

GE 2011 second quarter performance

July 22, 2011

– Financial results & company highlights

Caution Concerning Forward-Looking Statements:

This document contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: current economic and financial conditions, including volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; the impact of conditions in the financial and credit markets on the availability and cost of General Electric Capital Corporation’s (GECC) funding and on our ability to reduce GECC’s asset levels as planned; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; changes in Japanese consumer behavior that may affect our estimates of liability for excess interest refund claims (Grey Zone); potential financial implications from the Japanese natural disaster; our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so; the adequacy of our cash flow and earnings and other conditions which may affect our ability to pay our quarterly dividend at the planned level; the level of demand and financial performance of the major industries we serve, including, without limitation, air and rail transportation, energy generation, real estate and healthcare; the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of financial services regulation; strategic actions, including acquisitions, joint ventures and dispositions and our success in completing announced transactions and integrating acquired businesses; and numerous other matters of national, regional and global scale, including those of a political, economic, business and competitive nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

“This document may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP measures presented in this document, see the accompanying supplemental information posted to the investor relations section of our website at www.ge.com.”

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

“In this document, “GE” refers to the Industrial businesses of the Company including GECS on an equity basis. “GE (ex. GECS)” and/or “Industrial” refer to GE excluding Financial Services.”



imagination at work

Overview

- ✓ Leading indicators encouraging
 - Key metrics in our markets trending positive (RPMs, credit demand, freight loadings, etc.)
 - Infrastructure orders +24% (+17% organic) ... strength in equipment +33% & services +16%
 - Infrastructure backlog grew to \$189B ... LEAP X winning in the market
- ✓ Challenges are consistent & well-known
 - U.S.: housing impact on Appliances; renewable energy markets
 - European growth rate
 - Macro volatility
- ✓ Earnings growth continues ... operating EPS +17%
 - GE Capital earnings rebound continues ... \$2.1B pretax
 - Solid performances at Transportation, Aviation, Healthcare & Oil & Gas
 - Energy Infrastructure earnings bottomed ... expect sequential & year-over-year growth in 2H
- ✓ Strong balance sheet
 - \$91B of cash & equivalents ... CFOA \$4.4B YTD
 - GECC/GECS Tier 1 Common ratios up to 10.4%/9.1%
- ✓ Executing capital allocation plan
 - \$1B stock buyback YTD ... \$2.7B since restarting buyback
 - Energy deal integrations ahead of plan; expect to close Converteam in 3Q
 - Plan to retire Berkshire Hathaway preferred in October

2Q'11 orders +24%

(\$ in billions)

	2Q orders \$24/+24%			
	Equipment		Services	
	\$	V%	\$	V%
Energy	\$5.0	42%	\$4.9	10%
O&G	1.8	41	1.1	52
Energy Infra.	6.7	39	6.0	16
Aviation	2.6	72	2.7	14
Healthcare	2.6	9	2.1	10
Transportation	0.8	5	0.5	50
Total	\$12.7	33%	\$11.3	16%

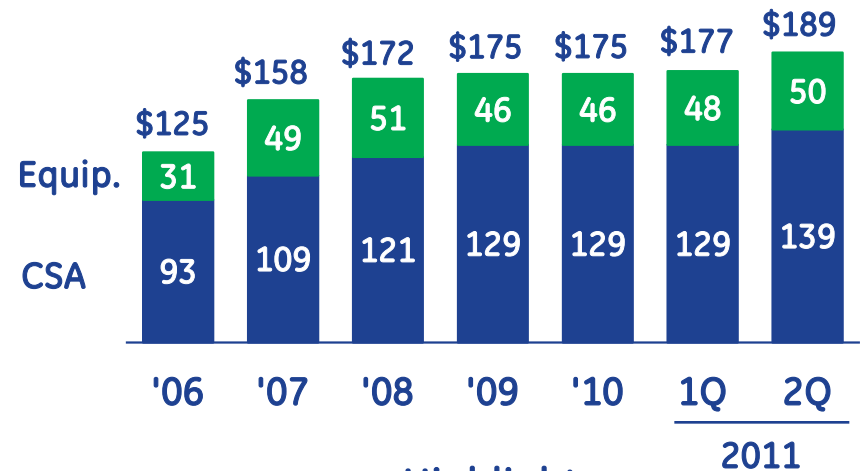
Orders profile

Equipment

Services



Strong backlog (\$B)



Highlights

- ✓ Equipment book to bill at 1.2
- ✓ Energy +24% ... core +16%: key Wind orders Renova, BP Wind & E.ON \$0.8
- ✓ Oil & Gas +45% ... core +26% ... Wheatstone Australia \$0.5B
- ✓ Aviation +37% ... recent Air Show wins will be orders post-2Q
- ✓ Healthcare +9% ... global strength
- ✓ Transportation +19% ... orders for 167 locos in the Americas

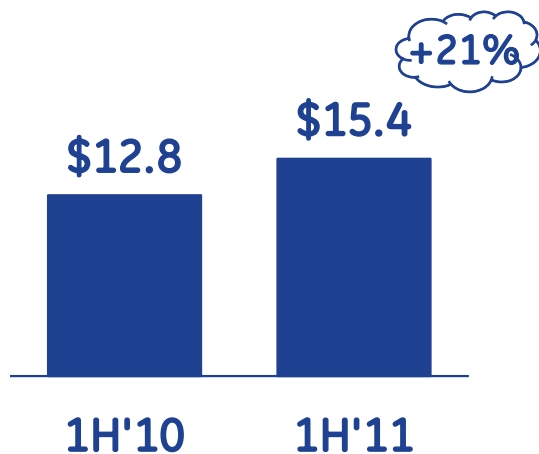
Backlog strength continues ... +17% organic

Growth investments are paying off

(Revenue \$ in billions)

Growth markets

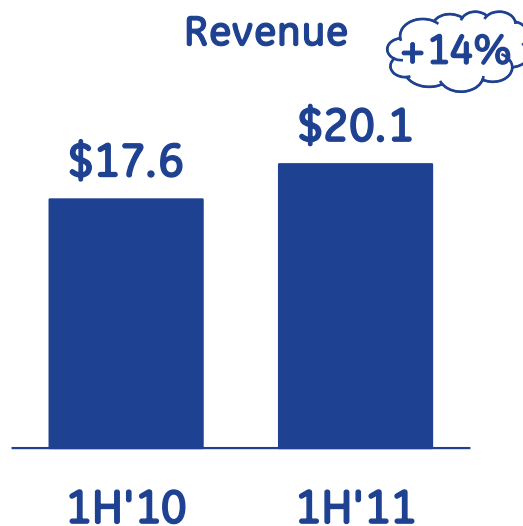
Industrial revenue



- ✓ All segments seeing double-digit growth
- ✓ New organization off to a great start
- ✓ Establishing strong local position

Services

Revenue



- ✓ Strong growth across all businesses
- ✓ Backlog at an all-time high
- ✓ Deep relationships with customers

New product launches

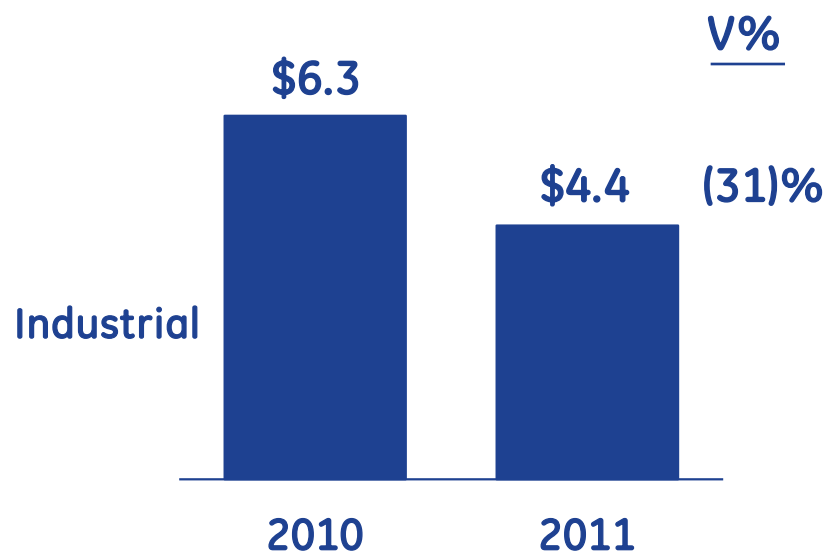
- ✓ Aviation GEnx entering commercial service
- ✓ LEAP X a big success ... Boeing re-engine decision
- ✓ Energy Flex 50 combined cycle power plant ... well received by customers
- ✓ Wind 1.6 100 efficient turbine ... positioned for U.S. growth
- ✓ Thin Film Solar launch
- ✓ Healthcare ... Optima PET/CT 560, Voluson S-Series U/S, mobile x-ray; wide-bore 3T MR on track for 3Q
- ✓ Transportation ... battery pilot started
- ✓ Launch new appliances ... 2H'11-2012

Generating cash

(\$ in billions)

Consolidated
cash \$91B

2Q YTD CFOA



- ✓ NBCU \$(0.7) impact
- ✓ Growing working capital to support TY sales in backlog

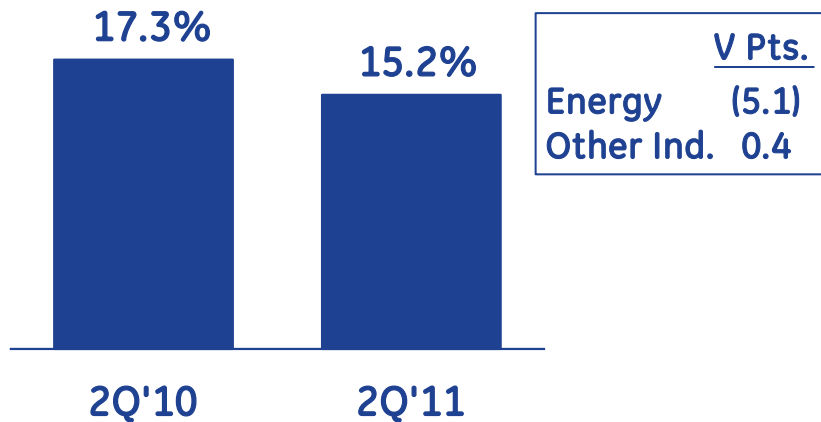
GE cash balance walk

	<u>Total</u>
Beginning balance 1/1/11	\$19.2
CFOA	4.4
Dividends	(3.1)
P&E	(1.5)
Acquisitions	(7.8)
Buyback	(1.0)
NBCU disposition	1.8
Change in debt/FX/other	1.6
June 2011	<u>\$13.6</u>

On track to deliver \$12-13B plan

Segment operating profit margins

Second quarter



Drivers

	<u>Pts.</u>
Wind	(1.2)
R&D investment	(0.8)
Acquisitions	(0.3)
Services/productivity	0.2

Trends going forward

- ✓ Wind drives value gap negative in '11
- ✓ Continue to see material deflation in '11
- ✓ Expect '12 R&D investment \leq '11 (as a % of revenue)
- ✓ Strong services productivity & margins
- ✓ Acquisition margins improve in '12
- ✓ Better equipment price position by 2H'12

- ✓ Margin rate down in 1H ... sequential improvement in 2H
- ✓ '11 margins slightly worse than our expectation ... offset by revenue
- ✓ Expect margin growth in '12



2Q'11 performance

2Q'11 consolidated results

(\$ in billions – except EPS)

Continuing operations

	<u>2Q'11</u>	<u>V%</u>
Revenues	\$35.6	(4)
– Industrial sales	23.0	(6)
– Financial Svcs. revenue	12.4	(1)
Operating earnings ^{-a)}	3.7	18
Operating EPS ^{-b)}	0.34	17
EPS ^{-b)}	0.33	14
CFOA - YTD	4.4	(31)
– Industrial CFOA	4.4	(31)
	<u>2Q'11</u>	<u>YTD</u>
Tax rate	20%	41%
– GE (ex. GECS)	21	52
– GECS	18	18

(a- Attributable to GE

(b- Earnings attributable to common shareowners

Memo: includes NBCU JV pretax profit of \$280MM;
excluding impact of NBCU, GE revenues +7%

(\$ in millions)

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Energy Infra.	\$10,402	9%	\$1,552	(19)%
Aviation	4,732	11	959	9
Healthcare	4,498	10	711	8
Transportation	1,231	74	178	~7X
H&BS	2,153	(4)	106	(26)
Industrial	23,016	10	3,506	(3)
GE Capital	11,626	(1)	1,655	~2X
	<u>\$34,642</u>	<u>6%</u>	<u>\$5,161</u>	<u>18%</u>

2Q'11 other items

	<u>EPS impact</u>	<u>Category</u>
One-time positive items	\$.01	✓ Commercial settlements
One-time costs	(.01)	✓ Restructuring ✓ Deal-related costs (Energy)
<hr/>		
Discontinued operations	.02	
Closed Consumer Singapore		✓ \$2B reduction in ENI
Announced Australia Home Lending		✓ \$5B reduction in ENI

Minimal impact from other items

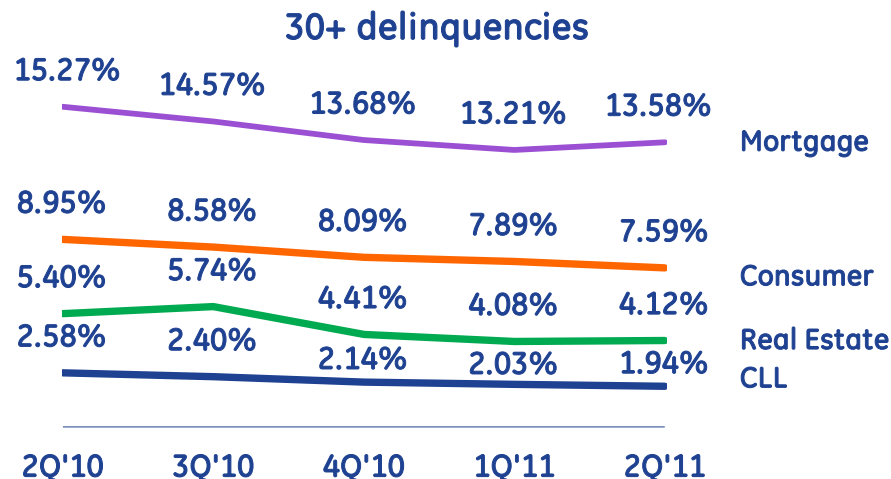
GE Capital

(\$ in millions)

<u>2Q'11</u>	<u>\$</u>	<u>V%</u>
Revenue	\$11,626	(1)%
Pretax earnings	2,053	~3X
Net income	1,655	~2X
ENI (ex. cash)	457B	(2)
GECC:		
Tier 1 common ratio	10.4%	+2.3 pts.
Leverage	4.3:1	↓ 1

	<u>Assets (\$B)</u>		<u>Segment profit (\$MM)</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Consumer	\$146	3%	\$1,020	57%
Real Estate	68	(12)	(335)	36
CLL	198	(2)	701	F
GECAS	49	1	321	11
EFS	18	(12)	139	10

Asset quality continues to improve



2Q dynamics

- ✓ Volume of \$43B ... CLL up 33%; pipeline up
- ✓ Margins remain strong at 5.3%
- ✓ Non-earnings down \$(0.8)B vs. 1Q
- ✓ Reserve coverage at 2.3%
- ✓ \$1.4B losses & impairments, ↓ \$(0.4)B vs. 1Q

Earnings growth across all businesses

Energy Infrastructure

(\$ in millions)

<u>2Q'11</u>	<u>\$</u>	<u>V%</u>
Revenues	\$10,402	9%
Segment profit	\$1,552	(19)%

Key 2Q business results

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Energy	\$8,141	1%	\$1,268	(24)%
Oil & Gas	2,468	39	333	14

2Q dynamics

Energy

- \$9.9B orders, +24% ... equipment backlog \$12.7B vs. PQ +9%, CSA backlog \$45.2B
- Revenue +1% ... equipment (12)%, services +17% ... 242 fewer Wind units
- Segment profit (24)% ... fewer Wind units, higher program & global investments

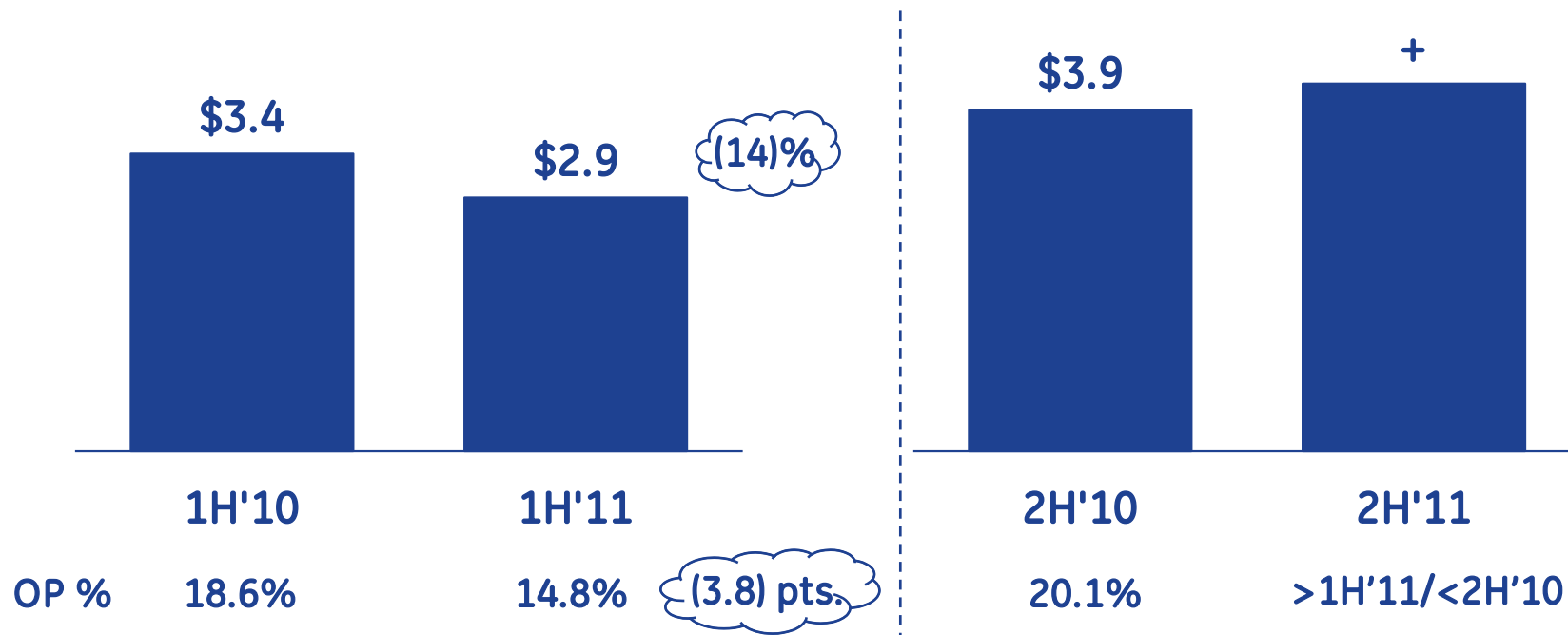
Oil & Gas

- \$3B orders, +45% ... equipment backlog \$8.1B vs. PQ +8%, CSA backlog \$4.1B
- Revenue +39% ... equipment +43%, service +34%
- Segment profit +14% ... higher equipment volume partially offset by value gap

Expecting Energy to resume profit growth in 2H'11

Energy Infrastructure profit grows in 2H

(\$ in billions)



Energy unit volume		V%				V%	
Wind	860	635	(26)%	1,208	~1,400	16%	
GT	72	64	(11)	42	~56	33	
ST	17	7	(59)	5	~9	80	
Aero	56	48	(14)	81	~100	23	

Improved unit profile in 2H

Aviation & Transportation

(\$ in millions)

Aviation

<u>2Q'11</u>	<u>\$</u>	<u>V%</u>
Revenues	\$4,732	11%
Segment profit	\$959	9%

2Q dynamics

- \$5.3B orders, +37% ... equipment backlog \$21B, CSA backlog \$68B ... up \$9B
- Revenues +11% ... equipment +2%, commercial & military service +21%
- Spare parts growth ... 18%

Transportation

<u>2Q'11</u>	<u>\$</u>	<u>V%</u>
Revenues	\$1,231	74%
Segment profit	\$178	~7X

2Q dynamics

- \$1.4B orders +19% ... service strong ... \$0.3B NA loco orders, mining up +125%
- Revenue +74% ... strong equipment +73%, & services +76%
- Service margins expanding

- ✓ Strong Aviation revenue & margin
- ✓ Attractive Transportation business cycle

Healthcare & H&BS

(\$ in millions)

Healthcare

<u>2Q'11</u>	<u>\$</u>	<u>V%</u>
Revenues	\$4,498	10%
Segment profit	\$711	8%

2Q dynamics

- \$4.7B orders, +9% ... equipment +9%, services +10% ... equipment backlog \$4.0B
- Revenues +10% ... equipment +10%, services +9%
- Segment profit +8% ... strong core growth & additional investment in growth platforms

Home & Business Solutions

<u>2Q'11</u>	<u>\$</u>	<u>V%</u>
Revenues	\$2,153	(4)%
Segment profit	\$106	(26)%

2Q dynamics

- Appliances revenue (12)% ... prior year stimulus comps & industry down 10% ... R&D ↑ 41% to revamp product line
- Lighting revenue +7% driven by LED growth ... positive value gap despite rare earths inflation
- Intelligent Platforms revenue +19% driven by software & controls

- ✓ Continue to see growth market strength in Healthcare
- ✓ H&BS addressing value gap to offset inflation



imagination at work

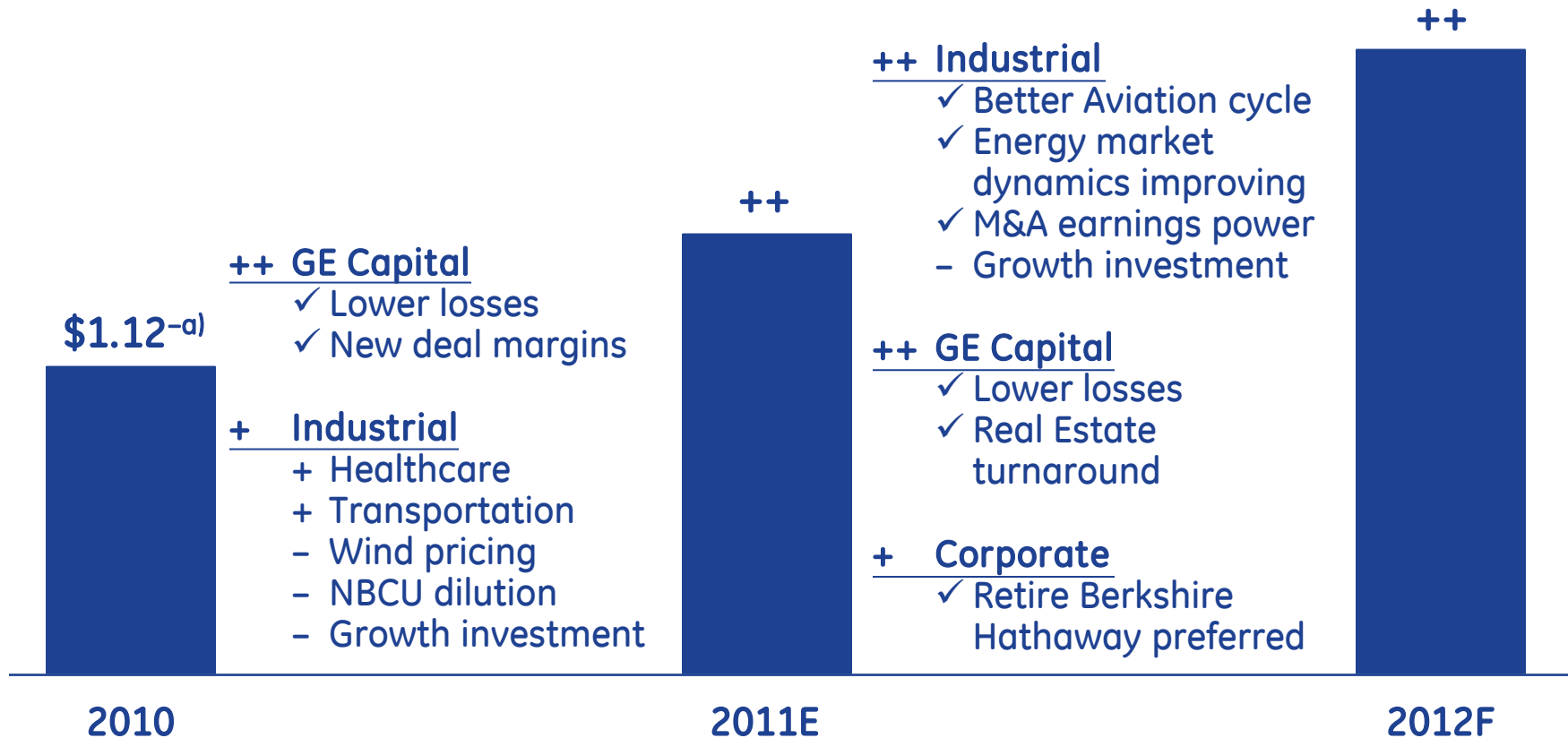
2011 operating framework

<u>Operating earnings</u>	<u>2010</u>	<u>2011E</u>	<u>Drivers</u>
Industrial	~Flat	+	+ Healthcare, Transportation, M&A & services - Wind, higher R&D spend & GENx launch
GE Capital	++	++	+ Higher margins, lower losses ✓ Real Estate firming
Corporate	<u>Flat/-</u>	<u>-</u>	✓ NBCU dilution (-); less restructuring (+); pension (~flat)
Total operating earnings	++	++	
CFOA	\$14-15B	\$12-13B	+ Continued working capital improvements - Lower progress payments
Total revenues		0-5%	+ Industrial ~5% organic; acquisitions ✓ Capital ~(5)% ... continued management of ENI ✓ NBCU equity investment in Corporate

No change ... confident in total year framework

Earnings growth outlook is very strong

(Earnings per share)



(a- Operating EPS as recast for discontinued operations; 2010 continuing EPS \$1.14)

Best portfolio & best outlook in 10 years