

GE 2015 fourth quarter performance

Financial results & Company highlights
January 22, 2016



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.

NON-GAAP FINANCIAL MEASURES:

In this document, we sometimes use information derived from consolidated financial data but not presented in our financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP). Certain of these data are considered "non-GAAP financial measures" under the U.S. Securities and Exchange Commission rules. These non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. The reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures are posted to the investor relations section of our website at www.ge.com. We use non-GAAP financial measures including the following.

- Operating earnings and EPS, which is earnings from continuing operations excluding non-service-related pension costs of our principal pension plans.
- GE Industrial operating & Verticals earnings and EPS, which is operating earnings of our industrial businesses and the GE Capital businesses that we expect to retain.
- GE Industrial & Verticals revenues, which is revenue of our industrial businesses and the GE Capital businesses that we expect to retain.
- Industrial segment organic revenue, which is the sum of revenue from all of our industrial segments less the effects of acquisitions/dispositions and currency exchange.
- Industrial segment organic operating profit, which is the sum of segment profit from all of our industrial segments less the effects of acquisitions/dispositions and currency exchange.
- Industrial cash flows from operating activities (Industrial CFOA), which is GE's cash flow from operating activities excluding dividends received from GE Capital.
- Capital ending net investment (ENI), excluding liquidity, which is a measure we use to measure the size of our Capital segment.
- GE Capital Tier 1 Common ratio estimate is a ratio of equity to total risk-weighted assets.

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. Our financial services segment previously referred to as GE Capital is now referred to as 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.

4Q'15 overview

Environment

- ✓ Slow growth and volatile environment
- ✓ FX EPS headwind of \$(.05) in 2015
- ✓ Capital exits ahead of plan ... \$157B signed, \$104B closed in 2015

GE executing well:

- ✓ Industrial + Verticals^{-a)} operating EPS \$.52, +27% ... Industrial +27%
- ✓ Industrial segment OP margins^{-b)} +50 bps. with gross margins^{-b)} +110 bps.
- ✓ Total Industrial op profit margins ex. Alstom^{-c)} 18.3%, +80 bps.
- ✓ Total year CFOA \$16.4B, +8%

<u>Industrial</u>	<u>Reported</u>	<u>Organic</u>
Orders	3%	1%
Segment revenue	(1)%	(1)%
Segment op profit	(8)%	(1)%
Total Industrial profit ^{-c)}	(6)%	3%

Execution versus goals

2015 Goals

Grow Industrial segments
Organic growth (2-5%)
Margin expansion

TY '15

1%

3%

80 bps.

+7%
organic

Verticals^{-a)} EPS ~\$.15

\$.17

Capital cash to parent

\$4.3B dividend

Disciplined/balanced capital allocation

CFOA \$14-16B^{-d)}

\$16.5B

FCF + disp. \$12-15B

\$15.2B

Cash to investors \$10-30B^{-e)}

\$33B

Portfolio actions \$157B Capital deals signed
Synchrony split-off complete
Alstom closed; EPS impact \$0
Appliances signed



(a- Verticals include businesses expected to be retained including allocated corporate costs

(b- Excluding Alstom

(c- Excluding gains and restructuring

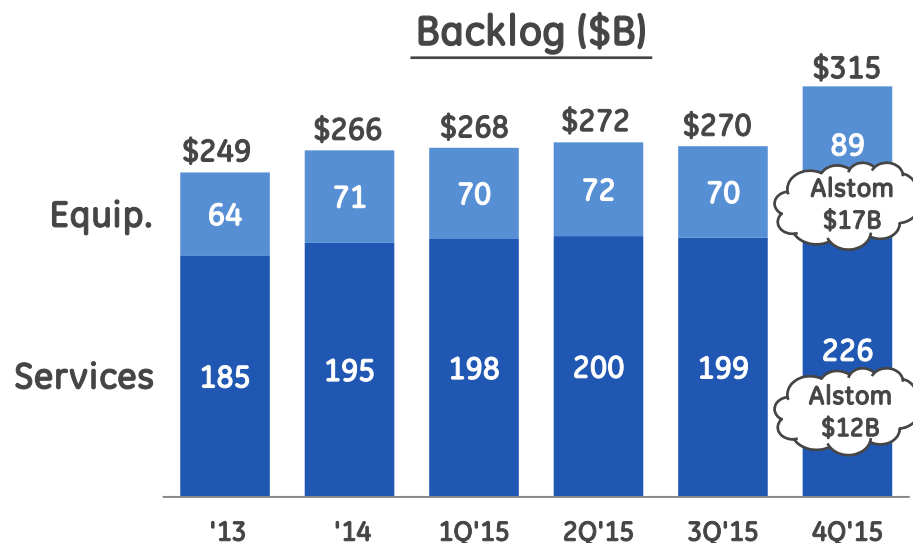
(d- CFOA excludes deal taxes related to the Signaling disposition

(e- Includes Synchrony exchange

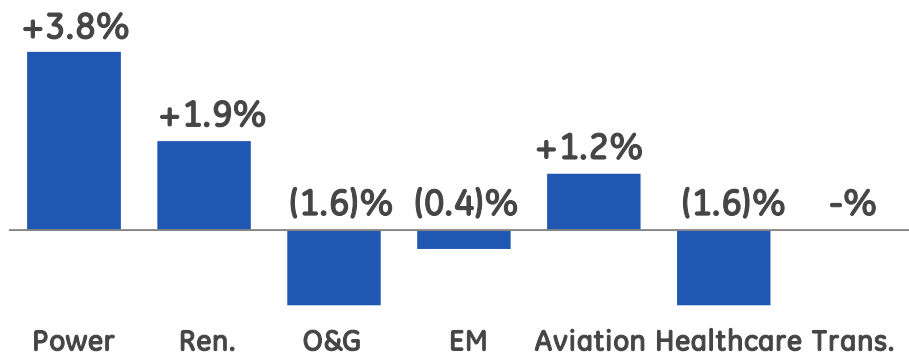
4Q'15 orders \$32.5B, 3% ... 1% organic

(\$ in billions)

	Equipment		Services	
	\$	V%	\$	V%
Power	\$5.0	58%	\$4.6	25%
Ren. Energy	2.3	(1)	0.2	40
Oil & Gas	1.2	(52)	2.1	(17)
Energy Mgmt.	2.0	20	0.6	2
Aviation	2.8	(36)	4.0	9
Healthcare	3.2	(5)	2.0	(2)
Transportation	2.6	F	0.6	(12)
Total	\$18.7	2%	\$13.8	5%
Organic		(1)%		3%



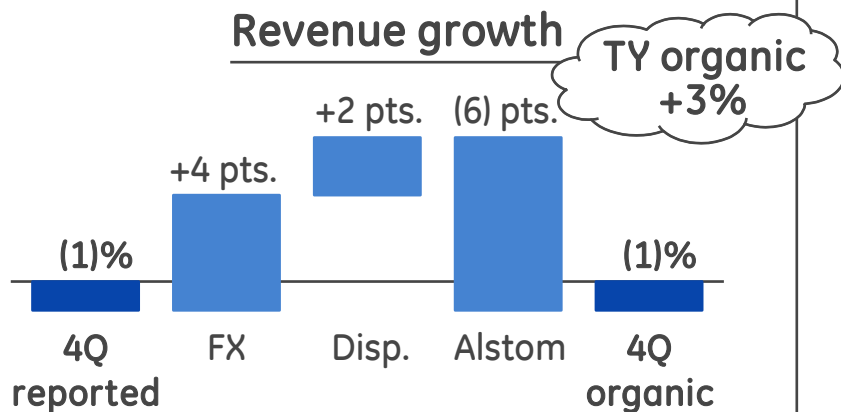
Orders price ex. Alstom +0.9%



- ✓ Equipment orders +2%, (1)% organically ... strength in Gas Power Systems and Transportation with India rail order offsetting O&G market & Aviation comps
- ✓ Service orders +5%, +3% organically ... Aviation spares rate +10%, Power Services +13% ex. Alstom
- ✓ Record backlog \$315B ... core +\$17B VPQ, Alstom \$29B
- ✓ Alstom orders \$2.6B: Power \$1B, Renewable Energy \$0.5B, Grid \$1.1B
- ✓ Regional dynamics excluding Alstom ... growth markets +7%, Europe (9)%, U.S. (16)%
- ✓ Power OPI +3.8% driven by HA gas turbine



Industrial segment execution

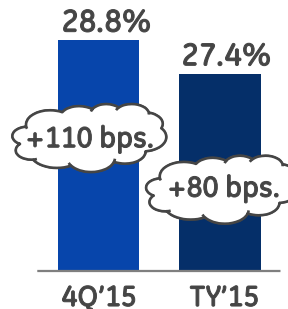


Organic revenue dynamics

	2015	Backlog V%- ^{a)}	2016E
Power	4%	5%	+
Renewables	7%	27%	+ / ++
Oil & Gas	(5)%	(9)%	(10)-(15)%
Energy Mgmt.	4%	-%	+
Aviation	3%	13%	+
Healthcare	2%	4%	+
Transportation	7%	6%	-
A&L	6%		+
Ind. segments	3%	7%	2-4%
- Services	5%		+
- Digital	20%		++

Segment gross margins

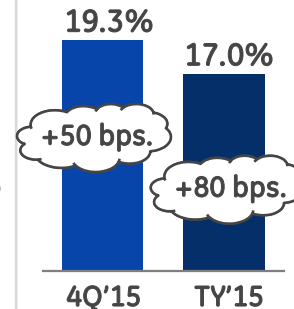
(ex. Alstom)



Total w/
Alstom 27.7% 27.1%

Segment OP margins

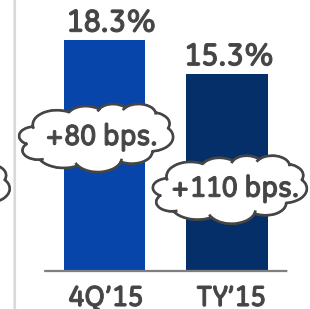
(ex. Alstom)



17.6% 16.5%

Industrial^{-b)} OP margins

(ex. Alstom)



16.6% 14.8%

Segment drivers

	4Q	TY
Mix	0.4 pts	0.1 pts
Value gap (price/inflation)	0.6	0.4
Cost productivity	<u>0.1</u>	<u>0.3</u>
Gross Margins ^{-c)}	+1.1 pts.	0.8 pts.
Simplification (SG&A)	-	0.3
Base inflation/other	<u>(0.6)</u>	<u>(0.3)</u>
Op Profit Margins ^{-c)}	+0.5 pts.	0.8 pts.
Alstom	<u>(1.7)</u>	<u>(0.5)</u>
Op Profit Margins	(1.2) pts.	0.3 pts.
TY services margins +40 bps, equipment +20 bps. ^{-c)}		



(a) - Power & Renewables adjusted for Alstom; Energy Mgmt. adjusted for Alstom (including Digital Energy) and dispositions

(b) - Industrial includes Corporate, excluding gains and restructuring

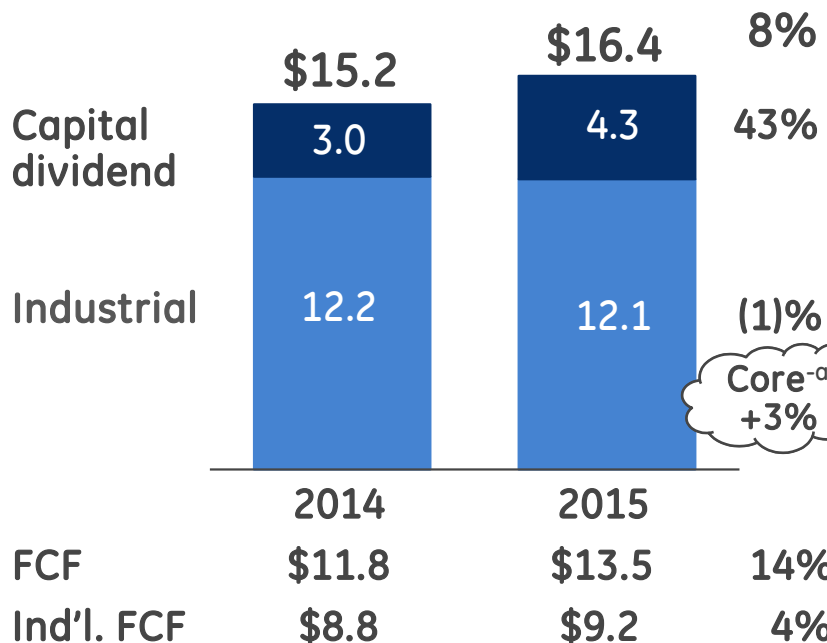
(c) - Excluding Alstom

Generating cash

(\$ in billions)

4Q YTD CFOA

V%



- ✓ TY Industrial cash flow ex. Alstom & deal taxes \$12.6B, +3%
- ✓ TY core Industrial FCF conversion 85%^(a)
- ✓ 4Q Capital dividend \$3.9B ... TY \$4.3B

GE cash balance walk

	Total
Beginning balance 1/1/15	\$15.9
CFOA	16.4
Dividends	(9.3)
Net P&E	(2.8)
Acquisitions	(10.4)
Dispositions	1.7
Buyback	(3.3)
Debt issuance/repayment	1.4
Other	0.8
December 2015	\$10.4

\$33B cash returned to investors including \$20B Synchrony exchange



(a- Core industrial excludes Alstom and Signaling deal taxes

4Q'15 consolidated results

(\$ in billions – except EPS)

(\$ in millions)

	4Q'15	V%		Revenues		Op profit		
				\$	V%	\$	V%	ex. Alstom
Revenues	\$33.9	1%						
– Industrial	31.3	3	Power	\$7,085	3%	\$1,628	(10)%	(5)%
– Verticals ^{-a)}	2.5	(14)	Renewable Energy	1,938	(16)	56	(79)	(54)%
– Other Capital ^{-b)}	0.1	F	Oil & Gas	4,355	(16)	715	(19)	
Industrial + Verticals EPS	.52	27	Energy Mgmt.	2,375	20	33	(71)	4%
Operating EPS	.31	(21)	Aviation	6,734	5	1,571	12	
Continuing EPS	.26	(26)	Healthcare	4,973	(3)	938	(8)	
Net EPS	.64	25	Transportation	1,612	2	339	8	
CFOA YTD	16.4	8	Appliances & Lighting	2,282	(1)	241	28	
– Industrial CFOA	12.1	(1)	Industrial Segments	31,352	(1)/(1)	5,522	(8)/(1)	(4)%
	4Q'15	4Q'14	Corporate ^{ex. gains/restructuring}	(1,043)	18	(417)	25	
Consolidated tax rate	(39)%	5%	Industrial ^{ex. gain/restructuring}	\$30,309	(1)%	\$5,105	(6)/3%	
– GE (ex. GE Capital)	5	13						
– GE Capital	39	F						

GE TY
14%

Industrial + Verticals EPS	4Q'15	V%
Industrial operating	\$.47	27%
Capital Verticals ^{-a)}	.04	0%
	\$.52	27%

Alstom
EPS \$0



(a)- Verticals include businesses expected to be retained including allocated corporate costs

(b)- Other Capital includes HQ run-off & exit-related items

Note: Individual amounts are rounded. As a result, the sum of the parts presented may not add to the total.

Alstom segment impact

(\$ in millions)

	Reported op profit	Alstom impact	Op profit ex. Alstom	V% ex. Alstom	Organic V%
Power	\$1,628	\$(80)	\$1,708	(5)%	(6)%
Renewable Energy	56	(69)	125	(54)%	(49)%
Energy Management	33	(85) ^(a)	118	4%	17%
Industrial Segments	\$5,522	\$(234)	\$5,756	(4)%	(1)%
Corporate restructuring & other items		(160)			
Industrial		\$(394)			

Alstom financial summary:

- Orders \$2,557 ... Power \$1,030, Renewable Energy \$469, Grid \$1,058
- Revenue \$1,956 ... Power \$917, Renewable Energy \$87, Grid \$952
- EPS impact \$0 ... \$(234) op profit impact on the segments + \$(160) at Corporate offset by integration tax benefits

Alstom on track for ~\$.05 EPS in 2016



(a- Represents the impact of the formation of the Grid joint venture

Earnings dynamics

(after tax, \$ in millions – except EPS)

<u>Earnings walk</u>	<u>4Q'15 net income</u>	<u>4Q'15 EPS</u>	<u>EPS V%</u>
Industrial operating	\$4,629	\$0.47	27%
Verticals ^{-a)}	<u>438</u>	<u>0.04</u>	0%
Industrial + Verticals earnings	\$5,067	\$0.52	27%
Other Capital ^{-b)}	<u>(2,053)</u>	<u>(0.21)</u>	U
Operating earnings	\$3,014	\$0.31	(21)%
Non-operating pension	<u>(447)</u>	<u>(0.05)</u>	(67)%
Continuing earnings	\$2,567	\$0.26	(26)%
Discontinued operations	<u>3,716</u>	<u>0.38</u>	F
Net earnings	\$6,283	\$0.64	25%

Industrial + Verticals EPS \$0.52, +27% ... strong Industrial growth, +27%



(a)- Verticals include businesses expected to be retained including allocated corporate costs

(b)- Other Capital includes HQ run-off & exit-related items

Note: Individual amounts are rounded. As a result, the sum of the parts presented may not add to the total.

4Q'15 Industrial other items

	<u>EPS</u>	
Restructuring & other items	\$(.04)	✓ \$(567)MM pre-tax, \$(397)MM after-tax at Corporate, including Alstom deal costs & purchase accounting items of \$(160)MM pre-tax
Gains	\$.08	✓ \$998MM pre-tax, \$839MM after-tax at Corporate related to the Signaling, Embedded Controls, and Clariant dispositions and Appliances break-up fee

<u>Summary</u>	<u>3Q YTD</u>	<u>4Q</u>	<u>2015</u>	<u>2016E</u>
Restructuring & other items	\$(.08)	\$(.04)	\$(.12)	~\$(.25)
Gains & settlements	<u>\$.03</u>	<u>\$.08</u>	<u>\$.11</u>	<u>~\$.25</u>
Total	\$(.05)	\$.04	\$(.01)	~\$-

2016 focus on Alstom, O&G, and product/service costs ... ~60% of spend in 1H



Industrial segments

(\$ in millions)

Power

<u>4Q'15</u>	<u>\$</u>	<u>V%</u>	<u>V%</u> ex. Alstom
Revenues	\$7,085	3%	(10)%
Segment profit	\$1,628	(10)%	(5)%
Op profit %	23.0%	(3.3) pts.	1.4 pts.

4Q dynamics

- \$9.6B orders, +40% ... core equipment +46% driven by GPS +60% with 55 GTs including 12 HA units; core services +8%
- Revenue ... core equipment (25)% driven by GPS (22)% on 16 less GT shipments, DP (36)%; services +1% driven by Power Services +8%
- Op profit margins ... core +1.4 pts. driven by positive value gap and mix

Renewable Energy

<u>4Q'15</u>	<u>\$</u>	<u>V%</u>	<u>V%</u> ex. Alstom
Revenues	\$1,938	(16)%	(20)%
Segment profit	\$56	(79)%	(54)%
Op profit %	2.9%	(8.7) pts.	(4.8) pts.

4Q dynamics

- \$2.5B orders, +1% ... core (18)% and (10)% ex. FX on lower wind orders due to higher 4Q'14 U.S. PTC volume
- Revenue ... core (20)% driven by foreign exchange and lower U.S. wind turbine shipments
- Op profit margins ... core (4.8) pts. driven by new product launch costs

Strong execution in Power; Renewables impacted by new product transition



Industrial segments

(\$ in millions)

Aviation

<u>4Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$6,734	5%
Segment profit	\$1,571	12%
Op profit %	23.3%	1.6 pts.

4Q dynamics

- \$6.8B orders, (16)% ... equipment (36)% on fewer commercial engines; services +9% with spares +10% ... \$151B backlog, +13% VPY
- Revenue ... equipment (6)% on lower volume with Commercial (5)% and Military (1)%; services +18%
- Segment profit +12% on strong volume and positive value gap ... margins +160 bps.

Strong execution

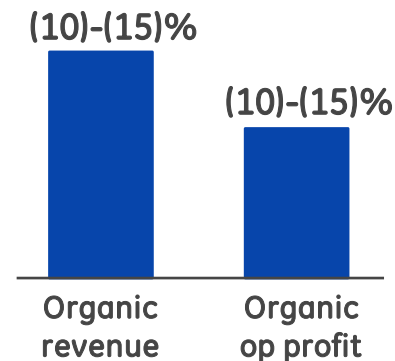


Oil & Gas

<u>4Q'15</u>	<u>\$</u>	<u>V%</u>	<u>V%</u> Organic
Revenues	\$4,355	(16)%	(6)%
Segment profit	\$715	(19)%	(7)%
Op profit %	16.4%	(0.7) pts.	(0.1) pts.

TY
+1%

2016 dynamics



- Revenue likely at low end of range
- 2016 base plan includes ~\$400MM of cost out
- Targeting additional \$400MM of cost out to offset volume & price pressure

More cost out in tough environment

Industrial segments

(\$ in millions)

Healthcare

<u>4Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$4,973	(3)%
Segment profit	\$938	(8)%
Op profit %	18.9%	(1.0) pts.

4Q dynamics

- \$5.2B orders, (4)%, +1% organically ... emerging markets (8)%, U.S. (1)%, Europe (8)%, +4% ex. FX, China (6)% and (3)% ex. FX
- Revenue (3)%, +3% ex. FX with HCS +3% ex. FX & Life Sciences +6% ex. FX ... emerging markets +1% and developed +3% ex. FX
- Segment profit (4)% organic driven by higher investment in new platforms

Transportation

<u>4Q'15</u>	<u>\$</u>	<u>V%</u>	<u>V%</u> Organic
Revenues	\$1,612	2%	11%
Segment profit	\$339	8%	18%
Op profit %	21.0%	1.0 pts.	1.2 pts.

4Q dynamics

- \$3.2B orders, +66% driven by equipment +113% with \$2.2B Indian Railways order; Mining (40)%
- Revenue +2% with equipment +17%, Mining (6)%; services (16)% driven by Signaling
- Margins +8% driven by higher locomotive volume, strong value gap and cost out

- ✓ Healthcare ... positioning portfolio for stronger 2016
- ✓ Transportation ... strong Tier 4 execution



Industrial segments

(\$ in millions)

Energy Management

<u>4Q'15</u>	<u>\$</u>	<u>V%</u>	<u>V%</u> Organic
Revenues	\$2,375	20%	-%
Segment profit	\$33	(71)%	17%
Op profit %	1.4%	(4.3) pts.	0.5 pts.

4Q dynamics

- \$2.6B orders, +15% ... Alstom \$1.1B; Power Conversion (17)%, (11)% organic and Industrial Solutions (17)%, (11)% organic
- Revenue +20%, flat organically with Power Conversion +9%, Industrial Solutions (4)%
- Segment profit +4% excluding the impact of Alstom and +17% organically

Appliances & Lighting

<u>4Q'15</u>	<u>\$</u>	<u>V%</u>
Revenues	\$2,282	(1)%
Segment profit	\$241	28%
Op profit %	10.6%	2.5 pts.

4Q dynamics

- Appliances revenue flat ... industry strength and favorable product mix offset by price
- Lighting revenue (5)%, flat organically with LED +28% and traditional (17)% ... LED 37% of total revenues
- Segment profit +28% driven by strong deflation & cost productivity; margins +2.5 pts

- ✓ Energy Management ... Alstom integration underway
- ✓ Appliances deal signed ... targeting mid-year close



GE Capital

(\$ in millions)

4Q'15 performance

	<u>Earnings</u>
Verticals^{-a)}	\$438
Run-off/HQ	<u>(2,053)</u>
Continuing Operations	(1,615)
Earnings from disc. ops.	<u>3,722</u>
Total GE Capital	<u>\$2,107</u>

- \$82B of ENI ex. liq. ... \$167 incl. disc. ops.
- \$91B of liquidity^{-b)} ... CP down to \$5B
- Basel 3 T1C^{-c)} at 14.5%, up 80 bps. VPQ after \$3.9B dividend in the quarter ... \$4.3 in '15

GE Capital update

- ✓ Verticals ... delivered \$1.7B for 2015 ... supporting GE Store with pull-through financing
- ✓ Run-off/HQ includes excess interest expense, restructuring, HQ operations and \$0.8B impairment of a non-strategic power plant
- ✓ Synchrony split complete ... \$3.4B GoS & 671MM GE shares retired; Consumer now in disc. ops.
- ✓ \$157B signings & \$104B closing in '15 ... will be largely done by end of '16, a year ahead of plan
- ✓ Returned \$25B of capital in 2015, targeting ~\$18B in 2016 and ~\$13B in 2017/2018^{-d)}
- ✓ Plan to apply for SIFI de-designation in 1Q
- ✓ Total assets down \$186B ... \$317B at 4Q'15

Capital transformation well underway ... carrying strong momentum into 2016



(a- Verticals include businesses expected to be retained including allocated corporate costs

(b- Liquidity includes cash & equivalents (including discontinued operations and held for sale balances) and high quality interest bearing deposits

(c- Basel 3 Tier 1 Common ratio estimated based on U.S. standardized transitional basis

(d- Subject to regulatory approval

Note: Individual amounts are rounded. As a result, the sum of the parts presented may not add to the total.

2016 operating framework

- | | | |
|------------------------------------|---------------------------------|--|
| 1 Operating EPS ^{-a)} | \$1.45-1.55 | <ul style="list-style-type: none">• Organic growth of 2-4%• Core margin expansion• Corporate @ \$2.0-2.2B• Alstom ~\$.05; Appliances gain ~\$.20^{-c)}• Restructuring = gains• FX impact ~\$(.02) at today's rates• High-teens Industrial tax rate |
| 2 Free cash flow
+ dispositions | \$28-31B
\$29-32B | <ul style="list-style-type: none">• CFOA of \$30-32B^{-b)}; ~\$18B Capital dividend^{-c)} \$3-4B^{-b)}• Dispositions of \$2-3B^{-b)}• Net P&E of ~\$4B |
| 3 Cash returned
to investors | ~\$26B | <ul style="list-style-type: none">• Dividend of ~\$8B• Buyback of ~\$18B |



(a- Industrial + Verticals

(b- Deal taxes are excluded from CFOA and included in dispositions

(c- Subject to regulatory approval

