



Stock Selection Guide [®]

The most widely used aid to good investment judgment

Company GENERAL ELECTRIC CO Date 04/11/08

Prepared by jah Data taken from StkCntrl

Where traded NYSE Major product/service Conglomerat

CAPITALIZATION --- Outstanding Amounts		Reference	
Preferred (\$M)	0.0	% Insiders	% Institution
Common (M Shares)	10,218.0	0.0	0.0
Debt (\$M)	514,116.0	% to Tot.Cap.	81.3
		% Potential Dil.	None

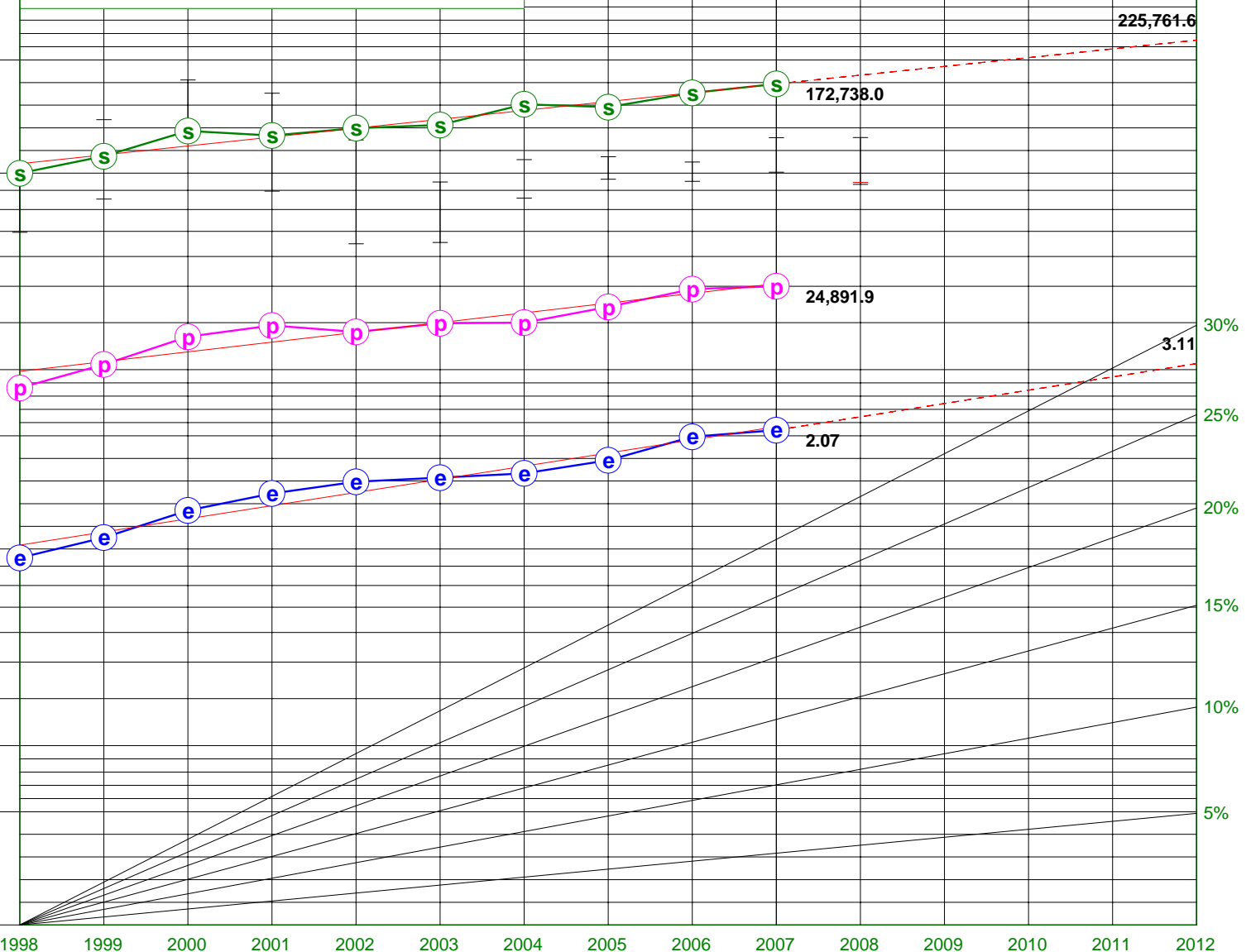
1 VISUAL ANALYSIS of Sales, Earnings and Price

GE

FY 2007 Q4 (Ended 12/31/2007)
RECENT QUARTERLY FIGURES

	SALES (\$M)	EARNINGS PER SHARE (\$)
Latest Quarter	48,576.0	0.54
Year Ago Quarter	44,814.0	0.65
Percentage Change	8.4%	-16.7%

See Chapters 8, 9, and 10 of the BetterInvesting Official Guide for complete instructions. Use this Guide as working section of BetterInvesting Stock Selection Guide & Report.



(1) Historical Sales Growth 5.6 % (3) Historical Earnings Per Share Growth 8.4 %
 (2) Estimated Future Sales Growth 5.5 % (4) Estimated Future Earnings Per Share Growth 8.5 %

2 EVALUATING MANAGEMENT

Company

GENERAL ELECTRIC CO

(GE)

04/11/08

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	LAST 5 YEAR AVG.	TREND	
												UP	DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	13.4	13.9	14.1	15.5	14.3	14.8	13.1	14.7	15.0	14.4	14.4	EVEN	EVEN
B % Earned on Equity (E/S ÷ Book Value)	23.9	24.8	24.9	25.5	23.6	19.7	15.2	16.5	18.2	17.9	17.5	EVEN	

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

		PRESENT PRICE		32.050	HIGH THIS YEAR		42.150	LOW THIS YEAR		31.650
Year		PRICE		C Earnings Per Share	D Price Earnings Ratio		F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100	
		HIGH	LOW		HIGH A ÷ C	LOW B ÷ C				
1	2003	32.1	22.2	1.55	20.7	14.4	0.760	49.1	3.4	
2	2004	36.8	29.1	1.59	23.2	18.3	0.800	50.3	2.7	
3	2005	37.5	32.7	1.72	21.8	19.0	0.880	51.1	2.7	
4	2006	36.3	32.3	1.99	18.3	16.2	1.000	50.3	3.1	
5	2007	42.1	34.1	2.07	20.3	16.5	1.120	54.1	3.3	
6	TOTAL	150.4			104.3	84.4		254.9		
7	AVERAGE	30.1			20.9	16.9		51.0		
8	AVERAGE PRICE EARNINGS RATIO			18.9	9	CURRENT PRICE EARNINGS RATIO			16.0	

4 Proj. P/E [14.77] Based on Next 4 qtr. EPS [2.17] Current P/E Based on Last 4 qtr. EPS [2.00] PEG=174

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E ~~20.9~~ 21.0 X Estimate High Earnings/Share 3.11 = Forecast High Price \$ 65.3
(3D7 as adj.) (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E ~~16.9~~ 17.0 X Estimated Low Earnings/Share ~~2.07~~ 2.00 = \$ 34.0
(3E7 as adj.)

(b) Avg. Low Price of Last 5 Years = 30.1
(3B7)

(c) Recent Severe Market Low Price = 31.7

(d) Price Dividend Will Support Present Divd. = 1.240 = 36.2
High Yield (H) 0.034

Selected Estimate Low Price = \$ 30.1
(4B1)

C ZONING

65.3 (4A1) High Forecast Price Minus 30.1 (4B1) Low Forecast Price Equals 35.2 (C) Range. 1/3 of Range = 8.8 (4CD)

(4C2) Lower 1/3 = (4B1) 30.1 to 38.9 (Buy) Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 38.9 to 56.5 (Maybe)

(4C4) Upper 1/3 = 56.5 to 65.3 (4A1) (Sell)

Present Market Price of 32.050 is in the Buy (4C5) Range

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 65.3 Minus Present Price 32.050 = 33.3 = 17.1 To 1
Present Price 32.050 Minus Low Price (4B1) 30.1 = 1.9 (4D)

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 65.3 = (2.037) X 100 = (203.7) - 100 = 103.7 (4E) % Appreciation
Present Market Price 32.050

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.

A Present Full Year's Dividend \$ 1.240
Present Price of Stock \$ 32.050 = 0.039 X 100 = 3.9 (5A) Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS

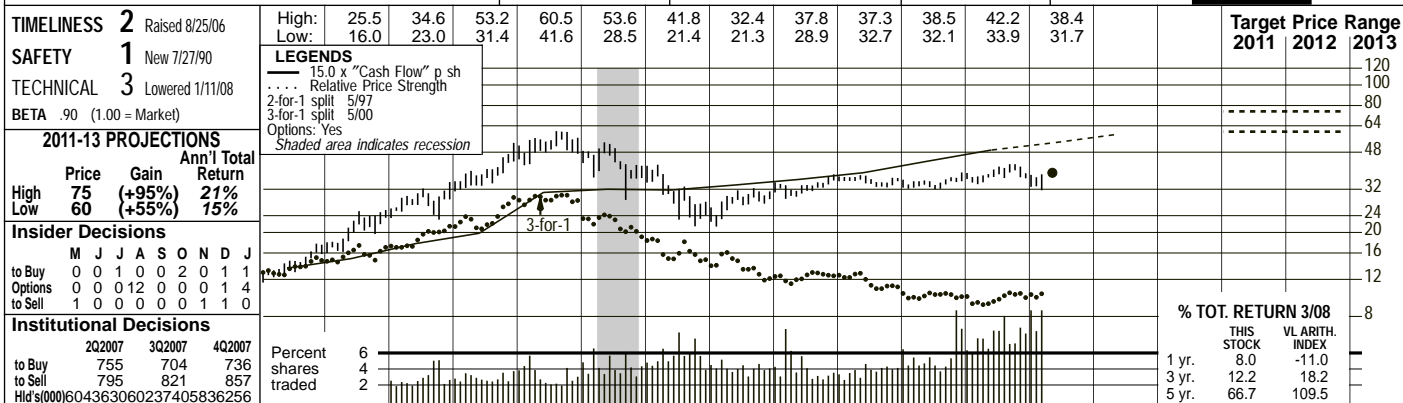
Avg. Earnings Per Share Next 5 Years 2.65 X Avg. % Payout (3G7) 51.0 = 135.2 = 4.2 (5B) %
Present Price \$ 32.050

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential (4E)		P.A.R.	Tot. Ret.
103.7	20.7 %	2.7%	2.4%
Average Yield (5B)	4.2 %	Annual Appreciation 13.0%	15.3%
Average Total Annual Return Over the Next 5 Years (5C)	24.9 %	% Compd Ann Rate of Ret 15.7%	17.7%

GENERAL ELECTRIC NYSE-GE

RECENT PRICE **38.43** P/E RATIO **16.1** (Trailing: 17.5; Median: 23.0) RELATIVE P/E RATIO **0.99** DIV'D YLD **3.2%** VALUE LINE



	1998	1999	2000 ^A	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High	5.25	5.65	6.42	6.85	7.35	13.33	14.44	14.28	15.90	17.30	19.00	20.80	Sales per sh ^A	24.60
Low	1.18	1.32	2.06	2.14	2.12	2.24	2.38	2.56	2.90	3.28	3.55	3.90	"Cash Flow" per sh	5.00
	.93	1.07	1.29	1.41	1.51	1.55	1.61	1.72	1.99	2.20	2.45	2.65	Earnings per sh ^B	3.60
	.42	.49	.57	.64	.73	.77	.82	.91	1.03	1.15	1.25	1.30	Div'ds Decl'd per sh ^C	1.45
	.21	.21	.26	.29	.24	.97	1.24	1.38	1.62	1.79	1.80	1.90	Cap'l Spending per sh	2.10
	3.96	4.32	5.08	5.52	6.39	7.87	10.47	10.43	10.93	11.57	12.05	13.45	Book Value per sh ^D	18.95
	9813.9	9854.5	9932.0	9925.9	9969.9	10063	10586	10484	10277	9987.6	9950	9950	Common Shs Outst'g ^E	9950
	30.3	35.9	40.1	30.8	20.7	18.1	20.5	20.5	17.3	17.2	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	19.0
	1.58	2.05	2.61	1.58	1.13	1.03	1.08	1.09	.93	.91			Relative P/E Ratio	1.40
	1.5%	1.3%	1.1%	1.5%	2.3%	2.7%	2.5%	2.6%	3.0%	3.0%			Avg Ann'l Div'd Yield	2.0%
	51546	55645	63807	68018	73317	134187	152866	149702	163391	172738	189000	207000	Sales (\$mill) ^A	245000
	21.2%	21.4%	30.4%	29.7%	27.0%	67.0%	65.1%	61.1%	60.2%	57.7%	58.5%	55.0%	Operating Margin	59.0%
	2292.0	2319.0	7736.0	7089.0	5998.0	6956.0	8385.0	8538.0	9158.0	10278	10750	12000	Depreciation (\$mill) ^F	14000
	9296.0	10717	12735	14128	15133	15589	16819	18275	20666	22468	24750	26765	Net Profit (\$mill)	36450
	23.3%	23.0%	23.0%	22.9%	20.2%	21.7%	17.9%	17.4%	16.1%	15.5%	16.0%	17.0%	Income Tax Rate	20.0%
	18.0%	19.3%	20.0%	20.8%	20.6%	11.6%	11.0%	12.2%	12.6%	13.0%	13.1%	12.9%	Net Profit Margin	14.9%
	d6708	d6512	d4080	d6646	d19636	238969	287826	184959	235281	244405	236700	238500	Working Cap'l (\$mill) ^A	236000
	681.0	722.0	841.0	787.0	970.0	170004	212670	212281	268084	319015	320000	320000	Long-Term Debt (\$mill) ^A	320000
	38880	42557	50492	54824	63706	79180	110821	109354	112314	115559	120100	134000	Shr. Equity (\$mill) ^D	189000
	23.5%	24.8%	24.9%	25.4%	23.4%	7.4%	6.3%	7.1%	6.7%	6.4%	5.5%	6.0%	Return on Total Cap'l	7.0%
	23.9%	25.2%	25.2%	25.8%	23.8%	19.7%	15.2%	16.7%	18.4%	19.4%	20.5%	20.0%	Return on Shr. Equity	19.5%
	13.8%	14.4%	14.5%	14.2%	12.5%	10.0%	7.7%	8.2%	9.1%	9.5%	10.5%	10.5%	Retained to Com Eq	11.5%
	42%	43%	42%	45%	47%	49%	49%	51%	50%	51%	49%	49%	All Div'ds to Net Prof	40%

For greater clarity, our presentation includes all of GE Capital's results, beginning in 2000. Prior to that year, these figures, except net earnings (which are reflected in the Net Profit line after taxes, eliminations and interest), were excluded to prevent the distortion of GE's industrial operations. GE Capital's fiscal results (in billions): Revenues: 1999, \$55.75; 1998, \$48.70; 1997, \$39.93. Net Earnings: 1999, \$4.44; 1998, \$3.80; 1997, \$3.26.

CAPITAL STRUCTURE as of 12/31/07
 Total Debt \$514.0 bill.^A Due in 5 Yrs \$265.6 bill.
 LT Debt \$319.0 bill.^A LT Interest \$25.5 bill.
 (Total interest coverage: 2.1x) (73% of Cap'l)

Leases, Uncapitalized \$6.3 bill.
 Pension Assets-12/07 \$1.7 bill.
 Oblig. \$34.3 bill.

Pfd Stock None
 Common Stock 9,987,597,656 shs.

MARKET CAP: \$384 billion (Large Cap)

CURRENT POSITION	2005	2006	12/31/07 (\$MILL.)
Cash Assets	62155	76055	61175
Receivables	302490	351272	399919
Inventory (LIFO)	10474	11401	12897
Other	14767	17067	16527
Current Assets	389886	455795	490518
Accts Payable	21273	21697	21398
Debt Due	158156	172153	195101
Other	25498	26664	29614
Current Liab.	204927	220514	246113

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	13.0%	18.0%	7.5%
"Cash Flow"	12.5%	6.5%	9.5%
Earnings	10.5%	7.0%	10.5%
Dividends	12.5%	10.0%	6.0%
Book Value	13.0%	14.0%	9.5%

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2005	34926	36956	37027	40793	149702
2006	38029	40048	40693	44621	163391
2007	39200	42384	42566	48588	172738
2008	41750	46750	48000	52500	189000
2009	46000	51500	52000	57500	207000

Cal-endar	EARNINGS PER SHARE ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2005	.34	.41	.42	.55	1.72
2006	.39	.47	.49	.64	1.99
2007	.48	.54	.50	.68	2.20
2008	.52	.58	.60	.75	2.45
2009	.55	.65	.60	.85	2.65

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2004	.20	.20	.20	.20	.80
2005	.22	.22	.22	.22	.88
2006	.25	.25	.25	.28	1.03
2007	.28	.28	.28	.28	1.12
2008	.31	.31			

General Electric stock is an attractive selection in the current economic environment. GE's diversified, global business model should enhance its investment appeal in the face of the turmoil in the world's financial markets. GE's financial arm does not have exposure to collateralized debt obligations or structured investment vehicles, which have weighed on some of the financial firms. Additionally, GE has strong finances, which ought to help it perform well in this challenging environment.

The company should have a good year in 2008. General Electric has revamped its business in recent years. It has focused on developing opportunities in high-growth markets, while divesting its underperforming businesses. As a result, GE has performed well. We believe this trend will continue in 2008, with sales of roughly \$189 billion (up 10% year over year) and share earnings of about \$2.45 (up 11%). What's more, the Infrastructure division will likely continue to provide a boost to results in the year ahead.

We are introducing estimates for 2009. The company's diversified business should

continue to post steady gains in 2009. We estimate GE will register a 10% top-line advance, while the bottom line should post an 8% gain, to \$2.65 a share.

Management has positioned General Electric for long-term growth. The company's global operations should help GE weather a downturn in any specific market. In fact, over 50% of GE's revenues come from outside the U.S. What's more, General Electric's flexible business model and substantial resources allow it to quickly react to opportunities for growth. The company is also dedicated to returning value to shareholders. GE repurchased \$13.9 billion worth of stock in 2007, and has an above-average dividend yield.

These shares are ranked to outperform the broader market over the coming six to 12 months. Momentum investors may be interested in GE due to its recent performance. Investors looking for a strong business that has solid potential over the 2011-2013 time frame may also want to consider GE shares. All told, we believe this issue is a good selection for most accounts.

Richard Gallagher
 April 11, 2008

(A) Excludes GE Capital Svcs. sub. until 2000. Consolidated figures thereafter.
 (B) Based on avg. shs. Excl. nonrecr. losses: '00, 24¢; '01, 4¢; '02, 10¢. Next earnings report due mid April.
 (C) Dividends historically paid in late January, April, July and October. ■ Div'd reinvest. plan. avail.
 (D) Incl. intang. At 12/31/07: \$97,294 mill., \$9.98/sh.
 (E) In mill., adj. for stk. splits.
 (F) Mostly on an accelerated basis.

Company's Financial Strength A++
Stock's Price Stability 100
Price Growth Persistence 15
Earnings Predictability 100

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