



Press Release

GE Transportation

**GE Reports 4Q'11 Operating EPS of \$0.39, Up 11%
Industrial Segment Revenues of \$26.8B, Up 10%; Industrial Segment Organic Revenue Up 5%
Infrastructure Orders Up 15%; Largest Infrastructure Backlog in GE History at \$200B
Record Industrial CFOA of \$5.5B in 4Q; FY'11 of \$12.1B
GE Positioned to Deliver Double-Digit Earnings Growth in 2012**

**GE Transportation Reports \$1.5B in Revenues and \$226MM in Segment Profits for 4Q;
FY '11 Revenues Total \$4.9B, Segment Profits of \$757MM**

4Q and Full-Year 2011 Highlights

- Seventh consecutive quarter of strong earnings growth
 - ✓ 4Q Operating EPS of \$0.39, up 11%; Full-year 2011 Operating EPS Excluding Effects of Preferred Redemption of \$1.37, up 22%
 - ✓ 4Q Continuing EPS of \$0.37, up 3%; Full-year 2011 Continuing EPS Including Effects of Preferred Redemption of \$1.23, up 8%
 - ✓ Revenues of \$38.0 billion for the quarter; \$147.3 billion for the year
- Leading indicators remain encouraging
 - ✓ Infrastructure orders of \$28.6 billion up 15% for the quarter; Equipment up 23%; Services up 7%
 - ✓ Industrial segment emerging market orders up 26% for the quarter
 - ✓ Organic orders up 9%
- GE Capital earned \$1.6 billion, up 58% for the quarter, with pre-tax earnings of \$1.8 billion, up 89%
 - ✓ GECC/GECS Tier 1 Common Ratios of 11.4%/9.9%
 - ✓ Volume of \$49 billion, up 13% for the quarter; Margins were 5.4%

ERIE, Penn. – Jan. 20, 2012 – GE [NYSE: GE] announced today fourth-quarter 2011 Operating Earnings of \$4.1 billion, or \$0.39 per share, up 6% and 11% respectively from the fourth-quarter of 2010. Revenues were \$38.0 billion for the quarter and \$147.3 billion for the year. Record Infrastructure orders of \$28.6 billion in the fourth quarter enabled GE to end the year with a backlog of \$200 billion, the largest in its history.

“GE’s portfolio demonstrated strength and resilience, delivering earnings growth for the seventh consecutive quarter while also generating substantial operating cash flow to support investment in our business and dividend growth,” said GE Chairman and CEO Jeff Immelt. “We are confident in our 2012 framework to realize double-digit earnings growth in our Industrial and Capital segments, increase margins and provide dividend growth to our shareholders in line with earnings.”

Immelt continued, "We expect continued volatility in 2012 and have prepared for it by investing in new products and technology, expanding our growth market footprint and taking important steps to strengthen risk management. GE Capital is safe and secure and rebounding sharply. We are restructuring our businesses in Europe to reflect market conditions."

Infrastructure orders for the quarter were \$28.6 billion, up 15% from the prior year. Organic orders grew 9% in the fourth quarter, marking the seventh consecutive quarter of positive growth, and Industrial emerging market orders were up 26%. Equipment book-to-bill was 1.23 for the quarter and 1.14 for the year. Strong Energy and Aviation orders led the growth. Orders for the quarter included: Emirates ordering 50 Boeing 777-300ER aircraft powered by GE Aviation's GE90 engines and signing a 12-year service agreement. GE also signed contracts totaling almost \$300 million with the Saudi Electricity Company to supply 13 gas turbines and associated services for the expansion of six power plants at various locations across the country.

Total revenues for the quarter were \$38.0 billion, up 4% excluding the impact of NBCU. GE's fourth-quarter Industrial segment revenues were \$26.8 billion, up 10%. Industrial segment organic revenue was up 5% for the quarter. Industrial emerging market revenues were up 25%, driven by double-digit growth in Brazil, Russia, China, India and the ASEAN region. Revenues were negatively impacted by lower Ending Net Investment (ENI) at GE Capital, FX and slower growth in Europe.

Industrial segment profit was up 2% to \$4.3 billion for the fourth quarter. Segment operating profit margins showed improvement from the prior quarter, increasing 2.5 points, but were down from the fourth quarter of 2010. Cash generated from Industrial operating activities for 2011 totaled \$12.1 billion and was a record \$5.5 billion for the quarter.

GE's investment in research and development (R&D) in 2011 was 16% higher than in 2010 and will help the company launch more than 800 new products in 2012. GE's businesses are positioned to capitalize on the investment the company has made in R&D by enabling it to successfully launch technologically advanced new products such as the LEAP-X engine, which allows airlines to operate their planes more cost effectively and with lower emissions. The engine, which is produced by CFM International (a 50/50 joint venture between GE and Snecma), recently garnered more than \$4 billion in commitments at the Dubai Air Show. GE's technological advances also include its latest innovation in gas turbine technology, the FlexEfficiency 50 Combined Cycle Power Plant. The FlexEfficiency 50, which applies jet engine technology to a gas turbine, significantly reduces the amount of fuel needed to create power. Other new products GE has recently introduced include the Discovery IGS 730, a new mobile and robotic interventional X-Ray.

Immelt added, "GE Capital, like our Industrial businesses, is stronger and competitively positioned to win. GE Capital is poised to grow double-digit in 2012, while continuing to shrink its balance sheet and strengthen its capital and liquidity positions. GE Capital volume grew to \$49 billion, up 13% from the third quarter and margins remained healthy at 5.4%. Tier One common ratios are now at 11.4% and 9.9% and remain a source of strength. As we have previously stated, we expect to restart the dividend from GE Capital to GE this year, subject to Federal Reserve review."

GE Capital's fourth-quarter earnings were \$1.6 billion, up 58% from the prior year. GE Capital made significant strides during the fourth-quarter in achieving its strategic objectives of generating attractive returns, diversifying its funding base and positioning the business for long-term growth. In December, GE Capital announced that its wholly-owned bank subsidiary, GE Capital Financial, would acquire MetLife's U.S. retail deposit business that consists of approximately \$7.5 billion in U.S. deposits and an established online banking platform. This acquisition, subject to regulatory approval, will accelerate GE Capital's plans to launch a U.S. deposit platform, helps build a stronger and more cost-efficient funding base and allows GE Capital to better

serve its middle-market commercial customers. GE Capital's ENI, net of cash, was \$445 billion at quarter-end, almost one year ahead of previously planned reductions. By continuing to focus on high-return segments, GE Capital targets further reducing ENI to a range of \$425 - \$440 billion in 2012, while still growing earnings double-digits.

At year-end, GE had \$85 billion of cash and cash equivalents. GE's strong cash position enabled the Company to repurchase \$5.4 billion of stock during the year, including \$3.3 billion for the preferred stock held by Berkshire Hathaway, and has supported \$7.1 billion in stock repurchases since the buyback was restarted in 2010.

In addition, GE has taken a number of steps to increase shareholder value over the past year. In December, GE's Board of Directors raised the Company's quarterly dividend \$0.02 to \$0.17 per outstanding share of the Company's common stock. This increase represented the Company's fourth increase in two years.

Immelt concluded, "We finish 2011 with momentum and are positioned for a strong 2012. Our Industrial businesses are positioned for growth. GE Capital is strong and profitable. We have substantial cash available to improve shareholder returns. The Company is positioned to perform for investors."

Fourth-quarter and Full-year 2011 Financial Highlights:

Fourth-quarter Operating Earnings were \$4.1 billion, up 6% from \$3.9 billion in the fourth-quarter of 2010 and Operating EPS was \$0.39, up 11% from the fourth quarter of last year. GAAP earnings from continuing operations (attributable to GE) were \$3.9 billion, or \$0.37 per share, up 1% and 3% respectively from the prior year quarter.

Including the effects of discontinued operations, fourth-quarter net earnings attributable to GE were \$3.7 billion in 2011 (\$0.35 per share attributable to common shareowners), compared with \$4.5 billion in the fourth quarter of 2010 (\$0.42 per share attributable to common shareowners), down 18%. This decrease was driven by discontinued operations which included \$0.06 per share of gains related to dispositions in 2010 and a (\$0.02) per share adjustment to reserves in 2011.

Positive items related to tax audit resolutions in the quarter were offset by restructuring and other one-time charges.

Fourth-quarter Revenues were \$38.0 billion for the quarter, up 4% excluding the impact of NBCU and down 8% compared to revenues of \$41.2 billion from the fourth quarter of 2010. Industrial sales of \$26.7 billion increased 11% excluding the impact of NBCU and were down 7% compared to the fourth quarter of 2010. GE Capital Services revenues of \$11.6 billion were down 9% from the fourth quarter of 2010.

Full-year Operating Earnings were \$14.8 billion, up 20% from \$12.3 billion in 2010, and Operating EPS excluding effects of the preferred redemption was \$1.37, up 22%. Including effects of the preferred redemption, Operating EPS was \$1.29, up 15% from last year. GAAP earnings from continuing operations (attributable to GE) were \$14.1 billion, or \$1.23 per share, up 12% and 8% respectively from the prior year.

Including the effects of discontinued operations, full-year net earnings attributable to GE were \$14.2 billion in 2011 (\$1.23 per share attributable to common shareowners), compared with \$11.6 billion in 2010 (\$1.06 per share attributable to common shareowners), up 22%.

Full-year Revenues were \$147.3 billion, up 7% excluding the impact of NBCU, and were down 2% compared to revenues of \$149.6 billion from the prior year. Industrial sales of \$95.0 billion increased 12%

excluding the impact of NBCU and were down 5% compared to 2010. GE Capital Services revenues of \$49.1 billion were down 2% from 2010.

Cash generated from GE Industrial operating activities was a record \$5.5 billion for the quarter and totaled \$12.1 billion for 2011.

GE Transportation reported \$1.5 billion in fourth-quarter 2011 revenues, up 43% year-over-year. Revenues for the full year 2011 were \$4.9 billion, up 45% compared to 2010.

Segment profits for 4Q in 2011 were \$226 million, up from \$73 million in 2010. Full year profits were \$757 million, up from \$315 million in 2010.

GE Transportation's orders were \$1.2 billion, down 11%, in the fourth quarter due to a multi-year order received in 2010. Full year orders were \$4.6 billion, down 7%.

"In 2011 we invested heavily in leading transportation products that drive sustainable infrastructure development in the rail, mining and other industries around the globe," said Lorenzo Simonelli, President and CEO of GE Transportation. "We staffed for growth and expanded our manufacturing capabilities worldwide. We are well-positioned to help our customers succeed and to capitalize on growth opportunities in 2012."

GE will discuss preliminary fourth-quarter and full-year results on a Webcast at 8:30 a.m. ET today, available at www.ge.com/investor. Related charts will be posted there prior to the call.

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About GE

GE (NYSE: GE) works on things that matter. The best people and the best technologies taking on the toughest challenges. Finding solutions in energy, health and home, transportation and finance. Building, powering, moving and curing the world. Not just imagining. Doing. GE works. For more information, visit the company's website at www.ge.com.

About GE Transportation

GE Transportation, a unit of GE (NYSE: GE), solves the world's toughest transportation challenges. We are a global technology leader and drive sustainable infrastructure growth. GE Transportation builds equipment that moves the rail, mining and marine industries forward. GE manufactures fuel efficient and emissions friendly freight and passenger locomotives, diesel engines for rail, marine and stationary power applications, signaling and software solutions, drive systems for mining trucks, and value added services. GE Transportation is headquartered in Erie, Penn., and employs approximately 11,000 employees worldwide. For more information visit www.getransportation.com.

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; potential market disruptions or other

impacts arising in the United States or Europe from developments in the European sovereign debt situation; 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; our ability to convert customer wins (which represent pre-order commitments) into orders; 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; the impact of potential information technology or data security breaches; 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.

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