

GE Transportation

Business Update for 2011 Morningstar Conference

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Results are preliminary and unaudited.

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."

"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

Agenda

- Business overview
- Industry
- Our strategy
- Financials
- Q&A

Business overview

100 years of manufacturing excellence



- ✓ Established 100+ years ago
- ✓ Headquartered in Erie, PA
- ✓ Operating in 40+ countries
- ✓ ~10,500+ employees worldwide
- ✓ ~\$3.4B revenues in '10 ... 63% domestic, 37% international
- ✓ Operating in 6 different industries



**Global Infrastructure business ...
strong synergies with rest of GE**

Key Products

Loco & Services

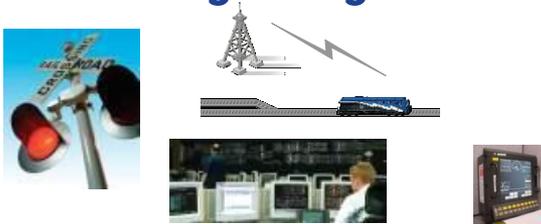


% Revenue/
Growth

65%/++

- ✓ #1 diesel loco builder in the world
- ✓ Engine, propulsion & control tech.
- ✓ Parts & Service

Signaling



15%/+

- ✓ Fuel & velocity efficiency
- ✓ Railroad safety & compliance
- ✓ Railway network planning solutions

Mining, Marine, Drill



20%/++

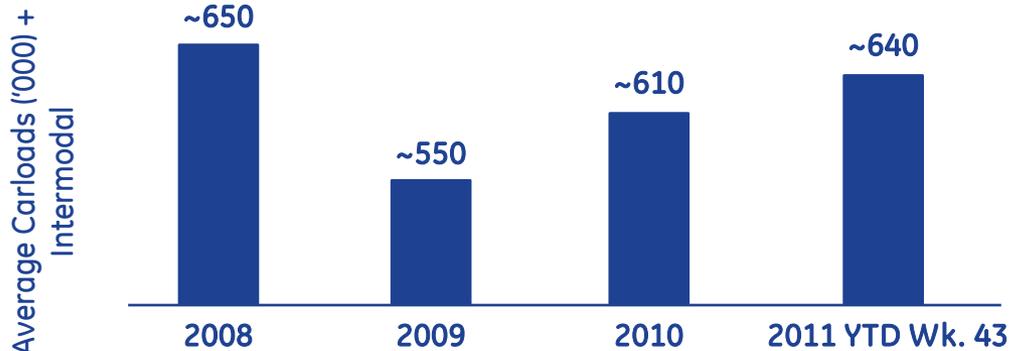
- ✓ Built on vital organs ... engine, gears
- ✓ Integrated electric propulsion system
- ✓ Advanced energy storage systems

**Full product offering ...
beyond just locomotives**

Industry

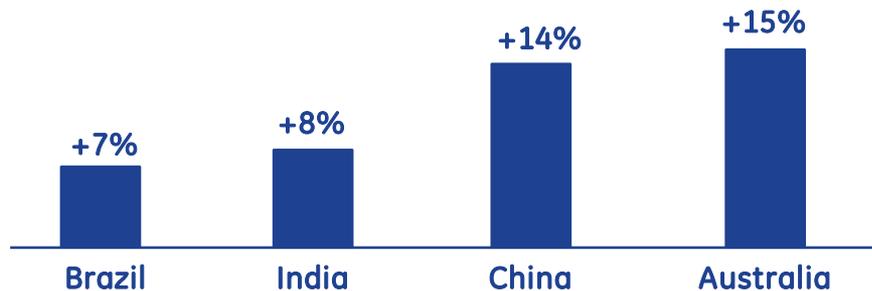
Freight Rail ... a two-speed recovery

North America Carloads ^{-a)}



(a- Source AAR)

International forecasted Rail growth '11 vs. '08 ^{-b)}



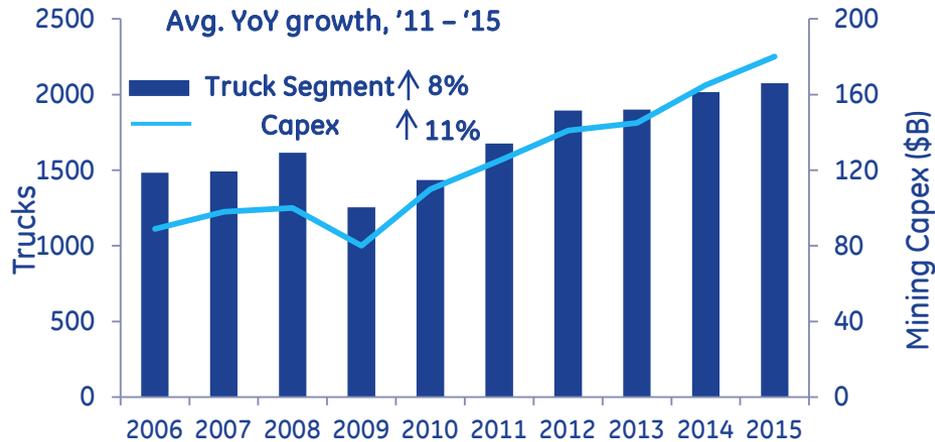
(b- Sources Vale, ALL, IR, Morgan Stanley, ARA)

- N.A. ... volumes improving ... pre-crisis volumes expected in '12
- Parked locomotives down ~60% from '09 peak
- EU freight volumes lagging, but improving YoY
- Strong rest of the world growth despite recent economic slowdown

High growth in global markets
... West recovering slowly

Mining Industry

Forecast to grow 8% YoY in '11-'15



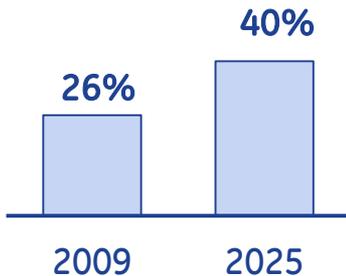
Sources: JP Morgan, Parker Bay

Key dynamics

- Mining “super cycle” in progress
 - Capex growth +11% YOY in '11-'15
- 35% current fleet 10 years old ... replacement opportunity
- Mining for commodities more challenging ... deeper & lower grade drive use of mining equipment
- Ramping up production in new regions ... W Africa, Brazil
- More powerful & sophisticated equipment required ... technology wins

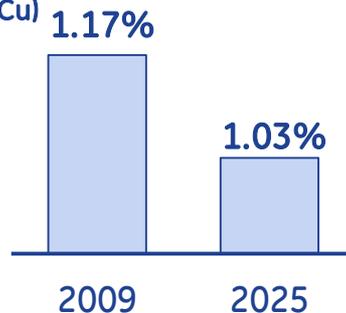
Increasing depth ...

Underground copper production
(% of global production)



... decreasing grade

Copper industry average grade
(% Cu)



GE Transportation well positioned to grow in mining market

Our strategy

GE Transportation Strategy



- 1 Strengthen our core business**
 - Fuel economy ... emissions
 - Hybrid technology
 - Mining expansion
 - Passenger & Transit platforms

- 2 Globalize ... Localize**
 - Expand our global product portfolio
 - Have a global, flexible footprint

- 3 Grow our adjacencies**
 - Enter in new propulsion segments
 - Develop Energy Storage

Be a global manufacturing leader in rail & mining industry

Creating Global Product Families

2000



- ✓ GE introduces Dash-9 & AC 4400 for North America market
 - Higher efficiency

2005



- ✓ New Evo Locomotive launched ... 4,200+ sold through 2010, ~\$8B
 - Environmental friendly
 - Fuel efficient ... 3%-6% fuel advantage

2010 & Beyond



- ✓ Launched Evo platforms globally
 - Brazil, China, Kazakhstan
 - New Texas facility adding 500+ jobs



- ✓ Introduced PowerHaul family
 - Penetrated European market with win in U.K.
 - Targeting mainland EU, Eastern Europe, Korea & Australia

Expanding portfolio ... 13 new launches in 5 years

Locomotive technology in Brazil

Cooperating with key customers

- ✓ Signing cooperation agreement with key locomotive customers
- ✓ Tackling energy and environmental challenges through tech. agreement
- ✓ Leverage scale & scope as global mining leader
- ✓ GE product breadth & expertise

Developing new Eco Locomotives



Biodiesel

- ✓ 5% blend approved globally
- ✓ 2 year field test @ 25% on going



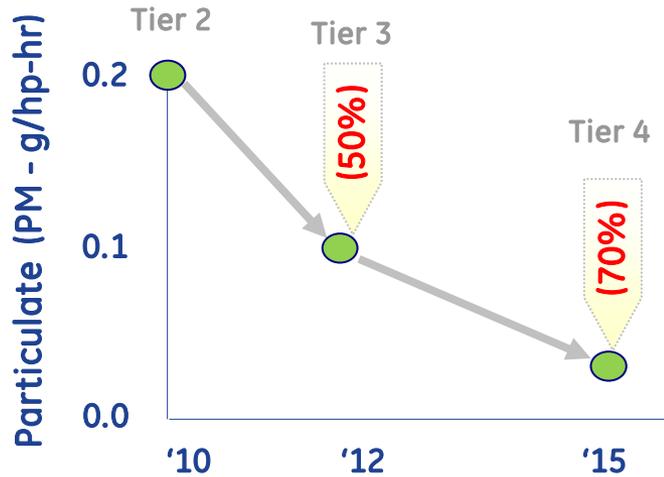
LNG / Dual Fuel

- ✓ Explore retrofit opportunity
- ✓ GE Locally develop & test
- ✓ New Brazilian NG reserves found
- ✓ Brazilian Government support

**Positively impacting environment
while driving customer value**

The emission challenge

Regulation Requirements

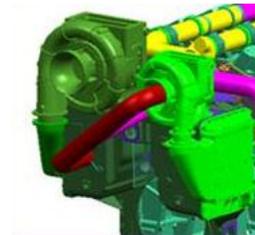


- T4 > 75% reduction in emissions by '15
- EU regulation by 2012 ... different technology
- Fuel efficiency ... Evo 7.5% fuel advantage over peer technology

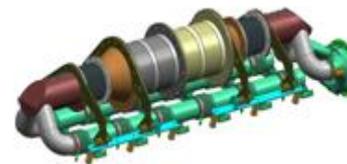
GE: Deliver emissions & save fuel



- ✓ Engine technology
 - Control NOx
 - New fuel savings design



- ✓ Air handling
 - GE design Turbo technology generating higher power

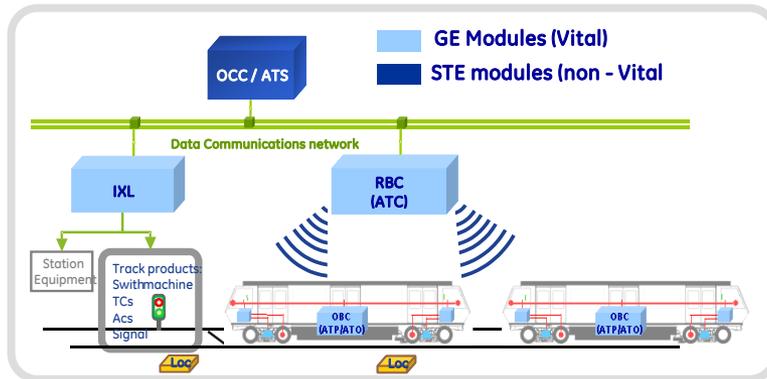


- ✓ Catalyst aftertreatment

Investing to sustain leadership in fuel efficiency

Signaling – Delta & Movement Planner

Delta – Train “Traffic Control”



- ✓ Address Passenger/Urban growth ... Signaling served available segment ~\$4B → ~\$11B in '15
 - Sector growth constraint without major upgrade
- ✓ Developed new features
 - Remote Diagnostics & Control
 - Energy efficiency
 - Cyber security
- ✓ Targeting Metro pilot in 1Q'12

~\$11B market opportunity



imagination at work

Movement Planner



- ✓ Norfolk Southern announced use of Movement Planner in June'10
 - Increases rail network capacity & train velocity by 2-4 MPH ... \$200MM value/year
 - Improved on-time performance
- ✓ Enables railroad to move freight faster across rail network
- ✓ Next generation of “air traffic control” for railways

~\$1B market opportunity

Mining Resurgence

AC Control Group

- Controls engine & powerflow

Dynamic braking

- Captures braking energy for fuel savings



Alternator

- Generates electrical power

Motorized wheels

- Delivers tractive effort

✓ Higher productivity ...
faster speed

✓ Fewer components ...
lower maintenance

✓ Lower operating costs

System integrator is GE competitive advantage

Mining Business

Mining Business Channel



Geographic Reach

- ✓ Serving haul truck market ... ~\$4B+ growing at 7-10% / year
- ✓ \$230MM+ investment in mining announced in Oct.'11
 - Capacity increase, modernize machining
- ✓ Building new facility in Texas to assemble wheels for mining trucks
 - New ~230,000 square-foot facility
- ✓ 5,000 systems operating worldwide
- ✓ Go-to-market by partnering w/OEM's
 - Dedicated team to help OEM's increase mine productivity & profitability

Leader in mining propulsion systems

From Energy Storage to Hybrid

Energy Storage - Battery



- ✓ Durathon™ technology validated
- ✓ Target launch segments ... UPS, Telecom, Utility ... flexible for multiple application
- ✓ Pilots ongoing ... commercialization in 1H'12 ... 2 customers commissioned
- ✓ Demonstrating 30-45% fuel savings

~\$2B market opportunity



The next generation ... Hybrid



- ✓ Best in class fuel efficiency / emission standards worldwide
- ✓ Battery provides 2,000HP boost to loco's on top of regular engine output
- ✓ Hybrid locomotive saves ~640,000 gallons of fuel over the locomotive life

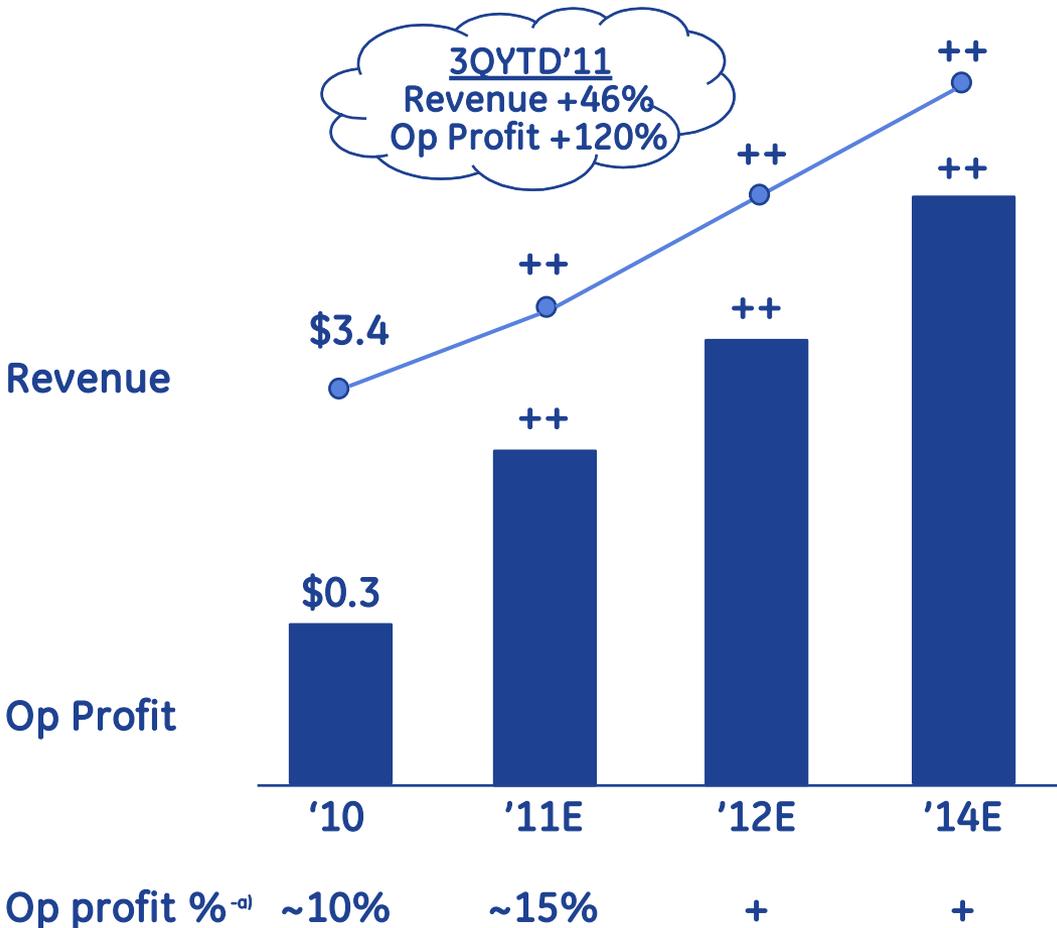
Targeting launch in 2016

Financials

Financial performance

(\$ in billions)

2011 dynamics



- ✓ Rail volume rebounding
- ✓ Shipping ~1.7X loco's vs. 2010 ... domestic & international growth
- ✓ Mining industry continues to be strong ... Mining shipments ~+20% in 2011
- ✓ Improving service margins
- ✓ Preparing for emission regulation ... Tier 3 effective Jan 1, 2012
- ✓ Continue to invest in new programs ... Global platforms, Delta, Energy Storage

Attractive financial outlook

Summary

- ✓ Loco market rebounding ... high growth in resource rich & emerging markets
- ✓ Well positioned to play in mining “super cycle”
- ✓ Leverage emissions to maintain competitive edge
- ✓ Continue to invest in new technology

Global infrastructure business

Q&A