

GE Power & Water

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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,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. 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 volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; potential market disruptions or other impacts arising in the United States or Europe from developments in sovereign debt situations; the impact of conditions in the financial and credit markets on the availability and cost of General Electric Capital Corporation’s (GECC) funding and on 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; our ability to convert pre-order commitments/wins into orders; the price we realize on orders since commitments/wins are stated at list prices; the level of demand and financial performance of the major industries we serve, including, without limitation, air and rail transportation, power generation, oil and gas production, real estate and healthcare; the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of financial services regulation; 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 and integrating acquired businesses; our ability to complete the staged exit from our North American Retail Finance business or the acquisition of the Thermal, Renewables and Grid businesses of Alstom as planned; the impact of potential information technology or data security breaches; and numerous other matters of national, regional and global scale, including those of a political, economic, business and competitive nature. 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.

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

Power & Water portfolio

~\$25B '13 revenue >37,000 employees 300+ locations

\$4B



Power Gen Products

\$8B



Power Gen Services

\$6B



Distributed Power

\$5B



Renewables

\$2B



Water & Process
Technologies

\$1B



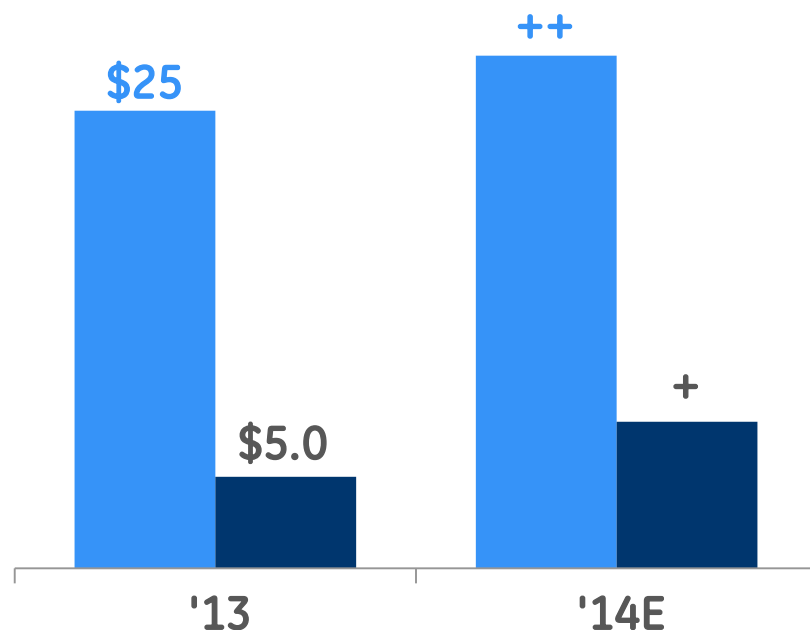
Nuclear

Diverse Technology & Services Solutions ...
Over 1,000GW installed globally



Power & Water Overview

Rev. \$B /OP \$B



Macro dynamic

- + Shift of demand to developing markets
- + Continued natural gas growth
- +/- Renewables PTC clarity
- Western Europe slow with high reserve margins

Strategic Imperatives

- ✓ Technology leadership
- ✓ Globalization
- ✓ Services growth
- ✓ Cost competitiveness

Great long-term growth platform



Technology investment

R&D spend

~\$800M



'13

Product Launches

~3,000
new patents
filed

200+



'13

High Efficiency
Gas Turbines



World's Most Efficient
Wind Turbine



Broad, Efficient
Distributed Power
Portfolio



Energy Efficient
Water Solutions



Optimizing Plant
Performance



Increased R&D investment driving more customer value

Gas technology leadership

Heavy Duty Gas Turbines



9HA

- ✓ World's largest installed base ... ~4,600 units
- ✓ World's largest & most efficient H-class ... 61.4% in combined cycle
- ✓ Industry-leading H-class experience ... 10 years & 200,000 hours



Distributed Power

Jenbacher Series 624



Waukesha 275GL+

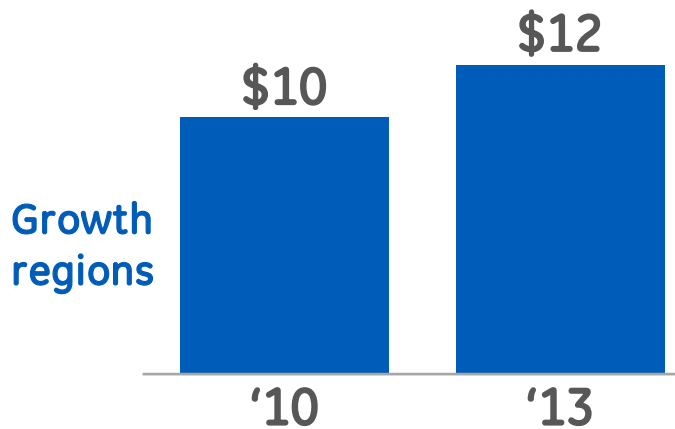
FlexAero

- ✓ Global 110GW installed base ... ~30,000 units
- ✓ Strong Aviation heritage ... >60K turbines
- ✓ Broad, efficient recip offering ... ~50% non-natural gas

Winning in growth regions

Sales

(\$ in Billions)










GE Strengths

- ✓ Brand ... company-country relationship
- ✓ Local partnerships with recognized players
- ✓ Low-cost ... supply chain + backrooms
- ✓ Global R&D ... right products for regions



Growth regions

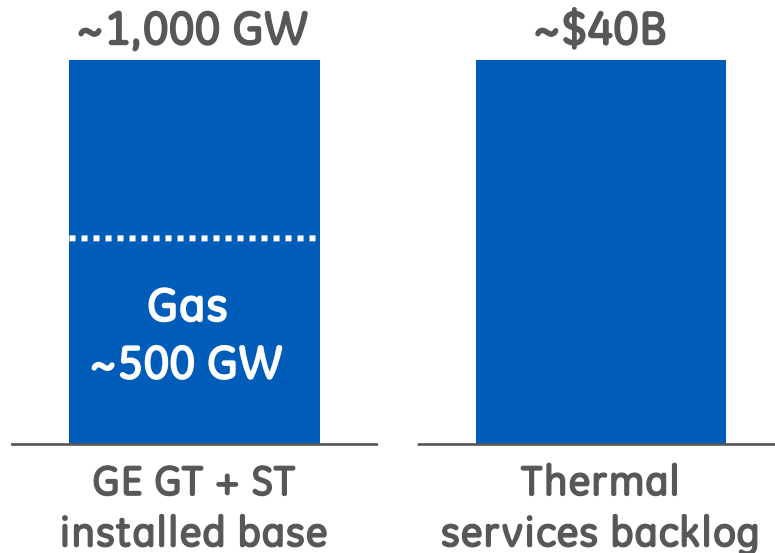
	<u>Sales \$</u>	<u>Drivers</u>
 MENAT	4.4	Algeria, Saudi
 Lat AM	2.3	Brazil Wind, Mex.
 Canada	1.2	Heavy Oil, Wind
 China	1.1	Gas growth
 Russia	0.8	Gas availability
 Asean	0.7	Energy demand ↑
 Sub Sahara	0.5	Electrification

Capturing global trends

- ✓ Emerging markets & DP growth
- ✓ Age of Gas ... increasing global availability
- ✓ Energy policy reforms ... Japan, Mexico

Services value creation

GE Power Gen Installed Base



- ✓ Services ~50% of P&W's revenue
- ✓ Attractive margins

Why we win

- 1 Winning products = installed base growth
- 2 Local capability to support customers
 - 1,500 field engineers + 6,000 service craft labor
 - 100+ countries
- 3 Best customer outcomes driven by Services 2.0
 - CSA model
 - Material science
 - Software & analytics

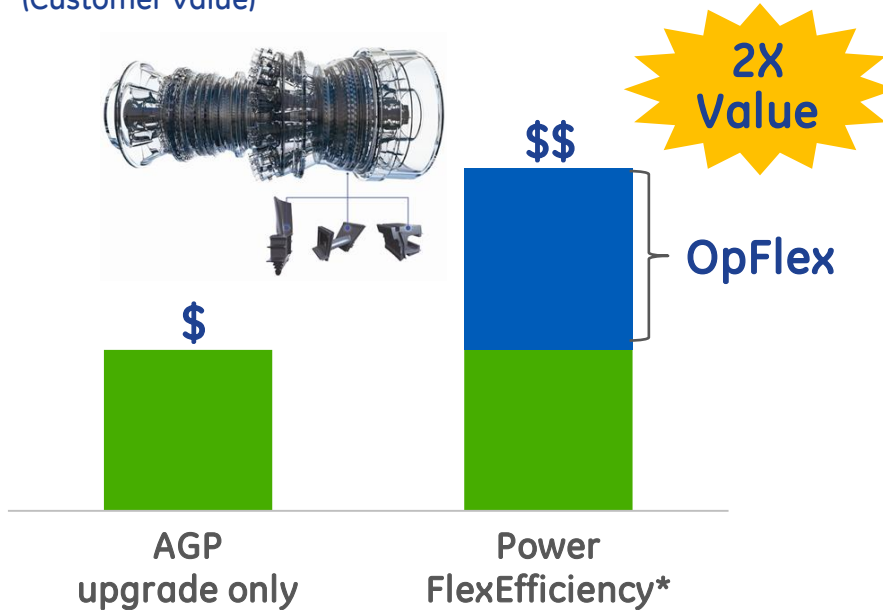
Sustainable and proven business model



Services launches

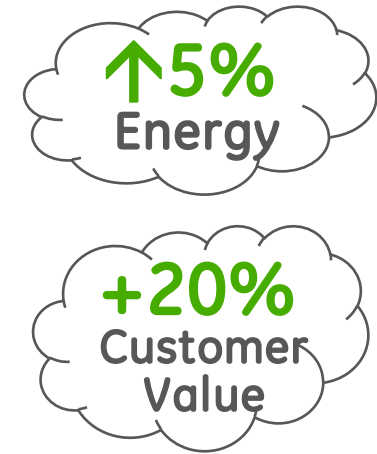
Advanced Gas Path Upgrades

(Customer Value)



- 19 AGP upgrades in '12 ... 54 in '13
- Software & analytics ... 2x customer value
- ~2 year investment payback

Wind PowerUp



"Maximizing the power output of a wind farm"

- Software analytics to enhance performance
- 1,000 units now under contract ... GE has ~25,000 unit installed base

New technology increasing customer profitability

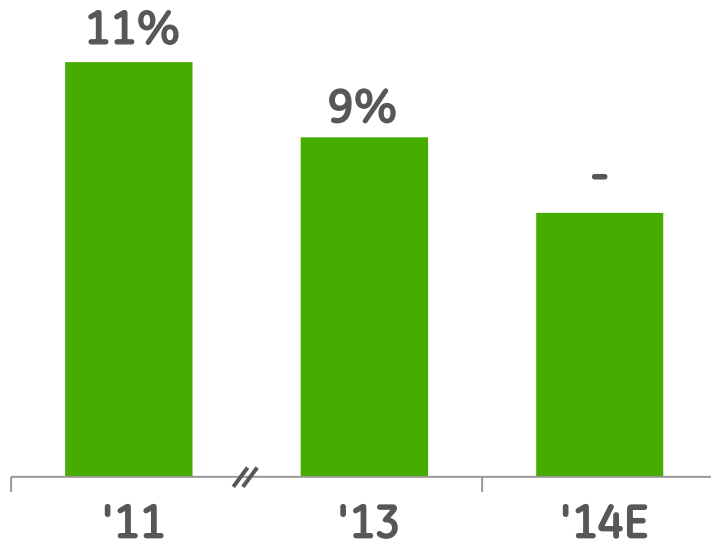


* Trademark of General Electric Company

Cost competitiveness

SG&A savings

(% of sales)



- ✓ ~\$400M cost out over last 2 years
- ✓ Consolidate structure, functional cost
- ✓ Investing in ERP infrastructure

Product cost savings



1x Wind Platform



Heavy Duty GT

- ✓ Engineering/design & sourcing focus
- ✓ Cross functional COE's driving cost ↓
- ✓ Multi-platform component strategy



Transformation for cost savings

Global centers of excellence ... local, high quality, cost competitive



Greenville, South Carolina, USA



Hangzhou, China



Dammam, Saudi Arabia



Belfort, France



Haiphong, Vietnam



Pune, India



Jenbacher, Austria



Petropolis, Rio de Janeiro, Brazil



Batna, Algeria



Last 5 Years:

- ✓ 79 → 45 Fulfillment Centers
- ✓ 21 → 40% LCC/US Competitive Wage Employees
- ✓ 2X Labor Hour Productivity

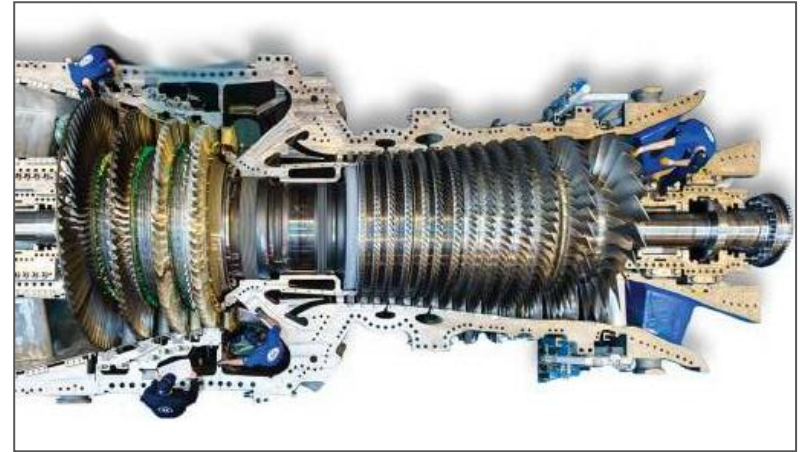
FastWorks for Speed

Diesel engines



- ✓ Best in class efficiency
- ✓ Product introduction acceleration ... ↓ 1.5yrs
- ✓ Launch in 18 months @ 30% of original development costs

HA Gas Turbines



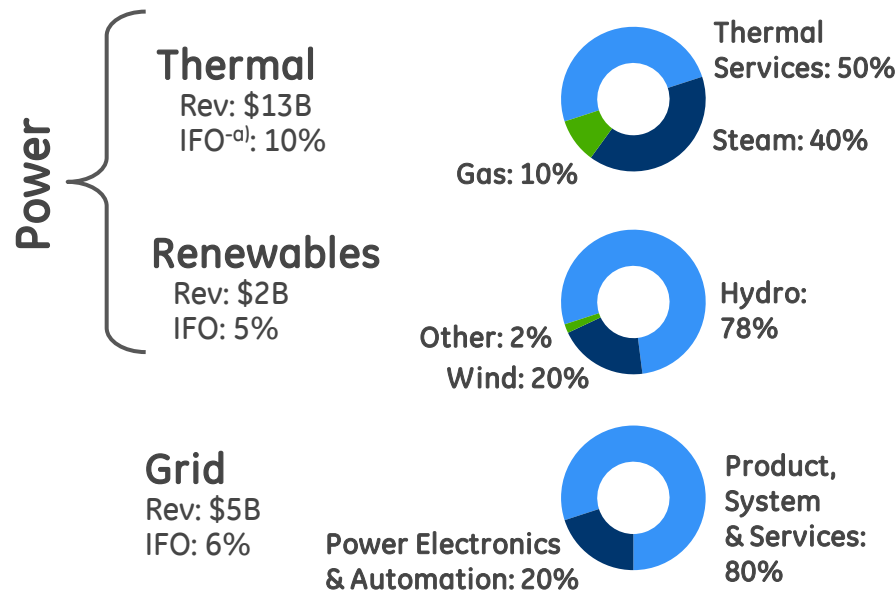
- ✓ World's largest & most efficient
- ✓ Accelerated product introduction ... 2 yrs faster, 50% bigger than F-class
- ✓ 4 models introduced ... 56 units bid



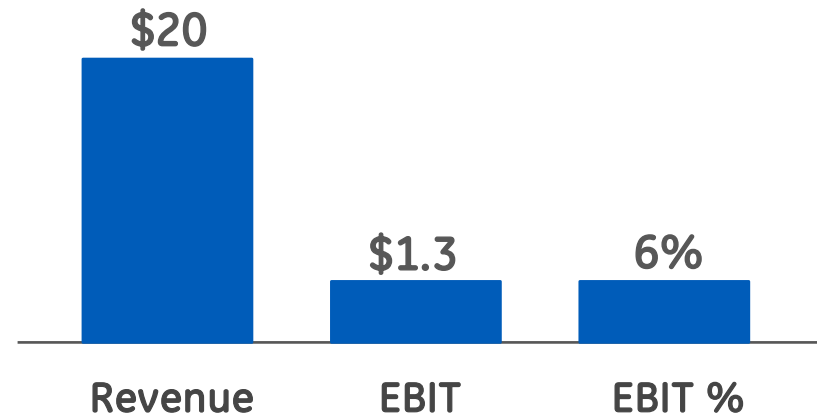
Alstom Power & Grid

(\$ in billions)

- ✓ Technology complementary to GE
- ✓ Global assets ... large installed base
- ✓ Subscale on its own



LTM Sept. '13 financials



- ✓ ~85% of revenues outside N. America;
~80% outside of W. Europe
- ✓ ~34% of revenues from services
- ✓ ~\$38B of backlog
- ✓ ~65k employees, ~14% in France

Businesses GE knows well



(a- Income from operations)

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Here's what we like ...

- 1 Broad services business with big installed base ... ~350GW
- 2 ~\$38B backlog
- 3 Strong customer relationships
- 4 A leading fossil and nuclear steam turbine technology
- 5 Complementary renewables platform ... a leading Hydro player ... offshore wind capability
- 6 Broad high voltage grid business ... more competitive with market leaders, Siemens & ABB
- 7 Total power plant and project capability
- 8 Emerging markets footprint
- 9 Global leadership team; good engineering
- 10 Overlapping global structure with GE

Electricity demand ↑ ~50% by 2030 with ~65% from centralized generation ... grid infrastructure investment required



Improves Power & Water portfolio

- 1 Grow combined **services** bringing expanded scope to installed base
+ *GE's investments in analytics & services technology broadly applicable; improves customer outcomes*
- 2 Improved **gas turbine offering** through enhanced overall plant performance ... win more
+ *Global industry trend towards project solutions for customers*
- 3 Expand **renewables** footprint ... diversify with a leading Hydro business
+ *Broad set of renewables technologies*
- 4 Enhance **emerging markets** capability ... India, China, Brazil, Middle East
+ *Alstom adds ~\$10B of revenue to GE's growth market footprint*
- 5 Clear **synergies** potential
+ *Focus areas ... supply chain, sourcing, R&D, and SG&A*

More valuable enterprise ... creates value for customers



The new Power & Water

~\$43B



Combined revenue
estimate

Competitive advantages

- ✓ Enhanced technology position
- ✓ Large installed base
- ✓ Broader global reach
- ✓ Double-digit profit growth

Global platforms

Thermal

~\$24



Renewables

~\$10



Distributed
Power

~\$6



Nuclear/Water

~\$3



Services

~\$19



Great business ... attractive returns



P&W acquisition/integration experience

EGT (France)



- Global power COE for 15 years
- Effective team & competitive cost

Enron Wind



- Industry leading Renewable biz
- From bankrupt asset to \$5B+ portfolio

Jenbacher (Austria)



- Cornerstone of our global distributed power business
- 3X revenue under GE

Waukesha



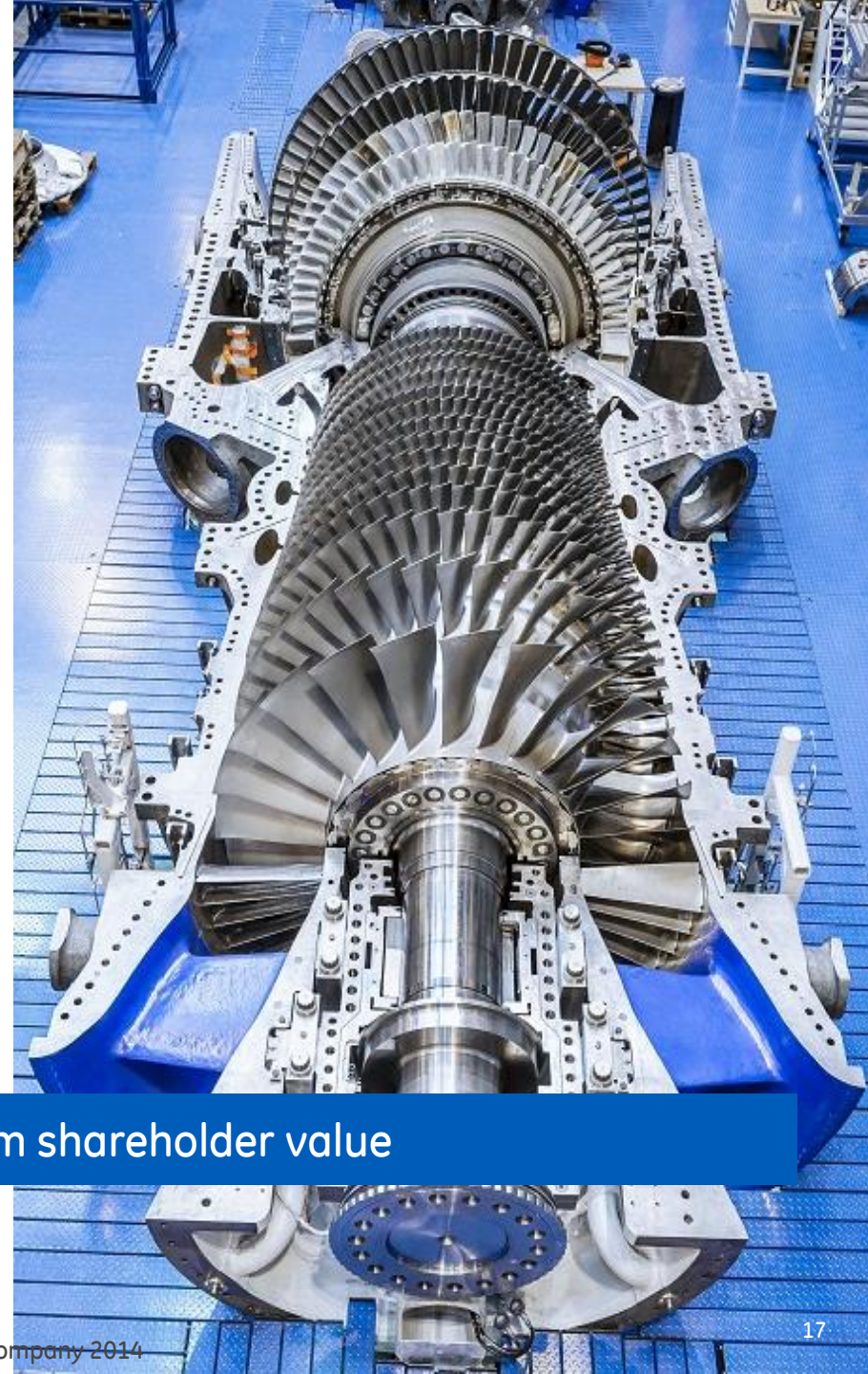
- Workhorse platform for Oil & Gas
- ~2X profitability under GE

- ✓ Long history of improving the performance of acquired businesses
- ✓ Experienced, proven integration team



Wrap up

- ✓ Great, high-return global P&W business
- ✓ Clear competitive advantages:
 - Technology leadership
 - Globalization ... world-class & flexible supply chain
 - Strong services business ... large installed base
 - Simplification for speed & cost
- ✓ Smart investing in a dynamic environment



Position GE for long-term shareholder value

