GE Works

At GE, we put our ideas to work. Taking them off the paper, out of the lab and into the world. Engineers, scientists, teachers, leaders and doers, all sharing a belief that things can be made to work better. It’s why we come to work every day. To build, power, move and cure the world. We are at work making the world work better.
Culture is the foundation for any successful enterprise, and ours inspires our people to improve every day. It is why GE Works.

It starts by being “mission-based.” We have a relentless drive to invent things that matter: innovations that build, power, move and help cure the world. We make things that very few in the world can, but that everyone needs. This is a source of pride. To our employees and customers, it defines GE.

We build on this mission with a belief in a better way. We are constantly learning and driving best practices. We invest to train our people and develop leaders. We learn from customers, competitors, peers and each other. Because we know we can get better, we are never afraid. Competition is in our blood.

GE is a “We Company,” not a “Me Company.” We want people who listen more than they talk. We want leaders who build teams. Bob Santamoor represents labor; he is the Chairman of the IUE-CWA GE Aerospace Conference Board. We have worked together for years. We don’t agree on everything, but we respect each other. When we meet, we talk about jobs. We need each other to be successful.

We made the decision to invest $1 billion in our Appliance business, modernizing our factories in the U.S. Our first two new products will be introduced early in 2012, with other major launches throughout the next two years. Most of
our appliance product manufacturing will move back from China and Mexico to the U.S. We think we can make more money and serve our customers better. We also think this will make us a better manufacturing company in every corner of the world. But it is only possible because our designers, factory workers, managers and marketers work together. GE is a “We Company.”

We are solving problems, tough problems. We are in the seventh year of a clean energy business strategy called ecomagination. Clean energy goes in and out of focus for governments and consumers. But, at GE, we are steadfast in our investing. In 2011, we had $21 billion of clean energy revenue, growing twice as fast as the Company average. Ecomagination drives growth because we are solving problems for our customers. At coal mines, from Pennsylvania to Peru, our water solutions allow customers to operate productively while achieving high environmental standards. We demonstrate every day that, through innovation, we can meet societal needs and do it profitably.

We deliver results. That is the ultimate output of a strong culture. Over the next few years, our performance will accelerate. We aim to reward investors by delivering a more valuable company and returning cash. We want to earn your trust.

We believe that culture and resiliency count in a company. At GE we have a quiet confidence in our willingness to work hard, to learn and, ultimately, to prevail. This is how we work and how we earn your trust. It is how we compete and win. GE Works.

A POSITION OF STRENGTH
GE’s Operating EPS growth was 22% last year. We bought back preferred shares of stock we issued during the financial crisis and increased our dividend twice. Our stock price finished about flat, in line with the broader S&P 500 Index. We outperformed the S&P Financial and Industrial sectors—the “GE neighborhood”—which declined by 18% and 3%, respectively, in 2011.

Despite our growth, it was tough for GE to break away from investor concerns about macroeconomic risk. Investor anxiety is understandable. Europe took center stage as a source of instability. Daily headlines about Greece, Italy and the volatility of the European banks frayed nerves. And, U.S. politics and deficit concerns worried investors in the second half of 2011.

I have been CEO for ten years. In that time, we have experienced the 9/11 tragedy, Hurricane Katrina, the 2002 recession, the 2008 financial crisis, the Gulf oil spill, “Arab Spring,” the Japan tsunami, and now the European crisis—quite a bit.

Today, we live in what most business commentators call a volatile world. I would argue that when the environment is continuously unstable, it is no longer volatile. Rather, we have entered a new economic era. The emerging economies grow, while the developed world slows. Some of the world’s largest economies face massive fiscal deficits and must deleverage. Interest rates are likely to stay low for extended periods. Material prices are moving higher. There is broad-based social unrest. And, it could remain this way for a long time.

I have learned that nothing is certain except for the need to have strong risk management, a lot of cash, the willingness to invest even when the future is unclear, and great people.

We have great financial strength. Between GE Capital and GE Parent, we have $85 billion of cash. And we surrounded the Company with a strong enterprise risk model that has been...
tested. We are restructuring our European operations to sustain our profitability at lower levels of growth.

We accelerated global and technical investments, ahead of competition, during the downturn to ensure growth in a choppy environment. We redeployed capital from NBCU to support $11 billion of Energy acquisitions, which should provide an earnings boost in 2012. We finished 2011 with $200 billion of product and service backlog, more than at any time in our history.

We also have a talented and committed team. In December, I had dinner with our Aviation supply chain leaders from around the world. I do this regularly with different operating teams. It allows me to “go deep” and understand challenges through their eyes. My dinner partners are the ones who have to meet record engine demand with high quality and low cost. They are also the leaders of our fine frontline workforce, the best in the world. They understand technology, globalization, innovation and lean manufacturing. Their tough-minded, competitive attitude inspires me. I know that with our team, we will succeed in this environment.

GE Works for investors, and you should benefit from our people and our preparation. As business leaders, we cannot create the environment, but we can shape our own destiny. Today, GE has a stronger portfolio in recent history. This year, we expect to have organic growth of 5 to 10% with expanding margins. GE Capital is smaller and focused on specialty finance, particularly in mid-market segments. We expect GE Capital’s earnings rebound to continue in 2012. Together, this portfolio is built to grow earnings and return cash to investors.

Our top strategic priority has been to build a strong, competitively advantaged infrastructure business that grows ahead of our peers and faster than the global GDP. Over the last decade, we have refashioned GE from an “industrial conglomerate” to an “infrastructure leader.” This has been disruptive at times, but it has several advantages. Infrastructure businesses use GE’s core strengths in technology, globalization and services. Infrastructure is also positioned to benefit from several long-term tailwinds, especially growth in emerging markets. Infrastructure requires scale and financial strength. Deep customer relationships, built on long-term thinking, really count.

We have diversified and strengthened our core businesses, like Energy. Historically, this business was based largely on selling one product—heavy duty gas turbines—in one market—the U.S. That kind of concentration creates volatility as markets rise and fall. Today, we have a broad Energy portfolio, including a range of gas power generation products, oil and gas technology, renewables, smart grid services, energy management technologies and controls; these products and services are sold around the world. As an energy leader, our earnings are more diversified, less volatile and should grow through the cycles. This is the same model we are using in the rest of our businesses.

We have boosted the growth rate of our infrastructure portfolio by investing in adjacencies, promising opportunities that are outside of, but closely related to, our core businesses.

WE HAVE BUILT A STRONGER PORTFOLIO
We have our strongest portfolio in recent history. This year, we expect to have organic growth of 5 to 10% with expanding margins. GE Capital is smaller and focused on specialty finance, particularly in mid-market
I have written in the past about “bets” we have made in Aviation Systems, Life Sciences and other industries. Adjacencies have allowed us to grow $35 billion of incremental revenue in a decade, with more to come. We believe in a long-term approach to entering these fast growth segments. For instance, we have about a $4 billion position in Life Sciences that could double in the next few years. We are building strength in drug discovery, molecular medicine, bioprocess manufacturing and digital pathology. All of these segments will grow at two to three times global GDP.

GE Capital’s earnings grew more than 100% in 2011. It is stronger and safer. Our Capital team has executed on every commitment it made during the financial crisis. We have reduced leverage, improved liquidity and shed assets, while growing at high margins. Commercial Real Estate, previously a major investor concern, is positioned for solid earnings growth in the future. From 2008 to 2011, GE Capital’s financial performance compares favorably to most other financial services firms in the world.

Financial services have been deeply out of favor with investors. Nonetheless, there are large segments where GE Capital will lead and build upon GE’s strengths. These include mid-market lending and leasing, financing in GE domains and a few other specialty finance segments. Here, we have a clear advantage over banks and can grow profitably.

GE Capital has strengthened its balance sheet immensely. Our Tier One Common Ratio is about 10%, well in excess of the levels set by financial regulators. Now, because of our financial strength and earnings power, and subject to Federal Reserve review, we expect GE Capital to resume paying a dividend this year to GE. Ultimately, the size of GE Capital depends on several factors: returns, competitive advantage, dividend capability and regulatory burdens. In the near term, GE Capital should see sustained earnings growth with good margins and lower risk.

Our goal is to have GE Capital make sense for GE investors. First and foremost, we have more liquidity and a safer profile. We believe that having the Federal Reserve as a regulator is a positive. We are winning in the marketplace. The one area that we cannot control is external “headline risk.” The financial services industry is still going through transitions, and we are part of that change. Regulators, governments and rating agencies will have their say. But that doesn’t change our fundamental strength. We have successfully navigated through this volatility, and we aim to create value through GE Capital.

We have the world’s best infrastructure company, positioned for multi-year growth. We have a valuable specialty finance company that is safer and stronger than ever. Together we build, power, move and help cure the world.

INITIATIVES DRIVE PERFORMANCE
We aspire to drive organic growth faster than our peers, with expanding margins. We drive company-wide initiatives to achieve technical superiority, growth market leadership, service expansion based on profitable customer relationships, and operational action to achieve margin growth. For each initiative we have bold aspirations, and we utilize the GE enterprise to achieve results.

We have a full pipeline of great new products. Technical superiority is the most sustainable form of competitive advantage. We will invest $16 billion in R&D from 2010 to 2012, more than double our historical average and about...
6% of our revenue. This has impacted our margins in the short term, but the bet is paying off.

Technology allows us to win in the market. GE Aviation and its partners are the world’s largest producers of jet engines, and last year received $23 billion of orders, our biggest year in history. Together, we will launch 12 new jet engines this decade. This will result in significant future growth.

Technical strength drives growth. Based on our industry-leading technology, we will install about 40% of the wind turbines in the U.S. this year. At Healthcare, we are launching 100 new products that lower cost, improve quality and expand access. Over the next five years, GE will be dedicating $1 billion to the development of new cancer solutions. In Transportation, we are building six new rail platforms that capitalize on global growth. We have launched new businesses in solar energy and power management.

Technology adds value to our acquisitions. In 2007, we acquired Smith’s Aerospace Group to give us a small position in aircraft avionics and energy management. Then our researchers went to work. We are building solutions for integrated power management, distributed engine control and onboard advanced computing. These technologies will help our engines be even more fuel-efficient, and allow us to develop more content on the plane. We are building novel solutions for our customers and should be in the top tier of the avionics industry by the end of the decade.

We have scale advantage in technology. We have the financial strength to make big bets. Our Global Research Center spreads ideas and lowers risks. Our technical teams execute complex projects better than anyone.

We win in growth markets. In 2012, our growth market revenues will near $40 billion, expanding by about 15%. We are a reliable, high-integrity partner and are actively investing in our leadership, capability, coverage and the supply chain.

Operating around the world is not without its challenges. There is volatility and risk. But there is also great opportunity. In the emerging markets, we’ve added about 1,000 infrastructure salespeople every year for the last four years. Since 2005, we have increased our senior leaders outside the United States by 50%. We are committed to serve our global customers better and faster.

Our geographic footprint is diversified. Latin America will approach $10 billion in revenue in 2012, and could double again in a few years. In Russia, we are building ventures in two important growth markets: gas power generation and diagnostic imaging equipment. In Nigeria, we are building out a comprehensive “Company-to-Country” approach to address infrastructure challenges; Nigeria should be our next billion-dollar country. In Saudi Arabia, we will invest to localize capability, better serve our customers and help the government address healthcare needs for its citizens. We are playing to win in every corner of the world.

The best global companies are developing new business models tailored for growth markets. For instance, in the next 25 years, 1.5 billion people will gain access to power, much of it “off” the electricity grid. This will result in a $16 trillion power opportunity. Today we have $5 billion of revenue in distributed energy, and our revenue should almost double in the next three years. Similarly, there are 50,000 locomotives around the world that are more than 25 years old. Replacing or retrofitting those locomotives to be more fuel-efficient is a $15 billion opportunity.

GE has deep relationships and operating advantages in growth markets. John Rice, our vice chairman, leads the initiative to win globally. I consider the development of growth markets to be the most profound economic change for this generation of GE leaders. This is a transition where GE must win.
We are building mutually profitable relationships with our customers. Our service business has a $147 billion backlog and will generate $45 billion in revenue in 2012. Service is a strength for GE because we understand our products and the ways in which they are used. When we do well, our customers benefit. And we’re continuing to do everything we can to increase their productivity and help them optimize their assets. That is why last year we invested so heavily in analytics, controls, monitoring and diagnostics integration. And we are building a new software center of excellence in California.

I don’t see GE as a software company. However, we will lead in the productivity of our installed products and their ecosystems. This will require leadership of the “Industrial Internet,” making infrastructure systems more intelligent. This will show up in more profitable Contractual Service Agreements (CSAs) and a software business that could double to $5 billion in the next few years.

Here is how it could work. The GE90 is the world’s most powerful engine; it powers the Boeing 777. Each engine has 17 sensors. These sensors constantly take complete performance data from the engine. From this data, we can build sophisticated analytics that can avoid unplanned outages, provide repair data in real time, increase fuel performance and optimize fleet performance. This analytical capability, applied with domain expertise across our large fleet of engines, could save billions for our customers.

Relationships are also a critical part of what differentiates the smaller, more focused GE Capital. We decided from a strategic standpoint that we should concentrate on the industries and sectors where we have a strong competitive advantage versus banks. That’s the way we think about the portfolio. Last year we helped launch a center at The Ohio State University that is dedicated to the middle market, the segment that consists of companies ranging in revenues from $10 million to $1 billion, including almost 200,000 businesses in the U.S. We have great origination capability, industry domain expertise and relationships in that segment, all of which will fuel GE Capital’s recovery and growth.

Deep relationships are a competitive advantage at GE. They are long-term, and they start at the top. Our leaders spend a lot of time in the market with our customers. I chair our Service and Commercial Councils so that I can relate to our leaders, follow the metrics and understand competition. We must execute for our customers.

We aim to grow margins. Our margins were about 15% in 2011; we expect to drive them up by 50 basis points next year. We are near the top of all industrial companies, but we can get even better.

It begins with the way we think about our cost structure. In the last generation, GE and our industrial peers began a long-term trend to outsource our supply...
chain to other companies. This made sense in an era when labor was expensive and material was cheap. Today, our material costs are more important. So we have to control our supply chain to achieve long-term productivity.

To control our product cost, we leverage both human and technical innovation. Human innovation comes in the form of lean manufacturing. At Appliance Park, in Louisville, Kentucky, we have torn down functional silos and replaced them with a “one team” mentality. We know that one key to success is driving down manufacturing hours per unit. In some factories it takes nine hours to build a refrigerator. Our employees in Louisville are working to cut that to three hours. By revamping what was a 25-year-old dishwasher line, the Appliance Park team has reduced the time to produce by up to 68%, and the space required by more than 80%.

Our Aviation business and its sophistication—in advanced manufacturing, computer modeling, and material sciences and composites—is a great example of technical innovation. For instance, the use of different qualities of carbon fiber and resins enabled us to create unique fan blades, fan cases and components that sharply reduce engine weight compared to traditional all-metal versions. Impact-resistant properties make these fan blades extremely durable. This allows us to substantially lower engine cost and accelerate “speed to market.”

In 2010, we launched an enterprise initiative called “GE Advantage” to drive operating results. We have 30 industrial projects under way, utilizing ideas from thousands of employees and targeting $2 billion of margin improvements. Our team is using classic GE tools like lean, work out and Six Sigma. Projects have big payoffs.

In our Oil & Gas business, our goal is to give customers a new business quote in a day, have a project be operational in a year, and have our equipment always available for customers’ use. This would result in several hundred million dollars of benefit for our customers and GE. Our Aviation supply chain team is trying to compress the learning curve on new engines, again with a huge payoff in margins and cash, with improved customer quality.

This is the GE team, finding a better way. This is how we will become leaner and more productive. This is how we will sustain improvements in margins.

We will reward investors through smart allocation of capital. Our business model generates a lot of cash. Over the next few years, thanks to NBCU monetization, dividends from GE Capital and solid growth, we expect to have about $30 billion in available cash. This will provide us with an opportunity to reward investors while protecting us against a volatile economy.

One of our top priorities is to grow dividends. We’ve increased the dividend four times in the last two years, and we have a dedicated focus on increasing the GE dividend in line with future earnings. We have found that focusing on acquisitions between $1 billion and $3 billion in industries we know improves our chance for success. Don’t look for any big deals in 2012. Ultimately, if
2012: FOCUS FOR INVESTORS

In January, we gave our year-end report to the President. We had three key messages: the country has lost ground in relative global capability; we have multiple ways to create more jobs, but they require leadership and teamwork; and our long-term success must be built on a foundation of competitiveness. The Council delivered more than 80 specific recommendations to the President, half of which are being implemented. I know that the U.S. can and will do better in the future.

In the process of leading the Council, I learned a few things. Competitiveness comes first. As a country, we must love to compete again. As a nation, we must love to win. We simply must create more competitive structures in this country, improving areas like education, infrastructure and regulation. If we focus again on competition and innovation, I know we will win and create jobs.

Words and actions count. People in this country can work together, but only if they are properly led. It starts by solving tough problems together, like the deficit. We need to be a country of action, not just words. We need to be a country where we engage everyone, the entire team.

At GE, we like working together. We see the future as interesting, exciting and filled with opportunity. We have a better portfolio, we have invested in competitive advantage, and we have the culture of GE Works.

GE will compete. And we will win in every corner of the world. We are optimistic and ready for the future. We are proud of our company.

GE Works. For investors, this means solid earnings growth and a solid dividend foundation. For employees, it means a belief in a better way, a relentless drive to invent and build things that matter. For customers, it means more profitable solutions. And for society, GE will help create a world that works better.

Jeffrey R. Immelt
Chairman of the Board and Chief Executive Officer
February 24, 2012
GE Builds the World

GE builds the world by providing capital, expertise and infrastructure for a global economy. In the past year, GE Capital provided billions in financing so businesses could build and grow their operations and consumers could build their financial futures. We build appliances, lighting, power systems and other products that help millions of homes, offices, factories and retail facilities around the world work better. We aren’t afraid of the future. We build it.
GE GeoSpring™ Hybrid Water Heater Assembly
GE Appliances
Louisville, Kentucky

Left to right:
Travis Saylor
Final Assembly Operator
Randy Barger
Replacement Operator
Kevin Moore
Final Assembly Operator
Middle market businesses lead the way in the U.S. in creating jobs and pumping life into the economy. They can’t do it without funding, expertise and solid business-building advice. GE Capital is a major source of funding for the middle market, committing $122 billion in the U.S. in the past year. For example, we helped snack manufacturer Shearer’s Foods, Inc. with financing. Shearer’s Foods updated and expanded operations, added 359 new jobs and grew revenue to $405 million in 2011. GE works for customers—helping them build businesses, and build them better.

Photo above and right: Shearer’s Foods, Millennium Manufacturing Facility, Massillon, Ohio
REBUILDING EXCELLENCE America needs investment to stay competitive, create jobs and drive economic opportunity. GE is investing more than $1 billion to transform the appliances we make, leading to the creation of 1,300 U.S. jobs. By combining design and production in one site and using lean manufacturing, we’re able to bring better products to market faster and more cost-effectively, reflecting the world-class competitiveness of our U.S. facilities.

ACCESSING GE’S EXPERTISE Through Access GE, GE Capital brings a broad range of tools, resources and expertise to help customers solve their most pressing challenges and find new ways to grow. When electronic security provider ADT was looking to upgrade its fleet of full-size service vans, GE Capital helped determine the most cost-effective and fuel-efficient replacement. The deployment of the new vehicles will help ADT save more than $6 million a year and reduce CO₂ emissions 40%. This year, GE Capital will launch the Access GE online portal, a new way to deliver crucial knowledge and expertise to our customers.
GE Powers the World

GE’s advanced technologies and energy solutions provide a powerful advantage for millions of people. Our technology helps to deliver a quarter of the world’s electricity. We are one of the largest clean energy companies in the world. We deliver innovation that the world needs: from an integrated wind, solar and natural gas project, to smart grids that help utilities manage electricity demand, to gas engines that run on organic waste, to more accessible charging stations for electric vehicles. We don’t just imagine a cleaner and more productive world. We power it.
PIPELINE OF INNOVATION  Competitive and environmental challenges in the oil and gas industry are driving energy producers to seek better efficiency, reliability and environmental protection. Tackling these complex challenges takes leadership, teamwork and innovation. The GE Oil & Gas team in Aberdeen, Scotland, is leading many of our technology and service solutions for the sector.

Innovations in recent years have included next-generation valves with improved nano-coatings for increased safety and reliability; pipe inspection technology; and other advances that enable oil and gas companies to produce the energy the world needs more safely, reliably and cost-effectively.

LEADERSHIP IN WIND POWER  The world needs clean, renewable energy, and wind power is a big part of the answer. GE wind turbines, among the most widely used in the world, will soon power the largest wind farm in the U.S. The Shepherds Flat project in Oregon, developed by Caithness Energy, will get its power from 338 advanced GE 2.5xe ecomagination-qualified wind turbines, which deliver greater efficiency, reliability and grid connectivity. The Shepherds Flat turbines will produce enough clean energy to power about 235,000 households.
To integrate more renewable resources into the power grid, the world needs a better way to obtain power when the sun isn’t shining or the wind blowing. The ecomagination-qualified Flex family of products helps meet this need. The FlexEfficiency 50 Heavy Duty Gas Turbine and the FlexAero LM6000-PH Aeroderivative Gas Turbine allow for flexible, efficient and environmentally friendly power generation day or night. The FlexAero is the world’s most efficient combined-cycle gas turbine in its class and will save 26 million gallons of water annually with its innovative eco-friendly technology. The first FlexEfficiency 50 plant will go online in 2015.
GE Moves the World

When the world needs a better way to get there faster, we work to make the trip safer and more cost-effective, with lower carbon emissions, too. We make the world’s largest jet engine—and among the world’s most efficient. We build locomotives that reduce emissions. And we provide advanced air traffic and rail freight management systems. We don’t just dream of a world where people and goods travel more safely, quickly and efficiently around the globe. We move it.
GE90 Aircraft Engine Testing
GE Aviation
Peebles, Ohio
Airlines are demanding record numbers of advanced aircraft engines, including the GEnx and LEAP, to power their next-generation fleets. Our aviation supply chain team is meeting the challenge. New manufacturing facilities in Ellisville, Mississippi, and Auburn, Alabama, will add capacity and create jobs. We are also integrating suppliers into new programs and driving big improvements in quality and delivery through a team-based culture and lean manufacturing techniques. We do all this so we can deliver a record number of aircraft engine orders with maximum cost-efficiency, productivity and quality.

Strong Supply Chain Links

Colleen Athans (third from left), VP & GM, GE Aviation Supply Chain, pictured with (from left to right): Bob Briggs, Joe Allen, Melissa Twiningdavis and Denice Biocca.

Photo: GE Aviation’s Evendale, Ohio, world headquarters
ON TRACK FOR EXPANSION
Transnet Freight Rail (TFR), one of South Africa’s largest rail freight operators, is striving to meet the growing needs of a rapidly developing region. The GE locomotive is delivering the solution. Three of our locomotives can do the work of four older models, with lower costs, better fuel efficiency and reduced emissions.

Producing the 143 locomotives ordered by TFR will be a global effort: locomotive components manufactured at GE plants in the U.S. will be fully assembled in South Africa. This will create jobs in both countries and help TFR meet the demand for reliable freight transportation.

A LEAP FORWARD IN AIRCRAFT ENGINES
Airlines are purchasing new planes to update and expand their fleet while balancing high fuel costs and new international environmental standards. GE and its CFM International 50/50 joint venture partner Snecma, created the LEAP engine to meet this demand.

Ecomagination-qualified LEAP engines use the latest-generation materials and design processes to reduce weight, improve performance and lower maintenance. This means planes are more likely to take off and land on time and spend less time in the shop and more time moving passengers and cargo around the world.
GE Helps Cure the World

GE Healthcare technology is helping doctors and caregivers save nearly 3,000 lives every day and address the world’s biggest healthcare challenges. GE is at work providing advanced diagnostic tools as well as systems that help researchers discover lifesaving solutions, and patient record systems that help lower costs and enhance patient care. Our technology is designed to help medical professionals detect disease earlier and treat it better. And, we’re investing to create new solutions to develop groundbreaking products and processes. We see a world where cost, quality and lack of access prevent too many people from getting the healthcare they need. We’re helping to cure it.
A CLEAR PICTURE OF HEALTH  To help physicians provide patients with accurate diagnoses and targeted treatments, healthcare organizations need advanced imaging technology. GE entered into a strategic alliance with OhioHealth, a nationally recognized, not-for-profit healthcare system, to bring cutting-edge computed tomography (CT) and magnetic resonance (MR) imaging systems to patients across central Ohio. The GE Healthcare team listened to OhioHealth’s needs and delivered a better way—including our Optima CT660, Optima MR450w and Discovery MR750w systems—that provide real-time, high-resolution imaging.

SOLUTIONS FOR THE PHARMA INDUSTRY  Advanced medicines create new challenges for pharmaceutical companies. GE technology is used to manufacture many of these medicines, which gives us the experience to help these companies tackle key issues such as safe and cost-effective delivery and reducing time to market. Our innovative ReadyToProcess™ single-use platform enables flexible manufacturing, faster process design and quicker changeover between production campaigns, without compromising quality or safety. Single-use technologies: an affordable solution that drives medical progress and helps save lives.

HIGH DEFINITION, LOW-DOSE SCANS  Computed tomography is widely used to help physicians detect cancers, other diseases and injuries. GE continues to work to produce CT systems that provide high image clarity for physicians and reduced patient exposure to radiation. Our Veo image reconstruction technology uses modeling and complex data analysis to enhance clinical images even at lowered doses. GE not only makes tools to help doctors, we also provide entire healthcare systems with services and technology to meet the needs of their patients.
Taking the Fight to Cancer

Yousef Alohali (second from right), Director, Clinical Education, GE Healthcare Saudi Arabia, pictured with (from left to right): Victor Delos Santos, Noor Hanifa Palala (Saudi Ministry of Health), Majed Nasser and Golnar Kamalvand.

Cancer is among the world’s leading causes of death, and GE is committed to helping cure it. GE’s global fight against cancer is backed by a five-year, $1 billion commitment to improve screening and diagnosis to help doctors fight cancer more effectively. In 2011, as part of this commitment and in partnership with prominent venture capitalists, GE launched a $100 million healthymagination open innovation Challenge to find the next generation of cancer diagnostic tools and treatments, starting with breast cancer. Innovations now in the pipeline include a mobile mammography device and molecular diagnostics to enable patient-specific cancer therapies. We’re also bringing new weapons to the fight against breast cancer by increasing access to mammography screenings in underserved areas, like Wyoming, Saudi Arabia and China.

Photo left and above: Riyadh, Saudi Arabia
At GE, we aren’t afraid of the future, we’re building it. We’re growing global leaders, investing in new technologies, developing advanced manufacturing skills, applying intelligent software to make things work smarter, and partnering with customers and communities around the globe. GE works by delivering economic growth, shareholder value and, most of all, solutions that make the world work better.
The GE Board held 15 meetings during 2011, including three meetings of the non-management directors of the Board. Each outside Board member is expected to visit at least two GE businesses without the involvement of corporate management in order to develop his or her own feel for the Company.

Board members focus on the areas that are important to shareowners—strategy, risk management, leadership development and regulatory and compliance matters. In 2011, they received briefings on a variety of issues, including capital allocation and business development, risk management, technology excellence, regulatory trends, social cost, capital market trends; service contract performance, political contributions and lobbying activities, and GE’s branding, marketing and operating initiatives. At the end of the year, the Board and each of its committees conducted a thorough self-evaluation.

Directors (left to right)

Rochelle B. Lazarus
Chairman of the Board and former Chief Executive Officer, Ogilvy & Mather Worldwide, global marketing communications company, New York, New York. Director since 2000.

Robert W. Lane
Former Chairman of the Board and Chief Executive Officer, Deere & Company, agricultural, construction and forestry equipment, Moline, Illinois. Director since 2005.

Alan G. (A.G.) Lafley
Former Chairman of the Board and Chief Executive Officer, Procter & Gamble Company, personal and household products, Cincinnati, Ohio. Director since 2002.

Roger S. Penske
Chairman of the Board, Penske Corporation, diversified transportation company, and Penske Truck Leasing Corporation, Chairman of the Board and Chief Executive Officer, Penske Automotive Group, Inc., automotive retailer, Detroit, Michigan. Director since 1994.

Sam Nunn
Co-Chairman and Chief Executive Officer, Nuclear Threat Initiative, Washington, D.C. Director since 1997.

Andrea Jung

Ann M. Fudge
Former Chairman of the Board and Chief Executive Officer, Young & Rubicam Brands, global marketing communications network, New York, New York. Director since 1999.

Ralph S. Larsen
Former Chairman of the Board and Chief Executive Officer, Johnson & Johnson, pharmaceutical, medical and consumer products, New Brunswick, New Jersey. Director since 2002.

W. Geoffrey Beattie

James S. Tisch
President and Chief Executive Officer, Loews Corporation, diversified holding company, New York, New York. Director since 2010.

Susan Hockfield
President, Massachusetts Institute of Technology, Cambridge, Massachusetts. Director since 2006.

James J. Mulva
Chairman of the Board and Chief Executive Officer, ConocoPhillips, international, integrated energy company, Houston, Texas. Director since 2008.

Douglas A. Warner III

Robert J. Swieringa
Professor of Accounting and former Anne and Elmer Lindseth Dean, Johnson Graduate School of Management, Cornell University, Ithaca, New York. Director since 2002.

James I. Cash, Jr.
Emeritus James E. Robison Professor of Business Administration, Harvard Graduate School of Business, Boston, Massachusetts. Director since 1997.

Jeffrey R. Immelt
Chairman of the Board and Chief Executive Officer, General Electric Company, Fairfield, Connecticut. Director since 2000. (pictured on page 1)

1 Audit Committee
2 Management Development and Compensation Committee
3 Nominating and Corporate Governance Committee
4 Public Responsibilities Committee
5 Risk Committee
6 Presiding Director
At its heart, the Board believes GE Works is about GE’s most valuable asset: its people. It provides a valuable platform for the Company to talk about its defining culture and to tell the story of the impact our people make around the world. Furthermore, it serves as a powerful reminder that GE works to deliver shareholder value by offering real and sustainable solutions to the world’s toughest problems.

It is a fitting way to talk about the Company, because GE has always taken a long-term view. Through its more than 130-year history, the Company has successfully weathered many economic cycles. GE has done this over and over again by fostering innovation, making smart investments, and, of course, hiring and training disciplined leaders who focus on achieving our long-term strategies.

Developing leaders has always been a hallmark of the Company, reflecting a commitment to meritocracy and a belief that when one person grows and improves, all may grow and improve—that together, we all rise. The collaborative, evolutionary nature of GE’s leadership culture inspires many of our top executives to spend most or all of their careers here. This provides the Company with unparalleled domain expertise; it also creates an environment of loyalty where our leaders are deeply invested in and committed to the Company. Today, GE’s senior management, under the exceptional leadership of Jeff Immelt, is a proven team that we believe is among the best in the world.

Our compensation programs are designed and operate to support our leadership culture and long-term emphasis. They are not formula-driven, nor do we reward our executives for taking outsized risks that produce short-term gains. Instead, with a mix of cash and equity and long- and short-term incentives, we reward our executives’ discipline in consistently making smart decisions over the course of their careers at GE. We particularly value those individuals who have the good judgment and ability to balance risk and return and deliver long-term results for shareowners.

At the same time, we do not ignore annual performance, because we understand that if we don’t turn in good short-term performance, there won’t be a long term. We evaluate annual performance both in terms of executing on long-term strategies and in meeting specific annual objectives. What is critical to note, however, is that because we take the long view, good years do not result in outsized payouts.

Similarly, in off years, compensation appropriately considers the current year’s performance, but also aligns it in the context of long-term performance. Furthermore, we measure executives’ contributions to the Company’s overall performance rather than focusing only on their individual business or function. We reward sustained financial and operating performance and leadership excellence. In short, we use a balanced approach, one that enables us to attract and retain the best people for the Company’s long-term success.

All our investors should know that the directors of GE remain committed to working on your behalf. And we will continue to take seriously our role in ensuring that GE has the right strategies and the right people to help make the world work better.

Sincerely,

Ralph S. Larsen
Presiding Director
February 24, 2012