

GE 2014 third quarter performance

Financial results & Company highlights

October 17, 2014



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 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: current economic and financial conditions, including interest and exchange rate volatility, commodity and equity prices and the value of financial assets; the impact of conditions in the financial and credit markets on the availability and cost of General Electric Capital Corporation's (GECC) funding, GECC's exposure to counterparties and our ability to reduce GECC's asset levels as planned; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; pending and future mortgage securitization claims and litigation 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; 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 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 announced transactions, such as the proposed transactions and alliances with Alstom, 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, 2013. These 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 may also contain 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'14 overview

Environment

- ✓ Environment volatile ... but infrastructure growth opportunities exist
- ✓ GE executing well:
 - ✓ Operating EPS \$.38, +6%
 - ✓ Orders +22% ... Industrial segment organic revenue +4%
 - ✓ Growth market orders +34%
 - ✓ Margins up 90 bps.
 - ✓ Simplification ahead of plan
 - ✓ TY CFOA on track for \$14-17B

Execution versus goals

<u>Goals</u>	<u>3Q YTD</u>
Grow Industrial segments 10%+	10%
Organic growth (4-7%)	5%
Margin expansion	+50 bps.
GECC earnings ~\$7B ^{a)}	On track
Cash to parent	\$2.2B dividend
Disciplined/balanced capital allocation	
Buyback + dividend	\$8.4B
M&A	\$2.1B + Alstom
Dispositions	\$4.7B announced
75/25 Industrial	Synchrony IPO, Appliances disposition

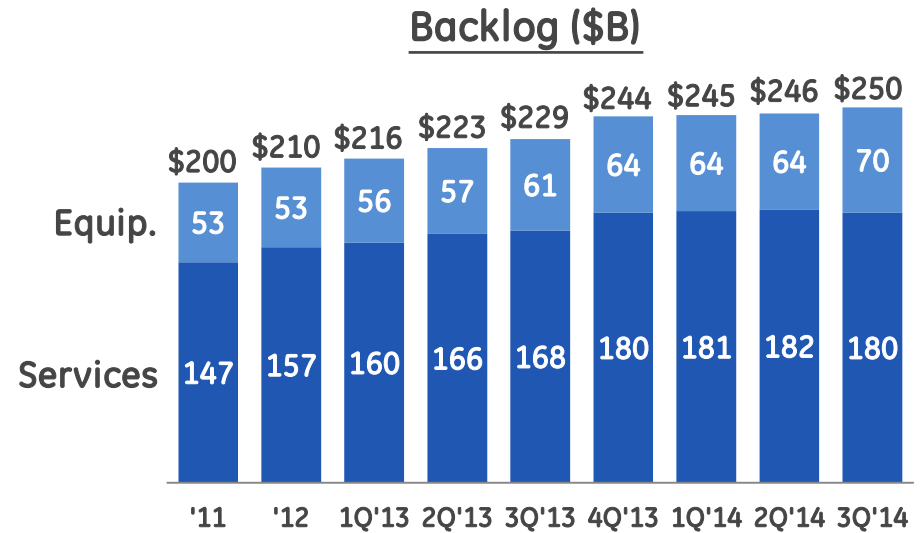
Strong performance in 3Q and year-to-date ... total year on track



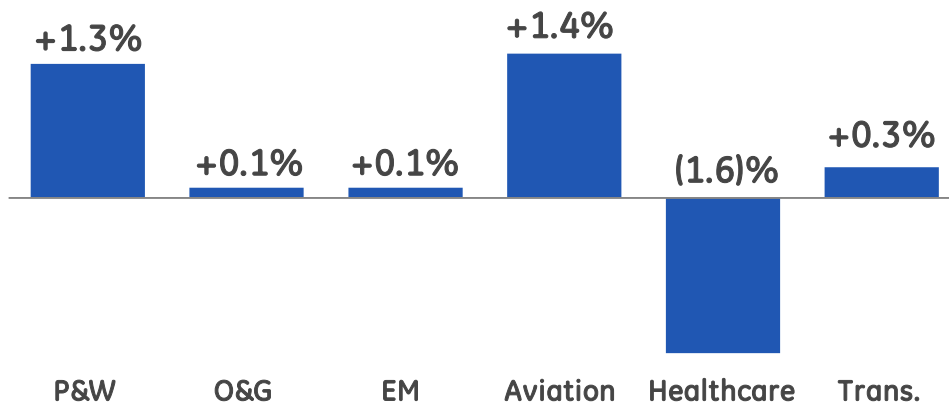
3Q'14 orders \$31.4B, 22%

(\$ in billions)

	Equipment		Services	
	\$	V%	\$	V%
Power & Water	\$3.3	8%	\$3.1	10%
Oil & Gas	2.6	14	2.2	6
Energy Mgmt.	1.5	1	0.5	(6)
Aviation	6.8	35	3.3	20
Healthcare	2.7	-	2.0	4
Transportation	3.1	3x	0.8	8
Total	\$19.7	31%	\$11.7	10%



Orders price profile 0.5%



Highlights

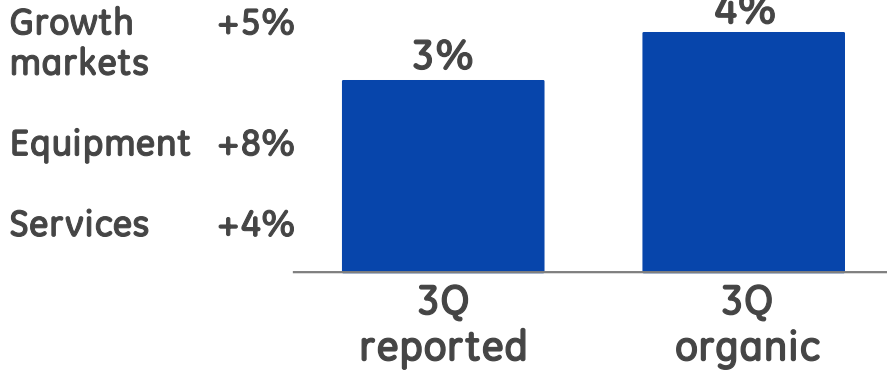
- ✓ Equipment +31% driven by orders for next gen technology ... GE9X, T4 locos, HA HDGT
- ✓ Services +10% with 5/6 segments up ... Aviation spares rate +29%, PGS +10%
- ✓ U.S. orders +25%, growth markets +34% ... 5/9 regions up
- ✓ Backlog +\$21B VPY with every segment up
- ✓ Services backlog \$(2B) vs. 2Q due to finalization of terms w/ Aviation partner



Industrial segment operating execution

Revenue growth

3Q'14 YTD

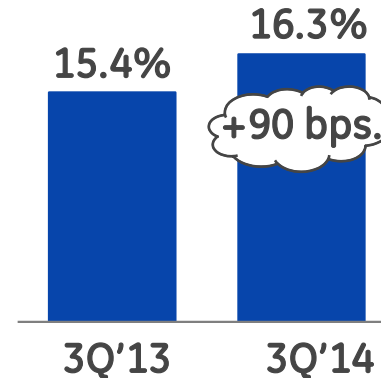


Growth highlights

- + Power & Water volume strength in 4Q ... expect TY organic at higher end of range
- + Higher 3Q locomotive shipments, +72 driven by North America volume
- + Aviation commercial engine volume +10% and commercial spares shipment rate +19%
- + O&G organic revenue +10% ... D&S and Subsea
- + 7/9 growth markets expanding YTD



Margins



	3Q'14 YTD	V bps.
P&W	17.7%	(50)
O&G	13.0%	120
EM	2.5%	130
Aviation	20.4%	70
Healthcare	15.4%	20
Trans.	20.0%	-
A&L	4.0%	10
Total	15.1%	+50
- Services	30.6%	+170

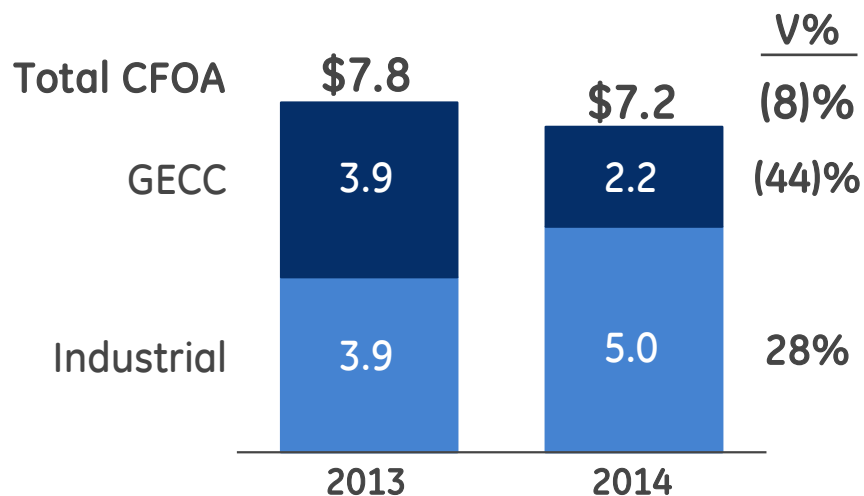
Margin drivers

	3Q	TY
Mix	(0.6) pts.	-
Value gap (price/inflation)	0.3	+
R&D	0.1	=/+
Simplification (SG&A)	1.1	++
Other	-	-

Generating cash

(\$ in billions)

3Q YTD CFOA



Ind'l. ex. NBCU taxes \$5.9 \$5.0 (16)%

- ✓ 3Q Industrial cash flow +41% ... +16% excluding the impact of 2013 NBCU taxes
- ✓ 4Q driven by higher estimated Industrial earnings and shipments versus prior year
- ✓ 3Q Capital dividend \$0.8B ... YTD \$2.2B
- ✓ On track for total year framework

GE cash balance walk

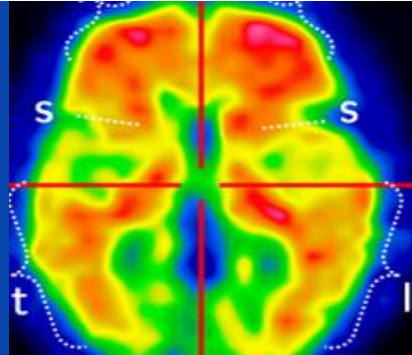
	<u>Total</u>
Beginning balance 1/1/14	\$13.7
Debt issuance	3.0
CFOA	7.2
Dividends	(6.6)
Acquisitions	(2.1)
P&E	(2.8)
Buyback	(1.8)
Change in debt/FX/other	-
September 2014	\$10.6



GE Healthcare Life Sciences

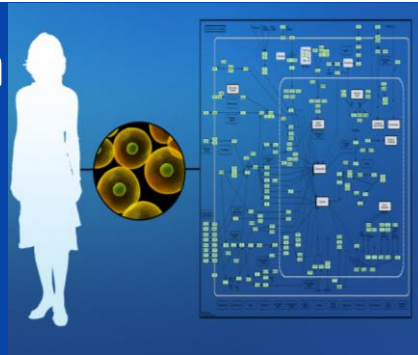
Addressing tomorrow's needs today

Enabling Biotech
and Pharma
Research



Driving
Biopharma
Capacity &
Productivity

Enabling Precision
Medicine with
Precision
Diagnostics



Industrializing
Tools & Systems
for Regenerative
Medicine

Biopharmaceutical market growing 8% CAGR ('12-'16F)

6 of the top 10 drugs are Biopharmaceuticals

Emerging market demand for diagnostics & biopharma manufacturing ↑



A broad Life Sciences portfolio

Bio Processing & Research

Biopharmaceutical manufacturing



- Cell culture media
- Filtration systems
- Chromatography

Leading player

Research and Applied Markets



Whatman
Part of GE Healthcare

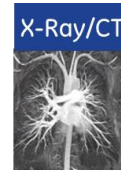
- Research instruments
- Consumables
- Cell Therapy tools

Segmented

\$2.2B

Diagnostics

Contrast Media, SPECT and PET Imaging



OMNIPAQUE
(IOHEXOL) INJECTION

VISIPAQUE™
(IODIXANOL) INJECTION



DaTSCAN

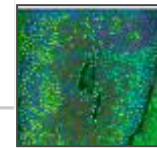


- Contrast Media
- SPECT Imaging
- PET Imaging agents

Leading player

In-Vitro Diagnostics

SeqWright
DNA Technology Services



CLARIENT
A GE Healthcare Company

- Molecular pathology
- Pharma partnerships
- Genomic services

Just beginning

\$1.8B

GE value add

- ✓ GRC ... Bio Process manufacturing; Cell Therapy; Diagnostics; Flutemetamol
- ✓ Global framework ... growth market CAGR ('10-'14E) +10%
- ✓ Services ... driving analytics, solutions and long-term supply arrangements

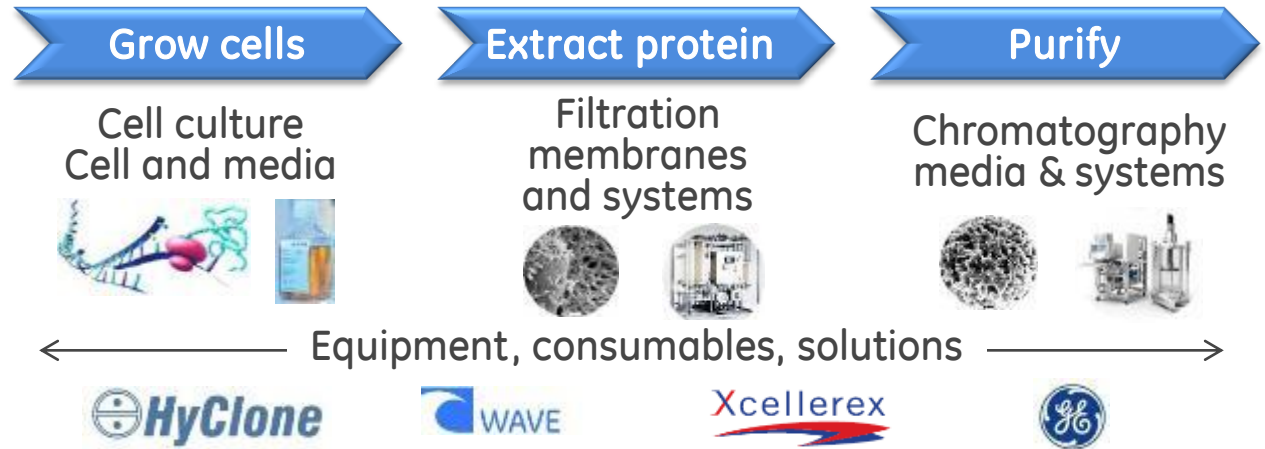


Biopharmaceutical manufacturing

Investing along the value chain



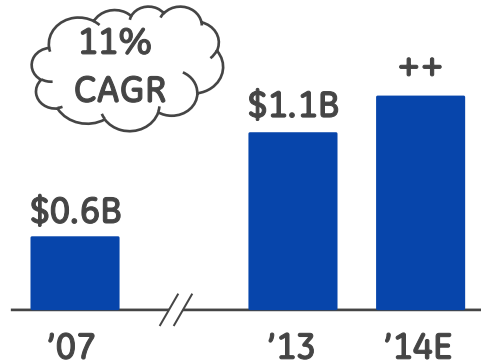
Bioprocess production facility



Major customers



Bio Process sales growth



Next steps: Cell Therapy



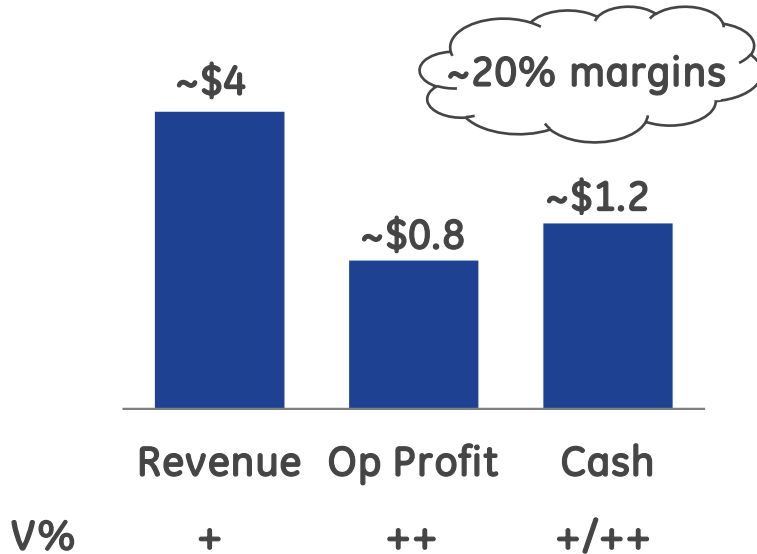
Well-positioned for growth of biologics and evolution of cell therapy



GE Life Sciences

(\$ in billions)

2014E financials



2014 dynamics

- Bio Process growth
- Realizing integration benefits
 - Cost out & margin expansion

- ✓ Important relationships with Pharma
 - + Feedback in diagnostics
 - + Partner for production & flexibility
- ✓ Leverage GE's strengths
 - + GRC ... product pipeline
 - + Growth markets ... China, India
 - + Services model
- ✓ Business performing well
 - + Strong top line growth ... Bio Process 10%+
 - + Expanding margins ... ↑ 100 bps.
 - + Generating free cash flow ... \$1B+
 - + Deal return in low-teens



3Q'14 consolidated results

(\$ in billions – except EPS)

	<u>3Q'14</u>	<u>V%</u>
Revenues	\$36.2	1%
– Industrial sales	26.0	3
– Capital revenue	10.5	(1)
Operating earnings	3.8	3
Operating EPS	.38	6
Continuing EPS	.34	6
Net EPS	.35	13
CFOA YTD	7.2	(8)
– Industrial	5.0	28
– Industrial (ex. 2013 NBCU taxes)	5.0	(16)
	<u>3Q'14</u>	<u>3Q'13</u>
Tax rate	12%	10%
– GE (ex-GECC)	18	20
– GECC	3	0

(\$ in millions)

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Power & Water	\$6,375	(2)%	\$1,191	(8)%
Oil & Gas	4,597	7	660	27
Energy Mgmt.	1,813	(1)	59	F
Aviation	5,698	6	1,264	16
Healthcare	4,485	4	727	9
Transportation	1,540	10	342	12
Appliances & Lighting	<u>2,117</u>	<u>1</u>	<u>88</u>	<u>14</u>
Industrial	26,625	3	4,331	9
GE Capital	<u>10,451</u>	<u>(1)</u>	<u>1,492</u>	<u>(22)</u>
Total segments	<u>\$37,076</u>	<u>2%</u>	<u>\$5,823</u>	<u>(1)%</u>



3Q'14 other items

	<u>EPS</u>
Industrial restructuring & other items	\$(.03)

- ✓ Structural cost actions, acquisition-related & other costs \$(322)MM pre-tax
- ✓ Appliances deal-related costs \$(113)MM pre-tax ... booked in Corporate



Industrial cost dynamics

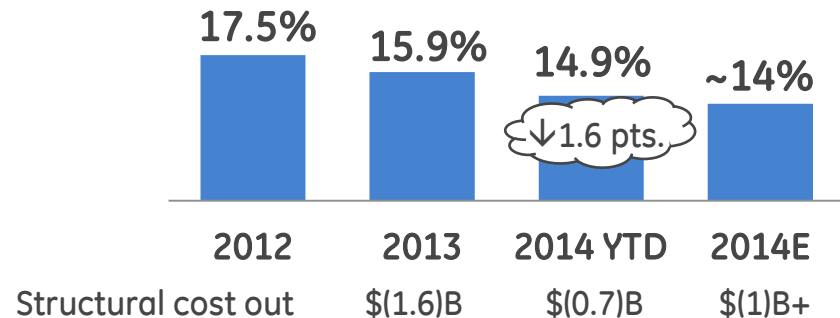
Investing in restructuring

(EPS)	<u>YTD</u>	<u>4Q</u>	<u>TY</u>
Restructuring & other charges	\$(.08)	~\$(.02)	~\$(.10)
Gains	\$.01	\$-	\$.01

- ✓ Restructuring averaging ~1.5 year payback
- ✓ ~120 projects being executed
- ✓ ~45% of projects related to SG&A
- ✓ ~70% in U.S. and Europe

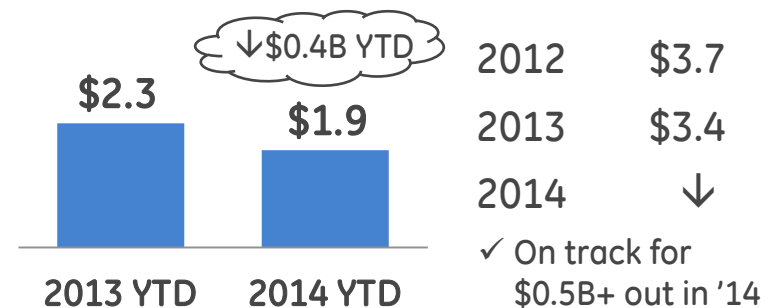
Achieving cost out

(SG&A % of sales)



Corporate operating cost

(ex. restructuring & other charges, gains & NBCU)



Industrial profit including Corporate operating costs^(a) +17% year-to-date



Industrial segments

(\$ in millions)

Power & Water

<u>3Q'14</u>	<u>\$</u>	<u>V%</u>
Revenues	\$6,375	(2)%
Segment profit	\$1,191	(8)%
Op profit %	18.7%	(1.1) pts.

3Q dynamics

- \$6.4B orders, +9% ... equipment +8% with Renewables +42%, Distributed Power (32)% & Thermal (8)%; services +10%
- Revenue ... equipment (8)% driven by Dist. Power (35)%; services +6% with PGS +8%
- Segment profit ... margins (110) bps. driven by lower Distributed Power & higher Wind volume

Oil & Gas

<u>3Q'14</u>	<u>\$</u>	<u>V%</u>
Revenues	\$4,597	7%
Segment profit	\$660	27%
Op profit %	14.4%	2.4 pts.

3Q dynamics

- \$4.9B orders, +10% ... equipment +14% driven by Subsea +84% & DTS +64% partially offset by D&S (12)%; services +6%
- Revenue ... growth in 4/5 businesses; equipment +9%, services +4%
- Segment profit ... margins +240 bps. driven by positive value gap & cost productivity

**Power & Water
revenue growth**

1H'14
+12%

3Q'14
(2)%

4Q'14
++

TY'14
++



Industrial segments

(\$ in millions)

Aviation

<u>3Q'14</u>	<u>\$</u>	<u>V%</u>
Revenues	\$5,698	6%
Segment profit	\$1,264	16%
Op profit %	22.2%	1.9 pts.

3Q dynamics

- \$10.1B orders, +30% ... equipment 35% on GE9X orders; services +20% with commercial spares +29% ... \$128B backlog, +12% VPY
- Revenue ... equipment +14% driven by higher commercial engine shipments; services (1)%
- Segment profit +16% driven by higher volume & price ... margins +190 bps.

Healthcare

<u>3Q'14</u>	<u>\$</u>	<u>V%</u>
Revenues	\$4,485	4%
Segment profit	\$727	9%
Op profit %	16.2%	0.7 pts.

3Q dynamics

- \$4.7B orders, up 1%... emerging markets flat, Europe +4%, U.S. +3%
- Revenue ... equipment +7%, services 1% ... emerging markets +11% and developed markets +2%
- Segment profit +9% on higher volume & productivity ... margins +70 bps.

- ✓ Aviation ... another solid quarter
- ✓ Healthcare ... strong execution in tough environment



Industrial segments

(\$ in millions)

Transportation

<u>3Q'14</u>	<u>\$</u>	<u>V%</u>
Revenues	\$1,540	10%
Segment profit	\$342	12%
Op profit %	22.2%	0.4 pts.

3Q dynamics

- \$3.8B orders, +134% ... equipment +3x driven by Tier 4 locomotive orders; services +8%
- Revenues ... equipment +23% with locomotive units +49%; services (3)% driven by Mining (48)%
- Margins +40 bps. driven by deflation & simplification

Energy Management

<u>3Q'14</u>	<u>\$</u>	<u>V%</u>
Revenues	\$1,813	(1)%
Segment profit	\$59	F
Op profit %	3.3%	2.3 pts.

3Q dynamics

- \$2.0B orders, (1)% ... equipment +1% offset by short-cycle pressure
- Revenues ... challenging Industrial Solutions market partially offset by Power Conversion +16%
- Margins +230 bps. ... ongoing simplification efforts

Appliances & Lighting

<u>3Q'14</u>	<u>\$</u>	<u>V%</u>
Revenues	\$2,117	1%
Segment profit	\$88	14%
Op profit %	4.2%	0.5 pts.

3Q dynamics

- Revenue ... Appliances +2%; Lighting (2)% with traditional channels (13)%, LED +59%
- Op profit +14% with 50 bps. of margin improvement driven by cost productivity



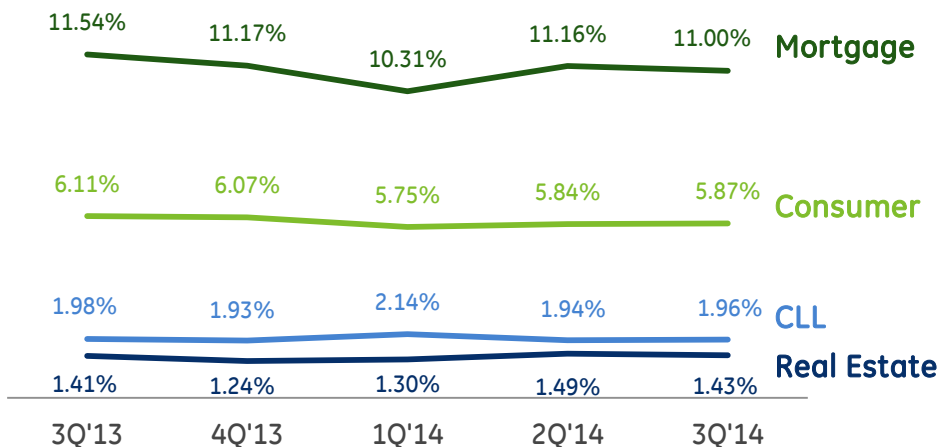
GE Capital

(\$ in millions)

Nordics gain
3Q→4Q

3Q'14	\$	V%
Revenue	\$10,451	(1)%
Pretax earnings	1,594	(17)
Net income	1,492	(22)
ENI (ex. cash)	365B	(5)
Net Interest margin	5.0%	(3) bps.
Tier 1 common % (B1)	12.1%	79 bps.

30+ delinquencies



	Assets (\$B)		Segment profit (\$MM)	
	\$	V%	\$	V%
CLL	\$170	-	\$617	29%
Consumer	141	4	621	(31)
Real Estate	36	(9)	175	(62)
GECAS	43	(9)	133	(23)
EFS	16	(11)	61	(59)

3Q segment dynamics

- CLL: Lower impairments & higher gains ... volume up 5%
- Consumer: U.S. growth offset by Synchrony build & Int'l. reduction
- Real Estate: Lower tax benefits; strong debt volume; equity assets ↓28%
- GECAS: Solid performance, volume up 62% ... impairments in line w/PY
- EFS: Lower gains, higher impairments ... volume up 152%



Executing on our plan

2014 operating framework

<u>Operating earnings</u>	<u>2014F</u>	<u>2014 drivers</u>
Industrial	++	<ul style="list-style-type: none"> ✓ Strong Industrial segment growth ✓ Margin expansion
GE Capital	~\$7/6.7B ^(a)	<ul style="list-style-type: none"> ✓ Phase 1 of Retail Finance transaction & lower CRE gains ✓ Preferred dividend impact ~\$(0.3)B, offset in Corporate
Corporate	—	<ul style="list-style-type: none"> ✓ On track for ~\$500MM ↓ in Corporate expense ✓ Offset by loss of NBCU JV income/gain (1Q'13) ✓ Restructuring > gains
Total operating earnings	+	<ul style="list-style-type: none"> ✓ Positive impact of share reduction
CFOA	\$14-17B	<ul style="list-style-type: none"> ✓ Planning strong Industrial CFOA; ~\$3B GE Capital dividends
Total revenues	0-5%	<ul style="list-style-type: none"> ✓ Industrial segment organic 4-7%; GE Capital 0-(5)%

Total year framework on track



(a) - ~\$6.7B including the impact from GECC preferred stock dividends

