

2011 Proxy Statement supplemental details

March, 2011



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GE Capital ending net investment

(\$ in billions)

	<u>1/1/10</u>	<u>4Q'10</u>	<u>V%</u>
GECC total assets	\$653.6	\$581.1	
Less assets of discontinued operations	<u>15.1</u>	<u>5.2</u>	
GECC assets (continuing ops.)	\$638.5	\$575.9	
Less non-interest bearing liabilities	50.3	38.9	
GECC ENI	588.2	537.0	
Less cash and equivalents	<u>61.9</u>	<u>59.6</u>	
GE Capital ENI (ex. cash and equivalents)	<u>\$526.3</u>	<u>\$477.4</u>	<u>(9)%</u>

We use ENI to measure the size of our GE Capital segment. We believe that this measure is a useful indicator of the capital (debt or equity) required to fund a business as it adjusts for non-interest bearing current liabilities generated in the normal course of business that do not require a capital outlay. We also believe that by excluding cash and equivalents, we provide a meaningful measure of assets requiring capital to fund our GE Capital segment, as a substantial amount of this cash and equivalents resulted from debt issuances to pre-fund future debt maturities and will not be used to fund additional assets. Providing this measure will help investors measure how we are performing against our previously communicated goal to reduce the size of our financial services segment.

Industrial cash from operating activities

(\$ in millions)

4Q'10 YTD

Cash from GE's operating activities as reported	\$14,746
Less GECS dividends	<u>-</u>
Cash from GE's operating activities excluding dividends from GECS (Industrial CFOA)	<u>\$14,746</u>

We refer to cash generated by our industrial businesses as "Industrial CFOA," which we define as GE's cash from operating activities less the amount of dividends received by GE from GECS. This includes the effects of intercompany transactions, including GE customer receivables sold to GECS; GECS services for trade receivables management and material procurement; buildings and equipment (including automobiles) leased between GE and GECS; information technology (IT) and other services sold to GECS by GE; aircraft engines manufactured by GE that are installed on aircraft purchased by GECS from third-party producers for lease to others; and various investments, loans and allocations of GE corporate overhead costs. We believe that investors may find it useful to compare GE's operating cash flows without the effect of GECS dividends, since these dividends are not representative of the operating cash flows of our industrial businesses and can vary from period to period based upon the results of the financial services businesses. Management recognizes that this measure may not be comparable to cash flow results of companies which contain both industrial and financial services businesses, but believes that this comparison is aided by the provision of additional information about the amounts of dividends paid by our financial services business and the separate presentation in our financial statements of the Financial Services (GECS) cash flows. We believe that our measure of Industrial CFOA provides management and investors with a useful measure to compare the capacity of our industrial operations to generate operating cash flow with the operating cash flow of other non-financial businesses and companies and as such provides a useful measure to supplement the reported GAAP CFOA measure.

R&D as a percentage of Infrastructure revenues

(\$ in millions)

	<u>2010</u>
Company funded R&D	\$3,939
Externally funded	<u>979</u>
Total R&D	\$4,918
Segment revenue	
Energy	\$37,514
Technology Infrastructure	37,860
HBS	<u>8,648</u>
Total Infrastructure revenue	\$84,022

R&D % Infrastructure revenue

6 %

We have provided the above revenue of our industrial businesses without the NBC Universal business, which is classified as a business held for sale at December 31, 2010. We believe that this measure, considered along with the corresponding GAAP measure, provides management and investors with additional information for comparison to other industrial businesses.

Return on average total capital invested (ROTC)

(\$ in millions)

GE Continuing earnings

Add back GE interest expense (after tax)

Adjusted return

Average total shareowners' equity (a)

Average minority interest

Average borrowings

Average Discontinued operations adjustment

Average total capital invested

Average return/average total capital invested (ROTC) %

December 31

	'10	'09
	\$13,142	\$11,128
	1,040	961
	\$14,182	\$12,089
	\$116,179	\$110,535
	\$5,027	\$6,337
	10,969	12,617
	-5,314	-6,125
	<u>\$126,861</u>	<u>\$123,364</u>
	11.2%	9.8%

(a) On a 12-month basis, calculated using a five-point average.

(b) Used for computing return on average total capital invested (ROTC). For GE, ROTC is earnings from continuing operations plus the sum of after-tax interest and other financial charges and minority interest, divided by the sum of the averages of total shareowners' equity (excluding effects of discontinued operations), borrowings, mandatorily redeemable preferred stock and minority interest (on a 12-month basis, calculated using a five-point average).

Our ROTC calculation excludes earnings (losses) of discontinued operations from the numerator because U.S. GAAP requires us to display those earnings (losses) in the Statement of Earnings. We exclude the cumulative effect of earnings (losses) of discontinued operations from the denominator in our ROTC calculation (1) for each of the periods for which related discontinued operations were presented, and (2) for our average net investment in discontinued operations since July 1, 2005. Had we disposed of these operations before July 1, 2005, we would have applied the proceeds to reduce parent-supported debt at GE Capital. However, since parent-supported debt at GE Capital was retired by June 30, 2005, we have assumed that we would have distributed the proceeds after that time to shareowners through share repurchases, thus reducing average GE shareowners' equity. Our calculation of average GE shareowners' equity may not be directly comparable to similarly titled measures reported by other companies. We believe that it is a clearer way to measure the ongoing trend in return on total capital for the continuing operations of our businesses given the extent that discontinued operations have affected our reported results. We believe that this results in a more relevant measure for management and investors to evaluate performance of our continuing operations, on a consistent basis, and to evaluate and compare the performance of our continuing operations with the ongoing operations of other businesses and companies.



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