

January 2011 Investor Update

January 31, 2011

To the Investment Community,

On January 21, we announced GE's fourth quarter and total year 2010 earnings. Featured to the right are a few pages from the earnings presentation. Please click [here](#) to access the event materials.

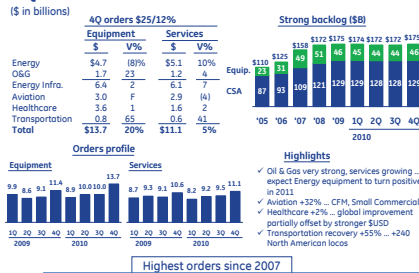
4Q and Full-Year 2010 Highlights (Continuing Operations Attributable to GE):

- ✓ Third consecutive quarter of double-digit earnings growth
 - 4Q earnings per share (EPS) of \$0.36 attributable to common shareowners; full-year EPS of \$1.15
 - Quarterly and annual earnings of \$3.9 billion and \$12.6 billion attributable to GE
- ✓ Stronger top-line performance; environment continues to improve
 - 4Q Industrial segment revenue growth of 4%; Industrial organic growth of 6%
 - 4Q Infrastructure orders of \$24.8 billion up 12% from a year ago; equipment up 20%; services up 5%
- ✓ Strong execution at GE Capital; earned \$1.1 billion in 4Q; pre-tax earnings of \$1.0 billion
- ✓ GE business model performing well
 - Strong Industrial cash flow from operations of \$14.7 billion for full year
 - Strong Industrial margins in 4Q of 17.5% (ex. NBCU), up 10 bps year-over-year
 - Consolidated cash and equivalents of \$79 billion
- ✓ 2011 framework remains achievable and balanced
 - Total backlog increased to a record \$175 billion at year-end

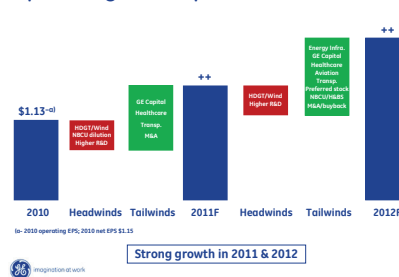
Overview

- ✓ Our environment continues to improve
 - Media buying ↑
 - Revenue passenger miles ↑
 - Parked aircrafts and locos ↓
 - Equipment and service orders ↑
 - Losses ↓, CRE manageable
 - Credit demand ↑
- ✓ Stronger top-line performance, leading indicators better
 - Industrial segment revenue growth +4% ... 6% Industrial organic revenue growth
 - Infrastructure orders +12% ... strength in equipment +20% and services +5%
- ✓ Earnings growth continues ... continuing EPS +33%
 - GE Capital environment and earnings continue to improve
 - Strong performance at Healthcare, Transportation and NBCU
 - 10¢ Industrial tax benefits offset by 10¢ restructuring and other charges, including Hudson
- ✓ Execution is very strong
 - CFOA \$14.7B ... \$79B of cash & equivalents
 - Operating margins at 17.5% (ex. NBCU), +10 bps.
 - GE Capital portfolio transformation advancing
 - Strong value gap performance in '10 ... expect lower in '11
- ✓ Executing capital allocation plan
 - \$1.8B stock buyback in 2H'10 ... shares down 76MM since restarting buyback
 - 2 dividend increases in 2010 ... 1Q'11 dividend +40% vs. 1Q'10
 - Valuable acquisitions ... closed Clariant; announced Dresser, Wellstream, Lineage Power

4Q orders +12%



Operating EPS expectations



Business Highlights

Industrial Businesses *page 3*

GE Capital *page 6*

Other Company News *page 7*

Investor Events *page 7*

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Continues on page 2



On January 28, Comcast Corporation (Nasdaq: CMCSA; CMCSK) and GE closed their transaction to create a joint venture, NBCUniversal, LLC. Under the terms of the transaction, GE contributed to the joint venture NBC Universal, Inc.'s businesses, including its cable networks, filmed entertainment, televised entertainment, theme parks, and unconsolidated investments. Comcast contributed its cable networks, including E!, Versus and the Golf Channel, its regional sports networks, certain digital media properties, and made a payment to GE. The new company is 51 percent owned by Comcast, 49 percent owned by GE, and managed by Comcast. It maintains its headquarters in New York City. GE Chairman and CEO Jeff Immelt said, "NBCU has been a great business for GE over the past 20 years, generating an average annual return of 11 percent. Reducing our ownership stake to 49 percent allows GE to continue sharing in NBCU's growth while also providing significant cash to invest in our high-technology infrastructure businesses. I want to express GE's and my special thanks to the talented and dedicated employees of NBCU who have built a world-renowned business and are its heart and soul. We are excited by the growth opportunities ahead for NBCUniversal under Brian Roberts, Steve Burke and the Comcast team's leadership." [Read the press release.](#)

Also this month, GE announced plans to sign five agreements with Chinese partners, totaling more than \$2 billion in revenue for GE, the nation's second-largest manufacturing exporter. The five joint ventures, partnerships and orders in strategic sectors such as clean energy, aviation and rail transportation are expected to generate more than \$1 billion in exports from the U.S. and create or support jobs in both countries, including more than 4,500 U.S. jobs. "These multi-sector infrastructure-improvement deals will help strengthen the critically important U.S.-China bilateral economic relationship, expand commerce and increase employment in both the U.S. and China," said GE Vice Chairman John Rice. Click [here](#) to read more about the five agreements.

Clean energy technology innovation and the ability of U.S. manufacturers to compete in the global marketplace were key themes of President Barack Obama's visit to our Schenectady campus on January 21. The Schenectady facility is the birthplace of GE and home to GE Energy's Power & Water division, which develops and manufactures steam turbines, generators, wind turbines and solar technology. It also is the future home of GE's advanced battery manufacturing facility. GE CEO Jeff Immelt gave the President a tour of GE's steam turbine and generator manufacturing facility—one of the largest of its kind in the world. While touring the facility, Immelt also spoke to the President about GE's commitment to America's clean energy future. GE is one of the leading providers of renewable energy equipment in the world, with more than 14,500 wind turbines installed in more than 21 countries providing enough power to operate more than 7.25 million homes. GE recently opened its global renewable energy headquarters on the Schenectady campus. [Read the press release.](#)

On January 21, President Barack Obama named GE Chairman and CEO Jeff Immelt as chair of his outside panel of economic advisors: the President's Council on Jobs and Competitiveness. Having been an original member of the newly renamed panel since 2009, Immelt's new role is part of a long history of public service among GE's leaders. In an op-ed published on January 21 in *The Washington Post* entitled "A Blueprint for Keeping America Competitive," Immelt writes: "Business leaders should provide expertise in service of our country. My predecessors at GE have done so, as have leaders of many other great American companies. There is always a healthy tension between the public and private sectors. However, we all share a responsibility to drive national competitiveness, particularly during economic unrest. This is one of those times. My hope is that the council will be a sounding board for ideas and a catalyst for action on jobs and competitiveness." [Read the GE Reports story.](#)

For presentations, news and other helpful information please visit our investor website at <http://www.ge.com/investor>.

Please see "GE Reports" to keep informed about the latest company developments. We will update it daily to share information and our perspectives on GE activities around the world. Please visit our website at <http://www.gereports.com/>.

Regards,



"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); 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, network television, 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."

"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."

Industrial Businesses

ENERGY INFRASTRUCTURE

- GE announced it has signed an agreement to acquire privately-held Lineage Power Holdings, Inc., from The Gores Group, LLC. Lineage Power is a leading global provider of high-efficiency power conversion infrastructure technology and services for the telecommunications and datacenter industries. The deal will open the door for GE Energy technology to be deployed in the \$20 billion per year power conversion space, where the demand for reliable, high-quality power is driven by the growth in cloud computing and mobile internet voice, video and data applications. Lineage Power had revenues of approximately \$450 million in 2010. The transaction is valued at approximately \$520 million or eight times enterprise value on 2011 EBITDA basis. The deal is expected to close in the first quarter of 2011, subject to customary closing conditions, including receipt of regulatory approval. Lineage Power is headquartered in Plano, Texas, and has nearly 2,300 employees, with manufacturing operations in China, Mexico and India. [Read the press release.](#)
- GE has acquired Remote Energy Monitoring, Ltd. with operations in the United Kingdom and Australia. This acquisition enhances GE's ability to address the European Union's goals for a lower-emission, higher efficiency energy infrastructure. Remote Energy Monitoring's software and hardware technologies allow consumers and utilities to better monitor and manage their energy usage. Remote Energy Monitoring's metering solutions are approved by U.K. regulators. The transaction closed on January 11, 2011. The entire Remote Energy Monitoring technology and support team will be joining GE. Headquarters will remain outside of London, United Kingdom. [Read the press release.](#)
- GE and China Huadian Corporation signed a five-year, joint collaboration agreement for distributed energy combined heat and power projects in China that is expected to boost U.S. exports and support thousands of U.S. jobs. The agreement was announced on the eve of Chinese President Hu Jintao's state visit to the United States. GE anticipates that at least 50 gas turbine generator sets will be sold and installed in China, resulting in \$500M of total revenue for the collaboration. Of that amount, approximately \$350M is estimated in U.S. exports. In addition, according to the U.S. Department of Commerce, the agreement could support approximately 2,100 U.S. jobs and provide new opportunities for further job growth in both countries. [Read the press release.](#)
- Marking a significant step forward for coal gasification technology, GE and Shenhua announced that they have agreed to form an industrial coal gasification joint venture to advance the deployment of "cleaner coal" technology solutions in China. The new company combines GE's expertise in industrial gasification technologies with Shenhua's expertise in coal gasification and coal-fired power generation. The announcement was made as part of China President Hu Jintao's state visit to the United States. The joint venture company would be established and commence operation later this year, subject to regulatory approvals. [Read the press release.](#)
- Located in one of France's strongest wind power areas, the Fère-Champenoise wind project will feature GE's most advanced installed wind turbine technology. The project will help move the country closer to its goal to produce 23 percent of its domestic energy from wind by 2020. GE began installing 18 wind turbines earlier this month. The wind turbines will be used at three sites within the Champagne-Ardennes region. Total capacity of the three sites will be 45 megawatts, enough clean, wind-generated electricity to meet the requirements of approximately 45,000 people. Fereole, a special purpose entity owned by Ailenergie, and Corroy Energies, which is owned by Valorem SAS, are the purchasers of the GE 2.5-megawatt wind turbines. Valorem is an independent French project developer. [Read the press release.](#)



Industrial Businesses CONTINUED

AVIATION

- Thomas Cook Group announced that it has selected the CFM56-5B engine to power 12 Airbus A321 aircraft scheduled for delivery in 2014. The engine order is valued at more than \$200 million U.S. at list price. The new airplane order was signed on January 25. In addition to the firm aircraft order, Thomas Cook Group also plans to lease CFM56-5B-powered A320 family aircraft from operating lessors. Thomas Cook Group plc is one of the world's leading leisure travel groups and operates a total fleet of more than 90 aircraft and carries 17 million passengers each year. The fleet is split into four airlines: the UK airline, the German airline flying under the Condor brand, the Scandinavian and Belgian airlines. CFM56-5B engines are a product of CFM International, a 50/50 joint company between Snecma (Safran group) and GE. [Read the press release.](#)

HEALTHCARE

- GE and Intel Corporation (NASDAQ:INTC) announced that Intel-GE Care Innovations LLC ("Care Innovations") is the name of their healthcare joint venture and that the company is operational starting this month. Care Innovations will develop technologies that support healthy, independent living at home and in senior housing communities. The executive leadership team and board of managers are now in place to support the new company's transition and future growth. The formation of Care Innovations follows the success of the healthcare alliance between Intel and GE, announced April 2009. [Read the press release.](#)
- GE Healthcare has entered into a three-year agreement with Novation LLC, one of the nation's largest group purchasing organizations of medical equipment, that allows Novation's member hospitals to purchase GE's state-of-the-art CT imaging equipment. The agreement goes into effect March 1, 2011, and extends GE Healthcare's 12-year relationship with Novation. Based in Irving, Texas, Novation represents 2,500 hospitals nationwide. Founded in 1998, Novation is the leading health care supply contracting company for more than 25,000 members of VHA Inc. and the University HealthSystem Consortium (UHC), two national health care alliances, and 5,500 members of Provista, LLC, representing 28,000 sites. Novation provides alliance members contract and price management and spend management services. Based in Irving, Texas, Novation develops and manages competitive contracts with more than 600 suppliers. VHA, UHC and Provista members used Novation contracts to purchase nearly \$37.8 billion in 2009. [Read the press release.](#)

TRANSPORTATION

- GE Transportation signed a Letter of Intent (LOI) with China's Ministry of Railways (MOR) valued at \$1.4 billion, including \$350 million for export in locomotives, locomotive sub-assembly kits, service support and railway signaling systems. These exports have the potential to sustain or create approximately 2,000 high-tech manufacturing jobs in the U.S. GE also signed an additional LOI with the MOR reaffirming both parties' intent to collaborate on High-Speed Rail (HSR) opportunities and other rail technology in North America. The LOI reaffirmed the framework agreement on High-Speed Rail and Urban Transit Vehicles development both parties announced in December 2010. This agreement establishes GE as the first U.S. manufacturer ready to supply high-speed rail passenger trains for the two proposed, dedicated U.S. HSR corridors in Florida and California. According to the terms of this agreement, GE and CSR Corporation Limited (CSR) plan to establish a U.S.-based joint venture to advance the passenger rail market in North America. [Read the press release.](#)

Industrial Businesses CONTINUED

- GE Transportation announced that it has provided an integrated solution for the entire 24 miles and 15 new stations of the Dallas Area Rapid Transit (DART) Green Line that went into service in December 2010. GE's solution facilitated this longest single-day opening of electric light rail in the United States since 1990. GE Transportation also provided the signal system for the northwest portion of the Green Line (13.5 miles) that provides new service to the City of Farmer's branch and the City of Carrollton, and extended DART Light Rail service within the City of Dallas. GE Transportation's solution, worth about \$35 million, includes Ultra Cab II for the onboard cab signaling portion of the solution, Vital Logic Controller (VHLC) for wayside interlocking control and a centralized control system that coordinates activities.

[Read the press release.](#)



HOME & BUSINESS SOLUTIONS

- GE Intelligent Platforms announced that it has completed the acquisition of SmartSignal, a privately-held, analytics software company based in Lisle, Illinois. SmartSignal specializes in providing Remote Monitoring and Diagnostics solutions to the Power Generation, Oil & Gas and other industrial sectors. SmartSignal is a leading provider of predictive diagnostic software and monitoring services used to anticipate, prevent, and avoid equipment failure. The company has more than 40 product and technology patents, and has won more than 25 awards for product excellence. Its solutions are device-agnostic and are found on equipment from GE, Siemens, Rolls Royce, Alstom, Flowserve, Waukesha, Byron Jackson, Cooper-Bessemer, and others. [Read the press release.](#)

GE Capital

- GE Capital Aviation Services (GECAS), the commercial aircraft leasing and financing arm of GE, has signed a firm order for 12 additional long-range A330-300 aircraft. This new order brings the total number of A330s ordered by GECAS to 32. Airbus aircraft share a unique cockpit and operational commonality, allowing airlines to use the same pool of pilots, cabin crews and maintenance engineers, bringing operational flexibility and resulting in significant cost savings. [Read the press release.](#)
- Three major American energy corporations – GE, NRG Energy, Inc. (NYSE: NRG) and ConocoPhillips (NYSE: COP) – are joining forces to become the premier investor and commercial collaboration partner for emerging and innovative energy technology companies. The companies have committed \$300 million in capital to the new joint venture, Energy Technology Ventures, to fund approximately 30 venture- and growth-stage companies over the next four years. The first investments are in companies developing potentially game-changing technologies in solar photovoltaic (Alta Devices), cleaner coal (Ciris Energy, Inc.) and non-food biofuels (CoolPlanetBioFuels). Additional financial details about the joint venture and its initial investments were not disclosed. [Read the press release.](#)
- GE Energy Financial Services and Bankers Commercial Corporation, a unit of UnionBanCal Corporation, announced that they have purchased the first wind farm to start operations in one of the largest wind energy projects in the United States. GE Energy Financial Services and Bankers Commercial Corporation acquired the 150-megawatt Alta Wind I wind farm in Tehachapi, in Kern County, California, and are leasing it back to its developer, operator and manager, Terra-Gen Power, LLC. The wind farm, using 100 GE 1.5-megawatt SLE turbines, was completed in the fourth quarter of last year. [Read the press release.](#)
- GE Capital, Corporate Finance announced it is administrative agent on a \$150 million asset-based revolving credit facility for ArchBrook Laguna, an electronics and computer products distributor. The loan refinances and increases an existing credit facility and will be used to support growth and working capital needs. GE Capital Markets served as sole lead arranger. GE Capital, Commercial Distribution Finance also provides the company with inventory financing. [Read the press release.](#)
- GE Capital Retail Consumer Finance, a consumer lending unit of GE, announced a definitive multi-year agreement to provide the consumer credit card programs in the United States for The TJX Companies, Inc., the leading off-price retailer of apparel and home fashions in the U.S. and worldwide. TJX operates over 2,000 T.J. Maxx, Marshalls and HomeGoods stores in the U.S. GE Capital will acquire the existing card program assets from JP Morgan Chase. Financial terms were not disclosed. “This \$400 million portfolio acquisition further demonstrates our commitment to the U.S. retail credit card space. The transaction, which we expect to close in the second quarter of 2011 and be immediately accretive, will broaden our portfolio with a terrific retailer and accelerate the growth of what is a high performing, core business for GE Capital,” said Margaret Keane, CEO and President of GE Capital Retail Consumer Finance. [Read the press release.](#)



Other Company News

CITIZENSHIP, ECOMAGINATIONSM, HEALTHYMAGINATION

- GE announced a new phase of its \$200 million open innovation challenge. Building on the record-breaking global success of the “ecomagination Challenge: Powering the Grid,” GE and its venture capital partners announced the “Powering Your Home” Challenge, which began January 18 and seeks the best ideas for harnessing and managing energy at home. GE announced this new investment phase at the Consumer Electronics Show (CES) in Las Vegas, where the company is demonstrating its ecomagination home technologies. The global challenge invites technologists, entrepreneurs and start-ups to share their best ideas and come together to build and improve the eco home of the future with new technologies. The Challenge is one of the largest ever with more than 4,000 ideas submitted and more than 1,100 in the category of home energy use. In the next phase of the Challenge, these ideas will be reexamined and participants are encouraged to submit new ideas or resubmit an idea if it has evolved. The Challenge will be open between January 18 and March 1, 2011 at www.ecomagination.com/challenge. *Read the press release.*
- GE announced that the GE Foundation, the philanthropic organization of General Electric Company, has awarded Milwaukee Public Schools a five-year grant of \$20 million, the largest-ever single corporate contribution to the Milwaukee Public School system. The grant will support Milwaukee Public School initiatives to improve academic achievement and better prepare students for college and career opportunities, with a focus on math and science programs. The grant is part of the GE Foundation Developing Futures™ in Education program, an initiative to ensure that U.S. students are equipped to compete in an increasingly competitive global economy. *Read the press release.*

ecomaginationSM

RECENT INVESTOR EVENTS

Visit the [Events & Presentations](#) section of our investor website to view the presentations.

January 21: GE 4th Quarter & Total Year 2010 Earnings Webcast

UPCOMING INVESTOR EVENTS (subject to change)

February 8*: Barclays Capital Industrial Select Conference: John Rice, Vice Chairman of GE, is scheduled to present.

**Meeting will be webcast. Webcast replays are retained on our website for a limited period of time.*