

BAKER HUGHES INC

Form 425

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Subject Company: Baker Hughes Incorporated

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Date: December 8, 2016

The following presentation was made available to investors of General Electric Company and Baker Hughes Incorporated:

Baker Hughes, a GE Company Investor
Update
December 8, 2016

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Agenda and Speakers

New Baker Hughes

BHI Deal Rationale

Creating Customer Value + Productivity

Leadership

-Commercial Innovation

-Digital Transformation

-Technology Leadership

-Optimizing Operations

Integration Update

Summary

Q&A

Lorenzo Simonelli

Martin Craighead

Maria Borrás/Derek Mathieson/Rod

Christie

Matthias Heilmann

Art Soucy/Kishore Sundararajan

Jody Markopoulos

UwemUkpong

Lorenzo Simonelli

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Baker Hughes, a GE Company
Lorenzo Simonelli

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What We Like About the Deal

Fullstreamtechnology provider ... industry-unique portfolio
Combining strengths ... technology, services, global capability
2x scale ... better ability to influence customer outcomes
GE Digital capability ... significant impact on oilfield
services productivity Blended leadership team ... deep
industry expertise Significant synergies + NewCobetter
positioned to navigate cycles

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Transaction Overview ... the "new" Baker Hughes
http://blogs.bakerhughes.com/reservoir/files/2011/03/Baker_Hughes_Logo.png
Shareholders
GE Oil & Gas
+ \$7.4B cash
Newco, Inc.
(NYSE listed)
http://blogs.bakerhughes.com/reservoir/files/2011/03/Baker_Hughes_Logo.png
\$17.50/sh
dividend
100%
\$7.4B cash
(operating partnership)
62.5%
37.5%
oMerge GE Oil & Gas with Baker Hughes ... GE owns
62.5%, new Baker Hughes owns 37.5% through partnership
structure
oPublicly traded company with separate investor base;
robust minority protections
oOwnership interest & voting aligned
oGE to contribute \$7.4B to fund cash dividend,
Baker Hughes distributes \$17.50 per share dividend to
shareholders
oBaker Hughes shareholders receive dividend & 37.5%
equity of stronger business
oBlended leadership team
o9 member Board ... 5 appointed by GE, 4 by Baker Hughes,
including M. Craighead

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Update Since 10/31 Transaction

Announcement

Broad support for transaction ... strong industrial logic
Customers see significant value ... Process, Technology,
Digital Provided supplemental financial information on GE
O&G Hosted GE O&G specific investor event at Minds +
Machines conference Integration teams kicked off and
executing ... cost + revenue synergies Regulatory process
underway

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Baker Hughes, a GE Company
~\$34B* revenue~70,000 employees>120 countries
Find and produce hydrocarbons
Transport hydrocarbons
Process & market products
Drilling & Evaluation
Completion & Production
LNG &
Pipeline Solutions
Refinery &
Petrochemical Solutions
* 2020F

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Creating the Productivity Leader in the
O&G Industry

Fullstreamportfolio

Productivity drivers

Better outcomes

Commercial Innovation

Digital Transformation

Technology Leadership

Operations Optimization

Cost per Barrel

ROI

Faster cycle times

Drilling & Evaluation

Completion & Production

LNG & Pipeline Solutions

Refinery & Petrochemical Solutions

Digital Solutions

= +

Deal Rationale
Martin Craighead

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Volatility is the New Normal

Volatility remains despite improved prospects for a recovery

Operators need stability, resilience, and predictability

Industry unsuccessful in achieving

return-on-invested-capital Recovery rates and well

efficiencies are sub-optimal

0

1,000

2,000

3,000

4,000

5,000

6,000

7,000

\$0

\$50

\$100

\$150

1980

1985

1990

1995

2000

2005

2010

2015

\$/barrel

Global Rig Count

WTI Spot Price (left)

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Customers Require More Productivity
Step change in productivity
new wave of innovation
unit cost of oil and gas production must be improved
Differentiation required + partners with broad offering
'16 YTD
'15
'14
'13
'08
(1)%
5%
6%
14%
ROCE -SelectedMajors& Independents
(1)%
\$99
\$108
\$100
\$54
\$45
Average
Brent \$/bbl
....
....
0.0
20.0
40.0
60.0
80.0
100.0
120.0
0
25
50
75
100
\$/bbl
2020 MBOE/D
~\$25/boe reduction in cost curve '14 vs.'16
Prices likely to recover with activity pick-up ...
structural reductions may persist
~90% of 2020 production breakeven @ ~\$60/boe
in 2016 vs ~\$85/boe in 2014
\$~25/boe reduction
Sources: Capital IQ, Rystad
'14
'16

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Creating Customer & Investor Value

Productivity leader for the industry

-Fullstreamportfolio

-Broad digital capability

-Extraordinary range of technology

2x scale, complementary capabilities, more diversified

BHI shareholders participate in substantial value creation

through synergies Positioned to weather short-term

volatility and participate in industry upcycle

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Commercial Innovation
Maria Borrás, Derek Mathieson, Rod
Christie

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Adding Value for our Customers
Increasing cross penetration in countries/customers
Relationships
Sales channels
Cross penetration
80 .120+
COUNTRIES REACHED
Technology, Supply Chain + Digital
Intelligent products
Reduced complexity
Modularity
Asset level solutions
0.1
FULLSTREAM CAPABILITY PROVIDER
Performance based commercial models
Bonus/Malus tied to KPI/targets
Availability guarantee
Advanced
commercial models
~40%
AVERAGE PROJECT CAPEX ONSHORE SCOPE FOR
NEWCO
Integrated, outcome based solutions
Risk/Reward management
Bonus/Malus tied to production
Financing
CAPEX .OPEX
+43%
AVERAGE PROJECT SIZE INCREASE OVER NEXT
5 YEARS
Sources: Company information, American Energy Partners,
GlobalData

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Global Coverage ... Market Channel Improvement
80 .120+ countries
Financing
Company to Country
Channel stability
Africa subcontinental -onshore
-Remote areas
-Limited infrastructure ... investment beyond E&P
-Leverage local presence
West Africa -offshore
-Stranded gas ... monetization during field development
-Ultra-deepwaterwells
-Connection to onshore power plants
Brazil -offshore
-Complex, multi-prospect discovery
-Early production system during reservoir evaluation
-Concept hinges on FPSO
NOC
Independent or Integrated
Majority in locations
with less developed infrastructure/supply
chains
2018
2019
2020
>2021
12
29
94
Total
Sources: Company information, GlobalData

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North America Unconventionals... Key to Supply
NAM unconventional is critical short-cycle supplier
By 2020, unconventional will account for ~70% of total US
Production
Complexity of well increasing
US + Canada ~80-90% of unconventional production in 2020
NAM Capex spend ~80% between '16-'18
Permian growth ~12% p.a.
Incremental Production & annual spend ... '16-'20
Sources: IHS, Rystad
Production
(Mboe/d)
Spend
(\$ in billions)
NAM Unconventionals
ROW Onshore
Selected shale plays ... annual spend until 2020
(\$ in billions)
Barnett
\$2
13
22
Permian
Eagleford
Woodford
Marcellus
Niobrara
Utica
Bakken
6
Haynesville
3
5
\$39
11
9
Incremental annual spend
2016
8
1
\$99
\$67

Unlocking Value in Unconventional
+
+
Cost / bblreductions '14 vs. 16
..Integrated ecosystem
..Digital productivity programs NPT
..Drilling automation: Predictive +
 Predix
Drilling
Completion & Production
oReservoir modeling expertise
oIndustry leading RSS (AutoTrakCurve)
oBHA optimization capability
oGE design + manufacturingRSS reliability &
performance
oAdvanced wellbore placement ... MEMS gyros & solid
state sensors
oPredictive analytics
oBest in class completion equipment
oLeading production chemicals franchise
oLeading ESP offering
oBrilliant Factoryproduct quality and .lead times
oDigital integration ... design optimization
oSensors + connectivity + Predix
Productivity for customers
..Advanced AL Systems + productivity
 tools
..Digital thread: reservoir to well construction to production
..Predictive analytics ... production optimization
Sources: IHS, Rystad
~\$80
~\$48
'14
'16
Service cost
High-grading
Learnings
Operations
~70%
of cost reductions have been cyclical, not structural
~70%of cost reductions have been cyclical, not structural

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Enabling Deepwater Productivity
Technology, Digital and Commercial
solutions

Example: W. Africa Offshore Project Spend

3%

25%

21%

9%

4%

11%

27%

Internal

Transportation, Logistics

Engineering

Topsides & Processing

Well Service

Subsea & SURF

Seismic

+

Baker Hughes 1-2-1 strategy redefining drilling productivity

and reliability in deepwater 5D modelling trees, BOP

reliability and evolving services models improving project

economics Digital twin and OPEX commercial models for

rotating machinery, and processing equipment

Well Construction

Midstream, LNG

+

+

+

Financing

LNG plant & liquefaction equipment, processing equipment,

pipeline services Innovative business models, risk sharing

Subsea

Production

Sources: Rystad, McKinsey

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Unlock Deepwater Opportunities with Better Productivity
oFocus on major projects across all deepwaterbasins
o11B BOE are marginal at +/- \$40/boe... ~1.9MMbbl/day peak
production potential
o~10% improvement in lifting cost from fullstreamproductivity
program could unlock ~\$200Baddressable
deepwateropportunity
Sources: IHS, Baker Hughes analysis

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Next Chapter in Capex & OpexProductivity
..Reliability centered maintenance
..Digital monitoring and diagnostics
..Incentives aligned with customers
..Lifecycle project view = .information connection
..Technology & phase optimization
...standardization = .ability to redeployassets

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Productivity from Contractual Service Agreements (CSA)
Contractual Service Agreements
GE Oil & Gas
Evolution
Today
Aircraft engines
Gas turbines
Locomotives
Diagnostic imaging
Gas turbines &
compressors
Blowout preventers
1995
<http://www.geaviation.com/company/img/genx.jpg>
https://cdn2.geready.com/sites/default/files/evolution_series_locomotive_0.jpg
http://www3.gehealthcare.com/~media/images/product/product-categories/nuclear-medicine/cardiac%20scanners/ventri/ventri-nm_table_options_premium_table.jpg
http://www.compressortech2.com/images/cache/cache_b/cache_5/cache_0/GELM6000-PF-resized-dbb1405b.jpeg?ver=1469206008&aspectratio=1.5317220543807
https://www.geoilandgas.com/sites/geog.dev.local/files/styles/product_hero/public/Ram_BOP_Hero.jpg?itok=c6UrEo86
20+ years track record
..>6,800 units
..1B+ hours in operation
Data rich
..Uptime
..Output
..Align with revenue model
Customer commitment
..Less cyclical
..Ability to drive productivity
GE benefit
Potential use cases
..Drilling
..Production outcomes
..From transaction to campaign-based

Digital Transformation
Matthias Heilmann

Digital Essential to Unlock Productivity
Productivity
oDigital Thread
oBrilliant manufacturing
Apps
oService transformation
oDigital enabled CSAs
Platforms
oPredixIndustrial Internet Operating
System
oDigital twin
oServices effectiveness & efficiencies
oDesign & Innovation acceleration
oBetter outcomes for customers
oOptimize GE/BHI equipment
oFullstreamdata analytics
oLeapfrog digital industrial transformation
oIndustrial strength, cyber security, scale
oPredixProcess + Production Optimization
New BHI for New BHI
New BHI for Customers
New BHI for Industry

Leapfrog Digital Transformation ... GE's Learnings

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PredixPowered Oil & Gas Offerings
Architecture
Apps
EQUIPMENT
DATA
Asset
Performance Management
Artificial
Intelligence +
Machine Learning
Production Optimization
Digital Twin
Sensors /
Edge
Cloud /
Security
Design & Build
Collaboration
Ecosystem
PRODUCTION DATA
LOGGING & EVALUATION DATA
DRILLING
DATA
WELL COMPLETION
DATA
RESERVOIR
DATA
Oil&GasExtensions
Oil&GasExtensions

Asset Performance Management for
Upstream

- 1)Excursion & anomaly management
- 2)Equipment monitoring & analysis
- 3)Process Surveillance
- 4)Knowledge repository ... best practice sharing

oSiloe business operations

oSafety concerns

oReactive to process upsets

PredixAPM + O&G extensions providing fleet-wide insights
for

real-time visibility of global plant operations Reduced
production deferrals

Contributing to 2-4% higher global operations efficiency

Improved safety, engineering productivity, data visibility
&

efficient decision making

Connected

Optimized

Insights

Largest PredixAPM deployment at scale covering systems +
platforms Machine learning + digital twin analytics Full
deployment ... cover 400-600 assets & asset classes,
deployed 20MM+ tags

Next Steps:

Expansion into reliability management + inspection

Events, alerts,

workflows

\$100MM+

bottom line impact per 1% efficiency improvement

New Baker Hughes Delivering Outcomes
that Matter
Underutilized
data sets
Digital
use cases
Desired customer outcomes
Opportunity
Equipment & Process Reliability
Automation & Remote Operations
Production Optimization
Field Service Enablement
Design-build-operate collaboration
Increase daily production
Reduce cost / barrel
Maximize ultimate recovery
Safety
Increase booked reserves
~2-5% operating efficiency
~20-30% cost op-ex reduction
~20-40% improvement in RoA
Reduced recordables
~8-15% increase in production
Source: GE analysis

The Value is in the Twin

- oVibration
- oFlow
- oPressure
- oTemperature
- oFuel Gas quality
- oWeather
- oService/cycle type
- oCombustion Mode

Learning Modes

Human Expertise

Fleet

Transfer

Similar

Machines

Simulations

Emerging Technology: Connected Twinso Optimalconfigurations

- o Failuremode identification
- o Optimalcontrols
- o New algorithms
- o New security and fraud mitigation techniques

Potential Use Cases

- o30k artificial lift systems
- oDrilling tools

Key Process Parameters

Fleet Monitoring Results

Gold Data

Physical + Digital Models

Learning

Analytics

Building Blocks:

3-15%

GE reliability improvement realized

Digital Capabilities Deliver Smarter Drilling Operations
= Decisions
..Real-time bottom hole assembly condition monitoring
..Faster response to operational upsets
..Machine learning, data analytics, unleash prediction
..New equipment mobilization, tool dispatch, optimal resource allocation
..Influence design & build
Benefits of Accelerating Digital Transformation
Reservoir Navigation System
Measurement While Drilling
Casing Liner System
Lift System
12-20%
average industry drilling NPT
20-30%
anticipated reliability improvement
~\$15B+
industry productivity opportunity
Sources: GE, BHI analyses

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Technology Leadership
Art Soucy, Kishore Sundararajan

Leading Technology Driving Value Across
Portfolio

- ..Rotary drilling tools leveraging GE expertise
- ..Advanced wellbore trajectory survey
- ..Digital integration of completion activity
- ..Advanced materials for harsh environment
- ..Remote monitoring
- ..Advanced analytics
- ..Integrated advanced sensors
- ..Life of well performance prediction
- ..Reservoir dynamics and characterization
- ..New sensing and modeling techniques
- ..Advanced Gas Turbine Technology
- ..Power Gen Equipment
- ..Highest power density
- ..Modular Solutions
- ..Steam Turbine Technology
- ..Centrifugal & RecipCompressors
- ..Flexible Mechanical Drive Options

Brilliant Drilling Systems

LNG/Pipeline

Smart Completions

Production optimization

Reservoir

Performance Evaluation

Refinery & Petrochemical

Service Quality

Agility

Cost per barrel

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Additive Manufacturing Advancing
Technology

Baker Hughes investment:

\$11 million

o5 machines

o32 downhole parts

o24 fewer parts

o20% cost reduction

oHigher reliability -less parts, no pressure plugs required

Manifold check valve

GE investment \$1.5B+

oThinking additively

o845 parts eliminated

lasertec-65-shape-h1-jpg

\$1B+ acquisitions

Advanced Turbo Prop

-a)

(a-subject to customary closing conditions

[https://pbs.twimg.com/profile_images/582823690519244800/](https://pbs.twimg.com/profile_images/582823690519244800/W7IxZcR6.png)

W7IxZcR6.png

GE93_HD7.png

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Electronics Driving Significant Efficiencies in Drilling
People related negative productivity by top 4 OFS companies
since 2014 Improved electronics, sensor and analytical
capability critical to success
1-2-1 Strategy
o1tool
o2people at the rig
o1year of experience
\$3B+
Sources: BHI analysis, public filings

Autonomous Drilling Systems now a
Possibility
oIslands of autonomy
oNo integrated system
oPockets of expertise
oSystems incompatible
oAutomated drilling systems
oNew business model
oImproved safety, lower risk for employees
Image result for drilling rig system schematic
2016
2020

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GE Store driving Technology Productivity
in Drilling

- + Battery technology .Downhole rechargeable batteries
- + GE Healthcare technology .Advanced sensor analytics (i.e. NMR, acoustics)
- + Silicon Carbide & hybrid electronics techn. .

New high temperature platform

- + Systems modeling & integration .Short BHA (From 65' to 30')
 - + Fluid mechanics science .Downhole power generation
 - + Material science .Corrosion & Wear resistant BHA
 - + Rotating machinery experience .Reliable Rotary Steerable Systems (RSS)
 - + Bit composite encapsulated sensors.Accurate well placement
-

Operations Optimization
Jody Markopoulos

Digital Thread improving Efficiencies at
BHI + GE
Sourcing data lake
On-the-move sourcing analytics
oEnabling 4%+external deflation
Engineering
digital thread.png
..NPI Cycle
..Product Cost
Commercial
digital thread.png
..Funnel size
..Convertibility
Supply Chain
digital thread.png
..Inventory turns
..Lead time
Services
digital thread.png
..Asset reliability
..FSE utilization
Installed base mining
Virtual validation
Subsea tree 3D model
oDefect reduction by 80%
digital thread.png
digital thread.png
digital thread.png
BentlyNevada vibration systems
o\$24MM upgrades

Supply Optimization ... Day 1 Focus
*2015 spend
~80% overlap on sourcing categories*
Mechanical12%
Electronics
7%
Logistics9%
Raw Material8%
Aux Equipment16%
Other20%
Indirect28%
Supply base rationalization
oDeeper, stronger supply base
oGlobal risk management
Procurement infrastructure
oVolume efficiency
oProcess standardization and automation
Value engineering
oShould cost
oProduct standardization
Landed cost optimization
oLogistics efficiency
oMake/buy trade-offs
Big Data
Analytics
20%
Cost
15%
Supplier
Proven track record ... Examples:
Focus Areas
Electronics Center of
Excellence

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Optimizing Fulfilment ... Service Delivery Excellence

Asia Pacific

Americas

Europe, Middle East & Africa

Operational excellence

Lean Culture

-2x throughput

Brilliant Factory

-. 25% lead time

Multi-modal facilities

Competitive scale

-.responsiveness

Advanced manufacturing

-50% part reduction

250

203

BHI locations *

GE locations

453

162

145

307

99

67

166

* excludes chemical storage

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Brilliant Factory: Talamona, Italy
25%
% Lead time
IMPROVEMENT
10+ Technologies
From 5 axis EDM to Laser Weld
Programming & Simulation
From machining (800+ tools)
to Laser scanning (700+ holes/unit)
image9.png
image10.png
image11.jpeg
Predictive approach
w/ data collection & software
5
Suppliers to
ONE
10
operations in
a SINGLE line
10
operations in
a SINGLE line
Potential use cases
~4,000/year Sub Surface Safety Valve
components
~1,100/year Drilling Motor Radial
Bearings

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Integration Status Update
UwemUkpong

Creating value

Cost

2018F

From revenue

2020F

~\$0.7

~\$1.6

Synergies

~\$1.2

~\$0.4

~\$0.6

~\$0.1

(EBITDA \$ in billions)

2020F EBITDA synergy benefits

+Revenue synergies

+Sourcing/procurement improvements

+Manufacturing, service footprint rationalization

+Process optimization

+SG&A consolidation

~\$0.4

~\$0.4

~\$0.2

~\$0.2

~\$0.4

Integration planning

- oJoint integration planning launched, led by Derek

Mathieson and Uwem Ukpung

- oAppointed integration planning team of 30 senior leaders from Baker Hughes and GE

- ..Combined hundreds of years in OFS and GE

- ..Mix of functions, regions and product/service lines

- ..Team planning sessions complete at GE's Crotonvillelearning center

- oJoint Baker Hughes/GE Steering Committee of senior executives

- oLeveraging prior integration experience from both companies

- oEmployee outreach and communications ongoing

- oRegulatory process underway

Focused on Customers and Value Creation
from Day 1
..Commitment to Health Safety and
Environment
..Customer focus and relationships
..Technology expertise and innovation
..Service culture
..Talent and development
Taking the best of both organizations
Targeted work programs
Strategy and operating model for NewCo
Integration and synergy capture planning

Summary
Lorenzo Simonelli

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Financial Overview

(\$ in billions)

Key metrics

Revenue

~\$32

~\$28

'15

'18F

2015 Adjusted EBITDA

'16E cost out

Synergies

-Cost

-From revenue

Lower volume / price

2018F Adjusted EBITDA

Restructuring / other charges

2018F EBITDA

~\$4.8

~1.3

~0.6

~0.1

~(1.4)

~\$5.5

~(0.3)

~\$5.2

Adjusted EBITDA-a)

\$4.8

~\$5.5

(a-EBITDA and Adjusted EBITDA are non-GAAP measures. See the notes to financial data included on page 52 for additional information.

Totals may not add due to use of rounded numbers.

Summary

..Unmatched fullstreamcapability
..Creating the productivity leader for the industry
..Digital capability will shape industry over next decade
..GE Store will be key advantage: Commercial + Technical
..Disciplined capital allocation: high-margin, high-return
portfolio
..Integration planning underway ... focused on customers +
value creation

Q & A

Disclaimers & Notes

Additional Information and Where to Find

It

In connection with the proposed transaction between GE and Baker Hughes Incorporated ("BHI"), Bear Newco, Inc. ("Newco") will prepare and file with the SEC a registration statement on Form S-4 that will include a combined proxy statement/prospectus of Newco and BHI (the "Combined Proxy Statement/Prospectus"). BHI and Newco will prepare and file the Combined Proxy Statement/Prospectus with the SEC, and BHI will mail the Combined Proxy Statement/Prospectus to its stockholders and file other documents regarding the proposed transaction with the SEC. This communication is not a substitute for any proxy statement, registration statement, proxy statement/prospectus or other documents BHI and/or Newco may file with the SEC in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ CAREFULLY AND IN THEIR ENTIRETY THE COMBINED PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE, ANY AMENDMENTS OR SUPPLEMENTS TO THE COMBINED PROXY STATEMENT/PROSPECTUS, AND OTHER DOCUMENTS FILED BY BHI OR NEWCO WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION, BECAUSE THESE DOCUMENTS WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders will be able to obtain free copies of the Combined Proxy Statement/Prospectus and other documents filed with the SEC by BHI and/or Newco through the website maintained by the SEC at www.sec.gov. Investors and security holders will also be able to obtain free copies of the documents filed by Newco and/or BHI with the SEC on BHI's website at <http://www.bakerhughes.com> or by contacting BHI Investor Relations at alondra.oteyza@bakerhughes.com or by calling +1-713-439-8822.

No Offer or Solicitation

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Participants in the Solicitation

GE, BHI, Newco, their respective directors, executive officers and other members of its management and employees may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of proxies in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the Combined Proxy Statement/Prospectus and other relevant materials when it is filed with the SEC. Information regarding the directors and executive officers of GE is contained in GE's proxy statement for its 2016 annual meeting of stockholders, filed with the SEC on March

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16, 2016, its Annual Report on Form 10-K for the year ended December 31, 2015, which was filed with the SEC on February 26, 2016, its Quarterly Report on Form 10-Q/A for the quarter ended September 30, 2016, which was filed with the SEC on November 9, 2016 and certain of its Current Reports filed on Form 8-K. Information regarding the directors and executive officers of BHI is contained in BHI's proxy statement for its 2016 annual meeting of stockholders, filed with the SEC on April 11, 2016, its Annual Report on Form 10-K/A for the year ended December 31, 2015, which was filed with the SEC on February 19, 2016, its Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 which was filed with the SEC on October 25, 2016 and certain of its Current Reports filed on Form 8-K. These documents can be obtained free of charge from the sources indicated above

Caution concerning forward-looking statements

This communication contains "forward-looking" statements as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements regarding the proposed transaction between GE and BHI. All statements, other than historical facts, including statements regarding the expected timing and structure of the proposed transaction; the ability of the parties to complete the proposed transaction considering the various closing conditions; the expected benefits of the proposed transaction such as improved operations, enhanced revenues and cash flow, synergies, growth potential, market profile, customers' business plans and financial strength; the competitive ability and position of the combined company following completion of the proposed transaction, including the projected impact on GE's earnings per share; the projected future financial performance of GE Oil & Gas, BHI

and Newco; oil and natural gas market conditions; costs and availability of resources; legal, economic and regulatory conditions; and any assumptions underlying any of the foregoing, are forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words "may," "will," "should," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "could," "project," "predict," "continue," "target" or other similar words or expressions.

Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) that one or more closing conditions to the transaction, including certain regulatory approvals, may not be satisfied or waived, on a timely basis or otherwise, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the proposed transaction, may require conditions, limitations or restrictions in connection with such approvals or that the required approval by the stockholders of BHI may not be obtained; (2) the risk that the proposed transaction may not be completed in the time frame expected by GE or BHI, or at all; (3) unexpected costs, charges or expenses resulting from the proposed transaction; (4) uncertainty of the expected financial performance of the combined company following completion of the proposed transaction; (5) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the proposed transaction or integrating the businesses of GE, BHI and Newco; (6) the ability of the combined company to implement its business strategy; (7) difficulties and

delays in achieving revenue and cost synergies of the combined company; (8) inability to retain and hire key personnel; (9) the occurrence of any event that could give rise to termination of the proposed transaction; (10) the risk that stockholder litigation in connection with the proposed transaction or other settlements or investigations may affect the timing or occurrence of the contemplated merger or result in significant costs of defense, indemnification and liability; (11) evolving legal, regulatory and tax regimes; (12) changes in general economic and/or industry specific conditions, including oil price changes; (13) actions by third parties, including government agencies; and (14) other risk factors as detailed from time to time in GE's and BHI's reports filed with the SEC, including GE's and BHI's annual report on Form 10-K, periodic quarterly reports on Form 10-Q, periodic current reports on Form 8-K and other documents filed with the SEC. The foregoing list of important factors is not exclusive. Any forward-looking statements speak only as of the date of this communication. Neither GE nor BHI undertakes any obligation to update any forward-looking statements, whether as a result of new information or development, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

Overall

oProforma financials for Baker Hughes, a GE Company reflect estimates of the combined performance of GE Oil & Gas and BHI. For GE Oil & Gas, the estimates are based on

internal performance measures as described below. For BHI, the estimates are based on BHI's reported earnings as described below. GE Oil & Gas oRevenue and Segment Profit represent reported amounts disclosed as industrial operating segment results within General Electric Company's annual and quarterly SEC filings, which are prepared in conformity with U.S. generally accepted accounting principles. Such information has been prepared solely for purposes of consolidation by GE, and not for stand-alone financial reporting purposes. oSegment revenues include revenues and other income related to the segment. Segment profit is determined based on internal performance measures used by the Chief Executive Officer (CEO) to assess the performance of each business in a given period. In connection with that assessment, the CEO may exclude matters such as charges for restructuring; rationalization and other similar expenses; acquisition costs and other related charges; technology and product development costs; certain gains and losses from acquisitions or dispositions; and litigation settlements or other charges, for which responsibility preceded the current management team. Intercompany transactions are reflected in Revenue and Segment Profit on the basis of GE policies and procedures.

oSegment profit excludes the portion of earnings or loss attributable to non-controlling interests of consolidated subsidiaries, and as such only includes the portion of earnings or loss attributable to our share of the consolidated earnings or loss of consolidated subsidiaries. Segment profit also excludes interest and other financial charges and income taxes. For purposes of this presentation, segment profit may also be referred to as EBIT. Certain GE corporate costs, such as shared services, employee benefits and information technology are allocated to our segments based on usage. A portion of the remaining corporate costs is allocated based on each segment's relative net cost of operations.

Baker Hughes

oRevenue and Adjusted EBITDA have been presented on a consistent basis for 2015 with BHI's reported earnings, including adjustments such as, but not limited to, impairment and restructuring charges, merger and related costs, inventory adjustments and litigation settlements. For more detail, refer to BHI's earnings release for the year ended December 31, 2015.