

Digital Industrial Company

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December 16, 2015



CAUTION CONCERNING 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 our announced plan to reduce the size of our financial services businesses, including expected cash and non-cash charges associated with that plan; 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: obtaining (or the timing of obtaining) any required regulatory reviews or approvals or any other consents or approvals associated with our announced plan to reduce the size of our financial services businesses; our ability to complete incremental asset sales as part of that plan in a timely manner (or at all) and at the prices we have assumed; changes in law, economic and financial conditions, including interest and exchange rate volatility, commodity and equity prices and the value of financial assets, including the impact of these conditions on our ability to sell or the value of incremental assets to be sold as part of our announced plan to reduce the size of our financial services businesses as well as other aspects of that plan; the impact of conditions in the financial and credit markets on the availability and cost of GE Capital Global Holdings, LLC's ("New GECC") funding, and New GECC's exposure to counterparties; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; pending and future mortgage loan repurchase claims and other litigation claims 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; New GECC's ability to pay dividends to GE at the planned level, which may be affected by New 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 and litigation; 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 Appliances disposition and our announced plan and transactions to reduce the size of our financial services businesses; our success in integrating acquired businesses and operating joint ventures; our ability to realize anticipated earnings and savings from announced transactions, acquired businesses and 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, 2014. These or other 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 also contains 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 New GECC on an equity basis. "GE (ex-New 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.

Ready for this environment

Slow growth + volatile world ... U.S. is ok ... will probably live in strong \$ world

China is in transition (13th 5-year plan)

Depressed resource pricing ... impacts countries in different ways

Geopolitical uncertainty ... anti-business, anti-globalization

Financial volatility regulation ... less capital access

Robust pipeline of productivity tools

A competitive company

- + Capture the growth
- + Everything lower cost
- + Drive customer productivity
- + Manage risk/develop contingencies
- + Get faster + more digital



A strong 2015

1 Finish the portfolio pivot:

- + GE Capital exit one year ahead
~\$104B deals closed in 2015
Synchrony split ... shareholder value
- + Alstom closed ... expect to sign & close Appliances early in 2016^(a)

2 World-class execution:

- + Industrial operating EPS @ \$1.13-1.20
- + Organic growth @ ~4% YTD, > peers
- + Margins @ ~17%; returns @ ~17%
- + CFOA of ~\$16B

3 Return cash to investors:

- + \$32B in buyback, Synchrony & dividends

4 Invest in the future:

- + \$300B backlog
- + GE Store initiatives have momentum
- + #1 Digital Industrial



Delivering for investors

2015 operating framework

Operating EPS

- | | | |
|--|---------------------------------------|--|
| 1 Industrial | \$1.10-1.20
\$1.13-1.20 | <ul style="list-style-type: none"> + Industrial operating EPS up double digits ... 3Q YTD +15% + Segment organic growth of 2-5% & margin expansion + Corporate \$2.2-2.3B excluding gains & restructuring + Alstom closed; expect to close Appliances early in 2016^{a)} - Headwinds: FX ~\$(.05), uncovered restructuring ~\$(.03) |
| 2 GE Capital retained businesses (Verticals) | ~\$.15 | |
| 3 Capital asset sales | ~\$90B
~\$104B | <ul style="list-style-type: none"> + GE Capital exits on track ... ~\$104B closed in 2015; +\$65B ENI reduction for Synchrony ... signings of ~\$155B drive momentum in '16 |
| 4 Free Cash Flow + Dispositions | \$12-15B
~\$14B | <ul style="list-style-type: none"> + CFOA of ~\$16B^{b)}, \$3-4.5B GE Capital dividend + P&E of ~\$4B + Dispositions of ~\$2B + FCF + dispositions at high end despite Appliances delay |
| 5 Cash Returned to Investors | \$10-30B
~\$32B | <ul style="list-style-type: none"> + Dividend of ~\$9B + Buyback: SYF split-off \$20.4B + 4Q GECC dividend |

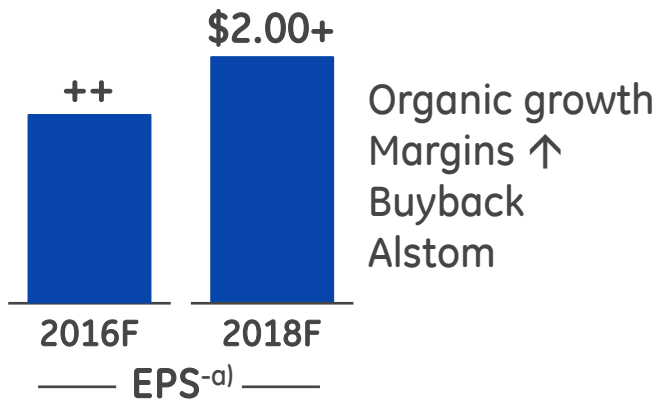


(a- Subject to regulatory approval

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

Why GE

Financial value



+

\$165B

Allocated to highest return:

Organic growth & buyback & dividends

\$30B "to be allocated"

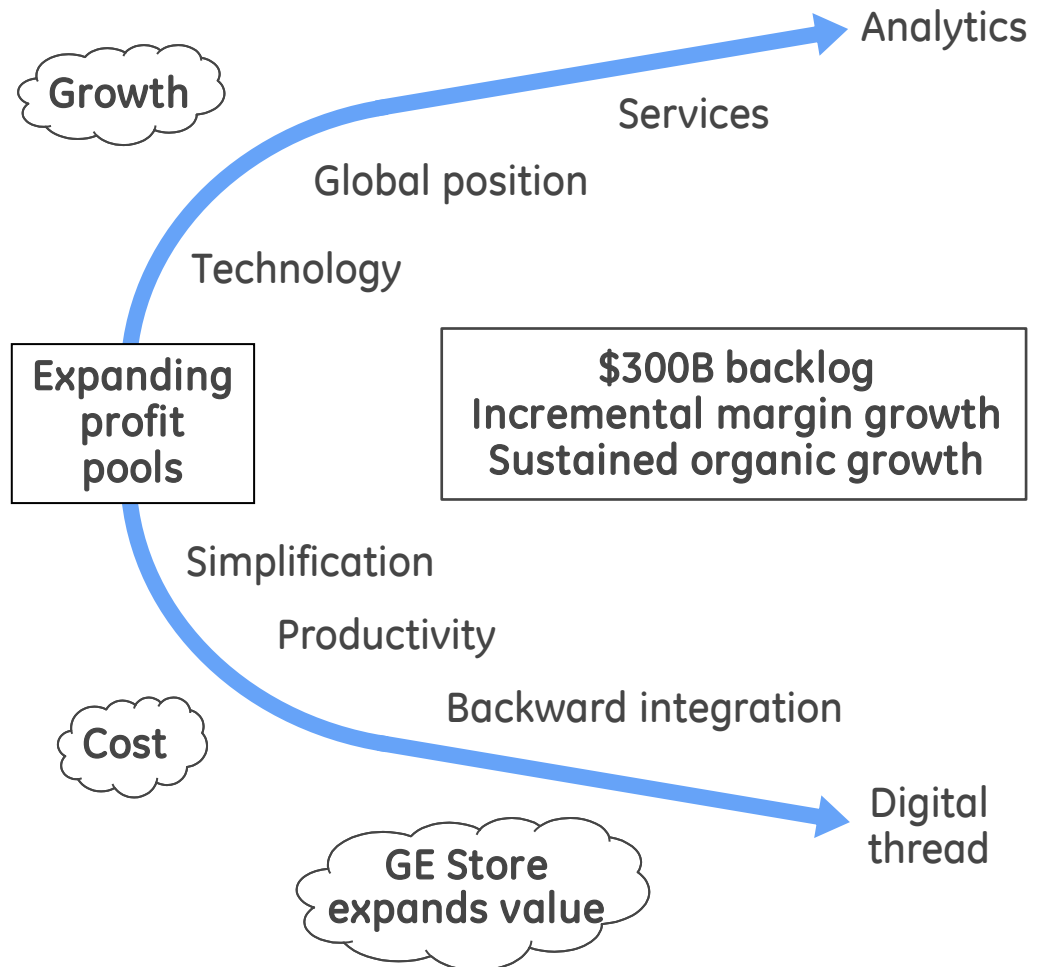
Capital available '15E-'18F

(w/ leverage opportunity)



(a- Industrial + Verticals operating EPS)

Strategic value



Portfolio & capital allocation



Fast growth Industrial company

"New GE"

~\$130B



Revenue

- + Leadership franchise
- + Fits the GE Store
- + Strong EPS growth
- + High margins & high returns
- + Finance helps Industrial

1 Resilient organic growth

~5%



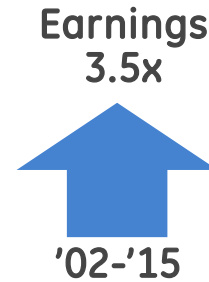
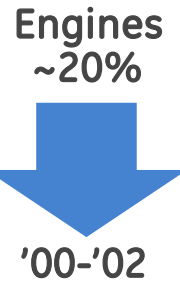
'11-'15E
AAGR

- + Through multiple cycles
- + Long-term investments in NPI & globalization in run rate
- + Pick the right themes ... digital thread



2 Strength at managing cycles

Aviation



- + Win with customers
- + Lead with technology
- + Flex cost
- + Strategic investments

Power bubble,
ACA, Oil & Gas

Diversification → competitive advantage

3 Sustainable high returns

~17%

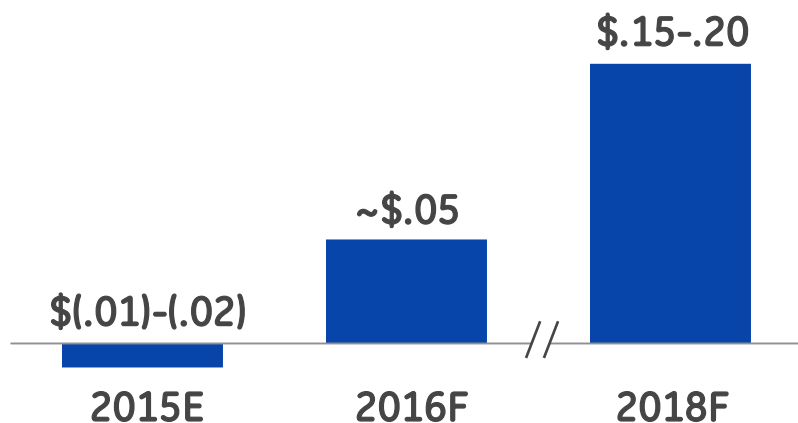


'15E
ROTC

- + Improving cash conversion
- + Bending the curve on social costs
- + Disciplined capital allocation

Alstom impact

EPS outlook



2020F synergy benefits

+ Manufacturing & services	\$0.5
+ Sourcing	0.9
+ SG&A	1.2
+ Engineering/technology	<u>0.4</u>
Total cost synergies	~\$3B
<hr style="border-top: 1px dashed black;"/>	
+ Growth synergies	\$0.6+

Delivering returns

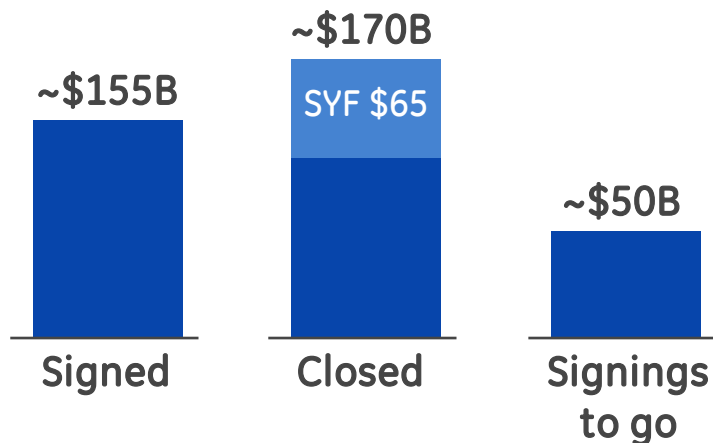
- ✓ Strong strategic rationale ... complementary technologies, global presence, project capabilities, and installed base
- ✓ Businesses add to and take from the GE Store ... GE + Alstom benefit
- ✓ Strengthens subscale businesses
- ✓ Deal economics:
 - Underlying operations impacted by deal uncertainty ... Alstom “in play” for ~18 months, impacting backlog
 - Synergy plan well-developed ... far ahead relative to other acquisitions ... \$3B+ annualized synergies by year 5
 - Growth opportunities better than original outlook
- ✓ Embedded in leaders’ compensation plans



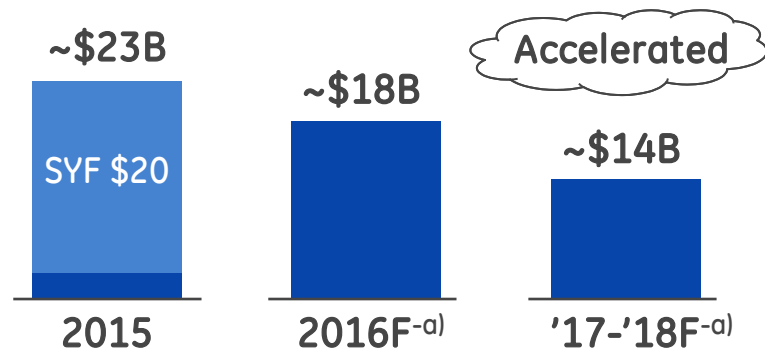
Critical step forward in GE transformation

GE Capital execution

Exits faster than plan



Dividend/SYF update

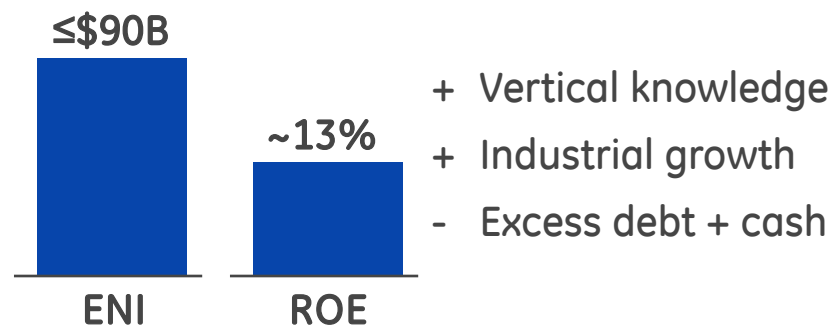


Exits largely complete by YE 2016

Excellent execution

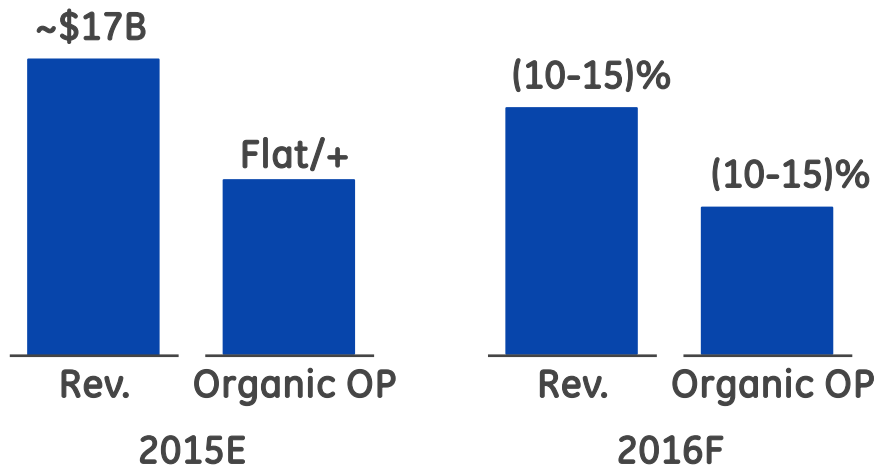
- + Synchrony is complete ... \$20.4B share exchange
- + Pricing & value on track from 4/10 goals ... \$35B expectation
- + \$2.5-4B dividend in 4Q
- + Plan to apply for SIFI de-designation in 1Q
- + On track to return ~\$55B to investors by 2018

Valuable Industrial Finance company



Oil & Gas cycle

Financial expectations



A tough market

- Customer capex down (10)-(20)%
- Rigs & subsea awards challenged
- ✓ Production mixed globally
- ✓ RFQs for TMS & Downstream flat

Customers value technical solutions

Our play

- 1 On track for \$1B+ cost out in '15 + '16
 - ✓ Clean up supply chain
 - ✓ Flex with volume
 - ✓ Better quality & service
- 2 Launching economic customer solutions
 - ✓ Organic engineering spend +15%
 - ✓ 100 launches in place
 - ✓ Winning with digital
- 3 Building the bench during time of crisis
 - ✓ Attracting more industry pros
- 4 Will use financial strength at high returns
 - ✓ Strategic M&A
 - ✓ Financing solutions

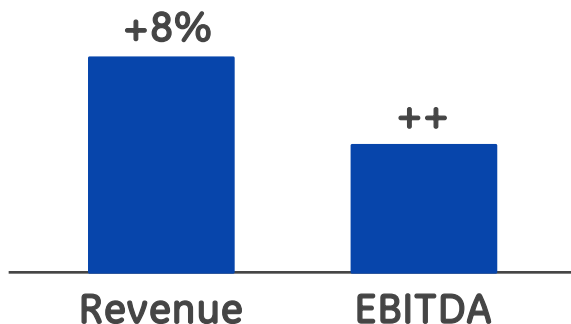
Will gain competitive position



Appliances update

Business performance

(3Q15 YTD)



- Business performing well
- Positive Black Friday results driven by Lowes and Home Depot
- U.S. appliances industry up 8% YTD
- Market valuations up
 - Comparable multiples up ~10% since announcement of ELUX deal

Deal process

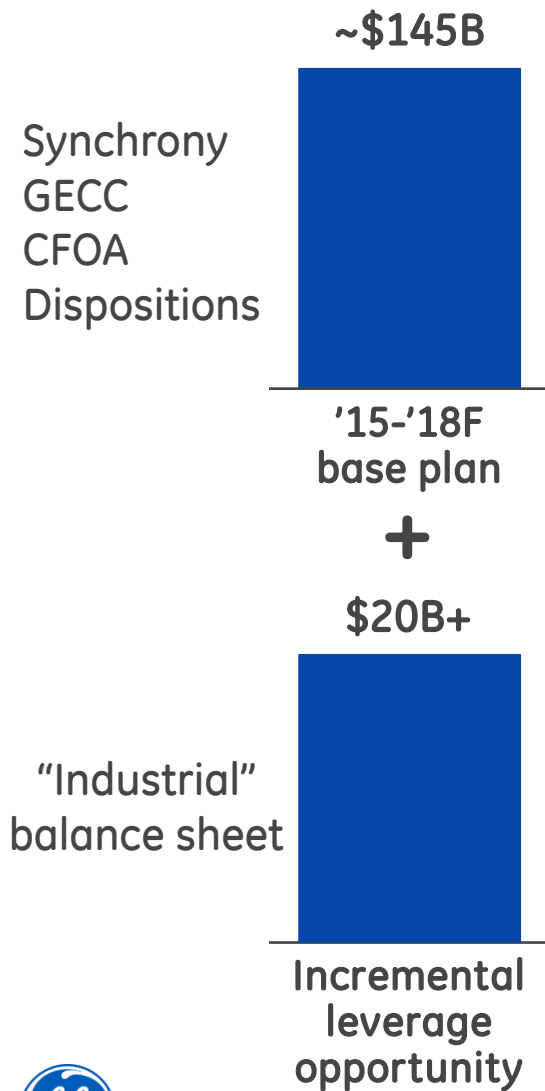
- Significant inbound interest post-termination
 - 5+ serious, capable global strategics
 - Many financial sponsors
 - Smoother regulatory process expected
- Focused on value, speed, and certainty
- Expect to sign & close early in 2016^{-a)}

Business doing well ... expect robust process

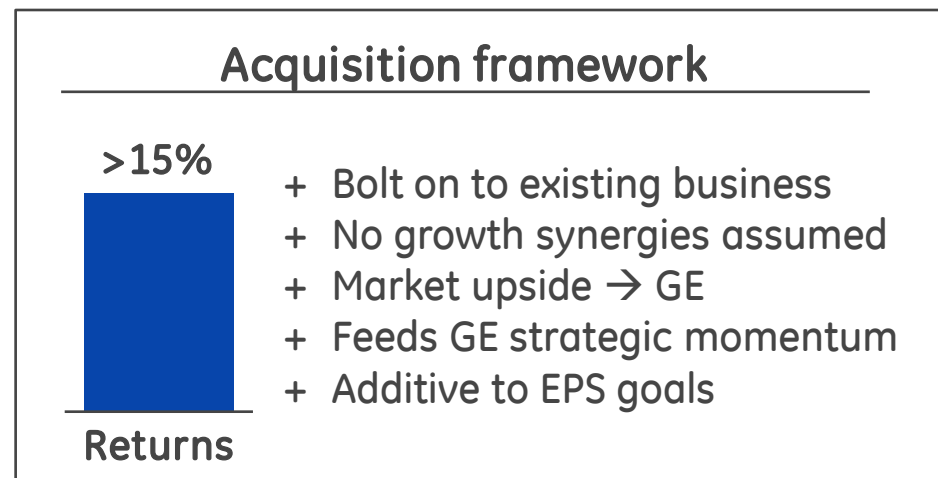


(a- Subject to regulatory approval)

Capital allocation framework



- 1 Reinvest in organic growth ... P&E, technology, global growth, digital
- 2 Sustain an attractive dividend ... yield > peers (\$35B)
- 3 Return \$55B from Capital to investors via buyback
- 4 Disciplined capital allocation ... buyback vs. M&A



The GE Store

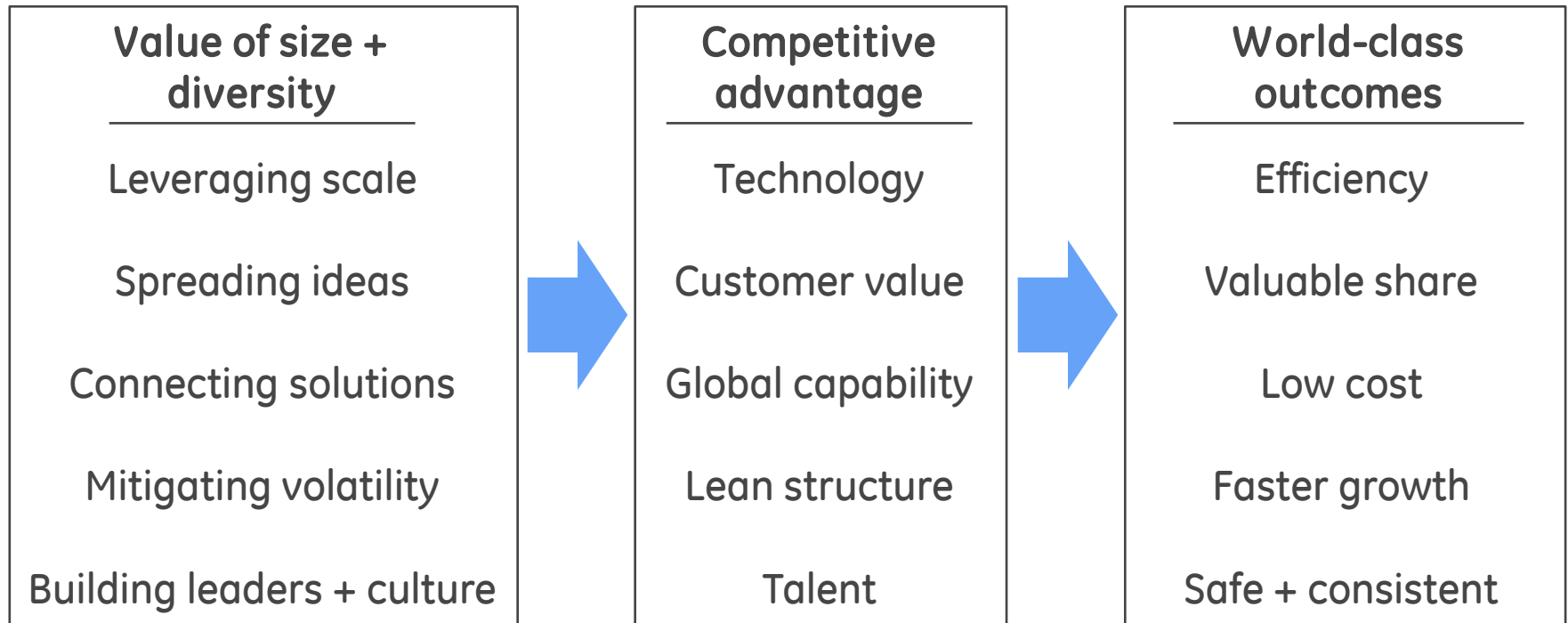
The GE Store

Our competitive advantage

We drive enterprise advantages that benefit the entire company through the “GE Store” – where every business in GE can share and access the same technology, markets, structure and intellect. The value of the GE Store is captured by faster growth at higher margins—it makes the totality of GE more competitive than the parts. No other company has the ability to transfer intellect and technology as we can through the GE Store.



Value from the GE Store



Focus in the current cycle

- ✓ Seize organic growth in volatile world
- ✓ Capture supply chain value
- ✓ Create value in Alstom



Technical leadership

\$10B+



Big cycles behind us
More NPIs in pipeline
Alstom integration

R&D + capex
+ digital

Store value

- ✓ Innovate at scale ... big launches with differentiated manufacturing
- ✓ Own design value
- ✓ Global execution & development
- ✓ FastWorks driving cycles
- ✓ Digital thread



Launch big systems



- + High share + big backlog
- + Learning curve economics

Execute for share



- + Big pipeline + speed
- + Customer outcomes

Innovate for growth



15 in
pipeline

- + Business launched (Cessna)
- + European government funds
- + Superior technology
- + \$40B program revenues over 25 years

Technical leadership → cost

Digital thread



Controls

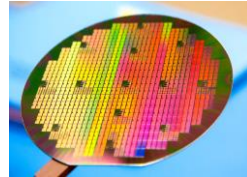
- Advanced performance
- Software-defined machines
- Key to industrial internet
- Upgrade potential



Robotics

- Low cost automation
- Applications across GE
- Service productivity

Materials



Silicon Carbide (SiC)

- More efficient power ... smaller packages
- Renewables: > 50% lower losses / size
 - Aircraft power: 500 lbs. lower weight
 - MRI: better image quality, free-up equipment room



Ceramic Matrix Composites

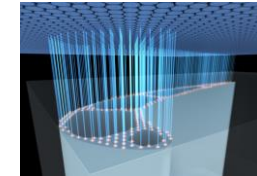
- Opening design space for lower system cost
- Rotating parts... 60+% ↓ weight, redesign main shaft

Manufacturing



Advanced Coatings

- Differentiator for harsh environments
- Service opportunity ... upgrades
- Builds on materials and process expertise



Additive Manufacturing

- 25-50% ↓ NPI time
- 20-80% performance improvement with weight reduction

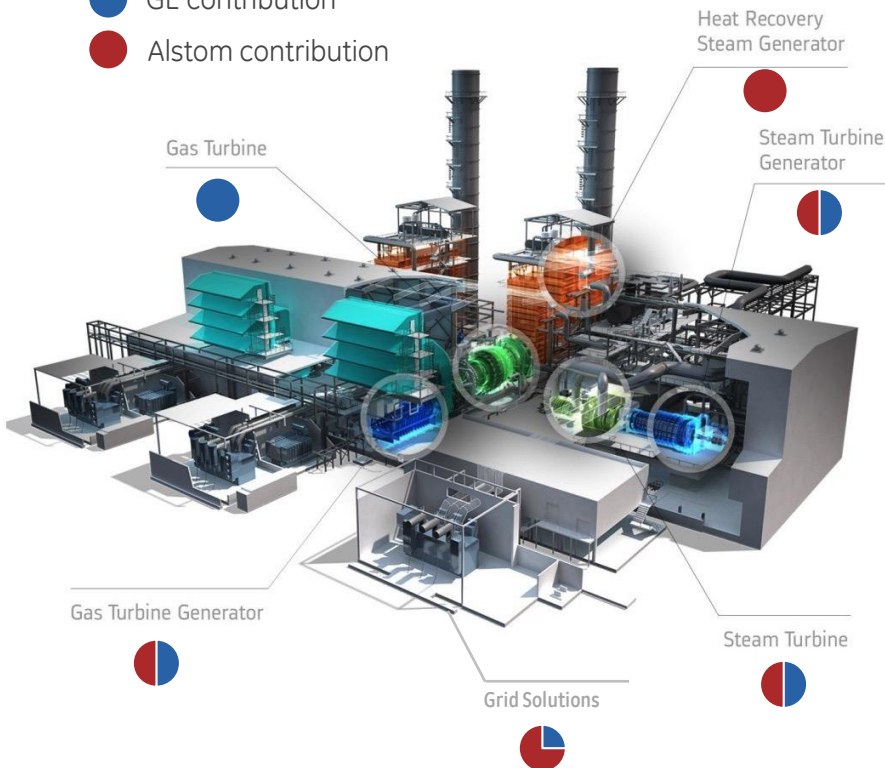


Technology + Alstom

New Gas Power Systems capability

Integrated systems expertise

- GE contribution
- Alstom contribution



Alstom value creation

↑ Combined cycle performance

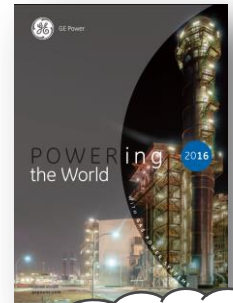
- Broader gas turbine portfolio
- Bottoming cycle enhancements

↓ Cycle time for quicker power

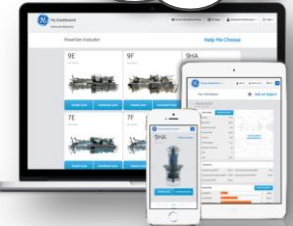
- Modular power island configurations
- Scalable global project capability

↓ Product cost + ↑ volume

- Component cost & performance
- GE2GE/GE4GE volume



Power Gen International launch

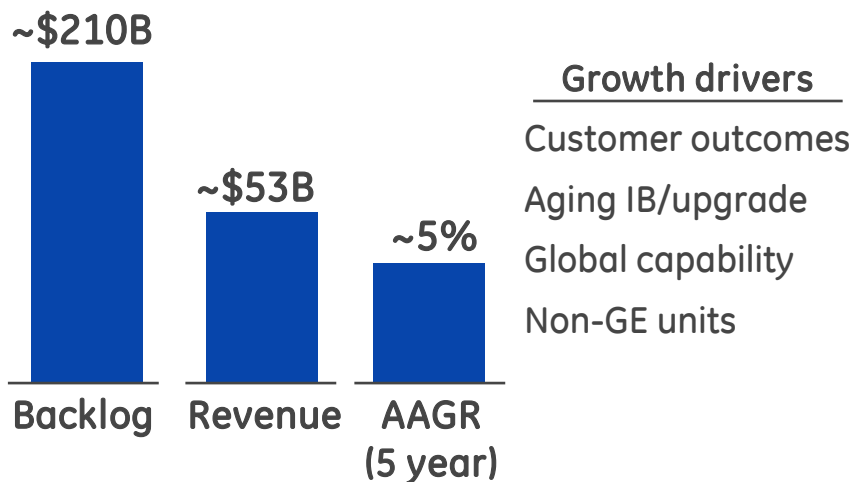


Won commitments for 6 HAs in Pakistan ... +0.5 pts. higher efficiency



Growth initiatives

Services

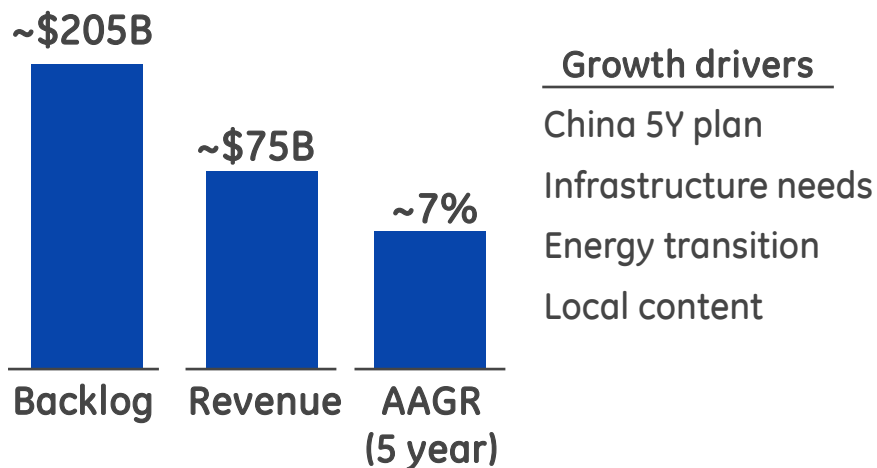


Store: GE + Alstom

- + 60% increase in Power IB
- + Enhances position in aged IB
- + Improves productivity capability

80%+ earnings in services

Global share



Store: GE + Alstom

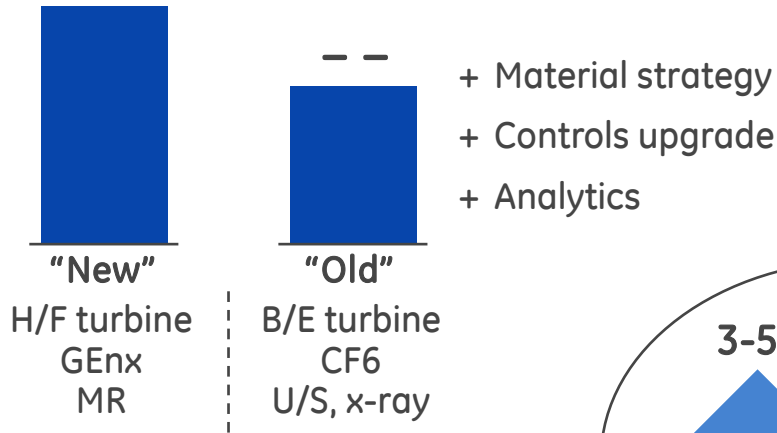
- + Strengthens key growth markets ...
China, India, LATAM, Middle East
- + More low cost country supply chain
- + Project skills, EPC, & financing

Accelerate localization



Service growth

Growing share in aged fleet



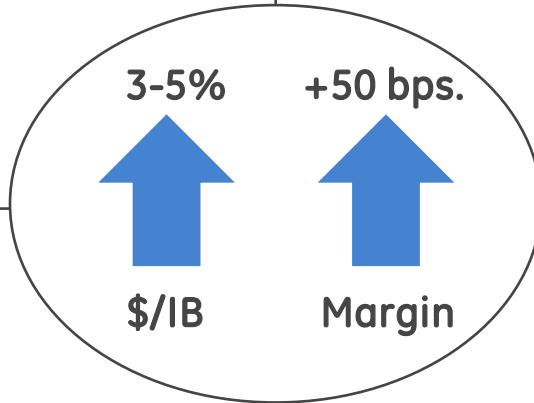
Healthcare - APM



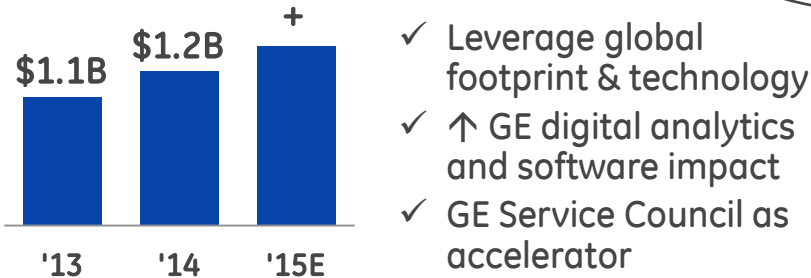
Hospital outcomes:

- ✓ ↑ operational efficiency
- ✓ ↑ capital management
- ✓ ↑ clinical excellence
- ✓ ↑ patient satisfaction

Healthcare growth ++



Service productivity from Service Council



Field engineer productivity



- ✓ Multi-skilled engineers
- ✓ Field force optimization
- ✓ Digital productivity tools
- ✓ Craft localization
- ✓ Lean outage scoping



Power Services + Alstom

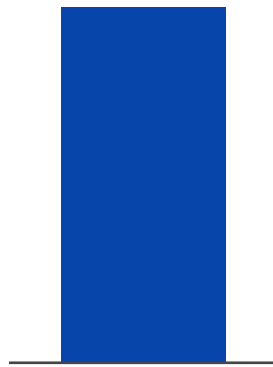
GE installed base

With Alstom

~15,000 units



~24,000 units



+60%

→ ~\$50B backlog

→ ~\$14B revenue ... ~50% of GE Power

→ Attractive margins

Accelerating access + capability

Leapfrog decades of organic growth

- **Stronger in steam:** broader steam portfolio targeting steam tails
- **Expanding other OEM capability:** utilizing Alstom technology/expertise
- **Local presence:** ~26,000 people, 6,000 engineers, 50+ repair shops

Complete portfolio offering ... all equipment, any plant



Winning global deals

Global power



Pakistan

- ✓ Bhikki order signed with Alstom STs
- ✓ Unprecedented performance
- ✓ Global business partners



Indonesia

- ✓ Delivering 500MW of fast power ... leveraged GE store
- ✓ Joint cooperation agreements to study additional power projects

Global rail



- ✓ \$2.6B contract for 1,000 locos & services ... 11 years

- ✓ Investing ~\$200MM to build local manufacturing & services facilities
- ✓ Highly visible project ... facilitates major GE presence in India

Healthcare "KUBio"



- ✓ Modular bioprocess manufacturing

- ✓ \$100MM+ orders in China
- ✓ Flexible and fast
- ✓ Build services business

Oil & Gas capabilities



- ✓ Linking resources to power needs ... small scale LNG in Nigeria, ENI Ghana
- ✓ Expanded portfolio of solutions to deliver outcomes ... YPF, Petrobras, Pemex

LED

Brazil



- ✓ LED projects for safety & efficiency
- ✓ Olympics ... GE solutions in almost all ventures to date

Dubai



- ✓ Smart Lighting partner
- ✓ Focus on sustainable & smart development

Aviation



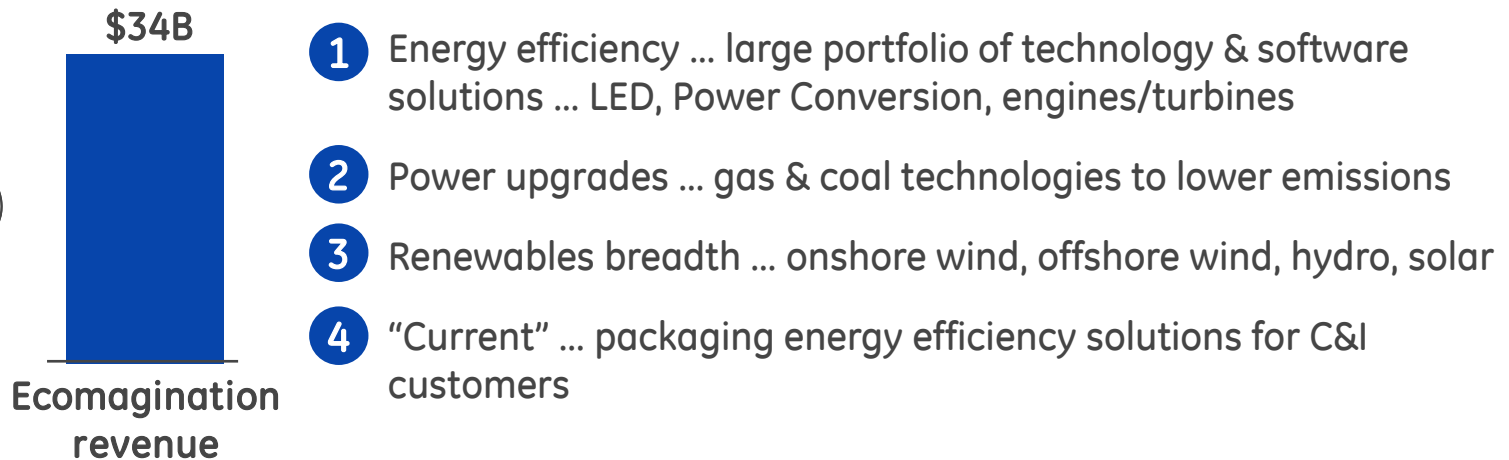
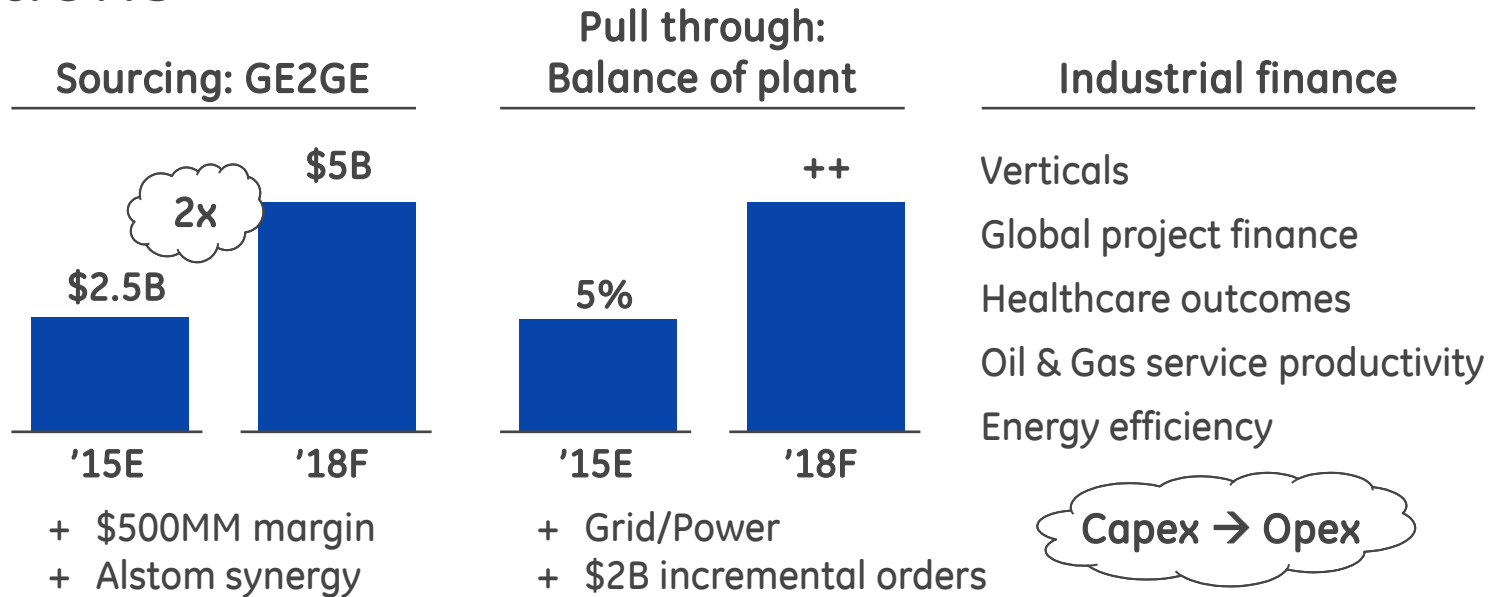
- Middle East Aviation Technology Center**
- ✓ Customer-focused data & analytics

COMAC

- ✓ C919 roll-out in Shanghai
- ✓ Expanding into digital

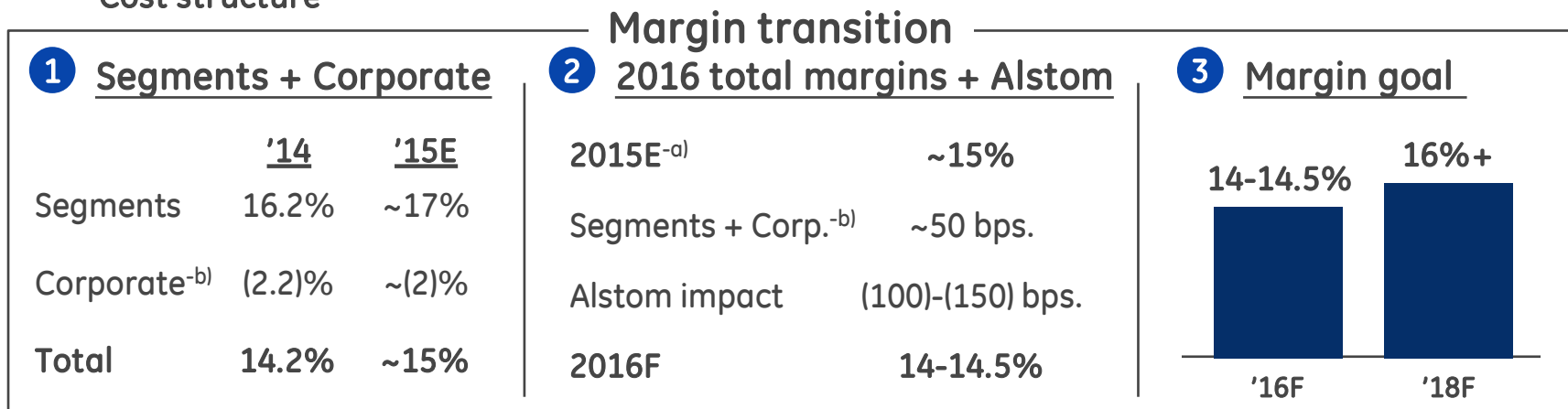
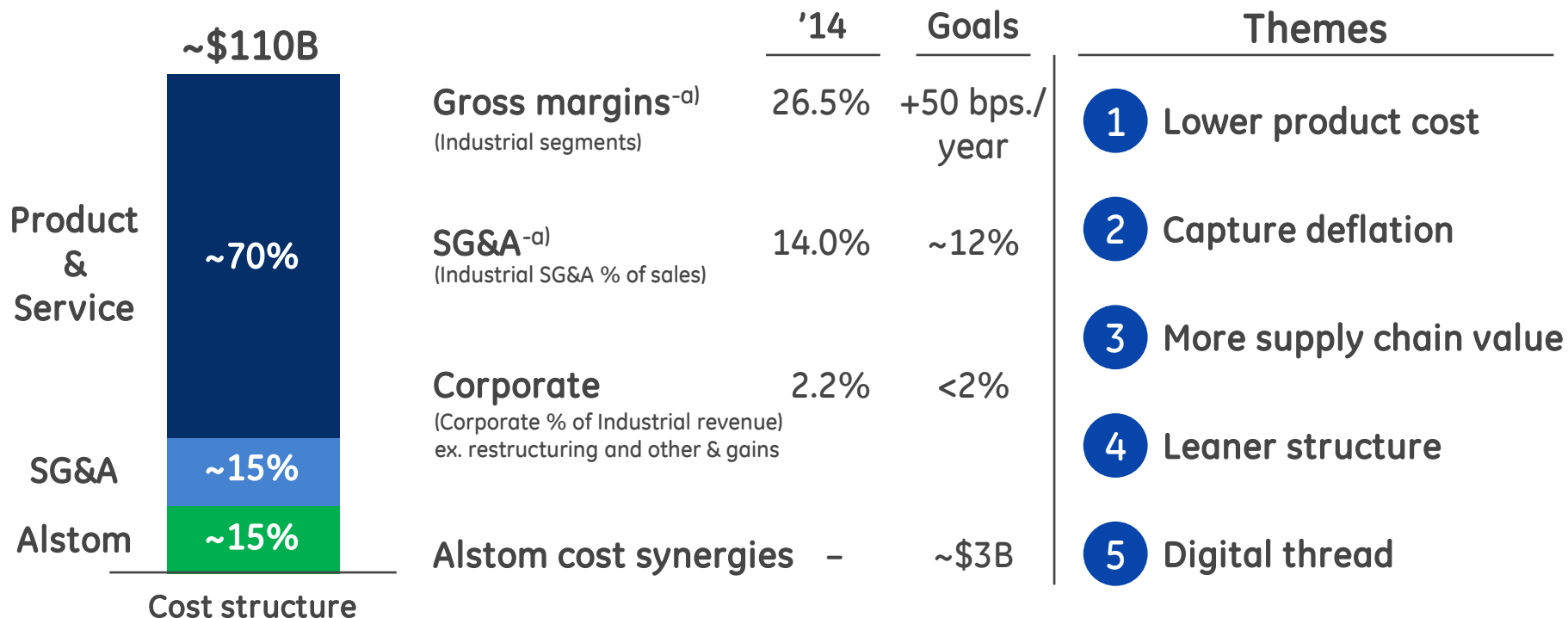


GE solutions



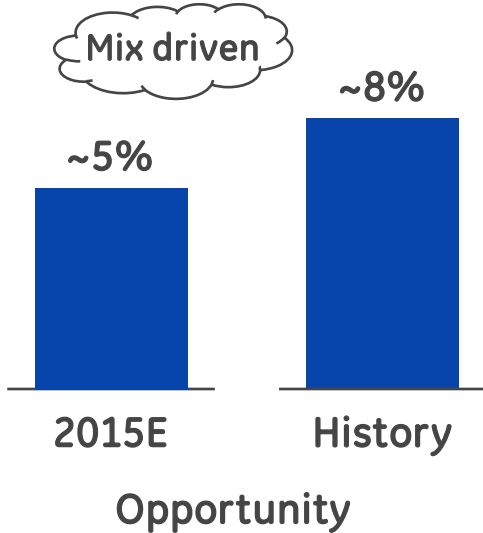
Driving incremental growth

Lower cost



(a- Excluding Alstom
 (b- Excluding restructuring and other & gains

Product margins



- + Should cost analysis
- + Advanced manufacturing ... learning curve
- + Digitized factories
- + Backward integration
- + Design for value / cost
- + Supplier optimization

Power ... optimizing product cost catalog



HA Turbine

- ✓ Streamlining cost structure
- ✓ Focus on key profit pools ... castings
- ✓ Aggressive supplier negotiations
- ✓ Equipment & services synergies

Aviation ... accelerating learning curve



LEAP Engine

- ✓ Lean labs for launch rate readiness
- ✓ Vertical integration on differentiated technology
- ✓ Cost positioned for successful launch

Healthcare ... cost out through sourcing execution



Revolution CT

- ✓ Concentrating single / sole source suppliers ... 70% to 50%
- ✓ Maximizing LCC suppliers
- ✓ Driving design & deflation cost-out

Oil & Gas ... digitizing supply chain starting at design



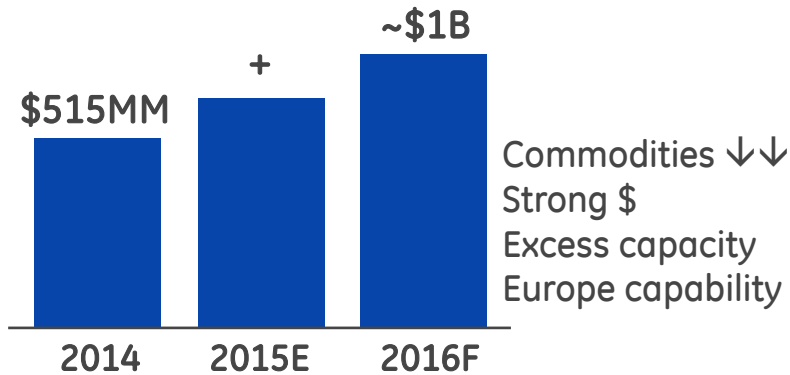
AME Pilot - Houston Cladding

- ✓ Advanced manufacturing
- ✓ Design to cost
- ✓ Sensor enablement
- ✓ Factory optimization

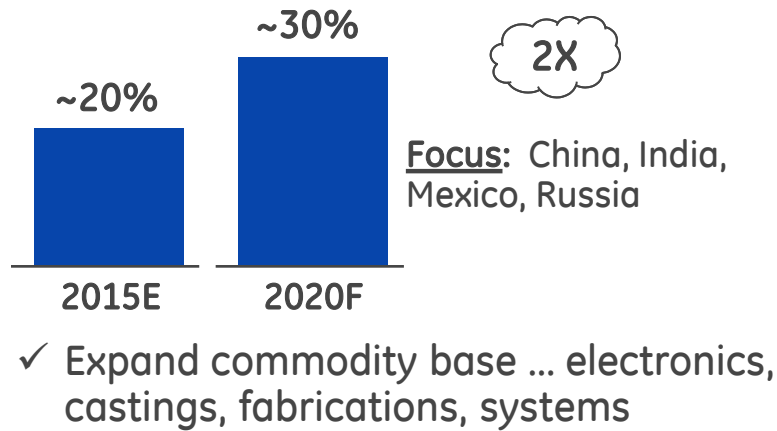


Creating supply chain value

Accelerating deflation

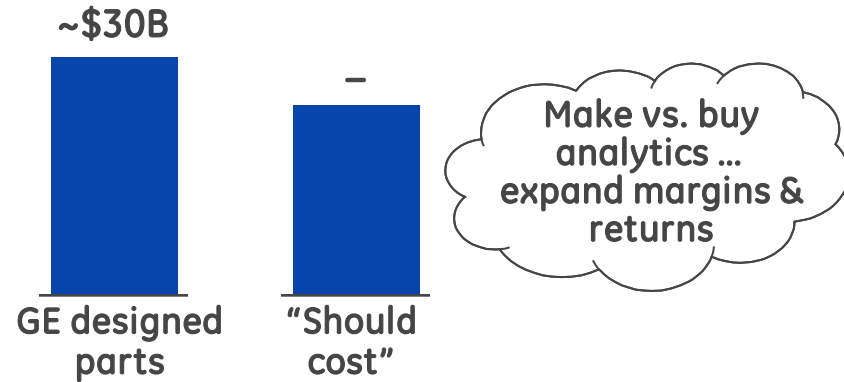


Low-cost country sourcing



Backward integration

Value capture

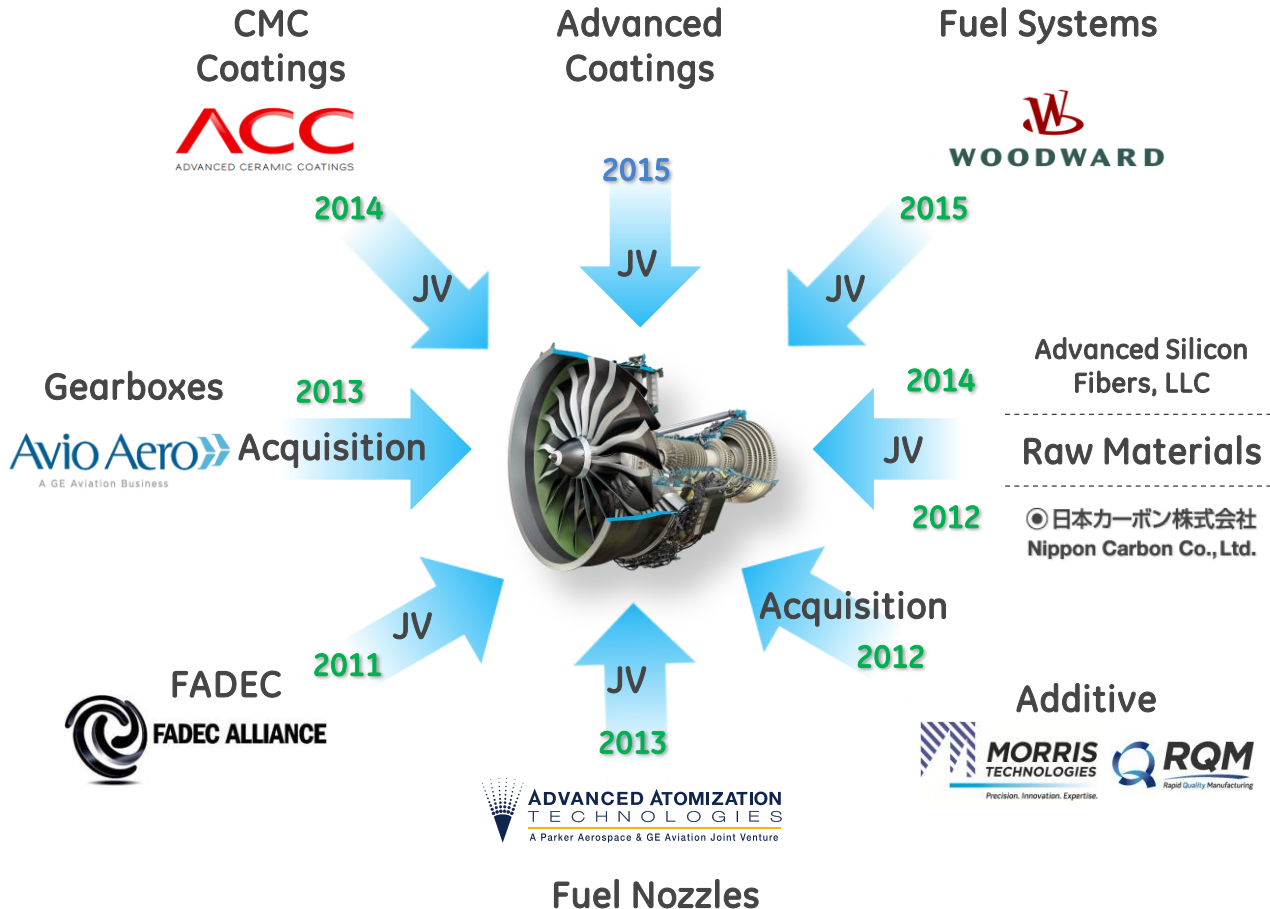


- 1 Backward integration
 - ✓ Gears, coatings, fuel systems, materials
 - ✓ Review investment castings
 - ✓ Target for M&A
- 2 Company COEs
 - ✓ Printed circuit board assembly ... \$100M+
 - ✓ Other commodities
- 3 Simplified design ... better knowledge of product trade-offs



Driver of margin improvement

GE Aviation vertical integration



Goal

- ✓ Own or influence high-value inputs

+

- ✓ Low risk/high return
- ✓ Long-term margin recovery
- ✓ Protect services value

Invested ~\$5B at very attractive returns

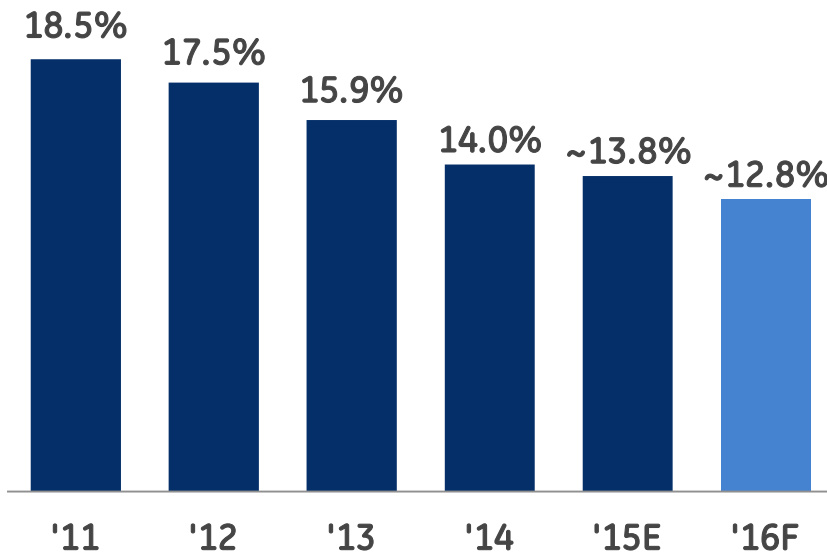


Leaner structure

SG&A cost out

(Industrial SG&A/sales, ex. Alstom)

~\$2.5B cost out '11-'15



- ✓ Significant progress made since initiated simplification initiative
- ✓ Cost out > target, volume shortfall resulting in SG&A > 12%
- ✓ Continuing to drive leaner structure ... fewer P&Ls/layers, smaller Corporate

Simplification drivers

Shared Services

Target % of processes in shared services

65%

- ✓ Common infrastructure & scale + local expertise
- ✓ 5 global centers focused on cost, quality, speed

Restructuring

Investment 2013-2015E

\$5B+

- ✓ Right-sizing structure
- ✓ Significant contributor to margin expansion
- ✓ All segments + Corporate

Corporate

2016F cost^(a) as % of Industrial revenue

< 2%

- ✓ Focused growth costs ... R&D, Digital, GGO
- ✓ Functional productivity
- ✓ Managing social costs

ERP reductions

ERP reduction 2010-2015E

↓ 77%

- ✓ Streamlining processes
- ✓ Enabling shared services
- ✓ Better & faster data



(a- Excluding restructuring and other & gains

GE Store in action

- ✓ Leadership in materials innovation + manufacturing revolution (GRC)
- ✓ 25% Life Sciences growth in emerging markets (GGO)
- ✓ Multi-modal manufacturing facilities in India, Nigeria, Saudi (GGO)
- ✓ 400 bps. improvement in service margins since 2011 (Service Council)
- ✓ World-class global infrastructure financing capability (I+F)
- ✓ GE2GE & GE4GE worth \$500MM of margin by 2018 (Sourcing Council)
- ✓ Should cost, LCC sourcing & commodity COE (Sourcing Council)
- ✓ NPI cycle time reduction based on models + test tools (GRC)
- ✓ 65% of company processes in shared services (Global Operations)
- ✓ 30k employees engaged in FastWorks with impact growing (Crotonville)
- ✓ Oil & Gas competitive position improves in a down cycle (diversity)
- ✓ Power Conversion backlog doubled through energy efficiency systems in Oil & Gas & Renewables (GRC)



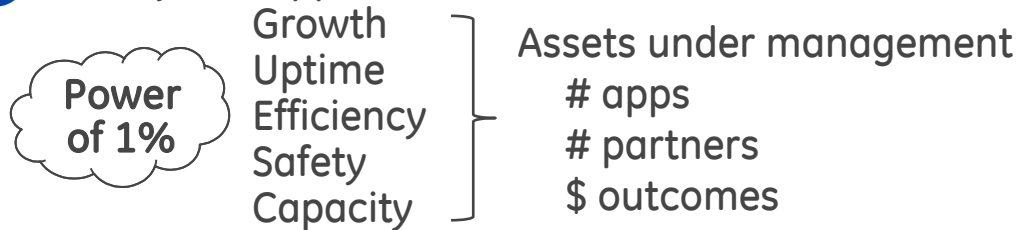
Digital Industrial

Digital Industrial framework

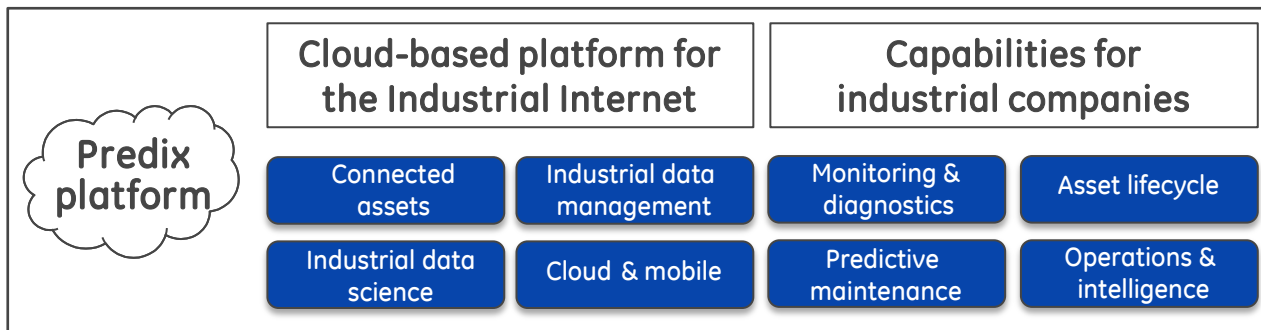
1 Smart machines & digital thread ... design through installed base



2 "Analytical apps" → customer outcomes



3 Analytical operating platform



Our play

System productivity

+

CSA value
Upgrades
HW/SW sales
Collaboration

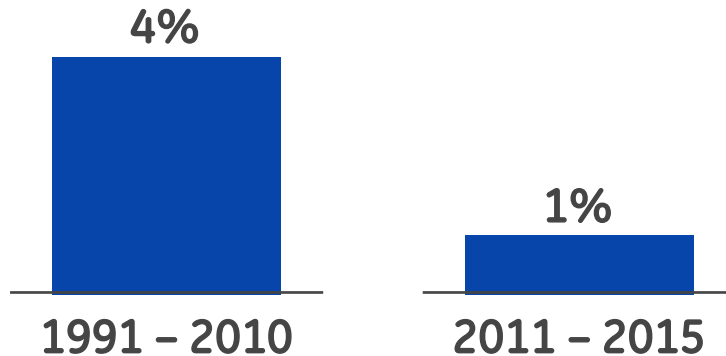
+

Partner value
New growth



GE opportunity

Industrial productivity



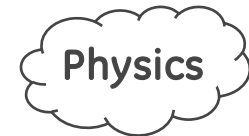
- Value of operational insight > connectivity
- Need data to drive results
- Role of CIO changing ... more operational

For a railroad

IT can improve communication
OT ... one mile velocity ... earnings +20%



Meets the Digital Twin



+



- Value of asset + analytics > either individually
- Dramatically changes the potential value of installed base for every company
- Financial impact of “per asset model” is immense

For GE

~\$210B of Services backlog
Improvement a win-win with customers



2016 GE Digital contribution

Investment in run rate

~\$1B

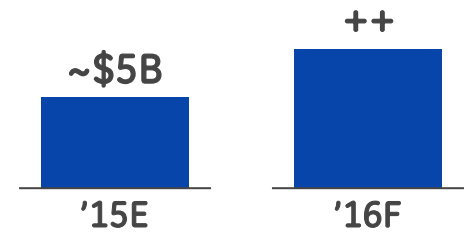


- ✓ Software COE
- ✓ IT Digital Thread
- ✓ Business downstream
- ✓ Edge devices

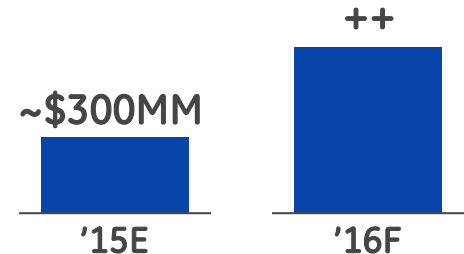
- + Reallocating funding
- + Aligned organization
- + Hiring talent
- + Building fulfillment
- + Alliances in place

Delivering

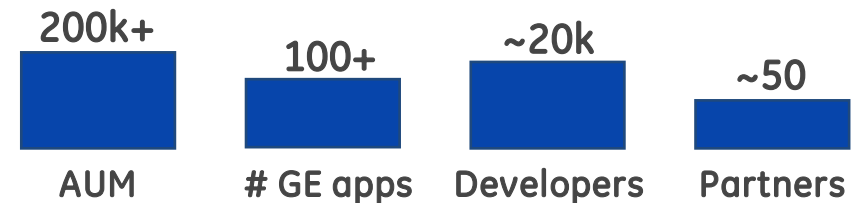
1 Digital sales



2 Productivity



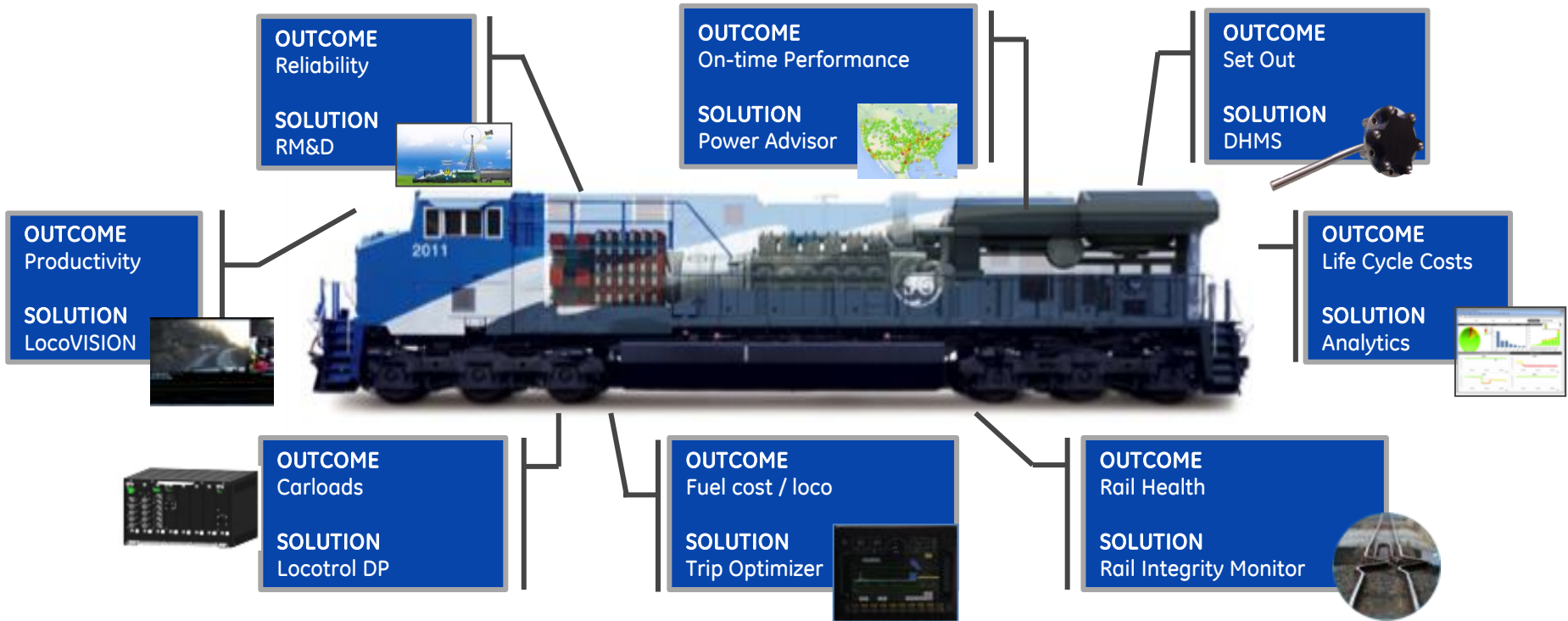
3 Predix execution in 2016



- + Better products ... leading to higher share
- + Faster service growth ... customer win-win
- + More productivity ... higher margins
- + Participate in Industrial Internet growth



Digital Transportation



Transportation digital sales



- ✓ Train performance + optimization solutions
- ✓ Customer performance analytics
- ✓ Non-GE fleet penetration
- ✓ Programs with all N.A. Class I and many global railroads



Digital Oil & Gas: Ecosystem

■ Current apps
 ■ Future apps
 ■ Partners

Production Excellence Operations Excellence Services Excellence	Executive Dashboards	Risk Management			Capital Planning & Performance	
	Market Performance	Market Intelligence & Forecasting	Portfolio Optimization		Financial Optimization	Trading & Market Systems
	Operations Optimization	Risk Management	Logistics & Planning		Outage Optimization	Fleet Optimization
		Field Development	Production Planning	Lift Optimization	Production Accounting	Plant Optimization
	Asset Performance	Machine & Equipment Health		Intelligent Response		Maintenance Optimization
	Technology Enablers	PREDIX PLATFORM				
	Cyber Security	Asset Twinning	Operator Intelligence	Controls	IT Monitoring	

O&G digital sales

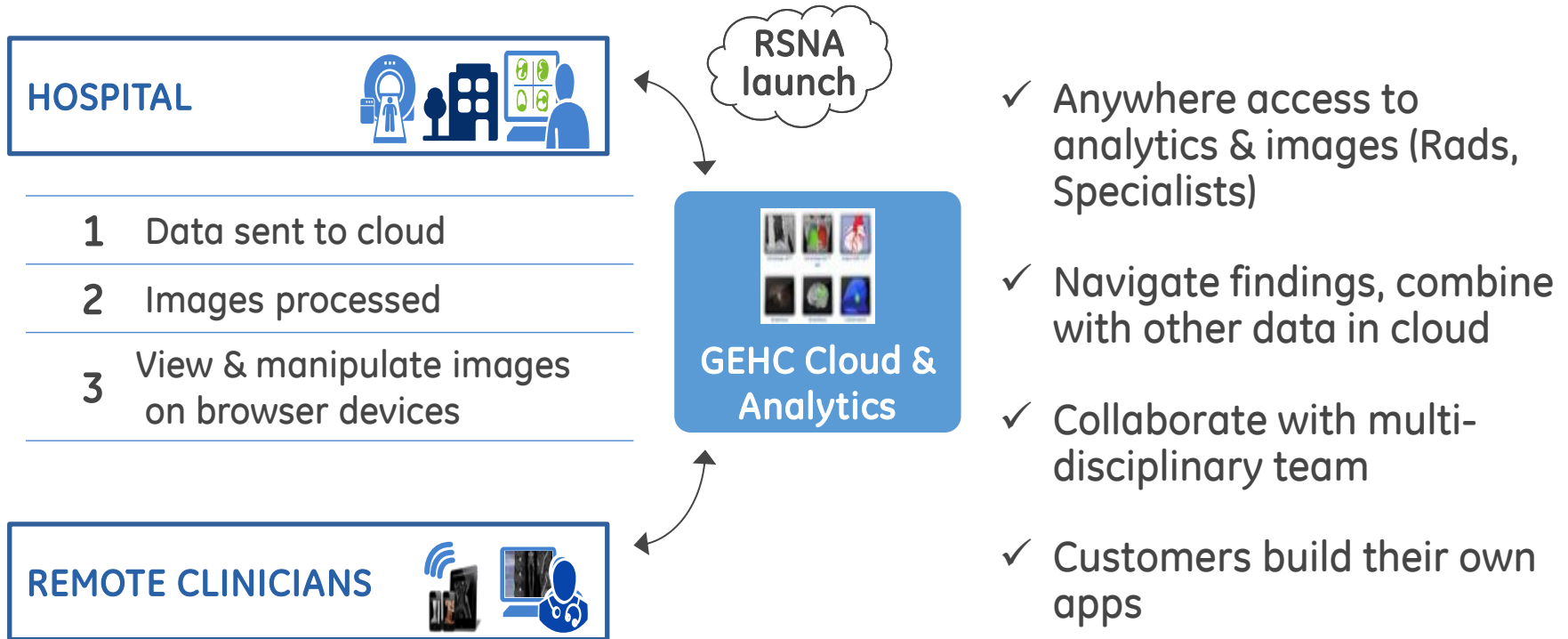


- ✓ Pipeline optimization & integration
- ✓ Field vantage & productivity
- ✓ Subsea RM&D ... utilization
- ✓ Launching with Conoco, BP, YPF, Columbia Pipeline, and others



Healthcare: Cloud Advanced Visualization

Knowledge + collaborative ecosystem around smart devices



Healthcare digital sales

~\$1.5B



'16F

- + Solid departmental system growth
- + Big IB of image management
- + Analytics around productivity
- + Potential for disease management



Power digital transformation

GE's Digital Wind Farm

\$100MM per farm

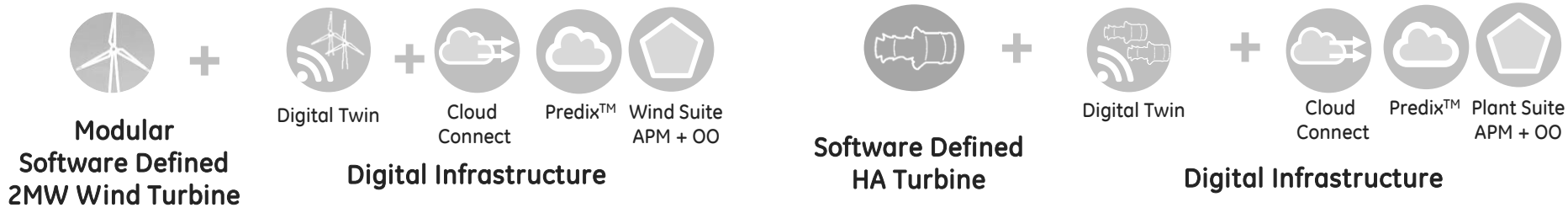
May 18 Launched @AWEA

GE's Digital Power Plant

\$230MM per plant (new plant)
\$50MM per plant (existing plant)

Sep 29 Launch @M&M

Customer values are pre tax, NPV estimates to be finalized by M&M



Power software sales

~\$2.8B

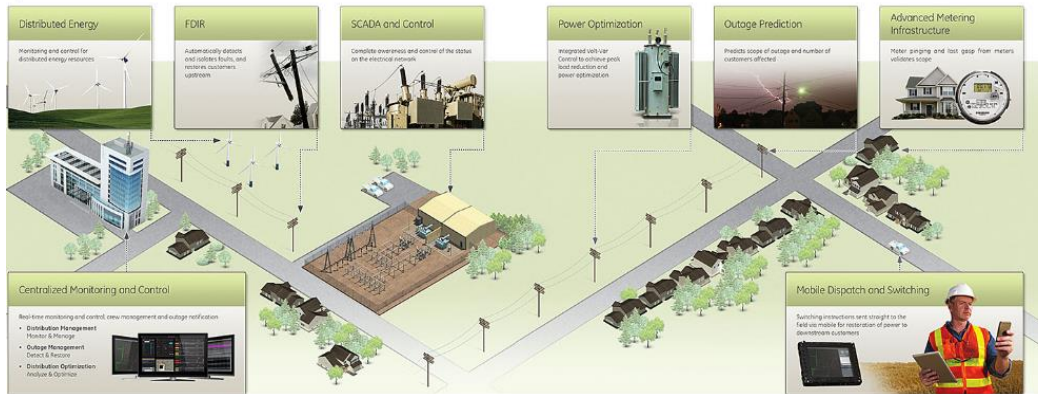
~35%

'16F

- ✓ Reliable customer outcomes ... able to measure
- ✓ Rapid global roll-out
- ✓ Strong partners ... Exelon, RasGas, Invenergy, PSEG ... many others



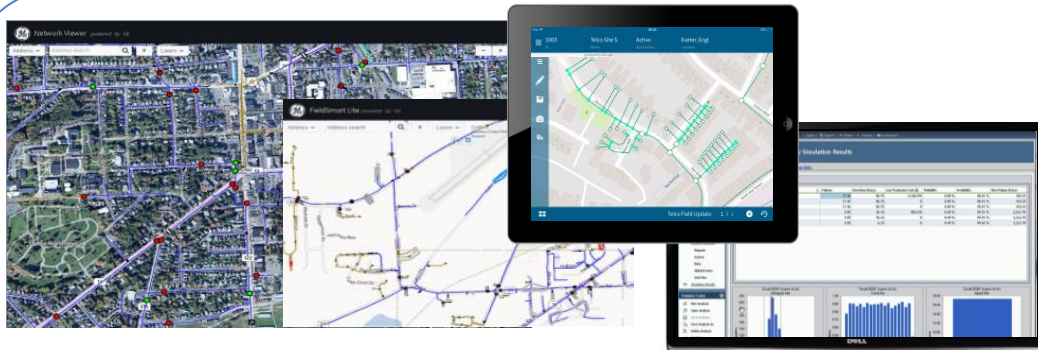
Predix adoption for Grid Software Solutions



Asset Control

- ✓ Mission-critical/real-time controls
- ✓ SCADA - on premise based
- ✓ Reliability & cyber security focus
- ✓ Tied into field operations

Adopt Predix Core UI/UX, Analytics and Security Services
Control Room, Operations, Mission-Critical



Asset Optimization

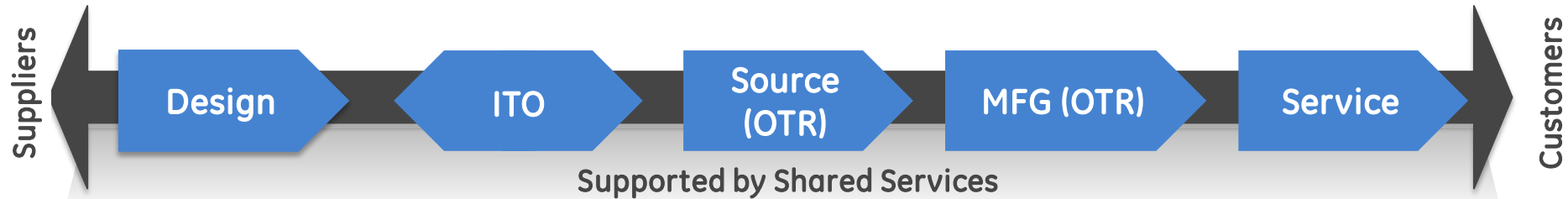
- ✓ Close to real time analytics
- ✓ Productivity and efficiency focus
- ✓ Big Data – cloud based
- ✓ Tied into planning and maintenance

Leverage complete Predix stack and Industrial Cloud
Big data, Optimization/Efficiency, Investment/\$



Creating a ~\$500MM software business

Digital Thread ... digitizing within, connecting across



Thread is the compounding impact to ↓ product cost as you connect horizontally

- Benefits*
- ✓ Affect product cost drivers
 - ✓ Improve working capital
 - ✓ Increase revenues
 - ✓ Improve on-time delivery
 - ✓ Shorter NPI cycle time
 - ✓ Simplifies the way we work

\$1B+ productivity over next 3 years



GE's digital thread

ENGINEERING DESIGN

Design for productivity/cost



MANUFACTURE

Optimize manufacturing
Model based



SOURCING DATA LAKE

Pool buy
Compare parts



SERVICES EXECUTION

Condition-based services
Machine learning



SERVICE DIAGNOSTICS

Digital Twin
"By unit" repair



Our experience

H Turbine ... 2X faster,
lower launch cost

75 brilliant factories ...
driving yield, cycle,
downtime

~\$1B deflation ... leverage
buy across GE

30,000 field engineers ...
sensor based, onboard
algorithms, mobile

\$210B Services backlog ...
impacts TOW, shop cost,
repair analytics, fleet
management



\$500MM productivity in 2016

2016 Framework

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• Restructuring = gains• FX impact ~\$(.02) at today's rates• High-teens Industrial tax rate |
| 2 Free cash flow + dispositions | \$28-31B | <ul style="list-style-type: none">• CFOA of \$30-32B^{-b)}; ~\$18B GECC dividend^{-c)}• 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

Summary

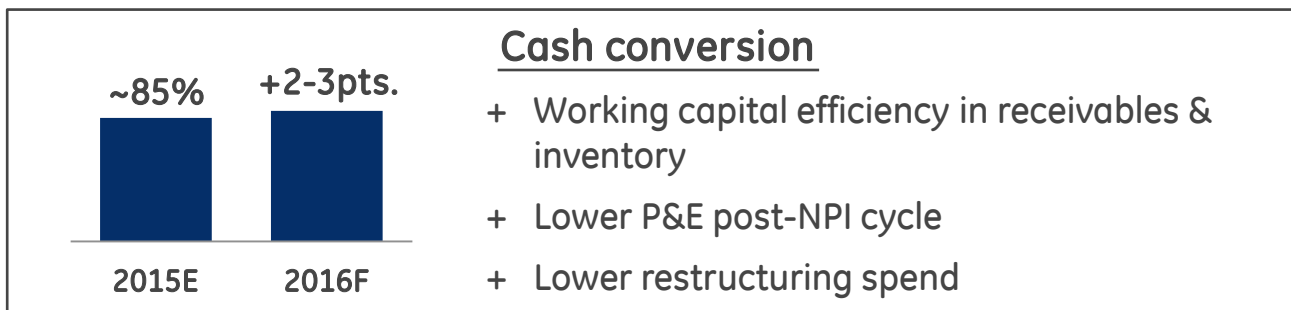
	<u>Op Profit</u>	
	<u>2015E</u>	<u>2016F</u>
Power	+	++
Renewable Energy	--	+
Oil & Gas	-/+	--
Energy Management	++	++
Aviation	++	+/>++
Healthcare	-/=	+
Transportation	++	-
Appliances & Lighting	++	-/+
Industrial Segments	+	+
Verticals	=	=

High end of range

- + Better U.S. environment / digital sales
- + Alstom integration
- + Timing of GECC dividends & share repurchase
- + Sourcing & cost out programs

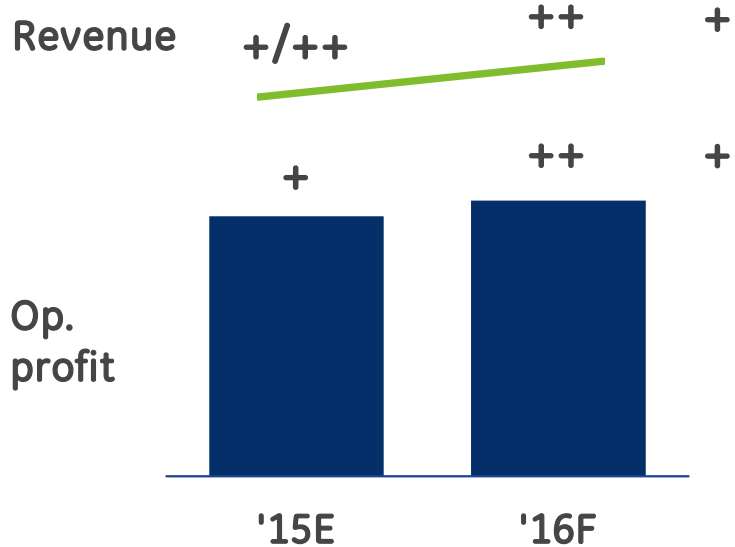
Low end of range

- Oil & gas market worse
- Product ramp costs ... HA turbine, LEAP
- Stronger U.S. dollar
- Tougher China ... emerging market scenarios



Power

ex-BD



Environment

- + Continued growth of natural gas, coal
- + Trend towards project solutions
- Excess capacity in developed markets
- Oil & gas applications, regions

Operating dynamics

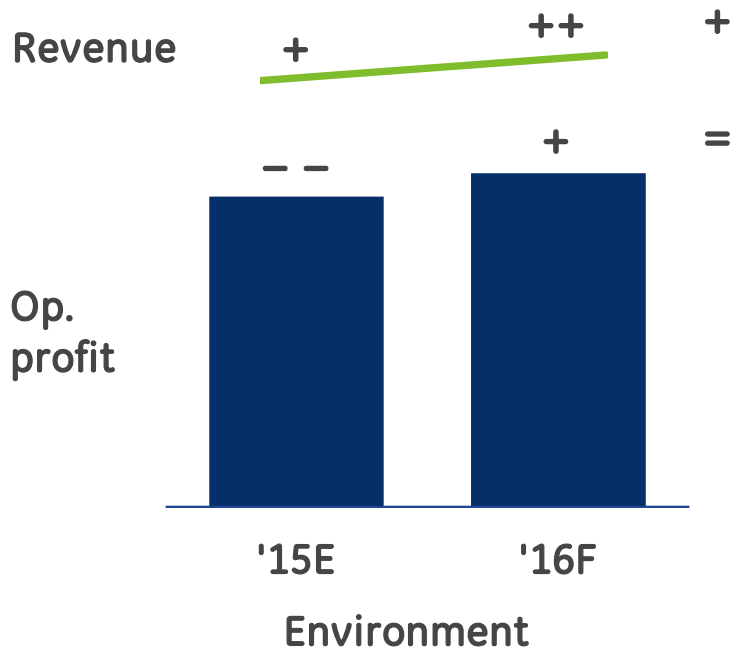
- + Diverse technology & leadership ... demand for HA-technology and expanded scope projects with Alstom
- + Strong core Services growth with new other OEM capacity ... broader Steam portfolio
- + Integrated digital & industrial capability ... productivity & high-margin software
- + Continued momentum on product cost
- Manage HA launch margins & continued investment costs
- ✓ Execute on Alstom integration ... delivery synergy commitment

Improved global competitive position with Alstom ... positioned for growth



Renewable Energy

ex-BD



- + Fastest growing energy market
- + Most of renewable energies at grid parity
- + Push towards CO₂ free energy continues
- Challenging new product transitions
- ✓ Volatile public policy

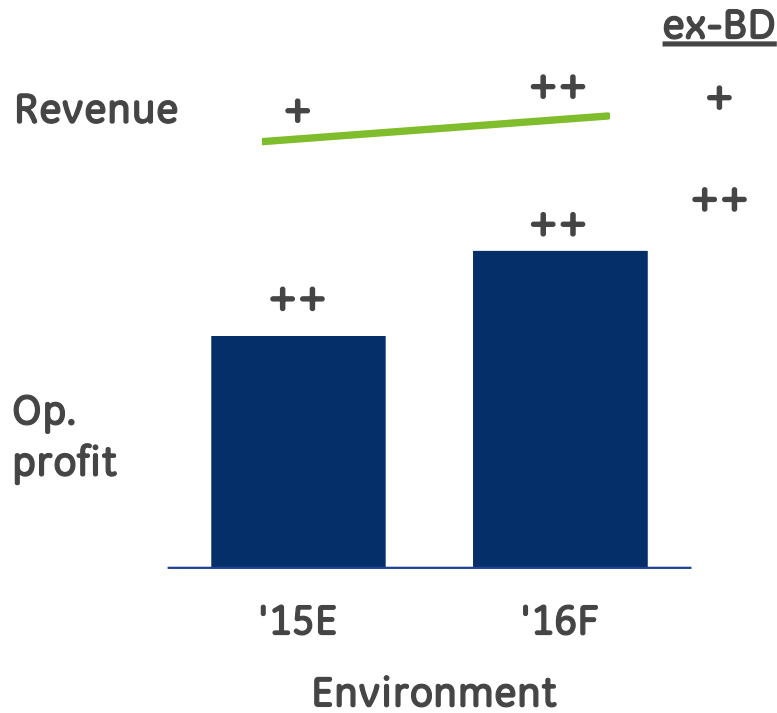
Operating dynamics

- + Continue to win and grow globally
- + Driving aggressive product cost out actions leveraging supply chain capabilities ... direct material deflation and logistics playbook
- + Expand services and digital capabilities on current combined installed base
- GE onshore wind new product transition; manage Alstom backlog ... higher investment in product leadership
- ✓ Execute on Alstom integration ... delivery synergy commitment

Positioned to deliver high returns



Energy Management



ex-BD

Revenue

+

++

+

Op.
profit

++

++

++

'15E

'16F

Environment

- + Electrification space strong
- + Positive competitive dynamics
- + More renewables on grid
- Oil price pressure remains

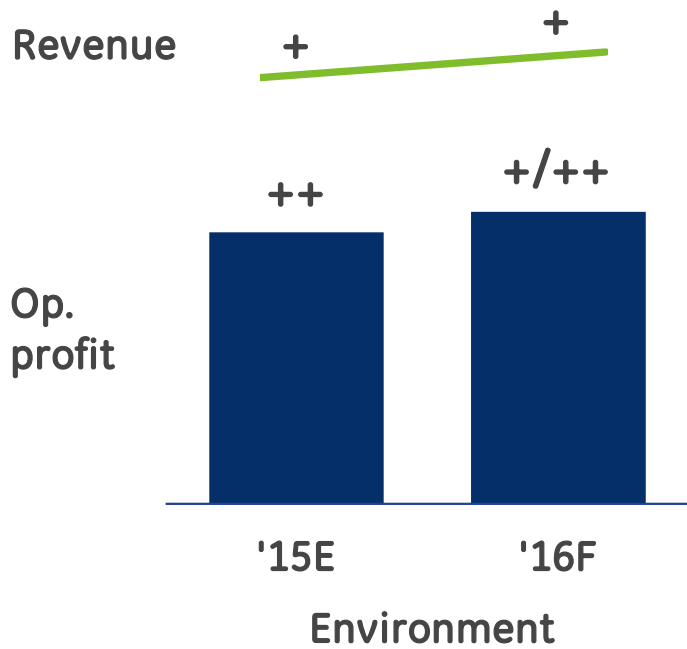
Operating dynamics

- + Focused investment to advance core products and drive cost out
- + Expanding the GE Store ... GE2GE / GE4GE
- + Grow Grid Solutions on combined GE/Alstom strengths ... grow EBoP, develop service model
- + Portfolio strength ... Renewables growth offsetting Oil & Gas and Marine cycles
- Excess capacity in industry ... China growth
- ✓ Execute on Alstom integration ... delivery synergy commitment

Business positioned for long-term growth & margin expansion



Aviation



- + ↓ fuel costs ... airline profitability ↑
- + Continued strength in passenger traffic
- = Moderating global trade (freight) growth
- Military spend is uncertain

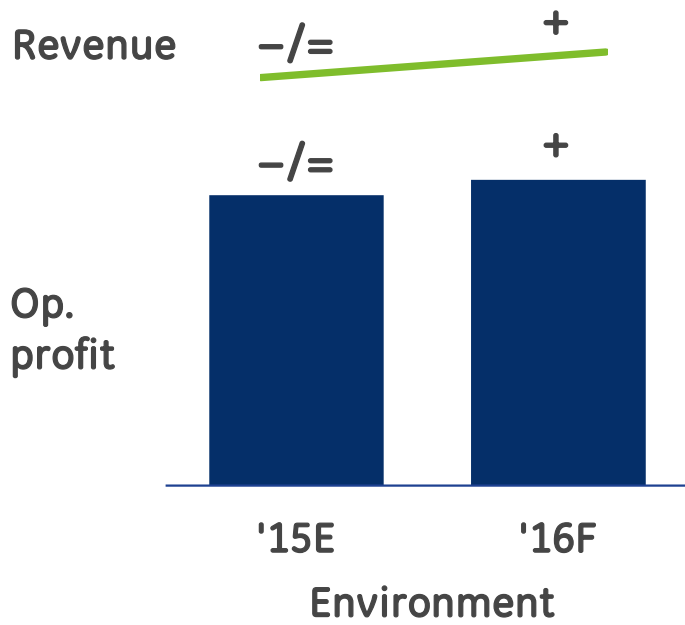
Operating dynamics

- + Winning with commercial portfolio ... record backlog
- + Investing in differentiated technologies ... Military and advanced turboprop development underway
- + Strong services backlog growth to ~\$110B ... digital capability fueling reinvestment & driving margins
- Continued Military unit volume declines ... excess war-ready inventories persist
- ✓ Engineering and supply chain execution critical ... positioned for new product volume

Delivering through commercial product transition



Healthcare



- + Developed markets continue to grow
- Emerging markets pressured
- FX headwind
- + Customers pursuing productivity without compromising quality
- + Bio-pharma market expanding

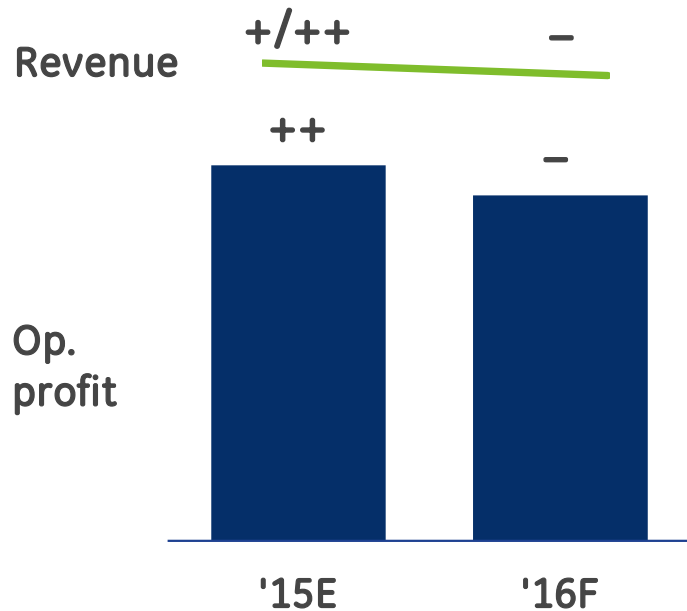
Operating dynamics

- + Life Sciences expansion continues, led by bioprocess growth ... enterprise solutions ... superior competitive position
- + IT/cloud-based solutions key tools driving customer productivity ... services & partners
- + Growth of value segment and integrated analytics to enable precision medicine
- Funding for global healthcare markets is uncertain
- ✓ Margin expansion through investment in product cost out & continued SG&A execution

Business positioned for long-term growth



Transportation



Environment

- + Opportunity for global expansion
- Parked cars ↑ in North America
- Continued commodity price pressure

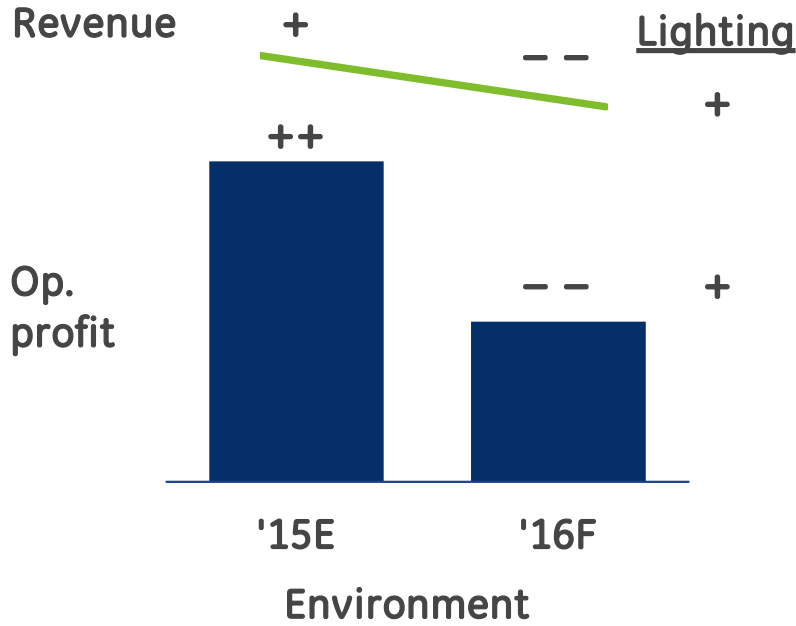
Operating dynamics

- + Continuing to drive technology as a differentiator ... T4 locomotive performing above expectations
- + Winning globally ... significant 2015 orders with international customers ... record backlog
- + Significant cost/restructuring actions to partially offset volume headwind
- + Driving digital expansion ... targeting double-digit growth
- Loco volume projected ↓ ... record '15 deliveries, return to normal levels
- Mining/oil & gas markets remain flat/down ... global commodity weakness expected to continue
- ✓ Must manage through cycles

Team thoughtfully navigating dynamic environment

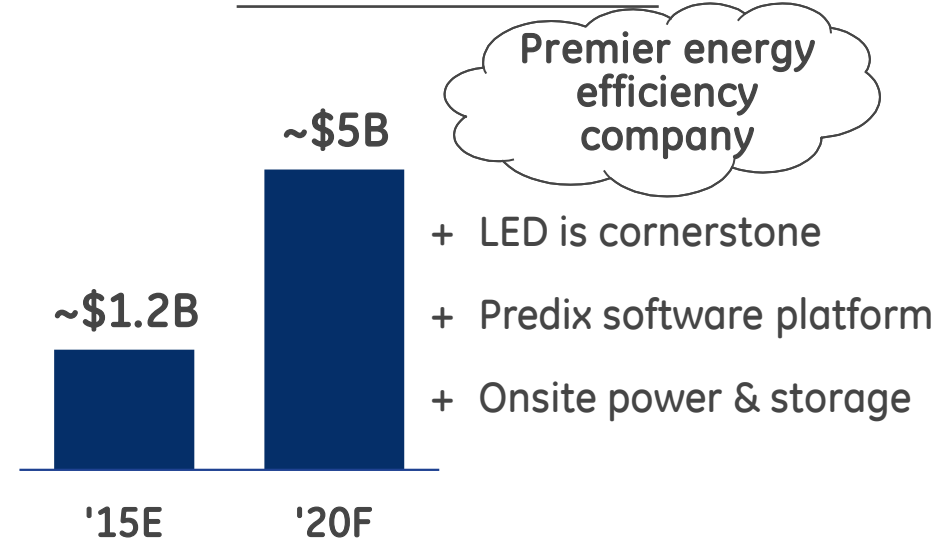


Appliances & Lighting



- + Appliances industry remains robust in increasingly competitive environment
- + LED market momentum
- Traditional lighting continues decline

current
powered by GE

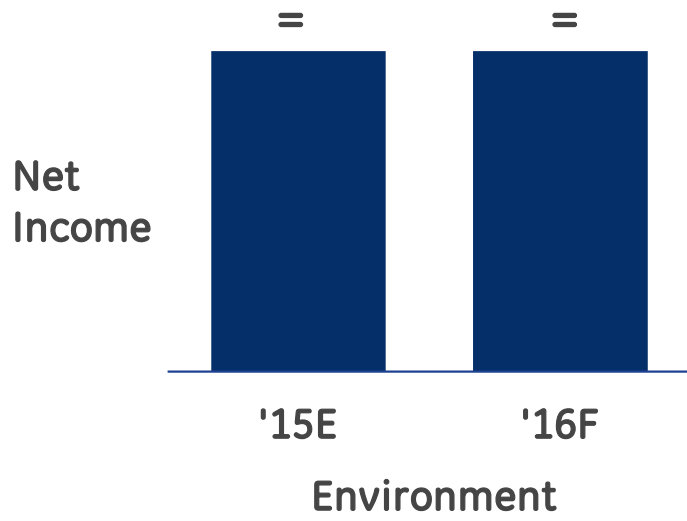


- + Launch customers: Walgreens, HCA, JP Morgan, Simon, Hilton, cities
- + Advanced analytics programs for C&I customers
- + Financing and distribution are key advantages

Continuing to grow Appliances and LED businesses while investing in Current



GE Capital Verticals



- + Global interest rates to remain near historic lows despite likely hikes in U.S.
- + Commercial air traffic remains strong
- Continued pressure from O&G prices

Operating dynamics

- ✓ Strong Verticals ... focused on supporting Industrial business
- ✓ Aviation portfolio well positioned ... zero delinquencies, no AOG, young fleet
- ✓ EFS managing through O&G life cycle ... strong operational rigor and diversified portfolio
- ✓ Launched Industrial Finance to enhance GE Store and customer value proposition

Stable earnings profile ... focused on enhancing the GE Store

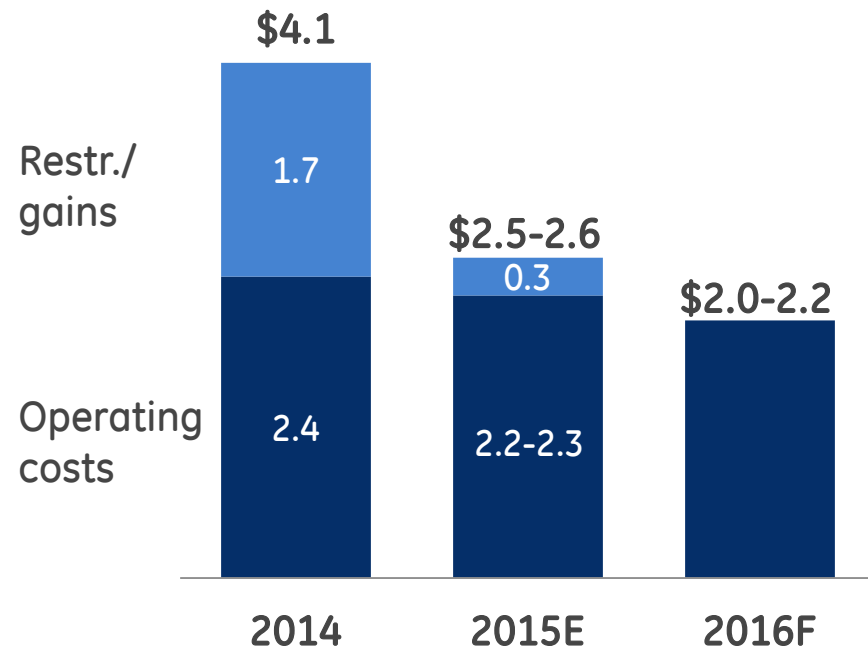


Corporate

(\$ in billions)

Corporate operating costs

(excluding non-operating pension)



2016 Corporate dynamics

- + Continued reduction in operating costs ... ~\$0.2B from staff, growth, & small benefit from pension costs
- + Growth investments focused on GE Digital expansion
- + Efficiency & productivity in shared services
- + Expect gains and restructuring & other charges to be balanced

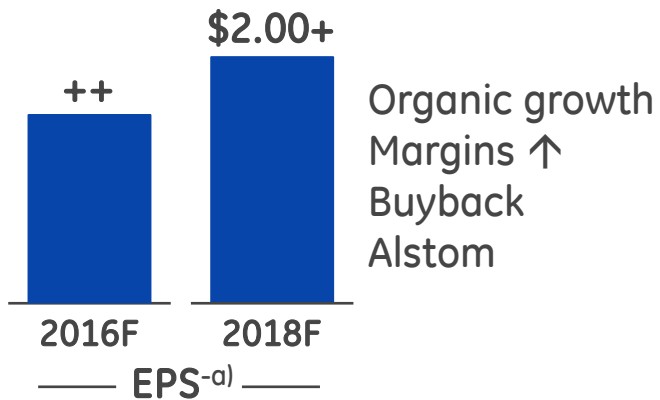
Continuing to reduce Corporate costs ... <2% of revenue in 2016



Wrap-up

Why GE

Financial value



+

\$165B

Allocated to highest return:

Organic growth &
buyback & dividends

\$30B "to be allocated"

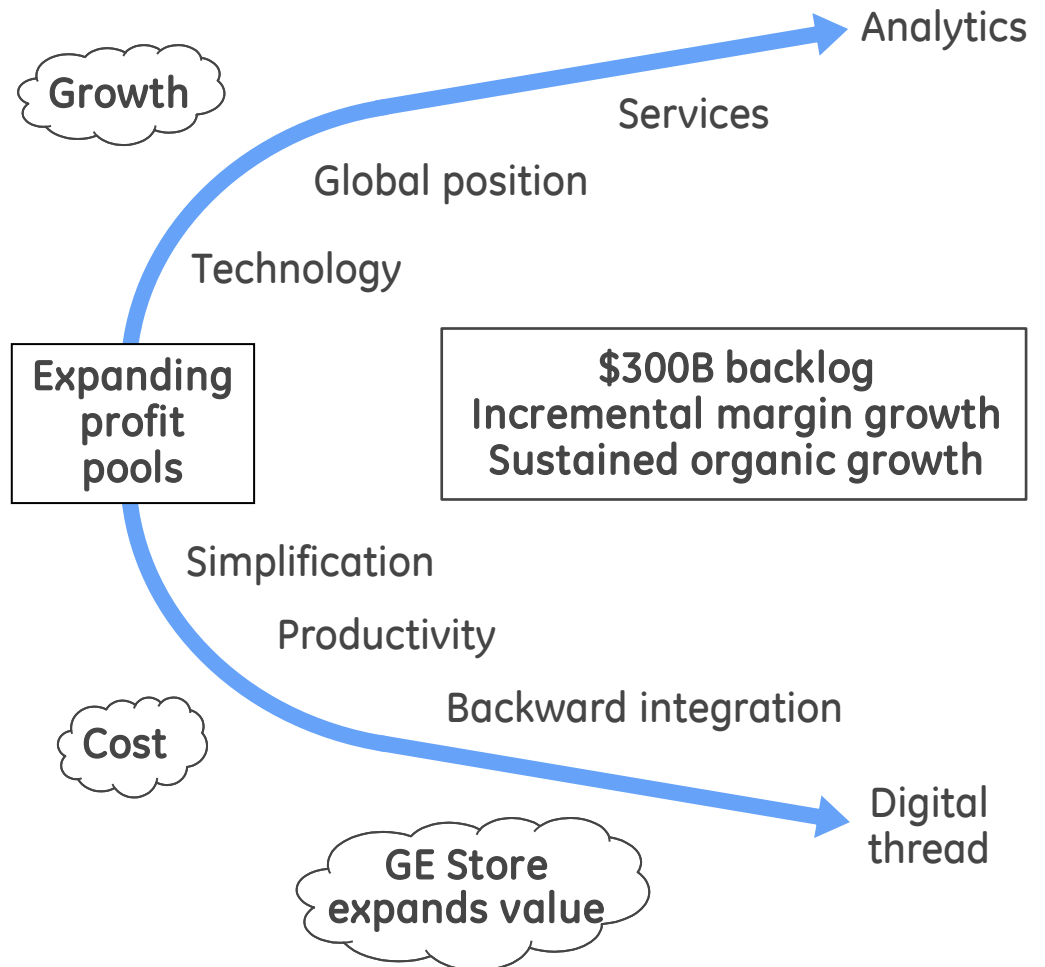
Capital available
'15E-'18F

(w/ leverage opportunity)

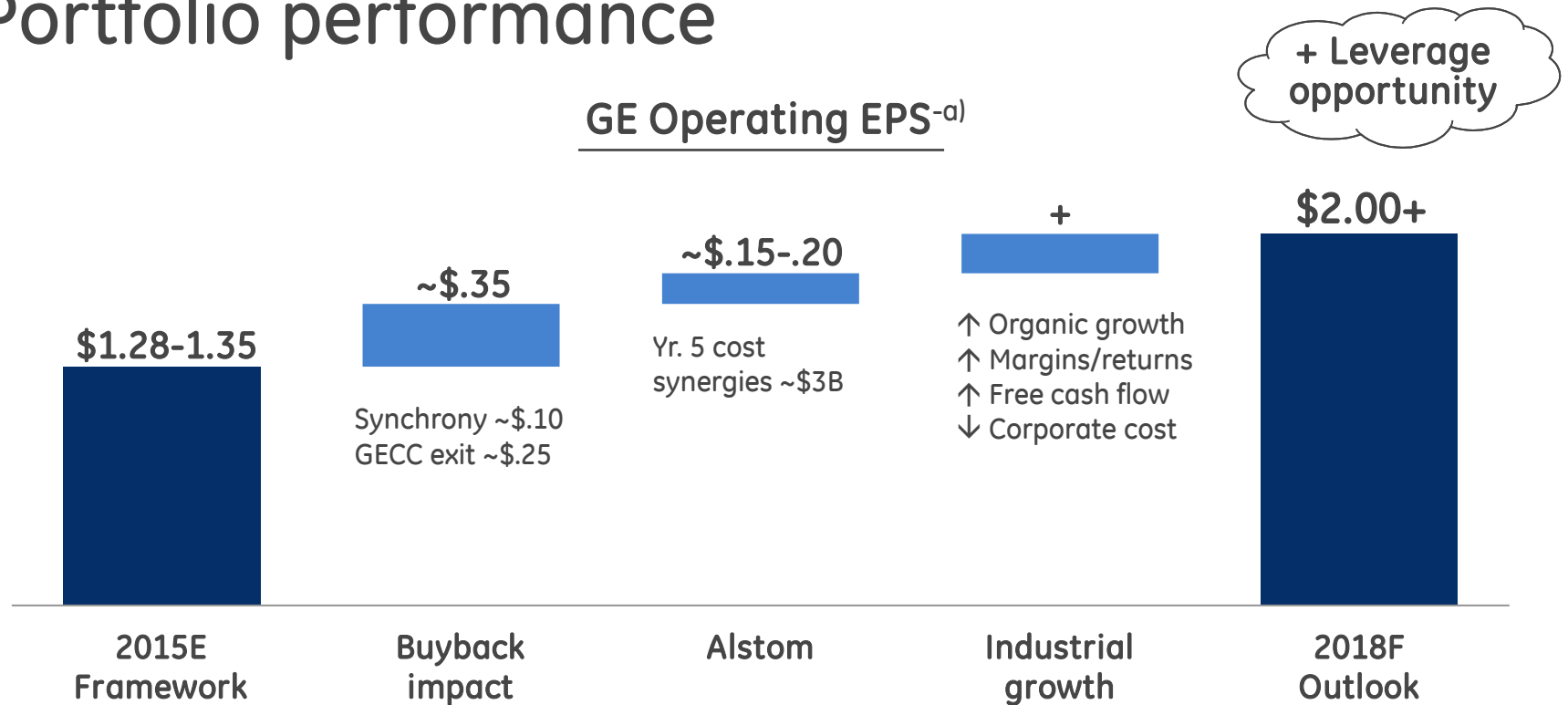


(a- Industrial + Verticals operating EPS)

Strategic value



Portfolio performance



2016-2018 long-term incentive plan

- ✓ Cumulative EPS tied to execution
- ✓ World-class margins + returns
- ✓ Cash generated & returned



GE culture + investors

- ✓ Portfolio stability is valuable ... we know exactly what we must do + are paid to do so
- ✓ A world-class Industrial requires balance ... all the pieces are in place at GE: Growth investments
Margin momentum
Cash to return
- ✓ Culture of simplification (a better company to work at) is also a better company to invest in ... leaner structure, smaller Corporate, collaborative GE Store, values speed & transparency
- ✓ A tested team ... every potential environment is better than 2008 in financial services ... understand contingency & risk ... thick-skinned
- ✓ We win in the market



