

## APPLIANCES & LIGHTING

### BUSINESS OVERVIEW

#### Leaders: Chip Blankenship & Maryrose Sylvester



- President & CEO, Appliances
- Over 20 years of service with General Electric



- President & CEO, Lighting
- Over 25 years of service with General Electric

#### Headquarters & Operations



- 7% of segment revenues in 2015
- 8% of industrial segment revenues
- 4% of industrial segment profit
- Appliances HQ: Louisville, KY
- Lighting HQ: East Cleveland, OH
- Serving customers in 100+ countries
- Employees: approximately 24,000

#### Products & Services



Appliances & Lighting products, such as major appliances and a subset of lighting products, are primarily directed to consumer applications, while other lighting products are directed towards commercial and industrial applications. We also invest in the development of differentiated, premium products such as energy efficient solutions for both consumers and businesses.

- **Appliances** – sells and services major home appliances including refrigerators, freezers, electric and gas ranges, cooktops, dishwashers, clothes washers and dryers, microwave ovens, room air conditioners, residential water systems for filtration, softening and heating and hybrid water heaters. Our brands include Monogram®, GE Café™, GE Profile™, GE®, GE Artistry™, and Hotpoint®. We also manufacture certain products and source finished product and component parts from third-party global manufacturers. A large portion of appliances sales is through a variety of retail outlets for replacement of installed units. Residential building contractors installing units in new construction is the second major U.S. channel. We offer one of the largest original equipment manufacturer (OEM) service organizations in the appliances industry, providing in-home repair and aftermarket parts.
- **Lighting** – manufactures, sources and sells a variety of energy-efficient solutions for commercial, industrial, municipal and consumer applications across the globe, utilizing light-emitting diode (LED), fluorescent, halogen and high-intensity discharge (HID) technologies. In addition to growing our LED breadth, the business is focused on building lighting connected by state-of-the-art software that will unleash a whole new potential for how we light our world. The business sells products under the reveal® and Energy Smart® consumer brands, and Evolve™, GTx™, Immersion™, Infusion™, Lumination™, Albeo™, TriGain™ and Tetra® commercial brands. GE Lighting offers a full range of solutions and services to outfit entire properties with lighting, from ceilings, parking lots, signage, displays, roadways, sports arenas and other areas.

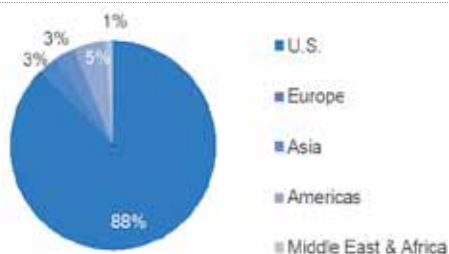
#### Competition & Regulation

Cost control, including productivity, is key in the highly competitive marketplace in which Appliances & Lighting competes. GE Lighting operates in a complex, global marketplace. Energy regulations impacting traditional lighting technologies are moving demand to energy-saving products that last longer and cost less to operate over time. Evolving these technologies, as well as cost control, is key in the global arena in which the business operates.

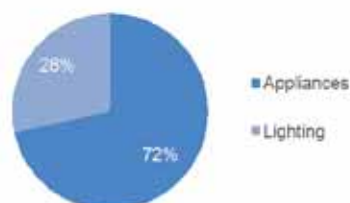
## OPERATIONAL OVERVIEW

(Dollar in billions)

### 2015 GEOGRAPHIC REVENUES: \$ 8.8 BILLION



### 2015 SUB-SEGMENT REVENUES



## SIGNIFICANT TRENDS & DEVELOPMENTS

- During the third quarter of 2014, GE signed an agreement to sell its Appliances business to Electrolux AB for \$3.3 billion. On July 1, 2015, GE was notified that the Department of Justice had initiated court proceedings seeking to enjoin the sale of Appliances to Electrolux AB. On December 7, 2015, GE announced that it had terminated its agreement to sell its Appliances business to Electrolux AB and would pursue other options to sell the Appliances business. GE received a break-up fee of \$175 million from Electrolux AB.
- On January 15, 2016, GE announced the signing of a definitive agreement to sell its Appliances business to Qingdao Haier Co., Ltd. (Haier) for \$5.4 billion. The transaction has been approved by the board of directors of GE and of Haier, and remains subject to customary closing conditions, including Haier shareholder approval, and regulatory approvals. The transaction is targeted to close in mid-2016.
- While the demand in the non-LED market segment is slowing, there is a strong global shift to energy efficient lighting including continued growth in LED products.
- Launched Current, powered by GE, a digital power service business to deliver integrated energy systems combining LEDs, solar, storage and onsite power.

## FINANCIAL OVERVIEW

*(Dollar in billions)*

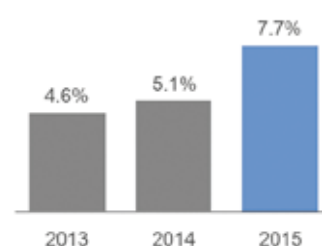
## SEGMENT REVENUES



## SEGMENT PROFIT



## SEGMENT PROFIT MARGIN

SEGMENT REVENUES & PROFIT WALK:  
2015 – 2014

	Revenues		Profit	
<b>2014</b>	\$	<b>8.4</b>	\$	<b>0.4</b>
Volume		0.5		-
Price		(0.1)		(0.1)
Foreign Exchange		(0.1)		-
(Inflation)/Deflation		N/A		0.1
Mix		N/A		-
Productivity		N/A		0.2
Other		-		-
<b>2015</b>	\$	<b>8.8</b>	\$	<b>0.7</b>

## 2014 – 2013

	Revenues		Profit	
<b>2013</b>	\$	<b>8.3</b>	\$	<b>0.4</b>
Volume		0.1		-
Price		-		-
Foreign Exchange		-		-
(Inflation)/Deflation		N/A		-
Mix		N/A		-
Productivity		N/A		-
Other		-		-
<b>2014</b>	\$	<b>8.4</b>	\$	<b>0.4</b>

COMMENTARY:  
2015 – 2014

**Segment revenues up \$0.3 billion (4%);  
Segment profit up \$0.2 billion (56%) as a result of:**

- The increase in revenues was primarily due to higher volume in Appliances and gains on asset sales in Lighting, partially offset by lower prices and the impact of a stronger U.S. dollar.
- The increase in profit was primarily due to improved productivity, including the effects of classifying Appliances as a business held for sale, and the effects of deflation, partially offset by lower prices.

## 2014 – 2013

**Segment revenues up \$0.1 billion (1%);  
Segment profit up \$0.1 billion (13%) as a result of:**

- The increase in revenues was primarily due to higher volume driven by higher sales at Appliances.
- The increase in profit was primarily due to improved productivity including the effects of classifying Appliances as a business held for sale in the third quarter of 2014.