

# GE renewal

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"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: the severity and duration of current economic and financial conditions, including volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; the impact of U.S. and foreign government programs to restore liquidity and stimulate national and global economies; the impact of conditions in the financial and credit markets on the availability and cost of GE Capital's funding and on our ability to reduce GE Capital'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; 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 soundness of other financial institutions with which GE Capital does business; the adequacy of our cash flow and earnings and other conditions which may affect our ability to fund our quarterly dividend at the current level; the level of demand and financial performance of the major industries we serve, including, without limitation, air and rail transportation, energy generation, network television, real estate and healthcare; the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of proposed financial services regulation; strategic actions, including acquisitions and dispositions and our success in 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."

"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

## Why GE

- 1 Strong & focused portfolio ... dedicated to growing Infrastructure
- 2 Well positioned with growth drivers that have advantages in this cycle
  - + New products
  - + Emerging markets
  - + Services
- 3 Will benefit from Financial Services "snapback"
- 4 Substantial cash available which will be deployed to create long-term shareholder value

GE renewal is underway

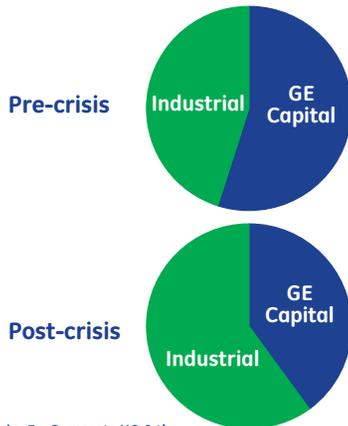


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# Strong & focused portfolio

## GE earnings mix



## Actions in 2009

- ✓ GE Capital safe & secure
  - + Profitable all 4 quarters
  - + ENI ↓ \$53B<sup>a)</sup>, CP ↓ \$25B
  - + Pre-funded 2010 long-term debt plan
- ✓ Outperformance in Industrial
  - + Industrial op. profit rate<sup>b)</sup> 16.3%
  - + Services op. profit +7%
- ✓ Financial flexibility
  - + Strong Industrial CFOA, \$16.6B
  - + NBCU/Comcast JV
- ✓ Investing for the future
  - + Company funded R&D +7%
  - + Partnerships to support growth
  - + \$3.2B restructuring & other charges

(a)- Ex. Corporate HQ & the impact of FX  
(b)- Ex. NBCU



**Improved the company during the crisis**

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# Infrastructure positioned for growth

## 2009 financials<sup>a)</sup>



## Competitive advantage/growth drivers

- 1 Significant investment in R&D  
+ Better products at more price points
- 2 Well positioned in growth markets  
+ Building out capability
- 3 Large & profitable service position (~70% Industrial earnings)  
+ Leveraging investment
- 4 Able to build out adjacencies  
+ Avionics, Water, O&G, Renewables, HCIT, Life Sciences, Transportation/Mining
- 5 Strong capability in margins & working capital

(a)- Industrial excluding NBCU



**Strength in growth areas that count**

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# Continuing to invest in technology

(\$ in billions)

## GE-funded R&D<sup>(a)</sup>



P&E spend 2008 \$2.9 2009 \$2.4 2010E \$2.9

- ✓ 35,000+ technologists across GE
  - ✓ 4 global R&D centers in place today
    - + Michigan manufacturing
    - + Brazil, Abu Dhabi
- In development

(a- Excludes government & customer-funded R&D spend



### 1 Better products/services at more price points



Wind 1.5/2.5 MW



Wastewater reuse



GT 7FA.05

### 2 New launches & building adjacencies



Vscan



Value MR



Electric locomotive

### 3 Driving systems thinking: problem solving on a bigger scale



Smart Grid



Aviation Smart Services

ecomagination  
healthymagination

**Broad technical leadership**

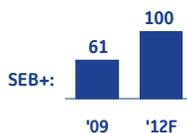
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# Shifting center of gravity towards Resource Rich & Rising Asia

## 1 Investing in service shops to support big customers



## 4 Aligning leadership/total resources to win



## % Industrial revenue<sup>(a)</sup>



## 2 Localizing design & manufacturing



## 3 Building new research centers, investing in education & training



(a- Ex. NBCU

**One of the largest emerging market companies in the world**



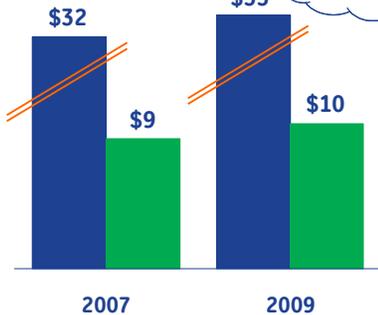
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# Growing services through recession

(\$ in billions)

## Services strength

■ Revenue  
■ Op. profit



~45% Infra. revenue ... 71% Infra. earnings

✓ Continuing to expand installed base

Units	'03	'09
Energy Infra.	~22K	~37K
Tech. Infra. <sup>(a)</sup>	~31K	~42K
Healthcare	~1.5MM	~2MM

✓ Significant growth in CSA backlog to \$129B, +\$20B since '07

✓ Increasing investment in software, customer productivity solutions & new technology

(a- Aviation & Transportation)

**Strong GE capability**



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# Restoring value in Financial Services

## Executing strategy



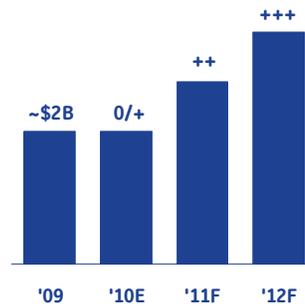
## Positioning for long term

	Goals	
	ENI	ROI
Connected to GE "verticals"	~20%	2-3%
Mid market lending & leasing	~40-50%	~2%
Consumer	~15-20%	~2%
Real Estate	~15%	~1-2%

### Competitive advantage

- + Originations
- + Domain
- + Asset management/risk

## Financial snapback (earnings)



- + Losses peak & roll over
- + Realize full benefit on high ROI new volume
- + Improved cost structure

**Attractive returns on reduced investment**



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# Volume and returns

(\$ in billions)

## 2009 on-book volume/collections

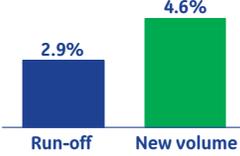


- Repositioning portfolio to higher yielding core businesses:

Business	'09 new bus. ROI
Americas	3.2%
Asia	3.5%
Europe	2.5%
Banking	2.5%
Retail Finance	3.3%
Aviation	4.0%
Energy	8.6%

(a- ex. FX)

## 2009 Commercial margin<sup>(b)</sup>

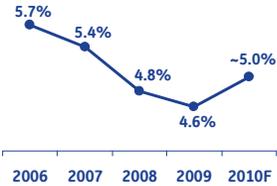


## 2009 Consumer margin<sup>(b)</sup>



(b- CV ex. gains; ex. restructuring operations)

## Portfolio margin trend<sup>(b)</sup>



## CLL Americas example

- ✓ Average duration ~4 years
- ✓ CV +\$1B in '10 vs. '08

**Portfolio margins expand in 2010**



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# Capital allocation

(\$ in billions)

## GE parent cash



- ✓ Expect \$2B for Income Maintenance Agreement in '11
- ✓ Committed to safe & secure
- ✓ Strong free cash flow

## Flexibility to enhance shareholder value

- ✓ Plan to resume growing dividend in '11
- ✓ Potential for retirement of preferred stock
- ✓ Opportunities on stock buyback
- ✓ Strategic acquisitions

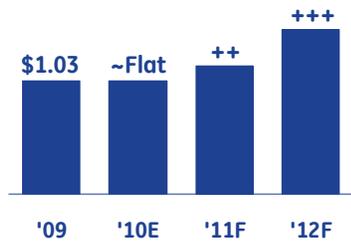
- ✓ **Strong foundation to protect & grow the Company**
- ✓ **Significant flexibility to create additional shareholder value**



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# What investors should believe

## Earnings (EPS \$/share)



- ✓ Tough comparisons in 1Q due to Olympics & prior year gains/tax items
- ✓ Comparisons significantly improve after 1Q
  - Expect losses turn at GE Capital ... margins improve
  - Healthcare & NBCU performance improving
  - Less restructuring, higher pension

- 1 GE Capital earnings rebound post loss cycle
- 2 ~70% Industrial earnings are services ... expect continued growth
- 3 Equipment backlog strong ... we plan to outperform as the cycle improves ... NPI, global, stimulus
- 4 Cash optionality ... we will deploy in an investor-friendly way

**Stronger, more profitable high-return portfolio**



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