

# Global Growth

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## 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 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: current economic and financial conditions, including interest and exchange rate volatility, commodity and equity prices and the value of financial assets; the impact of conditions in the financial and credit markets on the availability and cost of General Electric Capital Corporation's (GECC) funding, GECC's exposure to counterparties and our ability to reduce GECC's asset levels as planned; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; pending and future mortgage securitization claims and litigation 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; adverse market conditions, timing of and ability to obtain required bank regulatory approvals, or other factors relating to us or Synchrony Financial that could prevent us from completing the Synchrony split-off as planned; 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 announced transactions, such as the proposed transactions and alliances with Alstom, and our ability to realize anticipated earnings and savings; our success in integrating acquired businesses and operating 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, 2013. These 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 may also contain 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](http://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](http://www.ge.com/investor) and our corporate blog at [www.gereports.com](http://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.**

# A lot going on in the world

## Opportunities

- + Demand for infrastructure remains intact
- + Customers need better solutions from companies that can deliver ... “cost/unit”
- + Companies that can “add value” locally will win more; “jobs” = real global currency
- + Plenty of capital ... not always where the projects are

## Environment

- Geopolitical uncertainty abounds (not “systemic”)
- Governments count more than ever
- Economic nationalism
- Project development capacity counts more than ever
- Complicated decision making processes
- Oil price & currency volatility

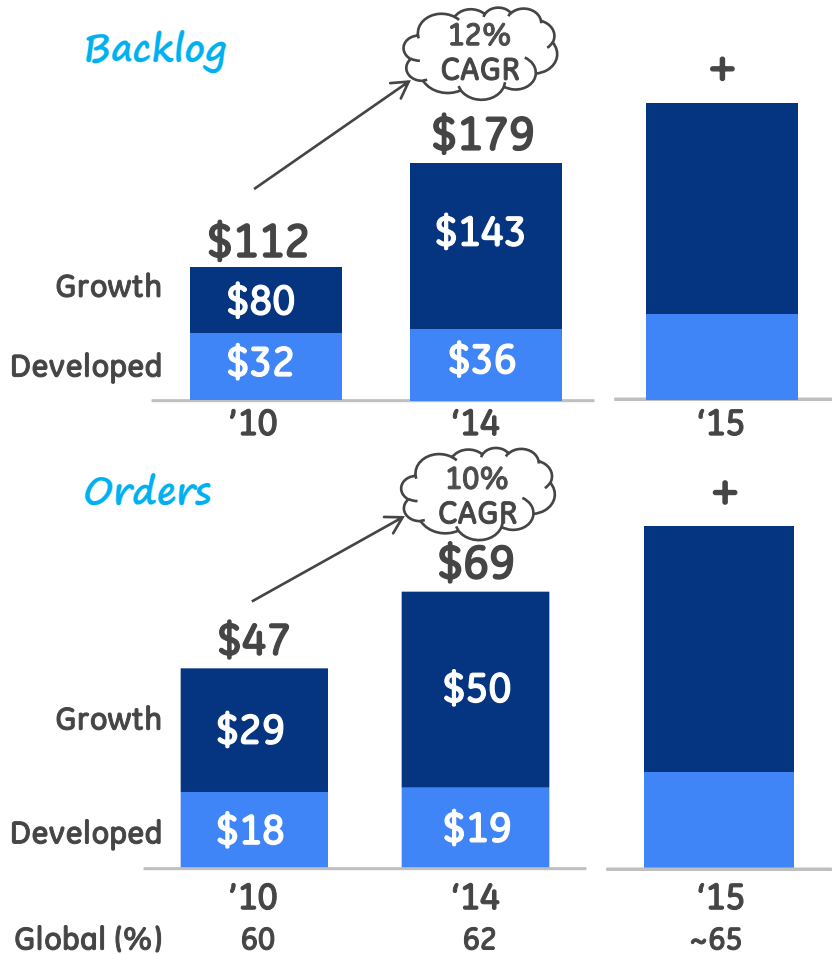
Big & complicated ... but plenty of opportunities for growth



# Imperatives for driving growth

(\$ in billions)

## Global view



## Imperatives

- Leveraging the “GE store”
- Acceleration in Growth Markets ... long term commitment
- Implementation of localization strategies
- Big growth themes ... investing to win
- Expansion in new markets
- Building partnerships & providing financing solutions



# The GE store

**Aviation**

- ✓ Advanced materials
- ✓ Manufacturing leader
- ✓ Engineering first mover

**Power & Water**

- ✓ Global service footprint
- ✓ Manufacturing leader
- ✓ Combustion science

**Healthcare**

- ✓ Global first mover
- ✓ Imaging/sensors
- ✓ Software scale

**Oil & Gas**

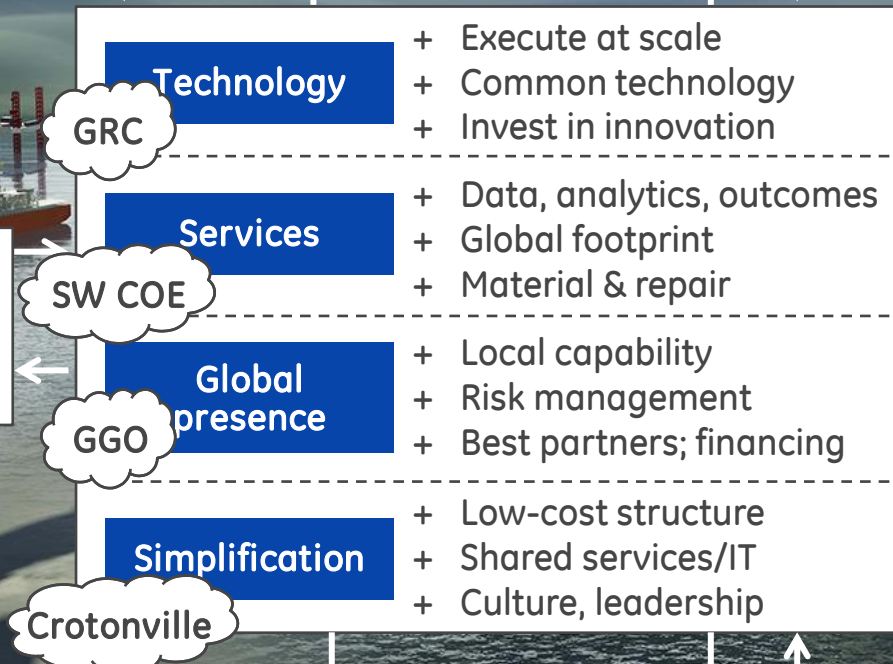
- ✓ Global first mover
- ✓ Service technology
- ✓ Localization offset

**Transportation**

- ✓ Localization offset
- ✓ Engine science
- ✓ Controls/enabling

**Energy Management**

- ✓ Control COE
- ✓ Electrical BOP
- ✓ Industrial differentiation

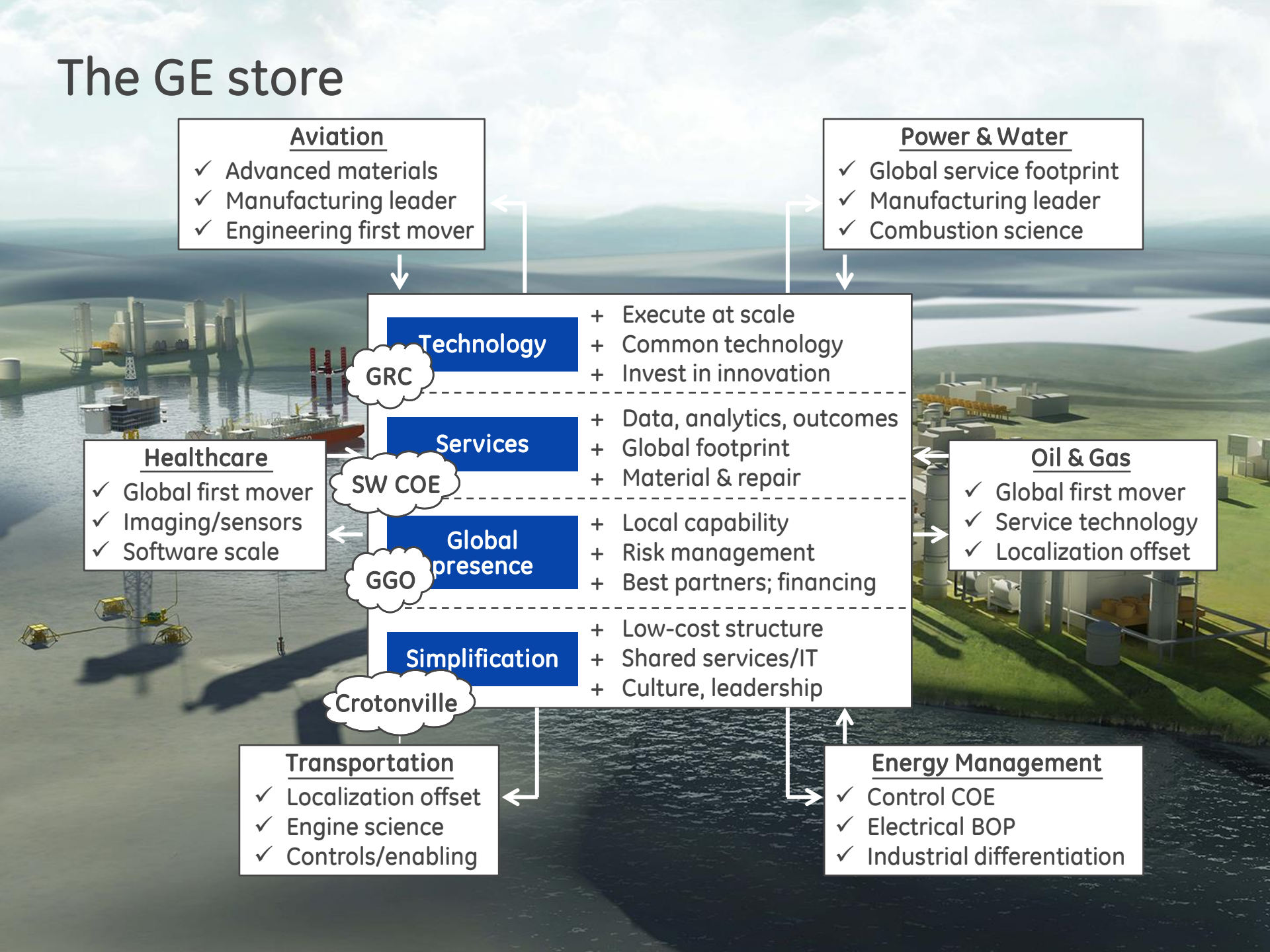


GRC

SW COE

GGO

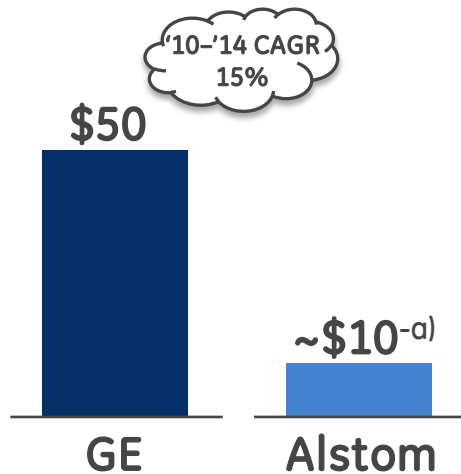
Crotonville



# Growth market acceleration

(\$ in billions)

## 2014 orders



## GE store advantages

- ✓ Scale ... strong foundation in places that count
- ✓ Expansion beyond the core ... Power Conversion, Life Sciences, Avionics
- ✓ Scope of GE ... ↓ cost through multi-modal sites & engineering centers



(a) - Alstom Power & Grid orders outside of Western Europe & North America, fiscal year 2013/14

## Key geographies

### MENAT - \$55B Backlog



- ✓ Leading with technology ... Healthcare, GE9X, Aviation services, HDGT
- ✓ Partnering to increase localization ... Sonelgaz power gen facility
- ✓ Executing amidst volatility

### ASEAN - \$19B Backlog



- ✓ Partnering with LCCs to grow
- ✓ Harnessing Vietnam multi-modal & engineering center in delivering value
- ✓ Capitalizing on distributed power & affordable healthcare opportunity

### China - \$18B Backlog



- ✓ Partnering with state champions to deliver clean energy solutions
- ✓ Delivering localized affordable healthcare products & services
- ✓ Air transportation expanding ... C919

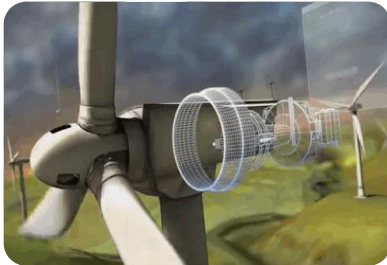
# 2015 China campaigns ... partner of choice

GE campaigns

China needs

Opportunity

## Future of power



### Clean energy

## Care first



### Affordable healthcare

## Minds + machines



### 'Made in China' 2025

## China for the World



### China going global

- ☑ Installed base 2,800GW by 2020 ... **World #1**
- ☑ Gas ... 40 to 80+GW
- ☑ GE's HDGT & Distributed Power → Energy efficiency
- ☑ Wind ... 190GW & 80% grid connection

- ☑ Rapidly aging population ...167M aging 65 or older
- ☑ Large Digital Imaging market over next 10 years
- ☑ Significant growth potential for Life Sciences

- ☑ National priority... \$82B opt'y in 2015
- ☑ Large installed base (GT & Aviation), 70+% Service coverage
- ☑ Healthcare IT → Connect doctors w/patients

- ☑ Aviage JV ... Global Avionics base
- ☑ Healthcare Value COE ... \$5B Global Market
- ☑ 33 Mfg. sites ... \$5B Exports
- ☑ Asia Global Operation Center - 1,500 Team



# Localization capability

## Seize the market



### Aviation in China

- ~1,200 narrow bodies in 2015
- Local service & manufacturing

### Emergency power

- 5-10 large active campaigns
- Local sales coverage



### Global locomotives



- 1,000 locos 2015 – 2018
- High share

### Value Healthcare

- ~\$1B in global sales
- Compete everywhere



### Africa Oil & Gas

- Big campaigns in Nigeria, Mozambique, Ghana, Angola
- ~25 large active campaigns



+

## Lower costs & localization

### Multi-modal sites



Pune

- \$500MM+ output
- \$100MM+ savings
- Nigeria next



Haiphong

### Engineering centers



Poland

- 3,000 engineers
- 20%+ ↓ OCPH
- Vietnam next



Mexico

### Shared services



Hungary

- 5 global centers
- 30% ↓ cost
- 65% processes



Shanghai

# Shared services ... balance scale & local capability

## Operating network of centers & sites to optimize performance

Headcount #



From

- Work in 500+ locations
- 400+ ERPs
- Fragmented processes

To

- 60% of work in 5 centers
- < 40 ERPs
- 65% of functions shared

~12% SG&A of Sales in '16





# Growth themes ... Marine

## Market dynamics

- \$85B+ annual spend on technology solutions... offshore slow down, LNG carriers still strong
- “Smart Ships” ... customers requiring fleet efficiency & reduced total cost of ownership
- “Green ships” ... tighter environmental regulations driving cleaner solutions



GE content /  
vessel (\$MM)

~\$120

~\$190

~\$50

## GE Store solutions

### POWER

Gas turbines, diesel engines, pumps and compressors



Up to  
**50%**  
reduced  
emissions

### PROPEL

Electric pods, propulsion motors and drives



**5-10%**  
efficiency  
gain

### POSITION

Dynamic positioning, automation and vessel control solutions



**10%**  
fuel savings

### PREDICTIVITY

GE Predictivity™ solutions, increasing productivity through asset optimisation



**(10)%**  
Target non-  
productive  
time

Investing through cycle ... driving customer productivity

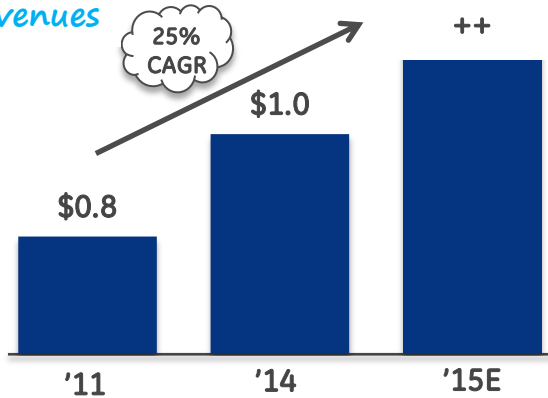


# Growth themes ... Value Healthcare & Wind

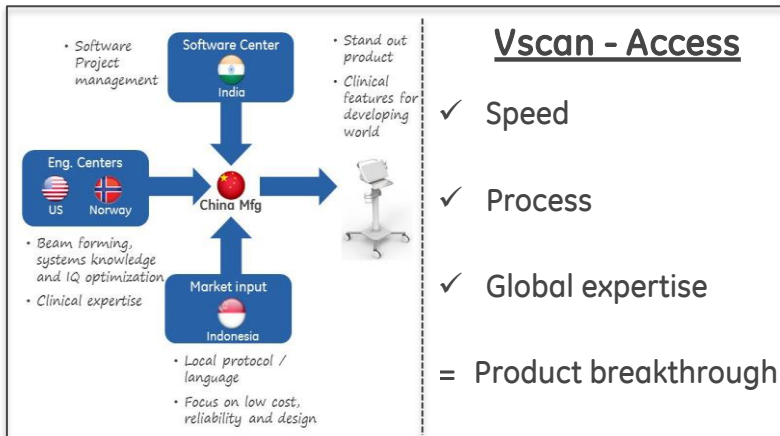
(\$ in billions)

## Value Healthcare

Revenues

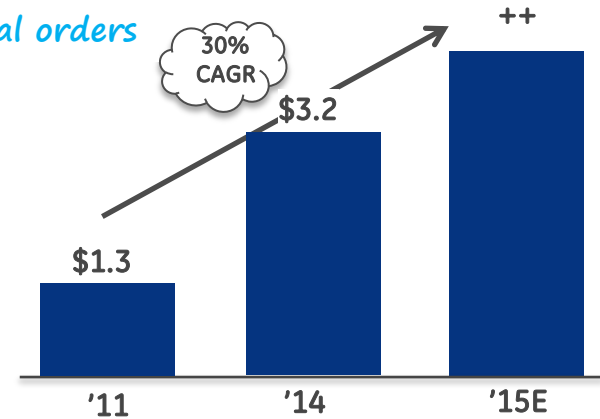


Products for broad access



## Wind

Global orders



# Countries > \$100MM  
'10 → '15  
5 → 11

Investing to win

- Need for clean energy across the world
- ~49GW+, \$45B+ annual opportunity
  - Global ~44GW; US ~5GW
- GE well positioned to win
  - Technology
  - Localization
  - Project development
  - Execution capability

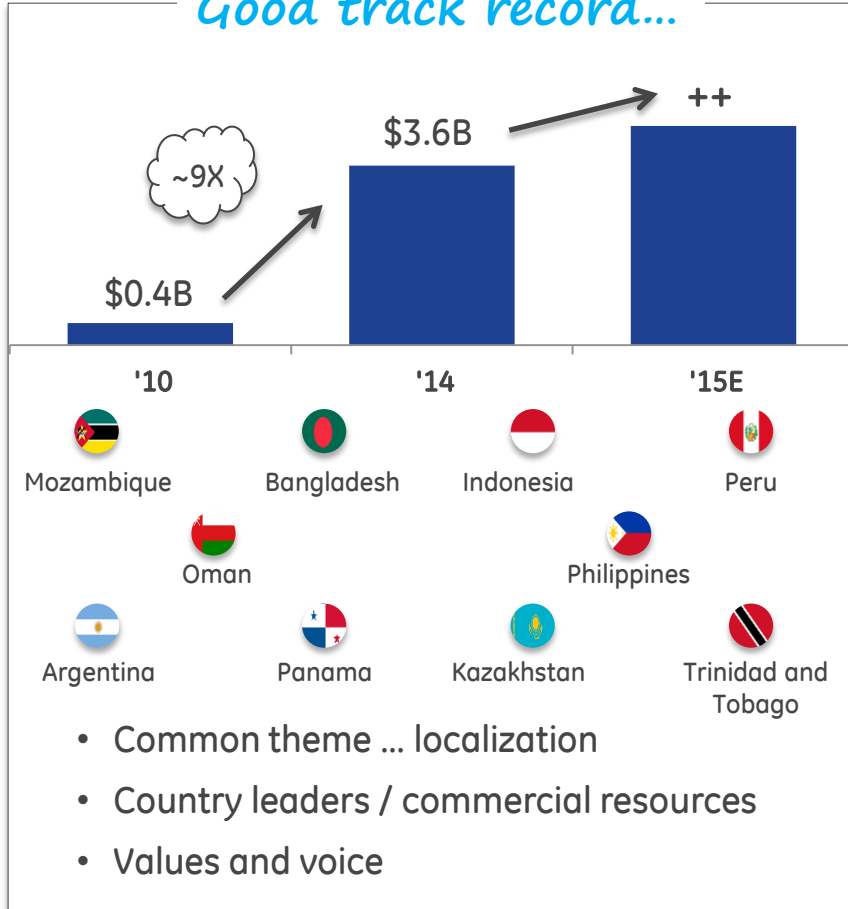
Investing in technology, localization & project development ... well positioned to win



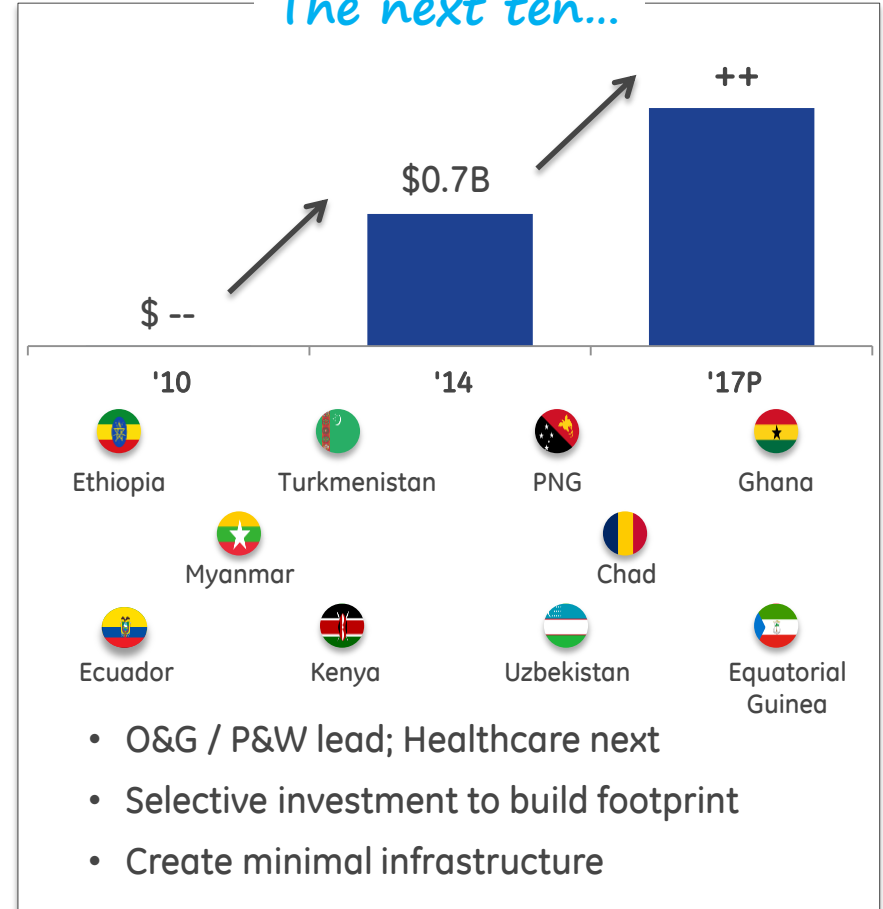
# Presence in new markets

(Orders \$ in billions)

*Good track record...*



*The next ten...*



Big opportunities ... continue to prioritize and invest



# The value of a GE “job”



## Leadership training and development

- Recognized for leadership
- ~ 4,000 next-generation leaders are on leadership development programs today ... leadership + domain



## Technical & operational skills and capacity building

- China - 4,000 primary healthcare physicians trained in radiology & ultrasound
- Saudi - Technical Academy (500 Saudis over 5 years incl. scholarships for 30 females); GE Healthcare Training Institute has trained over 4500 professionals



## Supplier Ecosystem and SME development

- Nigeria - regional manufacturing hub; \$800 million in local sourcing & training (2,300 new jobs)
- India (Pune) ~ 60% materials from domestic suppliers; 50% of the output exported (~400 GE jobs)
- Saudi MTC - 70 customers in 30 countries; 290 Saudi suppliers and 140 SMEs in the Kingdom



## Global Innovation Ecosystem

- China: 3,000 scientists in Shanghai GRC connected to 12 R&D centers working on energy emissions & affordable healthcare; in China for China + export



## Ethical and transparent business practices everywhere

- Top ranking as ethical company - applied to JVs, customer and all interactions
- Myanmar: public & private sector leaders trained at Lee Kuan Yew School of Public Policy



A GE job is much more than just “a job”



# How we win globally

- Emerging Markets ~50% of world's GDP ... GE's growth markets growing at ~15% annually
- Invested since 2010 ... global capability in place
  - local leaders and teams
  - multi-modal facilities
  - project finance capabilities
- GE store capabilities ... diversity of portfolio strength
- Competitive products – technology and cost
- Scale to take advantage of global trends
- Ethical and transparent business everywhere

GGO driving profitable growth

