

# GE works

## J.R. Immelt

## Chairman & CEO

## December 13, 2011

### 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 financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: current economic and financial conditions, including volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; potential market disruptions or other impacts arising in the United States or Europe from developments in the European sovereign debt situation; the impact of conditions in the financial and credit markets on the availability and cost of General Electric Capital Corporation’s (GECC) funding and on our ability to reduce GECC’s asset levels as planned; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; changes in Japanese consumer behavior that may affect our estimates of liability for excess interest refund claims (Grey Zone); potential financial implications from the Japanese natural disaster; our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so; the adequacy of our cash flow and earnings and other conditions which may affect our ability to pay our quarterly dividend at the planned level; our ability to convert customer wins (which represent pre-order commitments) into orders; the level of demand and financial performance of the major industries we serve, including, without limitation, air and rail transportation, energy generation, real estate and healthcare; the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of financial services regulation; strategic actions, including acquisitions, joint ventures and dispositions and our success in completing announced transactions and integrating acquired businesses; 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.

“This document may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP measures presented in this document, see the accompanying supplemental information posted to the investor relations section of our website at [www.ge.com](http://www.ge.com).”

“Effective January 1, 2011, we reorganized our segments. We have reclassified prior-period amounts to conform to the current-period’s presentation.”

“In this document, “GE” refers to the Industrial businesses of the Company including GECS on an equity basis. “GE (ex. GECS)” and/or “Industrial” refer to GE excluding Financial Services.”



imagination at work

# Overview

- 1 We are prepared for the environment
- 2 We have a very strong & balanced business portfolio
- 3 We are building competitive advantage
  - ✓ Superior technology, growth market leadership, customer relationships ... drive organic growth
  - ✓ Programs to grow margins +50 bps. in 2012 & 2013
  - ✓ Substantial cash available with balanced & disciplined allocation (4Q dividend increase to \$.17/quarter)
- 4 We are delivering ... double-digit earnings growth in 2011 & 2012; Industrial & Capital earnings growth double-digit in 2012
- 5 We are focused on building long-term shareholder value

**1** We are prepared  
for the environment

# “GE mosaic”

## Tailwinds

Emerging market growth    Energy policy (global)

Oil price ↑                      Product transitions

Gas price ↓                      Infrastructure investments

U.S. wind                        Low interest rates

Liquidity                         Demographics

## “Mixed”

U.S. consumer

Inflation

Competitive capacity

Energy policy (U.S.)

## Headwinds

Europe

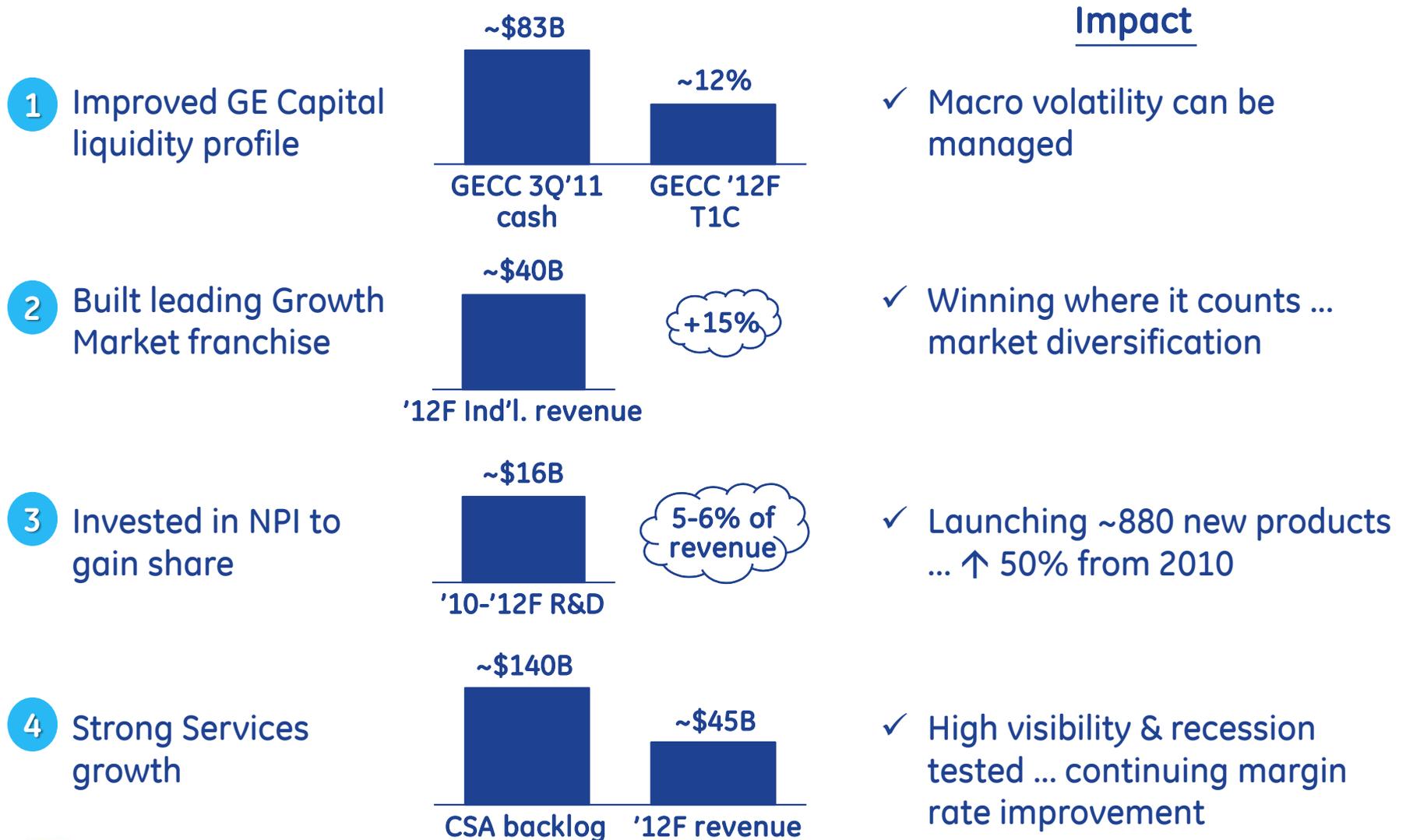
Regulation

Budget cuts

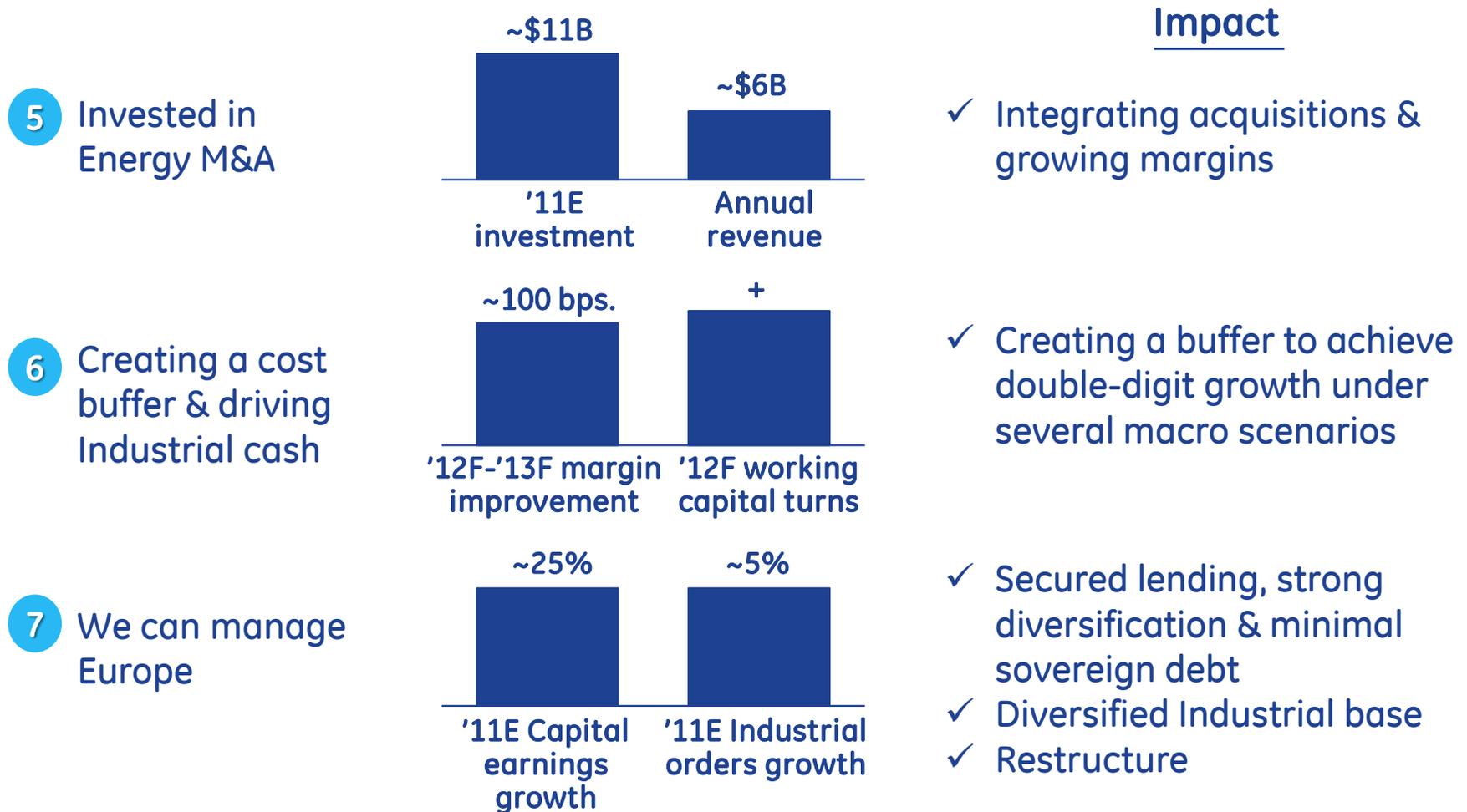
Housing

**Environment generally positive, but volatile**  
**✓ Prepared for a tough Europe**

# GE is prepared for potential volatility



# GE is prepared for potential volatility

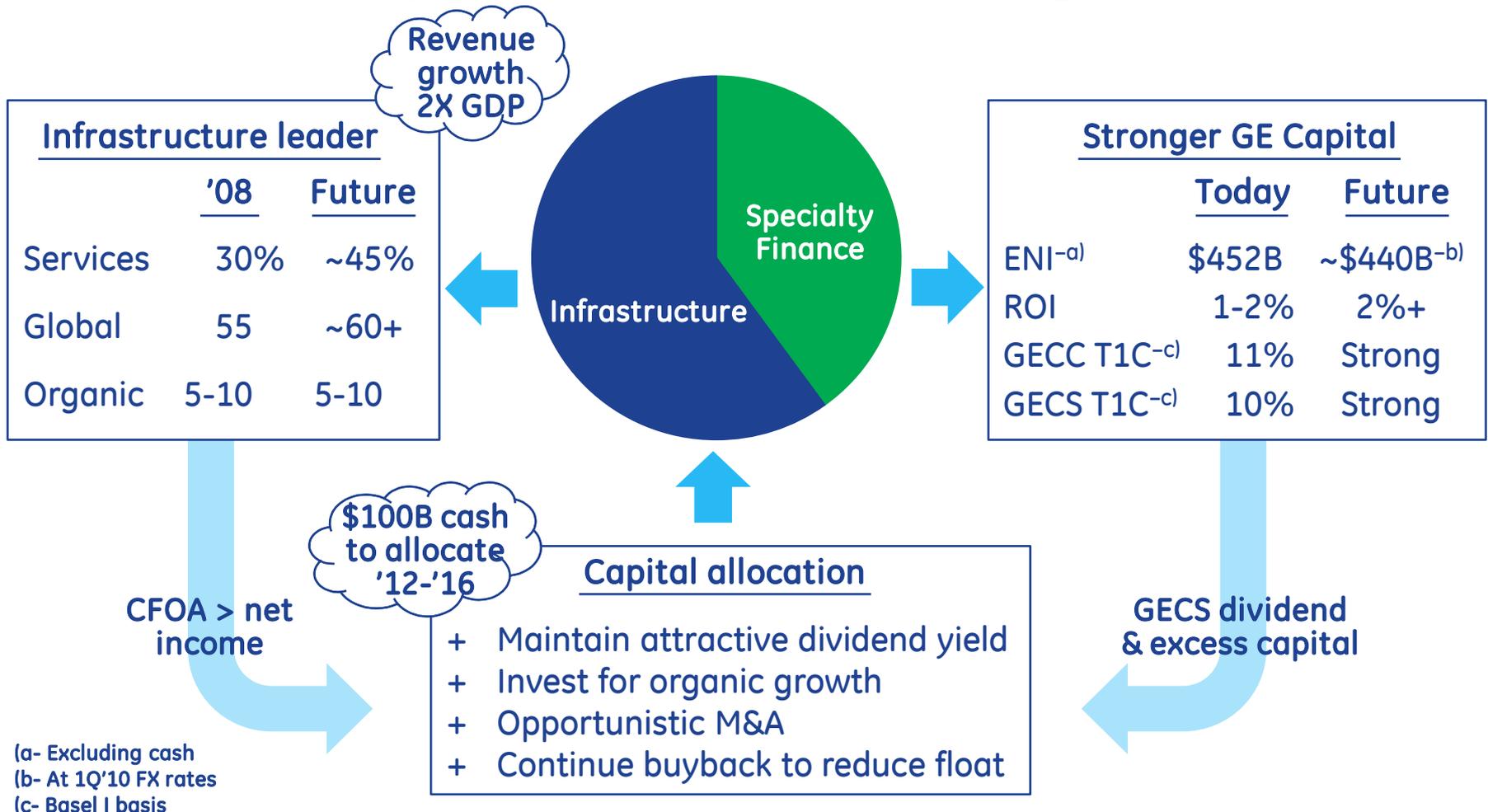


**Ready for the environment**

## 2 We have a strong & balanced business portfolio

- + Strength across Industrial & Financial ... enhanced through capital allocation
- + Building a diversified & fast-growing Infrastructure company
- + Building a focused & valuable Specialty Finance franchise

# GE will outperform over long term

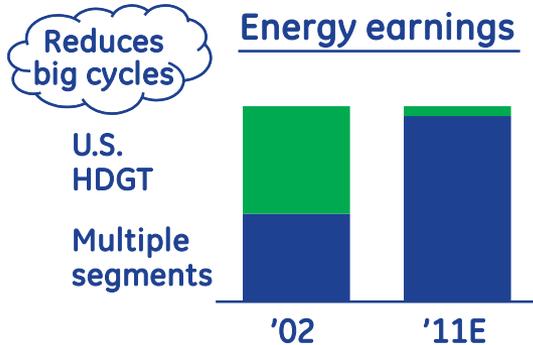


**Simpler, improved portfolio & well positioned for variety of outcomes**

# Faster growth Industrial franchise

## 1 Diversify platforms

Power bubble: 10-year cycle



- ✓ Broaden technical footprints (Renewables, engines)
- ✓ Balance cycles (O&G vs. Power)
- ✓ Build out service

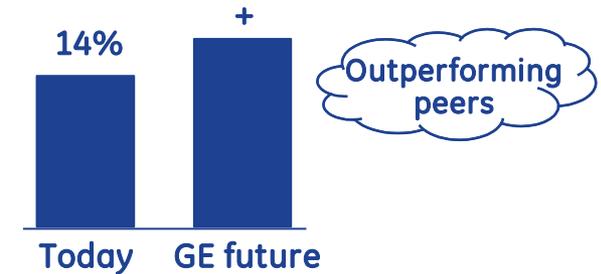
## 2 Increase growth potential



- ✓ Traded out ... Media, Plastics
- ✓ Invest ... O&G, Molecular Medicine, Distributed Energy, Renewables
- ✓ Increase penetration in high-growth segments

## 3 Mix organic/inorganic investment

Industrial returns %



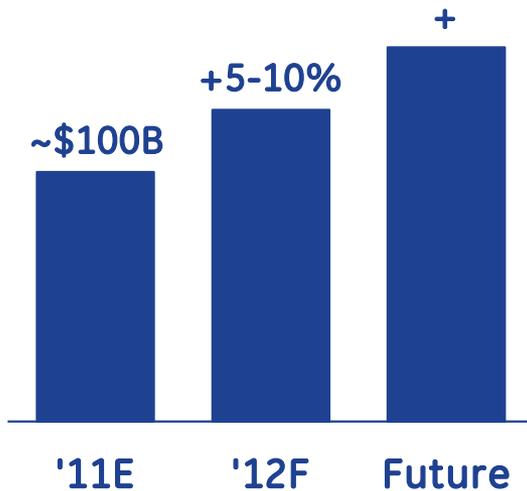
- ✓ Discipline of \$1-3B deals
- ✓ "Slow build" ... distributed power, business jets
- ✓ GE should be "value creator" (O&G, Avionics)

Long-term execution of Industrial portfolio improvements

# Infrastructure leadership

(\$ revenues in billions)

## Industrial growth



## Portfolio

- ✓ Strong organic growth
- ✓ Diversified in cycles
- ✓ Generates excess cash
- ✓ Leverages GE strengths

## Business strength & balance

(% revenue)

### Energy

Thermal	25%
Services	25
Energy mgmt.	20
Renewables	15
Dist. energy	15

### Transportation

Services	35%
N.A. equip.	25
Global equip.	25
Mining	15

### Healthcare

Services & IT	35%
U.S. equip.	20
Life Sciences	20
EM equip.	15
Japan & Eur.	10

### Oil & Gas

Compression	30%
Controls	25
Services	25
Drilling & subsea	20

### Aviation

Services	50%
Comm'l. eng.	25
Systems	15
Military eng.	10

### H&BS

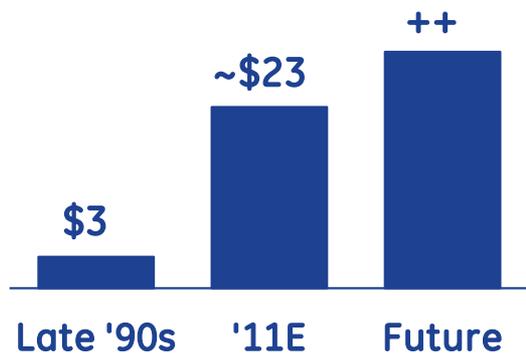
Appliances	55%
Lighting	35
Int. Platforms	10

**Able to manage market cycles**

# Adjacency growth

(Revenue \$ in billions)

## Leadership



### O&G



- ✓ Global leadership
- ✓ Unconventional fuels

### Distributed power



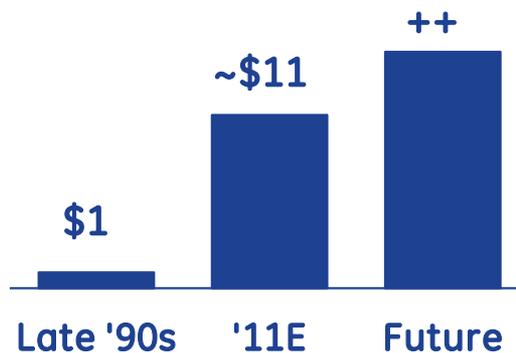
- ✓ Global growth
- ✓ Industrial GT

### Molecular medicine



- ✓ Life Sciences
- ✓ Pathology

## Strengthening



### Aviation Systems



- ✓ Global JV
- ✓ Data management

### Energy management



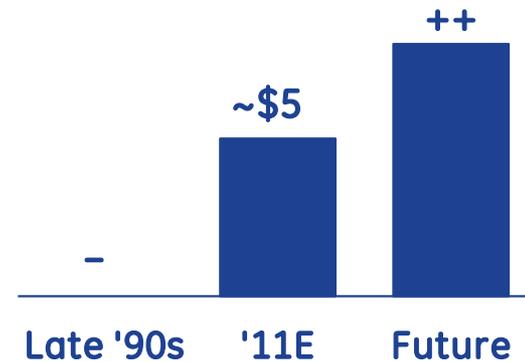
- ✓ Smart grid
- ✓ China

### Mining



- ✓ Systems
- ✓ Equipment

## Nurture & grow



- ✓ Battery
- ✓ Business jets
- ✓ Electric vehicles
- ✓ Solar
- ✓ Home health
- ✓ LEDs

**Effective investment ... organic & inorganic**

# High-return build

(\$ in billions)

## Distributed energy

Power generation



Fracking



Solar



Propulsion



Oil & Gas



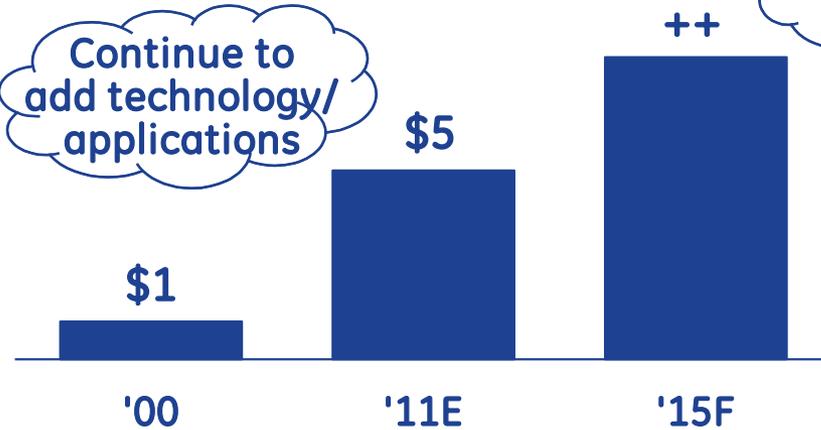
\$100B segment

## Drivers

- ✓ Growth off the grid
- ✓ Emerging markets
- ✓ New applications

## Growth dynamics

Continue to add technology/applications



### Acquisitions

Jenbacher  
Waukesha  
Packaging (S&S)  
~\$2B

### Organic

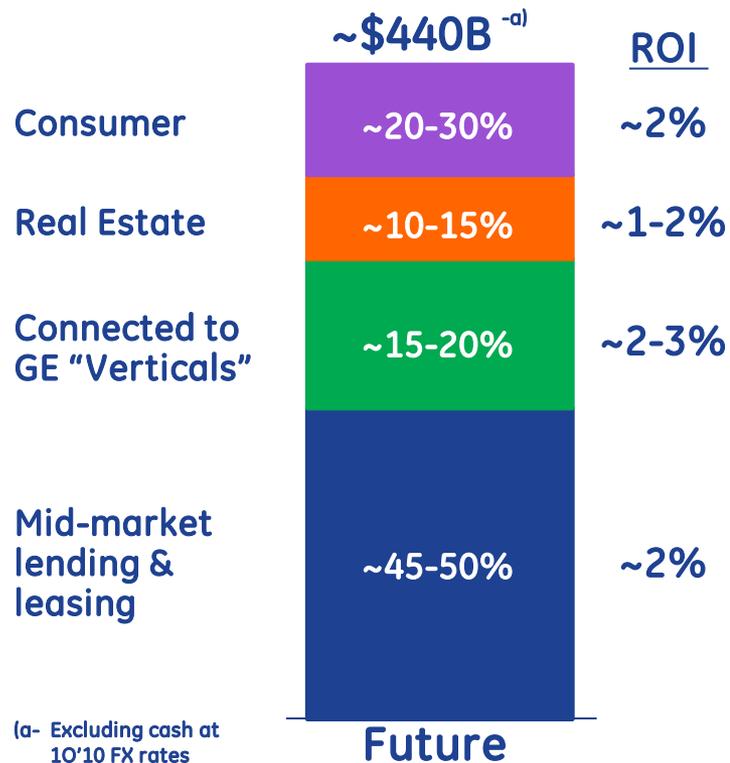
Aviation R&D  
Locomotive R&D  
Global JVs  
Solar  
Engine expertise

**High-growth, high-margin, high-return long-term share gain**



# Valuable Specialty Finance franchise

## Ending net investment



## Near-term goals

- 1 Generate attractive returns
- 2 Diversify funding ... less wholesale
  - ✓ Grow alternatives
- 3 Continue to remix portfolio to core
  - ✓ Capitalize on growth opportunities
- 4 Return cash to the parent
- 5 Maintain safe & secure capital & liquidity

### Could be smaller over time

- |                               |                               |
|-------------------------------|-------------------------------|
| + Clear competitive advantage | + Market/regulatory evolution |
| + Under our control           | + Returns > WACC              |

# GE Capital leadership

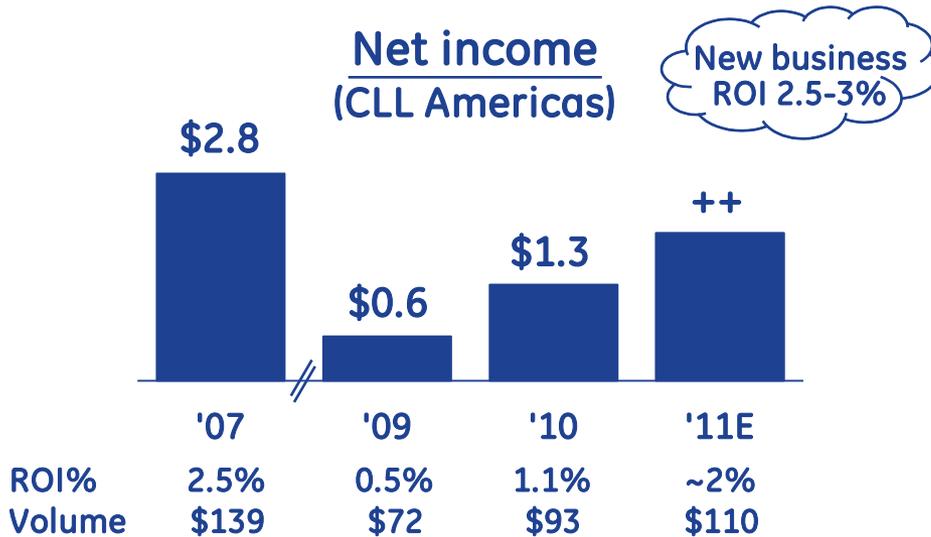
(\$ in billions)

## The middle market – U.S.

- ✓ 195,000 businesses ... \$10MM to \$1B in revenue
- ✓ Fourth largest economy in the world



- ✓ \$3.8T USD in private sector GDP
- ✓ 71% privately held



## How we win

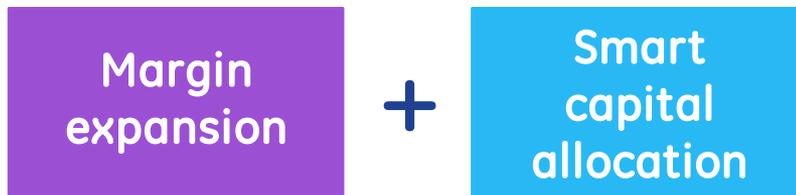
- 1 Significant origination advantage
- 2 Industry/domain expertise
- 3 Underwriting & risk management
- 4 Speed of execution

## Access GE

- ✓ Capital leverages Industrial
  - + Lean
  - + Globalization
  - + HR
  - + Financial
- ✓ Deep relationships

**Long-term competitive advantage**

# 3 We are building competitive advantage ... “playing to win”



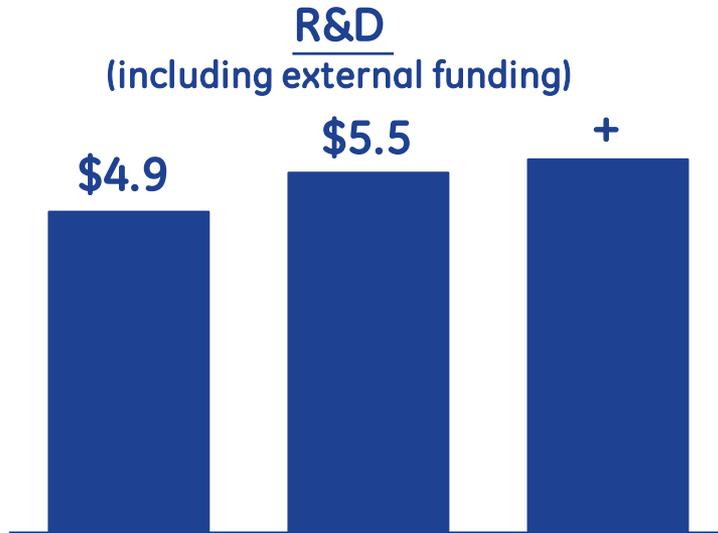
**GE works**

Enterprise

- ✓ Scale/financial strength
- ✓ Market presence
- ✓ Installed base
- ✓ Spreading ideas
- ✓ GRC/innovation
- ✓ Business model

# Superior technology

(\$ in billions)



	'10	'11E	'12F
% rev.	5.9	5.8	-
# NPIs	580	820	~880

## 2012 focus

- ✓ Manufacturing technology/productivity
- ✓ Global build out ... acquisitions
- ✓ "Big" system leadership

## Technical objectives

- + Beat competition
- + Expand market opportunity
- + Execute at low cost
- + Grow installed base value
- + Innovate in new segments

## Enterprise advantage

- ✓ GRC leverage
- ✓ Global scale

# Leadership in big systems

## LEAP-X



- ✓ Gaining share
- ✓ 15% better fuel consumption & CO2 reduction

## FlexEfficiency 50



- ✓ 61% baseload efficiency
- ✓ Unprecedented flexibility
- ✓ Commitments/MOUs in place

## Mining



- ✓ +30% orders in 2011
- ✓ ~12% efficiency gain with Electrification & Hybrid

## Interventional



- ✓ Mobile & robotic
- ✓ Deliveries in '12
- ✓ 2X share goal

## MR



- ✓ 70cm patient bore
- ✓ Improved workflow & patient comfort
- ✓ Gaining share

## Submersible pump



- ✓ High temperature, high power
- ✓ Improve customer productivity & well efficiency

## 1.6MW wind



- ✓ Best in class efficiency:
  - 19% increase in energy production
- ✓ Most installed wind turbines in U.S. ~12,000
- ✓ \$2.7B of commitments; ~50% share

## Appliance leadership



- ✓ Mission 1 driving improved efficiency & designs
- ✓ Complete product line refresh over next six quarters

# Unconventional gas



Rig construction: Power & Water, Transportation



Drilling: Oil & Gas



Well stimulation: Power & Water, Oil & Gas, measurement & control



Completion & gathering: Power & Water, Oil & Gas



Transportation: Dresser, measurement & control, pipeline SVS

\$10B space ... growing 15% annually

- ✓ Unconventional gas ~60% of U.S. production by 2020
- ✓ GE present across value chain from drilling/extraction → consumption
  - Integrated value proposition
  - Multiple go-to-market channels
  - Strong customer relationships
- ✓ Technology leadership with GRC
- ✓ Financing expertise



Bringing all of GE to the gas field

# Acquisition engineering synergies

## GE → Company

## Company → GE

## Synergies

**Dresser**

Heat transfer  
Design tools  
Cost out

Con rod design  
Flow integration

**1** Aviation skills to Oil & Gas

**Wellstream**

Composite design  
Test & review  
MGPP

Subsea capability

**2** Fill gaps in power electronics, down-hole development & Subsea

**Well Support**

Material/sealing  
Design tools

Down-hole development

**3** Build application engineering talent

**Converteam**

Software  
Materials  
Lean  
Material productivity

Power electronics  
Configurations  
Applications  
Renewable designs

**4** Grow margin through supply chain, quality

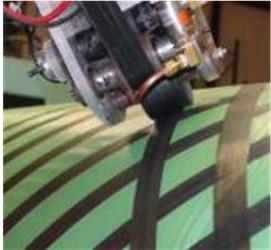
**Lineage**

Software

Power electronics  
Lean NPI

**Technical synergies create big value**

# Infusing technology into manufacturing



Carbon fiber composites  
Aviation, Wind, O&G



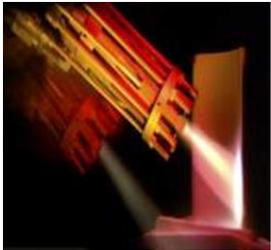
Microwave brazing  
Energy



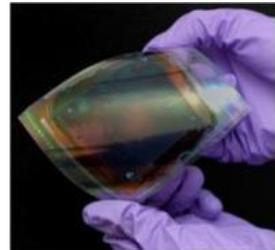
Hybrid laser welding  
Wind towers



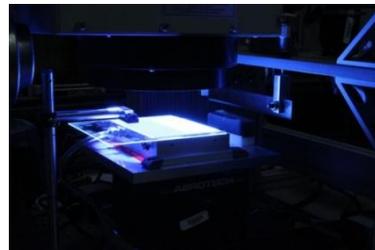
Blue arc machining  
O&G, Aviation, Energy



Nano spray coatings  
Aviation, O&G



Printable diodes  
Healthcare



Additive manufacturing  
Healthcare, Aviation



Non-destructive examination  
Wind, Aviation, Energy



High-pressure casting  
Aviation



Robotic welding  
Energy



Adv. cooling for turbine blade  
Aviation



High gradient casting  
Energy, Aviation

Typical  
benefits:

2x-4x increase in productivity  
2x-7x decrease in material  
30-50% increase in yield

Enables 2-3%  
material  
productivity



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# Leadership in growth markets

(\$ in billions)

## Industrial growth markets

Revenue



### 2012 focus

- ✓ Localize leadership & decisions
- ✓ Build more operational capability
- ✓ Expand sales force

## Global objectives

- + Investing in capability
- + Expanding geographic coverage
- + Forming large scale partnerships
- + Building supply chain
- + Planting new flags

### Enterprise value

- ✓ Breadth & scale
- ✓ "Company-to-country"

# Strong growth regions

(\$ in billions - Industrial)

Growing  
~15%+

## Resource rich (~\$28B)

'12F V%



'12F V%

## Rising Asia (~\$12B)

'12F V%

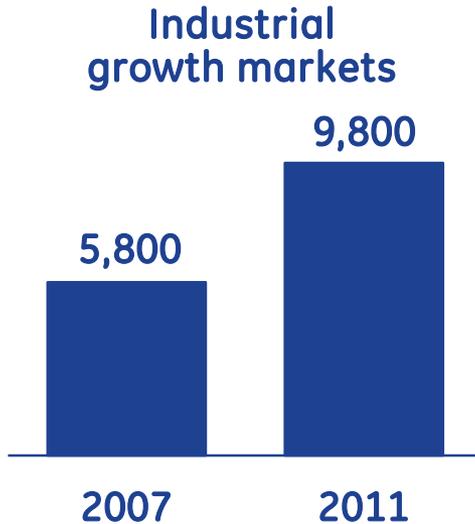


Growing  
~15%+

- 1 Win in resource rich ... grow share  $\geq$  U.S.
- 2 Develop China/India for growth & cost ... partnerships
- 3 Plant new flags ... expand footprint ... grow supply chain
- 4 Leverage key capabilities ... project finance, reverse innovation

# Investing for continued growth

## Expanding commercial resources



- ✓ Closer to the customer
- ✓ Domain expertise ... market, product & customer

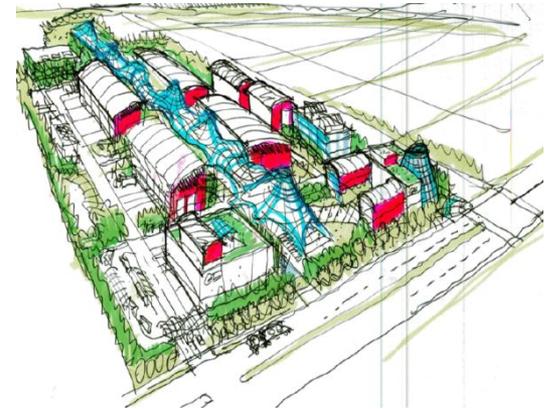
## Localization = emerging growth market support



Energy Technology Center  
Korea

- ✓ Support infrastructure efforts
- ✓ Significant growth with EPC, O&G
- ✓ Customer showcase of global projects

## Low cost supply chain + world class engineering



Pune, India

- ✓ \$200MM multi-product manufacturing facility
- ✓ Design & process engineering co-located

**GE's competitive advantage in growth markets**

# Global partnerships

## Russia

### Energy, Healthcare JVs announced

- ✓ Assemble, sell & service GTs (4.6GW)
- ✓ Production of diagnostic imaging equipment (\$10B+)
- ✓ Launch orders



## China

### Developing future pipeline across key businesses



Avionics



Power generation



Natural gas solutions



Smart grid



Eco challenge

## Commercial development

- 1 Expand GE presence & relationships
  - + Iraq
  - + Vietnam
  - + Africa
  - + Peru
  - + Turkey
  - + CIS
- 2 Build enterprise relationships
 





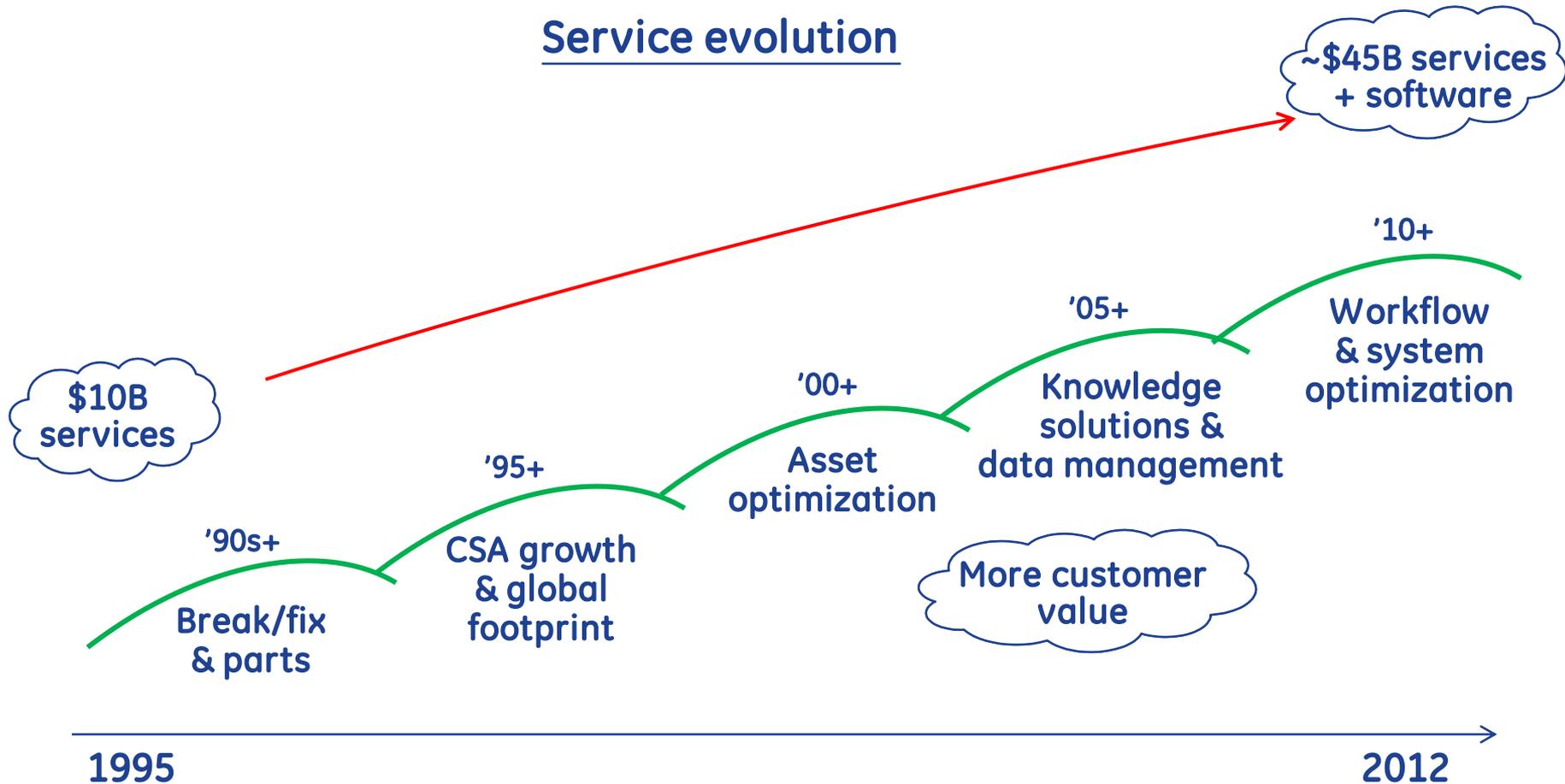



- 3 Work with governments to build capability
  - + Saudi MOH
  - + South African Rail
- 4 Invest in service centers
  - + Brazil
  - + Australia
  - + Saudi
  - + Russia

Grow global share  $\geq$  U.S.

# Deep & valuable customer relationships

## Service evolution



- ✓ Build customer value
- ✓ Drive higher returns

# Services growth

(\$ in billions)

## Revenue

CAGR  
8%

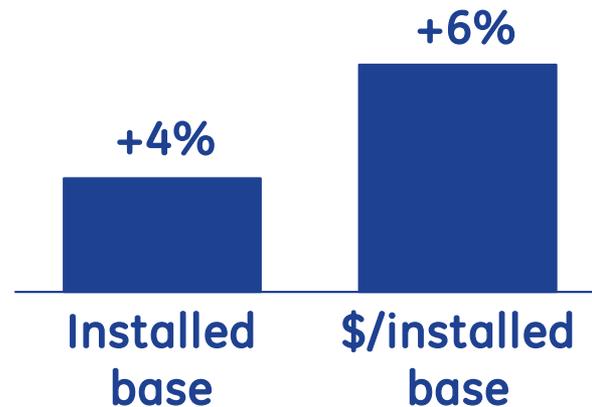


	'05	'11E	'12F
OP	\$7	\$12	++
OP %	26%	29%	+

### 2012 focus

- ✓ Expand CSA profitability
- ✓ Extend model to acquisitions
- ✓ Grow software & solutions

## Services objective



- + Build technical advantage
- + Improve customer performance
- + Capitalize on asset domain
- + Expand margins

### Enterprise advantage

- ✓ Knowledge of assets
- ✓ Best practice sharing

**Growing faster than the installed base**

# Value of data

Monitor fleet of ~25,000 engines ... 3.6MM flight records/month

B777



GE90



=

Data

- ✓ 90,000 flight records analyzed
- ✓ ~200 parameters per flight record
- ✓ ~18MM parameters per month

17 sensors/engine

We know how our engines perform real time

## Prognostics

- ✓ Dispatch reliability
- ✓ Preventive maintenance
- ✓ Asset utilization

Prevent failures  
= CSA margin

## Asset productivity

- ✓ Enhanced service offerings
- ✓ Airline cost structure
- ✓ Fuel performance

↑ airline  
productivity

## System optimization

- ✓ Time & space management
- ✓ Fuel efficiency
- ✓ Airspace capacity

Room to  
grow

- ✓ Drives strong alignment with customers
- ✓ Creates productivity in long-term service agreements
- ✓ Additional revenue streams

# Software strategy

## Growth platform

\$5B+

CAGR  
20%

### Capability

- ✓ Analytics
- ✓ Controls
- ✓ M&D
- ✓ Integration
- ✓ CSA

'14F revenue

- + COE in California
- + 7,000+ systems/software engineers
- + Broad IT partnerships

## Monitoring & diagnostics – Oil & Gas

iBox/iCenter



For customer

- Remote & onsite monitoring
- Safety
- Real-time data visibility

## System management – Aviation

IVHM



For customer

- System productivity
- Reduced maintenance costs
- Quicker return to service

## Enterprise solution – Healthcare

**Microsoft**

Amalga



Robust data extraction  
& architecture

+



Qualibria



Clinical structure &  
applications

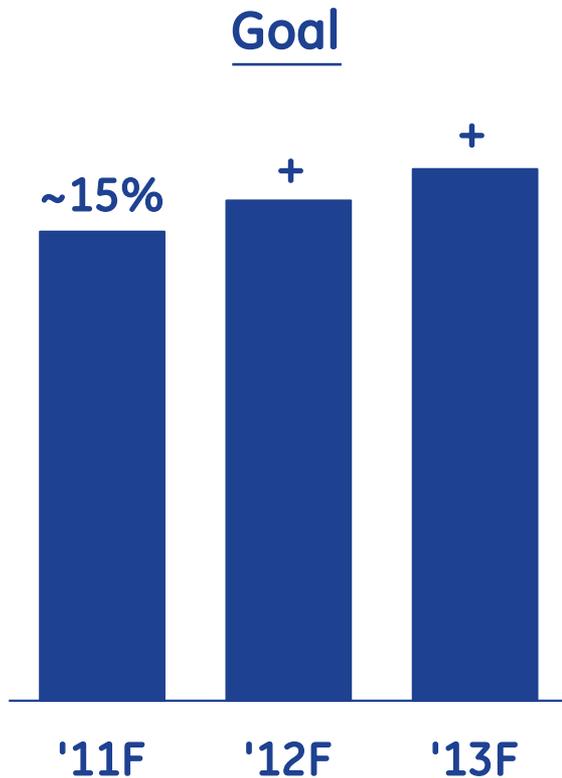


For customer

- Data integration ... real-time
- Enables integrated care

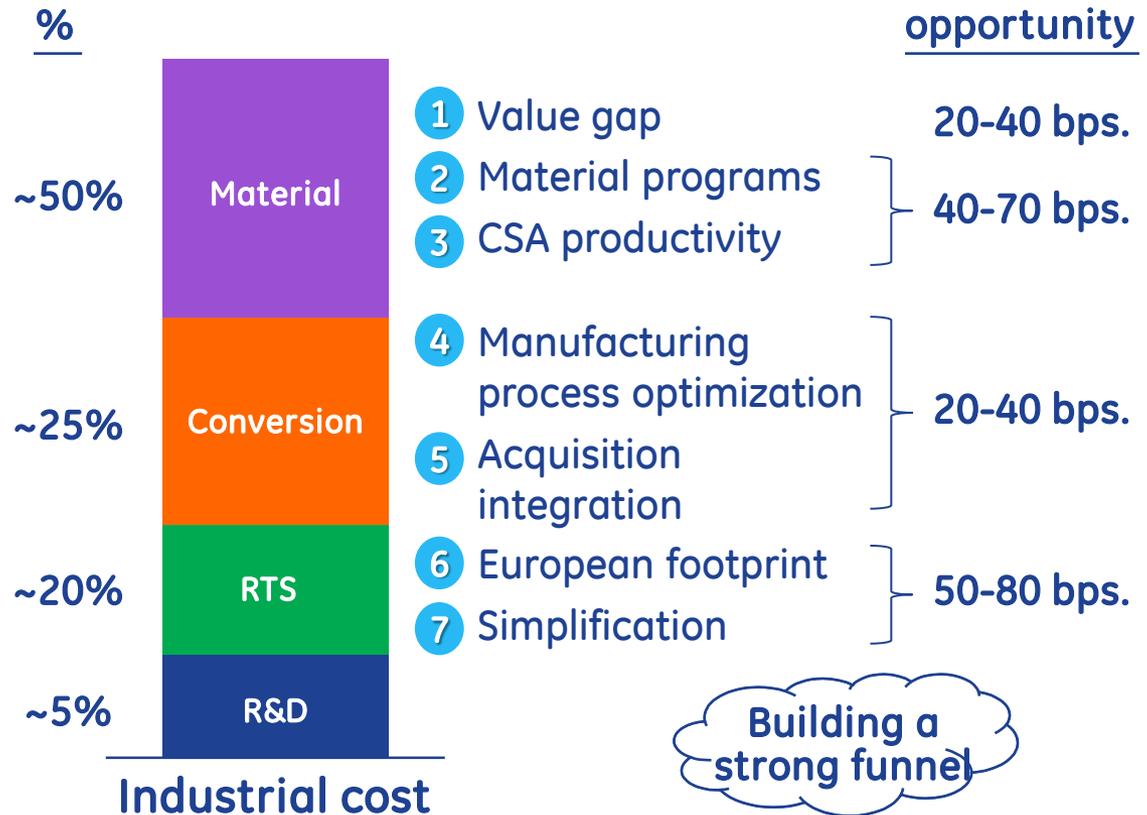
**Play to win**

# Industrial margin expansion



~50 bps./year through '13

## Cost & margin strategy



Improve cost position & margins

# GE Advantage initiative

~1,000 dedicated resources

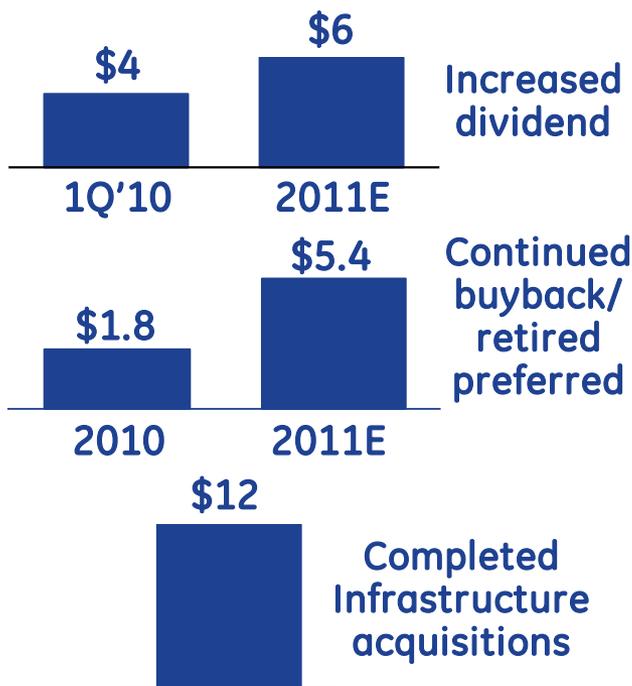
- ✓ Process improvement as a core competency ... improving customer value & GE's competitive advantage
- ✓ Tracking 40 projects across GE ... wing-to-wing
- ✓ NPI, cycle time, pricing, service excellence, GE Capital deal conversion, simplification, acquisition integration
- ✓ Process rigor: lean, six sigma, quality system, customer-value alignment (DVP)

<u>Project highlights</u>	<u>Revenue</u>	<u>Margin</u>	<u>Cash</u>	<u>Focus</u>
Aviation learning curve		✓	✓	• Accelerate GEnx cost reduction timeline
Oil & Gas service excellence	✓	✓		• Optimize planned outages & maximize equipment availability
Healthcare cycle time		✓	✓	• Shorten time to delivery & cash collection
Transportation DVP	✓	✓	✓	• Increase revenue & margins through customer value alignment
Appliances Mission 1	✓	✓		• Lean NPI ... features & cost

# Capital allocation choices

(\$ in billions)

## Actions 2010-2011



### Balanced

- + Positioned for growth
- + Improved yield
- + Accretive for '12 EPS

## Financial flexibility

### Cash above "actions"

#### Planned/completed actions

- ✓ Parent cash ~\$8
- ✓ P&E and software investment
- ✓ Pension funding
- ✓ Energy deals
- ✓ Dividend ↑ to \$.17/quarter

#### Key assumptions

- ✓ Capital dividends resume
- ✓ Special Capital dividend
- ✓ NBCU first monetization in '14
- ✓ CFOA growth

~\$30+

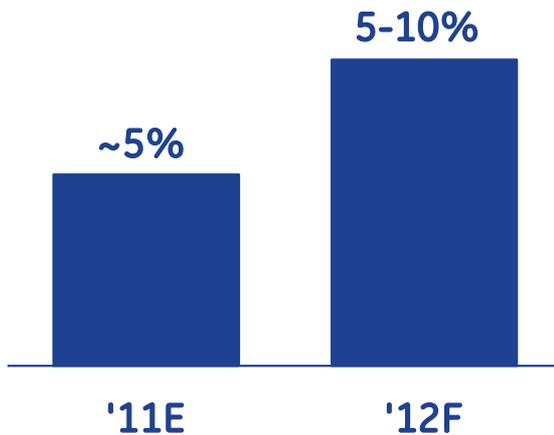
'11E-'14F

### Priorities

- 1) Attractive dividend payout
- 2) Continue buyback to reduce float
- 3) Opportunistic M&A ... big deals done in '11

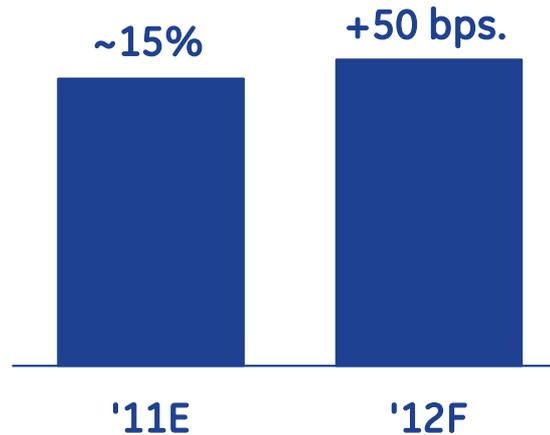
# Execution

## Organic growth (Industrial revenue)



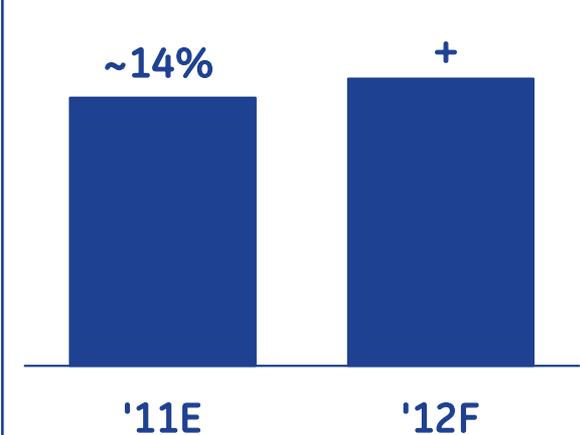
- + Strong NPI pipeline
- + Growth markets at 2X GDP
- + Attractive adjacencies
- + Right "tailwinds" (e.g., gas)
- + Services growth

## Margins (Industrial segment margin)



- + Growing services on installed base
- + RTS lower % revenue
- + Material & conversion cost programs

## Returns (Industrial ROTC)



- + Industrial earnings growth
- + Strategic buyback
- + Retired preferred stock
- + Attractive dividend yield

# 4 We are delivering

- ✓ Strong earnings growth in 2011 ... ahead of S&P 500
- ✓ Double-digit earnings growth in 2012 ... for both Industrial & Financial

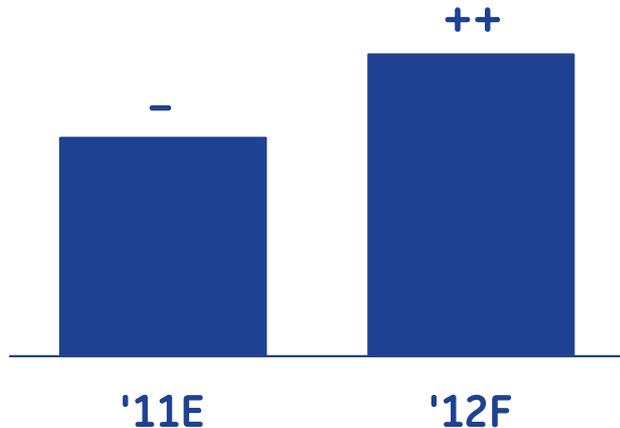
# 2011 operating framework

<u>Operating earnings</u>	<u>2011E</u>	<u>4QE</u>	<u>4Q drivers</u>
Industrial	+	+	✓ Energy performance & Industrial margins improving
GE Capital	++	++	✓ Lower losses & impairments; Real Estate improvement
Corporate	-	Flat	✓ NBCU dilution; restructuring increase from run rate; evaluating Capital disc. ops. (Grey Zone)
<b>Total operating earnings</b>	<b>++</b>	<b>+</b>	
CFOA	\$11-12B	\$4-5B	<ul style="list-style-type: none"> <li>✓ Improved working capital performance</li> <li>✓ Building inventory to support record backlog</li> </ul>
Total revenues	0-5%	(5)-0%	✓ Robust organic growth (+5-10%) offset by NBCU disposition & lower Capital ENI

**Confident in total year framework**

# Energy Infrastructure

## Segment profit



## Environment

- ✓ Market recovery driven by non-U.S. volume ... 70% outside U.S.
- ✓ U.S. wind industry strength driven by PTC
- ✓ Oil prices up/gas prices down

## Operating dynamics

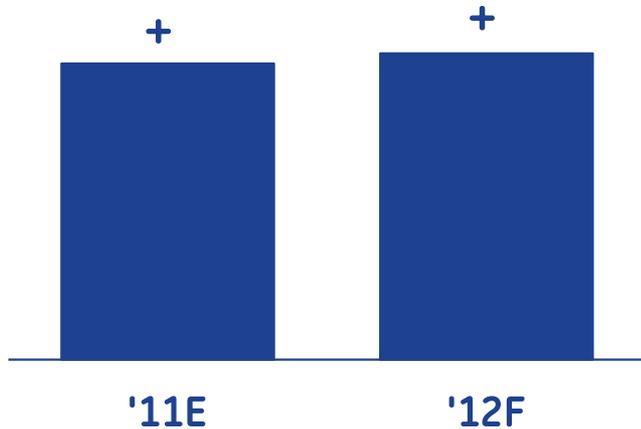
- + 14 of 15 product P&Ls growing
- + U.S. wind volume at record levels
- + Positive total cost productivity ... cost leverage
- + Global strength & capabilities
- + Acquisitions ... continue to perform
- Industry excess capacity has put pressure on price
- Europe mixed ... southern/northern dynamics ... Germany opportunity; O&G is ok

**Outperforming competition ... balance growth & costs**



# Healthcare

## Segment profit



## Environment

- ✓ More clarity in U.S. health care reform
- ✓ Growth markets strong
- ✓ Europe austerity; Japan recovering

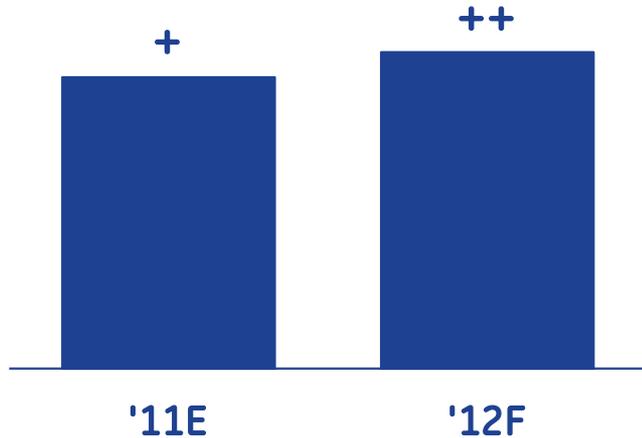
## Operating dynamics

- + Building out growth market leadership
- + Customer productivity offerings growing
- + Well-positioned adjacencies ... Life Sciences, IT
- + Launching ~100 NPIs ... driving technology leadership
- + Simplifying footprint, strengthening operations
- U.S. budget reconciliation
- Europe tough ... counting on market ↓ (5)-(10)% ... some share opportunity

**New products + growth markets > European uncertainty**

# Aviation

## Segment profit



## Environment

- ✓ Market indicators mixed ... PAX growth slowing, freight slowing
- ✓ Industry product cycle
- ✓ Growth markets strong

## Operating dynamics

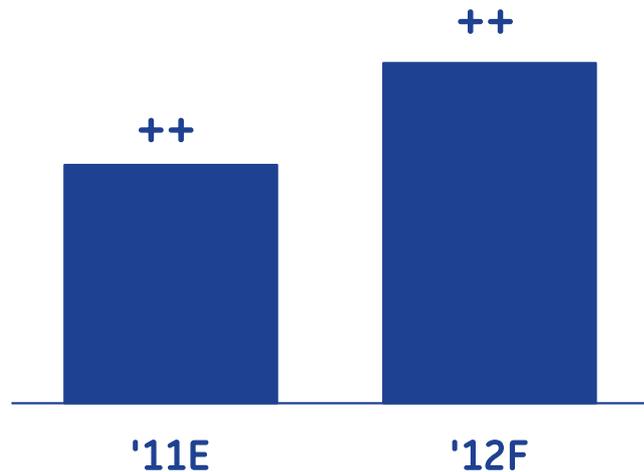
- + Strong product deliveries profile ... winning with customers
- + Services growth
- + Many supply chain opportunities
- + Solid adjacency growth
- Manage engine launch costs
- Fuel price impact on customers
- Europe mixed ... new engine deliveries ok ... freight will soften

**Strong & winning engine programs ... investing for future**



# Transportation

## Segment profit



## Environment

- ✓ North American segment growth positive but slowing
- ✓ New competition
- ✓ Mining & commodities driving growth market strength
- ✓ Global investment in rail

## Operating dynamics

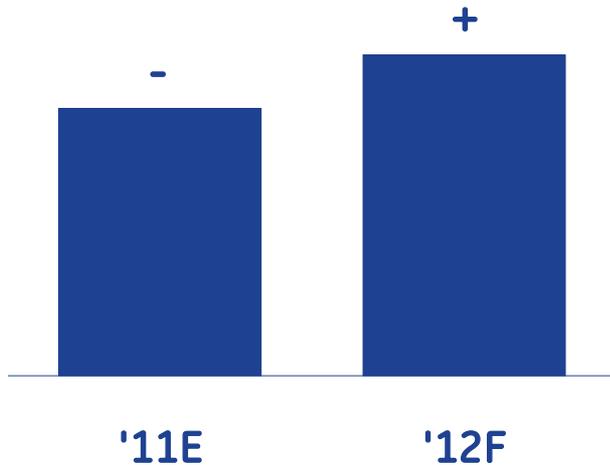
- + Global strength ... growth markets remain strong, developed slowing
- + Grow adjacencies ... propulsion & software
- + Mining segment execution
- + Margin enhancements/productivity
- Continue NPI investment ... emissions
- New competition
- ✓ Limited business presence in Europe

**Global expansion continues ... mining remains strong**



# H&BS

## Segment profit



## Environment

- ✓ U.S. housing market remains tough
- ✓ Manufacturers raising prices to offset higher material costs
- ✓ U.S. consumer behavior change ... buying only when breaks

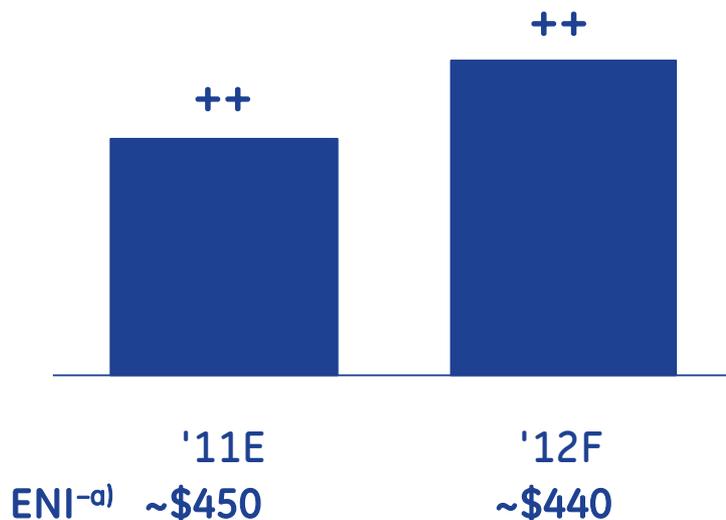
## Operating dynamics

- + LED & Lighting emerging market growth
- + Strong infrastructure software business
- + NPI "Mission 1" product launches in '12
- +/- Sustain pricing ahead of inflation
- Housing remains weak ... modest growth expected in 2012
- Europe tough ... Lighting business decline

# GE Capital

(\$ in billions)

## Segment profit



## Environment

- ✓ Regulatory impact manageable
- ✓ GE competitively advantaged
- ✓ Mixed economic growth
- ✓ Europe/contagion uncertainty

(a- Excluding cash and disc. ops, at 1Q'10 FX rates)

## Operating dynamics

- + Originations accelerating
- + Margins remain strong
- + Losses trending to pre-crisis levels
- + Real Estate continues to improve
- + Expecting dividend re-start for '12
- Lower assets
- Planning for a European recession

**Strong franchise in an uncertain world**

# 2012 operating framework

<u>Operating earnings</u>	<u>2011E</u>	<u>2012F</u>	<u>2012 drivers</u>
Industrial	+	++	<ul style="list-style-type: none"> <li>✓ Strong global organic growth</li> <li>✓ Energy acquisitions performing</li> <li>✓ Broad-based strength</li> </ul>
GE Capital	++	++	<ul style="list-style-type: none"> <li>✓ Improved losses &amp; impairments</li> <li>✓ Real Estate improving</li> </ul>
Corporate <sup>-a)</sup>	-	~Flat	<ul style="list-style-type: none"> <li>✓ '11 items: NBCU gain &amp; restructuring</li> <li>✓ Total cost ~\$3B <sup>-a)</sup> in '11 &amp; '12</li> </ul>
<b>Total operating earnings</b>	<b>++</b>	<b>++</b>	
CFOA – Industrial	\$11-12B	\$11-12B	<ul style="list-style-type: none"> <li>✓ Industrial CFOA \$12-13B ... pension contribution \$1B</li> </ul>
Total revenues	0-5%	~5%	<ul style="list-style-type: none"> <li>✓ Industrial organic 5-10%, Capital 0-5%</li> <li>✓ NBCU gain '11 impact</li> </ul>

(a- Excluding NBCU pretax gain \$3.7B in 2011)

**Strong performance across Industrial & Capital**

# Financial performance

	<u>'11</u>	<u>'12</u>	
Grow operating earnings $\geq$ S&P 500	✓	✓	On track
Services/growth markets up 5-10%	✓	✓	On track
Capital @ 30-40% total earnings	✓-	✓	High end; Capital stronger than plan
Cash $\geq$ net income	✓	✓	Capital dividend in '12
Industrial ROTC of 15%	-	✓	Trending upward
Attractive dividend payout ratio	✓	✓	4 increases in 24 months/4% yield

<u>Beyond 2012</u>	<u>Economic &amp; market factors</u>	
<u>Execution</u>	<u>Positive drivers</u>	<u>Potential headwinds</u>
Product pipeline	CRE rebound	Europe worse
Service backlog	Cash optionality	U.S. Wind
EM strength	Gas turbine market	Government actions
Productivity	U.S. better	U.S. worse
Capital remix	Deflation	

# 5 Creating long-term shareholder value

- ✓ Consistent performance
- ✓ Addressing concerns

# Areas of investor interest

## Our capability

## Operating actions

### 1 Macro risk Europe

- ✓ Lots of liquidity
- ✓ Diverse business model
- ✓ Prepared for Europe recession

- ✓ ERM & scenario planning
- ✓ 4Q & ongoing restructuring

### 2 Energy growth

- ✓ Better cycles
- ✓ Technical advantages
- ✓ Acquisition momentum

- ✓ Robust backlog
- ✓ Positioned for ~50 GW in U.S. by '20

### 3 Industrial margins

- ✓ Investments in run rate
- ✓ Material productivity
- ✓ Simplification

- ✓ Margins improve 50 bps. '12 & '13; opportunity larger

### 4 Capital allocation

- ✓ Significant cash available
- ✓ Capital → parent
- ✓ Priorities known

- ✓ Balanced approach
- ✓ No large acquisitions in '12

### 5 GE Capital strength

- ✓ Competitive position stronger
- ✓ Originations & asset management
- ✓ Ample liquidity

- ✓ Expect to restart dividend in '12
- ✓ Portfolio margins expanding

### GE works for investors

- + Earnings positioned ≥ S&P 500 ... better mix
- + Dividend growth with earnings
- + Significant cash optionality