

GE China CLSA Investor Forum



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CAUTION CONCERNING FORWARD-LOOKING STATEMENTS:

This document contains "forward-looking statements" – that is, statements related to future events that by their nature address matters that are, to different degrees, uncertain. For details on the uncertainties that may cause our actual future results to be materially different than those expressed in our forward-looking statements, see <http://www.ge.com/investor-relations/disclaimer-caution-concerning-forward-looking-statements> as well as our annual reports on Form 10-K and quarterly reports on Form 10-Q. We do not undertake to update our forward-looking statements. This document also includes certain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially.

General Electric Capital Corporation (GECC) has been merged into GE and our financial services business is now operated by GE Capital Global Holdings LLC (GECGH). In this document, we refer to GECC and GECGH as "GE Capital". We refer to the industrial businesses of the Company including GE Capital on an equity basis as "GE". "GE (ex-GE Capital)" and /or "Industrial" refer to GE excluding GE Capital.

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.

China in the headlines...

MARKETS | ASIA STOCKS

China Shares Fall Into Bear Market

Shanghai Composite Index drops 20% from recent high hit on Dec. 22

OPINION | COMMENTARY

There's More Volatility to Come in China

Fluctuations are to be expected, but government meddling makes it worse.

China's Economic Turmoil Spreads

BEIJING—The selloff in Chinese stocks accelerated Monday, adding pressure on Beijing, which is planning to flood its b

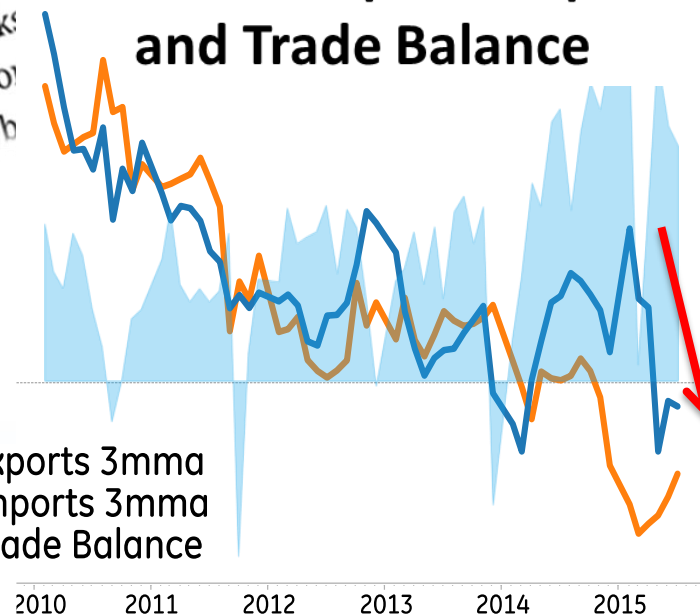
China: Plummet Is 'Black Monday'

A number of currencies in the region fell to multiyear lows; China shares finish down 8.5%

China Hit by Severe Pollution as Climate Talks Start

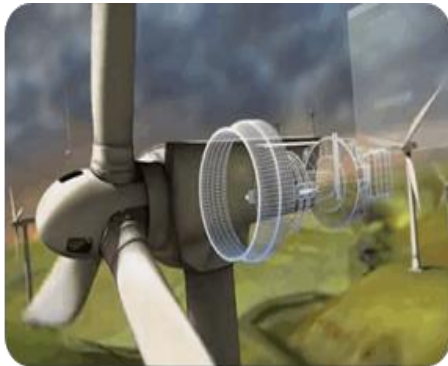
China: Export, Import and Trade Balance

Exports 3mma
Imports 3mma
Trade Balance



China's mega-needs... no change

Clean
energy



#1 PG

installed
capacity
... 2TW

Affordable
healthcare



2nd

largest
Healthcare
spending
... \$1TN

Mass
transportation



#1 air

travelers
... 725MM

China going
global



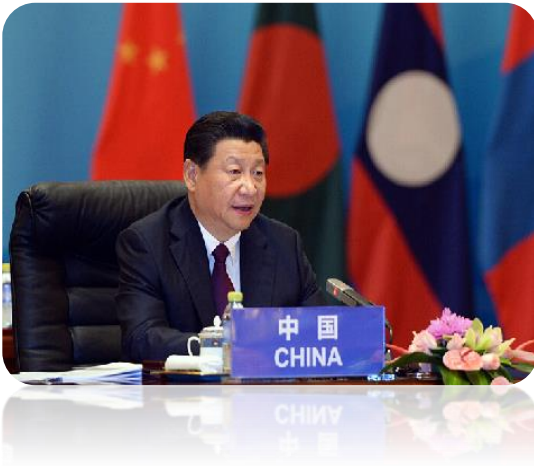
#2 EPC

contract value
... \$400BN



3 national initiatives unveiled

*One belt,
one road*



**Promote trade &
export capacity**

*Made in China
2025*



**Move up
value chain**

Internet +



**Grass root
innovation**



A still grow but more complex China



Increasing regulation, raising the bar



Reforms continue, harder and structural

Demand local innovation, disrupting traditional

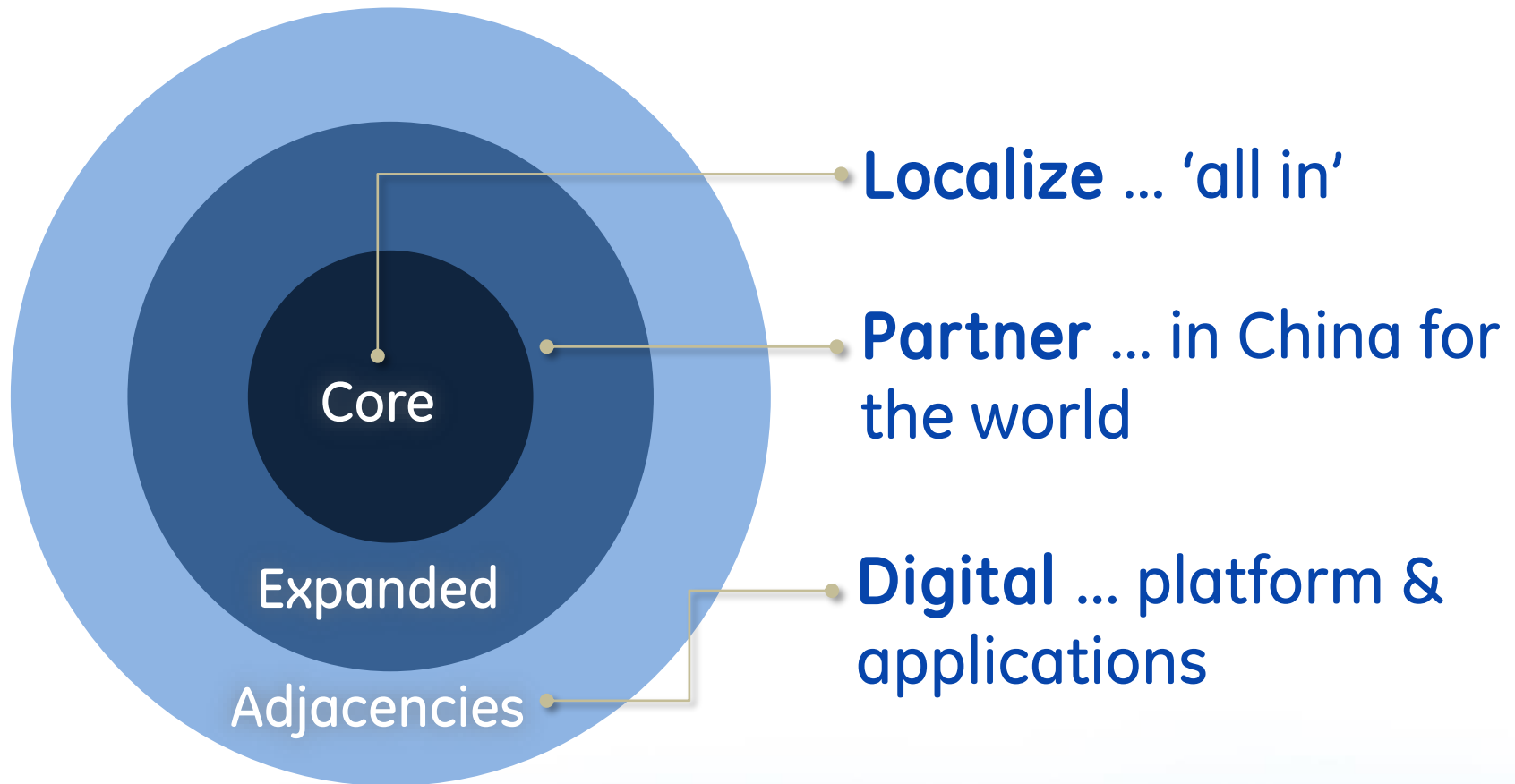


China's fast changing global role



Talent competition

Our strategy



Localize 'all in' ... value MR

Engineer



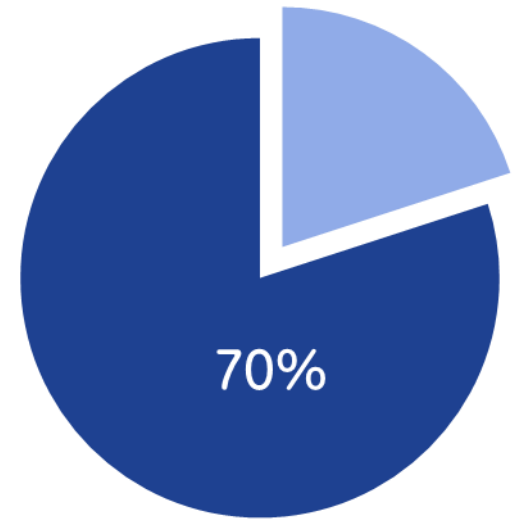
1st full system
local design

Make



1 out of 2 magnets
shipped from China

China buy



LCC
20% -> 70%+

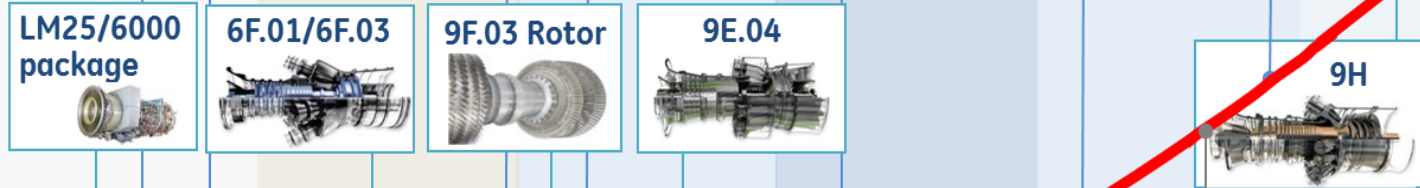


Localize... make 2x to \$4B+

HC value COE



PG GT/Aero



O&G TMS/DTS



REN LC SCM



Localize... sourcing 2x to \$10B

Game changer... PCBA CoE

Supply

60%+ output in China

+15% savings pure
local

Demand

\$1.2Bn x - GE

119 sites... fragmented

36% China buy only

**Leverage
scale**

6 Make/buy



1 Board design



5 DFT testing



**PCBA
CoE**

2 Component
selection



4 Prototyping



3 DFM validate



Partner... a new JV model

In China for China

2012



+



50/50
JV

- ✓ Shared risk / reward
- ✓ Product co-creation
- ✓ C919 first → global

In China for the world

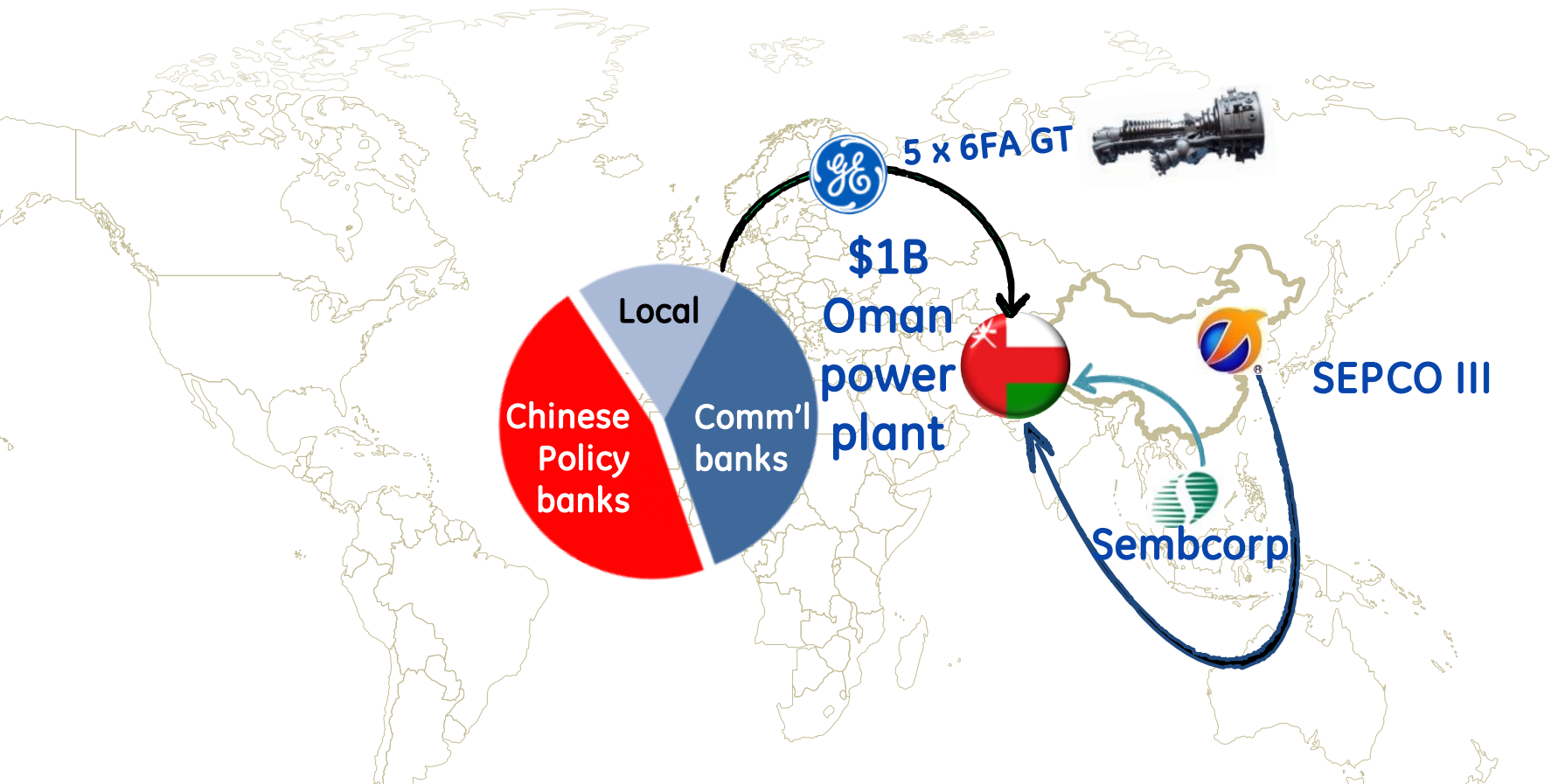
2015+



C919
1st flight



Partner... One Belt One Road



- Dedicated, x-BU, wing to wing
- Financing capability



Digital ... pilots, then scale up

Launch cloud-based platform & applications



- Pilots / show sites
- Value prop.
- New models

Build digital org & capability



- Local talent / capability
- Operating model
- Aligned metrics /incentives

Establish open innovation ecosystem



- Co-creation
- Industrial standards
- Cyber security



Digital ... pilots, then scale

Healthcare



Tongji
Hospital

>20% scan
throughput increase

47,000 devices

Asset+, cloud imaging
& integrated care

Power



Jinling
Power
Plant

3% unplanned
downtime
reduction

208 units

Asset perf., operation
optimization, OpFlex

Aviation



\$25M annual
fuel savings

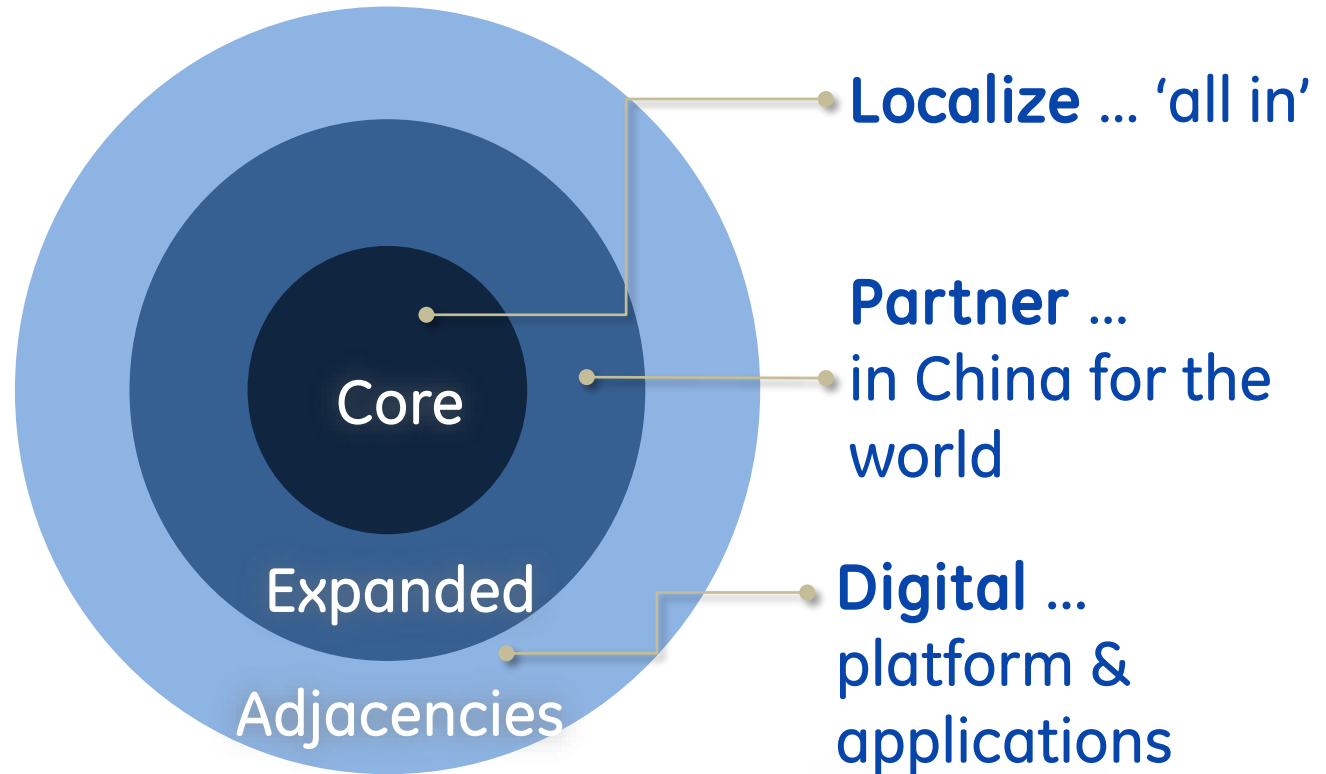
6,500 engines

Full Flight/Fuel mgmt.,
Hot & hash analytics



Win in China

Orders (\$Bn)



The GE Store

Our competitive advantage

We drive enterprise advantages that benefit the entire company through the “GE Store” – where every business in GE can share and access the same technology, markets, structure and intellect. The value of the GE Store is captured by faster growth at higher margins—it makes the totality of GE more competitive than the parts. No other company has the ability to transfer intellect and technology as we can through the GE Store.

