

GE 2013 first quarter performance

April 19, 2013

– Financial results & Company highlights

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 (GE Money Japan); pending and future mortgage securitization claims and litigation in connection with WMC, which may affect our estimates of liability, including possible loss estimates; 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; GECC’s ability to pay dividends to GE at the planned level; our ability to convert 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; our capital allocation plans, as such plans may change and affect planned share repurchases and strategic actions, including acquisitions, joint ventures and dispositions; our success in completing announced transactions and integrating acquired businesses; the impact of potential information technology or data security breaches; 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.”

“In this document, “GE” refers to the Industrial businesses of the Company including GECC on an equity basis. “GE (ex. GECC)” and/or “Industrial” refer to GE excluding Financial Services.” GE’s Investor Relations website at www.ge.com/investor and our corporate blog at www.gereports.com, as well as GE’s Facebook page and Twitter accounts, contain a significant amount of information about GE, including financial and other information for investors. GE encourages investors to visit these websites from time to time, as information is updated and new information is posted.



imagination at work

1Q'13 overview

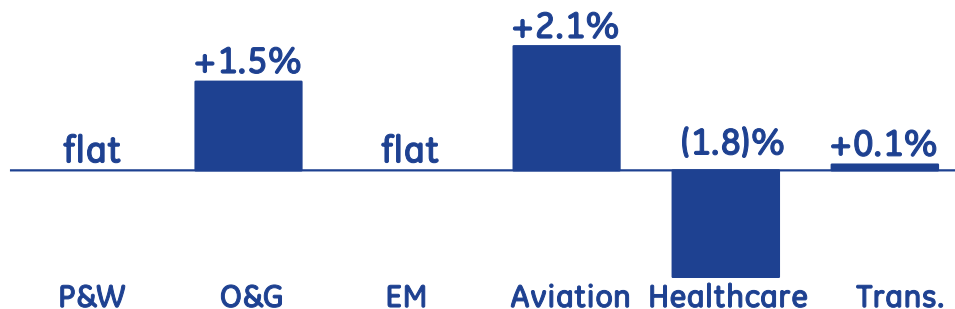
- ✓ Environment remains challenging
 - + Emerging markets/China remain strong
 - +/- U.S. mixed ... housing ↑, energy flow ↓
 - Europe even tougher
 - FX headwind in Oil & Gas
- ✓ GE results mixed in this environment
 - Delivered \$0.39 operating EPS, +15% ... GE \$.04 gains > restructuring and other charges
 - Orders +3%, +6% excluding Wind & FX ... backlog at \$216B
 - Europe Industrial segment revenues ↓17%
 - Power & Water worse than expected ... Wind & Thermal lower volume known, Europe services tougher
 - GE Capital earnings +9% ... 1Q ending ENI balance \$402B
- ✓ Focused on operating priorities
 - Accelerated restructuring ... Industrial structural cost ↓ \$200MM
 - Despite slow start, expect to meet plan on margin expansion
 - \$90B of consolidated cash
- ✓ Executing on disciplined & balanced capital allocation plan
 - Complete & early exit of NBCU ... \$18.1B in total cash proceeds
 - \$3.9B cash returned to investors in 1Q ... \$2.0B dividends & \$1.9B buyback
 - Bolt-on acquisitions ... Lufkin broadens Oil & Gas artificial lift portfolio

1Q'13 orders \$23.8B, +3%

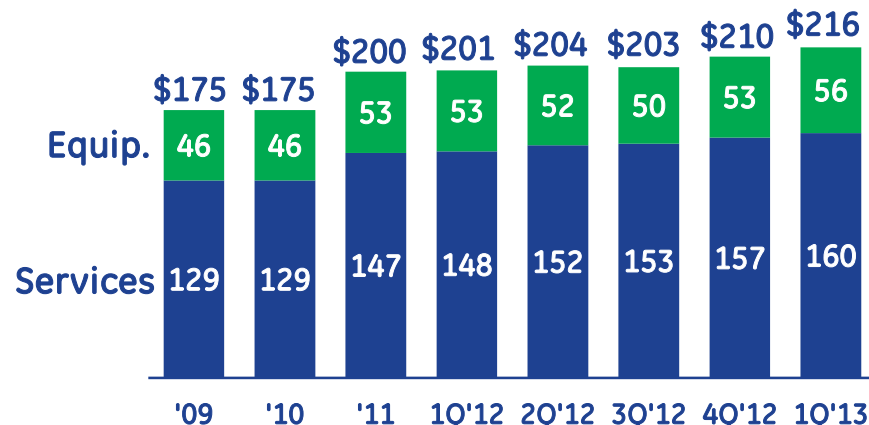
(\$ in billions)

	Equipment		Services	
	\$	V%	\$	V%
Power & Water	\$2.6	(6)%	\$2.5	(19)%
Oil & Gas	2.9	24	1.9	(5)
Energy Mgmt.	1.7	5	0.5	12
Aviation	3.8	47	2.8	(2)
Healthcare	2.3	(3)	2.0	(1)
Transportation	0.4	(59)	0.7	31
Total	\$13.6	10%	\$10.2	(5)%

Orders price profile +0.6%



Backlog (\$B)



Highlights

- ✓ Total orders +6% excluding Wind/FX; P&W equipment +16% ex. Wind
- ✓ Backlog ↑\$6B ... O&G, P&W & Aviation
- ✓ Equipment book-to-bill 1.3
- ✓ Growth regions +17%
- ✓ P&W Services in Europe (26)%
- ✓ Aviation Commercial spares +10% offset by Military spares (44)%

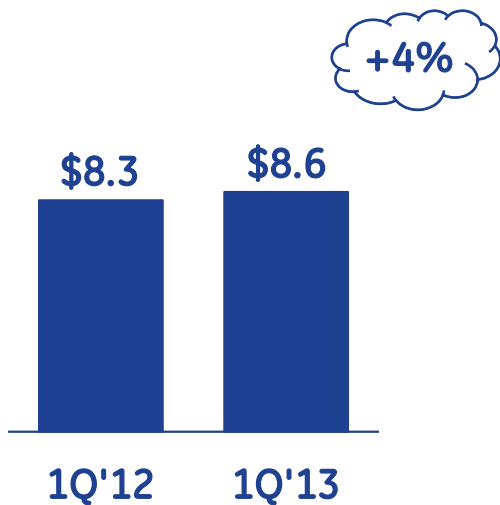
- ✓ Double-digit equipment growth, +15% excluding Wind
- ✓ Equipment & service backlog expansion continues

Growth dynamics

(\$ in billions)

Growth markets

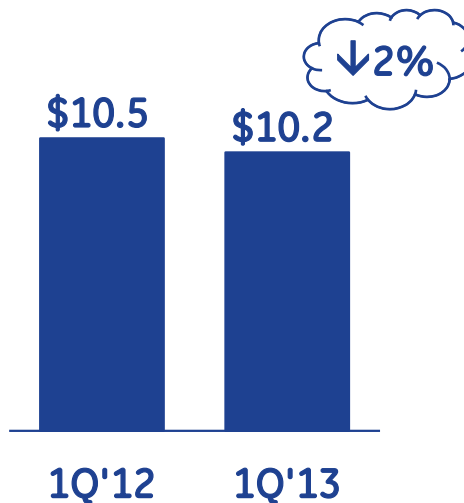
Industrial segment revenue



- ✓ 5/9 regions up double-digits
- ✓ MENAT +20%, Sub-Saharan Africa +14%, ANZ +13%, ASEAN +12%, China +10%
- ✓ 10%+ growth in 4/7 businesses

Services

Revenue



- ✓ Growth in Transportation, Energy Mgmt. & O&G ... pressure in PGS Europe
- ✓ +3% ex. Europe
- ✓ Margins up 30 bps.
- ✓ Strong backlog ... \$160B

Technical progress

- + GE9X selected as sole-source engine for Boeing next generation 777
- + Hybrid LNG/Diesel locomotive
- + GE teams up with NFL for concussion research, diagnosis & treatment
- + New \$110MM Oil & Gas Research Center in Oklahoma City... 125 new jobs
- + Testing world's most efficient high-output wind turbine ... 2.5-120
- + Service launches ... advanced gas path upgrades for HDGT ... >50 in pipeline for '13
- + Albeo LED fixture wins 2013 innovation award; global LED revenues +28%

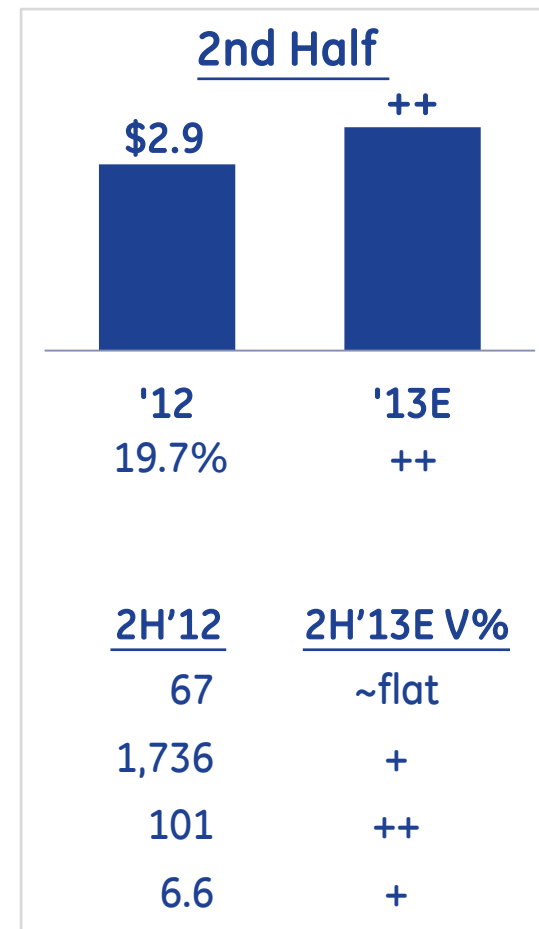
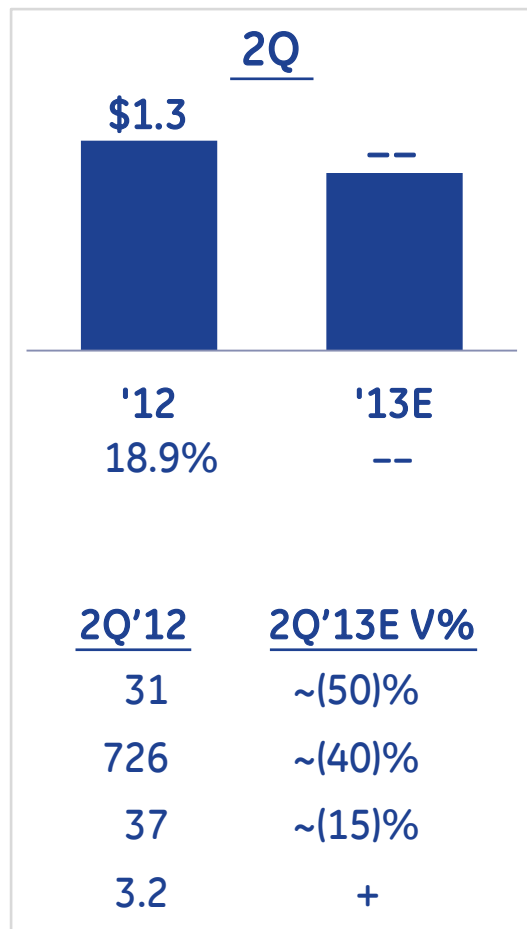
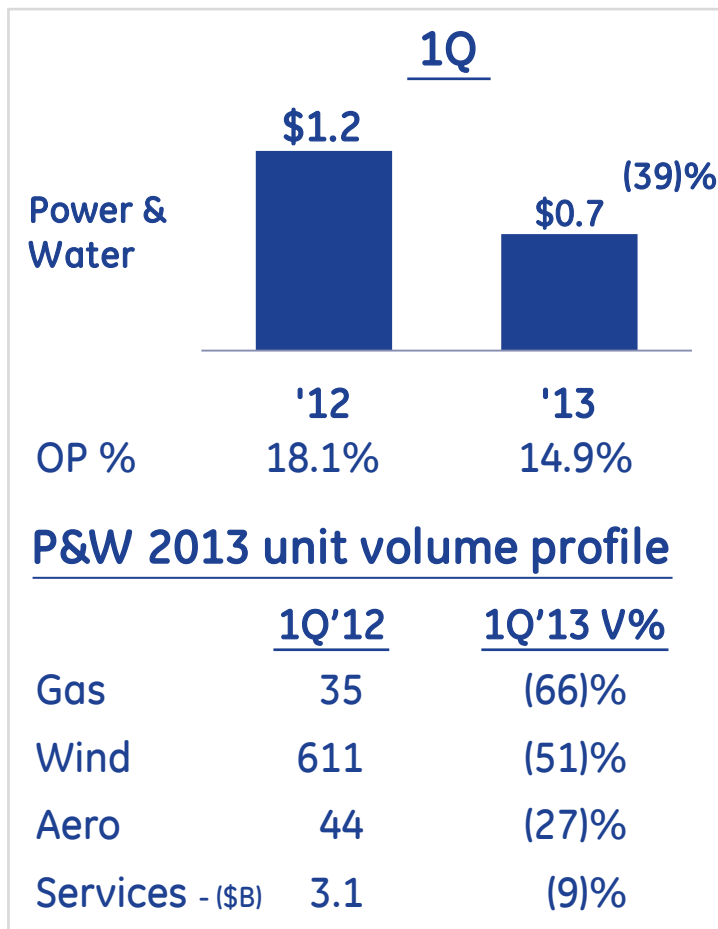
Continuing to invest ... global expansion, technical edge, & services



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Margins impacted by P&W profile

(Segment profit, \$ in billions)



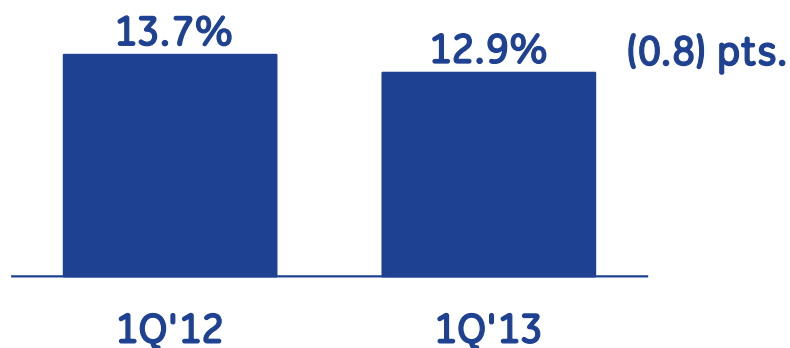
- ✓ Power & Water shipment profile improves as the year progresses
- ✓ Expect flat margin rate for total year driven by Distributed Power, Services margins, ~\$250MM SG&A reduction

Operating profit margins

(\$ in millions)

First quarter

+40 bps.
ex. P&W



	<u>1Q OP %</u>	<u>V pts.</u>	<u>TY vs. +70 bps.</u>
Power & Water	14.9%	(3.2) pts.	<
Oil & Gas	9.6	(0.4)	>
Energy Mgmt.	0.9	(0.3)	>
Aviation	18.4	0.8	>
Healthcare	13.9	0.3	>
Transportation	18.8	0.5	<
H&BS	4.1	1.1	<

Dynamics

1Q V pts.

TY

Mix

0.1

=

Value gap

+ Strong price performance \$90
+ Material deflation \$105

0.4

++

R&D

+ Investing for growth ... R&D +7%

(0.5)

=

Volume timing

- Negative cost productivity due to low volume despite ~\$200 SG&A cost out
+ Significant 1Q restructuring actions ... majority of benefit in 2H

(0.8)

++

- ✓ 2013 initial plan +130 bps., 1Q impact ~(40) bps.
- ✓ Current rollup +90 bps.

Generating cash

(\$ in billions)



- ✓ Significant working capital build to support 2nd half volume
- ✓ Payout of long-term incentive plan and timing of tax payments
- ✓ GECC 1st quarter income dividend paid today ... \$447MM

GE cash balance walk

Consolidated cash \$90B

	<u>Total</u>
Beginning balance 1/1/13	\$15.5
CFOA	0.2
Dividends	(2.0)
P&E	(1.0)
NBCU JV sale	16.7
Acquisitions	-
Buyback	(1.9)
Change in debt/FX/other	<u>(5.4)</u>
March 2013	\$22.1

- ✓ CFOA impacted by working capital build for 2H volume
- ✓ Strong cash position ... \$22B GE parent, \$90B consolidated
- ✓ Planning to return \$18B to investors in dividends & buyback

1Q'13 consolidated results

(\$ in billions – except EPS)

	<u>1Q'13</u>	<u>V%</u>
Revenues	35.0	-%
– Industrial sales	22.3	(6)
– Capital revenue	11.5	2
Operating earnings	4.1	14
Operating EPS	.39	15
Continuing EPS	.35	17
Net EPS	.34	17
CFOA	0.2	U
	<u>1Q'13</u>	<u>1Q'12</u>
Tax rate	12%	17%
– GE (ex. GECC)	20	23
– GECC	4	11

(\$ in millions)

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Power & Water	\$4,825	(26)%	\$719	(39)%
Oil & Gas	3,399	-	325	(4)
Energy Mgmt.	1,748	2	15	(29)
Aviation	5,074	4	936	9
Healthcare	4,289	-	595	2
Transportation	1,422	12	267	15
H&BS	<u>1,917</u>	<u>-</u>	<u>79</u>	<u>39</u>
Industrial	22,674	(6)	2,936	(11)
GE Capital	<u>11,535</u>	<u>2</u>	<u>1,927</u>	<u>9</u>
	<u><u>\$34,209</u></u>	<u><u>(3)%</u></u>	<u><u>\$4,863</u></u>	<u><u>(4)%</u></u>

- ✓ 5/8 segments growing profit versus prior year
- ✓ P&W, O&G, EM improve as the year progresses

1Q'13 other items

(Earnings per share)

	<u>Industrial</u>	<u>Capital</u>	
NBCU gains	\$.08	\$.05	✓ NBCU 49% stake; real estate assets
Other costs	(.04)	(.02)	✓ Restructuring, platform exits & other costs
GE Capital other items		(.03)	✓ Consumer reserves
<hr/>			
Discontinued operations		(.01)	✓ WMC ✓ GE Money Japan

'13 Industrial gain/restructuring plan

	<u>1Q</u>	<u>2QE</u>	<u>3QE</u>	<u>4QE</u>	<u>TYE</u>
EPS	\$.04	~(\$.02)	~(\$.01)	~(\$.01)	\$ -

Industrial segments

(\$ in millions)

Power & Water

<u>1Q'13</u>	<u>\$</u>	<u>V%</u>
Revenues	\$4,825	(26)%
Segment profit	\$719	(39)%

1Q dynamics

- \$5.2B orders, (13)% ... equipment (6)% driven by Renewables (27)%, services (19)% with Europe (26)%
- Revenue ... Wind (53)%, Thermal (45)%, Aero (36)% on lower unit shipments; Services (9)% driven by softness in Europe (22)%
- Segment profit ... margins (3.2) pts. driven by negative cost leverage offset by SG&A (14)%

Oil & Gas

<u>1Q'13</u>	<u>\$</u>	<u>V%</u>
Revenues	\$3,399	-%
Segment profit	\$325	(4)%

1Q dynamics

- \$4.8B orders, +11%... equipment +24%, services (5)% ... backlog +\$2.2B vs. 4Q
- Revenue ... equipment (4)% driven Turbomachinery; Services up 4% ... Global Services +8% offset by M&C (4)% on lower short-cycle volume
- Segment profit ... negatively impacted by \$34MM FX pressure and higher programs

- ✓ P&W ... significant impact from units profile, improves in 2H
- ✓ Oil & Gas ... orders strength continues ... FX headwind in 1Q

Industrial segments

(\$ in millions)

Aviation

<u>1Q'13</u>	<u>\$</u>	<u>V%</u>
Revenues	\$5,074	4%
Segment profit	\$936	9%

1Q dynamics

- \$6.6B orders, +22% ... equipment 47%, services (2)% ... backlog \$103B
- Revenue ... equipment 8% driven by higher shipment volume, services flat
- Segment profit ... +80 bps. of margin expansion driven by value gap, offsetting GENx headwind and higher R&D

Healthcare

<u>1Q'13</u>	<u>\$</u>	<u>V%</u>
Revenues	\$4,289	-%
Segment profit	\$595	2%

1Q dynamics

- \$4.3B orders, (2)% ... equipment (3)% with U.S. flat, Europe (9)%, China +16%; services (1)%
- Revenue ... growth regions +10% offsetting developed market headwind ... Europe (4)%, U.S. (1)% & Japan (13)%
- Segment profit ... +30 bps. driven by restructuring actions

- ✓ **Aviation ... strong orders quarter, margin expansion**
- ✓ **Healthcare ... managing volume pressure with cost controls**

Industrial segments

(\$ in millions)

Transportation

<u>1Q'13</u>	<u>\$</u>	<u>V%</u>
Revenues	\$1,422	12%
Segment profit	\$267	15%

1Q dynamics

- \$1.2B orders ... equipment (59)% on lighter locomotive; services +31%
- Revenue growth driven by services +24%
- Margins +50 bps. driven by value gap & services

Energy Management

<u>1Q'13</u>	<u>\$</u>	<u>V%</u>
Revenues	\$1,748	2%
Segment profit	\$15	(29)%

1Q dynamics

- \$2.2B orders, +6% ... Power Conversion +8%
- Revenue ... Power Conversion +11%, Intelligent Platforms (15)%
- Segment profit ... lower productivity driven by global expansion

Home & Business Solutions

<u>1Q'13</u>	<u>\$</u>	<u>V%</u>
Revenues	\$1,917	-%
Segment profit	\$79	39%

1Q dynamics

- Revenue ... Appliances +3% with strength in contract channel, Lighting (5)%
- Segment profit ... margins up 110 bps. driven by positive value gap & cost actions
- Expect trends to continue

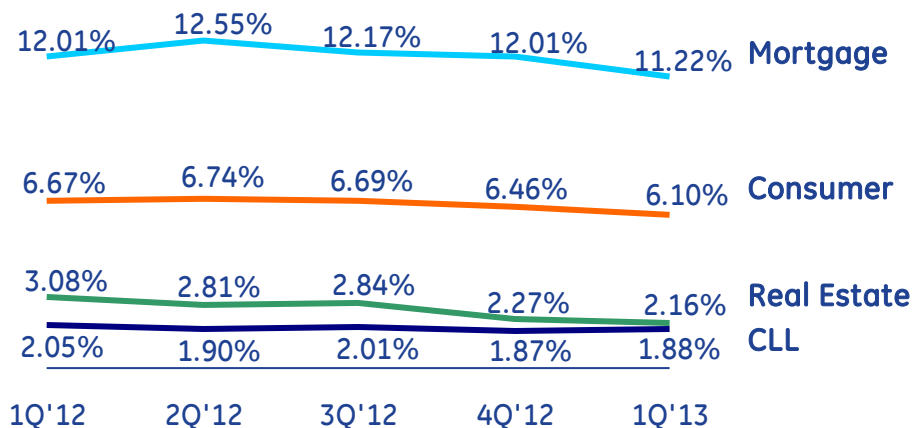
GE Capital

(\$ in millions)

<u>1Q'13</u>	<u>\$</u>	<u>V%</u>
Revenue	\$11,535	2%
Pretax earnings	2,020	1
Net income	1,927	9
ENI (ex. cash)	402B	(7)
Tier 1 common % (B1)	11.1%	65 bps.

	<u>Assets (\$B)</u>		<u>Segment profit (\$MM)</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
CLL	\$176	(7)%	\$398	(40)%
Consumer	137	1	523	(37)
Real Estate	43	(28)	690	F
GECAS	49	Flat	348	9
EFS	19	(4)	83	17

30+ delinquencies



1Q dynamics

- Real Estate up \$0.2B excluding 30 Rock sale + platform exits
- Consumer \$(0.3)B driven by reserve adjustment
- CLL \$(0.3)B driven by one impairment & lower assets
- Net interest margin strong at ~5.0%
- CP at \$39B, cash at \$68B
- Strong asset quality, reserve coverage 2.0%

Net income +9% ... solid performance

2013 operating framework

<u>Operating earnings</u>	<u>2013F</u>	<u>2013 drivers</u>
Industrial	+ / ++	<ul style="list-style-type: none"> ✓ Planning for slower growth in this environment ✓ Margin expansion
GE Capital	+	<ul style="list-style-type: none"> ✓ Originations at high returns ✓ Continued portfolio rebalancing; lower ENI
Corporate	= / -	<ul style="list-style-type: none"> ✓ Planning for ~\$3B including ~\$0.3B of GECC preferred dividends ... expect restructuring to be offset by gains
Total operating earnings	+ / ++	
CFOA excl. NBCU-related tax	\$17-20B	<ul style="list-style-type: none"> ✓ Planning Industrial CFOA & GE Capital dividends (\$17-20B) offset by ~\$3.2B taxes related to NBCU exit
CFOA incl. NBCU-related tax	\$14-17B	
Total revenues	0-5%	<ul style="list-style-type: none"> ✓ Industrial segment organic +2-6%, Wind impact ~(3) pts. ✓ GE Capital revenues 0-(5)%

Framework update

- ✓ No change to overall earnings framework for the year
- ✓ Expect op profit in Power & Water to decline slightly
- ✓ Industrial segment goes to + / ++ from ++ ... offset by Corporate and Capital
- ✓ Organic growth could be at lower end of range

Wrap

- Some markets more challenging than expected ... Europe weaker, slower growth in some short-cycle markets
- Still on track for total year framework
 - + Strong backlog
 - + More cost out
 - + Power & Water strengthens
 - + Equipment deliveries
- Very strong cash position ... \$90B consolidated, \$22B parent cash
 - + On plan to return ~\$18B to shareholders
 - + Bolt-on acquisitions