

GE Innovation driving growth

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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; 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 (Grey Zone); potential financial implications from the Japanese natural disaster; 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; 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; 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.”

“Effective January 1, 2011, we reorganized our segments. We have reclassified prior-period amounts to conform to the current-period’s presentation.”

“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

Leadership in technology

(\$ in billions)

Investment



- ✓ Investment spend increasing ... R&D as % of revenue is declining
- ✓ Global Research Center ... enterprise advantage

Investments to deliver

- Launch big systems
- Fill product gaps
- Grow acquisitions
- Innovation
- Lead in manufacturing technology

Technology is an enterprise advantage

GE Global Research

Market-focused R&D



Global Research Center
Niskayuna, NY



India Technology Center
Bangalore, India



China Technology Center
Shanghai, China



Global Research Europe
Munich, Germany



**Advanced Manufacturing &
Software Technology Center**
Ann Arbor, MI



Global Software Center
Silicon Valley, CA



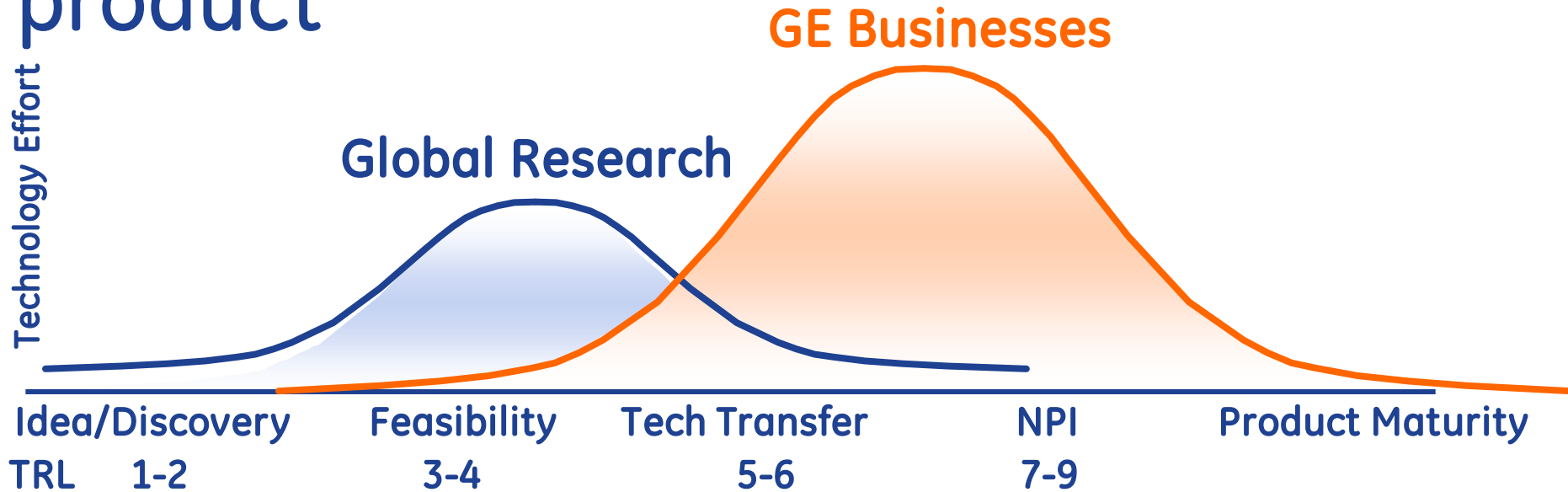
Brazil Technology Center
Rio de Janeiro, Brazil

- ~2000 scientists/engineers, nearly two-thirds PhDs.
- 3,615 US patents filed by GE in 2011
- One of the world's most diversified industrial research organizations, providing innovative technology for all of GE's businesses



Cornerstone of innovation for GE

Rigorous innovation and transition to product



- Common language between Global Research & the businesses
- Plan, manage projects vs Technology Readiness Level (TRL) & Manufacturing Readiness Level (MRL) progression
- Evaluate readiness for business transition

The image features a solid blue background. In the top-left corner, there is a white, abstract, teardrop-shaped graphic element. The text "Innovating differently" is centered in the lower half of the image in a white, sans-serif font.

Innovating differently

Global environment

Materials ... rising costs & supply constraints

Production ... overcapacity in most industries

Labor ... increasing costs in the developing world



Product development ... shorter cycle times, more price points



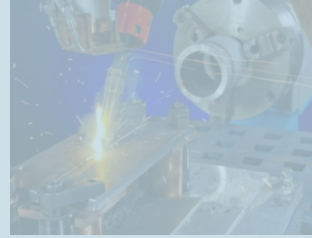
Infusing technology into manufacturing



Carbon Fiber Composites



Novel Casting Technology



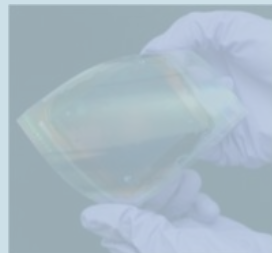
Hybrid Laser Welding



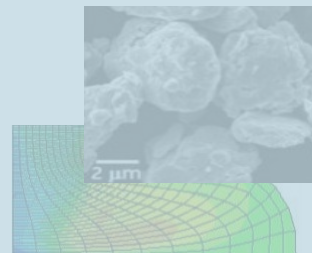
Microwave Brazing



Nano Spray Coatings



Printable Diodes



Magnetic Thermomechanical Processing

2x-7x decrease in material
30-50% increase in yield

Emerging Trends – Additive Manufacturing

Technology
Toolkit:

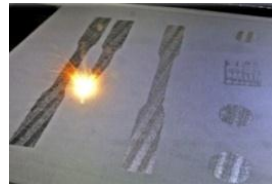
Additive
Design Tools

Machine
Design

Process
Control

Material
Property
Tailoring

Processing
Options:



Laser



Electron-beam



Cold Spray



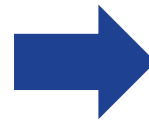
Lithography

Industrial Internet meets manufacturing



90s technology
9 yr. to > 95% yield

Reactive Process Control
 Large Yield Fluctuations
 Crisis-Driven Quality Effort
 Large Effort to get Data



Current technology
9 mo. to > 95% yield

Pro-active Process Control
 Yield Maintenance
 Continuous Quality Improvements
 Instant Data-access & Traceability

Forces shaping the Industrial Internet

GE is a company that builds the machines that make the world work and has access to and deep understanding of the information that can make them work better.

1. Internet

Hyper-connectivity: a living network of machines data and people

Internet of things: more devices tap into the Internet than people on Earth to use them

2. Intelligent Machines

Increasing system intelligence through embedded software

Rise of machines: networked devices overtook the global population in 2011

3. Big Data

Democratization of data

Data overload: 2.5 quintillion bytes of data created every day

4. Analytics

Generating data-driven insights

Enhancing asset performance by detecting & predicting forecasts

Algorithms on installed base

10011010
10101010
10101010
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imagination at work

Value of data

Monitor fleet of ~25,000 engines* ... 3.6MM flight records/month

B777



GE90



=

Data

- ✓ 90,000 flight records analyzed
- ✓ ~200 parameters per flight record
- ✓ ~18MM parameters per month

17 sensors/engine

We know how our engines perform real time

Prognostics

- ✓ Dispatch reliability
- ✓ Preventive maintenance
- ✓ Asset utilization

Prevent failures
= CSA margin

Asset productivity

- ✓ Enhanced service offerings
- ✓ Airline cost structure
- ✓ Fuel performance

↑ airline
productivity

System optimization

- ✓ Time & space management
- ✓ Fuel efficiency
- ✓ Airspace capacity

Room to
grow

- ✓ Drives strong alignment with customers
- ✓ Creates productivity in long-term service agreements
- ✓ Additional revenue streams

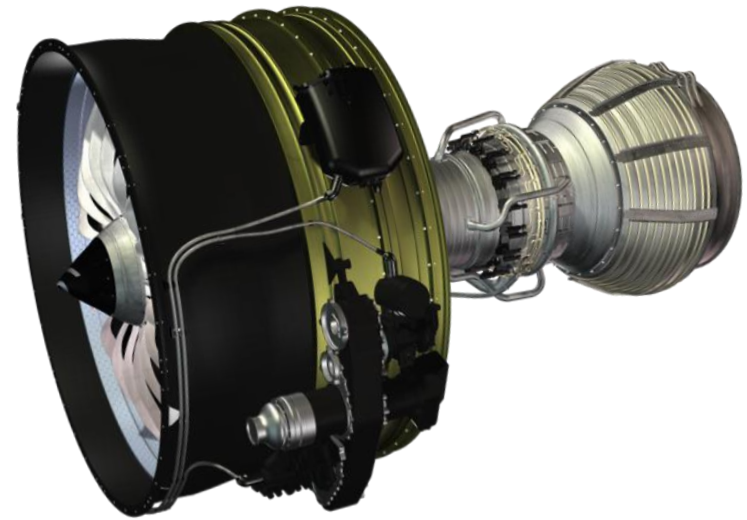


Aviation

CFM LEAP*

15% improved fuel efficiency and NOx 50% below CAEP/6

- Low NOx combustor
- Advanced cooling
- Additive manufacturing (3-D printing)
- Ceramic Matrix Composites (CMCs)



*CFM is a 50/50 JV with SNECMA

Breakthrough technologies for breakthrough performance



Energy R&D

A range of technologies are needed to resolve our energy challenges

Diversity

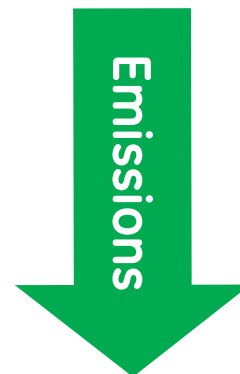


Coal
Gas
Wind
Solar
Geothermal
Biomass
Hydro
Oil
Nuclear



+

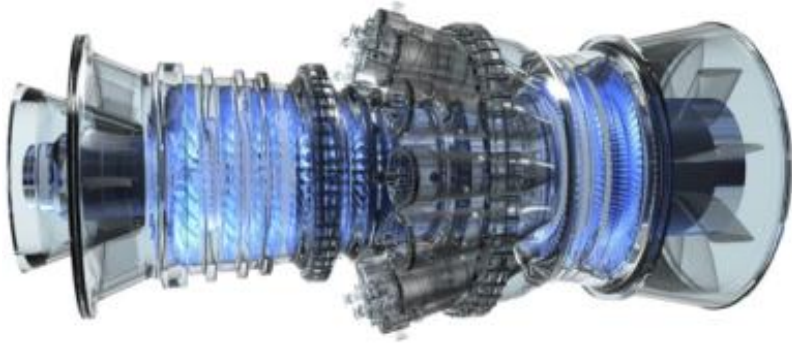
Performance



Driving cost of electricity down

Affordable, reliable & environmentally responsible

More efficient

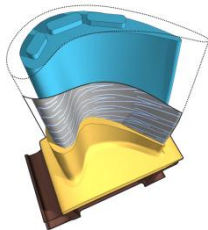


**400 MW Gas Turbines ...
60+% efficiency**



**Distributed Generation
(1-10 MW) ... 70+% efficiency**

Combustion Cooling Materials HPC



- Innovative Fuel Cell- Gas Engine Hybrid cycle
- Eliminate transmission losses
- Ultra low emissions

Gamechangers

More natural gas and oil production

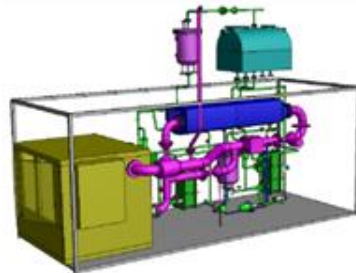


Hydro-fracking

Cleaner air & less traffic

- Diesel to Gas Recip.
- Electric Driven Pump
- Large Power source: Aeroderivatives
- GRC integrating solutions across multiple GE businesses

Water reuse



- Membrane distillation

Better, less costly clean-up



Subsea production

Subsea Transmission

- DC transmission for 80+ km step-out
- 50-100 MW
- Up to 20% reduction in CAPEX

Enabling Technologies

- RM&D
- Flow control
- Production Optimization



10% increase in O&G recovery

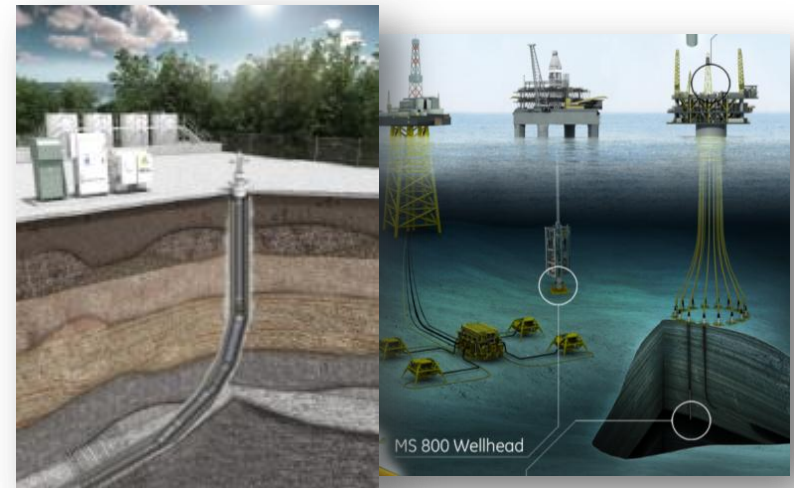
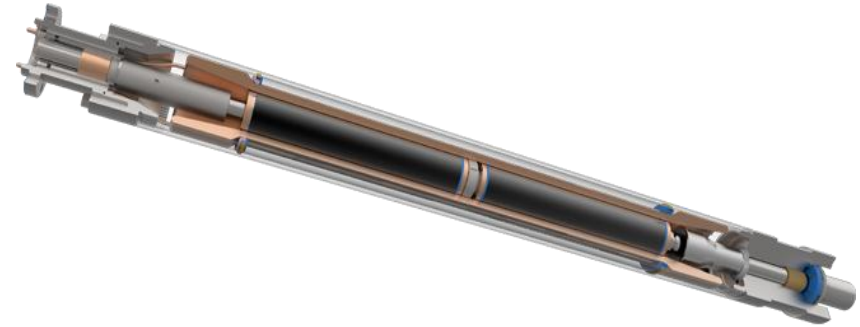
Electric Submersible Pumps (ESPs)

ESPs are used in >60% of global oil production today

New applications (e.g. unconventional oil & gas, subsea, geothermal, mining) demand operation in harsher environments

GE developing new technologies to address the need:

- High Temperature Motor Insulation
- Abrasion & Erosion Resistant Coatings
- Rotordynamics & Bearing Performance
- Monitoring & Diagnostics

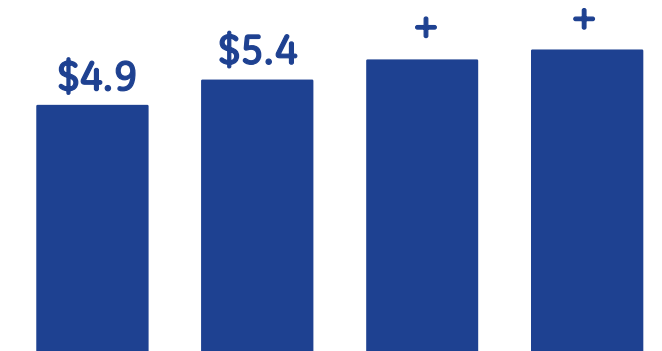


**GE technology delivering new capabilities
to great acquired platform**

Leadership in technology

(\$ in billions)

Investment



	'10	'11	'12E	'13F
% rev.	5.9	5.7	↓	↓

Product launches	'10	'11	'12E	'13F
Product	580	820	880	900+

- ✓ Investment spend increasing ... R&D as % of revenue is declining
- ✓ Global Research Center ... enterprise advantage

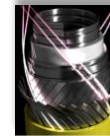
Investments are delivering

Launch big systems



- ✓ 1.6MW wind turbine
- ✓ FlexEfficiency 50
- ✓ CFM LEAP-X
- ✓ Wide-bore MR

Fill product gaps



- ✓ Distributed energy
- ✓ Appliance product refresh
- ✓ 70+ Healthcare NPIs
- ✓ Business jet/turbo props

Grow acquisitions



- ✓ Waukesha mechanical drive
- ✓ Dresser pipeline solutions
- ✓ ESP applications

Innovation



- ✓ Mini-LNG
- ✓ Battery
- ✓ Digital pathology

Lead in manufacturing technology



- ✓ Carbon fiber composites
- ✓ Printable diodes
- ✓ Next gen blades

Technology is an enterprise advantage



imagination at work