provide growth opportunities

GE C&I Response
GE C&I Response

- Continued to invest in programs for future growth
- Drove significant working capital reductions
- Focused on total cost out and footprint reduction
- Drove price increases across businesses
- Worked supplier base to drive deflationary benefit

Utilized all levers to “reset” business

Continue to invest for the future

Key Initiatives

- Restructuring to reposition business for the future
- Investing in strategic platforms, LED, IEC, DSM etc.
- Invested to exceed E*Star and regulatory requirements
- ~$500MM NPI benefits in 2010-12

Business better positioned to win
Cash generation

**Key Initiatives**

- Reduced inventory >$300MM... Increased inventory turns by 0.5pts
- Lowered past dues $85MM, 32%... North America at historic lows
- Increased DTP 3 days to 70.. Payable balance > inventories

CFOA ~2.5X net income

Total cost out focus

**2009 Key Initiatives**

- Announced / completed 10 plant closings
- Reduced production workforce by 3,900/12%
- Negotiated with unions to forgo contractual wage increases thru June ‘11
- Right sized G&A structure ... ~10% salaried reduction
- Reduced discretionary spend ~20%

Delivering 3X+ TCO in ‘09
Drove price and deflation

Key Initiatives

- 1/1/09 Appliance price increase
- Took strategic actions to hold price in Lgt. & Ind.
- Capitalized on energy deflation
- Reduction in commodity prices

$330MM incremental margin in 2009

C&I Op Profit performance

Revenue

Op profit

Continue rebound in Op profit
C&I Business segments

C&I “Green” strategy

Driving energy efficient solutions

Lighting
- LED
- CFL
- System Solutions

Appliances
- Smart Appliances
- Home energy mgr
- Hybrid water heater

Industrial
- Data center
- Smart grid
- Electric vehicle

Electric vehicles

System Solutions

Home energy managers

Data center

LED

CFL

Hybrid water heater
The Lighting industry is dramatically changing…

1. Regulations are driving obsolescence of certain technologies
   - Reshape the “old” footprint… address overcapacity

2. Customers demanding more energy efficient light sources
   - Shift product investment
   - “New” technology spend +20%
   - “Old” technology spend -40%
   - Increase resources on new and growing technologies

3. LED platform reshaping the industry
   - Commercial realignment
   - … end user, solution based selling

How GE Lighting is changing to remain competitive…
Lighting scale

- Exit/Right size Incandescent Plants
  - Adjust to meet energy efficiency regulation
- Creating Scale in “Growth” Technology
  - Create LFL, CFL and other COEs
- Maintain Current CFL Strategy
  - Focus on Asia Sourcing

Significant structural reductions

Customer Value
Cost savings and improved light quality

- Save up to $29 a 3 lamp fixture per year vs. a standard T12 system
- Save up to $106 over the life of the lamp vs. a 50 watt halogen MR16 lamp!
- Save up to $283 fixture per year vs. a 400 watt metal halide system
### LED

#### Market realities
- Numerous new entrants
- Anticipate continued growth
- General Illumination emerging
- Mixed quality and performance claims

#### Industry Recognition
- **GE Brand leadership**
  - DOE SSL quality advocate
  - GE innovation processes ensure conformance to claims
  - DOE CALiPER test independent confirmation

#### GE Approach
- Strategic chip alliance vs. factory investment... maximize ROTC
- Leverage reputable brand
- Build on historical applications strength

#### Lighting breakthrough
- LED module based technology
- Allows application flexibility
- Can be upgraded... as easy as changing a "light bulb"

### LED Outdoor Lighting

#### LED Area Light
- GE designed - integrated system
- Beta site installed at Walmart
- $2.8B global opportunity
- Lower energy & improve performance
- Save up to $283 per year per system

#### China Stimulus Program
- 2MM LED Outdoor systems
- 21 selected Chinese cities
- $0.5B opportunity... over 3 years
- Building off GE Area Light know how
- Tests start in 2009
Industrial Smart Grid portfolio

**Industrial Smart Grid portfolio**

**Energy Efficiency**
- Variable frequency drives and Soft starters
- Energy efficient transformers
- DC power distribution (e.g., Data Center solution)

**Renewable Energy**
- Grid Interconnection
- Photovoltaic inverters and miniature circuit breakers
- Wind energy control panels
- Commercial / Institutional DC molded case circuit breaker offering, DC safety switches

**Electric Transportation**
- Smart EV Charging Pedestals – Public & Residential
- Truck Stop Electrification

**Metering / Monitoring**
- Submetering Panelboards and Switchboards
- Submetering Standalone meters
- Communicating Motor Control Centers and Switchgear

**Demand Response**
- ROCB Lighting Panels and Lighting Controls
- DHB Home Automation System + wireless communications
- Smart Load Centers

**Focus on profitable niches**

KEY: Blue - In today's portfolio  Green - In development/ planning
## Going big in China

### Building commercial scale
- Additional selling resources ... 100+ by 2011
- New capabilities
  - Projects/systems capabilities
  - Expanding verticals ... power supply bureaus, steel, data centers, oil & gas

### Big infrastructure wins
- **Guangdong Power Supply Bureau - MV Switchgear+VCB, $8MM**
- **Beijing Qiaoofu Plaza Project $1.8MM Busway**
- **PetroChina, Pengzhou, Sichuan Province - $5.7MM, P/VII-12**
- **Zhoushan Power Plant MV Switchgear+Transformers, $2MM**

### Stimulus opportunities
- **MV Grid** $260MM
- **Metro / Rail** $245MM
- **Airports** $100MM

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## Appliances
Commercial strategy

Brand Commitment ...

Great products ...

... and commercial discipline

... yield superior margins

Appliance Park

Competitive Wage rate

Announced
- ~400 new jobs
- $35MM Investment
- $17MM govt incentives
- Up to 62% energy savings
- Strong DOE response

Evaluating
- ~150 new jobs
- $70MM Investment
- Pursuing incentives
- Lower cost
- DSM capable

New agreements make Appliance Park competitive
Re-investing in GE brand

Short term ....
Focusing on mid market

Feature migration to GE brand

 Longer term ....
Leveraging energy investment to drive innovation

Key Features
- Leadership LED lighting
- Super ice capacity
- Ergonomic drawers
- Flexible dispenser
- Smart grid enabled
- Ultra efficient wash system
- Fit, Feel, Finish enhancements
- Stainless steel upgrades
- Ultra quiet
- Smart grid enabled

Key Features
- Dual Cavity
- Top Controls
- Capacity

ecomagination: building the “Net Zero Energy” home

Home Energy Manager
The central control system for the net zero energy home helps homeowner optimize energy consumption.

Solar Photovoltaic
Generates electricity from the sun, reducing the need for energy imports.

Small Wind
Supplementary renewable generator.

Geothermal Heat Pump
Reduces heat and water heating energy requirements by 30%.

GE Heat Pump Water Heater
Harnesses the energy of a conventional electric water heater.

Energy Storage
Battery energy storage system for peak power and peak load.

Demand Response Appliances
High efficiency energy, for homeowners who pay less from the grid and help consumers save money during peak demand.

Energy Efficient Lighting
High efficiency, CFL, LED and 3-way lighting.

GE Water Filtration
Filters, conditions, and monitors home water usage.

Smart Meter
A communication gateway between the Smart Grid and the home.
How do “smart” appliances work?

Smart appliances

Enabling peak savings without affecting consumer life-style

18MM homes with "Smart" meters ... huge opportunity for Appliances

Summary
C&I Profile

- Anticipating moderate industry growth
- Well positioned to further improve profitability
- Continue to generate cash 1.5 to 2x net income
- Maintain high ROI business model
- Lead in “Green”