

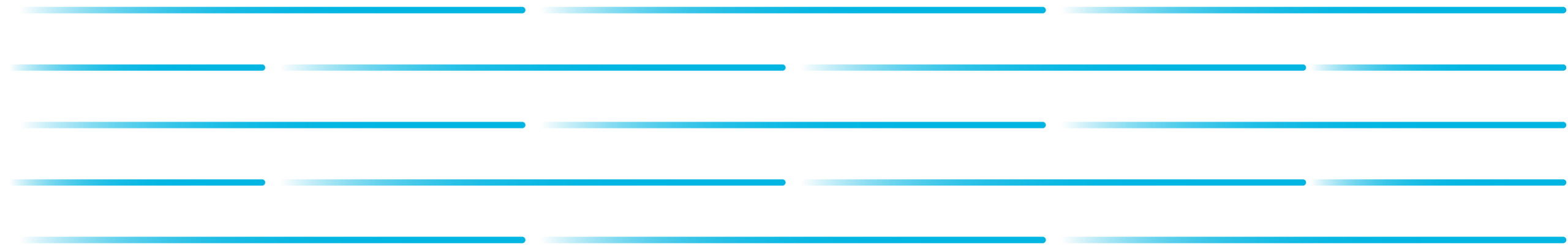


Morgan Stanley

March 20, 2017

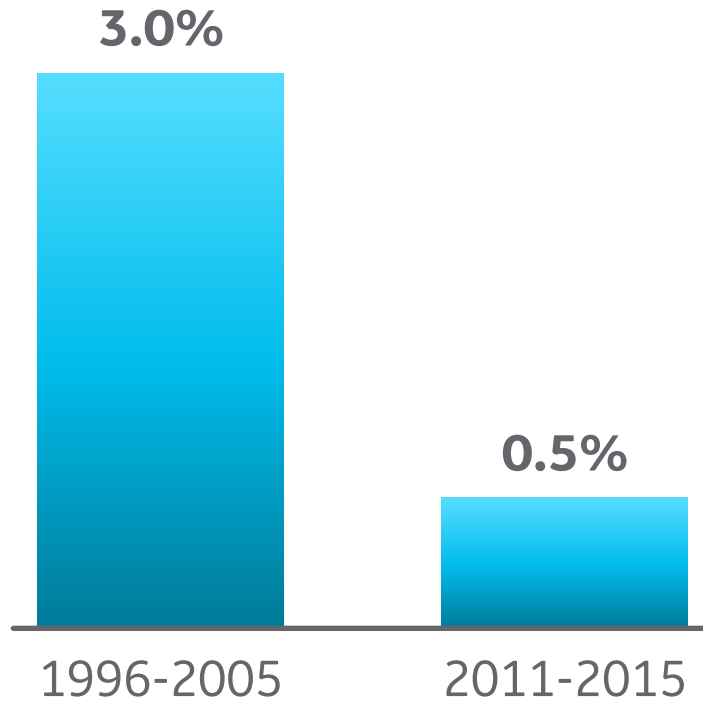
Caution Concerning Forward-Looking Statements:

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.



The problem we are solving: productivity needs a “reboot”

Global productivity



Driving industrial transformation

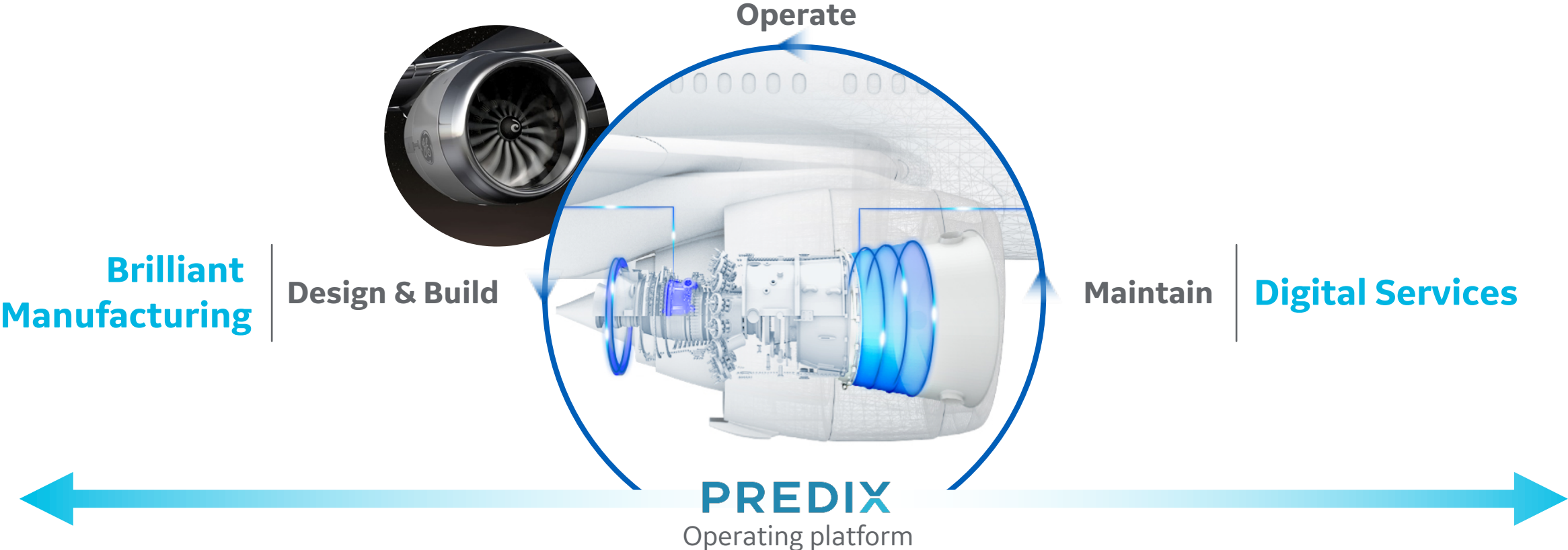
- Advanced economies in a productivity slump
- Negative impact on GDP growth + wages
- Industrial Internet can reverse the trend (IT + OT)
- Manufacturing prime for disruption
- Requires investment & outcomes

Digital + Industrial → Productivity



GE Digital enables productivity around industrial assets

Asset Performance Management (APM)



End to end approach connecting across the asset value stream



Digital strategy fully integrated across all GE businesses

GE Digital (horizontal)

GE Businesses (vertical)

**GE Digital CEO &
GE CDO**

Business CEOs

- ✓ Digital Technology
- ✓ Horizontal product lines
- ✓ Predix operating system
- ✓ Separate P&L
- ✓ Commercial leadership

Business CDOs

- ✓ Incentive plans aligned to GE Digital
- ✓ Common metrics
- ✓ Mutual accountability

- ✓ Product extensions
- ✓ Vertical product lines
- ✓ Digital business strategy
- ✓ P&L within each business
- ✓ Drive Digital culture

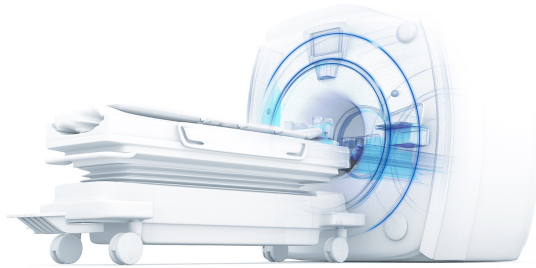
Premier Digital Industrial company



Sharing the Digital Industrial blueprint

GE for GE

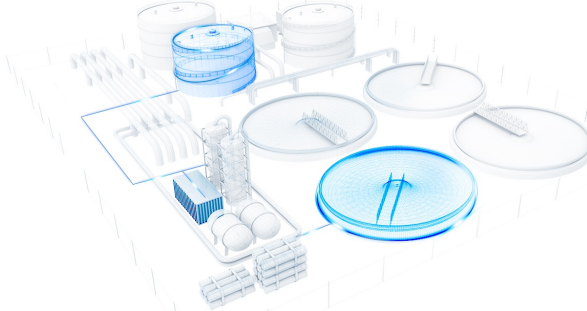
Productivity: Brilliant Manufacturing



- Digital thread
- Digital twin
- Services transformation

GE for Customers

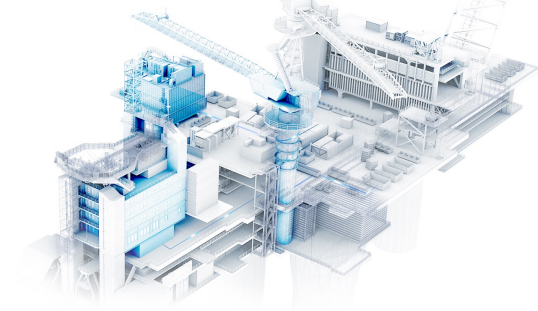
Apps: Service Transformation



- Outcomes for customers
- Optimize GE machines
- Industrial apps portfolio

GE for World

Platform: Operating System



- Enable industrial companies
- Industrial-focused security
- Predix industrial operating system

Outcomes

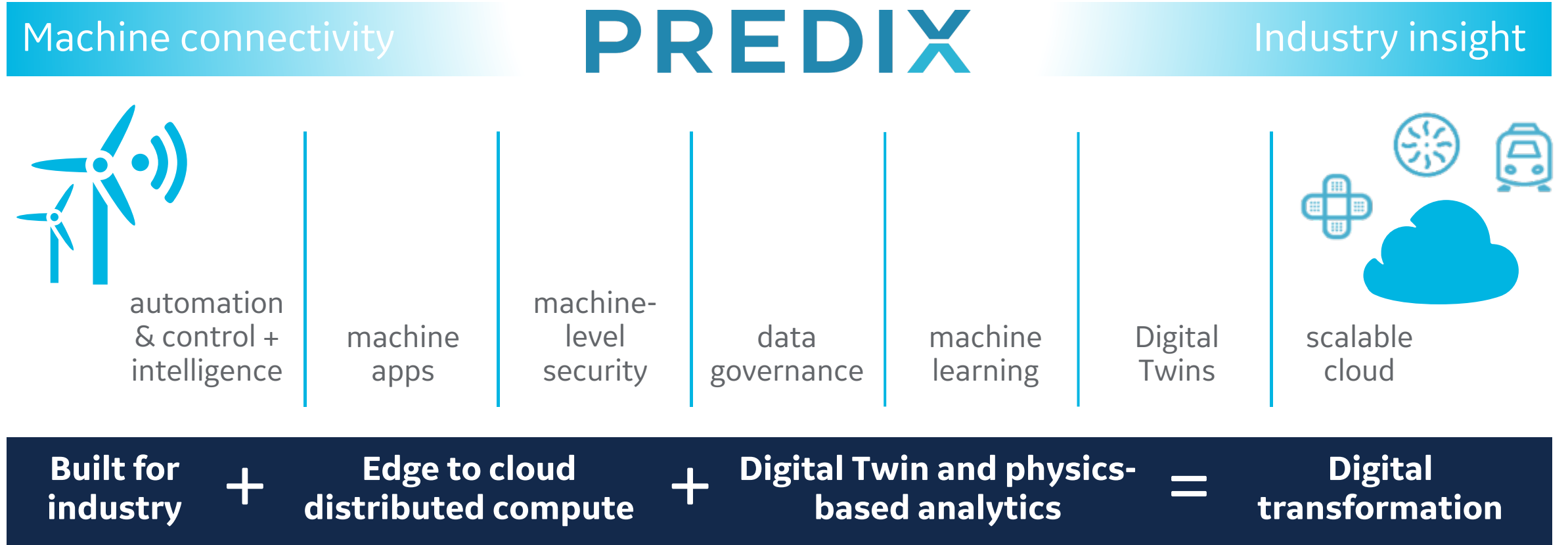
- Parts supplier savings **\$25M**
- FieldVision - **\$200M** outage productivity

- BP – **650+** connected wells; **2-4% higher global operations efficiency**
- Exelon – **33k MW**, enterprise-wide
- Port of LA – digitize maritime shipping
- RasGas **\$2.5M** outage savings

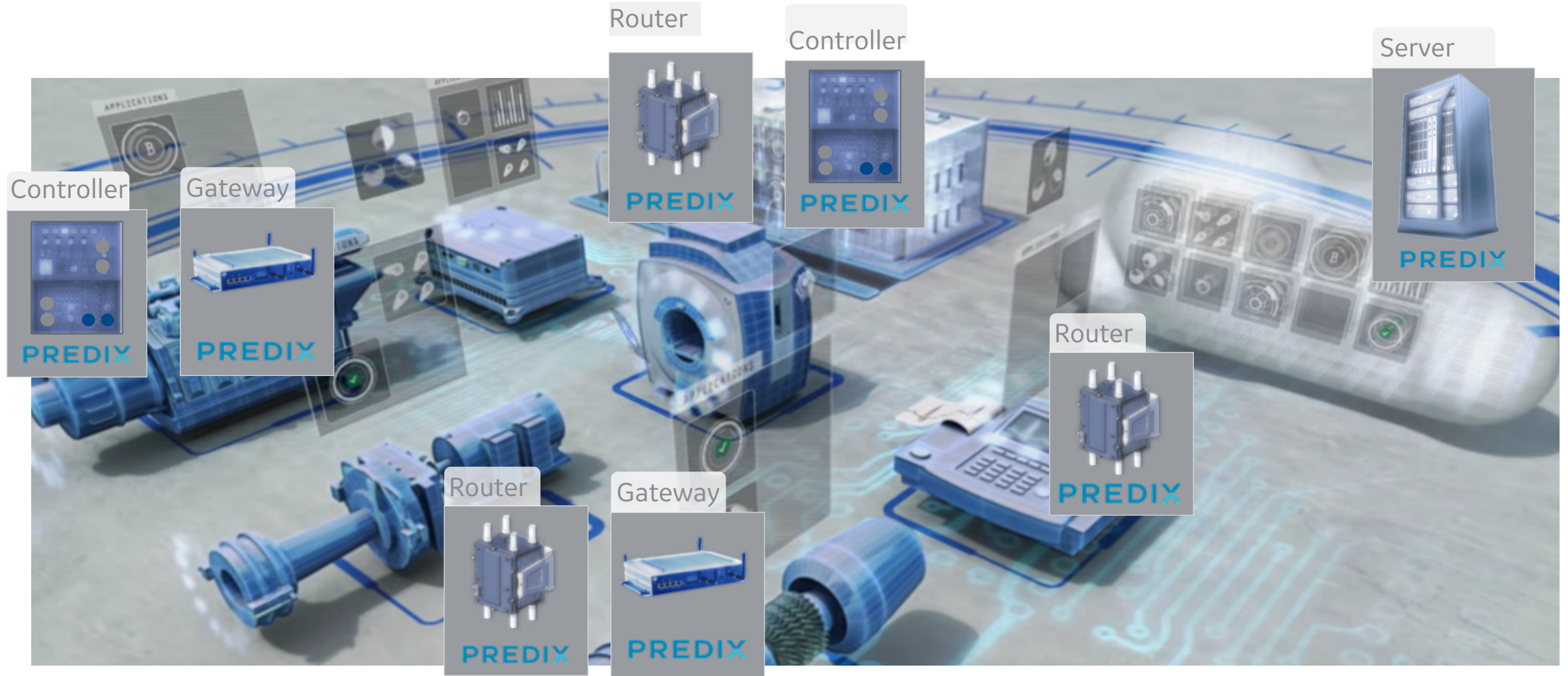
- Schindler – 200M data points collected per day from connected equipment
- Lixil - reduce scheduling time by **66%**
- Gerdau – 11 plants, 600 connected assets



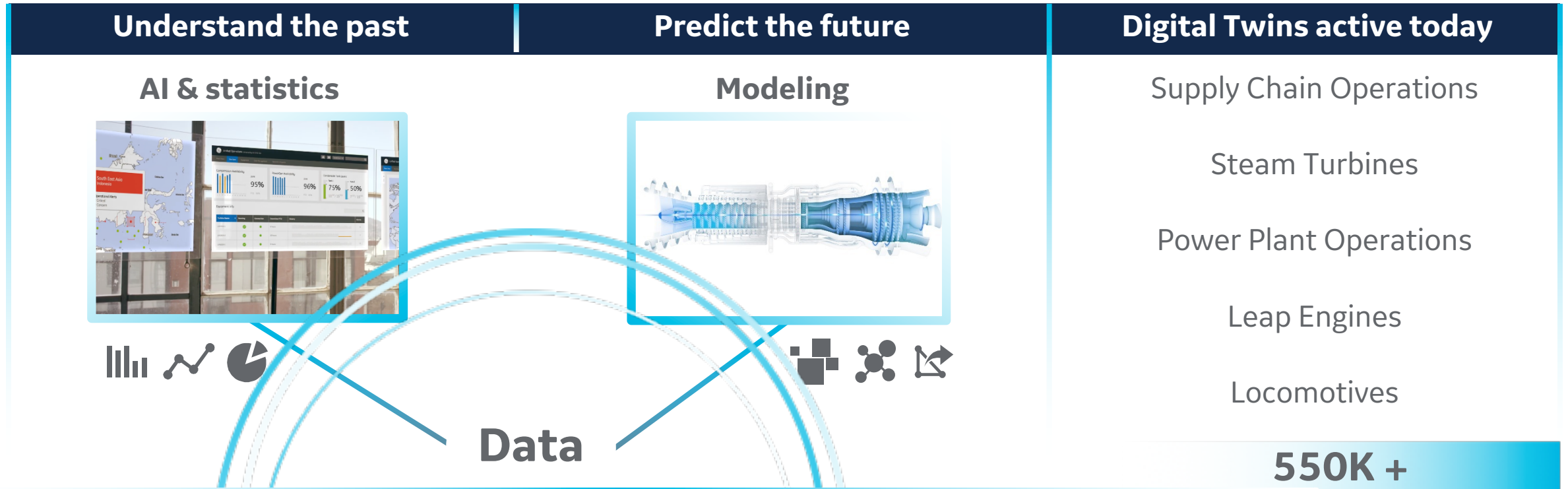
The Predix difference: built from the ground up for industrial computing



Predix System™ Edge to Cloud



Digital Twin is the core of productivity



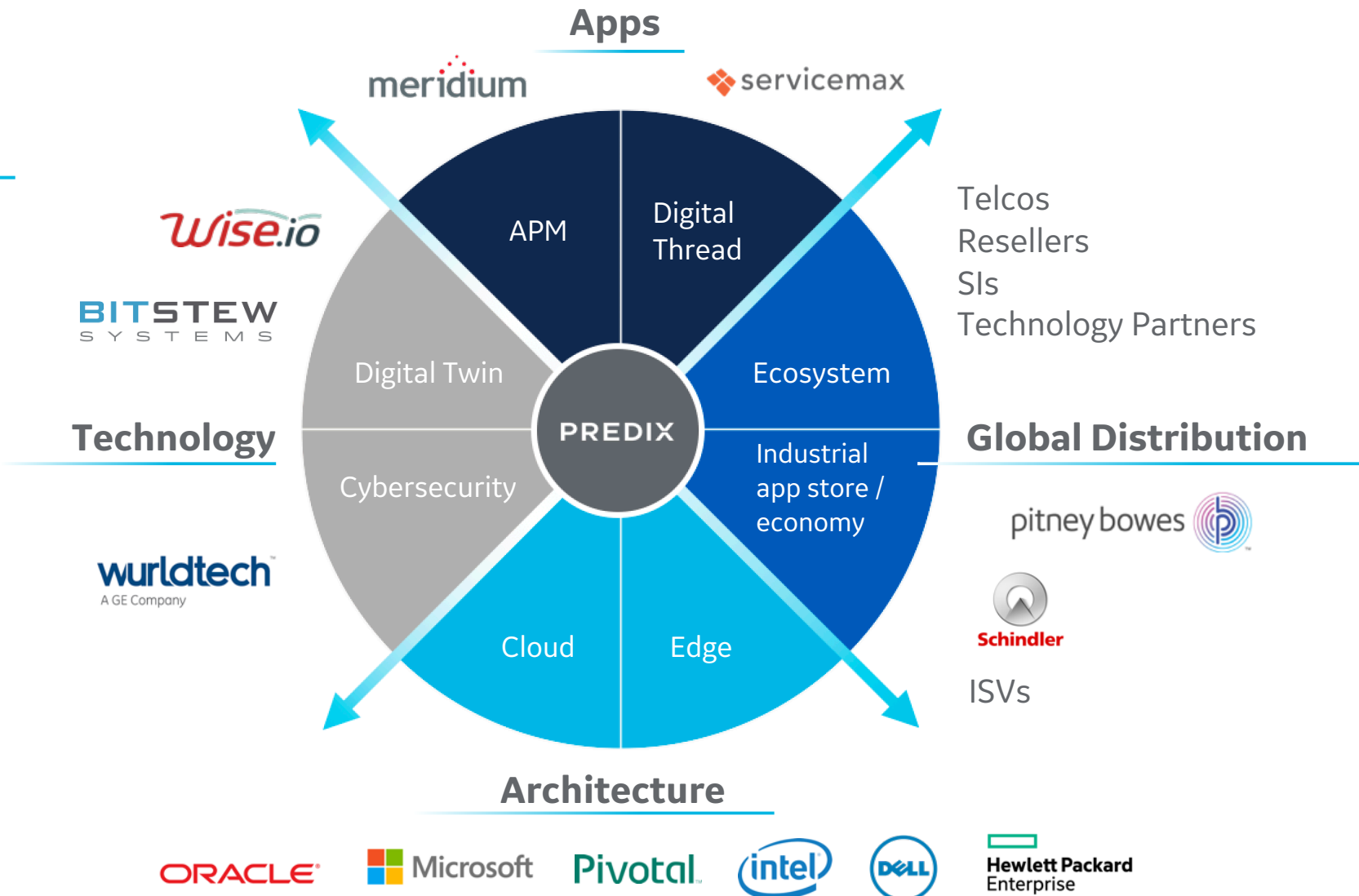
Aviation Digital Twin: driving outcomes for GE

- Improved fidelity, detection rates and repair accuracy
- Resulted in productivity savings of \$125M in 2016



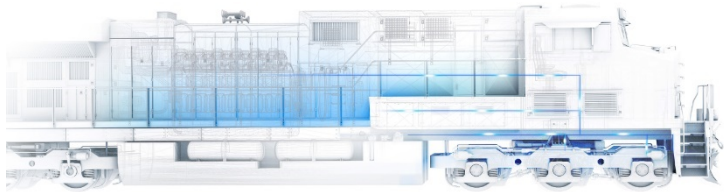
The Predix powered world

- Industry leading applications for asset management & digital field services
- Comprehensive ecosystem to deliver to market
- Agnostic platform; flexibility in architecture & deployment needs
- Technology investments speed time to value



Asset Performance Management

Transportation



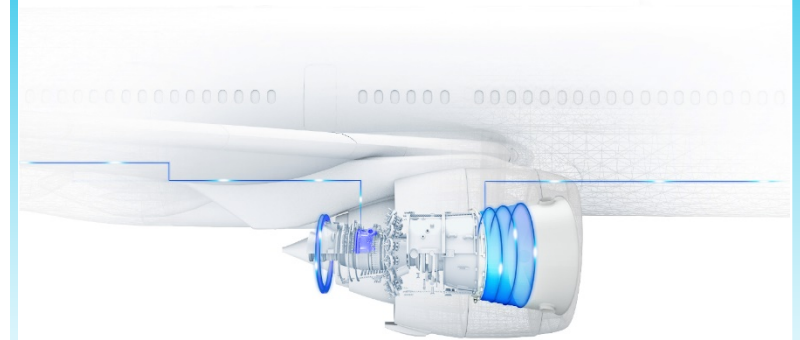
- Maintenance productivity
- Improve asset performance
- Enhance configuration

Renewable power



- Increased availability
- Reduced downtime
- Integrated forecasting & trading

Aviation



- Enhanced prognostics
- Analytics operationalized
- System improvements

**GE + Meridium ... installed base leadership, platform + insights ...
proven software to increase reliability & efficiency of all industrial machines**



APM impact in power & utilities



Machine & Equipment Health



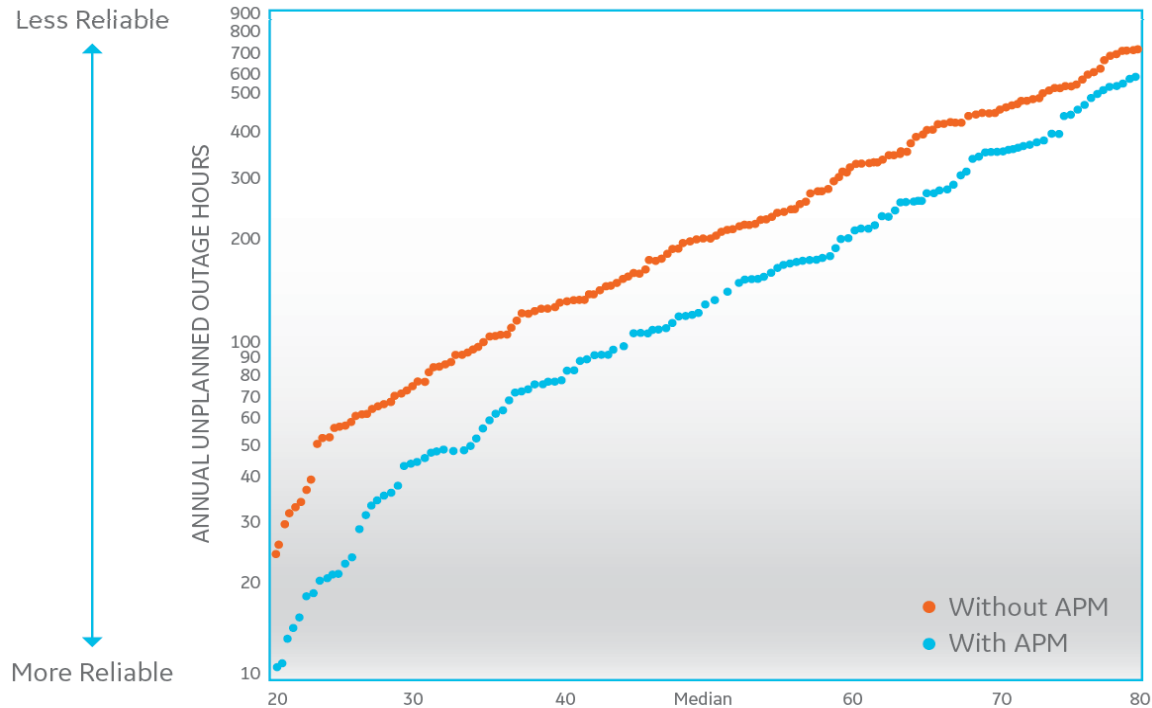
Reliability Management



Asset Strategy Optimization



Compliance & Integrity Management



Plants utilizing APM are more reliable and have fewer annual unplanned outage hours than plants without APM. (Source: 2015 ORAP Data)

- Enterprise level visibility & system of operations
- 92,000 assets under management
- 65% critical failure-mode coverage, increasing every quarter



Enterprise-wide software agreement **16** power plants in New York state **5,600 MW** of coverage **1,400 miles** transmission and distribution



Fleet-wide software agreement **16** power plants **500+ GT** units **40,000 MW** of coverage

"Killer" app for Industrial Internet – \$387B in productivity for electricity



Enterprise APM: Oil & Gas

Customer Challenge

Unplanned facility downtime









APM for Upstream

Excursion & anomaly management

Process surveillance

Equipment monitoring & analysis

System Health 	Incident Management 	Digital Inspections 	Maintenance Optimization 
Visualization 	Collaboration 	Risk Management 	Operations Optimization 
Asset Services 	Analytics Orchestration 	Data Management 	Simulation 
Connectivity 	Edge 	Inspections On-ramp 	System 1 On-ramp 

PREDIX



- BP: 650+ connected wells, contributing 2-4% higher global operations efficiency
- Largest-scale deployment of Predix-powered APM extension to date
- Real-time visibility of global plant operations across multiple regions + assets
- Improved safety, engineering productivity, data visibility & efficient decision making



Industry leader in digital field services



FieldVision
on Predix

- The leader in Field Service Management
- 100% cloud-based
- 400+ customers in 40 countries
- Comprehensive product suite
- 1M+ mobile syncs each day
- Used at 14M locations
- Persona based Predix app
- Captures decades of services domain
- Mobility solution w/ 10K GE users ... 50K @ entitlement
- Seamless & flexible solutions (GE Store)
- Innovation with GRC/GE Ventures

Digital outage execution ... \$100M of productivity in 2016



Workforce



Outage
Planning



Outage
Performance



Smart
Reports

Data



Config
Management

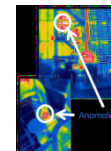


Ask an
Expert



Engineering
Data

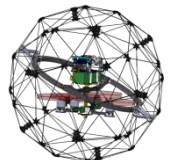
Inspection



Thermal
Imaging

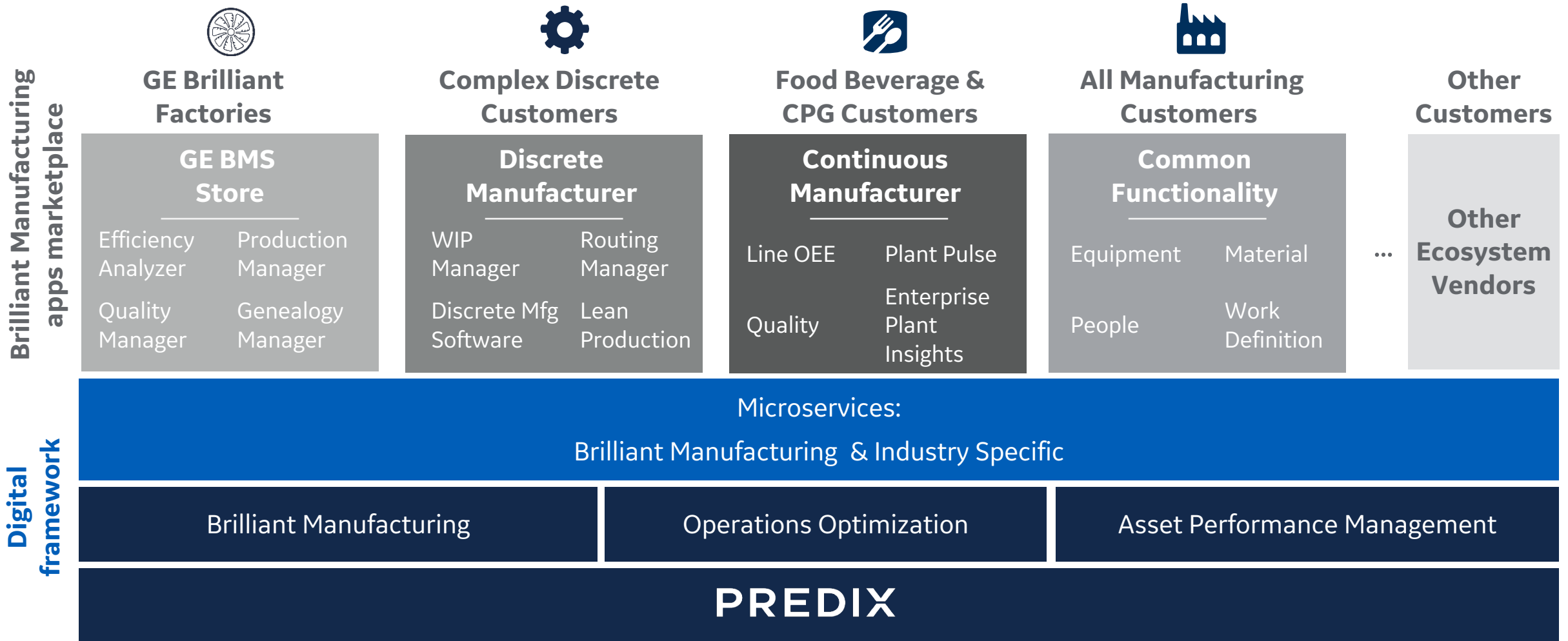


Bluetooth
Gauges



Drones

Brilliant Manufacturing framework powered by Predix



What is the Digital Thread?



Data-Centric Orchestration Layer – “Data DNA”				
1 Applications		 	 	
2 Data Model	Asset based Proposal	Asset based 3D Design	Asset based Build	Asset based Service
3 User Experience	Salespeople	Engineers	Factory Workers	Service Techs
<p>←..... CONNECTED BY THE DIGITAL THREAD→</p> <p>Driving outcomes for customer by optimizing across the lifecycle</p>				

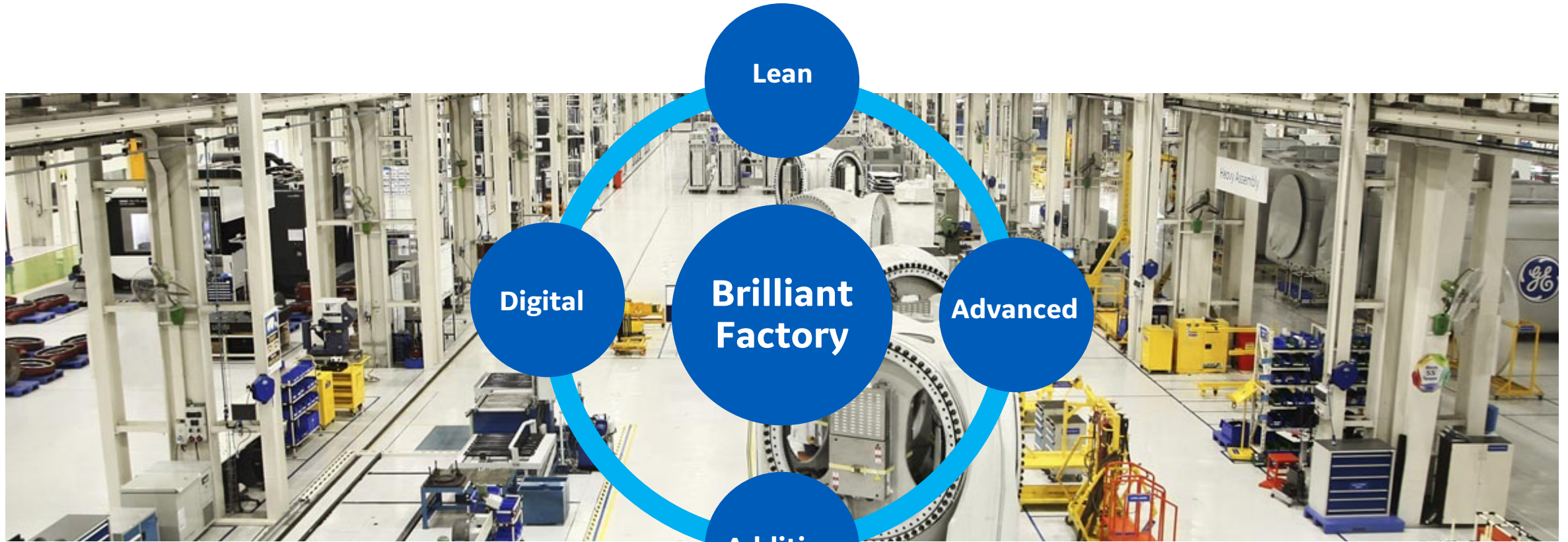
Digital Thread powered by Predix

- 1 Set of Predix based services for seamless interaction w/ enterprise systems for core transactions & OT data
- 2 Asset “life-cycle” centric data model across functional silos
- 3 A set of apps that are optimized for job / function & the end user

\$3B gross productivity by 2020



The rise of the brilliant factory ... the market is ready



1900

Industrial
Revolution

1930

Ford Assembly Line

1980

Toyota Production System

Now

GE Brilliant Factory



Brilliant factories

Oil & Gas: Florence



- ↓50% lead time
- ↓39% inventory
- +0.8 inventory turns

Healthcare: Hino



- ↓32% hrs./CT unit
- ↓42% CT lead time
- +2 inventory turns

Aviation: Muskegon



- +25% on-time delivery
- \$20M cost-out
- +1.1 inventory turns

Transportation: Grove City



- +7% shop efficiency
- 10% → 80% analytics-based repair work
- +2 inventory turns

Renewables: Haiphong



- ↓36% lead time
- +5% productivity
- +2 inventory turns

Multi-modal: Pune



- +18% equipment effectiveness
- 40% cost improvement
- +3 inventory turns

Digital solutions built on foundation of lean productivity



The GE ecosystem: 400+ partners signed in 2016

Independent Software Vendors (ISVs)

- Revenue & renewal
- Customer time to value
- Force multiplier

Strategic Systems Integrators

- Influence & relationships
- Deep industry expertise
- Global scale

Software Representatives/Reseller

- Customer influence & relationships
- Go-to-market 3-tier approach
- Channel evolution

Technology Partners

- Joint research & development
- Joint go-to-market
- Deep industry expertise



Create Market and Shared Revenue



Mindshare, Pipeline, Orders, Customer Stories



Accelerate Mid to Low Markets



Accelerate Product Roadmap, Source, Influence

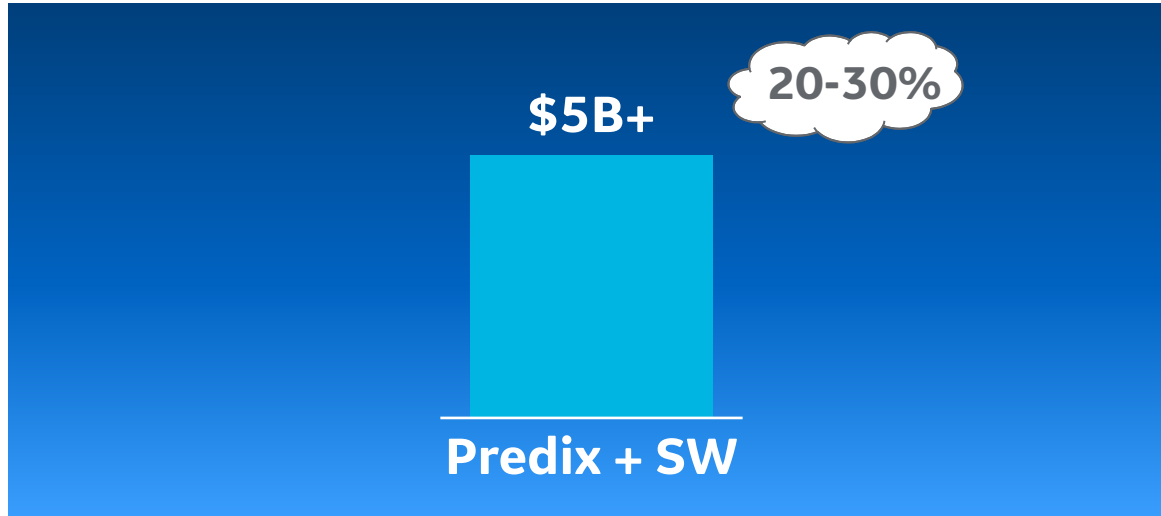


Multiple revenue streams



Digital Industrial leader

2017 orders




Metrics on the rise

	'16	'17E
Developers	22K+	35K+
Reference customers	50	++
Predix-powered orders	~\$400M	~\$1B
Productivity	~\$730M	\$700M+


- GE uniquely positioned: heavy investment since 2011
- \$237B+ service backlog
- Purpose built industrial solutions
- Scale
- Deep domain expertise
- Understanding of material science & physics
- Only technology provider who can offer a complete platform, from connected edge devices to the cloud



Real results and outcomes

 **650+**
APM connected wells

\$25M
Parts supplier savings

 **FieldVision**
\$200M
reduced unplanned downtime

 Move
1B+
people / day

LIXIL
Reduce scheduling time by
66%

100+
Apps
22k+
Developers on Predix

 **DELTA**
1,800+
engine fleet monitored with GE APM solutions


400+
Partners

 **GERDAU**
11 plants,
600 connected assets,

~4,000
SI partners trained

 Connect
1M
elevators and escalators by 2020

~\$730M
'16 internal productivity

 **\$2.5M**
in outage savings

\$3.6B
TY16 revenue

 **digitize**
maritime shipping

