

GE REPORTS QUESTIONS

November 24, 2008

1) Just wondering whether GE was aware of the following posting:
<http://seekingalpha.com/article/106445-general-electric-genuine-risk-of-collapse>
and whether this analysis is accurate?

GE responded directly to the post in the comments section. Below are those comments pulled out.

“From Russell Wilkerson at GE...Mr. James Quinn’s piece on the company misses the mark on so many levels; here are just a few:

GE is and will continue to be one of the world’s strongest global companies with leading positions in aviation, energy, healthcare, entertainment and financial services. Contrary to the author’s assertion that GE is a bank in disguise, more than half of our profits come from our infrastructure and media operations, including wind turbines, aircraft engines, oil and gas equipment and healthcare technology. Our financial services business, GE Capital, is expected to contribute about \$9 billion to overall profits in 2008, more than any other financial services company in the world. GE Capital has been and will continue to give GE enormous competitive advantages by supporting our infrastructure businesses.

Among Mr. Quinn’s many misconceptions is that GE’s profits have been fueled with increased debt. GE’s infrastructure and media businesses, which contribute over half of our earnings, generate strong cash flow and operate virtually debt-free. Clearly the profits in these businesses have not been fueled by debt. Almost all of GE’s debt is used to finance GE Capital. Financial services businesses like GE Capital borrow money to finance loans, making money on the spread. GE Capital’s debt has grown at a rate commensurate with its assets.

GE Capital differs from other financial institutions because it is mostly a secured lender. Strong underwriting and risk management have led to low loan-loss ratios compared to competitors.

The current environment is tough. We have taken actions to keep the Company safe. These include reducing leverage and long-term debt needs to solidify our Triple-A credit rating and raising an additional \$15 billion of cash through an equity offering. This is added cash that gives us additional protection and flexibility. There are also a number of programs the U.S. Government has put in place to stabilize the U.S. financial system. We have pursued those that help us to ensure safety first, but also do not impede our future growth plans. We are currently participating in the Commercial Paper Funding Facility and the Temporary Liquidity Guarantee Program. Both of these programs provide temporary liquidity support to help companies access the debt markets in challenging times. They put us on a level playing field with participating financial services companies. They do not present an advantage for the Company, but rather they remove a disadvantage. And we are paying a market-

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based fee to issue debt under these programs. They are not “bailout” programs nor have we received any government investment or funds from the Troubled Assets Relief Program (TARP). We have a strong balance sheet and we are focused on serving critical financing markets.

Finally, the author pronounces judgment on Warren Buffett’s recent investment in GE after only six weeks. We hardly think this warrants a response, but we will just say that Mr. Buffett’s track record over many decades speaks for itself.

The environment remains volatile and challenging. We will continue to evaluate all options to ensure the Company is best positioned to compete and perform successfully in the near and long term.”

2) I have been trying to determine the percentages of how much GE has invested in each of its major business segments, i.e. energy, financial, media, etc. I would also like to know the percentage of income received from each major segment. I own a few shares of GE and may decide to buy more. Thank you.

For financial breakouts by business please visit:

http://www.ge.com/investors/financial_reporting/index.html

3) Is it true that GE cash flow from operations minus asset sales has been negative for years?

No. GE’s industrial cash flow has been strong, growing 15% in 2007 and increasing 5% year through third quarter and our cash from operating activities was \$23.5 billion in 2007.

4) DJ news that came out around 6PM 11/21 Friday saying GE files mixed SEC shelf, which includes senior debt, subordinated debt, common stock, warrants, delayed delivery contracts and guarantees. My question is the common stock. Is this in additions to the October stock offering, which will further dilute the stock?

With this filing, GE renewed an existing registration statement that must be renewed every three years and which was set to expire in December. This filing, which is typical for many large companies, just gives the company the ability to do various types of offerings in a more efficient manner in the future but does not constitute an actual offering.

5) What will be the future strategy of GE Capital after merging almost all financial units of GE under its umbrella?

Please visit our recent posting on GE Capital (<http://www.gereports.com/ge-capital-reorg-focuses-on-growth-cost-savings/>) for more information and to hear from Bill Cary, chief operating officer of GE Capital. We will also be hosting an analyst meeting on December 2nd specifically on GE Capital. Please visit:

<http://www.ge.com/investors/events/index.html> for more information.

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6) Would GE Aviation Service consider it a good buy of ILFC...expanding the fleet of GECS, why and why not?

We have a strong aviation services businesses that has performed exceptionally well. We make it a practice not to comment on other companies.

7) Relatively, if new GE capital organization operations is head heavy vs. other operations, infrastructure, energy...? What are comparison of the earn per employee?

We recently announced a reorganization of GE Capital to better serve our customers. Please read our recent post for more information. (<http://www.gereports.com/ge-capital-reorg-focuses-on-growth-cost-savings/>). We compare favorably on an earnings per employee ratio basis.

8) Have the press release from the Brussels GE International Operations office spokeswoman of the SWF or JV pre-approved ?

GE did not issue any press releases regarding sovereign wealth funds. We were responding to media speculation. Read more here: <http://www.gereports.com/ge-is-not-seeking-equity-investments-from-swfs/>

9) Have you begun forecasting the dividend potential post-2009?

Not at this point in time. This will be a decision for GE's Board of Directors. Please refer to our existing post on this subject: <http://www.gereports.com/ge-dividend-plan-remains-unchanged/>