



Press Release

GE
Transportation

**GE Reports Record Fourth-Quarter and Full-Year Results for 2007;
4Q EPS up 17%; 18% for the Year
4Q Orders of \$27 billion, up 18%; 4Q Revenues of \$48.6 billion, up 18%;
Infrastructure Segment Profit up 26%; Global Revenues up 27%
Reaffirms Total Year 2008 Guidance**

Transportation Reports \$1.2 billion in 4Q Revenues and 21% Increase in Segment Profit

4Q and FY 2007 Highlights (Continuing Operations)

- **4Q earnings per share (EPS) of \$.68, up 17%; 4Q earnings of \$6.8 billion, up 15%**
- **Full-year (FY) EPS of \$2.20, up 18%; FY earnings of \$22.5 billion, up 16%**
- **4Q revenues of \$48.6 billion, up 18%; organic revenue growth of 10%; global revenue growth of 27%**
- **FY revenues of \$173 billion, up 14%; organic revenue growth of 9%**
- **4Q total orders of \$27 billion, up 18%; major equipment orders of \$14.1 billion, up 33%; services orders of \$9.7 billion, up 5%**
- **Return on average total capital (ROTC) expanding to 18.9%**
- **FY Industrial cash flow from operating activities (CFOA) growth of 15%**
- **Reaffirmed 2008 FY EPS guidance of \$2.42+, up 10%+**

Erie, Penn., Jan. 18, 2008 – GE announced today fourth-quarter 2007 earnings from continuing operations of \$6.8 billion or \$.68 per share, up 15% and 17%, respectively, from fourth-quarter 2006. Fourth-quarter revenues from continuing operations were \$48.6 billion, up 18%, increasing 10% organically. Full-year 2007 earnings from continuing operations were \$22.5 billion or \$2.20 per share, up 16% and 18%, respectively, from 2006. Full-year 2007 revenues from continuing operations were \$173 billion, up 14%, increasing 9% organically.

“We have built the company to outperform in this environment,” GE Chairman and CEO Jeff Immelt said. “We have strengthened the portfolio for growth, restructured to lower our cost, maintained our Triple A credit rating and stayed true to our risk management principles. We are also more global, with more than 50% of our revenues now coming from outside the U.S. At the same time, we have been disciplined with capital allocation, returning \$58 billion over the last three years to our shareowners in the form of dividends and buyback.

“Our record performance in such a tough environment validates the strength of our strategy and the talent of our team,” Immelt said. “Infrastructure led the fourth quarter delivering 26% profit growth, with 20% or more profit growth from Energy, Aviation, Oil & Gas, Transportation and Water,” Immelt said. “Industrial margins increased with better pricing and productivity. Global

demand for our technology continued, driving highly visible growth in orders and backlog. Our growing installed base of Infrastructure products has led to long-term service contracts that are strengthening customer relationships around the world. Infrastructure, which is 40% of our earnings, is well positioned for growth in 2008 and beyond.

“Our financial services businesses performed well in an extremely volatile market,” Immelt said. “Commercial Finance grew segment profit 9% with good asset growth and stable portfolio quality. GE Money had 7% earnings growth with excellent global performance offsetting challenges in the U.S. market. These results included a \$400 million increase in the loss provision in the quarter.

“Overall our financial services earnings growth was 37% globally, driven by excellent origination and strong risk management,” Immelt said. “The high mix of global earnings resulted in a lower than expected financial services tax rate.

“NBC Universal delivered 10% segment profit growth in the quarter for its fifth straight quarter of profit growth,” Immelt said. “Film had its best year ever, with strong global growth. Entertainment and Information Cable had record ratings and solid earnings growth. The network continues to improve its programming and cost position.

“Industrial posted solid segment profit growth of 7%, overcoming a difficult U.S. housing market with a good performance from Enterprise Solutions,” Immelt said. “Healthcare’s segment profit was down 4% with the continued challenge from its OEC business and the effects of the Deficit Reduction Act. The balance of the business is in good shape. We expect Healthcare to improve in ‘08,” Immelt said.

“Our company-wide initiatives focused on organic growth, services, global expansion and ecomaginationsm are delivering positive results,” Immelt said. “We achieved our twelfth straight quarter of organic revenue growth of 2-3 times global GDP. Services revenues were up 10% and global revenues grew 27% in the quarter. Ecomaginationsm, our environmental technologies initiative, delivered \$14 billion in revenues for the year, an increase of 17%,” Immelt said.

GE’s total orders were up 18% to \$27 billion for the quarter and up 18% to \$98 billion for the year. Total backlog grew \$19 billion year-over-year, an increase of 42%. Major equipment orders were \$14.1 billion, up 33% for the quarter and up 29% to \$50 billion for the year. Services orders were up 5% for the quarter and 7% for the year. Contractual Service Agreement (CSA) backlog stood at \$109 billion, up 17%.

“We sustained our focus on margins,” Immelt said. “Our industrial profit margins expanded 70 basis points for the year, driven by pricing and productivity. ROTC increased to 18.9% for the year.”

The company bought back \$13.9 billion worth of its common shares during the year, completing its expanded \$27 billion share repurchase program one year ahead of schedule. In December 2007, the company announced a new, three-year share repurchase program of \$15 billion and increased its dividend, for the 32nd straight year, by 11%. In addition, the company said that it remains committed to the portfolio action it outlined in December, including the disposition of some of the consumer finance platforms.

GE’s full-year consolidated effective tax rate was 16%, which was slightly below the company’s full-year 2007 expectations of 17% due to the higher proportion of lower taxed, global earnings in financial services. The full-year industrial effective tax rate was 22%, in line with the company’s expectations.

The company also filed a Form 8-K today describing and quantifying additional adjustments to historic financial statements arising from the ongoing review of its accounting policies and procedures. These revenue recognition adjustments had an insignificant effect on 2007 and 2006 results of operations.

Full-Year and Fourth-Quarter Financial Highlights:

Full-year earnings from continuing operations were \$22.5 billion, up 16% from \$19.4 billion in 2006. EPS from continuing operations were \$2.20, up 18% from last year's \$1.86.

Full-year continuing revenues grew 14% to \$173 billion reflecting core growth and the net effects of acquisitions.

Fourth-quarter earnings from continuing operations were \$6.8 billion, up 15% from \$5.9 billion in fourth quarter 2006. EPS from continuing operations were \$.68 per share, up 17% from last year's \$.58.

Fourth-quarter continuing revenues were \$48.6 billion, up 18% from \$41.3 billion in fourth quarter 2006, reflecting organic growth of 10%.

Cash generated from GE's operating activities in 2007 totaled \$23.3 billion, down 2% from \$23.8 billion last year, reflecting an increase of 15% from the Industrial businesses which was more than offset by a decrease in GE Capital Services' dividends which in 2006 included greater proceeds from sales of insurance businesses.

"We want investors to see GE as a reliable growth company even in tough times. We will sustain our growth in 2008 led by Infrastructure and focus on hitting our financial goals of at least 10% EPS growth, 20% ROTC and organic revenue growth of 2-3 times GDP," Immelt said. "Our portfolio is strong, our initiatives are delivering and we are positioned to win in the mega themes of this era. We see full-year 2008 continuing EPS of at least \$2.42, an increase of 10%+ over comparable 2007 earnings. For 1Q'08, we expect to achieve continuing EPS of \$.50-.53, up 4-10%, consistent with previous guidance, and net EPS of \$.49-.52, up 11-18%."

GE Transportation reported \$1.2 billion in fourth-quarter revenues, up 5% year-over-year driven by solid unit demand. The business produced and delivered 224 locomotives, 227 off-highway vehicle wheels (up 16%) and 92 wind gearboxes (up 37%) in the fourth-quarter alone on continued strength in the locomotive and adjacent mining and wind markets. Segment profits for the same period were \$252 million, up 21% year-over-year.

2007 revenues totaled \$4.5 billion, up 9% year-over-year, with a backlog of locomotive deliveries of more than 2,200 units. 2007 marked a record year in the production and delivery of 907 locomotives, up 3% from 2006. GE Transportation generated \$936 million in operating profit, up 21% compared to the previous year.

"We set our goals high for 2007 and delivered thanks to the contributions of our employees around the globe," said John Dineen, President and CEO of GE Transportation. "Our strategy to expand our core technologies to win in adjacent markets and to serve an increasing number of customers in developed and emerging markets around the globe continues to translate into solid performance."

GE will discuss preliminary fourth-quarter and full-year results on a conference call and Webcast at 8:30 a.m. ET today. Call information is available at www.ge.com/investor, and related charts will be posted there prior to the call.

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About GE

GE (NYSE: GE) is Imagination at Work -- a diversified technology, media and financial services company focused on solving some of the world's toughest problems. With products and services ranging from aircraft engines, power generation, water processing and security technology to medical imaging, business and consumer financing, and media content, GE serves customers in more than 100 countries and employs more than 300,000 people worldwide. For more information, visit the company's Web site at www.ge.com.

About GE Transportation

Established more than 100 years ago, GE - Transportation, a unit of General Electric Company (NYSE: GE), is a global technology leader and supplier to the railroad, marine, drilling, mining and wind industries. GE provides freight and passenger locomotives, railway signaling and communications systems, information technology solutions, marine engines, motorized drive systems for mining trucks and drills, high-quality replacement parts and value added services. With sales in excess of \$4.5 billion, GE - Transportation is headquartered in Erie, PA, and employs approximately 10,000 employees worldwide. For more information visit www.getransportation.com.

Caution Concerning Forward-Looking Statements:

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 "expect," "anticipate," "intend," "plan," "believe," "seek," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties that could adversely or positively affect our future results include: the behavior of financial markets, including fluctuations in interest and exchange rates and commodity and equity prices; the commercial and consumer credit environment; the impact of regulation and regulatory, investigative and legal actions; strategic actions, including acquisitions and 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; 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.

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