

GE 2012 second quarter performance

July 20, 2012

– 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 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; 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; 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.”



imagination at work

Overview

- ✓ Company positioned to deliver 2012 double-digit earnings growth in both Financial & Industrial segments
- ✓ Environment continues to be challenging
 - U.S. stable but mixed
 - Growth in emerging markets
 - Europe tough ... Healthcare and Aviation
- ✓ Strong top-line performance ... +10% Industrial segment organic revenue growth
 - Industrial segment revenue +9%, Energy +19%, Transportation +27%
 - Infrastructure orders up 1% ex. FX & 3% ex. Wind
 - Positive orders price index ... 1.2%
- ✓ Good earnings growth ... operating EPS +12%
 - Industrial segment profit +7% ... Energy +15%, Oil & Gas +11%, Transportation +58%
 - GE Capital earnings +31% ... driven by Real Estate improvement
- ✓ Solid execution
 - Restarted GECC dividend ... \$3B to parent
 - \$0.9B stock buyback in 1H ... expect \$3.5-4.5B in 2H
 - Industrial margins at 15% ... on track for 30-50 bps. improvement in 2012
 - Targeting ~\$2B cost out 2012-2014

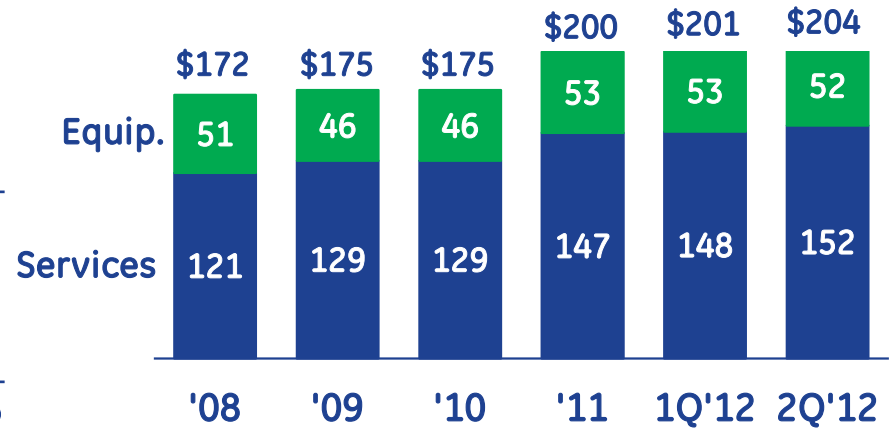


2Q'12 orders \$23.1B (1)%

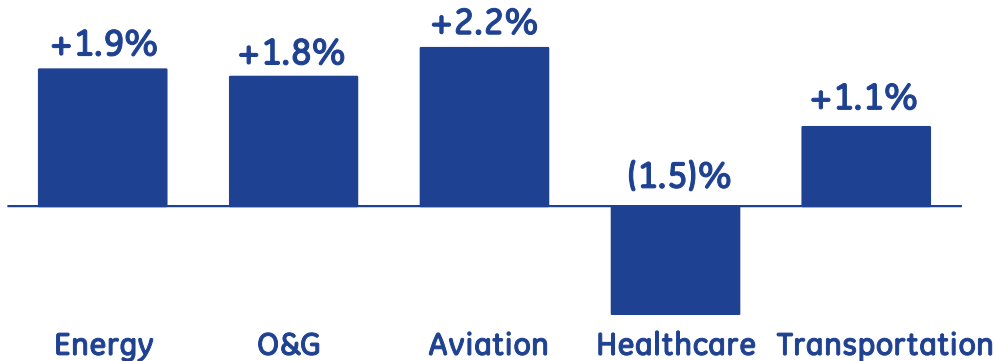
(\$ in billions)

	Equipment		Services	
	\$	V%	\$	V%
Energy	\$4.4	(5)%	\$3.4	(8)%
O&G	2.0	(8)	2.1	11
Energy Infra.	6.2	(6)	5.4	(3)
Aviation	3.0	12	2.6	(3)
Healthcare	2.7	4	2.0	(2)
Transportation	0.8	(3)	0.6	10
Total	\$12.6	(1)%	\$10.5	(2)%

Strong backlog (\$B)



2Q orders price profile +1.2%



Highlights

- ✓ Total +3% ex. Wind & ex. FX
- ✓ Energy equipment (5)%, +9% ex. Wind
- ✓ Equipment book-to-bill 1.03 ... equipment backlog flat ex. FX
- ✓ Growth regions +14%
- ✓ 1H orders \$46.2B, +8%

Orders 2Q YTD +8% ... backlog growth continues

Growth dynamics

(\$ in billions)

Growth markets Industrial revenue



- ✓ Strength in Aviation, Transportation, Energy and Oil & Gas
- ✓ 7/9 regions 10%+ ... ANZ +21%, Canada +16%, China +24%, LA +50%, MENAT +17%, ASEAN +24%, Russia +10%

Services Revenue



- ✓ Continued growth in Energy & Transportation
- ✓ Europe impacting Healthcare & Aviation spares
- ✓ Margin growth continues & backlog ↑ \$13B vs. 2Q'11

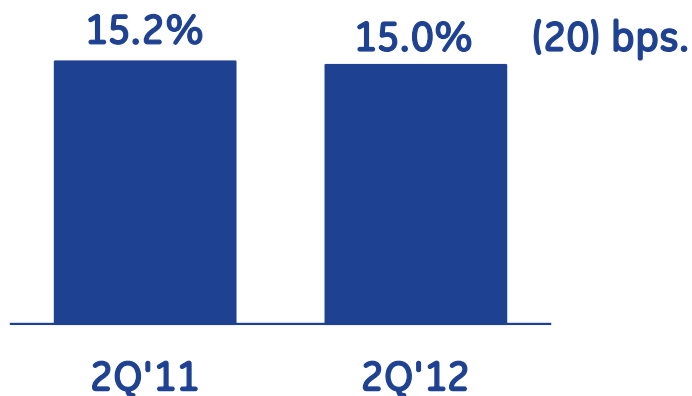
Technical progress

- + GE & JV partners announced \$17B new commitments at Farnborough Airshow in July
- + Investing to double production capacity of advanced battery plant ... 450 jobs
- + WattStation Connect software completes integrated charging system
- + Oil & Gas MaxLift 1800 pump system increases drilling efficiency
- + Optima NM/CT640 ... optimizes balance between image quality, dose efficiency & cost of ownership
- + Successful launch of bottom freezer refrigerator ... two launches in 2H

Macro trends holding ... executing growth strategy

Operating profit margins

Second quarter



	<u>OP %</u>	<u>V pts.</u>
Energy	15.0%	(0.5) pts.
Oil & Gas	14.6	0.7
Aviation	19.0	(1.3)
Healthcare	15.4	(0.4)
Transportation	18.0	3.5
H&BS	4.1	(0.8)

Sustained momentum

- + Value gap
- + Acquisitions
- + Services
- + GE Advantage

'12-'14 simplification target ~\$2B

- ✓ Business restructuring ... P&Ls ↓, layers ↓
 - Energy announced today, effective October
 - Organized for speed & focus
 - Will drive lower cost
 - Three segments
 - ✓ Power & Water
 - ✓ Oil & Gas
 - ✓ Energy Management
- ✓ More cost actions underway

- ✓ Expect margin rate expansion in 3Q
- ✓ On track for 100 bps. margin improvement 2012-2013

Generating cash

(\$ in billions)

Consolidated cash \$74B

2Q YTD CFOA



- ✓ GECC dividend restarted
- ✓ Funded pension \$0.2
- ✓ Managing Energy inventory needs to fulfill strong backlog
- ✓ Continuing investment for organic growth

GE cash balance walk

	<u>Total</u>
Beginning balance 1/1/12	\$8.4
CFOA	6.8
Dividends	(3.6)
P&E	(2.0)
Acquisitions	(0.4)
Buyback	(0.9)
Change in debt/FX/other	0.3
June 2012	\$8.6

- ✓ Restarted GECC dividend in 2Q ... \$3B
- ✓ Pension funding requirements reduced by ~\$2.5B in '12 & '13

2Q'12 consolidated results

(\$ in billions – except EPS)

Continuing operations

	<u>2Q'12</u>	<u>V%</u>
Revenues	\$36.5	2%
– Industrial sales	25.1	9
– GE Capital revenue	11.5	(8)
Operating earnings	4.0	7
Operating EPS	0.38	12
Continuing EPS	0.34	3
Net EPS	0.29	(17)
CFOA	6.8	55
– Industrial CFOA	3.8	(13)
	<u>2Q'12</u>	<u>2Q'11</u>
Tax rate	12%	20%
– GE (ex. GECC)	20	21
– GECC	5	17

Memo: includes NBCU JV pretax profit of \$242MM

(\$ in millions)

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Energy Infra.	\$11,919	15%	\$1,755	13%
Aviation	4,855	3	922	(4)
Healthcare	4,500	0	694	(2)
Transportation	1,565	27	282	58
H&BS	2,204	2	91	(14)
Industrial	25,043	9	3,744	7
GE Capital	11,458	(8)	2,122	31
	<u>\$36,501</u>	<u>3%</u>	<u>\$5,866</u>	<u>15%</u>

Strong performance in a tough environment

2Q'12 other items

	<u>EPS impact</u>	<u>Category</u>
One-time benefits	\$.02	✓ BP transaction tax benefit
One-time costs	(.02)	✓ Restructuring, BD & other costs
<hr/>		
Discontinued operations	(.05)	✓ GE Money Japan \$(.03) <ul style="list-style-type: none">– Claim reduction slower than expected– Severity/claim continues to improve ✓ WMC \$(.02) <ul style="list-style-type: none">– \$2.2B of incremental claims received– Reserve based on historical WMC experience & estimate for future claims

Monitoring, but exposure is manageable

Energy Infrastructure

(\$ in millions)

<u>2Q'12</u>	<u>\$</u>	<u>V%</u>
Revenues	\$11,919	15%
Segment profit	\$1,755	13%

Key 2Q business results

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Energy	\$8,559	19%	\$1,282	15%
Oil & Gas	3,658	5	535	11

2Q dynamics

Energy

- \$7.8B orders, (6)% ... equipment backlog \$13.3B, +8%, CSA backlog \$50.1B
- Revenue ... equipment +34%, services +4% ... higher equipment volume & acquisitions
- Segment profit, +15% ... volume partially offset by Thermal pricing

Oil & Gas

- \$4.1B orders, +1% ... equipment backlog \$9.1B, +6% ... CSA backlog \$4.3B
- Revenue ... equipment flat, service +10%
- Segment profit, +11% ... strong volume & price

Energy continuing profit growth ... strong 2H outlook

Industrial segments

(\$ in millions)

Aviation

<u>2Q'12</u>	<u>\$</u>	<u>V%</u>
Revenues	\$4,855	3%
Segment profit	\$922	(4)%

2Q dynamics

- \$5.6B orders, +5% ... equipment backlog \$21.9B, services backlog \$75.6B ... up \$8.3B
- Revenues ... equipment +12%, commercial & military service (6)%
- Segment profit (4)% ... lower spares rate & increased GEnx deliveries

Transportation

<u>2Q'12</u>	<u>\$</u>	<u>V%</u>
Revenues	\$1,565	27%
Segment profit	\$282	58%

2Q dynamics

- \$1.4B orders, +2% ... equipment (3)%, services +10% ... equipment backlog \$3.6B
- Revenues ... equipment +42%, NA locos & mining; services +8%
- Segment profit, +58% ... strong global volume & services growth

- ✓ Aviation challenged by soft European aftermarket
- ✓ Transportation ... strong 2Q performance



Industrial segments

(\$ in millions)

Healthcare

<u>2Q'12</u>	<u>\$</u>	<u>V%</u>
Revenues	\$4,500	0%
Segment profit	\$694	(2)%

2Q dynamics

- \$4.7B orders, +1% ... equipment +4%, service (2)% ... equipment backlog \$4.2B
- Revenues ... Europe (8)%, U.S. +1%, growth regions +6%
- Segment profit, (2)% ... pressured by execution misses in Latin America

Home & Business Solutions

<u>2Q'12</u>	<u>\$</u>	<u>V%</u>
Revenues	\$2,204	2%
Segment profit	\$91	(14)%

2Q dynamics

- New products driving 1 pt. share gain in a ~flat appliances industry
- Slow consumer channel & Europe decline challenging global lighting market
- Maintaining product refresh focus ... programs up +43% ... more NPI launches in 2H

- ✓ **Healthcare pressure in developed markets ... emerging remain strong**
- ✓ **H&BS maintaining focus on refreshing appliance product line**

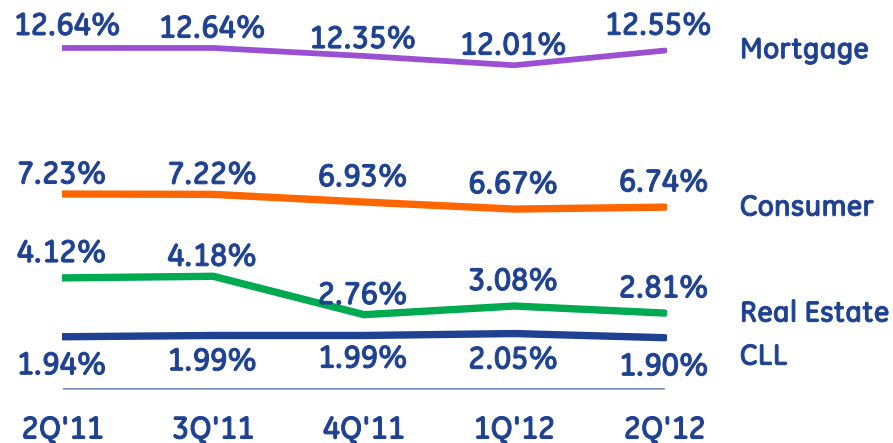
GE Capital

(\$ in millions)

<u>2Q'12</u>	<u>\$</u>	<u>V%</u>
Revenue	\$11,458	(8)%
Pretax earnings	2,238	13
Net income	2,122	31
ENI (ex. cash)	433B	(5)
Net interest margin	4.9%	47 bps.
Tier 1 common ratio	10.1%	1 pt.

	<u>Assets (\$B)</u>		<u>Segment profit (\$MM)</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
CLL	\$185	(7)%	\$626	(11)%
Consumer	135	(7)	907	(13)
Real Estate	58	(14)	221	F
GECAS	50	2	308	(4)
EFS	20	8	122	(12)

30+ delinquency %



2Q dynamics

- Real Estate recovery continues, +\$0.6B
- U.S. Consumer earnings +9%
- Volume +8%, new business ROIs ~3%
- Raised \$22B of long-term funding year-to-date
- Europe continues to be challenging but manageable

Restarted dividend ... \$3B paid to parent

2012 operating framework

<u>Operating earnings</u>	<u>2012F</u>	<u>2012 drivers</u>
Industrial	++	<ul style="list-style-type: none"> ✓ Strong global organic growth ✓ Energy acquisitions performing ✓ Broad-based strength
GE Capital	++	<ul style="list-style-type: none"> ✓ Improved losses & impairments ✓ Real Estate improving
Corporate ^{-a)}	<u>~Flat</u>	<ul style="list-style-type: none"> ✓ '11 items: NBCU gain & restructuring ✓ Total cost ~\$3B^{-a)} in '11 & '12
Total operating earnings	++	
CFOA – Industrial	\$11-12B	<ul style="list-style-type: none"> ✓ Industrial CFOA \$12-13B before pension contribution ~\$0.4B; minimal in '13 ✓ Total CFOA \$17-19B with GECC dividends
Total revenues	~5%	<ul style="list-style-type: none"> ✓ Industrial organic 5-10%, Capital (5)% ✓ NBCU gain '11 impact

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

Strong growth in both Industrial & Capital

GE Works

- 1 Strong Industrial outlook
- 2 On track for margin enhancement over 2012-2013
- 3 Getting cash from GE Capital
- 4 Making GE Capital smaller
- 5 Balanced capital allocation ... short term plan to use GECC special dividends (\$4.5B) to buyback stock
+ Expect to continue growing dividend in line with earnings

Positioned for double-digit EPS growth in a volatile environment