

Alstom update

December 3, 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; 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 Appliances disposition and our announced plan and transactions to reduce the size of our financial services businesses; our success in integrating acquired businesses and operating joint ventures; our ability to realize anticipated earnings and savings from announced transactions, acquired businesses and 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.

Agenda

Overview

Jeff Bornstein/Mark Hutchinson

Business deep dives

Power

Steve Bolze

– Gas Power Systems

Joe Mastrangelo

– Power Services

Paul McElhinney

Renewable Energy

Jérôme Pécresse

Grid

Russell Stokes

Financial update

Lynn Calpeter

Wrap up

Jeff Bornstein



Overview

"New GE"

~\$130B



Revenue

- + Leadership businesses with \$300B+ backlog
- + Built on the GE Store: technology, services, and global footprint
- + Strong margins & returns

Deal summary

- Completed acquisition of Alstom Power & Grid on November 2 for \$10.3B
- Complementary technologies in segments we know; brings scale to grid business
- Solid customer support & opportunity to build broader solutions
- Synergy pipeline robust... strong track record
- Improved joint capabilities ... global operations, project capabilities, services
- Alstom in play for ~18 months ... has impacted business performance
- Alstom EPS ~\$0.05 in 2016, \$0.15-0.20 in 2018 ... IRR ~15%+

A critical step forward in GE's industrial transformation



The Alstom deal

(2014 revenue, \$ in billions)

Acquired businesses



Thermal

- Gas
- Steam
- Services



Renewables

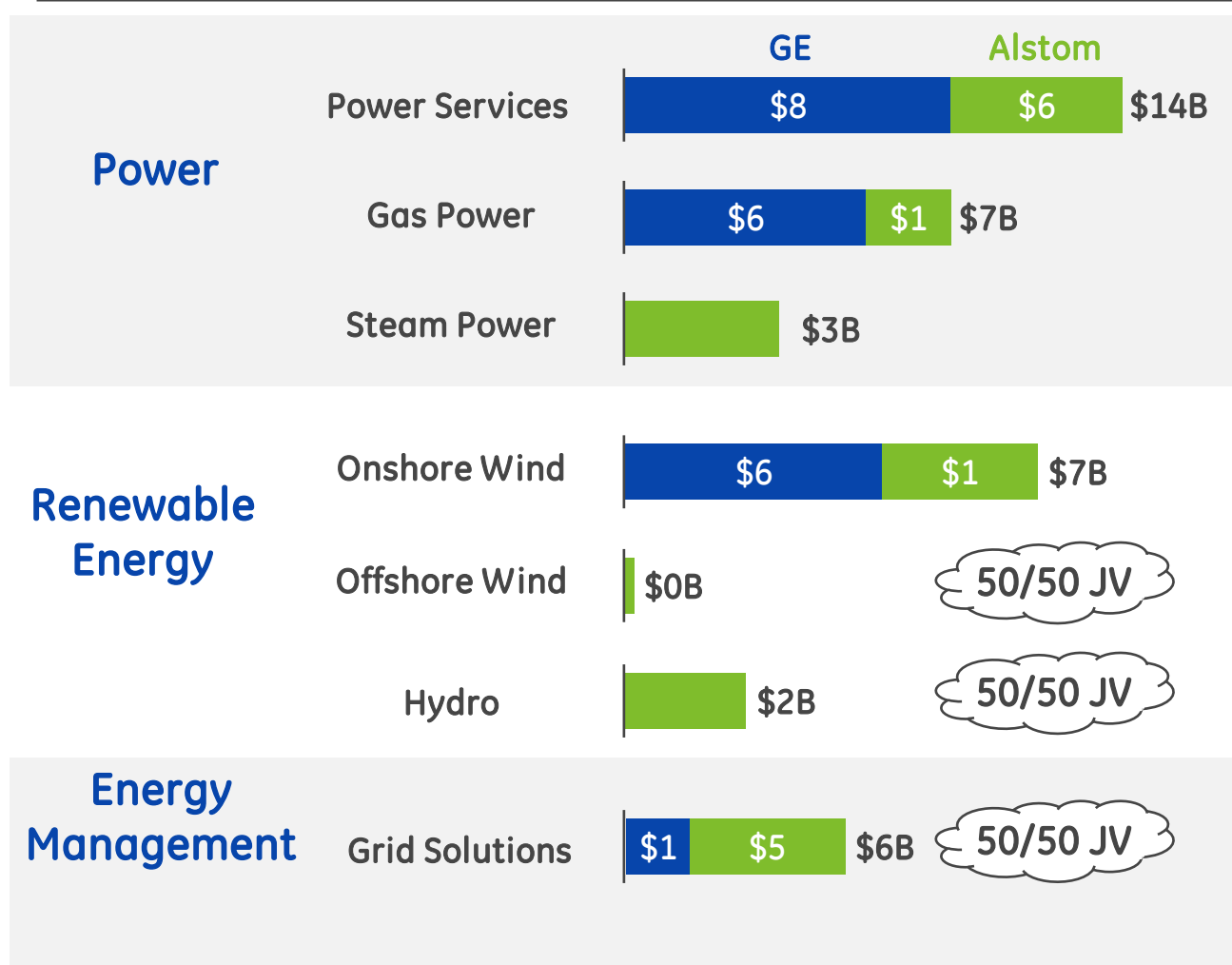
- Onshore Wind
- Hydro
- Offshore Wind



Grid

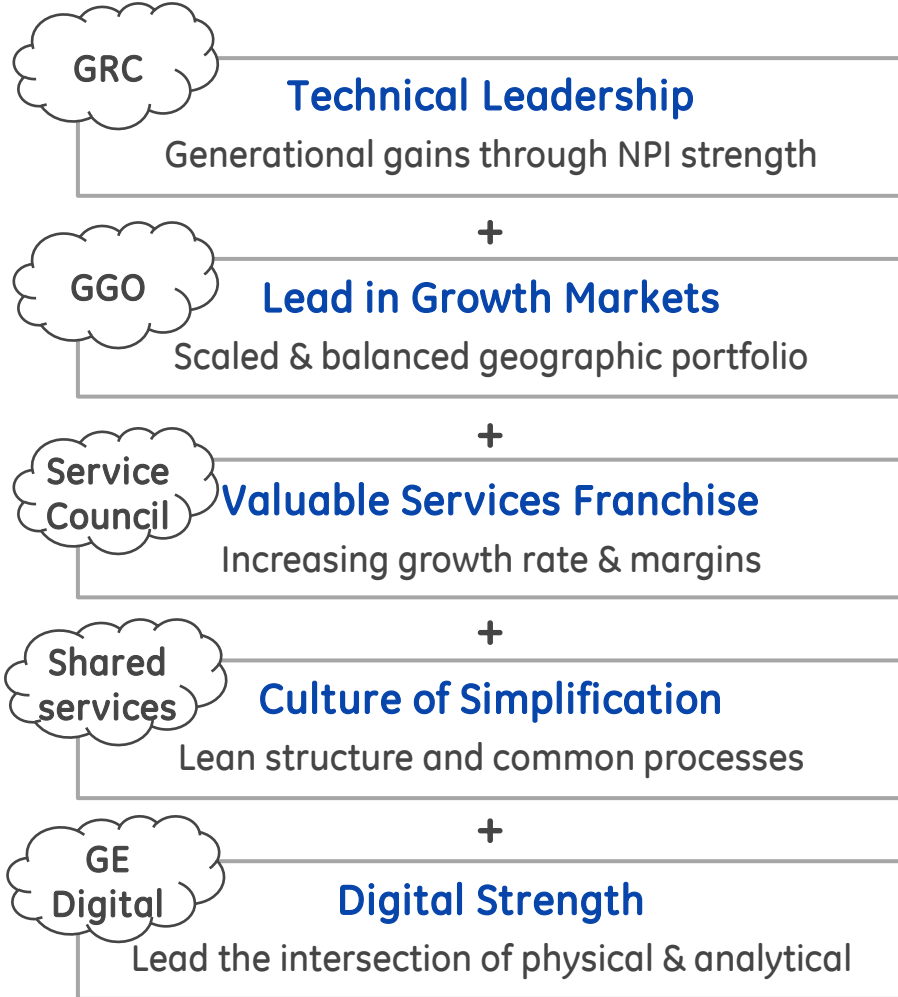


Alstom alignment in GE



Alstom adding value to GE

Core GE Store foundations



Alstom capabilities ...

- ✓ Leading steam, HRSG, & grid/HVDC technology
- ✓ Turnkey & total plant design capabilities
- ✓ Emerging market expertise ... ~85%+ of revenue outside the U.S.
- ✓ More than 500 GW gas & steam installed base
- ✓ Strong multi-vendor capability
- ✓ Overlapping global structure
- ✓ Excellent global leadership team
- ✓ High-tech grid solutions
- ✓ Opportunity for Predix adoption



Different business models

<u>Goals</u>	<u>Power + Services</u>	<u>Renewables + Services</u>	<u>Grid + Services</u>
Margins	~20%	~5-10%	10%+
Returns	~20%	~30%	~15%+
Profit drivers	<ul style="list-style-type: none"> ✓ Technical depth ✓ Services & analytics ✓ Supply chain strength ✓ Global reach 	<ul style="list-style-type: none"> ✓ Integration/product cost ✓ International growth ✓ Build services ✓ Manage projects 	<ul style="list-style-type: none"> ✓ Lower product cost ✓ Project & supply chain execution ✓ Commercial excellence

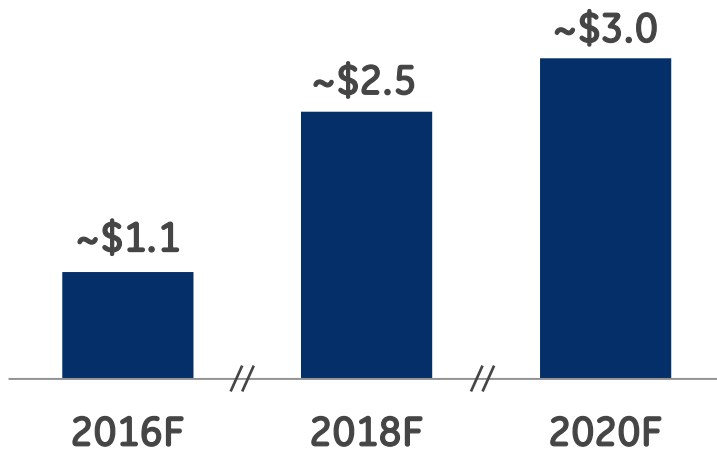
Can win in each ... incremental margins and returns



Synergy overview

(\$ in billions)

Cost synergies



Cumulative investment

~\$0.5 ~\$1.6 ~\$1.9

2020F synergy benefits

+ Manufacturing & services	\$0.5
+ Sourcing	0.9
+ SG&A	1.2
+ Engineering/technology	<u>0.4</u>
Total cost synergies	~\$3B

+ Growth synergies	\$0.6+

Executing from day one



Integration readiness

- ✓ Executing functional work streams... 200+ people dedicated
- ✓ 40+ Alstom leaders joined GE's senior leadership team, 2 Alstom leaders named to Corporate Executive Council
- ✓ Clear accountability and ownership of synergy projects, monthly operating rhythm
- ✓ Commercial execution... winning deals together (GE4GE)
- ✓ Ansaldo divestiture in 1Q16
- ✓ Moving fast to instill GE's integrity culture and compliance programs

Teams in place and executing



Key Alstom leaders

Corporate



Philippe Cochet

- SVP, Chief Productivity Officer
- Fairfield

Power



Andreas Lusch

- VP, Steam Power Systems
- Baden



Michael Rechsteiner

- VP, Thermal Services
- Baden



Keith Carr

- VP, Power General Counsel
- Baden

Renewable Energy



Jérôme Péresse

- SVP, Renewables
- Paris



Yves Rannou

- VP, Hydro
- Paris

Grid



Stéphane Cai

- VP, Grid Products & Global Supply Chain
- Paris

Strong bench of Alstom leaders joining GE



Power



THE NEW GE POWER

~\$32B '14 REVENUE/~65,000 EMPLOYEES/>120 COUNTRIES

GAS POWER SYSTEMS



Schenectady, NY,
USA

POWER SERVICES



Baden,
Switzerland

STEAM POWER SYSTEMS



Baden,
Switzerland

DISTRIBUTED POWER



Jenbach,
Austria

GE HITACHI NUCLEAR



Wilmington,
NC, USA

WATER & PROCESS TECHNOLOGY



Trevose, PA,
USA

FUNCTIONAL
EXPERTISE

OPERATIONAL
EXCELLENCE

DIGITAL
CAPABILITY

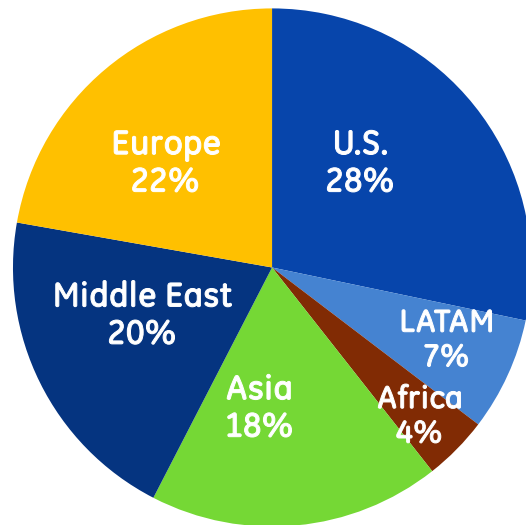
#PoweringEveryone



Power overview

Global presence

% Revenue

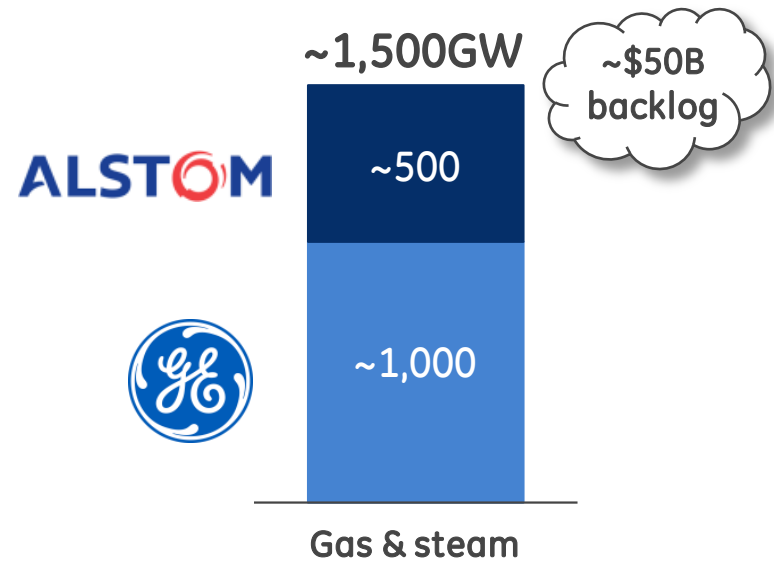


- ✓ ~50% revenue outside the U.S. and Europe
- ✓ 72 global facilities
- ✓ Local talent & execution



Services

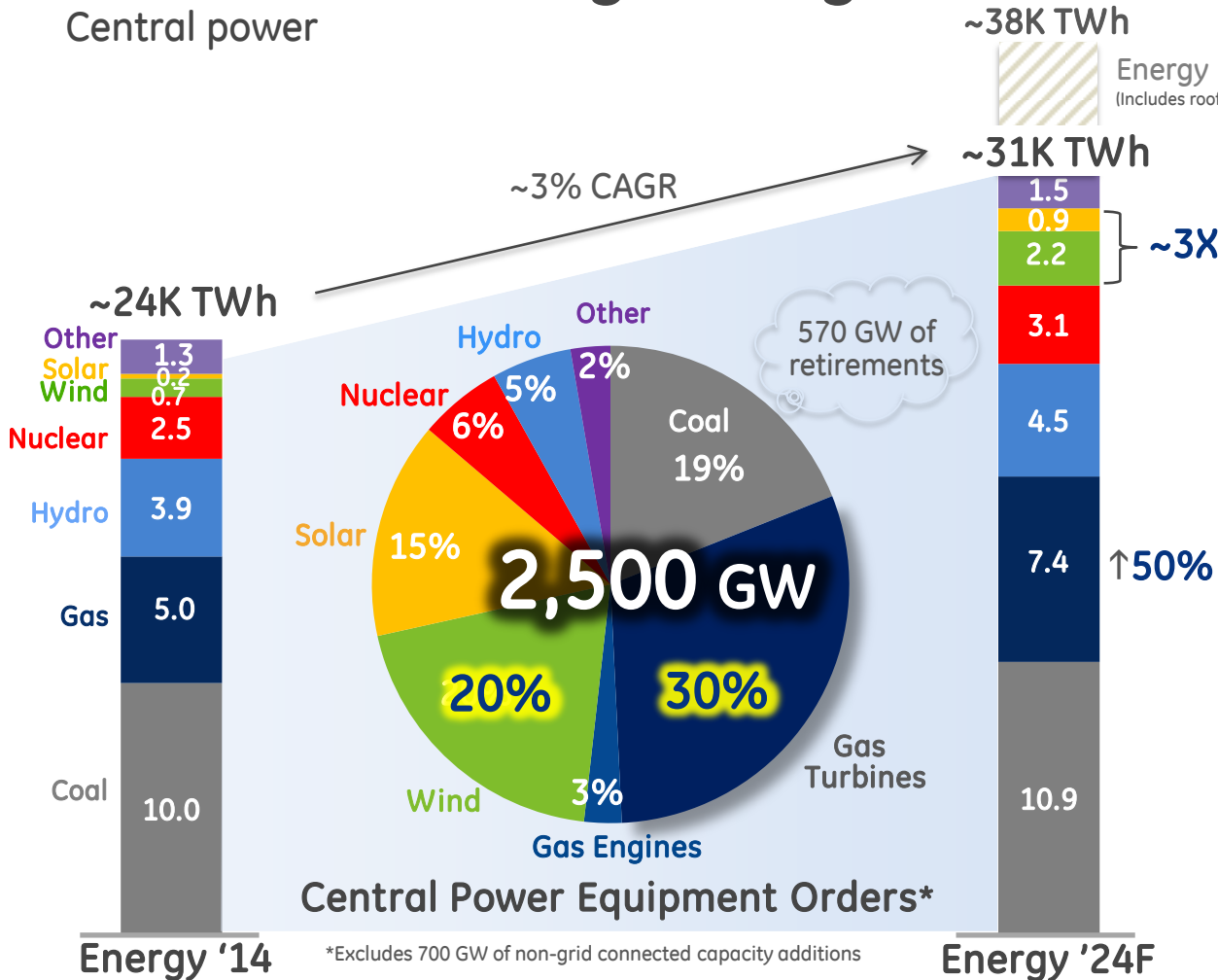
Installed base



- ✓ Largest installed base
- ✓ Expanded steam & BOP capability
- ✓ Other OEM as growth opportunity

Power demand growing... fundamentals strong

Central power



Energy drivers

- Economic growth (GDP)
- Population growth
- Demand-side efficiency

Capacity drivers

- Environmental policy
- Economic displacement
- Peak demand growth
- Fuel availability & price

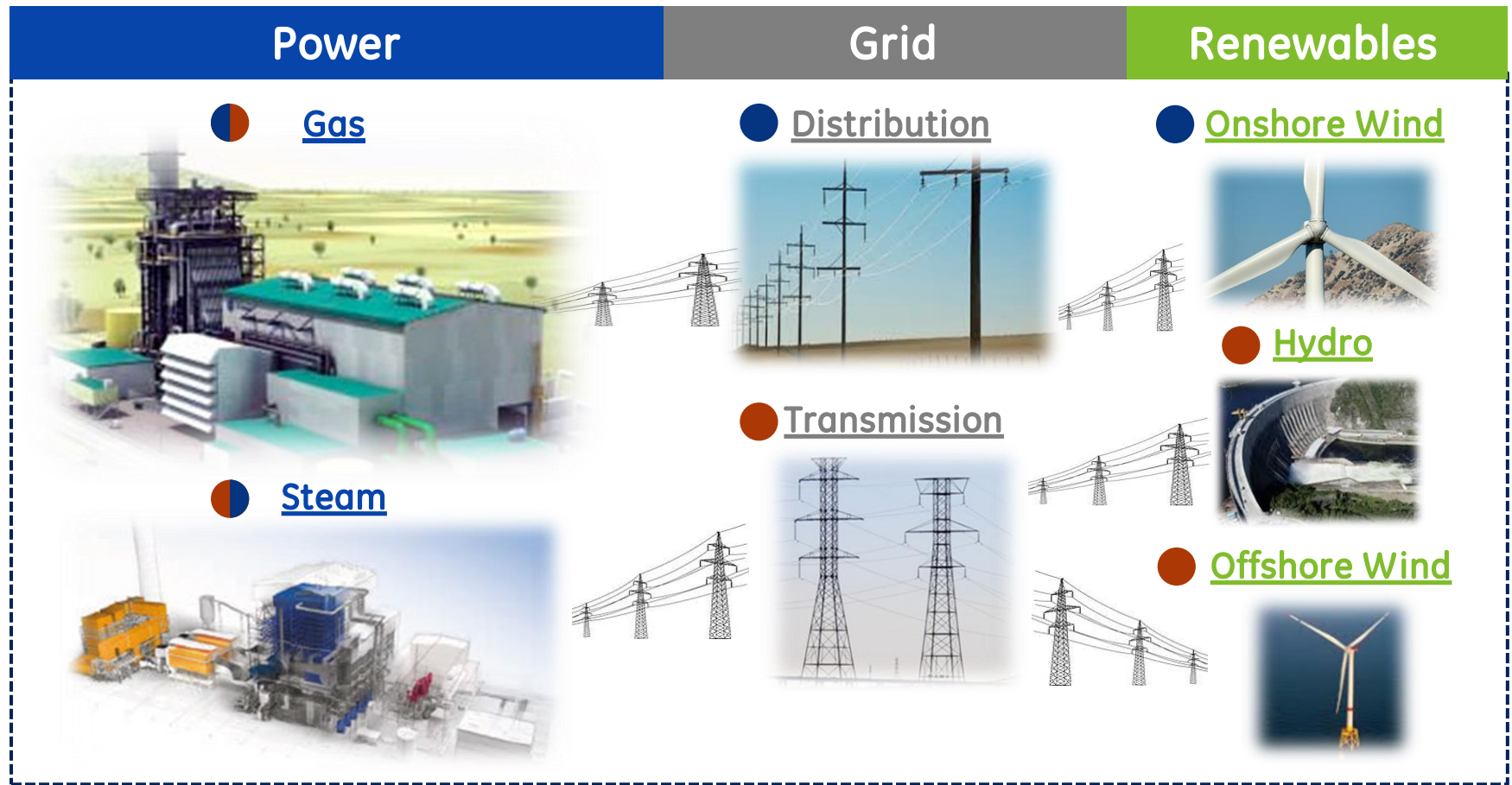
Alstom technologies complement growth prospects

Sources: World Bank, IEA, IHS, EIA, EPRI, Navigant, Brattle, GE Marketing



Expanding the GE offering

- GE contribution
- Alstom contribution

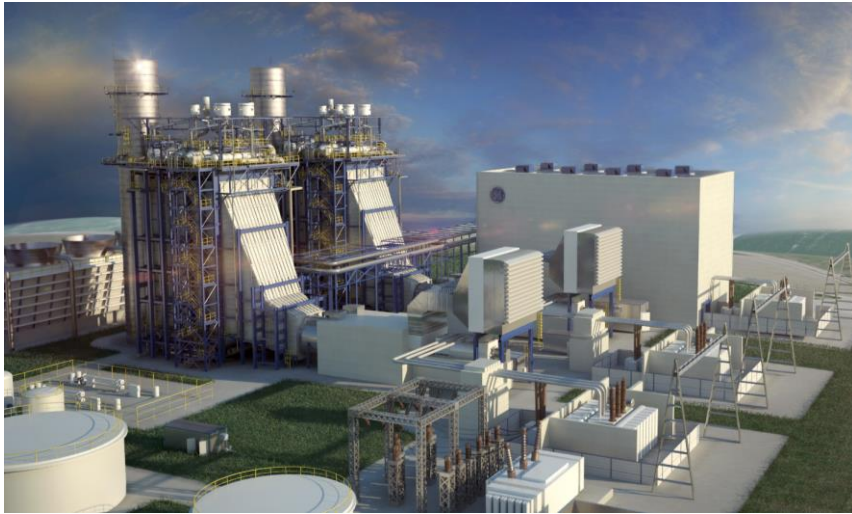


- ✓ World's most efficient power plant offering
- ✓ Broader Services solutions
- ✓ Key enabler of GE2GE & GE4GE growth opportunities
- ✓ Comprehensive T&D offering
- ✓ Enhanced Renewables portfolio



Expanding Power competitiveness

Technology leadership



- ✓ **World's most efficient power plant offering**
Gas & steam leadership, complete plant solutions
- ✓ **Broader services platform**
Broaden digital reach, multi-technology capabilities
- ✓ **Expanded GE Store capability**
Projects/risk management, local cost position

Global presence



- ✓ **1/3 of the world's power**
~1,500 GW installed base, 2x India presence
- ✓ **Local capability to support customers**
>120 countries, 6,000 service engineers
- ✓ **Enhanced emerging market capability**
Expanded solutions, global footprint

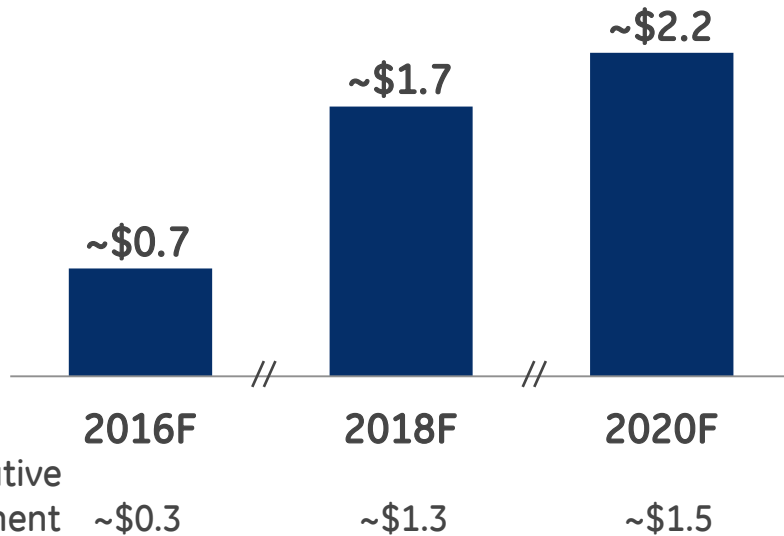
Unlocked value for customers and shareholders



Power synergies

(\$ in billions)

Cost synergies



+ Manufacturing & services	\$0.5
+ Sourcing	0.6
+ SG&A consolidation	0.8
+ Engineering/technology	<u>0.3</u>
Total cost synergies	~\$2.2B
<hr style="border-top: 1px dashed black;"/>	
+ Growth synergies	~\$0.2

Power synergies by 2020

	<u>Cost</u>	<u>Growth</u>
Gas Power	\$0.5	\$0.1
Steam Power	0.4	-
Services	0.8	0.1
HQ	0.6	-
Power	~\$2.2	~\$0.2

Early wins

- ✓ Indirect sourcing cost
- ✓ Combined direct material buy
- ✓ Portfolio investment strategy
- ✓ SG&A overlap



Clear ownership and accountability

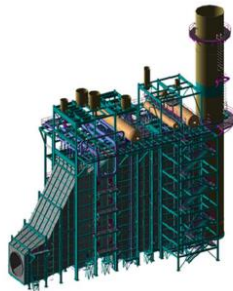
GE Store expands with Alstom acquisition

Alstom → GE

- ✓ Vertical integration of key technologies
- ✓ Gross margin recapture
- ✓ Design for performance

Heat Recovery Steam Generators

30+ opportunities per yr.



Gas Turbine Generators

40+ opportunities per yr.



GE → Alstom

- ✓ GE revenue & margin growth
- ✓ Expanded BOP scope
- ✓ Simpler execution for customers

Boiler feed pumps & valves



Low & medium voltage equipment



Opportunity to expand GE2GE buy \$1B+ by 2018




Winning better together globally

Additional/extended scope

Enhancing power cycle




QA Thermal Power Ltd,
Government of Punjab Pakistan


3Q'14 order
 4x 7HA.02 GTs
2x STs
 +
ALSTOM

3Q'15 order
 1x 7HA.02 GT
1x ST
 +
 1x HRSG

4x HRSGs


3Q'15 order
 2x 9HA.01 GTs
 +
ALSTOM

Technical selection
 4x 9HA.01 GTs
 2x ST
 2x HRSGs
 1x ST

- + 7HA launch with complete GE power island
- + Extended package offering with Alstom HRSGs ... additional value creation for GE
- + Total fulfillment, execution & performance

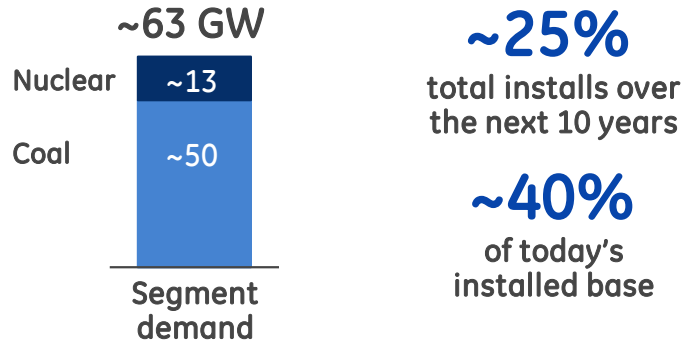
- + Bhikki order signed with Alstom-sourced ST
- + Unprecedented performance levels with combined offering ... +0.5pt of efficiency
- + Global business partners, including Harbin

Potential to double the size of the gas business



Steam Power Systems

Market segment & global presence



- ✓ A leading player in coal and high efficiency
- ✓ Strong in Nuclear turbines
- ✓ Strong presence & capabilities in key Asian countries

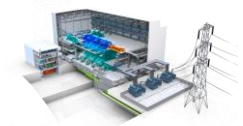
Technology

Coal Power Plants



- ✓ Broadest in-house portfolio
- ✓ Leading technology to minimize environment impact
- ✓ Best life cycle economics

Nuclear Turbine Islands



Growth with GE

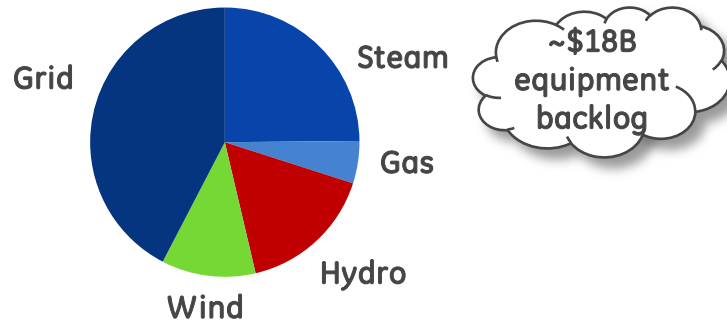
- ✓ More customers through additional GE base, including GE O&G and GE industrial presence
- ✓ Better stakeholder relationships with GGO and presence in growth regions
- ✓ Improved competitiveness through local supply chain and financing capabilities
- ✓ GE2GE/insourcing opportunities
- ✓ New generation of analytics and digital solutions as differentiator

Increased ability to win against competition



Total project execution capability

Alstom project portfolio



- ~170 large projects in over 50 countries
- Term ranges 2-7 years
- Backlog margins as expected

Complexities

- Project scope
- Contract liabilities
- Global execution
- Multiple partners

Risk mitigation

- ✓ Established dedicated central PMO ... ~120+ years experience and growing



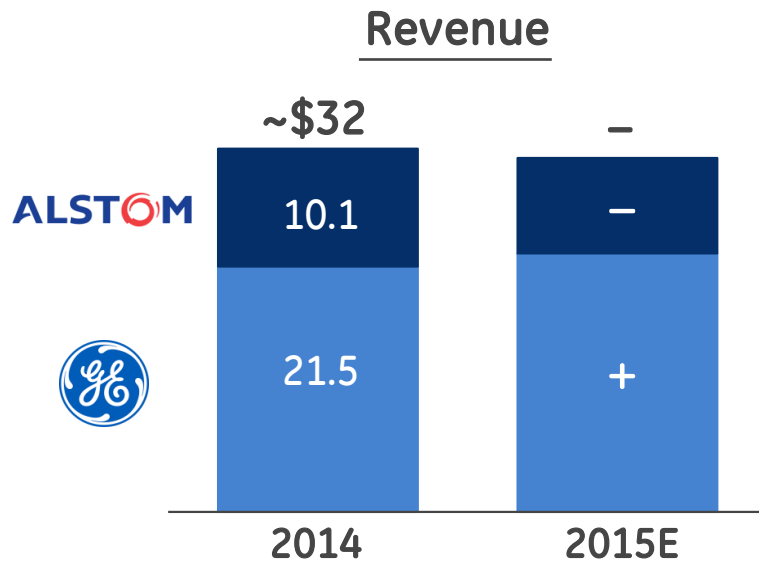
- ✓ Risk-based reviews at underwriting
- ✓ Coordinated EPC partner strategy
- ✓ Lifecycle project reviews to influence execution outcomes
- ✓ Superior process, tools, and workforce competencies

Implementing rigorous EPC processes & capabilities



Power summary

(\$ in billions)



Environment

- + Continued growth of natural gas, renewables, coal
- + Global trend towards project solutions for customers
- Supply > demand in Europe

Driving profits

- ✓ Improved product performance
- ✓ Lower product cost + supply chain efficiencies + HA ramp-up
- ✓ Service margins
- ✓ More expanded scope
- ✓ Manage project risk

Strong platform ... improved global competitive position



Alstom reported revenue on GE calendar basis, converted at average FX rates for each year

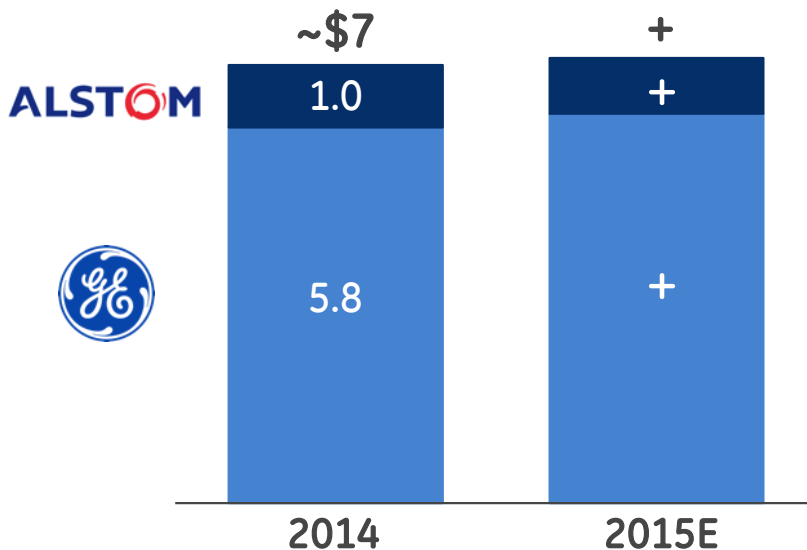
Gas Power Systems



Gas Power Systems overview

(\$ in billions)

Revenue



Selected competitors

SIEMENS

MITSUBISHI
HEAVY INDUSTRIES, LTD.

Ansaldo

Profit drivers

- ✓ **Strong gas dynamics ... ~45 GW/year**
 - Abundant & competitively priced
 - Leads all fuels in capacity growth
- ✓ **Improved core competitiveness**
 - New technology leadership (HA class)
 - Competitive cost structure (SG&A/sales ~4%)
- ✓ **GE + Alstom = better outcomes**
 - ~63% CC efficiency (~1pt = \$50MM)
 - Integrated solution capability for faster power

Adding new capability in a growth segment

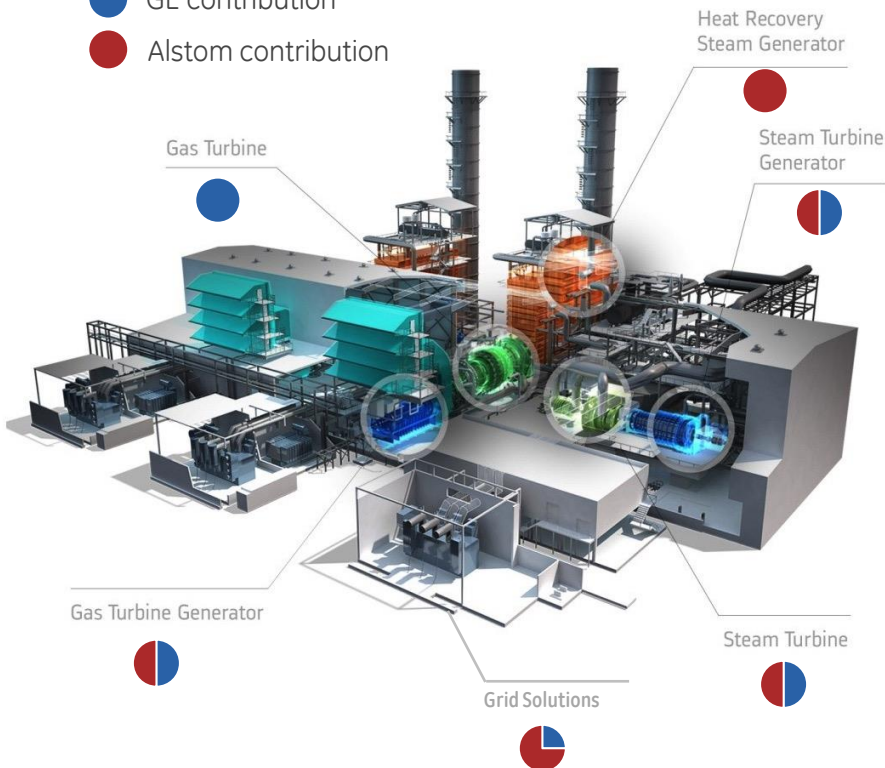


Alstom reported revenue on GE calendar basis, converted at average FX rates for each year

New Gas Power Systems capability

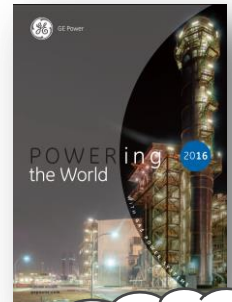
Integrated systems expertise

- GE contribution
- Alstom contribution

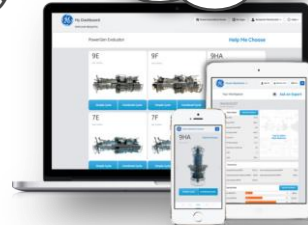


Alstom value creation

- ↑ **Combined cycle performance**
 - Broader gas turbine portfolio
 - Bottoming cycle enhancements
- ↓ **Cycle time for quicker power**
 - Modular power island configurations
 - Scalable global project capability
- ↓ **Product cost + ↑ volume**
 - Component cost & performance
 - GE2GE/GE4GE volume



Power Gen International launch

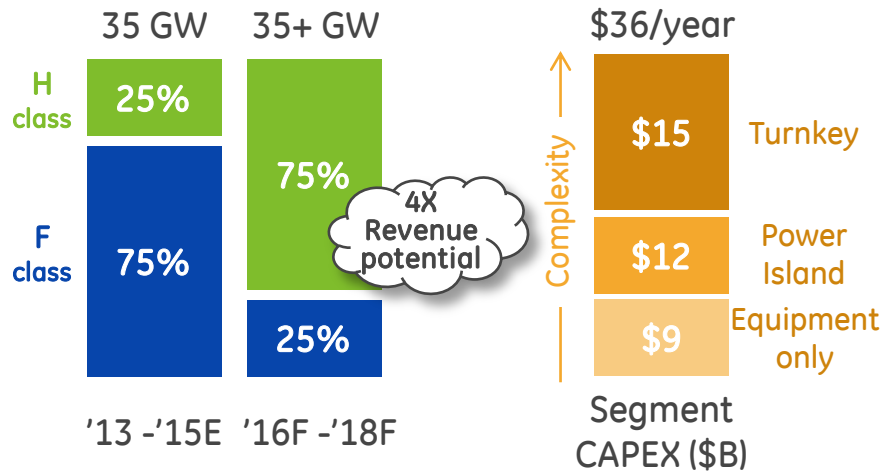


Better customer outcomes ... increased growth opportunities



Utility scale technology shifting to H class

Segment opportunity



Segment drivers

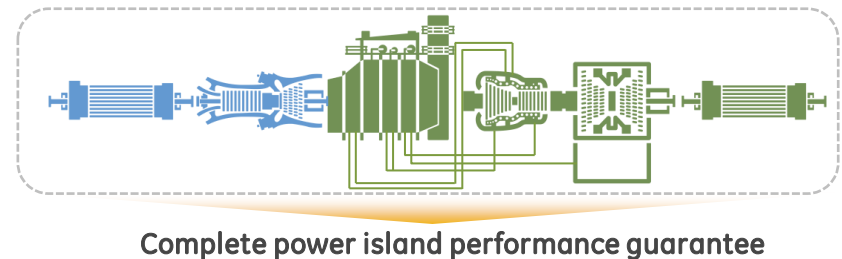
- ✓ Cost effective performance
- ✓ Gas turbine reliability
- ✓ Access to capital

GE + Alstom capability

Yesterday



Today



Recent power island guarantee win

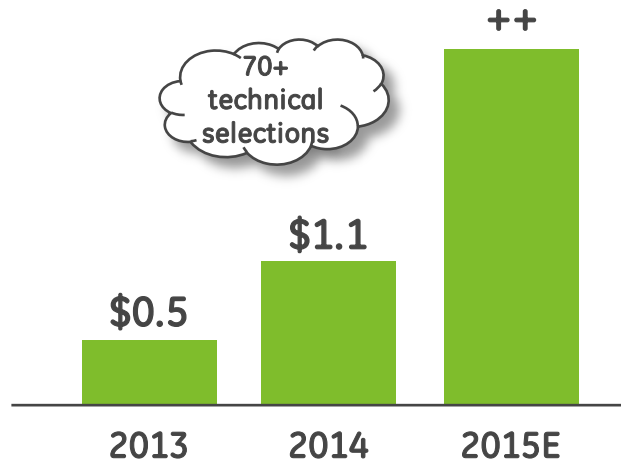
+10MW Plant Output **\$0** Incremental Cost **+\$35MM** Customer Value

New capabilities = 2x growth potential



Additional GE store capability

H turbine extended scope (Orders backlog \$B)



	2013	2014	2015E
Gas Turbines	8	15	25-30
Steam Turbines	1	3	8-11
Generators	3	12	25-30
HRSB	0	0	5-7

Multiple synergy opportunities

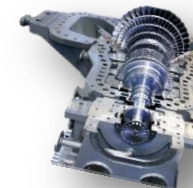
- ✓ Lower component cost ... welded rotor



25% cost-out



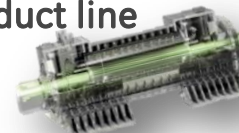
- ✓ Improved product performance ... high pressure steam



+0.5 pts. efficiency



- ✓ Supply chain vertical integration ... generator product line



\$200MM potential

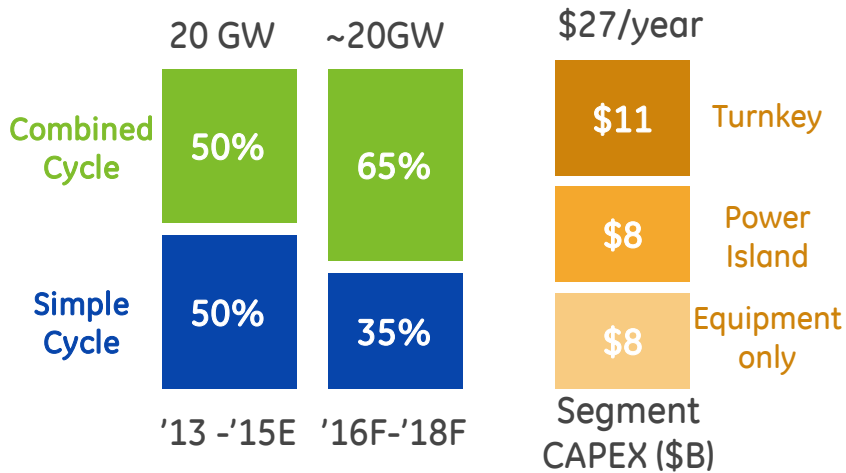


Deliver growth on synergy pipeline ... find more opportunities



Bringing the GE store to intermediate power

Segment opportunity



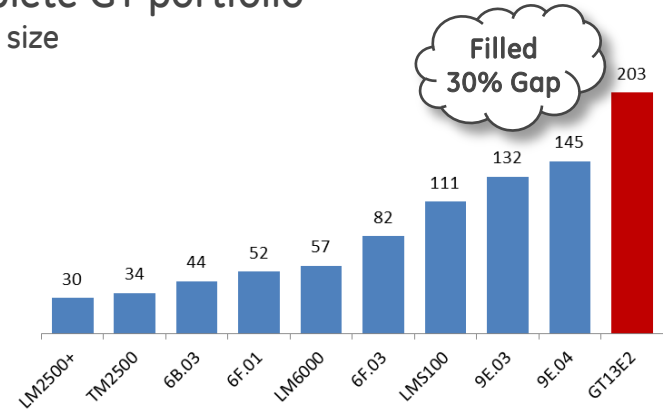
Segment drivers

- ✓ Project financing
- ✓ Speed to power
- ✓ Operating flexibility

GE + Alstom capability

Complete GT portfolio

GT MW size



Modular Power Island



Integrated, flexible solutions addressing a broader opportunity

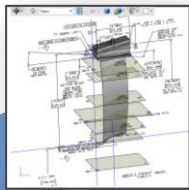


Digital ecosystem

Digital Thread

- ↓ NPI cycle time & cost
- ↑ Throughput & quality
- ↑ Performance/reliability

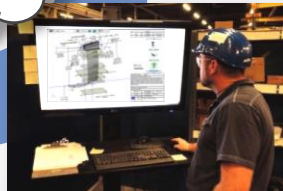
Engineering models



Continuous NPI Cycle



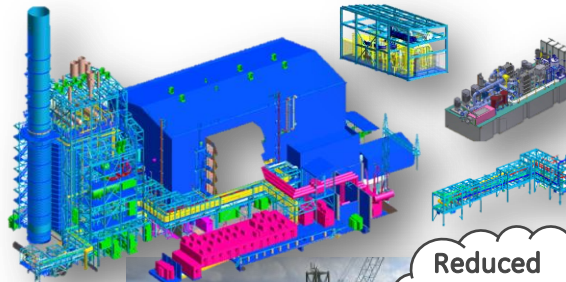
Rigorous testing



Manufacturing technology

Virtual Power Plant

- ↓ Build/commission cycle
- ↓ Installed cost/interfaces
- ↑ EPC/end-user partnerships



Reduced execution risk



Predix™ Applications

- ↓ Production downtime
- ↑ Revenue & reliability
- ↑ Dispatch & profitability



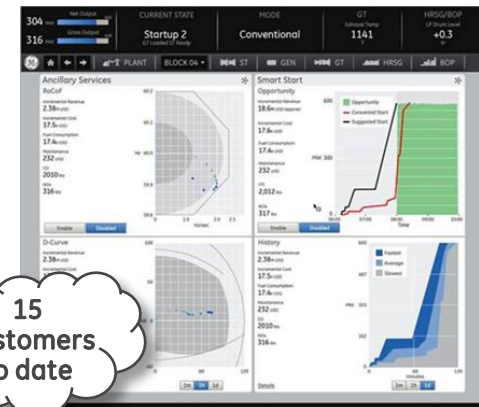
Virtual Battery



Grid Integration



Smart Start



Integrated digital & industrial capability across value chain



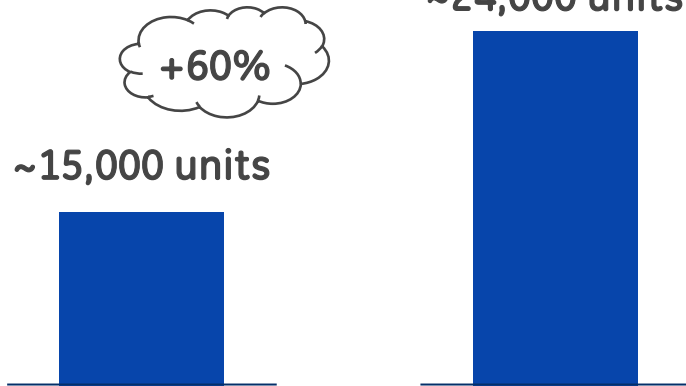
Power Services



Power Services

GE installed base

With Alstom



→ ~\$50B backlog

→ ~\$14B revenue ... ~50% of GE Power

→ Attractive margins

Accelerating access + capability

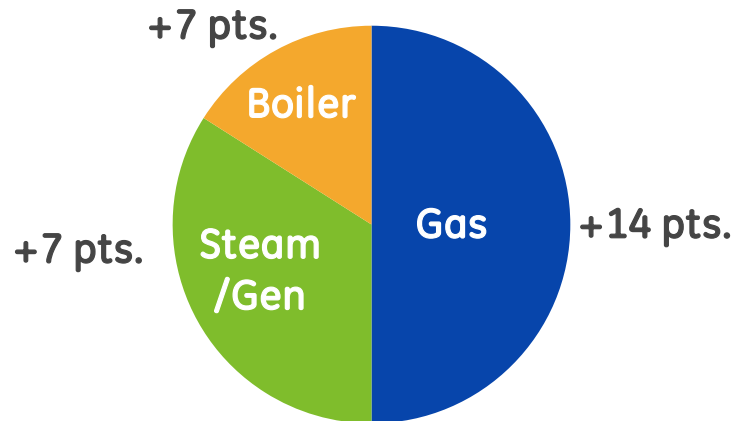
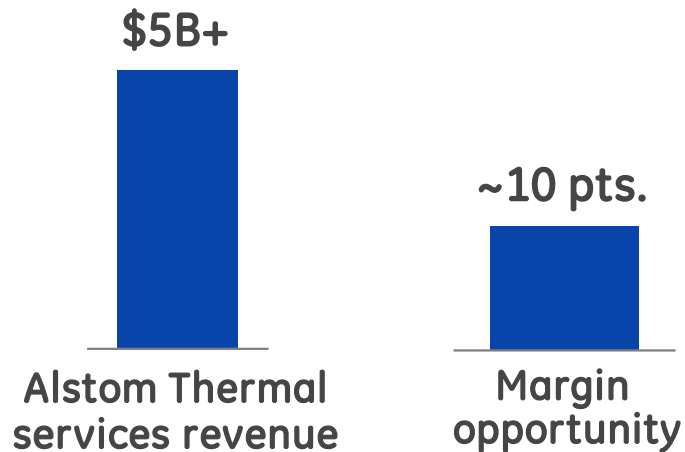
Leapfrog decades of organic growth

- **Stronger in steam:** broader steam portfolio targeting steam tails
- **Expanding other OEM capability:** utilizing Alstom technology/expertise
- **Local presence:** ~26,000 people, 6,000 engineers, 50+ repair shops

Complete portfolio offering ... all equipment, any plant



Expanding service margins



Roadmap to +10 points expansion

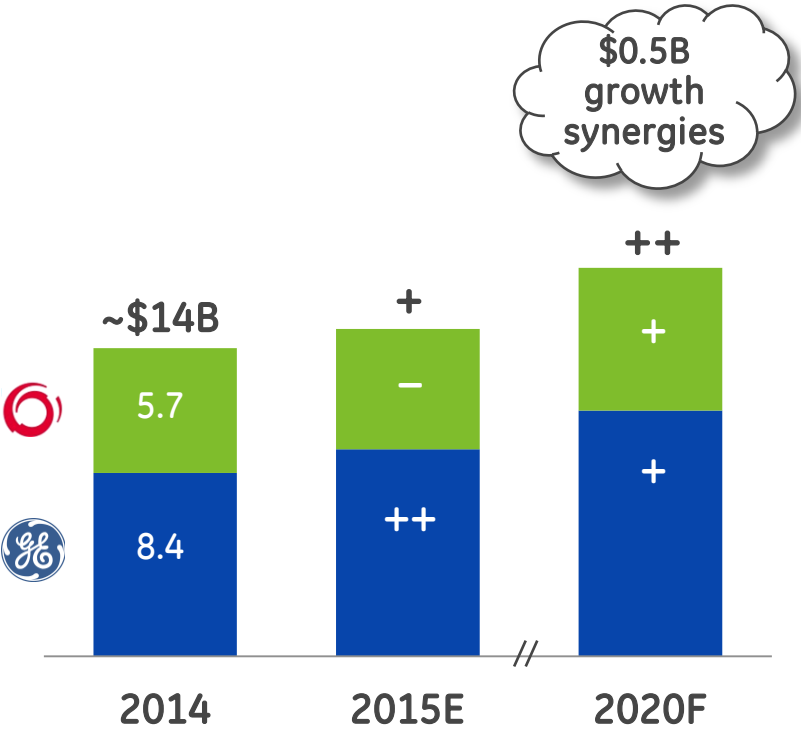
- Material cost... sourcing, design and life extensions +3 pts.
- Outage cost... field automation, cross training, efficiencies +3 pts.
- Repairs... shop automation, improved yields +2 pts.
- Digital... condition based maintenance & monitoring +2 pts.

Applying GE service discipline for margin accretion



Technology driving growth

Combined revenue



Technology collaboration

		2020F revenue impact
Upgrades		\$0.2B
Steam tail capture		\$0.1B
Software solutions		\$0.1B
Other OEM		\$0.1B
		\$0.5B

Complementary expertise ... huge potential

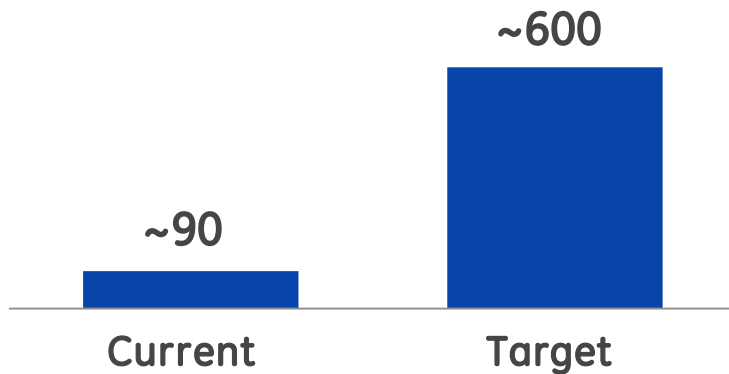


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Broadening services capabilities

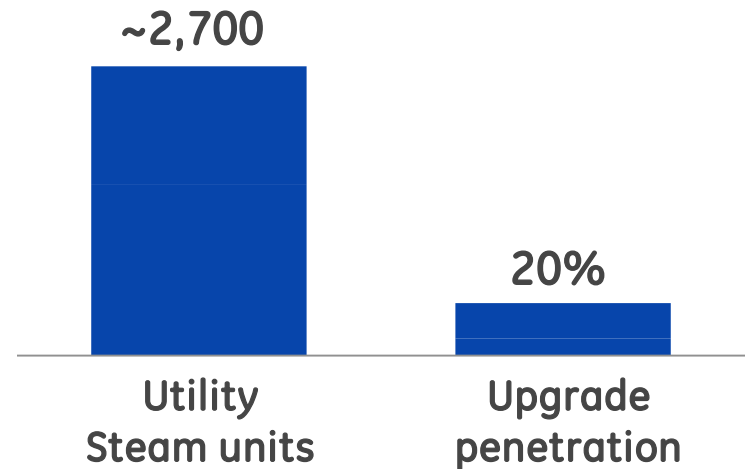
Expanding digital presence

 Assets under management



- ✓ Connect assets ... target customers identified
- ✓ Integrate Alstom software & domain expertise
- ✓ Utilize established GE digital solutions

Winning in steam



- ✓ Increase GE steam OEM penetration +30 pts.
- ✓ Utilize Alstom other OEM capability to ↑ share
- ✓ Improve supply chain cycle / efficiency

Adding levers to grow Power Services



Renewable Energy



THE NEW RENEWABLE ENERGY

~\$9B '14 REVENUE/~13,000 EMPLOYEES/>55 COUNTRIES

ONSHORE WIND



Schenectady,
NY, USA

OFFSHORE WIND



Nantes,
France

HYDRO



Paris,
France

GLOBAL
REACH

BROAD PRODUCT
OFFERING

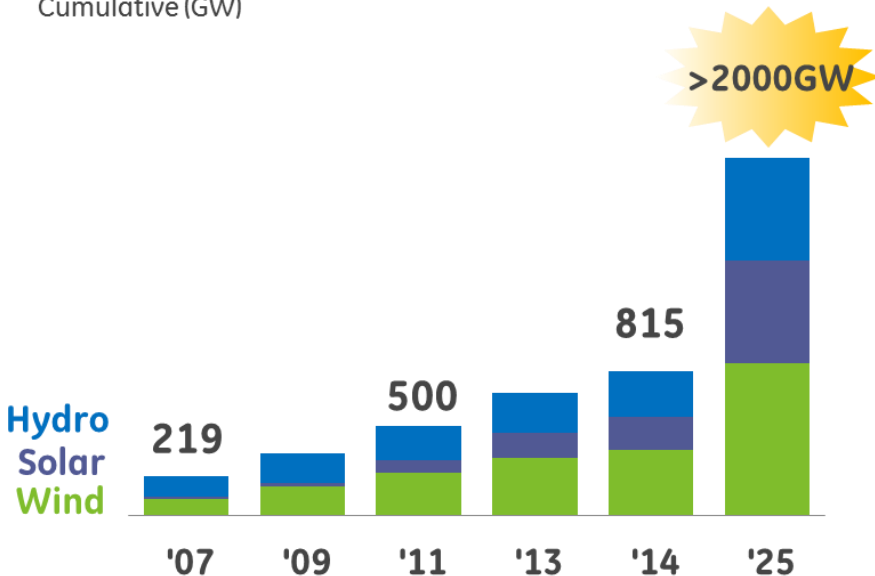
EXECUTION
EXCELLENCE



Renewable Energy will continue to grow

Global renewable energy installations

Cumulative (GW)



Source: GWEC, Navigant, REN21, Bloomberg, MAKE, IEA

Market:

- ✓ Continues to drive towards CO₂ free energy
- ✓ Most renewable energies now at grid parity

GE:

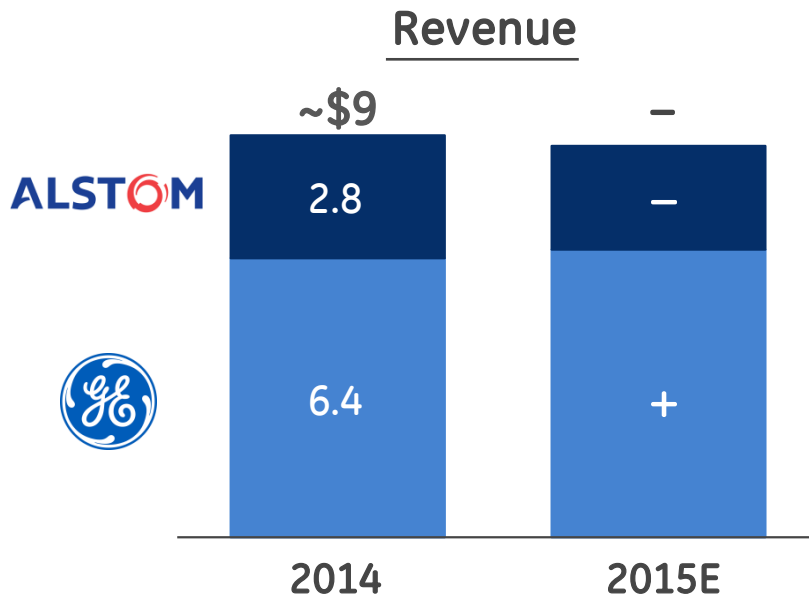
- ✓ Broadest and deepest renewables technology portfolio in the industry
- ✓ 370 GW of installed base (>20% of total)
- ✓ Access to stronger resources to scale quickly & foster leadership
- ✓ More visibility and accountability towards customers & shareholders

GE: leader in the fastest growing Energy market segment



Renewable Energy strategy

(\$ in billions)



Environment

- + Strong growth in renewables power demand
- + Large combined installed base to grow services and digital
- Challenging execution/GE Onshore Wind new product transition

Driving profits

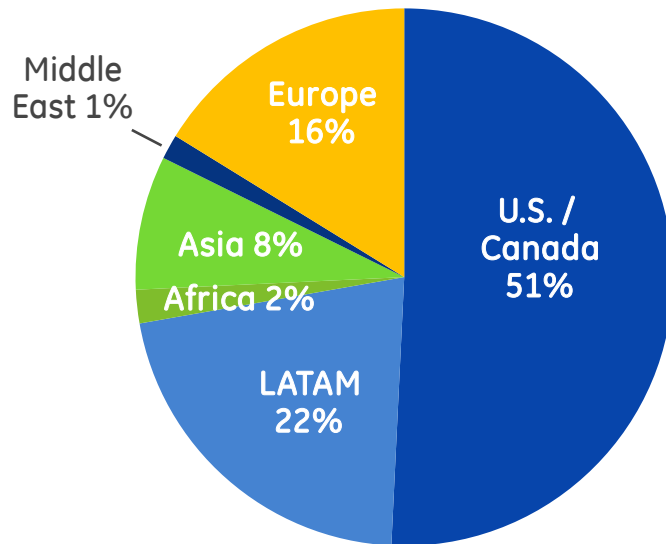
- ✓ Lower **product cost** through GE + Alstom global supply chain capabilities
- ✓ Apply GE **services** playbook + **digital ...** grow volume & margins
- ✓ Drive **international growth** through increased global reach & more diversified product offering
- ✓ Successful launch of **Wind NPI**
- ✓ Execute on **synergies** & restructuring
- ✓ Manage **project risk ...** best-in-class execution



Renewable Energy overview

Global presence

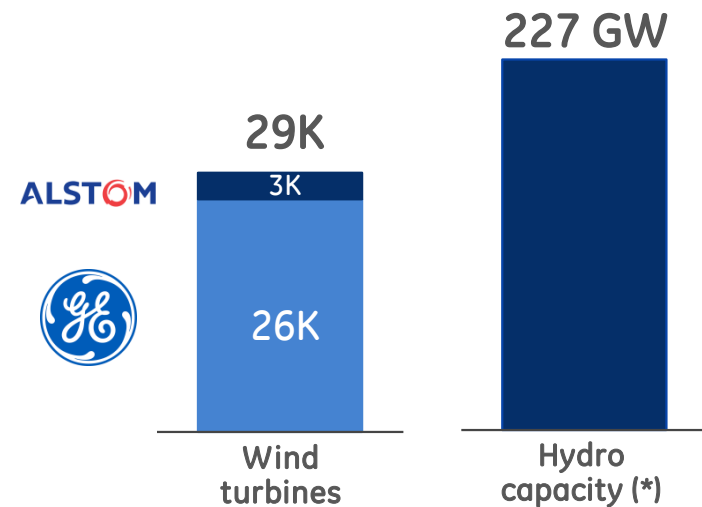
% Revenue



- ✓ 30%+ revenue in growth markets
- ✓ 17 facilities across the globe
- ✓ ~13K employees

Services

Installed base/capacity



- ✓ 43% Onshore Wind installed base penetration
- ✓ Large services growth opportunity across all products
- ✓ Digital capabilities

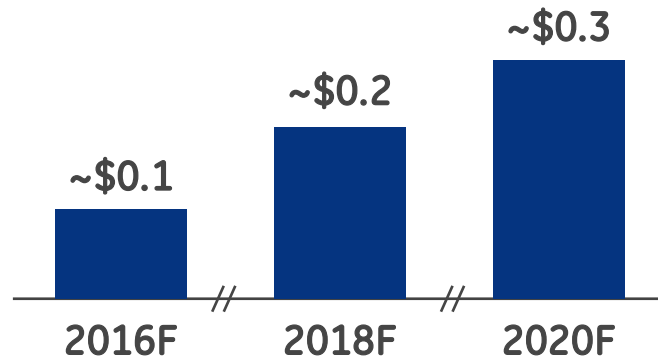


(*) installed capacity (average Turbine & Generator) at end of 2014

Renewable Energy: synergies overview

(\$ in billions)

Cost synergies



Year	Cumulative investment (\$ billions)
2016F	~\$0.1
2018F	~\$0.1
2020F	~\$0.1

• Engineering / technology	~\$0.1
• SG&A consolidation	~\$0.1
• Sourcing	~\$0.1
• Manufacturing	~\$0.0
Total cost synergies	~\$0.3

• Growth	<\$0.1

Synergy examples

- Streamline duplicative HQ and support functions
- Optimize R&D in overlapping product lines
- Consolidate footprint in global manufacturing centers of excellence
- Execute GE2GE (e.g. Power Conversion)
- Leverage GE + Alstom volume in sourcing



Synergies in action

Product cost

- Leverage GE Wind **scale** to Alstom Onshore and Offshore
- Supply chain synergies for **key commodities** across the segments (steel, blades, castings, etc.), in particular in China
- Implement GE **product line management** and **should-cost** models
- Relentless focus to bring product cost down every year ... **direct material deflation** and **logistics** playbooks

Brazil

- **Leader** for Renewable Energy in LATAM
- Combination creates **3.3 GW Onshore Wind backlog**
 - Allows synergies on overhead, supply chain & manufacturing
 - Strong focus on project execution
- Leverage **Hydro facility** to absorb more GE volume
 - Cost-efficient production platform
- Total base of **~2,700 employees**
 - Strong pool of talent for GE



New businesses in GE Renewable portfolio

Hydro

2014 financials (\$B)



- **Global leadership** with world-class technology for large plants & project execution expertise
- Building a stronger **services** franchise
 - 25% of global installed base
 - Utilizing GE service / digital
- Leverage fully invested **global manufacturing** base

Offshore Wind



- **Scope:** turbine sales & commissioning + O&M contracts; no construction/ installation risk
- **Second largest project pipeline** in the industry today (2GW) ... first OEM in US
- Key focus on **product cost reduction** and continued R&D



Renewable Energy – 2018 roadmap

- ✓ **Leader** in Renewable Energy - globally and in all major regions
- ✓ 2/3 of revenues generated **outside of the US**
- ✓ New businesses (**Offshore, Hydro, Solar**) to represent more than 1/3 of revenues
- ✓ Unrivalled **service/digital** franchise
- ✓ Revenues ~\$10B with **margins 5-10%** and **strong returns**
- ✓ **First-in-class project execution** expertise

A global, diversified business delivering high return on investment



Grid



THE NEW ENERGY MANAGEMENT

~\$12B '14 REVENUE/~47,000 EMPLOYEES/>150 COUNTRIES

GRID SOLUTIONS



Paris,
France

POWER CONVERSION



Paris,
France

INDUSTRIAL SOLUTIONS



Plainville,
CT, USA

EXPERTISE &
SCALE

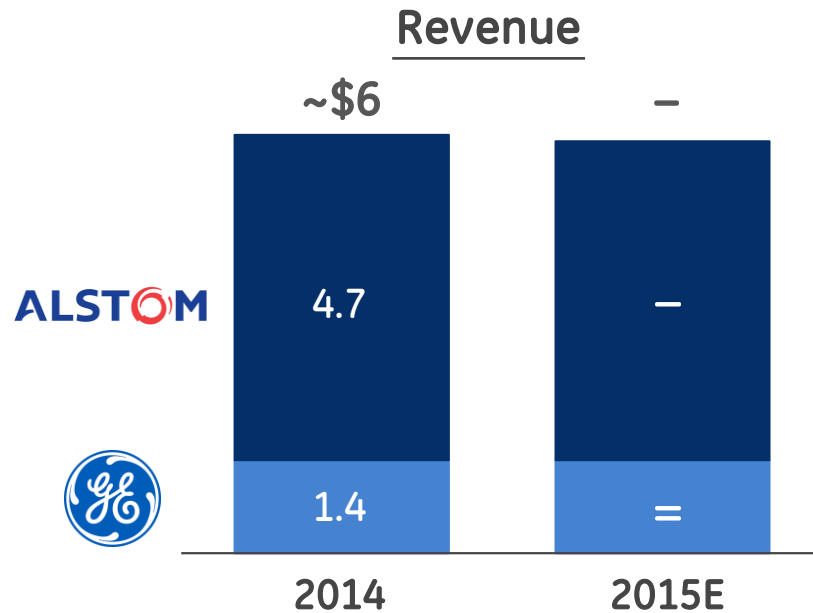
INTEGRATED
SOLUTIONS

WORLD-CLASS
PRODUCTS



Grid Solutions strategy

(\$ in billions)



Environment

- + Aging assets driving need for replacements in NAM & EU
- + Cross-border transmission projects & renewable integration in EU & US
- Emerging market slowdown, oil price pressure remains

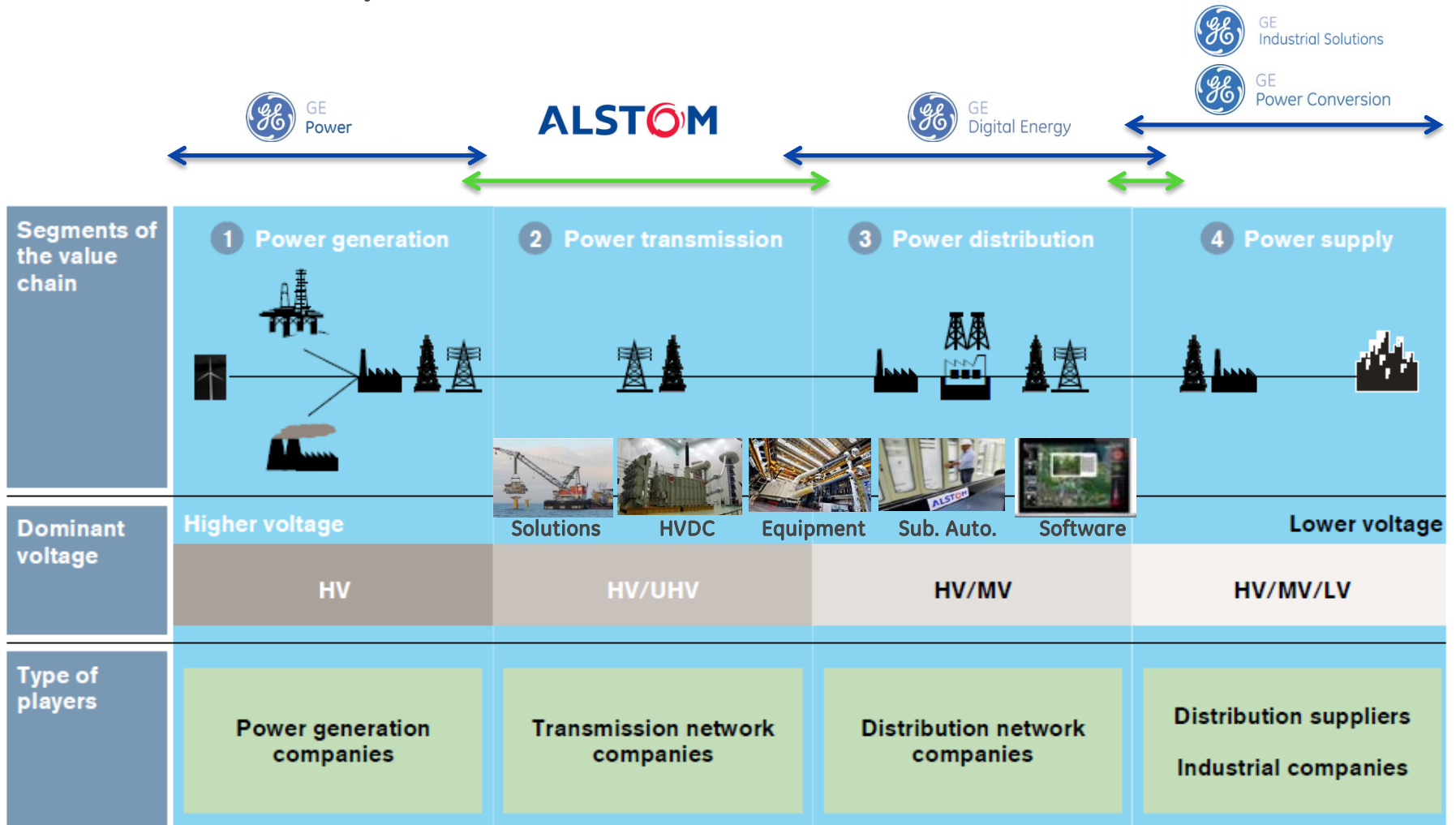


Alstom reported revenue on GE calendar basis, converted at average FX rates for each year

Strategic imperatives

- 1 **Integration**
 - Execution, cultural transformation, compliance ... focus on backbone & enterprise processes
- 2 **Organization**
 - Product line/ regional execution
 - Strong global supply chain
- 3 **Growth**
 - Drive products into end markets through our combined strengths
 - Grow EBoP
 - Develop global services model on large installed base & upgrades

Alstom Grid portfolio fit



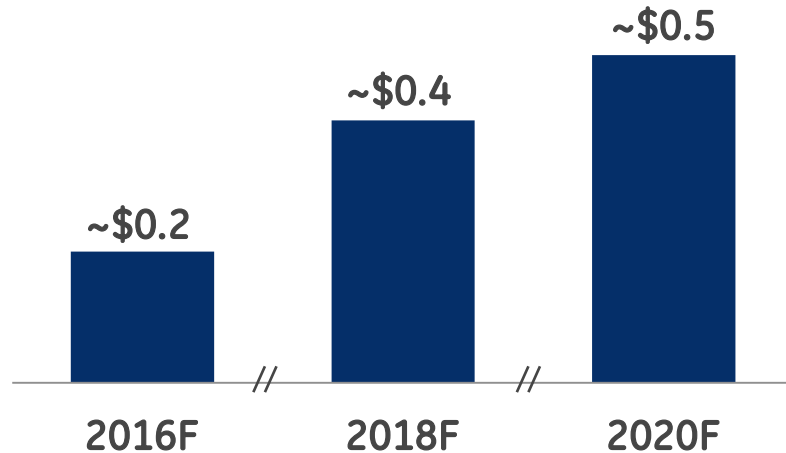
Deal gives GE EM scale in attractive T&D space



Grid synergies

(\$ in billions)

Cost synergies



Cumulative

investment ~\$0.1

~\$0.2

~\$0.3

+ Manufacturing & services	\$ -
+ Sourcing	0.2
+ SG&A consolidation	0.3
+ Engineering/technology	=
Total cost synergies	~\$0.5B
+ Growth synergies	~\$0.3

Synergy examples

Sourcing, manufacturing, technology

- Competitive and optimized organizations
- Deflation on overlapping spend
- Supplier/ indirect sourcing benefits
- Optimize GE2GE / GE4GE

SG&A

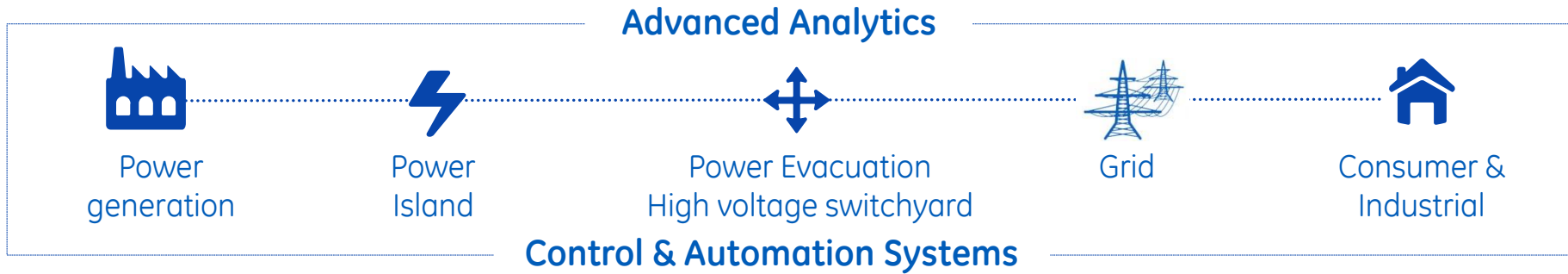
- Functional synergies ... simplification / streamlining

Growth

- Electrical balance of plant
- Expand Alstom in North America
- Complementary platforms

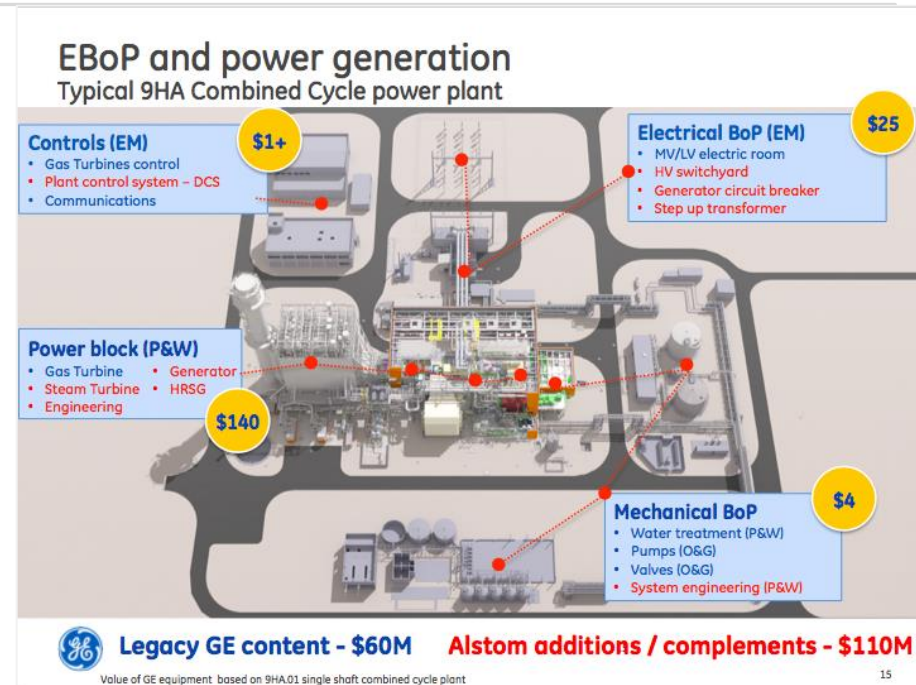


EBoP – connected solutions ... \$2B+ by 2018

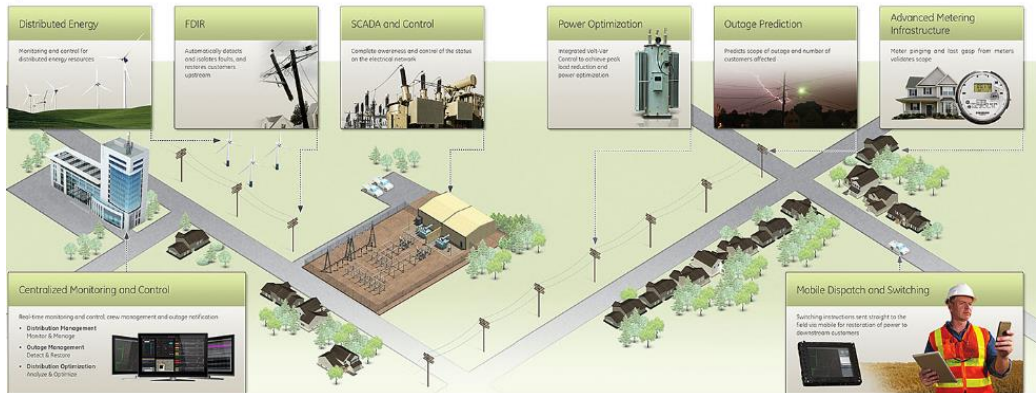


Growth in global **electricity demand** requires **connecting** new power generation to the grid
 Utility, Grid & industrial operators require **flexibility, speed, efficiency and simplification** from their electrical systems

- **Expanded scope** improves competitiveness on **cost and speed**
- **Pulls from across EM** ... controls, grid, MV/LV and power electronics
- **Align with GE Power, O&G, Renewables & EPCs** on reference designs
- **OneGE approach** to customers ... empower regions
- Integrated **system efficiency** + an **enabler for GE Digital**
- **Meaningful** ... only ~5% penetration with GE Power today



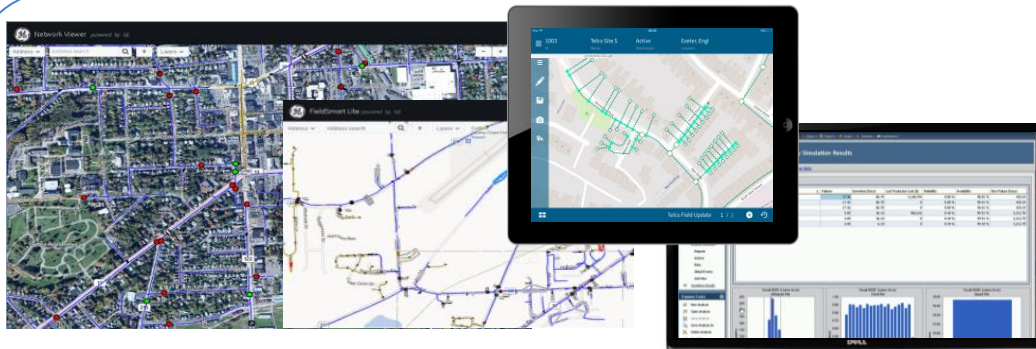
Predix adoption for Grid Software Solutions



Asset Control

- ✓ Mission-critical/real-time controls
- ✓ SCADA - on premise based
- ✓ Reliability & cyber security focus
- ✓ Tied into field operations

Adopt Predix Core UI/UX, Analytics and Security Services
Control Room, Operations, Mission-Critical



Asset Optimization

- ✓ Close to real time analytics
- ✓ Productivity and efficiency focus
- ✓ Big Data – cloud based
- ✓ Tied into planning and maintenance

Leverage complete Predix stack and Industrial Cloud
Big data, Optimization/Efficiency, Investment/\$



Creating a ~\$500M software business

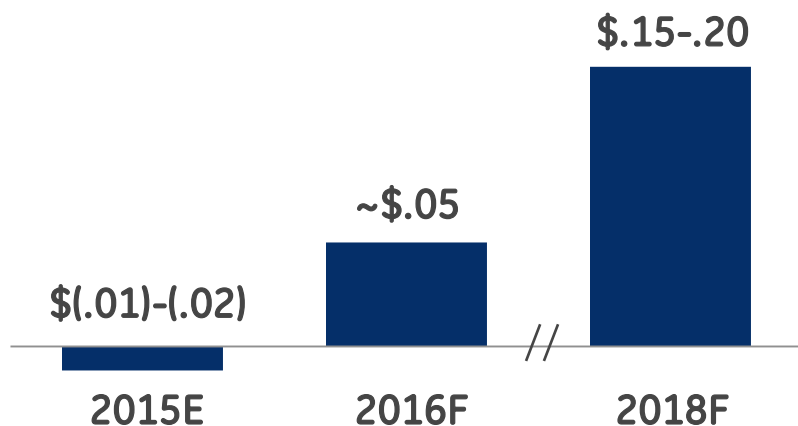
Financial update & wrap up



Financial summary

(\$ in billions)

EPS outlook



Assumptions

- 2015 loss driven by acquisition accounting items and deal costs
- Alstom operating earnings ↓ driven by delay in deal closing ... synergies ↑
- Synergy investments of ~\$1.9B through 2020, booked principally at Corporate
- Acquisition accounting items preliminary estimate ... subject to change

Financial dynamics

	<u>4Q'15E</u>	<u>'16F</u>
Operations	~\$(0.0)	~\$0.2
Cost synergy benefits	-	~1.1
Synergy investment	~(0.0)	~(0.0)
Acquisition accounting	~(0.2)	~(0.7)
Deal/integration costs	~(0.0)	~(0.1)
JV minority interest	<u>~0.0</u>	<u>~0.1</u>
Segment op profit	~\$(0.2)	~\$0.6
Corporate charges		
– Deal costs/synergy inv.	~(0.1)	~(0.5)
– Acquisition accounting	~(0.1)	~(0.2)
Net tax benefits	<u>~\$0.3</u>	<u>~\$0.7</u>
EPS estimate	\$(.01)-(.02)	~\$.05



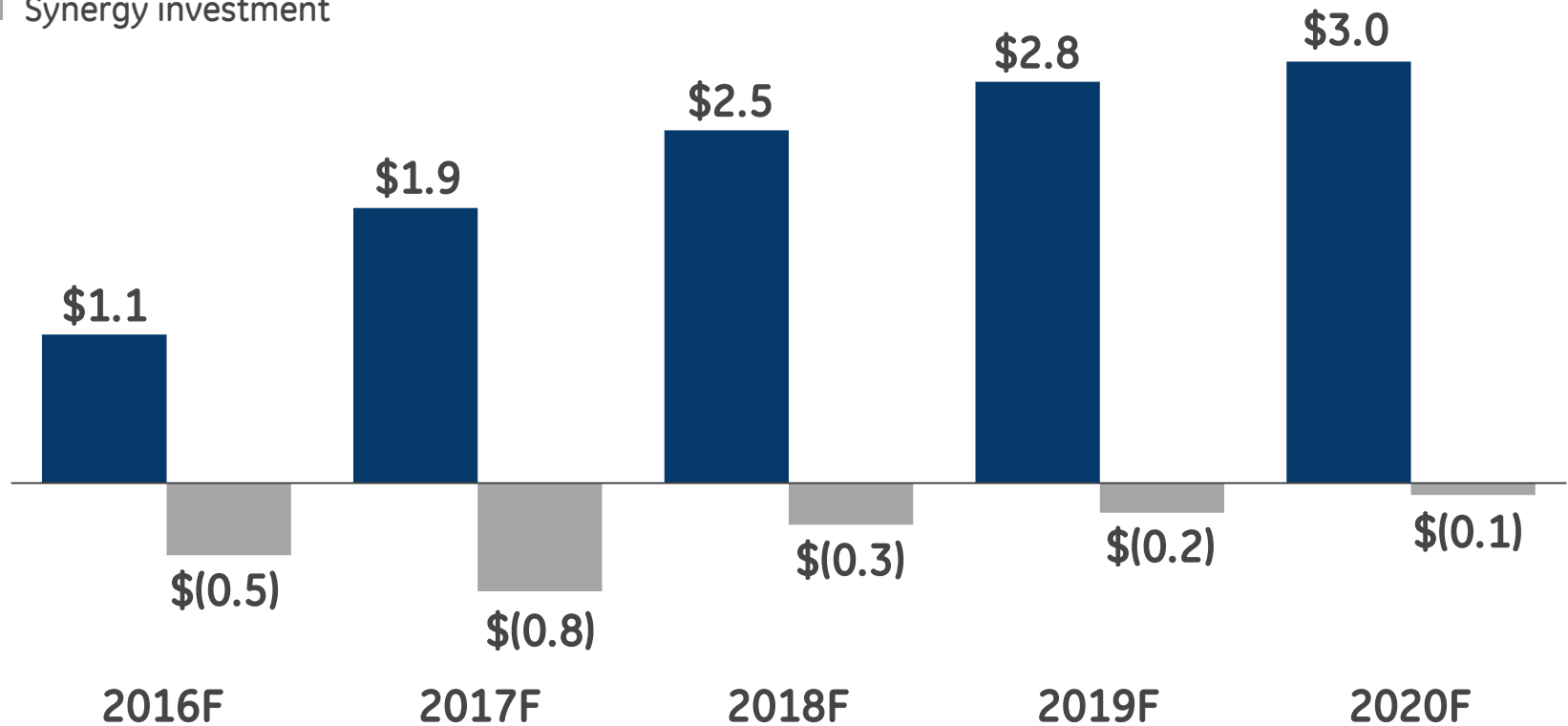
Cost synergies

(\$ in billions)

Synergy investment & benefits

- Synergy benefits
- Synergy investment

\$3B
annualized
benefit 2020+



Robust synergy pipeline ... mitigating operating pressure



Purchase price walk

(\$ in billions)

Original gross price	\$16.9	Original April '14 before cash
Cash balance	(3.4)	Expected cash position in April '14
<hr/>	<hr/>	
Original price	\$13.5	Original price net of cash
Joint ventures	(3.5)	Adjustment for JV investments
<hr/>	<hr/>	
Revised price	\$10.0	
Ansaldo/other	0.0	Net adjustments including Ansaldo
Lower cash balance	2.8	Cash usage from operations/timing
FX benefit	(2.5)	Original rate €/\$ 1.37
<hr/>	<hr/>	
Final price	\$10.3	

Returns

- ✓ Deal IRR 15%+
- ✓ Present value of synergies = purchase price
- ✓ Returns > WACC by 2018



Growing in a slow growth environment

(Revenue, in \$ billions)

Power

~\$32B



- ✓ Technical leadership
- ✓ Win big deals
- ✓ More content ... product pull through
- ✓ Service portfolio
- ✓ Competitive global position

Renewables

~\$9B



- ✓ Diversified product offering
- ✓ Apply GE services playbook + Digital
- ✓ Increased global reach
- ✓ Product cost & supply chain efficiency

Grid

~\$6B



- ✓ Compete at scale
- ✓ Pull through opportunities ... EBoP
- ✓ Global services model
- ✓ Software as a service
- ✓ Expand regional presence

Well-positioned to compete



Other deal updates

Synchrony

- Split-off complete ... 3.2x oversubscribed
- \$20.4B share repurchase; GE shares ↓ 6.6%

GE Capital

- ~\$146B announced signings YTD ... expect ~\$100B closings in 2015
- Planning ~\$2.5B dividend in 4Q

Appliances

- Trial began 11/9 ... 12/7 right to terminate



Summary

- Alstom acquisition is a critical step in Industrial transformation
- Overall economics and strategic rationale unchanged ... complementary technologies, global presence, project capabilities, and installed base
- Businesses add to and take from the GE Store ... GE + Alstom benefit
- Opportunity to strengthen GE subscale product lines (grid, balance of plant, steam)
- Deal economics:
 - Underlying operations impacted by deal uncertainty ... Alstom “in play” for ~18 month impacting backlog
 - Synergy plan well-developed ... far ahead relative to other acquisitions ... \$3B+ annualized synergies by year 5
 - Growth opportunities better than original outlook

Company never better positioned for acquisition integration



