

# GE Global Growth & Operations

Investor Meeting  
March 7, 2012



## 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](http://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.”

# Today's agenda

## Overview and strategy

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John Rice

## Global footprint – investing in growth markets

- Latin America
- China
- Australia & New Zealand
- Middle East, North Africa & Turkey
- Sub-Saharan Africa

Reinaldo Garcia

Mark Hutchinson

Steve Sargent

Khozema Shipchandler

Jay Ireland

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## Summary & total Company update

John Rice

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## Q&A

# GE Global Growth & Operations

John Rice

Vice Chairman, GE

President & CEO, GE Global Growth & Operations



imagination at work

# Key messages you'll hear today ...

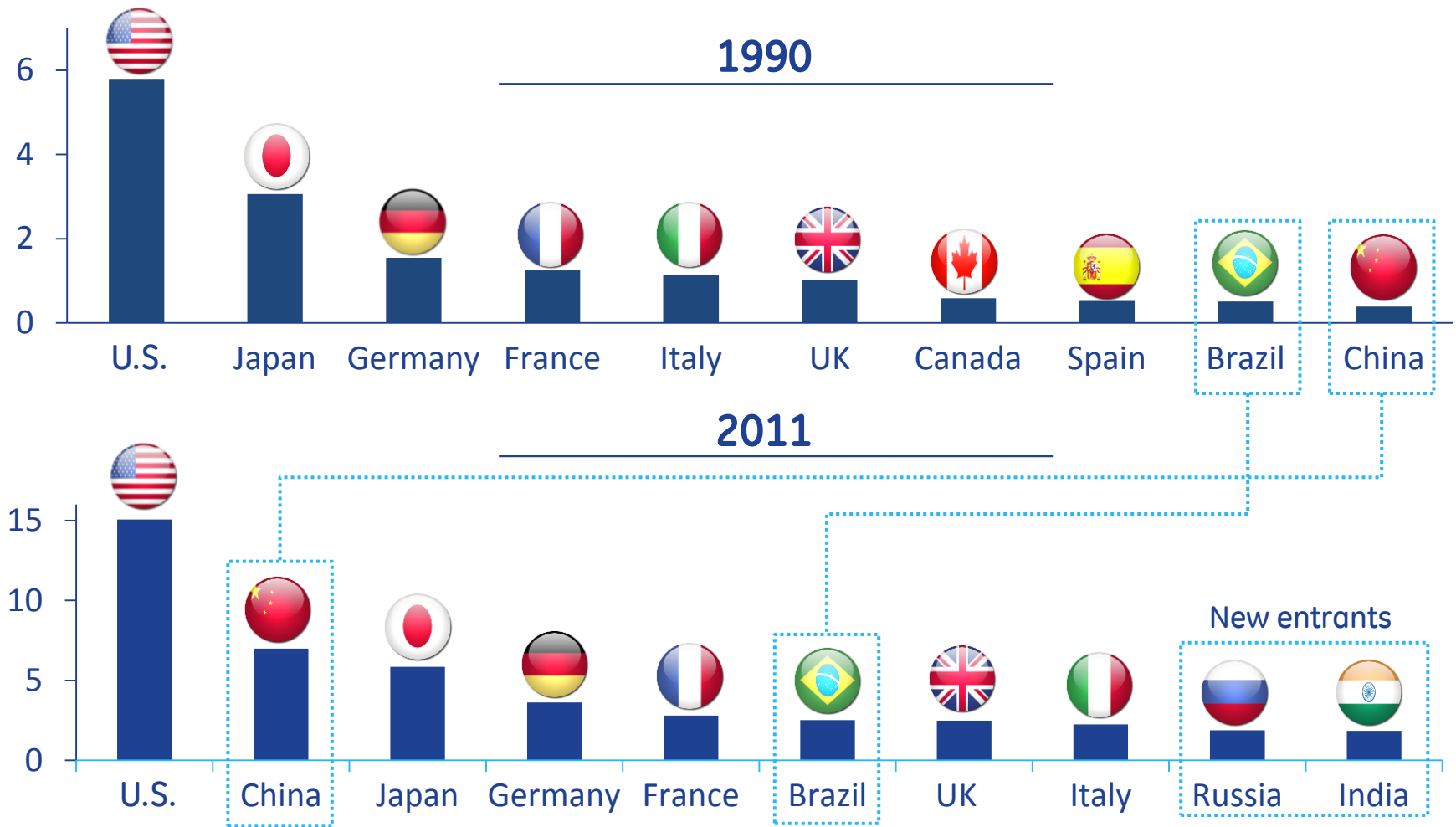
- We are a local player ... in markets for over 80 years
- Targeted & focused strategy ... investing, building and leading
- Optimize global capabilities ... a strategic advantage
  - R&D centers, supply chain excellence, leadership development
- Margins in line with global averages
- Cost out, redeployment opportunity
- Maintaining appropriate risk profile and protecting intellectual property
- Right portfolio for today and tomorrow in key growth markets

**Continued double digit revenue and earnings growth**

Macro perspective ...  
plenty of growth in lots  
of places

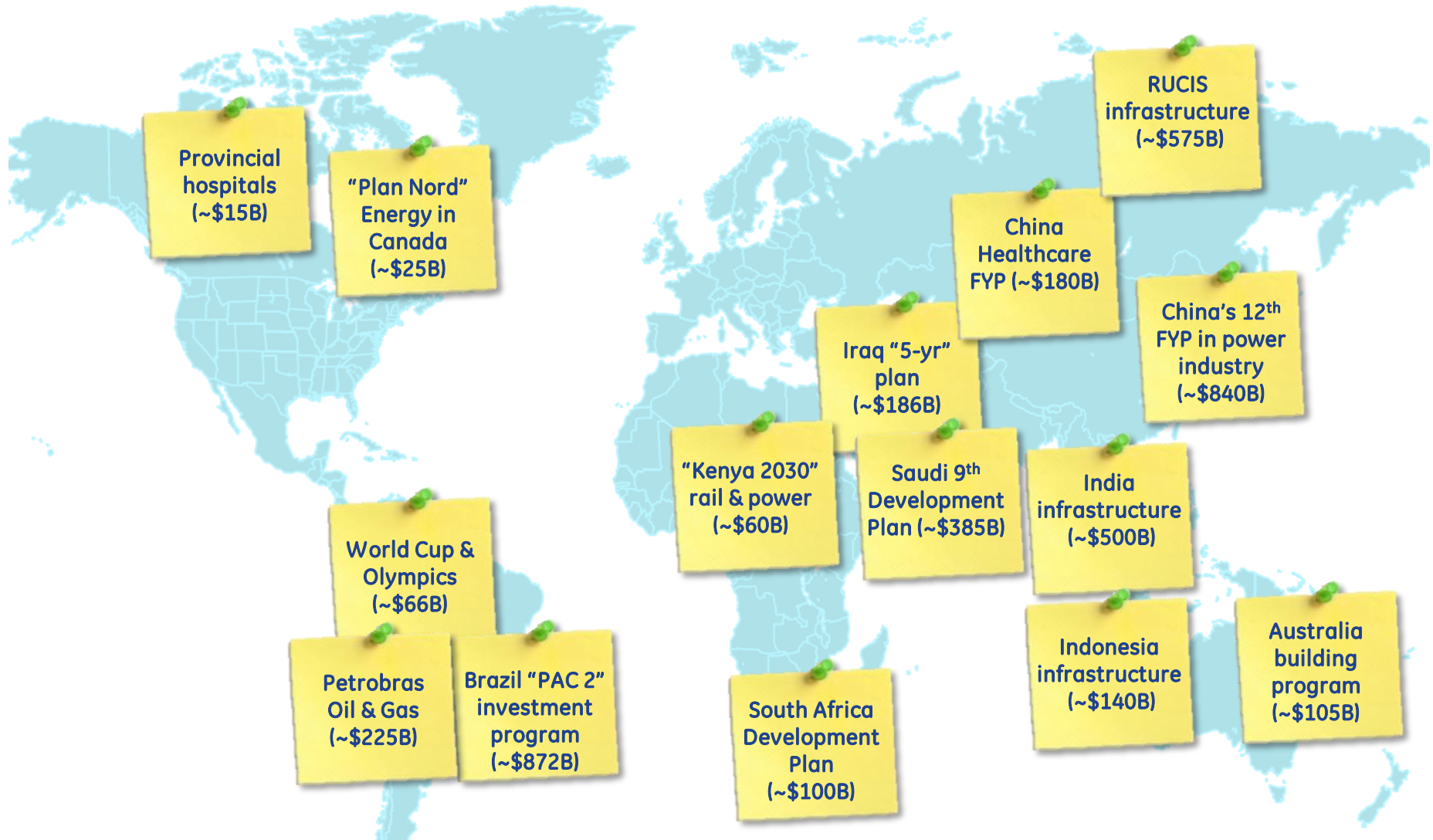
# Changing economies – top 10

(\$ trillion, GDP in current U.S.\$)

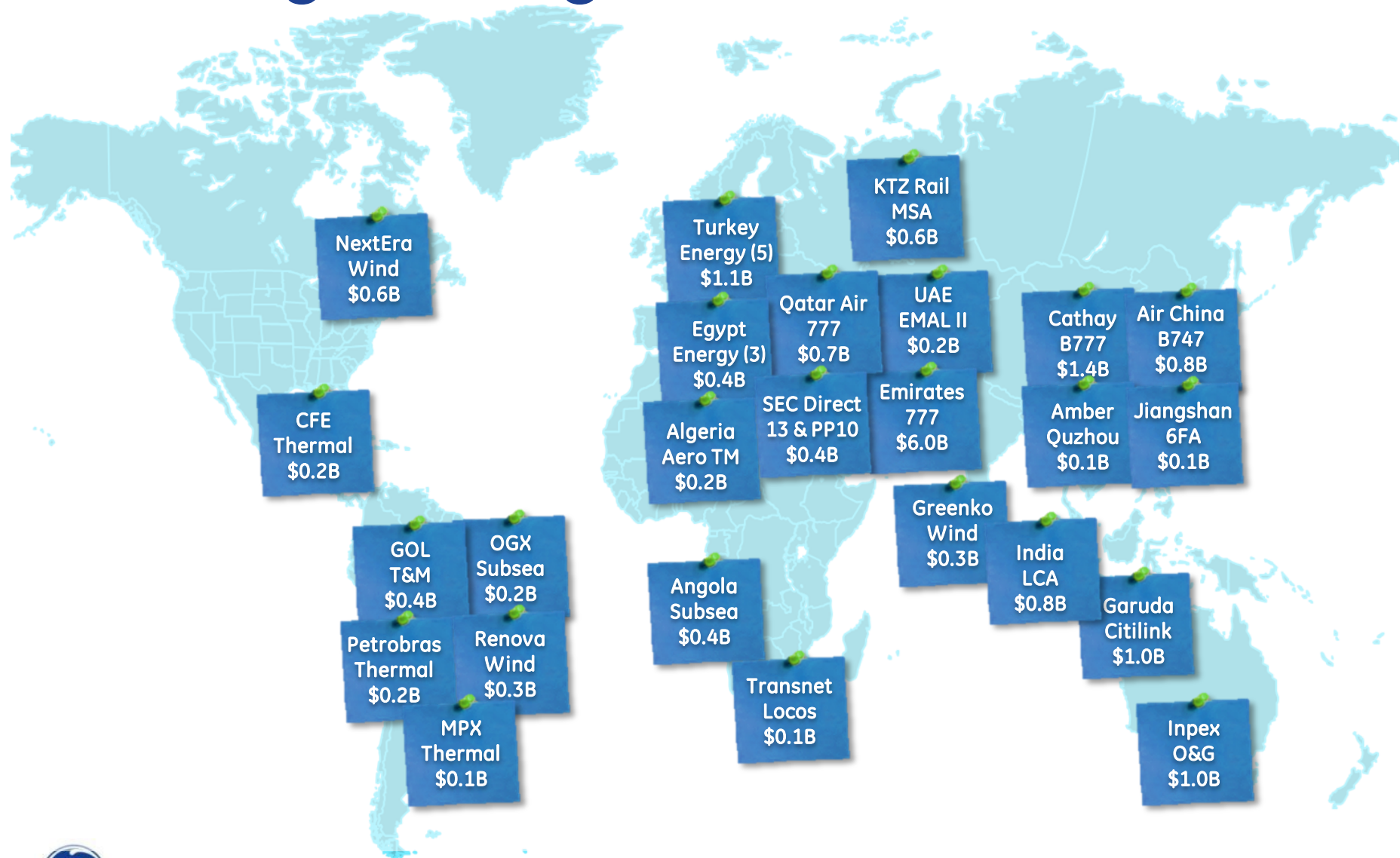


**Markets constantly evolving ... growth markets ~50% of GDP by 2025**

# ~\$4T+ infrastructure fundings globally



# Winning in the growth markets

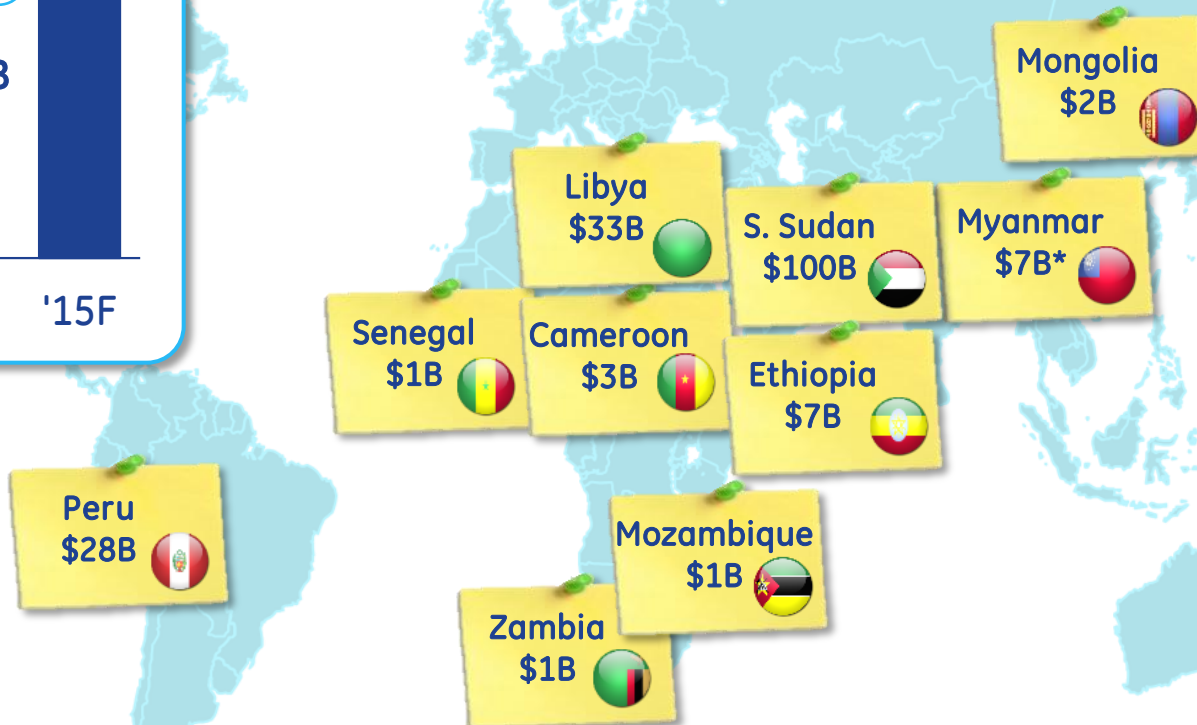
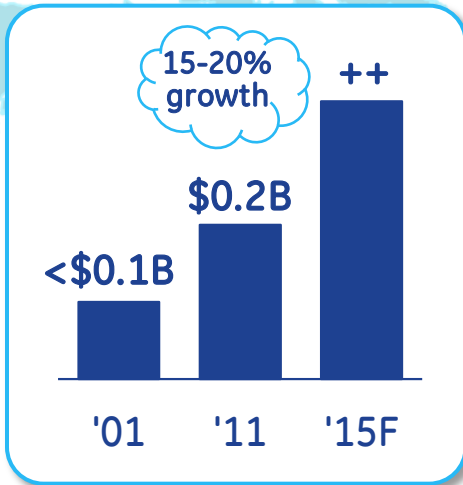


**\$18B+ of recent wins in the last six months**



# Next wave of infrastructure spending

## Industrial revenues



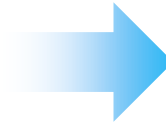
# Meeting the world's needs ...

## GE opportunity

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~1.4B

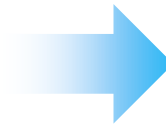
People with no  
"basics" ...  
healthcare,  
electricity, water



- Distributed power
- Lower cost healthcare
- Financing solutions

~3.0B

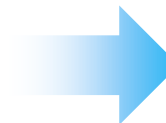
New middle class  
by 2030 ... demand  
increases



- Improved access to everything
- Aviation & Transportation  
infrastructure needs

~70B tons

Annual resource  
"extraction"  
growing 2B tons  
per year

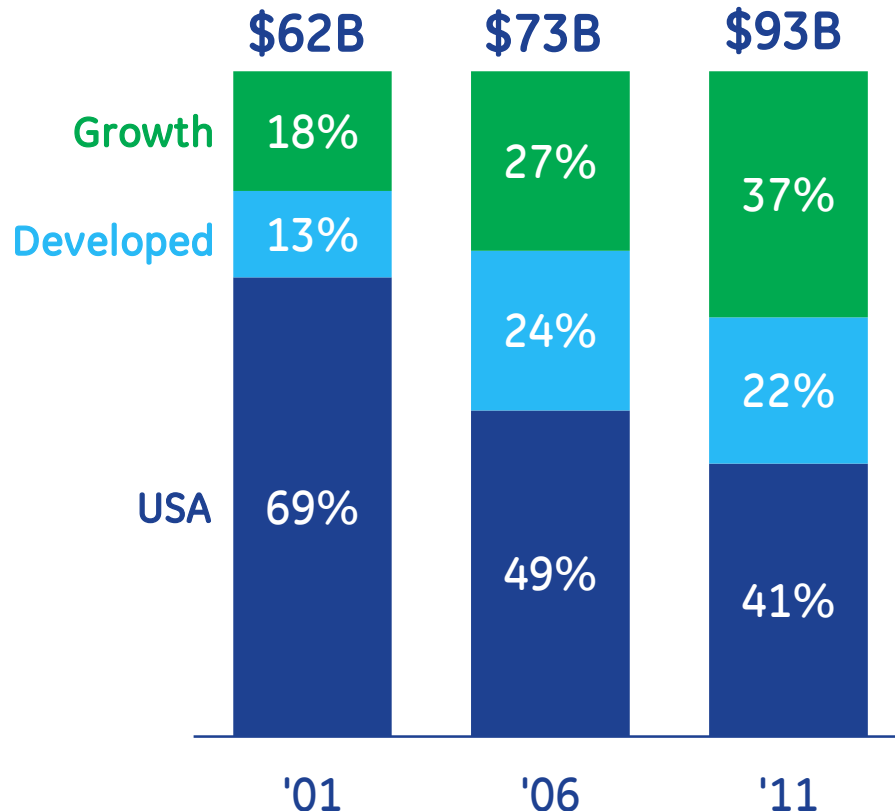


- Oil & Gas
- Mining
- Biofuels

GE a leader in global  
markets

# GE today

## Industrial revenue\*



\* Excluding NBCU, including GE/GECS elim



**Building leadership in growth markets ...  
~50% of revenue within next 10 years**

## Dynamics

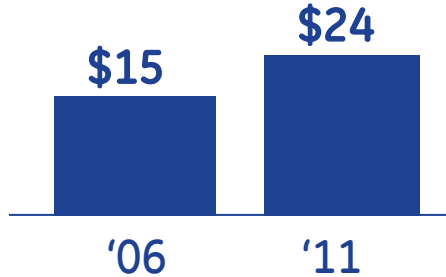
- “Recentralized” decision making
- Executing on game changing, local partnerships
- Connecting capital to customers
- Market driven product development
- Global supply chain / local fulfillment excellence ... efficiency

# Global growth

(\$ in billions – Industrial revenue ex-NBCU)

## Growth markets

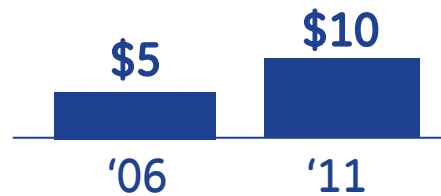
### Resource Rich



- A&NZ
- Canada
- LatAm
- MENAT
- Russia/CIS
- SS Africa

10% CAGR  
~3X GDP

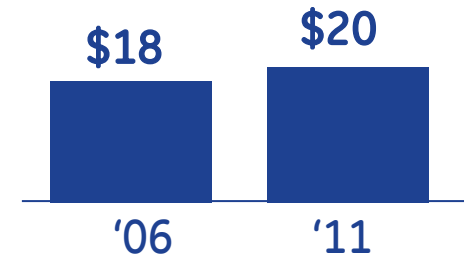
### Rising Asia



- China
- India
- ASEAN

12% CAGR  
~1.5X GDP

### Developed



- Europe
- Germany
- Japan
- Korea

3% CAGR  
~5X GDP

\* Excluding NBCU, including GE/GECS elim



✓ Growth markets outpacing GDP  
✓ Doubled revenue in 27 countries in 5 years

# Growth regions ... strength in '12

(\$ in billions – Industrial revenue ex-NBCU)

Growing  
20-25%

## Resource Rich

'12E V%



Middle East/North Africa/Turkey ++



Sub-Saharan Africa ++



Canada ++



Russia/CIS ++



LatAm ++

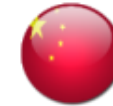


A&NZ ++

## Rising Asia

Growing  
10-15%

'12E V%



China ++



India -



ASEAN +

- 1 Win in Resource Rich ... grow share  $\geq$  US
- 2 Develop Rising Asia for growth & cost ... partnerships, localization
- 3 Plant new flags ... expand footprint ... grow supply chain
- 4 Leverage key capabilities ... project finance, innovation

# Reinvesting for global growth

- \$20B+ industrial acquisitions since '06
- Expanding our footprint ... 57% of acquisition revenues global
- Acquired ~20K+ employees in the global markets

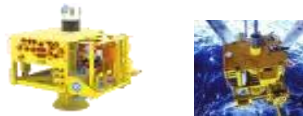
**smiths**

Acquired: 2007  
Avionics  
Global revenue: 32%



**vetco**

Acquired: 2007  
Drilling & production  
Global revenue: 87%



**HYDRIL**

Acquired: 2008  
Pressure control equipment  
Global revenue: 68%



**Biacore**

**Whatman**

Acquired: 2006 / 2008  
Life Sciences  
Global revenue: 65% / 60%



**Wellstream**

Acquired: 2011  
Subsea drilling capability  
Global revenue: 96%



**Well Support**

Acquired: 2011  
Enhanced oil recovery  
Global revenue: 49%



**DRESSER**

Acquired: 2011  
Compression, flow, M&D  
Global revenue: 61%



**CONVERTTEAM**  
THE POWER CONVERSION COMPANY

Acquired: 2011  
Power conversion  
Global revenue: 80%



Our strategy ... leading,  
building, investing



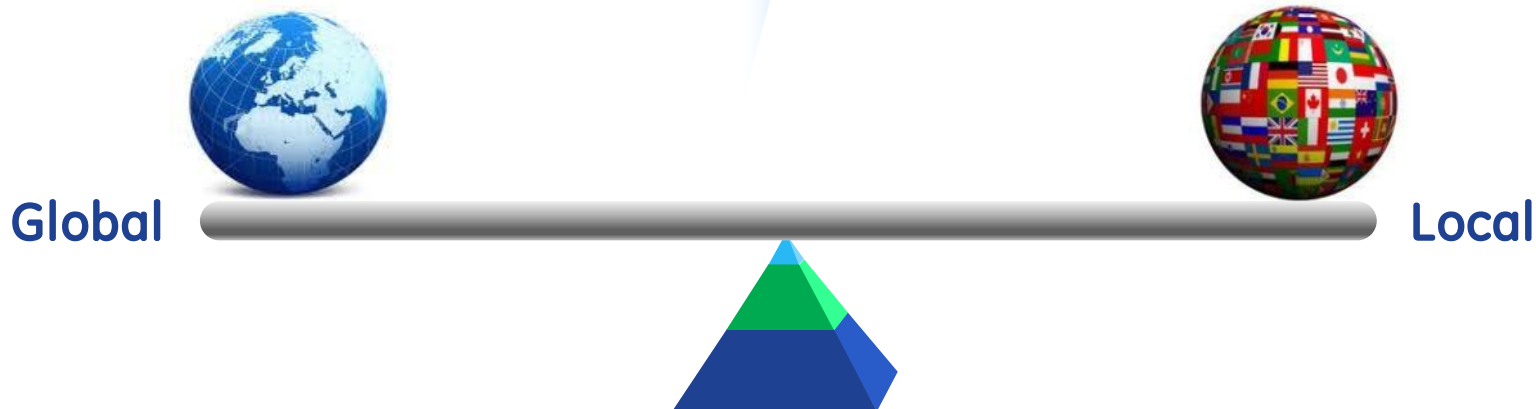
# Global growth equation

## Benefits

- See new business earlier
- Faster, more responsive to local needs
- Enhance portfolio profitability
- Connect capital to customers
- Simplify the GE cost structure
- Create local leadership pipeline

## Approach

- Investing ... products, innovation and localization
- Building ... compliance, talent and financing capabilities
- Leading ... brand, partnerships and R&D



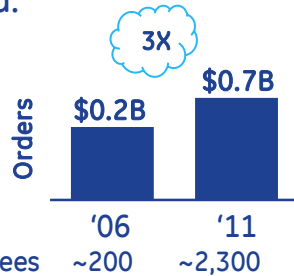
# Investing

# Leveraging global capabilities

## Oil & Gas

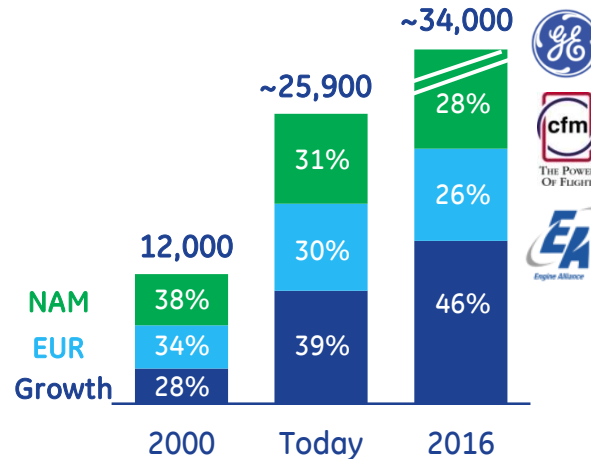


- Breadth of products across sector ... D&S, Subsea, M&C, Turbo, Services
- Operates in ~100 countries
- Localization strategy ... Brazil, Angola, Australia, Indonesia
- China:



## Aviation

### # of engines



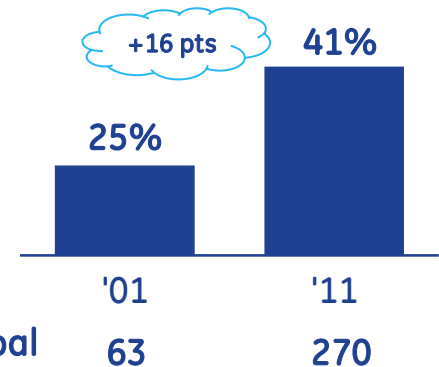
- ~40% of 2016 secured
- \$76B CSA backlog, 75% global
- 80 manufacturing & service facilities globally
- 2,000+ customers in 85 countries

CFM is a 50/50 JV between GE & Snema (Engines: ~7,000 in 2000, ~16,000 today & ~22,000 in 2016)

Engine Alliance is a 50/50 JV between GE & Pratt & Whiney (Engines: 0 in 2000, ~120 in today & ~450 in 2016)

## Transportation

### % of global revenue



- Transnet partnership in South Africa
- Expanding services footprint ... 2011 first Kazakhstan Evo signed
- 40 year partnership in Australia with United Group Limited (UGL)

# Global innovation

## Vscan



- “Stethoscope of the future”
- Global design, manufactured in China
- Pilot in Indonesia w/ mid-wives using credit financing
- 4,000 sold to date ... ~80% revenue outside of U.S.
- Broad partnerships

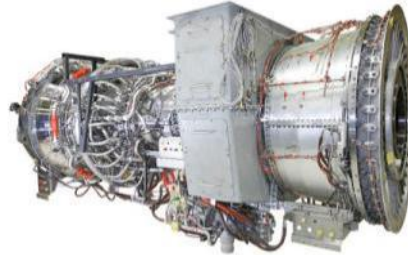
GATES foundation



Indonesian Bank



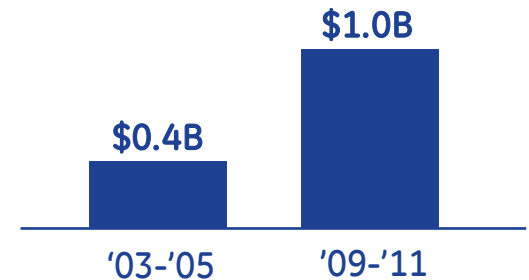
## FlexAero™



- Highest efficiency
  - GT: 50MW ... +42% efficiency
  - CC: >120MW ... +54% efficiency
- <5 minute start-up
- Installation ~65 days
- DLE2.0 technology eliminates water requirement

## Oil & Gas

### R&D spend



- 1<sup>st</sup> subsea compressor



- 1<sup>st</sup> high pressure CO2 pump



- World's largest compressor (100MW)



# Healthcare example

## Investing and ...

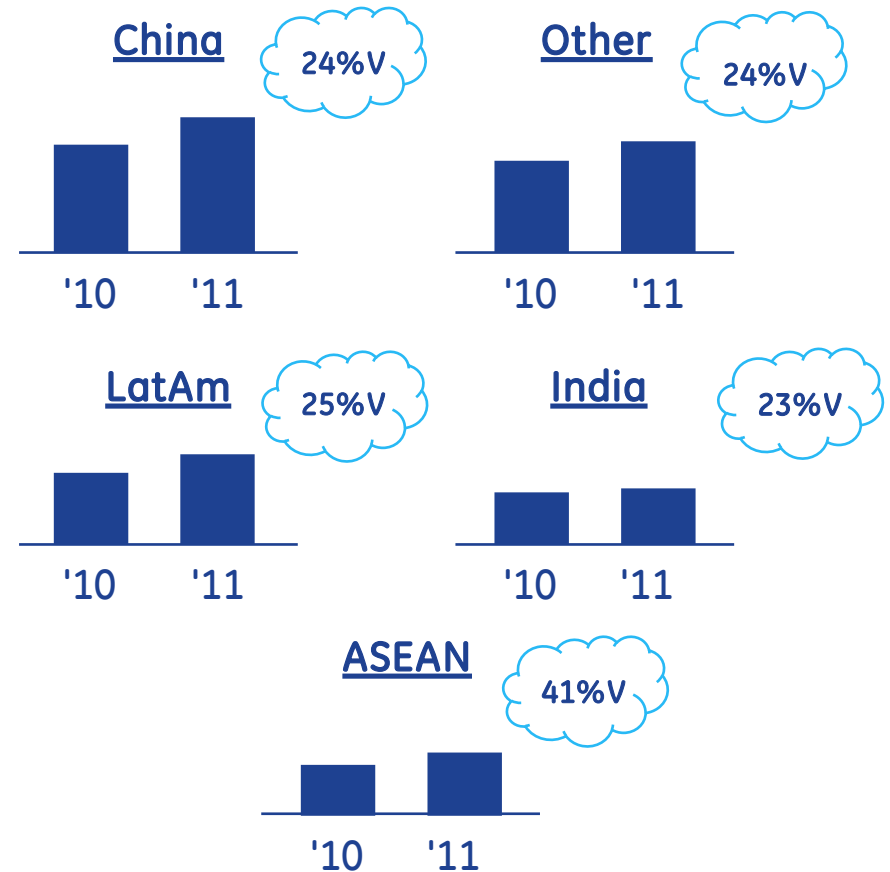


### Footprint in Brazil, India, China

	2010	'05 V%
Engineers	1,859	97%
Manufacturing team	1,913	81%
Total employees	8,460	120%
Factories	10	100%
Sourcing buy (\$MM)	584	143%
ICFC products	32	16X

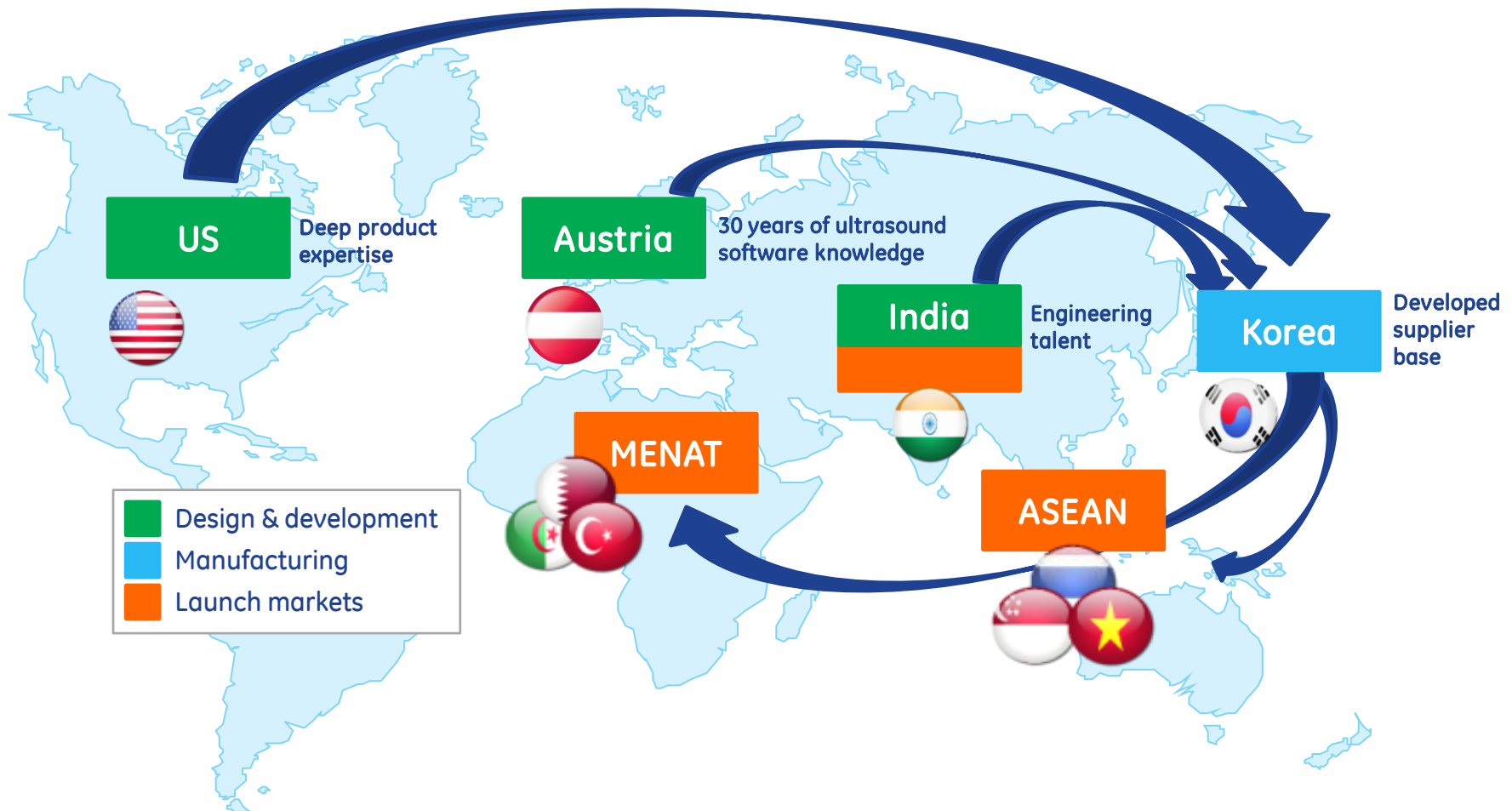
## Delivering in growth regions

### Orders



# Global new product development

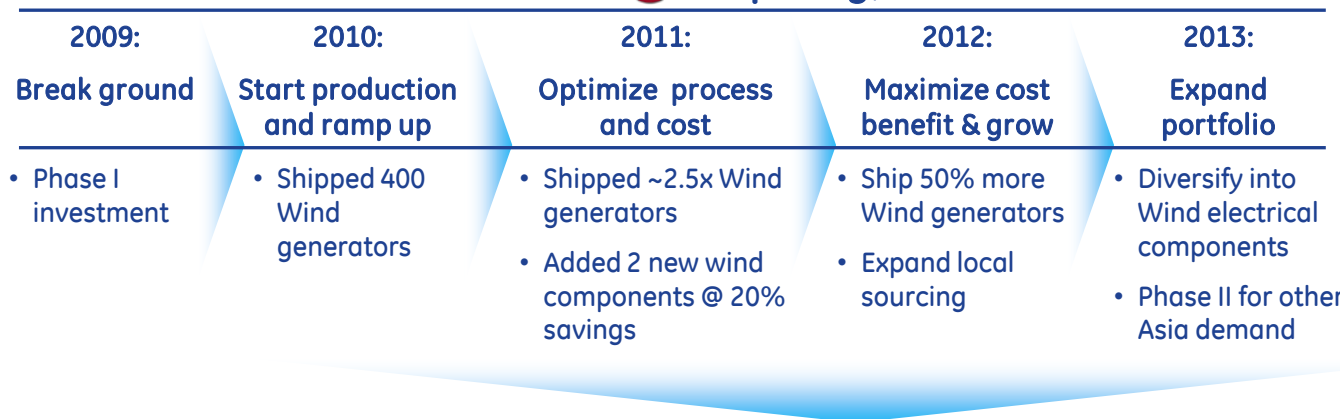
## Value Ultrasound



Cycle time ↓ 50% ... costs ↓ 35%

# Service / supply chain localization

## 🇻🇳 Haiphong, Vietnam



- World class capability
- Expand capacity
- Cost savings 20%

## 🇦🇺 Perth, Australia



~\$3B orders

- \$100MM multi-biz service facility ... Energy, Transp.
- Localization of service & engineering
- Increases productivity & customer efficiency
- Skills development

## 🇮🇳 Pune, India



~\$1B output by 2015 ... 30% cost out

- \$200MM multi-product manufacturing ... MCS, O&G
- For local & global distribution
- Design & process engineering co-located
- Product showcase site for GE customers

**Access to growth markets while driving lower cost**

# India “in country for country” & beyond



## Strategy & approach

- Products meeting India need ... global applicability
- Going beyond design enhancements ... “grounds up” development
- Engineering & local manufacturing ... speed & efficiency
- “Learn by doing” ... customer pilots



Gasifier



Super Value CT



Wind



Life Care Solutions

## Product funnel

42 launches in 2012

### Examples

- Multi-fuel biomass Gasifier
- Reliable power at grid prices
- Clean energy
- Disruptive rural price point ... <\$100K
- Access to key diagnostic capability ... true market creation
- ~100GW wind potential
- High & low wind alternatives
- Margin expansion ... 30% lower costs
- Partnering with “East meets West” ... NGO with experience in Vietnam

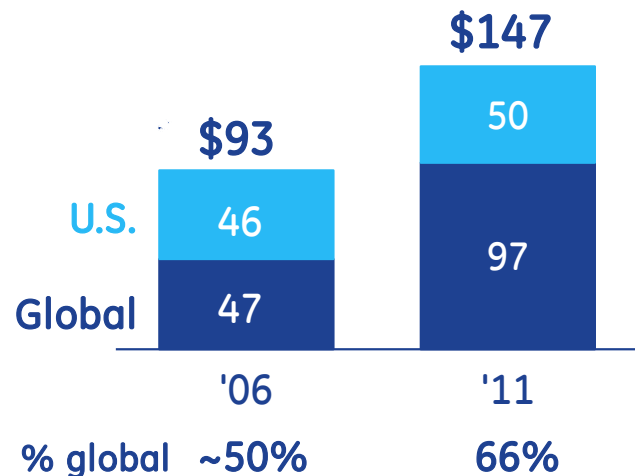
**\$40MM investment, \$1B revenue opportunity by '15**



# Global services capability

(\$ in billions)

## Service backlog



## 2012 footprint expansion



“OneGE” approach to footprint strategy  
... understand needs of all businesses

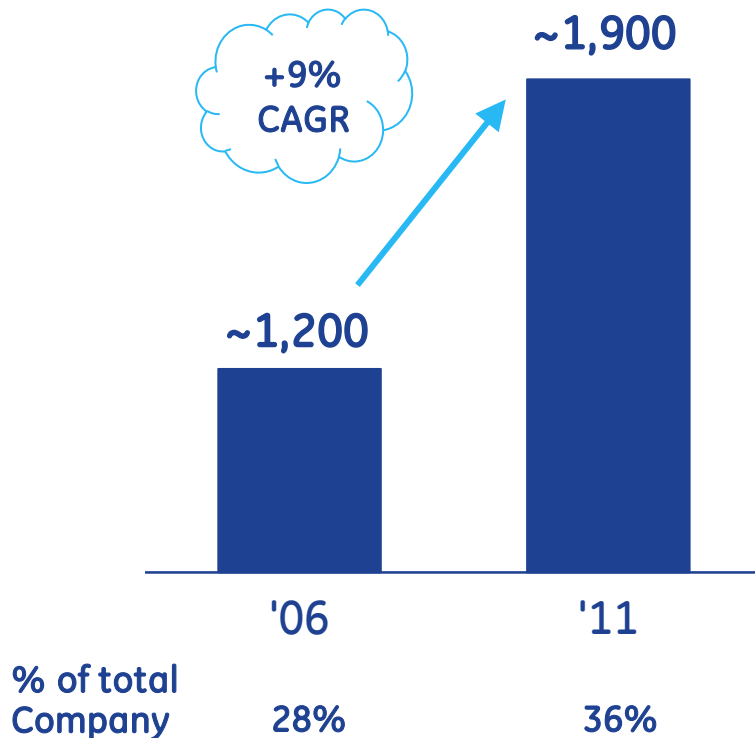
Region	Location	Repairs	Manufacturing	Distribution
Russia/CIS	Russia	✓	✓	
MENAT	Saudi	✓	✓	
	Iraq	✓		
	UAE			✓
SSA	Angola	✓	✓	
	Nigeria	✓	✓	
A&NZ	Australia	✓		✓
Latam	Brazil	✓		✓

- \$147B GE service backlog
- Industrial installed base (IB) growing 4% year
- 91 repair/service sites, 38 in growth markets
- ~50% of IB attached to Monitoring & Diagnostics  
... software opportunity

# Building

# Strong GE DNA

## Global senior leadership



## 2011 actions

- “Recentralizing” decision-making
- 1,700 mid-management roles added in growth regions ... 96% local
- Recruitment COE’s placed in regions
- Strong employer brand ... global opportunities for employees
- Leadership training ... long term investment into people

**Attracting & retaining**

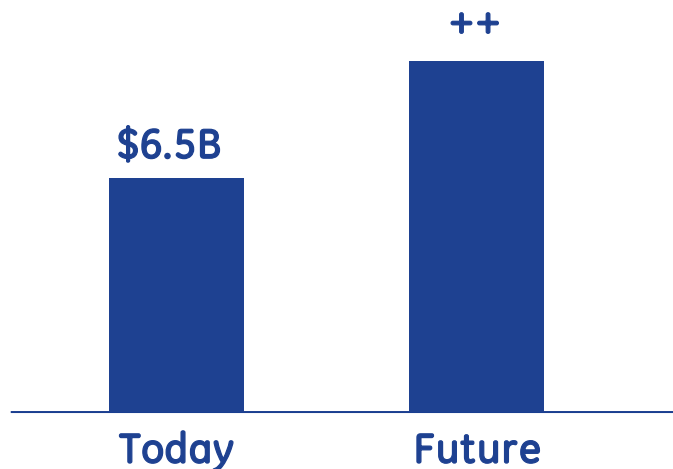
# Bigger leaders in growth markets (adds in last 12 months)



**300+ years GE experience,  
36% Corporate Audit Staff**

# Connecting capital to customers

## Orders supported with financing



### Mongolia - 50MW Salkhit wind farm

- 1st major renewables project in Mongolia



### KTZ - national railroad in Kazakhstan

- Contract for new GE diesel loco kits ... 196 locos



## Enhancing capabilities

- Structured finance expertise
- Strong global relationships
- Asset & industry knowledge
- 100+ worldwide experts in 25+ countries
- Leverage GE Capital capabilities



Mark Kleinman, new S&PF GM

- 25 years experience
- Private Equity & Banking
- Former Treasurer JP Morgan

ECA  
Multi-lateral Agency  
Development Banks

Capital markets, SWF,  
Private equity

Int'l + local banks

Project development  
& coordination with  
GE Capital

# Leading

# Managing risk globally

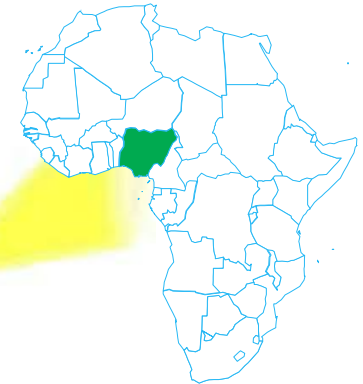
## What keeps us out of trouble



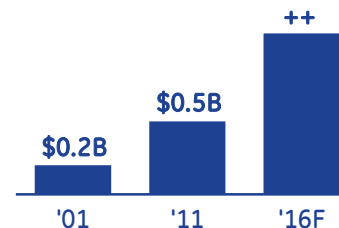
## Locally: a competitive advantage

### Nigeria

- 163MM people
- '12E GDP: 7%
- '12 Gov't Spend: ~\$8B
- 143<sup>rd</sup> on corruption \* perception index



- July '05: GE Energy bids to Nigerian government...  
*"we certify as a condition of our bid that GE shall not authorize, permit or tolerate any improper payment ..."*
- Sept '05: Order for 18 gas turbines (~\$0.4B)
- May '09: "Company to Country" MOU - early wins: 25 locomotives with option for 75
- Feb '12: Immelt with President Jonathan ... further cooperation



**Reputation for integrity is a global GE advantage**

# Growth through partnerships

## Building strong relationships



20-yr partnership, 400 LEAP (CFM) engine order



Partnering in O&G, PowerGen & Marine



Evo assembly with KTZ in Kazakhstan's Astana plant



Alliance w/ world's largest iron ore producer



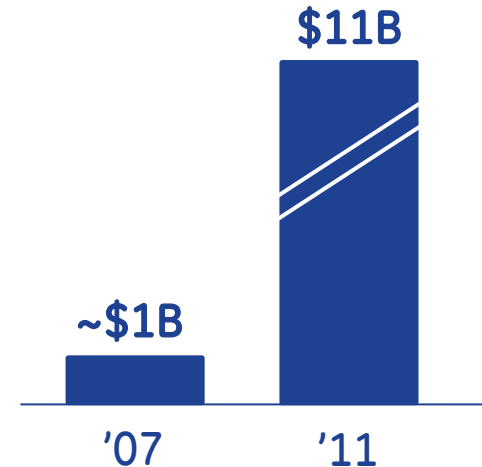
Investing in Algeria ... Algesco & Hamma JVs



Playing critical role in global O&G projects



## Orders & commitments



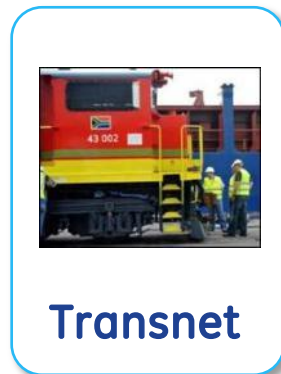
- People ... training & education
- Technology ... R&D, co-innovation
- Localization ... in-country capability
- Growth ... long-term success

CFM is a 50/50 Joint Venture between GE & Snecma

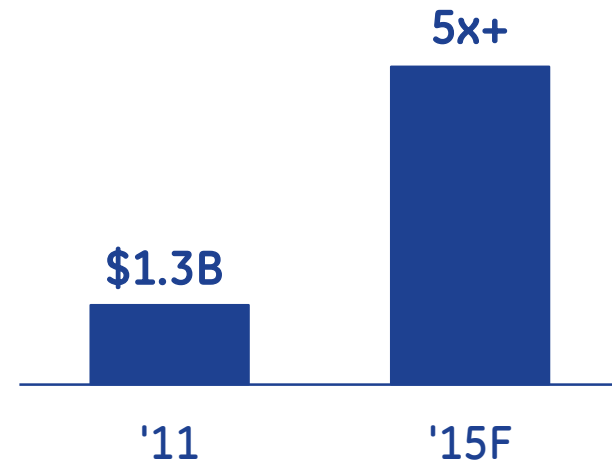
**Established partnerships lead to growth**



# Next wave

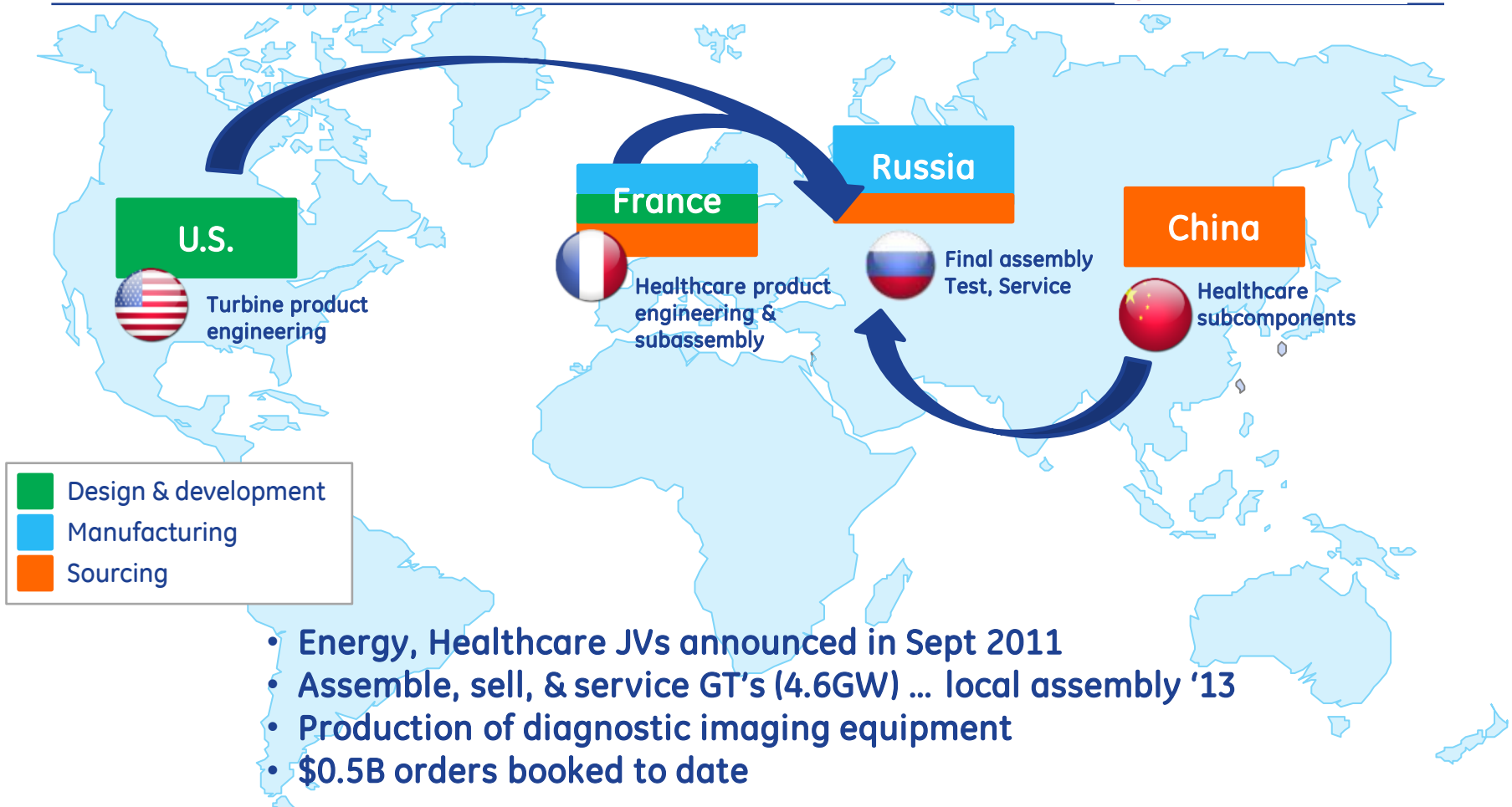


## Key wins/commitments



- Government cooperation
- Technical leadership
- Local capabilities
- Healthymagination / Ecomagination

# New Russian partnerships



**GE technology + strong partnerships**  
**\$10B - \$15B opportunity**

# The global research advantage

- 5 multi-disciplinary R&D centers ... 4 outside of the U.S.
- ~3,000 GRC research team, ~1,000 global
- ~40,000 GE engineers worldwide, ~22,000 global
- Over \$5B R&D spend
- Expanding IP coverage ... global patent apps +88% since '08

## China Technology Park: Shanghai



- Over 1,200 engineers
- Leading ICFC efforts
- Connected to Innovation Centers

## Global Research Europe: Munich



- Over 170 engineers
- Located on tech campus (TUM)
- Clean, distributed energy focus

## John F. Welch Technology Center: Bangalore



- Over 4,200 engineers
- First global site ... 1999
- Growing emerging market focus

## Brazil Technology Center: Rio de Janeiro (2013)



- Capacity for 400 engineers
- O&G, Transportation focus
- Customer & university relations

# Extending the brand

## Programs offered in 2011

### Leadership For Customers (LFC)

- Regional “Train the Trainer” & local delivery
- Leadership skills development
- 55 customers ... 5 growth regions

### Global Customer Summit

- Establish GE as a thought leader
- Share insights and best practices
- 145 customers ... 5 growth regions

### China Leadership Innovation Session (LIS)

- Provides intact leadership teams critical “time to think” about growth
- 14 businesses, 140 customers
- 4 day session held in Shanghai

### China CEO Program

- Focus on 21<sup>st</sup> Century/Future Workplace Leadership
- 28 CEO's ... 2-week session



China CEO program



China Leadership Innovation session in Shanghai

# Globalization complexity

## Evolving landscape



## "One-GE" strength



### Imperatives

- Maximize scale
- Minimize duplication
- Reduce SG&A

Focused on simplifying the structure

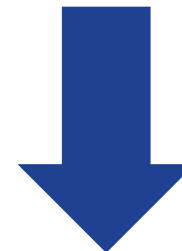
# Three year roadmap

## Company strategy

		<u>Goal</u>
<b>Systems</b>	Ledgers	>75% reduction
	ERPs	>20% reduction
<b>Structure</b>	P&L	Fewer
	Span	Greater
	Layers	Down
<b>Enabling processes</b>	Shared services	Up
	Headcount	Down

## Approach & opportunity

Targeting 1pt  
SG&A reduction

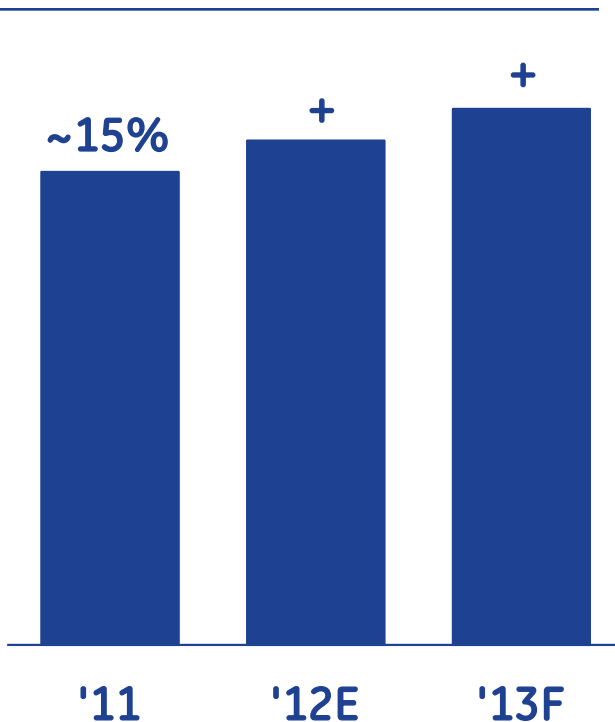


- Continued acquisition integration
- World class functional alignment
- IT consolidation ... scale, productivity
- Redeployment ... developed to growth

**Target \$1B over ~3 years**

# Driving profitability

## GE margin



~50 bps/year  
through 2013

## Global strategy

- Growth market margins in line with global average
- Localization of supply chain / manufacturing
- High service mix and local products with higher margins
- Driving simplification
- Total Company 1pt SG&A, \$1B improvement over 3 years

Positioned to win ...  
optimize global and  
local capabilities



# Positioned to win

## Opportunities

**Distributed power**  
*Go where the grid will not*

**Mining / Oil & Gas**  
*Scale & significance*

**Rural, remote healthcare**  
*Access to those in need*

**Transportation**  
*For the new middle class*

**Partnerships**  
*Helping customers grow*

## Regional focus



SS Africa opportunity



Distributed power ... Aero & Gas



LatAm mining & biofuels



A&NZ O&G services



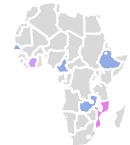
In Angola for company



China rural health



Saudi MOH & beyond



Winning new markets



South Africa wins



LatAm localization



China air growth



China Wind JV's



Nigeria CTC



Expand partnership

# Investing in growth markets

Latin America

Reinaldo Garcia

China

Mark Hutchinson

Australia & New Zealand

Steve Sargent

Middle East, North Africa & Turkey

Khozema Shipchandler

Sub-Saharan Africa

Jay Ireland

# Latin America

## Reinaldo Garcia

- ✓ 27 years GE experience
- ✓ US, UK, France, Brazil
- ✓ CAS, H&BS, Energy, Healthcare

# Latin America overview

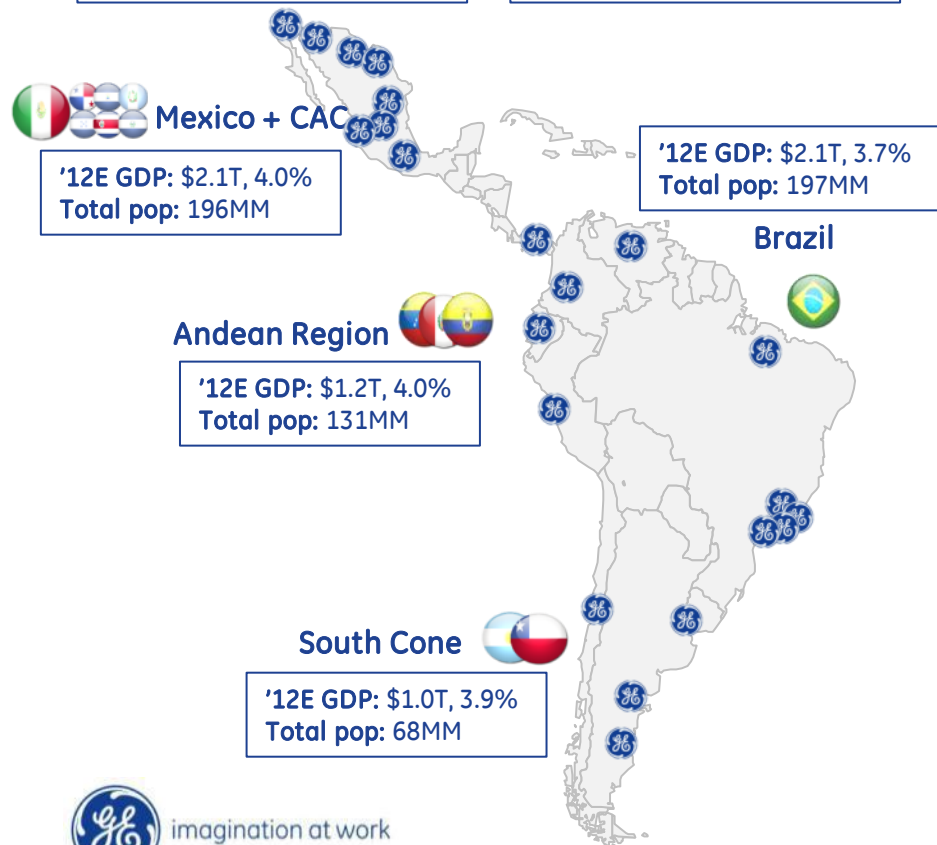
## Footprint

### Macroeconomics

'12E GDP: \$6.4T/3.9%  
Population: 592MM  
Gov't spend: ~\$1T

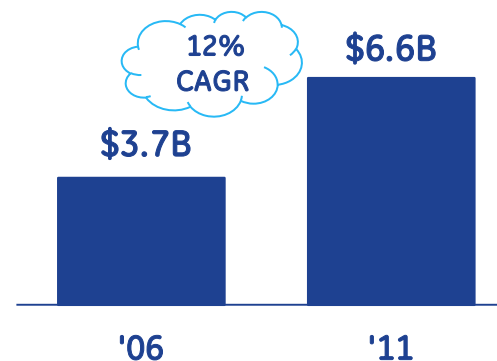
### GE footprint

# of industrial sites: 60  
Employees: ~19,700  
First entered: 1896





Source: Oxford Economics  
\*Excluding NBCU, including GE/GECS elim

## Industrial revenue\*



- Sustained economic growth ... GDP ~4% driven by domestic demand & services
- Outstanding '11 GE performance ... organic revenues +20% ... all industrial businesses showing double digit growth
- Great '12 outlook ... strong pipeline and opportunities all across the region ... different strategies & local capabilities
- New Global Research Centre in Rio ... high-tech solutions for GE & their customers

# Macro dynamics drive opportunity

	Area/Opportunity	Approximate Capex/Invest. (by '15)	Identified CY spend	GE opportunities
1	 O&G	~\$225B (Petrobras plan)	\$45B	Full subsea solution
2	 Mining	~\$155B	~\$28B	Power, water & productivity solutions
3	 Kuntur Project	\$13B+	-	Energy plants
4	 Biofuel	~\$26B	~\$4B	Waste & vinasse treatment & transformation
5	 Wind	~\$16B	~\$3B+	Wind turbines ... 13 GW
6	 Mega-events (World Cup & Olympics) (ex High Speed Rail)	~\$46B	~\$9B	Infrastructure expansion

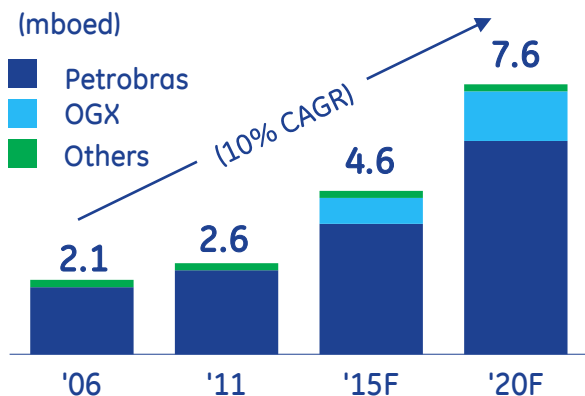
**Great opportunities in the region  
... ~\$50B for GE**

# Oil & Gas momentum

## Regional dynamics

-  **Brazil**
  - Record oil discoveries
  - 30% of global deep water drilling
-  **Venezuela**
  - Largest oil reserves
-  **Mexico**
  - PEMEX reform
-  **Argentina**
  - Shale potential
-  **Colombia**
  - 100+ E&P companies active


## O&G production in Brazil



## Opportunity

\$0.8B orders in '11

Acquisitions




**Well Support**

- Pressure Control
- Electrical Submersible Pumps
- Logging Services

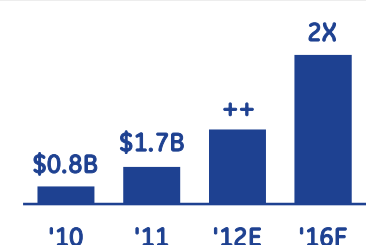
- +2.2k employees
- 9 new service sites
- Broad subsea + enhanced oil recovery & shale play

Investments



- + GRC center in Rio
- + Capacity expansions
- \$140MM flexible risers
- \$32MM services
- \$16MM x-mas trees

Outlook



- + Competitive advantage
- + Full product suite
- + Localization
- + Service capability

# Mining in Latin America

## Latin America opportunity

- ~27% of global mine exploration



Iron  
Nickel  
Copper



Copper  
Silver



Nickel  
Coal



Copper

- Growing capex
- Energy consumption and environmental concerns increasing
- Remote operations and sustainability ... managing talent constraints and safety of operations



## GE solutions

**\$7B+ opportunity through 2015 in mining products/services**

### Power

**Supply & reliability in remote areas**



Steam turbines

Heavy duty gas turbines

Aero deriv. turbines

Jenbacher engines

### Water

**Supply & management/reuse**



Desalination

Dust control

Acid mine drainage

Mobile water systems

### Productivity

**Utilization of capital process improvement**



OHV drives

Locomotives

Remote monitoring

Automation

# Peru ... Kuntur Project



- Peru ... strong growing economy
- Infrastructure expansion ... mining, energy, healthcare



Gas & liquid pipeline system

## • Main GE opportunities:

Petrochemical ind. complex	\$400MM	Compressors, water treatment plants
Gas & liquid pipelines	\$250MM	Compression stations: compressors, pumps, valves
Power Gen.	\$200MM	Gas turbines, generators
Gas separation plants	\$100MM	Turbo compressors
Fractionation plant	\$50MM	Compressors

**\$1B**

## • Next steps:

- Gas certification (June)
- Project procurement ('12-'15)



**Kuntur partners**

**\$13B+ regional spend ... \$1B GE opportunity**



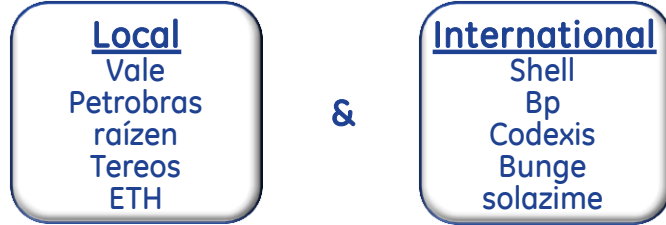


# Next wave: Biofuel

Today

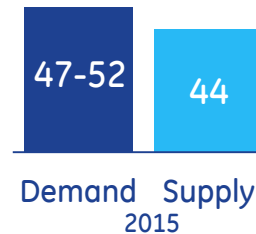
Tomorrow

Players



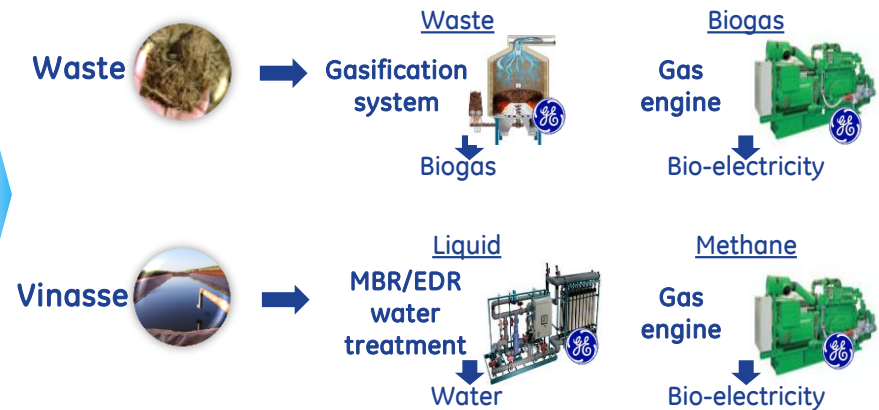
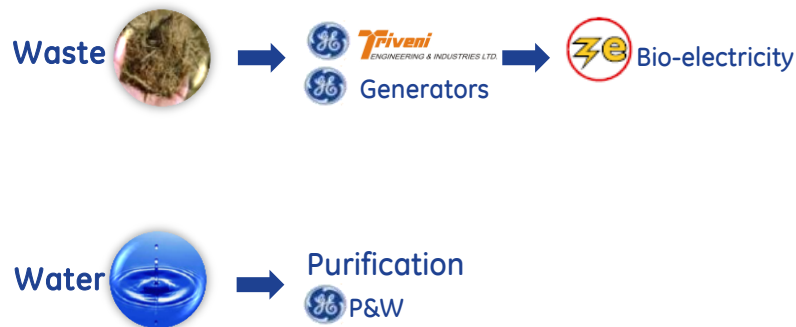
- Large players consolidation
- Local ... expanding participation, new entrants
- International ... diversification, new technologies

Production  
(B liters)



- Demand ... regulatory mandates & flex-fuel fleet
- Supply constrained ... low feed-stock availability

GE Oppty



**4X more GE content ... ~\$5B opportunity**

# Great products for local needs

## Locomotives

From Brazil to the world

- 50 years ... 1,300 locomotives
- +50% Brazilian content
- 2011 production 110 locos, 41% of global shipments
- Distribution into LatAm & Africa
- Brazilian Dev. Bank (BNDES) support ... +\$0.5B



## Gas Turbines

Flexibility and efficiency

- Big installed base (+400 GTs) ... large service platform
- Won 18 of 26 GTs bid in LatAm in '11 ... 100% penetration in Brazil & 69% in Mexico <sup>a)</sup>
- Localization of Aero GTs packaging & services



a) As of Q3 2011. Source MC Coy database.

## Healthcare

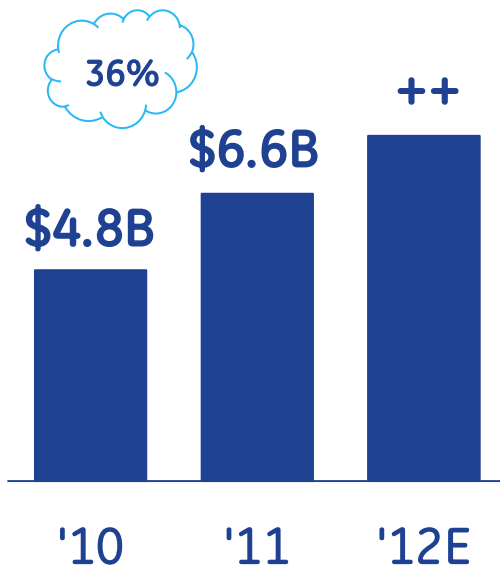
In country, for country

- First Brazilian plant in Contagem (Minas G.)
- Initial manufacturing of X-ray, CT & mammography
- Future expansion to PET, MRI & MS ... focus on local needs
- ~4x increase in unit volume production from '11 to '12



# Financial outlook

## Industrial revenue\*



\* Excluding NBCU, including GE/GECS elim

## Strategy & approach

### Strategic GE market

- Well diversified ... businesses & countries
- Regional economic growth continues ... infrastructure focus

### Sustainable growth

- Strong teams in place
- Focus on customer "solutions"... mining, off-shore, biofuel
- Expanding GE operations ... localization, key accounts

Great '12 and long term outlook

# China

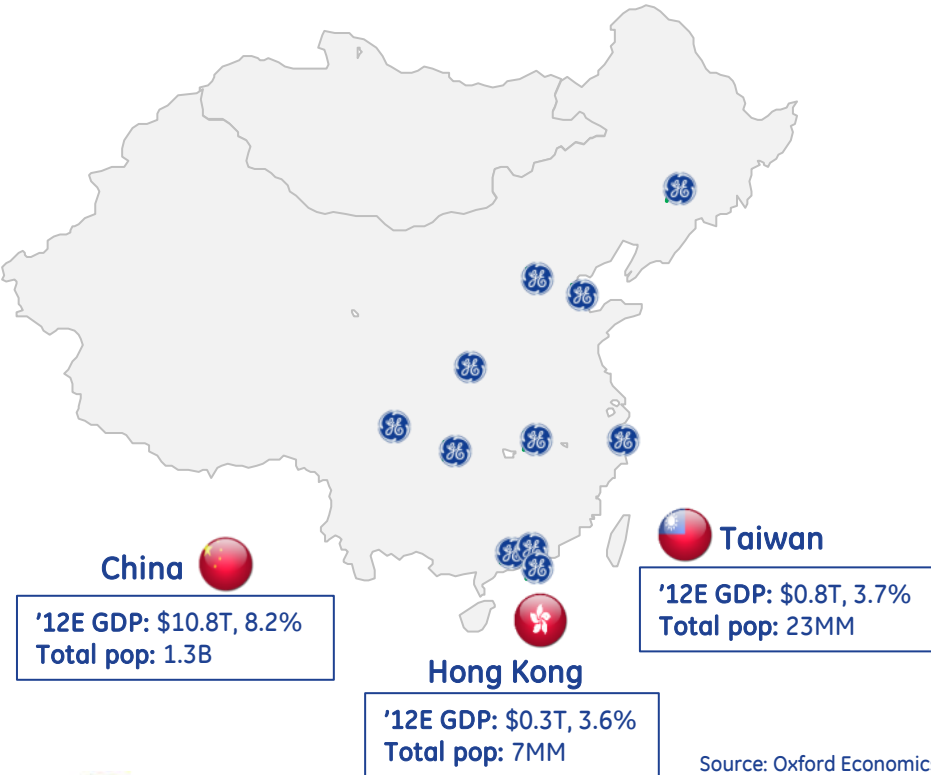
## Mark Hutchinson

- ✓ 18 years GE experience
- ✓ HK, UK, US, Japan, France, China
- ✓ Energy, Capital Markets, Real Estate

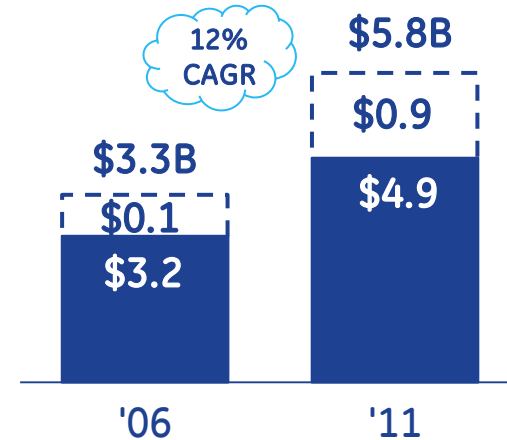
# China overview

## Footprint

Macroeconomics	GE footprint
'12E GDP: \$12.0T/7.7%	# of sites: 50+
Population: 1.3B	Employees: 17,000+
Gov't spend: \$1.7T	First entered: 1906






## Industrial revenue\*



- Significant opportunities in infrastructure and healthcare
- Strategic partnerships with national SOE champions: Avic, State Grid, Shenhua
- Increased localization with IP protection
- Global and local innovation capabilities
- Upgraded key leadership roles

# Macro dynamics drive opportunity

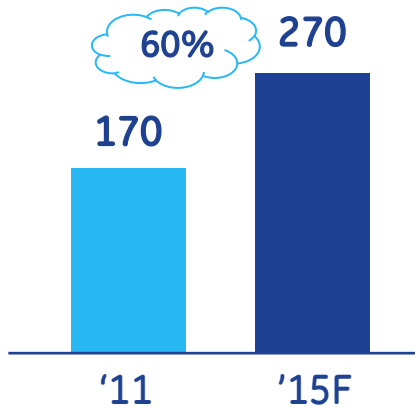
	Area	12FYP investment	Identified CY spend	GE opportunities
1	<b>Energy</b> 	Add capacity ~560 GW Energy saving ~\$520B	~70GW ~\$100B	Gas, wind, Jenbacher, aero, digital energy
2	<b>Aviation</b> 	~\$229B	~\$45B	Engines, services, avionics systems
3	<b>Healthcare</b> 	~\$180B	~\$28B	Equipment, service, IT

**~\$90B future GE opportunities**

# Energy

## Gas expansion

Gas supply (BCM)



- Significant gas expansion ... additional 20,000km gas pipelines
- ~\$7B opportunity for gas turbines ... 3x increase in market size
- ~\$2B opportunity for turbo-machinery and compressor

## Installed base

~180 GE heavy duty GT



- 70 6FA/Bs, 74 9Es and 35 9FAs  
~50% of China's gas generation
- ~70% total service coverage
- ~\$1B orders in 2012 for gas turbines and service

## Positioned for growth

Revenues \$(B)

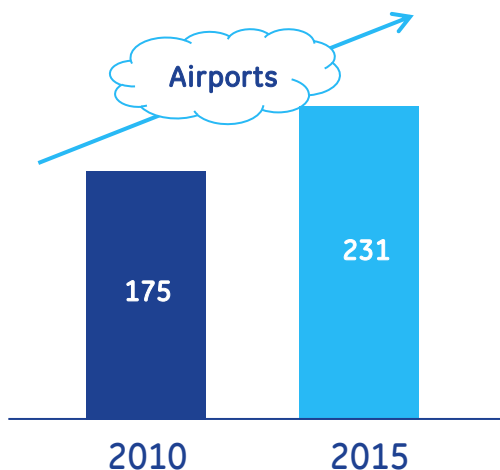


- Win on gas and flow businesses
- Partnering with national champions
- Build competitive cost position
- Establish China based businesses

**Massive gas opportunities**

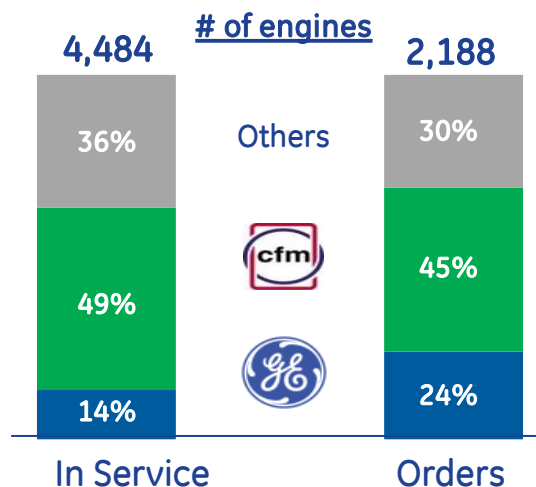
# Aviation

## Airline traffic



- Leading traffic growth (8%)
- Investing \$229B in Aviation
- 31% increase in airports
- 1,000 new airliners (70% announced); 900 BGA planes

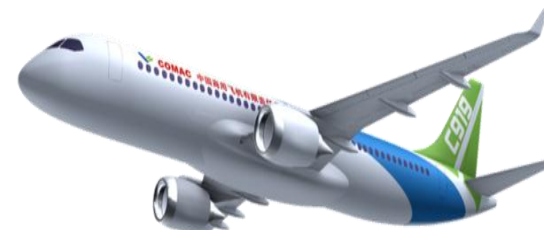
## Airline fleet



- GE & CFM leading in commercial engines
- Won 11/16 recent engine campaigns
  - ✓ Recent wins - Cathay \$730MM (2 deals), Air China \$370MM, CDB leasing \$290MM
- \$9B service backlog; recent wins - Cathay \$2B, Air China \$425MM

## Invest in the future

C919 – China's first large aircraft



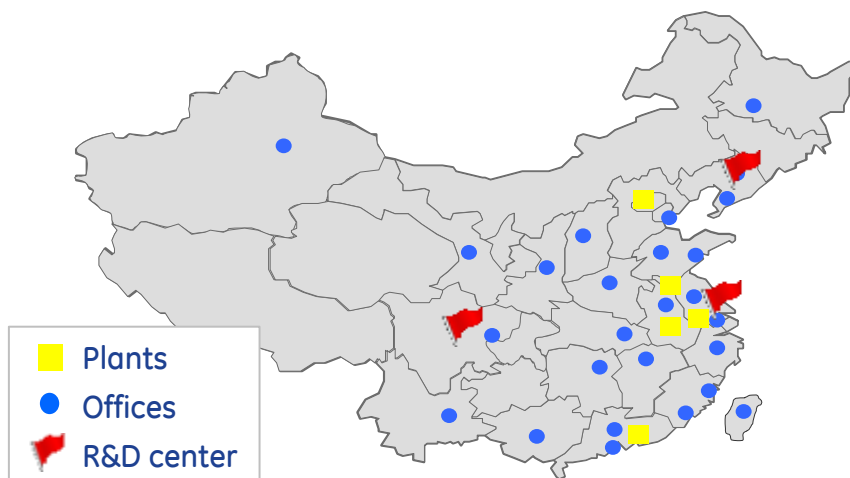
- Highest GE engine/avionics content on any aircraft
- Game changing partnership with AVIC on Avionics
- Strong domestic demand & international potential
- Sole source engine position



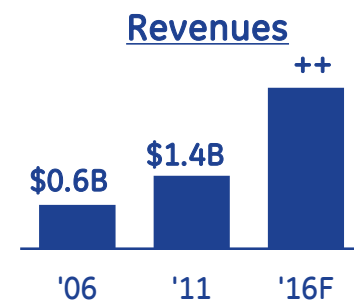
**Rapidly growing aviation market ...  
GE an industry leader**



# Healthcare ... localize innovation



- 6,400 employees ... 95%+ local leadership
- 10,000+ accounts first visit by GE
- 5 manufacturing, 3 R&D/innovation centers
- ~1,300 design engineers
- 166 product family
- 22,600 installed base



## Local design, local manufacturing

### Logic C-series U/S



- 7% cost reduction
- 57% cycle time reduction
- 2% margin increase

### Starlight X-ray



- 40% cost reduction
- 50% cycle time reduction
- Hold margin rate at low price

### Brivo CT 315/325



- 23% cost reduction
- 25% cycle time reduction
- 9% margin increase

# Strategic partnership

## Successful partnership



Over 100 Heavy Duty Gas Turbines ... all under long term service agreements



### Wind Turbine JV

2010



Shenyang:  
Onshore turbines



Jiangsu:  
Offshore turbines & Svc

Expand to new products & new markets

## Next wave ... with national champions



- Largest utilities company
- 2011 revenue ~\$260B



- Only civil aircraft maker
- 2011 revenue ~\$40B



- Top 5 power gen company
- 2011 revenue ~\$20B



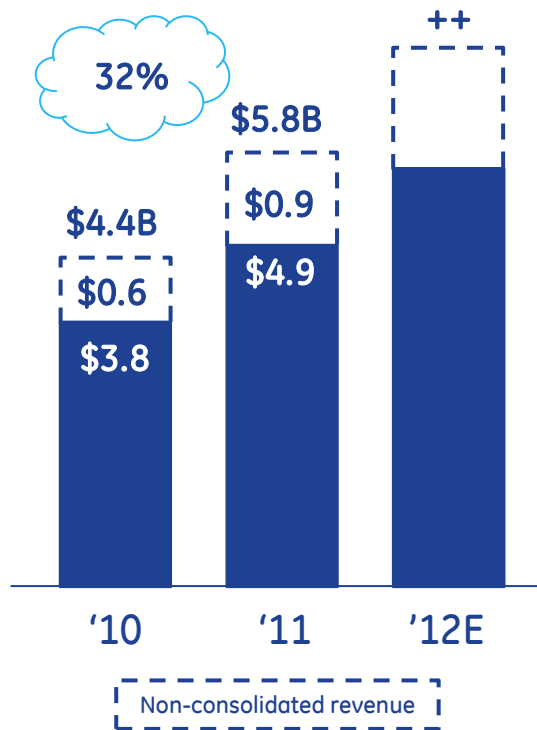
- Largest coal company
- 2011 revenue ~\$44B

We protect our intellectual property ... play offense & defense

- “Keep what’s important” (don’t transfer everything)
- We have known of our partners for a long time
- Robust legal structure & process around our IP
- Continuously invest to stay ahead

# Financial outlook

## Industrial revenue\*

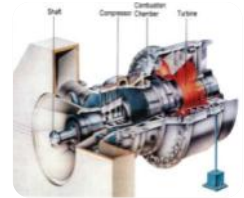


\* Excluding NBCU, including GE/GECS elim



## Strategy & approach

- 1 Strong execution**
  - Win big projects
  - Boost flow deals
- 2 China face**
  - Strategic partnership
  - Localization
- 3 Leadership & talent**
  - Local leadership
  - Mid-career talent bench



Long cycle businesses driving double digit growth

# Australia & New Zealand

## Steve Sargent

- ✓ 19 years GE experience
- ✓ US, UK, Japan, Australia
- ✓ Capital

# A&NZ overview

## Footprint

### Macroeconomics

'12E GDP:	\$1.4T/3.0%
Population:	27MM
Gov't spend:	~\$30B

### GE footprint

# of sites:	74
Employees:	5,700
Present since:	1896



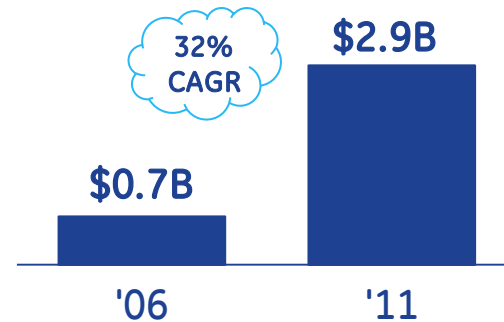
Source: Oxford Economics

\* Excluding NBCU, including GE/GECS elim



**Minerals & energy source for rising Asia**





## Industrial revenue\*



### Great GE market

- 20<sup>th</sup> consecutive year GDP growth, 2X OECD
- Government debt to GDP 11%
- Stable/secure source for Asia energy needs
- Huge infrastructure investment ~\$760B
- \$38B China FDI ... #1
- 4<sup>th</sup> largest fund market ... \$1.8T under mgt.
- #1 market for GE O&G, #2 for GE Capital

# Significant A&NZ infrastructure investment

	Growth dynamics	Approximate Invest/Capex \$	Identified CY spend \$	Market opportunity	GE opportunity
1	Rising Asia urbanization 	~\$500B	~\$100B	<ul style="list-style-type: none"> <li>• Massive long-term mineral &amp; energy investment</li> <li>• Largest LNG exporter by '17</li> </ul>	<ul style="list-style-type: none"> <li>• \$3B LNG projects won, \$3B+ to go + services</li> </ul>
2	Environmental regulation 	~\$40B	~\$10B	<ul style="list-style-type: none"> <li>• Price on carbon → ETS; 20% renewables by '20 &amp; brown coal to gas transition</li> <li>• Leading water treatment regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Wind, \$16B+ &amp; ~\$4B gas</li> <li>• CSM water treatment</li> </ul>
3	High population growth 	~\$220B	~\$20B	<ul style="list-style-type: none"> <li>• Population growth #1 in OECD ... +5.8% ('08-'10)</li> <li>• 84% ↑ domestic air travel since '01</li> <li>• 5% peak increase in energy demand</li> </ul>	<ul style="list-style-type: none"> <li>• Healthcare spend up 200 bp to 11% of GDP by '15</li> <li>• GENX engines, won</li> <li>• Major city LED projects</li> </ul>
4	Mid market financing 	~\$35B SAS		<ul style="list-style-type: none"> <li>• Well regulated &amp; capitalized market</li> <li>• European banks retracting ... mid market opportunity for GE Capital</li> </ul>	<ul style="list-style-type: none"> <li>• \$10B+ incremental commercial finance market</li> </ul>

# LNG & Coal Seam Methane: multi-business, market driven opportunity

~\$200B projects under construction

World's largest LNG exporter by '17

- Project additions ... greater than Qatar current total capacity

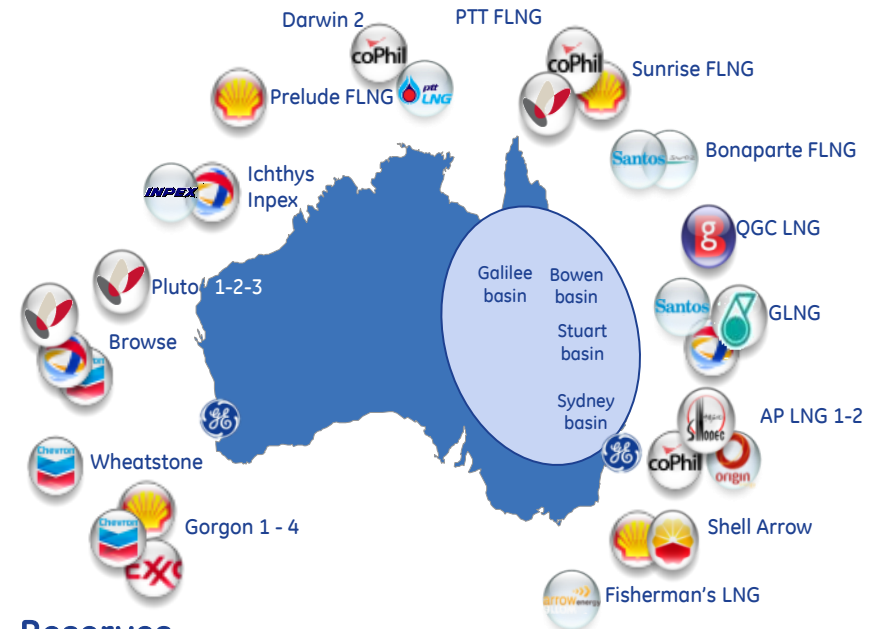
30% Coal Seam Methane

- \$45B of committed CSM projects
- Supported by long-term export contracts with China, Indonesia, Korea, Taiwan and Japan

Significant industry challenges

- 400+ mega litres of water per day

GE equipment on every project








Reserves

- 3.4 TCM conventional gas
- 4.2 TCM CSM
- Shale gas reserves ... potentially greater than CSM

# GE playing critical role in CSM

(\$ in billions)

## 5yr equipment market opportunity

	<b>1</b>	LNG Facilities	~\$2.0
	<b>2</b>	Wells	~\$1.0
	<b>3</b>	Nodal Compression	~\$0.5
	<b>4</b>	Pipelines	~\$0.5
	<b>5</b>	Water Treatment	~\$2.0
		<b>Total</b>	<b>\$6+</b>
		Orders booked	~\$3.0
		To Go	~\$3.0

+ services

## GE playing a central role



- Industry leading water & salt solutions
- Supported industry on community & government engagement
- Industry partnerships ... built skills and training programs



# Expanded capabilities in LNG

## Ichthys Field

### SERVICES



Global Services and Subsea Systems

### POWER & WATER

4 Frame 6, 3 Steam Gen



### SUBSEA SYSTEMS



XT & Manifolds

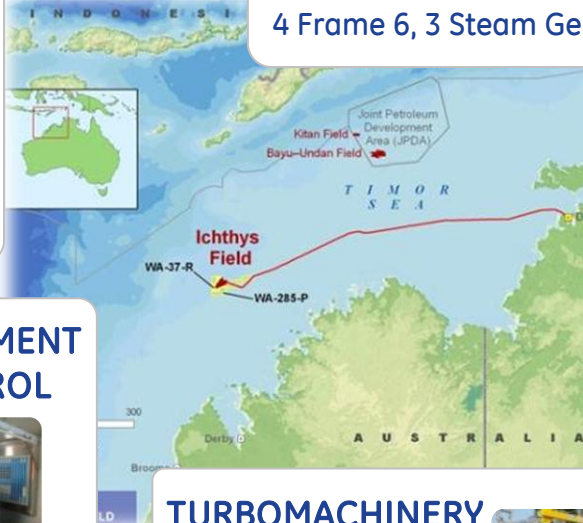
### MEASUREMENT & CONTROL



Controls

### TURBOMACHINERY

Offshore + LNG  
6 Gas Gen, 4 Frame7  
10 Compressors



✓ Complete offering enabled by core + acquisitions

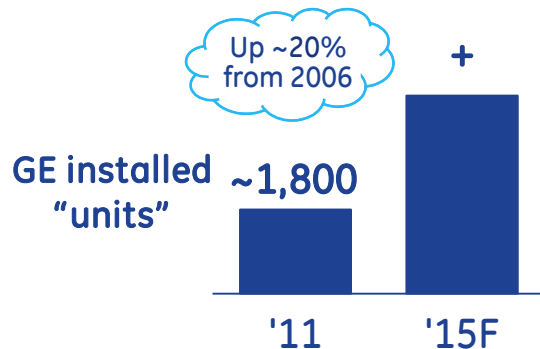
**\$1B orders won ... additional opportunities exist**

## Overview

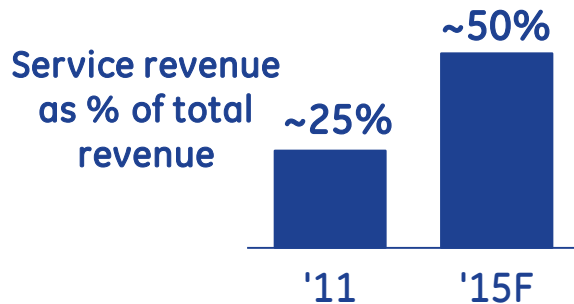
- \$70 billion off take agreements
- Inpex Corp (Japan) partnering with Total
- 2 trains ... 8.4MM tons per annum
- Opportunity for expansion
- First production in 2016

# Localizing service capability

## Growing installed base



## Great service annuity



## Investments

~\$3B orders

### Perth ... multi-modal services facility

- \$100MM investment
- Improved capability
- Cross business
  - ✓ Subsea
  - ✓ Turbo machinery
  - ✓ Power generation
  - + Transportation



### Customer partnerships ... filled skills gap

- Skills development
- Government sponsored



**Better positioned to compete**

# Building local wind capability

## Significant opportunity ~\$16B

- Mandated 20% renewables by '20 ... 14GW new sources ... mostly wind
- Customers want renewable MW, not just a turbine
- Developers require funding and off-take certainty



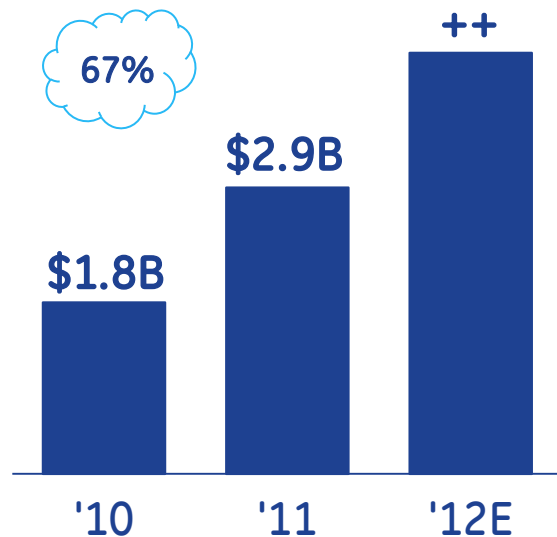
## Tailored GE's strategy to customer needs

- Developed targeted pipeline
- Delivering a turnkey solution ... added local domain experts, prime EPC
- Enhanced retailer/generator partnerships
- Development funding investments
- Turnkey CM  $\geq$  to global
- Strong EFS investment returns  $\sim 2\%$  + ROI

**Localized approach driving  
growth + margin**

# Financial outlook

## Industrial revenue\*



\* Excluding NBCU, including GE/GECS elim

## Strategy & approach

### Great market for GE

- Fastest growing developed economy
- Huge infrastructure investment supporting growth in Asia
- Long term investment project & demand

### Well positioned for growth

- Invested in local capability ... coal seam methane, wind & Perth
- 50% '11 orders tied to local capability
- Solving industry challenges
- Expanding installed base & service revenues

**Invested for double-digit growth  
in '12 & beyond**

# MENAT

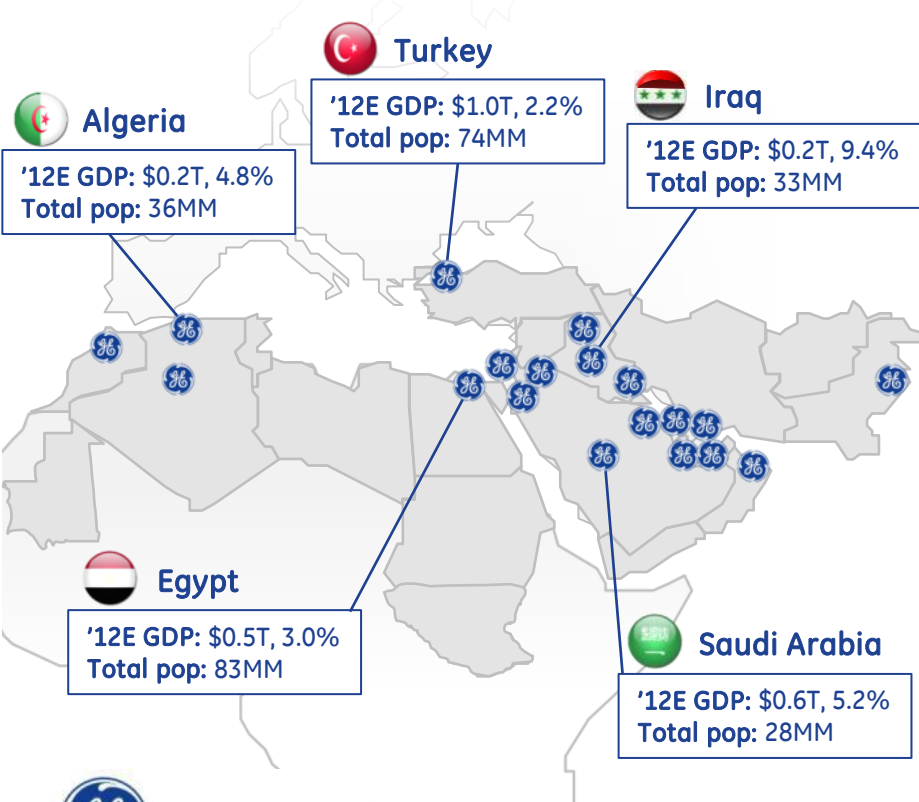
## Khozema Shipchandler

- ✓ 15 years GE experience
- ✓ US, UAE
- ✓ CAS, Aviation

# MENAT overview

## Footprint

Macroeconomics		GE footprint	
'12E GDP:	\$5.1T, 4.1%	# of sites:	105
Population:	703MM	Employees:	~4,200
Gov't spend:	\$1.7T <sup>(a)</sup>	First entered:	1930's

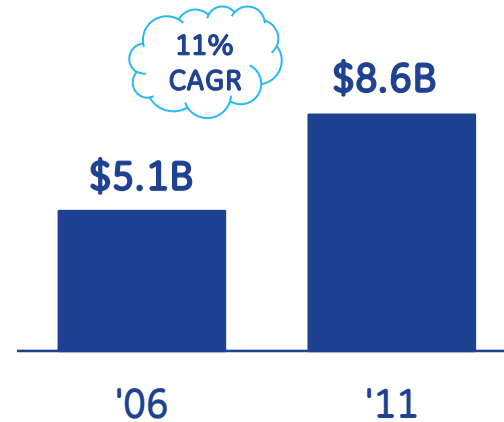


Source: Oxford Economics

(a) - Over 5-year period based on government investment plans

\* Excluding NBCU, including GE/GECS elim

## Industrial revenue\*



- Added ~3,000 employees
- Strong leadership ... 3 VP's, 10 SEB's, 90 EB's
- 2X backlog ... \$27B Services
- Forged GE-Mubadala strategic partnership
- Re-entered Iraq; Libya & South Sudan next

# Government & other funding

	Approximate Capex/Investment \$	Identified CY spend	Key GE opportunities
--	---------------------------------	---------------------	----------------------

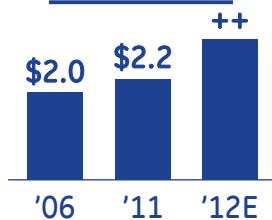
 Saudi	<b>5-year plan</b> Increase employment, balance economic development	~\$385B	~\$80B	<ul style="list-style-type: none"> <li>• 21 GW added electricity production</li> <li>• 117 new hospitals; 750 primary care</li> </ul>
 Gulf	<b>5-year plan</b> Building new operating platforms, diversify economy	~\$300B	~\$60B	<ul style="list-style-type: none"> <li>• Airbus 320neo and Boeing 737 MAX</li> <li>• +20 TW/hr electricity generation</li> </ul>
 Iraq	<b>5-year plan</b> Increase oil production, build infrastructure & diversify	~\$186B	~\$50B	<ul style="list-style-type: none"> <li>• +1 GW/year power generation</li> <li>• +4 million barrels/day oil production</li> </ul>
 Algeria	<b>5-year plan</b> Address social needs, improve healthcare, power & water	~\$286B	~\$70B	<ul style="list-style-type: none"> <li>• +3 GW by '13, 40% renewable by 2030</li> <li>• Healthcare: \$1B by '14, 172 hospitals</li> </ul>
 Turkey	<b>Vision 2023</b> Top 10 economy, invest in Energy, Health & Transport	~\$300B	~\$60B <sup>-a)</sup>	<ul style="list-style-type: none"> <li>• +40 GW electricity, 11k km of railway</li> <li>• 22 healthcare PPP campus</li> </ul>
 Egypt	<b>Vision 2030</b> Job creation, better healthcare, more housing & power	~\$300B	~\$50B	<ul style="list-style-type: none"> <li>• +53 GW power generation by '27</li> <li>• +7 GW of wind projects</li> </ul>

# Key markets

(\$ in billions - Industrial orders)

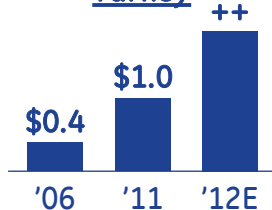
## Today

### Saudi Arabia



- ~1,000 employees, 10 GE facilities
- Partnerships ... MOH, SEC

### Turkey



- ~600 GE employees 5 facilities
- Partnerships ... TEI, Tulomsas

### Gulf<sup>(a)</sup>



- ~1,500 employees 20 facilities
- Partnerships ... Emirates, QP

(a- Includes: UAE, Kuwait, Qatar)

## Next



Iraq



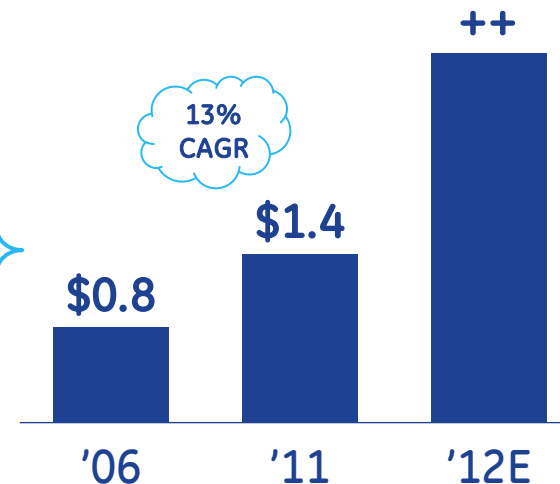
Egypt



Libya



Pakistan



- Iraq ... increase oil production & power gen. capacity
- Egypt ... increase power generation capacity
- Libya/S. Sudan ... re-enter in '12, re-build infrastructure



# GE products are winning

## Energy



LNG Super Trains



9FB.05 GT

- Powering 75% Saudi GT's, generating 30GW electricity
- 18 9E's powering all 77MM tons of LNG for Qatar
- EMAL II ... world's largest aluminum smelter w/ 9FA
- 60 9E's totaling 7.5GW to Iraq Ministry of Electricity

## Aviation



GEEnx



GE90

- Emirates 50x777 ... biggest wide-body Boeing deal
- ~2,000 GE/CFM engines ... \$16B services backlog
- Etihad ... multi-engine unit, services, & MRO

## Healthcare



Optima MR 450W

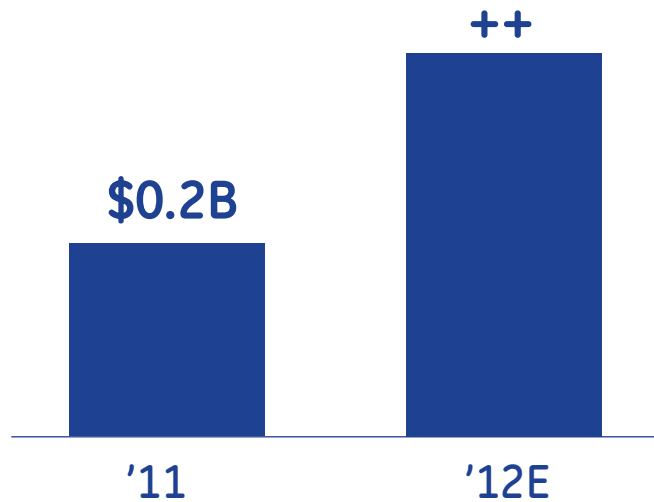
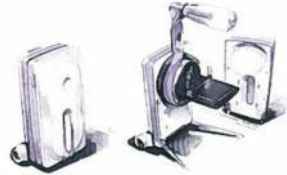


RIS

- Optima MR 450W ... largest installed base in Saudi
- Radiology Information Systems (RIS) in Saudi & Egypt
- Saudi MOH, Al Ilhial & four 500-bed hospital deals

# Saudi healthcare

## Orders growth



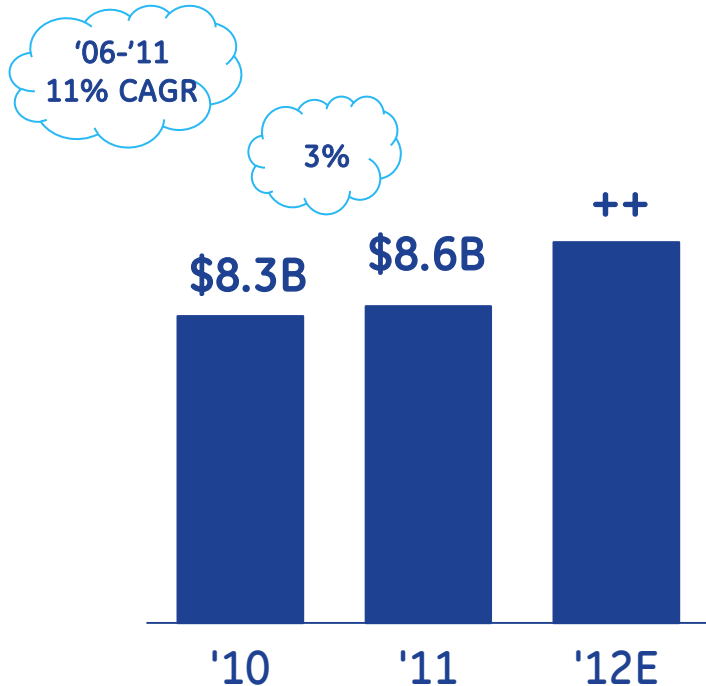
Healthcare solutions, government partnerships & localization to drive orders growth

## Focus

- Hospital efficiency ... less cost & complexity
- Women's health ... early detection
- New products
- Replicate model in Turkey, Russia, & Africa

# Financial outlook

## Industrial revenue\*



\* Excluding NBCU, including GE/GECS elim

## Strategy & approach

### Great market for GE

- Huge market opportunity ... \$1.7T
- Strong presence ... integrity and reputation opening doors

### Well positioned for growth

- Market based “solutions” ... Aviation, Energy, Healthcare
- Local capabilities ... innovation centers, service shops & supply chain
- Growing strategic partnerships ... Mubadala, Qatar Inc., Sonatrach, Saudi MOH
- Latest GE technology driving services backlog

**Accelerate double digit growth**

# Sub-Saharan Africa

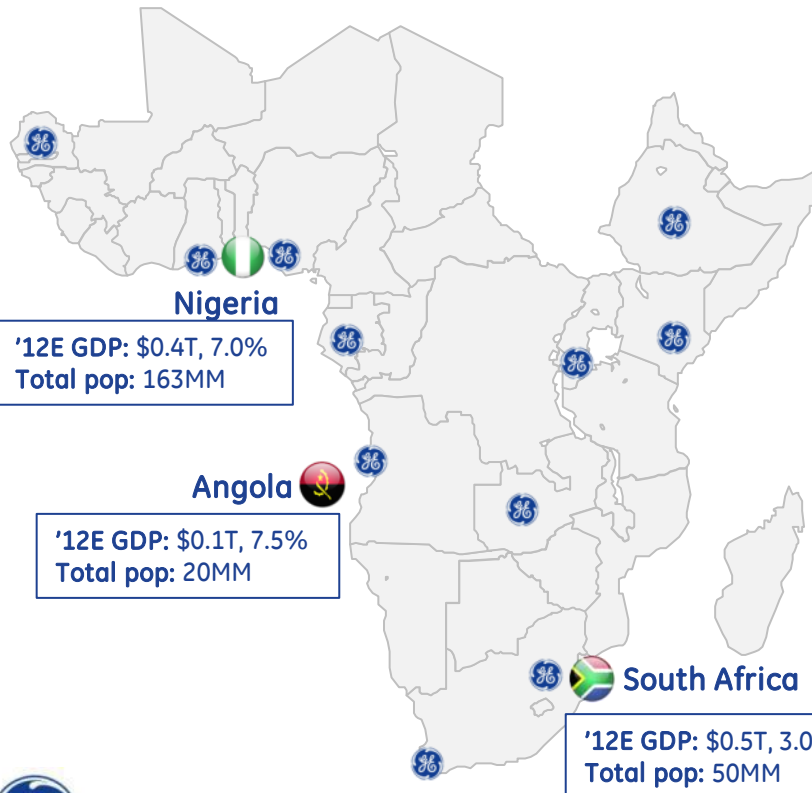
## Jay Ireland

- ✓ 31 years GE experience
- ✓ Netherlands, US, Kenya
- ✓ CAS, Plastics, IR, NBCU, Asset Mgmt

# Sub-Saharan Africa overview

## Footprint

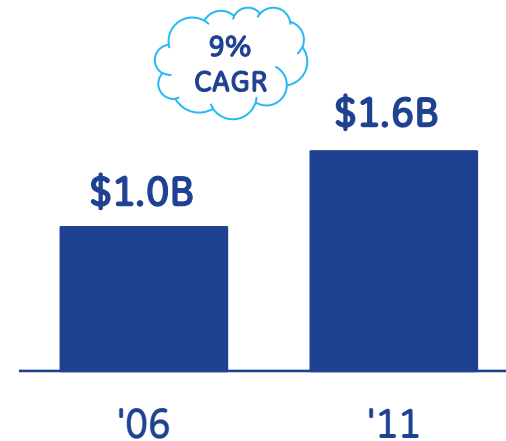
Macroeconomics		GE footprint	
'12E GDP:	\$1.8T/5.2%	# of sites:	22
Population:	821MM	Employees:	~1,200
Infra spend:	~\$45B	First entered:	1898



Source: Oxford Economics

\* Excluding NBCU, including GE/GECS elim

## Industrial revenue\*



- \$90B+/yr infra spend needed to be developed
- Middle class to increase to 528MM by 2030
- 70% of population without electricity
- 10% ↑ in MW capacity needed annually
- Air traffic to grow 6.5%/year through 2020

# Macro dynamics drive opportunity

	Area/ Opportunity	Approximate CAPEX / Investment \$B	Identified CY spend	GE opportunities
1	Kenya Vision 2030	~\$60	~\$3	<ul style="list-style-type: none"> <li>+5GW</li> <li>Rail expansion</li> </ul>
2	Nigeria Vision 2020	~\$90	~\$8	<ul style="list-style-type: none"> <li>Increase to 60GW</li> <li>Aging loco replacement</li> </ul>
3	South Africa Development Plan	~\$100	~\$37	<ul style="list-style-type: none"> <li>+40GW</li> <li>Rail expansion</li> </ul>
4	Rwanda 2020	~\$10	\$0.3	<ul style="list-style-type: none"> <li>6 to 35% of pop. with power</li> <li>Rail &amp; airport expansion</li> </ul>
5	Ghana	~\$12	~\$2	<ul style="list-style-type: none"> <li>+3GW</li> <li>Rail expansion</li> </ul>

# Flag planting works

(\$ in billions – Industrial revenue ex-NBCU)

## Last 10 years



Angola



Indonesia



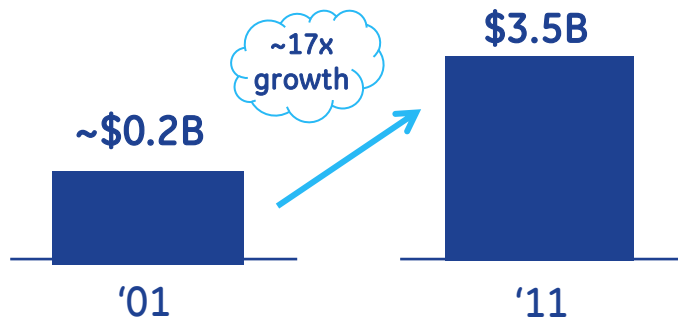
Iraq



Egypt



Algeria



- Local investment in people, resources & facilities
- Establish local GE capabilities
- Company to country

## Next



Cameroon



Ethiopia



Mozambique



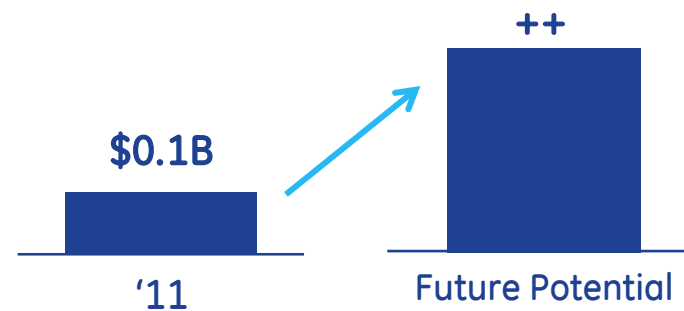
Rwanda



Senegal



Zambia



- Infrastructure need and investment
- GE product portfolio
- Stability

\* Excluding NBCU, including GE/GECS elim

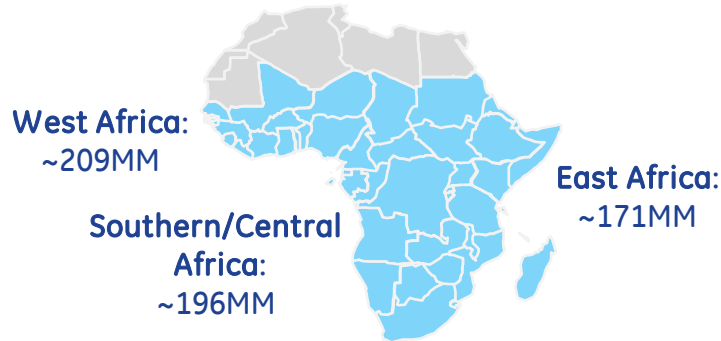


Establishing local presence

# Distributed power

## Dynamics

Population without access to the grid



- Weak grid/emergency capacity
- Drought, fuel outage & limited options
- 2.5GW installed base

## GE installed base

Country	Aero Units	Gas * Units
Nigeria	29	73
Angola	19	7
Other	19	63

\* Consists of Gas Recips

## Products

### Aero



- 13 to 100 MW capability
- Permanent and portable

### Gas Recips



- 1 to 4.5 MW capability
- Stationary ... captive power

### Diesel Recips



- 1.2 to 3MW capability
- Harsh conditions

## Approach

- Quick deployment
- Limited customization / development
- Pre-financed



# Other opportunities

## Healthcare



- DI centers & hospital development
- Healthmagination as a strategy
- 25-hospital development programs (Nigeria, Ghana, South Africa)

## Transportation



- Transnet assembly partnership ... 143 locos
- Aging fleet (25 yrs+) ... refurb opportunity
- Significant opportunities ... ~\$3B refurb, ~\$4B mining & urbanization

## Aviation



- ~200 engines in service ... pipeline ~\$0.6B
- Adding ~50 a.c per year ... 120 engines secured
- Fleet renewal & growth ... GECAS leasing opportunity

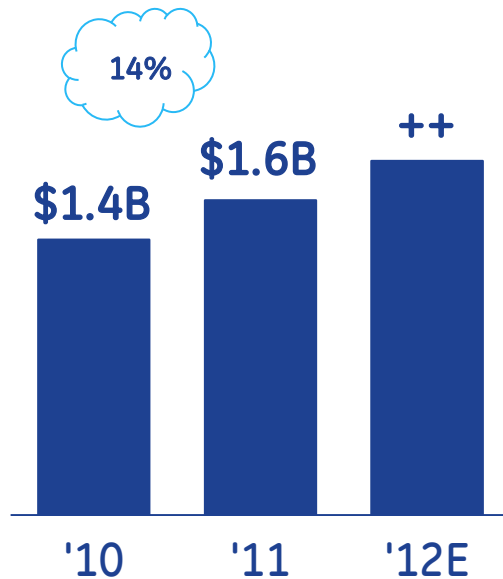
## Oil & Gas



- Discoveries in east Africa
- 113 HDGT installed base
- Support for IOCs & NOCs
  - ✓ Nigeria } well established
  - ✓ Angola }
  - ✓ Ghana }
  - + Mozambique } next
  - + Tanzania }
  - + Uganda }
- Oil production to double to 9.5Mbbbl/d by '20

# Financial outlook

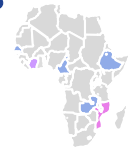
## Industrial revenue\*



\* Excluding NBCU, including GE/GECS elim

## Positioning for future

- 1 Develop strategic partnerships**
  - Assembling locomotives locally in partnership with TRE
- 2 Becoming more local**
  - Nigeria "Company to Country" ... partner on infrastructure development
- 3 Focusing on the next wave ... establishing presence in new markets**
  - Early wins for Healthcare in Senegal and Ethiopia
- 4 Early project development & financing drives growth**
  - Substantial funding appetite for Africa ... building out capability in region



# GE Company Update

# 2012 operating framework

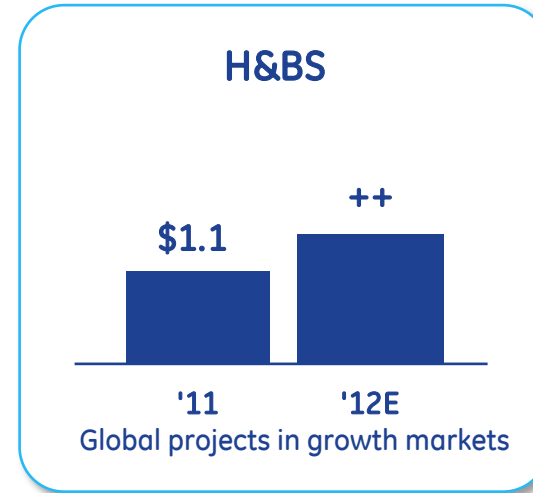
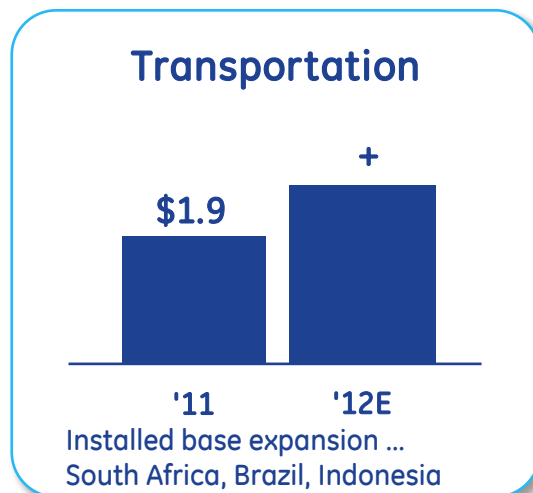
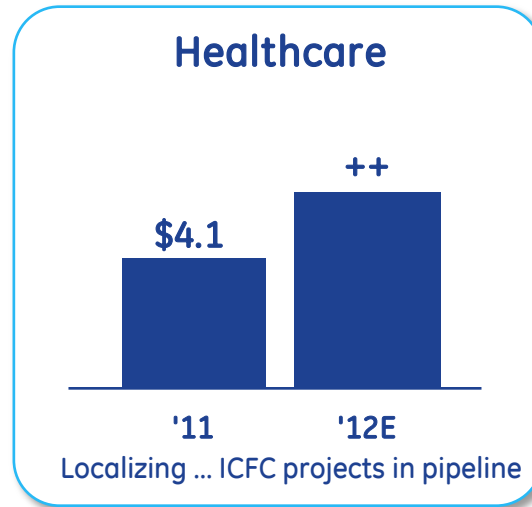
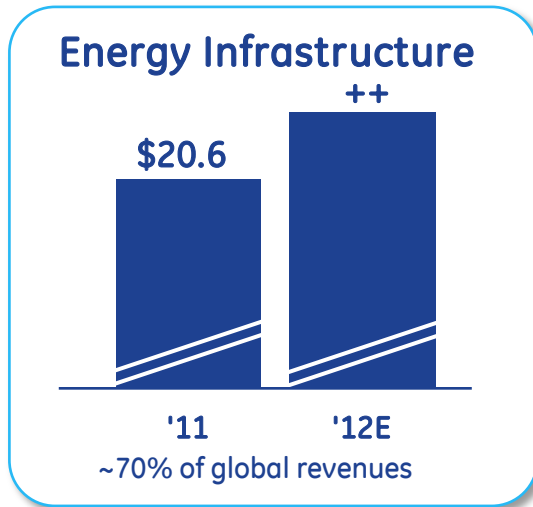
<u>Operating earnings</u>	<u>2012F</u>	<u>2012 drivers</u>
Industrial	++	<ul style="list-style-type: none"> <li>✓ Strong global organic growth</li> <li>✓ Energy acquisitions performing</li> <li>✓ Broad-based strength</li> </ul>
GE Capital	++	<ul style="list-style-type: none"> <li>✓ Improved losses &amp; impairments</li> <li>✓ Real Estate improving</li> </ul>
Corporate <sup>-a)</sup>	<u>~Flat</u>	<ul style="list-style-type: none"> <li>✓ '11 items: NBCU gain &amp; restructuring</li> <li>✓ Total cost ~\$3B<sup>-a)</sup> in '11 &amp; '12</li> </ul>
<b>Total operating earnings</b>	<b>++</b>	
CFOA – Industrial	\$11-12B	<ul style="list-style-type: none"> <li>✓ Industrial CFOA \$12-13B before pension contribution of \$1B</li> </ul>
Total revenues	0-5%	<ul style="list-style-type: none"> <li>✓ Industrial organic 5-10%, Capital (5)% to flat</li> <li>✓ NBCU gain '11 impact</li> </ul>

(a- Excluding NBCU pretax gain \$3.7B in 2011)

**Strong performance across Industrial & Capital ... 50 bps expansion**

# Global growth across all segments

(\$ in billions – revenue in growth markets)

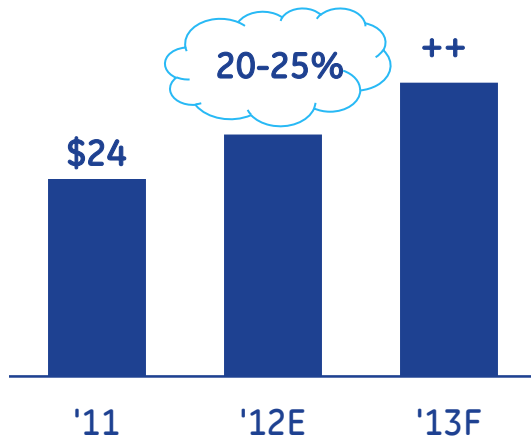


# Global revenue growth

(\$ in billions – Industrial revenue ex-NBCU)

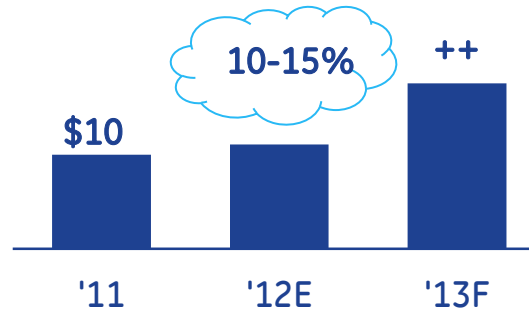
## Growth markets

### Resource Rich



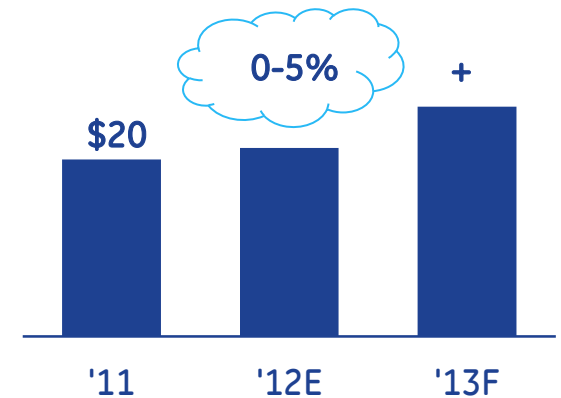
-  A&NZ
-  Canada
-  LatAm
-  MENAT
-  Russia/CIS
-  SS Africa

### Rising Asia



-  China
-  India
-  ASEAN

### Developed



-  Europe
-  Japan
-  Korea
-  Germany

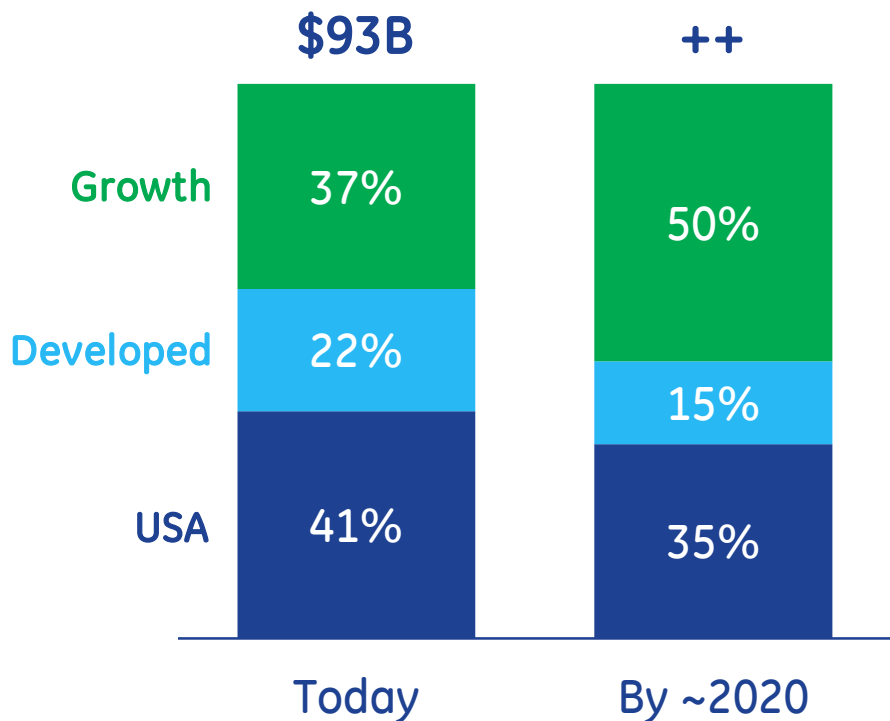
\* Excluding NBCU, including GE/GECS elim



Continuing growth market expansion

# GE tomorrow ...

## Industrial revenue profile\*



\* Excluding NBCU, including GE/GECS elim

## Expansion continues ...

- ✓ We are a local player
- ✓ Targeted & focused strategy ... investing, building and leading
- ✓ Optimize global capabilities
- ✓ Margins in line with global averages
- ✓ Cost out, redeployment opportunity
- ✓ Maintaining appropriate risk profile and protecting intellectual property
- ✓ Right portfolio for today and tomorrow in key growth markets



**Long term shareholder value**

\* Excluding NBCU

Q&A