

GE 2016 first quarter performance

Financial results & Company highlights
April 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.

1Q'16 overview

Environment

- ✓ Slow growth and volatile environment
- ✓ GE Capital exit execution ... filed for SIFI de-designation on March 31st

GE executing well:

- ✓ Industrial operating + Verticals^{-a)} EPS \$.21, +5%; Industrial segments include \$(.02) total FX impact
- ✓ Industrial margins^{-b)} +30 bps. ex. Alstom
- ✓ Diversified portfolio offsetting a challenging Oil & Gas market
- ✓ CFOA \$7.9B ... \$7.5B Capital dividend
- ✓ Segment digital orders \$1.2B, +29%

<u>Industrial</u>	<u>Reported</u>	<u>Organic</u>
Orders	1%	(7)%
Segment revenue	6%	(1)%
Segment op profit	(7)%	(4)%
Industrial op profit ^{-b)}	(3)%	0%

Execution versus goals

2016 Goals

1Q'16

Grow Industrial profit ^{-b)}	(3)%	flat organic
Organic revenue growth (2-4%)	(1)%	
Margin expansion ex. Alstom	+30 bps.	
Alstom EPS ~\$.05	\$(.01)	

Disciplined/balanced capital allocation

CFOA \$30-32B ^{-c)}	\$7.9B
Capital dividend ~\$18B ^{-d)}	\$7.5B
FCF + disp. \$28-31B	\$7.1B
Cash to investors ~\$26B	\$8.3B

Portfolio actions \$166B Capital deals signed
SIFI de-designation filed
Appliances targeting 2Q close^{-d)}
GE Asset Management signed

Framework on track



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

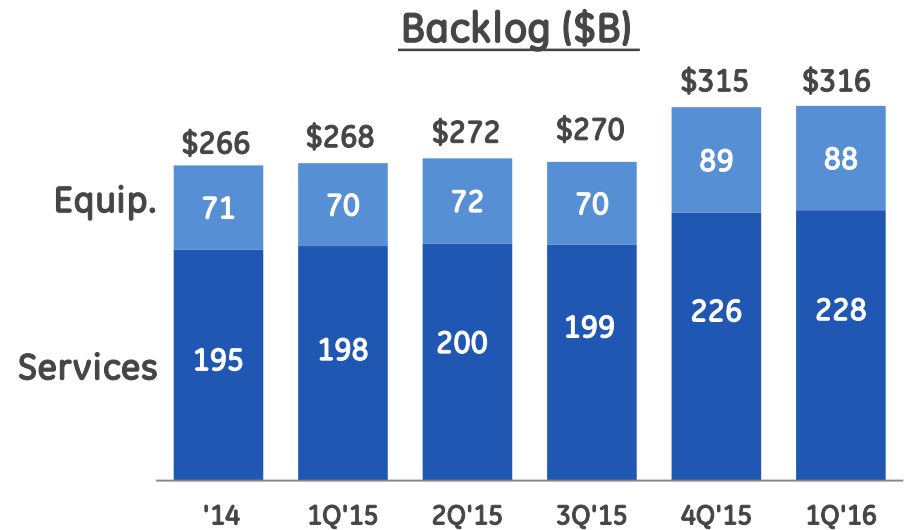
(b- Excluding gains and restructuring & other items

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

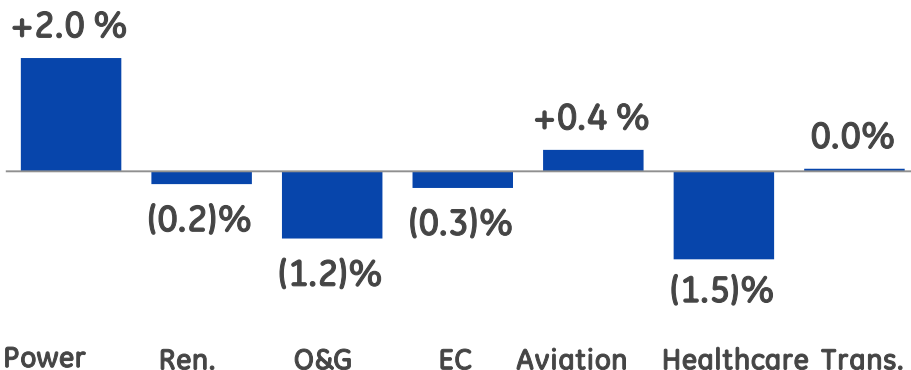
(d- Subject to regulatory approval

1Q'16 orders \$23.5B, 1% ... (7)% organic

	Equipment		Services	
	\$	V%	\$	V%
Power	\$1.8	F	\$3.8	53%
Ren. Energy	1.8	F	0.2	80
Oil & Gas	0.7	(70)	1.8	(19)
Energy Conn.	2.0	37	0.6	3
Aviation	2.6	(35)	4.0	13
Healthcare	2.4	3	1.9	(1)
Transportation	0.1	(89)	0.6	(18)
Total	\$11.0	(8)%	\$12.4	12%
Organic		(18)%		4%



Core orders price 0.0%



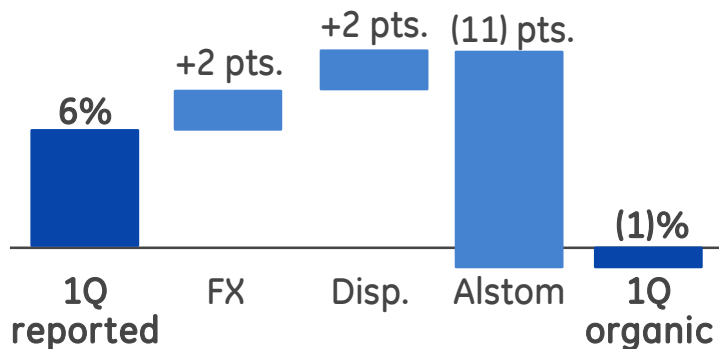
Highlights

- ✓ Equipment orders (8)% driven by Oil & Gas market & Aviation 1Q'15 comparisons; strong orders in Power driven by the H turbine, Renewable Energy +94% ex. Alstom, Healthcare +6% organically
- ✓ Service orders +12%, +4% organically ... Power Services +17% ex. Alstom, Aviation +13%
- ✓ Alstom orders: Power \$1.5B, Renewable Energy \$0.2B, Grid Solutions \$1.2B
- ✓ Double-digit HCS U.S. equipment orders ... monitoring +20%, ultrasound +16%, CT +26%



Industrial segment execution

Revenue growth



- + 1Q volume impacted by gas turbine profile; 1Q'15 Power organic growth was 21%
- + No change to 2-4% organic estimate for the year

GE Store is a competitive advantage ...

(2016E organic revenue growth)

"+" or better

Power
Renewables
Aviation
Healthcare

"-"

Oil & Gas
Transportation

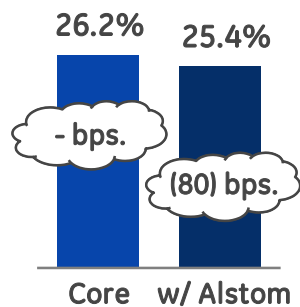
2016 organic revenue +2-4%



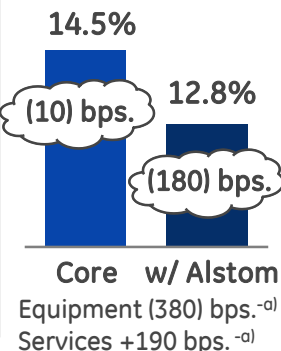
(a- Excluding Alstom

(b- Industrial includes Corporate, excluding gains and restructuring

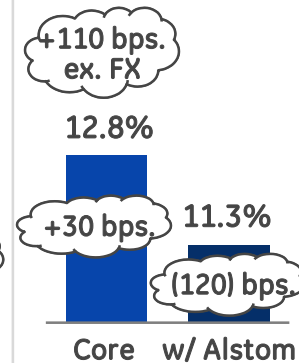
Segment gross margins



Segment OP margins



Industrial^(b) OP margins



Segment OP margins

Mix
Value gap (price/inflation)
Cost productivity
Gross Margins^(a)
Simplification (SG&A)
Base inflation/other
Op Profit Margins^(a)
Alstom
Op Profit Margins

1Q

0.3 pts.
0.1
(0.4)
- pts.
0.2
(0.3)
(0.1) pts.
(1.7)
(1.8) pts.

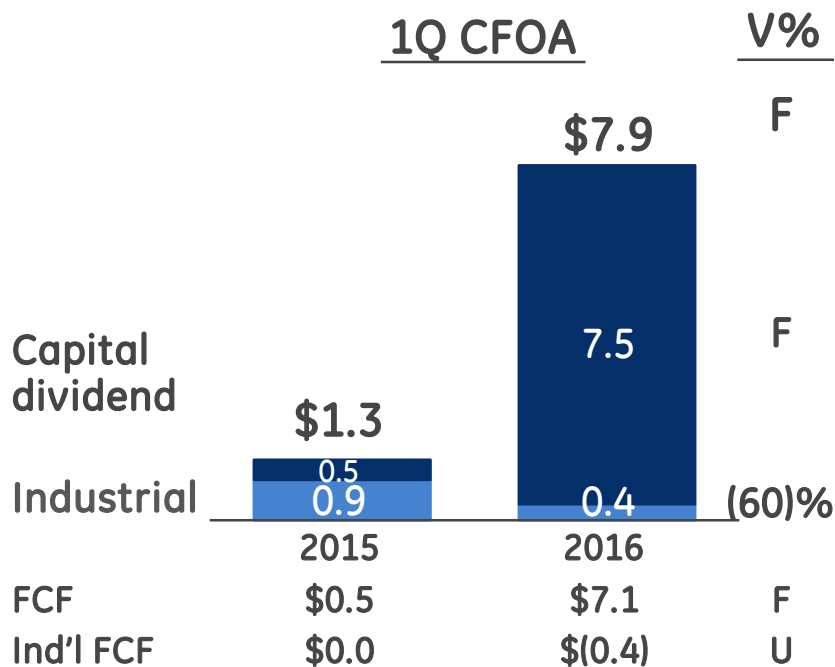
+80 bps. ex. FX

+60 bps. ex. FX

Will fund \$.25 of restructuring & other items in 2016

Generating cash

(\$ in billions)



- ✓ 1Q Industrial cash flow \$0.4B, (60)% as expected ... impacted by Alstom \$(0.4) and working capital build for 2H shipments
- ✓ Received \$7.5B Capital dividend ... filed for SIFI de-designation on March 31st

GE cash balance walk

	<u>Total</u>
Beginning balance 1/1/16	\$10.4
CFOA	7.9
Dividends	(2.2)
P&E	(0.8)
Acquisitions	-
Buyback	(6.1)
Change in debt/FX/other	0.2
March 2016	\$9.3

\$8B cash returned to investors ... \$6B in buyback & \$2B in dividends



The value of GE

Value of diversified portfolio

+ Businesses expected to perform better than December outlook

Aviation +/++

Healthcare +/++

Renewables ++

Power ++

- Expecting a tougher Oil & Gas market

Revenue ~(15)-(20)%

Op profit ~(30)%

✓ Will continue to restructure and win in the marketplace

No change to 2016 EPS framework



Alstom performance

- \$3B orders ... strength in Power \$1.5B with services \$1B; Grid \$1.2B; Renewables \$0.2B
- \$2.8B revenue ... Power \$1.4B, Renewables \$0.3B, Grid \$1.1B
- Segment operating profit \$(20)MM ... impacted by purchase accounting & FX
- Corporate \$(183)MM ... investment in synergies, purchase accounting
- Synergy benefits ~\$100MM ... will ramp up throughout the year
- 1Q EPS of \$(.01) in line with expectations

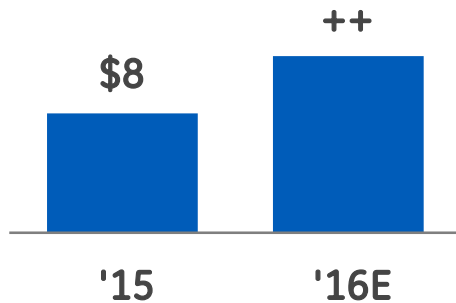
On track for ~\$.05 EPS for the year

Gas Power Systems overview

(\$ in billions)

Key metrics

Revenue



Equip. backlog \$8 ++

Market update

- H-Class fastest growing segment
- North America & Asia strong
- Middle East & Africa mixed
- ↑ Argentina & Mexico opportunities

Business imperatives

- 1 Utility/Industrial ... heavy-duty gas**
 - + Performance ... HA output & efficiency
 - = Execution ... 8X factory output vs. '15
 - 2 Fast Power ... Aero engines**
 - + Speed ... Power to grid in ~3 months
 - = Timing ... "lumpy" demand
 - 3 Extended Scope ... Alstom synergy**
 - + Technology ... Steam tail performance
 - = Convertibility ... '16 orders = '17 revenue
- 115+ heavy-duty shipments ... 1H ~40, 2H ~75**

Delivering better customer outcomes & shareholder value



HA platform launch on-track

2016 Program overview

- ✓ ~24 unit shipments
- ✓ ~\$2B revenue
- ✓ TY margin positive
- ✓ Margin dilutive vs. '15
- ✓ 2 models fully validated

Orders backlog

35

Gas turbines

16

Steam turbines

39

Generators

17

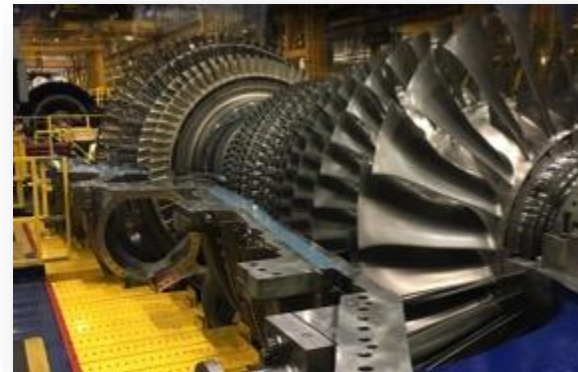
HRSOs



Differentiated technology



- Record output: 432MW simple cycle & 603MW plant



- Flawless validation: zero fault testing (7HA.02)

World-class execution



- Fulfillment on-track: 4 shipments with 20+ to go



- Integrated solutions ... GE/Alstom power island

Driving product cost-out

Make vs. buy: 3D Airfoils

Latest HA designs vertically integrated 3D technology

From **5-57%** insourced

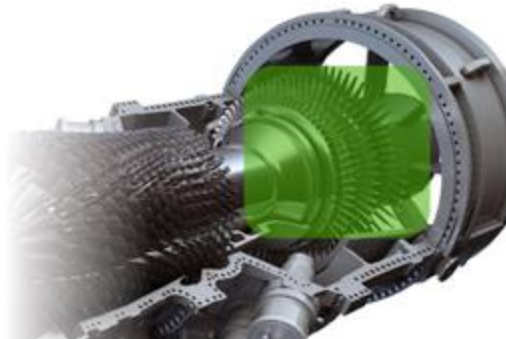


Increased capability drives **\$12MM+** annual cost out

Design: Rotor Material

High-temp materials technology for F-Class fleet (GE + Alstom)

70% less expensive material



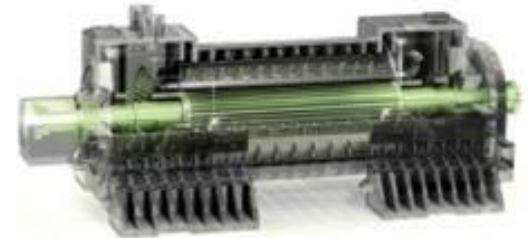
\$300-900K per unit savings + services

\$30MM+ lower cost on 2017 volume

In Source: Generators

Utilize existing Alstom air-cooled technology

50% more GE volume

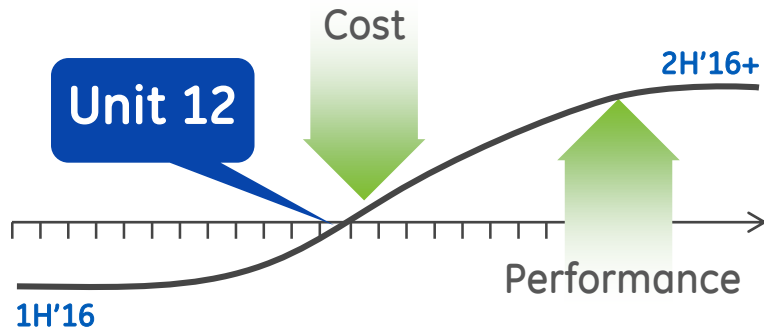


\$25MM+ margin from cost out & capacity utilization

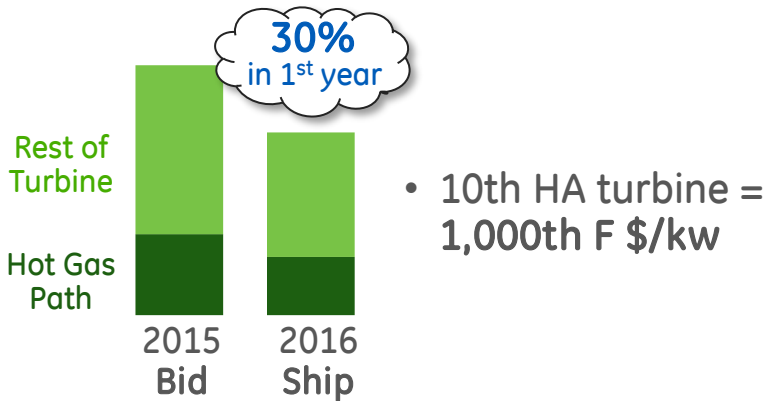


Delivering accelerated HA returns

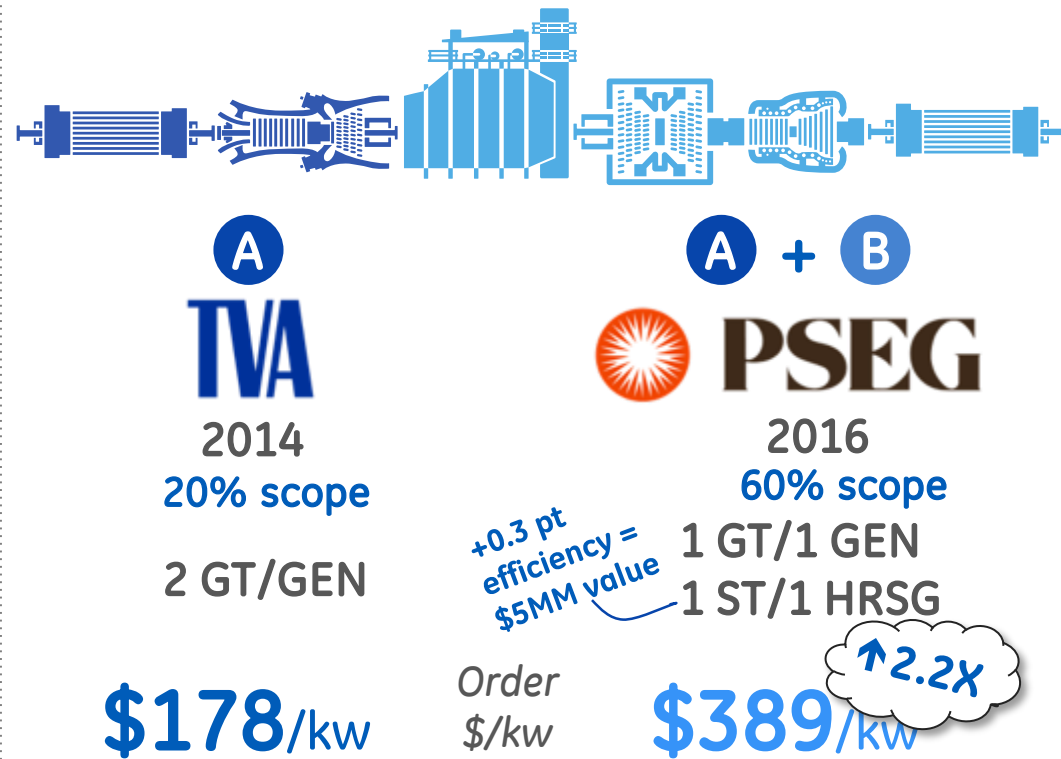
2016 Margin profile



Cost-out actions



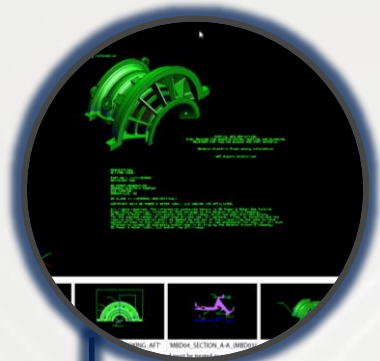
Expanded scope opportunity



Delivering higher \$ value @ same MW sold



Integrated digital ecosystem



e-Design Models

- Enables digital twin
- Lower cycle time



\$12MM
per GT

Advanced Manufacturing

- New design spaces
- Tighter tolerances

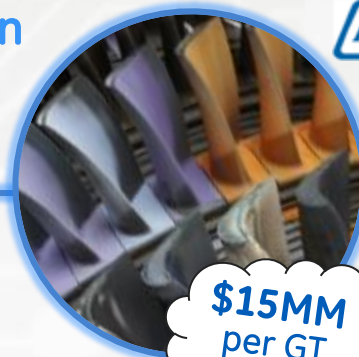
Design Validation

- Innovation speed
- ↑ Reliability



Robust testing

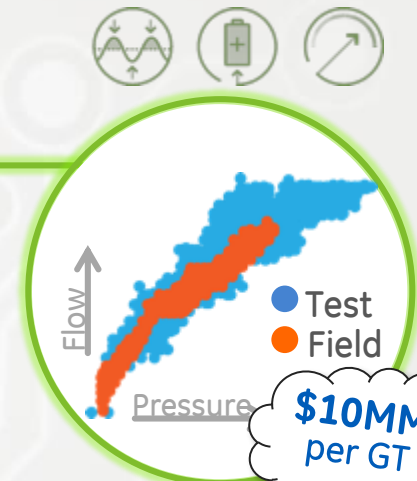
- 7,000+ data streams
- >500 TBs of data



\$15MM
per GT

Performance Mapping

- Services upgrades
- Higher plant output



Continuous innovation delivering differentiated performance ... \$35MM+ per GT



1Q'16 consolidated results

(\$ in billions – except EPS)

(\$ in millions)

	<u>1Q'16</u>	<u>V%</u>		<u>Revenues</u>		<u>Op profit</u>		
				<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>	<u>ex. Alstom</u>
Revenues	\$27.8	6%						
– Industrial	25.0	7	Power	\$5,204	13%	\$573	(24)%	(28)%
– Verticals ^{-a)}	2.6	3	Renewable Energy	1,669	62	83	46	60%
– Other Capital ^{-b)}	0.2	(21)	Oil & Gas	3,314	(18)	308	(37)	
Industrial + Verticals EPS	.21	5	Energy Connections	2,260	34	(85)	U	U
Operating EPS	.06	F	Aviation	6,262	10	1,524	16	
Continuing EPS	.02	F	Healthcare	4,183	3	631	7	
Net EPS	(.01)	F	Transportation	981	(25)	164	(27)	
CFOA YTD	7.9	F	Appliances & Lighting	1,996	3	115	13	
– Industrial CFOA	0.4	(60)	Industrial Segments	25,869	6/(1) ^{Organic}	3,314	(7)/(4) ^{Organic}	(6)%
	<u>1Q'16</u>	<u>1Q'15</u>	Corporate ^{ex. gains/restructuring}	(968)	2	(431)	25	
Consolidated tax rate	(58)%	U	Industrial ^{ex. gain/restructuring}	\$24,901	7%	\$2,883	(3)/0% ^{Organic}	
– GE (ex. GE Capital)	17	23						
– GE Capital	36	U						

<u>Industrial + Verticals EPS</u>	<u>1Q'16</u>	<u>V%</u>	<u>Adj. V%^{-c)}</u>
Industrial operating	\$.15	(6)%	5%
Capital Verticals ^{-a)}	.05	67%	67%
	<u>\$.21</u>	<u>5%</u>	<u>14%</u>



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

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

(c)- Excluding Industrial gains and restructuring & other items

1Q'16 Industrial other items

	<u>EPS</u>	
Restructuring & other items	\$ (.05)	✓ \$(686)MM pre-tax, \$(483)MM after-tax at Corporate including Alstom deal costs & purchase accounting items of \$(164)MM pre-tax
Gains	\$-	✓ \$59MM pre-tax, \$38MM after-tax at Corporate related to the sale of 30 Rock floors

<u>Summary</u>	<u>1Q</u>	<u>2QE</u>	<u>2HE</u>	<u>2016E</u>
Restructuring & other items	\$ (.05)	~\$ (.11)	~\$ (.09)	~\$ (.25)
Gains & settlements ^{-a)}	<u>\$-</u>	<u>~\$.20</u>	<u>~\$.05</u>	<u>~\$.25</u>
Total	\$ (.05)	~\$.09	~\$ (.04)	~\$-

Gains = restructuring for the year but quarterly variability in timing



Industrial segments

(\$ in millions)

Power

<u>1Q'16</u>	<u>\$</u>	<u>V%</u>	<u>V%</u> ex. Alstom
Revenues	\$5,204	13%	(18)%
Segment profit	\$573	(24)%	(28)%
Op profit %	11.0%	(5.4) pts.	(2.0) pts.

1Q dynamics

- \$5.6B orders, +66% ... core equipment +57% driven by GPS +2x with 25 GTs including 6 U.S. HA units; core services +11%
- Revenue ... core equipment (48)% driven by GPS (47)% on 26 less GT shipments; core services +5% driven by Power Services +7%
- Segment profit (28)% excluding Alstom driven by lower gas turbine volume and \$(48) total FX

Renewable Energy

<u>1Q'16</u>	<u>\$</u>	<u>V%</u>	<u>V%</u> ex. Alstom
Revenues	\$1,669	62%	34%
Segment profit	\$83	46%	60%
Op profit %	5.0%	(0.5) pts.	1.1 pts.

1Q dynamics

- \$2.0B orders, +110% ... core +86% on higher wind units, +335 from prior year driven by higher U.S. volume; Alstom orders \$0.2B
- Revenue ... core +34% driven by higher wind turbine shipments and mix shift to larger MW units
- Segment profit +60% excluding Alstom primarily driven by higher volume

Power impacted by quarterly gas turbine profile; strong Renewables performance



Industrial segments

(\$ in millions)

Aviation

<u>1Q'16</u>	<u>\$</u>	<u>V%</u>
Revenues	\$6,262	10%
Segment profit	\$1,524	16%
Op profit %	24.3%	1.1 pts.

1Q dynamics

- \$6.6B orders, (12)% ... equipment (35)% on fewer commercial engines; services +13% with spares +2% ... \$153B backlog, +9% VPY
- Revenue ... equipment +2% driven by Military +8% partially offset by Commercial (4)%; services +17%
- Segment profit +16% on higher service volume and cost productivity ... margins +110 bps.

Strong execution



Oil & Gas

<u>1Q'16</u>	<u>\$</u>	<u>V%</u>
Revenues	\$3,314	(18)%
Segment profit	\$308	(37)%
Op profit %	9.3%	(2.8) pts.

1Q dynamics

- \$2.4B orders, (44)% with pressure across all segments ... D&S (74)%, TMS (48)%, Surface (37)%, DTS (18)%, Digital Solutions (5)%
- Revenue (18)% ... Surface (41)%, Subsea & Drilling (28)%, TMS (10)%, DS (10)%, DTS +3%
- Segment profit margin (280) bps. as cost-out actions were more than offset by volume decline; total FX headwind of \$(95)MM

Market pressure continues

Industrial segments

(\$ in millions)

Healthcare

<u>1Q'16</u>	<u>\$</u>	<u>V%</u>
Revenues	\$4,183	3%
Segment profit	\$631	7%
Op profit %	15.1%	0.7 pts.

1Q dynamics

- \$4.2B orders, +1%, +5% organically ... U.S. +3%, Europe (3)% and +4% organically, China +11% and +14% organically
- Revenue +3%, +6% organically with HCS +4% and Life Sciences +13%
- Segment profit +7% reported, +10% organic driven by strong volume growth and cost productivity ... margins +70 bps.

Transportation

<u>1Q'16</u>	<u>\$</u>	<u>V%</u>
Revenues	\$981	(25)%
Segment profit	\$164	(27)%
Op profit %	16.7%	(0.5) pts.

1Q dynamics

- \$0.7B orders, (56)% with equipment (89)% driven by locomotives; service orders (3)% organically
- Revenue (25)%, (20)% organically with equipment (41)% on lower locomotive deliveries, services flat organically
- Segment profit (27)% driven by lower locomotive volume

- ✓ Healthcare ... strong volume & cost productivity
- ✓ Transportation ... challenging market



Industrial segments

(\$ in millions)

Energy Connections

<u>1Q'16</u>	<u>\$</u>	<u>V%</u>	<u>V%</u> Organic
Revenues	\$2,260	34%	(6)%
Segment profit	\$(85)	U	U
Op profit %	(3.8)%	(5.5) pts.	(4.3) pts.

1Q dynamics

- \$2.7B orders, +27% ... Alstom \$1.2B; core (13)% organically with Power Conversion (20)% on softer oil & gas and Industrial Solutions (7)%
- Revenue +34%, (6)% organically with Power Conversion (5)%, Industrial Solutions (7)%
- Segment profit of \$(85)MM with core \$(47)MM driven by lower volume, digital investment, and disposition impacts

Appliances & Lighting

<u>1Q'16</u>	<u>\$</u>	<u>V%</u>
Revenues	\$1,996	3%
Segment profit	\$115	13%
Op profit %	5.8%	0.5 pts.

1Q dynamics

- Appliances revenue +8% ... industry strength and favorable product mix offset by price
- Lighting revenue (9)% with LED +19% and traditional (23)% ... LED 39% of total revenues
- Segment profit +13% driven by strong deflation & cost productivity; margins +50 bps.

- ✓ Energy Connections ... expect better 2Q performance
- ✓ Appliances targeting 2Q close^{a)}



GE Capital

(\$ in millions)

1Q'16 performance

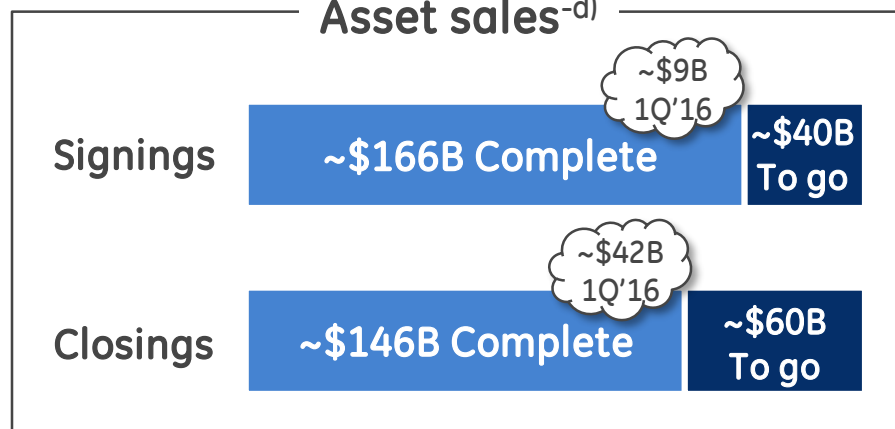
Earnings

Verticals ^{-a)}	\$496
Other Continuing	(1,389)
Capital	<u>\$(893)</u>
Disc. Ops.	(308)
GE Capital	<u><u>\$(1,201)</u></u>

- \$81B of ENI ex. liq. ... \$127B incl. Disc. Ops.
- \$106B of liquidity^{-b)} ... CP constant at \$5B
- Basel 3 T1C^{-c)} at 14.5%, flat VPQ after \$7.5B dividend in the quarter

GE Capital update

Asset sales^{-d)}



- ✓ Other Continuing includes excess interest expense, preferreds, hybrid tender, restructuring, opex
- ✓ Returned \$7.5B of capital in 1Q'16, targeting ~\$18B in 2016 ... on track for \$35B^{-e)}
- ✓ Applied for SIFI de-designation on March 31st

Capital transformation ~80% complete ... continuing strong momentum in 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- ENI ex liquidity as of 4Q'14

(e- 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 • O&G ↓ ~30% offset by Aviation, Healthcare, Renewables, Power • Corporate @ \$2.0-2.2B • Alstom ~\$.05; Appliances gain ~\$.20^{-c)} • Restructuring = gains • Total FX impact ~\$(.02) at today's rates |
| 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

