

GE Capital



Industry Research Monitor

Construction

Total construction put-in-place declined -2.3% year-over-year in 3Q11 to \$219.0 billion with weakness in all major sectors. A -3.2% decline in residential construction combined with a -2.2% decline in nonresidential building construction and a -0.9% decline in nonbuilding construction. On a seasonally adjusted basis, construction declined -0.4% from the prior quarter.

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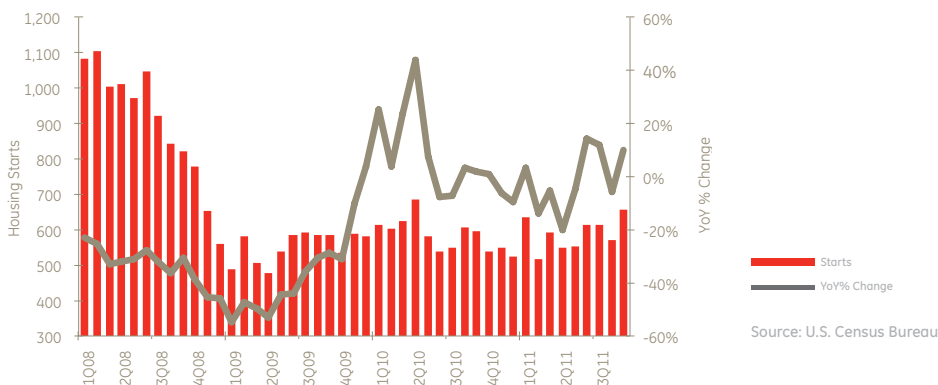


Residential Construction

Residential housing statistics showed positive year-over-year comparisons in the third quarter on easy comparisons. While housing affordability has reached cyclical highs, an abundance of inventory, high unemployment and economic uncertainty prevent buyers from making large purchases.

According to the U.S. Census Bureau, total housing starts increased +6.2% YoY in 3Q11 to 170,800 after declining -4.9% YoY in 2Q11. This is the first quarter since 2Q10 that we've seen year-over-year increases in total housing starts. On a seasonally adjusted annual rate (SAAR), starts improved +7.5% sequentially to an average of 615,000 starts.

Housing Starts (SAAR 000s)



Likewise, housing permits increased +6.8% YoY in 3Q11 to 164,300 after declining -0.4% YoY in 2Q11. On a seasonally adjusted basis, permits increased +1.7% QoQ to SAAR of 606,700, the highest level since 1Q10.

Housing Statistics Summary (YoY % change unless otherwise noted)

	4Q10	1Q11	2Q11	3Q11
Private Residential Construction Put-In-Place	-6.5%	-6.0%	-0.5%	-3.2%
Housing Permits	-5.2%	-15.3%	-0.4%	6.8%
Housing Starts	-2.9%	-6.6%	-4.9%	6.2%
New Homes (SF only)				
Sales	-20.5%	-18.4%	-9.5%	4.1%
Average Sales Price	1.3%	-3.7%	-0.4%	-3.1%
Months Supply (months)	8.8	7.8	5.8	6.4
Existing Homes				
Sales	-19.1%	-2.2%	-12.1%	17.8%
Average Sales Price	1.0%	-3.1%	-2.1%	-3.4%
Months Supply (months)	9.5	8.1	9.1	8.8
Pending Home Sales Index	-11.5%	-9.9%	-1.8%	10.5%
Housing Market Index (SF Only)	-6.0%	4.3%	-21.1%	10.0%

Sources: U.S. Department of Commerce, U.S. Census Bureau, National Association of Realtors, National Association of Home Builders



RESIDENTIAL CONSTRUCTION HEADLINES

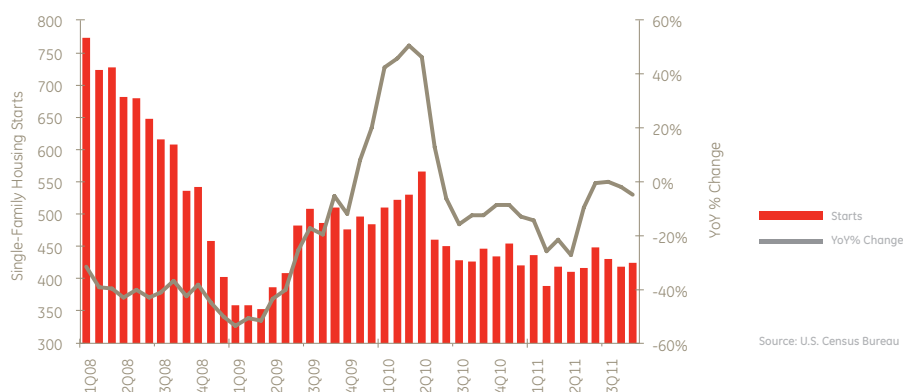
- Residential construction put-in-place declined -3.2% YoY in 3Q11.
 - Single-family construction declined -3.8% YoY.
 - Multi-family construction increased -8.0% YoY.
 - Expenditures on renovations and improvements declined -4.0% YoY.
- Housing starts increased +6.2% YoY in 3Q11.
 - Single-family housing starts declined -1.4% YoY.
 - Multi-family housing starts increased +28.0% YoY.
- New home sales increased +4.1% YoY.

Total residential construction put-in-place declined -3.2% YoY in 3Q11 after declining -0.5% YoY in 2Q11. On a seasonally adjusted basis, total residential construction put-in-place declined -7.0% QoQ.

Single-Family

3Q11 single-family housing starts declined -1.4% YoY to 117,300 units after declining -13.2% YoY in 2Q11. On a SAAR basis, starts declined -0.2% from the second quarter to an average SAAR of 424,300 in 3Q11. Strong starts in July and September contrasted with a weaker September.

Single-Family Housing Starts (SAAR 000s)



New single-family construction put-in-place as reported by the U.S. Census Bureau declined -3.8% YoY in 3Q11 to \$30.0 billion after declining -11.6% YoY in 2Q11. On a seasonally adjusted basis, new single-family construction increased +1.2% from the prior quarter.

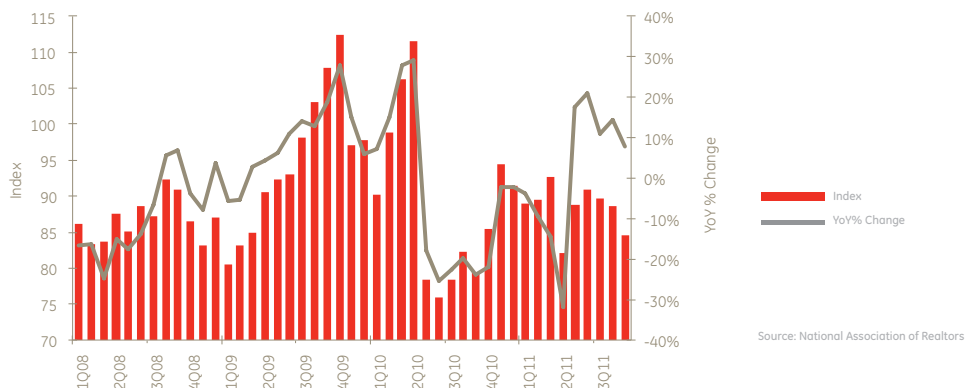
Sales of new single-family homes as reported by the U.S. Census Bureau increased +4.1% YoY in 2Q11 after declining -9.5% YoY in 2Q11. On a seasonally adjusted annual basis, new home sales declined -2.3% from the second quarter to an average SAAR of 302,000 in 3Q11. New home sales remain near cyclical lows but 2Q11. Average sales prices of new homes declined -3.1% YoY and declined -4.7% from 2Q11 to average \$255,600 in 3Q11.

The bright spot in the housing data continues to be the decline of new and existing home inventories. New home inventories declined -20.5% YoY and -2.4% QoQ to 165,000 units or 6.4 months. New home inventory equaled 5.8 months in 2Q11 and 8.3 months in 3Q10.

The National Association of Realtors reported that existing single-family home sales increased +18.4% YoY in 3Q11 after declining -11.6% YoY in 2Q11. The SAAR remained flat from the 2Q11 at 4.3 million units. Average single-family existing home prices continue to deteriorate declining -3.7% YoY and -0.3% QoQ in 3Q11.

Existing single-family home inventories declined -11.3% YoY in 3Q11 and declined -5.7% QoQ due to the end of the spring and summer sales season. Existing single-family home inventories stood at 8.4 months in 3Q11 vs. 8.9 months in 2Q11 and 11.2 months in 3Q10.

Pending Home Sales Index



The Pending Home Sales Index as reported by the National Association of Realtors declined +10.5% YoY in 3Q11 to an average Index of 93.3 after declining -1.8% YoY in 2Q11. On a seasonally adjusted basis, the Index averaged 87.6 in 3Q11- essentially unchanged from 2Q11. The Index deteriorated throughout the quarter from 89.7 in July to 84.5 in September.

Single-Family Housing Statistics Summary (YoY % change unless otherwise noted)

	4Q10	1Q11	2Q11	3Q11
Private Residential Construction Put-In-Place	-4.4%	-7.0%	-11.6%	-3.8%
Housing Permits	-12.8%	-23.2%	-9.2%	2.8%
Housing Starts	-8.7%	-21.7%	-13.2%	-1.4%
New Homes				
Sales	-20.5%	-18.4%	-9.5%	4.1%
Average Sales Price	1.3%	-3.7%	-0.4%	-3.1%
Months Supply (months)	8.8	7.8	5.8	6.4
Existing Homes				
Sales	-19.1%	-2.7%	-11.6%	18.4%
Average Sales Price	1.4%	-2.6%	-2.1%	-3.7%
Months Supply (months)	9.2	8.0	8.9	8.4
Housing Market Index	-6.0%	4.3%	-21.1%	10.0%

N.A. = Not Available

Sources: U.S. Department of Commerce, U.S. Census Bureau, National Association of Realtors, National Association of Home Builders

Multi-Family

The multi-family housing market continues to outperform the single-family market. Housing starts in structures with more than 1 unit increased +28.0% YoY in 3Q11 to 53,500 units after increasing +34.6% YoY in 2Q11. The 3Q11 average SAAR of 190,700 starts is up +29.7% from 2Q11 levels. SAAR of multi-family housing starts is now at its highest level since 4Q08.

New private multi-family construction put-in-place declined -6.6% YoY in 2Q11 to \$3.5 billion after declining -15.9% in 1Q11 and -53.7% in 2Q10. On a seasonally adjusted basis, multi-family at its lowest pace, averaging \$13.5 billion annually in 2Q11, a -0.4% decrease over 1Q11.

Multi-Family Housing Statistics Summary (YoY % change)

	4Q10	1Q11	2Q11	3Q11
Private Residential Construction Put-In-Place	-30.3%	-15.9%	-3.5%	8.0%
Housing Permits	18.5%	13.7%	28.0%	16.7%
Housing Starts	29.4%	80.0%	34.6%	28.0%

Sources: U.S. Department of Commerce, U.S. Census Bureau

Renovations and Improvements

The renovation market continues to benefit from the decline in new and existing home sales. Expenditures on renovations and improvements declined -4.0% YoY in 3Q11 to \$29.8 billion after increasing +11.1% YoY in 2Q11. On a seasonally adjusted basis, renovations and improvements declined -15.6% from 2Q11's cyclical high.

In addition, the Remodeling Market Index as reported by the National Association of Homebuilders increased +2.2% YoY to 41.7 in 3Q11. Current Conditions Index continued to decline on a sequential basis to 43.0 while the Index of Future Expectations also declined to 40.3 in 3Q11. Future expectations have not exceeded current conditions since 1Q07. Future expectations consistently exceeded current conditions from 2003 through 2005.

While the Index declined for all components, owners continue to heavily favor minor additions and alterations (vs. major remodels or maintenance and repair) while rentals favor major additions alterations (vs. maintenance and repair and minor remodels).

Regional Results

The Northeast region underperformed the balance of the country on most housing metrics likely due to inclement weather in August. The Midwest and West regions are experiencing meaningful YoY increases in both new and existing home sales.

3Q11 Regional Housing Statistics Summary (YoY % change)

	Northeast	Midwest	South	West
Housing Permits	-10.3%	6.3%	7.1%	17.1%
Housing Starts	-7.4%	-8.2%	11.1%	15.7%
New Home Sales	-33.3%	18.2%	5.0%	6.3%
Existing Home Sales	12.4%	25.8%	16.5%	17.0%
Pending Home Sales	5.6%	13.8%	8.2%	13.5%

Sources: U.S. Census Bureau and National Association of Realtors

Housing Market Outlook

Housing industry economists continue to revise their 2011 and 2012 housing starts and sales outlooks downward. 2011 average total housing starts estimates were revised downward to 585,000, a -0.3% decrease over 2010's 587,000 starts. Estimates vary greatly from a low of 585,000 starts from Freddie Mac and the National Association of Realtors to a high estimate of 600,000. 2012 estimates range from 632,000 (National Association of Realtors) to 918,000. 2013 estimates range from 841,000 (Fannie Mae) to 1,464,000.

Estimates for 2011 single-family housing starts ranged from a low of 407,000 from the National Association of Realtors to a high of 422,000 from the National Association of Home Builders. 2012 estimates range from 443,000 (Fannie Mae) to 598,000. 2012 estimates range from 586,000 (Fannie Mae) to 1,062,000.

Single-Family Housing Starts Outlook (YoY % Change unless otherwise noted)

	2011E	2012E	2013E
Fannie Mae	-10.7%	5.2%	32.3%
Mortgage Bankers Association	-10.9%	12.9%	30.6%
National Association of Home Builders	-10.5%	17.2%	46.0%
National Association of Realtors	-13.7%	20.1%	N.A.
Average*	-11.3%	17.2%	49.1%
Average SF Housing Starts (000s)	418	490	731

N.A. = Not Available

* Numbers may not average due to the inclusion of unattributable data sources

New single family home sales estimates now average 306,000 for 2011 and range from a low estimate of 301,000 (Mortgage Bankers Association) to a high estimate of 320,000. 2012 estimates average 399,000 and range from a low estimate of 313,000 (Mortgage Bankers Association) to a high estimate of 675,000. 2013 estimates average 553,000 and range from a low estimate of 416,000 (Mortgage Bankers Association) to a high estimate of 926,000.

New Home Sales Outlook (YoY % Change unless otherwise noted)

	2011E	2012E	2013E
Fannie Mae	-4.6%	4.9%	30.8%
Mortgage Bankers Association	-6.2%	4.0%	32.9%
National Association of Home Builders	-5.1%	19.2%	47.0%
National Association of Realtors	-5.5%	25.4%	N.A.
Average*	-4.6%	30.3%	38.7%
Average SF New Home Sales (000s)	306	399	553

N.A. = Not Available

* Numbers may not average due to the inclusion of unattributable data sources

2011 total existing home sales estimates averaged 4.9 million, up +0.5% from 2010. 2012 estimates average 5.1 million, a +4.2% increase from 2011 estimates and range from a low estimate of 4.9 million units (Mortgage Bankers Association) to a high estimate of 5.6 million units. 2013 estimates average 5.4 million units, a +5.9% increase from 2012 and range from a low estimate of 5.2 million units to a high estimate of 5.8 million units.

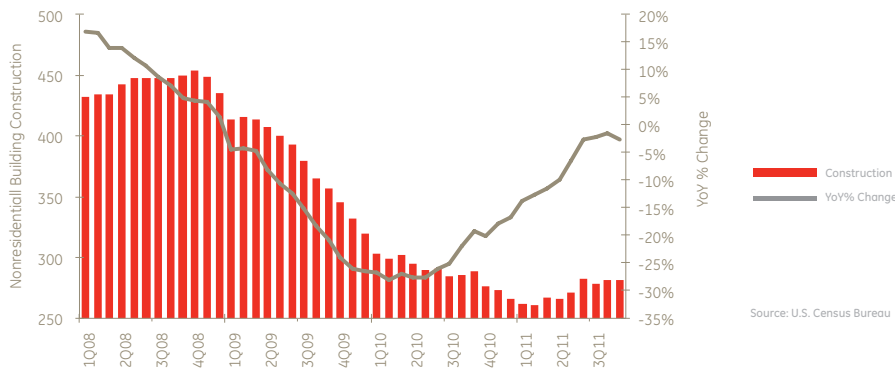
Nonresidential Construction

Nonresidential Building Construction

U.S. Department of Commerce reported continued year-over-year declines in nonresidential building construction put-in-place. Construction declined -2.2% YoY to \$76.5 billion in 3Q11 after declining -6.1% YoY in 2Q11. On a seasonally adjusted basis, nonresidential construction increased a modest +2.7% QoQ after increasing +3.8% QoQ in 2Q11. This marks the second consecutive quarter of sequential improvements the market has seen since 3Q08.

Lodging, amusement & recreation and office markets continue to see the largest year-over-year declines while healthcare and commercial projects are exhibiting year-over-year increases. Manufacturing construction seems to have turned the corner and increased on a year-over-year basis in 3Q11.

Nonresidential Building Construction (SAAR \$Bn)



Nonresidential Building Construction

	SAAR \$Bn		YoY % Change	
	2Q11	3Q11	2Q11	3Q11
Educational	83.7	86.5	-5.8%	-3.8%
Commercial	43.5	44.9	6.2%	12.1%
Healthcare	40.1	41.4	2.5%	1.5%
Office	34.4	36.2	-13.8%	2.0%
Manufacturing	34.4	34.1	-9.5%	-6.2%
Amusement and Recreation	15.2	15.6	-10.8%	-11.4%
Public Safety	9.8	9.6	-14.2%	-8.7%
Lodging	7.9	7.8	-28.8%	-24.7%
Religious	4.0	4.1	-25.0%	-16.6%
Total Building	273.1	280.3	-6.4%	-2.0%

Source: U.S. Department of Commerce

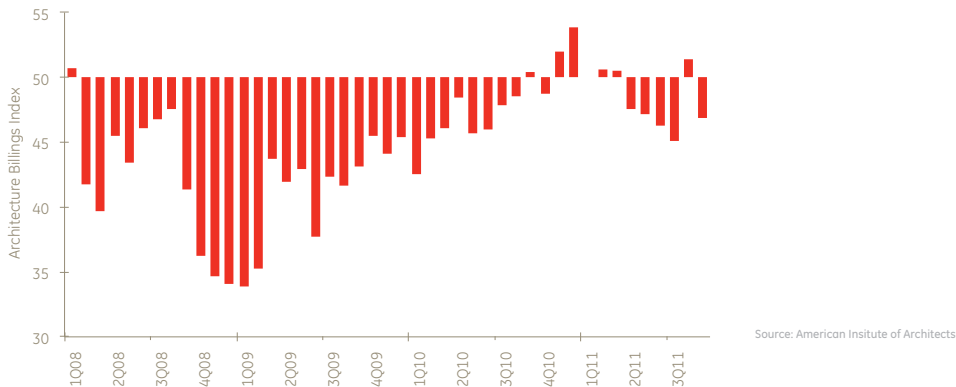
The American Institute of Architecture's Architecture Billings Index averaged 47.8 in 3Q11, a slight improvement to the 2Q11 average of 47.0 and reversing three quarters of declines. Even so, the Index remains below 50. A reading of greater than 50 indicates an increase in billings. The Index is considered a 9 to 12 month leading indicator of construction activity.



NONRESIDENTIAL CONSTRUCTION HEADLINES

- Nonresidential building construction put-in-place declined -2.2% YoY in 3Q11 to \$76.5 billion.
- Nonresidential nonbuilding construction put-in-place declined -0.9% YoY in 3Q11 to \$75.8 billion.
- The Architecture Billings Index averaged 47.8 in 3Q11.

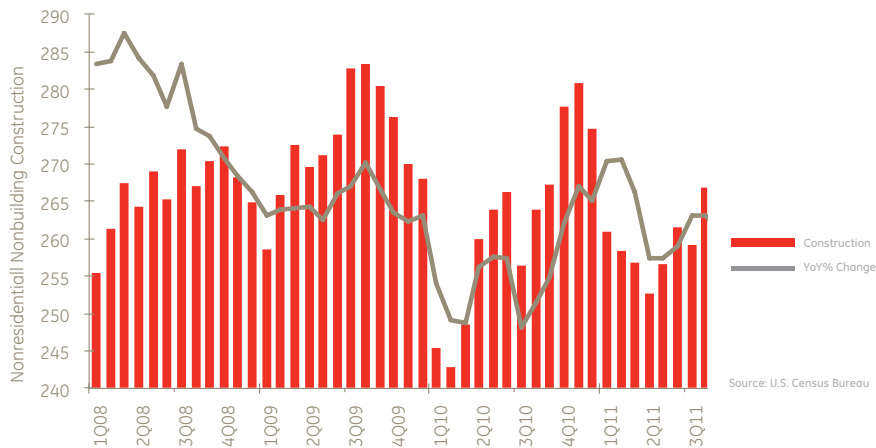
Architecture Billings Index



Nonresidential Nonbuilding Construction

Nonresidential nonbuilding construction put-in-place declined -0.9% YoY to \$75.8 billion in 3Q11 after declining -2.7% YoY in 2Q11 as reported by the U.S. Census Bureau. On a seasonally adjusted basis, nonbuilding construction increased +2.8% QoQ in 3Q11 after declining -0.7% QoQ in 2Q11.

Nonresidential Nonbuilding Construction (SAAR \$Bn)



Like prior quarters, year-over-year increases in power construction were offset by declines in every other area of nonbuilding construction.

Nonresidential Nonbuilding Construction

	SAAR \$ Bn		YoY % Change	
	2Q11	3Q11	2Q11	3Q11
Power	85.5	90.0	14.7%	20.3%
Highway and Street	75.3	78.5	-9.1%	-4.7%
Transportation	35.9	35.2	-9.8%	-8.7%
Sewage and Waste Disposal	22.3	22.4	-12.3%	-15.1%
Communication	18.0	18.0	-1.1%	-2.1%
Water Supply	12.7	13.5	-16.0%	-12.1%
Conservation and Development	7.2	6.8	-2.0%	0.0%
Total Nonbuilding Construction	257.0	264.3	-2.4%	0.7%

Source: U.S. Department of Commerce

Construction Employment

According to the U.S. Department of Labor, the construction industry employment was flat year-over-year, improved from the 58,000 YoY lost jobs in 1Q11 and the 554,000 YoY lost jobs in 2Q10. Construction employment averaged 5.6 million in 2Q11. On a seasonally adjusted basis, construction industry employment added 21,000 in 2Q11 or +0.4% of the work force from 1Q11.

3Q11 Construction Employment Summary

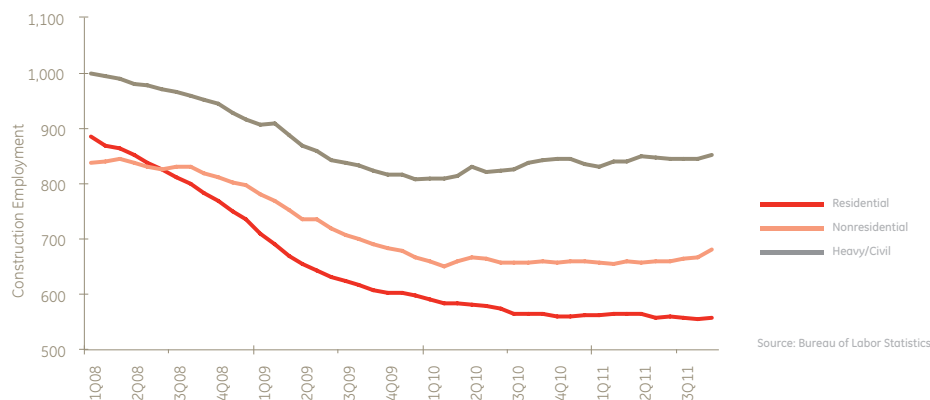
	# of Jobs Gained/Lost (SA 000s)		% Change	
	vs. 2Q11	vs. 3Q10	vs. 2Q11	vs. 3Q10
Building Construction				
Residential	-4.0	-7.6	-0.7%	-1.4%
Nonresidential	11.1	12.4	1.7%	1.9%
Heavy/Civil Construction	-0.9	12.1	-0.1%	1.4%
Total Construction	10.3	24.7	0.2%	0.4%

Note: Numbers may not add due to rounding
Source: Bureau of Labor Statistics

On a seasonally adjusted basis, employment in the residential building industry still continues to exhibit declines. Residential building construction employment declined -0.5% QoQ in 3Q11 or approximately 2,900 jobs. Actual residential construction employment in 3Q11 showed a loss of 8,000 jobs YoY or 1.3% of the work force. Residential construction employment declined 16,000 jobs or -2.8% YoY in 2Q11 and declined 54,000 jobs or -8.4% in 3Q10.

3Q11 employment in nonresidential building increased +1.2% QoQ on a seasonally adjusted basis. Actual employment in the nonresidential building industry also increased +1.1% YoY. Nonresidential building construction employment has remained relatively stable near the cyclical low over the last 7 quarters.

Construction Materials PPI Summary (YoY % Change)



Heavy/civil construction employment declined modestly in 3Q11 over the prior quarter. Actual employment increased by 11,000 jobs or +1.2% YoY in 3Q11. Heavy/civil construction employment continues to show small but definite improvements.



CONSTRUCTION EMPLOYMENT HEADLINES

- The construction industry added 28,000 jobs or +0.5% of the workforce year-over-year in 3Q11.
- Residential construction employment declined -1.3% YoY in 3Q11.
- Nonresidential building employment increased +1.1% from a year ago.
- Heavy/civil construction increased +1.2% YoY in 3Q11.

Construction Equipment

New Equipment

According to the U.S. Census Bureau, construction equipment orders continue to rise in 3Q11 increasing +37.9% YoY in 3Q11 to \$12.9 billion after increasing +33.4% YoY in 2Q11. On a sequential basis, orders increased +10.9% QoQ in 3Q11 after increasing +3.9% QoQ in 2Q11. New orders now exceed cyclical highs in 3Q07.

Shipments of construction equipment also continue to improve, increasing +44.6% YoY in 3Q11 to \$12.7 billion after increasing +28.5% YoY in 2Q11. On a seasonally adjusted basis, shipments increased +18.5% QoQ in 3Q11.

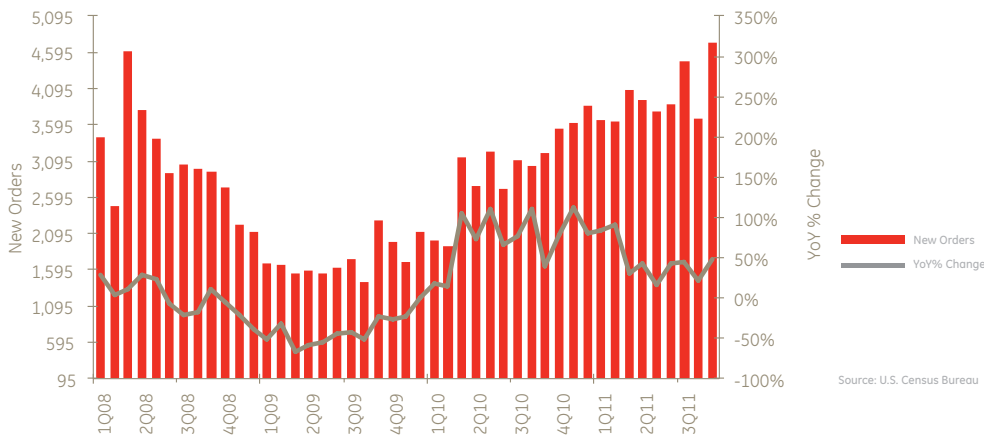
As new orders and shipments increase, manufacturers continue to increase inventories which averaged \$5.6 billion during 3Q11. This is a +6.0% increase versus 2Q11 and a +28.4% increase over 3Q10. Because of strong retail shipments, the inventory-to-shipments ratio remains at reasonable levels. The inventory-to-shipments ratio averaged 1.32 months in 3Q11 down from 1.44 months in 2Q11.



CONSTRUCTION EQUIPMENT HEADLINES

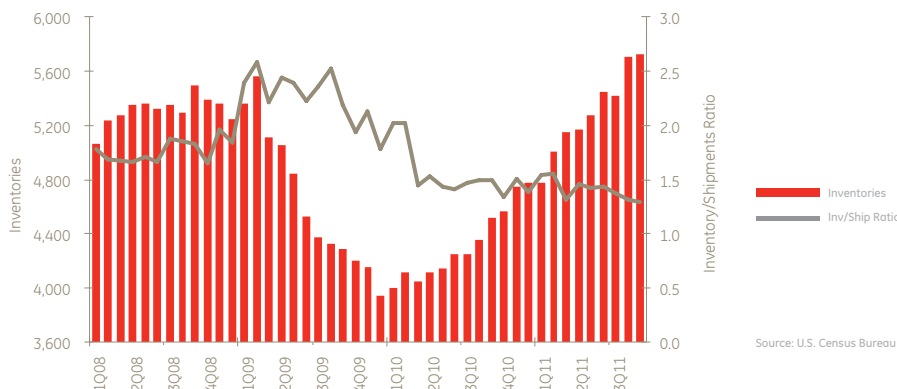
- New construction equipment orders increased +37.9% YoY in 3Q11.
- Construction equipment shipments increased +44.6% YoY in 3Q11.
- Absolute levels of inventories continue to increase but inventory-to-shipments ratios remained at good levels.

Construction Equipment New Orders (SA \$MM)



Unfilled orders (backlogs) in 3Q11 increased +2.7% from 2Q11 and +44.8% YoY to average \$9.8 billion in 3Q11 indicating a more positive outlook for the industry as some longer-term orders get placed on the books.

Construction Equipment New Orders (SA \$MM)



Used Equipment

The market for used equipment is improving with lower inventory and increasing prices.

Ritchie Brothers Auctioneers gross auction proceeds reached \$673 million in 3Q11, 10.3% lower than 3Q10. Bidder registrations declined -15.5% YoY in 3Q11 while total number of lots declined -17.1% YoY. This is largely due to the fact that a number of auctions which took place in 3Q10 are taking place in 4Q11.

Peter Blake, the Company's CEO commented in the Company's 3Q11 earnings press release: "During the third quarter, market conditions became more challenging due to economic uncertainty and the sudden erosion of confidence, particularly in the US market. This exacerbated the already tight supply of equipment, which reflects reduced manufacturer production over the last couple of years, inhibiting the velocity of transactions in the used equipment market. These market conditions had an effect on our business in the third quarter; however, the pricing environment for late model equipment remains firm and our fourth quarter auctions are building strongly ahead of the equivalent period in 2010."

The rental houses also are seeing improvement in both sales and margins. At United Rentals, revenues from used equipment sales increased +31.3% YoY in 3Q11 at a gross margin of 35.7%, compared with a gross margin of 31.7% in 2Q11 and 24.3% for 3Q10.

Sales of used rental equipment at RSC Holdings Inc. increased +10.4% YoY in 3Q11 with gross margins of 38% compared with 33% gross margin in 2Q11 and 16% in 3Q10.

At H&E Equipment Services, used equipment sales increased +84.8% YoY in 3Q11.

Rental

The rental sector is seeing continued improvement in rental volume, rental rates, time utilization and used equipment sales. The uncertainty in the end markets creates a situation where end-users favor the flexibility of renting rather than owning.

In UBS's Rental Equipment Industry Survey #104, 75% of branch managers reported conditions "better than last year" in October while only 7% reported conditions "worse than last year". This is better than the results from three months ago where 70% of branch managers reported "better than last year" conditions. The survey marks the 19th consecutive month of improvements in business conditions.

Branch managers were also asked about rental rates in October compared to September. 42% reported "improved" rates, 53% cited that rates "stayed the same" and 5% reported that rates "deteriorated".

In response to whether their current fleet is sized to meet demand, 67% of branch managers responded that their fleet was "smaller than the right size to meet demand", a marked improvement over December 2010 when only 33% of branch managers felt their fleet was too small. In the current survey, only 1% stated their fleet was "larger than the right size to meet demand" as opposed to 11% of branch managers in December 2010.

United Rentals saw rental revenue increase +19.1% YoY in 3Q11 as a result of a +7.5% YoY increase in rental rates, +15.0% YoY increase in volume of equipment on rent and improved time utilization to 76.5%.



CONSTRUCTION MATERIALS HEADLINES

- PPI Construction Materials increased +1.7% YoY in 2Q11.
- PPI cement declined -1.7% YoY in 3Q11.
- Shipments of Portland and blended cement declined -2.1% YoY in 2Q11.
- Clinker production declined -1.5% YoY 2Q11.
- PPI Concrete declined -0.5% YoY in 3Q11.
- Copper prices increased +22.3% YoY in 3Q11.

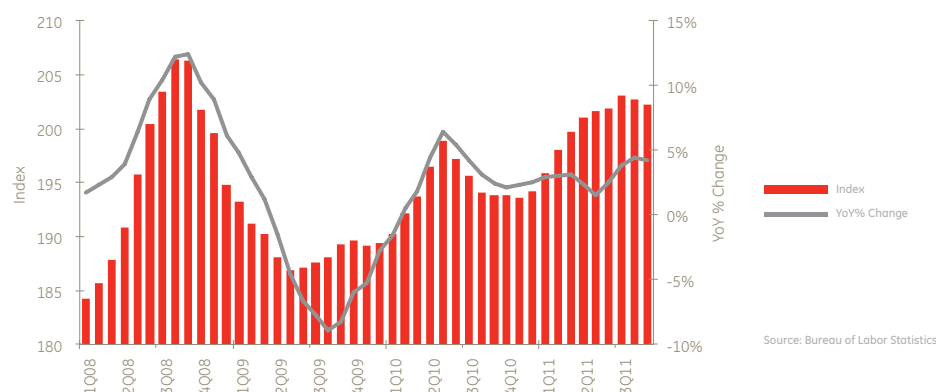
At RSC, rental revenue increased +23.6% YoY in 3Q11 as a result of a +19% YoY increase in rental volume, a +4.6% YoY improvement in rental rates and increased average fleet utilization to 73%.

H&E Equipment Services reported a +26.8% YoY increase in rental revenues on a +8.9% YoY increase in rental rates. Rental gross margins increased to 44.0% compared to 37.5% in 3Q10 as a result of increased rates and time utilization. Time utilization (based on units available for rent) was 68.9% in the 3Q11 as compared to 62.3% a year ago.

Construction Materials

According to the Bureau of Labor Statistics, the Producer Price Index (PPI) Construction Materials increased +4.2% YoY in 3Q11 after increasing +2.2% YoY in 2Q11.

PPI Construction Materials



In 2012 and 2013, prices of all building materials are expected to remain relatively at or about current levels. In 2014 and 2015, prices of residential-related materials such as lumber and gypsum are expected to increase significantly due to increased demand related to the anticipated return of the residential housing market. The price of copper are expected to decline in 2013 and 2014 off highs in 2010 through 2013.

Construction Materials PPI Summary (YoY % Change)

Material	4Q10	1Q11	2Q11	3Q11
Cement	-6.3%	-5.7%	-2.6%	-1.7%
Ready-Mix Concrete	-1.2%	-1.3%	-0.8%	-0.5%
Lumber and Plywood	6.1%	3.2%	-6.2%	-0.9%
Gypsum	1.0%	1.3%	-4.8%	-4.3%
Asphalt Paving Mixtures and Block	4.6%	2.5%	4.8%	8.2%
Construction Sand and Gravel	1.9%	1.8%	1.8%	1.6%
Structural Steel	2.7%	4.5%	5.2%	5.3%
Copper Products	23.6%	22.6%	23.3%	22.3%
PVC Pipe	2.8%	2.7%	3.8%	6.3%
Total	2.3%	3.0%	2.0%	4.2%

Source: Bureau of Labor Statistics

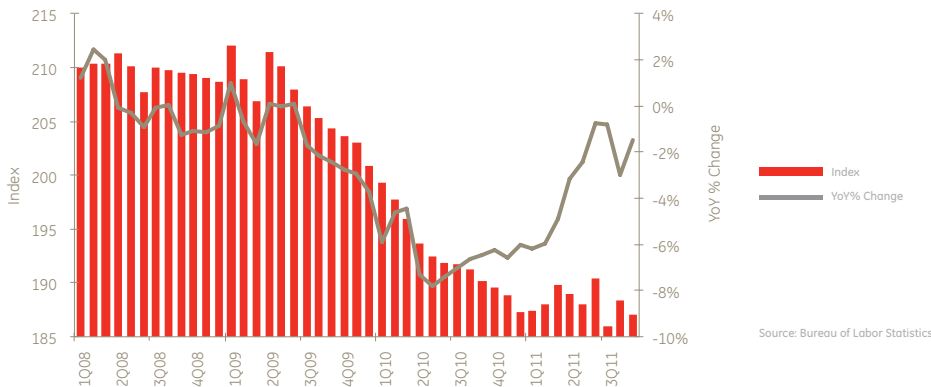
Cement

According to the U.S. Geological Survey (USGS) Mineral Resources Program (MRP), shipments of Portland and blended cement reversed 2Q11 downward trend and increased +5.1% YoY in 3Q11. Shipments declined -2.4% YoY in 2Q11. Clinker production in the U.S. declined -0.4% YoY in 3Q11 after declining -0.9% YoY in 2Q11 to reach three consecutive quarters of declines.

The price of cement declined on a year-over-year basis with the decline in cement shipments and clinker production. PPI cement declined -1.7% YoY in 3Q11 after declining -2.6 % YoY in 2Q11.

On November 17, 2011, the Portland Cement Association (PCA) yet adjusted its cement consumption forecast and reinforced its unenthusiastic forecast of the U.S. economy. In their press release, they state, "PCA revised its cement consumption forecast to increases of 1.1% in 2011, 0.5% in 2012 and 7.4% in 2013—roughly half of the previous forecast. Because the impediments to a construction recovery are so large, even if an acceleration in economic growth and job creation occurs on a sustained basis, the benefits will not materialize quickly."

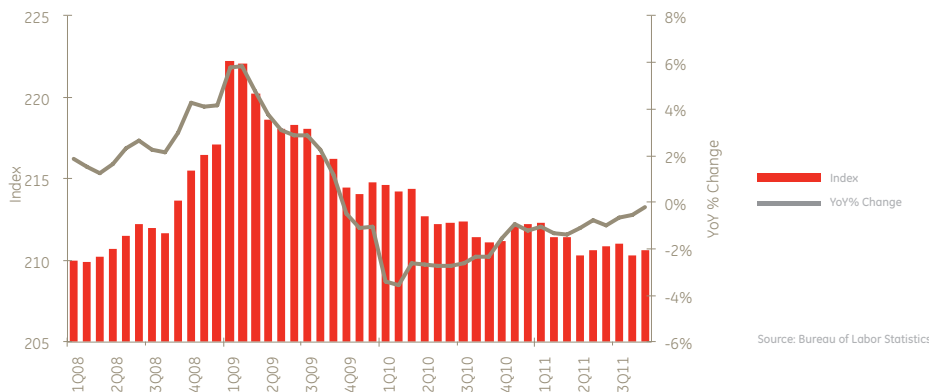
PPI Cement



Concrete

Like cement, ready-mix concrete prices continue to decline slightly. PPI Concrete declined -0.5% YoY in 3Q11 after declining -0.8% YoY in 2Q11.

PPI Concrete



3Q11 Earnings Summary

(YoY % Change)	Revenue	Net Income
OEM		
Caterpillar*	35.2%	101.6%
CNH*	35.8%	N.M.
Deere & Company*	33.8%	61.1%
Ingersoll Rand	5.3%	51.2%
Komatsu*	16.9%	23.4%
NACCO Materials Handling Group*	42.0%	193.9%
Oshkosh*	25.5%	417.8%
Terex Corporation	67.7%	N.M.
Equipment Rental		
Essex Rental	166.1%	N.M.
H&E Equipment Services	19.8%	N.M.
RSC Holdings	22.0%	346.5%
United Rentals	17.9%	169.6%
Building Materials		
CEMEX**	4.4%	N.M.
Eagle Materials	2.0%	-37.4%
Holcim**	-7.9%	23.9%
James Hardie**	14.0%	20.1%
LaFarge	0.4%	-5.0%
U.S. Concrete	1.4%	N.M.

N.M. = Not Material

* Reflects U.S. construction equipment segment revenue and operating profit, where available

** Reflects U.S. or North America segment revenue and operating profit

New and used equipment investments can = tax-savings opportunities

Take advantage of 100% bonus depreciation for new equipment

For 2011, the purchaser of new equipment may be able to expense up to 100% of the new capital equipment expenditure. This tax-savings opportunity is available throughout the 2011 tax year.

What this means

If your business operates as a sole proprietorship, partnership or corporation, this makes equipment purchases more affordable. Now is the time to take advantage of big tax benefits, acquire the equipment you need and put it to work for your business today.

New equipment investment	\$750,000
100% Bonus Depreciation*	\$750,000
Potential tax deduction	\$750,000
Potential 1 st year savings	\$262,500
<i>Assume 35% tax rate (750,000 x 35%)</i>	
After-tax equipment cost	\$487,500

*Eligible for new equipment purchases in 2011

Take advantage with GE Capital

GE Capital has dedicated resources to help you respond quickly and effectively to this remarkable tax-saving opportunity! Contact your local dealership to get started.

*Section 179: Allows taxpayers to deduct the cost of qualifying equipment up to \$500,000, and includes "off the shelf" software purchases, rather than depreciating the cost over a period of several years. For any remaining amount above the \$500,000 allowance, you are entitled to take the first year depreciation. The maximum dollar amount of equipment you can purchase in 2011 is \$2,000,000 before the deduction is reduced dollar for dollar for purchases in excess of \$2,000,000. For used property, the 20% First Year Depreciation can be taken after Section 179 deduction in the first year the equipment is placed in service assuming MACRS, 5-year life, 200% declining balance, or half-year convention.

This brochure is provided for general reference only, contains a partial overview of certain sections of the Internal Revenue Code of 1986, as amended (the "Code"), and is not intended to be a detailed discussion of the depreciation rules or any other provision(s) of the Code. Nothing herein constitutes any tax, accounting or legal advice, and it cannot be used or relied upon to avoid any penalties that may be imposed under U.S. Federal tax laws. You should consult your own independent tax, accounting and/or legal advisors for advice that is based upon your particular circumstances. Nothing herein constitutes a proposal or commitment for any particular transaction. Any such transaction would be subject to credit and other relevant approvals at GE and would be subject to the execution of documentation in form and substance satisfactory to GE.

For used equipment: Section 179 benefits

When purchasing used equipment, you may be able to utilize the Section 179 expense allowance, which has risen to \$500,000. Contact your equipment dealer for more information.

Used equipment investment	\$750,000
With Section 179	
Section 179 Allowance*	\$500,000
20% first year depreciation	\$50,000
Potential tax deduction	\$550,000
Potential 1st year savings**	\$192,500
Without Section 179	
Section 179 Allowance	---
20% first year depreciation	\$150,000
Potential tax deduction	\$150,000
Potential 1st year savings**	\$52,500
Section 179 savings difference	\$140,000

* Allowance for up to \$500,000

**For companies in the 35% tax bracket

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