

# GE Renewal

## GE Shareowners Meeting April 28, 2010

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 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; 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 GECC does business; the adequacy of our cash flow and earnings and other conditions which may affect our ability to maintain 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.”



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# Presentation

**Operations**

**Keith Sherin (CFO)**

**Strategy**

**Jeff Immelt (CEO)**

# Operations







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- ✓ Last 18 months extremely challenging financial crisis & recession but environment improving
- ✓ GE execution focused on 4 goals
  - Keep GE safe & secure
  - Execute & position Infrastructure businesses to perform through cycle
  - Create financial flexibility
  - Protect our franchise & brand
- ✓ We've improved the company
  - Stronger liquidity position
  - GE Capital more focused
  - Industrial portfolio focused on Infrastructure
- ✓ Performance



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# Environment

	<u>'09 Shareowners Meeting</u>	<u>'10 Shareowners Meeting</u>	<u>'10 trend</u>
U.S. housing – Average house price	~\$129K	~\$136K	
U.S. unemployment	8.6%	9.7%	
Global GDP expectations	(2)%	3%	
Cumulative bank losses	\$1.5T	\$1.8T+	
Bank debt issuance/month	\$2B	\$25B+	
S&P 500 cash balance	\$1.8T	\$2.2T	

**Environment is gradually improving**



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# Our execution on safe and secure is being recognized by the market

## 2009 actions

- ✓ Shrank balance sheet (\$53B<sup>(a)</sup>)
- ✓ Reduced risk in GE Capital
  - Prefunded 100% '09 & '10 long-term debt plan
  - Strengthened capital ratios
- ✓ Dramatically improved liquidity
  - Increased cash by \$24B
  - Reduced commercial paper by \$25B

(a- Capital Finance ending net investment, ex. FX

## GECC 5-year bond spreads



**2009 actions position GECC for successful future**



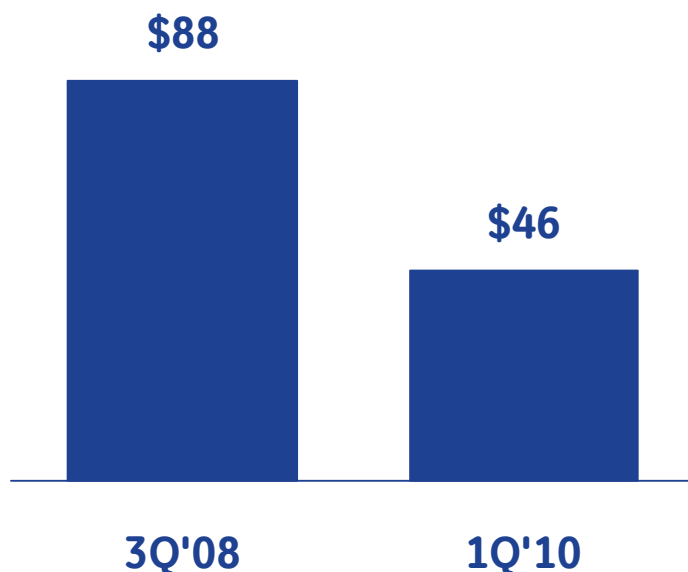
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# We've improved the company – liquidity

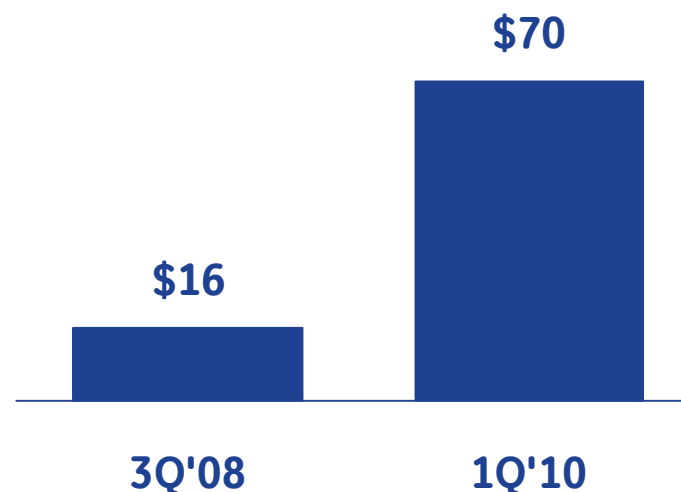
(\$ in billions)

## Lowered short-term debt (GECS Commercial paper)



- ✓ Cash & back-up lines ~2.5X commercial paper

## Raised cash balances



- ✓ Pre-funded 2010 long-term debt needs
- ✓ Exceeded GECC size-reduction target

**Safe & secure**



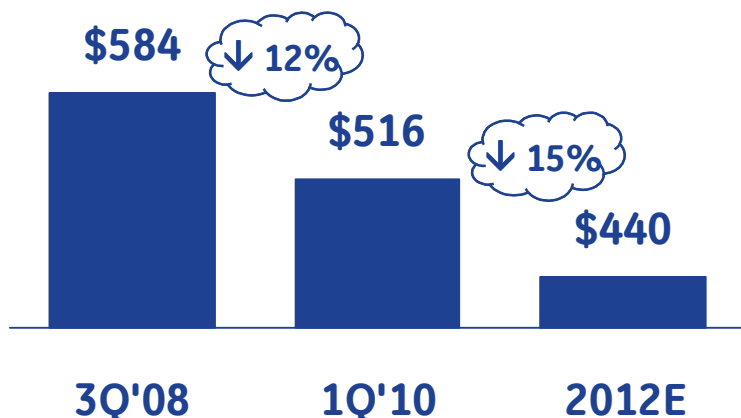
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# We've improved the company – GE Capital

(\$ in billions)

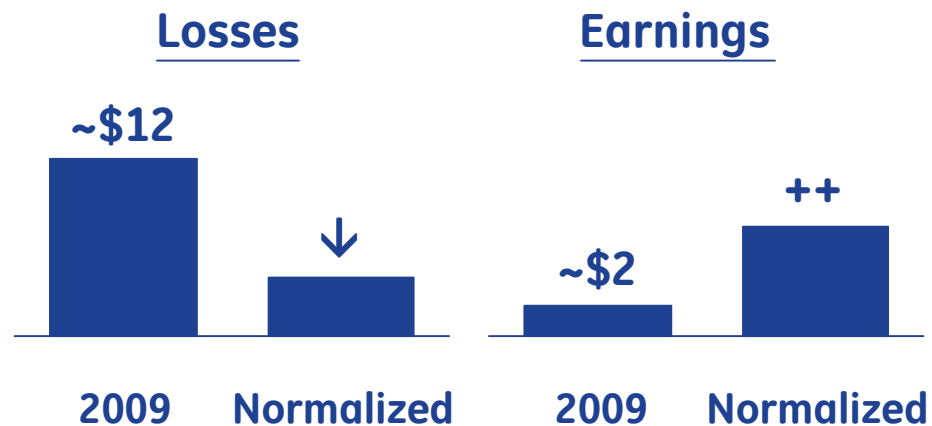
**Smaller, more focused competitor**  
(Ending net investment)<sup>(a)</sup>



**Priorities**

- ✓ Mid-market lending & leasing
- ✓ Financing connected to GE strengths  
... Aviation, Energy & Healthcare

**Earnings snap back**



**Dynamics**

- ✓ Asset quality improving
- ✓ Losses appear to have peaked & earnings will rebound
- ✓ Commercial Real Estate remains tough

(a- Ex. Cash & equivalents)



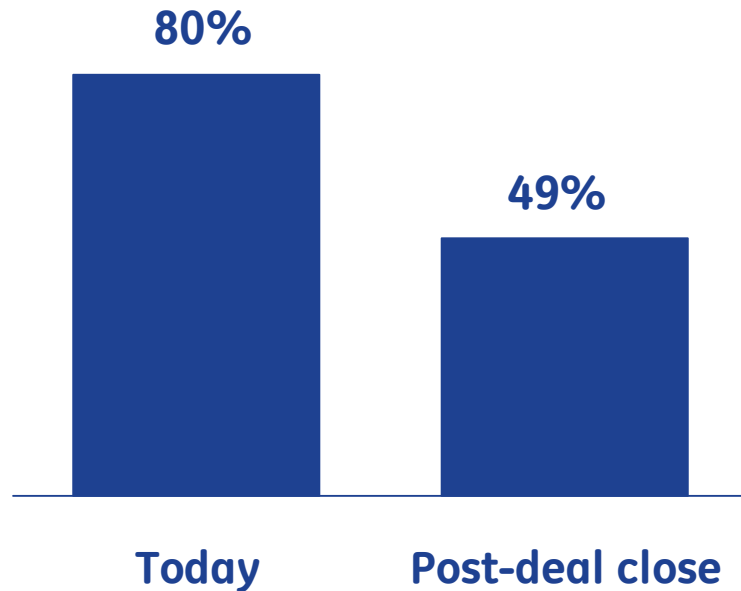
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**GE Capital will be smaller & will generate strong returns for shareowners**

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# We've improved the company – NBCU

## GE ownership



- ✓ 11% annual return over 20 years
- ✓ \$8B cash to GE when deal closes
- ✓ 49% ownership stake valued at ~\$14B

## NBCU & Comcast content = more valuable enterprise



**Right deal at right time for shareowners**



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# Industrial positioned for growth

## Infrastructure Businesses

### Aviation



### Oil & Gas



### Energy



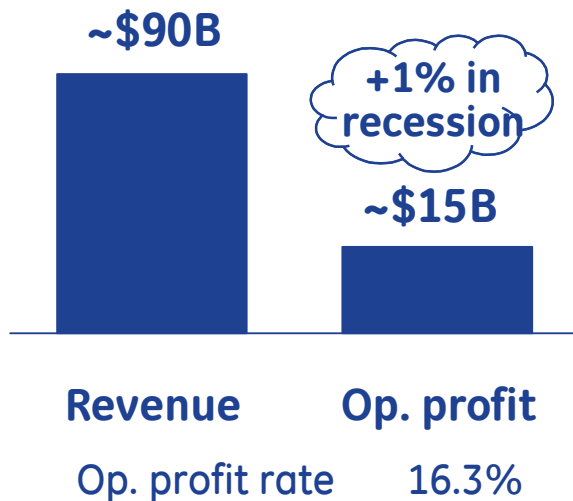
### Transportation



### Healthcare



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



## Competitive advantages

- ✓ Significant investment in R&D, +7%
- ✓ Well positioned in growth markets
- ✓ Large & profitable service position (~70% industrial earnings)
- ✓ Many growth opportunities, world-class margins & cash efficient

(a- Industrial excluding Media)



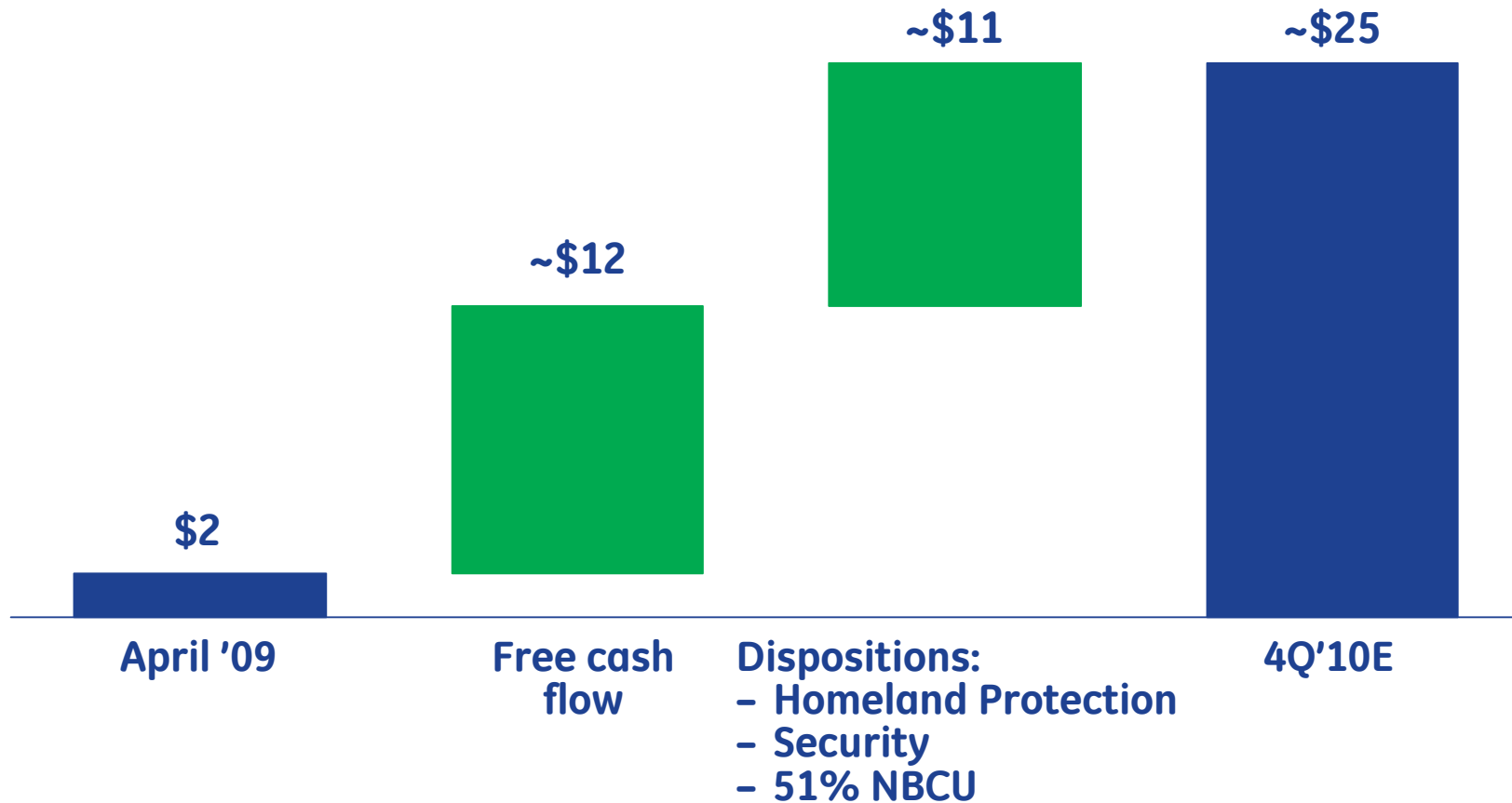
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**World-class franchises**

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# Creating financial flexibility

(\$ in billions – parent cash)



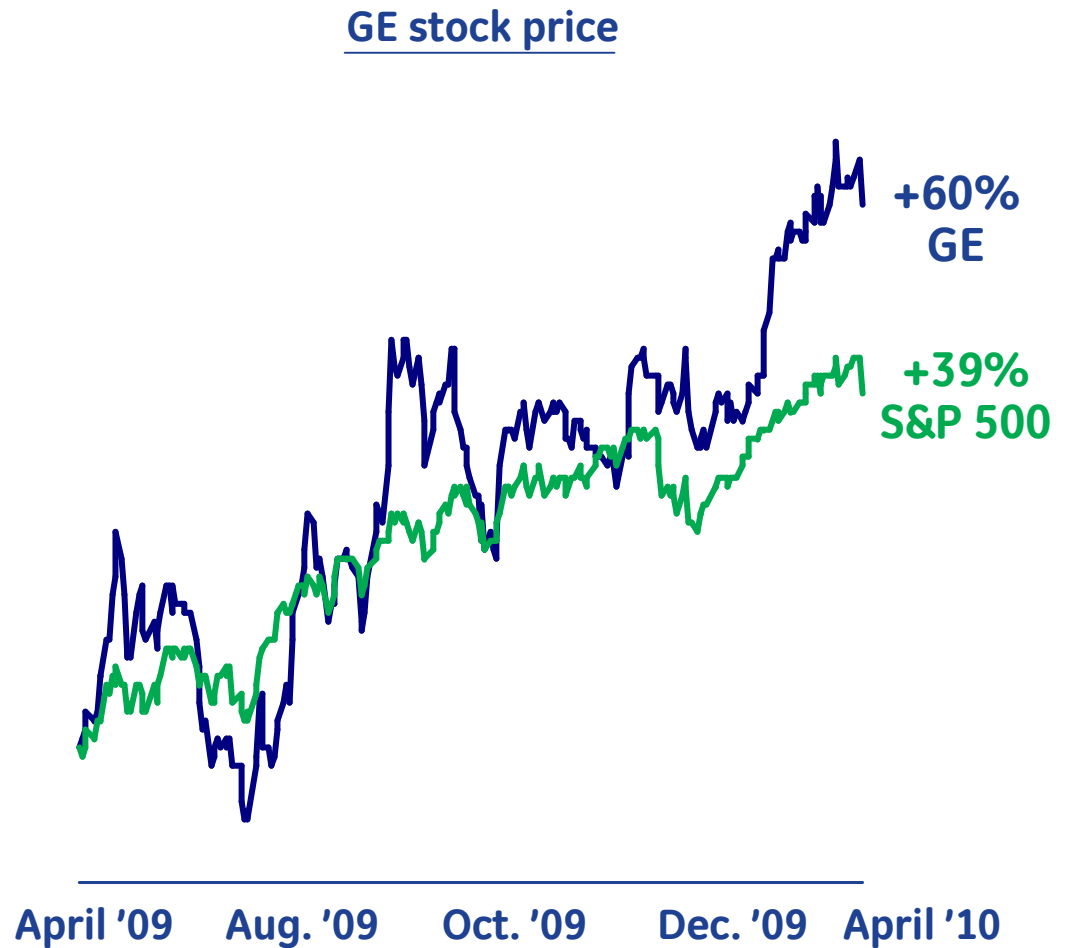
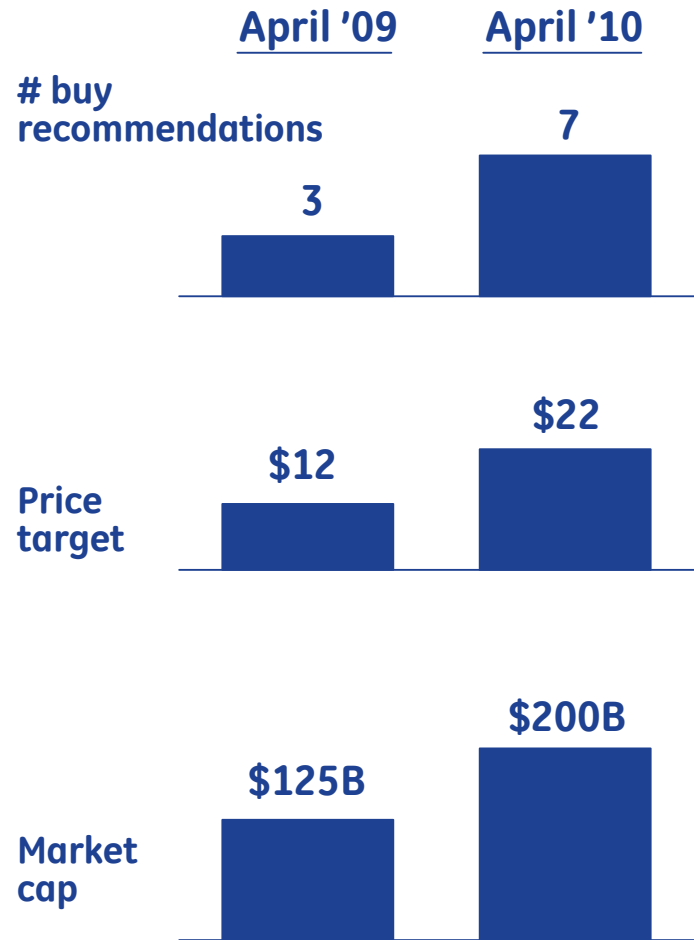
**Solid execution through crisis**



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# And investors are seeing the benefits



**GE team committed to continuing to improve shareowner value**



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# GE renewal



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# Global themes

- ✓ Rebalancing of global economy ... emerging market growth
- ✓ Slower growth developed economies have headwinds
- ✓ Customers desire productivity solutions
- ✓ Scarcity of raw materials ... innovation is required to improve cost and availability
- ✓ Increasing global government regulation & influence
- ✓ Markets are more volatile and change is constant

# The GE renewal

## GE Renewal Model

Simplified portfolio and key actions will create positive results

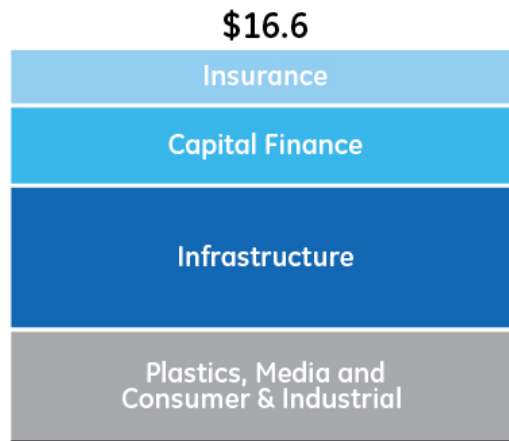


# Portfolio transition

## More Valuable Portfolio

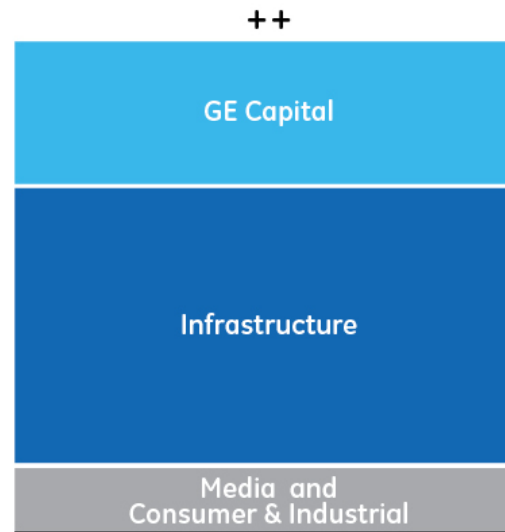
### EARLY DECADE

(In \$ billions, segment profit)



Reduce Risk & Investment

### TODAY



Reposition, Simplify & Invest

### FUTURE



Growth & Value Creation  
(ongoing NBC Universal investment)



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# Profitable + focused GE Capital



## GE Capital helped keep Esmark Steel in the family.

Jim Bowchard says he knew what he wanted to do the day he founded a steel mill with his father at age five. So when Jim called his brother Craig and said, "Let's go build a steel company!" no one was surprised. In 2003, the brothers started Esmark with just two employees, but quickly grew to become the fourth-largest American steel company with over 3,600 employees by 2008. GE Capital stood by the brothers as they expanded their business, providing growth capital during a challenging time. Every day, GE Capital provides critical financing to thousands of companies like the new Esmark, helping support jobs and local economies.

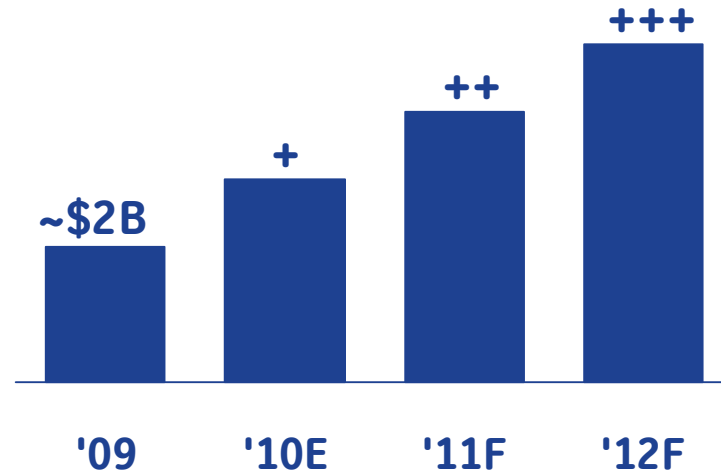
The American Renewal is happening. Right now.



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[gecapital.com](http://gecapital.com)

## A great franchise Significant earnings growth



## Competitive advantage

- + Direct customer relationships
- + Work with small and medium-size businesses to help them grow
- + Hold assets on the GE balance sheet
- + Experts in risk, industry dynamics and asset management

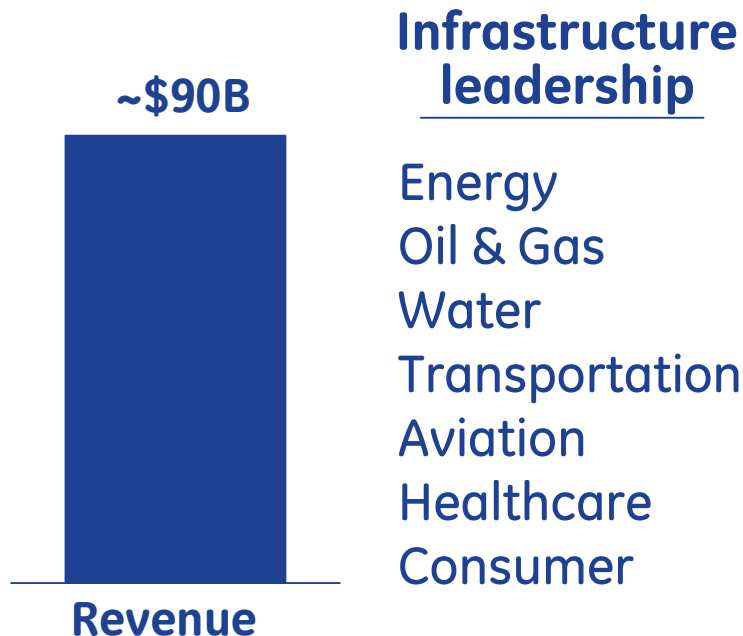


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# Valuable Industrial businesses



- ✓ 20-year growth rate = 10%
- ✓ Three-year growth > S&P Industrials

## **Growth strategies**

- + Build out market adjacencies
- + Lead in technology
- + Expand services
- + Invest in emerging markets

- ✓ **Create valuable growth**
- ✓ **Capitalize on market trends**

# Build out agencies

## Launched last decade

- + Renewable Energy
- + Life Sciences
- + Water
- + Healthcare IT
- + Oil & Gas

~\$20B

2000-2010E

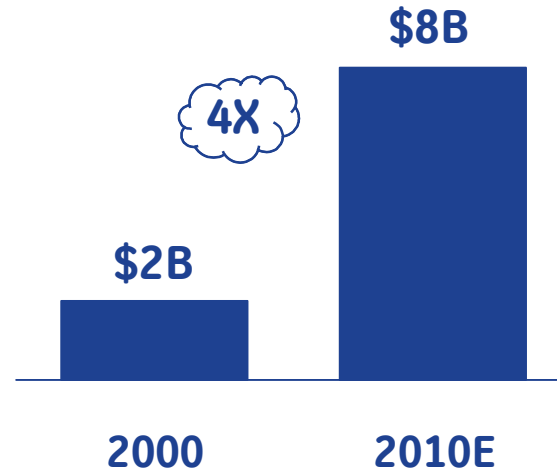
New  
Avionics, Smart  
Grid, home  
health, battery

Constant renewal of  
Industrial growth

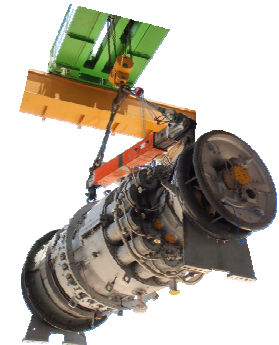
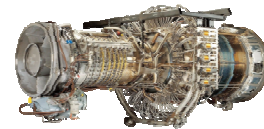


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## Building a growing Oil & Gas franchise



- ✓ A leader in LNG
- ✓ Subsea growth
- ✓ Global position
- ✓ Adding services
- ✓ Great customer partner

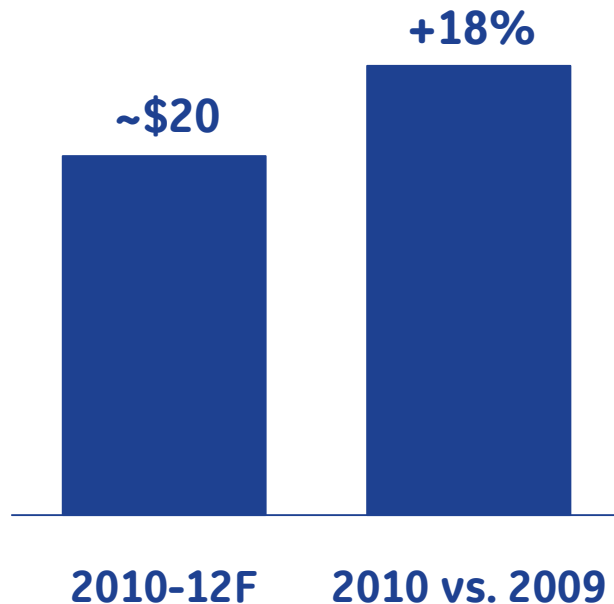


Leadership in a decade ... more to come!

# Lead in technology

(\$ in billions)

## Technology spend



- ✓ 20,000 patents this decade
- ✓ Invest ~5% of revenue in R&D

## Central theme: more products at more price points

- + Accelerate new product development
- + Sustain innovation
- + Partner to build new capability
- + Reverse innovation ... leverage globalization to achieve lower price points

**Drive profitable growth**



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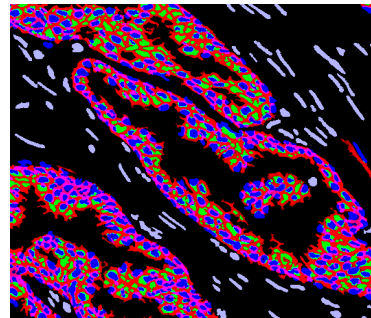
# Growth through technology

## Offshore wind



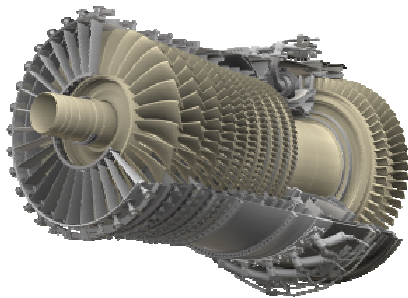
- ✓ Invest in NPI → 3.5MW → 5+MW
- ✓ Create world class project/service organization
- ✓ Target 25% share

## Molecular pathology



- ✓ Multiple biomarker detection in tissues ... morphology & molecular data
- ✓ Understand disease states better ... research & diagnostic potential

## Narrow body jet engine



- ✓ 20% increase in fuel burn efficiency
- ✓ New composites
- ✓ Also use in business jets

## Water reuse



- ✓ Reclaim, treat & reuse industrial waste water
- ✓ Improve water quality & reduce contamination of drinking water sources

**New products from sustained investment**



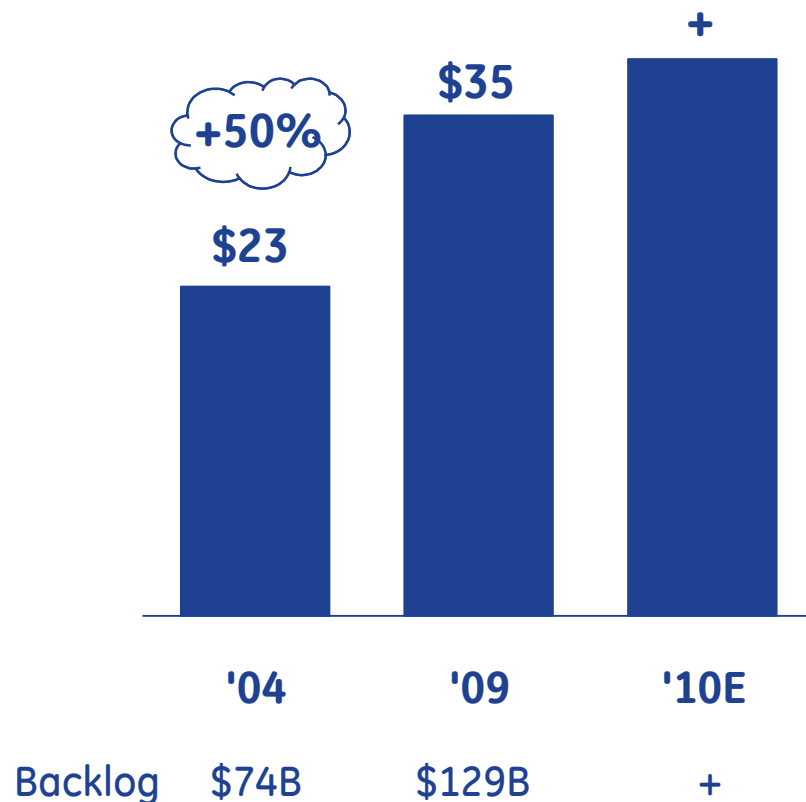
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# Expand services

(\$ in billions)

## Services revenue



## Key initiatives

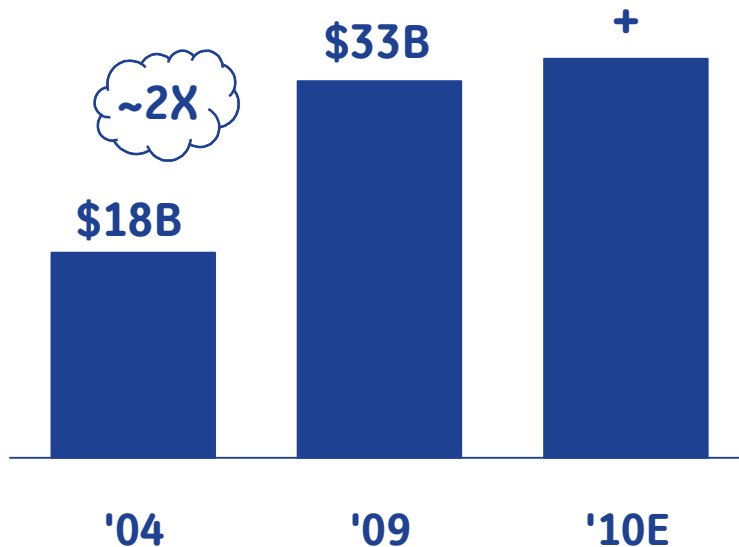
- + Build competitive advantage in service technology
- + Add value to CSA for long-term growth
- + Expand services capability through software
- + Provide customer productivity solutions

**Sustain service revenue growth at 2-3X GDP**

# Invest in emerging markets

(\$ in billions)

## Priority region revenues



- ✓ Resource rich: Middle East, Latin America, Africa, Russia, CIS, Canada, Australia
- ✓ Rising Asia: China, India, SEA

## Key initiatives

- + **Company-to-country strategies** to leverage GE's capabilities
- + **Localize** to gain share
- + **Position** with governments & customers ... a good partner

**Sustain  
revenue growth  
at 2-3X GDP**



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# GE in China

## Energy



## Healthcare



## Locomotives



## Aviation



## Investing in growth

- ✓ Over the next decade, China represents #1 or #2 market in Rail, Energy, Renewables, Aviation, Nuclear, Healthcare, Water and Oil & Gas
- ✓ GE revenue in China ~\$6B in 2009
  - ~40% imported from U.S.
  - High margins comparable to global business
- ✓ Partnering for growth ... AVIC, COMAC, Shenhua Group, CSR
- ✓ Increasing distribution & expanding manufacturing

**An important growth market to GE ... strong match to GE strengths**



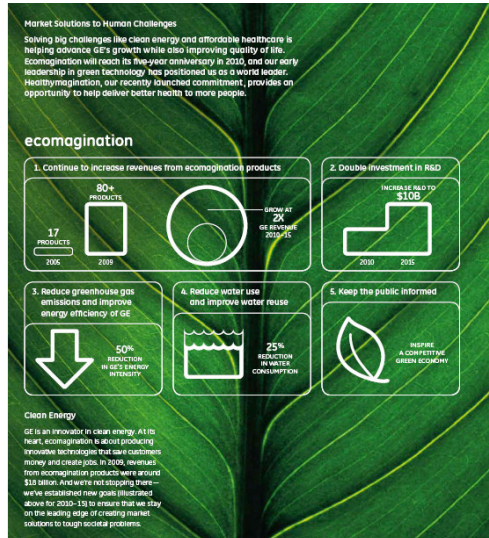
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# Solving tough societal problems

## ecomagination



## healthymagination



“Clean energy”

“Affordable healthcare”

- + Leverages GE's breadth
- + Drives technology and innovation
- + Benefits customers, investors, employees, public

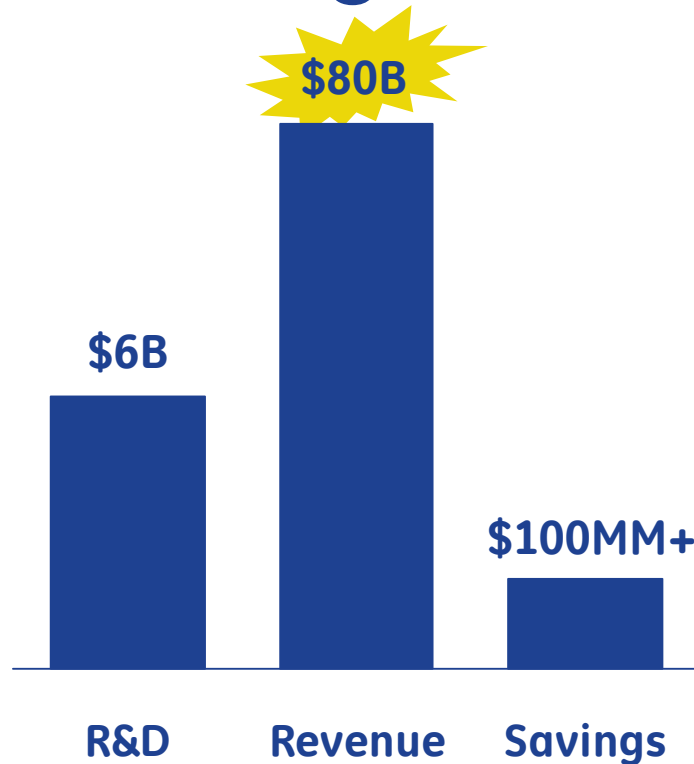


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# ecomagination: 2005-2010



- ✓ 93 products
- ✓ Hundreds of customers

## After 5 years

- ✓ If counted separately, 2009 eco revenues would equal a U.S. Fortune 130 company
- ✓ Eco revenue equals one-eighth of total company revenues
- ✓ Eco revenue growth equals > 2X company average
- ✓ Eco returns are some of GE's strongest
- ✓ Eco equals superior value-creation for GE investors

**ecomagination<sup>SM</sup>**

**A business strategy driving innovation & growth of profitable environmental solutions ... strong returns for shareowners**



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# healthymagination = growth

## V scan



*Handheld imager, redefining the physical exam*

## Brivo MR

**Low cost MR with excellent quality**



*Lifesaving imaging for rural markets*

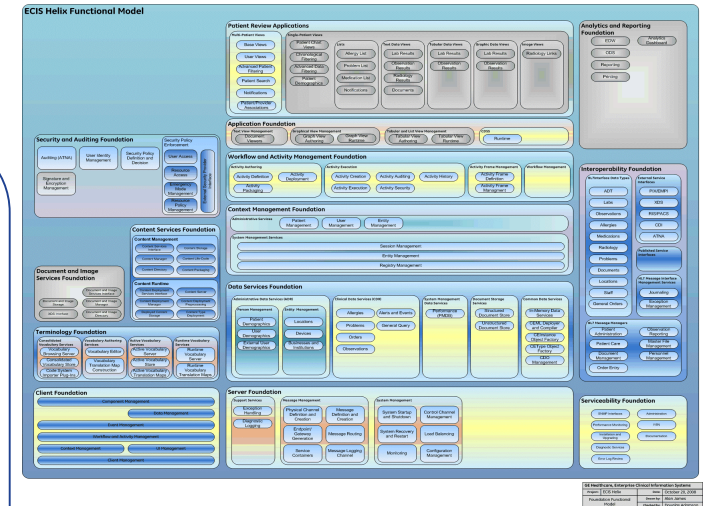
## GE investment

**\$6B**



- ✓ \$3B for 100 innovations
- ✓ \$2B financing
- ✓ \$1B content/services

## Information technology



- ✓ *Real time & evidence based*
- ✓ *Performance solutions*
- ✓ *Delivering important tools for cost, quality and access*

**GE is well positioned for global healthcare initiatives**



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# Energized and accountable team

✓ **Leaner & simpler organization**



Sustained investment in training and retention

✓ **Refresh leadership based on “reset world”**



External focus and better listeners  
Resilient in the face of volatility  
Move with competency and speed  
Inspire by example and vision  
Connect with society

✓ **Align team with investors**



Earnings growth  
Industrial returns

Cash generation  
Smaller GE Capital

**Focused on execution and shareowner value**



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# Lessons from the crisis

- ✓ GE is an industrial company first
- ✓ Simplify the portfolio
- ✓ Sustain excellence in risk, capital allocation and cost
- ✓ Higher cash levels allow us to play offense or defense
- ✓ Long-term reputation is based on innovation, investment and job creation

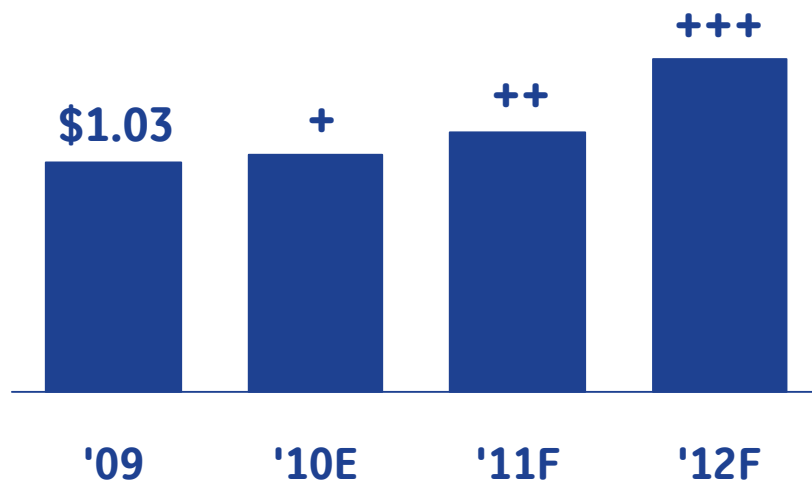
**Remain a tough-minded and optimistic growth company**



# Investor view

## Attractive financial profile

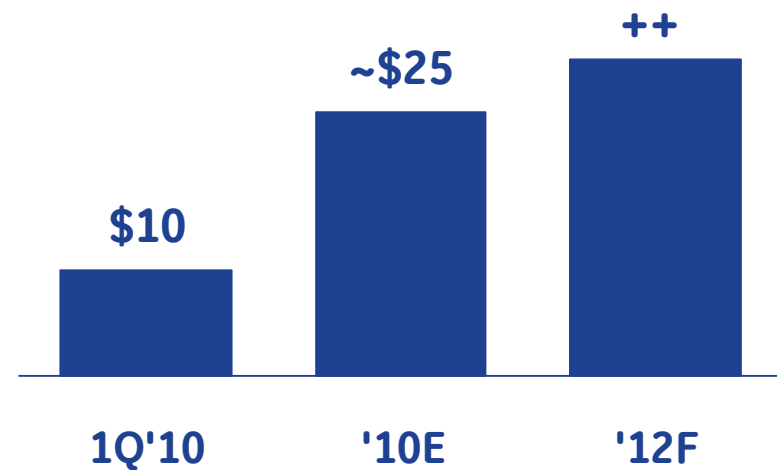
EPS (\$/share)



+

## Financial flexibility

Cash (\$B)



## Increase shareholder value

- 1 Increase the GE dividend
- 2 Opportunity for buyback
- 3 Strategic acquisitions
- 4 Potential for redemption of preferred stock



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# GE renewal

- 1 GE environment continues to improve
- 2 GE business model is performing ... earnings growth for the balance of 2010
  - ✓ Generating substantial cash
- 3 We expect to grow earnings & dividends in 2011 & beyond
- 4 We have positioned the company to capitalize on growth opportunities available in the global economy
- 5 Leadership is creating a more valuable GE