

GENERAL ELECTRIC NYSE-GE

RECENT PRICE **18.72** P/E RATIO **12.7** (Trailing: 14.3; Median: 18.0) RELATIVE P/E RATIO **0.86** DIV'D YLD **3.6%** VALUE LINE

TIMELINESS 3 Lowered 4/15/11	High: 60.5	53.6	41.8	32.4	37.8	37.3	38.5	42.2	38.5	17.5	19.7	21.7	Target Price Range		
SAFETY 3 Lowered 3/13/09	Low: 41.6	28.5	21.4	21.3	28.9	32.7	32.1	33.9	12.6	5.7	13.8	14.0	2014	2015	2016
TECHNICAL 2 Raised 1/13/12	LEGENDS — 10.5 x "Cash Flow" p sh ... Relative Price Strength 3-for-1 split 5/00 Options: Yes Shaded areas indicate recessions														
BETA 1.20 (1.00 = Market)	2014-16 PROJECTIONS Ann'l Total Price Gain Return High 50 (+165%) 30% Low 30 (+60%) 15%														
Insider Decisions F M A M J J A S O to Buy 0 1 0 1 0 0 0 0 0 0 Options 0 0 0 0 0 0 0 0 0 0 to Sell 0 0 0 0 0 0 0 0 0 0													% TOT. RETURN 12/11 THIS STOCK VL ARITH. INDEX 1 yr. 1.3 -5.9 3 yr. 23.7 91.9 5 yr. -41.5 21.6		
Institutional Decisions 1Q2011 2Q2011 3Q2011 to Buy 723 656 693 to Sell 760 773 729 Hlds 55127455589985490539													Percent shares traded 12 8 4		

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC 14-16	
7.00	8.02	9.28	10.24	11.33	13.07	12.69	13.21	13.33	14.44	14.28	15.90	17.30	17.32	14.70	14.15	14.10	14.30	Revenues per sh	18.50
1.02	1.12	1.25	1.54	1.77	2.06	2.14	2.12	2.24	2.38	2.56	2.90	3.28	2.81	2.07	2.13	2.20	2.45	"Cash Flow" per sh	3.75
.65	.73	.83	.93	1.07	1.29	1.41	1.51	1.55	1.61	1.72	1.99	2.20	1.78	1.03	1.15	1.35	1.60	Earnings per sh ^B	2.70
.28	.32	.36	.42	.49	.57	.64	.73	.77	.82	.91	1.03	1.15	1.24	.61	.46	.61	.72	Div'ds Decl'd per sh ^C	1.20
.18	.24	.22	.21	.21	.26	.29	.24	.97	1.24	1.38	1.62	1.79	1.52	.81	.92	.85	.85	Cap'l Spending per sh	.95
2.96	3.15	3.52	3.96	4.32	5.08	5.52	6.39	7.87	10.47	10.43	10.93	11.57	9.93	11.00	11.20	12.80	13.65	Book Value per sh ^D	17.15
9999.1	9867.3	9793.8	9813.9	9854.5	9932.0	9925.9	9969.9	10063	10586	10484	10277	9987.6	10537	10663	10615	10550	10450	Common Shs Outst'g ^E	10275
15.1	19.4	25.1	30.3	35.9	40.1	30.8	20.7	18.1	20.5	20.5	17.3	17.2	15.7	13.0	14.4	13.4		Avg Ann'l P/E Ratio	15.0
1.01	1.22	1.45	1.58	2.05	2.61	1.58	1.13	1.03	1.08	1.09	.93	.91	.94	.87	.92	.85		Relative P/E Ratio	1.00
2.9%	2.2%	1.7%	1.5%	1.3%	1.1%	1.5%	2.3%	2.7%	2.5%	2.6%	3.0%	3.0%	4.4%	4.6%	2.8%	3.4%		Avg Ann'l Div'd Yield	3.0%

CAPITAL STRUCTURE as of 9/30/11													Revenues (\$mill)		190000											
Total Debt \$466.1 bill. Due in 5 Yrs \$240.8 bill.													125913	131698	134187	152866	149702	163391	172738	182515	156783	150211	149000	152000	Operating Margin ^A	34.0%
LT Debt \$338.8 bill. LT Interest \$11.0 bill.													30.3%	26.9%	27.8%	26.8%	30.6%	32.5%	35.1%	31.1%	25.4%	26.8%	30.0%	31.0%	Depreciation (\$mill)	11000
(Interest not earned) (73% of Cap'l)													7089.0	5998.0	6956.0	8385.0	8538.0	9158.0	10278	11492	10636	10013	9200	9200	Net Profit (\$mill)	27525
Leases, Uncapitalized \$1.1 bill.													14128	15133	15589	16819	18275	20666	22468	18089	11434	12623	14300	16350	Income Tax Rate	25.0%
Pension Assets-12/10 \$51.3 bill. Oblig. \$52.0 bill.													28.3%	19.9%	21.7%	17.9%	17.4%	16.1%	15.5%	5.5%	5.5%	7.4%	30.0%	25.0%	Net Profit Margin	14.5%
Pfd. Stock \$3.0 billion ^G													11.2%	11.5%	11.6%	11.0%	12.2%	12.6%	13.0%	9.9%	7.3%	8.4%	9.4%	10.8%	Working Cap'l (\$mill)	353465
Liquidation value Pfd. Div'd None													141804	206819	238969	287826	184959	235281	244405	254715	316579	314972	303315	314915	Long-Term Debt (\$mill)	360000
Redeemable at 110% from 10/16/11													79806	140632	170004	212670	212281	260804	319015	330067	338215	360681	350000	350000	Share Value per sh ^D	176230
Common Stock 10,557,331,000 shs.													54824	63706	79180	110821	109354	112314	115559	104665	117291	118936	135185	142475	Return on Total Cap'l	6.5%
MARKET CAP: \$198 billion (Large Cap)													10.5%	7.4%	7.4%	6.3%	7.1%	6.7%	6.4%	5.6%	4.6%	3.9%	4.0%	4.5%	Return on Shr. Equity	15.5%
Warrants to buy 134,831,460 shs. at \$22.25 through 10/16/13													25.8%	23.8%	19.7%	15.2%	16.7%	18.4%	19.4%	17.3%	9.7%	10.6%	10.5%	11.5%	Retained to Com Eq	8.5%
CURRENT POSITION 2009 2010 9/30/11													14.2%	12.5%	10.0%	7.7%	8.2%	9.1%	9.5%	5.4%	2.1%	6.6%	6.0%	6.0%	All Div'ds to Net Prof	45%
(SMILL.)													45%	47%	49%	49%	51%	50%	51%	69%	79%	38%	45%	46%		
Cash Assets 124201 122896 137826													BUSINESS: General Electric Co. is one of the largest & most diversified industrial companies in the world. Segments include: Energy Infrastructure; Aviation; Healthcare; Transportation; Home & Business Solutions; GE Capital. Serves customers in more than 100 countries. 53% of 2010 rev. came from overseas. In 2005, sold Insurance Solutions business and reduced ownership to less than 20% of Genworth Financial; Spun off NBCUniversal stake, 1/11. Research & Development, 2.6% of '10 revenues; '10 depreciation rate: 9.1%. Has approximately 287,000 employees. Off. dir. own less than 1% of stock, BlackRock, 5.2% (3/11 Proxy). Chmn. & CEO: Jeffrey Immelt. Inc.: NY. Address: 3135 Easton Turnpike, Fairfield, CT 06828. Telephone: 203-373-2211. Int.: www.ge.com.													
Receivables 345690 337267 313025																										
Inventory (LIFO) 11987 11526 15021																										
Other 14177 -- --																										
Current Assets 496055 471689 465872																										
Accts Payable 19703 14657 16150																										
Debt Due 133054 117959 127327																										
Other 26719 24101 31111																										
Current Liab. 179476 156717 174588																										

ANNUAL RATES	Past 10 Yrs	Past 5 Yrs	Est'd '08-'10 to '14-'16
change (per sh)	10 Yrs	5 Yrs	to '14-'16
Revenues	3.0%	2.0%	3.0%
"Cash Flow"	2.5%	-0.5%	8.0%
Earnings	2.0%	-4.0%	12.5%
Dividends	4.5%	-1.5%	7.5%
Book Value	9.0%	2.0%	8.0%

Cal-endar	QUARTERLY REVENUES (\$ mill) ^F				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	42273	46891	47234	46117	182515
2009	38411	39082	37799	41438	156783
2010	36305	37193	35692	41529	150211
2011	38448	35625	35367	39560	149000
2012	35500	37300	36300	42900	152000

Cal-endar	EARNINGS PER SHARE ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.44	.54	.45	.36	1.78
2009	.26	.26	.22	.28	1.03
2010	.21	.30	.29	.36	1.15
2011	.31	.33	.31	.40	1.35
2012	.34	.42	.37	.47	1.60

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.31	.31	.31	.31	1.24
2009	.31	.31	.10	.10	.82
2010	.10	.10	.10	.12	.42
2011	.14	.14	.15	.15	.58
2012	.17				

General Electric seems poised for accelerated earnings growth in 2012. An ongoing recovery at the key Energy Infrastructure unit may well be in store. Plus, positive trends are likely to endure for the Aviation, Healthcare, and Transportation divisions, mitigating weakness in Home & Business Solutions. Lastly, GE Capital's results should improve further, though to a lesser extent than in 2011. We estimate share earnings of \$1.60 for the full year.

Our outlook for the energy business is supported by robust demand. During the September quarter, GE announced \$3 billion in new Energy customer wins, highlighted by \$800 in orders to supply gas and wind turbines for projects in Brazil. In fact, equipment orders soared 38%, excluding the impact of acquisitions. Orders for renewable energy products climbed 68%. Service orders, meantime, trended lower, though we anticipate a rebound this year.

The remaining industrial units appear to be in decent shape. Third-quarter Aviation orders rose 14%, with commercial and military purchases both ascending. We look for R&D spending to fall as a percentage of revenues as GE reaps the rewards of outlays over the past several years. Healthcare orders were also up a mid-teens percentage, driven largely by strength in emerging markets. However, Transportation, likely coming off an outstanding 2011, experienced a 28% order decline. Slumping equipment orders were partially offset by strong service demand. Still, we expect a strong 2012 behind global sales of locomotives. In all, organic industrial revenues might well increase 5% to 10% this year and net income ought to receive a lift from margin expansion.

GE Capital's recent buyout of MetLife's U.S. retail deposit operation brings it a new avenue for growth. We expect the deal to be completed around mid-2012, providing \$7.5 billion in deposits. We think the retail finance and commercial lending arms are well positioned, while a more pronounced real estate market upturn would also help. **These shares offer an attractive 3- to 5-year total return.** Further dividend hikes are likely. Note the recent redemption of \$3.0 billion in preferred stock.

Damon Churchwell January 20, 2012

(A) Operating margin incl. all exp. except int., depr. and taxes. (B) Based on avg. shs. Excl. nonrecur. losses: '00, 24c; '01, 4c; '02, 10c; Q3'11, (9c). Excl. gains/(losses) from disc. (C) Div'ds hist. paid late Jan., Apr., Jul., and Oct. (D) Div'd reinvest. plan. avail. (E) Incl. intang. In '10: \$74,446 mill., \$7.01/sh. (F) In mill., adj. for splits. (G) Revs. may not sum, as reported. (H) Pfd. shs. redeemed 10/17/11.

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Company's Financial Strength B++
 Stock's Price Stability 65
 Price Growth Persistence 5
 Earnings Predictability 70

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