

GE 2015 first quarter performance

Financial results & Company highlights

April 17, 2015



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," "will," "would," or "target." Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about our announced plan to reduce the size of our financial services businesses, including expected cash and non-cash charges associated with this plan; expected income; earnings per share; revenues; organic growth; margins; cost structure; restructuring charges; cash flows; return on capital; capital expenditures, capital allocation or capital structure; dividends; and the split between Industrial and GE Capital earnings. For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: obtaining (or the timing of obtaining) any required regulatory reviews or approvals or any other consents or approvals associated with our announced plan to reduce the size of our financial services businesses; our ability to complete incremental asset sales as part of this plan in a timely manner (or at all) and at the prices we have assumed; changes in law, economic and financial conditions, including interest and exchange rate volatility, commodity and equity prices and the value of financial assets, including the impact of these conditions on our ability to sell or the value of incremental assets to be sold as part of this plan as well as other aspects of this plan; the impact of conditions in the financial and credit markets on the availability and cost of GECC's funding, and GECC's exposure to counterparties; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; pending and future mortgage loan repurchase claims and other litigation claims in connection with WMC, which may affect our estimates of liability, including possible loss estimates; 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 flows and earnings and other conditions which may affect our ability to pay our quarterly dividend at the planned level or to repurchase shares at planned levels; GECC's ability to pay dividends to GE at the planned level, which may be affected by GECC's cash flows and earnings, financial services regulation and oversight, and other factors; our ability to convert pre-order commitments/wins into orders; the price we realize on orders since commitments/wins are stated at list prices; customer actions or developments such as early aircraft retirements or reduced energy demand and other factors that may affect the level of demand and financial performance of the major industries and customers we serve; the effectiveness of our risk management framework; the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of financial services regulation and litigation; adverse market conditions, timing of and ability to obtain required bank regulatory approvals, or other factors relating to us or Synchrony Financial that could prevent us from completing the Synchrony Financial split-off as planned; our capital allocation plans, as such plans may change including with respect to the timing and size of share repurchases, acquisitions, joint ventures, dispositions and other strategic actions; our success in completing, including obtaining regulatory approvals for, announced transactions, such as the proposed transactions and alliances with Alstom, Appliances and Real Estate, and our ability to realize anticipated earnings and savings; our success in integrating acquired businesses and operating joint ventures; the impact of potential information technology or data security breaches; and the other factors that are described in "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2014. These or other 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 includes certain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially.

This document also contains 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 GECC on an equity basis. GE Capital or GECC refers to the financial services businesses of the company. "GE (ex-GECC)" and/or "Industrial" refer to GE excluding Financial Services."

GE's Investor Relations website at www.ge.com/investor and our corporate blog at www.gereports.com, as well as GE's Facebook page and Twitter accounts, contain a significant amount of information about GE, including financial and other information for investors. GE encourages investors to visit these websites from time to time, as information is updated and new information is posted.

Imagination at work.

1Q'15 overview

Environment

- ✓ Slow growth and volatile environment
- ✓ GE Capital exit announced ... remaking GE to 90%+ Industrial

GE executing well:

- ✓ Operating EPS \$.31 excluding GE Capital exit impacts
- ✓ Industrial operating EPS +14%, GECC (21)% ex. GECC exit impacts
- ✓ Industrial segment margins +120 bps. ... gross margins +90 bps.

<u>Ind. segments</u>	<u>Reported</u>	<u>Organic</u>
Orders	(3)%	+1%
Revenue	(1)%	3%
Op Profit	9%	12%

Execution versus goals

<u>2015 Goals</u>	<u>1Q15</u>
Grow Industrial segments 10%+	9%
Organic growth (2-5%)	3%
Margin expansion	120 bps.
GECC earnings ~\$6B	\$1.5B ^{-a)}
Cash to parent	\$0.5B dividend
Disciplined/balanced capital allocation	
CFOA \$14-16 ^{-b)}	\$1.3B
FCF + disp. \$12-15B	\$0.3B
Cash to investors \$10-30	\$2.4B
Portfolio actions	Real Estate



(a- Excludes GE Capital exit impacts

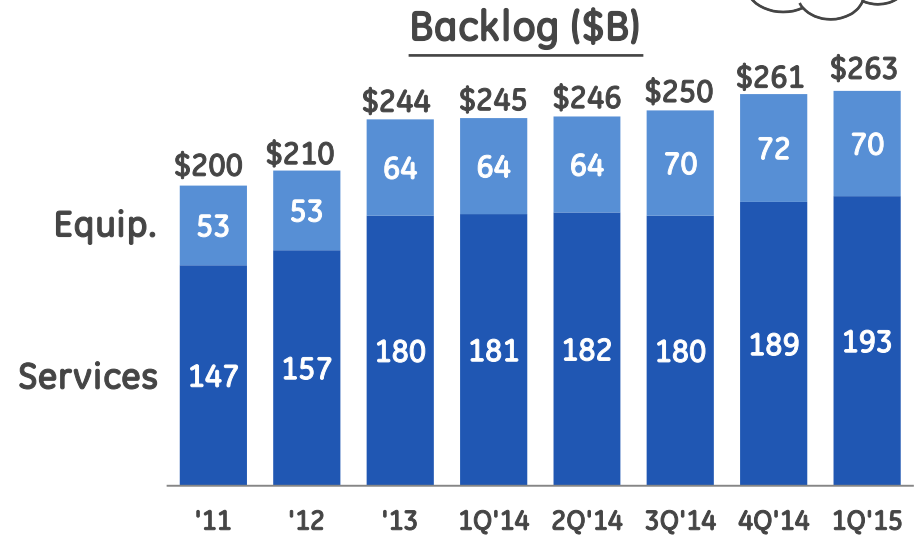
(b- Taxes associated with dispositions included in net disposition proceeds

1Q'15 orders \$23.1B, (3)% ... +1% ex. FX

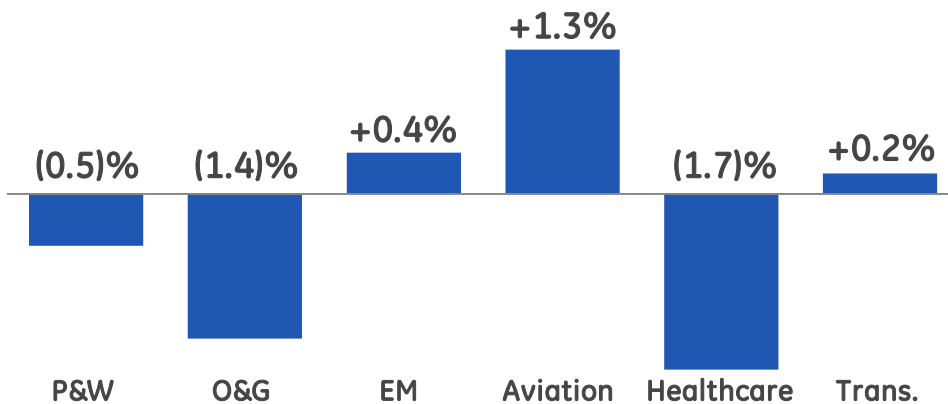
(\$ in billions)

+\$2B/\$5B
ex. FX

	Equipment		Services	
	\$	V%	\$	V%
Power & Water	\$1.8	(29)%	\$2.7	(15)%
Oil & Gas	2.2	(10)	2.1	(3)
Energy Mgmt.	1.5	(6)	0.6	3
Aviation	3.9	64	3.5	14
Healthcare	2.3	(1)	1.9	(2)
Transportation	0.8	(56)	0.7	13
Total	\$12.0	(5)%	\$11.1	-%
- Ex. FX		-%		3%



Orders price profile (0.2)%



Highlights

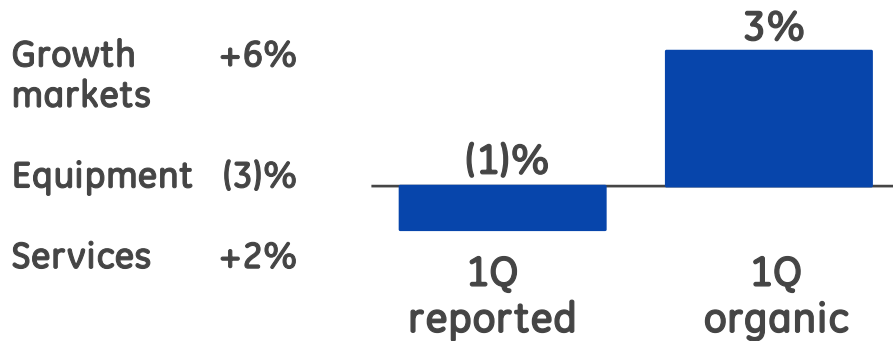
- ✓ Orders timing impacting Power & Water ... expect double-digit growth in 2Q
- ✓ Oil & Gas total orders (6)%, +2% ex. FX driven by strength in Subsea, pressure remains in Surface
- ✓ Equipment orders (5)%, flat ex. FX with strength in Aviation ... LEAP^(a) on track, ~\$0.8B orders in 1Q
- ✓ Services flat, +3% ex. FX ... Aviation spares +31%
- ✓ Healthcare +4% ex. FX with equipment +5% and services +3%



Industrial segment execution

Revenue growth

1Q15

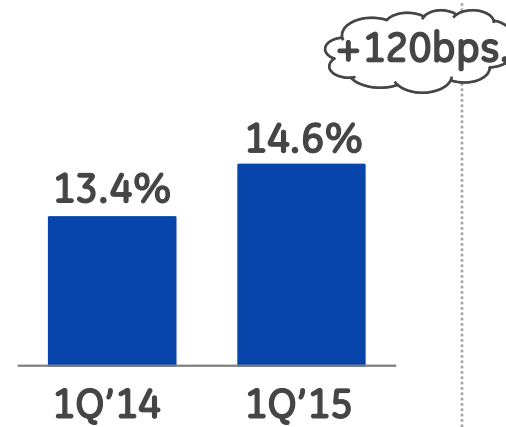


Growth highlights

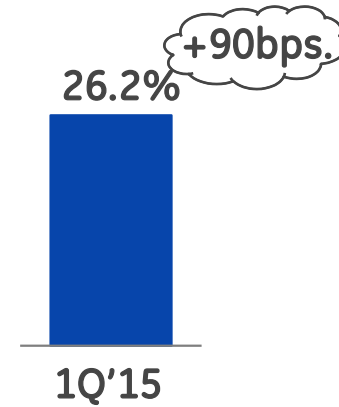
- + Industrial segment organic growth +3% ... 7th quarter of organic growth
- + Solid U.S. growth +2% ... growth markets +6% ... solid growth in China, LATAM, MENAT, SSA, India
- + Thermal \$1.7B +70% behind units strength ... 39 GTs vs 17, 48 generators vs 18 in PY
- + U.S. HCS revenue continues to improve +6%
- + Transportation locomotive deliveries up 21%
- + Business highlights: Bioprocess +26%, Power Conversion +6%



OP Margins



Gross Margins



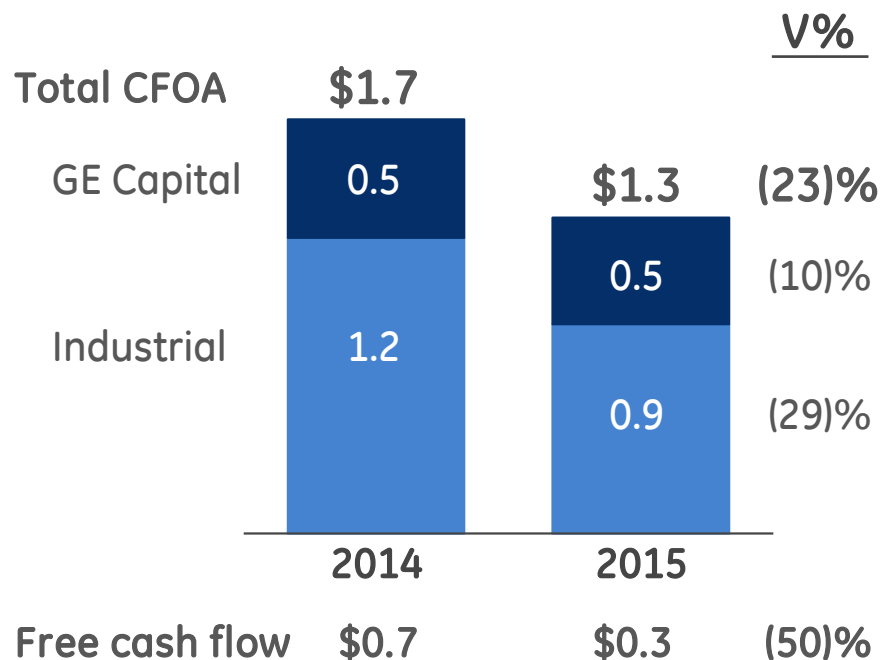
Margin drivers

Margin drivers	1Q
Mix	0.6 pts
Value gap (price/inflation)	0.1
Cost productivity	<u>0.2</u>
Gross Margins	+0.9 pts.
Simplification (SG&A)	0.6
Base inflation/other	<u>(0.3)</u>
Op Profit Margins	+1.2 pts.
- Equipment	+1.2 pts.
- Services	+0.7 pts.

Generating cash

(\$ in billions)

1Q CFOA



- ✓ Industrial cash flow (29)% ... P&W orders timing impacting progress; Aviation supply chain disruption resulting in higher inventory
- ✓ 1Q GE Capital dividend \$450M, (10)% ... will update outlook based on progress of exits^{-a)}

GE cash balance walk

	<u>Total</u>
Beginning balance 1/1/15	\$15.9
CFOA	1.3
Dividends	(2.3)
P&E	(1.0)
Acquisitions	(0.0)
Buyback	(0.1)
Change in debt/FX/other	(0.4)
March 2015	\$13.4



(a- Subject to regulatory approval)

1Q'15 consolidated results (excluding GE Capital exit impacts^{a)})

(\$ in billions – except EPS)

(\$ in millions)

	<u>1Q'15</u>	<u>V%</u>	<u>Revenues</u>		<u>Segment profit</u>		
			<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>	
Revenues	\$33.1	(3)%					
– Industrial sales	23.8	(1)	Power & Water	\$5,716	4%	\$871	(2)%
– Capital revenue	9.7	(7)	Oil & Gas	3,961	(8)	432	(3)
Operating earnings	3.1	(5)	Energy Mgmt.	1,685	1	28	F
Operating EPS	.31	(6)	Aviation	5,674	(2)	1,314	18
Continuing EPS	.27	(7)	Healthcare	4,075	(3)	587	3
Net EPS	.27	(10)	Transportation	1,308	7	225	11
CFOA	1.3	(23)	Appliances & Lighting	<u>1,941</u>	<u>5</u>	<u>103</u>	<u>94</u>
– Industrial	0.9	(29)	Industrial	24,360	(1)/3 ^{Organic}	3,560	9
<u>Reported tax expense</u>	<u>1Q'15</u>		GE Capital	<u>9,730</u>	<u>(7)</u>	<u>1,523</u>	<u>(21)</u>
Consolidated	\$6.5 / Unf.		Total segments	<u>\$34,090</u>	<u>(3)%</u>	<u>\$5,083</u>	<u>(2)%</u>
– GE (ex-GECC)	\$0.3 / 23%						
– GECC	\$6.2 / Unf.						

<u>Operating EPS</u>	<u>1Q'15</u>	<u>V%</u>
Industrial	\$.16	14%
GE Capital	\$.15	(21)%



Walk from operating results to reported financials

(after tax, \$ in billions – except EPS)

<u>Earnings walk</u>	<u>1Q15 Operations</u>	<u>GE Capital exit impacts^{-a)}</u>	<u>1Q15 Reported</u>	<u>1Q15 EPS</u>
Industrial	\$1.6	\$-	\$1.6	\$.16
GE Capital	<u>1.5</u>	<u>(14.1)</u>	<u>(12.5)</u>	<u>(1.25)</u>
Operating earnings	\$3.1	\$(14.1)	\$(10.9)	\$(1.08)
Non-op pension	<u>(0.5)</u>	=	<u>(0.5)</u>	<u>(.04)</u>
Continuing earnings	\$2.7	\$(14.1)	\$(11.4)	\$(1.13)
Disc. Ops.	<u>0.1</u>	<u>(2.3)</u>	<u>(2.2)</u>	<u>(.22)</u>
Net earnings	\$2.8	\$(16.4)	\$(13.6)	\$(1.35)

- ✓ Industrial earnings ... \$.16 operating EPS, +14%
- ✓ GE Capital continuing impacted by \$14B day 1 charge ... \$3B HFS, \$5B impairments, \$6B tax
- ✓ Discontinued operations \$2.3B driven by Real Estate day 1 charge
- ✓ Total reported earnings \$(13.6)B ... \$2.8B operations offset by \$16.4B day 1 charge

<u>Operating EPS</u>	<u>1Q'15</u>	<u>V%</u>
Industrial	\$.16	14%
GE Capital	\$(1.25)	U



1Q'15 Industrial other items

	<u>EPS</u>	
Restructuring & other items	\$(.03)	✓ Structural cost actions, acquisition-related & other costs; includes pension mortality impact

2015 summary

	<u>1Q</u>	<u>2Q</u>	<u>2H</u>	<u>TY</u>
Restructuring & other items	\$(.03)	~\$(.03)	~\$(.03)	~\$(.09)
Gains	<u>\$-</u>	<u>\$.05-.07^(a)</u>	<u>~\$.02^(a)</u>	<u>~\$.09</u>
Total	\$(.03)	~\$.02-.04	~\$(.01)	~\$-

Gains = restructuring for the year but variability in quarterly timing



Industrial segments

(\$ in millions)

Power & Water

<u>1Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$5,716	4%
Segment profit	\$871	(2)%
Op profit %	15.2%	(0.9) pts.

1Q dynamics

- \$4.5B orders, (21)% ... services (15)%, equipment (29)% driven by DP (53)%, PGP (43)%, Renewables (11)% ... expect strong 2Q
- Revenue ... equipment +1% with PGP +70% on 22 more GTs, Distributed Power (37)%, Renewables (30)%; Services +7%
- Margins (90) bps. driven by HA gas turbine build costs and lower DP volume

Oil & Gas

<u>1Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$3,961	(8)%
Segment profit	\$432	(3)%
Op profit %	10.9%	0.5 pts.

1Q dynamics

- \$4.3B orders, (6)%, +2% organic ... equipment (10)%, flat organic; services (3)%, +4% organic
- Revenue ... flat organically with equipment (13)%, (3)% organic and services (2)%, +4% organic
- Margins +50 bps. driven by positive value gap and cost productivity

- ✓ Power & Water ... orders dynamics driven by timing
- ✓ Oil & Gas ... strong performance in a tough environment



Industrial segments

(\$ in millions)

Aviation

<u>1Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$5,674	(2)%
Segment profit	\$1,314	18%
Op profit %	23.2%	3.9 pts.

1Q dynamics

- \$7.5B orders, +36% ... equipment +64% on GENx, GE90 & LEAP^(a) strength; services +14% with spares +31% ... \$141B backlog, +12%
- Revenue ... equipment (8)% on lower military & GENx engine shipments; services +4%
- Segment profit +18% driven by strong price & productivity ... margins +390 bps.

Healthcare

<u>1Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$4,075	(3)%
Segment profit	\$587	3%
Op profit %	14.4%	0.8 pts.

1Q dynamics

- \$4.2B orders, (1)%, +4% ex-FX ... emerging markets (7)%, (3)% ex. FX; U.S. +5%; Europe (4)%
- Revenue (3)%, +1% organic with HCS (6)%, flat organic; Life Sciences +4% ... emerging markets (2)%, +1% organic, developed (3)%, flat organic
- Segment profit 3% driven by simplification ... margins +80 bps.

- ✓ Aviation ... strong orders & cost execution in quarter
- ✓ Healthcare ... strength in developed markets, emerging markets slower



Industrial segments

(\$ in millions)

Transportation

<u>1Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$1,308	7%
Segment profit	\$225	11%
Op profit %	17.2%	0.7 pts.

1Q dynamics

- \$1.5B orders, (38)% ... equipment (56)% driven by loco non-repeat, mining +22%; services +13%
- Revenues ... equipment +22% on higher locomotive shipments; services (8)%
- Margins +70 bps. driven by simplification

Energy Management

<u>1Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$1,685	1%
Segment profit	\$28	F
Op profit %	1.7%	1.4 pts.

1Q dynamics

- \$2.1B orders, (3)%, +2% ex-FX ... equipment (6)% driven by non-repeat of meters order, services +3%
- Revenues ... Industrial Solutions (1)%, Digital Energy flat, Power Conversion +6%
- Margins +140 bps. driven by continued simplification

Appliances & Lighting

<u>1Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$1,941	5%
Segment profit	\$103	94%
Op profit %	5.3%	2.4 pts.

1Q dynamics

- Revenue ... Appliances +8%; Lighting (3)%; trad'l. channels (18)%, LED +76% ... now 30% of business.
- Op profit +94% with 240 bps. of margin improvement driven by cost productivity



GE Capital

(\$ in millions)

1Q'15 performance

	<u>Earnings</u>
Verticals ^{a)}	\$352
Exits/HQ	<u>(12,896)</u>
Continuing Operations	\$<u>(12,544)</u>
Discontinued Operations	<u>(2,201)</u>
Total GE Capital	\$<u><u>(14,745)</u></u>
Tax expense	\$6,152

- \$303B ENI ex. liquidity ... CRE in disc. ops.
- \$76B of liquidity ... \$62B ex. Synchrony
- Basel 3 T1C^{b)} at 10.6% post Apr. 10th charges

Assets dispositions

- ✓ Strong inbound interest received following April 10th investor update
- ✓ \$90B ENI reduction in 2015 (ex. SYF) ... ~50% actioned (CRE, ANZ Cons., Hungary)
- ✓ Prioritizing portfolio actions to maximize franchise value
- ✓ Synchrony separation efforts on track

Operational execution in line with guidance ...
executing significant portfolio transformation



(a- Verticals include businesses expected to be retained including associated corporate costs

(b- Basel 3 Tier 1 Common ratio estimated based on U.S. standardized transitional basis

2015 operating framework

Operating EPS

- 1** Industrial \$1.10-1.20 + Industrial operating EPS up double digits
+ Segment organic growth of 2-5% & margin expansion
+ Corporate ~\$2.3-2.5B
+ BD ... targeting deals to close in mid-2015^{-a)}

- 2** GE Capital retained ~\$.15 + Verticals on track
businesses (Verticals) + GE Capital ~\$(0.85) op. EPS including exit impacts
+ Synchrony split 1/1/16^{-a)}

- 3** Capital asset sales ~\$90B + Impact from GE Capital exit ... targeting ~\$90B ENI
sales in 2015 (50% actioned)

- 4** Free Cash Flow \$12-15 + CFOA of \$14-16B^{-b)}; will update based on GECC progress ...
+ Dispositions (\$B) + \$0.5-7B GE Capital dividend^{-a)} based on T1C%
+ P&E of ~\$4-4.5B
+ Dispositions of \$2-4B

- 5** Cash Returned \$10-30 + Dividend of ~\$9B; buyback based on GE Capital
to Investors (\$B) + Synchrony split-off^{-a)} estimate ~\$18-20B



(a - Subject to regulatory approval

(b- Taxes associated with dispositions included in net disposition proceeds

