

# GE Investor Update

## NBCU

December 3, 2009

**"Results are preliminary and unaudited.** 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 this transaction, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: the timing of, or ability to obtain, necessary regulatory and governmental approvals for the proposed transaction with Comcast on acceptable terms; the timing and completion of the financing of NBC Universal on contemplated terms before the closing of the proposed joint venture; the receipt of an investment grade rating from the rating agencies of the proposed joint venture between GE and Comcast; adverse developments in the business and operations of NBC Universal, including potential disruption that may make it more difficult to maintain business and operational relationships; the successful combination, operation and overall performance of the joint venture post closing; the ability to redeploy our capital into high-growth technology businesses; our projected cash flow for 2010, as well as our growth prospects for 2011. 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)."

"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."



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# Overview

- Economy has been reset. The environment is very different then it was 2 years ... 5 years ... and 10 years ago. We believe that most GE businesses will have strategic opportunities as part of this reset.
- NBCU is a good business that has generated average annual returns of 11% for GE shareholders over the past two decades. We have led the transition into cable, parks, movies, digital and global distribution. We have always sought to grow NBCU based on the dynamics of media competition.
- It is time to do that again. We believe that the NBCU/Comcast combination creates a more competitive and valuable media enterprise. The “Newco” will be a leader in cable and digital content. It can offer better service to consumers and advertisers.
- By owning 49%, GE will benefit by the value creation from Newco in the future. We know that Comcast will be a great partner.
- At the same time, we can redeploy \$8B cash back into our higher returning global Infrastructure businesses. We believe that there will be multiple investment opportunities with attractive returns. We want to put our capital into the businesses that can most fully utilize GE’s core strengths.

**Right deal at the right time for our shareholders**



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# New NBCU

## NBCU – Valued at \$30B



## Comcast Businesses – Valued at \$7.25B



+

- ✓ Expanded cable offering ... strong management team
- ✓ Chance to create new offerings in key segments – i.e, sports
- ✓ Larger Internet presence ... additional capabilities

# Deal terms

- Joint venture combining NBCU and Comcast's content and Internet assets
- JV owned 51% Comcast / 49% GE
  - ✓ GE and Comcast contribute assets valued at \$30B and \$7.25B respectively
  - ✓ JV raises \$9.1B of debt; proceeds to be distributed to GE
  - ✓ Comcast pays ~\$6.5B cash to GE
  - ✓ ~\$8B net GE proceeds after adjusting for Vivendi buyout, existing debt and fees
- Vivendi buyout at \$5.8B
  - ✓ GE commits to \$2B payment in September 2010
- Remaining 49% interest can be monetized 50% in year 4 and 50% after year 7
  - ✓ 20% premium to public market value and 50% sharing of upside
  - ✓ Comcast provides backstop of \$5.75B for buyout

# Deal economics

(\$ in billions)

## Proceeds

JV debt	\$9.1
Cash from Comcast	6.5
<b>Gross proceeds</b>	<b>\$15.6</b>
(-) Vivendi buy-out	(5.8)
<b>GE proceeds</b>	<b>\$9.8</b>
(-) External NBCU debt/deal fees	(1.8)
<b>GE net proceeds (pretax)</b>	<b>~\$8.0B</b>

## Value to GE

<b>NBCU valuation</b>	<b>\$30B</b>
(-) Shared cash flow (signing → close)	(0.6)
(-) Vivendi buy-out	(5.8)
<b>GE's 80% stake</b>	<b>\$23.6</b>

- ✓ Minimal '10 impact due to time for reg. approval
- ✓ Expect small after-tax gain at closing
- ✓ Forecast ~\$0.05 dilution in '11 (excluding redeployment of cash proceeds)

- ✓ **Transaction requires FCC, DOJ/FTC and international approvals**
- ✓ **Expect approval process to take 9 – 12 months**

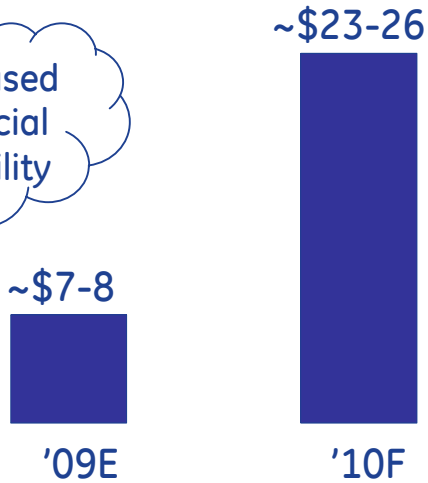


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# Cash flexibility

(\$ in billions)

## Parent cash balance



### 2010F

CFOA	~\$13-15
Divestiture	~10
Dividends	(4)
Capex	(3)
	<u>~\$16-18</u>

## Operating environment

- GE Capital balance sheet is very strong and operating parameters are improving
- Infrastructure business model has proven its value during the recession...well positioned for future
  - ✓ Technology
  - ✓ Services
  - ✓ Global position
  - ✓ Cost out
- Expect multiple opportunities to deploy capital at attractive returns
- The Company should experience solid growth in 2011 even with dilution from NBCU

### Priorities

- ✓ Invest in Infrastructure growth
- ✓ Strengthen GECS...~\$2B in '11
- ✓ Return cash to investors



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**Prepared to wait for right opportunity**

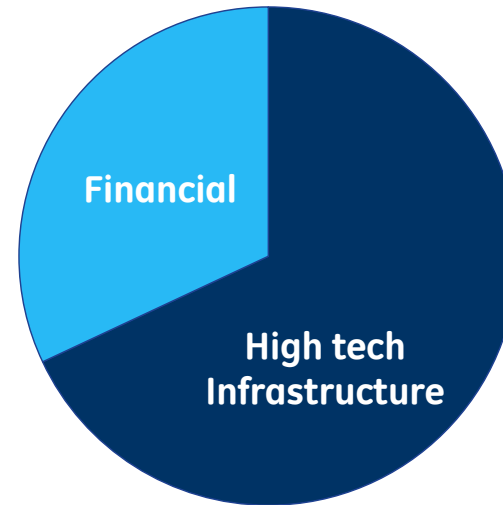
# Simplified portfolio

## Enterprise value

- Technical breadth + depth
- Global brand + distribution
- Services
- Financial strength: Strong productivity, fast cycles + effective risk management
- Leadership development



## Leadership portfolio



## Common growth initiatives

- 1) Gain share through accelerated introduction of high tech products
- 2) Extend services reach to include more software solutions
- 3) Drive rapid growth in emerging markets
- 4) Solve big problems: Clean energy + affordable healthcare
- 5) Competitive advantage in capability ... selling, engineering, manufacturing

