

2010 Proxy Statement Supplemental Details March 2010



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Ratio of Debt to Equity at GE Capital, Net of Cash and Equivalents and with Classification of Hybrid Debt as Equity (Leverage)

(\$ in Millions)

	<u>December 31</u>	
	<u>'09</u>	<u>'08</u>
GE Capital debt	\$496,558	\$510,356
Less cash and equivalents	63,693	36,430
Less hybrid debt	<u>7,725</u>	<u>7,725</u>
	<u>\$425,140</u>	<u>\$466,201</u>
GE Capital equity	\$ 73,718	\$ 58,229
Plus hybrid debt	<u>7,725</u>	<u>7,725</u>
	<u>\$ 81,443</u>	<u>\$ 65,954</u>
Ratio	5.22:1	7.07:1

We have provided the GE Capital ratio of debt to equity on a basis that reflects the use of cash and equivalents to reduce debt, and with long-term debt due in 2066 and 2067 classified as equity. We believe that this is a useful comparison to a GAAP-based ratio of debt to equity because cash balances may be used to reduce debt and because this long-term debt has equity-like characteristics. The usefulness of this supplemental measure may be limited, however, as the total amount of cash and equivalents at any point in time may be different than the amount that could practically be applied to reduce outstanding debt, and it may not be advantageous or practical to replace certain long-term debt with equity. In the first quarter of 2009, GE made a \$9.5 billion payment to GECS (of which \$8.8 billion was further contributed to GE Capital through capital contribution and share issuance). Despite these potential limitations, we believe that this measure, considered along with the corresponding GAAP measure, provides investors with additional information that may be more comparable to other financial institutions and businesses.

Capital Finance Ending Net Investment (ENI), Excluding the Effect of Currency Exchange Rates

(\$ in billions)

	<u>December 31</u>	
	<u>'09</u>	<u>'08</u>
GECS total assets	\$650.2	\$660.9
Less assets of discontinued operations	1.5	1.7
Less non-interest bearing liabilities	75.7	85.5
Less GECS headquarters ENI	<u>79.4</u>	<u>48.5</u>
Capital Finance ENI	493.6	525.2
Less effects of currency exchange rates	<u>21.4</u>	<u>-</u>
Capital Finance ENI, excluding the effects of currency exchange rates	<u><u>\$472.2</u></u>	<u><u>\$525.2</u></u>

We use ENI to measure the size of our financial services business. We believe that this measure is a better 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 the impact of GECS discontinued operations, GECS headquarters items and the effects of currency exchange movements during the year, we provide a more meaningful measure for our Capital Finance segment.

Segment Profit

(\$ in millions)

	<u>TY'09</u>	<u>TY'08</u>	<u>V%</u>
Segment Profit			
Energy Infrastructure	\$6,842	\$6,080	13%
Technology Infrastructure	7,489	8,152	(8)
NBC Universal	2,264	3,131	(28)
Capital Finance	2,344	8,632	(73)
Consumer & Industrial	400	365	10
Total segment profit	<u>\$19,339</u>	<u>\$26,360</u>	<u>(27)</u>
Corporate items and eliminations	(3,904)	(2,691)	(45)
GE interest and other financial charges	(1,478)	(2,153)	31
GE provision for income taxes	<u>(2,739)</u>	<u>(3,427)</u>	<u>20</u>
Earnings from continuing operations	<u><u>\$11,218</u></u>	<u><u>\$18,089</u></u>	<u><u>(38)</u></u>

Industrial Earnings, Excluding NBCU

(\$ in millions)

	<u>TY'09</u>	<u>TY'08</u>	<u>V%</u>
Total segment profit	\$19,339	\$26,360	
Less Capital Finance	2,344	8,632	
Less NBC Universal	<u>2,264</u>	<u>3,131</u>	
Segment profit, excluding Capital Finance and NBC Universal (Industrial earnings, excluding NBCU)	<u>\$14,731</u>	<u>\$14,597</u>	1%

We have provided the increase in 2009 segment profit excluding the earnings of our financial services segment, Capital Finance, and our media business, NBC Universal. We believe that this is a useful comparison because it provides investors with information on the results of our industrial businesses without the NBC Universal business, which is classified as a business held for sale at December 31, 2009. 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.

Cash Generated by our Industrial Businesses

(\$ in millions)

	<u>TY'09</u>
Cash from GE's operating activities as reported	\$16,581
Less dividends from GECS	-
Cash from GE's operating activities, excluding dividends from GECS (Industrial CFOA)	<u>\$16,581</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.

Return on average total capital invested (ROTC)

	<u>December 31</u>	
	<u>'09</u>	<u>'08</u>
Adjusted earnings from continuing operations	\$12,364	\$19,899
Average total shareowners' equity (a)	\$110,535	\$113,387
Less: cumulative earnings from discontinued operations	-	-
Less: average net investment in discontinued operations	(642)	(590)
Average total shareowners' equity, excluding effects of discontinued operations (b)	<u>\$111,177</u>	<u>\$113,997</u>
Average minority interest	\$6,337	\$6,577
Average borrowings	12,617	13,986
Average total capital invested	<u>\$130,131</u>	<u>\$134,540</u>
Average return/average total capital invested (ROTC) %	9.5%	14.8%

(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.