

“The Pivot”

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December 16, 2014



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, including obtaining regulatory approvals for, 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.”

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 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.

The Pivot

Aggressive
portfolio
repositioning

+

Industrial
execution

+

Simpler
structure

+

GE Capital
smaller

+

Returns
focus

Investor value: 2015 + 2016

- + World's best Infrastructure company built on GE competitive advantage ... the “GE Store”
- + ~\$40B returned to investors through dividends & Synchrony spin
- + Substantial Industrial EPS tailwind with Alstom, restructuring, buyback
- + Smaller GE Capital ... potential for reliable value creation
- + Culture of simplification & accountability



- | | | |
|---------------------------------------|-----------------------------------|--------------------------------------|
| 1 Strong Industrial EPS growth | 2 Earnings 75%+ Industrial | 3 Expanding margins & returns |
|---------------------------------------|-----------------------------------|--------------------------------------|



Environment

<u>"Better"</u>	<u>"No change"</u>	<u>"Tougher"</u>
U.S. recovery	Emerging markets/China	Oil prices
Air, rail traffic	Natural gas prices	Russia
Global infrastructure demand	Power demand	FX volatility
U.S. healthcare	Mining	Military budget
Retail	Housing	Regulatory costs
Mexico reforms & exports	Europe	High-cost oil producers
New technologies stimulating growth		

A lot going on ... still fits path of slow growth and volatility
+ plenty of growth available



Oil price decline

Known:

- Lower demand ... Europe
- Higher supply ... OPEC

Planning GE Oil & Gas

- 1 Lower cost ... base & variable
- 2 Complete operational upgrades
- 3 Segment customers/projects & support
- 4 Look for opportunity ... share, people

Remainder of GE

- + Sourcing & deflation opportunity
- =/+ Good for customers in other segments

Pragmatic outlook for 2015



Other thoughts/observations

- = China going through change ...
micro vs. macro ... still ok
- =/- Low-cost producers ok (Saudi);
high cost will be impacted (Iraq)
- =/+ U.S./Europe/Japan/China should
improve with cheaper oil
- =/+ Aviation & Transportation ... net
positive ... usage ↑
- =/+ Natural gas favored

Micro vs. macro

2014 operating framework

<u>Operating earnings</u>	<u>2014F</u>	<u>Update</u>
Industrial	++	<ul style="list-style-type: none"> ✓ Strong Industrial segment growth ... +10% 3Q YTD ✓ Margin expansion ... +50 bps. 3Q YTD
GE Capital	~\$6.7B	<ul style="list-style-type: none"> ✓ Delivering on 2014 framework ... TY ~\$6.9B ✓ Phase 1 of Retail Finance transaction + Nordics sale
Corporate	—	<ul style="list-style-type: none"> ✓ Will outperform \$500MM cost out target ✓ Restructuring > gains ... 2¢ higher restructuring & other charges ... TY ~(11)¢
Total operating earnings	+	✓ Positive impact of share reduction
CFOA	\$14-17B	✓ Total year tracking to framework; ~\$3B GE Capital dividends
Total revenues	0-5%	✓ Industrial segment organic 4-7% ... +5% 3Q YTD; GE Capital 0-(5)% ... (5)% 3Q YTD

Total year framework on track



A more valuable portfolio



+

Financial Services
25% ↓



- + Great Infrastructure franchise ... every business embedded with & adds to GE capability ... capitalizing on the big economic themes
- + Outperforming competition while expanding margins & returns
- + Smaller Financial Services that has competitive advantage & is capital efficient



Improving the portfolio

Invest		Divest	
	Strategy		Strategy
1 Rebuild & diversify power business post-bubble ✓ DP, Water, Wind	+	1 Reposition NBCU for value + Add Cable ✓ Divest @ good return	+
2 Build a competitive & diverse Oil & Gas franchise	+	2 Sell Industrials that don't fit Infrastructure platform ✓ Plastics/Silicones ✓ Appliances	+
3 Broaden Healthcare diagnostics franchise beyond U.S. DI ✓ Life Sciences, HCIT	=	3 Sell insurance "before the storm" ... risk reduction	+
4 Expand profit pools for Aviation ✓ Systems, supply chain	+	4 Grow consumer finance & then exit ... no competitive advantage	-
5 Execute on Alstom ✓ Fortify Power ✓ Scale for EM	TBD	5 Synchrony spin ... focus on commercial finance	TBD

Where
we are

- ✓ Every Industrial business improved + fits GE core capability
- ✓ Smaller and more focused GE Capital
- ✓ Lots of lessons learned



2014 portfolio actions



- + Acquire Power & Grid ... businesses we know ... for \$13B
- + Strong synergies
- + Teams in place to manage
- + Targeting mid-2015 close

Investor benefits

- ✓ IRR in high-teens
- ✓ EPS accretion of \$.06-.09 in 2016
- ✓ Enhances long-term growth



- + Completed 15% IPO in July
- + Well received by the market ... up 20%+ since IPO
- + Strong leadership team & well funded
- + Split-off modeled for 1/1/16

Investor benefits

- ✓ At current price: gain of ~\$2B ... buyback of ~700MM shares
- ✓ Focus on commercial finance



- + Legacy GE business ... to be sold to Electrolux for \$3.3B
- + Good stewards for GE brand ... improved global position
- + Favorable cycle ... earnings impact minimal
- + Targeting mid-2015 close

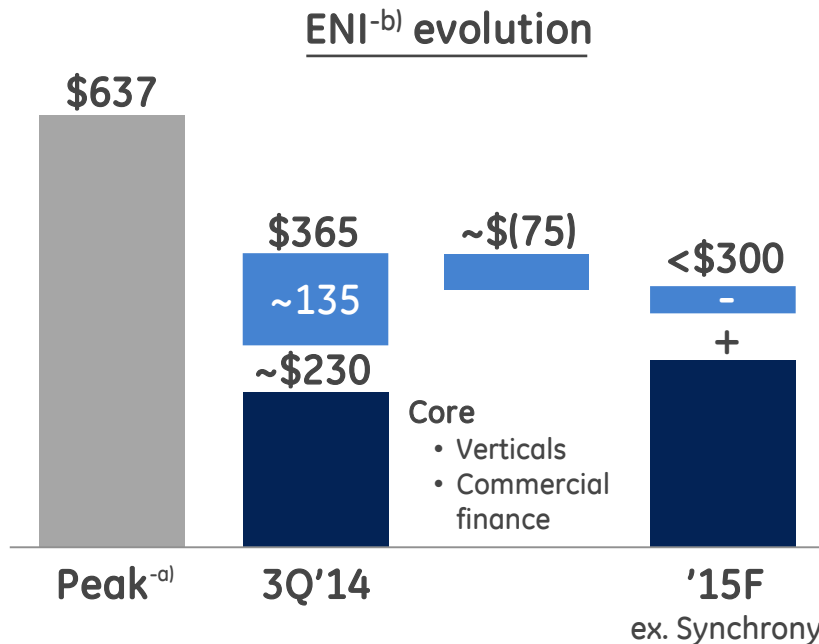
Investor benefits

- ✓ Gain ~\$.05-.07 EPS
- ✓ Unlock value in business that doesn't fit GE Infrastructure model



Capital going forward

(\$ in billions)

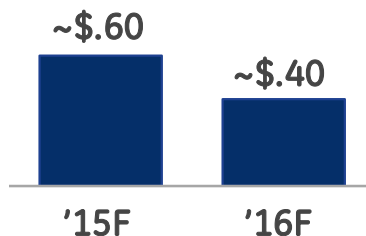


Focus

- 1 Execute portfolio transformation, including Synchrony, Australia, Hungary, RE equity
- 2 Focused on growing commercial finance & verticals where we are advantaged
- 3 Building regulatory capability ... CCAR in 2017
- 4 Improve returns ... liquidity, underwriting

Investor "guide post"

Earnings (EPS)



- + Seek every opportunity to make smaller in an investor-friendly way
- + Drive a consistent dividend
- + Link with Industrial growth ... verticals, CAPEX → OPEX
- + Keep safe & secure



(a- 3Q'08 + FAS 167 ex-cash, @ 1Q'10 FX, including disc. ops.

(b- ENI excluding liquidity

Alstom update

Better than expected

- + Synergy opportunities are robust
- + Strong technology and functional management
- + Expanded global operations
- + Synergistic global footprint

As expected

- ✓ Technology and services are complementary
- ✓ Compatible company culture
- ✓ Government processes and compliance matters
- ✓ Strong EPC fundamentals ... leveraging our experience in O&G and hired ex-Bechtel leaders to help with backlog execution

Worse than expected

- Alstom 1H cash reserves were weak

Targeting mid-2015 close ... shareholder vote December 19



Alstom value creation

(\$ in millions)

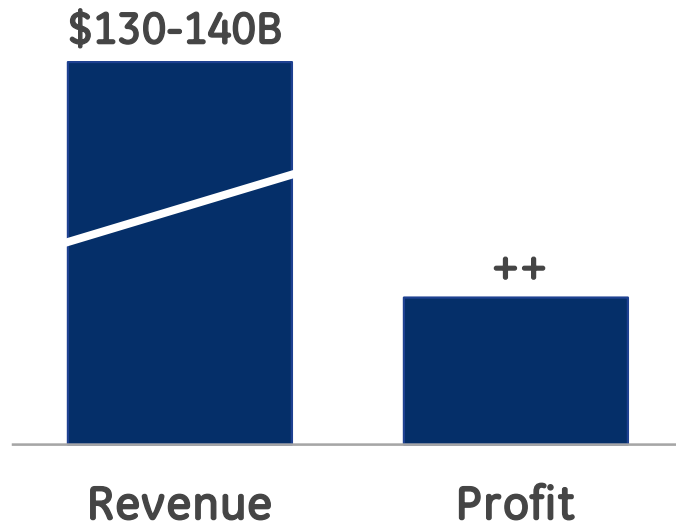
<u>Drivers</u>	<u>April synergy target</u>	<u>Status</u>	<u>Update</u>
1 Optimize manufacturing/ services footprint	~\$400	↗	<ul style="list-style-type: none"> ✓ ~10 pts. service margin delta ✓ 1,000 combined sites ... 1/3 in same city ✓ Alstom has good manufacturing capability
2 Combine sourcing buy	~\$250	↑	<ul style="list-style-type: none"> ✓ \$12B combined buy ✓ \$1B+ of internal sourcing ✓ Extensive low-cost country footprint
3 Optimize R&D	~\$300	→	<ul style="list-style-type: none"> ✓ Complementary skills ... better system capability
4 Consolidate support functions	~\$250	↗	<ul style="list-style-type: none"> ✓ GE SG&A benchmarks ... shared services
5 Growth opportunities			<ul style="list-style-type: none"> + Global footprint ... complementary + Value for service + Good engineering/systems

<u>Financials</u>	<u>EPS targets</u>		
'15F	~\$.01	+	High teens return
'16F	\$.06-.09		
'17F	++		
		+	Improved strategic position



Valuable Industrial franchise

"New GE"/year 1



1 Market leadership

Power	#1	Energy Mgmt.	#3
Aviation	#1	Oil & Gas	#1-#3
Transp.	#1		
Healthcare	#1		

All businesses contribute

2 More scale for GE initiatives

- ✓ Extend technical lead (~\$6B)
- ✓ Grow installed base ... ~\$200B
- ✓ Global capability ... \$60B in growth markets

3 Incremental margins/returns

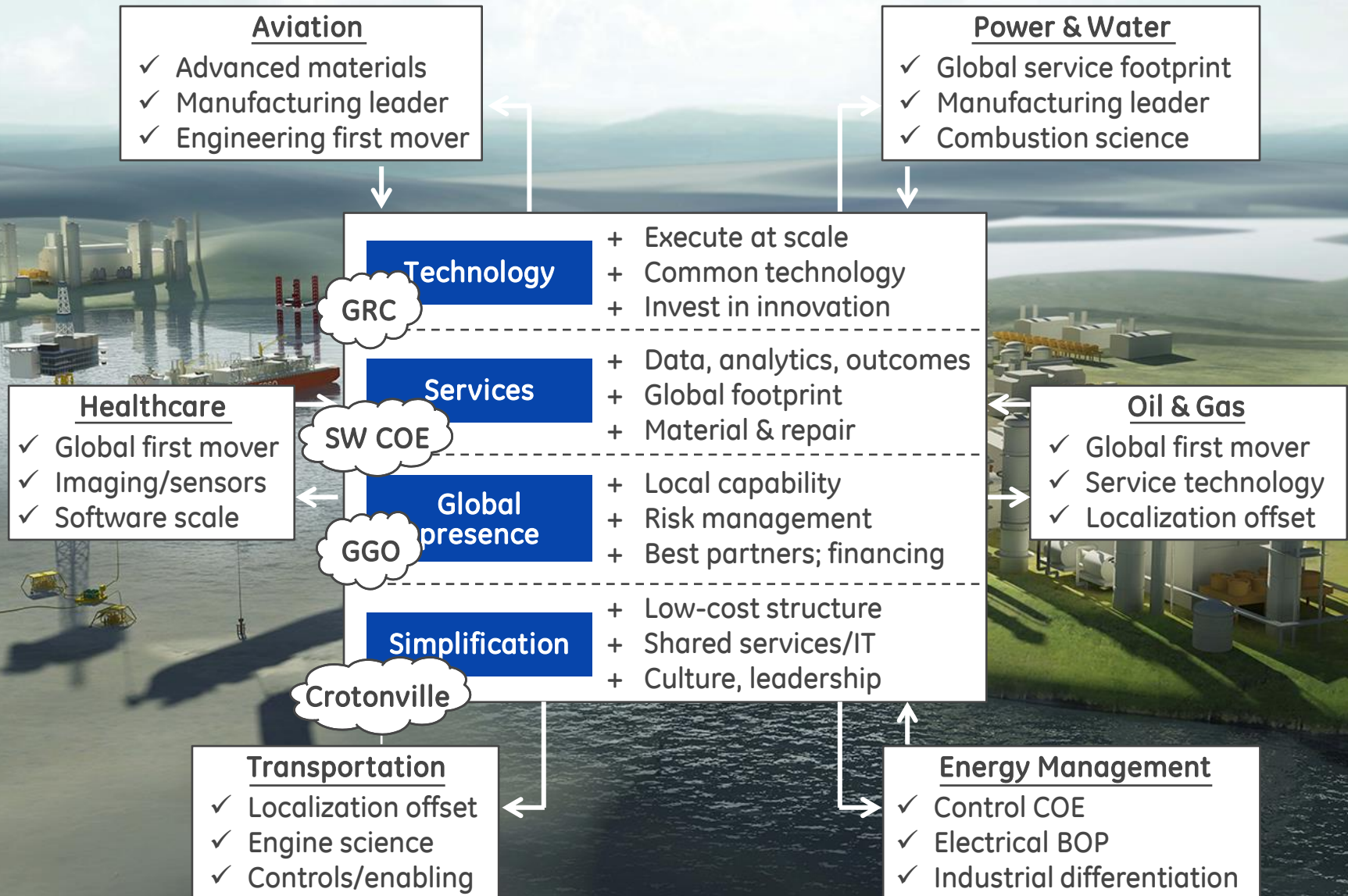
- ✓ Alstom synergies
- ✓ Broader focus on gross margins & returns
- ✓ More scale on a simpler foundation

4 Winning in the big themes

- ✓ Energy transitions
- ✓ Growth markets
- ✓ Analytics/services
- ✓ Infrastructure
- ✓ Manufacturing
- ✓ Efficiency
- ✓ Value healthcare
- ✓ Environment



The GE Store



Expanding value from the GE Store

- ① Gain share at higher margins by launching products built on technical and manufacturing innovation
- ② Capitalize on the largest growth market footprint ... fueled by best localization capability
- ③ Lead the intersection of physical & analytical ... software & IT ... create a new source of speed & competitiveness
- ④ Grow our valuable service franchise by extending our business model & driving customer outcomes
- ⑤ Intensify process improvement in gross margins & returns
- ⑥ Achieve a culture of simplification supported by GE Beliefs & FastWorks

1 Gaining share

H Turbine

Why we win



World's largest & most efficient gas turbine

- ✓ Performance leader
- ✓ 37 technical selections
- ✓ Global momentum

Tier 4 locomotive

Why we win



Market-leading technology

- ✓ 70% reduction of NOx & PM
- ✓ Only qualified product
- ✓ Record orders

LEAP engine

Why we win



Most efficient & reliable narrow-body engine

- ✓ 79% share^{a)} to date
- ✓ 15% more fuel efficient
- ✓ More content

PET MR

Why we win



Differentiated product offering

- ✓ Lowest dose, highest sensitivity
- ✓ Proprietary detection... most efficient
- ✓ Clinical winner

20k BOP

Why we win

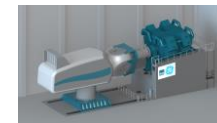


Reliable & durable in ultra-deep water

- ✓ Access to 20k PSI & 350°F reservoirs
- ✓ ↑ reliability & ↓ downtime
- ✓ Unique control system

Power Conversion

Why we win



Focused technology leader

- ✓ \$1B marine backlog
- ✓ Impact in wind and solar
- ✓ Differentiates GE (e.g. LNG)



(a- 55% on A320neo and 100% for 737MAX)

LEAP is a trademark of CFM International, a 50-50 JV between Snecma and GE

Product cost advantage

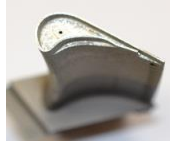
Investments

Materials & methods



CMCs

- ✓ Material scale
- ✓ Advanced mfg.
- ✓ Service value



3D Mfg.

Design & testing



Greenville Test

- ✓ Engineering cycle ↓
- ✓ Control IP
- ✓ Fewer parts

Vertical integration



Tier 4

- ✓ GE content ↑
- ✓ Sole source ↓
- ✓ Value gap

Digitization

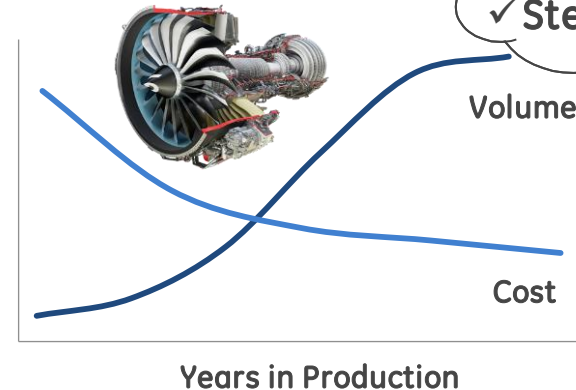


Robotics

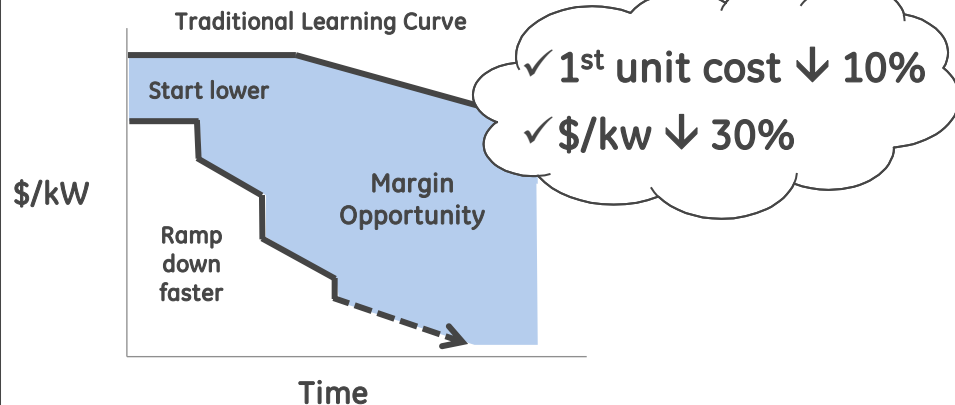
- ✓ "In factory" analytics
- ✓ Supply chain visibility
- ✓ FastWorks

Impact

LEAP Engine launch



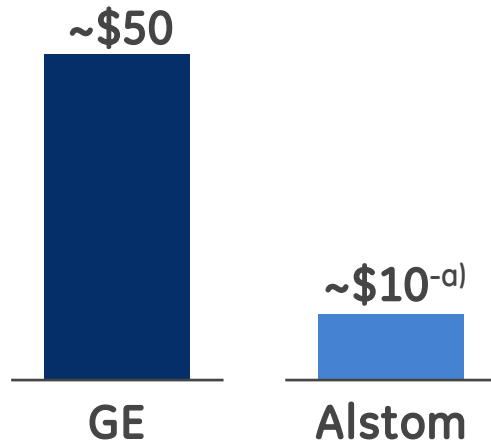
H Turbine launch



2 Best growth market footprint

(\$ in billions)

2014 orders



- ✓ **Scale advantage** ... strong foundation in places that count
- ✓ **Expanding beyond the core** ... power conversion, life sciences, avionics
- ✓ **Scope of GE** ... ↓ cost through multi-modal sites & engineering centers

China



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

India



- ✓ Significant demand for power gen & T&D... complementary tech with Alstom
- ✓ Providing clean power with Wind launches... new tech, local sourcing
- ✓ Alstom manufacturing footprint

MENAT



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



Localization capability

Seize the market



Aviation in China

- 1,000 narrow bodies in 2015
- Local service & manufacturing

Emergency power

- 5-10 active campaigns
- Local business model



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



+

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

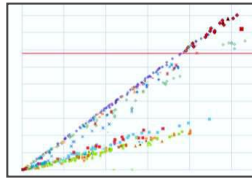


3 GE differentiation: physical & analytical

For Service:



+



Physical

Analytical

- ✓ Invest \$300 - \$400MM/year
 - GE Predix™ capabilities
 - 40+ GE Predictivity™ apps
 - Productivity, margins and growth

Value for investors

- + \$/IB ↑
- + Predictivity™ revenue
- + Margins ↑
- + Product feedback

Delivering customer outcomes... Power of 1%

- + Efficiency
- + System cost
- + Uptime
- + Safety & quality

Enterprise IT

\$2B



Annual
spend

- ✓ Brilliant factory
- ✓ Field services
- ✓ Commercial tools
- ✓ Cyber security

Driving GE's 1%

- Digital foundation ... 90% ↓ in ERPs
- Data-as-a-service ... sourcing, Alstom synergies, factory productivity
- New way to deliver services ... \$1B CSA productivity over 3 years & 10% customer uptime improvements
- Configurator and quoting tools ... commercial productivity, win rates



Horizontal capability: Controls

1. Embed knowledge and create Brilliant machines ...

e.g., 3% increase in output or 20% increase in life through life optimizing controls

2. Harness cloud connectivity and power of Predix ...

- Every GE machine connected to the cloud
- Ability to better trend and diagnose anomalies
- Optimize service and time on wing cost

3. Upgrade controls software ...

- Download software to change asset behavior
- Upgrade machine at minimum costs
- Key enabler to sell new services

4. Common communications, security and user experience ...

- GE plug and play systems. 50% reduction in commissioning time
- 30% reduction in engineering requisition time
- Delight customers due to common UX

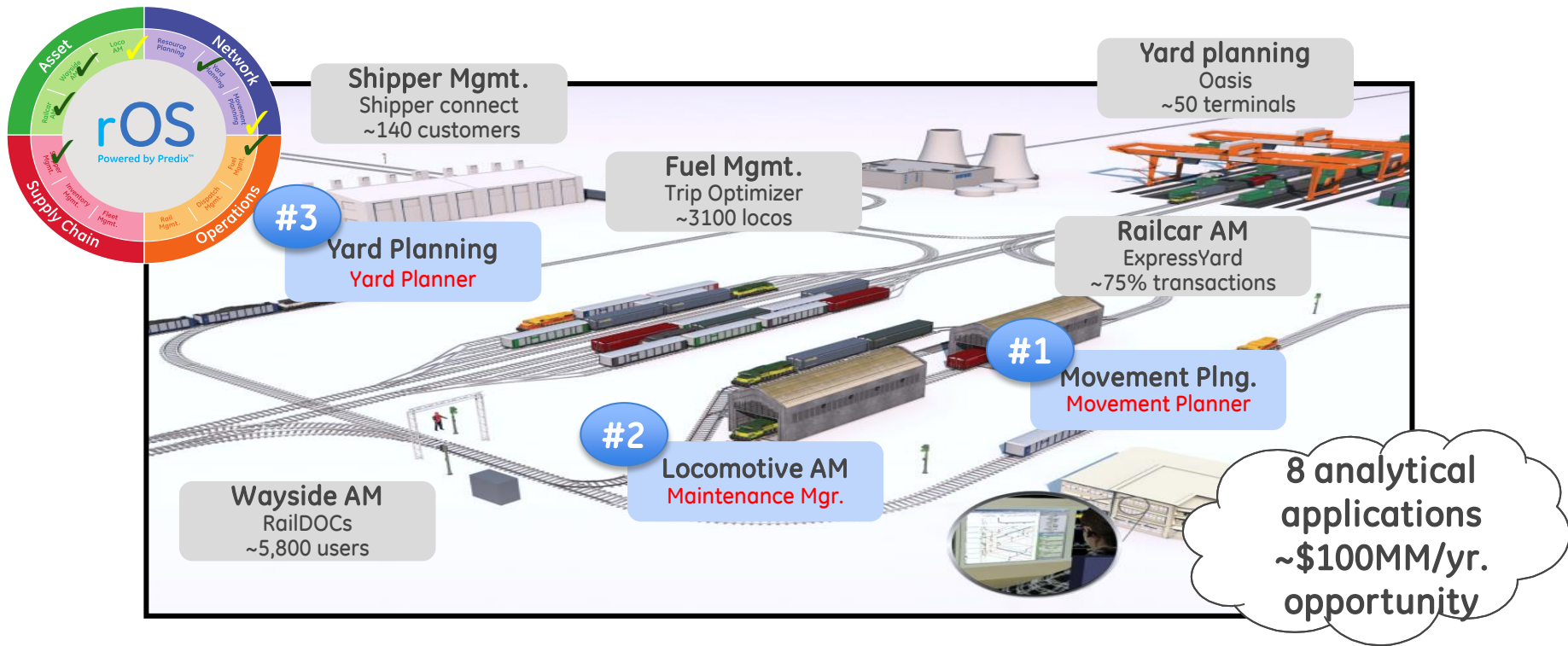
Life optimizing controls



- ✓ Foundation for upgrades
- ✓ Extends life and output
- ✓ Reduce CSA cost/risk



Extending our value: Rail customer



**GE
positioning**

- + Can be “operational ERP supplier” for industry
- + Opens up incremental market ... \$/IB



Transforming IT

Digital transformation

	<u>Today</u>	<u>Future</u> ^{-c)}
ER/Manufacturing ^{-a)}	181	34
Data Centers	28	~5
Applications	8,500	~5,000
Shared Services	~40%	~65%
Cloud ^{-b)}	~25%	~70%

Significant progress ... more to go

Business impact

GE Water



22 ERPs → 1

- ✓ '12-'14 profit CAGR 35%+
- ✓ SG&A ↓ ~10 pts.
- ✓ Past dues ↓ ~60%
- ✓ Finance cost ↓ 50%
- ✓ Improving returns

Life Sciences



32 ERPs → 2
++ analytics

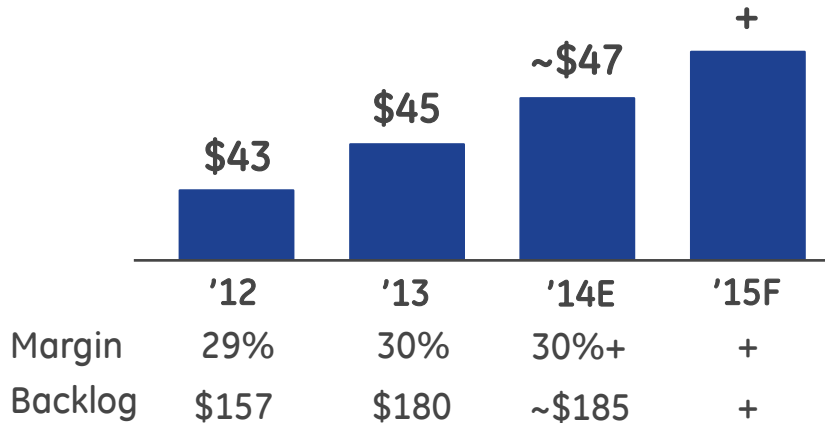
- ✓ '12-'14 profit CAGR 10%+
- ✓ SG&A ↓ ~5 pts.
- ✓ Margins 20%+
- ✓ On-time delivery ↑
- ✓ Improving returns



4 Grow our service business

(\$ in billions)

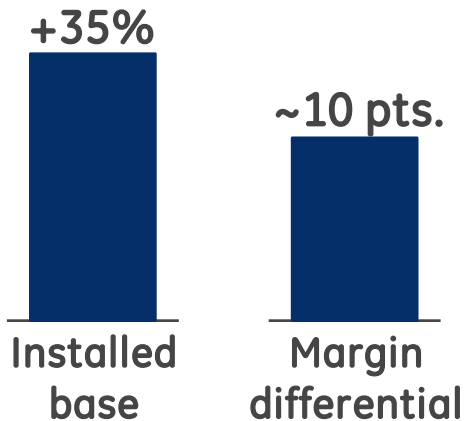
Revenue



Strengthening execution

- + \$/IB growing by ~3%
- + Generating \$1B of productivity
- + Growing global presence
- + Predictivity™ orders of \$1.5B+
- + Value in the aged fleet

GE + Alstom Thermal Services



GE brings:

- ✓ GE technology: coatings, additive manufacturing, robotics
- ✓ SW COE: Big data & analytics opportunity, outcome selling

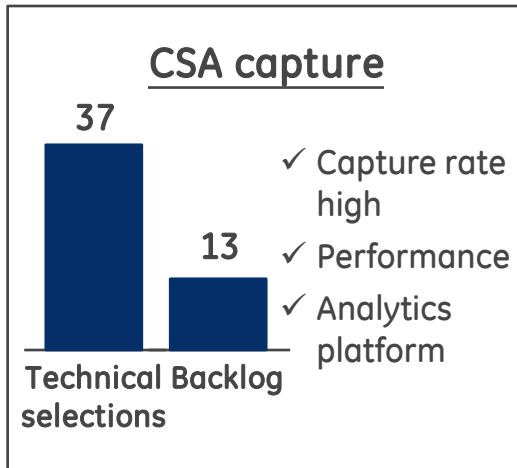
Alstom brings:

- ✓ 350 GW installed base: EM footprint
- ✓ Broad service expertise
- ✓ Steam, generator & mature fleet

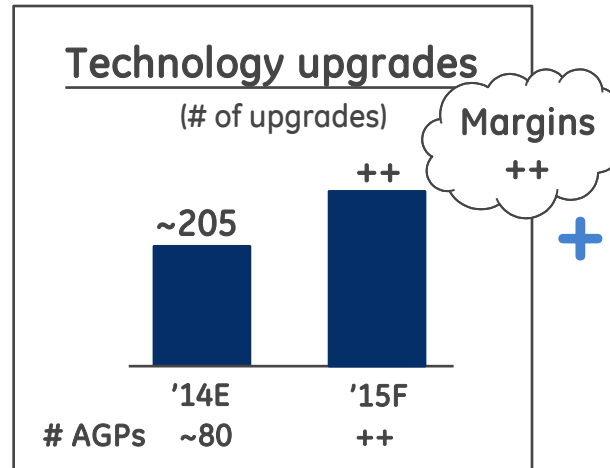


Expanding service potential: Power Gen

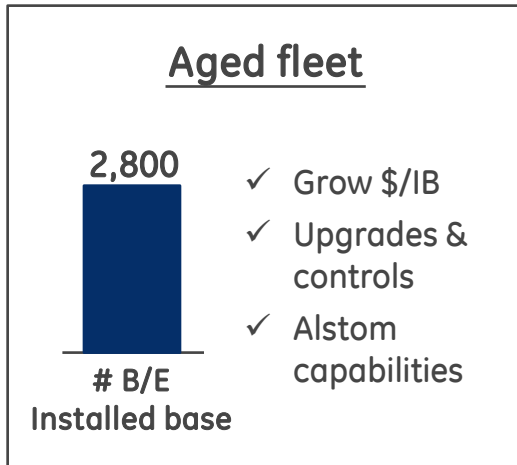
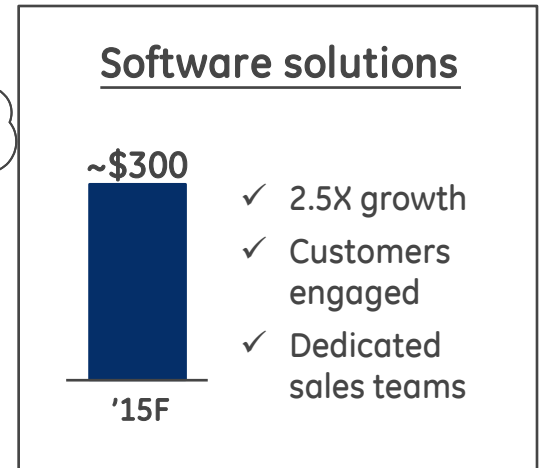
(\$ in millions)



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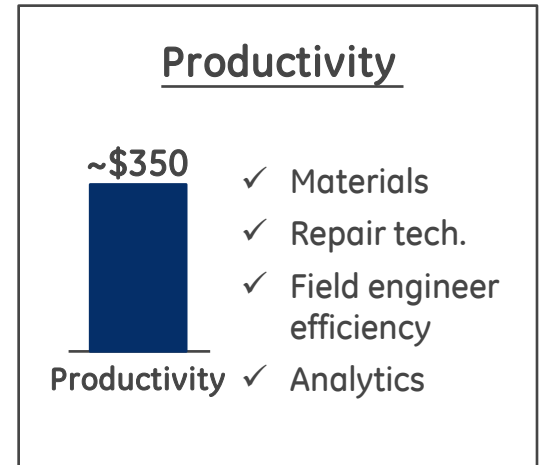
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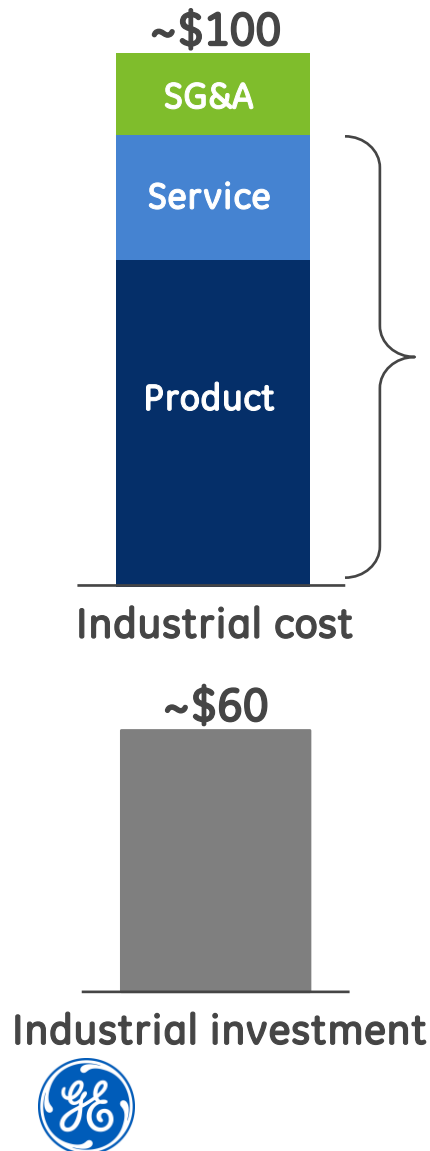


Building a more robust service model



5 Intensify process improvement

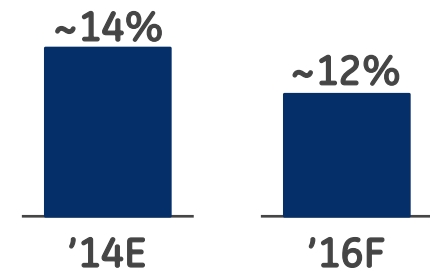
(\$ in billions)



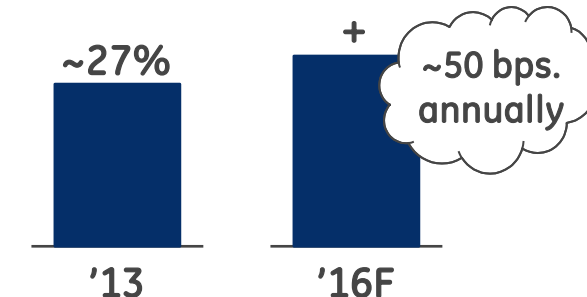
- 1 Simplification wave 1 – Reduce SG&A costs to reach world-class levels
 - 2 Simplification wave 2 – Address variable & product cost to drive gross margin improvement
- ↓
- 3 Improve returns
 - ✓ Driven by margin expansion (GM + SG&A)
 - ✓ Free cash flow conversion

GE commitments

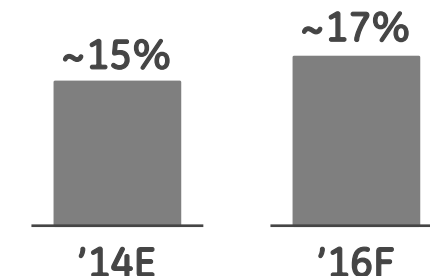
Industrial SG&A % of sales



Segment gross margins



Industrial returns



Operational simplification

Horizontal focus – GM + Returns

Product cost	Service productivity
OCPH	Reliability
Value gap	P&E efficiency
Engineering efficiency	Working capital



Converge on drivers of change

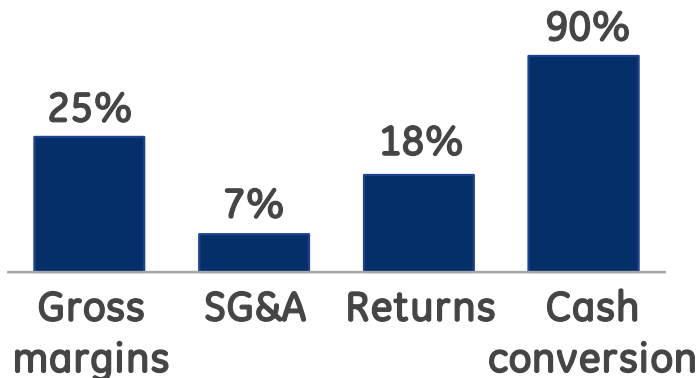
Horizontal process → senior leadership & CAS

Common metrics & reporting

Compensation → outcomes drive comp

Make sure targets offset mix

Aviation example



Return sensitivities:

Gross margins:

1 pt. = 100 bps.

P&E:

(10)% = 50 bps.

Target processes

- X: Product cost/learning curve
- X: P&E efficiency
- X: Engineering efficiency
- X: Service productivity

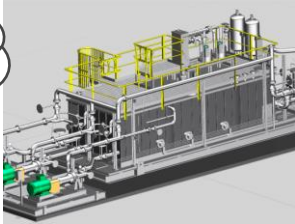
Team comp plan



Operational simplification

Turbomachinery part design

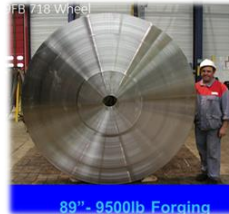
Product cost



- ✓ Engineering & Sourcing drove ↓25% console product cost
- ✓ Modules + options allow for repeatable customization

Thermal forgings

Strategic sourcing



- ✓ Sourcing engagement with multiple vendors
- ✓ Early volume commitments
- ✓ Advanced manufacturing

Aviation learning curve



Engineering

- ✓ Continue to deliver on GEnx cost out
- ✓ Ensure LEAP readiness at cost
- ✓ Execute unprecedented NPI portfolio

Aviation commercial engines

Value gap



- ✓ Favorable pricing from markets on new technology
- ✓ Driving service productivity by leverage analytics

Ultrasound

NPI



- ✓ Reduce product cycle time to market
- ✓ Improve product reliability to reduce downtime

Analytics → Productivity



Services

- ✓ Co-development of new algorithms @ SW COE
- ✓ Optimizing material & repair cycles across installed base
- ✓ Field engineer efficiency



6 Culture of simplification

**Lean
management**

+

**Speed &
competitiveness**

+

**Commercial
intensity**

+

**Digital
capability**

Lower-cost company

- + Go from 14% to 12% SG&A/sales
- + 65% of processes in shared services, FastWorks
- + Corporate costs ↓ \$500MM+
- + Improved product cost

+

Faster & smarter company

- + Invest in IT ... speed & transparency... ERPs ↓ 90%
- + Fewer P&L, layers, process, ↓ headquarters
- + Driven by FastWorks ... lower product cost

+

Driven by beliefs

- + “Customers define our success”
- + “Stay lean to go fast”
- + “Learn & adapt to win”
- + “Empower & inspire each other”
- + “Deliver results in an uncertain world”



Aligning to investor goals

Annual incentive compensation

- Target-based program to align to annual metrics
 - More transparency, reset each year
 - Threshold, target, maximum
- Key metrics:
 - Op profit
 - Cash
 - Op profit %
 - Strategic by business

Eligible employees

- | | |
|---------------------|-------|
| • Officers | 190 |
| • Senior executives | 500 |
| • Executives | 4,800 |



Leadership team
aligned to
investors

CEO & senior leadership

- Combination of performance stock units (PSUs) + options
- CEO & senior leadership alignment on objectives
- 3-year PSU performance period aligned to company's strategic plan
- Two PSU performance metrics with threshold and target
 - Total cash
 - Op margin %

} **TSR
multiplier**

Aviation example:

Financial - 50%

- | | |
|-------------|------------------|
| ✓ Op profit | ✓ Free cash flow |
| ✓ OP margin | ✓ Gross margins |

+

Strategic - 50%

- | | |
|-----------|----------------------|
| ✓ Growth | ✓ Services/analytics |
| ✓ Returns | ✓ Enterprise risk |
| ✓ Talent | |

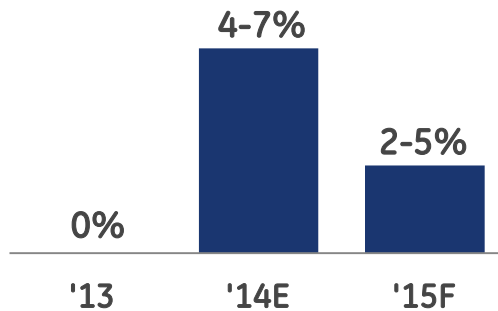
×

**Total
company
performance**

GE store = results

Organic growth

(Industrial segments)

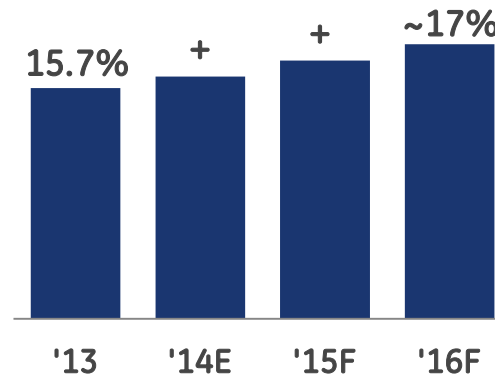


Ongoing goal: 5%

- + Strong portfolio
- + Product line → share
- + Growth initiatives goal of 5-10% ... service + growth markets
- Offset short-term market dynamics (O&G)

Margins

(Industrial segments, ex. BD)

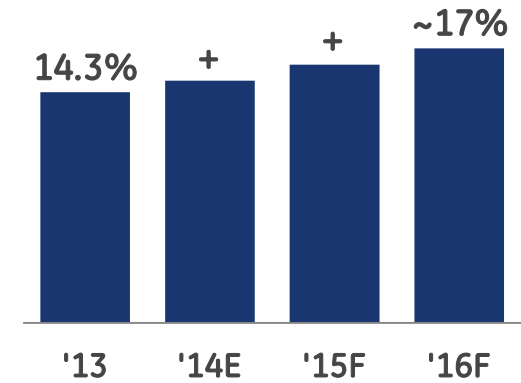


Achieving 17%

- + SG&A to 12% of sales
- + Segment gross margins ~50 bps. each year ... R&D in line with revenue
- Offset mix

Returns

(Industrial ROTC, ex. BD)



Achieving 17%

- + Hit margin goals
- + Improve cash conversion
- + Leverage P&E ... multi-modal
- + Drive acquisition integration



Executing our financial plan



2015 operating framework

EPS

1 Industrial	\$1.10-1.20	<ul style="list-style-type: none">+ Industrial EPS up double digits+ Segment organic growth of 2-5%+ Margin expansion+ Corporate ~\$2.3-2.5B+ BD ... targeting deals to close in mid-2015
2 GE Capital	~\$.60 Could be lower if faster ENI ↓	<ul style="list-style-type: none">+ Growth in verticals and Commercial Finance+ Synchrony split 1/1/16+ Non-strategic assets of ~\$60B ex-Synchrony
3 Free Cash Flow + Dispositions (\$B)	\$12-15	<ul style="list-style-type: none">+ CFOA of \$14-16B^{a)}+ P&E of ~\$4-4.5B+ Dispositions of \$2-4B
4 Cash Returned to Investors (\$B)	\$10-30	<ul style="list-style-type: none">+ Dividend of ~\$9B+ Synchrony split-off est. ~\$18-20B



(a- Taxes associated with dispositions included in net disposition proceeds

Summary

Op Profit

2014E	2015F	2015F
	With BD	ex-BD

Power & Water	+	++	+
Oil & Gas	++	=/-	=/-
Energy Management	+++	++	++
Aviation	++	+ / ++	+ / ++
Healthcare	+	+	+
Transportation	-	+	++
A&L	+	-	++
Industrial Segments	++	+ / ++	+
Capital (\$B)	~\$6.9	~\$6	~\$6

High end of range

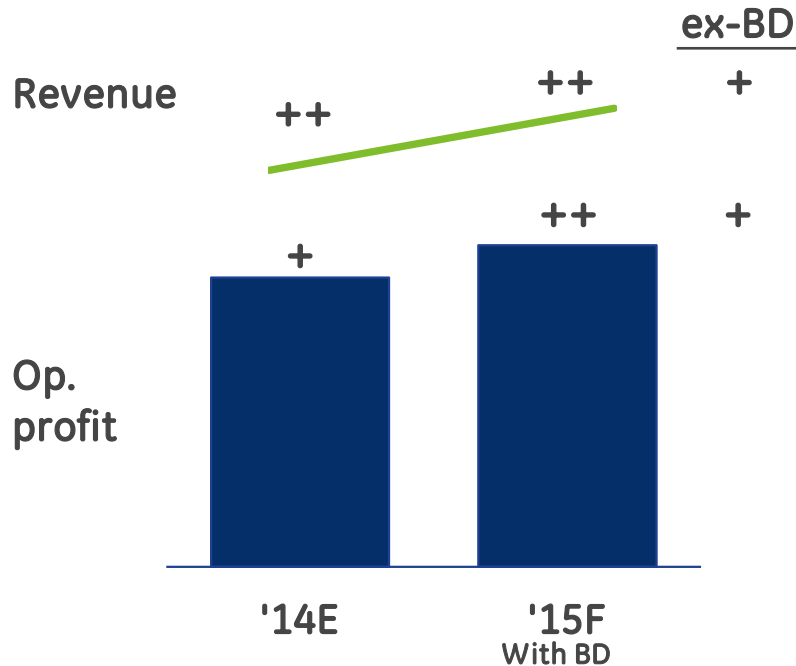
- + Better U.S./developed markets
- + U.S. healthcare market improves in line with procedures
- + Aviation/Transportation ... volume ↑ + mix ↑
- + Decent DP & Wind volume ... policy
- + Cost execution ... sourcing
- + Alstom upside

Low end of range

- Tougher China ... impact on rest of world
- Oil & gas capex freeze
- Higher social cost ... pension & union
- Public policy ... energy/taxes
- Materially stronger U.S. dollar than today



Power & Water



Environment

- + Continued natural gas growth
- + Strong global renewables demand
- Excess capacity in developed markets, Europe remains tough
- Macro & geopolitical uncertainty

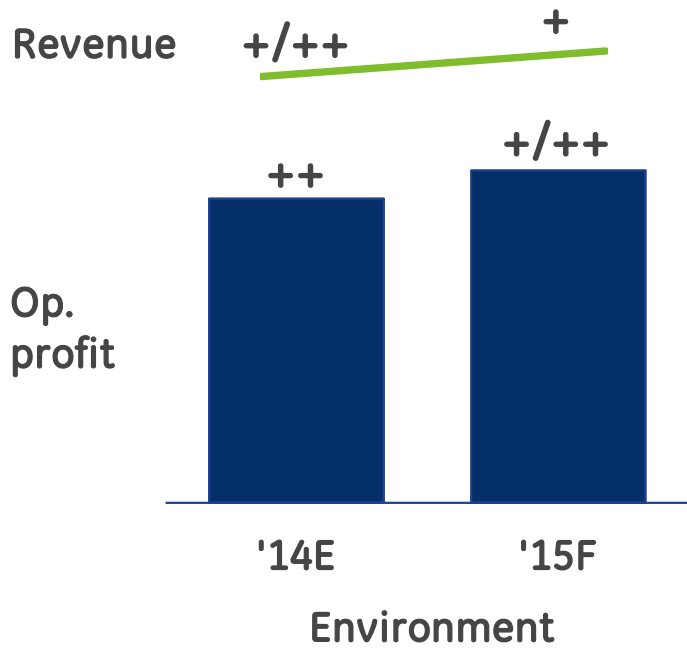
Operating dynamics

- + Diverse technology & solutions ... growing demand for H-technology
- + Strong services model ... ~65,000 units in installed base & growing; high-margin software
- + Continued focus on simplification... moving beyond SG&A to drive greater product cost efficiency
- Volatile public policy
- ✓ Continuing to invest in product leadership across portfolio
- ✓ Alstom integration planning progressing

Outperforming competition in a challenging environment



Aviation



- + ↓ fuel costs ... airline profitability ↑
- + Continued growth in passenger traffic
- + Positive growth trend in freight
- Military budget pressure continues

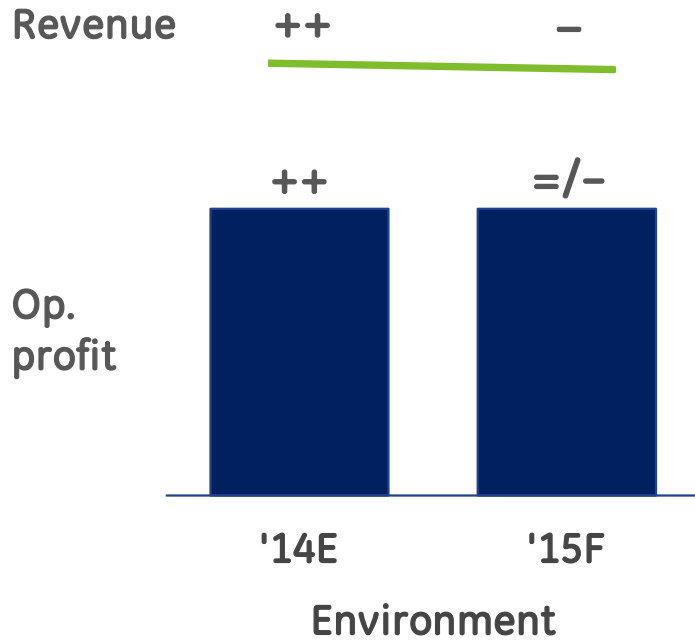
Operating dynamics

- + Next generation platforms progressing as planned ... technology a differentiator
- + Installed base continues to grow with new launches. Service backlog ~\$100B ... driving customer productivity through data & analytics
- + Strong supply chain momentum ... Expanding footprint & additive capability, accelerating cost out curve on new products
- + Spares activity continues to be strong
- Military shipments down
- ✓ Manage engine development & launch costs

Business positioned for long-term growth



Oil & Gas



- Low price of oil creates short-term industry challenges
- Reductions in capex forecast
- Some customers challenged
- + Opex & standardization opportunities

Operational planning

Revenue → (0-5)%

- Surface & Drilling biggest impact (25%) ... ↓ double digits
- Subsea projects continue/orders shift (15%) ... ~70% in backlog
- ✓ TMS, M&C, downstream still buying (60%)

+ Position for right market/customers
+ Diversification helps

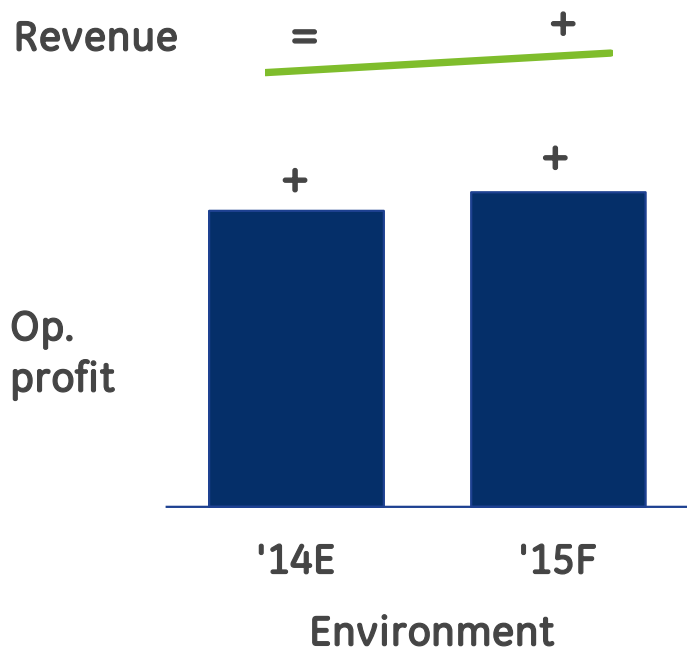
Op profit → (0-5)%

- ✓ Significant cost out ... supplier opportunity
- ✓ Complete operational integration
- ✓ Prepare for price pressure

+ Aggressive cost out
+ Ready for multiple scenarios



Healthcare



- + Emerging markets continue to grow
- + Hospital demand for services & IT/cloud solutions
- + U.S. improving ... remain cautious
- Europe/Japan markets slow

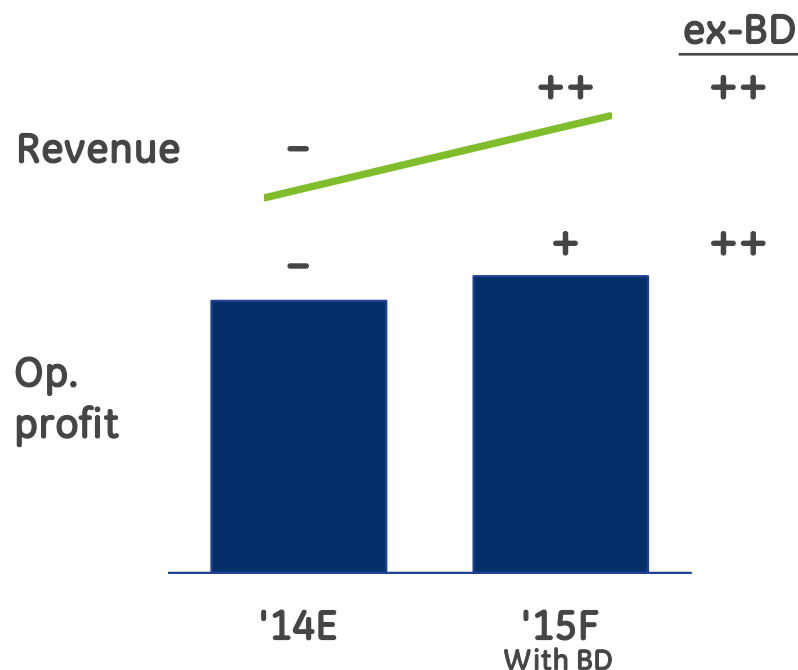
Operating dynamics

- + Life Sciences expanding through bioprocess growth ... emerging markets strong
- + World-class data & analytics capability to ↓ hospital opex ... integrating offerings
- + Installed base growing ... requires service capabilities
- Uncertain regulatory & economic environment pressuring hospital spend
- ✓ Focus on commercial intensity & cost out to drive margins

Growing through product leadership & disciplined operations



Transportation



Environment

- + ↓ parked locos & network velocity
- + Commodity volume up ... agriculture
- Continued global mining softness

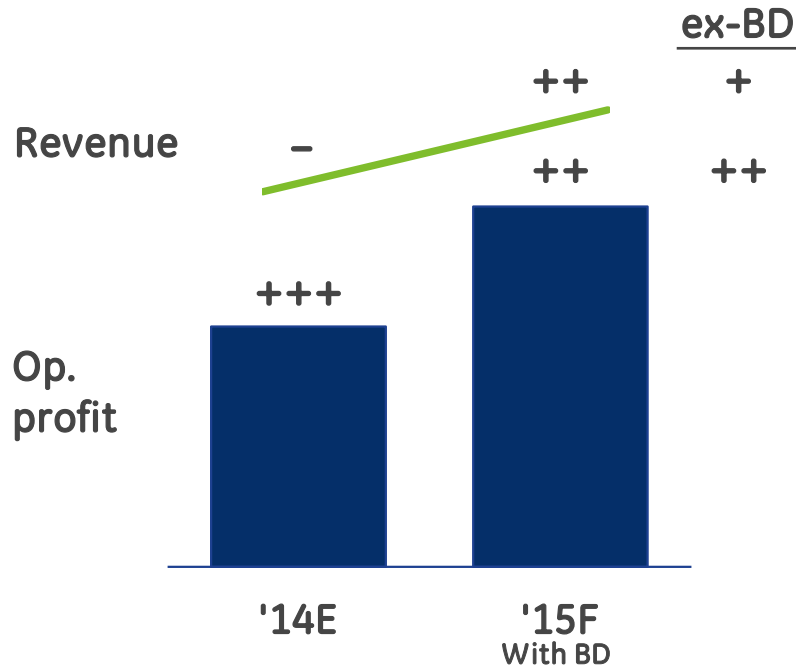
Operating dynamics

- + Volume demand strong ... U.S. growth driven by early demand for Tier 4 locomotives, international volume increasing
- + Expanding services ... growing loco mods volume, partnering to deploy RailConnect360™
- + Leveraging FastWorks & investing in new technologies ... LNG, next-gen control solutions
- Softness in global commodity prices pressuring mining ... equipment & services
- ✓ Volume growth & cost-out actions offsetting pressures from mining; must execute Tier 4 ramp-up

Earnings growth through technology leadership



Energy Management



Environment

- + LNG & onshore electrification demand
- + Moderate grid automation growth
- European economic recovery

Operating dynamics

Power Conversion

- ✓ Essential GE technology
- ✓ Investing in operating systems
- ✓ Fix installed base
→ Vast improvement

Digital Energy

- ✓ Significant opportunity with Alstom
→ Strong #3

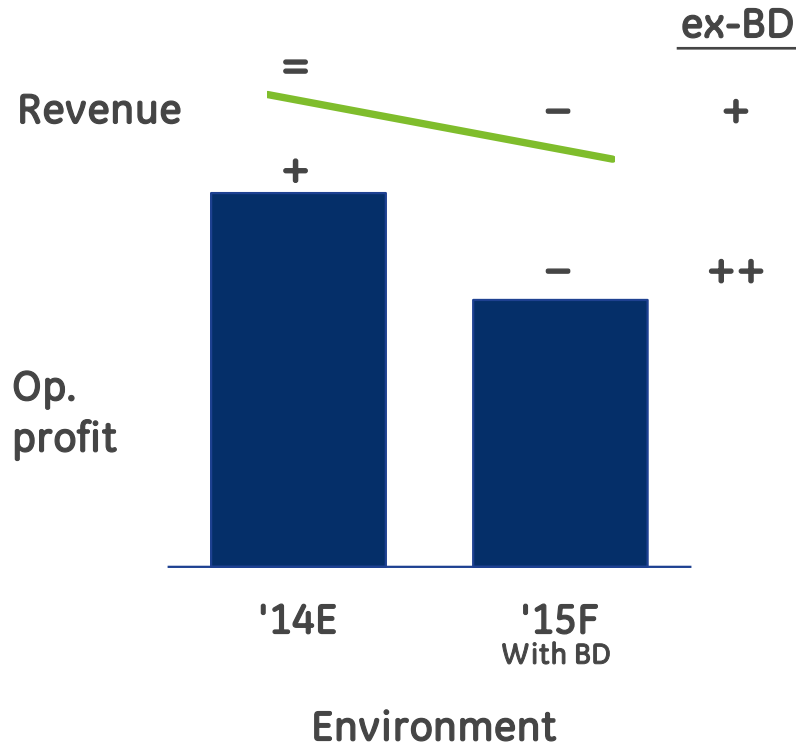
Industrial Solutions

- ✓ Restructuring while investing in technology
- ✓ On path to ~10% margin rate
- ✓ Significant earnings growth

Restructuring + simplification + investment + Alstom = solid growth



Appliances & Lighting



- + U.S. housing up but normalizing
- = Strong global shift to energy efficient lighting ... traditional shrinking faster
- Professional non-LED market slowing

Operating dynamics

- + Exit Appliances by mid-year ... cash & gain
- + Lighting going forward
 - ✓ LED \$1B+
 - ✓ Creating a strong service capability
 - ✓ Manage investment
 - ✓ Restructure the old

Smaller & incremental benefits

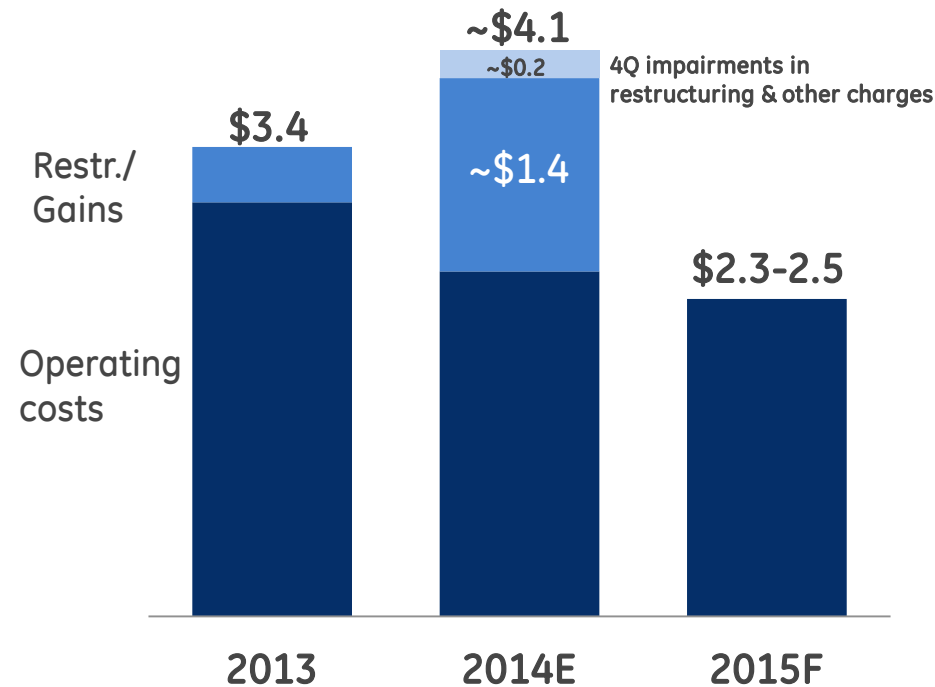


Corporate

(\$ in billions)

Corporate operating costs

(excluding non-operating pension)



2015 Corporate dynamics

- + Continued reduction in HQ costs
- ✓ Expect gains and restructuring & other charges to be balanced
- ✓ Variability in quarterly profile due to timing of gains vs. restructuring & other charges
- ✓ Growth investments focused on Software, IT, and Services Predictivity™

– Pension dynamics:	<u>EPS impact</u>
Operating	\$(.01)-(.02)
<u>Non-operating</u>	~\$(.03)
Total	\$(.04)-(.05)

Mortality & discount rate headwinds partly offset by lower amortization

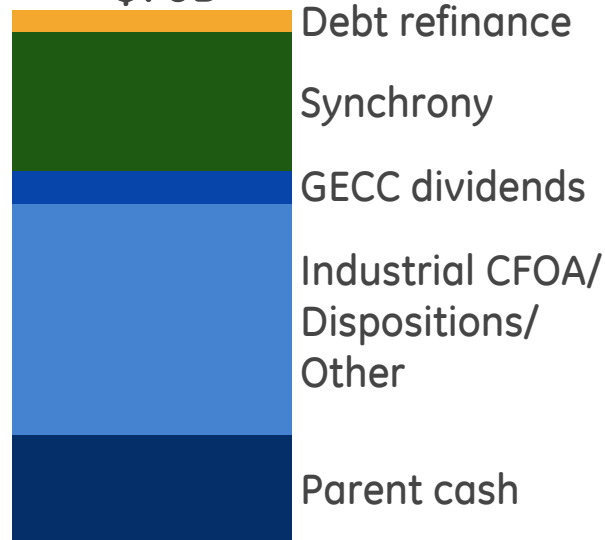
Continuing to reduce Corporate costs



Going forward: Capital allocation

Available cash

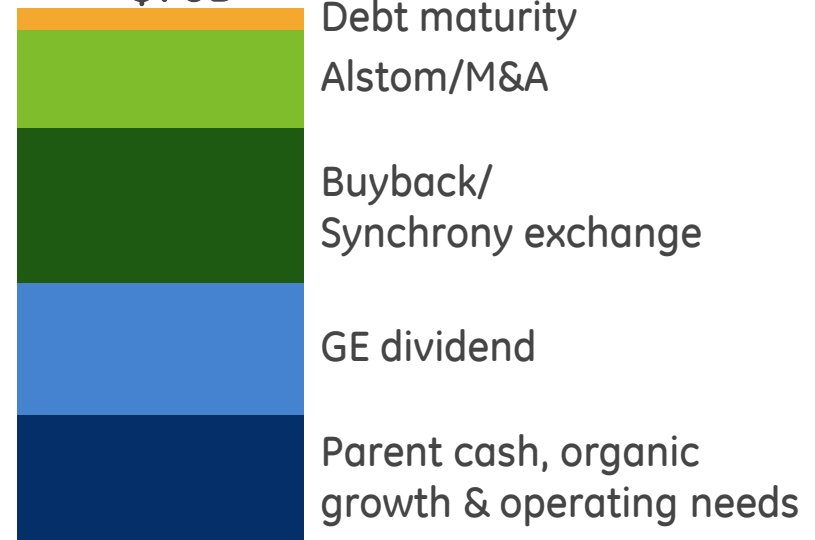
~\$76B



'15F-'16F

Capital allocation

~\$76B



'15F-'16F

Generation

- + Focus on FCF ... CFOA – P&E
 - ✓ Compensation target
- + Synchrony ... investor friendly
- + Capital dividend
- + Dispositions ... ~\$2B/year

Allocation

- 1 Return ~\$40B to investors in dividend and buyback (Synchrony)
- 2 Alstom the priority ... other M&A focused and smaller
- 3 Organic investment

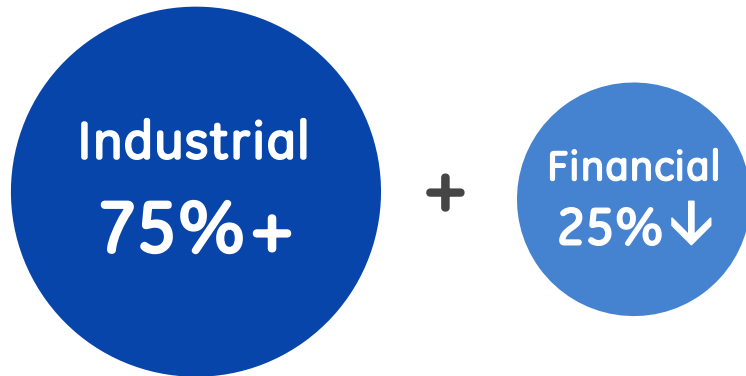


The Pivot



GE strategy

Best Infrastructure company



- + Great Infrastructure franchise ... deliver what the world needs with massive domain expertise
- + Lead in the big global themes
- + Strong Industrial EPS growth
- + Smaller Financial Services with competitive advantage & returning cash to parent

Enhancing the GE store

- 1 Gain share by launching products built on technical & manufacturing innovation
- 2 Capitalize on the largest growth market footprint ... fueled by best localization competency
- 3 Lead the intersection of physical & analytical ... software COE & IT ... create a new source of competitiveness
- 4 Grow our valuable service franchise by extending our business model & driving customer outcomes
- 5 Intensify process improvement in gross margins & returns
- 6 Achieve a culture of simplification

Thoughts
on 2016

Capital
~\$(.20)
Synchrony +
non-core

+

Industrial
Organic + Alstom
Restructuring benefits
Buyback

=

EPS growth

I am running GE differently

- 1 Shift from portfolio remix “heavy lift” to higher returning Industrial portfolio
- 2 Change the blend of talent ... experienced operators everywhere ... transition in Capital toward risk
- 3 Win in the market ... globalization, technology, customers ... we are in a business where winning pays off for decades ... but make sure investments drive share & margins
- 4 Modernize the capability ... every Industrial company must be good at IT & analytics
- 5 Modernize the culture ... lean, faster, risk based, competitive ... with compensation to match



