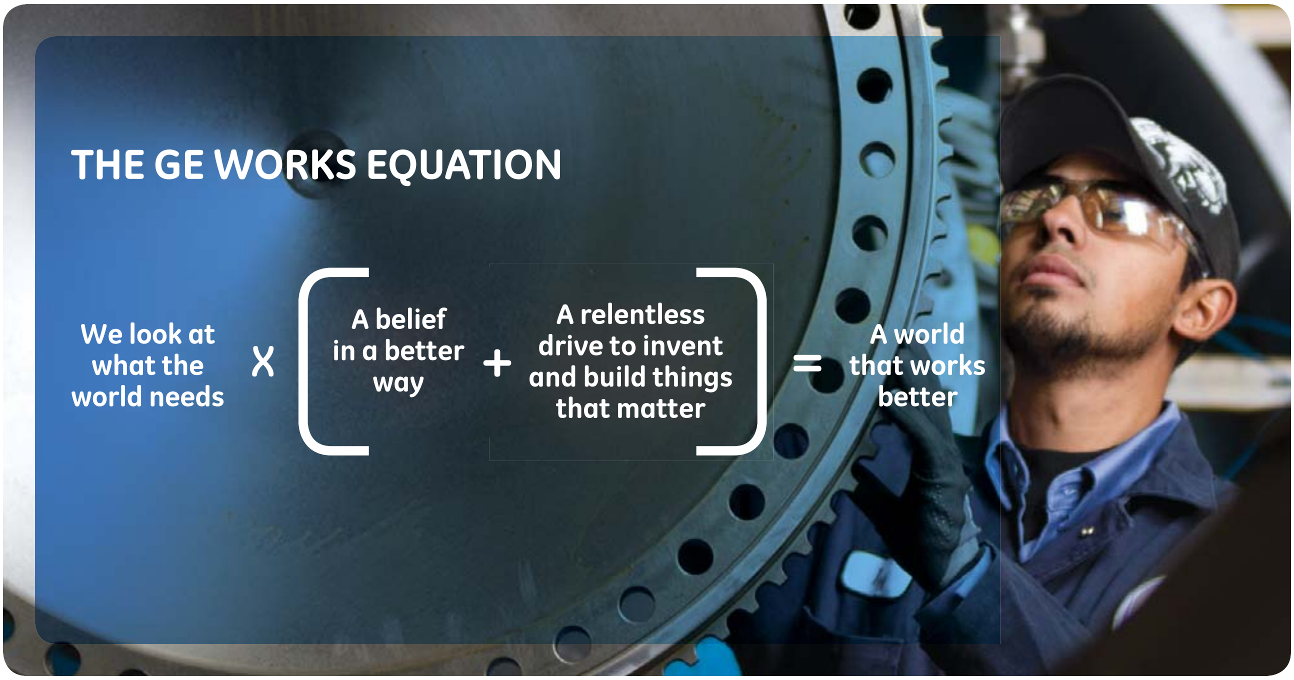


LETTER TO SHAREOWNERS

Culture is the foundation for any successful enterprise, and ours inspires our people to improve every day. It is why GE Works.

It starts by being "mission-based." We have a relentless drive to invent things that matter: innovations that build, power, move and help cure the world. We make things that very few in the world can, but that everyone needs. This is a source of pride. To our employees and customers, it defines GE.

We build on this mission with a belief in a better way. We are constantly learning and driving best practices. We invest to train our people and develop leaders. We learn from customers, competitors, peers and each other. Because we know we can get better, we are never afraid. Competition is in our blood.

GE is a "We Company," not a "Me Company." We want people who listen more than they talk. We want leaders who build teams. Bob Santamoor represents labor; he is the Chairman of the IUE-CWA GE Aerospace Conference Board. We have worked together for years. We don't agree on everything, but we respect each other. When we meet, we talk about jobs. We need each other to be successful.

We made the decision to invest $1 billion in our Appliance business, modernizing our factories in the U.S. Our first two new products will be introduced early in 2012, with other major launches throughout the next two years. Most of our appliance product manufacturing will move back from China and Mexico to the U.S. We think we can make more money and serve our customers better. We also think this will make us a better manufacturing company in every corner of the world. But it is only possible because our designers, factory workers, managers and marketers work together. GE is a "We Company."

We are solving problems, tough problems. We are in the seventh year of a clean energy business strategy called ecomagination. Clean energy goes in and out of focus for governments and consumers. But, at GE, we are steadfast in our investing. In 2011, we had $21 billion of clean energy revenue, growing twice as fast as the Company average. Ecomagination drives growth because we are solving problems for our customers. At coal mines, from Pennsylvania to Peru, our water solutions allow customers to operate productively while achieving high environmental standards. We demonstrate every day that, through innovation, we can meet societal needs and do it profitably.

We deliver results. That is the ultimate output of a strong culture. Over the next few years, our performance will accelerate. We aim to reward investors by delivering a more valuable company and returning cash. We want to earn your trust.

We believe that culture and resiliency count in a company. At GE we have a quiet confidence in our willingness to work hard, to learn and, ultimately, to prevail. This is how we work and how we earn your trust. It is how we compete and win. GE Works.

A POSITION OF STRENGTH

GE's Operating EPS growth was 22% last year. We bought back preferred shares of stock we issued during the financial crisis and increased our dividend twice. Our stock price finished about flat, in line with the broader S&P 500 Index. We outperformed the S&P Financial and Industrial sectors—the "GE neighborhood"—which declined by 18% and 3%, respectively, in 2011.

Despite our growth, it was tough for GE to break away from investor concerns about macroeconomic risk. Investor anxiety is understandable. Europe took center stage as a source of instability. Daily headlines about Greece, Italy and the volatility of the European banks frayed nerves. And, U.S. politics and deficit concerns worried investors in the second half of 2011.

I have been CEO for ten years. In that time, we have experienced the 9/11 tragedy, Hurricane Katrina, the 2002 recession, the 2008 financial crisis, the Gulf oil spill, "Arab Spring," the Japan tsunami, and now the European crisis—quite a bit.

Today, we live in what most business commentators call a volatile world.

I would argue that when the environment is continuously unstable, it is no longer volatile. Rather, we have entered a new economic era. The emerging economies grow, while the developed world slows. Some of the world's largest economies face massive fiscal deficits and must deleverage. Interest rates are likely to stay low for extended periods. Material prices are moving higher. There is broad-based social unrest. And, it could remain this way for a long time.

I have learned that nothing is certain except for the need to have strong risk management, a lot of cash, the willingness to invest even when the future is unclear, and great people.

We have great financial strength. Between GE Capital and GE Parent, we have $85 billion of cash. And we surrounded the Company with a strong enterprise risk model that has been

THE ECONOMY IN 2012
Four things we're watching

CHINA Will it grow?	EUROPE What's the outlook?	UNITED STATES Will politics hurt the consumer?	INFLATION Will it derail the recovery?
Transitioning to a consumer-driven economy	Do not believe European governments will allow for a "catastrophic event"	U.S. economy strengthening each day	Inflation is the "wild card"
Government investing in growth	Plan for a recession	Could be a pleasant surprise	Prepare for high inflation
The economic engine for most of the emerging markets	Committed for the long term to an important region		Prices have moderated in recent quarters

tested. We are restructuring our European operations to sustain our profitability at lower levels of growth.

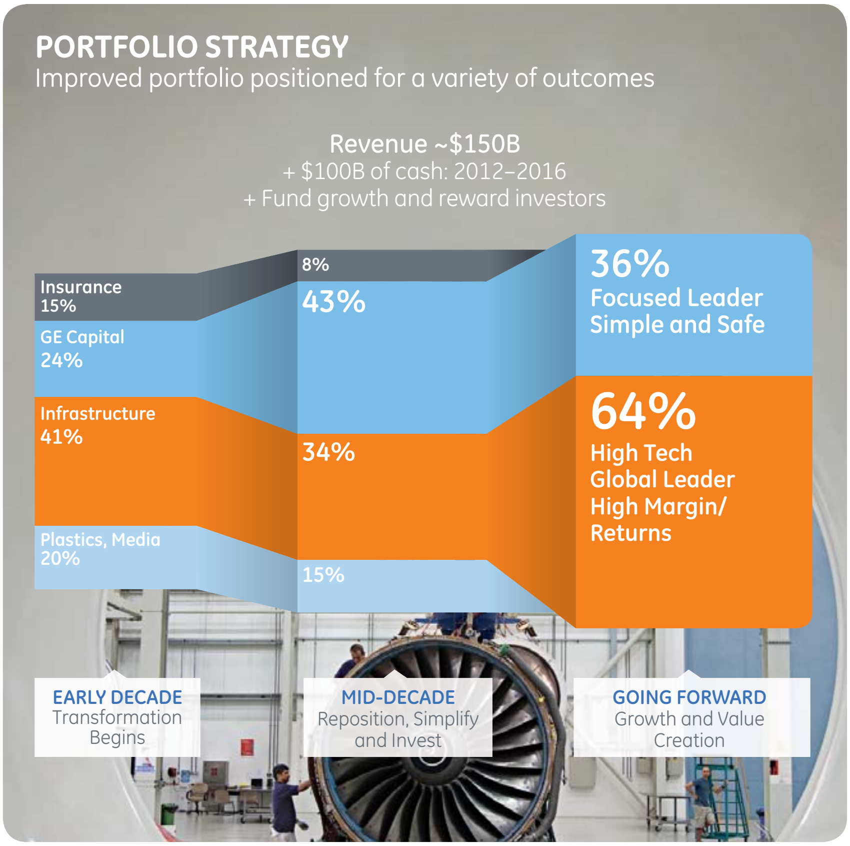
We accelerated global and technical investments, ahead of competition, during the downturn to ensure growth in a choppy environment. We redeployed capital from NBCU to support $11 billion of Energy acquisitions, which should provide an earnings boost in 2012. We finished 2011 with $200 billion of product and service backlog, more than at any time in our history.

We also have a talented and committed team. In December, I had dinner with our Aviation supply chain leaders from around the world. I do this regularly with different operating teams. It allows me to "go deep" and understand challenges through their eyes. My dinner partners are the ones who have to meet record engine demand with high quality and low cost. They are also the leaders of our fine frontline workforce, the best in the world. They understand technology, globalization, innovation and lean manufacturing. Their tough-minded, competitive attitude inspires me. I know that with our team, we will succeed in this environment.

GE Works for investors, and you should benefit from our people and our preparation. As business leaders, we cannot create the environment, but we can shape our own destiny. Today, GE has a stronger portfolio, large-scale competitive advantage, product and technology leadership, and strength in the growth markets. We are ready to compete. We are positioned to win right now.

WE HAVE BUILT A STRONGER PORTFOLIO

We have our strongest portfolio in recent history. This year, we expect to have organic growth of 5 to 10% with expanding margins. GE Capital is smaller and focused on specialty finance, particularly in mid-market



segments. We expect GE Capital's earnings rebound to continue in 2012. Together, this portfolio is built to grow earnings and return cash to investors.

Our top strategic priority has been to build a strong, competitively advantaged infrastructure business that grows ahead of our peers and faster than the global GDP. Over the last decade, we have refashioned GE from an "industrial conglomerate" to an "infrastructure leader." This has been disruptive at times, but it has several advantages. Infrastructure businesses use GE's core strengths in technology, globalization and services. Infrastructure is also positioned to benefit from several long-term tailwinds, especially growth in emerging markets. Infrastructure requires scale and financial strength. Deep customer relationships, built on long-term thinking, really count.

We have diversified and strengthened our core businesses, like Energy. Historically, this business was based largely on selling one product—heavy duty gas turbines—in one market—the U.S. That kind of concentration creates volatility as markets rise and fall. Today, we have a broad Energy portfolio, including a range of gas power generation products, oil and gas technology, renewables, smart grid services, energy management technologies and controls; these products and services are sold around the world. As an energy leader, our earnings are more diversified, less volatile and should grow through the cycles. This is the same model we are using in the rest of our businesses.

We have boosted the growth rate of our infrastructure portfolio by investing in adjacencies, promising opportunities that are outside of, but closely related to, our core businesses.

I have written in the past about "bets" we have made in Aviation Systems, Life Sciences and other industries. Adjacencies have allowed us to grow $35 billion of incremental revenue in a decade, with more to come. We believe in a long-term approach to entering these fast growth segments. For instance, we have about a $4 billion position in Life Sciences that could double in the next few years. We are building strength in drug discovery, molecular medicine, bioprocess manufacturing and digital pathology. All of these segments will grow at two to three times global GDP.

GE Capital's earnings grew more than 100% in 2011. It is stronger and safer. Our Capital team has executed on every commitment it made during the financial crisis. We have reduced leverage, improved liquidity and shed assets, while growing at high margins. Commercial Real Estate, previously a major investor concern, is positioned for solid earnings growth in the future. From 2008 to 2011, GE Capital's financial performance compares favorably to most other financial services firms in the world.

Financial services have been deeply out of favor with investors. Nonetheless, there are large segments where GE Capital will lead and build upon GE's strengths. These include mid-market lending and leasing, financing in GE domains and a few other specialty finance segments. Here, we have a clear advantage over banks and can grow profitably.

GE Capital has strengthened its balance sheet immensely. Our Tier One Common Ratio is about 10%, well in excess of the levels set by financial regulators. Now, because of our financial strength and earnings power, and subject to Federal Reserve review, we expect GE Capital to resume paying a dividend this year to GE. Ultimately, the size of GE Capital depends on several factors: returns, competitive advantage, dividend capability and regulatory burdens. In the near term, GE Capital should see sustained earnings growth with good margins and lower risk.

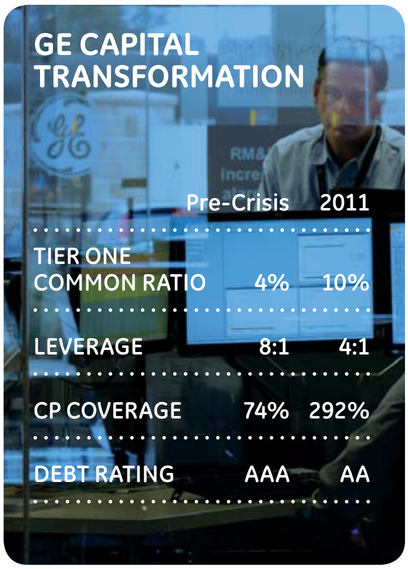
Our goal is to have GE Capital make sense for GE investors. First and foremost, we have more liquidity and a safer profile. We believe that having the Federal Reserve as a regulator is a positive. We are winning in the marketplace. The one area that we cannot control is external "headline risk." The financial services industry is still going through transitions, and we are part of that change. Regulators, governments and rating agencies will have their say. But that doesn't change our fundamental strength. We have successfully navigated through this volatility, and we aim to create value through GE Capital.

We have the world's best infrastructure company, positioned for multi-year growth. We have a valuable specialty finance company that is safer and stronger than ever. Together we build, power, move and help cure the world.

INITIATIVES DRIVE PERFORMANCE

We aspire to drive organic growth faster than our peers, with expanding margins. We drive company-wide initiatives to achieve technical superiority, growth market leadership, service expansion based on profitable customer relationships, and operational action to achieve margin growth. For each initiative we have bold aspirations, and we utilize the GE enterprise to achieve results.

We have a full pipeline of great new products. Technical superiority is the most sustainable form of competitive advantage. We will invest $16 billion in R&D from 2010 to 2012, more than double our historical average and about



GE CAPITAL TRANSFORMATION

	Pre-Crisis	2011
TIER ONE COMMON RATIO	4%	10%
LEVERAGE	8:1	4:1
CP COVERAGE	74%	292%
DEBT RATING	AAA	AA

6% of our revenue. This has impacted our margins in the short term, but the bet is paying off.

Technology allows us to win in the market. GE Aviation and its partners are the world's largest producers of jet engines, and last year received $23 billion of orders, our biggest year in history. Together, we will launch 12 new jet engines this decade. This will result in significant future growth.

Technical strength drives growth. Based on our industry-leading technology, we will install about 40% of the wind turbines in the U.S. this year. At Healthcare, we are launching 100 new products that lower cost, improve quality and expand access. Over the next five years, GE will be dedicating $1 billion to the development of new cancer solutions. In Transportation, we are building six new rail platforms that capitalize on global growth. We have launched new businesses in solar energy and power management.

Technology adds value to our acquisitions. In 2007, we acquired Smith's Aerospace Group to give us a small position in aircraft avionics and energy management. Then our researchers went to work. We are building solutions for integrated power management, distributed engine control and onboard advanced computing. These technologies will help our engines be even more fuel-efficient, and allow us to develop more content on the plane. We are building novel solutions for our customers and should be in the top tier of the avionics industry by the end of the decade.

We have scale advantage in technology. We have the financial strength to make big bets. Our Global Research Center spreads ideas and lowers risks. Our technical teams execute complex projects better than anyone.

We win in growth markets. In 2012, our growth market revenues will near $40 billion, expanding by about 15%. We are a reliable, high-integrity partner and are actively investing in our leadership, capability, coverage and the supply chain.

Operating around the world is not without its challenges. There is volatility and risk. But there is also great opportunity. In the emerging markets, we've added about 1,000 infrastructure salespeople every year for the last four years. Since 2005, we have increased our senior leaders outside the United States by 50%. We are committed to serve our global customers better and faster.

Our geographic footprint is diversified. Latin America will approach $10 billion in revenue in 2012, and could double again in a few years. In Russia, we are building ventures in two important growth markets: gas power generation and diagnostic imaging equipment. In Nigeria, we are building out a comprehensive "Company-to-Country" approach to address infrastructure challenges; Nigeria should be our next billion-dollar country. In Saudi Arabia, we will invest to localize capability, better serve our customers and help the government address healthcare needs for its citizens. We are playing to win in every corner of the world.

The best global companies are developing new business models tailored for growth markets. For instance, in the next 25 years, 1.5 billion people will gain access to power, much of it "off" the electricity grid. This will result in a $16 trillion power opportunity. Today we have $5 billion of revenue in distributed energy, and our revenue should almost double in the next three years. Similarly, there are 50,000 locomotives around the world that are more than 25 years old. Replacing or retrofitting those locomotives to be more fuel-efficient is a $15 billion opportunity.

GE has deep relationships and operating advantages in growth markets. John Rice, our vice chairman, leads the initiative to win globally. I consider the development of growth markets to be the most profound economic change for this generation of GE leaders. This is a transition where GE must win.

THE POWER OF THE INDUSTRIAL INTERNET

Advanced Analytics drives strong alignment with customers

90,000 flight records analyzed

~200 parameters per flight record

~18MM parameters per month

- Enhances asset utilization
- Increases system performance
- Drives strong alignment with customers
- Facilitates securing of long-term service agreements
- Provides additional revenue streams

GE90 = ANALYTICS = BENEFIT

We are building mutually profitable relationships with our customers. Our service business has a $147 billion backlog and will generate $45 billion in revenue in 2012. Service is a strength for GE because we understand our products and the ways in which they are used. When we do well, our customers benefit. And we're continuing to do everything we can to increase their productivity and help them optimize their assets. That is why last year we invested so heavily in analytics, controls, monitoring and diagnostics integration. And we are building a new software center of excellence in California.

I don't see GE as a software company. However, we will lead in the productivity of our installed products and their ecosystems. This will require leadership of the "Industrial Internet," making infrastructure systems more intelligent. This will show up in more profitable Contractual Service Agreements (CSAs) and a software business that could double to $5 billion in the next few years.

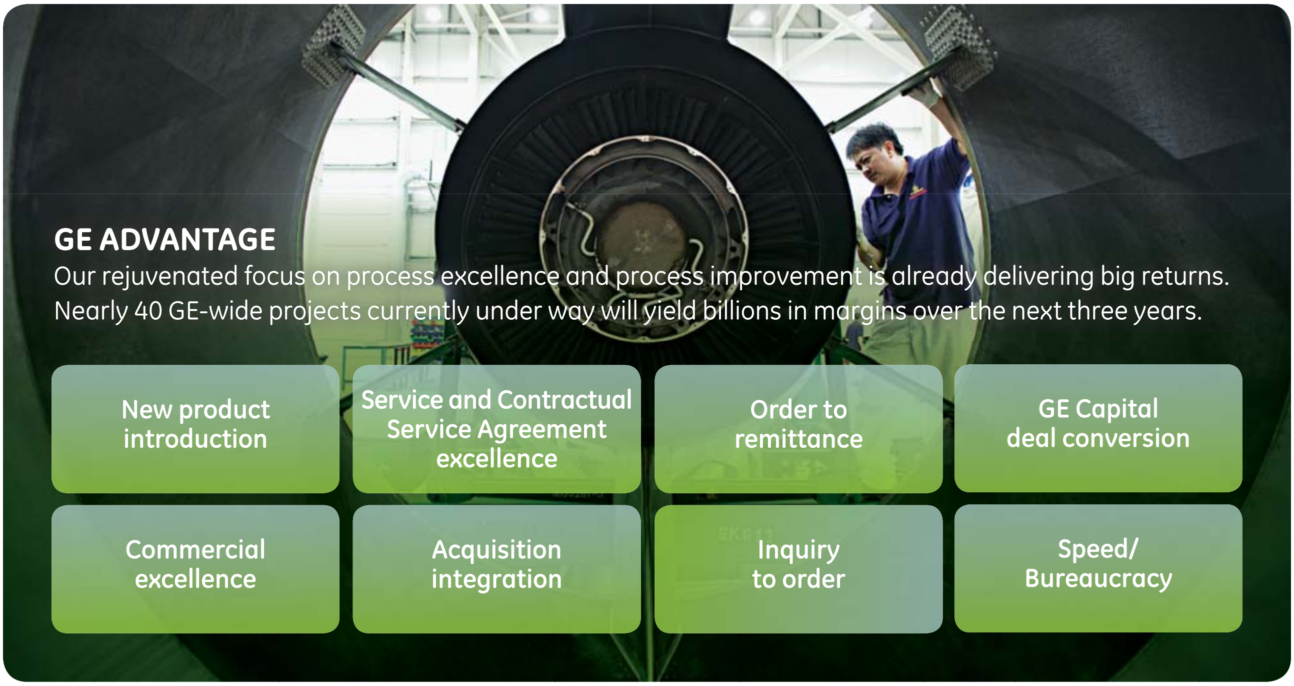
Here is how it could work. The GE90 is the world's most powerful engine; it powers the Boeing 777. Each engine has 17 sensors. These sensors constantly take complete performance data from the engine. From this data, we can build sophisticated analytics that can avoid unplanned outages, provide repair data in real time, increase fuel performance and optimize fleet performance. This analytical capability, applied with domain expertise across our large fleet of engines, could save billions for our customers.

Relationships are also a critical part of what differentiates the smaller, more focused GE Capital. We decided from a strategic standpoint that we should concentrate on the industries and sectors where we have a strong competitive advantage versus banks. That's the way we think about the portfolio. Last year we helped launch a center at The Ohio State University that is dedicated to the middle market, the segment that consists of companies ranging in revenues from $10 million to $1 billion, including almost 200,000 businesses in the U.S. We have great origination capability, industry domain expertise and relationships in that segment, all of which will fuel GE Capital's recovery and growth.

Deep relationships are a competitive advantage at GE. They are long-term, and they start at the top. Our leaders spend a lot of time in the market with our customers. I chair our Service and Commercial Councils so that I can relate to our leaders, follow the metrics and understand competition. We must execute for our customers.

We aim to grow margins. Our margins were about 15% in 2011; we expect to drive them up by 50 basis points next year. We are near the top of all industrial companies, but we can get even better.

It begins with the way we think about our cost structure. In the last generation, GE and our industrial peers began a long-term trend to outsource our supply



chain to other companies. This made sense in an era when labor was expensive and material was cheap. Today, our material costs are more important. So we have to control our supply chain to achieve long-term productivity.

To control our product cost, we leverage both human and technical innovation. Human innovation comes in the form of lean manufacturing. At Appliance Park, in Louisville, Kentucky, we have torn down functional silos and replaced them with a "one team" mentality. We know that one key to success is driving down manufacturing hours per unit. In some factories it takes nine hours to build a refrigerator. Our employees in Louisville are working to cut that to three hours. By revamping what was a 25-year-old dishwasher line, the Appliance Park team has reduced the time to produce by up to 68%, and the space required by more than 80%.

Our Aviation business and its sophistication—in advanced manufacturing, computer modeling, and material sciences and composites—is a great example of technical innovation. For instance, the use of different qualities of carbon fiber and resins enabled us to create unique fan blades, fan cases and components that sharply reduce engine weight compared to traditional all-metal versions. Impact-resistant properties make these fan blades extremely durable. This allows us to substantially lower engine cost and accelerate "speed to market."

In 2010, we launched an enterprise initiative called "GE Advantage" to drive operating results. We have 30 industrial projects under way, utilizing ideas from thousands of employees and targeting $2 billion of margin improvements. Our team is using classic GE tools like lean, work out and Six Sigma. Projects have big payoffs.

In our Oil & Gas business, our goal is to give customers a new business quote in a day, have a project be operational in a year, and have our equipment always available for customers' use. This would result in several hundred million dollars of benefit for our customers and GE. Our Aviation supply chain team is trying to compress the learning curve on new engines, again with a huge payoff in margins and cash, with improved customer quality.

This is the GE team, finding a better way. This is how we will become leaner and more productive. This is how we will sustain improvements in margins.

We will reward investors through smart allocation of capital. Our business model generates a lot of cash. Over the next few years, thanks to NBCU monetization, dividends from GE Capital and solid growth, we expect to have about $30 billion in available cash. This will provide us with an opportunity to reward investors while protecting us against a volatile economy.

One of our top priorities is to grow dividends. We've increased the dividend four times in the last two years, and we have a dedicated focus on increasing the GE dividend in line with future earnings. We have found that focusing on acquisitions between $1 billion and $3 billion in industries we know improves our chance for success. Don't look for any big deals in 2012. Ultimately, if you view GE as a safe growth company, with an attractive dividend yield that can invest and achieve returns well above our cost of capital, we are in a good place for investors.

Competitive advantage is about outperforming our peers, building an attractive financial profile and rewarding investors. In our chosen industries, we are ahead today. Our financial results should exceed the S&P 500, with a more valuable profile.

THE VALUE OF COMPETITIVENESS

We live in a tough era in which the public discourse, in general, is negative. I worry that the mood of the times prevents us from moving forward. American companies, particularly big companies, are vilified. There is social unrest in many corners of the world. This should not be a surprise. Our problems are difficult; when economic progress is uneven and unemployment is high, we need to work together to find a better way.

In these times, it is difficult to explain the benefits of globalization. GE is an infrastructure company. The U.S. is not investing much in infrastructure, but most other countries are. We will sell 140 heavy duty gas turbines in 2012; fewer than five will go to the U.S. So, we must sell in 120 countries; we must build global capability; we must export. In the last decade our exports have more than doubled, creating thousands of high-paying American jobs. We are consistently among America's top exporters. Are we "un-American" because we sell around the world? No. Our company, because of our great people, can win. And, that is the American spirit.

Last year, I told you that I was asked to lead the President's Council on Jobs and Competitiveness. When the President asked, and given the state of the country, I felt that saying "yes" was the right thing to do. I was honored to do so.

In January, we gave our year-end report to the President. We had three key messages: the country has lost ground in relative global capability; we have multiple ways to create more jobs, but they require leadership and teamwork; and our long-term success must be built on a foundation of competitiveness. The Council delivered more than 80 specific recommendations to the President, half of which are being implemented. I know that the U.S. can and will do better in the future.

In the process of leading the Council, I learned a few things. Competitiveness comes first. As a country, we must love to compete again. As a nation, we must love to win. We simply must create more competitive structures in this country, improving areas like education, infrastructure and regulation. If we focus again on competition and innovation, I know we will win and create jobs.

Words and actions count. People in this country can work together, but only if they are properly led. It starts by solving tough problems together, like the deficit. We need to be a country of action, not just words. We need to be a country where we engage everyone, the entire team.

At GE, we like working together. We see the future as interesting, exciting and filled with opportunity. We have a better portfolio, we have invested in competitive advantage, and we have the culture of GE Works.

2012: FOCUS FOR INVESTORS

1 INDUSTRIAL GROWS 10%+ AND RETURN CASH FROM GE CAPITAL

2 BUILD SOFTWARE AND ANALYTICS CAPABILITY

3 INVEST IN GLOBAL GROWTH AND BUILD SUSTAINABLE PROCESSES

4 BEST-IN-CLASS OPERATING PERFORMANCE: GROW MARGINS

5 CAPITAL ALLOCATION: ATTRACTIVE DIVIDEND

GE will compete. And we will win in every corner of the world. We are optimistic and ready for the future. We are proud of our company.

GE Works. For investors, this means solid earnings growth and a solid dividend foundation. For employees, it means a belief in a better way, a relentless drive to invent and build things that matter. For customers, it means more profitable solutions. And for society, GE will help create a world that works better.

Jeffrey R. Immelt
Chairman of the Board
and Chief Executive Officer
February 24, 2012