Conference Call Transcript

GE - GE Annual Meeting of Shareowners

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"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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CORPORATE PARTICIPANTS

Jeff Immelt
General Electric Co. - Chairman and CEO

Keith Sherin
General Electric Co. - CFO

PRESENTATION

Jeff Immelt - ***General Electric Co. - Chairman and CEO***

Good morning. Welcome to GE's 2010 Annual Meeting. I'm Jeff Immelt, Chairman of the Board of GE and here with me today are Keith Sherin, our CFO, and Brackett Denniston, our General Counsel.

We have our annual meeting in a GE town where the local business is outperforming and that our shareowners deserve to see. Houston fits that description perfectly. There are 90 languages spoken in Houston, and the one that your team is fluent in is the language of growth. We've got a great experience here and we're really growing quickly. We have about 4,000 terrific employees working for you in Houston in eight GE businesses, and we're proud to show our diverse portfolio back in the room here today. It's a great town for GE and all of our shareowners, and so welcome to all of you.

Yesterday, I was fortunate to be at the Community Health Center along with its Executive Director, Katy Caldwell. Legacy is one of five Houston health centers where a $1.25 million GE grant and GE volunteers' time will help improve primary care access for the underserved. GE volunteers shared 9,000 hours of their time with the Houston community last year, and we hope to do even more in 2010. Yesterday's announcement is a signal that GE believes in this city, its people, and we're here to stay, roll up our sleeves, and get to work.

Over the past two years, Houston and the whole of the United States have navigated through some of the toughest economic -- one of the toughest economic cycles we've ever seen. The global banking system has been challenged. The financial sector will have lost more than $3 trillion since the storm broke. Unemployment right now in this country is 9.7% and reaches still higher in many parts of the world.

Many of our friends and neighbors have lost faith in the principles of free markets and the possibility of wealth and opportunity. They've lost faith in established institutions. It's been as tough as we've seen, but I have good news -- the clouds are breaking and the forecast ahead of us is promising.

In the 2008 and 2009 time period, one that many consider the toughest economic crisis since the Great Depression, your GE Company earned about $30 billion and generated $36 billion of cash, and your Company today is much stronger. In my years, I've been through cycles, but our team has always had as our job one, to ensure the long-term health of the Company. We've always forged a strong path through every economic cycle. We took some tough steps this time, bore on the threshold of a better tomorrow.

I'm advised that this meeting is properly convened, that we have a quorum and that the proposed resolutions set forth in the proxy statement are filed as part of these proceedings. We've received proxies representing over 77% of the approximately 11 billion outstanding shares eligible to vote. The management proxy committee has voted these shares in accordance with shareowner wishes.

It's now my privilege to introduce the members of your Board of Directors who are with us here today. I'm going to ask each director to stand briefly as I introduce them so that you can see who they are, and then I'll ask them to stand again as a group to be recognized.

Sandy Warner, former Chairman of the Board of JPMorgan, a Director since 1992. Sandy is Chairman of the Audit Committee. Roger Penske, Chairman of the Board, Penske Corporation, a Director since 1994. Sam Nunn, former four-term Senator from Georgia, Co-Chairman and Chief Executive Officer of the Nuclear Threat Initiative, a Director since 1997. Sam is Chairman of our Public Responsibilities Committee.

Dr. Jim Cash, the James E. Robison Professor of Business Administration at the Harvard Graduate School of Business, a Director since 1997. Andrea Jung, Chairman of the Board and Chief Executive Officer of Avon Products, a Director since 1998. Ann Fudge, former Chairman and Chief Executive Officer of Young & Rubicam Brands, a Director since 1999.

Shelly Lazarus, Chairman and former Chief Executive Officer, Ogilvy & Mather, a Director since 2000. Shelly is Chairman of the Nominating and Governance Committee. Ralph Larsen, former Chairman and Chief Executive Officer, Johnson & Johnson, a Director since 2002. Ralph is Presiding Director and Chairman of the Management, Development and Compensation Committee.

Dr. Bob Swieringa, Professor of Accounting and former Dean of the SC Johnson Graduate School of Management, Cornell University, a Director since 2002. A.G. Lafley, former Chairman of the Board, President, Chief Executive of Procter & Gamble, a Director since 2002. Bill Castell, former Vice Chairman of GE and now Chairman of the Wellcome Trust, a Director since 2004.

Bob Lane, retired Chairman and former Chief Executive of the Board, Deere & Company, a Director since 2005. Dr. Susan Hockfield, President of MIT, a Director since 2006. Jim Mulva, Chairman, President and CEO, ConocoPhillips, a Director since 2008. And Geoffrey Beattie, President and CEO of the Woodbridge Company Limited. Mr. Beattie has been a Director since 2009.

I'd also like to ask Mike Neal, John Rice, John Krenicki to stand. They're the Vice Chairmen of GE, as is Keith Sherin, who is here at the dais with me. Now, please join me in applauding our Board and Vice Chairmen; they work hard for you every day.

And now to the second item on our agenda, our report on Company operations. With me here today is Keith Sherin. Keith is going to go through an update on operations and then I will do an update on strategy. So, let's move on to that discussion, and Keith, lead the way.

Keith Sherin - ***General Electric Co. - CFO***

Thank you, Jeff, and welcome, everybody, to our 2010 Annual Meeting. I'm going to give you a quick update on operations of the Company over the last year and some of the topics I'll cover, a little update on the environment, the economic environment. The financial crisis and the recession have been extremely challenging, but we're seeing signs of improvement, which are very encouraging.

In the last year, we had four key goals for the leadership team. Number one was to keep GE safe and secure; I'll give you an update on that. We want to make sure that we continue to invest in our infrastructure businesses to position them for growth as we go forward, and both Jeff and I will talk about that. We've spent a lot of time creating financial flexibility in the operations of the team, and I'll show you an update on that. And really, we want to make sure we protected the GE franchise and the brand, and you'll hear a lot more about that this morning between Jeff and I.

And along the way, through the crisis and the recession, we've dramatically improved the Company in a couple of ways, and I wanted to highlight this morning three areas -- number one is liquidity, number two is GE Capital and number three is our industrial portfolio, and I'll give you examples of that. And then finally, I'm going to wrap up with our performance and how has the Company been doing.

So, in terms of the economy and the environment, here's a snapshot of some of the key economic indicators that we monitor. And you can see last year at the annual meeting where were we and this year, where are we? Some of the most important indicators have stabilized, and that's helpful. US housing, so important to the economy, house prices have stabilized. Unemployment has stabilized. Even though the problem is still at too high a level at 9.7%, at least it's not still going up and that's good news. And the cumulative bank losses have stabilized, but still at a staggering number and they've had an incredible toll on the capital markets.

A few of the real bright spots, global growth has really turned around. We went from a negative growth last year globally to a positive estimate of growth this year of 3%, driven by the developing markets and GE is participating in that. The bank debt issuance per month is up dramatically, and what that means is the capital markets are better. And we're still dealing with pressures in the sovereign debt of countries like Greece and Portugal, and we're going to have to work through some more issues. But the capital markets are far better for not only financial companies, but also industrial companies.

And finally, companies have done a good job deleveraging. They've reduced the risk in their enterprise by lowering their debt and raising more cash, and that's going to provide a lot of growth opportunities in the future. So, I think the environment is clearly getting better, and over the last year, we see quite a few signs across our businesses.

Goal number one last year was to keep the Company safe and secure, and we took some dramatic steps. We shrank the balance sheet, primarily at GE Capital, over $50 billion. Mike Neal and his team collected more from our customers on what they owed us than we originated in new business, and that made the Company less risky because we didn't need as much debt.

We reduced the risk in GE Capital by pre-funding our debt needs. So, we borrowed the money in advance of when we needed it. We borrowed all of 2009 needs in advance and we borrowed 2010's needs in advance. And now, we're borrowing 2011 needs in advance, and it's just a safer way to run the Company. And we've dramatically improved our liquidity. I'll show you that on the next page.

And on the right side, you can see the market recognizes the actions the teams have taken. These are the amount of additional interest you pay over the LIBOR benchmark rate, and it spiked at almost 900 basis points over the LIBOR back in the first quarter of last year. And today, we're borrowing money five-year debt at GE Capital at about 100 basis points over LIBOR. We can borrow very competitively at those rates and lend on to customers and then earn a good return for our shareholders. So, the market's clearly recognizing the actions we've taken around safe and secure.

I mentioned we've improved the Company. The first area is liquidity. Two simple indicators of that are one, how much short-term debt do you have, which exposes you to variation and fluctuations, turmoil in the capital markets. Our short-term debt is called commercial paper, and we lowered that debt from back in the third quarter of 2008 down to -- from $88 billion, almost cut it in half. And today, we've got $46 billion of commercial paper. Our cash that we keep in the bank plus our bank backup lines are more than 2.5 times the exposure we have to our short-term commercial paper, so we're far safer here.

And on the right side, we've dramatically changed the liquidity profile of the Company by raising cash and keeping cash and making the Company safe. In the third quarter of 2008, we had $16 billion in the total system of GE of cash in the bank, and today we closed the first quarter with $70 billion of cash in the bank. So, we continue to pre-fund our debt needs and we're continuing to shrink GE Capital to keep the Company safe and secure.

The second area that we've spent a tremendous amount of time on to improve the Companies in GE Capital, and I know many of you are interested in the results of GE Capital. On the left side, we've committed to make it a smaller, more focused competitor. You can see that from the third quarter of 2008 'til the end of the first quarter, we shrunk GE Capital by 12%.

Again, we're prioritizing where we put our capital, we're collecting more than we're originating, and we're moving out of the some of the riskier areas. And we have a goal that by the end of 2012, we'll be down to $440 billion. And by shrinking GE Capital, that means we need to borrow less in the capital markets and people think that's safer and then we'll be able to borrow at lower rates and be more competitive and create better returns.

We've also prioritized where we're going to allocate the capital. We're committed to middle-market lending and leasing. We have a fantastic set of franchises that lend money to small and medium enterprises, and they can grow their business and create returns for their shareholders based on the capital that we give them. And we're also committed to things connected to GE, so aviation financial services, energy financial services, healthcare financial services -- these are the priorities for Mike and his team as we continue to invest in GE Capital going forward.

On the right side, we've had a really challenging time in this financial crisis and the recession because our losses, the amount we have to write off on our receivables, has been very high. In 2009, we wrote off about $12 billion. You see that in a more normal year, that's going to come down dramatically, probably to about a third of the level in a normal year from what it is in 2009, and we've already seen it start to turn.

Our asset quality is better. So, people who owe us money, the past due receivables are down. Our non-earning assets are down. Our losses appear to have peaked, and as those losses peak and decline, we're going to generate a lot of earnings in GE Capital. There's going to be a real snap-back.

We earned about $2 billion in 2009 and we're going to earn a lot of money as we go forward as these losses come down. Without having to reinvest in any new places or enter any new businesses, GE Capital will be more profitable -- significantly more profitable in the near future. So, it's going to be smaller, it's going to be more focused, but it's going to earn excellent returns for you, our investors.

The third area I want to talk about improving the Company is the industrial portfolio. As you know, we made an agreement with Comcast to sell a majority stake in NBC Universal. We announced that last December, and we're working through the regulatory process. We expect that to close in 2010, the end of the year. We're going to go from today where we own 80% of NBC Universal -- when the Comcast deal closes, we'll own 49%. We're taking all of our NBC Universal businesses and we're combining them with Comcast's content businesses, their cable franchises, and their sports networks, and we'll have a bigger enterprise that we'll own 49% of.

When we close the deal, we'll get $8 billion after taxes and after deal fees, and we'll own 49% of the larger new enterprise. And that stake is going to be worth somewhere around $14 billion and over the next several years, we'll be able to monetize that stake and put that money back in the Company and invest back in infrastructure. So, NBC's been a very good investment for the Company. Over 20 years, we've earned about 11%

return. But this is the right deal at the right time. It simplifies our portfolio, it allows us to really focus on infrastructure, and it allows us to redeploy capital out of media and into the core of GE.

And that core are these industrial businesses. We have fantastic franchises -- aviation, oil and gas, energy, transportation, and healthcare. You saw some of the exhibits out in the lobby; I know many of you work in those businesses. $90 billion of revenue in these businesses last year. They earned $15 billion of pretax margin, and even in the recession they grew their earnings by 1%. We've got great profitability.

We continue to increase our investments in R&D. We have a tremendous global set of businesses and we have a terrific service franchise. And Jeff's going to talk a lot more about what we're doing to grow these businesses in the future, but our industrial businesses are world class and redeploying that capital out of media into these businesses is going to be good for shareholders.

We spent a lot of time making the Company safer, more secure, and one of the outcomes of that is we created more financial flexibility. We ended the first quarter of last year with about $2 billion of cash at last year's shareholder meeting. We're a very capital-efficient Company, so our businesses generate net income. That income is collected in the form of cash and we paid our dividend. We invested in plant equipment and even after doing that, our estimate is that by the end of this year, we're going to have $12 billion of free cash flow that will go into the bank balances.

In addition, we're going to have $11 billion from the dispositions. We've already got $3 billion of that from the dispositions of our security business and then we'll have $8 billion from the disposition of NBC. So, our estimate is we're going to end 2010 with $25 billion of cash, and that's going to create a lot of opportunities for us in capital allocation, and Jeff's going to show you what we're planning on doing with that and what our priorities are.

And finally, what's the performance been? If you go from last year's shareholder meeting to today, the sell-side analysts are right about the Company, have improved their outlook on the Company. We've gone from having three analysts who had a buy recommendation last year, or a strong buy at a seven, and we've gone from a target price by those analysts who are right about the Company of $12.00 to $22.00.

And the market cap of the Company as the stocks appreciate has gone from $125 billion to $200 billion as of last night. So, over the last 12 months the stock's up 60%. It's more than 50% greater than the S&P 500 performance over that time, and the GE team is committed to continuing to improve the shareholder value.

And with that, I'd like to turn it over to Jeff and he's going to talk to you about how we're going to do that. Thank you.

Jeff Immelt *- General Electric Co. - Chairman and CEO*

Great, Keith, thanks. And what I want to do is kind of give you a view of the future and what are some of the big themes that we're investing in and how we want to position the Company for future growth.

It's always good to look at some of the big themes -- could you go to the next slide, please -- that are going on around the world, because a lot has happened in the last 18 months. And what we say is that the emerging markets are looking quite strong. In the developed world, there's some real headwinds in most of the developed world that have to do with debt and unemployment.

Our customers really desire productivity solutions with relatively high raw material costs. There's a real focus on resource conservation, and so that's very important for the long-term growth of the Company. Really, if you look around the world, from Washington to Brussels to Beijing, more active government influence and control in the markets today that we have to respond to, and the markets are volatile and ever-changing.

And so, these are some of the big, what I would call investible themes that really shape how we think about the Company. If you have your interim report, we really talked about coming through this crisis with a simpler and more focused portfolio, really, infrastructure and financial services, some key initiatives around big solutions and long-term growth initiatives that are really important.

And achieving, again, for investors, an attractive financial profile of earnings growth coming out of the recession. And with what Keith said, a lot of cash, a lot of cash that's available to invest and grow the Company in the future, and this is kind of the way we marched through the process coming out of the tough economy and position the Company for the future.

GE has always been about change in the portfolio, and this just kind of gives you a 10-year look of where we started maybe 10 years ago in 2000 and where we are today, and I'd say we've dramatically simplified the Company around infrastructure and financial services.

Financial services, which was 50% of our earnings in 2000, is more like 30% -- 25% to 30% today. We've exited businesses where we didn't think had sufficient growth or where we didn't have competitive advantage. We've reinvested in the businesses that we thought had the longer-term growth like energy, oil and gas, and healthcare. And so, I'd say we've really created a more valuable set of businesses that can really confront and face where we're going in the future.

GE Capital is an important part. I think Keith went through what it means and what it took to keep the Company safe and secure, but the point I'd make is that this is a good franchise that's got a good position as we look forward in the future. On the left-hand side, you just see a typical customer. The earnings growth will be substantial in the next few years as losses come down and even with the smaller balance sheet, this business is very well positioned.

But I think what's important for our investors to realize about GE Capital right now is just the business model. We have 8,000 originators. They get up every day and they go out and call on small and medium-size businesses in the US. We provide capital for these businesses to compete and grow. We hold these loans on our balance sheet, we hold them to term. We work with our customers to make them more productive.

We have a customer-focused lending model that is competitively advantaged versus banks and others in this time period. And the notion of this financial service business having value added through GE, I think, is going to be more pronounced in the future even than it was in the past.

The heart is our, really, industrial and infrastructure business, about $90 billion in revenue in big markets -- energy, oil and gas, water, aviation, healthcare. These are core businesses, the consumer business. This set of businesses over the last 20 years has grown at about 10% a year. Even during the down cycle, they outperformed their peers in the S&P industrial mix.

And basically, what we try to do with these businesses is four things. We're constantly trying to launch what we call adjacencies, which are new businesses that can leverage the core competency and capability we have in our core businesses. We invest in technology. GE is one of the largest funders of research and development in technology in the world.

We have a great service business, so we work with our customers to make them more productive, and we continue to globalize the business, so GE is one of the leading companies in almost every market around the world. And by doing these four things, we think we can keep these businesses more profitable and continue to grow them into the future.

There are about five businesses that created $20 billion of new growth in the last decade -- renewable energy, oil and gas, healthcare, information technology, water, life sciences. We weren't in these businesses 10 years ago, and now we have about $20 billion in revenue across these businesses. And a Company like GE has to constantly be planting new seeds for growth.

The right-hand side just gives you our local business here in Houston. 10 years ago, we had a $2 billion oil and gas business. That business has quadrupled in the last decade. It's got more growth ahead. It can fully capitalize on everything GE has to offer. And so, our ability to pick new businesses to invest in, our ability to take capital from NBC Universal that Keith talked about and reinvest that capital into new growth ideas each and every decade, that's what's critical to keeping the Company moving forward and that's something that we very much value.

Technology is critical for the Company. We are one of the largest funders of research and development. We spend about 5% of our revenue back into technology. You see some of that back in the room there today. It's the way that we can compete with Chinese companies, Indian companies, companies at every corner of the world. We're actually increasing our research and development this year by 18% and we've got a full pipeline of new products that can solve customers' problems, lower price points that are able to drive new innovation. And so, technology and the ability to drive technology is very much in the GE core.

I showed you just four examples, but I could show you dozens of examples of the kinds of technologies we innovate. Offshore wind is an example of a new business that we're launching this year. This has the potential to be $3 billion to $5 billion in a relatively short order. Most of the business is outside the United States. A lot of the design and engineering is inside the United States, so this is critical for growth.

Molecular pathology is a business that we have a partnership with Eli Lilly. This allows drug companies to test drugs that they have in their pipeline that are cancer drugs or heart drugs and see how they're working earlier so they can be more effective in their drug pipeline. The lower left is a narrow-body engine. This will go into the next generation of 737s that you fly around the country every day or the Airbus A320. This has got great fuel efficiency and will position us for future growth.

And then, water reuse. Water is scarce in most parts of the world. This is a big initiative in a state like Texas, but it equally -- having industrial water reuse is important in a country like China. So, our ability to continue to grow the technology footprint of the Company is very important for the future.

Services, our ability to work with our customers to make them more productive. In our installed base, this is where about 70% of the Company's profitability is. We have $130 billion of backlog. So, we really have years ahead of good profitable growth based on being on the same side as the customer with high margin, high cash generating service business.

And here, again, we invest in technology and we try to offer value solutions to our customers and software and productivity. But from an investor standpoint, there's probably nothing we would show you that's more valuable than just this great installed base of technology, the way we interface and work with our customers, and we think this, again, positions us well for the future.

And then, the GE I joined in 1982 had $24 billion in revenue. That was the total size of GE 28 years ago. In 2009, we had $33 billion, we were 50% bigger than the year I joined, just in the emerging markets -- just in China, India, the Middle East, Africa, Brazil. This is the future for a Company like GE.

And where we have to make sure we're investing -- we're the country's biggest exporter. We're an $18 billion exporter, so we can make things here, we can sell them around the world. But this is important for investors, because there's going to be a 1 billion new consumers in these emerging markets over the next five years, and so companies like GE, like your Company, have to be very good here. So, we have great Company-to-country strategies. We localize the gain share. We position with important governments and partners as we globalize and this is really important for our future.

You read a lot about China. GE has about a $6 billion business in China. 40% of it's imported from the US, so we're a net exporter to China. In the next decade in every business we're in, China is either going to be the biggest or the second biggest customer in the world.

I just give you a statistic in healthcare. The Chinese government is going to invest almost $300 billion to modernize their healthcare business in the next five years, $300 billion. And so, our healthcare business in China crossed $1 billion in China for the first time last year, and that's where the growth will be and very important for us that we are quite good in places like China.

We position the Company around solutions, and there's two important solutions-oriented businesses that are really key going forward. One is clean energy, which will be very important to drive energy security and low costs and job creation over time, and the other one is affordable healthcare. And we think these two big themes, these two big solutions are really what helped create the GE brand, will help us drive innovation, are very important for the future.

Five years ago, we launched an initiative called Ecomagination, which was really around the thesis that through innovation, we could create jobs, we could create new technology, and we could help drive solutions in the clean energy space. And in five years, we will have invested about $6 billion in R&D, we will have generated cumulatively $80 billion in revenue over the last five years, and we will have saved $100 million inside GE.

So, just this initiative alone would be a Fortune 130 Company. It's grown at twice the growth rate of the Company during this time period. Some of our business returns and margin returns are the strongest, and it's really been a great value creation initiative for the Company as we look forward. And we have more than 90 products. These include nuclear power generators, wind turbines, super-efficient locomotives, and it's really allowed us to build competitive advantage in technology inside the Company.

Similarly in healthcare, the key is cost, quality, and access. We're investing $6 billion in R&D in the next four or five years around healthcare cost, quality, and access. On the left-hand side of the chart is a handheld ultrasound. This will become, really, we think, the new standard of care for general practitioners and primary care physicians around the world.

On the lower left is an MR scanner that's going to be introduced at a substantially lower price point than some of the other MR scanners around the world, so establish, I think, good growth opportunities for the future. On the right-hand side is just GE's presence in information technology, clinical decision support. Information technology is going to be an incredibly important driver in long-term cost and quality in healthcare, and GE plans to be one of the leaders as we innovate and grow into the future.

We continue to invest in our great team. Over the last year, we've invested $1 billion in training in a simpler and leaner organization. We continue to learn from other people in terms of what the best-in-class leaders are doing and what leadership lessons we can learn coming through the crisis

-- things like external focus, resiliency, the ability to move with competency and speed, connect with society. I mean, there's some important leadership traits that we are -- have instilled and are instilling inside the Company.

And from a management standpoint, there are four key metrics that your senior leaders are going to be measured on in the next three years -- cumulative earnings per share growth, cumulative cash flow, the right size for GE Capital, and industrial return on total capital. So, these are the metrics that are most frequently mentioned by our investors, and the management team is completely aligned with investors as we look at this and look at the future.

It's always good to reflect and look back and say, "What did we learned?" As we went through the last 24 months as a Company, there's a couple of things that I think will be part of the Company going forward or that we've emphasized as we go forward in the Company. First and foremost, I think, we're an industrial Company first. We are, as I said, excited about the growth for GE Capital, but again, it's going to be a smaller percentage of the Company's earnings as we go forward.

A simpler Company, particularly in volatile times, as we focus the portfolio and allocate capital for media and the infrastructure. Just a simple focus on infrastructure and financial services, we think is really going to be critically important as we go forward. A long-term focus on risk and capital allocation and cost. Our supply chain teams, our manufacturing teams did a great job as we came through the cycle, and those practices we think will help us as we go forward.

Just having a lot of cash. $25 billion of cash, as Keith talked about, gives us the ability to play offense and defense as you go through a crisis like this. And in the end, the Company has to stand for innovation, technology, appropriate risk-taking, and those are the things that I think come together. And our optimism and willingness to invest in growth, that ultimately is what creates jobs inside GE and inside this country, and that's what we have to make sure that we stand for and continue to grow. So, we learned a lot coming through the crisis. We think it's a better Company and we're excited about the future.

So, what's in it for you? I think there's a couple of great catalysts for our investors as we sit here today. The first one is just simple. It's the earnings snapping back, coming through the crisis. We see good solid earnings growth through the balance of this year into '11 and '12. GE Capital drives a lot of that, but we also see improving prospects for our industrial businesses.

So, I think you could look out over a couple of years in the environment we see today and see some decent performance on the earnings growth side. You match with that probably more free cash than we've had as a Company in decades, so that gives us a lot of optionality about how to invest, where to invest.

And the combination of solid earnings growth and lots of free cash flow really gives us lots of opportunities to increase shareholder value. We've already said that we're going to increase the dividend in-line with earnings as you look out in the future. And as that, on the left, takes place, your dividends come right along with that.

We've got opportunities on buying back stock, if we choose to, over time. And we've always, I think, done a good job of being stewards of capital to do strategic acquisitions, and we think that offers opportunities as we go forward in the future. So, I think the point I'd make as we sit here today in Houston is that there's lots of tailwind from the Company from a value creation standpoint through earnings and cash flow, and we feel very positive and optimistic about where the Company is positioned today.

So, just to wrap up, our environment continues to improve. The business model, particularly GE Capital, is looking better. We're generating substantial cash. We've got an opportunity to grow dividends and earnings in 2011 and beyond. I think we've taken the right steps to position the Company and in the process we're creating a more valuable GE.