

GE 2015 third quarter performance

Financial results & Company highlights
October 16, 2015



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," "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 that 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 our announced plan to reduce the size of our financial services businesses as well as other aspects of that 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 our announced plan to reduce the size of our financial services businesses, 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 (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.

3Q'15 overview

Environment

- ✓ Slow growth and volatile environment continues
- ✓ GE Capital exits ahead of plan ... \$126B signed, \$60B closed YTD

GE executing well:

- ✓ Industrial operating + Verticals^{-a)} EPS \$.29, +16% ... Industrial EPS +9%
- ✓ Industrial segment OP margins +100 bps. with gross margins +80 bps.
- ✓ Industrial CFOA YTD \$6.1B, +23%
- ✓ Significant portfolio pivot ... execution is accelerating

<u>Ind. segments</u>	<u>Reported</u>	<u>Organic</u>
Orders	(26)%	(23)%
Revenue	(1)%	4%
Op Profit	5%	9%

Execution versus goals

2015 Goals

Grow Industrial segments
 Organic growth (2-5%)
 Margin expansion

3QYTD

6% **+11% organic**
 4%

100 bps.

GECC Verticals^{-a)} EPS ~\$.15

\$.12

GECC cash to parent

\$0.5B dividend

Disciplined/balanced capital allocation

CFOA \$14-16B^{-b)}

\$6.5B

FCF + disp. \$12-15B

\$4.6B

Cash to investors \$10-30B

\$7.2B

Portfolio actions

\$126B GECC signed YTD

Synchrony launch next week^{-c)}

Alstom close imminent

Appliances review continues



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

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

(c- Subject to market conditions

Alstom

Deal/remedies update ...

- European Commission approval
- DOJ filed proposed consent decree
- GE will divest to Ansaldo:
 - Alstom's GT26 new unit sales
 - Alstom's GT36 technology development program
 - Services contracts for 34 GT26s
- GE will divest Alstom's PSM business ... license agreement in place

Expect deal to close in 4Q



Economics intact ...

- Purchase price ~\$9.5B
 - Earnings per share
-
- A bar chart showing Earnings per share (EPS) for three periods: 2015E, 2016F, and 2018F. The 2015E bar is below the zero line, labeled '\$(.01)-(.02)'. The 2016F bar is above the zero line, labeled '\$.05-.08'. The 2018F bar is significantly higher, labeled '\$.15-.20'. A double slash (//) is placed between the 2016F and 2018F bars, indicating a break in the scale.
- | Year | Earnings per share |
|-------|--------------------|
| 2015E | \$(.01)-(.02) |
| 2016F | \$.05-.08 |
| 2018F | \$.15-.20 |
- Year 5 gross cost synergies ~\$3B
 - Strong deal returns

This is a good deal for GE

Synchrony update

Received Federal Reserve approval for Synchrony separation

Split exchange mechanics

- **At launch:** File S-4 & exchange offer terms set (week of Oct. 19th)
- **Offer period:** 20 business days
- **Day 16-18:** Determine final exchange ratio
- **Day 20:** Close week of Nov. 16th (subject to extension for pricing/material amendments)

- ✓ Plan is to launch Synchrony exchange next week ... subject to market conditions
- ✓ Expect proceeds of \$18-21B^{-a)} and buyback of 650-750MM shares^{-a)}
- ✓ Gain embedded in proceeds and buyback ... no impact to GECC capital levels

Expect to retire 6-7% of GE float by mid-November



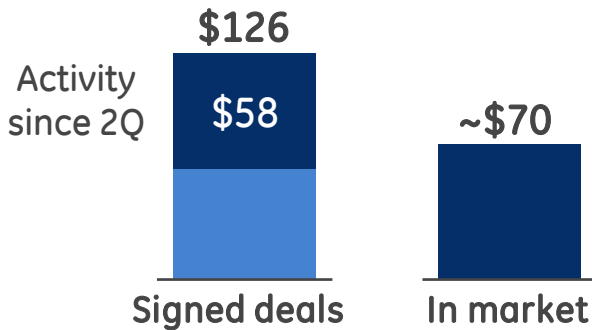
GE Capital update

4Q'14 ENI (ex-liquidity), \$ in billions

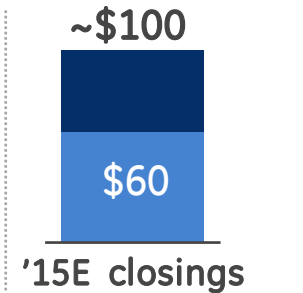
'15E signings
~\$140-150B

Portfolio sales

Synchrony
~\$65B



Goals



Latest view

- | | |
|-----------------------------------|---------------------|
| ① ~\$90B asset sales in '15 | ~\$100B |
| ② All sales committed by '17 | Largely done by '16 |
| ③ ~\$35B dividend to GE | On track |
| ④ Timing of dividends | Better |
| ⑤ SIFI de-designation application | Targeting 1Q'16 |

- ✓ Deal pricing slightly above original estimate ... 1.4X P/TBV vs. 1.3X (1.1X total plan)
- ✓ Higher forgone income as a result of accelerated asset sales
- ✓ ALM actions, including \$36B debt exchange, offset excess interest costs from accelerated sales
- ✓ In line with \$23B estimated exit impact ... \$21B taken to date
- ✓ 2015 ENI ~\$175B (including disc ops) with accelerated sales and Synchrony split

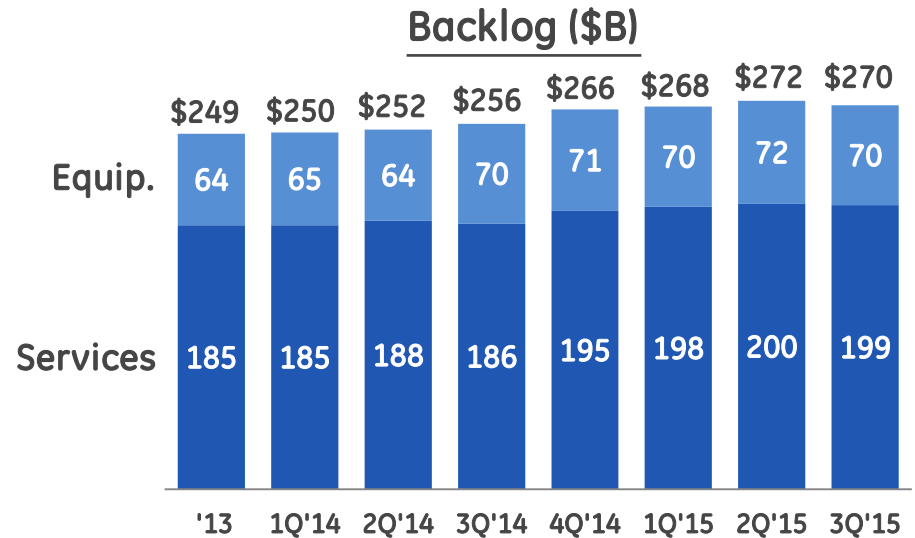
Expect ~\$3B dividend^(a) in '15 ... on track for ~\$18B in '16



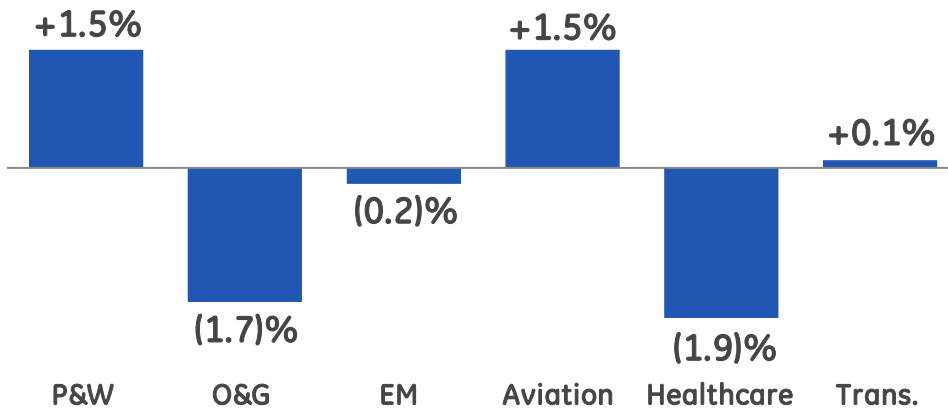
3Q'15 orders \$23.2B, (26)%

(\$ in billions)

	Equipment		Services	
	\$	V%	\$	V%
Power & Water	\$3.5	7%	\$3.4	8%
Oil & Gas	1.1	(60)	2.0	(13)
Energy Mgmt.	1.6	6	0.5	(8)
Aviation	2.8	(58)	3.7	13
Healthcare	2.6	(5)	1.9	(3)
Transportation	0.1	(95)	0.7	(5)
Total	\$11.2	(43)%	\$12.0	2%
Ex. FX		(40)%		6%



Orders price profile 0.2%

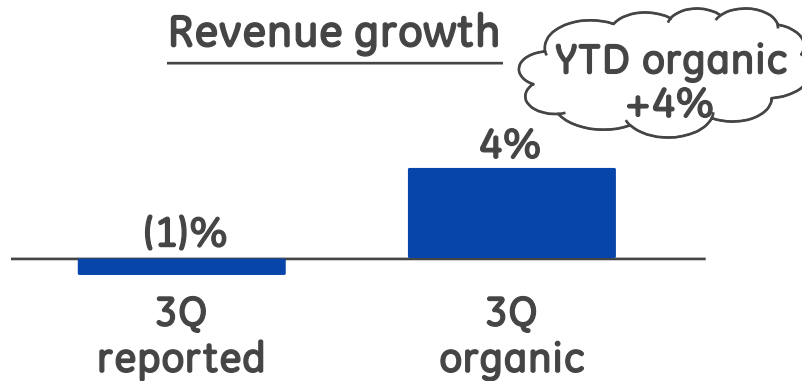


Highlights

- ✓ YTD orders are (4)% organically
- ✓ Services strength continues ...+6% organically ... PGS +10%, Aviation spares rate +28%
- ✓ Large one-time orders in 3Q'14 for GE9X and Tier 4 ... \$6B headwind
- ✓ Power & Water +13% and Healthcare +3% organically
- ✓ Oil & Gas impacted by industry dynamics ... (32)% organically



Industrial segment execution



Growth highlights

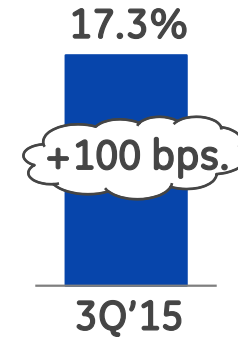
- + Industrial segment organic growth +4% with 6/7 segments up ... 9th quarter of organic growth
- + U.S. revenue +5%, growth markets (7)% ... YTD growth markets flat
- + Services revenue +6%, equipment +2% ex. FX YTD
- + Orders for software/analytics +16%; gaining momentum for GE Digital
- + NPIs driving momentum ... 4 H unit orders, 21 in backlog; Power Conversion organic growth of 15%; 6 LM6000PF+ for efficient power; Life Sciences revenue +8% ex. FX including manufacturing launch in China; locomotive units grew by 18%
- + Long-term commitment to Aviation innovation & execution for customers ... \$142B backlog



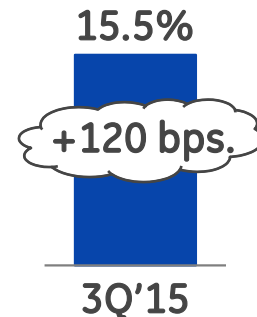
Segment gross margins



Segment OP margins



Industrial^(a) OP margins



Segment drivers

	3Q
Mix	0.1 pts
Value gap (price/inflation)	0.3
Cost productivity	0.4
Gross Margins	+0.8 pts.
Simplification (SG&A)	0.3
Base inflation/other	(0.1)
Op Profit Margins	+1.0 pts.

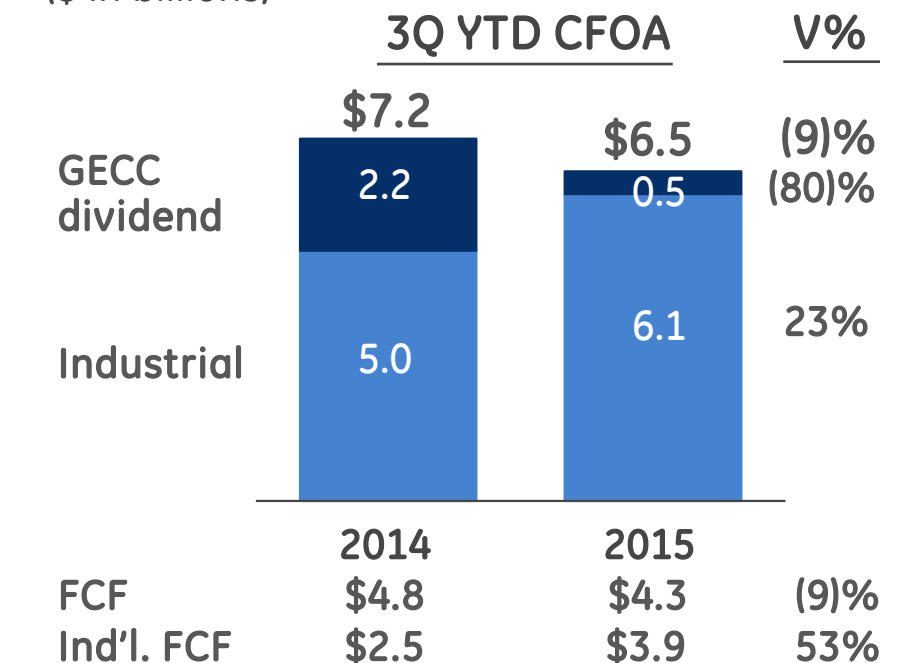
YTD +70bps.

YTD +100bps.

- ✓ Segment equipment margins +40 bps., service margins +90 bps. YTD

Generating cash

(\$ in billions)



✓ 3Q YTD Industrial cash flow \$6.1B, +23% ... 3Q Industrial cash flow \$2.6B, (14)%

✓ No GE Capital dividend in 3Q ... expect additional ~\$2.5B dividend^{a)} in 4Q

GE cash balance walk

	Total
Beginning balance 1/1/15	\$15.9
CFOA	6.5
Dividends	(7.0)
Net P&E	(2.2)
Acquisitions	(0.1)
Buyback	(0.2)
Debt issuance	3.4
Other	0.4
September 2015	\$16.8

- + Cash returned to investors will be ~\$30B with Synchrony^{b)}
- + Expect CFOA at high end of range ... ~\$16B



(a- Subject to regulatory approval

(b- Subject to market conditions

Note: Individual amounts are rounded. As a result, the sum of the parts presented may not add to the total.

3Q'15 consolidated results

(\$ in billions – except EPS)

(\$ in millions)

	3Q'15			Revenues		Segment profit	
	\$	V%		\$	V%	\$	V%
Revenues	\$31.7	(1)%					
– Industrial revenue	25.8	(2)	Power & Water	\$6,461	1%	\$1,270	7%
– Verticals ^(a) revenue	2.6	(3)	Oil & Gas	3,868	(16)	584	(12)
– Other GECC ^(b) revenue	3.7	0	Energy Mgmt.	1,773	(2)	127	F
Industrial + Verticals EPS	.29	16	Aviation	6,001	5	1,353	7
Operating EPS	.32	3	Healthcare	4,255	(5)	652	(10)
Continuing EPS	.28	–	Transportation	1,593	3	379	11
Net EPS	.25	(29)	Appliances & Lighting	2,293	8	165	88
CFOA YTD	\$6.5	(9)	Industrial Segments	26,243	(1)/4	4,530	5/9
– Industrial	6.1	23	GE Capital Verticals ^(a)	2,577	(3)	351	55
	<u>3Q'15</u>	<u>3Q'14</u>	Ind. Seg. + Verticals	<u>\$28,820</u>	<u>(2)%</u>	<u>\$4,881</u>	<u>7%</u>
Consolidated tax rate	11%	13%					
– GE (ex-GECC)	17	18					
– GECC	(6)	(2)					

<u>Industrial + Verticals EPS</u>	<u>3Q'15</u>	<u>V%</u>
Industrial operating	\$.25	9%
GE Capital Verticals ^(a)	\$.03	50%
	\$.29	16%



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

(b- Other GE Capital includes the Consumer segment, GE Capital HQ run-off, & exit-related items

Note: Individual amounts are rounded. As a result, the sum of the parts presented may not add to the total.

Earnings dynamics

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

<u>Earnings walk</u>	<u>3Q'15 Net income</u>	<u>3Q'15 EPS</u>	<u>EPS V%</u>
Industrial operating	\$2,569	\$0.25	9%
Verticals ^{-a)}	<u>351</u>	<u>0.03</u>	50%
Industrial + Verticals earnings	\$2,920	\$0.29	16%
Consumer	795	0.08	33%
Other GE Capital ^{-b)}	<u>(411)</u>	<u>(0.04)</u>	U
Operating earnings	\$3,303	\$0.32	3%
Non-operating pension	<u>(450)</u>	<u>(0.04)</u>	(33)%
Continuing earnings	\$2,853	\$0.28	0%
CRE/CLL earnings/other disc. ops.	<u>(347)</u>	<u>(0.03)</u>	U
Net earnings	\$2,506	\$0.25	(29)%

Industrial + Verticals EPS \$0.29, +16% ... strong Industrial growth, +9%



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

(b- Other GE Capital includes HQ run-off & exit-related items

Note: Individual amounts are rounded. As a result, the sum of the parts presented may not add to the total.

3Q'15 Industrial other items

	<u>EPS</u>	
Restructuring & other items	\$(.02)	<ul style="list-style-type: none"> ✓ \$(346)MM pre-tax, \$(244)MM after-tax ✓ Structural cost actions, acquisition-related & other costs; includes pension mortality impact

2015 summary

	<u>1H</u>	<u>3Q</u>	<u>4QE</u>	<u>TYE</u>
Restructuring & other items ^{-a)}	\$(.06)	\$(.02)	~\$(.06)	~\$(.14)
Gains & settlements ^{-a)}	<u>\$.03</u>	<u>\$-</u>	<u>~\$.11</u>	<u>~\$.14</u>
Total	\$(.03)	\$(.02)	~\$.05	~\$-

Gains = restructuring for the year but variability in quarterly timing



Industrial segments

(\$ in millions)

Power & Water

<u>3Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$6,461	1%
Segment profit	\$1,270	7%
Op profit %	19.7%	1.0 pts.

3Q dynamics

- \$6.9B orders, +8% ... equipment +7% with DP +61%, Renewables +2% and Thermal (6)%; services +8% with PGS +10%
- Revenue ... equipment (6)% with Renewables +8% offset by Thermal (10)% on lower units, DP (13)%; services +9%
- Margins +100 bps. driven by base cost productivity and services growth

Oil & Gas

<u>3Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$3,868	(16)%
Segment profit	\$584	(12)%
Op profit %	15.1%	0.7 pts.

3Q dynamics

- \$3.0B orders, (38)% ... equipment (60)% with every segment down; services (13)% (4)% organic
- Revenue ... (7)% organic with equipment (18)% (8)% organic and services (14)% (5)% organic
- Operating profit flat organically; margins +70 bps. on higher value gap driven by cost deflation

Strong margin expansion despite tough market dynamics



Industrial segments

(\$ in millions)

Aviation

<u>3Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$6,001	5%
Segment profit	\$1,353	7%
Op profit %	22.5%	0.3 pts.

3Q dynamics

- \$6.5B orders, (35)% ... equip. (58)% on lower GE90/9X orders; services +13% with spares +28% ... \$142B backlog, +11% VPY
- Revenue ... equip. (6)% on lower volume with comm'l. (1)% & military (20)%; services +17%
- Segment profit +7% on strong services volume and positive value gap ... margins +30 bps.

Healthcare

<u>3Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$4,255	(5)%
Segment profit	\$652	(10)%
Op profit %	15.3%	(0.9) pts.

3Q dynamics

- \$4.5B orders, (4)%, +3% ex. FX ... emerging markets (5)%, +4% ex. FX; U.S. (1)%; Europe (5)%, +11% ex. FX, China (1)%
- Revenue (5)%, +2% ex. FX with HCS +1% & Life Sciences +8% ex. FX ... emerging markets (3)% ex. FX; developed +3% ex. FX
- Segment profit (10)%, (4)% organic

- ✓ Aviation ... tough orders comparisons but continued strong operating results
- ✓ Healthcare ... better developed markets offset by emerging; R&D investments



Industrial segments

(\$ in millions)

Transportation

<u>3Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$1,593	3%
Segment profit	\$379	11%
Op profit %	23.8%	1.6 pts.

3Q dynamics

- \$0.9B orders, (77)% ... Tier 4 comparisons
- Revenue ... equipment (2)% with locomotive shipments +18%, Mining (45)%; services +10%
- Margins +160 bps. driven by strong value gap

Energy Management

<u>3Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$1,773	(2)%
Segment profit	\$127	F
Op profit %	7.2%	3.9 pts.

3Q dynamics

- \$2.1B orders, +2%, +8% ex. FX ... equipment +6% driven by Power Conversion; services (8)%
- Revenue ... Digital Energy +2%, Power Conversion flat, Industrial Solutions (4)%; organic revenue +6%
- Margins +390 bps. driven by continued simplification

Appliances & Lighting

<u>3Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$2,293	8%
Segment profit	\$165	88%
Op profit %	7.2%	3.0 pts.

3Q dynamics

- Revenue ... Appliances +10%; Lighting +5% ... trad'l. channels (15)%, LED +65% ... now 39% of business
- Op profit +88% with margin improvement driven by cost productivity



GE Capital

(\$ in millions)

3Q'15 performance

	<u>Earnings</u>
Verticals ^{-a)}	\$351
Consumer	795
Run-off/HQ	<u>(411)</u>
Continuing Operations	\$734
Earnings from disc. ops.	<u>(347)</u>
Total GECC	<u>\$387</u>

- \$176B of ENI ex-liq. ... \$271 incl. disc. ops.
- \$97B of liquidity^{-b)} ... \$82B ex-Synchrony
- Basel 3 T1C^{-c)} at 13.7%, up 230 bps. VPQ

GE Capital update

- ✓ Verticals ... on track to deliver \$1.5B for 2015 ... supporting GE Store with pull-through financing
- ✓ Asset sales ahead of plan ... ~\$126B signed to date and \$60B closed
- ✓ Synchrony separation approved ... 4Q split on track
- ✓ Expect Consumer to move to discontinued operations in 4Q
- ✓ Planning to apply for SIFI rescission in 1Q'16

Strong operational execution



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

(b- Liquidity includes cash & equivalents in continuing & discontinued operations & businesses held for sale & certain debt obligations of the U.S. Treasury

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

Note: Individual amounts are rounded. As a result, the sum of the parts presented may not add to the total.

2015 operating framework

Operating EPS

- | | | |
|---|--|---|
| 1 Industrial | \$1.10-1.20
\$1.13-1.20 | <ul style="list-style-type: none"> + Industrial operating EPS up double digits ... YTD +15% + Segment organic growth of 2-5% & margin expansion + Corporate ~\$2.3B + BD ... expect deals to close in 4Q15^{-a)} |
| 2 GE Capital retained businesses (Verticals) | ~\$.15 | <ul style="list-style-type: none"> + Verticals on track |
| 3 Capital asset sales | ~\$90B
~\$100B | <ul style="list-style-type: none"> + Impact from GE Capital exit ... targeting ~\$100B closed in 2015; +\$65B ENI reduction for Synchrony ... signings of \$126B drive momentum in '16 |
| 4 Free Cash Flow + Dispositions | \$12-15B | <ul style="list-style-type: none"> + CFOA of ~\$16B^{-b)}; based on ~\$3B GE Capital dividend^{-a)} + P&E of ~\$4-4.5B + Dispositions of \$2-4B ... Appliances^{-a)} ~\$2B + FCF + dispositions at high-end of range, including Appliances proceeds^{-a)} |
| 5 Cash Returned to Investors | \$10-30B
~\$30B | <ul style="list-style-type: none"> + Dividend of ~\$9B; buyback based on GE Capital dividend + Synchrony split-off estimate \$18-21B^{-c)} |



(a- Subject to regulatory approval

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

(c- At current prices; dependent on offer terms and movement of GE & SYF stock prices prior to and during exchange

